



An Internship Report
On
Financial Performance Analysis of Prime Bank Limited
Submitted To
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Date of Submission: December 25, 2018

Report on

Financial Performance Analysis of

Prime Bank

Letter of Submittal

25th December, 2018

To

Sayed Farrukh Ahmed

Assistant Professor

Department of Business Administration

Daffodil International University

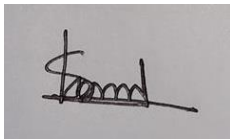
Subject: Submission of Internship Report

Dear Sir,

As part of the internship program requirements, I conducted a research on "Financial Performance Analysis of Prime Bank Limited" and wrote an internship report on the same topic. To do so, I have collected relevant information from the sources available. I have tried to collect and include all the information and make this report as futuristic as possible. Finally, I want to allow you to accept my paper and present me before the exam committee.

Thank you for your kind consideration and acceptance

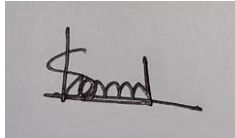
Sincerely,



Name: Md. Shamsul Alam
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Declaration

I am **Md. Shamsul Alam** the student of Master of Business Administration (MBA) bearing **ID: 172-14-2402** major in Accounting from Daffodil International University, Bangladesh would like to solemnly declare here that an internship report on “**Financial Performance Analysis of Prime Bank Limited**” has been authentically prepared by me. While preparing this internship report, I did not intentionally violate any copyright laws. I also declare that I have not submitted this report to any degree, diploma or certificate.



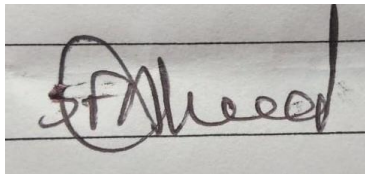
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Letter of Certificate

I am convinced to declare that Md. Shamsul Alam, Id No 172-14-2402 Department of Business Administration of Daffodil International University has completed his internship report on the topic “**Financial Performance Analysis of Prime Bank Limited**”

I am under his supervision to prepare his report. He made terrible and sincere efforts to write a helpful report on the subject. I also prove that the best of my knowledge is that the report is not originally submitted and elsewhere before publication of any form.

I wish him good luck.



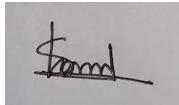
.....
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Acknowledgement

In the process of preparation of this report, I have not received the report in the report nor received actual cooperation from the number of people, but I will remember them with sincere gratitude and gratitude.

After all, I am very grateful to Almighty God who gave blessings, courage and skill to prepare this report. To guide me to complete my internship program, I am very grateful to Daffodil International University Bangladesh, Assistant Professor of Business Administration Sayed Farrukh Ahmed. I am very grateful for his scholar and constructive advice to prepare this report about "Financial Performance Analysis of Prime Bank Limited".

Thanks to the excellent people of Daffodil International University of Bangladesh. Especially my teachers, classmates and others.



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Executive Summary

Internship is a joint program which involves business school and business house collaboration. The main purpose of this program is to give a chance to translate knowledge of job and translate into real life situations.

In addition, this internship is a very important requirement for the recruitment of Business Master Administration (MBA) program. The Uttara branch of Uttara branch will have to work on Primel Bank Limited and get a proper understanding in a report.

In the first part I will turn the subject. Then I'll talk about research, research, method, opportunities and research source titles.

Next time I will try to discuss about Prime Bank Limited, Uttara Branch,. This section is mainly focused on evaluating financial partnership analysis and results in a study of Uttara branch of Prime Bank Limited.

In the last part I will present Prime Bank Limited, Uttara branch conclusion and recommendation.

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Chapter One

Introduction

1.1 Introduction

Economic history shows that development with banking system and its contribution to the country's economic development is the highest in the initial stage. As an obligatory requirement of the MBA program, I was given the responsibility of internship with Prime Bank for three months.

This report has been prepared to "Financial Performance Analysis of Prime Bank Limited" to meet partial requirements of the MBA program as a means of international program. While preparing this report, I had a great opportunity to gain a deeper knowledge of all banking activities of Prime Bank Limited.

The report is mainly divided into five parts. In the first part, the report describes the background, purpose, limitation. The second part describes a brief description of the bank with history

Vision, mission, backdrop, management, product and service bank. The part describes three theoretical aspects. Part Four describes the performance of limited-primary banking banks. Part five describes the major results, recommendations and conclusions.

1.2 Origin of the Report

An internship program for students willing to be an MBA post graduate is a compulsory requirement. In the internship program, I was associated with the organization called Prime Bank Limited. This report was based on the corporate official, theoretical experience and intensive care of my official supervisor, based on my daily experience.

OBJECTIVES OF THE STUDY

The main objective of the report will be **to present the financial performance analysis** of Prime Bank Limited with fulfilling the requirement of MBA program. However, the objective behind this study is something broader.

Objectives of the report are summarized in the following manner-

- ⇒ To identify the problem
- ⇒ To calculate the financial ratio of the bank
- ⇒ To over view of solve the problem

Scope of the Report:

To maintain the pace of development, banks now have to compete with the local organizations as well as in the market with foreigners. It gives the opportunity of this report through the investigation of the organizational structure and policy presentation and strategies of Prime Bank Limited. The organization has shown an infrastructure detail and future. The scope of this report is limited to the company's overall description, its services, the location of the industry, its financial performance analysis, and the real progress of its operations. Research opportunities include organizational setup, function and performance limited

To analyze the banks current financial flows performed by PBL.

- To obtain practical experience in financial performance area
- Build up to carrier in the banking sector

1.5 Methodology of the Report

(a) Primary sources:

- ❖ Help to many note books
- ❖ Talk to other employees
- ❖ Collect the information from finance and accounting sector

(b) Secondary sources:

- ⇒ Annual reports of PBL
- ⇒ Different text book and journals
- ⇒ Various reports and articles related to study
- ⇒ Some of my course elements as related to this report.

1.6 Limitations of the Report

Monitoring and analyzing the bank's broad performance and its branches are not easy. Moreover, due to the obvious reasons for transparency and privacy, bank staff generally do not want to publish all information about their organization. However, when preparing this report, some of my restrictions have been listed as follows:

Time limitation: The time was limited to three months. There was little time to know about the institution like Prime Bank Limited.

Lack of Record: Large scale of the research was not possible due to organization restrictions and restrictions.

Lack of experience: The lack of experience serves as an obstacle to the final search route. Being a member of the organization;

Chapter Two

Profile of

Prime Bank Limited

Profile of Prime Bank Limited

My main responsibility and responsibility in the main bank was to deal with their employees' daily work and banking environment. The whole environment was very helpful and helpful to me, which encouraged me to get acquainted with the banking environment.

Everyone will try to understand what I need to do, what to do and how to manage it and how to do this. My Executive Division is primarily accounting department and general banking where customer service is being rounded through every day.

