

Internship Report

on

Financial Performance Analysis of Premier Bank Limited



Premier Bank

The Premier Bank Limited**Premier Bank**
service first



Premier Bank

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Premier Bank
service first



Daffodil
International
University

Submitted To

Nusrat Nargis

Assistant Professor

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Faculty of Business & Entrepreneurship

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Letter of Transmittal

Date: 24-01-2019

Nusrat Nargis
Assistant Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Subject: Submission of Internship Report on “Financial Performance Analysis of Premier Bank Limited”

Dear Madam,

It is my pleasure to submit the internship report entitled “**Financial Performance Analysis of Premier Bank Limited.**” This report is an outcome of the internship program which is an academic requirement for the completion of BBA Program. I have put my best effort in completing the report with all the information that I have collected both from primary and secondary sources and also from my personal observation. With available data, information and related knowledge what I have learnt and gathered by working as an intern from Premier Bank Limited, I have tried to make my report as much comprehensive as possible.

I am grateful to you for giving me such an opportunity, and I appreciate this Internship program. I hope that you will cordially receive my Internship report.

Yours Sincerely,

MD. Ashaduzzaman Ashik
ID: 152-11-4724
BBA (Finance)
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Approval Certificate

This to notify that, **MD. Ashaduzzaman Ashik, ID: 152-11-4724**; a student of Daffodil International University, BBA Program has completed his internship of Premier Bank Limited under my supervision. His assigned topic is “**Financial Performance Analysis of Premier Bank Limited**”. **MD. Ashaduzzaman Ashik** worked hard in preparing this report and has been able to present a good picture of the concerned organization. The date and findings presented in the report seem to be authentic.

This report is accepted for presentation, I wish him every success in life.

.....
Nusrat Nargis
Assistant Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University



Acknowledgment

First Of all, I would like to express my deep gratitude to Allah the Almighty for giving me the opportunity to perform and successfully completing the internship report.

I would like to thank and convey my gratitude to my internship advisor, Nusrat Nargis, Assistant Professor of Daffodil International University for valuable instructions and guidance during the internship program.

My sincere gratitude to the HR of FSIBL for allowing me to complete my internship program in their organization. I am thankful to MD. Abul Kashem- Vice President and Head of HRD, Jalal Uddin-Investment Head and all the other employees to give me enough time from their busy schedule of work and helping me to do my work properly.

Without anyone's help no work cannot be done alone so, I would like to thanks again all those who supported me and guided me by providing me with assistance in preparing the report on the assigned topic **“Financial Performance Analysis of Premier Bank Limited.”**



Executive Summary

The internship program is an associate course which encourages understudies to have useful learning and experience when he/she goes for a work after the finish of graduation. My internship program was assigned at Premier Bank Limited, Shyamoli branch, under the supervision of Nusrat Nargis, Assistant Professor at Daffodil International University.

My internship report was on the “**Financial Performance Analysis of Premier Bank Limited**”. Financial Performance are the crucial part of a bank. The objectives of this study are to identify the task of Financial Performance of Premier Bank Limited, to describe the different Financial Performance Analysis and its services to identify the limitations, if any and to recommend suggestions. In this report I have discussed about the Financial Performance Analysis of Premier Bank Limited. Performance evaluation has given that to know the banking investment present situation.

Premier Bank Limited is a strong, creating and present day keep money with a perspective of guidelines and control. Their primary objectivity is to give the best and fulfill the clients and be faithful to the bank. They additionally work to build up the general public and increment the business rate of the nation.

From my 1 month experience and all the data it tends to be effectively said that Premier Bank Limited, have distinctive thoughts in offering advances to the clients. They give away advance for the benefit as well as for the social improvement. They don't take intrigue moment of they move toward becoming accomplices for any task they are giving credit and offer both the misfortune and benefit. The bank causes the clients to purchase the item with the sum they requested and give them a specific date to reimburse the sum.



Table of Contents

Title	Page No.
Letter of Transmittal	i
Approval Certificate	ii
Acknowledgment	iii
Executive Summary	iv

Serial No.	Title	Page No.
Chapter No.-1: Introduction		1
1.1	Introduction	2
1.2	Background of the Study	3
1.3	Objectivity of the Study	3
1.4	Methodology	4
1.5	Scope of the Study	4
1.6	Limitations of the Study	5
Chapter No.-2: Organizational Overview		6
2.1	Historical Profile of PBL	7
2.2	Vision of the Bank	8
2.3	Mission of the Bank	8
2.4	Values of the Bank	8
2.5	Strategies Objectives of PBL	9
2.6	Organizational Hierarchy	10
Chapter No.-3: Overall Activities of Premier Bank Limited		11
3.1	Retail Banking	12
	3.1.1 Accounts	14
	3.1.2 Term Deposit	12
	3.1.3 Loan	13
	3.1.5 Agent Banking	14
	3.1.6 Remittance Service	14
	3.1.9 Student File Service	15
3.2	Corporate Banking	16
	3.2.1 Corporate Finance	16



	3.2.3	Cash Management Solutions	17
3.3		SME Banking	19
	3.3.1	Loan	19
3.4		Cards	21
	3.4.1	Credit Card	21
	3.4.2	Debit Card	22
3.5		Islamic Banking	22
	3.5.1	Accounts	22
	3.5.2	Investment Products	23
	3.5.3	Trade Finance	24
3.6		Premier Security	27
	3.6.1	Premier Bank Securities Ltd	27
Chapter No.-4: Financial Performance of Premier Bank Limited			28
4.1		Ratio Analysis	29
	4.1.1	Liquidity Ratio	29
	4.1.2	Assets Activity Ratio	31
	4.1.3	Efficiency Ratio	32
	4.1.4	Profitability Ratio	33
	4.1.5	Credit Risk Ratio	34
4.2		Common Size Statement	36
4.3		Trend Analysis	38
Chapter No.-5: Findings, Recommendation and Conclusion			40
5.1		Findings	41
5.2		Recommendations	42
5.3		Conclusion	43
		References	44



Chapter-1



Introduction



1.1 Introduction

The Banks play an important role in the economy of the country. Early banking system served mainly as depositors for funds, while the more modern system has considered the supplying of credit their main purpose. Banks are financial institutions or financial intermediary that collect fund from people as deposit and lend this fund as loans and advances to the borrowers in different sectors of the economy against interest for a certain period.

Banks play a very important role in both National and International trade. Now a day, no country can survive without international trade. Besides, banks give some other non-conventional administrations like-figuring, issuing bank ensures and so forth. Which are particularly steady to current business. Monetary improvement is the pre-condition for any sort of advancement of a nation. To support such sort of advancement the commitment of various money related association is vital. Presently a-days Banking area is the rising part if there should be an occurrence of financial improvement. Bank has assumed a crucial job with regards to industrialization. The current state of managing an account in Bangladesh isn't monetary support in light of political distress and nepotism and so forth. To build up the modern divisions budgetary help is critical. Without money related help no modern association can set up. So the managing an account association should approach to helping diverse assembling and non-fabricating association to build up the modern division.

Modern banking system plays a vital role for a nation's economic development. Over the last few years the banking world has been undergoing a lot of changes due to deregulation, technological innovations, globalization etc. These alterations in the dealing with a record structure furthermore gained dynamic changes a country's economy. Present world is changing rapidly to defy the trial of concentrated free market economy. It is all around seen that there is a critical necessity for better, qualified organization and better-readied staff in the dynamic overall cash related market. Bangladesh is no extraordinary instances of this example. Managing an account Sector in Bangladesh is confronting difficulties from various edges however its prospect is splendid later on.



1.2 Background of the Study

The internship program is an integral part of Bachelor of Business Administration (BBA). This program creates a unique opportunity for the student to apply their theoretical knowledge into practice and gain valuable real world business experience. During the program, student can also realize existing business condition apart from having opportunities to solve the problem using various analytical tools.

As a prerequisite for the Bachelor of Business Administration (BBA) degree from Daffodil International University (DIU), it is required to complete an internship from a reputed business organization & prepare a report. I have prepared this report on the basis of my Three month practical working experience and under supervision of Nusrat Nargis, Assistant Professor of Daffodil International University and has prepared internship report named “Financial Performance Analysis of Premier Bank Limited.”

1.3 Objectives of the Study

1. To analyze the activities of Premier Bank Limited.
2. To evaluate the financial performance of the bank from 2013 to 2017.
3. To identify the problems related financial performance of Premier Bank Limited.
4. To provide some recommendations about the problems.



1.4 Methodology

My supervisor helped me to select the topic of the study. Before assigning the topic, she discussed with me and emphasized me to do report on particular side of the bank so that it can be focused deeply and prepared a well-organized report.

The methodology of the report includes direct observation, oral communication with the employees of all departments, survey's, study reports and other research techniques and could be include both present and historical dates. Therefor it includes both primary and secondary data.

Primary data

- Face to face communication
- Oral interview of employees
- Observing the rules and activities of the bank
- In-profundity investigation of chose cases.

Secondary data

- Internet
- Website of PBL
- Internal report
- Some articles

1.5 Scope of the Study

The scope of the study covers general banking activities and financial Performance analysis of Premier Bank Limited.

Main focus of this report is to analyze:

- General Banking Activities
- Ratio Analysis
- Trend Analysis
- Common Size Analysis



1.6 Limitations of the Study

There were some limitations in completing the report with rich resources. Some of the crucial limitations are-

- The period of 3 months, is insufficient to learn about all the banking activities of any branch.
- A single workstation cannot be a complete arena to study banking system.
- It is very difficult to collect all the actual information from various personnel for their job constraint
- As some of the banking fields are not covered by our courses, there was difficulty to understand some activities.
- Bank's Policy of not disclosing confidential data & information is a big obstacle in preparing the report.
- Because of limited information, in some cases assumptions adopted. Therefore, there may be some mistakes in assuming.
- Website of the bank was not enough up-to-date to easily collect necessary 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 report.
- There were lack of proper secondary information about Premier Bank Limited and its products. Annual reports, policy guidelines, website and other related documents do not cover full and sufficient information.



