Internship Report On

Financial Performance Analysis of Dhaka Bank PLC

Supervised by

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Transmittal Letter

To

29 December 2024

Professor Dr. Mostafa Kamal,

Business Administration Department,

Daffodil International University

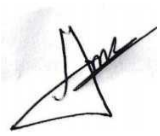
Sub: Submission Report for Internship.

Respected Sir,

Respectfully, I would like to let you know that I am really happy to present my internship report on Dhaka Bank PLC financial performance analysis. Under the guidance of Prof. Dr. Mostafa Kamal, I finished my report as required by Daffodil International University MBA program. I must provide you the report that is contained.

As a result, I am confident that my internship report will be acceptable to you. I would truly appreciate it if you could make any additional corrections where you think they are needed.

Sincerely, yours



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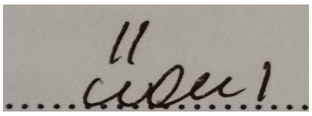
The approval of the supervisor

This confirms that Mosaddek Hosen, ID:0242310004083012, MBA Major in Finance, is enrolled regularly in Daffodil International University Department of Business Administration, Faculty of Business and Entrepreneurship. He produced this internship report under my close supervision after completing his internship program at “Financial Performance Analysis of Dhaka Bank PLC” Is the theme of his internship. I believe the report can meet some of the MBA program standards. Declare that this article possibly not used in the original the marketplace setting and that the research was created exclusively for academic goals.

Following the report’s reading, I thought it was composed quite effectively. He finished the report on his own, and I hope he has the best life has to offer.



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Prof. Dr. Mostafa Kamal

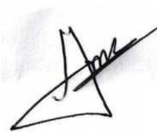
Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Declaration of the Student

I hereby certify that the work I have done for this internship report is original to me and hasn't been submitted to any other university or organization before. The material I've presented does not violate any copyrights already in place, and no part of this report is lifted verbatim from any previous work, whether it be academic or otherwise. I also promise to reimburse the department for any losses or damages resulting from any of the aforementioned responsibilities.



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Recognition

I want to start by sincerely thanking God for giving me the opportunity to write this internship report. The input of many people, particularly those who have offered their careful advice and recommendations to finish this study, is essential to its success. For guidance and coordination, as well as for providing me with the greatest and most valuable advice, suggestions, and moral support to finish the report in a suitable manner, I am grateful to Prof. Dr. Mostafa Kamal of Daffodil International University (DIU).

I would want to express my sincere gratitude to my parents, who are my greatest blessings in this windy world. I have no doubt that I could not have finished this report without the assistance of my supervisor.

Lastly, I would want to add a few more comments stating that this project report was created by a student, thus there may be unintentional mistakes and omissions that are very personal to me.

Abstraction

A company's total financial health over a specific time period is gauged by its financial performance. In order to give depositors, bank managers, shareholders, investors, and regulators a realistic view of Dhaka Bank PLC financial situation, this study compares the bank's financial performance. The bank's financial performance is analyzed using the ratio analysis technique. The balance sheet and income statement for the 2019–2023 period are the annual financial statements from which the data is gathered. To ascertain the significance of the mean differences of these Dhaka Bank PLC ratios, an independent sample test was employed. In addition to finding a substantial mean difference in the bank's profitability, capital adequacy, and cash flow ratio, the study indicates that Dhaka Bank PLC is less liquid and riskier but more profitable, deployable, and operationally efficient. Dhaka Bank PLC should carry out internal evaluation in order to enhance its operations and address its shortcomings in order to improve performance. Dhaka Bank PLC carried out this analysis, which was dubbed Financial Performance Analysis. The methods of comparative financial performance analysis and trend analysis were both applied. For study purposes, three years' worth of audited financial reports from 2019–2023 were taken. The majority of studies to date have attempted to evaluate the expansion of private banks in terms of their capacity to grant loans and their ownership of assets.

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Chapter 01

Overview

1.1Overview

The banking sector is essential to the economic activity and development of every nation. A variety of bank kinds exist, including commercial banks, savings banks, investment banks, industrial banks, cooperative banks, central banks, and more. However, when we use the word "bank" without any restrictions or prefixes, it refers to commercial banks. Commercial banks are the primary drivers of the economy of a nation such as Bangladesh. In Bangladesh, commercial banks control the majority of the financial sector, and the banking industry's and commercial banks' performance is crucial to macroeconomic management.

With an emphasis on financial system reform and meeting the demands of the war-torn economy, banking mostly emerged in the state sector before gradually liberalizing in the ensuing years. Private sector banks ought to have more authority to support pro-growth expansion. Currently, there are 56 scheduled banks operating throughout the nation. Of them, 38 are private commercial banks, nine are foreign commercial banks, and nine are state-owned (including five specialized banks).

Despite a significant transformation, Bangladesh's banking industry continues to be plagued by persistent inefficiencies. The issue of bank loan default is the main issue facing Bangladesh's banking system. Many steps have been done to address the problem of loan default in Bangladesh. Having rules on credit policy and procedures that are mandated by the Bank of Bangladesh is one of them.

1.2 The Study's Scope

The paper provides an overview of Dhaka Bank PLC and its operations. The study and the job experience gained during the project term make up the data. The project research emphasis of Dhaka Bank PLC's financial outcomes is also described in the paper. A thorough analysis of financial accounts and a review of the literature served as the foundation for this report.

1.3 The study's objectives

1.3.1 Overarching Goal:

This study's primary goal is to satisfy a specific MBA degree requirement.

1.3.2 Particular Goals:

- To evaluate the financial performance of Dhaka Bank PLC.
- To understand liquidity position of the Dhaka Bank PLC.
- To find the ratio and profitability position of Dhaka Bank PLC.
- To suggest some possible solution based on finding.

1.4 Methodology

Statistics were obtained through oral interviews with the doctor’s responsible, expected consumers, suppliers of medication, etc. To make the analysis meaningful and practical, various types of statistical configurations have been used. They were first closely scrutinized after obtaining data from the interview and materials supplied by them. The sources that have been used to gather information are discussed below:

1.4.1 Primary Sources

- In-person interactions with customers
- one-on-one discussions with Dhaka Bank PLC staff.

1.4.2 Secondary Sources

- Annual reports of Dhaka Bank PLC.
- Published articles
- Journals
- Website

1.5 Limitations of the Study

- Unwillingness of the employees to share information publicly due to their non-disclosure policy.
- All relevant information cannot be collected within this short span of time.
- Lack of experience is another limitation while preparing the report.
- The study's duration was insufficient to provide a comprehensive insight of the banking industry.
- This study relied entirely on annual reports and public documents.
- There aren't enough books, articles, journals, etc.
- Frequently, current information might not be accessible.

Chapter 02

The Dhaka Bank PLC Overview

2.1 Dhaka Bank PLC History

A scheduled bank established under the 1994 Companies Act, Dhaka Bank PLC started operations in July 1995 with the goal of significantly contributing to the socioeconomic development of the nation. Delivering commercial banking services to clients' doorsteps worldwide is the aim. Clients began to trust this organization as soon as it was established. During this time, the bank was successful in establishing itself as a forward-thinking and vibrant financial institution in the nation. As the top private sector bank in Bangladesh, Dhaka Bank PLC offers a wide range of services related to personal, business, international commerce, foreign exchange, lease finance, and capital markets. Dhaka Bank PLC is the go-to option for amiable and individualized financial services, state-of-the-art technology, tailored business needs solutions, international trade and trade, and high investment yields, all of which guarantee excellence in banking services.

2.2Mission

To be the top financial organization in the nation, offering top-notch goods and services supported by cutting-edge technology and a group of exceptionally driven employees who strive to provide banking excellence.

