

Report On

Comparative Analysis of the Financial Ratio of City Bank

Submitted By

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ID: 16104045

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

BRAC Business School
BRAC University
January 2021

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Declaration

It is hereby declared that

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

Student's Full Name & Signature:

Sara Zarrin Hassan

Student Full Name

ID: 16104045

Supervisor's Full Name & Signature:

Sohana Wadud Ahmed

Supervisor Full Name

Lecturer, BRAC Business School
BRAC University

Letter of Transmittal

Ms. Sohana Wadud Ahmed
Lecturer,
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of internship report.

Dear Madam,

This is my pleasure to work as an intern to The City Bank Ltd, which I was appointed by your direction. I would like to submit my internship report which was the requirements of BBA program and also internship program. I have successfully completed my report and completed my internship program at City Bank.

I have endeavored my best to complete the report with the basic information and suggested recommendation in a huge conservative and far reaching way as could reasonably be expected.

I might want to Thank you for giving me this great opportunity and support me throughout the time. I hope you would like my report and give me proper feedback for this.

Sincerely Yours,

Sara Zarrin Hassan
ID: 16104045
BRAC Business School
BRAC University
Date: 12th January 2021

Non-Disclosure Agreement

This agreement is made and entered into by and between The City Bank Ltd. and the undersigned student at BRAC University Sara Zarrin Hassan ID: 16104045

Acknowledgement

Firstly, I want to Thank Almighty Allah for keeping me safe in this pandemic situation and help me to complete the report. Without the help of him, I am nothing.

Furthermore, my special Thanks goes to my Supervisor Ms. Sohana Wadud Ahmed and Co-supervisor Tanzin Khan for giving me this opportunity and also for all the guidance and assistance for completing the report. I am so appreciative to my advisor for all the immense support and help throughout the period.

Then, I might want to offer my thanks towards my hierarchical advisor at The City Bank Ltd. Mr. Touhid Sarwar, VP & Senior Relationship Manager. He helped me a lot throughout the internship program, teach me how corporate banking works and other banking knowledge. All the things I have learned from him helped me a lot to prepared this report.

Lastly, this report has not been possible without my efforts. I have worked and learned so many things about banking in these three month. With all of my practical knowledge and activities helped me to complete the report.

Executive Summary

Banking sector has been improved a lot from the last decade. Nowadays, the sector becoming more competitive. Among those competitors, City Bank is surviving and giving the best service.

To understand company's financial performance, ratio analysis is the best way. With the ratio analysis, people can evaluate company's performance. In my report, I have done City Bank and its competitor bank's ratio. Analysis and understanding of these financial summaries through ratio analysis has now become a significant method for execution examination on the grounds that the financial specialists, monetary specialists, the board heads and the financiers are consistently depending on these proportions to settle on significant choices.

The internship program was a part of my BBA program and I have spent 3 months in City Bank learning and understanding about corporate banking. After learning and doing various activities also the analysis of ratio helps me to understand strategies and taking decision. Financial statements are very important for every company and with the help of the statement ratio analysis can be done and we can get the idea about company's performance.

The report and internship program has taught me so many practical knowledge apart from the academic knowledge. Which will help me for my future career and development.

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Chapter 1: Overview of Internship

1.1 Student Information

Name: Sara Zarrin Hassan

ID: 16104045

Program: Bachelor of Business Administration

Major: Finance and Human Resource Management

1.2 Internship Information

1.2.1 Internship Period, Company Name, Department/Division, Address:

I have joined The City Bank Limited as a learner at Corporate Banking Division. My internship program's duration is from 18th October, 2020 to 17th January 20;21. The office is located at 136, Gulshan Avenue, Gulshan 2.

1.2.2 Internship Company Supervisor Information

Name: Touhid Sarwar

Position: VP and Senior Relationship Manager

1.2.3 Job Scope – Job Description/Duties/Responsibilities

At city bank, as an intern, I was assigned to do FSS-Financial Spreadsheet Analysis, Ratio analysis. Also I have to provide my assistance to my supervisor and other officers to the bank. Apart from that, I also have to take notes during meetings, presentations or any types of reports or credit files. Moreover, Collection of information of investment company for bank and also preparing of

documents as per as the need of supervisor. Also sorting out file according to company and dates and understand credit file.

1.3 Internship Outcome

1.3.1 Student's Contribution to the Company

In my training session, I had some daily regular task to do. Sometimes I was assigned to help my supervisor regarding filing or documentation. Many times I did the various financial spreadsheet analysis, ration interpretations and many more. With the outcome of my tasks, it was helpful for the authorities to do further analysis and also take decisions. Also synchronize file according to the company helps them a lot to find out the desire paper fast.

1.3.2 Benefits to the Students

I have got so many benefits to work in one of the top bank in Bangladesh. I got to learn so many things regarding banking industry. From my supervisor, I have learned creating reports, memos and financial analysis. Also I have learned how they sanction industrial loans, the longer process of loans, doing market analysis, taking permission for the approval of loans, maintaining loan rates and many more. Also I got to know regarding a big transaction of loans, they strictly follow Bangladesh Bank's guidelines and restrictions.

1.3.3 Problem/Difficulties

I have not faced that much of problem expect from the regular maintaining office attendance. Due to pandemic it was very risky to attend everyday office. There was rotation and working from home options for the employee but no such options was for the employees. Apart from this, there was no such problems.

1.3.4 Recommendations

Working as an intern there for few months, I have some suggestions for the organization:

- As in this pandemic situation, sitting arrangements should be far from one employee to another employee
- People should avoid large meetings rather they should join the meeting virtually
- They should be flexible with the employees and reward for the valuable contribution
- Always wear mask and main distance.
- Company should strengthen all the policies so that they cover pandemic risks

Chapter 2: Organization Part: Overview, Operations and a Strategic Audit

2.1 Introduction

The city bank ltd. was fused as a public restricted organization with restricted risk on the fourteenth walk 1983 under organizations act 1913 in Bangladesh with the essential goal to continue a wide range of banking business. It began its activity in 1983 with the approved capital Tk. 200 million and settled up capital was Tk. 34 million. Up to December 31,2005 Authorized capital Tk. 1,750,000,000, Paid-up Capital of the Bank remains at Tk. 720,000,000. The prime goal of The City Bank Ltd. is to make a solid capital base, to acquire great benefit and deliver acceptable profit to fair Shareholders, to accomplish the goals, the bank works for improving the nature of bank's resources by distinguishing possible great borrowers. Also, convince the customers to open a record in the bank through their mind and insight just as is to keep up the standing through their client administrations arranged offices. To accomplish this ideal objective, it has aim to quest for greatness in the atmosphere of ceaseless improvement. Since it accepts the line of greatness is ceaseless, it likewise accepts that its essential plans and business will its solidarity in serious climate. Its witticism is to give each and every client administration accessible in the present financial technique for their customers.

