

Thesis entitled
"Performance Evaluation of the Nationalised Commercial Banks
in Bangladesh : A Comparative Study"

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Certificate

Certified that the thesis entitled "Performance Evaluation of the Nationalised Commercial Banks in Bangladesh: A Comparative Study" submitted by S. A. Shakoor for the award of the Degree of Doctor of Philosophy in Accounting has been prepared by him under my direct supervision and guidance. It is a pioneering attempt in the field of Nationalised Commercial Banks in Bangladesh. No such work has been submitted for the award of any degree or diploma elsewhere.

A. C. Saha. 25/6/89

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PREFACE

The banks in Bangladesh were nationalised after liberation. The performance evaluation of nationalised banks, in spite of establishment of banks in private sector in 1982-83, is an important and interesting case for study. This thesis examines the indepth analysis delineating the growth and developement, liquidity structure, profitability aspects in relation to social obligations of the Nationalised Commercial Banks in Bangladesh.

The present study is done under the guidance of Dr. Abhinaya Chandra Saha, Chairman and Associate Professor, Department of Accounting, Rajshahi University without whose sincere co-operation, untiring efforts, scholastic guidance and supervision, invaluable enthusiasm and inspiration throughout my research work, it would be very much difficult for me to finalise the same. Words fail to express my greatest appreciation and thanks to him. I really owe a debt of gratitude to him.

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This study was greatly facilitated by the supply of necessary materials to me by my friends and colleagues at the Ministry of Finance, Bangladesh Bank and Bangladesh Bureau of Statistics. I further acknowledge the kindness of all of them who made available the materials requested by me.

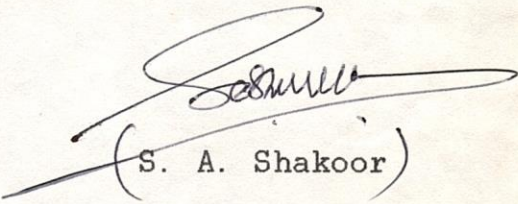
I am also indebted to Mr. S. M. Shafiul Azam, Chairman, Board of Directors, Mr. Akhtaruzzaman Chowdhury, Chairman, Executive Committee to the Board and all other hon'ble directors of the United Commercial Banks Ltd. for giving me the opportunity for this research work. My sincere thanks are also due to all my colleagues in UCB for their nice co-operation and help.

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The affection and love of my late parents and my father and mother-in-laws made my way easier to accomplish my task. The encouragement and understandings of my son Laltu, daughter Tilti and son-in-law Shamsheer were of invaluable help for the work. The love and unfailing inspiration and also encouragement of my wife Farida helped me much during the whole period of my research studies. I offer my sincere thanks, special appreciation and greatfulness to all of them.

Dhaka : June 25, 1989



(S. A. Shakoor)

ABSTRACT

Since the creation of Bangladesh the Nationalised Commercial Banks have been playing a commendable role in achieving the economic growth of Bangladesh. Recently there is a greater change in banking sector in Bangladesh. Consultative Committee of Public Enterprise, Ministry of Finance, Bangladesh Bank and other researchers have emphasised the operational efficiency of the same. A host of research has been done on the various aspects of NCBs but as no such specific attempt is found, the present study is planned with the broad purpose of investigating the operational efficiency of the NCBs. The specific objectives comprise of finding out the growth and development of the NCBs, its operational efficiency, profitability aspects along with the social obligations during 1972-86. Methods and procedure adhere to use of specific Interview Schedule for the bank executives, collection of primary and secondary data through intensive library work and personal visits, analysing the same by way of specific sectoral variables and ratios as presented by RBI, NIBM, Bangladesh Bank, IBA etc.

There was increasing expansion of branches in all the banks except PB and UB during 1972-86. The NCBs had an increasing trend in the deposit mobilisation during 1972-86 accompanied by increasing advances in the urban and rural areas. Increasing earnings was possible because of the sincere efforts of the bank executives in loan management, planning and control of

expenditures, operational effectiveness etc. There is a positive correlation in between Interest and Discount to Working Fund and earning power of the Working Fund and the same is significant 5 percent level of significance. Inter-bank variation in earning power and operational efficiency is due to variation in advances, volume of Spread, operating expenses, deposit mobilisation etc. during the period. Practically there is no liquidity crisis in any of the NCBs rather there is ample scope to have short term investment in marketable securities i.e. Treasury bill and other papers. Bank executives opined that changing circumstances i.e. socio-economic in nature, diversion of fund for luxury purpose, lack of good entrepreneurs, problems of the entrepreneurs in day-to-day operation etc. led to the creation of overdues and improper utilisation of the advances. MIS in the branch level facilitate the better management efforts to strengthen the generation of employment opportunities and value added to the economy as per the strategies of the Government of Bangladesh. There is further scope to enhance the operational efficiency of the NCBs by way of better planning and control mechanism although the same had an increasing trend during 1972-86. Identification of sick projects, and the affecting factors, proper feasibility study, counselling to the entrepreneurs etc. may pave the way to same. Virtually the private banks in Bangladesh had better performance during 1983-86 although the priority sector financing and other social obligations of the NCBs are an encouraging attempt to for the social profitability. Still careful attention

needs to be given on the profitable uses of Working Funds which may reduce the cost of fund and enhance the Spread and return on investment along with the fulfilment of social obligations. More incentive measures are also warranted to accelerate deposit mobilisation facilitating the creation of better savings and investment climate in our economy. Financial evaluation of each of the bank should be undertaken periodically to locate the level of operational efficiency and the governing factors of the same. Advances need to be classified as per the nature of overdues and specific attempts are required in analysing the nature of controllability of the same. Proper control is also to be ensured in the field of operating expenses, establishment expenses, current and non-current expenses to minimise the burden of the NCBs. However planned approach in Fund management, staff developement programme, liberalisation of the process and procedures of financing in rural areas and urban areas, quickening of the financial reporting practice, imparting guidance to the entrepreneurs, proper project feasibility studies, continuous supervision of the same, etc. may lead to the operational effectiveness of the NCBs within the orbit of the strategies and guidelines of the Ministry of Finance, Government of Bangladesh. It is expected that by way of joint participation of NCBs and the Private Banks in Bangladesh there would be a competitive situation in industrial financing, agriculture financing, trade financing etc. which may strengthen the profitable uses of Working funds for the national prosperity

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through the entrepreneurship development program or the development of private sector industries as emphasised by the Government of Bangladesh. Intensive research works in various related fields are required to enlighten the hindrances on the way of the same, on the prevention of which, national prosperity and economic growth depends absolutely.

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CHAPTER I

INTRODUCTION

PRELUDE

The word Bank is derived from the words "Bancus" "bane" or "Banque" which means a bench. The explanation of this origin is attributed to the fact that the Jews in Florence which was the capital of Lombardy, a province in North Italy, transacted the business of money exchange on benches in the market place; and when the business failed, the Banco was destroyed by the people. Incidentally, the word "Bankrupt" is said to have been evolved from this practice. Other authorities hold the opinion that the word "Bank" is derived from the German word "Back" which means "Joint Stock Fund". Later on when the Germans occupied the major part of Italy, the word "Back" was Italianized into "Bank". It is therefore, indeed very confusing rather difficult to decide as to which of the opinion is correct, for no record is available to ascertain the validity of any of the opinions.¹

History of Early Growth of Banking Institutions

Banking in fact is as primitive as human society, for ever since man came to realize the importance of money as a medium of exchange, the necessity of a controlling or regulating agency or institution was naturally felt. Perhaps it were the Babylonians who developed banking system as early as 2000 B.C. It is evident that the temples of Babylon were used as "Banks" because of the prevalent respect and confidence in the clergy. The priests acted as the financial agents until the public

confidence was destroyed by spread of disbelieve in religion. King Hummurabi (1728 - 1686 B.C.), the founder of the Babylonian Empire, drew up a code wherein he laid down standard rules of procedure for banking operations by temples and great landowners. In ancient Greece and Rome the practice of granting credits was widely prevalent. European banking has a very old history, dating from the days of Greece and Rome, where various functions known to modern banking were being performed by these ancient bankers. Banking in ancient times, of course was largely confined to money-changing and money lending as conducted in mediaeval times. These money lenders were busy conducting the simple operations of lending money from their own private property and also borrowing from the people in order to lend out to others.² In Greece the temples of Epheusus and Delphi were the biggest Banks of their time, where the people deposited their money and other valuables for safety and security as also the first acted financial agent. After some time, Aristotle's dictum that charging of interest was un-natural and immoral became very popular year in the following periods, growing necessity traced the acceptance of the principle of interest in lending and borrowing. The Romans, though did not organize state banking, never-the-less, regulated the conduct of Private banks and bankers in such a way that utmost confidence of the people was created in them. With the fall of the old civilizations, banking, like their transaction suffered heavily. However, with the revival of civilization in the middle of the twentieth century, trade and commerce started expanding and this

development compelled the business to borrow money from the Hebrew (Jew) money lenders on high rates of interest and usury. In 1401, a German public bank was formed comprising the operations discounting, deposit and transferring of money. By the 16th century, some more public banks were formed in Venice, Amsterdam, Hamburg and Nuremburg. In order to streamline banking organization and technique, conferences were held in Nuremburg from 1548 to 1551 and it was agreed that the Commercial interest of the time needed a bank with facilities of growth and transfer, but that it should not be a bank run by private individual. Ultimately in 1587, a state bank under the name "Banco di Rialto" was formed in Genoa. According to some writers this bank was the first public bank started in Venice in the year 1584 which did business both in the deposit and exchange branches.³ The Bank of Sweden was established in the year 1556. It is known as the state bank of Sweden. This bank has the credit of having invented Bank notes. Later, the Bank Amsterdam was founded in 1609. This bank had a guarantee by the state and rendered valuable services to the Netherland up to the year 1795. In 1960, Exchange bank was started in Hamburg, the object of which was to do Foreign Exchange business, as well as finance the trade of the country with Foreign countries. Later all these banks began to do deposit banking.

The beginning of English banking may correctly be attributed to the London Gold Smiths. They used to receive their customers' valuables and funds for safe custody and issued issue

receipts acknowledging the same. This notes in course of time, became payable to bearer on demand and hence enjoyed considerable circulation. In fact, the Goldsmith's note may be considered as the precursor of the bank note. There are many evidences which prove that even prior to the advent of accidental ideas, (Western ideas) India was not a stranger to the conception of Banking. Civilization in ancient India writes "Loans and usury were well understood in those days, and Rishis" (who, we should always remember, were worldly men in those days and not hermits or anchorities) occasionally lamented their state of indebtedness with the simplicity of primitive times. Dr. Pramath Nath Banerjee, in his book, Public Administration in Ancient India quotes from "Gautama Brishapati" and "Budhayana" verses regarding regulation of interest. Reference is also made to the same in Kautilya's Arthashastra. There is also sufficient evidence to show that during the fifth century people were accustomed to use Hundies as a credit instrument. The land revenue was collected generally in kind, while their services were paid mostly in cash. Therefore, banking's assistance in these and financial matters of state was very much necessary. The bankers enjoyed very good reputations, and people deposited their jewellery and cash holding to them for custody. During the early 8th century, the great Muslim General Muhammad ibn-al-Qasim, invaded India and conquered Sind, the Kingdom of King Dahir (711 - 712 A.D.) and also plundered the great Hindu Temple of Somnath in Gujarat and took away 22 maunds of gold and other valuables. From this we get

some idea that the people of India used to utilize the temples as banks and the services of the priests as bankers, like that of the Babylonians. By the twelfth century, the Jain bankers are recorded in history to have flourished, and the famous Dilwara on Mount Abu is said to have been built by two Jain bankers sometime between 1197 and 1247 A.D. The famous French traveller J.B. Tavernier, wrote in the seventeenth century that almost every village had a money changer called the shroff, who, according to him acted as a banker to make remittances of money and issue letters of exchange. He speaks very highly of these bankers. This eminent traveller also refers to the financing of foreign trade in India and to the use of usance bills drawn on surat and payable in two months.

Banking During Muslim Rules in India

Muslim period in India begins from the early 8th century, with the conquest of Sind, by the great muslim general Muhammad ibn-al-Qasim (711 - 712 A.D.)

Early Muslim Period

Indian society had all along been agrarian. The Muslim rules, therefore, provided substantial encouragement to the farmers by giving them interest free loans and grants in cash on one hand, and all owing them to pay the land revenue in cash or kind on the other hand. Further encouragement was provided by nationalizing the land revenues assessment system on the basis of production, irrigation and types of land. This agricultural

finance regulated in bumper food production which had a great surplus after consumption at home. Therefore, it was being exported against pure gold. Muslim historians of the 12th century have also mentioned some bankers known as Multani, and "Shroff" who were acting as agent to the Government to collect revenue, as also to change money to Government. Such a prosperous society did need a well regulated financial Administration and monetary system. Muhammad Tuglaq was the first king to have introduced token currency in India. He issued metal coins as well as paper currency from the royal mint. In later years, Sher Shah Suri, further streamlined this system. During the Moghul period, the indigenous bankers of India were most prominent in connection with the financing of trade and the use of instruments of trade. Emperor Akbar established mints all over the country to prepare and issue currency. Royal treasuries were also established all over the country under well conceived plan so that they could function as the offices of Central Bank of that limit and also as the drawing and disbursing officers to the Government. The great Moghul Emperor Aurangzeb during his reign conferred the title of "Seth" on the most eminent banker of his time known as Maneckchand.⁴

In the light of the above discussion it is clear that, though the Muslim rules did not establish "Bank" as we understand, yet they revolutionized the entire financial and monetary structure in India wherein the old "Sahokars" and "Mahajins" were not only eliminated but the Government introduced

reforms were so effective that these "Classical Bankers" were pushed into the past. Due to the prosperity of Indian society of the time, the Royal Mints and treasuries did not act as agencies for transfer of money as well as for custody of valuables.

Review of the present Banking System in India

The commercial banking system in India has been regulated and controlled mainly under the provision of the Banking regulation act, 1949. During the past two decades following the introduction of this act, the Indian Banking System underwent radical changes in respect of area, structure and function. This act was amended in 1960 in order to empower the Reserve Bank of India to secure compulsory mergers of banks and also to apply to the Central Government for grant of moratorium of banks and sanction of schemes for reconstruction or amalgamation with another banking company. As a result, there was a remarkable increase in the number of branches of scheduled banks on one hand, and a decline in the number of non-scheduled banks and their offices on the other. It is seen that compared with 2689 schedule bank offices at the end of March, 1952, the number rose to 7731 at the end of March, 1969 and further to 13515 at the end of June, 1972. Thus it is observed that at the annual growth rate of scheduled bank offices over the period of 17 years before nationalization i.e. 19th June, 1969 is about 88% as against 75% over a period of about 3 years after nationalization. On the contrary, the number of non-scheduled bank offices declined from

about 1500 in 1951 to 217 in June, 1969 and further to 105 in June, 1972. This shows that the annual declining rate of about 8.6% over 18 years prior to nationalization has reduced to about 5.1% over the 3 years subsequent to nationalization.⁵

The several types of banks that are operating in the present banking structure of India may be mentioned as follows:-

1 - Unit Banking -

a) Reserve Bank.

