

Thesis Report

on

(Financial Statement Analysis of Prime Bank Limited)

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Submitted for the partial fulfillment of the degree of

Master of Business Administration



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Letter of Transmittal

January 25, 2021

Md. Masud Rana

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Subject: Submission of Thesis report

Dear Sir,

With humble honor and respect, I am submitting my thesis report on “Financial Statement Analysis of Prime Bank Limited”. As per partial accomplishment of the requirements for the MBA degree, I have completed internship from “Prime Bank Limited” [As per partial accomplishment of the requirements for the MBA degree, this thesis report has been carried out under the supervision of you.

This report is an integral part of our academic courses in completion of the MBA program which has given me the opportunity to have an insight into the finance part. I hope this report reflects on the contemporary issues on the Accounting that are being Practiced by organizations in our country.

In completing the report I tried my best to blend all my knowledge and imparted every available detail and also attempted to avoid unnecessary amplification of the report. I humbly request you to accept this report for your kind evaluation.

Sincerely,

Syeda Tania Ferdoush

ID: 1903018003

Department of Business Administration

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Certificate of Supervisor

This is to certify that the Thesis report “An Overview of Financial Statement of Prime Bank Limited” has been prepared as a part of completion of the MBA program from Department of Business Administration, Sonargaon University (SU), carried out by Md. Masud Rana, bearing ID: 1903018003 under my supervision. The report or the information will not be used for any other purposes.

.....

Md. Masud Rana
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Student Declaration

I am Syeda Tania Ferdoush, a student of Master of Business Administration, ID: RMBA1903018003 from Sonargaon University would like to solemnly declare here that this report on “Financial Statement Analysis of Prime Bank” has been prepared by me. While preparing this report, I didn’t breach any copy right act internationally. I am further declaring that, I did not submit this report anywhere forwarding any degree, diploma or certificate.

Sincerely Yours

Tania

Syeda Tania Ferdoush
ID: RMBA 1903018003
Program: RMBA
Major: Accounting
Semester: Fall

Letter of Authorization

Certified that this project report titled “Financial Statement Analysis of Prime Bank Limited” is the bona fide work of Syeda Tania Ferdoush, who carried out the research under my supervision. Certified further that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

.....

Md. Masud Rana
Assistant Professor of Accounting
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At the beginning I am very much grateful to almighty for giving me strength and opportunity and sound mind to complete the thesis report. First of all I would like to thank to my thesis Supervisor, Md. Masud Rana, Assistant Professor of Accounting, Sonargaon University, for guiding me and encouraging me to work on this exciting topic for my thesis report. I strongly believe that, these will assist me a lot to make me more professional and building my future professional career. He had been very helpful through the program and suggests all sources for necessary information to make this report. This thesis report might never have been completed without the necessary particle knowledge, assistance of many books, articles, websites and primary data. It enhanced my practical knowledge in corporate culture. Finally, my heartiest thanks go to others who were involved and helped directly and indirectly to prepare this report. Without them all these would not have been made possible.

Executive Summary

Prime Bank Ltd. carries banking activities through its 146 branches in the country. The commercial banking activities of the bank encompasses a wide range of services including mobilizing deposits, providing investment facilities ,discounting bills ,conducting money transfer and foreign exchange transactions, and performing other related services such as safe keeping, collections and issuing guarantees, acceptances and letter of credit. Prime Bank LTD is one of the most prominent bank in Bangladesh. It is well known for its. Organizational reputation, expertise, professionalism. The researcher got opportunity to complete this internship in this reputed organization where she has able to match theoretical knowledge with practical situation. The report is descriptive in nature.

The report was entitled “Financial Performance Analysis of Prime Bank LTD”. For preparing this report researcher used and secondary data. Qualitative and quantitative both data were analyzed in this report and data were presented by using the Microsoft word. Due to the time limitation, the scope and dimension of the study has been curtailed.

Financial analysis is structural and logical way to present overall financial performance of a financial institution. It's also help to evaluate and decision making for business operation. In financial analysis process ratio analysis is the most dominant and logical structure to help business related stakeholder. Under the financial ratio analysis process there are few categories to identical area of financial institution. So business stakeholders try to concentrate to get overall business overview from profitability, liquidity, assets management and solvency ratio analysis. These ratios not only help to decision making process also emphasized on risk avoiding and profit raising related factors. To calculate this ratio need to take quantitative data from bank trading activity and other sources. Financial statement.

Analysis involves a comparison of a firm's performance with that of other firms in the same line of business, which usually is identified by the firm's industry Classification. Generally speaking the analysis is used to determine the firm's financial position so as to identify its current strengths and weakness and to suggestion the firm might pursue to take advantage of the strength and correct any weakness.

Table of Contents

Letter of Transmittal
Certificate of Supervisor
Student Declaration
Letter of Authorization
ACKNOWLEDGEMENT
Executive Summary

Chapter 1

BACKGROUND OF THE STUDY

1.1 Origin of the Report	3
1.2 Objective.....	4
1.3 Methodology.....	4-5
1.4 Scope of Report.....	5
1.5 Limitations of the study.....	6

Chapter 2

ORGANIZATIONAL OVERVIEW

2.0 History of Prime Bank Limited	7
2.1 Commencement of Operation	8
2.2 Motto, Vision, Mission, Focus of efforts, Objectives and Values of Prime Bank	8-9
2.3 Achievement of Prime Bank Limited at glance.....	10
2.4 Corporate Philosophy.....	10-11
2.5 Strategic Priority.....	11
2.6 Ethics, Integrity and Trust.....	12
2.7 Board of Directors	13-15
2.8 Functional Department of Prime Bank Ltd.....	15-19
2.9 Challenges of Future operation of Prime Bank Limited.....	20
2.10 Prime Bank LTD at a glance	21-22

Chapter 3

Customer Services provided by PBL with the online facility

3.0 Customer Services provided by PBL with the online facility	23
3.1 Cash and Non-Cash Services	23-24
3.2 Products and services provided by Prime Bank Limite.....	25-26
3.3 Loan	26-27
3.4 Internet Banking	28
3.5 SMS Banking.....	28
3.6 Export Finance Unit (EFO).....	28-29
3.7 Islamic Banking	29

Chapter 4 (Part- 1)

Theoretical Background

4.0 Financial Ratio Analysis	30
4.1 Financial Ratios.....	31-33
4.2 Common Size Analysis	33
4.3 Trend Analysis.....	33

Chapter 4 (Part- 2)

Financial Performance analysis of Prime Bank

4.3 Ratios	34-47
4.4 Findings and Analysis.....	48-49
4.4 Common Size Analysis.....	50-52
Interpretation.....	53
4.5 Recommendations	54
Conclusion	55

Chapter 1

BACKGROUND OF THE STUDY

1.0 INTRODUCTION

Prime Bank is a top-tier second generation local commercial bank in Bangladesh established in 1995. Headquartered in the heart of Dhaka's bustling financial hub Motijheel, the Bank's operational footprint is spread all over the country with 146 branches and 170 ATM locations. It was incorporated under the Companies Act of 1994.

1.1 Origin of the Report

This program is designed for the student of Master of Business Administration

Program (MBA) of Sonargaon University on completing the course to acquire experience on the practical application with the theoretical knowledge. This report was done during my thesis period in Prime Bank Ltd. to fulfill the requirement of the course under the supervision of Md. Masud Rana. The topic was selected with able guidance of the supervisor. The Topic of the report is “Financial Statement Analysis of Prime Bank LTD”. Financial analysis is a structural and logical way to present overall financial statement of a financial institution. It is also help to evaluate and decision making for business operation. Business stakeholders try to concentrate to get overall business overview from profitability, liquidity, asset management and solvency ratio analysis.

1.2 Objective

Broad Objective

This report is prepared primarily to fulfill the partial requirement of obtaining post-graduation degree under Sonargaon University and to analysis the financial performance of Prime Bank Limited.

Specific Objectives

1. To find out the reasons behind PBL's enhancements or pitfalls of performance over the years.
2. To find out the present performance of the bank and predate the near future.
3. To gather knowledge about the profitability of the bank through Profitability ratios.
4. To evaluate the operational efficiency of the bank.
5. To know the strengths, weaknesses, Opportunities and threats of PBL.
6. To conduct time series analysis of the bank for measuring the financial performance.
7. Finally, to suggest necessary recommendations to overcome the shortcomings of Prime Bank to improve their financial performance.

1.3 Methodology

Research Design

The report is descriptive in nature. To prepare this report gathering data is very important. The information was collected from both primary and secondary sources of data. The information was collected within the organization from the Corporate Division of Prime Bank Limited.

Data Collection Method

This report is prepared based on information collected from and Secondary sources.

Sources of Data

Secondary data

1. Annual Reports of Prime Bank Limited.
2. Online data from PBL website.
3. Working papers
4. Office files
5. Several article related on financial analysis
6. Selected Books

Data Analysis Method:

Qualitative and Quantitative both research is conducted to analysis secondary data. The data are presented in this report by using the Microsoft Word and Microsoft Excel.

1.4 Scope of the Report

The scope of the study is to have an idea about Financial Performance Analysis of PBL. The report starts with the outline of the organization in focus, presenting the mission and vision of organization. It accompanied by the global perspective and look into the future. The researcher provides information about the strengths, weakness, opportunities and threats of the organization. Those who looking for the information about Financial Performance Analysis of PBL they might get help from this report. The study explores the present market scenario of Prime Bank and future market growth prospects in Bangladesh.

1.5 Limitations of the study

1. Legal obligation: Due to some legal obligation and business secrecy the bank was reluctant to provide some sensitive data. Thus, this study limits only on the available published data and certain degree of formal and informal interview and limited survey.
2. Extensive Nature: Although the particular study is extensive in nature, hard effort was given to make the study Worthwhile and meaningful even then there exists some limitation.
3. Lack of time: The researcher was in the bank for three months so within this short span of time it is very difficult to be familiar with all the activities of the bank.
4. Lack of Supervision by the bank officers: As the officers were busy with their daily working activities, they were not able to give me much time apart from their daily working activities.
5. Restricted Information: There were various types of information that the bank officers cannot disclose due to the security and other corporate obligations.
6. Due to COVID-19 Situation whole country gone through lockdown that's why I can to go out of home and cant not go in bank go collect primary data from prime bank. This is one of the biggest limitations to make this report.

