

# **Internship Report on Premier Bank**

**Financial Performance Of Premier Bank with Loan-deposit competitive analysis**

By

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**ID: 17104127**

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  
BracUniversity  
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## Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing 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/We have acknowledged all main sources of help.

**Student's Full Name & Signature:**

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\_\_\_\_\_ **Mr. Mahmudul Haq** \_\_\_\_\_  
**Supervisor Full Name**  
Associate Professor, Brac Business School  
Brac University

## Letter of Transmittal

2<sup>th</sup> October, 2021

Mr. Mahmudul Haq  
Associate Professor  
Brac Business School

### **Subject- Submission of internship report on The Premier Bank Ltd**

Dear Sir,

I want to thank you for the directions and support you have given me over the span of this report. This would be difficult for me to finish. With profound appreciation, I would like to thank Mr. Mahmudul Haq and Mr. Sayed Abul Hashem, FCA, FCMA for giving me supportive supervision during my internship period. I gathered data that I thought would serve to prove my points in this report. This practical information and experience assembled through my report planning will limitlessly help in my future.

I am truly grateful on the chance that you edify me with your consideration and perspective in regards to the report. Additionally, on the off chance that you wish to enquire about a part of my report, I would happily answer your questions. Much thank to you again for your help and tolerance

Your sincerely,

**MD. Samaun Rashid Patwary**  
ID-17104127  
BRAC Business School

## EXECUTIVE SUMMARY

Banks have a fundamental impact the economic advancement of a nation. As, a completely operational commercial bank The premier Bank Limited has developed as a market leader in the SME financing by helping the unexplored market niche. This report is a requirement for the successful fulfillment of my internship program the premier Bank (Head Office). This report can divide into three main sections: First part includes a short depiction about the association, corporate mission, vision, values and CSR activities. This part likewise incorporates a short insight about my duties I was required to execute as an intern. Also, in this part the main premise of the report and the conduct methodology and limitations were discussed in brief details. The second part depends of the point of this report “**Financial Performance Of Premier Bank with Loan-deposit competitive analysis**” The premier Limited”. This part gives a complete overview of the economy of Bangladesh, its population and the active workforce in the country. It also includes some scenarios about the socio-cultural economic picture of our women. Various summaries and studies have been included there to give a complete picture of women in our country. Then contributions of the premier Bank ltd. were discussed and how they are helping our country to grow as a nation by helping our women. Loan and Deposit product of banking has been discussed in grave details and their contributions towards empowering women were main topic for the second part. Various help was taken from many people and they were discussed in detail and some success stories of Deposit and Loan segment was mentioned as well to showcase its effectiveness. In the later part of the internship report details about my internship period, what I learned form that and how they have helped me to stand out from the crowd and their lasting impact was mentioned. Details about internship division and their work have been discussed as well. Lastly, this report includes some recommendations by how they can remain competitive in the business and still will be able to help women to be self-sufficient

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## Chapter 1: Overview of Internship

### 1.1 Student Information:

Name: MD Samaun Rashid Patwary

ID: 17104127

Program: Brac Business School (BBA)

Major: Finance and Accounting

### 1.2 Internship Information:

Company Name: The Premier Bank Limited

Internship Period: 3 Months

Division: Financial Administration Division and Branch Networking

Address: Iqbal Center (5<sup>th</sup> floor, FAD), 42 Kemal Ataturk Ave, Dhaka 1213

Internship Supervisor Name: Md. Jahid Imran

Designation: Senior Officer

Job Description: 1. Reporting SBS 2 Report to Bangladesh Bank.

2. Maintaining Financial Data for CSR.

3. Analysis the financial reporting.

4. Assist branch networking with finalize the transaction

### 1.3 Internship Outcomes:

#### *1.3.1 Student's Contribution to the company:*

First of all, I want to segment my work field into two divisions (Branch networking Division and Financial administration division). At first, I have joined in Karwan bazaar Branch and after completing task for 1 month I got transfer order and shifted to Head Office in Banani. It is rare case but I got special opportunity to learn different from them with the serving officers. Now I will give the written statements about contribution to the company as an intern.

Branch Banking system in Premier Bank Karwan bazaar is operating with Four major Divisions:

**1. General Banking:** Works with individual and corporate clients and open accounts for them for making transaction and issued checkbooks and cards (debit and Credit).

**2. Credit Section:** works with loan funds and profiling customer at best for sanction the loan funds and verify the ability of repaying funds at due time from the customers.

**3. Cash Department and clearing section:** receive check and deposit receipt from the customer and react upon the transactions and report it to headquarter for keeping the record of funds transfer and receiving per day. On the other hand, clearing section deals with checks and verify it with following Identity and order to give money if funds are available otherwise dishonor the transaction. Most often Interbank clearing payment section took place for funds swapping.

**4. Foreign Trade Department:** one of the most valued department which earns foreign currency and transfer currency for business and individual client's purposes as per the Bangladesh Bank act. Mostly Authorizer dealers have the permission to operate foreign trading and report it to the Bangladesh bank for any sort of Inflows and outflows of foreign currency.

I got opportunity to serve in general banking and foreign trade department and the versatile works had given me enormous new experience.

In General Banking system, There are three types of jobs to do and these are the core operation for banking. 1. Accounts opening department. 2. Remittance and Bills department. 3. Dispatch Department.

First of all, an individual need to open bank account for any types of transaction and Premier bank use Bank ultimas system for this method which has easier the process. In that system we need provide all sort of information as per the National ID card then we need rate the customer as per the account opening type in regards to clients occupations and interest. Then we need to fill up the KYC form in the system and report it to the head-office for further data process for sending information to the Bangladesh Bank about the client's status.

In bank there are several types of accounts for customers and basis on their transaction they are being offered.

1. Savings Account: generally household individuals and students are being offered with this type of account with cheque and Debit card facilities. They can withdraw money as per giving limitations and save their money into bank. They are no interest for this account and annually bank charge fees for providing securities to the client's deposit.

2. Current Account: it is a traditional business account and individual who needs frequent money for general purposes are opening this account. This account act same as savings account but it has slightly difference with savings account. There were no debit card or credit card facilities in this account type but for last few years banks are offering debit or credit card for this business account. Current account can be opened for Firm's financial transaction.

3. Salaried Account: in this modern time most of the company functions with payroll system because of transparency and cost effectiveness so that employees of the company open salaried account and get benefits for quick transaction and they also enjoy the credit card facility as per their nature of ratings.

4. Fixed Deposit Account: most favorable account type for Bank due to longer deposit and banks

focuses on this account most because they collect cash for long term and invest on short time and long term financing options. Most of the cases retired or household persons open this account for future accumulated liquid assets with gains and live better livings. In recent year Bangladesh Bank has given circular regarding long term Deposit money that, a bank cannot offer interest rate Below the Inflation rate to the customers.

I have gained experience regarding opening Accounts and maintaining logistics sections.

In logistics sections, I have learnt and assist the employees regarding issuing Cheque books, Debit card services, track record of incoming and outgoing files, accumulate the received cheque by customers, bill payment receipt, daily works record of employees, register book for employees and maintain the voucher of expenses.

On the other hand, for receiving remittance there are some paper works to do in a pay-slip and submit it to the General banking operators and they receive the cash from the bank and get 2% incentive for remittance.

Moreover, I got very good experience in Foreign Trade sections in Bank. On that particular section the entire team works with corporate affairs, student files and Individual investment. In Foreign Trade there were three subdivisions for making the task easier.

1. Works with the opening L/C by collecting evidence regarding Export and Import Condition of the Clients or Individual's permission to invest limited amount of dollar in foreign with proper authorizing documents assessed by Bangladesh Bank.
2. Make the payment to foreign clients and pay the foreign University or college tuition
3. Receive payment from foreign clients.

In this sections I have duties to assess the paper with proper documentation (Financial documents: bill of exchange, L/c, LCAF, certificate of origin, Commercial Documents: Proforma Invoice, Insurance, Shipping documents: Bill of lading/transportation on land papers) then officer gave authorization to those papers for releasing the goods from the ports or cargo depot. In the same way, foreign companies are sending mail to the bank for clearing payments against the papers and Bank respond with necessary formalities and use SWIFT for transferring money to the foreign companies' representative bank.

Sometimes, Applicant who operates both Export and Import task apply for Export development Fund from Bangladesh bank and schedule Private bank set their task as an intermediary. This fund provides as an incentive to the exporter for well functioning operations.

Therefore, Student file opening is another good business for banking operations. In this case bank charges 6000 taka and gain exchange rate on transferring money to the foreign bank account through SWIFT. Exchange gain applied in all transactions of outward banking performance. In case of any transaction Dollar Exchange gains retain in individual AD Branch and other currency consider the gain of Head-office of the bank.



This is how I gain knowledge and assisted the officers for performing their duties accurately and observed the systematical approach to the end of payment system of Foreign Trade.

In second Phase I want to describe about the working experience in Financial Administration Division. In this section we got a special opportunity to understand SBS 2(scheduled Bank Statistics). From very beginning of the operations banks were not that much sincere to maintain current status of the client but day by day it has changed rapidly. Now most of the first class private banks are concerned to maintain SBS1, SBS2, and SBS3 and report it to the Bangladesh bank to create monetary policy, and it helps to give a good annual budget in parliament also.

Though it is a general statistics of the customer's category and balance but the effectiveness of the SBS report is significant in our national and international monetary matters.

Recent time we found many faulty data and Bangladesh Bank has ordered to profiling client with valid data and give proper information of the customer which will reflect the original Economy of the country.

1. We have categorized data by sector Code of Bangladesh Bank with client's data
2. We have corrected the unique code by assessing individual identification number (National ID, Business License etc.)
3. Industrial Code has corrected with the evidence of client's performing business and type of account.

These are my core contribution for the premier bank limited and I got completely new experience and understand the importance of bank in real life that is more than just formal deposit and withdrawal of the money.

### *1.3.2 Benefits to the Students:*

In terms of Benefits I got entirely new experience in working field. Working environment and employee collaboration were so much learnable. There were so much decency in both Branch and Head-Office and they helped me out with every possible query I have had in my intern period. Several benefits I got from the company during interns period and some of them were totally unique which are not seen in traditional Internship.

1. In Branch they gave me the access to operate their system for opening Bank account and taught me how to operate the foreign transaction and give entry to the system.
2. After completion of 1/3 of the intern period they gave me special opportunity to learn about Scheduled banking Statistics and how to operate the data and taught me what bank responsibilities should be for providing accurate data to the Central Bank of Bangladesh
3. They have given me the special opportunity to attend the training session for 2 days regarding SBS and the session was instructed by the Special guest, Deputy General Manager of Bangladesh Bank.
4. They have also given me the opportunity of paid internship during Covid-19, whereas economy is not restored but they are providing outstanding facilities

### *1.3.3 Problems /Difficulties during Internship Period:*

There are no major problems findings from the Company but During Covid-19 it was difficult to attend in workplace and all the institutes were closed for government regulations to mitigate the disease and avoided public circulation without emergency need.

1. It was very difficult to get public transport for going workplace for strict lockdown
2. Numbers of sitting capacity was limited and I have to adjust with that for social distancing
3. For the Covid-19, close contacting was avoided so that in job training was sometimes difficult
4. Most of the Banks employees were contacted with covid-19 in first wave and there were a risk of attending daily task but it was managed with highly protective mode through wearing mask and gloves that suffocate individuals
5. As I said limitations of resources due to covid-19 sometimes it was hard to manage computers for operating task though the learning objectives were not that much difficult so I have managed it with their proper guidance
6. In my Internship period I got one month strict lockdown so that, there were some gap to learn more objects regarding credit sections of branch banking.

But I want to say that, it is a global pandemic situation and people need to aware of their safety, for these reasons I have to adjust with the new working environment of the traditional system beyond normal period.

### *1.3.4 Recommendations to the company on Future internships:*

As an Intern I will recommend the premier Bank Limited about future internships that:

1. Create exceptional system for specialize individual to particular operations and branch operators need to give more dedications to interns for avail the learning facilities
2. There should be specialized authority to give tasks and monitor the intern for receiving the outcome that will help students for better job opportunity
3. Students are not well equipped with the working environment. So that, supervisors need to talk about more about the operations they have gained with their over the period job experience

Lastly, I can say that the working environment and the employee's efforts to the company are astonishing and learnable.

## **Chapter 2: Organization Part**

## 2.1: Introduction:

The Premier Bank Limited was incorporated in Bangladesh as banking company on June 10, 1999 under companies Act 1994. Bangladesh Bank, the central bank of Bangladesh, issued banking license on June 17, 1999 under banking companies' Act 1991. In 2007 it has enlisted in Dhaka stock Exchange and Chittagong Stock Exchange as public limited Company. It is one of the pioneer banks who first Launch Visa credit card service among the local bank in Bangladesh. The Core banking operation and Islamic banking both are working simultaneously. The objective of the Bank is adaptability with modern technology and serves the customers with utmost care and making nice deals for stakeholders for better growth and sustainability.

## 2.2: Overview of the company:

### 2.2.1 Strategies:

- Be Proactive: Bank deals with public's money and earns revenue and gives profit and top of that provides large number of employment to the country. So that, there is no place for mistake and work should be done precisely.
- Begins with end in mind: every action of banks is depending on the ultimate destination of achieving long term goals and works with motivation.
- Think win-win: Premier bank ltd gives priorities to its entire correspondent from top to bottom and secure the customers benefits and stakeholder's interest by achieving day to day short term goals and gives concern to all parties that directly and indirectly depends on bank.
- Synergy: positive inclusion makes the hard works easier with togetherness. Directors, management, public investment, institutional investment, supportive agents as third party and relied dependence work simultaneously to achieve the success and work for prosperity of the micro and macro economy of the country.
- Care and share alike to the society: traditional banking is not doing business for money and profits but premier bank ltd has done significant works for society and country as a whole. Not just profit maximization of individual is the prime concern for this bank but over the time it contributed for Bangladesh to uphold the growth of the GDP.

### 2.2.2 Priorities:

- The Premier Bank Limited focuses on becoming the Best Bank in Bangladesh
- It works for gaining the reputation of 'Bank by Choice' among the customers
- It gives emphasize to the NPL brings down to below 1% and highly high degree of credit quality that helps customers for relying on bank without hesitation

- The premier Bank limited concerns about it's financial and ratios that should be more than the industrial average with ROA not less than 2% and ROE not less than 50% on net income basis
- It offers the best deals to the customers and made it happens with the help of management and followed the guidance and regulations of Bangladesh bank and international banking regulations materials
- Focuses and ensures the Basel 2 and 3 points with the changes of operations and considered the implementation
- CAMELS ratings are the core define of standard to the banking sectors and Premier bank Limited doesn't compromise with it

### 2.2.3: Corporate information:

**Registered name of the company:** The Premier Bank Limited

**Registered Office:** Iqbal Centre (4<sup>th</sup> floor), 42 Kemal Ataturk Avenue, Banani Dhaka-1213

**Incorporation Certificate:** C-37922 (2222)/99, dated june 10, 1999

**Commencement of Business Certificate:** Ref no. 16370, dated june 10, 1999

**Bangladesh Bank Approval Certificate:** BRPD (P) 744 (72)/99-1638, dated june 17, 1999

**Vat Registration:** 5101027082, dated july 31, 2000

**TIN Certificate:** 140-201-0820, LTU, Dhaka, dated October 17, 2000

**Auditors:** Mahfel Huq & Co.

**Legal Advisor:** M/S Rokanuddin Mahmud & Associates

**Ownership Structure:**

Composition	Status	
	Number of Shares	% of total shares
Sponsors & Directors	322,365,976	33.2234
Financial institutions	156,074,195	16.0852
Foreign	22,194,505	2.2874
General Public	469,663,675	48.4040
<b>Total</b>	<b>970,298,351</b>	<b>100%</b>

### 2.2.4: Vision & Mission:

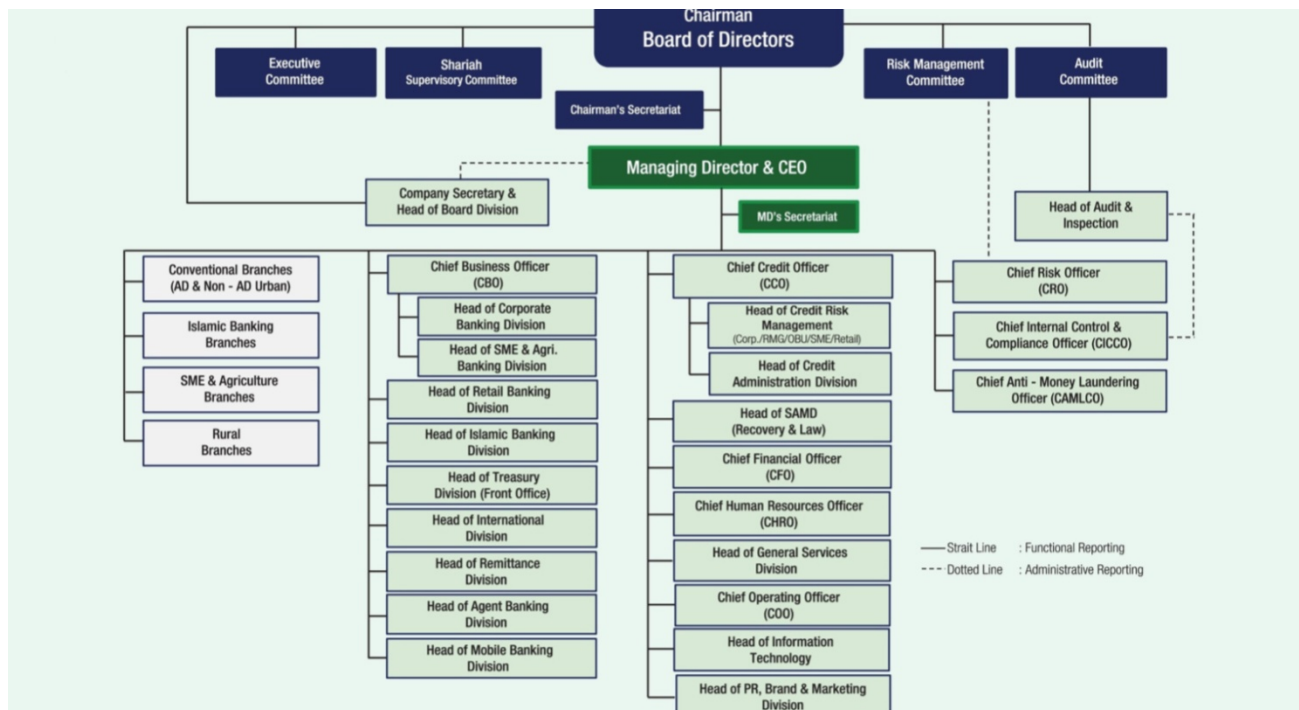
- Becoming the most caring customer friendly financial institutions and creating opportunities for people

