

**Internship Report**  
**On**  
**“Performance analysis of Commercial Bank”**

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Prepared for

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Prepared By

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## Letter of Transmittal

DATE: 08-10-2018

Rubaiyat Bin Arif

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Dhaka-1212

Subject: Submission of the report on "Performance analysis of Commercial Bank".

Respected Sir,

It is my great pleasure to submit the report on "Performance analysis of commercial bank" that you have assigned me.

It has been a great experience for me to prepare a report. I tried my level best to put meticulous efforts for the preparation of this report. Any shortcomings or flaw may arise as I am novice in this aspect.

I have tried to make each and every element relevant to my topic and discussed under the context of whatever I have learned from the course. It would be pleasure for me, if this report can serve its purposes.

Sincerely yours,

Satta Ranjan Das

ID: 111 141 446

BBA (Major in Finance)

United International University

## **Acknowledgement**

I am student of United International University. I am completing my internship in this trimester and I learn lots of things on this time like, understanding about banking sectors, Government influence in the banking sectors, different types of bank, analyze different types of financial article, comparison of private commercial bank with foreign bank understanding about Liquidity ratios, Long term solvency ratios, Turnover ratios, Profitability Ratios and Present status of Loan Defaults Culture in Bangladesh. Especially I learn that how to analyze bank performance and the current situations of the DBBL. Those are too much related with our everyday life and also it will helpful for our future life. Now I am going to submit the report on **“Overall Performance Analysis of Commercial Bank”**

**So I am obliged to my honourable faculty.**

Finally I am going to submit a report on a “Structure & Analyze the overall performance of Commercial Bank”.

## **Executive Summary**

Project report alone cannot make a student perfect in handling the real business situation; therefore, it is an opportunity for the students to know about the real life situation through this program. A report has to be built for the university and organization requirement. The topic of the report is "Performance Analysis of Commercial Bank". The main purpose of the report becomes very clear from the topic of the report. The report discusses about the banking situation of our country.

This report is broadly categorized in six different parts. In part one introduction, purpose, objective, scope, limitation and methodology of the study is discussed. The main objectives of the report are identifying the General Activities and their overall performance in the last few years. Part two narrates the banking profile including Bangladesh Bank, State-Owned Commercial Bank, Specialized Bank Private, Commercial Bank, Foreign Commercial Banks, Islamic Bank's history, their philosophy, strategy, activities and performances.

Part three forces on the Financial Literacy. It includes different types of article from different source which discusses about the banking sectors of our country. Such as we try to focus on the barrier, opportunities, growth, economic condition of our nation. This article is written by different famous expert people of our country like university teacher, economists and bankers.

Part four and five of the report discussed financial performance and financial statement. Financial performance analysis is the process of identifying the financial

strengths and weaknesses of the bank by properly analyzing the relationship within the items of profit and loss account and balance sheet. Financial performance analysis forecasting the bank's future growth and situation of the bank. Through the financial statement analysis we can easily understand the bank's position and performance. This analysis can be done by the owners, management, shareholders, and experts. Financial performance analysis can be done base on the many things. Here in this report I am doing financial performance analysis base on the ratio analysis. Such as Ratios Analysis, Liquidity ratios, Current Ratio, Quick ratio, Cash Ratio. That helps to analysis to find out actual position of the bank and also how better performances from before.

Part six of the report analyzes the Present status of Loan Defaults situation and Culture of Bangladesh. Non-Performing loan or Default loan classified in three categories there are sub-standard loan, doubtful loan and bad loan. Here I am discussing these category and show the present situation of these types of loan in our country.

Trend analysis is a technical analysis that forecast the future performance base on the present and past data. Trend analysis gives an idea about future base on the past performance. Here we work on the five years from 2012 to 2016 and predict change of non-performing loan for next two years 2017 and 2018.

**Part five of the report identifying some problem discussed some recommendation.**

**That help to bank perform better than before.**

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## **Introduction**

Economic antiquity shows that competition has started everywhere, even with the banking industry and its contribution towards the economy of Bangladesh. From practical knowledge, we will be able to know real life situations of the banking sectors of Bangladesh. Different types of bank perform in the banking sectors of our country. They work in the all over country and provide different types of service to the people.

Banking sectors has huge contribution to our countries economics. If Banking sectors face any volatility then our countries economy will face volatility. Here in this report I will analysis the performance of the banking sectors basis on the five privet commercial bank of our country. There are Dhaka Bank, Brac Bank, Dutch Bangla Bank, Bank Asia and IFIC Bank.

### **Objective of the Study**

The objective of this report is to complete the partial fulfillment requirement of the BBA program by gathering practical knowledge regarding retail banking, credit management and performance evaluation of the Bank. This practical orientation gives me a chance to co-ordinate my theoretical knowledge with the practical experience.

### **Objective**

#### **Part#01**

- I. To assess the present situation of our banking sector.
- II. To assess the present situation of Current and long-term ratio in our banking

sector.

- III. To identify the present Earning ratio of our banking sector.
- IV. To assess the present situation of non-performing loans in our banking sector.
- V. To show the trend of the “loan default problem” in Bangladesh.
- VI. To examine the loan default status of commercial banks.

## **Part#02**

The Project study is undertaken to analyze and understand the financial literacy of general people.

### **Methodology of Study:**

The research methodology of the study has been enumerated below:

### **Sources of Data and Data Collection:**

Data has been collected from the various secondary sources like Annual report, research works of individuals, different publications, journal of different institutions, Bangladesh Bank Credit Risk Grading manual , Bangladesh Bank annual report etc.

### **Limitations of the study:**

The limitations of the study are

- 1. This study did not cover primary and unpublished data.
- 2. The major problem faced while conducting the research was unavailability of relevant data.
- 3. Time constraint.

## **Overview of Banking Industry**

A bank is a financial institution whose main aim to bring money from the surplus unit to

the deficit unit and earn profit. No doubt that it plays a vital role in forecasting the economic and social condition of a country. The banking industry in Bangladesh is mixed one comprising nationalized, private, and foreign commercial banks. After the independence, banking industry in Bangladesh started its journey with Bangladesh Bank, 4 nationalized commercialized banks, 2 State owned specialized banks and 3 Foreign Banks. In the 1980's banking industry achieved significant expansion with the entrance of private banks. Overview of Banking Sector in Bangladesh.

### **Bangladesh Bank**

Bangladesh Bank, the central bank and main regulatory body for the country's financial system and monetary system was established in 16th December, 1971. Now, it has nine offices located at different division of the country among which two in Capital city namely Motijheel and Sadarghat, two in Rajshahi division namely Bogra and Rajshahi and one is each of the rest five divisions namely Chittagong, Khulna, Sylhet, Barisal and Rangpur. Bangladesh bank is responsible for all types of task (like credit policies, supervise and monitor banks, Currency issuance, Payment system arrangement, Bankers to the Government, prevent money laundering, Preserve all credit information) of banking sectors.

### **State-Owned Commercial Bank**

Bangladesh has four state commercial bank. These bank are run by the government. These bank start of doing business after the liberation war. Their main purpose is to provide different types of the service to the people. These four state owned bank are Janata Bank Ltd, Sonali Bank Ltd, Rupali Bank Ltd and Agrani Bank Ltd.

### **Specialized Bank**

After independent we have two specialized bank in our country. There are Bangladesh Krishi Bank and Bangladesh Shilpa Bank. Bangladesh Krishi Bank divided in two part one is Rajshahi Krishi Unnayan Bank (RAKUB) for Rajshahi division and another is Bangladesh Krishi bank for other part of Bangladesh in 1987. Bank of Small Industries and Commerce Bangladesh Ltd. (BASIC) was established as private bank for provide support to the small and medium entrepreneurship in 1988. Government of Bangladesh

took the control of BASIC Bank in 1993 and declared it as a specialized bank. . Bangladesh Shilpa Bank was merged with Bangladesh Shilpa Rin Sangsta (BSRS) in 2010.

### **Private Commercial Bank**

Local private commercial bank dominating the banking sectors of Bangladesh in this present time. More than fifty percent of total assets and deposit is control by the private bank. Bangladesh's PCBs have quickly occupy market share at the expense of the state-owned

commercial banks (SCB) and presently grasp more than 59 percent of total deposits whereas it is only 28 percent for the SCBs and PCBs assets coverage is 58% whereas it is only 29% in SCBs. In this present time more than thirty private commercial bank doing their operation in our country. Some of well-known private commercial bank are Bank Asia Limited, BRAC Bank Limited, Dhaka Bank Limited, Dutch-Bangla Bank Limited

### **Foreign Commercial Banks**

We have nine foreign commercial banks in our country in this time. Foreign Commercial Banks suffered for lack of wide spread branch network. Their operation is basically limited to capital city and some other municipal city corporation area. They mainly give focus to the industry sectors. They are not so much interest to the mass service to the general people. Their main earning source is loan to different types of industry, letter of credit (LC) etc.

### **Islamic banking in Bangladesh:**

Bangladesh has eight Islamic banks, while several non-Islamic banks offer Islamic-banking services alongside their normal operations. As of 2017, Islamic banking, led by Islamic Bank Bangladesh Ltd, controls 20% of deposits in Bangladesh. Bangladesh operates the world's biggest Islamic microfinance scheme. According to Bangladeshi government polling, Islamic banking has an overall approval rating of 84% among the country's population.

## Literacy review

According to the (ASA University Review, Vol. 7 No. 1, January–June, 2013 Performance Evaluation of the Banking Sector in Bangladesh: A Comparative Analysis) Bangladesh follow mixed banking process. We are seeing in our country different types of bank (like state ran, private, foreign commercial bank) doing work side by side. From the last decades presser on our banking sectors increase from both domestic and abroad for make it profitable. At the same time according to the research ( 9 ASA University Review, Vol. 7 No. 1, January–June, 2013 Study on Private Commercial Banks in Bangladesh Mihir Kumar Roy\* Sazzad Hossain Khan\*\*) we are seeing domestic commercial bank of Bangladesh are far behind of foreign commercial bank. banking industry of Bangladesh has become an attractive ground for both domestic and foreign investors to take part. There has competition between the domestic and foreign banks. This topic focuses on the performance of banking industry in Bangladesh.

