Internship Report
on
Performance Evaluation of Export Import Bank of Bangladesh PLC

SUPERVISED BY

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LETTER OF TRANSMITTAL

Ms. Shah-Noor Rahman
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Subject: Submission of Internship Report

Maam,

I am pleased to submit my internship report titled "**Performance Evaluation of Export Import Bank of Bangladesh PLC (EXIM)**" as a part of the requirement for completing my internship program. This report highlights the financial growth, operational strategies, and social responsibilities of EXIM, with an emphasis on the key insights and practical knowledge I gained during my internship.

I have made every effort to analyze the bank's performance objectively and provide valuable insights and recommendations. I sincerely hope that this report meets your expectations and reflects the learning objectives of the internship program.

Thank you for your guidance and support throughout this process. I am grateful for the opportunity to work under your supervision and for the knowledge I have gained during my time at EXIM. I am available to discuss any questions or provide further clarification regarding this report.

Sincerely Yours,

Ikbal Hossain

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Ikbal Hossain
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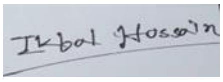
DECLARATION

I am Ikbal Hossain, Student ID: 211-11-6616, declared that this internship report **"Performance Evaluation of Export Import Bank of Bangladesh PLC"** prepared under the direct supervision of Ms. Shah-Noor Rahman, Assistant Professor, Department of Business Administration, Daffodil International University. The supervisor is not responsible for any plagiarism or copyright infringement in this document.

I further announce that I have not previously applied this report for an academic qualification, certification, diploma, or degree to any other university/institute. I also verify that the document is done entirely for educational reasons.

Sincerely Yours,



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Ikbal Hossain

Id: 211-11-6616

Major in Finance

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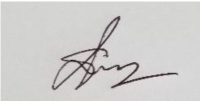
LETTER OF APPROVAL

I am pleased to certify that the Internship Report on **"Performance Evaluation of Export Import Bank of Bangladesh PLC"** prepared by Ikbal Hossain, bearing ID NO: 211-11-6616, Department of Business Administration (Major in Finance) is approved for Presentation and Defense. He worked with "Export Import Bank of Bangladesh PLC (EXIM)" as an intern under my supervision. I am also pleased to certify that the data and the findings presented in the report seem to be authentic.



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ACKNOWLEDGMENT

I want to start by expressing my gratitude to the Almighty for giving me the strength and opportunity to complete this report on time. I want to appreciate everyone who has been part of my journey in various aspects of this tasks. I would also like to thank my course teacher and the Department for their support with this academic work. And my fellow friends who helped me by providing information and encouraged me by sharing their thought.

I am especially thankful to my supervisor, Ms. Shah-Noor Rahman, an Assistant Professor in the Department of Business Administration at Daffodil International University. This report was made possible through her inspiring guidance, friendly support, valuable suggestions, and wise advice during my internship. Her encouragement has greatly contributed to the quality of this report.

I also express my warm gratitude and cordial thanks to the management and officials of Export Import Bank of Bangladesh PLC, Sonaimuri Branch, who have given me the opportunity to work with them and helped a lot by providing the information to prepare this report. I have received their generous help and support. Their support made it easier for me to complete the report successfully.

EXECUTIVE SUMMARY

This report focuses on the Financial Performance Evaluation of Export Import Bank Bangladesh (Exim Bank) by analyzing its operational efficiency and measuring profitability over the past five years. EXIM bank established in 1999. The bank has made significant steps in the banking sector of Bangladesh by offering a wide range of services such as retail, corporate, and trade financing, along with Islamic banking solutions.

This report is structured in FIVE main sections: an introduction, an overview of EXIM Bank, a detailed performance analysis based on financial ratios and finally, the findings and recommendations for improving the bank's financial performance.

The primary objective of this study is to assess EXIM Bank's financial health by analyzing key performance indicators like net profit margin, operating profit margin, return on equity, asset utilization and other financial ratios. By evaluating these metrics over the period from 2019 to 2023, this report highlights the bank's performance trends, growth patterns, and identifies areas where improvements can be made.

At last, the report provides key findings from the ratio of last five years. Based on the findings, the report provides some recommendations for improving EXIM Bank's cost efficiency, profitability, and financial stability. These include optimizing asset utilization, managing debt levels more effectively, and diversifying income streams to reduce dependency on interest-based revenue.

Contents

Chapter One

Introduction

Introduction

Internship programs have become a basic component of higher education for students pursuing business degrees. At Daffodil International University, the internship program is a mandatory requirement for all Bachelor of Business Administration (BBA) students. This program serves as a vital foothold for students to transition from theoretical learning to practical application. Through internships students gain the opportunity to engage themselves in a professional setting, acquire practical experience, and develop essential workplace skills.

The primary objective of the internship is to provide students with a platform to understand the nuances of the corporate world. It allows them to interact with professionals, participate in organizational activities, and contribute to real-time projects. This hands-on exposure not only sharpens their technical and analytical abilities but also enhances soft skills like communication, teamwork, and adaptability, which are crucial for career success.

Upon completion of the internship, students are required to prepare an internship report. This report is not merely a summary of activities performed but a detailed reflection of the knowledge and experience gained during the program. It offers an opportunity to analyze the learning outcomes, challenges faced, and strategies employed to overcome them.

This report represents my experience during my internship period, outlining the tasks I was assigned, the skills I developed, and the insights I gained into the professional environment. It highlights how this internship has contributed to my academic and professional growth, serving as a foundation for my future endeavors.

Background of study

EXIM Bank Limited, a prominent private commercial bank in Bangladesh, has been contributing significantly to the country's financial sector since its inception in 1999. It was established with the primary objective of facilitating international trade, particularly exports, while promoting Islamic banking principles. Over the years, EXIM Bank has expanded its services to include retail banking, corporate banking, and digital banking solutions, thereby solidifying its presence in both local and international markets.

As a part of its ongoing efforts to improve operational efficiency and financial performance, EXIM Bank has consistently focused on strengthening its financial position by adhering to regulatory requirements, including those set by the Bangladesh Bank and international financial frameworks like Basel III. The bank’s performance evaluation through key financial ratios such as Return on Assets (ROA), Return on Equity (ROE), Capital Adequacy Ratio (CAR), and Non-Performing Loan (NPL) ratio helps assess its profitability, liquidity, and operational efficiency.

This report aims to analyze EXIM Bank’s financial performance over the last five years, offering a comprehensive evaluation of its growth, challenges, and strategic initiatives. The findings will shed light on how well EXIM Bank has navigated the dynamic banking environment and maintained its position as a key player in Bangladesh’s banking sector.

Scope of the study

This report primarily focuses on evaluating the financial performance of EXIM Bank Limited over the past five years. It examines key banking ratios and financial metrics, providing insights into the bank's profitability, liquidity, efficiency, and overall growth. To ensure a comprehensive analysis, I have gathered data from EXIM Bank Limited's official website, as well as credible financial portals like Lanka Bangla Financial Portal. Additionally, information was collected through discussions with the bank's managers, sub-managers, and other employees, which has helped provide an in-depth understanding of the bank's operations and performance. This approach ensures that the report is both informative and meaningful, capturing a wide range of perspectives on EXIM Bank's financial health and its role in the banking sector of Bangladesh.

Objectives of the study

The main objective of the study is to analyze the **Financial Performance of EXIM Bank Ltd from 2019 to 2023** and evaluates this performance.

The other objectives of this study are:-

- To evaluate the financial position and performance of EXIM Bank Limited from the period of 2019 to 2023
- To calculate the financial ratios and evaluate performance based on interpretations.
- To suggest better ways for enhancing the performance of the Bank.

Methodology

The methodology for this study involves a comprehensive analysis of EXIM Bank Limited's financial performance over the last five years, using key financial ratios and performance metrics. The following steps were undertaken to gather and analyze relevant data:

Data Collection:

Financial data, including annual reports, quarterly reports, and disclosures were gathered from EXIM Bank's official website. Additionally, financial platforms such as Lanka Bangla Financial Portal and other reliable financial news sources were used to obtain external financial data and benchmarks.

