

Report On
Financial Performance Analysis of Habib Bank Limited and the Effect
of Dollar Crisis on the Profitability of the Bank

By
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An internship report submitted to the BRAC Business School in partial fulfilment of the
requirements for the degree of Master of Business Administration

BRAC Business School
BRAC University
May 2024

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Declaration

It is hereby declared that.

1. The internship report submitted is my 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 have acknowledged all main sources of help.

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Letter of Transmittal

Dr. Abu Saad Md. Masnun Al Mahi

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BRAC University

KHA 224, Progati Sarani, Merul Badda, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir,

I, Marina Parvin Refa, am delighted to submit my internship report titled “Financial Performance Analysis of Habib Bank Limited and the Effect of Dollar Crisis on the Profitability of the Bank” prepared under your guidance.

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

Marina Parvin Refa

ID: 21264101

BRAC Business School

BRAC University

Date: May 4th, 2024

Non-Disclosure Agreement

This agreement is made and entered into by and between Habib Bank Limited and the undersigned student at BRAC University, Marina Parvin Refa, and ID of 21264101.

Acknowledgement

Authoring this report was truly a pleasure for me. Even though I had a lot of difficulties drafting my report, I was able to get past them with other people's assistance. I would want to thank each and every one of them for their direct and indirect assistance. I want to thank Allah first of all. After that, I want to show my gratitude towards my mother for giving me support all the time.

I am especially thankful to Tanjila Mahabub the intern supervisor of Habib Bank Limited, and Dr. Abu Saad Md. Masnun Al Mahi, the intern supervisor of BRAC University, Bangladesh. Both of them help me a lot to give their valuable suggestions to make the internship report accurate. My friends and the employees of Habib Bank Limited are very cooperative with me. I have always observed their helpful attitude during my internship period. Overall, I am incredibly grateful for the helping attitude of everyone with whom I have completed my report.

Sincerely,

Marina Parvin Refa

ID: 21264101

Executive Summary

In this internship report, I have described my contribution to Habib Bank Limited and what difficulties I have faced in the respective bank. The financial statement analysis of the bank is also done through different ratio analysis such as efficiency ratio, return on assets, return on equity, credit deposit ratio. In this study, the reason for the shortage of dollar is marked as the Covid pandemic, Ukraine Russia war, increasing fuel price, import export deficit etc. One of the main consequences of the dollar crisis is marked as the fluctuations of exchange rate. So, this study intends to find out that how the commercial banks profitability is effected by the currency fluctuations in exchange rate. It also showed the up-warding trends of foreign exchange rate in the past 5 years. The correlation coefficient between foreign exchange rate and net profit is measured to show the relationship between foreign exchange rate and net profit. The value of r is 0.68 which indicates positive and moderate correlation between the variables.

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List of Acronyms

HBL	Habib Bank Limited
HOK	Head Office of Karachi
ROA	Return On Assets
ROE	Return On Equity

CHAPTER ONE

OVERVIEW OF INTERNSHIP

1.1 Student Information: Name, ID, Program and Major/Specialization

I am Marina Parvin Refa, and 21264101 is my student ID. I attended BRAC Business School's MBA programme. Finance is my major. I began my trip in the fall of 2021 and completed all of my postgraduate coursework.

1.2 Internship Information

1.2.1 Period, Company Name, Department/ Division, Address

My internship period consists of 12 weeks long which have started on 13th November 2023 and finished on 29th February 2024. I started my journey at Habib Bank Limited Bangladesh. During this particular period, I have worked under the internal audit department of the respective bank. The bank is located into Autograph (4th floor), 67 & 68 Kamal Ataturk Avenue, Banani, Dhaka-1213.

I had applied for the internship programme via OCSAR. Following that, I was scheduled for an interview with my supervisor by HR. Following a fruitful interview, they requested a reference letter from the university administration, and BRAC University's Office of Career Service and Alumni Relations forwarded it to Bangladesh's HBL HR. I finally received the offer letter from Habib Bank Limited Bangladesh for the internship.

1.2.2 Internship Company Supervisor's Information: Name and Position

My internship supervisor was Tanjila Mahabub, Head of Internal Audit department in Habib Bank Bangladesh Limited. My supervisor always tried to guide me in learning the internal audit department policy and procedures. She also ensured my participation in the audit of Risk Management department. She also ensured my participation in the branch operational activities so that the basic operational process followed by the bank becomes known to me.

1.2.3 Job Scope – Job Description/Duties/Responsibilities

As an intern, I had to perform the following duties/ responsibilities in the bank.

Duties / Responsibilities:

- Collecting evidence from the different branches for the purpose of closing the audit observation.
- Checking out the accuracy of the provided evidence.
- Preparing the VT for an observation.
- Assisting in audit at the time of audit in a particular department.
- Reading the policy of internal audit department.

1.3 Internship Outcome

1.3.1 Student's contribution to the company:

During the internship period, which was almost three and a half months long, my skills have been developed through the different learning procedure. I become aware of the process of how an audit department works in a bank. Previously I only had an overall view of how the banking sector is operating in our country. But this internship has given me opportunity to gain deep knowledge about different thing. The key learning points during my internship period are stated below:

1. Collecting Evidence: In my internship period, I had to follow the audit tracker to monitor the number of observations which are supposed to be closed during that month. After that, I have to collect evidence against those audit observations. I also had to ensure evidence has been provided against each of the mentioned observations.
2. Checking out the Evidence: After collecting the evidence, I had to go through the evidence to check the accuracy of the provided evidence. If I were unable to understand any of the evidence, my supervisor would help me to understand it. If any further evidence is needed, then I had to contact with the particular department to provide that.
3. Preparing VT for an observation: After getting the accurate and necessary information as evidence, I have to prepare the VT for the particular audit observation and finally send it to my respective supervisor.
4. Assisting at the time of Audit: During my internship period, I had got two opportunities of observing the audit process. One was in the finance department and the other was the risk management department. In the finance department audit, I had to go through the voucher and checked out if the necessary information is accurately written in the vouchers. I have also checked that the necessary reports have been submitted to Bangladesh Bank in time or not. In the risk management department, I have checked if they have prepared their reports on time and submitted it to Bangladesh Bank and HOK on time.
5. Reading the policies: To understand the audit process, it was important to go through the internal audit policy. It gives a clear view of the audit process along with the standard. The audit procedure describes how the policy are implemented. During the risk management audit, I had to go through the risk management policy of HBL and risk management guideline of Bangladesh Bank.

1.3.2 Benefits to the student

During the internship period, which was almost three and a half months long, my skills have been developed through the different learning procedure. I become aware of the process of how an audit department works in a bank. Previously I only had an overall view of how the banking sector is operating in our country. But this internship has given me opportunity to gain deep knowledge about the functions of the department.

The function of the audit department becomes clearer to me. It is very visible to me now of how the internal control is being ensured in a bank. It is also known to me now that how

internal control ensures the risk management of the Bank and mitigates the risk. The corporate culture becomes more known to me. I have also noticed how the head office also monitor and ensure the bank internal control. As it is a foreign bank, so I have the opportunity to collaborate with the auditor of the other country also. It was a wonderful opportunity to exchange the knowledge and engaging with different people and knowing their way of work. My ability to make decision on the basis of judgement has also increased. As at the time of audit, I had to make decisions on my own judgement. At the time of audit when engaging with many people and collecting evidence from the respective department, I have learnt how to be more professional in dealing with people. Finally, I had given an opportunity to observe how a new account is opened and the process of doing KYC of the customers. I also got the opportunity to see how the reviews of the accounts are done.

I have also gained some practical knowledge during the internship period other than auditing-

1. I have the opportunity to communicate with different people which improves my communication skills.
2. I have also developed my technical skills as I got the opportunity to improve my MS Word and MS Excel skills.
3. It has also improved my time management skills as I have to finish the work before the deadline of work.

1.3.3 Problems / Difficulties (faced during the internship period)

In a new working environment, everyone has to face some challenges. There are some issues which I faced during my internship period. The main issue was the sudden health issues of my mother. It was mentally incredibly stressful for me to see my mother battling with cancer. In some cases, I felt it has hampered the productivity of the work. Also, there is a huge gap between the student academic and corporate life. It was a little bit of time consuming for me to get used to the culture and adopting the unfamiliar environment though people were very amicable towards me.

1.3.4 Recommendations (to the company on future internships)

HBL is one of the leading foreign banks in Bangladesh. Working in this bank is a wonderful opportunity for me. The corporate culture and the positive working environment are a good thing about this bank. The engagement with the colleagues and the exchange of working knowledge can help a lot to improve skills, performance, and knowledge. So, this organization can help you as an intern to observe the activities of a foreign bank along with the corporate culture and give proper knowledge of dealing with it.

CHAPTER TWO

OVERVIEW OF THE ORGANIZATION

2.1 Introduction

Habib Bank Limited is a multinational commercial bank in Bangladesh. The bank is based at Habib Bank Plaza, Karachi, Pakistan. It is one of the largest banks in Pakistan. Habib Bank Limited is operating five branches in Bangladesh. Three branches are in Dhaka and the two other branches are in Chittagong and Sylhet, respectively. The bank is providing service to the consumers based on the necessity and demand of the consumers. The main products of the bank are loans, savings, business banking, credit cards, debit cards, consumer banking etc. It has 1700 branches all over the world and more than 2000 ARMS. The ARMS are linked to Visa and MasterCard. In 2000, it has been ranked as top Pakistani company in Forbes. Global Aga Khan Fund for Economic Development is now the controlling shareholders in the bank. This foundation is based on Geneva, Switzerland.

2.2 Overview of the Company

2.2.1 History

Habib family had established a bank for the Muslims in the subcontinent on 25 August 1941. The bank was established in Mumbai, India. The importance of establishing a separate bank for the Muslim people of the subcontinent. Pakistan first governor general Mohammad Ali Jinnah first realised it. Based on his request, Habib family took the initiative to establish this bank. It had helped in mobilising fund for the Muslims in many tough times like financing all India Muslim League's campaign for establishing Pakistan, giving aid to the Muslims at the time of violence.

