



Internship Report
on
Overall Financial Performance
of Bank Asia



Letter of Transmittal

July 19, 2017

Md. Tamzidul Islam

Assistant Professor & Internship Coordinator

BRAC Business School (BBS)

BRAC University, Bangladesh

Subject: Letter of Transmittal

Dear Sir,

I am pleased to submit this internship report on “**Overall Financial Performance of Bank Asia**”. I was assigned to work as an intern in general banking. I have tried my level best to fulfill my entire required task at office and tried to follow my supervisor’s instructions while preparing this report. This gave me the opportunity to theoretical knowledge in practical field, which will help me in my future career.

It would be a profound pleasure for me if the report can serve its purpose. I would be available in any time to explain you any queries if feel necessary.

Thanking You

Sincerely Yours

Sarah Haq

ID: 14364020

MBA (HRM)

BRAC Business School

BRAC University

Supervisor's Certificate

This is to certify that the internship report on **“Overall Financial Performance of Bank Asia”** is an original work by Sarah Haq, ID- 14364020; major in HRM, MBA Program, BRAC University. She accomplished this Internship Report under my supervision. So, she is directed to present this report for the partial requirement of the fulfillment of MBA program from BRAC Business School at BRAC University. The report has been prepared under my direction and I wish him every success in his future life.

.....
Signature of the Supervisor

Md. Tamzidul Islam
Assistant Professor & Internship Coordinator
BRAC Business School
BRAC University

Plagiarism Declaration

I know that plagiarism is taking and using the ideas, writings, works or inventions of another and passing them as one's own. I know that plagiarism not only includes copying, but also the extensive use of another person's ideas without proper acknowledgement. I know that plagiarism covers this sort of use of material found in textual sources and from the Internet.

I am declaring that this report is my own work under supervision of **Md. Tamzidul Islam** and I will not allow anyone to copy my work with the intention of passing it off as their own work.

Sarah Haq
ID: 14364020
MBA (HRM)
BRAC Business School
BRAC University

Acknowledgement

First and foremost, I am extremely grateful to The Gracious Almighty Allah for giving me the courage, strength and patience to conduct and complete my report as the partial requirements of the fulfillment of MBA Program of Brac University.

I am using this opportunity to express my gratitude to everyone who supported me throughout the course of this MBA project. I am thankful for their aspiring guidance, invaluable constructive criticism and friendly advice and environment they make during the project work. I am sincerely grateful to them for sharing their views, valuable opinion on a number of issues related to the project.

I would like to express sincere gratefulness and respect to my supervisor Md. Tamzidul Islam, Assistant Professor & Internship Co-ordinator, BRAC Business School, BRAC University, who helped me with his generous and gracious guidance in preparing this report.

The internship opportunity I had with Bank Asia Limited, Paltan Branch, was a great chance for learning and professional development. Therefore, I consider myself as a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet wonderful people and professionals who led me through this internship period.

Bearing in mind previous I am using this opportunity to express my deepest gratitude and special thanks to the Branch Manager Mainul Islam and Operation Manager Azizul Islam of Bank Asia limited, Paltan Branch, who in spite of being extraordinarily busy with their duties, took time out to hear, guide and keep me on the correct path and allowing me to carry out my project at their organization. I perceive as this opportunity as a big milestone in my career development. I will strive to use my gained skills and knowledge in the best possible way, and I will continue to work on the improvement of gained skills and knowledge, in order to attain desired career objectives.

TABLE OF CONTENTS

Sl. No	Content	Page no.
i.	Prefatory	i-viii
1.	Introduction	01
1.1.	Introduction	02-03
1.1.1.	Banking Sector in Bangladesh	03
1.1.2.	Monetary Aggregates	04
1.1.3.	Two Years Comparative Analysis	05
1.2.	Origin of The Study	06
1.3.	Objective of The Study	06
1.3.1.	Primary Sources	06
1.3.2	Secondary Sources	06
1.4.	Scope of The Study	07
1.5.	Methodology	07
1.5.1.	Primary Data Collection	07
1.5.2.	Secondary Data Collection	07
1.6.	Limitations of the Report	07
1.7.	Interns Role and Responsibility	07
1.8.	Daily Activities	08
2	Literature Review	09
2.1.	Literature Review	10
2.2.	The concepts of Performance	10
2.3.	Measurement of Performance	11
2.3.1.	Goal Setting Theory	12
2.3.2.	Expectancy theory	12

2.4.	Significance of Performance	12
2.5.	The Model (Performance Process)	13
2.6.	Organizational Benefit	14
3.	Company Profile	16
3.1.	Overview of Bank Asia Ltd	17
3.1.1.	Introduction	17
3.1.2.	Business Principle	17
3.2.	Vision	18
3.3.	Mission	18
3.4.	Credit Administration	18
3.5.	Agent Banking	18
3.5.1.	Uneven Coverage of Financial Facilities in Agent Banking	19
3.5.2.	Institutional Agreement and New initiatives of Agent Banking	20
3.6.	Bank Asia AMART App	20
3.7.	Contact Center	21
3.8.	Ektee Bari Ektee Khamar (EBEK)	21
4	Analysis	22
4.1	Bank Asia	23
4.2	Overall Operation of Bank Asia	23
4.3.	Corporate Financing	24
4.4.	MSME	25
4.5.	Cottage, Micro & Small Enterprise Financing	25
4.6.	Sectoral Distribution of Credit	26
4.7.	Credit Risk Management	27
4.8.	Facilities provided by Bank Asia	28
4.9.	Bank Asia At A Glance	29
4.9.1.	Global Position	29
4.9.2.	Bank Asia Budget Achievement(2016)	29
4.9.3.	Target Achievement of Paltan Branch(2016)	30
5	Findings and recommendations	32

