



## **Internship Report**

**on**

**“Financial Performance Analysis of National Bank Limited”.**

### **Supervised by:**

Sayed Farrukh Ahmed, PhD

Associate Professor and Head

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

### **Submitted by**

Md. Amanul Islam

ID No: 181-14-2680

MBA Program, Major in Accounting

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

**Date of Submission: July 26, 2023**

## Letter of Transmittal

**Sayed Farrukh Ahmed, PhD**  
Associate Professor and Head  
Department of Business Administration  
Faculty of Business and Entrepreneurship  
Daffodil International University

**Subject: Submission of Internship Report on Financial Performance Analysis of “National Bank Limited”.**

Dear Sir,

It is my great pleasure to submit you my internship reports on **Financial Performance Analysis of “National Bank Limited”**. I have tried my best to complete this report properly following the guidelines provided by you and concerned organization.

I have confidence that the internship program has increased both of my practical experience and theoretical knowledge to a great extent. I will be obliged to answer any query that may arise during the evaluation of this report. So, I am fervently requesting and hope that you would be kind enough to accept my report and oblige thereby.

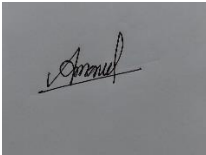
Sincerely Yours,



**Md. Amanul Islam**  
ID No: 181-14-2680  
MBA Program, Major in Accounting  
Department of Business Administration  
Faculty of Business and Entrepreneurship  
Daffodil International University

## Declaration

I am **Md. Amanul Islam** the student of Master of Business Administration (MBA) bearing **ID: 181-14-2680** major in Accounting from Daffodil International University, Bangladesh would like to solemnly declare here that an internship report on “**Financial Performance Analysis of National Bank Limited**” has been authentically prepared by me. While preparing this internship report, I didn’t breach any copyright act intentionally. I am further declaring that, I did not submit this report anywhere for awarding any degree, diploma or certificate.

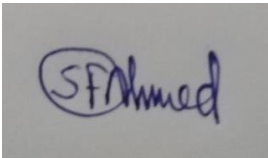


**Md. Amanul Islam**  
ID No: 181-14-2680  
MBA Program, Major in Accounting  
Department of Business Administration  
Faculty of Business and Entrepreneurship  
Daffodil International University

## Certificate of Approval

This is to certify that an internship report on “**Financial Performance Analysis of National Bank Limited (NBL)**” for partial fulfillment of the degree of Master of Business Administration (MBA) major in Accounting from the Daffodil International University Bangladesh carried out by **Md. Amanul Islam, ID NO: - 181-14-2680** under my supervision. Under my guidance and supervision this paper is being carried out successfully. No part of this paper has been submitted for any degree diploma, title, or recognition before.

I wish him every success in life.

A rectangular box containing a handwritten signature in blue ink. The signature reads "SF Ahmed" with "SF" circled.

**Sayed Farrukh Ahmed, PhD**  
Associate Professor and Head  
Department of Business Administration  
Faculty of Business and Entrepreneurship  
Daffodil International University

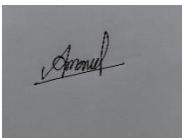
## **Acknowledgement**

In the process of preparing this report, I have received genuine cooperation from numerous individuals whose names cannot be mentioned in this report. However, I will always remember them with heartfelt appreciation and gratitude.

First and foremost, I am immensely grateful to the Almighty God for blessing me with the courage, ability, and guidance to complete this report. I would also like to express my deep gratitude to Dr. Sayed Farrukh Ahmed, Associate Professor at the Department of Business Administration, Daffodil International University, Bangladesh. His guidance and valuable suggestions were instrumental in successfully completing my internship program and preparing this report on the "Financial Performance Analysis of National Bank Limited (NBL)." His scholarly inputs and constructive feedback greatly contributed to the quality of this report.

I would also like to extend my sincere gratitude to all the wonderful individuals at Daffodil International University, Bangladesh, including my teachers, classmates, and others who have provided support and encouragement throughout my academic journey. Their contributions and positive influence have been invaluable in shaping my learning experience and personal growth.

While their names may not be mentioned in this report, their impact and support will always be remembered and appreciated. I am truly grateful for their cooperation and assistance throughout the preparation of this report.



**Md. Amanul Islam**

ID No: 181-14-2680

MBA Program, Major in Accounting

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

## **Executive Summary**

Internship refers to a joint program in which business schools and business house co-operate. The prime objective of such program is to provide students on the job exposure and the opportunity to translate the bookish knowledge in real life situation.

Furthermore, this internship assignment is a vital requirement for obtaining Master of Business Administration (MBA) program. I will supposed to work in National Bank Limited, Dhanmondi Branch, SafuranGreen,761 Satmasjid Road, Dhaka and get proper understanding in a report.

In the first part I will introduce the topic. Then I will discuss about the title of the study, objective of the study, methodology, scope and source of the study.

In the next part I will try to discuss about the National Bank Limited, Dhanmondi Branch, Safuran Green,761 Satmasjid Road, Dhaka. This part is mainly focused on the Analysis & Findings of Financial Performance Evaluation in National Bank Limited, A Study on Dhanmondi Branch.

In the last part I will present conclusion and recommendations of National Bank Limited, Dhanmondi Branch.

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# *Chapter One*

## *Introduction*

## 1.1 Introduction

Banks play the most important role in the economy. Banks collect money from the individuals and lend them to others. Now banks offer the widest range of financial services and perform lots of financial functions. Thus, banks have proven that they are the key factor for the business and economy as well. Banking Industry is moving towards rapid changes due to technological innovation and diversified needs of its customers. As the pace of globalization competition in banking sector is increasing very fast. Banks are becoming more customers oriented and offer High Tech customized products to its target market to hold the market. Our central bank always keeps monitoring banks performances. Individual banks also need to assess their own performance to satisfy the parties those are related to its growth.

## 1.2 Origin of the Report

The internship program is a mandatory requirement for the students who wish to be a MBA post graduate. In the internship program, I was attached to host organization name National Bank Limited. This report was prepared on my practical experiences on the day-to-day corporate activities, theoretical experience and under close supervision of my internal support as well as my official supervisor.

## 1.3 Objectives of the Study

The main objective of the report will be **to present the financial performance analysis** of National Bank Limited with fulfilling the requirement of MBA program. However, the objective behind this study is something broader.

Objectives of the report are summarized in the following manner-

- ❖ To present an overview of National Bank Limited.
- ❖ To analyze the financial performance of National Bank Limited of different years.
- ❖ To provide recommendations based on the findings of the study.

## 1.4 Scope of the Report:

In order to maintain the speed of development now Banks must compete in the market place both with local institution as well as foreign ones. The presentation of the organizational structure and policy of National Bank Limited and investigating the strategies applies by it provide the scope of this report. An infrastructure of the organization has been detailed and looks into the future. The scope of this report is limited to the overall description of the company, its services, its position in the industry, its financial performance analysis the practical progress of its operation. The scope of the study is limited to organizational setup, functions and performances.

- Recent performance of NBL in terms of deposit, investment and foreign exchange.
- To analyze the banks current financial flows performed by NBL.
- To obtain practical experience about general banking activities by involving such type of program.
- To build professional carrier in the banking sector as well as any credit providing institution.

## 1.5 Methodology of the Report

From my educational background, I have learned different methodology in research process. So in this study I had the opportunity to implicate my educational knowledge in practical field. I have collected data from many sources:

### (a) Primary sources:

- ❖ Doing practical work in different desks of National Bank Limited.
- ❖ Study of old files/documents/formats.
- ❖ Face to face conversation with the Manager, officer and employees.
- ❖ Direct observation of National Bank Limited Accounts and Finance Division activities.

### (b) Secondary sources:

- ❖ Annual Report of National Bank Limited.
- ❖ Internet is also used as a theoretical source of information.
- ❖ Website and newsletters are also used as major sources.
- ❖ Different text book & journals.
- ❖ Various reports & articles related to study.
- ❖ Some of my course elements as related to this report.

## 1.6 Limitations of the Report

There are some limitations in our study. We faced some problem during this study. Three month is not enough to know about full banking operations. Definitely I couldn't produce an outstanding report for the time limitations. Those limiting factors that hampered my smooth workings in bank and finally in preparing this report are as following:

**Lack of time:** The time period of this preparing of this report is very short. I had very short time in my hand to complete this report which is not enough to know details about an organization like National Bank Ltd.

**Other Limitations:** The other limitations are as follows:

- The Executives of the Bank could not give adequate time because of their work.
- The main constraint of the study is insufficiency of current information, relevant to the study.
- All the interpretation & conclusion about the result of the study is based on the analyst own perspective.
- It was very difficult to collect data and information from accounts division of National Bank Limited on the excuse of the confidentiality of the information.
- Lack of experience in internship report writing.

