

FINANCIAL SOUNDNESS MEASUREMENT AND TREND ANALYSIS OF COMMERCIAL BANKS IN BANGLADESH: AN OBSERVATION OF SELECTED BANKS

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ABSTRACT

The financial sector is one of the most significant sectors for any country, especially if a country is a developing in nature. In such an environment, banking sector plays the vital role to strengthen the economic conditions. Economic growth and international business is increasing in Bangladesh and commercial banks especially private sectors play the major roles. Thus it becomes important to measure the financial soundness of the private banks in order to judge their respective position. The study was conducted to measure the financial soundness of selected private commercial banks of Bangladesh for the period 2006 to 2014. In this paper, an attempt was made to analyze the financial soundness and trend analysis of selected banks using different statistical tools and financial indicators. The study reveals that different financial indicators showed upward trends during the period 2006 to 2014. The study also made a rank of the selected commercial banks based on financial indicators. It was found that a bank with higher deposits, loans & advances, investments, branches, employees does not always mean that has better profitability performance. The research focused on general financial situation (Deposit, Loans & Advances, investment, income, ROA, ROE) forecasting through trend analysis of the historical data available from 2006 to 2014. The analysis also recommends measures that could be adopted by banks to ensure soundness in their operation.

Key Words: Commercial Bank, financial soundness, trend analysis, growth, financial indicator, Bangladesh.

1. INTRODUCTION

A bank as a matter of fact, is just like a heart in the economic structure and the Capital provided by it is like blood. Banks are the backbone of the global economy, providing capital for innovation, infrastructure, job creation and overall prosperity. Banks also play an integral role in society, affecting not only spending by individual consumers, but also the growth of entire industries. Economic development of the economy is reflected through the soundness of the banking system (Gaur et al. 2012) and its sound application. Banking is now an essential part of any economic system. Modern trade and commerce would almost be impossible without the availability of suitable banking services. First, banking promotes savings. All manner of people, from the ordinary laborers and workers to the rich land owners and businessmen, can keep their money safely in banks and saving centers. Secondly, banking promotes investments. Banks easily invest the money they get in industry, agriculture and trade. They either invest it directly or advance loans to other investors. Thirdly, it is most through banks that foreign trade is carried on. Whether we export or import, it is through banks that money is transferred from one country to another (Chodhury and Kaspia, 2010). A number of recent studies, however, indicate that the banking sector plays a more important role than it was believed earlier (World Bank, 1996; Almeyda). Financial soundness helps us to measure the results of a firm's policies and operations in monetary terms also these results are reflected in the firm's return on investment, return on assets, value added (Makkar and Singh, (2012). It also helps us to evaluate how well a bank is using its resources to make a profit. Common examples of financial performance include operating income, earnings before interest and taxes, and net asset value. It is important to note that no one measure of financial soundness should be taken on its own. Rather, a thorough assessment of a company's performance should take into account many different measures. Financial performance is a subjective measure of how well a bank 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.

The health and efficiency of the financial sector are crucial to economic growth of a country because the pace of economic growth, a balanced capital market, an efficient flow of fund between savers and investors cannot be preserved without a sound financial sector (Lalarukh and Hossain, 2008). Financial sector of Bangladesh, like most poor countries, is dominated by the banking enterprises (Ahmed, 2005). As a result, the performance of the banking sector has a direct correlation with the entire financial sector and economy of our country. In every country, the banking sector is the most important mechanism for performing a lot of tasks related to deposit mobilization, credit evaluation and monitoring, providing access to a payments system and to a clearing house for transactions. It is the system by which a country's most profitable and efficient projects are systematically and continuously funded, and thus it is the mechanism, which ensures that resources are directed to the most productive sources of the future growth. The system not only transfers funds from savers to investors, it must be able to select projects which will yield the highest returns, accumulate sufficient quantities of capital to fund the range of investment projects across economic activities, account for price risks across assets, monitor performance, and enforce contracts (Hassan, 1993). Therefore, in a country like Bangladesh, characterized by low savings rate, a large non monetized sector, lack of institutions to tap rural savings, the paramount importance of banking is well recognized (Bayes, 1987). As banks play the most major roles in the economy, it is important to evaluate the financial soundness of banks.

2. REVIEW OF LITERATURES:

Almazari A.F (2012) has attempted to analyze the financial performance of seven selected Jordanian commercial banks and pointed out that there exists a positive correlation between financial performance and asset size, asset utilization and operational efficiency. Moreover, the study has anticipated making contributions in the field of banking and academic field.

Chodhury, T.A and Kasfia, A (2009) have analyzed the development and growth of Selected Private Commercial Banks of Bangladesh. They observed that all the selected private commercial banks are able to achieve a stable growth of branches, employees, deposits, loans and advances, net income, earnings per share during the period of 2002-2006. At last, they concluded that the prospect of private commercial banks in Bangladesh is very bright.

Lalarukh Farjana and Hossain M.Z (2008) observed performance of private and national commercial banks of Bangladesh for the period of 2002-2005 and they pointed out that in financial category, PCBs performed better than that of NCBs but NCBs are very much desirable from social point of view and it is very difficult to accomplish dual objectives of monetary profitability and social consideration for the NCBs at the same time.

Chowdhury and Islam (2007) stated that deposits and loan advances of Nationalized Commercial Banks (NCBs) are less sensitive to interest changes than those of Specialized Banks (SBs). So SBs should not make abrupt change in lending or deposit rates by following the NCBs. If NCBs change their lending or deposit rates, their deposits or loans and advances will be affected less than those of SBs. Moreover, deposits of NCBs have higher volume and higher volatility than those of SBs. On the other hand, loans advances of NCBs show a higher volume and higher volatility than those of SBs. However, SBs offer higher deposit rates and charge higher lending rates than NCBs. That is why the interest rate spread of SBs was higher than that of NCBs.

Jahangir, Shill and Haque (2007) stated that the traditional measure of profitability through stockholder's equity is quite different in banking industry from any other sector of business, where loan-to-deposit ratio works as a very good indicator of banks' profitability as it depicts the status of asset-liability management of banks. But banks' risk is not only associated with this asset liability management but also related to growth opportunity. Smooth growth ensures higher future returns to holders and there lies the profitability which means not only current profits but future returns as well. So, market size and market concentration index along with return to equity and loan-to-deposit ratio grab the attention of analyzing the banks' profitability.

X. Chen et al (2005) applies frontier analysis (X-efficiency) using DEA to examine the cost, technical and a locative efficiency of 43 Chinese banks over the period 1993 to 2000. In this paper the input used are interest expenses, non-interest expenses (which includes the price of labor), price of deposits (interest paid on deposits divided by deposits), and the price of capital (non-interest expenses are divided by fixed assets) Outputs used are loans, deposits and non-interest income. Results show that the large state-owned banks and smaller banks are more efficient than medium sized Chinese banks. In addition, technical efficiency consistently dominates the locative efficiency of Chinese banks.

Rafiqul and Farid (2004) on the study "Productivity and profitability performance of private commercial bank in Bangladesh: A case study of Pubali bank Limited" reveals that the productivity and profitability measures showed upwards trends during 1983-2001.

Chowdhury (2002) observed that the banking industry of Bangladesh is a mixed one comprising nationalized, private and foreign commercial banks. Many efforts have been made to explain the

performance of these banks. Understanding the performance of banks requires knowledge about the profitability and the relationships between variables like market size, bank's risk and bank's market size with profitability. Indeed, the performance evaluation of commercial banks is especially important today because of the fierce competition. The banking industry is experiencing major transition for the last two decades. It is becoming imperative for banks to endure the pressure arising from both internal and external factors and prove to be profitable.

Siddique and Islam (2001) pointed out that the Commercial Banks, as a whole, are performing well and contributing to the economic development of the country. The average profitability of all Bangladeshi banks collectively was 0.09% during 1980 to 1995 which means that a profit of TK 0.09 was earned by utilizing assets of TK 100. In every aspect of profit, banking sector contributes the national economy as well as to the individual organization. Despite overall growth of the banking sector being positive, the performances of different categories of banks were not equally attractive.

Chodhury F. (2000) used some parameters for analyzing managerial effectiveness of BKB, such as deposit mobilization; loan & advance sanctioned and recovered, profitability, productivity etc. She found unsatisfactory performance. She conducted that for the quality management it is required to train-up more official at different levels of management.

Matiur (1994) on the study "Trend of Employees" Productivity in Commercial Banks in Bangladesh" reveals the productivity in private commercial Banks was much higher than in the Nationalized Commercial Banks. He observed that per employees' deposit, advance and expenditure had almost an increasing trend in both NCBs and PCBs, but per employee profit and investments showed zigzag trend during the study period.

Raqib (1993) in a research paper named "A Decade of private Commercial Banking in Bangladesh" concluded that the performance of private banks is satisfactory excepting the quality of leading. The study suggested an implication of financial sector reform measures in the banking sector; financial discipline would revive and bring a congenial atmosphere for the healthy growth of private banks.