Chapter 2

ORGANIZATIONAL OVERVIEW

2.0 History of Prime Bank Limited

Prime Bank Limited is a fast growing private commercial bank of Bangladesh. The Bank has already at the top slot in terms of quality service to the customers and the value addition to the shareholders. Prime Bank Ltd. was incorporated under the Companies Act, 1994 on February 12, 1995 and on this day, filed a duly verified declaration in the prescribed form that the condition of section 150(1)(a) to (d) of the said Act, have been complied with, is entitled to commence business as a public limited company.

Prime Bank Ltd. being a banking company has been registered under the Companies Act 1913 with its registered office at 5, Rajuk Avenue, Motijheel commercial area, Dhaka 1000. Later it was shifted to Adamjee Court Annex building, 119-120, Motijheel Commercial Area, Dhaka-1000. The bank operates as a scheduled bank under banking license issued by Bangladesh Bank, the central bank of the country on April 17, 1995 through opening of its Motijheel branch at Adamjee Court Annex Building, Motijheel commercial area, Dhaka-1000.

The Bank made satisfactory progress over the years after its starting. Despite difficult circumstances it became able to sustain with some achievements. The bank further expected and consolidated its customer base in both of its core business and retail banking. The bank retained its lead position with the capital adequacy ratio of 12.43% as on December end 2002, which is well above the stipulated requirement of 8%. The return on Asset (ROA) was 3.73% well above the industry average.

2.1 Commencement of Operation

Prime Bank Ltd. was established on 17th April 1995 with an authorized capital of Tk.1000 million and paid up capital of Tk.100 million (raised to Tk.200 million in 1997) by a group of highly successful entrepreneurs from various fields of economic activities such as shipping, oil, finance, garments, textiles and insurance etc. It is a full licensed scheduled Commercial bank set up in the private sector in pursuance of the policy of the Government to liberalize banking and financial services. The former governor of Bangladesh Bank Mr. Lutfar Rahman Sarkar was the first managing director of the bank. Highly professional people having wide experience in domestic and international banking are managing the bank. The network of branches increased to 120 including 15 SME center and licenses for few more branches are in hand which will be opened soon. Prime Bank Ltd. is the pioneer in providing consumer loans as well as financing to the industries and transport sectors through attractive leasing and hire purchase scheme. Prime is catering both conventional interest based banking and banking under Islamic Sharia Principles. The Islamic banking operations are completely separated from the conventional banking.

2.2 Motto, Vision, Mission, Focus of efforts, Objectives and Values of Prime Bank Limited

Motto:

“A Bank with a difference” is the motto of Prime Bank Limited. The Bank is prepared to meet the challenge of the 21st century well ahead of time. To cope up with the challenge of the new millennium it has hired experienced and well-reputed banker of the country from the inception. So the Bank defined.

Vision:

To be the best Private Commercial Bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management and profitability having strong liquidity.

Mission:

To build Prime bank limited into an efficient, market driven, customer focused institution with good corporate governance structure.

Continuous improvement in our business policies, procedure and efficiency through integration of technology at all levels.

Focus of Efforts

“On delivery of quality service in all areas of banking activities with the aim to add increased value to shareholders’ investment and offer highest possible benefits to our customers”

Objectives

The objectives of the Prime Bank Limited are specific and targeted to its vision and to position itself in the mindset of the people as a bank with a difference.

1. To mobilize the savings and channeling it out as loan or advance as the company approve.
2. To establish, maintain, carry on, transact and undertake all kinds of investment and financial business including underwriting, managing and distributing the issue of stocks, debentures, and other securities.
3. To carry on the Foreign Exchange Business, including buying and selling of foreign currency, traveler cheque issuing, international credit card issuance etc.
4. To develop the standard of living of the limited income group by providing Consumer Credit.
5. To encourage the new entrepreneurs for investment and thus to develop the country’s industry sector and contribute to the economic development.

Values:

All of PBL’s activities are centered on few group values which are provided below:

6. Long-term, ethical client service.
7. Confident and ambitious sense of excellence.
8. Capable of creativity and strong marketing.
9. High productivity through teamwork.
10. Fast decisions and implementation.
11. Putting the Group’s interest ahead of the individual’s.
12. The appropriate delegation of authority with accountability.
13. Fair and objective employer.
14. A merit approach to recruitment/selection/promotion.

2.3 Achievement of Prime Bank Limited at a glance

PBL continues to earn recognition and trust for its strong and sustained financial performance and product management. In 2011 PBL received 4 most valued awards for its published accounts and reports and corporate governance viz.

1. Best Presented Accounts Award” from SAFA (South Asian Federation of Accountants) for Annual Report-2010.
2. Best Published Accounts & Reports Award” from ICAB (Institute of Chartered Accountants of Bangladesh) for Annual Report 2010.
3. ICMAB Best Corporate Award 2011” from ICMAB (Institute of Cost & Management Accountants of Bangladesh).
4. International Star for Leadership in Quality (ISLQ) Award” in the Gold category on the basis of ISLQ Regulations and criteria of the QC100 Total Quality Management Model by B.I.D. (Business Initiative Directions) during the International Quality Convention held in Paris on 11th April 2011.

2.4 Corporate Philosophy

- **For Customers**

1. To provide the most courteous and efficient service in every aspect of its business
2. To be innovative in the development of new banking products and services

- **For Employees**

1. By promoting their well-being through attractive remuneration and fringe benefits
2. By promoting good staff morale through proper staff training and development and provision of opportunities for career development.

- **For Shareholders**

1. By forging ahead and consolidating its position as a stable and progressive financial institution
2. By generating profits and fair return on their investment

- **For the Community**

1. By assuming our role as a socially responsible corporate citizen in a tangible manner.
2. By adhering closely to national policies and objectives thereby contributing towards the progress of the nation upholding ethical values and best practices.

2.5 Strategic Priority

- Maintain satisfactory capital to support growth and remain compliant.
- Continue to strive for sound growth by doing the business that we do well, expanding into areas underserved, entering new sectors and exploring innovative ideas.
- Have a strong customer focus and build relationships based on integrity, superior service and mutual benefit.
- Continue to provide new services to customers with support of superior information technology platform
- Establishment of good Corporate Governance by remaining efficient, transparent, professional and accountable to the organization, society and environment.
- Ensure effective risk management for sustainable growth in shareholders' value.
- Diversification of loan portfolio through structured finance and expansion of Retail and SME financing.
- Value and respect people and make decisions based on merit.
- Expansion of Brand Image by in-house capacity development through continuous training.
- Be responsible, trustworthy and law-abiding in all that we do.
- Be leader in serving the interest of our community and country.

2.6 Ethics, Integrity and Trust

Banking deals with public money where Ethics, Integrity and Trust is utmost important. Prime Bank upholds these principles in every section by its management and customer service. The following are the key principles of Employee Codes of Ethics and Business Conduct:

1. Provide service to customers with uncompromising integrity, utmost respect, unwavering responsibility and dedicated citizenship.
2. Protect privacy and confidentiality of customer information.
3. Prevent money laundering and fraud.
4. Demonstrate workplace respect.

2.7 Board of Directors

Name	Designation
Tanjil Chowdhury	Chairman

Md. Shahadat Hossain	Vice Chairma
Imran Khan	Vice Chairman
Azam J Chowdhury	Director
Md. Nader Khan	Director
Quazi Sirazul Islam	Director
Marina Yasmin Chowdhury	Director
Md. Shirajul Islam Mollah	Director
Mafiz Ahmed Bhuiyan	Director
Nasim Anwar Hossain	Director
Salma Huq	Director
Nafis Sikder	Director
Waheed Murad Jamil	Director

Tarique Ekramul Haque	Director
Mohammad Mushtaque Ahmed Tanvir	Director
Zaeem Ahmed	Director
Dr. Shamsuddin Ahmad	Independent Director
Dr. G M Khurshid Alam	Independent Director
M Farhad Hussain FCA	Independent Director
Dr. M. Shamim Z. Bosunia	Independent Director
Rahel Ahmed	Managing Director & CEO

2.8 Functional Department of Prime Bank Ltd.

Human resource Department (HRD):

HRD performs all kind of administrative and personnel related matters. The broad functions of the division are as follows:

- a) Selecting & Recruitment of new Personnel.
- b) Prepare all formalities regarding appointment and joining of the successful candidates.
- c) Placement of Manpower.
- d) Deal with the transfer, promotion and leave of the employees.
- e) Training & Development.

- f) Termination and retrenchment of the employees.
- g) Keeping records and personal file of every employee of the Bank.
- h) Employee welfare fund running.
- i) Arranges workshops & trainings for employee & executives.

Financial and Administration Department (FAD):

Financials Administration Division mainly deals with the account side of the Bank. It deals with all the Head Office transactions with bank and its Branches and all there are controlled under the following heads:

- a) Income, Expenditure Posting: All income and expenditures are maintained and posted under these heads.
- b) Cash Section: cash section generally handles cash expenditure for office operations and miscellaneous payments.
- c) Bills sections: this section is responsible for inland bills only.
- d) Salary & Wages of the Employee: Salary and wages of the Head Office executives, Officers 7 Employees are given in this department.
- e) Maintenance of Employee Provident Fund: Employee provident fund accounts are maintained here.

Inspection and Audit Division:

Inspection and Audit division works as internal audit division of the Company. The officers of this division randomly go to different branches examine the necessary documents regarding each single account. If there is any discrepancy, they inform the authority concerned to take care of that/those discrepancies. They help the bank to comply with the rules and regulation imposed by the Bangladesh Bank. They inform the Bangladesh Bank about the Current position of the rules and regulation followed by the Bank

Marketing Division:

Marketing Division is involved in two types of Marketing:

Asset marketing: Marketing of assets refers to marketing of various kinds of loans and advances. In-order to perform this job, they often visits dome large organizations and attract then to borrow from the Bank to finance profitable ventures.

