



Internship Report

On

Financial Performance Analysis of the City Bank Limited-

Nawabpur Branch, Dhaka



Daffodil
International
University

Internship Report
On
Financial Performance Analysis of the City Bank Limited-
Nawabpur Branch, Dhaka

Submitted To
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Letter of Transmittal

Date: 23-07-2019

Gouranga Chandra Debnath

Associate Professor and Head

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Submission of Internship Report titled “Financial Performance Analysis of The City Bank Limited-Nawabpur Branch, Dhaka”

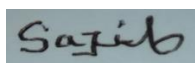
Dear Sir,

It is privilege to let you know, I have finished my internship program. As an intern I have worked the City Bank limited at Nawabpur branch last three month. During this period I have gathered much practical and theoretical knowledge. After completed my report, now I would like to submit this report titled ‘Financial Performance Analysis of The City Bank Limited-Nawabpur Branch’ prepared as a part of the requirement of my BBA program.

I have thoroughly enjoyed the overall work during my internship period which is carrying vast description of practical knowledge. This report along with all kinds of necessary information regarding the internship is being submitted to you for your evaluation.

I sincerely hope that you will appreciate my effort.

Sincerely yours,



Sajib Ahmed

ID: 153-11-4877

Major: Finance

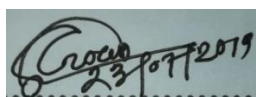
Faculty of Business & Entrepreneurship

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Approval Letter

This is to guarantee that Sajib Ahmed, ID NO 153-11-4877, Student of Bachelor of Business Administration (BBA), Department of Business and Entrepreneurship, Daffodil International University, has effectively finished his doled out Internship Report on "Financial Performance Analysis of the City Bank Limited-Nawabpur Branch, Dhaka

The Internship Report submitted on the topic, is sufficient in the terms of the quality and the organization.

A handwritten signature in black ink, appearing to read 'Gouranga Chandra Debnath', with the date '23/07/2019' written below it.

.....

Gouranga Chandra Debnath

Associate professor and Head

Faculty of Business & Entrepreneurship

Daffodil International University

Acknowledgement

As a student of BBA Program, Internship is one of the most important partial requirements to complete BBA degree. In this regard I would like to thank all my faculties of Daffodil International University who helps me to finish my courses.

For the successful accomplishment of this report, first I would like to thank my Almighty. And finally I would like to thank to my honorable supervisor for this report Associate Professor and Head Gouranga Chandra Debnath who has always given support, effort and wise direction to reach at the peak level of effectiveness to complete my report.

I also wish to render my grateful thanks to all senior and junior officers of The City Bank Limited, Nawabpur branch, who helped me during my internship program at the bank. I must mention the excellent working environment and the positive behavior of this bank, which helped me tremendously to observe the banking activities.

Executive Summary

This report has attempted to highlight the financial performance evaluation of the CBL. The CBL is one of the leading financial banks in the country. As an intern from business discipline, I got the opportunity to work with this organization and tried to put my effort to make adept study. I have tried my best to provide a clear idea about financial health of the CBL and for this I have collected the most used financial statements- balance sheet & income statement where balance sheet shows the financial position and income statement shows the net profit or net loss of a bank. Ratio analysis deals with these statements.

This report contains four parts in which 1st part is for introduction, 2nd part gives an overview about the CBL. 3rd part is the main focus of this report which is ratio analysis of the CBL. Ratio analysis is one of the most popular methods to evaluate a bank's performance. The other parts contain findings from analysis, some recommendations, conclusion and references.

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Chapter: One

Introduction

1.1 Introduction:

The internship program of BBA is a partial requirement to take test of real life challenge conducted by the intern. It is the significant piece of BBA program. This program is three month. Amid this period I have worked intimately with the worker of Nawabpur branch. This report displays the results of the investigation internship program finished at City Bank Limited. I was relegated the theme "Financial Performance Analysis of the City Bank Limited".

The essential objective of the internship is to give a hand on presentation to the understudy and an open door for interpretation of hypothetical originations, in actuality, circumstance. Understudies are put in undertakings, association, and budgetary organizations, examine foundations just as improvement ventures. The program covers a time of 12 weeks of hierarchical connection.

1.2 Back Ground of Study:

After completion of 123 credits, BBA program demands need a report on practical experience. Internship program is must for Bachelor of Business Administration (BBA) understudies, intended to place them in a difficult domain of the important field. Amid the entry level position preparing, understudies have the chance to embrace themselves into the specific condition of the association. It gives a one of a kind chance to see the truth of business amid understudy life to building certainty and beginning of their vocation. To satisfy this prerequisite each school of business organize a program of Internship. Here we get an opportunity to apply our theoretical learning that we obtained from class addresses, books, diaries, contextual investigations, course, venture, workshop, and so forth and contrast them and useful setting.

1.3 Scope of the Study:

The field of my study is the operation of Nawabpur branch of the CBL. For preparing this study, there is necessity to have an overall knowledge of the total banking system because the departments of banking are linked with each other. The scope of the organizational part covers the organizational overview, background, objective, function, departmentalization and product and services of the CBL as a whole. The main part of this report covers the financial performance analysis of the CBL. This refers that how the bank is financially performing over the previous year.

1.4 Objective Of the Study:

The primary objective of this report is to analyze the financial performance of the City bank limited. And to evaluate this financial data have been collected from the City bank website and articles.

This includes following specific objectives-

1. To know different activities of the City Bank Limited.
2. To relate theoretical knowledge with practical experience in several functions of the City Bank limited.
3. To analyze the financial performance of the bank.
4. To find out problems and suggesting recommendations for improvement.

1.5 Methodology of the Report:

Total methodology of report has divided into two major parts.

1. Primary Data
2. Secondary Data

1. Primary Data:

1. Conversation about the banking activities with the officers , staffs and supervisor of the bank
2. Conversation with customer.
3. Personal investigation with bankers.

2. Secondary Data:

1. Annual report of The City Bank Limited 2013-2017
2. City Bank Web sites.
3. Official records files and documents.
4. Periodicals Published by Bangladesh bank.
5. Books and journals.

1.6 Limitation OF the Report:

1. The banking policy did not support to collect all type of data and information.
2. Lack of secondary source of data was not enough to complete the report.
3. In many cases the bank are not helpful to provide internal information.
4. In the duration of three months internship program, I didn't get enough time to understand properly each department's activities.