Shakoor (1989) pointed out "Productivity of nationalized commercial banks in Bangladesh had an increasing trend during 1972-86 that declined a little during 1983 to 1985 although there was an improvement during 1986. The major factors determining the productivity of NCBs are continuous increase in operational expenses, current expenses, establishment expenses, non-current expenses etc. Virtually spread to working fund had also a greater impact on the return on investment of the Banks. The governing factors of the increasing productivity are that there was better deposit mobilization and increasing advances in various sectors of NCBs. There was better recovery because of the effective utilization of the borrowed funds. Private Banks in Bangladesh showed better productivity by way of increasing earning through working fund, deposit mobilization and advances during 1983-86"

Abedin, et. al., (1989) in a paper entitled "A preliminary note on measurement of productivity in the commercial banks of Bangladesh" showed that the cost control measures and improvement in earnings are essential elements for increasing the level of productivity. To enhance the efficiency of the bank employees, they suggest certain degree of mechanization and computerization, manpower planning and performance budgeting. Proper management of assets and liabilities would help to reduce cost and add to banks productivity.

3. OBJECTIVES OF THE RESEARCH:

The examination of financial soundness in banking has important public policy implications in the context of Bangladesh. The main objective of the study is to measure the financial soundness of private commercial Banks of Bangladesh. Along with the specific objective, the report also finds out the factors behind success and failure of private commercial banks of Bangladesh because determinants of financial soundness is very useful for managers in improving organizational performance and it also help the policy-making bodies. This will also focus on financial trends through trend analysis.

4. BANKING PICTURES IN BANGLADESH :

After the independence, banking industry in Bangladesh started its journey with 6 nationalized commercialized banks, 2 State owned specialized banks and 3 Foreign Banks. In the 1980's banking industry achieved significant expansion with the entrance of private banks. Now, banks in Bangladesh are primarily of two types Schedule and Non Schedule.

4.1. Scheduled Banks: The banks, which get license to operate under Bank Company Act, 1991 (Amended in 2003) are termed as Scheduled Banks. There are **56 scheduled banks**¹² in Bangladesh who operate under full control and supervision of Bangladesh Bank which is empowered to do so through Bangladesh Bank Order, 1972 and Bank Company Act, 1991. Scheduled Banks are classified into following types.

- 4.1.1** State Owned Commercial Banks (SOCBs): There are **6 SOCBs** which are fully or majorly owned by the Government of Bangladesh.
- 4.1.2.** Specialized Banks (SDBs): There are 2 SDBs. Specialized Banks are now operating which were established for specific objectives like agricultural or industrial development. The Government of Bangladesh fully or majorly owns these banks.
- 4.1.3.** Private Commercial Banks (PCBs): There are **39 PCBs**, which are mainly owned by the private entities. PCBs can be categorized into two groups.
- 4.1.4.** Conventional PCBs: **22 conventional PCBs** are now operating in the industry. They perform the banking functions in conventional fashion i.e interest based operations.
- 4.1.5.** Islami Shariah based PCBs: There are **8 Islami Shariah based PCBs** in Bangladesh and they execute banking activities according to Islami Shariah based principles i.e. Profit-Loss Sharing (PLS)
- 4.1.6.** Foreign Commercial Banks (FCBs): There are 9 **FCBs** are operating in Bangladesh as the branches of the banks which are incorporated in abroad.

4.2. Non-Scheduled Banks: The banks, which are established for special and definite objective and operate under the acts that are enacted for meeting up those objectives, are termed as Non-Scheduled Banks. These banks cannot perform all functions of scheduled banks. There are now **4 non-scheduled banks** in Bangladesh which are: Ansar VDP Unnayan Bank, Karmashangosthan Bank, Probashi Kollyan Bank, Jubilee Bank.

4.3. Non Bank Financial Institutions (FIs) are those types of financial institutions which are regulated under Financial Institution Act, 1993 and controlled by Bangladesh Bank. Now, **31 FIs** are operating in Bangladesh while the maiden one was established in 1981. Out of the total, 2 is fully government owned, 1 is the subsidiary of a SOCB, 13 were initiated by private domestic initiative and 15 were initiated by joint venture initiative. Major sources of funds of FIs are Term Deposit (at least six months tenure), Credit Facility from Banks and other FIs, Call Money as well as Bond and Securitization.

Table 1: At a glance Banks and FIs in Bangladesh

Schedule Banks		Non Schedule Banks	Non Banking FIs	
SOCBs	06		SOFIs	02
SDBs	02		SSOCB	01
PCBs	39		PFIs	13
FCBs	09		JVFI	15
Total	56	04	31	

Source: <http://www.bangladesh-bank.org/fnansys/bankfi.php>

5. AN OVERVIEW OF THE SELECTED BANKS:

5.1. BANK ASIA

Bank Asia limited is a scheduled commercial bank in the private sector established under the Banking Company Act 1991 and incorporated as a public limited Company under the Company Act 1994 to carry out banking business in Bangladesh. The bank went for first public issue of its shares on 23 September 2003. Bank Asia Limited acquired the business of bank of Nova Scotia (incorporated in Canada); Dhaka in the year 2001 and the bank also acquired the Bangladesh Operations of Muslim Commercial Bank Limited. The bank carries its banking activities through 91 branches in the country as on 31st December, 2014.

5.2. DUTCH BANGLA BANK:

Dutch-Bangla Bank Limited (the Bank) is a scheduled commercial bank. The Bank was established under the Bank Companies Act 1991 and incorporated as a public limited company under the Companies Act 1994 in Bangladesh with the primary objective to carry on all kinds of banking business in Bangladesh. The Bank is listed with Dhaka Stock

Exchange Limited and Chittagong Stock Exchange Limited. DBBL a Bangladesh- European private joint venture scheduled commercial bank commenced formal operation from June 3, 1996. DBBL is the largest technological bank in Bangladesh. It has largest ATM network around the county. It provides online banking, SMS banking, mobile banking and many new features of modern banking. Now it has 145 branches (annual report 2014) and 2705 ATM booths. As well as modern bank it is also called social bank of the county.

5.3. MERCANTILE BANK :

Mercantile Bank Limited emerged as a new commercial bank to provide efficient banking services and to contribute socio-economic development of the country. The Bank commenced its operation on June 2, 1999. The Bank provides a broad range of financial services to its customers and corporate clients. The Board of Directors consists of eminent personalities from the realm of commerce and industries of the country. The strategic objectives of the bank is to achieve positive Economic Value Added (EVA) each year, to be market leader in product innovation, to be one of the top three Financial Institutions in Bangladesh in terms of cost efficiency, to be one of the top five Financial Institutions in Bangladesh in terms of market share in all significant market segments we serve. From the starting to now it has 100 branches (as on 31.12.2014) around the county.

5.4. PRIME BANK LTD:

Prime Bank Ltd. was created and commencement of business started on 17th April 1995. The sponsors are reputed personalities in the field of trade and commerce and their stake ranges from shipping to textile and

finance to energy etc. Prime Bank Ltd. has already made significant progress within a very short period of its existence. The bank has been graded as a top class bank in the country through internationally accepted Capital adequacy, asset quality, management, earnings, liquidity, and sensitivity to market risk (CAMELS) rating. The bank has already occupied an enviable position among its competitors after achieving success in all areas of business operation. Prime Bank Ltd., since its beginning has attached more importance in technology integration. In order to retain competitive edge, investment in technology is always a top agenda and under constant focus. It's a rapidly growing bank in Bangladesh. Now prime bank has 122 branches (as on 31.12.2014) around the county.

5.5. BRAC BANK:

“Building profitable and socially responsible financial institution focused on Market and business with growth potential, thereby assisting BRAC and stakeholders to build a just, enlightened, healthy democratic and poverty free Bangladesh” this is the vision of the bank. The bank has started its journey in 2001. Brac bank is one of the growing banks in Bangladesh. The bank provides all kinds of commercial banking activities. It distributes highest SME loan in the county. Now it has 97 branches around the county and 458 SME unit office. The bank is guided under the leadership of prominent Fazle Hasan Abed.

6. METHODOLOGY AND DATA COLLECTION:

In order to achieve the specific objectives of the study secondary sources of data have been used. These data have been collected mainly from the annual reports of Bank Asia, Prime Bank, Mercantile Bank, Dutch Bangla Bank and Brac Bank ltd. The study covered a period starting from 2006 to 2014. In addition, data was gathered from books, papers, articles, specialized international journals, the web sites, and relevant previous studies. This study uses a descriptive financial analysis to describe, measure, compare, and classify the financial situations of the selected commercial banks. In measuring the financial soundness of selected Banks, the output has been defined as gross income, deposit, loans and advances, of the Bank. On the other hand employees, branches and various expenditures have been treated as input. In this study some soundness indicators are analyzed to measure the financial soundness of various parties such as deposit per employee, loan and advances per employee, investment per employee, income per branches, return on Assets, return on Equity, total assets etc (Almazari 2012). The descriptive statistics have been applied here for the purpose of making the report informative and representative. The following framework (Table. 2) (Lalarukh and Hossain 2008) was taken into consideration to observe the financial soundness and trend analysis of selected private commercial banks.