City Bank deals with its business and activity vertically from the administrative center through four unmistakable business divisions specifically

- Corporate and Investment Banking
- Retail Banking
- SME Banking and
- Treasury and Market Risks.

Objective of the study:

The target of this entry level position is to incorporate the understudies with association and its current circumstance. So that students can understand the workplace and get real life idea about organization. Moreover, the main objective is to complete all the requirements of undergrad program.

On the other hand, others objective is given below:

- To understand the banking activities closely
- To learn how bank actually works.
- To analyze financial performance of City Bank
- To cope up corporate workplace

Methodology of the Study:

The report is set up with gathering of both essential and optional information.

Primary Source:

- Face to confront discussion with bank advisor and other representative of the bank
- Collect data from client
- Practical work on the bank

Secondary Source:

- Financial report of City bank
- Annual report of other banks
- Website of bank
- Different document published by bank and other source

Scope of the report:

The report contains the monetary proportion and investigation of City Bank. The main source of the study is at the corporate branch of City Bank. It also covers the background, history, objective, mission, vision, value and other information of the bank. However, the main scope of the study is the financial analysis and the comparison with other banks financial performance.

Limitation of the Study:

This report may be restricted for certain limitations. Also due to the pandemic situation, it was really a hard task to meet all the requirements. Because of the pandemic, I couldn't gather all the essential data and information. Besides this there were other limitation. Those are given below:

- Confidentiality of bank data
- Due to pandemic, couldn't collect necessary data from primary source
- The banking system and the employees are fast and busy, so couldn't collect all details information
- It's hard to analyze banking financial data

2.2 Overview of the Company

City Bank is one of the eminent private business bank in Dhaka. It Started its business on 28th March, 1983 and directed by 13 local businessman of the country. It is an original private business bank and the oldest commercial bank within the country also one of the top bank in banking industry. The Managing Director & CEO of the bank is Mashrur Arefin.

City Bank followed decentralized system for their banking system and it is headquartered in Dhaka. It has total 132 branches in all over Bangladesh. The bank is answerable for all tasks supporting the giving of the new Visas, including charging and bookkeeping, client care, credit the executives, and charge approvals, just as advertising for American Express cards in Bangladesh. The bank is a licensee to give Visa and MasterCard Debit and Credit Cards and it is the sole licensee of American Express Cards in Bangladesh. Moreover, the bank also works as an online bank, Islami bank, SME branches all over Bangladesh. The bank gives items and administrations in retail banking, corporate record, SME Banking, ladies banking, computerized banking, resource the board, value business, and security

However, extremely expert and cordial client support. It likewise has a spot for modified help greatness model called CRP. The bank employees are very friendly and having good attitude towards their customers.

The City Bank Limited opened its first branch in B. B. Street Branch in Dhaka. In 1986, The City Bank Limited was recorded on the Dhaka Stock Exchange and in 1995 it was recorded on Chittagong Stock Exchange. City Bank has gone overall setting up 10 branches and 1 specialist office in Malaysia in 2013 and one assistant office in Hong Kong in 2019. Worldwide Finance Corporation solely has contributed BDT 1.31 Billion, achieving a 5% part of City Bank. City Touch is the digital banking service of City Bank. The online service is convenience with just a

touch of internet. People can enjoy internet banking service within few minutes. People can buy foods, pay credit card and others bills, buy air tickets, fund transfer and many more.

The bank at present has 92 online branches and 1 SME organization centers and 11 SME branches spread across the length and extensiveness of the country that consolidate a verifiable Islami Banking branch. Other than these standard transport centers, the bank is in like manner dynamic in the elective movement locale. It recently started its Customer Call Center movement. City Bank is the chief bank in Bangladesh to have given Dual Currency Credit Card. The bank is a fundamental individual from VISA worldwide and it issues both Local Currency (Taka) and Foreign Currency (US Dollar) card limits in a lone plastic. It as of now has 213 ATMs of its own; and ATM offering strategy to an associate bank that has more than 1150 ATMs set up; SMS Banking; Internet Banking, etc. City Bank is one of the greatest corporate banks in the country with a current strategy that strongly enables and underpins the improvement of the bank in Retail and SME Banking. The bank is especially in course to opening various free SME centers the country over inside a short period of time. It has strong tie-ups with critical exchange associations the Middle East, Europe, Far East and USA, from where countless individual settlements go to the country reliably for installment through the bank's enormous organization.

Historical Background

It is an original private business bank and it is one of the most seasoned business banks inside the nation. The bank manages its business and action vertically from the managerial focus through 4 specific business divisions to be explicit Corporate and Investment Banking, Retail Banking (counting Cards), SME Banking & Treasury and Market Risks. City Bank is the essential bank in Bangladesh to have given Dual Currency Credit Card. City Bank has dispatched American Express Credit Card and American Express Gold Credit card in November 2009. City Bank is the local gatekeeper of the brand and is obligated for all errands supporting the giving of the new MasterCard, including charging and accounting, customer care, credit the chiefs and charge endorsements, similarly as advancing the cards in Bangladesh. The two cards are overall cards and recognized in gigantic quantities of brokers chipping away at the American Express overall seller network in excess of 200 countries and areas including Bangladesh. City Bank moreover introduced prohibitive preferences for the card people under the American Express Selects program in Bangladesh. This will entitle any American Express card people to acknowledge staggering store assets on retail and devouring at most likely the best establishment in Bangladesh. It furthermore gives fantastic preferences wherever on the globe.

Mission

The prime mission of City Bank is the Financial Supermarket with a Winning Culture Offering Enjoyable Experiences.

Vision

Their vision is providing these facilities. Those are given below:

- Offer wide array of products and services that differentiate and excite all customer segments.
- Be the „Employer of choice“ by offering an environment where people excel and leaders are created.
- Continuously challenge processes and platforms to enhance effectiveness and efficiency.
- Promote innovation and automation with a view to guaranteeing and enhancing excellence in service.
- Ensure respect for community, good governance and compliance in everything we do.