5.1	Findings	33
5.2	Recommendations	33
5.3	Conclusion	33
6	References	34
7	Books & Articles	34
8	Others	34

Executive Summary

Every financial institution has multiple purposes including making adequate profit for payment, getting a reasonable rate of return to the owners and investing in business through satisfaction of customers, maintenance of a contented workforce and creation of a company image. The core job of management of any financial institution is to utilize the resources in a effective way so that they can achieve their business objectives.

This report entitled as “Overall Financial Performance of Bank Asia” was done to find out the factors in General Banking. Factors like account opening, deposits, FDR, cheque book application, dispatched section of bank , investment in business ,investment in export-import, classified loan, agent banking, investment on SME.

The human resources of an organization can play an important role in achieving the objectives and goals of that organization. Employees work in the organization for the satisfaction of their needs. If the human resources are not properly motivated, the management will not be able to accomplish the desired results. Therefore, human resources should be managed with utmost care to inspire, encourage and impel them to contribute their maximum for the achievement of the business objectives.

The amount of deposit was 1,912 60% of given target, advance is 1,639 crore 63% of given target, the amount of operating profit 593 crore 83% of given target, Import is 1,487 crore 91% of given target, export is 1,031 crore 90% of given target, remittance is 4,166 crore 79% of given target. Their fulfillment of given target are much more better than 2015.

The overall profit of only Paltan Branch is 10.25 crore, their profit achieved by 80.3% of their given target. Their future overall target of Paltan Branch in Deposit is 300 crore, Advance is 220 Crore, profit is 12.75 Crore, Import is 50 Crore, Export is 20 Crore.

1. INTRODUCTION

1.1. Introduction:

Bangladesh is a developing country with an under developed banking system, particularly in terms of the services and customer care provided by the government run banks. Recently the private banks are trying to imitate the banking structure and services of the more developed countries, but this attempt is often failed by inexperienced people or politically motivated government policies executed by the central bank of Bangladesh, Bangladesh Bank. The outcome is a banking system fostering corruption and illegal monetary activities/launders etc. by the politically powerful and criminals, while at the same time making the attainment of services or the performance of international transactions are difficult for the ordinary citizens, students studying abroad or through distance learning, general customers.

After the independence, banking industry in Bangladesh started its journey with 6 Nationalized commercialized banks, 2 State owned Specialized banks and 3 Foreign Banks. In the 1980's banking industry achieved significant expansion with the entrance of private banks. Now in 2016, banks in Bangladesh are primarily of two types:

- Scheduled Banks: The banks which get license to operate under Bank Company Act, 1991 (Amended upto 2013) are termed as Scheduled Banks.
- Non-Scheduled Banks: The banks which are established for special and definite objective and operate under the acts that are enacted for meeting up those objectives, are termed as Non-Scheduled Banks. These banks cannot perform all functions of scheduled banks.

There are **56 scheduled banks** in Bangladesh who operate under full control and supervision of Bangladesh Bank which is empowered to do so through Bangladesh Bank Order, 1972 and Bank Company Act, 1991. Scheduled Banks are classified into following types:

- State Owned Commercial Banks (SOCBs): There are **6 SOCBs** which are fully or majorly owned by the Government of Bangladesh.
- Specialized Banks (SDBs): **2 specialized banks** are now operating which were established for specific objectives like agricultural or industrial development. These banks are also fully or majorly owned by the Government of Bangladesh.

- Private Commercial Banks (PCBs): There are **39 private commercial banks** which are majorly owned by the private entities. PCBs can be categorized into two groups:
- Conventional PCBs: **31 conventional PCBs** are now operating in the industry. They perform the banking functions in conventional fashion i.e interest based operations.
- Islami Shariah based PCBs: There are **8 Islami Shariah based PCBs** in Bangladesh and they execute banking activities according to Islami Shariah based principles i.e. Profit-Loss Sharing (PLS) mode.
- Foreign Commercial Banks (FCBs): **9 FCBs** are operating in Bangladesh as the branches of the banks which are incorporated in abroad.

There are now **4 non-scheduled banks** in Bangladesh which are:

- Ansar VDP Unnayan Bank,
- Karmashangosthan Bank,
- Probashi Kollyan Bank,
- Jubilee Bank

1.1.1 Banking Sector in Bangladesh:

Country's banking sector showed a little growth on lowering of lending rates and sluggish business environment in 2016. The asset quality of banks improved to some extent during. While the capital-to-risk-weighted asset ratio (CRAR) recorded a minimum fall. Public sector registered negative growth of 1.70% because of slow implementation of government projects due to political unrest and private sector actual growth was 13.80% in December,2015.

