



Daffodil
International
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Internship Report

On

Financial Performance of Bangladesh Commercial Bank Limited

Submitted To:

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Date of Submission: 30 May, 2023

Letter of Transmittal

Date: 30th May, 2023

Fatema Nusrat Chowdhury
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Subject: Submission of Internship Report on “Financial Performance of Bangladesh Commercial Bank Ltd.”

Dear Madam,

I have prepared a report on the "**Financial Performance of Bangladesh Commercial Bank Ltd.**" for my internship. As a requirement for completing the BBA degree program and under your kind supervision, I must complete the following. I've done my utmost to prepare the report in accordance with the optimal standard per your direction.

This report provides insight into Bangladesh Commercial Bank Ltd. Limited's performance and how they create value for their stakeholders. To evaluate BCBL's performance, I analyzed a number of ratios using vertical and horizontal data analysis. I've created graphs to better analyze the performance.

In this report, I made every effort to reveal deeper insight. I trust this satisfies your standards of judgment.

Thanking you for your kind supervision.

Sincerely yours,

Mofashara Ema
ID No: 183-11-5985
Major in Finance
Department of Business Administration
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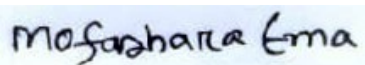
Student Declaration

I do hereby solemnly declare that the work that is provided in this Internship Report has been carried out by me and has not previously been submitted to any other University/College/Organization for the purpose of obtaining an academic credential or degree.

I, Mofashara Ema, ID: 183-11-5985, declare that the presented internship report on **“Financial Performance of Bangladesh Commercial Bank Ltd.”**. Submitted as a course requirement for the award of the degree of Bachelor of Business Administration at Daffodil International University was prepared by me.

The work that I have provided does not violate any copyright that is already in place, and no part of this report is a copy of any earlier work, whether it was done for a degree or for any other purpose.

I also agree to pay for any damages resulting from a breach of the preceding obligations.



Mofashara Ema

ID No: 183-11-5985

Major in Finance

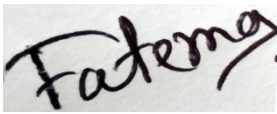
Department of Business Administration

Letter of Acceptance

This is to certify that the work entitled “Financial Performance of Bangladesh Commercial Bank Ltd.” is an original work by **Mofashara Ema**, ID #183-11-5985, Major in Finance, Department of Business Administration, Daffodil International University, completed his internship report under my supervision and submitted for the partial fulfillment of the requirement for award of Bachelor of Business Administration (BBA) from Daffodil International University.

Mofashara Ema bears a good moral character and possesses a pleasing personality. He is active, sincere, hardworking, and dutiful and meticulous.

I wish his success at every steps of his life.



Fatema Nusrat Chowdhury

Senior Lecturer

Department of Real Estate

Faculty of Business and Entrepreneurship

Daffodil International University

Preface

While theoretical understanding is crucial, practical experience is as vital in any field. We've come a long way, baby, from the days when banks' only functions were to accept deposits and provide loans. There has been a global shift away from antiquated banking ideas and practices, and Bangladesh is no exception. The banking business has grown immensely across all sectors, to the point where it is no longer an exaggeration to call it the "hub" of the economy. The growing dependency of banks on economic expansion makes this a crucial issue.

Students must independently compile reports based on their findings and hand them in to their assigned faculty advisors.

I'm done with school and ready to dive headfirst into a more varied and expansive professional life. My mental mirror is breaking down and can no longer reflect my thoughts. Even with all of its wealth, Bangladesh ranked among the world's poorest nations. The study of Bangladesh Commercial Bank Ltd. (BCBL) bears tremendous relevance in that small industries are increasingly playing essential roles in the export business sector of the country, and this knowledge is sharpened through internship experience. A major turning point in my professional development, I believe.

Having the chance to intern at Bangladesh Commercial Bank Ltd. is a tremendous privilege. During my internship, I have felt like a valued member of the team, and I have made every effort to compile accurate data for the internship report. If this report aids other students in their research or related organizations, then my time and work were not completely wasted.

Acknowledgement

Firstly, I would like to express my gratitude to the almighty Allah to give me the strength to complete the study within the stipulated time.

I am extremely grateful to my esteemed internship supervisor **Fatema Nusrat Chowdhury**, Assistant Professor, Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University, for assigning me this report and providing me with all the necessary assistance to complete it. Her insightful advice and direction greatly assisted me in preparing this report in an organized manner. I would like to thank the entire Department of Business Administration for allowing me to participate in an internship and for assisting me in writing this report. I would also like to recognize and acknowledge my family for their support and assistance throughout the entire process of writing this report.

I also want to express my gratitude to Mr. Mohammad Khalequzzaman Masud, AVP & Branch Manager, BCBL, Moulvibazar Branch, Dhaka, for directing and guiding me during my internship program duration and allowing me to conduct my job in a pleasant environment. I also appreciate all of the personnel's cooperation and kind help to me. I'm also appreciative to BCB's Human Resources Department for allowing me to complete my internship program here.

Finally I would like to thank all of my friends who have shown keen interest to make my internship a success.

Executive Summery

The purpose of this article is to use ratio analysis to demonstrate Bangladesh Commercial Bank Ltd.'s financial performance. The study begins with the researcher's attempts to acquire practical knowledge through in-person interviews with relevant bank personnel, informal interviews with bank customers, on-the-job experience, and the bank's annual report. This study was written after extensive, primarily descriptive, investigation. Data analysis was performed using both quantitative and qualitative methods, and the results were presented in Microsoft Word and Excel documents. The goal of this research is to examine the pattern of Bangladesh Commercial Bank Ltd.'s rising and broadening financial performance. However, the researchers were hampered in their efforts to finish the report by factors such as a lack of readily available statistical data; an inadequate number of relevant books; and a lack of time.

Background information on Bangladesh Commercial Bank Ltd. There are two major state-owned commercial banks in Bangladesh, and the second largest is Bangladesh Commercial Bank Ltd. Its inception can be traced back to the 1972 Banks Nationalization Order. Everything from the bank's goals and objectives to its organizational structure and departments has been laid out for you. BCBL's greatest vulnerability is that it lacks information, technology resources, and promotional activities, which could have a negative impact on the bank's vast client base with huge amounts of deposit and market potentiality.

BCBL's earnings per share, net profit margin, and market value can all benefit from a reduction in the company's debt ratio. If BCBL is able to improve its liquidity by increasing its ROA and ROE, it will be able to extend its financial performance activities. In the end, it's clear that BCBL's finances are being managed quite effectively. BCBL is prepared to take on the challenge and will capitalize on the improving economic climate.

Acronyms & Elaborations

Acronyms	Elaborations
BCBL	Bangladesh Commercial Bank Ltd
B/E	Bill of Entry, bill of exchange
CR	Corporate Responsibility
CSR	Corporate Social Responsibility
BDT	Bangladeshi Taka
ATM	Automated Teller Machine
MSDS	Monthly Savings Deposit Scheme
FDR	Fixed Deposit Receipt
CD	Current deposit
STD	Short Term Deposit
CC	Cash Credit
DC	Debit card.
LC	Letter of Credit
PO	Pay Order
DD	Demand Draft
TT	Telegraphic Transfer
KYC	Know Your Customer
TP	Transaction Profile
E-Banking	Electronic-Banking
SWIFT	The Society for World Wide Inter-bank Financial Telecommunication

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Chapter-One

Introduction

1.1 Introduction of the study:

Through the Internship program, students can gain an in-depth understanding of the practical orientation and knowledge's of the dynamic business world. In order to prepare the Internship report for the Department of Business Administration at Daffodil International University, students who wish to earn their MBA must conduct an exhaustive study. During the preparation of the Internship report, students are guided and supervised by the department's faculty to which they are affiliated. As part of the program, I am ecstatic to be joining Bangladesh Commercial Bank Ltd and choosing the topic "Financial Performance of Bangladesh Commercial Bank Ltd." There, I worked in a number of departments, but I had to choose an area of study where I could conduct in-depth investigation and present my understanding in a report.

1.2 Origin of the study:

The Bachelor of Business Administration (BBA) Program requires a three-month internship followed by a study assigned by the university's supervisor. I was an intern with the MoloviBazar branch of (BCBL). As part of the requirements for the BBA degree, my supervisor has requested that I conduct research on "Critical factors working behind the Investment approval process of Islami Bank - a study on BCBL" at the MoloviBazar branch of BCBL.

1.3 Significance of the study:

One of the leading private banks in Bangladesh is Bangladesh Commercial Bank Ltd. Through its wholly owned subsidiaries and other distribution channels, BCBL provides a comprehensive suite of banking products and financial services to corporate, SME, and retail clients. The bank has made its mark in private sector banking with its 187-strong branch network, Off-shore Banking Unit, mobile Financial Service (UCash), Upay, Agent Banking, priority Banking (BCBL Imperial), remittance Services, Credit Card Business, and a dedicated workforce of 4,982. The bank aspires to be a leader in nationwide financial inclusion and green banking programs, with a particular emphasis on RMG, import-export, agriculture, the SME sector, and retail commerce.

1.4 Objectives of the study:

The primary goal of this research is to examine Bangladesh Commercial Bank Ltd.'s operational and financial results. The following sub-goals have been established as means to accomplish the overall aim. The following are some of the more narrow aims of the research:

- In order to gain insight into Bangladesh Commercial Bank Ltd.'s service plans and operational performance standing via SWOT Analysis.
- To analyze Financial Performance through trend analysis, ratio analysis, vertical analysis, and horizontal analysis using Bangladesh Commercial Bank Ltd's most recent five-year data.
- To identify problems based on the overall performance of Bangladesh Commercial Bank Ltd. and to make recommendations for the bank's future growth.

1.5 Scope of the Study:

This research is based on my experiences and observations made while interning at the Moulvibazar Branch of Bangladesh Commercial Bank Ltd. Limited. Bangladesh Commercial Bank Ltd. Limited's investment approval process was analyzed in detail to shed light on the bank's financial health and performance during the past five years. My research focuses almost exclusively on the Bangladesh Commercial Bank Ltd. Limited. Over the course of my three-month internship, I have had the opportunity to see nearly every facet of the company. In contrast, this research takes a fresh look at BCBL's financials. Those interested in learning more about Bangladesh Commercial Bank Ltd. Limited's investment strategy and making bank-to-bank comparisons may find this article useful.

1.6 Methodology of the Study:

Studies employ a wide variety of research strategies, each optimized for a specific field of inquiry. Since this study focuses on analyzing financial statements, specific procedures were followed to achieve the study's aims, make the most of its opportunities, and circumvent its constraints as much as possible in order to produce reliable results. This investigation made use of four distinct research strategies. This strategy is:

- **Qualitative Method:** Qualitative techniques have focused on elucidating meaning by detailing its nature and scope. To maintain the quality of my research, I have evaluated the financial accounts from a variety of angles, and I have used the qualitative research approach to help me get to my conclusions.
- **Quantitative Method:** Research that relies on quantitative measures of various features is called quantitative. It can be used for any phenomenon whose details can be expressed numerically. Some statistical content analysis and significance testing were performed using the quantitative methods employed in this investigation.