Liability Marketing: The process of Liability marketing is more or less same as Asset marketing. In this case different organizations having excess funds are solicited to deposit their excess fund to the Bank. If the amount of money to be deposited is large, the Banks sometimes offer a bit higher price than the prevailing market rate.

Public Relation Department:

It has to perform certain functions related to all types of communication. The broad routine functions can be enumerated as follows:

- a) Receiving and Sanctioning of all advertisement application
- b) Keeping good relation with different newspaper offices.
- c) Inviting concerned ones for any occasion.
- d) Keeping good relation with different officers of electronic media.

Computer and Information Technology Department.(SS) :

Prime Bank operates and keeps records of its assets and liabilities in computers by using integrated software to maintain client Ledger and general Ledger. The main function of this division is to provide required Hardware and Software. The functions of this division are:

- a) Designing software to support the accounting operation.
- b) Updating Software, if there is any lagging.
- c) Improvisation of software to get best possible output from them.
- d) Hardware and Software troubleshooting.
- e) Maintain Connectivity in through LAN, Intranet & Internet.
- f) Provide updated CD's of Online Accounts to the Branches.
- g) Routine Checkup of Computers of Different Branches.

Merchant Banking and Investment Division:

This division concentrates its operation in the area of under writing of initial public offer (IPO) and advance against shares. This division deals with the shares of the Company. They also look after the security Portfolio owned by the Bank. The Bank has a large amount of investment in shares and securities of different corporations as well as government treasury bills and prize bond.

Credit Division:

The main function of this division is to maintain the Bank's credit portfolio. A well reputed and hard working group of executives & officers runs the functions of this division. Other major functions are the following:

- a) Receives proposals.
- b) Proposes and appraises
- c) Get approval.
- d) Communication and Sanction.
- e) Monitoring and follow-up.
- f) Set price for credit and ensure effectiveness of it.
- g) Prepare various statements for onward submission to Bangladesh bank.

International Division:

The objective of this division is to assist management to make international dealing decisions and after decision is made, guide Branches in their implementation. Its functional areas are as follows:

- a) Maintaining correspondence relationship.
- b) Monitoring foreign exchange rate and exchange dealings.
- c) Maintaining No stro A/Cs and reconciliation.
- d) Authorizing of signing and test key.
- e) Monitoring foreign exchange returns & statements.
- f) Sending updated exchange rates to concern branches.

Logistic & Support Services Division (L&SSD):

This Division was formerly known as General Services Division (GSD). Their main function relates to procurements and supply of all tangible goods and services to the Branches as well as Head office of Prime Bank Limited. This includes-

- a) Every tangible functions of Branch opening such as making lease agreement, interior decoration etc.
- b) Print all security papers and Bank Stationeries.
- c) Distribution of these stationeries to the branch.
- d) Purchase and distribute all kinds of bank's furniture and fixtures.
- e) Receives demand of cars, vehicles, telephones etc from branched and different divisions in head office and arrange, purchase and delivery of it to the concerned person / Branch.
- f) Install & maintain different facilities in the Branches.

Consolidation of Branch's Accounts:

All branches periodically (especially monthly) send their income and expenditure i.e. profit and loss accounts and Head Office made the consolidation statement of income and expenditure of the bank. Here branch Statements are reviewed. This division also prepares different monthly, quarterly, half-yearly statements and submits to Bangladesh bank. It also analyzes and interprets financial statements for the management and Board of director.

Credit Card Division:

Prime Bank obtained the principal membership of Master Card International in the month of May, 1999. A separate Division is assigned to look after this card. The Marketing Team of this division goes to the potential customers to sell the card. Currently Prime Bank Ltd. offers four types of card:

- (1) Local Silver Card.
- (2) International Silver Card.

(3) Local Gold Card.

(4) International Gold Card.

Recently Prime Bank has obtained the membership of VISA credit Card and soon they will start marketing of it.

2.9 Challenges of Future operation of Prime Bank Limited

Prime Bank Limited is well positioned to meet the challenges of 2013 and will continue to strive to innovate and capture opportunity for growth and value creation. The Bank will focus on its large customer base to generate more business from existing customers. This strategy is supported by continuous improvement in the existing wide spectrum of product and services and level of customer service delivery. The Bank will continue to harness the potential of retail, credit card, SME and remittance market. However, continued pressure on interest margins, fee, exchange earnings and increased provision requirement for Retail, Credit Card and SME will pose a challenge to the financial institutions during 2013 also. In its pursuit for growth, the Bank will always adhere to good corporate governance and practices and sound risk management policies and strict credit evaluation procedure. We see ourselves as strong and effective player in the financial system and would remain ready for the implementation of the same. Our exposure in core business of corporate and retail sectors with wide range of products is continuously expanding our operation.

2.10 Prime Bank LTD at a glance

Name Of the organization	Prime Bank Limited
Year of Establishment	17th April 1995
Head Office	119-120, Adamjee Court Annex building, Motijheel Commercial Area, Dhaka-1000.
Nature of the organization	Commercial and Private Bank of Bangladesh
Capital	900B
Service	<ul style="list-style-type: none">) Commercial banking both Conventional and Islamic mode. b) Merchant and Investment Banking. c) SME & Retail Banking d) Credit card and off-shore banking
Number of Branches	146
Number of Employees	2,867
Market Price per share	23.88
Service coverage & customers	Serves individual and corporate customers within Dhaka ,Chittagong, Khulna, Barisal, Sylhet , Rajshai & Rangpur
CRISL Rating (Credit Rating Information Service Limited Subsidiaries)	Long term-AA+ Short term- ST-1 1) Prime Bank Investment Limited. 2) Prime Bank Securities Limited.

- 3) Prime Exchange Company (Pte) Limited, Singapore.
- 4) PBL Exchange (UK) Limited.
- 5) PBL Finance (Hong Kong) Limited

Chapter 3

Customer Services provided by PBL with the online facility

At this moment, Prime Bank Limited is one of the leading on-line banks of Bangladesh. The Customer Services Department is fully maximizing this on-line facility to provide value added and differential services to their customers. A customer can really banking with PBL from anywhere and anytime. The various customer services activities performed by the Customer Services Department of PBL can be classified into two categories. These two categories are as:

1. Cash and Non-Cash Services
2. Other Customer Services

3.1 Cash and Non-Cash Services

PBL assign a CSM as an in-charge of all the cash and non-cash activities of a branch. The CSM is supervising a team of CSO, known as 'Teller' to perform the entire cash and non-cash activities efficiently and timely.

This category can be subdivided into two different groups to discuss their activities more effectively:

- a. Cash Services
- b. Non-Cash Services

Cash Services

From this section, the customers are getting the following services:

- i. Deposit Money
- ii. Withdraw Money
- iii. Electronic Fund Transfer

Non-Cash Services

The Non-Cash counters of the CSD are providing the following services to customers:

- Receiving other banks A/C Pay cheque for clearing or collection
- Electronic fund transfer between PBL accounts.
- Preparing local Cashier Order
- Sending instruction of local Telegraphic Transfer
- Receiving and sending MT_100 salary sheets for further processing.
- Receiving foreign ‘Demand Draft’ or ‘Telegraphic Transfer’ request along with necessary documents
- Receiving necessary documents to process inward remittance.
- Encashment of Foreign Currency and Travelers Cheque.

- Endorsement of Foreign Currency and Travelers Cheque on the passport.

Other Customer Services

Customer queries and value-added services. The CSM front is the line supervisor of this section, who is leading a team of dedicated Customer Services Officers (CSO). From this section, customers are getting the following Services:

- a. Helping Customers to open accounts with PBL, Bangladesh.
- b. Delivery of PBL ATM Cards and PINs.
- c. Delivery of Credit Cards.
- d. Processing different Government Securities (Bonds).
- e. Providing Bank Certificate.
- f. Receiving and processing Standing Instruction of customers.
- g. Maintaining up-to-date contact addresses of customers.
- h. Providing suitable solutions to different customer queries.
- i. Providing necessary information to existing and potential customers.

Along with these discussed services, the CSO of the non-cash counter performed the above mentioned services through the centralized computer system

3.2 Products and services provided by Prime Bank Limited

Consumer Banking

Savings Account

Prime Bank brings you the ultimate trust, security and convenience in Savings Account. Any Bangladeshi national with an age of 18 years or above can open this. To open saving a customer can get following facility-

1. Cheque-book facility.
2. Opportunity to apply for - safe deposit locker facility.
3. Utility payment service.
4. Collect foreign remittance in both T.C. and Taka draft.
5. Transfer of fund from one branch to another by
 - Demand draft.
 - Mail transfer.
 - Telegraphic transfer.
 - Pay Order.
6. Transfer of fund on Standing Instruction Arrangement.
7. Collection of cheques through clearing house.
8. SMS Banking.
9. Online banking service.
10. Prime Bank Branded ATM card.

Current Account

Prime Bank brings you the ultimate trust, security and convenience in Current Account in Taka which can be freely deposited and withdrawn. At the time of opening, this account is also accompanied by a Special Notice Deposit (SND) account.

To open saving a customer can get following facility-

1. Cheque-book facility.
2. Opportunity to apply for - safe deposit locker facility.
3. Collect foreign remittance in both T.C. & Taka draft.
4. Transfer of fund from one branch to another by
 - Demand draft.
 - Mail transfer.
 - Telegraphic transfer.
5. Transfer of fund on Standing Instruction Arrangement.
6. Collection of cheques through clearing house.
7. SMS Banking.
8. Online banking service.
9. Prime Bank Branded ATM card.
10. Document required for saving account-
11. Completed account opening form.
12. Passport size photograph for each account holder.
13. Proof of identification such as national/voter's ID, passport or driving license.

