



Daffodil
International
University

Internship Report
On
“Performance analysis of National bank Limited”



NATIONAL BANK LIMITED

A Bank for Performance with Potential

Internship Report
On
“Performance analysis of National bank Limited”

Supervised By-

Professor Dr. Mostafa Kamal
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Prepared By-

Mohammed Ali
ID: 211-12-120
Program: MBA (Major: Finance)
Department of Business Administration
Daffodil International University

Submission date:

Letter of Transmittal

15th December 2022

Professor Dr. Mostafa Kamal
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

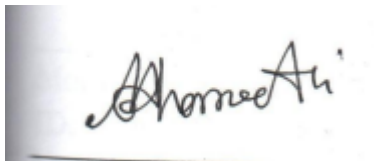
Subject: Submission of Internship Report on “Performance analysis of National bank Limited”

Dear Sir,

Respectfully, I would like to let you know that I have finished my internship report on the performance analysis of "National bank Limited. This report is based on how I perceive the theoretical and practical use of the CAMEL rating.

I sincerely appreciate the help and advice you gave me while I prepared this report, and I did my best to use my understanding of banking management to do so. I sincerely hope that you will enjoy my work, and I am available to respond to any questions you may have about it.

Sincerely Yours,

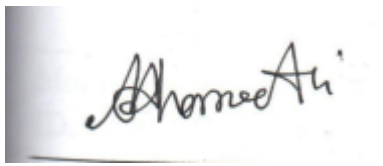


Mohammed Ali
ID: 211-12-120
Major: Finance
Program: MBA
Department of Business Administration
Faculty of Business & Entrepreneurship

Student Declaration

I thus certify that the internship report submitted as part of our degree program at Daffodil International University is our own original work. The report does not include anything that has already been published or written by a third party, unless it is properly cited in the form of complete and correct referencing.

Nothing in the report has been approved or submitted for any other degree or diploma at a university or other institution. I/We have given credit to all major sources of assistance.



Mohammed Ali

ID: 211-12-120

Major: Finance

Program: MBA

Department of Business Administration

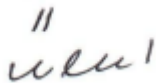
Faculty of Business & Entrepreneurship

Supervisor's Certification

This is to confirm that Mohammed Ali, ID: 211-12-120 from Daffodil International University, prepared the report on this topic on "Performance analysis of National Bank Limited," which was only prepared for the partial fulfillment for the degree of Masters of Business Administration (MBA).

I have been in charge of the report's preparation. The report complies with the requirements and supports the topic title. I hereby acknowledge that I have successfully completed the MBA program.

The problem has been brought up with the organization's standard, rank, and internship report.



Professor Dr. Mostafa Kamal
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Acknowledgement

The "National Bank Limited Financial Performance Analysis" presents a great opportunity for me to write. I read a lot of books and research materials as I was writing my report in order to better understand the topic. First of all, it is a unique illustration of my professional experience, which allowed me to produce the internship report.

I want to begin by expressing my sincere gratitude to Allah. Moreover, my parents and other family members that helped me during this time in my life. I want to express my sincere gratitude to a few individuals for their assistance, thoughtful advice, suggestions, direction, and help in the preparation of this report.

Additionally, I would like to thank Professor Dr. Mostafa Kamal of Daffodil International University for always being truthful and helpful in bringing the project to a successful finish. Without his immense knowledge and advice, I could not have finished my paper. I appreciate all of the support you provided over the entire internship.

I also like to take this opportunity to thank all the Dhanmondi Branch, National Bank Limited, authorities and staff for their assistance when needed. Without their outstanding advice and guidance, my internship program wouldn't be as valuable.

Finally, I would want to express my gratitude to the Daffodil International University for their superb cooperation. Sincere appreciation is due. I want to thank everyone. Once more, I want to express my gratitude to Allah, the All-Mighty.

Executive Summary

The internship report was created as a requirement for Daffodil International University's MBA program. This essay examines National Bank Limited's financial performance. The reader would be able to comprehend the bank's financial performance in Bangladesh after reading this report. This report's goal is to provide insight into the financial health of Bangladesh's banks.

This interim report was created based on the financial performance of National Bank Limited from 2017 to 2021, when the National Bank set off on its journey. NBL, regarded as the first private sector bank to be owned solely by local businesses, has flourished following intense competition as the main private sector bank. The research incorporates up-to-date company data and expands upon the annual report for 2017–19. All of the information about the internship program is contained in the first chapter. information on the onsite supervisor, co-supervisor, and supervisor. A brief description of the tasks and responsibilities during the internship term and the knowledge gained from the program is provided.

A full corporate overview and facts about National Bank Limited are covered in the second chapter. It includes the organization's mission, vision, culture, core values, and operations.

The data analysis and interpretation are covered in the third chapter. A chart is used to illustrate and demonstrate data analysis and evaluation. I discussed the Financial Performance Analysis from National Bank Limited's annual report in this chapter, along with a study's Contribution & Recommendation, Study Limitation, Conclusion, and References are explained: Addendum (Examples, calculations, tables) (Examples, calculations, tables) A chart is used to communicate and show data analysis and evaluation

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Chapter-1

Introduction

1.1 Introduction:

Following the country's independence, Bangladesh's banking sector has played a very large role in stabilizing our economic system. However, the most recent situation in our banking sector isn't very noteworthy. Due to COVID-19's eruption at the beginning of 2020, our banking enterprise has reached a standstill. The spectrum of non-appearing loans was already too vast before the global pandemic, but it increased even further. The financial sector will again suffer as a result of this year's second wave of corona outbreak. NPL, however, isn't the basic explanation for poor performance. Additionally, other factors that may have an impact include poor governance, money laundering, and ineffective policies.

