

Performance Evaluation of One Bank Limited

Submitted To

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Submitted By

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Date of Submission:

LETTER OF TRANSMITTAL

30 August, 2019

Md. Anhar Sharif Mollah
Assistant Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Subject: Submission of internship report on “**Performance Evaluation of One Bank Limited**”.

Dear Sir,

With due respect, The Study would like to inform you that, The Study have completed my internship report on topic: “**Performance Evaluation of One Bank Limited**” in One Bank Limited, Corporate Branch of Bangladesh. The Study have collected information from all available sources in a realistic way. While preparing report, The Study have tried to follow your instruction based on systematic manner.

I sincerely hope that this report meets your approval and also expects that The Study will get your kind consideration regarding acceptance of this report.

Sincerely Yours,

.....

Kazi Md. Fazlea Raabi
ID: 161-11-306
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SUPERVISOR'S DECLARATION

It offers me gigantic pleasure to guarantee that the anticipated record titled "Execution Assessment of One Bank Restricted" has been finished by **Kazi Md. Fazlea Raabi ID: 161-11-306**, Bachelor of Business Administration, Department of Business Administration, Daffodil International University, Ashulia, Savar, Dhaka underneath my supervision and control. As some distance as The Study know, this is an authentic work, which has not been published in any diary or submitted to any gathering or branch for any recognition or degree.

I do hereby accept it a fully recommend Internship report for evaluation.

.....

Md. Anhar Sharif Mollah
Assistant Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

STUDENT'S DECLARATION

Thus, The Study pronounces that the work submitted in that Temporary Position Report was finished by me and was not recently submitted for scholarly capability to some other College/association. The pieces The Study have submitted don't abuse existing copyrights and no piece of this report has been duplicated from work done beforehand.

I additionally embrace to repay the Service for all misfortunes and harms brought about by an infringement of past obligations.

.....

Kazi Md. Fazlea Raabi

ID: 161-11-306

Major: Finance

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ACKNOWLEDGEMENT

The open door has just traveled every which way to offer my most significant thanks and settlement to the almighty Allah yet for whose help The Study would not have the ability to wrap a massive endeavor of setting up this report.

I might want to express my profound feeling of gratefulness towards one of my Boss Md. Anhar Sharif Mollah Assistant Professor, Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University for allowing me a chance to finish my entry-level position report on truth, no lover can accomplish immaculateness without the assistance of a researcher. Thus, an understudy can never be immaculate without the assistance of a decent instructor. A decent instructor might be a milestone for any understudy. The Study extraordinarily obligated to The Study might want to unequivocal my profound feeling of thankfulness towards one of my Manager Md. Anhar Sharif Mollah Assistant Professor, Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University for allowing me a chance to Finish my entry level position report and his proposals and rules Were extremely an extraordinary assistance to me.

Particularly, The Study additionally appreciative to who allowed me the chance to permit me in this hierarchical field. The Study might likewise want to express my heart full gratitude to all officers and furthermore my companions and Senior Sibling for their fantastic help and appropriate direction in finishing my entry-level position report.

DEDICATION

There must be someone behind each exceptional work. Along these lines, this time it was none other than my Folks. Their dependable assistance and care pushed me to a degree where The Study accomplished just this report and some more. Recalling these examinations, The Study needs to give this report to the individuals who are in the circumstance of top need in my life, my father and my mother and in general my family. In the mean of time, The Study needs to express that it was them who got me this world and The Study obliged towards them by then, directly and everlastingly for even the most diminutive thing that The Study has ever and will achieve in my life.

Executive Summary

This Internship report paper is set up as a need for the BBA program of Daffodil International University. This Internship report gives an exhibition assessment of One Bank Ltd. Alongside the estimation of danger factors and monetary strength of One Bank Ltd. in light of five years' budgetary information.

We realize that the financial framework possesses a significant spot in a national economy due to its go-between job. It guarantees the portion and migration of assets and keeps up the force of monetary exercises. A financial organization is fundamental for current society. I assume a significant job in the monetary improvement of a nation. In a creating nation like Bangladesh, the financial framework, in general, has an imperative task to carry out in the advancement of monetary improvement.

In the cutting-edge economy, purchaser banking is the key development region. While the development in client numbers in the corporate financial section is winding up close, new clients in shoppers banking are developing each day. Shopper banking field in Bangladesh is moderately new.

I isolated my report into a few sections. In the first place, in the presentation part, it has included organization outline and friends' various angles and history just as the organization's central goal and vision of One Bank Ltd. As we realize that One Bank constrained is one of the essential recorded banks in our nation. One Bank began its adventure as an open constrained organization in 1995.

Additionally, the following part is the organization's presentation assessment through ROA (Return on Asset). This part is the primary piece of the report, which encourages us to realize that the organization is on hazard or on safe position. I separated all the segment of the ROA model of the bank and investigations in this report. At the last piece of the report, I talk about the hazard the executives of One Bank Ltd. There I break down the repricing hole model, advertise hazard, chance balanced profit for capital proportion, liquidity chance proportion, operational hazard, and credit chance proportion. At that point, I talk about the situation of One Bank Ltd.

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Chapter-1

Introduction

1.1 Introduction

The bank is a money related foundation, which assumes a significant job in the advancing of the monetary state of the nation. Their principal work is to gather cash from the general population and give this cash as a credit to the organizations or association. Here banks are functioning as a media of both investor and obligation holder. On the off chance that banks are not existing, at that point cash dissemination ends up harder for the individuals. Banks additionally give money related administrations to the open, for example, riches the executives, cash trade, and safe store boxes.

There are a few sorts of a bank in this world, for example, national bank, business bank, reserve funds bank, speculation bank, trader bank, a co-employable bank, and so forth.

What's more, the report is around One Bank Ltd, which is a business bank. Their principle work resembles gathering a store from people in general and issuing advances. A client can get a different idea from a business bank as a client can exploit a scope of speculation items like investment accounts and declaration of store

Presently a day banks are ending up progressively improved and make life simpler for the individuals through ATM stall, Visa card, Master card, web-based banking, and portable financial framework, and so forth. Because of the focused market, each financial establishments are attempting to give better support of their clients. So the bank and banking procedure is essential for each individual.