After 1947, it was shifted to Karachi, Pakistan. It was the first commercial bank of Pakistan after getting independence. The government of Pakistan had nationalised the bank in 1974 and the ownership for the Habib family had ended. But the bank could not meet the expectations of people due to the poor management system. This bank is again privatised in 2002 because of its weak management and poor condition. Most of the ownership is then taken over by the Aga Khan Fund for Economic Development (AKFED). Aga Khan Fund for Economic Development holds 51% of the total share and the remaining 49% of shares are in free float. The state bank of Pakistan has declared HBL as domestic systematically important banks (D-SIB) of the year in 2020.

In 1976, the bank had established its branch in Bangladesh. Before that, when the liberation war was finished, the bank was taken over by the government of Bangladesh in 1972. It was then operating as Agrani Bank. It has limited operation in Bangladesh and focuses on the corporate clients of Bangladesh. HBL is operating in more than 25 countries around the world. It has opened branches in Sri Lanka, Kenya, UK, UAE, Belgium, Maldives, and China etc.

2.2.2 Mission

The mission of HBL Bangladesh can be stated as follows-

“To make our customers prosper, our staff excel and create value for shareholders.”

2.2.3 Vision

The vision of HBL Bangladesh can be stated as follows-

“Enabling people to advance with confidence and success.”

2.2.4 Values

HBL Bangladesh considers the value of the organisation as its fundamental principle which shows the culture and environment of the organisation. To fulfil the requirements of its consumer, HBL Bangladesh follows the stated core values-

- Integrity: It inspires employees be ethical and fair.
- Customer Centric: It ensures delivering great experiences.
- Value People: It ensures respecting and appreciating the consumers.
- Excellence: It empowers the employees and inspires them to be the best.
- Progressiveness: It encourages employees to take challenges and be innovative.

2.3 Management Practice

Human resource department of HBL Bangladesh is working hard for ensuring a supportive environment for all the employees and this will gradually ensure the employees satisfaction level at the workplace. The department is hiring capable, skilled employees. The employees are selected based on a specific selection procedure including written test and followed by an interview. The human resource team of HBL Bangladesh is a group of two people as its operation in Bangladesh is limited than the other countries. With its limited resource, it is ensuring the fair and supportive work environment for the employees. The department is ensuring to make the proper utilization of the capacity and skills of the employees.

Country Manager	Selim Barkat
Head- Finance	Parul Das
Head- Internal Audit	Tanjila Mahabub
Head- FI	Mohammad Fazlul Qader
Head- Treasury	Mohammad Fazlul Qader
Head- Liability and Cash Management	Mohammad Fayaz Moula
Head- Country Operations	Sakhawat Hossain Khan
Head- Risk Management	Shahabuddin Ahmed
Head- HR Operations	Md. Ashraful Haque
Head- Compliance & CAMLCO	Kazi Mahbub Hasan

Table 01: Management Structure of HBL Bangladesh

The management of HBL Bangladesh is showed in the above table.

2.4 Marketing Practices

2.4.1 Products and Service

Individual banking services is given by HBL to the consumers. In case of individual banking, the bank is giving normal deposit account services. It also has programs for retirement plan, child education plan and the loan schemes. The individual customer may get car loan, home loan, credit card. It also offers debit cards, EFT to the consumers.

In case of business banking, corporate banking, investment banking, Islamic banking, investment banking, commercial banking is available in HBL. All the services have some specific benefits and features for the business entities.

2.4.2 Advertisement

HBL Bangladesh is not too much focused-on marketing its product to consumers. The main reason behind not promoting is its consumers. It is not emphasising on retail consumers. The main consumer of Habib Bank Limited Bangladesh is the business entities. To attract the business entities, the bank is focusing more to improve its financial performance and accuracy. That is the reason, marketing and advertisement of this bank is not up to the mark.

HBL Bangladesh has taken this step based on the goal of the bank and keeping in mind the needs of the consumers. As it is spending less on the marketing, so the marketing cost is extremely low in HBL Bangladesh.

2.5 Financial Performance & Accounting Practices

The term financial performance describes how well a business makes money and allocates its resources to meet its objectives. It is a gauge of how well a business uses its resources to produce income, keep costs under control and eventually give shareholders returns. It assesses the past and present data from financial reports so that the efficiency and affectivity of the bank can be easily understood. It will also help the bank to finalise the strategy of the bank.

Habib Bank Limited Bangladesh is one of the leading foreign banks in Bangladesh which is focusing on the commercial banking. In this part of the report, I am going to analyse the financial position of the bank at various times. Diverse types of ratio analyses like the debt-to-equity ratio, debt to asset ratio, return on asset, return on equity, net profit margin etc are conducted in this part. Stakeholders such as creditors, managers and investors can learn about a company's possibilities, dangers, vulnerabilities, and strengths by analysing its financial performance. It aids in evaluating the overall financial well-being of the business, assisting in decision-making, and developing plans for profitable and sustainable growth.

The financial performance analysis of Habib Bank Limited Bangladesh is given as follows-

Net Profit Margin

The percentage of each dollar of revenue that is converted into profit after all costs, such as taxes and interest have been subtracted is known as the net profit margin. It is the profitability ratio. To calculate it and get a percentage, divide net income by total revenue and multiply the

answer by one hundred. The net profit margin of Habib Bank Limited Bangladesh is shown below:

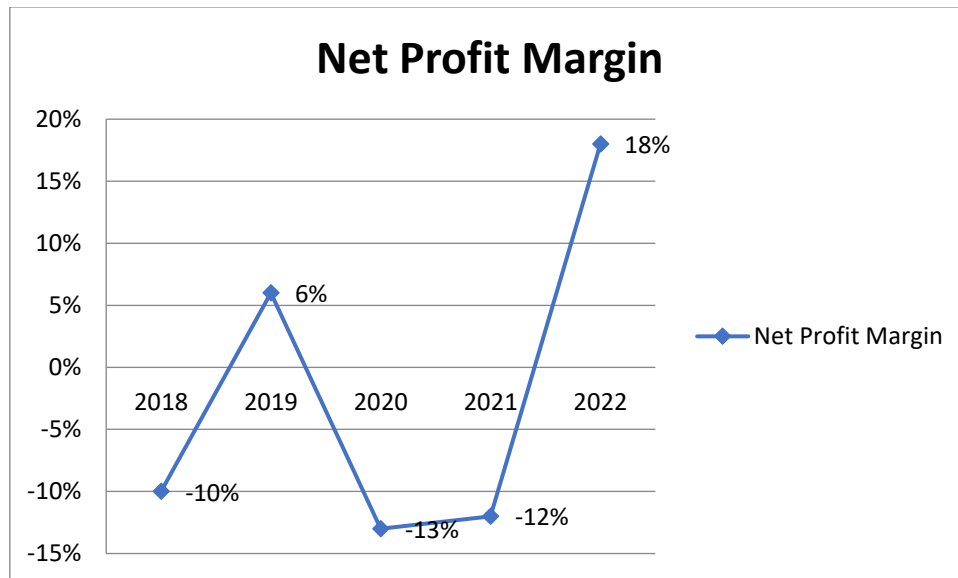


Figure 01: Net Profit Margin over the past 5 years

In the year 2022, net profit margin is 18%. This indicates that, after deducting all costs, the business keeps \$.18 in profit for every dollar of revenue. A key indicator of a business profitability and effectiveness in controlling costs and expenses is net profit margin. Better profitability is indicated by a higher net profit margin, whereas worse profitability in relation to sales is suggested by a lower margin. By analysing net profit margin, it can be seen that net profit margin varied in the following years. Expenses and revenue are not managed properly. In 2018, it was -10% but in 2019 it has improved to 6%. Again, in 2020 and 2021, there was a fall, and it became -13% and -12% respectively.

Efficiency Ratio

Efficiency ratio measures how effectively the bank utilizes its assets and resources to generate the sales or revenue. The cost to income ratio is a financial indicator that can be used to assess how efficiently its operations are running by comparing organizations operating costs and operational income.

The cost to income ratio of Habib Bank Limited Bangladesh is shown below:

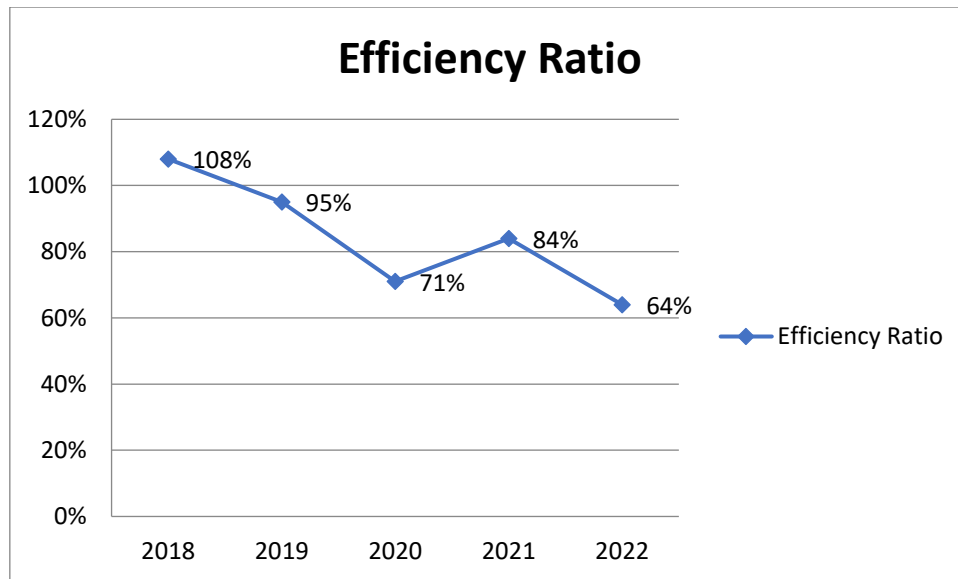


Figure 02: Efficiency ratio over the past 5 years

Higher efficiency is shown by a lower cost to income ratio, which shows that the business is making more money than it is spending on operations. On the other hand, a greater ratio can be an indication of operational inefficiencies inside the organisation or that operating costs are outpacing revenue. Additional information on the operational effectiveness and profitability of a business may be obtained by comparing the cost to income ratio with historical performance or industry averages. By analysing cost to income ratio, it can be seen that cost to income ratio has fluctuated over the following years. In 2018, it was 108% and in 2019, it has fallen to 95%. In 2020, it was 71% and in 2021, it was 84%. Again in 2022, it became 64%. It can be found that operating cost is increasing at a higher rate comparing to its revenue.