2 - Branch Banking -

b) Commercial Bank

c) Co-operative Bank (operating at the state, District and primary levels.)

d) Regional Bank

e) Small Farmers Bank

f) Land Development Bank

g) Industrial Development Bank

h) Agricultural Bank

i) Export Credit Guarantee Corporation

j) Export Import Bank

Justification for Re-Structuring the Commercial Banking System

The present commercial banking system in India suffers from some major limitations which call for taking necessary and adequate measures. This may be directed to the following aspects:

- i) Performance of Overlapping functions
- ii) Mal-distribution of credit

- iii) Lacking in specialization
- iv) Highly urban-oriented system
- v) Service to classes
- vi) Highly profit oriented
- vii) Prevalence of undue competition
- viii) Lack of optimum span of supervision
- ix) Lack of adaptability to social conditions
- x) Inadequate coherence with time factor
- xi) Absence of research facilities.

Frame work of Restructuring

It is really a difficult task to give a total frame for restructuring the commercial banking system of India having so vast a geographical territory associated with such other problems of language, politics, etc. However giant the problem is, an attempt must be made to break through it, in response to the demand of time and circumstances.

The following approaches may be made with a view to restructuring the existing system:

- i) Area approach
- ii) Mobilisation of Resources Approach
- iii) Specialization Approach
- iv) Performance measurement Approach.

Area Approach

The rate of development in the whole of India is not uniform. The banking services are not also evenly distributed.

The credit deposit ratio in commercial banks shows a significant difference between the Urban and Rural areas.

The following table clearly indicates this fact:-

TABLE
Credit Deposit Ratio on 31-12-79

Rural & Semi-urban areas	51.34
Urban & Metropolitan areas	76.97

Mobilisation of Resources Approach

In the interest of national economic development and attainment of economic parity for the total population, mobilisation of bleak resources must be made on equitable basis.

The total loan granted annually by commercial banks of India amounts to Rs.38,000 crores. 16% of this loan i.e. Rs.6080 crores is earmarked for rural areas. Since, financing the 57 million urban poor in India is an acute problem, the present loan scheme of commercial banks allows to the low income groups and weaker section about 50% of such loan grants earmarked for rural areas. This amounts to about Rs.3040 crores per annum, the rate of interest ranging between 1% and 4%.

Specialization Approach

The functional specialization in the banking system will lessen the scope for competition among the different banks. Efficient banking services are not dependent upon competition within the banking units. To avoid the cut throat competition as

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experienced earlier amongst the Indian commercial banks both within and outside the country it has become now imperative to minimize the degree of such competition by the adoption of specialization Approach.

Performance Measurement Ratio Approach

Normally, the performance of any organisation can be measured mainly by the use of these criteria namely (a) Productivity (b) Profitability and (c) Fulfillment of social objectives. But in the case of banking business the productivity criterion cannot fruitfully be utilised since it is a service giving organisation. Though the profitability concept is popularly accepted by different business houses in measuring the efficiency and performance of them, the same should not be taken as the only measuring rod. Any organisation whether in public or private sector must fulfil some social goals. As a public sector organisation banking institution should give priority to social objectives rather than profitability. Therefore, fulfilment of social objectives and not the profitability should be taken as the best criterion of performance measurement in the case of banking business in India. Now the question is what are the proper elements of social goals in the case of banking business?

There are four major elements of social goals in case of banking business. These are:

- i) Creator of employment opportunities
- ii) Proper use of profits in Government financing

iii) Control of credit and

iv) Financing of Industrial and other projects.

In the case of banking business, the social goals can be measured both from the subjective and qualitative view points. According to the subjective view point depositors judgement regarding the performance of any banks may be employed. But the main difficulty that may arise here is the accurate judgement by the depositors due to lack of requisite and accurate detailed information. In this circumstances, the "Assets utilisation Indicator" (AUI) may be successfully employed as the qualitative measurement of performance of banking organisations. The AUI can be expressed as under:

$$AUI = Y/AW$$

where: Y = Income or yield

A = Particular Asset

W = Weight i.e. proportion of particular asset in total assets.

If the value of AUI either equals to or exceeds a standard form in the case of an organisation, its performance may be taken as a satisfactory one. On the contrary, if the value of AUI falls short of that standard form in the case of an organisation, its performance may be regarded as unsatisfactory one. What should be the standard form in the case of a particular organisation would be evolved by the central bank having regard to certain factors including the location etc. of that organisation. Banking industry in India has completed a little

more than a decade of nationalisation. It was on 19 July, 1969 that the Government issued an ordinance nationalizing 14 major Indian Private Commercial banks. The ordinance provided for the nationalization of all scheduled commercial banks, incorporated in India, each of which had deposits not less than Rs.50 crores at the end of June 1969. However, foreign banks were excluded. The banks nationalized were (1) Allahabad Bank (2) Bank of Baroda (3) Bank of India (4) Bank of Maharashtra (5) Canara Bank (6) Central Bank of India (7) Dena Bank (8) Indian Bank (9) Indian Overseas Bank (10) Punjab National Bank (11) Syndicate Bank (12) Union Bank of India (13) United Bank of India and (14) United Commercial Bank. These 14 banks alongwith the State Bank of India and its associates account for about 84% of the total deposits and advances of commercial banks in India. The State Bank of India is, by far, the biggest of the public sector as well as all commercial banks in the country.

The nationalisation of banks was done with a view to hastening the pace of socio-economic transformation by effectively mobilising people's savings and canalizing them into productive purposes. The creation of a banking structure in remote rural areas was an essential prerequisite for achieving socio-economic objectives set before the banking industry such as progressive removal of regional imbalance and generation of employment opportunities through wider dispersal of industries. Over the years, Indian banking has shown tremendous growth in all respects, i.e. number of offices, deposits and advances.

Centre wise distribution of branches deposits and credit of all commercial banks: 7

Popula- tion Group	June end 1969			March end 1980		
	Bran- ches	Deposits Rs.Crores	Credit Rs.Crores	Bran- ches	Deposits Rs.Crores	Credit Rs.Crores
Rural	1,832 (22.4)	144.96 (3.1)	54.29 (1.5)	14,699 (46.1)	2,747 (10.4)	1,555 (8.4)
Semi- Rural	3,322 (40.1)	1,024.06 (22.0)	406.57 (11.3)	7,993 (25.1)	5,793 (21.9)	2,858 (15.4)
Urban	1,447 (17.5)	1,209.17 (25.9)	722.00 (20.0)	4,825 (15.1)	6,637 (25.0)	3,975 (21.4)
Metro- politan	1,661 (20.0)	2,287.00 (49.0)	2,426.00 (67.2)	4,372 (13.7)	11,332 (42.7)	10,183 (54.8)
Total	8,262 (100.0)	4,665.00 (100.0)	3,609.00 (100.0)	31,889 (100.0)	26,509 (100.0)	18,571 (100.0)

Banking Activities Before Liberation

The Development strategy that Pakistan followed in the 1960s was concerned with securing repaid of national income through effecting the distribution of income favour of the capitalist sector. Agriculture was squeezed to feed the emerging industrial and trade sector. Banks, as financial institutions, mobilized savings and provided credit in such manner so that it helps the kind of growth strategy that was followed during that time. There were twelve commercial banks operating in Bangladesh the then East Pakistan before liberation. Of these, two banks were owned by Bangladeshis. The banks in Pakistan were owned and managed by a few families and has been dominated by certain well known industrial houses. For entire Pakistan, the annual compound

growth rate of commercial bank deposits from 1947 to 1969 was 12.8 percent. For the then East Pakistan, bank deposits grew at an annual compound growth rate of deposit in Bangladesh from 1973 to 1983. As regards the mobilization of bank credit by the Public and the private sector, in 1970 the public sector received only 5.2 percent of the total credits. Such finding is not unexpected. As far as distribution of credit by economic purpose is concerned manufacturing sector received the largest share of total bank credit (44.4 percent) followed by 30.6 percent in Trade and Commerce sector. Agriculture sector received only 8.4 percent.

The fact that manufacturing sector received the lion share of total bank credit and agricultural sector received only a small fraction, was in consonance with the then Government policy of promoting industrial development to a certain extent at the cost of agricultural development. Trade and Commerce sector ensures quick and high return and in a private banking a large part of bank credit usually goes to that sector. In so far as special distribution of bank loans is concerned, share of all major cities was 94 percent and share of top four cities was 80 percent.⁹

Major Weaknesses of the Banking Sector Before Liberation

The banking system as it existed in pre-liberation period suffered from a number of weaknesses and limitations. The shortcomings were duly recognized and clearly spelled out by the Credit Enquiry Commission (1959), Planning Commission (1970) and a host of other documents. The main problems were as follows:

First, the network of branch expansion covered only a limited segment of the population mostly in big cities and the almost complete exclusion of rural areas and smaller towns.

Second, there were substantial credit gaps to sectors such as agriculture and small industries despite steps to remove the credit flow to these sectors, as also artisans, other self employed persons, retail traders etc, who did not enjoy the facility of institutional credit. Finally, control of major banks by the leading business houses was yet another weak element of the banking sector at that time.

These business houses controlled the whole Credit programme to suit their needs and as a result the whole economy was mortgaged to 20 families who controlled 66 percent of total industrial assets, 70 percent of insurance funds and 80 percent of bank assets. In all, the banking system at that time was characterized by serious deficiencies in terms of geographical and functional coverage so that it was not properly equipped to contribute to the realization of the basic socio economic objectives, namely, rapid economic growth, diffusion of economic power and channelling of credit in conformity with plan priorities.

Background to Nationalisation

Nationalization of banks is not a new concept in this part of Asia. In most south asian countries, as also in Indonesia, the banking system is very largely state owned. Both in India and in

Pakistan larger banks have been nationalized. The reasons are more or less same every where. The importance of efficient banks for an efficient economy and economic growth are well recognized by the public but there is an ingrained suspicion of banks, certainly of private banks, as anti-social elements that need to be kept on a tight leash. Banks make money and must therefore be controlled in the interest of monetary policy for economic stability. Banks hold deposits and must therefore be kept under surveillance to safe-guard the interests of depositors. Banks provide Credit and must therefore be made to allocate it according to social priorities.

In all, opposition to liberalization of financial markets in developing countries springs largely from a general distrust of markets, a belief that the price mechanism is always unfair to the poor and from antiusuary sentiment.

There seems to exist certain misgivings regarding nationalisation of commercial banks in Bangladesh after liberation. It is said that in the post liberation period the Government of Bangladesh inherited a large number of financial institutions which had been abandoned by their Pakistani owners and in the financial sector of the economy, a vacuum was created by the departure of their owner entrepreneurs leading to take over by the Government. There is no doubt about it but that is not all. The claim of nationalisation of banks has long been echoed by different quarters especially, by progressive elements of society, from time to time. The nationalisation of banks was

one of the contents of six point programme of the Awami League and later, 11 point programme floated by the students who also demanded nationalisation of banks. The following observations of Pakistan Planning Commission (1970) document of the fourth five year plan (1970 - 75) will also show that the claim for nationalisation was the outcome of an unhealthy growth of banking in pre-liberation period. To quote the document, the credit policy of the commercial banks has been dominated by certain well known industrial houses, thus accentuating the problem of concentration in income and wealth. The commercial banks have done very little to encourage small investors or various professional groups. Statistical evidence convincingly demonstrates that advances are heavily concentrated in a small number of accounts and in a few cities. A better distribution of credit to various income groups and various geographical regions demand greater intervention of public sector to regulate credit policy in line with national priorities (Planning Commission of Pakistan 1970, P. 17).

The document further suggests, the choices open to the Government range from outright nationalisation of banks, to a majority control of the shares of major commercial banks, to a stricter regulation of Credit policies and priorities..... There is no doubt that political parties were also almost all, committed to social control and ownership of banks and insurance companies.¹⁰

Objectives of Nationalisation

Banks in Bangladesh were nationalised by the Bangladesh Banks (Nationalisation) order 1972. The popular verdict for nationalisation was passed through parliament. Six new nationalised banks (NCBS) were created out of 12 banks which were privately owned. The main objectives of nationalisation were:

- 1 - To improve the geographical coverage of the financial system, through expansion of bank branches, especially in rural areas, to tap rural deposits and provide advance in rural areas:
- 2 - To improve credit allocation among priority sectors and among various economic classes:
- 3 - To encourage small depositors and small borrowers and;
- 4 - To improve the overall deposit and advance position of the commercial banks.¹¹

A Banking Decade in Bangladesh ~

All efforts of the banks are centred round the economic development of the country. It is really matter of pride for the nation that Bangladesh has made tremendous progress in the banking sector in short span of a decade. After the war of independence Bangladeshi banks had to take the responsibility of rebuilding the war-torn and collapsable economy and now it has reached the present stage which is really unthinkable.

It has been achieved only by selfless continuous and sacrificing efforts of the bankers, proper policy of the

Government and the spontaneous co-operation of the people. On the 16th December of 1971, just after liberation the then Dhaka office of the Deputy Governor of the State Bank of Pakistan, had to take the responsibility of a full fledged Central Bank of the country. It was not an easy task to take responsibility of structuring the war damaged economy of the country. Most of the experienced Bangladeshi Bankers were detained in Pakistan. Even then a handful of experienced bankers came forward to shoulder the responsibility of re-constructing the economy of hard earned independent country.

After independence all the Pakistani currency in circulation were declared legal. But Bangladesh Bank had to undertake those legal tender currency without any reserve or resource against those notes.

During the partition in 1947 the then East Pakistan which constitutes the territory of present Bangladesh had only 144 branches of scheduled banks. Even in 1951 those numbers were reduced to 69 only. However after partition State Bank of Pakistan took the initiative to establish some scheduled and development banks.

Just before liberation there were 17 scheduled banks in Bangladesh including 2 development banks with 1,169 total number of branches. Two third of these branches were located in the city areas. Only two of those seventeen banks were owned and managed by Bangladeshi. There were only 131 branches of these banks. There were three foreign banks also. During Pakistan time less

than 14% of banking business was controlled by Bangladeshis. On the liberation day the total deposit in the country was 339 crores. Moreover there was no assets or resource against those deposits.

For the greater interest of the country and for proper control of the monetary resources, the Government nationalised all the banks of the country except foreign banks by a declaration on the 26th March, 1972. After nationalisation all the commercial banks were reorganised and renamed in six banks. Moreover, Agricultural and Industrial banks were also reorganised.

As a result traditional banking business took a new dimension. The business establishments of a few capitalist turned into the keys of the economic activity of the people as a whole. Measures have been taken to reach the fruits of the banks to the village level. Within ten years of time after nationalisation so many branches have been opened in the rural areas which was essentially required for a developing economy.

Because to expedite economic development we are to mobilise scattered resources and invest the same in proper way. Considering this aspect the performance of our banking sector is rather satisfactory.

Before liberation deposit collection was given priority over loan investment and ultimate aim was to earn profit for the bank. But after liberation the aims and objectives of the banks

were changed and diverted towards national development, increase of production, equitable distribution of wealth and income to ensure social justice and equality. Now a days loans and advances are given keeping conformity with this end in view.

