Internship Report On:

Financial Performance Analysis of Bangladesh Commerce Bank Limited.

Prepared For:

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Submission Date:3/1/2024

Letter of Transmittal

To

Professor Dr. Md. Abul Hossain

Professor. & Head

Department of Business Studies

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Submitting an Internship report titled ‘Financial Performance Analysis of Bangladesh Commerce Bank Limited.”

Respected Sir,

I am thankful to present to you the internship report on "Financial Performance Analysis of Bangladesh Commerce Bank Limited." This report provides a thorough analysis of the company's financing activities, including funding sources and uses, as well as any debt and equity. During the provided time period, transactions were made.

The study has been meticulously compiled, and all information has been verified. It has been validated and cross-checked for accuracy. I am confident that the information contained within is accurate and will provide you a detailed picture of the company's financial situation.

Furthermore, I am grateful for the opportunity you have given me to demonstrate my skills, and I sincerely hope you appreciate the work I've created.

Sincerely yours,

Supriya

(Supriya Saha)
Id: 193-11-910
Major in Accounting, Department of Business Administration,
Daffodil International University.

Certificate of Supervisor

This is to confirm that I, Professor Dr. Md. Abul Hossain, Professor. & Head (In Charge), Department of Business Studies, Daffodil International University (DIU), have evaluated the internship report titled “Performance Analysis of Trust Bank Limited,” prepared by Supriya Saha Id: 193-11-910. This report was done under my supervision, and I personally reviewed its contents and accuracy.

I confirm that the study technique employed was comprehensive and suitable, and that the data presented is accurate and trustworthy. In preparing this report, the author followed all applicable standards and procedures.

I am satisfied that this report satisfies the needed requirements and gives a thorough analysis of Trust Bank Limited's "Financial Report Analysis."

(Professor Dr. Md. Abul Hossain)

Professor. & Head

Department of Business Studies

Faculty of Business & Entrepreneurship

Daffodil International University

Student's Declaration

To the best of my knowledge and belief, I, Supriya Saha, the author of this report, declare that the information contained in this report "Financial Performance Analysis of Bangladesh Commerce Bank Limited" is true and accurate. Before being included in this report, all facts, statistics, and financial statements were thoroughly reviewed and validated.

I accept full responsibility for the material given in this report's completeness and accuracy. I am aware that false assertions or mistakes in a report might have serious consequences, and I affirm that there are no such inaccuracies in this report.

Supriya

(Supriya Saha)

Id: 193-11-910

Major in Accounting

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Acronyms

BB: Bangladesh Bank

BCB: Bangladesh Commerce Bank

NCB: National Commercial Bank

ATM: Automated Teller Machine

APR: Annual Percentage Rate

FDIC: Federal Deposit Insurance Corporation

SWIFT: Society for Worldwide Interbank Financial Telecommunication

IBAN: International Bank Account Number

ACH: Automated Clearing House

KYC: Know Your Customer

ROI: Return on Investment

CCY: Counter Currency

PIN: Personal Identification Number

SMS: Short Message Service

TAT: Turnaround Time

ROE: Return on Equity

CFO: Chief Financial Officer

CEO: Chief Executive Officer

Acknowledgment

To begin, I'd want to offer my heartfelt gratitude to God for giving me the ability, opportunity, and sound mind to finish the internship report. Many individuals owe me gratitude for finishing my internship report successfully.

First and foremost, I'd like to thank Professor Dr. Md. Abul Hossain, Professor. & Head (In Charge), Department of Business Studies, Faculty of Business & Entrepreneurship, Daffodil International University, for inspiring me to work on this fascinating topic for my internship report and directing me in the right direction. These, in my opinion, will be extremely beneficial to my professional development and advancement.

Without the requisite particle knowledge and the support of several books, papers, websites, and primary sources, this internship report could not have been accomplished. My practical knowledge of company culture has expanded.

My greatest gratitude goes out to everyone who contributed to the creation of this study, both directly and indirectly. Nothing of them would have been possible without them.

Sincerely,

(Supriya Saha)

Id: 193-11-910

Major in Accounting

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Abstract

Bangladesh Commerce Bank Limited (BCBL) Comprehensive Financial Analysis Report for the Period April 2, 2023 to July 2, 2023.

This report provides a thorough evaluation of Bangladesh Commerce Bank Limited's (BCBL) financial performance from April 2, 2023 to July 2, 2023. The study rigorously assesses BCBL's operating efficiency, liquidity, solvency, and profitability using a variety of financial instruments and approaches. A detailed assessment of the bank's financial accounts, ratio analysis, and trend analysis are all part of the analytical framework.

Asset Quality and Capital Adequacy: The analysis highlights BCBL's impressive asset quality, strong capital adequacy, and astute market positioning, presenting a complete picture of the bank's financial resilience.

Areas for Improvement: The report identifies areas for improvement, with a particular emphasis on optimizing cost management and diversifying revenue streams to strengthen BCBL's competitive position in the volatile banking business.

Strategic suggestions: The results' strategic suggestions aim to strengthen BCBL's overall performance by providing actionable insights for decision-makers to move the bank toward sustained development and competitiveness.

This study not only provides a glimpse of BCBL's present financial situation, but it also provides essential information for stakeholders like as investors, regulators, and management. These insights are critical in allowing informed decision-making about BCBL's future course.

Finally, this complete financial analysis report acts as a strategic tool for stakeholders, providing them with the information they need to manage the intricacies of the banking market. The results and recommendations contained in this report add to the collective knowledge base, enabling a well-informed approach to BCBL's financial trajectory.

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Chapter -1

INTRODUCTION

1.1Introduction:

In every country, the banking sector is a cornerstone of economic progress and stability, and in Bangladesh's rapidly rising economy, a strong banking system is essential. This paper provides a thorough examination of Bangladesh Commerce Bank Limited (BCBL), a major player in the country's banking industry.

BCBL, which was founded in 1986, has become an important contributor to Bangladesh's financial services sector. The bank has established a strong position in the competitive banking industry by focusing on innovation and customer-centric solutions. BCBL upholds corporate responsibility by protecting stakeholder interests while actively contributing to broader socioeconomic development objectives.

The primary goal of this research is to provide an in-depth analysis of BCBL's financial health and operational efficiency. This study gives insights into the bank's liquidity, solvency, profitability, and overall performance through a comprehensive review of the bank's financial statements and the application of numerous analytical tools.

We hope to provide a clear and objective assessment of BCBL's standing in the industry by completing this detailed financial performance analysis. The report's findings and suggestions will be a helpful resource for stakeholders such as investors, regulators, and management, assisting them in making informed decisions and developing strategies that are aligned with the bank's long-term objectives.

In the next sections of this study, we will go over the methodology used as well as provide an overview of Bangladesh Commerce Bank Limited. The results of the financial performance study will subsequently be presented, together with key insights and recommendations.

1.2. Origin of the Study:

This report arose from a strong desire to understand the financial performance of banking institutions, particularly in the context of Bangladesh's flourishing economy. Recognizing the importance of banks in economic development, attention was drawn to Bangladesh Commerce Bank Limited (BCBL), a key player noted for its innovative and customer-focused strategy. This was an obvious choice.

The academic study for BBA was equally important, with a focus on practical application and experience learning. Guidance and mentorship from Professor Dr. Md. Abul Hossain propelled the attempt further, realizing the potential significance of a thorough examination of BCBL's financial performance.

Furthermore, this report seeks to contribute to the field of financial analysis by giving significant insights for informed decision-making to stakeholders such as investors, regulators, and management. We hope that the facts and recommendations contained inside will not only improve strategic decisions, but will also deepen understanding of the issues influencing the financial performance of Bangladeshi banks.

1.3.Objectives of the Study:

2. To reveal the financial performance of BCB.
3. To analyze the bank's financial performance from 2017 to 2021.
4. To identify the problems related to financial performance of BCB.
5. To give recommendations about the overcome of the problems.