Chapter: Two

Organizational Profile

2.1 Overview of the City Bank Limited:

The CBL is the first private sector bank in Bangladesh. The bank has been operating since 1983 with an authorized capital of Tk. 1.75 Billion under the entrepreneurship of twelve prominent & leading businessmen of the country. The CBL in progress its adventure on 27th March 1983 through opening its first branch at B. B. Road Branch in the capital, Dhaka city. It was the far-located enterprise of around 13 neighborhood businesspeople who conquered the gigantic stresses and dangers with mettle and premium that made the foundation and forward walk of the bank conceivable. Those support chiefs began the adventure with just Taka 3.4 core worth of Capital, which currently is a decent Taka 2311.78 core as capital and hold. The vertical aim behind beginning this Bank was to realize subjective adjustments in the extent of Banking and Financial administration. Today The City Bank serves its clients at home and abroad with 88 branches spread over the nation and around three hundred abroad correspondences covering all the real urban areas and business focal point of the world. The CBL by and by has 99 online branches and 1 SME administration focuses also, 11 SME/Agra branch course of action over the length and broadness of the nation that contains a well-constructed Islamic Banking branch. Further these conventional conveyance focuses, the bank is additionally very dynamic in the elective conveyance region. It at present has 294 ATMs of its own; and ATM assignment game plan with an accomplice bank that has in excess of 1150 ATMs set up; SMS Banking; Enthusiasm Banking, etc. CBL is currently begun its Customer Call Center task. The CBL has an arrangement to close the present year with 200 individual ATMs.

2.2 Organizational Structure:

The City Bank Ltd. is among the very few local banks which do not track the traditional, decentralized, geographically coped, branch-based business profit model. In its place, the bank manages its business and operation sharply from the head office through the five separate units specifically:

1. Business Unit
2. Branch Banking
3. Risk Unit
4. Operations Unit
5. Support

The City Bank is subject for all exercises partner the providing of the fresh cards, involving charging and bookkeeping, client administration, credit supervision and charge endorsements along with marketing the cards in Bangladesh. The City Bank likewise presented selective benefits for the card individuals underneath the American Express chooses program in Bangladesh. The CBL similarly bargains exceptional favorable circumstances everywhere throughout the world with in excess of 13,000 ideas at over 10,000 dealers in 75 nations. The CBL previously presented ongoing web, web banking framework I-managing an account with all up-to date conveyance systems. For essential execution, the bank has gotten national and universal acknowledgment. The Bank was one of the twelve banks of Bangladesh among the five hundreds (500) Banks in Asia for its advantage, stores and benefit as evaluated by ASIA WEEK. In 2000, The City Bank got "Top Ten Company Award" from the respectable Prime Minister of Bangladesh.

2.3 Mission, Vision and Core Values:

Vision:

To be the leading bank in the country with best practices and highest social commitment.

Mission:

- To contribute to the socioeconomic development
- To attain highest level of customer satisfaction through extension of services by dedicated
- A motivated team of professionals.
- To maintain continuous growth of market share ensuring Quality
- To maximize bank's profits by ensuring its steady growth
- To ensure participative management system and empowerment of Human Resources.
- To nurture an enabling environment where innovativeness and performance is rewarded.

Core Values:

- Result Driven
- Accountable & Transparent
- Courageous & Respectful
- Engaged & Inspired

Chapter: Three

Financial Analysis of the City Bank Limited

3.1 Financial Analysis:

Financial analysis is structural and logical analysis and systematic way to present overall financial performance of a financial institution. It's also help to evaluate and decision making for better business operation. In financial analysis process ratio analysis is the most dominant and rational structure to help business related stakeholder. Under the financial ratio analysis process there are profitability liquidity, assets management and solvency ratio analysis. So business stakeholders try to concentrate to get overall business overview from this analysis. These ratios not only help to decision making process also emphasis on risk avoiding and profit raising related factors. To calculate this ratio need to take quantities data from bank trading activity and other sources. Financial statement analysis involves a comparison of a firm's performance with that of other firm in the same line of business, which usually is identified by the firm industry classification.

3.2 Ratio Analysis:

Ratio analysis is a tool to diagnose helps to figure out problem areas and opportunities within a financial institution. Ratio analysis is very essential for every business, because by calculating ratio analysis we can have a bird's eye view of the business position. Business strength and weakness by knowing this information, management can take its necessary steps to organize their goal.

I have analyzed the performance of the City Bank Limited through.

1. Return on Assets
2. Return on Equity
3. Debt Ratio
4. Equity Ratio
5. Debt TO Equity Ratio
6. Net Profit Margin
7. Equity Multiplier
8. Assets Utilization
9. Tax management Efficiency
10. Expense Control Efficiency
11. Funds Management Efficiency
12. Net Interest Margin

3.3 Balance Sheet:

Year	2014	2015	2016	2017	2018
Property & Assets					
Cash	10,422,412,502	10,928,555,074	15,437,617,332	24,484,298,511	23,787,103,908
In hand	3,140,947,220	2,497,043,107	2,998,982,425	3,788,022,776	4,447,800,960
Balance with Bangladesh bank	7,281,465,282	8,431,511,967	12,438,634,907	20,696,275,735	19,339,302,948
Balance With Other Bank & FI	3,663,583,361	5,191,461,946	15,915,975,258	14,085,672,503	13,693,645,550
In Bangladesh	3,263,726,466	3,632,420,929	15,502,528,823	13,180,057,080	12,704,276,112
Outside Bangladesh	399,856,895	1,559,041,017	413,446,435	905,615,423	989,369,438
Money At Call	3,956,729,167	1,998,379,167	95,379,167	91,379,167	89,379,167
Investment	27,650,110,861	30,427,381,815	2,656,187,336	27,896,112,618	31,931,554,373
Government	21,985,302,692	23,737,817,554	19,691,517,972	22,048,912,713	22,099,527,532
Others	5,664,808,169	6,689,564,261	6,325,444,956	5,847,199,905	9,832,026,841
Loans & Advances	90,867,649,445	116,489,737,058	143,014,672,164	176,046,221,342	197,072,832,915
General Loans	86,008,995,489	111,476,616,174	138,156,604,652	168,770,828,388	192,350,678,263
BillsPurchase d& Discounts	4,858,653,956	5,013,120,884	4,858,067,512	7,275,392,955	4,722,154,652
Fixed Assets	6,851,347,927	8,144,060,566	8,172,221,437	3,470,156,210	3,642,729,555
Other Asset	3,765,101,345	3,360,953,081	4,759,716,534	7,723,972,014	6,968,167,092
Non-Banking Assets	382,622,964	384,551,746	792,824,667	956,925,360	881,668,179
Total Assets	147,559,557,572	176,540,528,707	214,205,369,487	254,754,737,726	278,067,080,739
Liabilities & Capital	10,422,412,502	10,928,555,074	15,437,617,332	24,484,298,511	23,787,103,908
Bond	3,140,947,220	2,497,043,107	2,998,982,425	3,788,022,776	4,447,800,960
Borrowing From Other Banks, FI & Agents	7,281,465,282	8,431,511,967	12,438,634,907	20,696,275,735	19,339,302,948
Current Deposit	3,663,583,361	5,191,461,946	15,915,975,258	14,085,672,503	13,693,645,550
Bills Payable	3,263,726,466	3,632,420,929	15,502,528,823	13,180,057,080	12,704,276,112
Cost Free Deposit	399,856,895	1,559,041,017	413,446,435	905,615,423	989,369,438
Cost Bearing Deposit	3,956,729,167	1,998,379,167	95,379,167	91,379,167	89,379,167
Total Deposit	27,650,110,861	30,427,381,815	2,656,187,336	27,896,112,618	31,931,554,373

