Internship Report
on
Financial Performance Analysis of Pubali Bank PLC.

Submitted by:
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ID: BBA2101022034
Program: Bachelor of Business Administration (BBA)
Major: Accounting
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Submitted to:

Department of Business Administration
Sonargaon University (SU)
Submitted for the partial fulfillment of the degree of
Bachelor of Business Administration



Sonargaon University (SU)
147/I, Green Road, Tejgaon, Dhaka-1215, Bangladesh.

Date of Submission: April 28, 2025

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Supervised by:

Sumon Sheikh

Lecturer

Department of Business Administration

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147/I, Green Road, Tejgaon, Dhaka-1215, Bangladesh.

Date of Submission: April 28, 2025

LETTER OF TRANSMITTAL

April 28, 2024

Sumon Sheikh
Lecturer
Department of Business Administration
Sonargaon University (SU)

Subject: Submission of Internship Report.

Dear Sir,

With due regard, I would like to inform that I have finished my internship report on "Financial Performance Analysis of Pubali Bank PLC."

The whole experience of this internship program enabled me to get an insight into the real-life situation. I have tried my best with my knowledge to make a full-fledge report by analyzing the requirements you have asked for. Besides this, there may be short comings. I would be grateful if you consider those from excusable manner.

I would like to express my sincere gratitude to you for your guidance and suggestions in preparing the report. I will be happy to provide any further explanation regarding this research report if necessary. Sincerely yours,

Yours Sincerely

Md Mursalin Bhuiyan
ID: BBA2101022034
Program: Bachelor of Business Administration (BBA) Major: Accounting
Department of Business Administration Sonargaon University (SU)

CERTIFICATE OF SUPERVISOR

I hereby confirm that the internship report titled **"Financial Performance Analysis of Pubali Bank PLC."** has been prepared in the fulfillment of the BBA program requirements at the Department of Business Administration, Sonargaon University (SU). The report was conducted by Md Mursalin Bhuiyan, ID BBA2101022034, under my guidance. I assure you that the report and its contents will not be utilized for any other intentions.

_____

Sumon Sheikh
Lecturer
Department of Business Administration
Sonargaon University (SU)

DECLARATION OF STUDENT

I am Md Mursalin Bhuiyan, a student in the Bachelor of Business Administration program with ID BBA2101022034 at Sonargaon University. I want to sincerely state that the report titled **"Financial Performance Analysis of Pubali Bank PLC."** has been genuinely prepared by me. During the preparation of this report, I ensured full compliance with international copyright regulations. I also want to clarify that this report has not been submitted anywhere else for the purpose of obtaining a degree.

Yours Sincerely

Md Mursalin Bhuiyan

ID: BBA2101022034
Bachelor of Business Administration (BBA)
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LETTER OF AUTHORIZATION

I hereby confirm that the internship report titled **"Financial Performance Analysis of Pubali Bank PLC.** is an effort by **Md Mursalin Bhuiyan** with **ID BBA2101022034.** I hardly affirm that, to the best of my knowledge, the content presented in this report has not been included in any other project report or dissertation that led to the award of a degree to any candidate earlier, whether in the same context or a different one.

_____

Sumon Sheikh
Lecturer
Department of Business Administration
Sonargaon University (SU)

ACKNOWLEDGMENT

First of all, I wish to express my thanks to the almighty God for giving me the strength to perform my responsibilities as an intern and complete the report within the stipulated time. I am deeply indebted to my faculty supervisor Mr. Sumon Sheikh, Lecturer, Department of Business Administration, Sonargaon University for whole-hearted supervision during my organizational attachment period. I'm grateful to have a supportive supervisor like him. Her tireless efforts and appreciation have greatly contributed to my report. I was joining in Pubali Bank in Demra Dhaka to work as an Intern member of PBPLC co-workers are very supportive to me. I am also grateful to Md. Suhas Islam (Manager), Nahid Parvez Sumon (Cash In charge) and my colleague who helped me by providing informative instructions. I was closely attached with them during my internship period. Without them this report would have been very difficult. I must mention the wonderful working environment and group commitment of this organization that has enabled me to deal with a lot of things. Finally, I would like to thank all the faculty members, officials and class-mates, who are always supportive to me.

EXECUTIVE SUMMARY

This internship report titled “Financial Performance Analysis of Pubali Bank PLC. (Demra Dhaka)” provides a detailed assessment of the bank’s financial efficiency, profitability, and overall performance. The study analyzes key financial indicators, including Return on Assets (ROA), Return on Equity (ROE), Net Interest Margin (NIM), and Earnings per Share (EPS). The findings reveal how effectively the bank utilizes its assets to generate profits and manage shareholder equity. Additionally, the report examines liquidity measures like the Current Ratio and solvency indicators such as the Leverage Ratio and Tier 1 Core Capital to assess the bank's stability and risk management. The SWOT analysis highlights the bank's strengths, weaknesses, opportunities, and threats, offering a comprehensive understanding of its strategic positioning. The report also delves into interest sensitivity metrics like the Interest Sensitive Gap, Relative IS Gap, and Interest Sensitivity Ratio, providing insights into how Pubali Bank PLC. responds to changes in interest rates. Through the Cash Position Indicator and Liquid Securities Indicator, the bank’s liquidity risk and its capacity to meet short-term obligations are evaluated. The study identifies that while the bank maintains a solid growth trajectory and has embraced automation and technological advancements, areas such as liquidity management and interest rate sensitivity require strategic improvements. The findings culminate in specific recommendations to enhance financial performance, optimize resource utilization, and strengthen customer service frameworks. Overall, this analysis provides a comprehensive review of Pubali Bank PLC. is operations and suggests measures to ensure sustainable growth and improved financial health. The report concludes that with targeted improvements, the bank can reinforce its market position and deliver.

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CHAPTER 1: INTRODUCTION

1.1 Introduction

Banks play the most important role in the economy. Banks collect money from the individuals and lend them to others. Now banks offer the widest range of financial services and perform lots of financial functions. Thus, banks have proven that they are the key factor for the business and economy as well.

Pubali Bank PLC is the largest banking institution in Bangladesh, dynamic in actions, honest in dealings, just in judgment, fair in approaches and devoted to high quality service to customers and thereby contribute to the growth of GDP of the country throughout stimulating trade and commerce, boosting up export, poverty alleviation, raising living standard of PLC income group and overall sustainable socioeconomic development in the country.

Financial analysis is an analytical way of viewing the financial position of a company. It provides a clear guide to evaluate and understand the company's position. Some of the ways to analyze a company's financial position are: ratio analysis, comparative statement analysis, cash flow analysis, decision theory, etc. financial statement analysis ids the best tool to evaluate the working and performance of accompany throughout the year. It is the easiest available tool for any investor or stakeholder to diagnose the financial strength of a company. Whether it is to interpret the short- or long-term solvency, financial analysis is best suited.

1.2 Objective of the Study

The objective of this study is to have a clear concept and some practical experience about Financial Statement Analysis Systems of an organization. However, we had some textbook knowledge but had little in real life, practice so ever.

This report is designed to know more about the financial performance of Pubali Bank PLC. and analyze the ratio of this organization and identify the financial condition of this organization. In addition, the study seeks to achieve the following objectives:

- To know about the process of ratio analysis systems.
- To identify the financial condition of an organization.

1.3 Scope of the Study

In spite of limitation, I also got some facility to complete my internship report. The employees whose held a responsible post in the entire department helped me lot. They gave me all essential data and conversation with me. My university internship supervisor also helped me a lot. He gave me a guideline how to prepare my report more attractive and perfect. This bank has given me the opportunity to observe the banking environment for the first time indeed. I got an opportunity to gather experience by working in the different departments of the branch under the supervision of different departmental heads.

1.4 Significance of the Study

This study is relevant to the higher authority of Private Universities in Bangladesh as it provides the necessary and real pictures of selecting criteria a university for their students. The findings could assist the higher authority of Private Universities in Bangladesh and policy makers to understand the impact of research variables or criteria of students of Private Universities in Bangladesh. Additionally, students of Private Universities of Bangladesh will get a comprehensive idea about selecting criteria for higher education.