Financial Ratio Analysis:

Key financial ratios were calculated to evaluate EXIM Bank's profitability, liquidity, efficiency. Ratios such as Return on Assets (ROA), Return on Equity (ROE), EPS, NIM, NPM, OPM ratio were analyzed to provide a comprehensive view of the bank's financial health over the study period.

Data Interpretation:

Trends, patterns, and deviations in the financial data were identified and analyzed. The study also explored the factors influencing the bank's financial outcomes, such as market conditions, regulatory changes, and internal operational strategies.

Limitation

While the internship at EXIM Bank provided valuable insights into the banking sector, there were several limitations that affected the depth and scope of the study. These limitations include:

Limited Time Frame:

The internship lasted for only three months, which proved to be insufficient for a comprehensive understanding of all the internal systems and operations within the bank. Given the complexity of banking activities, a longer internship period would have allowed for deeper engagement with multiple departments and functions.

Narrow Scope of Experience:

My role was primarily focused on general banking activities, which limited my exposure to other crucial banking sectors such as credit, cash management, and foreign exchange operations. As a result, my understanding of the bank's overall operations remains partial, and I was unable to explore other key divisions that contribute to the bank's overall performance.

Limited Access to Officers:

Due to the busy nature of banking operations, relevant officers were often unavailable for extended interactions. This hindered my ability to gain a more thorough understanding of specific tasks and job responsibilities within certain departments.

Inadequate Data Availability:

The availability of relevant data, both historical and current, was limited. This posed challenges in conducting a more detailed analysis, particularly when attempting to compare and evaluate trends over an extended period.

Chapter Two

Overview of Exim Bank PLC

Overview of Exim Bank

Basic Information:

- **Full Name:** Export Import Bank of Bangladesh PLC, (EXIM)
- **Year Established:** August 3, 1999
- **Headquarters Location:** Exim Bank Tower, Plot # 15, Road # 15, Block # CWS(C), Bir Uttam A. K. Khondokar Road, Gulshan-1, Dhaka, Bangladesh.
- **Leadership:**
    - **Chairman:** Md. Nazrul Islam Swapan
    - **Managing Director:** Mohammad Feroz Hossain
- **Ownership Structure:** Public Limited Company
- **Regulatory Body:** Bangladesh Bank

(Wikipedia contributors, 2024)

Vision

The gist of EXIM Bank vision is “Together Towards Tomorrow”. Export Import Bank of Bangladesh PLC. (EXIM Bank) believes in togetherness with its customers, in its march on the road to growth and progress with service. To achieve the desired goal, there will be constant pursuit of excellence in compliance with the Islamic Shariah.

The bank believes the advantages of Islamic economy can best be extended to the people with a technology-driven modern banking system that upholds the Islamic values, and EXIM Bank envisages making itself a perfect instance of that kind.

The Bank’s strategic plans and networking will strengthen its competitive edge over others in rapidly changing competitive environment. Its personalized quality services to the customers with trend of constant improvement will be the cornerstone to achieve our operational success. **(EXIM Bank Ltd, n.d.)**

Mission

The bank has set forth the following corporate goals to ensure the successful achievement of its mission:

- Provide exceptional financial services, with a particular emphasis on international trade.
- Adopt advanced, technologically driven, and professional financial management strategies.
- Maintain honesty, integrity, and adherence to corporate ethics in all operations.
- Establish a robust capital foundation.
- Ensure sustainable growth while delivering substantial value to key stakeholders.
- Fulfill its social responsibilities with commitment.
- Foster teamwork and demonstrate proficient performance across all areas.
- Most importantly, contribute passionately and effectively to the nation's economic prosperity.

Objectives

- Facilitate the collection of funds through sales, credit, or other methods, and fulfill commitments and payments associated with contractual agreements.
- Develop financial systems focused on promoting welfare and social betterment.
- Contribute significantly to the business landscape and human advancement by making strategic financial investments, even as market conditions fluctuate.
- Operate a dynamic business model that involves the acquisition and transfer of cash, bullion, and other valuable assets.
- Provide advisory and consultancy services to borrowers, entrepreneurs, and other clients utilizing the bank’s credit facilities.
- Ensure consistent revenue generation to cover operational costs, support business expansion, and extend services to a broader geographic region.

Corporate Culture

EXIM Bank Limited distinguishes itself as one of the most enlightened financial institutions, fostering a unique corporate culture. Employees value a shared sense of purpose, understanding, and alignment within this framework. They possess the ability to interpret and respond effectively to events, actions, and situations, adapting their attitudes, personalities, and behaviors to meet the needs of both the bank and its valued customers. The workforce at EXIM Bank views itself as a cohesive team, committed to collaboration and collective growth. Rather than imposing this corporate culture, it has evolved organically through consistent effort and dedication, creating an environment where cooperation and mutual respect thrive, driving the bank's success and development.

Banking Principle

The Export Import Bank of Bangladesh Limited (EXIM Bank Limited) became the first bank in the country to adopt Shariah-based financial practices in most of its conventional banking operations in July 2004. By offering Shariah-compliant financial services, the bank caters to both Muslim and non-Muslim customers, providing flexibility and discretion in managing their investments and savings.

The Shariah Board of EXIM Bank Limited, comprised of experienced Islamic scholars and experts in Islamic finance, ensures the bank's operations align with Shariah principles. The bank’s practices, free from riba (interest), represent a harmonious blend of Shariah compliance and global financial expertise. Through its Shariah-focused ventures, the bank maintains strict adherence to Islamic guidelines, with full oversight of its financial products and transactions by the Shariah Board.

This meticulous regulatory framework ensures that all aspects of financial transactions and account management comply with Shariah law, reinforcing EXIM Bank’s commitment to ethical and inclusive banking practices.

EXIM Bank performance

EXIM Bank Limited was incorporated as a public limited company on June 2, 1999, under the Companies Act of 1994. The bank commenced operations on August 3, 1999, with a commitment to maintaining sustainable and effective operations.

Despite its initial limited scope, EXIM Bank has successfully positioned itself as a dynamic and forward-thinking financial institution in the country. Its innovative financing solutions have garnered widespread recognition from the business community, including prominent corporate borrowers, small business entrepreneurs, large-scale traders, and industrial conglomerates. This reputation highlights the bank’s pivotal role in supporting diverse business needs and fostering economic growth.

Award and Achievement

From its inception, EXIM Bank has set a benchmark for excellence in service, distinguishing itself as an outstanding financial institution. The bank's commitment to quality management, good governance, and continuous improvement across all aspects, including its exceptional service and corporate social responsibility (CSR) activities, has been widely appreciated both domestically and internationally. As a result, EXIM Bank has garnered several prestigious awards:

- ICMAB Best Corporate Award 2013
- International "BIZZ Award - 2013"
- "International Diamond Prize for Excellence in Quality" award
- "World Finance" award

Achievements:

- First private sector bank to open an exchange house in the UK.
- Implementation of the globally renowned Core Banking Software (TEMENOS T24).
- Transition from conventional banking to Shariah-based Islami banking.

Social Activity

A minimum of 2% of EXIM Bank's annual profit is allocated each year to support the bank's Corporate Social Responsibility (CSR) activities through its foundation. The key CSR initiatives conducted through this foundation include:

- Healthcare services.
- Scholarship programs for talented but underprivileged students.
- Educational promotion schemes.
- Assistance for those affected by natural disasters.
- Support for people living in slum areas.
- Donations to educational institutions to establish computer labs.
- City beautification projects in Dhaka.

Prime Operational Area

Export Import Bank of Bangladesh PLC is a full-fledged Shariah-based modern Islami bank, providing comprehensive financial services across Corporate and Large Investment, CMSME, and Agricultural sectors through its 118 branches nationwide. In line with Bangladesh Bank's directives, we have established a dedicated Woman Entrepreneurship Development Unit, embodying the government's concept of Financial Inclusion—a crucial step towards inclusive growth.

