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Internship Report
On
“Performance Appraisal of Bank Asia Limited”

Prepared For

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Submission Date

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EAST WEST UNIVERSITY

Letter of Transmittal

-7

20 April, 2014

Professor Dr. Tanbir Ahmed Chowdhury
Chairperson & Dean
Department of Business Administration
East West University

Subject: Submission of Internship Report on "Performance Appraisal of Bank Asia Limited"

Dear Sir,

It is a great pleasure and privilege to present the internship report titled "**Performance Appraisal of Bank Asia limited**" which was assigned to me as a partial requirement for the completion of this course BUS 499(Internship work).

Throughout the study I have tried the best of my capacity to accommodate as much information and relevant issues as possible and tried to follow the instructions as you have suggested. I tried my best to make this report as much informative as possible. I sincerely believe that it will satisfy your requirements. I however sincerely believe that this report will serve the purpose of my course program.

I am grateful to you for your guidance and kind cooperation at every step of my endeavor on this report. I shall remain deeply grateful if you kindly take some pen to go through the report and evaluate our performance.

Sincerely yours,

Ziniya Tabassum Anwar
ID: 2010-2-10-031



Ziniya

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Executive Summary

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Bank is committed to provide high quality financial services/products to contribute to the growth of the country through stimulating trade and commerce, accelerating the pace of industrialization, boosting up export, creating employment opportunity for the youth, poverty alleviation, raising standard of living of limited income group and overall sustainable socio-economic development of the country. Bank Asia Limited is a scheduled commercial bank in the private sector established under the Banking Company Act 1991 and integrated in Bangladesh as a public limited company under the Companies Act 1994, on September 28, 1999. The initial paid up capital of the Bank is over Tk. 218.00 million. The management of the Bank consists of a team led by senior bankers with vast experience in national and international markets. Bank Asia Limited conducts all types of commercial banking activities. The core business of the bank comprises of import, export, working capital finance and corporate finance. The bank is also rendering personal credit, services related to local and foreign remittances. The “Personal Credit” scheme of the bank, which is designed to help the fixed income group in raising standard of living is competitively priced and has been widely appreciated by the customers. The bank’s strategy is to gradually cover the total arena of banking. Performance appraisal system (PAS) is the tool for measuring the performance of an individual and identifies the gaps and plan future development in order to enable a better performance between the jobs and the incumbent. Performance appraisal system is quite structured that it can measure of assess both goal (What) and the management competencies (How). Overall performance of bank Asia limited is good. In some area they need to focus more. The report is conduct to evaluate financial performance and comparative (growth rate) analysis and also find out 5 years performance (analysis of deposit, credit, Investment, asset, capital, profit & foreign exchange). This report gives more focus on performance appraisal of the bank. How they perform within the organization and compete with other organization. As I have gone through all the departments, I have come up with some points, which can improve the efficiency of the Bank. Though the bank was found as a productive concern, the study reveals that the bank could do much more if it was handled more efficiently. However, some steps may be taken to improve the efficiency and to increase the performance of the Bank in future.

Chapter-1

Introduction

1.1 Origin of the Report

The internship report is a basic requirement for the BBA program. The proposed topic is “Performance Appraisal of Bank Asia Limited”. The topic is assigned by Mr. Tanbir Ahmed Chowdhury, Chairperson & Dean of Department of Business Administration, East West University and supervised by A.B.M Burhan Uddin, AVP & In-charge, Shantinagar Branch Islamic Window, Bank Asia Limited.

1.2 Objective of the Study

- To present the principal activities of Bank Asia Limited.
- To evaluate the financial performance of Bank Asia Limited.
- To identify the problems of Bank Asia Limited.
- To suggest remedial measures for the development of Bank Asia Limited.

1.3 Scope of the Study

This report consists of job experiences during internship in Bank Asia Limited. The report mainly emphasizes the sequential activities involved in customer service, cash, credit and investment approval process used by Bank Asia. The report also focuses on 5 year (2008-2012) financial analysis, comparative growth rate and overall performance analysis of Bank Asia Limited. Finally the report incorporates an evaluation of the different aspects of the lending process and monitoring techniques and findings problems and makes some recommendations. This study is mainly based on secondary data available from the various divisions and departments of Bank Asia Limited, in addition to these other necessary information have been collected from the daily news papers, relevant journals, annual reports of Bank Asia Limited, Bangladesh bank, Ministry of Finance and Planning and publications of other relevant institutions have also been taken into consideration. Collected data have been analyzed using different financial and statistical tools. Tools for analysis used are Growth Rate (percentage change over the years), Ratio analysis, Pie chart, and Line chart in graphical presentation.

1.4 Methodology of the Study

1.4.1 Study Design

The report was fully investigative in nature. Data have been collected from two sources:

1. Primary sources.
2. Secondary sources.

1.4.2 Sources of Information

Primary sources of data

- Face to face conversation with the bank officers & staffs.
- Different manuals of Bank Asia Limited.
- Different circulars of Bank Asia Limited.

Secondary sources of data

- Annual report of Bank Asia Limited, 2007-2012.
- Different papers of Bank Asia Limited.
- Different text books.

1.5 Limitation of the Study

The following are the limitations faced by me during the course of the study.

Short of time

Time shortage is a big constrains. So the time constraint of the study hindering the course of vast area and time for preparing a report within the mentioned period is really difficult.

Busy working environment

- The officials had some times been unable to provide information because of their huge routine work.
- Lack of enough cooperation due to high workload.

1.6 Structural Design of the Report

Collected data and information and analytical part have been ascended in different chapter based on the relation to the topic of the report.

The report covers the organizational structures, background, objectives, functions, introduction and financial and comparative analysis of Bank Asia. Bank Asia may offer the common & usual services like the other commercial banks, but this study will show how it succeeds to perform these activities in complied methods

Chapter-2

An overview of the Bank Asia Limited

2.1 Background of the Study

It is very important to have a practical application of the knowledge acquired from any academic course of the study. Only a lot of theoretical knowledge will become fruitless if it is not applied in the practical life. So I need proper application of our knowledge to get some benefit from our theoretical knowledge to make it more fruitful. Such an application can be possible through internship.

The internship program exercise a significant importance as it enables a student to familiar with the practical business activities. The student work closing with the people of an organization and learn about the function of that organization. This program enables a student to develop his analytical skill and scholastic aptitude.

2.2 Historical Background of Bank Asia Limited

Bank Asia has been launched by a group of successful entrepreneurs with recognized standing in the society. The management of the Bank consists of a team led by senior bankers with decades of experience in national and international markets. The senior management team is ably supported by a group of professionals many of whom have exposure in the international market.

It set milestone by acquiring the business operations of the Bank of Nova Scotia in Dhaka, first in the banking history of Bangladesh. It again repeated the performance by acquiring the Bangladesh operations of Muslim Commercial Bank Ltd. (MCB), a Pakistani bank.

