Report On
An Analysis of Credit Operations Practices:
A Study on Dhaka Bank PLC with Comparison to Peer Second Generation Banks”

By

Abu Sufian Ahmed
21204198

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

BRAC Business School
BRAC University

Declaration

It is hereby declared that

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

Student's Full Name & Signature:

Abu Sufian Ahmed
21204198

Supervisor's Full Name & Signature:

Dr. Suman Paul Chowdhury
Associate Professor, BRAC Business School

Letter of Transmittal

January 09, 2026

Dr. Suman Paul Chowdhury

Associate Professor, BRAC Business School

BRAC University

Kha 224 Pragati Sarani, Merul, Badda

Dhaka 1212.

Subject: Submission of the internship report

Dear Sir,

It is my pleasure to submit my internship report titled 'An Analysis of Credit Operations Practices: A Study on Dhaka Bank PLC with Comparison to Peer Second Generation Banks' for your kind consideration.

I have attempted my best to finish the report with the essential data with BRAC University standards in mind for the Fall 2025 semester. I have represented the results found in this report and trust that it will meet the desires.

Sincerely yours,

____

Abu Sufian Ahmed

Student ID-21204198

BRAC Business School

BRAC University

Acknowledgment

"In the name of Allah, the most Gracious, the most Merciful."

The completion of my internship report is a reflection of my academic journey at BRAC University Business School, for which I am very thankful and very proud. This would not have been possible without the constant trust and belief my parents and my sister had on my capabilities and also it would not have been possible without the guidance and supervision of Dr. Suman Paul Chowdhury, sir, who provided me with the direction to perform this task, and I would also like to extend my sincere gratitude to Mohammad Alamgir Munshi, Senior Vice President and Branch manager of Dhaka Bank, and Kazi Al Amin, Vice President and Manager Operations. I would also like to express my appreciation and thanks to Mohammad Yusuf Harun, Principal Officer, Credit Department. I am very lucky to have Suman sir as my supervisor, whose work ethic and professionalism I observed while doing classes under him in my second semester, motivated me to pursue my major in accounting. Lastly, I would also like to thank every member and my colleagues from the Dhaka Bank, Dhanmondi Branch, for their assistance and patience.

Executive Summary

Dhaka Bank PLC is one of the leading financial organizations dedicated to delivering superior banking services to stimulate the growth of the economy and add value to shareholders. Through its establishment in 1995, Dhaka Bank PLC has developed to become a household name in the Bangladesh banking sector because of the broad selection of goods and services it provides to its diverse clientele. There is no rest in aiming at innovation and client satisfaction and hence, Dhaka Bank PLC strives to exceed expectations by launching groundbreaking technology and personal options. Our emphasis on corporate governance provides integrity, reliability, and moral behavior in everything that we do at our business operations. Long-term prosperity, risk aversion, and utility of assets are the pillars of the success of Dhaka Bank PLC that identifies the presence of balanced profitability. Our compliance with rules and the establishment of a strong capital base gives us the feeling of safety in response to the changing marketplace conditions. Dhaka Bank PLC as a commercial corporate social responsibility being bank participates in various programs to enhance the community, promote fair growth and social prosperity. Dhaka bank PLC is determined to deliver value to its stakeholders as financial environment in Bangladesh evolves and captures growth and innovation opportunities. We aspire to continue being one of the most successful financial institutions by creating intelligent partnerships and customer-first philosophy, allowing users and organizations to succeed in a marketplace that is highly globalized to date Dhaka Bank PLC is a successful, indeed a leading, financial commercial bank in Bangladesh, established in 1995 and headquartered in Dhaka.

Table of Contents

List of Figures

List of Acronyms

DBPLC	Dhaka Bank PLC
SOD	Secured Overdraft
EBL	Eastern Bank Limited
DBBL	Dutch Bangla Bank Limited
SEBL	South East Bank Limited
PLC	Public Limited Company
NCCB	National Credit and Commerce Bank
NPL	Non-Performing Loans
LDR	Loan to Deposit Ratio
ROE	Return on Equity
ROA	Return on Assets
ROI	Return on Investments
BB	Bangladesh Bank
LIM	Loan Against Imported Merchandise
LTR	Loan on Trust Receipt
CRAR	Credit to Risk Weighted Assets Ratio

Chapter 1: Overview of the internship

1. Introduction

As I reached towards the end of my academic journey as an undergraduate student at BRAC University under Bachelor of Business Administration, I was obligated to join an organization where I could gain some practical experience and benefit from an opportunity to apply my knowledge which I have amassed throughout my four yearlong academic journey. With the intention of getting accustomed to the working environment of a professional organization my aim was to become for observant and analytical about the operational activities of a financial institution. The purpose of this report is to help understand the operational activities of Dhaka Bank PLC and help visualize them.

1.1 Student Information

Name- Abu Sufian Ahmed

ID- 21024198

Program- Bachelors of Business Administration

Major- Accounting

Minor- Management Information System

1.2 Internship Duration, Organization and Department

Period: 3 months, 5th October, 2025 – 31st December, 2025

Company Name: Dhaka Bank PLC

Department: Credit Operations Department

Address: House 20, Road No 7, Dhanmondi R/A, Dhaka 1205

1.2.1 Internship Company Supervisor's Information

Name: Kazi Al Amin

Position: Vice President & Manager Operations

1.2.2 Job Scope

As an intern of DBPLC, I was under the supervision of the Manager of Operations, and for guidance and assistance, I had access to the Credit Department charge and Principal Officers, who provided me with guidance and instructions on fulfilling my duties and obligations. My internship and responsibilities were not limited to a specific department, as there was job rotation, which was under the supervision of the Branch Manager and the Senior Vice President. As a result, I had the privilege of working under all the departments of DBPLC Dhanmondi Branch. Some of my daily tasks as an intern are as follows

- Receiving and checking if the necessary documents for opening accounts for SOD, Credit Card, etc. The primary documents collected mainly consisted of NID, TIN certificate, Utility Bills, Salary Certificate, Visiting Card and Bank statements from other bank accounts. These documents are collected for personal loans and new SODs.
- I have also assisted in maintaining a logbook of all the documents that are collected by the bank for loan processing.
- I have also assisted customers in filling out the application forms and charge documents for the loans and SOD accounts. A vast majority of the loans created by DBPLC were mostly renewals and by customers who have a history with Dhaka Bank PLC
- I have also helped prepare letters that certify the solvency of the client for visa, tax, and audit purposes. I have also assisted in preparing papers for notifying clients about the submission of proper updated conduct for their existing car and personal loan accounts.

- I notified customers about the delivery of their debit cards and cheques after the creation of their accounts at DBPLC.

1.3 Internship Outcome

1.3.1 My contribution to the organization

The workload and responsibilities of employees at Dhaka Bank are very sensitive and time-bound. I tried to support the credit team with my limited knowledge and experience as best as I could. I tried to perform tasks that are very basic and mostly involve scanning, compiling, and filing documents at the request of my colleagues. My initial journey at DBPLC began at General Banking, where I provided support to my colleagues by getting signatures from the respective authorized signatories, and then, after my transfer to the credit department, I filled up documents with information collected from the NID, TIN, Utility Bills, and other documents in accordance with the checklist. I also spent some time putting my information on the register of Loan mortgage documents. My work began at 10 am and ended at 5 pm, but the regular working hours for employees were till 6 pm.

1.3.2 Benefits to the student

The internship experience provided me with real work experience and gave me an opportunity to observe how an organization conducts its operation with the highest level of professionalism while maintaining the human touch that a customer expects while receiving a service. My experience in the office made me interact more with people ranging from clients to employees of the bank, and my observation of the etiquette and code of conduct in a professional environment will remain with me for the rest of my professional life. The financial system in Bangladesh is vast, and my journey as an intern at Dhaka Bank PLC definitely helped improve my observation skills.

1.3.3 Problems faced during the internship

My internship journey was very insightful, and I received adequate support from my colleagues and bosses. However, my work was restricted to performing basic tasks, and although I tried to collect information from my colleagues due to their workload and time constraints, I might have missed some information. Employees communicated among themselves using jargon and banking terms, which sometimes created confusion. Lastly, I did not have access to the Cportal and DBcube, and the majority of the tasks in the bank are automated, which created some limitations for understanding the entire process.

1.3.4 Feedback and Recommendations

It would be beneficial for interns if they received any feedback and suggestions from the upper management regarding their performance. I believe this will work as guidance for them to become more sincere in the work they're performing as an intern. Moreover, the bank may work on developing a policy to provide interns with some exposure to the level of automated tasks performed through the software. Due to this limitation, I had to spend a good majority of my working time being idle and suffering from boredom. Lastly, many of the tasks performed are very menial and do not require much analytical skills, and assigning them tasks that require more skills can be motivating for the interns.

Chapter 2 Organization Part

2.1 Introduction

As Bangladesh entered a new millennium, the need for a better and sustainable economy became indispensable. Due to more liberal economic policies in the early 1990s, the financial sector experienced significant improvements and increased competitiveness as privately owned commercial banks began to enter the financial services sector. Dhaka Bank understood Bangladeshi people's proactive mindset and respect for tradition and customs, and hence, keeping these aspects in mind, began its journey as a public limited company on April 6, 1995, and began its commercial operations on July 5, 1995, following the Companies Act of 1994. Dhaka Bank paid its tribute to the rich history of Dhaka as a commercial hub from the Mughal Era to recent times, expressing it through marketing and promotional activities, organizational structure, and financial operations. Dhaka Bank became an industry player through its elaborate service distribution network, presence in ideal geographic locations, and sophisticated and prompt service, which helped the institution earn its place among the top commercial banks in Bangladesh.

In the year 2000, Dhaka Bank was listed on the Dhaka Stock Exchange and the Chittagong Stock Exchange. The organization quickly rose to prominence by establishing strong relationships with the commercial sector of Bangladesh through its wide network of branches and sub-branches, ATMs, ADMs, SME banking, and channels throughout the country. According to the 2024 financial report, DBPLC has over 1,263,238 Customer deposit accounts. This phenomenal growth was achieved through its 249 delivery centres and vibrant presence in 116 locations throughout the nation. These include 2 Islamic Banking Branches, 2 Offshore Banking Units, 3 SME Service Centres and 33 sub-branches, 85 ATMs, 8 ADMs, and 12 CRMs. The visionary mindset of an entrepreneur is reflected by DBPLC's entrance into the capital market through the creation of subsidiary companies named Dhaka Bank Securities Limited and Dhaka Investments Limited. With the presence of DBPLC in the heart of the nation, the institution aims to remain dedicated to earning greater returns for its shareholders and providing quality services to its customers.

2.2 Overview of the Company

2.2.1 About Dhaka Bank PLC

As the country saw economic growth in the early 1990s, a transition of Bangladesh from an agrarian rural society towards urbanization also took place. The economy opened up to the global market through rapid industrialization, global trade, influx of foreign remittance from Bangladeshi expats, importation and exportation of consumer goods and services, and development of the manufacturing and service sector led to the necessity of a reliable financial system. This necessity was not limited to the household but also reached the household, where the increase in disposable income and savings also led to a rise in middle-income earners in Bangladesh. These significant economic changes did not go unnoticed by a group of talented entrepreneurs and businessmen who responded by founding Dhaka Bank PLC on July 5, 1995. With an authorized capital of TK 1000 million in authorized funding and TK 100 million in paid-up capital, the bank stepped into the financial sector. As of June 2024, the Bank's total paid-up capital stood at TK 10,066 million and authorized capital of TK 20,000 million with a total equity of TK 22,038 million. The Bank is constantly expanding and, to match its growth 252 supply locations along with 2 Islamic Banking Branches, 2 Offshore Banking Units, 3 SME Service Centers and 33 sub-branches, 85 ATMs, 8 ADMs, and 12 CRMs is trying to provide seamless service with an excellent banking experience. The holistic approach of combining multiple services and banking through mobile banking is a true testament to their mission and vision.

2.2.2 Vision

Our vision is to ensure a standard that makes every Banking transaction a pleasurable experience. We endeavor to offer you supreme service through accuracy, reliability, timely delivery, cutting-edge technology, and tailored solutions for business needs, global reach in trade and commerce, and high yield on your investments.

2.2.3 Mission

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

2.2.4 Core values

The core values are the fundamental principles and guiding beliefs that dictate a company's corporate behavior and decision-making. The values possessed by Dhaka Bank PLC are mentioned below

- Customer Focus
- Integrity
- Quality
- Teamwork
- Respect for the individual
- Responsible Citizenship

2.2.5 Strategic objectives of Dhaka Bank PLC

To bridge the vision of an organization with actionable plans, strategic objectives are planned and implemented by Dhaka Bank PLC.

1.) Utilizing market price principles, legal framework, mission, and vision, Dhaka Bank is committed to transparent business practices with supreme quality.
2.) Consistency in providing innovative, efficient, and high-quality products and services with an excellent delivery system to ensure ultimate customer satisfaction.
3.) Increasing fair, equitable dividends and profit via quality business practices to secure the continuous expansion of the bank.
4.) Commitment to “Green and Clean” is considered a responsibility by the Bank as an ideal corporate citizen.
5.) Being a role model in providing substantial payment based on its human resources and investing in the welfare of the employees.
6.) Commitment towards fulfilling the obligations towards the government of Bangladesh by paying tax and VAT, and adhering to the regulations.

2.2.6 Products and services of Dhaka Bank PLC

Dhaka Bank has acknowledged that the needs of customers differ from one another; hence, for the last 30 years, the bank has tried to cater to the needs of its corporate clients by providing tailored solutions to foster fruitful business relationships. Dhaka Bank PLC has a wide range of products and services that include short-term financing for daily business operations, micro credit facilities for SMEs, syndicated loans, to long long-term project loans alongside ancillary services to boost greater business endeavors.

1. Project Finance: Massive industrial operations require financing, and this is done through project finance. Before providing these resources and services, the bank analyzes the rationale of the project, evaluates the viability, formulates plans, identifies potential risks, and designs probable solutions. Dhaka Bank also plays the role of supervising and oversight of the project in order to ensure compliance and provides advisory services to ensure successful returns.
2. Working Capital Finance: the industries require financial services to maintain smooth and sustainable operations, and Dhaka Bank's response to this requirement is met by products ranging from working capital finance, trade finance, loans against trust transcripts, etc.
3. Trade Finance- Dhaka Bank recognizes the importance of foreign trade and essential services. As a result, it has included trade finance services such as Letter of Credit (Advising and Transfer), Export and Bill Negotiation, Export Development Fund Loan, Import Finance, and Offshore Banking Unit Financing. To support this service, a comprehensive network of 19 authorized dealer (AD) branches, along with a central license that authorizes the non-AD branches to provide trade financing to the clients.
4. Cash management Solutions- Services such as payment and collection, salary/vendor payments, utility bill collection, managing IPO as Lead Banks, etc., are provided to facilitate corporate clients with a holistic product portfolio.