- **Analytical Method:** Analytical research requires the researcher to evaluate information or data that already exists and draw conclusions based on that analysis. The financial performance of BCBL has been analyzed by ratio analysis and evaluated in this study.
- **Descriptive Method:** Various types of surveys and fact-finding inquiries are included in descriptive research. BCBL's financial statements, ratios, graphs, financial performance, financial trend, and current financial condition are described descriptively in this update.

The analysis of financial statements requires a combination of mathematical equations, graphical display, and explanation. Consequently, I have utilized the aforementioned four types of research methodologies to obtain accurate and fruitful results from my research.

1.7 Sources of Data:

Data have been collected primarily from two sources, including primary data sources and secondary data sources.

❖ Primary Sources of Data:

- ✓ Face to face conversation with the employees, senior officers, SPO and the Manager.
- ✓ Studying different relevant files like register books, statement of affairs, financial statements etc.
- ✓ Practical work at BCBL during my internship program to increase my knowledge.

❖ Secondary Sources of Data:

- ✓ Annual study including financial study of BCBL.
- ✓ Website of BCBL.
- ✓ Journals and prospectus of BCBL.
- ✓ Different books, magazines and journals related to the finance and banking.
- ✓ Different websites and blogs.

1.8 Limitation of the Study:

There were limitations encountered during the internship period, as it is extremely challenging to analyze a bank's financial statements for the past five years. Here are a few limitations of my research:

- ✓ The time limit of the internship is only 3 months which is very short period of time to learn about whole banking activities.
- ✓ As annual study needs 3-4 months to be published after end of the period, I cannot collect the recent annual financial study (2023) of BCBL.
- ✓ As final financial statements are prepared in head office, it becomes difficult to understand the elements of the statements from branch office.

- ✓ When I have prepared the classified financial statement from unclassified one then I faced problem to replacement of the items of the statement, because the duration of all items are not properly mentioned.
- ✓ There were lack of proper secondary information about Bangladesh Commercial Bank Ltd. Limited and its products. Annual study, policy guidelines, website and other related documents do not cover full and sufficient information.
- ✓ As the bank officials are so much busy that it was difficult for them to co-operate with me, which is also a constraint for this study are requested to consider these limitations while reading and justifying the part of my study.
- ✓ Lack of adequate Information of banking institution for preparing this report, so this report is based on only publicly available information.
- ✓ Although bankers have tried their best to help me, their nature of job is such that gives them little time to discuss.
- ✓ It was very difficult to get the actual information.

Chapter –Two

BCBL Profile

2.1 Overview of the BCBL:

Beginning its journey in the middle of 1998, Bangladesh Commercial Bank Ltd (BCBL) has grown from its modest beginnings to become one of the most prominent private commercial banks in Bangladesh.

Without the extraordinary people (entrepreneurs) that BCBL has helped to develop, nurture, and build, Bangladesh would not have the robust economy that it does today. BCBL is listed on the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited, and it is also one of the top 30 listed businesses in Bangladesh according to the DSE30 Index, which was created by the internationally famous ratings agency S&P.

Through its wholly owned subsidiaries and other distribution channels, BCBL provides a full suite of banking offerings and financial services to corporate, SME, and retail clients. The bank has made its mark in the private sector banking industry with its 187 branches, Off-shore banking unit, portable financial service (Sure cash), Agent Banking, first banking (BCBL Imperial), remittance products and services, credit card business, and a dedicated human capital of 4,982. This is all thanks to the bank's boutique service, innovative practices, dynamic problem-solving approach, and efficient management. The bank aspires to be a leader in nationwide financial inclusion and environmentally friendly banking programs, with a particular emphasis on RMG, import-export, agriculture, the SME sector, and retail commerce. The

BCBL Capital Management Limited (which offers stockbroker services for the capital market) and BCBL Investment Limited (which plans to engage in full-fledged merchant banking activities in Bangladesh) are both wholly owned subsidiaries of the bank.

Distinguished businesspeople, financiers, and operational experts make up BCBL's Board of Directors. There are a total of 19 people on the Board of Directors, 3 of whom are independent, plus the managing director. Executive Committee, Audit Committee, and the Risk Management Council are the three subcommittees reporting to the Board.

2.2 BCBL at a Glance

Name	Bangladesh Commerce Bank Limited
Date of Incorporation	1 June 1998
Legal Status	A public limited company incorporated in Bangladesh on June 01, 1998 under the Companies Act 1994, the Bank Company Act 1991 and Act 12 of 1997.
Our Core Business	<p>Commercial banks in Bangladesh include Bangladesh Commerce Bank Limited. BCBL's main focus, as it is with all commercial banks, is on collecting deposits and making loans. It's a bank that offers a variety of financial products and services to a wide range of customers. Among the services provided are the establishment of various deposit accounts (such as checking, savings, and other plan accounts) and the provision of loans to both enterprises and people.</p> <p>BCB generates a profit by exchanging its customers' small, short-term, relatively liquid deposits for bigger, medium-term, and long-term loans. BCB receives a net profit from these asset conversion activities. BCB also engages in investment banking, albeit this is not its primary focus.</p> <p>When it comes to wholesale and retail banking, however, BCB's primary focus is on deposit and loan activities for individual and business clients. In addition to the aforementioned services, most financial institutions also offer credit cards, smartphone banking, custodial service and assurances, cash management and settlement, and trade finance.</p>
Authorized Capital	BDT 10,000 Million
Paid up Capital	BDT 1,989 Million
Face Value per Share	BDT 100 per share
Company Registration Number	C-35510(2286)/98
Bangladesh Bank License Number	BRPD(P)744(KHA)/99-2842
Registered Head Office	Eunoos Trade Center (Level-22), 52-53 Dilkusha C/A, Dhaka – 1000, PABX: 9559831, Fax: 9568218

2.3 Vision

- Objective To develop into the people's bank of choice through providing valuable services to the community.

2.4 Mission

- With a dedicated and skilled staff, Bangladesh Commerce Bank Ltd. will do all it takes to meet the financial demands of its customers and earn their loyalty, so ensuring the bank's continued success, profitability, and ability to aid in the nation's economic growth and social progress.

2.5 Strategies

- To ensure that the company's core activities continue to expand while upholding the intended public image.
- In order to: Acquire cutting-edge resources and ideas; and Promote broad financial participation.
- Improve risk management practices and institutionalize a culture of compliance
- Raise the number of satisfied customers, keep up the rate of growth in deposits, and cut down on nonperforming assets.
- Establishing a solid foundation of best practices in corporate governance.
- To build customer loyalty through relationship banking and steady enhancement of service quality
- All socioeconomic groups should have access to banking services.
- Observance of the "Green Banking Guideline" released by the Bangladesh Bank will help to guarantee investments that are kind to the planet.
- The need to enhance the capital base and provision gap necessitates taking appropriate steps.
- Enhancing management skills and the caliber of human resources in order to foster an active, engaged workforce through competitive pay is a top priority.
- To serve as a model for the country's economic and social progress.

2.6 Branch Networks

All the branches are computerized under distributed server environment. Another few branches are planning to open very soon. BCBL has started their on-line, SMS and ATM banking facilities for their clients. Twenty-three new branches were opened amid 2017 to have 165 branches to extend the managing an account benefit at the entryway ventures of the clients the nation over and to give internet saving money administrations to an extensive variety of clients.



Figure 2: Branch Network

Source: http://www.BCBLbd.com/category/brlocation_growth/

2.7 Organism of Management of BCBL

Organism of BCBL:-

Name of the Directors	Status in Board
Dr. Engr. Rashid Ahmed Chowdhury,	Chairman
Hajee Yunus Ahmed	Vice Chairman
Anisuzzaman Chowdhury	Chairman- Executive Committee
Akhter Matin Chaudhury, FCA (E&W), FCA, FCS	Chairman- Audit Committee (Independent Director)
M. A. Sabur	Chairman- Risk Management Committee
Hajee M.A. Kalam	Director
Nurul Islam Chowdhury	Director
Bazal Ahmed	Director
Asifuzzaman Chowdhury	Director
Roxana Zaman	Director
Bashir Ahmed	Director
Afroza Zaman	Director
Md. Tanvir Khan	Director
Syed Kamruzzaman	Director
Farid Uddin Ahmed	Director
Muhammed Shah Alam	Director
Syed Mohammed Nuruddin	Independent Director
Dr. Salim Mahmud	Independent Director
Mohammed Shawkat Jamil	Managing Director

Table-4: Executive Committee

Name of the Directors	Status in Committee
Executive Committee	
Anisuzzaman Chowdhury	Chairman
HajeeYunus Ahmed	Member
M.A. Sabur	Member
Nurul Islam Chowdhury	Member
Asifuzzaman Chowdhury	Member
Bazal Ahmed	Member
Md. Tanvir Khan	Member
Audit Committee	
Akhter MatinChaudhury,	Chairman
Syed Mohammed Nuruddin	Member
Bashir Ahmed	Member
Syed Kamruzzaman	Member
Muhammed Shah Alam	Member
Risk Management Committee	
M.A. Sabur	Chairman
Anisuzzaman Chowdhury	Member
Bazal Ahmed	Member
Roxana Zaman	Member
Farid Uddin Ahmed	Member
ATM Tahmiduzzaman, FCS	Company Secretary

(Source: Annual Report of BCBL, 2022)