1.5 Limitation of the Study

Large scale analysis was not possible due to time, information constraints. As the internship is for 3 months, it is really a short time to analysis all of the factors properly to the admission behavior of the students. Finally, there was lack of necessary information what I needed. That is primary and secondary data.

CHAPTER 2: LITERATURE REVIEW

2.1 Literature Review

Altman (1968), in his work developed the concept of Z score. In his work he analyzed the financial position with the help of ratio analysis, which was further analyzed with the help of multiple discriminant analysis, through which a discriminant coefficient was determined. The model was formulated to determine the bankruptcy of any company. In his work he determined that if the score is less than 1.8, the company becomes bankrupt but if the value is more than 2.99, the company is sound and if the value was amongst these two, then the companies were in a safe zone. The model crafted by him was 94% accurate.

Ingoo (1997), in his work analysed the bankruptcy through three major techniques: multivariate discriminant analysis, case based forecasting and neural network. The paper studied the bankruptcy chances of Korean firms. It was concluded from this article that neural network was best suited to forecast the health of the company and case-based forecasting was the most inappropriate technique to measure the bankruptcy. Reddy (in his work examined the financial performance of two selected pharmacy companies and forecasted the viability with the help of Z score model as examined by Beaver who studied 79 successful and 79 unsuccessful companies with the use of ratio analysis, to evaluate the soundness which was further applied to the Z score model.

Johan (2006), used Z score to measure the financial performance of small business firms in Kenya, and to determine the distress level through cyclical concept. Krishna (2005) predicted the financial distress and insolvency of IDBI through Z score. Khannadhasan (2007), concluded that the financial health of Wendt India PLC was good by applying the Z score model.

Ben Mc Clure (2004), through his work has advised investors to check the Z score of companies from time to time to avoid bankruptcy situation. Panda J. and Lal G.S. (1991), found in their research studies that the productivity, deployment of funds, quality of advances, information system, organizational setup and branch expansion programmers are the major factors influencing the profitability of banks to the great extent.

Sampath S.J. (1990), examined the factors influencing profitability of commercial banks and found that the profitability of the banks depends on certain factors like

interest income, interest expenses and Manpower expenses, other expenses and non-interest income. Satyamurthy B. (1994), suggested in his study that the ratio analysis techniques can be used to evaluate the profit and profitability performance of banks. Uppal R.K. (2009), examined and found that the profitability is an important criterion to evaluate the overall efficiency of a bank.

New Encyclopedia Britannica, A commercial banker is a dealer in money in substitutes for money, such as cheque or bill of exchange. English Bills of Exchange Act-1882. Banker includes a body of person whether incorporated or not, who carry on the business of banking.

CHAPTER 3: PROFILE OF THE ORGANIZATION

3.1 Background of the Pubali Bank PLC.

Pubali Bank PLC is the largest Commercial Bank in Private Sector in Bangladesh. It provides mass banking services to the customers through its branch network all over the country. This Bank has been playing a vital role in socio-economic, industrial and agricultural development as well as in the overall economic development of the country since its inception through savings mobilization and investment of funds. During the last 5 years the growth rate of bank's earnings is more than 25% on average.

3.2 Board of Directors

The Board consists of 14 directors. Among them Md. Hafiz Ahmed Mazumder MP is the Chairman of the Board while Md. Muniruddin Ahmed and other 11 member are Director. Mr. Helal Ahmed Chowdhury holds the Managing director CEO. Mr. Sayeed Ahmed FCA is a Chief Financial Officer. Md. Sayeed Sikder is a Company Sectary. The Board of Director held 33 meetings during the year 2020. Besides 07 committee meetings were also held during that period.

3.3 Management

Mr. Helal Ahmed Chowdhury is the Managing Director and CEO of the Bank. He is a renowned and dynamic banker with more than three decades of banking experience to his Credit. Mr. Khurshid-ul-Alam, a prominent banker is the Deputy Managing Director of the Bank. Nineteen members are leading General Manager of the Bank. Twenty-six members are Deputy General Manager of the Bank. One Hundred thirty-two members are Assistant General Manager. The Management is well supported by an organized team of dedicated executives and officers.

3.4 Pubali Bank PLC at a glance

- Authorized Capital: 5000.00 million.
- Paid-in Capital: 3822.00 million
- Reserve Fund: 5687.25 million
- Total Deposit: 88466.46 million
- Total Credit: 24,678.36million
- Total Investment: 12168.65 million
- Total Net Profit: 2092.23million

3.5 Vision

To hold the position of best private commercial Bank in Bangladesh with adherence to meticulous compliance of rules and regulations and strong commitment to corporate social responsibility.

3.6 Mission

To become most remarkable and admirable is private commercial bank in the country. To get recognition as a dynamic, innovative and customer service-oriented Bank. To keep momentum of continuous and steady is growth with maximum transparency and to diversify products and resources. To expedite continuous up date of information and technology with all modern facilities to cope with demand challenges of the time.

3.7 Growth and development of the organization

It has branches all over Bangladesh and carries out all banking activities through its branches in our country and through international correspondent outside the country. On December Total assets of the Bank stood at Tk. 107579.60 (Million)

3.8 Corporate Governance

Pubali bank is a 100% indigenously sponsored private commercial Bank. Meanwhile Ppubali Bank PLC. has taken effective measures to implement corporate Governance is echoed with the good governance. Pubali Bank has ensured basic four columns of good governance i.e. accountability, transparency, predictability and balancing the extreme through utilization of available resources and day to day decision making in conformity with instruction of regulatory bodies.

Board structure:

The board of directors consists of 13 members mainly directs on policy formulation and monitoring of its guidelines. The board has following supporting committees:

a) Executive committee: The executive committee is comprised of 5 board members and they take decision on emergency matters as and when required relating to bank‟s business etc. subject to ratification by the full board. In 2020 the committee conducted 4 meetings.

b) Audit committee: the audit committee is formed with 3 members of the board of directors. The audit committee peruses and evaluates all the audit reports of all branches of the Bank. The committee assists the Board of directors in ensuring that the financial statements reflect true fair view of the state of affairs of the company and ensuring a congenial working method in the bank as per guidelines of the regulators. In 2020 the committee conducted 9 meetings.

Financial management:

The annual budget and the statutory financial statement are prepared with the approval of the Board. The board regularly monitors and reviews bank’s liquidity, income, expenditure, non-performing loans, loss provisions and steps taken for recovery of defaulted loans including legal means.

Management structure:

The management headed by managing director and CEO is assisted by 19 General Managers along with 2 consultants to run the Business. The workflows are carried out by the relevant divisions/departments/branches of the bank. The following committee's also assistant management:

i. Management committee (MANCOM): The MANCOM is comprised of senior management members, meets monthly to discuss relevant agenda and take appropriate actions for running the bank smoothly.

ii. Asset liability management committee (ALCO): Asset liability management committee headed by managing director and CEO is responsible for balance sheet risk management. The results of balance sheet analysis along with recommendation are placed in ALCO meeting where important decisions are made to minimize risk and to maximize returns.

iii. Credit committee: Headed by the senior general manager, the credit committee evaluates credit proposals and recommends for approval and otherwise.

iv. Task Force for recovery of classified loans: A task force for recovery of classified loans is constituted in the Head office of the bank with the chairmanship of managing director and CEO. The other members are general managers and deputy general manager of credit administration, monitoring and recovery division, CLS division, lease financing division and law division.

Statutory other reserve:

At the close of 2020 the statutory reserve and other reserves of the bank stood at TK 5687.25 million out of which statutory reserve was TK 3152.72 million. Other reserves was TK 2532.53 million. Total reserve was TK 4606.82 million at end of 2019.

Deposits

The deposit trend was positive in 2020. At the end of 2019 total deposit was TK. 73,016.51 million that came to TK. 88,466.46 million at the end of 2020 showing 21.16% increase. Out of the total deposits. Time deposits and Demand deposits were TK. 27,432.48 million and TK.61,033.98 million i.e. 31.01%and 68.99% respectively

Borrowing from other banks

In 2020 the bank borrowed TK. 427.45 million for business purpose compared to borrowings of TK.393.07 million during the previous year.