Chapter-2



Organizational Overview



2.1 Historical Profile of Premier Bank Limited

The Premier Bank Limited (PBL) is the leading private bank in Bangladesh. It is a scheduled bank, which is incorporated in Bangladesh as banking company on June 10, 1999 under Companies Act.1994. It has created a new way of its own banking area of Bangladesh in terms of providing service to customer and value addition to its stakeholders. Bangladesh Bank, the central bank of Bangladesh, issued banking license on June 17, 1999 under Banking Companies Act.1991. The Head Office of the Premier Bank Limited is located at Banani. Within short time, the bank has been effective in situating itself as dynamic and dynamic budgetary establishment in our nation. The bank is presently generally worked by the business network from little business people to huge trader and worldwide due to current and creative thoughts and money related arrangement. Presently it has opened 65 branches in various regions of the nation.

The Premier Bank began its voyage from October 26, 1999 with an unmistakable vision of 'CORPORATE EXCELLENCE' together with a famous witticism of 'Administration FIRST' under the protection of 11 fruitful entrepreneurs, understood at their particular fields of business and industry. From the earliest starting point the bank put forward a fantasy to create a money related foundation that would emerge in group and take care of the demand of 21st century. Presently following 10 fruitful long periods of activity, the bank is legitimized in its vision and mission and well-set to finish its 10th year on advancement. The Head Office of the Premier Bank Limited is situated at Banani, one of the quickly developing business and business regions of Dhaka city. Still now it has opened 30 branches in various territories of the nation.. Dhaka Stock Exchange and Chittagong Stock Exchange in May, 2007 whereby the exchanging of offers of the bank started. It was first bank in the nation to presented day by day balance put together enthusiasm with respect to store account.

The Premier Bank Limited is managed by a group of dynamic Board of Directors drawn from different disciplines. They hold very respectable positions in the society and are from highly successful group of Businesses and Industries in Bangladesh. The Bank has a very competent Management Team who have long experience in domestic and international Banking. The Bank upholds and strictly abides by good corporate governance practices and is subject to the regulatory supervision of Bangladesh Bank.

Authorized Capital: BDT 6000.00 Million



Paid up Capital: BDT 3818.61 Million

2.2 Vision of the Premier Bank Limited

The bank has clear vision towards its ultimate destiny-to be the best amongst the top financial institutions.

2.3 Mission of the Premier Bank Limited

The mission of the bank is-

- To be most caring and customer friendly provider of financial service, creating opportunities for more people in more places.
- To ensure stability and sound growth whilst enhancing the value of shareholders investments.
- To aggressively adopt technology at all levels of operations and to improve efficiency and reduce cost per transaction.
- To ensure a high level of transparency and ethical standards in all business transacted by the bank.
- To provide congenial atmosphere which will attract competent work force who will be proud and eager to work for the bank.
- To be socially responsible and strive to uplift the equality of the life by making effective contribution for social development.

2.4 Values of Premier Bank Limited

- Service first
- Easier banking
- Better relationship
- Assured confidentiality
- Good corporate governance
- Corporate citizenships

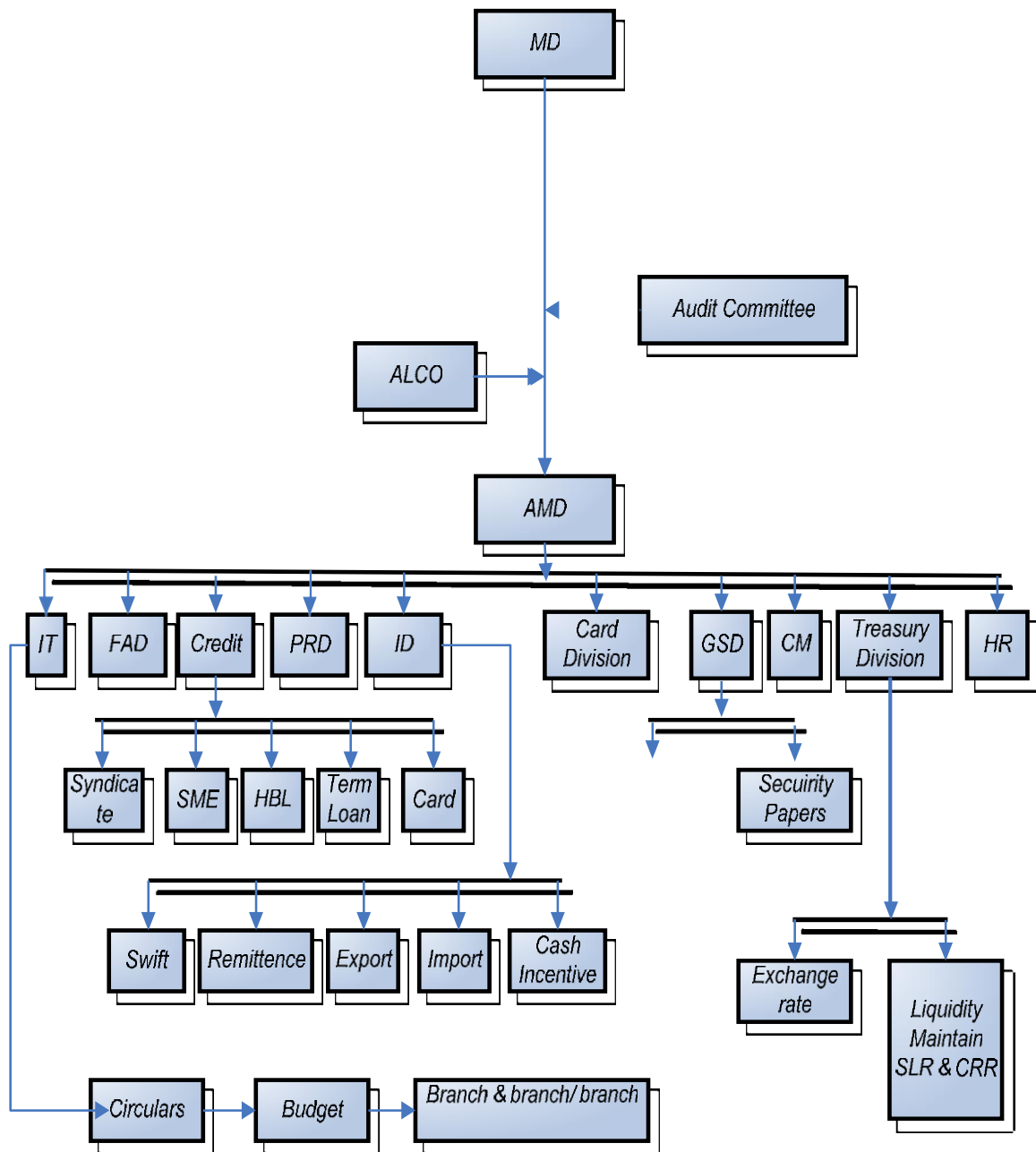


2.5 Strategies Objectives of Premier Bank Limited

- Their targets are to direct straightforward and fantastic business activity dependent on market instrument inside the legitimate and social structure.
- Their most noteworthy concerns are to give their clients ceaselessly effective, imaginative and top notch items with fantastic conveyance framework and motto with "Administration First"
- Their aphorism is to create benefit with subjective business as a practical consistently developing association and improve reasonable comes back to the investors.
- Establish PBL as one of the best five fruitful Private Commercial Banks by 2012.
- Be focused on the network as a corporate native and contribute towards the advancement of the country.
- Build a solid store base.
- Introduce new items and administrations and redesign existing items and administrations at relatively minimal effort so as to guarantee speedy react to the changing requests in the market.
- Promote the prosperity of the representatives and raise their confidence.
- Strengthen corporate character and qualities.
- Fulfillment of their duty to the administration by making good on regulatory obligations and keeping different tenets.
- Bring the whole framework under an extremely propelled IT stage.
- Socialize and present the bank to the network as a corporate accomplice.
- Encouraging and persuading the new business people to set up ventures and business in accordance with improvement of national economy.
- Enhancing reserve funds propensity of the general population by offering alluring and worthwhile new investment funds plot.
- Financing the remote exchange of the nation both Export and Import.
- Enhancing the activation of investment funds both from urban and country zone.



2.6 Organizational Hierarchy





Chapter-3
Overall Activities of Premier Bnak Limited



3.1 Retail Banking

3.1.1 Accounts

At Premier Bank, offer various accounts such as:

- **Current Account:** Premier Bank Current Account helps you manage your daily finances in the way that suits your transactional needs. The combination of convenience, flexibility benefits ensures that you always have access to your account that caters to the needs of your business. Premier Bank Current Account is probably the most useful Bank Account you will ever have for business transactions.
- **Savings Account:** The Premier Bank Savings Account gives you the freedom to conduct your banking transactions at a very simple way. We offer competitive interest rate on the outstanding balance. In addition, all account holders get VISA/MasterCard Debit Card and ATM facility for 24 hour banking convenience.
- **Foreign Currency (FC) Account:** Private Foreign Currency (FC) Account may be opened in Authorized Dealer (AD) Branches by Bangladesh nationals working / residing abroad, foreign nationals residing abroad or in Bangladesh, Foreign missions and their expatriate employees, foreign firms registered abroad and operating in Bangladesh or abroad, Bangladesh nationals working in foreign / international organizations in Bangladesh with entitlement to receive salary in foreign currency.
- **Resident Foreign Currency Deposit Account (RFCD):** RFCD is an account in Foreign Currency. Persons ordinarily resident in Bangladesh may open RFCD account with foreign exchange brought in at the time of their return from travel abroad.

3.1.2 Term Deposit

This bank deposit product are meant for those investors who want to deposit a lump sum of money for a period of time.

- **Fixed Deposit:** Our Fixed Deposit (FDR) is meant for those investors who want to deposit a lump sum of money for a fixed time period; say for a minimum period of 1,3,6,12,24 and 36 months period, thereby earning a higher rate of interest in return. The prevailing rates of interest are shown below



- **Monthly Savings Scheme:** A regular saving pays off when you really need it. Save small amount in your account each month and let your savings grow with time through our Monthly Savings Scheme.
- **Monthly Income Scheme:** Your savings are precious! Let your investment generate a regular monthly income for you. Deposit a certain amount at the opening and earn monthly profit till the tenure completes. You will get back principal amount on maturity.
- **Double Benefit Scheme:** Under this scheme, any deposit becomes double approximately 6 years & 6 months. It accepts deposit in multiples of Tk. 10,000. A specially designed instrument shall be issued for the deposit under this scheme in the same manner as issued in case of Fixed Deposit. The instrument is not transferable and renewable.