Here in this report, I will talk about the exhibition of the "One Bank Ltd" more than five years through utilizing ROE (Return on Asset) model. Through this assessment, I can contrast and one year over one more year that which year is best for One Bank Ltd.

1.2 Origin of the Report

The report which title is "Performance evaluation of One Bank Ltd." has been set up as a satisfaction of the BBA program from Daffodil International University. In addition, make this

report through approved by Md. Anhar Sharif Mollah who is the Assistant professor of Department of Business Administration of Daffodil International University.

An Internship report paper is an archive of short monetary translation of an association. By doing this Internship report a Department of Business Administration understudies finishes his/her professional degree an Internship report paper is an obligatory necessity for the understudies who are going to move on from the BBA Department. Furthermore, the essential objective of the Internship report is including

- To made a student more competitive.
- To gaining exposure and experience in the field, when a student collects information from the organization through meet the organization's employees.
- To complete the necessity things or aspects of the BBA program.

1.3 Objectives of the Report

The objective of the report divided into two parts, such as:

- Broad Objective
- Specific Objective

1.3.1 Broad Objective

The most important objective of this Internship report is performance evaluation of the One Bank Ltd. by using aggregate ROE model. Under this Internship report need to solve the particular problem. As a broad objective need to fulfill its purpose properly.

- To analyze the ratio and risk.
- To forecast the future financial statement.
- To determine the value of the One Bank Ltd.
- To assess the quality of the financial Statement.

1.3.2 Specific Objectives

There are some specific objectives

- To identify the financial performance of the One Bank Ltd.
- To compare the financial performance of One Bank Ltd.
- To identify the problems and provide recommendation.

1.4 Scope of the Report

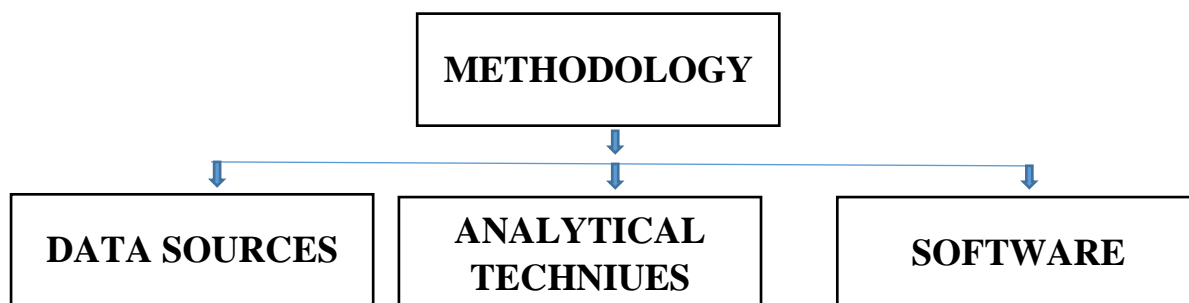
The extent of the Internship report paper dependent on the reasonable structure of the performance evaluation of the One Bank Ltd. This report is a situation of the general performance of the One Bank Ltd. What's more, this investigation is led to certain standards of One Bank Ltd. This bank is a banking or banking exercises that are consistent with the rule of the business bank law and its commonsense application is through the improvement of business financial aspects. This report will expand the information of the business understudies to acquainted with the performance analysis and will instruct to apply theory in the down to earth territory.

This report encourages me to discover some fundamental information or idea of money related errands.

- ➔ It discovers the general image of the fiscal summary of One Bank Ltd.
- ➔ It causes me to know the record standards, similar to how the Balance sheet is estimated.
- ➔ It causes me to think about the distinctive proportion proclamations.
- ➔ It thinks about the ROE model and how it functions in useful life.
- ➔ Diverse between market esteem and gaining.
- ➔ Recognize the term to be decided sheet that is measure as reasonable worth.

1.4 Methodology of the Report

To set up this report, standard methods of report composing have been utilized. For composing this report various sorts of information we're expected to finish. We realize that approach is the deliberate, theoretical analysis of the methods applies to a field of study. Commonly, it includes ideas such as the theoretical model and subjective strategies. There are a few sources and systems of Internship report strategy, for example,



1.4.1 Data Sources

Various Data are required to satisfy the objective of this Internship report. Here I utilizing both essential and optional information sources, I gathered the required information. For gathering information from essential sources I went to One Bank Ltd. For gathering optional information from the wellspring of web

- Relevant journals and articles available in website.
- Website of One Bank Ltd.
- Annual report of year 2013 to 2017 of One Bank Ltd.
- Manuals of the One Bank Ltd.

1.4.2 Software

In this report here I used some software for the calculations, graphical presentation for preparing this report successfully.

- Ms Word
- Ms Excel

1.5 Limitation of the Report

The study realizes that each investigation has some constraint. During the investigation, I face a few issues like this an Internship report that is the reason I don't work for any organization or association. Moreover, another enormous issue is I don't discover every one of the proportions appropriately, that is the reason a few times I expect the sum. Consequently, I face a few issues with gathering data about a specific organization. I have face some missing to do this report.

The impediments that I confronted those are given cry:

- ❖ Lacking getting legitimate data since I don't do an internship, consequently, discover more data around One Bank Ltd. It was so intense for me.
- ❖ Lacking enough data which was important for making this report and which was not accessible on sites.

- ❖ The bank's arrangement limits disclosing a few information about the performance of the bank.
- ❖ Adequate articles, distribution, facts and figures are not accessible.
- ❖ Proportion analysis clarifies the connection between past data while clients are progressively worried about present and future data.
- ❖ Proportion analysis just gives numbers not causation factors. Besides, proportions are good for nothing without comparison against pattern information and industry information.
- ❖ The diverse division may require a comparison to the distinctive business normal.
- ❖ The representatives of the banks are occupied with their works lead a brief period to counsel with them.

Chapter Two

Literature Review

Credit Management in One Bank Ltd.

Factors:

- ❖ SWOT Analysis
- ❖ Fund Diversion
- ❖ Sectorial Analysis
- ❖ Discouraged sector (Ship breaking)

Selected sector

- ❖ Transaction Analysis
- ❖ Experience in the line of business

Method:

1. Preliminary docs
 - a) Asking the client to submit some preliminary docs.
 - b) trade license
 - c) TIN certificate
 - d) Stock list
 - e) Agreements
2. Market Information: 3rd party Businessman in the same line of Business.
3. Call Report to Head Office
4. Positive Response from Head office
5. fully-fledged proposed (Comprehensive)
6. Along with all supporting docs
7. Business /Marketing Division > Assessment
8. Recommend to CRM (Credit Risk Management)
9. Sanction letter/Condition issuance in favor of client.

