Internship Report

*on*

# Performance Evaluation of Exim Bank

*"This internship report is submitted to the Faculty of Business Administration, Sonargaon University (SU), Dhaka in partial fulfillment of the requirement for the degree of EMBA in Finance and Banking"*


*Submitted to:*

**Abul Kalam**

Associate Professor

Department of Business Administration

*Submitted by*

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Executive Master of Business Administration


*Program*

**Executive Master of Business Administration**

EMBA (Double Major in Finance & Accounting)




Sonargaon University (SU)

Dhaka- 1215

Date of Submission: 05.05.2021




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# LETTER OF TRANSMITAL

Date: 05.05.2021

To
**Abul Kalam**
Associate Professor
Dean, Faculty of Business
Sonargaon University (SU)

**Subject: Submission of Internship Report on "Performance Evaluation of Exim Bank"**

Dear Sir,

This is my pleasure to submit my internship report entitled- "Performance Evaluation of Exim Bank".

I have conducted my internship program in Exim Bank, Head Office in Dhaka and effect from 01 January 2021 to 31 March 2021 under your kind supervision. I have invested my every effort to financial functions performed by Exim Bank.

I believe that the knowledge and experience I have gathered during the internship period, will be helpful in my future professional life. I will be grateful to you if you kindly accept this report.

Thanking you for your time and kind supervision.

Sincerely Yours,

**Kabir Hossain**
ID NO: EMBA1903018022
Program: EMBA (Double Major in Finance & Accounting)
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# Certificate of Approval

This is to certify that, Kabir Hossain, ID: EMBA1903018022; a student of Sonargaon University, EMBA program completed the Internship Report titled **"Performance Evaluation of Exim Bank "** under my supervision. I'm pleased to state that, Kabir Hossain in preparing this report and have been able to present a good picture of the concern organization and his relevant area of research. The data and findings presented in the report seem to be authentic.

This report is accepted for Presentation. I wish him every success in life.

**Abul Kalam**
Associate Professor
Department of Business Administration
Sonargaon University


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# Declaration

I a student of Business Administration (EMBA) double Major in Finance & Accounting of Sonargaon University do hereby declare that the internship report on Accounting entitled "**Performance Evaluation of Exim Bank**", which is submitted by me in partial fulfillment of the requirement for the award of EMBA. This is my work and due acknowledgement have been made to the appropriate authority for materials used in the report.

**Kabir Hossain**
ID NO: EMBA1903018022
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# ACKNOWLEDGEMENT

First of all I would like to pay my gratitude to the Almighty Allah for helping me in preparing this internship report successfully. In the preparation of this internship report, I acknowledge the encouragement and assistance given by a number of people and institution. I am most grateful to the Business Administration Department of Sonargaon University (SU) for the co-operation of managing an internship for me. I am also most grateful to the Exim Bank's management to give me the opportunity to complete my internship in their organization.

I would like to express my gratitude to my Supervisor Associate Professor Abul Kalam for providing me detailed feedback and advice on this report. He always gave me her suggestions in making this study as flawless as possible.

I want to thank Mr. Md. Masud Rana, Assistant Professor, Faculty of Business, Sonargaon University for his valuable counseling regarding the preparation of the internship report.

I also thank the Authority and the Management of Exim Bank and all other officers and employees of Exim Bank for their delightful co-operation to acquire practical banking knowledge in my 3 months internship program. I practically work with them, try to share their perception, feelings and on the basis of my realization, I prepared this report from my own point of view.

Then at last I shall be grateful to those persons who read this report and who shall get benefit from this report at present and in future.

Furthermore, I want to convey my heartiest thanks to my classmates and friends, without their help this report could not be fulfill.

Finally, special thanks go to the respondents, who spared their time generously and helped me to complete my study.


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EXPORT IMPORT BANK OF BANGLADESH LIMITED

(SHARIA BASED ISLAMI BANK)



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# Preface

Internship program is one of the most significant parts of our EMBA program. At present the world is getting more competitive. So we have to acquire knowledge about critical environment of business. This type of program helps the students to acquire practical knowledge about the contemporary business organization. It will also help the students to be an effective executive in the future. In our country one of the reputed private banks is Exim Bank. This bank tries to introduce different kinds of products and services to satisfy their customers.

As a student of EMBA Program of Sonargaon University I have been assigned to prepare a report on **"Performance Evaluation of Exim Bank"**. From my practical experience I have tried my level best to acquire the knowledge from many departments of the particular bank.


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## Acronyms

| | |
|---|---|
| A/C | : Account |
| AD | : Authorized Dealer |
| BB | : Bangladesh Bank |
| BIS | : Bank of International Settlement |
| BL | : Bill of Lading |
| CD | : Current Deposit |
| DD | : Demand Draft |
| DPS | : Deposit Pension Scheme |
| ERC | : Export Registration Certificate |
| FDD | : Foreign Demand Draft |
| IRC | : Import Registration Certificate |
| L/C | : Letter of Credit |
| MD | : Managing Director |
| PO | : Pay Order |
| SB A/C | : Savings Bank Account |
| STD | : Short Term Deposit |
| TIN | : Tax Identification Number |
| EPS | : Earning per share |
| ROE | : Return on Equity |
| ROA | : Return on Assets |
| P/E | : Price Earnings Ratio |
| NIM | : Net Interest Margin |
| NOL | : Net Operating Loss |
| NPL | : Nonperformance Loan |


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# Executive Summary

In the new competitive business era, private banking sector is becoming more competitive in Bangladesh. As financial intermediary commercial banks plays an important role to match the surplus & deficit units. They collect deposit from surplus unit & lend it to the deficit unit. These mobilizations of deposit & allocation of credit leads towards the economic development. This internship report is based on my internship program and financial statements of EXIM BANK. It was a great opportunity to gather experience and knowledge from different types of banking operations of EXIM BANK. My faculty supervisor helped me to choose the topic – **"Performance Evaluation of Exim Bank"** which is a study based on the period of 2015- 2019. In banking sector the more used financial statements are balance sheet and profit and loss account where balance sheet shows the financial position such as assets, liabilities as well as the equity condition and profit and loss account shows the net profit and loss.

The main objective of the study is to scrutinize the Financial Performance of Exim Bank Ltd from the period of 2015 to 2019 and evaluate this performance. In my report I had to study Exim Bank's financial statements for the last five years then had to analyze and give significant comments regarding the changes in the financial position. Analysis and interpretation of these financial statements through ratio analysis has now become an important technique for performance evaluation because the investors, financial experts, management executives and the bankers always rely on these ratios to make important decisions. I have found out some points by screening the whole study, which is expressed as major findings. From the findings we can observe that Return on Assets indicate the Net Income after Tax of EXIM BANK increase year by year but not in response to Total Assets. The Ratio ROE indicates that the Equity capital of EXIM BANK increase rapidly compares to the Net Income after Tax. The financial position of Exim Bank was not strong enough because the Bank's Return on Assets, Return on Equity, Net Interest Margin or other ratio was below standard. However, EXIM BANK has the opportunities to make their financial position stronger by utilizing their management because the Exim Bank has satisfactory operating efficiency and Assets Management Efficiency. After preparing this report I came to know that evaluation of financial statements through ratios helps to overcome the past flaws and make the future decisions and strategies.


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# Chapter: 1
# Introduction


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# Introduction of the Study

This internship report entitled "Performance Evaluation of Exim Bank has been started at the beginning of the January, 2021 under the instruction of my honorable intern supervisor & instructor **Associate Professor Abul Kalam.**

As a financial intermediary commercial bank plays an important role to match the surplus & deficit units. They collect deposit from surplus unit & lend it to the deficit unit. These mobilizations of deposit & allocation of credit to productive & consumer services leads towards the economic development. This internship report is based on my internship program and financial statements of Exim Bank. I have analyzed the financial statements of Exim Bank from the annual reports and bank affairs of Exim Bank to find out its ratios by using its past and current records. In my report I had to study Exim Bank's financial statements for the last four years then had to analyze and give significant comments regarding the changes in the financial position.

Exim Bank (Export Import Bank of Bangladesh Limited) is a private Commercial Bank but it has some differences in its formation compare to other private banks. Exim Bank was established through passing act 12 of 1997 in the parliament of the People's Republic of Bangladesh having paid up capital amounting to Tk. 22 crore. The commercial operation of the Bank started since August 3, 1999 through opening of its principal branch.


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# Objectives of the Study

### Main Objective

The main objective of the study is to scrutinize the Financial Performance of Exim Bank from the period of 2015 to 2019 and evaluates this performance.

**The other objectives of this study are:-**

- To evaluate the financial position and performance of Exim Bank from the period of 2015 to 2019.
- To estimate the factors affecting performance of the Bank from the period of 2015 to 2019.
- To find out the trend of profitability of Exim Bank from the period of 2015 to 2019.
- To measure the managerial efficiency of the firm as well as earning capacity of Exim Bank in future period.
- To present the major findings and to provide the recommendations on the basis of findings.

## Scope of the study

This report covers the **"Performance Evaluation of Exim Bank"** Due to successful completion of an essential part of the report we have the opportunity to discuss regarding the following issues:

- What is the present situation of Exim Bank based on performance evaluation?
- To know about the previous situation of the Exim Bank.
- What are the problems of overall banking practices in Exim bank?

## Limitation of the study

Although there were sincere co-operation from employees of Exim Bank, but they could not manage enough time to provide the necessary information for the completion of the report. During the preparation of the report the following problems occurred that may be termed as the limitation of the study. Some of the limitations faced in preparing this report are

- The limitation of this report is non-availability of the most recent data & information about different activities of the Exim Bank.
- Another limitation of this report is the Bank's policy of not share any data and information for obvious reason.
- The bank personnel are very busy.
- I carried out such a study for the first time, so inexperience is one of the main constraints of the study. In spite of all these limitations, I have tried to put the best effort as far as possible.


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### Rationale of the Study

Bangladesh is one of the developing countries of the world. However, the country has many opportunities for massive improvement. In an economy like this, banking sector can play a vital role as an intermediary, which can mobilize the excess fund of surplus sectors to provide the necessary finance to those sectors, which need funds to grow. Thus, banks can establish a sound base for the development of the country.

Here I got the clue to work on. I had a quest to know how a private bank has linked its motto with the ever increasing pressure of betters operation for new challenges. I wanted to investigate the pillars based on which the bank is standing and the key performance indicators of the bank.

So, I had worked both in the general banking division and monitoring the financial performance of the bank and prepared my report giving emphasize on the performance evaluation of EXIM BANK.

## Methodological Approaches

Majority of the statistical data, facts and figures here has been gathered from various resources have such as various books related with the subject, web sites of NBL, files and folders of NBL. Some qualitative information has also been collected from informal interviews and discussions with clienteles and employees of the branch. Unstructured guidelines have been used as tools for information collection. Collected information has been analyzed qualitatively. Besides, observations of office events, employee behavior and attitude, various events during the internship policies have also been used as information.


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# Sources of Data

The following sources are used for the purpose of gathering and collecting data as required.

## Primary data

1. Conversation with the officials of Exim Bank.
2. Observe daily activities regularly.
3. Oral and informal interview of officers and employees in Exim Bank and personal observation.

## Secondary Data

1. Annual Reports of the EXIM BANK.
2. Official files and folders, working papers, published and unpublished documents.
3. Financial Affairs of Head Office.
4. Website of Exim Bank.
5. Different text books & articles.
6. Internet and various study selected reports.

