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BBA

Performance Appraisal
of



Prime Bank Limited
a bank with a difference



Performance Appraisal of



Prime Bank Limited
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Internship Report
On
Performance Appraisal of
Prime Bank Limited

Supervised By:

Dr. Tanbir Ahmed Cowdhury
Professor
Department of Business Administration
East West University



Submitted BY:

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Date of Submission: 17 August 2011



EAST WEST UNIVERSITY

Letter of Transmittal

August 17, 2011

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

Subject: Submission of the Internship Report on Prime Bank Limited

Dear Sir,

It is my great pleasure to present before you my internship report on Prime Bank Limited titled as “**Performance Appraisal of Prime Bank Limited**”.

It has been a great learning experience for me taking a real life exposure of research and development activities of banking products and services. I would like to thank you for assigning me such a responsibility and helping me on different aspects of the report.

Sincerely,



Taposy Rabeya
ID:2007-2-10-103
Department of Business Administration
East West University



Letter of Authorization

17 August, 2010

This is to officially state that **Taposy Rabeya, ID# 2007-2-10-103** has completed internship program from Prime Bank Limited, R&D division, Head Office.

The fulfillment of all the requirements of BBA program from Business Administration Department, East West University, she has prepared the internship report on “**Performance Appraisal of Prime Bank Limited**” by using her knowledge and practical experience from her internship works.

I wish her very success in life.



Md. Golam Moula
Executive Officer
Research and Development Division, Head Office
Prime Bank Limited



Supervisor's Certificate

This is to certify that the internship report on “**Performance Appraisal of Prime Bank Limited**” is done by **Taposy Rabeya, ID#2007-2-10-103**, as the fulfillment of all the requirements of the BBA program from Business Administration Department, East West University.

This internship report has been primed under my guidance and is a report of the authentic work carried out successfully.

Dr. Tanbir Ahmed Chowdhury
Professor
Department Business Administration
East West University



Declaration

I somberly declare that the work in this internship report title “**Performance Appraisal of Prime Bank Limited**” is an original work done by me under the supervision of **Dr. Tanbir Ahmed Chowdhury, Professor, Department of Business Administration, East West University.**

No part of this report has been previously submitted to any other university /college / institution / organization for any academic certificate / degree / diploma.

This work I have presented does not breach any existing copyright and no portion of this report is copied from any work done earlier for any degree.

I further undertake to indemnify the department against any loss or damage arising from breach of the forging obligation, if any.



Taposy Rabeya
ID# 2007-2-10-103
BBA Program,
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Acknowledgement

I would like to take the opportunity to thank a few people without whom my study would have been rather difficult if not impossible. At first I would like to extend my heartiest thanks to the Management of Prime Bank Limited. Without their extensive time my study would have been incomplete.

It is my pleasure to extend my heartiest gratitude to Mr. ATM Shirajul Haque, Management Trainee Officer, Mr. Eiman Fergion, Management Trainee Officer, Mr. Imam Hossain Mahmud, Management Trainee Officer and Fahim Deen Arif, Junior Officer, of R&D division of Prime Bank Head office who, in addition to their wholehearted support, have allowed me to carry out the study in parallel with my regular workload. I would also like to take the opportunity to give my heartfelt thanks to Mr. Golam Moula, Executive Officer, Head office for his endless support and also providing me with all the materials that was required for preparing my report.

Finally, my sincere thanks go to my internal supervisor Dr. Tanbir Ahmed Chowdhury, Professor, Department of Business Administration, East West University for his appropriate suggestions, moral support and invaluable co-operation from time to time in completing the internship program especially in the last three months.



Executive Summary

Banking is a business, which is run on the confidence and trust of people. This confidence enjoyed by banks and enables the bank to mobilize funds from various sources. The main function of bank may broadly be divided into two categories. Firstly, borrowing money from public by accepting deposits and secondly, lending the money to public for development of trade, commerce, agriculture and industry. The profitability of a bank always depends on the efficient management of fund and exploring the genuine avenues in which its resources are invested to produce the maximum income.

But everything is finally evaluated by the performance of the bank. This is why performance evaluation of a bank is very crucial in the process of finance. Being a student of Finance, my focus was more on performance appraisal of the bank based on the financial indicators.

In this report different indicators of performance evaluation are been described on the basis of which the position of Prime bank can easily be determined. I have considered their capital structure, total asset, investment, net income, dividend, EPS, income expenditure ratio, Market price per share and some other indicators to evaluate the performance of PBL. Some of them showed satisfactory results where as some others did not. I also tried to compare with some of the indicators of four banks including PBL. In this case PBL showed a good performance compared to rest of the three banks.

Though PBL is one of the leading banks among the entire private banks still it has some shortcomings. Some of those Problems and their solutions are also been presented in this report.



Report Preview

In chapter one-Introduction part some historical background about banks and banking industry has been given. Not only banking history but also the history Prime bank is presented along with organogram, CSR activities, and five year financial data. To complete the report and collect information both primary and secondary method has been used.

In chapter two-Principal activates of PBL has been described. Different products of retail banking are presented over here.

In chapter three-New products of PBL has been described.

In chapter four- Performance indicators are presented through tables and graphs. Comments on those graphs are also described.

In chapter five- Conclusion, Problems and Recommendations are given.



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Chapter 1

Introduction





1. Introduction

The name bank derives from the Italian word banco "desk/bench", used during the Renaissance by Florentine bankers, who used to make their transactions above a desk covered by a green tablecloth. However, traces of banking activity can be found even in ancient times.

In fact, the word traces its origins back to the Ancient Roman Empire, where moneylenders would set up their stalls in the middle of enclosed courtyards called macella on a long bench called a bancu, from which the words banco and bank are derived.

Banking is known as the backbone of the national economy. Banks play an important role in the business sector & promoting industrialization & economic development of the country. Banks provide necessary funds for the execution of various programs underway in the process of economic development. All sorts of economy & financial activities revolve around the bank. As the industry produces goods & commodities, bank creates & controls money market & promotes formation of capital.

Bank is a powerful medium to bring socio-economic changes in a developing country like Bangladesh. The three important sectors in Bangladesh like Agriculture, Commerce & Industry provide the bulk of the country's wealth. So the nourishment of these sectors is only possible through satisfactory banking facility.

Basically, Bank collects deposit from the customers at a lower rate of interest & lends it to the borrowers at a higher rate of interest considering the cost of fund. The spread amount indicates the operating profit of a bank. Banks provide different services and credits to the customers. The customer comes from all walks of life, from a small business to a multi-national corporation having its business activities all around the worlds. The bank has to satisfy the requirements of different customers belonging to various social groups. The banking business has therefore become complex & requires specialized skills. It functions as an agent for bringing about economic, industrial growth, & prosperity of the country. As a



result different types of bank with various services have come in to existence to suit specific requirements.

1.1: Origin of the report

Bachelor of Business Administration (BBA) Program requires 12 weeks attachment with an organization followed by a report assigned by the supervisor in the organization and endorsed by the faculty advisor. I took the opportunity to do my internship in Prime Bank Limited (PBL). My topic of internship is authorized from the organization. My faculty supervisor Mr. Dr. Tanbir Ahmed Chowdhury, Professor, Department of Business Administration, East West University has also approved the topic and authorized me to prepare this report as part of the fulfillment of internship requirement. The report thus was titled as 'Performance Evaluation of Prime Bank Limited'.

1.2: Background of the study

The business world is getting dynamic and competitive. It is hard for an organization to run & even survive in a fast paced, growing and uncertain world if it cannot keep tracks with the go of business dynamism. Business plays and links important roles in developing the economy of a country. So, as a business graduate, I think I need to be attached with any organization to get a handy & versatile experience about the business world before starting our career. Internship is the arrangement, which makes a bridge between our academic knowledge and practical world to have an acquaintance with the real business world as well as to gear me up to lead the future competitive business.

I have worked in Research and Development division of Prime Bank Limited (PBL), Head Office, Motijheel, Dhaka. In this report, I will try to make an overall analysis of the performance of PBL and then compare the performance of other private commercial banks with the performance of this organization.

1.3: An overview of Prime Bank Limited

The significance of financial intermediaries in the progress of the overall economy of country cannot be described in short. From the inception of the civilization the banking sector



dominate the economic development of a country by mobilizing the saving from the general people and channeling those saving for investment and thus economic development and growth. In ancient time the importance of commercial banks after the ravage of the liberation war to develop a better economy was severally needed and it is needed now and will be required in future also. In time to time Government of Bangladesh agreed to permit the private commercial banking in the country.

To satisfy the demand as well as to improve the commercial banking service in our country, The Prime Bank Limited is scheduled bank that was incorporated under the Companies Act 1994, initiated its operation on April 17, 1995 with target to play the vital role on the socio-economic development of the country. It availed its registration as a banking company under the Banking Company Act, 1993 from the Bangladesh Bank dated February 12, 1995. It started to make profit from the inception year. It was made possible for its management and the leadership of the first Managing Director, Mr. Lutfur Rahman Sharker, Ex-Governor, Bangladesh Bank.

The bank has been successful in positioning itself as progressive and dynamic financial institution in the country within this short time. It is now widely acclaimed by the business community, from small entrepreneur to big merchant and conglomerates, including top rated corporate and foreign investors, for modern and innovative ideas and financial solution. Thus within this short period of time, it has been able to create a unique image for itself and has earned significant solution in the banking sector of the country as 'a bank with a difference'.

The emergence of the Prime bank Limited is an important event in the country's financial sector at the inception of financial sector reform. The authorized capital of PBL is Tk. 4000 million and paid up capital of the same bank is Tk. 1400 million. The First Chairman of the Bank was Mr. Abdul Gani and the present Chairman is Mr. Capt. Imam Anwar Hossain. Now the Managing Director of Prime Bank Limited is M. Shahjahan Bhuiyan. The bank has made a reasonable progress due to its visionary management people and its appropriate policy and implementation. The bank holds jointly the first position with Mutual Trust Bank in the CAMEL rating published by Bangladesh Bank.



The Prime Bank Limited ("the Bank") was incorporated as a public limited company in Bangladesh under Companies Act, 1994. It commenced its banking business with one branch from April 17, 1995 under the license issued by Bangladesh Bank. Presently the Bank has 94 (Ninety four) branches, 14 (Fourteen) SME Centre all over Bangladesh, and 2 (two) booths located at Dhaka Club, Dhaka and at Chittagong Port, Chittagong. The Bank had no overseas branches as at 31 December 2010. Out of the above 94 branches, 05 (five) branches are designated as Islamic Banking Branch complying with the rules of Islamic Shariah, the modus operandi of which is substantially different from other branches run on conventional basis. The Bank went for Initial Public Offering in 1999 and its share is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company for its general class of shares. The registered office of the company is located at

Contact with Prime Bank Ltd.

Address: Adamjee Court
Annexe Building-2,119-120,
Motijheel C/A, Dhaka-1000
Bangladesh

Web Site: www.primebank.com

SWIFT: PRBLBDDH

As a fully licensed commercial bank, Prime Bank Limited has being managed by highly professional and dedicated team with long experience in banking. They constantly focus on understanding and anticipating customer needs. As the banking scenario undergoes changes so does the bank and it adjusts and repositions it to the changed conditions.

In its 16th year of operation in 2011, Prime Bank has made substantial headway in terms of business growth, profitability and establishing its image as one of the leading private



commercial banks. Its march towards reaching greater heights in operation continues with full vigor and enthusiasm. Prime Bank has made significant progress within a very short period of its existence. The bank holds jointly the first position with HSBC in the CAMEL rating published by Bangladesh Bank. The bank has already occupied an enviable position among its competitors after achieving success in all areas of business operations.

Prime Bank Limited offers all kinds of corporate, personal and commercial banking services covering all segments of society within the framework of banking rules and regulations laid down by the Central Bank. Diversification of products and services include corporate banking, retail banking and consumer banking right from industry to agriculture, real state, software and other sectors.

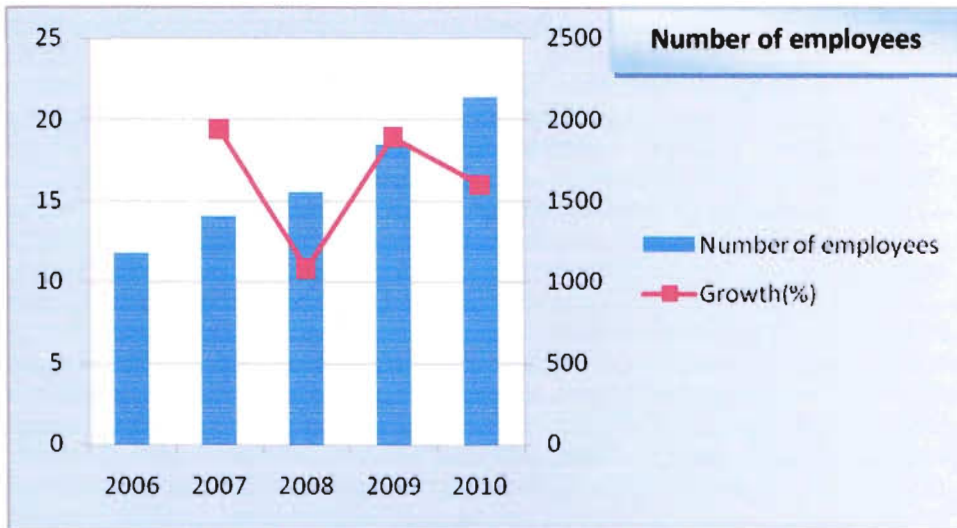
Prime Bank's aim is to be the leading bank in the country's principal markets.

Table: Number of employees

Year	Number of employees	Growth
2006	1172	-
2007	1400	19.45%
2008	1551	10.79%
2009	1844	18.96%
2010	2139	16%

Source: Annual Report of Prime Bank Ltd.



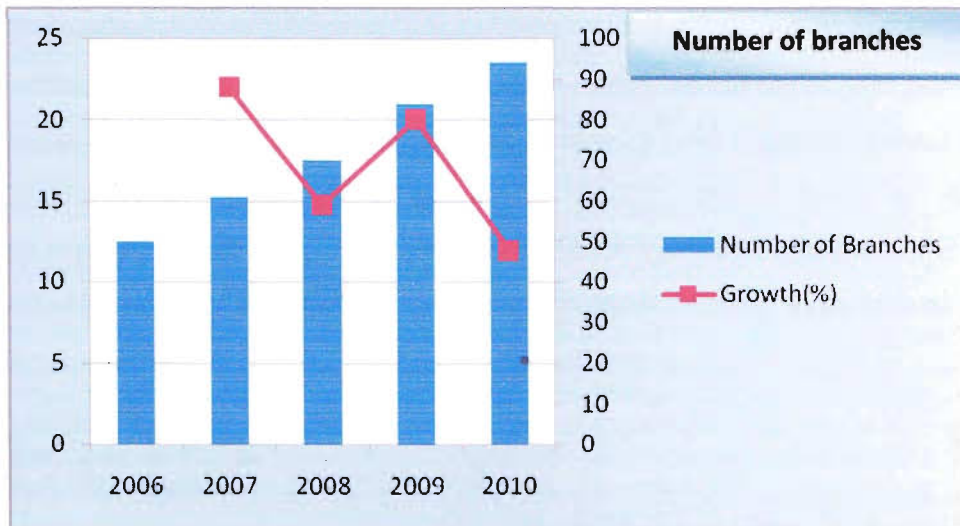


Explanation: In last 5 years PBL has recruited a number of employees in different departments of the bank. And in 2010 the growth rate was 16 percent.