10. Documentation: Mortgage/power of Attorney/Personal Guarantee/Attachment from court.

11. Disbursement of loan

12. Monitoring (frequent)

In case of failure in repayment, legal action/Possible initiatives in Consultation with Head Office

Types of Loan:

1. Working Capital loans: OD/CC(HYPO)/ CC(PLEDGE)/ LTR/LIM Tenor is maximum 1 year
2. Project loan/Term loan: Tenor- more than 1 year [Monthly/Quarterly/Half-year instalments] -Repayment
3. Others: Cash based loan SOD (FDR/DPS/SAVINGS CERTIFICATE)
4. Restructuring of loan repayment schedule
5. Contractor financing / Work order financing/ Bank Gurantee / Bid Bond / Performance Gurantee
6. Corporate Loan (Corporate clients)
6. SME LOAN (SME Clients)
 - a) Retail Loan (Individuals)
 - b) Credit card
 - c) Personal loan
 - d) Home loan/Flat/House buildings
 - e) Any purpose loan
 - f) Education
 - g) Marriage loan
 - h) Travelling loan
 - i) Car loan
 - j) Doctors loan

7. DBR (Debt-Burdent Ratio)

There are a few theories on how the idea of performance estimation showed up. Morgan (2004) accepts that cutting edge performance estimation showed up in Venice in the fifteenth century, with the presence of twofold section bookkeeping. Another view is that of the creators Johnson and Kaplan (1987) that think about that performance estimation showed up during the mechanical unrest. Either way, we can say with reasonable conviction that performance the executives has developed as the prevailing exploration region in the mid '50s when scholastics and practitioners have turned out to be keen on the need to quantify performance and estimation outcomes (Argyris, 1952, Ridgway, 1956).

Enthusiasm for the board and performance estimation has expanded extensively over the most recent 20 years (Taticchi, 2008). Various productions on this subject have become essentially in the course of the most recent decade (Beamon 1999, Lohman et al. 2004, Gunasekaran et al. 2004). We accept this is essentially because of a basic change in business. Furthermore, performance is not a subject effectively tended to. It is clear the need to study and reevaluate the idea and, in this specific circumstance, to reexamine how performance estimation is done.

As indicated by Atkinson et al. (1997), performance estimation should assist the monetary substance with understanding and evaluate the worth got from providers and workers, the worth given by the partners and the viability of procedures executed in the financial element and its key properties. Therefore, we can say that performance estimation assumes the job of coordination, checking, and diagnosis of the financial substance's exercises.

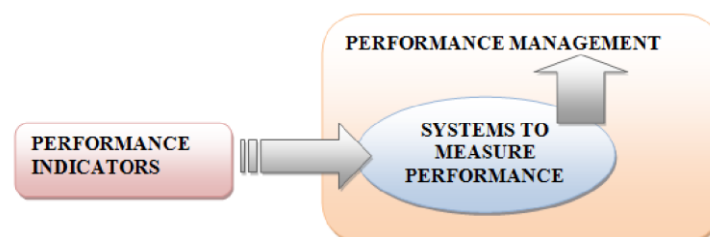
Marr (2004) distinguishes the accompanying exercises during the time spent estimating performance: (1) constructing a model of performance for every business independently, (2) information gathering, (3) information analysis and understanding, (4) recovery and correspondence data. Such a meaning of performance estimation is more far reaching than those mentioned previously. Hence, Marr figures out how to underline that performance estimation is an organized procedure, concentrated on results. Another response to the inquiry "What is performance evaluation?" is given by Maria Niculescu in "Worldwide Strategic Diagnostics", where it thinks about that "performance estimation is a procedure that enables you to interface a dynamic idea to experimental pointers" (Niculescu 2005:246). Thus, performance estimation devices are established to be the pointers. The monetary writing can represent many meanings of pointers. Un marker is a component or a lot of data components, an agent in connection to a worry or a target, came about because of unmistakable estimating or watching a condition of a wonder or a yield (Boldeanu, 2008:24). Since the performance of a monetary element is affected by different elements we think about that the pointers used to evaluate the performance need to cover all performance determinants and their effect on performance by featuring the quantifiable viewpoints and furthermore the unquantifiable ones. The measure "money related" or "non-monetary" has not such incredible significance and there is no severe principle on the issue. Significant criteria are extraordinary (key pertinence, operational proficiency) and can be met, as proper, by the monetary pointers or potentially non-money related (Lorino 2002: 237). The

purported "non-money related markers", regardless of whether they can't generally be communicated in monetary units, their impact is reflected in other pointers of the monetary and budgetary measurement whose size is effectively deciphered in monetary units. Improving the nature of the element's movement is following up on the element's picture (non-money related marker), yet in addition on the size of turnover. As of now, performance measures should meet the accompanying prerequisites (Maskell 1992:44-48): to utilize fundamentally the non-monetary procedures; to fluctuate starting with one area then onto the next, starting with one locale then onto the next; to change after some time, as a substance needs change and to improve performance, not simply screen performance.

Performance evaluation of a monetary element requires moving toward a few criteria, for example, industry and financial substance type, administrative and pioneering methodology, aggressive condition, human and material assets accessible, utilizing an arrangement of fitting performance markers for this reason (Petrescu 2008:281).

The administration of a monetary substance utilizes markers to quantify, report and improve element's performance. The connection among pointers and the board is guaranteed by the existence of performance estimation and can be caught as in figure number 1.

Figure no. 1 Relationship between performance indicators and performance management



The exigencies of correspondence happened on the developing number of marvels that denoted the worldwide economy in ongoing decades (internationalization and migration of business crises and disturbance in money related markets), request performance estimation to be made in a far reaching route by budgetary and non-monetary criteria. Non-monetary criteria consider

the element's long haul direction and they get from viewpoints, for example, social obligation (Mironiuc 2009:152).