Additionally, to ensure compliance with regulatory requirements, we have a robust Sustainable Finance Committee and a Risk Management Committee of the Board. These committees oversee our operations, aligning with formalities mandated by Bangladesh Bank.

EXIM Bank has already made significant strides in the CMSME and agricultural sectors. We also hold numerous industrial investments to drive large-scale projects and industrial advancements. One of the key areas of our investment focus is the Ready-Made Garments (RMG) sector, a critical component of our national economy.

Our diverse investment portfolio includes:

- Retail/Consumer Investments.
- Microenterprise Investments.
- Small and Medium Enterprise Investments.
- Large and Corporate Investments.
- Syndicate Investments.

Product of EXIM Bank

EXIM Bank offers comprehensive general account management services, ensuring the security of clients' funds as well as providing a fair and excellent return on their investments. The bank collects funds from clients through the following methods: Retail Banking

Deposit Product:

i. **Savings Account:** Mudaraba Savings Deposit

ii. **Current Account:** Al-Wadia Current Deposit

iii. **Mudaraba Special Notice Deposit/Term Deposit**

- Mudaraba term deposit
- Mudaraba Education Deposit

iv. **Deposit Schemes:**

- Mudaraba Monthly Savings Deposit Scheme
- Mudaraba Su-Grehini Monthly Savings Scheme
- Mudaraba Femina Monthly Savings Scheme
- Mudaraba Senior Monthly Savings Scheme
- Mudaraba Monthly Income Deposit Scheme
- Mudaraba Su-Grehini Monthly Benefit Scheme
- Mudaraba Femina Monthly Benefit Scheme
- Mudaraba Senior Monthly Benefit Scheme
- Mudaraba Multiplus Saving Scheme
- Mudaraba Super Saving Scheme
- Mudaraba Hajj Deposit Scheme
- Mudaraba Denmohor / Marriage Deposit Scheme
- Mudaraba EXIM Student Saver
- Mudaraba Millionaire Deposit Scheme
- Mudaraba Kotipoti Saving Scheme
- EXIM RUHAMA- (Three Years' Probable Double Benefit Scheme)
- EXIM ZIADAH - (Five Years' Probable Triple Benefit Scheme)
- EXIM KRISHI - (Mudaraba Krishi Monthly Deposit Scheme)
- EXIM SHWAPNO - (Mudaraba Housing / Entrepreneurship Development Scheme)
- EXIM SHEFA - (Mudaraba Monthly Savings Deposit Scheme)

v. **Retail Investment Products**

- Investment Sectors
- EXIM Abashan
- EXIM Sahayak
- EXIM Bahan
- EXIM Education
- EXIM Easy Pay
- Bai-Muajjal (FO)
- Investment Rates

Corporate banking

a. Corporate Investment Products

- Corporate finance
- Commercial finance
- Industrial finance
- Project finance
- Lease finance
- Mode of investment finance
- Murabaha
- Bai-Muazzal
- Quard
- Izra Bill Baia

b. Remittance

- EXIM Exchange Company (UK) Ltd.
- EXIM Exchange Company (Canada) Ltd.
- SWIFT
- International Operation

CM SME Banking

- EXIM Uddyog
- EXIM Abalamban
- EXIM Durodorshini
- CMSME & Women Entrepreneur Application Form

Agri Banking

- EXIM Kishan
- EXIM Farmer
- Bangladesh Bank COVID-19 Refinance

Card Services

- VISA Islamic Card
- Debit Cards
- Prepaid Card
- Gift Card
- Remittance Card
- Travel Card
- Hajj Car

Chapter Three

Internship

Learning from Exim Bank PLC

The internship program at EXIM Bank Limited provided me with an invaluable opportunity to gain practical experience and develop a deeper understanding of the banking industry. Over the internship period, I was able to apply theoretical knowledge acquired through academic courses to real-world banking operations, which enhanced my professional skills and prepared me for future challenges in the corporate sector.

Skill Gain

During my internship at EXIM Bank Limited, I developed a wide range of skills that are essential for professional growth and success in the corporate world. These skills not only enhanced my practical knowledge but also improved my ability to perform effectively in a professional environment. The key skills I gained are as follows:

Financial Analysis Skills

I learned to analyze and interpret key financial ratios such as Return on Equity (ROE), Return on Assets (ROA), Net Profit Margin, and Current Ratios. This enabled me to evaluate the bank's financial performance and understand how financial statements reflect operational efficiency.

Banking Operations Knowledge

I gained hands-on experience in general banking operations, including account opening, deposit management, loan processing, and handling remittance services. This provided me with practical insights into day-to-day banking procedures.

Customer Service and Communication

Interacting with customers on a daily basis helped me develop strong communication and interpersonal skills. I learned how to address customer queries, resolve complaints efficiently, and maintain a professional demeanor.

Technological Skills

I was introduced to banking software and digital tools used for managing customer accounts, financial transactions, and generating reports. This enhanced my technical proficiency and understanding of how technology streamlines banking operations.

Time Management

Working in a fast-paced banking environment taught me how to prioritize tasks, manage my time effectively, and meet deadlines without compromising the quality of my work.

Problem-Solving Skills

I encountered practical challenges related to banking operations and customer service. Overcoming these challenges helped me develop critical thinking and problem-solving abilities, which are essential for addressing real-world issues.

Teamwork and Collaboration

Collaborating with bank employees across different departments enhanced my teamwork skills. I learned the importance of cooperation, sharing responsibilities, and achieving collective goals in a professional environment.

Attention to Detail

Working with financial data and documentation required precision and accuracy. This experience improved my attention to detail and my ability to work with sensitive information responsibly.

Professionalism and Ethics

The internship allowed me to observe the importance of maintaining professionalism and ethical conduct in all business activities. I learned to follow workplace protocols and uphold integrity in my work.

Chapter Four

Financial Analysis

Performance Analysis

Financial performance refers to the management of a company's business assets to generate revenue. It also serves as a measure of the company's overall financial health within a specific period, allowing for comparisons with other businesses in the same industry.

4.1 Balance Sheet & Income Statement Analysis of EXIM Bank Limited

The analysis of the Balance Sheet and Income Statement provides a comprehensive understanding of EXIM Bank Limited's financial performance, liquidity, and operational efficiency from 2019 to 2023.

Balance Sheet Analysis

The balance sheet highlights the bank's financial position, showing its assets, liabilities, and equity over the years.

Year	2019	2020	2021	2022	2023
Total Assets	431940.84	484743.51	541477.91	540034.53	575618.92
Total Liabilities	402782.53	454211.46	510256.70	508594.11	542918.34
Shareholders' Equity	29158.31	30532.04	31221.25	31440.42	32700.58

Over the five-year period, EXIM Bank's balance sheet shows steady growth that reflecting a consistent increase in total assets, liabilities, and equity.

1. Total Assets:

The bank's total assets grew from 431,940.84 in 2019 to 575,618.92 in 2023. This significant increase of 33% indicates the bank's capability to expand its operations and investments. While there was a minor decline from 2021 to 2022, the recovery in 2023 suggesting healthy asset management.

2. Total Liabilities:

Liabilities are also rising from 402,782.53 in 2019 to 542,918.34 in 2023, which is about a 35% increase. The balanced growth in liabilities indicates the bank is leveraging its capacity to raise funds and manage its obligations effectively.

3. Shareholders' Equity:

Shareholders' equity increased from 29,158.31 in 2019 to 32,700.58 in 2023 reflecting a 12% growth over the period. This steady increase highlights that the bank is retaining profits and reinvesting them, thereby strengthening its financial position.

Income Statement Analysis

The income statement shows the bank's operational performance, revenues, expenses, and net profit after taxes.