2.2 FUNCTIONAL STRUCTURE

2.10.1 GENERAL SERVICE DIVISION (GSD)

The function of general service division

(A) ESTABLISHMENT

The main function of general service

. Those are:

- ✓ Opening branch interior large
- ✓ Print all document registered
- ✓ All equipment distribution in the all branch

(B) GENERAL BANKING

General banking department in the bank are the most important to their bank sector

- ⇒ Opening account
- ⇒ Remittance

- ⇒ Islamic Banking Section
- ⇒ Cash section
- ⇒ Accounts section
- ⇒ Deposit scheme section
- ⇒ Clearing section
- ⇒ Collection section

2.3 HEAD OFFICE ACCOUNTS

There are many categories in the head office accounts

- ⇒ **Expenditure and income**
- ⇒ **All cash section included in the branch**
- ⇒ **Instant bill section included**
- ⇒ **Maintain the salary and wages section**
- ⇒ **To help employees such as provident fund**

2.4 CONSOLIDATION OF BRANCH ACCOUNTS

All branch sent to the income expenditure and other income to related the all income of prime bank limited

2.5 CREDIT DIVISION

The main functions of this division are:

- ⇒ To manage credit
- ⇒ Credit proposal from branch
- ⇒ Advanced provided in the bank loan
- ⇒ Set up the price all credit division
- ⇒ Statement submit in the Bangladesh bank

2.6 INTERNATIONAL DIVISION

This division is the most important part of the prime bank limited

- ⇒ Making guidelines for foreign exchange activities and how to deal to bank sector from Bangladesh bank
- ⇒ Installation of circulation from Bangladesh bank
- ⇒ Maintain the foreign exchange activities and deal to the other banking sector
- ⇒ Sending all activates of banking sector such as a foreign exchange actives from the Bangladesh bank

2.7 TREASURY

Treasury is considered to be an important department for the main office income generation. The Treasury of PBL is effectively operating the bank's cash flow. It optimizes the bank's extra liquidity. Expected to meet the needs of Treasury customers and provide quality services and products for increasing the bank's revenue.

2.8 COMPUTER DIVISION

The division all record banking transaction and all export import information. this division are most important because all financial]al activities working to the department

- ⇒ Setup the computer all branches
- ⇒ All activities operate to the software
- ⇒ Staff and officer train the software related information

2.9 MARKETING DIVISION

There are two types of marketing division. These are:

Property Marketing: It refers to various types of debt and progress. This section encourages PBL to maintain contact with the corporate clients and take PBL loans from PBL for the benefit of profitable projects.

Liability Marketing: It refers to marketing to collect money by buying depository products from large depositors. The Communicating with the Deposit, the people or organizations with extra funds, informs them about the attractive features of their depository products and convinces them to invest in PBL in their various deposit schemes.

2.10 HR DIVISION

Human resource department working to recruit employees

Those are...

- ⇒ Selection and recruitment of new personnel

- ⇒ Appropriate placement of human resources
- ⇒ Training and development of human resource
- ⇒ Keeping employee records and personal file
- ⇒ Taking disciplinary action if necessary

2.10.1 HIERARCHY OF THE MANAGEMENT OF PRIME BANK LIMITED

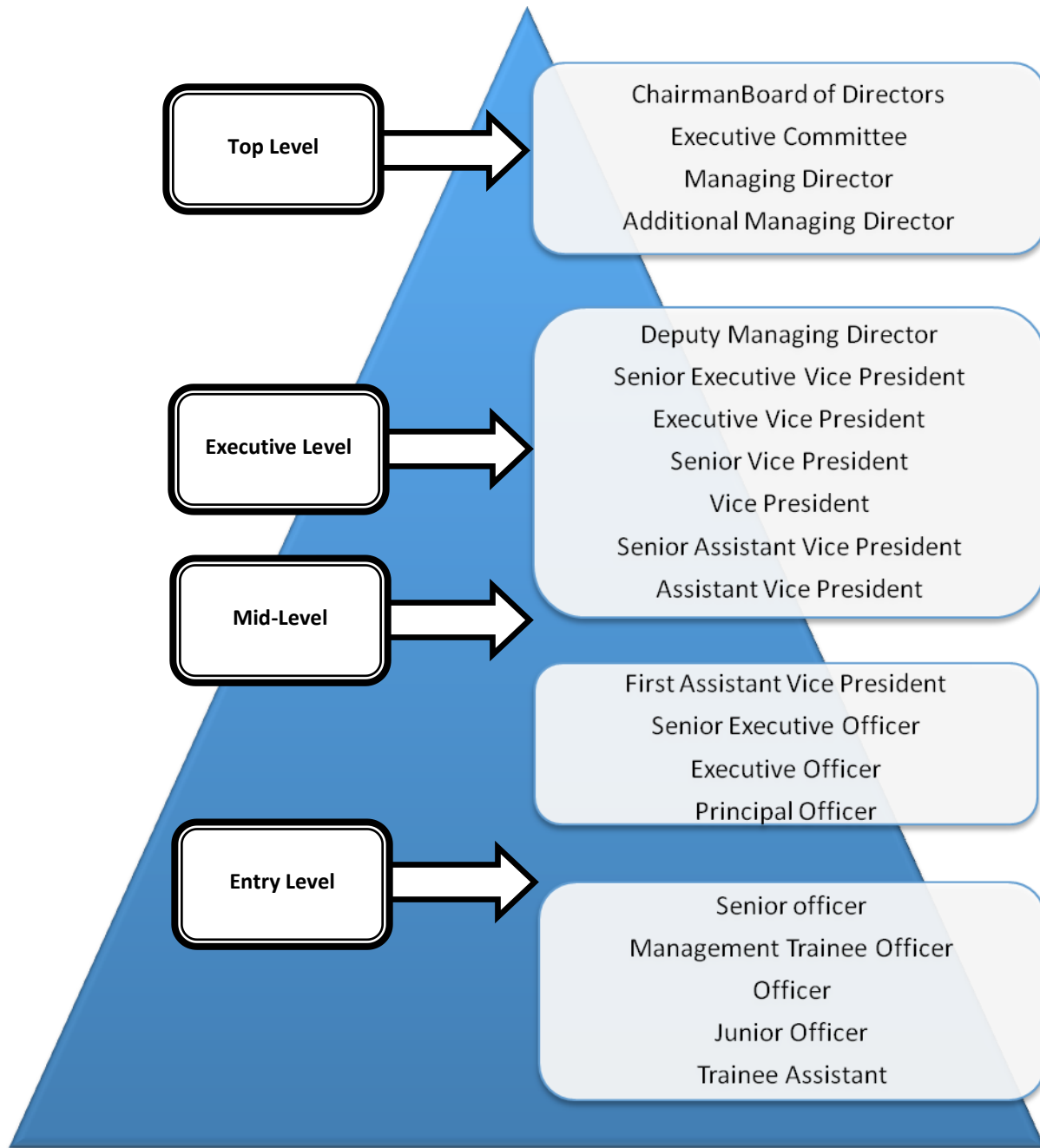


FIGURE 1.2: Hierarchy of management of PBL

2.11 Credit Card Division

In 1999, PBL received membership in MasterCard and a separate division was allocated for credit card operations. There are four types of credit cards, local silver credit cards, international silver credit cards, local gold credit cards, international gold credit cards.

2.12 Research and development

This department is continuously researching and developing new products and services as well as to improve existing products and services.

2.13 Committees and Group Categories

Prime Bank Limited has both democratic and consultative decision making process. The underlying bank is given the opportunity to participate in the goal and goal setting. Three committee members of the bank are working in this regard. These are:

Policy Committee: In this case, the members of the committee are drawn from the board of directors. Committee reviews policies, policies, rules and gives a decision which afterwards requires board approval.

Executive Committee: This committee is a member of the board. The committee uses this committee at a time determined by the board to approve the problems outside the board's delegation.

Management Committee: Executive Committee of the managing director and head office of the committee is present. They discussed the progress and progress of discussions about debt, different ideas, and decisions about different issues.

2.14 GENERAL BANKING

Prime Bank offers a range of services to its customer General Banking involves day to day banking services General Banking involves account opening, Deposit Scheme and many other facilities. The Prime Bank has provided more than one service under the image.