According to the (ASA University Review, Vol. 7 No. 1, January–June, 2013 Performance Evaluation of the Banking Sector in Bangladesh: A Comparative Analysis) Bangladesh Bank measure performance of the banking sectors through the use of CAMEL frame work. Under CAMEL frame work involves analysis and evaluation of the five important element of banking operations. There are capital adequacy (c), asset quality (A), management quality (M), earning ability (E) and liquidity (L). Here we show two type of bank performance “domestic private commercial banks (PCBs), and foreign commercial banks (FCBs)".Researcher analysis the bank’s eight year performance in through the CAMEL process.

- **Capital adequacy (c):**

Capital adequacy refers of the financial strength of a bank, usually express as a ratio of its shareholders fund to total assets. Capital adequacy focuses on the total position of bank’s capital and the protection of depositors and other creditors from the potential shocks of losses that a bank might incur.

Researcher found that every year from 2004 to 2011 capital adequacy of foreign

commercial bank is higher from the domestic private commercial bank. Which refers the performance of foreign commercial bank is better from the domestic private commercial bank.

- **Asset Quality (A)**

Asset quality is an important measure of the strength of banks. The most important indicator of bank asset quality in the loan portfolio is the ratio of gross non-performing loans (NPLs) to total loans.

Researcher get that every year from 2004 to 2011 non-performing loan ratio of foreign commercial bank is lower from the domestic private commercial bank. In 2010 non-performing loan of private commercial bank was 3.2 percent and at the same time foreign commercial bank non-performing loan was 3.0 percent which is lower than the private commercial bank. Which refers the performance of foreign commercial bank performance is better from the domestic private commercial bank.

- **Management Quality (M)**

The capacity/efficiency of the management of a bank can be measured with the help of certain ratios. A good and expert management is very important for the strength and continuous growth of the financial institution. We cannot make any conclusion about management base on the quantity rather we should make comment base on the quality of the management. Management must need some experience about income, expenses, interest rate, policy making then it became a sound management. We can see the member of foreign bank management is more knowledgeable, expert compare with the member of the domestic private commercial bank.

- **Earnings Ability (E)**

There are various indicators of earning and profitability, but most representative and widely used indicator is Return on Assets (ROA), which is supplemented by Return on Equity (ROE).

Researcher get that every year from 2004 to 2011 return on assets (ROA) of foreign commercial bank is higher from the domestic private commercial bank. Return on

assets of private commercial bank was 1.6 percent and foreign commercial bank was 3.2 percent in 2011. Which refers the performance of foreign commercial bank performance is better from the domestic private commercial bank.

### **Return on equity**

Researchers identify that every year from 2004 to 2011 return on equity (ROE) of foreign commercial bank is higher from the domestic private commercial bank. Which refers the performance of foreign commercial bank performance is better from the domestic private commercial bank. At the same time it attract people for invest those bank.

- **Liquidity (L)**

Researcher found that every year from 2004 to 2011 liquid assets of foreign commercial bank is higher from the domestic private commercial bank. Most of the time foreign commercial bank hold liquid assets 1.5 times of private commercial bank of our country. Which refers foreign bank can easily make transaction with customer compare with domestic private commercial bank and they won't face any presser for pay liquid assets like cash to their and client.

According (ASA University Review, Vol. 7 No. 1, January–June, 2013 Study on Private Commercial Banks in Bangladesh Mihir Kumar Roy\* Sazzad Hossain Khan\*\*) this research domestic commercial bank of Bangladesh are far behind of foreign commercial bank in many area. The sample of this research is the clients of taken ten renowned private commercial private bank of Dhaka city during the data collection period. It covers all clients of the bank who deposited and withdrew cash on a regular basis in a particular time. The sample size is 80 in this research. For collecting data researcher distributed questionnaires among the clients. After collecting data, analyzing data they make some hypothesis. There are

- **Hypothesis 1**

There is a significant relationship between banks overall service quality and bank reputation in the context of banking industry of Bangladesh.

The result of correlation analysis depicts that banks overall service quality is positively and significantly correlated with bank reputation ( $r = 0.809$ ,  $p < .01$ ). It is obvious that a positive correlation exist between service quality and reputation because if people get best service from the bank he will recommend that bank to others thus reputation enhances. Foreign commercial bank try to maintain international standard for provide service to the customer. So customer feel more attract to the foreign commercial bank compare with domestic commercial bank. Thus, the result of correlation analysis provided support for hypothesis 1.

- **Hypothesis 2**

There is a significant relationship between overall product quality and bank reputation in the context of banking industry of Bangladesh.

The result of correlation analysis depicts that banks overall product quality is positively and strongly correlated with bank reputation ( $r = 0.742$ ,  $p < .01$ ). Foreign commercial bank product quality and reputation is worldwide. That's why people can trust and believe foreign commercial bank more compare with domestic private commercial bank. Thus, the result of correlation analysis provided support for hypothesis 2.

- **Hypothesis 3**

There is a significant relationship between corporate social performance and bank reputation in the context of banking industry of Bangladesh.

The result of correlation analysis depicts that corporate social performance is positively and weakly correlated with bank reputation ( $r = 0.362$ ,  $p < .01$ ). Because social performance indicates social responsibility and firms contribution to social welfare that makes a good perception among clients. Foreign commercial bank spends more money compare with domestic private commercial bank for corporate social responsibility in the worldwide. It creates a positive image in the peoples mind. Thus, the result of

correlation analysis provided support for hypothesis 3.

After the analysis of these two reports we can say the performance of foreign commercial bank is better compare domestic private commercial bank of our country. Here in this report I am also focusing to the performance analysis of domestic private commercial bank basis on the ratio analysis of some domestic private commercial bank of our country.

## **Financial Performance Analysis**

Financial performance analysis is the process of identifying the financial strengths and weaknesses of the bank by properly analyzing the relationship within the items of profit and loss account and balance sheet. Financial performance analysis forecasting the bank's future growth and situation of the bank. Through the financial statement analysis we can easily understand the bank's position and performance. This analysis can be done by the owners, management, shareholders, and experts. Financial performance analysis can be done base on the many things. Here in this report I am doing financial performance analysis base on the ratio analysis.

### **Ratios Analysis**

Ratio analysis is the way through which we can find out the financial condition of the organization from the different angle. Here I have done more than 30 ratios those are important to find out the organization financial condition. I analyze the ratios from five big sectors those are liquidity ratios, long term solvency ratios, turnover ratios, profitability ratios and market value ratios.

For my ratios analysis I selected "Dhaka Bank, Brac Bank, Dutch Bangla Bank and have

taken their financial data. I took three years data for my better analysis and here I show the data for 3 years and discuss about the findings that in which position “Dhaka Bank, Brac Bank, Dutch Bangla Bank” is now and what are their future prospects.

## Liquidity ratios

Liquidity ratios are most useful ratio when they are used in comparative form. This analysis may be occurred internally or externally. Liquidity ratios identify a company's capacity to pay debt obligations and its margin of safety through the calculation of metrics including the current ratio, quick ratio and operating cash flow ratio. Current liabilities are measured for identifying those liquid assets has the capacity to pay short terms debt in any emergency situation. liquidity ratios mostly use for analyzing Bankruptcy and mortgage originators to evaluate going concern issues.

Liquidity ratios are some tools through which we can measure the cash conditions of the organization. Here we are focusing some tools of liquidity ratio and we measure it's liquidate condition of “Dhaka Bank, BRAC Bank, Dutch Bangla Bank, Bank Asia, IFIC Bank”. Here we show some ratio and it's formula and trend of the positions and discussed about it. Like-

Ratio	Formula	Definition
Current ratio	$C.A / C.L$	The current ratio is a liquidity ratio that measures a company's ability to pay short-term and long-term obligations and debt
Quick ratio	$(C.A - Inventory) / C.L$	Quick ratio identify the company's ability to meet its short-term obligations and loan with its most liquid assets.
Cash ratio	Cash/Current liability	Cash ratio show the ratio of a company's total <u>cash and cash equivalent</u> s to its <u>current liabilities</u> .
Net	Current Assets -	Net working capital show the difference between a

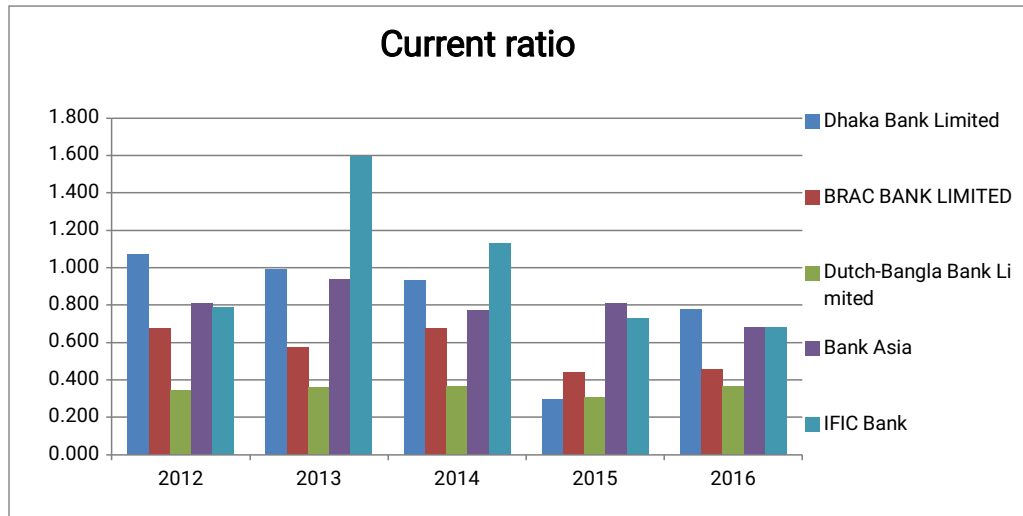
Working Capital	Current Liabilities	company's <u>current assets</u> and <u>current liabilities</u> .
Borrowed funds to total assets	(short term debt + long term debt)/total assets	Borrowed funds to total assets refers the total amount of debt relative to assets
Core deposit to total assets	fixed deposit/total assets	Core deposits refers the <u>deposits</u> that form a stable source of funds for a lending bank
Loans to deposits	Total loan/Total deposit	Loan to deposit ratio refers the bank's total loan to its deposits for a specific period.