*Chapter Two*  
*Profile of*  
*National Bank Limited*

## 2.1 Profile of National Bank Limited (NBL)

National Bank Limited is known for its successful past, superb present, imminent future and under handling ventures and exercises. Built up as the first private bank completely claimed by Bangladeshi business people, NBL has been thriving as the biggest private division Bank with the progression of time in the wake of confronting numerous anxiety and strain. The individuals from the top managerial staff are innovative representatives and driving industrialists of the nation. To keep pace with time and in congruity with national and global monetary exercises and for rendering every present-day administration, NBL, as a bank, computerized all its branches with PC arranges as per the focused business interest of time. Also, considering its expected future, the base of the Bank has been revising. The desire of all class representatives, business people and overall population is a great deal more to NBL. At present NBL have 192 branches under its branch system. Likewise, it is their powerful and broadened way to deal with potential consumers and grabbing business opportunities. NBL is going ahead as nonstop procedure to suit new clients by creating and growing country, SME financing and seaward managing account accounts.

National Bank Limited was born as the first hundred percent Bangladeshi owned Bank in the private sector. From the very inception, it was the firm determination of National Bank Limited to play a vital role in the national economy. We are determined to bring back the long-forgotten taste of banking services and flavors. We want to serve each one promptly and with a sense of dedication and dignity.

The then President of the People's Republic of Bangladesh Justice Ahsanuddin Chowdhury inaugurated the bank formally on March 28, 1983 but the first branch at 48, Dilkusha Commercial Area, Dhaka started commercial operation on March 23, 1983. The 2nd Branch was opened on 11th May 1983 at Khatungonj, Chittagong.

At present, NBL has been carrying on business through its 192 branches & Agri Branches spread all over the country. Since the very beginning, the bank has exerted much emphasis on overseas operations and handled a sizable quantum of home bound foreign remittance. It has drawing arrangements with 415 correspondents in 75 countries of the world, as well as with 37 overseas Exchange Companies located in 13 countries. NBL was the first domestic bank to establish agency

arrangements with the world-famous Western Union in order to facilitate quick and safe remittance of the valuable foreign exchanges earned by the expatriate Bangladeshi nationals. This has meant that the expatriates can remit their hard-earned money to the country with much ease, confidence, safety and speed.

NBL was also the first among domestic banks to introduce international Master Card in Bangladesh. In the meantime, NBL has also introduced the Visa Card and Power Card. The Bank has in its use the latest information technology services of SWIFT and REUTERS. NBL has been continuing its small credit program for disbursement of collateral free agricultural loans among the poor farmers of Barindra area in Rajshahi district for improving their livelihood.

NBL focused on all key areas covering capital adequacy, maintaining good asset quality, sound management, satisfactory earning and liquidity. As a consequence, it was possible to a record growth of 175.51 percent with Tk. 8,809.40 million pretax profit in the year under review over the preceding year. The net profit after tax and provision stood at Tk. 6,860.34 million which was Tk. 2,070.47 million in the previous year registering a 231.34 percent rise. The total deposits increased to Tk. 102,471.83 million being 33.37 percent increase over the preceding year. Loans and advances stood at Tk.92003.56 million in the year under report which was Tk. 65,129.289 million representing 41.26 percent rise over the preceding year. Foreign trade stood at Tk. 144,255.00 million in 2010 compared to Tk. 115,939.00 million, increased by 24.42 percent compared to that of the previous year. During 2022, the bank handled inward remittance of Tk. 49,145.30 million, 10.73 percent higher than that of the previous year. Return on Equity (ROE) registered a 77.84 percent rise over the preceding year.

National Bank, has now acquired strength and expertise to support the banking needs of the foreign investors. NBL stepped into a new arena of business and opened its Off Shore Banking Unit at Mohakhali to serve the wage earners and the foreign investors better than before.

Since its inception, the bank was aware of complying with Corporate Social Responsibility. In this direction, we have remained associated with the development of education, healthcare and have

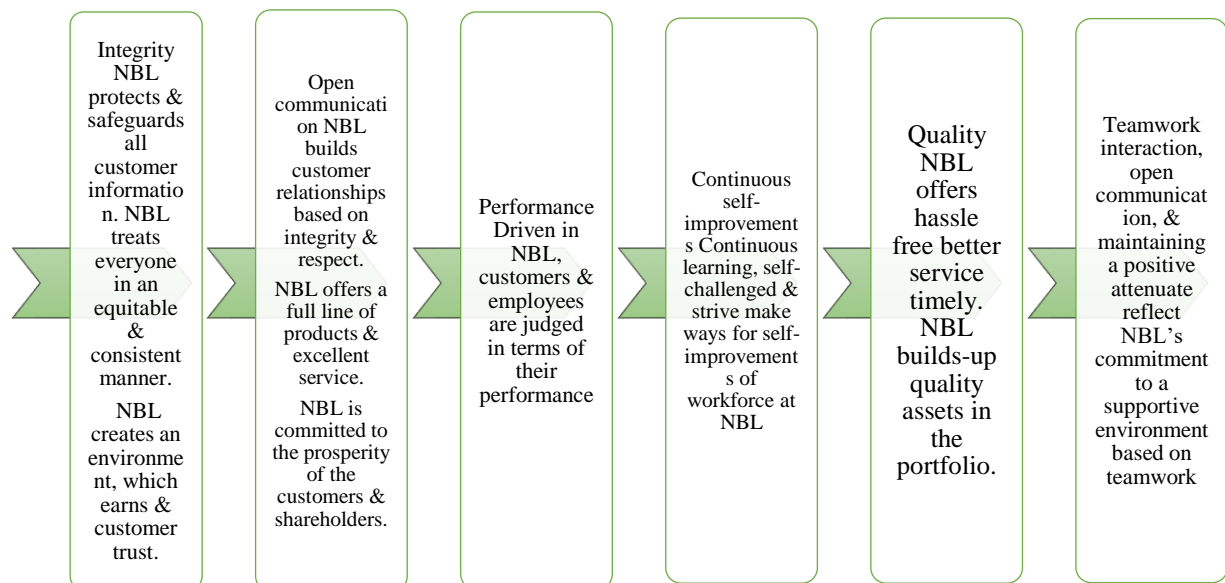
Sponsored sporting and cultural activities. During times of natural disasters like floods, cyclones, landslides, we have extended our hand to mitigate the sufferings of victims. It established the National Bank Foundation in 1989 to remain involved with social welfare activities. The foundation runs the NBL Public School & College at Moghbazar where present enrolment is 1140.

Besides awarding scholarship to the meritorious children of the employees, the bank has also extended financial support for their education. It also provided financial assistance to the Asiatic Society of Bangladesh at the time of their publication of Banglapedia and observance of 400 years of Dhaka City.

The Transparency and accountability of a financial institution are reflected in its Annual Report containing its Balance Sheet and Profit & Loss Account. In recognition of this, NBL was awarded Crest in 1999 and 2000, and Certificate of Appreciation in 2001 by the Institute of Chartered Accountants of Bangladesh.

The bank has a strong team of highly qualified and experienced professionals, together with an efficient Board of Directors who play a vital role in formulating and implementing policies.

## 2.2 Core Values



## 2.3 Vision

Ensuring highest standard of clientele services through best application of latest information technology, making due contribution to the national economy and establishing ourselves firmly at home and abroad as a front ranking bank of the country are our cherished vision. To become a leading banking institution and to play a pivotal role in the development of the country.



## 2.4 Mission

Efforts for expansion of our activities at home and abroad by adding new dimensions to our banking services are being continued unabated. Alongside, we are also putting highest priority in ensuring transparency, account ability, improved clientele service as well as to our commitment to serve the society through which we want to get closer and closer to the people of all strata. Winning an everlasting seat in the hearts of the people as a caring companion in uplifting the national economic standard through continuous up gradation and diversification of our clientele services in line with national and international requirements is the desired goal we want to reach.