Year	2019	2020	2021	2022	2023
Total Income	37399.81	36425.78	32563.87	35946.51	41261.25
EBIT	6919.97	6313.61	5643.63	6761.26	7367.25
EBT	4925.18	5270.41	3797.22	6119.58	5116.34
EAT	2429.90	2785.98	1904.24	3573.82	3233.25

Revenue and Income:

Total Income shows some ups and downs over the years. Starting at 37,399.81 in 2019, it declined slightly in 2020 and 2021. But it increased impressively in 2022 and reached its highest level at 41,261.25 in 2023. This increase indicates that the bank successfully overcame it's challenges and managed to grow its revenue overtime.

Operating Profit (EBIT):

The EBIT also showing a similar outcome which starting from 6,919.97 in 2019, and a decrease in 2020 and 2021. But recovering in 2022 and peaking at 7,367.25 in 2023. This suggests improved operational efficiency in the last two years.

Profitability:

EBT grew steadily from 4,925.18 in 2019 to 5,270.41 in 2020. But a sharp decrease in 2021 to 3,797.22. However, the bank recovered strongly in 2022, recording 6,119.58 before settling at 5,116.34 in 2023.

EAT follows a similar pattern, peaking in 2022 at 3,573.82 after a low of 1,904.24 in 2021. By 2023, it stands at 3,233.25 which is a good improvement from the earlier years.

Key Notes

- The consistent growth in assets and liabilities suggests that the bank has been able to attract more deposits and extend more loans, aligning with its business growth strategy.
- The moderate growth in equity compared to assets and liabilities indicates a focus on maintaining stability while leveraging external funding.
- The decline in income and profit in 2020–2021 could be attributed to global economic disruptions, but the strong recovery in 2022 and 2023 shows the bank's adaptability.
- The growth in EBIT indicates that the bank has been working to control costs and improve its core business efficiency.
- The rebound in both pre- and post-tax profits reflects sound management and strategic adjustments, particularly during periods of external challenges.

4.2 Ratio Analysis

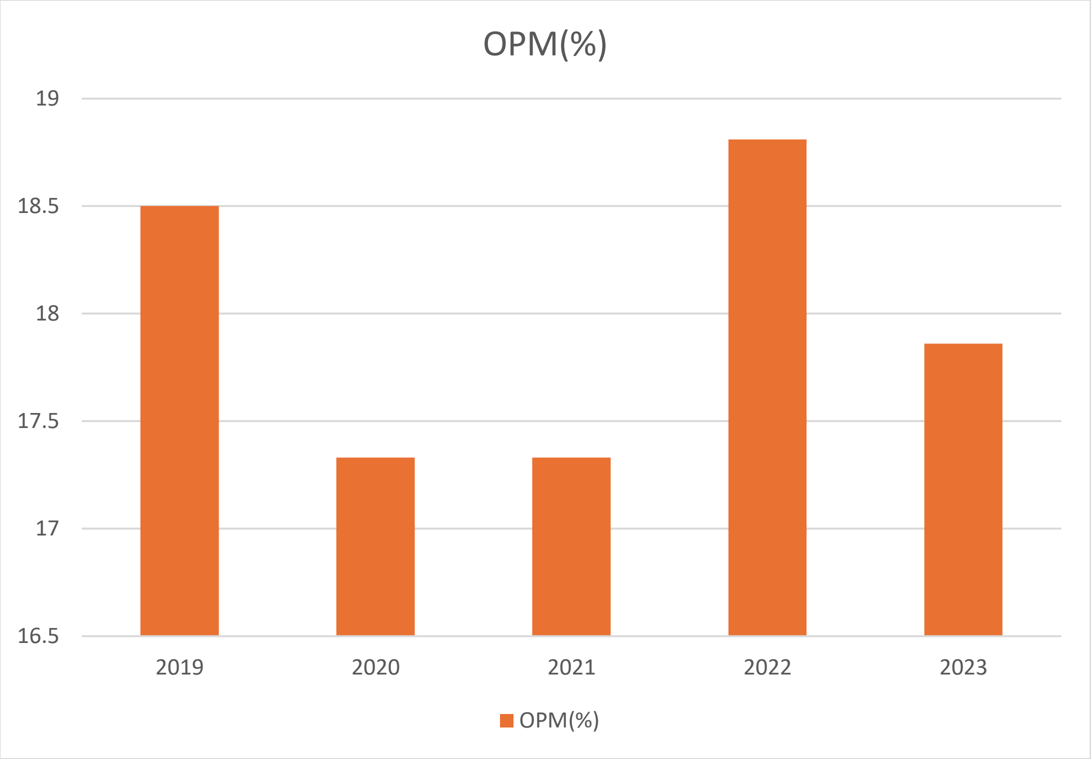
Ratio analysis is a financial tool that uses information from a company's financial statements (income statement, balance sheet, and cash flow statement) to calculate ratios that reveal insights into the company's:

Liquidity: Ability to meet short-term obligations.
Solvency: Ability to meet long-term obligations.
Efficiency: How effectively a company uses its assets.
Profitability: How well a company generates profits.

Profitability Ratios:

Operating Profit Margin

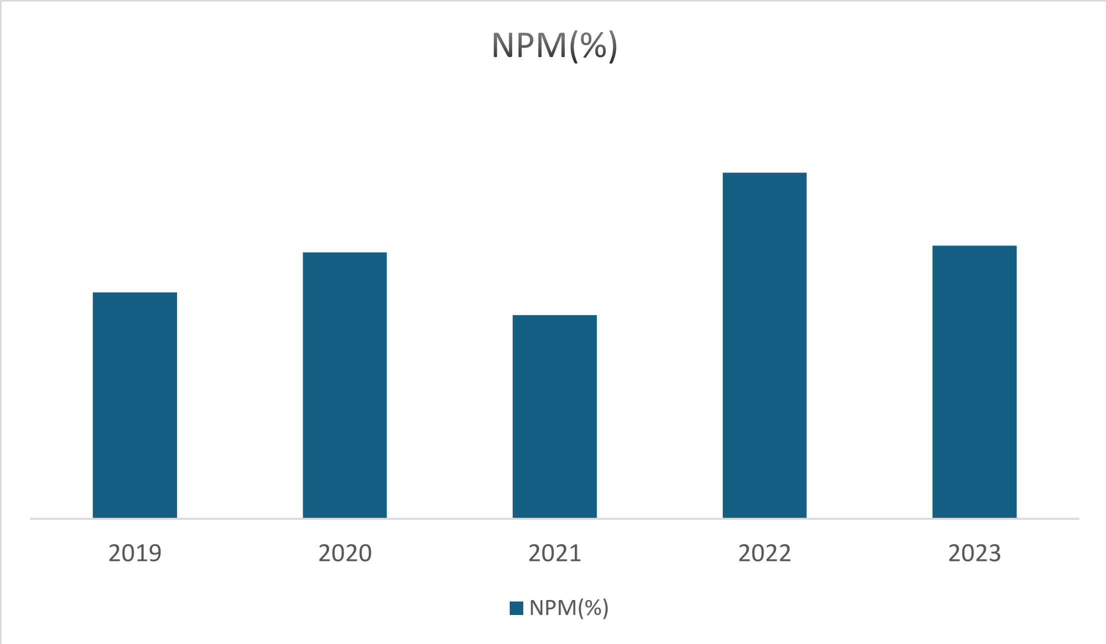
Year	2019	2020	2021	2022	2023
OPM	18.50%	17.33%	17.33%	18.81%	17.86%



In 2020 the margin decreased slightly compared to 2019, reflecting reduced profitability possibly due to increased operational costs or lower revenues during the year. A decrease in the operating profit margin indicates less operational efficiency or an increase in expenses related to revenue. There was a notable recovery in 2022 with the margin increasing to 1.48%, which indicates improved efficiency or a significant increase in revenue relative to costs. The fluctuations in OPM from 2019 to 2023 highlight the challenges faced by EXIM Bank, such as changes in market conditions, management decisions, or operating efficiency. The low margin in 2020 and 2021 suggests a need for the bank to optimize its cost management strategies. The recovery in 2023 indicates a successful change possibly due to effective cost control or a significant rise in operating income.