Return on Assets

A financial ratio called return on assets (ROA) gauges organization profitability in relation to its total assets. It demonstrates how well a business makes use of its resources to turn a profit. That means, the return on assets is the amount of money a business makes for every dollar it owns. A great return on assets signifies that the business is using its assets more profitably, whereas a lower ROA implies lesser profitability in relation to its asset base.

The return on assets of Habib Bank Limited for five years (2018-2022) is given below-

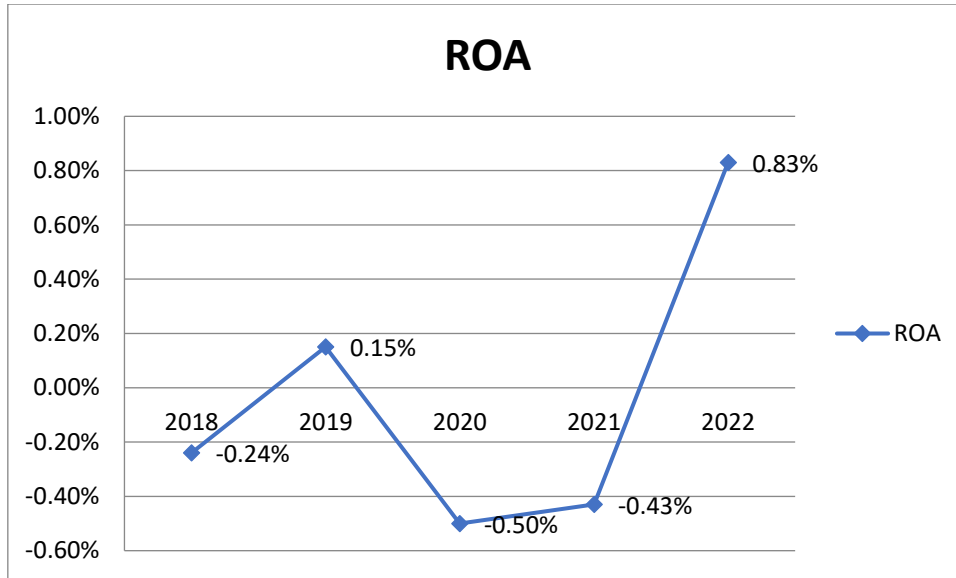


Figure 03: Return on assets over the past 5 years.

In 2022, return on asset is 0.83%. It means that for every dollar of assets the company owns of 0.83 cents. The investors and analysts use it to evaluate company's performance and compare it to the industry competitors. By analysing the returns on asset ratio, it can be seen that bank is not able to manage its assets to gain profit efficiency. In the year 2018, it was -0.24%. It was .15% in the year 2019. But in the year 2020 and 2021, it has fallen to -0.50% and -0.43% respectively.

Return on Equity

A financial term called return on equity (ROE) gauges a company's profitability in relation to the equity held by its shareholders. It is computed by dividing net income by average shareholders' equity for the company. Return on Equity (ROE) measures how well a business uses the money that its investors have invested to generate profits.

The return on equity of Habib Bank Limited for five years (2018-2022) is given below-

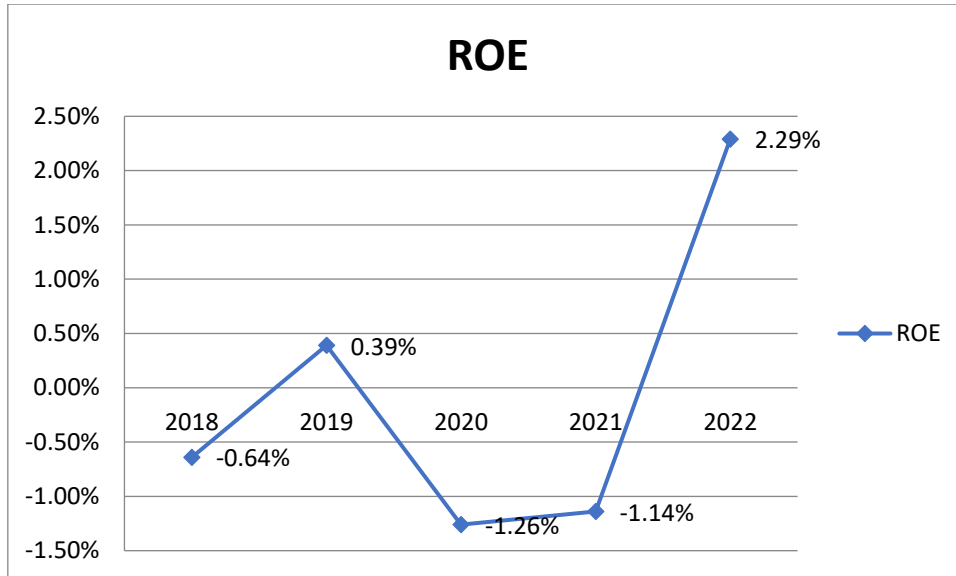


Figure 04: Return on Equity over the past 5 years.

The return on equity has varied in the following years. In 2018, the return on equity was -0.64% and in 2019, the ratio increased to 0.39%. In 2020 and 2021, it was drastically fall into -1.26% and -1.14% respectively. It indicates that the bank is not effectively use the shareholders equity to generate profits. In the year 2022, the ROE has increased up to 2.29%.

Credit Deposit Ratio

A financial statistic called the credit deposit ratio is used to evaluate how much a bank lends out in relation to its deposit base. It calculates a banks percentage of advances and loans given out relative to all its deposits. A smaller ratio implies that the bank is retaining more of its deposits in liquid assets or investing them in securities instead of issuing credit, whereas a higher ratio shows that a bigger part of a bank's deposits is being used to support loans and advances.

The cash deposit ratio of Habib Bank Limited for five years (2018-2022) is given below-

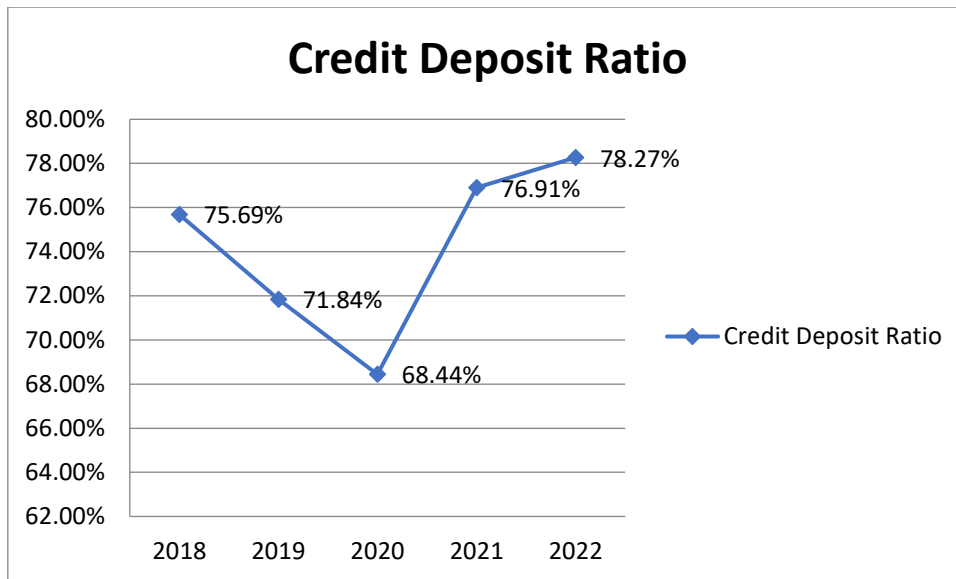


Figure 05: Credit Deposit Ratio over the past 5 years

From the cash deposit ratio, it can be seen that in 2018 it was 75.69%. In 2019, it was decreased to 71.84%. In the year 2020, it again decreased to 68.44%. But in 2021, the cash deposit ratio gradually increased to 76.91%, respectively. In 2022, it has increased to 78.27%.

Cost of Fund

The interest costs a financial organisation such a bank pays to obtain and maintain funding sources, mostly deposits and loans are referred to as the cost of funds. It stands for the expense incurred in getting the funds that the organisation lends out or uses to purchase other assets. The process of determining the cost of funds is adding up all the interest charges related to various funding sources and dividing the total by the average amount of money obtained over a given time.

The cost of fund of Habib Bank Limited for five years (2018-2022) is given below-

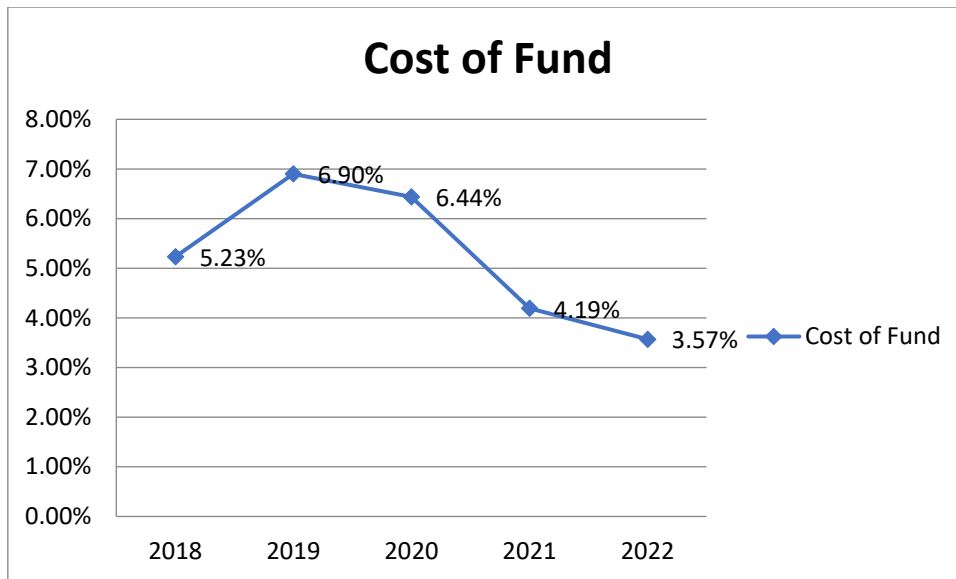


Figure 06: Cost of Fund over the past 5 years

From the graph, it can be seen that cost of fund is fluctuating in the following years. In 2018, the cost of fund is 5.23%. It increased to 6.90% in 2019. Again, the cost of fund decreased to 6.44% and 4.19% in the year 2020 and 2021, respectively. In 2022, the cost of fund is 3.57%.