Table 2: Framework of Soundness Measurement

S. L	Criteria	Formula
1	Branch Expansion	No. of Branches growth
2	Employment Generation	No. of Employees growth
3	Deposit turnover: a) Deposit turnover-employees b) Deposit turnover-branch	Total deposit/ No. of employees Total deposit/ No. of branches
4	Investment turnover: a) Investment turnover -employees b) Investment turnover –branch	Total investment/ No. of employees Total investment/ No. of branches
5	Loan & Advances turnover: a) Loan & Advances turnover-employees b) Loan & Advances turnover –branch	Total Loan & Advances / No. of employees Total Loan & Advances / No. of branches
6	Income turnover a) Income turnover-employees b) Income t turnover-branch	Total Income / No. of employees Total Income /No. of branches
7	Return on Assets	Net Income/Average Assets
8	Return on Equity	Net Income/Average Equity

7. FINANCIAL SOUNDNESS MEASUREMENT:

7.1. Growth of Branches of selected Banks:

Table 3, shows the growth pattern of number of branches of selected banks for the year 2006 to 2014. The growth of branches is highest Brac Bank 10.23% (in 2014) in comparison to 2013. However, DBBL has highest number of branches in the year 2014 (145). The lower growth percentage is for Brac Bank approximately 4.27%. The average highest growth rate pertains to Brac Bank 19.04% and average highest number of branches is for prime bank 90.33. To rank the banks based on their average growth rate, Brac bank is considered to be number one, Bank Asia is number two, Dutch Bangla Bank is in number three, Mercantile Bank and Prime Bank are in number four and five respectively.

7.2. Growth of Employees of five Banks:

Table 4, shows the growth pattern of employees of selected banks for the year 2006 to 2014. The growth of employees is highest, Dutch Bangla Bank 19.7% in comparison with 2013. Moreover, Brac Bank has highest number of employees in the year 2014 (6886). The lower growth percentage is Mercantile Bank 9.70% in comparing with 2013. The average highest growth rate goes to Dutch Bangla Bank 28.38% but average highest employees are in Brac Bank 5806 in 2014. To rank the banks based on their average growth rate, Dutch Bangla Bank is considered to be number one, Bank Asia is in number two, and Brac Bank is in number three, Prime Bank and Mercantile Bank are in fourth and fifth position respectively.

7.3. Growth of Deposit of Selected Banks:

Table 5, shows total deposits for all the selected Private commercial banks of Bangladesh throughout years 2006-2014, and provides the growth rate of deposits. The average of total deposits for Bank Asia is 79830.97 Million Taka with growth rate 5.53% in year 2014 comparing with year 2013. On the other hand,

average growth of deposit per employee and deposit per branch of Bank Asia are 6.01% and 5.16% respectively. The table indicates highest average deposited Bank is Prime Bank with 132600.11 million Taka, highest average deposit growth rate Bank is Brac Bank 24.79%, highest average growth rate of deposit per employees bank is Brac Bank is 13.95% and average highest growth rate of deposit per branch bank is Bank Asia 5.16%. Dutch Bangla Bank is very poor position in average growth rate of deposit per employee and deposit per branch -5.98% and 1.58 % respectively. The table results that as much as Banks are increased Branches and Employees but failed to collect deposit. To rank the banks based on their average deposit turnover, Prime Bank is considered to be number one, Dutch Bangla Bank is in number two, Brac Bank and Mercantile Bank are in third and fourth position and Bank Asia is in number five.

7.4. Loans and Advances Turnover and Growth of Selected Banks:

Table 6, results total loans and advances for all the selected Private commercial banks of Bangladesh through years 2006-2014, and provide the growth rate of loans and advances along with growth rate of loan and advances per employees and branches. It is clear from the table that Prime bank is the highest average of total loan and advances 109316.89 million Taka, and Mercantile bank is the lowest one 67241.31million Taka. Average highest growth rate is Brac Bank 25.81% and lowest one is Prime Bank 14.91%. On the other hand, highest average growth of loan and advances per employees and branch is Brac Bank 16.87% and Bank Asia 5.53% respectively and lowest one is Dutch Bangla Bank -6.35% and 1.66% respectively. The table found that, banks are in good position for providing loan and advances in relation with deposit collection. To rank the banks based on their average loan and advances turnover, Prime Bank is considered to be number one, Brac Bank is in number two and DBBL is in number three, Bank Asia and Mercantile Bank are in number four and five respectively.

7.5. Growth of Net Income of Selected Banks:

Table 7, results net income turnover and growth of all the selected private commercial banks of Bangladesh through years 2006-2014, along with growth rate of income per branch and employees. It is clear from the table that Prime bank is the highest average of net income 2236.22 Million Taka, and Mercantile bank is the lowest one 1129.59 million Taka. Average highest growth rate belongs to Brac Bank 35.95% and lowest one is Mercantile Bank 15.06%. On the other hand, highest average income per branch belongs to Prime Bank 24.72 and highest average income per employees belongs to Bank Asia 1.12% . Lowest average income per branch goes to Dutch Bangla Bank 14.99% and lowest average income per employee pertains to Brac Bank 0.20%. The table shown that, comparatively banks net income is not in a stable position. To rank the banks based on their average net income turnover , Prime Bank is considered to be number one, Dutch Bangla Bank is in number two, Bank Asia is in number three, Brac Bank and Mercantile Bank are in number four and five respectively.

7.6. Growth of Investment of Selected Banks:

Table 8, results investment turnover and growth of all the selected Private commercial banks of Bangladesh through years 2006-2014, along with growth rate of investment per branch and employees. It can be noted from the table that Prime bank is the highest average of investment 33,186.67 million taka, and Dutch Bangla Bank is the lowest one which is 10,980.56 million taka. Average highest growth rate is Mercantile Bank 70.26% and lowest one is Dutch Bangla Bank 16.53%. On the other hand, highest average investment per branch and employees belongs to Mercantile Bank which are 500.76% and 21.30% respectively and lowest for average investment per branch is Dutch Bangla Bank is 117.50% and lowest for average investment per employee is Brac Bank which is 2.24%. The table finds out that banks investment turnover is

increasing year-by-year but not as much as increasing branches and employees. To rank the banks based on their average investment turnover, Prime Bank is considered to be number one, Mercantile Bank is in number two and Bank Asia is in number three, Brac Bank and Dutch Bangla Bank are in number four and five respectively.

7.7. Return on Assets of Selected Banks:

Return on assets indicates an overall profitability of Assets. Table 9, shows return on assets of all the selected Private commercial banks of Bangladesh through years 2006-2014. It is clear from the table that Prime Bank achieved the highest average return on assets which is 1.66 and Brac Bank is in the highest average growth of return on assets which is 7.39% during the period 2006 to 2014. On the other hand, Brac Bank was lowest at average return on asset which is 1.27 and Prime Bank was lowest at average growth of return on assets which is equal to -2.35%.

7.8. Return on Equity of Selected Banks:

Return on equity indicates an overall profitability of Equity. Table 10, shows return on equity of all the selected Private commercial banks of Bangladesh through years 2006-2014. It is clear from the table that Dutch Bangla Bank is securing the highest average return on equity which is 25.24 and Brac Bank is maintaining the highest growth of return on equity 3.44% during the period 2006 to 2014. On the other hand, Brac Bank is the lowest at average return on equity which is 17.71% and Prime Bank is the lowest at average growth of return on equity which is equal to -8.29%.

7.9. Ranks of the Selected Commercial Banks Based on Financial Indicators:

In order to summarize the classification of the banks based on their rank of activities and profitability ratios (table.11), contains ranks of the positions for these banks. As it is shown in this table, rank of Prime Bank is in the first position in considering average deposit, average deposit per branch, average loans and advances, average investment, average income, average income per branches and average ROA. Moreover, Prime Bank in consideration of every criterion it never placed below third place compared to other banks. Similarly Bank Asia ranked first in consideration of deposit per employees, loans & advance per employees, loans & advance per branch and income per employees but positioned last by measuring average number of branch, average number of employees and average deposit. Dutch Bangla Bank ranked first in considering number of branch and return on equity but ranked last regarding deposit per branch, loans & advance per branch, average investment, average investment per branch and income per branch. Mercantile Bank positioned first in deliberation of investment per branch and investment per employees but positioned last considering average loans & advance and average income. In this contrast, Brac Bank placed first position only considering average number of employees but obtained last position in deliberation of six criteria (deposit per employees, average loans & advance per employees, average investment per employees, average income per employees, ROA and ROE). Among the five banks which are ranked, Prime Bank is in good position in all indicators. It showed continuous commitment in every financial indicator performance compared to other banks during the period from 2006 to 2014.

8. TREND ANALYSIS:

Analyzing various financial data of five selected banks (If we deem this five bank as a sample representing the whole financial institution)it can be predicted the future economic event or condition through trend analysis of various indicators mainly deposit reserve, loans & advances, investments, net income, Return on Assets(ROA), Return on Equity (ROE) of financial institutes.

8.1. Trend of number of branches:

Financial data from 2006 to 2014 shows a clear picture about the branch expansion growth which indicates the number of touch point's financial system providing to citizens of Bangladesh. In our research it revealed that during the period from 2006 to 2010 number of branches increased at a constant rate (Figure. 1) which reveals financial system expanding rapidly and approaching towards intensive perfect competition situation.