Table: Number of Branches

Year	Number of Branches	Growth
2006	50	-
2007	61	22%
2008	70	14.75%
2009	84	20%
2010	94	11.90%

Source: Annual Report of Prime Bank Ltd.



Explanation: In 2007 the growth rate was higher than 2010 though number of branches are increasing in each year.

1.3.1. About the bank:

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”

Efforts are focused 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.



Strategic Priorities:

To have sustained growth, broaden and improve range of products and services. The company believes that communication with, and feedbacks from its clients help it to achieve its goal of providing world-class products and services. Prime Bank has engaged a relationship officer for each individual customer to address the requirements of the customer. It also constantly monitors its standards, and strives to exceed clients' expectations.

About

Prime Bank Limited.

1.3.2. At a glance Information of Prime Bank Limited:

05.02.1995	Memorandum and Articles of Association signed by the sponsors
12.02.1995	Incorporation of the company
12.02.1995	Certificate of commencement of Business
20.02.1995	License issued by Bangladesh Bank
08.04.1995	License issued for opening the first branch, Motijheel
17.04.1995	Formal launching of the Bank
17.04.1995	Commencement of Business from Motijheel Branch
18.12.1995	Commencement of Islamic Banking Business from IBB, Dilkusha
29.08.1999	Initial Public offering - Publication of Prospectus
09.09.1999	Initial Public offering - Subscription Opened
22.09.1999	Initial Public offering - Subscription closed
15.11.1999	Listed with Chittagong Stock Exchange Limited
27.03.2000	Listed with Dhaka Stock Exchange Limited
29.03.2000	Trading of Shares in Dhaka Stock Exchange Limited
29.03.2000	Trading of Shares in Chittagong Stock Exchange Limited
29.03.2001	Registered Merchant Banker with SEC
17.04.2005	Completion of 10 years of service
08.07.2006	Introduction of Prime Exchange Co. Pte. Ltd. (Subsidiary of Prime Bank Limited)



05.03.2007	Opening of First Off-shore Banking Unit at DEPZ , Savar, Dhaka
01.04.2007	Introducing of Temonus as Core Banking Software T24
01.03.2008	Launching of ATM
01.08.2009	Launching of Internet Banking
01.08.2010	Introducing of PBL Exchange UK Limited - London Branch
01.08.2010	Introducing of PBL Exchange UK Limited - Birmingham Branch
04.08.2010	Introducing of PBL Exchange UK Limited - Oldham Branch
22.02.2011	Introduction of Prime Exchange Co. Pte. Ltd. (Jurong East Branch)

3.3.3. Organizational Structure of Prime Bank Limited:

Prime Bank is listed with promoter shareholders' collectively holding a 46% stake in the bank. One of the main reasons for the bank's good financial condition is that the bank's promoters, who have other business interests as well, have refrained from using the bank for insider lending. This is a huge issue for Bangladeshi private banks and together with somewhat lax supervision, is the single biggest factor for the poor financial condition of most private banks. While Prime Bank has so far benefited from its promoter shareholders' approach of maintaining an arms-length relationship between the bank and their other businesses, whether this would continue to be the case in future, particularly when the second-generation promoters become directors of the bank remains to be seen.

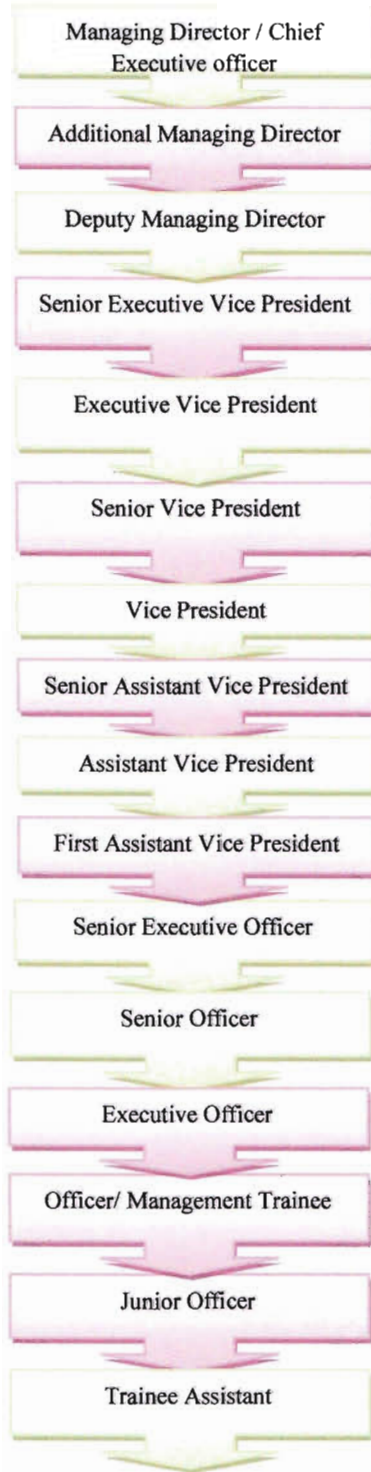
The bank had a rather large board (21 members in all) with representatives from all the major shareholders. Previously central bank norms prevented any one shareholder individually holding an equity stake of greater than 5% in the bank; this was the reason for the 21 directors sitting in the board. The central bank rules in this regard have undergone a slight change. Now the rules are that the individual holding has been enhanced to 10% and the size of the Board will now be restricted to 13 members, which should include at least two independent directors.

The bank's board has a position amongst various members; consequently the bank has a new Chairman every year. The executive management also appears a bit top-heavy (relative to the



size of the bank) with one additional managing director besides the managing director, four deputy managing directors.

1.3.4. Organogram of PBL:





1.3.5. Management of Prime Bank Limited:

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

Now there are 17 directors in the management of the bank. All the directors have the good academic background and have huge experience in business. Mohammad Aminul Haque is the chairman of the bank. The board of directors holds meetings on a regular basis. There are different committees in the bank for the efficient management of the bank. All these committees meet on a regular basis for discussing various issues and proposals submitted for decisions. The committees are given below:

- ❖ Board of Directors
- ❖ Management Committee
- ❖ Executive Committee
- ❖ Audit committee

1.3.6. Departments of Prime Bank Limited:

It would be very difficult to control the system effectively, if the jobs are not organized considering their interrelationship and are not allocated in a particular department. If the departments are not fitted for the particular works there would be haphazard situation and the performance of a particular department would not be measured. Prime Bank Limited has done this work very well. There are -

1. Audit and Inspection Division (Reports to Management) {General Audit, Shariah Audit, IT Audit and Security Department, Central Complaisance & Internal Control Unit)
2. Alternative Delivery Channels (ADC) Division {Call Center, Credit Division}
3. Board Audit Cell (Reports to Chairman of Audit Committee Board of Directors)
4. Branches Operation and Admin-Support Division
5. Branches Control Division
6. Brand Communication Division

7. Board Division {Company Secretariats, MD Secretariats, AMD Secretariats, DMD's Secretariats}
8. Corporate Banking Division {Syndication and Merged Finance}
9. Card Division
10. Credit Risk Management (CRM) Division
11. Corporate Liability Marketing Division {Public Relations (PR)}
12. Financial Administration Division (FAD)
13. Foreign Exchange
14. Foreign Remittance
15. Human Resource Division (HR)
16. Information Technology (IT) Division
17. Islami Banking (IB) Division
18. International Division (ID) {Centralized Foreign Remittance Center}
19. Logistic & Support Services Division (LSSD)
20. Merchant Banking and Investment Division
21. Offshore Banking Division {Prime Bank Offshore Banking unit/Branches (4)}
22. Prime Bank Securities
23. Prime Foundation
24. Physical Branches + SME (95+15)
25. Retail Banking Division (RBD)
26. Research & Development (R&D) Division
27. SME Banking Division {SME Unit}
28. Share Division (SD)
29. Treasury Division (TD)



1.3.7. Values Considered as Guiding Factors:

All the activities and decisions of Prime Bank Limited are based on, and guided by, these values:

- ❖ Placing the interests of clients and customers first
- ❖ A continuous quest for quality in everything the company does
- ❖ Treating everyone with respect and dignity



- ❖ Conduct that reflects the highest standards of integrity
- ❖ Teamwork- from the smallest unit to the enterprise as a whole
- ❖ Being good citizens in the communities, in which they live and work

13.8. Subsidiaries of Prime Bank Ltd:

The principal activities of the Bank are to provide all kinds of commercial banking services to its customers through its branches and SME centre in Bangladesh.

The banking businesses include deposits taking, extending credit to corporate organization, retail and small & medium enterprises, trade financing, project financing, lease & hire purchase financing, issuance of local & international credit cards etc.

The mode of banking included conventional & Islamic Banking. It also performs merchant banking function under the license issued by Securities & Exchange Commission, Dhaka, Bangladesh.

Prime Bank has some other business concerns through which they provide services more widely. Those are:

➤ Prime Bank Investment Limited

Prime Bank Investment Limited is a subsidiary company of Prime Bank Limited incorporated as a public limited company on April 27, 2010 with the registrar of Joint Stock Companies, Dhaka vide certificate of incorporation no. C- 84266/2 dated 28 April 2010 which has commenced its business on the same date. There of 29,999,994 shares (out of 30,000,000 shares) of Prime Bank Investment Limited are held by Prime Bank Limited and only 6 shares are held by 6 senior executives of Prime Bank Limited and Prime Bank Investment Limited. The main objectives of the company for which was established are to carry out the business of full-fledged merchant banking activities like issue management, portfolio management, underwriting, corporate advisory services etc.

➤ Prime Bank Securities Limited

Prime Bank Securities Limited was incorporated on April 29, 2010 as a private limited company under the Companies Act, 1994 vide certificate of incorporation no. C-84302 /10. The main objectives of the company to carry on business of stock brokers / dealers in relation



to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the Company. The operation of the company is yet to start in 2011. Prime Bank Limited and Prime Bank Investment Limited hold 95% and 5% of Prime Bank Securities Limited respectively.

➤ Prime Exchange Co. Pte. Ltd.

Prime Exchange Co. Pte. Ltd., a fully owned subsidiary company of Prime Bank Limited was incorporated in Singapore on January 06, 2006 and commenced its remittance business with effect from July 08, 2006 under the remittance license issued by the Monetary Authority of Singapore (MAS) under section 7A(3) of the Money Changing and Remittance Business Act (Chapter 187), Singapore. The principal activities of the company are to carry on the remittance business and to undertake and participate in transactions, activities and operations commonly carried on or undertaken by remittance and exchange house.

➤ PBL Exchange (UK) Limited

PBL Exchange (UK) Limited was incorporated as a private limited company with Companies House of England and Wales under registration no. 7081093 on 19 November 2009. The company is a wholly owned subsidiary of Prime Bank Limited. Earlier on 25 August 2009, Prime Bank Limited got permission from Bangladesh Bank for opening a fully owned subsidiary in UK. PBL Exchange (UK) Limited obtained Money Laundering registration on 13 April 2010 issued by HM Revenue and Customs. The company got registration from Financial Services Authority (FSA) on 14 May 2010 as Small Payment Institution to carry out Money Service Business under Payment Services Regulations 2009. The company commenced its operation on 02 August 2010 with three Branches located at Brick Lane of London, Coventry Road of Birmingham and North Pldham of Manchester. The registered office is located at 16 Brick Lane, London E1 6RF.

➤ Off-shore Banking Unit

The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD (P) 744(84)/2001-868 dated 19 March 2001. The Bank commenced operation of this unit from March 15, 2007. Presently the bank has 3 (three) Off-shore Banking Units in Bangladesh.

The Off-shore Banking Unit is governed under the rules and guidelines of Bangladesh Bank. The principal activities of the Bank are to provide all kinds of commercial banking services to its customers through its branches in Bangladesh.

13.9. Correspondence Relationship:

The bank established correspondent relationships with a good number of foreign banks, namely CITI Bank N.A, American Express Bank, Bank of Tokyo, Standard Chartered Bank, Mashreq Bank and AB Bank Limited. The bank is maintaining foreign currency accounts in New York, Tokyo, Calcutta, London and many other important commercial hubs of the world. During this period the bank provided letter of credit facility on behalf of its valued customers using its correspondents as advising and reimbursing banks.

13.10. Corporate Social Responsibility (CSR):

The Bank has taken strong initiative to ensure compliances and attaining greater social goals through good governance. Prime Bank Limited has always laid emphasis on its commitment to the society and seeks to reinvest parts of its profits for community welfare. The biggest CSR of Prime Bank is to establish Prime Bank Foundation to execute its corporate social responsibilities activities in a greater scale. Prime Bank Limited and Prime Bank Foundation are proud to continue CSR activities for the greater interest of country's socio economic development. The Foundation has made allocation to different areas of poverty alleviation & primary health care programs for the low income groups.

Investment in Education:

- a. **Education Support Program:** It is a long term, renewable scholarship program launched in 2007 for underprivileged but meritorious students from across the country. In 2009 reporting year, 198 underprivileged but meritorious students, the highest in one year since its inception, have been included to provide with financial support in the form of monthly stipends for the persuasion of their graduation/post-graduation level studies in the country's public sector universities and colleges. With the inclusion of these students,

the total number of poor but meritorious students who are the recipients of Prime Bank Foundation stipends stood at 490.

- b. Prime Campus:** Prime Campus, an English medium school in Uttara, Dhaka, was created by Prime Bank Foundation in 2008 as an alternative to the expensive English primary schools at an affordable charge schedule.

Work with Handicap Population

Investment in eradicating and preventing different disabilities such as drug addicts, blindness etc; setting up vocational training centers; undertake mass awareness raising campaigns etc.

Dristy Daan Project

Setting a target of sight restoration of 1200 poor/ultra poor citizens of the country, the Prime Bank Foundation started off the Dristy Daan project in 2007. A total of 1357 poor/ultra poor cataract patients were operated till date.

Health Care

Support setting up state-of-the-art hospital like Vellore CMC Health Care, Universal Health Care Centers; Eye Hospitals; Health Support to garment workers; more preventive activities; infant, child feeding and breastfeeding; support to facilities providing treatment and care of non-communicable diseases such as heart, and diabetes; activities related to prevention of maternal mortality and morbidities; setting up trauma centers etc.

Health Management

Developing SOPs; improving supervision; leadership training; nursing training; setting up accrediting body in the private sector; provide equipment to existing voluntary health facilities etc. Develop a CSR strategy of PBF, partnership support has been offered by one organization.

There are some other sectors where PBF have their contribution. Those sectors are Environment,

Support to Martyr Family, Games & Sports etc.

