

***Internship report on
Foreign Exchange Performance and
Bank's Profitability: an Evaluation of SBL***



Standard Bank Limited



***Internship Report On
Foreign Exchange Performance and Bank's
Profitability: an Evaluation of SBL***

Submitted to:

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Letter of transmittal

19th June, 2016

Saif Hossain,

Senior lecturer,

BRAC Business School,

BRAC University.

Subject: Submission of internship report.

Dear Sir,

I am here by submitting my Internship Report of three months long internship program in the Standard Bank Limited, which is a part of the BBA Program curriculum. The title of the report is “**Foreign Exchange Performance and Profitability: an Evaluation of SBL.**” This report has been prepared to fulfill the requirement of my internship program at my assigned organization in the Standard Bank Limited. I expect this report to be informative as well as comprehensive.

To prepare the report I have collected what I believe to be most relevant information to make my report as analytical and reliable as possible. While conducting the report, I have gathered lots of knowledge about banking system and many unknown facts, problems and prospects of foreign exchange activities of Standard Bank Limited. This internship program and preparation of report has given me the opportunity to notify myself with a reputed bank. I believe that the experience I acquired from this study will facilitate me a lot in my future career life.

I would like to take this opportunity to thank you for the guidance and support you have provided me during the course of this report. I would really be grateful if you enlighten me with your thoughts and views regarding the report. Also, if you wish to enquire about an aspect of my report, I would gladly respond your queries. Thank you again for your support and patience.

Sincerely yours,

Md. Arafat Hossain

Id: 12104014

BRAC Business School

BRAC University

Acknowledgement

Firstly I would like to show my gratitude to Almighty ALLAH, The most gracious and The most merciful for giving me enough knowledge to come this far and giving me patience to complete my internship report.

During this tenure of three months I have gathered a lot of practical experiences which now I can relate to my theoretical knowledge and all this would not have been possible without the proper guidance of my honorable supervisor **Md. Saif Hossain**. I show my sincerest gratitude to him for being patient with me and guiding me throughout my internship program which helped me in making this report.

I would like to thank **Mr. Abu Nashar**, Senior officer, and **Md. Rubayat Naser**, Senior Officer Foreign exchange, Standard Bank Ltd, Motijheel Branch Dhaka, for helping me from the very first day of my internship period in learning and understanding the insights of the foreign trading of foreign exchange division of Standard Bank and under whose supervision I enjoyed my work. I would like to thank **Md. Ekramul Haque**, manager of foreign exchange division, Standard Bank Ltd for giving me the opportunity to work for his reputed organization. To get accustomed with the nature of a very dissimilar industry was quite a challenge for me; without his guidance, it would not have been possible for me to continue and then end up with a successful internship.

I would also like to show my utmost gratitude to all the officials of Standard Bank Limited; especially the team that I have worked in which includes **Mr. Khairul Hasan Chowdhury**, Senior officer who helped me to understand the industry as a whole and procedures of foreign trade in Bangladesh.

Finally, I want to thank all the personnel of BRAC University and Standard Bank Ltd for their co operation and assistance in making this report. The report would not have been complete and compact without the help of them.

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Executive Summary

This report is about my internship at Standard Bank Ltd Principal Branch, Motijheel. In this report I have discussed every major aspect of my work experience during my internship period.

In this report you will find information about services provided by the bank starting from its retail clients to its corporate and commercial clients and different working procedure of the bank. I have mainly worked at the Foreign exchange division of Standard Bank Ltd Motijheel branch and have discussed about my work experience there and specific job responsibilities.

My report contains details about my job description at Standard Bank Ltd and detailed information about the industry I worked in along with a through financial analysis of Standard Bank foreign exchange. The main part of the report discusses about the L/C procedure followed by the bank and the variety of services the Bank provides to its foreign exchange customers. For the information used in this report I have included some information from my own observations and verbal discussion with bank officers, some numeric data have been collected from annual reports of Standard Bank Ltd.

Foreign Exchange Market allows currencies to be exchanged to facilitate international trade and financial transactions. After passing a lot of phases, present foreign exchange market has established and performing to benefit all the parties incorporated here. There are basically three players in the foreign exchange market of Bangladesh. Those are the Bangladesh Bank, authorized dealers, and customers. This paper discussed regarding the related issues of foreign exchange activities of Standard Bank Limited.

At the end it contains an analysis regarding the foreign exchange performance of Standard bank and a similar company from the same industry named- United Commercial Bank, which will give an idea about the success of the foreign exchange division of Standard Bank Ltd.

Chapter 1: Introduction

1.1 Rationale of the Study:

Banks are important financial institutions, which play a vital role in the economy of a country. It deals with credit i.e., accepts deposit from the public and advances various loans. Traditionally, in the process of acceptance of deposits and provision of loan, banks were generating their money. But now in the age of Globalization and worldwide mass trade and business, banks are gaining a huge amount of currency by intermediating foreign trades and transactions. Therefore, most of the banks have their Foreign Trade Services Division which is also known as Foreign Exchange Department. Foreign Exchange Departments (FEDs) are now one of the main operations of each and every bank. Authorized Dealer (AD) branches of banks are legally authorized to run Foreign Exchange Department.

For internship every student is required to work in a selected institution to enrich ones practical knowledge and experiences. After completing the internship we have to prepare a report on the knowledge of internship. As Foreign Exchange Department (FED) mainly deals with export, import and remittances I will focus on total export, import and remittances of Bangladesh for the year 2014 and 2015 along with the performance of Foreign Exchange Department of Standard Bank Limited (SBL). From that perspective this report will be prepared on **“Performance of Foreign Exchange Department of Standard Bank Limited (SBL)”**.

I will mainly focus on the Performance of Foreign Exchange Department of Standard Bank Limited (SBL), which I will observe during my Internship period at Foreign Exchange Department, Principle Branch, Standard Bank Limited (SBL). In addition to this I will also compile the available data on export, import and remittances of Bangladesh for the year 2014 and 2015.

To accomplish the aforesaid requirement, I am assigned as an internee at Foreign Exchange Department, Principle Branch, Standard Bank Limited (SBL) for 12 weeks starting from 3rd January, 2016.

1.2 Background of the Organization:

Introduction of Standard Bank:

The declaration of the Governments bold and far-sighted decisions to allow banks in the private sectors to play its due role in the economy of Bangladesh, have started the process of creating new and dynamic financial institutions. One such institution is the Standard Bank Limited (SBL). The emergence of Standard Bank Limited in the private sector is an important event in the banking arena of Bangladesh. Standard Bank Limited came into existence as a Public Limited Company incorporated in Bangladesh on May 1999 with the primary objectives to carry on all kinds of banking business in and outside of Bangladesh.

❖ Company Profile of Standard Bank Limited:

Company Name	:	Standard Bank Limited
Registered & Head Office	:	Metropolitan Chamber Building (3rd Floor) 122-124, Motijheel C/A Dhaka
Telecommunication Mobile	:	0171-685095, FAX: 9550597, 9667137
Telex	:	642488 STL PB BJ
E-mail	:	sblho@bangla.net
Total Number of Branches	:	15
Total Number of Employees	:	268

1.3 Mission and Vision of Standard Bank Limited:

Mission

The mission of the Bank is to be utmost trustworthy, stakeholder, careful, committed for equitable and sustainable growth based on diversified deployment of fund/resources leading the bank to the peak of healthy and wholesome financial institution.

Vision

The bank would serve as partner and advisor of the clientele to trade, commerce and industry.

1.4 Management and Org. Hierarchy of Standard Bank Limited:

As a fully licensed professional bank, Standard Bank Limited is being managed by a highly professional and dedicated team with long experience in banking. They constantly focus on understanding and anticipating customer needs. As the banking scenario undergoes changes so the bank and its responsibilities itself changed in the market condition.

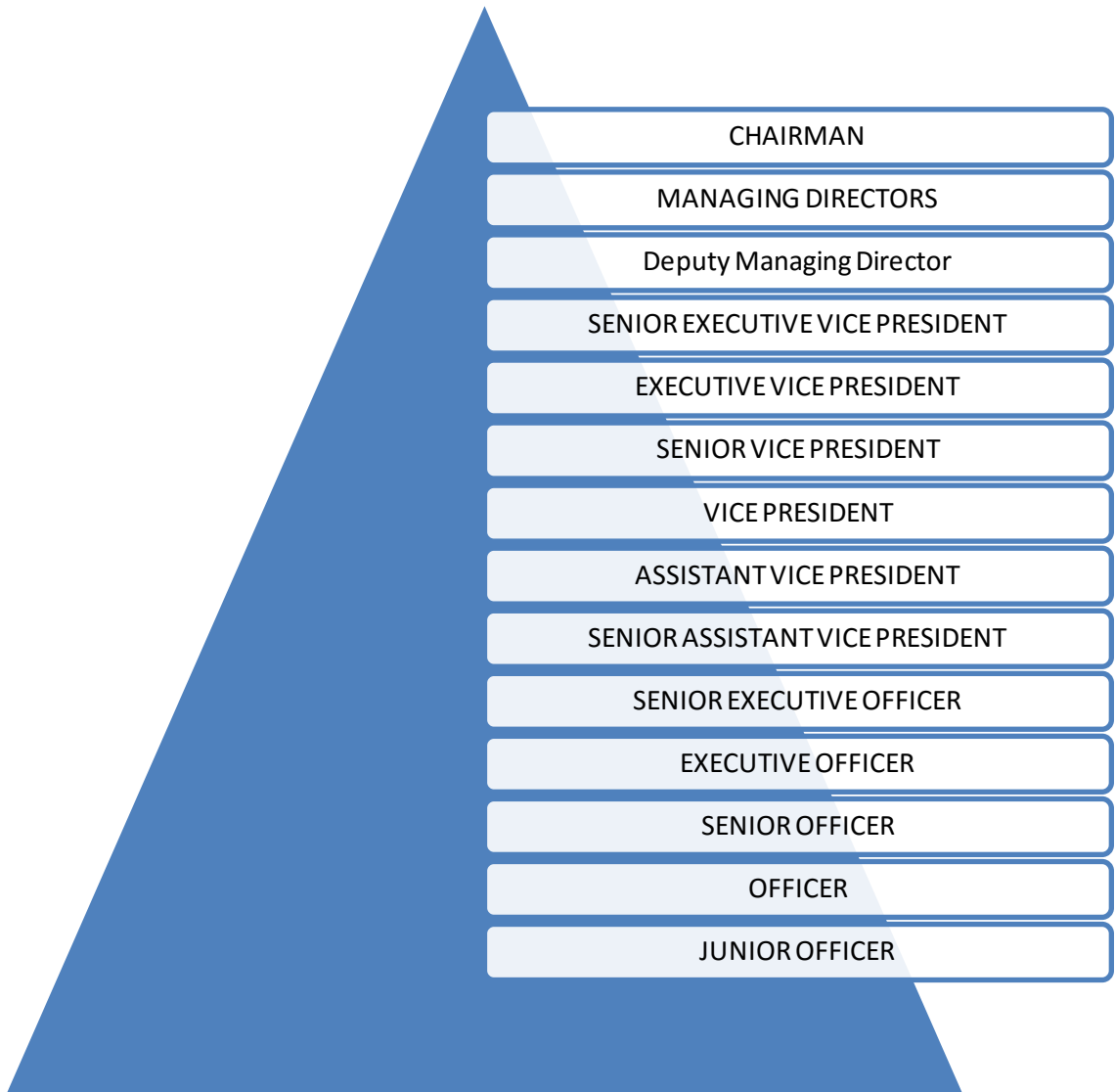
In the bank, board of directors has the sole authority to take decision about the affairs of the business. Now there are 18 directors in the management of the bank. All the directors have the good academic background and have huge experience in business. The board of directors holds meetings on a regular basis. There are different committees in the bank for the efficient management of the bank. All these committees meet on a regular basis for discussing various issues and proposals submitted for decisions. The committees are:

- ✓ **Board of Directors**
- ✓ **Executive Committee of the Board**
- ✓ **Policy Committee of the Board**
- ✓ **Credit Committee**

❖ **Board of Directors:**

Name	Designation
Mr. Kazi Akramuddin Ahamed	Chairman
Mr. S. A. Farooqui	Managing Director
Mr. S. A. M. Hossain	Director & Chairman of Executive Committee
Mr. Mohammed Abdul Aziz	Director & Chairman of Green Banking Committee
Mr. S. S. Nizamuddin Ahmed	Director & Chairman of Audit Committee
Mr. Kamal Mostafa Chowdhury	Director
Mr. Mohammad Nurul Islam	Director
Mr. Ashok Kumar Saha	Director
Mr. Ferozur Rahman	Director
Mr. Md. Monzurul Alam	Director
Al-Haj Mohammed Shamsul Alam	Director
Mr. Abdul Ahad	Director
Mr. Md. Zahedul Hoque	Director
Mr. Ferdous Ali Khan	Director
Mr. Ferdous Ali Khan	Director
Mr. Moshfeque Mamun Rizvi	Director
Mr. Md. Fayekuzzaman	Director
Mr. Shaikh Mesba Uddin	Director

❖ **Organizational Hierarchy of SBL:**



1.5 Products and Services of Standard Bank Limited:

1. Deposit service:

- ✓ Savings Bank account
- ✓ Current Account
- ✓ Short Term Deposit Account
- ✓ Fixed Deposit Receipt Account

2. Loans and Advances:

- ✓ Overdraft
- ✓ Cash Credit (CC)
- ✓ Loan General
- ✓ Staff Loan
- ✓ Bills Portfolio
- ✓ Term Loan

3. Foreign Trade:

- ✓ Import
- ✓ Export
- ✓ Post import credit Facility
- ✓ Export Credit Facility

4. Additional Products

- ✓ Remittance Service
- ✓ Pay Order(PO)
- ✓ Snychaya Patra
- ✓ Locker Service
- ✓ Wage Earners Bonds

1.6 Target Customers of Standard Bank Limited:

Our target corporate customers can transait minimum 3-5 million taka a month. But sometims few customer open 5-10 lakh th L/C becouse of safety. Thats called local L/C. Our approximate customer age is 30-50. In foreign exchange we have many B2C & B2B customer. I am showing some corporate name for reference below:

Name	Types of Business	Types of Service
Sinha Group	Ready-Made Garment	Loan, L/C, Export Service
Chaity Group	Ready-Made Garment	Loan, L/C, Export Service
Bashundhara Group	Tissue Industries	L/C, Import Service
Navana Group	Battery Seller	Import Service
Anwar Group	Ispat Industries	Import Service
Partex Group	Spinning mill	Import Service, Local Export Service