- Stability and sound growth of the financial condition
- Aggressive tendency to adopt new technology in all aspects of operations to be more productive and reducing cost per transactions
- Committed to maintain high level standards of banking regulations and ethical transactions
- Creating competing job atmosphere for better job satisfaction to the employee
- Working on the entire development of nation by uplifting the progress with correlate to the living of standard

### 2.3: Management Practices:

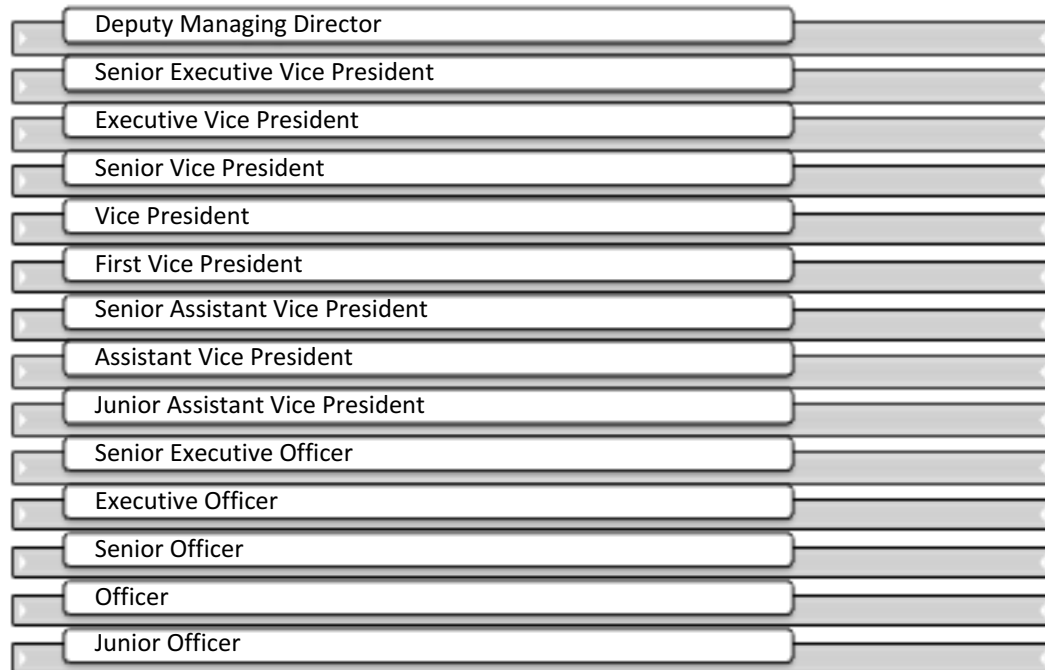
The premier Bank Limited has a very good reputation of management practice with top to bottom command line and employees have democratic rights to make any discussion and choose the best out of that by considering the evidences.

It has a very organized hierarchy to maintain the human resource and monitor the entire functions with experts view.



In PBL, There are 23 functional Division that works under 7 Deputy managing directors and assist actively managing Director of the Bank. On the other hand, for better performance and strict monitoring system bank has 4 committees with several directors and advisors.

Board of Directors and committee members decide the policy based on operation reporting of the employee. Under Division there is another hierarchy of the management who are held responsible to report step by step from lower to Top level Management.



Entire Hierarchical systems participate actively if there is some trouble found in operations. Banking sector is very crucial and volatile because it works with most liquid asset called cash so they need to design the system in participative manner to avoid any sort of unsystematic risk.

### *2.3.1: Human Resource Planning:*

In premier bank they HR division doesn't capitalize HR cost but amortize it over service life of employees. It is taking benefits of HR account concepts and HR account information. These are:

- Per employee cost to the company
- Expected Service life of employees
- Per employee productivity
- It focuses on long run strategic goals and profitability
- Engaging Employees in their respective jobs likely take more responsibility and embrace accountability
- The premier bank has a performance driven rewarding culture that helps treated employees with respect and receive plenty of development opportunities

Besides, premier bank limited gives concern to the related subject and governed with well defined policies and regulations. Moreover, premier bank has a special focuses on:

- Ensuring a balanced diversity
- Promoting human capital development
- Providing competitive compensations and benefits
- Promoting performance centric culture

- Protecting human rights as per the laws
- Ensuring workplace health and safety
- Ensuring equal opportunities

### *2.3.2: pay structure, compensation & Benefits:*

The premier Bank limited practiced performance driven culture that motivate employees and rewards success

Every employee is paid salary on monthly basis, which is a combination of basic salary, fringe benefits and other benefits. Bank's benefit schemes are as follows: Fringe Benefit Schemes House rent allowance Conveyance allowance Medical allowance Entertainment allowance House maintenance allowance Utilities allowance Car maintenance allowance Leave fare assistance etc. House building loan (HBL) Car loan Provident fund loan Mobile phone allowance (talk time)

The Premier Bank provides its employees on severance or retirement according to individuals' entitlement i.e. provident fund, gratuity etc.

Minimum notice period before switching job is 3 months for regular employees and 1 month for contractual employees. Minimum notice period before changing department is 1-30 days as per situation or demand of concerned branch/department.

The Premier Bank ensures equal opportunity as an employer irrespective of locality, gender or ethnicity.

Premier Bank is solely depending on the contribution of its existing talents. From the year 2015, The Premier Bank introduced a real life SMART KPI to evaluate the contribution of all individuals in a transparent manner to assess quantitative and/or qualitative performance vis-à-vis set target of a given year. The benefits of using KPI are the followings: Reduce the number of decisions and make decisions based on objectivity and facts, quantify the achievement of goals, Focus on facts and see where individual improvement is/are needed. As individual initiative grows, it becomes more difficult to remain as close to the operational details as it is, in such case, KPI results can bring back to reality. Employees are clear about his/her obligations to deliver during the year and accordingly would be able to plan to meet the expectation. Focus on Unbiased performance evaluation at the end of the year.

### *2.3.3: Learning and Development:*

Knowledge and skill development is a continuous process and to keep our employees abreast of all the latest developments in the banking sector, the bank continues to organize training and workshop to the officers and executives in an effort to improve their professional efficiency. The

bank always lays the highest importance on training of its employees as a continuous process of human resources development. The Premier Bank has its Learning & Talent Development Centre [LTDC] which is equipped with all modern study aid and course materials. LTDC also conduct AML & CFT training with giving high importance for a) New recruits b) Existing employees c) Account opening officials d) Cash transaction reporting officials e) Agent employees.

## **2.4: Marketing Practices:**

Banking industry of any country play significant role to economy and it is their duty to reach the customer with excellent offer and loyalty. Banks work with public money so they should come forward with appropriate commitment and convince the customer. In our past years we saw many customers failed to rely on banks because of their misidentification of rated bank. Banks give benefits to the consumers but not all banks run for stable and sustainable growth. The premier Bank Ltd. One of the prominent and stable banking financial institute, it doesn't compromise with the ethics and morality of the business and there are rival teams in the market and the premier bank always striving for the best to grow more. Its marketing strategy and Brand value made them promising bank among the consumers.

### *2.4.1: Marketing strategy:*

- Service: Premier Bank maintains different types of attributes like lending, depositing and transferring procedures. Moreover they have other attributes like speed, security and ease in banking services.
- Price: Premier Bank is very careful with prices and price policies. They offer some services like “cost-plus”, “transaction volume base” and “challenging leader”.
- Personal Selling: They prefer personal selling for expanding selling.
- Advertising: Advertising media and channels that Premier Bank prefers are newspaper, direct posting and outdoor ads and TV commercials.
- Selling Promotional Tools: Premier Bank mostly used selling improvement tools are layout at selling point, special gifts, rewarding personnel, contests, seminars, premiums.

### *2.4.2: Target customer:*

Premier Bank prefers all kind of customer's demand. IT division updated Core Banking software as well as they opened Islamic Banking option. Premier Bank has its 24/7 “Premier Customer Care Centre” as a part of Digitization and Inclusive Banking with the latest technology. Customer can call us any day, any time by dialing 16411 (From Mobile) or 09612016411 (From Overseas) for any kind of banking needs: Financial Consultation, Card Services, Internet Banking, SMS Banking, e-Statement Services, Retail Loan Applications, Remittance & General Banking information. They valued their customers and try to create long lasting emotional attachment.



### 2.4.3: Marketing channels (for product as well as services):

The channels which are used by Premier Bank:

- **Branch Banking**
- **Mobile Banking**
- **ATM Channel of Banking**
- **Mobile Banking or Phone Banking, Tele-Banking**
- **PC Banking, y, Self Service Banking**

**Internet Banking, Online Banking, E-Banking**

### 2.4.4: Product / New product development and competitive practices:

In a period of extreme competition of banking industry when interest for store is high and lack of good financial backers are popular. A wide range of activities that can possibly reestablish or broaden present organizations or create new ones, including center skill advancement, innovation, item improvement, measure improvement, and so forth The R&D offers key competitive advantage that can possibly recharge/broaden business, distinguish capability of various ventures, new item improvement and existing item adjustment.

## 2.5: Financial Performance and Accounting Practices:

Financial and accounting practices of any company play significant role for internal and external stakeholder. Bank is one of the sensitive and crucial industries in the market because it operates with the public fund. If we analysis the financial statement then we will see that bank has fund of internal source near about BDT 970 crore but it has operations near about BDT 1788 crore. So it is bank's duty to share all of its documented evidence to the public with compliance laws and regulations for which long term outcome will be greater than the personal interest.

### 2.5.1 Vertical and Horizontal Statement Analysis:

Now I will provide the **vertical Profit and loss statement** of 2020, 2019 and 2018.

Particulars	2020	2020(%)	2019	2019 (%)	2018
Interest income/profit on Islamic investments	17,881.29	64%	19,573.81	75%	16,491.72
Interest/profit paid on deposits, borrowings, etc.	14,690.68	53%	13,159.99	50%	10,678.96
Net interest income/ net profit on investments	3,190.61	11%	6,413.83	25%	5,812.76
Investment income	5,309.09	19%	2,008.46	8%	1,945.82
Commission, exchange and brokerage	3,484.67	13%	3,515.11	13%	2,509.23

Other operating income	1,191.27	4%	1,014.38	4%	791.77
Total Operating Income	13,175.64	47%	12,951.78	50%	11,059.58
Operating Expenses	6,393.16	23%	5,634.32	22%	5,025.09
Operating Profit	6,782.48	24%	7,317.46	28%	6,034.49
Specific Provision	-825.45	-3%	2,627.31	10%	1,000.79
General Provision	2,338.43	8%		0%	427.39
Provision for loans and advances	1,512.97	5%	2,627.31	10%	1,428.18
Other provision	1,594.06	6%	171.01	1%	841.82
Total provision	3,107.03	11%	2,798.32	11%	2,270.00
Profit before taxation	3,675.45	13%	4,519.14	17%	3,764.49
Provision for taxation	1,611.82	6%	1,180.98	5%	1,537.64
Profit after taxation	2,063.64	7%	3,338.16	13%	2,226.85

From above analysis we can see that, Interest income has slightly dropped in 2020 from 75% to 64% and interest expense increased by 3% in 2020. On the other hand, entire effect dropped down net interest income 25% to 11% in 2020 compare to 2019. But investment income increased by 11% in 2020.

Commission and other operating income remain unchanged. But total operating income of fiscal year 2020 is 47% and less than 3% than 2019. Operating expense increased by 1% and decreases operating expense by 4% in 2020. As we know, during pandemic government has leveraged banking policy in terms of NPL and its provision status. Loan repayment duration has increased so bank has decreased specific provision but increased general provision by 13% and 8% respectively for mitigate the losses and circulate money in the market. Provision for loans and advances in 2020 slightly drops by 5% than the 2019 but from the base year it has increased by 5%. Other provision has increased by 6% from the base year and increased by 5% from 2019. Total provision remains same like 2019 and profit before tax and profit after tax dropped by 4% and 6% respectively. Moreover, provision for taxation increased by 1%.

Particulars	2020	2020 (%)	2019	2019 (%)	2018
Cash	34,287.25	11%	14,573.74	6%	13,673.45
Balance with other banks and financial institutions	3,993.72	1%	736.84	0%	1,831.90
Money at call and short notice	290	0%	1,390.00	1%	500
Investments	40,021.08	13%	39,206.95	15%	29,448.38
Loans, advances and lease/ investments	213,204.68	68%	188,945.47	72%	156,960.04
Fixed assets including premises, furniture and fixtures	3,201.15	1%	2,649.62	1%	2,336.83
Other assets	18,318.34	6%	14,397.88	5%	11,382.61
Non-banking assets					
Total Assets	313,316.22	100%	261,900.49	100%	216,133.21
Borrowings from other banks, financial institutions and agents	26,466.87	8%	13,211.79	5%	14,732.81

Non-convertible Subordinated bonds	10,000.00	3%	9,000.00	3%	9,000.00
Deposits and other accounts	241,953.91	77%	209,346.02	80%	169,439.78
Other liabilities	14,654.08	5%	11,738.23	4%	7,680.82
Total Liabilities	293,074.85	94%	243,296.04	93%	200,853.41
Total Shareholders' Equity	20,241.36	6%	18,604.45	7%	15,279.80
Total Liabilities and Shareholders' Equity	313,316.22	100%	261,900.49	100%	216,133.21

**Vertical Balance Sheet analysis** of 2020, 2019 and 2018.

Due to Pandemic Bank has focused more on sources of fund for more cash flow so that we can notice significant change between 2019 and 2020 for cash reserve and their investment on different financial institution for long term gain. Even loan circulations increased during economic downturn for sustain the market. Even we scrutinize the entire statement then we will see that overall banking assets and equity have developed than the previous years. In Bangladesh it was quite impossible to balance the economy for long term but our policy makers and intellects mind able to find the solution to recover the economy in short time.

**Horizontal analysis of Profit & Loss** of 2020, 2019 and 2018.

Particulars	2020	2020 vs 2019	2019	2019 vs 2018	2018
Interest income/profit on Islamic investments	17,881.29	-9%	19,573.81	19%	16,491.72
Interest/profit paid on deposits, borrowings, etc.	14,690.68	12%	13,159.99	23%	10,678.96
Net interest income/ net profit on investments	3,190.61	-50%	6,413.83	10%	5,812.76
Investment income	5,309.09	164%	2,008.46	3%	1,945.82
Commission, exchange and brokerage	3,484.67	-1%	3,515.11	40%	2,509.23
Other operating income	1,191.27	17%	1,014.38	28%	791.77
Total Operating Income	13,175.64	2%	12,951.78	17%	11,059.58
Operating Expenses	6,393.16	13%	5,634.32	12%	5,025.09
Operating Prot	6,782.48	-7%	7,317.46	21%	6,034.49
Specific Provision	-825.45	-131%	2,627.31	163%	1,000.79
General Provision	2,338.43			-100%	427.39
Provision for loans and advances	1,512.97	-42%	2,627.31	84%	1,428.18
Other provision	1,594.06	832%	171.01	-80%	841.82
Total provision	3,107.03	11%	2,798.32	23%	2,270.00
profit before taxation	3,675.45	-19%	4,519.14	20%	3,764.49
Provision for taxation	1,611.82	36%	1,180.98	-23%	1,537.64
profit after taxation	2,063.64	-38%	3,338.16	50%	2,226.85

Particulars	2020	2020 vs 2019	2019	2019 vs 2018	2018
Cash	34,287.25	135%	14,573.74	6.58%	13,673.45

Horizontal profit and loss analysis signifies the differences between fiscal years. So that, company can understand initial problem in their operations for specific particular. Most of the bank and corporation with large operation have done this tactics for easily sorting out the changes and its consequences.

In this statement, we can see that interest income from 2018 to 2019 increased by 19% and from 2019 to 2020 it is decreased by 9%. If we probe this particular initially then we will see that pandemic is the major concern for negative growth. That is how the system functions and management can take decision for company's betterment

In same case, we will find differences in Balance sheet. Though Premier Bank secured its asset over the liability and managed it efficiently. They focused on long term investment for retaining operational balance and reserve the case simultaneously for retraining shortage against demand. We know that only internal operation is not a major concern for bank but circulate the cash within and beyond the national economy is main object to earn revenue and bank operated public money so they need to observe market risk and act immediately according to the market response.

The premier Bank Limited has played most safe and accurate during pandemic. As a result we will see that, compare to 2018-2019 it has elevated all the particulars for remained safe side and recover the unforeseeable deviation which had done in pandemic.

Now I will analysis **Horizontal Balance sheet** of 2020, 2019 and 2018.