In the present setting of supportable improvement, the performance evaluation procedure should consider the premiums of all gatherings included (Kubiak 2003:41): interior and outer clients, providers, accomplices, financial specialists, society in general. Subsequently, pointers of the monetary substance's performance evaluation that ought to be incorporated into the arrangement of pointers shown by Evans (2005) can be separated into the accompanying classifications (Paunescu 2007:19): "budgetary markers; pointers mirroring the general performance of a financial element; markers considering the market performance of the element; markers for nature of items and administrations; pointers on client connections; pointers on HR and pointers for social obligation and moral conduct."

As we have seen during the writing revised, research to date so as to distinguish the proper structure of a framework for surveying the performance of monetary substances have discovered that it takes a "lot of pointers that mirror a reasonable image of elements' performance" (Ciobanu 2006:13) and mirroring the multidimensional idea of performance. A model is given by Kaplan and Norton that offer the Balanced Scorecard in 1996, which is a fair appraisal of the monetary element's performance, including both budgetary and non-money related pointers.

As per Epstein and Manzoni "frameworks (models) for estimating performance ought to incorporate more non-money related markers to supplement the budgetary ones, specifically concerning client discernment and performance of inward forms" (Epstein and Manzoni, 1997). For feasible advancement of a substance, esteem creation can't be seen in carefully money related terms, therefore any procedures that are characterized by elements concerns the quantitative perspectives (monetary budgetary) yet additionally subjective viewpoints (social and ecological). In view of these viewpoints Global Reporting Initiative proposed a lot of performance estimates covering the three components of in general performance, separated into ecological pointers, social markers, and financial markers.

Chapter 3

Organizational Overview

3.1 Background of the Organization

ONE Bank Limited was fused in May 1999 With the Registrar of Joint Stock Companies under the Companies Act. 1994, as a business bank in the private segment. The Bank is will undoubtedly serve the clients and the network with the most extreme commitment. The prime spotlight is on productivity, straightforwardness, precision, and inspiration with the soul and conviction to exceed expectations as ONE Bank Limited in both worth and picture.

The name 'ONE Bank' is gotten from the understanding and since a long time ago nourished sentiments of the advertisers to connect with the individuals of varying backgrounds and progress together towards success in a soul of oneness.

ONE Bank Limited is a private part business bank committed in the business line of taking stores from open through its different sparing plans and loaning the reserve in different areas at a higher edge. Notwithstanding, due consideration is given in regard to risk undertaking, risk supporting and if not suitably supported, the impression of the equivalent in estimating. In the financing side, the bank's real fixation is in exchange fund covering about 20.88% of complete financing as on YE2006 which is chiefly momentary speculation. The banks financing move in both, working capital fund and long haul money. OBL has significant centralization of financing in medium and huge businesses. Since the transient money conveys okay contrasted with long haul fund; the financing procedure of OBL will assist the bank to keep the risk at insignificant.

While financing the mechanical division, the real grouping of the bank had all the earmarks of being in the material and RMG area; both the above areas spread 30.89% of the all-out portfolio. OBL likewise engaged with concrete development and transport area financing. In the speculation portfolio, OBL has a generous interest incited and non-cited portions of the diverse association including some planned money related establishments. The bank has demonstrated its insight in decreasing its introduction from ship rejecting part, steel re-rolling where the bank had ventured before. With the expansion in the presentation to RMG, the bank has expanded its non-supported business salary considerably. With a time of just 8 years, the OBL has stepped up to the plate and dispatch IT-based banking items like ATM offices, E-banking, and so forth that are praiseworthy. At present OBL is working 26 branches crosswise over Bangladesh, out of which 12 branches are in Dhaka and the staying 14 branches are working in various zones of the nation.

3.2 Corporate Mission and Vision Statements

3.2.1 Vision Statement

To establish **ONE Bank Limited** as a Role Model in the Banking Sector of Bangladesh and to meet the needs of the Customers, provide fulfillment for the People and create Shareholder Value.

3.2.2 Mission Statement

- ❖ Constantly seek to better serve the valued Customers.
- ❖ Be pro-active in fulfilling the Social Responsibilities for the company.
- ❖ Review all business lines regularly and develop the Best Practices in the industry.
- ❖ Working environment to be supportive of Teamwork, enabling the Employees to perform to the very best of their abilities.

3.3 Corporate Slogan

...WE MAKE THINGS HAPPEN

3.7 Products & Services

1. Service of The Professional Personal

The Officers of ONE Bank Limited have, to their credit, decades of banking experience with National/ international banks at home and abroad. They are suitably equipped to meet customer expectations and are available at all times to provide a single-window customized and confidential service.

2. A State-Of-The-Art Technology Banking

The Bank will provide a state-of-the-art technology banking such as Any Branch Banking, ATM Services, Home-Banking, Tele-Banking, Mobile-Banking etc.

Retail Banking

Bank limited offers individuals the best services, including the following, to provide complete customer satisfaction:

- ➔ Deposit services.
- ➔ Current Account in both Taka and major foreign currencies.
- ➔ Convertible Taka Accounts.
- ➔ Local and foreign currency remittances.
- ➔ Various types of financing to cater to the banking requirements of multinational clients.

3. Institutional Banking

ONE Bank Limited will offer various services to foreign missions, NGOs and voluntary organizations, consultants, airlines, shipping lines, contractors, schools, colleges and universities. The services include mainly the following:

- Deposit services.
- Current Account in both Taka and major foreign currencies.
- Convertible Taka Accounts.
- Local and foreign currency remittances.
- Various types of financing to cater to the banking requirements of multinational clients.

4. Corporate Banking

ONE Bank Limited caters to the needs of the corporate clients and provides a comprehensive range of financial services, which include:

- Corporate Deposit Accounts.
- Project & Infrastructure Finance, Investment Business Counselling, Working Capital and other finances.
- Bonds and Guarantees.

5. Commercial Banking

Being a commercial bank, ONE Bank Limited provides comprehensive banking services to all types of commercial concerns. Some of the services are:

- Trade Finance.
- Commodity Finance.
- Issuance of Import L/Cs.
- Advising and confirming Export L/Cs. - Bonds and Guarantees.
- Investment advice.

ONE Bank Limited will provide specialized services to Ministries, Autonomous and Semi-autonomous bodies.