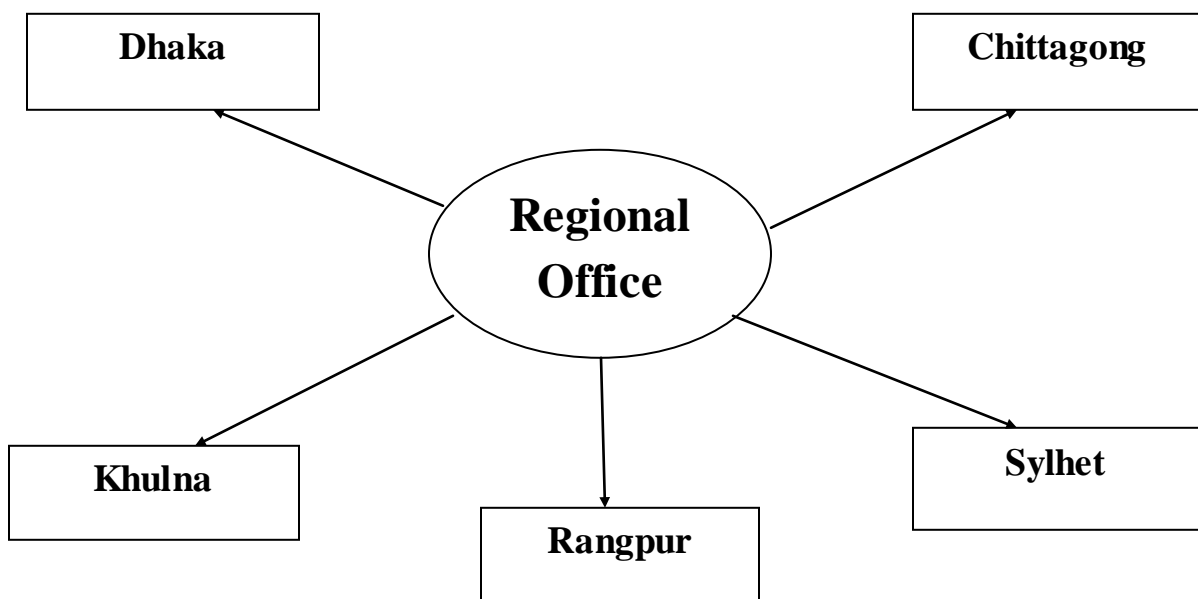
1.7 Competitors of Standard Bank Limited:

- ❖ **Indirect Competitors:** There are many financial institutions who are our indirect competitirs. They are-
 - ✓ Reliance Finance Limited
 - ✓ LankaBangla Finance Ltd.
 - ✓ IDLC Finance Limited
 - ✓ Prime Finance & Investment Ltd
 - ✓ Premier Leasing & Finance Limited
 - ✓ Phoenix Finance and Investments Limited
- ❖ **Direct Competitors:** Our direct competitors are 3rd generation banks. Becaous 1at and 2nd generation banks are more established than our bank. 4th generation banks are new comer so they are striving in competition. I am showing some bank name who are our direct competitors below:
 - ✓ Southeast bank Limited
 - ✓ Mutual Trust Bank Limited
 - ✓ Export Import Bank of Bangladesh Limited
 - ✓ Mercantile Bank Limited

- ✓ The Premier Bank Limited
- ✓ First Security Islami Bank Ltd
- ✓ One Bank limited
- ✓ Dhaka Bank LTD
- ✓ Bangladesh Commerce Bank LTD
- ✓ Bank Al-Falah Limited
- ✓ Social Islami Bank Ltd.
- ✓ South Bangla Agriculture & Commerce Bank Limited
- ✓ Jamuna Bank Limited
- ✓ Al-Arafah Islami Bank Limited
- ✓ Trust Bank Limited

1.8 Operational network organogram:

❖ Regional Office of Standard Bank Limited



1.9 Visions for the Future:

- ❖ To increase direct contact with the customers in order to cultivate a closer relationship between the bank and its customers.
- ❖ To strive for customer satisfaction through quality control and delivery of timely services.

- ❖ To train and develop all employees and provide them adequate resources so that customers needs can be reasonably addressed.
- ❖ To promote organizational effectiveness by openly communicating company's plans, policies, practices and procedures to employees in a timely passion.
- ❖ To cultivate a working environment that fosters positive motivation for improved performance.
- ❖ To diversify portfolio both in the retail and wholesale market.
- ❖ To Manage and operate the Bank in the most efficient manner to enhance financial performance and to control cost of fund.

1.10 Major Division of SBL

The banking system of Standard Bank Ltd. is divided into three major divisions. These divisions are–

- 1) General Banking
- 2) Advance & Loan Banking
- 3) Foreign Exchange Banking.

Chapter 2: Job Description of SBL

2.1 Work Related Activities:

As a student of Business Administration (BBA) I have gathered enough theoretical knowledge regarding Bank. Standard Bank Limited has given me the opportunity to inaugurate my internship. Here I have gathered tremendous amount of knowledge and got an in depth idea of the banking procedure and particularly about foreign exchange division. Also learn how to issue Exp on Bangladesh bank, Bill of entry, how to open L/C etc. I observed that other people doing many thing like Back to Back L/C, open local L/C, acceptance of foreign L/C document, L/C payment .

2.2 Observation on Functions of Foreign Exchange Department:

Standerd Bank Ttd plays a vital role in fpreign exchange by its foreign exchange department through the following activities:

- ✓ Opening of L/c & Settlement of Payment
- ✓ Exchange of foreign Currencies
- ✓ Make arrangment with Foreign Correspondent
- ✓ Buying and selling foreign currencies
- ✓ Handling of Inward and outword Remittance
- ✓ Local/foreign Bill Purchase
- ✓ Investment in foreign Trade
- ✓ Opening & Maintenance of account with Foreign Banks under intimation to BB
- ✓ Export Documents handling

❖ Types of Foreign Exchange Transactions:

- Import
- Export
- Remittance

The Standerd structure of foreign Exchange Department is shown in the following: There are three part in the depatment:

- ✓ Import part: Deals with import procedures.
- ✓ Export part: Acts for export procedures.

- ✓ Foreign remittance: Serves to provide smooth transfer service for the clients

2.2.1 L/C Opening:

I am opening an Import L/C for Anwara Group. Importing ispat for Industrial purpose. Before opening an L/C there are some steps:

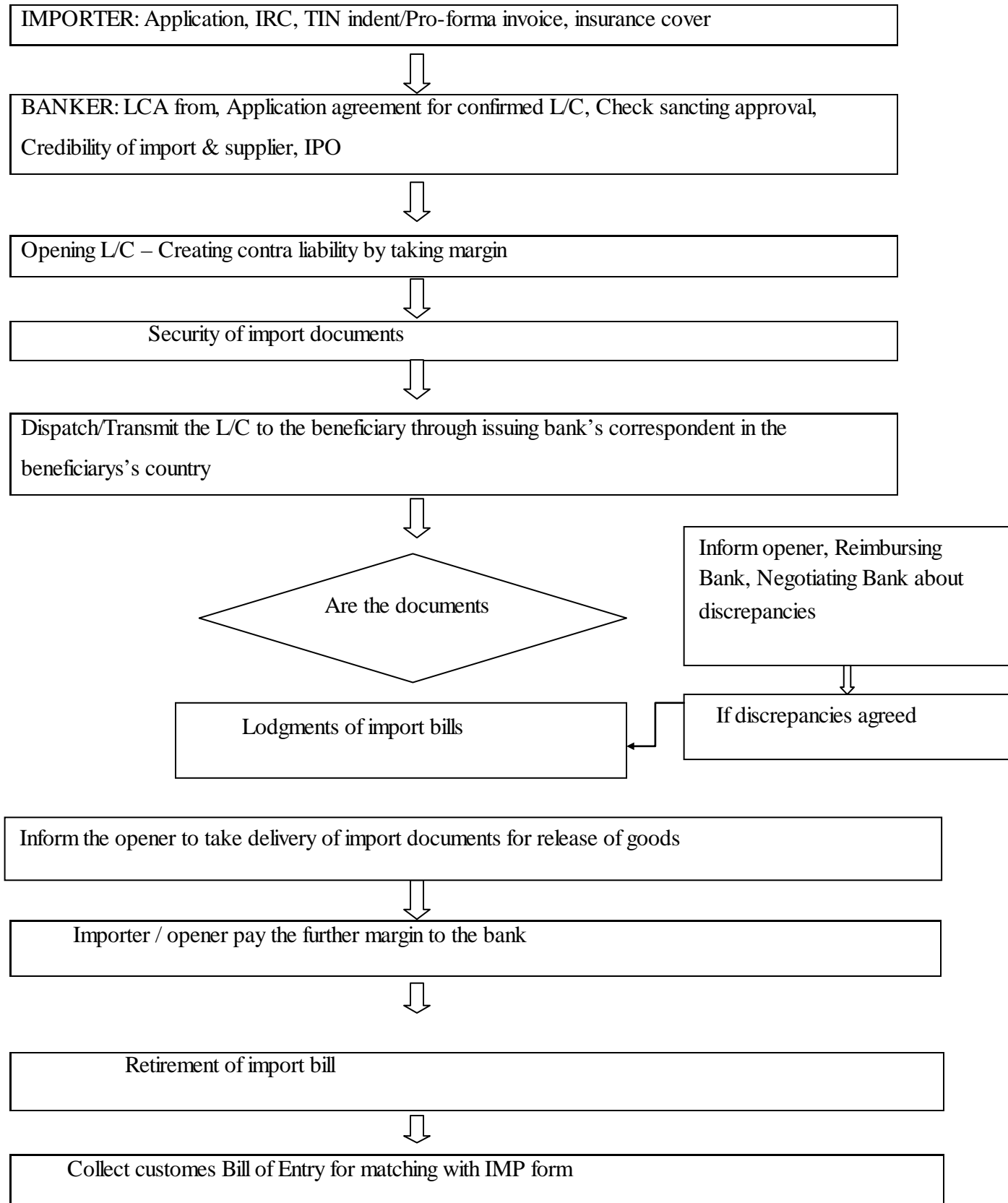
- ✓ First bank open L/C on behalf of Anwara Group.
- ✓ Bank cerified the marketability of the item & market price fo the goods.
- ✓ Price of some items fluctuates. In case of those items Bank will be more carefull to take sufficient cash margin or other security.
- ✓ Need some document Trade License, TIN, VAT Registration certificate, IMP, Proforma Invoice, Letter of Credit. Insurance, Authorized Form for import.

2.2.2 Mechanism of L/C Operaions:

Importer	Who applies for L/C
Issuing Bank	It is the bank which opens/issue a L/C on behalf of the importer
Confirming Bank	It is the bank, which adds its confirmation to the credit and it is done at the request of issuing bank. Confirming bank may or may not be advising bank.
Asvising or Notifying Bank	It is the bank through which the L/C is advised to the exporters. This bank is actually situated in exporter's country. It may also assume the role of confirming and negotiating bank depending upon the condition of credit.
Negotiating Bank	Its is the bank, which negotiates the bill and pays the amount of the beneficiary. The advising bank and the negotiating bank may or may not be the same. Sometimes it can also be confirming bank.
Accepting Bank	Its the bank on which the bill will be drawn(as per condition of the credit). Usually it is the issuing bank.
Reimbursing Bank	It is the bank, which would reimburse the negotiating bank after getting payment-instruction from issuing bank.

When all procedures are completed and checked we send this L/C through swift to beneficiary bank.

❖ **Simple flowchart of total Import Procedure:**





Retirement of import bill

2.2.3 Import procedure/Formalities:

Before making imports, the importer enters in to a purchase contract with foreign supplier. If the suppliers have local agent, the importers obtain an indent and pro-forma invoice. If the suppliers have no local agents in Bangladesh, the importers holding a valid import registration certificate (IRC) can import goods in to Bangladesh provide the goods are in the permissible list of item as per the Govt.'s import policy order in force.

All importers in to Bangladesh are subject to opening of L/C. import transactions are concluded with the help of documentary letter of credit established by the importers bank in favor of supplied (Beneficiary) and advised through the agent bank located in the supplier's country.

Documents that are needed for opening an import L/C re listed below:

- ✓ Party application duly signed and sealed by the opener / authorized signatory.
- ✓ At least four copies of pro-forma invoice/ indent duly signed and sealed by the opener and beneficiary / indenter. Opener signature to be verified by the banker.
- ✓ L/C application form (to be provided by the bank) duly signed and sealed by the opener /authorized signatory. Guarantor signature required (if applicable/ mentioned in the proposal). The banker must verify the signature.
- ✓ LCA / IMP forms duly signed and sealed by the opener / authorized signatory.
- ✓ L/C opening proposal approved by the opener authority mentioning L/C details (not required if the L/C is opened with 100% margin).
- ✓ Beneficiary credit report (if the L/C is more than \$8000 or BDT 500000 whichever is highest).
- ✓ Insurance cover note with money receipt in original.

2.2.4 IMP Issue:

IMP is a part of import procedure. When one Bangladeshi businessman import goods and accessories, that time they need report and entre invoice price, commidoty code, destination of port, quantity to Bangladesh Bank. Imp is issued before opening an L/C.

2.2.5 Processing Bill of Entry:

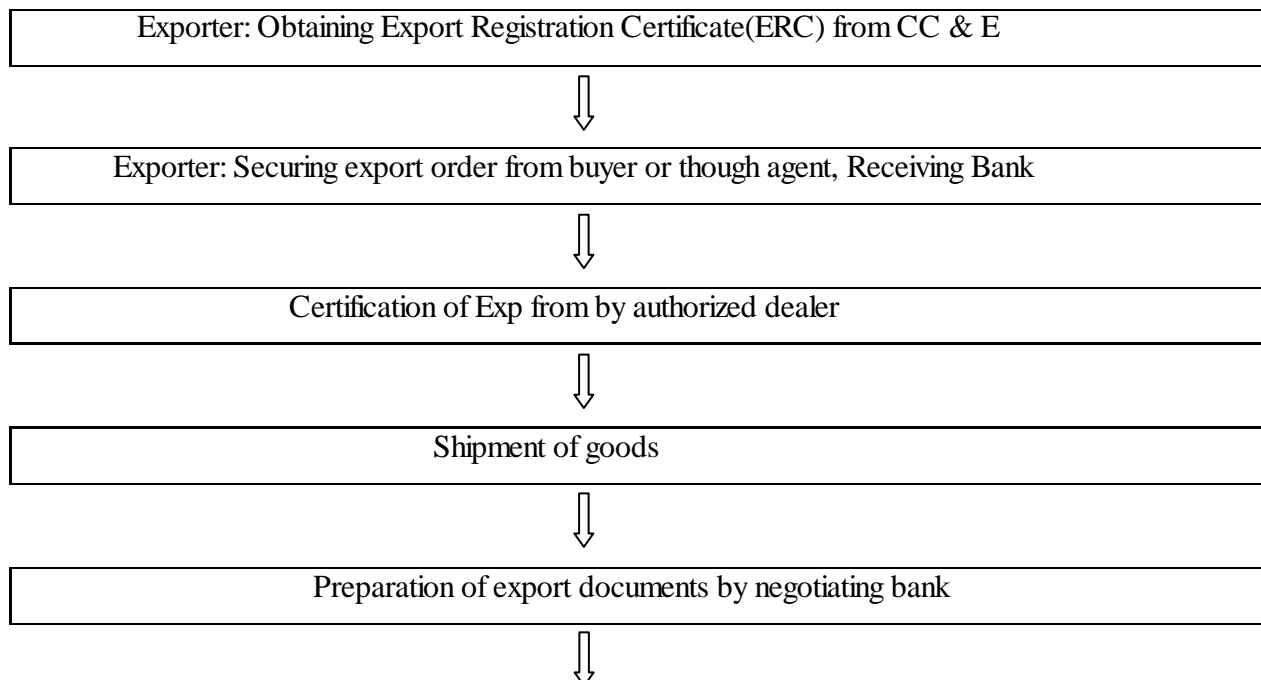
Its also part of import procedure. Here we just collect customer Bill of Entry foe matching with IMP form. It is an evidence that proves beneficiary collected the goods from port. Bangladesh Bank need to entry unit price, quantity, office code, Bill of Entry number, Bill of Entry date and L/C ID. If amount matches with IMP value then the L/C gets closed. It is the last procedure of L/C closing.