Advances

Total advances of the bank as on 31 December 2020 stood at TK. 74203.33 million showing an increase of TK 12415.18 million @ 20.29% growth. In line with national economic development, the Bank made advances mainly as commercial loan, import & export business, and term loan to large medium scale industries, house building loan, working capital loan, consumers‟ credit loan and syndication loans etc.

Investment

Total investment of the bank was TK.12168.65 million during 2020.In comparison to previous year total investment was increased by TK. 3793.06 million @ 45.29% growth. The bank mainly invested in government bonds, treasure bills, approved debentures of private institutions.

Foreign Exchange Business

Bank largely depends in its foreign exchange business to ensure profitability. The Bank's foreign exchange business is designed to assist development of trade, commerce and industry in the country in consonance with the guidelines of Bangladesh Bank. There are three categories in the below:

a) Import business: During the year the bank handled import business worth TK. 60,490 million. During the previous year the amount was TK. 58,010 million. The amount if import business handles by the bank increased by TK.2,480 million during the year which was 2.28 % higher than the previous year.

b) Export business: The bank handled export business worth TK.24, 740 million during the year as against TK.24, 790 million in the previous year.

c) Inward foreign Remittance: Nonresident Bangladeshis sent foreign exchange equivalent to TK. 35,250 million through the bank during 2020 whereas the amount was TK. 28,190 million in 2019.The increase shows a growth of 25.04% which is a proof of confidence on the bank from the NRBs.

Information and Technology and Automation

As the 386 branches have been computerized out of which 286 branches have been running successfully with the in-house developed software, PIBS (Pubali integrated banking system). Pubali bank PLC. has implemented centralized online Banking system in the year 2020 through its in- house developed software. In the meantime, 50 branches in Dhaka, Chittagong and Sylhet have been brought under online Banking system. The remaining branches will be brought under online banking system gradually. The bank has introduced one banking and mobile phone banking phase wise shortly. The bank has developed Islamic banking software and 2 Islamic banking wings will be opened in Dhaka and Sylhet shortly. The bank has entered into the internet world through its website www.pubalibangla.com and has also has been operating ATM and POS services to meet the demand of the time.

Man-power and training

Skilled work force is an essential pre-requisite for development of any service-

oriented organization. Pubali Bank PLC. Puts all out emphasis for the development of professional work force to meet the challenge of modern banking.

In the year 2020 the bank had 5,115 employees. Both the board and management stress on developing human resources. Thirty-five courses covering different subjects were organized at the bank's training institute where 1,168 officials of different levels participated. Besides these, The Bank utilized the training services rendered by other training institution like BIBM, BBTA and other national institutes.

Dividend

The board of directors has recommended 30% stock dividend i.e. 3 shares for every 10 shares and 5% cash dividend for all shareholder of the Bank out of profit on the basis of audited accounts for the year 31st December 2020 subject to approval in the annual meeting.

Future plan of this bank

The bank stressed on the targets laid down in the annual budget 2010.The budget 2010 is a challenging one with growth of 33.43% in operating profit from that previous year. Deposit and loan are projected to increase by 29.37% and 28.03% respectively and import, export and remittance business is expected to rise by32.24% 61.68% and 70.21% respectively.

Overview of the Branch

Division	Number of Branches
Dhaka	**73**
Chittagong	**54**
Sylhet	**46**
Rajshahi	**24**
Khulna	**23**
Noakhali	**19**
Narayangonj	**18**
Moulvi Bazar	**31**
Comilla	**28**
Mymensingh	**24**
Rajshahi	**24**
Rangpur	**18**
Barisal	**27**

- Date of establishment of the bank: 1959
- Head Office, Pubali Bank Bhaban
- 26, Dilkush Commercial Area
- Dhaka-1000 Bangladesh, Post Box no. 853
- Fax: +88-02-9564009
- PABX: +88-02-9551614
- E-mail: mailbox@pubalibankbd.com
- Web: www.pubalibangla.com

Functions of the Pubali Bank PLC. :

- Establishing Banker Customer relationship,
- Remitting customer‟s money from one place to another,
- Collecting bills for customers,
- Taking deposit and honoring Cheque drawn over Local Office.

Pubali Bank PLC. Products & Services:

- One Stop Service
- Time Deposit Scheme
- Monthly Savings Scheme
- Deposit Insurance Scheme
- Inward & Outward Remittances
- Traveler's Cheques
- Import Finance
- Export Finance
- Working Capital Finance
- Loan Syndication
- Underwriting and Bridge Financing
- Trade Finance
- Industrial Finance
- Foreign Currency Deposit A/C
- NFCA (Non-Resident Foreign Currency Deposit Account)
- Consumer Cr. Scheme
- Locker Service
- RFCA (Resident Foreign currency deposit Account)
- ERQ (Export retention quota Account)

Network:

Pubali Bank PLC. always considers client service the most vital factor to face ever-increasing competition and challenge in the Banking sector and as such places on its utmost importance. With that end in view the Bank continued its popularized approach with speed, precision and accuracy. Presently the number of the branches stood at 386 covering almost all the important places of the country. Moreover, worldwide international correspondent's network of the Bank has been continuously expanding covering the important countries in all the countries of the world. Besides the Bank has arrangement with a number of Exchange Houses at Bahrain, Italy, KSA,

Malaysia, UK, USA, Global (Western Union) Singapore, U.A.E., Oman, Qatar, and Kuwait to facilitate remittances from expatriate Bangladeshis. To cope with modern banking requirement all the branches are being computerized. To develop expertise on computer operation, regular training program of computer for the officers are continuing. The bank has been introduced new computer programs (ON-LINE BANKING) with fifty-one branches for improving customer service and has finalized arrangements with other private commercial banks to introduce ATM. SWIFT (Society for worldwide inter-bank financial telecommunication) has already been introduced to speed up international transactions and passing of L/Cs at HEAD OFFICE. SWIFT will soon be introduced at all the A.D branches of the Bank.

3.9 SWOT Analysis

SWOT is an acronym for the internal Strength and Weakness of a firm and the environmental Opportunity and Threat facing that firm. So if we consider Pubali Bank as a business firm and analyze its strength, weakness, opportunity and threat, the scenario will be as follows:

Strength:

- Good management.
- Cooperation with each other.
- Usage of faster pc bank software.
- Membership of SWIFT.
- Good banker-customer relationship.
- Online Banking services.
- Strong financial position.
- Strong position of CAMEL rating.
- Huge business area.
- Excellent monitoring and supervision.
- Energetic as well as smart teamwork.

Weakness:

- Lack of proper motivation, training and job rotation.
- Lack of experience employees in junior level management.
- Lack of own ATM services.
- Tendency to leave the bank in quest of flexible environment

Opportunity:

- Expand market.
- Growth of sales service.
- Change in political environment.
- Lunching own ATM card.

Threat:

- Different service of FCB‟s (Phone Banking / Home Banking)
- Daily basis interest on deposit offered by HSBC.
- Entrance of new PCB‟s

CHAPTER 4: METHODOLOGY OF THE STUDY

4.1 Methodology of the Study

This report is prepared by two sources

- Primary Sources.
- Secondary Sources.

Primary Sources: Basically, this type of Sources included interviews with the bankers of Pubali Bank PLC.

Secondary Sources: Secondary data were collected in the following ways:

- Tax records and social security data.
- Census data (the U.S. Census Bureau is oft-referenced, as well as our favorite, the U.S. Bureau of Labor Statistics).
- Books, journals, or other print media.
- Health records.
- Electoral statistics.

CHAPTER 5: ANALYSIS & FINDINGS

5.1 Return on Assets

Return on Assets ratio (ROA) of a bank gives an idea of how efficiently a bank is using its assets to generate profit. We can also divide the bank‟s ROA into its components part. Components of a bank‟s ROA are net interest margin, net non-interest margin and special transaction. The sum total of this components results in ROA of a bank. Such a breakdown of the components of a bank‟s earning can be very helpful in explaining some of the recent changes that bank has experienced in a particular financial position.

