Report On

Performance of Dhaka Bank Limited in Comparison with 2nd Generation Banks and BASEL-III Accord

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of
Bachelor of Business Administration

BRAC Business School
BRAC University
September 2019

Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing a degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all the main sources of help.

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Letter of Transmittal

N. M. Baki Billah

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66 Mohakhali, Dhaka-1212

Subject: Submission of the internship report.

Dear Sir,

I am here by submitting my internship report titled "Performance of Dhaka Bank Limited in Comparison with 2nd Generation Banks and BASEL-III Accord" for your kind consideration. The report has been produced with BRAC University standards in mind for the summer'19 semester.

I have represented the results found in this report for the submission.

Sincerely yours,

____

Md. Sayadur Rahman

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BRAC Business School

BRAC University

Date: September 08, 2019

Acknowledgment

"If you want to go fast, go alone. If you want to go far, go together." It is an African proverb. I choose to go far instead of going fast in the world when everyone intends to go fast. My internship report **"Performance of Dhaka Bank Limited in Comparison with 2nd Generation Banks of Bangladesh and BASEL-III Accord"** is the collective collaboration of internship supervisor, onsite supervisor, and my mentors. Completion of this report would be more challenging without their contribution.

I express sincere gratitude to my internship supervisor--**Mr. N. M. Baki Billah**-- Lecturer of BRAC Business School, BRAC University. His wholehearted supervision time to time helps me to complete the report as flawless as possible. I am also thankful to my onsite supervisor--**Mr. Salahud Din Ahmed**--Senior Vice President and **Farzana Afroz**, Principle Officer of Research and Development Unit of Dhaka Bank Limited.

I am in debt to my mentors **AKM Fazlur Rahman** and **Pankaj Bose**, their supervision, direction, advice, and suggestions helped me to analyze and the representation of information in a more organized way. Thanking them would not be enough.

Executive Summary

The objective of this report is to study the performance of Dhaka Bank Limited, a second-generation bank (Prime, Eastern, Southeast and NCC Bank) of Bangladesh, and paralleling with other second-generation banks and Basel III accord, which is prescribed by Basel committee for Banking Regulation, to appraise where Dhaka Bank Limited standpoints. All the financial data used for calculating has extracted from respective banks annual report. In order to evaluate the performance and ranking the banks, various financial ratios have been calculated for the CAMEL rating method and standardize score has been used to rank them. Weight allocation for each of the CAMEL element is entirely subjective. Result shows among all these five banks Eastern Bank Limited is the top performer and Southeast Bank Limited is the bottom performer. Dhaka Bank Limited is an average performing bank as the result shows. Dhaka Bank Limited has approximately 4.99% non-performing against their total loans and advance, their expense per employee is higher than income per employee, although DBL is increasing their investment but income from investment is declining year on year, their non-interest income is account for more than half of total operating income, liquidity coverage ratio is lowest among the five banks. However, overall score of all the banks is very close to each other. This implies that the banks are competing closely within tight regulation.

Keywords: CAMEL; Standardize score; Performance analysis; 2^{nd} generation bank.

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List of Acronyms

RCAR	Risk-weighted Capital Adequacy Ratio
BIS	Banks for International Settlement
CET-1	Common Equity Tier-1
NCC Bank	National Credit & Commerce Bank
DBL	Dhaka Bank Limited
EBL	Eastern Bank Limited
NSFR	Net Stable Funding Ratio
LCR	Liquidity Coverage Ratio
ROE	Return on Equity
ROA	Return on Asset
BB	Bangladesh Bank
WB	World Bank
FSRP	Financial Sector Reformation Project
SCBs	State-owned Commercial Banks
PCBs	Private Commercial Banks
FCBs	Foreign Commercial Banks
BCBS	Basel Committee on Banking Supervision
CRAR	Capital to Risk Weighted Assets Ratio
FIs	Financial Institutions
LDR	Loans to Deposits Ratio

Chapter 1

1.1 Introduction

In our country, the financial sector is dominated by the banking sector with staggering 59 schedule banks for such a small country despite the Everest high non-performing and default loans. GDP growth rate is impressive as well as the economic expansion over the last couple of years.

Through the utilization of the resource, the banking sector played an important role in economic development and prosperity. Banking sector helps the new industries to rise, easy way of payment settlement, assisting in the transfer of goods and service. This sector not only helps the new industries to rise, but it also helps indirectly to create employment for the people along with bringing economic wellbeing of the country. The role bank plays in the way of economic progress is also highly dependent on its own sectors strength. [1]

A well-functioned banking system makes the proper allocation of resource to individual and organizations easier. The banking sector in our country saw many reformations after the independence of our country and on a regular interval to increase the strength of this sector. Biggest reformation took place from 1985s to 1990s when the government started allowing new private commercial and foreign bank to operate in the country. The banks started their operation from 1991 to 1995 is called the second-generation bank in Bangladesh. In the 1990s, a reformation was undertaken under the close monitoring of World Bank to restructure the interest rate, lending, and loan recovery policy. Bangladesh Bank is the guardian of all banks of Bangladesh working day in day out to bring the strength that the sector has been lacking for a long time. [2]

As the parent of all the Central Banks of the world, Bank for International Settlements (BIS) introduced BASEL-III. BASEL-III is the improved version of BASEL-I and II. BASEL-III has been developed by BASEL Committee to strengthen the regulation, supervision and risk management of the banking sector. [3]

Currently in Bangladesh, banking sector is going through slow-motion banking crisis primarily in state-own commercial bank along with few private commercial bank. Finance Minister AHM Mustafa Kamal admitted that financial sector is in vulnerable state. According to financial analyst and bankers, this situation caused largely due to aggressive long term loan selling, political influence in giving loans and loan restructure policy of Bangladesh Bank which results in massive credit crunch in many banks. Business tycoon and political elite class influences state-run banks to issue loans and advances to their favor which are mainly become defaults. The result of these kindly of influence is huge amount of non-performing loans. Total non-performing loans crossed TK 1.0 Trillion mark in recent months. Half of the total amount came from six state-run commercial banks and rest half from foreign banks and private commercial banks. [4]

1.2 Dhaka Bank Limited Overview

1.2.1 The Organization

As one of the prominent private commercial banks, Dhaka Bank Limited (DBL) is offering its Clients "Corporate and Personal banking, Foreign exchange, International trade, Capital market services, Cluster finance, SME, Agriculture loan financing and Lease finance". Mirza Abbas Uddin Ahmed, a famous active politician, started planning from early 1990s to open a bank.

Dhaka Bank Limited included as a Public Limited Company under the Companies Act, 1994. On July 05, 1995, Dhaka Bank Limited began its business activity commercially. In the year

1999 on 18th November, Dhaka Bank Limited went for Public Issue which was approved by the Securities and Exchange Commission. Dhaka Bank's initial authorized capital was of Tk. 1,000 million and paid-up capital of Tk. 100 million. As per the Dhaka Bank Limited Annual Report 2018, Authorized Capital stood at Tk. 10,000 million, Paid-up Capital of Tk. 8,126 million and Shareholders' Equity of Tk. 16,616 million. [5]

The report also states that, "the company (Dhaka Bank Limited) is operating with 101 branches including 2 Islamic Banking branches. The bank has 3 SME centers, 56 ATMs, 20 ADMs, 2 offshore banking units, and 1 kiosk. The bank also has a total of 523 Foreign Correspondents/banks." [6]

The vision, mission and corporate values of Dhaka Bank Limited are stated below:

1.2.2 Vision

"At Dhaka Bank, we draw our inspiration from the distant stars. Our vision is to assure a standard that makes every banking transaction a pleasurable experience. Our endeavor is to offer you supreme service through accuracy, reliability, timely delivery, cutting edge technology and tailored solution for business needs, global reach in trade and commerce and high yield on your investments. Our people, products and processes are aligned to meet the demand of our discerning customers. Our goal is to achieve a distinct foresight. Our prime objective is to deliver a quality that demonstrates a true reflection of our vision- Excellence in Banking." [7]

1.2.3 Mission

"To be the premier financial institution in the country providing high-quality products and services backed by the latest technology and a team of highly motivated personnel to deliver Excellence in Banking." [7]

1.2.4 Corporate Values

"Corporate Values are the working ways that guide an organization's internal conduct and the relationship with the stakeholders, shareholders, and clients. The bank keeps up 6 corporate qualities. [7] Those are-

- Customer focus
- Integrity
- Quality
- Teamwork
- Respect for Individuals
- Responsible Citizenship"

1.3 2nd Generation Banks

The banks which started their operations in between 1991-1995 is considered as the second generation banks in Bangladesh. After independence, major financial reform began in the year 1982 in order to overcome the previous challenges in the financial sector with the denationalization of commercial banks.

In order to revive the financial sector government moved three nationalized commercial banks to private sector in1984-1986 and another four banks received affirmation from the government in the early 1980s. In 1984, the National Commission on Money, Banking and Credit were established, although the major reform began in the early 1990s. In a long list of the reformation in the financial sector, most notable were the privatization of State-owned Commercial Banks (SCBs), new entry of Private Commercial Banks (PCBs) and Foreign Commercial Banks (FCBs). This decision was taken to promote private ownership of banks in the country. [2]

However, the earlier reformation was not enough at the time, therefore, other reformations were undertaken under the supervision of World Bank's Financial Sector Reformation Project (FSRP) in the 1990s. This reformation includes interest rate structure, lending policy, and loan recovery policy.