The call money rate is remaining below or around 5% for a long time. The call money rate was 4.07% on 20th December but at the end of the 31st December 2015, it was 3.69% which is the sign of adequate liquidity, stable money market and good governance in banking sector. Sluggish demand for credit and the opportunity of foreign currency loans by local companies have contributed to this down trend. The amount of NPLs rose to TK. 513.71 billion in December, 2015 with a growth of 2.42% from TK. 501.56 billion in December, 2015. Provision coverage against NPL has risen at 95%.

1.1.2. Monetary Aggregates: (Y-0-Y growth in %)

Item	Actual		Program	
	Jun16	Dec15	Jun15	Jun14
Net Foreign Assets	3.2	17.5	21.3	40.3
Net Domestic Assets	19.5	14.3	9.9	10.6
Domestic Credit	16.5	13.1	10.1	11.6
Credit to the Public Sector	23.7	7.9	-2.6	8.8
Credit to the Private Sector	15.0	14.3	13.2	12.3
Broad Money	15.6	15.0	12.4	16.1
Reserve Money	16.0	16.5	14.3	15.4

Bank Asia Limited has a powerful team consists by senior experienced bankers in international and national markets. Senior team is guided by experienced and qualified experts .

Bank Asia set an example by acquiring the Bank of Nova Scotia in Dhaka, it creates a first history in Bangladesh. Again it acquired Muslim Commercial Bank Ltd (MCB), which is a Pakistani Bank.

In 2003 Bank Asia limited again came to highlight with Initial Public Offering of the shares of this bank, at that time it was a record (55 times) in our capital markets history.

Now Bank Asia has 105 branches all over the country.

Global (Bank Asia)	
Branch	114
SME Center	6
Islami Wings	5
Agent Banking	1,000

1.1.3. Three years comparative analysis. (million taka):

	2016	2015	2014	percentage
Operative profit	5,921	6,006	5,779	+ 3.93%
Return on Asset	0.65%	1.26%	1.28%	-0.02%
Deposits	191,273	169,827	140,869	+20.56%
Shareholders Equity	19,038	18,979	16,864	+12.54%
Return on Equity	8.13%	14.36%	14.09%	+0.27%
Classified Loan Ratio	5.41%	4.26%	5.31%	-1.05%
Inward Remittance (USD)	532	552	536	+2.99%
Earnings Per Share (Taka)	1.75	2.92	2.64	+16.29%
Loans & Advances	163,610	136,396	116,809	+16.77%
Profit after Tax	1,546	2,574	2,219	+16.01%
Import(USD)	1,824	1,607	1,378	+16.62%
Total Asset	253,196	224,347	182,731	+22.77%
Net Asset value per share(Taka)	21.60	21.54	22.1	+2.31%
Export(USD)	1,286	1,135	1,009	+12.49%

Bank Asia opted for a paradigm shift in its business dynamics to tide over intricacies of changed business scenarios at the backdrop of country's higher default loan and rapid advancement of technology driven services.

1.2. Origin of the study:

The internship report is a basic requirement of the school of Business, university. During this program students are assigned to an organization to observe the practical applications of their theoretical knowledge. Finally a report analysis and possible solution of the problematic zones of the organization needs to be submitted to Faculty Advisor Md. Tamzidul Islam, School of Business, BRAC.

1.3. Objective of the study:

1.3.1. Primary Objective:

- The objective of the study is to examine organization structure, products, business strategy and last 3 year performance of Bank Asia Ltd.

1.3.2. Secondary Objectives:

- Another objective is to analysis the financial performance of Bank Asia, specially paltan branch.
- Another objective is to find out the future target and fulfillment of previous target.
- Analysis the services provided for customers.
- Their core strategy to achieve goal.

1.4. Scope of the study:

The scope of the study is to analyze the overall financial performance of Bank Asia Limited.

1.5. Methodology:

For collecting data I have used both primary and secondary sources from Bank Asia.

1.5.1. Primary Data Collection:

For primary sources I have taken some face to face interview of respective officers in credit department and senior officers.

1.5.2. Secondary Data Collection:

For secondary sources I had to go through their journals, brochures and annual reports.

1.6. Limitations of the study:

The limitations of the study are the following

- One of the crucial limitations is time.
- As I posted in the Paltan Branch of Bank Asia. So it is difficult for me to collect data as because many of their data and information are not for all, so they refuse to show many of their policy to me as because I'm not their employee.
- Another experience is lack of previous experience in this specific field.
- Another one is taking interview of senior officers as because they are so busy with their work they have got little time to talk.
- The data was collected through my observation and questionnaire. The responds from the employee may not be accurate.

1.7. Interns Role and Responsibility:

During my internship program I have worked with AVP, Mainul Islam, Head of the Bank Asia Paltan Branch, where the employee was generous and helpful in terms of interaction. Overall, I have experienced a very friendly and supporting environment, which gave me pleasure and satisfaction to be a part of them for a while. I was also encouraged to learn lots of things. He discussed in details about respective task and it helps me to understand how He deals with other people. The lessons that I have learned from my internship program are given below:

- Knowing about corporate culture and process to work in an organization.
- Developing communication skills and learning about ways to interact with the other people.
- Learned how to work in a team and building networking also.
- Learned about General Banking.
- The risk a Bank has to take on be half of their valuable clients.