13.11. Performance at a glance:

Key Financial Data & Key Ratios-					
PBL				Taka in million	
Particulars	2006	2007	2008	2009	2010
Interest income	5,199	7,170	9,096	10,856	12,023
Interest expenses	3,698	5,267	7,126	8,426	7,790
Net interest income	1,500	1,903	1,970	2,430	4,234
Non-interest income	1,732	2,913	3,808	5,765	5,447
Non-interest expenses	1,101	1,559	1,931	2,907	3,603
Net non-interest income	631	1,354	1,877	2,858	1,844
Profit before provision and tax	2,131	3,257	3,847	5,289	6,078
Provision for loans and assets	390	910	1,384	700	540
Profit after provision before tax	1,741	2,347	2,463	4,589	5,538
Tax including deferred tax	689	946	1,232	1,805	2,535
Profit after tax	1,052	1,401	1,232	2,784	3,003
Balance Sheet					
Authorized capital	4,000	4,000	10,000	10,000	10,000
Paid-up capital	1,750	2,275	2,844	3,555	5,776
Total shareholders' equity	3,860	5,273	6,697	11,745	16,769
Deposits	54,724	70,512	88,021	106,956	124,519
Long-term liabilities	16,877	15,267	31,044	38,209	47,918
Loans and advances	45,010	57,683	75,156	89,252	111,167
Investments	7,844	12,698	23,103	19,934	20,484
Property, Plant and Equipment	412	660	1,375	1,573	1,692
Earning assets	55,458	72,798	100,26	109,90	132,68



			1	5	8
Net current assets	5,286	1,338	9,962	3,435	7,349
Total assets	60,899	79,588	110,437	124,806	152,797
Current ratio	1.13	1.03	1.14	1.05	1.09
Equity debt ratio	7.00	7.00	6.45	10.39	12.33
Other Business					
Import	52,639	70,617	91,424	96,452	147,704
Export	41,801	51,316	68,550	76,097	106,943
Remittance	15,050	15,905	22,669	26,447	28,433
Guarantee Business	5,386	7,033	10,010	13,673	29,000
Capital Measures					
Total risk weighted assets	44,324	55,485	72,253	82,710	183,747
Core capital (Tier-I)	3,860	5,261	6,265	9,057	15,793
Supplementary capital (Tier-II)	549	1,122	1,594	3,112	5,692
Total capital	4,409	6,383	7,859	12,168	21,485
Tier-I capital ratio	8.71	9.50	8.67	10.95	8.60
Tier-II capital ratio	1.24	2.00	2.21	3.76	3.09
Total capital ratio (as per Basel-II for 2010)	9.95	11.50	10.88	14.71	11.69
Credit Quality					
Non-performing loans (NPLs)	367	777	1,323	1,149	1,368
NPLs to total loans and advances (%)	0.82	1.35	1.76	1.29	1.23
Provision for unclassified	545	895	1,040	1,303	1,463



loans					
Provision for classified loans	309	478	734	631	642
Share Information					
Market price per share - before split (Taka)	529	924	540	653	945
No. of shares outstanding - before split (Million)	17.50	22.75	28.44	35.55	57.76
No. of shareholders (actual)	5,262	7,368	9,180	10,339	19,748
Earnings per share - before split (Taka)	60.11	61.57	43.32	78.33	56.90
Earnings per share - after split (Taka)	6.01	6.16	4.33	7.83	5.69
Dividend:	30%	35%	25%	40%	40%
Cash	0%	10%	0%	10%	5%
Bonus	30%	25%	25%	30%	35%
Effective dividend ratio (%)	33.33	40.00	27.78	44.44	49.52
Market capitalization	9,253	21,021	15,349	23,212	54,572
Net asset value per share - before split (Taka)	221	232	235	330	290
Net asset value per share - after split (Taka)	22.1	23.2	23.5	33.0	29.0
Price earning ratio (times)	8.80	15.01	12.46	8.34	16.60
Operating Performance Ratio (%)					
Net interest margin on average earning assets	3.23	2.97	2.28	2.31	3.49
Net non-interest margin on average earning assets	1.36	2.11	2.17	2.72	1.52
Earning base in assets (average)	90.71	91.29	91.07	89.34	87.39



Cost-income ratio	34.07	32.37	33.42	35.47	37.22
Credit-deposit ratio	82.25	81.81	85.38	83.45	89.28
Cost of funds on average deposits	8.12	8.36	8.55	8.41	6.39
Yield on average advance	13.07	13.35	13.52	13.16	11.92
Return on average assets	2.05	1.99	1.30	2.37	2.16
Return on average equity	31.55	30.68	20.58	30.19	21.06
Other information					
No. of branches	50	61	70	84	94
No. of SME branches/centers	-	-	-	5	14
No. of employees	1,172	1,400	1,551	1,844	2,139
No. of foreign correspondents	517	553	518	602	621
Average earning assets	46,448	64,128	86,530	105,083	121,296
Average total assets	51,203	70,244	95,013	117,622	138,802
Average deposits	45,373	62,618	79,266	97,488	115,737
Average loans & advances	38,463	51,347	66,420	82,204	100,210
Average equity	3,334	4,566	5,985	9,221	14,257

Source: Annual Report'2010





1.4: Objective of the study

The objective of this internship report means the purpose of the internship programme & the learning & finding through the period. This research paper has put emphasized to evaluate the performance of the bank through comparison of various financial indicators. The prime objectives behind this research paper are pointed bellow:

- I) An overview of the principal activities of Prime Bank Ltd.
- II) To appraise the financial performance of Prime Bank Ltd.
- III) To identify new products for Prime Bank Ltd.
- IV) To identify the problems of Prime Bank Ltd.
- V) To suggest remedial measures for development of Prime Bank Ltd.

1.5: Scope & methodology of this report

The internship report has been written on the basis of information collected from primary as well as secondary sources. The primary information has been collected from the personnel, in this case I have used physical attendance to get positive, negative both sides of the company.

1.5.1: Primary collection

The main source of the primary data collection of my report was my discussion with senior officers & their opinions & comments. It helped me to collect the essential & vital information to make my internship report. The people of Prime Bank Ltd. and their face to face information is my primary data.

1.5.2: Secondary data collection

Data has been collected from secondary sources as well. Necessary data and information has been collected by the following sources:

- Last five years annual reports of Prime Bank Limited
- News papers and journals
- Internet and Websites.
- Related Books



1.6: Limitations of the study

- Time limitation: Time limitation is one of the most important and vital constraints to make the report perfect and up to date. 12 weeks is too short to make a report which will be full of information and required data. During my internship period I did not have that much time to visit other branches to collect more data & take interviews with the officers & executives of the bank because they are very much busy with their day-to-day activities. In short, the time duration of my internship period is not sufficient enough to prepare my report the best one but where I tried my best to make it an effective report.
- Experience: In some sectors, collecting information was needed more experienced personnel to make an effective report.
- Confidential: Many more pieces of information could not be gathered for the reasons of maintaining confidentiality. Again, the Bank's policy is not to disclose some data & information for obvious reasons, which could be much more useful.
- Unavailability of information: Sufficient records & publications as well as up-to-date information are not readily available.

Chapter 2:

An Overview of the Principal Activities of Prime Bank Limited





Prime bank is serving its customer since 1995 with the varieties of its products. Day by day they have come up with newer products and technologies. Keeping different demand and choices into their mind they designed their products so that customer get the maximum level of satisfaction and retain throughout their lives. Under retail banking PBL provides different types of deposit accounts, schemes and loan schemes. Those products are different in features, benefits, terms and conditions. People pick up their desired products based on their requirements. All the features, benefits and requirements are stated in this chapter.

2.1: Different Products and services provided by Prime Bank Ltd.










Retail Banking:





Deposit Accounts:

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.

Customer Benefit:

-  Cheque-book facility
-  Opportunity to apply for - safe deposit locker facility
-  Utility payment service
-  Collect foreign remittance in both T.C. and Taka draft.
-  Transfer of fund from one branch to another by
-  Demand /draft
-  Mail Transfer
-  Telegraphic Transfer
-  Transfer of fund on Standing Instruction Arrangement

-  Collection of cheques through clearing house
-  SMS Banking
-  Online banking service
-  Prime Bank Branded ATM card










Documents required

-  Completed account opening form.
-  Passport size photograph for each account holder.
-  Proof of identification such as national/voter's ID, passport or driving license.





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.




Customer Benefit

-  Cheque-book facility
-  Opportunity to apply for - safe deposit locker facility
-  Utility payment service
-  Collect foreign remittance in both T.C. and Taka draft.
-  Transfer of fund from one branch to another by
-  Demand /draft
-  Mail Transfer
-  Telegraphic Transfer
-  Transfer of fund on Standing Instruction Arrangement



-  Collection of cheques through clearing house
-  SMS Banking
-  Online banking service
-  Prime Bank Branded ATM card

Documents required

-  Completed account opening form.
-  Passport size photograph for each account holder.
-  Proof of identification such as national/voter's ID, passport or driving license

Deposit Schemes

Double Benefit Deposit Scheme

The deposit scheme shall be issued for 6 years term. After 6 years terminal value will stand at Tk. 2 lacs from the initial fixed deposit of Tk. 1 lac. Minimum deposit is Tk. 25,000/- and multiples thereof but maximum limit is Tk. 25.00 lac at a time will be acceptable under this scheme.

Monthly Benefit Deposit Scheme

This is a Deposit Scheme where the depositor gets a fixed amount of profit every month without disturbance of the principal. Deposit of Tk. 25,000.00 and multiples thereof shall be acceptable for the Scheme. Deposit of Tk. 25,000.00 and multiples thereof shall be acceptable for the Scheme. The Deposit shall be for a period of 5 (five) years. The Principal amount is refundable on maturity.

House Building Deposit Scheme

The tenor of the House Building Deposit Scheme will be 5/7/10 years. Minimum Equity building amount shall be Tk. 10.00 lac. HBL facility shall be considered on maturity upon



application up to three times the equity but not exceeding Tk. 50.00 lac on compliance of loan formalities.

Education Savings Scheme

The instrument shall be issued for 5 years. Deposit of Tk. 50,000/- and multiples thereof at a time will be accepted under the Scheme.

Lakhopati Deposit Scheme

The tenor of the Lakhopati Deposit Scheme will be 3/5/10/15 years. Monthly installment shall be Tk. 2,400.00 /Tk. 1,285.00 /Tk. 500.00/Tk. 250.00 for the tenor of 3/5/10/15 years respectively. Terminal amount on maturity shall be Tk. 1.00 lac.

Prime Millionaire Scheme

Monthly installment shall be Tk. 12,465.00 /Tk. 7,890.00 /Tk. 4,570.00 for the tenor of 5/7/10 years respectively. Terminal amount on maturity shall be Tk. 10.00 lac.



Contributory Savings Scheme

The Deposit shall be for a period of 5 years. Minimum size of monthly installment shall be Tk. 500/- and multiples of Tk. 1000/-. Maximum installment size shall be Tk. 25,000/ Loan may be allowed up to 80% of the deposited amount against lien on the same after at least 2 (Two) years of regular payment of installments and minimum limit of the loan shall be Tk. 50,000/-.

Loan Products:

Swapnaneer Home Loan

Key Features

-  Construction of own building /home
-  Purchase of flat/building



- Loan amount maximum 1 crore
- Income of spouse, parents and siblings if any are considered
- Competitive interest rates on a monthly/quarterly reducing balance
- Loan tenure - maximum 25 years
- Apartments under construction is also considered
- 03-18 months grace period
- Partial or early settlement conveniently

Criteria to be eligible

- Age: at least 25 years
- Professional Experience:
 - Salaried:
 - ✓ Permanently employed at least for 02 years
 - ✓ Self employed: Professional experience or business establishment for at least 2 years
 - Minimum Monthly Income: Salaried and Self-employed : BDT 30,000








Security




- Mortgage and original title deed
- Signed TPA (Tri Partite Agreement)
- Irrevocable General Power of Attorney (IGPA)
- Customer protective insurance coverage

Swapnapuron Home Loan




Key Features

-  Loan amount maximum 30 lac
-  Income of spouse, parents and siblings if any are considered
-  Competitive interest rates on a monthly/quarterly reducing balance
-  Loan tenure - maximum 5 years
-  Convenient partial or early settlement

Criteria to be eligible

-  Age: At least 25 years
-  Professional Experience:
 -  Salaried:
 - ✓ Permanently employed at least for 02 years
 - ✓ Self employed: Professional experience or business establishment for at least 2 years (with adequate proof)
 - Minimum Monthly Income:
 - ✓ Salaried & Self Employed : BDT 30,000







Security

-  Mortgage and original title deed
-  Property insurance covering fire, earthquake, flood, and cyclone
-  Irrevocable General Power of Attorney (IGPA)






Car Loan


Key Features

-  Purchasing brand new/ reconditioned personal vehicle.
-  Loan amount maximum 20 lac
-  Income of spouse, parents and siblings if any are considered
-  Competitive interest rates on a monthly reducing balance
-  Loan tenure - maximum 06 years
-  Partial or early settlement facilities

Criteria to be eligible





-  Age: At least 25 years
-  Professional Experience:
 -  Salaried:
 - ✓ Permanently Employed for at least 2 years by a well-reputed organization including at least 6 months with present employer
 - ✓ Self employed: Professional experience or business establishment for at least 2 years (with adequate proof)
 - Minimum Monthly Income:
 - ✓ Salaried: BDT 20,000
 - ✓ Self Employed: BDT 40,000

Security




-  Hypothecation over the car

CNG Conversion Loan

Key Features

-  Loan amount maximum 01 lac
-  Competitive interest rates on a monthly reducing balance
-  Loan tenure - maximum 1.5 years
-  Convenient partial or early settlement

Criteria to be eligible

-  Age: At least 21 years
-  Professional Experience:
 -  Salaried:
 - ✓ Permanently Employed for at least 2 years by a well-reputed organization including at least 6 months with present employer
 - ✓ Self employed: Professional experience or business establishment for at least 4 years (with adequate proof)
 - Minimum Monthly Income:
 - ✓ Salaried: BDT 10,000
 - ✓ Self Employed: BDT 25,000







Security

- ✓ Personal guarantee of the borrower/s
- ✓ One personal guarantee acceptable to Prime Bank
- ✓ Undated cheque






Marriage Loan



Key Features


-  Wedding cost
-  Loan maximum 03 lac
-  Income of spouse, parents and siblings if any are considered
-  Competitive interest rates on a monthly reducing balance
-  Loan tenure - maximum 3 years
-  Convenient partial or early settlement

Criteria to be eligible

-  Age: At least 25 years
-  Professional Experience:
 -  Salaried:
 - ✓ Permanently Employed for at least 1 year by a well-reputed organization including at least 6 months with present employer
 - ✓ Self employed: Professional exercise for at least 2 years (with adequate proof)
 - Minimum Monthly Income:
 - ✓ Salaried: BDT 10,000
 - ✓ Self Employed: BDT 25,000







Security

-  Personal guarantee of the borrower/s
-  One personal guarantee acceptable to Prime Bank




 Post-dated cheque

Household Durables Loan

Key Features

-  To buy furniture/home appliances/household durables
-  Loan amount maximum 05 lac
-  Income of spouse, parents and siblings if any are considered
-  Competitive interest rates on a monthly/quarterly reducing balance
-  Loan tenure - maximum 5 years
-  Convenient partial or early settlement

Criteria to be eligible

-  Age: At least 21 years
-  Professional Experience:
 -  Salaried:
 - ✓ Permanently Employed for at least 1 year by a well-reputed organization including at least 6 months with present employer
 - ✓ Self employed: Professional exercise for at least 3 years (with adequate proof)
 - Minimum Monthly Income:
 - ✓ Salaried: BDT 10,000
 - ✓ Self Employed: BDT 25,000