## 2.5 Corporate information at a Glance:

<b>Name of the Company</b>	<b>National Bank Limited</b>
<b>Stock Code</b>	NBL
<b>Type / Origin</b>	Private / Local
<b>Legal Form</b>	A public limited company incorporated in Bangladesh on 23 <sup>rd</sup> March 1983 under the companies Act 1994
<b>Commencement of Business</b>	23 <sup>rd</sup> March, 1983
<b>Head office</b>	18 Dilkusha Commercial Area, Dhaka, Bangladesh
<b>Telephone No.</b>	88-02-956-3081, 88-02-966-6584
<b>Fax No.</b>	88-02-956-9353, 88-02-966-9404
<b>Website</b>	<a href="http://www.nblbd.com">http:// www.nblbd.com</a>
<b>SWIFT</b>	NBLBDDH
<b>E-mail</b>	<a href="mailto:nblho@nblbd.com">nblho@nblbd.com</a>
<b>Chairman</b>	Mr.ZainulHaqueSikder
<b>Managing Director</b>	Mr.Choudhury Mostaq Ahamed
<b>Auditors</b>	Chairman Mr. Md. Anwar Hossain Member Mr.MoazzamHossain Member Mr.MahboorRahman

<b>No. of Branches</b>	192
<b>No. of ATM Booth</b>	10
<b>No. of SME Centres</b>	15
<b>No. of Employees</b>	4617
<b>Logo</b>	 <b>National Bank Limited</b> A Bank for Performance with Potential

## 2.6 Banking System

<b>Corporate Banking</b>	<b>Retail Banking</b>
<ul style="list-style-type: none"> <li>• Trade Finance</li> </ul>	<ul style="list-style-type: none"> <li>• SME</li> </ul>
<ul style="list-style-type: none"> <li>• Project Finance</li> </ul>	<ul style="list-style-type: none"> <li>• Deposit</li> </ul>
<ul style="list-style-type: none"> <li>• Offshore Banking</li> </ul>	<ul style="list-style-type: none"> <li>• Credit</li> </ul>
<ul style="list-style-type: none"> <li>• Merchant Banking</li> </ul>	<ul style="list-style-type: none"> <li>• NRB Banking</li> </ul>
<ul style="list-style-type: none"> <li>• Syndication</li> </ul>	<ul style="list-style-type: none"> <li>• Micro Credit</li> </ul>

## 2.7 Objectives of NBL

- To establish relationship banking and improve service quality through development of strategies marketing plans
- To remain one of the best banks in Bangladesh in terms of Profitability and assets quality
- To introduce full automated system through integration of information technology
- To build up a strong deposit base
- To maintain proper combination of loan and deposit
- To keep risk position at an acceptable range
- To ensure an adequate rate of return on investment

- To maintain adequate liquidity to meet maturing obligation and commitments
- To maintain a healthy growth of business with desired image
- To maintain adequate control systems and transparency in procedure
- To ensure optimum utilization of all available resources

## 2.8 Products and Services

### a) Deposit Products

- Savings Deposit
- Current Deposit
- Term Deposit
  - Special Notice Deposit
  - Fixed Deposit
- Foreign Currency Deposit
  - RFC Deposit
- Monthly Savings Scheme
- Monthly Income Scheme
- Double Benefit Scheme
- Millionaire Income Scheme
- Apon Thikana Shanchoy Prakalpa (ATSP)
- Luxury savings deposit scheme (LSDS)

### b) Credit Products

- Overdraft
- Lease Financing
- House Building
- Small Medium Enterprise
- Consumer credit scheme
- Trade finance
- Agriculture Finance
  - Agriculture & Rural
  - Daridro Mukti

## Deposit Interest Rate of NBL:

### Revised Schedule of Interest Rate - Percentage per annum

Deposit Type	Category of Deposit	Rate of Interest (p.a.)
Savings	Below 25 Crore	3.00%
	25 Crore and Above	4.00%
Special Notice Deposit	Below 25 Crore	3.50%
	25 Crore and Above	4.50%
FDR for 1 Month	Below 5 Crore	4.50%
	5 Crore to Below 10 Crore	5.50%
	10 Crore and Above	6.00%
FDR for 3 Months	Below 5 Crore	6.50%
	5 Crore to Below 10 Crore	7.00%
	10 Crore and Above	7.75%
FDR for 6 Months	Below 5 Crore	6.50%
	5 Crore to Below 10 Crore	7.25%
	10 Crore and Above	7.75%
FDR for 1 Year	Below 5 Crore	6.75%
	5 Crore to Below 10 Crore	7.50%
	10 Crore and Above	7.75%
FDR for 2 Years	Below 5 Crore	6.00%
	5 Crore to Below 10 Crore	6.50%
	10 Crore and Above	7.50%

### c) NBL Cards

- Debit Card
  - Power Card
- Credit Card
  - Master Card
  - Gold International
  - Silver International
  - Gold Local
  - Silver Local



### d) Service Product

- ATM Service
- Remittance Service
- Online Banking
- Phone Banking
- SMS Push-Pull
- SWIFT

## e) Capital Market Operations

✓ Brokerage Operation

## f) Overseas Operations-Foreign Remittance

### Western Union


Joining with the world's largest money transfer service "Western Union", NBL has introduced Bangladesh to the faster track of money remittance. Now, money transfer between Bangladesh and any other part of the globe is safer and faster than ever before. This simple transfer system, being on line, eliminates the complex process and makes it easy and convenient for both the sender and the receiver. Through NBL - Western Union Money Transfer Service, your money will reach its destination within a few minutes.

Money transfer from anywhere in the World to Bangladesh in minutes.


National Bank Ltd. Bangladesh		WESTERN UNION WU	
To receive money			
Complete the form and present with valid I.D.		DO NOT WRITE BELOW	
For Western Union Card™ holders, please fill in your card number.		Branch Name	Operator number
Card No.		Date 07/11/2017	Time
Receiver (প্রাপক/প্রাপক)		Identification	
First name (s)	H I M E L	Type	Expiration
Last name (s)	P A U L	Number	
Address		Money Transfer Control Number	
City			
Country			
Postal Code			
Telephone no.		Check number	Payout Amount
Sender (প্রাপক/প্রাপক)		Tk.	
First name (s)		Amount/Currency sent by Sender	
Last name (s)		FX Rate	
Address (s)		Date filed	
City		Originating city/country	
Country		Expected Payout City/Country	
Postal Code		Test Question	
Amount (প্রাপক/প্রাপক) expected		Answer	
City, State/Province, Country money sent from		Agent's signature	
Money Transfer Control No. (if available)			
Test Question	Answer		
Message			
<small>CERTAIN TERMS AND CONDITIONS GOVERNING THE MONEY TRANSFER SERVICE YOU HAVE SELECTED ARE SET FORTH ON THE BACK OF THIS FORM. BY SIGNING THIS FORM, YOU ARE AGREEING TO THOSE TERMS AND CONDITIONS. IN ADDITION TO THE TRANSFER FEE, WESTERN UNION AND ITS AGENTS ALSO MAKE MONEY FROM THE EXCHANGE OF CURRENCIES. PLEASE SEE IMPORTANT INFORMATION REGARDING CURRENCY EXCHANGE AND OTHER LEGAL RESTRICTIONS THAT MAY DELAY THE TRANSACTION SET FORTH ON THE BACK OF THIS FORM. UNLESS YOU HAVE CHOSEN TO BE PAID A CURRENCY DIFFERENT FROM THE ONE DESIGNATED BY YOUR SENDER, THE CURRENCY TO BE PAID AND THE EXCHANGE RATE FOR YOUR TRANSACTION ARE AUTOMATICALLY DETERMINED AT THE TIME THE TRANSACTION WAS SENT.</small>			
Customer's signature		Date	
AGENT'S COPY		www.westernunion.com	

# MoneyGram

Joining with one of the world's largest money transfer services "MoneyGram", NBL has introduced Bangladesh to the faster track of money remittance. Now, money transfer between Bangladesh and any other part of the globe is safer and faster than ever before. This simple transfer system, being on line, eliminates the complex process and makes it easy and convenient for both the sender and the receiver. Through NBL - MoneyGram Money Transfer Service, your money will reach its destination within a few minutes.