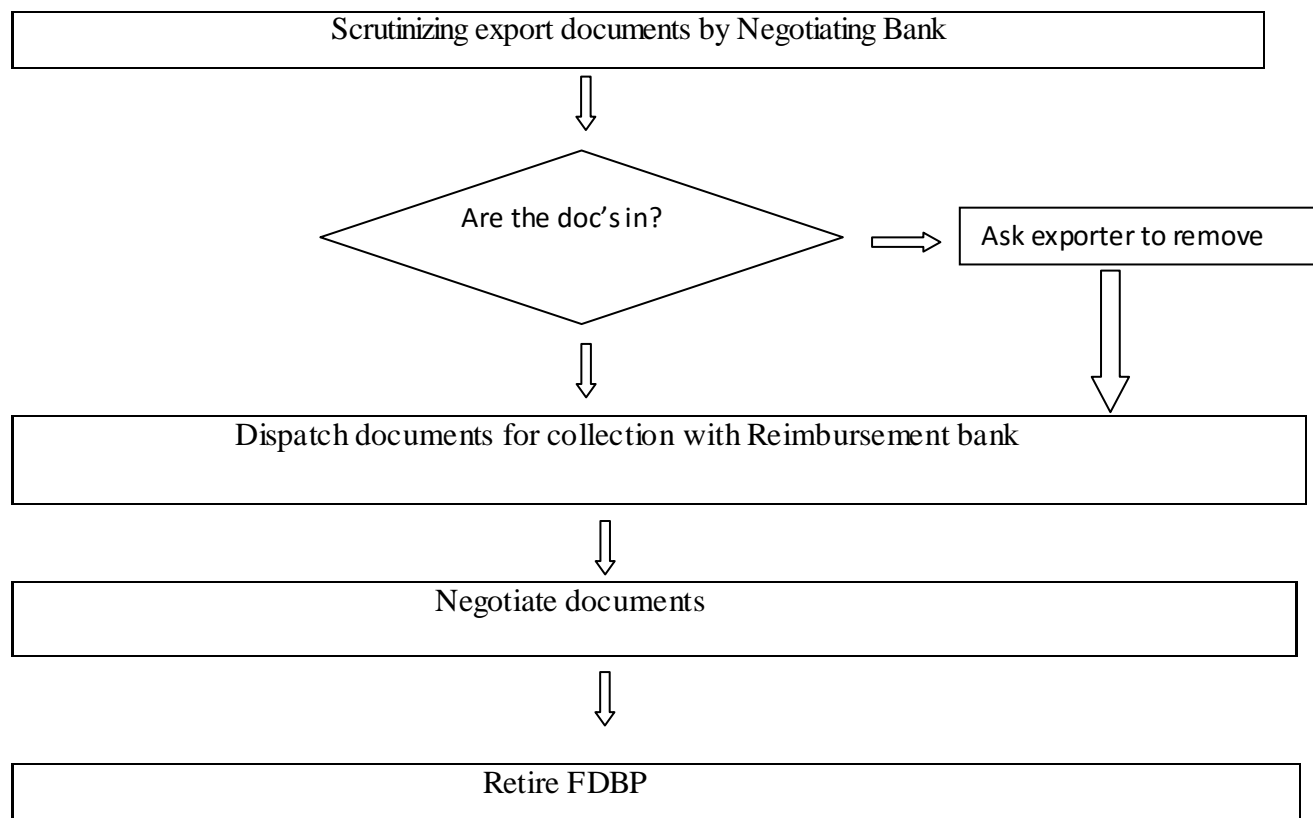
2.2.6 Processing EXP:

It is the part of Exporting. EXP need to issue in Bangladesh Bank before exporting goods or accessories. In bangladesh Bank we need to enter L/C contract number, HS Code, invoice amount, quanty.

❖ Simple Flowchart of total Export Procedure:

There are a number of formalities that an export has to fulfill before and after shipment of goods. These formalities or procedures are enumerated follows-





2.3 Organizational-Wide Activities:

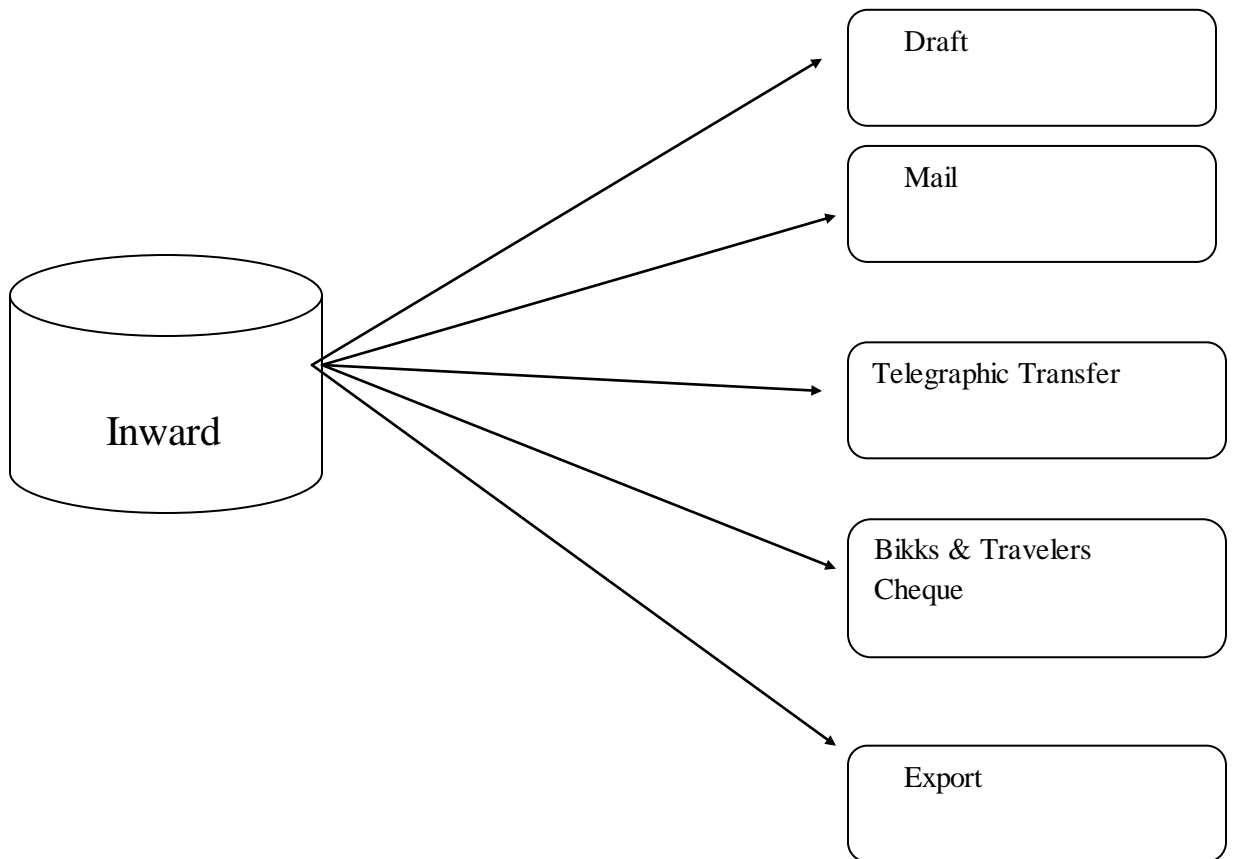
2.3.1 Remittance management:

According to investopedia, a remittance is the funds an expatriate sends to their country of origin via wire, mail, or online transfer. These peer to peer transfers of funds across borders are economically significant for many countries that receive them. Convertibility of Taka in current account transactions symbolized a turning point in the country's exchange management and exchange rate system. Now the operation of foreign currency accounts has been more liberalized. Funds from these accounts are freely remittable to any country according to the needs of A/c holders. Authorized Dealer remittance means purchase and sale of freely convertible Foreign Currencies as permissible by the rules and regulations of Exchange Control Authority of Bangladesh Bank.

Remittance takes place in two types:

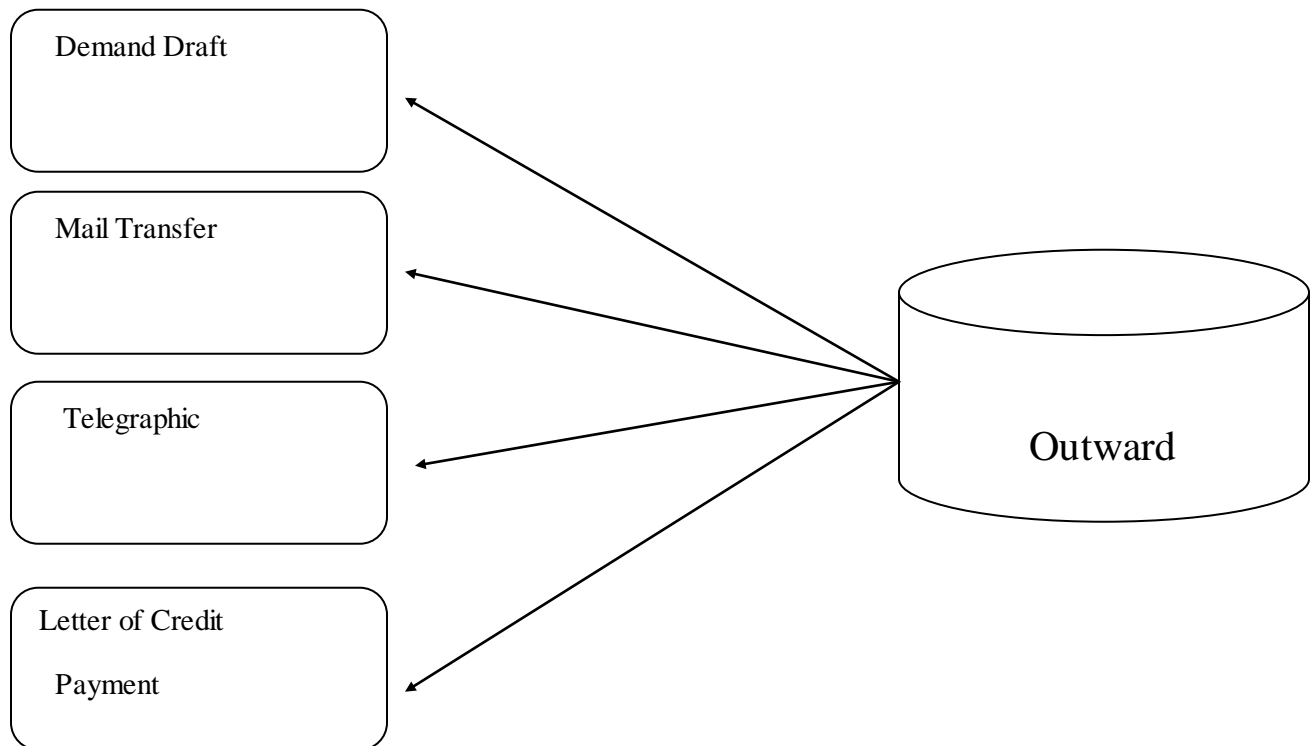
- ✓ Inward remittance
- ✓ Outward remittance

❖ **Inward Remittance:**



Inward remittance covers purchase of foreign currency in the form of foreign Telegraphic Transfer(T.T), Demand Draft(DD) and Bills & Travelers Cheque, Export bill etc. sent from abroad favoring a beneficiary in Bangladesh, purchase of foreign exchange is to be reported to Exchange Control department of Bangladesh Bank on form – letter of Credit (LC). Standardly, these are the formal channels of receiving inward remittance. A local bank also receives indenting commission of local firm also comes under purview of inward remittance.

❖ **Outward Remittance:**



Outward remittance covers sales of foreign currency by Authorized Dealer (AD) or Formal Channel through issuing foreign Telegraphic Transfer(T.T), Demand draft(D.D), Travelers's cheque etc. as well as sell of foreign exchange under L/C and against Import Bills retired. The Authorizes dealers have to demonstrate utmost caution to ensure that foreign currencies remitted or released by them are used only for the purposes for which they are released. most outward remittance is approved by the authorized dealer on behalf of Bangladesh Bank.

2.3.2 Advising of L/C:

The import information/ terms and conditions of the L/C are sometimes communicated by the L/C opening/ issuing bank (buyers' bank) to the exporter's bank through cable/telex which is followed by the original L/C, the following points are generally covered in cable L/C:

- ✓ Name of the importer.
- ✓ Name of the exporter.
- ✓ Description of goods (in short).
- ✓ Expiry date of L/C.
- ✓ Types of L/C (Revocable/Irrevocable).

- ✓ Shipment date.
- ✓ Name of the reimbursing bank.
- ✓ Name of their nominated dealer etc.

2.3.3 Different Aspects of Job performance

During my three month internship period, I was assigned for different types of task and activities; and by doing those tasks I achieved performance appraisal from my line task manager.

- ❖ I was assigned to prepare Bangladesh Bank reporting for import payment which is called E2P2 for the month of August and September. For completing each month's E2P2 I only got excel sheet for different currencies. I was successfully achieved my given target for those weeks.

2.4 Critical Observation & Recommendation

H.E. Evitt defined "Foreign Exchange" as the means and methods by which rights to wealth expressed in terms of the currency of one country are converted into rights to wealth in terms of the currency of another country. I had worked for three months there and I had observed some issues there which need to be changed if the bank wants to prosper competing with other banks.

There is really little place kept for the cheque receiving desk. During the pick hour there always remains great rush and it is really impossible to receive cheques of so many people for a single person. Moreover there is no line system in the general banking desk, so the customers do not maintain any systematic line.

During internship period, employees of SBL were very supportive & always helped me to learn. But it was not possible for me to know about all the departments within 3 months. The clients of L/C desk are taking services from here for more than 1 year and most of them have a very friendly relationship with the employees. In addition there was some secrecy regarding some information about the transactions.

In the follows I found out some problem over in the SBL as critical observation and some recommendation regarding the observation:

- ❖ First of all Standard Bank needs to recruit more employees because the workload of 20 employees is handled by only 8 to 10 employees at SBL which creates a tedious work environment for them.
- ❖ To provide effective training to the employees so that they can overcome the challenges of technology and can work in a swift manner that will help them to work almost double in a day and which is ultimately prosperous for the bank.
- ❖ To enlarge the general banking desk and create a systematic line for customer to receive their service one by one.
- ❖ An Upgrade in technology and software is a must need for Standard Bank Limited. Where other banks are using cutting edge software, SBL is still using old software called SWIFT.
- ❖ Above all employees of SBL are hardworking but lacking the appreciation from higher management. For an example, a number of employees are of same designation but different salary scale which demotivates a hardworking employee.

Chapter 3

Performance Evaluation & Hypothesis Testing

3.1 Summary:

Standard Bank Limited is one of the leading and trusted commercial bank in Bangladesh. It has a good reputation and brand value in the financial market. The customers are very much interested about various products and services which are provided by Standard Bank Limited.