Double Benefit Scheme Table

Years	Deposit Amount	Maturity Amount
6 years & 6 months	10000.00 or Multiples	20000.00 or Multiples

- **Shwapno (One Year Monthly Deposit Scheme):** “Shwapno” a personal savings plan to help individuals to fulfill any desired dream. It is a short-term deposit scheme and customer will get Tk. 1.00 lac just after 1 year. Our slogan is, “Design your dream with Premier Bank through monthly installments”.

3.1.3 Loan

Premier Bank Offers Home Loan, Auto Loan, Personal Loan & other Retail loan to fulfill your needs

- **Home Loan:**

My First Home

- Purchasing dwelling for Residential purpose
- Apartments under construction are also applicable for New Home facility

Home Construction Loan

- To construct residential buildings



- House Construction Loan will be 70% of the total estimated cost of the construction or the maximum amount of loan assessed based on customers' creditworthiness as per Premier Bank's credit policy, whichever is lower
- Disbursement will be made into different phases

Takeover Loan

- Consolidation of existing housings/structures
 - Home/House renovation loan
 - Any other loan from any schedule Bank's / Financial institutions to PBL
 - All loan consolidation will be under existing or new home loan
 - Consolidation of Personal loan, Auto loan, Credit Card
- **Personal Loan:** Our Personal Loan is offered on a valid reason from buying household appliances to emergency medical needs. Some of these could be: Purchase of Electronic goods, House/Office Renovation, Marriages in the family, Advance Rent Payments, Travel Expenses and Payment of Taxes etc.

3.1.4 Agent Banking

Premier Bank Agent Banking

Premier Bank Agent banking is providing financial services to the underserved population through engaged agents who conduct banking transactions on behalf of the bank. These agents or Sub-agents, who are usually the owners of outlets, are increasingly becoming an important distribution channel in reaching to the unbanked segment of the society in addition to the existing customer with a wide array of financial services especially to geographically dispersed locations.

3.1.5 Remittance Service

The Bank attaches very high priority in mobilizing inward foreign remittance from Bangladeshi Expatriates living abroad. With a view to provide quick, fast and reliable remittance service to the beneficiaries, the Premier Bank Ltd has entered into drawing arrangement with leading Global Money Transfer Companies and Exchange Houses such as MoneyGram, Western

Union, Xpress Money, RIA Services, CASH EXPRESS, Prabhu Money Transfer, Dolex Dollar, Multinet Trust Exchange, Universal Exchange, Arabian Exchange, Joyalukkas Exchange, Joyalukkas Exchange, Kuwait, Majan Exchange, Lulu International Exchange, KMB International Exchange, Wall Street Finance LLC, USA, Progoti Exchange etc.

To make settlement straightforward and simple, we are utilizing the condition of workmanship innovation and customized client benefit. So as to guarantee smooth task and quicker conveyance of settlement, we have built up a cutting edge unified activity with programming named "Druti".

In addition to our 93 branches, we have arrangement with Jagorani Chakra Foundation a leading NGO having above 360 outlets all over the country and another NGO FIVDB (Friends In Village Development Bangladesh) having above 50 outlets in greater Sylhet region to easily distribute inward remittances at the door steps of the beneficiary.

Our huge system will empower clients to send Instant Cash Transactions and Account Credits anyplace in Bangladesh in the most limited conceivable time. The Bank is skilled to make money installment against settlement through 400+ outlets all over Bangladesh separated from its very own system of 93 branches. The settlement recipient would now be able to open funds or current store accounts in the Premier Bank without installment of yearly accidental charge. They are given particular treatment in dispensing through committed settlement work area.

3.1.6 Student File Service

Every year many students in Bangladesh go to abroad for higher study. In abroad, they have to make payment of their tuition fees. As per Bangladesh Bank Guidelines, a Student File is required to be opened for payment procedure for abroad payments.

Just AD branches are permitted to make installments for affirmation and concentrate by Bangladeshi Nationals in customary courses, for example, Under-Graduate, Post Graduate, Language course per-imperative to Bachelor Degree and Professional Diploma/Certificate courses in perceived establishments in abroad. Bank can take Service Charge/Ujrat Bill (Wakalah expense) from the candidate to open the Student File.

All payments (for one year only) are payable to the educational institution is issued in favor of the institution concerned in the form of TT/MT/Draft.



3.2 Corporate Banking

3.2.1 Corporate Finance

We provide credit facility and services to all general corporate houses to finance current assets and fixed assets in the form of different Term Finance, Working Capital Finance.

- **Short Term Finance:** We extend credit facility against inventory, account receivables or other current assets etc. to finance the working capital requirement. Forms of short-term loan are given below
 - Cash Credit (Hypothecation)
 - Over Draft (OD)
 - Short Term Loan (STL)
 - Secured Overdraft (SOD)
 - Bill Discount / Purchase
- **Long Term Finance:** We provide this type of credit facility to support the long-term growth of a business. This type of loan is primarily used for fixed asset financing, such as acquisition of capital machinery, equipment, vehicles, real estate and other fixed assets. Different types of long term loan are as follows
 - Lease Finance
 - Hire Purchase
 - Loan General
 - House Building (Commercial)
- **Foreign Trade Finance:** In order to facilitate Foreign Exchange (FX), Foreign Trade and other Foreign Currency (FCY) Business and Transactions for our customers, The Premier Bank Limited keeps up Correspondent Banking Relationship with number of banks at home and abroad. Standard Settlement Instructions (SSI) including Drawing and Telegraphic Transfer (TT) plans have been built up in every single real cash. The Bank is exceptionally regarded in the realm of universal fund and cross fringe exchanges. Through our skill and experience, we normally structure and tweak arrangements suited to explicit business necessities.
- **Foreign Bank Guarantee Business**

A number of Foreign Companies are interested in participating in the construction/development of various projects in Bangladesh and are submitting their



bids for which Bid Bond/ Performances Guarantee/Advance Payment Guarantees are required by the Government Agencies. We advise/confirm/re-issue Bid Bond, Performances Guarantee, Advance Payment Guarantees, etc. to various beneficiaries in Bangladesh against Counter Bank Guarantee from correspondents.

At request of Local Applicant, Bank issues Foreign Bank Guarantee to the beneficiary abroad through correspondents of respective countries to fulfill the obligations of contract entered for the business.

- **Long Term Loan/Project loan:** We offer project loan to export-oriented customers for setting up new projects as well as for expansion and BMRE of an existing projects. Project Loan is provided to the customers in the form of Hire Purchase, Lease Finance, and Loan General Etc.
- **Working Capital Loan:** In order to meet up working capital need of the customer we provide the following facilities
 - Back to Back (BTB)L/C / EDF L/C
 - Packing Credit/ Export Cash Credit
 - Overdraft (OD)
 - FDBP/IDBP
 - Import L/C (Sight/DP) other than BTB L/C
 - Bank Guarantees
 - SOD against Cash Incentive

3.2.2 Cash Management Solutions

- **Account Services & Liability Products:** Every corporate entity has its own unique banking and financial needs. The Premier Bank Corporate Banking Account comes with an exhaustive range of features and benefits that take care of all these requirements. We offer instant processing of transactions in the account through our 87 on-line branches within Bangladesh.

We offer several types of transaction accounts and investment opportunities for their long and short-term funds.

- Current Account
- Different Short Term Deposit Accounts
- Term Deposit Accounts



- **Nationwide Collection Service:** Premier Bank Cash Management causes organizations to boost their proficiency in their records receivables and gives them complete data. Our point is to rearrange the compromise procedure and causes them to more readily deal with their record receivables. Our altered arrangement causes organizations to diminish their preparing time and cost. Our answer lessens gathering for the clients just as enhances their efficiency without realizing any huge changes in their business procedure.
- **Payment Service:** At Premier Bank we give redid and coordinated Payments answers for your managing an account needs. We furnish expansive companies and budgetary organizations with adaptable and unlimited authority over their neighborhood installments, outside exchange, electronic managing an account administrations and treasury administrations.
- **Utility Bill Collection Service:** Utility Bill collection Service provides utility service providers an easy solution to collect their dues. Subscribers may deposit payment against their bills over the counter at our Branches, Collection Booths or Standing Instruction against clients' accounts with Premier Bank.
- **IPO Management:** We have redefined our service spectrum to act as preferred bank for handling your issue management. We provide full range of services to act as Lead Banker to The Issue (LBTI) and Banker to The Issue (BTI). We provide complete solution for liquidity management and attractive return on your escrow account with our bank.
- **Hajj & HAAB Services:** We have accumulated a niche through our “Hajj & HAAB Project”. Our services for the pilgrims intending to perform Hajj and the Hajj agencies who arrange the pilgrimage under permission from the authorities has been increasingly popular because of the extra care provided by our dedicated team. Today, Premier Bank is the market leader in Hajj and HAAB Services.
 - Free online store, withdrawal and check clearing administrations through any branch and SME benefit focuses
 - Issuance of cash exchange by SWIFT, DD and Pay Order with no administration charges.
 - Issuance of Shariah based Premier Hajj card to transmit Saudi Riyal and USD.
 - Account opening administration in a joint effort with accomplice bank in Saudi Arabia to hold up under important cost, at free of charges and special rate.

- Use Premier Hajj Card through any ATM and POS to pull back cash at Saudi Arabia.
- Issuance of Bank Guarantee and advance office to HAAB individuals.
- Issuance of VISA/Master Debit and Credit Card with no yearly charge.
- Free electronic record proclamation on everyday schedule..

3.3 SME Banking

3.3.1 Loan

SMEs often have a need for a variety of funding requirements, be these for new projects, buying new equipment, or simply smoothing out the general peaks and troughs of cash flow.

- **Medium & Long Term Loan:** At Premier Bank, we see how much diligent function goes into building up an effective SME business and that it is so basic to have opportune access to suitable money related items and administrations. Grabbing the open door is the sign of any effective SME business. Chief Bank, SME Division represents considerable authority in assembling adaptable, applicable and financially savvy fund bundles – the arrangements that consider your organization's present position and future objectives. In any SME business, eventually you will see approaches to bring fund up in request to develop and exploit new business openings. Whatever is your requirement for back, it is vital to locate the correct bundle to suit your business.
 - Term Loan
 - Project Finance
 - Lease Finance
- **Trade Finance:** At Premier Bank SME Banking, we are focused on supporting your business in effectively dealing with your household and abroad exchange exchanges. Regardless of whether you are a merchant or exporter, our exhaustive suite of Trade Finance and Services offer start to finish answers for your exchange exchanges. Our group of devoted exchange authorities and relationship directors is constantly prepared to answer your inquiries and give you auspicious updates. You can be guaranteed that your Trade exchanges are overseen consistently and effectively, giving you an opportunity to concentrate on the most vital job that needs to be done – 'developing your organizations'.