The people oriented credit policy of the banks is framed to cater agriculture development, growth of Small and Cottage Industries and to create employment opportunities for unemployed youth. In case of need Bangladesh Bank refinance the commercial banks in this regard. In December, 1981 total bank deposit of the country was Tk.3,524 crores against the figure of advance of Tk.3,325 crores.

In the last part of February, 1982 the total number of branches of the banks was 4,455 and two third of these branches were located in the rural areas of the country. More branches are being opened in the rural areas to reach the nook and corner of the country so that each union has at least a branch of a bank.

Seven more private Commercial banks started functioning out of which six were established during 1982-83 and another was in May 1987.

In conclusion, it can be said that inspite of many hurdles, overall banking system in the country had made a significant progress indeed. Now a days banks have a network throughout the country. In the middle course, though some administrative bottlenecks created a hopeless situation, however, those were overcome very efficiently afterwards. We hope that our banking sectors as a whole reach an international standard

with the co-operation of all concerned and play a vital role in our national economic development.¹²

Commercial Banking and Economic Development

The role played by the commercial banking may be shown as follows:¹³

- a. Financial Infrastructure: Commercial banks, a major part of the financial infrastructure, provide both "Savings intermediation" and "money market intermediation". According to human M. Minsky "Savings intermediation is a process by which the flow of savings of the community in process brings about consistency between the asset preferences of the households, the ultimate savings units, and the liability preferences of business firms, the fundamental investing units". Thus as a result of savings intermediation, both sets of units are benefitted in the form of reduced uncertainty.
- "Money Market intermediation" according to Minsky includes the provision of stand by financing of financial and large scale non-financial Organizations that do not have direct access to the central bank of a country.
- The development of commercial banking also helps the money market to grow, for its progress would be the progress and expansion of the money market as it constitutes itself a major part of the latter.

b) Capital Formation: Capital formation is one of the important requirements for economic development. It requires the real savings of the community to be invested in the production of capital goods. It is sure that commercial banks can play a pivotal role as intermediaries by bridging the gap between savings and investments. Banks, as "Repositories of peoples savings" mobilise small and scattered savings of the community and as "Purveyors of credit", channelise the savings so mobilised into the production of capital goods and thereby facilitate capital formation.

Commercial banks provide (i) Lucrative opportunities of investments to the savers, (ii) Funds for investment to country. The banking system performs this role by providing mobility to capital funds, through its savings and money market intermediations.

c) Entrepreneurial Ability and Employment opportunities: Entrepreneurial ability may be defined as the propensity of man to take calculated risks with confidence so as to make an enterprise a success. Commercial banks have got an important role to play in this field also. They may encourage entrepreneurial ability in two ways: (i) By providing timely and adequate amount of credit to those with technical skills and entrepreneurial talents who are not coming forward on a higher economic plane for want of sufficient capital, and (ii) by attenuating uncertainty

and absorbing risk in arranging capital needed for their plans to be implemented.

- d) Consumption, Production and Distribution of goods and services: Economic development demands an adequate and flexible amount of credit. The basic function of credit is to enable business firms and individuals to purchase goods and services ahead of their ability or of their desire to pay. Commercial banks are the major suppliers of credit in the capacity of both "residual suppliers" and "Primary suppliers". When these banks supply credit to supplement the savings of individuals and firms they act as "residual suppliers".

They are "Primary suppliers" of credit when they meet all the credit needs of individuals as well as business firms when the latter have little savings of their own.

- e) Stabilising the prices: Cheap and timely credit, assuming adequate availabilities of other things helps producers in getting things produced at lower cost, which is one of the important considerations for fixing up the prices. Besides, it also helps in balancing demand and supply conditions, thereby causing price fluctuations.

A growing economy needs increasing supply of money but its supply should be elastic to the extent that it is geared to the seasonal demands of business, otherwise it would have adverse effects on the general price line. Thus, it has been rightly observed that commercial banks

may serve "The circulators of funds in the arteries and veins of the money market".

- f) Helping the national Government: Commercial banks also facilitate the activation of the Government motive force for economic development. They provide and help in arranging finance to the Government through various methods like direct credit to the Government and various Government undertaking and through subscribing public debt and investing money in various Government securities. The banks may also help the Planning Commission to active targets through their co-ordinated working with the commission. By providing credit to the needy in the country-side, they help the balancing of the economic development, thereby decentralising it. Their working also indirectly helps the Government to solve many problems of development like shortage of savings, rising prices, unemployment, unbalanced development, lack of entrepreneurship. They also help Government in reducing the social cost of supplying currency to the public.

SPECIFICATION OF THE PROBLEM

There is a greater variation in the operational efficiency of the NCBs in Bangladesh during post nationalization period as mentioned by the various research works in the Banking sector. Ministry of Finance, Bangladesh Bank in their annual Reports mentioned the manifold problems of the NCBs including

the low deposit ratio, rising cost of bank funds, absence of cost consciousness of management in the context of social obligations, etc. Commercial banking is one of the basic industries necessary for economic development. Its role in the field of promotion of capital, encouragement of entrepreneurship, generation of employment opportunities need hardly to be emphasised.

As a result of structural change, i.e. nationalization of Commercial Banks in 1972, the system has attained greater prominence in the economy, Social Control over banks and nationalization of the six Commercial banks further increased the dimensions of the role of Commercial Banks in our country. Nationalization was made to achieve certain social objectives like expansion of bank credit to priority sector, encourage new classes of entrepreneurs by extending liberal credit for new schemes, to impart adequate training to the banking staff to the needs of a socialist economy and to control the economy and meet the needs of development of the economy in conformity with the monetary policies and objectives etc.

RATIONALE OF THE STUDY

Economic development of a country is very much dependent on the Banking System. Be it nationalised or private sector bank, its role to the economic reconstruction of a developing country like Bangladesh can never be ignored. In Bangladesh we have inherited the British Branch banking prevailing at the pre-liberation period. Banks in Bangladesh were nationalized by

Bangladesh Banks (Nationalization) order, 1972 after liberation. The rationale behind this was to make each of them organisationally effective, economically viable and also to foster among them an element of qualitative competition for better services to the people. In view of the socio-economic objectives of bank nationalization, this sector had to embark upon mass banking. The extension of banking facilities to the rural areas of the country besides infrastructural development has facilitated the mobilisation of rural deposit.

The phenomenal growth of bank branches and expansion of bank business in both volume and dimension posed some serious management problems. Banking sector in Bangladesh thus comprises of Central bank and nationalised banks for both specialised financial and commercial sector, joint venture private banks including Islami bank, Bangladeshi private banks and foreign banks. This multi-disciplinary banking system plays a dynamic role in shaping the country's economy to its desired objectives.

There are considerable differences of opinion about the criteria by which the efficiency and health of the banking industry can be assessed. Whether it is the level of deposits i.e. deposit mobilisation, or the level of advances i.e. dispersal of credit, or the number of branches or the level of capital, and reserves (capital adequacy) or simply the profits i.e. Commercial Profitability. Other indicators in addition to the traditional ones are the number of rural branches opened, the level of advances to the priority and the neglected sectors etc.

These can be grouped as measures of social profitability which is an important yardstick to measure the success of banking system. It's true that these banks have been nationalized with the additional objective of taking care of traditional neglected areas of operation in the banking sector such as rural branches, agricultural loan at Concessional interest rates, priority sector loans etc. large exercises, being development in nature, are bound to be less profitable at least at the initial stage. The Report of Indian Banking Commission mentioned that "The nationalised banks are not run with the object of earning maximum profits as they have to make their due contribution towards the fulfilment of the economic and social objectives laid down by the authorities. This does not mean that there would not be any profit motive at all from their obligations to maintain proper financial and monetary discipline. In manufacturing industry operational efficiency can be practised at various stages of decision making. The amount of input, the method of production process, the level of output, inventory holding, price changes, marketing etc. are important factors. In the banking sectors similar decisions have become the concern of Bangladesh Bank and Ministry of Finance. The rate of interest on deposit, advances, the minimum liquidity ratio, maximum level of loans, allocation of credit to different sectors, are the major decisions of Bangladesh Bank and the Commercial banks have little say over all these.

A bank should know its accomplishments and failures, strengths and weakness, before it projects its future course. The bank must analyse all of the primary aspects of performance in day to day management. In analysing its performance a bank's management should decide the degree of emphasis to be placed on profitability, liquidity and solvency, social obligations etc. Performance measures indicate the compromise worked by bank's management among the depositors, borrowers and the stock holders. Depositors are usually interested in solvency, high liquidity and quick availability of deposits, together with high interest rates on time and savings deposits. Borrowers are interested in readily available loans at low interest rates, stock holders are interested primarily in high earnings which will assure payment of steady dividends and result in a high value of retained earnings to build up the capital formation. An excessively liquid bank, while favouring depositors, usually entails restrictive lending as a deliberate policy and hence lower earnings. Liberal lending policy certainly will lead to a concentration in high risk, and eventually result in thinner capital cushions and higher level of write offs and transfer to valuation reserve.

However Ministry of Finance, Bangladesh Bank, Bureau of Statistics, Planning Commission and other researchers (as mentioned in the literature chapter) have focussed the manifold problems of the NCBs in Bangladesh during post-nationalization period. No such specific study has highlighted the liquidity structure, profitability situation and social profitability and performance

effectiveness against the objectives of NCBs. Taking clues from this gap and considering the intensity of the problem to the planners and decision makers, the present study is planned.

PURPOSE AND OBJECTIVES OF THE STUDY

The purpose of the study is to evaluate the performance effectiveness i.e. operational efficiency of the NCBs in Bangladesh during 1972 to 1986. The specific scope and objectives of the study are as follows :-

- (a) To investigate the growth and development of the NCBs in Bangladesh during 1972 to 1986.
- (b) To analyse the operational efficiency of the NCBs and the factors effecting the same during the period under study.
- (c) To analyse the profitability level and social obligations of the NCBs alongwith the affecting factors during the period under study.
- (d) To suggest the better ways for enhancing the operational efficiency in the light of the experience of developing country.

HYPOTHESES

The basic hypotheses are as follows :

- (a) Operational efficiency of the NCBs is affected by some controllable and uncontrollable factors.
- (b) Better planning and control of working funds of NCBs would enhance the operational efficiency of the NCBs.

- (c) Fulfilment of social obligations of NCBs is one of the factors for the low profitability in the NCBs during the period under study.

ASSUMPTIONS

The following assumptions are formulated :

- (a) NCBs in Bangladesh operate in diverse socio-economic environment in different areas of Bangladesh.
- (b) All the banks are administered by the Bangladesh Banks (Nationalisation) Order, 1972 and Banking Companies Ordinance, 1962 and the Bangladesh Bank Order, 1972.
- (c) NCBs operate banking around the objectives of nationalisation.
- (d) Inter-bank variation in operational efficiency may be there during the time.
- (f) Operational requirements vary from bank to bank, due to variation in nature of business they handle.

THE SCHEME OF THE STUDY

The present study consists of 6 chapters.

The first one covers introduction, specification of the problem, purpose and objectives of the study, rationale of the study, Hypotheses, Assumptions and the Scheme of the study. The second is devoted to Methodological issues covering selection of sample, sources of data, preparation of data collection tools, technique of analysis, limitations etc. The next one adheres to intensive review of related literature and research works done previously.

The fourth chapter comprises of the Theoretical and Conceptual framework. While the next chapter contains the major findings generated out of the analysis and interpretation of the qualitative and quantitative data and other information of the NCBs for the year 1972-86. The last chapter ends with conclusion, policy implications, recommendation for further research followed by an annotated Bibliography, list of Exhibits, list of Appendices covering the relevant Tools used, tabulated data, list of abbreviations and operational information of the NCBs and the private Banks in Bangladesh.

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CHAPTER II

METHODOLOGICAL ISSUES

SELECTION OF SAMPLE

The present study covers the nationalised Commercial Banks in Bangladesh i.e. Sonali, Janata, Agrani, Rupali, Uttara and Pubali. The study covers the period from March 1972 to 1986. Although Uttara and Pubali Bank had been denationalised during 1983, the post denationalisation position of the Banks have been shown side by side.

SOURCES OF DATA AND THEIR COLLECTION

The data used in the study are of two types i.e. Primary data and Secondary data. The Secondary data i.e. the publications of Bangladesh Bank, Ministry of Finance, Planning Commission etc. have been collected through visiting the concerned institutions and intensive library work in different areas. The primary data i.e. the official records, operational information, Annual Reports and other qualitative and quantitative information of the six NCBs have been collected through visiting the same by way of issuing a specific interview schedule for the Bank Executives. More emphasis have been given on the year ending position of the different selected variables during the period under study. However, an attempt was made to collect the monthly situation of the same but due to non-availability of data, the same could not be done. An attempt was also made to go for Branch level study but due to the specific concentration in the overall operational

efficiency of the NCBs comprising of the earning power and activity level etc. no such emphasis is given. Virtually as the NCBs in general have uniform lending policy and similar socio-economic environment, the inter-bank variation has been given more emphasis alongwith the identification of the governing factors at the aggregate level.

TECHNIQUE OF ANALYSIS

The following analyses have been done to arrive at the hypotheses:

- (a) Growth and developement of NCBs in Bangladesh has been considered showing the number of branches of the NCBs, classification of the same in rural and urban areas, total assets employed, rural and urban deposits and advances, number of employees working in the NCBs and value of equity generated by the NCBs during the period under study.
- (b) Performance effectiveness of the NCBs has been judged analysing the volume of deposit mobilisation, classification of the same, advances in the various sectors of economy, operational efficiency of the same during the period under study.
- (c) Deposit ratios have been categorised into deposit in relation to total assets, advances in relation to deposits, current deposits, savings deposits and fixed deposits to the total deposits, cash and investment in relation to deposit etc.

- (d) Profitability of the NCBs has been focused analysing the relationship of total income to total working fund, spread and working fund, net profit to working fund, total income to total assets, profit to spread.
- (e) Detailed expense ratios have been shown through operating expenses to working fund, interest paid to spread, establishment expenses to total income, current expenses, non-current expenses to total income, total expenses to total assets, total expenses to spread, total expenses to deposits, interest paid to working fund etc. and other related ratios.
- (f) Operational efficiency has been evaluated through interpreting the Deposits, advances, income, expenditure, spread, Burden per Employee and per Branch during 1972 to 1986.
- (g) Trend analysis of the above mentioned variables has been done alongwith growth rates, nominal and real deposits and advances through adjusting with national income deflator.
- (h) Arithmetic average, correlation, standard deviation, coefficient of variation of the major performance indicators like Total income to working fund, spread to working fund, net profit to working fund, operating expenses to working fund, advances to total deposits, deposits to total assets, Interest and discount to working fund etc. have been shown to find out the nature of changes of the same during the period under study.

For the purpose of the above analyses, Tables have been prepared from the data of the Appendices attached.