1.4. Scope of the Study:

This study explores a thorough examination of Bangladesh Commerce Bank Limited's (BCBL) financial performance over a given time period. It entails an in-depth examination of important financial indicators such as liquidity, solvency, profitability, and market positioning. The study is mostly based on BCBL's financial statements, annual reports, and pertinent papers, with additional context provided by publicly available data and industry reports. The study focuses solely on financial characteristics of the bank and does not cover operational or non-financial components of the bank, nor does it include a detailed analysis of specific branches or subsidiaries. The study's scope is limited to Bangladesh, with the findings and recommendations meant to apply to the Bangladeshi banking industry.

1.5 Methodology of the Study:

1.5.1. Primary Data: Primary data is firsthand information collected for a specific study or analysis goal, taken straight from the source without middlemen or interpretation.

1. **Face to face:** Direct engagement between researchers and participants during face-to-face data collecting allows for real-time responses and in-depth observations. It encourages personal connections, improves rapport, and allows for nonverbal messages. However, it can be resource-intensive and may present scheduling and logistical issues. Face-to-face data collecting, despite its limitations, is nevertheless useful for investigations that require nuanced comprehension and rich qualitative data.

2. **Introductions with the officials of BCB:** When meeting with BCB officials, a formal introduction is made to establish rapport and mutual understanding. Begin by respectfully addressing the officials and briefly stating your purpose for the meeting. Express genuine desire in collaboration and identify potential areas of overlap. Finish with a brief expression of appreciation for their time and concern.

1.5.2. Secondary Data: Secondary data is information that has already been collected and evaluated by others for purposes other than the present research, and it is frequently obtained from sources such as published reports, databases, or previously conducted studies.

1. **Financial Reports and Statements:** Financial reports and statements provide a full summary of a company's financial health, which is essential for analyzing its stability, by incorporating elements such as income, expenses, assets, liabilities, and equity.

2. **Industry Reports and Market Analyses**: Industry reports and market assessments provide businesses with insights into market trends, competitive landscapes, and key indicators, assisting them in strategic decision-making and understanding their operational environment.

3. **Academic Journals and Research Papers**: Academic journals and research papers are scholarly publications that present in-depth studies, conclusions, and analyses on specific themes, thereby contributing to the progress of knowledge across several academic fields.

4. **News Publications and Media Reports:** News publications and media reports cover current events in a timely and concise manner, providing a glimpse of global, national, or local news to keep the public informed.

5. **Online Databases and Financial Portals:** Online databases and financial portals act as digital platforms for gathering various financial information, market data, and research, giving consumers easy access to complete tools for investing and making decisions.

6. **Company Website and Publicly Available Information:** A company's website and publicly available information are online resources that provide information about its activities, products, financials, and general corporate profile.

1.6. Limitations of the Study:

1. **Financial Statement Scope**: The analysis is based on the financial statements supplied by BCBL, which may not cover all operational aspects, thus omitting key information.

2. **Generalization to the Entire Banking Industry:** Because of differences in models, strategies, and dynamics, the findings and recommendations for BCBL may not immediately apply to the larger banking industry in Bangladesh.

3. **External Factors Influencing Performance**: Outside of the scope of the study, factors such as economic upheavals, regulatory changes, and geopolitical events can have an impact on BCBL's financial performance.

4. **Limitations of Ratio Analysis**: While useful, ratio analysis simplifies complex financial data and may miss nuanced or qualitative features.

CHAPTER-2

Organizational Overview

2.1. History of Bangladesh Commerce Bank LTD:

Bangladesh Commerce Bank Limited (BCBL) was created with parliamentary sanction from the People's Republic of Bangladesh on February 12, 1997. On February 8, 1998, an 11-member Board of Chiefs was created to monitor BCBL operations in response to government demands. On June 1, 1999, the bank was formally incorporated, and its doors opened to the public on September 16, 1999. BCBL now has 48 branches and is a Dhaka Stock Exchange (DSE) member.

BCBL has evolved into a strong and profitable financial organization, guided by a mission of becoming the chosen choice for clients while making substantial contributions to society. The bank stresses operational efficiency and honesty with a dedicated workforce of approximately 721 workers.

BCBL increased its delivery channels in 2011 to improve services for its varied customer base in Bangladesh, including enhancements to online banking and SMS banking. The bank constructed a contact point in Uttara, with two ATM booths equipped with self-service devices that serve as a shared office for ATMs from different banks.

BCBL entered the brokerage industry in October 2006, in accordance with legislative rules requiring the separation of brokerage and capital market operations. Commerce Bank Securities and Venture Limited (CBSIL), a full-service brokerage firm, was founded by the bank and registered on April 21, 2011. CBSIL, a public limited company approved by the Securities and Exchange Commission (SEC) with a paid-up capital of BDT 200 million and an allowed capital of BDT 1000 million, shows BCBL's dedication to regulatory compliance and market presence.

2.2. Mission, Vision and objectives of Bangladesh Commerce Bank LTD:

1. **Mission:** Bangladesh Commerce Bank Limited is committed to serving the needs of its clients and becoming their first choice in banking, while also assuring sustainable growth, acceptable returns, and contributing to the country's socioeconomic development through a motivated and competent workforce.

2. **Vision:** “Become a customer-first bank that makes meaningful contributions to society.”

3. Objectives:

i. To secure the bank's growth and diversification.
ii. To make financial services available to all classes of people.
iii. To be a trailblazer in the country's socioeconomic development.
iv. To keep an incremental deposit and reduce non-performing assets.
v. To offer high-quality goods and services.
vi. To make the best use of the bank's resources.
vii. To contribute to business innovation and improvement.
viii. To have a strong customer focus and to develop strong customer relationships.
ix. To contribute to the resolution of the unemployment crisis.

4. Strategic Priorities of Bangladesh Commerce Bank LTD:

Figure:2.1 (Source: Annul report 2021 BCB)