2.3Vision

The far-off stars of Dhaka Bank PLC serve as our source of inspiration. Our staff is dedicated to upholding a standard that makes every financial transaction enjoyable. Through accuracy, dependability, prompt delivery, state-of-the-art technology, customized business needs solutions, international commerce and trade scope, and high investment yields, we want to provide you the razor-sharp glitter. Our employees, goods, and procedures are all in line to meet the needs of our discriminating client. Like the stars in the sky, we are here to make a difference. Our main goal is to create a product that accurately reflects our vision for banking excellence.

2.4 Corporate Values:

- A face on the Customer
- Integrity
- Quality
- Teamwork
- Respects for others
- Respectable citizenships

2.5 Business Units:

- Small and Medium Business (SME)
- Corporate Banking
- Personal Banking
- Islamic Banking
- Information Technology
- International Trade and Foreign Exchange
- Capital Market Services

2.5.1SME (small and medium-sized enterprise):

One of the first commercial banks to start SME banking in Bangladesh was Dhaka Bank PLC. Continuous time and effort has been placed in over the years to consider the target market and its needs. The SME unit has been working on a risk management framework to address the usual needs that customers may have and has built flexible payment patterns that will assist all customers in the long term. At Dhaka Bank PLC, SME Banking is now in a position to fulfill all kinds of working capital requirements relating to bidding, receiving and executing work orders. The product range has been expanded to include guarantees, bid bonds and working capital specifications for various government, independent, multinational and private sector companies issuing work / purchase orders.

2.5.2 Corporate Banking:

The corporate team offers the following services:

- Letter of Credit
- Guarantee
- Export and Import Finance
- Project Finance
- Leasing
- Working Capital Finance
- Syndicated Loan

2.5.3 Personal Banking:

Through market research, Dhaka Bank PLC goes above and beyond to create and introduce new goods and services that address every aspect of contemporary business. Dhaka Bank PLC established its Personal Banking Division in 2003, which included the introduction of new products and the consolidation of its current offerings, particularly electronic banking products like Dhaka Bank PLC credit cards, ATM cards, and specific automated telephone banking branches.

The following are the many personal banking products:

- Accounts for deposits
- Foreign Transaction
- Online banking
- Credit Card
- Personal Loan
- Lockers

2.5.4 Islamic Banking:

With its unique human-face approach, Islamic Banking emphasizes interest-free business dealings, joint involvement, and profit-and-loss sharing via various financial channels. Islamic banking has gained a lot of popularity in Bangladesh, and on July 02, 2003, Dhaka Bank PLC opened its first Islamic banking branch in the Motijheel Commercial District of Dhaka. These Islamic banks offer Sarah-focused profit-loss-sharing banking services that are completely interest-free. The entire profitability of Dhaka Bank was significantly raised by the operating profit generated by the Islamic Banking Branches, Import & Export Sector, which demonstrated exceptional performance. Additionally, Dhaka Bank PLC is a member of Central Shariah, the Bangladesh Council of Islamic Banks of Dhaka, and the Islamic Banks Consultative Forum [IBCF].

2.5.5 Technology of Information:

A fully integrated online banking system is presently being run nationwide by Dhaka Bank PLC. The system facilitates international transactions for their clients. Barcodes on the labels of both bank checks provide them unique characteristics and stop them from being copied. Any console at any bank branch allows you to view all of the signature photos and customer information.

2.5.6 Foreign Exchange and International Trade:

Dhaka Bank PLC engages in international trade as a major economic activity. The Bank provides a wide range of commercial services to efficiently handle the required transactions thanks to its global correspondent network and strong ties with important financial institutions. Professional guidance on all facets of foreign trade requirements is provided by Dhaka Bank PLC.

specifically:

- Documentary credit issuance, advice, and confirmation
- Setting up exchange cover in advance
- Finance Before and After Shipment
- Bill Collection
- Bills of Exchange Discounting
- Export Bill Purchase and Negotiation

2.5.7 Services for the Capital Market:

Dhaka Bank PLC plays a significant part in the nation's capital market activities. The Bank's specialized division, the "Investment Group," handles the buying and selling of stock market shares and oversees the Bank's own holdings. The most up-to-date information on stock trading and equity markets is provided to customers by the Investment Division. By maintaining an account with the Investment Division, one can utilize the facility.

2.5.8 Management Hierarchy:

Name	**Positions**
Mr. Emranul Huq	Managing Director & CEO
Mr. Mohammad Abu Jafar	Additional Managing Director
Mr. A. K. M. Shahnawaj	Deputy Managing Director -Risk Management
Mr. A M M Moyen Uddin	Deputy Managing Director – Operations & IT
Mr. Darashiko Khasru	SEVP & CRO
Mr. Abdullah Hil Kafi	SEVP & Head of ICCD
Mr. Md. Abdul Matin	SEVP & Head of Credit Risk Management
Mr. Akhlaqur Rahman	P & Head of Corporate Banking Division
Mr. Md. Shahjahan Miah	SVP & Company Secretary
Mr. M Rezaur Rahman	SVP & Head, Human Resources Division
Mr. Sahabub Alam Khan FCA	SVP & Acting CFO
Mr. K.M. Faisal Fariqui	SVP & Head of Treasury Division

Chapter 03

Theoretical Framework

3.1 Analysis of Financial Performance

The subjective indicator of a company's ability to employ its business assets and produce income is called financial performance. A company's entire financial status during a certain time period is also measured by the term "financial performance," which can be used to compare industries or sectors collectively or with other businesses in the same industry. An evaluation of a business, sub business, or project's viability, stability, and profitability is known as financial performance analysis. Professionals who create reports utilizing ratios that utilize data from financial statements and other reports carry it out.

Top-level management typically receives these reports as one of the bases for decision-making. The management may decide based on this report. To obtain a financial overview of a company, financial performance analysis is essential. In general, it consists of interpreting the income statement and balance sheet. These two assertions can be used to do ratio analysis and trend analysis. These studies are the main instruments used to examine the financial performance of the business.

3.2Financial Ratio Significance

Ratio analysis is crucial for any organization since it allows us to determine the position, strengths, and weaknesses of the company. With this knowledge, management can organize their aim by taking the appropriate actions.

3.3 Financial Statement Analysis Tools

- Ratio Analysis
- Horizontal/Trend Analysis
- Vertical Analysis

One diagnostic method for locating potential and trouble spots in a business is ratio analysis. The measures that financial analysts use the most offer information on a company's

- Liquidity
- Degree of financial leverage or debt
- Profitability
- Efficiency
- Value