**মানি ট্রান্সফার**



**National Bank Limited**

**Receive Form / টাকা গ্রহণ ফর্ম**
PLEASE COMPLETE IN BLOCK LETTERS / অনুগ্রহ করে ইংরেজী বড় অক্ষরে পূরণ করুন

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\_\_\_\_\_

**RECEIVER / গ্রাহক**
AGENT USE ONLY / এজেন্টের ব্যবহারের জন্য

Title (please tick) / ঠিকার দিন (কিছু টিক করুন)  
 Mr.  Mrs.  Ms.  Miss.  Other (please state) / অন্যান্য (কিছু বলুন)

First Name / নামের প্রথম অংশ  
HIMEL

Middle Name / নামের মধ্য অংশ  
\_\_\_\_\_

Surname / বংশনাম  
PAUL

Date of Birth (optional) / জন্ম তারিখ (ঐচ্ছিক)  
D D M M Y Y Y Y

Address / ঠিকানা  
\_\_\_\_\_


Town/City / শহর  
\_\_\_\_\_

Postcode / পোস্ট কোড  
\_\_\_\_\_

Country / দেশ  
\_\_\_\_\_

Contact Tel No. / যোগাযোগের ফোন নম্বর  
\_\_\_\_\_

Authorization Code / অনুমোদন কোড  
\_\_\_\_\_

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Date / তারিখ  
0 7 1 1 2 0 1 7

MoneyGram Operator ID Number / অফিসের আইডি নম্বর  
\_\_\_\_\_

Amount Received / প্রাপ্ত অর্থের পরিমাণ  

Currency / ডলার	Amount / পরিমাণ

Was a test question used/answered correctly / কোন প্রশ্নের পরীক্ষার প্রশ্ন ব্যবহার করা হয়েছিল/সঠিকভাবে উত্তর দেওয়া হয়েছে?  Y  N

For transactions requiring ID- / পরিচয়পত্র প্রদানের ক্ষেত্রে  
 Yes  No

Receiver's ID / গ্রাহকের পরিচয়পত্র  
Type of ID and number / পরিচয়পত্রের ধরন ও নম্বর  
 \_\_\_\_\_

Receiver's date of birth / গ্রাহকের জন্ম তারিখ  
 D D M M Y Y Y Y

Issuing Jurisdiction / প্রদানকারীর এজেন্টের  
State/Country / রাজ্য/দেশ  
 \_\_\_\_\_

For transactions requiring additional information :- / অতিরিক্ত তথ্যসহী সাপেক্ষে প্রেরণের ক্ষেত্রে  
 \_\_\_\_\_

Receiver's Occupation / গ্রাহকের পেশা  
 \_\_\_\_\_

**SENDER / প্রেরক**

Title (please tick) / ঠিকার দিন (কিছু টিক করুন)  
 Mr.  Mrs.  Ms.  Miss.  Other (please state) / অন্যান্য (কিছু বলুন)

First Name / নামের প্রথম অংশ  
\_\_\_\_\_

Middle Name / নামের মধ্য অংশ  
\_\_\_\_\_

Surname / বংশনাম  
\_\_\_\_\_


Send amount / প্রেরণের অর্থের পরিমাণ  
\_\_\_\_\_

Send country / প্রেরণের দেশ  
\_\_\_\_\_

**TRANSACTION / লেন-দেন**

The undersigned waives any right of the or she may have to receive a written report of this transaction pursuant to Cross-Border Credit Transfer Regulations 1999. / স্বাক্ষরকারী স্বীকার করেন যে এই লেনদেনের লিখিত রিপোর্ট প্রাপ্তির অধিকার প্রত্যাহার করা হয়েছে।

I acknowledge receipt of the MoneyGram transfer as provided above. / উপরে বর্ণিত পরিমাণ অর্থ গ্রহণের বিষয়ে স্বীকার করছি।

Receiver's Signature / গ্রাহকের স্বাক্ষর  


Date / তারিখ  
 D D M M Y Y Y Y

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## 2.9 General Banking (Practical Work)

I went to National Bank Ltd, Dhanmondi branch for acquiring practical knowledge about all kinds of banking activities during my study work at that bank. I have gathered much practical knowledge about banking operation and this is delineated briefly in this section.

### a) Opening an Account:

- Obtaining an application form from the bank.
- Fill up the form and collect a recommendation from an existing account holder.
- Fill up a bankcard with specimen signature.
- Deposit some money and gives two-passport size photograph for opening an account.
- Photocopy of NID Card.
- Photocopy of utility bills.

### b) Cash Section

Cash section is executing sections of bank upon which the responsibility of cash payment and cash deposit are placed. The following functions.

- Cash receive from the customer.
- Cash payment to the customer.

Handling the replacement of money of various accounts inside the office.

### c) Credit Section

This section is an important section of a bank. All the commercial banks are generally deal with credit business.

### d) Remittance Section

Remittance means transfer. It's system of transferring money within a country. A bank can transfer its money among its various branches for transferring the money the following systems is used

- Demand Draft (D.D)
- Telegraphic Transfer (T.T)
- Mail Transfer (M.T)
- Payment Order (P.O.)



e) TT issue process

The applicant fills up the relevant part of the prescribed. Application form in triplicate duly signs the same and gives it to the Remittance Department.

Specimen copy of Account opening form of NBL:

## 2.10 Board of Director of NBL:



**Mrs. Monowara Sikder**  
**Director**



**Mr. Moazzam Hossain**  
**Director**



**Ms. Parveen Haque Sikder**  
**Director**



**Alhaj Khalilur Rahman**  
**Director**



**Mr. Zakaria Taher  
Director**

**Mr. Rick Haque Sikder  
Director**



**Mr.  
Ron**



**Mr. Mabroor Hossain  
Director**



**Mr. Jonas Khan Sikder  
Director**

**Haque Sikder  
Director**



**Mr. Md. Anwar Hussain  
Independent Director**



**Mr. Md. Mahbubur Rahman  
Khan  
Independent Director**



**Mr. A K M  
EnamulHoqueShameem  
Independent Director**



**Mr. Choudhury Mostaq Ahmed  
Managing Director (CC)**

## 2.11 Executive Committee of NBL:

	<b>Ms. Parveen Haque Sikder</b>	<b>Chairperson</b>
	<b>Mrs. Monowara Sikder</b>	<b>Member</b>
	<b>Alhaj Khalilur Rahman</b>	<b>Member</b>
	<b>Mr. Moazzam Hossain</b>	<b>Member</b>
	<b>Mr. Rick Haque Sikder</b>	<b>Member</b>
	<b>Mr. Ron Haque Sikder</b>	<b>Member</b>
	<b>Mr. A K M Enamul Hoque Shameem</b>	<b>Member</b>
	<b>Mr. Choudhury Moshtaq Ahmed</b>	<b>Ex-Officio Member</b>

## 2.12 District wise Branch Distribution

There are total 192 branches of National Bank Limited situated in Bangladesh. Following table of all National Bank branches will help you to have any particular branch address with location, telephone number, routing number, SWIFT code and other related information. Clicking any district names will provide you another list of branches in that particular district and so on any branch names will show you total branch information directly.

District	Branch
Dhaka	99
Chittagong	31
Sylhet	19
Khulna	10
Rajshahi	14
Barisal	05
Rangpur	10
Tangail	01
Thakurgaon	01
Munshigonj	01
Shariatpur	01

## 2.13 Corporate Social Responsibility (CSR) of NBL



### Why?

CSR is seen as a concept in which companies voluntarily integrate social and environmental concerns into their business operations and into the interaction with their stakeholders. As a matter of fact, over the last few decades, corporations in the developed economics have moved to 'Social Responsibility Approach' from classical 'Profit Maximizing Approach' where businesses are not only responsible to its stakeholders but also to the society as a whole in a broader inclusive sense. Corporate social responsibility (CSR) Corporate social responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. CSR is a concept with many definitions and practices.

## Employment



National Bank Limited has been continuously creating new fields of employment every year by way of expansion of its business activities and branch networks. The Bank consolidated the "One-Bank One-Family" concept since its inception and sought to create a work culture that excites and motivates staff. The Bank's goal is to make it "the best place" to work in by creating an exciting, healthy, caring and Productive environment for all levels of staff. NBL recurrently arranges cultural programs, annual picnics etc. for their staffs. NBL, which has 3,442 employees provides due importance for the wellbeing of its employees by offering attractive remuneration and other fringe benefits. So far NBL has contributed Tk. 160.12 Lac as medical expenses to its employees and others.



## Education



National Bank Limited foundation was established in 1989 to fulfill the responsibilities of welfare for the society. National Bank Public School and College in Moghbazar, Dhaka has been established where about 997 students are studying in the school section from class 1 to class 10, while 121 students are at the college section. In 2010, 93 students appeared at the SSC examination and 92 at the H.S.C examination and in both the examinations 100% came out successfully. The bank has been accommodating prospective graduates of recognized universities for completing their internship. NBL also awarded scholarship to the brilliant children of the employees of the bank and contributed Tk. 8.12 Lac to various educational sectors. Sports and cultural activities.



## Sports & Culture



National Bank Limited has a tradition of patronizing and sponsoring sports and cultural activities of the Country. The "National Bank Volleyball league - 2007" was arranged under the patronization of the Bank. It has also arranged annual picnics as a means of recreation for its executives, officers and staff. In 2009 the amount of donation in sports was 4.65 lac Taka and it is increased substantially to 64.65 lac Taka.

## Disaster Relief



National Bank Limited has always extended its Helping hand and has stood by the helpless people in times of natural calamities. In 2007, National Bank Limited Donated Tk. 40.00 Lac to help the victims of flood, Tk. 20.00 Lac for relief operation of landslide victims and Tk. 50.00 Lac for Sidr victims to the relief fund of the Chief Advisor and the Army Chief. The Bank has also taken a pilot project for post flood agricultural rehabilitation at Sirajgonj.