Net Profit Margin

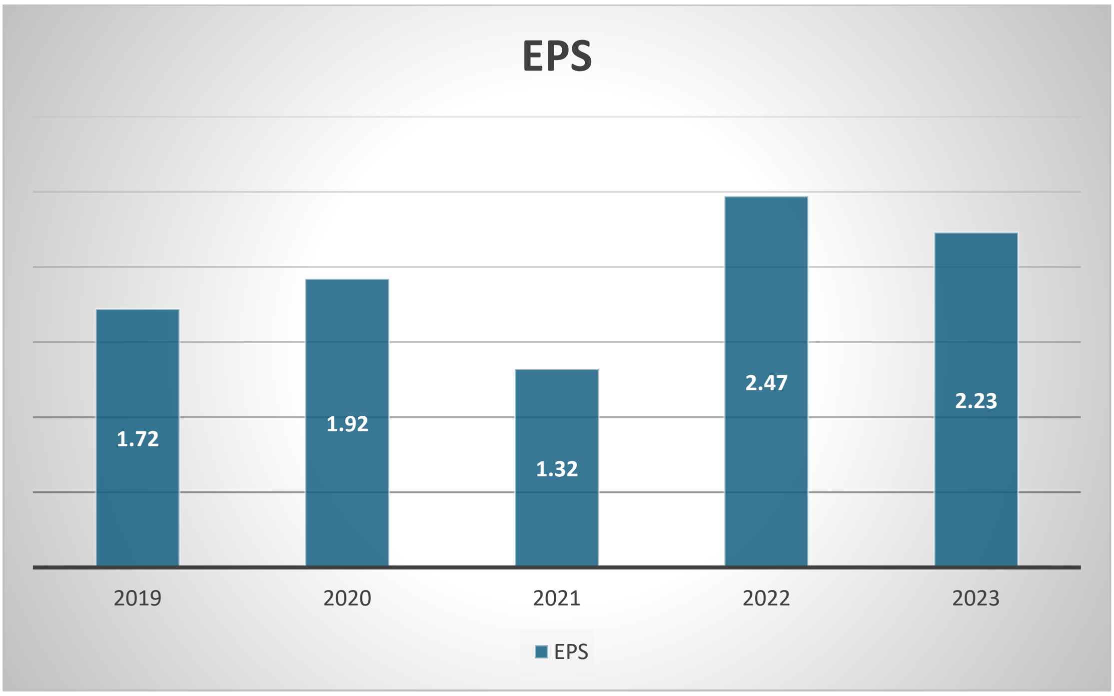
Year	2019	2020	2021	2022	2023
NPM	6.50%	7.65%	5.85%	9.94%	7.84%



Net profit margin shows how much the bank generating profit after deducting all it's expenses. Here in 2019 the margin was 6.5%, that means after all the expenses the bank generating only 6.5% of it's total income. An increase in income is good for the bank, which indicates more efficient productivity. In 2020 the margin increased in 7.65% but later the year the margin falls into 5.85%, which indicates their expenses is increasing more than profit generation. But in 2022 they recovered their margin with a great efficiency and it was 9.94%, that was at it's peak. And in 2023 it's again falls into 7.84% indicating less efficient cost management.

Earnings Per share

Year	2019	2020	2021	2022	2023
Earnings per share (TK)	1.72	1.92	1.32	2.47	2.23

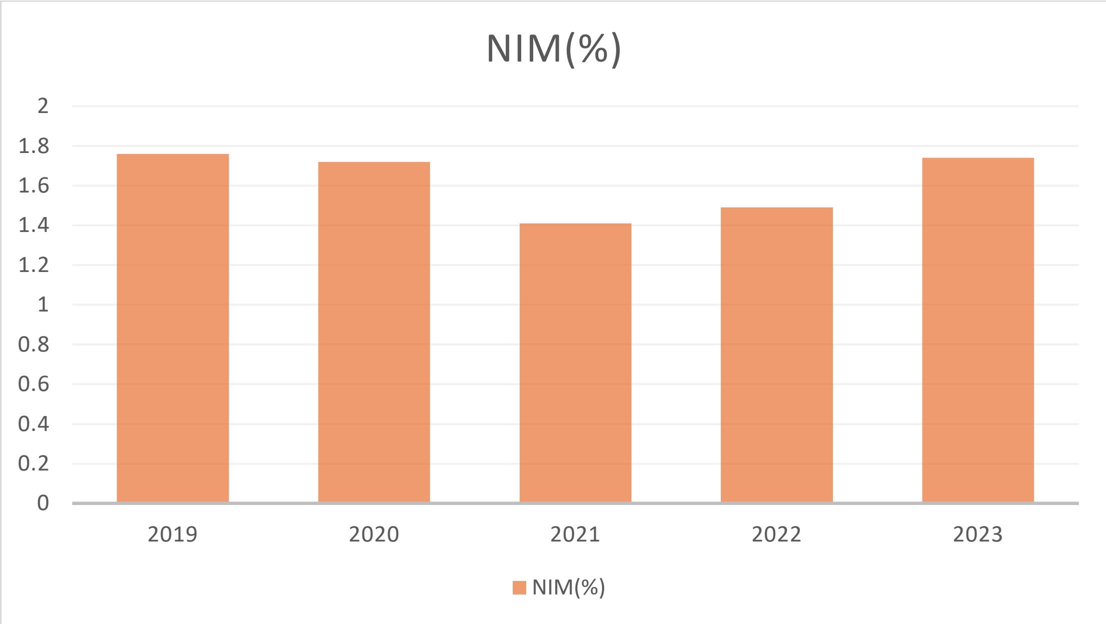


EPS represents the portion of a company's profit allocated to each outstanding share of ordinary stock. The bank saw a significant increase in EPS going from 1.72 TK in 2019 to 1.92 TK. This suggests that the company was able to improve its profitability and generate more earnings for each outstanding share. In 2021 EPS dropped to 1.32 TK. This may occur due to increased expenses, economic downturns, or challenges in the industry. But in 2022 EPS jumped to 2.47 TK, marking a substantial increase from the previous year. This indicates a strong performance and likely reflects positive developments in the company's operations. In 2023 EPS slightly declined to 2.23 TK. Which indicates generating less profit than previous year.

(EXIM Bank | Annual Reports, n.d.)

Net Interest Margin

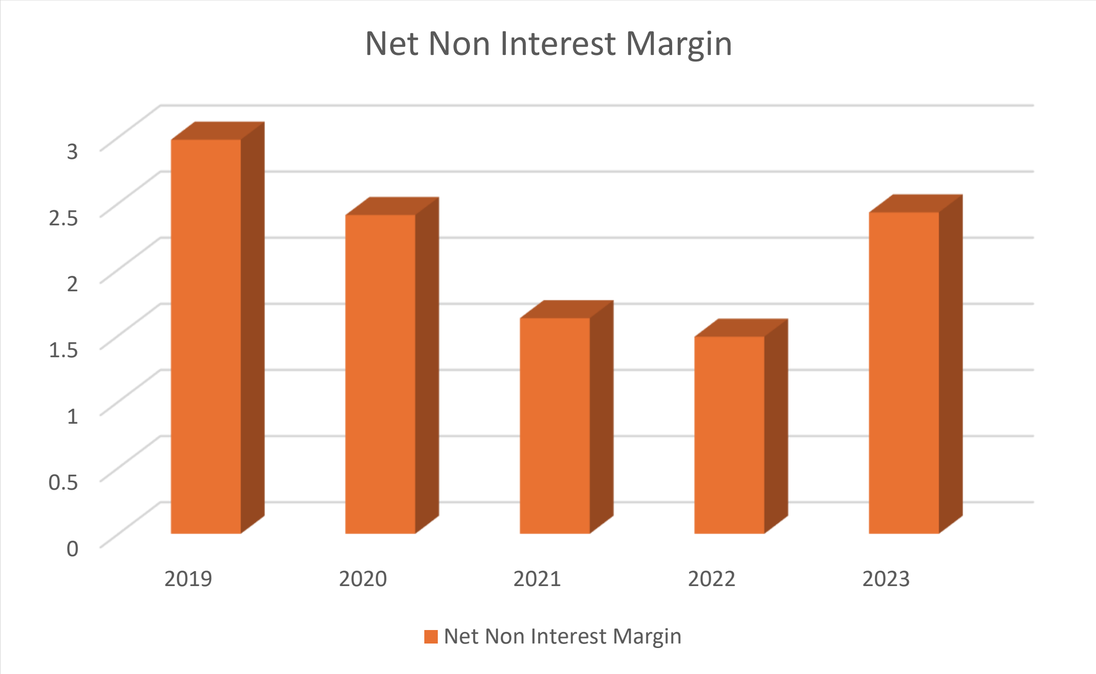
Year	2019	2020	2021	2022	2023
NIM	1.76%	1.72%	1.41%	1.49%	1.74%