- Current Ratio

The current ratio is a liquidity ratio that measures a company's ability to pay short-term and long-term obligations and debt. To gauge this ability, the current ratio considers the current total assets of a company (both liquid and illiquid) relative to that company's current total liabilities. Current ratio is calculated by **[Current assets / Current liabilities]**. Current ratio condition of Dhaka Bank, Brac Bank, Dutch Bangla Bank, Bank Asia, IFIC bank are given below -

Current ratio					
Years	2012	2013	2014	2015	2016
Dhaka Bank	1.070	0.993	0.932	0.298	0.780
Brac Bank	0.679	0.576	0.676	0.441	0.457
Dutch Bangla Banks	0.342	0.362	0.364	0.306	0.367
Bank Asia	0.808	0.941	0.772	0.809	0.684

IFIC Bank	0.789	1.594	1.131	0.728	0.684
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From the above discussion we can say that current condition of Dhaka Bank, Brac Bank, Dutch Bangla Bank, Bank Asia, IFIC Bank is not good compare with previous year. Because we are seeing current ratio of these bank decrease every year from 2012 to 2016. It's mean current liabilities of these bank increase more compare with the current assets. That's means now bank are not capable to meet its short term liabilities against its short term assets.

- **Quick ratio**

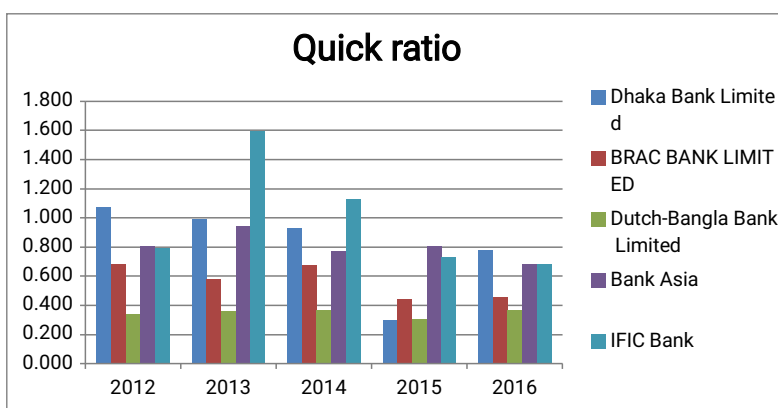
Quick ratio is an indicator of a company's short-term liquidity, and identify the company's ability to meet its short-term obligations and loan with its most liquid assets.

**Formula**

Quick ratio = (current assets – inventories) / current liabilities

Cash ratio
------------

Years	2012	2013	2014	2015	2016
Dhaka Bank	1.070	0.993	0.932	0.298	0.780
Brac Bank	0.679	0.576	0.676	0.441	0.457
Dutch Bangla Banks	0.342	0.362	0.364	0.306	0.367
Bank Asia	0.808	0.941	0.772	0.809	0.684
IFIC Bank	0.789	1.594	1.131	0.728	0.684



We are seeing that quick ratio of Dhaka bank and IFIC Bank is all time more comparing with the Brac Bank, Dutch Bangla Bank and Bank Asia. If quick ratio is one then it's means that bank is able to meet it's current liability by the current assets. If the quick ratio is less than one then it refers that bank are not able to meet its current liabilities by the current assets which is happening for the Brac Bank, Dutch Bangla Bank and bank Asia. At the same time we are seeing that Dhaka Bank and IFIC Bank's quick ratio is sometimes more than one that's mean than bank able to meet it's current liability by the current assets.

- **Cash Ratio**

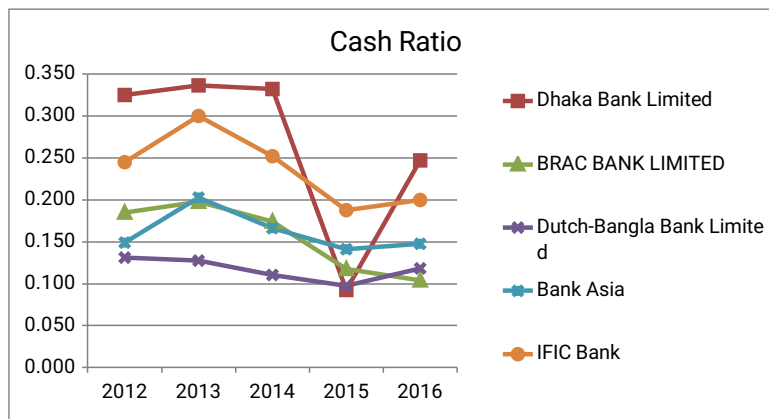
Cash ratio show the ratio of a company's total cash and cash equivalents to its current liabilities. This ratio calculates a firm's ability to repay its short term loan and this information is useful to creditors for decision making. Cash ratio shows the ability to

cover short term liability of the firms.

Formula,

$$\text{Cash ratio} = \text{Cash} / \text{Current liability}$$

Cash ratio					
Years	2012	2013	2014	2015	2016
Dhaka Bank	0.324	0.336	0.332	0.092	0.247
Brac Bank	0.184	0.197	0.173	0.117	0.104
Dutch Bangla Banks	0.131	0.127	0.110	0.097	0.118
Bank Asia	0.149	0.202	0.166	0.141	0.147
IFIC Bank	0.244	0.300	0.252	0.188	0.199



Cash ratio refers the ratio of a bank's total cash and cash equivalents to its current liabilities. If cash ratio is equal 1 then it's mean bank has same amount of current liability of it's cash and cash equivalents assets. But here we are seeing cash ratio of every bank is lower than 1 in every year. That's mean their current liability is more than their cash and cash equivalent assets. It is good from one point of view because may be

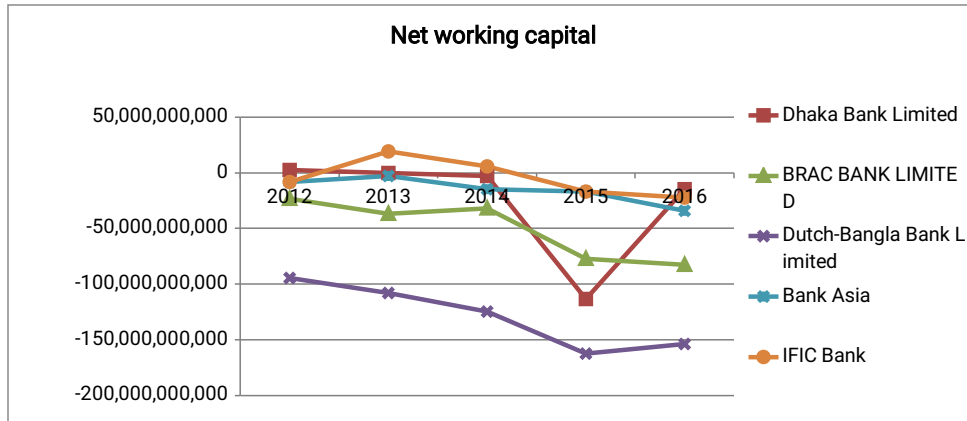
they invest more compare with previous time but at the same time it is risky for the banks because if in this position its creditors wants their money then bank will be unable to pay their money.

- Net working capital

Net working capital show the difference between a company's current assets (cash, accounts receivable, inventories, finished goods) and current liability like accounts payable.

Working Capital = Current Assets - Current Liabilities

Net working capital				
Years	2013	2014	2015	2016
Dhaka Bank	-234037596.0	-3253620101.0	-11385640052 4.0	-14901548184. 0
Brac Bank	-36,853,981,779	-31,960,870,081	-77,430,726,570	-82,925,618,94 1
Dutch Bangla Banks	-108,373,804,27 9	-125,195,100,86 6	-162,846,868,30 8	-154,275,512,2 68
Bank Asia	-2,848,794,174	-15,063,869,225	-16,905,561,446	-34,302,794,86 5
IFIC Bank	19,188,954,498	5,409,239,171	-17,171,477,937	-22,299,200,68 9



Net working capital is the difference between all current assets and current liabilities. Here we are seeing that net working capital of all bank is negative in every year. If Net working capital is positive then its mean current assets is more than current liabilities. At the same time if current assets is less than current liability then net working capital will be negative. It refers that bank may not have sufficient funds for pay its current liabilities and may be in danger of bankruptcy.

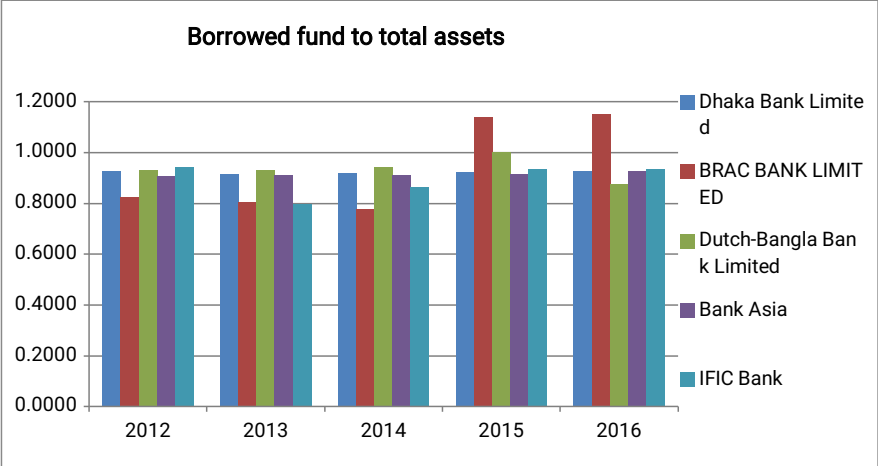
- **Borrowed funds to total assets**

Borrowed funds to total assets are a leverage ratio that identifies the total amount of debt relative to assets. The higher the ratio, the higher the degree of leverage and, consequently, financial risk. The total debt to total assets is a broad ratio that includes long-term and short-term debt as well as all tangible and intangible assets.