PREPARATION OF INTERVIEW SCHEDULE AND JUDGING THE VALIDITY OF THE SAME

A specific interview schedule has been prepared and used for collecting the necessary information of the selected NCBs. Virtually pilot study has been done in Sonali Bank through the primary Interview Schedule. The validity and reliability of the same has been judged by way of discussion with the Bank Executives at the Head Office level. Necessary changes and enclosures have been made accordingly to facilitate the identification of the exact situation in Growth and Development, operational effectiveness and the governing factor of the same (Appendix 7).

SELECTED RATIOS USED IN THE STUDY:

(a) Deposit mobilisation:

Total Deposit to Total Assets
Current Deposit to Total Deposits
Savings Deposit to Total Deposits
Fixed Deposit to Total Deposit
Total Advances to Total Deposits
Cash Balances to Total Deposits
Investment to Total Deposits
Growth rates of Deposit, Real Deposit, Nominal Deposit
etc.

(b) Classification of Advances:

Industry-wise classification of advances
Security-wise classification of advances
Economic purpose-wise classification of advances

Percentage rates of the same

Real advances and Nominal advances etc.

(c) Number of Branches:

Growth rates in rural and urban branches

Rural Deposits and Rural advances etc.

(d) Profitability Aspect:

Total Income to Total Assets.

Total Income to Total Working Fund

Net profit to Deposits

Net Profit to Total Income

Net Profit to Working Fund

Net Profit in relation to spread

Interest and Discount to Total Income

Interest and Discount to Working Fund

Spread to Working Fund

Spread to Total Income

Spread to Total Advances

Spread to Total Deposits

(e) Expenses Ratios:

Total Expenses to Total Assets

Total Expenses to Total Advances

Total Expenses to Total Deposits

Total Expenses to Total Working Fund

Interest paid to Working Fund

Operating Expenses to Working Fund
Interest paid to Spread
Interest paid to Total Income
Interest paid to Total Expenses
Establishment expenses to Total Income
Current expenses to Total Income
Operational Expenses to Total Income
Establishment expenses to Spread
Current expenses to Spread
Profit to Establishment expenses
Profit to operational expenses
Profit to Interest paid

(f) Operational efficiency:

Income per Employee
Deposits per Employee
Advances per Employee
Establishment expenses per Employee
Spread per Employee
Income per Branch
Deposit per Branch
Advances per Branch
Establishment expenses per Branch
Spread per Branch

List of Banks and abbreviations used:

As shown in Appendix 6 the following abbreviations were used as mentioned against each in subsequent chapters specially in Tables, Exhibits and Appendices:-

01.	S.B	=	Sonali Bank
02.	A.B	=	Agrani Bank
03.	J.B	=	Janata Bank
04.	R.B	=	Rupali Bank
05.	P.B	=	Pubali Bank
06.	U.B	=	Uttara Bank
07.	I.F.I.C	=	International Finance Investment and Commerce Bank Ltd.
08.	C.B.L	=	City Bank Ltd.
09.	U.C.B.L	=	United Commercial Bank Ltd.
10.	N.B.L	=	National Bank Ltd.
11.	AB Bank	=	Arab Bangladesh Bank Ltd.
12.	NCBs	=	Nationalised Commercial Bank.
13.	S.D	=	Standard Deviation.
14.	C.V	=	Co-efficient of Variation.

Limitations of the study:

The major limitations of the study are as follows :

- (a) Intensive study at the Branch level of the NCBs could not be done due to vast number of branches of the same.
- (b) More emphasis has been given on the overall operational efficiency of each of the NCBs focussing the aggregate of the variables like Deposit Mobilisation, volume of advances, cost of fund, earnings, growth and development of NCBs etc.
- (c) Though Uttara Bank and Pubali Bank were denationalised in 1983, still the subsequent position of the said banks have been incorporated just to show the difference between the periods and affecting factors of the same.
- (d) Primary data i.e. the publications of the Annual Reports of each of the banks and other operational information of the Head Office level have been given due attention to arrive at the objectives and hypothesis of the study.
- (e) Month-wise classification of the advances could not be done due to non-availability of data and other information.
- (f) Inter-bank variation at the branch level could not be done due to the same difficulty.
- (g) Pubali Bank and Uttara Bank had been denationalised in June 1983 and September 1983 respectively, still then operational information for the period from 1983 to 1986 have been shown to see the variation of the same.

CHAPTER III

REVIEW OF RELATED LITERATURE

This section reviews the important literature related to the study. Previous research studies are abstracted and significant writings of authorities in the area under study are reviewed. This provides a background for the development of the present study. Since good research is based upon everything that is known about a problem, this part of the research gives the evidence of the investigator's knowledge of the field. A brief summary indicating area of agreement or disagreement in findings or gaps in existing knowledge have been emphasised to prove the rationale of the present study.

Dr. Habibullah¹ in a study entitled "A treatise on fund management: A case of excess liquidity in 1983" found that in the banking sectors, some new crises have emerged. The past trend in the behaviour of deposits and advances have been reversed. Even upto June 1983, credits to public sector and priority sectors exceeded the statutory limit of 75% of the total deposits. Borrowings from Bangladesh bank were thus a regular phenomenon to support the additional financing of banks exceeding their own capacity. Recently the trend has been reversed. Bank's liquidity position has grown quite stronger, so that there has risen a strong feeling that excess liquidity may be accumulated within the banking sector. Though the flow of total deposit has shown lower rates of increases (month to month) during the second half of 1983, the magnitude of shifts to fixed deposits is larger.

This trend may indicate that savers prefer interest income from fixed deposits or profit income from investment in other channels. The total credits of the Nationalised Commercial Banks have decreased due to decline in the demand for bank credits. The cost of funds for the NCBs has increased due to an increase in the volume of time deposits and decline in advances and short term deposits.

Ghosh and others²² carried out a study on the "Choice of Banks' Customer Service and Credit Policy with reference to the Nationalised Commercial Banks of Bangladesh". The major findings of the study are that there is a decline in the efficiency of the performance of NCBs in the post nationalisation period. The major factors leading to inefficiency of the same are as follows:- Lack of incentive, both financial and non-financial, vacuum in the top management resulting the mis-management in every sphere of bank management, shortage of skilled and efficient Managers, too much centralisation of decision making, wrong recruitment policy, lack of proper coordination and guidance etc.

Sethu Madhavi²³, the famous economist of Indian Banks Association while evaluating the financial analysis of Banks in 1982, found that the nationalised banks have recorded a lower credit expansion i.e. Rs.3217.40 crores in 1982 against Rs.4006.36 crores in 1981, in terms of percentage growth 16 as against 25. The credit deposit ratio of the Nationalised Commercial Banks has increased from 59.82 percent in 1981 to 60.03 percent at the end of 1982. Advances per branch have

increased from Rs.97.73 lakhs in 1981 to Rs.108.85 lakhs in 1982.

The nationalised banks' advances to small scale industries, weaker sections like transport operators, retail traders, small businessmen, professionals and self-employed, differential Interest Rate Scheme have recorded a greater increase. All those changes have been analysed through ratio analysis techniques covering Earning ratios, Expenses ratios, Profit ratios, Reserve ratios, Asset and deposit ratios, per Employee per Branch ratio etc.

Dr. Agarwal⁴ in his study entitled "Portraits of the Commercial Banks in India" found that the commercial banks had a declining profit at the end of 1978 due to the following factors:-

- a. Low deposit ratio due to credit restrictions, rapid increase in establishment expenses, slow increase in earning due to increasing credit to priority sector and neglected sectors at cheaper rates of interest, large number of rural branches being un-remunerative for a long period, declining productivity of bank employees, rising cost of funds, absence of cost consciousness of management in the context of social obligations preferring service to profit etc. Obligations towards customers, Society, government, other financial institutions, towards employees and obligation towards themselves etc. need to be considered instead of maximising the accounting profit of the NCBs. However, more emphasis has been given on the changing structure of

commercial banking in India, management of the NCBs, branch expansion, deposit mobilisation, deployment of credit and the problems of management alongwith the social obligations of the NCBs. The NCBs in India could discharge successfully only those obligations which are to include:-

- i. Providing more number of branches to the public in general and in the semi-urban and rural areas in particular as well as at unbanked rural centres;
- ii. mobilising more fixed deposits and deposits from the rural areas;
- iii. providing greater credit facilities to the public and the priority and neglected sectors as well;
- iv. financing of primary agricultural co-operatives;
- v. helping generation and maintenance of employment opportunities in the economy;
- vi. keeping the viability of banks etc. but the NCBs could not discharge satisfactorily the social obligations which are to include:-

- i. Providing lead in opening of branches at the unbanked semi-urban Centres;
- ii. mobilising more deposits including savings one;
- iii. direct financing of agriculturists, financing more to the small and marginal farmers.
- iv. discharging the overall function of lead banks.
- v. advancing more term credits to borrowers;
- vi. reducing inflationary trends in the economy.

- vii. deployment of credit in the rural and semi-urban areas.
- viii. reducing loans to the management;
- ix. checking management expenses;
- x. improving the productivity of bank employees in relation to their emoluments.

Thus the group could succeed in discharging satisfactorily about 56.25 percent of the various social obligations quantified by analysis. Individually the success of all the NCBs was not found equally satisfactory. Excepting for Allahabad Bank, Bank of Baroda, Dena Bank and Indian Overseas Bank, the performance of all other banks was found above average. Even among those banks having above average success, Union Bank of India, Bank of India, Indian Bank, Central Bank of India and United bank of India were the first four showing the highest performance i.e. at least 2/3 of all the social obligations were satisfactorily discharged by them.

For the failure in discharging many of the social obligations, the management of these banks has indicated a number of problems. Problems and difficulties are largely a creation of the management itself. The creative and efficient management of these banks is the only remedy in solving many of the important problems and difficulties on the way of social obligations of the NCBs.

Das^m while analysing the profitability of six nationalised Commercial Banks of Bangladesh during 1974-75 to 1979-80 found that profitability differs among different units of

NCBs even in every single year. The working fund of Agrani Bank increased from Tk. 233.59 crores in 1976 to Tk. 315.98 crores in 1977 while pre-tax profit declined from Tk. 4.86 crores in 1976 to Tk. 4.36 crores in 1977. In case of Sonali Bank the working fund stood at Tk. 587.39 crores in 1977 which increased to Tk. 759.73 crores in 1978 but its pre-tax profit declined from Tk. 9.78 crores in 1977 to Tk. 6.39 crores in 1978. In case of Janata, Pubali, Rupali and Uttara Bank, the working fund increased in 1978 from 1977 level but their pre-tax profit decreased in 1978 from 1977 level. The profitability level of Janata and Uttara Bank was above the NCBs average figure during the study period while profitability of Pubali Bank was below NCBs average in all the years except 1980. Sonali Bank's profitability failed to reach the level of NCBs average in 1978 and 1979. Agrani Bank's performance was below the NCBs average performance in 1975, 1977 and 1980 while Rupali bank's performance was lower than the NCBs average in 1977, 78 and 79. Casual Analysis of the behaviour of NCBs has been worked out for each bank separately for the period of the study to analyse the profitability trend of each bank.

Saha⁴ in his study entitled "Credit Planning at Micro level in Banks" mentioned that aim of credit planning is to draw up a line of credit need and ensure the optimum utilisation of the scarcely available resources in the best possible manner accruing maximum return to the unit and the society as a whole. He suggested a system of periodic review of the implementation of the credit plan (thus formulated) at two stages i.e. the review

of branches performance at Zonal/Regional level and the review of Zonal/Regional performance at Head Office level. It may be necessary to modify the credit plan in the light of the changed environmental conditions i.e. change in Govt. policy, Socio-economic and political conditions, international scene and natural calamities etc. He also emphasised that at the present, this type of expertise is not available. A large number of branches of credit agencies are to draw up realistic micro-credit plans. This requires co-ordination between various levels of Management of the NCBs.

Ministry of Finance⁷ in its annual report mentioned that scheduled banks deposits recorded a substantial increase of Tk.1192.24 crores or 24.50 percent to Tk.6059.24 crores during 1983-84 (upto 30th March, 1984) as compared with the increase of Tk.412.22 crores of 10.86 percent to Tk.4227.21 crores during the corresponding period of last year. The overall liquidity position as maintained by the banks during 1980-81 to 1983-84 is indicated below:-

	(Tk. in crores)			
	1980-81	1981-82	1982-83	1983-84 Jul-Mar
Total demand & Time liabilities	3270.22	3611.60	4487.19	6242.82
Liquid Assets	852.51	978.60	1535.03	1759.40
Liquidity ratio	26.07%	27.10%	30.78%	28.18%

Cash reserve requirement

The cash reserve requirement and the actual reserves held by the

scheduled banks during the years 1980-81, 81-82, 82-83 and 83-84 are shown below:-

	(Tk. in crores)			
	1980-81 26.6.81	1981-82 25.6.82	1982-83 30.6.83	1983-84 30.3.84
Cash reserve requirement	163.51	180.58	249.36	312.14
Actual Cash Reserv held by Banks	197.36	208.36	302.59	345.81

Bhattacharjee²⁹ in a study entitled "Better Banking Services through Sound Marketing function" emphasised the profitable sale of banking service by way of bank marketing i.e. keeping a close touch with people, finding out what they need, what they want and what they probably would like to have and then determining how best to satisfy these needs, wants and desires profitably. He also stressed upon research, idea generation, public relations, advertising and promotion, staff training etc. to facilitate bank marketing.

Habibullah Bahar³⁰ while reviewing the financing small enterprises in Bangladesh found that the financing procedure under the small loans scheme of the NCBs in Bangladesh is not flexible enough but thoughts are being given to make the procedure more flexible. Though 50% and 25% of the small loan targets were earmarked for small/cottage industries and retail trade respectively in principle but 14% and 79% of total small loans were disbursed to them respectively. This is mainly due to the traditional attitude of the cocerned bankers for providing

credit to the retail traders through easier procedures.

Habibur Rahman¹⁰ in an article entitled "Some aspects of the financing pattern of private industries in Bangladesh" made a strong case for framing a separate financing plan of NCBs with a view to gear up the problems of industrial developement. Dr. Habibullah^{10a} in another paper on "Developement role of Industrial Banks in promoting entrepreneurship" also emphasised the role and significance of NCBs.

Ghiasuddin Ahmed¹¹ while analysing the Institutional finance in Bangladesh covering BSB, BSRS, BSCIC, NCBs etc. found that institutional finance in Bangladesh did not seem to be grossly inadequate.

Mesbahuddin Ahmed¹² also tried to identify the problems of institutional financing in private industries by way of focussing the multifarious difficulties encountered in raising loans from Commercial Banks and other financial institutions and put forward suggestions for the same.

Dr. Khan¹³ in a study entitled "Branch level Problems of Rural operations of Commercial Banks: Summary findings of a survey" mentioned the various problems of rural branch managers of the NCBs i.e. Unmanageably large command area, lack of suitable and quick transport facilities, inadequate and untrained staff, lack of awareness among the rural people of bank services, unsuitable banking hours for the rural areas, uncoordinated functioning of similar agencies, delayed production of photograph/references and inadequate and underdeveloped marketing centres, peculiar

mobilisation of deposit, lack of provision to open foreign exchange account in the rural branches to facilitate remittances of those rural people serving in the Middle Eastern Countries and low rates of interest on deposit. Percieved problems peculiar to only extension of credit are:-

lack of adequate and trained staff to investigate loan cases in too large command areas; inability of a large number of potential rural borrowers to comply with security requirements, guarantee/surety, inadequate loan sanctioning authority of the rural branch managers, inadequate information in loan application, inadequate provision to extend term credit etc.