2.7 Management Organogram of Bangladesh Commercial Bank Ltd.

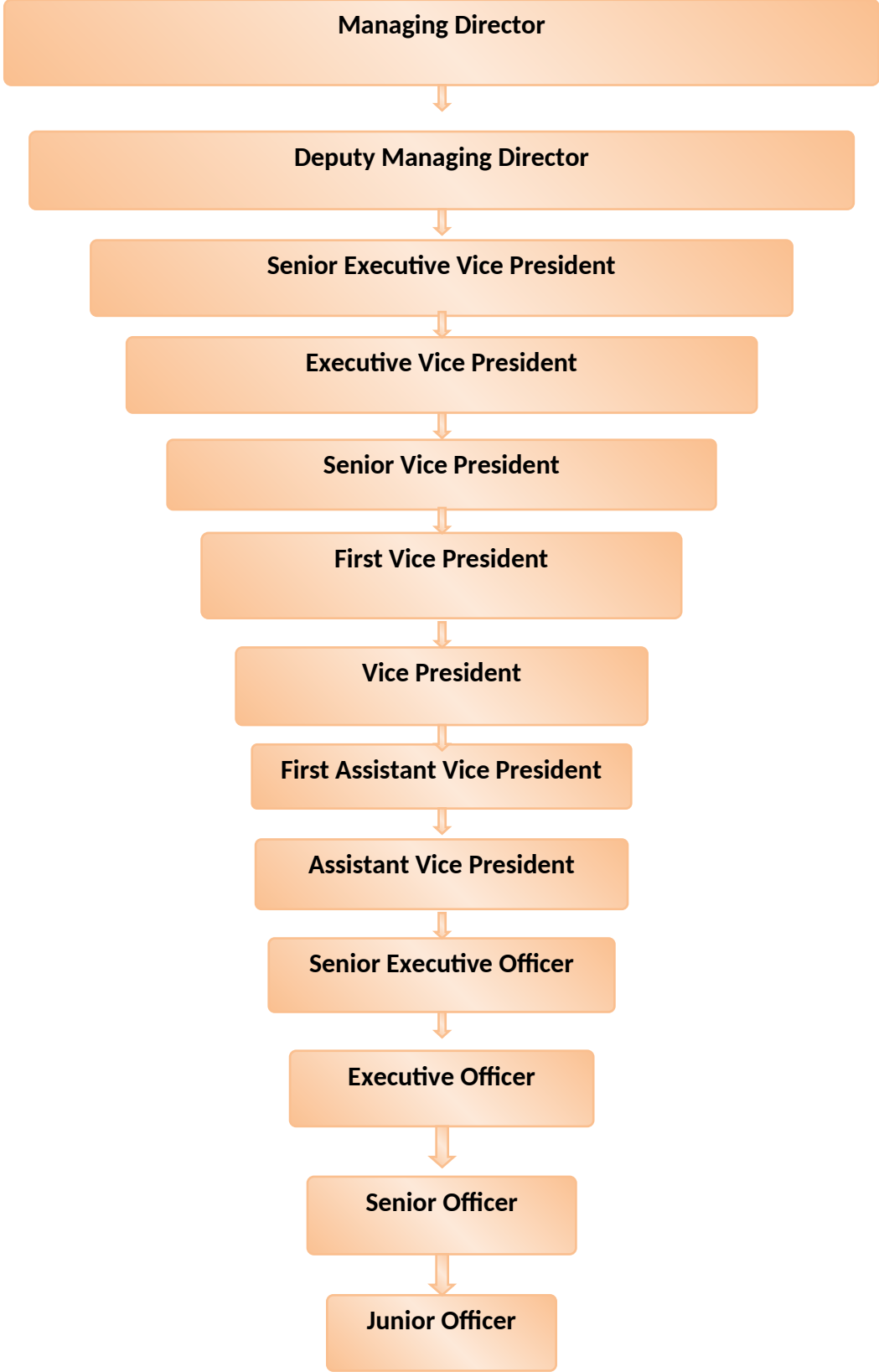


Figure-1: Management Organogram of Bangladesh Commercial Bank Ltd.
(Source: Annual Report-2022)

Chapter- Three

Operational performance

3.1 Banking Department

A company's most valuable resources are its products and services. When it comes to providing specialist services to individuals and organizations around the country, BCBL is indispensable. Bangladesh Commercial Bank Ltd. offers the following products and services.

Deposit Product

- Current deposit
- Savings deposit
- Special Notice deposit
- Fixed deposits
- Foreign Currency deposit
- BCBL Multi Millionair
- BCBL Money Maximizer
- BCBL Earning plus
- BCBL DPS plus
- BCBL Youngsters savings
- BCBL Youngster DPS
- BCBL Saving plus
- BCBL Women savings
- BCBL Women DPS plus
- BCBL NRB savings
- BCBL NRB DPS plus
- BCBL RMG DPS plus

Loan Product

- Trade finance
- Industrial Finance
- Import Finance
- Export Finance
- Loan Finance
- Working Capital Finance
- Packing Credit
- Transport Loan
- Lease Finance
- Hire Purchase Loan
- House Building Loan
- Home Loan
- Consumer Credit Scheme
- Auto Loan
- Doctors Loan
- Marriage Loan
- Education Loan
- Hospitalization Loan
- Travel Loan
- CNG Conversion Loan
- Home Mortgage Loan
- House Hold Durable Loan
- Credit Card

Other services

- Western Union Money Transfer
- SMS Banking Service
- Online Service
- Inward & Outward Remittances
- Travelers Cheques
- Underwriting & Bridge Financing
- Locker Service
- Offshore Banking
- Loan Syndication
- Ucash (Mobile Financial Service)

3.2 General banking

General Banking is the starting point of all banking operation. It is a combination of activities of different sections.

General banking has 5(five) section in the bank. These sections are as follows:

- (a) Dispatch
- (b) Accounts Opening Section.
- (c) Cash section.
- (d) Clearing Section.
- (e) Remittance Section.
- (f) Accounts Section.
- (g) Foreign Exchange
- (h) Others

Dispatch

Inward and Outwards Mails

Inward and outwards mails is said to be Dispatch. It includes all correspondence, letters, statements and returns and telegrams. This dispatch is also known as Mail. The dispatch is primary divide into two categories:

Inward: It means what are receives form the outside.

Out Word: It means what are sent to the outside.

This dispatch also divided into-

- (a) Ordinary,
- (b) Registered and
- (c) Local.

One copy of all correspondence should be kept in the office's master file, and another copy should be kept in the mail room.

Products & Service

The goods and services offered by a company are its most valuable resources. BCBL's most notable contribution is the provision of specialized services to clients and agencies around the country. Products and services offered by Bangladesh Commercial Bank Ltd.

Deposit Product

- Current deposit
- Savings deposit
- Special Notice deposit
- Fixed deposits
- Foreign Currency deposit
- BCBL Multi Millionair
- BCBL Money Maximizer
- BCBL Earning plus
- BCBL DPS plus
- BCBL Youngsters savings
- BCBL Youngster DPS
- BCBL Saving plus
- BCBL Women savings
- BCBL Women DPS plus
- BCBL NRB savings
- BCBL NRB DPS plus
- BCBL RMG DPS plus

Loan Product

- Trade finance
- Industrial Finance
- Import Finance
- Export Finance
- Loan Finance
- Working Capital Finance
- Packing Credit
- Transport Loan
- Lease Finance
- Hire Purchase Loan
- House Building Loan
- Home Loan
- Consumer Credit Scheme
- Auto Loan
- Doctors Loan
- Marriage Loan
- Education Loan
- Hospitalization Loan
- Travel Loan
- CNG Conversion Loan
- Home Mortgage Loan
- House Hold Durable Loan
- Credit Card

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Other services

- Western Union Money Transfer
- SMS Banking Service
- Online Service
- Inward & Outward Remittances
- Travelers Cheques
- Underwriting & Bridge Financing
- Locker Service
- Offshore Banking
- Loan Syndication
- Ucash (Mobile Financial Service)

3.3 Accounts & Clearing Department

The Accounts section handles the income and expenses of the bank's branches and stores, while the Accounts opening section serves as the customer's point of entry for banking transactions. The relationship between the bank and the person who deposits money can be described as one of debtor and creditor. a variety of factors, including the type of the deposits, the bank is obligated to return an equal quantity on demand, upon notice, or at the conclusion of the specified period, with or without interest.

It is the most fundamental role that a bank can play. A bank account is a type of account that allows a person to conduct financial transactions with a bank for a particular reason. A bank account is defined as "a contractual contract between a bank and its consumer, allowing the client to use bank services for a fee." This definition comes from the Dictionary of Banking and Finance. It is possible to open an account under the name of an individual or a company.

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3.4 CSR (Corporate & social Responsibility)

- Inauguration Of Bangladesh Commercial Bank Ltd. National School Hockey Tournament 2016
- BCBL Handed Over 50,000 Blankets to Prime Minister Relief Fund for Cold Heated People
- Closing Ceremony Of Bangladesh Commercial Bank Ltd. Golf Tournament 2017 Held
- Inauguration Of Bangladesh Commercial Bank Ltd. Golf Tournament 2015
- BCBL Donated 1 Crore Taka to Prime Minister Relief Fund for Flood Affected People
- Opening of BCBL Children Science Congress 2017
- Closing Ceremony of BCBL Children Science Congress 2014
- Inaugurations of BCBL School Banking at Khajura M. N. Mittro High School, Jessore Bangladesh Commercial Bank Ltd..

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Chapter- Four

Analysis

4.1 SWOT Analysis of BCBL

The SWOT analysis is a useful tool for assessing the relative merits of a business. The acronym "SWOT" refers to this type of analysis. The primary goal of a SWOT analysis is to determine which strategies are most appropriate for a company given its resources and capabilities and the demands of its operating environment. Therefore, a company's strategic options based on a SWOT analysis should capitalize on the firm's strengths in order to make the most of opportunities, mitigate risks, and address areas of weakness.

There are two main ways in which a company's environment might be described using SWOT analysis. Those things are:

- a) Analysis of the internal environment encompasses both positives and negatives.
- b) Analysis of the external environment, which takes into account potential benefits and dangers.

SWOT analysis – United Commercial Bank:

During my time as an intern at United Commercial Bank, I was able to identify several factors that, in my opinion, contribute to the bank's strengths, opportunities, weaknesses, and dangers. Here are several examples:

Strengths:

- Since it is a sizable financial institution, it can afford to employ skilled workers.
- The branch office is at a good spot for doing company.
- There is currently no funding issue, and the bank's asset position is very healthy.
- The bank has sufficient capital to weather the many storms of the market economy.
- Since it is a government-owned bank, it receives unwavering backing from the government for its endeavors.

Weakness:

- Many managers have retired, creating a severe shortage of staff at the bank.
- Internal processes were slowed down by red tape.
- Workers' disinterest in their work.
- Pay scales that are low for workers.
- Management-worker relationships can be tense at times.
- The bank runs into trouble when government regulations are too restrictive.

Opportunities:

- Investment in emerging markets expands.
- The potential for automation presents a significant new avenue for exploration.
- United Commercial Bank is backed by the government in the event of a liquidity crisis.
- The bank is providing training based on employee requests.

Threats:

- Recently formed private banks and those based in other countries.
- There is intense rivalry between commercial banks and other types of financial institutions.
- Weak mechanisms for recovering loans are in place.
- The policies are not being followed correctly.