## Methods of Data Analysis:

The report used both the qualitative and quantitative approaches to analyze data. The quantitative approach includes different statistical tables and graphs. Some other techniques are used to analyze the report are as follows-

1. Graphical Presentation
2. Ratio Analysis (key ratios related performance analysis)
3. SWOT Analysis


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# Chapter: 2

# Organizational Part (Company Overview)


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## 2.1 INTRODUCTION:

EXIM Bank (Export Import Bank of Bangladesh Limited) is a full service scheduled commercial bank. All shareholder are local. The bank is primarily driven with a view of creating opportunities and pursuing market niches not traditionally meet by conventional banks. EXIM Bank has been motivated to provide "best-in-the-class" services to its diverse assortment of customers spread across the country under an on-line banking dais. At present, EXIM Bank is one of the fastest growing banks in the country. In order to support the planned growth of its distribution, network and its various business segments, EXIM Bank is currently looking for impressive goal oriented, enthusiastic, individuals for various business operations. The bank wants to build a profitable and socially responsible financial institution. It carefully listen to the market and business potentials, It is also assisting EXIM and stakeholders to build a progressive, healthy, democratic and poverty free Bangladesh. It helps make communities and economy of the country stronger and to help people achieve their financial goals. The bank maintains a high level of standards in everything for our customers, our shareholders, our acquaintances and our communities upon, which the future affluence of our company rests.

## 2.2 HISTORICAL VIEW OF EXIM BANK:

Export Import Bank of Bangladesh Limited Is a public listed scheduled bank categorized in private sector and established under the ambit of Bank Companies Act 1991 and incorporated as a public limited company under the companies Act 1994 on June 02. The Bank started commercial banking operations effective from August 03, 1999. The bank converted its Banking operations into Islamic Banking based on Islamic Shariah from traditional banking operation in July 01, 2004 after obtaining approval from Bangladesh Bank. The bank is being managed and operated by a group of highly educated and professional team with diversified experience in finance and banking.

EXIM Bank originated due to successful story of EXIM microfinance. The Chairman, Sir. Md. Shajahan Abed believed that until modern, competitive financial services are readily available – including credit in amounts, terms and conditions that small can access, Bangladesh will not be able to create the large middle class that is a prerequisite to social stability. So, the **EXIM Bank** came into existence due to the need of mass financing, which wouldn't have been possible with EXIM microfinance itself.

EXIM Bank has been the fastest growing local bank in the year 2004 & 2005 with a double bottom line of vision. This organization wants to mix profit and social responsibility together and as such serve the people of the nation. The parent organization that is Bangladesh Rural Advancement Committee (EXIM) has been working since the independence of the country for the development of the deprived people.


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Today EXIM Bank is considered as third generation bank extending full range of banking facilities by providing efficient, friendly and modern fully automated on-line service on a profitable basis. Since its inception, it has introduced fully integrated online banking service to provide all kinds of banking facilities from any of its conveniently located branches.

**Strategic Priorities of EXIM Bank**

- To maintain a healthy growth of business in all core activities with desired image.
- To acquire state-of –the art technologies and adopt innovative ideas for financial inclusion.
- To strengthen the risk management technique and compliance culture.
- To expand the customer base and maintain an incremental deposit & reduce the non-performing assets.
- To develop appropriate corporate governance system and culture with best practice.
- To establish relationship banking & continuously improve service quality.
- To extend banking services to all classes of people.


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## 2.4 VISION, MISSION AND CORE VALUES OF EXIM BANK

### Corporate Vision:

The gist of our vision is "Together Towards Tomorrow". Export Import Bank of Bangladesh Limited (Exim Bank) believes in togetherness with its customers, in its march on the road to growth and progress with service. To achieve the desired goal, there will be constant pursuit of excellence in compliance with the Islamic *Shariah*. We believe the advantages of Islamic economy can best be extended to the people with a technology-driven modern banking system that upholds the Islamic values, and Exim Bank envisages making itself a perfect instance of that kind. The Bank's strategic plans and networking will strengthen its competitive edge over others in rapidly changing competitive environment. Its personalized quality services to the customers with trend of constant improvement will be the cornerstone to achieve our operational success.

### Corporate Mission:

The Bank's mission comprises:

- Extracting the full benefit of Islamic banking system for its customers.
- Providing with quality financial services especially in Foreign Trade.
- Maintaining and upgrading a technology-based professional banking environment
- Maintenance of corporate and business ethics and transparency at all levels
- Sound capital Base
- Ensure sustainable growth for the honorable stakeholders
- Fulfillment of corporate social commitments, and
- above all, to add to the national economy

### Corporate Culture:

Organizational culture is considered as an essential component of business corporations as it has the ability to bind organizational members together. The culture and values of our bank have been proved as a source of competitive advantage for us and are acting as a key component to establish the relationship between the bank and our employees and , in turn , between our employees and our customers. Our culture and values also encourage customers and employees to join us and stay with us.

EXIM Bank has also been able to improve organizational performance via improving the performance of individual contributors and also recognizes existing talents to fill up the higher vacancies within the organization or place them in the right position, wherein the best use of their abilities can be ensured. Our culture promotes sharing of common goal which ensures harmonious relationship in the working environment.


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# Chapter: 3

## Financial Overview of EXIM BANK from 2015-2019


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# Introduction

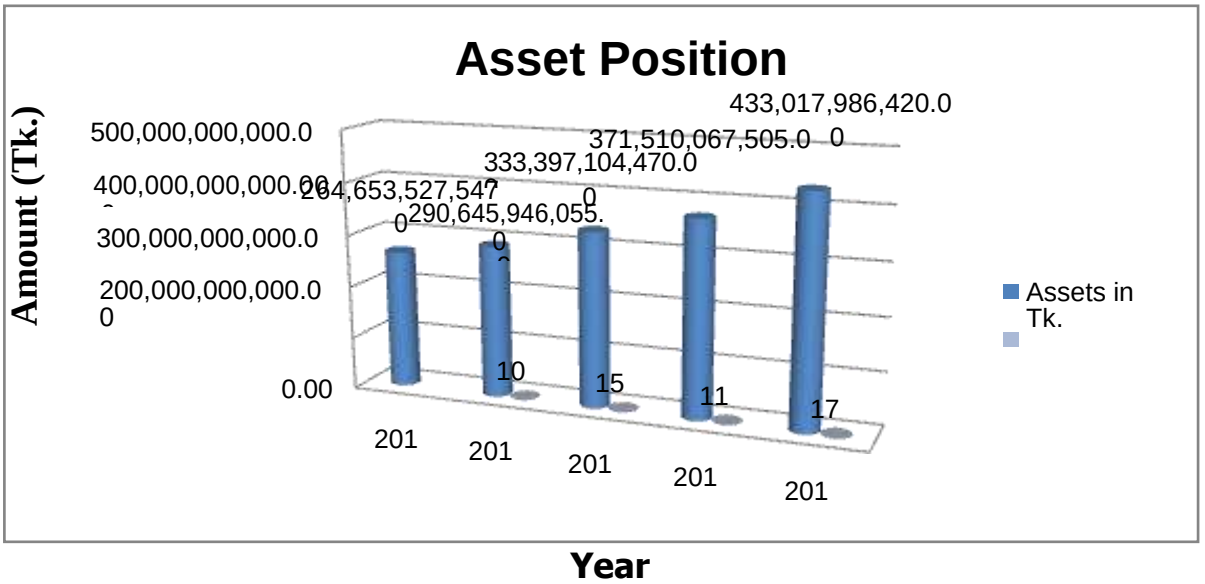
Generally financial overview represents the scenario of financial position of an organization. In this particular part of the report I try to capture the scenario of assets & asset portfolio, deposits along with various types of deposit, loan and advances as well as the loan and advance portfolio and finally represent the net income after tax of EXIM BANK. The particular chapter of the report also contains the major financial information of EXIM BANK at a glance for the purpose of performance evaluation and key ratio analysis of EXIM BANK.

## Assets

The asset position of Exim Bank from 2015 to 2019 represent that the bank is creating a strong position in the banking sector of Bangladesh.

**Table 1: Total Assets**

| Year | Assets in Tk. | Growth Rate |
|---|---|---|
| 2015 | 264,653,527,547.00 | |
| 2016 | 290,645,946,055.00 | 10% |
| 2017 | 333,397,104,470.00 | 15% |
| 2018 | 371,510,067,505.00 | 11% |
| 2019 | 433,017,986,420.00 | 17% |




**Source: Annual Report of EXIM BANK from 2015 to 2019**

**Figure 1: Asset of EXIM BANK**

We see that the growth rate of the Assets of EXIM BANK in the last five years had gradually increase. It increased highest in the year 2019 that was 17%.

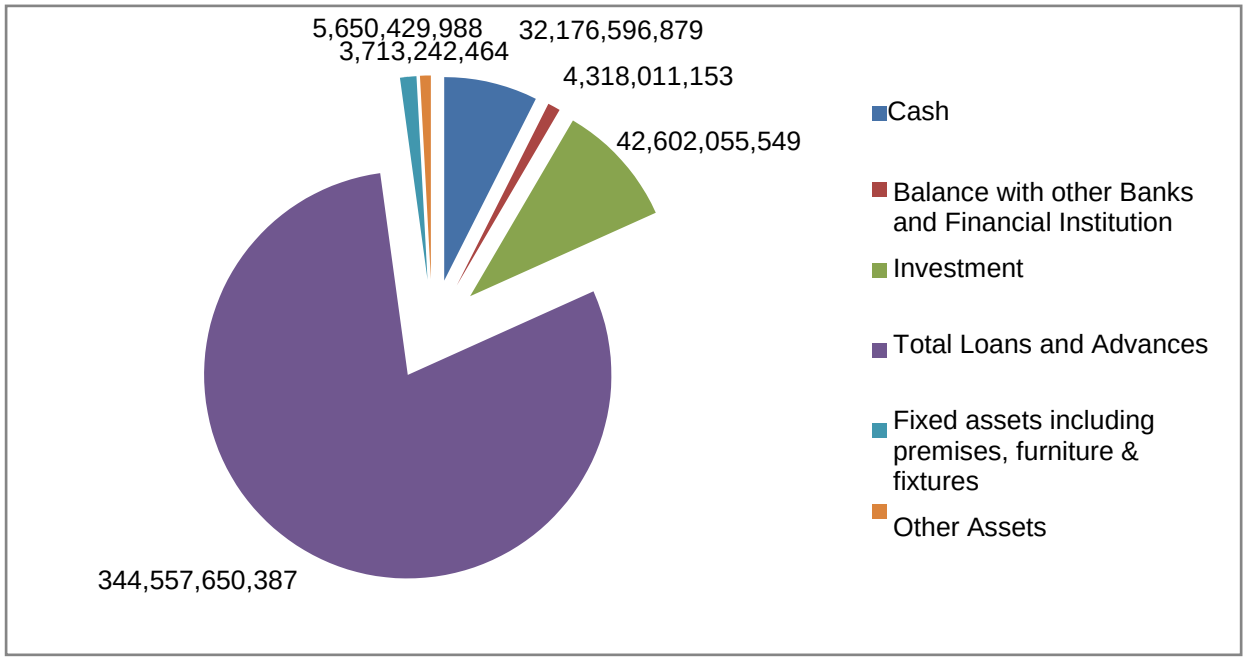

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# Asset Portfolio

In 2019, the Exim Bank asset portfolio represents the bank current situation, which reflects that bank held in a competitive position to the other commercial bank. That is given below:

**Table 2: Asset Portfolio**

| Particulars of Assets | Amount (Crore TK.) | Percentage |
|---|---|---|
| Cash | 32,176,596,879 | 7.43% |
| Balance with other Banks and Financial Institution | 4,318,011,153 | 1.00% |
| Investments in shares and securities | 42,602,055,549 | 9.84% |
| Total Investments (Loans and Advances) | 344,557,650,387 | 79.57% |
| Fixed assets including premises, furniture & fixtures | 5,650,429,988 | 1.30% |
| Other Assets | 3,713,242,464 | 0.86% |
| **Total** | **433,017,986,420** | **100%** |