A view of our product suite

- Trade Services
 - Letter of Credit
 - Back-to-Back LC
 - Import Documentary Collections
 - LC Advising
 - LC Negotiation
 - Documentary Bill for Collection
 - Loan against Trust Receipt
 - Foreign Bill Purchase
 - Bill Discounting
 - Guarantees
 - Payment Guarantee
 - Performance Guarantee
 - Shipping Guarantee
- **Working Capital Finance:** We recognize the importance of Working Capital Finance of SME customers. In accordance with our convention for development and improvement, we offer customized answers for fund all your Pre-Sale and Post-Sale working capital prerequisites. Our accomplished Relationship Managers work with you to comprehend your requirements and spotlight on guaranteeing that the arrangements offered are ideal for you and are conveyed in the best and proficient way.
- Inventory Finance
 - Receivable Finance
 - Overdraft
 - Work Order Finance
 - Short Term Loans
- **Woman Entrepreneurship Loan:** Premier Bank offers specialized services to Women Entrepreneurs through dedicated service desks. Our devoted capable Relationship Managers with profoundly custom fitted made items are dependably by the side of



ladies business visionaries to satisfy all their keeping money needs. Head Bank additionally offers renegotiating for ladies business people at just 10% dad loan fee. A portion of the credit items which help our ladies business people are

- Short and Medium Term Loan
 - Working Capital Loan
 - Lease Finance
- **Micro & Agriculture Finance:** Bangladesh is primarily an agrarian economy. The performance of this area overwhelmingly affects major macroeconomic goals like work age, neediness lightening, HR advancement and sustenance security. We are one of the pioneers in Agriculture back. Ventures financed by us run from Solar Energy, Food Processing to Poultry, Fisheries, and Contract Farming and so on parts.

3.4 Cards

3.4.1 Credit Card

Premier Bank offers both VISA & MasterCard credit card. You can enjoy premier bank Platinum, Gold & Classic Credit Card with Global usage privileges.

- **Dual Currency Card:** Premier Bank offers MasterCard Classic, Gold & Platinum Dual Currency card with Global Usage Privileges; you can use your Credit Card both in Bangladesh and all over the world. The international usage on your Credit Card is allowed against your Annual Travel Quota entitlement as per the prevailing Foreign Exchange Policy Guidelines issued by the Bangladesh Bank, which is US \$ 5,000 for SAARC countries & Myanmar and US \$ 7,000 for Non-SAARC countries Additionally Cardholder is entitled to get US \$ 1000 for E-Commerce transactions (Quota may change as per Government regulation).
- **Platinum Card:** As a Premier Bank Platinum Credit Cardholder, you will get an inclusive range of benefits and facilities. Premier Bank Platinum card can be used both in Bangladesh and all over the world.
- **Gold Card:** Premier Bank Offers Both VISA & MasterCard Gold card and as a Premier Bank Gold Credit Card holder, you will get an inclusive range of benefits and facilities.

3.4.2 Debit Card

Premier Bank is the first Local bank in Bangladesh to introduce VISA Debit & MasterCard Debit card to the customers. Your life becomes hassle free and safe with Premier Bank Debit card as debit card is smart alternative of cash.

Key Features:

- Lowest Annual fee in the market.
- Cash withdrawal from 3500+ ATMs 24/7/365 all over the country.
- Shop and dine at Thousands of retail merchant outlets all over the country.
- ATM Withdrawal Limit BDT 50,000 per day
- Balance enquiry.
- 24/7 Phone Banking Facility.

3.5 Islamic Banking

3.5.1 Accounts

Islamic banking provides deposit products such as:

- **Al-Wadiah Current Account:** Al-Wadiah Current Account is worked on the standards of Al-Wadiah. Bank assumes the job of 'Safe Custodianship' for this situation. Bank resolves to discount clients cash stored in these records on the interest of clients. Then again the Bank takes consent from clients that the Bank may use their cash. Clients may work these records the same number of times as required. No benefit is dispensed in these records and investors don't bear any misfortune.
- **Mudaraba Savings Account:** Mudaraba bank account is opened under the Mudaraba guideline of Islamic Shari'ah. Under the above rule the customer is the proprietor of the reserve (Shaheb-Al Mal) and the Bank is only Manager of the Fund (Mudarib). Mudaraba Saving's records are principally implied for Non-Trading clients who have some potential sparing with a couple of number of exchanges occurring. Beyond what one individual can open and work a Mudaraba Savings Account. A watchman for the benefit of a minor can open a Mudaraba Savings Account. In such case if the minor's



age is 12 years he/she can open the record in his name gave that he/she can comprehend, read and compose freely.

3.5.2 Investment Products

Islamic banking provides investment products such as

- **Bai' Al-Murabaha:** Bai' Al-Murabaha is an agreement between the Buyer and the Seller under which the Seller moves explicit merchandise reasonable under Islamic Shari'ah and Law of the land to the Buyer at an expense in addition to concurred benefit payable in real money prior to a settled future date in singular amount or by portions or single conveyance. The benefit (increased) might be settled in singular amount or in level of the cost of the products. If there should arise an occurrence of Bai' Al-Murabaha, Bank gets the merchandise according to indent of the client, hold it in its authority and move a similar part by part or at an opportunity to the customer who gave indent for the products. If there should arise an occurrence of early modification, discount on benefit payable might be considered to the Client.
- **Bai' Al-Muajjal:** Bai Al-Muajjal is an agreement between a Buyer and a Seller under which the Seller moves certain particular products reasonable under Islamic Shari'ah and Law of the land to the Buyer at a concurred settled value payable at a specific settled future date or inside a settled period in singular amount or by settled portions. The dealer may likewise move the merchandise acquired by him according to request and determination of the Buyer. On account of Bank, Bai-Muajjal is treated as an agreement between the Bank and the Client under which the Bank moves the goods(purchased according to request and particular of the Client) to the customer at a concurred value payable at any settled future date in single amount or inside a settled period by settled portions.
- **Bai' Salam:** Bai'- Salam might be characterized as development buy of a ware/item making development installment by the Bank on execution of a composed contract wherein it is unmistakably referenced that the ware will be conveyed according to determination, measure, quality, amount at a settled future time in a specific place. The weight of expense of transportation and capacity is likewise uniquely referenced in the agreement to stay away from disarray. Horizontally 'Bai-Salam' signifies advance buy and deal. It can likewise be characterized as a deal where the vender embraces to supply some particular Commodities/Products to the purchaser at a future time in return of a

propelled cost paid on the spot. Here the cost is paid in real money, however the conveyance of the merchandise is conceded.

- **Hire Purchase under Shirkatul Mielk (HPSM):** Hire Purchase under Shirkatul Milk (HPSM) is a special type of contract; it is the combination of three separate contracts: Shirkat; Ijarah & Sale.
- **Shirkatul Mielk:** Shirkat alludes to association. Shirkatul Mielk implies share in possession. Whenever at least two people supply value, buy an advantage, claim the equivalent mutually, share the advantage according to assention and bear the misfortune in extent to their separate value, the agreement can be characterized as 'Shirkatul Mielk' contract.
 - **Ijarah:** The term Ijarah has been gotten from the Arabic Words 'Ajr' and 'Ujrat' which implies thought, return, wages or lease. This is extremely the trade esteem or thought, return, compensation, lease of administration of an Asset. 'Ijarah' is an agreement between two gatherings, the Hiree and Hirer where the Hirer appreciates a particular administration or advantage against a predefined thought or lease from the benefit claimed by the Hiree. To put it plainly, it is a contract assention under which a specific resource is employed out by the Hiree to a Hirer against settled lease or rentals for a predetermined period.
 - **Sale:** 'S'Sale' is an agreement between a purchaser and a merchant through which the responsibility for merchandise or resource is exchanged by the vender to the purchaser against settled upon cost paid or to be paid by the purchaser.

3.5.3 Trade Finance

Premier Bank offers a comprehensive range of services under trade finance available to both corporate and SME clients. These include:

- **Letter of Guarantee:** The word 'Certification' signifies a guarantee; normally recorded as a hard copy that the Surety (Guarantor) will satisfy the guarantee if the concerned Principal Debtor (Customer) neglects to release his duty/commitment to the Creditor (Beneficiary). To sum things up, a Bank Guarantee is an endeavor given by a Bank to play out the guarantee or release the risk of its client if there should be an occurrence of his default.

Types of Bank Guarantee



Various types of Guarantee are issued by Bank for several purposes as when and where needed by the surety. Bank secures the provided facility by either cash or collateral security and or by both as per sanction by the competent authority. The most common types of Bank Guarantees are

1. Tender or Bid Guarantee

Government Organization and Institutions, Corporations, Companies and so on by and large welcome tenders for fulfillment of their ventures, for example, street building, development of extensions, building development, and utilization of offices, execution of any administration and/or closeout of undesirable products. Gatherings offering for the delicate must submit with their offers an assurance to the recipient or backer of the delicate (Government Organization and Institutions, Corporations, Companies and so on.). This kind of certification is known as a "Delicate of Bid Guarantee". It is, for the most part, looked for 2 percent to 5 percent of the agreement sum.

After the affirmation of the effective bidder/bidders, the first certifications, of gatherings whose offers have not been fruitful, are come back to the Bank for wiping out. Just the certification of the fruitful bidder is held till the consenting to of the last arrangement and accommodation of another assurance under the name of "Good execution of Undertaking Guarantee". In the event of default of the fruitful bidder, at whose ask for the Guarantee is issued, in going into the understanding and/or in presenting a Good Performance of Undertaking Guarantee, the recipient may en-money the "Delicate for Bid Guarantee" from the issuing Bank. Accordingly, this kind of Guarantee ought to as a rule be issued at higher money edge with insurance security covering the Guarantee sum.

2. Performance Guarantee

Assurance, which is issued regarding explicit execution of agreement, is called 'Execution Guarantee'. This sort of Guarantee would require higher money edge with insurance security covering the Guarantee sum with Power of Attorney to gather bills from the recipient (Government Organizations and Institutions, Corporations, Companies and so forth.).