On 10th March, 2009 a Payment Order for Tk.25.00 Lac has been handed over to the Hon'ble Prime Minister as a donation/financial assistance to the bereaved family members of the martyred Army Officers killed in the BDR carnage held on 25th February, 2009. On 1st April, 2009, NBL donated Tk. 24.00 Lac to the Honorable Prime Minister to hand over the same to the family members of the martyred Army Officers. This was given to 5 (five) families, each being given Tk. 40,000/- per month for 1 year which will continue for 10 years. Hence, the total amount of donation would amount to Tk. 2.40 Core. In 2010, NBL contributed Tk. 54.65 lac to various sports league of the nation.

## Others Activities



National Bank Limited has always maintained their corporate social responsibility in various ways. It has always appreciated various kinds of fair, festivals and other gatherings organized by different private or public sectors. In 2010 NBL has donated Tk. 8.70 lac in various activities. National bank has contributed significantly to the government effort in collection of revenue. In 2010 it has contributed to national exchequer an amount of Tk. 1, 37.50 crore as tax and VAT on its earnings. Besides the bank deducted tax, vat, excise duties etc. from various payments and deposited the same to government exchequer.

## 2.14 Five Years Financial Summary:

(NBL and Its Offshore Unit)

(Taka in million)

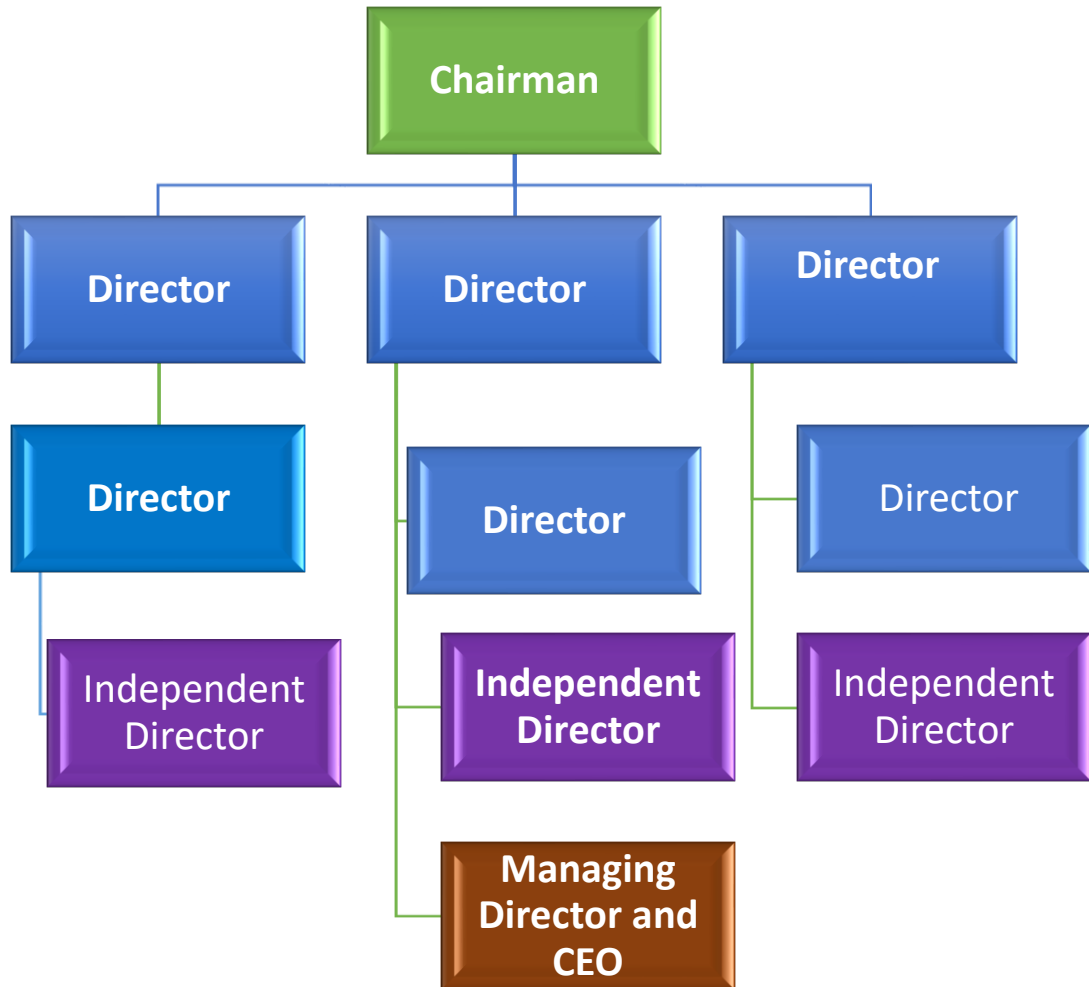
	2018	2019	2020	2021	2022
<b>Income Statement</b>					
Interest Income	19,103.18	18,981.41	20,621.01	19,504.69	18,947.93
Interest Expenses	13,679.66	16,166.14	16,511.70	16,571.69	14,872.88
Non-Interest Income	6,618.46	7,976.37	8,406.29	10,143.66	12,243.95
Non-Interest Expenses	8,316.78	7,251.73	5,793.21	4,816.51	5,565.87
Profit before Tax and Provision	3,725.20	3,539.91	6,722.39	8,260.14	10,753.13
Profit after Tax	1,487.91	2,116.59	2,660.29	3,854.03	5,567.87
<b>Balance Sheet</b>					
Authorized Capital	17,500.00	17,500.00	17,500.00	17,500.00	30,000.00
Paid-up Capital	14,196.03	14,196.03	15,615.64	17,177.20	19,753.78
Reserve Fund & Surplus	8,178.24	9,733.61	11,348.31	16,380.76	16,449.09
Total Shareholders' Equity	22,374.27	23,929.64	26,963.95	33,557.96	36,202.87
Deposits	157,331.73	193,642.97	203,296.18	222,112.91	241,329.88
Loans and Advances	126,169.79	151,098.98	172,964.72	186,179.45	209,929.07
Investments	54,326.46	56,827.52	54,885.52	59,658.52	60,665.88
Fixed Assets (incl non banking assets)	2,340.19	2,973.25	3,099.34	3,084.08	3,501.52
Total Assets	205,207.33	235,173.80	256,537.46	281,569.21	305,616.76
Off Balance Sheet Exposure	50,484.49	74,399.30	63,525.84	51,470.56	46,987.50
<b>Foreign Exchange Business</b>					
Import	94,137.40	113,492.0	99,994.10	85,598.27	69,582.90
Export	69,062.90	75,912.41	76,459.20	67,888.84	50,167.64
Remittance	66,513.90	58,224.10	58,351.40	56,321.08	45,437.58
<b>Regulatory Capital Measures</b>					
Total Risk Weighted Assets	206,559.20	236,911.20	249,560.60	259,355.90	283,628.77
Core Capital (Tier I)	21,763.88	23,028.71	24,320.29	27,223.26	32,240.56
Supplementary Capital (Tier II)	4,696.48	4,676.76	4,897.27	4,041.07	5,181.77
Total Capital	26,460.36	27,705.47	29,217.56	31,264.33	37,422.33
Tier I Capital Ratio	10.53%	9.72%	9.75%	10.50%	11.37%
Tier II Capital Ratio	2.27%	1.97%	1.96%	1.55%	1.82%
Total Capital Adequacy Ratio	12.80%	11.69%	11.71%	12.05%	13.19%
Credit Quality					