8.2. Trend of number of employees:

Generally total number of employees and subsequent ratios like, profit per employee, investment per employee, investment per employee indicate how well a organization managing its employees or how well they are performing. Our analysis of financial institution shows that employee number increasing rapidly and showing an upward trend (figure. 2) which can be interpreted as customer service enhancing with more employees and in future financial institutes will play more visible role in creating employment opportunity.

8.3. Trend of deposit:

Deposit trend shows how the financial institutions are operating in the economy, how much customers are created overtime, how well people are involving in banking process, lending capability and indicate overall financial strength of the institution. According to line chart from 2006 to 2014 it is seen that deposit reserve increased at a stable rate (figure. 3) which revealing the institutes good position in the industry and industry business expansion as well. It was Tk. 1,76,459.55 million in 2006 and increased to Tk. 8,01,409.43 million in 2014.

8.4. Trend of loans & advances:

Loans & advance is the prime source of earning profit for financial institution. Loans & advance indicate that a institute how well utilized its fund received from customers which is not cost free. Therefore, a FI to survive it should maintain a healthy loans & advance portfolio. Our research point out that loans and advance trend curve positively increasing over the previous nine years (figure. 4). Loans & advance was Tk. 1,44,121.1 million in 2006 and increased to Tk.6,27,599.88 million in 2014.

8.5. Trend of Net income:

Net income actually reflects the overall financial position of any institute or company. It aggregates the total performance stability and future strength of the organization. Our study showed that from 2006 to 2014, except in 2012, trend curve increasing in an increasing rate (figure. 5). Financial fall down in 2012 actually result of multiple forces among them, Share market fall down in 2011 can be mentioned noticeably.

8.6. Trend of Investment:

Investment can be asset purchased with the idea that the asset will provide income in future or sold in a higher price. Higher investment for financial institution ensures stable future inflows of the company and affluent business operation in future. Our analysis indicates investment of FI's increasing overtime from 2006 to 2014 except in year 2010 (figure. 6) due to unfavorable economic conditions.

8.7. Trend of ROA:

Return on asset indicates how well a company managing its assets to generate income for the company. Our study points out average ROA increased from 2006 to 2010, the start to slow down upto 2012 and in year 2013 & 2014 it remains stable (figure. 7).

8.8. Trend of ROE:

Return on equity reveals the company performance against the capital invested by the shareholders. It measures how well a company utilizing its shareholders investment. The research described the ROE trend of banks during the period from 2006 to 2014 which was increasing from 2008 to 2010 but started to fall from 2010 to 2012 and remained somewhat stable afterwards (figure. 8).

9. SUMMARY OF THE STUDY:

During the period 2006-2014 all selected bank have proven the positive position of branch expansion and employment opportunities. All selected banks are increasing branch expansion and job creation. It proves the social commitment and profitability of PCBs because the social profitability of banking industry can be measured by branch expansion and employment generation (Lalarukh Farjana and Hossain M.Z (2008).

The results of the ranking of the selected banks based on the computed financial indicators revealed that, Prime Bank is in the first position in average deposits and overall position considering 16 (sixteen) criteria (no. of branches, no. of employees, average deposit, average deposit per employee and branch, average loans & advance, average loans & advance per employee and per branch, average investment, average investment per employee and per branch, average income, average income per employee & per branch, ROA and ROE) is also positioned first through obtaining total weight 27 (adding rank values) which is lowest among five banks. Bank asia positioned second measuring total weight is 43 which implies sound performance over the last nine years of operation in Bangladesh. Dutch Bangla Bank and Mercantile bank securing a moderate position obtaining weight 55 considering all the sixteen financial performance criteria. Among the five banks Brac Bank's performance is not satisfactory as it positioned last in six indicators out of sixteen indicators.

10. RECOMMENDATIONS:

Prime bank showed strong commitment in deposit, loans & advances, investment, net income or profit and return on asset implies it has sound reserve for lending, utilizing the fund efficiently and subsequently high growth of profit means it ensuring sound return on investment. Prime bank should also concentrate on enough human resource and return on assets. Bank Asia's strength is its deposit per employee, average loans & advance per employee & per branch average income per employees indicating it's shortage of human resources and scarcity of branches to serve customers. Bank asia need to concentrate on deposit and loans & advance because a substantial amount of fund raising and utilizing those funds through lending ensure a sustainable return to compete in the market. It should adopt promotional activity to increase deposit and should increase branches to operate widely. Dutch Bangla bank perform well at number of branches and ROE but performed poor at average deposit per branches, average loans & advance per branches, average investment per branch and average income per branch. It indicate that DBBL has more than average employees and branches for efficient operation , now it should concentrate on various strategies to utilize the human resources and need the bank to invest more in productive fields through properly selecting borrowers. Mercantile Bank investment position is satisfactory but others indicators implies that in case of deposit , number of branches & employees, loans & advances, net income or profit, ROA and ROE performance is not satisfactory. It need to concentrate on more low cost fund, more efficient human resource, proper

investment of funds and the bank require to overall consider the policies and strategies (marketing mix) to be more competitive. Average loans and advance of Brac Bank is somewhat satisfactory but other indicators show poor position in financial performance. Brac bank with its huge network of branches and employees has a good chance to expand business through proper formulation of policies, adopting competitive marketing strategies, marketing mix and establishing R & D to deliver innovative customer services.

This study provide a clear picture of our banking sector that can be a source of help to bank managers to improve their financial performance and formulate policies that will promote effective financial system. The study also recommends that banks could be adopted any corrective measures to ensure soundness in their operations and financial growth. Most of the selected banks are in financially sound position. That is satisfactory and can be said they are healthy bank. Also all banks should introduce different financial packages and sophisticated technology to increase deposit collections and expand their business to the mass people the country.

11. CONCLUSION:

It can be concluded that our private commercial banks are playing a major role in our economic growth and stability and their financial health is sound. Financial institutions of Bangladesh are playing a momentous role in circulation of money market, assisting export and import, fulfilling Foreign exchange reserve requirement and in gross assisting in total economic development. This research will be a useful tool for academicians, bankers, policy makers, students and financial analysts for useful analysis of present and future financial & economic condition of Bangladesh.

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Table 3: Number of Branches of Selected Banks

SL	Name of Banks	Number of Branches										
		Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	Average
1	Bank Asia Ltd.		24	29	33	41	49	63	73	86	91	54.33
	Growth (%)			20.83	13.79	24.24	19.51	28.57	15.87	17.81	5.81	16.27
2	Dutch Bangla Bank Ltd.		39	49	64	79	96	111	126	136	145	93.89
	Growth (%)			25.64	30.61	23.44	21.52	15.63	13.51	7.94	6.62	16.10
3	Mercantile Bank Ltd.		35	41	42	53	65	75	86	91	100	65.33
	Growth (%)			17.14	2.44	26.19	22.64	15.38	14.67	5.81	9.89	12.69
4	Prime Bank Ltd.		50	61	70	84	94	102	113	117	122	90.33
	Growth (%)			22.00	14.75	20.00	11.90	8.51	10.78	3.54	4.27	10.64
5	Brac Bank Ltd.		23	36	56	71	79	81	86	88	97	68.56
	Growth (%)			56.52	55.56	26.79	11.27	2.53	6.17	2.33	10.23	19.04

Source: annual report (2006-2014) of selected banks

Table 4: Employees of Selected Banks

SL	Name of Banks	Number of Employees										
		Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	Average
1	Bank Asia Ltd.		515	639	802	1031	1237	1270	1485	1600	1773	1150.22
	Growth			24.08	25.51	28.55	19.98	2.67	16.93	7.74	10.81	15.14
2	Dutch Bangla Bank Ltd.		684	789	1229	1785	2794	4015	5268	4666	5556	2976.22
	Growth			15.35	55.77	45.24	56.53	43.70	31.21	-11.43	19.07	28.38
3	Mercantile Bank Ltd.		879	945	1115	1303	1526	1668	1981	1814	1962	1465.89
	Growth			7.51	17.99	16.86	17.11	9.31	18.76	-8.43	8.16	9.70
4	Prime Bank Ltd.		1172	1400	1551	1844	2139	2292	2544	2710	2867	2057.67
	Growth			19.45	10.79	18.89	16.00	7.15	10.99	6.53	5.79	10.62
5	Brac Bank Ltd.		3047	4428	4192	5907	7151	6619	7403	6624	6886	5806.33
	Growth			45.32	-5.33	40.91	21.06	-7.44	11.84	-10.52	3.96	11.09

Source: annual report (2006-2014) of selected banks

Table 5: Deposit Turnover and Growth.