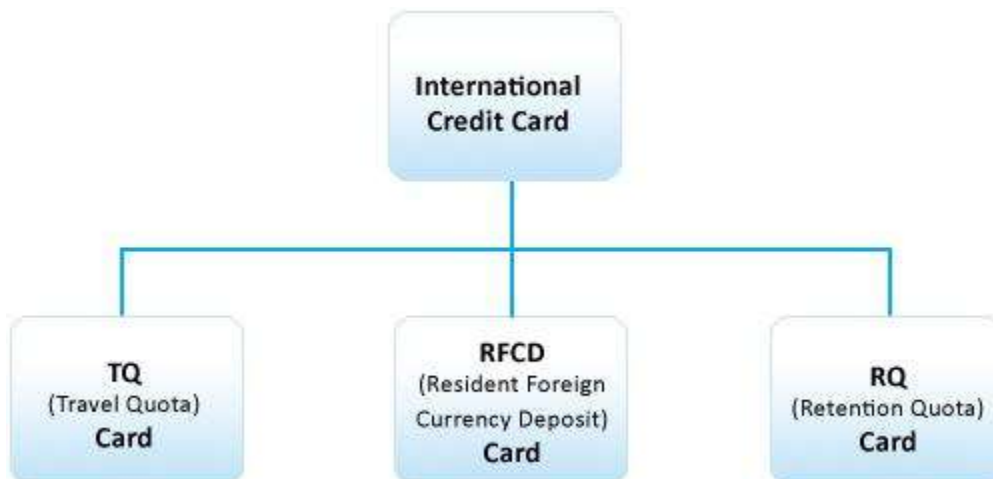
3.2 Loan

1. Swapnaneer Home Loan
2. Swapnapuron Home Loan
3. Car Loan
4. Any purpose Loan
5. Marriage Loan

6. Doctor's Loan
7. CNG Conversion Loan
8. Travel Loan
9. Household Durables Loan
10. Education Loan
11. Hospitalization Loan

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Prime Bank International Credit Card:



3.3 Internet Banking:

Our Phone Banking Service provides 24/7 continuous support for you. The main services are:

- 1) Balance inquiry: Customer will get account balance information.
- 2) Change TIN: Customer can change their TIN (Telephone Identification Number).
- 3) Activate ATM and Master card: Customer can activate ATM/Master Debit card by dialing the service contact number.
- 4) Block ATM and Master card: Customer can block ATM/ Master Debit card by dialing the service contact number.
- 5) Credit card available limit: Credit Card user can get current available limit.
- 6) Credit card total outstanding: Credit Card user can know credit card total outstanding bill amount.
- 7) Credit card minimum payable amount: Credit Card user can know minimum payable amount of last bill amount.
- 8) Credit card last statement generation date: Credit Card user can know last statement generation date.
- 9) Credit card last date of payment: Credit Card user can know last date of payment for recent bill amount.

3.6 Corporate Banking

General Credit Unit (GCU)

Prime Bank gives the credit facilities to finance current assets and loans to finance fixed assets in the form of Working Capital Finance, Capital Machinery Finance, and Real Estate Finance, Work order Financing/Construction Business, Import and Trade Finance. GCU provides:

3.7 Export Finance Unit (EFO)

Prime Bank always gives priority to its export-oriented customers. To provide complete banking solutions to our export-oriented customers, we have a separate Export Finance Unit. Different export-oriented companies comprising of Textile, Spinning, Knit, Woven, Sweaters, Jute,

Leather, Fisheries and Trim/Accessories manufacturers are getting prompt banking services through our 27 AD branches, 3 OBUs and other non-AD branches under active support from Export Finance Unit, Head Office. Export Finance Unit provides:

- 1) Project Loan
- 2) Working capital
- 3) Back-to-Back L/C
- 4) PC/Overdraft/ECC
- 5) L/C & LTR
- 6) Cash Credit (Hypothecation):
- 7) SOD (CI).

3.8 Islamic Banking

Prime Bank provides Islamic banking for customers. Their Islamic banking facilities are:

- 1) Hasanah Deposit.
- 2) Hasanah Foreign Trade.
- 3) Hasanah Investment products.

Chapter 4 (Part- 1)

Theoretical Background

4.0 Financial Ratio Analysis

Financial ratios are mathematical comparisons of financial statement accounts or categories. These relationships between the financial statement accounts help investors, creditors, and internal company management understand how well a business is performing and of areas needing improvement.

Financial ratios are the most common and widespread tools used to analyze a business' financial standing. Ratios are easy to understand and simple to compute. They can also be used to compare different companies in different industries. Since a ratio is simply a mathematical comparison based on proportions, big and small companies can be use ratios to compare their financial information. In a sense, financial ratios don't take into consideration the size of a company or the industry. Ratios are just a raw computation of financial position and performance.

Ratios allow us to compare companies across industries, big and small, to identify their strengths and weaknesses. Financial ratios are often divided up into seven main categories: liquidity, solvency, efficiency, profitability, market prospect, investment leverage, and coverage.

4.1 Financial Ratios

A. Current Ratio

The current ratio which is one of the most commonly used financial ratios helps to calculate the firm's potential to meet its short term obligations. The greater the ratio the better the liquidity position of the firm. The standard of current ratio is 2:1.

B. Debt Ratio

The debt ratio is calculated to measure the range of financial leverage which is defined as total assets provided by the firm's creditors.

C. Cost Income Ratio

It calculates the operating efficiency by measuring the percent of the total operating income which the firm spend to operate their daily activities.

D. Total Asset Turnover Ratio

The total asset turnover suggests the efficiency of a firm in using all its assets to generate income.

E. Operating Profit Margin

The operating profit margin means the exact profits earned on each dollar sales. A higher ratio is more preferable by the stockholders.

F. Net Profit Margin

The net profit margin is calculated as the percentage of each dollar sales remaining after all expenses have been deducted including tax. The higher ratio is considered to be better.

It is commonly used by the firms to measure the firm's success with respect to earnings on sales.

G. Return on Asset

The return on asset calculates the overall effectiveness of management in generating profits with the available assets. It is often called the firm's return on total assets. The higher the ratio is better.

H. Return on Equity

The return on equity calculates the return earned on the investment of the owner.

Generally, higher return is considered better.

I. Earnings per Share

The firm's earnings per share is generally presented in the interest of the potential stockholders and management. The Earnings per share constitutes the number of dollars earned on behalf of each outstanding share of common stock.

J. Price Earnings Ratio

The price or earning (P/E) ratio is commonly used to evaluate the investor evaluation of share value. It shows how much the investors are eager to pay for each taka of the firm's earnings. The investors' confidence is greater when the firm's P/E ratio is higher.

K. Cash Ratio

The cash ratio is a liquidity measure that shows a company's ability to cover its short-term obligations using only cash and cash equivalents. The cash ratio is derived by adding a company's total reserves of cash and near-cash securities and dividing that sum by its total current liabilities.

L. Cash to Asset Ratio

The cash asset ratio is the current value of marketable securities and cash, divided by the company's current liabilities. Also known as the cash ratio, the cash asset ratio compares the amount of highly liquid assets (such as cash and marketable securities) to the amount of short-term liabilities.

M. Loan to Total Asset Ratio

Loans to assets ratio is a financial ratio that usually is applied for banks (or credit unions) to measure the relation of the bank's loan portfolio to the total assets. Providing loans for clients is a main function of every bank, and it is normal that high part of bank's assets is in loans form.

N. Loan to Total Deposit Ratio

The loan-to-deposit ratio (LDR) is used to assess a bank's liquidity by comparing a bank's total loans to its total deposits for the same period. The LDR is expressed as a percentage. If the ratio is too high, it means that the bank may not have enough liquidity to cover any unforeseen fund requirements. Conversely, if the ratio is too low, the bank may not be earning as much as it could be.

4.2 Common Size Analysis

Common size or vertical analysis is a method of evaluating monetary statistics by means of expressing each item in a economic announcement as a proportion of a base amount for the equal time period. A company can use this analysis on its stability sheet or its profits statement. A balance sheet summarizes the company's property (things that it owns that have value) its liabilities means the amounts it owes to others, and its fairness means an owners funding in the business. A profit assertion shows the company's revenues means amount of cash it made through promoting its goods and services and its prices means the amount of cash it spent to earn its revenues.

4.3Trend Analysis

Trend analysis regularly refers to methods for extracting an underlying pattern of behavior in a time series which would otherwise be partly or almost completely hidden by means of trend. If the trend can be assumed to be linear, trend analysis can be undertaken inside a formal regression analysis, as described in trend estimation. Trend analysis is a mathematical technique that makes use of historical outcomes to predict future outcome. This is done by tracking variances in value and time table performance. The accounts listed help decide if the company is going through any type of financial stress. When trend analysis is performed, a organization is capable to see if its monetary position is enhancing or declining based as the length and the items on the statements for all later intervals are compared with gadgets on the statements of the base period. The adjustments are normally shown in percentage.

Chapter 4 (Part- 2)

Financial Performance analysis of Prime Bank

4.3 Ratios:

Current Ratio

Year	2019	2018	2017
Current Ratio	1.19	1.02	1.00

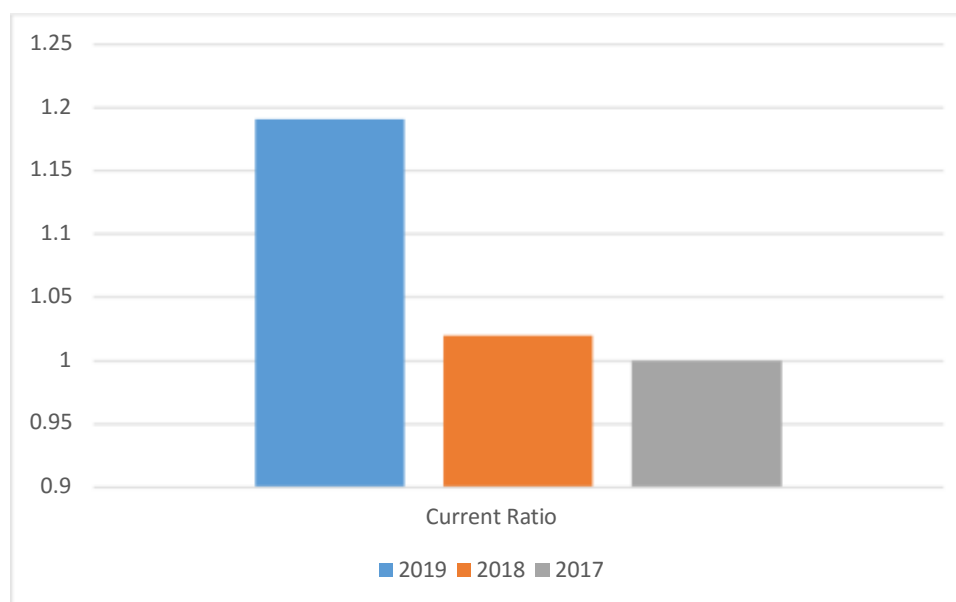


Figure: 1

The trend of the graph of current ratio of Prime Bank Limited is decreasing. In 2017 the current ratio was 1.00 and with its increasing trend the value on 2018 was 1.02 which indicates growing into its capacity. 2019 ratio is 1.19 also increasing could indicate increased operational growth and likely to pull up the company's value.