In the year 2003 the Bank again came to the limelight with oversubscription of the Initial Public Offering of the shares of the Bank, which was a record (55 times) in our capital market's history and its shares commands respectable premium.

The asset and liability growth has been remarkable. Bank Asia has been actively participating in the local money market as well as foreign currency market without exposing the Bank to vulnerable positions. The Bank's investment in Treasury Bills and other securities went up noticeably opening up opportunities for enhancing income in the context of a regime of gradual interest rate decline.

Bank Asia Limited started its service with a vision to serve people with modern and innovative banking products and services at affordable charge. Being parallel to the cutting edge technology the Bank is offering online banking with added delivery channels like ATM, Tele-banking, SMS and Net Banking. And as part of the bank's commitment to provide all modern and value added banking service in keeping with the very best standard in a globalized world.

2.3 Vision of Bank Asia Limited

Bank Asia's vision is to have a poverty free Bangladesh in course of a generation in the new millennium, reflecting the national dream. Their vision is to build a society where human dignity and human rights receive the highest consideration along with reduction of poverty.

2.4 Mission of Bank Asia Limited

- To assist in bringing high quality of service to customers and to participate in the growth and expansion of our national economy.
- To set high standards of integrity and bring total satisfaction to clients, shareholders and employees.
- To become the most sought after bank in the country, rendering technology driven.
- Innovative services by dedicated team of professionals.

2.5 Core Objectives of Bank Asia Limited

- Place customer interest and satisfaction as first priority and provide customized banking products and services.
- Value addition to the stakeholder's thorough attaining excellence in banking operation.
- Maintain high ethical standard and transparency in dealings.
- Be a compliant institution through adhering to all regulatory requirements.
- Contribute significantly for the betterment of society.
- Ensure higher degree of motivation and dignified working environment for our human capital and respect optimal work-life balance.
- Committed to protect the environment and go green.

2.6 Goal of Bank Asia Limited

Sustainable growth

Synergies between new knowledge and human capital for sustainable economic growth.

Capital stewardship

Preservation and enlargement of multiple forms of capital, like intellectual, natural, financial, organizational, social; all of which contribute to long term value creation.

Accelerating financial inclusion

Accelerate progress towards financial inclusion with technology like ATM, mobile phone, smart card based banking services and renewable energy generation projects especially in rural areas.

Differentiating Value Added Services

Strong focus on extremely cost-efficient and green services through Internet Banking, electronic fund transfer, automated cheques clearing, e-bank statement, SMS alert etc.

Going Green

Quantification of in-house facilities and energy consumption to promote paperless office and enhance energy efficiency. Greater emphasis on green banking projects.

Leader in business

- Create new dimension in the syndication and structured financing.
- Grow with export.
- Well diversified portfolio.

2.7 Features of Bank Asia Limited

- Bank Asia is engaged in conventional commercial banking. It is also introducing banking functions on Islamic Banking Principles.
- It is the pioneer in introducing and launching different customer friendly deposit schemes to tap the savings of the people for channeling the same to the productive sectors of the economy.
- For uplifting the standard of living of the limited income group of the population, the Bank has introduced Consumer Credit Schemes by providing financial assistance in the form of loan to the consumers for procuring household durables, which have had encouraging responses.
- The Bank is committed to continuous research and development so as to keep pace with modern banking.
- The operations of the Bank are computer oriented to ensure prompt and efficient services to the customer.
- The Bank has introduced camera surveillance system (CCTV) to strengthen the security services inside the Bank premises.
- The Bank has introduced customer relations management system to assess the needs of various customers and resolve any problem on the spot.

2.8 Principal Activities of Bank Asia Limited

The principle activity of the bank is banking. The banking business includes obtain deposits through account opening, offer credit to corporate organizations, as well as retail and small & medium enterprise, trade financing, project financing, lease and hire purchase financing. The modes of banking include conventional banking and Islamic banking. It also performs merchant banking function under the license by Securities and Exchange Commission, Dhaka, Bangladesh.

2.9 Over all banking of Bank Asia limited

2.9.1 Retail Banking

- Deposit Accounts
- Consumer finance
- Agricultural/ Rural finance
- E-banking

2.9.2 Corporate Banking

- General corporate finance
- Work order financing
- Export finance
- Project finance
- Off-shore banking Unit
- Cash Management
- Syndication finance

2.9.3 Islamic Banking

- Deposit product
- Deposit scheme
- Profit on deposit
- Investments products
- Corporate Banking
- SME finance
- Retail Finance

2.9.4 SME Banking

- Secured product
- Unsecured product
- Women entrepreneur special product

2.9.5 Other Services

- Locker services
- Centralized Trade services
- Bank Asia securities limited
- International Division
- Foreign Remittance Department
- Treasury Services

2.10 Product & Services of Bank Asia Limited

Bank Asia Limited offers a wide range of product and services to their customer. They offer following products and Services:

Business Banking

- Overdraft
- Secured Overdraft
- Secured OD (Earnest Money)
- Working capital finance
- Loan against Trust Receipt
- Loan against Cash Incentives
- Bill discounting
- Loan syndication and structured finance
- Packing credit
- Demand loan
- Demand loan (Work order)
- Time loan
- Transport loan
- House building loan
- Term loan
- Lease finance
- Letter of Guarantee
- Letter of Credit
- Back to back Letter of Credit

Small and Medium Enterprise (SME)

Term Loan

- Subidha - Unsecured Trading
- Sondhi - Secured Trading
- Sristi - Unsecured Manufacturing

- Shombridhi - Secured Manufacturing
- Shofol - Unsecured Service
- Sheba - Secured Service

Over Draft

- Somadhan - Secured

Special Products

- Utshob - Seasonal Business
- Subarno - Women Entrepreneur

Consumer Finance

- Auto Loan
- Consumer Durable Loan
- Unsecured Personal Loan
- House Finance
- Loan for Professionals
- Senior Citizen Support

Credit Card

- MasterCard Local Credit Card
- VISA Dual Currency Credit Card
- VISA Local Credit Card
- VISA Butterfly Credit Card
- VISA Mini Credit Card
- VISA International Card Against RFCD, RQ A/C
- Virtual Card
- SME Credit Card
- NBFi Card Cheque
- International Prepaid Hajj Card

- **Treasury**

- **Money Market**

- Overnight Call
 - Repo and Reserves Repo
 - Swap
 - Sale and Purchase of Treasury Bill & Bond
 - Term Placement
 - Term Borrowing