1. Accounts opening section
2. Cash and accounts section
3. Collection section
4. Clearing section
5. Deposit section
6. Deposit scheme
7. Online branch banking section
8. Local remittance

2.14.1 DEPOSIT PREMIUM SCHEME

Bank is the largest mobilize of surplus domestic savings. For poverty alleviation, bank needs self-employment, for self-employment bank need investment and for investment bank need

1. Contributory saving scheme
2. House building deposit scheme
3. Monthly benefit deposit scheme
4. Education saving scheme
5. Double benefit deposit scheme
6. Lakhpoti deposit scheme
7. Prime millionaire scheme

Savings. In other words, the formation of savings capital and advanced capitalization towards the country's capital industry helps. And the resources eventually take the road on the path of progress and prosperity. In this way, savings are regarded as the foundation of country's prosperity.

2.14.2 FIXED DEPOSIT RECEIPT (FDR)

FDR is one of the prime sources of collecting money from customers and give loan to other customers. Through FDR prime bank collect a lot of money and invest it in different sector. This type of deposit should be kept for a fixed term or period.

Procedure:

- ❖ Account holder one copy photo.
- ❖ Nominee one copy photo.
- ❖ Voter ID card of account Holder.
- ❖ After the duration of FDR account will be automatic renew.

2.14.3 ACCOUNT OPENING

Opening the account in the enter the entrance to do business with the client's bank. This is the basis in the banker's customer relationship. This is one of the most important sections of a branch, because by opening the accounts the bank collects money for investment. Various rules and regulations in maintained and various documents was taken while opening an account. A customer can open different types in accounts in this category. Such as:

- a) Current account.
 - b) Savings account.
 - c) Online Account.

In my report I will present current account and savings account opening.

2.14.3.1 CURRENT ACCOUNT

This account maintain the business purpose

Requirements

- ❖ Two Copies of latest passport size photo of account holder. (Attested by the introducer)
- ❖ A/C to be introduced by current / savings account holder.
- ❖ Completed account opening form.
- ❖ Proof of identification such as national/voter's ID, passport or driving license.
- ❖ One copy passport size photograph of nominee. (Attested by the account holder)
- ❖ TIN certificate (if applicable)
- ❖ 5000.00 tk is required to open current deposit account.
- ❖ 2000.00 tk is required to maintain minimum balance.

2.14.3.2 SAVINGS ACCOUNT

These deposits primarily for small scale savers. So, there is a ban on a month's withdrawal. Heavy lift is only allowed against pre-notification. Some important Points are as follows-

- ❖ Minimum opening deposit of tk.1000.00 is required;
- ❖ Minimum Tk.500 balance must always maintain all the time;

Requirements

- ❖ Two Copies of latest passport size photo of account holder. (Attested by the introducer)
- ❖ A/C to be introduced by current / savings account holder.
- ❖ Completed account opening form.
- ❖ Proof of identification such as national/voter's ID, passport or driving license.
- ❖ One copy passport size photograph of nominee. (Attested by the account holder)

- ❖ TIN certificate. (if applicable)

2.14.4 ONLINE BRANCH BANKING SECTION:

Prime Bank offers four types of accounts that can be showed under online account

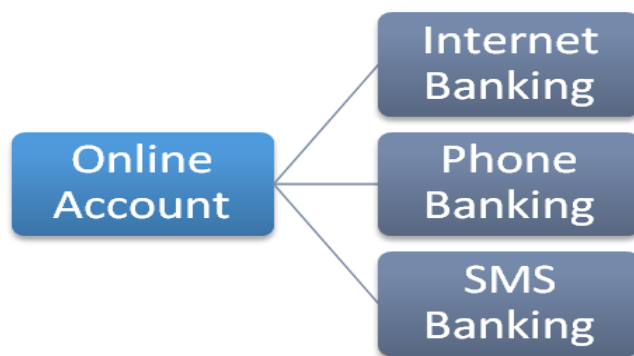
Figure 1.5: Online Accounts

2.14.4.1 INTERNET BANKING

Prime bank offers internet banking. Click to do bank transactions wherever customers are, anytime customers want. It is safe and convenient to access customer account 24/7.

Procedure to Apply:

- ❖ Download the application in the prime bank limited
- ❖ Application form must be signed by accountholder.
- ❖ Approve the respective branch



2.3.4.2 PHONE BANKING

Account holders of Prime Bank or

Prime

holding a Prime Bank Debit Card and Credit Card can get this service. To access this service customer must fill up the Phone Banking Application to access this facility.

2.14.4.3 SMS BANKING

Prime Bank brings free SMS Banking services to ensure free access to customer account information. A mobile phone user having a primary bank account can avail the service through mobile phone at the time of registration. **Services**

- ❖ Balance Enquiry.
- ❖ Mini Statement.
- ❖ Exchange Rate.
- ❖ PIN Change.

Example

If any customer use PIN 1234 then for

Balance Enquiry



FIGURE 1.6: Balance enquiry by using mobile phone

2.15 PRIME BANK DEBIT CARD

There are two kinds of debit card prime bank offering to customer:

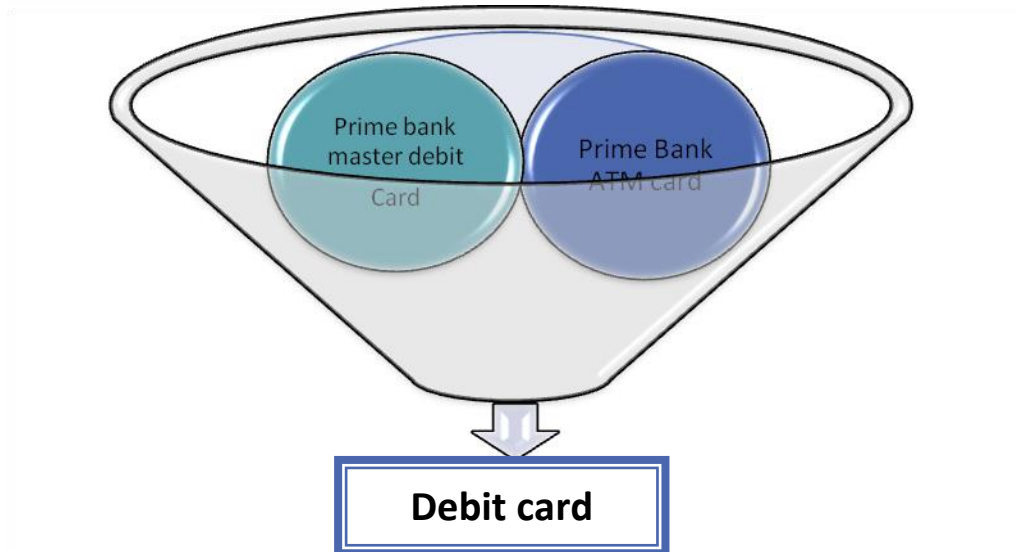


FIGURE 1.7: Debit Card

2.15.1 PRIME BANK MASTER DEBIT CARD

Prime Bank offers Master Debit Card; Quick, safe and convenient way to withdraw cash and convenient transactions at different MasterCard branded terminals. Customers can avail this debit card if the customer is using SD / CD / STD account holder of Prime Bank and can handle 1300 ATMs across Bangladesh and get special privileges in MasterCard branded terminals or MasterCard branded networks.

How to Apply

- ❖ Collect the Master Debit card application form from any branch of Prime Bank.
- ❖ Fill up the account details.
- ❖ The application form must be signed by the account holder.
- ❖ Submit the form to respective branch offices.

2.15.2 PRIME ATM CARD

Now customer can access to their money 24/7 more easily and conveniently through prime bank widespread network of ATMs in Bangladesh. The ATM user friendly screen and easy-to-follow instructions are available in both Bangla and English languages.

