A

Thesis Paper

on

Financial Performance Analysis of Uttara Bank Limited

Submitted by:

Name: Bijoy Chandra Debnath

ID: MBA 2101022008

Program: MBA

MBA(Major in Accounting)

Semester: Fall

Submitted to:

Department of Business Administration

Submitted for the partial fulfillment of the degree of

Master of Business Administration



Sonargaon University (SU)

Dhaka- 1215

Date of Submission: 15/01/2022

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Supervised By:

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Lecturer

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Date of Submission: 15/01/2022

Letter of Transmittal

January: 15/01/2022

Teacher Name: Farjana Yeasmin Chowdhury

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Department of Business Administration

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Subject: Submission of Thesis paper on "Financial Performance Analysis of Uttara Bank Limited"

Dear Madam,

It is a real delight to present the Thesis on the tropic **"Financial performance analysis of Uttara Bank Ltd."** As an essential requirement for the completion of Masters in Business Administration Degree, I have tried my best to work on it carefully and sincerely to make this thesis perfect.

I feel great to get the opportunity to work in this topic. This topic enhanced my knowledge on how to make a comparative analysis arena of banking. Now it is the time to have an appraisal from you on this report.

This report definitely gives an unanticipated understanding that will be useful in the banking industry of Bangladesh in near future. I will appreciate your kind consideration and patience in going through the report and evaluate my performance.

Sincerely Yours,

Name: Bijoy Chandra Debnath

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Department of Business Administration

Sonargaon University (SU)

Certificate of Supervisor

This is to certify that the thesis paper "**Financial Performance Analysis of Uttara Bank Limited**" has been prepared as a part of completion of the MBA program from Master of Business Administration, Sonargaon University (SU), carried out by Bijoy Chandra Debnath bearing ID :MBA2101022008 under my supervision.

……

Farjana Yeasmin Chowdhury
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Student Declaration

I am Bijoy Chandra Debnath , Sonargaon University would like to solemnly declare here that this thesis paper on "**Financial Performance Analysis Of Uttara Bank Limited**" has been authentically prepared by me. While preparing this report, I didn't breach any copyright act intentionally. I am further declaring that I did not submit this report anywhere for awarding any degree, diploma or certificate.

Sincerely Yours

Name: Bijoy Chandra Debnath

ID: MBA2101022008

Program: MBA

Major: Accounting

Semester: Fall

Letter of Authorization

Certified that this project report titled "**Financial Performance Analysis of Uttara Bank Limited**" is the bonafide work of Bijoy Chandra Debnath, who carried out the research under my supervision. Certified further that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

……

Farjana Yeasmin Chowdhury
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Acknowledgement

First of all I would like to categorical my gratitude to the Almighty God. This is my pleasure that I could successfully complete my thesis report by the grace of almighty god . I wish to extend my gratitude to all the people who helped me accomplish my report Ordinary Activities of Uttara Bank .At the very beginning, I want to thank my faculty advisor and supervisor in Sonargaon University, Miss Farjana Yeasmin Chowdhury who has given me precious guidance from her busy Schedule.

I am very grateful for all her advice in order to make my report more effective. I am also really responsible to my honorable teacher Abul Kalam, Head of Department of Business & Administration, Sonargaon University for this countless support and guidance. It is not my own credit in this effort. I would like to extend my-sincere regards and gratitude to my honorable teachers whose kind's guidance and assistance enable me to complete my MBA program and to develop my career through their invaluable teaching

Executive Summary

Head Office, Motijeel began its operation in 1966 with the inauguration of **Uttara Bank Ltd**. S Head Office, Motijeel conduct all types of commercial business activities. The core business of the branch comprises of import, export (Authorizer Dealer, **AD** Branch), and working capital finance. The bank is also rendering personal credit, services related to local and foreign remittances.

The bank strategy is gradually covering total area of banking. This thesis report covers the total area of banking of Head Office, Motijeel. The report intends to cover a comprehensive analysis of overall activities of Head Office, Motijeel, an appraisal of performance and management effectiveness. This is the first time when a Head Office, Motijeel of Uttara bank becomes first in foreign exchange business.

Uttara bank Head Office, Motijeel is operating through 23 people. Among them 1 (one) is AGM, 1 (One) is senior principal officer, 6 (Six) are Principle Officers, 5 (Five) are officer grade–II, 2 (Two) are assistant officer, 1 (One) is Cash Sorter, 1 (One) Jamader, 1(One) messenger, 1 guard and other part time employee.