2.3. Management Organogram:

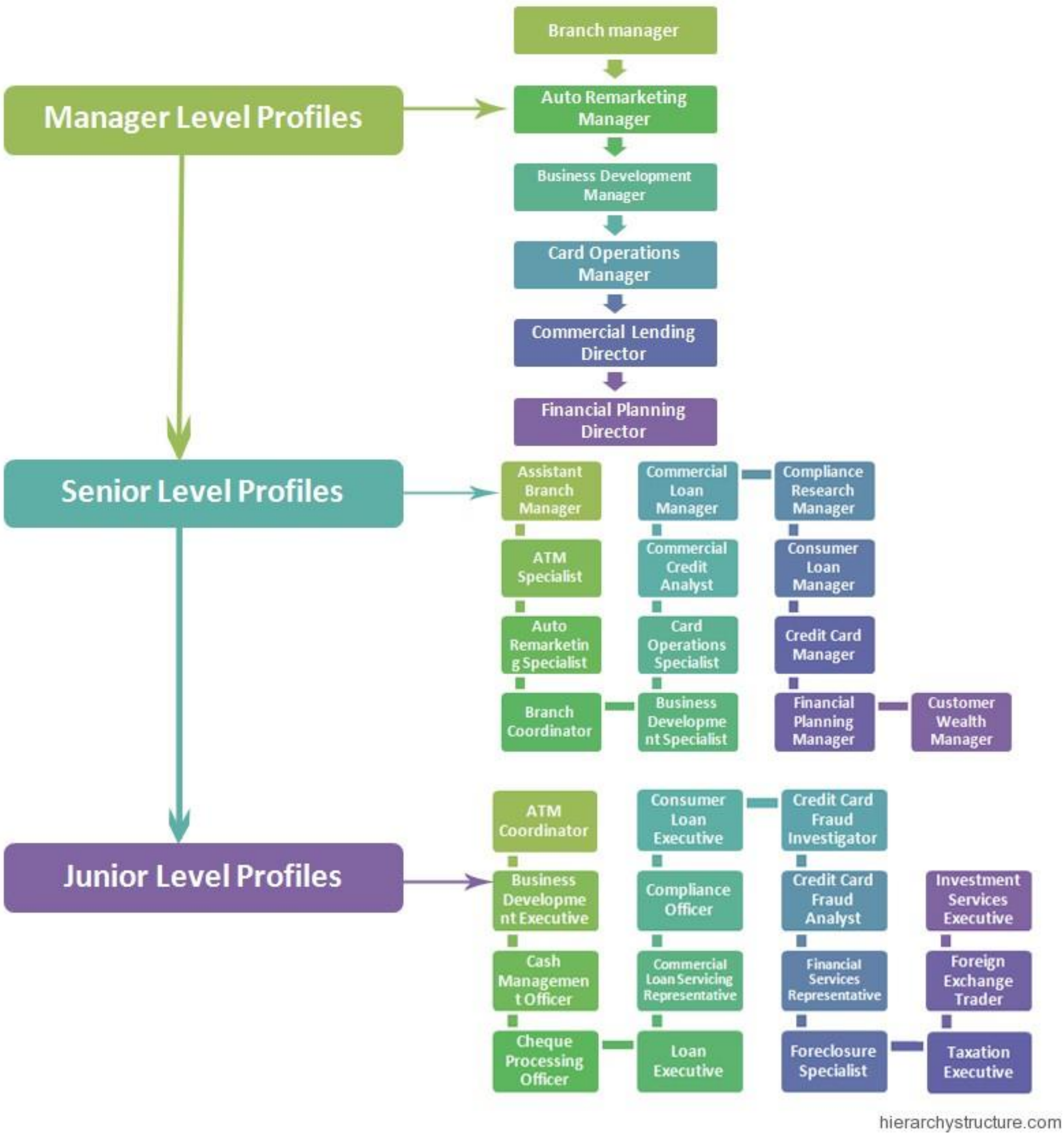

Figure: 2.2(Management Organogram of BCB)

2.4.Services of BCBL:

1. **Savings Schemes of BCBL are:**
   i. BCB Lakhpoti Scheme (LDS)
   ii. BCB Millionaire Scheme (MDS)
   iii. BCB Kotipoti Scheme (KDS)
   iv. BCB Marriage Savings Scheme
   v. Sikha Sanchaya Scheme (ESS)
   vi. Double Benefit (DGDS)
   vii. Triple Benefit (TGDS)

2. **Product & Services: Loan & advances**

i. Financing of Trade
ii. Term Loan
iii. Financing of small and medium Industries
iv. Agriculture Loan
v. House Building Loan
vi. Financing of Transport
vii. Financing of Non-Banking Financial Institute
viii. Syndicate/Club Loan
ix. Loan against FDR/Loan against Special Scheme
x. Financing of Export-Import
xi. Stuff Loan
xii. Bill Purchase/Loan against Share
xiii. CCS
xiv. Special Credit Scheme for Service holder
xv. Credit Scheme for Women entrepreneurs
xvi. Prime Customer (5.00 crore or higher)

3. **Capital Market Operation**
4. **Counter for Payment of Bills**

5. Remit funds from one place to another through DD, TT and MT etc.
6. Conduct all kinds of foreign exchange business including issuance of L/C, Travelers' Cheques etc.
7. Collect Cheques, Bills, Dividends, Interest on Securities and issue Pay Orders, etc.
8. Act as referee for customers.

2.5 Five Years of Financial Summary :(in corers of Taka)

Particulars	2021	2020	2019	2018	2017
Total Assets	46,129,378,821	40,880,195,270	39,550,371,620	38,028,310,885	36,394,838,798
Total Liabilities	49,891,407,890	43,073,209,744	39,590,131,559	47,88,344,811	32,899,657,296
Total Shareholders' Equity	(3,762,029,068)	(2,193,014,474)	(39,759,939)	1,272,840,070	3,495,181,502
Total Cash	2,334,077,424	2,326,682,438	2,228,447,802	2,379,517,730	2,492,587,673
Total Operating Income	(313,204,564)	(201,858,929)	7,58,767,916	1,267,262,315	1,252,867,725
Total Operating Expenses	1,313,626,352	1,268,625,844	1,383,974,218	1,550,910,431	950,589,017

Chapter -3

Theoretical Aspects

3.1 Financial Statements Components:

For corporations, investors, and financial experts, financial analysis is a vital component of decision-making. It entails studying a company's financial statements and other pertinent information to assess its financial health and performance. The basic purpose of financial analysis is to evaluate a company's ability to make profits, properly manage its resources, and satisfy its financial responsibilities.

Financial Statements:

1. **Income Statement:** This statement summarizes a company's sales, expenses, and earnings over a certain time period.
2. **Balance Sheet:** The balance sheet is a snapshot of a company's financial condition at a specific point in time, including assets, liabilities, and equity.
3. **Cash Flow Statement:** This statement summarizes cash inflows and outflows, which aids in determining a company's liquidity and cash management.

Analysis of Ratios:

1. **Liquidity Ratios:** Liquidity ratios which comprise the current and quick ratios, assess a company's capacity to satisfy its short-term obligations.
2. **Profitability Ratios:** Profitability ratios evaluate a company's ability to create profits in relation to sales, assets, and equity.
3. **Leverage Ratios:** These ratios assess a company's ability to meet long-term obligations and the proportion of debt in its capital structure.

Analysis of Trends:

Examining financial data over multiple time periods aids in the identification of trends and patterns, providing insights into a company's past success and probable future trajectory.

Comparative Evaluation:

Benchmarking a company's financial performance versus peers or competitors in the same industry gives context and aids in identifying relative strengths and weaknesses.

Risk Evaluation:

Financial analysis is essential for evaluating the financial risks of investments or business operations. It comprises assessing market risk, credit risk, and operational risk.

Valuation and forecasting:

Financial analysis is frequently used to estimate future financial performance and to determine the intrinsic worth of a company's stock using valuation models such as discounted cash flow (DCF) analysis.

MD&A (Management Discussion and Analysis):

Understanding the narrative offered by management in the MD&A portion of the company's financial reports is critical for acquiring insights into strategic decisions, difficulties, and future plans.

In conclusion, financial analysis is a comprehensive process that entails understanding financial facts in order to make informed judgments. A detailed financial analysis is a cornerstone of good financial management, whether for investors making investment decisions, lenders analyzing creditworthiness, or organizations evaluating their own performance.

Types of Ratio:

1. Current Ratio:

The current ratio is a measure of its short-term liquidity and ability to meet its immediate obligations. While the traditional current ratio formula Current Ratio= Current Liabilities/Current Assets is commonly used, the interpretation for banks may differ slightly due to the nature of their operations.

i. **Current assets:** Include cash, cash equivalents, short-term investments, and balances with other institutions in the event of a bank.
ii. **Current Liabilities:** A bank's current liabilities include short-term borrowings, deposits, and other obligations that are due in a relatively short period of time.

Current Ratio Interpretation for Banks:

A. **Liquidity Assessment:** A current ratio greater than one shows that the bank has more short-term assets than short-term liabilities. This indicates a higher degree of liquidity, implying that the bank can meet its short-term obligations.

B. **Regulatory Compliance:** To ensure stability and the ability to meet deposit withdrawals, banks are subject to regulatory regulations regarding liquidity ratios. A current ratio that meets or exceeds regulatory norms is critical for a bank's regulatory compliance.

C. **Risk Management:** Risk management requires a prudent current ratio to manage liquidity risk. While a high current ratio may suggest enough liquidity, too much liquidity may imply underutilization of funds, which may have an impact on profitability. A very low current ratio, on the other hand, may indicate potential.

D. **Depositor Confidence:** A positive current ratio can boost depositor confidence. Before giving their funds to a bank, customers and depositors frequently analyze its financial health and stability. In this aspect, a comforting current ratio is a good sign.