SL	Name of Banks	Total Deposits									
		2006	2007	2008	2009	2010	2011	2012	2013	2014	Average
1	Bank Asia Ltd.	25289.36	30004.09	42435.24	54832.82	86365.64	95131.1	110061.78	133489.37	140869.29	79830.97
	Growth (%)		18.64	41.43	29.22	57.51	10.15	15.69	21.29	5.53	22.16
	Deposit per employee	49.11	46.95	52.91	53.18	69.82	74.91	74.12	83.43	79.45	64.88
	Growth		-4.40	12.69	0.51	31.29	7.29	-1.05	12.56	-4.77	6.01
	Deposit per branch	1053.72	1034.62	1285.92	1337.39	1762.56	1510.02	1507.7	1552.2	1548.01	1399.13
	Growth		-1.81	24.29	4.00	31.79	-14.33	-0.15	2.95	-0.27	5.16
2	Dutch Bangla Bank Ltd.	40111.54	42110.15	51575.67	67788.53	83244.8	100711	125433.1	145230.1	166762.3	91440.80
	Growth (%)		4.98	22.48	31.44	22.80	20.98	24.55	15.78	14.83	17.54
	Deposit per employee	58.64	57.37	41.97	37.98	29.79	25.08	23.81	31.13	30.01	37.31
	Growth (%)		-2.17	-26.84	-9.51	-21.56	-15.81	-5.06	30.74	-3.60	-5.98
	Deposit per branch	1028.5	859.39	805.87	858.08	867.13	907.31	995.5	1067.87	1150.08	948.86
	Growth (%)		-16.44	-6.23	6.48	1.05	4.63	9.72	7.27	7.70	1.58
3	Mercantile Bank Ltd.	33332.65	39348	49538.35	58033.47	75629.14	102262.02	132093.64	124566.97	140475.84	83920.01
	Growth (%)		18.05	25.90	17.15	30.32	35.22	29.17	-5.70	12.77	18.10
	Deposit per employee	37.92	41.64	44.43	44.54	49.56	61.31	66.68	68.67	71.6	54.04
	Growth (%)		9.81	6.70	0.25	11.27	23.71	8.76	2.98	4.27	7.53
	Deposit per branch	952.36	959.71	1179.48	1094.97	1163.53	1363.49	1535.97	1368.87	1404.76	1224.79
	Growth (%)		0.77	22.90	-7.17	6.26	17.19	12.65	-10.88	2.62	4.93
4	Prime Bank Ltd.	54724	70512	88021	106956	124574	159816	182053	201907	204838	132600.11
	Growth (%)		28.85	24.83	21.51	16.47	28.29	13.91	10.91	1.45	16.25
	Deposit per employee	46.69	50.37	56.75	58	58.24	69.73	71.56	74.5	71.45	61.92
	Growth (%)		7.88	12.67	2.20	0.41	19.73	2.62	4.11	-4.09	5.06
	Deposit per branch	1094.48	1155.93	1257.44	1273.29	1325.26	1566.82	1611.09	1725.7	1679	1409.89
	Growth (%)		5.61	8.78	1.26	4.08	18.23	2.83	7.11	-2.71	5.02
5	Brac Bank Ltd.	23002	37368	58007	75220	88158	103797	134686	127892	148464	88510.44
	Growth (%)		62.46	55.23	29.67	17.20	17.74	29.76	-5.04	16.09	24.79
	Deposit per employee	7.55	8.44	13.84	12.73	12.33	15.68	18.19	19.31	21.56	14.40
	Growth (%)		11.79	63.98	-8.02	-3.14	27.17	16.01	6.16	11.65	13.95
	Deposit per branch	1000.08	1038	1035.84	1059.44	1115.92	1281.44	1566.12	1453.32	1530.56	1231.19
	Growth (%)		3.79	-0.21	2.28	5.33	14.83	22.22	-7.20	5.31	5.15

Source: annual report (2006-2014) of selected banks

Table 6: Total Loans & Advances Turnover and Growth

(In Million Taka)

SL	Name of Banks	Total Loans & Advances									
		Year	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	Bank Asia Ltd.	22255.64	28456.94	39975	50267.92	79504.23	82819.97	92328.82	104911.26	116808.85	68592.07
	Growth (%)		27.86	40.48	25.75	58.16	4.17	11.48	13.63	11.34	21.43
	L & A per employee	43.21	44.53	49.84	48.76	64.27	65.21	62.17	65.57	65.88	56.60
	Growth (%)		3.05	11.92	-2.17	31.81	1.46	-4.66	5.47	0.47	5.26
	L & A per branch	927.32	981.27	1211.36	1226.05	1622.54	1314.6	1264.78	1219.9	1283.61	1227.94
	Growth (%)		5.82	23.45	1.21	32.34	-18.98	-3.79	-3.55	5.22	4.64
2	Dutch Bangla Bank Ltd.	30456.32	29403.12	41698.32	48410.99	67657.7	79660.7	91648.9	106422.8	124423	68864.65
	Growth (%)		-3.46	41.82	16.10	39.76	17.74	15.05	16.12	16.91	17.78
	L & A per employee	44.53	37.27	33.93	27.12	24.22	19.84	17.4	22.81	22.39	27.72
	Growth (%)		-16.30	-8.96	-20.07	-10.69	-18.08	-12.30	31.09	-1.84	-6.35
	L & A per branch	780.93	600.01	651.54	612.78	704.77	717.66	727.37	782.52	858.09	715.07
	Growth (%)		-23.17	8.59	-5.95	15.01	1.83	1.35	7.58	9.66	1.66
3	Mercantile Bank Ltd.	26842.14	31877.86	43419.36	48295.55	66377.7	79999.8	93610.87	97688.5	117060.03	67241.31
	Growth (%)		18.76	36.21	11.23	37.44	20.52	17.01	4.36	19.83	18.37
	L & A per employee	30.54	33.73	38.94	37.06	43.5	47.96	47.25	53.85	59.66	43.61
	Growth (%)		10.45	15.45	-4.83	17.38	10.25	-1.48	13.97	10.79	8.00
	L & A per branch	766.92	777.51	1033.79	911.24	1021.2	1066.66	1088.5	1073.5	1170.6	989.99
	Growth (%)		1.38	32.96	-11.85	12.07	4.45	2.05	-1.38	9.05	5.41
4	Prime Bank Ltd.	45010	57683	75156	89252	116057	138848	160890	153589	147367	109316.89
	Growth (%)		28.16	30.29	18.76	30.03	19.64	15.87	-4.54	-4.05	14.91
	L & A per employee	38.4	41.2	48.46	48.4	54.26	60.58	63.24	56.67	51.4	51.40
	Growth (%)		7.29	17.62	-0.12	12.11	11.65	4.39	-10.39	-9.30	3.69
	L & A per branch	900.2	945.62	1073.66	1062.52	1234.65	1361.25	1423.81	1312.73	1207.93	1169.15
	Growth (%)		5.05	13.54	-1.04	16.20	10.25	4.60	-7.80	-7.98	3.65
5	Brac Bank Ltd.	19557	24610	52677	64151	84303	95167	111875	117111	121941	76821.33
	Growth (%)		25.84	114.05	21.78	31.41	12.89	17.56	4.68	4.12	25.81
	L & A per employee	6.42	5.56	12.57	10.86	11.79	14.38	15.11	17.68	17.71	12.45
	Growth (%)		-13.40	126.08	-13.60	8.56	21.97	5.08	17.01	0.17	16.87
	L & A per branch	850.3	683.36	940.66	903.54	1067.13	1174.9	1300.87	1330.81	1257.12	1056.52
	Growth (%)		-19.63	37.65	-3.95	18.11	10.10	10.72	2.30	-5.54	5.53

Source: annual report (2006-2014) of selected banks

Table 7: Net Income Turnover and Growth

SL	Name of Banks	Net Income									Average
		2006	2007	2008	2009	2010	2011	2012	2013	2014	
1	Bank Asia Ltd.	475.76	725.64	686.7	1,327.18	1929.58	1916.21	908	1459.82	2218.69	1294.18
	Growth (%)		52.52	-5.37	93.27	45.39	-0.69	-52.61	60.77	51.98	27.25
	Income per Branch	19.82	25.02	20.81	32.37	39.38	30.42	12.44	16.97	24.38	24.62
	Growth (%)		26.24	-16.83	55.55	21.66	-22.75	-59.11	36.41	43.67	9.43
	Income per employees	0.92	1.14	0.86	1.29	1.56	1.51	0.61	0.91	1.25	1.12
	Growth (%)		23.91	-24.56	50.00	20.93	-3.21	-59.60	49.18	37.36	10.45
2	Dutch Bangla Bank Ltd.	362.18	479.81	821.67	1137.7	2002.3	2154.9	2314.1	2000.8	2206.6	1497.78
	Growth (%)		32.48	71.25	38.46	76.00	7.62	7.39	-13.54	10.29	25.55
	Income per Branch	9.28	9.79	12.84	14.4	20.86	19.41	18.37	14.71	15.22	14.99
	Growth (%)		5.50	31.15	12.15	44.86	-6.95	-5.36	-19.92	3.47	7.21
	Income per employees	0.53	0.61	0.67	0.64	0.72	0.54	0.44	0.43	0.4	0.55
	Growth (%)		15.09	9.84	-4.48	12.50	-25.00	-18.52	-2.27	-6.98	-2.20
3	Mercantile Bank Ltd.	494.22	540.5	615.88	807.52	1425.34	1734.18	1381.45	1978.7	1188.51	1129.59
	Growth (%)		9.36	13.95	31.12	76.51	21.67	-20.34	43.23	-39.93	15.06
	Income per Branch	14.12	13.18	14.66	15.23	21.93	23.12	16.06	21.74	11.89	16.88
	Growth (%)		-6.66	11.23	3.89	43.99	5.43	-30.54	35.37	-45.31	1.93
	Income per employees	0.56	0.57	0.55	0.62	0.93	1.04	0.7	1.09	0.61	0.74
	Growth (%)		1.79	-3.51	12.73	50.00	11.83	-32.69	55.71	-44.04	5.76
4	Prime Bank Ltd.	1052	1401	1232	2784	3102	3634	2699	1829	2393	2236.22
	Growth (%)		33.17	-12.06	125.97	11.42	17.15	-25.73	-32.23	30.84	16.50
	Income per Branch	21.04	22.97	17.6	33.14	33	35.63	23.88	15.63	19.61	24.72
	Growth (%)		9.17	-23.38	88.30	-0.42	7.97	-32.98	-34.55	25.46	4.40
	Income per employees	0.89	1	0.79	1.51	1.45	1.59	1.06	0.67	0.83	1.09
	Growth (%)		12.36	-21.00	91.14	-3.97	9.66	-33.33	-36.79	23.88	4.66
5	Brac Bank Ltd.	334	618	973	1304	1664	1781	612	1397	2092	1197.22
	Growth (%)		85.03	57.44	34.02	27.61	7.03	-65.64	128.27	49.75	35.95
	Income per Branch	14.52	17.17	17.38	18.37	21.06	21.99	7.12	15.88	21.57	17.23
	Growth (%)		18.25	1.22	5.70	14.64	4.42	-67.62	123.03	35.83	15.05
	Income per employees	0.11	0.14	0.23	0.22	0.23	0.27	0.08	0.21	0.3	0.20
	Growth (%)		27.27	64.29	-4.35	4.55	17.39	-70.37	162.50	42.86	27.13