- **Foreign Exchange Market**

- Spot
 - Forward
 - Interbank Buy/Sale

Deposit Accounts

- Saving Account
- Current Account
- Short Notice Deposit
- Fixed Term Deposit
- Foreign Currency Account
- Deposit Pension Scheme
- Monthly Benefit Scheme
- Double Benefit Scheme
- Triple Benefit Scheme
- Bank Asia Sanchoy Plus

Islamic Banking

- **Deposit Products**

- Al-Wadiah Current Account (AWCA)

- Mudarba Savings Account (MSA)
- Mudarba Special Notice Deposit Account (MSNDA)
- Mudarba Term Deposit Account (MTDA) of different Tenure*
- Mudarba hajj Savings Scheme (MHSS)
- Mudarba Deposit Pension Scheme (MDPS)
- Mudarba Monthly Profit Paying Deposit Scheme (MMPPDS)
- Smart Junior Saver (SJS)

Investment Products

- Bai Mudarba Muajjal
- Hire Purchase Shirkatul Melk (HPSM)
- Musharaka
- Quard against Accepted Bills

Service Products

- ATM Services
- Remittance Service
- Locker Service
- Online Banking
- Internet Banking
- Phone Banking
- Mobile Banking
- Remote Banking (EBEK)
- SWIFT
- Centralized Trade Services
- Student File
- Traveler's Cheque

Off-shore Banking Unit (OBU) Products

- On-shore Bill Discounting through OBU

- Bill Discounting
- Capital Finance
- Working Capital Finance
- Trade Finance
- On-shore Export Bill Discounting

Capital Market Operation

- Brokerage Operation
- Margin Loan

2.11 Corporate Culture

Environment

While conducting due diligence on requests for credit facilities, Bank Asia will strive to ensure that environmental impacts are appraised with the same care as any other business factors. To the extent deemed practical, Bank Asia will raise and recommend compliance with local environmental laws to all its borrowing relationships. They firmly believe in long-term sustainable development, and investment decisions will only be supported when the bank is convinced, taking into account all relevant feedback, that any adverse environmental impact will be minimal or will be avoided altogether.

Teamwork

Teamwork and co-operation is an important aspect of the work ethics in Bank Asia. They leverage on the dynamics of their collective skills, knowledge and experience to achieve the best for their customers. Bank Asia views its employees as its greatest asset and recognizes the pivotal role that meritocracy plays in setting rewards and penalties for safeguarding the interests of its employees. It respects the incidence of conflicts arising in the workplace and seeks amicable resolution of contentious issues in a manner that is constructive, open, honest and ultimately beneficial to all parties involved.

Work Place Ethics

- Fortified Service Rule
- Fortified Code of Conduct
- Fortified Policies

Diversity

BAL respects all employees as unique individuals with fundamental human rights and supports the cultural and ethnic diversity of its workforce. It is their belief that creating a work environment that enables them to attract, retain and fully engage diverse talents leads to enhanced innovation and creativity in their services. BAL takes all allegations of harassment seriously, including sexual, communal etc and prohibits all forms of discrimination.

2.12 Management Hierarchy

Managing Director
Deputy Managing Director
Senior Executive Vice President
Executive Vice President
Senior Vice President
Vice President
First Vice President
Assistant Vice President
First Assistant Vice President
Senior Executive Officer
Executive Officer
Senior Officer
Officer

Junior Officer
Assistant Officer
Banking Officer
Trainee Officer

2.13 Board of Directors

Chairman
Mr. A Rouf Chowdhury
Vice Chairman
Mr. Mohd. Safwan Choudhury
Mr. Mohammed Lakiotullah
Directors
Ms. Hosneara Sinha
Mr. A M Nurul Islam
Mr. Rumea A Hossain
Mr. Nafees Khundker
Mr. M Irfan Syed
Ms. Farhana Haq Chowdhury
Ms. Naheed Akhter Sinha
Ms. Sohana Rouf Chowdhury
Mr. Faisal Samad
Mr. Shah Md. Nurul Alam
President & Managing Director
Mr. Md. Mehmood Husain

2.14 Strategic Plan of Bank Asia Limited

- To manage and operate the bank in the most efficient manner to enhance financial performance and to control cost of fund.
- To strive for customer satisfaction through quality and control and delivery of timely services.
- To identify customers credits and other banking needs and monitor their perceptions towards our performance in meeting these requirements.
- To review and update policies, procedure and practices to enhance the ability to expand better services to customers.
- To train and develop all employees and provide them adequate resources so that customers needs can be responsibly addressed.
- To promote organizational effectiveness by openly communicating company plans, policies, practices and procedures to all employees in a timely fashion.
- To cultivate a working environment that fosters motivation for improved performance.
- To increase direct contact with customers in order to cultivate a closure relation between the bank and its customers.

Chapter- 3

Performance Evaluation of Bank Asia Limited

3.1 Deposit Growth

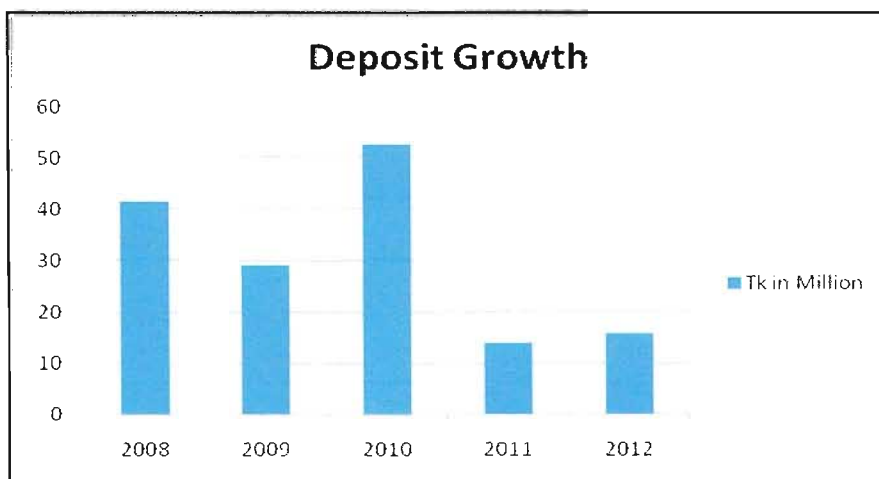
Money placed into a banking institution for safekeeping. Bank deposits are made to deposit accounts at a banking institution, such as savings accounts, checking accounts and money market accounts. The account holder has the right to withdraw any deposited funds, as set forth in the terms and conditions of the account. The "deposit" itself is a liability owed by the bank to the depositor (the person or entity that made the deposit), and refers to this liability rather than to the actual funds that are deposited.