1.4 BASEL-III

As per the BASEL Committee on banking supervision, "BASEL-III is a complete set of reform measures, developed by the BASEL Committee on Banking Supervising, to strengthen the regulation, supervising and risk management of the banking sector". In the latest BASEL III accord, BASEL Committee tries to enhance the banking sector's capability to face financial and economic stress, improved risk management policy and governance, reinforcing the banks' transparency and disclosure.

BASEL-III was introduced to strengthen the three BASEL-II pillars; minimum capital, supervisor review and market discipline; especially Pillar I with the enhanced minimum capital and liquidity requirement prescribed by the Bank for International Settlements (BIS) to promote stability of international banking system. [3]

BIS is an international financial institution, which acts as a bank of the Central Banks. Basel Committee on Banking Supervising (BCBS) is one among the six committees of BIS. The Committee introduced capital customary in 1988, that is understood as Basel-I. Due to some shortcomings of Basel-I, it was replaced by Basel II in 2004. Basel-II felt inadequate within the recent international financial crisis. [8]

In order to overcome the shortcoming of Basel II, Basel III was introduced in the year 2010 with the intention of gradual implementation starting from 1st January 2013 and full implementation starting from 1st January 2019. Basel III includes capital and liquidity standards while earlier versions included capital standards only.

1.4.1 BASEL-III in Bangladesh

In Bangladesh, Basel I was introduced in 1996 and Basel II was introduced informally in 2009 which corresponded with Basel I in 2009 and was officially introduced in 2010. In accordance with Basel III, Bangladesh Bank (BB) circulated 'Guidelines on Risk-Based Capital Adequacy' on 21 December 2014 for all the banks to reform their risked based capital, leverage, liquidity and net stable funding ration. Gradual implementation of Basel III has started from 1st January 2015 in Bangladesh. Full implementation has begun from January 2019. [9]

Summary of Capital & Liquidity Requirement/ Roadmap of implementation of BASEL-III in Bangladesh as it is the vital for any bank:

Particulars	**2016**	**2017**	**2018**	**2019**	**2020**
Minimum Capital Ratio	10%	10%	10%	10%	10%
Capital Conservation Buffer	0.625%	1.25%	1.875%	2.25%	2.25%
Minimum Total Capital plus Capital Conservation Buffer	10.625%	11.25%	11.875%	12.25%	12.25%
Leverage Ratio	3%	3% Readjustment	Migration to Pillar 1		
Liquidity Coverage Ratio	≥100%	≥100%	≥100%	≥100%	≥100%
Net Stable Funding Ratio	>100%	>100%	>100%	>100%	>100%
CET-1 capital	4.5%	4.5%	4.5%	4.5%	4.5%
AT-1 capital	1.5%	1.5%	1.5%	1.5%	1.5%
Minimum T-1 Capital	6%	6%	6%	6%	6%
T-2 capital	4%	4%	4%	4%	4%

Source: BRPD circular no.18 dated 21 December 2014 [8]

1.5 Performance of Bank

The performance of any bank is measured based on diverse parameters:

- **Business-** Business relates to total deposits and total advances as at the end of the financial year. The size of any bank is set by the overall business position of any bank.
- **Capital Adequacy**– In line with Basel III norms, banks have to maintain the required capital adequacy ratio of 10%.
- **Asset Quality**– Assets are the total amount of outstanding loan and quality of assets indicates how well the bank is able to make income from the loan accounts. Generation of income means that the clients are regularly paying the monthly installments on their term loans and interest on the working capital limits and there are no non-performing assets. Normally, banks have non-performing loans (NPLs) and a bank that has no NPL is taken into account in having higher asset quality.
- **Management**– The efficiency of the management shows how good the internal decision-makers to deal with generating operating profit, lowering non-performing loans, recovering default loans, etc.
- **Earnings-** The total profit earned by the bank as at the financial year.
- **Liquidity-** The liquidity position of the bank at any point in time.
- **Systems and Procedures**– Maintain internal records properly and reduce the chance of fraud with the organization. A well-functioned bank keeps all this document.
- **Profit per Employee-** This ratio represents how much profit each employee earned in a financial year.

There are many other ratios which are more meaningful depending on the organization's types. There are rating agencies to rate the performance of the banks. Rating agencies check NPLs, Classified loans amount, default loans amount and many other parameters. A bank will be considered as better performing than others if they satisfy the parameters prescribed by concerned authorities.

Chapter 2

2.1 Literature Review

BASEL accords are three set of regulation prescribed by Basel Committee on Banking Supervision (BCBS). Basel committee focuses more on capital risk, market risk and operational risk to ensure a financial institution has the capability to absorb unanticipated loss during financial crisis. BCBS was founded back in 1974. First Basel accord was issued in 1988, in that time a focuses on only capital adequacy. In June 2004, Basel II was introduced with two more elements to consider along with capital adequacy. Those are: Minimum capital adequacy, Supervisory review and Market discipline and disclosure. Basel III is the result of 2007-2009 worldwide financial crisis. Basel committee on banking supervision agreed on Basel III in November 2010 to enhance the three pillars of Basel II.

CAMELS is a standard rating system for financial institution that supervisory authorities use to evaluate performance of FIs. Authorities give each factor, the six factors according the acronym as such Capital, Asset, Management, Equity, Liquidity and Sensitivity, a point ranging from one to five. One considers as best and five consider as bad.

Molyneux, P., & Thornton, J. (1992) tried to classify the factors affecting the performances across eighteen European countries. “The entire sample has taken from 1986 to 1989. A sample of European banks, 671 for 1986, 1,063 for 1987, 1,371 for 1988 and 1,108 for 1989 are in use across eighteen countries". Their result concludes that liquidity ratio has an inverse relationship with profitability.

I. Pandey (2005) written that the most effortless approach to assessing the presence of a firm is to look at its present ratios with the past ratios. It provides an indication of the movement of progress and reflects regardless of whether the firm's performance has improved, weakened or stayed consistent over time.

Another recent study conducted by M. A. Islam (2014) on Performance Evaluation of the Banking Sector in Bangladesh: A Comprehensive Analysis, compares the performance of 4 types of banks operating in Bangladesh on the basis of selected CAMEL ratios in a time series. 4 broad categories of banks are SCBs, DFIs, PCBs, and FCBs.

Ioan B., Lucian G., Iount R. & Paul M. (2016) conducted Methods of Performance Analysis of Banks. Performance analysis of banks by CAMEL rating model is popular as it incorporated various ratios which fall under the capital structure, asset quality, management capability, earnings ability and liability of banks. In their paper, their work divided into two parts: vertical and horizontal analysis of revenue, expenses, loan portfolio, etc.; basis of rates baking performance. Concrete ways analysis made on the basis of the available information in the annual report in form of ratios or numeric figure in the time between 2006 to 2011.

In the recent study of H. T. Iqbal, K. Abhaya, P. Prakash and S. Sheila (2017) on Performance Analysis of Commercial Banks in the Kingdom of Bahrain (2001-2015) on the basis of financial ratios of the selected commercial banks of Kingdom of Bahrain in the time frame from 2001 to 2015. They have covered various parameters such as profitability, liquidity, operating efficiency, capital adequacy, and leverage. Their way of analysis of the financial ratios is close to the CAMEL rating method. They conclude that profitability, capital adequacy, and profitability, efficiency has statistical correlation but no significant difference were found in profitability with liquidity.

Chapter 3

Methodology and Limitations

3.1 Methodology

3.1.1 Standardized Score

In order to make a fair comparison, all banks were chosen randomly from the 2^{nd} generation bank of Bangladesh except Sharia-Based Islamic banks and foreign commercial banks. The banks are National Credit and Commerce Bank, Prime Bank, Eastern Bank, Southeast Bank, and Dhaka Bank. All these banks started their operation in between the year 1990-1995.

Preceding 3 years (2018, 2017, and 2016) data has taken to calculate the various financial ratios under the CAMEL rating method. All the data was extracted from the selected banks' annual report. A mean and standard error was calculated for each of the ratios for all the banks in order to get the standardized score.

$$\text{Standard score, z value} = \frac{x - \mu}{\sigma}$$

x= each value in the data set

μ= sample mean

σ= standard deviation

Based on the calculated standard score, a rating on a scale of 1 to 5 has given to each of ratios on the basis of the nature of the ratios. 1 represents Very Well, 2 for Good, 3 for Satisfactory, 4 for Bad, and 5 for Very Bad. Some ratios are considered as good if the ratio is lower than mean. Therefore, in a few ratios, having a negative standard score has a rating of 1 or 2. Some ratios are evaluated on their proximity to mean.

The average rating of each ratio has taken into consideration to calculate the weighted average rating. For every element of the CAMEL rating method, a specific subjective weight has been given. Capital Adequacy ratio gets the highest weight 30% as it is mandatory for a bank to maintain prescribed CRAR by BASEL Committee and Bangladesh Bank. Earnings Ability and Liquidity ratios get equal to 20% weight. Asset Quality and Management Efficiency gets equal to 15% weight.

In the final stage average standard score has multiplied with the assigned weight of each element to get the final overall weighted average rating. Based on the weighted average rating banks have been ranked from 1 to 5. Lesser weighted average rating score expresses higher in the rank.

3.1.2 Rating Method

- Standardized Score Used
- Absolute Score between 0 to 1 is Fair Performance– Rating 3
- Absolute Score between 1 to 2 is Good or Bad Performance depending on the nature of the ratio – Rating 2 or 4
- Absolute Score greater than 2 is Very good or Very Bad Performance depending on the nature of the ratio – Rating 1 or 5
- Loan to Asset Ratio, Liquid Asset to Total Deposit Ratio and Net Stable Funding are rated on the basis of proximity to mean as both high or low liquidity is a bad indicator.