Source: Annual Report 2019 of EXIM BANK

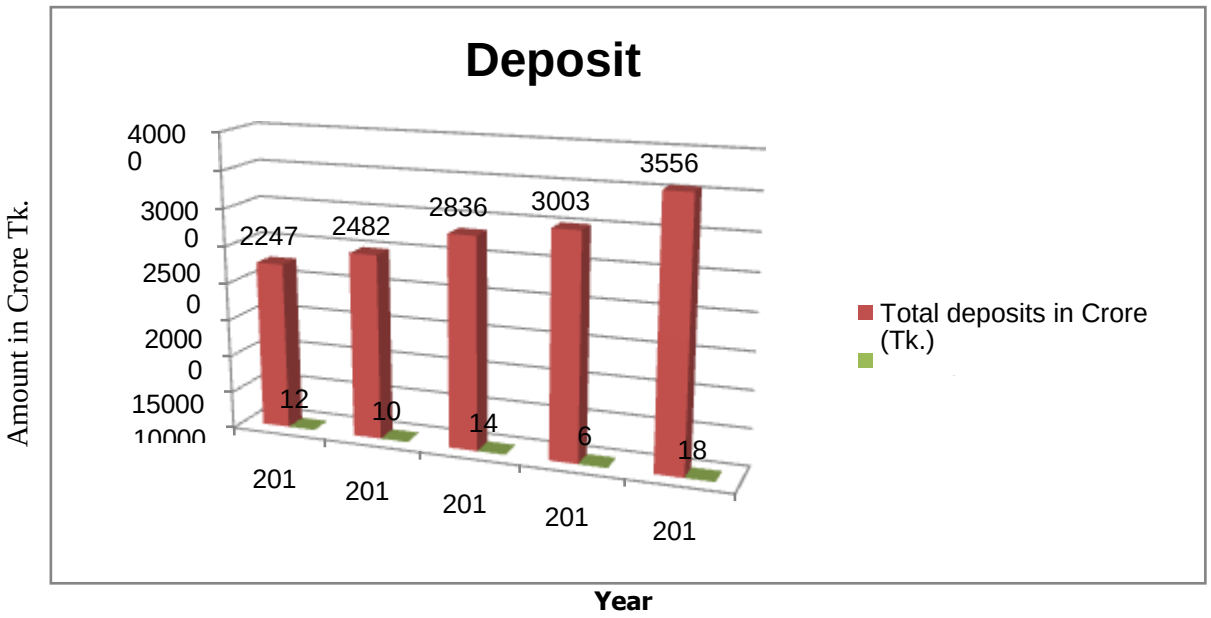
**Figure 2: Asset portfolio of EXIM BANK**


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# Deposits

**Table 3: Total Deposits**

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|
| **Total deposits in Crore (Tk.)** | 20001 | 22477 | 24822 | 28364 | 30037 | 35568 |
| **Growth Rate** | -- | 12% | 10% | 14% | 6% | 18% |




**Source: Annual Report of EXIM BANK from 2014 to 2019**

**Figure 3: Deposit of EXIM BANK**

From the above calculation, we see that growth rate of deposits in the year 2014 was satisfactory but the rate had moderate trend in the year 2015, 2016, 2017 and 2018. The rate reached highest in the year 2019 that was 18% and like assets deposit growth rate also low in the year 2018.

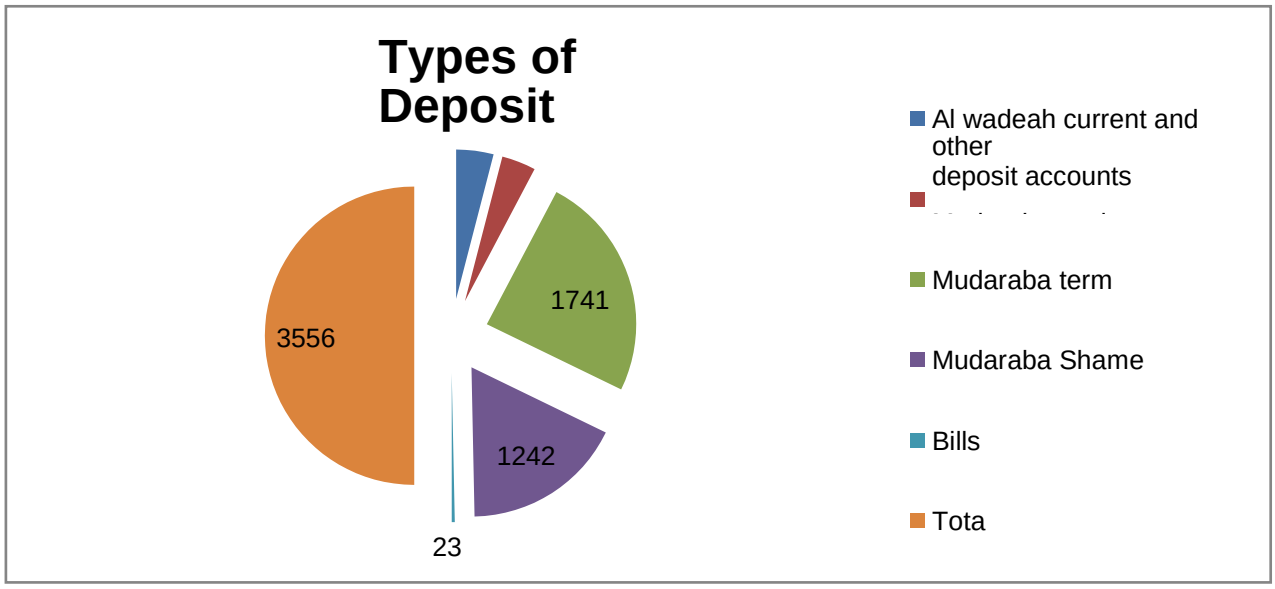

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# Types of Deposits

Exim Bank gathers funds from different types of deposits. The bank has attached top priority on the mobilization of low cost funds. The deposit mix of the bank as of 31 December 2019 was as follows:

**Table 4: Types of Deposits**

| Types of Deposits | Amount (Crore Tk.) | Percentage |
|---|---|---|
| Al- Wadeah current and other deposit accounts | 2872 | 8.07% |
| Mudaraba savings deposits | 2618 | 7.36% |
| Mudaraba term deposits | 17417 | 48.97% |
| Mudaraba Shame deposits | 12428 | 34.94% |
| Bills Payable | 232 | 0.65% |
| **Total** | **35567** | **100.00%** |




**Source: Annual Report 2019 of EXIM BANK**

**Figure 4: Different types deposit of EXIM BANK**

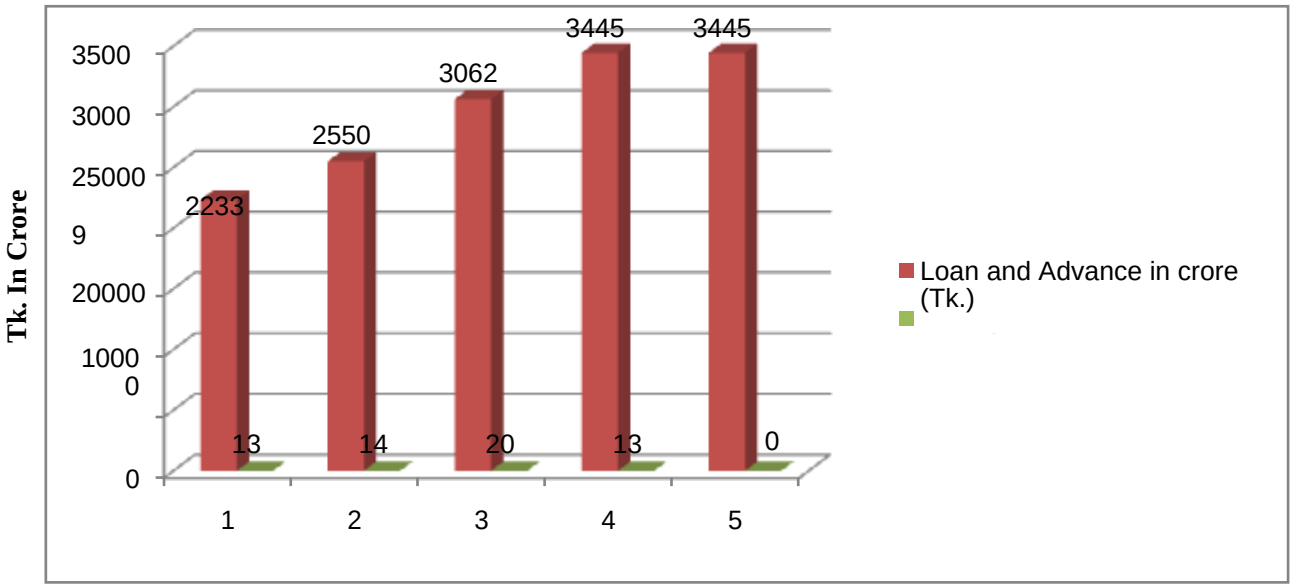

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## **Investments** (Loans and Advances)

The loans and advances of the bank registered an impressive growth From the year 2015 to 2019. The total loans and advances as on 31 December 2017 was Tk. 25503 crore and in the next year the loan and advance was Tk.30626 that was 20% higher than the year 2018.

**Table 5: Total Investments** (Loans and Advances)

| Year | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| Loan and Advance in Crore (Tk.) | 19754 | 22339 | 25503 | 30626 | 34455 |
| Growth Rate | - | 13% | 14% | 20% | 13% |




**Source: Annual Report of EXIM BANK from 2015 to 2019**

**Figure 5: Loans and advances of EXIM BANK**

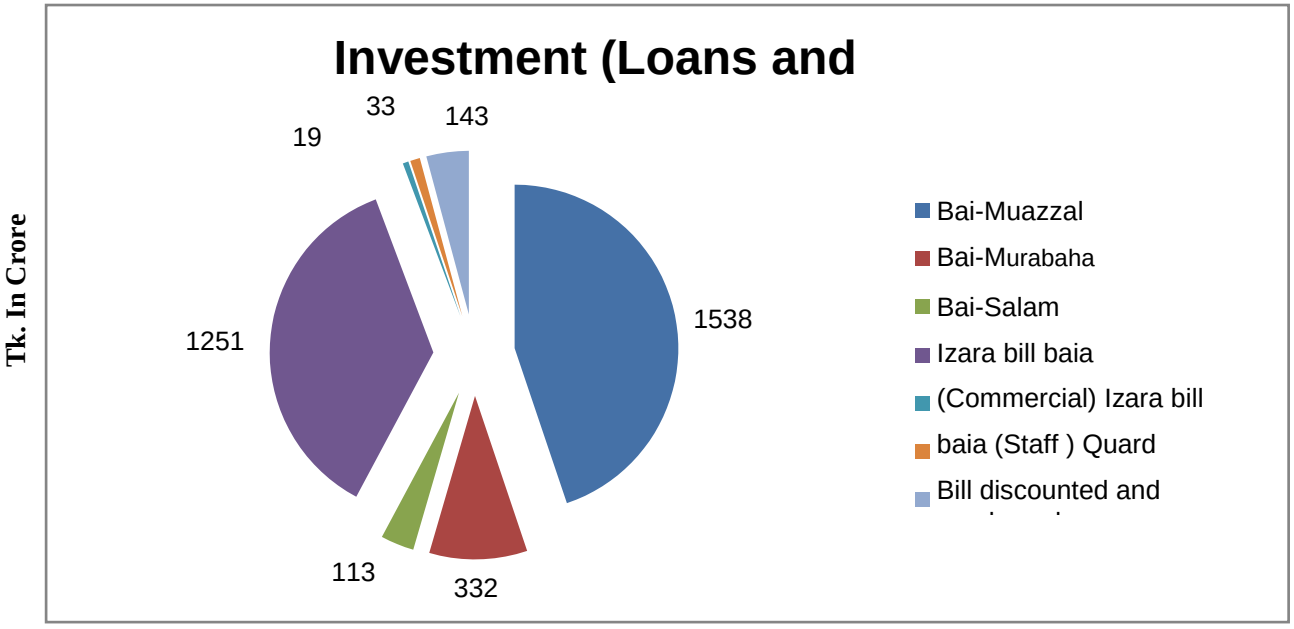
By analyzing the growth rate of loan and advance of EXIM BANK, we can say that the EXIM BANK had a stable growth rate except year 2018 and the last two year growth was highest of EXIM BANK that was 13% and 14% respectively. In conclusion, we can say that the loan and advance growth was satisfactory in the last five years.