Table No. 1: Deposit of BAL

Year	Deposit (Tk in Millions)	Growth in %
2007	30,004,090,000	-
2008	42,435,238,986	41.4315%
2009	54,832,818,230	29.2152%
2010	83,601,263,368	52.4657%
2011	95,131,098,609	13.7914%
2012	110,061,775,383	15.6948%

Source: Annual Report of Bank Asia Limited

Figure No. 1: Percentage change in Deposit Growth



In the graph it shows that deposit growth of Bank Asia has fluctuated every year. The highest growth is in 2010. 2011 & 2012 the growth rate is very small compare to last 3years.

3.2 Loan & Advance Growth

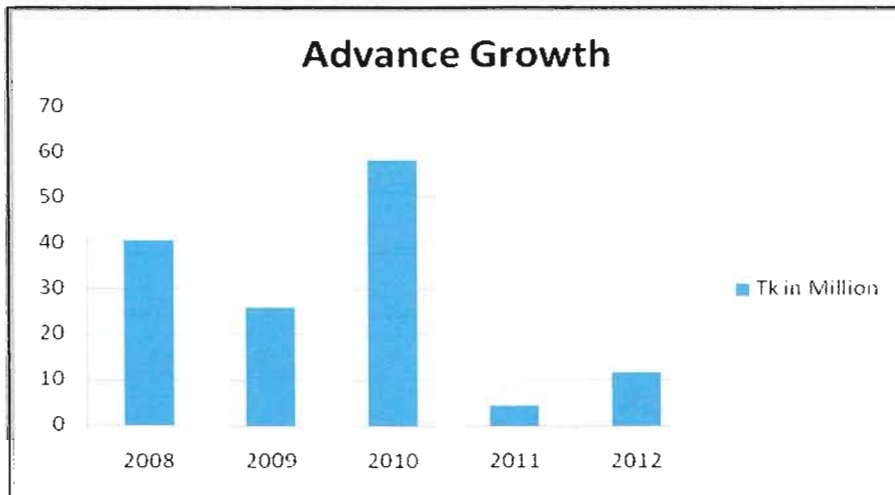
The amount of money lent under a loan agreement.

Table No. 2: Loan & Advance of BAL

Year	Advance (Tk in Millions)	Growth in %
2007	28,456,944,137	-
2008	39,974,998,635	40.4753%
2009	50,267,917,439	25.7483%
2010	79,504,232,613	58.1609%
2011	82,819,973,884	4.1705%
2012	92,328,818,525	11.4813%

Source: Annual Report of Bank Asia Limited

Figure No. 2: Percentage change in Loan & Advance Growth



Bank Asia's loan & advance is also fluctuated every year. From 2008-2012 the growth rate is 40.47%, 25.74%, 58.16%, 4.17% & 11.38%. In the graph it shows in 2011 the growth rate is very few compare to other years.

3.3 Investment Growth

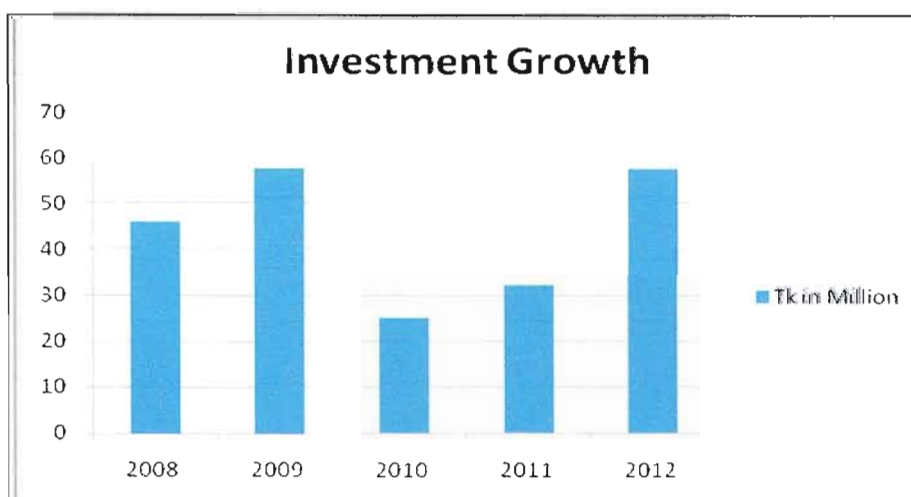
An asset or item that is purchased with the hope that it will generate income or appreciate in the future. In an economic sense, an investment is the purchase of goods that are not consumed today but are used in the future to create wealth. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or appreciate and be sold at a higher price.

Table No. 3: Investment of BAL

Year	Investment (Tk in Millions)	Growth in %
2007	4,203,135,875	-
2008	6,133,814,349	45.9342%
2009	9,663,097,538	57.5381%
2010	12,075,700,932	24.9671%
2011	15,950,511,189	32.0876%
2012	25,114,904,514	57.4551%

Source: Annual Report of Bank Asia Limited

Figure No. 3: Percentage change in Investment Growth



Above analysis shows that investment growth of Bank Asia Limited is fluctuated every year. It increased from 45.93% to 57.53% in 2009. Again it falls down in 2010 to 24.96% & in

2011 and 2012 increase by 32.08% and 57.45%. That indicates that they cannot make their investment efficient and also show less profitability and performance efficiency.

3.4 Import Growth

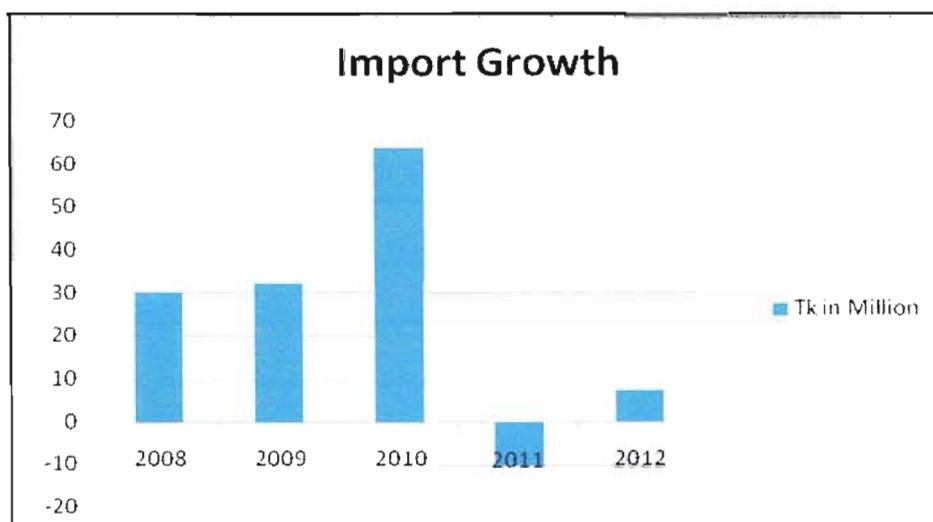
Import refers to the goods or services brought into one country from another. Exports, imports form the backbone of international trade. The higher the value of imports entering a country, compared to the value of exports, the more negative that country's balance of trade becomes.