2.2.7 Organizational Structure of Dhaka Bank PLC

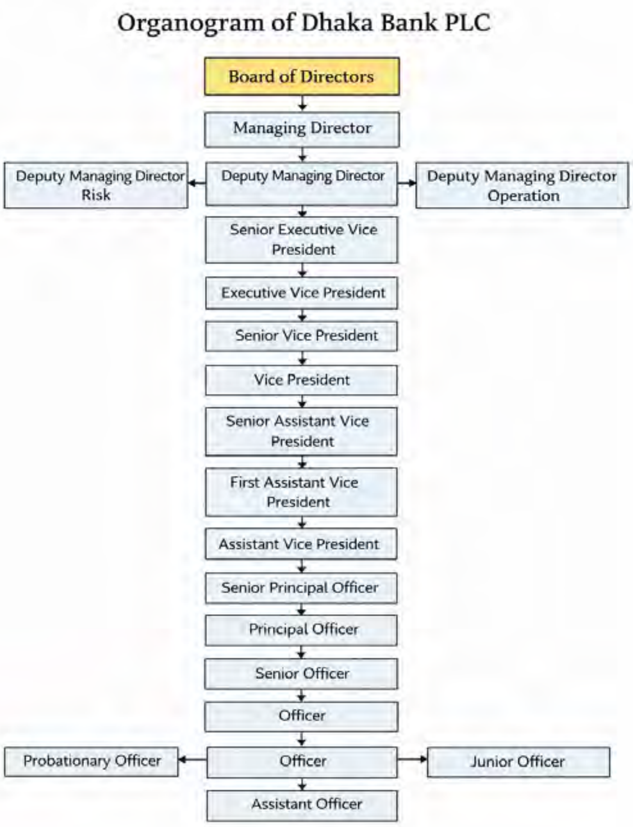

Figure 1 Organogram of Dhaka Bank PLC

2.3 Management Practices

The organization gives the credit for its ongoing journey as a successful bank to its workforce and acknowledges that the foundation for growth is a trained workforce. To better facilitate this necessity, DBPLC has a dedicated Training Institute established in 2000, along with a hostel for participants from outside Dhaka. Additionally, the bank offers generous perks and remuneration packages to its employees. A dedicated human resources and talent acquisition team is across the board for a well-functioning organization.

2.3.1 Leadership Approach

The leadership of DBPLC can be described as mentor leadership, where senior members of the management engage in guidance, mentoring, and creating an environment of learning and development for their subordinates. Leaders align themselves with the core values of the organization by directing their complete attention towards the needs of the customers. Leaders in DBPLC understand the importance of dynamic leadership and using their creativity, experience, and skills encourages better coordination between different departments and cooperative problem-solving efforts. Leaders in DBPLC also aim to instill the values of the organization on every member of the staff and appreciate when an employee uses their intrapreneurial skills while representing their organization. The leaders also put the importance of compliance and adherence to the rules and regulations of Bangladesh Bank's legal framework at the highest regard.

2.3.2 Recruitment and Selection Process

The human resource management team and cross-department team members work closely with each other whenever new job requirements arise and define job criteria before going forward with the hiring process. Bank's webpage, social media platforms, and career service portals of universities, etc., are used as vessels to publicize new job opportunities or circulars. After resume collection, the selection process begins, where applications are thoroughly examined based on qualifications, extracurricular skills, and other requirements according to the circular. After this initial sorting, the interview process begins, where applicants are called for interviews or, in other instances, they have to go through an examination process in order to gauge their level of knowledge. Lastly, applicants who journey through all the phases of recruitment receive a call for a final interview that determines the outcome of the entire recruitment process.

2.3.3 Compensation System

Dhaka Bank PLC has a well-organized plan for compensation that is enough to draw the attention of potential employees who might be interested in working for DBPLC. The package deal is prepared by being mindful of some important aspects, such as duty, abilities, job role, and industry benchmarking. Personnel may be entitled to a variety of benefits and compensation, along with their basic pay, based on their performance. The Bank prioritizes providing full disclosure about the salaries and wages and the standards applicable to employees. These practices allow DBPLC to maintain a pay structure that is relevant to the financial services industry of Bangladesh while giving them the ability to avoid any discrepancies that might harm the goodwill of the bank.

2.3.4 Initiatives for Training and Development

Dhaka Bank PLC has a dedicated training institute established in the 2000s to provide training to its human resources. The institution offers a variety of academic activities such as workshops, training courses, on-demand courses from different departments, divisions, or branches, industry experts hosting as trainers, regulatory compliance training, etc. Workshops are hosted to help employees get accustomed to green environment practices, energy saving, maintaining lower operational expenses, etc. Newly posted employees receive on-the-job training from their superiors and seniors, boosting a shallow learning curve for the newcomers.

2.3.5 Mechanisms of Performance Appraisals

Annual evaluation is conducted to better compare the effectiveness and efficiency of an employee in accordance to the standards set by the organization. Circular feedback is taken into consideration, which examines the input of consumers, job area, managers, and peers. The respective employees also participate in their own evaluation process while highlighting the feedback of the consumer with the highest regard. These processes are built to improve work ethics and discard unwanted behaviors.

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2.4 Marketing Practices

Dhaka Bank PLC uses a variety of methods and techniques to attract and retain the attention of its customer base by focusing on developing its brand name and increase the brand value by engaging in offline and online marketing activities as well as building partnerships with reputed brands in Bangladesh therefore increasing its goodwill in the market. Dhaka Bank has dedicated marketing teams continuously working on reaching the peak utilization of its marketing channels which is very crucial for commercial banks in Bangladesh which is highly competitive and rapidly modernizing. These changes in market dynamics motivated Dhaka Bank to incorporate most of the marketing platforms in order increase its footprint in the financial sector of Bangladesh and to work on securing its position as a market leader.

2.4.1 Marketing Strategies

Dhaka Bank's marketing strategies consist of using a broad network of media and connections in order to reach a wide range of customers from different segments of the population while winning over new customers from potential ones.

1.) DBPLC engages in surveys and the collection of data for its market research in order to identify potential customers and to focus its attention on them.
2.) DBPLC is regularly updating its product portfolio and financial services in accordance with the needs of the customers.
3.) DBPLC combines a variety of modes to reach prospective customers and enter new markets by creating awareness about the portfolio of services or products they offer.
4.) Dhaka Bank PLC also prioritizes word-of-mouth marketing by incorporating methods to ensure excellence in banking experience, which consequently diverts the attention of new customers towards DBPLC.

2.4.2 Target Audience, Market Positioning Strategy, and Targeting

The banking sector in Bangladesh is one of the most competitive service industries, with at least 31 commercial banks amongst a total of 62 banks. A majority of the commercial banks' deposits are from the low to middle-income earners who prefer to have FDR accounts in banks for a fixed income. Dhaka Bank PLC targets customers who are retired service holders, housewives, small businesses, certified professionals, etc. In addition to all these, the bank also provides products such as ShopnoJatra for students seeking higher education abroad. As a result, DBPLC boasts a diverse clientele that offers greater financial security to the banks. The Bank also has corporate clients who deposited a substantial amount of their assets with

DBPLC. The bank also provides Sharia-compliant financial products such as Tayyebah digital wallets and electronic transaction modes, making financial transactions more accessible.

2.4.3 Marketing Channels

The bank also committed towards delivering value to its customers by focusing on having a broad spectrum of media channels, which include advertisement, social media marketing, Search Engine Optimization, direct marketing, etc. To seize greater opportunities, Dhaka Bank is dedicated to having a marketing strategy that is aligned with the changing trends and needs of the market. Having an innovative approach with flexible dissemination marketing tools provides banks with opportunities to adjust or alter the marketing strategies with changing dynamics of market.

2.4.4 Development of new products and competitive pricing

Dhaka Bank PLC follows the seven stages of development of products and services before materializing any idea or plan. The steps begin with idea generation, idea modification, concept development and testing, market analysis, product development, market testing, and commercialization of the product by launching into the market. Development of ideas involves introducing novel approaches to enhance present goods and services, along with introducing new ones. The idea modification process involves determining which product has the potential of having the ability to sustain in the market. The development of the concept involves choosing an idea before creating a prototype of the selected product idea. After the prototyping of the product, marketing and development teams conduct an analysis of the market through market research. The product development begins after receiving the feedback from the marketing team, and this information is used in the prototype. The product journeys through the second phase of test marketing by being offered to specific segments of the market before full commercialization of the product.

2.4.5 Branding Initiatives

To increase the market presence of the organization, Dhaka Bank PLC conducts numerous branding efforts supported by the allocation of 5% of its revenue for advertisement and branding campaigns. The bank conducts the campaigns by starting advertising campaigns in social media ads, billboards, building custodians of the brand, and forming partnerships with reputed brands such as R&M to promote a lifestyle called R&M lifestyle. Dhaka Bank has also signed agreements and has standing MOUs with brands like Samsung, which allows unsecured electronic microloans known as eRin to be accessible to Samsung Android users. Additionally, the bank celebrated its 30th anniversary of providing excellence in banking. The bank's social media advertising saw a 30% increase over the past year.

2.4.6 Strategies for promotion and advertising

One of the main types of advertising employed by Dhaka Bank PLC is the usage of both digital and print media. In addition to this, Dhaka Bank PLC's official Facebook page ‘Dhaka Bank’, which has 625k followers, is used for reaching promotion and advertisement objectives. Moreover, Dhaka Bank routinely participates in career fairs to secure its position as one of the top brands in the market. The most recent one can be traced back to the Career fairs at BRAC University on 9th and IUBAT on 6th December 2025.

2.4.7 Key Marketing Drawbacks

Banks lose business even with their excellent service and goods that are offered. Poor advertising can lead to loss, and the fact that Dhaka Bank solely depends on social media sites such as Facebook, Instagram, or LinkedIn can lead to severe promotional drawbacks. It is very unlikely that all of their demographics of choice have a single interpersonal network, and as a result, they will not be able to fully utilize the different types of media; therefore, they're depriving themselves of valuable customers when they apply for adverts. Banks can entertain the needs of a variety of clients and leverage their selling points through proper utilization of numerous channels. Over the years, many banks in Bangladesh have conducted numerous marketing programs to create greater brand awareness.

However, Dhaka Bank PLC has distanced itself from emphasizing advertisement programs as much as other banks. In order to sustain in a highly regulated financial industry in Bangladesh, the bank needs to enhance its approaches to advertising or gain competitive advantages amongst its peers.

2.5 Financial Performance and Accounting Principle

2.5.1 Financial Performance

Dhaka Bank PLC's financial performance is demonstrated through various ratio analyses to indicate the performance of its fiscal year in comparison to other historical financial periods. The organization wants to retain the trust of its shareholders by showing how efficiently it utilizes assets and equity to generate substantial returns and offer value to the stakeholders. The bank also aims to maximize the wealth of its shareholders by using all the economic resources at its disposal.

Net Profit Margin- The bank's net profit margin was at 6.32% in the year 2022, and saw a marginal decline in the year 2023, and experienced a significant decline in net profits in the year 2024. These drastic changes can be attributed to a variety of factors, such as economic slowdown and contractionary policies by the government, as well as changes in revenue-generating tactics or greater retention of profits, etc. Understanding the underlying cause of these downturns is crucial for future trends of the organization.

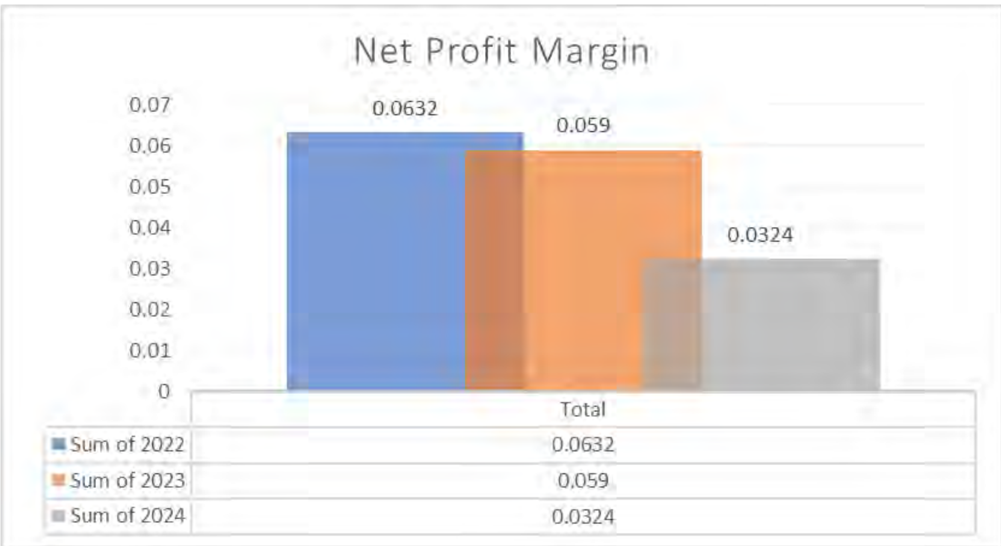


Figure 2 Net Profit Margin

Credit-to-Deposit Ratio - The credit-to-deposit ratio is an indicator of outstanding loans disbursed against the deposits held by the bank. The percentage was 87.38% in the year 2022, and fell to 84.34% in the fiscal year 2023, and 83.28% in the year 2024. These figures suggest that the bank is actively making an effort to minimize its loan exposure in the market in comparison to the deposits, as having a ratio below 80% suggests lower risk and prudence in the disbursement of loans, but also limits the ability of the bank to experience rapid growth and increased interest revenue.