Other Liabilities	21,985,302,692	23,737,817,554	19,691,517,972	22,048,912,713	22,099,527,532
Total Liabilities	5,664,808,169	6,689,564,261	6,325,444,956	5,847,199,905	9,832,026,841
Paid Up Capital	90,867,649,445	116,489,737,058	143,014,672,164	176,046,221,342	197,072,832,915
Statutory Reserve	86,008,995,489	111,476,616,174	138,156,604,652	168,770,828,388	192,350,678,263
Share Premium	4,858,653,956	5,013,120,884	4,858,067,512	7,275,392,955	4,722,154,652
Dividend Equalization Reserve	6,851,347,927.00	8,144,060,566.00	8,172,221,437.00	3,470,156,210.00	3,642,729,555
Other Reserve	3,765,101,345	3,360,953,081	4,759,716,534	7,723,972,014	6,968,167,092
Surplus In Profit & Loss Account	382,622,964	384,551,746	792,824,667	956,925,360	881,668,179
Equity	147,559,557,572	176,540,528,707	214,205,369,487	254,754,737,726	278,067,080,739
Minority Interest	10,422,412,502	10,928,555,074	15,437,617,332	24,484,298,511	23,787,103,908
Total Equity	3,140,947,220	2,497,043,107	2,998,982,425	3,788,022,776	4,447,800,960
Total Liability & Shareholders' Equity	7,281,465,282	8,431,511,967	12,438,634,907	20,696,275,735	19,339,302,948

3.4 Common size Of Balance Sheet:

Year	2014	2015	2016	2017	2018
Property & Assets					
Cash	7%	6%	7%	10%	9%
In Hand	2%	1%	1%	1%	2%
Balance With Bangladesh Bank	5%	5%	6%	8%	7%
Balance With Other Bank & FI	2%	3%	7%	6%	5%
In Bangladesh	2%	2%	7%	5%	5%
Outside Bangladesh	0%	1%	0%	0%	0%
Money At Call	3%	1%	0%	0%	0%
Investment	19%	17%	12%	11%	11%
Government	15%	13%	9%	9%	8%
Others	4%	4%	3%	2%	4%
Loans & Advances	62%	66%	67%	69%	71%
General Loans	58%	63%	64%	66%	69%
Bills Purchased & Discounts	3%	3%	2%	3%	2%
Fixed Assets	5%	5%	4%	1%	1%
Other Asset	3%	2%	2%	3%	3%
Non-Banking Assets	0.26%	0.22%	0.37%	0.38%	0.32%
Total Assets	100%	100%	100%	100%	100%
Liabilities & Capital					
Bond	0%	2%	1%	1%	3%

Borrowing From Other Banks, FI & Agents	6%	10%	10%	12%	14%
Current Deposit	7%	8%	10%	10%	9%
Bills Payable	1%	1%	1%	1%	0%
Cost Free Deposit	8%	9%	0%	10%	10%
Cost Bearing Deposit	65%	58%	62%	58%	56%
Total Deposit	73%	67%	67%	68%	66%
Other Liabilities	10%	9%	10%	10%	8%
Total Liabilities	88%	88%	89%	92%	91%
Paid Up Capital	5%	5%	4%	3%	3%
Statutory Reserve	2%	2%	2%	2%	3%
Share Premium	1%	1%	0%	0%	1%
Dividend Equalization Reserve	0%	0%	0%	0%	0%
Other Reserve	4%	5%	4%	0%	2%
Surplus In Profit & Loss Account	0%	0%	1%	1%	1%
Equity	12%	13%	11%	8%	9%
Minority Interest	0%	0%	0%	0%	0%
Total Equity	12%	13%	11%	8%	9%
Total Liability & Shareholders' Equity	100%	100%	100%	100%	100%

3.5 Income Statement:

Particulars	2014	2015	2016	2017	2018
Interest Income	13,407,567,626	13,973,036,691	15,228,190,245	16,057,152,921	16,819,464,242
Interest Paid	-8,607,183,800	-8,914,717,894	-9,822,863,689	-9,545,962,641	-9,280,207,856
Net Interest Income	4,800,383,826	5,058,318,797	5,405,326,556	6,511,190,280	7,539,256,385
Investment Income	1,675,290,499	2,859,628,617	4,527,078,328	4,903,835,104	3,030,038,998
Commission, Exchange & Brokerage	1,615,094,656	1,968,813,803	2,142,651,667	2,423,967,973	3,308,317,471
Other Operating Income	639,389,468	871,413,619	1,011,514,319	1,049,681,156	1,311,310,878
Total Operating Income	8,730,158,449	10,758,174,836	13,086,570,870	14,888,674,513	15,188,923,731
Salaries & Allowances	2,454,346,593	2,936,827,991	3,269,837,185	3,758,069,767	4,363,800,589
Rent, Taxes, Insurance, Electricity Etc	549,534,363	648,204,082	725,631,570	781,216,595	982,785,601
Legal Expense	20,203,027	25,960,845	26,747,198	38,273,353	52,845,795
Postage, Stamp, Telecommunication Etc	66,196,663	85,691,022	76,601,819	92,772,113	83,280,499
Stationary, Printing, Advertisements Etc	258,693,287	205,665,635	187,852,656	165,524,753	216,463,541
Chief Executive	17,630,000	15,046,921	16,409,425	16,939,300	17,594,152

Salary					
Directors Fees	1,382,216	1,493,314	1,477,969	2,662,166	1,992,576
Auditors Fees	1,278,285	1,354,850	1,508,573	2,590,339	2,755,036
Charges On	0	306,508,366	0		
Loan Losses				0	0
Depreciation & Repair	583,139,093	671,972,530	767,892,812	978,189,396	1,037,214,890
Other Expense	822,563,546	993,227,681	1,243,949,218	1,251,169,537	1,628,213,112
Total Operating Expense	4,897,752,862	5,891,953,237	6,317,908,425	7,108,675,635	8,386,945,792
Profit Before Provision	3,955,191,376	4,866,221,599	6,768,662,445	7,779,998,878	6,801,977,939
Provision For Loan & Advertisement	-2,420,518,891	-1,704,589,739	-2,148,269,292	-2,014,646,765	-1,227,377,728
Provision For Off-Balance Sheet Exposures	-105,000,000	0	-21,000,000	-133,000,000	-180,000,000
Other Provision	-12,298,774	-20,337,274	37,600,229	658,880	-280,515,486
Total Provision	-2,537,817,665	-1,724,927,013	-2,206,869,521	-2,146,987,885	-1,687,893,215
Total Profit Before Tax	1,294,587,922	3,141,294,586	4,561,792,924	5,633,010,993	5,114,084,725
Current Tax	-957,099,018	1,585,366,117	1,646,005,974	-1,716,485,289	-1,892,815,199
Deferred Tax	29,952,724	-150,182,944	-677,355,387	146,204,483	237,408,927
Total Provision For Tax	-927,146,294	-968,650,587	-1,435,183,173	-1,570,280,806	-1,655,406,271
Net Profit After Tax	490,227,417	3,593,142,337	4,561,792,924	4,062,730,187	3,458,678,453