Table No. 4: Import of BAL

Year	Import (Tk in Millions)	Growth in %
2007	39,218,700,000	-
2008	50,985,000,000	30.0017%
2009	67,378,300,000	32.1531%
2010	110,417,890,000	63.8775%
2011	99,414,200,000	-9.9654%
2012	106,746,150,000	7.3751%

Source: Annual Report of Bank Asia Limited

Figure No. 4: Percentage change in Import Growth



The graph shows that Import growth is very much fluctuating in Bank Asia. Even they have negative growth in 2011 which is -9.96%. The highest growth rate is 63.87% in 2010.

3.5 Export Growth

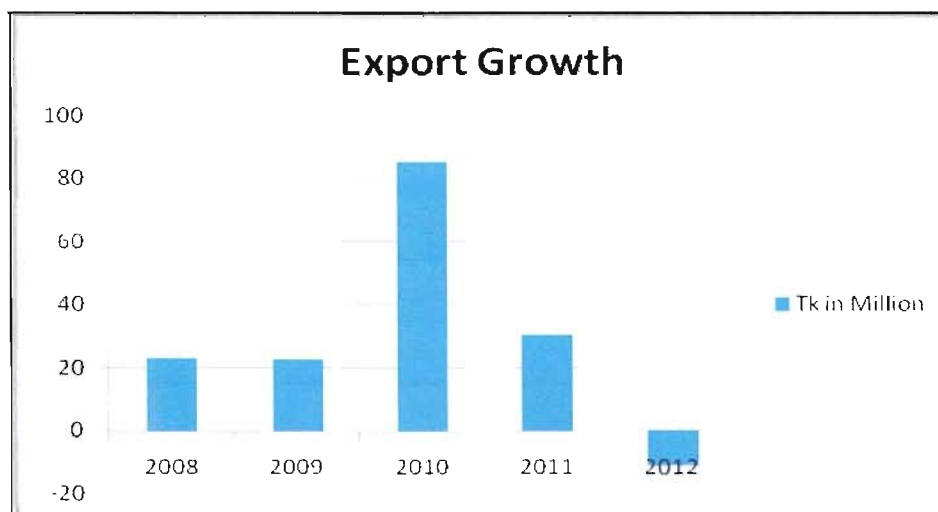
A function of international trade whereby goods produced in one country is shipped to another country. Exports are one of the oldest forms of economic transfer, and occur on a large scale between nations that have fewer restrictions on trade, such as tariffs or subsidies.

Table No. 5: Export of BAL

Year	Export (Tk in Millions)	Growth in %
2007	20,417,300,000	
2008	25,155,300,000	23.2058%
2009	30,953,400,000	23.0492%
2010	57,281,670,000	85.0577%
2011	74,794,500,000	30.5731%
2012	66,478,340,000	-11.1186%

Source: Annual Report of Bank Asia Limited

Figure No. 5: Percentage change in Export Growth



The graph shows that Bank Asia has very small export growth except in 2010. In 2010 it has highest rate of growth which is 85.05%. In 2012 it has negative growth rate which is -11.11%.

3.6 Assets Growth

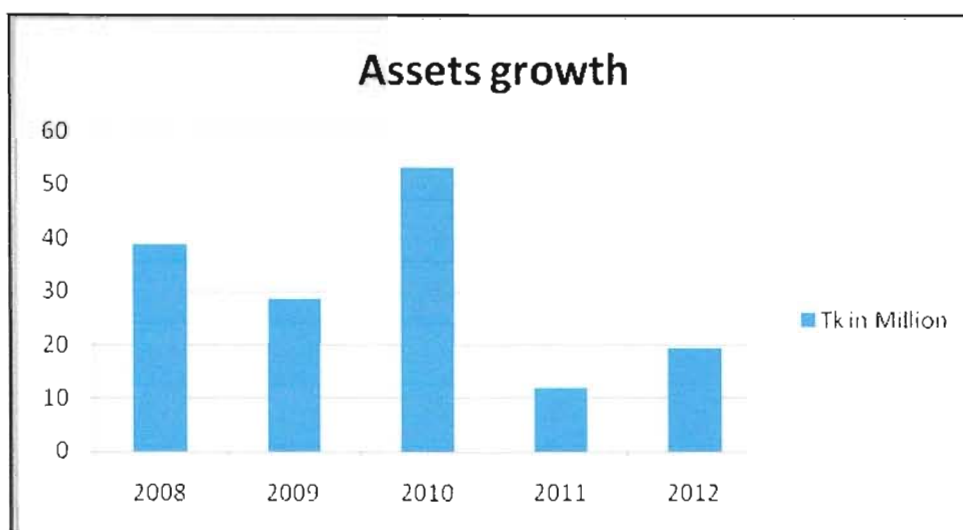
A resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit. It is also a balance sheet item representing what a firm owns.

Table No. 6: Assets of BAL

Year	Assets (Tk in Millions)	Growth in %
2007	38,427,853,094	-
2008	53,371,247,063	38.8868%
2009	68,663,199,976	28.6520%
2010	105,198,050,148	53.2087%
2011	117,729,408,006	11.9121%
2012	140,361,374,568	19.2237%

Source: Annual Report of Bank Asia Limited

Figure No. 6: Percentage change in Assets Growth



Assets growth of Bank Asia has average rate from 2008-2010. But in 2011 and 2012 it falls down which is 11.91% & 19.22%.

3.7 Operating Profit Growth

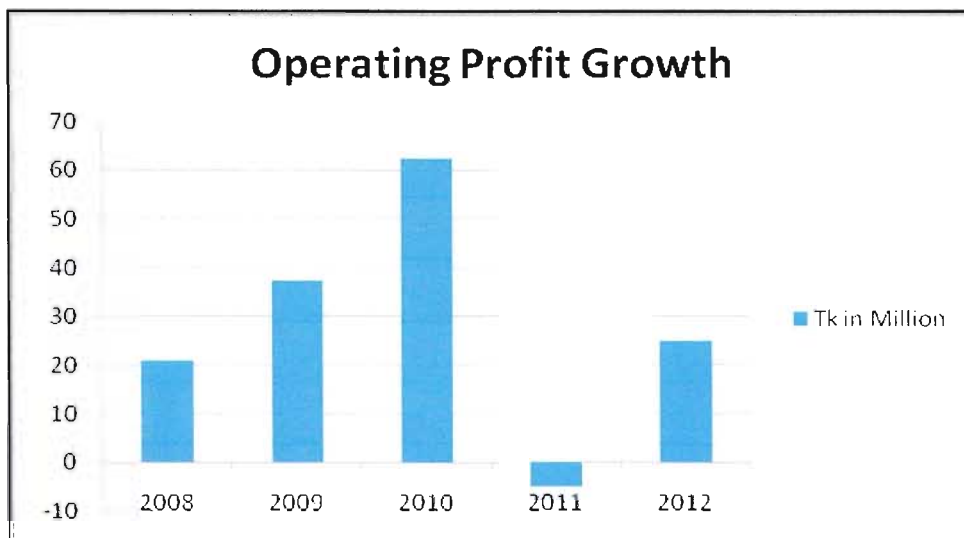
The profit earned from a firm's normal core business operations. This value does not include any profit earned from the firm's investments (such as earnings from firms in which the company has partial interest) and the effects of interest and taxes.