Security

-  Personal guarantee of the borrower/s



- 🏠 One personal guarantee acceptable to Prime Bank
- 🏠 Post-dated cheque

Education Loan

Key Features

- 🏠 Loan amount maximum 05 lac
- 🏠 Income of guardian, spouse, parents and siblings if any are considered
- 🏠 Competitive interest rates on a monthly/quarterly reducing balance
- 🏠 Loan tenure - maximum 4 years
- 🏠 Convenient partial or early settlement

Criteria to be eligible

- 🏠 Age: At least 25 years

Professional Experience:

Salaried:

- ✓ Permanently Employed for at least 2 years by a well-reputed organization including at least 6 months with present employer
- ✓ Self employed: Professional experience or business establishment for at least 2 years (with adequate proof)

▪ Minimum Monthly Income:

- ✓ Salaried: BDT 10,000
- ✓ Self Employed: BDT 25,000

Security

- 🏠 Personal guarantee of the borrower/s
- 🏠 One personal guarantee acceptable to Prime Bank
- 🏠 Post-dated cheque

Swapnashaj Home Loan

Key Features

- 🏠 Internal and/or external renovation of house/apartment
- 🏠 Loan amount maximum 40 lac



- 🏠 Income of spouse, parents and siblings if any are considered
- 🏠 Competitive interest rates on a monthly/quarterly reducing balance
- 🏠 Loan tenure -maximum 10 years
- 🏠 Maximum 03 months grace period
- 🏠 Convenient partial or early settlement

Criteria to be eligible

- 🏠 Age: At least 25 years
- 🏠 Professional Experience:
 - 🏠 Salaried:
 - ✓ Permanently employed at least for 02 years
 - ✓ Self employed: Professional experience or business establishment for at least 2 years
 - Minimum Monthly Income:
 - ✓ Salaried & Self Employed : BDT 30,000

Security

- 🏠 Mortgage and original title deed
- 🏠 Irrevocable General Power of Attorney (IGPA)
- 🏠 Property insurance covering fire, earthquake, flood & cyclone

Abash Home Loan

Key Features


- 🏠 Loan amount maximum 10 lac
- 🏠 Income of spouse, parents and siblings if any are considered
- 🏠 Competitive interest rates on a monthly/quarterly reducing balance
- 🏠 Loan tenure - maximum 5 years
- 🏠 Convenient partial or early settlement

Criteria to be eligible




- 🏠 Age: At least 25 years
- 🏠 Professional Experience:
 - 🏠 Salaried:
 - ✓ Employed for at least 2 years by a well-reputed organization

- ✓ Self employed: Professional experience or business establishment for at least 2 years (with adequate proof)

- Minimum Monthly Income:







-  Salaried & Self Employed: BDT 30,000

Security




-  Mortgage and original title deed
-  Property insurance covering fire, earthquake, flood, and cyclone
-  Irrevocable General Power of Attorney (IGPA)

Any Purpose Loan

Key Features




-  Loan amount maximum 10 lac
-  Highest 10 times of monthly income
-  Income of spouse, parents and siblings if any are considered
-  Competitive interest rates on a monthly reducing balance
-  Loan tenure - maximum 5 years
-  Convenient partial or early settlement

Criteria to be eligible

-  Age: At least 23 years
-  Professional Experience:
 -  Salaried:
 - ✓ Permanently employed for at least 2 years by a well-reputed organization including at least 6 months with present employer
 - ✓ Self employed: Professional experience or business establishment for at least 2 years (with adequate proof)
 - Minimum Monthly Income:
 - ✓ Salaried: BDT 10,000
 - ✓ Self Employed: BDT 25,000









Security




-  Personal guarantee of the borrower/s
-  One personal guarantee acceptable to Prime Bank
-  Undated cheque

Doctor's Loan




Key Features

-  Furnishing Doctor's chamber
-  Loan amount maximum 10 lac
-  Income of spouse, parents and siblings if any are considered
-  Competitive interest rates on a monthly reducing balance
-  Loan tenure - maximum 5 years
-  Convenient partial or early settlement

Criteria to be eligible






-  Age: At least 25 years
-  Professional Experience:
 -  Salaried:
 - ✓ permanently Employed for at least 2 years by a well-reputed organization including at least 6 months with present employer
 - ✓ Self employed: Professional exercise for at least 2 years (with adequate proof)
- Minimum Monthly Income:
 - ✓ Salaried: BDT 10,000
 - ✓ Self Employed: BDT 25,000

Security




-  Personal guarantee of the borrower/s
-  One personal guarantee acceptable to PRIME BANK
-  Post-dated cheque

Travel Loan




Key Features

-  Travel on abroad
-  Loan amount maximum 02 lac
-  Competitive interest rates on a monthly reducing balance
-  Loan tenure -maximum 3 years
-  Convenient partial or early settlement

Criteria to be eligible







-  Age: At least 25 years
-  Professional Experience:
 -  Salaried:
 - ✓ Permanently employed for at least 2 years by a well-reputed organization including at least 6 months with present employer
 - ✓ Self employed: Professional exercise for at least 2 years (with adequate proof)
 - Minimum Monthly Income:
 - ✓ Salaried: BDT 10,000
 - ✓ Self Employed: BDT 25,000

Security


-  Personal guarantee of the borrower/s
-  One personal guarantee acceptable to PRIME BANK
-  Post-dated cheque

Hospitalization Loan


Key Features


-  Meet up hospitalization cost
-  Loan amount 05 lac
-  Income of spouse, parents and siblings if any are considered
-  Competitive interest rates on a monthly reducing balance
-  Loan tenure - 2 years
-  Partial or early settlement facilities



 Processing Fees 1% of loan amount

Criteria to be eligible

 Age: At least 25 years

 Professional Experience:

 Salaried:

✓ Permanently employed for at least 2 years by a well-reputed organization including at least 6 months with present employer

✓ Self employed: Professional experience or business establishment for at least 2 years (with adequate proof)


▪ Minimum Monthly Income:

✓ Salaried: BDT 10,000

✓ Self Employed: BDT 25,000

Security


 Personal guarantee of the borrower/s


 One personal guarantee acceptable to PRIME BANK


 Post-dated cheque


Loan Against Salary


Key Features

 Loan up to 3 lac


 Highest 6/8 times of monthly income

 Income of spouse, parents and siblings if any are considered

 Competitive interest rates on a monthly reducing balance

 Loan tenure of up to 3 years

 Convenient partial or early settlement

 Criteria to be Eligible

 Age: At least 21 years

Professional Experience:

 Salaried:

- ✓ Permanently employed for at least 2 years by a well-reputed organization including at least 6 months with present employer

Security

- 🔄 Post Dated Cheques based on loan tenor.
- 🔄 Employer Certificate incorporating to pay the monthly installments by deducting salary of the concerned applicant.

Customer Service:

The Bank is committed to offer excellent customer service to remain ahead of competition. With the liberalization of banking & financial industry & increasing customer knowledge & sophistication competitive pricing of products is no longer sufficient in capturing large market share. New product development, know your client program & redesign of the existing products were the strategies adopted by the Bank to serve the customer differently from the competitors.

Customer service improvement program & related activities are continuously be developed, reviewed & implemented with the objective of providing excellent service to the customer. In order to give easy access to the products & to give best possible services at the doorstep of the existing & potential customers, the Bank introduced direct selling services by recruiting highly trained & customer focused professionals. Special counters are usually opened to meet the service demand during heavy customer flow, especially during IPO offering, Bill collection, Eid holidays etc.

Key to building meaningful customer relationship is to have well managed system to address and respond to all customers complain in timely manner. Complaint Cell at Head Office maintains all complains and feedback & provide timely resolution of such complain.

New Product & Services:

The bank has its concentration for new product and services development for satisfying its customer and increasing its customer base. The bank firmly believes that technology based product and services will play significant role in the performance of the bank as people are



getting more conscious about their service quality. They prefer now faster service with least cost. For delivering faster and wider services, the bank has introduced diversified technical ways that are stated below –

Online Banking Services:

The bank has set up Wide Area Network (WAN) across the country within its all branches to provide on-line branch banking facility to its valued customers. The service named “PRIMELINE” has opened up several possibilities of improved customer services. Under this facility client of one branch are able to do banking transaction at any other branch of the bank. The bank hosted its Web Site (www.prime-bank.com) to facilitate dissemination of information about the banking services and facilities of Prime Bank Limited all over the world.

SWIFT Services:

Prime Bank Limited is one of the first few Bangladeshi Banks to obtain membership of SWIFT (Society for Worldwide Inter-bank Telecommunication). SWIFT is a members’ owned cooperative which provide a first and accurate communication network for financial transactions such as Letter of Credit, Fund Transfer etc. By being a member of SWIFT, the bank has opened up possibilities for uninterrupted connectivity with over 5700 user institutions in 150 countries all over the world.

L/C Delivery Services

Locker Services

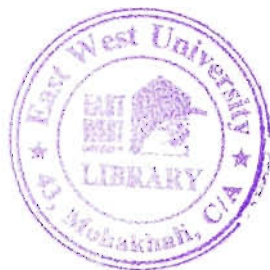
Merchant Banking Services

ATM Service



Chapter 3:

New Product Identification





Banks collect money through different type of accounts from their customers. Those accounts are the products for the banks. To attract more customers and increase market share they have to generate new products and reengineer existing products. Keeping this in mind Prime bank always does try to give better quality service to their customer in order to satisfy more through their products. In this regard they are planning to launch their new products namely Student account and Female account.

STUDENT ACCOUNT (JUNIOR STAR/SHINING STAR/FIRST LIGHT)

Product Nature

This is a special type of Savings Deposit product. This type of account can be opened by any enduring student of an age below 18. However the legal guardian of the student will maintain the account on behalf of the student.

Special Features

- Colorful MICR Cheque books*
- Colorful ATM card*
- Daily basis interest of 6.00% per annum on daily balance; interest will be credited after end of the month**
- Special reward for the student who will secure top 10 places in Primary School Certificate/Junior School Certificate exam/Golden GPA-5.00 in SSC/HSC/all A grade in O/A level exam
- Free of charge Standing Instruction facility
- Free Internet banking facility.
- Free SMS banking
- Free Insurance coverage in case of death or permanent disablement of Tk. 1 lac***.
- 50% concession on service charge
- 50% concession on processing & documentation charges on other Education loans.

*Something that is attractive to the juniors

**A minimum taka two thousand (Tk.2000/-) has to be maintained and monthly transaction must not exceed six (06) times to avail the daily interest.

***To avail the insurance coverage the minimum monthly average balance of taka fifty thousand (Tk. 50,000) has to be maintained.

Student's Eligibility

- Any Bangladeshi student age below 18 will be eligible to open this account

Permissible Educational Institute

- Any institute that must be recognized by country's accreditation body

Minimum Amount & Balance

A minimum balance of taka two thousand (Tk.2000/-) will be required to open this account.

Other Conditions

- For the first year there will be no ATM card charge, however from the second year taka one hundred and fifty (Tk.150/-) will be charged
- Online transaction fee is applicable for inter and intra city cash deposit.
- All other charges will be same as applicable to the ordinary Savings A/C.
- The student should be active in education.
- Other rules governing the Savings A/C will also be applicable to the accounts under this product.

Legal Documents

- The student has to show original copy of studentship certificate from the institute head and provide photocopy of the same
- Photocopy of the ID card



- Photocopy of birth certificate
- And all other legal documents required for savings account
- All relevant documents of the legal guardian will also be required

FEMALE ACCOUNT (PBL-PEARL/SHUKONNA)

Product Nature

This is a special type of Savings Deposit product. This type of account can be opened by any women of an age 18 and above. This account will earn interest on daily basis on daily balance and interest will be credited at the end of the month.

Banking Privileges

- There will be no MICR Cheque Book
- Any branch banking facility
- Customized colorful Debit card*
- Daily basis interest of 6.00% per annum on daily balance; interest will be credited after end of the month**
- Special reward for the account holder on International Women Day***
- Dedicated service for the account holder (No need to stand in queue)
- Account holders will enjoy discount at selected Beauty Parlor/Retail Chain Shop/Jewelry Shop/Restaurant****
- Free of charge Standing Instruction facility
- Free Internet Banking facility.
- Free SMS banking
- 50% concession on service charge
- 50% concession on processing & documentation charges on marriage loan.

*Color of the Debit card will be by the demand of A/C holder from the selected colors (Pink/Violet/Medium Violet Red/Salmon/Orange Red)



**A minimum taka two thousand (Tk.2000/-) has to be maintained and monthly transaction must not exceed six (06) times to avail the daily interest.

***The account holder will be chosen on that day by lottery

****Strategic alliance with some selected renowned Beauty Parlor/Retail Chain Shop/Jewelry Shop/Restaurant needs to be done for availing 5-10% discount for the A/C holder

Applicant's Eligibility

- Any Bangladeshi women age 18 & above can open this account

Minimum Amount & Balance

A minimum balance of taka two thousand (Tk.2000/-) will be required to open this account.

Other Conditions

- For the first year there will be no Debit card charge, however from the second year taka two hundred and fifty (Tk.250/-) will be charged
- Online transaction fee is applicable for inter and intra city cash deposit.
- All other charges will be same as applicable to the ordinary Savings A/C.
- Other rules governing the Savings A/C will also be applicable to the accounts under this product.

Legal Documents

- All relevant documents required by a regular savings account

Chapter 4:

An Overview of Financial

Performance for Prime Bank Limited



Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is also used as a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation. In this chapter I tried to cover all the key points needed to judge the financial performance of an organization. Since this report is based on a financial organization I collected data regarding capital structure, deposit, classified loan, total loan. I also calculated some ratios regarding the subject matter like return on equity, return on asset, net interest margin, earning per share and some other. I tried to present the scenario of last five years by calculating the growth and showing them in graph. Not only the calculation but the explanation is also there.

4.1 Performance of the Bank:

4.1.1. Profit and Operating Results:

The Bank earned as operating profit Tk. 6078 million during 2010 after all provisions including the 1% general provision on unclassified Loans & Advances. The operating profit before provisions registered a growth of 14.91 percent during 2010. Profit before tax showed a growth of 20.67 percent.

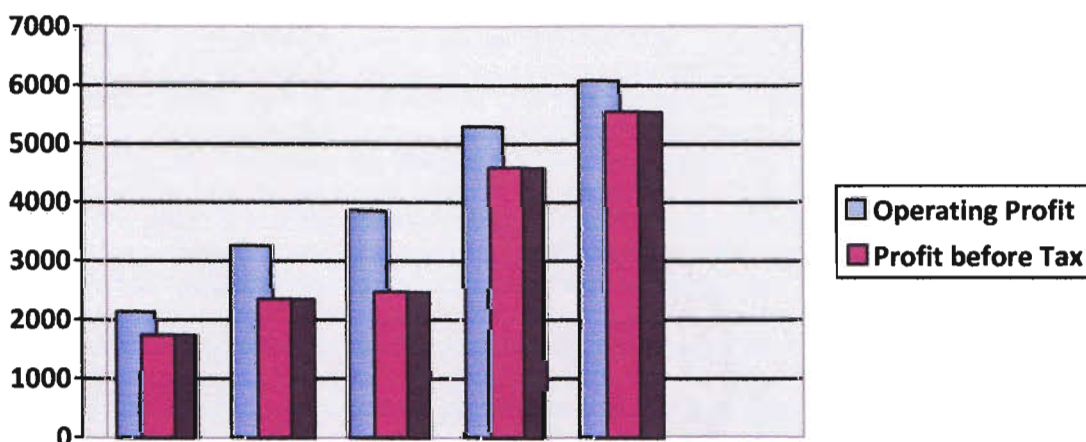


Fig: Operating Profit and profit before tax

4.1.2. Deposit:

A strong deposit base is necessary for the success of a Bank. During the year 2010 the Bank mobilized a substantial amount of deposits from mid-level income group people under Fixed Deposit. After critical handling, the Bank mobilized total Deposit of Tk. 85,196 million during 2010 from Tk. 77,426 million of previous year, i.e. 2009. The significant growth in deposit enabled the Bank to expand its business, performing assets and also had an impact on the profit position of the bank.