Financial Ratios Group

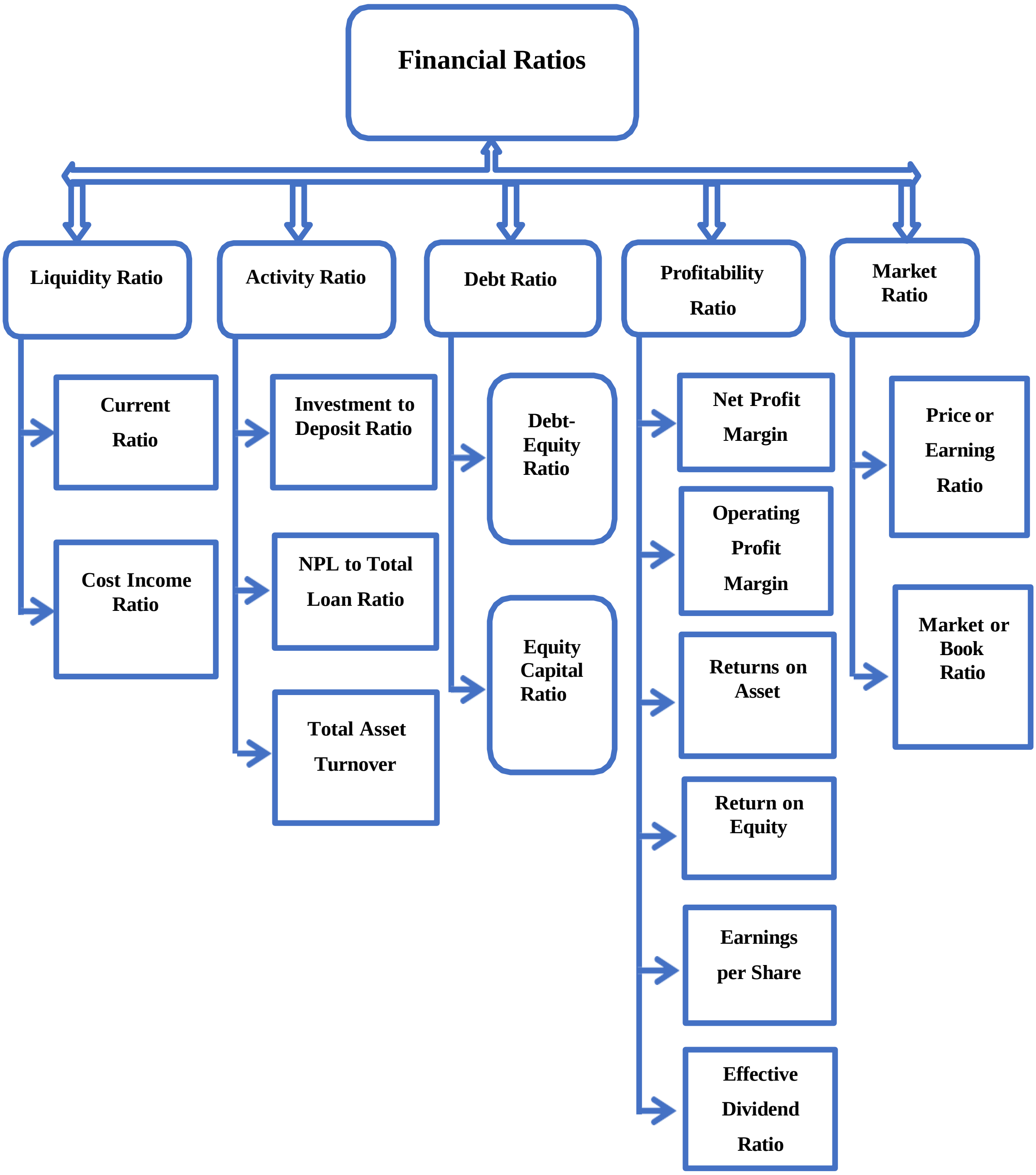
The following groupings or categories can be used to categorize financial ratios:

☑ Liquidity ratios ☑ Activity ratios

☑ Debt ratios ☑ Profitability ratios

☑ Market Ratios

Figure 3.4 Financial Ratios Group



3.4 Various facets of work performance:

a. Because bankers must handle every detail to delight customers and generate income for the bank, banking positions are crucial and time-consuming.

b. The manager or branch head has complete authority over the bank's decision-making process. In order to efficiently carry out their duties, officers primarily adhere to his instructions.

c. The main duties of general banking include creating statements, salary sheets, reports, and discussing any reports as well as offering suggestions. Additionally, they handle sensitive tasks including processing checks, providing interest on deposits, and computing account information.

3.5 Important insight and suggestion

a. There are fewer cash receive and collection stations than there are customers. Customers must wait in line for a long time prior to any festivals, which can occasionally irritate them.

b. The responsible officers are constantly occupied with their tasks, which leaves them with little time to enlighten clients or interns, even if they intend to.

c. Slow internet connections frequently cause issues since their local broadband connection isn't always quick enough to complete work efficiently.

3.6 Ratio Liquidity

A company's ability to meet its short-term obligations on time is a measure of its liquidity. The solvency of the company's entire financial situation is referred to as liquidity. The three fundamental indicators of liquidity are:

3.6.1 Current Ratio:

This metric shows how well a bank can use its current assets to pay down its current liabilities. Current Asset/Current Liabilities = Current Ratio

3.6.2 Quick Ratio:

This ratio evaluates a company's capacity to satisfy its short-term obligations using its most liquid assets and serves as an indicator of its short-term liquidity position.

Rapid ratio: QR is equal to (Current Liabilities - Current Assets - Inventories - Prepaid).

3.6.3 Operating Profit Margin:

The percentage of profit generated by a business's operations is represented by this profitability or performance ratio.

Operating Profit Margin = Operating Income/Revenue

3.6.4 Paid-up capital:

The sum of money that a business has obtained from investors in return for stock shares is known as paid-up capital.

Paid-up capital = Stockholders equity - retained earnings + treasury stock

3.6.5 Net Asset Value:

The value of a fund's assets less the value of its obligations is known as net asset value, or NAV.

NAV = Asset-Liability/No. of Share

3.6.6 Earnings Per Share Ratio:

It indicates the profitability of the bank. The higher the EPS, the higher the profit is being earned by the bank and it becomes a lucrative option for the investors

.**EPS= Net income/ total number of shares**

3.6.7 Return on Equity (ROE):

ROE shows how much money the bank makes from efficiently allocating its equity.

Return on Equity= (Net income/ shareholder’s equity) *100

3.6.8 Return on Asset (ROA):

Return on asset implies how much money the bank is earning by using its total asset. It is basically, the profitability percentage.

ROA= Net income/ total asset

3.6.9 Net Profit Margin:

This figure shows the proportion of operational revenue that goes toward profit. Another name for net margin is net profit margin.

NPM= Net income/ total operating revenue

3.6.10 Capital Adequacy Ratio:

This ratio serves to safeguard depositors as well as the stability and effectiveness of the bank's financial systems.

CA Ratio= (Tier-I capital+ Tier-II capital)/ Risk Weighted Asset

3.6.11 Trend Analysis:

Another name for trend analysis is horizontal analysis. It is a technical analysis method that aims to forecast future changes in stock prices.

Current Year Amount minus Base Year Amount is the change in amount.

The percentage Change is equal to the current year's amount less the base year's amount.

3.6.12 Common size analysis:

Financial managers utilize common size analysis, also known as vertical analysis, as a method to examine financial statements.

Common-size Analysis: (Amount / Base amount) *100

Chapter 04

Analysis and Evaluation

4.1 Ratio Analysis

Capital Paid up

The money a business receives from the sale of its shares is known as paid-up capital, and it is money that has not been borrowed.