Table-2: ROA of PBPLC with its breakdown is given below

Year	ROA
2019	0.51%
2020	0.53%
2021	0.36%
2022	0.36%
2023	0.41%

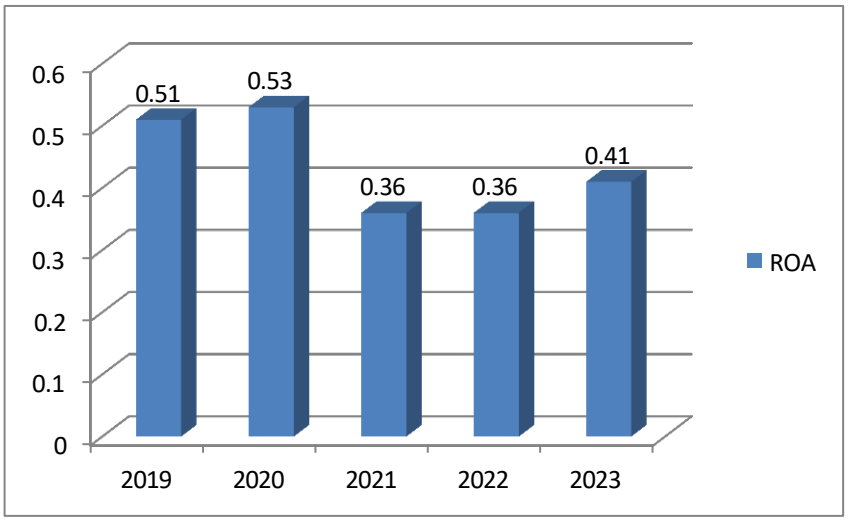


Figure-4: ROA from 2019-2023

Source- PBPLC Bank Annual Report 2019 to 2023

Interpretation

The ROA of PBPLC fluctuated over the last five years with the lowest in 2022 and the highest in 2020 of 0.36% and 0.53% respectively.

5.2 Return on Equity

Return on Equity is a ratio that measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. ROE is expressed as a percentage. It also has several components which are net profit margin, asset utilization and equity multiplier. Each component of this simple equation is a telltale indicator of a different aspect of the bank‟s operation.

Table-3: ROE breakdown

Year	ROE
2019	6.69%
2020	7.13%
2021	5.17%
2022	5.20%
2023	6.01%

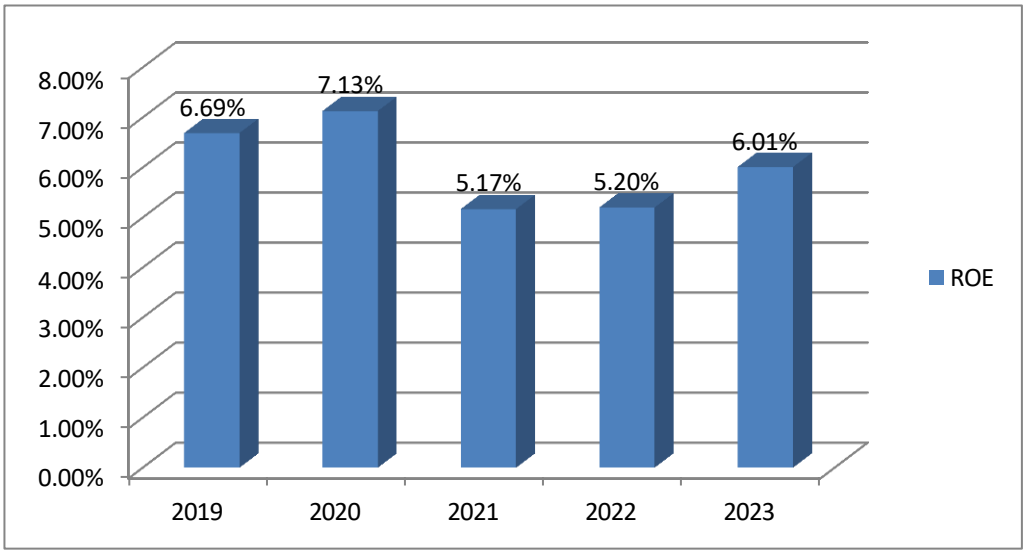


Figure-5: ROE from 2019-2023
Source- PBPLC Bank Annual Report 2019 to 2023

Interpretation

The ROE of PBPLC fluctuated over the last five years with the lowest in 2021 and the highest in 2020 of 5.17% and 7.13% respectively.

5.3 Net Interest Margin

Net Interest Margin is a ratio that examines how efficiently an organization can manage its investment decision to its debt situation.

Table-4: The Net Interest Margin of PBPLC of last five years is given below:

Year	NIM
2019	2.30%
2020	2.25%
2021	2.00%
2022	1.90%
2023	2.40%

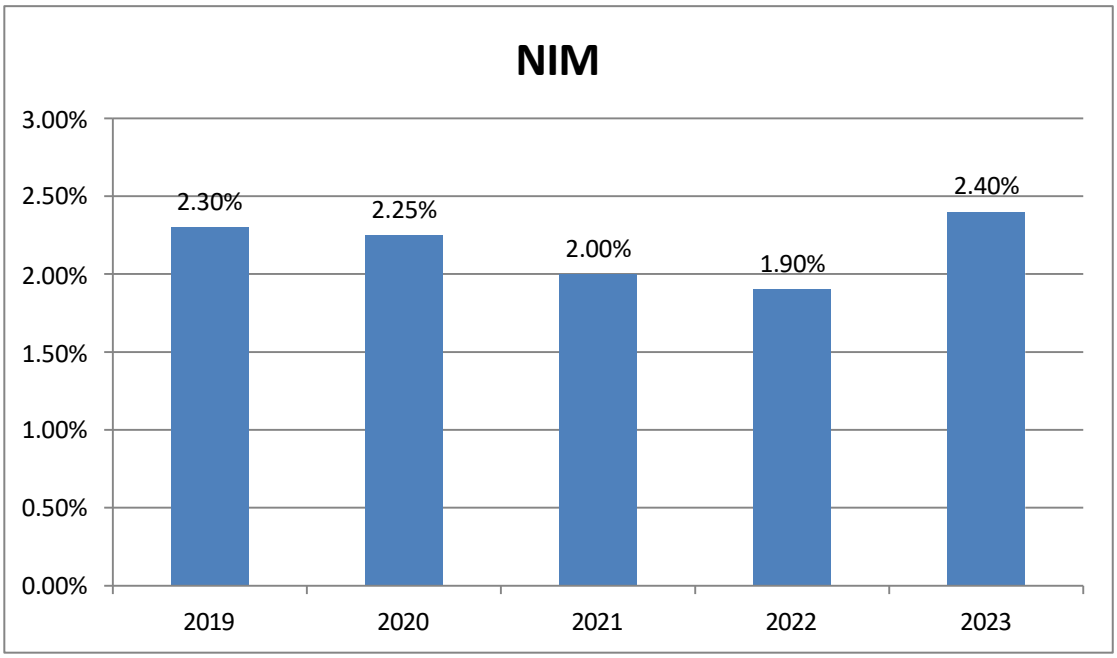


Figure-6: Net Interest Margin 2019-2023
Source- PBPLC Bank Annual Report 2019 to 2023

Interpretation

The ROE of PBPLC increased over the last five years with the lowest in 2022 and the highest in 2023 of 1.90% and 2.40% respectively.

5.4 Earnings per Share

Earnings per share (EPS) are the dollar value of earnings per each outstanding share of a company's common stock.