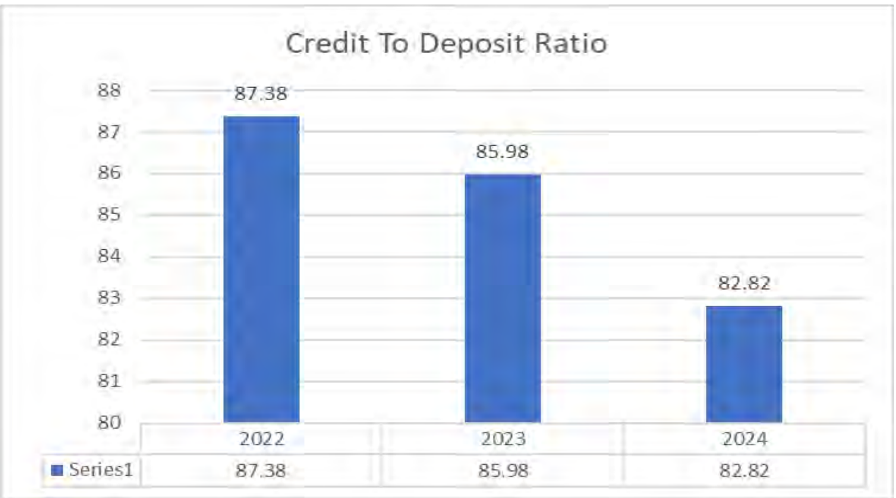
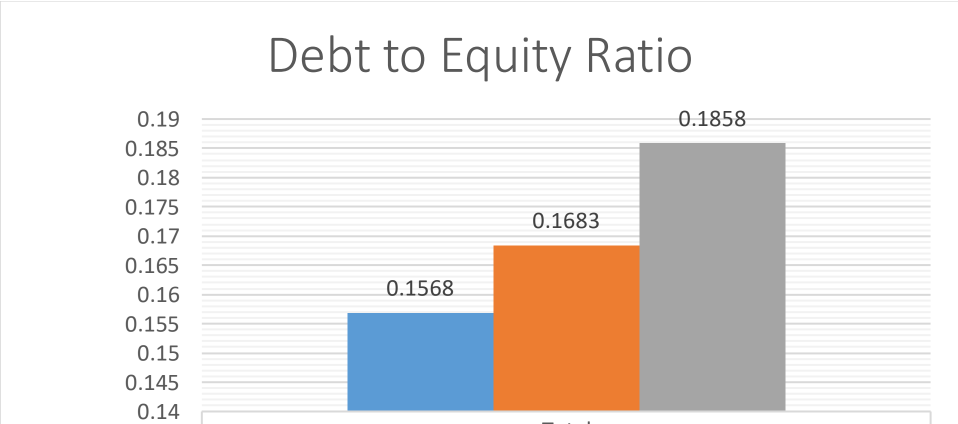


Figure 3 Credit to Deposit Ratio

Return on Assets- The return on assets of Dhaka Bank PLC saw a decline from 49% to 48% between the years 2022 to 2023 and experienced a drastic decline, where the ROA of 2024 stood at 31%. This 17% fall indicates that shareholders will receive 31TK return from every 100TK worth of assets they invested in. The organization needs to focus on finding the underlying issues that might have led to these changes and shifts, and modify the efficiency of the operations if necessary.

Figure 4 Return on Asset

Debt to Equity Ratio- The debt-to-equity ratio indicates a bank's reliance on debt to finance its operations, and a ratio above 10 indicates that the bank has the probability of earning a greater return and but is also at risk of big losses. DBPLCs ratio figure fell from 15.68% to 16.83% between the years 2022 and 2023, and increased to 18.58%. The increase indicates greater dependence on debt by the bank to finance its banking operations and as a result if the assets underperform, the bank will face liquidity crisis in the long run.



	Total
Sum of 2022	0.1568
Sum of 2023	0.1683
Sum of 2024	0.1858

Figure 5 Debt to Equity Ratio

Return on Equity- Over the previous three years, the bank's ROE changed from 8.09% in 2022 to 8.14% in 2023 and then to 5.71% 2024. A decline in ROE raises the complications of turning profit proportional to shareholders' equity. It is imperative to examine and identify the underlying issue to ensure greater productivity, revenue, and value towards shareholders in the near future.

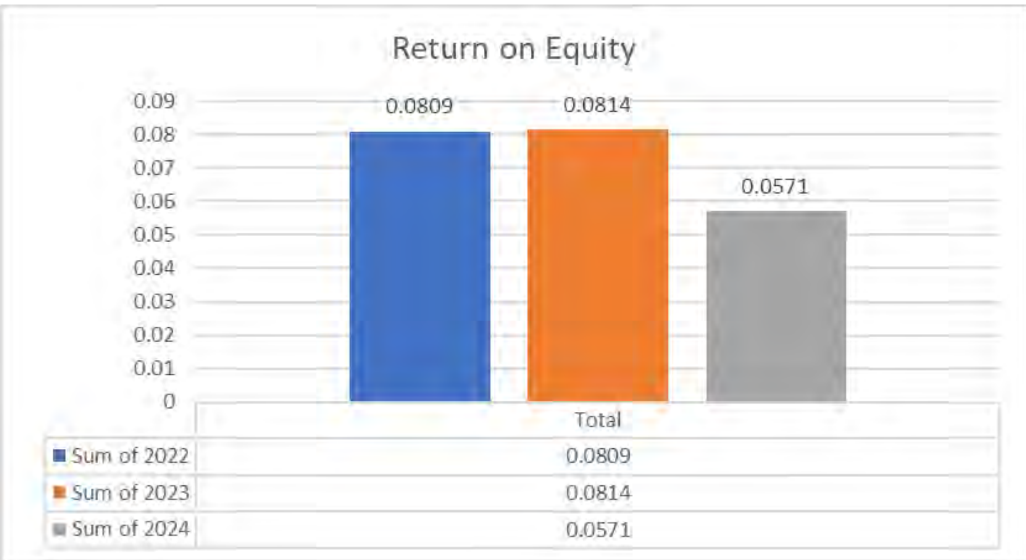


Figure 6 Return on Equity Ratio

2.5.2 Accounting Practices

The Bangladesh Bank is responsible for designing and implementing all the legal frameworks applicable to all the banks. Like every other bank, DBPLC has to comply with these regulations and abide by these rules. The International Financial Reporting Standard (IFRS) and International Accounting Standard (IAS) are the accepted standards of accounting by the Bangladesh Bank, and these are to be followed by DBPLC. As a result, the bank has to prepare a balance sheet, income statement, and statement of cash flows to record its transactions and display its financial performance.

The bank uses a double-entry bookkeeping system where each transaction is recorded twice, once as a credit and then as a debit. The bank also uses an accrual method for accounting, which involves recording income or expenses when they are incurred, regardless of the materialization of the transaction. This method allows the bank to receive a proper viewpoint of the company's present financial position. These records are annually audited by independent auditors in order to avoid conflict of interest and maintain accuracy and compliance with the regulations and legal norms. Dhaka Bank uses a straight-line depreciation method for the calculation and valuation of fixed assets. This method allocates a fixed sum as depreciation expense calculated by the distribution of the price of the asset across its useful life. Dhaka Bank PLC also follows the guidelines set by the Bangladesh Bank on recording transactions involving foreign currency. The balance of foreign currency is always converted into local currency for recording.

2.6 Operations Management and Information Systems

2.6.1 Operations Management

The operational leadership of the Bank is based on the shared belief that customer satisfaction comes first and customers will always have access to the operations manager as well as every other member of the staff. The job description clearly defines the roles of the employees but does not exclude them from performing tasks that require specific attention. Operations managers are responsible for combining information, resources, and manpower while maintaining compliance with the regulations daily and directly communicating with every member of the team to ensure greater output.

2.6.2 Information System

The data sharing policies and procedures apply to all the employees of the organization and involve everyone in managing information. There are two main software applications utilized by DBPLC. The corporate portals and Docudex are used by employees to perform most of the banking operations due to the simple setup process.

Dhaka Bank Corporate Portals

The majority of the financial products are services that are managed by DBPLc through this portal. This portal provides greater access to other kinds of software applications, securing connections with the interbank market and creating links with other service center operations.

Docudex Software

This software is the central file cabinet of the bank, where all the paperwork is recorded in order to lessen the burden of newspaper retention and reduce time spent on administrative tasks. All the employees of DBPLC have access to Docudex based on their individual requirements. Usage of this software ensures greater safety and security for handling documents and properly storing them.

2.7 Industry Analysis

2.7.1 Porter's Five Forces

Porter's Five Forces is a framework for analysis of an organization using an industry's competitive landscape. As the name suggests, five factors need to be taken into account in order to perform the analysis.

2.7.2 Threat of new entrants

The Bangladeshi financial sector is a lucrative market for investments, especially in the banking sector. The market saw significant growth as more organizations are adopting electronic banking due to its easy accessibility. Bangladesh Bank, as a regulatory authority also ensured greater competitiveness by granting registration under the 1991 Business Act. Moreover, not only businesses but consumers are adopting banking channels for easy transfer of money, and the MFS applications such as Bkash, Nagad, and Upay are also widely used by people from every spectrum of society.

2.7.3 Bargaining power of customers

In the Bangladeshi financial sector, consumers have greater negotiating power over the Bank due to competitors offering mostly similar products and services. Especially in the commercial banks, it is much easier for a customer to switch from one bank to another due to any kind of dissatisfaction. As a result, banks will have to maintain the quality of the service and product.

2.7.4 Suppliers bargaining power

The supplier's bargaining power is insignificant, as there are numerous suppliers ranging from software service providers to stationery. The bank, as a customer, has a greater incentive to switch to better alternatives.

2.7.5 Threat of substitution

The entrance of MFS and their gradual capture of a greater market share drastically put banks' attempts towards providing under constant pressure. The adoption of these mobile finance services is forcing banks to invest greater amounts of resources and time in the digitalisation of their own mobile apps, but it does not guarantee any concrete return on investment.

2.7.6 Competitive Rivalry

The banking sector of Bangladesh is very competitive, and the market conditions are very volatile. The sector experienced a transformation due to technology and digitalization, making it extremely difficult for rival banks to distinguish themselves from each other.

2.8 Concluding Remarks

- Dhaka Bank can focus on reducing its carbon footprint by cutting the amount of paper the employees use and installing tools that help detect wastage of electricity. These practices will lead the organization towards becoming an ideal green bank and improve the bank's standing in the industry.
- DBPLC may also adopt a combination of social media platforms for its digital marketing and utilize SEO to increase its presence in the market. These practices will ensure greater output from the marketing campaigns launched by the organization.
- Dhaka Bank may also focus on hosting workshops, seminars, or campaigns that create greater awareness amongst consumers regarding the avoidance of fraudulent financial activities. These campaigns will create a positive image amongst potential and current customers of Dhaka Bank as a responsible corporate citizen.
- Dhaka Bank PLC may also adopt policies that routinely evaluate the workflow stages and procedures, and help the management identify unnecessary steps that can be avoided to ensure excellence in banking, which are part of the mission and vision of the bank.

Dhaka Bank is constantly evolving while remaining true to its values and traditions. Their drive towards constant improvement and seeking the best, and providing a supreme financial experience to the customers is one of the unique features of the bank. Like every other great institution, regardless of the core products delivered by them, if Dhaka Bank PLC remains diligent, sincere, and open towards accepting the best policies, then the bank as a financial institution will prosper regardless of the rough terrain of the banking industry.

Chapter 3 Analysis of Credit Operations of Dhaka Bank PLC

3.1 Introduction

Dhaka Bank PLC is one of the most essential parts of the bank's financial activities, enabling it to extend into the numerous sectors of Bangladesh. Performing within the legal framework of Bangladesh Bank, DBPLC works diligently to evaluate the creditworthiness of a client and manages the risks associated with it. Request for credit services from the Bank is examined thoroughly by the credit department with a strong approach to minimize risks. The credit department is responsible for overseeing the disbursement of loans and operates within the internal rules and legal boundaries of the organization. The department is responsible for assessing the actual value of the securities marked as lien while monitoring the activities of the borrower in order to minimize the risk of loan defaults. Banks' role as an intermediary is to distribute loanable assets collected from the deposits and distribute them to borrowers in need of credit support. The surplus between interest earned and interest paid is the primary component of the bank's revenue stream; hence, the role of the credit department in Dhaka Bank PLC is more of a gatekeeper that facilitates the growth of the organization by safeguarding the bank's assets by ensuring loans and sound investments. In order to heighten operational efficiency, the credit department works closely with all the departments of the bank, which gives the benefit of avoiding repetition of steps. Dedicated central processing centers ensure smooth credit operation. To bolster the profitability of the bank, the credit department has extended its lending portfolio through the inclusion of products exposed to a range of sectors and businesses. In addition, over the years, the credit department nurtured a relationship of mutual understanding and trust with its customers by providing tailored financial services, creating the opportunity for project expansion. As a result, the department helped the organization establish itself as an institution that is dependable and trustworthy while being dedicated to operating within the legal framework.

Dhaka Bank PLC's credit unit is essential for its growth and strength as an institution of finance. By seeking the information from government publications, journals and business this research was conducted to identify the procedures and difficulties of the credit department of Dhaka Bank PLC. A credit card is a required device in our lives.

In all day-to-day life, as it is stated in the article, the number of Credit card issuances grows at a faster pace, 2023. In 2022, bank credit cards were distributed faster than they were in 2021 as more. Customers were willing to utilize electronic financial benefits, and the value of being free of charge. borrowing for up to 1.5 months. By the previous week's figures. This last increased the number of credit card creations to 2.82 lakh in the Bangladesh Bank, the highest in four years. year, which increased by 15% compared to 1.93 lakh in 2021, and due to this yearly increase, as of December 2022, this increased to. The country also provided 21.15 lakh credit cards to consumers ("Credit card issuance grows at faster rate). pace," 2023). Nevertheless, an imminent liquidity crisis is signaled by the increasing level of imports and growth. loan demand. Institutions will run out of liquidity, according to many of the higher-ups. Due to an increase in trade borrowing and an increase in demand for commercial loans, activity is stabilized in reaction to the downturn in the coronavirus pandemic. Excess liquidity on the side of the economy has been extremely high as of June, though the upward trend continues.

3.1.1 Objectives of the Study

- To understand the varying interest rates based on the types of loans and overdrafts, the collateral held against the loan is a lien.
- Understanding the workflow and procedures of the credit department
- To better understand the credit process of the bank
- To provide some insights for Dhaka Bank PLC's credit operations.
- Performing a comparative analysis of the credit operations of Dhaka Bank PLC with peer second-generation commercial banks in Bangladesh.
- To highlight the findings of the analysis and identify the causes of the differences in results.

3.1.2 Scope of Study

The report aims to study and investigate the details of the organization, which includes the management of its human resources and operations, financial recording and accounting principles, marketing strategies, and the portfolio of financial services and products offered by the bank. The study will also attempt to highlight and cover the credit management and evaluation, assessment, and disbursement processes of the lending operations and perform a comparison with peer second-generation banks to visualize the performance of the bank.

3.1.3 Significance of the study

In 2024, Dhaka Bank PLC proved to be a vital part of core banking operations and continued to exemplify its effective risk management and assessment capabilities. 2024 has been a turbulent year for Bangladesh due to economic slowdown and political volatility, and these factors have been devastating for the financial sector of Bangladesh. Credit units of banks can stand out amongst the competitors through facilitating the supply of lending operations and proper handling of credit-related complications. Dhaka Bank PLC's credit units' rigorous process for evaluating performance that emphasized objective criteria, thorough documentation, and a structured and transparent process enabled the protection of the bank's assets and minimized its exposure to risks. The procedures of the credit department ensured greater profitability as the assessment helped ensure the reliability of the borrowers and minimized risks derived from NPL. As of now, Dhaka Bank PLC's NPL rate is below 8.6% whereas the industry average is 36%. The appraisal methods helped the bank establish itself in a position that helped gain the trust and confidence of the customers, shareholders, and regulators due to the bank's emphasis on transparency and accountability. Moreover, the systematic approach to portfolio management, which consisted of tracking and diversification, helped reduce possible losses and gain profits. The importance of the credit department ultimately rested on its capacity to handle risks through good risk control methods while being mindful of the bank's objective of growth.