The Net Interest Margin reflects the efficiency with which the bank earns interest income relative to its interest-bearing assets. From 2019 to 2023 the NIM fluctuated starting at 1.76% in 2019 then slightly declining to 1.72% in 2020, and further dropping to a low of 1.41% in 2021. This decline may indicate pressure on the bank's interest income due to increased competition, higher funding costs, or a lower interest rate environment. However, the NIM began recovering in 2022 and rising to 1.49%. And it reached at 1.74% in 2023 reflects improved asset-liability management and potentially higher returns on loans and investments. The recovery suggests that the bank has taken measures to optimize its lending and investment strategies while managing its cost of funds effectively.

Net Non-Interest Margin

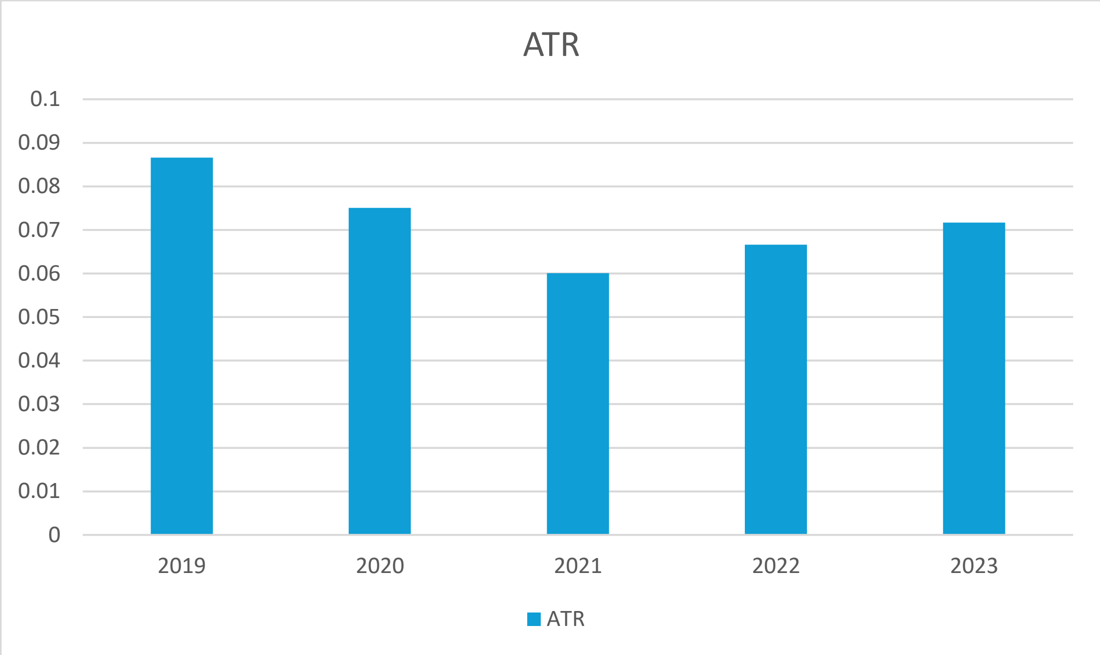
Year	2019	2020	2021	2022	2023
Net not interest margin	2.98%	2.41%	1.63%	1.49%	2.43%



The Net Non-Interest Margin measures the efficiency of non-interest income relative to earning assets. It shows a mixed trend from 2019 to 2023. In 2019 NNIM was relatively high at 2.98%, indicating strong performance in generating fee-based income and other non-interest revenues compared to costs. However, it declined significantly to 2.41% in 2020 and further to 1.63% in 2021. Which reflects challenges in sustaining non-interest income streams. In 2022 NNIM bottomed out at 1.49% which indicates inefficiencies in managing non-interest activities or higher reliance on interest-based income. The recovery to 2.43% in 2023 suggests improvements in diversifying income sources. To ensure stability, the bank should focus on boosting non-interest revenue while controlling associated expenses.

Asset Utilization Ratio

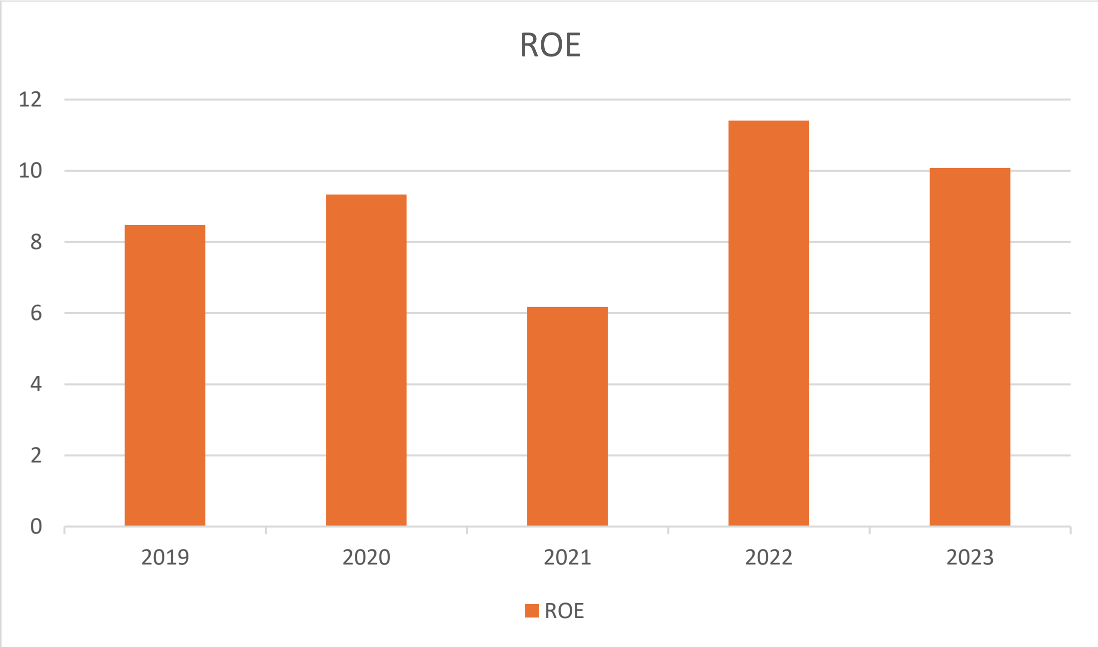
Year	2019	2020	2021	2022	2023
ATR	0.0866	0.0751	0.0601	0.0666	0.0717



The Asset Turnover Ratio (ATR) measures how efficiently a bank uses its assets to generate revenue. For EXIM Bank, the ATR is showing a declining trend from 0.0866 in 2019 to 0.0601 in 2021. And a slight improvement to 0.0717 in 2023. This suggests that during the earlier years the bank's ability to generate income from its assets was decreased. However, the improvement in 2022 and 2023 indicates a gradual recovery in operational efficiency. While the overall ratio is fluctuating, the upward trend in the later years is a positive sign of better asset management and income generation.