Table No. 7: Operating Profit of BAL

Year	Operating Profit (Tk in Millions)	Growth in %
2007	1,574,722,774	
2008	1,904,878,573	20.9659%
2009	2,617,037,702	37.3860%
2010	4,248,864,804	62.3539%
2011	4,041,969,139	-4.8694%
2012	5,051,805,176	24.9837%

Source: Annual Report of Bank Asia Limited

Figure No. 7: Percentage change in Operating Profit Growth



Above analysis shows that operating profit growth of Bank Asia has fluctuated every year. In 2008 it 20.96% & 2009-2010 it increases treamandously. Again it falls down in 2011 by - 4.86%. In 2012 it again increase 24.98%.

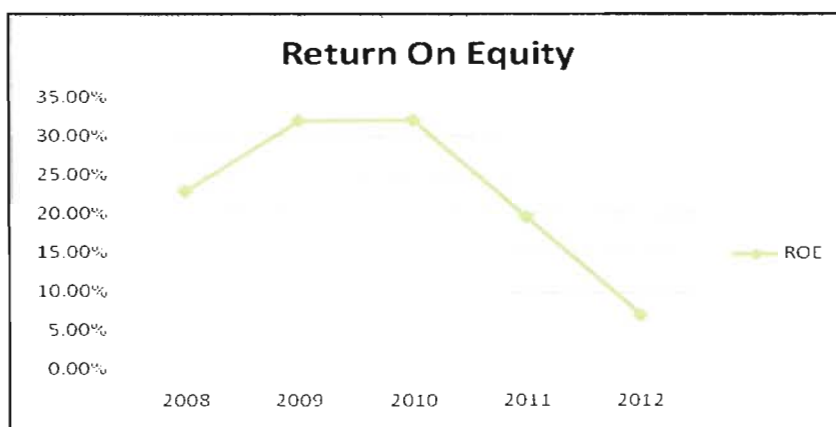
3.8 Return on Equity (ROE)

Return on equity or return on capital is the ratio of net income of a business during a year to its stockholders' equity during that year. It is a measure of profitability of stockholders' investments. It shows net income as percentage of shareholder equity.

Table No. 8: Return on Equity of BAL

Year	ROE
2008	23.00%
2009	32.03%
2010	32.12%
2011	19.61%
2012	7.11%

Figure No. 8: Return on Equity shown in the graph from the year 2008-2010



Return on equity is an important measure of the profitability. Generally higher values of ROE indicate favorable meaning. Above analysis shows that the return on equity of Bank Asia Limited has been increased from 2008-2010. The return on equity from 2008 to 2010 is 23.00%, 32.03% and 32.12% respectively. This indicates that bank is efficient in generating

income on new investment. In 2011 ROE is 19.61% and in 2012 it is 7.11%, which are more less than previous year's ROE. This result is due to the bank's greater use of debt.

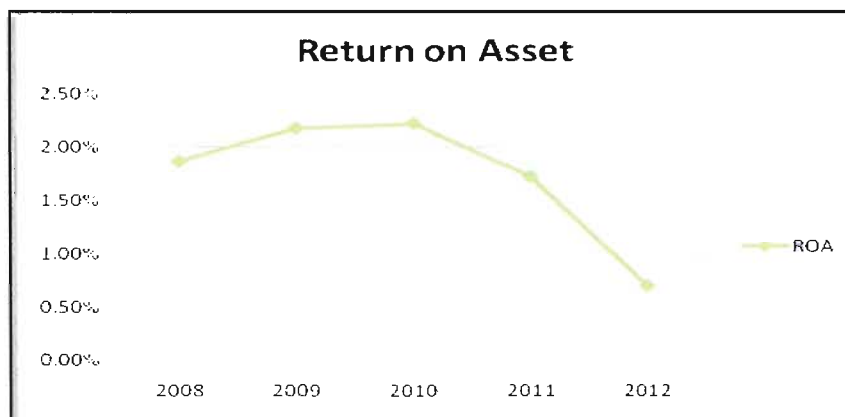
3.9 Return on Assets (ROA)

Return on assets is the ratio of annual net income to average total assets of a business during a financial year. It measures efficiency of the business in using its assets to generate net income. It is a profitability ratio.

Table No. 9: Return on Assets of BAL

Year	ROA
2008	1.87%
2009	2.18%
2010	2.22%
2011	1.72%
2012	0.70%

Figure No. 9: Return on Assets shown in the graph from the year 2008-2010



Bank Asia's returns on total assets are 1.87%, 2.18%, 2.22%, 1.72% and 0.70% respectively from 2008-2012. The percentage of return on asset is increased in an increasing manner from 2008-2010 but the value of ROA is very low. It shows that they earned a little from their investment. In 2011 and 2012 the value of ROA falls to 1.72% and 0.70%. A decreasing

trend means that profitability is deteriorating. This low return may result from the bank's above average use of debt. It's very weak for the organization.

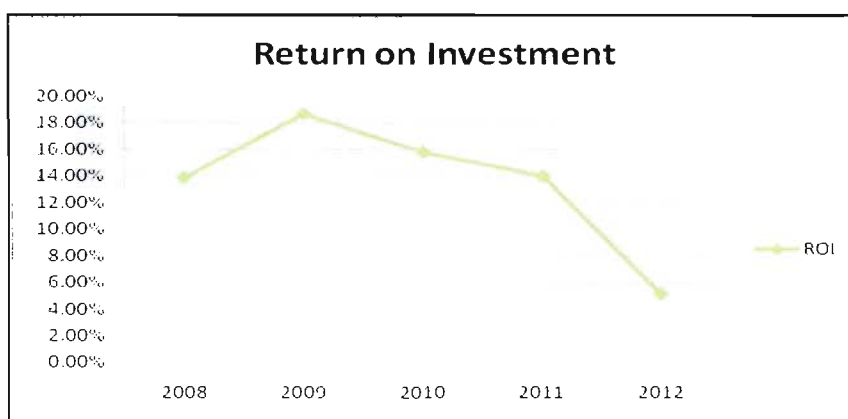
3.10 Return on Investment (ROI)

A performance measure used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments. To calculate ROI, the benefit (return) of an investment is divided by the cost of the investment; the result is expressed as a percentage or a ratio.