It is important to note that banking operations differ from those of other industries, and traditional financial ratios may need to be analyzed alongside other relevant metrics, such as the loan-to-deposit ratio and regulatory capital ratios, to provide a complete picture of a bank's financial health. Furthermore, banking-specific regulatory requirements and accounting standards may have an impact on the interpretation and analysis of financial ratios for banks.

2. Net Working Capital:

Net Working Capital (NWC) is an important financial statistic for evaluating a bank's short-term financial health and liquidity. NWC, calculated as the difference between a bank's current assets and current liabilities, gives information on the bank's capacity to meet immediate obligations. Current assets for a bank comprise cash, bank balances, and short-term investments, whereas current liabilities include short-term borrowings, client deposits, and other obligations.

A positive NWC implies that the bank's liquidity position is strong, indicating that it can meet its short-term obligations. A negative NWC, on the other hand, although less typical for banks, may indicate possible liquidity issues, either due to reliance on short-term borrowings or insufficient deposits.

It is critical to track changes in NWC over time, with a consistently positive NWC showing stability and a falling trend necessitating further inquiry into potential liquidity problems. Comparisons with industry peers provide insight into relative liquidity strength, taking into account each bank's particular operating models and regulatory conditions.

Maintaining a sufficient NWC is critical for regulatory compliance, as it ensures the bank's ability to meet depositor withdrawals and other short-term obligations. In conclusion, NWC is a significant instrument for risk management and total financial health assessments in the dynamic and regulated banking environment.

3. Debt Equity Ratio:

The Debt Equity Ratio is an important financial statistic for evaluating a bank's financial health and risk profile. It assesses a bank's financial leverage by calculating the proportion of its capital that is funded by debt versus equity. Total Debt divided by Total Equity, where Total Debt includes obligations such as loans and bonds and Total Equity represents net assets or shareholders' equity, is how the ratio is determined.

A high Debt Equity Ratio indicates heightened financial risk and a heavy reliance on debt for funding. A lower ratio, on the other hand, indicates a more conservative capital structure with a larger dependence on equity, indicating a lower risk profile.

To control risk, meet regulatory requirements, and optimize capital costs, banks strive for a balanced Debt Equity Ratio. Excessive debt can increase the impact of economic downturns, while excessive equity might result in suboptimal returns. Regulatory agencies frequently issue guidelines to minimize undue leverage and maintain financial system stability, while also protecting depositors and guaranteeing general integrity.

In conclusion, the Debt Equity Ratio is critical for banks since it serves as a crucial indicator of financial risk, stability, and regulatory compliance. Banks actively manage this ratio to establish a balance between debt and equity, optimizing their capital structure for long-term growth and stability in a volatile financial environment.

4. Earnings Per Share:

Earnings Per Share (EPS) is an important financial indicator for determining a bank's profitability per share. EPS provides insight into the bank's potential to generate returns for shareholders by dividing net income (adjusted for preferred stock distributions) by the weighted average number of outstanding shares. Higher earnings per share (EPS) indicate more profitability, which influences investment decisions and prospective dividend payouts. Analysts, however, underline the necessity of examining profits durability, as a high EPS may be influenced by one-time gains. EPS is used by investors to assess a bank's financial health, and it is a crucial element in deciding dividends. While EPS is useful for analyzing performance, it should be used in conjunction with other indicators to get a complete picture of a bank's overall health and stability.

5. Return On Equity:

Return on Equity (ROE) is a fundamental financial indicator for banks, expressing profitability and efficiency in generating returns from shareholders' equity. A higher ROE shows successful management and the potential to produce good returns to shareholders when calculated as a percentage of net income over average shareholders' equity. Assessing profitability, comparing performance with peers, controlling associated risks, increasing shareholder value, measuring managerial efficiency, and complying with regulatory criteria are all important concerns for ROE in the banking business. While ROE is useful for investors and analysts in assessing a bank's financial health, it should be understood in the context of the bank's risk profile and in conjunction with other financial measures for a complete picture.

6. Net Profit Margin:

Net Profit Margin, measured as a percentage of net income divided by total revenue, is an important financial metric for determining a bank's profitability. It measures the efficiency with which the bank converts revenue into profit after deducting operational expenditures, taxes, and interest. Important considerations include:

i. **Profitability Indicator:** A larger Net Profit Margin indicates successful cost management and increased profitability for the bank.
ii. **Operational Efficiency:** Rising Net Profit Margin reflects the bank's capacity to control operating expenses, a critical part of long-term financial performance.
iii. **Comparative Analysis**: Net Profit Margin is used by investors and analysts to compare a bank's performance to industry benchmarks or peer institutions.

7. Return On Assets:

Return on Assets (ROA) is a significant financial indicator for banks that measures the efficiency with which total assets are converted into profits. ROA, which is calculated as a percentage of net income over average total assets, is an efficiency statistic that provides insight into a bank's overall profitability and management performance. Key factors include its role in benchmarking against the industry, its ability to analyze risk management methods, and its impact on investor trust. A continually high ROA indicates efficient asset utilization, which contributes to long-term financial performance. However, in order to provide a thorough assessment of a bank's financial health, ROA should be interpreted in the context of risk management policies and alongside other financial measures.

8. Total Assets Turnover Ratio:

The Total Assets Turnover Ratio is an important financial indicator for banks since it indicates how efficiently they use total assets to produce revenue. This statistic, calculated as the ratio of total revenue to average total assets, serves as an efficiency indicator, demonstrating how well a bank leverages its asset base for income creation. A greater ratio indicates better asset use and operational efficiency. The Total Assets Turnover Ratio is used by investors and analysts for comparative analysis, assessing a bank's performance against industry benchmarks. Additionally, the ratio demonstrates the bank's capacity to manage and leverage its assets for financial performance. While important for analyzing operational efficiency, it should be studied with other measures for a complete understanding of a bank's financial health and industry competitiveness.

9. Price Earnings P/E Ratio:

The Price/Earnings ratio (P/E ratio) compares a company's current share price to its earnings per share (EPS), offering insight into a stock's relative valuation. For banks, the computation entails establishing the market price per share and dividing it by earnings per share, which are computed by dividing the bank's net income by the number of outstanding shares. A greater P/E ratio may indicate future profits growth forecasts, whereas a lower ratio may indicate lower growth or undervaluation. For a thorough study, the P/E ratio must be interpreted in the context of the industry and market conditions, as well as other financial metrics and qualitative considerations.

10.Net Assets Value per Share:

Net Asset worth per Share (NAVPS) is a financial statistic used to determine the worth of a company's net assets per share. NAVPS is the value of a bank's assets less its liabilities divided by the total number of outstanding shares.

Net assets are assets such as loans, investments, and cash that are less than liabilities such as debts and other financial commitments. The NAVPS is a useful indicator of a bank's intrinsic value per share. Investors frequently use it to evaluate a bank's financial health and stock worth. A higher NAVPS may suggest better financial health and future development prospects. However, like with any financial indicator, it should be analyzed in conjunction with other considerations.

11.Capital Adequacy Ratio:

The Capital Adequacy Ratio (CAR) is an important financial indicator that evaluates a bank's ability to cover its risks and absorb future losses. It is computed as a percentage by dividing a bank's capital (the sum of its Tier 1 and Tier 2 capital) by its risk-weighted assets.

Tier 1 capital consists of the bank's basic capital, such as common equity, whereas Tier 2 capital consists of additional capital, such as subordinated debt. Risk-weighted assets take into consideration the differing amounts of risk associated with various asset kinds.

A greater Capital Adequacy Ratio shows that a bank has a stronger buffer to absorb future losses and is more prepared to weather economic downturns. Minimum CAR requirements are set by regulatory bodies to guarantee banks maintain financial stability and protect depositors. CAR is closely monitored by investors and regulators as an important indicator of a bank's financial strength and ability to survive severe economic situations.