Borrowed funds to total assets = (short term debt + long term debt)/total assets

Borrowed funds to total assets					
Years	2012	2013	2014	2015	2016
Dhaka Bank	0.9268	0.9172	0.9188	0.9227	0.9266
Brac Bank	0.82418	0.80325	0.77933	1.13801	1.14955
Dutch Bangla Banks	0.93038	0.93186	0.94115	1.00113	0.87700

Bank Asia	0.90715	0.91181	0.90982	0.91715	0.92599
IFIC Bank	0.94316	0.79869	0.86586	0.93465	0.93484



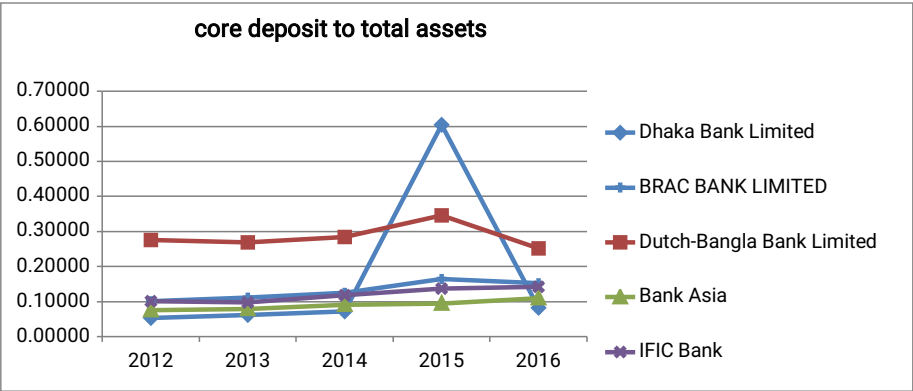
In the graph and table we are seeing every bank's borrowed fund to total assets ratio increase in 2016 comparing with 2012. Only Dutch Bangla Bank's borrowed fund to total assets ratio decrease compare with previous year. From the table and graph we can say that bank using debt more proportionately compare with previous year. Since they use more debt now so their financial risk also increase with the time.

- **Core deposit to total assets**

Core deposits refer the deposits that form a stable source of funds for a lending bank. Core deposits are made in a bank's natural demographic in the market such as predictable costs, and a measure of how loyal their customers to the bank. Core deposit is generally less vulnerable for change in short term interest rate from money market account and certificates of deposit. Core deposit is also known as time deposit and checking account.

Core deposit to total assets					
Years	2012	2013	2014	2015	2016

Dhaka Bank	0.05332	0.06101	0.07175	0.60366	0.08233
Brac Bank	0.10051	0.11175	0.12396	0.16416	0.15246
Dutch Bangla Banks	0.27500	0.26912	0.28381	0.34524	0.25039
Bank Asia	0.07515	0.07771	0.08988	0.09383	0.10905
IFIC Bank	0.10097	0.09736	0.11748	0.13736	0.14152



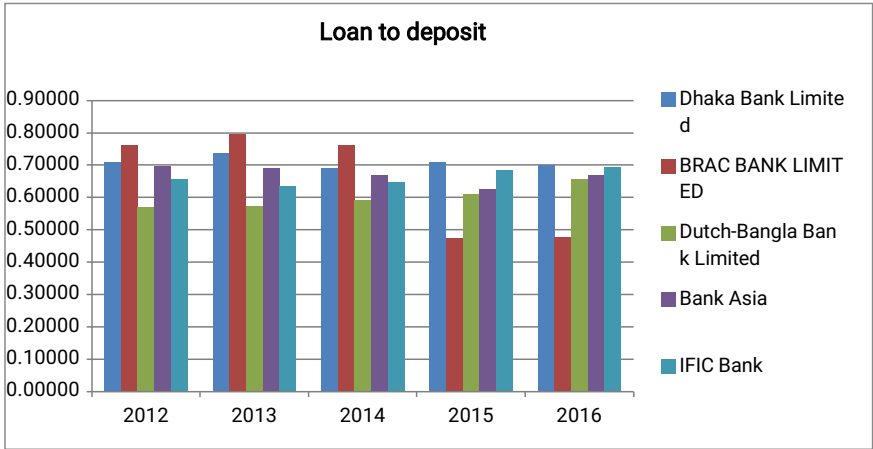
We get that core deposit of these five bank increases from 2012 to 2016. It is a sign of bank's good performance. Since core deposit to total assets increase so we can say that the loyal customer of the bank increase, bank popularity increase, reliability to people also increase.

- **Loans to deposits**

Loan to deposit ratio measure the bank's total loan to its deposits for a specific period. Loan to ratio show in the percentage most of the time. If the ratio is more than one that's mean bank are not able to meet its unforeseen fund requirements by the liquidity assets. At the same time if ratio is less than one then bank will be able to meet its fund requirement by it's assets.

Loan to deposit = Total loan/Total deposit

Core deposit to total assets					
Years	2012	2013	2014	2015	2016
Dhaka Bank	0.70874	0.73601	0.69056	0.70809	0.69922
Brac Bank	0.76329	0.79619	0.76215	0.47460	0.47660
Dutch Bangla Banks	0.56967	0.57472	0.59172	0.61191	0.65672
Bank Asia	0.69611	0.69169	0.66789	0.62616	0.66926
IFIC Bank	0.65585	0.63424	0.64877	0.68536	0.69485



In the table we are seeing that each bank's every year loan to deposit ratio is less than one its mean every banks deposit is higher than it's loan. It is a good thing from one point of view that is bank won't face pressure if depositor wants their money in any situation. But in another point of view we can say that bank has huge idle money and bank forgo huge opportunity of earning money and raising capital.

**Long term solvency ratios**

Solvency is the ability of a company to meet its long-term financial obligations. Solvency is essential to staying in business as it asserts a company's ability to continue operations into the foreseeable future. While a company also needs liquidity to thrive,

liquidity should not be confused with solvency. A company that is insolvent must often enter bankruptcy.

Here we are focusing some tools of long term solvency ratio and we measure it's solvency condition of "Dhaka Bank, Brac Bank, Dutch Bangla Bank, Bank asia, IFIC Bank". Here we show some ratio and it's formula and trend of the positions and discussed about it. Like-

Ratio	Formula	Definition
Total debt ratio	$(TA-TE)/TA$	Debt ratio refers the extent of a company's leverage.
Long term debt ratio	Long term debt / (long term debt - total equity)	Long Term Debt to Total Asset Ratio show the financial position of the company and it's ability to meet all its financial requirements.
Equity Ratio	Total Equity ÷ Total Assets	Equity Ratio measures the proportion of the total assets that are financed by stockholders, as opposed to creditors

- **Total debt ratio**

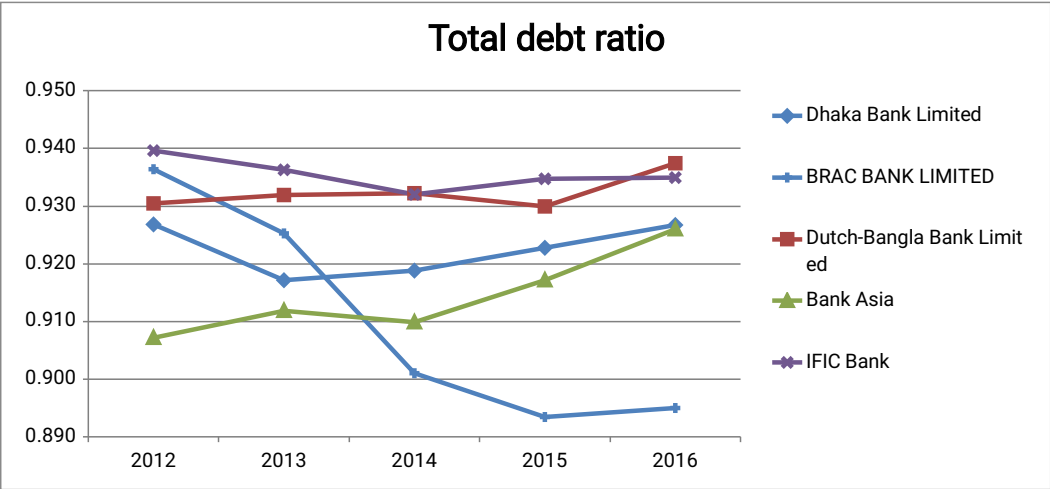
Debt ratio shows the percentage of a firm's assets that are provided via debt. The higher debt ratio refers company is more leverage and it's financial risk is high.

Formula,

$$\text{Total debt ratio} = (TA-TE)/TA$$

Total Debt Ratio					
Years	2012	2013	2014	2015	2016
Dhaka Bank	0.927	0.917	0.919	0.923	0.927

Brac Bank	0.936	0.925	0.901	0.893	0.895
Dutch Bangla Banks	0.930	0.932	0.932	0.930	0.937
Bank Asia	0.907	0.912	0.910	0.917	0.926
IFIC Bank	0.940	0.936	0.932	0.935	0.935



If total debt ratio is high it refers that bank using more debt comparing it's equity for doing their business. Here after the analysis of these banks financial statement we get that total debt ratio of these banks is more than 90 percent which is very high. Every bank increasing their debt every year without BRAC Bank.

