An

Internship Report
on

The Financial Performance Analysis of Sonali Bank Limited
A Case Study on Babubazar Branch

Supervised By:

Farjana Yeasmin Chowdhury

Lecturer

Department of Business Administration

Sonargaon University

Submitted By:

Name: Pranto Mondol

ID: BBA1901016133

Program:

BBA (Major in Accounting)

Semester: Fall 2022

Submitted for the partial fulfillment of the degree of

Bachelor of Business Administration



Sonargaon University (SU)

Dhaka- 1215

Date of Submission: 30th November, 2022

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LETTER OF TRANSMITTAL

30th November, 2022
FarjanaYeasmin Chowdhury
Lecturer
Department of Business Administration
Sonargaon University (SU)

Subject: Submission of Internship report

Dear Madam,
With humble honor and respect, I am submitting my internship report on "**Financial Performance Analysis Of Sonali Bank Limited"**. As per partial accomplishment of the requirements for the BBA degree, I have completed internship from "**Sonali Bank Limited**" under the supervision of you.

This report is an integral part of our academic courses in completion of the BBA program which has given me the opportunity to have an insight into the (**financial performance**). I hope this report reflects on the contemporary issues on the (**accounting**) that are being practiced by organizations in our country.

In completing the report I tried my best to blend all my knowledge and imparted every available detail and also attempted to avoid unnecessary amplification of the report.
I humbly request you to accept this report for your kind evaluation.

Sincerely,

_____

Pranto Mondol
ID: BBA1901016133
Department of Business Administration
Sonargaon University (SU)

CERTIFICATE SUPERVISOR

This is to certify that the internship report "**The Financial Performance Analysis of Sonali Bank Limited**" has been prepared as a part of completion of the BBA program from Department of Business Administration, Sonargaon University (SU), carried out by Pranto Mondol, bearing ID: BBA1901016133 under my supervision. The report or the information will not be used for any other purposes.

…….

FarjanaYeasmin Chowdhury
Lecturer
Department of Business Administration
Sonargaon University (SU)

STUDENT DECLARATION

I am Pranto Mondol, a student of Bachelor of Business Administration, ID: BBA1901016133 from Sonargaon University would like to solemnly declare here that this report on "**The Financial Performance Analysis of Sonali Bank Limited**" has been authentically prepared by me. While preparing this report, I didn't breach any copyright act internationally. I am further declaring that, I did not submit this report anywhere for awarding any degree, diploma or certificate.

Sincerely Yours,

Pranto Mondol
ID: BBA 1901016133
Program: BBA
Major: Accounting
Semester: Fall

LETTER OF AUTHORIZATION

Certified that this project report titled "**The Financial Performance Analysis of Sonali Bank Limited**" is the bonafide work of Pranto Mondol, 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
Lecturer
Department of Business Administration
Sonargaon University (SU)

ACKNOWLEDGEMENT

I wish to extend my gratitude to all the people who helped me accomplish my report title, "**The Financial Performance Analysis of Sonali Bank Limited**" at Sonali Bank Limited. At the very beginning, I want to thank my faculty advisor and internship 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.

Secondly, I am grateful to **Sir Tuhin Jahan Chowdhury**, **Senior Principal Officer** of Sonali Bank Limited in Babubazar Branch for being my internship supervisor. He has shown me how to get things done easily and helped me a lot for granting my internship in his branch. I want to express my sincere gratitude for his cordial cooperation and encouragement.

EXECUTIVE SUMMARY

The core objective of the internship is to fulfill the requirement of the BBA program as prescribed by the Teacher. An intern has to prepare project report at the end of the internship period but the main objective of the internship is to get the hands-on experience of the real world organization. The internship was completed with the objective of getting practical knowledge in the Accounting department of Sonargaon University.

The first responsibility I was assigned on this three months of internship period was to assist the trainer for the BBA program. Secondly, I was allotted the work of **The Financial Performance Analysis of Sonali Bank Limited** was the task I was assigned during my Internship program. As an intern, I realized that I was successful to gather a lot of significant learning experiences which would be helpful in my future career. The bank officers of Sonali Bank Limited, babubazar branch offered me ample space and opportunities, not only to learn but also to exhibit my skills as a team member. I could use my theoretical knowledge of accounting in real practice while participating in many discussions. I was actively involved in the bank activities where I shared my knowledge and views regarding the performance of Sonali Bank Limited.

I also attempted to gather more information on basic bank job functions to have better understanding of the relation between customers and the bank. It was commendable to see how wholeheartedly they welcomed, acknowledged and appreciated new ideas and knowledge. I have provided few recommendations based upon my understanding and knowledge.

I successfully completed all the assigned duties and handed them over to the senior supervisor at the end of the internship. I thoroughly enjoyed the challenges that came along every single day. I could also bring some minor improvisations during my internship which were able to leave their marks. These lessons that I have learned will be a valuable one for my future endeavors as well.

ACRONYMS AND ELABORATION

ACRONYMS	Full Meaning
SBL	Sonali Bank Limited
LTR	Loan Against Trust Receipt
SWOT	Strength Weak Opportunity Threat
KYC	Know Your Customer
NPL	Non- performing Loan
IRC	Imported Registration Certificate
ALCO	Asset-Liability Management Committee
IBC	In ward Bill for Collection
CRG	Credit Risk Grading
RWA	Risk Weighted Assets
CIB	Credit Information Bureau
LIM	Invested Against Imported Merchandise
CRM	Credit Risk Management
VAT	Value Added Tax
PO	Payment Order
CRR	Cash Reserve Ratio
FDR	Fixed Deposit Receipt
A/C	Account
OBC	Out ward Bill for Collection
BCD	Bearer Certificated Deposit
LC	Leverage Ratio
HBI	House Building Investment
SLR	Statutory Liquidity Requirement

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CHAPTER: 1

INTRODUCTION

(1.1)INTRODUCTION:

Banking area has an essential position to in the monetary things to do and improvement of any country. There are distinct sorts of bank like Central Banks, Commercial Banks, Savings Banks, Investment Banks, Industrial Banks, and Co-operative Banks etc. In Bangladesh, the business banks are dominating the economic sector and macroeconomic management mostly relies upon on the overall performance of the carrier provider is primary factor in Bank service. As a result, it has end up quintessential for every man or woman to have some thinking on the bank and two banking procedure. At present, there are 58 scheduled banks operating all over the country. Out of these 9 are state owned, 39 are personal industrial banks and the relaxation 9 are overseas commercial bank. The biggest trouble of Bangladesh banking device is the financial institution loan default two problem. Various initiatives have been undertaken to address the mortgage default hassle in Bangladesh. One of them is to have a savings coverage and approaches guideline mandated by the Bangladesh Bank.

(1.2)BACKGROUND OF THE STUDY:

To fulfil the degree name Bachelor of Business Administration (BBA) from Sonargaon University. It is mandatory to complete an internship course all of students of BBA have to sustain. The students are sent to various organizations where they are assigned to one or more projects. This program is three month duration. At the end of program, the internships are required to place the accomplishment and finding of the project through the writing of the internship report covering the relevant topics. As the case, I have done an internship course at Sonali Bank Limited. In this session I have completed a report on financial performance analysis of Sonali Bank Limited at Babubazar Branch, Dhaka.

(1.3)ORIGIN OF THE STUDY:

This report will screen an organization in a general way of Sonali Bank Limited. It will send wide view of the several stages. I tried to exhibit the analysis by way of individual graphs and charts through movement and ratio analysis based on over five years performance. Findings and applicable tips are made primarily based on that analysis. To keep way from complexity some overall performance variables are taken into consideration while analyzing performance. The study would focus on the following fields the three major financial tools of Sonali Bank Limited.

1. Ratio Analysis

2. Trend Analysis

3. Common Size Analysis

(1.4)RATIONALE OF THE STUDY:

The significance of my internship stems from the very nature of the financial statements i.e. they are usually lengthy, bulky documents which have a huge array of numbers not readily understandable. Financial statement analysis is the process of examining relationships among financial statement elements and making comparisons with relevant information. It is a valuable tool used by investors and creditors, financial analysts, and others in their decision-making processes related to stocks, bonds, and other financial instruments. The goal in analyzing financial statements is to assess past performance and current financial position and to make predictions about the future performance of a company. Investors who buy stock are primarily interested in a company's profitability and their prospects for earning a return on their investment by receiving dividends and/or increasing the market value of their stock holdings. Creditors and investors who buy debt securities, such as bonds, are more interested in liquidity and solvency: the company's short-and long-run 6 ability to pay its debts. Financial analysts, who frequently specialize in following certain industries, routinely assess the profitability, liquidity, and solvency of companies in order to make recommendations about the purchase or sale of securities, such as stocks and bonds. Analysts can obtain useful information by comparing a company's most recent financial statements with its results in previous years and with the results of other companies in the same industry. My aim is to summarize all that data into a form which is easily understood by all the relevant parties.

(1.5)OBJECTIVE OF THE STUDY:

General objective of this report is to analyze the performance of Sonali Bank Limited.
This report contains few Specific objectives are as follows:

1. To know the theoretical background of financial performance of Sonali Bank Limited.
2. To know the five years financial performance of Sonali Bank Limited by using different tools like Ratio, Trend and Common Size etc.
3. To identify the problems related with financial performance of Sonali Bank Limited.
4. To make some recommendations to solve the all these problems.

5. To make the small and prudent investors interested in investment.

6. To carry out all the merchant banking activities.

7. To render quality services with most professionalism

8. To build the centrality of the relationship, not just the transaction

(1.6)LIMITATION OF THE STUDY:

1. Three months, time is not enough for such comprehensive study. It is very difficult to collect all information in such a short time.

2. Sonali Bank Limited as a commercial bank they are very busy and they could not able to give me enough time for discussion about various topics.

3. As a financial organization a bank has some restriction to serve all the real data of the bank of the general people as a result the study is mostly depends on artificial files and annual reports.

4. There were some restrictions to have access to the information confidential by the authority.

5. Sufficient records, publications were not available.

6. Although bankers have tried their best to help, their nature of job is such that gives them little time to discuss.

CHAPTER: 2

PROFILE OF SONALI BANK LIMITED

LIMITED

(2.1)HISTORICAL BACKGROUND:

Soon after independence of the country Sonali Bank Limited emerged as the largest and leading Nationalized Commercial Bank by proclamation of the Banks' Nationalization Order 1972 liquidating the then National Bank of Pakistan, Premier Bank and Bank of Bhawalpur. As a fully state owned institution, the bank had been discharging its nation-building responsibilities by undertaking government entrusted different socio-economic schemes as well as money market activities of its own volition, covering all spheres of the economy.

The bank has been converted to a Public Limited Company with 100% ownership of the government and started functioning as Sonali Bank Limited from November 15, 2007 taking over all assets, liabilities and business of Sonali Bank Limited. After corporatization, the management of the bank has been given required autonomy to make the bank competitive & to run its business effectively.

Sonali Bank Limited is governed by a Board of Directors consisting of 11 members. The Bank is headed by the CEO & Managing Director, who is a well-known Banker and a reputed professional. The corporate head quarter of the bank is located at Motijheel, Dhaka, Bangladesh, and the main commercial center of the capital.

(2.2)VALUES OF SONALI BANK LIMITED:

- Transparency in every transaction
- High Ethical Standards in all relationship
- Performance-oriented organization
- All decisions and actions based on Unshakeable Facts
- Business with a sense of Competitive Urgency all times
- Maintain the secrecy about clients and their businesses

(2.3)CORPORATE PROFILE AT A GLANCE:

CORPORATE PROFILE

Name of the Company	Sonali Bank Limited
Registered Office	35-42, 44 Motijheel Commercial Area, Dhaka, Bangladesh
Genesis	Emerged as a Nationalized Commercial Bank following the Bangladesh Bank Order No. 1972 vide President's Order No. 26 of 1972.
Legal Status	Public Limited Company
Date of Incorporation	03 June, 2007
Date of Commencement of Business	03 June, 2007
Vendor's Agreement	15 November, 2007
BB License No	BRPD(P-3)745(1)/2007-1602
Banking License obtained	05 June, 2007
Date of Company Registration	03 June, 2007
Company Registration No	C-67113(4605)/07
Authorized Capital	BDT 60,000.00 Million
Paid up Capital	BDT 45,300.00 Million
Face Value per Share	BDT 100.00 per Share
Shareholding Pattern	100% share owned by Government of the People's Republic of Bangladesh
Tax Identification No. (TIN)	465337943663
Vat Registration No. (BIN)	000000063
Chairman of the Board of Directors	Mr. Ziaul Hasan Siddiqui
CEO & Managing Director	Mr. Md. Ataur Rahman Prodhan
Head of Risk Management	Mrs. Sanchia Binte Ali
Head of ICC	Mr. Imran Ahmed
Chief Financial Officer	Mr. Subhash Chandra Das, FCA, FCMA
Chief Information Technology Officer	Mohammad Rezwan Al Bakhtiar
Chief Audit Officer	Mr. Imran Ahmed
Company Secretary	Mr. Tauhidul Islam

(2.4)VISION OF SONALI BANK LIMITED:

Socially committed leading banking institution with global presence. To be a committed and dependable Business House with high standard business ethics creating continuous value for our clients in the capital market. To stand out as a pioneer banking institution in Bangladesh and contribute significantly to the national economy.

(2.5)MISSION OF SONALI BANK LIMITED:

Dedicated to extend a whole range of quality products that support divergent needs of people aiming at enriching their lives, creating value for the stakeholders and contributing towards socio-economic development of the country.

(2.6)OBJECTIVES OF SONALI BANK LIMITED:

As merchant bank is a classic, time-honored business model, the foundation of its success depends on the capacity and willingness to be nimble and creative, and to take risks in order to serve their clients. So our objectives are :

- To make the small and prudent investors interested in investment
- To carry out all the merchant banking activities
- To render quality services with most professionalism
- To build the centrality of the relationship, not just the transaction
- To develop a vibrant stock business in the country
- To help the smooth flourishing of the capital market
- To create wide scope of investment by establishing branches of Sonali Investment Limited
- To strengthen the economy of the country

(2.7)SERVICE AREA OF SONALI BANK LIMITED:

Sonali Bank Limited offers multiple special services with its network of branches throughout the country in addition to its normal banking operations.