Values:

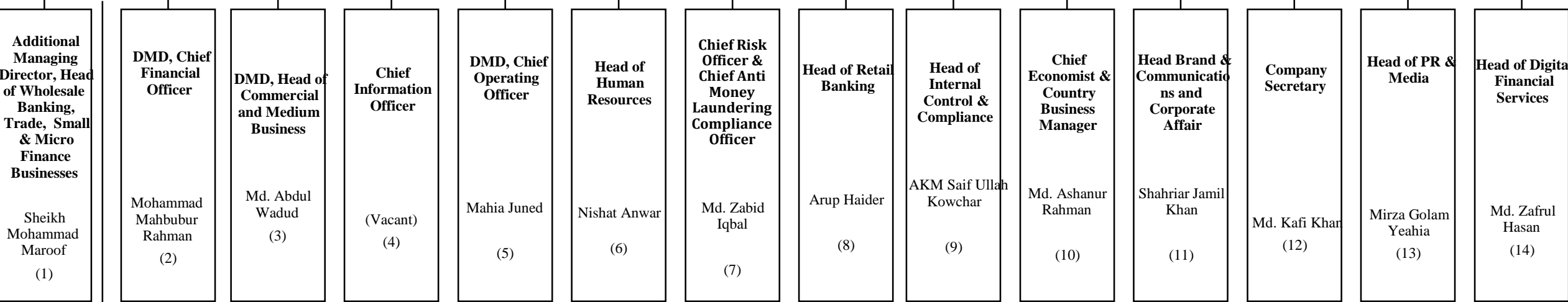
The bank has their own way of values. Those are,

- Result Driven
- Engaged and Inspired
- Accountable and Transparent
- Focused on Customer Delight
- Courageous and Respectful

2.3 Management Practice

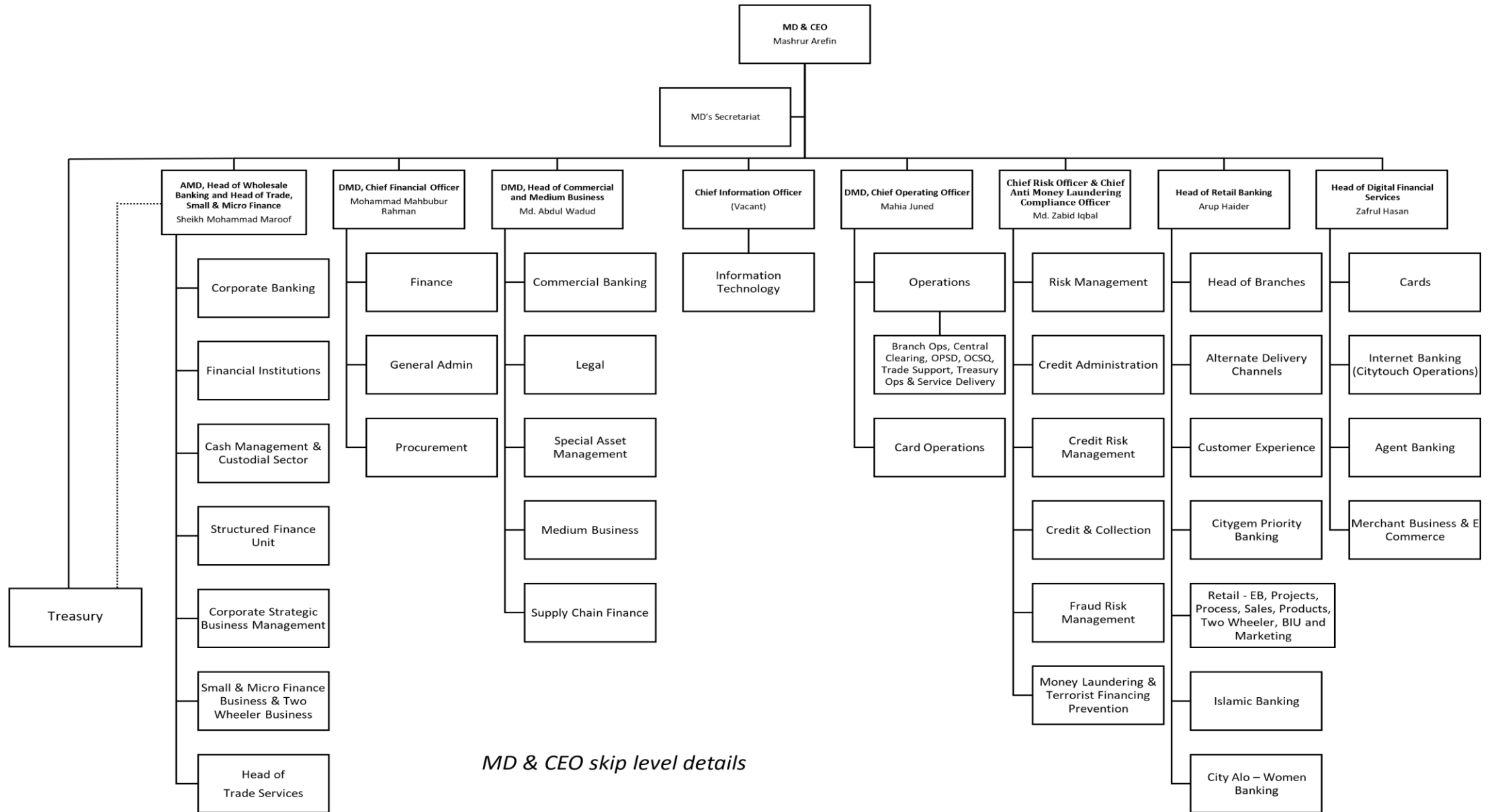
MD & CEO
Mashrur Arefin

MD's Secretariat



Head of Treasury
Muhammed Shah Alam
(15)

- Note:**
- (7) Chief Risk Officer will directly report to Board Risk Management (BRMC) and with a dotted reporting to MD & CEO. He will perform as Head of Risk Management Division.**
 - (9) Head of ICCD will directly report to MD & CEO, However Head of Audit although being a part of ICC administratively will report directly to Audit Committee to the Board of Directors (ACB)**



MD & CEO skip level details

2.4 Marketing Practice

For The City Bank Ltd., the administration point of view ought to be to present new more branches at various reasonable zone where they don't have some other branches and where the contenders didn't enter yet. So that, the organization could be the pioneer of banking in those zones. We realize that the pioneer has the more prominent occasion to develop brand faithful in the purchaser's psych.

Other than that City bank do not advertise their product like other regular product. They use the social media to reach out the customers with exciting offers of their products. On the other hand, affiliated and making contract with different company, resort, restaurants, shopping mall, hotels and many more. With the affiliation, they offer many discounts and other details to the product to attract the customer. So that customer can take their product and enjoy all the offers. This is how they do their marketing practice of their product and service.

2.5 Financial Performance & Accounting Practices:

To evaluate one company's financial performance is better and easy way to check their financial ratios from the statement and compare with their competitors.

First of all, liquidity ratios represent company's ability to use cash or cash equivalent. It shows the debtor capacity to take care of current obligation without raising outer capital. Current proportion decides organization's capacity to take care of present moment due inside year.