Branch has three departments. One for foreign exchange, another for loans and advance, and other department conducts general banking activities. Head Office, Motijeel offer a wide range of services to its customer including local corporations, national companies, multinational companies, domestic and other donor agencies, NGOS and other financial institutions. Major customers are big companies.The bank mobilized deposits of TK. 3500.00 lac as on 31st December, 2008 . On 30th June 2008 the branch collect total deposits of tk.2850.36 lac against its target of tk.3000.00 lac during the period of six month 30th June.Head Office, Motijeel has a plan to provide ATM services in the future and on line services in its customer with a view to increase its profit. Bank also have to increase correspondent relationship with foreign bank such as CITI Corp, American express, Bank of Tokyo, standard chartered with a view to expand its business.. Foreign exchange is the top most income generating source of the branch.The primary business of foreign exchange department of the branch is to make reimbursement and payments on behalf of issuing bank.

Some of the problems of the Head Office, Motijeel is disclosed in details in the report. The problem may be stated as: lack of new clients, shortage of staff, staff demodulation due to late working hours, over dependence on few staffs, few clients, and absence of training, insignificant marketing efforts. Head Office, Motijeel of Uttara bank has huge prospect in Bangladesh because most of the international business in the country done through this branch.

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Chapter-One

Introduction

1.1 Introduction

Uttara Bank Limited is one of the greatest and most established and private sector commercial bank in Bangladesh, with long stretches of involvement. Adjustment of current innovation both as far as materials and keeping money practice guarantees effective administration to customers. Bank most established private banks as well as crossed practically all banks regarding by and large development and benefit. Strength of the budgetary establishment as far as development, gainfulness and the executives is alluring for up-degree of bank's picture in the market. Security of the store kept up the dimension of productivity and value of the venture arrangement of the bank, as the store kept up is utilized for speculation arrangement of the bank, coordinate relationship over the client reliability and this is the prime factor influencing the picture of any monetary part in the market. The Bank ought to have computerized tasks in the administration windows to. New Products and Services increase the value of the brand picture of the Bank. Protection on store and advance items ensures the bank's enthusiasm as well as the enthusiasm of people in general. Confinements of activities are to be limited to have prevalent consumer loyalty. Liquidity of stores has coordinate effect on people in general inclination and consequently has adequate impact on the client unwaveringness. The give an account of "Money related Performance Evaluation of Uttara Bank Limited"

The substance of this report depends on eight sections. In the First Two Parts a short diagram of foundation, importance, system, and instruments utilized for investigation of making report is talked about. The Companies history, its vision, mission, objective, objective, mark picture, basic beliefs, business standards and so forth are talked about. To see how Uttara Bank Ltd. Is performing in the full scale condition, budgetary features are likewise given to assess the money related state of UBL. In the Third Part named theoretic Background demonstrate brief portrayal about proportion investigation. In the Fourth Part or Analysis Part I have examined about Quantitative Analysis like distinctive proportions of five years to comprehend the money related condition for break down legitimately.

1.2Background of the Study

Uttara Bank Limited (UBL) was established in 1965 with the head office located at Motijheel in Dhaka, East Pakistan as a scheduled bank of the Eastern Banking Corporation. After the liberation war of Bangladesh, the bank was nationalized under Bangladesh Banks (Nationalisation) Order 1972 and renamed it Uttara Bank.[4] In 1983, it became the first privatized bank of Bangladesh.[

Uttara Bank Limited has 239 branches in Bangladesh. The bank's internal and external operational activities is operated by twelve zones in different regions of the country. It operates through a number of online branches and uthorized dealer branches. It is also affiliated with nearly 600 financial institutions worldwide. The Board of Directors consists of 13 members. The Head Office is located at Bank's own 18-storied building at 90, Motijheel C/A, the commercial center of the capital, Dhaka.

1.3 Scope of the report

Uttara Bank Limited (UBL) is now well growing and it's containing 211 Branches in Dhaka and outside of the Dhaka. The scope of the study will be limited to the organizational setup, function and operation of the UBL in the Bangladesh. This report mainly encompasses the performance of Uttara Bank Limited in comparison the General Banking. For the purpose of my internship program, I was assigned at Mitford Branch under UBL and this paved me the way to get myself familiarized with banking environment for the first time indeed. I have an opportunity to gather experience by working in different departments of the Branch.

1.4 Objectives of the Study (Will be Divided into Broad and Specific Objectives)

Objectives &Goals of UBL

- The objectives of UBL is not only to earn profit but also to keep the social commitment and to ensure its co-operation to the person of all level, to the businessman, industrialist-specially who are engaged in establishing large scale industry by consortium and the agro-based export oriented medium and small scale industries by self inspiration.
- UBL is always ready to maintain the quality of services by upgrading banking technology prudence in management and by applying high standard of business ethic through its established commitment and heritage.
- UBL is committed to ensure its contribution to national economy by increasing its profitability through professional and disciplined growth strategy for its customer and by creating corporate culture in international banking arena.