Standard Bank Limited deals with Customers of all classes, ages, etc. The Bank provides maximum services within minimum time. The bank's integrated Technical services make the customer's life easier. Day by day, Standard Bank Limited is increasing its services by adding different banking software. As a result the bank is now capable to give the services of International Standards to its potential customers. These services make Standard Bank Limited unique in the Banking business in the private sector of Bangladesh.

In IMP procedures businessman import goods and accessories, that time they need report and entre invoice price, commodity code, destination of port, quantity to Bangladesh Bank. Imp is issued before opening an L/C. In processing Bill of Entry we just collect customer Bill of Entry for matching with IMP form.

In my entire internship period, I gathered many ideas about some important Foreign Exchange terms like – IMP procedures, L/C opening, Data inputing in Bangladesh Bank web site, Bill of Entry, Bill of Matching. It was great pleaser for me to work in esteemed organization like Standard Bank Limited. I think it provided me a wide range of scope to observe the different operations of bank.

3.2 Objectives of the Report:

The report will highlight export, import and remittances of Bangladesh and the performance of Foreign Exchange Department, Principle Branch, Standard Bank Limited (SBL) in the previous fiscal years. The objectives of the report will be:

- The main objective is to evaluate the development in export, import and remittances of Bangladesh for the year 2015 in comparison with 2014.
- Performance comparison between Standard Bank Ltd. and United Commercial Bank Ltd.
- Hypothesis test of Capital Structure of Standard Bank Ltd. affecting market capitalization.

3.3 Methodology:

By evaluating the financial report of Standard bank for several years, I will be able to analyze the development of import and export. The performance evaluation of a company mainly focuses on various ratios like- Asset management ratio, profitability ratio, liquidity ratio and debt ratio. In my report, I will be analyzing different financial ratios between Standard bank and United commercial bank. Finally, I will use excel worksheet to analyze the capital structure of Standard bank affecting the market capital. There will be combination of primary data and secondary data for preparing the report. Primary data will be collected from interviewing the in-charge of FED Mr. Ekramul Haque (previous vice president), my supervisor at office Mr. Rubayat Naser (senior Officer), representatives of clients of SBL like Bashundhara group, Partex board mills ltd, Chaity composite ltd and other employees. Primary data will also be collected from my real working experience at office.

Secondary data will be collected from various online sources such as:

- Lanka-Bangla portal
- Research on Foreign Exchange activities of Bangladesh.
- Annual report of SBL 2014
- 3rd quarter report of SBL 2015
- Periodicals published by Bangladesh Bank
- Yearly export report 2014-2015 by Bangladesh bank
- Yearly import report 2014-2015 by Bangladesh bank
- Remittances 2015 by Bangladesh Bank
- Relevant websites
- Relevant books, research papers, journals etc.

3.3.1 Research Type:

This is a Descriptive Research as well as financial graphical analysis of different aspects of SBL and foreign trade are also included in the research which briefly reveals the overall foreign exchange performance of Standard Bank limited.

3.3.2 Limitations:

This report might be limited with some constraints. Details of many aspects of the services of Standard Bank Limited may be skipped in this report due to various constraints, including time and space. Such as:

- Category wise export, import and remittance business; amount originated from the international trade is missing in the report for their restriction.
- In many cases, up to date information was not published.
- All the branches of the sample banks were not physically visited.
- During my internship program there 6 employees had been transferred out of 14 including the in charge of FED. That's why it was tough for me to find consistent data from the officers.
- Online data about SBL was not enough. Their website was not so enriched where I could find the functional data of the bank.
- The employees did not mention some of the company's policies which may be important in writing my report.
- I worked in the import section of the foreign exchange division, so it was impossible for me to learn export transactions and the procedures of export.
- During my internship, I was not rotated to different divisions. As a result, I was not able to collect more in depth information about the bank.

Main Body of the Project

3.4.1 CURRENT ECONOMIC CONDITION OF BANGLADESH

According to Bangladesh bank reports and analysis, the Economy of Bangladesh is the 32nd largest in the world by purchasing power parity and is classified as Next Eleven Emerging Market economies in the world. According to IMF, Bangladesh's economy is the second fastest growing major economy of 2016, with a rate of 7.1%. Dhaka is the wealthiest Bangladeshi division and has an annual GDP of US\$231 billion, and Chittagong Division serves as the largest export hub of the country.

Throughout last decades, Bangladesh averaged a GDP growth of 6.5%, leading the country to becoming an export-oriented industrialization. In recent years, Bangladesh have seen a major surge in export of textile industry, second largest in the world, along with emerging Pharmaceutical, Defense, and IT industry. The country's exports are projected to cross US\$50 billion by 2021. Being situated in one of the most fertile regions of earth, agriculture plays a crucial role in the economy, with the principal cash crops including rice, jute, tea, wheat, cotton and sugarcane.

In recent years, Bangladesh have seen a drastic improvement in its energy infrastructure, which is required to implement and achieve the Vision 2021, a goal to provide accessible housing and healthcare to all, and Digital Bangladesh 2021, digitization of education and business sector to generate faster economic growth. Bangladesh's telecommunication industry has witnessed rapid growth over the years, receiving high investment from foreign companies. Bangladesh also has substantial reserves of natural gas and coal, and many international oil companies are involved in production and exploration activities in the Bay of Bengal. Located at the crossroads of SAARC, the ASEAN, BIMSTEC, and the Indian Ocean, Bangladesh has the potential to emerge as a regional economic and logistics hub.

In 2016, per-capita income stood at US\$3,840 (PPP) and US\$1,466 (Nominal). Bangladesh is a member of the Commonwealth of Nations, D-8 Organization for Economic Cooperation, the South Asian Association for Regional Cooperation, the International Monetary Fund, the World Bank, the World Trade Organization, the Asian Infrastructure Investment Bank, the United Nations. Bangladesh is also considered a potential member of ASEAN, as majority member states supports its inclusion in the organization.

3.4.2 EXPORT OF BANGLADESH

Like many other third-world countries, Bangladesh relies quite heavily on exports to provide for the needs of its densely populated nation. The same products sold locally will generally fetch a much lower price than they would on the international market. This means that it is far more profitable for the country to engage in export business than it is to engage in local trade. While this may mean that a large percentage of the country's GDP is sent off abroad as Bangladesh exports instead of being enjoyed by the country's own people, it also allows for a steady influx of foreign currency. Currently Bangladesh's main export items are garments, jute and jute-related goods, leather, frozen fish and seafood. Just three years ago the country made over \$2,000 billion from export trade. The majority of the country's trade is conducted with the USA but a small portion of exports also sees its way to Germany, the UK, France and Italy. As one of the poorest and most densely populated countries in the world, the majority of these profits will generally make their way into the pockets of a few wealthy while the rest will be thinly spread out amongst those involved in the production of these goods. The country's economy depends on an erratic monsoon cycle as well as drought and flooding which makes regular harvesting difficult.

Besides these Bangladesh exports, the country is also engaged in the production of:

1. Rice,
2. Tea,
3. Sugar
4. Wheat,
5. Ship
6. Scrap Metal,
7. Textiles,
8. Fertilizer,
9. Pharmaceuticals,
10. Ceramic Tableware And
11. Newsprint.

Though yields can be quite high, the country still faces widespread poverty and it is struggling to free itself from this. Some progress had been made, but there are still many people living below the poverty line in Bangladesh.

Exports in Bangladesh increased to 206.02 BDT Billion in January from 200.08 BDT Billion in December of 2015. Exports in Bangladesh averaged 34.87 BDT Billion from 1972 until 2016, reaching an all-time high of 211.99 BDT Billion in August of 2015 and a record low of 0.05 BDT Billion in February of 1972. Exports in Bangladesh are reported by the Bangladesh Bank.

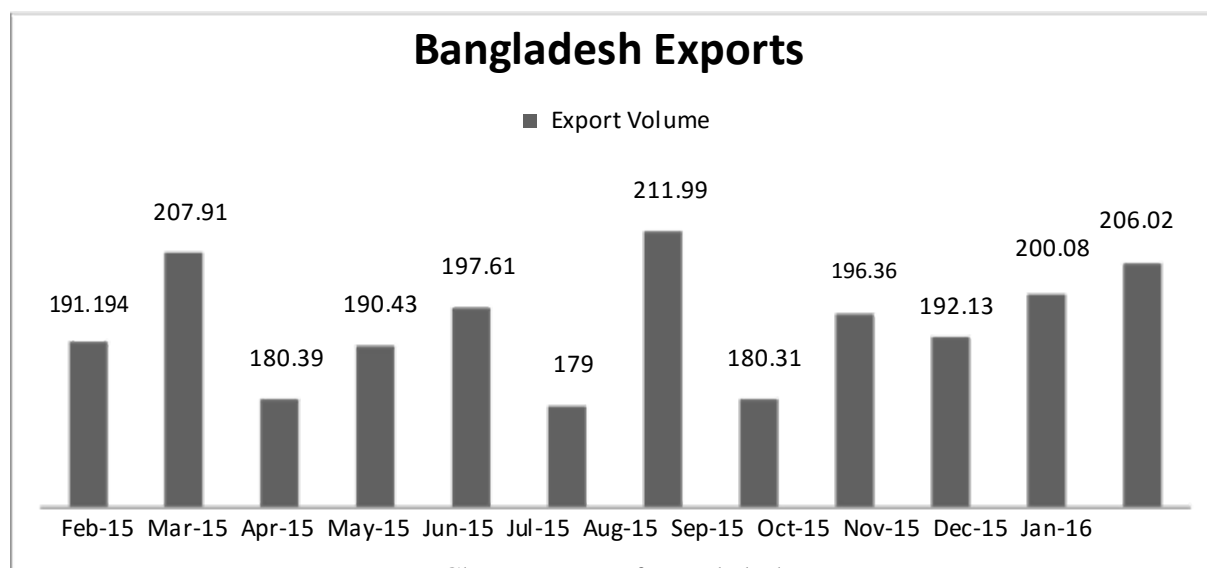


Chart: Exports of Bangladesh

Exportable Products

Year	2014-2015	2013-2014
Commodities		
Knit Wear	87941.2	82425.3
Woven Garments	68104.3	64201.3
Fish, Shrimps and Prawns	3989.1	4097.0
Leather and Leather manufactures	5350.7	6863.6
Raw Jutes	856.4	948.1
Tea- all Sorts	31.8	16.3
Furnace oil, Naphtha and Bitumen	294.8	535.0
Fertilizer	0.6	0.8
Handicraft	70.9	57.9
Others	14440.9	14092.7

Table: Exportable products of Bangladesh

Commodity classification of export earnings for the current year revealed increases over the previous year under:

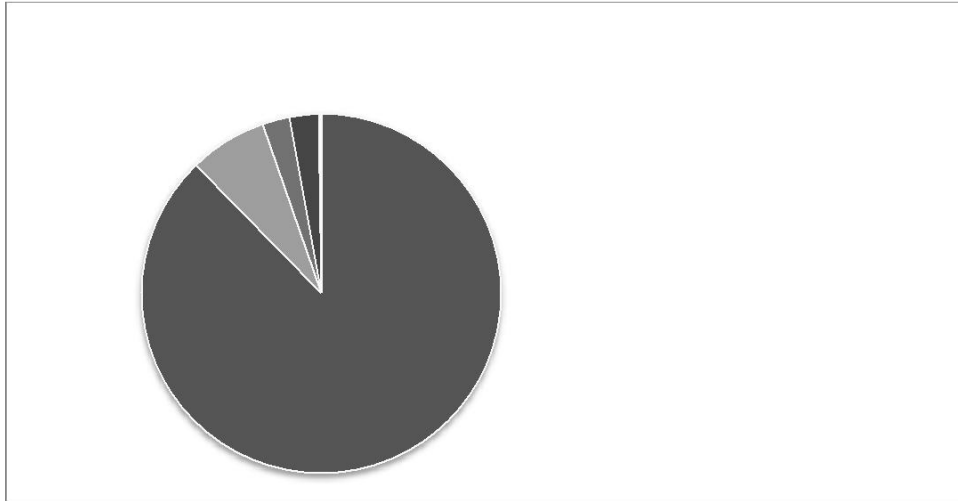


Chart: Commodity Wise Increase of Export

Change of total export volume

There was a decrease in export during last few months of the year 2015, but export again increased in starting of the New Year 2016.

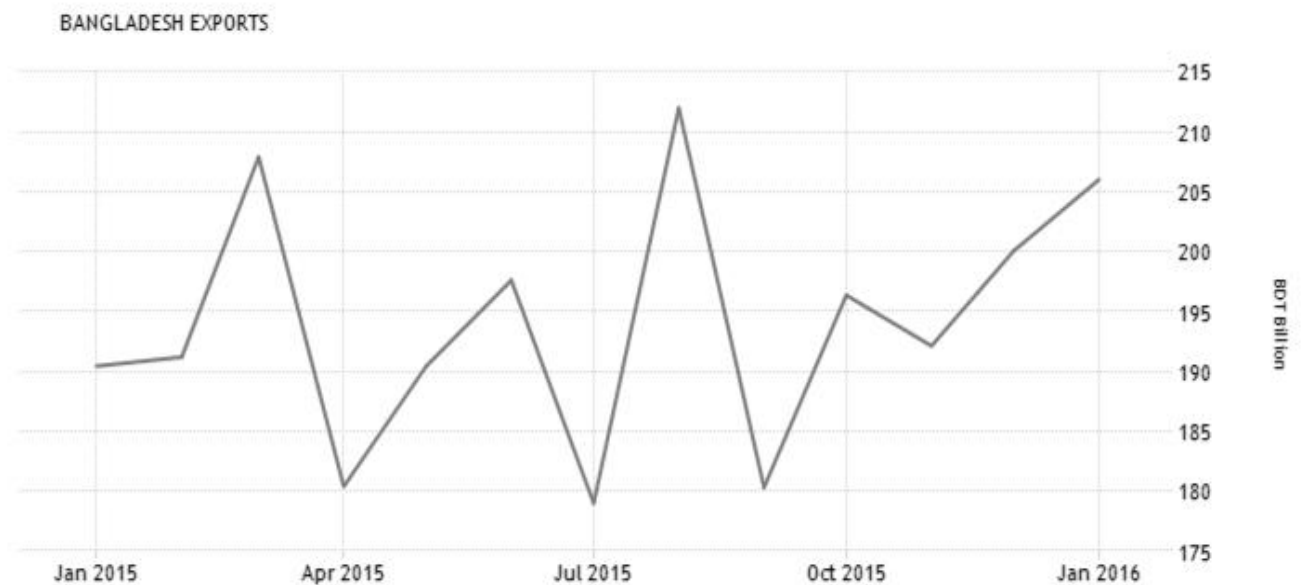


Chart: Change of total export in 2015- 2016

3.4.3 IMPORTS OF BANGLADESH

The import payments during the year 2014-2015 amounted to Tk. 283226.1 crore as against Tk. 232204.9 crore during the previous year showing an increase of Taka 51021.2 crore (or 21.9%). Imports in Bangladesh decreased to 269.85 BDT Billion in January from 287.67 BDT Billion in December of 2015. Imports in Bangladesh averaged 60.23 BDT Billion from 1976 until 2016, reaching an all-time high of 287.67 BDT Billion in December of 2015 and a record low of 0.57 BDT Billion in November of 1976. Imports in Bangladesh are reported by the Bangladesh Bank