Bank regulatory authorities utilize the internationally known **CAMELS** rating system to assign financial organizations a score based on the six criteria that make up the acronym. Authorities in charge of supervision rate each bank on a scale. For each factor, a score of one indicates the best and a score of five indicates the worst.

In the first quarter of 2020, the banking sector of Bangladesh reportedly saw around 9% of non-performing loans (NPLs) and 18.2 billion in defaulted loans, according to the article (AT Capital Banking Sector Report, 2020). The loan was extended due to poor governance and a property's inability to function. People had a shortage of financial resources as a result of the epidemic, thus there was a significant demand for loans for both business purposes and for personal expenses. The banking sector is maintaining a rigid liquidity timetable as a result. The capital to risk-rated asset ratio increased to 11.9% in 2019.

Due to the second national lockdown, this ratio increased significantly over the entirety of 2020 and is expected to increase significantly this year. However, BRAC Bank has so far outperformed all other banks in terms of overall performance, high capitalization, high funding, and strong asset friendliness in online banking. The effectiveness and productivity of the financial institution may be impacted by these components.

1.2 Origin of the Study:

As a developing country, Bangladesh has a lot of potential to grow in different fields and e-commerce is one of those sectors. The e-commerce industry is very new, having supposedly started in the 1990s, but it is swiftly becoming popular. Gradually the ICT ministry of Bangladesh has been taking many initiatives for making the e-commerce sector more popular, for example, bringing in payment gateway options. Additionally, as the price of computers and the internet has come down over time, more people are engaging in online shopping. Thus, a lot of e-commerce brands have now emerged both internationally and nationally.

The first step in establishing and conveying an appealing web relationship that is likely to have the most profound impact on internet clients is differentiating the web encounter segments and recognizing their role as contributions to the basic leadership process of the online client. Brick-and-mortar businesses that provide a dominant Web experience have an impact on the perceptions and behaviors of them in-person clients, increasing traffic to traditional retail shops. There is debate over the factors influencing the

behaviors and interfaces of online buyers, where there are some obvious parallels and differences. Despite the fact that there is no consensus on what customer experience means in writing, it is generally recognized that it is a complex concept and should not be equated with usability or user interface in general.

The industrial banking system plays a significant role in the financial system of Bangladesh. The most important financial institution in the nation and the leading regulator in the area is Bangladesh Bank. Additionally, there are 61 scheduled banks operating in Bangladesh that are completely under the control and supervision of Bangladesh Bank, which is authorized to do so under the Bank Company Act of 1991 and the Bangladesh Bank Order of 1972. Total of 61 scheduled banks, including specialized, public-owned, international, and industrial banks. In essence, the financial system is made up of 43 private industrial banks, 6 publicly owned banks, 9 international industrial banks, and 3 specialized banks.

1.3 Objective of the study:

General Objective: The nature of the research is quantitative. The following goals are established using both primary and secondary data. The most important goals are to finish my degree and assess and research my internship experience.

Specific Objectives:

1. To evaluate National Bank Financial Performance whereas obtaining maintain a CAMEL 'Strong' rating.
2. To understand National Bank limited financial current situation and position.
3. To disclose problems regarding financial performance with recommended possible solutions.

1.4 Methodology of the study:

This study follows a methodical process from the gathering of raw data to the creation of the final report. The banking act's laws and regulations are followed when choosing and gathering the sources for the study. After that, methodical arrangement, analysis, and classification were finished. The methodology's overall procedure is as follows:

Data collection and selection:

The information for this report was gathered properly from both primary and secondary sources.

Data from Primary Sources

- Conversations with bank personnel and officers on the phone.
- During the internship, I received practical and physical experience by working at several desks.

- Conversations with new and prospective clients over the phone.
- Interview

Secondary Data Sources

- Annual Reports OF National Bank Limited's for the past five years.
- Official records of National Bank Limited's.
- Official webpage of National Bank Limited's.
- Bangladesh's Central Bank's official webpage.
- Prior research reports are kept in the collections.
- Various textbooks and magazines.
- Various reports and publications about the subject.

Some of the parts of my course that are relevant to this report.

Chapter-2

Company Overview

2.1 National Bank Limited: National Bank Limited has a successful past, a fantastic present, a bold future, and networked projects and operations. NBL, which was initially established as Bangladesh's first completely commercial private bank, has developed over time to become the leading bank in the private sector despite numerous conflicts and challenges. Members of the board represent the top creative and industrial sectors in the nation.

In accordance with the ephemeral commercial attraction of the time, NBL as a financial institution has digitized all of its divisions with computer networks in order to stay up with the times, meet national and worldwide financial operations, and provide all current amenities. In addition, the bank's substructure is being repaired in preparation for its fourth anniversary. Opportunities for all business initiatives, commercial endeavors, and general public initiatives are much developed from NBL.