Specific Objectives Of UBL

Uttara Bank limited has 31 specific objectives according to its memorandum. The most important objectives are-

- To carry on the business of a bank with such branches or agencies and at such places in Bangladesh and abroad as may form time to time be determined by the directors
- To carry as an agents for the business of banking in all its branches and departments.
- To act as an agents for government or local authorities or for any other person or persons.
- To carry on and transact every kind of guarantee and indemnity business.
- To promote or finance any business undertaking or industry.
- To take or acquire and hold shares, debentures or securities.
- To advance money.

1.5 Methodology of the report

During my study I followed some methodology to find out fact and features of the bank and I also used qualitative and quantitative method which contains some past and present features of Uttara Bank Ltd. Mitford Branch. The information of this report has been collected two sources.

Primary sources of data:

- Personal observation.
- Face to face conversation of the officers.
- Face to face conversation of the client.
- Working at different desks of the bank.

Secondary sources of data:

- File study.
- Annual report of Uttara Bank Limited-2009-2010
- Statement of affairs.
- Bank rate sheet.
- Internet.
- Progress report of the Bank.

1.6 Limitations of the Study

This thesis paper is my first assignment outside our course curriculum in the practical life. I am the student of "The Department of Business Administration" just have completed our formal education stage. After completing the institutional experience, practical performances in the formal stages become difficult. So, in performing this report our lack of proper knowledge greatly influenced in this performance. Besides above, have to face some other limitations are:

- It is very difficult to collect all the required information in such a short period.
- Lack of availability of data.
- Improper combination among various departments.
- Time is a limitation that would mostly with stands a comprehensive on the topic selected.
- Up-to-date in formations were not available.
- Don't give the data from their source document.
- Unwilling to give information more because of extra harassment without their responsibility.
- The banker is very busy with their jobs, which lead a little time to consult with.
- They are employee so have no eagerness to supply more because of extra hardness.
- Due to some legal obligation and business secrecy banks are reluctant to provide data. For this reason, the study limits only on the available published data and certain degree of formal and informal interview.

Chapter-Two

Profile Of Uttara Bank Limited

2.1 Historical Background

Uttara Bank Limited celebrated 50th commemoration of its Banking Service in 2015. This settled in and out of date bank has a rich history. With the origin of some reputation Bengali businesspeople it was set up to energize the blocked people of the then East Pakistan and started its dealing with a record movement legitimately on 28th January of 1965 in name of "Eastern Banking Corporation" with four branches which a little while later expand 60 just before the independence. Amid Non-cooperation advancement in 1971, this bank played out the treasury limit of East Bengal. Uttara Bank Ltd, one of the greatest and most prepared private-part business banks in Bangladesh, with significant lots of inclusion, Adaptation of present day development both to the extent equipment and keeping cash practice ensures capable organization to clients. 234 branches at home and 600 subsidiaries overall make productive systems administration and achieve capacity. Uttara is a bank that serves the two customers and nation. It right now has the offices of SMS Banking, Internet Banking and countless of its own with ATM imparting course of action to other accomplice banks.

2.2 Corporate Profile at a Glance

- Uttara Bank Limited is one of the largest private Banks in Bangladesh
- The Bank operates through 241 fully On-line branches and 14 Sub-Branches ensuring best possible and fastest services to it's valued clients (as on 12-Sep-2021).
- The Bank has more than 600 foreign correspondents at world wide.
- Total number of employees are 3509 (as on 28-Jan-2020).
- The Board of Directors consists of 15 members (as on 31-Jul-2020).
- The Bank is headed by the Managing Director who is the Chief Executive Officer.
- The Head Office is located at Bank's own 18-storied building at Motijheel, the commercial center of the capital, Dhaka.

2.3 Vision of Uttara Bank Limited

To build up and keep up current saving money method to guarantee the vision of the uttara bank Ltd.

Are given underneath:

Soundness and advancement of money related framework.

- ❖ Try to help assets as prompt endeavors.

- ❖ Be a standout amongst the best banks in Bangladesh.

- ❖ To contribute in the budgetary progression of Bangladesh.

- ❖ To set up relationship saving money and enhance benefit quality through advancement of key advertising plan.

- ❖ To guarantee ideal use of every accessible asset.

2.4 Mission of Uttara Bank Limited

To build Uttara bank limited into an efficient, market driven, customer focused institution with good corporate governance structure. Continuous improvement in our business policies and procedures, cost reductions through interaction of technology at all levels. To encourage socio-economic uplift and financial services to the low income community particularly in the rural areas in Bangladesh.