Debt to Asset Ratio

A financial term called debt to asset ratio indicates what percentage of an organization's assets are financed by debt. It shows how much a business depends on debt to fund its operations and capital expenditures. A higher ratio suggests greater financial risk and leverage since it shows that a bigger percentage of the company's assets are financed by debt. On the other hand, a smaller percentage suggests less financial risk and a reduced reliance on debt financing.

The debt to asset ratio of Habib Bank Limited for five years (2018-2022) is given below-

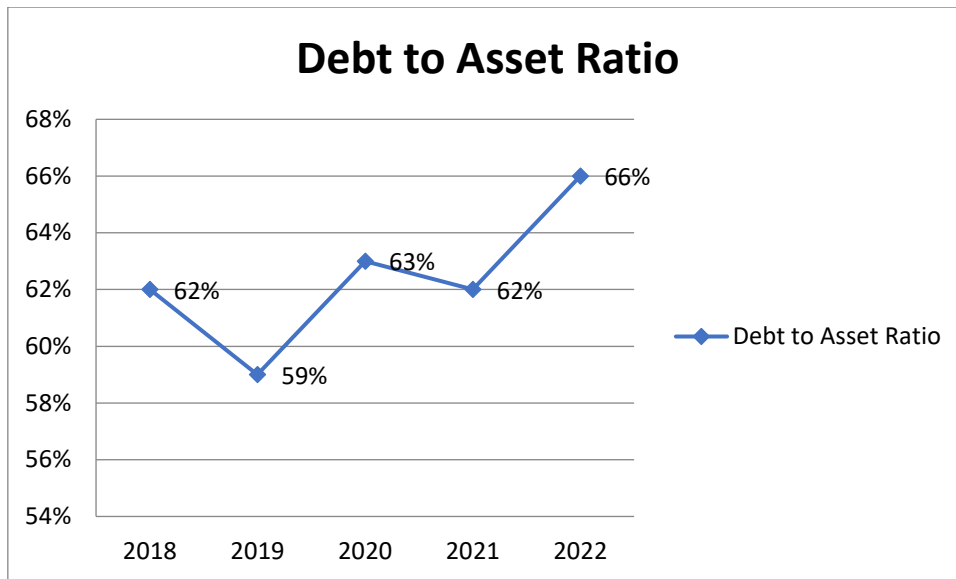


Figure 07: Debt to Asset Ratio over the past 5 years

The debt to asset ratio was 62% in the year 2018. Then it decreased to 59% in the next year. But in 2020, the debt to asset ratio was increased to 63%. It again dropped to 62% in the year 2021. From the graph, it can be seen that debt to asset ratio was 66% in the year 2022. It means that 66% of the bank's assets are financed by debt, while the remaining 34% are financed by equity.

Debt to Equity Ratio

A financial ratio called the debt-to-equity ratio indicates how much of a company's funding is provided by debt as opposed to equity. It shows how much of a company's funding comes from debt as opposed to equity from shareholders. A greater percentage suggests that the business depends more on debt funding, which raises the possibility of financial risk and leverage. On the other hand, a smaller percentage may indicate a stronger financial situation and a reduced reliance on debt funding.

The debt-to-equity ratio of Habib Bank Limited for five years (2018-2022) is given below-

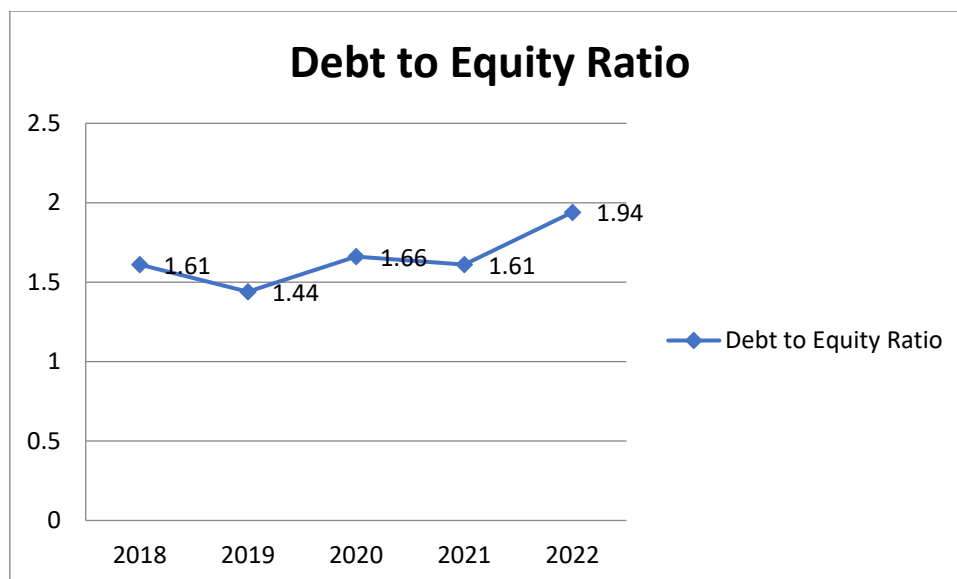


Figure 08: Debt to Equity Ratio over the past 5 years

The debt-to-equity ratio was 1.61 in the year 2018. Then it decreased to 1.44 in the next year. But in 2020, the debt-to-equity ratio was increased to 1.66. It again dropped to 1.61 in the year 2021. From the graph, it can be seen that debt-to-equity ratio was 1.94 in the year 2022. A debt-to-equity ratio 1.94 indicates that a high level of financial leverage, which raises the possibility of financial danger, particularly in times of volatility and economic crisis. It suggests that a sizable amount of the company's capital structure might be backed by debt, which could result in greater interest costs and less financial flexibility.

2.6 Operations Management and Information System

Central Operations

The Central operations in HBL Bangladesh concentrates of the operational activities of the bank. It also helps in processing the support for the bank. It operates through taking deposits, providing bank account services. It also manages clearance facilities for interbank transaction, RTGS. It maintains clearing and settlements of accounts.

Admin

The admin department at HBL Bangladesh is responsible for maintaining the efficient management of the administrative services of the bank by cooperating with the senior management. Its ensuring branch operations support and compliance maintaining the security and safety of related activities.

Treasury operations

The treasury department is monitoring the cash flow of along with predicting the future cash requirements. It also finds out the proper strategies to optimize liquidity. It also helps to minimize the risk of cash shortages by effectively managing the liquidity. It includes planning, organizing, and controlling the financial asset of the bank.

Trade Operations

The trade operations of HBL Bangladesh are offering different finance products. The letter of credit is facilitating the imports of customers. It is given on a competitive rate and unmatched service quality by the bank. The letter of guarantee is issued by the bank on behalf of the consumers. Various kinds of guarantee are provided by the bank as per the requirements of various public and private organisations.

Branch Operations

The branch operations of HBL are consist of providing consumers with a wide range of facilities including different banking products, record keeping, the deposit accounts and the loan services. It also includes activities like cash collection, cash disbursement, customer handling etc. Branch operations play an important role for accurately maintaining the daily activities of the bank.

2.7 Industry and Competitive Analysis

2.7.1 SWOT Analysis:

The SWOT analysis of Habib Bank Limited is given below-

Strengths:

- i. Expert Manpower: The bank has expert professional team for operating who are properly utilizing the diversifies products and services of the bank. The experts in trade services helps the bank to get faster processing of documents and preparing comprehensive & timely MIS. The cash management team also provide comprehensive portfolio of cash management under one roof.
- ii. Proper Understanding of the Business Requirements: The seasoned relationship team is always there to find out the basic requirements of the customers. Based on the requirements made by the consumer, the bank is providing the solutions & services to that client. It is helping to enhance the performance of the bank.
- iii. Multinational Organization: As the bank is operating in many countries so it has made international cross border transactions and investment much easier compared to other local banks. It also facilitates economic growth and integration.
- iv. Brand Value: As a foreign bank, the bank promotes innovation and exercising global best practices & advance technology in Bangladesh. It is ensuring access to global market through foreign bank global networks. Aga Khan foundation is also ensuring to be a pioneer in this journey.

Weaknesses:

- i. Limited Branch & ATM booth: There are only a few numbers of branches operating in Bangladesh. As a result, it cannot reach out to a massive number of consumers. So, it is affecting the performance of the bank. The number of ATM booth is incredibly low which is hampering the quality of service needed to serve a consumer. So, it is unable to meet the expectation level of the retail consumers.
- ii. Poor Marketing: Though the bank is focusing on the corporate banking, but it still has not been able to reach out to its consumers with their diversified products. Retail consumers also do not have the adequate knowledge of the products and services

given by the bank. Its promotional activities are not up to date in the digital platform of marketing.

- iii. Lack of Diversification: The Bank is focusing on the corporate banking. But to generate more revenue, it should expand its business goal including attracting the retail consumer. Diversified products and services can attract both retail and corporate consumers by meeting their expected requirements.

Opportunities:

- i. E-banking opportunity: E-banking can open a new door for expanding the business of the bank. Digital foreign banking can help the bank to operate efficiently.
- ii. Advance Technology: The accuracy and speed of the work can be increased by introducing the advance technology of the workplace. There is different software which making the work smoother. It can also introduce new advertising techniques on the digital platform to spread its business.
- iii. Remittance: The foreign remittance can be easily collected and made the transaction possible as HBL have branches in different countries over the world.