2.16 PRIME BANK CREDIT CARD

Prime Bank lays down payment of PBL's bills against their card numbers on the Master Card credit card to the customers. Prime Bank offers MasterCard, Credit Card, which opens up new possibilities for improved customer service and becoming an influential player in the market. The PBL card enters the customer image and ensures high level security and gives 24 hours a year and 365 days worldwide. The bank has received a policy membership from the international visa. The main customers of four types of credit cards provide their customers. It describes the



following:

FIGURE 1.8: Various types of Cards

2.16.1 MASTERCARD GOLD CREDIT CARD

Prime Bank Credit Cards and experience the infinite amusements of life. Customer can choose wide range of card products of MasterCard brand as per customer requirements to enliven lifestyle.

- ❖ Limit > BDT 50,000 -< BDT 500,000

2.16.2 VISA GOLD CREDIT CARD

Prime Bank also has visa gold credit card. Many customers are enjoying this facility of this card.

- ❖ Local Card.
- ❖ Limit > BDT 50,000 -< BDT 500,000.

2.16.3 MASTERCARD SILVER CREDIT CARD

- ❖ Local Card.
- ❖ Limit < BDT 50,000 Taka.

2.16.4 VISA CLASSIC CREDIT CARD

- ❖ Local Card.
- ❖ Limit < BDT 50,000 Taka.

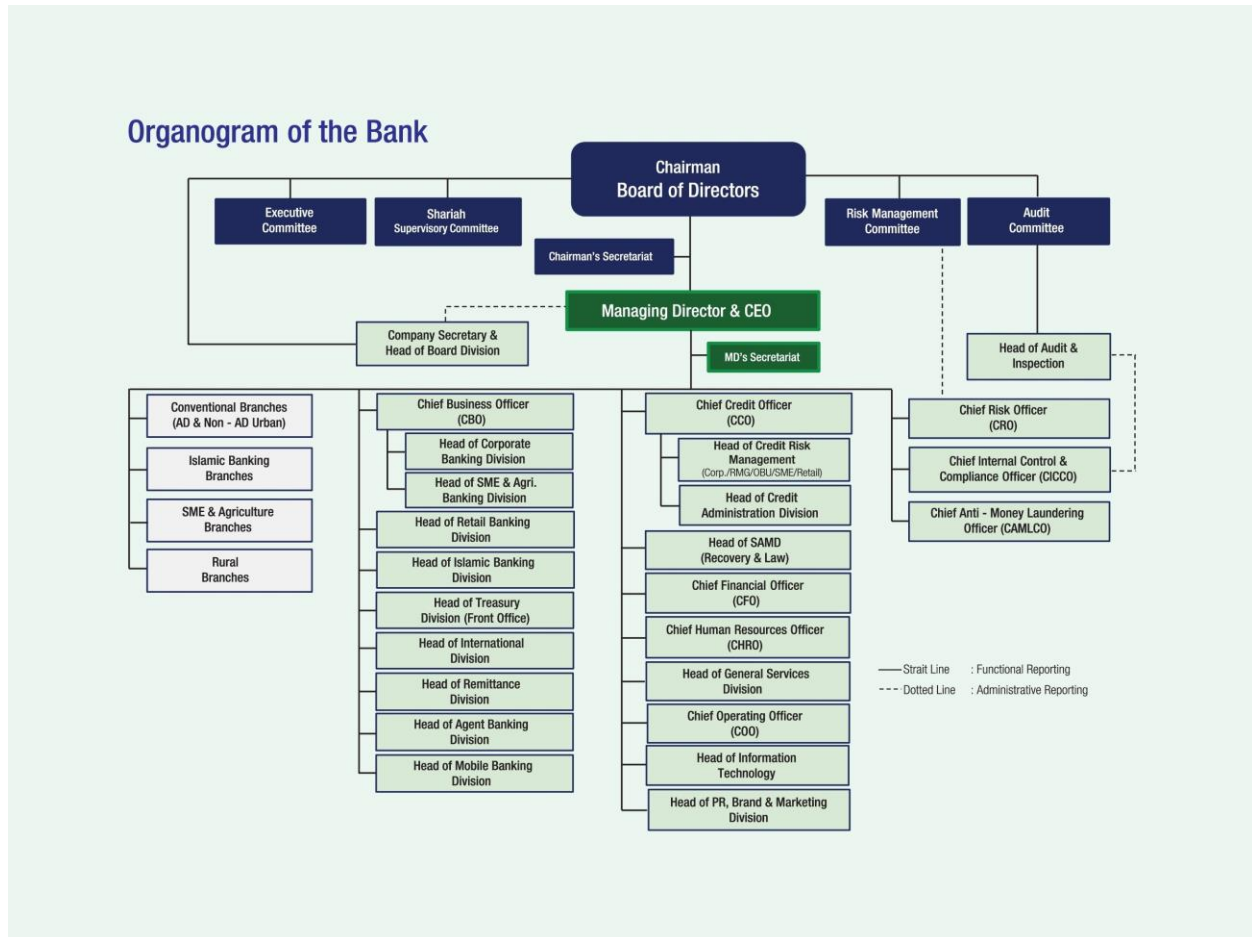
2.16.5 PRIME BANK INTERNATIONAL CREDIT CARD

Prime Bank offer both MasterCard and VISA TQ Card with a bundle of value added services for customer. Travel Quota Credit Card is issued against the entitlement of foreign Currency Quota allotted as per Bangladesh Bank guidelines. It has been designed to give customer more liquidity in terms of USD currency.

Chapter Three

Organizational Structure

3.1 Corporate Organogram of PBL:



3.2PBL Management Committee:

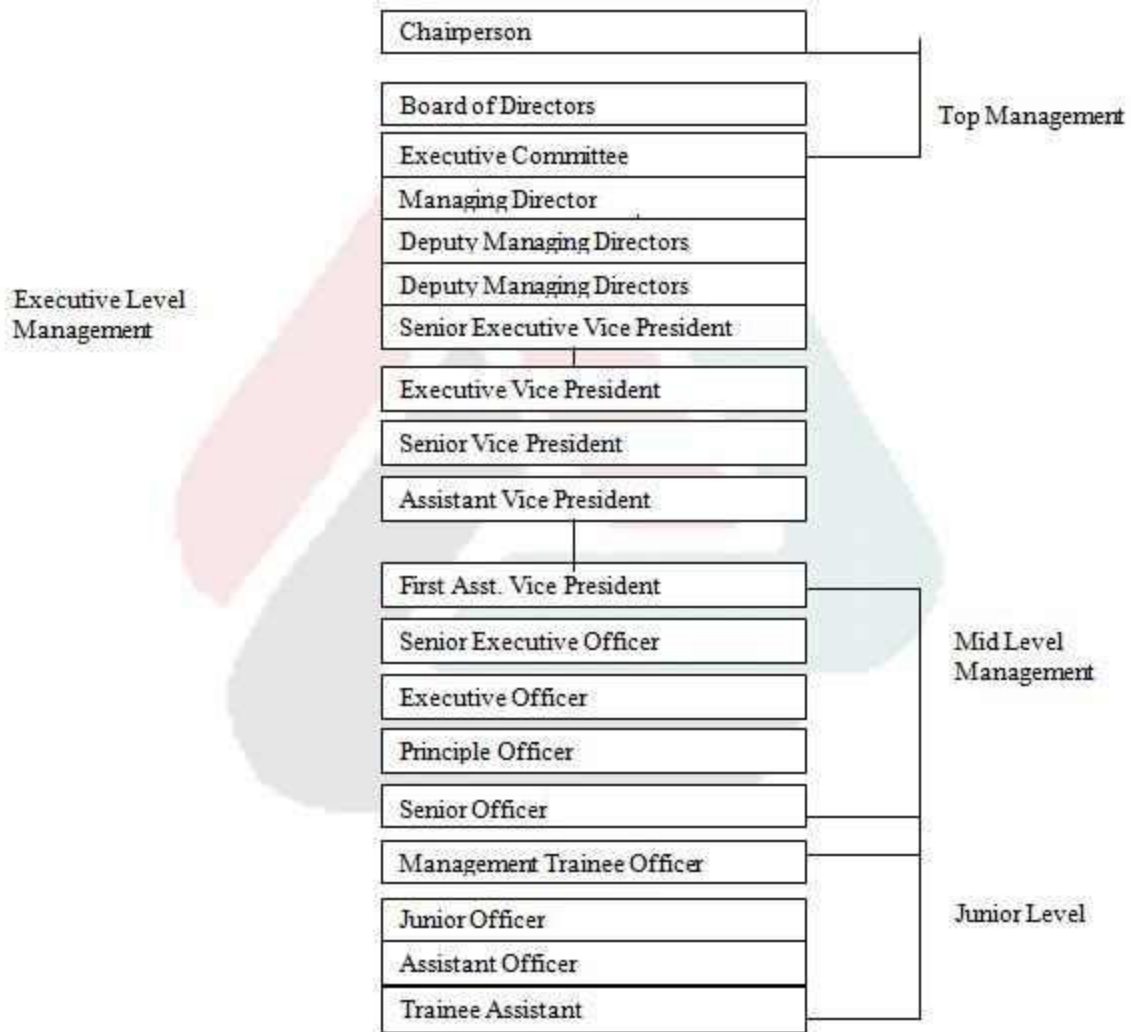
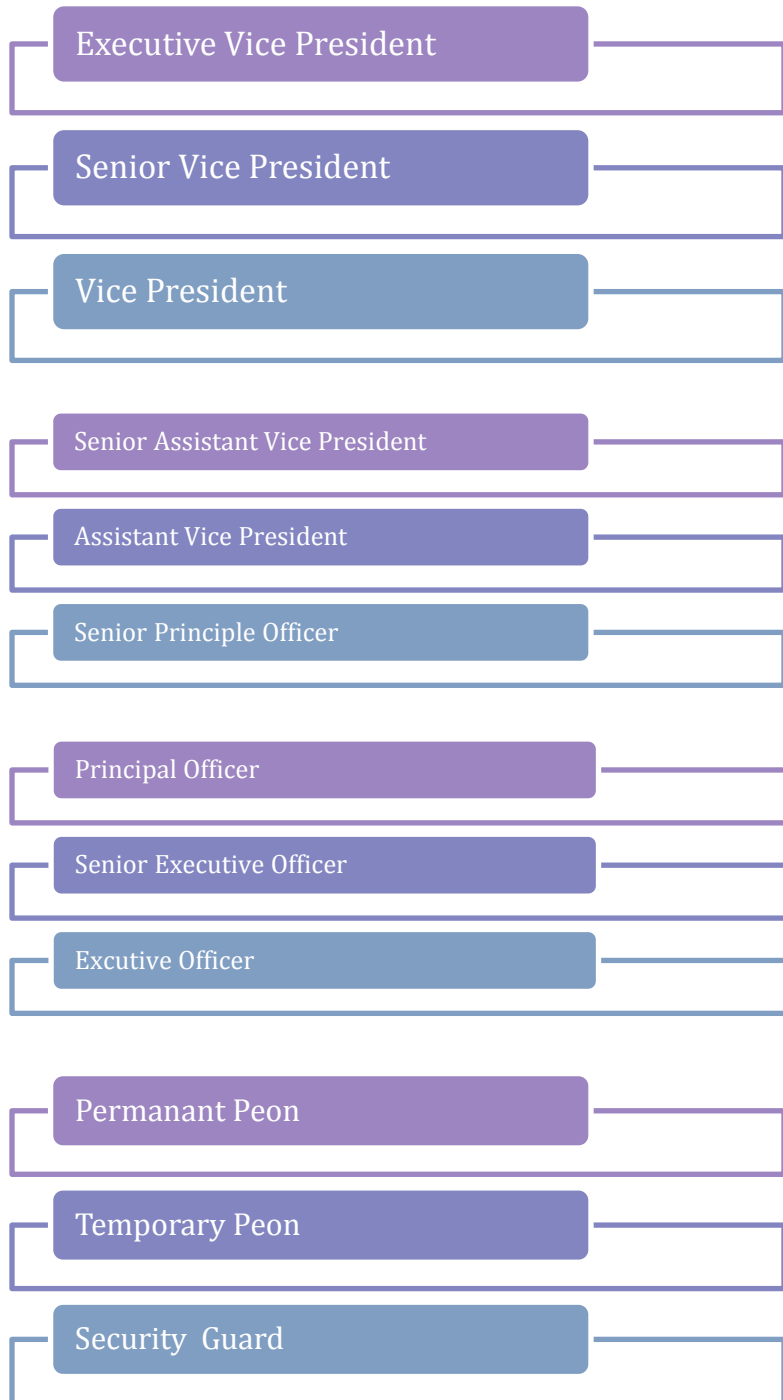


Figure 1: Management Hierarchy of PBL

Source: HRD, Head Office

3.3 Organogram of Uttara branch:



Chapter Four

Financial Performance Analysis Of Prime Bank Limited

4.3 Purpose and Use of Ratio Analysis:

Purpose of Ratio Analysis:

A tool used by the person to manage the analysis of the amount of information in a company's financial statement. The ratio is calculated from the current year's number and then compared to the performance of the company in the previous year, other companies, and industry or even in the economy. Ratio Analysis Basic input is the firm's income statement and balance sheet for the duration to check. Ratio analysis is basically used by fundamental analysis proponents.

By financing, the ratio of two selected numeric values to a financial ratio or accounting ratio is from an enterprise's financial statements. Many standard ratios are used to assess the overall financial status of corporations or other organizations. Financial ratio can be used by current and potential shareholders in a firm and by the directors of buyers of a company. Security analysts use financial ratios to compare the strengths and weaknesses of various organizations. If the shares of an organization are traded on the financial market, the market value of the shares is used in fixed financial proportions.

Use of Ratio Analysis:

Shareholders: For obvious reasons, shareholders are most concerned about profits. Their investment is risky and they expect maximum profits. Investors check profitability numbers and put pressure on the smallest signs of abuse. For shareholders, the profitability ratio starts. Then they follow the ratio of proportion to follow. But in the last two decades the focus has shifted towards the continuous cash flow ratio.

Bankers and lenders: Use profits, liquidity and investments because they want to know the power of loan business to pay regular interest and repay the principal loan amount.

Investors: Use profits and investments because they are more interested in the profitable performance of business and security and the security of their investment and the security of their investment potential.

Employee: Use profits, liquidity, and activity, because employees will be concerned about job security, bonus and business continuity and wage door.

Customers: Use liquidity as customers can survive for a short time and will be assured that the supply can continue.

Management: Use all the proportions because the management is interested in all aspects, such as both the business's financial performance and financial status.

4.4 Ratio analysis of Prime Bank Limited from 2014 to 2017

Liquidity Ratios:

1. A class of financial matrices that is used to determine the power of closing an organization's short-term debt obligations. Generally, the higher the proportion of the ratio, the organization raises the margin of protection to cover short-term loans.