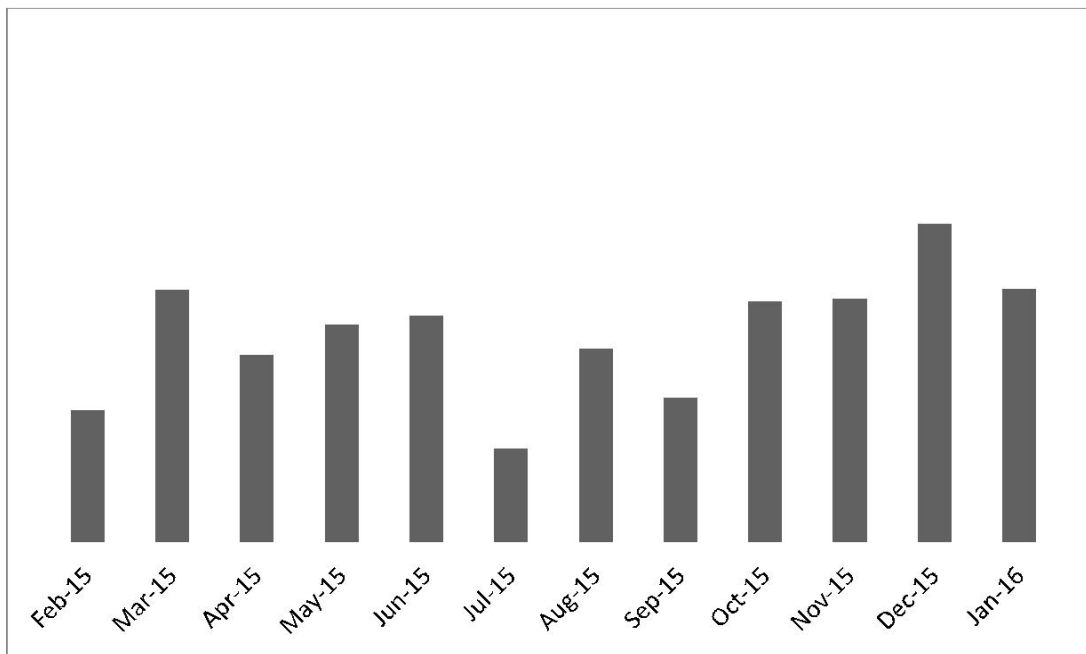


Chart: Changes of Imports of Bangladesh 2015-2016

Countries Bangladesh import from

Major Countries	
1	China People's Republic of
2	India
3	Singapore
4	Malaysia
5	Japan
6	Korea, republic of
7	Indonesia
8	Brazil
9	Taiwan
10	Kuwait
11	United States of America (USA)
12	Hong Kong
13	Thailand
14	Australia
15	Canada
16	Germany
17	Uzbekistan
18	Vietnam

Table: Countries Bangladesh import from

Total Import Payments Yearly: (in crore)

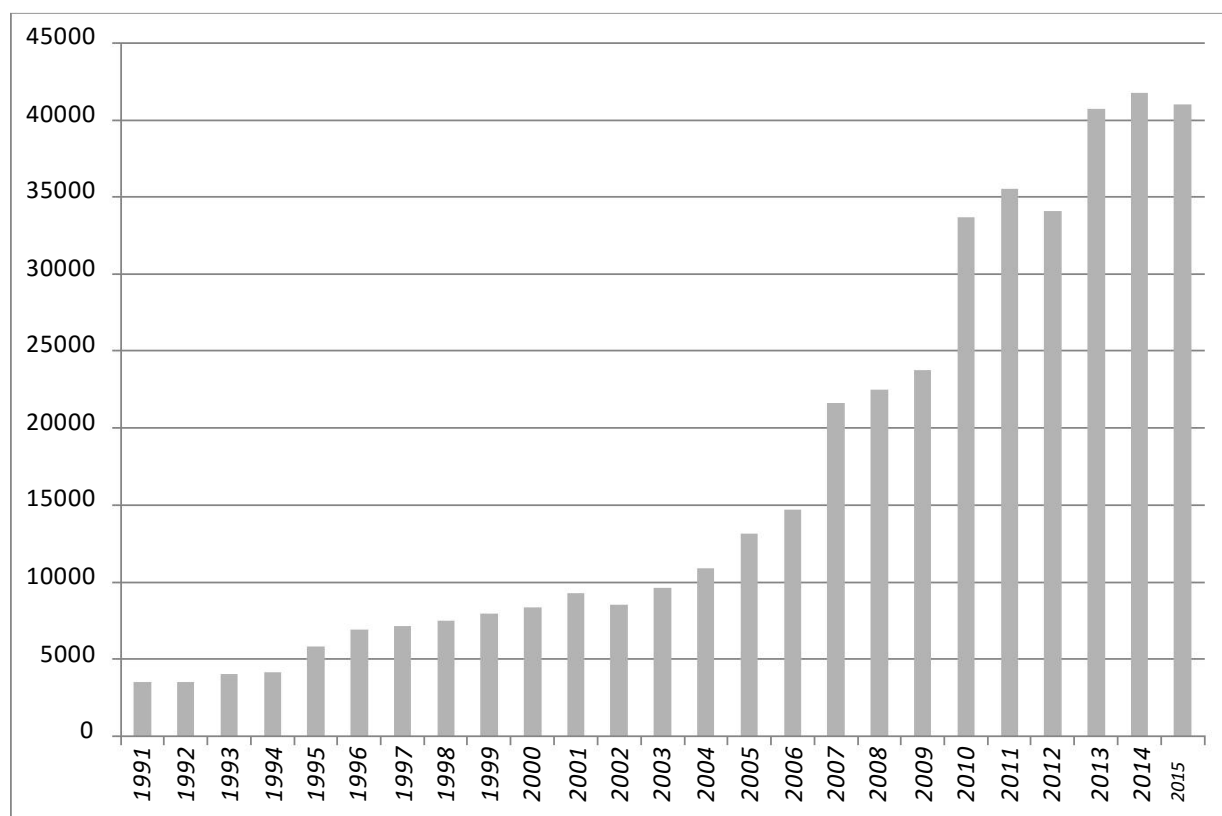


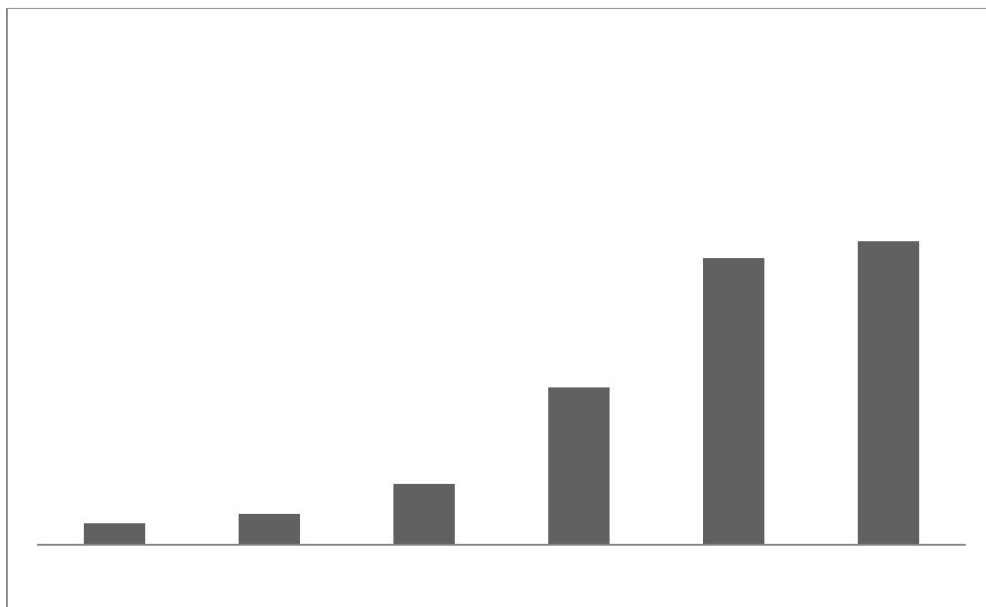
Table: Total Import Payments Yearly

3.4.4 REMITTANCES

The remittance in 2014-15 also rose 7.6 percent from \$14.23 billion in the previous fiscal year, according to Bangladesh Bank (BB) statistics. Reasons behind increase in remittances are revealed below:

- A huge increase in manpower export, backed by the central bank's proactive measures to facilitate the inflow through formal channel, is believed to have driven the remittance growth.
- The higher inflow of remittance is the outcome of our continuous effort of the last couple of years.
- The central bank along with the commercial banks has worked hard round the year aiming to increase the flow of inward remittance from across the world.
- Stable exchange rate of the Bangladeshi taka against the US dollar has also helped achieve the steady growth in remittance inflow
- Delivery channel of inward remittances to the beneficiary has improved significantly because of the bank-led effective mobile banking under the leadership of BB

Remittances of Bangladesh from 1993-2015

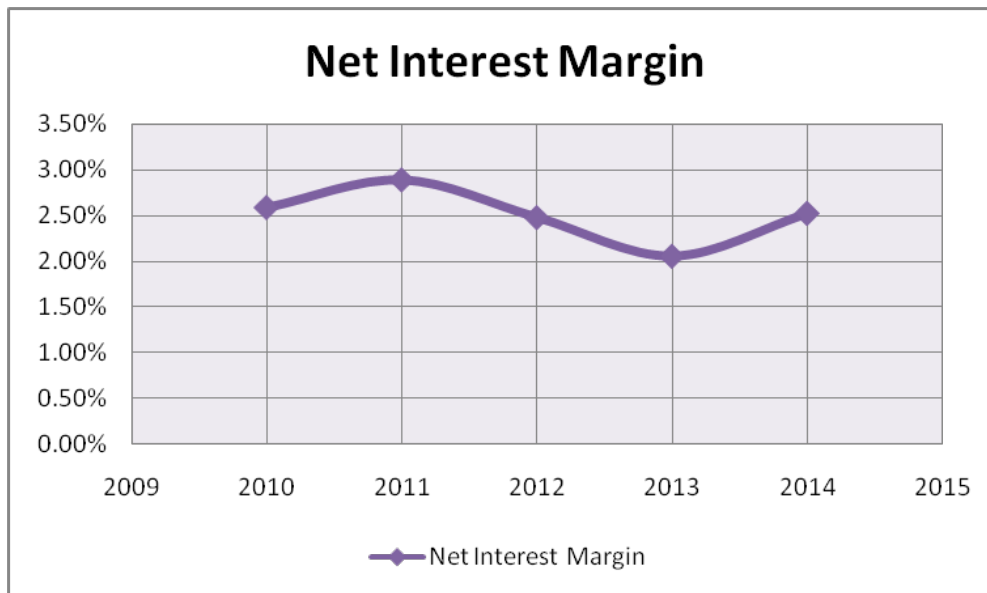


Remittance sent by more than eight million migrant workers plays a crucial role in the country's economy, helping reduce the overall incidence of poverty as well as maintaining a healthy balance of payments. According to a recent study by the World Bank, remittance has helped reduce the poverty level in Bangladesh by 1.5 percent. It also accounts for about 66 percent of the country's foreign currency reserves, providing Bangladesh with a strong and stable external position.

3.5 Comparative Performance analysis between SBL and UCB (Ratios)

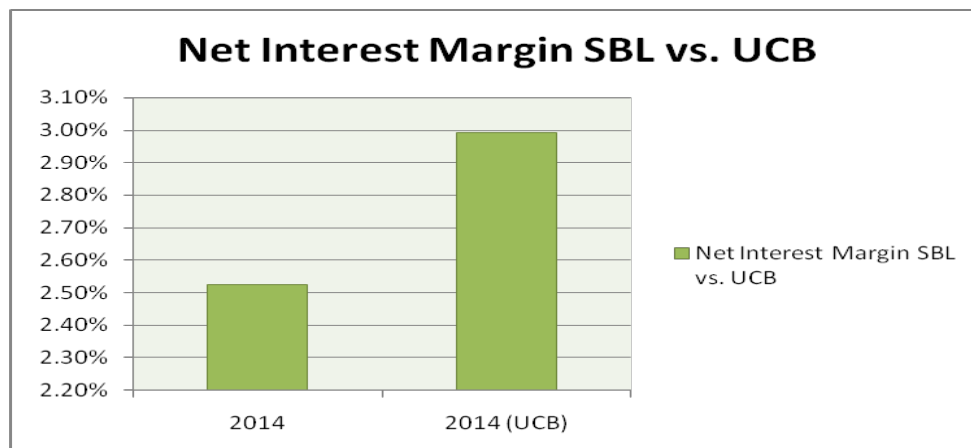
Ratios							
Ratios	Formula	2010	2011	2012	2013	2014	2014 (UCB)
Net Interest Margin	Net Interest Income/Total Assets	2.59%	2.89%	2.48%	2.05%	2.52%	2.99%
Bank Efficiency Ratio	Non Interest Expenses/Net Operating Income	24.48%	29.28%	33.35%	36.97%	39.28%	42.59%
Return on Assests	Net Profit/Total Assets	2.06%	1.73%	1.41%	0.93%	0.85%	2.59%
Return on Equity	Net Profit/Average Common Shareholders Equity	24.34%	18.87%	16.20%	10.88%	10.45%	30.54%
Debt-Equity Ratio	Total Debt/Shareholders Equity	1083.92%	990.94%	1048.26%	1075.47%	1123.84%	1080.43%
Debt-Asset Ratio	Total Debt/Total Assets	91.55%	90.83%	91.29%	91.49%	91.83%	91.53%
EPS	(Net Profit After Tax-Preferred Dividend)/Number of share outstandings	6.53	4.46	1.44	2.35	3.69	4.42
P/E Ratio	Market Price per Share/EPS	9.89	6.77	13.37	6.30	3.45	4.10

- **Net Interest Margin-**



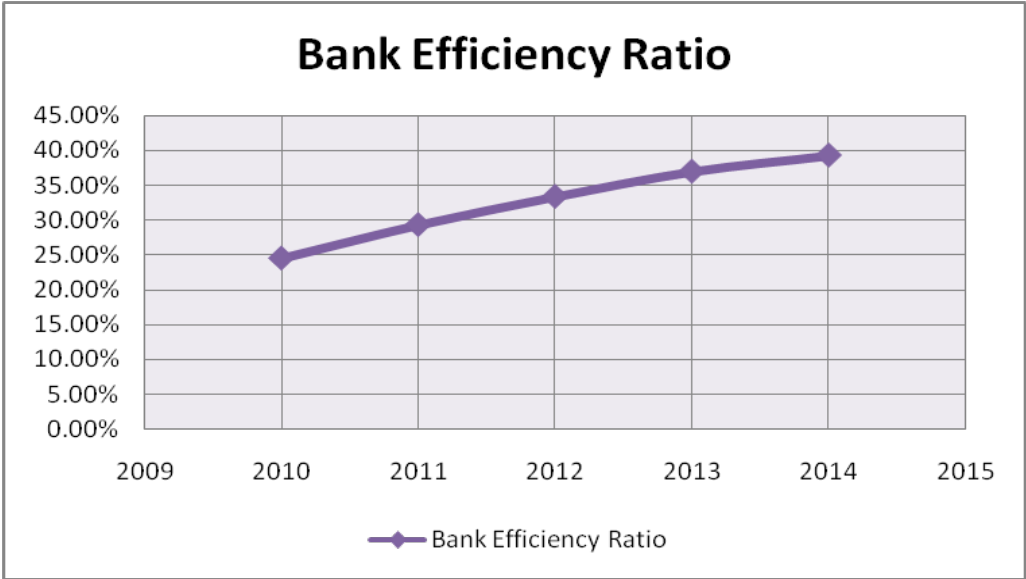
Interpretation:

From 2010 to 2014, Standard Bank Limited has a net interest margin of 2.59%, 2.89%, 2.48%, 2.05% and 2.52% accordingly. Net interest margin is a performance metric that examines how successful a firm's investment decisions are compared to its debt situations. A positive net interest margin means the investment strategy pays more interest than it costs. Conversely, if net interest margin is negative, it means the investment strategy costs more than it makes. The net interest margin for SBL is fluctuating through the years.



