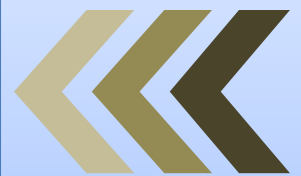


# DHAKA BANK LIMITED

2019

Md. Masidul Islam



Date of Submission:

# Internship Report

On

Financial Performance Analysis of “Dhaka Bank Limited.”

Supervised By:

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Dhaka, Bangladesh



**Daffodil**  
*International*  
**University**

**Part**

**One**

**Prefatory Part**

*Dedicated To....*

*My Beloved Parents*  
&  
*My Honorable Supervisor*  
*Sayed Farrukh Ahmed*

# Preface

In the 90s, the economy of Bangladesh continues through prompt growth. In the era of industrial and agricultural development international trade, remittance flow of immigrant Bangladeshi workers, local and foreign investment in construction, communication, power, food processing and services is escorted of financial activities. Changes in development and living conditions parallel with financial achievement in order to channelize consumer investments in a profitable way along with the demand for banking products and services to support new initiatives. To answer this need, a group of highly admired traders were gathered and the Dhaka Bank Limited was established in 1995. The bank was included as a public limited company under the Companies Act, 1994.

The internship report has been prepared by working 3 (three) month's knowledge and accomplishments which were collect during internship period. This report is all about "**Financial Performance Analysis of "Dhaka Bank Limited"**".

While doing this report I had to surface some problems in collecting information and data. Nevertheless, I was able complete my report despite those obstacles. I have made more efforts to improve the report from my level. In spite of my genuine efforts, there may be some errors. I'm sorry for those faults which I have done consciously and unconsciously.

# Acknowledgement

At first, I would like express my deep gratitude to Almighty Allah for supplying power and able to completing the report.

I am extremely grateful to my supervisor **Professor Sayed Farrukh Ahmed**, Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University, for giving me right instructions that helped me vastly in preparing this report proficiently. He outlined and provided a complete direction, support and assistance for the data analysis and report writing and development of the report. He studied the draft report and gave valuable observations and recommendations that were extremely supportive in making this report on “**Financial Performance Analysis on Dhaka Bank Limited.**”

Heartfelt appreciation to all the delightful inhabits of *Daffodil International University* particularly my teachers, classmates and others.

Finally, I would like to express precise my parents, my friends whose encouragement and motivation have been able to complete this report.

## Letter of Transmittal

....., 2019

To

**Sayed Farrukh Ahmed**

Advisor

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

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

Dear Sir,

With due respect and great pleasure, I am submitting my internship report on “**Financial Performance Analysis of Dhaka Bank Limited**” given by you as the essential requirement of my Masters of Business Administration (MBA) program. The three months’ internship program give me a great experience and also provided me wide exposure to the professional environment. I have gone through the workings files of Dhaka Bank, web information, articles, journals and different books for collecting necessary information of the assigned topic.

I would like to thank you and the university for giving me the opportunity to do internship and for preparing the report. Nevertheless, you may need to be always happy to welcome any additional precision.



**Md. Masidul Islam**

ID No:-163-14-2174

44th Batch, MBA (Major in Accounting)

Department of Business Administration

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## Letter of Acceptance

I am a student of Master of Business Administration (MBA) Major in Accounting of Daffodil International University do hereby announce that the internship report entitled “**Internship Report on Financial Performance Analysis of “Dhaka Bank Limited”**”. Which is submitted by me in partial contentment of the requirement for the honor of MBA program in Daffodil International University is my unique work and due acknowledgement have been made to the appropriate authority for materials used in the report. And I think it has not been submitted by me before for any Degree, Diploma and Tittle or Recognition.



**Sayed Farrukh Ahmrud**

Advisor

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University



## Acronyms and Elaborations

<b>AGM</b>	<b>Annual General Meeting</b>
<b>B/L</b>	<b>Bill of Lading</b>
<b>BAS</b>	<b>Bangladesh Accounting Standards</b>
<b>BB</b>	<b>Bangladesh Bank</b>
<b>BOE</b>	<b>Bill of Exchange</b>
<b>BBL/C</b>	<b>Back to Back Letter of Credit</b>
<b>BC</b>	<b>Bill of Collection</b>
<b>BCD</b>	<b>Banking Control Division</b>
<b>BL</b>	<b>Bad Loss</b>
<b>BRPD</b>	<b>Bangladesh Regulation and Policy Department</b>
<b>FC</b>	<b>Foreign Currency</b>
<b>FDR</b>	<b>Fixed Deposit Receipt</b>
<b>BSA</b>	<b>Bangladesh Standards on Auditing</b>
<b>CC</b>	<b>Cash Credit</b>
<b>HS Code</b>	<b>Harmonized System of Coding</b>
<b>CIB</b>	<b>Credit Information Bureau</b>
<b>CL</b>	<b>Classification of Loan</b>
<b>CRR</b>	<b>Cash Reserve Requirement</b>
<b>DD</b>	<b>Demand Draft</b>
<b>DF</b>	<b>Doubtful</b>
<b>ECD</b>	<b>Exchange Control Department</b>
<b>FAD</b>	<b>Finance and Accounts Director</b>
<b>LC</b>	<b>Letter of Credit</b>
<b>FBP</b>	<b>Foreign Bill Purchase</b>
<b>IAS</b>	<b>International Accounting Standards</b>
<b>IFRS</b>	<b>International Financial Reporting Standards</b>
<b>ISA</b>	<b>International Standards on Auditing</b>

## Executive Summary

This internship report is based on the 2017 financial statements of Dhaka Bank Ltd. During my internship period, I worked in general banking department. It was an excessive prospect to understanding and wrinkle knowledge of various kinds of banking activities. My faculty supervisor assisted me to choose the topic- **“Financial Performance Analysis of Dhaka Bank Limited”**.

Current modest commercial period, the private banking segment is increasingly valuable in Bangladesh. In this segment the supreme cast-off financial statement is the balance sheet and income statement where balance sheet demonstrations the financial position and shows the banks total income or net loss in the income statement. Analysis of the ratio relates to this statement.

The most popular tendency is the Ratio analysis to estimate the banks performance of the year or for other organization in the industry. In my report, the financial statements of Dhaka Bank Limited had to be analyzed in the last three years and analyzed to changing the financial condition. Analysis and interpretation of financial statements, ratio analysis to assess the performance has become an important strategy of the investor, financial expert, Managing Director and bankers, important decisions always depend on this ratio. The bank, the investors and the management’s team of any government organization always measures the efficiency of the liquidity ratio and the banks efficiency eligibility.

As part of my MBA program, I spent twelve weeks in financial performance analysis of Dhaka Bank Ltd, Dhanmondi Model Branch studying general banking departments. To find out the ratio via past and present records, I analyzed the financial statements of Dhaka Bank Limited. After preparing this report, I found out that ratio of financial statement analysis helps to overcome previous weaknesses and create future decisions and strategies. Therefore, it is very important for each organization that the company’s size is made financially analyzed with the ratio.

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**Part**

**Two**

**Report Body**

# Chapter- 1

## Introductory Part

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***1.1 Introduction***

***1.2 Origin of the study***

***1.3 Objectives of the study***

***1.4 Scope of the Study***

***1.5 Methodological Aspect***

***1.6 Limitations of the Study***



## ***1.1 INTRODUCTION***

In general, with the term “Bank” we only consider financial resources to handle cash. Normally by the word “Bank” we will simply perceive that the economical organization managing cash. The whole states of affairs of the company of a rustic are often observed by inspecting the situation of the banking division. Banking division contains an important part to show within the financial operations and improvement of any nation. There are various sorts of banks like Central Banks, Commercial Banks, Savings Banks, Investment Banks, Industrial Banks and Co-operative Banks etc. But formerly we use the term “Bank” without preface and constraint, it denotes to the commercial banks. Commercial banks are the first contributing units in rural economy such as our country. In our country, the commercial banks are leading the economic area and macro-economic supervision mostly rest of the commercial banks performance along with investment division. More people think that non-public banks should be allowed to give positive inducement to the development process in the context of personal advantage. For the principal time diversity of banks within the non-public sector were allowed in the 80’s. Dhaka Bank is one of them. Today the banking idea isn’t sustained within the lodge of the branches. The bankers are now performing the non-cabin banking. As a result, for every person it is ver important to have some ideas about banks and banking systems. Currently, there are fifty six scheduled banks all over the country. Of these, nine units are state-owned (including 5 special banks), 38 private commercial banks and the remaining 9 commercial banks. Although the banking segment is doing a fundamental rectification in Bangladesh, it is still a victim of chronic impairment. The biggest disadvantage of Bangladesh banking industry is that the loan default downside. Numerous initiatives are accepted to block the loan failure to pay downside in Bangladesh. One of them is a credit policy and procedure guidelines issued by the Bangladesh Bank.

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## ***1.2 ORIGIN OF THE STUDY***

Internship program of Daffodil International University is a Post-Graduation requirement for the MBA students, which is also a half-done requirement of the Internship program of MBA prospectus. The leading purpose of office is to induce the scholar expose to the duty world. Being associate in Nursing intern the most experiment was to interpret the theoretical ideas into real world expertise. The office program and also the study have following purposes:

- To get and organize detail information on the duty responsibility.
- To experience the real business world.
- To compare the important state of affairs with the techniques learned within the University.
- To fulfill the requirement of MBA program.

To undertake the office, I used to be located at Dhaka Bank Limited, Dhanmondi Model Branch, under the guidance of Mr. Jabir al Mursalin, my academic supervisor. The report topic was permitted by the supervisor to gratify the structure needs and satisfaction of the office program. As a demand of the conclusion of the office program, I had to submit this report, which includes an overview of the organization and financial performance analysis of Dhaka Bank Limited.