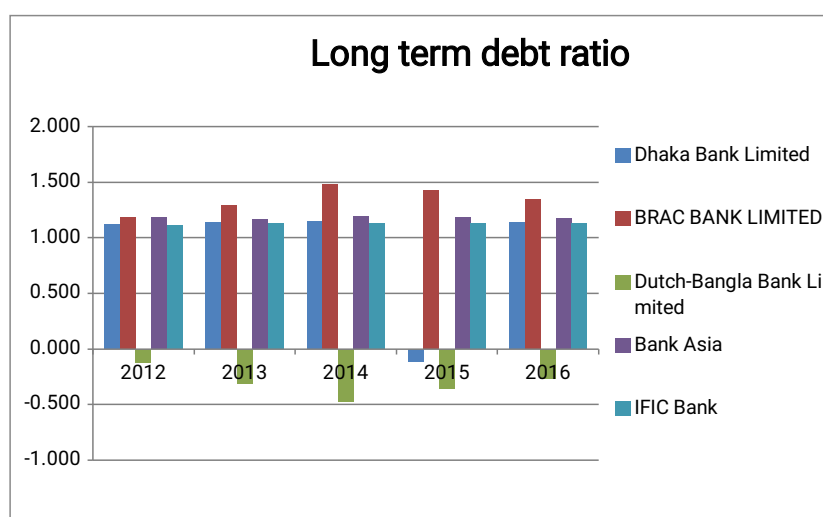
- **Long Term Debt ratio**

Long Term Debt to Total Asset Ratio show the financial position of the company and it's ability to meet all its financial requirements. This ratio is calculated yearly, if this ratio decrease it refers that company faring well, and it is less dependent on debts for their business needs.

Long term debt ratio = Long term debt / (long term debt - total equity)

Long Term Debt Ratio

Years	2012	2013	2014	2015	2016
Dhaka Bank	1.122	1.140	1.151	-0.114	1.141
Brac Bank	1.181	1.288	1.477	1.425	1.348
Dutch Bangla Banks	-0.124	-0.308	-0.472	-0.356	-0.265
Bank Asia	1.185	1.166	1.196	1.187	1.174
IFIC Bank	1.112	1.125	1.127	1.127	1.127

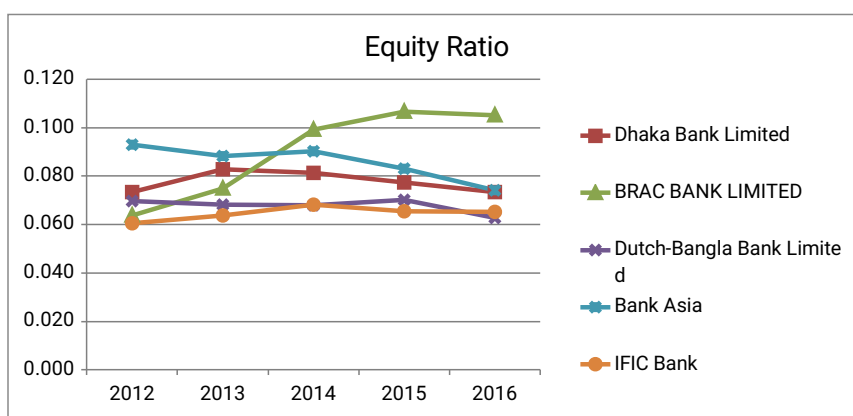


After the analysis of these banks financial statement we get that long term debt ratio of these banks is more than 1 every year. At the same time long term debt ratio of Dutch Bangla Bank is negative which not a good sign is for Dutch Bangla Bank.

- **Equity Ratio**

The Equity Ratio is a good indicator of the level of leverage used by a company. The Equity Ratio measures the proportion of the total assets that are financed by stockholders, as opposed to creditors. Equity ratio is calculated by **[Total equity / Total assets]**. Equity analysis of Dhaka Bank, Brac Bank, Dutch Bangla Bank, Bank Asia, IFIC Bank is given below -

Equity Ratio					
Years	2012	2013	2014	2015	2016
Dhaka Bank	0.073	0.083	0.081	0.077	0.073
Brac Bank	0.064	0.075	0.099	0.107	0.105
Dutch Bangla Banks	0.070	0.068	0.068	0.070	0.063
Bank Asia	0.093	0.088	0.090	0.083	0.074
IFIC Bank	0.060	0.064	0.068	0.065	0.065



Equity ratio of Dhaka Bank, Dutch Bangla Bank, Bank Asia, IFIC Bank says that the bank reducing their equity against its total assets. That means they are financing more from debt than the equity. Dhaka Bank's equity ratio was 0.073 in 2012 and in 2013 it was 0.083 but after that in 2014 it was decreasing to 0.081 and in 2016 it became 0.077. At the same time Dutch Bangla Bank did the same things they reduce their equity ratio from 0.070 to 0.063. On the other hand Brac Bank increases their equity ratio from 0.064 to 0.099. So we can say that Dhaka Bank and Dutch Bangla Bank, Bank Asia, IFIC Bank are not focusing on equity finance rather than debt finance. But Brac Bank are focusing on equity finance and trying to reduce debt finance.

## Turnover ratios

The turnover ratio refers the percentage of a mutual fund or other investments holdings that have been replaced in a given year, which varies by the type of mutual fund, its investment objective or the portfolio manager's investing style. For example, a stock index fund will have a low turnover rate, but a bond fund will have high turnover because active trading is an inherent quality of bond investments; likewise, an aggressive small-cap growth stock fund will generally experience higher turnover than a large-cap value stock fund. Also, the more portfolio turnover in a fund, the more likely it will generate short-term capital gains, which are taxable at an investor's ordinary income rate.

Turnover ratios are the ratios through which we can know the times that how much it take to turn into sale in case of any item like debt, assets etc.

Here we are focusing some tools of turnover ratio and we measure turnover condition of "Dhaka Bank,Brac Bank, Dutch Bangla Bank, Bank Asia, IFIC Bank". Here we show some ratio and it's formula and trend of the positions and discussed about it. Like-

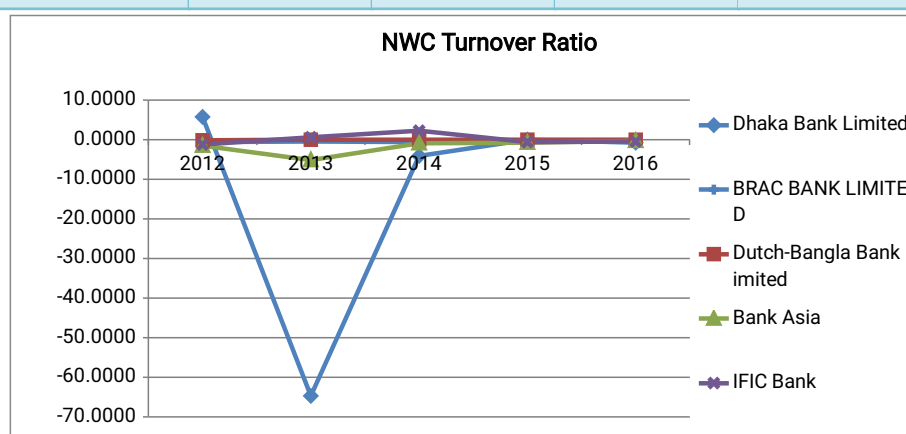
Ratio	Formula	Definition
NWC turnover	sales / NWC	Working capital ratio show how efficiently firm uses their short term assets.
Total assets turnover	Sales / total assets	Identifies a firm's ability to generate sales from its assets by comparing net sales with average total assets.

### ➤ Net working capital turnover ratio

Working capital turnover ratio identifies how well company utilized its working capital to given level of sales. A high turnover ratio refers that management is capable to use efficiently it's short term assets and liability.

Net working capital turnover ratio = sales/net working capital

NWC Turnover Ratio					
Years	2012	2013	2014	2015	2016
Dhaka Bank	5.6520	-64.8580	-4.2217	-0.1067	-0.8840
Brac Bank	-0.7065	-0.5078	-0.6968	-0.2244	-0.2152
Dutch Bangla Banks	-0.1472	-0.1356	-0.1215	-0.0984	-0.1014
Bank Asia	-1.6318	-5.1667	-0.9270	-0.8286	-0.4313
IFIC Bank	-1.2655	0.5790	2.1922	-0.7369	-0.5598



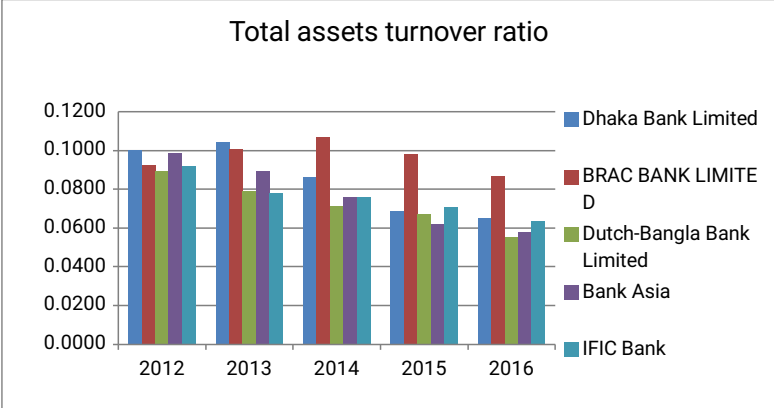
➤ **Total asset turnover Ratio**

Asset turnover ratio is an efficiency ratio that identifies a firm's ability to generate sales from its assets by comparing net sales with average total assets. In other words, this ratio shows how efficiently a firm can use its assets to generate sales.