1.8. Daily Activities:

1. So far, my entire internship period at Bank Asia, it has been a great achievement for me to experience different kinds of responsibilities
2. At first I have learned about incoming mail entry and outgoing mail entry of a bank.
3. After that I worked with customer service department to learn how to deal with customer, check balance, give statement, update forms, cheque book entry, ATM card entry etc.
4. I have learned how to write a L/C form.
5. I have learned how to maintain debit and credit entry.

2. LITERATURE REVIEW

2.1. Literature Review:

Performance management includes activities to ensure that goals are consistently being met in an effective and efficient manner. It is a process for establishing a shared workforce understanding about what is to be achieved at an organization level. It is about aligning the organizational objectives with the employees' agreed measures, skills, competency requirements, development plans and the delivery of results. The emphasis is on improvement, learning and development in order to achieve the overall business strategy and to create a high performance workforce working environment.

Providing ongoing feedback to employees is something that Head of Branch at Human Resources Professional Group consider to be an essential management skill. How can employees deliver exceptional performance if they are not provided information about their current efforts, progress and results on monthly basis? The employee performance management process includes a number of key elements that require input from both employees and the employer to be effective.

- Establishing Performance Goals
- Performance Plans
- Observation and Feedback
- Guiding Skills(such as coaching, mentoring and motivating)
- Evaluating Performance
- Rewarding Performance
- Recognizing Performance Problems ("Performance Gaps")
- Performance Improvement / Development Plans

2.2. The Concepts of Performance:

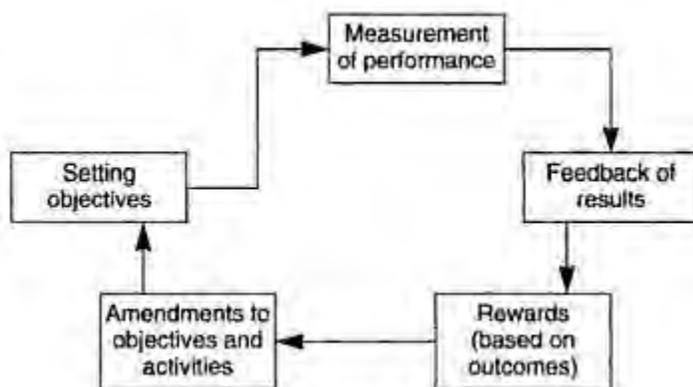
The consultants at Human Resources Professional Group have considerable experience in working with clients through all phases of the performance management process. We are available to establish a new process or work with you to improve your existing system as well as train your managers in essential performance communication skills.

2.3. Measurement of Performance:

Performance management is a concept in the field of human resource management. “Performance management is a continuous process of identifying, measuring and developing the performance of individuals and aligning performance with the strategic goals of the organization” (Aguinis, 2009). Performance management is many times mistaken as performance appraisal but the latter is just a part of the former.

There is no single universally accepted model of performance management. Various experts have explained the concept in their own ways. Mabey has prescribed the model of performance management system in the form of „performance management cycle“. This cycle has 5 elements which suggest how performance management system should be implemented in an organization. The elements of performance management system cycle includes:

1. Setting of objectives.
2. Measuring the performance.
3. Feedback of performance results.
4. Reward system based on performance outcomes
5. And amendments to objectives and activities (Mabey et al, 1999).



There are two theories underlying the concept of performance management:

1. **Goal Setting Theory**
2. **Expectancy Theory**

2.3.1. Goal Setting Theory :

had been proposed by Edwin Locke in the year 1968. This theory suggests that the individual goals established by an employee play an important role in motivating him for superior performance. This is because the employees keep following their goals. If these goals are not achieved, they either improve their performance or modify the goals and make them more realistic. In case the performance improves it will result in achievement of the performance management system aims (Salaman et al, 2005).

2.3.2. Expectancy Theory:

had been proposed by Victor Vroom in 1964. This theory is based on the hypothesis that individuals adjust their behavior in the organization on the basis of anticipated satisfaction of valued goals set by them. The individuals modify their behavior in such a way which is most likely to lead them to attain these goals. This theory underlies the concept of performance management as it is believed that performance is influenced by the expectations concerning future events (Salaman et al, 2005).

2.4. Significance of Performance:

An effective performance management process sets the foundation aligning the individual's efforts with the organization's goals.

- By linking individual employee work efforts with the organization's mission and objectives, the employee and the organization understand how that job contributes to the organization.
- By focusing attention on setting clear performance expectations (results + actions & behaviors), it helps the employee know what needs to be done to be successful on the job.

- Through the use of objectives, standards, performance dimensions, and other measures it focuses effort. This helps the department get done what needs to be done and provides a solid rationale for eliminating work that is no longer useful.
- Through regular check-in discussions, which include status updates, coaching, and feedback, it promotes flexibility, allowing you and the employee to identify problems early and change the course of a project or work assignment.
- By emphasizing that an annual review should simply be a summary of the conversations held between you and the employee during the entire cycle, it shifts the focus away from performance as an “annual event” to performance as an on-going process.

An effective performance management process, while requiring time to plan and implement, can save you and the employee time and energy. Most importantly, it can be a very effective motivator, since it can help you and the employee achieve organizational success.