Table-5: Earnings per Share of PBPLC from 2019-2023 is given below:

Year	EPS
2019	$3.15
2020	$1.50
2021	$0.95
2022	$3.10
2023	$3.70

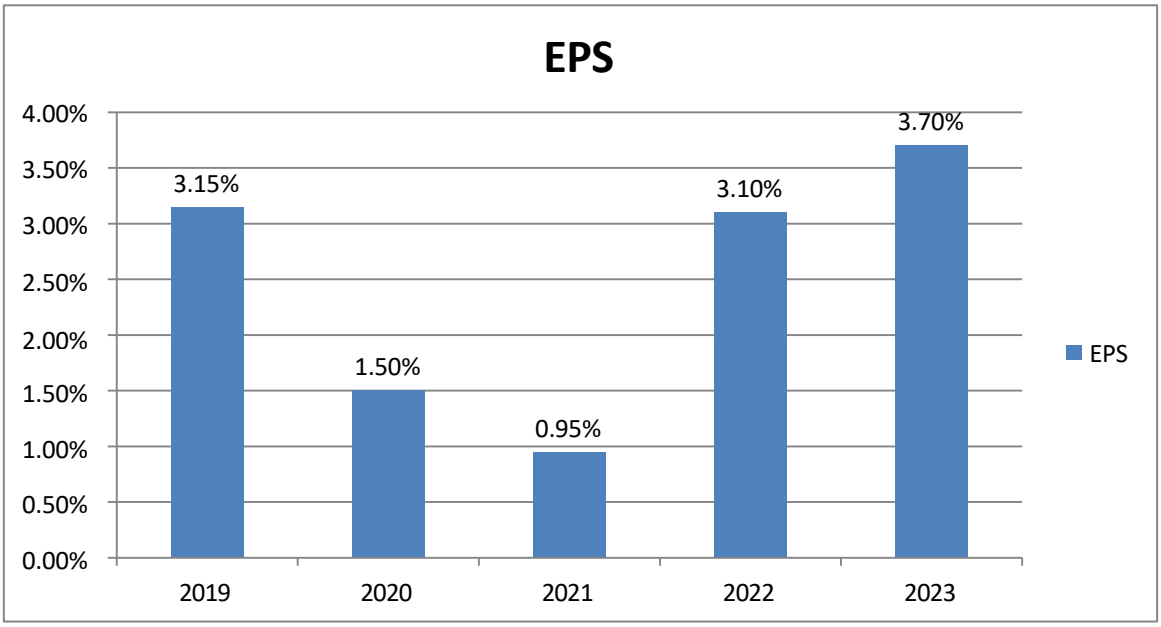


Figure-7: EPS of 2019-2023

EPS interpretation

The EPS of PBPLC increased over the last five years with the lowest in 2021 and the highest in 2023 of 0.95% and 3.7% respectively.

5.5 Earnings Spread

Another traditional measure of the earning efficiency with which a bank is managed is called the earning spread. It is calculated from:

Table-6: Earning Spread of PBPLC 2019-2023

Year	ES
2019	2.91%
2020	2.72%
2021	2.32%
2022	2.58%
2023	2.40%

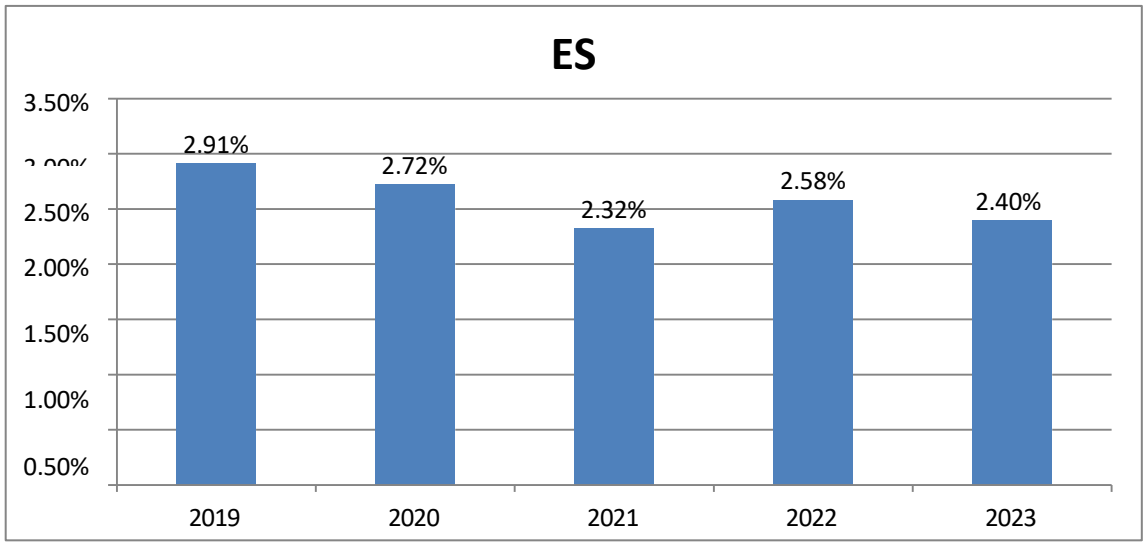


Figure-8: Earning Spread 2019-2023
Source- PBPLC Bank Annual Report 2019 to 2023

Earnings Spread Interpretation

The earnings spread has been positive for the last five years which is a good sign however it has not grown over the years rather it has been declining.

5.6 Interest Sensitive Gap

A gap exists between interest sensitive assets and interest sensitive liabilities are called Interest Sensitive Gap. If interest sensitive assets in each planning period exceed the volume of interest sensitive liabilities subject to reprising, the bank is said to have a positive gap and to be assets sensitive. In the opposite situation, when interest sensitive liabilities are larger than interest sensitive assets, the bank then has a negative gap as well as said to be liability sensitive.

Table-7: Interest Sensitive Gap 2019 – 2023

Year	ISG
2019	-91,023
2020	-129,776
2021	-95,232
2022	-94,507
2023	-132,999

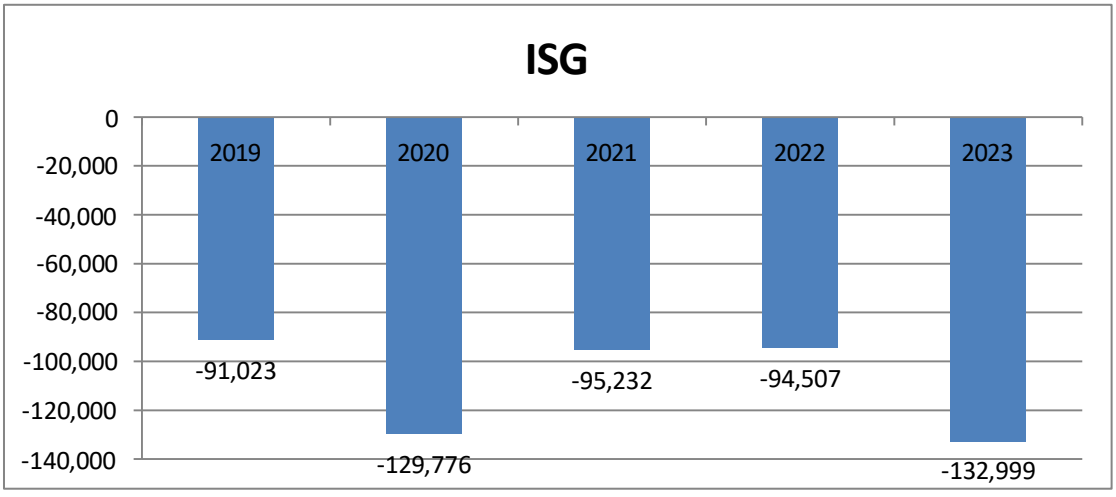


Figure-9: Interest Sensitive Gap 2019 – 2023

Source- PBPLC Bank Annual Report 2019 to 2023

Interpretation:

The ISG of PBPLC increased over the last five years with the lowest in 2019 and the highest in 2023.

5.7 Relative IS Gap

Relative IS Gap is the ratio of IS Gap and bank size. A Relative IS Gap greater than zero means the bank is asset sensitive, while a negative relative IS Gap describes a liability sensitive bank.