2. **Current ratios:**

One of the most general and frequently used of these liquidity ratios is the current ratio. Organizations use current ratio to measure the firm's ability to meet short-term obligations. It shows the bank's ability to cover its current liabilities with its current assets.

Current Ratio = Current Assets / Current Liabilities

(Taka in millions)

Year	2014	2015	2016	2017
Current Assets	231,200.55	252,438.12	277,485.13	303,115.24
Current Liabilities	191,299.19	201,771.97	222,629.96	241,719.97
Result	1.20 : 1	1.24 : 1	1.25 : 1	1.25 : 1

Graphical Presentation:

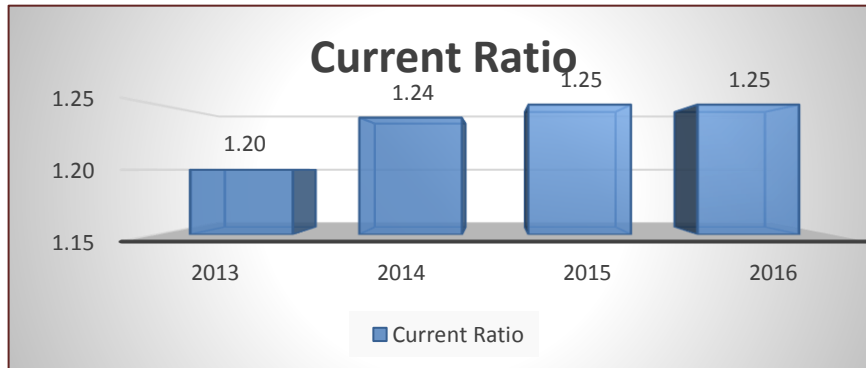


Figure 4.01: Calculation of Current Ratio.

Analysis

The current ratio shows reverse results for years. For these four years, the ratio of these ratios was 1.20 to 1.24, which showed a small amount. These four years show the best performance and the 2014 seratom exhibition since 2017 and 2016. Generally banks maintain current ratio 1: 1 and we have seen that PBL maintains the current ratio than the ratio 1: 1. It indicates that PBL's fluidity position is not bad.

(B) Quick Ratio:

Formula:

Quick ratio = (Current assets – Inventories) / Current liabilities

Table 4.02: Quick Ratio of PBL

(Taka in millions)

Year	2014	2015	2016	2017
Current Assets	231,200.55	252,438.12	277,485.13	303,115.24
Current Liabilities	191,299.19	201,771.97	222,629.96	241,719.97
Result	1.20 : 1	1.24 : 1	1.25 : 1	1.25 : 1

Source: Auditor’s Report of PBL

Graphical Presentation:

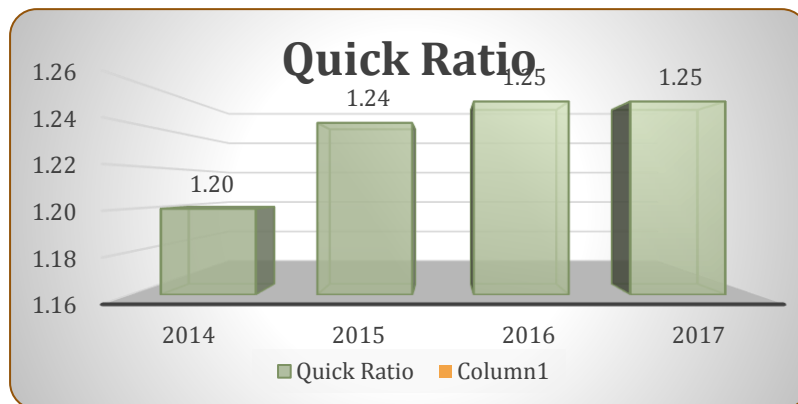


Figure 4.02: Calculation of Quick Ratio

Analysis

The acid test ratio measures in the liquidity of a company by showing the ability to quickly pay its current liabilities with the company. If an organization has a lot of resources under its total current liabilities, then the company can repay its liability without selling long-term or capital assets. The fastest ratio shows the results of growing up to 2016. During this four year period, the proportion of these ratios was between 1.20 and 1.24, which was shown much more than 2014. In these four years, the year 2013 shows the BEST performance anyear 2013 shows the worst performance.

Net Working capital: Net working capital, although not actually a ratio is a common measure of a firm's overall Liquidity a measure of liquidity ratio calculated by

$$\text{Net Working capital} = \text{Current Asset} - \text{Current Liabilities}$$

Table4.03: Net working capital of PBL

(Taka in millions)

Year	2014	2015	2016	2017
Current Assets	231,200.55	252,438.12	277,485.13	303,115.24
Current Liabilities	191,299.19	201,771.97	222,629.96	241,719.97
Result	39901.36	50666.15	54855.17	61395.27

Source: **Annual Reports of different year of PBL**

Graphical Presentation:

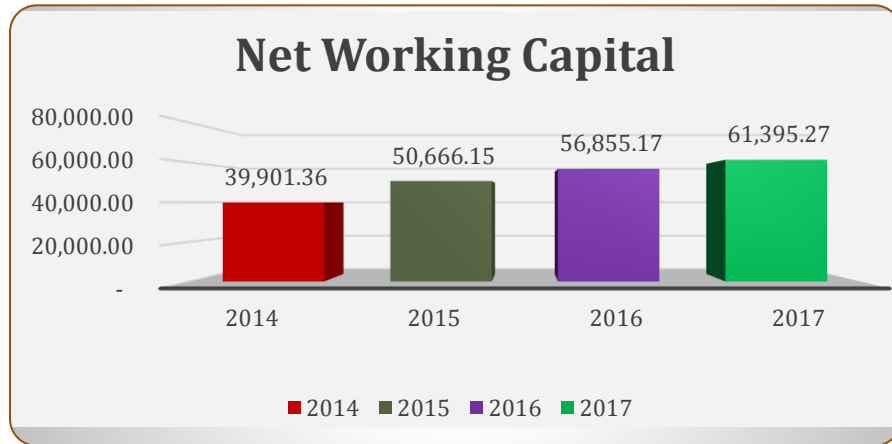


Figure 4.03: Calculation of Net Working Capital.

Analysis:

Net working Capital Firm measures the liquidity position. Net working capital was 39901.36 million in 2014, which decreased to 61,395.27 million in 2017. The graph shows that the trend of PBL's liquidity position indicates that PBL has increased its capacity to pay short-term liabilities beyond its currents.

(D) CASH RATIO:

The conservative view of liquidity refers to such as when a company vows its list of its receipt and list, or suspects the issue of intense liquidity with analyst inventory and receipt.

Formula:

$$\frac{\text{Cash Equivalents} + \text{Marketable Securities}}{\text{Current Liabilities}}$$

Table 4.04: Cash Ratio of PBL

Year	2014	2015	2016	2017
Prime Bank Ltd.	7.90%	8.75%	8.55%	8.63%

Source: Annual Reports of different year of PBL

Graphical Presentation:

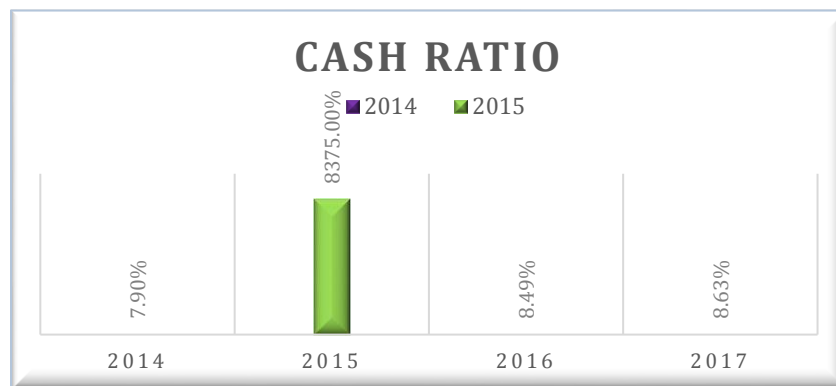


Figure 4.04: Calculation of Cash Ratio

Analysis:

The cash ratio is determined by a percentage in total needs and time liabilities. Time liability to that commercial banks are agreed to pay to customers after agreeing with each other and demand liabilities are payable to customers' needs.