Chapter -4

Financial Performance Analysis of BCB

4.1. Ratio Analysis of BCB:

Financial ratios are quantitative metrics that express the relationship between several financial variables, revealing information about a company's performance, profitability, and financial health. They are critical tools for stakeholders to examine and make educated decisions about the operational and investment viability of a firm.

Ratio analysis is a financial assessment technique that involves calculating ratios to evaluate the correlations between various financial variables, providing insights into a company's performance, efficiency, and financial health. It enables stakeholders to make more informed decisions on the company's operating and investment status.

4.2. Current Ratio:

The current ratio is a financial indicator that measures a company's capacity to meet immediate obligations by dividing current assets by current liabilities. A ratio greater than one shows that the company's asset s outnumber its liabilities in the short term.

Formula: Current Ratio = Current Assets/Current Liabilities

The money is measured in millions of Taka.

Year	2017	2018	2019	2020	2021
Current Asset	**19,284.44**	**22,148.12**	**22,475.70**	**23,079.69**	**23,552.55**
Current Liability	**14,353.63**	**19,519.08**	**23,141.86**	**18,073.33**	**18,103.22**
Current Ratio	**1.34**	**1.13**	**0.97**	**1.27**	**1.30**

Table: 4.1

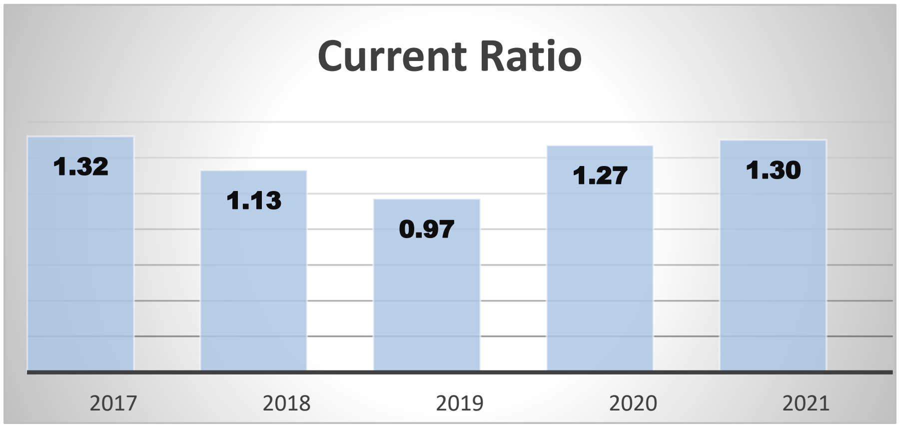

Figure: 4.1

Interpretation: In summary, the company's current ratio fluctuated from 1.34 in 2017 to 1.13 in 2018 and 0.97 in 2019, creating worries regarding short-term liquidity. However, a minor improvement in 2021 (1.30) and a positive movement in 2020 (1.27) reflect attempts to boost liquidity and a commitment to financial health.

4.3. Net Working Capital:

Net Working Capital (NWC) is the difference between a company's current assets and current liabilities, indicating its capacity to meet short-term financial obligations. A good NWC implies enough short-term assets, but a negative score may indicate potential liquidity issues.

Working Capital = (Current Assets–Current Liabilities)

The money is measured in millions of Taka

Year	2017	2018	2019	2020	2021
Current Asset	**19,284.44**	**22,148.12**	**22,475.70**	**23,079.69**	**23,552.55**
Current Liability	**14,353.63**	**19,519.08**	**23,141.86**	**18,073.33**	**18,103.22**
Net Working Capital	**4390.81**	**2629.04**	**(666.16)**	**5006.36**	**5449.33**

Figure: 4.2

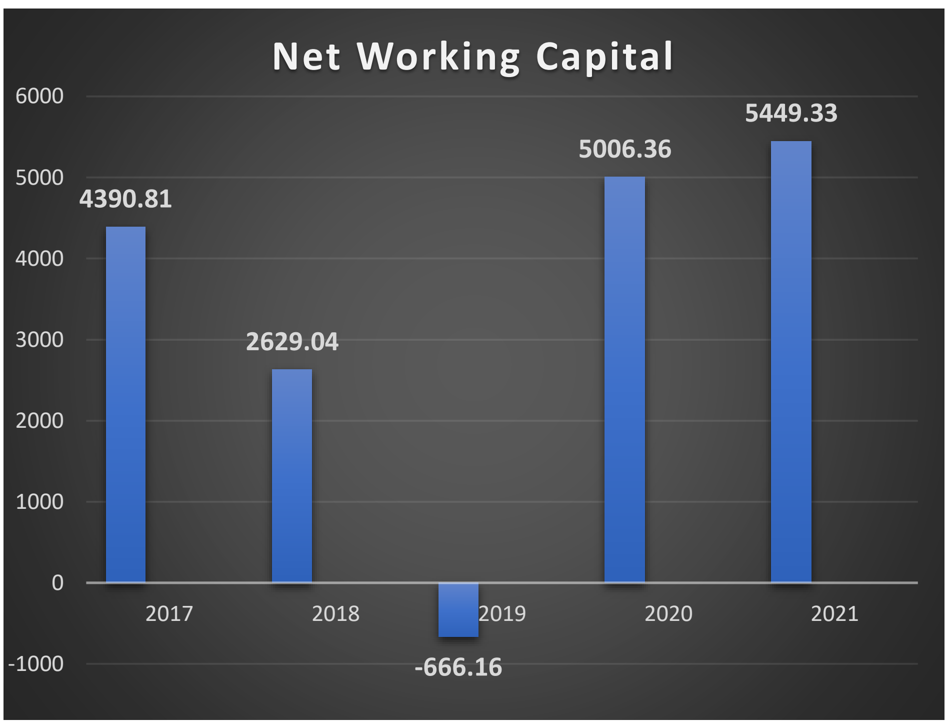

Figure: 4.2

Interpretation: The numbers for Working Capital represent the company's short-term financial status. There was a positive working capital of 4390.81 in 2017, showing plenty of liquidity. The following years exhibit swings, with a drop to negative working capital (-666.16) in 2019, indicating probable short-term funding issues. Positive readings in 2020 (5006.36) and 2021 (5449.33) show a rebound and increased capacity to meet short-term demands.

4.4. Debt Ratio:

The debt ratio, stated as a percentage, indicates how much of a company's assets are financed by debt. Total debt divided by total assets provides this figure.

Formula: Debt to Equity Ratio = (Total Debt/ Total Asset)*100%

The money is measured in millions of Taka.

Year	2017	2018	2019	2020	2021
Total Debt	**49,891.40**	**43,073.20**	**39,590.13**	**47,883.44**	**32,899.65**
Total Asset	**36,394.83**	**38,028.31**	**39,550.37**	**40,880.195**	**46,129.37**
Debt Ratio	**137.6%**	**113.3%**	**100.1%**	**117.1%**	**71.3%**

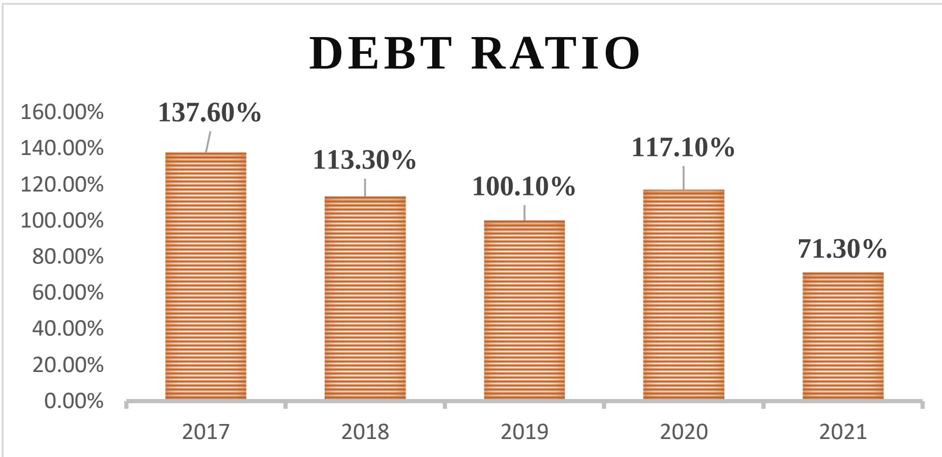

Figure: 4.3

Interpretation: The debt ratio of the company fluctuated from 137.60% in 2017 to 71.30% in 2021, indicating prospective changes in financial strategy. A falling trend indicates a reduction in leverage, whereas an increasing trend indicates a greater reliance on debt. A debt ratio of roughly 50% is generally considered appropriate, however the best level is determined by the industry and the individual conditions of the organization.