Table-8: Relative IS Gap

Year	IS Gap
2019	-0.05
2020	-0.04
2021	-0.04
2022	-0.05
2023	-0.04

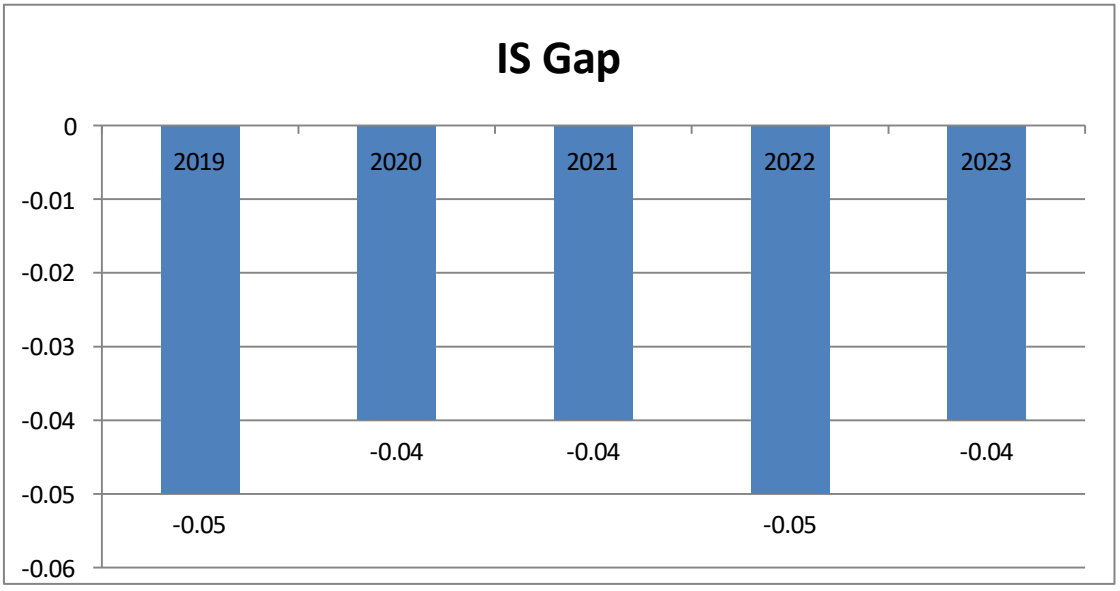


Figure-10: Relative IS Gap 2019-2023

Source- PBPLC Bank Annual Report 2019 to 2023

Interpretation

The IS Gap of PBPLC increased over the last five years with the lowest in 2019 and the highest in 2023 of -0.05 and 3-0.05 respectively.

5.8 Interest Sensitivity Ratio

The comparison between ISA and ISL, sometimes called the Interest Sensitivity Ratio. In this instance an ISR of less than 1 tells us we are looking at a liability sensitive bank while an ISR greater than unity points to an asset sensitive bank.

Table-9: Interest Sensitive Ratio 2019-2023

Year	ISR
2019	0.93%
2020	0.90%
2021	0.93%
2022	0.93%
2023	0.91%

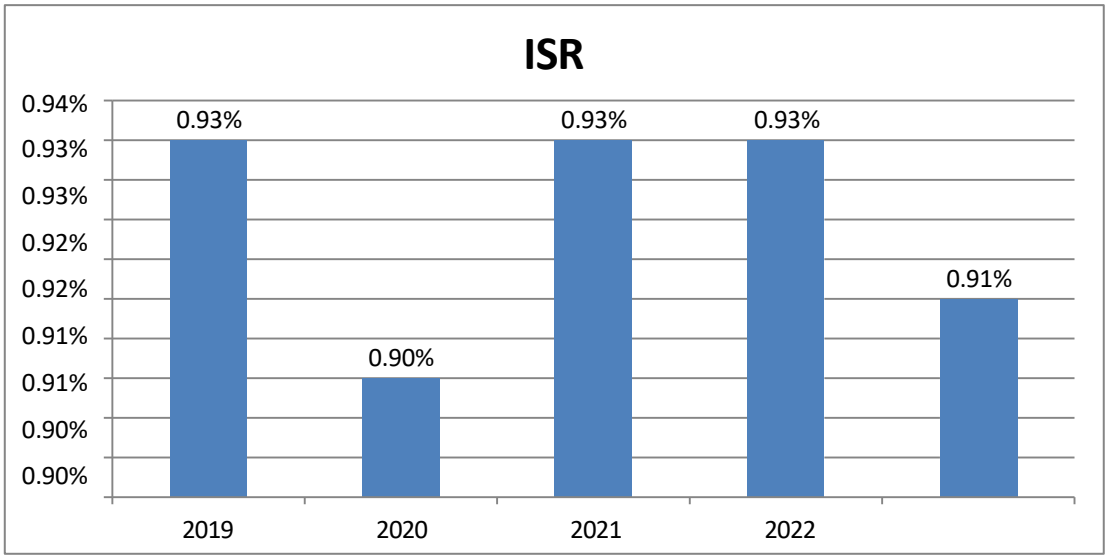


Figure-11: Interest Sensitive ratios 2019-2023

Source- PBPLC Bank Annual Report 2019 to 2023

Interpretation

The ISR of PBPLC fluctuated over the last five years with the lowest in 2020 and the highest in 2022 of 0.90% and 0.93% respectively.

5.9 Cash Position Indicator

Cash and deposits due from depository institutions divided by total assets, where a greater proportion of cash implies the bank is in a stronger position to handle immediate cash needs. Cash position indicator implies the how the bank efficiently handle immediate cash needs.

Table-10: Cash Position Indicator 2019 -2023

Year	Cash Position Indicator
2019	60%
2020	80%
2021	80%
2022	70%
2023	60%

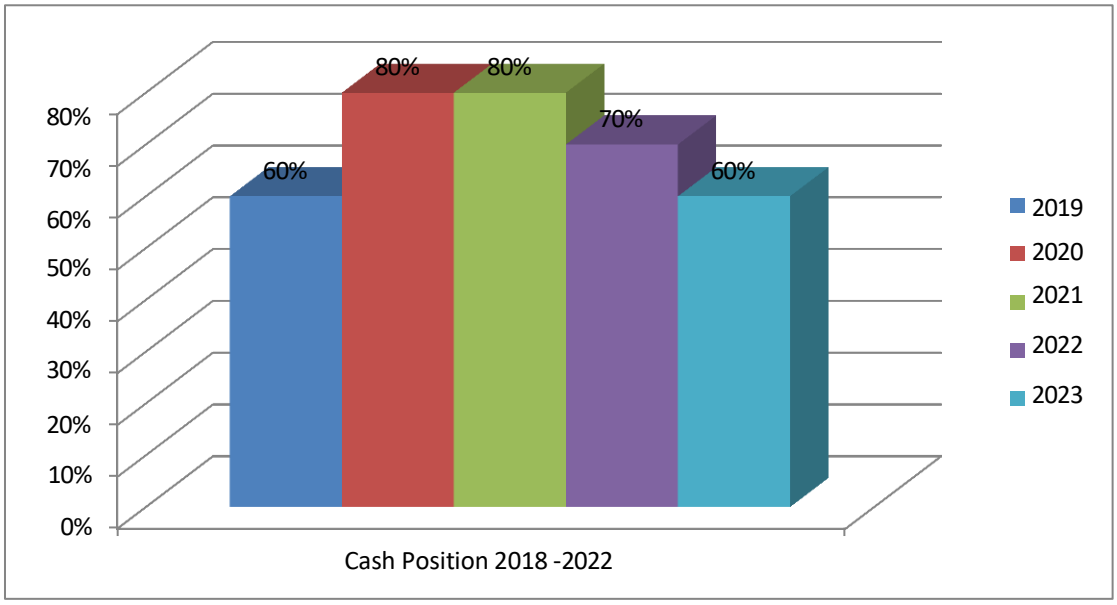


Figure-12: Cash Position 2019 -2023

Interpretation

The ISR of PBPLC fluctuated over the last five years with the lowest in 2019 and the highest in 2021 of 60% and 80% respectively.

5.10 Liquid Securities Indicator

Government securities divided by total assets implies liquid securities indicator. It compares the most marketable securities a bank can hold with the overall size of its assets portfolio. The greater the proportion of government securities the more liquid the bank‟s position tends to be.