3.2 Methodology

The methodology used for conducting the study included the collection of information from primary and secondary data. For primary data, I gathered data by working closely with the credit department of Dhaka Bank PLC and maintained a journal that contained my observations of the credit operations process and the bank's risk management to limit risk exposure. For secondary data, I relied on data collected from internal sources such as Dhaka Bank PLC's annual report and DBPLC's website. For external data, I looked at Annual Statements and reports of peer banks as well as journals, newspapers, and articles.

3.3 Operational Activities Analysis of the Credit Department of DBPLC

3.3.1 Functions of the Credit Department

When it comes to commercial banks, the primary source of revenue is interest earned from loans disbursed. Before allowing to provide credit facilities, a bank investigates if the client fulfills the 5Cs of credit. Character, capacity, capital, conditions, and collateral. A client's character signifies his or her willingness to repay his or her obligations towards the bank. Capacity is the financial ability to utilize the loan to achieve their financial goals. Capital is the ability to repay the loan without disrupting the basic needs of human beings. Conditions indicate coming to a mutual agreement, and lastly, collateral is the security provided by the client against which the loan will be disbursed. The other responsibilities of the credit department are the proper monitoring of the usage of the loans, collection and adjustments of installments and interests, and communication with the client, therefore creating a bridge between the client and the bank while also maintaining compliance with the rules and regulations of BB.

The credit department is aware of the fact that loan disbursed is an asset for the bank; as a result, taking adequate precautions before disbursements is crucial, as failure of loan repayment by customers will reduce the profitability and efficiency of the bank. The credit department's acceptance of the possibility of unfavorable consequences is what motivates them to ensure proper documentation is provided by the loan applicant, which is then verified in order for the next procedures. The loan applications are selected for further evaluation based on the Credit Information Bureau report of the client, and if the report shows positive results, then securities are collected for the establishment of a lien and the conditions for approval. The next process is the maintenance of charged documents for audit purposes and for the Bangladesh Bank.

3.3.2 Loan Account Opening and Activation

Every customer has to have a "Link Account" at any bank branch, and using the "Loan Advance Module," a connection is created between the "Client ID No" and "Link Account Info" while creating a "Loan Account" against a loan application. Before disbursing the funds, the operations department verifies that all the necessary fees for loan review, documentation fee, insurance premiums, and VAT are repaid by the borrower, and vouchers for those payments are provided by the responsible department. A lender with the authority to sanction a loan amount sets the limit and creates a repayment schedule. The loan account is then activated by the designated employer following approval. Further details regarding collaterals are posted in the software and assets operations department completes the collaterals guarantor form.

3.3.3 Credit policy of Dhaka Bank PLC

Having a strict policy regarding credit facilities diminishes the chances of Non-Performing Loans, but it also reduces net interest revenue and profits. Whereas having a lenient credit policy also creates the probability of high-risk high high-return. The policy creates a roadmap for all kinds of loans and overdrafts, and for Dhaka Bank PLC, the basic goals are to sanction adequate loan assets to ensure revenue and income and to retain adequate securities in order to minimize risk.

3.3.4 Types of Loans and Overdrafts

A loan is a sum of money borrowed from the Bank with the assurance and agreement of repayment of the principal amount, along with the interest charged over a predetermined period of time. Loans can be categorized into two types: secured and unsecured loans. Under these two types of loans, a variety of loans and advances are offered by Dhaka Bank PLC as mentioned below.

Personal loan - A Personal loan is a product of the Retail Banking Division and falls under the term loan, designed for customers who require financial resources for their consumption purposes. The repayments of the loan are completed following EMI or equated monthly installments in order to reduce financial burden on the clients. The term length is between 12 to 48 months, and anyone with a monthly income of 10000Tk gross income can apply for a personal loan. The sanction limit can range from BDT 25,000 to BDT 2000,000. Borrower eligibility includes private service holders, certified professionals such as doctors, engineers, businessmen, etc. The interest applied on personal loan is 15% and in case of loans taken against DPS, FDR, SDS, the loan amount is 90% of the instrument, and there is a 3% spread between the interest rate paid by the bank and the interest received by the borrower against the instrument that has been marked lien for the loan.

Car loan- Usage of private transportation has increased in Bangladesh due to economic growth over the last few decades, leading to higher disposable income and demand for private transportation. Dhaka Bank PLC has car loans in its product portfolio and offers loans of up to 60% to 70% against the car with an authorized ceiling of 60 Lac BDT. The repayment schedule for reconditioned cars is between 12 months to 60 months, and for brand new cars, the loan term is 72 months. The car is jointly owned by the bank and the borrower until the repayment for the loan through EMI is completed.

Home loan- Dhaka Bank also provides home loans for aspiring owners who would like to purchase apartments as their residence, and the borrower would have to pay 30% of the value of the property as a down payment, and the bank will finance 70% of the amount of the apartment to cover its acquisition cost, with the authorized ceiling of 2 crore BDT. The borrower will have to bear the cost of insurance, registration fee, etc., and the EMI cannot be greater than 50% of the income earned by the borrower. The interest rate charged for the loan is 13% and the processing fee for loans of 50Lac BDT is 0.50% or 15000 BDT, and for approved loan amounts above 50 Lac BDT is 0.30% or 20000 BDT; in either case, the lowest figure will be charged.

SME Loan- Dhaka Bank has always been at the forefront of SME financing, having seen the growth potential of the sector. The bank worked closely with external partners such as the World Bank, USAID, IFC, and SEDF to assist SMEs in assessing the companies and generating the required papers. SMEs have to go through an evaluation process where the organization has to have an operational history of more than two years and show good credit reports as well as financial reports that indicate their performance level. The bank will offer loans to these organizations for their growth and expansion with a favorable interest rate and repayment length of 12 months.

Overdraft - An overdraft is a short-term contract secured between a bank and a client where the bank allows a credit limit for the customer to use in excess of the balance in their current account. This facility is usually provided with or without securities and has a term length of 12 months. After the expiry of the overdraft contract can be renewed after all the dues are cleared. The interest charged on the OD account is on the amount withdrawn and not against the amount authorized.

Secured Overdrafts offered have an authorized limit of 90% of the lien amount, whereas unsecured overdraft has a limit of 50000 BDT to 10 Lac BDT based on the income of the individual.

Import and Export Financing - An arrangement between the bank and a business where financial arrangements are made for the importation of goods or products by a business from abroad. This can be performed in three ways, which include:

Payments against Documents (PAD): Payments against documents refer to a post-import. credit option where the bank makes repayment against papers to the importer. That the importer receives when delivery of goods is affected, as in the case of the bill of delivery, allowing the importer to get the items under administration. With this approach, the importers can defer the repayment until the time the items have been purchased. Flexibility in managing cash flow and ensuring that the supplier gets paid on time.

Loans against Imported Merchandise- Merchandise securities on a margin on their landed value may be admitted as security loans on commodities imported and acquired via a bank. Before clearance of the goods, the branch will acquire a contract of indemenation from the buyer via the LIM account, which is obligated to them. The authorized clearing agency of Dhaka Bank will handle clearing.

Export Finance- A financial service known as export finance companies provides financial services in order to export goods and services overseas.

This financial service can be used both at pre-shipment and post-shipment of the product. Dhaka Bank PLC offers exporters short-term loans to assist with the cost of packaging, processing, purchasing, storage, and other expenses for temporary usage, mainly the transportation of the product from the factory or warehouse to the port area. The bank calls this service packaging credit. Whereas there's another financial service that involves banks providing a letter of credit to suppliers, where the letter of credit the supplier received from the customer is used as collateral for the process known as Back-to-Back L/C. This type of service boosts international trade and commerce as Dhaka Bank has, over the years, developed an expertise by facilitating this service for its export customers. These two services fall under the category of pre-shipment.

On the post shipment part, an exporter submits required documents such as (Certificate of Original, Packing List, Bill of Lading, and Commercial Invoice, etc.) provided by the importer to Dhaka Bank as their negotiating bank. The bank verifies the documents and Letter of Credit and credits the amount to the exporter's account, and then sends the documents to the importer's bank for the settlement of the account. Lastly, the exporter purchases an export bill during the post shipment process, where Dhaka Bank finances the exporter with short-term credit to enable the exporter to take advantage of Foreign Bill Purchase. Under the authorization of the Head Office, the branch bank settles the amount in BDT equivalent to the foreign currency.

3.3.5 Credit Risk Grading and Assessment

The businesses applying for loans will receive a grading that is done by Dhaka Bank based on its expertise in assessing the risks associated with loans. Credit assessment is completed following the guidelines outlined in the policy, where Dhaka Bank performs a thorough credit Risk evaluation before any disbursement of loans. The entire assessment and grading process is automated, and the bank is adopting an accepting procedure, reporting, and risk scoring in accordance with the Product Program Guidelines.

Credit Assessment	It is conducted in accordance to the Lending Guideline along with the documents collected under Product Program Guidelines, allowing the bank to go through its risk evaluation process.
Risk Grading	Bank uses expert opinions and its own expertise based previous performance, generates a risk grading structure especially for SME Loans.

Rejection Database	A rejection database is maintained based on the poor track history of the clients which provides the bank information required for further sanctioning of loan.
Automation	The credit division has automated its operations and progressively adopting the acceptance procedure, risk scoring, rejection database.

3.3.6 The Operations of Giving a Loan

3.3.6.1 Loan Sanctioning Activities

The procedure of creating a loan account involves three main parties. The loan issuing branch, the head office, and Bangladesh Bank are the three parties that are involved in the whole process. When a borrower requests a loan, it gets approved by the branch, and a sanction letter is created, along with other required documents are forwarded to the assets operation department along with the processing fee paid by the customer. Once the loan gets approved by the asset operations department, the funding request is sent to the Head office, where the respective department heads sanction a repayment schedule and notify the asset operations department and unit office for the disbursement of the loan.

The entire process of loan sanctioning can be divided into parts where a Chief Risk Officer, who is responsible for Risk Management of the entire organization, conducts surveys to detect for evaluation of the loan amount. These data are later used for discussion with the borrower and for settling on the terms and conditions. The CRO is also responsible for assessing the data provided by the borrower regarding instruments and assets of the borrower held as collateral. The CRO is also responsible for gathering sensitive information about the borrower, such as the borrower's payment history, the transaction behaviors of the borrower with its customers, and the financial obligations of the borrower with other banks. The CRO, after collecting, evaluating, and processing the confidential data regarding the borrower, moves forward with the loan by lending the money to the client through an account that has a short notice deposit, which will be used by Dhaka Bank to disburse the loan. The CRO also collects the CIB form from the borrower and often assists the customer in filling up the form at their request, provided there is a possibility of asymmetric information. The completed CIB form is then forwarded to the Bangladesh Bank for loan approval, and then receives the report based on the information provided by the borrower to the bank.

The CIB report interpretation

The report displays the credit history of the loan applicant, which can be divided into five categories:

- **NIL**- The term NIL signifies that the borrower has not had any borrowing agreement with any financial institution or bank.
- **UC-** Unclassified or UC signifies that the borrower has an unsecured borrowing agreement with a financial institution other than a bank, and the payment is between 0 to 5.99
- **SS-** Substandard signifies the borrower's credit history with a financial institution like a bank, with payment between 6 and 11.99.
- **DF-** Doubtful signifies that the borrower has a credit history with banks or other financial institutions, and the payment is between 12- 17.99

- **BL**- Bad Loss signifies that the customer has a loan facility with any financial organization and the payment is past due for above 18 months. According to this report, the bank should not disburse any more loans to the applicant.

Disbursement Activities

After obtaining all the documents, they are compiled into lending files for examination by the Credit Administrative Department for further processing of finding any discrepancies on the charge documents. This process is very important as any incorrect or missing information can lead to legal complications. Then further documents from the asset operations department and the loan units which then receive a reference number that is specific to the loan account. Prior documents are also presented by the asset operations department as the loan account is created using prior information.

The subsequent process begins after the documents are examined by the asset operations department based on the completion of forms and the collection of the documents in accordance with the checklist.

After this process, the details about the client based on their client ID and client profile are generated by the AOD, and in the event of renewal of loans same details are used, but a new Client ID is generated. The files are forwarded to the senior personnel of the branch units, who review the information and then activate the loan account that is finally disbursed to the clients' short notice account or, in particular instances, accounts of their choice.

After the disbursement of the funds from the bank's account to the borrower's account, the information is forwarded to the operations unit of Dhaka Bank, which puts an entry on the information system of the bank, and dispatches the document to the Central archive of the bank.

3.4 The Comparative Analysis of Dhaka Bank

3.4.1 Comparison of Credit Operations with peer 2nd generation Banks

The performance of a well-functioning credit and lending system of a bank determines the growth and profitability of the bank. For a better judgment of the performance of Dhaka Bank PLC with other Banks, a comparative analysis using ratio values is performed that will function as indicators for the overall efficiency and effectiveness of the credit operations of the Bank. The analysis is performed between five peer second-generation commercial banks - Dhaka Bank PLC, Eastern Bank Limited (EBL), National Commerce and Credit Bank PLC (NCC), Prime Bank Limited, and Southeast Bank Limited (SEBL).

1st Generation Bank	Banks that started operations before 1990s during the era of nationalization of banking sector in Bangladesh
2nd Generation Bank	Commercial banks that began their journey between 1990s to 2000s during the liberalization of the sector.
3rd Generation Bank	Banks that began their operations after 2000s and are more advanced tech focused.

3.4.2 Capital Adequacy

Capital to Risk-Weighted Assets Ratio

Capital to Risk-Weighted Assets Ratio refers to the total available capital as a percentage of risk-weighted assets the bank possesses. According to BASEL III, every bank must have a CRAR of 10% or above, and the comparison shows Prime Bank has the highest consolidated CRAR ratio, standing at 17.37% for the year 2024. Having a high score signifies greater protection of customer deposits and efficiency at providing loan assets to borrowers. The capital used to calculate CRAR can be divided into two tiers: Tier 1, which includes common equity, and Tier 2, which involves general provisions and subordinated debt. Dhaka Bank's performance is above average but insignificant to Prime Bank PLC, which increases Dhaka Bank's exposure to risks, especially during a poor economic environment. During unfavorable economic conditions, Prime Bank will be in a better position to cover its liabilities in comparison to DBPLC.