He suggested that policy implications in the light of the aforesaid problems i.e. NCBs in collaboration with the Govt. of Bangladesh and Bangladesh Bank should design a five year plan to remedy the problems of rural branches. If necessary, the authorities should think of re-modelling the organisational set up to make the NCBs suitable for efficient rural developement.

Khan¹⁴ while analysing the accounting information for Management Planing and Control in Agrani Bank found that advances and deposit ratio was below 70% in 1981 and increase of investible surplus due to reduced advances was deployed in the form of Govt. securitues, shares and debentures of Companies. Volume of rural credit was all along static since 1978, Industrial Credit was also reduced in this period against an increased advances to private sector traditional borrowers during

1979 to 1980. But the volume of credit to industrial sector has been expanded against a contraction of credit to traditional borrowers in 1981. Effective credit management in recent years has really paid dividend to the bank. As a result bad debts and doubtful debts were reduced and earnings increased, change in business mix i.e. mix of advances and investments also helped the bank to invest in a secured field i.e. investment in Govt. securities and corporate shares and debentures.

Mannan¹⁵ in an attempt to analyse the financial performance of the Commercial Banks in Bangladesh mentioned the following impediments on their day-to-day functioning. Firstly, preference to the public sector in granting loans and advances, slow recovery from the same, lack of adequate rural branches, inefficiency of the existing branches, methodical hindrances and other institutional factors. He suggested the better utilisation of the banks' fund instead of advancing the same to the losing public sectors.

Gupta¹⁶ while evaluating the supervision, follow up and recovery systems of loans by banks in Bangladesh highlights the importance of a better approach to credit. If credit is supervised, the recovery performance is expected to be better and similar experience is also found in the neighbouring countries like India, Philippines and Thailand. In Malayasia, the repayment rates varies between 75% and 95% per season due to effective linkage of repayment and other recovery operations with marketing. Korea is having better recovery by imposing penal

interest as high as 25% per annum irrespective of type of loan and by making strict supervision of loans. The supervision arrangements in Bangladesh cannot be said to be very satisfactory and there is need to strengthen the field organisation of the banks. He also mentioned that NCBs and other credit giving agencies in Bangladesh have not been able to make any significant progress in this regard because of the large number of individual borrowers.

The system of group lending may help reducing the loan transaction costs of both banks and borrowers, besides improving the recovery performance, the project approach, saturation lending, etc. facilitate the same. The main answer to the repayment problem lies in maximising income effect and increasing the structural efficiency of the credit operations itself. Insurance risks, flexible rescheduling, recoveries through marketing institutions, legal action etc. may pave the way to prosperity of the banks.

Shahid¹⁷ carried out a important study entitled "Development of Man Management Relationship in Banks" covering the six Nationalised Commercial Banks. The major findings of the study are as follows:-

Man Management relationship in banks have been severely affected after the nationalisation of our banks. As a result customer services of banks have also deteriorated due to the following factors:-

- a. absence of necessary expertise required to cope with

the changed objectives of the banking sector after nationalisation, absence of proper Management Information System, lack of well communication between Man and Management, defective recruitment policy, conflicting ideas of the bankers of traditional and modern outlooks.

Islam¹⁸ while analysing the customer services at the branches of the banks found that since nationalisation granting loans, financing priority sectors, helping the poor and disadvantaged sections of people, handling the international trade are gaining importance. Bankers at branch level are faced with challenges which demands the highest competence in order to be able to effectively respond. For efficient operation of the branches, the employees need to be technically as well as humanly competent. Training and orientation, selection of personnel, employee motivation, systems and procedures may facilitate the same. Physical environment, system of reward and punishment etc. need to be emphasised. Services in bank branches may be improved to a great extent if scientific layout and proper location of branches are ensured, proper incentive arrangement is made for good performance, skills and knowledge of manpower are developed through systematic training etc.

Mollah¹⁹ carried out an important study entitled "Credit problem of the rural disadvantaged in Bangladesh". He found that disadvantaged generally refer to those people who are economically poor, politically powerless and socially

underprivileged. Continuing efforts have been made over the past decades by the government and other agencies, national and international, to create institutions and facilities for rural development so as to give opportunity to the disadvantaged to participate in all development efforts and have a share of benefits of such efforts. Since credit is an important development tool, banks and other credit institutions have been geared to the task of extending credit facilities in rural area, so that poor rural producers can also get institutional credit facilities. He emphasised the fact that very little of the institutional credit could reach the rural poor who are really disadvantaged in that sense. This disadvantaged group did not have any alternative other than to depend on non-institutional sources for meeting their credit needs.

Nabi²⁰ in his doctoral thesis entitled "Role of non-bank financial institutions in the Development of large scale industries in Bangladesh" tried to analyse the financing procedures, policies, their shortcomings and inadequencies and suggested an effective policy for the betterment. He stressed an innovative outlook and approach, continuous regeneration of ideas in the light of changing circumstances by way of co-operation between the financial institutions, government, and the entrepreneurs etc.

Professor Sharma²¹ while evaluating Banking Policy for 1980s and restructuring of the Banking System in India mentioned in a seminar paper that the tremendous multidimensional growth of

the banking system during 1970s has left behind a number of soft spots where old ideas conflict with new ones and new ideas conflict with practicability. Explicit regular and comprehensive banking policy exercises have not been yet developed enough to cater to the present day needs of the banking system and society. The seminar felt concerned about the declining profitability of the Commercial Banks. It however suggested that in view of the increasing strain on banks due to their growing role in social transformation and economic development, the concept of profitability as a yardstick for evaluation of their performance needs a change. In view of the limited spread permitted to them, growth of their investment in low yielding portfolio etc., it would be more appropriate if the policy guidelines provide for evaluation of the performance of banks on the basis of some composite index covering various objectives of banking system with their relative weightage. The seminar also expressed concern over "the eroding owned funds" base of banks and felt the need for policy guidelines for Government control, increase in productivity, review of service charge and inclusion of new services of banks "Memo-Card". The overall emphasis was on the following aspects. National banking plan with special reference to credit planning, commercial vis-a-vis development banking roles of the banks, sectoral and regional development of credit, resource mobilisation, competition and co-ordination amongst finance institutions, private sector banks, functional specialisation, branch expansion, profitability, Banking

services, recruitment system, Training, Computerisation, relationship among regulating and planning authorities etc.

While suggesting the restructuring of banking system, there was a broad consensus that a number of present weaknesses of the banking system have their roots in the existing banking structure. The same are as follows:-

Sectoral and regional imbalance in the deployment of credit, lack of homogeneity between culture of a bank and that of area served by it, lack of socialisation, lack of co-ordination in credit planning and credit monitoring, strain on management, damage, lack of cost, minimisation efforts, communication, supervision, consultation, feed back etc.

In view of the weaknesses of the existing structure, the present structure was unsuitable to sustain future expansion of banking services and therefore felt that the structural reform of banking system should not be delayed any longer. It was also agreed that the scheme of restructuring should not be confined to public sector commercial banks alone but should cover all Indian Commercial Banks, rural banks, urban co-operative banks and co-operative credit societies etc. The alternative structure should be such which strikes a happy balance between national spread and concentration of efforts in a particular region. The seminar suggested the following corrective measures in regard to the existing banking system:

Lead bank scheme, area approach in credit planning and branch expansion, strengthening the resource base, greater

attention to the non-farm sector, complementary roles of Commercial, Co-operative and regional rural banks, strengthening the urban Co-operative banks, developement of agricultural bill market, introduction of specialisation in banking system through formation of the national bank for Agricultural and Rural developement etc.

Sarker²² in a study entitled "A new horizon of Banks credit" mentioned that the Commercial banks so far remained contended with a class of businessmen and industrialists in the urban area and did never feel their responsibility towards financing even the highly priority sectors like agriculture, cottage industry etc. in the rural areas while the Bank of Malayasia, the Peoples Bank of Srilanka, the rural Banks in the Philippines, the Agricultural Bank of Thailand, the State Bank of India in our neighbouring country have all been successfully operating in the rural areas particularly in the agricultural sector. These banks have been playing a very vital and active role in meeting the credit needs of the weaker sectors of their respective countries. Tk. 100 crores credit programme has opened up a new horizon in the Commercial Credit. Much hopes and aspirations are pinned up with their operation in the new field.

Omar Chowdhury²³ also tried to analyse the rural financing and Nationalised Commercial Banks in Bangladsh with a greater emphasis on the outlook of the Nationalised Commercial Banks in matter of handling agricultural credit. Commercial banks have got a definite edge over the other two recognised agencies

like BKB and BSB.

Sonali Bank²⁴ in its annual report mentioned that it has made a recordable achievement in 1982. Operational efficiency and success are reflected in various fields of business activities viz - mobilisation of savings potential of the country, in financing the priority areas under various programme of national developement like agriculture, small and cottage industries, in financing both public and private sectors projects and industries and finally through contribution of high profit margin to the national exchequer.

Performance of Janata Bank during 1982 recorded notable improvement. The bank maintained its steady growth in respect of deposit mobilisation and deployment of fund with special emphasis on priority sectors and socially desiarable areas. During 1982 special attention was given to consolidation of the Bank through improvement in supervision and control of expenditure²⁵.

The performance of Agrani Bank was quite satisfactory. Total deposits of the Bank stood at Tk.706.57 crores as on 31-12-82, idicating an increase of Tk.135.21 crores over Tk.571.36 crores at the year end 1981. Total deposit increased at the rate of 23.64% over the deposit of last year. Total bank credit increased from Tk.394.13 crores as on 31-12-81 to Tk.467.96 crores as on 31-12-82 indicating an expansion of about 18.78% during the year²⁶.

Rupali Bank was able to make steady progress in building deposits. There was an increase of about 14.10% in the deposits

bringing total deposits to Tk.453.68 crores as on 31st December, 1984 as against Tk.397.61 crores in 1981. The Bank maintained its lending policy during the year as usual with the shifting of emphasis from security oriented to production oriented banking²⁷.

Bhatia²⁸ carried out an important study on the "Banking Structure and Performance: A case study of the Indian Banking System: 1950-1968". The major hypotheses of the study are as follows:-

- a. The economic performance of a banking system is a function of its policy, structure and demand variables.
- b. There are insignificant differences in the performance of the various sectors of the Indian Banking System.

The methodology of the study is centered within linear economic models derived from the schematic model to test the hypothesis that the economic performance of the Indian Banking can be explained by demand, structure and policy variables.

Annual time series data for pre-nationalisation period 1950-1968 are used for econometric analysis. The Indian Banking system is divided into four sectors.

- a. The public scheduled sector;
- b. The private scheduled sector;
- c. The foreign scheduled sector;
- d. The non-scheduled sector;

Exploratory multi-variate analysis of the Indian Banking System's performance, in recognition of its multi-dimensional characteristics, correlation technique, geographical aspects of

the Indian Banking structure and allocative efficiency of the Indian Banking System have been shown. The policy implications are as follows:-

- a. Because the structure of banking industry had an insignificant influence on the economic performance of the Indian Banking System, the regulatory emphasis should shift from branching and entry regulation to regulation of the portfolio policies of Indian banks in order to optimise their economic performance.
- b. Superior output performance of the public and private sectors of the banking industry suggested that regulatory policy should provide differential treatment to the various sectors of the Indian Banking System.
- c. Since one of the sectors of the Indian Banking System had significant differences in profitability during the period 1950-68, the RBI need not emphasise rate of return regulation.

The profitability analysis indicates that the public and private sectors can increase their profits by intensive involvement in foreign trade financing. This may improve the allocative efficiency of resources.

Joshi²⁹ in his research report entitled "Decade of Nationalised Banking" found that the profits of all scheduled Commercial banks declined from Rs.40 crores in 1976 to Rs.33 crores in 1978. Banks' profits are being affected by a variety of factors. On the one hand due to large scale expansion of branches in the rural areas, increase in the number of employees, increase

in the cost of living index, increased stationery requirements etc., the operational costs of banks have increased; on the other hand, as a result of anti-inflationary monetary policy and increased lending to the priority and preferred sectors of comparatively low rates of interest, banks' earning have been comparatively reduced. The nationalisation of 14 major Commercial banks marked the turning point in the industry of Indian Banking. Together with the State Bank of India and its seven associates which were brought under public ownership in the fifties the nationalisation of 14 banks, resulted in bringing about 85% of banking business under the direct ownership, control and management of the public sector.

The overall distribution of Deposits and Advances are as follows:-

(Rs. in crores)				
	Deposits		Advances	
	June '69	June '79	June '69	June '79
1. State Bank of India & other Associates	1239 (26.7)	8204 (29.4)	1185 (32.9)	6132 (33.1)
2. 14 nationalised banks	2632 (56.6)	15464 (55.5)	1832 (50.9)	9765 (52.7)
3. Public sector banks(1+2)	3871 (83.3)	23668 (84.9)	3017 (83.8)	15897 (85.8)
4. Other Indian Schedule Commercial Banks	297 (6.4)	3079 (11.1)	197 (5.5)	1888 (10.2)
5. Foreign Banks	478 (10.3)	1122 (4.0)	385 (10.7)	753 (4.0)
6. Scheduled Comm. Banks	4646 (100)	27869 (100)	3599 (100)	18538 (100)

To sum up during post nationalisation decade, the banking system has demonstrated a remarkable sense of adaptability. The smooth manner in which it has changed itself from banking of the class to the banking of the masses has no parallel in world banking history.

The basic indicators in the sea-change are as follows:-

Indicators	Decade before Nationa- lisation 1959	At the time of Nationa- lisation June '69	Decade after Nationa- lisation June '79	Variation	
				During decade ending 1969	During decade ending 1979
1. Number of Offices	4753	8262	30202	+ 3509	+ 21940
2. Share of rural Offices (%)	16.8	22.2	44.1	+ 5.4	+ 21.9
3. Population per Office (x1000)	57	65	18	+ 8	- 47*
4. Deposits accounts (lakhs)	59	180	262	+ 121	+ 82
5. Advance accounts (lakhs)	21	13	100	- 8	+ 87
6. Share of priority sector to total advances (%)	9.1	14.00	32.5	+ 4.9	+ 18.5
a. Agriculture	2.1	5.00	13.5	+ 2.9	+ 8.5
b. Small Ind.	6.0	8.00	13.1	+ 2.0	+ 5.1
c. Other P.sect.	1.0	1.00	6.0	0.0	+ 5.0

* Reduction in population per office means an improvement in the availability of banks services.