## ***1.3 OBJECTIVES OF THE STUDY***

The main objective of the study will be to present the Financial Performance Analysis of Dhaka Bank Limited with fulfilling the requirement of MBA program. However, the targets behind this study are some things broader.

Objectives of the report area unit summarized within the following manner-

- To present an overview of Dhaka Bank Limited.
- To analyze the Financial Performance of Dhaka Bank Limited of different years.
- To provide recommendations based on the findings of the study.

## ***1.4 SCOPE OF THE STUDY***

In order to maintain the speed of development, banks will have to contact each other in the market as additional foreign companies. The demonstration of the organizational structure and policy of Dhaka Bank Limited and inspecting the policies applies by it deliver the scope of this report. Groundwork of the firm has been elaborated and appears in to the longer term. The scope of this report is limited to the overall explanation of the company, its services, its situation in the industry, its financial performance analysis the practical progress of its operation. The scope of the study is proscribed to structure setup, functions and performances.

- Recent performance of DBL in terms of deposit, investment and foreign exchange.
- To analyze the banks current financial flows performed by DBL.
- To obtain sensible expertise regarding general banking activities by involving such style of program.
- To build skilled carrier within the banking sectors additionally as any credit providing establishment.

## ***1.5 METHODOLOGICAL ASPECT***

From my instructional background, I have learned different methodology in research process. So during this study I had the chance to implicate my instructional information in sensible field. I have collected data from many sources:

### **A. Primary sources:**

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

**B. Secondary sources:**

- Annual Report of Dhaka Bank Limited.
- Internet is additionally used as a theoretical supply of data.
- Websites and newsletters are also used as major sources.
- Different text books and journals.
- Various reports and articles related to study.
- Some of my course parts as associated with this report.

## ***1.6 LIMITATIONS OF THE STUDY***

There are some limitations in our study. We faced some problem during this study three months is not enough to know about full banking operations. Definitely I couldn't produce an outstanding report for the time limitations. Those limiting factors that hampered my wish working in bank and eventually in making ready this report area unit as following:

**Lack of Time:** the time period for preparing this report is very short. I had very short time in my hand to complete this report which is not enough to know details about an organization like Dhaka Bank Limited.

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

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

## Chapter-2

### Organizational Profiles of Dhaka Bank Ltd

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***2.1 HISTORICAL BACKGROUND OF DHAKA BANK LTD***

***2.2 CORPORATE INFORMATION AT GLANCE***

***2.3 CORPORATE VALUES***

***2.4 MISSION***

***2.5 VISION***

***2.6 BANKING SYSTEM***

***2.7 OBJECTIVES***

***2.8 CORPORATE SOCIAL RESPONSIBILITY***

***2.9 BRANCHES***

***2.10 MANAGEMENT INFORMATION SYSTEM***

***2.11 DEPARTMENTS***

***2.12 BUSINESS UNITS***

***2.13 BOARD OF DIRECTORS***

***2.14 MANAGEMENT COMMITTEE***

***2.15 EXECUTIVE COMMITTEE OF THE BOARD***

***2.16 AUDIT COMMITTEE***

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## ***2.1 HISTORICAL BACKGROUND OF DHAKA BANK LTD***

Dhaka Bank Ltd is a bunch of committed entrepreneurs and visionaries of banking excellence. Established on July 5, 1995, the bank currently chooses the associate degree financial service provider and has placed itself firmly in the strong mind of customers. “Excellence in Banking” is our shibboleth and the most effective acting bank of the country is our goal. As a number one non-public depository financial institution in our country, our reputation is provided backing by good product and services, greater knowledge and extreme employees to appreciate customer’s nightmare. We tend to four-sided measure recognized for our smart authority applies acquiescence with the regulatory orders, and suppleness to rising wants and adaptableness to the ever-moving sphere. Since the month of Gregorian Calendar 2015, the bank is progressing step by step with the approval of the Basel-3 because collaborative degree increases the control for capital and liquidity. In order to maintain capital adequacy in line with Basel-3 needs, the bank will divide itself into competitive financial risks and regulatory frameworks of the new post crisis, the bank has issued BDT Tk. 3,000,000,000 Non-Convertible Subordinated Bond in 2016. The concept of economic capital has been working as a security for the bank, especially within the global credit crisis. In year 2016 still saw the impact of credit risk and the market volatility outside the blue damages of the bank. Under such promotion, it is important to operate the banking business in a risky sensitive economic capital structure. So we tend to sticky square measure on possible surprises and therefore, the concept of economic capital which is related to each individual activity to reduce the risk of the record and to protect the stakeholder’s interests. DBL is committed to forming higher society by measuring the scale of the area by operating and donating some alternative sectors, including education, health, disaster management, sports and national priorities. The long 21-year journey can be a true reflection of our concern for people involved in important CSR in our financial consolidation. On the contrary, DBL has included the policies of the property in the banks daily activities. The inexperienced banking cell works to boring development policies, products and supervision of the inexpensive financial activities of the bank. The bank contains a robust team of extremely qualified and practiced professionals, in conjunction with associate degree economical Board of administrators UN agency performance a significant part in expressing and applying guidelines.

## 2.2 CORPORATE INFORMATION AT GLANCE

Name of the Bank	Dhaka Bank Limited
Status	Public Limited Company
Date of Incorporation	April 06, 1995
Date of Commencement	July 05, 1995
Registered Office	Biman Bhaban (1 <sup>st</sup> Floor) 100 Motijheel C/A, Dhaka-1000, Bangladesh.
Company Registration No.	C-28146 (1992)/95
Bangladesh Bank License No.	BCD (D) 200/57-421/95
Telephone	9554514
Telex	9556584, 9571013, 9565011
Swift Code	DHBLBDDH
E-mail	info@dhakabank.com.bd
Web Page	<a href="http://www.dhakabankltd.com">www.dhakabankltd.com</a>
Chairman	Mr. Rashadur Rahman
Managing Director	Syed Mahbubur Rahman
No. of Branches	100
No. of ATMs	56
No. of ADMs	20
SME Services Centre	3
Off Shore Banking Unit	2
KIOSK	1
Logo	 <p><b>DHAKABANK</b> L I M I T E D EXCELLENCE IN BANKING</p>

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## ***2.3 CORPORATE VALUES***

- Customer Focus
- Integrity
- Quality
- Teamwork
- Respect for the Individual
- Responsible Citizenship

## ***2.4 MISSION***

Being one of the leading institutions in the country, to provide top quality products and services are supported by the latest technologies and also to provide superior banking services to a team of highly effective staff.

## ***2.5 VISION***

At Dhaka Bank, we tend to draw our inspiration from the remote star. Our vision is to make a regular that each banking deals with an enjoyable efficiency. Our endeavor is to provide you with the highest quality of accuracy, reliability, timely delivery, and leading edge technology and settlement resolution for business needs, global trade and commerce and through high yield for your investment.

Our persons, product and methods square measure affiliated to satisfy the demand for our intelligent consumers. Our goal is to understand certain prudence. Our main objective is to provide a high quality which reflects the real reflection of our outlook- Banking Superiority.

## ***2.6 BANKING SYSTEM***

- Retail Banking
- Corporate Banking



- Syndications Banking
- Digital Banking
- SME Banking
- Islamic Banking

## ***2.7 OBJECTIVES***

- To comportment clear and top class corporate operation supported arcade instrument among the lawful and public structure Triticum Spelta in our goal and mirrored in our dream.
- To provide customers with top quality products with regular economic, innovative and sophisticated delivery system.
- To spawn profit with qualitative business as a quality growing organization and increase honest revenue of our shareholders.
- To our communal as a company national and our corporate social responsibility is helpful in the progress of the state.
- To promote employees success through enticing compensation packages, promoting employees moral through coaching, development and career.
- To fulfillment of our responsibility to the govt. through paying entire vary of taxes and duties and imperishable by the opposite rules.
- To create our state an inexperienced and clean soil we tend to square measure cautious regarding atmosphere and environmental condition modification and duteous.

## ***2.8 CORPORATE SOCIAL RESPONSIBILITY***

Dhaka Bank Ltd is involved in charity, welfare and alternative beneficial activities for the development of its own organization, which can serve as a tool for building awareness of development problems and building a bridge with the general goal of the development of property of the society, many developments and direct support of other people. Dhaka bank Ltd has the 5 member CSR committee under the leadership of the director for managing and the

general activities of the CSR fund of the bank. The Dhaka Bank Foundation founded in 2002 as a non-profitable, non-governmental organization, explaining charity, welfare and alternative beneficial activities to promote inspiration goals. As per CSR activities, Dhaka bank has preferred two pre-tax profits annually.

### ***2.8.1 HEALTH***

- Donation for 2 hemodialysis machines and traveler lifts to BIRDEM hospital and in every year tk. 1.2 million for associating functional prices.
- Donation for ladies and kid health hospital for fixing pathological laboratory tk. 10 million.
- The planned 10 bed ward at Ahsania Mission Cancer and General Hospital, and also sponsored for the Welfare of unfit kids.
- Donation to Peoples Republic of Bangladesh Eye Hospital and support for the protection of trust.

### ***2.8.2 DISASTER RELIEF***

- Dhaka Banks contribution to the company's social responsibility through the initiative of giving class scale to Asiatic Society of Dhaka.
- Tk. 5 million relief activities for flood victims.
- Distribution of 10 KG of rice, 1 KG of Pulses and 1 KG of gold to 10,000 families of Araiহার, Sirajdikha and Belkuchi.

### ***2.8.3 SOCIAL WELFARE***

- Restoration of Dhaka Reporters Unity.
- Sponsorship of Anti-Drug Dialogue Competition, winter clothes distribution to the banks workers.
- Sponsorship for Bangladesh Under-19 Cricket Team.