Table No. 10: Return on Investment from the year 2008-2012

Year	ROI
2008	13.88%
2009	18.61%
2010	15.79%
2011	13.98%
2012	5.20%

Figure No. 10: Return on Investment shown in the graph from the year 2008-2012



Above analysis shows that return on investment of Bank Asia Limited is fluctuated every year. It increased from 13.88% to 18.61% in 2009. But after that the value of ROI decreased

at a huge percentage in 2012. That indicates that they cannot make their investment efficient and also show less profitability and performance efficiency.

3.11 Earnings per Share (EPS)

The portion of a company's profit allocated to each outstanding share of common stock.

Earnings per share serve as an indicator of a company's profitability.

Table No. 11: Earning per Share from the year 2008-2012

Year	EPS
2008	3.94
2009	6.19
2010	6.43
2011	3.65
2012	1.44

Figure No. 11: EPS shown in the graph from the year 2008-2010



From the above analysis we can see that the Earning per Share of BAL from 2008 to 2012 are 3.94, 6.19, 6.43, 3.65, 1.44 respectively. EPS increased from 2008-2010 but it decreased in 2011 and 2012. There is no rule of thumb to interpret earnings per share. But there is a common assumption that the higher the EPS figure, the better it is and a higher EPS is the sign of higher earnings, strong financial position and, therefore, a reliable organization. So,

depend on that assumption it can be said that the condition of EPS of Bank Asia is not too strong.

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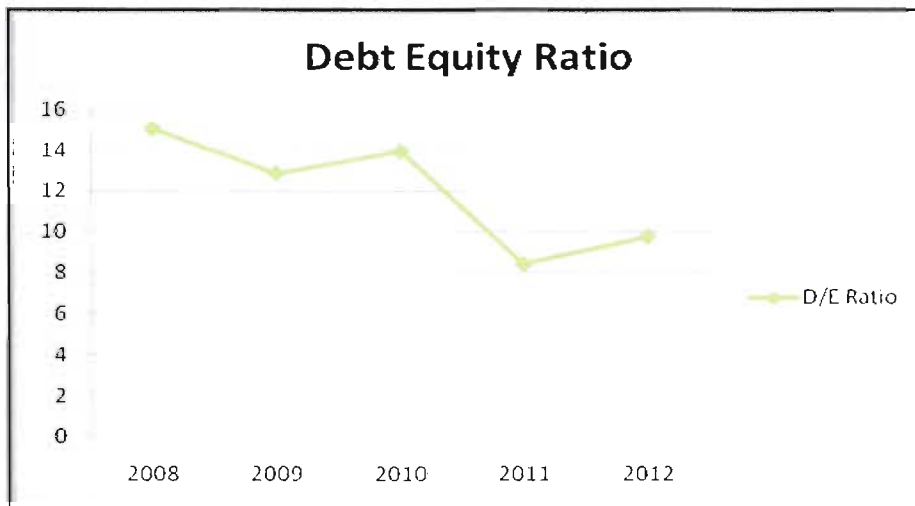
3.12 Debt Equity Ratio

Debt-to-Equity ratio is the ratio of total liabilities of a business to its shareholders' equity. It is a leverage ratio and it measures the degree to which the assets of the business are financed by the debts and the shareholders' equity of a business.

Table No. 12: Debt Equity Ratio from the year 2008-2012

Year	Debt Equity Ratio
2008	15.01
2009	12.86
2010	13.9
2011	8.43
2012	9.76

Figure No. 12: Debt Equity Ratio shown in the graph from the year 2008-2010



Debt equity ratio of Bank Asia Limited from 2008-2012 is 15.01%, 12.86%, 13.9%, 8.43% and 9.76% respectively. The value of debt equity ratio is fluctuated every year. Lower values

of debt equity ratio are favorable indicating less risk. Higher value is unfavorable because it means that the business relies more on external lenders.

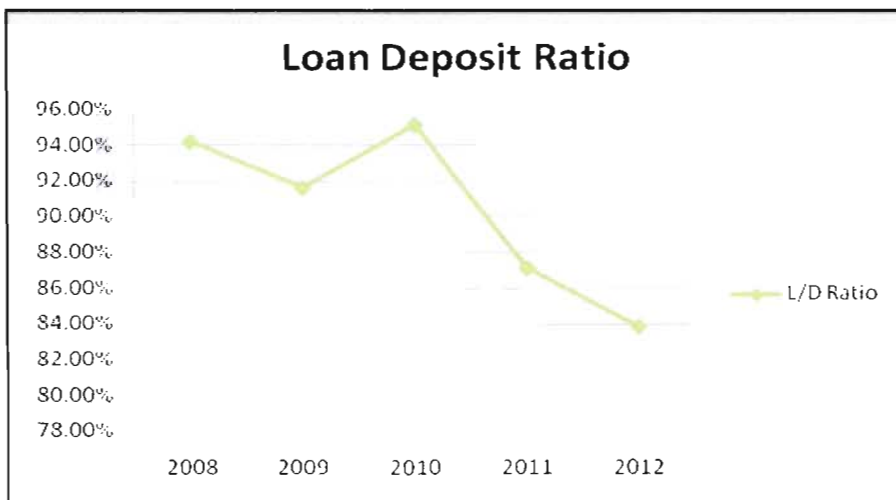
3.13 Loan Deposit Ratio

The amount of a bank's loans divided by the amount of its deposits at any given time. The higher the ratio, the more the bank is relying on borrowed funds, which are generally more costly than most types of deposits.

Table No. 13: Loan Deposit Ratio from the year 2008-2012

Year	Loan Deposit Ratio
2008	94.20%
2009	91.67%
2010	95.10%
2011	87.16%
2012	83.89%

Figure No. 13: Loan Deposit Ratio shown in the graph from the year 2008-2010



From the above analysis it can see that the loan deposit is very high that is 94.20%, 91.67%, 95.10%, 87.16% and 83.89% from 2008-2012. Higher ratio indicate that the bank is relying more on borrowed fund which are generally more costly than most types of deposits.