2.5. The Model (Performance Process):

The object of the paper is to create a model of organizational performance that will be used to identify and ultimately compare the performance of Romanian manufacturing firms. The model proposed in this study is not an exhaustive one it can be further extended by adding other variables we have not made reference to. The model was drawn from a detailed literature review in order to identify the factors that have an impact on the performance of an organization. There are a number of studies that have investigated various factors that have a critical role in the success of an organization. The key elements of the model are:

1. Structural issues relating to company size (number of employees), age (years) and purpose.
2. The variables used to analyze the sampled firms. These variables are divided into two categories:
 - external environment reflected by the following variables: competition, customers and suppliers.

the time passes, immense business opportunities under virtual banking will be originated but vulnerabilities to ICT will be the other side of coin. Bank Asia opted for a paradigm shift in its business dynamics to usher into a new horizon of collective prosperity and enlightened future like the glaring diamond shredding away all darkness.

3. Company Profile

3.1. Overview of Bank Asia Ltd:

3.1.1. Introduction :

Bank Asia Limited started its journey on November 27, 1999 with a view of providing the best quality technology driven services in banking sector. Since inception it has been able to cover major parts of the country by extending and expanding its network opening branches, agent banking outlets. The bank started its Islamic banking operation in 2008. They open the first subsidiary company „BA Securities Limited“ on March 16, 2011, then „BA Exchange (UK)“ Limited“ in London, on May, 2011 and „Bank Asia Express USA Inc.“ in Jamaica, New York, USA on June 01, 2014. At present Bank Asia has 114 branches, 5 islamic windows.

6 SME service centers, 1 Off-shore unit and 3 subsidiaries. With an aim to serve the unbanked people, Bank Asia is now operating EBK (Ektee Bari Ektee Khamar) to 35 districts, having 252 upazillas and 1,147,125 beneficiaries. The Bank has implemented 95 agent banking outlets in 33 districts to provide banking services to geographically dispersed rural poor segment of the society.

3.1.2. Business Principle:

Bank Asia Limited 1st principal is to achieve customer satisfaction by providing highest services within country or outside country. They practicing green banking. They support human rights as declared by UN. They wants to make sure long term honesty, successful services.

3.2. Vision:

Their target is to create a country where poverty is non-existent. Their main vision is to create an environment where people get their rights on demand and their dignity with a highest consideration of making poverty free country.

3.3. Mission:

Their mission is to set an example of best service provider. They also want to create an atmosphere where they have best quality employee, share holders, happy clients. They want to fill their environment with positive energy for their customers.

3.4. Credit Administration

Function of Credit Administration Department (CAD) is to make quick, smooth and safe running of the operations against the most critical functions of loans and advances extended to the borrowers. Its main objective is to support and control the extension of all credit centrally by systemizing the credit facilities and working with critical CIB operation, regulatory reporting, monitoring expired loan, deferral documents and checking copies of major security documents.

3.5. Agent Banking:

Bank Asia Limited has introduced Agent Banking Services as the pioneer in Bangladesh with the objective of ensuring greater financial inclusion and increasing the outreach of the services to the unbanked population. Despite substantial bank branch expansion and emergence of microfinance institutions (MFIs), scant access to basic financial services remains a deprivation suffered by large segments of the poorer rural and urban population in Bangladesh, and therefore financial inclusion is viewed as a high policy priority for more inclusive and more equitable economic growth. A vast majority of Bangladeshi lives outside the full formal banking network (about half

of the adult people) and therefore deprived from essential financial services and subjected to unfair money lending practices. The Banks have traditionally been very cautious in extending its branches to remote areas. The root causes for the uneven coverage of financial facilities are manifold.

3.7.1. Uneven Coverage of Financial Facilities in Agent Banking are:

- Long distances & low population density
- High bank cost relative to income
- Low education & illiteracy
- Poor product/ channel design
- Awareness & Policy Support
- Agent Banking Product & Services
- Account Opening
- Deposit & Withdrawal
- Fund Transfer to any account of Bank Asia
- Inward Foreign Remittance Disbursement
- Utility Bill Payment (Telco, REB, etc.)
- School Banking
- Electronic Fund Transfer to any other Bank Account (BEFTN)
- DPS & TDS Account for customers
- Passport fee collection
- SME, Agricultural & Retail loan processing
- Mobile Apps for Agent Banking
- Debit Card/ ATM Card for Agent banking customer
- NFC Implementation
- Internet Banking facility for Agent banking customer.

3.7.2. Institutional Agreement and New initiatives of Agent Banking:

- Agent Banking through (UDC) under a2i
- Agent Banking through SFDF
- Agent Banking through BURO Bangladesh
- Agreement with WFP
- Agreement with GNB
- Agreement with SWAPNO
- e-Commerce through Agent Banking
- Banking Solution for Post Office
- Agreement with CARE
- Agreement with Padakhep Manabik Unnayan Kendra
- Agent Outlet for Insurance Product

3.6. Bank Asia SMART App:

Bank Asia SMART Banking app is an integrated internet and mobile banking solution designed to offer customers the widest capabilities across the internet and mobile channels. Smart Banking can offer increased customer experience and manage Customer's accounts, pay bills, Change Password, Balance Enquiry, view statement, Fund Transfer, EFTN, Utility Bills Payment, Standing Instruction, Stop Cheque, View Cheque Status, Mobile Talk-Time recharge facilities for all Telco in Bangladesh. Supported operating systems are Android and Windows service for the time being.