2.2 National Bank Limited's history

On Victory Day in 1971, the Republic Peoples of Bangladesh declared its independence and continued operating its financial system. After it, 61 banks have as of now been established throughout the nation. The majority of them are taken over commercial banks.

In order to improve living conditions for struggling farmers in the Brindra zone of the Rajshahi district, NBL resumed its small loan program. As a result, with Tk. 8,809.40 million in income before taxes compared to the prior year, a record growth of 175.51% was made feasible (Banglapedia, 2020). Net income after taxes and expenses increased by 231.34 percent from Tk. 6 860.34 million to Tk. 2,070.47 million in the prior year.

The total number of credits grew to Tk. 102 471.83 million, or 33.37 more credits overall than the previous year. The bank handled TK 49 145.30 million in incoming payments in 2010, an increase of 10.73 percent from the previous year. Equity recovery accelerated by 77.84% year over year.

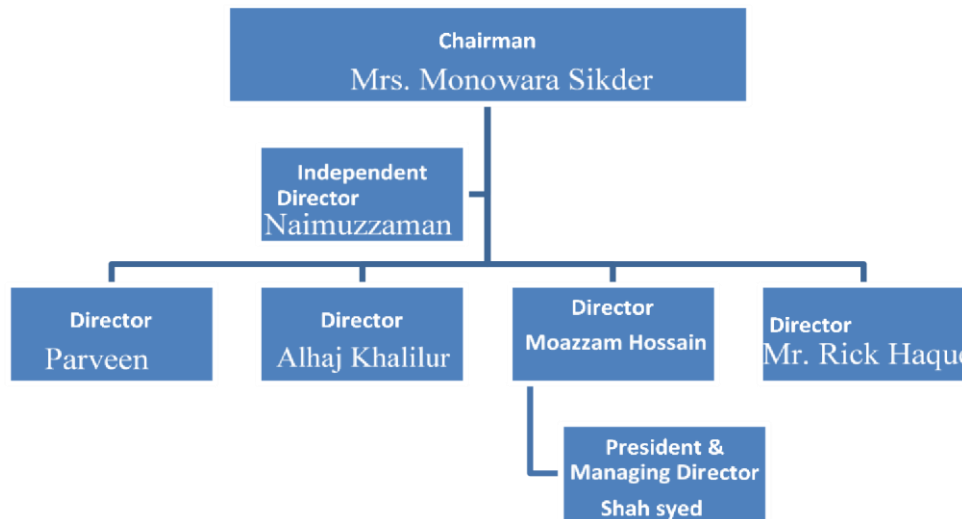
Vision to increase budget through technology. To increase client confidence so they will invest more.

Offering the greatest services to customers.

Mission: It adds a new dimension to its banking services while continuing to make contributions to the growth of its domestic and international operations. to excel as the most observant, kind, and customer-focused bank (Mission Nblbd, 2020).

Rebranding National Bank Limited is the main and best-known private sector bank in Bangladesh that is entirely owned by businesspeople from that country. The bank began operations in 1983, although on March 23, 1983, operations began at its first branch in Dhaka's 48, Dilkush Commercial District. 192 divisions and 36 small and medium-sized initiatives spread across the nation make up the NBL's present operational structure. From the beginning, the bank placed a major emphasis on international business and handled a sizable volume of remittances to the nation.

2.3 Board of Directors:



2.4 Deposit Products from National Bank Limited:

Customers of National Bank Limited can deposit money for regular commercial transactions without any restrictions (Bankinfobd, 2020). No hidden expenses. A trading account is eligible for a standing order agreement. Contacting our other accommodations is simple.

saving money:

The divisions of National Bank Limited, all of which are located in Bangladesh, provide their customers with affordable and practical savings accounts. The Reserves Account's attention is determined every six months and charged in June and December of each year. If 25% or more of the account is reserved, or if there are 4 or more extractions in a given month, no attention will be given.

C Deposit:

Through divisions of authorized dealers, C Deposit National Bank Limited provides the option to reserve a foreign exchange account. They accept interest based on the number of days a product is over the credit limit (\$1,000 minimum balance or \$500 for a minimum of 30 days in the account).

2.5 National Bank's Goals

The objective of NBL is to generate profits, but it also aims to maintain civic engagement and safeguard collaboration with people at all stages, businesspeople, and industrialists, particularly those who want to create large-scale industry through association, agribusiness intermediaries, and small export-oriented industries at their own request.

By advancing banking technology, managerial diligence, investment, and the dissemination of high-level business values through its long-lasting objectives and civilizations, NBL is committed to sustaining the highest quality of facilities.

2.6 Goods and Services from National Bank Limited strategy for monthly income

According to this arrangement, everyone makes a minimum contribution of 100,000 taka or a variation up to 10,000,000 taka. the payment schedule for the monthly income plan for each of the many periods; These are how 1 year, 3 years, and 5 years look:

- The payment terms are one year, three years, and five years.
- The annual study attention rate is 7.20%. becomes effective on October 1, 2021, in place of 7.50% annually.
- On the last day of the month that the investor is employed, the fee or interest will be credited to their account (Islam, 2014).
- At the Bank's current interest rate, lines of credit up to 80% of the security amount on the account balance are permitted.