3.1.3 Financial Ratios

The following ratios have been used before to conduct CAMEL rating as parameters. [10]

Ratios	Definition	Categories
Risk Weighted Capital Adequacy	Capital & reserve/Total risk weighted assets	Capital Adequacy
Net Worth Protection	Total equity/Non-performing loan	Capital Adequacy
Percentage of Classified Loans	Non-performing loan /Total loan	Asset Quality
Loans to Assets	Total Loan/Total Assets	Asset Quality
Income per Employee	Total profit/Total employees	Management Capacity
Expenses per Employee	Total cost/Total employees	Management Capacity
Operating Expense to Assets	Operating expense/Total assets	Management Capacity
Interest Expense to Deposits	Interest expense/Total deposits	Management Capacity
Net Investment Margin	Profit from investment /Total investment	Earnings Ability
Net Profit Margin	Profit after tax/Total loan & advance	Earnings Ability
Diversification	Non-Interest Income/Total Income	Earnings Ability
Earnings per Share	Net Income/Common share outstanding	Earnings Ability
Return on Equity	Net Income/Shareholders equity	Earnings Ability
Return on Asset	Total Income/Total Assets	Earnings Ability
Total Loan to Total Deposit	Total loan/Total deposit	Liquidity
Liquid Asset to Total Deposit	Liquid asset/Total deposit	Liquidity
Earning Assets to Total Deposit	Earning asset/Total deposit	Liquidity
Liquidity Coverage	HQLA/Total net cash flow	Liquidity
Net Stable Funding	ASF/RSF	Liquidity

3.1.4 Research Objective

The aim of this report is to study the performance of Dhaka Bank Limited, a second-generation bank of Bangladesh, and comparing with other second-generation banks to evaluate where Dhaka Bank Limited stands. In order to evaluate the performance and ranking the banks, various financial ratios have been calculated for the CAMEL rating method and standardize score has been used to rank them.

3.2 Limitations

- For a fair comparison, only the five 2nd generation banks have taken into consideration while analyzing the performance. If the sample size were bigger, the result would be more accurate.

- Time horizon also a limitation for this study, not all the banks were following BASEL-III accord through Bangladesh Bank has given directives to follow BASEL-III from 2015.
- In our country BASEL-III, still is in the implementation stage.
- This report is based on only the publically available information in the secondary source. Mismatch of data may be found for some ratios, as all the particular numbers were not calculated in the annual report. In those cases, I have had to calculate the figures manually.

Chapter 4

Results

4.1 Summary of Results

Ratios	Eastern Bank Limited	Prime Bank Limited	Dhaka Bank Limited	National Credit and Commerce Bank Ltd.	South East Bank Limited
Capital Adequacy			**Average of 2016-2018**		**Weight: 30%**
1. Risk Weighted Capital Adequacy Ratio	13.78%	14.50%	13.44%	12.47%	12.03%
2. Net Worth Protection	6.23	2.28	2.06	2.29	2.01
Asset Quality			**Average of 2016-2018**		**Weight: 20%**
1. Percentage of classified loan	2.52%	5.86%	4.99%	5.52%	5.79%
2. Loans to Asset Ratio	72.95%	67.69%	68.54%	60.61%	56.97%
Management Capacity			**Average of 2016-2018**		**Weight: 15%**
1.Income per employee	1.66	0.58	0.81	0.75	0.86
2. Expenses per employee	1.92	1.26	1.14	0.69	1.10
3. Operating expense to assets	2.24%	2.38%	1.72%	1.22%	4.86%
4. Interest Expense to Deposits	5.69%	5.26%	6.30%	5.02%	5.61%
Earnings Ability			**Average of 2016-2018**		**Weight: 15%**
1. Net Investment Margin	12.61%	12.99%	11.87%	8.30%	7.88%
2. Net Profit Margin	1.51%	0.96%	0.94%	0.76%	1.30%

3. Diversification Ratio	49.46%	57.62%	56.94%	27.92%	24.96%
4. Earnings per Share	3.74	1.60	1.88	2.04	2.14
5. Return on Equity	12.73%	7.11%	9.30%	7.56%	11.28%
6. Return on Assets	1.10%	0.64%	0.62%	0.53%	0.74%
Liquidity			**Average of 2016-2018**		**Weight: 20%**
1. Loan to Deposit Ratio	107.74%	96.62%	89.29%	77.53%	92.47%
2. Liquid Asset to Total Deposit Ratio	18.11%	14.55%	16.59%	10.00%	11.26%
3. Earning asset to deposit	129.24%	116.21%	109.48%	98.01%	110.23%
4. Liquidity Coverage	114.91%	116.96%	100.74%	115.00%	111.77%
5. Net Stable Funding	103.16%	122.86%	105.25%	113.42%	101.75%
Ranking	**1**	**2**	**3**	**4**	**5**

4.2 Capital Adequacy

Capital to Risk weighted Assets Ratio (CRAR):

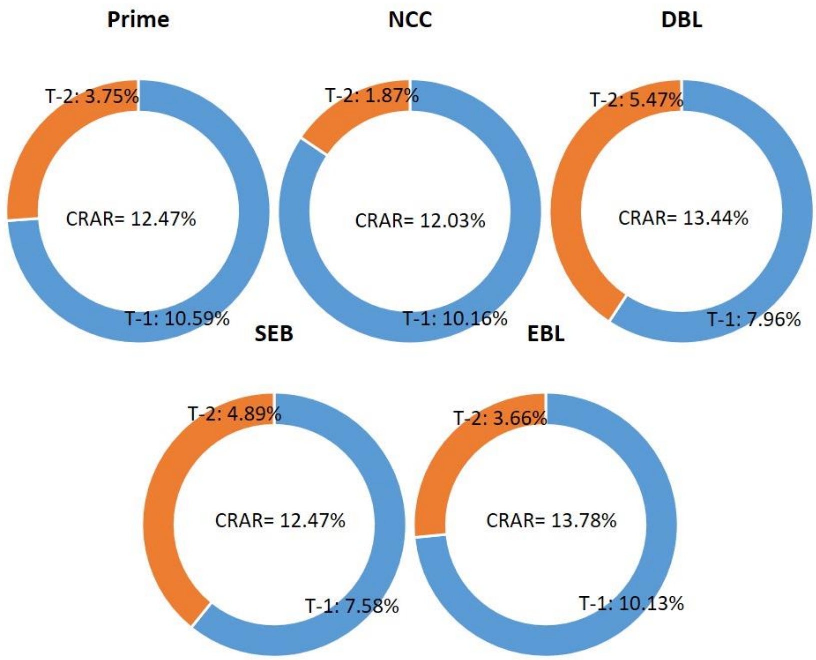

Figure 1: Capital to risk weighted asset

Capital to risk weighted assets ratios present the total available capital in a percentage of total risk weighted assets the company possess. Capital can be divide in two categories: Tier-1 capital and Tier-2 capital. Tier-1 capital includes Common Equity Tier-1 and Additional

Tier-1 capital. Higher CRAR promotes higher protection for the depositors, stability and efficiency in the sector. In line with Basel-III, Bangladesh Bank instructed all the banks to maintain a minimum 10% capital ratio. With the capital conversion buffer, minimum capital ratio is 11.875% for 2018 and 12.25% for 2019 [8]. All the banks were able to main the minimum capital requirement with capital conversion buffer. In economic stress or unwanted losses DBL's and EBL's depositor will be in better position. Dhaka Bank Limited has performed above average in this case.

Net worth protection:

This ratio checks the bank's ability of how many times total equity covers the nonperforming loans. Expect EBL, all the banks have equity which would be enough to cover the non-performing loans 2 times whereas EBL's total equity can over the non-performing loans more than 6 times on an average. This also indicates that EBL has less non-performing loans volume compare to other banks.

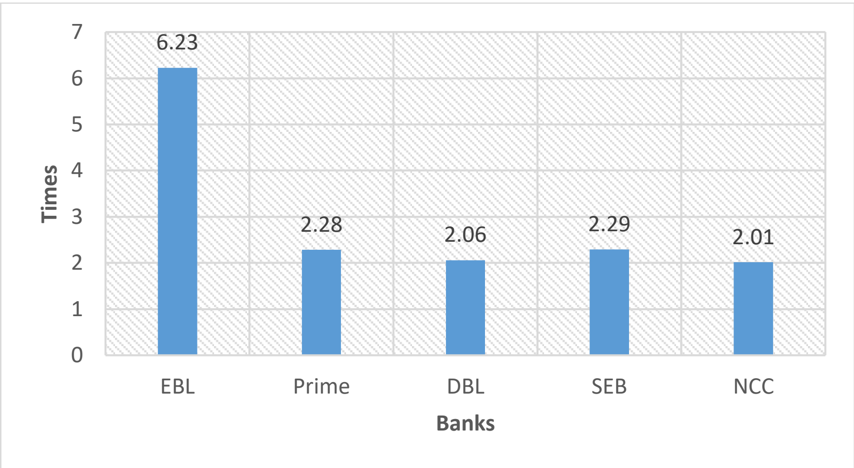

Figure 2: Net worth protection

4.3 Asset Quality

The loan's quality can be viewed by asset quality ratios. This also reflects the bank's loan disbursement policy and their risk preference. Two ratios, Percentage of Classified Loan and

Loans to Asset Ratio, have included in the asset quality part to observe the Dhaka Bank's position compared to other banks.