% of NPLs to Total Loans and Advances	4.32%	3.24%	5.26%	7.01%	10.35%
<b>Share Information</b>					
No of Shareholders (In actual number)	106,988	121,350	111,363	91,585	85,519
No of Shares Outstanding (million)	1,419.60	1,419.60	1,561.56	1,717.72	1,975.38
<b>Earnings Per Share</b>					
Basic (Re-Stated)	1.05	1.36	1.55	1.95	2.82
Diluted	-	-	-	-	-
<b>Dividend Per Share</b>					
Cash	6%	-	-	-	-
Stock	-	10%	10%	15%	20%
Market Price Per Share (Taka)	22.10	11.80	11.40	9.40	10.20
<b>Market Capitalization</b>					
Price Earning Ratio (Times)	21.05	8.68	7.35	4.82	3.62
Net Assets Value Per Share (Taka)	15.76	16.86	17.27	19.54	18.33
<b>Operating Performance Ratio</b>					
Advance Deposit Ratio	80.19%	78.03%	85.08%	83.82%	84.66%
Cost of Funds	8.75%	8.81%	7.84%	6.92%	5.58%
Cost of Fund with Administrative Costs	11.83%	11.52%	10.28%	8.80%	7.78%
Yield on Loans and Advances	14.71%	13.36%	12.75%	11.17%	10.00%
Return on Assets	0.80%	0.96%	1.08%	1.43%	1.90%
Return on Equity	6.78%	9.14%	10.45%	12.74%	15.96%
Debt/ Equity Ratio ( Times)	8.17	8.83	8.51	7.39	7.44
Cost/Income Ratio	34.03%	39.23%	35.54%	36.83%	34.11%
<b>Other Information</b>					
Number of Branches and SME Centres	165	171	179	191	191
Number of OBU Branches	1	1	1	1	2
Number of Employees	3,919	4,126	4,236	4,266	4,617
Number of Foreign Correspondents	492	492	493	493	587
Number of Subsidiaries	6	6	7	7	7
Number of associates -Gulf overseas	1	1	1	1	1
<b>Number of exchange company</b>					
Wholly or partly owned	4	4	5	5	5
Under agreement	50	50	52	52	49
<b>Ratings:</b>					
Long Term	AA-	AA-	AA-	AA	AA
Short Term	ST-1	ST-2	ST-2	ST-2	ST-2

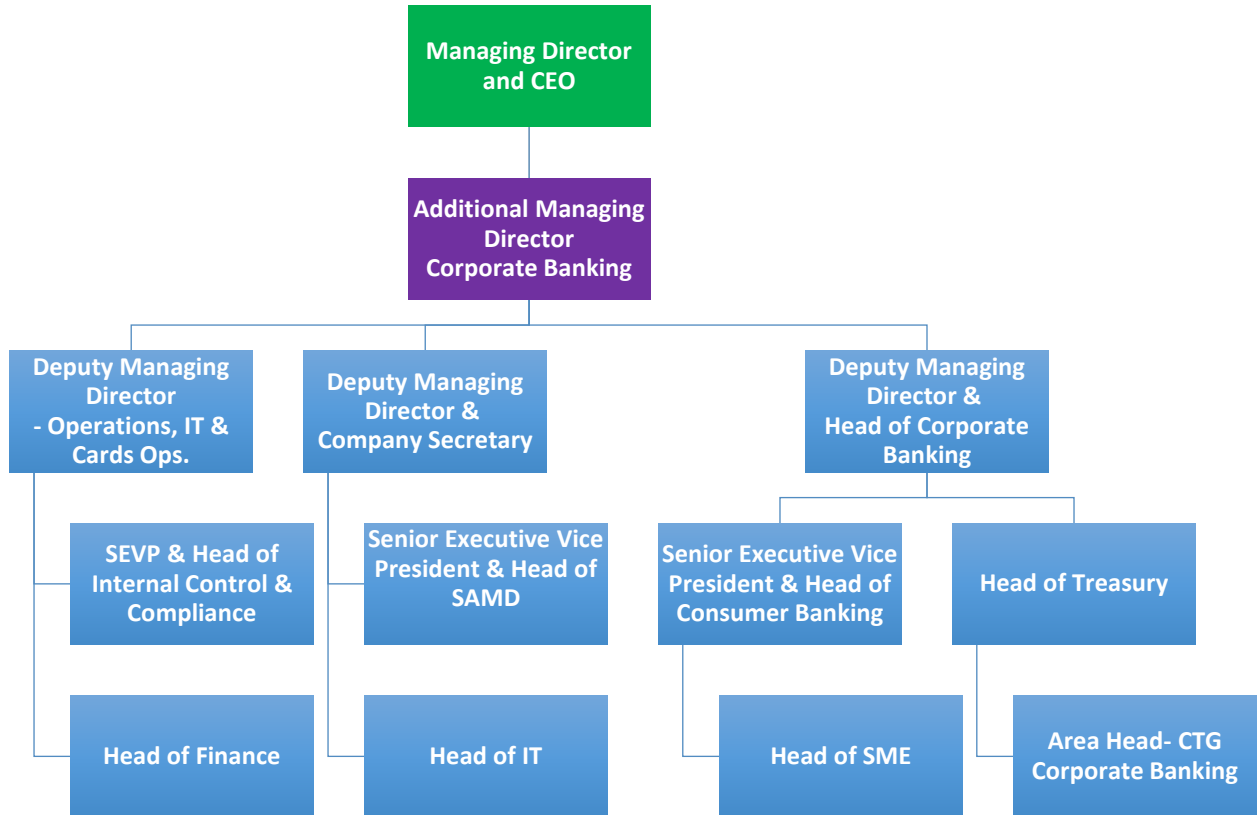
(Annual Report 2022)

*Chapter Three*  
*Organizational Structure*

### 3.1 Corporate Organogram of NBL:



### 3.2NBL Management Committee



:



### 3.3 Organogram of Dhanmondi branch:



*Chapter Four*  
*Financial Performance Analysis*  
*Of*  
*National Bank Limited*

## **4. Ratio Analysis of National Bank Limited:**

The objective of this report is evaluating National Bank Limited's financial performance. So that here discusses recent year's financial ratio of National Bank Limited Ltd.

### **4.1 Ratio Analysis:**

A ratio analysis is a quantitative analysis of information contained in a company's financial statements. Ratio analysis is based on line items in financial statements like the balance sheet, income statement and cash flow statement; the ratios of one item or a combination of items to another item or combination are then calculated. Ratio analysis is used to evaluate various aspects of a company's operating and financial performance such as its efficiency, liquidity, profitability and solvency. The trend of these ratios over time is studied to check whether they are improving or deteriorating. Ratios are also compared across different companies in the same sector to see how they stack up, and to get an idea of comparative valuations. Ratio analysis is a cornerstone of fundamental analysis.

### **4.2 Assumption of Ratio Analysis:**

The most common mode in which financial statement data are summarized is the ratio form. Motivations for examining data in ratio form include:

- ❖ To control for the effect of size differences across the bank overtime.
- ❖ To make the data better satisfy the assumptions underlying statistical tools.
- ❖ To probe a theory in which a ratio is the variable of interest.
- ❖ To exploit an observed empirical regularity between a financial ratio and the estimation of variable of interest.

## 4.3 Purpose and Use of Ratio Analysis:

### Purpose of Ratio Analysis:

Individual investors or firms that are interested in investing in small businesses use financial analysis techniques in evaluating target companies' financial information. By examining past and current financial statements balance sheets, income statements and cash flow statements potential investors can form opinions about investment value and expectations of future performance. Financial analysis can also assist small-business owners as they weigh the effect of certain decisions, such as borrowing, on their own companies.

### Use of Ratio Analysis:

Financial ratio analysis is aimed to assess the financial performance and determine the financial position of an organization through its profitability, liquidity, activity, leverage and other relevant indicators. There are many groups and individuals with diverse and conflicting interests but want to know about the business performance or position. In the following table major users of financial statements with their areas of interest are described.

- ❖ **Bankers and Lenders:** Use profitability, liquidity and investment because they want to know the ability of the borrowing business in regular scheduled interest payments and repayments of principal loan amount.
- ❖ **Investors:** Use profitability and investment because they are more interested in profitability performance of business and safety & security of their investment and growth potential of their investment.
- ❖ **Government:** Use profitability because government may use profit as a basis for taxation, grants and subsidies.

- ❖ **Employees:** Use profitability, liquidity and activity because employees will be concerned with job security, bonus and continuance of business and wage bargaining.
- ❖ **Customers:** Use liquidity because customers will seek reassurance that the business can survive in the short term and continue to supply.
- ❖ **Suppliers:** Use liquidity because suppliers are more interested in knowing the ability of the business to settle its short-term obligations as and when they are due.
- ❖ **Management:** Use all ratios because management is interested in all aspects i.e., both financial performance and financial condition of the business.
- ❖ **Shareholders:** Shareholders, for obvious reasons, are most concerned about profitability. Their investments are at risk and they expect to gain the maximum. Investors scrutinize profitability numbers and pounce upon the slightest signs of mismanagement. For the shareholders, the profitability ratios are the beginning point. They then follow the trail the ratio's leave. However, over the past two decades the focus has been steadily shifting towards cash flow ratios.
- ❖ **Credit Rating Agencies:** While debt holders are suppliers are concerned about short term liquidity and cash flow, credit rating agencies go a step ahead. They use solvency ratios to rigorously analyze whether the company will be able to make good its obligations in the long run.

## 4.4 Ratio analysis of National Bank Limited from 2018 to 2012:

### Liquidity Ratios:

A class of financial metrics that is used to determine a company's ability to pay off its short-term debts obligations. Generally, the higher the value of the ratio, the larger the margin of safety that the company possesses to cover short-term debts.