Dual accounts

In nine years, the payment amount will double. The annual real interest rate is 8.01%. (disorder applies). Under this arrangement, a deposit of 100,000 Tk and its multiples, without a higher restriction, is sufficient (Nblbd, 2021). Bangladeshis who are at least 18 years old may open this explanation either individually or collectively. Bangladeshi children may also reveal this account. In this instance, your family member or legal guardian is in charge of the account. In the same division or in any NBL branch, a buyer may open several DBAs. If there are available lockers in the appropriate section, lockers may be used for 50% of the first year's fee.

Number of sales locations and agents

Currently, NBL conducts business through over 200 divisions and agricultural businesses located all throughout the nation. The bank was destroyed on March 28, 1983, while the main branch in Dilkush, 48, Dhaka, Bangladesh, began lucrative operations on March 23, 1983. On May 11, 1983, a second branch was severed in Chittagong.

Concentration by region:

Given that negotiators and agencies pay close attention to geography, it is clear that the province is home to about 82% of operatives and 85% of specific outlets. The high degree in the region of the country seems to be that banks collectively contribute to advancing the corporate budget within the provincial budget spread, even though the rate for brokers and local outlets has decreased somewhat from 85% and 87% clearly in the last quarter.

2.7 Growth of agents and points of sale:

A turning point in Bangladesh's banking scenario is the entry of National Bank Limited into the private sector. The government made a wise decision to allow the private sector help preserve the country's budget when the economy was in dire straits (Nblbd, 2021). A group of brash businesspeople declared the opening of a bank with the mission statement of "reviving the nation's economy." There are 213 divisions today, plus an additional 14. Through the expansion and development of financing for small and medium-sized creative endeavors in rural areas, banking services, their well-organized and diversified technique of gathering, is in an ongoing process to lure new consumers.

Integrity

- Every piece of information about customers is protected by NBL.
- NBL respects everyone equally and with consideration.
- NBL cultivates a climate that fosters and sustains client confidence.

Honest dialogue

- NBL creates client relationships based on respect and integrity.
- NBL is dedicated to the success of its clients and shareholders. NBL provides a broad line of products and first-rate services.
- driven by performance
- Customers and staff in NBL are evaluated based on their performance.
- perpetual self-improvement
- Continuous learning, self-challenge, and effort are the means by which NBL's workforce improves itself.

Quality – NBL provides prompt, superior service without fuss.

- NBL builds up a portfolio of high-quality properties.
- Teamwork Interaction, honest communication, and a good attitude all show NBL's dedication to a culture of cooperation and teamwork.

The Republic of Bangladesh's National Bank Limited is a banking organization with limited liability. Here, the top priority is to satisfy the export-import group, deposit group, and borrower group. It aspires to uphold the a high standard of service while also succeeding and being in good financial standing. Both credit risk and quality risk are effectively in check. In order to provide a stronger foundation for their bank to stand on, the administration of the national bank has been concentrating on these crucial concerns. This internship report is divided into four sections. The first two sections offer organizational information, the third section is all about the project, and the fourth section summarizes the report's findings.

Chapter-3

Analysis & Discussion

3.1 SWOT Analysis

3.1.1 Strength: NBL provides consistently high-quality services to all of its clients. We place the utmost importance on total client satisfaction. The bank has earned the community's trust because to its cozy workplace, superior services in a number of banking-related fields, and comfortable working environment.

3.1.2 NBL's weakness is that there aren't many people involved in its financial decisions. Few persons perform the majority of the tasks. As a result, many workers have increased tasks and put in extra hours at the office without getting to work actively. High income may result from this, which is too limited to prevent (Saif, 2016).

3.1.3 Opportunities: As the banking industry has grown to be one of the essential pillars of service in the nation, the government of Bangladesh has fully backed it in establishing a strong financial position in the republic. The long-term goal of NBL will be raised and supported by this administrative concern.

3.1.4 Threats: They all back emerging foreign private banks and multinational banks, which are a serious danger to National Bank Limited. If this happens, the competition will intensify and banks would need to develop policies to compete with several external banks.

3.2 Data Analysis

Regulators keep an eye on banks to see if any major issues arise so that they may be fixed before the bank fails. The public will have more faith in the financial sector if it is able to prevent further failures. The FDIC, Federal Reserve, and Comptroller of the Currency all employ the evaluation procedure that is detailed in this article. Poor management is the one factor that causes bank failure the most frequently. Unfortunately, there is no surefire indicator of weak management. Thus, banks are rated according to six which include:

1. Capital adequacy
2. Asset quality
3. Management
4. Liquidity
5. Earnings
6. Sensitivity

Six key performance dimensions—capital sufficiency, asset quality, management, profitability, liquidity, and sensitivity—are to be rated on a scale of 1 to 5 in ascending order. The list of rating graduations is as follows:

- A score of 1 means the performance was outstanding: OUTSTANDING.
- Rating 2 - denotes performance that is above average and sufficiently ensures the banking company's safe and sound operations.
- A performance receiving a rating of three has certain shortcomings.
- A performance score of 4 indicates bad work that is much below average.