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## Investment (Loans and Advances) Portfolio

The bank gives top most priority to acquire quality assets and does appropriate lending risk analysis while approving commercial and trade loan to clients. The advance matrix of the bank as of 31 December 2019 was as follows:

| Types of Deposits | Amount (Crore Tk.) | Percentage |
|---|---|---|
| Bai-Muazzal(CC) | 15389 | 44.83% |
| Bai – Murabaha(CC) | 3323 | 9.68% |
| Bai-Salam | 1130 | 3.29% |
| Izara bill baia (Commercial) | 12516 | 36.46% |
| Izara bill baia (Staff ) | 196 | 0.57% |
| Quard | 334 | 0.97% |
| Bill discounted and purchased | 1437 | 4.19% |
| **Total** | **34325** | **100.00%** |




**Source: Annual Report of EXIM BANK on 2019**

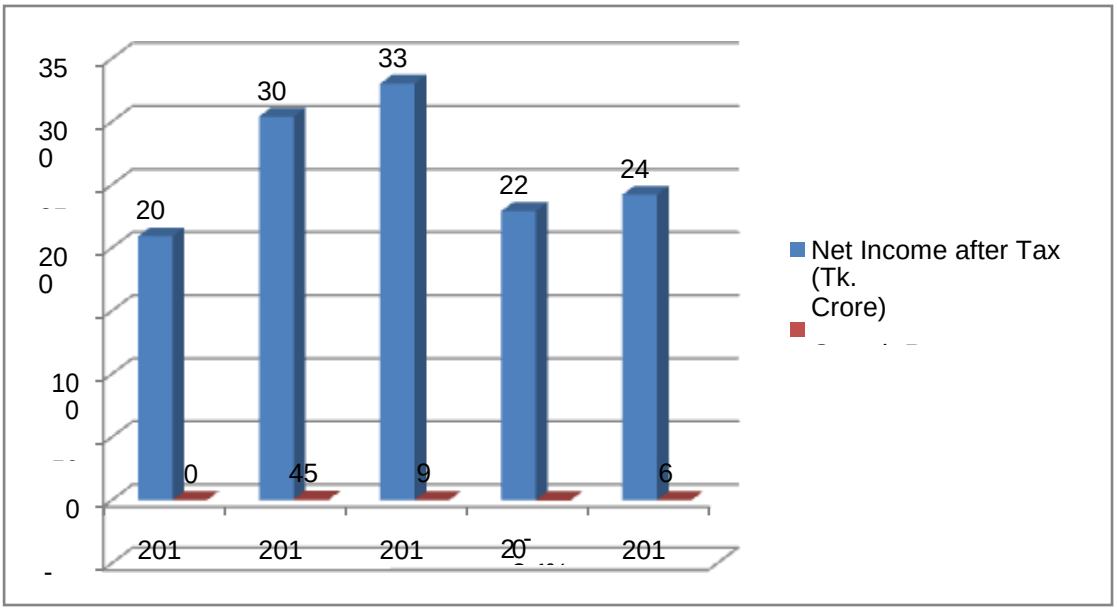
**Figure 6: Loans and advances matrix of EXIM BANK**


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## Net Income after Tax

**Table 6: Net Income after Tax**

| Year | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| Net Income after Tax (Tk. Crore) | 209 | 304 | 330 | 229 | 242 |
| Growth Rate | - | 45% | 9% | -31% | 6% |




**Source: Annual Report of EXIM BANK from 2015 to 2019**

**Figure 7: Net Income after Tax**

The growth in Net Income after Tax was very high in the year 2016. The growth rate in Net Income after tax was satisfactory in the year 2017 and 2019 but the growth rate had fallen in the year 2018.

From the above calculations and figures, based on the growth rate we can say that, the Total Assets, Total Deposits, Total loan & Advances and Net Income after Taxes of EXIM BANK had a upward trend that indicate strong Financial position of EXIM BANK. From the above calculation we also see that financial position of EXIM BANK were best in the year 2016 in terms of growth rate than that of other years.


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## Table 7: Financial Information of EXIM BANK at a Glance 2015-2019

(All Figures in Crore Taka)

| Particulars | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| Authorized Capital | 2000 | 2000 | 2000 | 2000 | 2000 |
| Paid-up Capital | 1412 | 1412 | 1412 | 1412 | 1412 |
| Shareholder's Equity | 2512 | 2646 | 2765 | 2821 | 2918 |
| Total Capital ( Tier I + Tier II) | 2819 | 2966 | 3485 | 3512 | 4084 |
| Statutory Reserve | 686 | 784 | 888 | 972 | 1070 |
| Total Assets | 26514 | 29113 | 33389 | 37151 | 43301 |
| Total Liabilities | 24002 | 26466 | 30624 | 34329 | 40383 |
| Total Deposits | 22477 | 24822 | 28364 | 30037 | 35568 |
| Total Investment (General) | 19753 | 22339 | 25503 | 30626 | 34455 |
| Investment (Shares & Securities.) | 1758 | 1647 | 2160 | 2402 | 4260 |
| Total Contingent liabilities | 6985 | 7060 | 9070 | 8677 | 8890 |
| Total Risk Weighted Assets | 23417 | 25200 | 28826 | 32291 | 32550 |
| Total Fixed Assets | 563 | 567 | 557 | 548 | 565 |
| Total Income | 2716 | 2595 | 2685 | 3167 | 3742 |
| Total Expenditure | 2077 | 2000 | 2089 | 2474 | 3051 |
| Profit before provision and tax | 638 | 594 | 595 | 692 | 691 |
| Profit before tax | 366 | 499 | 532 | 423 | 487 |
| Net profit after provision and tax | 208 | 303 | 329 | 233 | 238 |
| Net Asset Value Per Share | 17.79 | 18.74 | 19.58 | 19.98 | 20.67 |
| Earnings per share (EPS) | 1.48 | 2.15 | 2.34 | 1.65 | 1.69 |
| Price earnings ratio (times) | 5.54 | 5.63 | 7.61 | 7.27 | 5.87 |
| Return on Equity (ROE) after tax | 8.68% | 11.78% | 12.19% | 8.35% | 8.48% |
| Return on Assets (ROA) after tax | 0.84% | 1.09% | 1.06% | 0.66% | 0.61% |
| | | | | | |

**[Source Annual Report from 2015 to 2019]**


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# Chapter: 4
# Ratio Analysis & Interpretation of the Ratios


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## Definition & Importance of Performance Evaluation

Performance Evaluation is the process of identifying the financial strengths and weaknesses of the firm by properly establishing the relationship between the items of the balance sheet and profit and loss account. It also helps in short-term and long term forecasting and growth can be identified with the help of financial performance analysis. The analysis of financial statement is a process of evaluating the relationship between the component parts of financial statement to obtain a better understanding of the firm's position and performance. This analysis can be undertaken by management of the firm or by parties outside the namely, owners, creditors and investors.

## Objectives of Evaluation and Interpretation:

The users of financial statement have definite objectives to analysis and interpret .Therefore; there are variations in the objectives of interpretation by various classes of people. There are certain specific and common objectives, which are listed below:

- To interpret the profitability and efficiency of various business activities with the help of profit and loss account.
- To measure the managerial efficiency of the firm.
- To ascertain earning capacity in future period.
- To measure short-term and long -term solvency of the business.
- To determine future positional of the concern.

## Methods of Evaluation and Interpretation

The evaluation and interpretation of financial statement are used to determine the financial position and result of operation as well. The following are the tools that are used for analyzing the financial position of the company:

1. Ratio Analysis
2. Comparative balance sheet
3. SWOT Analysis.


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# Ratio Analysis

Ratio analysis is an important and age-old technique. It is a very powerful tool of performance evaluation. It is defined as "The indicated quotient of two mathematical expressions" and as "the relationship between two or more things". Systematic use of the ratio is to interpret the financial statement so that the strength and weakness of a firm as well as its historical performance and current financial condition can be determined.


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# Ratio Analysis of Exim Bank

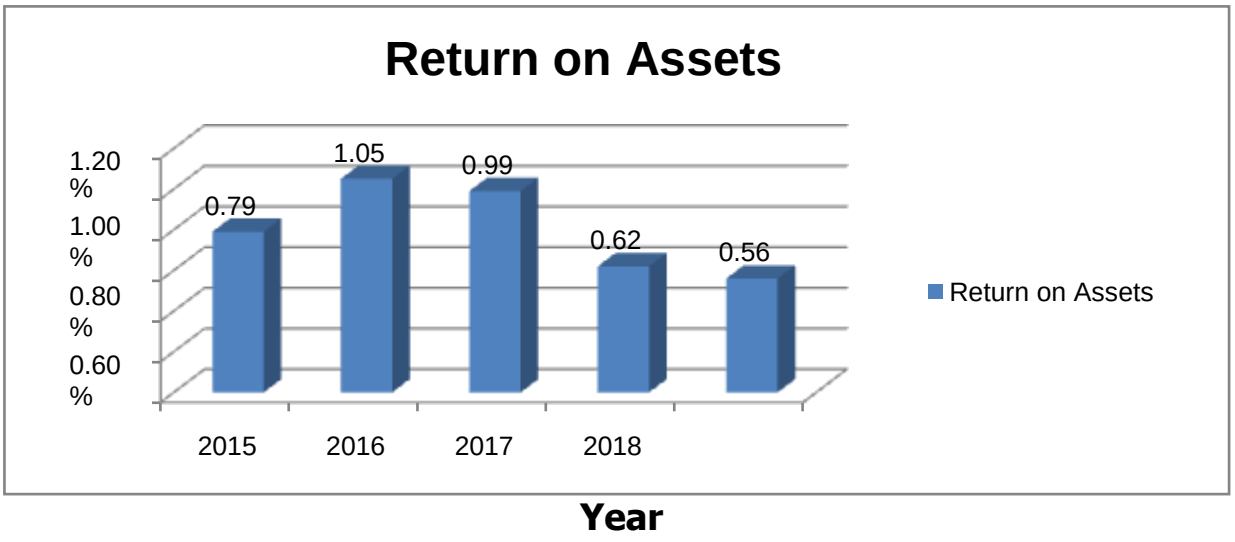
## Return on Assets (ROA)

Return on assets (ROA) is a financial ratio that shows the percentage of profit that a company earns in relation to its overall resources. It is commonly defined as net income after tax / total assets. ROA is known as a profitability or productivity ratio, because it provides information about management's performance in using the assets of the small business to generate income. ROA and other financial ratios can provide small business owners and managers with a valuable tool to measure their progress against predetermined internal goals, a certain competitor or the overall industry. ROA is also used by bankers, investors, and business analysts to assess a company's use of resources and financial strength.

**Return on Assets (ROA) = Net Income after Tax / Total Assets**

Figure in crore Tk.

| 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| 209/26515 | 304/29113 | 330/33389 | 229/37151 | 242/43302 |
| 0.79% | 1.05% | 0.99% | 0.62% | 0.56% |




Source: Annual Report of EXIM BANK from 2015 to 2019

**Figure 8: Return of Assets of EXIM BANK**

**Comment:** From the above calculation, we see that Return on Asset of Exim Bank in the year 2015 was 0.79%. ROA increased to 1.05% that was increased approximately 33% from the year 2015. However, in the year 2017 it was decreased to 0.99%. In the summary, we can say that ROA of EXIM BANK in the different year had a mixed trend because total assets of EXIM BANK rapidly increased from the year by year, on the other hand profit of EXIM BANK gradually decreased 2017 to 2019 but not in response to total assets.