Total assets turnover ratio = Sales / total assets

Total asset turnover ratio					
Years	2012	2013	2014	2015	2016
Dhaka Bank	0.1001	0.1044	0.0860	0.0685	0.0648

Brac Bank	0.0926	0.1009	0.1069	0.0980	0.0867
Dutch Bangla Banks	0.0893	0.0792	0.0710	0.0671	0.0555
Bank Asia	0.0983	0.0892	0.0759	0.0621	0.0581
IFIC Bank	0.0919	0.0779	0.0759	0.0710	0.0633



Total asset turnover ratio of Dhaka Bank, BRAC Bank, Dutch Bangla Bank, Bank Asia, IFIC Bank decrease compare with previous time. That means they need more time for complete a transaction compare with previous time. So we can say that last year asset turnover performance of all bank is bad compare with the previous year.

### Profitability Ratios

Profitability ratios are the most useful tools by which a firm can get the clear idea that is the firm making profit or loss.

Here I am showing some tools of profitability ratio and we measure profitability condition of “Dhaka Bank, Brac Bank, Dutch Bangla Bank, Bank Asia, IFIC Bank”. Here we show some ratio and it’s formula and trend of the positions and discussed about it. Like-

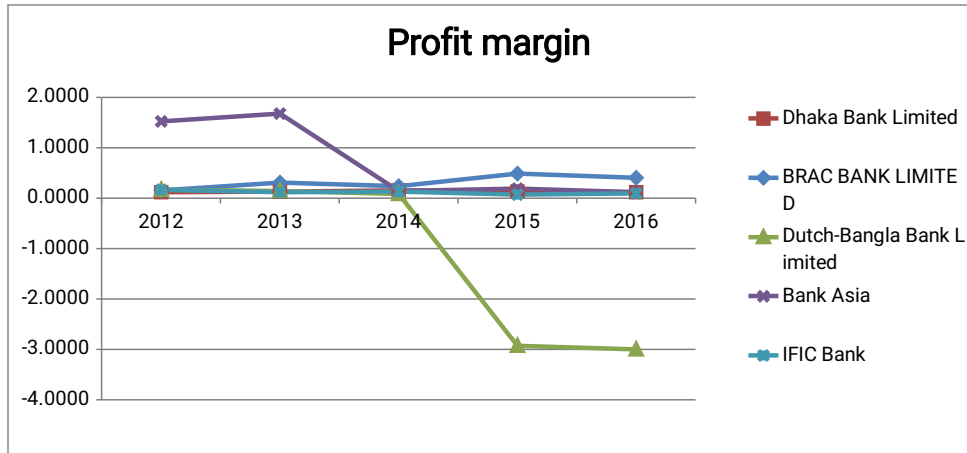
Ratio	Formula	Definition
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Profit margin	Net Income / sales	Profit margin is a profitability ratio identify net income divided by revenue
Return on Slaes	Net profit / Sales	Return on sales (ROS) is a ratio used to evaluate a company's <u>operational efficiency</u> .
ROA	Net Income / Total assets	Return on assets (ROA) is an indicator of how profitable a company is relative to its total assets.
ROE	Net income / total equity	The return on equity (ROE) is a measure of the profitability of a business in relation to the book value of shareholder equity

### ❖ Profit Margin

Profit margin is a profitability ratio identifies net income divided by revenue. Net income or net profit may be determined by subtracting all of a company's expenses, including operating costs, material costs and tax costs, from its total revenue. Profit margins are expressed as a percentage and, in effect, measure how much out of every dollar of sales a company actually keeps in earnings. A 20% profit margin, then, means the company has a net income of \$0.20 for each dollar of total revenue earned.

Profit Margin					
Years	2012	2013	2014	2015	2016
Dhaka Bank	0.1192	0.1305	0.1528	0.1245	0.1118
Brac Bank	0.157	0.312	0.240	0.485	0.406
Dutch Bangla Banks	0.1662	0.1362	0.0796	-2.9374	-3.0074
Bank Asia	1.5275	1.6768	0.1441	0.1820	0.1111
IFIC Bank	0.1633	0.1211	0.1303	0.0701	0.0973



After the analysis we get that profit margin of most of the bank decrease in 2016 comparing with 2012. Here we are seeing profit margin of Dhaka bank, Dutch Bangla bank, Bank Asia IFIC Bank decreasing in 2016 compare with 2012. Dutch Bangla Bank condition is more bad within these bank in last two years and we get this bank's profit margin is negative in last two years. Barc Bank within these five bank is doing good and their profit margin increasing every year continuously and become 0.406 which is enough higher compare with other bank. Since Brac bank profit margin is higher so this bank capital will be increase earlier compare with other bank. At the same time Dutch Bangla Bank's profit margin is negative so their capital decreases with time.

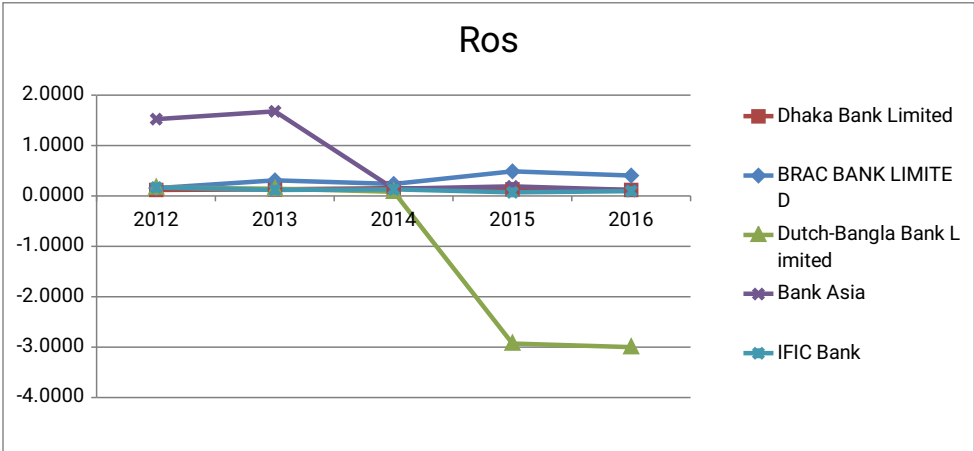
#### ❖ Return On Sales – ROS

Return on sales (ROS) is a ratio used to evaluate a company's operational efficiency. ROS is also known as a firm's operating profit margin. An increasing ROS refers that a company is growing more efficient and a decreasing ROS could signal financial troubles.

$$\text{Return on sales} = \text{Net profit} / \text{Sales}$$

Return on sales (ROS)					
Years	2012	2013	2014	2015	2016
Dhaka Bank	0.5754	0.5904	0.7328	0.7481	0.3957
Brac Bank	0.403	0.795	0.616	0.815	0.403

Dutch Bangla Banks	0.3303	0.2727	0.1452	-4.8101	-4.7225
Bank Asia	0.8814	0.9351	0.6279	0.9070	0.3926
IFIC Bank	0.6076	0.5151	0.4554	0.2368	0.2775



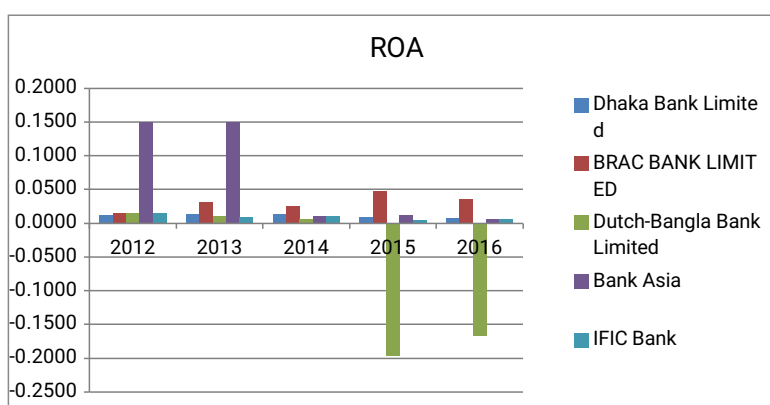
Here in the table and graph we are seeing return on sales decrease in 2016 of all banks. So we can say that banks are facing financial trouble may be full economy facing financial problem. Since all banks return on sales decrease so we can say that performance of all bank is bad in the last year compare with the previous year.

❖ **Return on Assets**

Return on assets (ROA) is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. Calculated by dividing a company's annual earnings by its total assets, ROA is displayed as a percentage. Return on assets is calculated by **[Total earnings / total assets]**. Return on assets of Dhaka Bank, Brac Bank, Dutch Bangla Bank is given below –

ROA					
Years	2012	2013	2014	2015	2016

Dhaka Bank	0.0119	0.0136	0.0131	0.0085	0.0072
Brac Bank	0.0146	0.0314	0.0257	0.0475	0.0352
Dutch Bangla Banks	0.0148	0.0108	0.0057	-0.1971	-0.1669
Bank Asia	0.1502	0.1495	0.0109	0.0113	0.0065
IFIC Bank	0.0150	0.0094	0.0099	0.0050	0.0062

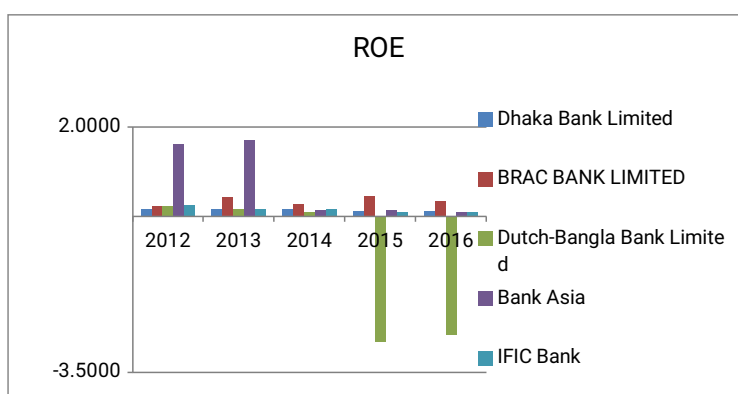


Findings from the ROA analysis, we get that return on assets of Dhaka Bank, Brac Bank, is increasing in in 2013 but it decrease in 2014 and return of Dutch Bangla Bank decrease every year from 2012 to 2016 and become negative. It says that they are not using their assets in a proper way. Asset utilization is bad for Dhaka Bank, Brac Bank and Dutch Bangla Bank. Dhaka Bank, Brac Bank and Dutch Bangla Bank, Baank Asia, IFIC Bank are getting the poor return against its assets uses compare with previous year. The condition of Dutch Bangla bank is very bad within these banks. Which is very bad signal for the banking industry.