- A score of 5 indicates unsatisfactory performance that needs to be changed right away to ensure the survival of the banking company: WORST score imaginable

3.3 Financial Data

Data/Year	2017	2018	2019	2020	2021
Tier-1 Capital	33,572,106,645	41,982,078,576	45,681,331,784	45,991,441,885	55,881,331,970
Tier-2 Capital	8,567,570,225	9,162,293,400	9,041,903,944	10,050,803,954	10,061,203,986
Total Capital	42,139,676,870	51,144,371,976	54,723,235,728	60,333,371,998	60,434,371,385
Risk-weighted Assets	347,649,400,000	364,254,800,000	408,851,700,000	504,953,800,000	524,254,800,000
CAR	12.12%	14.04%	13.38%	14.02%	14.5%
Non-performing Loans	4,600,320,749	4,926,227,239	7,771,474,876	4,926,227,239	4,926,227,239
Total Loans & Advances	252,402,955,944	314,507,260,000	360,769,740,000	252,402,955,944	314,507,260,000
NPL/Total Loan	1.82%	1.57%	2.15%	1.98%	2.25%
Total Operating Expense	6,026,839,345	6,821,635,193	7,115,893,077	8,115,893,077	9,115,893,077
Net Income After Tax	4,798,282,730	3,856,678,244	4,123,208,031	4,323,208,031	4,523,208,031
Cost-Income ratio	126%	177%	173%	175%	180%
Total Assets	350,692,417,692	407,075,550,183	463,711,929,048		
Return on Assets (ROA)	1.37%	0.95%	0.89%	.99%	1.05%
Total Equity	40,370,820,000	44,522,520,815	48,704,378,320	50,555,520,815	54,256,320,815
Return on Equity (ROE)	11.89%	8.66%	8.47%	8.95%	9.85%
Total Liability	311,797,129,687	362,552,910,016	415,007,425,662	411,797,129,589	451,797,129,600

Total Deposits	272,771,320,000	315,206,030,000	366,298,510,000	395,426,030,000	425,306,030,000
Liability/Deposits	114.31%	115.02%	113.30%	105%	115%

RATINGS		1	2	3	4	5
Capital Adequacy Ratio		>15%	12-14.99%	8-11.99%	7-7.99%	<6.99%
Asset Quality Ratio(NPLs/TL)		<1.25%	<2.5-1.26%	<3.5-2.6%	<5.5-3.6%	>5.6%
Management Efficiency(cost/income)		<25%	30-26%	38-31%	45-39%	>46%
Earnings Ability	ROA	>1.5%	1.25-1.5%	1.01-1.25%	0.75-1.00%	<0.75%
	ROE	>22%	17-21.99%	10-16.99%	7-9.99%	<6.99%
Liquidity (TL/TD)		<55%	62-56%	68-63%	80-69%	>81%

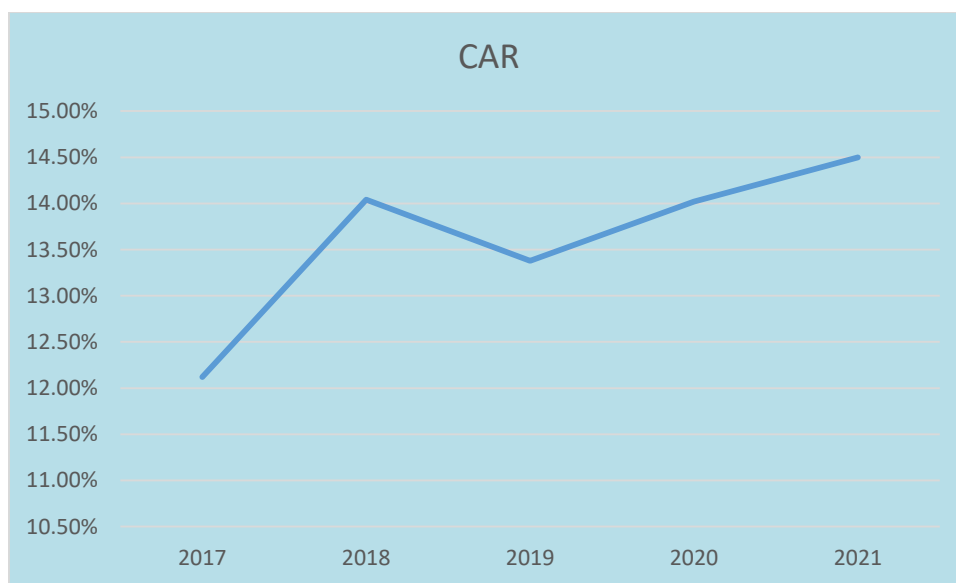
A bank's strength and ability to reduce risk is capital sufficiency. The management authority can predict a bank's capacity when it is in difficulty. To determine the parameter ranking of the ratios for our project, we employed two ratios. These are what they are:

The capital adequacy of a bank is the first CAMELS rating system criterion, which aids in determining if the bank has sufficient capital to cover its reasonable level of losses. A bank's capital sufficiency can be assessed using the capital adequacy ratio and the debt-equity ratio.

$$(\text{Tier I capital} + \text{Tier II capital})/\text{risk weighted assets} = \text{CAR}$$

3.3.1 The National Bank Limited's ratios of year 2017 to 2021 are given below:

Camel's Component	Ratios	2017	2018	2019	2020	2021	Average Ratings
Capital Adequacy	CAR	12.12%	14.04%	13.38%	14.02%	14.5%	2
	Rating	2	2	1	1.5	1.5	



Interpretation: Here, we can see that the respective CAR ratios for 2017–19 are 12.12%–14.04 and 13.38%–13.38. Scores for the bank are 2, 2, and 2. It implies that the bank's score is stable. The requirements for a "2" grade are the same as those for a "1," however one or more of the categories have shortcomings. Think about the following example: Regulations do not call for minimum capital and solvency ratios, but: a high problem rating for the assets. the incapacity of management to maintain sufficient cash reserves to cover risks

3.3.2 Asset quality: describes the extent to which the asset quality of the loans a bank owns can be used to assess the soundness of its financial position. The quality of the asset, which is generally made up of loans and advances, as a result. We're examining non-performing loans as well as the percentage of mortgages and advances that the bank views as failing. Total loans / non-performing loans: It monitors the caliber of the portfolio of bank loans. The ratio rises as the credit risk does. NPLs as a proportion of all loans equal NPLs as a proportion of all loans.