Collection:

- Electricity bills
- Gas bills
- Telephone bills
- Water/Sewerage bills
- Municipal holding Tax
- Passport fees, visa fees and Travel tax
- Customs & Excise duties
- Source tax and VAT
- Jakat fund
- Hajj deposit
- Land development tax

Payment:

- Pension of employees of Government and other Corporate Bodies
- Bangladesh Bank employees' pension
- Army pension
- British pension
- Students' stipend/scholarship
- Govt. & Non-Govt. Teachers' salary
- Food procurement bill on behalf of the Govt

Social Services:

- Old age allowances
- Widows, divorcees and destitute women allowances
- Freedom Fighters' allowances
- Rehabilitation allowances for acid survival women
- Maternal allowances for poor women
- Disability allowances

Sale & Encashment/Purchase:

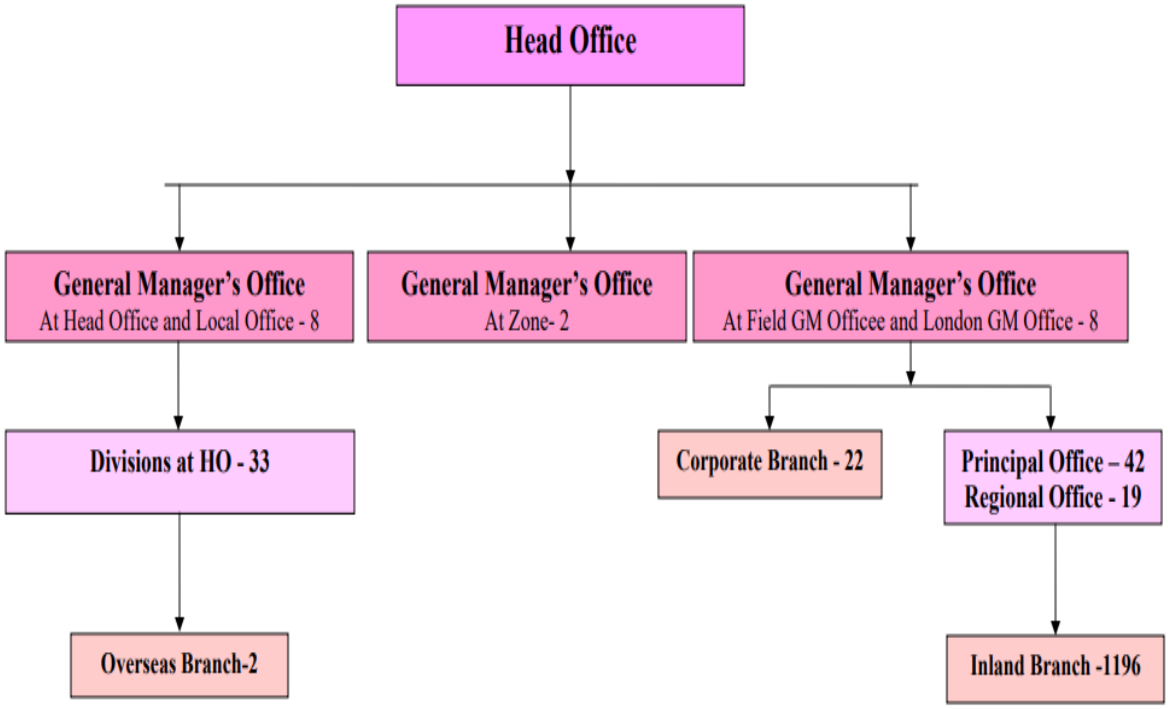
- Savings Certificates
- ICB Unit Certificates
- Prize Bonds

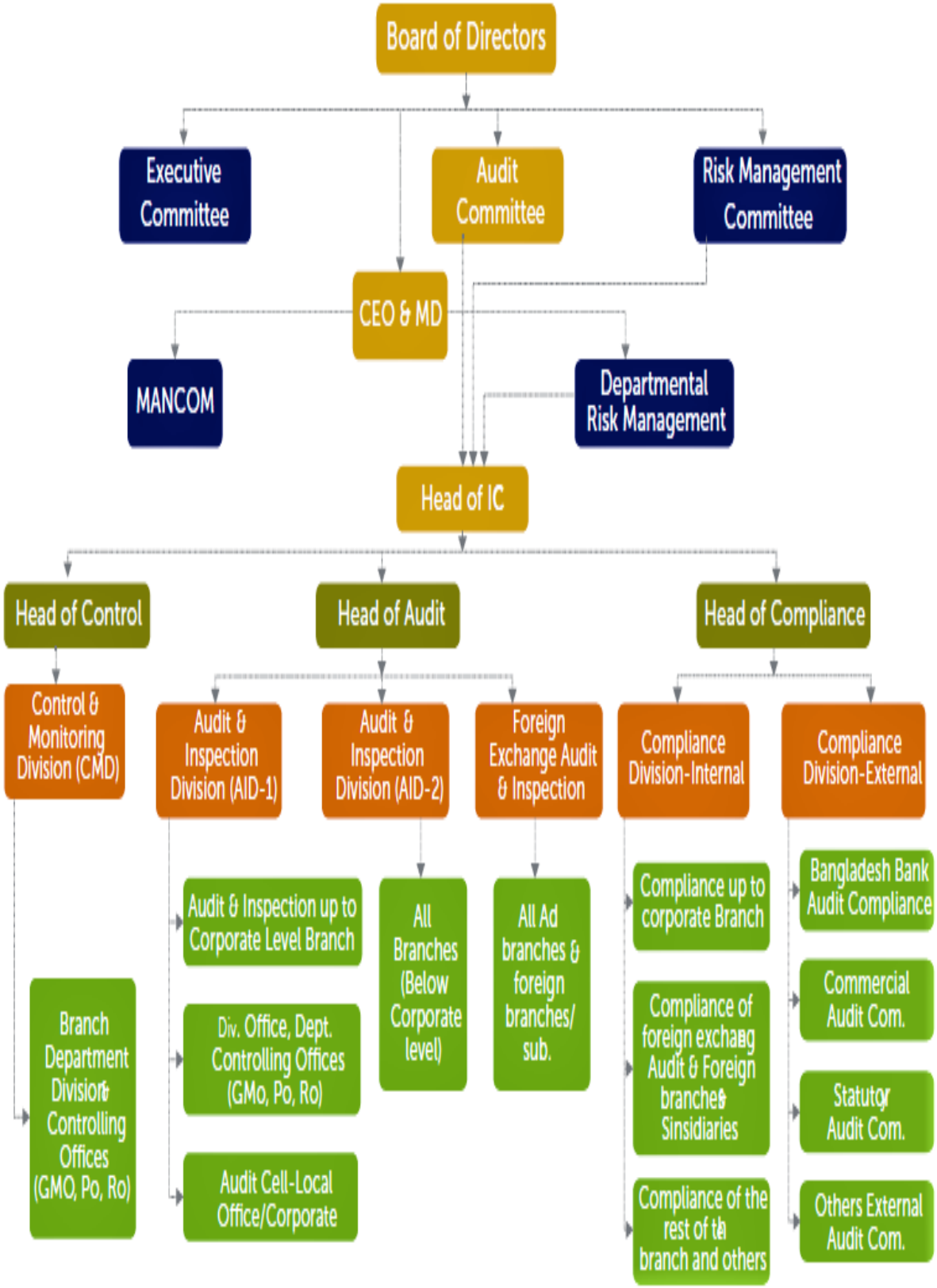
- Wage Earner's Development Bonds
- US Dollar Premium & Investment Bond
- Lottery tickets of different Semi-Govt. and Autonomous Bodies
- Sanchaypatra
- Public Service Commission's application form
- Judicial Service Commission's application form
- Exchange of soiled / torn notes

Misc. Services:

- Bank a/c information of tax payee client according to demand of NBR
- Local Governance Support Project
- Enlist of Non-Government Insurance company

(2.8)ORGANOGRAM OF SONALI BANK LIMITED:




Board of Directors
Executive Committee
Audit Committee
Risk Management Committee
CEO & MD
MANCOM
Departmental Risk Management
Head of IC
Head of Control
Head of Audit
Head of Compliance
Control & Monitoring Division (CMD)
Audit & Inspection Division (AID-1)
Audit & Inspection Division (AID-2)
Foreign Exchange Audit & Inspection
Compliance Division-Internal
Compliance Division-External
Branch Department Division & Controlling Offices (GMO, Po, Ro)
Audit & Inspection up to Corporate Level Branch
Div. Office, Dept. Controlling Offices (GMo, Po, Ro)
Audit Cell-Local Office/Corporate
All Branches (Below Corporate level)
All Ad branches & foreign branches/ sub.
Compliance up to corporate Branch
Compliance of foreign exchang Audit & Foreign branches & Sinsidiaries
Compliance of the rest of th branch and others
Bangladesh Bank Audit Compliance
Commercial Audit Com.
Statutor Audit Com.
Others External Audit Com.

CHAPTER: 3

THEORETICAL BACKGROUND OF SONALI BANK LIMITED

(3.1)Theory of Ratio:

Ratio analysis is the most effective way to evaluate a company or organization. By this a company can take the proper decision to make an investment. Most of the financial institution is depending on it just to make their investment is going to in productive sector. With these tools now a day's people can take decision 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 ratio now days. People are creating different software to get proper analysis of their respected balance. Basically ratios are categorized in five ways in 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 creditor. Most of the firm used to take a large amount of loan from respected lender to expand its productive activity. Against the loan a company has to calculate the cost of capital. Because a levered company is more beneficial compare to unlevered company. So in that case for a company has to maintain liquidity ratio to aware of its liability to creditors. There are some liquidity ratios those 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 a 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.

(3.3)Trend 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, an 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: 4

ANALYSIS AND FINDINGS

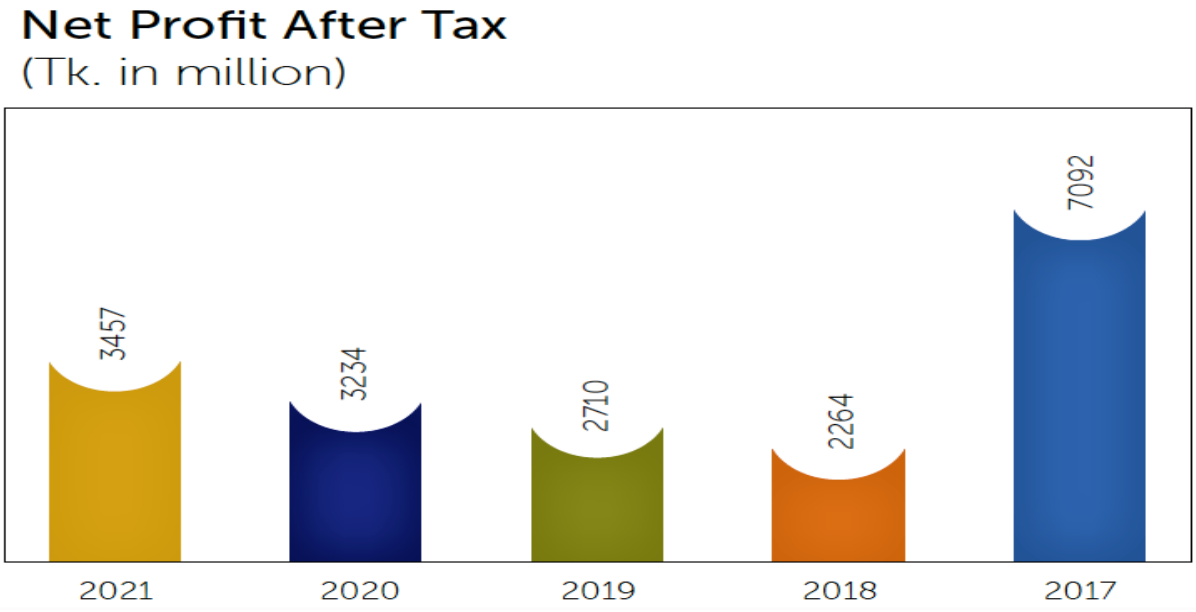
(4.1)COMPARATIVE FINANCIAL:

HIGHLIGHTS OF SBL

PARTICULARS	2021	2020	Increase(Decrease)	Change %
Income Statement				
Total revenue	85926	84780	1146	1.35
Total expenses	64441	63253	1188	1.88
Operating profit	20904	21527	(2.89)	(2.89)
Profit before tax	5390	5342	48	0.90
Profit after tax	3456	3234	222	6.86
Earnings per share	7.63	7.14	0.49	6.86
Asset and Liabilities				
Total Assets	1706803	1591233	115570	7.26
Earning Assets	1332237	1195517	136720	11.44
Total loans and advances	690596	586232	104364	17.80
Fixed Assets including Premises, Furniture and Fixture	33876	33891	(76)	(0.22)
Total deposit	1350815	1258786	92029	7.31
Shareholders' equity	76742	85615	(8873)	(10.36)
Capital				
Paid up capital	45300	45300	0	0
Capital maintained	66872	63500	3372	5.15
Risk Weighted Assets (RWA)	666270	32669	32669	0.05
Capital required	66627	63360	3267	5.16
Capital Adequacy Ratio	10.04%	10.02%	0.02	0.20
Share Information				
Earnings per Share	7.63	7.14	0.49	6.86
Net Assets Value per Share (NAVPS)	169.41	189.00	(19.59)	(10.36)
Number of share (in millions)	453.00	453.00	0	0
Regulatory Ratio				
Cash Reserve Requirement (CRR)	13.00%	13.00%	0	0
Statutory Liquidity Ratio (SLR)	48.22%	50.02%	(1.8)	(3.59)
Capital Adequacy Ratio (CAR)	10.04%	10.02%	0.02	0.20
Credit Deposit Ratio	102.06%	96.59%	4.55	9.77
Asset Quality				
Amount of classified loans and advances	119585	107673	11912	11.06
% of classified loans and advances	17.32%	18.37%	(1.05)	(5.71)
Required provision for loans and advances	75678	70166	5512	7.85

GRAPHICAL

PRESENTATION



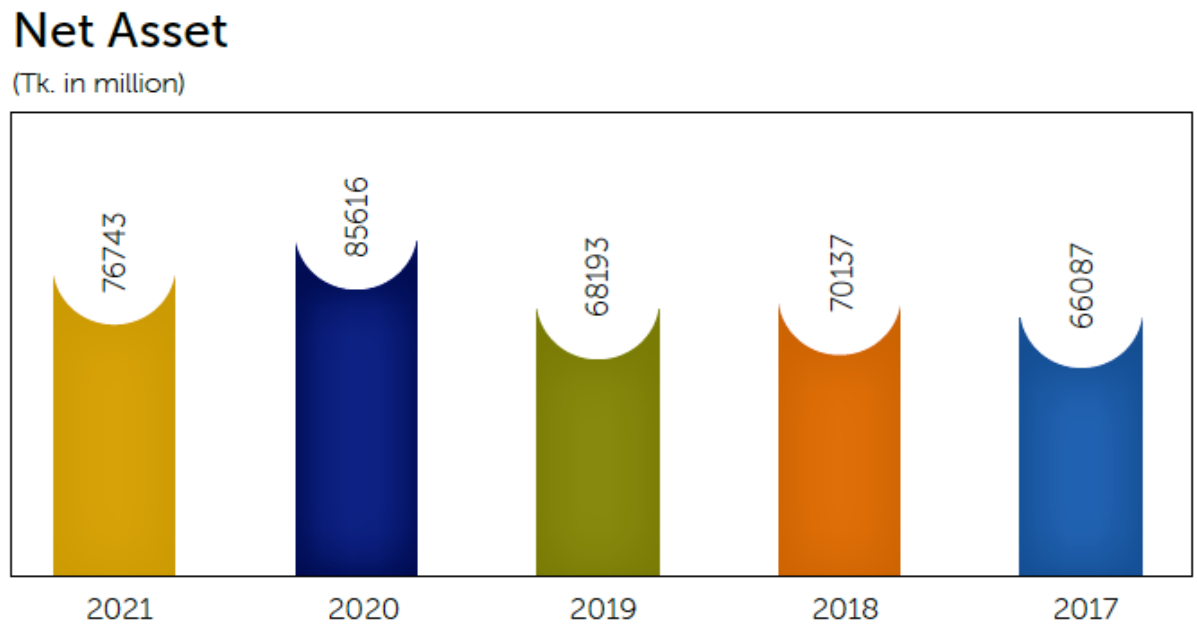
Interpretation:

From this graph we got the net profit after tax has been fluctuation over the years. The higher number is 7092(in million) in 2017 and lower 2264 in 2018. The following years 2020 and 2019 showing most similar trend from 2021 to 2017 but the bank should increase it financial productivity to investment sector. Capital adequacy ratio showing better fluctuation from 2013 to 2017. Sonali Bank Limited could able to balance their profit following the years.