2.5 Values of Uttara Bank Ltd

Value Statement

for the year ended 31 December 2020

The value added statement of Uttara Bank Limited shows the value is created and distributed to the different stakeholders of the Bank. During the year Value added to the Bank stood at Tk. 8,528,572,709 which was Tk. 8,552,075,499 in the previous year.

Particulars	**2020 Taka**	**%**	**2019 Taka**	**%**
Income from Banking Services	15,732,262,945		17,225,225,945	
Less : Cost of services & supplies	7,125,617,265		7,652,669,438	
Value added by Banking Services	8,606,645,680		9,572,556,507	
Add : Retained surplus	65,250,029		69,518,993	
Less:Loan loss provision & other provision	143,323,000		1,090,000,000	
Total Value Added	8,528,572,709	100	8,552,075,499	100
Distrbution of Value Addition				
To employees as salaries & allowances	4,495,124,111	53	4,587,531,065	54
To Government as Income tax	1,595,431,091	19	1,846,299,517	22
To Benevolent Fund	-	-	-	-
To Statutory Reserve	638,570,861	7	450,000,000	5
To General Reserve	-	-	-	-
To Expansion & Growth	1,799,446,646	21	1,668,244,917	19
a) Retained Earnings	1,570,218,062			
b)Depreciaton	229,228,584		178,749,058	
Total	8,528,572,709	100	8,552,075,499	100

Economic Value Added Statement (EVA)

for the year ended 2020

Economic Value Added (EVA) indicates the true economic profit of a Company. EVA is an estimate of the amount by which earnings exceed or fall short of required minimum return for shareholders at comparable risks. EVA of the Bank stood at Tk. 993,084,674 as of 31 December 2020 as against Tk.1,252,740,213 in 31 December 2019. Uttara Bank Ltd. Is always concern for delivery of value to all of our Shareholders/Equity providers.

Particulars	2020 Taka	2019 Taka
Total operating income	15,732,262,945	17,225,225,945
less: Operating Expenses	(11,849,969,960)	(12,418,949,562)
Operating Profit	3,882,292,985	4,806,276,383
Less: Income Tax	1,595,431,091	1,846,299,517
Profit after Tax(PAT)	2,286,861,894	2,959,976,866
Shareholders' Equity	17,469,115,900	15,662,182,958
Average Shareholder's Equity	16,565,649,429	15,202,463,511
Average cost of Equity*	7.81%	11.23%
Equity Cost	1,293,777,220	1,707,236,652
Economic Value Added (PAT-Equity cost)	993,084,674	1,252,740,213
Growth over the last year	(20.73)	(2.39)

Average cost of Equity (7.81%)

Based on rate of 10 years treasury bond issued by the Bangladesh Bank (5.81)+ Risk Premium (2.00%)

\

Market Value Addition (MVA)

Statement for the year ended 2020

Market Value Added (MVA) is the amount derived from the difference between market capitalization and book value of the shares outstanding in the market. It's the indication of progressive market growth as well as financial strength which the company possesses.

(Amount in Taka)

Particulars	2020	2019
Market value per share	24.00	27.20
Number of shares outstanding	501,940,790	408,081,943
Total market capitalization	12,046,578,960	11,099,828,850
Book value of shares outstanding	5,019,407,900	4,080,819,430
Market value added	**7,027,171,060**	**7,019,009,420**

2.6 Strategies of Uttara Bank Ltd

- To manage and operate the Bank in the most efficient manner to enhance financial performance and to control cost of fund
- To strive for customer satisfaction through quality control and delivery of timely services
- To identify customers' credit and other banking needs and monitor their perception towards our performance in meeting those requirements.
- To review and update policies, procedures and practices to enhance the ability to extend better service to customers.
- To train and develop all employees and provide them adequate resources so that customers' needs can be reasonably addressed.
- To promote organizational effectiveness by openly communicating company plans, policies, practices and procedures to employees in a timely fashion
- To cultivate a working environment that fosters positive motivation for improved performance
- To diversify portfolio both in the retail and wholesale market.To increase direct contact with customers in order to cultivate a closer relationship between the bank and its customers.

2.7 Objectives of Uttara Bank Ltd

The objective of the report is to have a real life exposure in the banking sector. It will help to develop my knowledge in banking sector. The following are the objectives of the practical orientation in bank.

The main objectives of the study are:

- To find out the reality in the practical life.
- To fulfill the requirement for the completion of postgraduate (MBA) program.