3.6 Common Size Analysis of Income Statement:

Particulars	2014	2015	2016	2017	2018
Interest Income	154%	130%	116%	108%	111%
Interest Paid	99%	83%	75%	64%	61%
Net Interest Income	55%	47%	41%	44%	50%
Investment Income	19%	27%	35%	33%	20%
Commission, Exchange & Brokerage	19%	18%	16%	16%	22%
Other Operating Income	7%	8%	8%	7%	9%
Total Operating Income	100%	100%	100%	100%	100%
Salaries & Allowances	28%	27%	25%	25%	29%
Rent, Taxes, Insurance, Electricity Etc	6%	6%	6%	5%	6%
Legal Expense	0%	0%	0%	0%	0%
Postage, Stamp, Telecommunication Etc	1%	1%	1%	1%	1%
Stationary,Printing,AdvertisementsEtc	3%	2%	1%	1%	1%
Chief Executive Salary	0%	0%	0%	0%	0%
Directors Fees	0%	0%	0%	0%	0%
Auditors Fees	0%	0%	0%	0%	0%
Charges On Loan Losses	0%	3%	0%	0%	0%
Depreciation & Repair	7%	6%	6%	7%	7%
Other Expense	9%	9%	10%	8%	11%
Total Operating Expense	56%	55%	48%	48%	55%
Profit Before Provision	45%	45%	52%	52%	45%
Provision For Loan & Advertisement	28%	16%	16%	14%	8%
Provision For Off-Balance Sheet Exposures	1%	0%	0%	1%	1%
Other Provision	0%	0%	0%	0%	-2%

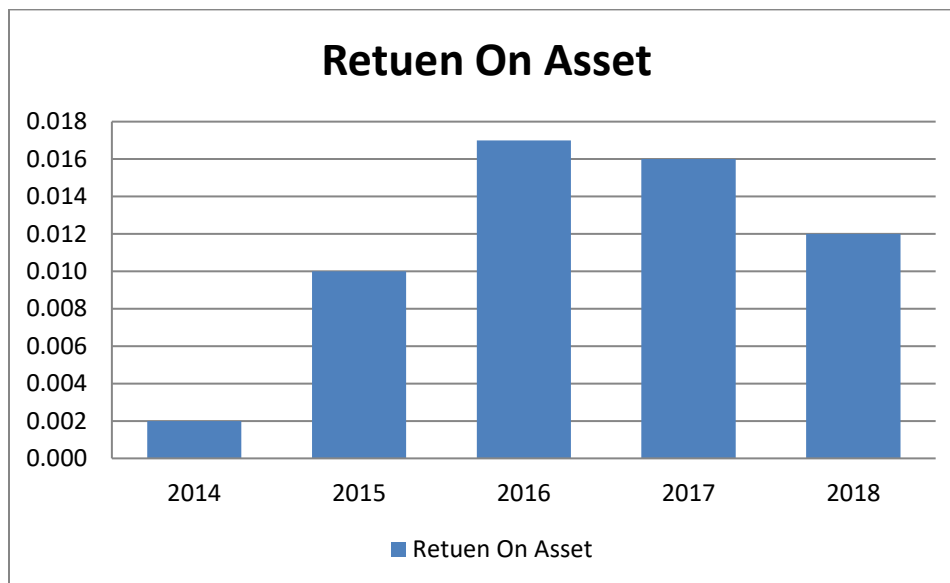
Total Provision	29%	16%	17%	14%	11%
Total Profit Before Tax	15%	29%	35%	38%	34%
Current Tax	11%	15%	13%	12%	12%
Deferred Tax	0%	1%	5%	1%	2%
Total Provision For Tax	11%	9%	11%	11%	11%
Net Profit After Tax	6%	33%	35%	27%	23%

1. Return on Assets:

Return on assets (ROA) is a financial ratio that shows the percentage of profit a company earns in relation to its overall resources.

Formula: Net Income/Total Assets

Year	2014	2015	2015	2017	2018
ROA	0.002	0.01	0.02	0.02	0.01



In the above, the table is shows that ROA of the CBL was 0.002 in 2014 and it increased by 0.010 in 2015. It was not good for the bank. But in 2016, the bank was done excellent performance and the ROA was increased by 0.017 which is highest pack in 5 year.

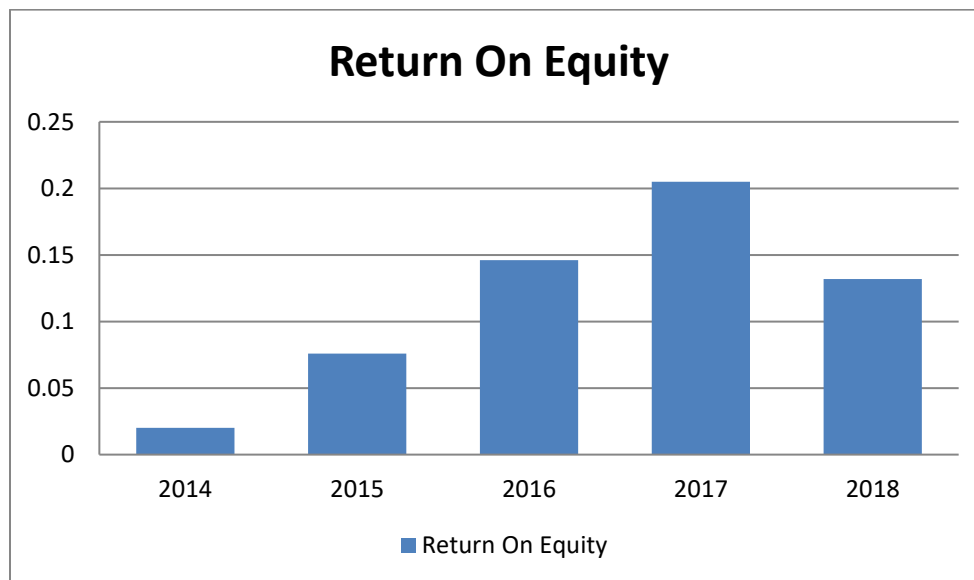
During the period from 2017 to 2018 ROA was decreasing from 0.016 to 0.012. So 2016 is best performed year.

2. Return on Equity:

This ratio is a profitability ratio that indicates the ability of a firm to generate profits with the money that shareholders have invested.