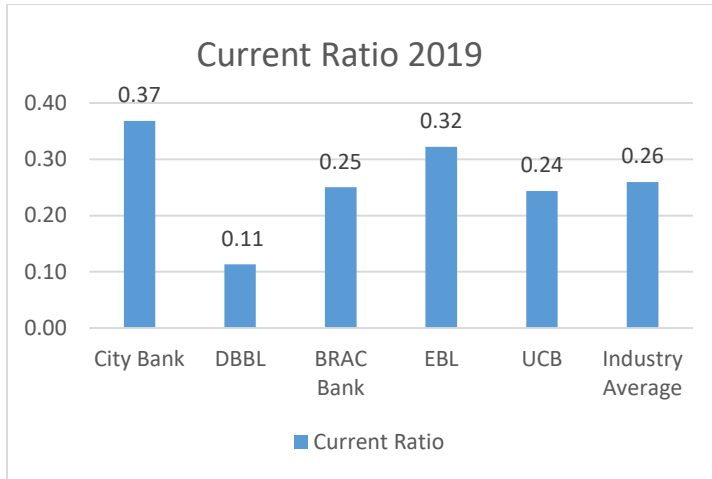


Figure 1: Current Ratio

So, in the chart we can see along with city bank and its competitors, everyone's capability of liquidity is low. All the company's current ratio is low except city bank is slightly better.

To check revenue of a company and compare it with other rival company is best way to check Net profit ratio. Net profit ratio is a proportion of benefit. it express organization's income in rate. One can understand company's net profit by simply checking net profit ratio.

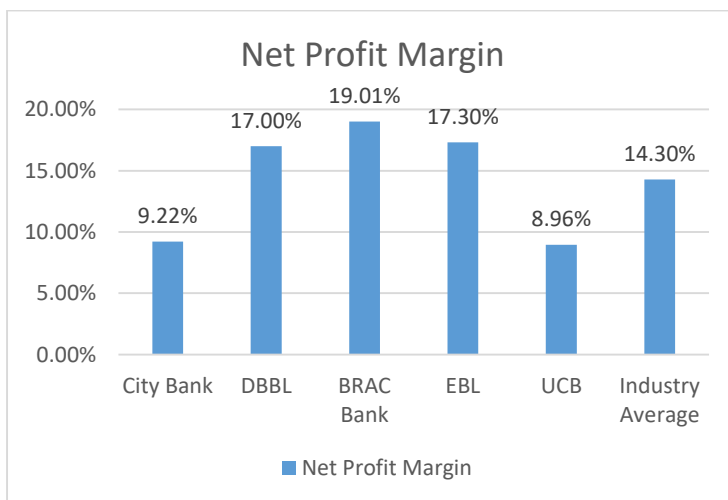


Figure 2: Net Profit Margin

In the chart, we can see BRAC Bank is doing well about their revenue. Compared to others it is on the top. Apart from this, city bank is also doing profit but not like BRAC or EBL. So compare to them net profit is low.

Lastly to understand a company's financial capability, it's better to check their leverage ratio. Leverage ratio represent company's asset and debt. The ratio basically discloses company's financial capital structure.

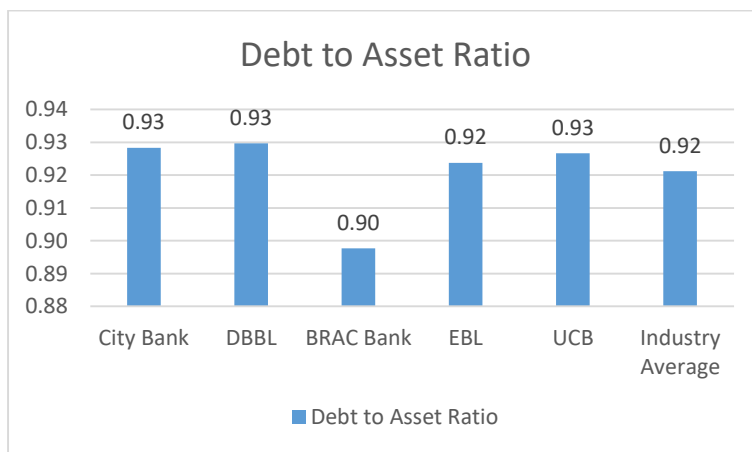


Figure 3: Debt to Asset Ratio

The overview of the above ratio shows that, City bank having a debt ratio of 0.94 which is closely of That mean they are bearing high debt. Apart from this, almost all the company is having similar amount of debt. This means every company is having high leveraged which means they are having high risk along with profits.

2.6 Operations Management and Information System Practices

Operation Management:

Calculated and Support Division is also a bit of Finance Division, as all purchases and acquisitions of the Bank are done by LSD, it endeavors to purchase in lower cost, anyway partition not deal with the things.

To acquire consistency and straightforwardness the buy and acquisition measure, the administration of The City Bank Limited suggested building up a sound buy strategy thinking about best nature of items and benefits and better costs. The Logistic and Support Division is primarily answerable for a wide range of buys and acquirements of the bank. Prior to buying a more significant item, LSD needs to welcome offers, statements or RFP's from legitimate provider or sellers. Likewise, LSD additionally plans and keeps up Tender Documents, Tender Schedules and Tender Invitations.

Strategic and Support Division are disengaged in 6 units and every unit work autonomously their own commitment. These are:

Undertaking Unit, Supervision Support Unit, IMW Unit, Technical Unit, Security Unit, Central Dispatch Unit.

Information system:

The City Bank use FINACLE Information System as their main software. The software is expertise in banking domain, technology, regular upgradation and ability to handle large complex and lengthy data.

FINACLE Application improvement administration are intended to offer banks the cost-efficiencies of reliably re-appropriating the support and upgrade of FINACLE arrangement.

Additionally, the product guarantees high accessibility, superior and high assistance. it additionally can work day in and day out assistance. Besides, it empowers the bank on normal upgradation as per upgradation of technology. FINACLE causes bank to make well suitable and respectable information and can settle on basic and insightful choice. additionally, it can make portfolio extension.