3.7. Contact Center:

Bank Asia 24-Hour Contact Center, managing customer accounts is just a call away. Enjoy the convenience of banking anytime, anywhere simply by pressing a few buttons from customer phone and collect information and service for all products of Bank Asia Ltd. For any kind of help they can call 16205 24/7 day.

3.8. EBEK:

DuPont analysis is an approach to decomposing return on equity for better understanding of Return on Equity(ROE) and it is in increasing trend since 2013. After experiencing downward trend of previous two years. ROE has reached a very satisfactory level in 2015 considering industry average. This analysis will help us to understand which factor contributed to the ROE most and which factor caused the ROE to move.

Particulars	2015	2014	2013
ROE	14.36%	14.09%	10.55%
Net Profit Margin	11.97%	10.88%	7.41%
Total Asset Turnover	0.1056	0.1177	0.1295
Financial Leverage	11.3570	11.0065	10.9945
Operating Profit Margin	27.94%	28.35%	27.49%
Effect of Non-Operating Items	0.6867	0.7297	0.6901
Tax Effect	0.6241	0.5261	0.4147

Higher the value of all components of DuPont analysis higher the positive impact on return on equity.

4. Analysis:

4.1. Bank Asia Limited

1. Main Operations
 - Conventional Banking
 - Islamic Banking
 - Off- Shore Banking
2. Subsidiary Companies
 - BA Securities Ltd.
 - Bank Asia Exchange Company Ltd.
 - BA Express Inc.

4.2. Overall Operations:

This bank has passed a challenging year under the backdrop of sluggish investment, excess liquidity pressure, rising non-performing loan and declining interest rate on advance although political and economic condition of the country was almost stable throughout the period. They have total assets Tk. 224,347 million compared to Tk. 182,731 million in 2014 with a growth of 22.77% and total capital achieved Tk. 22,836.83 million from Tk. 17,843.22 million in 2014 with a growth of 28%. Deposit Achieved Tk. 169,827 million compared to Tk. 140,869 million with a growth 21% , Loans and advances was 17% higher than the preceding year and stood at Tk. 136,396 million.

Their import increased by 17% and achieved USD 1,607 million (Tk. 129,930 million) where in 2014 it was USD 1,378 million (Tk. 110,193 million). Export increased by 13% and reached at USD 1,135 million (Tk. 89,275 million) which was USD 1,009 million (Tk. 77,647 million) in the previous year. Inward remittance showed a growth of 3% and reached USD 552 million (Tk.42,997 million) compared to USD 536 million (Tk. 41,733 million) in 2014. Spread reduction by 1.14% in 2015 adversely affected profitability but still by increasing investment income the bank could maintain 3.93% growth in operating profit.

4.3. Corporate Financing:

Corporate banking of Bank Asia Limited always been enjoying an overwhelming share of total business since its journey apart and it now strives to drive beyond expectation by achieving uncharted landmarks on its way when the Bank is eyeing to grab tempting top tier positions in terms of profit making in the industry. With the brisk expansion of corporate banking base while promoting existing client pool and originating new clients through customized services rendered by one of the most versatile corporate banking teams in the industry, Corporate Assets & Client origination that has originally been responsible for corporate banking metamorphosed recently into Corporate & Large Loan both to bring fresh zeal and competitive edge in asset management and to prioritize asset portfolio prompting it to be the most rewarding business segment.

To keep services more client-focused, there have been six strategic arms under corporate business of the Bank:

- General Corporate Finance: There are two wings under General Corporate Finance and they deal with all general modes of finance except specialized modes.
- Export Finance: they give their clients more facilities to increase their volume. For this reason they has built a special individual department to give more resources.
- Project Finance: they allows corporate houses to meet their projects“ financial requirement more in tune with expected cash flow and it finances in avant-garde sectors like rice bran oil, auto bricks, jute processing, food processing, ICT, education etc. Syndication and
- Structured Finance: It deals with arranging funds for large projects of corporate houses thereby spreading the risk amongst the partner Banks.
- Credit Restructuring (erstwhile Impaired Assets Management): It closely monitors performance of downgrading clients and counsel clients, if necessary to overcome from snags for improvement in debt service capacity.

- Trade Finance (Offshore & Others): It provides financial solutions to customers of export processing zone and facilitate bill discounting, term finance etc. to on shore clients.

4.4. MSME:

In the organogram of Bank Asia, MSME Division and Retail Division incorporated under Small, Medium & Retail business segment. MACO, Small Enterprise, Micro Finance Unit and Agricultural unit are reconstructed under MSME.

4.5. Cottage, Micro & Small Enterprise Financing:

Cottage, Micro and Small business are the catalyst intended for the socio economic development of many countries of the world. They are viewed as vehicles for the achievement of national macroeconomic purpose in terms of employment generation at low investment cost and enhancement of apprenticeship training. Employment generation from this sector contributes 81% of national employment (excluding Agricultural employment) and 29% to GDP. Having this wide horizon of opportunity, and keeping the perspective in mind to give the financial accessibility to the underserved population across the country, Bank Asia focused on amplifying the market coverage and as a part of this purpose to develop the MSEs from rural level, the Bank established Agent Banking Booths throughout the year 2016. With this channel expansion, Bank Asia SME has stepped into the territories where no Bank or FIs have reached so far.