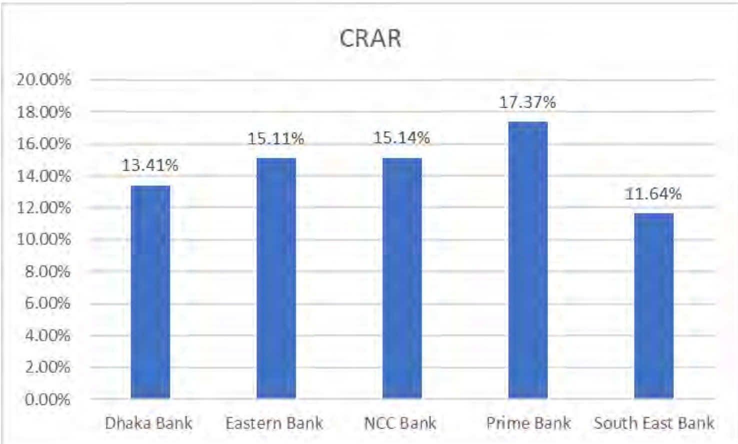


Figure 7 Capital to Risk-Weighted Ratio

3.4.3 Assets Quality of DBPLC

Classified Loans

Classified loans are the outstanding loans that are considered with risks associated with uncertainty or delay in repayment due to the financial decline of the borrowers. This categorization can be further divided into 3 sub-categories depending on the outstanding period of the loan. Dhaka Bank's Classified loans are the second highest amongst the five banks, and having a higher classified loan amount will significantly reduce the profitability of the bank, as the Bank will have to create provisions to cover the losses due to loans becoming bad losses.

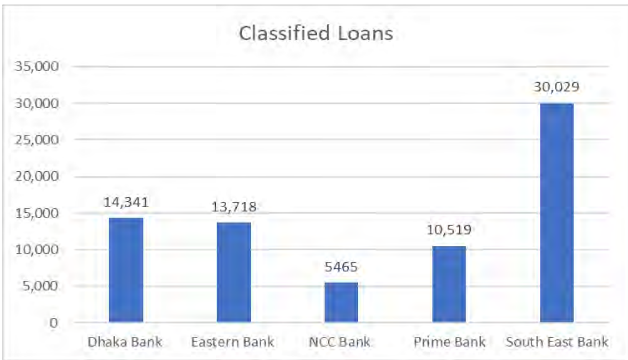


Figure 8 Classified Loan

Non-Performing Loan

Non-performing loans are a percentage of the total amount of loan assets of the Bank. Non-performing loans are associated with those loans that have become risky and are considered substandard loans. Having a high level of NPL suggests inefficiency in evaluating, processing, supervising, and monitoring the flow of loanable funds disbursed by the bank. Dhaka Bank's NPL percentage is well below the rate of NPL set by Bangladesh Bank; however, it is the third highest in comparison to SEBL and Prime Bank. Meaning Dhaka Bank will have to create greater provisions for its non-performing loans to cover losses.

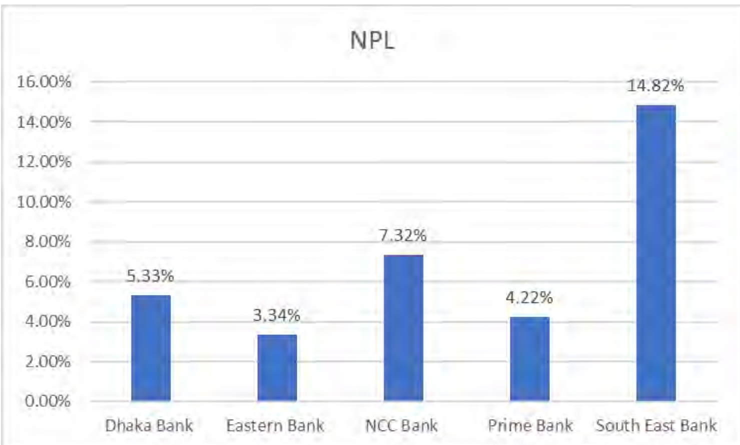


Figure 9 Non-Performing Loans

Debt to Equity Ratio

The Debt-to-Equity ratio is an important indicator of the debt in comparison to equity that a bank uses to finance its operations. Dhaka Bank's debt-to-equity ratio is 18.58% which is the highest amongst all banks used for analysis. A significantly high debt to equity ratio indicates that the bank's operations are dependent a lot on debt instead of equity to finance its operations and increases the risk exposure of the bank.

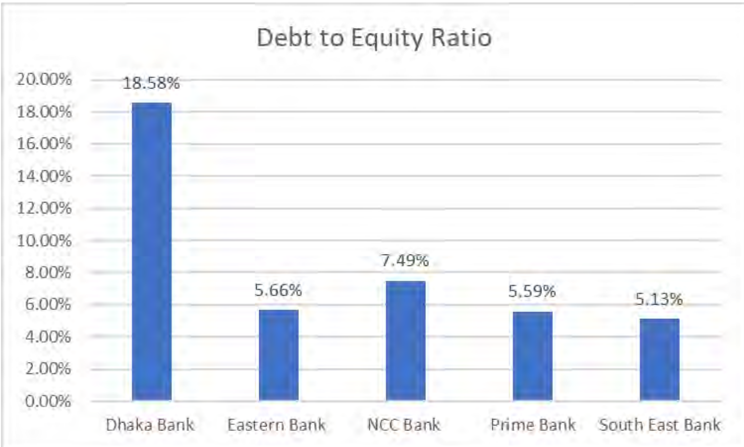


Figure 10 Debt to Equity Ratio

3.3.5 Earnings Ability

Net Interest Margin

Net interest margin is the difference between income revenue earned from loan assets and income expense paid to depositors and is divided by average assets. A higher net interest margin is an indicator of better profitability as the organization is earning more on its assets than it is paying for its liabilities. A healthy NIM is above 3% or 4%. Dhaka Bank's NIM is at 3.90% which is average.

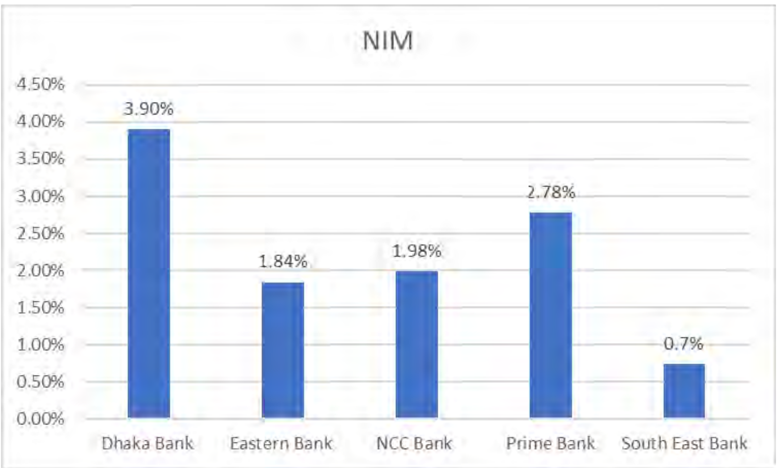


Figure 11 Net Interest Margin

Return on Assets

A Return on Assets measures the efficiency of a bank in generating profit by using its assets (loans, investments). Dhaka Bank's ROA is significantly lower than EBL and Prime Bank, meaning Dhaka Bank is less efficient at utilizing its assets. In the long run, a poor ROA or anything below 1% or 2% will push the organization towards financial distress and disrupt growth.

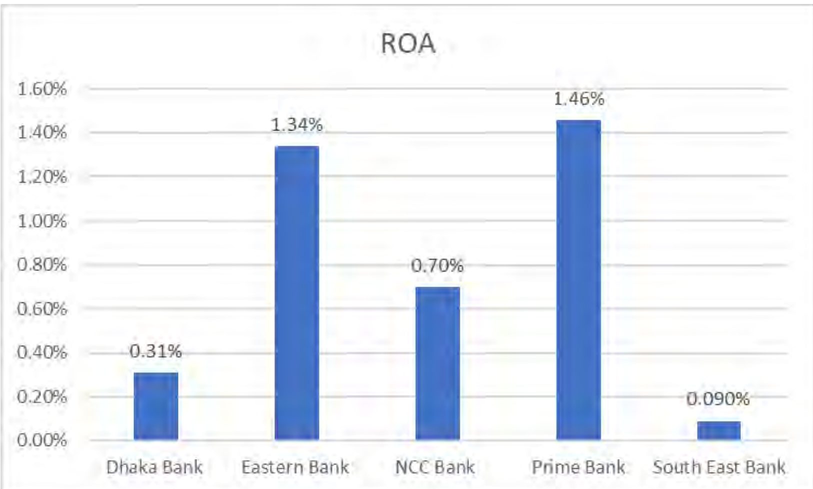


Figure 12 Return on Assets

Net Profit Margin

Net profit margin is the percentage of revenue after expenses, tax, and interest are deducted. A higher profit margin is a healthy indicator of profitable operations and represents efficiency and financial strength. Dhaka Bank's NPM is 3.24% which represents that Dhaka Bank earns 3.24 BDT for every 100 BDT worth of sale or service provided. Dhaka Bank's NPM in comparison to EBL and Prime Bank is significantly low, and a low margin is an indicator of higher operating and administrative expenses in comparison to revenue earned.

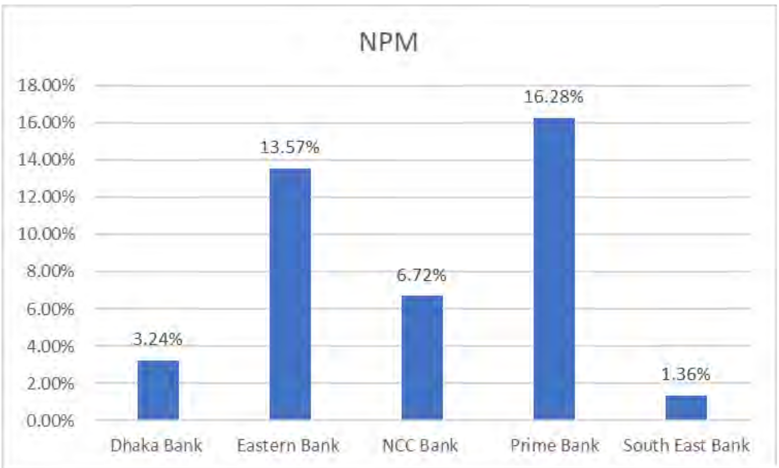


Figure 13 Net Profit Margin

Return on Equity

Return on Equity is an important indicator of profitability and a bank's efficiency in utilizing the equity of shareholders by providing a return. A higher ROE signifies greater return of equity to shareholders and financial health of the bank, limiting its exposure and increasing its solvency against risk. Dhaka Bank's ROE is at 5.71%, meaning that in the event of any unforeseen risks or economic crisis, EBL will benefit from more financial strength.

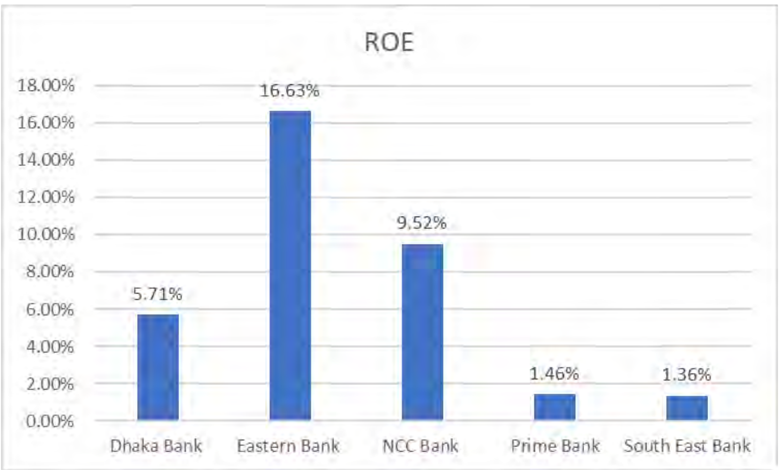


Figure 14 Return on Equity

3.3.6 Liquidity Ratio

Loan to Deposit Ratio

It is the ratio computing the percentage of loans disbursed against the level of deposits at hand. Dhaka Bank has an LDR ratio of 82.82% which is well above the level set by Bangladesh Bank, which is 80%. The figures signify that Prime Bank has disbursed 82 TK worth of loans against 100 TK worth of deposits. Having a low LDR is associated with prudence in providing credit and signifies a better liquidity position.

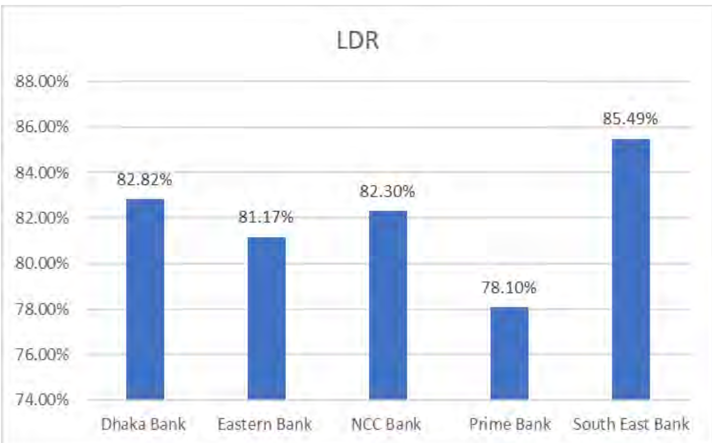


Figure 15 Loan to Deposit Ratio

3.3.7 Findings

Founded in 1995 as a second-generation private commercial bank, Dhaka Bank PLC has been struggling to stay competitive against peers such as Eastern Bank Limited (EBL), National Credit and Commerce Bank Limited (NCCBL), Prime Bank Limited, and Southeast Bank Limited (SEBL). The operations of these private entities regulated by Bangladesh Bank, are dynamic in an environment marked by economic turbulence, including high inflation, political instability and sluggish growth in FY2024-25 (Centre for Policy Dialogue, 2025). Although peers have been resilient in terms of enhanced profitability and quality of assets, metrics of Dhaka Bank shows under-performance driven by elevated non-performing loans (NPLs), diminished returns, and operational inefficiencies.

The primary reason behind Dhaka Bank's lag is its deteriorating asset quality, indicated by a higher NPL ratio relative to its competitions. In 2024, the NPL ratio of Dhaka bank increased to 5.33% as compared to 4.88% in 2023, leading to higher provisioning at the expense of eroded profits (Dhaka Bank PLC, 2025). Conversely, EBL recorded a lower NPL of 3.34% compared to 3.10%, allowing for better risk management and lower provisions (Eastern Bank PLC, 2025). Prime Bank ranked at the fourth place among the best of NPL management and third position in the overall ranking in 2024 bank evaluations (Bonik Barta, 2025). NCCBL and SEBL also performed better in terms of asset quality, with NCCBL being on top of the good health section of the Bangladesh Bank, unlike the moderately (yellow zone) position of Dhaka Bank (Dhaka Tribune, 2024). The high NPLs of Dhaka Bank are related to its exposure to the stricken sectors, such as garments and real estate, during economic downturns, restricting lending expansion and raising credit risk (Hossain, 2020).