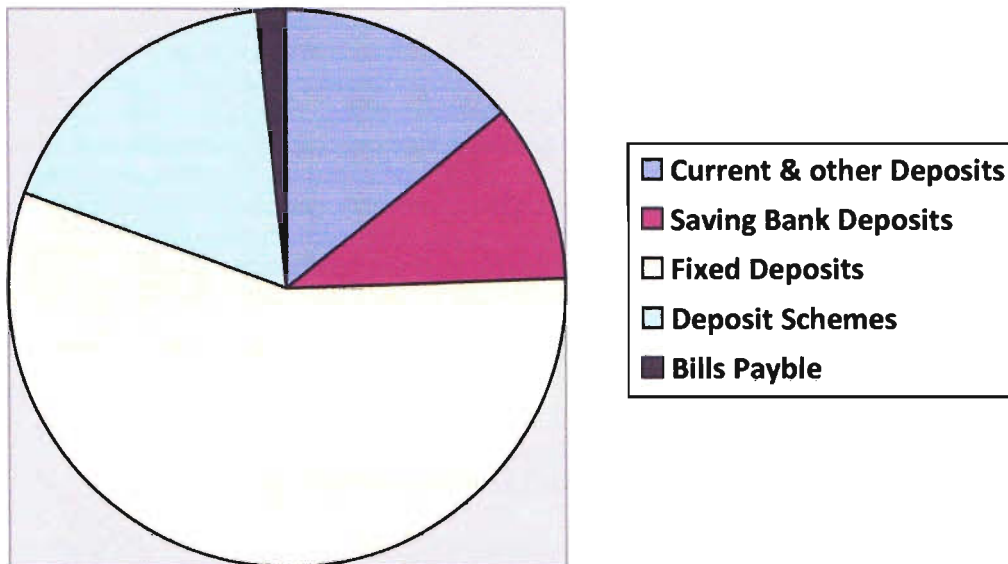


Fig: Deposit mix



4.2.3. Advance:

The bank's Loans & Advances portfolio also indicates an impressive growth. Total Loans and Advances amounted to Tk. 104,191.06 million in 2010 against Tk. 84,766.51 million in 2009 and the growth being 22.92%, Prime Bank's credit portfolio is well diversified and covers a wide range of businesses and industries.

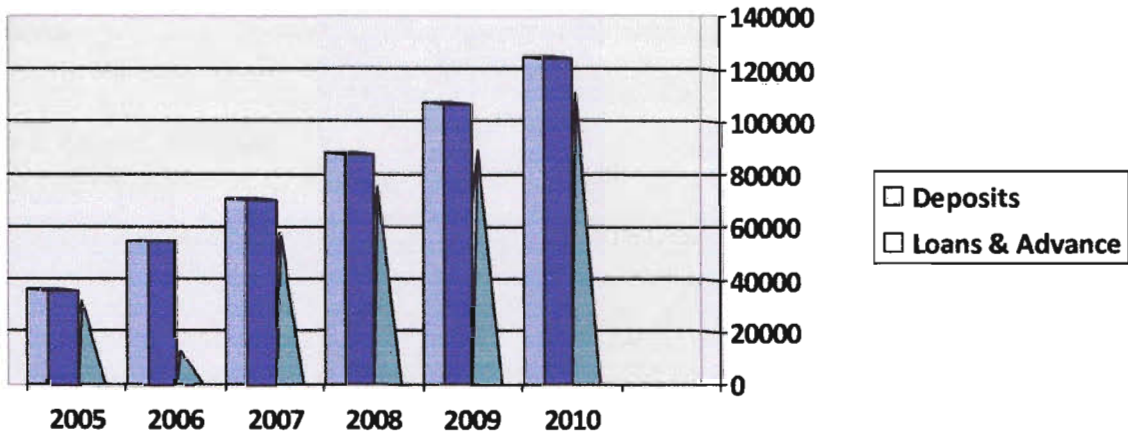


Fig: Deposit and loans advances



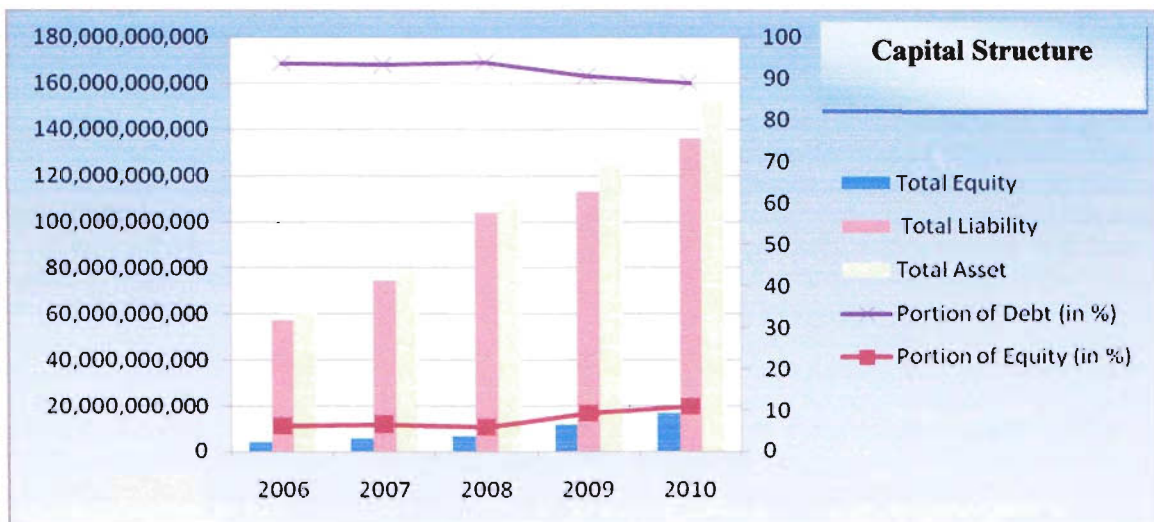
Capital Structure:

In finance, capital structure refers to the way a corporation finances its assets through some combination of equity, debt, or hybrid securities. A firm's capital structure is then the composition or 'structure' of its liabilities. Consider a perfect capital market (no transaction or bankruptcy costs; perfect information); firms and individuals can borrow at the same interest rate; no taxes; and investment decisions aren't affected by financing decisions.

Table 1: Capital Structure

Particulars	2006	2007	2008	2009	2010
Total	3,859,888,724	5,273,277,362	6,696,770,778	11,745,223,217	16,768,521,255
Equity					
Total	57,039,587,069	74,315,153,436	103,740,332,533	113,061,160,629	136,028,424,572
Liability					
Total	60,899,475,793	79,588,430,798	110,437,103,311	124,806,383,846	152,796,945,827
Asset					
Portion of Debt (in %)	93.66	93.37	93.94	90.59	89.03
Portion of Equity (in %)	6.34	6.63	6.06	9.41	10.97

Source: Annual Report of Prime Bank Ltd.



Explanation: Prime bank's portion of debt in capital structure is decreasing in each year where as portion of equity is increasing very slowly. It is a good sign as more debt indicated more chances of bankruptcy.

Number of Shareholders

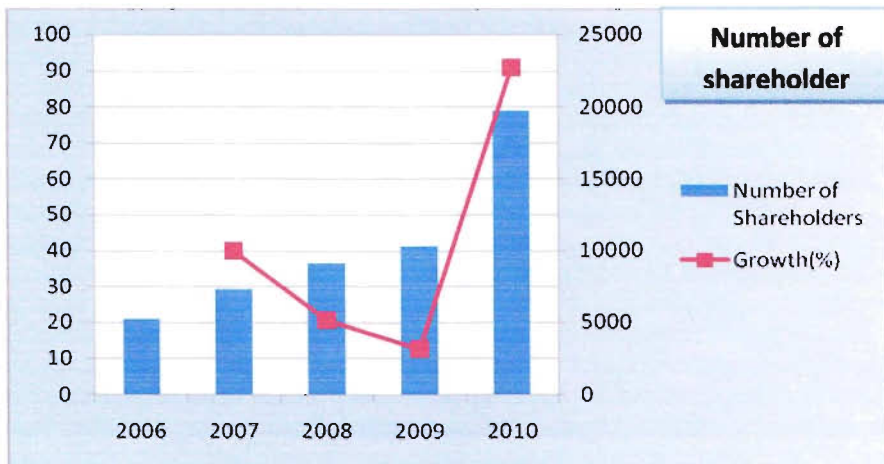
A shareholder or stockholder is an individual or institution (including a corporation) that legally owns one or more shares of stock in a public or private corporation. Shareholders own the stock, but not the corporation itself (Fama 1980). Stockholders are granted special privileges depending on the class of stock. These rights may include:

- The right to sell their shares,
- The right to vote on the directors nominated by the board,
- The right to nominate directors (although this is very difficult in practice because of minority protections) and propose shareholder resolutions,
- The right to dividends if they are declared,
- The right to purchase new shares issued by the company, and
- The rights to what assets remain after liquidation.

Table 2: Number of Shareholders

Year	Number of Shareholders	Growth
2006	5262	-
2007	7368	40.02%
2008	9180	20.59%
2009	10339	12.63%
2010	19748	91.00%

Source: Annual Report of Prime Bank Ltd.



Explanation: In 2010 number of shareholders has increased in a significant amount and the growth rate in that year is 91 percent. In 2006 the number of shareholders was 5,262 where as in 2010 it became 19,748.

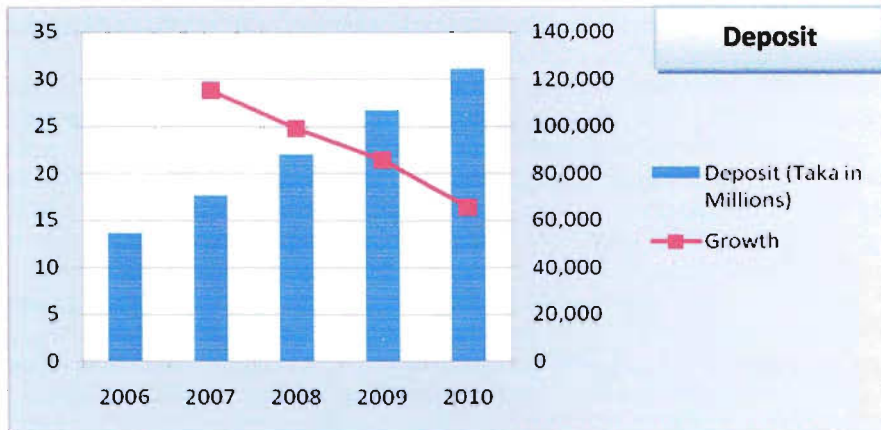
Deposit:

Bank's one of the most core activities is collecting fund as deposits from their customers. Deposits are liabilities for the banks. They provide a certain percentage as interest to their customers for keeping the money in their account. Later the bank lends the money with a higher interest to the borrower as loans and advances.

Table 3: Deposit

Year	Deposit (Taka in Millions)	Growth
2006	54,724	-
2007	70,512	28.85%
2008	88,021	24.83%
2009	106,956	21.51%
2010	124,518	16.42%

Source: Annual Report of Prime Bank Ltd.



Explanation: Though the amount of deposit is increasing in every year but the growth rate is slowing down gradually. In 2007 the growth rate was around 29 percent but in 2010 it came down to 16.42 percent.

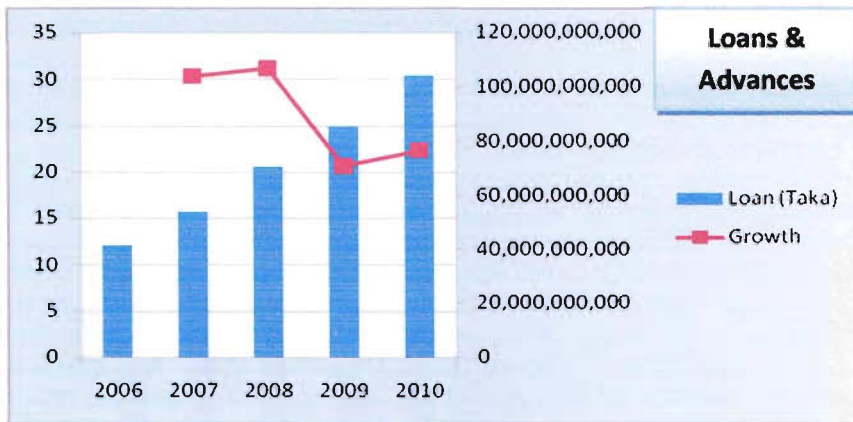
Loans and Advances:

Bank's major two activities are collecting fund from customers as deposits and lend those money as loans and advances. They charge certain percentage of interest for providing loan to their customers. The difference between the interest charged and interest provided is their profit.

Table 4: Loans and Advances

Year	Loan (Taka)	Growth
2006	41,307,504,065	-
2007	53,814,657,656	30.28%
2008	70,574,812,562	31.14%
2009	85,150,449,917	20.65%
2010	104,191,063,179	22.36%

Source: Annual Report of Prime Bank Ltd.



Explanation: In 2007 and 2009 the growth rate of loans and advances slowed down and in 2008 and 2010 the rate increased though the total amount of loans and advances is increasing in each year.

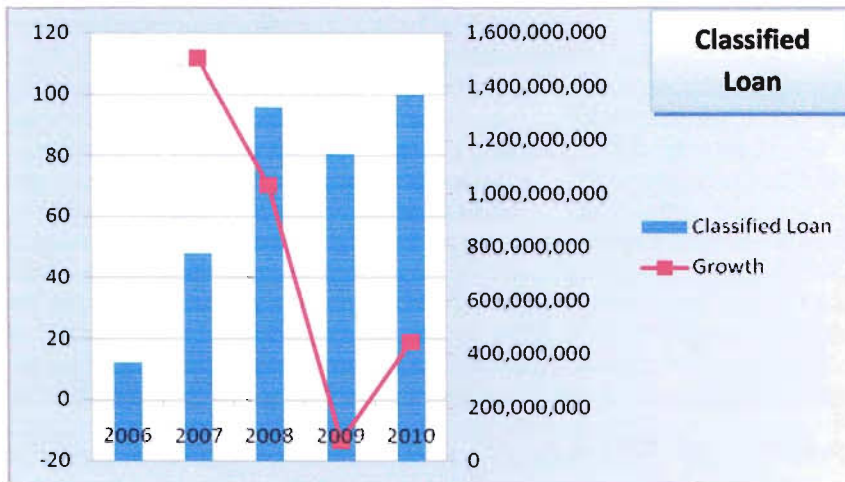
Classified Loan:

Any bank loan that is in danger of default is known as classified loan. Classified loans have unpaid interest and principal outstanding, and it is unclear whether the bank will be able to recoup the loan proceeds from the borrower. Banks usually categorize such loans as adversely classified assets on their books.