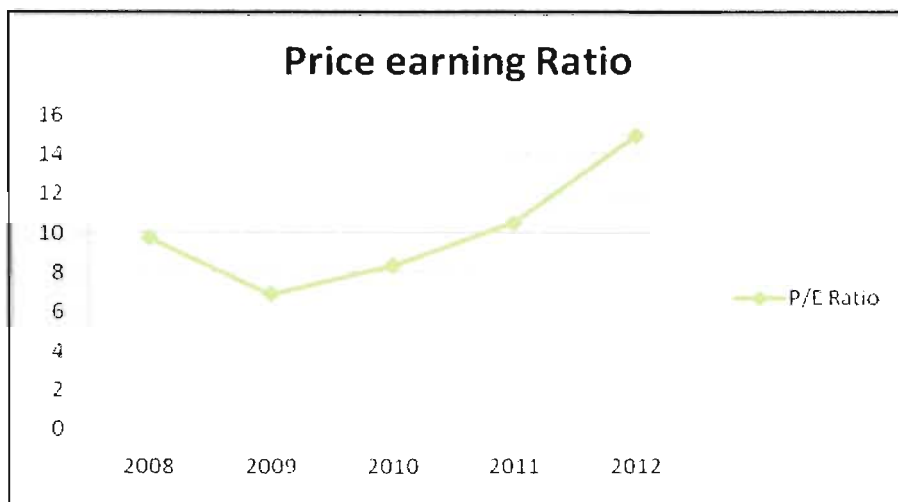
3.14 Price Earnings Ratio

A valuation ratio of a company's current share price compared to its per-share earnings.

Table No. 14: Price Earnings Ratio from the year 2008-2012

Year	Price Earnings Ratio
2008	9.73
2009	6.9
2010	8.34
2011	10.48
2012	14.93

Figure No. 14: Price Earnings Ratio shown in the graph from the year 2008-2010



Here we can see that price earnings ratio is 9.73, 6.9, 8.34, 10.48 and 14.93 respectively from 2008-2012. P/E Ratio decrease in 2009 but after that it increased every year. It tells whether the price of share is fairly valued, undervalued or overvalued.

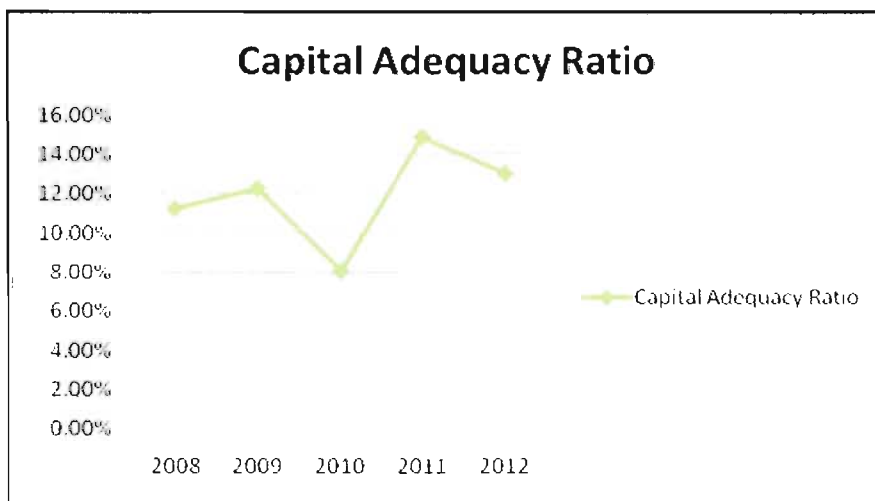
3.15 Capital Adequacy Ratio

A measure of a bank's capital. It is expressed as a percentage of a bank's risk weighted credit exposures. Also known as "Capital to Risk Weighted Assets Ratio".

Table No. 15: Capital Adequacy Ratio from the year 2008-2012

Year	Capital Adequacy Ratio
2008	11.25%
2009	12.27%
2010	8.11%
2011	14.88%
2012	13.05%

Figure No. 15: Capital Adequacy Ratio shown in the graph from the year 2008-2010



Above analysis shows that capital adequacy ratio is fluctuated every year. It is 11.25% in 2008, 12.27% in 2009, 8.11% in 2010, 14.88% in 2011 and 13.05% in 2012. Higher capital adequacy ratio protect the depositors.

Chapter- 4

Problems of Bank Asia Limited

- In 2011 & 2012, Bank Asia's deposit and loan & advance growth is very less. If deposit and loan & advance are less, the bank cannot perform well.
- In 2012 Bank Asia has negative export growth which shows company's export position is very weak.
- Bank Asia's operating profit growth is not in good condition. It has also negative growth in 2011.
- In 2011 & 2012, ROE of Bank Asia is less than previous year (2008-2010) which shows that, it occurs because of bank's greater use of debt.
- In 2012, ROA of Bank Asia is very few which means they can't use their assets efficiently. It's very weak for the organization.
- ROI is fluctuated every year but in 2012 it has tremendous fall. It indicates that they cannot make their investment efficiently and shows less profitability and performance efficiency.
- The loan deposit ratio is very high of Bank Asia. It indicates that bank is relying more on borrowed fund.
- Bank Asia limited has huge amount of loan, for this reason they might face liquidity crisis which will largely influence their business growth.
- For financial security, every financial institution has to reserve some fund. But in 2012 Bank Asia Limited had very less reserve fund.
- Political unrest has hampered the economic growth for last few years to a large extent.

Chapter- 5

Recommendation for Bank Asia Limited

- There should be more number of risk taker and long term investor. So that company can grow, can make profit, increase the value of the firm. It will generate confidence among the investors as well as it will increase the EPS of the company.
- Bank Asia Limited should reserve more fund for their future orientation.
- In the face of competitive and borrower dominated credit scenario Bank Asia must come up with innovative loan products to meet up the demand of time. In this connection Bank Asia can focus on some more loan products like:
 - Leasing
 - Apartment loan
 - Marriage loan
 - Education loan
- To combat the problem of mobilizing deposit in the form of credit, Bank Asia should focus on intensive marketing effort.
- Loan monitoring is a continuous task and requires expert manpower. Therefore it is suggested that Bank Asia should set up a separate loan monitoring cell, which will be responsible for monitoring its total loan portfolio with special care to the problem loan.
- To increase their performance, it should focus on efficient management.
- Appraising method should be unbiased & the aims and objectives of performance appraisal need to be well communicated from top level to bottom level management

Chapter- 6

Conclusion

Banking industry is inevitable for a country. Bank mobilizes savings helps the operation of trade and business, participates in the economic development activities and so on. Banking evolution happens to keep pace with the advanced stage in social development.

The bank should care again in manpower and its capital to use these in such a way that will produce a maximum output in future and motivated the client and investor for deposit and investment. The bank should take care to reduce unnecessary expenses. If the bank keeps its expenses at satisfactory level it produces a maximum output in future.

There are many benefits to implementing a regular and systematic performance appraisal system within an organization. In order to gain the most benefit from performance appraisals it is recommended that a system is developed in consultation with workers and managers, and clear links are established between appraisals and valued rewards and outcomes. If resources permit, information on work performance should be obtained from multiple sources. Performance appraisals can be a powerful tool for increasing motivation and improving work practice if conducted in a constructive, open and supportive manner.

Finally if the Bank Asia Limited control their expense and take proper steps to overcome their little limitations, they will become a first rows bank of Bangladesh.

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