Worsening this, Dhaka Bank has faced a subdued profitability as indicated by the declining ROA and ROE. In 2024, the ROA of the bank decreased by 0.31% compared to 2023 or 0.48%, whereas ROE declined by 5.71% to 8.14% (Dhaka Bank PLC, 2025). Peers outperformed; EBL reported ROA of 1.34% and ROE of 18.63%, which was supported by a high operating income of BDT 26,626 million (Eastern Bank PLC, 2025). Prime Bank also received the second position in ROE ranking and fourth in ROA ranking and net profits have helped it to achieve a score of 40.81 in overall assessments (Bonik Barta, 2025). The earnings per share (EPS) of Dhaka Bank fell to 1.24 as compared to 1.72, as compared to EBL which increased to 5.53 (Stock Analysis, 2026). This disparity is due to Dhaka Bank's lower net interest margins and reliance on volatile fee-based income, exacerbated by Bangladesh's banking sector's mixed profit trends in 2024 (Facebook, 2026).

The quality of the assets becomes one of the main culprits. The NPL ratio of Dhaka Bank increased to 5.33% compared to 4.88% with the classification loan increasing to 15% to BDT 14,341 million, and the syndicated financing increased 15%to BDT 13,737 million. This is in contrast with EBL's modest NPL increase to 3.34% and peers' proactive risk management like, NCC reported NPL reductions despite sector turmoil, while Prime's stable loan book supported 52% profit growth. Dhaka Bank's CRAR dipped to 13.41% from 15.04%, still above the 12.5% regulatory minimum but lower than EBL's 15.11% and SEBL's robust capital base of BDT 41,582 million.

In addition, Dhaka Bank is impeded by operational inefficiencies, with higher costs relative to income and slower digital adaptation. Its cost-to-income ratio shows elevated expenditures suggesting high costs due to its income per employee was lower than its costs in the prior analyses (Hossain, 2020). Historical studies observe that DBPLC has large expense-to-income ratios and low liquidity coverage, exacerbating vulnerabilities. On the contrary, the efficiency of EBL shone with a 40.14% cost-to-income ratio boosting 29.71% operating income growth (Eastern Bank PLC, 2025). The capital adequacy ratio (CAR) of Dhaka Bank dipped to 13.41% from 15.04%, still lower than EBL at 15.11% and Prime at a good position

(Bonik Barta, 2025). Dhaka Bank was categorized as the B-class, which is “Satisfactory” in CAMELS ratings for 2025, whereas competitors such as the Prime and EBL ranked higher in equity analysts’ assessment (Daily Industry, 2025; The Business Standard, 2023). Amid Bangladesh’s economic distress, these issues are exacerbated by external pressures, such as increasing regulatory restrictions under Basel III and competition with Fintechs and other peers such as EBL introducing Islamic banking launches and efficient mobile banking apps (EBL Skybanking) (Emerald Publishing, 2023).

To summarize, the poor performance of Dhaka Bank is caused by the decline in the quality of its assets, profitability, and high rates of NPLs and operational inefficiencies, inefficiencies, placing it 13th in 2024 rankings against top-tier peers like Prime at 3rd and EBL at 4th.(Bonik (Bonik Barta, 2025). To rebound, Dhaka Bank needs to improve risk management, invest in digital infrastructure, and diversify revenue streams, which would be in line with the digitally evolving banking environment in Bangladesh.

Ratio Analysis and Values	**Dhaka Bank PLC**	**EBPLC**	**NCC Bank PLC**	**Prime Bank PLC**	**Southeast Bank PLC**
LDR=Total Deposits/Total Loans×100	82.82%	81.17%	82.30%	78.10%	85.49%
Debt to Equity Ratio=Total Shareholders’ Equity/ Total Liabilities (Debt)	18.58%	5.66%	7.49%	5.59%	5.13%
NIM=Average Earning Assets/ Net Interest Income×100	3.90%	1.84%	1.98%	2.78%	0.7%

NPM=Total Revenue/ Net Profit×100	3.24%	13.57%	6.72%	16.28%	1.36%
Classified Loan	14,341 in millions	13,718 in millions	5465 in millions	10,519 in millions	30,029 in millions
ROA=Total Assets/ Net Profit×100	0.31%	1.34%	0.70%	1.46%	0.090%
NPL Ratio=Total Loans (Advances)/ Total Non-Performing Loans×100	5.33%	3.34%	7.32%	7.32%	14.82%
ROE=Total Shareholders' Equity/ Net Profit×100	5.71%	16.63%	9.52%	1.46%	1.36%
Capital to Risk Weighted Average Ratio= CRAR (CAR)=Bank's Capital /Total Risk-Weighted Assets×100	13.41%	15.11%	15.14%	17.37%	11.64%

3.8 Recommendations

Dhaka Bank has recently celebrated their 30th anniversary and is one of the most reputed banks in Bangladesh with branches located at the prime locations and an extensive branch network. With my limited experience and knowledge, I would share some insights about the bank's credit operations:

- Dhaka Bank PLC ought to ensure that it has an urgency to focus on enhancement of credit risk management with the aim of dealing with the existing non-performing loan (NPL) ratio. Having stricter credit appraisal criteria, especially on big corporate and syndicated borrowings, and put up better after-disbursement monitoring measures is recommended. This can be done by the adoption of early warning systems (EWS) to help in detecting the dwindling accounts in time so that corrective actions can be taken. Moreover, active recovery through the loan restructuring, rescheduling, and write-offs based on the guidance of Bangladesh Bank should be given priority to enhance the quality of assets and ease the burden on provisions.

- The concentration in bank on large corporate lending has made the bank more exposed to industry specific risks especially the weak industries like clothing and real estate. In order to avoid this risk, Dhaka Bank PLC needs to diversify its loan portfolio by venturing into small and medium enterprise (SME), retail and consumer banking services. These blocks are more diversified and comparatively predictable risk-adjusted returns. Portfolio diversification would lessen the concentration risk of credit and would also increase stability of income when the economy becomes volatile.
- The decreasing profitability ratios of Dhaka Bank such as the return on assets (ROA) and the turnover on equity (ROE) indicate that the bank requires better income generation. The bank should aim at maximizing its net interest margin by managing its assets and liability effectively as well as pricing its loans correctly. Also diversification of non-interest revenue through trade finance and remittance service, digital payment and cash management solutions would minimize the dependence on the interest income and increase earnings stability. An improved income structure would add to a sustainable growth in profits.
- Dhaka Bank has been greatly limited in its performance financially due to operational inefficiencies. Cost-containment mechanisms that the bank should adopt include streamlining internal process, cutting administrative overheads and increasing workforce productivity. The cost-to-income ratio can be brought down by investing in

process automation and rationalization of the operations of the branches. Comparison of operational performance with those of peer institutions that perform better in terms of efficiency measures can also be used to make specific improvements.

- Dhaka Bank PLC ought to step up its digital transformation efforts in response to growing competition by peer banks and other financial technology institutions. The digital banking platforms (such as mobile banking and internet banking services) should be improved to enhance customer experience and lower the transaction costs. Efficiency in lending and risk management can be enhanced through the use of data analytics and technology-based credit evaluation tools as well. Innovative approaches to innovation and service growth could be further enabled through strategic partnership with fintech companies.
- Even though Dhaka Bank is currently enjoying capital levels that are higher than the stipulated minimum, the capital adequacy ratio was observed to be on the downward trend hence necessitating more vigorous capital planning. The bank must focus on the internal generating of capital through retention of earnings and maximizing on the risk-weighted assets. The capital planning drills and stress testing that are regularly done according to the Basel III requirements would help to increase the resilience of the bank to macro-economic shocks and regulatory pressures.
- Long-term performance should be enhanced through good governance. Dhaka Bank PLC needs to enhance board oversight, especially on the credit risk, compliance, and strategic planning. There would also be increased transparency, accountability, and independence in decision-making processes, which would increase the confidence of stakeholders. Prudent banking would be further enhanced by aligning the performance indicators of the management to the longer term goals of the management on quality

and sustainability of the assets of the bank and not the increase and growth of the loans in the short run.

The application of these suggestions would help Dhaka Bank PLC overcome its weaknesses in the structure, minimize bad loans, increase its profitability, and efficiency in its operations. The Dhaka bank can enhance its competitiveness and ensure sustainable growth in the rapidly competitive banking environment in Bangladesh by enhancing risk management practices, diversifying its revenue base, and making digital and governance reform investments. The three-decade long journey of Dhaka Bank PLC has significantly helped with its reputation as bank created to provide excellence in banking and utilizing all the tools it has on its disposal will help secure a dominant position amongst the top competitors.

3.9 Concluding Remarks

I had the privilege of working at Dhaka Bank PLC and had the opportunity to observe the operations of a bank, and I made an attempt to grasp the proceedings and technicalities of the work that was happening around me. Suffice to say, three is not enough to fully understand the operations and processes, but some of my observations about the Bank, particularly the credit department is that the team communicated with all the departments, units, and regulators and worked in a coordinated manner. Disbursement of loan and credit facilities while being mindful of the deadline of their customers is a reflection of the mission statement of Dhaka Bank PLC. The needs of loan customers were always attended with utmost care, and providing a better-quality support to industries is what made Dhaka Bank PLC a well-renowned bank in Bangladesh.

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Appendix

1.) Dhaka Bank PLC

5-YEAR FINANCIAL HIGHLIGHTS

(BDT in million unless mentioned otherwise)

	2020	2021	2022	2023	2024	% change over 2023
INCOME STATEMENT						
Interest Income	17,714	14,914	16,210	21,156	27,820	31%
Interest Expense	13,996	10,394	12,801	14,445	20,604	43%
Net Interest Income	3,718	4,520	3,409	6,711	7,216	8%
Investment Income	3,554	3,446	3,885	4,184	5,941	42%
Commission, Exchange and Brokerage	2,699	3,336	5,949	3,365	4,441	32%
Total Revenue	24,161	21,953	26,273	28,971	38,635	33%
Operating Income	10,165	11,558	13,472	14,526	18,031	24%
Operating Expenses	4,958	4,931	6,576	6,374	7,426	16%
Operating Profit (profit before provision and tax)	5,207	6,628	6,895	8,152	10,606	30%
Other Operating Income	194	257	228	267	433	62%
Provision for Loans, Investments and other Assets	2,025	2,514	3,000	4,033	7,155	77%
Profit Before Tax	3,182	4,114	3,895	4,118	3,450	(16%)
Tax Including Deferred Tax	1,152	2,058	2,236	2,387	2,199	(8%)
Profit After Tax	2,030	2,056	1,660	1,732	1,251	(28%)
BALANCE SHEET						
Authorized Capital	10,000	10,000	20,000	20,000	20,000	0%
Paid-up Capital	8,959	9,496	9,496	10,066	10,066	0%
Shareholders' Equity	18,792	20,242	20,773	21,786	22,038	1%
Deposits	205,667	230,417	243,427	282,079	299,531	6%
Borrowings	32,999	44,565	35,385	23,474	50,164	114%
Loans & Advances	198,660	215,459	239,686	256,187	268,985	5%
Investments	39,445	49,124	53,370	50,886	99,338	95%
Fixed Assets	9,021	8,955	8,942	8,562	8,423	(2%)
Earning Assets	247,418	283,026	292,171	313,947	360,499	15%
Net Current Assets/ (Liabilities)	(55,727)	(64,241)	(69,681)	(80,020)	(67,995)	(15%)
Total Assets	295,337	335,351	346,556	378,639	431,459	14%
Long Term Liabilities/ Current Liabilities	21.32%	17.58%	18.17%	18.65%	46.82%	151%
Total Liabilities	276,545	315,109	325,784	356,853	409,421	15%
Total Off-balance Sheet Items	130,877	191,377	169,316	198,111	217,495	10%
Property, Plant & Equipment	7,287	7,180	7,005	6,832	6,738	(1%)
Intangible Assets	535	493	430	367	306	(17%)
Impairment of Assets	0	0	0	0	21	0%
Cash and Cash Equivalents	36,123	47,703	28,406	42,364	27,850	(34%)
Lease Liabilities	1,071	1,194	1,387	1,304	1,323	1%
Foreign Currency in Hand	124	35	25	130	316	143%
FOREIGN EXCHANGE BUSINESS						
Import Business	124,010	221,940	206,317	223,512	279,718	25%
Export Business	95,335	140,480	168,673	171,695	201,606	17%
Inward Foreign Remittance	15,804	25,367	43,910	77,563	88,431	14%
Guarantee Business	48,487	43,773	37,274	62,116	56,314	(9%)

61

DHAKA BANK PLC.