Formula: Net Income / Stockholders' Equity

Year	2014	2015	2016	2017	2018
ROE	0.02	0.076	0.146	0.205	0.132



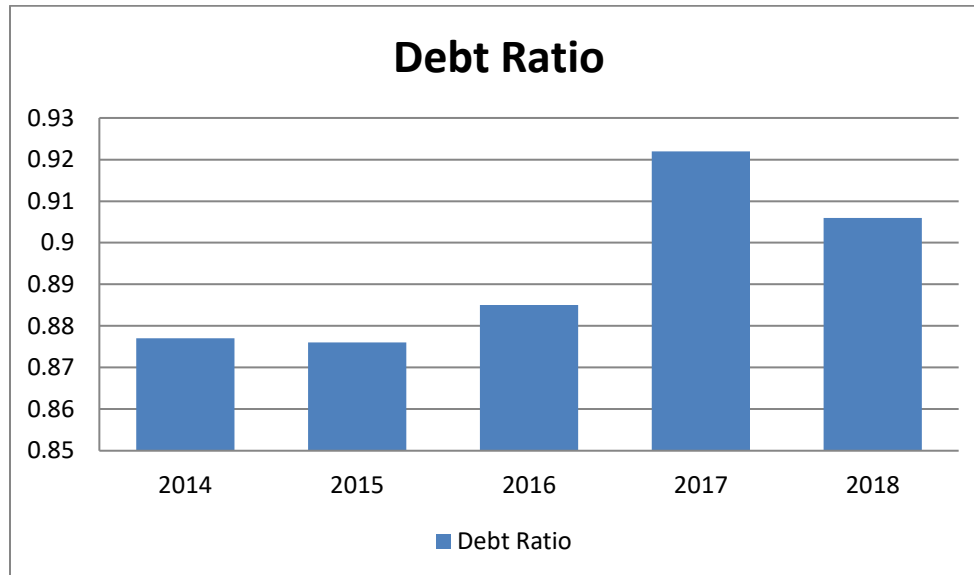
From the table and figure we see that return on stockholders' equity of the CBL was 0.020 in 2014. In 2015 the rate was increased by 0.076. But in 2016 the bank was doing well and the rate was increased. During the period of 2017 the bank was outperformed and achieved the percentage of 0.205 in ROE but it was decreased in 2018 (0.132).

3. Debt Ratio:

It is a financial ratio that indicates the extent of a bank's leverage. A higher ratio indicates that the bank is more leverage.

Formula: Total Liabilities / Total Assets

Year	2014	2015	2016	2017	2018
Debt Ratio	0.877	0.876	0.885	0.922	0.906



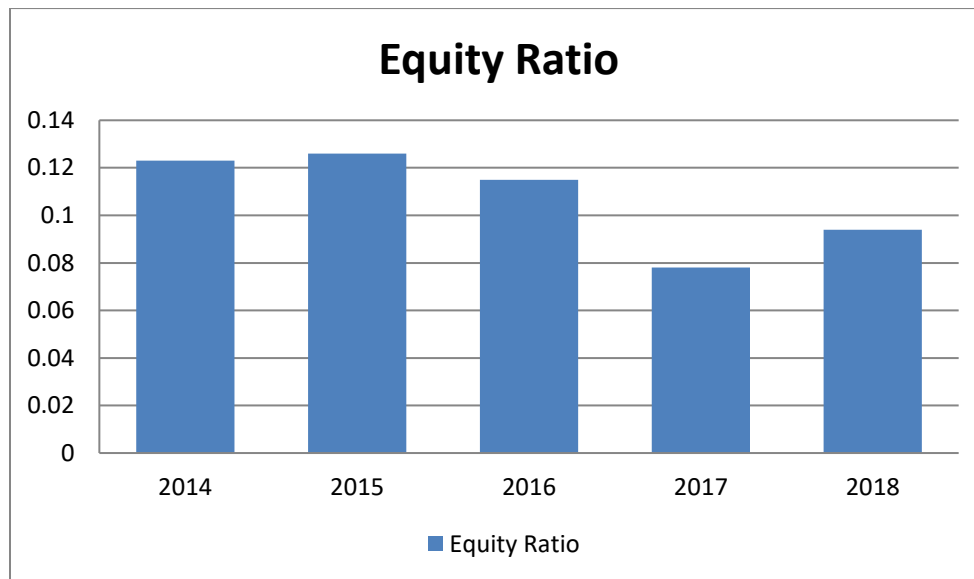
From the table and figure we see that in 2014 the CBL's debt ratio was 0.877. In 2015 it was slightly decreased to 0.876. In 2016 and 2017 the ratio was increased from 0.885 to 0.922. The debt ratio of the CBL again decreased in 2018 to 0.906, which is good for the bank and indicates that the bank is more leveraged than other banks.

4. Equity Ratio:

Equity ratio is a solvency ratio. It can measure the amount of assets that are financed by equity of a bank.

Formula: Total Equity / Total Assets

Year	2014	2015	2016	2017	2018
Equity Ratio	0.123	0.126	0.115	0.078	0.094



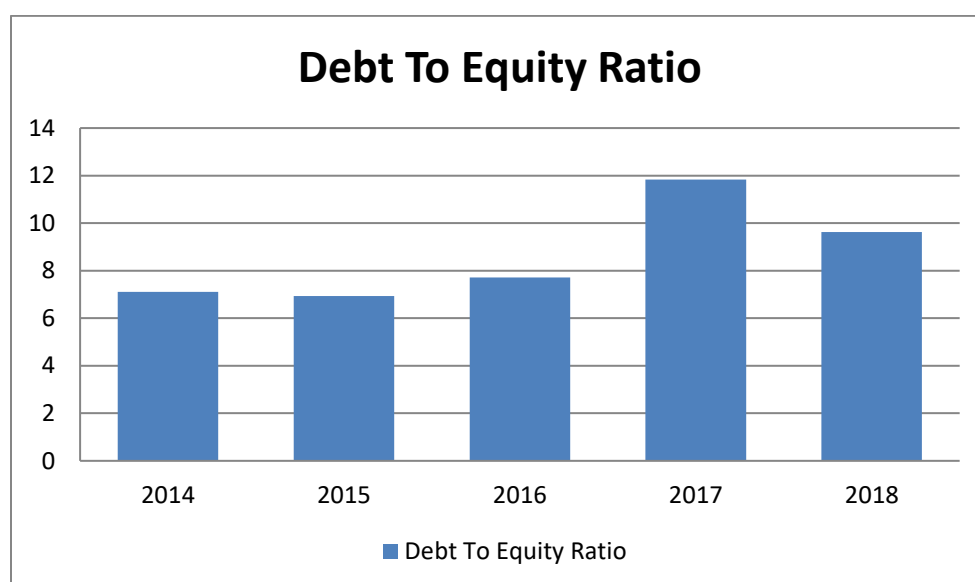
In the CBL, during the period 2014 & 2015 the figures are increasing from 0.123 to 0.126. After the year 2015 the equity ratio of the CBL was continuously decreasing from the years 2016 to 2017. In 2016 the equity ratio was decreased by 0.115 but. In 2017 the ratio was again decreased. During the year 2018, the equity ratio was increased by 0.094. So comparing with 2014-2018 fiscal year we can say that 2015 was well position.

5. Debt-Equity Ratio:

Debt-equity ratio is a financial ratio indicates the relative proportion of equity and debt used to finance a company's debt.