6. On-Line Banking

ONE Bank Limited offers 'Any Branch' banking service that facilitates its customers to deposit, withdraw and transfer funds through the counters of any of its branches within the country.

Chapter Four

Performance Evaluation of OBL

I dissected the information to discover the required data. I utilized an important number of outline and diagram to display the report. Essential statistics, Excel or any required PC program used to process the information. In view of this quantitative information analysis the last report was readied. Pattern analysis and Ratio analysis are directed to exhibit and to think about the monetary performance of OBL, Chittagong corporate Branch.

4.1 Data Analysis Performance Evaluation of OBL

Ratio analysis is the technique of calculating of different financial ratios to using the data collecting from company's annual report. The level and historical trends of these ratios can be used to understand the company's financial condition, its operations and attractiveness as an investment.

4.1.1 Liquidity Ratio

Current Ratio

Current ratio indicates the ability of a company to pay its current liabilities through its current assets. Current ratio shows the strength of the company's working capital.

$$\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$$

In Millions TK.

Current Ratio					
	2013	2014	2015	2016	2017
Current Ratio	1.47:1	1.41:1	1.57:1	1.82:1	1.85:1

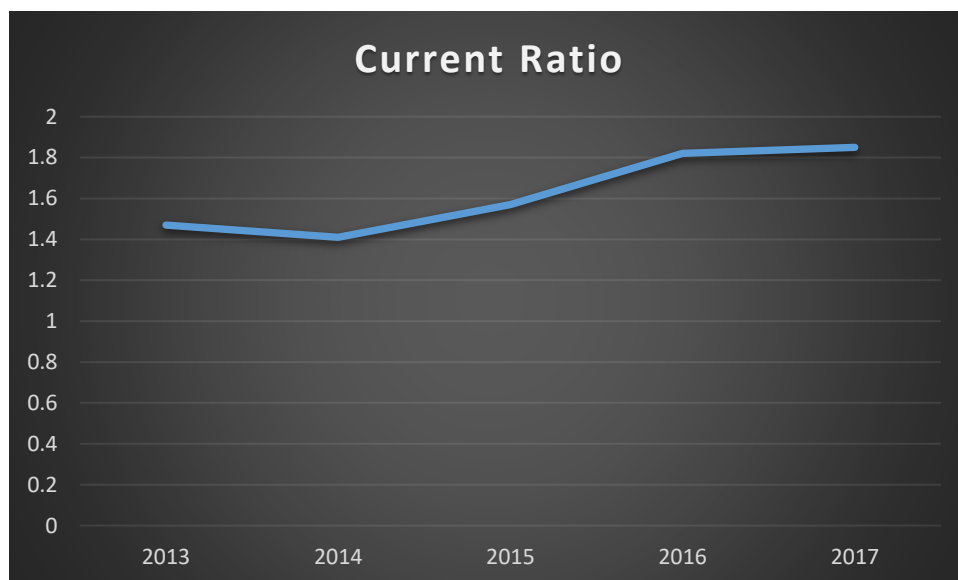


Fig 3.2: Current Ratios of OBL for the years 2013-2017

Current ratio of One Bank Limited shows an increasing trend. In the year 2017 current ratio was 1:1.91 it means that the bank have 1.91 taka current assets against 1 taka current liabilities. From the analysis of last 05 years we say that the current assets position of the bank is satisfactory.

Quick Ratio

Quick ratio is an indicator of a company's short-term liquidity position, and measures a company's ability to meet its short-term obligations with its most liquid assets.

$$\text{Quick Ratio} = (\text{Current Assets} - \text{Inventories} - \text{Prepaid Expenses}) / \text{Current Liabilities}$$

In Millions TK

Quick Ratio					
	2013	2014	2015	2016	2017
Quick Ratio	0.53:1	0.54:1	0.53:1	0.49:1	0.44:1

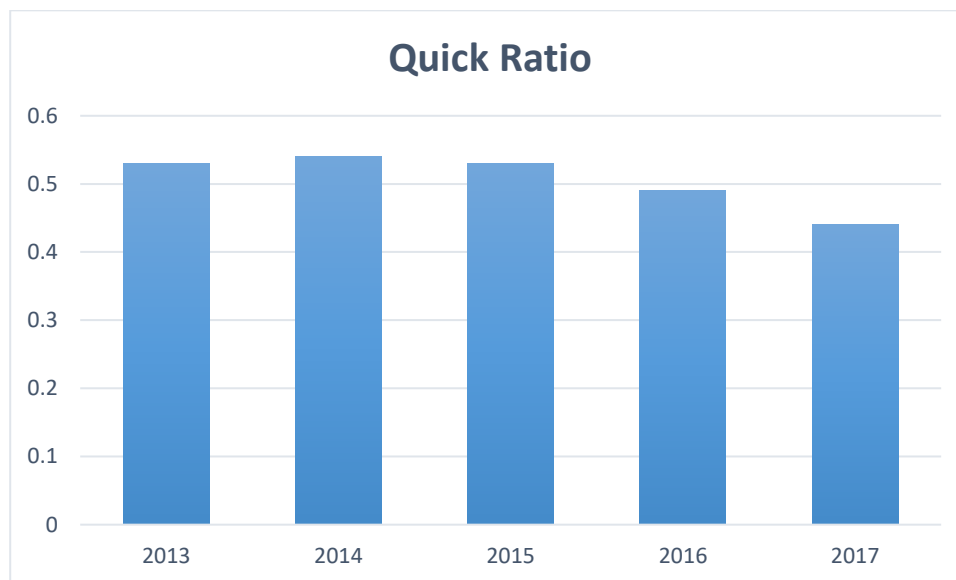


Fig 3.3: Quick Ratio of OBL for the years 2013-2017

In the year 2014, quick ratio was healthier and in the year 2017 the ratio was 0.49 which was lowest. From our analysis it shows that the quick ratio position of the bank was not good.

Net Working Capital

Working capital (WC) represents the liquid capital of an organization which is used to meet the organization's daily operating cost.