YEAR	2017	2018	2019	2020	2021
NPLs/TL	1.82%	1.57%	2.15%	1.98%	2.25%
Rating	2	2	2	2	2



Interpretation: All five years, National Bank receives a 2 rating. It has asset quality ratios of 1.82%, 1.57%, and 2.15%, 1.98%, and 2.05% all of which are rated 2 for creditworthiness. Meaning, the bank maintained its position during those three years. While banks with a "2" asset quality rating share many traits with those with a "1," they may have certain minor issues that management may be able to address without regulatory oversight. Although the value of problematic assets does not exceed 10% of total capital, management underwriting standards and control procedures are flawed; Regulation problems are raised by loans to insiders, but they can be rapidly resolved; Non-credit investments provide little return while exhibiting higher-than-average risk without a loss risk.

3.3.3 Management Efficiency: Each of the factors looked into has something to do with the management of the bank. Authorities also give the bank's management a grade based on their administrative skills, capability to adhere to rules, and flexibility in a changing environment. They assess the internal control systems of the bank as well, which may reveal how well the management of the bank can identify its own financial problems. Obviously, this evaluation is subjective.

YEAR	2017	2018	2019	2020	2021
Cost/Income	126%	177%	173%	175%	180%
Rating	5	5	5	5	5



Interpretation: Cost-to-income ratios are 126%, 177%, and 173%. 175%, 180% these figures show that banks have a rating of 5. A management rating of "5" requires prompt and forceful supervision: The Bank has serious issues throughout the board. Poor financial results a bankruptcy is highly likely. It is time to change the management. The board of directors needs to consider filing for receivership.

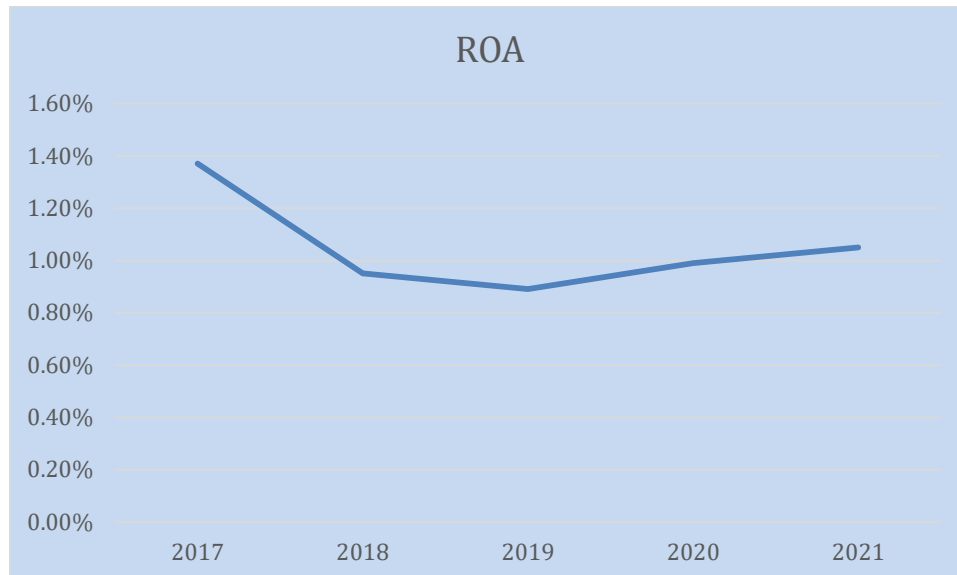
3.3.4 Earnings: The letter "E" stands for earning capabilities in the "CAMEL" assessment tool. Earning capacity is a gauge of how consistently profitable a bank can be over the long term. The earning capacity of a bank indicates both its ability to pay for current expenses and its financial stability in the face of unfavorable shocks that it frequently experiences when conducting business.

1. Return on Assets (ROA): Return on assets is a measure of how profitable a company's assets are in generating sales. Net profit (loss) divided by total assets is the formula for calculating return on assets (ROA).

2. Return on Equity (ROE): This metric measures how well a business performs in comparison to the equity of its shareholders.

Return on Equity = Net Profit (Loss) / Shareholders Equity (ROE).