Table 5: Classified Loan

Year	Classified Loan	Growth
2006	367,151,000	-
2007	777,216,000	111.69%
2008	1,322,600,000	70.17%
2009	1,149,100,000	-13.12%
2010	1,367,690,000	19.02

Source: Annual Report of Prime Bank Ltd.



Explanation: From 2007 the amount of classified loan started to increase rapidly which is an alarming signal for PBL. Though the growth rate of classified loan is decreasing but still the total amount is enough for PBL to get prepared for recovery actions.

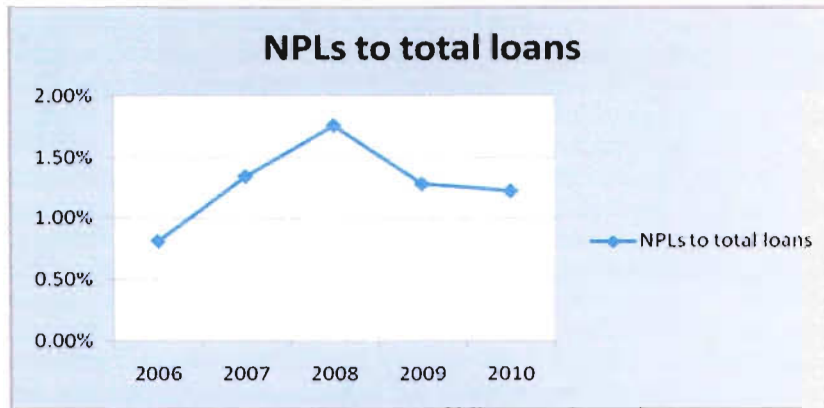
NPLs to Total Loans and Advances:

NPL ratio refers to the ratio of non-performing loans (NPL) to total loans (gross of allowance for probable losses), inclusive of interbank loans.

Table 6: NPLs to Total Loans and Advances

Year	NPLs to total loans
2006	.82%
2007	1.35%
2008	1.76%
2009	1.29%
2010	1.23%

Source: Annual Report of Prime Bank Ltd.



Explanation: NPL ratio lower is better. From 2007 the ratio has started to decrease that means PBL is in a favorable condition.

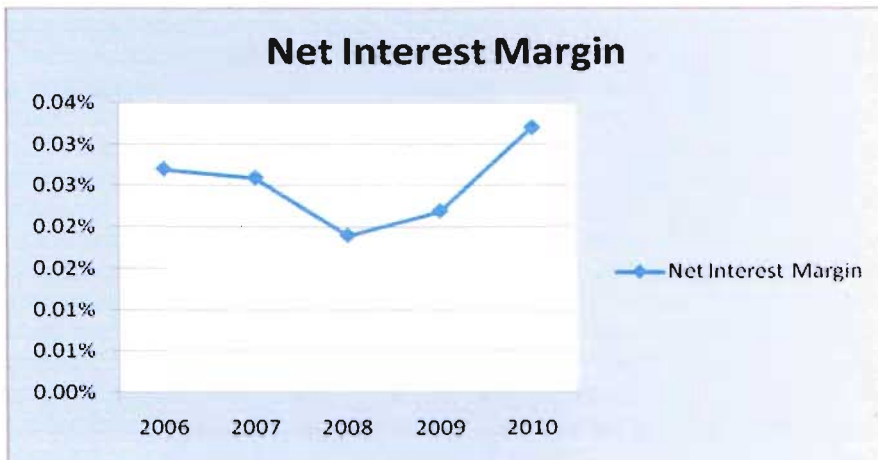
Net Interest Margin:

Net interest margin (NIM) is a measure of the difference between the interest income generated by banks or other financial institutions and the amount of interest paid out to their lenders (for example, deposits), relative to the amount of their (interest-earning) assets. It is similar to the gross margin of non-financial companies. It is usually expressed as a percentage of what the financial institution earns on loans in a time period and other assets minus the interest paid on borrowed funds divided by the average amount of the assets on which it earned income in that time period (the average earning assets).

Table 7: Net Interest Margin

Year	Net Interest Margin
2006	.027%
2007	.026%
2008	.019%
2009	.022%
2010	.032%

Source: Annual Report of Prime Bank Ltd.



Explanation: NIM of PBL has seen a downward slop during the year 2006 to 2008, though it has managed to maintain the upward trend afterwards.

Loan-Deposit ratio:

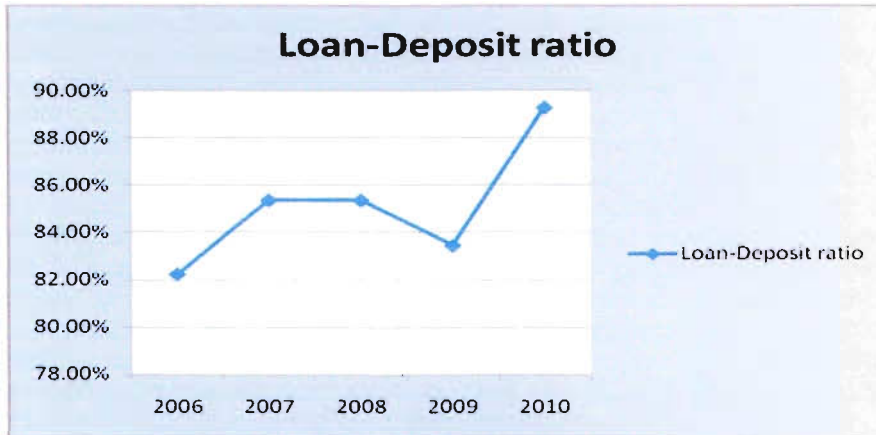
A commonly used statistic for assessing a bank's liquidity by dividing the banks total loans by its total deposits. This number, also known as the LTD ratio, is expressed as a percentage. If the ratio is too high, it means that banks might not have enough liquidity to cover any unforeseen fund requirements; if the ratio is too low, banks may not be earning as much as they could be.

Table 8: Loan-Deposit ratio

Year	Loan-Deposit ratio
2006	82.25%
2007	85.38%
2008	85.38%
2009	83.45%
2010	89.28%

Source: Annual Report of Prime Bank Ltd.





Explanation: The ratio for PBL is too high meaning that the bank might not have enough liquidity to cover any unforeseen fund requirements.

ROE:

The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. Net income is for the full fiscal year (before dividends paid to common stock holders but after dividends to preferred stock.) Shareholder's equity does not include preferred shares.

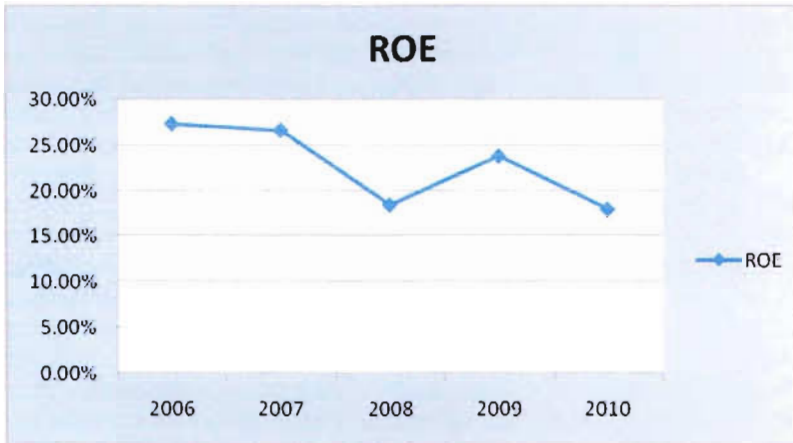
ROE is expressed as a percentage and calculated as:

$$\text{Return on Equity} = \frac{\text{Net Income}}{\text{Shareholder's Equity}}$$

Table 9: ROE

Year	ROE
2006	27.26%
2007	26.57%
2008	18.40%
2009	23.70%
2010	17.91%

Source: Annual Report of Prime Bank Ltd.



Explanation: in the year 2006 PBL was generating 27.26% profit with shareholder's investment but gradually this percentage is decreasing and in the year of 2010 it has become 17.91%.

ROA:

An indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. Calculated by dividing a company's annual earnings by its total assets, ROA is displayed as a percentage. Sometimes this is referred to as "return on investment".

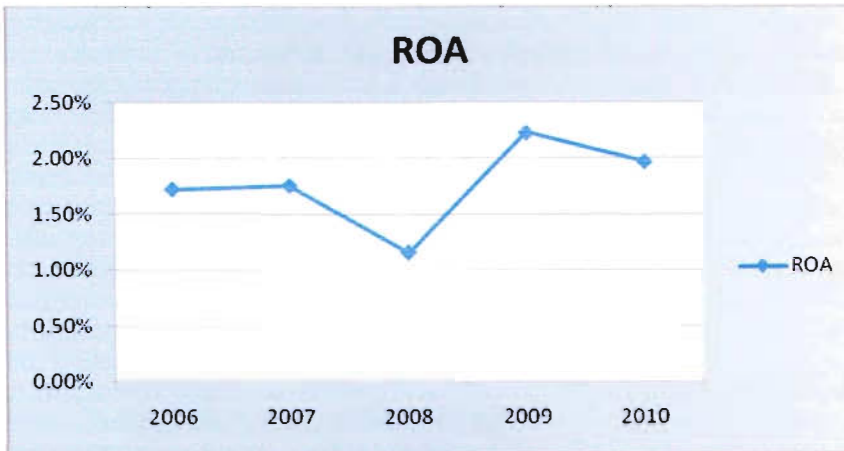
The formula for return on assets is:

$$= \frac{\text{Net Income}}{\text{Total Assets}}$$

Table 10: ROA

Year	ROA
2006	1.73%
2007	1.76%
2008	1.16%
2009	2.23%
2010	1.97%

Source: Annual Report of Prime Bank Ltd.



Explanation: Throughout the year 2006 to 2010 we can see a fluctuation in the ratio, on the other hand, this ratio is not showing satisfactory result.

Income-Expenditure ratio:

The Income-Expenditure ratio is:

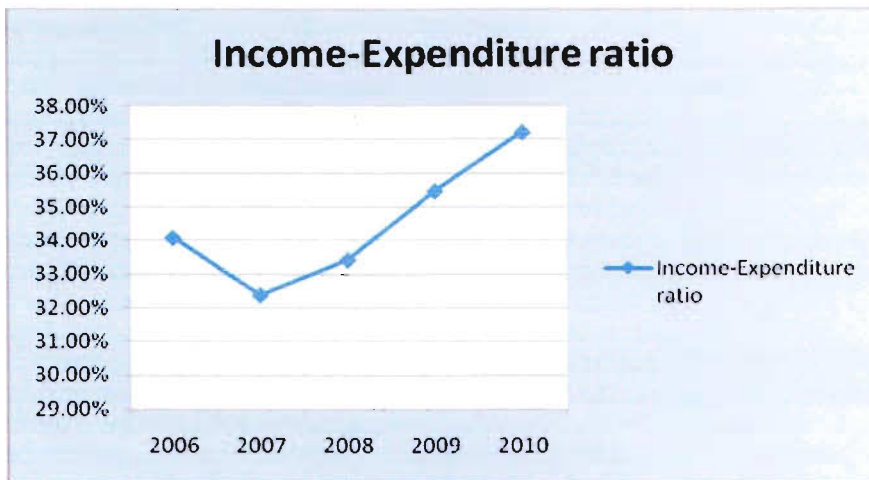
$$\text{Operating expenses} \div \text{Operating income}$$

The Income-Expenditure ratio is an efficiency measure similar to operating margin. Unlike the operating margin, lower is better. The Income-Expenditure ratio is most commonly used in the financial sector. It is useful to measure how costs are changing compared to income - for example, if a bank's interest income is rising but costs are rising at a higher rate looking at changes in this ratio will highlight the fact. The Income-Expenditure ratio reflects changes in the cost/assets ratio and in interest margin.

Table 11: Income-Expenditure ratio

Year	Income-Expenditure ratio
2006	34.07%
2007	32.37%
2008	33.42%
2009	35.47%
2010	37.22%

Source: Annual Report of Prime Bank Ltd.



Explanation: Lower the ratio better is the company situation. PBL has managed to lower the ratio in 2007, but later on, the ratio only showed an upward trend, which is a negative indication for PBL.

Net Income:

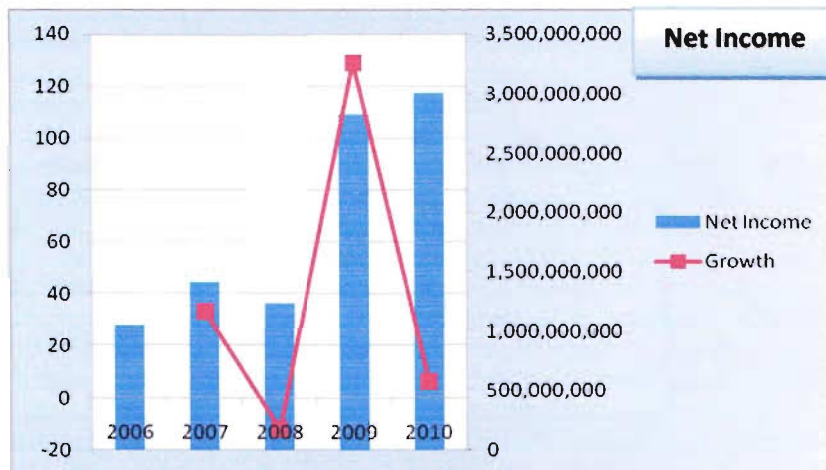
Net income is the residual income of a firm after adding total revenue and gains and subtracting all expenses and losses for the reporting period. Net income can be distributed among holders of common stock as a dividend or held by the firm as an addition to retained earnings.

Net sales revenue
– Cost of goods sold
= Gross profit
– SG&A expenses (combined costs of operating the company)
= EBITDA
– Depreciation & amortization
= EBIT
– Interest expense (cost of borrowing money)
= EBT
– Tax expense
= Net income (EAT)

Table 12: Net Income

Year	Net Income	Growth
2006	1,051,890,526	-
2007	1,400,664,725	33.16%
2008	1,231,832,174	-12.05%
2009	2,823,473,302	129.21%
2010	3,002,867,567	6.35%

Source: Annual Report of Prime Bank Ltd.



Explanation: In 2009 PBL's net income was 129% higher than 2008 as they faced loss on that year. But it has decreased to 6.35% in 2010. PLB is not showing any steady trend in their Net income.

EPS (Taka):

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.