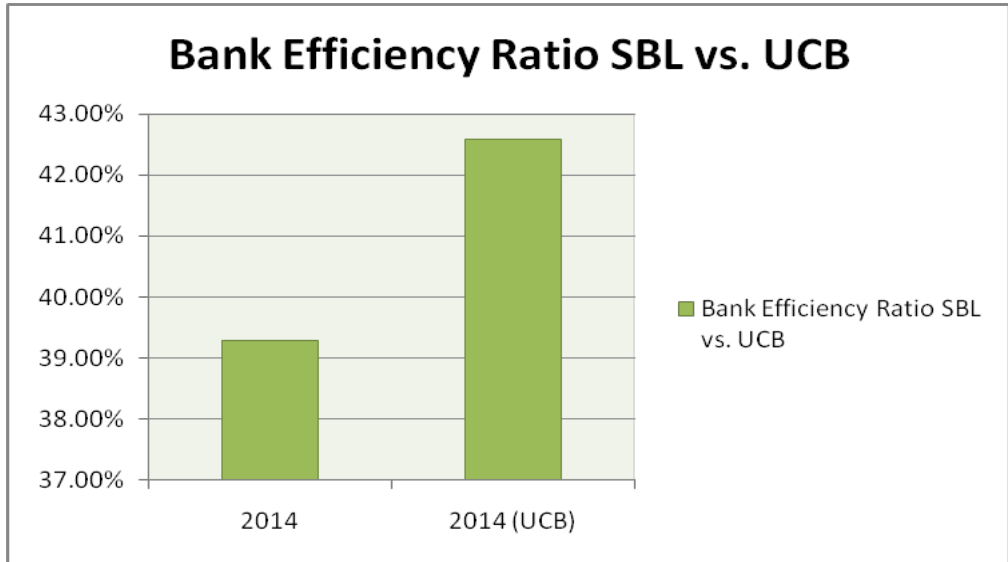
UCB (2.99%) has a better Interest margin ratio than SBL (2.52%) in 2014 which means UCB bank pays more interest than SBL in terms of their assets. Hence the investment decisions made by UCB bank are better than SBL.

- **Bank Efficiency ratio-**



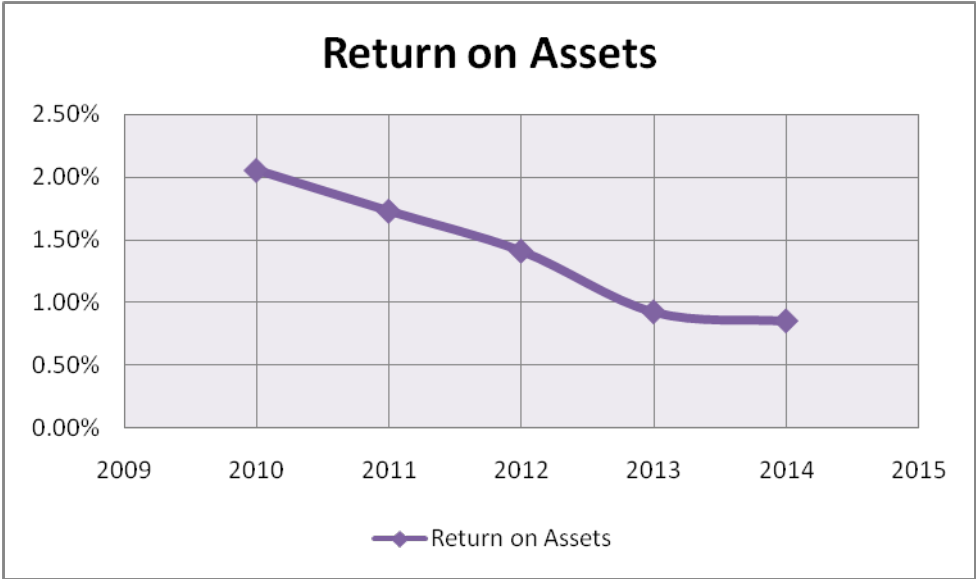
Interpretation:

The bank efficiency ratio is a quick and easy measure of a bank's ability to turn resources into revenue. The lower the ratio, the better (50% is generally regarded as the maximum optimal ratio). An increase in the efficiency ratio indicates either increasing costs or decreasing revenue. SBL's efficiency ratio is upward as we can see from the graph. It indicates that through the years 2010-2014, SBL has increased their costs or decreased their revenue. Because Banks strive for lower Efficiency Ratios since a lower Efficiency Ratio indicates that the bank is earning more than it is spending.



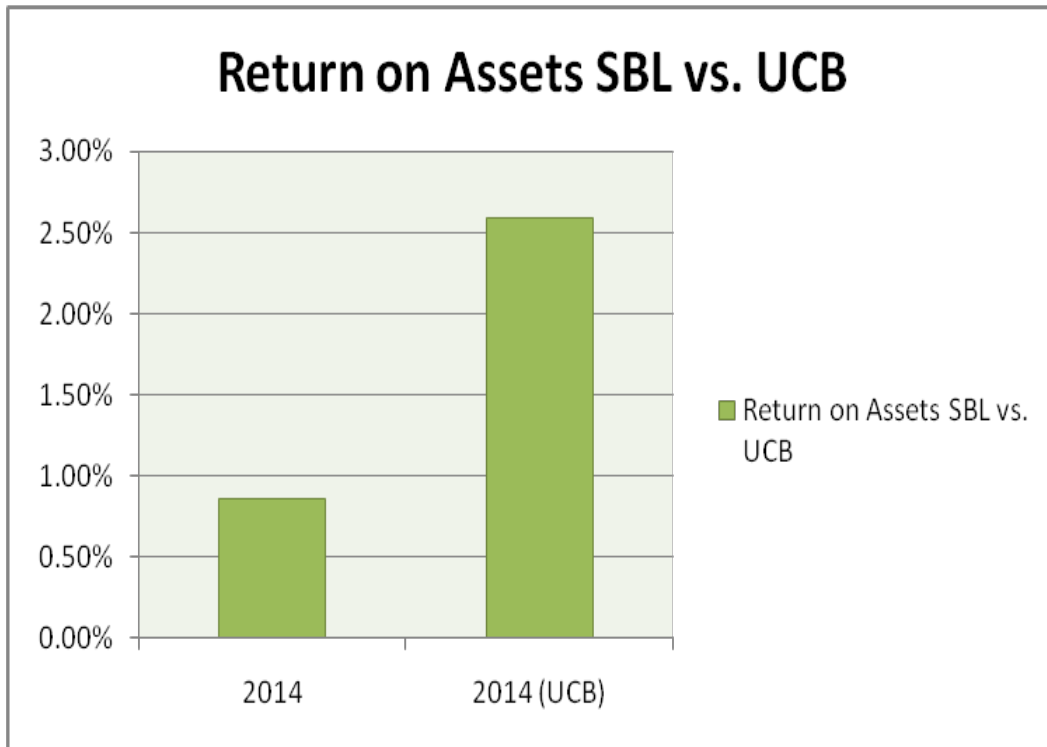
Compared to UCB bank (42.59%), SBL has a lower bank efficiency ratio (39.28%) in 2014 which is comparatively good because it means SBL is spending less than they are earning compared to UCB bank.

- **Return on Asset (ROA) –**



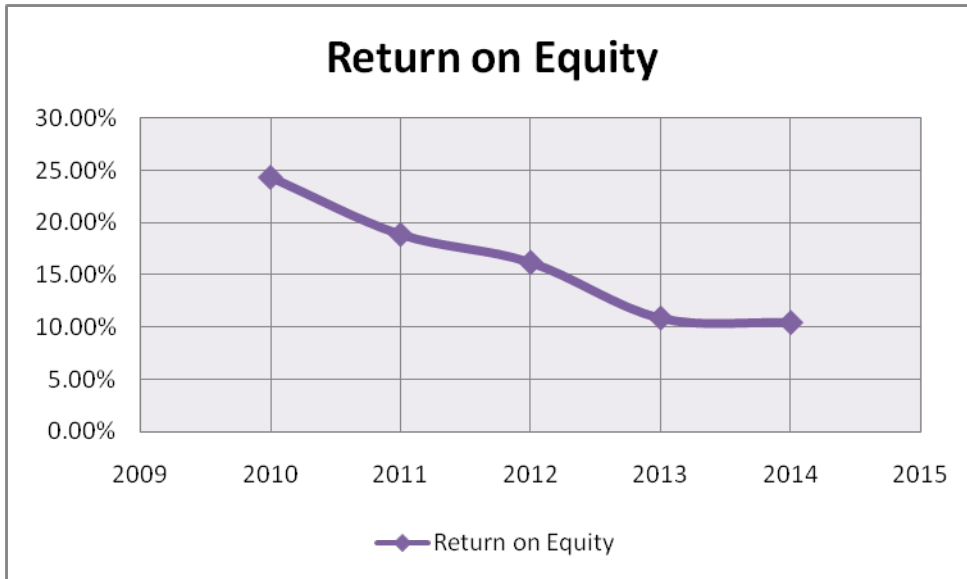
Interpretation:

Return on assets (ROA) is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. From 2010-14, SBL’s Return on Asset is decreasing continuously which indicates the company’s performance is not satisfactory.

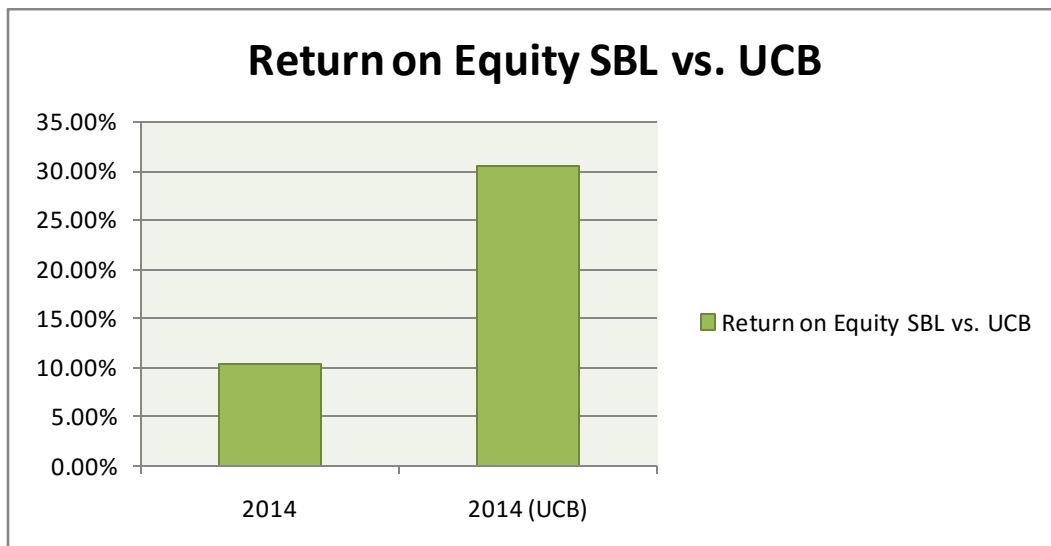


ROAs over 5% are generally considered good. In this case both UCB and SBL bank’s performance is not good. UCB (2.59%) is more profitable than SBL (0.85%) in the year 2014. UCB is generating more profit than SBL using their assets.

- **Return on Equity-**

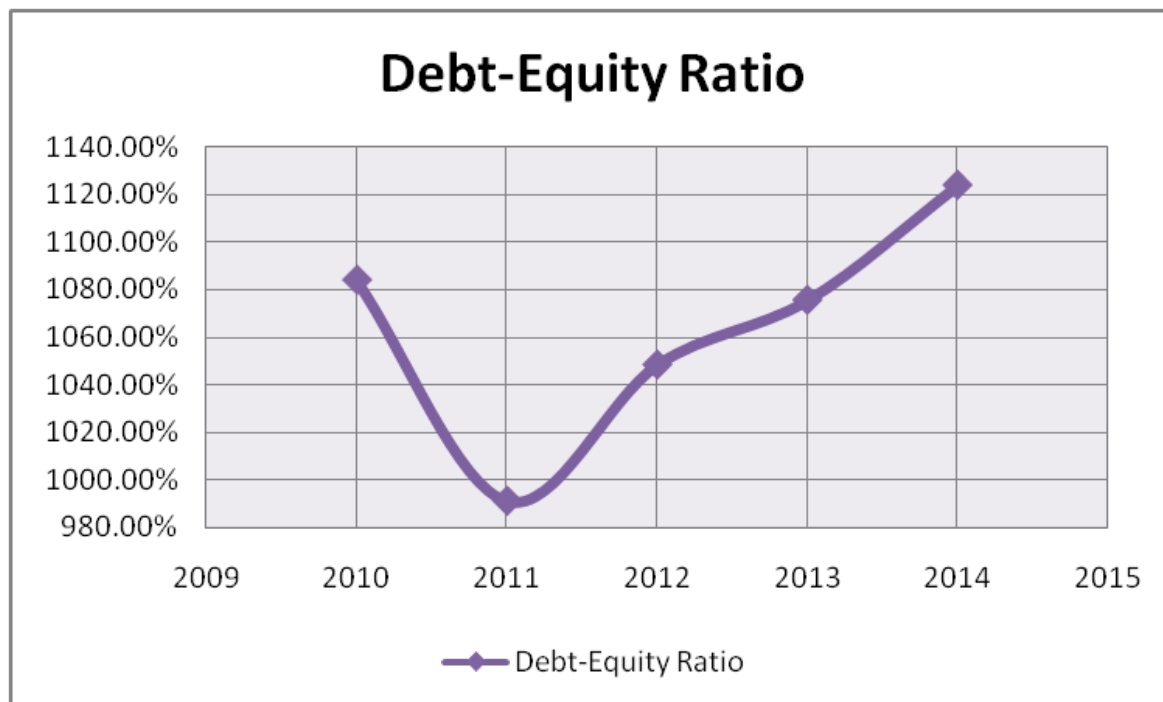


Return on equity (ROE) is the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. From 2010-2014, SBL's Return on equity is consistently decreasing which indicates that the performance of the firm is not satisfactory in any case because the higher growth companies have the higher ROE.