Year	2019	2020	2021	2022	2023
Capital Paid-Up	4,250	6,100	8,100	9,699	10,066

Table: Capital Paid-Up

Source: DBL's 2019–2023 Annual Report

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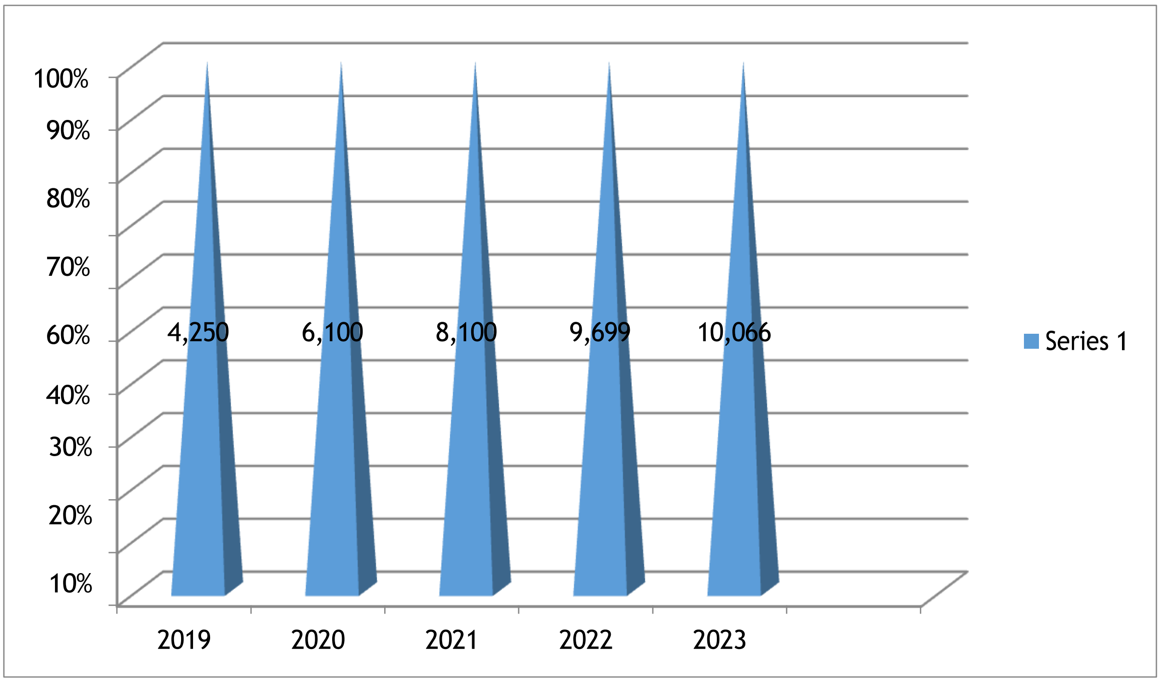

Figure: Paid-Up

Interpretation:

According to the analysis, the paid-up has not increased and will continue to trend horizontally until 2023. It shows that the bank's owners' equity was rising, which could lower the chance of insolvency.

4.2 Shareholders' Equity:

There are two primary sources of shareholder equity. The initial investment made in the company, as well as any subsequent investments, constitute the first and original source. The second source is retained earnings, which are typically the greatest component and are accumulated over time by the business through its operations.

Shareholders equity =Share capital + Retained earnings - Treasury bills

Year	2019	2020	2021	2022	2023
Shareholders' Equity	4,178	4,210	4,616	5,003	6,008

Table: Equity held by shareholders Source: DBL's 2019–2023 Annual Report

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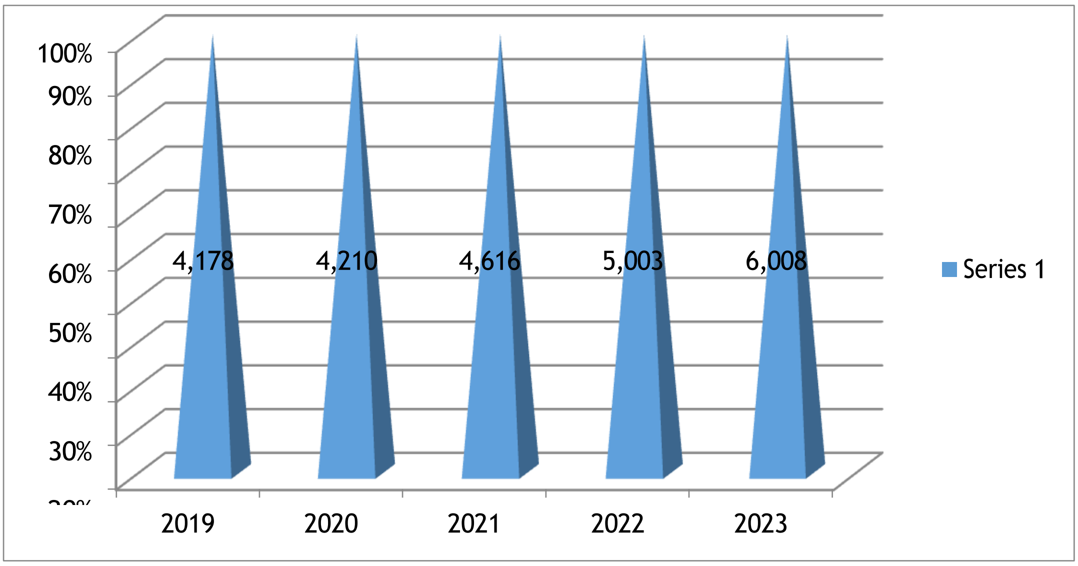


Figure: Shareholder's Equity

Interpretation:

It is evident from the analysis that their shareholders' equity is trending upward. A rising trend in shareholders' equity indicates that the bank is solvent.

Shareholder equity was 4,616 million in 2021 and is now 6,008 million in 2023.

4.3Ratio of Liquidity:

The liquidity ratio shows how much of a company's total cash can be used to pay off short-term creditors. The total cash divided by short-term borrowings yields the liquidity ratio. It displays the frequency with which cash covers short-term obligations. The value indicates full coverage if it exceeds 1.00.

Current Ratio:

One of the most often used financial ratios, the current ratio assesses the company's capacity to pay short-term debts. The firm's liquidity position improves with a larger current ratio. It is said as follows:

Current Ratio = Current Asset/Current Liabilities

Year	2019	2020	2021	2022	2023
Current Ratio	1.295	1.157	1.103	1.067	1.007

Table: Current Ratio Source: DBL (2019-2023) Annual Report

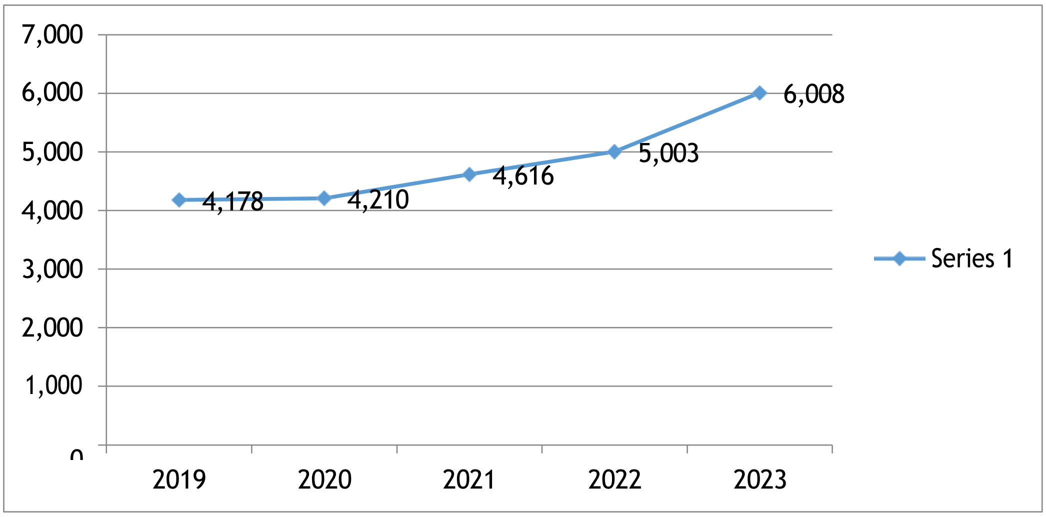


Figure: Ratio of current

In contrast to the banking industry, which typically maintains a 1:1 current ratio, DBL maintains more than 1 tk in current assets against 1 tk in current liabilities, which explains why its current ratios have been adequate for the last five years.