Working Capital = (Current Assets – Current Liabilities)

In Million TK

Working capital					
	2013	2014	2015	2016	2017
Working capital	36700.67	39315.40	52338.70	76283.85	91514.88

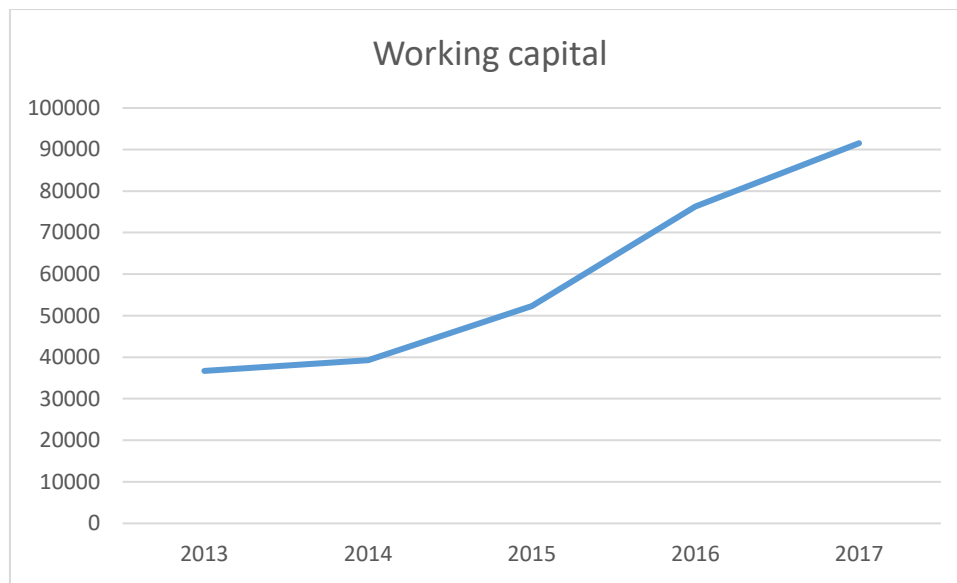


Fig 3.4: Working capital of OBL for the years 2013-2017

From our analysis we found that the working capital of One Bank Limited gradually increases. In the year 2017 the working capital of the bank was 92014.98 million taka. The working capital position of the bank was satisfactory.

4.1.2 Debt Ratio

Debt to Equity Ratio

The debt to equity ratio shows the percentage of company financing that comes from creditors and investors.

Debt to Equity Ratio = (Total Debt/Total Equity)

Debt to Equity Ratio					
	2013	2014	2015	2016	2017
D/E Ratio	1146.70%	1140.30%	759.41%	912.62%	1126.78%

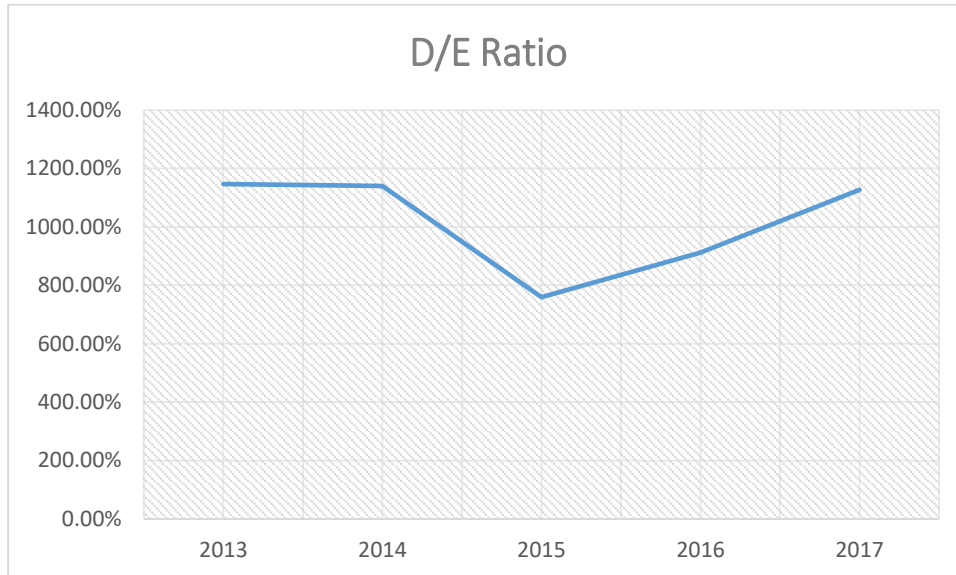


Fig 3.5: Debt to Equity Ratio of OBL for the years 2013-2017

We found that the debt to equity ratio of One Bank Limited is very high. In the year 2017 the creditors supply 1,126.83 Tk for each 100 Tk supplied by the stockholders. So we can say that the equity position against of debt is no good.

4.1.3 Activity Ratio

Total Aasset Turnover Ratio

It is an efficiency ratio. It is the ability of an organization to generate the operating income by using its assets.

Total Assets Turnover Ratio= Total Operating Income/Total Assets

Total Aasset Turnover Ratio					
	2013	2014	2015	2016	2017
Total Assets Turnover Ratio	4.37%	4.35%	3.85%	4.50%	3.94%

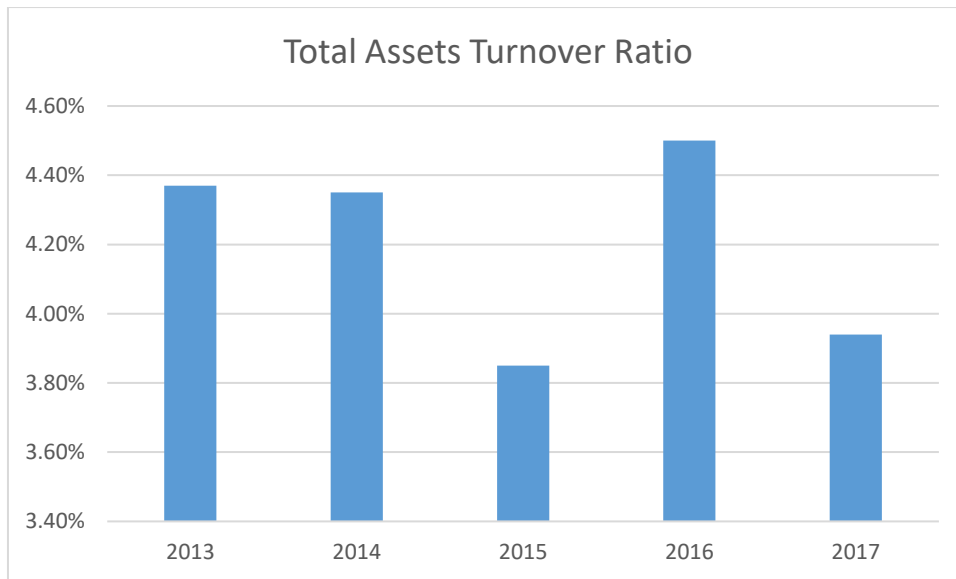


Fig 3.10: Total Asset Turnover Ratio of OBL for the years 2013-2017

We found that the total assets turnover ratio of One Bank Limited was fluctuating during the considering period. In the year 2015 it was maximum (4.90%) and in the year 2017 it was (4.44%). From our analysis we can say that the overall total assets turnover ratio of the bank is unsatisfactory.