Table-11: Liquid Securities Indicator 2019-2023

Year	LSI
2019	0.01%
2020	0.01%
2021	0.01%
2022	0.01%
2023	0.01%

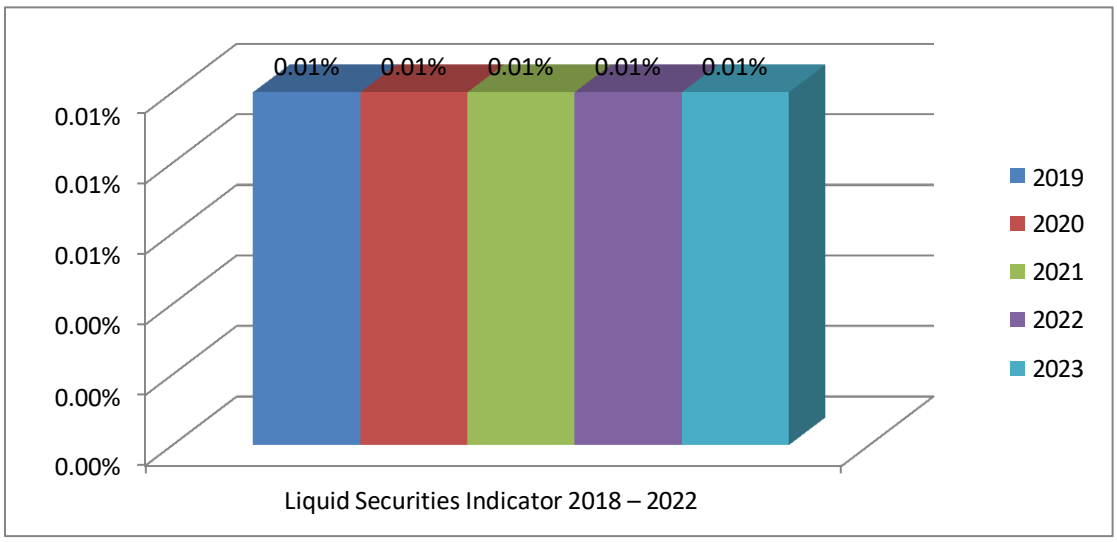


Figure-13: Liquid Securities Indicator 2019 – 2023

Source- PBPLC Bank Annual Report 2019 to 2023

Interpretation

PBPLC has lot most nonexistent percentage of liquid securities. This means they do not rely on marketable securities for liquidity. They have maintained 0.01 % throughout the last five years.

5.11 Capacity Ratio

It implies the ratio between net loan and total assets. It is a negative liquid indicator because loan and lease are considered as most illiquid assets a bank can hold.

Table-12: Capacity Ration 2019-2023

Year	CR
2019	43%
2020	46%
2021	48%
2022	44%
2023	43%

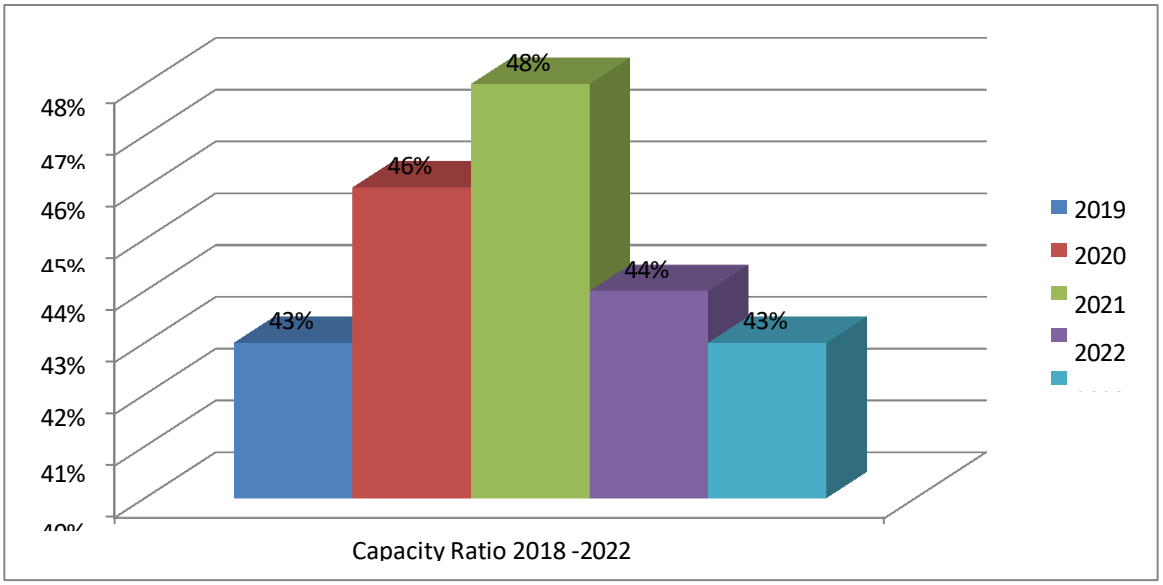


Figure-14: Capacity Ratio 2019 -2023

Source- PBPLC Bank Annual Report 2019 to 2023

Interpretation

The ISR of PBPLC fluctuated over the last five years with the lowest in 2019 and the highest in 2021 of 43% and 48% respectively.

5.12 Leverage Ratio

Leverage Ratio is measured by dividing core capital and total assets. This ratio is measured to identify whether the bank is well capitalized or not. A leverage ratio greater than 5% would be considered as well capitalized. A leverage ratio of 4% or more would be considered adequate capitalization. Below 4% is considered as undercapitalized. If the leverage ratio falls below 3%, it is called significantly undercapitalized and when it falls below 2%, considered as critically undercapitalized.

Table-13: Leverage Ratio 2019-2023

Year	Leverage Ratio
2019	3.9%
2020	5.3%
2021	5.5%
2022	5.2%
2023	5.8%

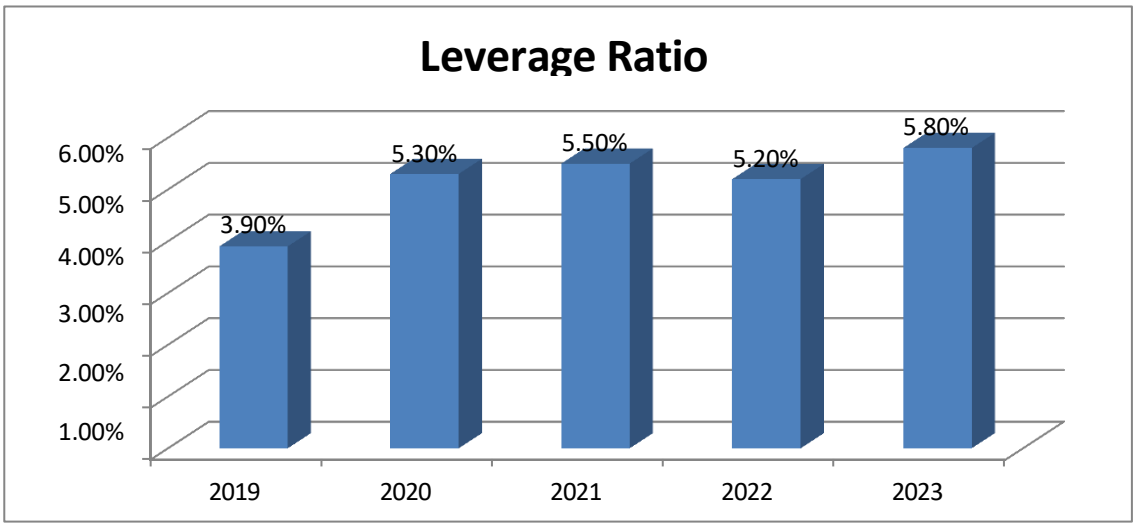


Figure-15: Leverage Ratio 2019-2023

Source- PBPLC Bank Annual Report 2019 to 2023

Interpretation

The ISR of PBPLC increased over the last five years with the lowest in 2019 and the highest in 2023 of 3.90% and 5.80% respectively.

5.13 Tier 1 core capital

For regulatory purposes, the capital base is divided into three main categories, namely core tier 1, other tier 1 and tier. Depending on the degree of permanency and loss absorbency exhibited. The core tier 1 capital comprises shareholders‟ equity and related non-controlling interests. The book values of goodwill and intangible assets are deducted from core tier 1 capital and other regulatory adjustments are made for items reflected in shareholders‟ equity which are treated differently for the purposes of capital adequacy.