2.7 Industry and Competitive Analysis:

2.7.1 SWOT Analysis

Strength

- City Bank has great political support on positive side
- The Bank has trustworthy and good management for their customer
- Have the leadership among commercial bank
- One of the most seasoned business bank in banking industry
- Better customer service, funding availability and instant banking service
- Very well market experience and market research ability

Weakness

- High interest rate for loan
- Complex industrial projects
- Lack of experience employee for upgradation of banking system
- Lack of employee motivation, job rotation

Opportunities

- Brand value
- SME finance
- High growth of sales and finance volume
- Various successful industrial project boost image of the bank
- Loyal customers

Threats

- Environmental Restriction
- Political and Government restrictions
- Losses of customer
- Lower interest rate offered by another bank
- Time delays due to high complexity projects

2.8 Summary and Conclusion

As City Bank is one of the most seasoned business bank and top bank in Bangladesh, it has different reputation other than similar banks. The American Express debit and credit card are their most popular products among others. Also subscription with various company gives their customer best customer service experience and various lucrative offer, which helps to increase more customer and better service. Furthermore, the total 102 branches in all over Bangladesh is helping people to bring banking service very closer. Now people can easily do their banking activities. Moreover, they launch their digital banking service City Touch, which is easily connectable with internet service. People can instantly enjoy banking service by their mobile phone. However, the City Bank Limited has set up generosity through imaginative items and administrations. The bank is adhered to earnestly the principles, guidelines and exhortation of

Bangladesh Bank. Lately The City Bank Limited is performing admirably to be sure and this bank is focusing in extra on-line banking, SME banking, exchange import business, etc.

2.9 Recommendation

There are few recommendations from to City Bank for their development. Those are given below:

- The bank should open few branch in remote area, so that rural people can access to it
- The bank should focus more on green banking
- They should evaluate every employees task
- During performance appraisal or for promotion, there should not be any biasness
- During pandemic people should divide their task and work from home
- Regular training and development for the employee should be arranged
- During the upgradation of technology or software, they should teach the employee about that first then use those upgradations.
- Internet banking system should be more improved and maintained properly

Chapter 3: Project Part: Comparative Analysis of the Financial Ratio of City

Bank

3.1 Introduction

I was assigned as an intern to City Bank Gulshan Avenue, corporate branch. I was an intern on finance to their corporate banking division. It was a very decent encounter for me to work in a such enormous bank, also beneficial for my education program. As working in corporate banking division, I learned and gathered many knowledge and saw how actually banking activities works.

3.1.1 Job Description

I worked in the corporate banking division in City Bank. I have done so many activities under my supervisor and other employee of the bank. There was other few intern in the bank who works I separate division. As an intern, my responsibility was to prepare various documents, analyze financial ratios and read credit file.

Other than that, I was assigned to do financial spread sheet analysis, which was huge. But later on, my supervisor helps me a lot to do that. Also I have taken short notes during any kind of presentation or meetings. Moreover, I have learned how a bank account open, what are the procedures, what documents they needed and many more. I also work with various credit file and synchronize data by company. So that my supervisor can easily find related document to the company projects.

3.1.2 Objective

The principle objective of the report is to satisfy the prerequisite of student program. It was mandatory for my BBA program. Furthermore, the objective is analyzing the financial ratios of City bank and compare it to other banks ratio. So that we can understand City bank's financial performance and interpret. Other than that, to understand future activities or projects of the bank and also understand banking activities.

3.1.3 Significance of the study

The report plays an important role for the company also beneficiary for the student. From the report, student can be helpful in future and learn from it. Also, people will get idea about the

workplace and activities of corporate sectors. Students will also gain knowledge about workplace management, financial analysis, credit report and many more. Moreover, they will learn work under pressure and also from the report they can transfer their gathered knowledge into their workplaces. So this will improve the work environment.

3.2 Methodology

To set up the report I have utilized both essential and auxiliary information.

Primary Data:

- Direct consultation with supervisor and other employee of bank
- Collect data from various banking file

Secondary Data

- Annual report of City bank
- Annual report and financial statement of other banks
- Related file published from city bank
- Websites of the bank
- Wikipedia and other sources

3.3 Finding and Analysis

3.3.1 Ratio Analysis

Proportion examination is a quantitative system for procuring understanding into an association's liquidity, operational viability, and advantage by considering its financial synopses. Such an examination is particularly important to specialists outside of a business, since their basic wellspring of information about an affiliation is its spending reports. There are five essential kinds of ratios: liquidity, profitability, Debt, Efficiency, and market. Basically, Proportion investigation is an investigation of monetary relationship which is significant for association. by studying the ratio one can easily understand about the financial

performance of the company. Therefore, people, shareholder, investors, bank or other organization always study and analyze ratios first before investing on them.

However, doing the comparative ratio analysis of city bank with other bank is to understand the financial ability and performance of City Bank. For the analysis, I have done cross sectional liquidity, profitability, Debt, Efficiency and market ratio.

3.3.2 Liquidity Ratio:

A liquidity proportion is a sort of money related proportion used to choose an association's ability to pay its monetary commitment responsibilities. The estimation chooses whether an association can use its current, or fluid, assets for cover its current liabilities. It is a significant proportion since it can decide the extent of pay off the obligation without raising additional capital from the organization.

Current Ratio: It is a liquidity ratio. It measures company's ability to pay short term debt. The result comes after dividing the current assets by current liabilities.

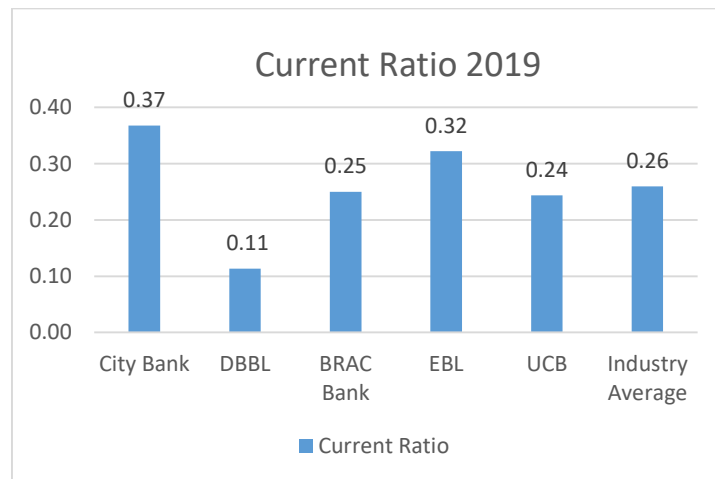


Figure 4: Current Ratio

In 2019, The City Bank's current asset is 0.37 times of their current liabilities. Also they are above from other company and slightly above from the industry average. The result is satisfactory.

3.3.3 Profitability Ratio:

Profitability proportion is a financial estimations used by inspectors and examiners to measure and evaluate the limit of an association to create pay near with pay, bookkeeping report assets, working costs and some more.

Net Profit Margin ratio: The ratio is measure of profitability which determined by net benefit after expense isolated by deals. The ratio shows a percentage of how much a company generates profit.