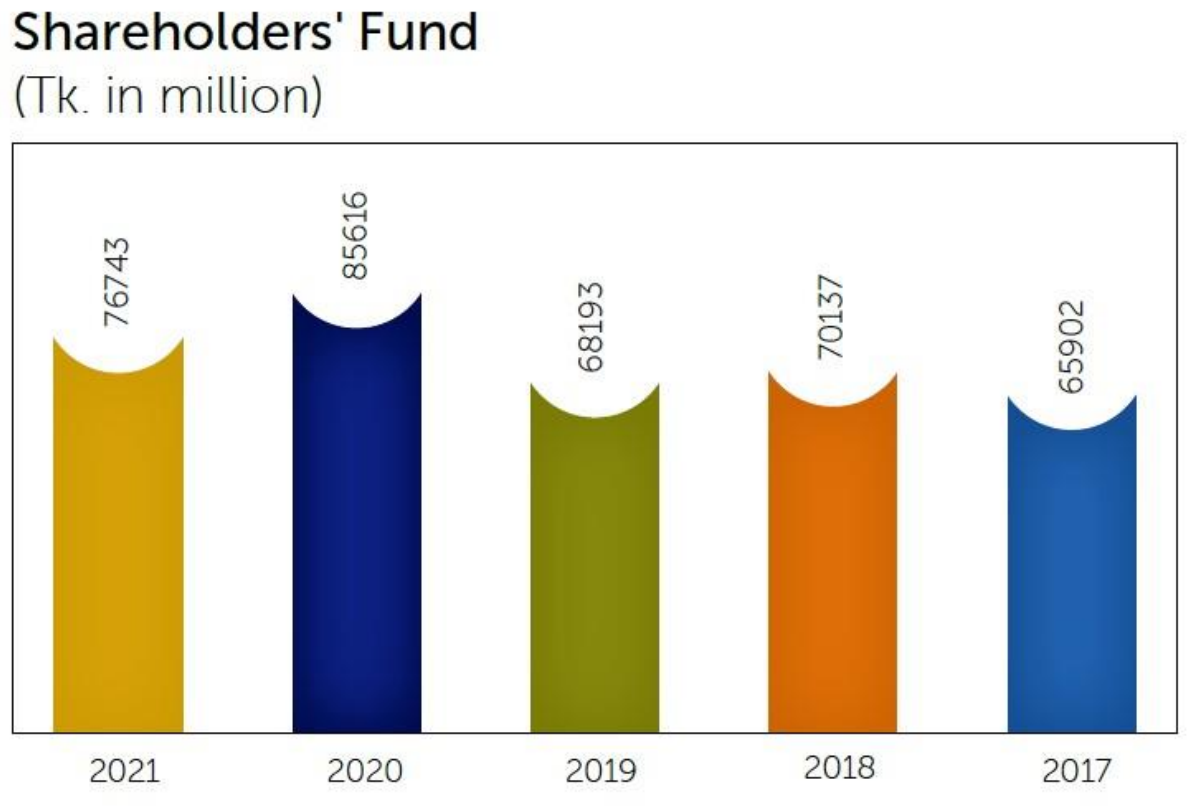
Interpretation:

From this graph we got the operating profit has been fluctuation over the years. The higher number is 21527(in million) in 2020 and lower is 11955 in 2017. The following years 2021, 2019 and 2018 showing most ups and down trend from 2021 to 2017 but the bank should increase it activity in operating sector. Although they are fluctuating but at the present they become stable and start to rise. So, Sonali Bank Limited has focused on their operations already.



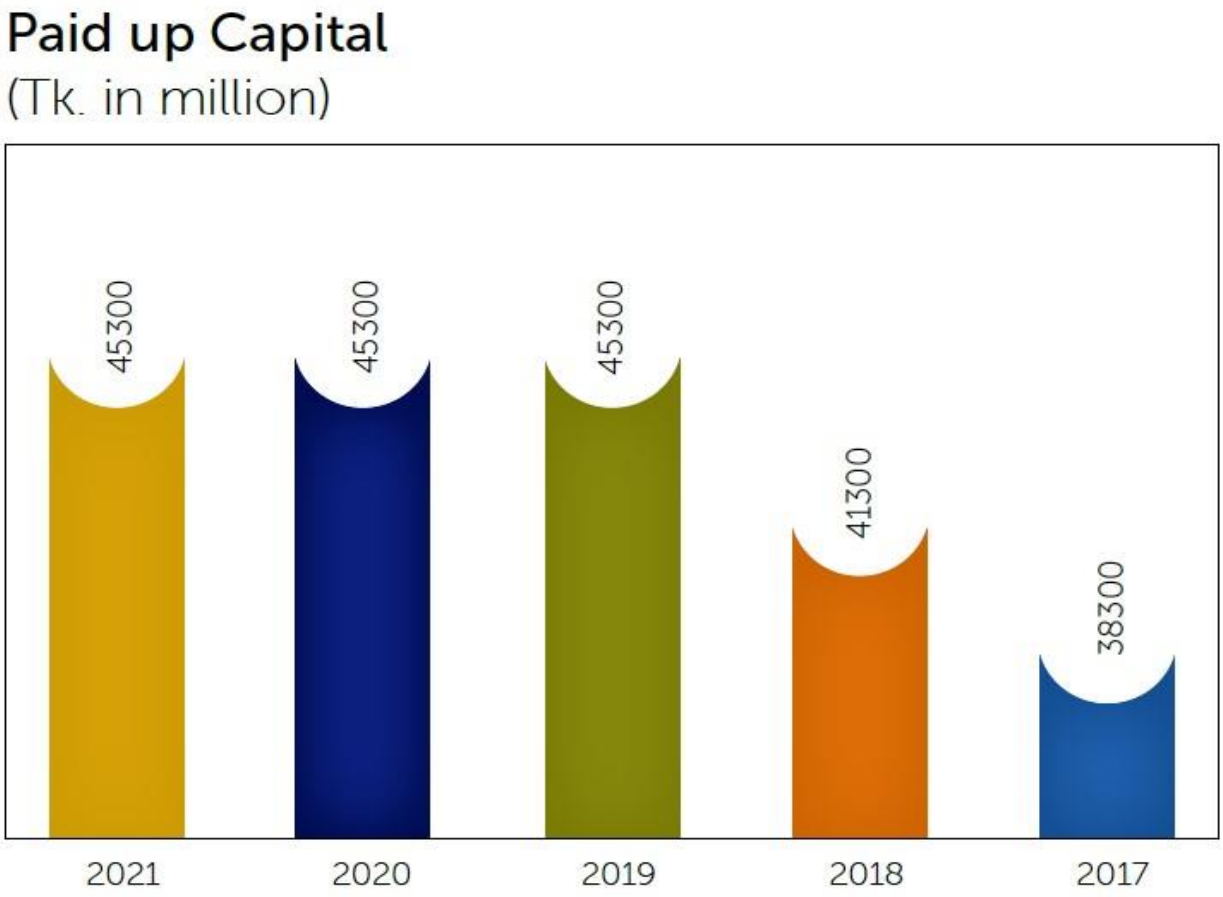
Interpretation:

From this bar graph we got the illustration of net asset which has been fluctuating over the years. The higher number is 85616(in million) and its ratio was 85% in 2020 and lower was 66087 in 2017which is almost 66% of total net asset. The following years 2021, 2019 and 2018 showing almost same and stable trend from 2021 to 2017. After 2017 when the ratio was only 66% now it has become 76% which is a significant improvement in Sonali Bank Limited net asset.



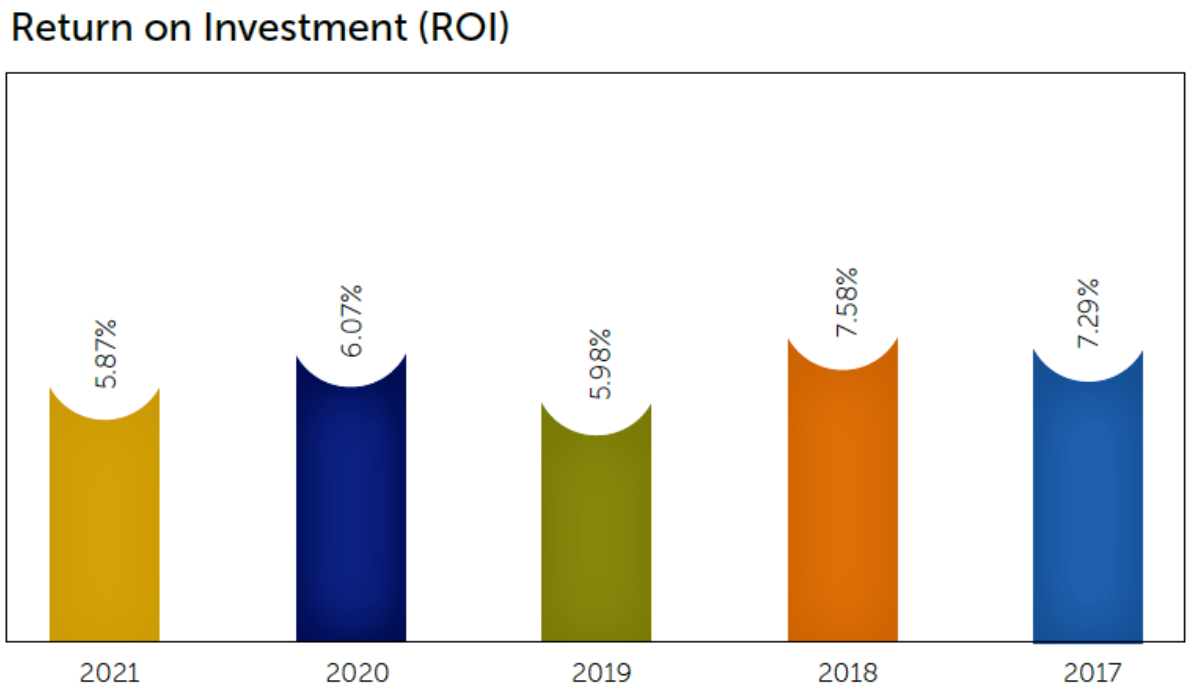
Interpretation:

From this bar graph we got the illustration of shareholders fun in Sonali Bank Limited which has been fluctuating over the years. The higher number is 85616(in million) and its ratio was 85% in 2020 and lower is 65902 in 2017which is almost 65% of total fund. The following years 2021, 2019 and 2018 showing almost same and approximate trend from 2021 to 2017. After 2017 when the ratio was only 65% now it has become 76% which is a significant improvement in Sonali Bank Limited shareholders fund. That means their shareholders fund are increasing day by day, although 2020 was the highest one but its increasing.



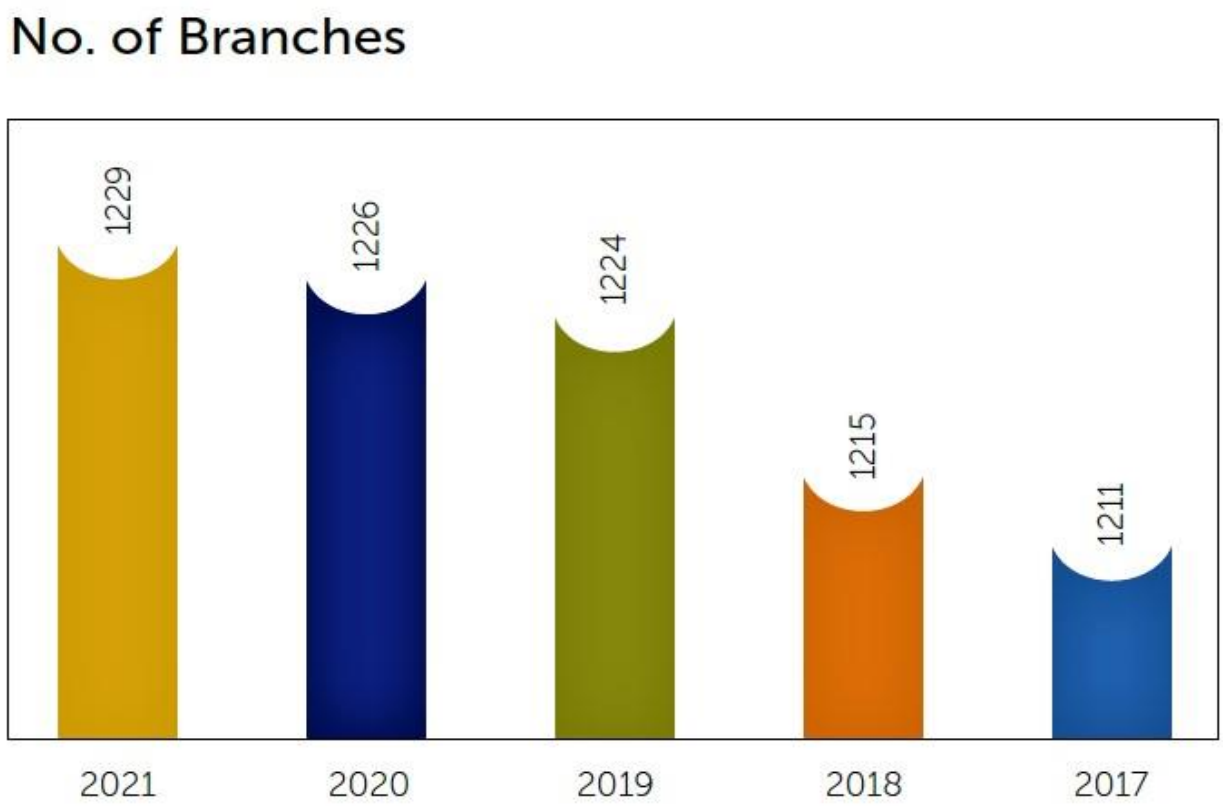
Interpretation:

From this bar graph demonstrating the level of paid up capital of Sonali Bank Limited which has been increasing over the years. The higher number is 45300(in million) and its ratio is 45% in 2021, 2020 and 2019 on the other hand the lower number was 38300 in 2017 which is almost 38% of total. The following years 2021, 2020 and 2019 showing almost same and stable trend from 2021 to 2017. From 2017 the level of paid up capital is increasing and developing day by day. So, in past three years they are giving the same amount on the capital.