Table-14: Tier 1Core Capital

Year	Tier 1 core capital
2019	14%
2020	14.7%
2021	15.9%
2022	15.8%
2023	14.2%

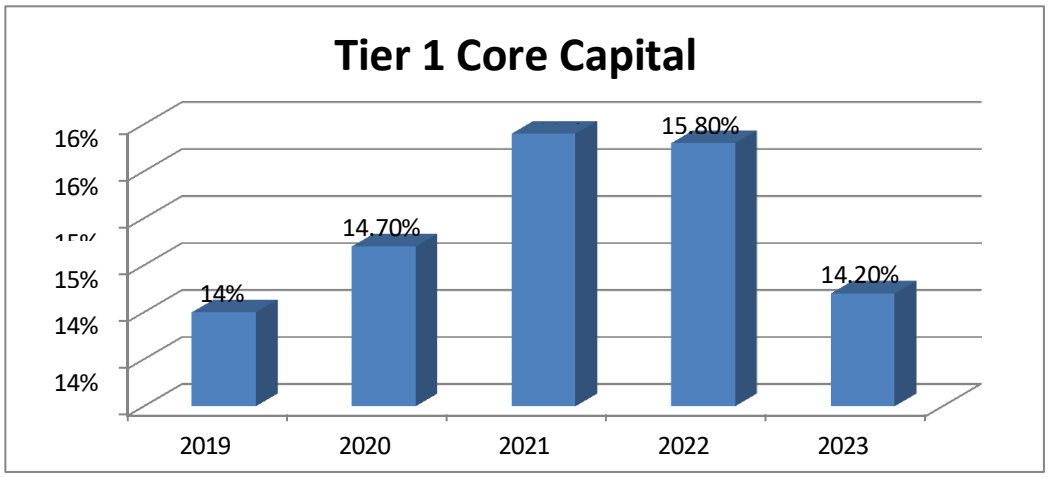


Figure-16: Tier 2019-2023

Source- PBPLC Bank Annual Report 2019 to 2023

Interpretation

The ISR of PBPLC fluctuated over the last five years with the lowest in 2019 and the highest in 2021 of 14% and 15.90% respectively.

5.14 Current Ratio:

Current ratio one of the most commonly cited financial ratios measures the firm‟s ability to meet its short-term obligations. The higher current ratio can better the liquidity position of the firm. It defined as:

Table-9: Current Ratio

Year	Current Ratio
2019	0.96%
2020	0.95%
2021	0.94%
2022	0.97%
2023	0.96%

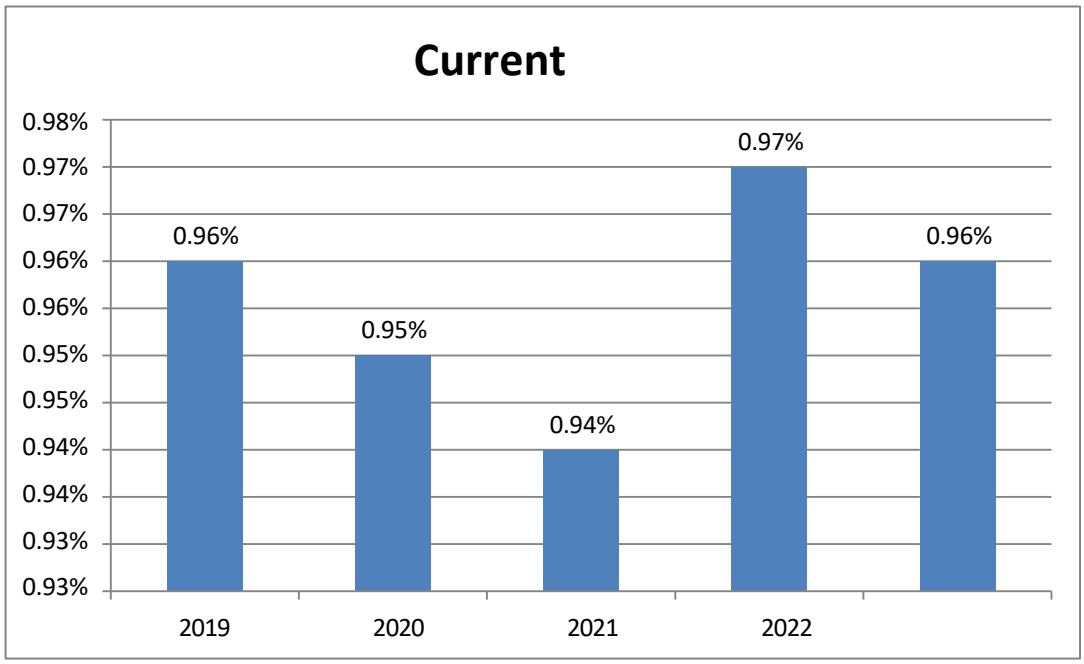


Figure-11: Current Ratio

Interpretation

The Current Ratio of PBPLC fluctuated over the last five years with the lowest in 2021 and the highest in 2022 of 0.94% and 0.97% respectively.

5.15 Findings

Findings regarding various aspects of financial analysis of PBPLC Bank is mentioned below:

- Current ratio measures the firm's ability to meet its short-term obligations. The current ratio is fluctuating of this bank over the last five years.
- Net interest margin is increasing which indicates how efficiently an organization can manage its investment decision. The net interest margin has increased in 2023 and it was 2.40%.
- Return on Asset (ROA) as an indicator of managerial efficiency, indicates the capability of management in converting the institution's assets into net earnings. The Return on asset of PBPLC is fluctuating over the last 5 years. Though it has increased in 2023 which was 0.41%, but the highest position was in 2020 which was 0.53%.
- 50% of the total customers are satisfied with the transaction of PBPLC.
- The Earning per share is increasing of this bank over the last five years with the lowest in 2021 of 0.95% and highest in 2023 of 3.7%.
- PBPLC strictly follow its own rules along with Bangladesh Bank rules regarding foreign trade.
- At PBPLC, the Department is full of experienced and trained employees.

CHAPTER 6: CONCLUSIONS & RECOMMENDATIONS

6.1 Recommendations

An organization might have its own strategy for doing business. It might have long term goals for its financial performance. So, analyzing only a few ratios by a few years‟ data it is very difficult to understand an organization's real financial position or performance. Despite all these limitations, from the academic knowledge and analyzing five years data, some recommendations are made to improve financial performance.

- Current ratio is bad because it maintains less than 1tk current assets against 1tk current liabilities. So this Bank has to increase current ratio.
- To improve ROA, the Bank has to increase the net income and control average total asset.
- To concentrate more to increase return on asset and return on equity ratios by ensuring maximum utilization of its assets.
- The Bank must have to improve the service policy. They must attract the retail customer.
- PBPLC should increase the number of satisfied customers which will result in great business value in future.
- PBPLC should increase marketing activities to be competitive in the market place.

6.2 Conclusion

PBPLC wants to establish itself as the Leading International Bank in the world and their goal is to connect business with new opportunities around the globe. It wants to pave a smooth avenue for businesses who wants to reach where it was unreachable. While focusing on commercial banking they have made the strategic move of reducing their operations in the retail banking in Bangladesh. While people comprehends that this is a step backwards PBPLC is focusing in reaching something even bigger where stakes are high in a competitive world environment.

PBPLC is the world's local Bank. For the brand name PBPLC, it is gone to people's heart through updating various services. PBPLC should diversify its credit portfolio

so that in near future when competition among Banks will serve, it can stand with its own identity. Now PBPLC is continuing business operation successfully in Bangladesh since 1996 through developing an image and goodwill among its clientele by offering its excellent services. The success has been resulted from the dedication, commitment and dynamic leadership of its management. During the short span of time of its operation, PBPLC has successfully grabbed a position as a highly progressive and dynamic financial institution in the country. By proliferation of new advance services, expanding use of automated equipment and electronic transfer of financial information, PBPLC will be the world's first largest institution in the near future.

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