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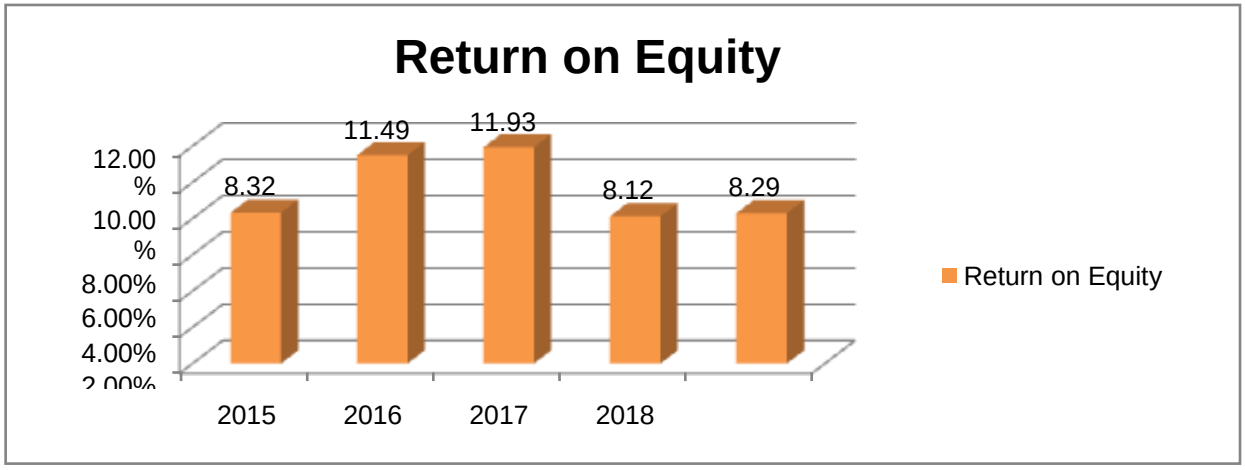
# Return on Equity (ROE)

Return on equity (ROE) is the amount of net income returned as a percentage of shareholders' equity. The return on equity ratio, sometimes called return on net worth, is the most important of the entire profitability ratio for investors in the company. It allows investors to see how effectively the money they invested in the firm is being used. It reveals how much profit a company earned in comparison to the total amount of shareholder equity found on the balance sheet. ROE between 15% and 20% are generally considered good.

**Return on Equity Capital (ROE) = Net Income after Tax/ Total Equity Capital**

Figure in crore Tk.

| 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| 209/2512 | 304/2646 | 330/2765 | 229/2821 | 242/2918 |
| 8.32% | 11.49% | 11.93% | 8.12% | 8.29% |




Source: Annual Report of EXIM BANK from 2015 to 2019

**Figure 9: Return on Equity of EXIM BANK**

**Comment:** From the above calculation, we see that the Exim Bank in the year 2017 by using of its total equity capital high ROE and that was 11.93% because this year bank incurred a net profit but in the year 2016 ROE of EXIM BANK rapidly turn into positive figure that was 11.49 % and held it in the year 2016. Moreover, in the year 2018 ROE decrease 8.12% from the year 2017. But in the year 2019 ROE increase to 8.29%. Return on equity of exim bank is stable.


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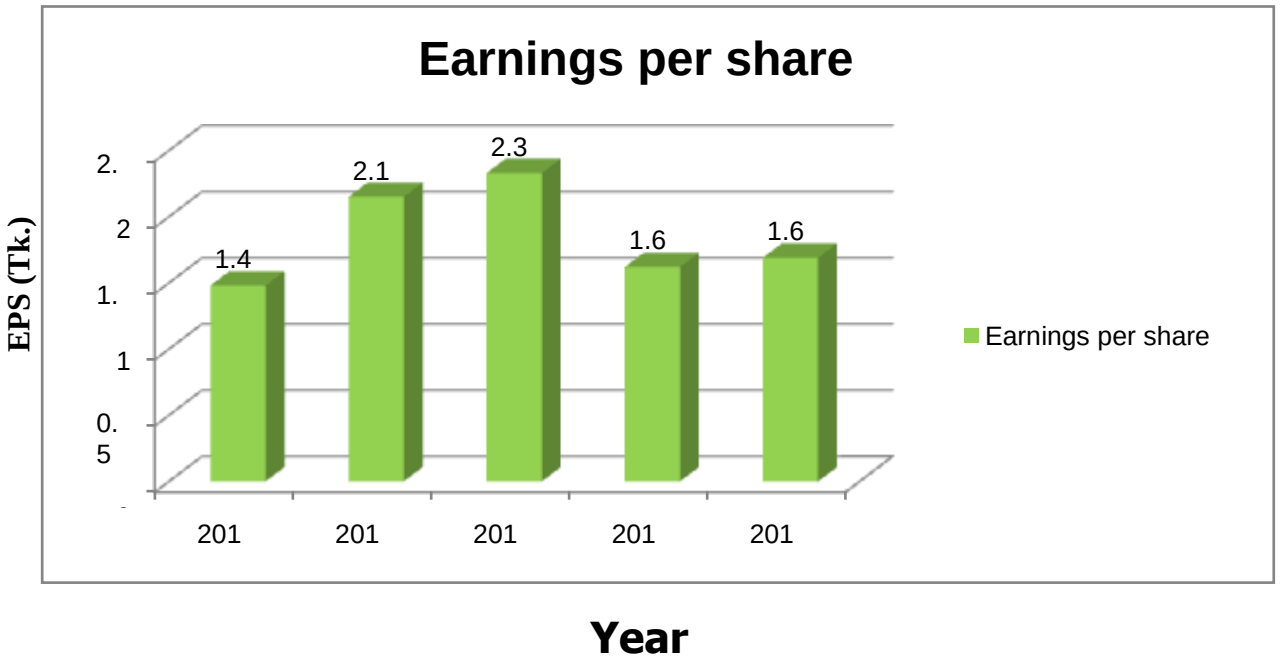
# Earnings per share (EPS)

A company's profit divided by it numbers of common outstanding shares. In calculating EPS, the company often uses a weighted average of shares outstanding over the reporting term. The one-year (historical or trailing) EPS growth rate is calculated as the percentage change in earnings per share. The prospective EPS growth rate is calculated as the percentage change in this year's earnings and the consensus forecast earnings for next year.

**Earnings per Share = Net Income after Taxes / Common Equity Shares Outstanding**

Figure in crore Tk.

| 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| 209/1412 | 304/1412 | 330/1412 | 229/1412 | 242/1412 |
| 1.48 | 2.15 | 2.33 | 1.62 | 1.69 |




**Source: Annual Report of EXIM BANK from 2015 to 2019**

**Figure 10: Earnings per Share of EXIM BANK**

**Comment**: From the above figure of the Exim Bank, we see that from the above figure of the Exim Bank, is moderately stable. The maximum EPS of Exim Bank was in the year 2017 and minimum in the year 2015.


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# Price Earnings Ratio (P/E ratio)

Price earnings ratio (P/E ratio) is the ratio between market price per equity share and earnings per share. The ratio is calculated to make an estimate of appreciation in the value of a share of a company and is widely used by investors to decide whether to buy shares in a particular company or not.

The P/E gives you an idea of what the market is willing to pay for the company's earnings. The higher the P/E the more the market is willing to pay for the company's earnings. Some investors read a high P/E as an overpriced stock and that may be the case, however it can also indicate the market price has high potential for this stock's future growth and has bid up the price.

**Price to Earnings Ratio = Market Price per Share /Earning Per Share**

| 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| 8.19/1.48 | 12.10/2.15 | 17.80/2.34 | 11.99/1.65 | 9.92/1.69 |
| 5.54 times | 5.63 Times | 7.61 Times | 7.27 Times | 5.87 Times |

**Comment:** From the above calculation, we see that in the year 2017 the market is willing to pay 7.61 times against EPS. That is indicating high share value against its EPS. It could because of the high potential growth rate. But in the year 2015, P/E ratio fall to 5.54 times against its EPS and in the year 2018 and 2019 the P/E ratio of EXIM BANK was 7.27 times and 5.87 times respectively. Stocks with **P/E ratios** of below 15 times are considered cheap, while stocks above about 18 times are thought of as expensive.


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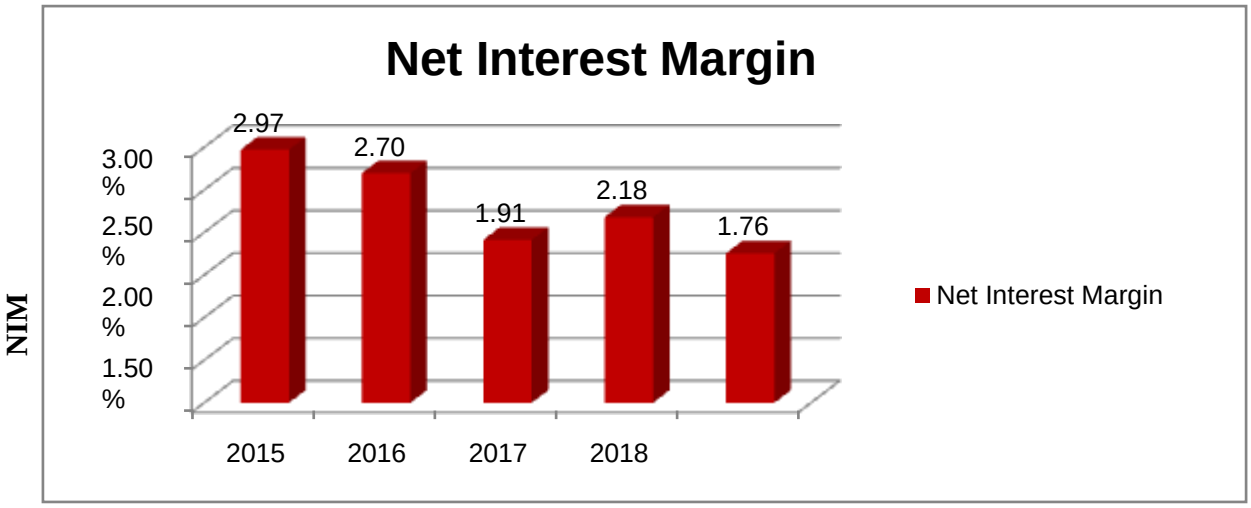
# Net Interest Margin (NIM)

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 assets. 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:

**Net Interest Margin (NIM) = Net Interest Income/ Total Assets**

Figure in crore Tk.

| 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| 788/26515 | 785/29113 | 639/33389 | 810/37151 | 760/43302 |
| 2.97% | 2.70% | 1.91% | 2.18% | 1.76% |




**Source: Annual Report of EXIM BANK from 2015 to 2019**

**Figure 11: Net Interest Margin of EXIM BANK**

**Comment:** From the above calculation, we see that NIM of Exim Bank in the year 2015 was 2.97% but in the year 2017 NIM of EXIM BANK decline to 1.91%, that is 35.69% less from the year 2015. However, NIM of EXIM BANK increases in the year 2018 that was 2.18% In addition, NIM of EXIM BANK in the year 2019 again fall by approximately 19% from the year 2018.