The Performance Guarantee may be mainly of two types

2.1 Good Performance of Undertaking Guarantee



This kind of certification is issued to guarantee the correct and auspicious execution of endeavors by the effective bidder. The object of this sort of certification is the affirmation of good execution of endeavors emerging from marking of an agreement, which is issued in line with the candidate (the contractual worker), for the recipient (Government Organization and Institutions, Corporations, Companies and so forth.), to guarantee the execution of the endeavors acknowledged by the temporary worker, as per the stipulations of understandings marked. The accommodation of this kind of assurance by the temporary worker is a fundamental for each essential for the consenting to of the arrangement with the recipient (Government Organization and Institutions, Corporations, Companies and so on.).

2.2 Good Performance of Job Guarantee

This sort of certification is issued by the Bank in line with the Customer (Contractor) to guarantee the recipient (Government Organization and Institutions, Corporations, Companies and so forth.) of the correct working of the client (contractual worker) and the fulfillment of the estimate yield, inside the stipulated time, after piece of the activity has been secured. It is substantial for a stipulated period after the consummation of the venture and the start-up of the work for which the undertaking was grasped close by.

3. Shipping Guarantee

Banks offer assurance to transportation organizations for arrival of merchandise without delivery reports, on the off chance that products land before receipt of such archives by the proctor and are causing challenge anger or unique records have been lost after retirement from the Bank. These certifications are constrained to charge sum or letter of credit esteem and for period till receipt of unique bill of replenishing. The certification is really marked by the merchant for delivery organization and countersigned by the Banker. Typically, full estimation of receipt or letter of acknowledge must be held as edge for issue of assurance. On the other hand, the merchandise might be cleared by Bank and kept in its guardianship when the first delivering records are gotten, these will be sent to clearing specialists to encourage return of unique assurance. In the elective way, custom specialist's affirmation with respect to retraction will be gotten.

4. Customs Guarantee

This guarantee is issued for traditions specialist by virtue of custom obligations for imported merchandise and hardware or fare wares in the interest of Clients.



Now and then, shippers are not in a situation to pay in real money, the traditions obligations to discharge their foreign products. All things considered, they have to submit Bank Guarantee to the Customs for a sum proportionate to the measure of the traditions obligation.

By issuing the above assurance, the Bank makes responsibility for installment, and must pay the measure of the certification to the Customs Authority, immediately, at the settled development or on the dates when the portions fall due.

In same conditions like arguments about tax assessment, clients' longing assurances to discharge the products under certification up to definite settlement of question by the able expert.

5. Payment Undertaking Guarantee

This kind of Guarantees is issued by the Bank to make installment of contribution at settled developments, for example, the "Assurance to Pay Taxes." Normally, this sort of certification is issued against 100% money security.

3.6 Premier Security

3.6.1 Premier Bank Securities Ltd.

Premier Bank Securities Limited is a corporate member of Dhaka and Chittagong Stock Exchange Ltd. under Membership no: DSE-236 and CSE-143 respectively.

➤ Capabilities

1. Highly Standard Brokerage Operations;
2. Member of both Dhaka Stock Exchange & Chittagong Stock Exchange transactions;
3. Full Service DP of CDBL;
4. Highly Skilled and Professional Management;
5. Experienced and devoted panel of executives;
6. Exclusive arrangement for safe keeping of instruments under DP;
7. Regular reporting of portfolio and transaction status through e-mail, fax;
8. Exclusive office decorum and arrangements for the customers.

➤ Specialties

1. Competitive fees & charges
2. Conduct business in professional and courteous manner



3. Work with clients understanding their needs
4. Handle clients' order promptly and accurately
5. Provide support, as required by the customers to assure their satisfaction
6. Dedicated IT professionals with backbone



Chapter-4

Evaluation of the Financial Performance of Premier Bank Limited (2013-2017)

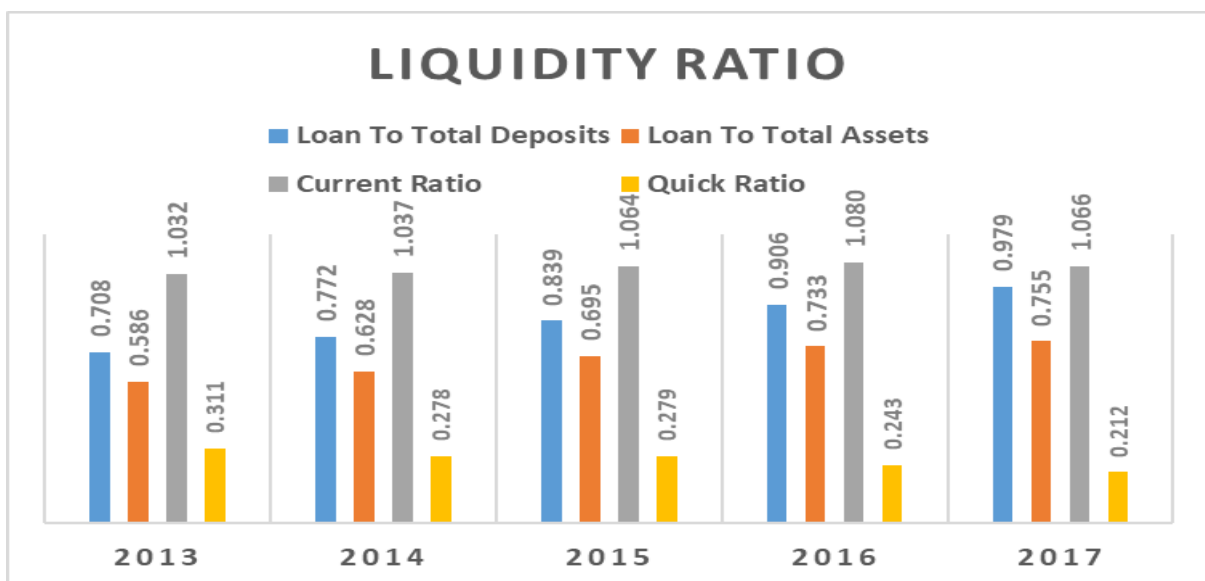
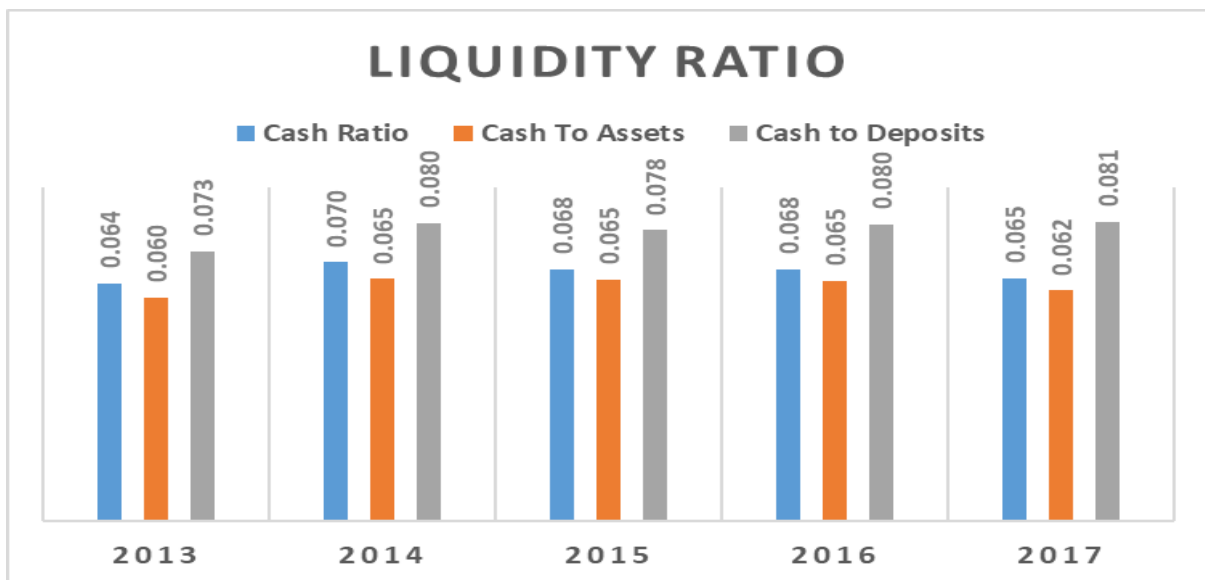


4.1 Ratio Analysis

The last 5 years financial performance analysis of Premier Bank Limited.

4.1.1 Liquidity Ratio

Particular	2013	2014	2015	2016	2017
Cash Ratio	0.064	0.070	0.068	0.068	0.065
Cash To Assets	0.060	0.065	0.065	0.065	0.062
Cash to Deposits	0.073	0.080	0.078	0.080	0.081
Loan To Total Deposits	0.708	0.772	0.839	0.906	0.979
Loan To Total Assets	0.586	0.628	0.695	0.733	0.755
Current Ratio	1.032	1.037	1.064	1.080	1.066
Quick Ratio	0.311	0.278	0.279	0.243	0.212