4.5. Return On Equity:

Return on Equity (ROE) is a financial term that assesses a company's profitability by comparing net income to shareholders' equity, indicating the efficiency with which equity is utilized. A greater ROE shows that shareholders' funds are being used effectively to produce earnings.

Formula: Return on Equity= (Net profit after Tax/ Shareholders Equity)*100

The money is measured in millions of Taka.

Year	2017	2018	2019	2020	2021
ROE	**12.78%**	**12.46%**	**10.46%**	**11.84%**	**13.10%**

Table: 4.4

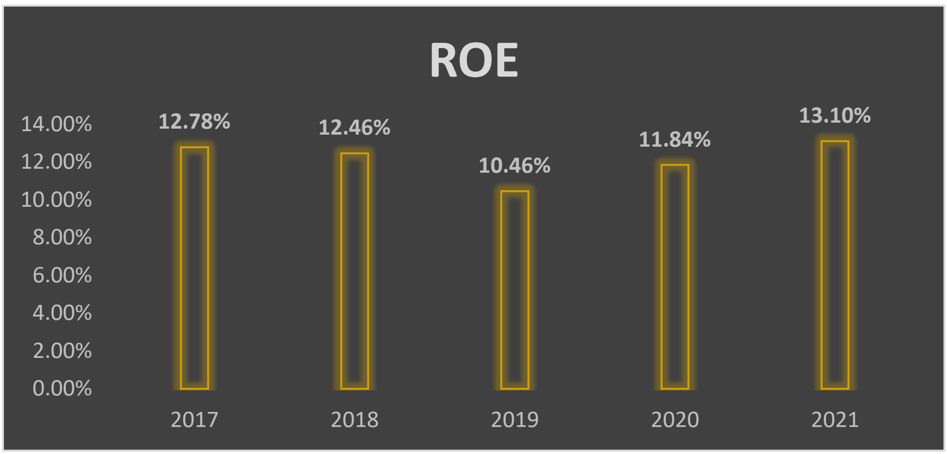

Figure: 4.4

Interpretation: The Company's Return on Equity (ROE) has been reasonably steady, ranging from 10.46% in 2019 to 13.10% in 2021. This indicates that the corporation effectively used shareholder equity to generate profits, with the upward trend suggesting greater capital deployment efficiency.

4.6. Return on Asset:

Return on Assets (ROA) is a financial statistic that compares a firm's net income to its total assets to determine how efficiently the company generates earnings from its asset base. A higher ROA indicates greater efficiency in generating profits from assets.

Formula: ROA = (EAT/ Total Assets)* 100

The money is measured in millions of Taka.

Year	2017	2018	2019	2020	2021
ROA	0.88%	0.75%	0.71%	0.91%	0.93%

Table: 4.5

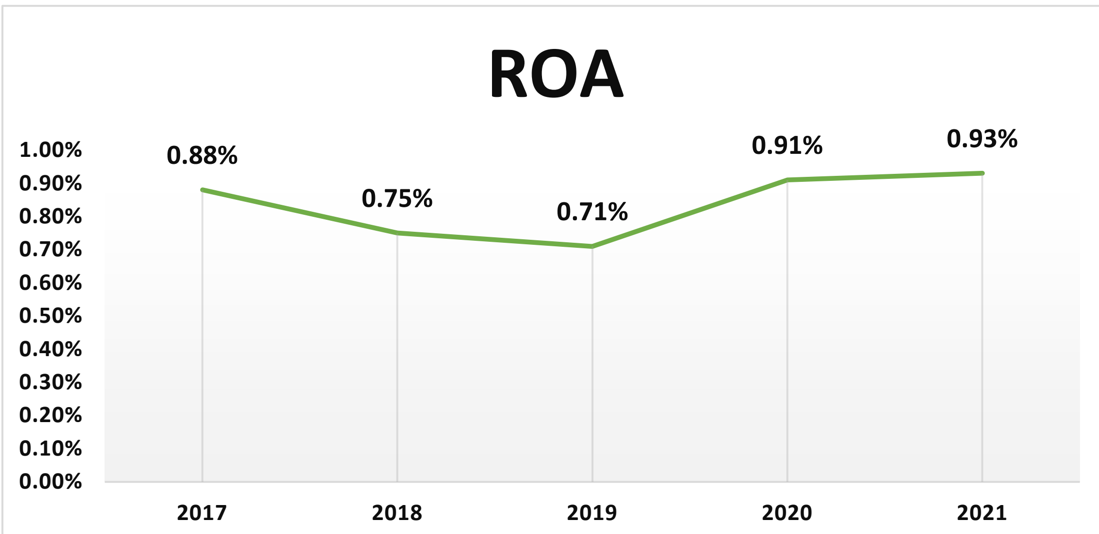

Table: 4.5

Interpretation: The Return on Assets (ROA) has been declining from 2017 to 2019, indicating a probable drop in asset use efficiency. The subsequent rise in 2020 and 2021, however, implies an improvement, with 2021 exhibiting the greatest ROA at 0.93%, indicating a higher performance in generating profit relative to assets than previous years.

4.7. Total Asset Turnover Ratio:

The Total Asset Turnover Ratio assesses a company's efficiency in generating income from its assets. It is computed by dividing total sales or revenue by average total assets, and it provides information about how successfully the company uses its assets to generate sales.

Formula: Total Assets Turnover Ratio=Total Operating Income/Total Assets

The money is measured in millions of Taka.

Year	2021	20202	2019	2018	2017
TOA	(313.20)	(201.85)	758.76	1,267.26	1,252.86
Total Asset	46,129.37	40,880.19	39,550.37	38,028.31	36,394.83
Total Assets Turnover Ratio	0.006	0.004	0.019	0.033	0.034

Table: 4.6

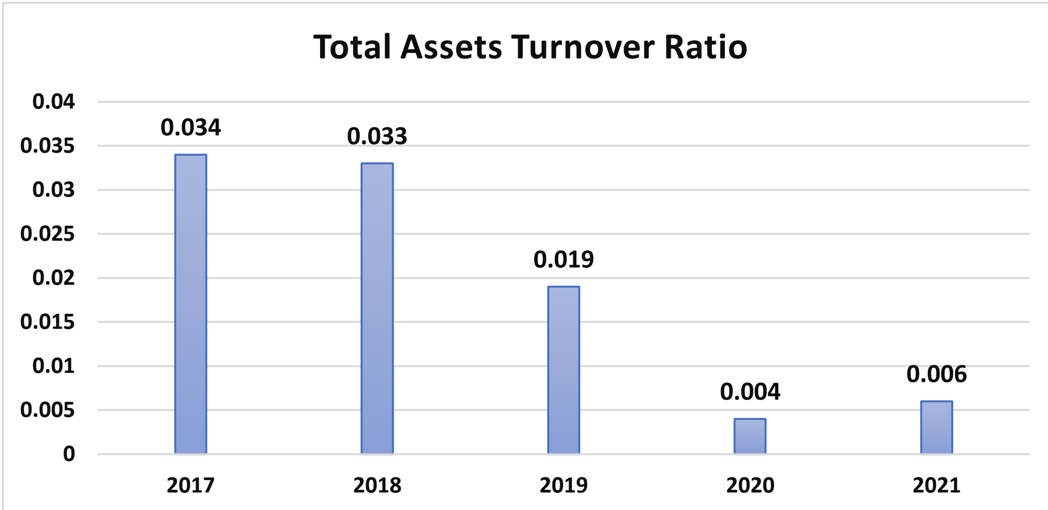

Figure: 4.6

Interpretation: From 2017 to 2021, the Total Assets Turnover Ratio fell, showing a decrease in the efficiency of employing assets for revenue production. The 2020 (0.004) and 2021 (0.006) ratios indicate sales generation issues, making the higher ratio in 2017 (0.034) comparably superior in terms of asset usage efficiency.