#### (A) Current Ratio:

Current ratio is the ratio of current assets of a business to its current liabilities. It is the most widely used test of liquidity of a business and measures the ability of a business to repay its debts over the period of next 12 months.

#### Formula:

$$\text{Current ratio} = \frac{\text{Current Asset}}{\text{Current Liabilities}}$$

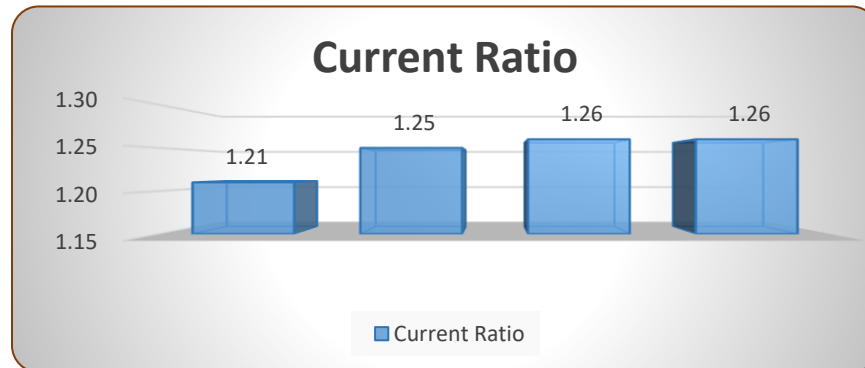
**Table 4.01: Current Ratio of NBL**

(Taka in millions)

Year	2019	2020	2021	2022
<b>Current Asset</b>	232,200.55	253,438.12	278,485.13	302,115.24
<b>Current Liabilities</b>	192,299.19	202,771.97	221,629.96	240,719.97
<b>Result</b>	<b>1.21 : 1</b>	<b>1.25 : 1</b>	<b>1.26 : 1</b>	<b>1.26 : 1</b>

Source: Annual Reports of different years of NBL

## Graphical Presentation:



**Figure 4.01:** Calculation of Current Ratio.

## Analysis:

The current ratio helps investors and creditors understand the liquidity of a company and how easily that company will be able to pay off its current liabilities. This ratio expresses a firm's current debt in terms of current assets.

The Current ratio shows fluctuating results over the years. Over this four years period, the value of this ratio ranged from 1.21 to 1.26, which demonstrated a small amount of down. Out of these four years, year 2022 and 2021 shows the best performance and year 2018 shows the worst performance. Normally banks maintain current ratio 1:1 and we have seen that NBL maintain current ratio more than 1:1 ratios. It indicates that NBL's liquidity position is not bad.

## (B) Quick Ratio:

The quick ratio is a much more exacting measure than current ratio. This ratio shows a firm's ability to meet current liabilities with its most liquid assets.

### Formula:

$$\text{Quick ratio} = (\text{Current assets} - \text{Inventories}) / \text{Current liabilities}$$

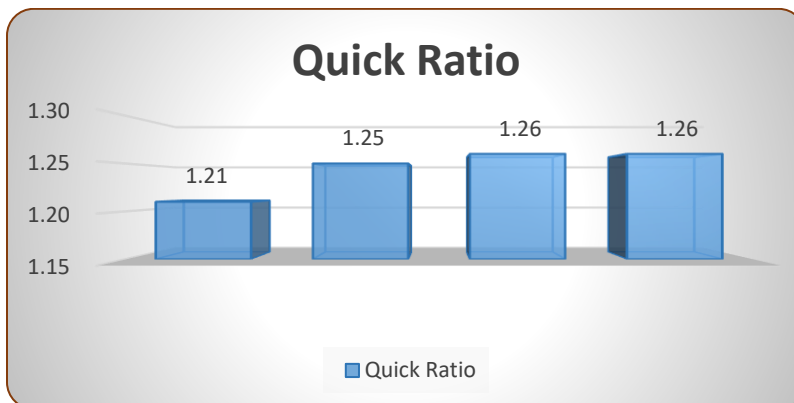
**Table 4.02: Quick Ratio of NBL**

(Taka in million)

Year	2019	2020	2021	2022
Quick Asset	232,200.55	253,438.12	278,485.13	302,115.24
Current Liabilities	192,299.19	202,771.97	221,629.96	240,719.97
Result	1.21 : 1	1.25 : 1	1.26 : 1	1.26 : 1

Source: Auditor's Report of NBL

### Graphical Presentation:





**Figure 4.02:** Calculation of Quick Ratio

### **Analysis**

The acid test ratio measures the liquidity of a company by showing its ability to pay off its current liabilities with quick assets. If a firm has enough quick assets to cover its total current liabilities, the firm will be able to pay off its obligations without having to sell off any long-term or capital asset.

The quick ratio shows increasing results up to 2022. Over this four years period, the value of this ratio ranged from 1.21 to 1.26, which demonstrated a large amount of down comparing to 2018. Out of these four years, year 2022 shows the best performance an year 2018 shows the worst performance. The main reason of raise in this ratio is due to adding of current asset and also increases in current liabilities.

### **(C) Net working capital**

Net working capital is a liquidity calculation that measures a company's ability to pay off its current liabilities with current assets. This measurement is important to management, vendors, and general creditors because it shows the firm's short-term liquidity as well as management's ability to use its assets efficiently.

#### **Formula:**

Net working capital = Current Assets – Current Liabilities

**Table 4.03:** Net working capital of NBL

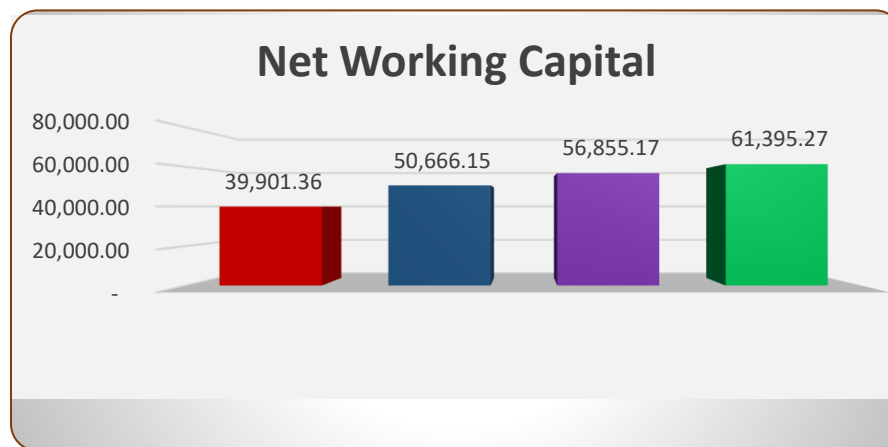
(Taka in million)

Year	2019	2020	2021	2022
Current Asset	232,200.55	253,438.12	278,485.13	302,115.24
Current Liabilities	192,299.19	202,771.97	221,629.96	240,719.97

<b>Result</b>	<b>39901.36</b>	<b>50666.15</b>	<b>56855.17</b>	<b>61395.27</b>
---------------	-----------------	-----------------	-----------------	-----------------

Source: Annual Reports of different year of NBL

### Graphical Presentation:



**Figure 4.03:** Calculation of Net Working Capital.

### Analysis:

Net working capital measures the liquidity position of the firm. In 2018 the net working capital was Tk 39901.36 million which was gradually increased to Tk 61395.27 million in 2022. The graph shows that increase trend of NBL's liquidity position this indicates that NBL has increased its ability to pay short term obligation out of its current's assets.

### (D) Cash Ratio:

Indicates a conservative view of liquidity such as when a company has pledged its receivables and its inventory, or the analyst suspects severe liquidity problems with inventory and receivables.

### Formula:

Cash Equivalents + Marketable Securities  
Current Liabilities

**Table 4.04: Cash Ratio of NBL**

Year	2019	2020	2021	2022
<b>National Bank Ltd.</b>	7.75%	8.82%	8.49%	8.76%

Source: Annual Reports of different year of NBL

**Analysis:**

The cash ratio is determined by a percentage of total demand and time liabilities. Time Liabilities refer to the liabilities which the commercial banks are liable to pay to the customers after a certain period mutually agreed upon, and demand liabilities are such deposits of the customers which are payable on demand.

The Cash ratio shows fluctuating results over the years. Over this Four years period, the value of this ratio ranged from 7.75 to 8.82, which demonstrated amount of upward comparing to 2018. Out of these four years, year 2019 shows the best performance and year 2018 shows the worst performance. The main reason of fall in this ratio is due to reduction of liquid assets and increase the shareholders' equity.