4.1.4 Profitability Ratio

Earnings Per Share (EPS)

EPS indicate the profitability of an organization. Higher EPS means the company have higher profit and the company is very lucrative for the investor.

Earnings Per Share (EPS)= Net income/Total number of Shares

In Tk

Earning Per Share (EPS)					
	2013	2014	2015	2016	2017
EPS	2.53	2.61	2.67	3.06	3.29

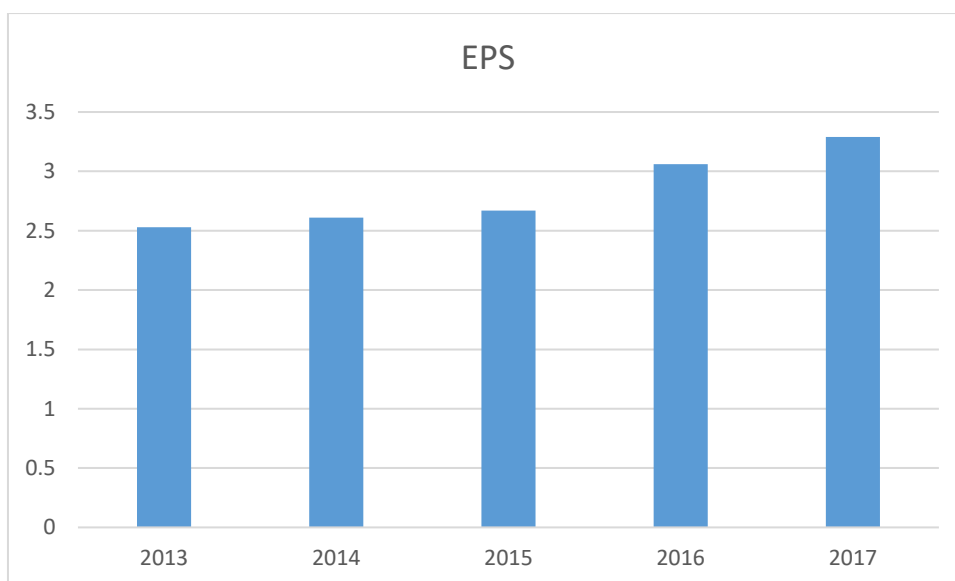


Fig 3.6: Earning Per Share (EPS) of OBL for the years 2013-2017

EPS represents that it is earned on behalf of each ordinary shares. EPS is closely observed by investors because it is an important indicator of business success. We found that EPS of OBL was 2.53 Taka in 2013 and it gradually increasing and reached at 3.29 Taka in 2017. This increasing trends in EPS is good sign for the Bank.

Return on Equity

Return on equity indicates the profitability of the company.

$$\text{Return on Equity} = (\text{Net profit after Tax} / \text{Shareholders Equity}) * 100$$

Return on Equity					
	2013	2014	2015	2016	2017
Return on Equity	12.48%	12.27%	10.27%	11.34%	12.80%

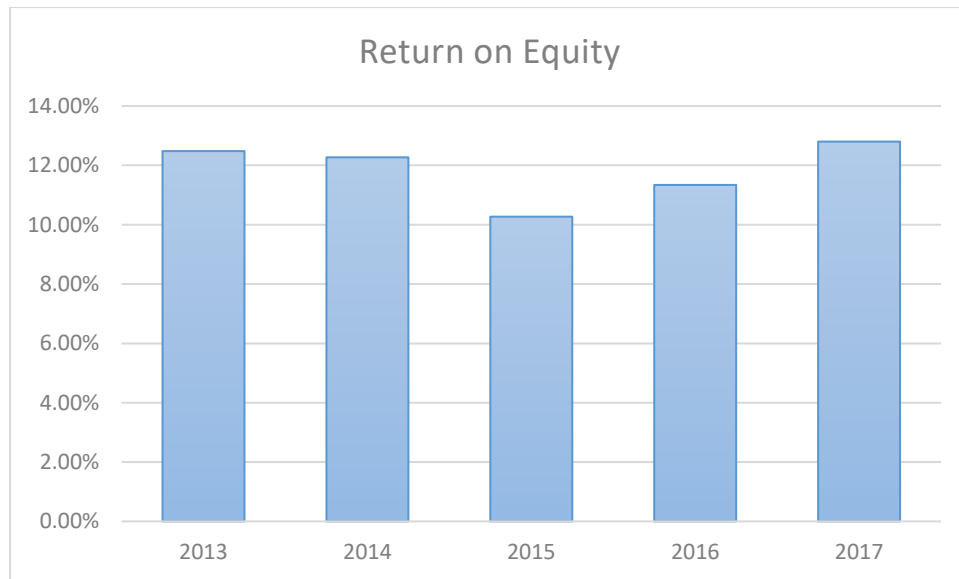


Fig 3.7: Return on Equity of OBL for the years 2013-2017

In the year 2017 we found that the return on equity was highest (13.10 %). ROE 13.10 means the bank earn 13.10 Tk by using 100 Tk equity capital. The return on equity of One Bank Limited is not bad.