4.8. Earnings Per Share:

Earnings Per Share (EPS) is a financial statistic that represents the amount of profit distributed to each outstanding share of common stock in a company. It is an important indication of a company's profitability, and investors frequently use it to evaluate financial performance on a per-share basis.

Formula: Earnings Per Share= Net income/Total number of Shares

The money is measured in millions of Taka.

Year	2017	2018	2019	2020	2021
EPS	2.23	2.61	2.67	3.06	3.29

Table: 4.7

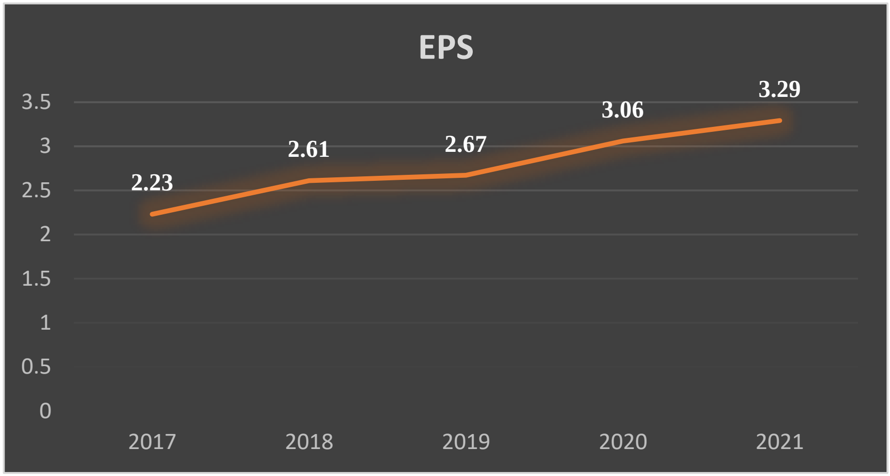

Figure: 4.7

Interpretation: Earnings per share (EPS) climbed gradually from 2.23 in 2017 to 3.29 in 2021, indicating sustained profitability development. A greater EPS suggests that shareholders' earnings are improving. A positive or increasing EPS is generally considered beneficial, and a high percentage growth in EPS is considered positive, but what is deemed "good" varies by industry.

4.9. Net Profit Margin:

Net Profit Margin is a financial statistic that expresses a company's profitability by expressing net profit as a proportion of total revenue. It is determined by dividing net profit by total revenue and multiplying the result by 100.

Net profit margin = EAT/ Total Revenue*100

The money is measured in millions of Taka.

Year	2017	2018	2019	2020	2021
NPM	12.46%	13.33%	11.57%	10.98%	13.78%

Table: 4.8

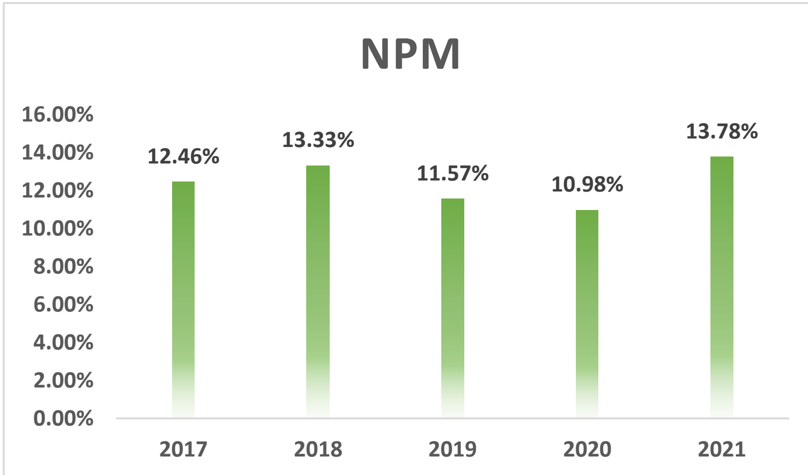

Figure: 4.8

Interpretation: The Net Profit Margin (NPM) has fluctuated over the last five years, peaking at 13.78% in 2021. A higher NPM is generally regarded as positive, and in this light, the years 2018 and 2021 stand out as relatively strong, outperforming the average standard and so being more profitable.

4.10. Net Assets Value per Share:

Net Asset Value (NAV) per Share is a financial statistic that represents the total value of a mutual fund's or company's assets less liabilities divided by the total number of outstanding shares. It tells investors how much the fund or company's net assets are worth per share.

Formula: NAV Per Share = Total Net Asset/Number of outstanding shares.

The money is measured in millions of Taka.

Year	2017	2018	2019	2020	2021
NAV Per Share	17.83	21.10	24.44	25.81	25.34

Table: 4.9

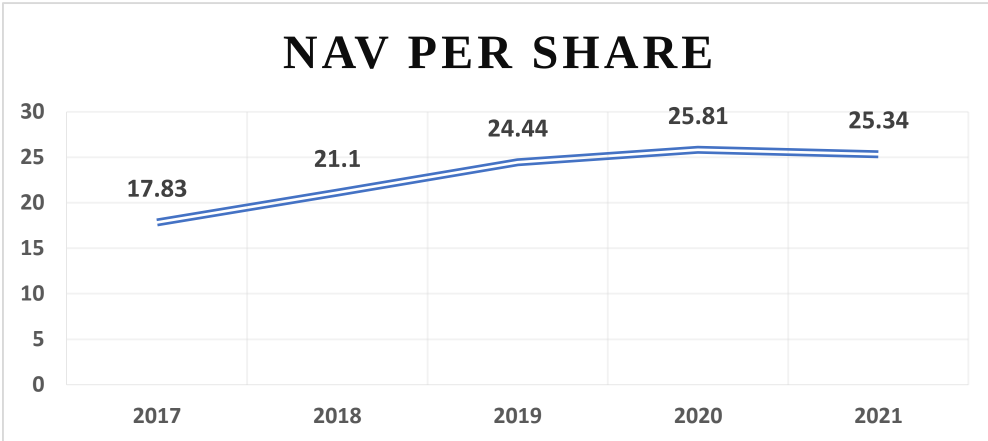

Figure: 4.9

Interpretation: From 2017 to 2021, the Net Asset Value (NAV) per Share has shown a constant rising trend, peaking at 25.81 in 2020. A higher NAV per Share often indicates a greater per-share worth of net assets, making 2020 a more attractive investment opportunity.

4.11. Price Earnings P/E Ratio:

The Price-to-Earnings (P/E) Ratio is a financial statistic that compares a company's current stock price to earnings per share (EPS). It reveals investor expectations as well as a stock's relative affordability in respect to its earnings.

Formula: Price Earnings Ratio=Market Value per Share/Earning per Share

The money is measured in millions of Taka.