- Awareness for road safety, blood donation, eye donation and intervention of AIDS.
- Funding has been provided for Scholastics Academic Development Trust to support and nurture academic gifted students.
- BADC Faculty Sponsorship.

### ***2.8.4 ENVIRONMENT***

- Supported the town change of state program originated by Dhaka town organization under renovating.
- Dhaka Bank Cascade ahead of Ministry of Foreign Affairs.
- Dhaka Bank Head workplace, change of state at Jashimuddin Crossing at Uttara cost accounting one.5 m, and conjointly ahead of Dacca Bank Head workplace cost accounting one.2 m.

## ***2.9 BRANCHES***

The bank has a network of 62 branches all over the country, 3 SME service centers, 6 CMS unit and 2 Off-shore banking unit and communicators everywhere around the world. To expand the network, the bank plans to open additional branches in the current 12 month.

## ***2.10 MANAGEMENT INFORMATION SYSTEM***

The Dhaka Bank Ltd advertising banks journey in 1995 has created excellent pressure on the use of advanced technology. Since 2003, it has moved into the online operation system, once two new banking software systems, especially FLEXCUBE and DBCUBE were established. As a result the bank is in position to present international quality services. The bank has launched its company Portal (Intranet) which aims to create first and comprehensive content management, paperless communication and knowledge management by IT/BPR and integrates the first to enter net applications across the enterprise. The platform depends on the individual split system.

Dhaka Bank Ltd has invested with money setting up the software system and assigning individual IT divisions to fifty large integers.

## ***2.11 DEPARTMENTS***

If the roles are not organized by considering their correlation and are not allocated in a very specific category, it will be very difficult to effectively manage the system. If departmentalization is not suitable for practical purposes, there will be defective status and the performance of the selected category will not be measured. Dhaka Bank Ltd fined the work.

They are:-

- Human Resources Department
- Central Accounts Department
- Operation Department
- Investment Department
- Personal Banking Department
- Global Trade Department
- Audit and Risk Management Department
- Information Technology Department

### ***2.11.1 HUMAN RESOURCES DEPARTMENT***

Dhaka Bank Ltd strongly believes that skilled human resources class measure the basis of success. Therefore, for achieving efficiency, qualified staff, Dhaka Bank Ltd maintains a fully functional Human Resources Department of the banks entire business unit. So while the election leader, Dhaka Bank provides widespread benefits and compensation to the workers along with the clean career path. With the success of Dhaka Bank , the Dhaka Bank staff service manual has been introduce, among which all the necessary aspects are needed for the associate organization of the nursing staff.

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### ***2.11.2 CENTRAL ACCOUNTS DEPARTMENT***

Dhaka Bank Ltd has a feature of the central account division that monitors the square measure of the accounts department of the separate branch. This section is responsible for monitoring the development policies and guidelines of separate branches and at the same time monitoring the activities. All relevant account information is maintained during this division below the special session.

### ***2.11.3 OPERATIONS DEPARTMENT***

The fully operational section for the success of any branch is completely necessary. This section is responsible for ensuring that square measure works. This department is responsible for creating policies, setting tips, developing operational step and keeping in mind the benefits and plan rewards policies. This section contributes to the founding spirit and the success of the organization.

### ***2.11.4 CREDIT DEPARTMENT***

The credit department is at risk of the banking department of Dhaka Bank Ltd. This section is responsible for providing credit to the buyers, risks of buyers living in the system, makes efficient decisions in the system and recovers timely authorized debt. This section is waiting for the development of new plans to draw new buyers. This department is also responsible for setting and determining investment rates, credit delivery and debt recovery measures. Most part of the credit division is the line of measurement bill, line loan, PAD, LTR, Packing credit, Term loan, Staff loan, House Building loan, Lease finance, Letter of Credit and bank guarantee.

### ***2.11.5 INVESTMENT DEPARTMENT***

Dhaka Bank Ltd has an important presence in the country's capital market operations. A special unit of the bank, investment department deals with the sales and gets share in the stock exchange and manages the banks own portfolio. Last updated on investment department shopkeeper stock

costs and stock trade. The ability to maintain Associate in Nursing Account with Investment Department can also be obtained. In order to try the trade agreement, the Commission must maintain the minimum balance between the accounts at the same time.

### ***2.11.6 PERSONAL/GENERAL BANKING DEPARTMENT***

The department of Personal Banking of Dhaka Bank Ltd is called the additional banking division. This section is especially responsible for providing a common spacing to the crew and to provide account closure, deposit and withdrawal funds, supply orders and gift cheques etc. the projects are designed to attract buyers to the maximum responsibility of this division. Due to the continuous performance results of this division, Dhaka bank is formally emerging with new merchandise to satisfy its buyers.

### ***2.11.7 GLOBAL TRADE SERVICES***

Dhaka Bank Ltd started its remittance service through its local and foreign representatives in 2004. Dhaka bank has set up separate remittal operations division in each of its branches. This section mainly deals with foreign remittal and currency exchange. This category is further blamed for developing foreign trade and investment policies. Most of the activities in this section provide supply, consultation and confirmation of documentary credit composition forward exchange cowl. Help pre-invoicing and post-transaction money and purchase of export bills, exemptions for exchange bills and customers to provide integration bills and all risks. Issue L/C, L/C Advising, L/C reserves and discussion, FDRP, Commerciality TC approval the main activities of this division square measure.

### ***2.11.8 AUDIT AND RISK MANAGEMENT DIVISION***

The Bank has set up its regulatory system for the management of the main risks of banking, rules made by the People's Republic of Bangladesh, supported systems: Regulation and compliance and guidelines on information and communication technologies for regular banks and finance

companies. The audit and control divisions are covered in all areas of IS/IT infrastructure and IS/IT governance as well as banking activities, where risks of effective losses can occur. This division collectively follows the moral standards through operation check list (DCFCL), loan document check list (LDCL) and quarterly operation report. These steps have helped in maintaining a strong internal and audit operation among DHAK Bank Ltd.

### ***2.11.9 INFORMATION TECHNOLOGY DEPARTMENT***

ICT is the main part of the ongoing process of Dhaka bank. The technical benefits are fully merchandise and services embedded. Dhaka Bank has designed its processes and delivery channels in the core industry worldwide that provide unlimited and profitable service for us or our customers. In Dhaka Bank, continuous improvement in investment in ICT and upgrading of systems and processes is mirrored. Currently the online service and all branches connected with Dhaka Bank are managed by on bank thought. Dhaka Bank Ltd is expanding its ATM booths and has organized a comprehensive program to expand its network in 2010. To make everything swimming, Dhaka Bank Ltd has a separate information and technology division, which is equipped with highly skilled technician's world health organization, to solve the IT error instantly.

### ***2.11.10 DHAKA BANK TRAINING INSTITUTE***

Human resources development through training is the most essential part for organizational growth since it enriches knowledge, skill and professional expertise. The utter need for professional development of employees is really important for the success of any organization and as a result of that the Dhaka Bank Training Institute was formed. Dhaka Bank Training Institute is committed to develop the human resources through structured modular training programs. With a view to achieve professional excellence in Banking, Dhaka Bank Training Institute conducts various courses, workshops, executive development programs mainly for officers and executives of the Bank. These trainings are mostly provided so that the employees can function properly in the original banking environment. Dhaka Bank Training Institute invites

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experienced and knowledgeable external resource persons from Ministries, Bangladesh Bank, Bangladesh Institute of Bank Management, Universities and other relevant organizations to deliver lecture and conduct practical sessions.

## ***2.12 BUSINESS UNITS***

There are seven completely different business units of Dhaka Bank Ltd:

- Small and Medium Enterprise (SME)
- Corporate Banking
- Personal Banking
- Islamic Banking
- Information Technology Banking
- International Trade & Interchange Banking
- Capital Market Banking

### ***2.12.1 SMALL & MEDIUM ENTERPRISE (SME)***

In order to start SME banking in People's Republic of Bangladesh, Dhaka Bank was among the primary industrial banks. Over the years, there has been time and energy to know the goal market and their desire. The SME unit has worked in the risk management system which can hide the requirements of the customers and come back with versatile payment patterns that can facilitate all buyers for a long time. SME banking of Dhaka Bank Ltd is now ready to meet all the requirements related to the order to meet the demand for capital, application and execution. The merchandise has been changed to cover the demand for guarantees, bid bonds and dealing capital requirements for various work purchase orders issued by business, autonomous, international and private sector corporations. In the addition, the buyers square measurement of the product is exporting, importing and distributing, leasing for the production of machinery and equipment, as well as the SME portfolio as a capital loan to support business wishes, which measures the square of fifty buyers in rural, pound products from 12.00 to 15.00 so far, for animal production



and so basically the People's Republic of Bangladesh there is little in the initiative. This has been the result of being appreciated by financial institutions: World Health Organization controls the small enterprise finance scheme, among which Dhaka Bank can be a big recipient. In 2008, Dhaka Bank expanded SME banking network by fixing SME service centers. These services are expected to produce Basic General Banking services as well as SME buyer's credit facilities as well as centers on square measurement centers. Dhaka Bank Ltd participated in the recently conducted SME Act 2009 in Bangabandhu international Conference Center on 27 May 2009.

### ***2.12.2 CORPORATE BANKING***

The banking company of Dhaka Bank Ltd supplies similar banking services in support of the local large and medium organizations. The company's banking is the most standard mode of business in low risk sectors. Dhaka Bank Ltd jointly designed a comprehensive risk management system for viewing and managing their quality. The Corporate Banking provides following these services:-

- Letter of Credit (L/C)
- Guarantee
- Import and Export
- Syndicate Loan
- Project Loan
- Leasing
- Working Capital Loan

Dhaka Bank acknowledges that the company's wishes are different from one and the answer is crucial for the success of their business. Dhaka Bank coordinated the trade, treasury, investment and transactional banking activities of a bank which created optimum prospects in the company's sector.