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4.2 Financial Performance by trend analysis

Liquidity Ratio:

The firm's ability to meet its short-term commitments when they come due is quantified by the liquidity ratio.

a. Current Ratio:

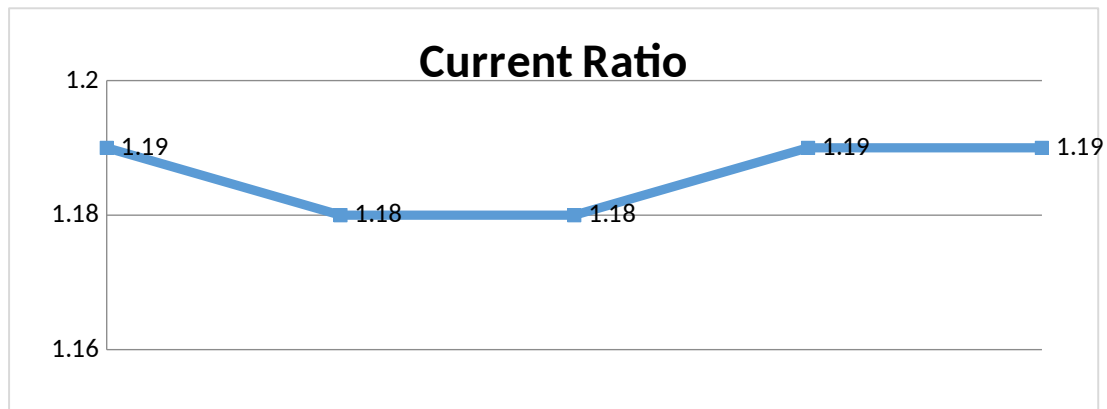
One of the most often used financial ratios, the current ratio indicates a company's capacity to pay its short-term debts. If a company's current ratio is high, that means it has plenty of cash on hand. That idea is written as:

$$\text{Current Ratio} = \text{Current Asset} / \text{Current Liabilities}$$

Current Ratio

	(in millions)				
Year	2020	2019	2020	2021	2022
Current Asset	26471.09	29097.76	33938.18	43115.57	50173.49
Current Liabilities	22133.63	24620.66	28657.59	36176.55	42117.00
Current Ratio	1.19	1.18	1.18	1.19	1.19

(Source: Annual Report of BCBL of 2020-2022)



Graphical Presentation of Current Ratio.

Interpretation:

We all know that the higher a company's current ratio, which gauges the proportion of its current assets to its current liabilities, the more liquid the business is. From 2020 to 2022, BCBL's liquidity position fluctuates as depicted in this graph. BCBL's current ratio in 2020 was 1.19 tk. current assets to 1 tk. current liability, but in 2019 it has dropped to 1.18. However, by 2021–2022, the ratio will have risen to 1.19.

b. Net Working Capital

Working capital refers to the portion of money invested that is used to run the firm. The term "net working capital" refers to a company's surplus over its present debts. Although not technically a ratio, net working capital is widely used to assess a company's liquidity. The following is the formula used to determine it:

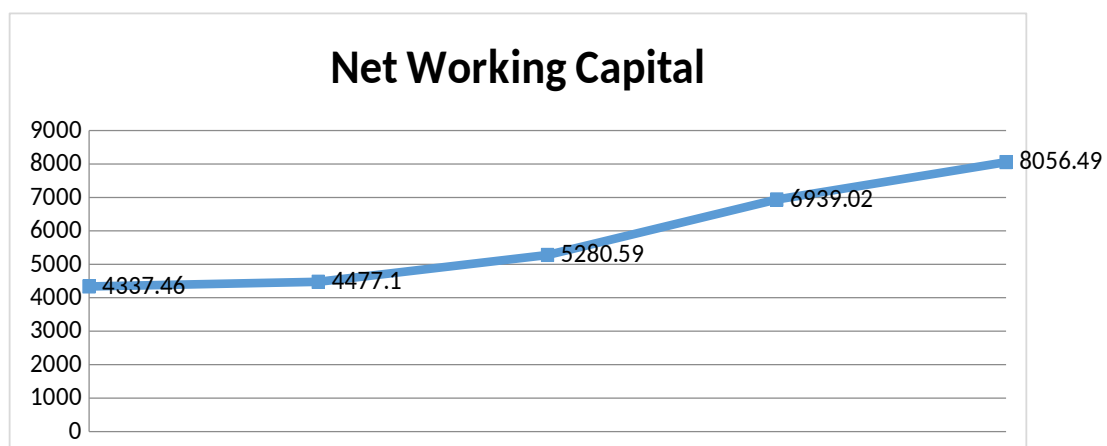
Net Working capital=Current Asset - Current Liabilities

Net Working Capital

(in millions)

Year	2020	2019	2020	2021	2022
Current Asset	26471.09	29097.76	33938.18	43115.57	50173.49
Current Liabilities	22133.63	24620.66	28657.59	36176.55	42117.00
Net working capital	4337.46	4477.1	5280.59	6939.02	8056.49

(Source: Annual Report of BCBL of 2020-2022)



Graphical Presentation of Net Working Capital.

Interpretation:

The company's liquidity position can be measured by looking at its net working capital. The BCBL's liquidity position is showing signs of improvement, which is a positive trend. The BCBL has improved its liquidity position to Tk. 8056.49 in 2022 after having a net working capital of Tk. 4337.46 core in 2020. This figure significantly grew to 5280.59 corers in 2022.

Activity Ratio

A measurement that determines how productive a bank is. Ratio. The efficiency ratio is not computed in the same manner across all financial institutions. Assets management ratios, often known as asset utilization ratios, provide insight into how well a company is putting its assets to work to create sales.

a. Total Asset Turnover:

Total asset turnover ratio is a measure of how quickly a company is able to turn over the money it owes its creditors.

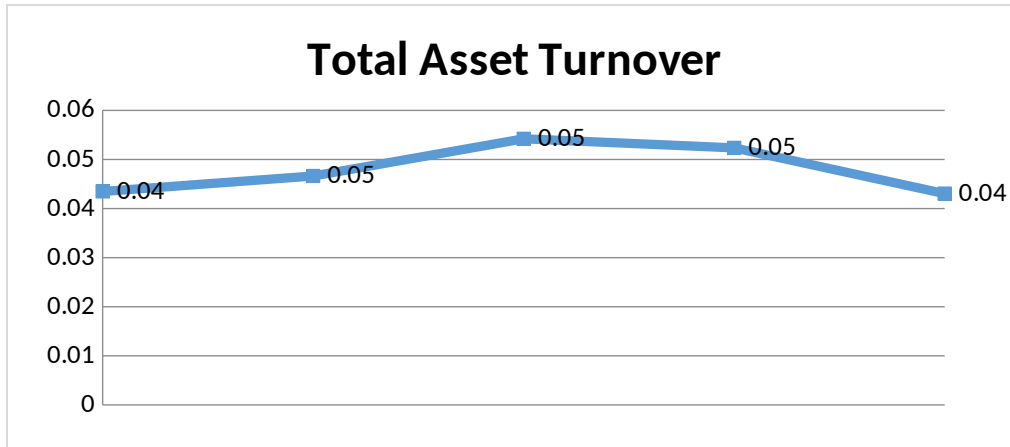
$$\text{Total Asset Turnover} = \text{Net Sales} / \text{Total Assets}$$

Total Asset Turnover

(in millions)

Year	2020	2019	2020	2021	2022
Total Asset	26715.73	29366.28	34570.99	44088.56	51136.94
Net Sales	1161.56	1369.71	1874.21	2308.42	2201.65
Total Asset Turnover (%)	0.043479	0.046642	0.054213	0.052359	0.043054

(Source: Annual Report of BCBL of 2020-2022)



Graphical Presentation of Total Asset Turnover.

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Interpretation:

Equity capital should always take precedence over total asset turnover as the primary focus of an organization's attention. From this chart, we can see that the ratio of BCBL Total Asset Turnover is growing from the year 2021 to the year 2022. In 2020, the ratio of total asset turnover was 0.043479%; the next year, it declined to 0.052359%; but, in 2022, it increased to 0.043054%.

b. Operating Expenses to Assets Ratio

The expenditure ratio measures how much of a fund's overall value is eaten up by overhead costs like management and promotion. One percent of the fund's total assets every year is allocated to cover expenses if the expense ratio is one percent. Quantified as:

$$\text{Operating Expense to Assets (OEA)} = \frac{\text{Total operating Expenses}}{\text{Total Assets}}$$

Operating Expenses to Revenue

Year	2020	2019	2020	2021	2022
Total operating expenses	14133.32	14008.82	13677.16	12977.48	14008.82
Total Asset	26715.73	29366.28	34570.99	44088.56	51136.94
Operating Expense to Assets (OEA)	0.52	0.48	0.40	0.30	0.28

(Source: Annual Report of BCBL of 2020-2022)

Graphical Presentation of Operating Expenses to Revenue

Interpretation:

We are aware that the efficiency of operations of the bank may be determined using this ratio by calculating the proportion of the bank's total operating costs that is compared to the bank's total operating income. The general rule is that a larger ratio indicates a lower level of operating efficiency. The operating costs of BCBL are relatively low in 2020, but they are expected to increase after that year. Therefore, it is possible to assert that the BCBL's operational effectiveness is not in a good position in comparison to the years that have gone before, which indicates that they are not in a good position to cut their operating costs.

Debt Ratio:

The debt ratio is a measurement of the degree of protection afforded to investors and creditors with longer time horizons.

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a. Debt Ratio

The debt ratio is a measurement of the percentage of a company's total assets that are provided by its creditors. Debt, which consists of a set commitment in the form of interest and principal repayments, is another factor that can be taken into consideration when determining the level of risk involved.

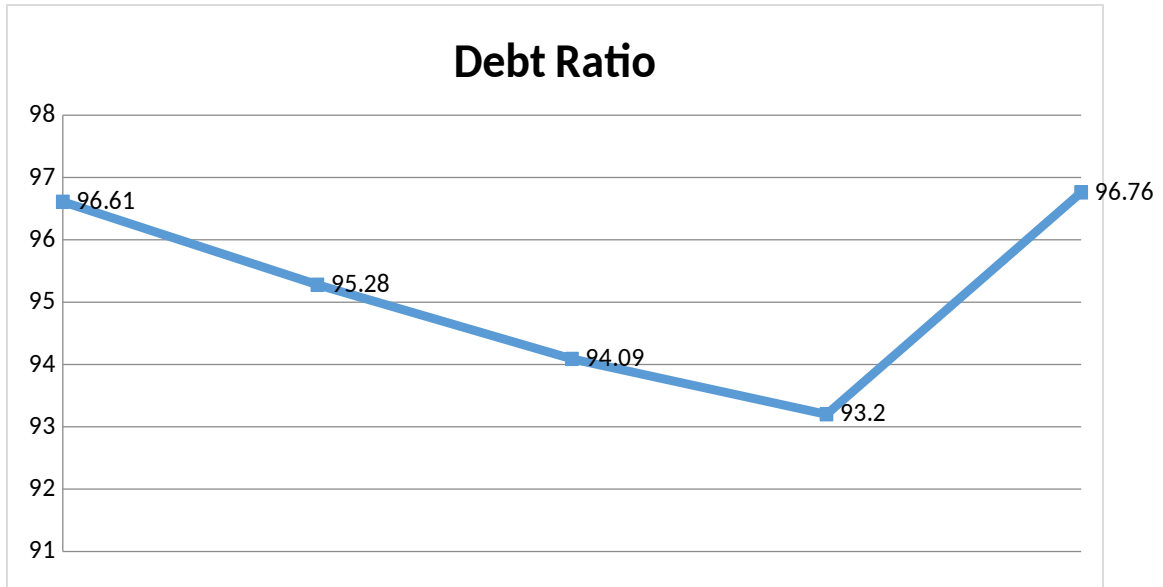
$$\text{Debt Ratio} = \text{Total Liabilities} / \text{Total Assets}$$

Debt Ratio

(in millions)

Year	2020	2019	2020	2021	2022
Total Asset	26715.73	29366.28	34570.99	44088.56	51136.94
Total Liabilities	25809.49	27980.24	32528.80	41091.82	49480.95
Debt Ratio (%)	96.61	95.28	94.09	93.20	96.76

(Source: Annual Report of BCBL of 2020-2022)



Graphical Presentation of Debt Ratio.