#### ❖ Return on Equity

The return on equity (ROE) is a measure of the profitability of a business in relation to the book value of shareholder equity, also known as net assets or assets minus liabilities. ROE is a measure of how well a company uses investments to generate earnings growth. Return on equity is calculated by **[Total net income / Total common equity]**. Return on equity of Dhaka Bank, Brac Bank, Dutch Bangla Bank is given below –

Return on equity (ROE)					
Years	2012	2013	2014	2015	2016
Dhaka Bank	0.1629	0.1645	0.1618	0.1105	0.0987
Brac Bank	0.2289	0.4205	0.2595	0.4458	0.3355
Dutch Bangla Banks	0.2132	0.1583	0.0834	-2.8101	-2.6644
Bank Asia	1.6178	1.6954	0.1212	0.1364	0.0872
IFIC Bank	0.2483	0.1479	0.1453	0.0761	0.0946



Return on equity of Dhaka Bank and Brac bank increase in 2013 but in 2014 it start to decrease but it increase in 2015. Return of equity of Dutch Bangla Bank decrease from 2012 to 2016 every year. From the above table we can see that ROE of Dhaka Bank was **0.1629** in 2012 and 0.0987 in 2016. It indicates that Dhaka Bank, Brac Bank, Dutch Bangla Bank, Bank Asia, IFIC bank are not using their assets in a proper way and also their capable to earning more money against its equity or maximization of shareholders wealth decreases. Within these five bank BRAC Bank's Return of equity is better.

### Trend analysis of nonperforming loan

Nonperforming loan (NPL) is the sum of borrowed money upon which the debtor has

not made the scheduled payments for a period of time of usually at least 90 days for commercial banking loans and 180 days for consumer loans. Any definitions of a nonperforming loan depend on the loan's particular terms and agreement.

Non-Performing loan or Default loan classified in three categories there are sub-standard loan, doubtful loan and bad loan. Here I am discussing these category and show the present situation of these types of loan in our country.

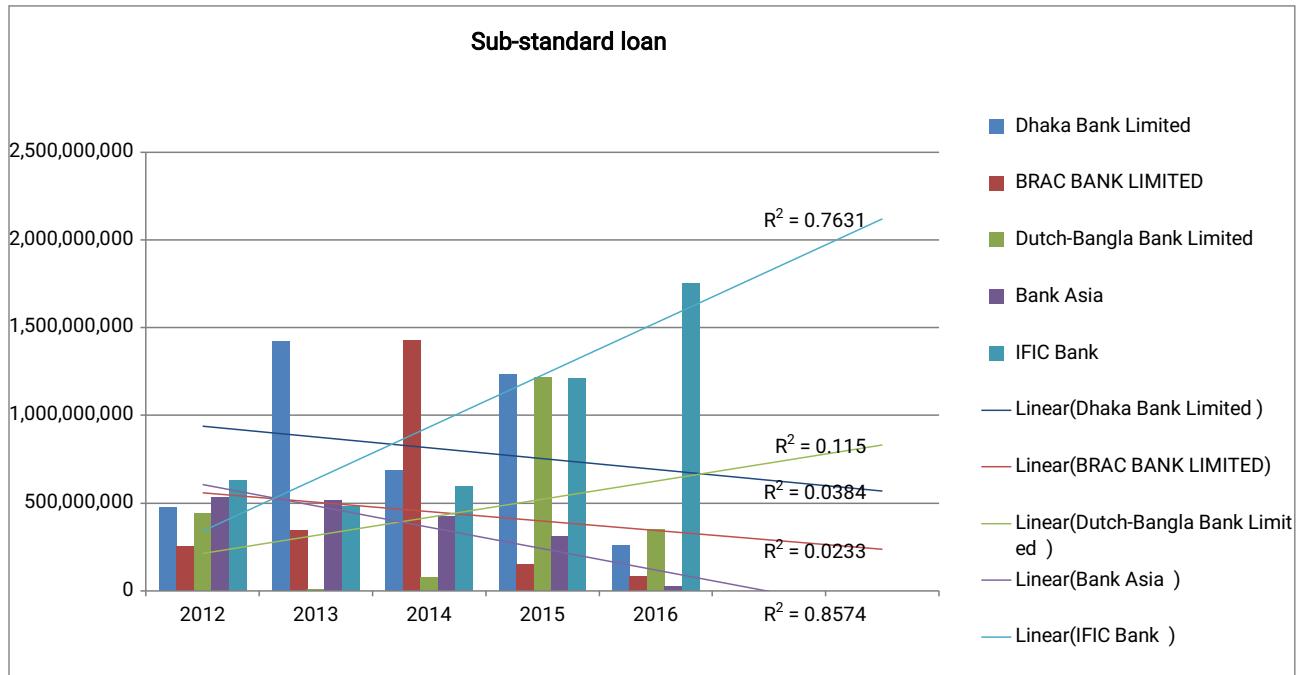
Trend analysis is a technical analysis that forecast the future performance base on the present and past data. Trend analysis gives an idea about future base on the past performance. Here we work on the five years from 2012 to 2016 and predict change of non-performing loan for next two years 2017 and 2018.

### ✓ Sub-standard loan

Sub- standard loan is a classification of loan that is expected to loss of earning for the bank (lender), because the creditor is unlikely to be able to completely repayment the loan for some reason. Bank generally agree to issue substandard loan even though it refers some revenue may be lost but most of the time no principal won't be loss. It means some interest may be face loss but full principal will be collected.

Year	2012	2013	2014	2015	2016	R
Dhaka Bank Limited	473,222,071	1,420,499,820	688,524,510	1,236,020,456	257,483,421	0.0384
BRAC Bank Limited	252,571,967	343,893,649	1,429,490,706	151,510,706	80,601,628	0.0233
Dutch-Bangla Bank Limited	440,155,275	11,096,200	76,676,850	1,215,748,451	352,956,624	0.115

Bank Asia	531,549,128	517,380,895	425,308,000	312,964,106	24,923,695	0.8574
IFIC Bank	630,607,645	483,177,962	595,065,796	1,208,861,621	1,750,246,665	0.7631



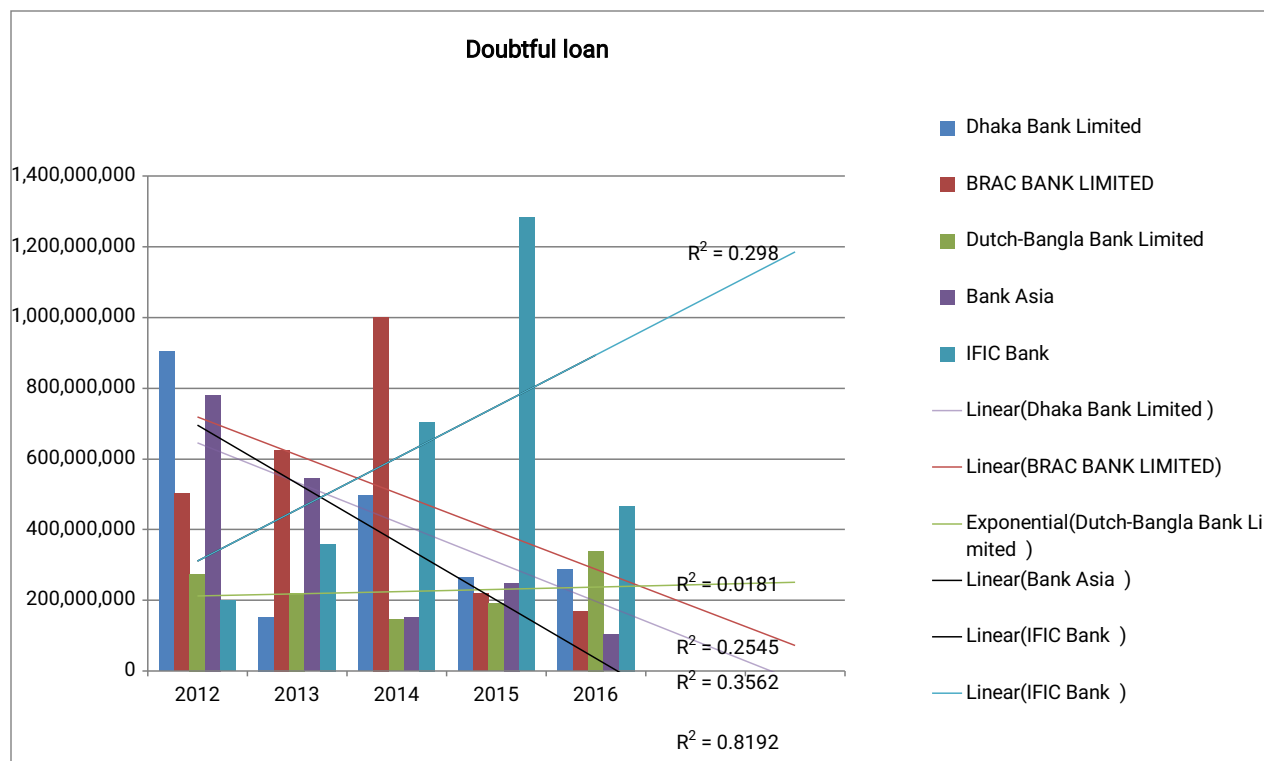
We are seeing that sub-standard loan amount of Brac bank and Bank Asia is decreasing which is very good things for the bank. But at the same time we are seeing the sub-standard loan amount of Dutch Bangla Bank and IFIC bank increasing day by day. After the trend line analyzing we get that Dutch Bangla Bank and IFIC bank performance change respectably 0.115 and 0.7631. Which is very high. If bank's sub-standard loan increase then bank wouldn't be able to increase it's capital. Because bank's the main source of income is interest earning. But in the sub-standard loan bank has the probability of loss of interest.