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### **2.12.3 PERSONAL BANKING**

In order to satisfy each aspect of contemporary business, Dhaka Bank Ltd has made a special effort to develop and introduce new merchandise and service through deep marketing research. Dhaka Bank Ltd introduced its personal banking division in 2003 and introduced electronic merchandise like automated phone banking, Dhaka Bank MasterCard and ATM Card from elect branches. Such services are highly appreciated by our customers. Fully different merchandise measuring personal banking class as follows:-

- Deposit Accounts
- Foreign dealing
- E-Cash twenty four hour banking
- Online Banking
- Credit Card
- Personal Loan
- Lockers

Among the private sector banks, Dhaka Bank Ltd has already made its mark at the retail banking phase. With the introduction of strategic traffic jam with the promotion like “Boishakhi Offer” with Electra International Limited, distributor of Samsung whole merchandise and “Freeze the summer campaign” and up with Esquire natural philosophy limited, distributor of Sharp/General whole electrical appliances saw Dhaka Bank Ltd to expertise quite an expensive growth on the Retail banking business in 2004. There are four departments in Dhaka bank Ltd which are Development, Operation, Consumer Loan and Consumer Cards.

The installation products and services for measuring the current suare measure of the class are given below:

- Savings A/C
- Current A/C
- STD A/C
- Fixed Deposit A/C
- DPS A/C
- Salary A/C

**2.12.3.1 INTEREST RATE PAID TO DIFFERENT  
DEPOSIT LIABILITIES**

Tenure	Amount	Amount	Amount
	(Any amount)	Tk. 2 to 5 crore	Tk. 5 crore and above
1 Month	7.00%	7.00%	7.00%
3 Month	10.75%	10.75%	10.75%
6 Month	10.75%	10.75%	10.75%
12 Month	10.50%	10.50%	10.50%
24 Month	10.50%	10.50%	10.50%
36 Month	10.00%	10.00%	10.00%

The upper rate is applicable for the Islamic banking branches. In the Islamic banking section, the Mudaraba Savings is now @ 6.50% for the banks and 6.00% for the customers. Savings account @ 5.00%. STD account upto Tk. 5.00 crore @ 6.00% and above Tk. 5.00 crore @ 7.5%.

**2.12.3.2 NEW PRODUCT AND SERVICES**

The bank has its density to satisfy its clients and to improve brand new products and services to increase its client base. The bank firmly believes that most of the technology based products and services can play an important role in the performance of banks because people have gained extra conscious about their service quality. They currently prefer fast service with at least price. To provide fast service the bank has started online banking services from the very start of the very terribly staring. Dhaka Bank Ltd recently introduces some new merchandise and service class measurements. These are:-

- Salary Loan

- Credit Card Services
- Islamic Banking Services
- ATM services

Dhaka Bank Limited generally works for the development of banking's services and the normal development of the People's Republic of Bangladesh. The merchandising and services square measure battered from low level to the high level financial gain cluster in deposit assortment. For disposal, the services square measure created if sure needs square measure consummated.

### ***2.12.3 ISLAMIC BANKING***

Islamic Banking relies on interest-free financial transactions; through mutual partnerships and methods of dividing profits and losses with its foreign body parts. Moslem banking has become quite honorable in the People's Republic of Bangladesh and as a result Dhaka Bank Ltd started its primary Moslem Banking branch on 2 July, 2003 at the Motijheel industrial space, Dhaka. These Moslem banking branches provide absolutely Sarah based, interest free, profit-loss sharing banking services. Excellent performance of Dhaka Bank Ltd was seen in Moslem Banking. The effective profit of Moslem Banking branch has shown exceptional performance in the import and export business produced by the Moslem Banking branch. And this has resulted in a large increase in the general profitability of Dhaka Bank Ltd. Dhaka Bank Ltd is also full member of the Muslim Bank Consultative Forum (MBCF), Dhaka and the central Shariah Board of Islamic Banks of Bangladesh. In order to comply with the Islamic Shariah rules Dhaka Bank Ltd operates 2 Islamic Banking branches which generally manage ban receipts of any form and ban payments. The process of that 2 branch is completely different from the standard branch. As per the proposal of Moslem Banking Central Jurisdiction Board of Peoples Republic of Bangladesh the measurement of the separate records and profit-loss square are in progress.

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### ***2.12.3.4 INFORMATION TECHNOLOGY***

Dhaka Bank Limited is presently running broad true on-line absolutely machine-driven industry. The system allows its customers to try to trade across the country. The bank cheques fair examines with the all barcodes which makes each cheques unique and disables it to be duplicate. All signature and client information including their photos can be verified from any console in any branch of the bank. The goal of Dhaka Bank Ltd is to produce a real online industry which cannot meet your time requirements completely but inevitably determines the new dimensions in the banking world.

### ***2.12.4 INTERNATIONAL TRADE AND FOREIGN EXCHANGE***

The International Trade is one of the major commercial activities operated by Dhaka Bank Ltd. The banking network provides a deeper trade service network to communicate with the worldwide network and close relationships with the finance company to handle certain transactions with the banks expertise. The main branches in Dhaka four-sided measure Narayanganj, Metropolitan and Sylhet deals with this. These offices measure the density of the process of the square, Dhaka Bank Ltd provides complete trade finance services for import and export transactions for the customers of every small and large company.

Dhaka Bank Ltd offers expert recommendations on all aspects of international trade demand, namely:

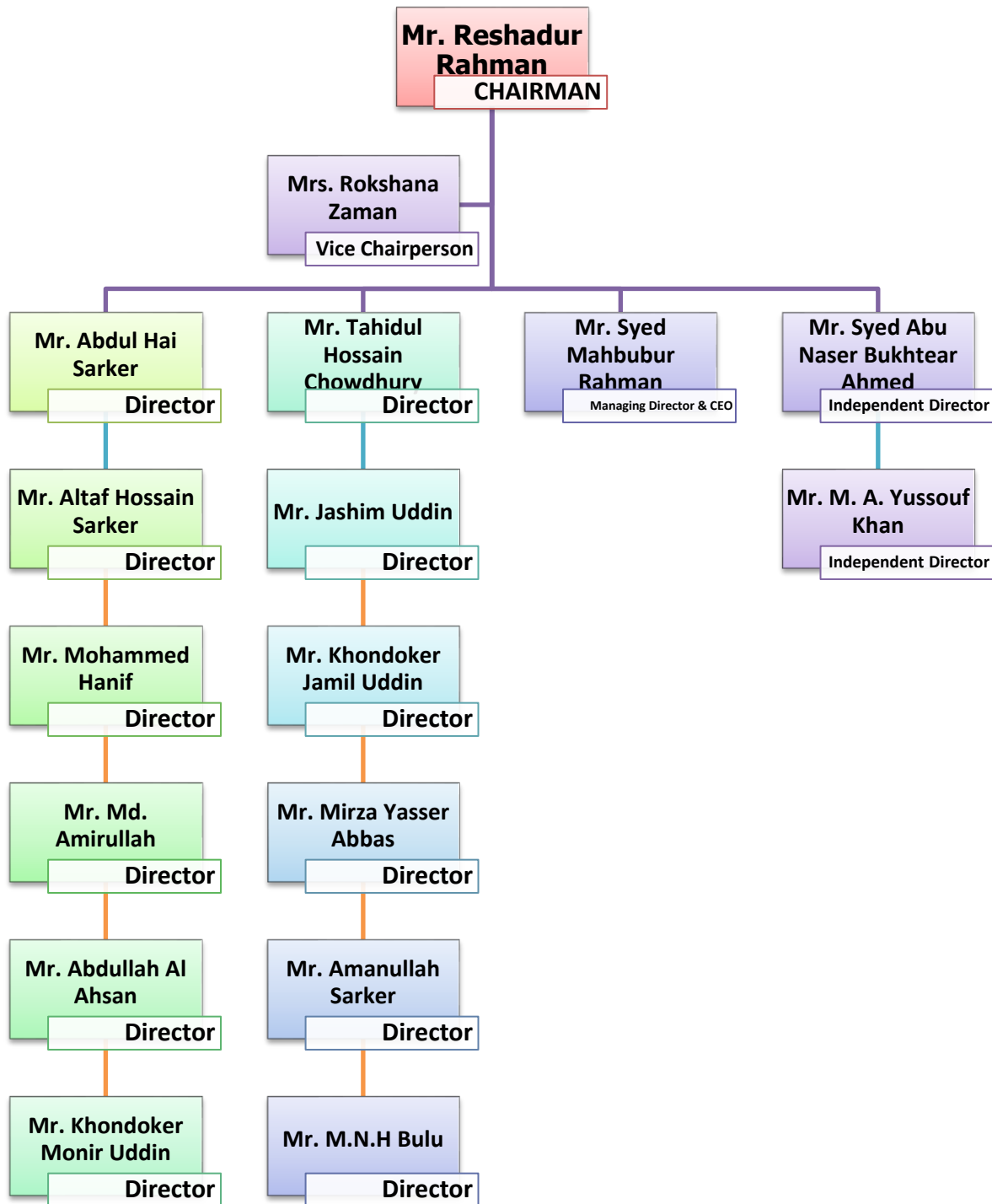
- Issue, advising and confirmation of Documentary Credits
- Arranging forward exchange cowl.
- Pre-shipment and post-shipment finance
- Negotiation and get of Export Bills.
- Discounting of Bills of Exchange.
- Bill collections.
- Help customers to assure every risk.