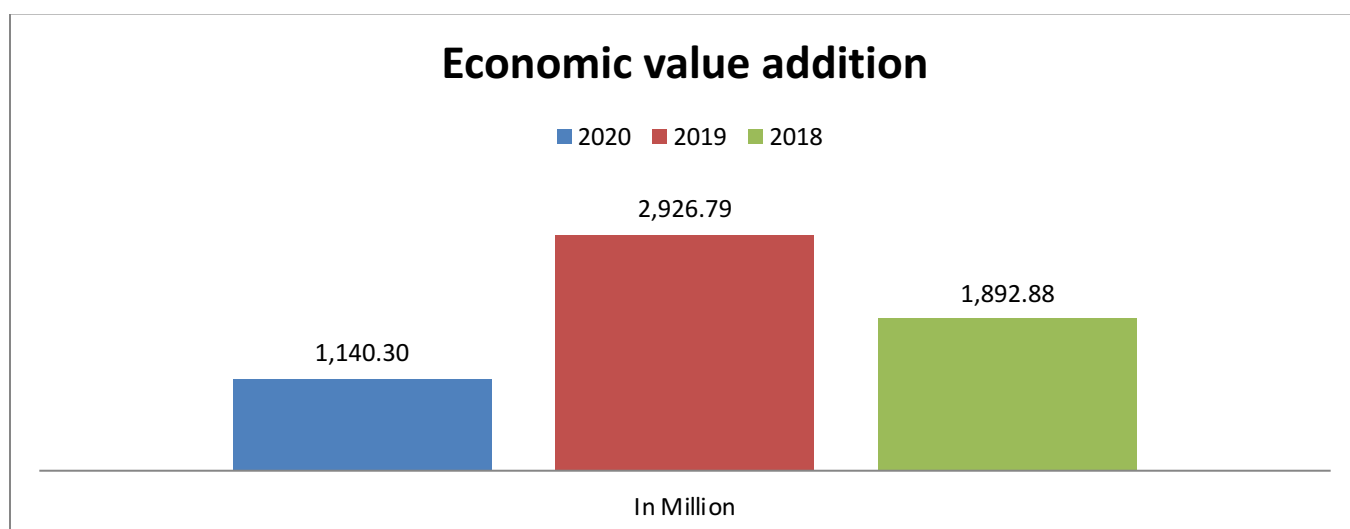
Balance with other banks and financial institutions	3,993.72	442%	736.84	-59.78%	1,831.90
Money at call and short notice	290	-79%	1,390.00	178.00%	500
Investments	40,021.08	2%	39,206.95	33.14%	29,448.38
Loans, advances and lease/ investments	213,204.68	13%	188,945.47	20.38%	156,960.04
Fixed assets including premises, furniture and fixtures	3,201.15	21%	2,649.62	13.39%	2,336.83
Other assets	18,318.34	27%	14,397.88	26.49%	11,382.61
Non-banking assets					
Total Assets	313,316.22	20%	261,900.49	21.18%	216,133.21
Borrowings from other banks, financial institutions and agents	26,466.87	100%	13,211.79	-10.32%	14,732.81
Non-convertible Subordinated bonds	10,000.00	11%	9,000.00	0.00%	9,000.00
Deposits and other accounts	241,953.91	16%	209,346.02	23.55%	169,439.78
Other liabilities	14,654.08	25%	11,738.23	52.83%	7,680.82
Total Liabilities	293,074.85	20%	243,296.04	21.13%	200,853.41
Total Shareholders' Equity	20,241.36	9%	18,604.45	21.76%	15,279.80
Total Liabilities and Shareholders' Equity	313,316.22	20%	261,900.49	21.18%	216,133.21

### 2.5.2 Economic Value Added Statement and Market Value added Statement:

Economic Value Added (EVA) is the measure of financial performance of an organization. It is based on the principle that since a company's management employs equity capital to earn a profit; it must pay for the use of this equity capital. It provides a measurement of the bank's economic success (or failure) over a period of time. Such a metric is useful for investors who wish to determine how well the bank has added value for its investors and it can be compared against bank's peers for a quick analysis of how well the bank is operating in its industry.

NOPAT (Net Operating Prot After Tax) (A)	2020	2019	2018
Net profit after tax	2,063.60	3,338.16	2,226.84
Add: Provision made during the year	3,107.00	2,798.32	2,270.00
	5,170.60	6,136.48	4,496.84
Less: write off during the year	211.2	0	0
	4,959.40	6,136.48	4,496.84
Shareholders' equity	20,241.36	18,604.45	15,279.80
Accumulated provision for loans & advance, investment off balance sheet items, and others	9,446.00	8,203.70	5,392.70
Total capital invested	29,687.36	26,808.15	20,672.50

Average capital invested (B)	28247.76	23740.33	18,760.53
Risk free rate of Return (Based on Shanchay Patra issued by Bangladesh Government)	11.76%	11.28%	11.76%
Add: Risk premium	2.00%	2.00%	2.00%
Cost of equity	13.76%	13.28%	13.76%
Average cost of equity (C)	13.520%	13.520%	13.88%
Cost of equity (D=BxC)	3819.096	3209.692	2603.962
Economic value addition (E= A-D)	1,140.30	2,926.79	1,892.88



From the above statement we can realize a positive trend from 2018 to 2019 with increasing profit but slightly fallen due to negative impact of net profit in 2020. Though the bank has provided significant positive value to the economy but it has downsized rather than previous year and main reason would be pandemic effect.

Market value added statement is a performance measurement tool that computes for the increase in the value of the company's stock price. Market Value Added (MVA) is the difference between the current market value of the bank and the capital contributed by investors. If MVA is positive, the bank has added value. If it is negative, the bank has destroyed value. Here following chart shows us positive MVA.

Particulars	Number of shares	Value Per share	Total value 2020(in	Total value 2019(in	Total value
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			million)	million)	2018(in million)
Market Value of Share outstanding	970.2	12.6	12225	11551	11157.3
Book Value of Share outstanding	970.2	10	9702	9702	9702
Market value Added		2.6	2523	1849	1455.3

### 2.5.3 Statement of compliance with IFRS:

Every banks need to prepare their financial statement under financial reporting standard because it elaborates the entire functionality of particular business and banks are engaged directly with the public interest.

Name of the standards	Ref.	Status
First-time Adoption of International Financial Reporting Standards	IFRS-1	Not applicable
Share-based Payment	IFRS-2	Not applicable
Business Combinations	IFRS-3	Applied
Insurance Contracts	IFRS-4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRS-6	Not applicable
Financial Instruments: Disclosures	IFRS-7	Applied with some departure
Operating Segments	IFRS-8	Applied with some departure
Financial Instruments	IFRS-9	Applied with some departure
Consolidated Financial Statements	IFRS-10	Applied
Joint Arrangements	IFRS-11	Not applicable
Disclosure of Interests in other Entities	IFRS-12	Applied
Fair Value Measurement	IFRS-13	Applied
Revenue from Contracts with Customers	IFRS-15	Applied with some departure
Leases	IFRS-16	Applied
Insurance Contracts	IFRS-17	Not applicable
Presentation of Financial Statements	IAS-1	Applied with some departure
Inventories	IAS-2	Applied
Statement of Cash Flows	IAS-7	Applied with some departure
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events after the Reporting Period	IAS-10	Applied
Construction Contracts	IAS-11	Not applicable
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Leases	IAS-17	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Not applicable
The Effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Costs	IAS-23	Applied

Related Party Disclosures	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not applicable
Separate Financial Statements	IAS-27	Applied
Investments in Associates & Joint venture	IAS-28	Not applicable
Interests in Joint Ventures	IAS-31	Not applicable
Financial Instruments: Presentation	IAS-32	Applied with some departure
Earnings per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied
Impairment of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied with some departure
Intangible Assets	IAS-38	Applied with some departure
Financial Instruments: Recognition and Measurement	IAS-39	Not applicable
Investment property	IAS-40	Not applicable
Agriculture	IAS-41	Not applicable

## **GAAP Integration**

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### **First Level (Objectives):**

According to the Company Act-1994 the company hold their 21<sup>st</sup> annual general meeting to present their financial statements for the 10 August,2020.

### **Second Level:**

#### Qualitative Characteristics:

- **Relevance:** IAS-1, 32, 33, these standards are followed due to strict regulation of the company and portray transparency to the public interest.
- **Reliability:** The annual report is audited by External Auditors M/S. K. M. Hasan & Co Chartered Accountants, in ordinance with International Standards of Auditing (ISA). IAS-1, 32, 33 and IFRS- 7
- **Comparability:** Financial highlights for the past 3 years presented in annual report that presents operations, financial indicator, financial ratio for comparing company's performance over the years. IAS-1, 32, 33
- **Consistency:** Financial highlights for the past 3 years presented in annual report representing operational results, financial position and ratio consistency over the years. IAS-1, 32, 33

#### Elements:



- Asset: Assets are property, plants and equipment, intangible assets, Capital as advance, inventories, trade and other receivables, advance deposits and pre-payments, cash and cash equivalent. IAS- 1, 2, 7, 16, 21, 32, 37 and 38.
- Liability: long term loans, deposit, deferred tax, current maturity, short term loans, short term loans and other payables, share money refundable. IAS- 1, 21, 24, 32, 37 and IFRS- 7
- Equity: Share capital and retained earnings. IAS- 1, 32, 33
- Investments by Owners: retained earnings IAS- 1, 32, 33
- Distribution to Owners: Share capital and retained earnings. IAS- 1, 32, 33
- Comprehensive Income: According to the income statement, Revenue and other incomes, interest income, non-interest income, admin expenses, provision for taxation, security exchange, offshore banking unit and Foreign exchange gain and loss. IAS- 1, 12, 32, 39 and IFRS- 15
- Revenue and Expenses: According to the income statement, Revenue and other incomes, interest income, non-interest income, admin expenses, provision for taxation, Foreign exchange gain and loss.. IAS- 1, 2, 7, 19, 23, 32 and IFRS- 15
- Gain and losses: Foreign exchange gain and loss. IAS- 1, 21,32 and IFRS- 15

### **Third Level:**

#### Assumption:

- Economic Entity: Financial highlights for the past 3 years presented in annual report representing operational results, financial position and financial ratio to compare the company's status over the years and also compliance with Company Act-1994 and Bank company Act-1991. IAS- 33
- Going Concern: Financial highlights for the past 3 years presented in annual report representing operational results, financial position and financial ratio to compare the company's status over the years IAS- 1,16, 33
- Monetary Unit: cash flow is made in accordance with direct and indirect method. IAS- 1, 7, 21
- Periodicity: Financial highlights for the past 3 years presented in annual report representing operational results, financial position and financial ratio presenting the periodicity of the company from July, 1. IAS- 1,16, 33

#### Principles:

- Measurements: Fair value measurements and standards are compliance with .IFRS-13
- Revenue Recognition: Company earns money from the gap between interest income and expense and due to offshore banking and foreign trade it gains or losses from foreign exchange, they are following IAS- 21, 39 and IFRS- 13, 15
- Expense Recognition: In this regard the company has to recognize and deal Interest earning and expense related workings and also separate costs with assets. So, the company follows IAS- 2, 19, 21, 23 and IFRS- 13
- Full Disclosure: Bank need to disclose all of its financial transactions for the stakeholder interest and Bangladesh bank has commanded to those banks for transparent operations and compliance with IAS- 1, 10, 19, 24, 33, 37 and IFRS- 7, 15

Constraints:

- Cost-benefits: Major priority is the employee's profit participation fund following IAS- 16, 19
- Materiality: Annual report is prepared as user can be benefited as their stakeholder and following IAS- 1, 7, 10, 33
- Industry policy: Financial reporting Act-2015, The Bank Company Act-1991, Company Act-1994, Corporate Good Governance Act (commissioned by BSEC), Provision of relevancy (adopted from BSS and ICSB), Leather foot-ware Manufacturer and Export Association of Bangladesh (LFMEAB, Sub-section: 3 of Section: 232), Bangladesh Labor Act- 2013 (WPPF- Worker's Profit Participation Fund section), Finance Act-2017, Tax ordinance- 1984.
- Conservatism: They are following cost value less depreciation for fixed assets except and land and equipment that follows under cost value. Moreover, products or investment are listed in present value. IAS- 16

*2.5.4 Depreciation Method Followed:*

As a business student we know that charging depreciation is essential for any service and manufacturing business for retaining life time after being dissolved functionality of the equipment or any sort of assets. Every asset has limitation of usage but business cycling last longer and we need to consistent operations. So that, we have to charge cost against the usage of the asset or equipment. The Premier Bank ltd maintained the depreciation method differently on its assets over past years to till now.

Asset Categories	Rate of Depreciation	Method of Depreciation
Furniture and Fixture	10%	Declining Balance
Equipments and Computers	20%	Declining Balance
Land and Building	2.50%	Declining Balance
Vehicles	20%	Straight-line

In Declining balance method, the premier bank obsolete the balance of the assets with decreasing mode from the book value and took longer time than the straight line method. Straight line method fixed balance and eliminate the same cost for each year.

## 2.6: Operation Management and Information system practices:

Banks need to be equipped with modern technology and their operational strategy should be unique that reduces the costs significantly. Main banking system relies on the Branch banking network and it operates from the distant place and there shouldn't be tolerance of lack logistics support and undue causes to hamper operation. Banks maintains risk aversion policies that justify the value for investment and return. In modern era banks should follow many safeguards to protect transactions over internet. All of the banking transactions database stored in safe cloud that highly fraud prevented and take quick measures for any actions.

Information Technology sector has been affected by COVID-19 but it increases the capacity and skill set challenges in this sector. People have become dependent on the network, data, apps and other virtual environment. Premier Bank IT division overcomes these challenges very well.

### 2.6.1: Deployment of Core Banking System New Release – SPARK:

Premier bank has been using Core Banking software Bank-ultimus developed by local vendor Leeds Corporation from the very beginning and upgrade the version of Bank-ultimus, Bank-ultimus Version-3 or SPARK. Premier Bank has integrated the following features in our Core Banking Software:

- Sub-Branch Module
- Islamic Banking Window Operation
- Islamic Bank Guarantee Module
- Simpler Customer Account Opening
- Updated Security Module

We have also included latest KYC Requirement and other Regulatory Requirements through SPARK Deployment.

#### *2.6.2: Automation of Islamic Banking Window Operation:*

Premier Bank got permission from Bangladesh Bank to open 20 new Islamic Banking Windows because they have been serving Islamic Banking Customers through two branches for a long time. IT division updated Core Banking software to automate Islamic Banking Window Operations and started it from November next to Parent Branch. So it is now doing full Shariah based Islamic Banking.

#### *2.6.3: Sub-Branch Automation:*

Premier Bank got approval for opening Sub- Branches. IT Division updated Core Banking Software. In December 2020, the first automated Sub-Branch started operation through Core Banking Software BankUltimus. At the same time IT Division has taken up the project for migration of manually opened accounts from Sub-branches.

#### *2.6.4: Deployment of Islamic Trade Finance Module:*

After extending Islamic Trade Finance by IT Division, all sorts of Trade Finance business activities are under Islamic Banking such as issuing of Import LC, Back to Back LC issuing, Post Import Finance, Trust Receipt, Bill Purchase (Local/Foreign), Foreign Bill Collection etc.

#### *2.6.5: Some Other IT Activities:*

- Microsoft Enterprise Agreement Renewal, Purchase new Licenses and Service Level Agreement (SLA) under Enterprise Agreement.
- We have Renewed License of Web Gateway Solution for next 3 years.
- Signed Annual Maintenance Contract of VMware for Card Management System for next 3 years
- We have deployed Backup HSM for BACH II System.

#### *2.6.6: Major on-going IT Activities:*

- Core Banking System Database and Storage upgrade to ODA X8-2
- New Application server for Core Banking System
- New vulnerability management solution
- NPSB
- QR Code Payment Solution
- Central Trade Operation module at BU
- CMS Up-gradation
- eChallan
- eKYC

#### *2.6.7: Major Upcoming IT Initiatives:*

- ISO27001 (Gap Analysis)

- Interoperable Digital Transaction Platform (IDTP)
- IT Asset management Solution
- Help Desk Solution
- VAPT by Third party
- PAM Solution
- SIEM Solution

#### *2.6.8: IT Security & Governance:*

IT Security protects all critical elements like systems and hardware that use, store and transmit all information. Hackers, any kind of threats or unauthorized access can't use or harm any information. PBL is working towards building more secure technology environment by implementing Information Security Management System to ensure a secure banking service.

#### *2.6.9: Major achievements during 2020:*

- Information Security Risk Assessment of
- BACH Solution
- Remit Infinity Solution etc.
- Gap Analysis & Gap Mitigation of ISO 27001.
- Purchased New Vulnerability Management Solution named Tenable.io
- Develop Monitoring and Logging Procedures and Guidelines.
- Develop IT Project Management Procedures and Guidelines.
- Develop IT-Risk Tolerance & Risk Appetite Framework

#### *2.6.10: Major Upcoming Information Security Initiatives:*

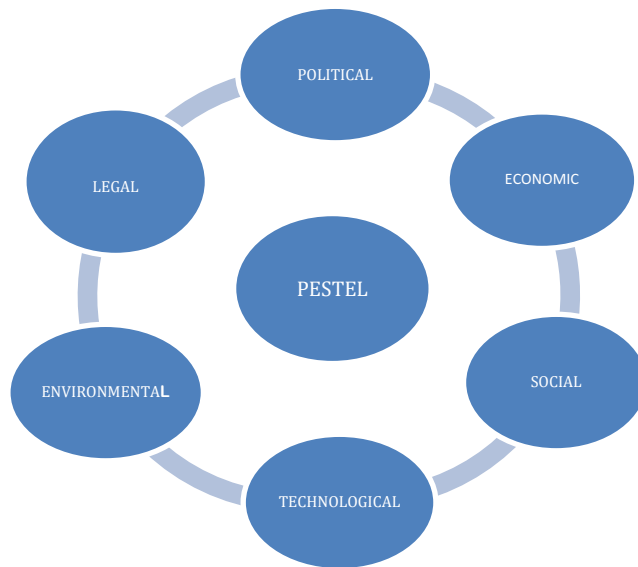
- Initiative for certification of Information Security Management System (ISO 27001).
- Take initiative for implementing Security Information & Event Management (SIEM) tool for comprehensive log review and event management.
- Penetration testing of mission Critical Applications, Systems, Database and Network.
- Approval of Access Control Procedures and Guidelines for IT Solutions.
- Initiate Payment Card Industry Data Security Standard (PCI DSS) Gap Analysis towards achieving Certification.
- Conduct Comprehensive Information Security Awareness Session for PBL Officials.
- Practice Information Security planning and design for all ongoing information systems implementation.

### **2.7: Industry and Competitive Analysis:**

There are many ways to identify a business's competitiveness in its industry. In our business lesson we got to many analytical forms to justify the pure business aggressiveness and competitiveness. In other case, analyst always finds out the flows of the business and works with the error, as result business always gain the market stake and enduring business environment. In this case we will look over the PESTEL analysis and SWOT analysis of the company and systematic approach to be number one.

### 2.7.1: PESTEL Analysis:

PESTEL investigation is urgent according to the perspective of investors or financial backers, as it advises them how a portion of the critical outer variables and the sub-factors inside every one of these center outside elements can effect or impact an association's presentation or capacity to make esteem over the long term.



At Premier Bank, we accept that our attention on PESTEL which empowering us to separate from the opposition and make a powerful and unassailable upper hand.

#### **Impact of PESTEL analysis is enumerated below:**

##### *Political Impact regarding the industry:*

The Banking Industry may boost up due to political stability, private sector credit growth and implementing the stimulus packages announced by the government. Then again, the Industry might confront difficulties to gather store just as they may need to keep up with more arrangement than prior time on account of COVID-19 impact and government's remain against defilement and advance defaulters.

##### *Specific impact to Premier Bank:*

Premier Bank is constantly examining the world of politics and goes for prosecution against any defaulter independent of political and social character. Additionally, Premier Bank report speedily to Election Commission on request concerning defaulters.

##### *Economic Impact regarding the industry:*

The banking sector is facing challenges to collect deposit and funding private sector because the government borrowing fund from banking sector to facilitate the mega projects. For FY 2021, we anticipate that country's economic growth should be more than the objective set in the financial plan.

### Specific impact to Premier Bank:

Due to COVID-19, Premier Bank has complied an instruction that not to classify any overdue clients up to December 2020. Besides, Premier Bank has sponsored a scheme under Bangladesh Bank instruction to COVID affected industries including RMGs.