Year	2017	2018	2019	2020	2021
P/E Ratio	12.88	11.22	9.04	10.22	13.38

Table: 4.10

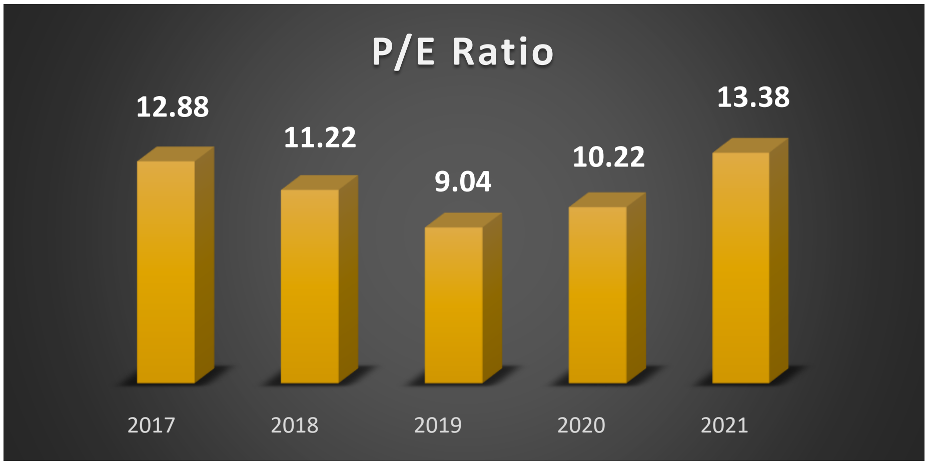

Figure: 4.10

Interpretation: The price-to-earnings (P/E) ratio for the given years indicates a fluctuating trend, with a peak in 2017 at 12.88, a subsequent decline in 2018 and 2019 to 11.22 and 9.04, respectively, followed by a rebound in 2020 at 10.22, and a further increase in 2021 to 13.38, indicating possible changes in market sentiment and valuation during this period.

4.12. Capital Adequacy Ratio:

The Capital Adequacy Ratio (CAR) is a financial indicator that compares a bank's capital to its risk-weighted assets to determine its ability to cover risk and probable losses. It is an important determinant of a bank's financial stability and regulatory compliance.

Formula: Capital Adequacy Ratio= (Tire – I capital + Tire-II Capital)/ Risk Weighted Assets

The money is measured in millions of Taka.

Year	2017	2018	2019	2020	2021
Capital Adequacy Ratio	**11.14%**	**11.25%**	**12.74%**	**10.82%**	**11.84%**

Table: 4.11

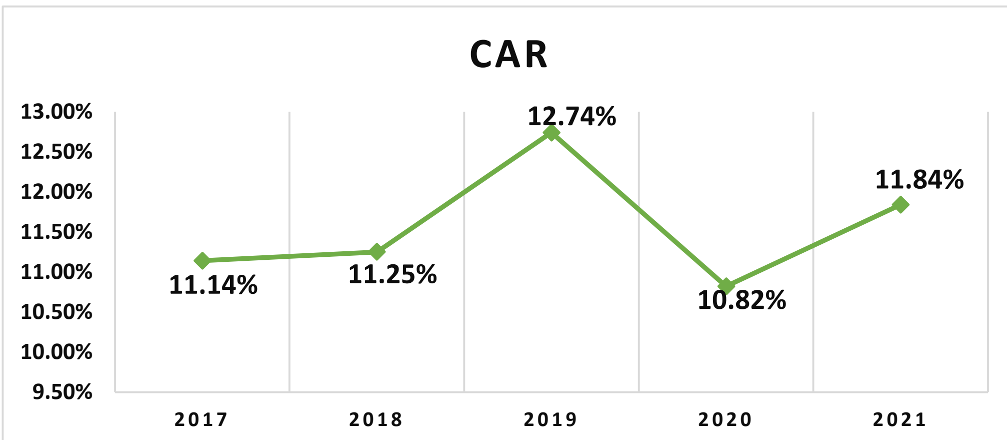

Figure: 4.11

Interpretation: The Capital Adequacy Ratio (CAR) shows a variable tendency over the specified years, rising from 11.14% in 2017 to a peak of 12.74% in 2019, then falling to 10.82% in 2020 before rising to 11.84% in 2021. These swings point to changes in the entity's financial health and risk management during this time period.

Chapter-5

Findings

Recommendations

And

Conclusion

5.1. Findings:

The results and conclusions produced through research or investigation are referred to as findings. They summarize the important findings and insights gained from data analysis. Findings provide insight into the study questions or objectives, allowing for conclusions and educated judgments. In summation, results are tangible outcomes that help to a greater understanding of a specific subject or situation.

1. **Risks about Short-Term Liquidity:** The Company's current ratio has been deteriorating, falling from 1.34 in 2017 to 0.97 in 2019. This raises concerns about the company's short-term liquidity position, implying that satisfying immediate financial obligations may be difficult.

2. **Working Capital Risk:** The shifting Working Capital values, with a negative working capital in 2019, indicate volatility and possible short-term finance concerns. To guarantee constant financial health, the organization must address the volatility in working capital.

3. **Debt Management Strategies:** The variable debt ratio, which ranged from 137.60% in 2017 to 71.30% in 2021, indicates that the company's financial strategy is unpredictable. Understanding the reasons for these shifts, as well as maintaining a balanced debt level, is critical for financial stability.

4. **Asset Efficiency Challenges:** The drop in Return on Assets (ROA) from 2017 to 2019 suggests potential inefficiencies in asset utilization. The corporation should look into and put into action ideas to improve the efficiency of its asset deployment for revenue creation.

5. **Sales Generation Issues:** The drop in the Total Assets Turnover Ratio over the years, notably in 2020 and 2021, indicates difficulties in producing sales from assets. To increase total asset use efficiency, the organization must address these concerns.

6. **Fluctuations in Market value:** The fluctuating Price-to-Earnings (P/E) ratio indicates variations in market sentiment and value, highlighting the need for the company to communicate its financial performance and prospects to investors more effectively.

7. **Capital Adequacy and Risk Management:** The variable Capital Adequacy Ratio (CAR) indicates changes in the financial health and risk management strategies of the organization. It is critical to identify the factors causing these swings and to put measures in place to ensure constant capital adequacy.

These identified issues can serve as focal topics for an internship report, allowing for a thorough examination of the company's financial troubles and recommendations for change.

5.2. Recommendations:

Recommendations are actionable proposals based on findings analysis to solve identified issues or enhance a condition. They provide a strategic framework for bringing about good change or resolving challenges. Effective recommendations are clear, attainable, and context-specific, providing decision-makers with practical assistance. Overall, suggestions try to direct stakeholders toward the best courses of action based on the findings of the study.

1. To improve short-term liquidity, diligently monitor current assets and obligations, optimize inventory, negotiate advantageous credit conditions, and maintain effective cash flow management.

2. During volatile periods, implement measures for stable working capital, such as renegotiating supplier contracts, effective inventory management, and streamlining receivables collection processes.

3. Assess and balance the debt structure by looking at refinancing opportunities, negotiating lower interest rates, and aligning debt levels with overall financial goals.

4. Conduct a thorough review to optimize asset utilization by upgrading technology, streamlining manufacturing processes, and divesting underperforming assets for a higher return on investment.

5. Address sales generation difficulties by revising and revitalizing strategies that focus on market expansion, product innovation, and customer relationship management in order to generate more income from existing assets.

6. To favorably influence the Price-to-Earnings (P/E) ratio, improve investor communication by making accurate financial disclosures, articulating growth potential, and engaging in investor relations activities.

7. Improve risk management methods, such as stress testing and scenario analysis, to ensure constant Capital Adequacy Ratios. Create strategies for achieving the best possible balance of risk and capital adequacy.

5.3. Conclusion:

In conclusion, approaching the highlighted financial difficulties is critical to the company's long-term success. The recommendations, which range from improving short-term liquidity management to boosting capital adequacy and risk management, present a complete framework for navigating the business landscape's complexities. By taking these steps ahead of time, the organization may strengthen its financial position, encourage stability, and position itself for long-term resilience. Continuous strategy monitoring and adaption will be critical to addressing shifting difficulties and guaranteeing a dynamic response to market dynamics. Overall, this research emphasizes the need for strategic financial management in developing a strong and sustainable business model.

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