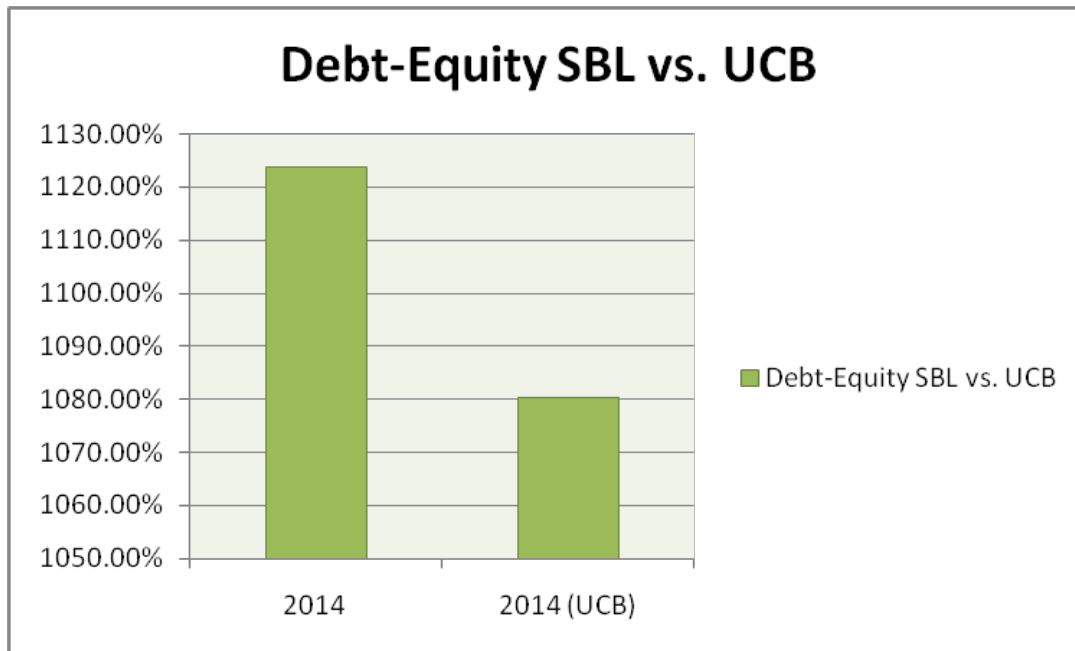
Comparing to UCB's ROE (30.54%), Standard Bank's (10.45%) ROE is much lower which indicates UCB generates more profit with the money shareholders invest than SBL in the year 2014.

- **Debt Equity Ratio-**



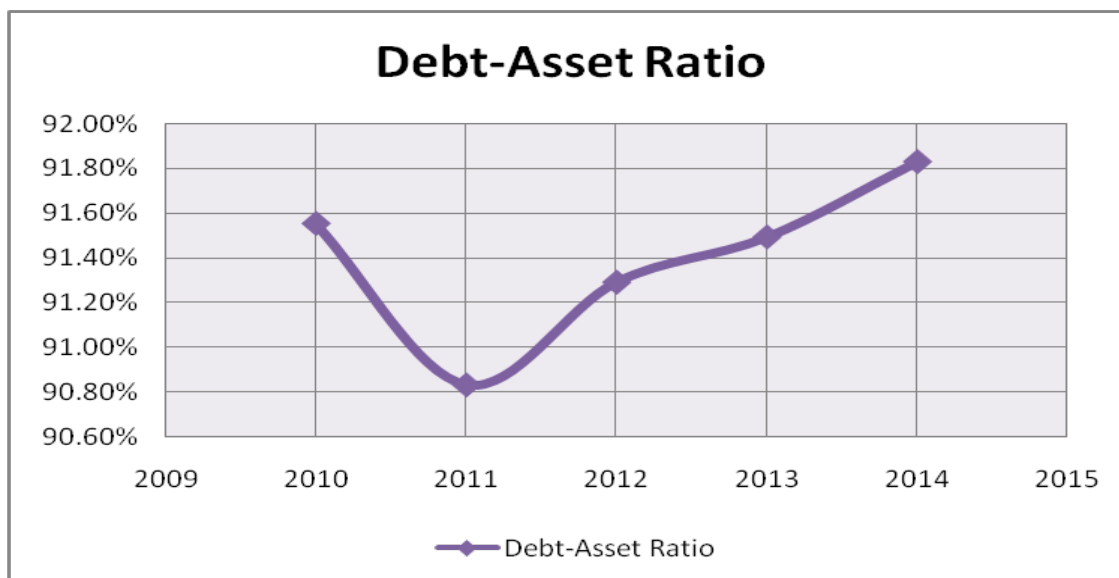
Interpretation:

Debt/Equity Ratio is a debt ratio used to measure a company's financial leverage, calculated by dividing a company's total liabilities by its stockholders' equity. The D/E ratio indicates how much debt a company is using to finance its assets relative to the amount of value represented in shareholders' equity. From the graph above we can see, from 2009-2014 SBL's D/E ratio was comparatively low from 2009-2012 but after 2012 it significantly increased from 1028.26% to 1123.84% till 2014 which indicates that SBL heavily depends on debt to finance its assets.



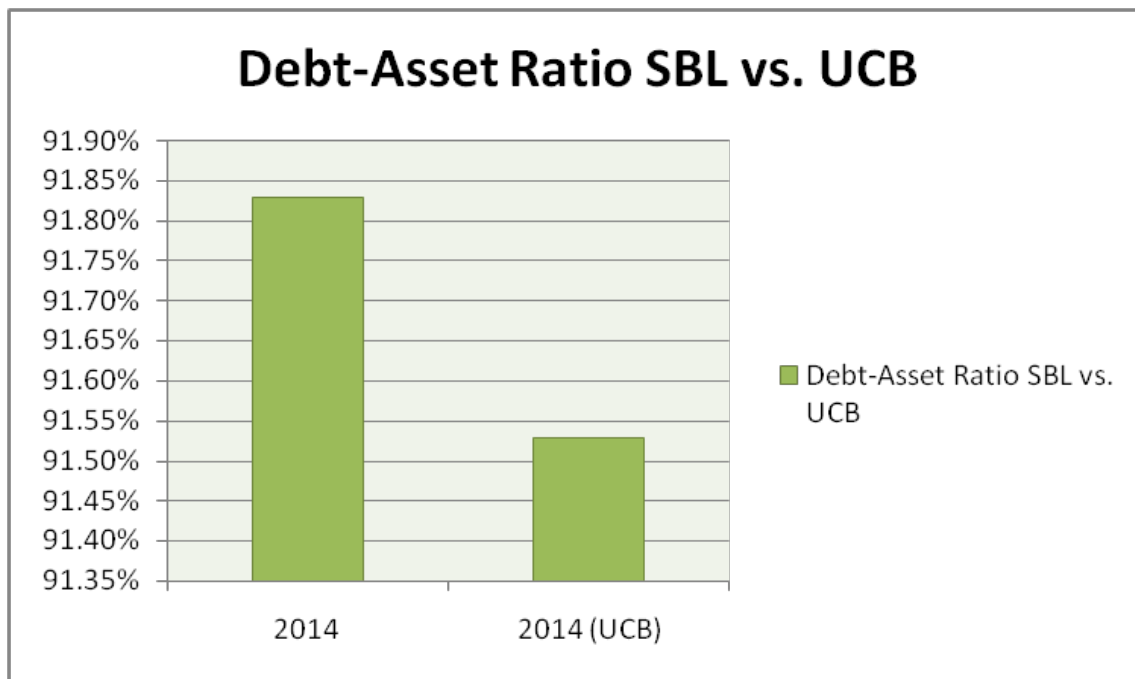
Comparing the 2014 data of both SBL and UCB, it is clear that UCB has the lower leverage than SBL in financing their assets using debt. However, the percentage is still very much high for the two banks and it indicate that they are taking high risks. A high debt/equity ratio generally means that a company has been aggressive in financing its growth with debt. Aggressive leveraging practices are often associated with high levels of risk. This may result in volatile earnings as a result of the additional interest expense.

- **Debt Asset Ratio-**



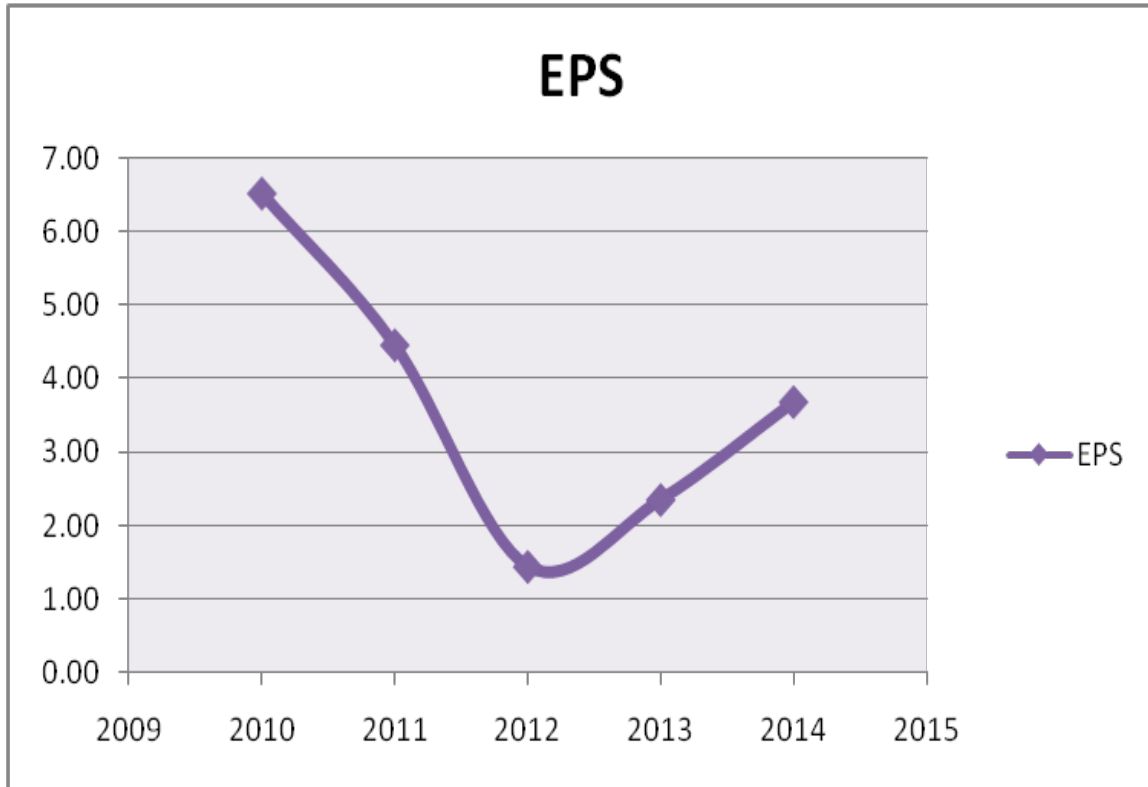
Interpretation:

Total debt to total assets is a leverage ratio that defines the total amount of debt relative to assets. This enables comparisons of leverage to be made across different companies. The higher the ratio, the higher the degree of leverage and consequently financial risk. From 2009-2011, SBL had a comparatively lower percentage of debt to asset ratio but after 2011 (90.83%), it is significantly increasing till 2014 (91.83%) which indicates that SBL is taking higher risks as well as higher leverage. This is a broad ratio that includes long-term and short term debt as well as all assets- tangible and intangible.



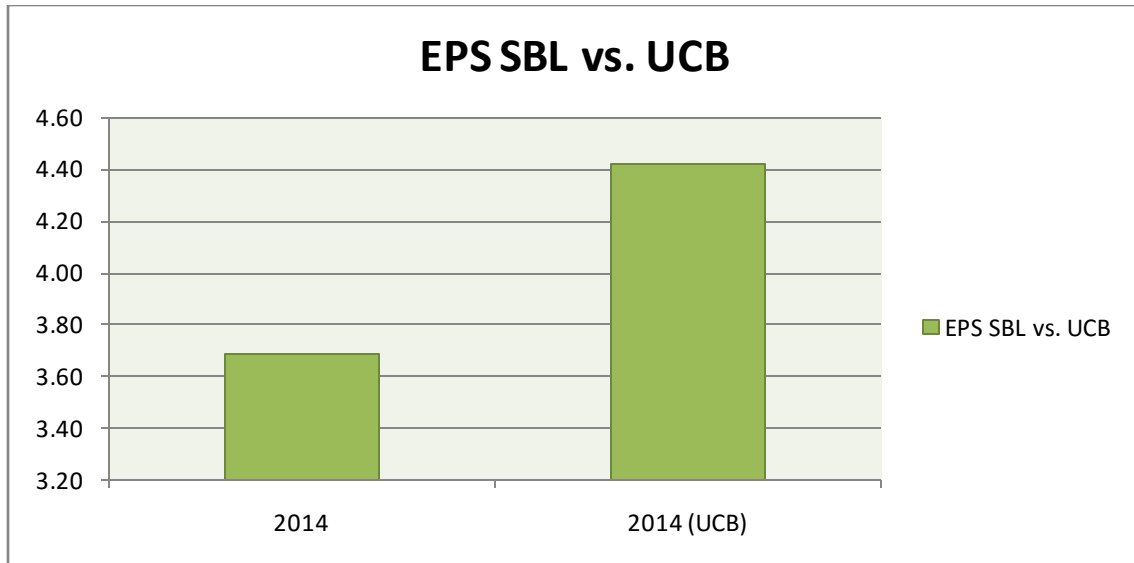
From the above graphical representation of 2014 data, it is clear that UCB has lower leverage than SBL which indicates that UCB (91.53%) is taking less risk and it can also be interpreted as the proportion of a company's assets that are financed by debt is lower than that of SBL's (91.83%).

- **Earnings Per Share-**



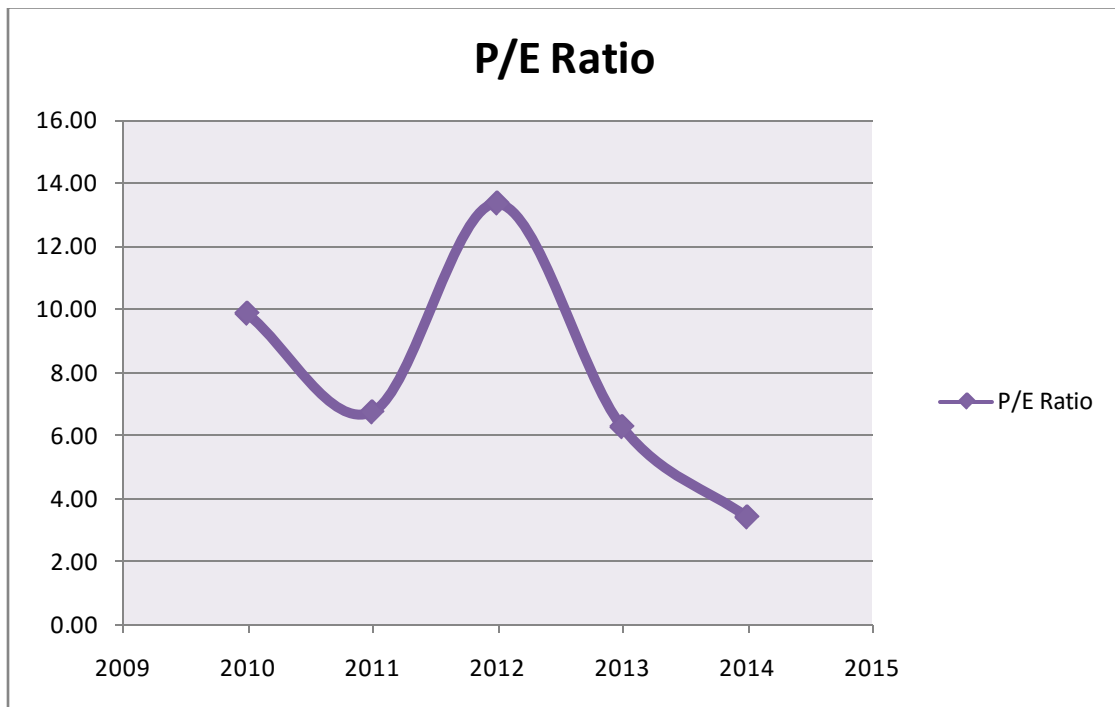
Interpretation:

Earnings per share (EPS) are the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability. In year of 2014, the common shareholders of SBL have earned 3.69 taka on every share they held and the graph also indicates that EPS of SBL has significantly decreased over the years (2009-2012). Although it has almost doubled from 2012 (1.69 taka) to 2014 (3.69 taka) but which is still not satisfactory.