### Social Impact regarding the industry:

Evolving innovation, web and person to person communication have all affected the financial business. Business can't be run disregarding society. Banking industry needs to consider the lives and culture as well as cultural standards where banks are running. Banking business is profoundly impacted by friendly environmental elements of financiers.

### Specific impact to Premier Bank:

Premier Bank accepts social elements will in general further piece client needs, tastes and inclinations. Consequently, banks should reexamine their client division methodologies and proposition items and administrations as needs be.. Head Bank SME items cover the developing interest of working class and lower working class individuals. Premier Bank runs school banking; various instructive organizations at banks own expense and offered money to guarantee more female interest in the society.

### Technological Impact regarding the industry:

The issues that we find in the Banking area in the impending days are meeting client assumption through presenting the most recent innovation. Network protection may be one more obstruction to get advantage from this web based financial period.

### Specific impact to Premier Bank:

To stay competitive in presenting new innovation and giving our client superior grade administrations, we are contributing vigorously to present world's most recent innovation. We are running web banking tentatively and we have likewise plan to dispatch wallet banking, a most recent innovation in financial area of Bangladesh.

### Environmental Impact regarding the industry:

In Bangladesh, there is a developing spotlight on embracing 'green' finance. The country is particularly helpless against environmental change impacts. For example, floods cause misfortunes of many millions of dollars consistently, while making helpful emergency as well. Besides, Bangladesh Bank has trained the banks for feasible banking like Green Banking, Corporate Social Responsibility, and so on.

### Specific impact to Premier Bank:

Accordingly, Premier Bank has effectively evolved Green Banking Policy, Environmental and Social Risk Management Guideline, Green Office Guide and CSR Policy with guidance to all workers for careful consistence. All branches and Head Office have been going along the above guides, any place material to diminish carbon emission of the bank.

### Legal Impact regarding the industry:

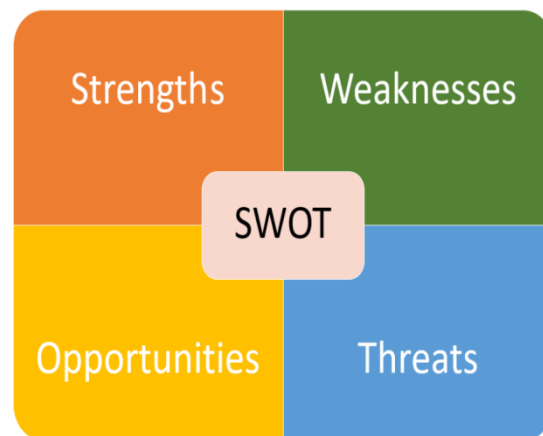
Bangladesh's financial industry is directed under the Bank Companies Act 1991, as amended in 2018, Bangladesh Bank handouts furthermore, rules, posting guidelines and protections laws. This separated, banks are likewise needed to agree with Companies Act 1994, Personal Tax Ordinance and Rules 1984, Value Added Tax Act and Rules 2012, and so on.

### Specific impact to Premier Bank:

Premier Bank adjusts its activities dependent on its qualities and standards as a self-administrative, ethically capable and openly obliged corporate resident in Bangladesh. We generally esteem rules and guidelines and participate in consistence with supportability factors as well.

### 2.7.2: SWOT ANALYSIS:

SWOT investigation outlines inward factors (Strength, Weakness) applicable to our industry which are inside our control/capacity and outer variables (Opportunity, Threat) exist in our business environmental elements inside which we face proceeding with our everyday activity.



In perspective from Premier Bank, following crucial elements are relevant to SWOT analyses, which are enumerated below:

#### **STRENGTH (INTERNAL FACTOR):**

##### Stronger liquidity and Capital Base:

Premier Bank has effectively kept up with CRAR of 13.64% and figured out how to decrease cost to pay proportion good level.

##### Good Corporate Governance:

The board of the bank ensures that high ethical standards are established across the Bank and regularly reviews the Bank's compliance with Central Bank. The board recognizes good corporate governance



practice a vital ingredient in the creation of substantial shareholder's value and protecting the interests of all stakeholders.

#### Enriched Human Capital:

We have advanced human asset and great climate for conveying best worth to the association.

#### Diversified products and services:

Premier Bank presents different dynamic corporate, retail, SME item alongside prudential support of our esteemed client.

#### Stronger branch networks:

For us 'Service First' isn't only a reflection; we do mean it that way. It holds a prime and focal concentration in our activity through 120 branches, 118 ATM and 17 specialist banking outlet over urban communities and provincial regions.

#### Performer of regulatory compliance:

Premier Bank has been going along all guidelines under Bangladesh bank and all duty, tank laws endorsed by National Board of income.

### WEAKNESS (INTERNAL FACTOR):

#### Limited retail and SME exposures:

Premier Bank has restricted openings over retail and SME market which has a place with less extent to other market pioneer.

#### Dependence on core banking line up:

Because of abridged 6-9 store advance rate, Bank revenue income pay decreased and absolute pay appropriately due to no other critical income stream in Premier Bank.

#### Absence of advanced technology:

Premier Bank interest in the IT area to foster actual framework isn't sufficient and programming up gradation is restricted. It is now creating network protection gauges yet more must be done in this field.

### OPPORTUNITIES (EXTERNAL FACTOR):

#### Government initiatives towards development:

These days, Bangladesh govt. is contributing framework advancement like Padma connect, Metro rail, big port, four path Highways alongside a few advancement projects. Premier Bank is prepared to take the difficulties with important partner for such advancement.

### Woman Entrepreneurship is rising:

Because of the expanded proficiency rate and instructive turn of events, Woman Entrepreneurship is arousing over late years. Premier Bank offers specific administrations to Women Entrepreneurs through hard work areas. Our devoted capable Relationship Administrators with profoundly custom fitted made items are consistently by the side of ladies business visionaries to satisfy all their financial necessities.

### GDP growth along with other business development:

Because of constant high GDP development over past years (with the exception of COVID-19 period) and out of low agricultural nations, Bangladesh is ascending in new time in business and exchange world. Subsequently, new freedoms are likewise arising for banking industry due to expanded GDP (with the exception of pandemic time) and per capital pay of inhabitants in Bangladesh.

### Islamic Banking wings:

Because of living above 90% Muslim individuals, larger part individual's faith in Islamic shariah based economy. These days banking industry is expanding mindfulness towards about Islamic monetary administrations and interest for Shariah-agreeable items and administrations. As needs be, Premier Bank is arising Islamic financial unit to be important for that shariah based banking. Be that as it may, Premier Bank brings a special answer for your monetary necessities through 'Prepaid Hajj Card' while you visit the Holy Lands of Saudi Arabia to perform your Hajj.

### THREATS (EXTERNAL FACTOR):

#### Recent pandemic effects:

Because of long time lockdown during pandemic period, GDP development plunged to 5.20 percent from its objective 8.20 percent. Business industry is affected gravely for which bank advance dispensing alongside credit recuperation was lower to the point that premium pay has been diminished sharply.

#### Non-cooperation from bad customer:

Due to Corona virus impacts, Bangladesh bank executed to forgo revenue for dispensed credit for specific period. Some client expected to accept the open doors for not paying interest subsequent to being competent to pay interest appropriately. Besides, some client abuses the credit taken for which it applied appearance misdirect reports.

#### Unanticipated event:

These days' programmer or digital lawbreakers are trying to hack through Sophisticated IT instruments and innovation. Because of unexpected cybercrime, client may dissolve dependence on the financial security.

#### Lower interest rate:

Government forced for advance financing cost limit up to 9% other than Master card. Thus it affected severely supportability in not so distant future.

## **2.8 Summary and Conclusion:**

The Premier Bank has very good reputation in banking industry and its compliance with all the rules and regulations for sustaining and creating a good business environment. The products of the bank are very versatile and target segments engaged with clients properly. All the elements that had analyzed from the management practice to industry competitive analysis are recommendable for a well-practiced business manner. This bank always focuses on the customer relation to the bank and internal policies are very viable to the clients. Marketing practices are well described and transparently stated to the annual report. Financial performance of the premier bank is noticeable and maintained proper guideline according to banking act. Banking industry is one of the crucial and technology base businesses in modern day. Entire banking sector got new phase of development with the help of internet and technology and modern Banking business maintain their data with protective cloud system and strictly monitored by their employee.

On top of that I have given a proper view of the premier bank with the help of annual report. There is nothing to hide because the rules are well designed by Bangladesh bank for protecting the customer interest and sustain the economy. I have covered entirely my academic knowledge and on job experience to prepare this report and mentioned point which I learnt from my respective Faculty member of Brac University.

## **2.9 Recommendations:**

The premier Bank limited has plotted the entire their operation and strategy of doing business in their annual report and their employee job satisfaction is very because of efficient Team leader and chairman's inspiration.

Financial performances of any banks are subject to reveal all the materials and evidence to the Bangladesh bank and premier bank is one of them who jointly work with responsible institution.

They can add more interpretation which was partially disclosed. There should be more change in their technology advancement and hire more productive IT specialist to blockage any sort of cyber attack and precautionary fire wall should be setup. On the other hand, they need to work more with scheduled banking statistics to provide accurate data to government agency for preventing money laundering and unwanted and suspect transaction. There are many news circulate about many banks pumped the money in the stock market and found deviation in the bank vault, these sort and other faults might be cross checked and need to take preemptive action for avoid misery. Bangladesh has many bank default cases, so that premier bank needs to handle the business sincerely.

## **Chapter 3: Project Part:**

### **3.1 Problem Statement:**

Premier bank is one of the largest banks in Bangladesh that conducts various operations in multiple segments. In Bangladesh, central bank has decided the rate of loans and deposits. So that, it is very difficult to justify the superiority of individual banking system but the operations means a lot to the entire banking industry. So that, I wanted to focus on both primary operation of the bank, its branch banking system and financial reports to conduct my paper. In addition to that, most of the bank has same system of operating the business but it depends on the source of funds and usage of funds. Bangladesh Bank has set many rules to financial institutions, that is why Banks need to maintain those systematical approach.

Main objectives of these analyses are giving an intense overview of the premier bank and its competitive advantage in banking sector.

### **3.2 Background Information:**

Premier Bank has established in 1999 and now it has 120 branches in Bangladesh. The main operation of this bank is, General banking, Foreign Trade, Cash Transactions, Credit section. In banking sector companies are focusing on Branch Banking more than its Internal Control division. Over the past years this bank has operated with positive and sustainable growth.

Due to Covid-19, it has faced many obstacle regarding core functions but it maintained the requirement of Bangladesh Bank (CAR, SLR) and banks are fully backed by the government regulations that reduce the volatility of economy.

### **3.3 Significance:**

This paper will give us the explorative idea of the banking sector and its core banking functionality. There are no specific problem regarding this paper but it will help us to know the intense idea of the Bank. Moreover, students are very enthusiast to have a good career in bank so that my objective is giving a proper idea of bank's financial conditions and its core operations. As a finance and Accounting major student it is my job as an intern to conduct this paper with complete professionalism and it will help others.

### **3.4 Methodology:**

For an Ideal research I need to work on the field. That is why I will engage with both Branch and Financial Division of Premier bank. First of all, I want to mention that for past 30 days I was working in their Branch in Karwan Bazaar, where I have learnt their systematic functional to operate a bank in root level. From those experiences I will explain their 4 segments of working and by engaging with financial division I will show their internal performance and policies. I will take IFIC Bank, Mutual Trust Bank and Prime Bank for competitive market analysis of the loan and deposit products. Moreover, this paper will be completed through my knowledge of Finance and Accounting in academic session. Corporate Finance, securities analysis, Bank and financial institution management courses will give me the ultimate outcome for making this internship paper.

### 3.5 Findings and analysis:

First of all I will give a compact scenario of the loan and deposit products of the bank and its market competitive analysis with other three banks: IFIC bank, Prime Bank, Mutual Trust Bank. With same competitors I will do CAMEL rating and give a proper justification of banking performance.

#### 3.5.1 Loan and Deposit Products market competitive analysis:

In this report I am providing bank's interest rate of lending and borrowing money. Many cases we can see that different banks offer lots of product with higher interest rate but surplus fund or any supportive collaboration may give them chance to become a market leader for particular loan segments. In my observations I see that premier bank has multi level products with less interest rate then others but sometimes lack behind from doing business with extreme competition but offers something new scheme which may recover all the financial losses or may subject to give higher profit.

Particulars		Premier Bank Deposits	IFIC Bank Deposits	Prime Bank Deposits	Mutual Trust Bank Deposits
1 Month FDR	Any amount	3.25%	2.00%	2.00%	
2 Months FDR	Any amount	3.50%		2.25%	
3 Months FDR	Any amount	5.00%	5.60%	2.25%	
6 Months FDR	Any amount	5.00%	5.60%	2.50%	
12 Months FDR	Any amount	5.00%	5.60%	3.00%	

36 Months FDR	Any amount	5.50%	5.60%	3.25%	
SB Deposit	Less than Tk. 50.00 Lac	3.00%		1.25%	
	Tk. 50.00 Lac & above but less than Tk. 1.00 Crore	3.25%		1.75%	
	Tk. 1.00 Crore & above	3.50%		2.00%	
SND	Less than Tk. 1.00 Crore	2.00%	1.50%	0.50%	<b>1.50%</b>
	Tk. 1.00 Crore & above but less than Tk. 25.00 Crore	2.50%	2.00%	1.00%	<b>1.75%</b>
	Tk. 25.00 Crore & above but less than Tk. 50.00 Crore	2.75%	2.50%	2.00%	<b>2.00%</b>
	Tk. 50.00 Crore & above but less than Tk. 100.00 Crore	3.00% p.a.	3.00%	2.00%	<b>2.50%</b>
	Tk. 100.00 Crore & above	3.50% p.a.	3.50%	2.50%	<b>2.75%</b>
Premier Super Account	Tk. 5.00 Crore to below Tk. 15.00 Crore	3.00% p.a.			

	Tk. 15.00 Crore to below Tk. 25.00 Crore	3.50% p.a.			
	Tk. 25.00 Crore to below Tk. 100.00 Crore	4.00%			
	Tk. 100.00 Crore & Above	4.50%	5.00%		
Premier 50 Plus A/C	Min balance BDT 5000.00	3.00%			
Premier Genius A/C	Min balance BDT 500.00	3.00%			
Premier Esteem Savers	Daily Balance below Tk. 50,000.00	Nil	2.75%		
	Tk. 50,000.00 – Below Tk. 200,000.00	3.00% p.a.	3.75%		<b>3.00%</b>
	Tk. 200,000.00 – Below Tk. 500,000.00	3.50 % p.a.	4.00%		
	Tk. 500,000.00 & Above	4.00% p.a.	4.25%		<b>3.50%</b>
Premier Excel Savers	Daily Balance below Tk. 10,000.00	Nil			

	Tk. 10,000.00 – Below Tk. 100,000.00	3.00%		2.00%	
	Tk. 100,000.00 – Below Tk. 200,000.00	3.25% p.a.		2.00%	
	Tk. 200,000.00 & Above	3.50% p.a.		2.00%	
Premier Shadhinota	Any Amount	3.50% p.a.			
Premier High Performance Account	Tk. 2.00 Crore & Above	3.50%			
Premier Remittance Saver	Min Balance BDT 1000.00	0.50%			
<b>Double Benefit Scheme (DBS)</b>	11 Years 1 Months 10,000.00 or its multiple	6.50%			<b>6.89%</b>
<b>Monthly Income Scheme (MIS)</b>	<b>Parameters</b>				
1 Year @ 6.00% @ 100,000.00	Monthly Payable Amount: Tk. 500.00	5.00%			
3 Years @ 6.25% @ 100,000.00	Monthly Payable Amount: Tk. 520.83	5.00%			



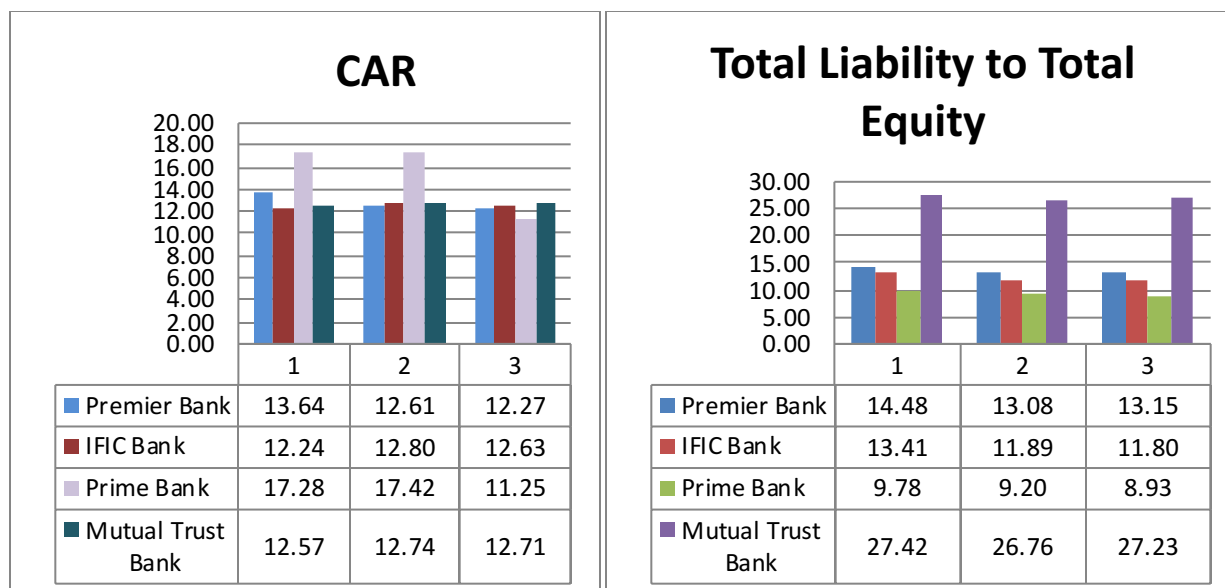
5 Years @ 6.50% @ 100,000.00	Monthly Payable Amount: Tk. 541.67			
<b>Shwapno – Monthly Savings Scheme</b>	<b>Parameters</b>			
2 Years @ 7.00%	Tk. 3875.00 # Maturity Amount: 100,000.00			

Premier bank has offered more diversified package for advance and target customers doesn't contain any particular standard rather targeted a huge group of people. Even if we analysis the NPL of the premier bank it would be lower than other 3 banks due to proper portfolio and well customer segment.

### 3.5.2 CAMEL Rating:

CAMEL rating is key component to analysis any banks overall performance with lots of materials. This is the main and foremost ratio of the bank to measure. Stakeholder or any prospective client can judge a bank over their performance and CAMEL give the entire market position of the bank and helps to identify faults and management can recover those with the help of this systematic tool.