Percentage of Classified Loans:

Classified loans are those loans which have a higher chance of default. Interest payment and principal amount remaining unpaid by the borrower considered as classified loans. Dhaka Bank stands in average position with a mean percentage of classified loans approximately 5% of its total loan disbursed to borrowers. Where Eastern Bank has only average 2.52% of classified loan over the last three years period. This reflects that EBL has better loan disbursement and loan recovery practice.

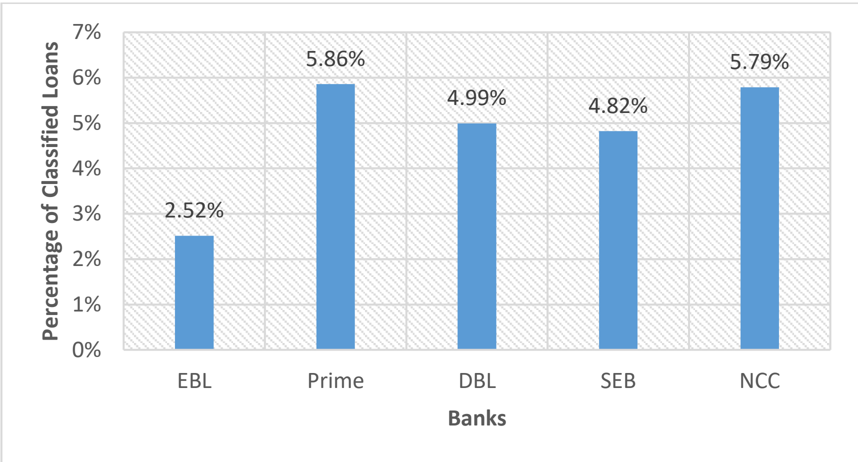

Figure 3: Percentage of Classified Loan

Loans to Asset Ratio:

This ratio represents the total loans as a percentage of total assets of the banks. Higher loans to asset ratio are not pleasing to banks. A high percentage of loans indicate that the bank has disbursed significant amount of cash to borrower and has less cash in hand. Which may also result in liquidity crisis in the time to economic stress and can pile up the amount of non-performing and default loan. On an average Dhaka Bank has 68.54% and Eastern Bank has

72.95% loans outstanding in a percentage of total asset. The previous ratio shows that Eastern Bank has lowest classified loans but their default loan may rise in future and could be affected by liquidity crisis.

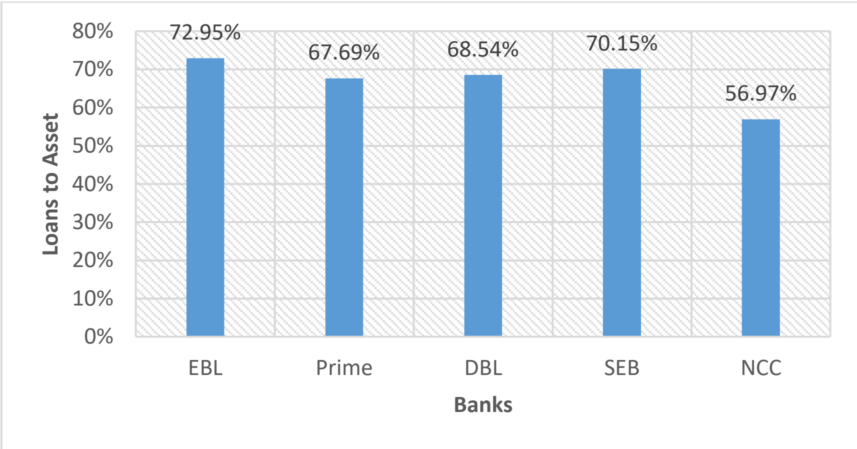

Figure 4: Loans to Asset Ratio

4.4 Management Efficiency

Income per Employee:

Income per employee is a management efficiency measurement. This ratio shows the amount of profit after tax per employee generate in a specific time period. EBL achieve the highest average income per employee, Tk. 1.66 million whereas Prime Bank at the bottom line with Tk. 0.58 million. The average income per employee of these five banks is Tk. 0.93 million. Dhaka Bank is performing below the average, at Tk. 0.81 million, which is not good.

Expenses per employee:

EBL's expense per employee is the highest, average Tk. 1.92 million. Where SEB's expense is Tk. 0.69 million. Comparing side by side, all the bank income per employee is less than the expense per employee.

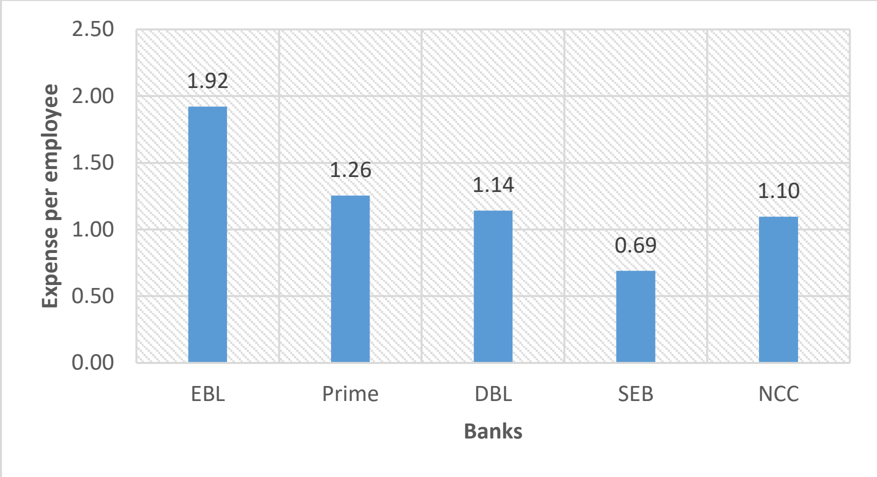

Figure 5: Expenses per employee (in million)

Operating expense to asset:

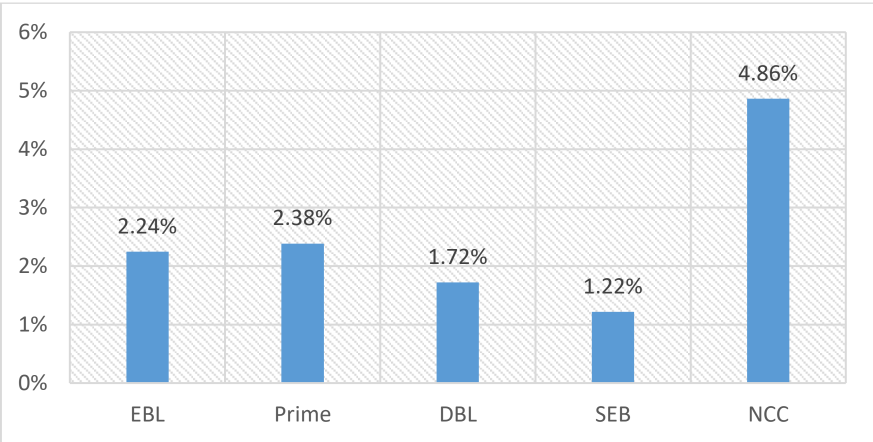

Figure 6: Operating expense to asset

Lower the operating expense better for the institution. Dhaka bank limited has average 1.72% operating expense in a percentage of total assets. NCC banks have incurred average 4.86% as operating expense.

Interest expense to Deposit:

Banks take deposits and give interest on the deposited amount. Interest expense to deposit ratio tells us the cost of deposit. It also reflects the management efficiency. Higher interest expense reduces the net profit overall. Dhaka Bank's average cost to deposit is 6.30% over the three year time horizon.

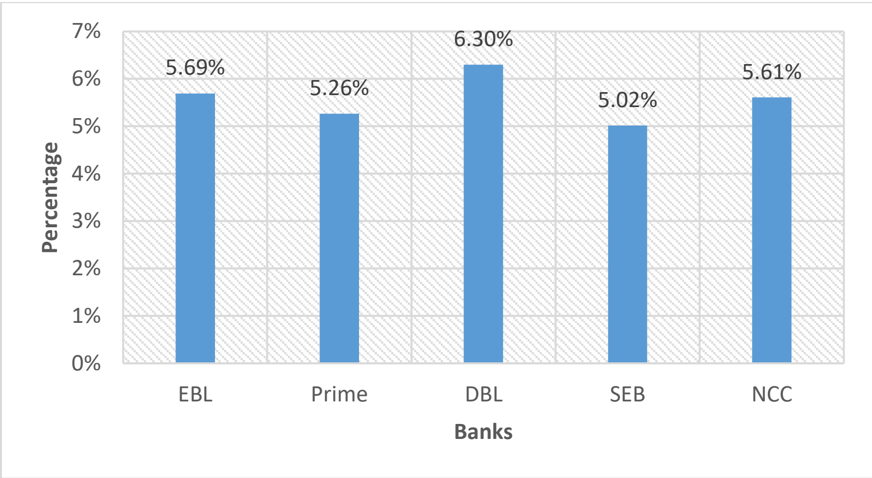

Figure 7: Interest Expense to Deposits

4.5 Earnings Ability

Net Investment Margin

Prime Bank's average earnings from the investment are 12.99% which is the highest among the five banks. DBL generate 11.87% profit from investment on an average. EBL earns slightly more, 12.61%. SEB and NCC bank generates below 10%. Profit from investment declined year on year in every bank. This is happening because of unstable share market, government policy and banks risk appetite.