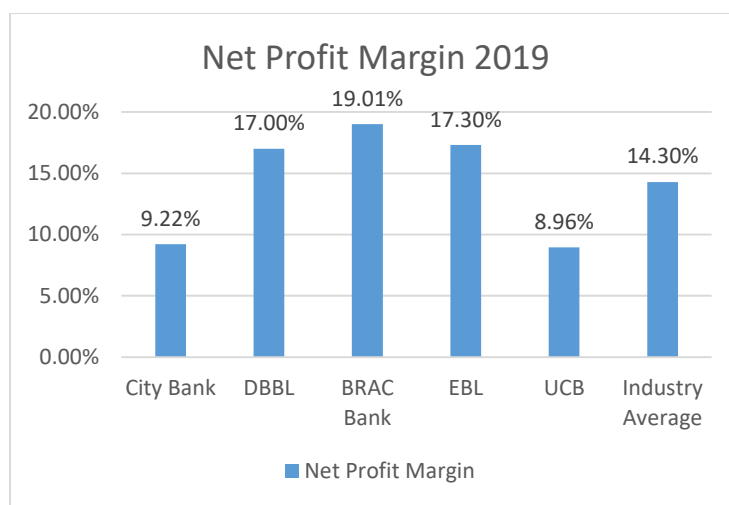


Figure 5: Net Profit Margin

In 2019, every 100tk worth of sales/income generated of 9.22% of Net profit after tax. Net profit declined from industry average and also lower than other company. The result is poor.

Operating Profit Ratio: This is also a profitability ratio which measure company's operations deduct from others charges. It expresses the result into percentage. The ratio is counted with total operating income divided by sales.

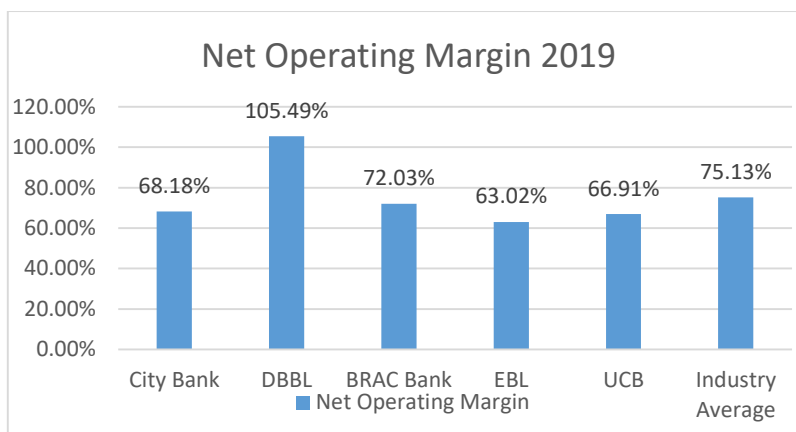


Figure 6: Net Operating Margin

In 2019, every 100tk of sales/income generates 68.18% of operating profit. The ratio is comparatively in good position but below than industry average. The ratio is in a satisfactory position.

Return on Equity: The ratio is measure of profitability to a business or organization related with equity. The ratio calculated with net income after tax divided by the shareholder’s equity.

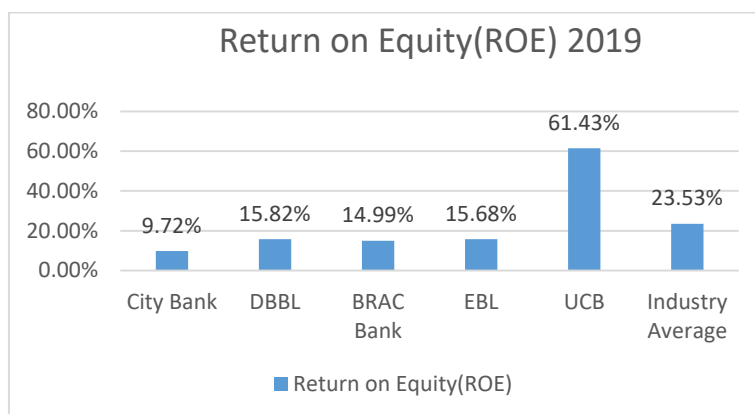


Figure 7: Return on Equity(ROE)

In 2019, the shareholders have earned 9.72tk for every 100tk investment into City Bank. ROE has fell from other company and below than industry average. It is unsatisfactory.

Return on Asset: This is additionally another productivity proportion which measure how much a company’s asset generates revenue. It expresses the return on percentage.

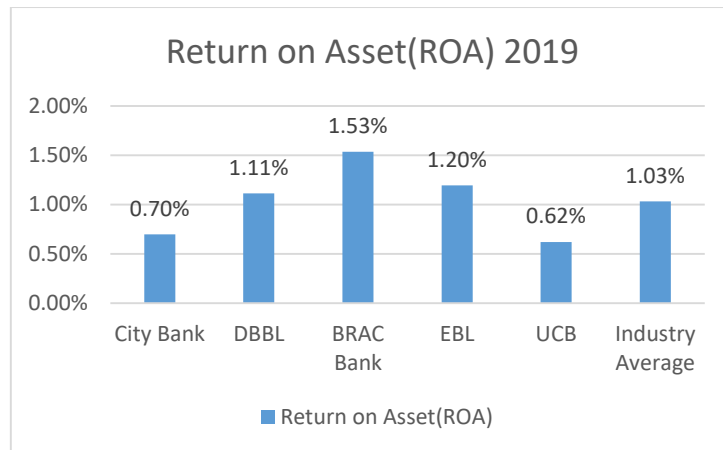


Figure 8: Return on Asset(ROA)

In 2019, every 100tk of worth of total asset of city bank generated 0.70 worth of net profit after tax. Return on asset has fell from industry average and behind from other company as well. The result is unsatisfactory.

3.3.4 Leverage Ratio

An influence proportion is any of a couple of money related assessments that look at how much capital comes as commitment or assesses the limit of an association to meet its monetary responsibilities.

Debt to Equity Ratio: The debt to-equity ratio is a financing extent showing the overall degree of speculators' worth and obligation used to support an association's assets.

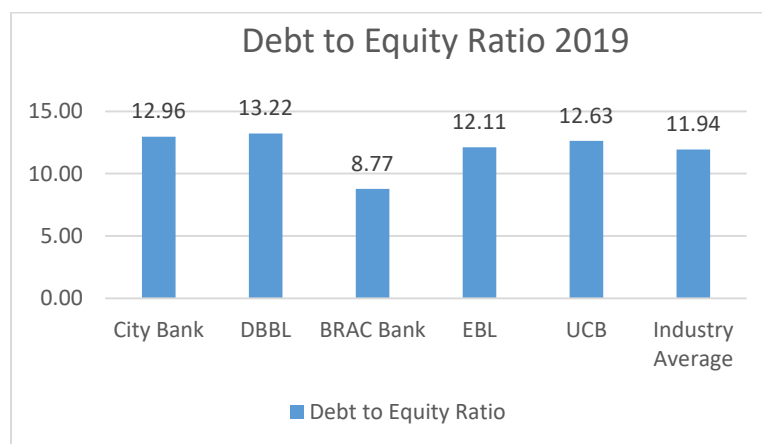


Figure 9: Debt to Equity Ratio

In 2019, 12.96% of total equity was financed by debt. It is in a moderate situation other than competitors. The ratio is slightly higher than industry average. Overall, the ratio is in a good position.