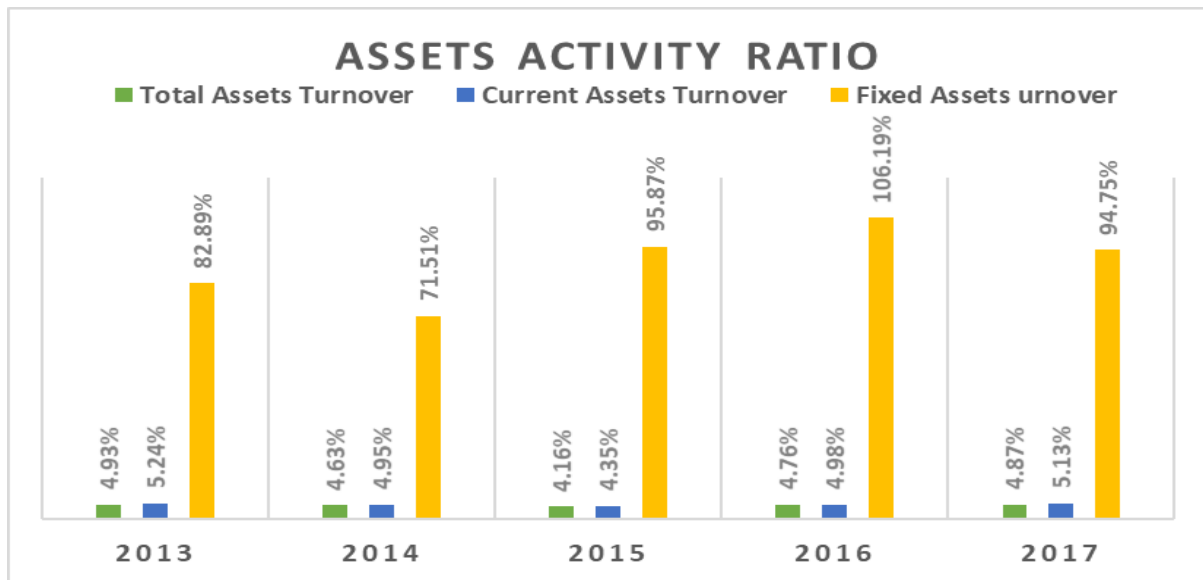


Interpretation: In accounting, the term liquidity is defined as the ability of a company to meet its financial obligations as they come due. The cash ratio or cash coverage ratio is a liquidity ratio that measures a firm's ability to pay off its current liabilities with only cash and cash equivalents. Cash Ratio of PBL 2017 is 0.065 and 2015 & 2016 it was 0.068 & 0.068. The cash ratio of the bank was not good for the bank for those years. The bank should focus on it. Cash to Assets Ratio of PBL in 2016, 2015, 2014 was 0.065 and it has decreased in 2017 to 0.062. The cash-deposit ratio of scheduled PBL (cash in hand and balances with the PBL as percentage of deposits) is observed to be high at 0.081 as at 2017. The cash to deposit ratio has increased gradually from 2013-2017. It's good side for the bank. The loan-to-deposit ratio (LTD) is a commonly used statistic for assessing a bank's liquidity by dividing the bank's total loans by its total deposits. Loans to Deposits Ratio has increased gradually every year. In 2017 it was 0.979. In 2013 it was 0.708 and it increase next four years. Loan to total assets ratio has increased every year in 2013 it was 0.586 and in 2017 it was 0.755. Current ratio is a liquidity ratio that measures whether or not a firm has enough resources to meet its short-term obligations. If we can see that in 2013 it was 1.032 and in 2017 it was 1.066 this bank have enough liquidity to meet up any unforeseen fund requirement. But this bank should reserve more liquidity. Quick ratio is a measure of how well a company can meet its short-term financial liabilities with the available quick funds on hand.



4.1.2 Assets Activity Ratio

Particular	2013	2014	2015	2016	2017
Total Assets Turnover	4.93%	4.63%	4.16%	4.76%	4.87%
Current Assets Turnover	5.24%	4.95%	4.35%	4.98%	5.13%
Fixed Assets Turnover	82.89%	71.51%	95.87%	106.19%	94.75%

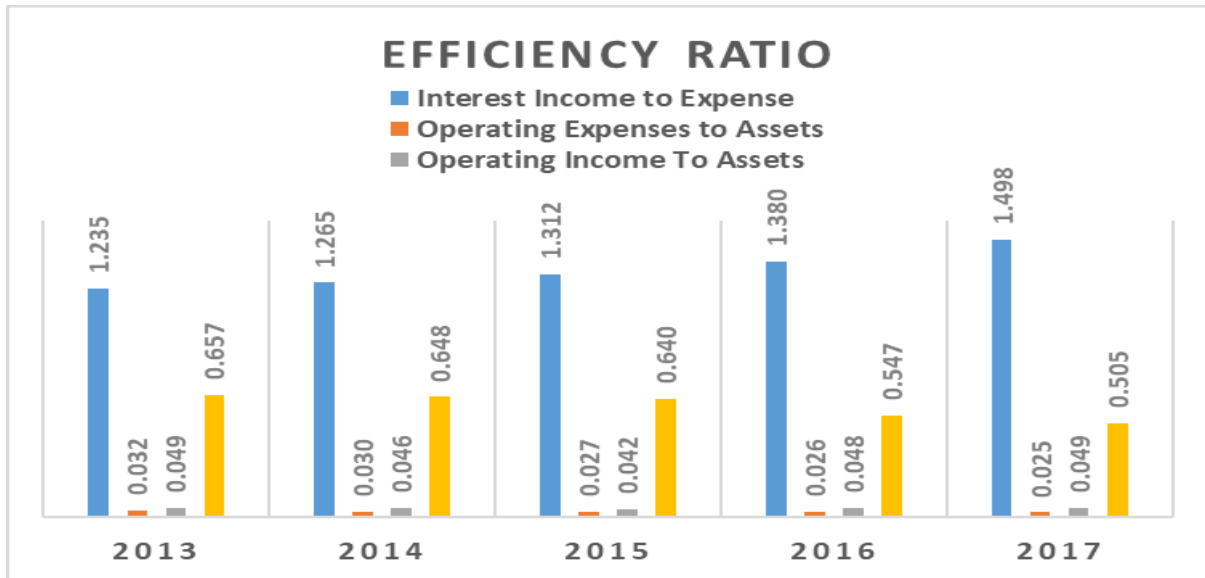


Interpretation: The asset turnover ratio is calculated by dividing interest income by total assets. Interest income, found on the income statement, are used to calculate this ratio returns and refunds must be backed out of total sales to measure the truly measure the firm's assets' ability to generate income. Banks Total Assets asset turnover in 2017 was 4.87% but in 2013 it was 4.93% that is higher value than other year. The TAT is fluctuated in every year. The current asset turnover ratio is an efficiency ratio that measures a company's return on their investment in property, plant, and equipment by comparing net sales with current assets. The Banks current assets Turnover 2013 was 5.24% and next four year it's decreased. In 2017 it was 5.13% so we can say that this year the bank doing better than last 3 years.



4.1.3 Efficiency Ratio

Particular	2013	2014	2015	2016	2017
Interest Income to Expense	1.235	1.265	1.312	1.380	1.498
Operating Expenses to Assets	0.032	0.030	0.027	0.026	0.025
Operating Income To Assets	0.049	0.046	0.042	0.048	0.049
Operating Expense to Revenue	0.657	0.648	0.640	0.547	0.505

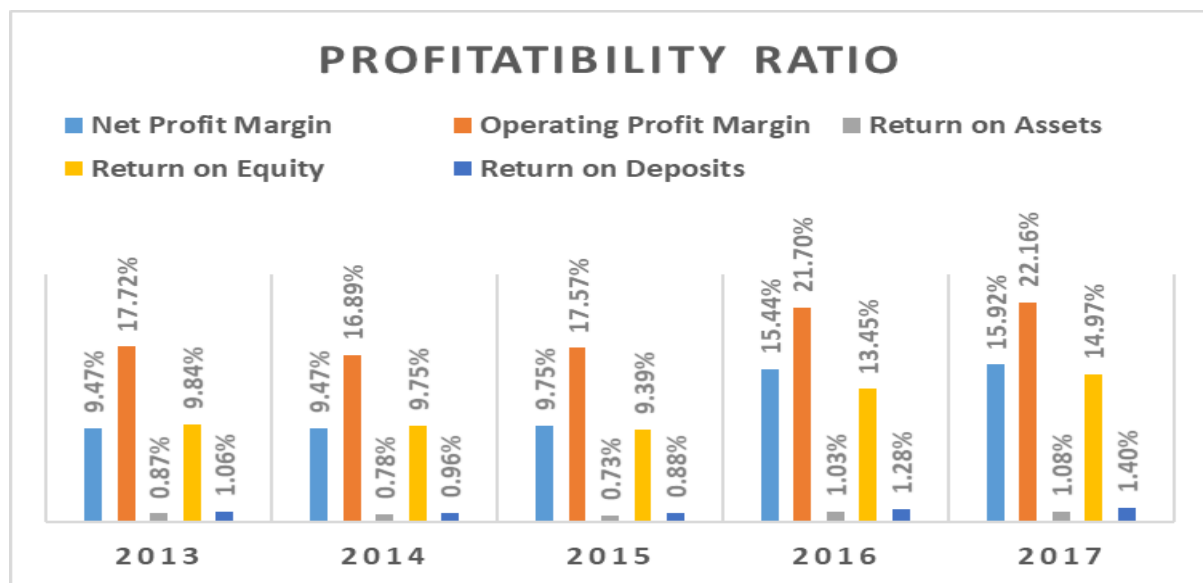


Interpretation: Interest expense will be on the higher side during periods of rampant inflation since most companies will have incurred debt that carries a higher interest rate. The Banks Interest Income to Expense in 2013 was 1.235 and next four years it's gradually increase. Operating Expense to Assets is decreased every year from 2013 to 2017. In 2013 it was 0.32 and in 2017 was 0.25 that decrease. Operating Income to Assets 2017 is highest was 0.049 and 2013 is also the same. But 2014 to 2016 it's gradually decreased. The operating expense ratio (OER) is a measure of what it costs to operate a piece of property compared to the income that the property brings in the higher the BEP ratio. Operating Expense to Revenue its best side of the bank and its year of 2013 was 0.657 and its highest is year 2013. In 2017 its lowest from the other year and it was 0.505.