The Economic Research Division, Birla Institute of Scientific Research³⁰, while analysing the "Performance of Banks since nationalisation" emphasised the growth of branches, promotional agencies, efficiency and profitability, temporal behaviour of selected variables, economies of scale in Banking etc. The study has raised many questions regarding the comparative position of the private sector banks and the nationalised banks. These questions have been discussed in the

context of the objectives of nationalisation and their achievement, relative performance of the private sector banks and the nationalised banks since 1969, the effect of nationalisation on rest of the banking sector. The basic objectives of nationalisation are treated as follows:

Spread of banking in rural and unbanked areas, greater availability of financial assistance to priority sectors such as agriculture, small scale industry etc. and enlarging the resources available for the national development programme. Against the objectives the major findings of the study are shown as follows:-

- a. Measuring the performance of banking in terms of the percentage of new branches opened to the total number of branches as well as in terms of the percentage of the rural and Semi-Urban branches to total number of new branches, the private sector banks performed comparatively better than the public sector banks.
- b. Credit deposit ratios of the new branches opened after 1969, were higher in the private sector banks than those in the public sector banks.
- c. In terms of per branch ratios of deposit, advances and profits, even though the public sector banks started at a level much higher than the private sector banks. Still they are losing ground due to the lower growth rates.

Bangladesh Bank³¹ in his annual Report 1983-84 mentioned that the outstanding level of bank credit of the scheduled banks increased by Tk.1463.74 crores or 28.09% during 1983-84 as

against the increase of Tk.736.31 crores or 16.46% in the previous year. Of the component of bank credit, advances increased by Tk.1444.65 crores or 28.96% while bills purchased and discounted increased by Tk.19.09 crores or 8.63% during the year. The quarterly movement of bank credit is shown below:-

(Taka in crores)

As on	A Advances	B Bills	C Total Credit	A as % of C	B as % of C
Jun 30, 1983	4988.87	221.10	5209.97	95.76	4.24
Sep 30, 1983	5004.33	218.48	5222.81	95.82	4.18
Dec 30, 1983	5677.42	276.47	5953.89	95.36	4.64
Mar 30, 1984	5673.57	254.13	5927.70	95.71	4.29
Jun 30, 1984	6433.52	240.19	6673.71	96.40	3.60

Actually there was a very little change during the period mentioned above. The deposit level had also similar condition as mentioned below:-

Change in bank deposits:-

(Taka in crores)

As on	A Demand Deposit	B Time Deposit	C Total Deposit	A as % of C	B as % of C
Jun 30, 1983	1516.71	3350.29	4867.00	31.16	68.84
Sep 30, 1983	1490.15	3513.76	5003.91	29.78	70.22
Dec 30, 1983	1905.67	4268.16	6173.83	30.87	69.13
Mar 30, 1984	1747.86	4311.38	6059.24	28.85	71.15
Jun 30, 1984	2029.70	4872.54	6902.24	29.41	70.59

Actually Bank deposits (excluding inter bank items) registered an increase of Tk.2033.24 crores or 41.82% during 1983-84 as compared to the increase of Tk.1054.01 crores or 27.64% in the previous year. The increase took place both in demand and time deposits which went by Tk.512.99 crores or 33.82% to Tk.2029.70 crores and by Tk.1522.25 crores or 45.44% to Tk.4872.54 crores respectively.

The liquidity position of the scheduled banks improved during 1983-84. The credit deposit ratio of the banks which stood at 0.87 on 30 June, 1983 declined to 0.85 on 30 September, 1983 and to 0.81 on 30 December, 1983 and further to 0.79 on 30 March, 1984. Finally it came down to 0.77 on June, 1984. Scheduled Banks' borrowings from the Bangladesh Bank declined from Tk.1208.31 crores on 30 June, 1983 to Tk.1087.17 crores on September, 1983 and further to Tk.996.02 crores on 30 December, 1983. Thereafter the borrowings picked up to Tk.1024.61 crores as on 30 March, 1984 and further to Tk.1227.39 crores on 30 June, 1984 showing a net rise of Tk.19.08 crores over the year. Scheduled Banks' balances with the Bangladesh Bank increased by Tk.118.06 crores to 420.65 crores while cash in their Tills increased by Tk.38.93 crores to Tk.165.90 crores over the year.

The statutory liquidity ratio of the scheduled banks except the BKB and BSB remained unchanged during 1983-84 at 25% of their total demand and time liabilities. The credit policy pursued by Bangladesh Bank during 1983-84 continued to be aimed at ensuring deployment of scarce bank resources in the best

possible manner for increasing production, employment and real income. Small Loan Schemes, House Sector Loan, Transport Sector Loan, export Credit, credit to industrial sector, advances against 2 year special treasury bond, advances against stock exchange securities, advances against general merchandise, credit to salt crushing units. refinance policy for jute, tea, pre-shipment export credit, refinance for Imports, Sugar Mills, Working Capital Loans, refinance duty under duty drawback credit scheme, Deposit Pension Scheme etc. are the main aspects of the lending policy of the NCBs.

Mongia³² in a study entitled "Banking Around the World: A Treatise on Comparative Banking" covers twentytwo countries including those with highly developed industrial organisations; those with relatively under developed resources, those with well developed banking facilities, those with extensive capital markets and which mobilise savings in other ways etc. He emphasised the four basic elements of the financial infrastructure of an economy:- The Currency, The Central Bank, An effective Commercial Banking system, Foundation for the growth and developement of other financial institutions including market for short term funds and stock exchange etc.

Ali³³ in an statement entitled "Interest rate policies, for less developed countries; Issues and Problems" forwarded justifications for a high interest rate policy. Since capital is scarce, the level of interest should be set high enough: to attract more savings in the financial assets, to employ capital

in priority sectors of development or in sectors where the marginal efficiency of capital is thought to be high. Prof. Gunnar Myrdal is a vocal supporter of this view. He considers it paradoxical that despite severe scarcity of capital, the nominal rates of interest are so conspicuously low in LDCs in relation to the developed countries. This policy he thinks, is sustained by a combination of selective and discretionary control on credit and investment and by concessionary finance to priority sectors. He advocates a substantially higher level of interest rates in conjunction with dismantling of discretionary controls to economise the use of capital. Such a policy would help to extend the organised sector of finance and to promote financial intermediation and the integration of money and capital markets in LDCs.

An argument frequently adduced in favour of a low interest rate policy is that this will minimise the cost of Govt. borrowing. The increasing pace of developmental activities in LDSs reduce progressively larger rise in domestic resource mobilisation. Government in LDCs are able to borrow funds at an artificially low rate from the organised sector due to institutional characteristics. However, in the context of the less developed countries (LDCs) interest rate policy has increasingly come to be used as a vital policy instrument in relation to the socio-economic and political atmosphere.

✓ However from the overall review of related literature and research studies, it is very much clear that various studies

have focussed the operational efficiency and its determinants in the NCBs in Bangladesh and other developing economy but no such specific study has been done upto now. Considering this research gap and intensity of the problem to the planners, policy makers and other interest groups, this particular aspect of the NCBs has been selected for an indepth analysis, delineating the growth and developement, liquidity structure, profitability aspects in relation to social obligations of the Nationalised Commercial Banks in Bangladesh. The title of the study reads as follows:

"Performance Evaluation of the Nationalised Commercial Banks in Bangladesh: A Comparative Study".

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CHAPTER IV

THEORETICAL AND CONCEPTUAL FRAMEWORK

PRELUDE

"Performance" means an act of performing or success in working. To perform means to carry out or to execute or to play in due form. Evaluation is a judgement worth of something and like all judicial matters, it calls for justice, equity and good conscious on the part of the person making the evaluation. Virtually performance evaluation seeks to explore the various ways and possibilities that can be beneficially adopted in judging the past, present and like future performances of the nationalised commercial banks in Bangladesh. Evaluation is to be considered an integral part of the Management Control on a continuous and systematic basis.

✓Performance evaluation is an essential tool of management. It is relevant both in seeking answers to various questions and also in generating questions to be asked about area or activities in which performance might be improved. The main purpose of performance evaluation is to assist in decision making process. This can take place on two levels i.e. at a lower level it can be used to inform the day to day decision making of the management indicating how to maintain the efficiency and effectiveness of the banks in short term. At a higher level it can be used to inform the annual planning and budgeting process in which decision are taken about the long term deployment of resources and target for achievement. It's a complex process and selection

of performance indicators is a different task. Analysis against pre-set standards or targets, performance of other organisations, trend analysis against previous performance, comparative performance analysis of different constituent elements of the operations are highly important.

In U.K. the Government has asked each industry in 1978 white paper to select a number of key performance indicators including valid international comparison and publish them prominently in the Annual Reports. Many organisation in U.K. now provide additional informations in the Annual Report other than financial Reports. Practically Performance Improvement programming was developed by U.K. ⁽¹⁾

In Bangladesh greater emphasis has been given on the performance evaluation of the public sector enterprises including the Nationalised Commercial banks by the Consultative Committee of Public Enterprise and the Monitoring Cell in co-operation with the Ministry of Finance, Govt. of Bangladesh and the UNDP. Recently National Commission on Money, Banking and Credit has also stressed the same.

Function of Nationalised Commercial Banks in Bangladesh

As per Article 21 of the Bangladesh Banks (Nationalisation) Order, 1972 (P.O. 26 of 1972):- ⁽²⁾

- 1) Every Nationalised Commercial bank shall carry on and transact all kinds of banking business.
- 2) Without prejudice to the generality of the provision, every Nationalised bank may, in particular, carry on and transact

the following kinds of business, namely :-

- (a) Advancing and lending of money, and opening of cash credits upon the security of -
- (i) Stocks, funds and securities in which a trustee is authorised to invest trust money by any law for the time being in force;
 - (ii) Debentures or other securities for money issued under the authority of any law for the time being in force or under the authority of the Government;
 - (iii) Goods which, or the documents of title to which, are deposited with, or assigned to, the bank as security for such advances, loans or credits;
 - (iv) Debentures of companies with limited liability, subject to such directions as may be issued by the Board;
 - (v) Shares of companies with limited liability, in accordance with such directions in this regard as may be issued from time to time by the Bangladesh Bank;
 - (vi) Goods, including tea crops and raw or finished jute products, which are hypothecated to the bank as security for such advances, loans or credits;
 - (vii) Accepted bills of exchange and promissory notes endorsed by the payees;
 - (viii) Immovable property or documents of title relating thereto, subject to such directions as may be issued from time to time by the Bangladesh bank;

Provided that many advances or loans which are guaranteed by the Government may be made without any specified security.

- (b) Selling and realization of proceeds of sale of any such promissory notes, debentures, stock receipts, bonds, annuities, stocks, shares, securities or goods which, or the documents of title to which, have been deposited with, or pledged, hypothecated, assigned or transferred to, The bank acts as security for such advances, loans or credits or which are held by the bank or over which the bank is entitled to any lien or charge in respect of any such advances or loan or credit or any debt or claim of the bank, and which have not been redeemed in accordance with the terms and conditions, if any, of such deposits, pledge, hypothecation, assignment or transfer;
- (c) Advancing and lending of money to Courts of Wards upon the security of estates in their charge or under their superintendence and the realisation of such advances or loans and any interest due thereon;
- (d). Issuing of letters of credit;
- (e). Buying and selling of gold and silver whether coined or uncoined;
- (f)- Receiving of deposits and keeping cash accounts and accepting of Jewellersies, title deeds, and other valuable goods on such terms as may be agreed on;
- (g) Managing, selling and realising of all properties, whether movable or immovable, which may in any way come into the possession of the bank in satisfaction or part satisfaction of any of its claims, and the acquisition and holding of and generally the dealing with, any right, title or interest in

any property, movable or immovable, which may be the bank's security for any advance or loan or may be connected with any such security;

- (h) Transacting of pecuniary agency business on commission and entering into contracts of indemnity, suretyships or guarantee with specific security or otherwise and the underwriting, participation in, and carrying out of the issue of any stocks, shares, debentures and other securities;
- (i) Administration of estates for any purpose whether as an executor, trustee or otherwise and the acting as agent on commission in the transaction of the following kinds of business, namely :-
 - 1. Buying, selling, transferring and taking charge of any security or any share in any public company and also receiving the proceeds thereof, whether principle, interest or divided:
 - 2. Remittance of such proceeds by public or private bills of exchange, payable either in Bangladesh or elsewhere:
- (j) Drawing of bills of exchange and the granting of letters of credit payable out of Bangladesh;
- (k) Buying of bills of exchange payable out of Bangladesh;
- (l) Borrowing of money for the purpose of the Bank's business, and the giving of security for money so borrowed by pledging assets or otherwise;
- (m) Paying, receiving, collecting and remitting money, bullion and securities under any agreement with the Bangladesh Bank

as its agent on behalf of the Government, or undertaking and transacting any business which the Bangladesh Bank may from time to time entrust to it;

- (n) Establishing and discontinuing of branches and agencies;
 - (o) Acquiring, maintaining and transferring of the bank's residential and business premises;
 - (p) Taking over of the business, including the capital, assets and liabilities of any other bank, with the sanction of the Government;
 - (q) Granting of advances or loans to any other bank for any purpose authorised by the Board;
 - (r) With previous permission of the Bangladesh Bank :-
 - i) Investing of the funds of the bank in any bank incorporated outside Bangladesh, and
 - ii) Participation in the management and administration of any such bank in which the funds of the bank have been invested; and
 - (s) Generally doing of all such matters and things as may be incidental or subsidiary or conducive to the promotion or advancement of the business of the bank, including foreign exchange business.
- 3) Notwithstanding anything contained in clauses (1) and (2) the bank may carry on and transact such other business as the Government or the Bangladesh Bank may direct from time to time.

Organization of A Hypothetical Commercial Bank

Organization charts are often helpful in explaining the

organizational structure of a firm. A organizational chart of a hypothetical branch bank showing the allocation of duties, responsibilities, and the functions of the various officers of the bank is given below. It would probably be impossible to find banks organized on exactly these bases due to varying sizes, services, performed or emphasized, and work-loads.

Several officers of the bank are members of one or more standing committees. This is imperative since they are the people who probably know more about the day-to-day demands of the department and the problems encountered there. This is accepted practice in banks; in fact, more of the officers may be members of various standing committees. These standing committees have not been indicated in the organizational chart.

There are some functions, however, that are performed at the Central location. One of these is the investment function which can be performed more efficiently and more economically at the Head Office. Such concentration permits greater specialization. The correspondent banking function is also performed by personnel attached to the Head Office. Some auditing of a limited nature will probably be performed at the branch level, but auditing will stem primarily from the head office. To assure uniformity of lending, for example, it is necessary to have this function centralized to determine whether or not certain established lending policies are being followed. Some of the personnel function will also be centered in the head office where personnel needs are known for all branches and where greater opportunities for supervised and planned training program exist.²⁶

General Liquidity Policies

A Primary responsibility of a commercial bank is to maintain an adequate degree of liquidity. This form of statement, although true, is not very useful until a more precise expression of what is not very useful and what is meant by the word "adequate" is supplied. If a bank fails to maintain adequate liquidity, it faces obvious difficulties, on the other hand, if it maintains excess liquidity, it may retard earnings to the point where it cannot build up the capital needed to hold its relative position in the banking structure.