Threats:

- i. Credit Risk: Credit risk is one of the biggest risks in the banking sector nowadays. It occurs when the borrower's default on a principal or interest payment of a loan.
- ii. Economic Crisis: After the effect of Covid, the whole world economic condition has faced a lower phase. The Russia-Ukraine war started in 2022 has made the condition even worse. The inflation rate has also become high because of those unwanted situations.
- iii. Competition: Facing more competition in the market by the competitors is a great threat to the bank. As the other foreign banks are providing highly attractive services to their consumers.

2.7.2 Porter's Five Forces Analysis:

- i. Threat of New Entrants: The threat of new entrants is low due to the regulations and control ensured by Bangladesh Bank. The threat of new entrants in the banking sector is very less than the other sector as it requires permission of the central bank. Also, the capital needed to entry into the banking sector in Bangladesh is extremely high. The central bank of Bangladesh ensures monitoring of paperwork, permission, trade licence, taxes etc. and regulating the bank in an organised way.
- ii. Power of Buyers: Buyers power for HBL Bangladesh is high as it is mostly deals with the corporate banking clients. The main customers of HBL Bangladesh are the businesses and they have more bargaining power in case of international trade or loans. People are always concerned about the price of any product or services. Switching cost and ability is medium in banking sector. The corporate buyers are large, so it is economically feasible for buyers to play one supplier against another. So, for loan and international transaction buyers have more bargaining power.
- iii. Threat of Substitutes: The threat of substitutes is gradually increasing in the banking sector as the number of banks have increased in the recent years. The increased number of financial institutes will challenge the bank to low down the prices and

- profits. There are some financial institutions which are giving loan at a lower rate. As a result, the customer can shift to substitute if they get better opportunities.
- iv. **Competitive Rivalry:** The competitive rivalry is high as the number of banks is too big in size, so the buyer has more opportunities to choose and switch at a lower cost. The banking segment is divided into two segments. The upper and lower segment. The upper segment includes the international rivals, and the lower segments include the local banks. Because of the more options for consumers, the competitive rivalry is a big concern for the banks.
 - v. **Power of Suppliers:** The depositor's threat is minimum in HBL Bangladesh unless the depositor is large business group. The two main suppliers of a bank include depositors and employees. Depositors provide the capital of the bank. If the depositor is large business group, then the threat will be maximized.

2.8 Summary and Conclusions

In the organizational overview part, the banks mission, vision, values all the core things have specifically briefed. It is also showing how smoothly the efficient and skilled management team is running the operations of the bank in Bangladesh. In the financial analysis part, its clearing giving an overview of how the bank is performing over the past few years. Because of the pandemic, the bank could not make a good profit in the year 2020. Though the bank could not make a good profit in the year 2021 also but it has made a comeback in the year 2022. It is now focusing on gaining the expected growth on future. The different ratios also provide a wide view of the financial performance of the bank.

The external and internal factors impact on the bank can be seen from the SWOT analysis. The brand value, multinational entity are adding extra strength for HBL Bangladesh than their competitors. On the other hand, less branch and ATM booth is a drawback of this bank. Again, focusing on digitalization and advance technology can create new opportunity for the bank. Strong rivalry can be a treat to this bank as the number of banks is too big in Bangladesh. The Porters five forces shows how the external factors are driving your business.

2.9 Recommendations

There is always a door for improvement in any organisation. HBL Bangladesh can also take some actions to change and improve their current situation and business. By initiating some new actions, they can make significant change in their business.

- **Expanding Branch and Introducing new ATM booth:** HBL Bangladesh should focus more on expanding their business by introducing branches in new arena. The branch should introduce new branches to the places where there is a chance to establish new industrial area. Also, the number of ATM booth should be increased so that it become more easier for people to get the services timely and precisely.
- **Focused Marketing:** The bank should focus more on marketing as the consumer can get a detailed idea of their diversified products and services. They should find out their target market and find out the way to connect in a better way with the consumers. They should also get engaged to more corporate social responsibility activities.

- Technological Development: The bank should start practicing and adopting the new advance technologies for the betterment of the organization and competing efficiently with the competitors.
- Arranging Training Session: HBL Bangladesh should arrange different training session for improving the quality of the employees and making them more efficient for the workplace.

By implying those actions, the bank can create a changed environment for working and finding out new motive to work more efficiently.

CHAPTER THREE

Financial Performance Analysis of Habib Bank Limited and the Effect of Dollar Crisis on the Profitability of the Bank

3.1 Introduction

The world's leading reserve currency is the US dollar. It plays a crucial role in the international trade and transaction. After the pandemic and the effect of Ukraine Russia war, world economy is facing a great difficulty. The price of fuel is increasing in international market along with the price of our daily commodities. Because of the uncertain situation and consequences, the banks are unable to make huge profit. The people are not making enough investments because of the uncertain economic condition. Another reason for not making enough investments is the increased interest rate. The dollar crisis was profitable for the foreign banks. Dollar crisis is created a huge opportunity for the bank of Bangladesh. In the year 2022, there were some foreign banks which had made a significant profit due to the currency gain in the volatile foreign exchange market.

The impact of exchange rate fluctuations is a major determinant of the performance of a bank. In this study banks performance is evaluated by the profitability of the bank. Exchange rate fluctuations creates uncertainty in the economy. As the bank has been operating in foreign exchange related activities, so it directly affecting the performance of the bank.

3.1.1 Background

Bangladesh is facing significant shortage of dollars in the recent years. As the import-export deficit is high, it is creating a crisis and pressure on foreign currency. The cost of import is hiking, it is creating a shortage in the foreign exchange reserve. The economic crisis has made the problem more extreme. The local currency is depreciating. So, the prices of dollars are increasing rapidly. It has also fuelled the inflation rate in our country. The demand for dollars is gradually increasing along with the value of dollar. Inflation rate, political stability, decrease in remittance flow and trade deficit is playing a crucial role in the appreciation of dollars. The major big projects are creating pressure on the demand of dollar as the required equipment & machineries are imported from other countries. This is creating a shortage for dollar in the market. The mismanagement in the economy and policy over a long period of time in Bangladesh has speed up the condition of economic crisis.

Bangladesh is experiencing a quicker reduction in the foreign exchange reserves. Exchange rate is also fluctuating. There are several factors that are influencing the exchange rate between the currencies. Currency reserve status, inflation rate & political stability is also making an impact in the exchange rate. The export-import deficit & interest rate playing as a factor in changing exchange rate. Because of the mentioned reasons, the foreign exchange rate is fluctuating more frequently. This study intends to find out if Habib Bank Limited Bangladesh profitability is affected by the fluctuations in the exchange rate. Also, if the banks profitability is affected by the fluctuations in the exchange rate, then figuring out the growth in the exchange income.

3.1.2 Objective

The general objective of this study is to find out how the banks profitability is affected by the dollar crisis of Bangladesh in the context of Habib Bank Limited. It will be shown on the basis of the fluctuations of exchange rate. The broad objective of this study is mentioned as follows-

- To evaluate the trend of how foreign exchange rate is fluctuating over the past 5 years.
- To evaluate the correlation between the exchange income and profitability of the bank.
- To evaluate and compare the income growth from the interest income and exchange income.

3.1.3 Literature Review

According to Ongore & Kusa (2013) all the transactions will form a vital aspect of the activities of the financial sectors and the effect of the commercial cannot be over emphasized in the allocation of economic resources. Wong, Wong and Leung (2008) said that for the banking institutions foreign exchange movement could be an important source of risk. Large foreign exchange fluctuations can result in failure of the bank and the moderate changes can bring a degradation of banks profit. According to Ngerebo (2012), foreign exchange market is the global way of communication within the large commercial banks that serve as financial intermediaries for the exchange services. The relationship between foreign exchange fluctuations and banks profitability is examined by Taiwo and Adesola (2013). They considered the ratio to bank capital to deposit and the ratio of total loan loss to total advances. Based on his study, it shows that the bank is bound to face decline in profit for the fluctuations in the exchange rate. Okanya (2013) said that banks are affected by the foreign exchange market because of the central role of banks in the financial intermediation. Lambe (2015) said that the banks performance will boost through their large volume of foreign exchange. According to him, foreign exchange rate fluctuations have significant impact on banks performance. Bakare (2011) said that there is a negative relationship between floating foreign exchange and private investment in Nigeria. Waheed (2009) finds out that commercial bank might be forced to buy corrective rates if they hold little liquidity and high liquidity ratio might lead to unprofitable investment activities. Kiganda (2014) find out that GDP, inflation, and exchange rate have affected the banks profitability in Kenya. Ahmed (2015) investigated foreign exchange fluctuation in the performance of the commercial banks. According to his research, foreign exchange fluctuations have a negative impact on the bank's performance. Wekesa (2012) shows that exchange rate fluctuations may result in significant loss or gain, and it influences the country's prices through import prices of goods. As per Mwirigi (2014), multinational companies net income is affected by the unrealized foreign exchange gains/losses.

3.2 Methodology

Because of the import-export deficit, high costing of import, current economic crisis, high inflation rate, Bangladesh is facing a shortage of dollars in the recent years. Decrease in the remittance flow is also playing a significant role in the shortage of dollars. The local currency

is depreciating, and the dollar price is increasing frequently as the demand for dollar is on the upward side. The foreign exchange reserve is also facing a quicker reduction. Because of the mentioned causes of dollar crisis, the exchange rate is also affected and fluctuated. This study intends to show if the banks profitability is affected due to the fluctuations in exchange rate which is a consequence of the dollar crisis. So, the correlation between the exchange income and the profitability of the bank is evaluated by the correlation test.

To determine the objective of this report, Pearson correlation coefficient is used. It is the most common way to measure the linear relationship between variables with data following normal distribution. In correlation analysis, the strength and direction of the relationship between variables is to be determined. Correlation research design is using the quantitative method to investigate the relationship between two or more variables. The null hypothesis of this study will be-

H₀: Exchange rate fluctuations has no significant relation with the profitability of the bank i.e. $r = 0$.