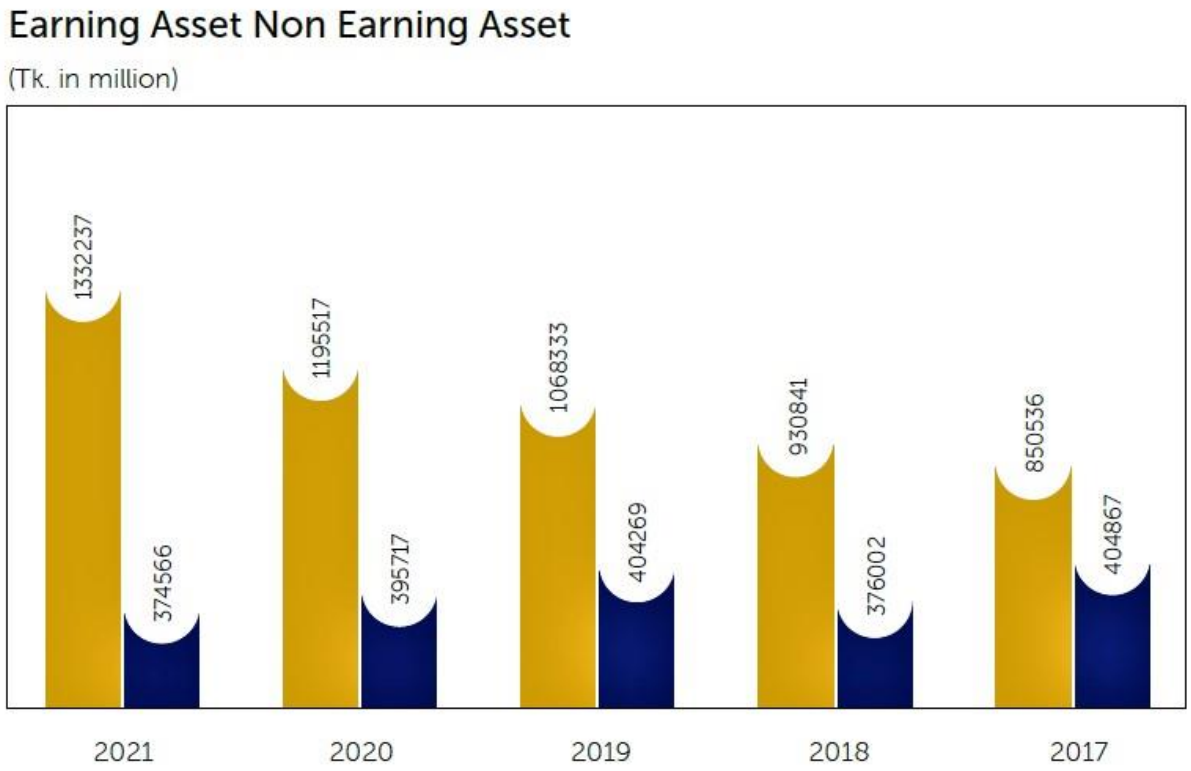
Interpretation:

From this upper bar graph which is demonstrating the level of Return on Investment (ROI) of Sonali Bank Limited which has been fluctuating over the following years. Where the highest ratio is 7.58% in 2018. On the other hand the lowest ratio was 5.87% in 2021. The following years showing nearly ratio trend from 2021 to 2017. From 2017 the level of Return on Investment is fluctuating. The current year is the lowliest rational year then other four years but the past year was very significant because it has the most number of ratio then all the years located in the graph.



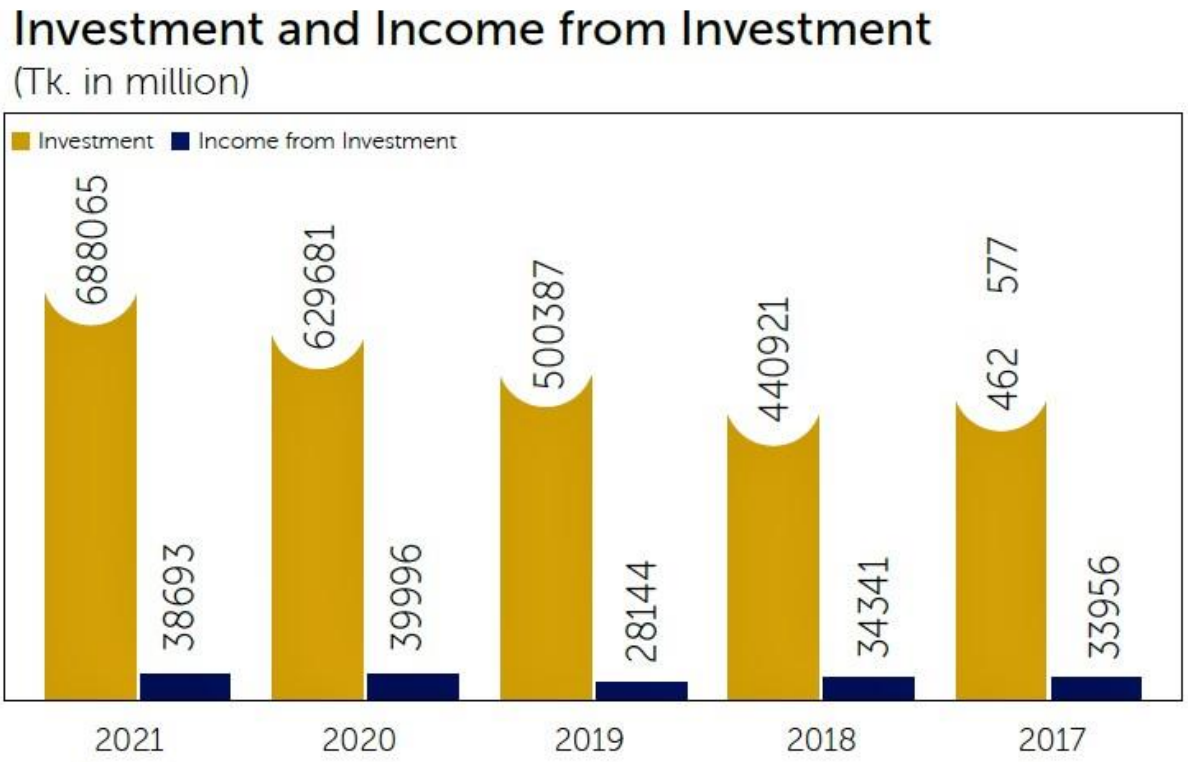
Interpretation:

From this upper bar graph which is showing the numbers of branches of Sonali Bank Limited which has been increasing over the years. Where the highest number of branches listed in 2021. On the other hand the lowest number of branches listed in 2017. The following years showing increasing trend from 2017 to 2021. From 2017 the number of branches has starts to increase. The current year is the highest at having branches then other four years but the past years were very significant because they are connected to each other's. Sonali Bank Limited is trying to approach all the area side and corners of our country so that they are emphasizing more on their branches.



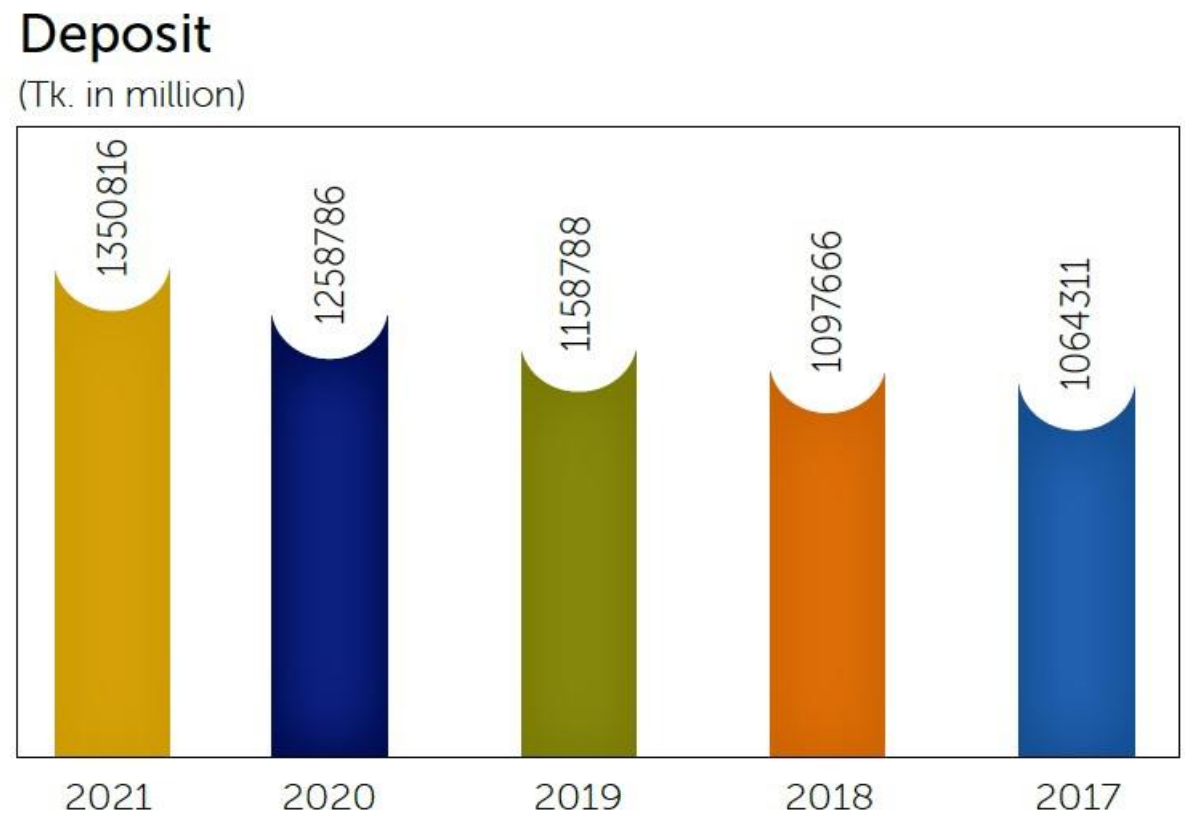
Interpretation:

From this upper bar graph we can take a short overview of Earning Asset Non Earing Asset of Sonali Bank Limited. This graph clearly illustrating that the earning asset is increasing over the years where the non-earning asset is decreasing over the years. Earning asset has the highest number at 2021. In contrast the lowest one seems in 2017. On the other hand the non-earning asset is highest in 2017 but in 2021 it become the lowest then other four years. Sonali Bank Limited to increase their earning asset where they are trying to reduce their non-earning asset as well.



Interpretation:

From this upper bar graph we can take a short overview of Investment and Income from Investment of Sonali Bank Limited. This graph clearly illustrating that the investment has a slight down trend in the first two years where on the other years its stars to increase at a significant level. On the other hand income from investment is bit different like its first two it was increasing and improving on a sudden at the third year it face a down trend then from the next year it starts to rise again.



Interpretation:

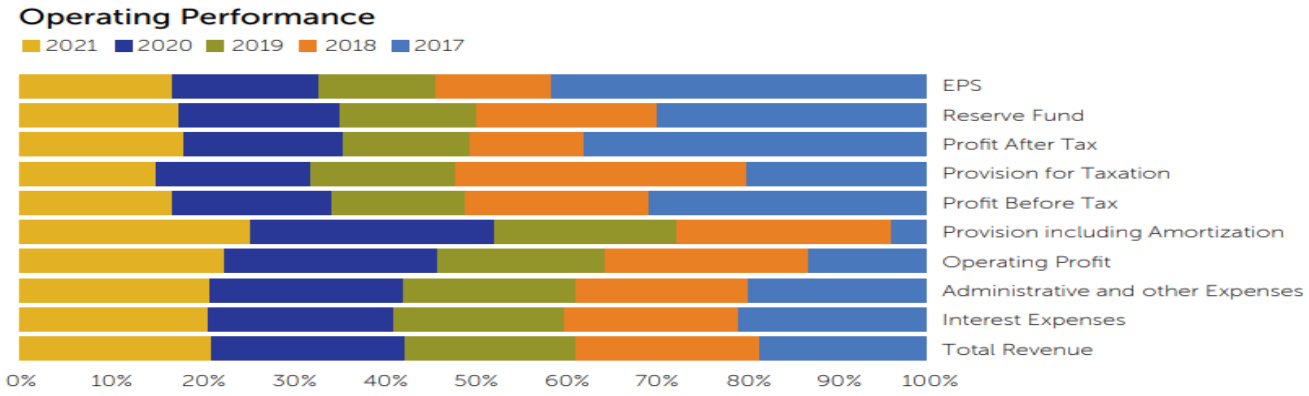
From this bar graph we can get a clear overview of Investment and Deposit of Sonali Bank Limited. This graph illustrating that the deposit has a up warding trend from 2017 to 2021. Where we can discover that the highest deposit has account in the current year 2021 which is around 1350816(in million) in contrast the lowest deposit accounted at 2017 which is 1064311(in million). From 2017 it starts to increase and it continues its movement. At 2021 it reached its peak and it never goes down. So, we can say that, Sonali Bank Limited has improve its activity and function that's the reason why their annual deposit is increasing over time.