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Interpretation:

Equity capital is more important than loan capital for every business. From 2021 to 2022, the BCBL debt ratio rises as displayed here. The debt-to-income ratio was 96.61% in 2020, 93.20% in 2021, and 96.76% in 2022.

Time Interest Earn Ratio:

Time interest earned ratio, also known as interest coverage ratio, is a metric used to assess a company's liquidity relative to its interest payment obligations.

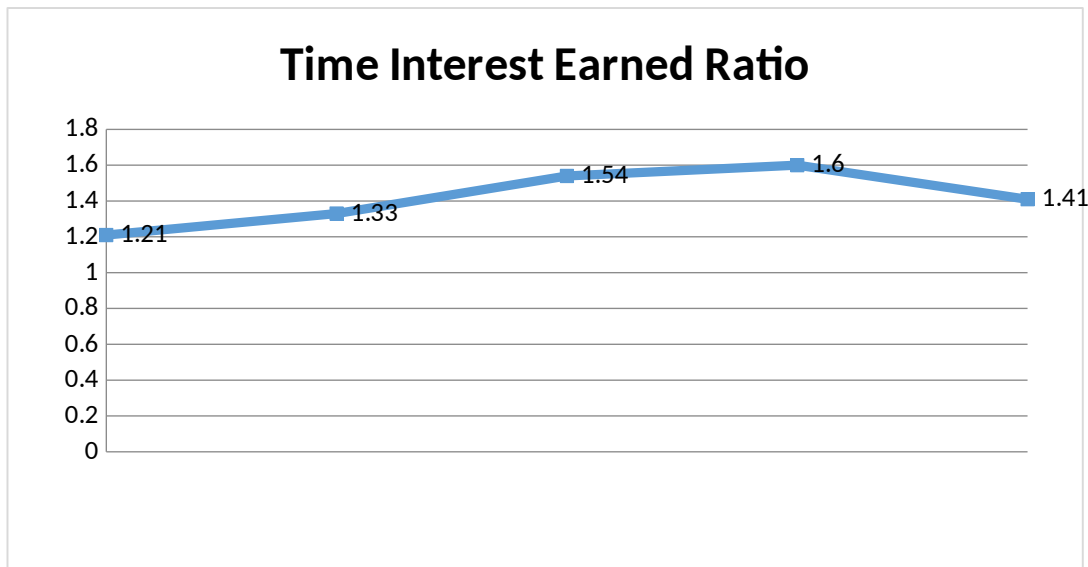
Time Interest Earned Ratio = Earnings before Interest and Taxes / Interest expenses.

Time Interest Earned Ratio.

Year	2020	2019	2020	2021	2022
Earnings before Interest and Taxes	12513.16	11142.02	11180.33	10650.94	11981.14
Interest expenses	34212.83	35984.27	33982.70	31331.30	27093.67

Time Interest Earned Ratio	1.21	1.33	1.54	1.60	1.41	

(Source: Annual Report of BCBL of 2020-2022)



Graphical Presentation of Time Interest Earned Ratio.

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Interpretation:

The time interest earned ratio for BCBL is on the rise, with the exception of 2022. The time interest earned ratio has improved from 1.21 to 1.41 for the company. This means that BCBL's financial risk has lessened as a result of the higher margin of safety it now enjoys in paying the contractual interest.

Profitability Ratio:

The profitability ratio assesses the success or failure of a business or department over a specified time frame.

a. Cost to income ratio:

The ratio of operating costs to operating income is known as the "cost/income ratio." It indicates the rate of inflation relative to income. It's a major KPI for measuring a bank's productivity: The more efficient a bank, the smaller the ratio.

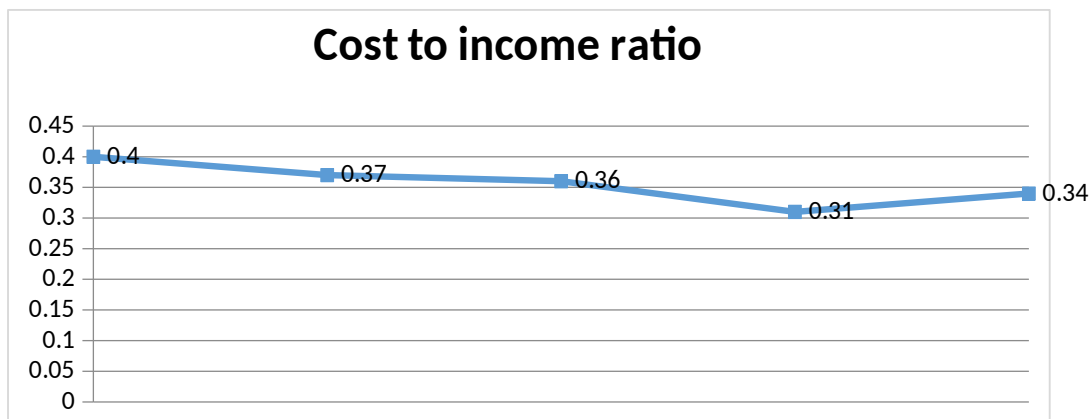
$$\text{Cost to income ratio} = \text{Operating Cost} / \text{Operating}$$

Cost to income ratio

(BDT in Millions)

Year	2020	2019	2020	2021	2022
Operating Cost	461.25	511.90	666.13	722.46	748.27
Operating Income	1161.56	1369.71	1874.21	2308.42	2201.65
Cost to income ratio	0.40	0.37	0.36	0.31	0.34

(Source: Annual Report of BCBL of 2020-2022)



Graphical Presentation of Cost to income ratio.

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Interpretation:

The cost-to-income ratio illustrates how effectively a company controls expenses and generates revenue. The ratio of expenses to earnings dropped from 0.40 in 2020 to 0.31 in 2021. In 2022, however, it went up to 0.34 from 2021's 0.31. As common knowledge dictates, a lower cost-to-income ratio indicates a more profitable business. That's why the bank ought to lower its rates.

B.Net Profit Margin:

After deducting all costs, including taxes, from total income, the net profit margin is the amount left over. The company benefits from the larger net profit margin. When discussing a company's financial health, the net profit margin is often referenced.

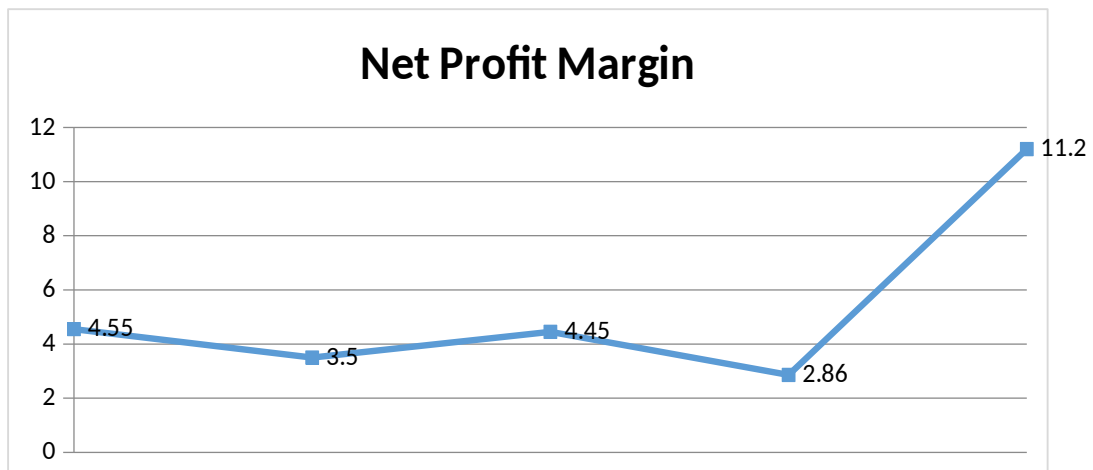
Net Profit Margin=Net profit/Operating profit.

Net Profit Margin

(BDT in Millions)

Year	2020	2019	2020	2021	2022
Net Profit	318.72	300.43	491.16	421.45	1628.03
Operating Profit	7003.06	8578.12	11037.00	14722.32	14533.8
Net Profit Margin (%)	4.55	3.50	4.45	2.86	11.20

(Source: Annual Report of BCBL of 2020-2022)



Graphical Presentation of Net Profit Margin.

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Interpretation:

The efficiency with which a corporation turns its revenue into profit is measured by its net profit margin. From 2020 to 2021, this chart shows the variation in Net profit Margin. But in 2022, the bank's net profit margin skyrocketed to 11.20 percent, an encouraging indicator.

c. Return on Asset (ROA):

Return on asset (ROA), often known as the firm's return on total assets, is a metric used to assess how well the company is able to turn its resources into a profit. The best ratio is the higher one.

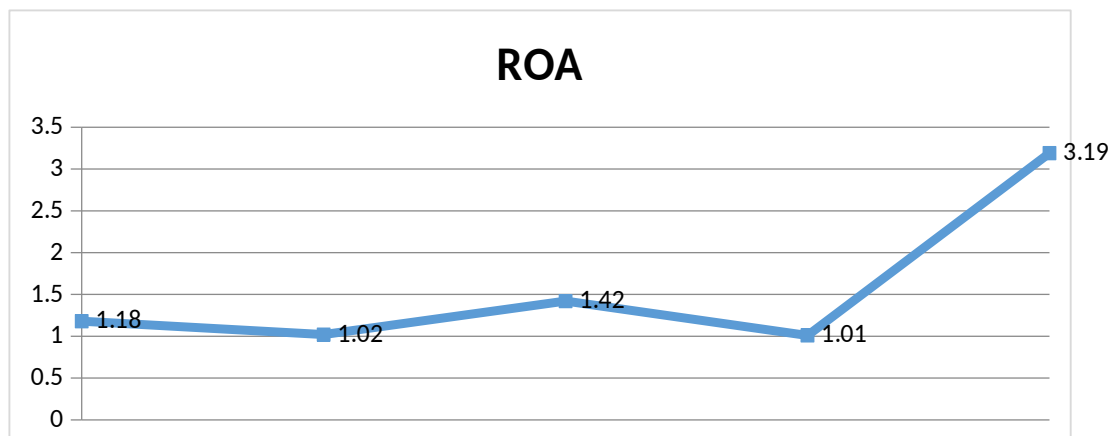
Return on Asset (ROA) = Net Profit after Taxes / Total Assets.