  The secondary objectives of this report are
- To find out the position of Uttara Bank Ltd. In the banking sector
- To analyze the general banking activities of Uttara bank ltd. At Mitford Branch

2.8 Service Areas

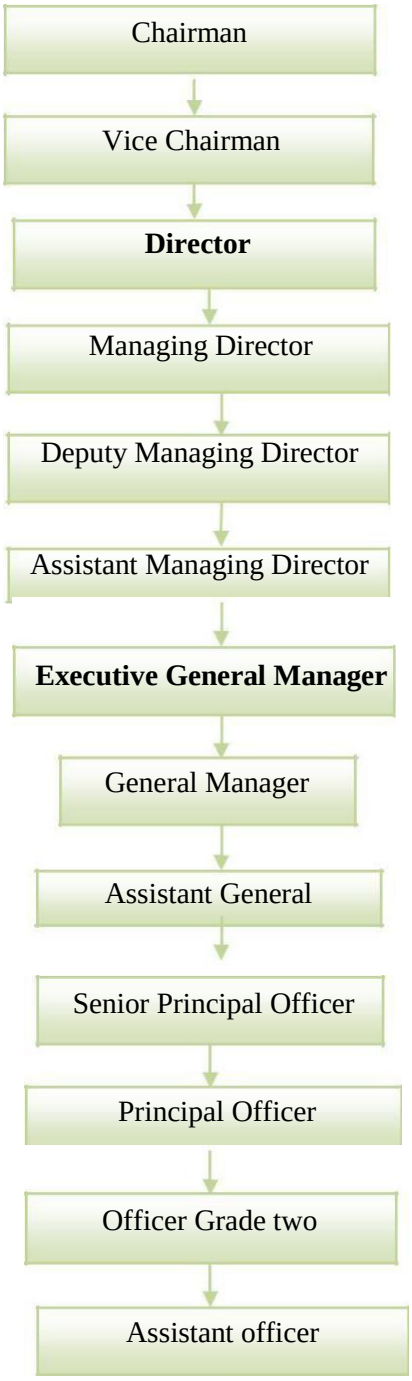
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1.	AERE EPZ BRANCH	P.O. DEPZ, Dhamsona, P.S. Ashulia, Savar, Dhaka-1344, Bangladesh	**Manager** Telephone: 02-7701208, Mobile: 01991144151,E-mail: epz.manager@uttarabank-bd.com
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		BARISHAL	
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2.9 Organogram of uttara Bank Ltd

The organizational structure of Uttara Bank Ltd. Through which it operates and controls the organization is as under



Chapter- Three

Theory of Ratio

3.1 Theory of Ratio

Ratio analysis is the most effective way to evaluate a company or organization. By this a company can make the proper decision to make an investment. Most of the financial institutions are depending on it just to make their investment going into the productive sector. With these tools nowadays people can make decisions about their short term & long term financing. Ratio can make the results so approximate to practical. Only ratio can express the comparative result on the basis of logical calculation. There are many kinds of ratios nowadays. People are creating different software to get proper analysis of their respected balance. Basically, ratios are categorized in five ways in the banking sector. These are given below:-

1. Liquidity Ratio
2. Asset Activity Ratio
3. Efficiency Ratio
4. Profitability Ratio
5. Credit Risk Ratio

3.1.1 Liquidity Ratio:

Liquidity Ratio is the ratio by which a company can calculate the company's ability to meet up the amount of liability to the creditor. Most of the firms used to take a large amount of loan from respected lenders to expand their productive activity. Against the loan a company has to calculate the cost of capital. Because a levered company is more beneficial compared to an unlevered company. So in that case a company has to maintain a liquidity ratio to be aware of its liability to creditors. There are some liquidity ratios that are given below.

1. Cash Ratio.
2. Cash to Assets Ratio.
3. Cash to Deposit Ratio.
4. Loan to Total deposit ratio.
5. Loan to total assets ratio

3.1.2 Asset Activity Ratio:

It modify the various kind of account in the financial statement in consideration of cash & time. By these ratio an institution can measure its perfect time to make a transaction in cash or credit. In the perspective of banking sector it covers two ratio. These are given below:

1. Fixed Assets Turnover.
2. Total Asset Turnover.

3.1.3 Efficiency Ratio:

It implies the percentage of assets return compare to its total cost. On the others hand, it measure the income has made by using 100% asset. The higher the ratio indicates the better operation of the company. Sometimes it ensures the respected creditors about to buy more common stocks. Some ratios are responsible for creating efficiency in a company these are:-

1. Interest Income to Expense ratio.
2. Operating Expense to asset ratio.
3. Operating Income to Asset Ratio.
4. Operating Expense to Revenue Ratio.