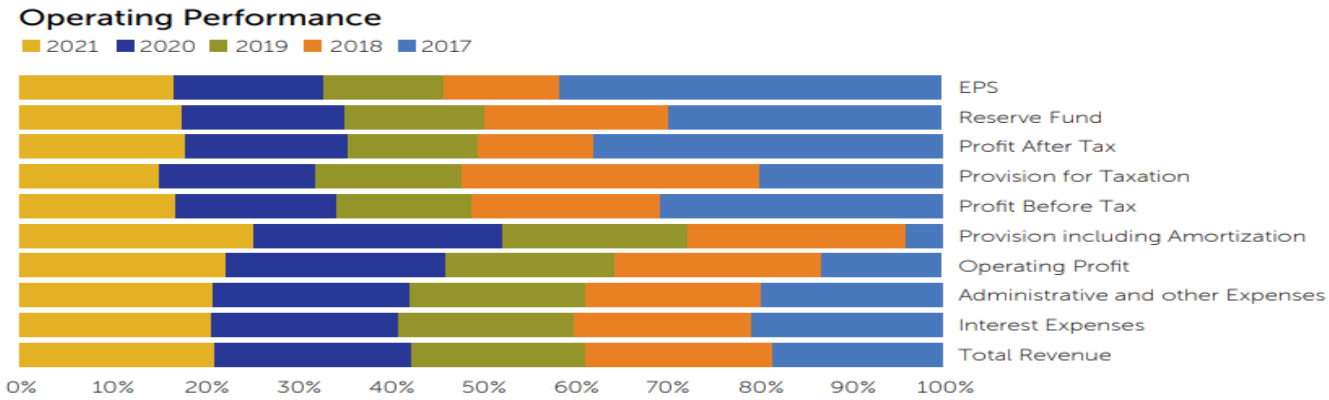
(4.1.1) ASSET ACTIVITY RATIO:

KEY FINANCIAL DATA & RATIO:

PARTICCULARS	2021	2020	2019	2018	2017
Total Revenue	85925	84780	76810	78321	74353
Interest Expenses	43537	41906	40083	39001	42900
Administrative and Other Expenses	21485	21346	19627	19063	19498
Operating Profit	20903	21526	17100	20257	11955
Provisions including Amortization	15513	16184	12347	14006	2381
Profit Before Tax	5390	5342	4753	6251	9574
Provision for taxation	1933	2107	2043	3987	2482
Profit After Tax	3456	3234	2710	2264	7092
Reserve Fund	1162	1133	1001	1269	1918
EPS	7.63	7.14	5.98	5.47	18.50

GRAPHICAL VIEW:





(4.1.2)EFFICIENCY RATIO:

OPERATING PERFORMANCE

PARTICULARS	2021	2020	2019	2018	2017
Asset Quality					
Classified Loans and Advances(Non-performing Loans)	119585	107673	111994	121883	149302
Percentage of NPLs to Total Loans and Advance	17.32%	18.37%	20.32%	26.26%	35.28%
Required Provision for Unclassified Loans	12149	12460	5358	5223	2789
Required Provision for Classified Loans	63528	57705	53016	44046	38864
Total Required Provision for Loans and Adv	75677	70165	58374	49269	41034
Total Provision Maintained for Loans and Adv	75677	70165	58374	49269	41653
Provision Excess/(Shortfall) for Loans and Advances	-	-	-	-	619
General Provision Maintained	12149	12460	5358	5223	2789
Specific Provision Maintained	63528	57705	53016	44046	38864
Required Provision for Classified Investment	1454	178	2667	1579	571
Provision Maintained for Classified Investment	1454	178	2667	1579	571
Required Provision for Classified Other Assets	13637	2069	4786	4222	3294
Provision Maintained for Other Assets	13637	7250	4786	4222	3294
Total Classified Assets	119585	107673	111994	121883	149302
Total Un-Classified Assets	571012	478560	439032	342200	273916
Required Provision for Contingent Liabilities	2715	2366	2216	2383	2027
Provision Maintained for Contingent Liabilities	2715	2366	2216	2383	2027
Total Provision Required	95182	115331	69257	59313	47464
Total Provision Maintained	95182	82827	69257	59313	95182
Surplus/ (Shortfall)	-	-	-	-	619
Current Assets	523378	522001	499062	422591	438880
Current Liabilities	271265	275643	266687	268138	262856
Net Current Assets	252113	1069232	232375	154453	176024
Long Term Liabilities	1358796	1315590	1137722	968567	917768
Long Term Liabilities/Current Liabilities	5.01:1	4.77:1	4.27:1	3.61:1	3.53:1
Shares Information Matrix					
No. of Shares	45300000	45300000	45300000	45300000	41300000
Earnings per Share (EPS- in Tk.)	7.63	7.14	5.98	5.47	18.50
Net Asset Value per Share (NAVPS-in Tk.)	169.41	189.00	150.54	154.83	160.02
Market Price per Share	Not Listed in Stock Exchange				
Dividend	-	-	-	-	-
Right Share Issued	-	-	-	-	-
Other Information					
No. of Branches	1229	1226	1224	1215	1211
No. of Loss Branches	33	29	27	93	181
No. of Employees	18200	18918	19609	17271	18301
No. of Foreign Correspondents	694	684	669	669	649

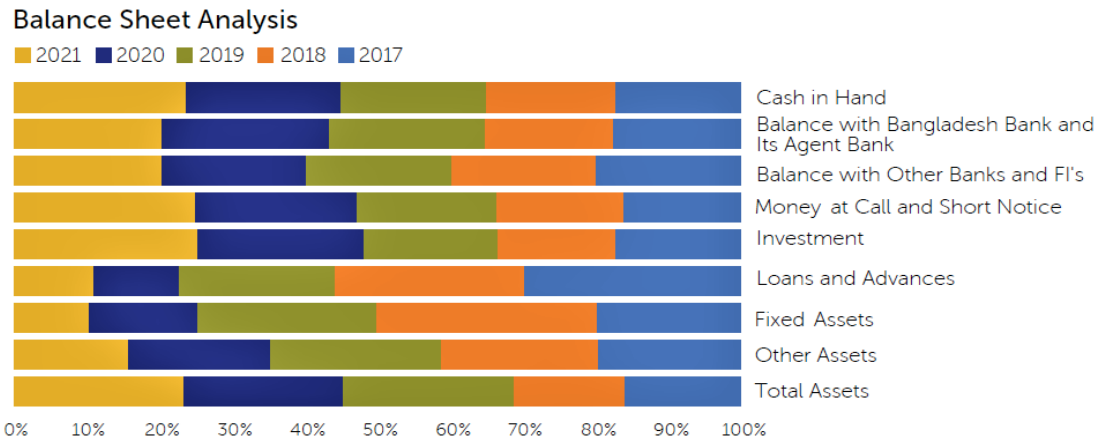
(4.1.3)TREND ANALYSIS RATIO:

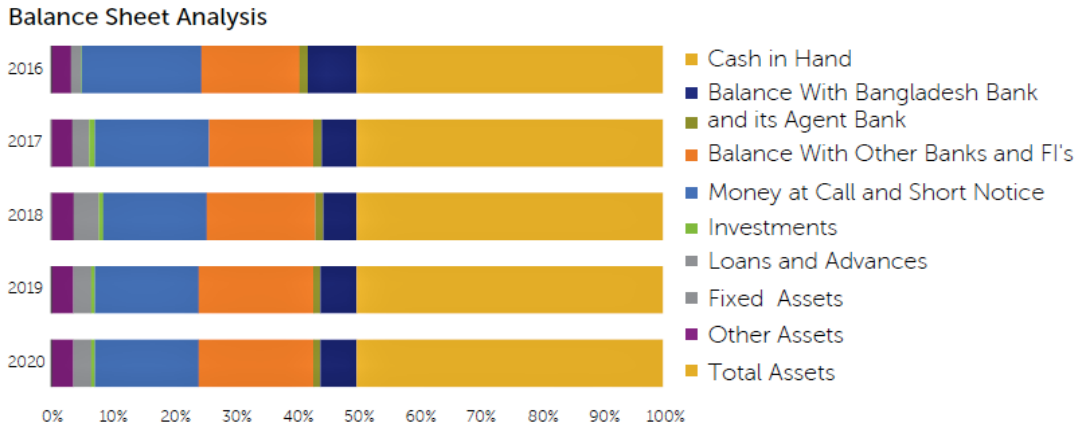
Trend Analysis of Balance Sheet

Sonali Bank Limited

Particulars	2021	2020	2019	2018	2017
Cash in Hand	7725	7300	7691	5017	5113
Balance With Bangladesh Bank and its Agent Bank	69801	83801	101073	93111	82883
Balance With Other Banks and FI's	38055	52308	87161	107494	68568
Money at Call and Short Notice	8663	9031	16274	19723	22565
Investments	688064	629691	500387	440921	462577
Loans and Advances	690596	586232	551026	464166	423218
Fixed Assets	33876	33891	33466	33377	33307
Other Assets	170020	188976	175523	143033	142101
Total Assets	**1706803**	**1591233**	**1472601**	**1306842**	**1240332**

Graphical Presentation:





(4.1.4)FINANCIAL DATA & RATIO:

BALANCE SHEET

Sonali Bank Limited

PARTICULARS	2021	2020	2019	2018	2017
Balance Sheet					
Authorized Capital	60000	60000	60000	60000	60000
Paid up Capital	45300	45300	45300	45300	41300
Reserve Fund and Surplus	31442	48998	22893	24837	24787
Total Shareholders' Equity	76742	85616	68193	70137	66087
Deposits	1350815	1258786	1158788	1097666	1064311
Loans And Advances	690596	586232	551026	464166	423218
Investments	688064	629691	500387	440921	462577
Fixed Assets including Premises, Furniture and Fixture	33876	33891	33466	33377	33307
Total Assets	1706803	1591233	1472601	1306842	1256712
Total Off Balance Sheet Exposure	886193	949413	1022368	1097372	1148178
Earning Assets	1332237	1195517	1068333	930841	850536
Non-earning Assets	374566	395716	404269	376002	406175
Net Worth	76742	85616	68193	70137	66087
Income Statement					
Interest Income	33744	31666	35955	32708	27674
Income on Investment	38693	40057	28144	34341	33956
Non-interest Income	13489	12824	12711	11272	12723
Total Income	85925	84780	76810	78321	74353
Interest Expenses	43537	41906	40083	39001	42900
Non-interest Expenses	21485	21346	19627	19063	19498
Total Expenses	65022	63253	59710	58064	62398
Net Interest Margin (NIM)	28900	30049	24016	28048	18730
Net Non-interest Expenses	7415	8703	6916	7791	6775
Operating Profit	20904	21526	17100	20257	11955
Earnings Before Provision, Depreciation and Tax	27237	22321	17680	20811	12460
Profit Before Provision and Tax	20904	21526	17100	20257	11955
Net Profit After Tax	3456	3234	2710	2264	7092
Capital Matrix					
Risk Weighted Assets (RWA)	666270	633601	526242	530879	460763
Total Required Capital	66627	63360	52624	53088	46076
Total Regulatory Capital Maintained	66872	63500	53096	53617	47684
Capital Surplus/(Shortfall)	246	141	472	529	1608
Capital Adequacy Ratio (CAR)	10.04%	10.02%	10.09%	10.10%	10.35%
Core Capital Ratio	7.81%	7.68%	8.65%	8.18%	8.07%
Supplementary Capital Ratio	2.23%	2.34%	1.44%	1.92%	2.28%
Amount of Supplementary Capital	14863	14826	7574	10208	10517

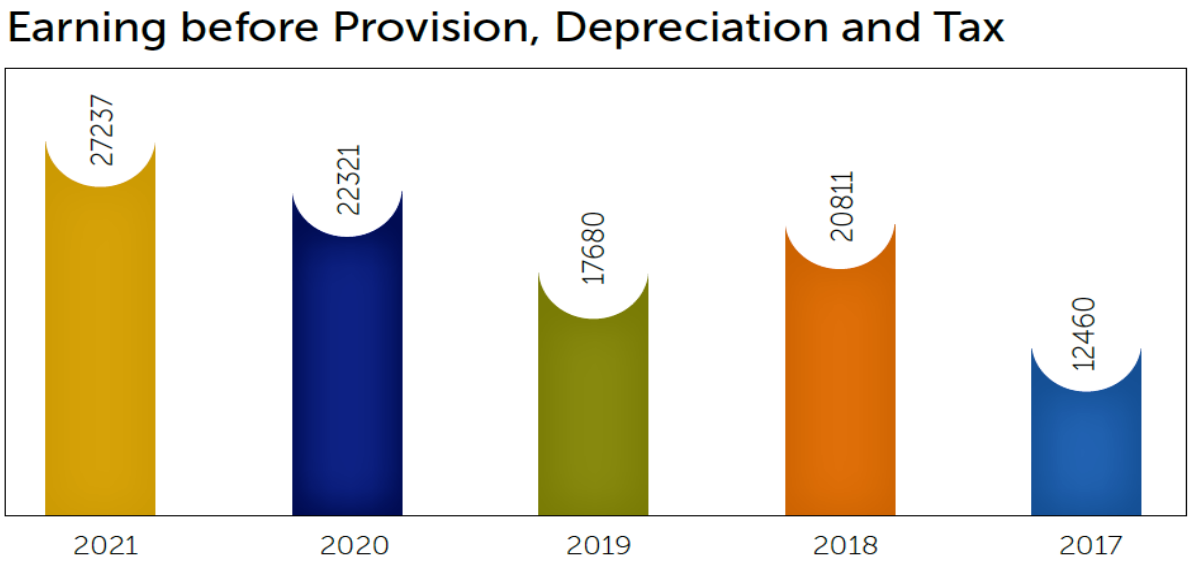
(4.1.5)FINANCIAL RATIO:

FINANCIAL SHEET

PARTICULARS	2021	2020	2019	2018	2017
Financial Ratios (%)					
Operating Profit Ratio	24.32%	25.39%	22.26%	25.86%	16.08%
Gross Profit Ratio	22.26%	25.39%	22.26%	25.86%	16.08%
Operating Profit as a % of Average Working Fund	1.24%	13.7%	1.17%	1.56%	0.98%
Return of Assets (ROA)	0.21%	0.21%	0.20%	0.18%	0.58%
Return of Equity (ROE)	4.26%	4.21%	3.92%	3.32%	10.63%
Return on Investment (ROI)	5.87%	7.13%	5.98%	7.58%	7.29%
Return on Loan and Advance	4.89%	5.57%	5.51%	5.74%	6.85%
Return on Capital Employed	1.46%	1.64%	1.42%	0.22%	1.22%
Return on Earning Assets	0.26%	0.27%	0.25%	0.24%	0.85%
Operating Profit per Employee	1.15%	1.14%	0.87	1.17	0.65
Net Profit per Employee	0.19	0.17	0.14	0.13	0.39
Operating Profit per Branch	17.00	17.56%	13.99	16.67	9.87
Net Interest Margin on Earning Assets(NIM)	(.77)%	(.86)%	-.41%	-.71%	-1.85%
Efficiency Ratio	25.18%	25.18%	25.55%	24.33%	26.22%
Burden Ratio	0.42%	0.56%	0.50%	0.60%	0.56%
Cost of Deposit	3.34%	3.32%	3.55%	3.61%	4.09%
Yields on Loans and Advances	4.89%	5.57%	5.51%	5.74%	6.85%
Interest Spread	1.55%	1.1%	1.96%	2.13%	2.76%
Cost of Fund	4.98%	5.23%	5.29%	5.38%	5.95%
Cost to Income Ratio	75.67%	74.61%	77.74%	74.13%	83.92%
Debt Equity Ratio (Times)	21.24%	17.58%	20.59	17.63	18.02
Current Ratio (Times)	1.93%	1.89%	1.87	1.58	1.67
Net Asset Value per Share (NAVPS-in TK.)	169.41	189.00	150.54	154.83	160.02
Earnings per Share (EPS- In TK.)	7.63	7.14	5.98	5.47	18.50
Capital Adequacy Ratio (CAR)	10.04%	10.02%	10.09	10.10%	10.35%
Advance Deposit Ratio	51.12%	46.57%	47.55%	42.43%	39.76%
Cash Reserve Ratio / Liquidity Ratio (CRR)	13%	13%	7.90%	7.30%	8.08%
Statutory Liquidity Ratio (SLR)	48.22%	50.02%	41.57%	38.27%	44.13%
Foreign Exchange Business					
Import	314539	165662	255965	257020	1155301
Export	32213	25173	25670	32503	28495
Foreign Remittance	125263	129056	111483	257020	129601

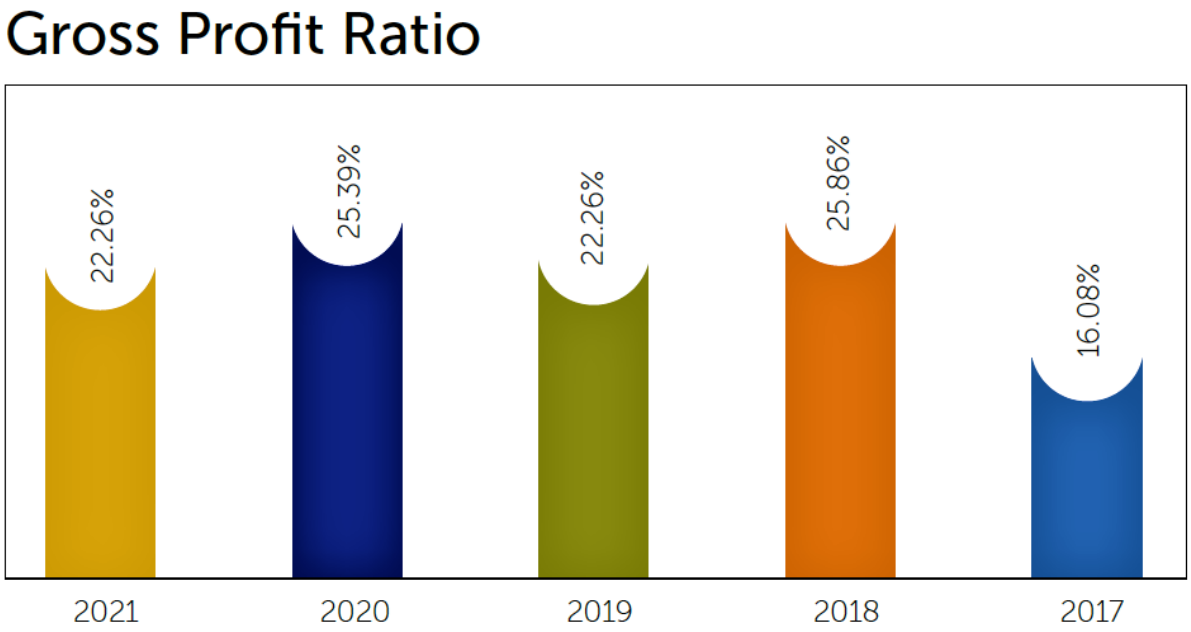
(4.2)FINANCIAL RATIO:

Graphical Presentations of Profitability, Dividend, Performance and Liquidity Ratio



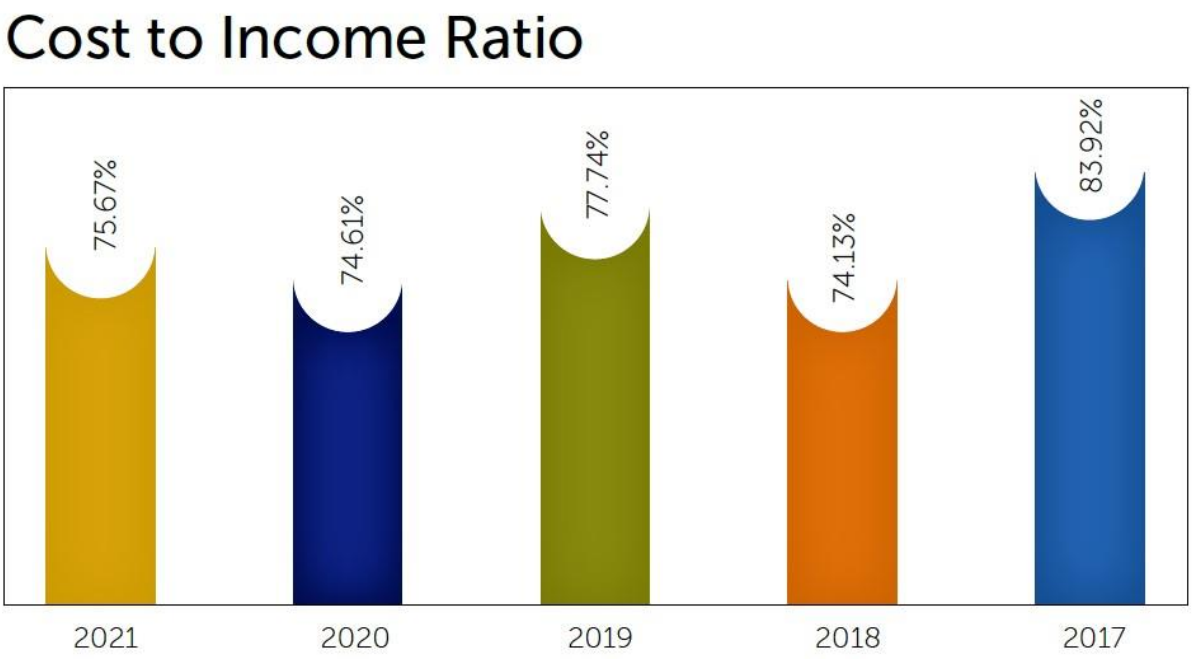
Interpretation:

The bar chart is illustrating the levels and amount of Earning before Provision, Dividend and Tax of Sonali Bank Limited from 2017 to 2021. Where we can clearly identify that this sector has face a huge level of fluctuation over the past four years. The highest amount of this sector has listed at 2021 which is 27237 in contrast the lowest one is seems in 2017 which was 12460. If we talked about the ratio then the highest one is like 85% (approximately) where the lowest one is just 40% (approximately).



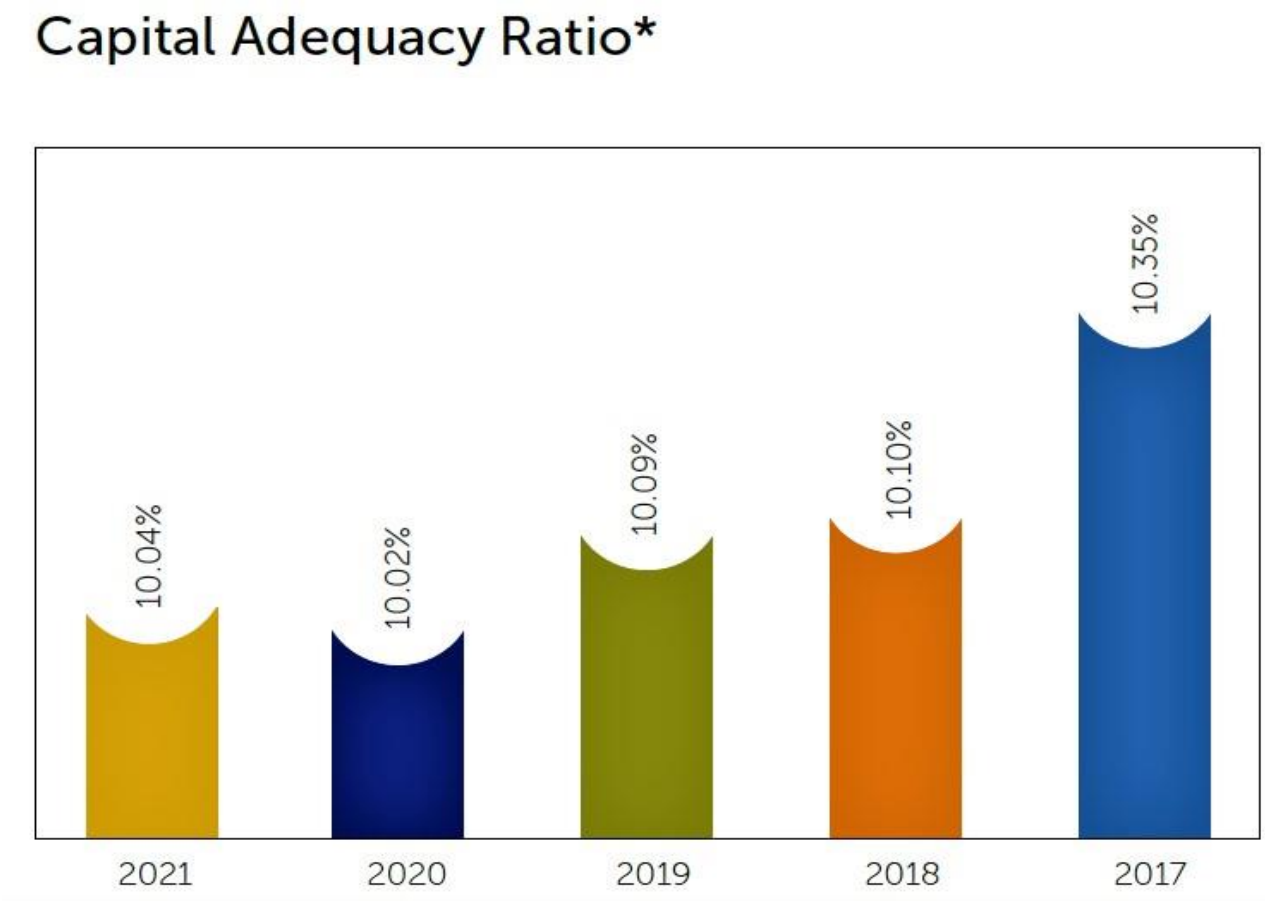
Interpretation:

The bar graph demonstrating the level of Gross Profit Ratio of Sonali Bank Limited which has been fluctuating at a very dramatically levels over the years. Where the higher ratio is 25.86% in 2018. On the other hand the lower number was 16.08% of total gross profit. The year 2020 showing the second highest position then all other years from 2021 to 2017. From 2017 the level of Gross Profit Ratio has start to fluctuate over the years. From 2017 its starts to rise and at 2018 its reached on its peak level but at the present year it is on a sufficient level to operate their activity.



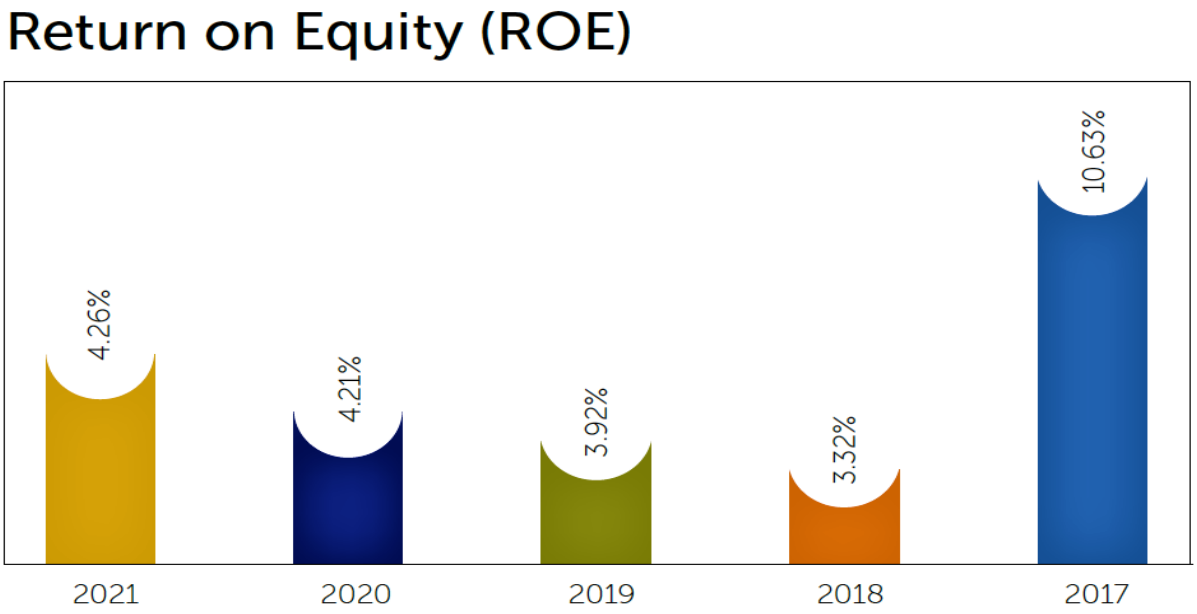
Interpretation:

The bar graph showing the levels of Cost to Income Ratio of Sonali Bank Limited from 2017 to 2021 which has been fluctuating at a very dramatically levels over the years. Where the higher ratio is 83.92% in 2017. On the other hand the lower number was 74.195%. The year 2019 showing the second highest position then all other years from 2017 to 2021 which is 77.74%. From 2017 it starts to fluctuate over the years.