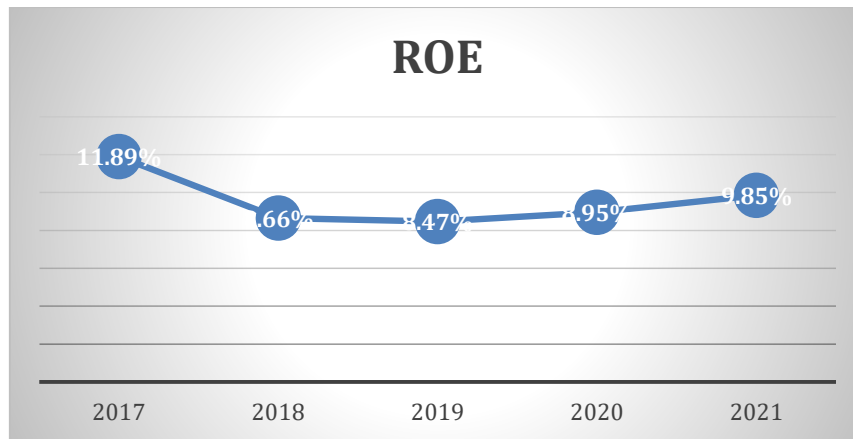
YEAR	2017	2018	2019	2020	2021
ROA	1.37%	0.95%	0.89%	.99%	1.05%
Rating	2	4	4	3	4



Interpretation: The ROA for 2017 is 1.37, which equals a 2 for the year. The bank is given a "2" grade because its income is sufficient to cover its expenses, pay dividends, and provide capital growth. However, there may be some undesirable inclinations, such as: Relying in some way on unusual sources of money. The budgeting, planning, and control systems need to be strengthened, and the ROA for 2018 and 2019 is 0.95 and 0.89% and 202 is .99% and in 2021 it grows to 1.05%, respectively. It receives a 4 on the rating scale in both years. A "4" earning rating indicates that the bank is experiencing significant financial troubles. In order to avoid capital loss, strict regulatory oversight is necessary. Management must respond quickly to increase revenue and reduce costs. There may need to be a halt to some activities.

ROE: Return on Equity

YEAR	2017	2018	2019	2020	2021
ROE	11.89%	8.66%	8.47%	8.95%	9.85%
Rating	3	4	4	3	4



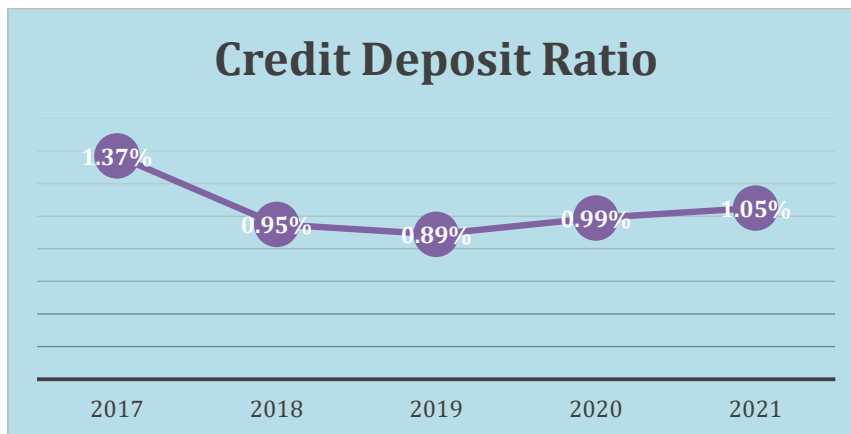
Interpretation: In 2017, ROE is 11.89%. Which means it receives a 3. The bank's earnings rating of "3" implies that it has serious shortcomings in a number of the evaluation factors. To make sure management takes the essential actions to boost earnings performance, regulatory oversight is vital. The capital situation could be severely harmed by insufficient earnings retention. However, it receives a grade of 4 due to its ROE percentages in 2018 and 2019 of 8.66% and 8.47%, respectively. The bank has a "4" earning grade, which means it is in severe financial problems. Strict regulatory control is necessary to prevent capital loss. In order to boost revenue and cut expenses, management must act promptly. Some activities might need to be suspended. Corrective action is crucial in order to prevent losses from becoming insolvent.

3.3.5 Liquidity Management: Liquidity management is one of the most important components of sound bank operations. This can reveal whether a bank is about to fail or not. The ability of the bank to retain enough liquid cash on hand to satisfy short-term obligations is referred to as adequate liquidity. Assets that are easily convertible to cash are referred to as "liquid fund" assets. The profitability and overall performance of the bank may be significantly impacted if short-term liquidity requirements are not met. It suggests that they might not be able to return depositors' money, which will ultimately determine whether or not the banks fail. To score the bank's liquidity management standards for the CAMEL rating, we'll now compute the following ratios:

The Credit Deposit Ratio (CDR) is 1. A measure of how much money a bank lends out of its deposits is the credit deposit ratio. The bank is losing money if the figure is low. Furthermore, if it is set too high, the bank could not have enough cash on hand to support the depositor or convert the unforeseen financial requirement.

Credit Deposit Ratio: Credit Deposit Ratio = Total Loans / Total Deposits

YEAR	2017	2018	2019	2020	2021
(TL/TD)	114%	115%	113%	105%	115%
Rating	5	5	5	4	6



Interpretation: Here, we can see that National Bank Limited has received a 5 rating for liquidity management over the course of the last three years. It has had problems for the entire three years. A bank with a liquidity rating of "5" indicates that it needs outside financial support to meet its present liquidity demands and avoid failure because it can't meet the needs of its creditors and depositors.