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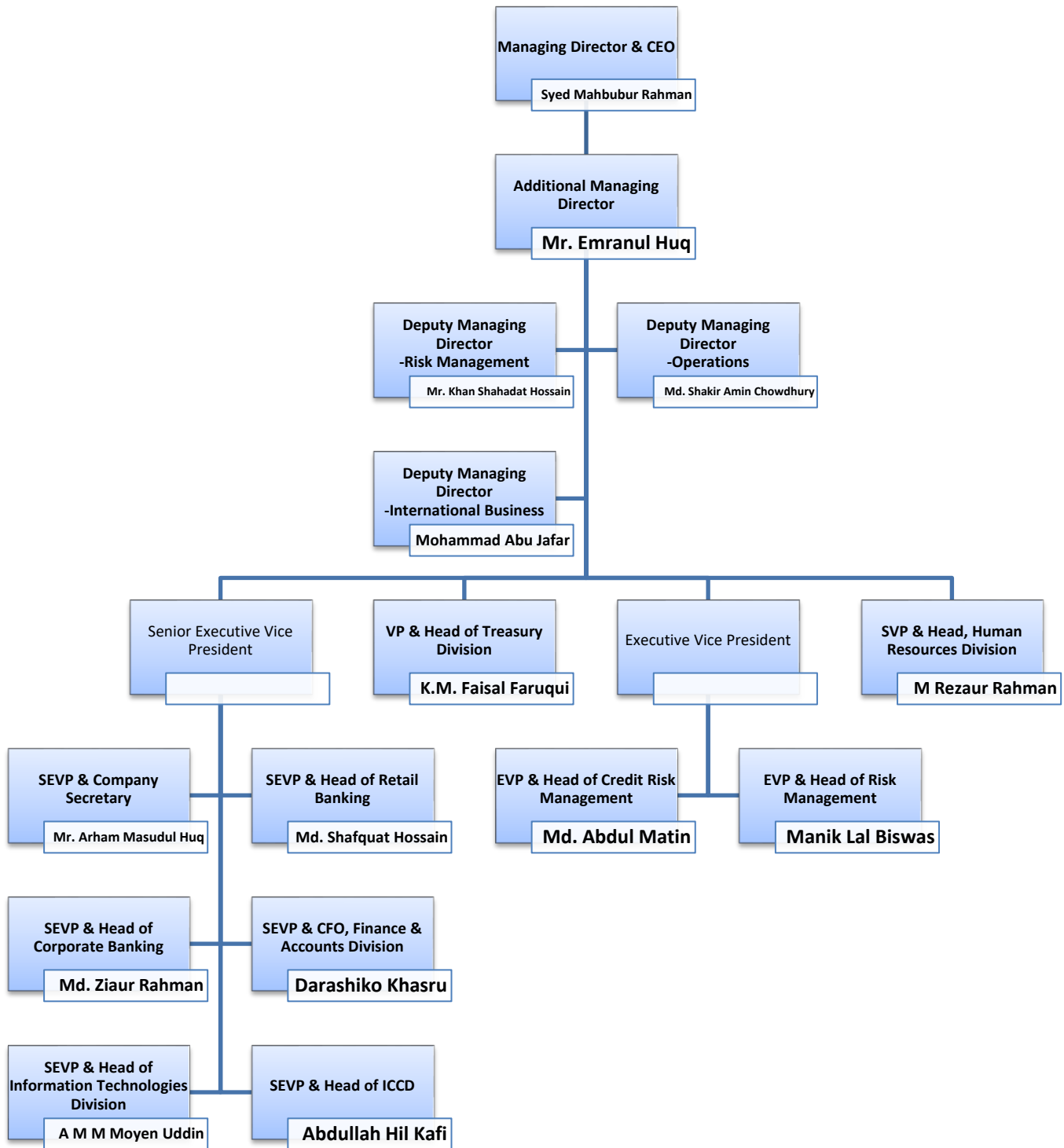
### ***2.12.5 CAPITAL MARKET SERVICES***

Dhaka Bank Ltd has an important presence in the country's capital operations. A special unit of the bank, the Investment Department deals in sales and gets shares in the stock exchange and manages the banks own portfolio. The last updates on the investment department shopkeeper stock costs and stock trade. The ability to maintain Associate in Nursing Account with Investment Department can also be obtained. In order to try the trade agreement, the Commission must maintain the minimum balance between the accounts at the same time.

**2.13 BOARD OF DIRECTORS**

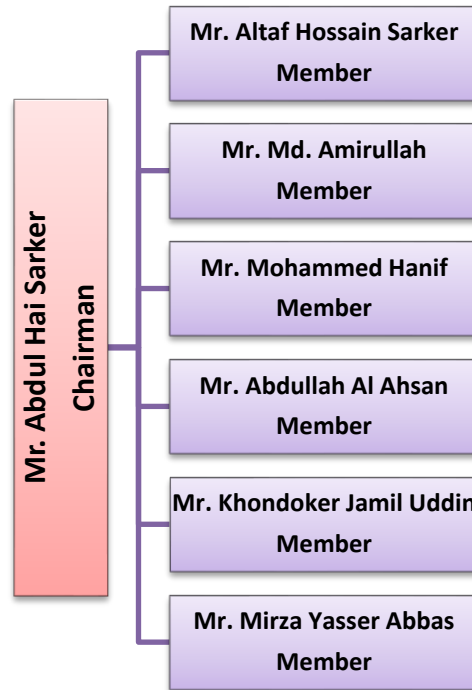


**2.14 MANAGEMENT COMMITTEE**

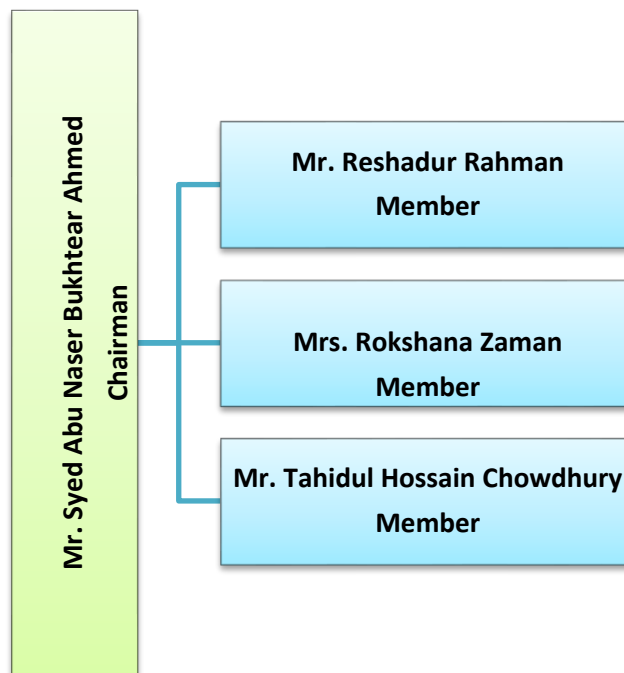




**2.15 EXECUTIVE COMMITTEE OF THE BOARD**



**2.16 AUDIT COMMITTEE**



**Chapter-3**  
**Financial Performance Analysis**  
**Of**  
**Dhaka Bank Limited**

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**3.1 Ratio Analysis**

**3.2 Assumption of Ratio Analysis**

**3.3 Purpose and Use of Ratio Analysis**

***3.4 Ratio analysis of Dhaka Bank Limited from 2014 to 2017***

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## Ratio Analysis of Dhaka Bank Limited

The purpose of this report is to evaluate the financial performance of Dhaka Bank Limited. So here are the recent financial statements of Dhaka Bank Ltd which we discussed.

### **3.1 Ratio Analysis:**

A quantitative relationship analysis can be a very measurable data that contains the company's financial statements. The quantitative relationship analysis is predefined on line items such as record, statement and income statement and financial statements. The computation of the ratio of 1 item or the combination of different items or composite class measurements is calculated. The quantitative relationship analysis is employed to gauge many aspects of a company's operative and financial performance such as its strength, liquidity, profit and financial status. Over time, it is studied to determine whether the proportion of those ratios is increasing or decreasing class. In order to stimulate the comparative assessment of the ratios and at the same time to stimulate the concept of comparative valuation at the same sectors are compared to completely different organizations. Analysis of quantitative relationships can be a foundation for fundamental analysis.

### **3.2 Assumption of Ratio Analysis:**

The most common mode within which financial plan knowledge square measure summarized is that the quantitative relation type. Motivations for examining knowledge in quantitative relation type include:

- To management for the result of size variations across the bank overtime.
- To build the knowledge higher satisfies the assumptions underlying applied math tools.
- To probe a theory within which a quantitative relation is that the variable of interest.
- To exploit AN ascertained empirical regularity between a monetary quantitative relation and also the estimation of variable of interest.

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### **3.3 Purpose and Use of Ratio Analysis:**

#### **3.3.1 Purpose of Ratio Analysis:**

Individual investors or companies that have an interest in finance in tiny businesses use monetary analysis techniques in evaluating target companies' monetary data. By examining past and current monetary statements balance sheets, financial gain statements and income statements potential investors will type opinions concerning investment price and expectations of future performance. Monetary analysis can even assist small-business homeowners as they weigh the result of sure choices, like borrowing, on their own firms.

#### **3.3.2 Use of Ratio Analysis:**

Financial quantitative relation analysis is aimed to assess the monetary performance and verify the monetary position of a company through its gain, liquidity, activity, leverage and different relevant indicators. There square measure several teams and people with various and conflicting interests however need to grasp concerning the business performance or position within the following table major users of economic statements with their square measure as of interest are represented.