Return on Asset (ROA)

(BDT in Millions)

Year	2020	2019	2020	2021	2022
Net Profit after Taxes	318.72	300.43	491.16	421.45	1628.03
Total Assets	26715.73	29366.28	34570.99	44088.56	51136.94
Return on Asset (%)	1.18	1.02	1.42	1.01	3.19

(Source: Annual Report of BCBL of 2020-2022)



Graphical Presentation of Return On Asset.

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Interpretation:

Except for the most recent year, the graph of BCBL's Return on Asset indicates a rising trend. The rise in BCBL's ROA from 2020's 1.42% is visible in this chart. BCBL's return on assets, however, increased by 3.19 percent in 2022 after a dip in 2021. This bodes well for the financial institution.

d. Return on Equity (ROE):

The Return on Equity (ROE) quantifies the return on the investment of the owners (including preferred and common stockholders). In general, the higher the rate of return, more well off the owners are.

$$\text{Return on Equity (ROE)} = \text{Net Profit after Taxes} / \text{Stockholders Equity}.$$

Below is a table displaying Bangladesh Commercial Bank Ltd's return on equity for the years 2020 and 2022.

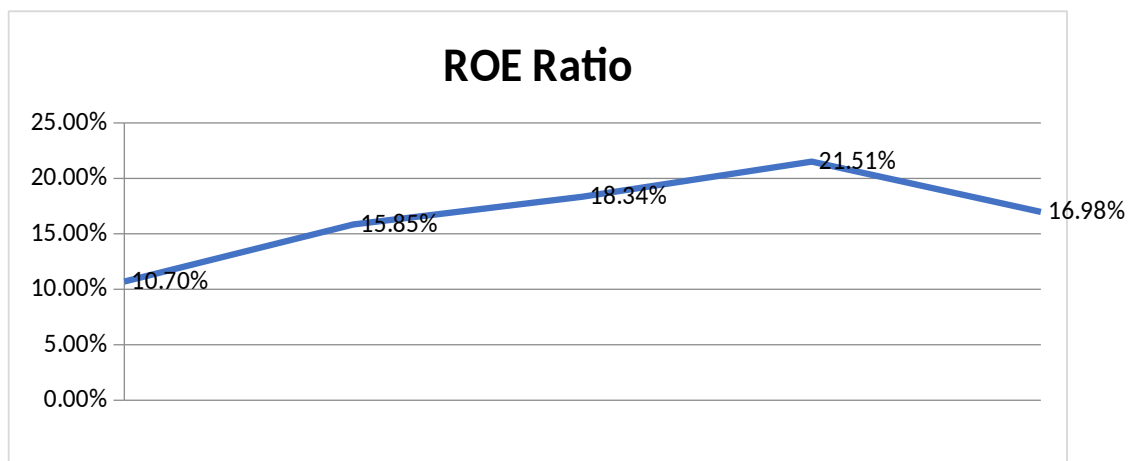
Return on Equity (ROE)

(BDT in Millions)

Year	2020	2019	2020	2021	2022
Net Profit after Taxes	318.72	300.43	491.16	421.45	1628.03
Stockholders' Equity	37116.20	39455.70	49547.44	49889.66	51363.33
ROE	10.70%	15.85%	18.34%	21.51%	16.98%

(Source: Annual Report of BCBL of 2020-2022)

The change of the ROE in the last five years (2020-2022) is shown in the graph below-



Graphical Presentation of ROE of Bangladesh Commercial Bank Ltd from 2020-2022.

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Interpretation:

From 2020 to 2021, this number shows an increase in BCBL's ROE. But in 2022, it will collapse horribly. In 2021, it goes up, but in 2022, it drops drastically again, which is bad news for BCBLs. Therefore, management should make an effort to boost equity return.

3.8.5 Market Measure Ratios

a. Earnings per Share

Both current and potential shareholders, as well as management, pay close attention to a company's EPS. Earnings per share is the monetary amount of profit that was generated for each outstanding share of common stock. Here's how to figure out your earnings per share:

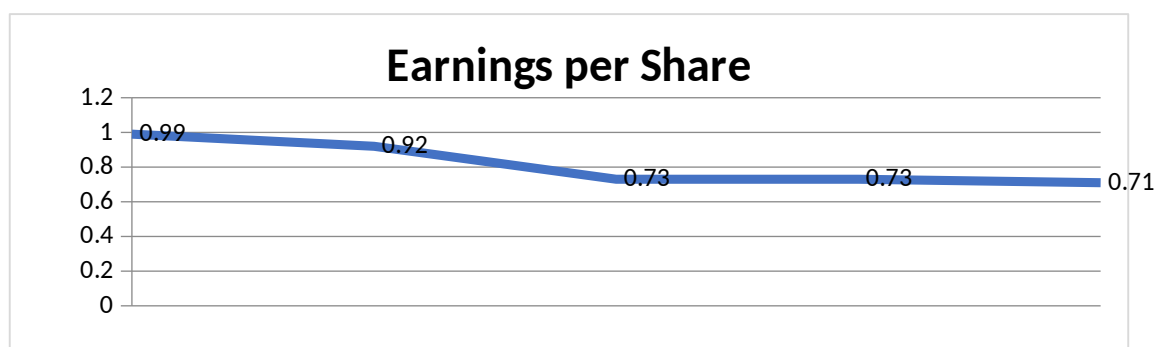
$$\text{Earnings per Share} = \frac{\text{Earnings Available for Common stock Holder}}{\text{No of shares of Common Stock Outstanding}}$$

EPS of BCBL

(BDT in Millions)

Year	2020	2019	2020	2021	2022
Earnings Available for Common stock Holder	193.92	206.14	258.87	260.66	268.36
No of shares of Common Stock Outstanding	191.40	191.40	191.40	191.40	191.40
Earnings per Share	0.99	0.92	0.73	0.73	0.71

(Source: Annual Report of BCBL of 2019-2022)



Graphical Presentation of EPS of BCBL

Interpretation:

Earnings per share (EPS) are the sum of a company's profits divided by the number of shares of common stock outstanding. Investors pay close attention to earnings per share (EPS) since it is a useful measure of a company's performance. According to the chart, BCBL's earnings per share will increase in 2020 compared to 2021. When earnings per share go down, so does the bank's profit. The ideal year for the BCBL, however, was 2022. Earnings per share (EPS) growth in 2020 is an encouraging sign for the business.

b. Price Earnings Ratio

The price-to-earnings (P/E) ratio is a popular metric used to get a feel for how much investors value a company's per-share earnings. Investors' willingness to pay per dollar of a company's earnings is measured by the P/E ratio. When the P/E ratio is high, investors are optimistic about the company's prospects. Here's how you figure out a stock's price relative to its earnings:

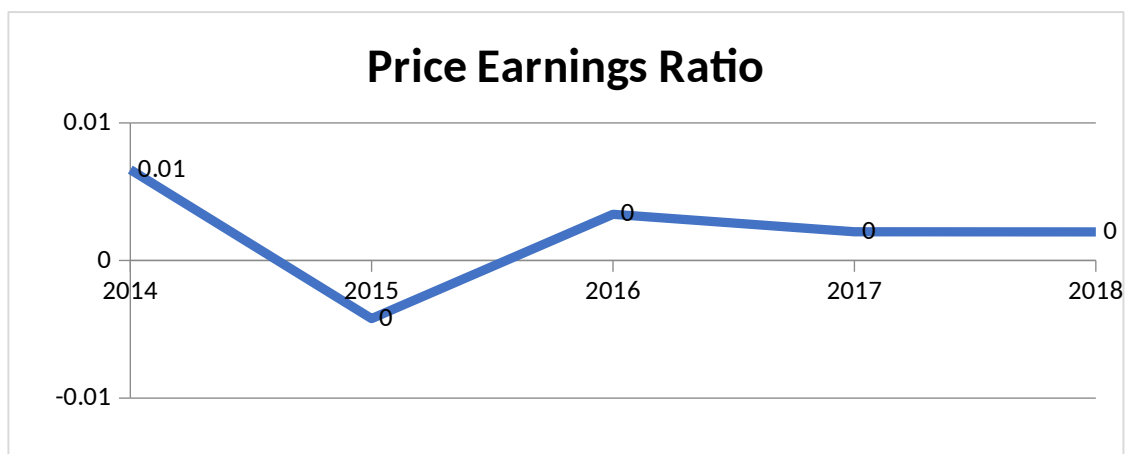
$$\text{Price Earnings Ratio} = \text{Market Price per Share} / \text{Earnings per Share}$$

Price Earnings Ratio of BCBL

(BDT in Millions)

Year	2020	2019	2020	2021	2022
Market Price per Share	149.97	-217.73	217.80	349.37	341.84
Earnings per Share	0.99	0.92	0.73	0.73	0.71
Price Earnings Ratio	0.00660132	-0.00423	0.003352	0.002089	0.002077

(Source: Annual Report of BCBL of 2019-2022)



Graphical Presentation of Price Earnings Ratio of BCBL

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Interpretation:

The graph illustrates that BCBL's price earnings ratio was good in 2021, representing 0.002089%. The 2022 price-to-earnings ratio was reduced to 0.002077% in the previous year, which is insufficient. To enhance the ratio, the BCBL must raise the market price per share while decreasing earnings per share. This graph depicts the price earnings ratio growing from FY 2020 to 2021 and then slightly dropping from 2021 to 2022.