(BDT in million unless mentioned otherwise)

	2020	2021	2022	2023	2024	% change over 2023
CAPITAL MEASURES						
Risk Weighted Assets	199,837	213,899	224,907	232,750	264,861	14%
Core Capital (Tier-I)	17,713	19,433	21,395	23,064	22,855	(1%)
Supplementary Capital (Tier-II)	11,304	11,902	10,370	11,934	12,652	6%
Total/Regulatory Capital	29,016	31,334	31,764	34,998	35,507	1%
Statutory Capital (paid up capital and statutory reserves)	17,222	18,583	18,992	20,132	20,132	0%
Capital to Risk Weighted Assets (CRAR) Ratio	14.52%	14.65%	14.12%	15.04%	13.41%	(11%)
Tier-I Capital Ratio	8.86%	9.08%	9.51%	9.91%	8.63%	(13%)
RWA to Total Assets	68%	64%	65%	61%	61%	1%
CREDIT QUALITY						
Volume of Non-performing Loans	6,227	7,145	12,188	12,514	14,341	15%
NPL to Total Loans and Advances (%)	3.13	3.32	5.08	4.88	5.33	9%
Provision for Unclassified Loans	5,522	6,704	7,011	9,341	11,582	24%
Provision for Classified Loans	7,493	7,341	8,894	7,724	7,994	3%
SHAREHOLDERS INFORMATION						
Earnings Per Share (Taka)	2.02	2.04	1.65	1.72	1.24	(28%)
Number of Shares Outstanding	895.87	949.62	949.62	1006.60	1006.60	0%
Number of Shareholders	23,017	21,988	19,230	18,930	20,686	9%
Net Assets Value (NAV) Per Share (Taka)	18.67	20.11	20.64	21.64	21.89	1%
Market Price Per Share (Taka)	11.90	14.00	13.20	12.50	10.90	(13%)
Price Earnings Ratio	5.90	6.86	7.58	6.34	8.77	38%
Price Equity Ratio	0.60	0.66	0.60	0.58	0.50	(14%)
Dividend						
Cash Dividend (%)	6%	12%	6%	10%	5%	(50%)
Bonus Share (%)	6%	0%	6%	0%	5%	0%
Dividend Cover Ratio	1.89	1.80	1.46	1.72	1.24	(28%)
PROFITABILITY & PERFORMANCE RATIO						
Net Interest Margin (NIM)	2.97	3.00	2.54	3.59	3.90	9%
Credit to Deposit Ratio	83.28	84.34	87.38	85.98	82.82	(4%)
Gross Profit Ratio	42%	53%	51%	50%	47%	(6%)
Return on Capital Employed	11%	13%	12%	12%	10%	(21%)
Cost to Income Ratio	49	43	49	44	41	(6%)
Cost of Fund	7.85	6.25	6.42	7.11	8.87	25%
Return on Assets (ROA)%	0.70	0.65	0.49	0.48	0.31	(35%)
Return on Equity (ROE)%	11.28	10.53	8.09	8.14	5.71	(30%)
Current Ratio	0.76	0.76	0.75	0.73	0.76	4%
Cash Reserve Ratio (at the close of the year)	4.29	5.00	4.21	4.09	4.20	3%
Statutory Liquidity Ratio (at the close of the year)	18.20	24.83	21.15	17.86	24.80	39%
Operating Profit Per Employee(mn)	2.75	3.29	3.49	4.10	5.36	31%
Operating Profit Per Branch	49.59	60.81	61.02	71.51	91.43	28%
Current Ratio	0.76	0.76	0.75	0.73	0.76	4%
Efficiency Ratio	60.91	54.51	62.80	60.75	68.28	12%
Debt Equity Ratio	14.72	15.57	15.68	16.38	18.58	13%
Customer Retention Ratio	99.54	99.70	98.95	98.43	92.26	(5%)
OTHER INFORMATION						
Number of Branches	105	109	113	114	116	2%
Number of Sub-Branches	12	21	25	30	33	10%
Number of ATMs and CRMs	63	75	83	88	97	10%
Number of ADMs	20	20	20	11	8	(27%)
Number of Deposit Accounts	565,152	560,651	631,372	751,457	1,263,238	68%
Number of Loan Accounts	29,485	26,592	26,739	28,142	33,526	19%
Number of Employees	1,890	2,012	1,975	1,989	1,979	(1%)
Number of Foreign Correspondents/Banks	472	480	475	485	490	1%

Dhaka Bank PLC Dupont Analysis

Particulars	Description	2024	2023	2022	2021
Net Interest Income	Net Interest Income/Avg. Assets	1.78%	1.85%	1.00%	1.43%
Non Interest Income	Non Interest Income/ Avg. Assets	2.67%	2.16%	2.95%	2.23%
Net Profit Margin	PAT/Total Income	3.24%	5.90%	6.32%	9.36%
Operating income	Operating income/Avg. Assets	4.45%	4.01%	3.95%	3.67%
Operating expenses	Operating expenses/Avg. Assets	1.83%	1.76%	1.93%	1.56%
Cost/Income	Operating expenses/Operating Income	41.18%	43.88%	48.82%	42.66%
Profit before provisons	Profit before provisons/Avg. Assets	2.62%	2.25%	0.88%	0.80%
Provisions	Total Provisions/Avg. Assets	1.77%	1.11%	0.88%	0.80%
Profit before tax	Profit before tax/Avg. Assets	0.93%	1.14%	1.14%	1.30%
Effective Tax rate	Total income tax/PBT	58.69%	57.95%	57.39%	50.03%
Non-controlling interest	Non-controlling interest/Avg. Assets	0.00%	0.00%	0.00%	0.00%
Net Profit After Tax	PAT (in million)	1,251	1,732	1,660	2,056
Return on Asset (RoA)	PAT/ Average Assets	0.31%	0.48%	0.49%	0.65%
Assets/Equity	Avg. Assets/Avg. Equity (in times)	18.49	17.04	16.63	16.16
Return on Equity (RoE)	PAT/Average Equity	5.71%	8.14%	8.09%	10.53%

67
DHAKA BANK PLC.

2.) NCC Bank PLC

Vertical Analysis

Balance Sheet

Particulars	Y-2024 BDT mn	Y-2024 Mix %	Y-2023 BDT mn	Y-2023 Mix %	Y-2022 BDT mn	Y-2022 Mix %	Y-2021 BDT mn	Y-2021 Mix %	Y-2020 BDT mn	Y-2020 Mix %
PROPERTY AND ASSETS										
Cash in hand & Balance with Bangladesh Bank and its agent bank (s)	17,343	5.0%	13,237	4.2%	14,106	4.7%	11,919	4.3%	13,945	5.4%
Balance with other banks and financial institutions	1,721	0.5%	10,354	3.2%	15,655	5.2%	12,694	4.6%	11,755	4.6%
Money at call and short notice	766	0.2%	1,817	0.6%	414	0.1%	3,410	1.2%	804	0.3%
Investments	75,891	21.9%	54,676	17.1%	53,594	17.8%	49,298	17.7%	43,482	16.9%
Loans and advances/investments	240,246	69.2%	228,697	71.7%	209,738	69.5%	189,490	68.2%	178,159	69.1%
Fixed assets including premises, furnitures and fixtures	3,463	1.0%	3,024	0.9%	2,774	0.9%	2,585	0.9%	2,692	1.0%
Other assets	7,525	2.2%	7,022	2.2%	5,387	1.8%	8,499	3.1%	6,831	2.7%
Non-banking assets	3	0.001%	128	0.04%	141	0.05%	-	-	-	-
TOTAL ASSETS	**346,957**	**100.0%**	**318,955**	**100.0%**	**301,808**	**100.0%**	**277,894**	**100.0%**	**257,668**	**100.0%**
LIABILITIES AND SHAREHOLDERS' EQUITY										
Borrowings from other banks, financial institutions and agents	20,167	5.8%	35,147	11.0%	41,191	13.6%	21,179	7.6%	16,835	6.5%
Deposits and other accounts	257,353	74.2%	221,835	69.6%	203,750	67.5%	203,244	73.1%	197,021	76.5%
Other liabilities	38,936	11.2%	31,274	9.8%	26,434	8.8%	23,425	8.4%	18,983	7.4%
NCC Bank Subordinated and Perpetual Bonds	5,800	1.7%	6,600	2.1%	7,400	2.5%	7,850	2.8%	4,000	1.6%
Total Liabilities	322,257	92.9%	294,857	92.4%	278,775	92.4%	255,698	92.0%	236,839	91.9%
Total Shareholders' Equity	24,700	7.1%	24,098	7.6%	23,033	7.6%	22,196	8.0%	20,829	8.1%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**346,957**	**100.0%**	**318,955**	**100.0%**	**301,808**	**100.0%**	**277,894**	**100.0%**	**257,668**	**100.0%**
TOTAL OFF BALANCE SHEETS ITEMS INCLUDING CONTINGENT LIABILITIES	135,927	39.2%	116,357	36.5%	108,595	36.0%	99,794	35.9%	79,704	30.9%

Profit and Loss account

Particulars	Y-2024 BDT mn	Y-2024 Mix %	Y-2023 BDT mn	Y-2023 Mix %	Y-2022 BDT mn	Y-2022 Mix %	Y-2021 BDT mn	Y-2021 Mix %	Y-2020 BDT mn	Y-2020 Mix %
Interest/profit income	23,120	66.8%	17,293	65.8%	13,906	64.0%	13,518	69.5%	15,955	73.4%
Interest paid/profit shared on deposits and borrowings	17,015	49.2%	11,793	44.8%	9,049	41.7%	7,917	40.7%	11,619	53.4%
Net interest/profit income	6,105	17.6%	5,501	20.9%	4,857	22.4%	5,600	28.8%	4,336	19.9%
Non-interest income	11,468	33.2%	9,001	34.2%	7,818	36.0%	5,936	30.5%	5,787	26.6%
Total operating income	17,573	50.8%	14,501	55.2%	12,675	58.3%	11,536	59.3%	10,123	46.6%
Total operating expenses	6,481	18.7%	6,264	23.8%	5,521	25.4%	5,168	26.6%	4,879	22.4%
Profit before provisions	**11,091**	**32.1%**	**8,237**	**31.3%**	**7,154**	**32.9%**	**6,368**	**32.7%**	**5,244**	**24.1%**
Provision for loans and advances/investments	4,966	14.4%	2,957	11.2%	1,517	7.0%	1,953	10.0%	1,270	5.8%
Provision for off-balance sheet exposures	(92)	-0.3%	77	0.3%	45	0.2%	97	0.5%	-	0.0%
Other provision	1,132	3.3%	362	1.4%	351	1.6%	-	0.0%	(63)	-0.3%
Total provisions	**6,006**	**17.4%**	**3,397**	**12.9%**	**1,913**	**8.8%**	**2,049**	**10.5%**	**1,207**	**5.6%**
Contribution to NCC Bank's CSR Fund	30	0.1%	30	0.1%	30	0.1%	30	0.2%	30	0.1%
Profit before tax	**5,055**	**14.6%**	**4,810**	**18.3%**	**5,211**	**24.0%**	**4,288**	**22.0%**	**4,007**	**18.4%**
Provision for tax	**2,732**	**7.9%**	**2,515**	**9.6%**	**2,570**	**11.8%**	**1,786**	**9.2%**	**1,775**	**8.2%**
Profit after tax for the year	**2,324**	**6.7%**	**2,295**	**8.7%**	**2,641**	**12.2%**	**2,503**	**12.9%**	**2,232**	**10.3%**

Note : Profit and Loss account account items have been presented as percentage of gross income (interest income+non-interest income).

196 NCCB Annual Report 2024

Horizontal Analysis

Balance Sheet

Particulars	Y-2024		Y-2023		Y-2022		Y-2021		Y-2020	
	BDT mn	Δ %	BDT mn	Δ %	BDT mn	Δ %	BDT mn	Δ %	BDT mn	Δ %
PROPERTY AND ASSETS										
Cash in hand & Balance with Bangladesh Bank and its agent bank (s)	17,343	31.0%	13,237	-6.2%	14,106	18.4%	11,919	-14.5%	13,945	-10.3%
Balance with other banks and financial institutions	1,721	-83.4%	10,354	-33.9%	15,655	23.3%	12,694	8.0%	11,755	29.7%
Money at call and short notice	766	-57.9%	1,817	339.4%	414	-87.9%	3,410	324.1%	804	-37.1%
Investments	75,891	38.8%	54,676	2.0%	53,594	8.7%	49,298	13.4%	43,482	15.2%
Loans and advances/investments	240,246	5.1%	228,697	9.0%	209,738	10.7%	189,490	6.4%	178,159	-0.5%
Fixed assets including premises, furnitures and fixtures	3,463	14.5%	3,024	9.0%	2,774	7.3%	2,585	-4.0%	2,692	-1.5%
Other assets	7,525	7.2%	7,022	30.3%	5,387	-36.6%	8,499	24.4%	6,831	-40.5%
Non-banking assets	3	-97.8%	128	-9.13%	141	-	-	-	-	-
TOTAL ASSETS	**346,957**	**8.8%**	**318,955**	**5.7%**	**301,808**	**8.6%**	**277,894**	**7.8%**	**257,668**	**0.3%**
LIABILITIES AND SHAREHOLDERS' EQUITY										
Borrowings from other banks, financial institutions and agents	20,167	-42.6%	35,147	-14.7%	41,191	94.5%	21,179	25.8%	16,835	64.8%
Deposits and other accounts	257,353	16.0%	221,835	8.9%	203,750	0.2%	203,244	3.2%	197,021	-1.5%
Other liabilities	38,936	24.5%	31,274	18.3%	26,434	12.8%	23,425	23.4%	18,983	-18.5%
NCC Bank Subordinated and Perpetual Bonds	5,800	-12.1%	6,600	-10.8%	7,400	-5.7%	7,850	96.3%	4,000	0.0%
Total Liabilities	**322,257**	**9.3%**	**294,857**	**5.8%**	**278,775**	**9.0%**	**255,698**	**8.0%**	**236,839**	**-0.3%**
Total Shareholders' Equity	**24,700**	**2.5%**	**24,098**	**4.6%**	**23,033**	**3.8%**	**22,196**	**6.6%**	**20,829**	**7.5%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**346,957**	**8.8%**	**318,955**	**5.7%**	**301,808**	**8.6%**	**277,894**	**7.8%**	**257,668**	**0.3%**
TOTAL OFF BALANCE SHEETS ITEMS INCLUDING CONTINGENT LIABILITIES	135,927	16.8%	116,357	7.1%	108,595	8.8%	99,794	25.2%	79,704	-5.2%
NET ASSETS VALUE PER SHARE (NOT RESTATED)	**22.24**	**2.5%**	**21.70**	**-0.4%**	**21.78**	**-0.2%**	**21.83**	**-0.9%**	**22.02**	**5.4%**

Profit and Loss account

Particulars	Y-2024		Y-2023		Y-2022		Y-2021		Y-2020	
	BDT mn	Δ %	BDT mn	Δ %	BDT mn	Δ %	BDT mn	Δ %	BDT mn	Δ %
Interest/profit income	23,120	33.7%	17,293	24.4%	13,906	2.9%	13,518	-15.3%	15,955	-21.8%
Interest paid/profit shared on deposits and borrowings	17,015	44.3%	11,793	30.3%	9,049	14.3%	7,917	-31.9%	11,619	-17.1%
Net interest/profit income	6,105	11.0%	5,501	13.2%	4,857	-13.3%	5,600	29.1%	4,336	-32.2%
Non-interest income	11,468	27.4%	9,001	15.1%	7,818	31.7%	5,936	2.6%	5,787	12.4%
Total operating income	17,573	21.2%	14,501	14.4%	12,675	9.9%	11,536	14.0%	10,123	-12.3%
Total operating expenses	6,481	3.5%	6,264	13.5%	5,521	6.8%	5,168	5.9%	4,879	1.1%
Profit before provisions	**11,091**	**34.6%**	**8,237**	**15.1%**	**7,154**	**12.4%**	**6,368**	**21.4%**	**5,244**	**-21.9%**
Provision for loans and advances/investments	4,966	67.9%	2,957	94.9%	1,517	-22.3%	1,953	53.8%	1,270	-44.8%
Provision for off-balance sheet exposures	(92)	-219.7%	77	70.5%	45	-53.2%	97		-	
Other provision	1,132	212.5%	362	3.3%	351		-		(63)	-118.7%
Total provisions	6,006	76.8%	3,397	77.6%	1,913	-6.7%	2,049	69.8%	1,207	-55.6%
Contribution to NCC Bank's CSR Fund	30	0.0%	30	0.0%	30	0.0%	30	0.0%	30	50.0%
Profit before tax	5,055	5.1%	4,810	-7.7%	5,211	21.5%	4,288	7.0%	4,007	0.7%
Provision for tax	2,732	8.6%	2,515	-2.1%	2,570	43.9%	1,786	0.6%	1,775	-3.9%
Profit after tax for the year	**2,324**	**1.3%**	**2,295**	**-13.1%**	**2,641**	**5.5%**	**2,503**	**12.1%**	**2,232**	**4.6%**
Earnings per share	**2.09**	**1.3%**	**2.07**	**-17.3%**	**2.50**	**1.6%**	**2.46**	**4.3%**	**2.36**	**2.6%**