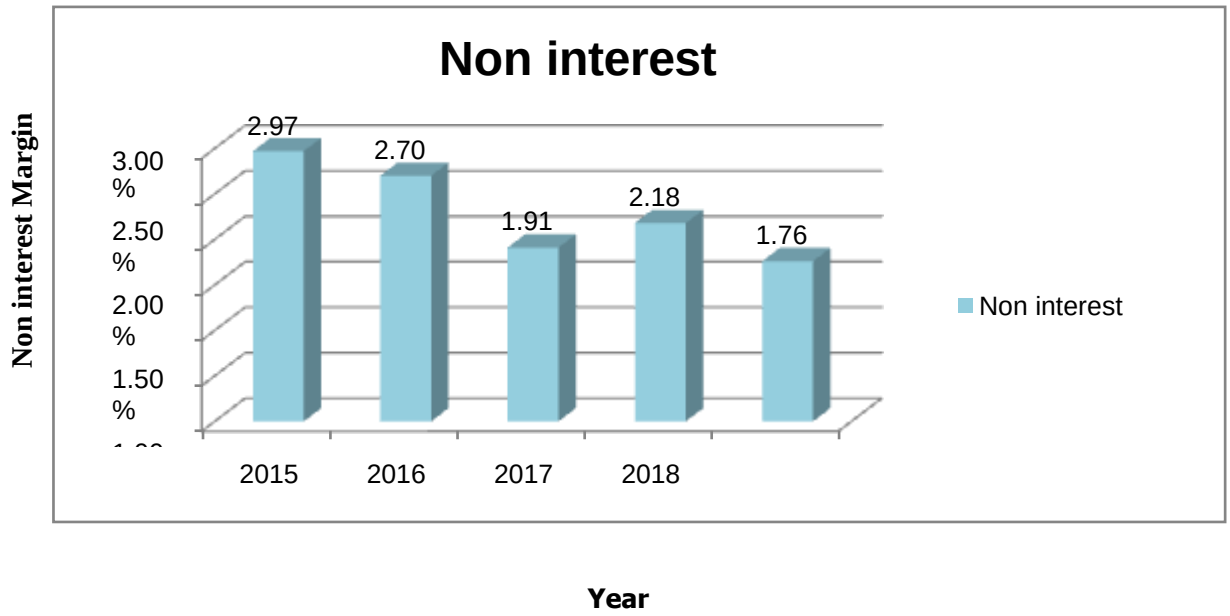

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# Non interest Margin:

Non-interest income is any type of income that is generated from the application of fees and commission, rather than from interest that is applied to the outstanding balance of a financial account. The income of this type is often associated with financial institutions, particularly banks and credit card companies. In some cases, the non-interest income is associated with recurring fees that are assessed on customer accounts each month. At other times, the fees are one-time charges that are applied in return for some type of specific task or service that is provided by the account issuer. The ratio Noninterest Margin means how much income in addition interest income the Bank has made by utilizing its total assets.

**Non interest Margin = Net Non-interest Income/ Total Assets**

| 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| 303/26515 | 312/29113 | 459/33389 | 420/37151 | 546/43302 |
| 2.97% | 2.70% | 1.91% | 2.18% | 1.76% |




**Source: Annual Report of EXIM BANK from 2015 to 2019**

**Figure 12: Non interest Margin of EXIM BANK**

**Comment:** From the above calculation, we see that the Non interest Margin of Exim Bank in the year 2015 was 2.97% but in the year 2016 and 2017, Non interest Margin of EXIM BANK declined to 2.70% and 1.91% that was 09.90% and 29.25%. However, Noninterest Margin of EXIM BANK gradually decreases in the year 2015 to 2019.

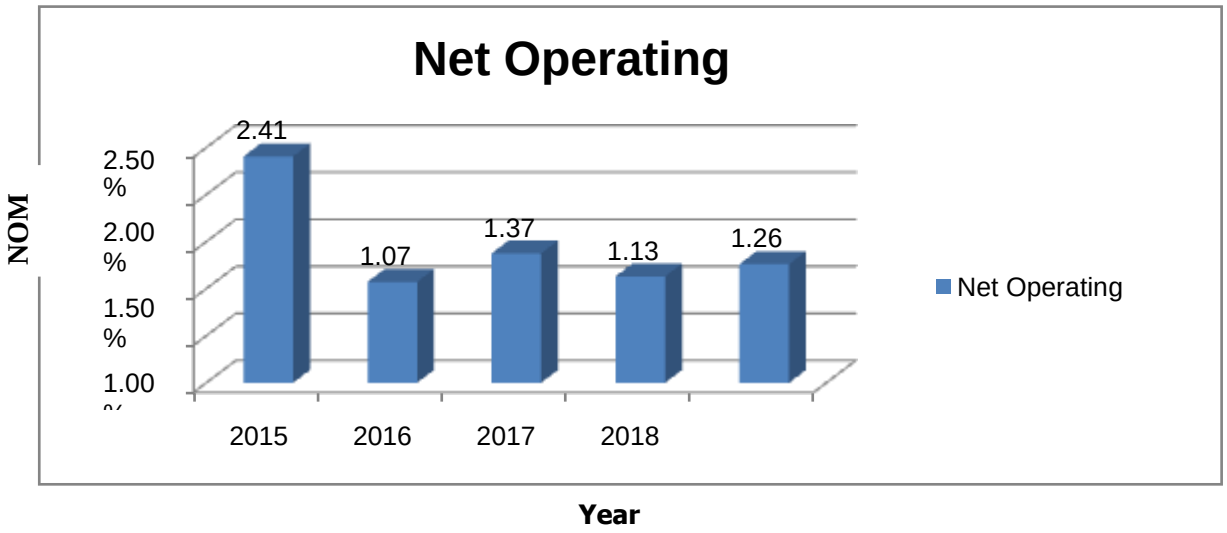

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## Net Operating Margin

A company's operating income after deduction of operating expenses, but before income taxes is deducted. If this is a positive value, it is referred to as net operating income, while a negative value is called a net operating loss (NOL).The ratio Net Operating Margin (NOM) means how much net operating income the bank has made using its total assets.

**Net Operating Margin= Total Operating Revenues - Total Operating Expenses/ Total Assets**

| 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| (1091-453)/26515 | (1099-787)/29113 | (1102-643)/33389 | (1230-810)/37151 | (1306-760)/43302 |
| 2.97% | 2.70% | 1.91% | 2.18% | 1.76% |




**Source: Annual Report of EXIM BANK from 2015 to 2019**

**Figure 13: Net Operating Margin of EXIM BANK**

**Comment:** From the above calculation, we see that NOM of Exim Bank in the year 2015 was 2.41% but in 2016, the NOM of EXIM BANK had decreased that was 1.07%. In the year, 2017 EXIM BANK earned increase NOM that was 137%. The NOM of EXIM BANK increases in the year 2019 and that was 1.26%. In the conclusion, we can say that the trend of Net Operating Margin of EXIM BANK has up and Down year by year.


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## Nonperformance Loan to Total Loan

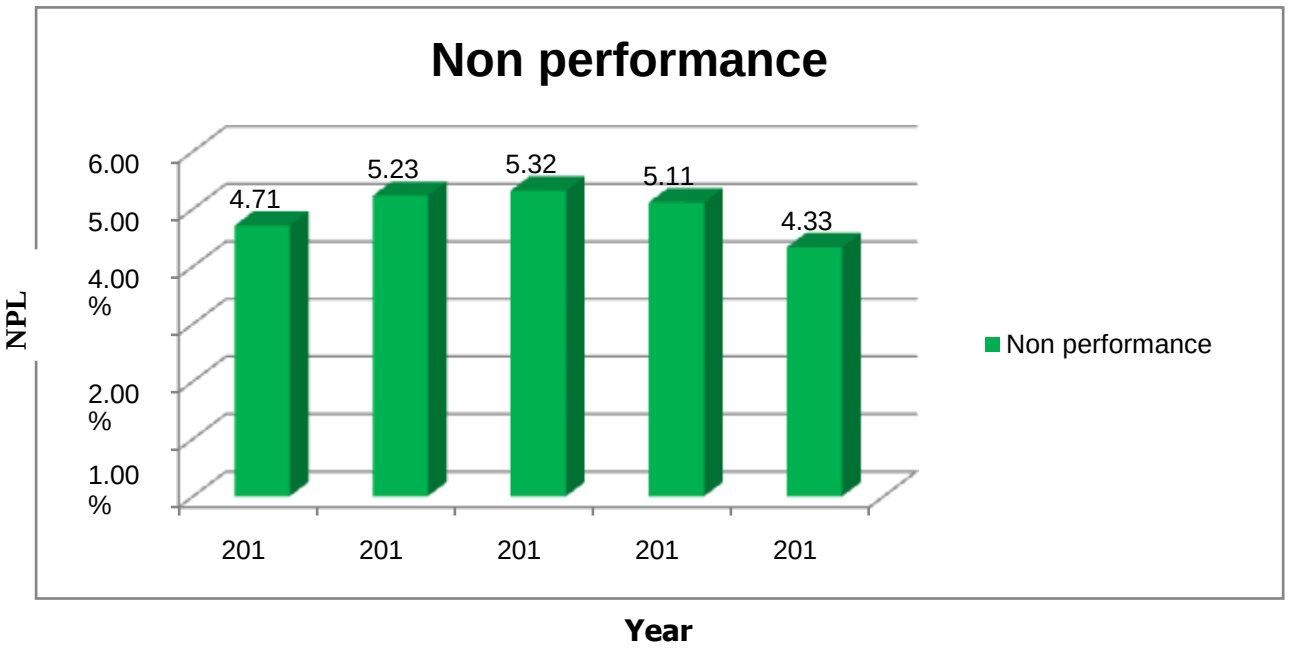
A Non-performing loan is a loan that is in default or close to being in default. Many loans become non-performing after being in default for 90 days, but this can depend on the contract terms.

Ratio of classified loan against the total loan dictates the percentage of bad loans to total loans. This ratio is very much useful to measure the efficiency in collecting money. The ratio Nonperformance loan to total loan means the percentage of Nonperforming loans among total loan. Under this ratio higher the percentage, lower the efficiency of bank. This ratio for the selected banks in the last 5 years is as follows –

**Nonperformance Loan to Total Loan = Nonperforming Loans / Total Loans**

Figure in crore Tk.

| 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| 9208/19531 | 1162/22216 | 1350/25380 | 1560/30504 | 1488/34328 |
| 4.71% | 5.23% | 5.32% | 5.11% | 4.33% |




**Source: Annual Report of EXIM BANK from 2015 to 2019**

**Figure 14: Non performance loan to total loan of EXIM BANK**

**Comment:** From the Calculation, we see that percentage of Nonperforming Loan is moderate, but NPL gradually increase from year 2015,2016 and 2017 that were 4.71%, 5.23% and 5.32%. respectively. That indicates efficiency of credit control and collection department of EXIM BANK.