Capital Adequacy	2020					2019					2018				
	CAR		TL/TE		Parameter Ranking	CAR		TL/TE		Parameter Ranking	CAR		TL/TE		Parameter Ranking
	Ratio	Rank	Ratio	Rank	Average Rank	Ratio	Rank	Ratio	Rank	Average Rank	Ratio	Rank	Ratio	Rank	Average Rank
1. Premier Bank	13.64	2	14.48	3	2.50	12.61	4	13.08	3	3.50	12.27	3	13.15	3	3.00
2. IFIC Bank	12.24	4	13.41	2	3.00	12.80	2	11.89	2	2.00	12.63	2	11.80	2	2.00
3. Prime Bank	17.28	1	9.78	1	1.00	17.42	1	9.20	1	1.00	11.25	4	8.93	1	2.50
4. Mutual Trust Bank	12.57	3	27.42	4	3.50	12.74	3	26.76	4	3.50	12.71	1	27.23	4	2.50



Capital adequacy ratio is one of the significant percentages of loss covering cushion for bank to mitigate operational losses and higher the CAR ratio signifies the better standing of the bank to sustain and recover the losses over the period. CAR ratio calculated base on Capital Tier 1 and Capital Tier 2. Tier 1 has direct and more liquid form of assets to cover the losses and it is considered primary form of reserve. On the contrary Tier 2 has less significance In terms of mitigating losses and it has undisclosed reserve, general reserve, hybrid debt instruments and subordinated debt. Moreover, this Tier 2 made for extra coverage for tier 1 capital.

- If we consider only CAR, Then Prime Bank has Average of 15.32% and highly secured than other three banks
- Secondly, Premier bank has 12.84% over three years average and MTB has 12.67% and entitled to third position
- Lastly, IFIC has 12.56% of CAR ratio with less percentage

Though Bangladesh Bank has ordered every bank to maintain minimum 12.50% of CAR ratio and above all banks compliance with the regulations

Debt equity ratio is financial leverage of the bank to using debt fund for investing on assets against the shareholder equity. When a bank has higher degree of ratio it means the creditor will face more risk and lower safety cushion. On the other hand, lower degree of ratio indicates less risk and wider safety cushion.

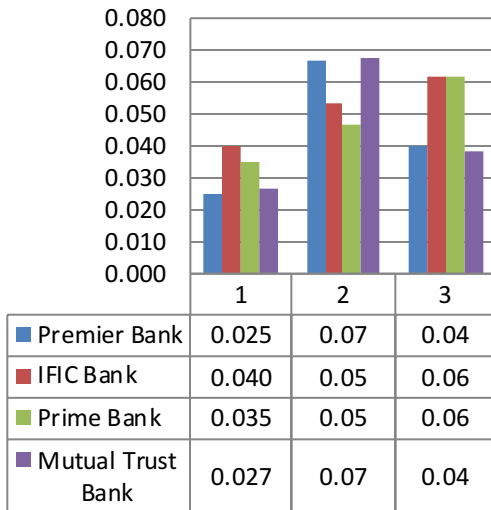
- In this case Prime Bank is positioned top with least 9.30% of debt equity ratio, IFIC bank has 12.36%, Premier Bank has 13.57% and highest debt equity ratio with positioning 4<sup>th</sup> is average of 27.14%.

Asset Quality	2020						
Bank's Name	NPL/ Total Loan		Total Loan/ Total Asset		ALL/ Total Loans		Parameter Ranking
	Ratio	Rank	Ratio	Rank	Ratio	Rank	Average Rank
1. Premier Bank	0.025	1	0.680	4	0.036	2	2.33
2. IFIC Bank	0.040	4	0.717	2	0.030	1	2.33
3. Prime Bank	0.035	3	0.669	3	0.052	4	3.33
4. Mutual Trust Bank	0.027	2	0.750	1	0.041	3	2.00

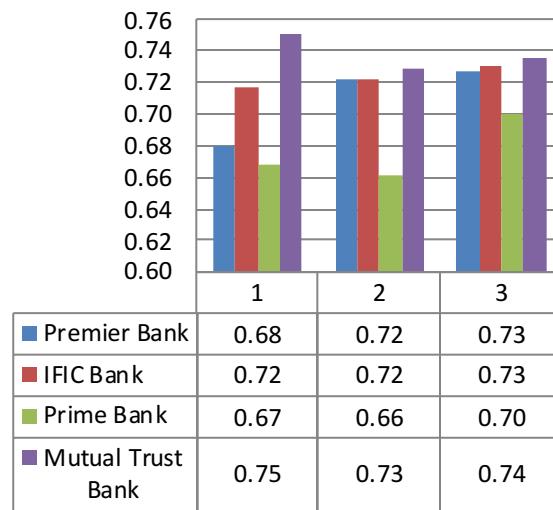
Asset Quality	2019						
Bank's Name	NPL/ Total Loan		Total Loan/ Total Asset		ALL/ Total Loans		Parameter Ranking
	Ratio	Rank	Ratio	Rank	Ratio	Rank	Average Rank
1. Premier Bank	0.067	3	0.721	2	0.034	2	2.33
2. IFIC Bank	0.054	2	0.721	3	0.026	1	2.00
3. Prime Bank	0.047	1	0.661	4	0.048	4	3.00
4. Mutual Trust Bank	0.068	4	0.729	1	0.036	3	2.67

Asset Quality	2018						
Bank's Name	NPL/ Total Loan		Total Loan/ Total Asset		ALL/ Total Loans		Parameter Ranking
	Ratio	Rank	Ratio	Rank	Ratio	Rank	Average Rank
1. Premier Bank	0.0399	2	0.726	3	0.024	1	2.00
2. IFIC Bank	0.0616	3	0.731	2	0.029	2	2.33
3. Prime Bank	0.0616	4	0.700	4	0.040	4	4.00
4. Mutual Trust Bank	0.0384	1	0.736	1	0.032	3	1.67

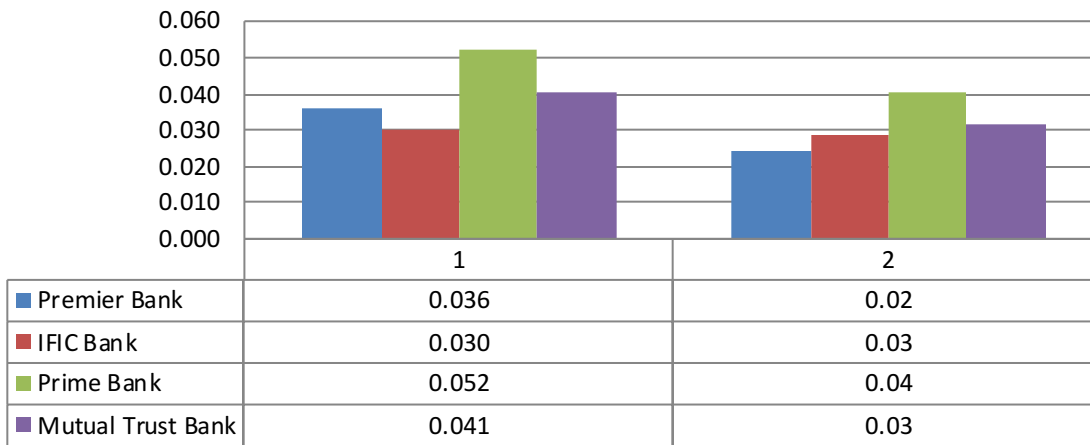
### NPL to Total Loan



### Total Loan to Total Asset



### ALL to Total Loans



Gross NPA Ratio is one of the measures to judge the quality of the Asset in return to non performing loan. If the annual NPA is increasing that means banks are not taking necessary steps to repayment. On the other hand new stock of bad loan increases which may cause to great sufferings for banking operations.

- In this case Premier bank is positioned 1<sup>st</sup> for lowest NPL, average of 4.5% over past three years and the NPL of 2020 is 2.5%
- Mutual Trust bank has average of 4.57% of NPL and maintained 2.7% NPL in 2020
- Prime bank has average of 4.83% and positioned 3<sup>rd</sup>.
- IFIC has average of 5% and highest among all four banks.

Total Loan to Total assets defines debt against the assets and one of the major financial leverage to justify the company's financial risk and includes all the short term and long term assets for calculating the ratio. The higher percentage indicates higher financial risk.

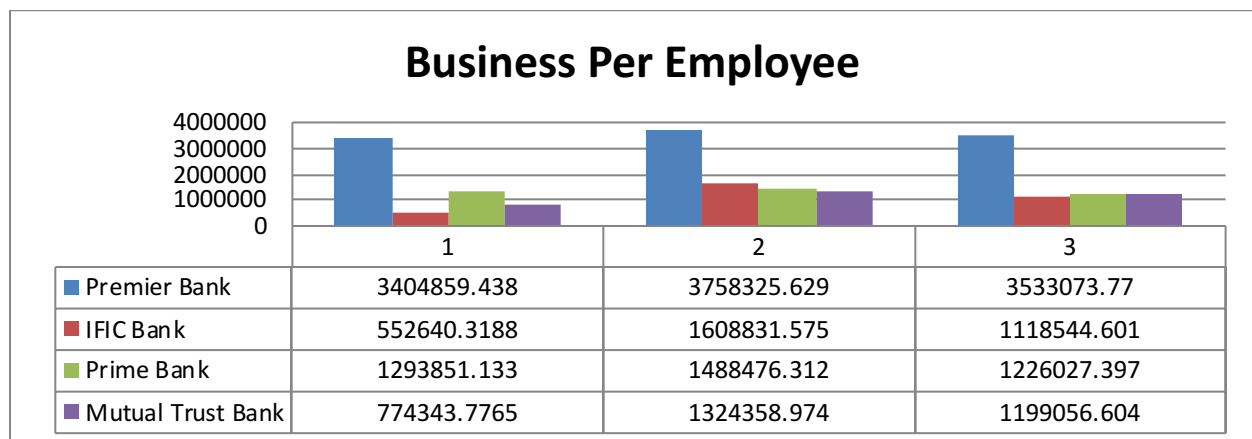
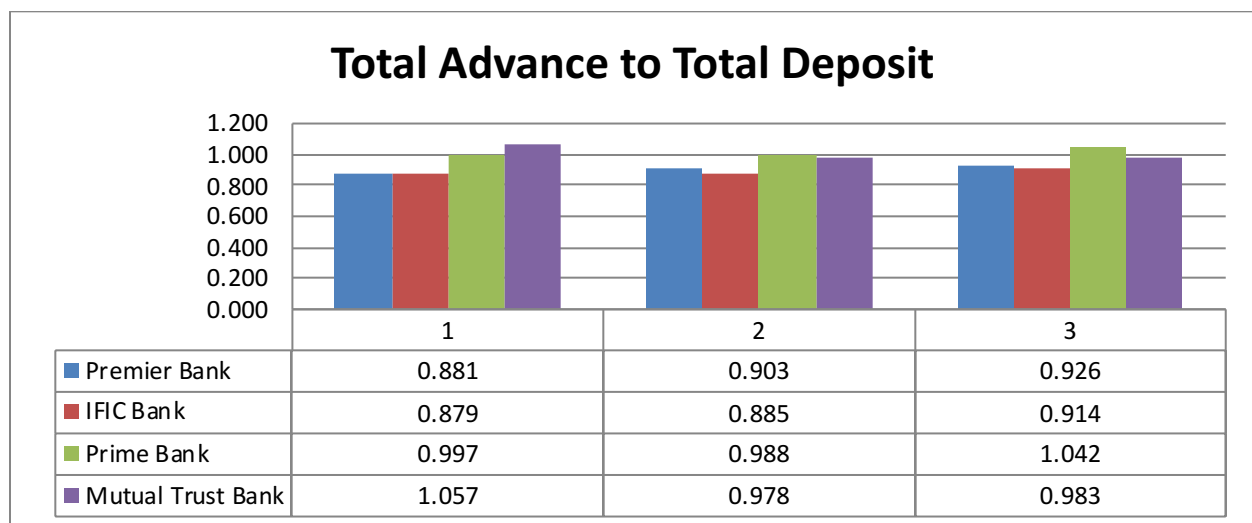
- Here, MTB has higher financial leverage average of 74%, then IFIC bank has average of 72.33%, Premier Bank has 71% and Prime bank has 67% of leverage.

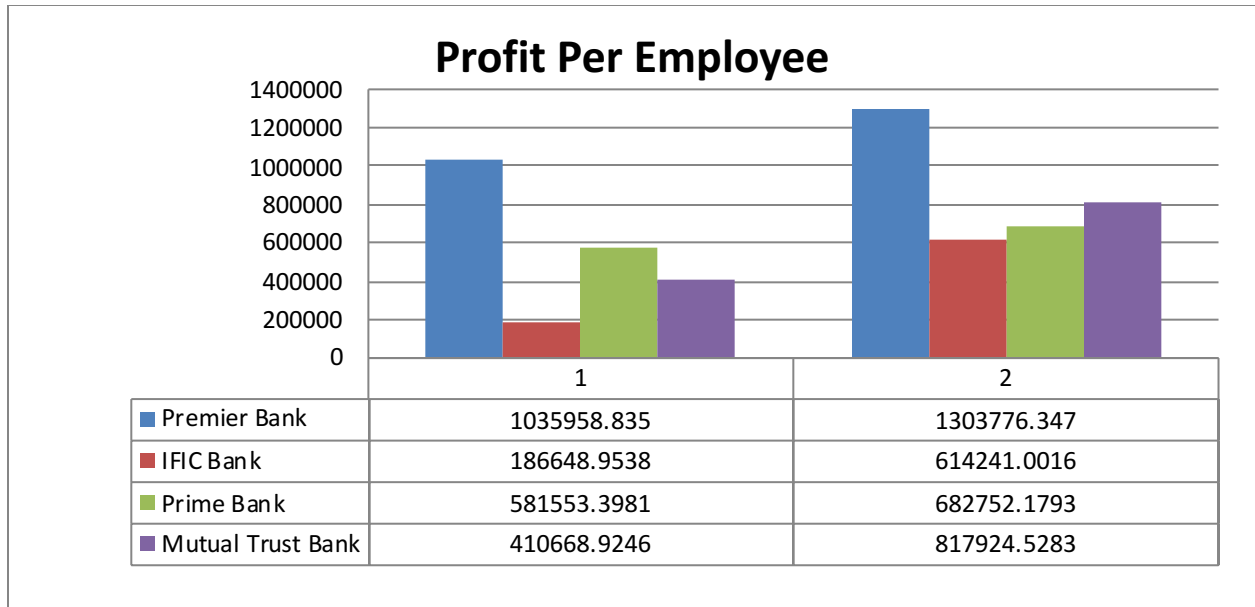
All to Total Loan defines high probability of default loans decrease the asset quality and profit of the bank. It helps to balance the portfolio of the bank advances to mitigate the loss because the consequence is credit risk.

- In this case Premier bank is positioned 1<sup>st</sup>, average of 0.028 over past three years
- IFIC has average of 0.03
- Mutual Trust bank has average of 0.037
- Prime bank has average of 0.047 and positioned last among all banks

<b>Management Efficiency</b>	<b>2020</b>						
<b>Bank's Name</b>	<b>Total advance /TD</b>		<b>Business per employee</b>		<b>Profit per employee</b>		<b>Parameter Ranking</b>
	<b>Ratio</b>	<b>Rank</b>	<b>Ratio</b>	<b>Rank</b>	<b>Ratio</b>	<b>Rank</b>	<b>Average Rank</b>
1. Premier Bank	0.88	3	3404859.4	1	1035959	1	1.67
2. IFIC Bank	0.88	4	552640.32	4	186649	4	4.00
3. Prime Bank	1.00	2	1293851.1	2	581553.4	2	2.00
4. Mutual Trust Bank	1.06	1	774343.78	3	410668.9	3	2.33
<b>Management Efficiency</b>	<b>2019</b>						
<b>Bank's Name</b>	<b>Total advance /TD</b>		<b>Business per employee</b>		<b>Profit per employee</b>		<b>Parameter Ranking</b>
	<b>Ratio</b>	<b>Rank</b>	<b>Ratio</b>	<b>Rank</b>	<b>Ratio</b>	<b>Rank</b>	<b>Average Rank</b>
1. Premier Bank	0.90	3	3758325.6	1	1714515	1	1.25
2. IFIC Bank	0.88	4	1608831.6	2	955060.6	2	2.00
3. Prime Bank	0.99	1	1488476.3	3	532010.2	3	1.75
4. Mutual Trust Bank	0.98	2	1324359	4	571794.9	4	2.50

Management Efficiency	2018						
Bank's Name	Total advance /TD		Business per employee		Profit per employee		Parameter Ranking
	Ratio	Rank	Ratio	Rank	Ratio	Rank	Average Rank
1. Premier Bank	0.93	3	3533073.8	1	1303776	1	1.67
2. IFIC Bank	0.91	4	1118544.6	4	614241	4	4.00
3. Prime Bank	1.04	1	1226027.4	2	682752.2	2	1.67
4. Mutual Trust Bank	0.98	2	1199056.6	3	817924.5	3	2.67





Total advance to Total deposit ratio refers the ability of the management to cover up the deposit available with the banks with high earning advances.

- In this ratio Prime Bank has highest average of 1.009, Mutual Trust bank has 1.006, Premier Bank has 0.903 and lowest is IFIC Bank with an average of 0.893

Business Per employee refers how much revenue is generating from each employee of the bank over a year and increasing business per employee indicates positive trend of revenue and reflects proper utilization of employee.