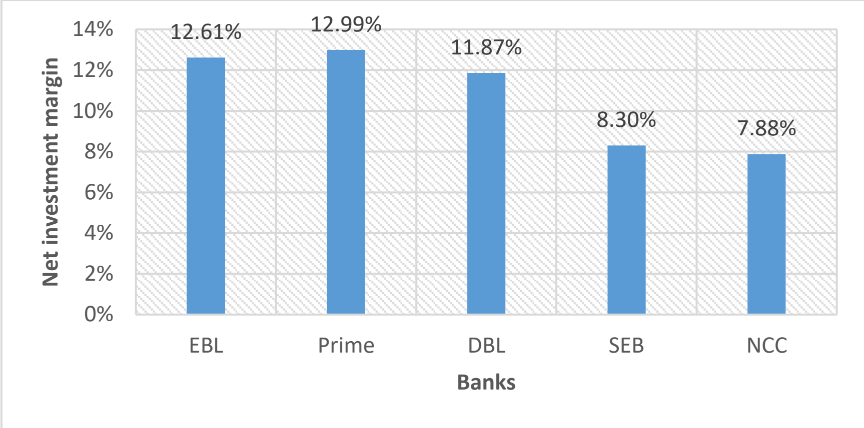

Figure 8: Net Investment Margin

Net Profit Margin:

Over the course of time overall net profit of every bank has been falling. The main reason behind this scenario is NPL is soaring every year. Dhaka Bank's non-performing loan jumps to Tk. 9,209 million in 2017 which was 5,403 million in 2016. Provision for loan losses has to be increased for that reason which results in lower net profit. Though, NPL to Total Loans and Advances decreased in the year 2018.

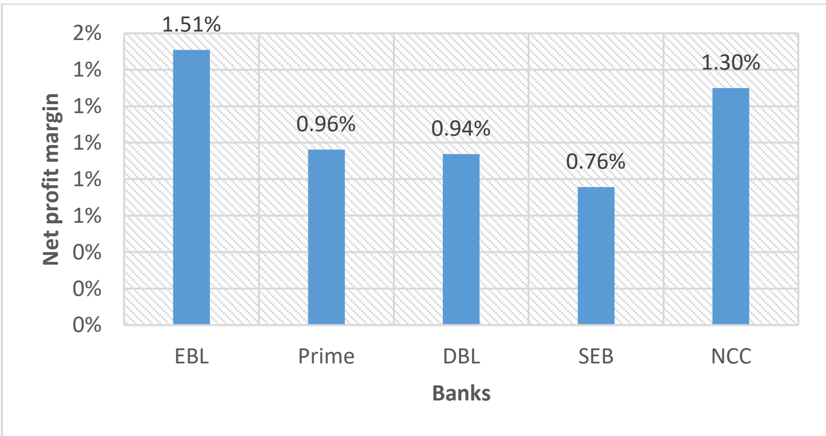

Figure 9: Net Profit Margin

Diversification Ratio:

From the non-interest income point of view, Dhaka Bank's performance is above average. Dhaka bank generates an average of 56.94% of operating profit from non-interest income. This non-interest income includes income from investment, commission, exchange, fees, brokerage, and other operating income. NCC Bank's diversification ratio is the lowest among five banks at 24.96% yearly average.

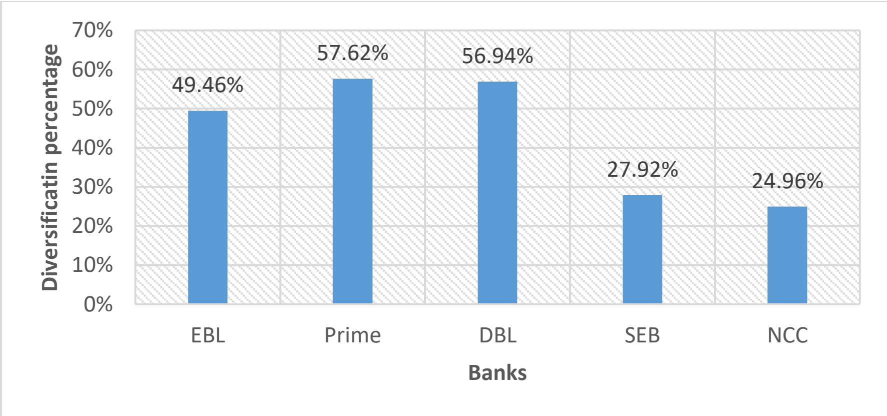

Figure 10: Diversification Ratio

Earnings per Share:

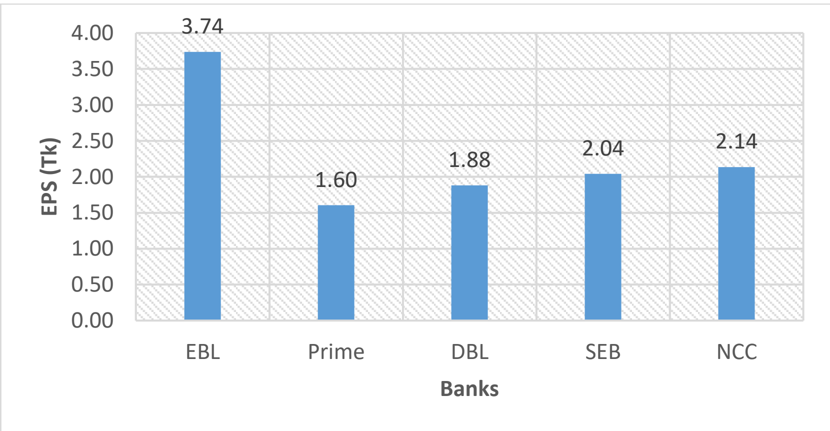

Figure 11: Earnings per share

Higher the EPS considered as higher profitable the company is. EBL's EPS is highest Tk 3.74 per total common share outstanding. DBL's EPS Tk 1.88 which indicates that the company is less profitable than others in the group.

Return on Equity:

Return on equity represents how good the bank is to generate earnings growth with their investors' money. Higher return on equity indicates management is good and efficiently using the investors' money. Average ROE of five banks is 9.60%. In this group, DBL's ROE is below average at 7.56%. EBL has the highest ROE, 12.73%.

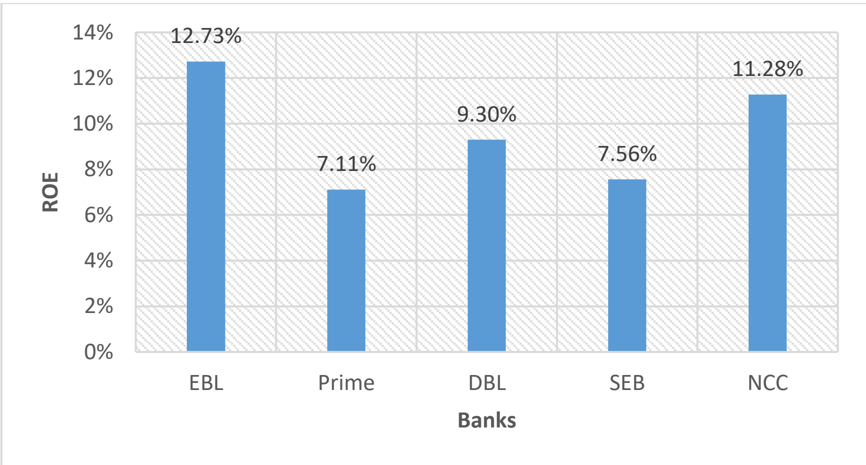

Figure 12: Return on Equity

Return on Asset:

Return on asset provides a good outlook of how efficient the management of a bank in generating earnings from their total asset. Higher the ROA represent the bank's management is more efficient is generating earnings from the asset available. EBL generates 1.10% from their asset and SEB is in the lowest position with ROA of 0.53%. Average ROA of five banks is 0.73%, where DBL was able to generate 0.62% on an average in the last three years.

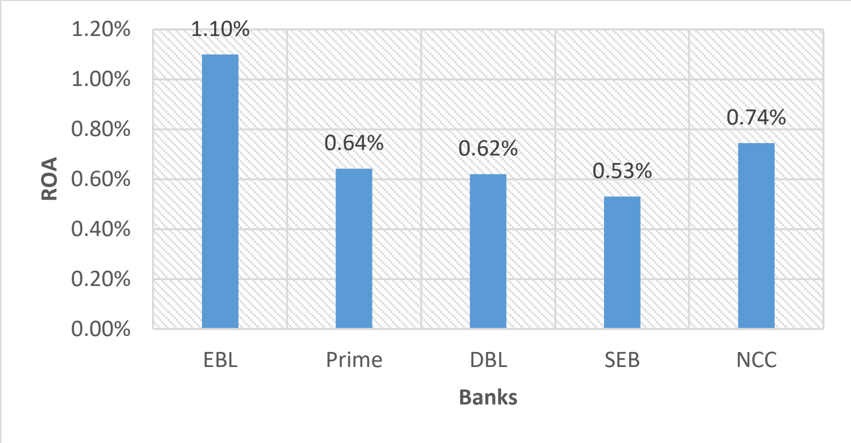

Figure 13: Return on Asset

4.6 Liquidity

Loan to Deposit Ratio:

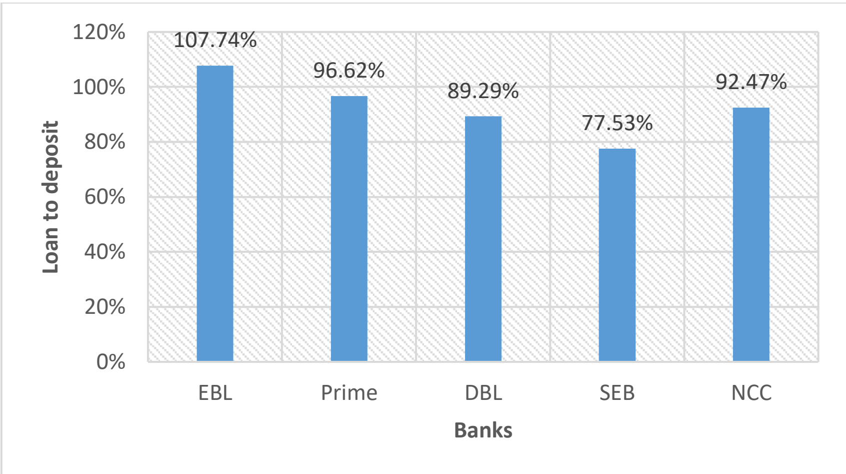

Figure 14: Loan to Deposit Ratio

Loans to deposit ratios present how much total loans outstanding compare to total deposit available at the same time horizon in a bank. Higher LDR indicates bank holds low liquid cash in hand. In this situation, bank may not respond properly in the time of economic stress. Lower LDR also indicates that bank is not using cash properly to sell loans or invest rather holding excessive idle cash in hand. EBL has 107.74% LDR on average over the 3 years' time horizon where SEB has lowest 77.53% LDR. EBL aggressively using their deposit and

SEB is holding idle cash. In comparison, DBL maintains an average of around 90% LDR which reflects the bank is using depositors' money in a careful manner.

Liquid Asset to Total Deposit Ratio:

The liquid asset includes cash in hand, cash deposit in other banks, cash equivalent, marketable securities, and accounts receivable. The liquid asset may use for short term lending, meeting immediate customer cash demand. EBL holds average of 18.11% of liquid asset in percentage of total deposit. DBL holds around 16.50% of liquid assets. SEB holds lowest, 10.00% liquid asset. EBL and DBL are closely competing in this case; these two banks are in good position compared to other three banks. They have the capability to meet customers demand on short notice.

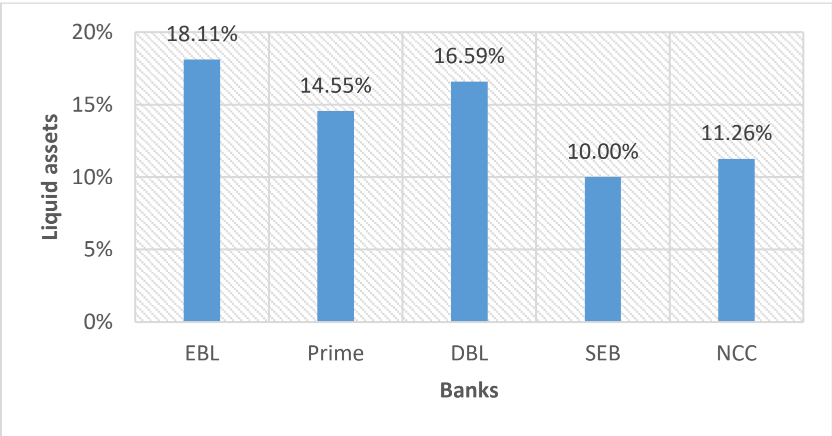

Figure 15: Liquid Asset to Total Deposit Ratio

Earning Asset to Total Deposit Ratio:

Earning assets are owned or held by the banks, which generates interest income or divided. This type of asset can provide a steady income which is good for long term goals. Earning assets not only generates interest or dividend but it also has a base value which can be sold at lump sum amount. Higher the earning asset to total deposit ratios is better for a financial institution. Expect SEB, all the banks covered their total deposit by total earning asset. This also means that depositor will remain in safe position in unwanted economic situation.

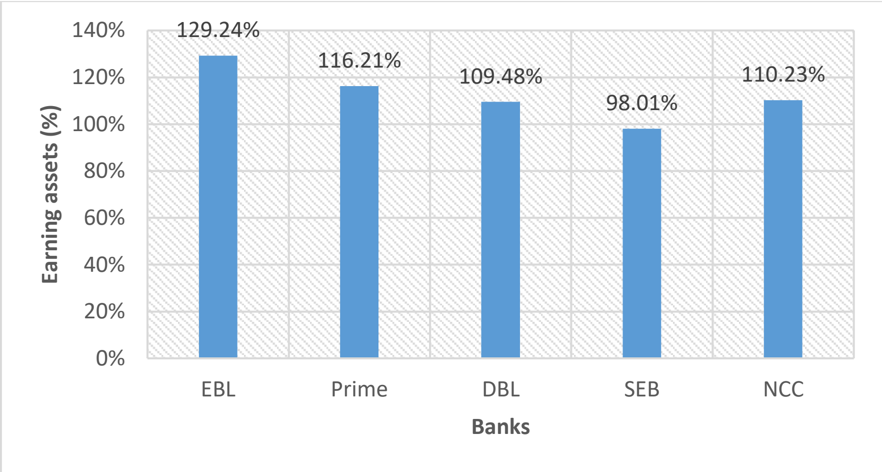

Figure 16: Earning Asset to Total Deposit

Liquidity Coverage Ratio:

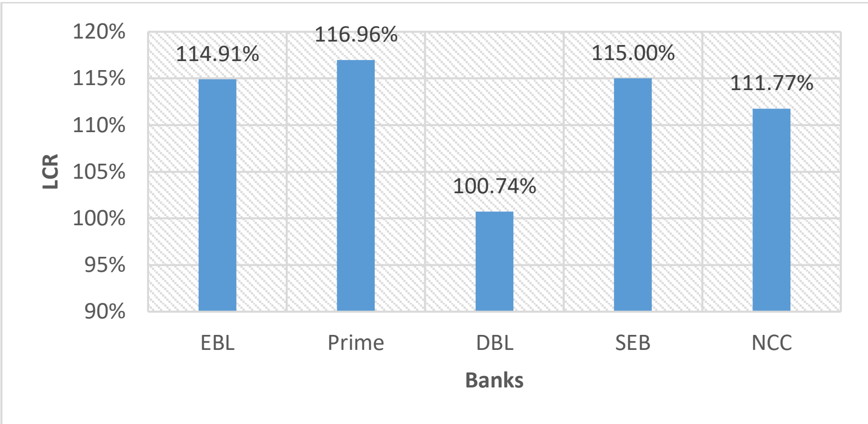

Figure 17: Liquidity Coverage Ratio

According to Bangladesh Bank directives and BASEL-III accord, banks must maintain greater or equal to 100% liquidity coverage ratio. Banks must keep a high quality liquid asset to meet the short term liquidity crisis in the market. In a stressed situation banks must be able to meet the cash outflow for 30 days. BASEL committee decided to take 30 days because in a financial crisis government central bank takes around 30 days to respond. So LCR gives a bank enough cash to run the business over 30 day period. Higher LCR better for bank but holding too much idle cash result in decrease in potential earnings from selling loans. DBL's average LCR is 100.74% whereas prime bank has the highest LCR at 116.96%.

Net Stable Funding Ratio:

NSFR promotes resilience over a time horizon of one year by requiring banks to fund the activities with more stable sources of funding. NSFR aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity. Also, it reduces the asset and liability mismatch on the balance sheet which results in lower risk. Prime Bank maintains average 122.86% of NSFR which is highest in my study and NCC Bank has average 101.75% where DBL maintain an average of 105.25% of Net Stable Fund.

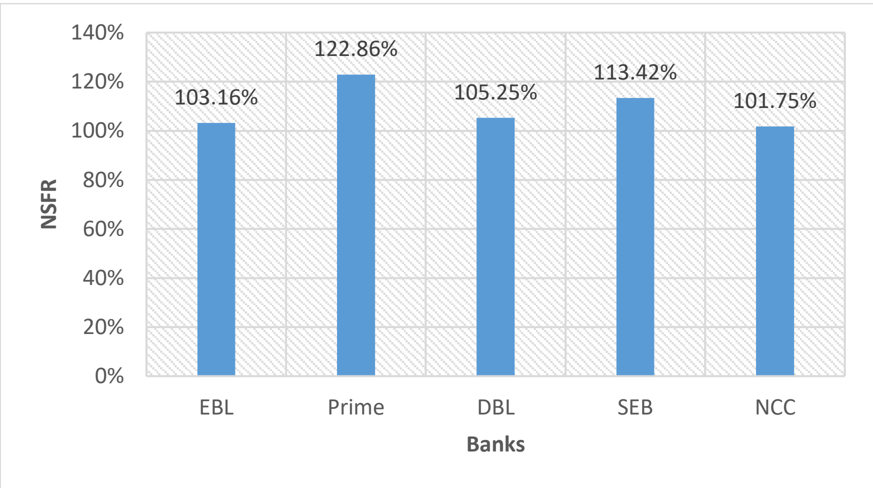

Figure 18: Net Stable Funding Ratio

Chapter 5

Findings

As per the final result, the ranking of five banks has shown below.