4.6. Sectoral Distribution of Credit:

Sector wise distribution of loans and advances is as follows:

SL.	Sectors	2015		2014	
1.	Industries				
	Agriculture and Jute	1,758.34	1.29%	1,579.11	1.35%
	Cement	491.26	0.36%	1,646.80	1.41%
	Chemicals	619.93	0.45%	1,207.93	1.03%
	Electronics	1,638.68	1.20%	392.81	0.34%
	Food & Allied	13,090.57	9.60%	6,878.99	5.89%
	Paper	3,633.85	2.66%	3,303.54	2.83%
	Readymade Garment	15,002.06	11.00%	6,128.24	5.25%
	Real Estate	10,443.77	7.66%	5,123.09	4.39%
	Steel	5,878.55	4.31%	11,851.85	10.15%
	Textile	9,680.05	7.10%	6,283.45	5.38%
	Others	16,065.00	11.78%	14,235.57	12.19%
	Subtotal	78,302.06	57.41%	58,631.38	50.19%
2.	Infrastructure				
	Power	690.12	0.51%	1,498.71	1.28%
	Telecom	528.51	0.39%	339.40	0.29%
	Construction	4,913.52	3.60%	4,338.95	3.71%
	Transport	3,023.32	2.22%	3,420.20	2.93%
	Subtotal	9,155.46	6.71%	9,597.26	8.22%
3.	Commercial Lending	31,280.13	22.93%	37,105.86	31.77%
4.	Export Financing	6,003.30	4.40%	1,765.30	1.51%
5.	House Building Loan	363.24	0.27%	163.89	0.14%
6.	Consumer Credit Scheme	5,482.24	4.02%	4,073.10	3.49%
7.	Small & Medium	3,414.66	2.50%	2,675.51	2.29%
8.	Staff Loan	1,241.68	0.91%	1,090.19	0.93%

9.	Credit Card	1,147.96	0.84%	1,063.17	0.91%
10.	Non-Banking Financial	5.60	0%	643.21	0.55%
Total		136,396.34	100.00%	116,808.85	100.00%

4.7. Credit Risk Management:

In 2016, CRM Department has developed a good number of new policies and guidelines as well as updated and revised some existing policies and guidelines to ensure appropriate credit risk process. Some of these policies and guidelines have already been approved and have come in force. Some are under review of the senior management for final approval.

New policies and guidelines that have been developed by the department include the following:

- Policy Guidelines: Credit Risk Management (Draft)
- Policy Guidelines to Meet Urgent Credit
- Requirement of the Borrower (Draft) Bank Guarantee Operation Manual
- Policy on Collateralization of the Exposure to Proprietorship Concerns
- Securitization of the exposures to the publicly listed companies
- Monitoring policy of Ship Breaking Customer of the Bank

The Department has also updated and revised following existing policies and guidelines in response to changing business environment:

- Review of Existing Delegation of Business Power
- Modification of SOD (Earnest Money) Financing Policy
- Sectoral Lending Cap 2015-2016
- Early Alert Process

CRM Department has two other core functions, risk assessment of credit proposal and monitoring of credit portfolio. The Department conducted “Risk Assessment” of 1,690 number of credit proposals received from two business units, Corporate & Large Loan (C&LL) and Mid-Market Assets & Client Origination (MACO). MACO has dealt with customers having exposures ranging from TK. 5.00 million to TK. 100.00 million and C&LL has dealt with customers having exposures above TK. 100.00 million.

Along with “Risk Assessment”, the Department has also issued „clearance“ and „feedback“ on

Reply provided by business units (C&LL and MACO). The department issues “Sanction Advices” and “Documentation Checklist” against credit proposal approved by the Board.

Total size of the funded and non funded portfolio handled during the period was TK. 33.72 billion (Funded: TK. 17.87 billion; Non-Funde: TK. 18.98 billion).

4.8. The following table will provide details: (Million Taka)

Bank Asia has provided different facilities to their customers. They wants to make their customer independent and happy so they provide different types of loan scheme.

Facility Type	Total		
	Funded	Non- Funded	Total
One Time	27,981.65	34,897.78	55,721.28
New	37,639.93	25,243.75	48,210.28
Renewal	41,941.88	52,961.52	87,452.01
Enhancement	10,814.43	14,337.89	22,747.89
Renewal with Enhancement	35,016.36	53,424.42	80,298.99
Reduction	735.56	10.00	745.56
Renewal with Reduction	8,472.40	6,780.46	14,223.97
Restructuring	4,679.44	27.00	4,706.44
Renewal with Restructuring	5,584.90	1,382.00	6,716.90
Rescheduling	4,868.66		4,868.66
Regret	943.20	772.50	1,535.70
Total	178,678.41	189,737.32	327,227.69

4.9. Bank Asia At A Glance(2016):

4.9.1. Global position in terms of Deposit, Advance & operating profit: “12th”

Interms of global position Bank Asia achieved 12th position among other banks, in Deposit, Advance & Operating profit. The amount of Deposits of Bank Asia increased by 13%, the amount of Advance increased by 20%, though the amount of operating profit and remittance decreased by 1% and 3%. Again the amount of export import increased by 16% and 14%. The chart are following:

Deposit	Increase	13%
Advance	Increase	20%
Operating Profit	Decrease	-1%
Export	Increase	16%
Import	Increase	14%
Remittance	Decrease	-3%

They have achieved 12th global position among other popular bank which shows that they understand the business and customers mind very well.