H₁: Exchange rate fluctuations has a significant relation with the profitability of the bank i.e. $r \neq 0$.

Here, the null hypothesis represents there is no linear relationship between the variables and the alternative hypothesis shows that there is relationship between the variables.

To evaluate the correlation between the exchange income and profitability of the bank, we have used correlation analysis to find the relationship between the two variables. Here, the symbol r represents sample correlation coefficient. The formula for r is-

$$r = \frac{n\sum xy - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

Where,

r = Pearson Correlation Coefficient

x = Exchange Income

y = Net Profitability

To do the correlation test, the following assumptions are followed-

- Each observation must include pairs of values for the two variables.
- Both variables have measured on a continuous scale.
- The data is not containing any outliers in either variable.
- The relationship between the variables is linear.

3.3 Findings and Analysis

3.3.1 Evaluation of the trends of fluctuating foreign exchange rate

The trends of the exchange rate fluctuations over the past 5 years are given as follows-

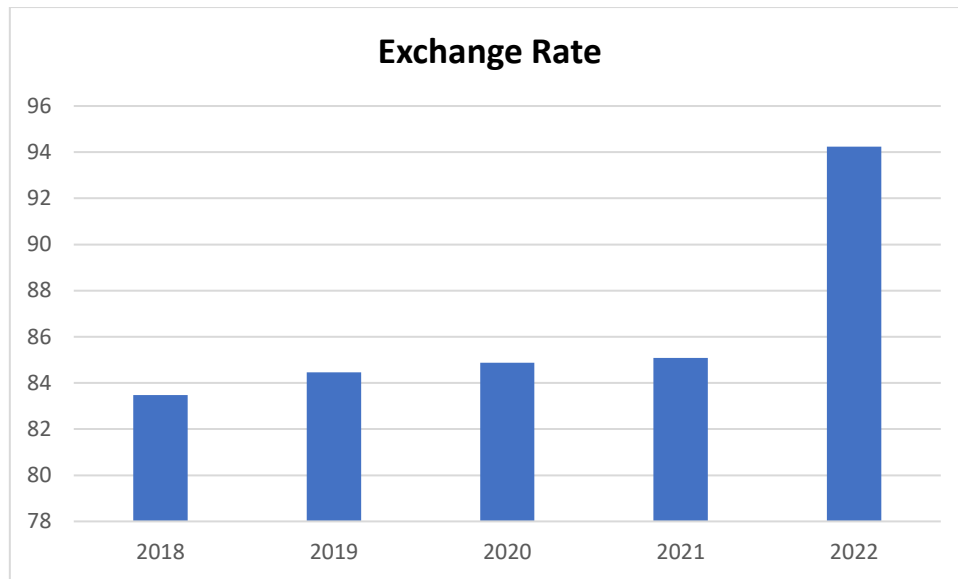


Figure 09: Exchange Rate for the year 2018-2022

In the month of January 2018, the dollar price was 82.83tk. But in the end of the month December 2018, the per unit dollar price become 83.9tk. From the calculated figure, it can be found that price of dollar has increased gradually from 82.83tk to 83.9tk. The monthly exchange rate has been calculated by taking the average of the daily exchange rate collected from the Bangladesh Bank website.

In the month of January 2019, the dollar price was 84.02tk. But in the end of the month December 2019, the per unit dollar price become 84.90tk. From the calculated figure, it can be found that price of dollar has increased gradually from 84.02tk to 84.90tk. The monthly exchange rate has been calculated by taking the average of the daily exchange rate collected from the Bangladesh Bank website.

In the month of January 2020, the dollar price was 84.9tk. But in the end of the month December 2020, the per unit dollar price become 84.80tk. From the calculated figure, it can be found that price of dollar has varied during the period from 84.9tk to 84.80tk. The monthly exchange rate has been calculated by taking the average of the daily exchange rate collected from the Bangladesh Bank website. Because of the Covid-19 effect, the dollar price has decreased in that period.

In the month of January 2021, the dollar price was 84.80tk. But in the end of the month December 2021, the per unit dollar price become 85.8tk. From the calculated figure, it can be found that price of dollar has increased gradually from 84.80tk to 85.8tk. The monthly exchange rate has been calculated by taking the average of the daily exchange rate collected from the Bangladesh Bank website.

In the month of January 2022, the dollar price was 85.95tk. But in the end of the month December 2022, the per unit dollar price become 106.14tk. From the calculated figure, it can be found that price of dollar has increased gradually from 85.95tk to 106.14tk. The monthly exchange rate has been calculated by taking the average of the daily exchange rate collected

from the Bangladesh Bank website. Because of the Russia-Ukraine war and uncertain economic condition, the dollar price has increased rapidly.

3.3.2 Evaluating the Correlation between the Exchange Income and Profitability of the Bank

The value of the correlation coefficient is 0.68 which can be expressed as $r = 0.68$ and it indicates moderate positive correlation among variables. So, the null hypothesis is rejected.

The value of the correlation coefficient has been calculated by using MS Excel. Here, one of the variables is the exchange income and the other variable is the net profit over the year 2018 to 2022. Usually, the value of the correlation coefficient can be -1 to 1. It shows the strength and direction relation between variables. When one variable changes the other is also changes in the same or opposite direction. When the value of Pearson correlation coefficient is between 0 to 1, it shows positive correlation between variables. When one variable changes, the other variables change in the same direction.

Here, according to the correlation coefficient value, there is a moderate positive correlation among the exchange income and net profit. A positive correlation is where the two variables react in the same way which means decreasing and increasing together. If there is an increase in the exchange income, there will be an increase in the net profit. So, we can reject the null hypothesis mentioning that there is no correlation between the two variables.

3.3.3 Evaluating the Income Growth from Exchange Income and Interest Income

In the year 2022, it can be seen from the annual report that Habib Bank Limited had earned 4.62 crore from the exchange income. And in the year 2021, the bank had earned 1.41 crore taka from the exchange income.

There is a 228% growth in the exchange income from the year 2021 to 2022. So, the exchange income has increased more than double within the given period.

On the other hand, there is only 24% increase in the interest income during the year 2022. In the year 2022, the interest income is 27.95 crore. Again, it is 22.51 crore in 2021. Though it is one of the core banking operations, it is clearly visible that the income growth is much higher from the exchange income than the interest income.

Again, the growth in exchange income in the year 2021 is -61.05%. It means that exchange income is decreased in 2021. But in 2019 and 2020, the growth in exchange income is 54.33% and 35.59%, respectively. The exchange income is decreased by 63.84% in 2018.

On the other hand, the interest income has decreased to 26.7% and 42.54% in the year 2020 and 2021, respectively. In the year 2018 and 2019, interest income growth is 16.22% and 9.19%, respectively.

The following table is showing the growth in exchange income and the growth in the interest income-

Year	2018	2019	2020	2021	2022
Growth Rate in Exchange Income	-63.84%	54.33%	35.59%	-61.05%	227.66%
Growth Rate in Interest Income	16.22%	9.19%	-26.7%	-42.54	24.19%

Table 02: Growth in Exchange Income and Interest Income

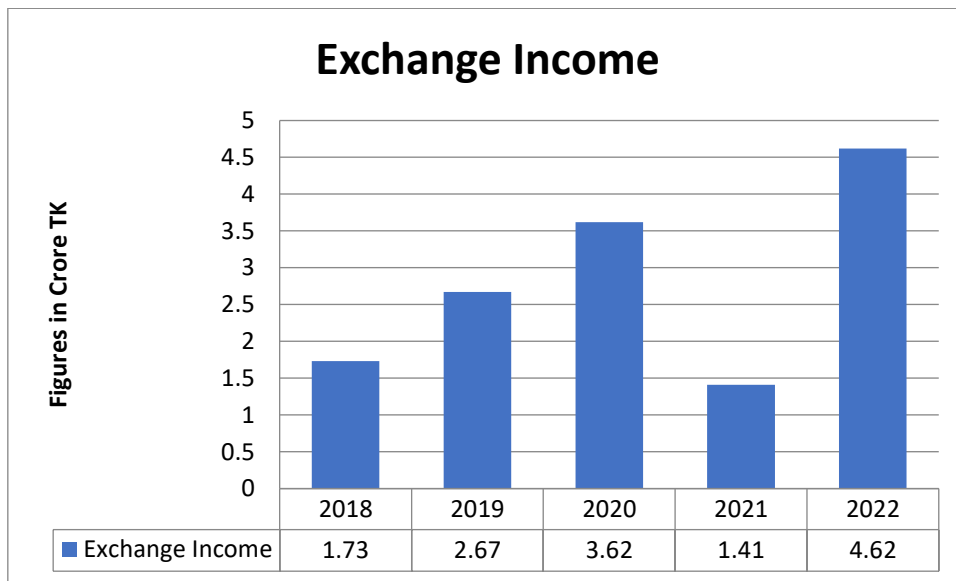


Figure 10: Exchange Income over the past 5 years

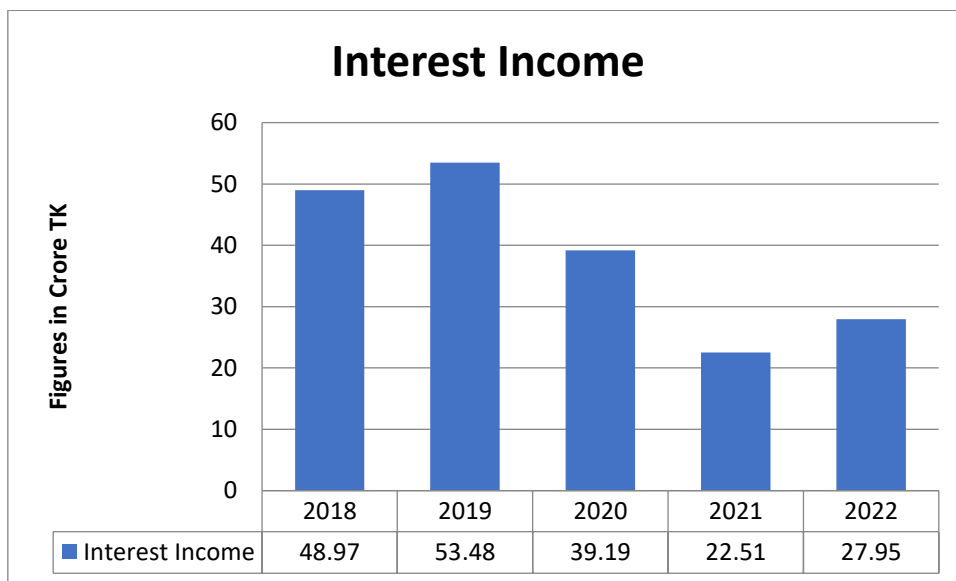


Figure 11: Interest Income over the past 5 years

Net Profit

Because of the increase in the exchange income, there is a significant difference in the net profit of Habib Bank Limited. It grew from -5.05 crore to 10.25 crore in the 2022. It is indicating a growth rate of 102.97% in the net profit.