Formula: Total Liabilities / Total Equity

Year	2014	2015	2016	2017	2018
Debt To Equity Ratio	7.11	6.93	7.713	11.83	9.622



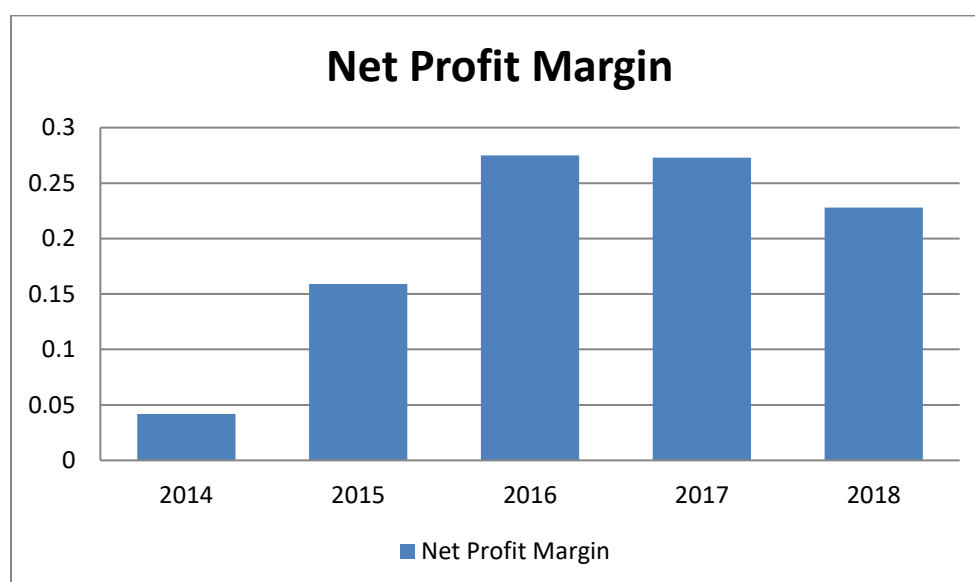
In the above from table and figure, we see that during the period of 2014-2018, the debt-equity ratio of the CBL remains among 7% to 9%. In 2013 the ratio was 7.110. During the years from 2015 to 2017 the rate was increasing continuously from 6.930 to 11.830. In 2018 the ratio was increased by 9.622.

6. Net Profit Margin:

Net profit margin ratio represents how much profit generates from each dollar of sales. This ratio is the true indicator of a bank's financial health. By calculating this ratio, one can understand how efficiently a bank's financially perform.

Formula: Net Income after Taxes/Total Operating Revenues

Year	2014	2015	2016	2017	2018
Net Profit Margin	0.042	0.159	0.275	0.273	0.228



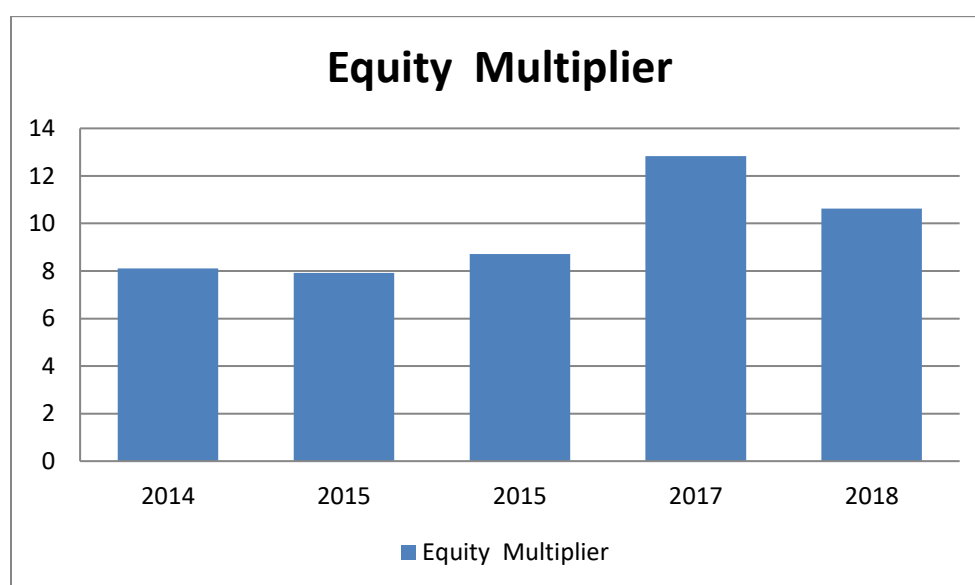
This ratio is increasing from 2014 to 2018. In 2014 the net profit margin of the CBL was 0.042. In 2015 the ratio increased. In 2016 the ratio increased and became highest net profit margin. According to the CBL's net profit margin, we can say that that bank is performing well in 0.275. In 2017 the ratio was 0.273 and 2018 was 0.0228. In last year, it is decreasing. So 2018 is best profit margin CBL.

7. Equity Multiplier:

To determine a company's financial leverage, equity multiplier is a straightforward ratio for this purpose. A higher equity multiplier indicates that a larger portion of asset financing is attributed to debt.

Formula: Total asset/ Stockholders Equity

Year	2014	2015	2016	2017	2018
Equity Multiplier	8.11	7.913	8.713	12.83	10.622



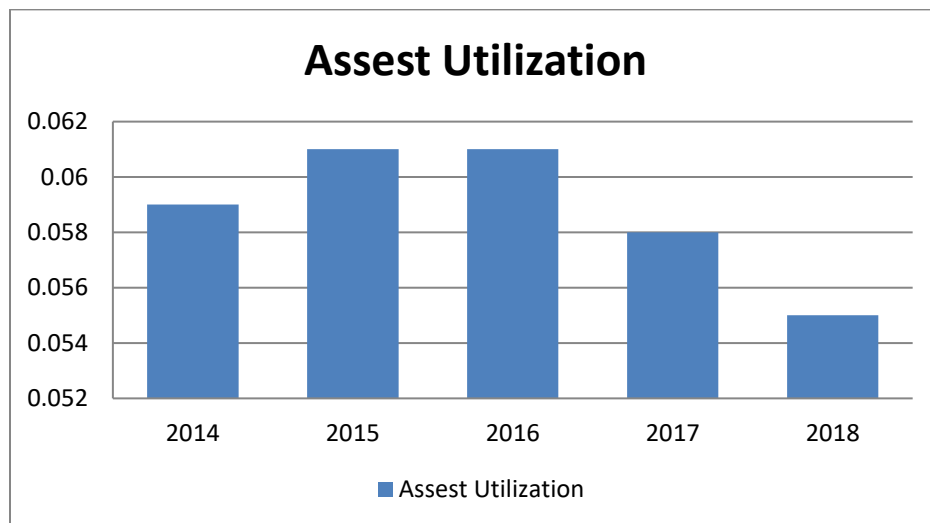
From the year 2014 to 2015 the ratio was decreasing from 8.110 to 7.913, in 2015 it was increase in 8.713, and again from 2017 to 2018 the ratio was decreasing from 12.830 to 10.622. So here the scenario indicates that the bank trying to maintain lower equity multiplier.

8. Asset Utilization:

Asset utilization ratio determines total revenue earned relative to its total assets. It is an indicator to identify the efficiency of a company's assets to generate revenue.

Formula: Total revenues/Total Assets Operating

Year	2014	2015	2016	2017	2018
Asset Utilization	0.059	0.061	0.061	0.058	0.055



In above the table & figure shows the CBL is outperformed in every year from 2014 to 2018. In 2014 the ratio was 0.059. In 2015 the ratio increased in 0.061. In 2016 the ratio remains same as 2015. In 2017 the ratio was decreased to 0.058. In last year, it was again decreasing to 0.055.