4.3 Net Working Capital:

One of the most often used financial ratios, the current ratio assesses the company's capacity to fulfill its immediate obligations. The firm's liquidity position improves with a larger current ratio. The formula is as follows: Taka in million = Current Asset-Current Liabilities = Net Working Capital

Year	2019	2020	2021	2022	2023
Net Working Capital for the years	4178	4211	4616	5003	5099

Table: Net Working Capital (2019-2023) Source: DBL Annual Report

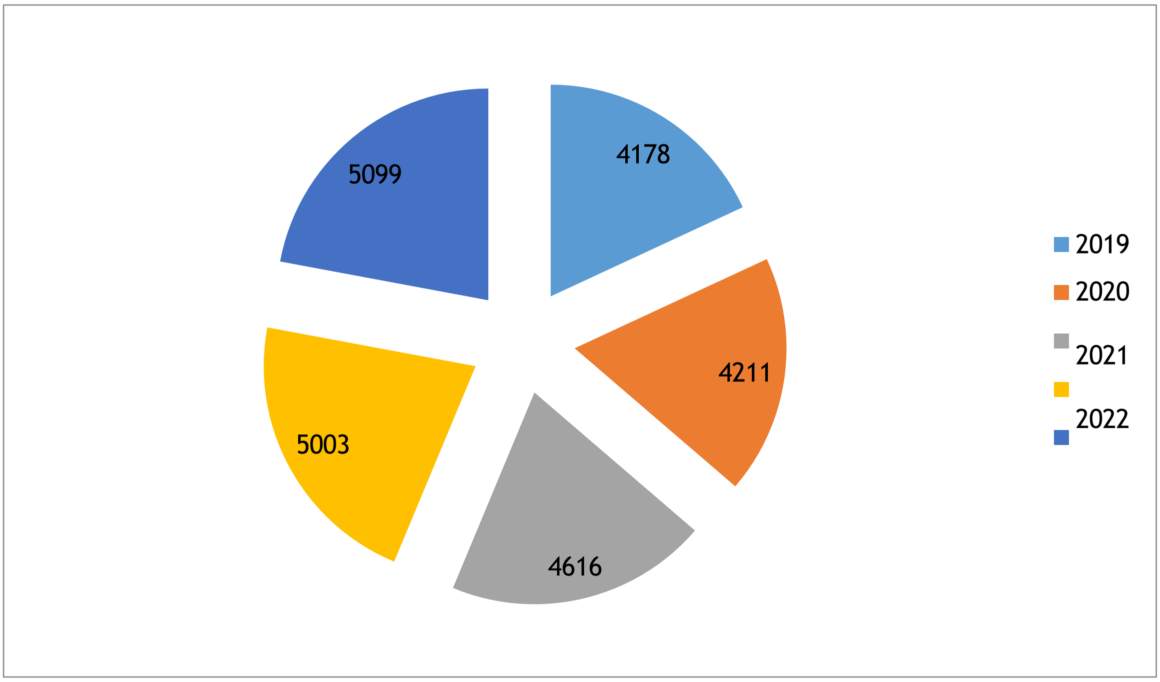


Figure: Net Working Capital

Interpretation:

In 2021 & 2023 it drastically increased to 5099 and the bank can fulfill its present commitments.

4.4 Activity Ratio Analysis:

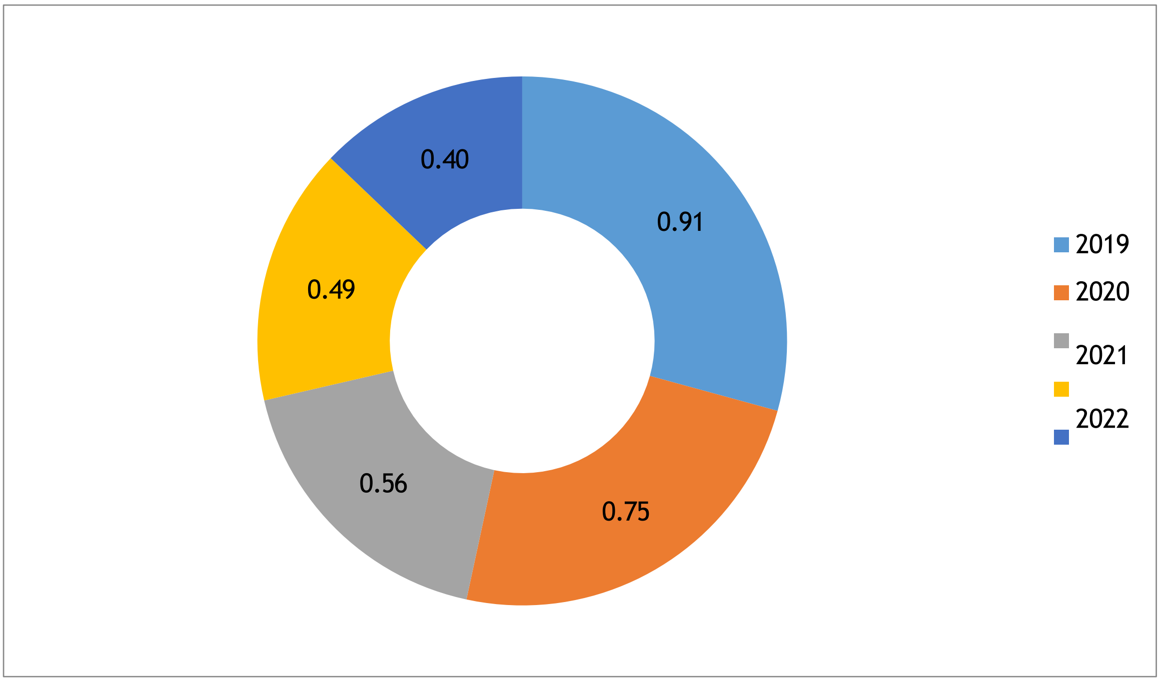
Cost-Income Ratio:

This metric demonstrates how well a company reduces expenses while boosting revenue. A company is operating more efficiently if its cost-to-income ratio is lower. The more inefficient management is in cutting expenses, the greater the ratio.

Total operating expenses /total operating income = cost-income ratio.

Year	2019	2020	2021	2022	2023
Cost Income Ratio for the years	0.91	0.75	0.56	0.49	0.40

Table: Cost Income Ratio



Source: Annual Report of DBL (2019-2023)

Figure: Ratio of Cost Income

Interpretation:

By reducing its operating expenses, the BGBL was able to maintain a high level of operational efficiency from 2019 to 2023. Therefore, its operating efficiency was lower in 2019 than it was in previous years.

4.5 Total Asset Turnover Ratio:

This measure shows how effectively the company uses all of its assets to produce revenue. Operating Income / Total Assets = Total Asset Turnover

Year	2019	2020	2021	2022	2023
Total Turnover of Asset	0.01	0.02	0.03	0.04	0.05

Table: Total Turnover of Assets Source: DBL's 2019–2023 Annual Report

Visual Display:

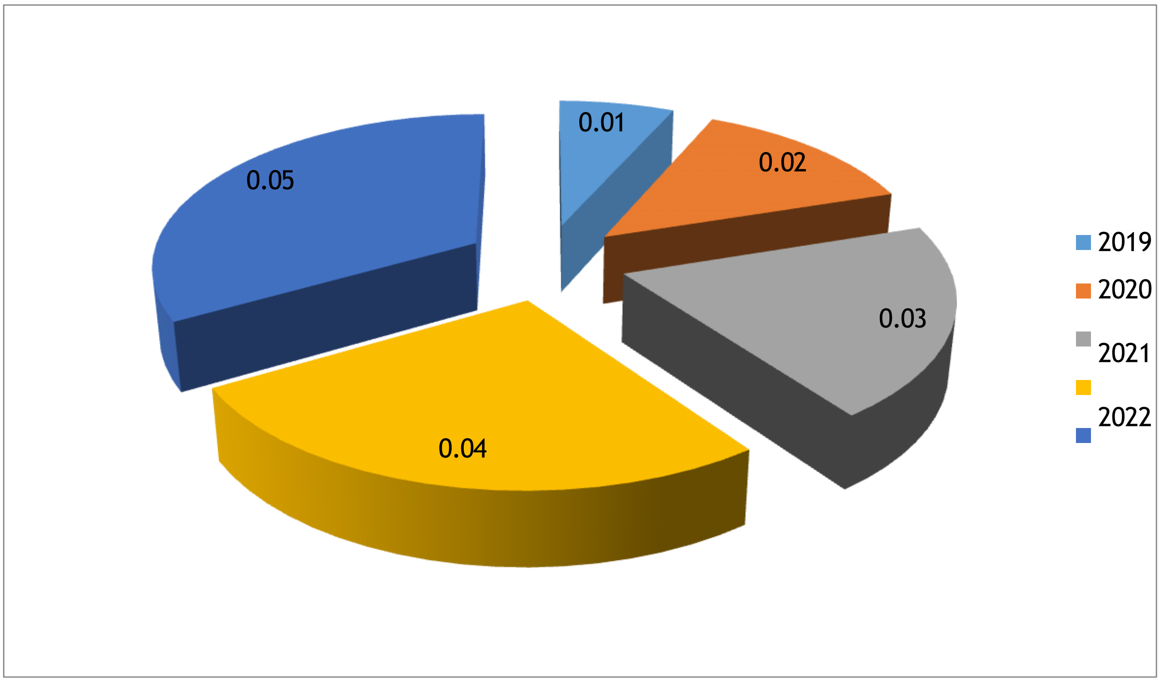


Figure: Total Turnovers of Asset

Interpretation:

The data shows that the DBL total asset turnover was on the rise from 2019 to 2023. Which is a positive indication?

4.6 Examining of Debt Ratio

Debt Ratio: This ratio calculates the total assets that the company's creditors have contributed. Total Liabilities / Total Assets = debt ratio.

Year	2019	2020	2021	2022	2023
Debt of ratio	0.77	0.86	0.90	0.93	0.99

Table: Debt of Ratio

Source: Annual Report of DBL (2019-2023)

Visual Display:

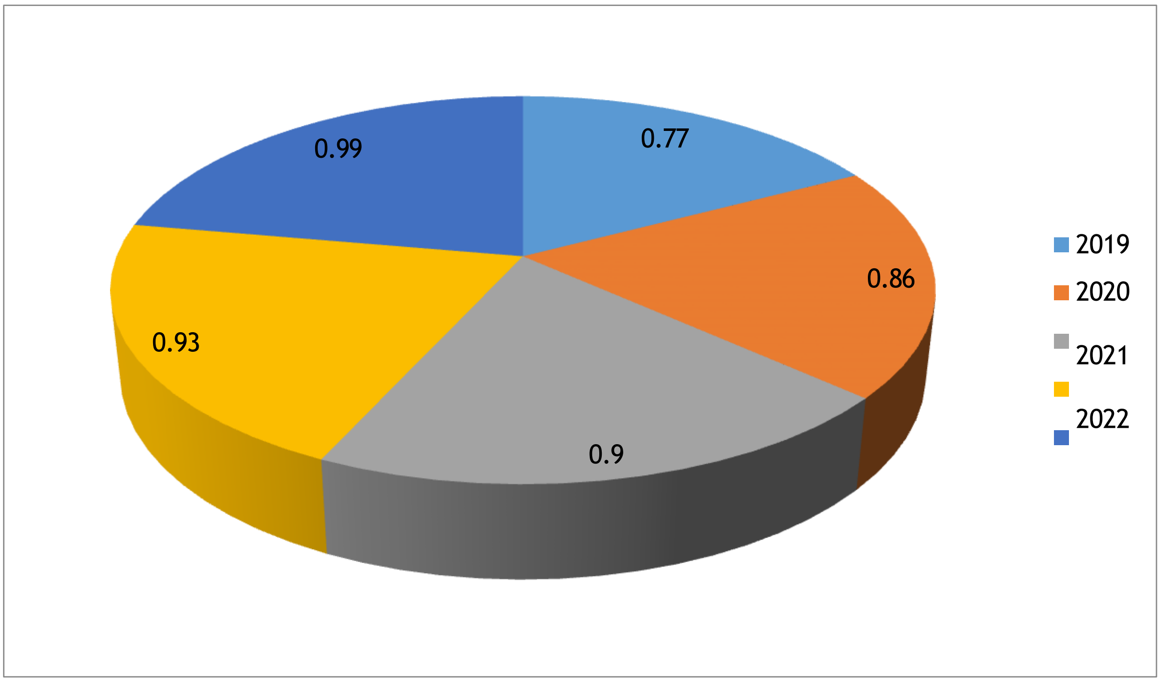


Figure: Debt ratio

Interpretation:

Based on the data, the DBL Debt ratio showed an upward tendency between 2019 and 2023. It is less dangerous to lower the ratio. given that it is trending upward, which is not encouraging for a bank.

4.7 Equity Capital Ratio:

Determined by calculating the percentage of total assets supported by shareholder investments, the ratio displays the owner's equity position of the bank. Total Shareholder Equity / Total Assets is the Equity Capital Ratio.

Year	2019	2020	2021	2022	2023
Equity Capital Ratio for the years	0.09	0.13	0.22	0.56	0.60

Table: Source of Equity Capital Ratios:

DBL Annual Report (2019-2023)

Visual Display:

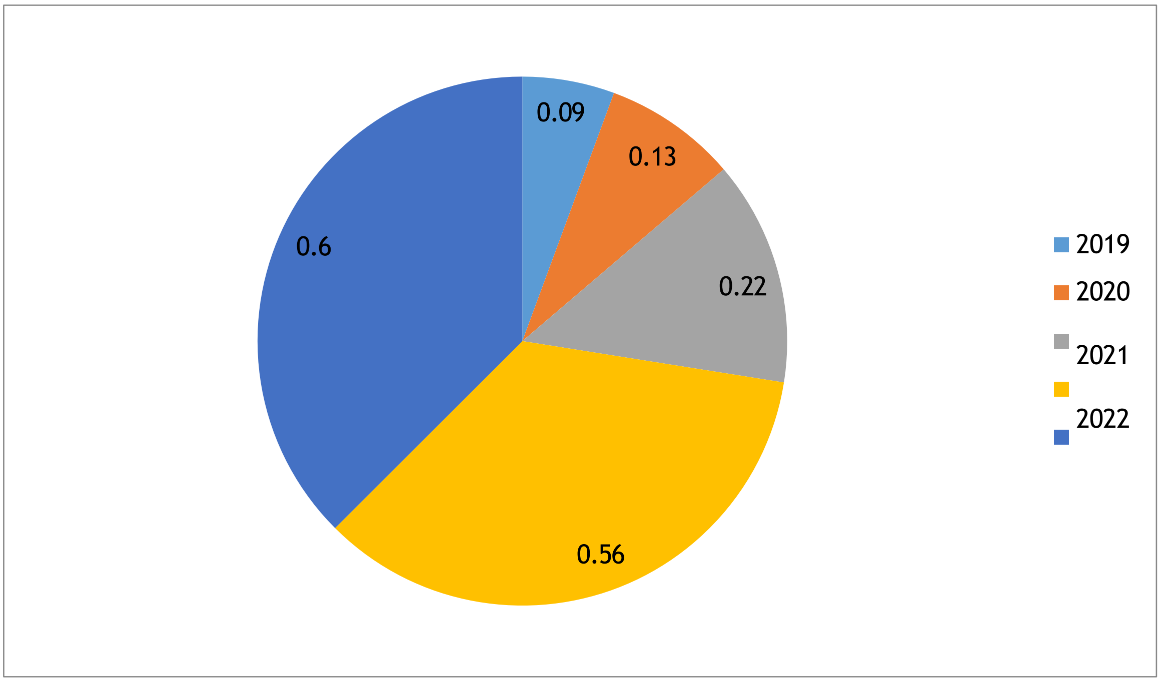


Figure: Ratio of Equity Capital

Interpretation:

This graph illustrates how the equity capital ratio increased between 2019 and 2023. Therefore, internal capital generation is required to improve the bank's equity capital ratio in the future.