- Premier Bank has highest business per employee with an average of 3565419.61
- Prime Bank has 2<sup>nd</sup> highest business per employee with an average of 1336118.281
- Mutual Trust bank has positioned 3<sup>rd</sup> with an average of 1099253.12
- Lastly, IFIC bank has lowest number of Business per employee with an average of 1093338.83

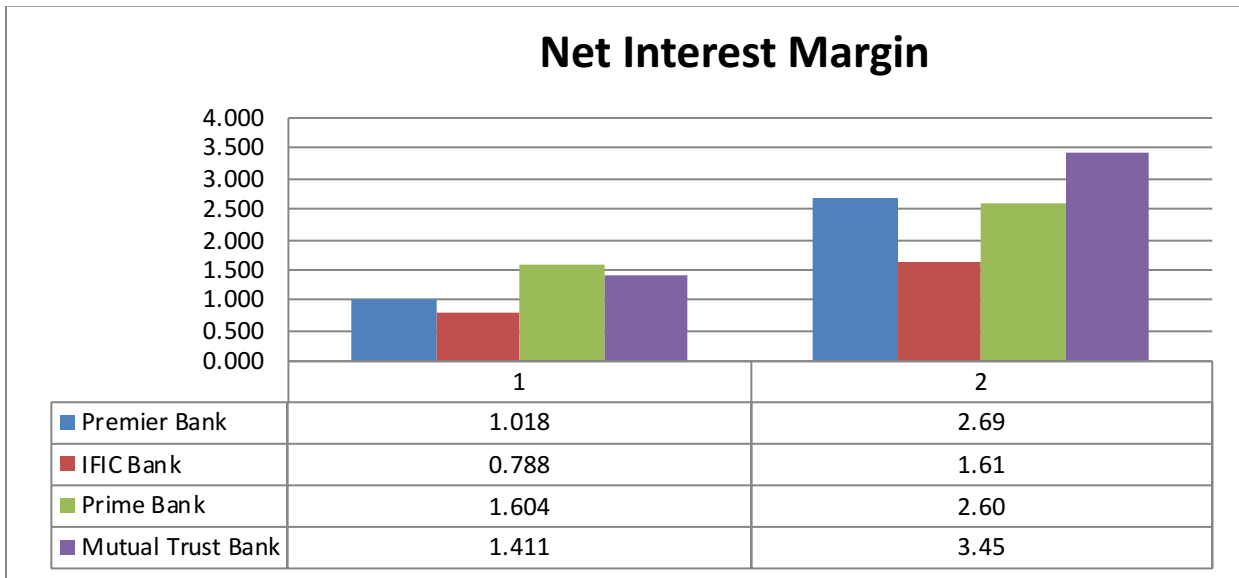
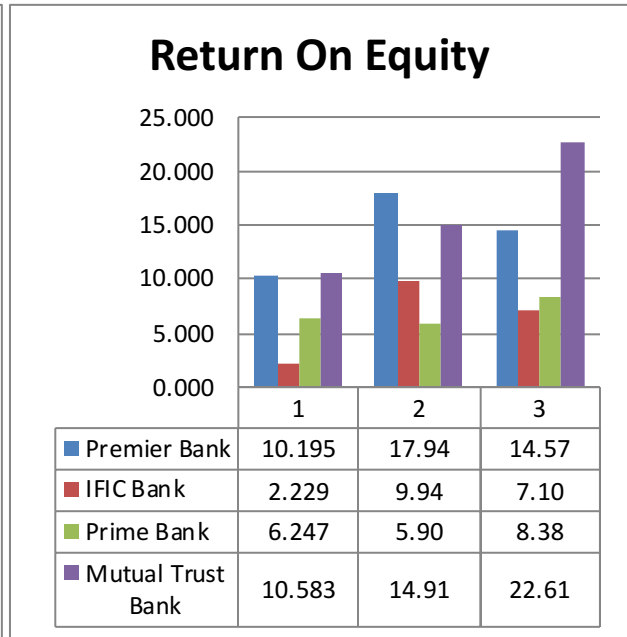
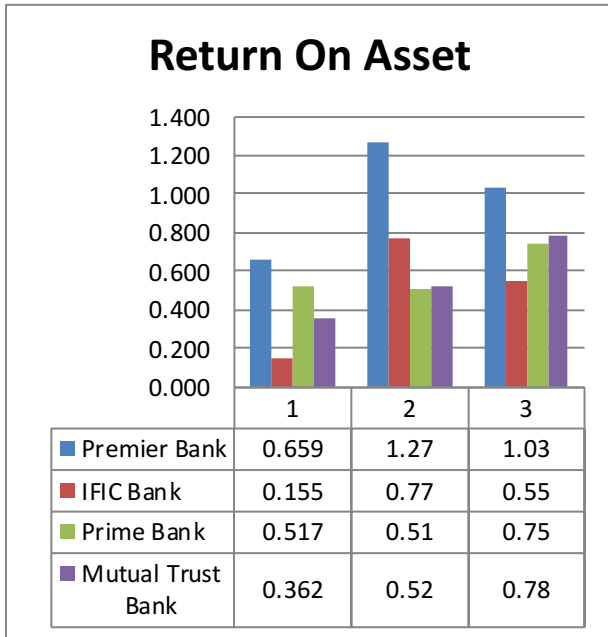
As I mentioned, positive trend reflects best utilization of employee in terms of revenue generation but in 2020 due to Pandemic Banks face many obstacle for dimming other industry so that we can see every bank drops significant amount of Business per employee.

Profit per employee goes same as business per employee but it indicates after tax profit to employee. Moreover, higher results to higher efficiency of the business.

- Premier bank has done very good among all banks and position 1<sup>st</sup> with an average of 1351416.61
- Mutual trust Bank has got the 2<sup>nd</sup> position with an average of 600129.44
- Prime Bank has Earning per employee with an average of 598771.94
- IFIC has least amount of earning per employee with an average of 585316.84

<b>Earnings Capacity</b>	<b>2020</b>						
<b>Bank's Name</b>	<b>ROA</b>		<b>ROE</b>		<b>NIM</b>		<b>Parameter Ranking</b>
	<b>Ratio</b>	<b>Rank</b>	<b>Ratio</b>	<b>Rank</b>	<b>Ratio</b>	<b>Rank</b>	<b>Average Rank</b>
1. Premier Bank	0.658641296	1	10.195114	2	1.018335	3	2.50
2. IFIC Bank	0.154645515	4	2.2286593	4	0.788168	4	4.00
3. Prime Bank	0.517119538	2	6.247135	3	1.603903	1	2.00
4. Mutual Trust Bank	0.362057544	3	10.583142	1	1.411492	2	1.50
<b>Earnings Capacity</b>	<b>2019</b>						
<b>Bank's Name</b>	<b>ROA</b>		<b>ROE</b>		<b>NIM</b>		<b>Parameter Ranking</b>
	<b>Ratio</b>	<b>Rank</b>	<b>Ratio</b>	<b>Rank</b>	<b>Ratio</b>	<b>Rank</b>	<b>Average Rank</b>
1. Premier Bank	1.274590952	1	17.942805	1	2.448958	2	1.33
2. IFIC Bank	0.771098708	2	9.9361794	3	2.018575	4	3.00
3. Prime Bank	0.513298987	4	5.9039829	4	2.555146	1	3.00
4. Mutual Trust Bank	0.522541943	3	14.912249	2	2.064053	3	2.67
<b>Earnings Capacity</b>	<b>2018</b>						
<b>Bank's Name</b>	<b>ROA</b>		<b>ROE</b>		<b>NIM</b>		<b>Parameter Ranking</b>
	<b>Ratio</b>	<b>Rank</b>	<b>Ratio</b>	<b>Rank</b>	<b>Ratio</b>	<b>Rank</b>	<b>Average Rank</b>
1. Premier Bank	1.030313681	1	14.573819	2	2.689434	2	1.67
2. IFIC Bank	0.554626698	4	7.0988577	4	1.610822	4	4.00
3. Prime Bank	0.746170318	3	8.3763357	3	2.60276	3	3.00
4. Mutual Trust Bank	0.781688185	2	22.614453	1	3.448413	1	1.33





Return on Assets refers to the net income earnings to total assets. Higher ROA indicates better return on assets.

- Premier bank has highest ROA among four banks with an average of 0.98, 2<sup>nd</sup> position goes to Mutual trust Bank, 3<sup>rd</sup> would be Prime bank and IFIC has lowest ROA with an average of 0.49

Return on Equity same as ROA but it has correlation with Equity part of the Bank

- Mutual Trust Bank has an average of 16.034% return on its equity
- Premier Bank has positioned 2<sup>nd</sup> with an average of 14.235%

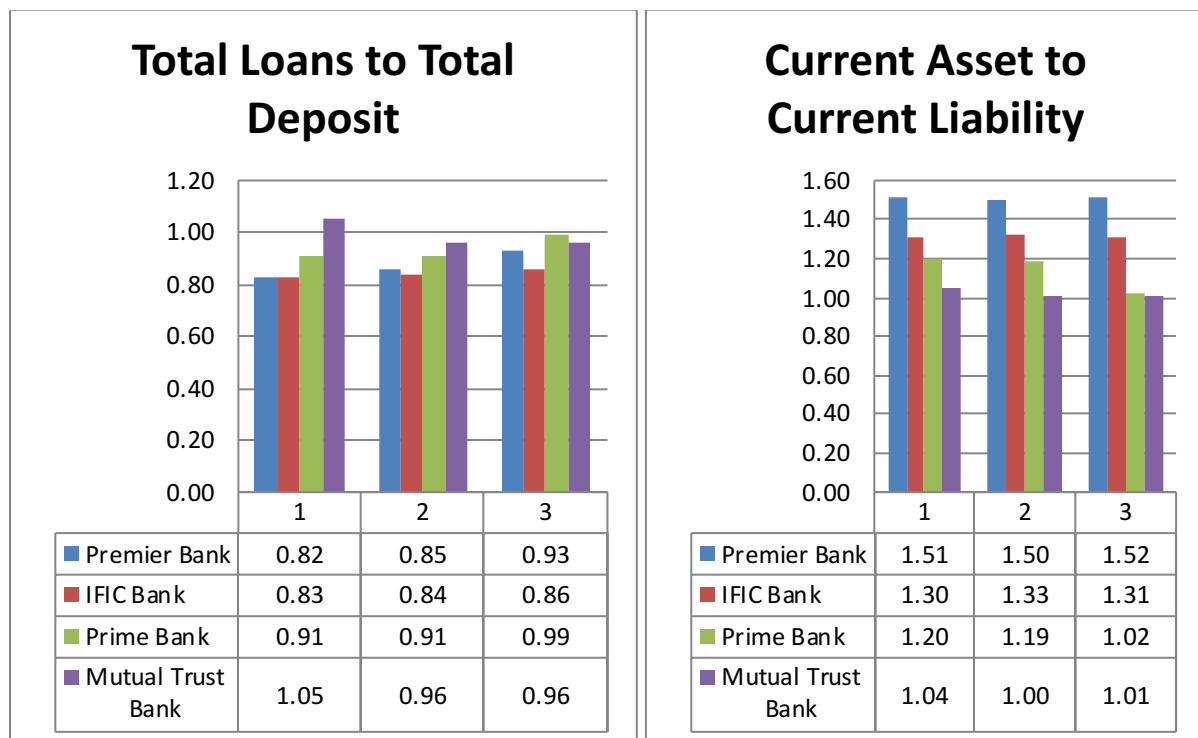
- IFIC Bank has 6.85% ROE and positioned 3<sup>rd</sup>
- Lastly, Prime Bank has least ROE among four banks with an average of 6.84%

Net Interest Margin is the gap between interest income and interest expense on the invested assets. If net interest margin shows positive then it is the sign of revenue is greater than the cost and vice versa. It is one of major strategic decision for bank whether they need to rise the interest rate for better earnings or inflate the interest rate basis on the interest correlation assets and liability.

- Mutual Trust Bank has highest NIM with an average of 2.307%
- Prime Bank has 2<sup>nd</sup> highest NIM with an average of 2.25%
- Premier Bank has NIM of 2.052% and positioned 3<sup>rd</sup>
- Least performance found in IFIC Bank with an average of 1.47%

<b>Liquidity Management</b>	<b>2020</b>				
<b>Bank's Name</b>	<b>Total Loans / TD</b>		<b>CA / CL</b>		<b>Parameter Ranking</b>
	<b>Ratio</b>	<b>Rank</b>	<b>Ratio</b>	<b>Rank</b>	<b>Average Rank</b>
1. Premier Bank	0.822803742	4	1.51356487	1	2.50
2. IFIC Bank	0.830046326	3	1.30445762	2	2.50
3. Prime Bank	0.91167463	2	1.20409014	3	2.50
4. Mutual Trust Bank	1.047997212	1	1.04406172	4	2.50
<b>Liquidity Management</b>	<b>2019</b>				
<b>Bank's Name</b>	<b>Total Loans / TD</b>		<b>CA / CL</b>		<b>Parameter Ranking</b>
	<b>Ratio</b>	<b>Rank</b>	<b>Ratio</b>	<b>Rank</b>	<b>Average Rank</b>
1. Premier Bank	0.852994245	3	1.50246482	1	2.00
2. IFIC Bank	0.842316515	4	1.3258462	2	3.00
3. Prime Bank	0.911142455	2	1.19125094	3	2.50
4. Mutual Trust Bank	0.963771012	1	1.00337337	4	2.50
<b>Liquidity Management</b>	<b>2018</b>				

Bank's Name	Total Loans / TD		CA / CL		Parameter Ranking
	Ratio	Rank	Ratio	Rank	Average Rank
1. Premier Bank	0.926347055	3	1.51778565	1	2.00
2. IFIC Bank	0.859978336	4	1.31065486	2	3.00
3. Prime Bank	0.994624224	1	1.01944621	3	2.00
4. Mutual Trust Bank	0.963470575	2	1.00913818	4	3.00



Total Loans to Total deposit use for credit deposit ratio in liquidity management for verifying whether bank is using its resources adequately to maximize the earnings or there could be deviation of unutilized resources. Moreover, lower rank reflects negative performance of the bank and higher could be resulted to overcome unforeseen crisis.

- Mutual Trust Bank has highest credit deposit ratio with an average of 0.99, prime bank stood for 2<sup>nd</sup> with an average of .94, premier bank has an average of .86 and IFIC Banks has least Credit deposit ratio with an average of .84

Current asset to Current Liability used for liquidity ratio for measuring whether the bank solvent enough to pay the short term liability with the short term assets or not. In this ratio higher would be preferable for

covering short term liability so that banks need to create more reserve fund for avoid the unforeseen conditions

- Premier bank has the more liquidity ratio than other banks with an average of 1.51
- IFIC has the 2<sup>nd</sup> highest liquidity ratio after premier bank with an average of 1.313
- Prime bank has 3<sup>rd</sup> position with an average of 1.14
- Mutual trust Bank has lowest Liquidity ratio to cover up the short term liability with an average of 1.017

COMPOSITE Rating	Give Average Parameter Ratings for 3 years						
Bank's Name	C	A	M	E	L	Average	Composite Rating
1. Premier Bank	3.00	2.22	1.67	1.67	2.17	2.15	2
2. IFIC Bank	2.33	2.22	3.56	3.67	2.83	2.92	3
3. Prime Bank	1.50	3.44	2.00	2.67	2.33	2.39	2
4. Mutual Trust Bank	3.17	2.11	2.78	2.00	2.67	2.55	3

Premier bank has satisfactory CAMEL rating and there should not any supervisory monitor needed. By the company's internal willingness and new tactics can put it to the number 1.

IFIC bank is not good as premier bank but fair CAMEL rating and normal supervision needed for mitigate the resolution problems.

Prime bank has satisfactory CAMEL rating as premier bank but its asset quality was not perfectly utilized and other factors need to be structured and developed with the help of directors and top level management and should focus on the Non performing loan and invested asset.

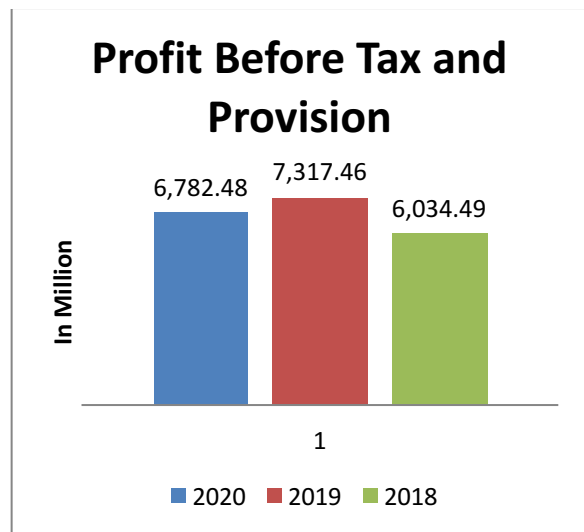
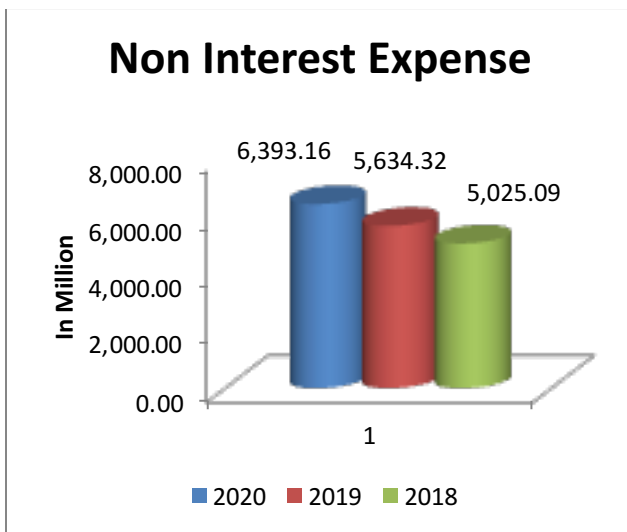
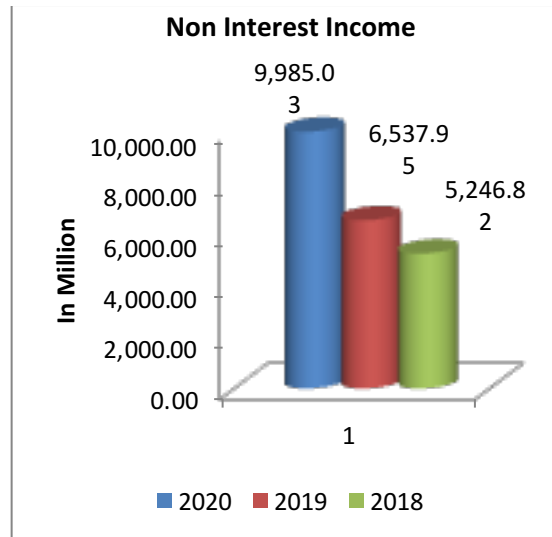
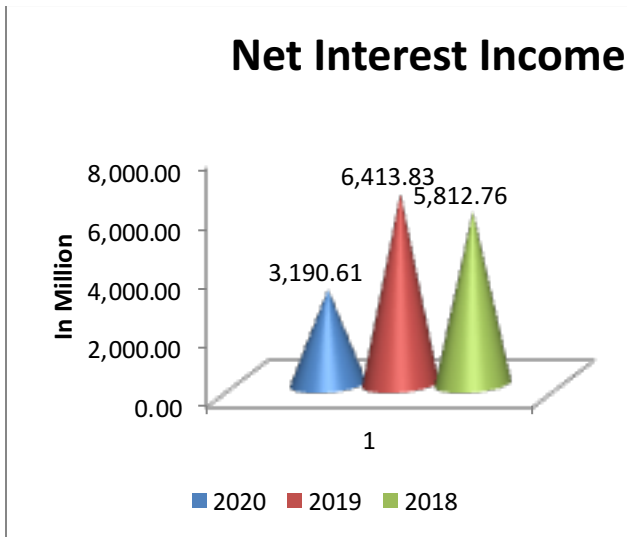
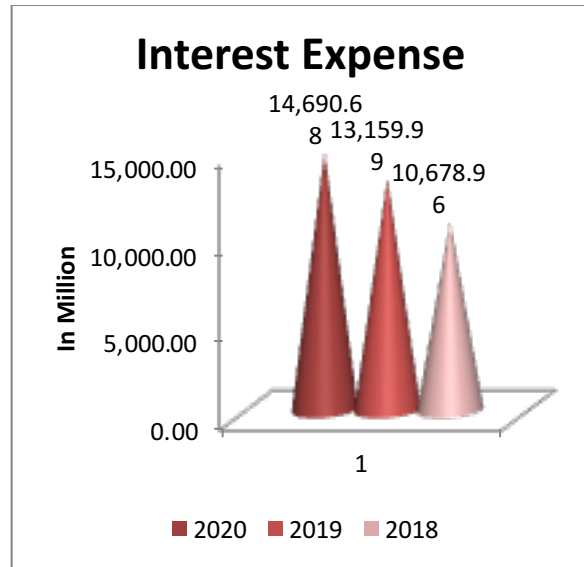
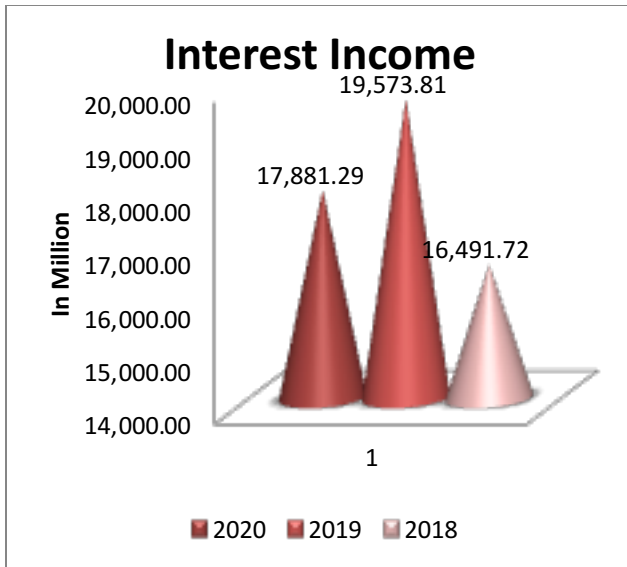
Mutual Trust bank has fair CAMEL rating and they need to create cushion for unforeseen circumstances and management should be utilized properly like its competitors in the market.