It can be seen from the table that the reduction in loss from 2020 to 2021 is approximately 11.24%. It means a decrease in the magnitude of the net loss from 2020 to 2021. Here, the reduction in profit from 2019 to 2020 is 425.14%. This indicates a significant decrease in profit, leading to a net loss in 2020 compared to the profit in 2019. The growth rate from net loss -2.85 in 2018 to 1.75 in 2019 is approximately 161.14%. Again, the growth rate in profit from 2017 to 2018 is approximately -181.25%. This indicates a decrease in profit from 2017 to 2018.

Year	2018	2019	2020	2021	2022
Growth in Net Profit	-181.25%	161.4%	-425.14%	-11.24%	102.97%

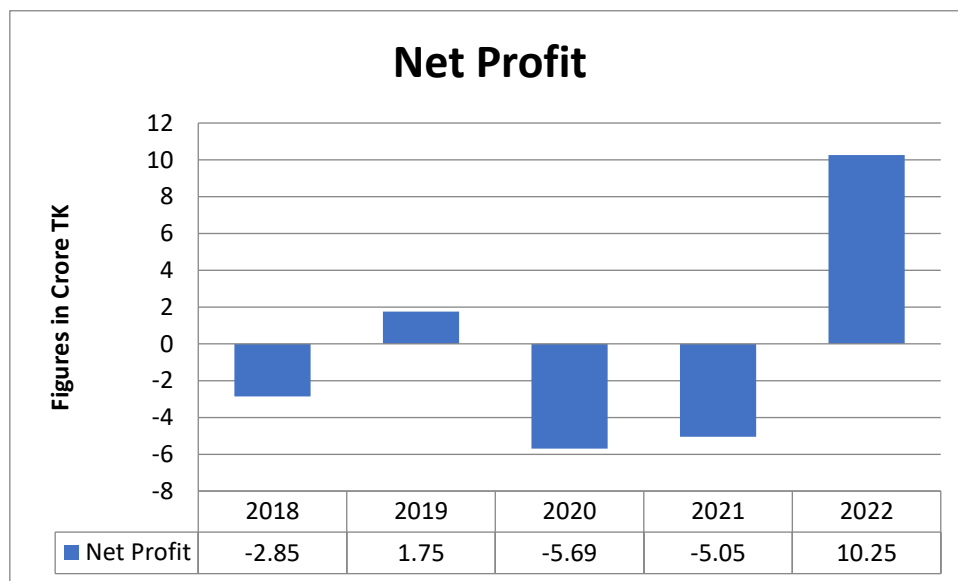


Figure 12: Net Profit over the past 5 years

3.4 Summary and Conclusions

The shortage of dollar has been created because of various uncertain situation such as trade deficit, economic crisis, price hiking, pandemic etc. Dollar also plays an important role in the international trade and transaction. Because of that reason the demand for dollar is also high. One of the impacts of dollar crisis is the fluctuations in the foreign exchange rate. In this study, the relationship between the foreign exchange rate and the profitability of the Habib Bank Limited is examined. It has focused on the change in the profitability of the Habib Bank

Limited Bangladesh with respect to the change in exchange rate. It also focuses how the dollar crisis is affecting in the fluctuations of exchange rates as the dollar crisis has become a great drawback for Bangladesh. The economic crisis over the world is also putting a negative impact on the situation. Investment and trade services are hampered because of the situation. Inflation rate is also getting high day by day. The weak management of the government is also to be blamed for this situation. Lower remittance is also making the situation worse. Again, higher import cost and high price of commodity is creating pressure on foreign reserve. It can be seen that the trend of foreign exchange rate is upward in the past following years by analysing the data. From the correlation coefficient value ($r = 0.67$), it can be seen that there is positive moderate relation among the exchange rate and the net profit of the bank. In this study, the income growth is also measured from exchange income and interest income. The result is indicating that income growth is much higher in the exchange income growth than the interest income growth. So according to the study, the foreign banks are making more profit because of the dollar crisis rather than their core banking business.

3.5 Recommendations

HBL is one of the leading multinational commercial banks in Bangladesh which is associated with the Aga Khan Foundation. The bank is providing service as per the demand of the consumers. The main vision of the bank is to make people prosper with confidence and success. In this study, the bank financial condition is analysed to ensure how well the bank is performing and ensuring proper use of all the resources. The financial performance is analysed by finding out the net profit margin, efficiency ratio, return on assets ratio, return on equity ratio, credit deposit ratio, cost of fund etc. The net profit margin of the bank is highest in 2022 among the last five years. On the other hand, the efficiency ratio is 64% in the year 2022 and the amount is decreased in the year 2022. The return on asset of HBL is negative value in three years among the taken five years which is showing bank is not properly utilizing its assets. The return on equity is also not efficiently used in the bank as ROE is negative for three years.

Foreign exchange is playing an important role in the financial markets around the world and international banking. Banks makes it easy to do foreign exchange transactions for the clients, then they do the transaction from their trading desks. The banks profit is the difference between the bid-ask price as a dealer.

Exchange rate fluctuations can have a significant influence on the banks performance. But it can also vary depending on the specific condition and the banks characteristics. If there is a change in the exchange rate, then the overall economic conditions, inflation rate, interest rate is also effected. Because of this, the banks profitability will indirectly be hampered. Changes in exchange rate can effect various aspects of a bank's operations. It also includes income, expenses, risk management activities. It can also hamper making enough deposits and loans. Changes in exchange rate can affect the banks foreign currency denominated assets and liabilities. As it will make an impact in the gains and losses in the balance sheet. Interest income will also be affected. The earning of the foreign banks has increased a lot during the year 2022. The main reason behind this is the dealing with the international currencies. The depreciation of taka against US dollar also made a significant impact on increasing the income. HBL Bangladesh should take necessary steps to increase its

profitability during this economic crisis. As the cost of fund and operation of foreign bank is in limited version, so they can easily make a good profit. They should give more emphasis on gaining income from interest & investment The government should encourage sending more remittance through the banking channel. By using their clean global image and quality of the products, HBL can easily make the international transaction. Though the Bangladesh Bank has given instruction in August 2022 that bank can add a maximum tk1 between the weighted average selling and buying rates of foreign currencies, still the foreign bank can make a good profit from the exchange rate income.

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APPENDIX-I
Year – 2018 Exchange Rate

January	February	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec
82.7	82.9	82.96	82.96	82.98	83.7	83.75	83.75	83.75	83.78	83.85	83.9
82.7	82.9	82.96	82.96	82.98	83.7	83.75	83.75	83.75	83.8	83.85	83.9
82.7	82.9	82.96	82.96	83.1	83.7	83.75	83.75	83.75	83.8	83.85	83.9
82.75	82.9	82.96	82.96	83.1	83.7	83.75	83.75	83.75	83.8	83.85	83.9
82.75	82.9	82.96	82.98	83.1	83.7	83.75	83.75	83.75	83.8	83.85	83.9
82.75	82.9	82.96	82.98	83.1	83.7	83.75	83.75	83.75	83.8	83.85	83.9
82.8	82.9	82.96	82.98	83.1	83.7	83.75	83.75	83.75	83.8	83.85	83.9
82.8	82.9	82.96	82.98	83.1	83.7	83.75	83.75	83.75	83.8	83.85	83.9
82.8	82.9	82.96	82.98	83.6	83.7	83.75	83.75	83.75	83.83	83.88	83.9
82.8	82.92	82.96	82.98	83.6	83.7	83.75	83.75	83.75	83.83	83.88	83.9
82.8	82.94	82.96	82.98	83.7	83.7	83.75	83.75	83.75	83.83	83.88	83.9
82.83	82.94	82.96	82.98	83.65	83.7	83.75	83.75	83.75	83.83	83.88	83.9
82.85	82.94	82.96	82.98	83.7	83.7	83.75	83.75	83.75	83.83	83.88	83.9
82.88	82.94	82.96	82.98	83.7	83.7	83.75	83.75	83.75	83.83	83.9	83.9
82.88	82.94	82.96	82.98	83.7	83.7	83.75	83.75	83.75	83.83	83.9	83.9
82.9	82.94	82.96	82.98	83.7	83.7	83.75	83.75	83.75	83.83	83.9	83.9
82.9	82.96	82.96	82.98	83.7	83.7	83.75	83.75	83.75	83.83	83.9	83.9
82.9	82.96	82.96	82.98	83.7	83.75	83.75	83.75	83.75	83.83	83.9	83.9
82.9	82.96	82.96	82.98	83.7	83.75	83.75	-	83.75	83.83	83.9	-
82.9	-	82.96	82.98	83.7	-	83.75	-	83.75	83.83	83.9	-
82.9	-	-	82.98	83.7	-	83.75	-	-	83.85	-	-
82.9	-	-	-	-	-	83.75	-	-	83.85	-	-
82.9	-	-	-	-	-	-	-	-	83.85	-	-