- Bankers and Lenders: Use gain, liquidity and investment as a result of them require grasping the flexibility of the borrowing business in regular regular interest payments and repayments of principal loan quantity.
- Investors: Use gain and investment as a result of they're a lot of curious about gain performance of business and safety & security of their investment and growth potential of their investment.
- Government: Use gain as a result of government could use profit as a basis for taxation, grants and subsidies.
- Employees: Use gain, liquidity and activity as a result of staff are involved with job security, bonus and continuance of business and wage dialogue.
- Customers: Use liquidity as a result of customers can get support that the business will survive within the short term and still provide.

- Suppliers: Use liquidity as a result of suppliers square measure a lot of curious about knowing the flexibility of the business to settle its short obligations as and after they square measure due.
- Management: Use all ratios as a result of management is curious about all aspects i.e., each monetary performance and status of the business.
- Shareholders: Shareholders, for obvious reasons, square measure most involved concerning gain. Their investments square measure in danger and that they expect to achieve the most. Investors scrutinize gain numbers and pounce upon the slightest signs of management. For the shareholders, the gain ratios square measure the start purpose. They then follow the path the ratio's leave. But over the past 20 years the main target has been steady shifting towards income ratios.
- Credit Rating Agencies: whereas debt holder's square measure supplier's square measure involved concerning short term liquidity and income, credit rating agencies go a step ahead. They use financial condition ratios to scrupulously analyze whether or not the corporate are ready to keep its obligations within the end of the day.

**3.4 Ratio analysis of Dhaka Bank Limited from 2014 to 2017:**

**3.4.1 Liquidity Ratio**

**A. Current Ratio:**

The current measures a firm’s capability to pay its obligations in the specific period. It determines where an organization has adequate short-terms assets to pay off its short-term liabilities.

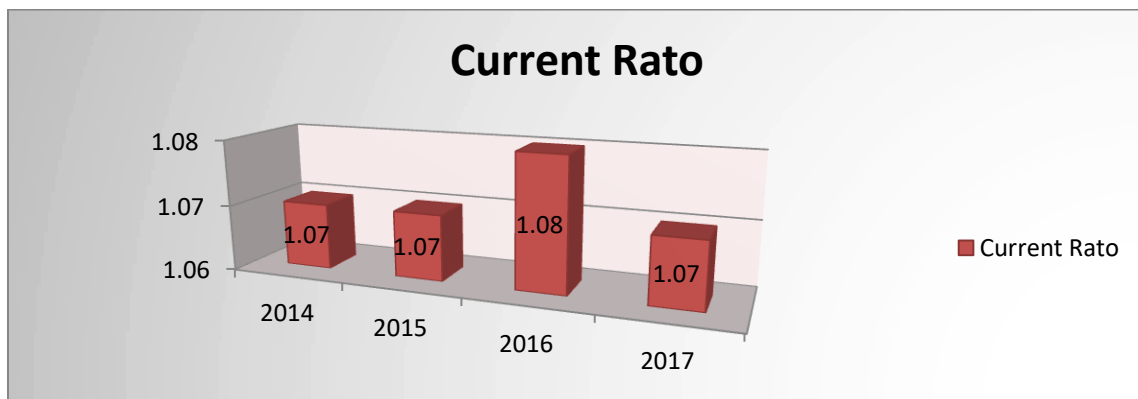
**Formula:**

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

Year	2014	2015	2016	2017
<b>Current Asset</b> (Taka in millions)	154,766.58	172,239.32	197,974.88	225,166.79
<b>Current Liabilities</b> (Taka in millions)	144,002.03	161,573.80	183,945.87	211,207.61
<b>Current Ratio</b>	1.07:1	1.07:1	1.08:1	1.07:1

**Table 4.1: Current Ratio of DBL**

**Graphical Presentation:**



**Figure 4.1: Calculation of Current Ratio.**

**Analysis:**

The current ratio satisfactory standard is 1:1. So above 1 current ratio is more favorable sign for the company. As we can see DBL shows above 1 in every year.

**B. Quick Ratio or Acid Test Ratio:**

Quick ratio also called acid test or liquidity ratio. The Quick ratio is a ratio how well a company can pay its short term liabilities. The quick ratio is designed to show how quickly a company can pay its debts.

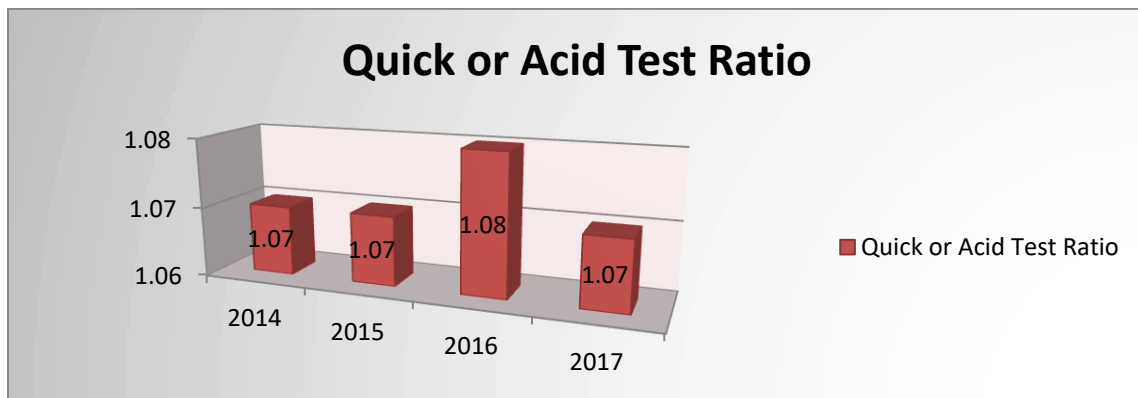
**Formula:**

$$\text{Quick or Acid Test Ratio} = \frac{\text{Cash \& Equivalent s} + \text{Marketable Securities} + \text{Accounts Receivable}}{\text{Current Liabilities}}$$

Year	2014	2015	2016	2017
<b>Quick Asset (Taka in millions)</b>	154,766.58	172,239.32	197,974.88	225,166.79
<b>Current Liabilities (Taka in millions)</b>	144,002.03	161,573.80	183,945.87	211,207.61
<b>Quick Ratio</b>	1.07:1	1.07:1	1.08:1	1.07:1

**Table 4.2: Quick Ratio of DBL**

**Graphical Presentation:**



**Figure 4.2: Calculation of Quick Ratio**

**Analysis:**

Quick ratio standard is 1:1. Ratio 1 indicates where current assets equal to its current liabilities. Ratio below 1 indicates where a firm can't cover properly. On the other hand, above 1 is good for every company because they have ability to pay off its liabilities. As we can see DBL quick ratio has above 1 which is good for them.

**C. Net working capital**

The Working Capital is also known as the Net Working Capital. The Working Capital ratio measures the company's liquidity, where an organization's capability to pay its obligations. The working capital ratio is essential for transmitters because it presents the company's liquidity. This ratio shows the relative potential of an entity's current asset to its current liabilities with the ability to pay for its current liabilities.

**Formula:**

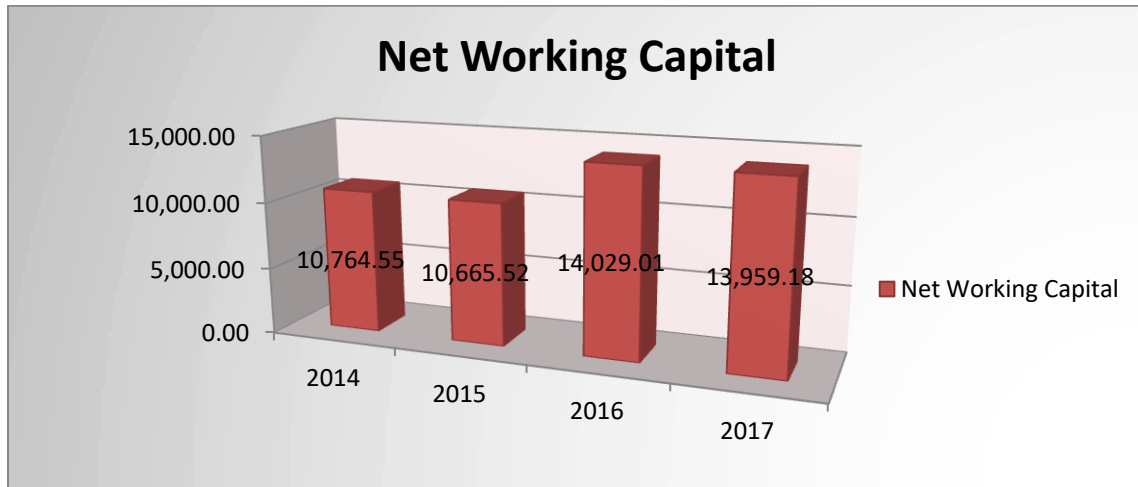
$$\text{Net Working Capital} = \text{Current Assets} - \text{Current Liabilities}$$

Year	2014	2015	2016	2017
<b>Current Asset (Taka in millions)</b>	154,766.58	172,239.32	197,974.88	225,166.79
<b>Current Liabilities (Taka in millions)</b>	144,002.03	161,573.80	183,945.87	211,207.61
<b>Net Working Capital (Taka in millions)</b>	10,764.55	10,665.52	14,029.01	13,959.18

**Table 4.3:** Net Working Capital of DBL



**Graphical Presentation:**



**Figure 4.3: Calculation of Net Working Capital.**

**Analysis:**

A working capital ratio of 1 indicates the current assets equal current liabilities. It's not risky but not very safe. Below 1 is considered risky by creditors and investors because it can't cover current debt properly and above 1 indicates that the current assets over than current liabilities. As we can see DBL working capital is more than 1.