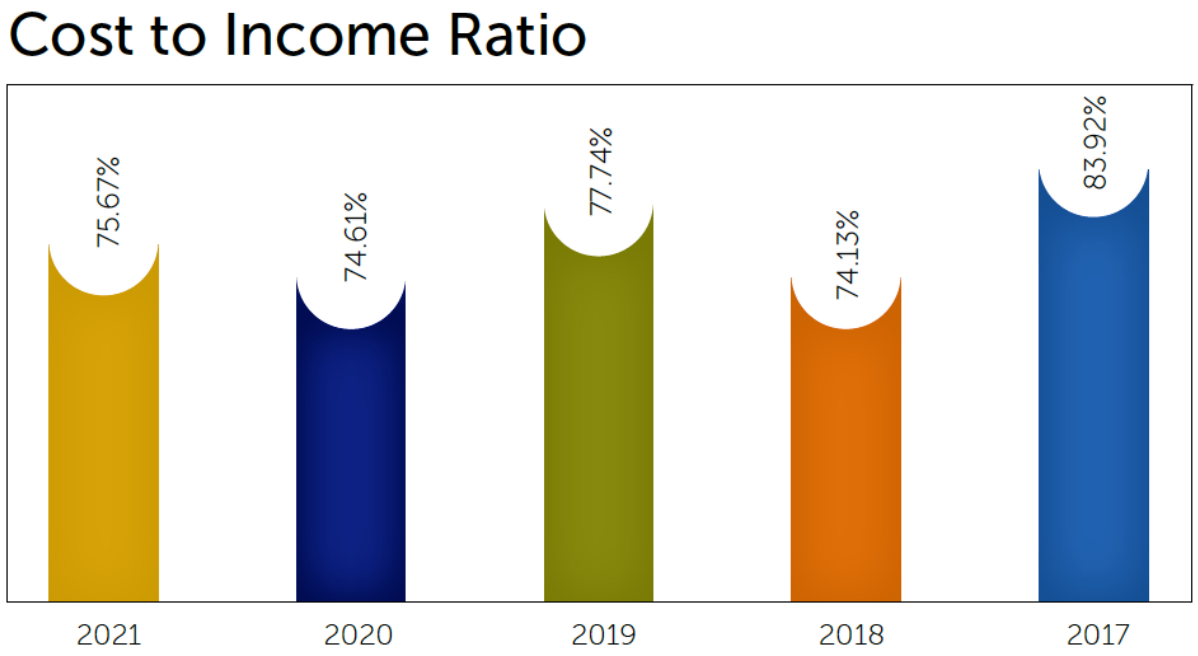
Interpretation:

From this upper bar graph which is demonstrating the level of Capital Adequacy Ratio of Sonali Bank Limited which has been decreasing and following donward trend over the following years. Where the highest ratio is 10.35% in 2017. On the other hand the lowest ratio was 10.02% in 2020. The following years showing a dramatic decreasing trend from 2017 to 2021. From 2017 the level of Capital Adequacy Ratio is decreasing. The current year is the second lowest year between other four years but the past year was worst because it has the lowest number of ratio then all the years located in the graph. Well I think Sonali Bank Limited should increase their capital adequacy and have to put more focus on it because it decreasing over the years.



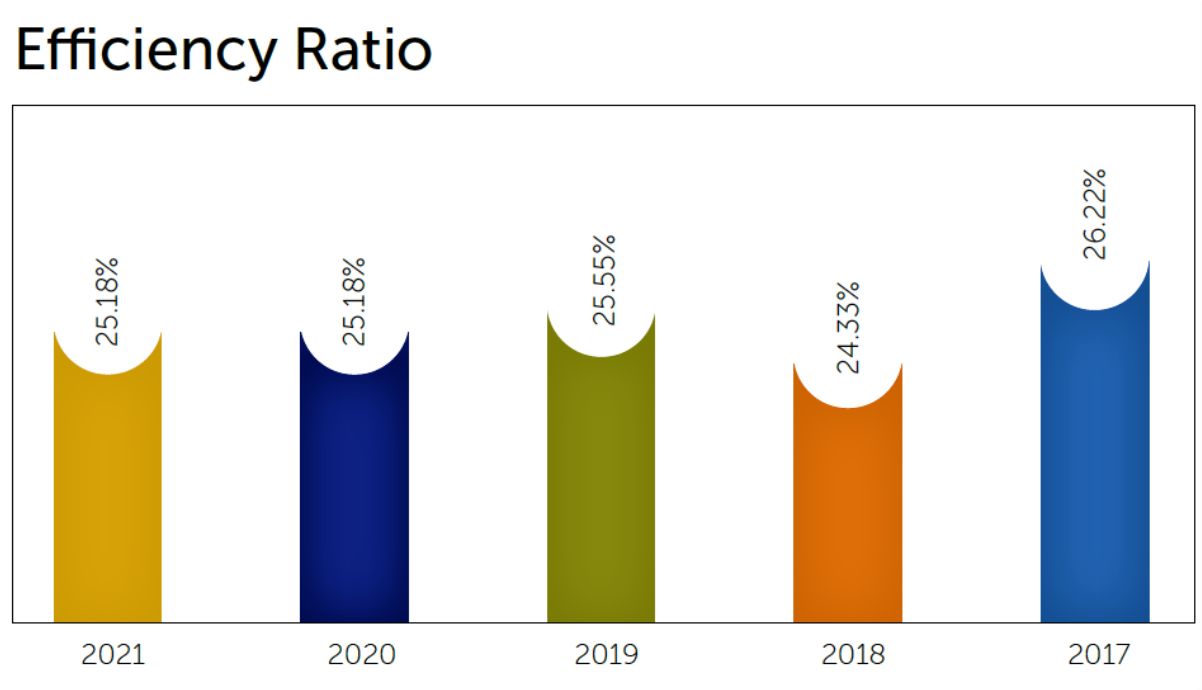
Interpretation:

From this bar graph which is demonstrating the level of Return on Equity (ROE) of Sonali Bank Limited which has been fluctuating over the following years. Where the highest ratio is 10.63% in 2017. On the other hand the lowest ratio was 3.32% in 2018. The following years showing a dramatic fluctuating trend from 2017 to 2021. From 2017 the level of Return on Equity (ROE) has face a very significant drop in the next year but on a sudden its starts to increase and by following the path it's become 4.26% at 2021 which is the second highest ratio between all the years.



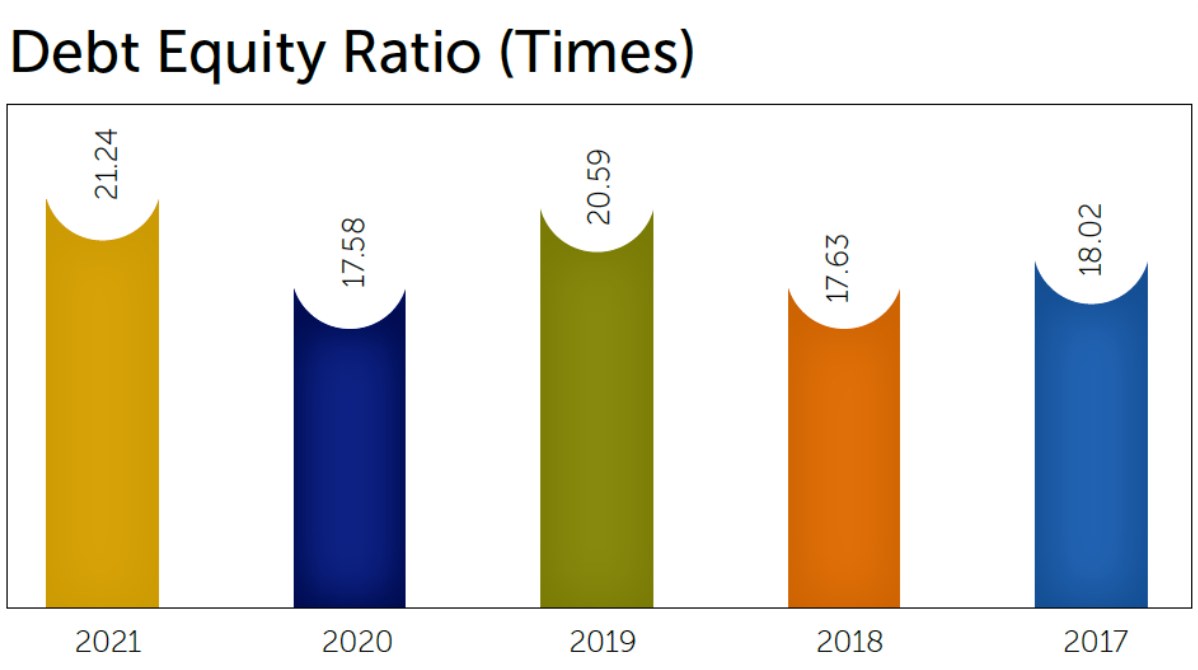
Interpretation:

From this bar graph which is illustrating the level of Cost of Income Ratio of Sonali Bank Limited from 2017 to 2021. Which has been fluctuating over the following years. Where the highest ratio is 83.92% in 2017. On the other hand the lowest ratio was 74.13% in 2018. The following years showing a dramatic fluctuating trend from 2017 to 2021. From 2017 the amount Cost of Income Ratio has faces a very significant drop in the next year. Although the limits are fluctuating but at the end of the graph or at 2021 it become 75.67% which is a very well ratio then 2020 and 2018. Sonali Bank Limited is highly focusing on their income ratio to keep their reputation and continues their banking activity in the market.



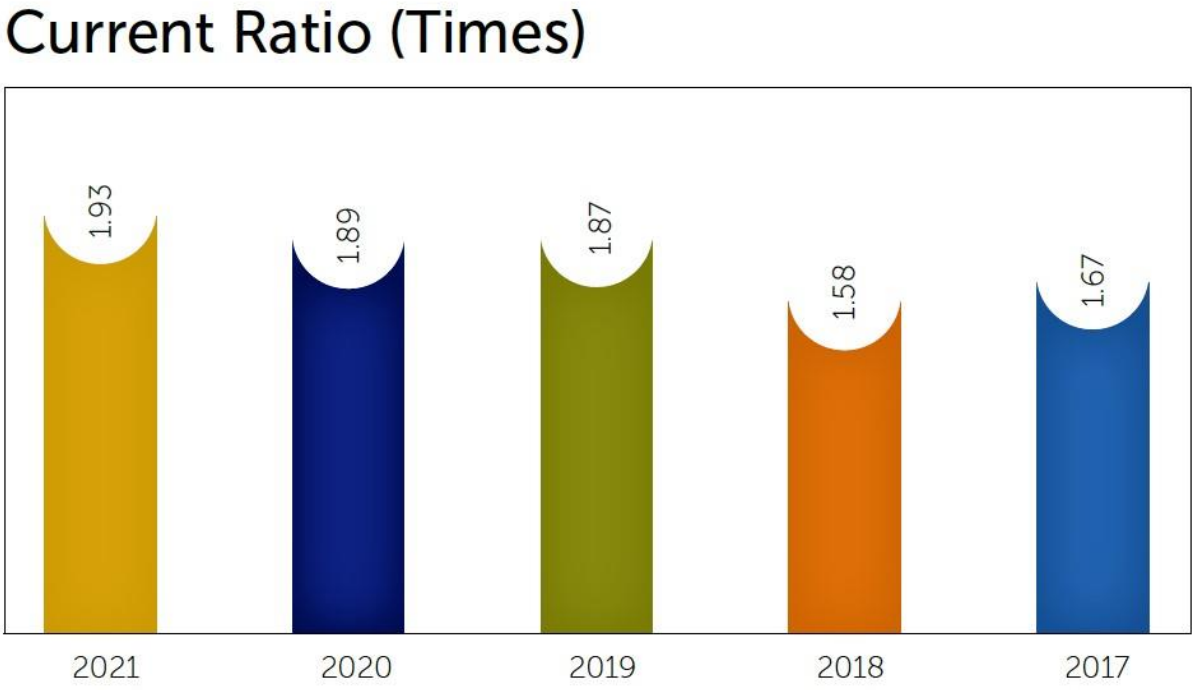
Interpretation:

The following bar graph which is illustrating the level of Efficiency Ratio of Sonali Bank Limited from 2017 to 2021. Which has faces a dramatically ups and downs over the following years. Where the highest ratio is 26.22% in 2017. On the other hand the lowest ratio was 24.33% in 2018. Well Sonali Bank Limited has faced a lot efficiency ups and down their start was very well but they have a huge changes on it over the years but now they become stable on their efficiency rate which is suitable to operate.



Interpretation:

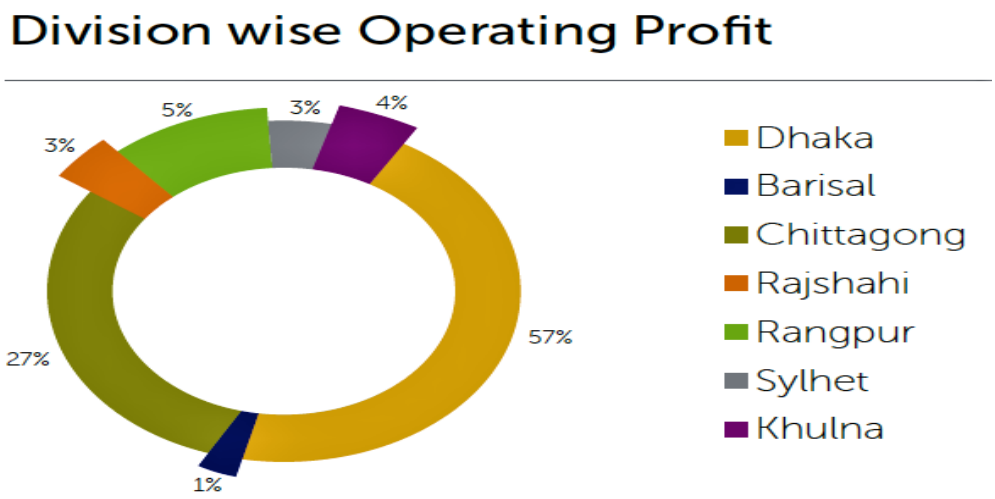
The following bar graph is illustrating the level of the Debt Equity Ratio (Times) of Sonali Bank Limited from 2017 to 2021. Which has faces a dramatically ups and downs over the years. Where the highest ratio is 21.24% at 2021. On the other hand the lowest ratio was 17.58% in 2020. From the graph we can discovered that their starting was not that good but at the end of the graph at 2021 they come back on the market and they increased their Deb Equity Ratio which is higher than all the years. So, Sonali Bank Limited Debt Equity Ratio is increasing very noticeable level.