Source: annual report (2006-2014) of selected banks

Table 8: Total investment

SL	Name of Banks	Total Investment									
		2006	2007	2008	2009	2010	2011	2012	2013	2014	Average
1	Bank Asia Ltd.	3345.33	4203.14	6133.81	9663.10	12575.70	15950.51	25114.90	33933.36	38683.41	16622.58
	Growth (%)		25.64	45.93	57.54	30.14	26.84	57.46	35.11	14.00	32.52
	Investment per branch	139.39	144.94	185.87	235.69	256.65	253.18	344.04	394.57	425.09	264.38
	Growth (%)		3.98	28.24	26.80	8.89	-1.35	35.89	14.69	7.74	13.88
	Investment per employees	6.50	6.58	7.65	9.37	10.17	12.56	16.91	21.21	21.82	12.53
	Growth (%)		1.23	16.26	22.48	8.54	23.50	34.63	25.43	2.88	14.99
2	Dutch Bangla Bank Ltd.	5876.52	5909.32	5322.31	9685.88	11001.60	10897.70	13428.60	17441.90	19261.20	10980.56
	Growth (%)		0.56	-9.93	81.99	13.58	-0.94	23.22	29.89	10.43	16.53
	Investment per branch	150.68	120.60	83.16	122.61	114.60	98.18	106.58	128.25	132.84	117.50
	Growth (%)		-19.96	-31.04	47.44	-6.53	-14.33	8.56	20.33	3.58	0.89
	Investment per employees	8.59	7.49	4.33	5.43	3.94	2.71	2.55	3.74	3.47	4.69
	Growth (%)		-12.81	-42.19	25.40	-27.44	-31.22	-5.90	46.67	-7.22	-6.08
3	Mercantile Bank Ltd.	5407.90	31877.86	43419.36	48295.55	10937.20	24645.38	41314.19	30090.60	32184.09	29796.90
	Growth (%)		489.47	36.21	11.23	-77.35	125.34	67.63	-27.17	6.96	70.26
	Investment per branch	154.51	777.51	1033.79	911.24	168.26	328.61	480.40	330.67	321.84	500.76
	Growth (%)		403.21	32.96	-11.85	-81.54	95.30	46.19	-31.17	-2.67	50.05
	Investment per employees	6.15	33.73	38.94	37.06	7.17	14.78	20.86	16.59	16.40	21.30
	Growth (%)		448.46	15.45	-4.83	-80.65	106.14	41.14	-20.47	-1.15	56.01
4	Prime Bank Ltd.	7844.00	12698.00	23104.00	19934.00	20484.00	39172.00	45862.00	56940.00	72642.00	33186.67
	Growth (%)		61.88	81.95	-13.72	2.76	91.23	17.08	24.16	27.58	32.55
	Investment per branch	156.88	208.16	330.06	237.31	217.91	384.04	405.86	486.67	595.43	335.81
	Growth (%)		32.69	58.56	-28.10	-8.17	76.24	5.68	19.91	22.35	19.91
	Investment per employees	6.69	9.07	14.90	10.81	9.58	17.09	18.03	21.01	25.34	14.72
	Growth (%)		35.58	64.28	-27.45	-11.38	78.39	5.50	16.53	20.61	20.23
5	Brac Bank Ltd.	3768.00	4997.00	8245.00	10375.00	12856.00	14199.00	25373.00	21299.00	23899.00	13890.11
	Growth (%)		32.62	65.00	25.83	23.91	10.45	78.70	-16.06	12.21	25.85
	Investment per branch	163.83	138.81	147.23	146.13	162.73	175.30	295.03	242.03	246.38	190.83
	Growth (%)		-15.27	6.07	-0.75	11.36	7.72	68.30	-17.96	1.80	6.81
	Investment per employees	1.24	1.13	1.97	1.76	1.80	2.15	3.43	3.22	3.47	2.24
	Growth (%)		-8.87	74.34	-10.66	2.27	19.44	59.53	-6.12	7.76	15.30

Source: annual report (2006-2014) of selected banks

Table 9: Return on Assets (ROA)

SL	Name of Banks	Return on Assets									
		2006	2007	2008	2009	2010	2011	2012	2013	2014	Average
1	Bank Asia Ltd.	1.77	2.11	1.87	2.18	2.22	1.72	0.7	0.96	1.28	1.65
	Growth		19.21	-11.37	16.58	1.83	-22.52	-59.30	37.14	33.33	1.66
2	Dutch Bangla Bank Ltd.	0.93	1.01	1.49	1.6	2.2	1.9	1.7	1.2	1.1	1.46
	Growth		8.60	47.52	7.38	37.50	-13.64	-10.53	-29.41	-8.33	4.34
3	Mercantile Bank Ltd.	1.33	1.2	1.1	1.22	1.86	1.7	1.03	1.33	0.76	1.28
	Growth		-9.77	-8.33	10.91	52.46	-8.60	-39.41	29.13	-42.86	-1.83
4	Prime Bank Ltd.	2.05	1.99	1.3	2.37	2.22	2.05	1.24	0.76	0.96	1.66
	Growth		-2.93	-34.67	82.31	-6.33	-7.66	-39.51	-38.71	26.32	-2.35
5	Brac Bank Ltd.	1.43	1.62	1.64	1.56	1.56	1.39	0.39	0.78	1.09	1.27
	Growth		13.29	1.23	-4.88	0.00	-10.90	-71.94	100.00	39.74	7.39

Source: annual report (2006-2014) of selected banks

Table 10: Return on Equity

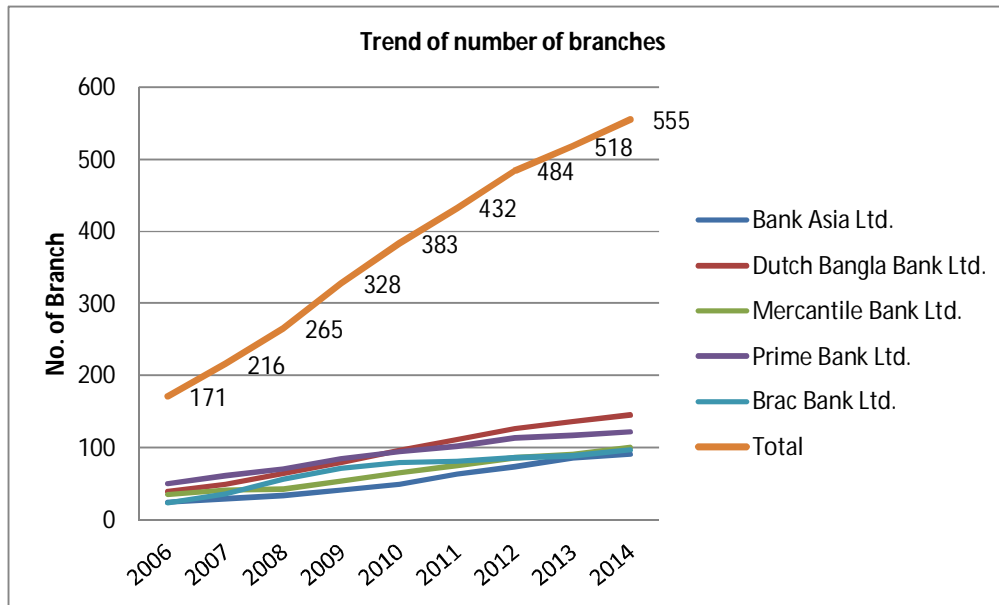
SL	Name of Banks	Return on Equity									
		2006	2007	2008	2009	2010	2011	2012	2013	2014	Average
1	Bank Asia Ltd.	27.06	31.63	23	32.03	32.12	19.61	7.11	10.55	14.09	21.91
	Growth		16.89	-27.28	39.26	0.28	-38.95	-63.74	48.38	33.55	0.93
2	Dutch Bangla Bank Ltd.	24.07	24.02	29.89	30.28	35.3	27	23.4	17	16.2	25.24
	Growth		-0.21	24.44	1.30	16.58	-23.51	-13.33	-27.35	-4.71	-2.98
3	Mercantile Bank Ltd.	21.94	18.45	17.75	18.8	24.83	20.59	13.42	16.84	9.11	17.97
	Growth		-15.91	-3.79	5.92	32.07	-17.08	-34.82	25.48	-45.90	-6.00
4	Prime Bank Ltd.	31.55	30.68	20.58	30.19	21.65	20.19	13.53	8.35	10.08	20.76
	Growth		-2.76	-32.92	46.70	-28.29	-6.74	-32.99	-38.29	20.72	-8.29
5	Brac Bank Ltd.	23.04	23.83	22.88	19.19	18.95	18.66	6.13	12.6	14.11	17.71
	Growth		3.43	-3.99	-16.13	-1.25	-1.53	-67.15	105.55	11.98	3.44