4.8 Profitability Ratio Analysis

The percentage of each dollar of sales that remains after all costs, including taxes, have been subtracted is known as the net profit margin.

Operating income / net profit after taxes = net profit margin.

Year	2018	2019	2020	2021	2023
Net Profit Margin for the years	0.12	0.11	0.19	0.25	0.30

Table: Margin of Net Profit

Source: DBL (2019-2023) Annual Report

Visual Display:

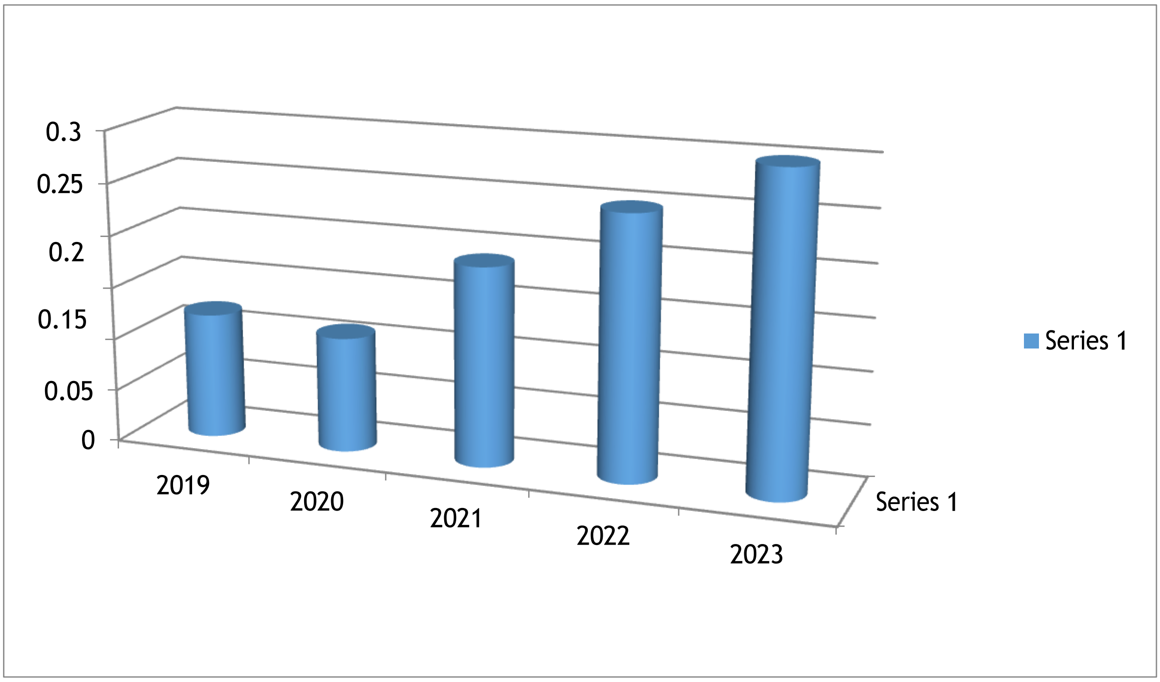


Figure: Margin of Net Profit

According to the data, the bank's net profit margin fluctuated during the course of the five years from 2018 to 2022. However, it was higher in 2018 than it was in the previous two years. Their profit margins were adequate overall.

4.9 (ROA) Or Return on Asset:

The return on asset (ROA), also known as the company's return on total assets, gauges how well management uses its available assets to generate profits overall. The greater the ratio, the better. Net profit after taxes / total assets =return on assets, or ROA.

Year	2019	2020	2021	2022	2023
Return on Asset for the years	0.004	0.005	0.008	0.010	0.012

Table: Return on Asset

Source: DBL (2019-2023) Annual Report

Visual Display:

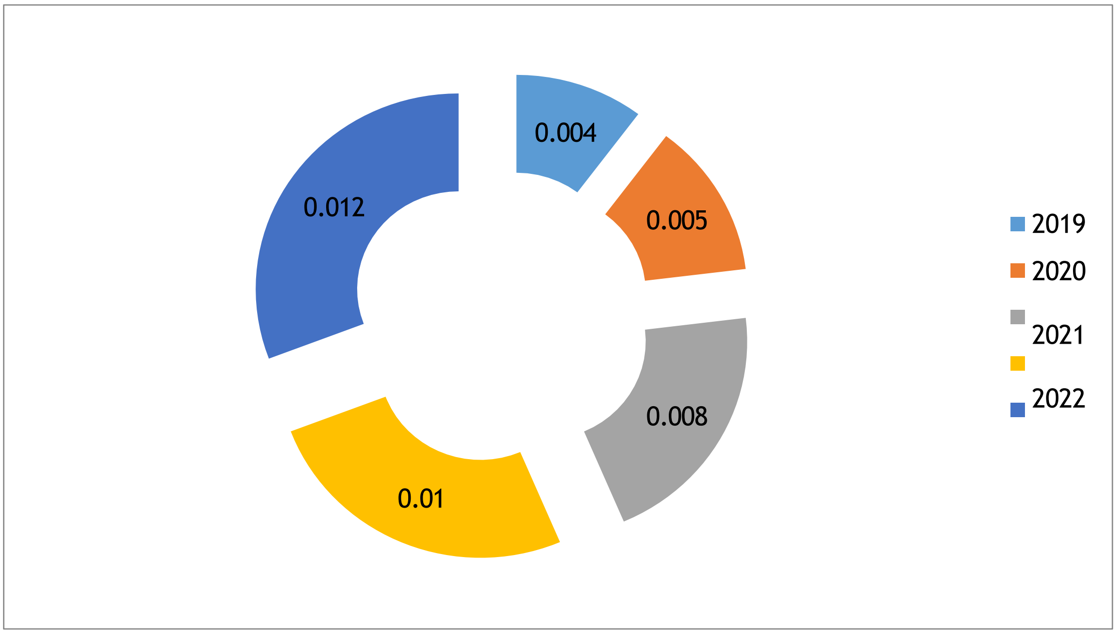


Figure: Asset Returns

Interpretation:

The analysis shows that it unexpectedly increases to 0.8% in 2021. The bank made more money in 2018 than it did the year before. on the Bank's earnings for the year 2022. In order to maximize profits, the bank is managing its asset investments in a very effective and efficient manner, which has brought it to the verge of collapse.

4.10 (ROE) Or Return on Equity

The return on the investment made by the owner (including ordinary and preferred stockholders) is measured by the return on equity. In general, owners benefit more from higher returns. Net profit after taxes/shareholders' equity = return on equity.