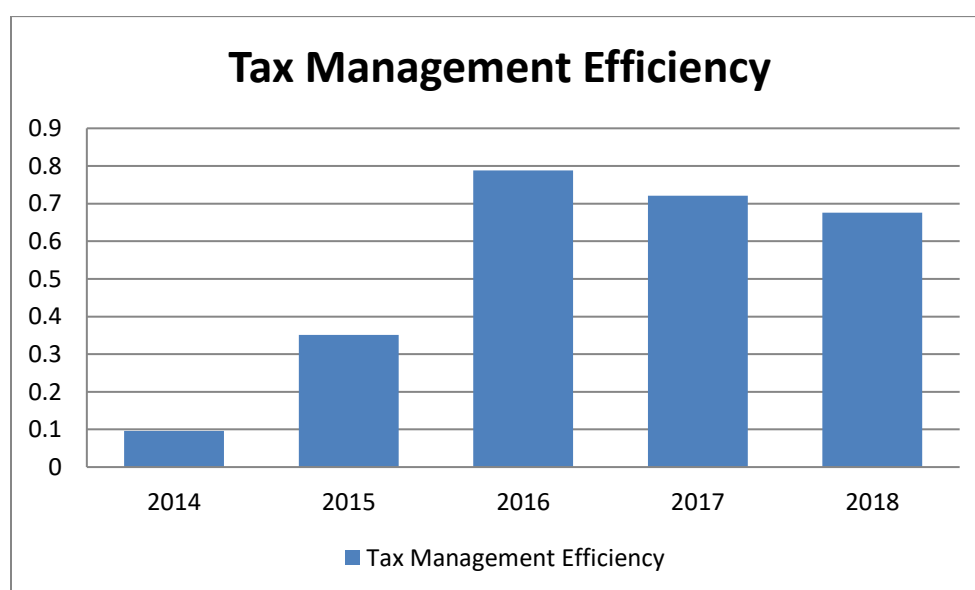
So we can see that the CBL's asset utilization ratio was decreasing from 2016 to 2018.

9. Tax Management Efficiency:

This ratio indicates the percentage of a fund's earnings is spent to taxation. Funds that lose little for taxes have a high ratio.

Formula: Net income after Taxes/Net Income before Taxes & Security Gains or Losses

Year	2014	2015	2016	2017	2018
Tax Management Efficiency	0.096	0.351	0.788	0.721	0.676

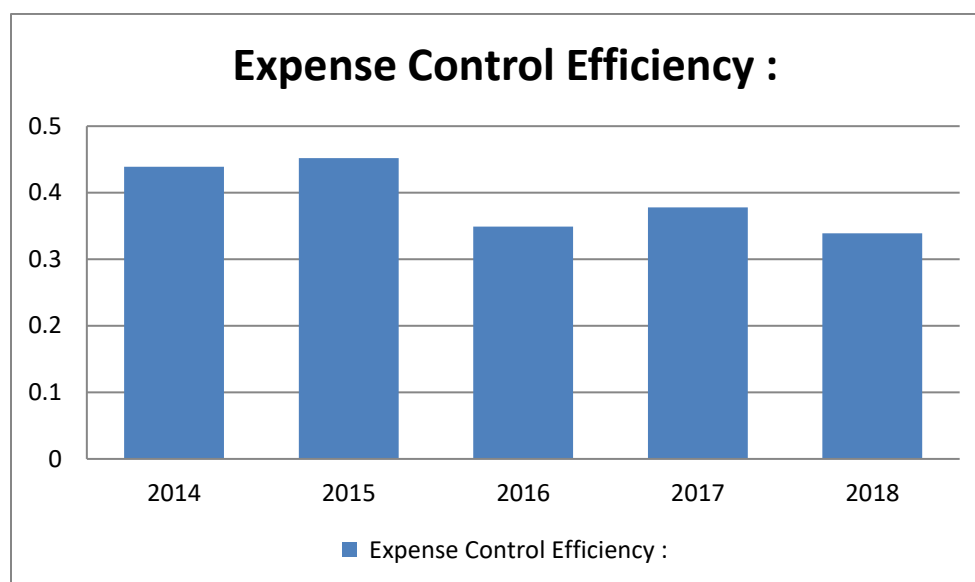


In 2014 the ratio was 0.096 and 2015 the ratio was increased very high to 0.351, 2016 it increased by 0.788. In 2016 achieved high ratio. And 2017 decrease 0.721 In 2018 the ratio decreased in 0.676 .So we can say that though there are exist high ratios in the CBL's graph 2015 and it is highly tax payable year.

10. Expense Control Efficiency:

Formula: Net Income before Taxes & Security Gains (or Losses)/Total Operating revenue

Year	2014	2015	2016	2017	2018
Expense Control Efficiency	0.439	0.452	0.349	0.378	0.339

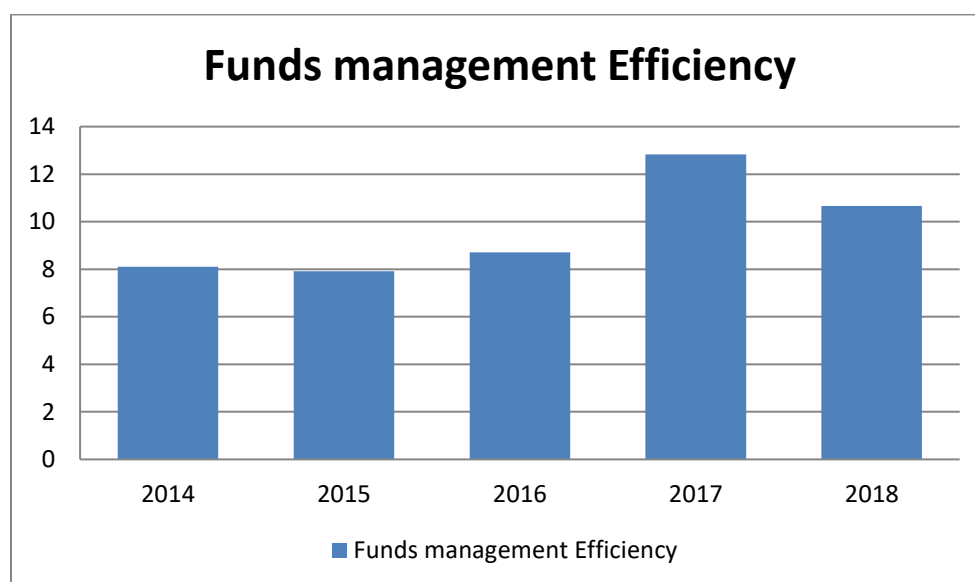


From the table we see that, in 2014 the CBL's expense control efficiency ratio was 0.439. In 2015 the ratio increased slightly to 0.452. In 2016, both the ratios were decreased but the CBL's expense control in 2017 the CBL's ratio was 0.378 and 2018 was 0.339. The lower the ratio the better a bank's perform. So 2018 year is expense control than other year.