Although there is a tendency to speak of the basic need or liquidity as being the extreme contingency that a commercial bank might be forced to liquidate all of its deposits, this is not the practical possibility against which operating officers must plan. Variations in deposits and loan demands, under the control of management measure the size of the liquidity problem. How great are the variations that have been experienced may be expected? Variations in deposits are sometimes a product of the nature of business conditions, they may be due to seasonal factors, and some variations in deposits are of a largely random nature. Variations in loan demands also are affected by cyclical developments as well as seasonal ones and in addition, have certain random qualities which cannot be anticipated. Although a banker may exercise fairly complete control of investments, he usually feels obligated to meet legitimate loan demands and

certainly is under pressure to do so for good customers. By the same token, it is obvious that bank must meet all variations in deposits that it encounters for whatever reason whether good or bad. Thus to measure the adequacy of liquidity it is necessary to estimate likely variations in deposits and loan demands. The importance to earnings of adequate but not excessive liquidity is not merely in keeping funds invested, it is also to give bankers some latitude in investment policy. This latitude is necessary to take advantage of interest rate shifts. Interest fluctuate since low interest rates tend to be associated with low loan demands, there is a natural tendency for banks to acquire investment in periods of low yields which would tend to make an adverse average yield or investment, if a passive investment policy were followed. Shrewd bankers attempt to vary the average maturity of their portfolios according to swings in yields so as to improve investment yield. Adequate liquidity is, therefore, more than mere protection, it gives the bank manager a chance to show his skill at money market Management.

✓ There are two ways in which a bank can prepare to meet liquidity needs. By holding cash and by having investments (which can be converted into cash quickly) in sizable amounts and with negligible loss. Thus the first element in protective liquidity is the cash (Primary reserve) policy at a Bank. As we shall find, the cash reserves are determined mainly by legal and operating considerations and are rather less important in providing protective liquidity than are secondary reserve investments. (2B)

Maintenance of "Cash Reserve" and "Liquid Assets" in Terms of Article 36 of the Bangladesh Bank Order, 1972 and Section 29 of the Banking Companies Ordinance, 1962.

, The relative portion of Article 36 of the Bangladesh Bank Order, 1972 is as follows: (3)

ARTICLE 36 - (1) Subject to clause (2) every scheduled bank shall maintain with the Bank (Bangladesh Bank) a balance the amount of which shall not at the close of business on any day by less than five percent of the total of demand and time liabilities of such bank in Bangladesh.

, (2) The requirements of this Article as to the maintenance of balance in the bank may from time to time, by notification in the Official Gazette, be varied or, for such period and subject to such condition as may be specified in the notification, be dispensed with by the Government.

Explanation - For the purposes of this Article liabilities shall not include the paid-up capital or the reserves, or any credit balance in the profit and loss account of such bank or the amount of any loan taken from the Bank.

Section 29 of Banking Companies Ordinance 1962

Maintenance of liquid assets - (1) Every banking company shall maintain in Bangladesh in cash, gold or unencumbered approved securities valued at a price not exceeding the current market price and amount which shall not at the close of business on any day be less than twenty five per cent of the total of its time and demand liabilities in Bangladesh.

(Provided that the requirements of sub-section (1) as to the maintenance in Bangladesh of cash, gold or unencumbered approved securities may from time to time, by notification in the official Gazette, be varied by the Government).

Explanation - For the purposes of this section, "unencumbered approved securities" of a banking company shall include its approved securities lodged with another institution for an advance or any other credit arrangement to the extent to which such securities have not been drawn against or availed of.

2. In computing the amount provided for in sub-section (1) any deposit required under the provision to sub-section(3) of section 13 to be made with the Bangladesh Bank by a banking company incorporated outside Bangladesh and any balance maintained in Bangladesh by a banking company in current account with the Bangladesh Bank or its agent or both, including in the case of a scheduled bank the balance required to be so maintained under sub-section (1) of section 36 of the Bangladesh Bank Order, 1972 shall be deemed to be cash maintained.

3. Every banking company shall, before the close of the month succeeding the month to which the return relates, furnish to the Bangladesh Bank a monthly return in the prescribed form and manner showing particulars of the company's assets maintained in accordance with this section and its time and demand liabilities in Bangladesh at the close of business on each Friday (now Thursday) during the month, or if any Friday is a public holiday under the Negotiable Instrument Act, 1881 (XXVI of 1881),

at the close of business on the preceding working day. (4)

Changes in Maintenance of requirement of Liquid Assets (5)

The statutory liquidity requirement in respect of time liabilities of banks was reduced from 25% to 23% of the same with effect from 16.8.1984 by Bangladesh Bank vide BCD Circular No. 41 dated 9.10.1984. Statutory liquidity requirement in respect of demand liabilities of banks was allowed to continue to be 25% of the same as provided for in Section 29 of the Banking Companies Ordinance 1962.

Liquidity requirement was reduced to 20% of total Demand and Time liabilities of Scheduled Banks with effect from 18.1.1987 out of which 5% was Cash Reserve requirement. The Cash Reserve requirement was raised to 10% of total Demand and Time liabilities and thereby raising the total liquidity requirement to 25% instead of 20% of total Demand and Time liabilities of Scheduled Banks with effect from October 29, 1987.

External and Internal Control of Commercial Banks (5A)

The safety and efficiency of commercial banks have been greatly improved by external and internal controls. External controls are those that arise outside the banking system and are the responsibility of the various regulatory and supervisory agencies. Internal controls originate within a bank and are carried out primarily by audit or inspection departments.

External Controls. The regulatory and supervisory agencies concerned with external controls are the commercial

Audit, External Audit, and Bangladesh Bank inspection. These agencies exercise their controls by requiring periodic reports that reflect a bank's condition and operation and by the examination of banks. The objectives of those reports and examinations are to ascertain a bank's financial progress, the soundness and solvency of a bank, whether or not banking laws are being violated, the competence and integrity of bank management, and whether or not any unsafe and unsound banking practices and policies are being followed in, in order that corrections may be made.

Banks' examinations, like the call report, contain an element of surprise, since banks do not know when they will be examined. But they are usually conducted twice annually, and more frequently should the regulatory and supervisory authorities decide that the condition of a bank warrants it. During the process of examination, which may consume considerable time, from a few days to over a month, depending upon the size of the bank, the examiner and his staff may have a number of conferences with various officers and employees of the bank about numerous bank matters. If it is considered desirable by the bank examiner, a conference may be held with some of the officers of the bank, or with the board of directors, or both, at the conclusion of the examination. The results of the examination will be the topic of discussion. During this conference, suggestions for the improvement of bank operations may be made. If there has been a violation of law, it will be explained; and if there are loans or

investments that are subject to criticism, they will be discussed. Shortly after the examination, a formal report will be sent to the board of directors, with a covering letter setting forth the steps that should be taken to improve bank operation, should any be necessary.

A bank examination includes four phases : The limited verifications of assets and liabilities, the appraisal of the assets and liabilities, determination of violation of law, and the appraisal of management. In a bank examination, the term verification does not carry the same meaning as it does in auditing. In auditing, verification means the proving of the existence and ownership of various items in a balance sheet and presenting them fairly. Bank examiners do not conduct this type of verification, because they do not have the authority nor the time. They do conduct what would be termed, in the language of public accountants, a balance sheet audit; i.e. the existence and ownership of a assets and liabilities are assumed to be correct as they appear in the balance sheet.

This part of a bank examination is the most misunderstood phase by the public. Many think supervisory and regulatory authorities in the course of their examinations of banks perform a very thorough verification function, and are amazed that embezzlements and defalcations can ever occur in banking. Examiners do verify some items that can obviously and easily be verified, such as cash securities, some deposits, and property held for banking purposes. Vault cash is counted, and

balances carried with other banks are verified. Securities can be verified if held in the bank's vault. If they are held in Bangladesh Bank or with some other bank, they are verified by corresponding with them. Cash carried by other banks is also verified by contacting those banks. Property held by the bank can be verified by examining the records of ownership. These items, however, do not include all of the assets of a bank. Loans, which are a large percentage of the assets of a bank are merely proved to the general books. The individual deposit ledgers are proved to the general books or total deposits, just as other liability items, such as cashiers' and certified cheques and income and expense items, are examined and analysed.

The appraisal of assets is a very important phase of a bank examination. It is from this phase that supervisory and regulatory authorities are able to arrive at one of their basic functions, which is to determine the solvency of banks. To be able to place a value on the assets of a bank which may consist of thousands of loans and several different types of securities, requires considerable knowledge and understanding of credit extension, business practices, and economic conditions. Since bank examiners were not present when the loans were made or securities purchased, it is obvious that all of the facts that were involved in the decision to make a loan or purchase a security may not be available. They must, therefore rely only upon the facts that are at hand.

It is for this reason, bank examiners insist that adequate records in the form of credit files be maintained by banks. Banks that do not maintain adequate credit files are placed in a more critical position when loans are questioned by examiner than are those that have satisfactory records. Bank examiners take the position that the bank must "prove its case" on questionable loans.

In addition to evaluating bank assets, bank examiners examine the security instruments of secured loans to ascertain if they are in order and whether banks are loaning a larger percentage on the security than its market value warrants. Bank assets that possess what the examiner considers more than a normal risk are classified as substandard, doubtful and loss. The amount of assets that are classified according to these categories is very important to banks since they are included in the process of determining the net sound capital of a bank. All assets that are considered to be a loss must be deducted from the valuation reserves maintained by a bank for such purposes. If reserves are not maintained, they must be deducted from the capital account. Banks, therefore, because of this computation are encouraged to maintain valuation reserves for losses on loans securities and other assets.

During the course of examination, examiners look for violation of banking law, which occasionally does happen due to ignorance, misunderstanding, or some unforeseen occurrence. If such a violation should occur, the examiner will bring it to the attention of the management for correction. If violations

persist, the wrath of the regulatory and supervisory agency can be brought to bear. The penalties for violation of banking law can be serious and the revoking of bank charters. Officers and directors can be removed from office for violation of law. Such drastic steps seldom happen.

The appraisal of management is a difficult task but a very important one that must be assumed by regulatory and supervisory authorities. It is no more difficult, however, than evaluating the management of business enterprises, which bankers do every day when granting loans. There are several tangible factors available for use by bank examiners and regulatory authorities. These include the investment and the loan policy of the bank, the quality of the assets, internal operations, earnings, profitability, dividend policy, the capital structure, and its growth. In addition, consideration would be given to the morale of the officers and employees, the numerous cases of violation of law, whether or not there have been flagrant cases of unsound and unsafe banking practices, and the comparison of the growth of a bank with other in comparable communities.

Examinations by Board of Directors⁽⁴⁾. In addition to the examination of banks by regulatory and supervisory authorities, some banks are examined by the board of directors. The board of directors' examination may be conducted by all or part of the members of the board, or they may employ a competent public accounting firm to perform this task. The report of examination is reviewed by the board, made part of the minutes, and is made

available to the supervisory and regulatory authorities.

Internal Controls^{'7'} The internal controls of banks are very important in maintaining their efficiency and safety. In the structural organisation of commercial banks, the responsibility of the audit function rests with the auditor or with the audit department found in relatively large banks. Their function is to improve accounting methods and system. In order to produce accurate and complete records of the transactions of the bank in an efficient and economical manner and in conformity with the various rules and regulations that are applicable to the bank. Many visualize auditing in a bank as a process of searching out the nature of embezzlements of the depositors' funds. It is true that this is a function, but actually, the greater part of the work of an audit department is to create an environment in which it will be impossible for dishonesty and misapplication of funds to occur. The objective is to lock the door before rather than after the horse is stolen.

The activities of the audit department in a commercial bank fall into four broad categories; the verification of assets and liabilities, the proving of income and expense items, the responsibility of carryig out internal operations in accordance with established standards, and recommendation of improvements in operating procedures that will result in improved efficiency and safety although a bank audit may overlap a bank examination in objectives and coverage, a desirable audit goes beyond an examination. It determines the accuracy of the figures which

represent the assets and liabilities and income and expenses of the bank.

In the verification of assets and liabilities, the bank auditor goes beyond the verification procedures followed by the examiners. Instead of performing a limited verification which we have called a balance sheet audit, the auditor performs an actual audit in the sense of determining the actual existence and ownership of the various assets and liabilities. In the verification of liabilities, for example, the bank auditor may engage in direct verification by requesting depositors to verify their deposit balances as of a certain date. The auditor always counts the cash and securities and reconciles balances due from banks, expenses and income.

Various verification methods may be employed by the auditor, such as general spot, and continuous audit. A general audit is a complete audit of the entire bank as of a certain date. A spot audit is the auditing of a particular function, department, or branch as of a certain date; and a continuous audit is one that involves a continuous review of all transactions in some or all departments. Once various standards of operating procedure have been established the auditor is responsible for seeing that they are followed. If for example, operational procedure calls for different persons to accept deposits and to post records of the transactions, which is an acceptable procedure, it is the auditor's responsibility to see that this is done via reports to the board of directors and to

the heads of the various departments. The recommendations for improvements in operation are a very important part of the auditor's work. Auditors may recommend new operating procedures that will result in the economic and safe handling of funds to improve bank safety.

Bank auditing is probably one of the weakest phases of commercial banking. Most large banks have an audit department, and, in addition, many have an inspection department, especially those which engage in branch banking. The Inspection department may be independent or combined with the audit department. The majority of small banks do not maintain an audit department, or even an auditor, because of limited resources. This means that the auditing may be done as an additional duty by one of the officers. It might also involve several officers and employees in that the audit function would be performed by switching personnel from their regular activity to another.

Although auditing in banks may not be carried out in the most desirable manner, great improvements have been made in this function recent years, all of which point to increased safety of commercial banks.

* Concept of Profitability

The term profit originated when the business was necessarily run by small sized enterprises of a household character, and it was possible to pin down the result of each transaction through a profit and loss Account. Accounting profits are taken to be those derived after having matched the

revenues with costs. This refer to the amount earned by an enterprise from operations in the course of a period of time, normally a year after all expenses relating there to have been made good. Practically accounting profits are the residue left after charging against the value of goods and services (output) the cost of all those goods and services (inputs) which have helped in earning it. ⁽⁸⁾

(The economic concept of profit is based on the present value of future cash flows. It is a valuation concept measuring the accretion of wealth in terms of changes in the market value of the firm. It is recognised as the increment to or decrement from the value of ownership claims plans and non-wage distributions to owners during the year. ⁽⁹⁾

The most widely quoted definition in this connection is that of Hicks who states "The purpose of income calculations in practical affairs is to give people an indication of the amount which they can consume without impoverishing themselves". ⁽¹⁰⁾ This elegant statement though made in relation to the individual applies equally to the firm. Alexandar ⁽¹¹⁾ adopted this concept to the Corporation and described profit as the maximum amount that could be distributed as dividends to shareholders during a period without any contraction of resources. The firm should be as well off at the end of the period as at the beginning. The basic difference between these two income concepts lies in the accountant's attachment to realisation as the test of income determination as against the economist's emphasis on changes

during the period in the discounted value of future earnings.