3.1.4 Profitability Ratio:

The ratio measure the company's ability in format of profit remaining after deducting all costs. Every company wants to get biggest than big profit in consider of its total operating activities. It can indicate the investment opportunity to a firm about to take decision. By the ratio new investors for a company can take decision at to have investment. There are some ratios which are considered as profitability ratio. Those are given below:

1. Return on assets.
2. Return on equity.
3. Interest Spread.
4. Net Interest Margin.
5. Operating Profit Margin.

3.1.5 Credit Risk Ratio:

The ratio refers the probability of credited money to return. If the respected loan amount does not make interest it has the most probability to be default. End of the day it will consider as non-performing loan. It used to calculate by two ways.

1. Equity to Total asset.
2. Equity to net loan.

3.2 Common Size Analysis:

Common size or vertical analysis is a method of evaluating monetary statistics by means of expressing each item in an economic announcement as a proportion of a base amount for the equal time period. A company can use this analysis on its stability sheet or its profits statement. A balance sheet summarizes the company's property (things that it owns that have value) its liabilities means the amounts it owes to others, and its fairness means an owners funding in the business. A profit assertion shows the company's revenues means amount of cash it made through promoting its goods and services and its prices means the amount of cash it spent to earn its revenues.

3.3Trend Analysis:

Trend analysis regularly refers to methods for extracting an underlying pattern of behavior in a time series which would otherwise be partly or almost completely hidden by means of trend. If the trend can be assumed to be linear, trend analysis can be undertaken inside a formal regression analysis, as described in trend estimation. Trend analysis is a mathematical technique that makes use of historical outcomes to predict future outcome. This is done by tracking variances in value and time table performance. The accounts listed help decide if the company is going through any type of financial stress. When trend analysis is performed, a organization is capable to see if its monetary position is enhancing or declining based as the length and the items on the statements for all later intervals are compared with gadgets on the statements of the base period. The adjustments are normally shown in percentage.

Chapter-Four

Analysis & Findings

4.1 Ratio Analysis

Liquidity Ratio:

Current ratio

The current ratio, one of the most commonly cited financial ratios, measures the firm's ability to meet its short term obligations. The higher the current ratio, the better the liquidity position of the firm. It is expressed as:

Current Ratio=Current Asset/Current Liabilities

year	2017	2018	2019	2020	2021
Current Ratio	0.77	0.98	1.11	1.04	0.98

Interpretation:

That is the higher the current ratio; the more liquid the firm is considered to be. But UBL, Current ratio is not good because it maintains 0.98tk current assets against 1tk current liabilities where as normally banking industry maintains 1: 1 current ratio. This graph shows that, the current ratio is decreasing year by year.

4.2 Net Working capital

Net working capital, although not actually a ratio is a common measure of a firm's overall Liquidity a measure of liquidity ratio calculated by

Net Working capital=Current Asset-Current Liabilities

year	**2017**	**2018**	**2019**	**2020**	**2021**
Net Working Capital(million)	**-729.41**	**2085.43**	**3611.90**	**1540.70**	**-672.82**

Table: Net Working capital

Interpretation:

Net working capital of UBL gradually decreasing in Year by Year However, the bank can not able to meet up its current obligations. So the Bank should increase its Current asset.

4.3 Analyzing Activity Ratio:

Cost Income Ratio:

Cost Income Ratio=Total operating Expenses/Total Operating Income

Year	2017	2018	2019	2020	2021
Cost income Ratio	49.86%	52.23%	53.36%	45.09%	45.42%

Table: Cost Income Ratio

Interpretation:

We know that this ratio measures the operating efficiency of the bank by measuring the portion if the total operating costs relative to the total operating income of that bank and the higher the ratio, the lower the operating efficiency. In 2019 the operating cost of UBL Bank Ltd. is high but after that it decreasing. So it can be said that the operating efficiency of the UBL Bank Ltd. is in good position that is they are able to minimize their operating cost.

4.4 Total Asset Turnover Ratio:

The total asset turnover indicates the efficiency with which the firm is able to use all its assets to generate sales.

Total Asset Turnover= Operating Income/Total Asset

Year	2017	2018	2019	2020	2021
Total Asset Turnover	0.056	0.059	0.059	0.068	0.064

Table: Total Asset Turnover

Interpretation:

The banks total asset turnover ratio in 2021 – 2020 that is .0056- 0.068 which means 5.6 to 6.8 times. We know the greater the total asset turnover; it is more efficient and 4 to 6 times is slandered position but also depends on industry. But UBL is total asset turnover ratio is increasing day by day but in 2021 its decreasing which is not good sign.

4.5 Debt Ratio:

The debt ratio measures the preparation of total assets provided by the firm's creditors.

Debt ratio= Total Liabilities/Total Assets

Year	2017	2018	2019	2020	2021
Debt Ratio	0.95	0.95	0.95	0.94	0.91

Table: Debt ratio

Interpretation:

This graph shows that, the debt ratio was decreasing year by year. The Debt ratio measures, the proportion of total assets provides by the firm's creditors. Their debt ratio were decreasing trend that indicates positive sign.