Vertical/Common Size Analysis

Vertical/Common Size Analysis

Particulars	Common size Balance sheet	
	2022	2021
Property and Assets Cash:	1.05%	1.14%
Cash in hand Balance with Bangladesh bank & agent bank	5.71%	6.22%
Balance with other banks and Financial Institution	2.22%	2.49%
Money at call and short notice	0.26%	1.28%
Investments	32.97%	21.19%
Loans and Advances	48.75%	59.73%
Fixed Assets	1.65%	1.85%
Other Assets Non-banking Assets	8.40%	7.20%
Total Property and Assets	100%	100%
Liabilities and shareholder's equity Capital	1.47%	2.21%
Borrowing from other banks		
Deposit and other Accounts	81.64%	80.16%
Other Liabilities	10.53%	14.19%
Total Liabilities	92.17%	94.35%
Capital/Shareholders Equity	6.33%	3.41%

Total liabilities and shareholders' equity	100%	100%
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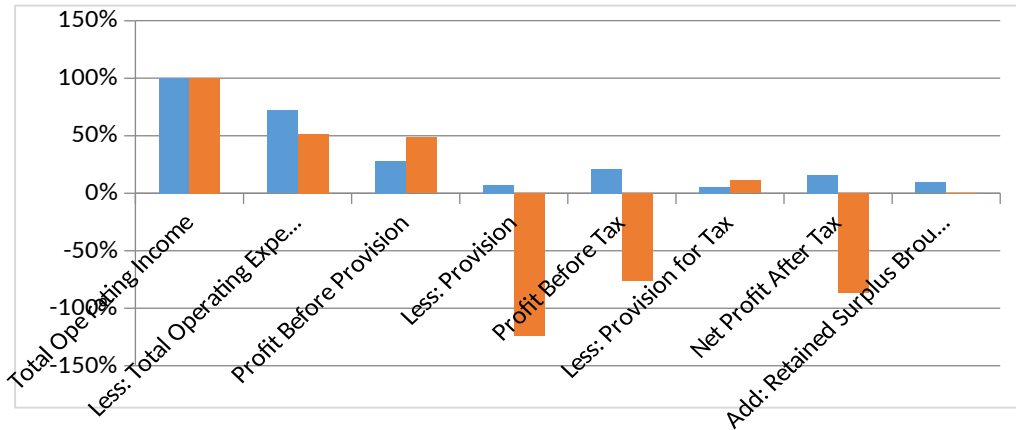
Interpretation:

The percentage markup of various assets and their financing methods can be compared using the data from the aforementioned vertical analysis. Among the possible actions are expanding or decreasing the portfolio's exposure to specific assets. The analyst may also want to keep an eye on how the asset and liability totals have evolved over time. It has come to light that the company's holdings of current assets have grown. The administration can investigate the causes of this steadily rising asset holding. Despite the fact that both assets and liabilities are growing, liabilities were slightly larger in proportion to assets, which could cause some ratios to drop. Based on the data shown above, it is clear that BCBL is more heavily reliant on loan funding than equity financing.

Common size Income Statement

Particulars	Common size Income Statement	
	2022	2021
Total Operating Income	100%	100%
Less: Total Operating Expenditure	72%	51.48%
Profit Before Provision	28%	48.52%
Less: Provision	7.19%	(124.31%)
Profit Before Tax	20.81%	(75.79%)
Less: Provision for Tax	5.14%	11.10%
Net Profit After Tax	15.67%	(86.89%)
Add: Retained Surplus Brought Forward	9.43%	0.03%
	25.10%	(86.86)

(Source: Annual Report-2022)



Graphical Presentation of Vertical/Common Size Analysis

Interpretation:

Another approach to common size analysis is to compare numbers from the same P&L. All of the P&L items are compared to operating income in a standard profit and loss statement. To rephrase, "100%" indicates that all of the data on the statement are expressed as a percentage of Total Operating Income. According to the data presented above, BCBL's after-tax net profit grew in 2022 compared to its negative figure from 2021, while its net operating income was greater in 2021. However, in 2022, they had to pay a higher tax rate. The fact that 2022 BCBL's expenses are greater than average yet the percentage is lower is encouraging for the financial institution.

4.3 Vertical analysis

Vertical/Common Size Analysis

Particulars	Common size Balance sheet	
	2022	2021
Property and Assets Cash:	1.05%	1.14%
Cash in hand Balance with Bangladesh bank & agent bank	5.71%	6.22%
Balance with other banks and Financial Institution	2.22%	2.49%
Money at call and short notice	0.26%	1.28%
Investments	32.97%	21.19%
Loans and Advances	48.75%	59.73%
Fixed Assets	1.65%	1.85%
Other Assets Non-banking Assets	8.40%	7.20%
Total Property and Assets	100%	100%
Liabilities and shareholder's equity Capital	1.47%	2.21%
Borrowing from other banks		
Deposit and other Accounts	81.64%	80.16%
Other Liabilities	10.53%	14.19%
Total Liabilities	92.17%	94.35%
Capital/Shareholders Equity	6.33%	3.41%
Total liabilities and shareholders' equity	100%	100%

(Source: Annual Report-2022)

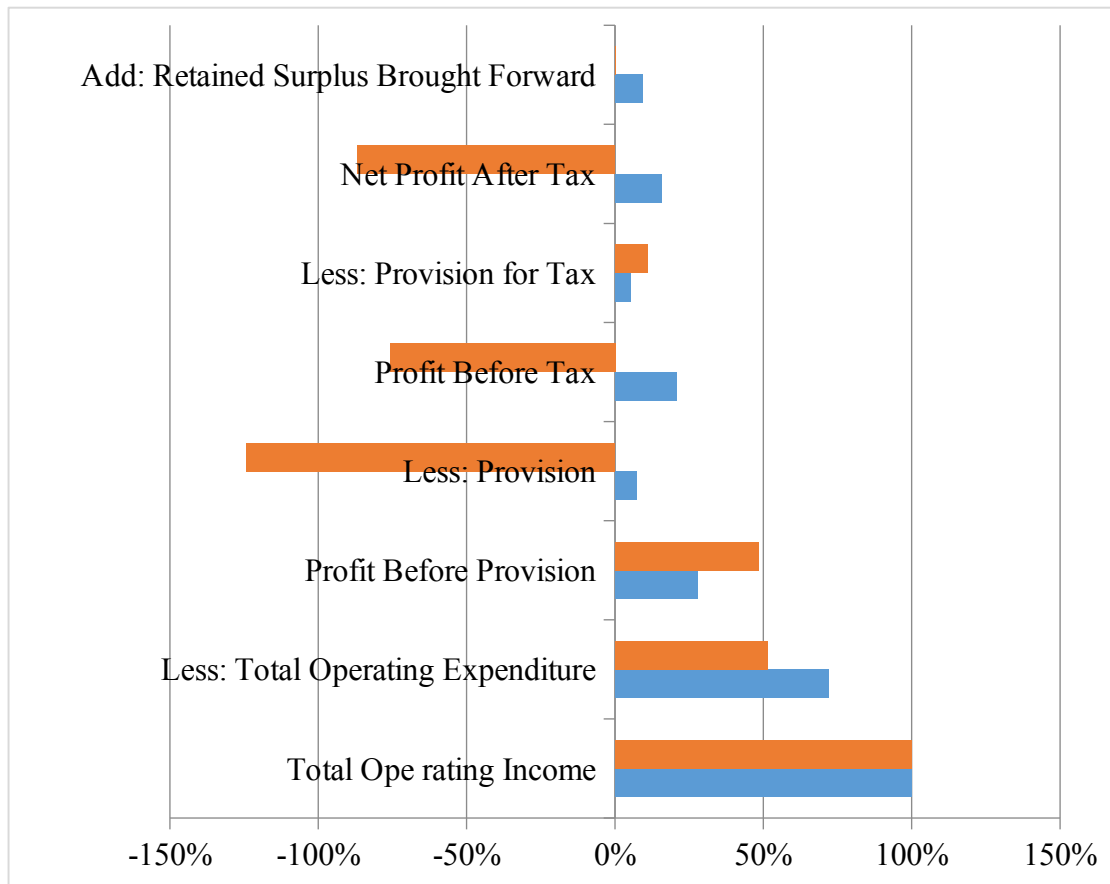
Interpretation:

The percentage markup of various assets and their financing methods can be compared using the data from the aforementioned vertical analysis. Among the possible actions are expanding or decreasing the portfolio's exposure to specific assets. The analyst may also want to keep an eye on how the asset and liability totals have evolved over time. It has come to light that the company's holdings of current assets have grown. The administration can investigate the causes of this steadily rising asset holding. Despite the fact that both assets and liabilities are growing, liabilities were slightly larger in proportion to assets, which could cause some ratios to drop. Based on the data shown above, it is clear that BCBL is more heavily reliant on loan funding than equity financing.

Common size Income Statement

Particulars	Common size Income Statement	
	2022	2021
Total Operating Income	100%	100%
Less: Total Operating Expenditure	72%	51.48%
Profit Before Provision	28%	48.52%
Less: Provision	7.19%	(124.31%)
Profit Before Tax	20.81%	(75.79%)
Less: Provision for Tax	5.14%	11.10%
Net Profit After Tax	15.67%	(86.89%)
Add: Retained Surplus Brought Forward	9.43%	0.03%
	25.10%	(86.86)

(Source: Annual Report-2022)



Graphical Presentation of Vertical/Common Size Analysis

Interpretation:

Another approach to common size analysis is to compare numbers from the same P&L. All of the P&L items are compared to operating income in a standard profit and loss statement. To rephrase, "100%" indicates that all of the data on the statement is expressed as a percentage of Total Operating Income. According to the data presented above, BCBL's after-tax net profit grew in 2022 compared to its negative figure from 2021, while its net operating income was greater in 2021. However, in 2022, they had to pay a higher tax rate. A positive sign for BCBL is the somewhat lower percentage of expenses compared to revenue in the year 2022.

4.4 Horizontal analysis

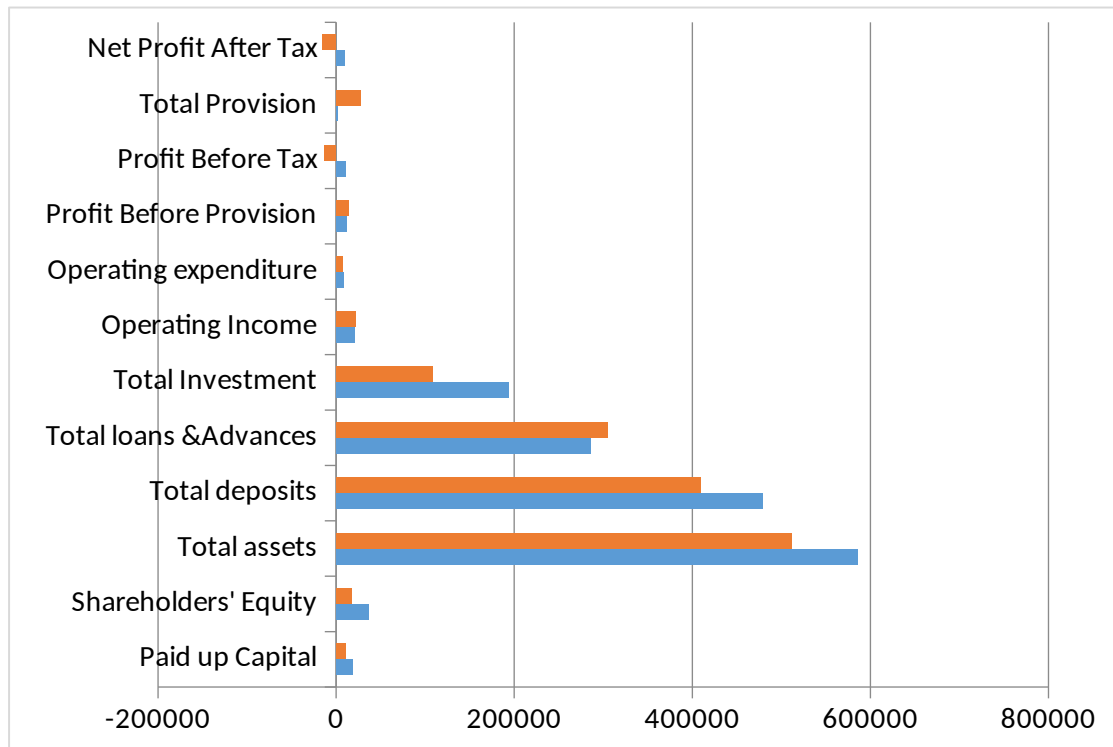
An annual or multi-year comparison is made by placing a series of financial statements side by side, such as a balance sheet, income statement, or statement of cash flow, and analyzing the changes that have occurred in each section over time.

$$\text{Percentage change} = (\text{recent year} - \text{previous year}) / \text{previous year}$$

Trend Analysis of Bangladesh Commercial Bank Ltd.