#### ✓ Doubtful Loan

Doubtful loan is one type of loan which full repayment is questionable and uncertain. The probability of repayment of loans in question range from a complete loss to an uncertain loss unless corrective actions and step are taken. Doubtful loans are usually nonperforming loan on which interest is overdue and the probability of full collection of

principal is uncertain.

year	2012	2013	2014	2015	2016	R of 2017,2018
Dhaka Bank Limited	903,946,622	153,604,651	496,348,474	265,358,725	287,950,818	0.3562
BRAC Bank Limited	503,180,863	625,752,869	1,000,810,614	218,852,797	168,192,016	0.2545
Dutch-Bangla Bank Limited	275,127,097	221,046,000	145,267,868	191,276,743	340,001,334	0.0439
Bank Asia	780,234,525	544,310,529	151,917,000	249,400,700	103,340,237	0.8192
IFIC Bank	200,081,196	359,222,587	704,241,678	1,282,352,831	466,870,669	0.298



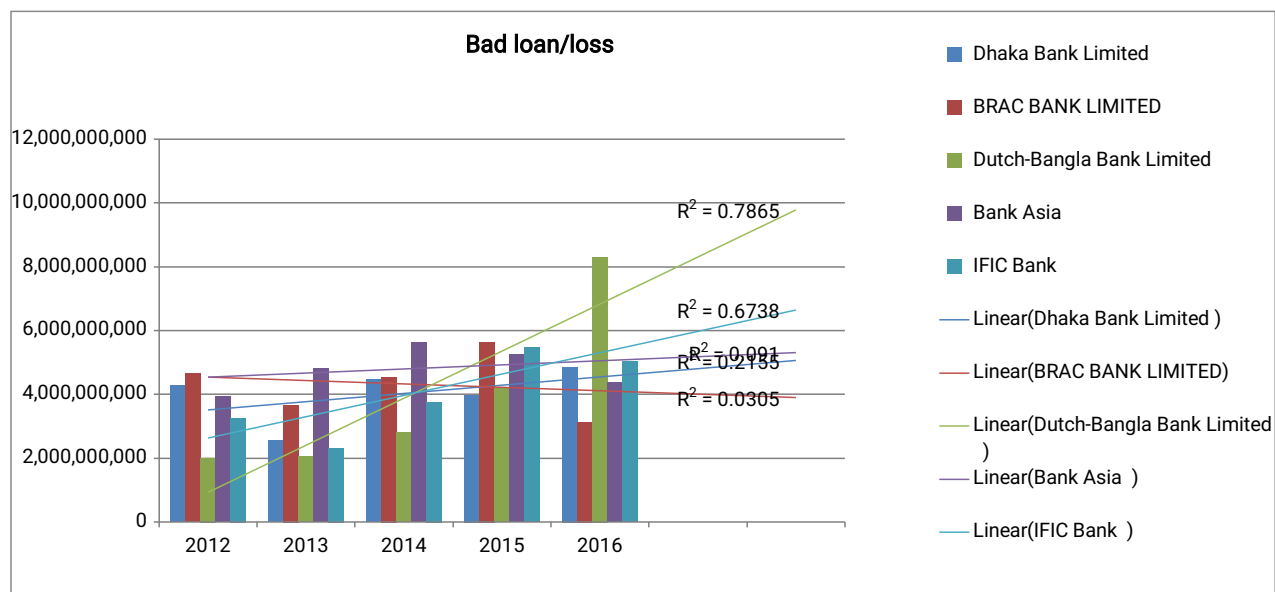
After the trend analysis we get that the amount of doubtful loan of Brac Bank, Dutch Bangla Bank and IFIC bank increase with time from 2012 to 2015. For these three bank we get r value positive 0.2545, 0.0439, 0.298. Only Bank Asia performance is good because it's doubtful loan amount decreases with time. Here we are seeing most of the commercial private bank's doubtful loan increases which is very alarming information for our countries banking industry. Because the interest won't be collect and has the probability of loss of principal. So we can say if doubtful loan increase then bank's capital won't be increase rather has the probability of the decrease capital of the bank.

#### ✓ Bad loan/Loss

Bad debt is a loss of bank incurs when credit that has been extended to customers becomes worthless, either because the debtor is bankrupt or unable to payback loan amount, has financial problems or because it cannot be collected. It is expensed on the income statement . Here bank face loss of interest and principal.

year	2012	2013	2014	2015	2016	R of 2016, 2017

Dhaka Bank Limited	4,279,145,622	2,562,581,599	4,472,382,379	3,989,270,139	4,857,514,954	0.2155
BRAC Bank Limited	4,649,504,757	3,675,985,192	4,550,083,550	5,640,956,869	3,133,955,812	0.0305
Dutch-Bangla Bank Limited	2,013,079,058	2,065,238,000	2,814,141,359	4,217,831,876	8,306,072,236	0.7865
Bank Asia	3,939,700,641	4,817,099,432	5,623,325,000	5,246,507,035	4,366,021,975	0.0915
IFIC Bank	3,264,856,301	2,325,675,085	3,761,826,178	5,470,837,378	5,033,825,550	0.6738



The amount of bad loan of Brac Bank, Dutch Bangla Bank, Bank Asia and IFIC bank increase with time from 2012 to 2016. In the trend analysis we get that R of Dutch Bangla bank and IFIC

bank is respectable 0.7865 and 0.6738. which is very high. Every bank performance is bad in 2016 comparing with the previous year. It is happening because of Political presser, disqualified employee etc. Here we are seeing most of the commercial private bank's bad loan or loss increases which is very alarming information for our countries banking industry. If bad loan increase then bank's earning will be low. From the bad loan bank's earning is zero and because of this loan bank has the probability of bankruptcy.

## **Scope and Limitation of E-banking in Bangladesh**

Electronic banking as a segment of electronic business, which, in turn, encompasses all types of business performed through electronic networks. Electronic channels are used for both business-to-business and business-to-customer transactions, such as ordering goods, delivering software or paying for such transactions. E-banking is considered to be a segment of e-business to the extent that banks are involved in the conduct of business transactions via electronic media; other non-banking financial products and services not to mention products and services from other sectors of business, may be sold electronically as well In other words, e-banking is not a banking product; rather, it describes the way transactions are conducted. Establishing E-banking infrastructure has been a challenging task for the developing countries like Bangladesh. At present, there is no infrastructure for performing Electronic-banking activities in Bangladesh. Nowadays, in fact, banks are involved in e-business in a variety of ways, including cooperation with Internet service providers (ISP's), the issuing of e-money or the execution of payments.

- Automatic deposit and withdrawal of money
- Quick transfers of funds from one account to other, even to another bank
- Payment of utility bills, salary, opening of LC, being in the home or the office.
- Balance enquiry, receipt of transaction statement
- Instructing the broker
- Disabling the lost debit card or credit card, checking accounts

- Apply and issuance for new debit / credit card or checkbooks.

### **Literacy review of non-performing loan of Bangladesh**

Loan considers as the main source of income and assets of the bank and on the other hand it is consider as the main source of the risk for the banking sectors. Bank management should try to make a proper balance between risk and return involved with the loan portfolio. But we are seeing banks recent activities, guideline and their concentration is not that much satisfactory. We are seeing that the number of willful defaulters increasing recently.

The very frequent and fashionable style of loan defaulting story in banking sector of Bangladesh is loan scam. Recently we see loan scam happening very frequently which is very bad news for the banking sectors of our country. Recently we saw Soanli Bank loan scam, after that Bismillah Loan scam, Basic bank loan scam and Farmers bank loan scam. The story of all bank loan scam is almost same. Anti corruption commission said, 41 reputed commercial bank were involved in sonali bank loan scam tk 3665 crore with hallmark (The Financial Express).

### **Present Status of Non-performing Loans**

The main indicator for measure of the assets quality in the loan portfolio is the ratio of gross non-performing loans (NPLs) to total loans. From the source of Bangladesh bank we see that Foreign commercial banks (FCB) have minimum and State owned Development Financial Institutions (DFIs) have maximum ratio of gross NPLs to total loans. State owned commercial banks (SCBs) had a gross NPLs to total loans of 23.9 percent, whereas Private Commercial Banks (PCBs), FCBs , and DFIs, had ratios of 4.6,3.5 and 26.8 percent respectively at the end of December 2012.

We can see that Foreign commercial bank (FCB) is 4.7 percent which is lower than the Domestic private commercial bank (PCB) is 6.6 percent. So from it we can say it again that Foreign Commercial bank performance is better than the Domestic private commercial bank.

## Recommendation

- Avoid political influence in the in the banking sectors.
- Avoid preference to relative for provide loan.
- In order to motive employees, other rewards and facilities based on their performance.
- The training must develop the necessary level of proficiency to perform specific tasks properly.
- Bank should be fast in cash payment and clearing cheques.
- Should have 24 hours customer facility.
- Should have ATM booths all over the country.
- Maintain a high standard credit quality, control & compliance in place.
- Bring down NPL ratio further.

## Conclusion:

Banking sectors no more depends only on traditional methods of banking in this present time. In this competitive world, this sector has stretched its wings wide enough to cover any kind of financial service anywhere in the world. Therefore, bank today face competition not only from local banks but also from foreign banks. The major task for bank, to survive in this competitive environment is by acquiring new advanced technology to cut down its operating expenses giving a way to earn more profit.

More experience and professional bankers need to overcome present competition in banking section for achieve more stable position of the private commercial bank of our country. Effective training facility, improvement of existing employee, employee may be motivated by providing incentive and other facility.

Employees career depend performance evaluation. Employee must work hard for development of the bank, in order to achieve proper incentive. They must keep in mind that their future carrier depends upon their hard working, honesty sincerity and royalty. IF we can follow it then I believe that private commercial bank performance will be good in our country.

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