Banks	Ranking
Eastern Bank Limited	1st
Prime Bank Limited	2nd
Dhaka Bank Limited	3rd
Southeast Bank Limited	4th
National Credit & Commerce Bank Limited	5th

It is also evident from the result that the Dhaka Bank Limited is an average performing bank among five banks. Weights given for CAMEL rating method is subjective, the result will vary in different weight combinations. It is also important to mention that, recent raise in non-performing loans and liquidity coverage affected the overall performance of Dhaka Bank Limited. Non-performing loans eventually pile up the default loans. Raise of non-performing loans in Dhaka Bank Limited happened probably because of recent decision of Finance Ministry and Bangladesh Bank, rescheduling of non-performing loans.

All the banks encountered a drastic rise in NPLs over the last three year period except EBL. EBL's non-performing loans stay 2.52% on an average where all the banks have greater or equal to 5% non-performing loans in their portfolio.

Income per employee is lower than expenses per employee in all the banks. DBL's income per employee is Tk. 0.81 million whereas the expenses for each employee is Tk. 1.14 million.

Employees are not generating enough profit in a sense. Interest expense against the deposit is high in DBL among all the banks, which is 6.30%. Though, other banks interest expense stays from 5.00% to 5.99% on average. DBL is paying more as interest expense compare to other banks.

Investment margin shows us that Dhaka Bank Limited has been generating less and less income from investment over the last few years. However, their investment portfolio has been rising at the same period. DBL's non-interest income is average 56.94% which means they are focus more on other services rather than core banking service. Lower net income year on year is also reflected in EPS in DBL's balance sheet. Also they have generated less from shareholders equity.

Liquidity coverage ratio of Dhaka Bank Limited has always remained around 100%, which is satisfactory as they maintained the prescribed percentage of LCR by Basel committee and Bangladesh Bank. Average LCR of all these five banks is 111%. With this in mind, DBL is not performing well. In short period of financial stressed situation other banks will be in a better position. DBL's average NSFR is around 105% which is lower than the average score of all banks.

Chapter 6

Conclusion

My internship experience in Dhaka Bank Limited motivated me to do research on Dhaka Bank's performance as I have worked in the Research and Development Unit. The results have been derived from the publically available information on the secondary sources. DBL recently observed 25th year anniversary, this also influences me to see how far they come in 24 years in line with other second generation banks. Results depicts that DBL is an average performing bank among other second generation banks taken into consideration for this study.

Dhaka bank's classified loans amount, expenses per employee, EPS, interest expense etc. heavily affected their overall performance. Proper managerial decision is necessary to over watch loan recovery mechanism, rescheduling of loans.

Final result shows that the banks are competing very closely to each other, for this reason further study is needed to see the result with different weight combination for CAMEL. Hence the result could be different. A performance study on the banks of our neighboring countries those also started their operation in between 1991-1995 would be helpful to understand where our second generation banks stand compared to their banks.

According to Bangladesh Bank, in the middle of 2018 seven SoCBs and three PCBs were running capital deficit or inadequate capital. To get rid this situation BB recapitalize or bailout the banks to maintain calmness in banking sector. Such actions may encourage banks to remain irresponsible while disbursing loans under political influence or without measuring credit risk. The tendency of giving long term loans against short term deposits also results in liquidity crunch in banks.

As the financial well-being of a country more depends on banking system, it is also very important to making banking sector stronger. The regulatory authority must focus on mitigating the risk of misconduct and assess the driver that causes misconduct. Banks must have proper credit management team assess the risk involved and ability of client to avoid non-performing loans.

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Appendix

A. Bank Data

Bank		SEB			EBL			DBL			NCC			Prime	
Year	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**
Particulars															
Common Equity Tier 1 Capital	23,566	23,566	23,566	18,908	16,943	16,078	15,402	14,540	13,770	17,128.19	16,431.92	16,113.80	24,335	23,048	23,634
Tier 2 Capital	15,189.69	15,189.69	15,189.69	5,740	6,358	6,394	8,072	7,345	13,692	6,452.97	1,763.50	1,532.80	13,924	9,203	7,998
Total Risk Weighted Assets	310,839.33	310,839.33	310,839.33	202,655	165,435	148,811	210,240	182,954	159,790	186,830.69	158,051.15	147,483.46	224,585	230,211	254,001
Total Debt															
Total Shareholder Equity	28,116.66	28,116.66	28,116.66	28,116.66	28,116.66	28,116.66	16,616	15,245	14,446	17,676.61	17,073.99	16,542.20	26,181	24,708	25,286
Return on Equity	9.17%	4.46%	9.06%	13.83%	11.41%	12.94%	8.18%	9.21%	10.50%	10.45%	10.49%	12.91%	8.60%	4.24%	8.49%
Total Shareholder Equity	28,116.66	28,116.66	28,116.66	28,116.66	28,116.66	28,116.66	16,616	15,245	14,446	17,676.61	17,073.99	16,542.20	26,181	24,708	25,286
Non-Performing Loan	15,558.85	13,878.53	9,257.79	4,926	4,600	4,096	9,009	9,209	5,403	10,091.88	8,490.07	7,274.01	12,686	10,799	10,139
Total Loans and Advances	267,671.63	234,316.72	191,865.59	209,306	184,027	152,084	180,626	154,017	134,689	173,866.79	146,633.84	126,003.48	205,810	198,323	170,212
Profit after Tax	2,473	1,168	2,435	3,08	2,405	2,656	1,359	1,495	1,466	1,815	1,763	2,078	2,18	1,05	2,19

	.21	.63	.07	1						.84	.45	.11	8	9	5
Total employees	2,797	2,704	2,616	1,715	1,594	1,584	1,917	1,771	1,668.00	2,145.00	2,146.00	2,310.00	3,212	3,499	2,961
Total Cost	2,005	1,867	1,735	3,470.93	3,123.29	2,825.02	2,203.48	2,197.43	1,728.12	2,614.95	2,542.65	2,046.26	4,342.73	3,982.78	3,775.55
Profit from Investment	5,129.75	5,570.65	5,079.61	2,318	3,415	3,315	2,200	2,884	3,238.00	2,793.14	2,024.94	2,015.41	2,154	4,246	6,203
Total Investment	65,609.55	62,911.04	61,731.63	27,720	24,361	21,449	27,620	23,182	21,306.00	33,471.28	29,403.28	23,958.16	26,046	23,807	48,249
Profit after Tax	2,473.21	1,168.63	2,435.07	3,081	2,405	2,656	1,359	1,495	1,466.00	1,815.84	1,763.45	2,078.11	2,188	1,059	2,195
Total Loans and Advances	267,671.63	267,671.63	267,671.63	209,306	184,027	152,084	180,626	154,017	134,689.00	173,866.79	146,633.84	126,003.48	205,810	198,323	170,212
EPS	2.35	1.11	2.66	4.17	3.26	3.78	1.67	1.84	2.13	2.06	2.00	2.35	1.93	0.94	1.94
Total Deposit	298,334.79	298,334.79	298,334.79	199,629	167,348	140,284	197,189	170,035	157,162.00	191,343.75	159,988.45	132,800.38	197,518	199,014	197,934
Liquid Asset	34,670.17	28,785.19	26,081.30	33,296.99	32,152.23	25,871.26	32,957.12	24,920.81	28,937.48	22,152.19	16,897.55	15,465.18	31,299.99	29,858.34	25,354.74
Earning Asset	331,101.81	291,947.38	254,120.97	247,935	221,798	183,761	223,630	187,004	165,096.00	209,048.00	173,892.00	149,711.00	241,264	230,038	219,508
Non-Interest Income	4,632.22	4,334.70	3,565.64	5,633	6,656	5,952	5,300	5,997	5,026.43	5,026.43	4,091.45	3,578.77	5,249.91	7,254.45	8,710.15
Total Operating Income	14,961.92	14,961.92	14,961.92	13,139	12,401	11,481	8,739	9,376	10,877.00	22,429.93	16,805.55	14,850.84	12,899	12,148	12,023
Total Assets	381575.68	381575.68	381575.68	282,451	253,068	211,185	202,192	229,453	273,976.00	316,706.83	256,665.41	214,046.51	293901	281275	272224
Operating Expense	4988.51	4735.19	4198.12	5,995	5,605	5,063	4,313	4,171	3,336.00	16,211.20	11,882.93	10,359.62	7180	6775	6266
Interest Expense	18,777.90	13,372.86	12,765.12	12,315.06	8,654.36	8,055.40	13,409	10,336	9,453.00	12,012.33	8,102.79	7,281.26	10741	9875	10676

B. Risk Weighted Capital Adequacy Ratio

Risk Weighted Capital Adequacy Ratio		2018	2017	2016	Average	Standardized Score	Rating	Mean	St. Dev
SEB	Capital & reserve / Total risk weighted Assets	12.47%	12.47%	12.47%	12.47%	-0.41	3	13.24 %	1.88 %
EBL		12.16%	14.08%	15.10%	13.78%	0.29	3		
DBL		11.17%	11.96%	17.19%	13.44%	0.10	3		
NCC		12.62%	11.51%	11.97%	12.03%	-0.65	3		
Prime		17.04%	14.01%	12.45%	14.50%	0.67	3		

C. Net Worth Protection Ratio

Net Worth Protection		2018.00	2017	2016	Average	Standardized Score	Rating	Mean	St. Dev
SEB	Total equity / non-performing loan	1.81	2.03	3.04	2.29	-0.39	3	2.97	1.74
EBL		5.71	6.11	6.86	6.23	1.87	2		
DBL		1.84	1.66	2.67	2.06	-0.53	3		
NCC		1.75	2.01	2.27	2.01	-0.55	3		
Prime		2.06	2.29	2.49	2.28	-0.40	3		