4.6 Time Interest Earned Ratio:

The times interest earned ratio, sometimes called the interest coverage ratio, measures the firm's ability to make contractual interest payments.

Time Interest Earned Ratio =Earnings before interest and Taxes/Interest

Year	2017	2018	2019	2020	2021
Time Interest Earned Ratio	1.11	1.49	1.61	1.95	1.78

Table: Time Interest Earned Ratio

Interpretation:

Time Interest earned ratio on UBL's is highly satisfying. Because, it's increasing year by year but in 2021 it was slightly decrease to 1.78. So UBL should maintain this ratio by minimizing its operating costs in order to get adequate earnings to satisfying interest obligations.

4.7 Investment to Deposit ratio:

Investment to Deposit Ratio=Total investment/Total Deposit

Year	2017	2018	2019	2020	2021
Investment To Deposit Ratio	0.221	0.242	0.332	0.221	0.379

Table: Investment to Deposit Ratio

Interpretation:

Investment to deposit ratio shows that which amount of deposit is used to as investment. UBL Bank Ltd. Investment to deposit ratio is increasing last year .That means, Bank is properly utilize their deposit.

4.8 Net Profit Margin:

The net profit margin measures the percentage of each sales dollar remaining after all expenses, including taxes, have deducted. The higher the firm's net profit margin is better. The net profit margin is a commonly cited measure of the company's success with respect to earnings on sales

Net Profit Margin=Net profit after tax/operating income

Year	2017	2018	2019	2020	2021
Net Profit Margin	0.04	0.09	0.13	0.28	0.24

Table: Net Profit Margin

Interpretation:

The Bank net profit margin in 2017-2020 that is 0.04-0.28 which indicates that profit margin is increasing day by day and its good situation. But in 2021 UBL's net profit margin is decreasing which indicates that the banks profit is decreasing.

4.9 Return on Asset (ROA):

The return on asset (ROA), which is often called the firm's return on total assets, measures the overall effectiveness of management in generating profits with its available assets. The higher the ratio is better

Return on Asset (ROA) =Net Profit after tax/Total Asset

Year	2017	2018	2019	2020	2021
Return on Asset	0.23%	0.55%	0.77%	1.95%	1.54%

Table-: Return on Asset

Interpretation:

The banks return on asset increasing from 0.23% to 1.54% in the preceding 5years. So the UBL earn more profit from the assets. This is good for the bank. But in 2021 ROA is goes down its not good for the bank.

4.10 Return on Equity (ROE):

The return on equity measures the return earned on the owner's (both preferred and common stockholders') investment. Generally the higher the return, the better off the owner's.

Return on Equity=Net Profit after Tax/ Shareholders equity

Year	2017	2018	2019	2020	2021
Return on Equity	5.77%	11.92%	16.69%	30.86%	17.81%

Table: Return on Equity

Interpretation:

The banks return on equity deviates from 5.77% to 30.86%. In the preceding 5 years and the highest value can be observed in 2020 and the lowest value can be observed during the 2021 , which is not desirable. So the management should work hard to increase the return associated with equity.

4.11Earnings per Share:

The firm's Earning per share (EPS) are generally of interest to present or prospective stockholders and management. The Earning per share represent the number of dollars earned on behalf of each outstanding share of common stock. The earnings per share is calculated as follows

Earnings per Share =Earnings available for common stock holder/No of shares of common stock outstanding

Year	2017	2018	2019	2020	2021
EPS	142.83	124.59	102.56	142.56	69.19

Table: Earnings per Share

Interpretation:

The graph shows that, in 2019 earnings per share of UBL's is higher than 2018and 2019 and it decrease in 2021 .Net profit margin decreasing that means bank's operating result is decreasing.

4.12 Price Earnings Ratio:

The price or earning (P/E) ratio is commonly used to assess the owners' appraisal of share value. The P/E represents the amount investors are willing to pay for each dollar of the firm's earnings. The higher the P/E ratio, the greater the investor confidence in the firm's future. The price Earning (P/E) ratio is calculated as follows

Price Earnings Ratio=Market price per share of common stock/Earning per share

Year	2017	2018	2019	2020	2021
Price Earning Ratio	19.68	18.56	47.34	23.81	20.96

Table- Price Earnings Ratio

Interpretation:

The graph shows that, price earnings ratio of UBL's in increasing from 2020 to 2019 and it slightly decreasing in 2021. The banks price earnings ratio is in good position.