Return on Equity

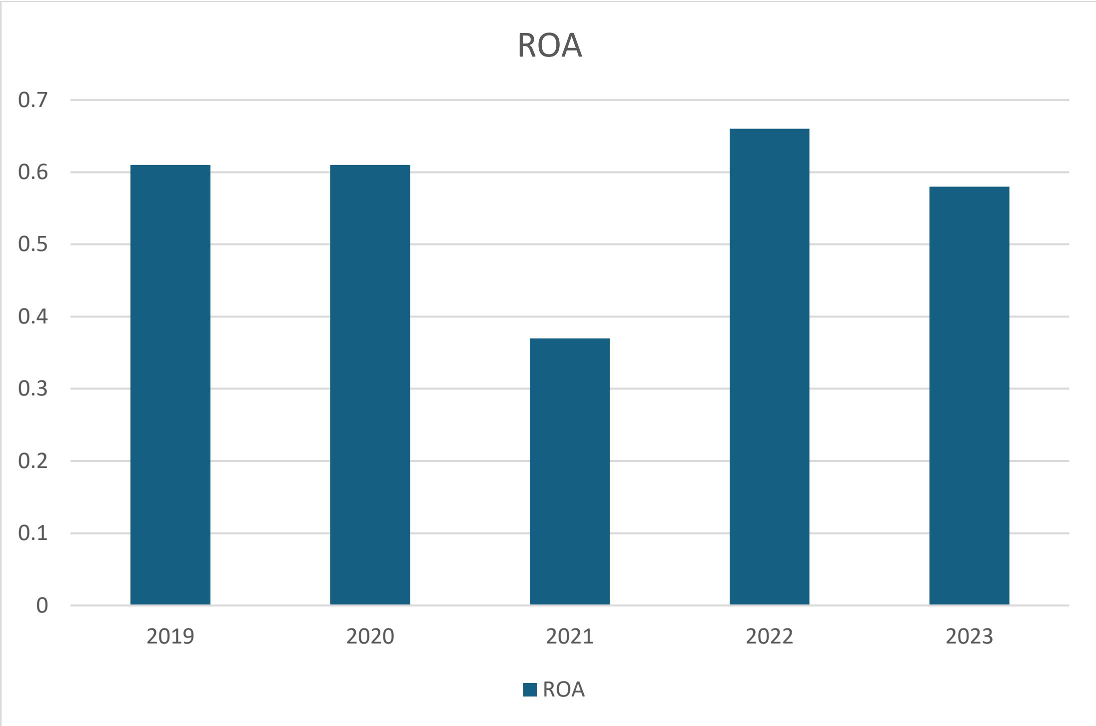
Year	2019	2020	2021	2022	2023
ROE	8.48%	9.33%	6.17%	11.41%	10.08%



The Return on Equity measures how effectively EXIM Bank utilizes shareholders' equity to generate profit. From 2019 to 2023 the ROE fluctuated starting at 8.48% in 2019, peaking at 11.41% in 2022 and ending at 10.08% in 2023. The increase in 2020 reflects improved profitability but the decline to 6.17% in 2021 aligns with reduced net profits during that year. The sharp recovery in 2022 shows the bank's ability to recover strongly. The slight decline in 2023 suggests stabilization at a healthy level. Overall, the trend highlights effective equity utilization with opportunity for further optimization to sustain high returns.

Return on Asset

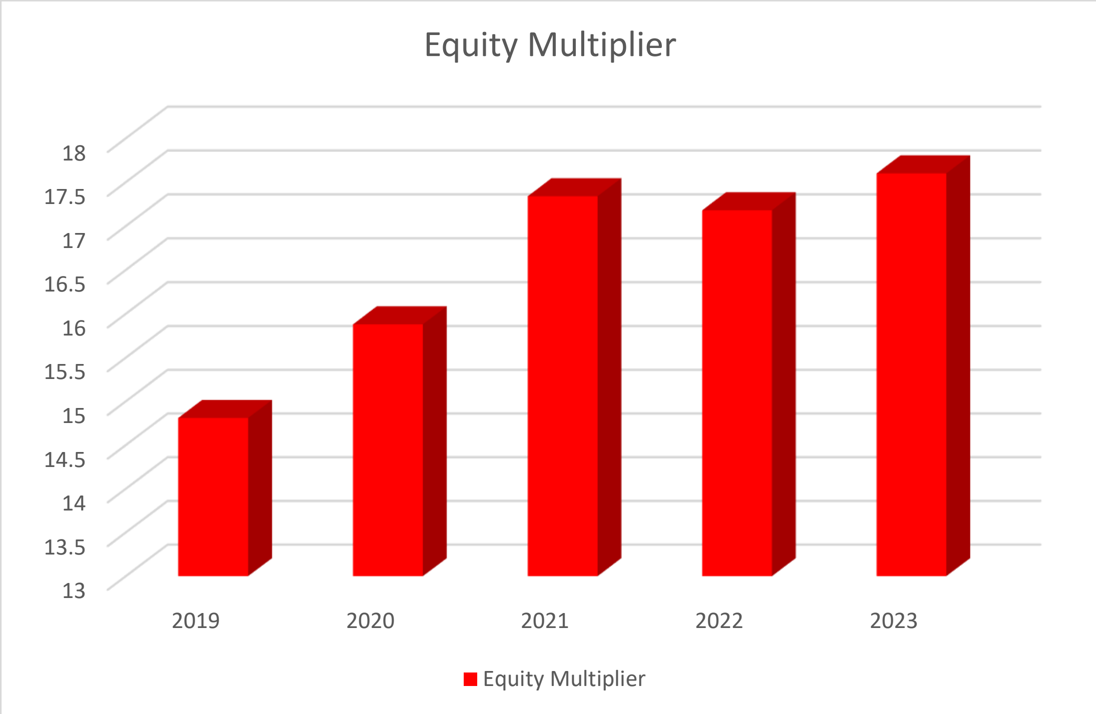
Year	2019	2020	2021	2022	2023
ROA	0.61%	0.61%	0.37%	0.66%	0.58%



The Return on Assets (ROA) measures how efficiently EXIM Bank uses its total assets to generate net profit. From 2019 to 2023 the ROA remained relatively low, consistent with the nature of banking operations, which rely on significant asset bases. It stayed stable at 0.61% in 2019 and 2020, dropped to 0.37% in 2021 and recovered to 0.66% in 2022 before slightly declining to 0.58% in 2023. The drop in 2021 reflects challenges in profit generation, while the rebound in 2022 highlights improved operational efficiency. Although the 2023 figure is slightly lower than the peak, it indicates stable and efficient use of assets.

Equity Multiplier

Year	2019	2020	2021	2022	2023
Equity Multiplier	14.81	15.88	17.34	17.18	17.60



The Equity Multiplier measures how much a bank's total assets are supported by its shareholders' equity, indicating the level of financial leverage. For EXIM Bank, the ratio increased steadily from 14.81 in 2019 to 17.60 in 2023. This rising trend indicates that the bank is increasingly relying on debt and liabilities to finance its asset growth. While higher leverage can enhance returns on equity during profitable periods. It also raises the bank's exposure to financial risks, particularly during economic downturns. The consistent increase reflects a strategic focus on asset expansion through external funding, but maintaining this trend requires strong risk management practices to ensure financial stability and resilience.

Chapter Five

Findings & Recommendations

5.1 Findings

Based on various financial ratios of Export Import Bank Bangladesh (EXIM) from 2019 to 2023, here is an overall analysis of the bank's performance:

The **Operating Profit Margin** remained relatively stable but we can saw minor fluctuations which peaking in 2022 at 18.81% and declining slightly in 2023 to 17.86%. This indicates that while the bank is maintaining operational efficiency, there is opportunity for improvement in managing operational costs to ensure consistent profitability.

The **Net Profit Margin** showed more instability with a significant improvement in 2022 (9.94%) before dropping to 7.84% in 2023. This suggests challenges in sustaining profitability. Maybe due to higher costs or lower income in non-operational areas. Similarly, **Earnings Per Share** increased sharply in 2022 to 2.47 but decreased to 2.23 in 2023. It indicates fluctuations in shareholder returns.