Items(Figure in million)	2022	%	2021	%
Paid up Capital	19140.00	.74%	11000	0.35%
Shareholders' Equity	37116.60	1.12	17476.66	(.48%)
Total assets	586082.98	.14%	511129.41	.14%
Total deposits	478,535.57	.16%	409,767.01	.13%
Total loans & Advances	285,747.65	(.06%)	305,339.57	0.18%
Total Investment	193269.67	.78%	108342.04	.16%
Operating Income	20859.03	(.05%)	22021.47	(.04%)
Operating expenditure	8731.92	.16%	7482.67	.03%
Profit Before Provision	12127.11	(.16%)	14533.8	(.02%)
Profit Before Tax	10625.33	(1.82%)	(12834.9)	(2.47%)
Total Provision	1501.78	(.94%)	27368.70	3.43%
Net Profit After Tax	9551.41	(1.62%)	(15280.33)	(4.62%)

(Source: Annual Report-2022)



Graphical Presentation of Trend Analysis of Bangladesh Commercial Bank Ltd.

Interpretation:

Statements from different years might shed light on the nature, velocity, and scope of a trend. To arrive at such percentages, you must first pick a base year and give each item in that year's statement a value out of 100. Index numbers or trend ratios are the resulting numbers. According to these projections, the BCBL will have a much stronger season in 2022. In 2022, both their capital and stockholders' equity were higher than in 2021 levels.

Chapter-Five

Findings

5.1 Findings of Operational Performance

We all know that a company's liquidity may be assessed by looking at the ratio of its current assets to its current liabilities; the greater the ratio, the more liquid the company is. From 2020 to 2022, BCBL's liquidity position fluctuates as depicted in this graph. The current ratio for BCBL in 2020 was 1.19 tk. current assets to 1 tk. current liabilities, while in 2019 it has dropped to 1.18. However, the ratio will rise to 1.19 in 2021 and 2022.

The company's liquidity is represented by its net working capital. The BCBL's liquidity position is improving. The BCBL improved its liquidity position from Tk. 4337.46 core in 2020 to Tk. 5280.59 core in 2021 and Tk. 8056.49 core in 2022 in 2022.

Equity capital, as opposed to Total Asset Turnover, is where a company's focus should be. From 2020 to 2021, the BCBL Total Asset Turnover ratio improves, as displayed here. Total asset turnover ratio in 2020 was 0.043479%, then in 2021 it dropped to 0.052359%, and by 2022 it had risen to 0.043054%.

We know that this ratio, which measures the proportion of a bank's total operating costs to its total operating income, provides insight into the efficiency with which the bank operates. BCBL has modest operating costs in 2020, but those costs will rise beyond that year. The BCBL is not in a good position to cut its operational costs, hence its operating efficiency is not good compared to previous years.

Equity capital is more important than loan capital for every business. From 2021 to 2022, the BCBL debt ratio rises as displayed here. The debt-to-income ratio was 96.61% in 2020, 93.20% in 2021, and 96.76% in 2022.

The time interest earned ratio for BCBL is on the rise, with the exception of 2022. The time interest earned ratio has improved from 1.21 to 1.41 for the company. This means BCBL's financial risk has lessened as a result of its greater margin of safety in paying the contractual interest.

SWOT Analysis: The business bank offers the largest retaining money benefit and serves close to a thousand corporate clients. Human resources professionals who are competent, persistent, and committed. Gains benefit from a bank card. Inadequately low storage rates and fewest adjustments. Issues with ATM breakdown and card delivery Disjointed communication between headquarters and regional offices. By lowering the base adjustments qualifying for premium and providing more attractive lending prices, the bank may win back many of its present business banking customers while attracting new ones. Currently, Trust bank, EBL, and BRAC Corp pose significant threats to DBBL in the retail and corporate banking sectors, respectively. The upstarts in the private banking sector are not the only ones coming out with niche products.

5.2 Financial Performance

- **Trend Analysis:** Statements from different years might shed light on the nature, velocity, and scope of a trend. To arrive at such percentages, you must first pick a base year and give each item in that year's statement a value out of 100. Index numbers or trend ratios are the resulting numbers. According to these projections, the BCBL will have a much stronger season in 2022. In 2022, both their capital and stockholders' equity were higher than in 2021 levels.
- **Ratio:** Another approach to common size analysis is to compare numbers from the same P&L. All of the P&L items are compared to operating income in a standard profit and loss statement. To rephrase, "100%" indicates that all of the data on the statement are expressed as a percentage of Total Operating Income. According to the data presented above, BCBL's after-tax net profit grew in 2022 compared to its negative figure from 2021, while its net operating income was greater in 2021. However, in 2022, they had to pay a higher tax rate. The fact that 2022 BCBL's expenses are greater than average yet the percentage is lower is encouraging for the financial institution.

- **Vertical:** The percentage markup of various assets and their financing methods can be compared using the data from the aforementioned vertical analysis. Among the possible actions are expanding or decreasing the portfolio's exposure to specific assets. The analyst may also want to keep an eye on how the asset and liability totals have evolved over time. It has come to light that the company's holdings of current assets have grown. The administration can investigate the causes of this steadily rising asset holding. Despite the fact that both assets and liabilities are growing, liabilities were slightly larger in proportion to assets, which could cause some ratios to drop. Based on the data presented above, it is clear that BCBL has a larger amount of debt financing than equity financing, since both total liabilities and stockholders' equity have increased.
- **Horizontal:** Statements from different years might shed light on the nature, velocity, and scope of a trend. To arrive at such percentages, you must first pick a base year and give each item in that year's statement a value out of 100. Index numbers or trend ratios are the resulting numbers. According to these projections, the BCBL will have a much stronger season in 2022. In 2022, both their capital and stockholders' equity were higher than in 2021 levels.

5.3 Problems from Critical Observation

BCBL was founded on the principle of fostering superior connections with their clientele. During my internship and up to the time this report was written, I observed some banking practices that I believe need to be modified.

- The current ratio shows a decline in BCBL's liquidity from 2019 to 2020. In 2022, however, that number rose to 1.19.
- The growth in BCBL's net working capital bodes well for the bank's capacity to satisfy its short-term obligations.
- With the exception of 2022, the proportion of time interest earned by BCBL has increased. This means the company's financial risk will increase in 2022 as it will have less room to maneuver when it comes to paying the contractual interest rate.
- By 2021, BCBL's cost-to-income ratio has decreased. However, by 2022, the ratio of expenses to revenues had risen to 34%.

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- It is common knowledge that a company benefits from increased net profit. The net profit margin and return on investment for BCBL have been growing annually. In 2022, NPM jumped from 2.86% to 11.20%.
- In 2021, BCBL's ROI was 1.42 percent, up from 1.42 percent in 2020. BCBL's return on assets, however, increased by 3.19 percent in 2022 after a dip in 2021. This bodes well for the financial institution.
- When compared to competitors, BCBL has a more favorable cost-to-income ratio. In 2022, however, that number grew to 34% from 31%.
- BCBL's ROA has been greater than normal during the past few years, but its ROE has been lower than average, with the exception of 2021. For the company's future, this bodes poorly.

Chapter- Six

Recommendations& Conclusion

5.1 Recommendations

It's normal for there to be issues in any group. In order to run a business, issues are a must. However, corrective action is required. The aforementioned issues can be addressed by implementing the following recommendations:

- Bangladesh Commercial Bank Ltd's current ratio is sufficient to satisfy its immediate obligations. Maintaining this ratio is important for BCBL, but it should exercise caution when comparing the company's current assets to its current liabilities.
- A higher cost-to-income ratio in 2022 means that the bank needs to cut costs elsewhere.
- Optimal debt levels and capitalization can be attained if BCBL reevaluates its current capital structure.
- In 2022, the proportion of interest earned over time will decline. As a result, BCBL needs to increase interest earnings to keep the upward trend going.
- Although the company's net profit margin improved in 2022, it might stand to grow its profits more by attracting new customers and cutting costs.

BCBL's Cost to Income Ratio is favorable when compared to the norm of its market. Comparatively, BCBL's cost to income ratio is expected to rise in 2022, while the industry average is falling. If BCBL wants to see a rise in its bottom line, it needs to cut down on its funding and operational costs while expanding its service area.

6.2 Conclusion

Bangladesh's economy is among the world's least developed. The country's undeveloped banking sector could be a contributing factor. The government and various international organizations have both recognized that an insufficient banking system slows down economic growth. That's why they advocate so strongly for changing the banking system. Since 1990, the government of Bangladesh has undertaken extensive financial sector reform measures with the goal of increasing transparency in the financial and banking sectors. In conclusion, it is clear that BCBL needs to strengthen its banking infrastructure in order to win over clients and investors. Improve your customer relations by treating your customers like an asset and providing them with the service they deserve.

Bangladesh Commercial Bank Ltd. (BCBL), a frontrunner in the banking industry despite the country's unstable economy. The government's strategy for long-term financial reform and modernisation included transforming the bank into a private limited corporation. BCBL aids in the mobilization of resources to maintain strength in vital operational regions. The treasury dealing is being solidified to help facilitate transactions needing advanced products and services for larger societal and corporate clients, ensuring BCBL's continued dominance in the foreign exchange and money market and boosting revenue through mindful pricing and assessment of both risk and return on investment. Despite its widespread customer base and high level of trust, the company nonetheless struggles to make a profit due to a number of issues. Authority is rigid, and decisions are slow to come about.

From a purely pragmatic standpoint, I can state without reservation that I have thoroughly enjoyed my internship here at the bank. In addition, I can't get my M.B.A. without completing this internship. Clearly, a program has helped me advance in my job goals. I've put in a lot of effort to make sure that the research report has all the right details.

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