APPENDIX-II
Year – 2019 Exchange Rate

January	Feb	Mar	Apl	May	June	July	Aug	Sep	Oct	Nov	Dec
83.9	83.95	84.15	84.25	84.45	84.5	84.5	84.5	84.5	84.5	84.75	84.9
83.9	83.95	84.15	84.25	84.45	84.5	84.5	84.5	84.5	84.5	84.75	84.9
83.95	83.95	84.15	84.3	84.5	84.5	84.5	84.5	84.5	84.5	84.75	84.9
83.95	83.95	84.15	84.3	84.5	84.5	84.5	84.5	84.5	84.65	84.75	84.9
83.95	83.95	84.15	84.3	84.5	84.5	84.5	84.5	84.5	84.65	84.75	84.9
83.95	83.95	84.2	84.35	84.5	84.5	84.5	84.5	84.5	84.7	84.75	84.9
83.95	84.05	84.2	84.35	84.5	84.5	84.5	84.5	84.5	84.7	84.75	84.9
83.95	84.05	84.2	84.35	84.5	84.5	84.5	84.5	84.5	84.7	84.75	84.9
84.9	84.05	84.2	84.35	84.5	84.5	84.5	84.5	84.5	84.7	84.75	84.9
83.95	84.12	84.25	84.35	84.5	84.5	84.5	84.5	84.5	84.7	84.8	84.9
83.95	84.12	84.25	84.35	84.5	84.5	84.5	84.5	84.5	84.7	84.8	84.9
83.95	84.12	84.25	84.35	84.5	84.5	84.5	84.5	84.5	84.7	84.8	84.9
83.95	84.12	84.25	84.35	84.5	84.5	84.5	84.5	84.5	84.7	84.8	84.9
83.95	84.12	84.25	84.35	84.5	84.5	84.5	84.5	84.5	84.7	84.8	84.88
84.9	84.12	84.25	84.35	84.5	84.5	84.5	84.5	84.5	84.7	84.8	84.9
83.95	84.15	84.25	84.35	84.5	84.5	84.5	84.5	84.5	84.7	84.8	84.9
83.95	84.15	84.25	84.35	84.5	84.5	84.5	84.5	84.5	84.7	84.8	84.9
83.95	84.15	84.25	84.35	84.5	-	84.5	-	84.5	84.75	84.8	84.9
83.95	-	84.25	84.45	84.5	-	84.5	-	84.5	84.75	84.9	84.9
83.95	-	-	84.45	84.5	-	84.5	-	84.5	84.75	-	84.9
83.95	-	-	-	-	-	84.5	-	-	84.75	-	-
83.95	-	-	-	-	-	84.5	-	-	84.75	-	-
83.95	-	-	-	-	-	84.5	-	-	-	-	-
83.95	-	-	-	-	-	-	-	-	-	-	-
83.95	-	-	-	-	-	-	-	-	-	-	-

APPENDIX-III
Year – 2020 Exchange Rate

January	Feb	Mar	Apl	May	June	July	Aug	Sep	Oct	Nov	Dec
84.9	84.95	84.95	84.95	84.95	84.95	84.9	84.8	84.81	84.81	84.8	84.8
84.9	84.95	84.95	84.95	84.95	84.95	84.83	84.8	84.8	84.81	84.8	84.8
84.9	84.95	84.95	84.95	84.95	84.95	84.8	84.85	84.8	84.8	84.8	84.8
84.9	84.95	84.95	-	-	84.95	84.8	84.95	84.8	84.81	84.8	84.8
84.9	84.95	84.95	-	-	84.95	84.8	84.88	84.8	84.81	84.8	84.8
84.9	84.95	84.95	-	-	84.95	84.8	84.95	84.8	84.81	84.8	84.8
84.9	84.95	84.95	-	-	84.95	84.8	84.95	84.8	84.8	84.8	84.8
84.9	84.95	84.95	-	-	84.95	84.8	84.91	84.8	84.8	84.8	84.8
84.9	84.95	84.95	-	-	84.95	84.8	84.83	84.8	84.8	84.8	84.8
84.9	84.95	84.95	-	-	84.95	84.8	84.8	84.8	84.8	84.8	84.8
84.9	84.95	84.95	-	-	84.95	84.8	84.8	84.8	84.81	84.8	84.8
84.9	84.95	84.95	-	-	84.95	84.8	84.8	84.8	84.8	84.8	84.8
84.9	84.95	84.95	-	-	84.95	84.8	84.8	84.8	84.8	84.8	84.8
84.9	84.95	84.95	-	-	84.95	84.8	84.8	84.8	84.8	84.8	84.8
84.9	84.95	84.95	-	-	84.9	84.8	84.8	84.8	84.8	84.8	84.8
84.9	84.95	84.95	-	-	84.9	84.8	84.8	84.8	84.81	84.8	84.8
84.9	84.95	84.95	-	-	84.89	84.8	84.8	84.8	84.81	84.8	84.8
84.9	84.95	84.95	-	-	84.8	84.8	84.82	84.8	84.8	84.8	84.8
84.9	84.95	-	-	-	84.85	84.8	84.85	84.8	84.8	84.8	84.81
84.9	84.95	-	-	-	84.85	84.8	-	84.8	84.8	84.8	84.8
84.9	-	-	-	-	84.85	-	-	84.82	-	84.8	-
84.9	-	-	-	-	84.85	-	-	84.84	-	-	-
84.9	-	-	-	-	-	-	-	-	-	-	-

APPENDIX-IV
Year – 2021 Exchange Rate

January	Feb	Mar	Apl	May	June	July	Aug	Sep	Oct	Nov	Dec
84.81	84.81	84.8	84.81	84.8	84.8	84.83	84.81	85.2	85.5	85.7	85.8
84.8	84.81	84.8	84.8	84.8	84.8	84.81	84.82	85.2	85.5	85.7	85.8
84.8	84.8	84.8	84.8	84.8	84.8	84.82	84.83	85.2	85.5	85.7	85.8
84.8	84.8	84.8	84.8	84.8	84.8	84.81	84.84	85.2	85.5	85.7	85.8
84.8	84.81	84.8	84.8	84.8	84.8	84.8	84.84	85.2	85.6	85.75	85.8
84.81	84.8	84.8	84.8	84.8	84.8	84.8	84.85	85.2	85.6	85.75	85.8
84.8	84.8	84.8	84.8	84.8	84.8	84.8	84.84	85.2	85.6	85.75	85.8
84.81	84.8	84.8	84.8	84.8	84.8	84.8	84.86	85.2	85.6	85.75	85.8
84.8	84.8	84.8	84.8	84.8	84.8	84.8	84.9	85.2	85.65	85.79	85.8
84.8	84.8	84.8	84.81	84.8	84.8	84.8	84.95	85.2	85.6	85.8	85.8
84.8	84.8	84.8	84.81	84.8	84.8	84.8	85	85.2	85.65	85.8	85.8
84.8	84.8	84.8	84.8	84.8	84.8	84.8	85.1	85.22	85.65	85.8	85.8
84.8	84.8	84.8	84.8	84.8	84.8	84.8	85.1	85.25	85.65	85.8	85.8
84.8	84.8	84.8	84.8	84.8	84.8	84.81	85.2	85.25	85.65	85.8	85.8
84.8	84.81	84.8	84.8	84.8	84.8	84.81	85.2	85.28	85.65	85.8	85.8
84.8	84.8	84.8	84.8	84.8	84.8	-	85.2	85.3	85.65	85.8	85.8
84.8	84.8	84.8	84.8	84.8	84.81	-	85.2	85.3	85.65	85.8	85.8
84.8	84.8	84.8	84.8	84.8	84.95	-	85.2	85.35	85.65	85.8	85.8
84.8	84.81	84.8	84.8	84.8	84.95	-	-	85.35	85.64	85.8	85.8
84.8	-	84.8	84.8	-	84.91	-	-	85.35	85.66	85.8	85.8
84.8	-	84.81	-	-	84.9	-	-	85.48	-	85.8	85.8
-	-	-	-	-	84.9	-	-	85.5	-	85.8	-

APPENDIX-V
Year – 2022 Exchange Rate

January	Feb	Mar	Apl	May	June	July	Aug	Sep	Oct	Nov	Dec
85.8	86	86	86.2	86.45	89	93.45	94.7	95	105.2	103.5	105.4
85.8	86	86	86.2	86.45	89	93.45	94.7	95	104.25	103.75	107
85.8	86	86	86.2	86.45	89.9	93.45	94.7	95	104.1	105.4	107
85.8	86	86	86.2	86.7	91.5	93.45	94.7	95	103.34	106.9	104
85.8	86	86	86.2	86.7	91.95	93.45	94.7	95	107.5	105.28	107
86	86	86	86.2	86.7	92	93.45	94.7	95	105	105.4	105.3
86	86	86	86.2	86.7	91.5	93.45	94.8	95	105.66	102.94	105.3
86	86	86	86.19	87.5	92	93.61	95	106.15	105.55	106.88	107
86	86	86	86.2	87.5	92	93.95	95	106.9	107.5	103.5	107.5
86	86	86	86.2	87.5	92.37	93.95	95	106.9	103.64	106.9	103.3
86	86	86	86.2	87.5	92.8	93.94	95	106.75	102.72	103.68	107.5
86	86	86	86.2	87.5	92.8	93.95	95	105.5	105	106.9	106.2
86	86	86	86.2	87.9	92.83	93.95	95	108	102.69	103.68	107
86	86	86	86.2	87.9	92.8	94.44	95	102.56	104.75	106.9	106
86	86	86	86.2	87.9	92.9	94.45	95	107.65	104.95	106.9	105.8
86	86	86.2	86.2	87.9	92.92	94.67	95	103.23	104.9	105.95	107
86	86	86.2	86.2	87.9	92.94	94.7	95	107.4	103.56	105.67	103.09
86	86	86.2	86.45	89	92.95	94.7	95	105.35	103	106.5	107.5
86	86	86.2	86.45	-	92.95	94.7	95	103	106.9	105.6	107
86	-	86.2	86.45	-	92.95	-	95	107.4	104.34	103.5	107
86	-	86.2	-	-	93.44	-	-	107.5	-	104	-
86	-	86.2	-	-	93.45	-	-	-	-	103.6	-

APPENDIX- VI
Correlation Coefficient

Year	Exchange Income	Net Profit
2018	1.73	-2.85
2019	2.67	1.75
2020	3.62	-5.69
2021	1.41	-5.05
2022	4.62	10.25
	Correlation	0.680243774