Debt Ratio

Year	2019	2018	2017
Debt Ratio	10.2	9.78	9.63

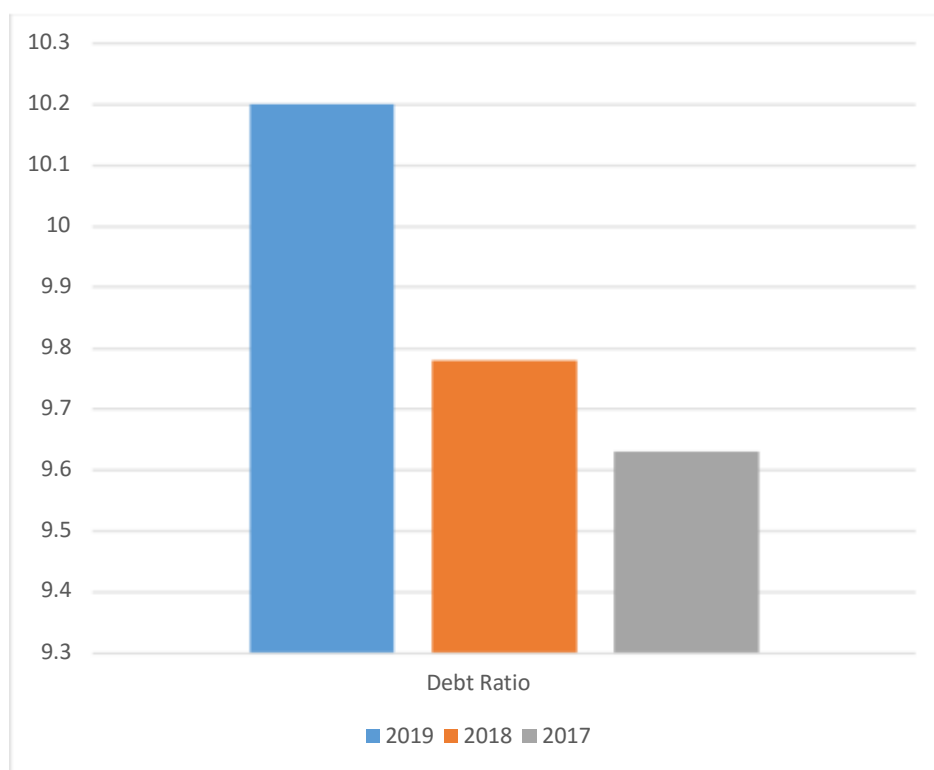


Figure -2

Prime Bank Limited's debt ratio is fluctuating as it increased in 2017 to 2019 from 9.63 to 10.20 which indicate that a huge percentage of the company's financing asset is from debt. Generally a lower ratio is better.

Cost Income Ratio

Year	2019	2018	2017
Cost Income Ratio	50.82	55.93	55.98

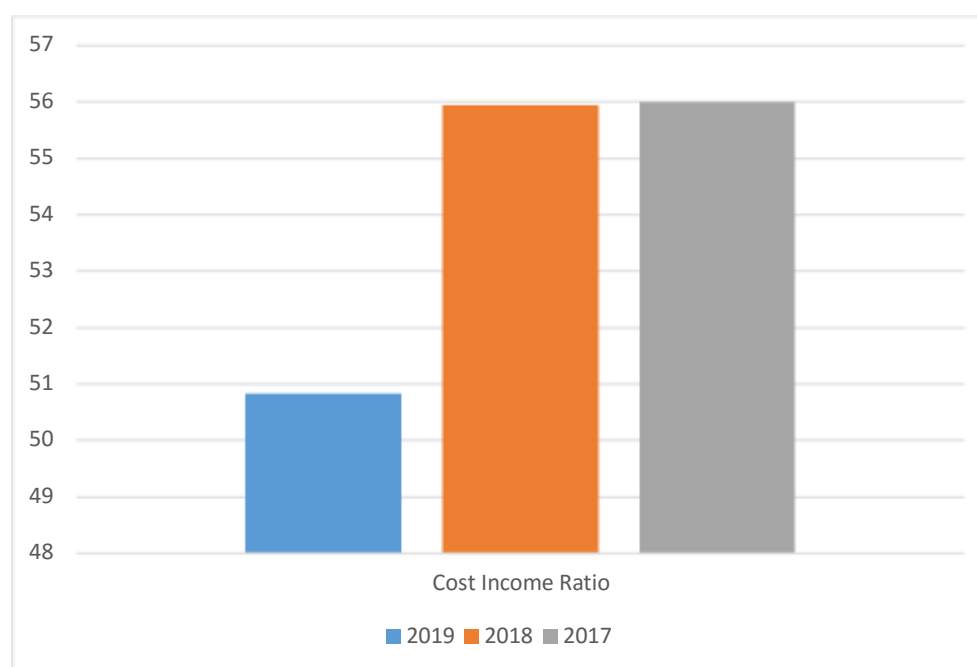


Figure-3

Cost to income ratio has an downward trend which means that income are rising at a higher rate than cost, which could suggest that the company is focusing in minimizing the cost.

In 2019 the cost to income ratio of Prime Bank Limited is low. So we can say that the operating efficiency of the Prime Bank Limited is good. That means they are able to minimize their operating cost, day by day their income are getting high.

Total Asset Turnover Ratio

Year	2019	2018	2017
Total Asset Turnover Ratio	322417	293901	281275

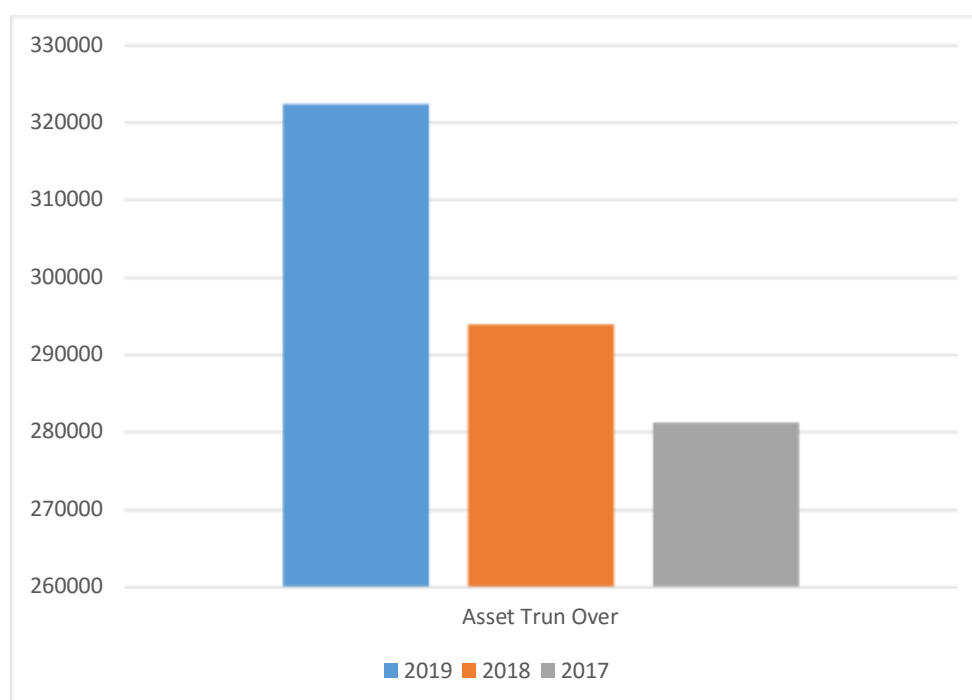


Figure- 4

The total asset turnover ratio is following an upward trend. Their total asset turnover is lowest in 2017 but it is highest in 2019. This shows that Prime Bank Limited is using its assets more efficiently to generate operating income.

Operating Profit Margin

Year	2019	2018	2017
Operating Profit Margin	6950	5719	5373

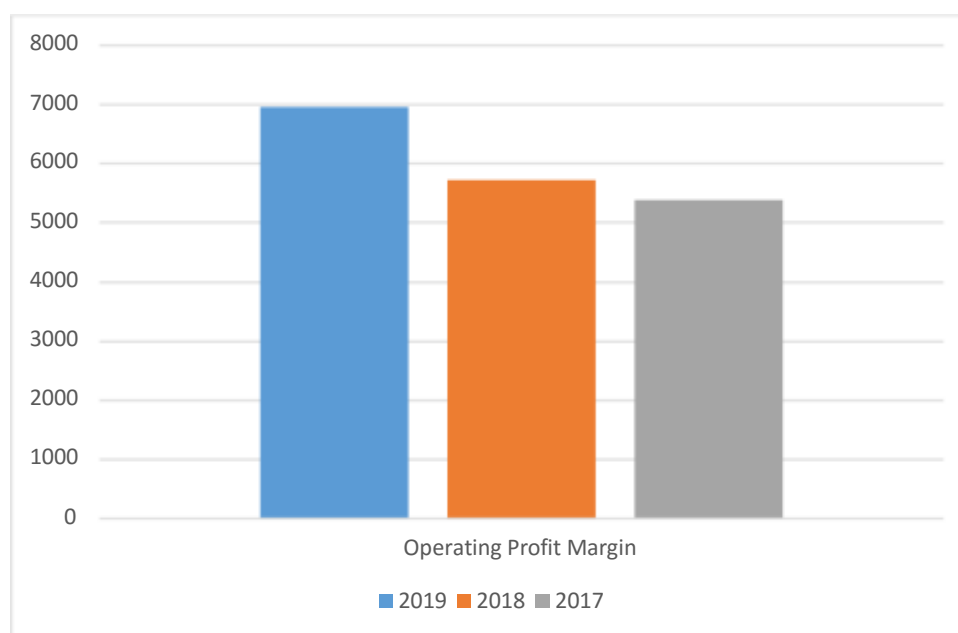


Figure-5

The operating profit margin is following upward trend from 2017 to 2019 but in 2018 and in 2017 it was 5373 but in 2019 it increased to 6950 which indicates that from 2017 to 2019 the company was able to generate enough income from their operations to pay for their variable costs and fixed costs. And in 2019 they managed to increase their income over operating expenses.