4.1.4 Profitability Ratio

Particular	2013	2014	2015	2016	2017
Net Profit Margin	9.47%	9.47%	9.75%	15.44%	15.92%
Operating Profit Margin	17.72%	16.89%	17.57%	21.70%	22.16%
Return on Assets (ROA)	0.87%	0.78%	0.73%	1.03%	1.08%
Return on Equity (ROE)	9.84%	9.75%	9.39%	13.45%	14.97%
Return on Deposits	1.06%	0.96%	0.88%	1.28%	1.40%
EPS	1.53	1.55	1.55	2.35	2.83

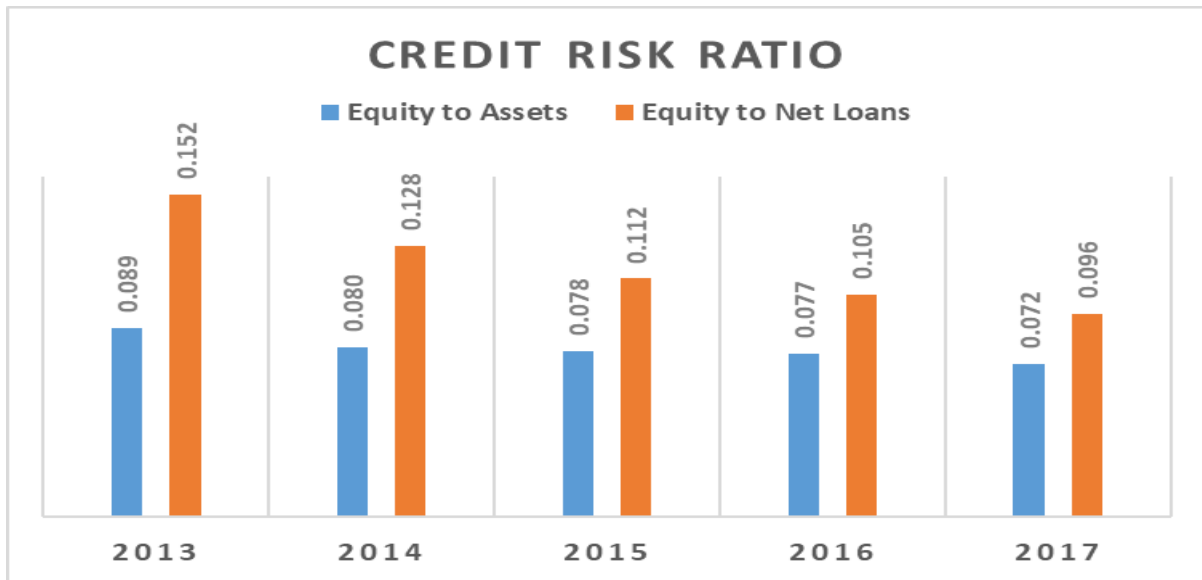


Interpretation: Profitability ratios are a class of financial metrics that are used to assess a business's ability to generate earnings compared to its expenses and other relevant costs incurred during a specific period of time. Return on assets (ROA) is a financial ratio that shows the percentage of profit a company earns in relation to its overall resources. Return on Assets of the Bank 2013 was 0.87 and next Four years it's increases. The return on equity ratio or ROE is a profitability ratio that measures the ability of a firm to generate profits from its shareholders investments in the company. Return on Equity 2016 was 13.45% and year 2017 was 14.97% that is increase from 2016. Net Profit Margin in 2013 was 9.47% and 2017 was 15.92% and it's increased from the first Year. It is good sign for the bank. Operating margin is a measurement of what proportion of a company's revenue is left over after paying for variable costs of production such as wages and operating expenses. Net Operating margin the PBL in 2013 was 17.72% and 2017 is 22.16% then its increased last three years it's good.



4.1.5 Credit Risk Ratio

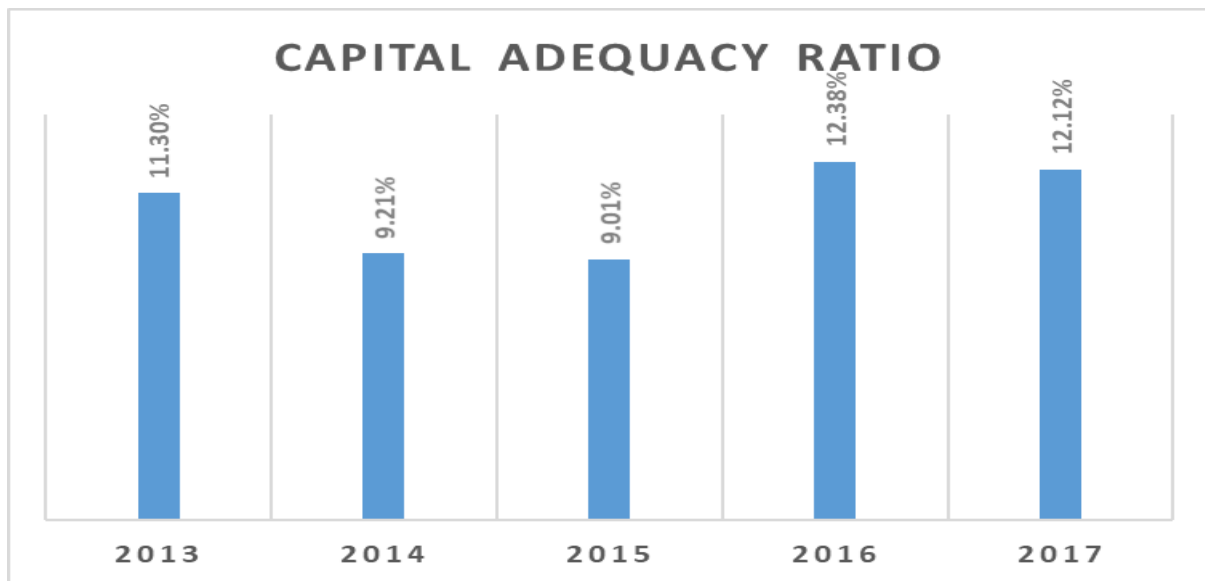
Particular	2013	2014	2015	2016	2017
Equity to Assets	0.089	0.080	0.078	0.077	0.072
Equity to Net Loans	0.152	0.128	0.112	0.105	0.096



Interpretation: Credit risk is calculated on the basis of the overall ability of the buyer to repay the loan. The Equity Ratio is a good indicator of the level of leverage used by a company. The Equity Ratio measures the proportion of the total assets that are financed by stockholders, as opposed to creditors. Equity to Assets of the PBL the year of 2013 was 0.089 and it's gradually decreased and 2017 is 0.072. Equity to Net Loans 2013 is 0.152 and the last Four Years it's gradually decreased.



Particular	2013	2014	2015	2016	2017
Capital Adequacy Ratio	11.30%	9.21%	9.01%	12.38%	12.12%



Interpretation: Capital Adequacy Ratio (CAR) is a measure of a bank's available capital expressed as a percentage of a bank's risk-weighted credit exposures. The minimum acceptable ratio is 10%. In 2013 the CAR was 11.30% this year was good for the bank but in next two years it was 9.21% & 9.01% this is not good for the bank. In 2016 and 2017 was 12.38% & 12.12% so it's good sign for the bank.



4.2 Common Size Statement



Common Size of Balance Sheet:

Premier Bank Limited Premier Bank Limited Income Statement Common Size Analysis						
Cash	Particular	2013	2014	2015	2016	2017
	In hand (Including foreign currencies)	0.02%	0.32%	0.49%	0.47%	0.21%
		1.27%	1.06%	0.88%	0.78%	0.90%
	Interest income	100.00%	100.00%	100.00%	100.00%	100.00%
	Balances with Bangladesh bank and sonali bank (Including foreign currencies)	4.75%	5.47%	5.62%	5.69%	5.31%
	Interest paid on deposits and borrowings	80.96%	79.04%	76.20%	76.44%	66.77%
	Balance with other banks and financial institution	5.24%	4.65%	1.10%	0.71%	0.51%
	Net interest income	19.04%	20.96%	23.80%	27.56%	33.23%
	In Bangladesh	3.84%	4.37%	0.99%	0.55%	0.12%
	Income from investments	20.37%	21.34%	16.99%	24.78%	16.56%
	Outside Bangladesh	1.40%	0.28%	0.31%	0.16%	0.39%
	Commission, exchange and brokerage Income	8.31%	9.40%	10.33%	13.87%	16.95%
	Money at call and short notice	1.90%	0.98%	0.00%	0.00%	0.00%
	Other operating income	5.75%	4.35%	28.22%	14.92%	5.09%
	Investment in shares & securities	22.28%	18.35%	18.58%	15.02%	12.69%
	Total operating income	53.47%	56.05%	55.47%	71.14%	71.83%
	Government	15.30%	13.30%	14.13%	10.48%	9.34%
	Salaries, allowances and other benefits	11.57%	12.29%	12.27%	13.11%	14.02%
	Others	6.98%	5.29%	4.46%	4.54%	3.36%
	Other operating expense	23.53%	24.04%	23.71%	25.82%	22.29%
	Loans and advances/investment	58.61%	62.70%	69.48%	73.33%	75.48%
	Total operating expenses	35.10%	36.32%	35.48%	38.93%	36.31%
	Loans, cash credits, overdrafts/General Investments	55.23%	59.25%	64.73%	69.61%	72.82%
	Profit before provision against loans and advances	18.36%	19.73%	19.99%	32.41%	35.52%
	Bills discounted and purchased	3.37%	3.54%	4.74%	3.71%	2.63%
	Total provision	94.05%	93.36%	95.66%	95.52%	94.86%
	Profit before tax	15.79%	16.36%	17.40%	22.56%	26.43%
	Land, building, furniture and fixtures (Including leased assets)	1.78%	1.49%	1.81%	1.53%	1.30%
	Current Tax	7.55%	6.63%	7.17%	10.23%	12.24%
	Other assets	4.17%	4.99%	2.50%	2.93%	3.84%
	Deferred tax	0.77%	0.26%	0.48%	3.19%	1.72%
	Total Fixed Assets	5.95%	6.49%	4.34%	4.48%	5.14%
	Provision for tax	6.32%	6.90%	7.65%	7.13%	10.51%
	Total assets	100.00%	100.00%	100.00%	100.00%	100.00%
	Net profit after tax	9.47%	9.47%	9.75%	15.44%	15.92%
	Borrowings from other banks, financial institutions and agents	3.36%	3.72%	3.74%	3.14%	3.26%
	Deposits and other accounts	82.82%	81.33%	82.83%	80.97%	77.05%
	Current /Al-Wadeeah current and other deposit accounts	0.00%	20.59%	21.99%	22.48%	23.69%
	Savings deposits/Mudaraba Savings Deposits	4.28%	3.98%	4.34%	4.83%	4.98%
	Mudarabba/ Term and Fixed deposits	54.55%	55.74%	55.65%	52.58%	47.24%
	Other Deposits/ Mudarabba Deposits	22.82%	0.00%	0.00%	0.00%	0.00%
	Bills payable	1.18%	1.02%	0.86%	1.08%	1.15%
	Other liabilities	4.93%	5.14%	3.35%	4.35%	3.64%
	Total Current Liabilities	91.12%	90.19%	89.92%	88.46%	88.96%
	Subordinated Debt/Mudaraba bond	0.00%	1.79%	2.28%	3.87%	3.83%
	Total Non-Current Liabilities	0.00%	1.79%	2.28%	3.87%	3.83%
	Total liabilities	91.12%	91.98%	92.21%	92.32%	92.79%
	Shareholders' equity	8.88%	8.02%	7.79%	7.68%	7.21%
	Total liabilities and shareholders' equity	100.00%	100.00%	100.00%	100.00%	100.00%

Common Size of Income Statement:

Interpretation: The common figure for a common-size balance sheet analysis is total assets. Based on the accounting equation, this also equals total liabilities and shareholders' equity, making either term interchangeable in the analysis. It is also possible to use total liabilities to indicate where a company's obligations lie and whether it is being conservative or risky in managing its debts. Cash in hand is increasing from year 2013 to 2017 it's 6.02% to 6.21%. Investment in share and securities is first three is increasing but last two year its fall and highest value is 2013 and value is 22.28%. Loans and Advances is increasing from year 2013 to 2017 and value is 58.41% to 75.45% and 2017 it's increase value. Deposits & other accounts its decrease from 2013-2017 this is not good sign for the bank and it was 8.82% to 77.05%. Shareholder equity also decrease from 2013 to 2017 it was 8.88% to 7.21%. Net interest income is increase highly every year its 19.04% to 33.23%. It is very good sign for the bank. Net profit after tax also increase every year. So it is good sign for the bank.