Net Profit Margin

Profit margin is called net margin. It indicate what percentage of net operating revenue add to its profit.

$$\text{Net Profit Margin} = (\text{Net Income After Tax} / \text{Total Operating Revenue})$$

Net Profit Margin					
	2013	2014	2015	2016	2017
Net Profit Margin	18.14%	20.12%	21.54%	21.12%	21.00%

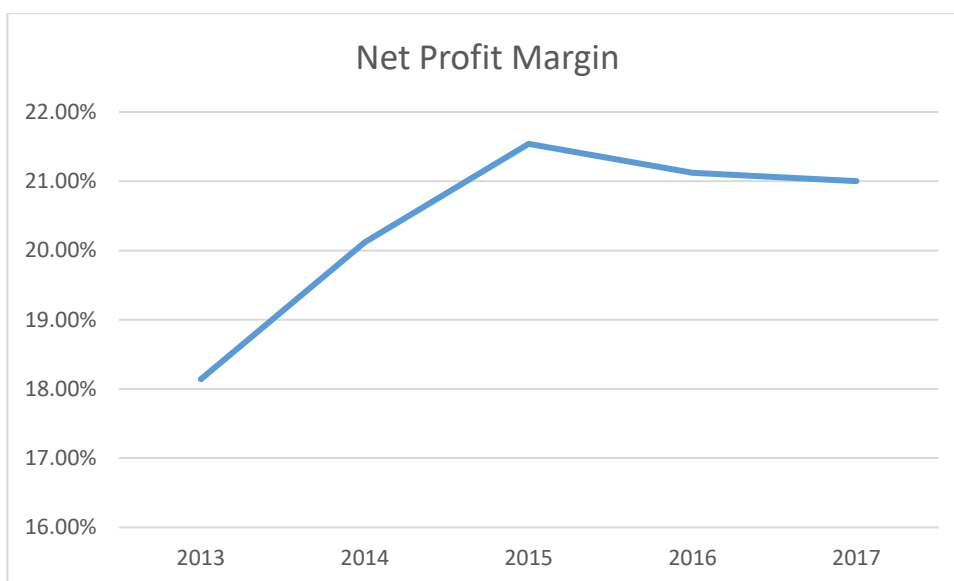


Fig 3.8: Net Profit Margin of OBL for the years 2013-2017

From our analysis we found that there was highest profit margin was 23.54% in 2015. It means the bank makes 23.54 Tk profit from every 100 Tk operating revenue. From above analysis we can say that the net profit margin of the bank is satisfactory.

Return on Assets

It is a profitability ratio. It indicate the amount of profit made by the organization by using 100 Tk total assets.

$$\text{Return on Assets} = (\text{Net Income after tax} / \text{Total Assets})$$

Return on Assets					
	2013	2014	2015	2016	2017
Return on Assets	2.58%	2.20%	2.54%	2.48%	2.20%

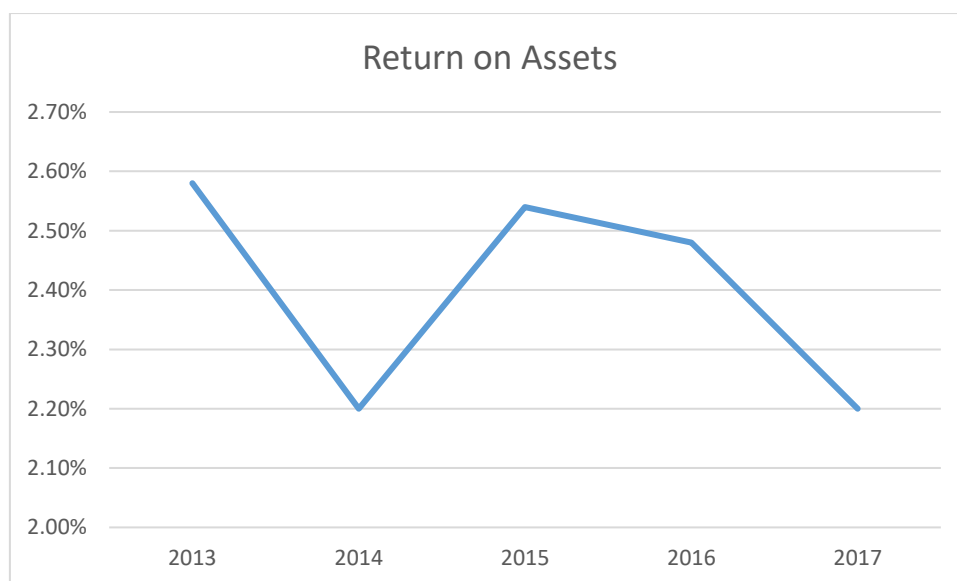


Fig 3.9: Return on Assets of OBL for the years 2013-2017

We found that the return on assets is fluctuating during the considering period. In the year 2013 it was maximum (2.58%) and in the year 2017 it was minimum (2.20%). From our analysis we can say that the overall return on assets of the bank is unsatisfactory.

Chapter Five

Findings and Conclusions

5.1 Findings

After analyzing the financial data of One Bank limited of the period 2013 to 2017, we found some important observation. The following findings have been placed to perform efficient operation of the bank.

- ☐ Current Ratio was upwards from 2013 (1.47:1) and reached at 1.85:1 in 2017
- ☐ Quick Ratio was remaining almost same in 2013 to 2015 and is was 0.53:1, then it decreasing and reached at 0.44:1 in 2017
- ☐ EPS has an increasing trend from 2013 to 2017 and it was 3.29 in 2017
- ☐ Return on Equity in 2017 was 12.80 and it was higer than last 4 years

5.2 Conclusions

It has been discussed about the General Banking Activities of this bank as well as financial performance for the period of 2013-2017. I have tried to analysis the performance of it by analyzing trend and ratio of selected factors of this bank. Overall findings show that the financial performance of this bank is chronologically growing over the period of 2013-2017. This branch is more capable of contributing towards economic development as compared with other Branches of OBL. OBL, Chittagong Corporate Branch plays an important role in the banking sector as well as in our economy. The success of this bank depends largely on the efficient of General Banking Activities and coordination among the Departments of it.

Chapter six

Recommendations

6.1 Recommendations

From this study understand and gain real world knowledge on banking industry. After finishing my study, the study wants to put sum recommendation which is solely my own observation.

- ☐ Current ratio is increasing so, OBL should keep its increasing the rate of current asset to hold the increase rate of current ratio.
- ☐ Return on equity is low so the bank should concern on more net profit after tax which should increase and total equity capital should reduce.
- ☐ Return on asset is very low. That implies that the bank is more on debt compare to its income. So the bank should increase the fixed assets more to pay off its liabilities.

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