**Profitability Ratio**

**(A) Earnings per share (EPS)**

Earnings per share (EPS) are the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

**Formula:**

$$\frac{\text{Net Income- dividend on Preferred Stock}}{\text{Average Outstanding Share}}$$

**Table 4.05: Earing Per Share (EPS) of NBL**

Year	2019	2020	2021	2022
<b>EPS (Tk.)</b>	1.36	1.55	1.95	2.82

Source: Annual Reports of different years of NBL

### Analysis:

Earnings per share (EPS) is the same as any profitability or market prospect ratio. Higher earnings per share is always better than a lower ratio because this means the company is more profitable and the company has more profits to distribute to its shareholders.

The EPS shows fluctuating results over the years. Over this five years period, the value of this ratio ranged from 1.36 to 2.82. Out of these five years, year 2022 shows the best performance and year 2018 shows the worst performance. The main reason in 2018 of fall in this ratio is due to reduction of Net Income.

### (B) Return on Asset (ROA)

Return on Assets (ROA) is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. Calculated by dividing a company's annual earnings by its total assets, ROA is displayed as a percentage. Sometimes this is referred to as "Return on Investment".

### Formula:

$$\frac{\text{Net income}}{\text{Total Assets}} \times 100$$

**Table 4.06: Return on Asset of NBL**

(Taka in million)

Year	Net income	Total Assets	Results (%)
2022	5806.72	305,616.76	1.90
2021	4,026.44	281,569.21	1.43
2020	2,770.60	256,537.46	1.08
2019	2,257.68	235,174.80	0.96

**Source: Annual Reports of different year of NBL**

**Analysis:**

The return on assets ratio measures how effectively a company can earn a return on its investment in assets. In other words, ROA shows how efficiently a company can convert the money used to purchase assets into net income or profits.

The ROA shows fluctuating results over the years. Over this four years period, the value of this ratio ranged from 0.96% to 1.80%. Out of these four years, year 2022 shows the best performance and year 2018 shows the worst performance. The main reason in 2018 of fall in this ratio is due to reduction of Net Income.

**(C) Capital Adequacy Ratio (CAR):**

The Capital Adequacy Ratio (CAR) is a measure of a bank's capital. It is expressed as a percentage of a bank's risk weighted credit exposures. Also known as capital-to-risk weighted assets ratio (CRAR), it is used to protect depositors and promote the stability and efficiency of financial systems around the world. Two types of capital are measured: tier one capital, which can absorb losses without a bank being required to cease trading, and tier two capital, which can absorb losses in the event of a winding-up and so provides a lesser degree of protection to depositors.

**Formula:**

$$\frac{\text{Tier One Capital} + \text{Tier Two Capital}}{\text{Risk Weighted Assets}} \times 100$$

**Table 4.07: Capital Adequacy Ratio of NBL**

(Taka in million)

Year	Tier One Capital + Tier Two Capital	Risk Weighted Assets	Ratio (%)
2022	37,422	283,628	<b>13.19</b>
2021	31,264	259,356	<b>12.05</b>
2020	29,218	249,561	<b>11.71</b>
2019	27,705	236,911	11.69

Source: Annual Reports of different year of NBL

**Analysis:**

The capital adequacy regulations express the legislator's perception of how much capital, designated as the capital base, a bank must have in relation to the size of the risks it faces. The rules strengthen the connection between risk exposure and capital requirements in the bank's operations. In Bangladesh perspective minimum rate of Capital Adequacy Ratio (CAR) is 10% of Risk Weighted Assets (RWA).

The CAR shows fluctuating results over the years. Over this four years period, the value of this ratio ranged from 11.69 to 13.19. Out of these four years, year 2018 shows the best performance and year 2022 shows the worst performance. The main reason in 2022 of fall in this ratio is due to reduction of Tier Capital.

### (D) Return on Equity:

The return on equity measures the return earned on the common stockholder's investment in the firm. Generally, the higher this return, the better off is the owners.

#### Formula:

$$\frac{\text{Net Income}}{\text{Equity}} \times 100$$

**Table 4.08: Return on Equity of NBL**

Year	2019	2020	2021	2022
<b>National Bank Ltd.</b>	9.14%	10.45%	12.74%	15.96%

Source: Annual Reports of different year of NBL

#### Analysis:

The ROE shows fluctuating results over the years. Over this four years period, the value of this ratio ranged from 9.14% to 15.96%. Out of these four years, year 2022 shows the best performance and year 2018 shows the worst performance.

### (E) Debt Equity Ratio:

#### Formula:

$$\frac{\text{External Liabilities}}{\text{Proprietors Fund of Equity}}$$

**Table 4.09: Debt Equity Ratio of NBL**

Year	2019	2020	2021	2022
<b>Debt Equity Ratio</b>	<b>8.83</b>	8.51	7.39	7.44

Source: Annual Reports of different year of NBL

#### Analysis:

The debt position of that indicates the amount of other people's money being used in attempting to generate profits. In this salutation National Bank Ltd 2018 Debt Equity Ratio was high. But In 2020 was the worst performance and it was 7.39. So, this organization should give more emphasize on equity capital than debt capital.

*Chapter Six*  
*Findings,*  
*Recommendations & Conclusion*



## 6.1 Findings of the Report:

Findings regarding various aspects of financial statement analysis of NBL are presented below:

- Current Ratio in 2022 and 2021 (1.26:1) was higher than 2019, 2020.
- Quick Ratio in 2022 and 2021 (1.26:1) was higher than 2019 and 2020.
- Net working capital in 2018 was Tk. 39901.36 million which was gradually increased to Tk. 61395.27 million in 2022.
- Cash ratio in 2019 is (8.82%) which is higher than other years but in 2018 (7.75%) cash ratio is lower.
- Earnings per Share in 2022 (Tk. 2.82) was higher than 2020, 2018 and 2018.
- Return on Asset ratio in 2022 (1.90%) was higher than 2020, 2018 and 2018.
- Capital Adequacy Ratio in 2022 (13.19%) was higher than 2020, 2019 and 2018.
- Return on Equity in 2022 was higher (15.96%) than 2020 (12.74%) and 2018 (9.14%).
- In 2018 NBL Debt Equity Ratio Was High. But In 2020 was the worst performance which is (7.39%).

## 6.2 Recommendations:

The problem of National Bank Limited can be solved to certain extent. The following suggestion may be made in order to solve the problem.

- ✓ NBL should increase current asset and decrease current liabilities for smoothly operate their business.
- ✓ NBL should take necessary steps to increase their Net Income.
- ✓ In 2018 National Bank Ltd Debit Equity Ratio was high. But In 2020 was the worst performance and it was 7.39. So this organization should give more emphasize on equity capital than debt capital.
- ✓ Out of these four years analysis, year 2022 shows the best performance and year 2018 shows the worst performance. The main reason in 2018 of fall in this ratio is due to reduction of Net Income.
- ✓ NBL should decrease long term liability.
- ✓ NBL should develop advertising policy.
- ✓ NBL should increase Bank Branches and ATM Booths for give better services to their customer.

### **6.3 Conclusion:**

National Bank Limited is one of the pioneer private banks in the country. It is one of the front-line banks due to its specialized and sophisticated banking services rendered to its customers. In order to remain competitive in the market it constantly looks for ways and means to improve productivity. Use of information technology remains its mainstay. NBL is playing significant role in various field of economy such as industry, agriculture, trade and commerce, transportation and many other fields. It is playing a crucial role in human resource development and in creating new employment opportunities. It is also undertaking various welfare activities for the betterment of the society.

According to the study the performance of this bank is satisfactory. In this study to evaluate the financial performance of this bank various financial parameters were considered and National Bank Limited was found as a fast-growing bank and simultaneously performing well in almost all the areas. To keep with this pace of growth and improvement they now should more vigilant on what their customers want and should be more vigilant while giving loans to the clients in order to reduce the defaulter rate.

The reliability of the customers on NBL is increased promptly day by day. In NBL all the staffs are performing sands serving the customers untiringly. NBL keeps itself busy to serve the society, to improve the lifestyle of the people, to develop the business environment.

# Bibliography

## Books:

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- ✓ Basely, S. (2006), **Essential of Managerial Finance**, Thomson South-Western, 13<sup>th</sup> Edition.
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## Annual Reports:

- Financial Statement of National Bank Limited, 2022
- Financial Statement of National Bank Limited, 2021
- Financial Statement of National Bank Limited, 2020
- Financial Statement of National Bank Limited, 2019

## NBL Books:

- ❖ Internship books
- ❖ Collected some update information from Bank

## Web-site:

- [www.google.com](http://www.google.com)
- [www.nblbd.com/](http://www.nblbd.com/)
- <https://en.wikipedia.org/>
- <https://www.bb.org.bd/>