11. Funds Management Efficiency:

Formula: $\text{Total Assets} / \text{Total Equity Capital Account}$

Funds management Efficiency	2014	2015	2016	2017	2018
Year	8.11	7.913	8.713	12.83	10.662



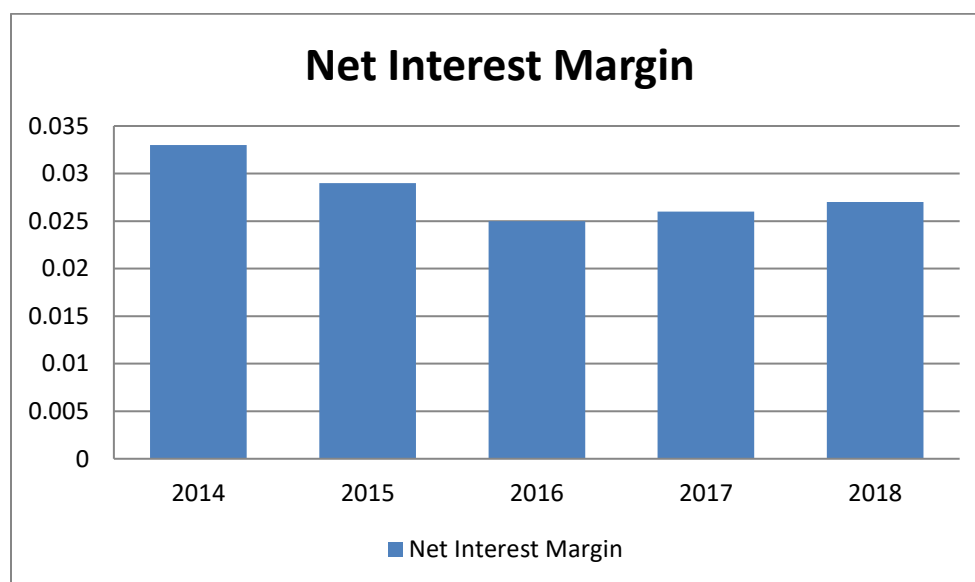
In case of funds management efficiency, the CBL is not in a good situation. In 2014-2015, the ratio was decreased. In the year 2016 it was increase to 8.713. In 2017 was 12.830 is higher than the other year. In 2018 again the bank failed to manage its funds properly compare to other banks because the CBL's ratio was decreased from 2017to 10.662. So in this graph 2017 is efficient year for fund management.

12. Net Interest Margin:

Net interest margin is an indicator to measure that how successfully a bank invest its funds and compare with the expenses that a bank occur on the same investment. A positive net interest margin describe that the bank make the investment efficiently.

Formula: Interest Income from Loans & Security Investments-Interest expense on Deposits on other Debt issued/Total assets

Year	2014	2015	2016	2017	2018
Net Interest Margin	0.033	0.029	0.025	0.026	0.027



From the above table and figure we can see that in 2014 the CBL's net interest margin was 0.033 and in 2015 it was decreased to 0.029. In 2016 the ratio was again decreased to 0.025. But it was increased in 2017 and 2018 from 0.026 to 0.027 which is good.

Chapter: 4

Findings, Recommendations, Conclusion & References

4.1 Findings from analysis:

- Return on asset (ROA) shows the effectiveness of the management of the financial institution. CBL ROA upward. This refers that CBL has increased its efficiency from 2014 to 2018.
- A raising ROE suggests that a company is increasing its ability to generate profit without as much capital, ROE of the bank in the year 2014 is least compared of others years. That indicates sudden unstable position of the bank.
- Debt ratio is measures a financial leverage and lower ratio is more favorable. In year 2015 CBL was usually implies a more stable business with the potential of long early than other years.
- A higher Equity ratio generally indicates less risk and greater financial strength. So, In the Year 2015, the CBL was less risk and greater financial Strength than other years.
- Net profit margin indicates how much net income a company. A higher net profit margin means that a company is more efficient at converting sales into actual profit. In the year 2016 the CBL was net profit margin is more efficient than other years.
- Higher equity multiplier means higher risk of insolvency. So in the year 2015 the CBL was inefficacy in creating value for shareholders between other years.
- Expense Control Efficiency its measures the speed at which any bank is able to turn asset into operating revenues. So in the year 2015 the CBL was more expense control efficiency and speed to turn assets into operating revenues.
- Net interest margin positive figure indicates that the investment decision was successful and the fund manager or the company was profitable. So in the year 2014 was more successful and profitable year better than other years.
- Assets utilization ratio is identify the efficiency of company assets to generate revenue. So 2015 and 2016 year more asset utilization to other years.
- Tax management Efficiency higher value is satisfactory. So in the year 2016 the CBL was higher tax management efficiency than other years.

4.2 Recommendation:

In this competitive market, the CBL must be conscious about the exclusivity and uniqueness opportunity of the banking sector. The bank needs to give more focus to the customers as the customers have more choice to choose. There are enormous organizations that are giving heavenly client administration to the clients. To guarantee this kind of client administration, the CBL needs legitimate data framework. To give right administrations client criticism is much significant. It can make an incentive to expand faithfulness, trust and fulfillment of clients and can fabricate a solid connection with them. The CBL needs to find a way to guarantee a smooth support of the clients.

- The CBL needs to improve ROA, ROE, asset utilization and also some other ratios. In 2018 the bank cannot properly operate its operations. The bank cannot properly utilize its assets and its shareholders equity to make profit. That's why net profit decreased in 2018.
- Debt to equity ratio is also increasing so CBL should keep stable and maintain them properly meet up the debt in time.
- Return on equity of CBL showed a fall in 2016, So CBL showed try to not repeat that mistakes made in that years.
- Net operating margin has increased compared to the previous years of CBL. This is quite satisfactory.
- In 2014 CBL net profit margin was too less than other years. So increasing net profit margin CBL introduces some new product which again increases their net profit.
- From 2014 there was lower growth in compare to other years, it indicates that CBL has no consistency in growth over the year .CBL should ensure a better growth over year to reach a strong position.
- CBL should increase their finance on different projects to achieve more clients.
- CBL should decrease interest rate on loans to attract customer's attention to take loan.

4.3 Conclusion:

In last few years, there are established lots of commercial banks in Bangladesh. So that today there are tough competitions in the banking sectors and the banks are more focus on doing outstanding performance, so modern people are now wanted a more secured, high quality and timely service.

So now the CBL needs to arrange their activities all the more astutely and do their tasks and administrations as indicated by the market needs. Banking divisions are ending up increasingly aggressive and to get by in the market banks need to productively work their activities by proficiently dealing with its advantages and liabilities. In a year ago, the CBL did not proficiently deal with its advantages and reserves and couldn't make benefit sufficient. So the supervisory crew of the CBL should give center around that.

4.4 References:

- City Bank Annual Report 2014-2018
- <https://www.thecitybank.com/home>
- Definitions : Wikipedia.com
- Definitions : Investopedia.com
- https://www.thecitybank.com/retail_banking.php