Net Profit Margin

Year	2019	2018	2017
Net Profit Margin	3.81	3.63	2.56

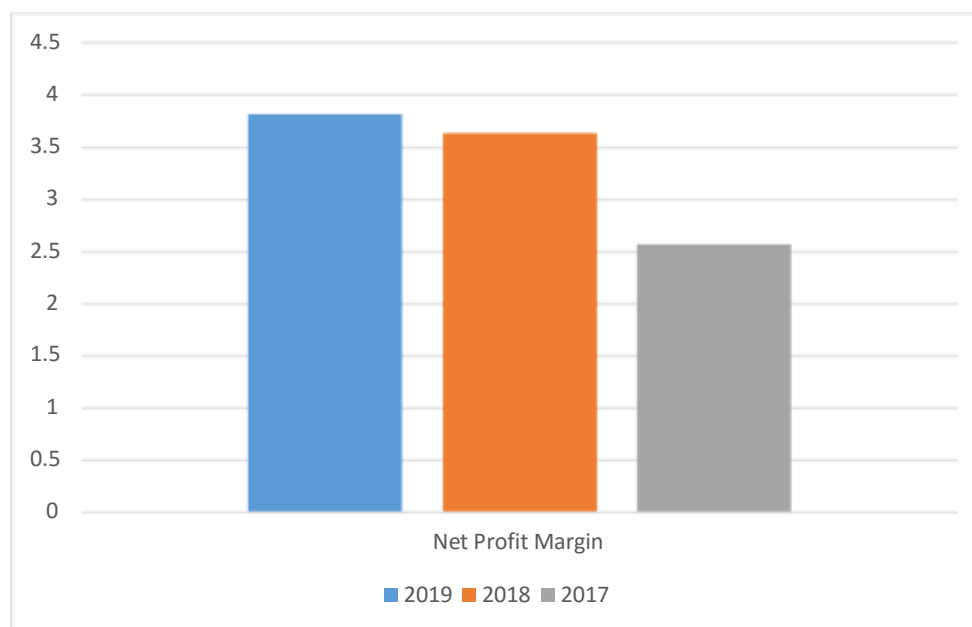


Figure - 6

Here, net profit margin is following an upward trend. The lowest value was 2.56 in 2017 and the highest value was 3.81 in 2019 which means that the company is more efficient at generating sales into actual profit.

Return on Asset

Year	2019	2018	2017
Return On Asset	0.65	0.76	0.38

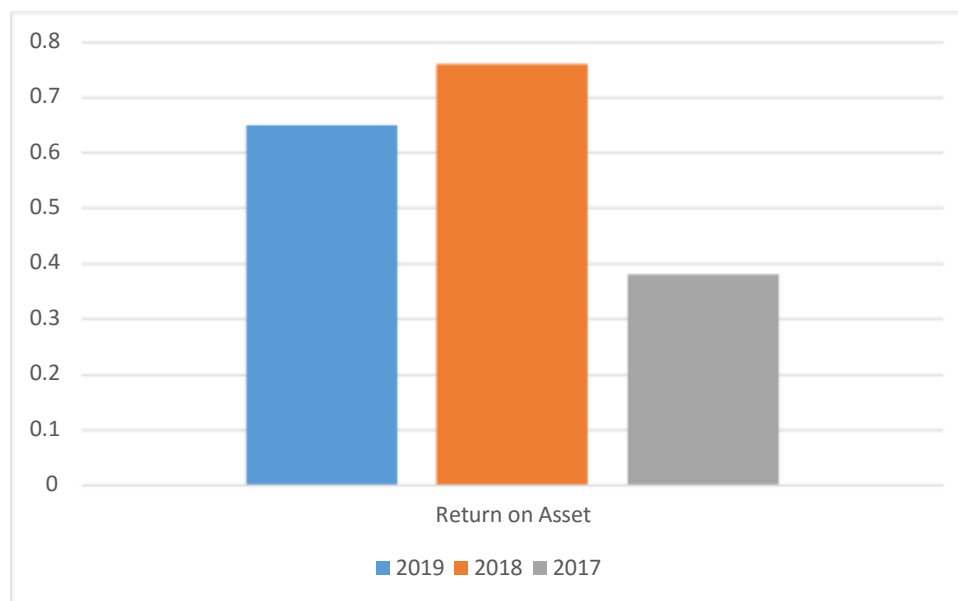


Figure- 7

The bank's return on asset was following an upward and downward trend. The lowest value was 0.38 in 2017 but it changes upwards to 0.73 in 2018 which indicates that its earning capacity has increased from 2017 but in 2019 again it's become lower than 2018 Thus it can be said that the proportion of their earning is not increasing year by year regularly.

Return on Equity

Year	2019	2018	2017
Return On Equity	6.32	8.60	4,24

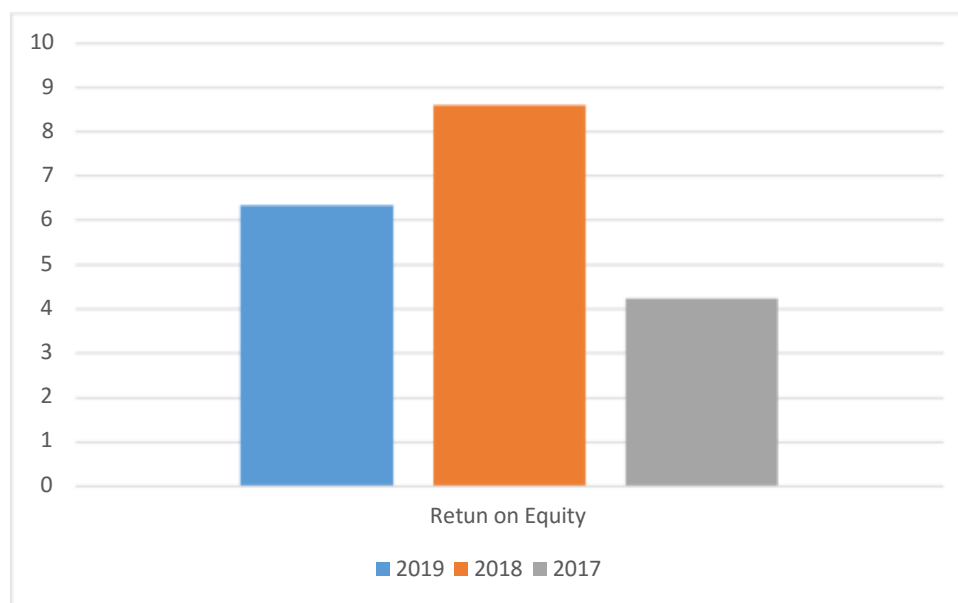


Figure-8

The return on equity ratio was growing from 2017 to 2018. And 2018-2019. It is not preferable for the firm. So, the management should try to increase the return on equity though, the return has slightly increased 2017 to 2018

Earnings per Share

Year	2019	2018	2017
Earning Per Share	1.77	1.93	0.96

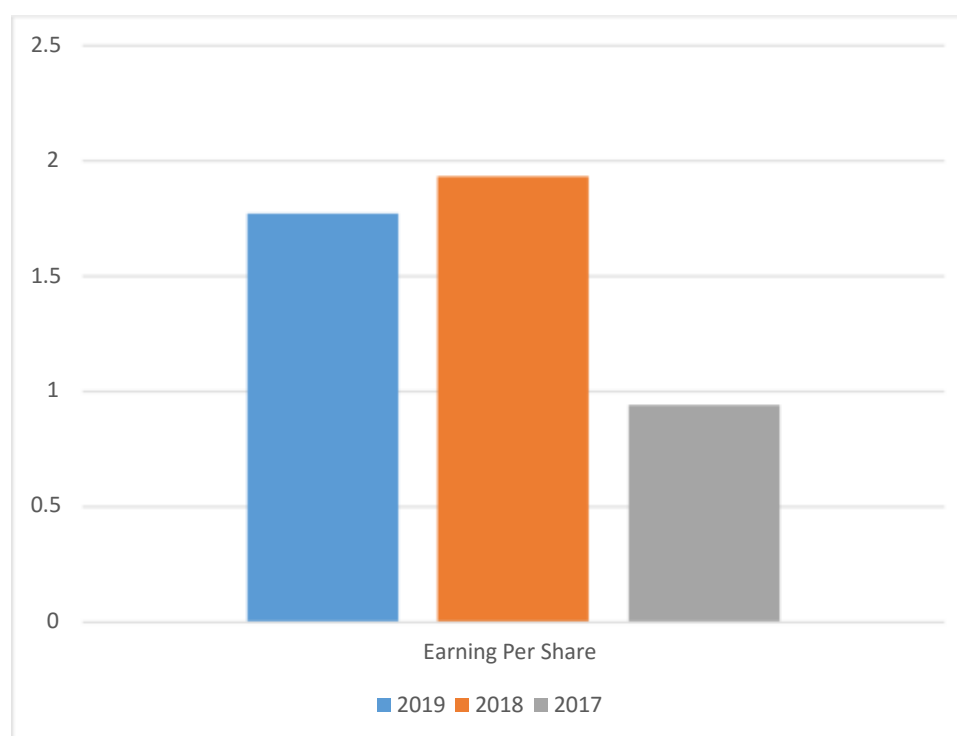


Figure -9

The bar chart shows that, EPS is highest in 2018 and there is an upward trend in EPS from year 2017. But Prime Bank Limited has managed to increase their EPS as we can see in the bar chart. The value has not changed much from 2017 to 2019 but it was lowest in 2017 and increased in 2018.