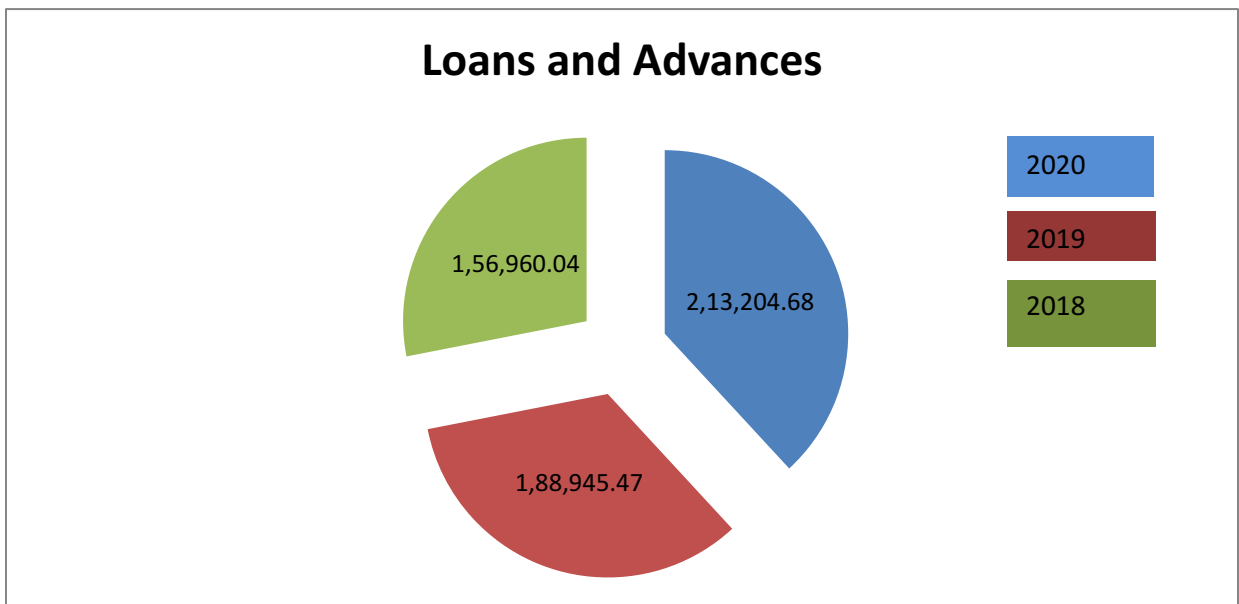
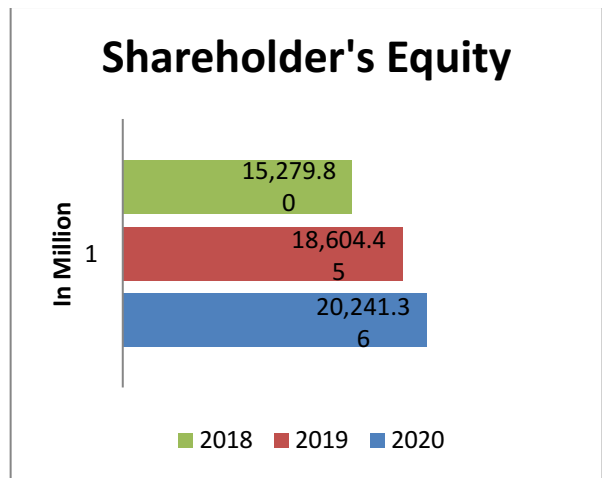
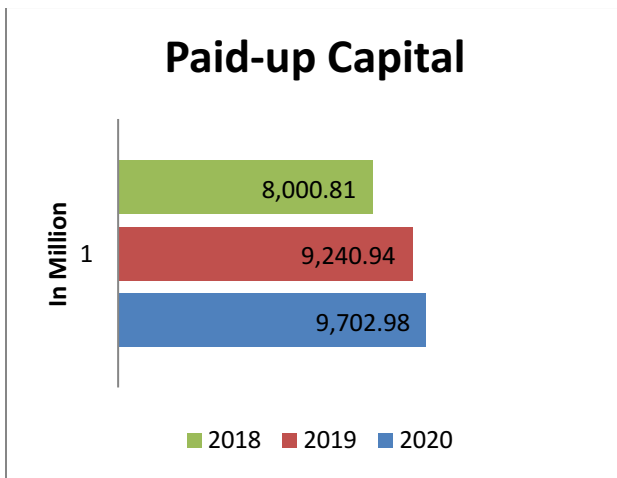
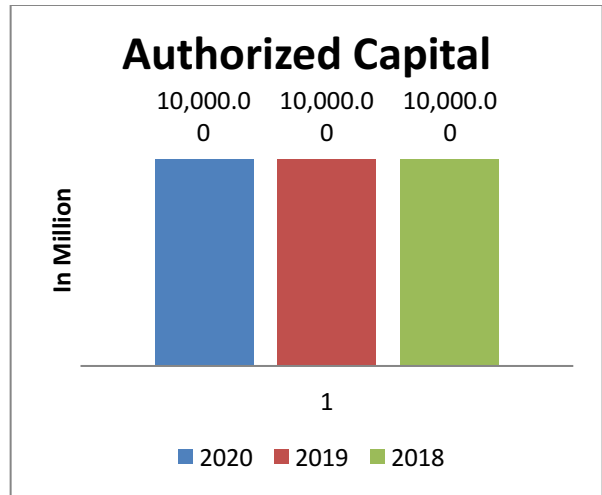
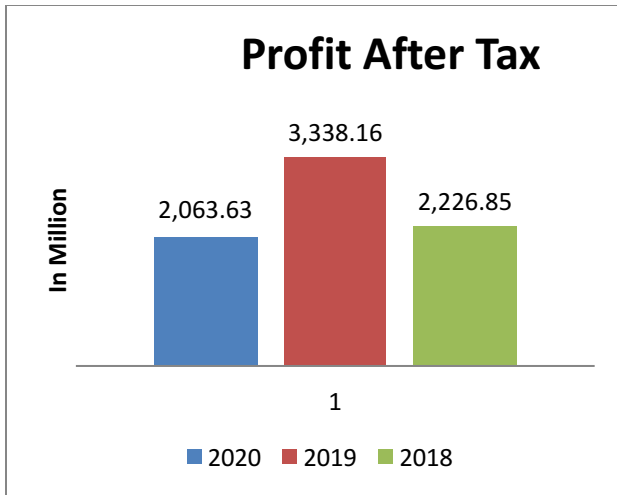
### *Financial Growth for Past Three years and graphical presentation:*

Financial growth of the premier bank has given below and all the particulars are well known and very simplistic and informative presentation of its operation at a glance.

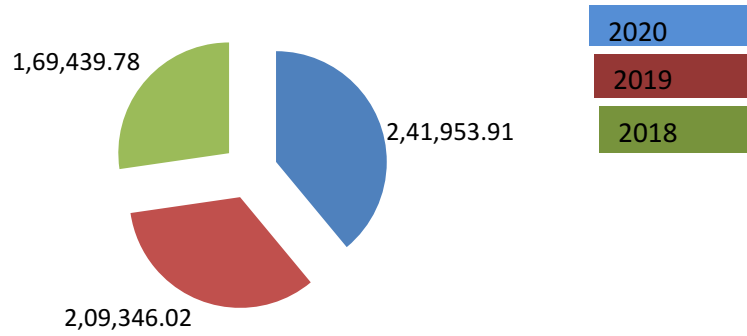
Particulars	2020	2019	2018
<b>INCOME STATEMENT</b>			
Interest Income	17,881.29	19,573.81	16,491.72
Interest Expense	14,690.68	13,159.99	10,678.96
Net Interest Income	3,190.61	6,413.83	5,812.76
Non Interest Income	9,985.03	6,537.95	5,246.82
Non Interest Expense	6,393.16	5,634.32	5,025.09
Profit before Tax and Provision	6,782.48	7,317.46	6,034.49
Profit after Tax	2,063.63	3,338.16	2,226.85
<b>BALANCE SHEET</b>			

Authorized Capital	10,000.00	10,000.00	10,000.00
Paid-up Capital	9,702.98	9,240.94	8,000.81
Shareholders' Equity	20,241.36	18,604.45	15,279.80
Deposits	241,953.91	209,346.02	169,439.78
Loans and Advances	213,204.68	188,945.47	156,960.04
Investments	40,021.08	39,206.95	29,448.38
Fixed Assets	3,201.15	2,649.62	2,336.83
Total Assets	313,316.22	261,900.49	216,133.21
<b>CAPITAL STRENGTH</b>			
Core Capital (Tier-I)	18,523.27	16,471.43	14,073.76
Supplementary Capital (Tier-II)	10,311.85	7,717.03	7,735.48
Tier-I Capital Ratio	8.76%	8.59%	7.96%
Total Capital	28,835.12	24,188.46	21,809.24
Capital to Risk Weighted Asset Ratio (CRAR)	13.64%	12.61%	12.27%
<b>CREDIT QUALITY</b>			
Volume of Non Performing Loans	5,357.21	12,658.13	6,266.98
% of NPL to Total Loans	2.58%	6.70%	3.99%
<b>SHARE INFORMATION</b>			
Earnings Per Share (EPS) (Taka)	2.13	3.44	2.41
Net Asset Value (NAV) Per Share (Taka)	20.86	19.17	19.1
Price Earnings Ratio (Times)	5.16	3.46	4.21
Dividend	20%	10%	15.50%
<b>OPERATING PERFORMANCE RATIO</b>			
Credit to Deposit Ratio	73.51%	80.01%	82.68%
Return to Equity (ROE)	10.62%	19.70%	15.71%
Return on Assets (ROA)	0.72%	1.40%	1.12%
Cost of Fund	6.06%	6.54%	6.27%
<b>OTHER INFORMATION</b>			
Number of Branches	120	115	109
Number of Employees	1,992	1,947	1,708
Number of Foreign Correspondents	595	590	582

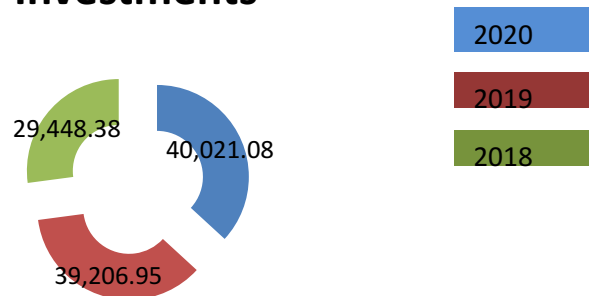




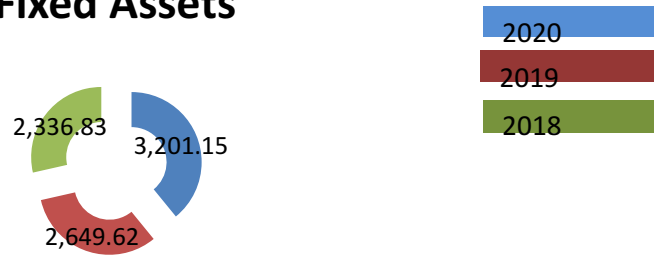
## Deposits



## Investments



## Fixed Assets

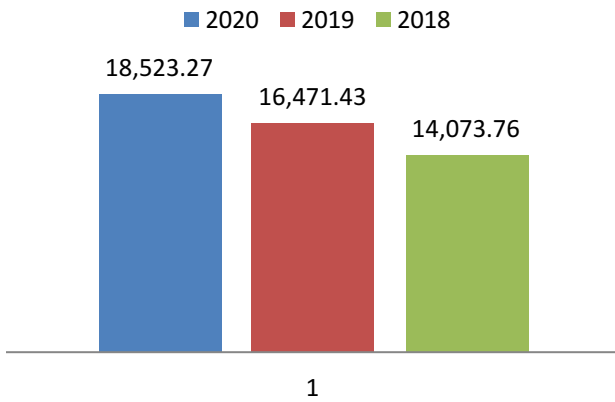


## Total Assets

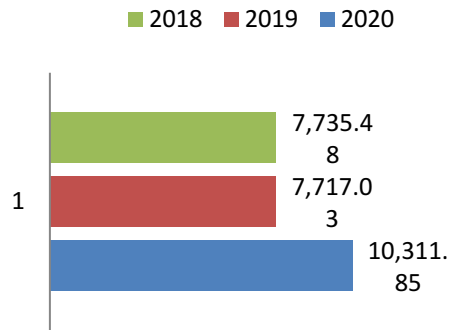




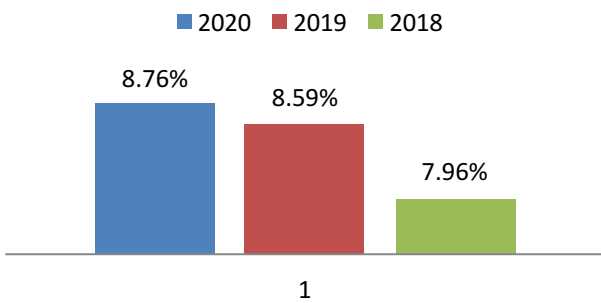
### Core Capital (Tier-I)



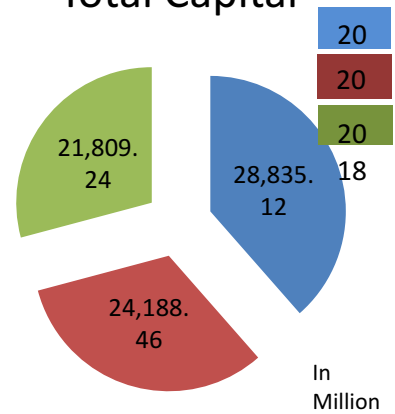
### Supplementary Capital (Tier-II)