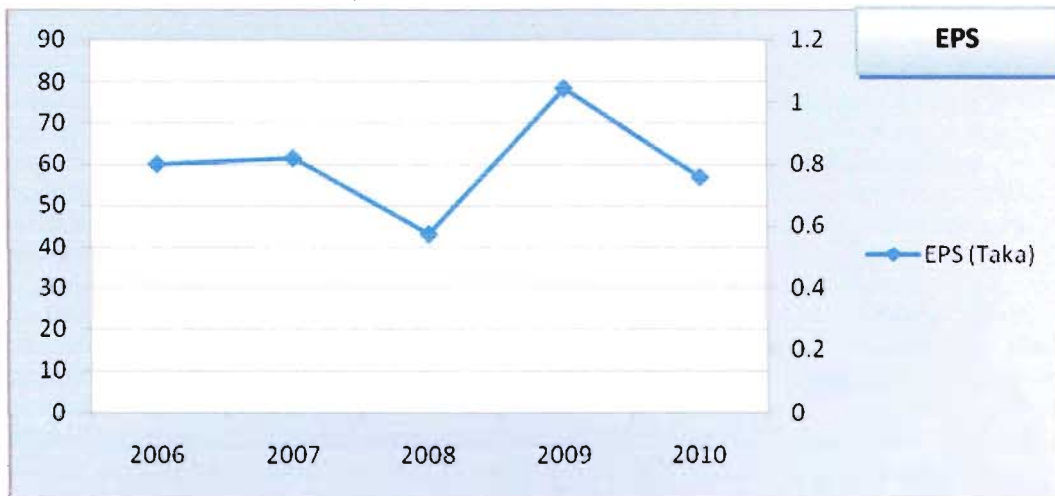
Calculated as:

$$= \frac{\text{Net Income} - \text{Dividends on Preferred Stock}}{\text{Average Outstanding Shares}}$$

Table 13: EPS (Taka)

Year	EPS (Taka)
2006	60.11
2007	61.57
2008	43.32
2009	78.33
2010	56.90

Source: Annual Report of Prime Bank Ltd.



Explanation: From the data it can be seen that PBL is having a fluctuating EPS as it is not following any fixed trend. In one year it is getting upward where as in the next year it is showing a downward trend.

Dividend:

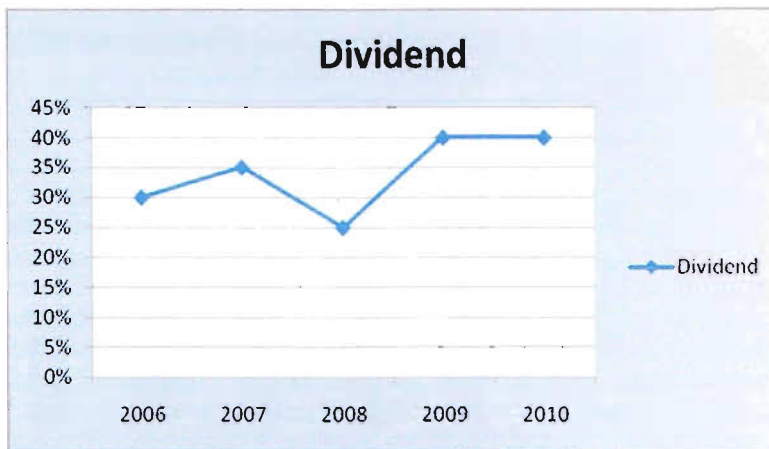
Dividends are payments made by a corporation to its shareholder members. It is the portion of corporate profits paid out to stockholders.^[1] When a corporation earns a profit or surplus, that money can be put to two uses: it can either be re-invested in the business (called retained earnings), or it can be paid to the shareholders as a dividend. Many corporations retain a portion of their earnings and pay the remainder as a dividend.



Table 14: Dividend

Year	Dividend
2006	30%
2007	35%
2008	25%
2009	40%
2010	40%

Source: Annual Report of Prime Bank Ltd.



Explanation: In every year dividend payment is increasing. In 2010 PBL has declared 40% dividend for its share holders.

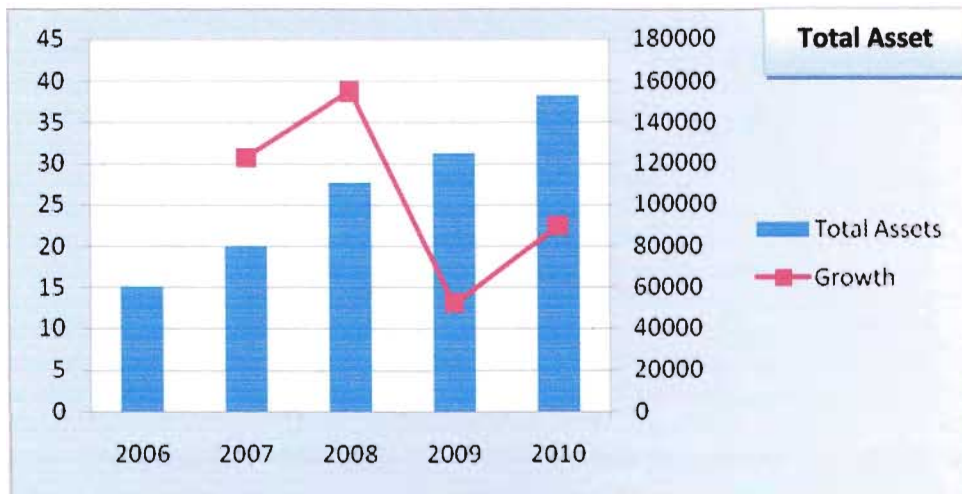
Total Assets:

In financial accounting, assets are economic resources. Anything tangible or intangible that is capable of being owned or controlled to produce value and that is held to have positive economic value is considered an asset. Simply stated, assets represent ownership of value that can be converted into cash (although cash itself is also considered an asset). The balance sheet of a firm records the monetary value of the assets owned by the firm.

Table 15: Total Assets

Year	Total Assets	Growth
2006	60889	-
2007	79588	30.71%
2008	110437	38.76%
2009	124806	13.01%
2010	152797	22.43%

Source: Annual Report of Prime Bank Ltd.



Explanation: Amount of total asset is increasing every year though the growth has been slowed down. In 2007 the growth rate was around 31% where as in 2010 it has come down into 22.43% even though the total amount in 2010 is much more higher than 2006.

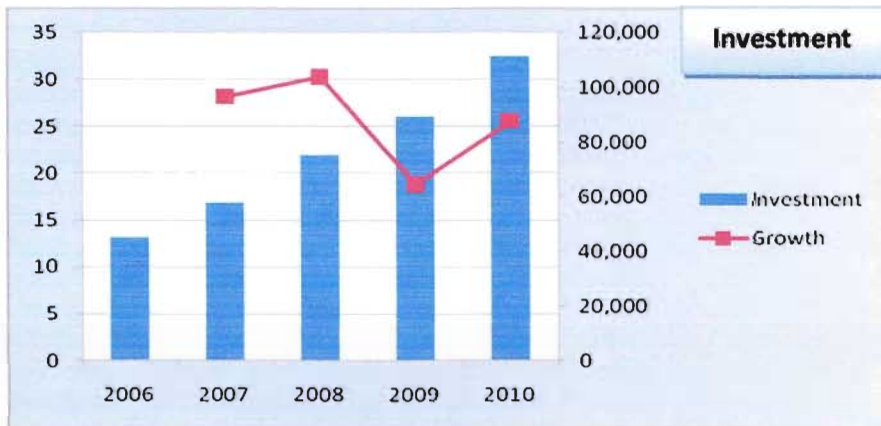
Investments:

In Finance investment is putting money into something with the expectation of gain that upon thorough analysis has a high degree of security of principle, as well as security of return, within an expected period of time. To avoid speculation an investment must be either directly backed by the pledge of sufficient collateral or insured by sufficient assets pledged by a third party.

Table 16: Investments

Year	Investment	Growth
2006	45,010	-
2007	57,683	28.16%
2008	75,156	30.29%
2009	89,252	18.76%
2010	111,167	25.55%

Source: Annual Report of Prime Bank Ltd.



Explanation: Investment is increasing in each year but the growth rate is not steady. For example in 2009 the growth rate was too low than that of 2008.

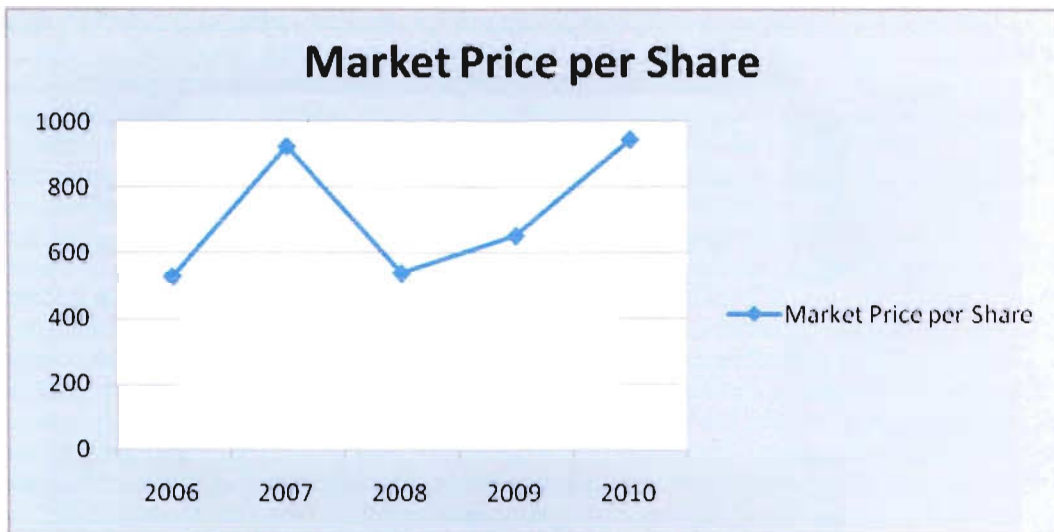
Market Price per Share:

Market price per share of common stock is a useful analytical tool when determining if an investment in a company is worthwhile. Market price is not equivalent to the book value because the balance sheet is presented on an historical cost basis.

Table 17: Market Price per Share

Year	Market Price per Share
2006	529
2007	924
2008	540
2009	653
2010	945

Source: Annual Report of Prime Bank Ltd.



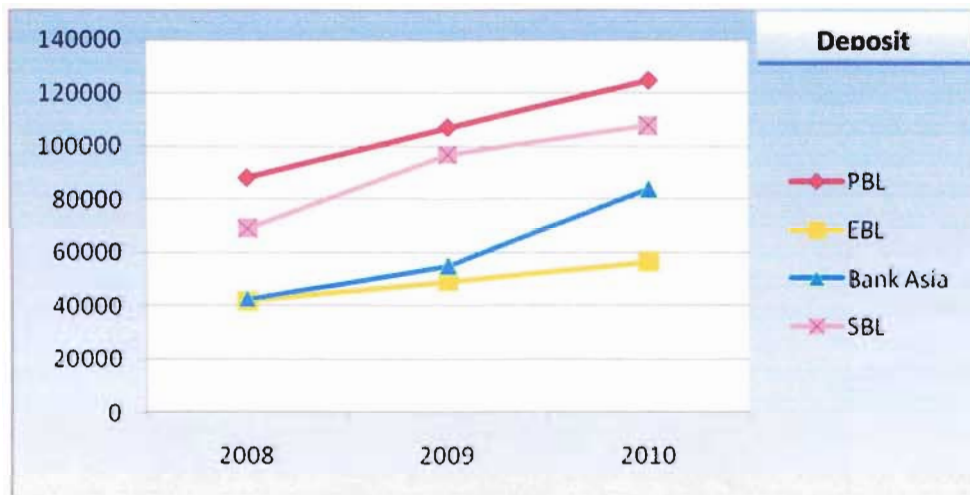
Explanation: PBL's market price is increasing which indicates that if an investor invest in this company it will be profitable for him.



Comparison:

Deposit (In million):

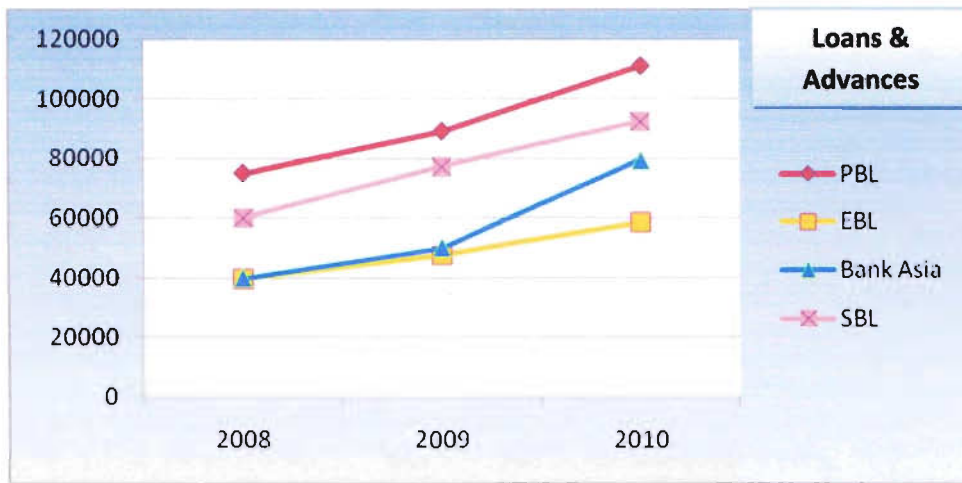
Year	PBL	EBL	Bank Asia	SBL
2008	88,021	41,573	42,435.24	68,714.67
2009	106,956	49,190	54,832.82	96,669.05
2010	124,519	56,425	83,601.26	107,729.58



Collecting deposit of each banks are increasing in every year. But PBL is having a good growth in collecting deposits. SBL is in the second position among these four banks.

Loans and advances (In million):

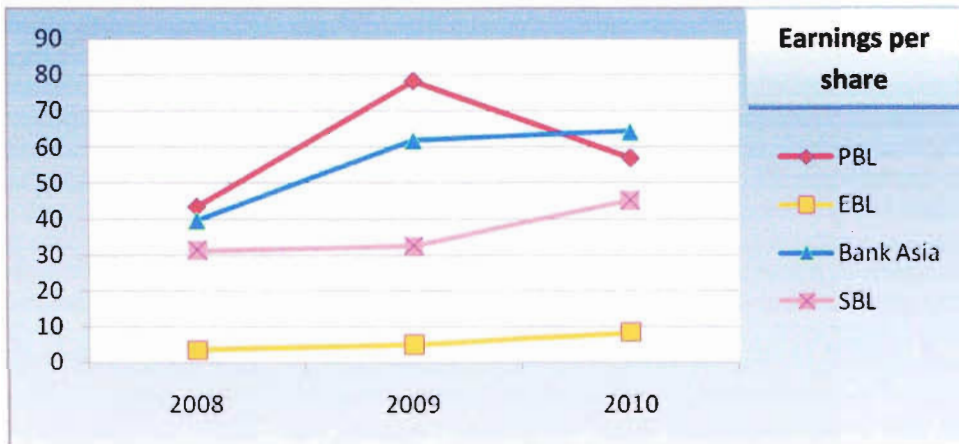
Year	PBL	EBL	Bank Asia	SBL
2008	75156	39669	39975.00	60,281.26
2009	89252	47668	50267.92	77,497.57
2010	111167	58607	79504.23	92,452.62



Loans and advances are increasing every year which is a good indicator. PBL is having a good growth in giving loans and advances. SBL is in the second position among these four banks for giving loans.