Source: annual report (2006-2014) of selected banks

Table 11: Ranks of Selected banks

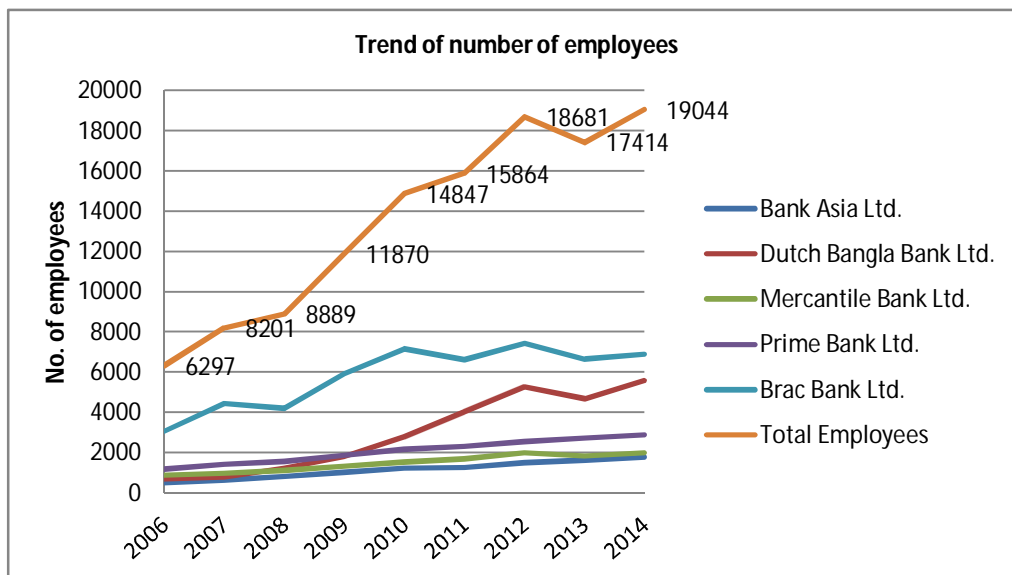
Banks/Indicators	Bank Asia	Dutch Bangla Bank	Mercantile Bank	Prime Bank	Brac Bank
Branch	5	1	4	2	3
Employees	5	2	4	3	1
Deposit:					
Average Deposit	5	2	4	1	3
Per Employees	1	4	3	2	5
Per Branches	2	5	4	1	3
Loans & Advances:					
Average Loans & Advances	4	3	5	1	2
Per Employees	1	4	3	2	5
Per Branches	1	5	4	2	3
Investment:					
Average Investment	3	5	2	1	4
Per Employees	3	4	1	2	5
Per Branches	3	5	1	2	4
Income:					
Average Income	3	2	5	1	4
Per Employees	1	4	3	2	5
Per Branches	2	5	4	1	3
Return on Assets (ROA)	2	3	4	1	5
Return on Equity (ROE)	2	1	4	3	5

Figure 1: Trend of number of branches



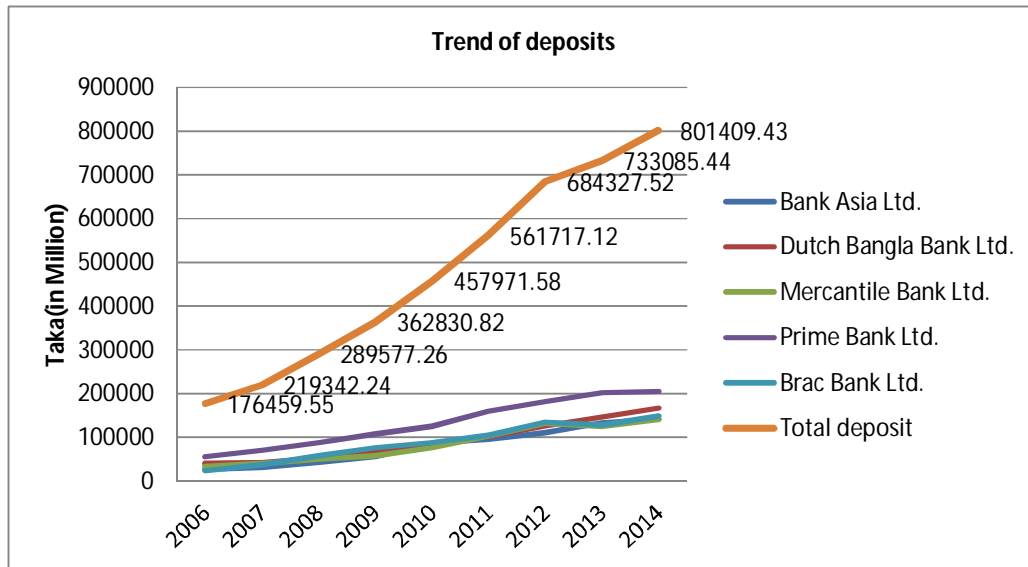
Data Source: annual reports (2006-2014) of selected banks

Figure 2: Trend of number of employees



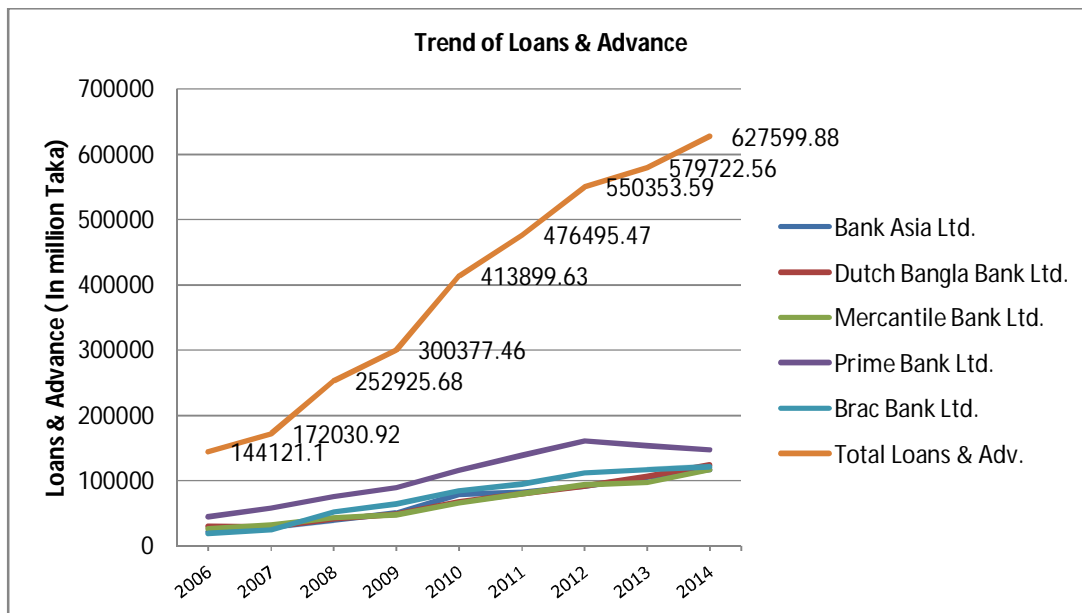
Data Source: annual reports (2006-2014) of selected banks