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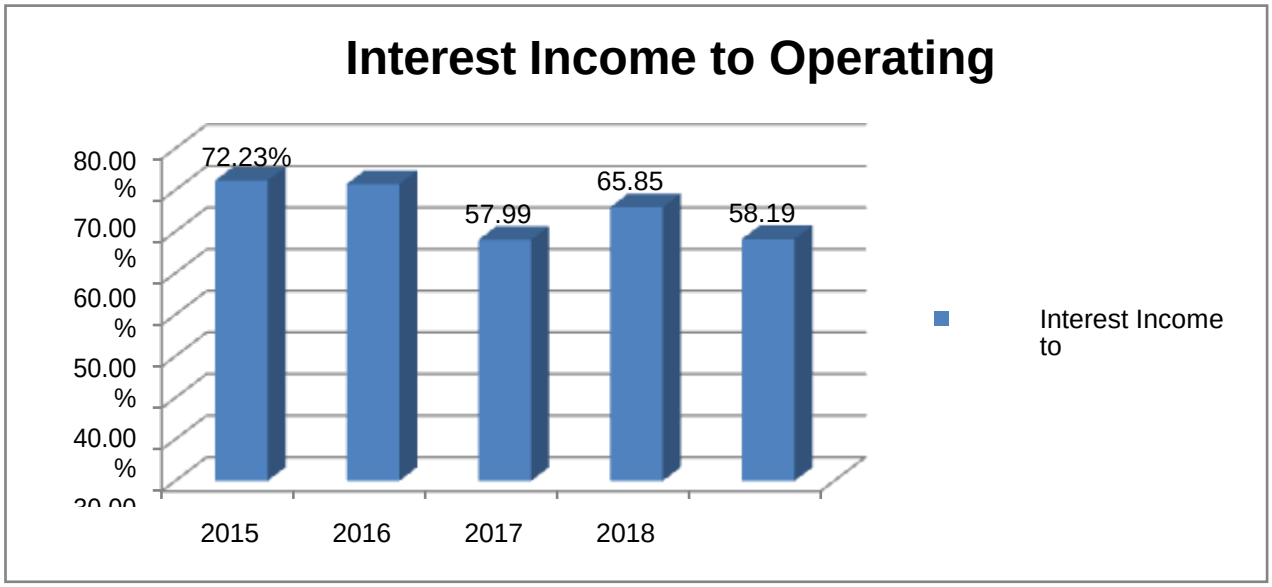
## Profit (interest) Income to Operating Income

The ratio Interest Income to Operating Income means the percentage of Interest income among its total Operating income

**Interest Income to Operating Income = Interest Income / Operating Income**

Figure in crore Tk.

| 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| 788/1091 | 785/1099 | 639/1102 | 810/1230 | 760/1306 |
| 72.23% | 71.43% | 57.99% | 65.85% | 58.19% |




**Comment:** From the above calculation, we see that Interest Income to Operating Income of EXIM BANK in the year 2015 was 72.233% of total operating income. In addition, another four years Interest Income to Operating Income of EXIM BANK was 71.43%, 71.43%, 57.99%, 65.85% and 58.19% respectively.


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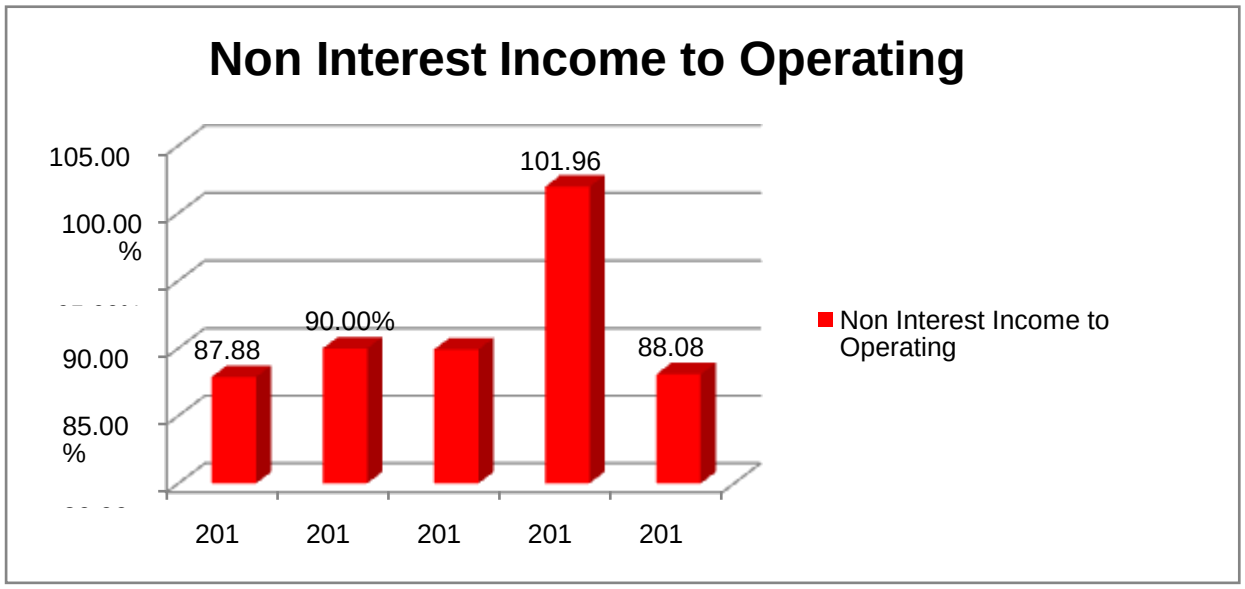
## Non Interest Income to Operating Income

The ratio Non Interest Income to Operating Income means the percentage of Noninterest income among total Operating income.

**Non Interest Income to Operating Income =Non Interest income / Operating Income**

Figure in crore Tk.

| 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| 303/1091 | 312/1099 | 459/1102 | 420/1230 | 456/1306 |
| 27.77% | 28.39% | 41.65% | 34.15% | 34.92% |




**Comment:** From the above calculation, we see that Non Interest Income to Operating Income of EXIM BANK in the year 2015 was 27.77% of total operating income. Next four years Non Interest Income to Operating Income of EXIM BANK was 28.39%, 41.65%, and 34.92% Non Interest Income to Operating Income of EXIM BANK maximum was in the year 2017 that was 41.65% and minimum in the year 2015 that was 27.77 %


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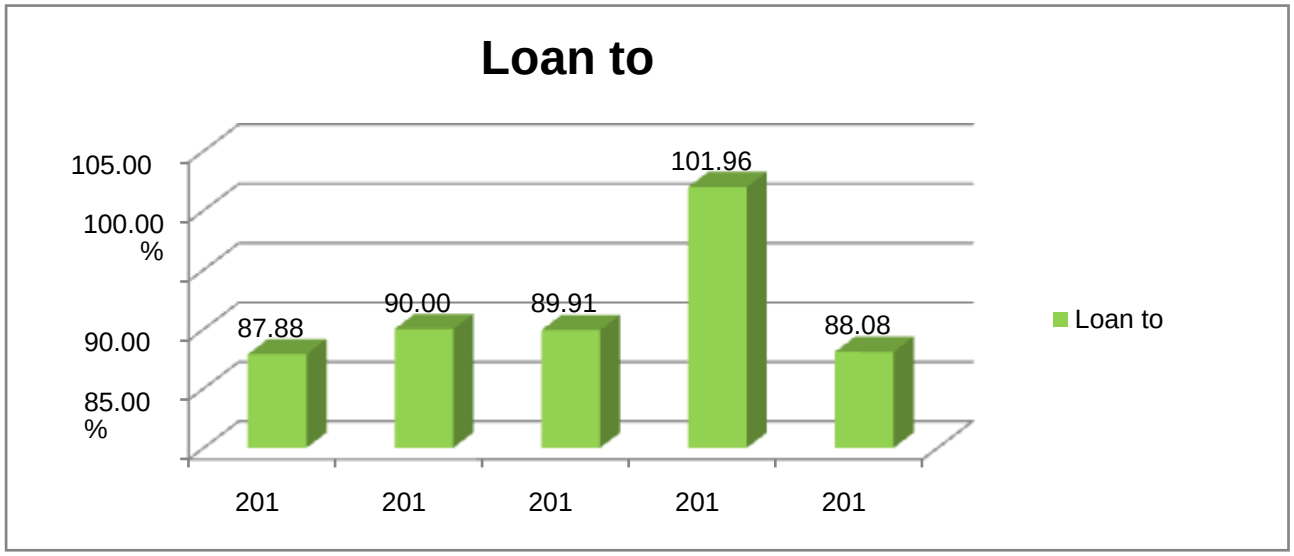
## Investment to Deposits

The ratio Loan to Deposits means the percentage of total deposits of EXIM BANK used to giving loan.

**Loan to Deposits = Total Loans / Total Deposits**

Figure in crore Tk.

| 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| 19753/22477 | 22339/24822 | 25503/28364 | 30626/30037 | 35568/40383 |
| 87.88% | 90.00% | 89.91% | 101.96% | 88.08% |




**Source: Annual Report of EXIM BANK from 2015 to 2019**

**Figure 15: Loan to Deposits of EXIM BANK**

**Comment**: From the above calculation, we see that in the year 2015 EXIM BANK used to giving loan approximately same amount of their total deposit. In the year, 2015 EXIM BANK gave loan 87.88% of their total deposit. In addition, continue this percentage increase in the year 2016, 2017 and 2018 that were 90.00%, 89.91%, and 101.96% respectively. The year 2019 the Bank gave loan 88.08% of their total deposit. That indicates better position of the Bank in coming year.


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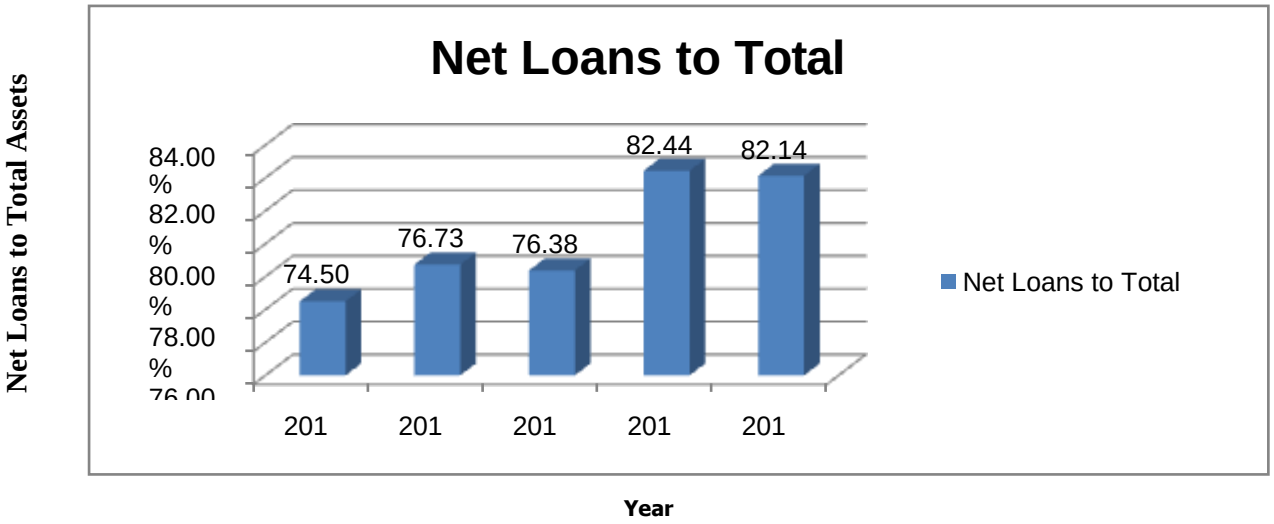
## Net Loans to Total Assets

The ratio Net Loans to Total Assets means the portion of total Assets of EXIM BANK used to giving loan

**Net Loans to Total Assets = Net Loans / Total Assets**

Figure in crore Tk.

| 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| 19753/26515 | 22339/29113 | 25503/33389 | 30626/37151 | 35568/43302 |
| 74.50% | 76.73% | 76.38% | 82.44% | 82.14% |




**Source: Annual Report of EXIM BANK from 2015 to 2019**

**Figure 16: Net Loans to Total Assets of EXIM BANK**

**Comment:** From the above calculation, we see that in the year 2015 Net Loans to Total Assets of EXIM BANK was 74.50% of its total assets. From the above calculation, we see that EXIM BANK had stable Net Loans to Total Assets ratio. Net Loans to Total Assets was highest in the year 2015 that was 74.50 % and 76.38 % in the year 2017 that was lowest.