3.) Eastern Bank PLC

Highlights of Key Financials

BDT in million

Particulars	Group			Bank		
	2024	2023	Change (%)	2024	2023	Change (%)
Performance during the year						
Net interest income	10,349	8,183	26.48%	10,585	8,148	29.91%
Non-interest income including investment income	16,466	12,780	28.84%	16,041	12,380	29.58%
Operating income	26,816	20,963	27.92%	26,626	20,528	29.71%
Operating profit	15,835	11,600	36.51%	15,939	11,451	39.20%
Profit after tax	6,599	6,122	7.78%	7,504	6,109	22.83%
Net operating cash flow (NOCF)*	24,089	9,443	155.11%	24,862	9,495	161.85%
Year-end financial position						
Loans and advances	412,819	355,905	15.99%	410,718	353,357	16.23%
Total investment	147,888	97,661	51.43%	143,046	94,023	52.14%
Deposits	456,469	364,765	25.14%	457,692	366,104	25.02%
Shareholders' equity*	42,958	38,243	12.33%	43,064	37,484	14.88%
Total asset*	621,252	511,475	21.46%	616,050	506,271	21.68%
Information per ordinary share						
Earnings per share (BDT)*	4.86	4.51	7.78%	5.53	4.50	22.83%
Price earnings multiples*	5.08	6.52	-22.05%	4.47	6.54	-31.60%
Net asset value per share in BDT*	31.63	28.16	12.33%	31.71	27.60	14.88%
Market price per share (BDT)	24.70	29.40	-15.99%	24.70	29.40	-15.99%
Net operating cash flow per share in BDT*	17.74	6.95	155.11%	18.31	6.99	161.85%
Ratios (%)						
Capital to RWA ratio (CRAR) as per Basel III *	14.65%	14.81%	-	15.11%	15.07%	-
Non performing loan	3.54%	3.19%	-	3.34%	3.10%	-
Cost to income ratio	40.95%	44.66%	-	40.14%	44.22%	-
Return on equity (ROE)*	16.25%	16.55%	-	18.63%	16.85%	-
Return on assets (ROA)*	1.17%	1.26%	-	1.34%	1.27%	-

*Figures of 2023 are restated

Other Ratios

Particulars	2024	2023
Financial ratios		
Total sustainable finance to total loan(%)* (excluding staff loan)	89%	40%
Market capitalization (at Year-End) Growth %	-5.48%	4.01%
Cumulative agricultural and rural credit through MFIs to total loan (%)*	2.7%	3.1%
Gross profit ratio	28.82%	29.42%
Net profit ratio	13.57%	15.70%
EBITDA (BDT in million)	17,175	12,598
Return on capital employed	6.24%	5.27%
Current ratio	1.082	1.134
Quick ratio	1.079	1.131
Net interest income as a percentage of working funds	1.84%	1.76%
Non - interest income as a percentage of working funds	2.80%	2.67%
Non financial ratios		
Customer retention ratio	95.62%	92.58%
Employee retention ratio	79.73%	76.51%
Employee productivity rate (income per hour BDT)	7,102	5,384
Operating income per employee (permanent) (BDT in million)	9.12	8.15
Operating cost per employee (permanent) (BDT in million)	3.66	3.60
Operating profit per employee (permanent) (BDT in million)	5.46	4.55
Female representation	17.19%	18.56%
Customer service quality rating score through a survey by contact center	98.00%	98.05%

*Ratios denote the percentage of total disbursements during the year

Financial Goals and Performance (Bank)

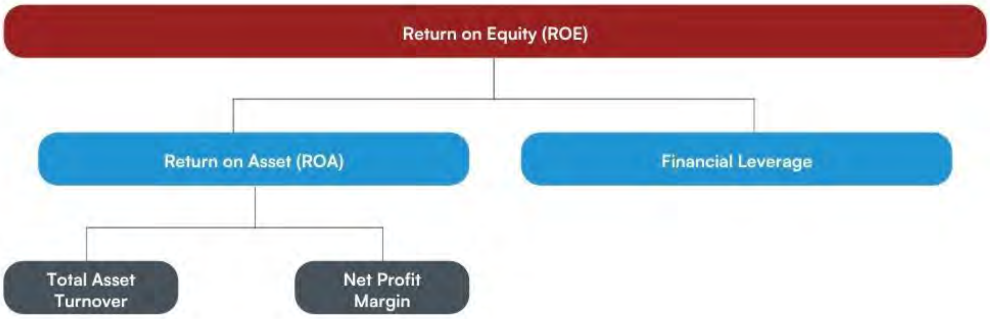
Particulars	Goals 2025	Actual 2024	Actual 2023
Capital to risk weighted assets ratio (CRAR)*	15% Plus	15.11%	15.07%
Return on average equity (ROE)*	18% Plus	18.63%	16.85%
Return on average assets (ROA)*	1.30% Plus	1.34%	1.27%
Cost to income ratio	Less than 40%	40.14%	44.22%
NPL (%)	Less than 4%	3.34%	3.10%
Year-end deposits (BDT in million)	572,103	457,692	366,104
Year-end loans and advances (BDT in million)	492,678	410,718	353,357

* 2023 restated

4.) Prime Bank PLC

DUPONT ANALYSIS

DuPont analysis is a method that includes a thorough review of a company's Return on Equity (ROE), as well as an analysis of its Net Profit Margin, Asset Turnover, and Financial Leverage. More comprehensive perspective of the return on equity of the company's earnings is provided by the DuPont Analysis. Management uses this analysis to take a number of strategic and operational decisions.



Net Profit Margin (PAT/Total Income)

2024

16.28%

2023

14.81%

Total Asset Turnover (Total Income/Average Assets)

2024

2.24%

2023

1.81%

Return on Asset (PAT/Average Equity)

2024

1.46%

2023

1.07%

Financial Leverage (Average Asset/Average Equity)

2024

14.08%

2023

14.00%

Return on Equity (PAT/Average Equity)

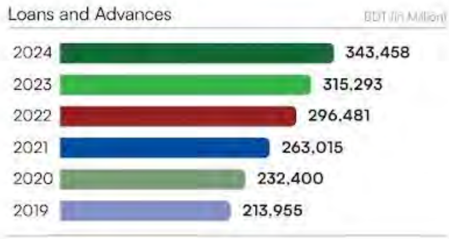
2024

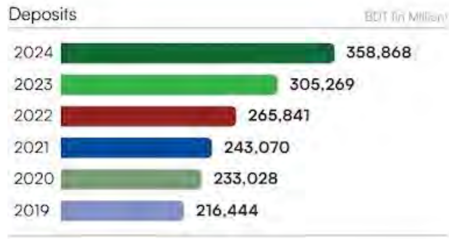
20.56%

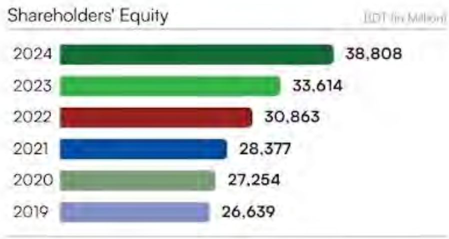
2023

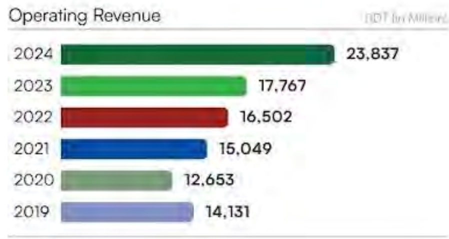
15.01%

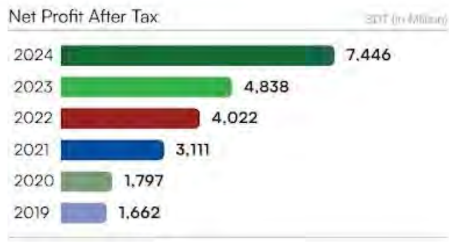
GRAPHICAL FINANCIAL DASHBOARD

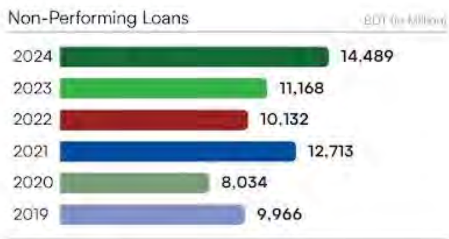


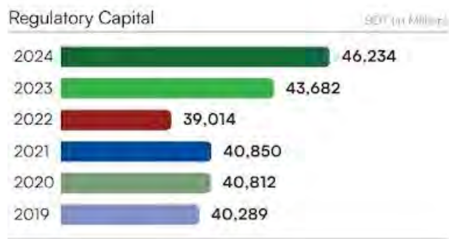




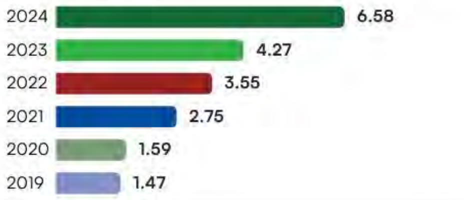




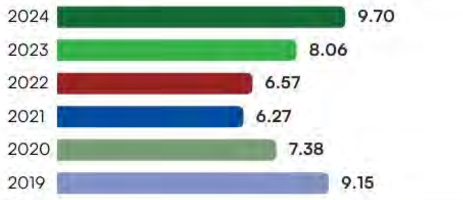




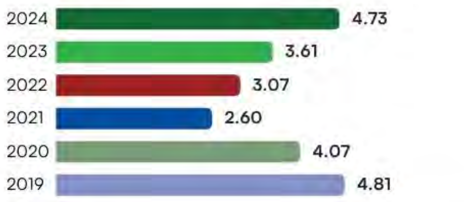
Earnings Per Share (BDT)



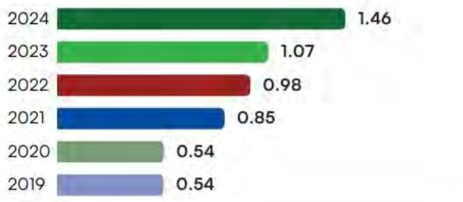
Yield on Advance (Percent)



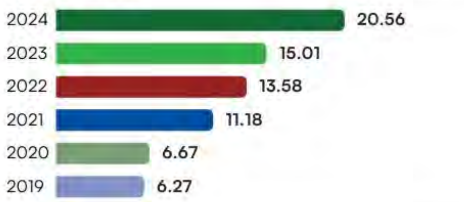
Cost of Deposit (Percent)



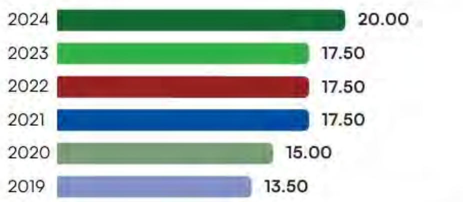
Return on Assets (Percent)



Return on Equity (Percent)



Dividend (Percent)



Net Asset Value Per Share (BDT)

Loans and Advances (by segments)

Deposits (by segments)

5.) Southeast Bank PLC

A NEW BANKING ERA BEGINS

Key Financial Data and Ratios

BDT in Million

Particulars	2024	2023	2022	2021	2020
BALANCE SHEET MATRIX					
Authorized Capital	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Paid up Capital	13,373.96	12,859.58	12,364.98	11,889.41	11,889.41
Reserve Fund/ Others	18,169.60	19,185.15	18,390.58	29,437.67	28,483.13
Total Shareholders' Equity	31,543.57	32,044.73	30,755.56	29,987.33	29,703.77
Deposits and other Accounts	411,343.90	386,402.44	371,143.44	376,700.77	359,535.93
Loans & Advances	372,907.25	354,353.23	347,743.59	336,329.37	322,251.46
Investments	123,734.42	113,140.01	98,925.50	113,452.58	97,073.89
Fixed Assets	10,388.99	10,705.96	11,275.98	10,130.42	9,714.97
Total Assets	545,858.60	510,864.24	493,092.84	495,841.96	465,293.41
Total Off-Balance Sheet Items	203,675.72	151,443.63	186,669.58	191,756.62	138,737.25
Interest Earning Assets	494,381.71	461,073.88	447,915.87	450,664.99	420,116.44
Non-Interest Earning Assets	51,476.89	49,790.37	45,176.97	45,176.97	45,176.97
INCOME STATEMENT MATRIX					
Interest Income	29,120.35	22,047.89	20,187.07	18,922.15	22,250.49
Interest Expenses	25,099.15	19,386.86	17,042.75	16,000.59	19,769.08
Investment Income	9,144.95	7,922.98	6,670.56	6,750.17	6,750.89
Non-Interest Income	15,142.09	14,118.37	14,443.01	11,751.22	11,289.14
Operating Expenses	7,442.01	7,921.77	7,157.47	6,001.66	5,506.01
Total Income	44,262.45	36,166.26	34,630.08	30,673.37	33,539.64
Total Expenditure	32,541.16	27,308.63	24,200.22	22,002.25	25,275.08
Operating Profit	11,721.29	8,857.63	10,429.86	8,671.12	8,264.56
Profit before Tax	1,873.72	3,514.04	3,837.31	3,258.03	3,155.88
Net Profit after Tax	432.64	2,133.83	1,752.38	1,784.30	2,149.10
CAPITAL MATRIX					
Risk Weighted Assets	357,159.26	342,562.25	322,625.61	298,133.62	281,385.62
Tier-I Capital	31,375.14	29,669.04	25,568.44	25,386.47	24,805.28
Tier-II Capital	10,206.95	16,271.13	15,558.08	15,940.61	15,567.25
Total Capital (Tier-I+Tier-II)	41,582.09	45,940.17	41,126.52	41,327.07	40,372.53
Capital Surplus/(Deficit)	(3,062.82)	3,119.89	798.32	4,060.37	5,198.43
Tier I Capital Ratio	8.78%	8.66%	7.93%	8.52%	8.82%
Tier II Capital Ratio	2.86%	4.75%	4.82%	5.35%	5.53%
Capital to Risk Weighted Assets Ratio	11.64%	13.41%	12.75%	13.86%	14.35%
CREDIT QUALITY					
Classified Loans	54,813.65	33,899.63	22,570.29	16,035.56	9,939.76
Provision for Unclassified Loans	2,680.38	7,336.62	10,850.14	8,946.70	3,301.06
Provision for Classified Loans	30,029.27	23,001.44	17,965.33	17,282.06	20,226.77
Provision for Contingent Liabilities	1,526.57	1,349.93	1,379.48	1,328.87	931.26
Non-performing Loans	14.82%	9.65%	6.54%	4.81%	3.10%