EPS:

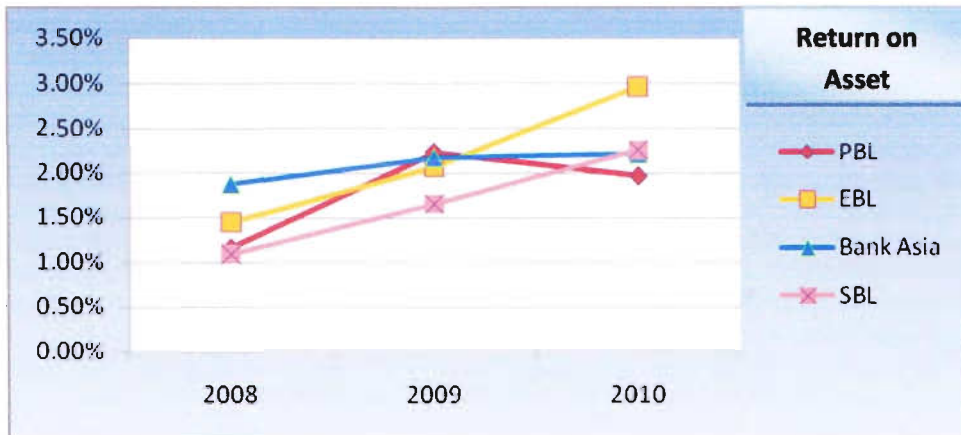
Year	PBL	EBL	Bank Asia	SBL
2008	43.32	3.45	39.38	31.11
2009	78.33	5.00	61.88	32.44
2010	56.90	8.30	64.26	45.20



Bank Asia is having the highest amount of EPS. Among the four banks PBL is holding the second position. In 2010 bank Asia has 64.26 as EPS where as PBL has 56.90 as their EPS. The EPS of PBL has fluctuated during the three years, it was increased in 2009 and again decreased in 2010.

ROA:

Year	PBL	EBL	Bank Asia	SBL
2008	1.16%	1.45%	1.87%	1.09%
2009	2.23%	2.08%	2.18%	1.66%
2010	1.97%	2.96%	2.22%	2.26%

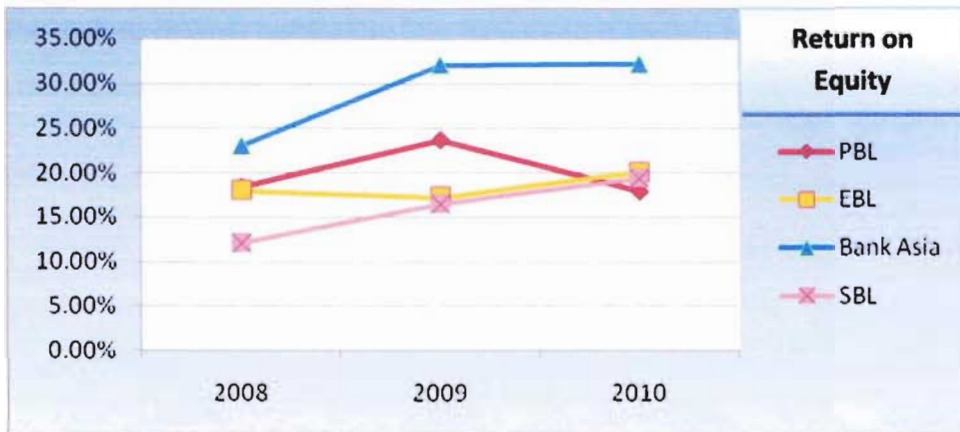


PBL's Return on asset is comparatively lower than other four banks. The highest ROA among the four banks is EBL with 2.96% and it is increasing in the three years. The ROA of PBL has fluctuated during the three years- increased in 2009 and again decreased in 2010.

ROE:

Year	PBL	EBL	Bank Asia	SBL
2008	18.40%	18.03%	23.00%	12.06%
2009	23.70%	17.26%	32.03%	16.51%
2010	17.91%	20.07%	32.12%	19.41%

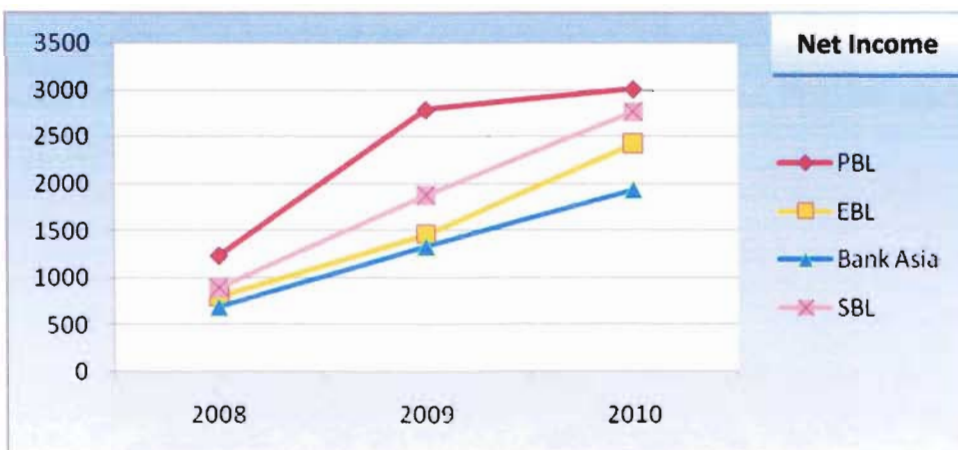




Bank Asia has the highest return on equity with 32.12% and it is increasing in the three years. The ROE of PBL is lower among the four banks and it has a fluctuation, increased in 2009 with 23.7% and decreased in 2010 with 17.91%.

Net Income (*In million*):

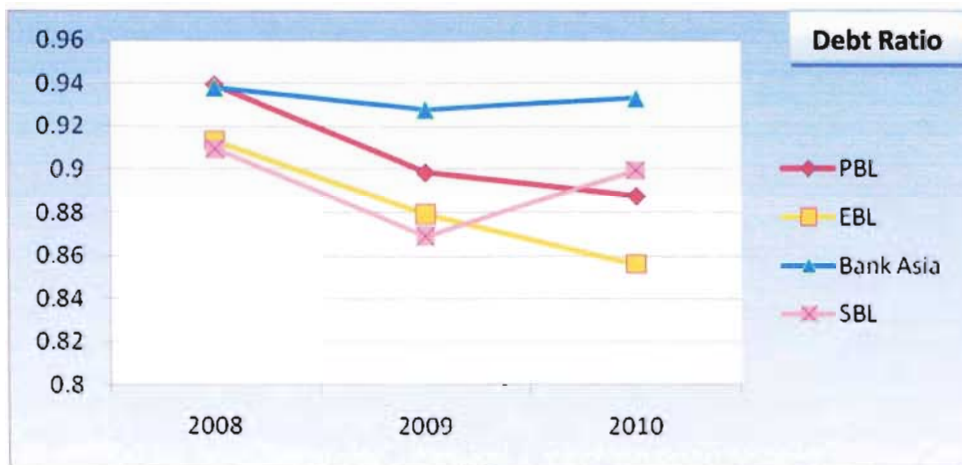
Year	PBL	EBL	Bank Asia	SBL
2008	1232	789	686.70	887.24
2009	2784	1455	1327.18	1,870.19
2010	3003	2425	1929.58	2,763.13



PBL has the highest income among the four banks and it has increased during the three years. SBL is in the second position with tk 2763.13 million.

Debt Ratio:

Year	PBL	EBL	Bank Asia	SBL
2008	.9394	0.9133	.938	.9094
2009	.8984	0.879	.928	.8691
2010	.8873	0.856	.933	.8995



Bank Asia has the highest debt ratio with .933 among the four banks. PBL has a debt ratio of .8873 and the ratio has decreased during the three years.



Chapter 5:

Conclusion and Recommendations





Problems of PBL:

- Lots of ATM booths are there for PBL but their performance is not stabilized. Everyday lots of complaints come. Among all banks SCBL is in a better position in terms of ATM booth.
- PBL has less human resource for each department results more work load on the employees. it takes more time to perform a single task and ultimately decision making process been delayed.
- Though PBL is continuing its business since 1995 still the amount of Goodwill they have is comparatively higher which can be a problem for them.
- One of the very basic problem for PBL is they are the Late initiator. They first observe, then judge and then they take the initiative. Meanwhile lots of customers are switched to other bank's new products.
- To some extent Infrastructure complications are also there.

Solutions:

- Technology for ATM booths should be upgraded to reduce the number of complains.
- To speed up the work PBL should hire more employees so that pressure reduces from the exiting employees.
- PBL is one of the leading Commercial bank. In order to hold the position for long time they should have the creativeness and they should be the initiator of newer products, technologies, and services.
- Each and every department should have equal distribution of information to carry a particular task smoothly. There must have a communication among all the divisions.

Apart from its lacking, PBL is one of the best service providers among all other PCBs. Within a very short period of time it has earned an immense reputation through its products



and services. Though the time span is too short to prepare a report perfectly on such a vast and important topic still I tried my level best to make this report worthy.

I wish the total success of **Prime Bank Limited**, and Special thanks to all Employees of **R&D Division, Head Office, Motijheel.**

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- Annual Reports of EBL
- Web Links:
 - ❖ www.primebank.com.bd
 - ❖ http://en.wikipedia.org/wiki/Capital_structure
 - ❖ <http://en.wikipedia.org/wiki/Shareholder>
 - ❖ http://en.wikipedia.org/wiki/Net_interest_margin
 - ❖ <http://www.investopedia.com/terms/l/loan-to-deposit-ratio.asp>
 - ❖ <http://answers.yahoo.com/question/index?qid=20080814205615AA3YSoZ>
 - ❖ <http://www.investopedia.com/terms/r/returnonequity.asp>
 - ❖ <http://www.investopedia.com/terms/r/returnonassets.asp>
 - ❖ <http://en.wikipedia.org/wiki/Asset>
 - ❖ <http://moneyterms.co.uk/cost-income/>
 - ❖ http://en.wikipedia.org/wiki/Net_income
 - ❖ <http://www.investopedia.com/terms/e/eps.asp>
 - ❖ <http://en.wikipedia.org/wiki/Dividend>
 - ❖ <http://en.wikipedia.org/wiki/Investment>

Acronym:

ATM: Automated Trailer Machine

PBL: Prime Bank Limited

PCB: Private Commercial Bank

R&D: Research and Development

PBF: Prime Bank Foundation

SBL: Southeast Bank Limited

EBL: Eastern Bank Limited

CSR: Corporate Social Responsibility



Balance Sheet

as at 31 December 2010

Particulars	Notes	Amount in Taka	
		2010	2009
PROPERTY AND ASSETS			
Cash	3		
In hand (including foreign currencies)		1,267,659,482	922,721,774
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		8,309,148,371	9,327,459,373
		9,576,807,853	10,250,181,147
Balance with other banks and financial institutions	4		
In Bangladesh		416,957,643	351,824,646
Outside Bangladesh		618,924,978	367,098,273
		1,035,882,621	718,922,919
Money at call and short notice	5	-	-
Investments	6		
Government		19,368,115,114	19,017,337,618
Others		1,116,172,748	916,591,960
		20,484,287,862	19,933,929,578
Loans, advances and lease / investments			
Loans, cash credits, overdrafts, etc./ investments	7	104,191,063,179	84,766,516,739
Bills purchased and discounted	8	6,976,325,713	4,485,705,750
		111,167,388,892	89,252,222,489
Fixed assets including premises, furniture and fixtures	9	1,691,643,703	1,572,618,882
Other assets	10	8,840,934,896	3,078,508,831
Non - banking assets		-	-
Total assets		152,796,945,827	124,806,383,846
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	3,868,678,036	86,546,077
Deposits and other accounts	12.1.c		
Current / Al-wadeeah current deposits		21,582,196,478	15,811,376,614
Bills payable		2,437,755,219	1,606,929,647
Savings bank / Mudaraba savings deposits		15,302,405,243	12,111,585,771
Term deposits / Mudaraba term deposits		85,196,271,642	77,426,378,449
Bearer certificate of deposit		-	-
Other deposits		-	-
		124,518,628,582	106,956,270,481
Other liabilities	13	7,641,117,954	6,018,344,071
Total liabilities		136,028,424,572	113,061,160,629
Capital / Shareholders' equity			
Paid up capital	14.2	5,776,367,100	3,554,687,500
Share premium	14.8	2,241,230,396	-
Statutory reserve	15	4,391,633,607	3,284,058,294
Revaluation gain / (loss) on investments	16	1,416,425,850	2,437,039,424
Revaluation reserve	17	251,603,566	251,603,566
Other reserve		-	-
Surplus in profit and loss account / Retained earnings	18	2,691,260,736	2,217,834,432
Total Shareholders' equity		16,768,521,255	11,745,223,217
Total liabilities and Shareholders' equity		152,796,945,827	124,806,383,846

Profit and Loss Account

for the year ended 31 December 2010

Particulars	Notes	Amount in Taka	
		2010	2009
Interest income / profit on investments	21	12,023,158,687	10,856,416,291
Interest / profit paid on deposits, borrowings, etc.	22	(7,789,506,602)	(8,426,118,565)
Interest / net profit on investments		4,233,652,085	2,430,297,726
Investment income	23	2,631,672,904	3,372,478,627
Commission, exchange and brokerage	24	2,241,330,818	1,749,198,061
Other operating income	25	574,150,521	643,632,274
Total operating income (A)		9,680,806,328	8,195,606,688
Salaries and allowances	26	1,676,952,818	1,257,931,940
Rent, taxes, insurance, electricity, etc.	27	311,383,242	282,492,748
General expenses	28	19,514,057	26,258,442
Postage, stamp, telecommunication, etc.	29	123,022,000	94,757,714
Stationery, printing, advertisements, etc.	30	223,095,742	256,259,139
Managing Director's salary and fees	31	8,980,000	8,830,000
Directors' fees	32	4,655,876	3,153,420
Auditors' fees	33	575,000	940,500
Charges on loan losses	34	-	-
Depreciation and repair of Bank's assets	35	218,881,885	187,699,388
Other expenses	36	1,015,869,141	788,564,408
Total operating expenses (B)		3,602,929,761	2,906,887,699
Profit / (loss) before provision (C=A-B)		6,077,876,567	5,288,718,989
Provision for loans / investments	37		
Specific provision		(120,000,000)	(234,242,000)
General provision		(120,000,000)	(262,758,000)
Provision for Off-Shore Banking Units		(30,000,000)	(15,000,000)
Provision for off-balance sheet exposures		(270,000,000)	(112,000,000)
		(540,000,000)	(624,000,000)
Provision for diminution in value of investments		-	(1,500,000)
Other provisions		-	(74,000,000)
Total provision (D)		(540,000,000)	(699,500,000)
Total profit / (loss) before taxes (C-D)		5,537,876,567	4,589,218,989
Provision for taxation			
Current tax	38	(2,285,000,000)	(1,735,000,000)
Deferred tax		(250,000,000)	(70,000,000)
		(2,535,000,000)	(1,805,000,000)
Total profit after taxation		3,002,876,567	2,784,218,989
Retained earnings brought forward from previous years	18.1	795,959,482	351,459,241
		3,798,836,049	3,135,678,230



Profit and Loss Account for the year ended 31 December 2010

Particulars	Notes	Amount in Taka	
		2010	2009
Appropriations			
Statutory reserve		1,107,575,313	917,843,798
General reserve		-	-
		1,107,575,313	917,843,798
Retained surplus	18	2,691,260,736	2,217,834,432
Weighted average earnings per share (EPS) before split	43	56.90	54.37
Weighted average earnings per share (EPS) after split	43	5.69	5.44

These financial statements should be read in conjunction with the annexed notes 1 to 49.

Chairman

Director

Director

Managing Director

See annexed auditors' report to the Shareholders of the date.

ACNABIN

ACNABIN
Chartered Accountants

Dhaka, 19 February 2011

Syful Shamsul Alam & Co
Chartered Accountants