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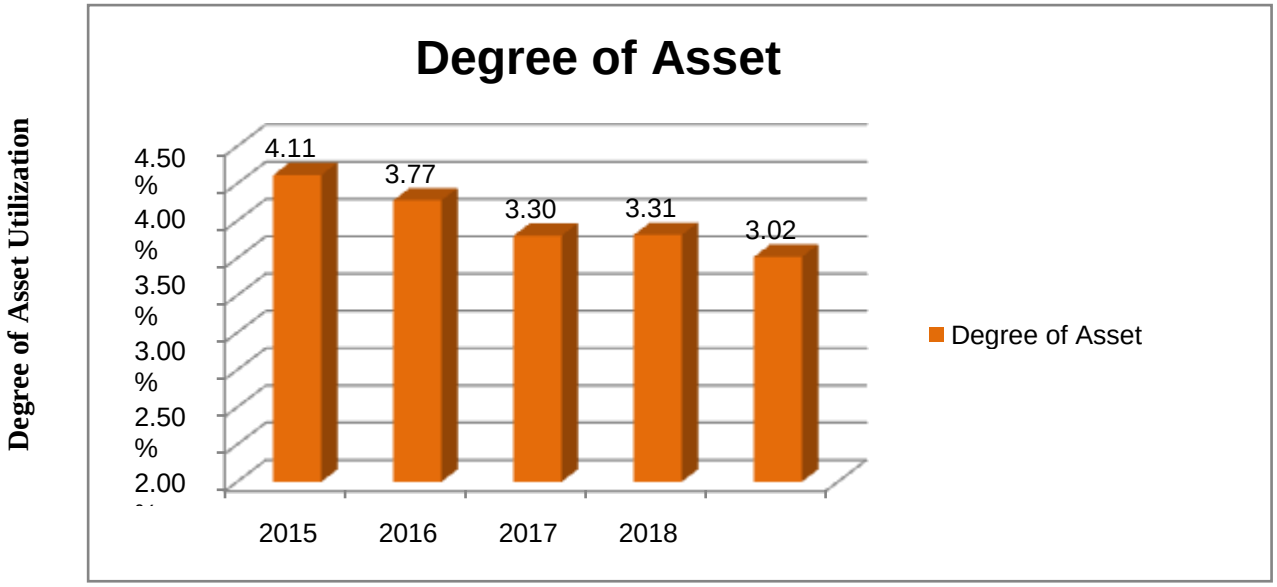
## Degree of Asset Utilization

The ratio Degree of asset utilization means the efficiency of EXIM BANK management team to earn Total Operating Revenue using its Total Assets.

**Degree of Asset Utilization = Total Operating Revenue / Total Assets**

Figure in crore Tk.

| 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| 1091/26515 | 1099/29113 | 1102/33389 | 1230/37151 | 1306/43302 |
| 4.11% | 3.77% | 3.30% | 3.31% | 3.02% |




**Source: Annual Report of EXIM BANK from 2015 to 2019**

**Figure 17: Degree of Asset Utilization**

**Comment:** Degree of asset utilization of EXIM BANK in the year 2015 was 4.11% that means the bank using its total assets earned 4.11% of Total Operating Revenue. EXIM BANK had not stable in Degree of asset utilization in the last 5 years.


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# Bank's Equity Multiplier

The equity multiplier is calculated by dividing a company's total asset value by total net equity, and it measures financial leverage. Companies finance their operations with equity or debt, so a high equity multiplier indicates that a larger portion of asset financing is attributed to Debt. The equity multiplier is a variation of the debt ratio, and its definition of debt financing includes all liabilities.

An equity multiplier measures a company's financial leverage by using a ratio of the company's total assets to its stockholders' equity. Generally, a lower equity multiplier indicates a company has lower financial leverage. It is better to have a low equity multiplier, because a company uses less debt to finance its assets.

**Equity Multiplier= Total Assets/Total Equity Capital Accounts.**

Figure in crore Tk.

| 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| 26515/2512 | 29113/2646 | 33389/2765 | 37151/2821 | 43302/2918 |
| 10.56 | 11.00 | 12.08 | 13.17 | 14.84 |

**Comment:** From the above calculation we can see that, the equity multiplier ratio of Exim Bank is very high in the year of 2016, 2017, 2018, and 2019 in comparison to 2015. In the year 2015 and 2019 this ratio is ratio is very high than the other years in the table. So the equity multiplier ratio was not satisfactory.

# Conclusion:

It is not possible to make any specific comment by calculating one bank financial ratio that Exim Bank's financial position was strong or poor by analysis the Bank financial data. From the above Ratio of Exim Bank we can say that the financial position of Exim Bank was not so strong because Bank ROA, ROE, NIM or other ratio was below standard. However, EXIM BANK has the opportunities to make their financial position stronger by utilizing their management because the Exim Bank has satisfactory operating efficiency, Assets Management efficiency and giving loans to customers.


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## SWOT Analysis

SWOT Analysis is an important tool for evaluating the company's Strengths, Weaknesses, Opportunities and Threats. It helps the organization to identify how to evaluate its performance and scan the macro environment, which in turn would help the organization to navigate in the turbulent ocean of competition.

The acronym for SWOT stands for…




### Strength

- The chief Executive Officer and the top management of the Exim Bank Ltd. have contributed to the growth and development of the Bank is a key strength.
- Providing quality services to each of the customer throughout the country by strong network and skilled manpower of EXIM BANK.
- Skilled personnels have developed professional relationships with their customers and clients, which is an emotional tie in regular business.
- Due to a sophisticated and developed system that enables the bank to make it easy to get the information without wasting paper works and time.
- Exim Bank has attractive Credit Card, ATM and Internet Banking services.
- Employees are sharing good atmosphere in EXIM BANK so that it gave them a reason to work efficiently and to become dedicated in banking.
- EXIM BANK maintains a corresponding relationship with many foreign banks so that it is an effective measure for the smooth business.

### Weakness

- Market promotional activities are very much weak in this bank, because the market promotion department has less initiative and less encouraged persons, who do not have effective plans for aggressive marketing activities.
- People are discouraged to save their money with EXIM BANK due to less rate of interest for deposit.
- Lack of high quality personnel in the top level of management discourages the high personality Businessmen and entrepreneur to do business in EXIM BANK.
- High-level personnel are hired on a contract basis instead of promoting the internal forces demoralized them is a weakness.


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## Opportunity

- Bangladesh Govt. has rendered its full support to the banking sector to develop the country's economic position, at the same time creating employment opportunity.
- By expanding the business portfolio, EXIM BANK can start the investment business with foreign exchange curriculum.
- By expanding the financing policy with credit facility customers are very much secured in business environment.

## Threats

- Defaulters are seriously affecting the smooth banking culture in Bangladesh. EXIM BANK is a new type of bank, which has been started by passing the bills in the national assembly with defaulting burdens of BCI -LTD.
- The central bank is always supervising the local and foreign banks in Bangladesh and sometimes it is hampering the normal operations of Private Banks.
- However, the innovation workings are in a continuous process, but the other rival banks are copying it within the short period.
- It is expected that very shortly, more financial institutions are coming with their new products and we should be prepared for hard competition in the following years.


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# Chapter: 5
# Findings, Recommendations & Conclusion


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# Findings

I could find out some points by screening the whole study, which is as major findings. The data were analyzed sincerely and carefully to identify appropriate findings. Moreover, conversations with the EXIM BANK officials were very significant for these findings.

- In the year 2019, the Total asset of the Exim Bank was 17% higher than that of year 2018.
- Total Deposit of EXIM BANK in the year 2019 was Tk. 35569 crore and that was 18% higher than the year 2018.
- The growth rate of Total Loan and Advance in the year 2019 of EXIM BANK was 13% from the year 2018.
- At the end of the 2019 the Net Income after Tax of EXIM BANK was Tk. 242 crore and Tk. 229 crore was in the year 2018. The growth rate of Net Income after Tax of EXIM BANK in the year 2019 was 6%.
- Total Assets and Total Liabilities of EXIM BANK was also approximately twice in the year 2019 than in the year 2014.
- Total Operating Income and Total Operating Expense of EXIM BANK were approximately 1.5 time in the year 2019 than in the year 2015.
- Interest Expense of EXIM BANK were also approximately twice in the year 2019 than in the year 2015. On the other hand, Noninterest Income of EXIM BANK was not increased in response to the Interest income in the year 2019 than in the year 2015.
- Earnings per Share of EXIM BANK increase 14% in the year 2019 than in the year 2015.
- The Ratio Return on Assets indicate that the Net Income after Tax of EXIM BANK up and down year by year but not in response to Total Assets
- The Ratio ROE indicates that the Equity capital of EXIM BANK increase up and down compares to the Net Income after Tax.
- The Net Operating Margin ratio indicates that the net Operating Income of EXIM BANK increases from the previous year.
- Nonperformance loan of EXIM BANK gradually declines from the year 2015 and 2019 that means greater efficiency of the Credit Management.

From the above findings of the Exim Bank, we can say that, the financial position of Bangladesh Commerce was not strong enough because Bank ROA, ROE, NIM or other ratio was below standard. However, EXIM BANK has the opportunities to make their financial position stronger by utilizing their management because the Exim Bank has satisfactory operating efficiency, Assets Management efficiency and giving loans to customers.


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# Recommendations

In order to compete with other Bank & improve financial position, top management should try to modify the following steps:

- Return on Asset of Exim Bank in the year 2015 was 0.79%. ROA increased to 1.05% that was increased approximately 33% from the year 2015. However, in the year 2017 it was decreased to 0.99%. In the summary, we can say that ROA of EXIM BANK in the different year had a mixed trend because total assets of EXIM BANK rapidly increased from the year by year, on the other hand profit of EXIM BANK gradually decreased 2017 to 2019 but not in response to total assets. Although Net Income after Tax increased year by year but not in response to Total Assets. That's why Bank should increase Total income as maximum as possible and minimize expense as per as possible.
- The ratio ROE of EXIM BANK was stable in the last five years because the Net Income after Tax slow increases in response to Total Equity. As a result EPS & P/E ratio of EXIM BANK were up and down year by year
- They should try to maximize their interest income and minimize their interest expense. The Bank should seek a high profitable source for investing its deposits and find out the lower expense source for financing.
- The Bank should increase their noninterest income by providing customers various innovative and profitable services.
- The Bank should try to increase their Operating income and minimizing their administrative expense.
- The Bank should minimize their non performance loan by analyzing customer details and analyzing collateral information careful when the Bank grant loan to customers
- The Bank should give more emphasis to collect deposits from customers by offering attractive interest and use this money to give loans in profitable projects.
- **Project Management:** Project Management must be practiced in the case of investing in the project. Feasibility study of the project, project planning, monitoring & evaluation should be undertaken.
- **Financial Analysis:** Bank should have a separate section to analyze the financial statement for finding its liquidity, profitability & ownership ratios.
- Before accepting a project, management should implement sophisticated capital budgeting tools special risk measurement tools like standard deviation, correlation and so on.
- **Strategy:** Effective strategies must be undertaken against their defaulter.


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# Conclusion

In this age of modern civilization bank is playing its splendid role to keep to the economic development wheel moving. We can see many new commercial banks have been established in the last few years and these banks have made this banking sector very competitive. The major task for banks, to survive in this competitive environment is by managing its assets and liabilities in an efficient way. EXIM BANK has a strong financial base and huge assets to meet up its liabilities, which makes this organization financially sound and solvent. EXIM BANK continues to play its' leading role in socio-economic development of the country as a companion of Independent Bangladesh. Besides its' traditional function such as deposit mobilization, deployment of fund in trade, commerce, industry, agriculture, import & export business, outward and inward remittance as an agent of Bangladesh Bank, EXIM BANK has emerged as the pioneer of playing key role in the country.

From the Performance Evaluation, of Exim Bank we can say that, in the recent year EXIM BANK did well in their operation. Although, they have some problem in Net Income after Tax, Expense Control and having high Nonperforming Loans but EXIM BANK have the opportunities to do well because EXIM BANK has an efficient Management & Credit control Department and huge Assets .

Therefore, all the Financial Institutions must find out their own method in order to sustain in the changing environment. The central focus in this regard would be to have a comprehensive Information Technology system, sufficient expertise and above all very relaxed management to adopt new ideas. Now EXIM BANK is continuing business operation successfully in Bangladesh through developing an image and goodwill among its clientele by offering its excellent services. The success has been resulted from the dedication, commitment and dynamic leadership of its management. During the short period of time of its operation, EXIM BANK has successfully achieved a position as a highly progressive and dynamic financial institution in the country.


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