Price Earnings Ratio

Year	2019	2018	2017
Price Earning Ratio	10.28	9.21	29.30

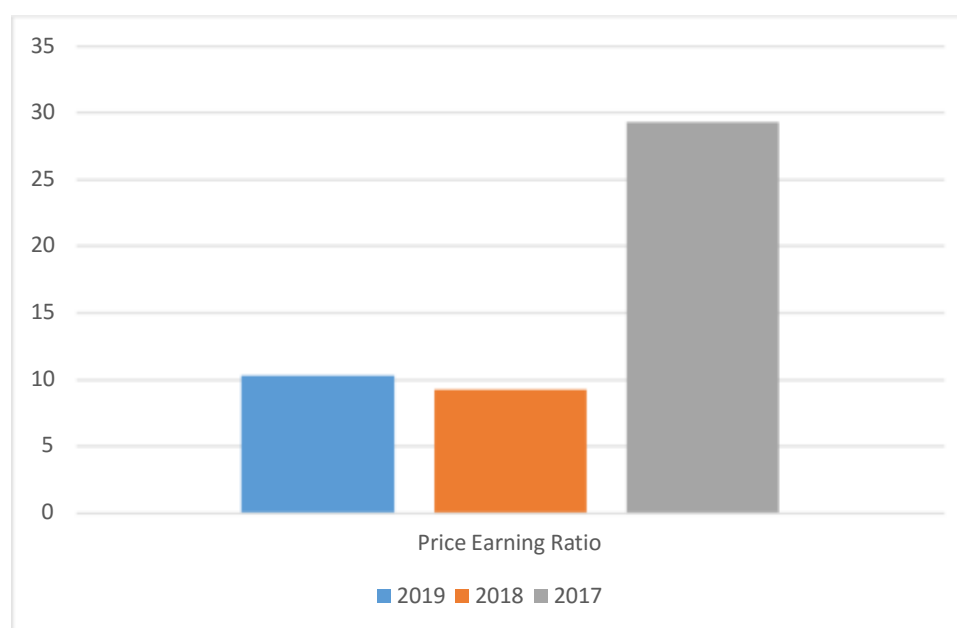


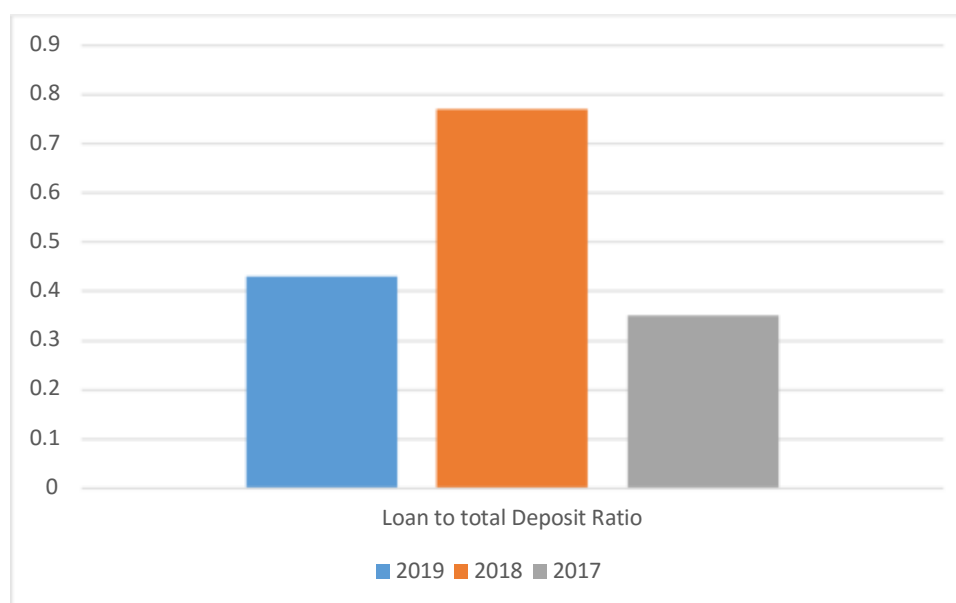
Figure -10

It calculates the level of price that the investors are paying for per taka of earnings offered by the bank. From the graph we can see that in year 2017 the investors paid maximum amount of price for per unit of earnings in which the bank issued its share in the market. In

2017 to 2018 it is decrease. This is not good a sign for the bank. But in 2018 to 2019 again its increase.

Cash Ratio

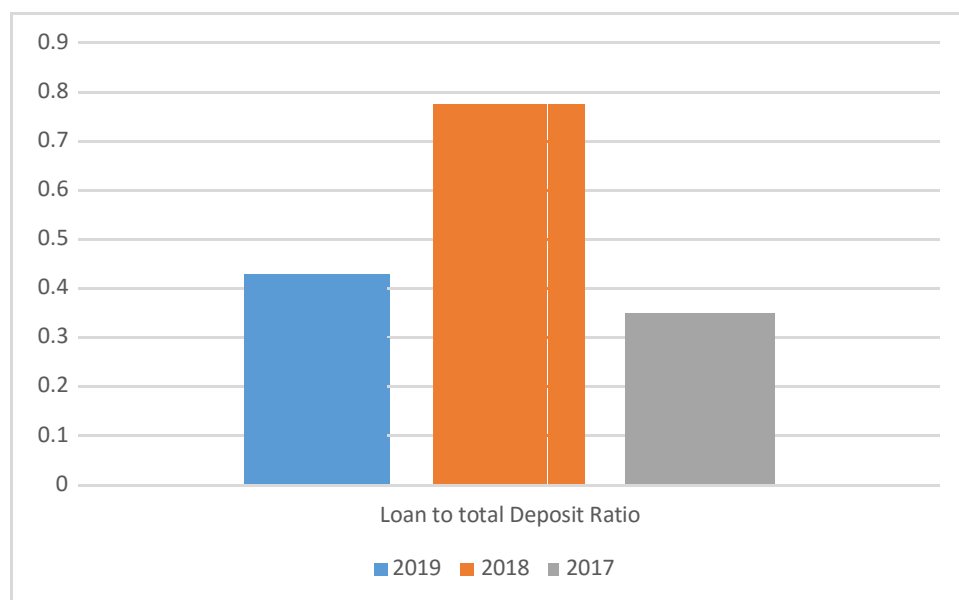
Year	2019	2018	2017
Cash Ratio	0.61	0.56	0.48



The cash ratio is a liquidity measure that shows a company's ability to cover its short-term obligations using only cash and cash equivalents. Here we can see the prime bank's cash 2017 to 2019 increasing it shows that prime bank's total reserves of cash and near-cash securities belong to a good position.

Cash to Asset Ratio

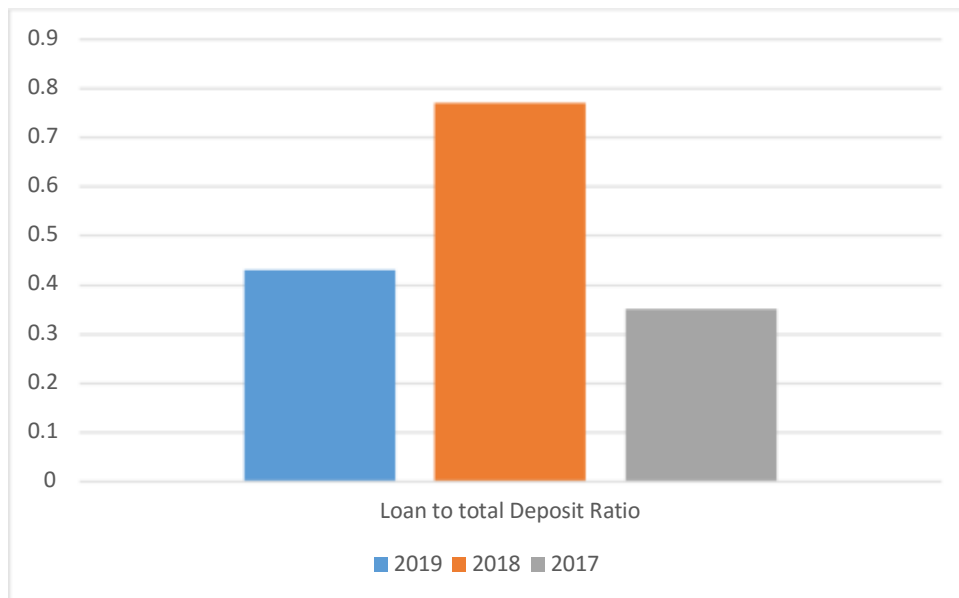
Year	2019	2018	2017
Cash To Asset Ratio	0.33	0.26	0.30



The cash to asset ratio is the current value of marketable securities and cash of prime bank up and down ward trend. It is not good for this bank.

Loan to Total Asset Ratio

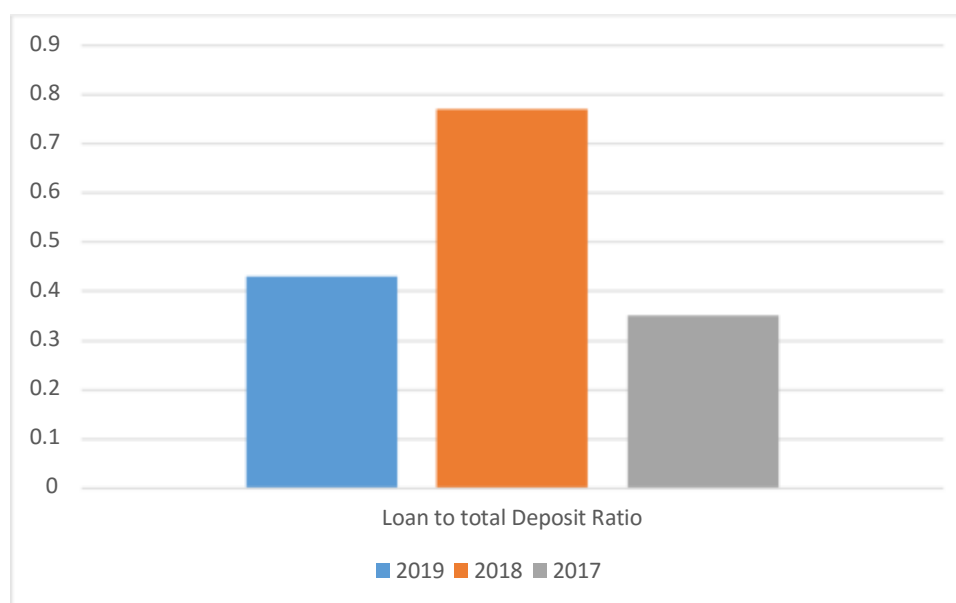
Year	2019	2018	2017
Loan to total Asset	0.57	0.67	0.78



Loans to assets ratio are a financial ratio that usually is applied for banks (or credit unions) to measure the relation of the bank's loan portfolio to the total assets. Providing loans for clients is a main function of every bank, and it is normal that high part of bank's assets is in loans form.