4.9.2. Bank Asia Budget Achievement (2016):

Bank Asia had a target to fulfill within 2016. They almost achieved their given budget target in many sectors, though in some sectors they have achieved only half of their given target. The amount of deposit was 1,912 crore which is 60% of given target, the amount of advance is 1,639 crore which is 63% of given target, the amount of operating profit 593 crore, which is 83% of given target, the amount of Import is 1,487 crore which is 91% of given target, the amount of export is 1,031 crore, which is 90% of given target, the amount of remittance is 4,166 crore, which is 79% of given target. Their fulfillment of given target are much more better than 2015.

Sectors	Budget Achievement	%
Deposit	1,912 crore	60%
Advance	1,639 crore	63%
Operating profit	593 crore	83%

Import	1,487 Crore	91%
Export	1,031 crore	90%
Remittance	4,166 Crore	79%

4.10.3. Target Achievement Of Paltan Branch(2016):

I have worked with Paltan Branch. They have achieved 80% of their target during 2016, which is far better than year 2015. In some sectors like deposit , advance their achievement percentage are decreased by 19% and 20% but in year 2015 they had positive percentage which shows increased amount. That means in year 2016 their performance decreased in this two sectors. Apart from these two sectors other sectors target achievement increased, though classified loan increased by only a small portion by 0.17% and SMA increased only by 0.03% which are not significant in business sector. But in Export they achieved 745% of their target, where their target was only 2 crore but they achieved 14.90 crore ,which is a very big achievement for them.

Their overall profit is 10.25 crore, their profit achieved by 80.3% of their given target.

Serial	Sectors	Target	Achievement	percentage	Target (2017)
1.	Deposit	340 Crore	273 Crore	-19%	300 Crore
2.	Advance	220 Crore	170 Crore	-20%	220 Crore
3.	Profit	12.75 Crore	10.25 Crore	80.3%	12.75 Crore
4.	Import	50 Crore	33.80 Crore	67.64%	50 Crore
5.	Export	2 Crore	14.90 Crore	745%	20 Crore
6.	Classified Loan			0.17%	
7.	SMA			0.03%	
8.	AD Ratio			62.49%	
9.	Cost of Fund	6.76%	6.61%		

10.	Cost of Deposit	5.70%	5.27%		
11.	Yield	11.65%	10.65%		
12.	Speard	5.95%	5.38%		
13.	Burden Ratio	0.65%	0.77%		
14.	High Cost	71%	57%		
15.	Low Cost	13%	17%		
16.	No Cost	16%	26%		

5. Findings and recommendations

5.1. Findings:

Among many bank, Bank Asia achieved 12th position in the global financial market. And the contribution of Paltan Branch of Bank Asia is much more than other branch. As a whole Bank Asia's Operating profit and Remittance decreased by 1% and 3%, but in many sectors their percentage increased significantly. Their amount of deposit was 1,912 crore which is 60% of their target, the amount of operating profit is 593 crore, 83% of given target, import is 1,487 crore 91% of target, export is 1,031 crore 90% of target. Again during the year 2016 their target budget achievement in many sectors increased significantly around 90%, though in some field their achievement is only up to mark.

The proposed future target of paltan branch of 2017 of profit is 12.77 crore, which was 12.75 crore in previous year 2015. Target of export is 20 crore, but in previous year it was only 1 crore. But in 2017 their target of import is 40 crore, in previous year which was 50 crore greater than current year.

5.2. Recommendations:

Their Achieved Deposit amount in 2016 decreased by 19% so they need more marketing for their target. Again their Advance amount is also decreased by 20% , bank Asia need to recruit Experienced people to handle this matter specially. Their targeted profit is also decreased by almost 19%. They need to increase their Export – Import, Deposit sides for future profit.

5.3. Conclusion:

Bank Asia is one of the leading banks in Bangladesh. They have introduced Agent Banking Service as the pioneer in Bangladesh with the objective of ensuring greater financial inclusion and increasing the outreach of the services to the unbanked population. Alternate Delivery Channels(ADC) are a solution of efficiencies, bring large scale and increase outreach at a lower operational costs to provide new channels and methods to providing banking services directly to the customers. Bank Asia has most efficient, talented and innovative people to work, and create an innovative atmosphere for their valuable customers. Their project of going green is one of the best thought they are working with. Their dream goal is to create green banking in our country. They have created new dimension in the syndication and structure financing. Bank Asia has

done a good job among other banks. Their future overall target of Paltan Branch in Deposit is 300 crore, Advance is 220 Crore, profit is 12.75 Crore, Import is 50 Crore, Export is 20 Crore.

6. References:

- http://www.bankasia-bd.com/home/annual_reports
- <https://en.wikipedia.org/wiki/Bank>
- http://www.pcrest2.comfol/1_2_1.htm
- <https://www.projectguru.in/publications/models-and-theories-of-performance-management-system>

7. Books & Articles:

- J.A. Mellow, Thompson, *Strategic Human Resource Management*(2nd edition)
- Performance studies: An introduction, 3rd edition by Richard Schechner

8. Others:

1. Class lectures
2. Official documents shared by the supervisor
3. Organizational Documents
4. Personal Interviews with Employees
5. Annual Reports