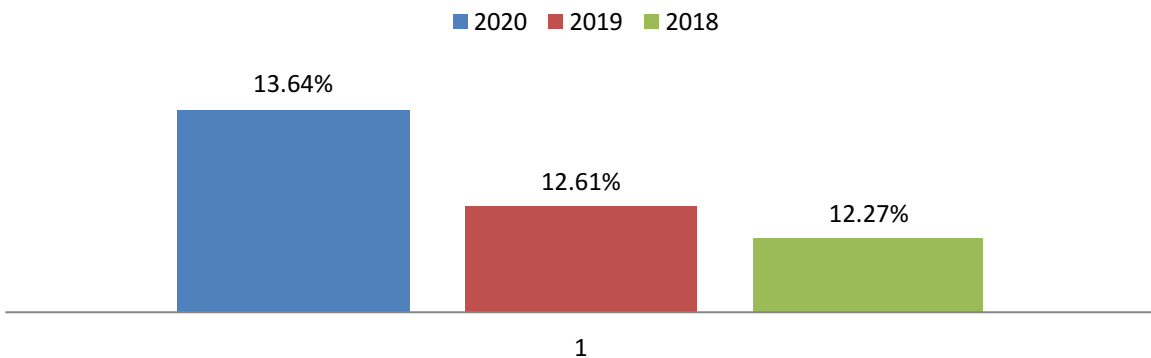
### Tier-I Capital Ratio

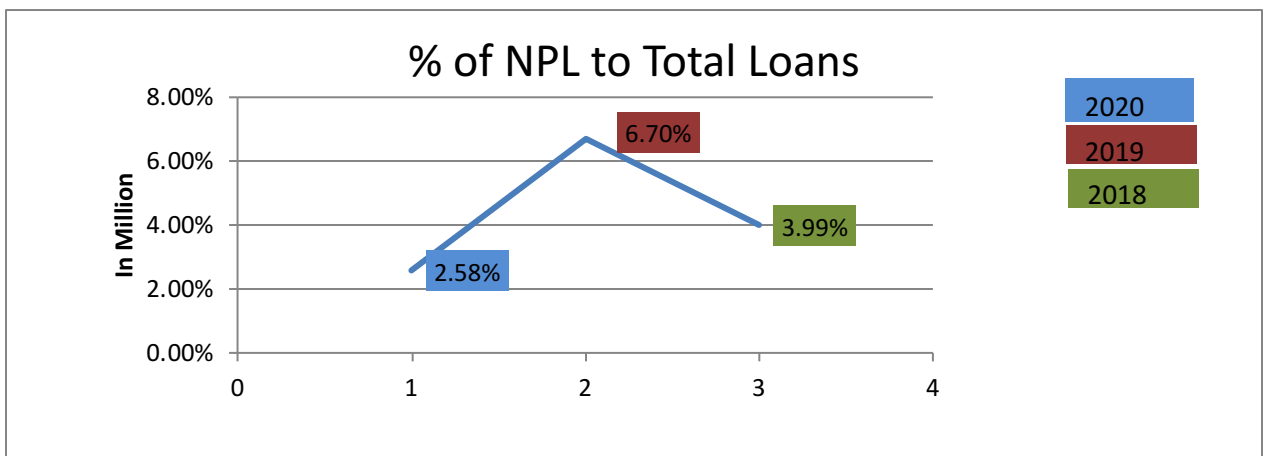
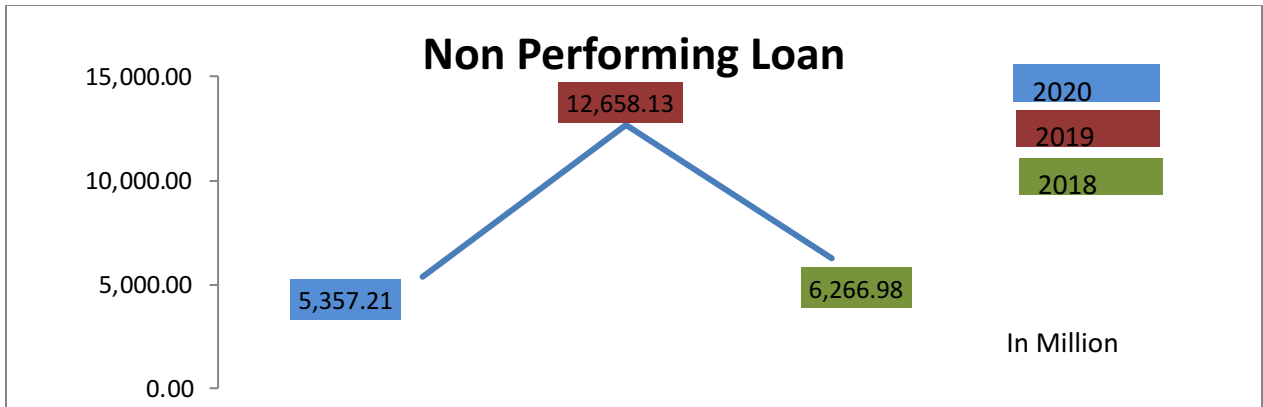


### Total Capital



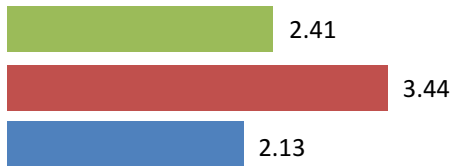
### Capital to Risk Weighted Asset Ratio (CRAR)





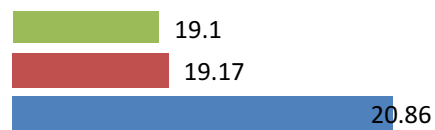
### Earning Per Share (EPS) (Taka)

■ 2018 ■ 2019 ■ 2020



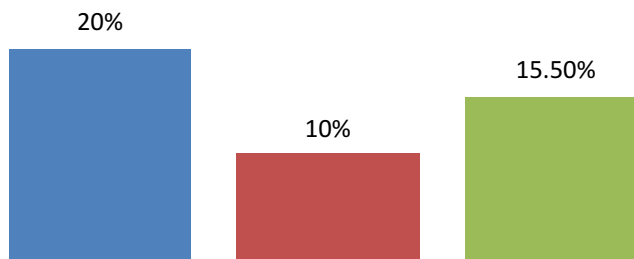
### Net Asset Value (NAV) Per Share (Taka)

■ 2018 ■ 2019 ■ 2020

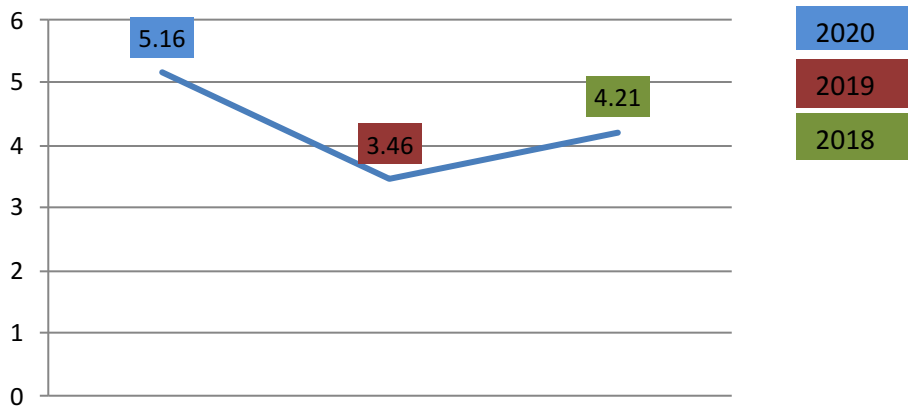


### Dividend

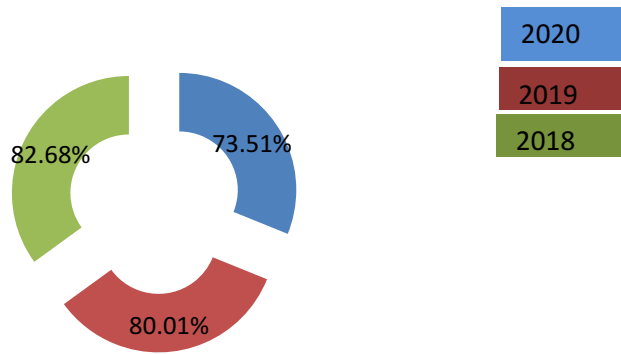
■ 2020 ■ 2019 ■ 2018



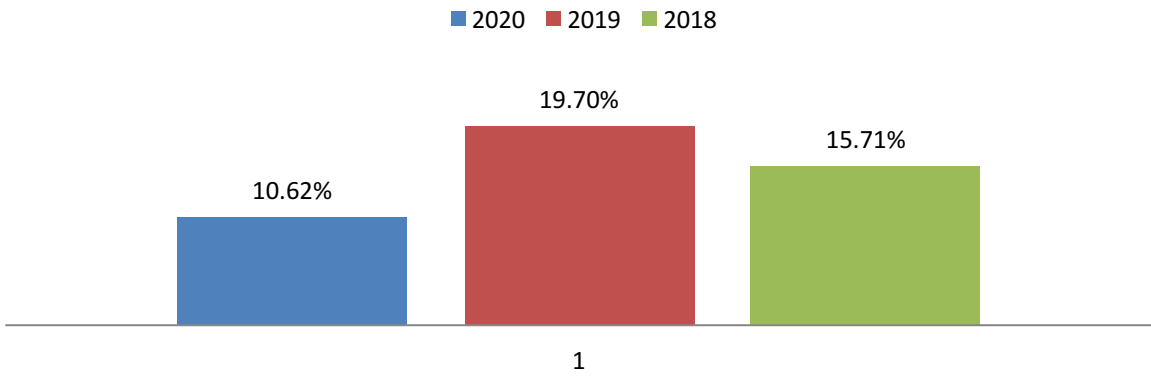
### Price Earning Ratio (Times)



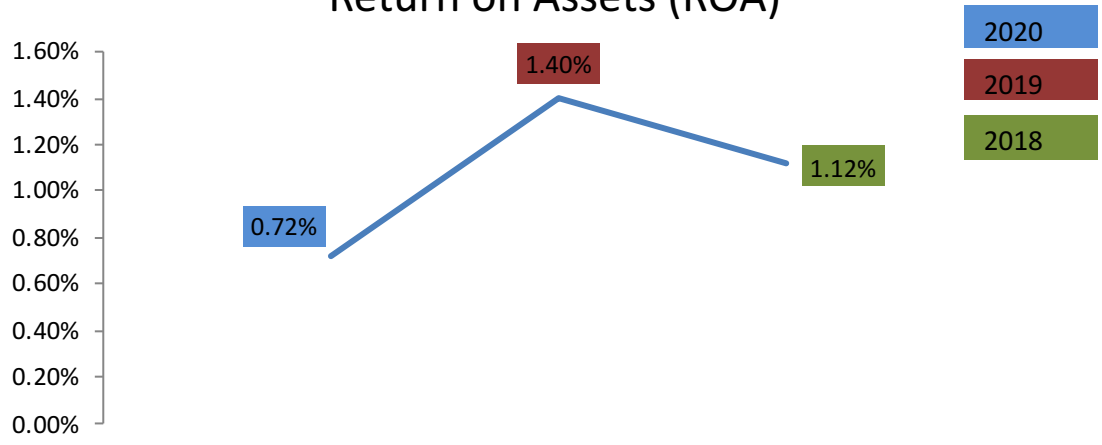
### Credit to Deposit Ratio

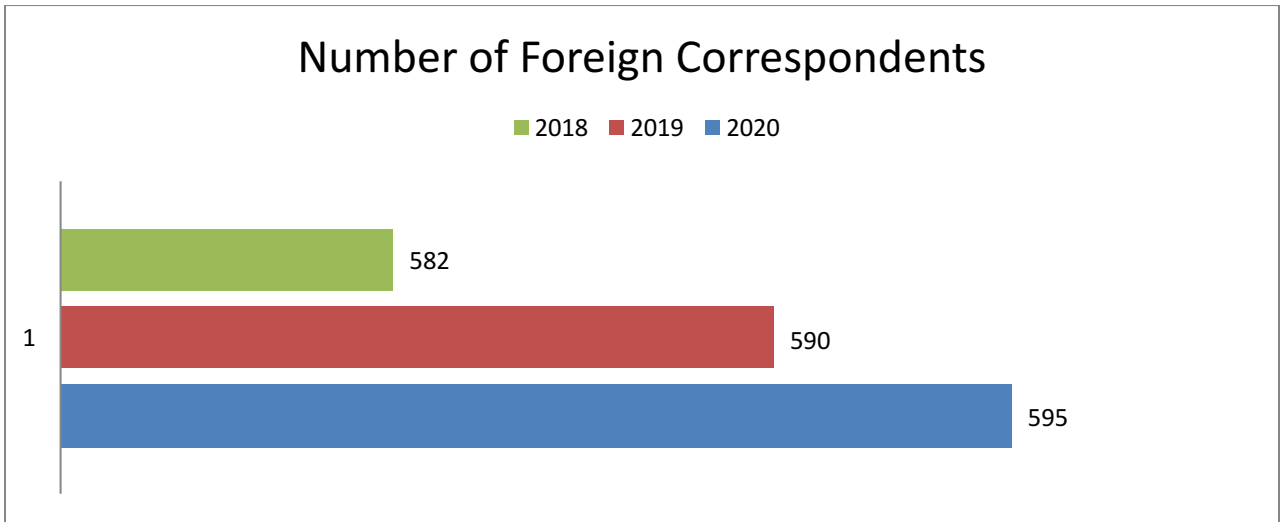
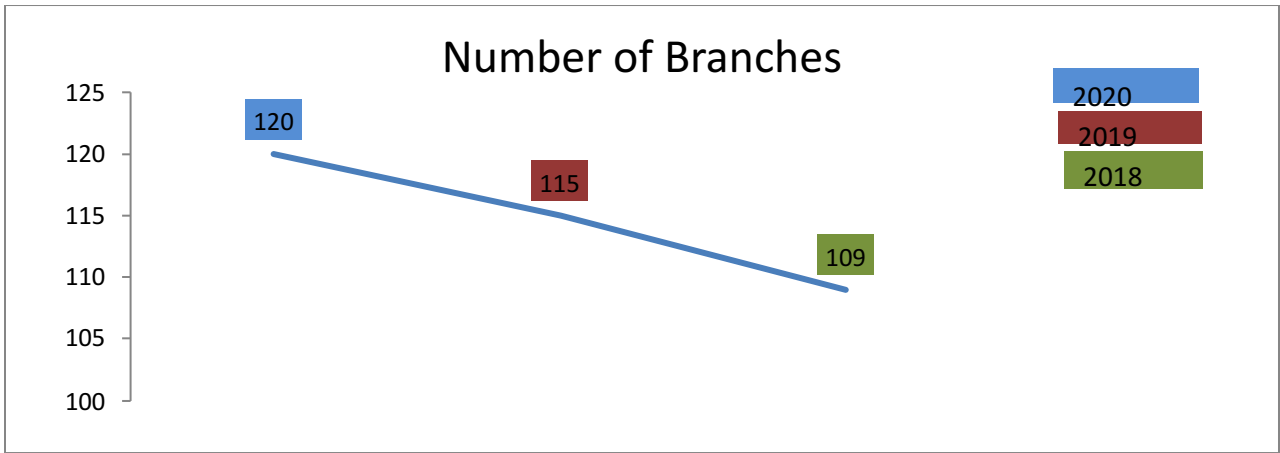
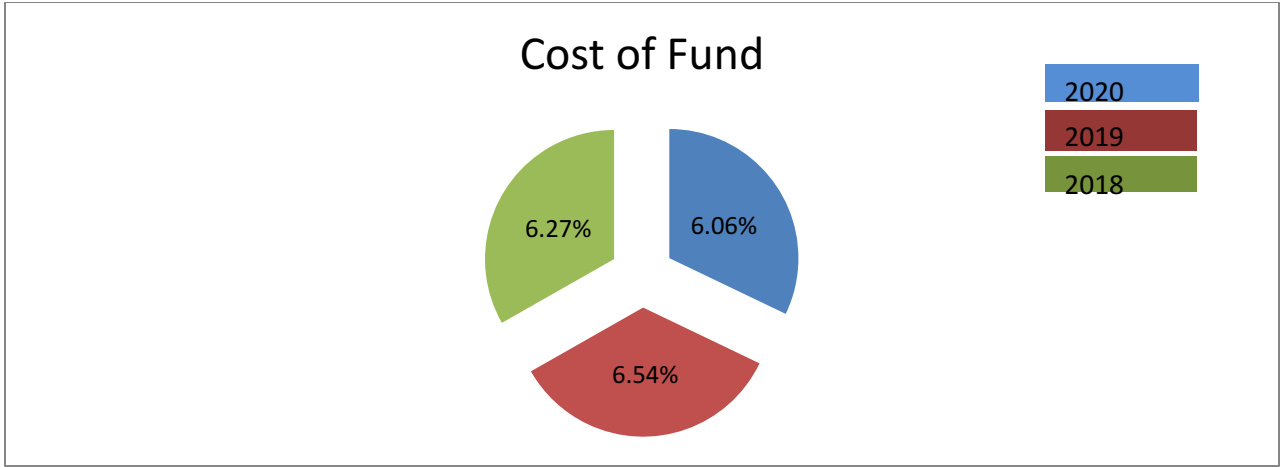


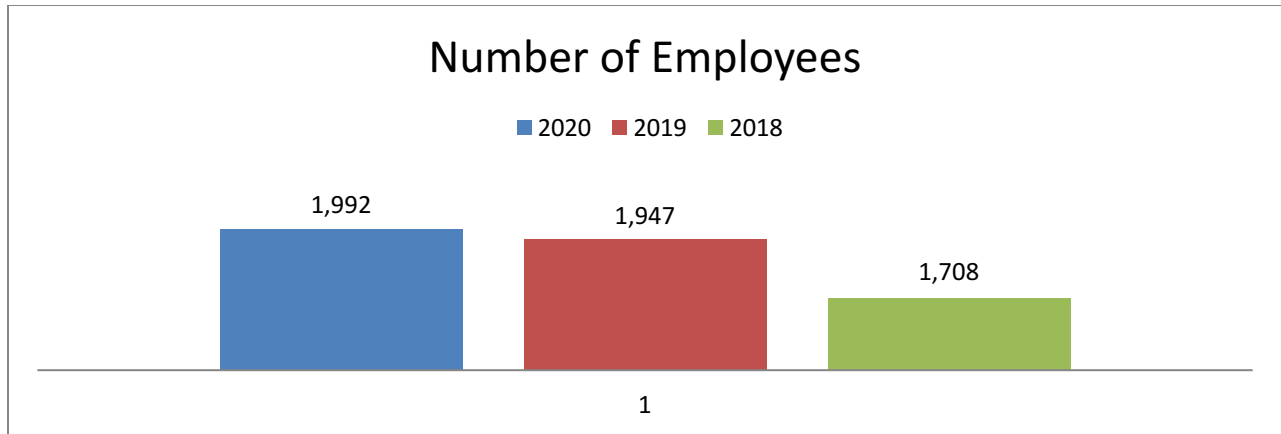
### Return to Equity (ROE)



### Return on Assets (ROA)







Financial growth of the premier bank for past 3 years has stated above with proper graphical representation and increasing number of particles shows a positive change in overall performance. Moreover, pandemic hits all the industry severely but premier bank in this case managed to perform with positive net profit. We can see that ROA and ROE has fallen down significantly in 2020 but it will uplift soon because of economic reviving solution and other business has started their functions.

### 3.4 conclusions:

After analyzing entire annual report of all four banks finally I am able to complete this report with proper interpretation and formulate the data. In this case loan and deposit products of the premier bank have versatile options and greater offers to the clients and other banks have less market interactions than the premier bank. In CAMEL rating, premier bank has very good position in terms of all material and evidence. The entire management team has organized the system efficiently and overall ratios are calculated accurately to justify the proper functions of the company. Moreover, financial growth of 2020 dropped significantly due to pandemic and entire industry faced some difficulties to restore but in near future this bank will go beyond their expectations and continuous improvement and resilience will help to manage the position in number one bank in Bangladesh.

### 3.5 Recommendation:

From my report analysis I can say that Premier Bank need to improve some points to get better performance next year with more funds and investment opportunity:

- The premier Bank ltd need to raise more capital and meet up the current deficiencies
- Need to avoid poor earnings
- Bank has NPL and they need to make sure that it would be covering soon with repayment policy
- Function proper audit
- Make sure planning and controlling unit taking necessary steps to prevent fraudulence activity
- Make sure that management and decision making committee have proper understandability of national and international economy and response wisely on any circumstances
- Budget should be revised for coming years to make substantial growth

- Liquidity problems need to be identified by the management quickly and take essential actions
- Management need to be focused on the trends of the business cycle monthly or quarterly and change the policy upon the consequences

### **References:**

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