Year	2019	2020	2021	2022	2023
Return on Asset for the years	0.008	0.009	0.10	0.15	0.20

Table: Return on Equity

Source: Annual Report of DBL (2019-2023)

Visual Display:

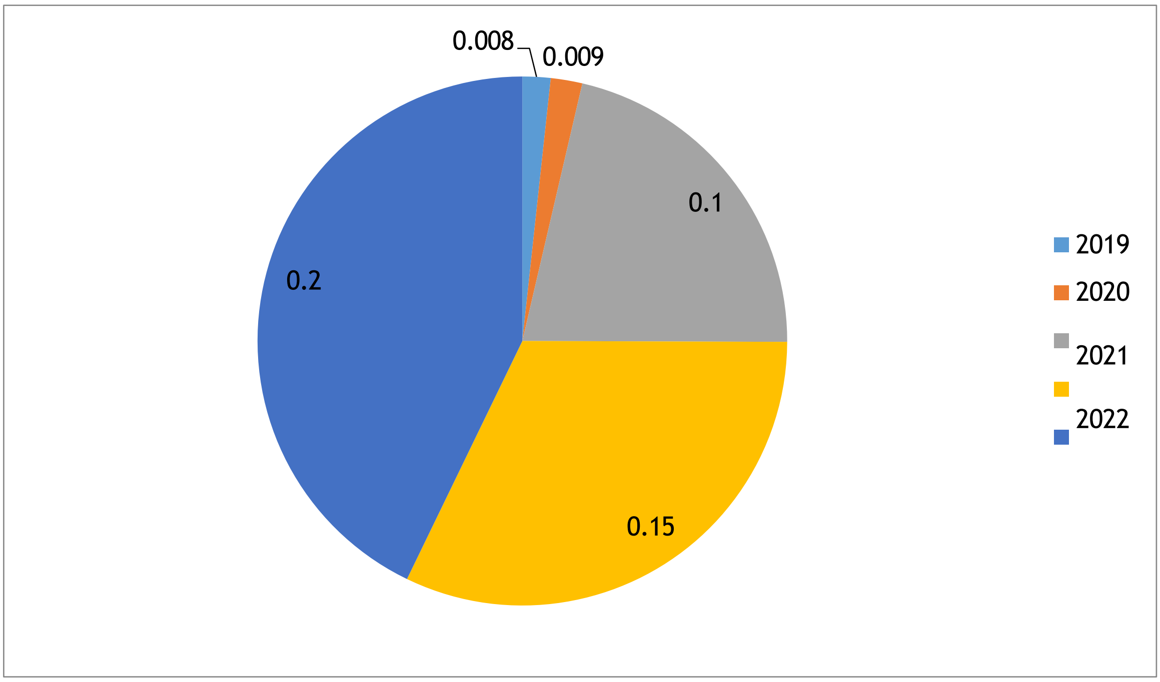


Figure: Equity Returns

Interpretation:

In 2020, return on equity increased marginally to 0.06 to 0.08. Following that, the return on equity increased from 2022 to 2023, indicating the bank's outstanding performance. Therefore, the management is making a lot of effort to raise the equity return. However, in 2019, the return had a little favorable impact due to the rise in capital, but earnings also grew, resulting in the worst-ever return on equity in 2023.

4.11 Return on Equity (ROE)

Particulars	2021	2022	2023
Total Assets	102%	104%	108%
Total Liabilities	103%	104%	106%
Shareholder's Equity	95%	98%	100%
Total Liabilities and shareholder's Equity	102%	105%	107%
Book Value Per Share	95%	101%	105%
Paid Up Capital	110%	110%	112%
Net Interest Income	130%	122%	125%
Total Operating Income	90%	98%	100%
Total Operating Expenses	104%	102%	105%
Profit Before Provision Against Loan And Advances	101%	104%	108%
Total Provision	99%	102%	104%
Profit Before Tax	94%	87%	97%
Net Profit After Tax	97%	98%	100%
Audited EPS	98%	99%	102%
At year's conclusion, cash and cash equivalents	104%	105%	108%

4.11 Common Size Analysis:

Particulars	2021	2022	2023
Total Assets	100%	100%	99%
Total Liabilities	90%	90%	92%
Shareholder's Equity	10%	10%	12%
Total Liabilities and Shareholder’s Equity	100%	100%	102%
Book Value Per Share	0%	1%	2%
Paid Up Capital	4%	4%	8%
Net Interest Income	147%	110%	113%
Total Operating Income	556%	560%	569%
Total Operating Expenses	299%	297%	299%
Profit Before Provision Against Loan And Advances	257%	260%	260%
Total Provision	150%	145%	145%
Profit Before Tax	108%	112%	112%
Net Profit After Tax	100%	100%	102%
At year's conclusion, cash and cash equivalents	1001%	928%	930%

Chapter 5

Findings, Recommendations and Conclusion

5.1Findings:

- **Increasing Current Ratio:** Current ratio of Dhaka Bank PLC is increasing over the years. High current ratio means more money is kept available than necessary to meet up its current obligations and this excess money is kept idly and no additional income can be got out of it.
- **Operating Profit Margin:** In recent year Dhaka bank PLC operating profit margin is in good position. But it is lower than previous year. Which should be noticed by the bank
- **Lower EPS:** From the chart it is clear that the EPS ratio of Dhaka Bank PLC holds a decreasing trend and increasing EPS ratio means the bank is earning more money against each share over the years.
- **Boost the net profit margin:** From the analysis it can be said that the highest NPM of Dhaka bank PLC, was 16.7% gained from the year 2018 which implies the bank had earned 16.7 taka out of its 100-taka operating revenue. Throughout the analysis it is clear the NPM ratio of the bank is satisfactory. But 2019 & 2020 it gradually decreased which is not good for bank.
- **Poor Performance Return on Asset:** In the chart, the ROA ratio for the year 2019 it was 0.56% and in the year the ratio it was decreased to gradually. By analyzing the performance for three consecutive years, it can be said that Dhaka Bank PLC has a decreasing trend in its ROA ratio which indicates the bank is not utilizing its total asset effectively to earn higher profit.
- **Evaluate Trend and Common Size Analysis:**

  Based on the analysis, it is recommended that the Trend and Common Size Analysis be utilized in their most recent configuration. and accurately followed the Dhaka Bank PLC

5.2 Recommendations:

- **Reduce Current Asset Amount:** Dhaka Bank PLC should reduce its current asset amount to necessary level to meet up its current obligation with satisfaction and the excess amount should be invested for short time period to earn additional income out of it.
- **Increase Operating Profit:** Dhaka Bank PLC needs to increase its operating profit by putting sufficient liquid asset to meet up its current obligation.
- **Focus on EPS:** From the chart it is clear that the EPS ratio of Dhaka Bank PLC holds a decreasing trend and increasing EPS ratio means the bank is earning more money against each share over the years.
- **Increase Liquid Asset to Total Deposit:** Dhaka Bank PLC needs to increase its liquid asset to total deposit by ensuring optimal use of its asset and by cutting down excessive cost.
- **Return on Asset:** Dhaka Bank PLC needs to bring down its return on asset to adequate level in order to eliminate threat of bankruptcy.
- **Return on Equity:** Dhaka Bank PLC needs to focus precisely on its return on equity that involves its efficiency to use its assets more precisely to generate higher income over the years as profit earning is among the main objectives of any company. So, The bank needs hold strong control over its functional and operational activity so that effective use of its assets can be ensured.
- **Utilization of Total Asset:** Dhaka Bank PLC needs to focus more on the effective utilization of its total asset as effective utilization of total asset results in higher profit and that indicates the brilliant performance in act by the bank.

5.3 In Summary:

contemporary commercial banking is demanding the industry. The punishment for being ugly is severe, but the reward is small. More than any other financial institution, commercial banks play a crucial role in the overall health of the economy. In every aspect of our nation's economy, Dhaka Bank PLC is among the top commercial banks. Working with confidence, Dhaka Bank PLC has been fiercely battling with government-oriented banks, regional commercial banks, and international banks. Dhaka Bank PLC constantly makes every effort to operate profitably. Despite trying to excel in certain areas, Dhaka Bank PLC occasionally encountered financial difficulties. Excessive bank loans, a lack of loans and advances, a lack of cash on hand because of the vault limit, etc., were some of the issues. These issues occasionally surfaced as a result of the economic downturn. changes in interest rates, new markets, money market inflation, and so forth. The bank is constantly striving to do its best while battling all the issues and competing with other banks. It might be argued that Dhaka Bank PLC will continue to grow if this trend persists.

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