**D. Cash Ratio:**

The cash ratio is the ratio which measures a company's capability to pay off its current liabilities with the cash. The cash ratio also called cash coverage ratio or liquidity ratio. The cash ratio is a conservative measure of a firm's liquidity. This is extreme liquidity ratio because only cash and cash equivalents are compared with current liabilities.

**Formula:**

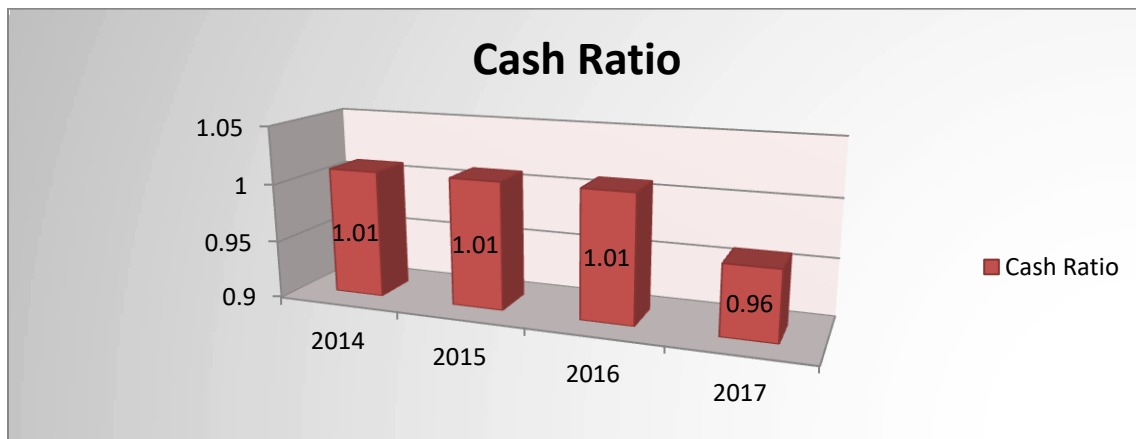
$$\text{Cash Ratio} = \frac{\text{Cash \& Equivalent s} + \text{Marketable Securities}}{\text{Current Liabilities}}$$

Financial Performance Analysis of Dhaka Bank Ltd.

Year	2014	2015	2016	2017
Cash Equivalents + Marketable Securities (Taka in millions)	145,399.20	163,800.87	184,931.96	202,108.32
Current Liabilities (Taka in millions)	144,002.03	161,573.80	183,945.87	211,207.61
Cash Ratio	1.01	1.01	1.01	0.96

**Table 4.4: Cash Ratio of DBL**

**Graphical Presentation:**



**Figure 4.4: Calculation of Cash Ratio**

**Analysis:**

The cash ratio shows how well any resources can pay for its current liabilities only with cash and cash equivalents. Cash ratio standard is 1:1. So this company’s cash ratio presents above 1 than standard. It means that DBL can be paid with their cash over their current liabilities.

### 3.4.2 Profitability Ratio

#### E. Earnings per share (EPS)

Earnings per Share (EPS) ratio is market prospect ratio which measures the amount of net income have been earned by each common stock share. Generally it's also called profitability ratio. It is a popular measure of the company's overall profits and is generally stated in currency.

**Formula:**

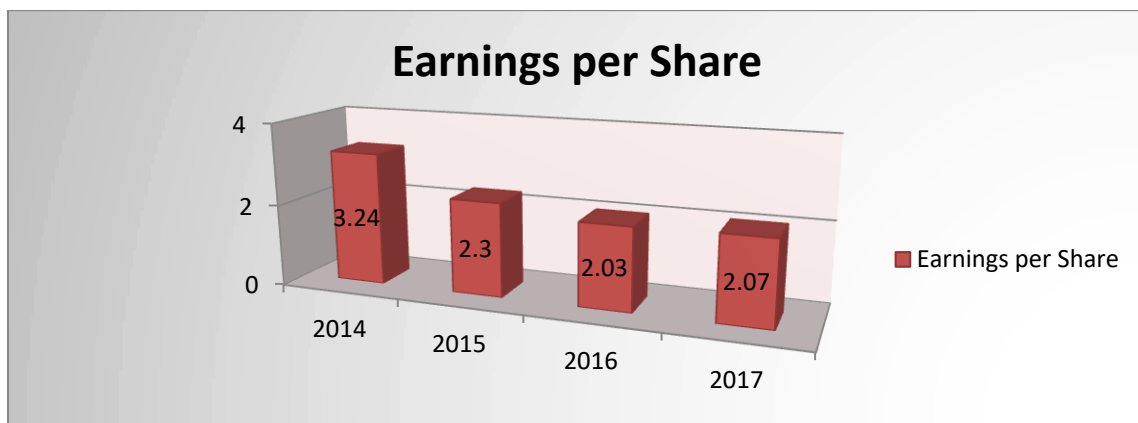
$$\text{Earnings per Share} = \frac{\text{Net Income - Dividend on Preferred Stock}}{\text{Average Outstanding Share}}$$

(Taka in million)

Year	2014	2015	2016	2017
EPS (Tk.)	3.24	2.30	2.03	2.07

**Table 4.5: Earing Per Share (EPS) of DBL**

**Graphical Presentation:**



**Figure 4.5: Earning per share (EPS) of DBL**

**Analysis:**

Earnings per Share are a popular measure of overall profitability of the company and are usually expresses in dollars. The EPS illustrates unstable results above these years. In this four years, the value of ratio fluctuated from 2.03 to 3.24. In these four years, the best performance of the year

2014 and the year 2016 shows the worst performance. The main reason for the fall of this ration in 2016 is that the total income decreases.

### F. Return on Asset (ROA)

The Return on Assets is profitability ratio which measures the profit of the company produces like a percentage of the amount of its assets. It's also called Return on Investment. In the sense, the Return on Assets or ROA can be measures by a resource for generating profits during a specific period of time. ROA is generally defined where the net income divide to its total assets. ROA ratio is usually presented as percentages.

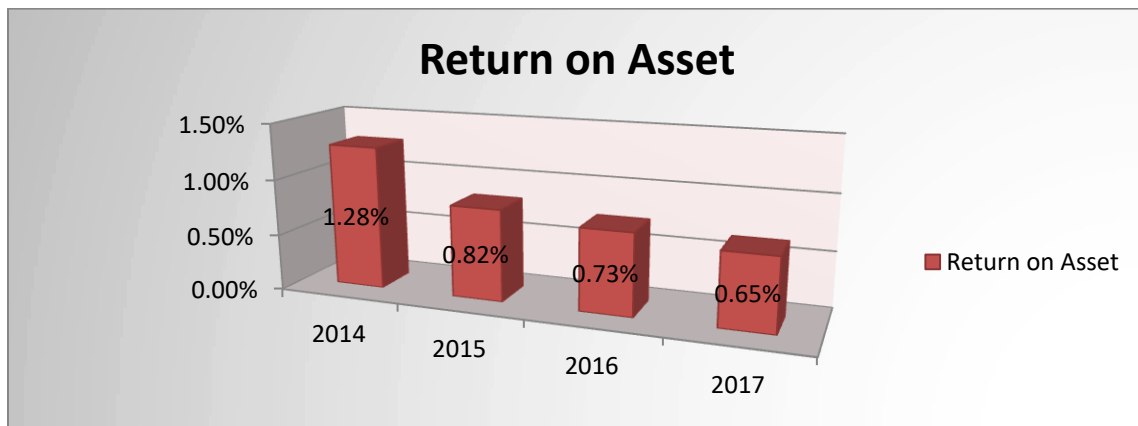
**Formula:**

$$\text{Return on Asset} = \frac{\text{Net Income}}{\text{Total Asset}} * 100$$

Year	2014	2015	2016	2017
Net Income (Taka in millions)	2,028.99	1,437.58	1,465.92	1,495.37
Total Assets (Taka in millions)	158,747.54	176,362.47	202,191.59	229,452.85
ROA	1.28%	0.82%	0.73%	0.65%

**Table 4.6: Return on Asset of DBL**

**Graphical Presentation:**



**Figure 4.6: Return on Asset (ROA) of DBL**

**Analysis:**

The ROA illustrates unstable results above those years. In this four years, the value of ratio fluctuated from 0.65% to 1.28%. In these four years, the best performance of the year 2014 and the year 2017 shows the worst performance. The main reason for the fall of this ratio in the year 2017 is that the total income decreases.

**G. Return on Equity:**

The Return on Equity Ratio or ROE is a profitability ratio which is essentially measure of financial performance considered by dividing the company’s net income with its shareholders equity. Since shareholders equity is less than the resources of an organization, ROE can be considered as returning to net assets. It signifies how good the return from equity to produce returns from its shareholders is.