D. Percentage of Classified Loans

Percentage of classified loan		2018	2017	2016	Average	Standardized Score	Rating	Mean	St. Dev
SEB	Non -performing loan / total loan	5.81%	5.92%	4.83%	5.52%	0.43	3	4.93%	1.37%

EBL		2.35%	2.50%	2.69%	2.52%	-1.76	2		
DBL		4.99%	5.98%	4.01%	4.99%	0.04	3		
NCC		5.80%	5.79%	5.77%	5.79%	0.62	3		
Prime		6.16%	5.45%	5.96%	5.86%	0.67	3		

E. Loans to Assets

Loans to Asset Ratio		2018	2017	2016	Average	Standardized Score	Rating	Mean	St. Dev
SEB	Total Loan/Total Assets	70.15%	61.41%	50.28%	60.61%	-0.45	1	65.35%	10.54%
EBL		74.10%	72.72%	72.01%	72.95%	0.72	1		
DBL		89.33%	67.12%	49.16%	68.54%	0.30	1		
NCC		54.90%	57.13%	58.87%	56.97%	-0.80	2		
Prime		70.03%	70.51%	62.53%	67.69%	0.22	1		

F. Income per Employee

Income per employee		2018	2017	2016	Average	Standardized Score	Rating	Mean	St. Dev
SEB	Total profit / total employees	0.88	0.43	0.93	0.75	-0.43	3	0.93	0.41
EBL		1.80	1.51	1.68	1.66	1.74	2		
DBL		0.71	0.84	0.88	0.81	-0.29	3		
NCC		0.85	0.82	0.90	0.86	-0.18	3		
Prime		0.68	0.30	0.74	0.58	-0.85	3		

G. Expense per Employee

Expenses per employee		2018	2017	2016	Average	Standardized Score	Rating	Mean	St. Dev
SEB	Total cost / total employees	0.72	0.69	0.66	0.69	-1.25	2	1.22	0.43
EBL		2.02	1.96	1.78	1.92	1.65	4		
DBL		1.15	1.24	1.04	1.14	-0.19	3		
NCC		1.22	1.18	0.89	1.10	-0.29	3		
Prime		1.35	1.14	1.28	1.26	0.08	3		

H. Operating expense to assets

Operating expense to assets		2018	2017	2016.00	Average	Standardize Score	Rating	Mean	St. Dev
SEB	Operating expense/total assets	1.31%	1.24%	1.10%	1.22%	-0.96	3	0.02	0.01
EBL		2.12%	2.21%	2.40%	2.24%	-0.18	3		
DBL		2.13%	1.82%	1.22%	1.72%	-0.58	3		
NCC		5.12%	4.63%	4.84%	4.86%	1.80	4		
Prime		2.44%	2.41%	2.30%	2.38%	-0.08	3		

I. Interest expense to deposits

Interest expense to deposits		2018	2017	2016	Average	Standardize Score	Rating	Mean	St. Dev
SEB	Interest expense/total deposits	6.29%	4.48%	4.28%	5.02%	-0.79	3	0.06	0.01
EBL		6.17%	5.17%	5.74%	5.69%	0.17	3		

DBL		6.80%	6.08%	6.01%	6.30%	1.01	4		
NCC		6.28%	5.06%	5.48%	5.61%	0.04	3		
Prime		5.44%	4.96%	5.39%	5.26%	-0.44	3		

J. Net investment margin

Net Investment Margin		2018	2017	2016	Average	Standardize Score	Rating	Mean	St. Dev
SEB	Profit from investment / total investment	7.82%	8.85%	8.23%	8.30%	-0.69	3	10.52%	3.85%
EBL		8.36%	14.02%	15.46%	12.61%	0.53	3		
DBL		7.97%	12.44%	15.20%	11.87%	0.32	3		
NCC		8.34%	6.89%	8.41%	7.88%	-0.81	3		
Prime		8.27%	17.84%	12.86%	12.99%	0.64	3		

K. Net profit margin

Net profit margin		2018	2017	2016	Average	Standardize Score	Rating	Mean	St. Dev
SEB	Profit after tax / total loan & advance	0.92%	0.44%	0.91%	0.76%	-0.91	3	1.09%	0.37%
EBL		1.47%	1.31%	1.75%	1.51%	1.12	2		
DBL		0.75%	0.97%	1.09%	0.94%	-0.42	3		
NCC		1.04%	1.20%	1.65%	1.30%	0.56	3		
Prime		1.06%	0.53%	1.29%	0.96%	-0.35	3		

L. Diversification ratio

Diversification Ratio		2018	2017	2016	Average	Standardize Score	Rating	Mean	St. Dev
SEB	Non-Interest Income/Total Income	30.96%	28.97%	23.83%	27.92%	-0.92	3	43.38%	16.81%
EBL		42.87%	53.67%	51.84%	49.46%	0.36	3		
DBL		60.65%	63.96%	46.21%	56.94%	0.81	3		
NCC		18.24%	21.30%	35.35%	24.96%	-1.10	4		
Prime		40.70%	59.72%	72.45%	57.62%	0.85	3		

M. EPS

EPS		2018	2017	2016	Average	Standardize Score	Rating	Mean	St. Dev
SEB	Net income/ Total CS outstanding	2.35	1.11	2.66	2.04	-0.27	3	2.28	0.89
EBL		4.17	3.26	3.78	3.74	1.64	2		
DBL		1.67	1.84	2.13	1.88	-0.45	3		
NCC		2.06	2.00	2.35	2.14	-0.16	3		
Prime		1.93	0.94	1.94	1.60	-0.76	3		

N. ROE

ROE		2018	2017	2016	Average	Standardize Score	Rating	Mean	St. Dev
SEB	Net income/ Shareholders equity	9.17%	4.46%	9.06%	7.56%	-0.74	3		
EBL		13.83%	11.41%	12.94%	12.73%	1.14	2		
DBL		8.18%	9.21%	10.50%	9.30%	-0.11	3		
NCC		10.45%	10.49%	12.91%	11.28%	0.61	3	9.60%	2.75%

Prime		8.60%	4.24%	8.49%	7.11%	-0.91	3		

O. ROA

ROA		2018	2017	2016	Average	Standardize Score	Rating	Mean	St. Dev
SEB	Total Income/Total Assets	0.65%	0.31%	0.64%	0.53%	-0.77	3	0.72%	0.22%
EBL		1.09%	0.95%	1.26%	1.10%	1.46	3		
DBL		0.67%	0.65%	0.54%	0.62%	-0.42	3		
NCC		0.57%	0.69%	0.97%	0.74%	0.07	3		
Prime		0.74%	0.38%	0.81%	0.64%	-0.33	3		

P. Loans to deposits

Loan to Deposit Ratio		2018	2017	2016	Average	Standardize Score	Rating	Mean	St. Dev
SEB	Total loan / total deposit	89.72%	78.54%	64.31%	77.53%	-1.27	2	97.92%	7.73%
EBL		104.85%	109.97%	108.41%	107.74%	1.26	3		
DBL		91.60%	90.58%	85.70%	89.29%	-0.29	2		
NCC		90.87%	91.65%	94.88%	92.47%	-0.02	1		
Prime		104.20%	99.65%	85.99%	96.62%	0.33	1		

Q. Liquid assets to deposits

Liquid Asset to Total Deposit Ratio		2018	2017	2016	Average	Standardize Score	Rating	Mean	St. Dev
SEB	Liquid asset / total deposit	11.62%	9.65%	8.74%	10.00%	-1.20	3	14.15%	3.14%
EBL		16.68%	19.21%	18.44%	18.11%	1.18	2		
DBL		16.71%	14.66%	18.41%	16.59%	0.73	2		
NCC		11.58%	10.56%	11.65%	11.26%	-0.83	2		
Prime		15.85%	15.00%	12.81%	14.55%	0.13	1		

R. Earning assets to deposits

Earning asset to deposit		2018	2017	2016	Average	Standardize Score	Rating	Mean	St. Dev
SEB	Earning asset / total deposit	110.98%	97.86%	85.18%	98.01%	-1.21	4	112.63%	12.06%
EBL		124.20%	132.54%	130.99%	129.24%	1.38	2		
DBL		113.41%	109.98%	105.05%	109.48%	-0.26	3		
NCC		109.25%	108.69%	112.73%	110.23%	-0.20	3		
Prime		122.15%	115.59%	110.90%	116.21%	0.30	3		

S. Liquidity coverage

Liquidity Coverage		2018	2017	2016	Average	Standardize Score	Rating	Mean	St. Dev
SEB	HQLA/Total Net Cash flow	123.70%	102.81%	118.50%	115.00%	0.24	3	111.89%	12.74%
EBL		127.67%	113.35%	103.70%	114.91%	0.24	3		
DBL		101.18%	100.06%	100.99%	100.74%	-0.87	3		
NCC		100.52%	123.02%		111.77%	-0.01	3		

Prime		101.41%	109.58%	139.90%	116.96%	0.40	3		

T. Net stable funding ratio

Net Stable Funding		2018	2017	2016	Average	Standardize Score	Rating	Mean	St. Dev
SEB	ASF/RSF	115.18%	115.55%	109.53%	113.42%	0.41	1	109.37%	9.55%
EBL		104.07%	102.82%	102.60%	103.16%	-0.76	2		
DBL		103.01%	101.52%	111.21%	105.25%	-0.52	1		
NCC		102.01%	101.49%		101.75%	-0.92	2		
Prime		127.94%	120.08%	120.56%	122.86%	1.49	3		