Figure 3: Trend of deposits



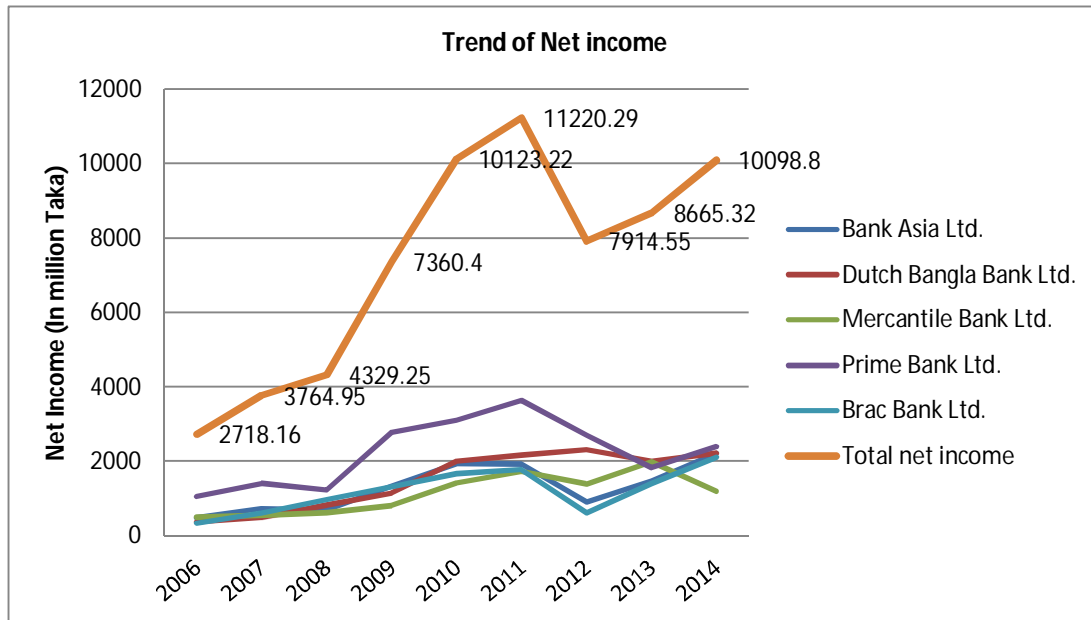
Data Source: annual reports (2006-2014) of selected banks

Figure 4: Trend of Loans & Advance



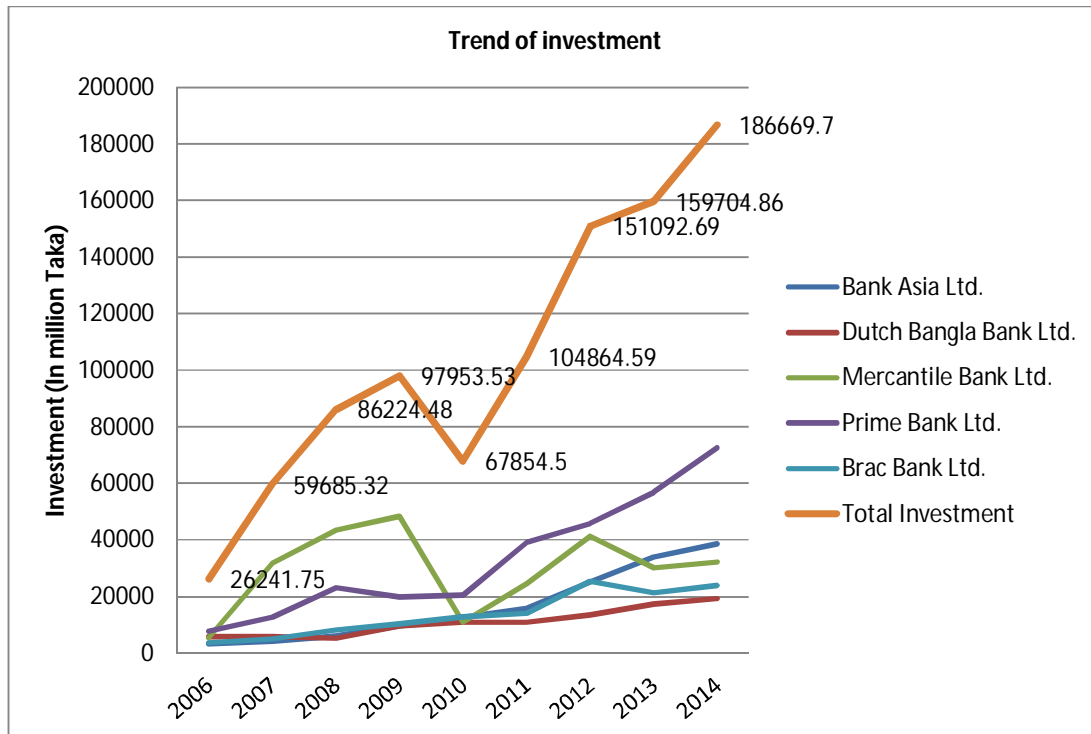
Data Source: annual reports (2006-2014) of selected banks

Figure 5: Trend of Net income



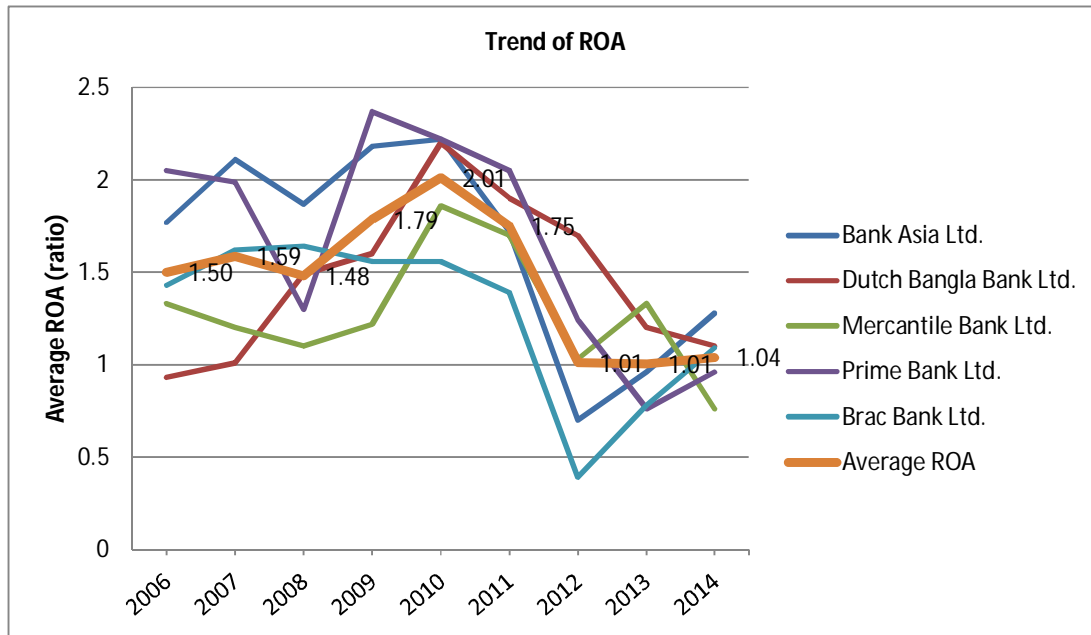
Data Source: annual reports (2006-2014) of selected banks

Figure 6: Trend of investment



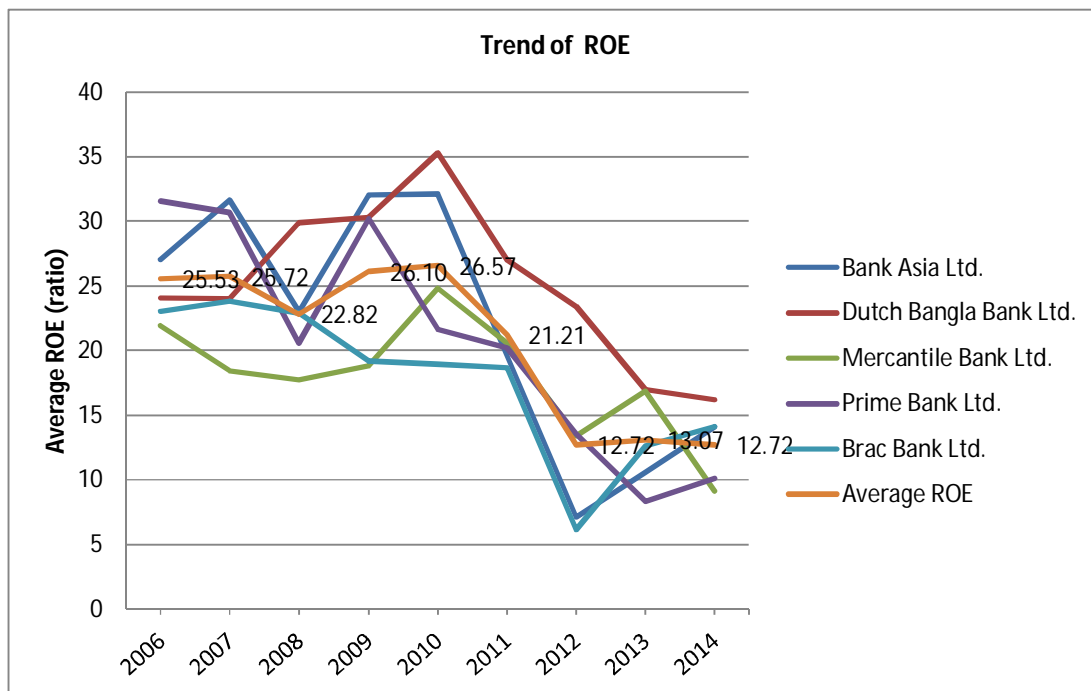
Data Source: annual reports (2006-2014) of selected banks

Figure 7: Trend of ROA



Data Source: annual reports (2006-2014) of selected banks

Figure 8: Trend of ROE



Data Source: annual reports (2006-2014) of selected banks