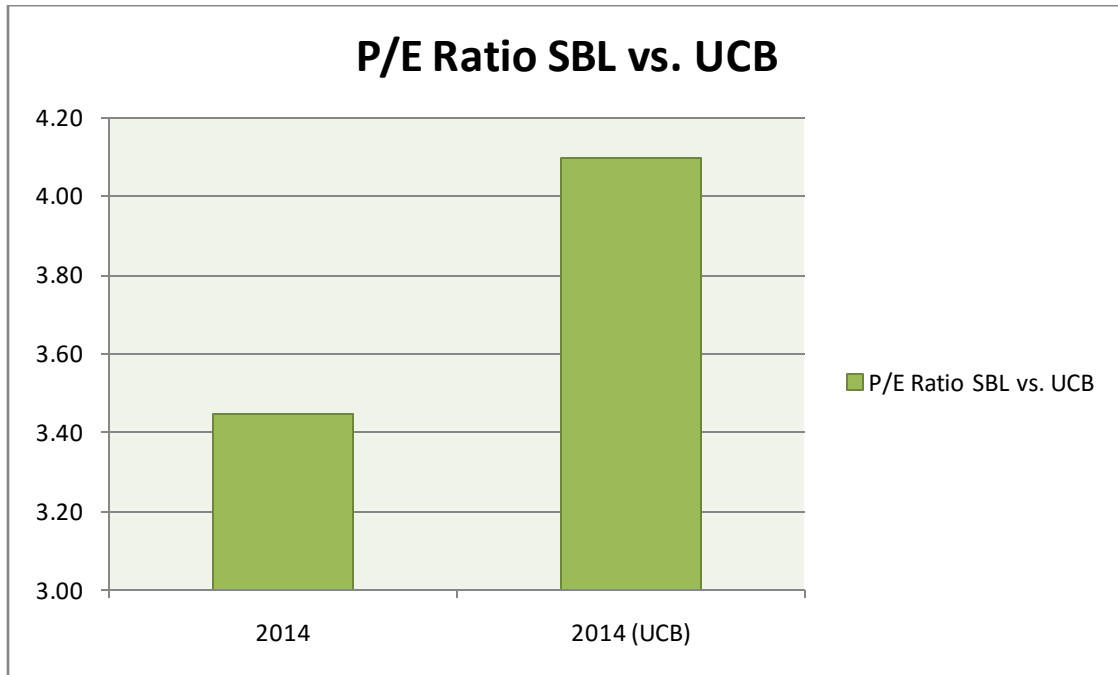
From the graph above it is clear that, UCB has higher EPS (4.42 taka) than SBL (3.69 taka) in 2014. Therefore, from the investor's point of view UCB has higher priority over SBL.

- **Price to Earnings Ratio (P/E)-**



Interpretation:

The price-earnings ratio (P/E Ratio) is the ratio for valuing a company that measures its current share price relative to its per-share earnings. In 2014, the common shareholders of SBL were willing to pay 3.45 taka for every taka of reported earnings.



In general, a high P/E suggests that investors are expecting higher earnings growth in the future compared to companies with a lower P/E. A low P/E can indicate either that a company may currently be undervalued or that the company is doing exceptionally well relative to its past trends. Hence, we can easily conclude that investors are expecting a higher earnings growth from UCB (4.10 taka) than SBL (3.69 taka) considering the above graphical representation of 2014 data.

3.6 Capital Structure of Standard Bank Ltd. affects market capitalization-

Hypothesis Test: A statistical hypothesis is a hypothesis that is testable on the basis of observing a process that is modeled via a set of random variables. To conduct a hypothesis test we need a null hypothesis and an alternative hypothesis. In the report I conducted the hypothesis testing through P-value approach. To get the results of P-value I did a regression analysis using MS Excel with the dependent and independent variables.

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.578961552
R Square	0.335196479
Adjusted R Square	0.2569843
Standard Error	3282068895
Observations	20

ANOVA

	df	SS	MS	F	Significance F
Regression	2	9.23316E+19	4.61658E+19	4.285732522	0.031109508
Residual	17	1.83124E+20	1.0772E+19		
Total	19	2.75455E+20			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-4.7634E+15	1.85323E+15	-2.570322178	0.019860776	-8.67338E+15	-8.53426E+14	-8.67338E+15	-8.53426E+14
% of Debt	4.7634E+15	1.85323E+15	2.5703164	0.019861013	8.53416E+14	8.67338E+15	8.53416E+14	8.67338E+15
% of Equity	4.76361E+15	1.85322E+15	2.570447688	0.019855636	8.53653E+14	8.67356E+15	8.53653E+14	8.67356E+15

Step-1: Hypothesis Test: Capital Structure of Standard Bank Ltd. affects market capitalization of the Bank.

Null Hypothesis: Capital Structure of Standard Bank Ltd. does not affect market capitalization.

Alternative Hypothesis: Capital Structure of Standard Bank Ltd. affects market capitalization.

Step-2: Here, I have used 5% level of significance. So, $\alpha = .05$

Step-3: To find p-value I have conducted a regression analysis. In my regression analysis I used market capitalization as a dependent variable and capital structure as independent variables. Capital structure of company consists of debt and equity, so both percentages of debt and percentages of equity considered as independent variables. As in my analysis there are more than one independent variables, so I did a multistep regression analysis using MS Excel. Through the regression analysis I have calculated p-value for both independent variables which are 0.019861 and 0.019856 respectively.

Step-4: From the understanding from research methodology we know that if p-value becomes greater than α then we have to accept the null hypothesis, otherwise if p-value becomes less than α then we have to reject null hypothesis. In my hypothesis test I have found that both of the p-values are less than $.05(\alpha)$ which are 0.19861 and .19856. So I have to reject null hypothesis.

Step-5: Decision: Capital Structure of Standard Bank Ltd. affects market capitalization.

3.7 Recommendation and Critical observation

Standard Bank Limited has been trying to operate its business successfully in Bangladesh since 1999. SBL has already developed an image of goodwill among its clientele by offering its excellent services. This success has resulted from dedication, commitment and dynamic leadership of its management over the periods. Nonetheless there are areas to improve in terms of financial and both service sector of SBL-

- SBL has a huge amount of debt outstanding which is very risky in terms of running business in a fast, changing and ever competitive environment.
- SBL's financial position in the banking sector is still very poor and need to improve rapidly because Bangladesh banking sector is dynamic.
- SBL's cash flows mainly from the Foreign exchange and remittance sector of the bank which also need some remodeling and technologically advanced
- SBL is highly dependent on debt in terms of financing their assets which indicates that any time it may slip up with the competitors.
- Share price and earnings per share is an important indicator of how efficiently a firm is running and it also catches the eyes of the potential investors. However SBL's both the share price and earnings per share is significantly low comparing to UCB or any other fast growing bank which needs to change by increasing their profits.
- SBL has very limited resource in terms of providing service which indicates that the customer base is also comparatively low than the other banks. Hence this situation can be improved by accommodating new employees in the workforce along with new cutting edge technology.

Conclusion

Standard bank limited is a new generation bank. It is committed to provide high quality financial service to contribute to the growth of G.D.P. of the country through simulation trade & commerce, accelerating the pace of industrialization, boosting up export, creating employment opportunity for the educated youth, poverty alleviation, raising standard of living of limited income group and overall sustainable socio-economic development of the country. It has a good reputation and brand value in the financial market. The customers are very much interested about various products and services which are provided by Standard Bank Limited. SBL deals with Customers of all classes, ages, etc. The bank's integrated Technical services make the customer's life easier. Day by day, Standard Bank Limited is increasing its services by adding different banking software. As a result the bank is now capable to give the services of International Standards to its potential customers. These services make Standard Bank Limited unique in the Banking business in the private sector of Bangladesh. However having so many shortcomings, Standard Bank has a good reputation in the banking sector for giving maximum service with in minimum timeline. Hence Standard Bank has a small but loyal customer base in the industry. On the other hand Standard Bank Ltd. is trying to cut their expenses in the recent years to thrive and generate more profits. In the end, it was a privilege and honour for me to work in such an esteemed organization and also within the boundaries of a very friendly corporate environment where i learned the value of punctuality and came to know a significant number of new business terms and policies. Standard Bank has provided me with a wide range of scope to learn and look for a better future in every aspect.

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Appendix

Ratios

Ratios							
Ratios	Formula	2010	2011	2012	2013	2014	2014 (UCB)
Net Interest Margin	Net Interest Income/Total Assets	2.59%	2.89%	2.48%	2.05%	2.52%	2.99%
Bank Efficiency Ratio	Non Interest Expenses/Net Operating Income	24.48%	29.28%	33.35%	36.97%	39.28%	42.59%
Return on Assests	Net Profit/Total Assets	2.06%	1.73%	1.41%	0.93%	0.85%	2.59%
Return on Equity	Net Profit/Average Common Shareholders Equity	24.34%	18.87%	16.20%	10.88%	10.45%	30.54%
Debt-Equity Ratio	Total Debt/Shareholders Equity	1083.92%	990.94%	1048.26%	1075.47%	1123.84%	1080.43%
Debt-Asset Ratio	Total Debt/Total Assets	91.55%	90.83%	91.29%	91.49%	91.83%	91.53%
EPS	(Net Profit After Tax-Preferred Dividend)/Number of share outstandings	6.53	4.46	1.44	2.35	3.69	4.42
P/E Ratio	Market Price per Share/EPS	9.89	6.77	13.37	6.30	3.45	4.10

Ratios			
Ratios	Formula	2010	2011
Net Interest Margin	Net Interest Income/Total Assets	1723765852/66596011627	2168192703/74953060140
Bank Efficiency Ratio	Non Interest Expenses/Net Operating Income	898200927/3669029462	1187761520/4056611544
Return on Assests	Net Profit/Total Assets	1369069153/66596011627	1296508643/74953060140
Return on Equity	Net Profit/Average Common Shareholders Equity	1369069154/5625055861	1296508644/6870527272
Debt-Equity Ratio	Total Debt/Shareholders Equity	60970955765/5625055861	68082482867/6870527272
Debt-Asset Ratio	Total Debt/Total Assets	60970955765/66596011627	68082482867/74953060140
EPS	(Net Profit After Tax-Preferred Dividend)/Number of share outstandings	(1369069154-0)/317290640	(1296508644-0)/406132030
P/E Ratio	Market Price per Share/EPS	64.6/6.5336	30.2/4.4627
Ratios	Formula	2012	2013
Net Interest Margin	Net Interest Income/Total Assets	2338103994/94369883502	2240056497/109191338940
Bank Efficiency Ratio	Non Interest Expenses/Net Operating Income	1500190645/4497868643	1864441274/5043593912
Return on Assests	Net Profit/Total Assets	1331251447/94369883502	1010981305/109191338940
Return on Equity	Net Profit/Average Common Shareholders Equity	1331251448/8218488641	1010981306/9289132447
Debt-Equity Ratio	Total Debt/Shareholders Equity	86151343325/8218488641	99902088424/9289132447
Debt-Asset Ratio	Total Debt/Total Assets	99902088424/94369883502	99902088424/109191338940
EPS	(Net Profit After Tax-Preferred Dividend)/Number of share outstandings	(1331251448-0)/487358436	(1010981306-0)/570209370
P/E Ratio	Market Price per Share/EPS	19.2/1.4359	14.8/2.3489
Ratios	Formula	2014	2014 (UCB)
Net Interest Margin	Net Interest Income/Total Assets	3004327297/119052188117	932598726/39128786504
Bank Efficiency Ratio	Non Interest Expenses/Net Operating Income	2229516252/5676450205	1284844620/2067127533
Return on Assests	Net Profit/Total Assets	1016344392/119052188117	453986871/39128786504
Return on Equity	Net Profit/Average Common Shareholders Equity	1016344393/9727721140	453986871/6946730196
Debt-Equity Ratio	Total Debt/Shareholders Equity	109324466977/9727721140	31997327096/6946730196
Debt-Asset Ratio	Total Debt/Total Assets	109324466977/119052188117	31997327096/39128786504
EPS	(Net Profit After Tax-Preferred Dividend)/Number of share outstandings	(1016344393-0)/570209370	(45398687-0)/2187667590
P/E Ratio	Market Price per Share/EPS	12.7/3.6856	17.3/4.22

Regression

Capital Structure					Price	Share	Market Capitalization
Year		% of Debt	% of Equity	Total			
2010	Q1	0.91	0.09	1.00	33.78	264,408,870.00	8,930,409,584.25
	Q2	0.92	0.08	1.00	44.83	317,290,640.00	14,222,552,938.00
	Q3	0.92	0.08	1.00	38.58	317,290,640.00	12,239,486,438.00
	Q4	0.92	0.08	1.00	64.60	317,290,640.00	20,496,975,344.00
2011	Q1	0.91	0.09	1.00	39.65	317,290,640.00	12,580,573,876.00
	Q2	0.92	0.08	1.00	32.75	406,132,030.00	13,300,823,982.50
	Q3	0.91	0.09	1.00	30.98	406,132,030.00	12,579,939,629.25
	Q4	0.91	0.09	1.00	30.20	406,132,030.00	12,265,187,306.00
2012	Q1	0.90	0.10	1.00	25.90	406,132,030.00	10,518,819,577.00
	Q2	0.91	0.09	1.00	20.70	487,358,436.00	10,088,319,625.20
	Q3	0.91	0.09	1.00	20.80	487,358,436.00	10,137,055,468.80
	Q4	0.91	0.09	1.00	19.20	487,358,436.00	9,357,281,971.20
2013	Q1	0.91	0.09	1.00	14.80	570,209,370.00	8,439,098,676.00
	Q2	0.91	0.09	1.00	16.30	570,209,370.00	9,294,412,731.00
	Q3	0.91	0.09	1.00	12.80	570,209,370.00	7,298,679,936.00
	Q4	0.91	0.09	1.00	14.80	570,209,370.00	8,439,098,676.00
2014	Q1	0.92	0.08	1.00	13.90	570,209,370.00	7,925,910,243.00
	Q2	0.92	0.08	1.00	11.30	570,209,370.00	6,443,365,881.00
	Q3	0.92	0.08	1.00	2.40	570,209,370.00	1,368,502,488.00
	Q4	0.92	0.08	1.00	12.70	570,209,370.00	7,241,658,999.00