Return on Equity and **Return on Assets** both improved significantly in 2022 but fell in 2023. ROE peaked at 11.41% in 2022 but dropping to 10.08% in 2023. On the other hand, ROA declined from 0.66% to 0.58% during the same period. This indicates that while the bank managed to increase returns in 2022 but it struggled to maintain this momentum in 2023. Possibly due to declining asset utilization or increased costs.

The **Asset Utilization** ratio shows a declining trend from 2019 to 2021 with a slight recovery in 2022 and 2023. However, the values remain lower than in 2019 that indicates the bank is not fully utilizing its assets to generate income. The **Equity Multiplier** which measures leverage, has consistently increased to 17.60 in 2023. This suggests a growing reliance on debt relative to equity.

The **Net Interest Margin** remained relatively stable over the years with a slight drop in 2021. But it showing improvement in 2023. This indicates the bank’s ability to manage interest income and expenses effectively. On the other hand, the **Net Non-Interest Margin** has been inconsistent, declining to a low of 1.49% in 2022 before recovering to 2.43% in 2023. This indicates the need for diversification in income sources to reduce dependence on interest-based earnings.

5.2 Recommendations

Here are recommendations for enhancing the bank's financial stability, profitability, and operational efficiency:

Operating Profit Margin (OPM):

The slight decline in 2023 suggests increasing operational costs. The bank should identify cost-heavy areas, streamline processes, and focus on efficient resource utilization to maintain a steady Operation Margin.

Net Profit Margin (NPM):

The drop in 2023 shows reduced in profitability. The bank should improve revenue generation strategies, control non-operational expenses, and explore new profit-making opportunities.

Earnings Per Share (EPS):

The decline in 2023 reflects lower shareholder returns. The bank should work on consistent profit growth and consider better allocation of earnings to strengthen EPS performance.

Return on Equity (ROE):

The decline in 2023 suggests reduced efficiency in generating returns for shareholders. The bank should focus on improving profitability through cost management and strategic investments while ensuring optimal use of equity resources

Return on Assets (ROA):

The decline in 2023 shows reduced efficiency in asset use. The bank should focus on generating more income from existing assets by optimizing their usage and enhancing operational strategies.

Asset Utilization (AU):

The overall low levels of AU indicate available potential in generating income from assets. The bank should review asset performance and look for opportunities to increase productivity.

Equity Multiplier:

The increasing trend signals growing reliance on debt. To reduce financial risks, the bank should aim to balance leverage by increasing equity financing or retaining more earnings.

Net Non-Interest Margin:

Inconsistent performance highlights dependence on interest income. The bank should diversify its income sources by expanding fee-based services and exploring innovative non-interest revenue streams.

By addressing these points the bank can achieve better financial stability, improve profitability and position itself for sustained growth.

5.3 Conclusion

In conclusion, EXIM Bank's financial performance over the past few years has shown positive growth in revenue and equity, but there are some areas that require attention. While the bank has maintained relatively strong operating margins, fluctuations in net profit margin and return on equity indicate challenges in maintaining consistent profitability. The bank's asset utilization has been inconsistent which suggest there are more opportunity for maximizing the income generated from its assets. Also, the rising equity multiplier indicates an increasing reliance on debt, which can create financial risks if not managed carefully.

To enhance financial performance and ensure long-term growth, EXIM Bank should focus on improving cost efficiency, optimizing asset utilization, and reducing reliance on debt. Diversifying revenue sources beyond interest income will help reduce risk and promote more stable earnings. By addressing these issues EXIM Bank can strengthen its financial stability, increase shareholder returns, and position itself for sustainable success in the future.

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Appendix

Five Years Financial Performance at a Glance

Sl	Particulars	2019	2020	2021	2022	2023
1	Authorized Capital	20,000.00	20,000.00	20,000.00	20,000.00	**20,000.00**
2	Paid-up Capital	14,122.51	14,122.51	14,475.57	14,475.57	**14,475.57**
3	Shareholders' Equity	29,158.31	30,532.04	31,221.25	31,440.42	**32,700.58**
4	Total Capital (Tier I + Tier II)	40,907.78	42,861.77	49,971.93	51,428.63	**55,049.24**
5	Statutory Reserve	10,705.99	11,760.07	12,519.51	13,743.43	**14,475.57**
6	Total Assets	4,31,940.84	4,84,743.51	5,41,477.91	5,40,034.53	**5,75,618.92**
7	Total Liabilities	4,02,782.53	4,54,211.46	5,10,256.70	5,08,594.11	**5,42,918.34**
8	Total Deposits	3,55,816.52	3,95,308.34	4,21,705.98	4,27,044.05	**4,47,950.99**
9	Total Investment (General)	3,43,287.40	3,92,919.66	4,28,204.91	4,52,547.87	**4,71,880.17**
10	Investment (Shares & Securities)	43,172.53	40,951.38	43,499.00	35,342.24	**51,373.15**
11	Total Contingent liabilities	88,906.00	82,546.59	98,545.63	1,16,880.62	**1,26,629.49**
12	Total Risk Weighted Assets	3,24,275.52	3,23,821.70	3,51,371.58	3,73,633.81	**3,80,120.72**
13	Total Fixed Assets	5,643.03	5,540.65	5,538.41	5,853.81	**5,824.40**
14	Total Income	37,399.81	36,425.78	32,563.87	35,946.51	**41,261.25**
15	Total Expenditure	30,479.85	30,112.17	26,920.23	29,185.24	**33,894.00**
16	Profit before provision and tax	6,919.97	6,313.61	5,643.63	6,761.26	**7,367.25**
17	Profit before tax	4,925.18	5,270.41	3,797.22	6,119.58	**5,116.34**
18	Net profit after provision and tax	2,429.90	2,785.98	1,904.24	3,573.82	**3,233.25**
19	Foreign Exchange Business	**3,77,910.70**	**3,44,428.99**	**4,97,879.30**	**5,32,906.78**	**4,61,893.82**
	a) Import Business	2,00,801.50	1,77,825.26	2,80,093.00	2,50,137.77	**2,19,541.39**
	b) Export Business	1,70,652.60	1,61,290.17	2,11,974.50	2,76,498.19	**2,35,318.11**
	c) Remittance	6,456.60	5,313.56	5,811.80	6,270.82	**7,034.32**

20	No. of Foreign Correspondent	396	386	389	392	**401**
21	Profit earning assets	3,72,101.56	4,19,067.98	4,55,893.78	4,71,064.90	**5,10,950.62**
22	Non profit earning assets	59,839.28	65,675.53	85,584.13	68,969.63	**64,668.30**
23	Investment as a % of total Deposit	*89.55%	*91.14%	*88.02%	*95.47%	***95.85%**
24	Capital Adequacy Ratio	12.62%	13.24%	14.22%	13.76%	**14.48%**
25	Dividend	10.00%	10.00%	10.00%	10.00%	**10.00%** (PROPOSED)
	a) Cash	10.00%	7.50%	10.00%	10.00%	**10.00%**
	b) Bonus	-	2.50%	-	-	-
26	Rights Share	-	-	-	-	-
27	Net Asset Value Per Share (Restated where applicable)	20.65	21.09	21.57	21.72	**22.59**
28	Earning per share (EPS) (Restated where applicable)	1.72	1.92	1.32	2.47	**2.23**
29	Price earning ratio (times)	5.87	6.14	9.65	4.21	**4.66**
30	Return on Equity (ROE) after tax	8.48%	9.33%	6.17%	11.41%	**10.08%**
31	Return on Assets (ROA) after tax	0.61%	0.61%	0.37%	0.66%	**0.58%**
32	Net Operating Cash Flow per Share (NOCFPS) (Restated where applicable)	11.36	4.12	9.38	(13.15)	**5.88**
33	No. of Shareholders	68,657	61,848	58,969	55,362	**54,720**
34	Number of Employees	2,956	2,910	3,235	3,351	**3,230**
35	Number of Branches	130	131	140	147	**151**
36	Number of Sub-branches	-	3	39	64	**68**