Loan to Total Deposit Ratio

Year	2019	2018	2017
Loan to total Deposit Ratio	0.43	0.77	0.35



The loan-to-deposit ratio (LDR) is used to assess a bank's liquidity by comparing a bank's total loans to its total deposits for the same period. The LDR is expressed as a percentage. If the ratio is too high, it means that the bank may not have enough liquidity to cover any unforeseen fund requirements. Conversely, if the ratio is too low, the bank may not be earning as much as it could be.

4.4 Findings and Analysis

It is common that the company would have certain problems while operating such organization. There are few problems explained from the study of this report. They are:

1. The trend of the graph of current ratio of Prime Bank Limited is increasing. In 2017 the current ratio was 1.00 and with its increasing trend the value on 2018 was 1.02 which indicates growing into its capacity. 2019 ratio is 1.19 also increasing could indicate increased operational growth and likely to pull up the company's value. In general a current ratio greater than 1 or 2:1 suggests that the company has enough financial resources to remain secure in paying off the short-term liabilities. As we can see that the current ratio of Prime Bank limited has an increasing trend it may soon have a current ratio will 2 which means the company might not have enough current assets on hand to meet its short-term obligations.

2. Prime Bank Limited's debt ratio is fluctuating as it increased in 2017 to 2019 from 9.63 to 10.20 which indicate that a huge percentage of the company's financing asset is from debt. Generally a lower ratio is better. A value of 1 or less in debt ratios shows good financial health of a company. It means the company has high risk of being bankrupt since too much debt can lead to a heavy debt repayment burden.

3. Cost to income ratio has a downward trend which means that income are rising at a higher rate than cost, which could suggest that the company is focusing in minimizing the cost. In 2019 the cost to income ratio of Prime Bank Limited is low. So we can say that the operating efficiency of the Prime Bank Limited is good. That means they are able to minimize their operating cost, day by day their income are getting high. And the company stands a profitable position.

4. The total asset turnover ratio is following an upward trend. Their total asset turnover is lowest in 2017 but it is highest in 2019. This shows that Prime Bank Limited is using its assets more efficiently to generate operating income.

5. The operating profit margin is following upward trend from 2017 to 2019 but in 2018 and in 2017 it was 5373 but in 2019 it increased to 6950 which indicates that from 2017 to 2019 the company was able to generate enough income from their operations to pay for their variable costs and fixed costs. And in 2019 they managed to increase their income over operating expenses. And they have to manage to utilize their variable costs and fixed costs properly.

6. Here the net profit margin is following an upward trend. The lowest value was 2.56 in 2017 and the highest value was 3.81 in 2019 which means that the company is more efficient at generating sales into actual profit.

7. The bank's return on asset was following an upward and downward trend. The lowest value was 0.38 in 2017 but it changes upwards to 0.73 in 2018 which indicates that its earning capacity has increased from 2017 but in 2019 again it's become lower than 2018 Thus it can be said that the proportion of their earning is not increasing year by year regularly. Random ratio is not good for company.

8. The return on equity ratio was growing from 2017 to 2018. And 2018-2019. It is not preferable for the firm. So, the management should try to increase the return on equity though, the return has slightly increased 2017 to 2018. Most analysts consider that an ROE in the range of higher to be beneficial for purposes of investment. Since all the values of Prime Bank Limited, over the years, has been increasing and declining it shows that the company is not productively using the investments of equity investors to make additional profits and to return the profits to investors at an attractive level.

9. The bar chart shows that, EPS is highest in 2018 and there is an upward trend in EPS from year 2017. But Prime Bank Limited has managed to increase their EPS as we can see in the bar chart. The value has not changed much from 2017 to 2019 but it was lowest in 2017 and increased in 2018. A higher value of earnings per share is always better than a lower ratio because it shows the company is more profitable and has the potential to distribute profits to its shareholders.

10. The Price earnings ratio calculates the level of price that the investors are paying for per taka of earnings offered by the bank. From the graph we can see that in year 2017 the investors paid maximum amount of price for per unit of earnings in which the bank issued its share in the market. In 2017 to 2018 it is decrease. This is not good a sign for the bank. But in 2018 to 2019 again its increase. Value suddenly increased, it may happen because the management might have manipulated it with specific accounting techniques. A higher value indicates constructive future presentation and investors will be willing to pay more for this company's shares.

4.4 Findings and Analysis:

Common Size Analysis of Balance Sheet Prime Bank Limited

Particular	2019	2018	2017
Cash	6.5%	6.5%	6.5%
Cash in Hand	1.2%	1.2%	1.1%
Balance with Bangladesh Bank	2%	2%	2%
Balance with other bank	3%	2.5%	2.22%
Money at call short Notice	0.00%	2%	3.5%
Investment	35%	24%	24%
Loan cash and withdraw	2	2	2
Government	34	36	37
others	2	3	3
Loan and advance	25	17	16
Loan cash credit	40	37	39
Bill purchased and discount	3	2	1
Fixed Asset	4	4	1
Fixture	1	1	1
Others Asset	15	15	15
Borrowing from other bank financial institution	0	0	0
No- banking Asset	0	0	0
total asset	100%	100%	100%
Deposit	78	61	55
Current Account	17	17	17
Bill Payable	1	0	2

fixed deposit	20	20	18
other deposit	48	33	26
total liabilities	90	84	79
shareholder equity	7	7	7
paid capital	1	3	3
statutory reserve	2	2	2
other reserved	3	1	2
Revaluation reserved	3	3	3
savings bank deposit	20	20	15
Total liabilities And equity	100%	100%	100%

Common Size Analysis of Income Statement

Prime Bank Limited

Particular	2019	2018	2017
Interest Income	100%	100%	100%
Income on Statement	70%	65%	65%
Non – Interest Income	39%	37%	29%
Total Income	265%	220%	190%
Interest Expense	138%	135%	130%
Non- Interest Expense	80%	70%	65%
total Expense	223%	158%	117%
net interest Margin	63%	45%	38%
Net non -interest margin	16%	20%	18%
Operating profit	43%	20%	15%
Earnings before provision and tax	56%	29%	16%
Profit before Provision and tax	48%	23%	10%
Net Profit after Tax	43%	18%	7%

Interpretation:

Common size analysis refers the balance sheet items to understand percentage change of assets, liabilities and other items. Basically it measures the respected items based on partial common account. In comparison of total asset, the cash item showing a little change from 2017 to 2019. Investment showing a lesser growth from. Deposit and others account showing a normal rate of change following the years. All tough saving deposit has been increased up but fixed deposit has been decreased. The bank could able to control its liability so strongly. It has 1% increased following the years. On the other hand, Common size analysis of income statement that is income on investment showing a better growth .Non-interest income has a positive trend .Along with the different incomes like net interest margin, non-interest income, operating profit total operating expense also increased .All the above change of data resulting a positive net profit.

4.5 Recommendations

There are few recommendations provided below for the previously mentioned problems:

1. As the current ratio of Prime Bank Limited was increasing year to year. So, it should try to more increase this ratio by paying off current liabilities, sell off unproductive assets and increase current assets by raising shareholder's fund etc.
2. As we have already seen that a huge percentage of the company's financing asset is from debt. But the risk of the company is increasing as it is following upwards trend. So they should take some step to decreasing debt.
3. Their cost to income ratio has a downwards trend which is a good sign. So, they should continue what they do to keep profitability.
4. Prime Bank Limited's total asset turnover had an increasing trend which means they were efficiently using their assets to generate income. So, they should follow what they were doing.
5. Prime Bank Limited's operating profit margin trend already upward to continue this process they should increasing sales to achieve cost-effectiveness through economies of scale and lowering production costs while at the same time bringing in extra revenue.
6. The return on asset has a random trend which is not good so to increasing revenue, reducing expenses and reducing assets cost.
7. The return on equity ratio is following downward trend which is not good, the management should work hard to increase the return linked with equity by increasing profit margins, using more financial leverage, improving asset turnover and distributing idle cash etc.

Conclusion

Prime Bank Limited is setting new standards in the banking arena in the time of turbulent economic conditions. As a major aspect of the long haul money related change and modernization plan of the administration, the bank had been changed over into an open constrained organization. Bank is a budgetary middle person that gathers cash as store from inert segment for example family unit by giving enthusiasm against store and prepare this cash into beneficial area for example industry, horticulture, producing from by gathering enthusiasm against advance. The contrast between premium cost and premium increase is the bank's principle benefit. In banking language it is called spread. Without a bank a financial advancement can't be envisioned. The prime bank one of the leading banks in our country that also plays a vital role in games. Prime bank collect deposit by providing different types attracting deposit product and provide loan by offering different types of investment product.

From the trend analysis Prime Bank Limited equity ratio, asset turnover, P/E ratio earning capacity and interest ratio are increasing year by year and this indicates satisfactory position but its leverage ratio shows the reduction of financial risk. Over the years Prime Bank Limited has made a well- built position through its range of activities. Its number of clients, amount of deposit and investment money is increasing day by day. To face the competition the bank should think to stare new services and to take different types of marketing strategy to get more customers in this competition market of banking. It can be said that, Prime Bank Limited Is growing fast and its contribution in our economy is also considerable. I hope that Prime Bank Limited will widen its services by expanding its products and branch all over the country. I sincerely hope that with the gradual and successful globalization of Islamic banking coupled with growing awareness of the people about its financial and social benefits makes it clear that the this decade is going to be the decade of Prime Bank Limited.

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