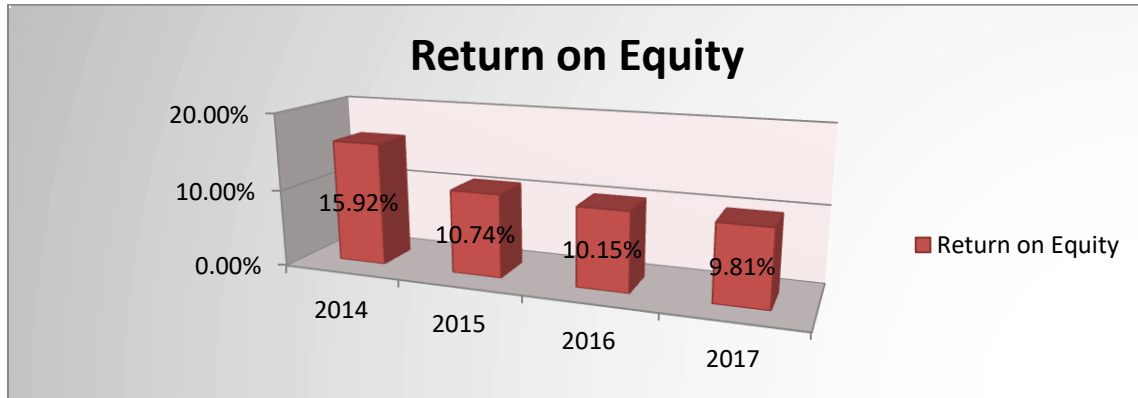
**Formula:**

$$\text{Return on Asset} = \frac{\text{Net Income}}{\text{Stockholders' Equity}} * 100$$

Year	2014	2015	2016	2017
<b>Net Income</b> (Taka in millions)	2,028.99	1,437.58	1,465.92	1,495.37
<b>Stockholders' Equity</b> (Taka in millions)	12,745.51	13,388.67	14,445.72	15,245.24
<b>ROE</b>	15.92%	10.74%	10.15%	9.81%

**Table 4.7: Return on Equity of DBL**

**Graphical Presentation:**



**Figure 4.7: Return on Equity**

**Analysis:**

The ROE display unstable results above these years. In this four years period, the value of ratio fluctuated from 9.81% to 15.92%. In these four years, the best performance of the year 2014 and the year 2017 shows the worst performance.

**3.4.3 Solvency Ratio**

**H. Debt Ratio:**

The Debt Ratio is a solvency ratio which compares a company’s total liabilities to its total assets like a percentage. It measures the company’s financial leverage. In other words, this ratio expresses how a company sells their assets by pay off to its liabilities.

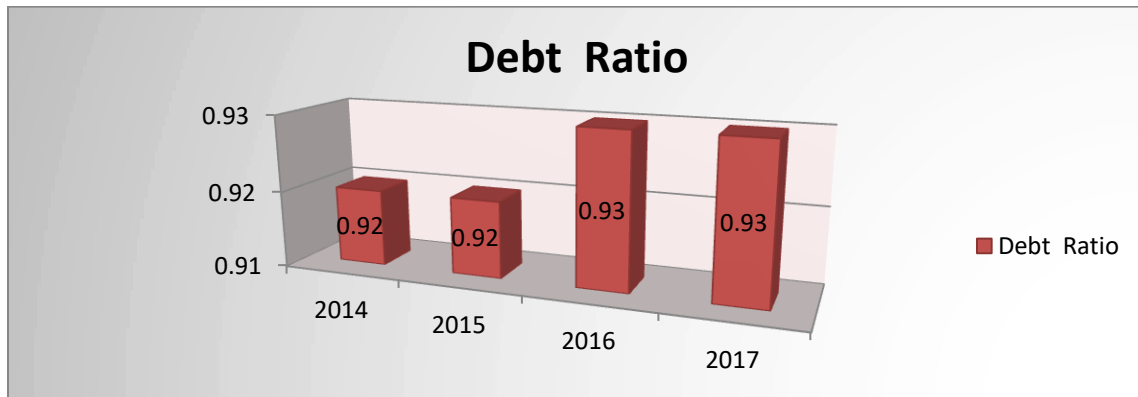
**Formula:**

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

Year	2014	2015	2016	2017
<b>Total Liabilities (Taka in millions)</b>	146,002.02	162,973.80	187,745.87	214,207.60
<b>Total Asset (Taka in millions)</b>	158,747.54	176,362.47	202,191.59	229,452.85
<b>Debt Ratio</b>	0.92	0.92	0.93	0.93

**Table 4.8: Debt Ratio of DBL**

**Graphical Presentation:**



**Figure 4.8: Debt Ratio**

**Analysis:**

The Debt ratio is a ration of the financial risk of a business, its risk is that it cannot be enough to pay its debt to the total assets of the business and its interests. Since the business cannot be harmful due to stop payment of debt and interest payments, the proportion of debt is an important indicator of the long term financial stability of a business.

**I. Debt to Equity Ratio:**

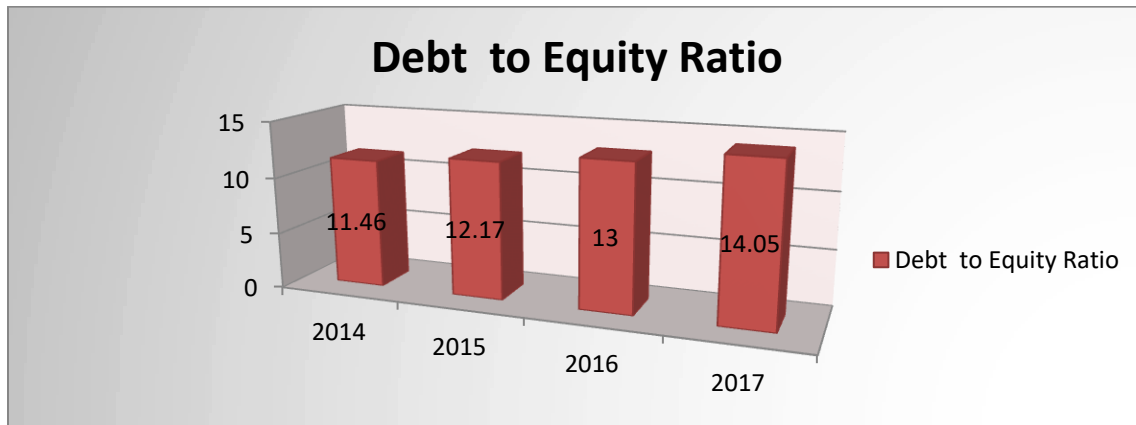
The Debt to Equity Ratio is also a financial, liquidity ratio that calculates the company’s total debt and liabilities by its shareholders equity. It’s also called the debt equity ratio or risk ratio. This ratio highpoints how capital structure of an organization is heading towards debt or equity funding.

**Formula:**

$$\text{Debt Ratio} = \frac{\text{Total Liabilities}}{\text{Total Shareholders' Equity}}$$

Year	2014	2015	2016	2017
<b>Total Liabilities (Taka in millions)</b>	146,002.02	162,973.80	187,745.87	214,207.60
<b>Total Shareholders' Equity (Taka in millions)</b>	12,745.51	13,388.67	14,445.72	15,245.24
<b>Debt to Equity Ratio</b>	11.46	12.17	13.00	14.05

**Table 4.9: Debt to Equity Ratio of DBL**

**Graphical Presentation:****Figure 4.9: Debt to Equity Ratio****Analysis:**

The lower prices of debt-to-equity ratio are less appropriate to indicate. High debt-to-equity ratios of non-responsive because it means that the creditor depends on the business, so it is high risk especially high interest rates. The debt to equity ratio indicates unstable results over the years. In this four years period, the value of ratio fluctuated from 11.46 to 14.05. In these four years, the best performance of the year 2017 and the year 2014 shows the worst performance.



## **Chapter- 4**

### **Findings, Recommendations & Conclusion**

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***4.1 Findings of the Study***

***4.2 Recommendations***

***4.3 Conclusion of the Study***

## 4.1 Findings of the Study

Presented below which are the results related to various aspects of financial statements analysis of Dhaka Bank Ltd:-

- The Current Ratio (1.08:1) in 2016 was more than 2014, 2015 and 2017.
- The Quick Ratio (1.08:1) in 2016 was higher than 2014, 2015 and 2017
- The Net Working Capital Tk. 14,029.01 million in 2016 was higher than 2014, 2015 and 2017.
- The Cash Ration was (1.01:1) in 2014, 2015 and 2016 but its decrease to (0:96:1) in 2017
- The Earnings per Share Tk. 3.24 million in 2014 was more than 2015, 2016 and 2017
- The Return on Asset Ratio (1.28%) in 2014 was higher than 2015, 2016 and 2017.
- The Return on Equity Ratio (15.92%) in 2014 was more than 2015, 2016 and 2017.
- The Debt Ratio was (0.92) in 2014 and 2015 but its increase to (0.93) in 2017.

## 4.2 Recommendations

The problems of Dhaka Bank Ltd may be slightly extended. The following solution can be made to solve.

- Dhaka Bank Ltd should increase their current asset and reduce current liabilities to manage their business.
- Dhaka Bank Ltd would take essential footsteps to proliferation their Net Income.
- In 2014 DBL Return on Asset Ratio was great. But in 2017 was the bad performance. So this organization would give extra emphasize on Return on Asset.
- In this four year analysis, shows the best performance of the year 2016 and shows the worst performance of 2015. The main reason for this ratio of 2016 is due to Net Income reduction.
- DBL should reduce long term liability.
- DBL should improve advertising policy.
- DBL should upturn Bank Branches and ATM Booths for provide better services to their customers.

### ***4.3 Conclusion of the Study***

Dhaka Bank Ltd is one of the leading private banks in our country. A front line banks due to the special and sophisticated banking services supplied to the consumers. To be competitive in the market, it continually seeks ways to improve productivity and ways. Information technology uses its main remnants. Dhaka Bank Ltd played an important role in industrial, agricultural, trade and commerce, transportation and many others areas. It plays also an important role in creating human resources and generating innovative occupation prospects. It is conducting numerous prosperity programs for the development of the general public. Conferring to this research, this banks performance is satisfactory. From this learning, various commercial parameters are considered to assess the financial performance of this bank and Dhaka Bank Ltd is available like a wild emerging bank and concurrently performs well in practically every expanses. To possess bound with this step of progress and development, they should now be more careful about what their consumers should want and to be more careful while lending clients to reduce default rates.

The loyalty of customers of Dhaka Bank Ltd is increasing every day. All the employees of Dhaka Bank Ltd are doing unnecessary racing to serve customers. Dhaka Bank Limited is busy working to promote the business environment for the development of the people's lives.

**Part**

**Three**

**Appended Part**

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