4.13 Liquidity Ratio:

Current Ratio

Year	UBL	IFICBL	PBL
2019	1.11	1.04	0.97
2020	1.04	1.12	0.88
2021	0.98	1.19	0.96

Interpretation:

We know that, the current ratio measures a firm's liquidity by measuring the portion of its current asset relative to its current liabilities and the higher the ratio, the higher the liquidity of the firm. The graph shows that, UBL current ration is better than IFICBL and PBL in 2019.And we see that 2021 and 2021where IFICBL are in better position than PBL and UBL. But in 2021 UBL current ratio is not satisfactory other one bank. So it can be said that, lower the current ratio, the lower the ability of the firm to pay its bills.

4.14 Findings:

From the analysis it has seen that UBL Bank Ltd Financial performance were better than other two banks (Pubali Bank and IFIC Bank) except in some cases:

liquidity Ratios:

- From the current ratio analysis it has seen that UBL has not enough current assets to pay their short term obligations because the current ratio is decreasing year by year.
- Uttara Bank Limited net working capital has gradually decreasing and 2021 it was negative figure that is bad sign for the bank.
- The operating efficiency of the Uttara Bank ltd is in good position because they are able t minimize their operating cost which we have seen cost to income ratio

Activity Ratios:

- Although Uttara Bank Limited total asset turnover ratio has increased in 2021 but overall their total asset turnover is satisfactory.
- The investment of the UBL is increasing in the last year. This is very good sign for the bank. Because if the investment is increased in the bank which help to gain maximum profit.

Debt Ratios:

- Debt Ratio UBL is in satisfactory range because it's year by year decreasing.
- UBL's Time interest ratio is not satisfactory because, they have only 1.78 tk. earning against 1 taka interest obligation which is not good

Profitability Ratios:

- From the trend analysis we have seen UBL's Net profit margin were increasing year by year. But in 2021 net profit margin has decreased. It indicates Negative operating result of UBL.
- In 2020, UBL P/E ratio is indicates very good sign. The investor who wants to buy UBL Share they will get the loan margin facility.
- From the analysis we see that UBL's Earning per Share is better than other two banks, which indicates better earnings for the bank.
- The bank's ROA is decreasing but PBL is more efficient to generate additional ROA than the UBL and IFICBL.

Chapter-Five

Recommendations & Conclusion

Recommendations for Uttara Bank Limited:

It is not unexpected to have problems in any organization. There must be problems to operate an organization. But there must be remedies to follow. The following commendations can be suggested to solve the above-mentioned problems:

- As, it has seen that Current Ratio and Net working capital of UBL is not satisfactory range so firstly , UBL should increased current asset for smoothly operate their business.
- UBL`s Cost to income ratio were satisfactory range so they should try to maintain this trend.
- As, Total Asset Turnover shows the efficiency of the bank, UBL should also try to improve their Total asset turnover although their total assets turnover is higher than that of Pubali Bank and IFIC bank.
- Although UBL net profit margin is increasing trend they should try to more for increasing their operating efficiency.
- From the trend analysis it has seen ROA of UBL were fluctuating. So they should try improving this and should take necessary steps to increase ROA.
- UBL's investment to deposit and Loan to Deposit ratio both are increasing trend that is the positive sign towards the profitability of the bank. So the bank should work hard for maintaining this trend.
- As, UBL's Time interest ratio is not satisfactory they should increase their EBIT or reduces the debt capital in order to smoothly satisfy the interest obligations.
- Uttara Bank Limited P/E ratio is satisfactory range they should try to maintain this.
- From the trend analysis we have seen operating cost of UBL is increasing year by year, it may adversely affect the profitability of the bank. So, they should give more concentration to reduce operating cost.
- From the trend analysis it has seen ROE of Uttara Bank ltd were fluctuating, so they should try improving this and should take necessary steps to increase ROE.

Conclusion:

Uttara Bank Limited (UBL) setting new standards in the banking arena in the time of turbulent economic conditions. As part of the long-term financial reform and modernization plan of the government, the bank had been converted into a public limited company. UBL helps to mobilize the resources to stay strong in the key areas of operation. In the areas of treasury operation, UBL remains the key player in the country's foreign exchange and money market enhancing profitability through careful pricing and assessment of risk and return on investment, the treasury dealing is being strengthened to facilitate transactions requiring more sophisticated products and services for larger institutional and corporate clients. Though it has a wide range of network and confidence from the customers but it has some problems those problems reduce it income .It is PLC but the authority is not that flexible and it takes time to take decision.

Although excellence in Banking is the Moto of Uttara Bank Limited meeting the demand of the discerning customer is not the sole objective of the Bank. Customer relation should be increased to give appropriate service to them. And treat them as an asset of the company. Despite of these problems Uttara Bank Limited trying to improve this condition and take some necessary measure to improve its condition.