Debt to Asset Ratio: It is an another leverage ratio.it is measured the amount of assets are financed with debt. The ratio is commonly used by the creditors.

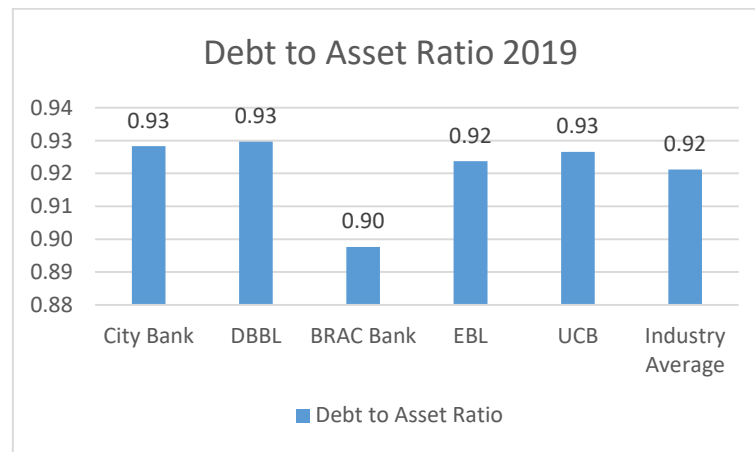


Figure 10: Debt to Asset Ratio

In 2019, 0.93 of total asset was financed by debt. It was on the same trend line with other competitors' company. Also it was slightly above from industry average. Overall it is satisfactory.

3.3.5 Efficiency Ratio

The efficiency ratio demonstrates the costs as a level of income, with a couple of varieties. The extent is normally used to analyze how well an association uses its assets and liabilities inside.

Total Asset Turnover Ratio: It is a monetary proportion that evaluates the capability of an association's usage of its assets in making deals pay or arrangements pay to the association.

The resource turnover extent can be used as a marker of the adequacy with which an association is using its assets for make pay.

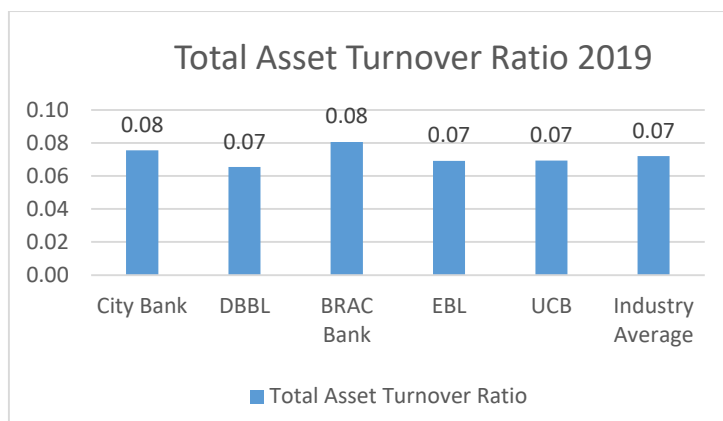


Figure 11: Total Asset Turnover Ratio

In 2019, every one-taka worth of total asset of City Bank generated BDT 0.08 of sales/income. The ratio is above industry average and it was also on the same line with its rivalry. So the ratio is satisfactory.

Fixed Asset Turnover Ratio: Fixed-resource turnover is the extent of arrangements to the assessment of fixed assets. It exhibits how well the business is using its fixed assets for produce deals.

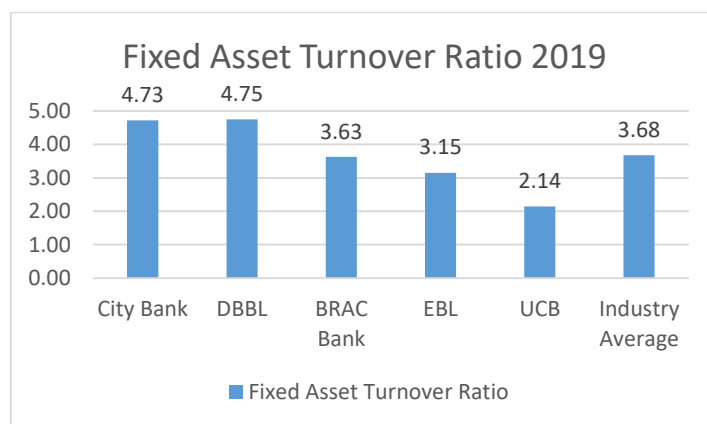


Figure 12: Fixed Asset Turnover Ratio

In 2019, every Taka worth of fixed asset generated BDT 4.73 of sales/income. The ratio is satisfactorily above industry average. Also higher than its competitors. The ratio is better.

3.3.6 Market Value Ratio

Market value ratio is to use to evaluate the current price of share of the company. Market esteem proportion help survey the monetary status of exchanged on an open market associations and can accept a section in distinctive stocks that may be overstated, belittled, or assessed adequately.

Earning Per Ratio: Earning per share is the money related estimation of profit per extraordinary portion of basic stock for an organization. It is viewed as an association's advantage isolated by the striking segments of its ordinary stock. The resulting number fills in as a marker of an association's efficiency.

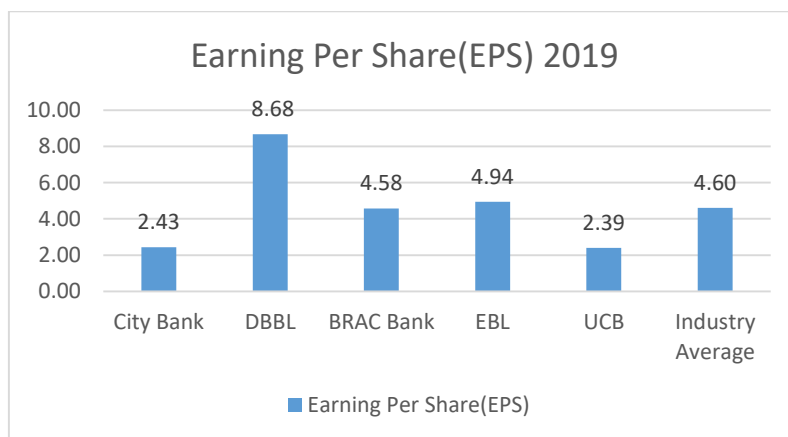


Figure 13: Earning Per Share

In 2018, the common shareholders have earned BDT2.43 per share.