Cash ratio shows vertical results for years. During this four year period, the ratio of these ratios was 7.90 to 8.75, which showed the upward trend compared to 2015. The best performance of the year 2014 and the year 2014 shows the worst performance..

PROFITABILITY RATIO

(A) Earnings per share (EPS)

Earnings per share are the earnings returned on the initial investment amount. Earnings per share ratio are calculated as follows:

Formula:

$$\text{EPS} = \text{Net income} / \text{no. of share outstanding}$$

Table 4.05: Earning Per Share (EPS) of PBL

Year	2014	2015	2016	2017
EPS(Tk.)	1.42	1.65	1.92	2.75

Source: Annual Reports of different years of PBL

Graphical Presentation:

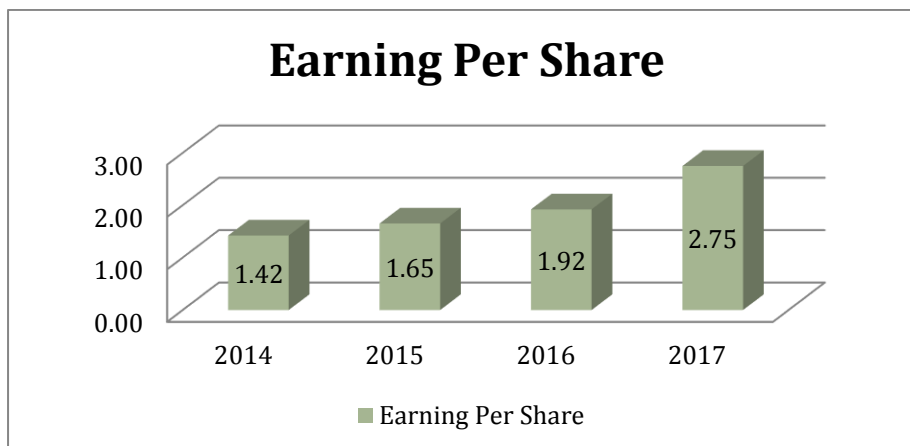


Figure 4.05: Earning per share (EPS) of PBL

Analysis:

Earnings per Share (EPS) are the same as the proportion in any profit or market potential. Higher earnings than shares are always better than lower proportion, because this means the company is more profitable and the company has more profits to be distributed to the shareholders.

EPS shows reverse results for years. For these five years, the ratio of these ratios was between 1.42 and 2.75. These five years show the best performance and the best show in 2014 from 2017. The main cause of this ratio is due to the reduction in the main reason for the reduction in 2014.

(B) Return on Asset (ROA)

Returns to the assets, which often returns to the assets, the companies measure the overall effectiveness of managing their profits with the property. High ratio is good.

Formula:

Return on Asset = Net profit after taxes / Total Assets*100

Table 4.06: Return on Asset of PBL

(Taka in million)

Year	Net income	Total Assets	Results (%)
2017	5706.72	303,115.24	1.88%
2016	4,126.44	277,485.13	1.48%
2015	2,870.60	252,438.12	1.13%
2014	2,357.68	231,200.55	1.01%

Source: Annual Reports of different year of PBL

Graphical Presentation:

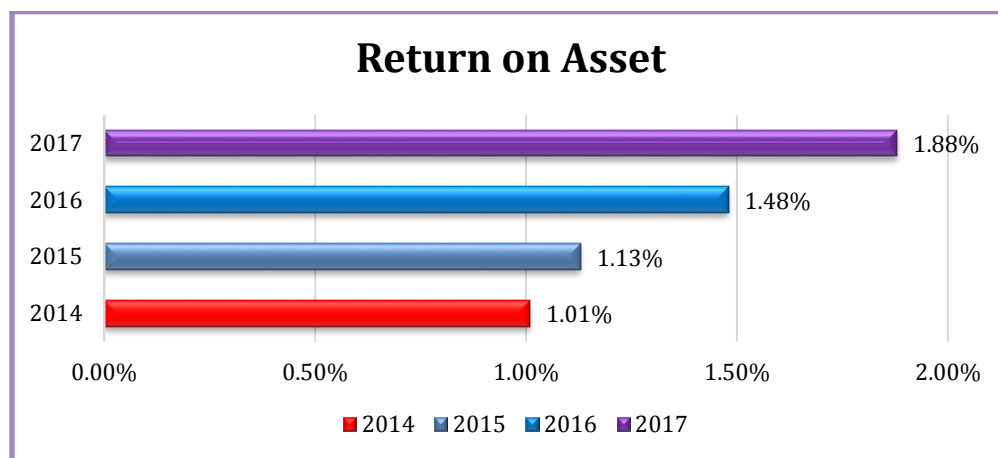


Figure 4.06: Return on Asset (ROA) of PB

Analysis:

The amount of return made on the property ratio, how effective it is to earn money back on its investment in assets of any company. In other words, ROA shows how efficiently any company can use in converting the money used to purchase assets for total revenue or profit.

The main cause of this ratio is due to the reduction in the main reason for the reduction in 2014.

(C) Capital Adequacy Ratio (CAR):

Capital Adequacy Ratio (CAR) A measure of the available capital of a bank, which is expressed as a percentage of risk-weighted credit exposure of a bank. Capital Adequacy Ratio, also known as Capital-to-Risk Weight Ratio (CRAR), is used to protect depositors and to increase the stability and efficiency of the financial system around the world.

Formula:

$$\frac{\text{Tier One Capital} + \text{Tier Two Capital}}{\text{Risk Weighted Assets}} \times 100$$

Table 4.07: Capital Adequacy Ratio of PBL

(Taka in million)

Year	Tier One Capital + Tier Two Capital	Risk Weighted Assets	Ratio (%)
2017	38,422	284,628	13.49
2017	32,264	260,356	12.39
2017	30,218	250,561	12.06
2017	28,405	237,911	11.93

Source: Annual Reports of different year of PBL

Graphical Presentation:

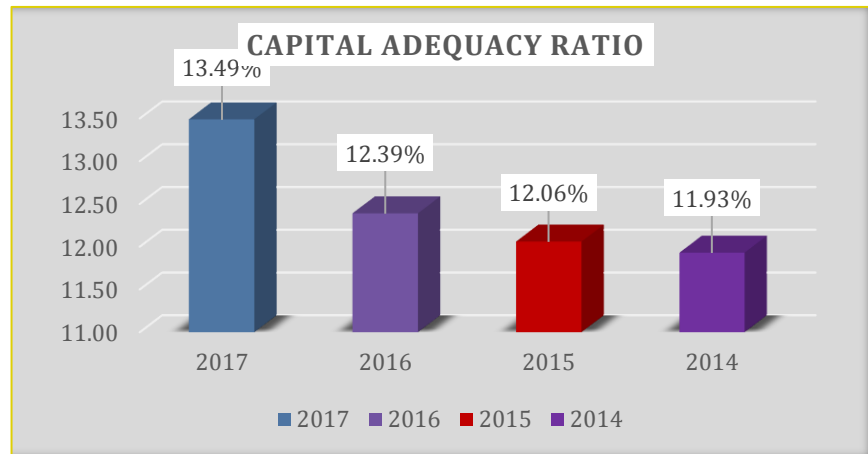


Figure 4.07: Capital Adequacy Ratio

Analysis:

The capital adequacy regulations are how many capital cities that have been designated as the capital, must have a bank with the size of the risks faced by them. These rules strengthen the relationship between risky exposure and capital requirements in bank activities. 10% of Risk Assets (RWA) Bangladesh's Minimum Rate Complicated Advisory Ratio (CR)

Over the years, it shows the opposite results. For these four years, the ratio of the ratio was 11.93. At 13.49 this is the best performance of 2014 and the worst show in 2017. This ratio has decreased because of the main reasons for decreasing in 2017..