3.3.6 Composite Camel Rating for National Bank Limited:

Camel's Component		Average Ratings(5 years)	Composite Ratings
Capital Adequacy	CAR	2.00	3.50
Asset Quality	NPLs/TL	2.00	
Management Efficiency	Cost/Income	5.00	
Earning Ability	ROA	3.33	
	ROE	3.67	
Liquidity	(TL/TD)	5.00	

Interpretation: The overall rating for National Bank Limited is 3.50. Financial institutions that fall under this category frequently engage in risky or dubious actions. Poor performance is the result of serious managerial or financial issues. The severity of the problems ranges from severe to catastrophic deficiency. The issues and worries are not being appropriately addressed or resolved by the board of directors and management. Financial firms in this category are typically unable to withstand the volatility of the economy. The rules and regulations could be violated frequently. The majority of financial institutions in this category engage in risky or unethical behavior. Results that are not satisfactory are the result of significant managerial or financial problems. The deficiencies can range in severity from modest to severe. The management team and board of directors are failing to adequately address and resolve the problems. The majority of financial institutions in this category are unable to resist economic volatility. There may be widespread violations of the rules and laws.

Chapter 4

Findings, Recommendations &

Conclusion

4.1 Findings of the study

1. **CAMEL:** The overall rating for National Bank Limited is 3.50. Financial institutions that fall under this category frequently engage in risky or dubious actions. Poor performance is the result of serious managerial or financial issues.
2. **SWAT:** National Bank Limited strength is that they have a huge loyal customer base. But their main weakness is a discipline in May many cases they failed to hire the right person in the right place. Also, they follow the straight direction method while making decisions.
3. **Capital Adequacy:** There is a fluctuation situation in their CAR ratio in the last two years showing an upward tendency. That shows NBL can absorb a reasonable amount of loss and complies with statutory Capital requirements.
4. **Asset Quality:** There was a fluctuating situation of their asset quality management Regulation problems are raised by loans to insiders, but they can be rapidly resolved.
5. **Management Efficiency:** A 5 rating in management efficiency shows that the Bank has serious issues throughout the board. Poor financial results a bankruptcy is highly likely
6. **Earning Ability:** their earning is gradually increasing whereas 2020 (covid year) has downward earnings but in 3=2021 they overcome their situation
7. **Return on Asset:** The analysis shows that they have a "4" earning rating which indicates that the bank is experiencing significant financial troubles.
8. **Return on Equity:** The bank has a "4" earning grade, which means it is in severe financial problems.
9. **Liquidity:** A bank with a liquidity rating of "5" indicates that it needs outside financial support to meet its present liquidity demands and avoid failure because it can't meet the needs of its creditors and depositors.

4.2 Recommendations of the study

1. **CAMEL:** There should be strong rules and regulations for the organization to avoid that risk and there should not be any conflicts between their Board of Directors.
2. **SWAT:** To avoid their weakness they should focus more in their hiring process, and must provide quality services to their customers.
3. **Capital Adequacy:** Although there is an upward tendency in their Structure, they should be more precarious while planning their capital structure.
4. **Asset Quality;** Regulation problems are raised by loans to insiders, but they can be rapidly resolved; Non-credit investments provide little return while exhibiting higher-than-average risk without a loss risk.
5. **Management Efficiency:** To avoid this problem. It is time to change the management. The board of directors needs to consider filing for receivership.
6. **Earning Ability:** their earning is gradually increasing whereas 2020 (covid year) has downward earnings but in 3=2021 they overcome their situation
7. **Return on Equity:** Strict regulatory control is necessary to prevent capital loss. In order to boost revenue and cut expenses, management must act promptly. Some activities might need to be suspended. Corrective action is crucial in order to prevent losses from becoming insolvent.
8. **Return on Asset:** In order to avoid capital loss, strict regulatory oversight is necessary. Management must respond quickly to increase revenue and reduce costs. There may need to be a halt to some activities.
9. **Liquidity:** A bank with a liquidity rating of "5" indicates that it needs outside financial support to meet its present liquidity demands and avoid failure because it can't meet the needs of its creditors and depositors.

4.3 Conclusion

The first private bank in Bangladesh is National Bank Limited. It has been a successful private commercial bank in the banking industry. The NBL team has put in a lot of effort recently to improve the financial statements of the Bank and its subsidiaries as well as to raise the Bank's share of promising commercial opportunities. The improvement in core operating profit, the notable rise in provisioning coverage, and the drop in net NPAs, in my opinion, are all results of these efforts.

As Bangladesh continues on its path to becoming a developed economy, NBL will make an effort to fully realize their share of the potential. Their goal is to increase NBL's core operational profit and bring down credit costs to a more normalized level in order to increase shareholder returns over the long run. We also acknowledge the detrimental effects COVID19 has had on the economy, and our government is working to rebuild the economy as a whole under strong and wise leadership. We are all working together right now to address the outbreak, which has led to an unprecedented situation.

We will be able to overcome the economic challenges and resume our predicted growth path with the aid of strong public-private partnerships. Despite this, the bank is fully equipped to make up for its losses. They must be conscious of their limitations and take action to improve their current situation. A pioneer in the realm of automation is National Bank Limited. The bank has gained the trust of many clients thanks to its broad experience in a range of financial areas. As a result, focusing on the areas where they need to improve or develop can help them succeed in the long run.

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