4.3 Trend Analysis



Trend Analysis of Balance Sheet:

Premier Bank Limited					
Premier Bank Limited					
Income Statement					
Trend Analysis					
Particular	2013	2014	2015	2016	2017
In hand (Including foreign currencies)	100.00%	100.00%	100.00%	100.00%	100.00%
Interest income Bangladesh bank and sonali bank (Including foreign currencies)	100.00%	111.09%	110.93%	105.12%	140.96%
Interest with other banks and financial institution	100.00%	108.97%	130.99%	121.95%	123.03%
Net interest income	100.00%	122.20%	148.78%	181.16%	260.38%
Income from investments	100.00%	116.41%	98.78%	152.10%	131.35%
Commission, exchange and brokerage Income	100.00%	125.70%	147.80%	208.87%	304.88%
Other operating income	100.00%	183.94%	523.66%	107.16%	132.06%
Total operating income	100.00%	116.46%	123.39%	166.48%	200.39%
Salaries, allowances and other benefits	100.00%	117.04%	126.10%	141.71%	189.68%
Total operating expenses	100.00%	113.46%	117.33%	117.31%	141.31%
Profit before provision against loans and advances	100.00%	119.34%	128.43%	119.47%	188.52%
Provision against loans and advances	100.00%	119.34%	128.43%	119.47%	188.52%
Total Current Assets	100.00%	125.26%	148.68%	169.21%	267.79%
Land, building, furniture and fixtures (Including leased assets)	100.00%	115.11%	131.04%	178.78%	248.67%
Current Tax	100.00%	132.79%	153.75%	232.81%	328.95%
Other assets	100.00%	148.33%	87.54%	121.16%	186.79%
Deferred tax	100.00%	38.12%	74.09%	518.42%	333.59%
Total Fixed Assets	100.00%	135.00%	106.67%	518.95%	175.31%
Provision for tax	100.00%	121.74%	144.03%	141.15%	248.11%
Total assets	100.00%	124.09%	146.18%	172.58%	203.02%
Net profit after tax	100.00%	111.02%	122.37%	203.89%	250.63%
Borrowings from other banks, financial institutions and agents	100.00%	137.34%	162.82%	161.29%	499.61%
Deposits and other accounts	100.00%	121.86%	146.20%	168.71%	188.86%
Current /Al-Wadeeah current and other deposit accounts	0.00%	100.00%	125.80%	151.82%	188.19%
Savings deposits/Mudaraba Savings Deposits	100.00%	115.60%	148.25%	194.73%	236.23%
Mudarabba/ Term and Fixed deposits	100.00%	126.81%	149.13%	166.37%	175.83%
Other Deposits/ Mudarabba Deposits	100.00%	0.00%	0.00%	0.00%	0.00%
Bills payable	100.00%	106.95%	106.52%	157.72%	196.53%
Other liabilities	100.00%	129.29%	99.22%	151.99%	149.87%
Total Current Liabilities	100.00%	122.83%	144.27%	167.53%	198.20%
Subordinated Debt/Mudaraba bond	0.00%	100.00%	150.00%	300.00%	350.00%
Total Non-Current Liabilities	0.00%	100.00%	150.00%	300.00%	350.00%
Total liabilities	100.00%	125.28%	147.93%	174.86%	206.74%
Shareholders' equity	100.00%	111.98%	128.27%	149.16%	164.76%
Total liabilities and shareholders' equity	100.00%	124.09%	146.18%	172.58%	203.02%

Trend Analysis of Income Statement:



Interpretation: A trend analysis is an aspect of technical analysis that tries to predict the future movement of a stock based on past data. Trend analysis is based on the idea that what has happened in the past gives traders an idea of what will happen in the future. Cash in hand is increasing every year from 2013 to 2017 and value is 100% to 209.64%. Investment in shares and securities and loans & advances both are also increase from year 2013 to 2017. Loan and advanced in 2017 was 261.36%. Deposits and other accounts also gradually increased form year 2013 to 2017 value is 100% to 188.86% and it is good sign for the bank. Bills payable is also increase every year. Net interest income is increasing rapidly every year from 2013 to 2017 and the value is 100% to 260.38 %. And net profit after tax are also increase rapidly in every year. In 2017 the net profit margin was 250.63%. That is very good sign for the bank.



Chapter-5



Findings, Recommendations and Conclusion

5.1 Findings

- The bank's Current Ratio is below 2 which is not good. The current ratio in 2013 was 1.032 and in 2017 it was 1.066.
- The bank's Quick Ratio is below 1. The quick ratio in 2013 was 0.311 and in 2017 it was 0.212 which is not good.
- PBL's Cash Ratio has been decreasing since 2013. Considering liquidity of the bank, it's critical and need to be addressed.
- Loan to Deposit Ratio in 2013 to 2015 was moderate but in 2016 and 2017 it was high so in these two years the bank was not able to recover any unforeseen fund requirement.
- The banks Total Assets Turnover is decreasing in every year.
- Fixed Assets Turnover is increasing every year. In 2013, it was 82.89% and in 2017 it increased to 94.75%.
- Net Profit Margin has increased throughout 2013 to 2017. In 2013, it was 9.47% and in 2017 it was 15.92% that means it has increased. It is good sign for the bank.
- The banks Return on Assets (ROA) has decreased throughout 2013 to 2015 but in the last two years (2016 and 2017) it was doing better. In 2013, ROA was 0.87% and in 2016 it was 1.03% and in 2017 was it 1.08%.
- The banks Return on Equity (ROE) has increased throughout 2013 to 2015 but in last two years (2016 and 2017) it was doing better. In 2013, ROE was 9.84% and in 2016 it was 13.45% and in 2017 it was 14.97%.
- Bank should maintain Capital Adequacy Ratio (CAR) at 10%. In 2013. The bank has maintained Capital Adequacy Ratio at 11.30%. But in 2014 and 2015 it could not maintain CAR ratio at 10% rather it was 9.21% and 9.01% respectively. In 2016 and 2017 it increased to 12.38% and 12.12% respectively.
- The bank Loan and Advanced has increased throughout the year 2013 to 2017. In 2013 was 58.61% and in 2017 it became 75.45%.
- The bank Deposit and other Accounts has decreased throughout the year 2013 to 2017. In 2013 was 82.82% and in 2017 it became 77.05%.
- The bank Net Interest Income has increased throughout the year 2013 to 2017. In 2013 was 19.04% and in 2017 it became 33.23%.
- The EPS of the bank increased but the amount not very high.



5.2 Recommendations

- The bank should maintain their current ratio because the current ratio is below 2 in every year. So the bank should increase their current assets.
- The bank quick ratio is below 1 which means this bank does not have enough cash reserve. So this bank should increase the cash reserve.
- The bank should focus on cash ratio and should figure out the way to increase it. If bank falls in a liquidity crisis, it will not be able to repay current obligations.
- The bank should focus on the utilization of its assets in the coming years so that total asset turnover will be increased.
- Bank should maintain proper Capital Adequacy Ratio in every year.
- Return on Asset (ROA) is the indicator how bank use its asset to generate returns. The bank needs to pay attention to increase ROA.
- The bank should take necessary steps to maintain their deposits growth. So that the bank can meet up any unforeseen fund requirement.
- PBL's equity to assets ratio is decreasing in every year from 2013 to 2017. The bank should focus on it.
- The bank should make more investments so the Return on Equity (ROE) of the bank could be increased in future.
- The interest income of the bank should be increased.
- The bank should increase the net income so that the EPS of the bank increase by large amount in future.

5.3 Conclusion

Every organization must have a goal to achieve. To achieve that goal organization must fix its vision and mission. According to vision and mission, an organization is able to fulfill its target. Customers are in the center of that mission and vision for financial companies like Bank. By analyzing the financial statements as well as the ratios, it can be said that Premier Bank Limited has been doing well in few sectors. If we see the similar investigation of accounting report things, it is appeared that the present liabilities are higher than resources. On account of similar pay proclamation, a large portion of time the net benefit was diminished subterranean insect it was fluctuating over the period. Be that as it may, when think about in general aggregate working salary and net benefit they were essentially expanded throughout the years. In the event of regular size near examination of monetary record things, it is created the impression that the venture was in diminishing pattern and the liabilities were in expanding pattern. The most fluid resource money was diminishing and settled resources were expanding over the periods. The liquidity proportions of PBL were expanded the vast majority of the occasions which is useful for the bank. In the event that we see the gainfulness position of the bank, it can without much of a stretch be said the Profit Margin, Return on Assets and Return on Equity were not all that great and its pattern was descending. We can see the EPS proportion of Also when we examine the dissolvability proportions, we can state that PBL ought to do their best to keep up their use proportions as every one of these proportions demonstrates that they have high use and in this way they additionally have a higher hazard. Other than this, they have to expand the measure of value capital as an excessive amount of use might be related with more hazard and furthermore it demonstrates the bank's money related shortcoming. PBL is one of the renowned banks among third generation's bank. It is competing with many other banks and also new banks are about to come. So, it will have to face tough competition to survive. The major task for banks to survive in this competitive environment is managing its assets and liabilities in a profound way and also acquiring new advanced technology to cut down its operating expense giving a way to more profit. This profit will come, if there are large and big corporate customers. These customers will remain with the bank if service quality is superior. So PBL will have to ensure quality service in every single branch. For quality service PBL will have to solve problems of their customers. Every single and silly mistake can spoil their business.



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Annual Report of Premier Bank Limited 2013 and 2017

WEBSITES

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