(D) Equity Returns:

Equity Returns (ROE) Equity Returns Formula, sometimes summarized as a roll, the total revenue of an organization divided by its average stockholder's equity. Equity formula, a company's income statement can be found on net return.

Formula:

$$\frac{\text{Net Income}}{\text{Equity}} \times 100$$

Table 4.08: Return on Equity of PBL

Year	2014	2015	2016	2017
Prime Bank Ltd.	9.85%	10.65%	12.95%	16.27%

Source: Annual Reports of different year of PBL

Graphical Presentation:

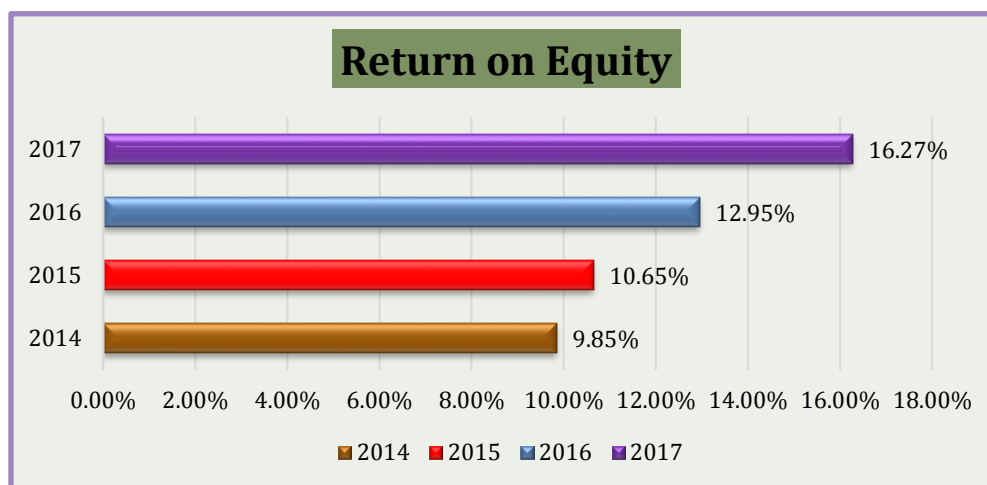


Figure 4.08: Return on Equity

Analysis:

ROE shows reverse results for years. For four years, the ratio of these ratios ranged from 9.85% to 16.27%. In these four years, the best performance since the year 2017 and the 2014 show shows the worst performance.

(E) Debt Equity Ratio:

Formula:
$$\frac{\text{External Liabilities}}{\text{Proprietors Fund of Equity}}$$

Table 4.09: Debt Equity Ratio of PBL

Year	2014	2015	2016	2017
Debt Equity Ratio	9.01	8.25	7.35	7.40

Source: Annual Reports of different year of PBL

Graphical Presentation:

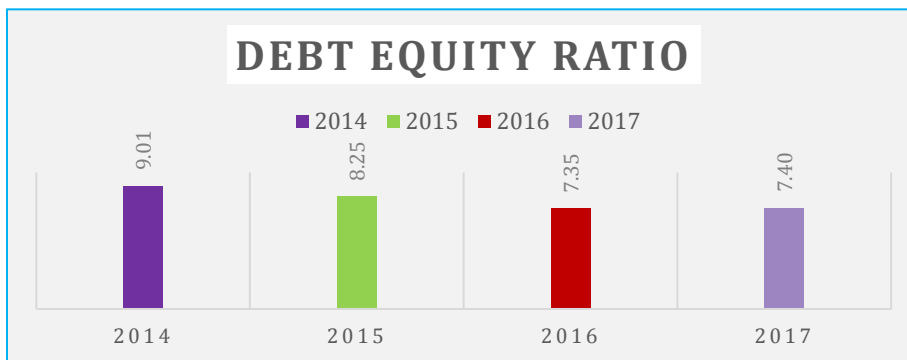


Figure 4.09: Debt Equity Ratio of PBL

Analysis:

Its debt position refers to the amount of money used by others in the effort of generate profit. This greeting Prime Bank Limited 2015 date was high in equity ratio. But the worst performance in 2016 was 7.35. So this organizations should emphasize more on equity capital than loan capital

Chapter Six

Findings, Recommendations & Conclusion

6.1 Findings of the Report:

- ✓ The current ratio of 2017 and 2016 (1.25: 1) was more than 2014-2015.
- ✓ The fastest ratio of 2017 and 2016 (1.25: 1) was more than 2014 and 2015.
- ✓ Cash ratio 2015 (8.75%) is less than the second year but in 2014 (7.90%) the cash ratio is low.
- ✓ 2017 income per share (2.75 was higher than 2016, 2015 and 2014).
- ✓ The return of wealth ratio to 2017 (1.88) is more than 2015, 2015 and 2014.
- ✓ In 2017, equity return was higher than 2016 (12.95%) and 2014 (9.85%) more than (16.27%).
- ✓ In 2014 the proportion of PBL debt equity ratio was higher. But the worst performance in 2012 was (7.35).

6.2 Recommendations:

The problem of Prime Bank Limited can be solved to certain extent. The following suggestion may be made in order to solve the problem.

- PBL should increase current assets and reduce current liabilities to run their business.

Net PBL will take necessary steps to increase net income.

- In 2014 the Prime Bank Limited Debit equity ratio was high. But the worst performance in 2016 was 7.35. So this organization should emphasize more on equity capital than loan capital.
- PBL advertising policies should be developed.

6.3 Conclusion:

This is a bank of the front lines due to special and sophisticated banking services supplied to its customers. To be competitive in the market, it constantly seeks ways and means to improve productivity. The use of information technology remains its prime. PBL has played a significant role in the field of industry, agriculture, trade and commerce, transport and many other areas. It plays an important role in creating human resources and creating new employment opportunities. It is conducting various welfare programs for the development of society.

According to the research, this bank's performance is satisfactory. In this study, various financial parameters are considered for financial performance evaluation of this bank and Prime Bank Limited is available as a fast growing bank and often performs well in all cases. They should be aware of the speed of their growth and progress, what their customers should be, and should be more careful to reduce their default rates during the loan period.

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- ✓ Basely, S. (2006), **Essential of Managerial Finance, Thomson South-Western, 13th Edition.**
- ✓ Kieso, W. (2006), **Intermediate Accounting, Mc Grow Hill, 10th Edition**

Annual Reports:

- Financial Statement of Prime Bank Limited, 2013
- Financial Statement of Prime Bank Limited, 2014
- Financial Statement of Prime Bank Limited, 2015
- Financial Statement of Prime Bank Limited, 2016

PBL Books:

- ❖ Internship books
- ❖ Collected some update information from PBL Bank

Web-site:

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- <https://www.primebanks.com.bd/>
- <https://en.wikiipedia.org/>