On the trend line, the share price has fall drastically. Also it is below industry average. The ratio is poor.

P/E Ratio: The P/E Ratio is the proportion of an association's offer expense to the association's benefit per share. Despite determining if an association's stock expense is overstated or disparaged, the P/E can reveal how a stock's valuation contemplates to its industry gathering.

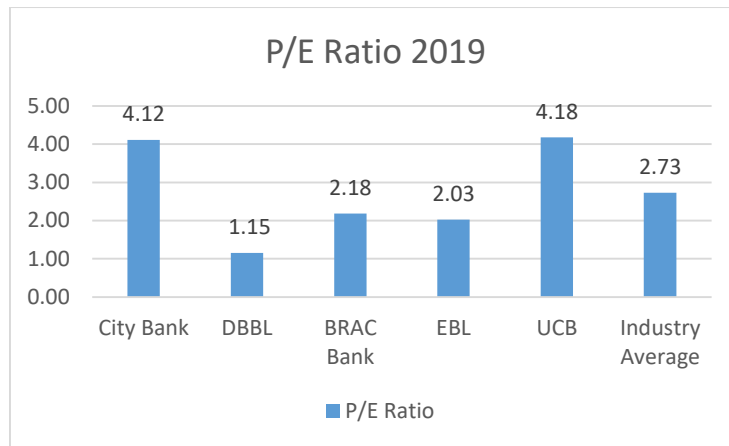


Figure 14: P/E Ratio

In 2019, the shareholders were willing to pay BDT4.12 for every BDT1 of reported earnings. The ratio is above industry average. Also the ratio is above from the other rival company.

3.3.7 Comparative Summary

Ratios	City Bank	DBBL	BRAC Bank	EBL	UCBL	Industry Average
Liquidity Ratio:	-	-	-	-	-	-
Current Ratio	0.37	0.11	0.25	0.32	0.24	0.26
Profitability Ratio:	-	-	-	-	-	-
Net Profit Margin	9.22%	17.00%	19.01%	17.30%	8.96%	14.30%
Net Operating Profit	68.18%	105.49%	72.03%	63.02%	66.91%	75.13%
Return on Equity(ROE)	9.72%	15.82%	14.99%	15.68%	61.43%	23.53%
Return on Asset(ROA)	0.70%	1.11%	1.53%	1.20%	0.62%	1.03%
Leverage Ratio:	-	-	-	-	-	-
Debt to Equity Ratio	12.96	13.22	8.77	12.11	12.63	11.94
Debt To Asset Ratio	0.93	0.93	0.90	0.92	0.93	0.92
Efficiency Ratio:	-	-	-	-	-	-
Total Asset Turnover	0.08	0.07	0.08	0.07	0.07	0.07
Fixed Asset Turnover	4.73	4.75	3.63	3.15	2.14	3.68
Market Value Ratio:	-	-	-	-	-	-
Earnings Per Share	2.43	8.68	4.58	4.94	2.39	4.60
P/E Ratio	4.12	1.15	2.18	2.03	4.18	2.73

Banking sectors in Bangladesh is getting more complex and competitive nowadays. Among those competitors, City Bank is proudly doing great business in banking sectors. They are one of the old commercial banks in the industry.

The report has been set up based on proportions. I did comparative ratio analysis on City Bank with other competitors' bank. On my report I did cross-sectional analysis of liquidity ratio, Profitability ratio, Leverage ratio, Efficiency ratio and Market ratio.

First of all, City Bank's Current ratio was 0.37, which is above industry average and they are capable of paying their obligation in time. Also they have a bigger extent of transient resource esteem. After that to evaluate and understand company's financial condition more specifically I did the profitability ratio. They are standard of ratios. Among them City Bank's net profit margin is 9.22% which is less than their competitors and below industry average. We can say their cost of strategies is high than other banks. That is why they are earning less profit in this year. Then they are having 68.19% of operating profit margin. Moreover, their ROE and ROA are in moderate position than other bank. These two ratios are most important and used for measuring company's performance. On the basis of these ratios investor is convinced on investing in their desired company.

The asset turnover ratio measures how well a company can use their assets to make more sales. The higher the ratio, higher efficiency for organization. In the report we can see, City Bank is having good fixed and total asset turnover ratio. Their ratio is going with the rivalry trend and also above industry average. So we can say City Bank is efficiently using their asset to generate profit.

Market value ratios are used to evaluate the current offer expense of a straightforwardly held association's stock. This is the pace of benefit to theorists in the event that they by one way or another figured out how to buy the proposals at the current market cost. Here we can see City Bank's Earnings per share 2.43tk which is significantly lower than industry average and other company. Their share price has drastically dropped. On the other hand, their P/E ratio is 4.12, which is higher than industry average. The high P/E proportion is demonstrating that financial specialists are anticipating high development for the organization. City bank is a higher growth organization.

So, seeing all the ratios, we can say City Bank healthy growing company, although it has some poor ratios but some of their ratios are extremely good. City bank is surviving the extremely competitive banking sector only because of their relationship with the customers. They are extremely professional on handling customer and they are doing it so well. That is why their customer are so loyal with the bank. So overall their financial performance is above average and they are trying hard to increase their financial performance.

3.4 Summary and Conclusion

City Bank as a private bank doing great business in banking business. It is becoming one of the top bank in the industry and getting various award. Nowadays banking sector has been extremely competitive and among city bank is giving the best corporate solution and excellent customer service to their clients. The bank is working very hard to increase their productivity so that client gets attracted to the bank and increase more customer. The City Bank Limited accepts a basic occupation in various fields in the economy, for instance, industry, trade a lot, transportation, store planning, etc. It is expecting an indispensable part in human resource improvement and in making new business openings. It is furthermore endeavored distinctive government help practices for the improvement of the overall population, in this setting the bank has set up The City Bank Foundation. However, it was a great opportunity and pleasure to work with city bank and creating report on that. It helps me to achieve so many new things and learning other than academic things. It also gives real life experience about corporate workplace.

3.5 Recommendation

There is nothing to much more recommendation for City Bank as they are already a well-established and one of the best commercial bank in Bangladesh. A very few recommendations are given below:

- Regular training and development should be provided to the employee
- For performance appraisal and evaluation, there should be no biasness
- The Bank ought not finance to that individuals who are not really equipped for giving the advance portions in an exceptionally stable way. The Bankers should know about this undesirable occurring.
- They should handle customer in more sufficient way and focus more on them
- They should install more ATM booth
- The bank should implement strategic planning and make critical decision carefully to compete with their competitors
- They should improve their ibanking system
- They should regular update their app and make it smoothing for their customers.
- The bank should handle more carefully complex projects.
- The bank should disburse loan quickly.

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