Interpretation:

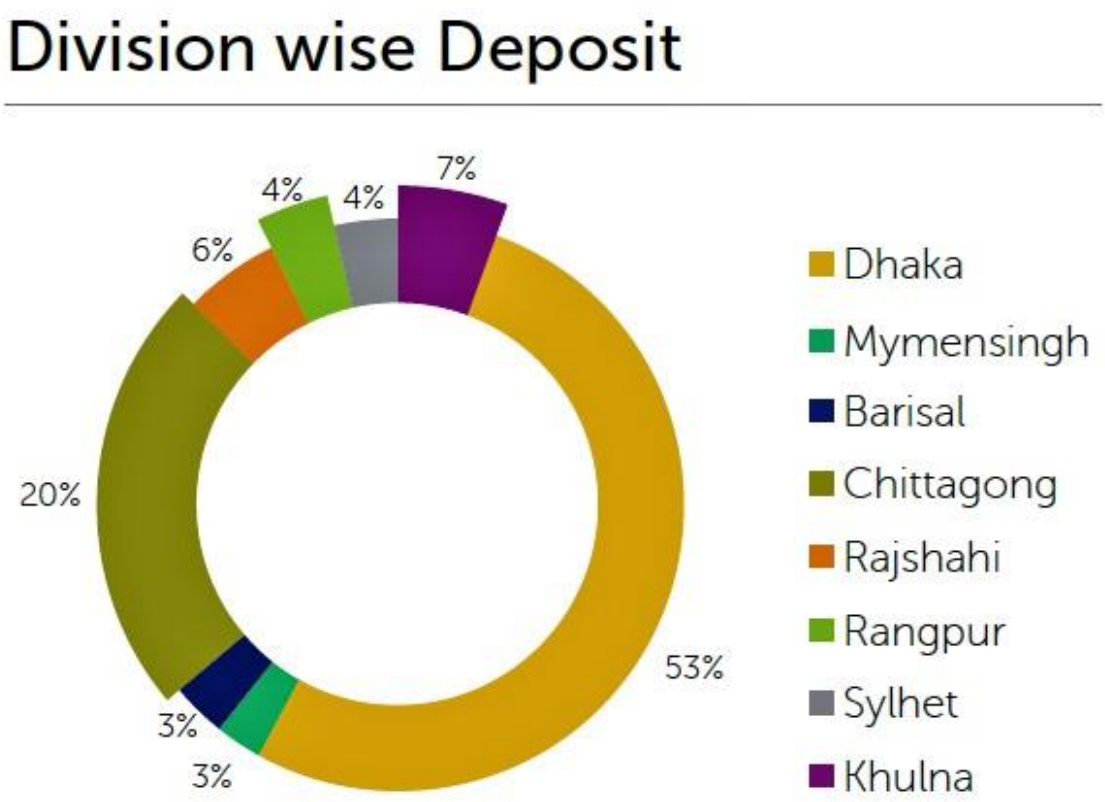
The bar graph is illustrating the level of the Current Ratio (Times) of Sonali Bank Limited from 2017 to 2021. Which is increasing over the years. Where the highest ratio is 1.93% at 2021. On the other hand the lowest ratio was 1.58% in 2018. From the graph we can discovered that their starting was very well but on the second year of start their current ratio has decreased but then it starts to increase and continues.

(4.2.1)SEGMENT WISE GRAPHICAL PRESENTATIONS:



Interpretation:

This bar graph is illustrating the level of Division Wise Operating Profit of Sonali Bank Limited from 2017 to 2021 in ours country. From the graph I noticed that Dhaka has the highest deposit level than any other division seems in the graph which is 57% more than half of the total graph. In contrast Sylhet and Rajshahi has the same ratio of deposit which is only 3% of the total. Another significant thing to discuss is Barisal division they have the lowest position in operating profit sector which contributes 1% only. Then other divisions like Khulna, Rangpur and Chittagong has contributed respectively 4%, 5% and 27% of total division wise operating profit.

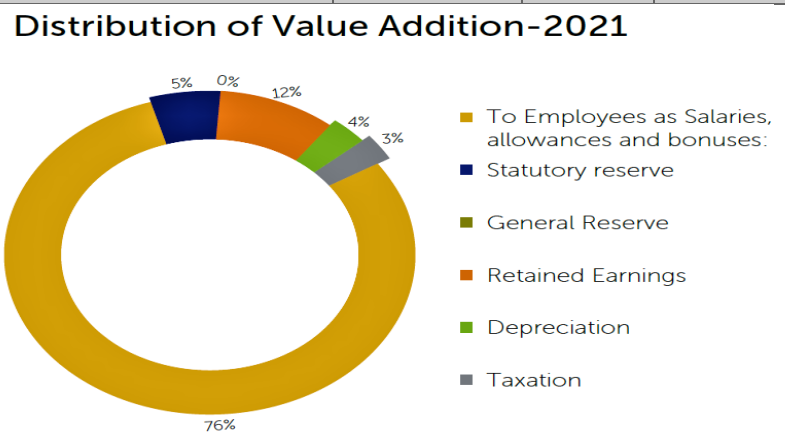


Interpretation:

This bar graph is illustrating the level of Division Wise Deposit of Sonali Bank Limited from 2017 to 2021in ours country. From the graph I noticed that Dhaka has the highest deposit level than any other division seems in the graph which is 53% more than half of the total graph. In contrast Barisal and Mymensingh has the lowest ratio of deposit which is only 3% of the total. Another significant thing to discuss is Rangpur and Sylhet division they are the second last position in deposit sector which contributes 4%. Then other divisions like Chittagong, Rajshahi and Khulna has contributed respectively 20%, 6% and 7% of total deposit.

(4.3)STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION:

PARTICULARS		Distribution of Value Addition 2021		Distribution of Value Addition 2020	
		Taka in Million	In percent	Taka in Million	In percent
(a)	Income from Banking Services	85,925.37		84,779.88	
(b)	Less: Cost of Services and Supplies	49,431.21		48,103.63	
(c)	**Value Added by the Banking Services (a-b)**	**36,494.15**		**36,676.25**	
(d)	Less: Non-Banking Expenses	1,422.29		1,601.82	
(e)	Less: Loan Loss Provisions	15,513.28		16,184.78	
Value Added (c-d-e)		**19,558.58**		**18,889.64**	
Distribution of Value addition:					
	i) To Employees as Salaries, allowances and bonuses:	14,831.88	76%	14,431.98	76%
	ii) To Expansion and Growth:				
	Statutory reserve	1,078.09	6%	1,068.43	6%
	General Reserve	50.00	0%	50.00	0%
	Reserve for Unwanted Risk arising from Vault	-	0%	15.00	0%
	Start-Up Fund	34.57	0%	-	0%
	Retained earnings	2,294.01	12%	2,100.92	11%
	Depreciation	758.53	4%	717.34	4%
	Taxation	511.51	3%	505.98	3%
	Sub Total	**4,726.70**	**24%**	**4,457.67**	**24%**
	Total (I+ii)	**19,558.58**	**100%**	**18,889.64**	**100%**



(4.4)ECONOMIC VALUE ADDED STATEMENT:

PARTICULARS	2021	2020	2019	2018	2017
	Taka in Million.	Taka in Million.	Taka in Million.	Taka in Million.	Taka in Million.
Shareholders" Equity	76743	85616	68098	70137	66087
Add: Cumulative provision for Loans, Investment, Other Asset and Off Balance sheet exposures	94,967	82,833	69,273	59,323	48,082
Total Invested Fund	**171,710**	**168,449**	**137,466**	**129,460**	**114,169**
Average shareholders' equity	**81179**	**76857**	**69165**	**68112**	**66731**
Earnings:					
Profit after Tax	3,457	3,234	2,710	2,264	7,091
Add: provision for loans and other during the year	15,513	16,184	12,347	14,006	2,380
Less: Written off loan recovered during the year	1,673	550	443	945	387
Earning for the year	**17,297**	**18,868**	**14,614**	**15,325**	**9,084**
Average cost of equity					
Based on weighted average rate of 10 years treasury bond issued by Bangladesh Government +2% risk premium	10.50%	10.66%	11.00%	11.11%	11.23%
Cost of average equity	1,816.19	2,011.33	1,607.54	1,702.61	1,020.13
Economic value added	15,480.82	16,856.67	13,006.46	13,622.39	8,063.87
Growth over last year	(8.16)	29.60	(4.52)	68.93	492.72

(4.5)MAINTAINING CAPITAL ADEQUACY of SBL:

ELIGIBLE CAPITAL	2021	2020
Tier-1 (Core capital)	52,009.01	48,674.18
Tier-2 (Supplementary capital)	14,863.89	14,826.68
Tier-3 (eligible for market risk only)	-	-
Total Eligible capital	66,872.90	63,500.86
Total risk weighted assets (RWA):	666,270.40	633,601.70
Capital to Risk Weighted Asset Ratio (CRAR)/ (CAR)	10.04%	10.02%
Core capital to RWA	7.81%	7.68%
Supplementary capital to RWA	2.23%	2.34%
Minimum capital requirement (MCR)	66,627.04	63,360.17
Capital surplus/(shortfall)	245.86	140.69

(4.6)FINDINGS FROM THE STUDY:

After collecting and analyzing data, I have got some findings. These findings are completely from my personal point of view. Those are given below.

Sonali bank as a nationalized commercial bank achieved a favorable reputation in not only Bangladesh but also in foreign country. It is a tremendous growth in profits and deposits. The bank successfully stepped in to the 50 year of operation having enjoyed the complete confidence of the depositors and achieving significant growth in the entire areas of banking operations. I saw that the profit of Sonali bank as a commercial bank, is low but as a government commercial bank, it is remarkable in Bangladesh. It has a wide spread networking facility. That means, the every Upzila has at least one branch of Sonali Bank. But the others banks have no such facility.

To tell specifically, the liquidity position was well then the previous years but last year's current ratio was not up to the mark. The higher the ratio, the more the liquidity. But excess liquidity reduces profitability. A manager must offset between liquidity and profitability. Last year (2020) the liquidity ratio was 1.89 with maintaining on an average link with previous years. Without this, cash ratio and net working capital was good enough. I think the liquidity position is enough to run operations.

In Debt ratio, the debt position of a firm indicates the amount of other people's money being used to generate profit. In general, the financial analyst is most concerned with long term debts, because these commit the firm to a stream payments over the long run. Because creditors claim must be satisfied before the earnings can be distributed to shareholders, the debt ratio is spread by (94%-97%).That means 94-97% is leverage on the total assets. But the times interest ratio is good enough to meet up the fixed financial charges. My analysis shows that the bank took deposits from the customer at a low rate but invested the funds at high rate. To prove this, I can give a reference that Sonali Bank already declared that they collected 1 trillion deposits from the customers. A great achievement for them compering to all national commercial banks.

In activity ratio, we can see that the ratio fluctuates among the years. Cost to income ratio measures that how much expenses are incurred to generate profit. The ratio of 2018 was very lower than 2019. I found some reasons behind that decreasing in Rent, Tax, and Electricity and employee salary are the main elements. The same reason is applicable to total asset turnover ratio. A good sign is found in investment to deposit ratio because the bank collected idle deposits from the customers and invested properly. The bank recovered from the poor positions in 2018 to rich position in 2019.

In profitability ratio, as per my analysis, I saw that sharp decrease in profit in 2021 was caused by the large flow of deferred tax payment and other provisions. The diminution of investment in 2020 causes a large cash flow out side of the bank for this the profit was low. Everything was normal and the profit margin was well. Hence, the ROA and EPS was consistent with the net profit margin.

In summary, as a largest commercial bank and the agent of Bangladesh Bank Sonali Bank has to do various types of work without thinking about the profit. For this reason we have seen that in some cases bank has doing loss, but though loss we cannot directly say that it’s seen that the bank profit increasing rate is poor but increasing. The bank is highly liquid becoming double per year and earning spread is also increasing. So, after all we can say that as a nationalized bank commercial bank Sonali Bank Limited is a bank which is earning better than other nationalized bank.

CHAPTER: 5

RECOMMENDATIONS

AND

CONCLUSION

(5.1)RECOMMENDATIONS:

In my internship period, I tried to look something deeply that what are the actual problems behind the backward positions of Sonali Bank than other private commercial banks. From my analysis and point of view, some recommendations are as follows-

1. Lack of proper utilization of human resources across the bank. Some branches have excess employees without having works and some others have excessive work load without human resources to tackle the pressure. There need a good optimization of recruiting and employment of human resources.

2. ATM facility of Sonali bank is so low to run banking transactions for ATM/VISA/Master Card holders. I personally visited Rangpur city area and saw only one ATM booth of SBL in one place but a lots of other banks ATM booths.

3. Sonali bank is under online facility. That's ok but the facility provided by the Bank is too poor to maintain the cyber security. So, proper internet security and bearing all branches under CC Camera is essential.

4. In bad debts recovery sectors, the bank sometimes indifferent to overlook the clients. The management body should give proper guidance regarding this. Should be encouraged to recover bad debts from default clients.

5. The infrastructural facility of Sonali bank is not good enough to run the banking system. Some offices are not provided with proper facility. So, this should be taken in the special consideration.

6. There should be proper incentives for the employees to carry out the banking functions properly. Because motivations, communication with employees are the major tools to utilize the human forces properly. Over time allowances can be allowed as per extra working hours.

7. Bangladesh Bank should impose the rule of uniformity for all types of schemes. By this way customers can decide from where they will receive service based on the service quality and organizational environment.

8. The website design is need to improve. Therefore, the website design should be changed and can put more information about the bank. The existing design cannot capture the customer's attention.

9. The Bank should use less debt financing and should give more emphasis on equity financing.

10. Target of profit is an old trend of SBL. To increase profitability the management body should point out that which sector needs development and must be done by time frame.

(5.2)CONCLUSION:

As a commercial bank, it has many regular functions like different commercial bank. Without those the financial institution has a gorgeous contribution in the experienced banking to guard the environment with the local financial challenges globally. An awesome duty is carried out with the aid of the financial institution is the clearing housing characteristic on behalf of the Bangladesh bank. The bank is strongly positioned in the market and with its core strengths it can match shareholders expectations and as a consequence elevate their wealth in future via moral banking and great pricing. So the reason of earnings technology like personal business bank is no longer the remaining purpose of Sonali Bank Limited but to furnish a better offering for the economic improvement of country. In spite of making an attempt to do well in some factors. Sonali Bank Limited constrained faced some monetary troubles from the time to time. Some of the issues were in moderate awful loans, scarcity of loans and advances, satisfactory deposits, scarcity of money in fingers due to vault restriction etc. Those issues arouse due to economic slowdown, interest rate fluctuation, rising capital market and inflation in the money market. For this, the assisting hand of government is crucial and it is anticipated that government will broaden its hand for enforcing the suggestions for the welfare of the humans of Bangladesh.

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