However the nationalised banks have to conduct in such a manner as to ensure fair level of commercial profitability. The Report of the Banking Commission, states that "The nationalised banks are not run with the object of earning maximum profits as they have to have their due contribution towards the fulfilment of the economic and social objectives laid down by the authorities. This does not mean that there should not be any profit motive at all. Nationalisation does not absolve the banks from their obligation to maintain proper financial and monetary discipline."

Operational Efficiency:

In any manufacturing industry, the operational efficiency can be practised at various stages of decision making. The amount of inputs, the methods of production process, the level of output, inventory holding, price changes, marketing etc. are important matters ^(1,2)

There are considerable differences of opinion about the criteria by which the efficiency and the health of the banking industry can be assessed. Is it the level of deposits i.e. deposits mobilised or the level of advances i.e. dispersal of credit, or the number of branches operating i.e. physical growth of banking, or the level of capital and reserves i.e. capital adequacy, or simply, the profits i.e. commercial profitability? Other indicators, in addition to the traditional ones, are the

number of rural branches opened, the level of advances to the priority and the hitherto neglected sectors, etc. These can be grouped as measures of social profitability which is an important yardstick to measure the success of the banking system. ⁽¹³⁾

Profitability is important for the public sector banks as for any commercial enterprise. It is true that these banks have been nationalised with the additional object of taking care of many neglected areas of operations in the banking sector such as rural branches, agricultural loans of commercial rates, priority sector loans etc. These exercises are bound to be less profitable in the initial stage. ⁽¹⁴⁾

The Concept of Social Obligations

The word "responsibility" means the human sense of answerableness for all acts of thought and conduct. It originates from the word "obligation" that comes from the latin word obligare which is defined as "some thing that one is bound to do or forbear: and imperative duty obligations necessary for the attainment of social objectives are called social obligations". The sense of answerableness towards society is called "Social Responsibility of Business". The origin of the concept of "Social obligations" can be traced from the very birth of human civilisation and the beginning of family relationships. Man from his very birth was burdened with certain obligations towards parents and towards the society. Even in the family able members used to work not only for the absolute benefit of themselves, but for the overall interest of the

household. However, social obligations of business were not prominent earlier as business had no inherent tendencies of disorderliness in society.

The state was all powerful and prominent and hence certain obligations were assigned to it so as to ensure the welfare of society. The regulation and control of business was a part of its duty but with the change in economic conditions business gained power and created distortions in society. Consequently business was expected to operate in itself in the larger interest of society and hence, the former as a part of its obligatory duty owned certain obligations towards the latter. Thus, the concept has gained prominence only recently. ⁽¹⁵⁾

Credit Analysis

Factors Considered in Credit Analysis

There are many factors that are considered by bank credit-men in analysing a credit request. They are the ingredients that cause creditors to have faith in the debtors ability and willingness to pay the obligation in accordance with the term of the loan agreement. Credit arises because of man's faith in man. For year's credit men have referred to the three Cs of credit-character, capacity, and capital. To these three over the years have been added collateral and finally conditions, making five Cs in all. In recent year's many have reduced these five factors to three the personal factor and the economic factors. One of the criticisms of this classification, is that it

departs from the usual classification with which most people are familiar, and secondly that it lacks the rhythm of the five Cs which contributes to the case of money. ⁽¹⁶⁾

Capacity to Borrow

Since banks are interested in the return of the funds loaned to borrowers at the maturity of the loan, they are not only interested in the borrower's ability to repay but also his authority to borrow. Loans, therefore, are made only to those borrowers who have the legal authority to enter into legal contract. Individuals who are of legal age and who have the legal capacity to enter into contract may borrow from banks.

The real test is, therefore, the determination of whether or not a partnership buys and sells for a profit. This distinction has also been accepted in general by the Uniform partnership Act which has been adopted by most states. As a means of protecting themselves against the risk of a partnership not having the authority to borrow, bank usually request the partnership which is applying for a loan to provide the bank with a resolution signed by all of the partners setting for the partnership's borrowing authority and designed the person or persons who will negotiate for all loans and sign notes and loan agreements for the partnership.

The term character refers to the ethical terms honesty, integrity, industry, trust worthiness, and morality that are accepted by most people as being desirable attributes in a human

being. People who possess these qualities are said to be "good". Those who lack these attributes are less acceptable to society, character is not only the most difficult factor to measure by credit men, since it possesses no unit for measurement, but is also the most difficult to explain. Character, as it applies to credit relationships, seems to have a more narrow meaning than the term has when it is applied to society as a whole. The broad social concept seems to include all those moral qualities which identify an individual. Credit character, on the other hand, includes those qualities of an individual, that causes him to want and to intend to pay an obligation. It would include those qualities that cause a person to want to do the right thing. Since society considers the repayment of obligations as a desirable traits, this quality is considered a part of character.

Credit character also applies to Governments and nations. In the purchase of bonds issued by a Government, for example, the attitude of the people toward taxation and debt repayment is very important. Like Corporations, Government reflect the attitude and moral faith of the people. Some Government and nations have seen fit to repudiate debts that have been contracted. Character, as it applies to the extension of credit is applicable to all loan required.

We rely on history to a great extent to measure credit character and accept the oft quoted biblical pharisee "by their fruits" we shall know them. We do not stop with an interpretation of history to project it into the future. The loss ratio suffered

by creditors is in part due either to misinterpretation, projection or a combination of both.

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Ability to Create Income

The ability to create income is synonymous with capacity. It means the ability to meet the obligation when it comes due and stems from the power, ability or capacity of the borrower, whether individual, business or Government, to create a flow of income sufficient in amount to pay the obligation. Credit character is a desirable attribute and is based on debt repayment, but there must also be an ability to obtain funds with which to make payment. Debts are paid from three acceptable source i.e. from income, sale of asset or borrowings or funds from another source. The student might add that it could be stolen, but we rule out that source when we used the term acceptable. The loan could be repaid by the sale of the security for the loan by the creditor, but that is the sale of an asset. Banks in general, do not like this method of repayment since it may be expensive, time consuming, and may detract from a good public relations programs. (17)

Financial Analysis As A Criterion of Evaluation

Financial analysis is one amongst the many criteria of appraising a proposal or project, others being technical, commercial, economical and managerial. The feasibility of a project is examined from all these different standpoints. If financial analysis is concerned only with capitalisation schemes

and sources of financing, it would amount to little more than tinkering with the problem. It must examine the commercial profitability, economic marketability and managerial capability behind the particular project. The strict financing pattern along would hardly give the Banker any clues about the ability of the concern to generate profits and command liquid resources. A concern might have been started with a satisfactory leverage and working capital position, it cannot be sustained for long unless it has a ready market to absorb its products. If the sponsors of a project are not themselves competent to implement it, they would depend upon some consultants indigenous or foreign. If the dependence for civil and machanical work on contractors and collaborators is total, the project is said to be implemented on a "turnkey" basis. And despite the availability of an extensive market, the business can flourish only when the unit selling-price banks a reasonable margin over costs, which in turn is possible when it is managed by a professionally qualified forward looking team of persons. The whole thing is, therefore knit-together excepting the technical aspect, which forms a study by itself, no other parameter can be studied in isolation, and it is indeed difficult to identify as to which shares the major burden. The safeguard to be applied is that the techniques of financial analysis should be applied only after a preliminary study has revealed that the proposal is technically viable. This avoids the infructuous labour and time that might be spent on examining those projects which later turn out to be technologically shaky.

The usefulness of this technical feasibility valuation is the decision about location, that fits in with the availability of cost and quality of raw materials, water, power, transport, skilled and unskilled labour and other offsite facilities. Then there are the questions of the economic size of plant, the methods of production and the scale of production, the product mix, the procurement of plant and machinery, the project implementation schedule and the like. The Banker can consult the "Data Banks" if it exists, which is a specialized agency for collecting and analysing the material on the technical know how available in the country and abroad. (18)

The Techniques of Financial Analysis-

The one technique that dominated the scene of financial analysis for over a century has been that of accounting ratios, for many an analyst the two were synonymous terms. Ratio was the sort of shotgun, which according to them could be usefully employed anywhere for appraising a business. But not now, and as a matter of fact, ratios have come to be thrown more and more into the rear. A newer and more powerful set of techniques has been evolved over the years, especially by the practitioner of financial management. In this attempt to find the figures and to secure from them the utmost insight, he has begun employing a services of tools of financial planning and control. Bankers who might have developed their own pet devices in the past could hardly afford to lay behind, now it is usual to find them successfully experimenting with almost all of them. Be it a

commercial or a development Bank, each is seen trying to read through them whatever it can about the future functioning of the concern. *The present day kit of these techniques consists of : (i) Ratio analysis (ii) Fund flow analysis, (iii) Projected cash analysis (iv) Break even analysis (v) Discounted cash flow and (vi) Proforma statements. '19'

National Profitability

In showing between alternative proposals, should a banker be governed by solely private profitability as gleaned from income statement or something more than that? Is not social rate of return a more meaning but measure to be applied to all projects seeking assistance? Is not commercial profit ability the entrepreneurs narrow "investment only" point of view? This questions are today posed in financial circles and they indicate a broader approach than one based merely on profit performance. A proposal may pass the laboratory tests of technical, marketing commercial, financial and managerial feasibility, but in the ultimate analysis, every scheme big and small, must also justify its existence from the broader economic view point. It must make a positive net contribution to national welfare, unless this yard stick of soundness is employed, the country is likely to be flooded with quick profit yielding ventures in consumer durables and luxury goods to the serious detriment of future development. This new dimension has now been added to the frame of reference by the financing and licencing authorities. Few topics have recently been discussed with enthusiasm as the community of

interests that exists between private and social profitability.

The concept of "national profitability" is however, an amorphous one. It is made to be included such direct and linkage effects as encouragement and development of indigenous know-how, technical and managerial self reliance, defence self sufficiency, high employment and Labour training, improvement in the balance of foreign exchange by currency earning or saving, stimulating local development and reducing regional imbalance, structural changes in the economy and economic diversification. All these social human and political factors and consideration of security and prestige are hardly quantifiable. They have no market price and when one thinks of setting acceptable standards for them, one gets into a muddle. Bryee provides a solution to the muddle when he defines "the desirable rate of return as the total net measurable rate of the return to the economy on an investment". He adds, "This definition avoids the inclusion of economic costs or benefits which require value judgements. To the extent to which the non-measurable or non-economic factors are important, our calculation will still be in error, but we shall be slower than before to know the value of projects to the economy. Hence, this is an approximate rate of return for the national economy, considering only the measureable economic costs and benefits. Social benefits, since directly immeasurable, are deemed to accrue from all projects, and are taken in proportion to their capital costs. This is a macroeconomic view of profit potential and in quantitative terms is the familiar rate of return, but on

a social cutbase". Dun and Bradstreet Inc. in their journal, Dun's Review and Modern Industry, (Dun's Review for short) published 14 ratios for a large number of business Manufacturing, wholesalers and retailers. For each series, it gives three figures, medium, upper, quartile and lower quartile, the medium ratio can be read as the typical experience of all the concern in a given line of business, the upper quartile represents the figure halfway the medium and the highest term in any services, while the lower quartile is number midway between the medium and the lowest term in a series.

The ratios are :- (1) Current Ratio (2) Net profit as a percentage of net sales, (3) Return on net tangible worth (4) Net profit as a percentage of net working Capital, (5) Net sales as a percentage of tangible net worth, (6) Net sales as a percentage of net working capital, (7) Average collection period, (8) Ratio of net sales to inventory, (9) Ratio of fixed assets to tangible net worth, (10) Equity ratio (Equity debt Ratio), (11) Ratio of inventory to net working capital, (12) Ratio of current liabilities to inventory, and (13) Ratio of funded debt to net working capital. Ratio prepared by Robert Morris Associates in their annual statement studies for 156 lines of business are no different viz, (1) Current Ratio (2) Net worth/fixed assets, (3) Net worth/total debt, (4) Sales/receivables, (5) Cost of sales/inventory (6) Sales/inventory (7) Sales/fixed assets, (8) Sales/Net worth (9) Percent profit (10) Sales/total assets and (11) Percent profit/total assets.

A similar variety of ratios will be found in Moody's manual of investments standard and corporation records and other publications prepared in the U.S. and elsewhere. ⁽²⁰⁾

Studies of The United States' Banks

Various econometric studies have been conducted to evaluate the operating efficiency and economic performance of commercial banks in the United States. A host of studies has evaluated the performance of individual banks, rather than of the entire United States banking system, by employing cross sectional data. Alhadeff⁽²¹⁾, Granley⁽²²⁾, Bell & Murphy⁽²³⁾, Benston⁽²⁴⁾, Greenbaum⁽²⁵⁾, Brucker⁽²⁶⁾, Edward⁽²⁷⁾, F. Lechsig⁽²⁸⁾, Fraser⁽²⁹⁾, Horvitz & Shull⁽³⁰⁾, Jacobs Kaufan⁽³¹⁾, Weise & Others⁽³²⁾, in their various studies mentioned the significance of economies of scale, downward sloping average cost curve by way of analysing data from Balance Sheet & Income Statement, functional Cost data, Cross sectional data; survey of loan, survey of all commercial banks etc. The methodology followed adhered to Tables, Ratios, Correlation, regression, through showing the Expense/Assets, Cost per demand deposit account, Ratio of gross income/Loans, Loans/Assets, Pre-Tax earnings/Capital, service charges on checking accounts/demand deposits, interest charges on loan; net earnings/Capital, Net earnings/ Assets, Loans/Assets etc.

Studies of Indian Banks reflects the idea that allocative performance of the banking system can be improved with direct control by the Government and this may enhance the rate of

economic development. The experience of Countries in South East Asia - Burma, Combodia and Indonesia with bank nationalisation, has been negative. Postwar experience in South East Asia indicates that bank nationalisation, rather than promoting economic growth has actually, tended to have the opposite effect.

However, scale economies exist in the United States and Indian Commercial banking industry. The evidence favours the unit banking system marginally in USA while the same is irrelevant in the Indian Context where banking laws permit economy wide branch banking and inter-state operations.

Prof. Hempel⁽³³⁾ of Washington University in a study entitled "Bank Capital: Determining and meeting your Bank's Capital needs" tried to define the concept of performance measures. The first major category of performance measures includes three groupings:- net income earned on assets & Capital, Gross yield on earning assets, selected measures of cost and efficiencies in obtaining and managing bank's resources. Two ratios are particularly meaningful in assessing managements's overall performance. Before tax net income on assets measures management efficiency in achieving a balance between yields and the operating cost of these yields. Net income (after, taxes & securities gains and losses) on equity, capital is useful in evaluating tax and Capital planning as well as management performance.

In addition net income as percentage of total revenue provides helpful insights into management's performance in

overall cost control and efficiency. Gross return on all earning assets and on each Category of assets indicate management's ability to earn adequate return. The cost of fund, efficiency of personnel as measured by salaries and wages as a percentage of earnings and other expenses ratios can be used to measure relative efficiency trends of cost experience and potential expense problem areas.

Rate of Growth of Resources

Growth in total assets, total deposits and various types of deposits is the second category of performance measures. The key measure in this group is probably the growth in total deposits. Careful evaluation of this measure aids in evaluating a bank's competitive position, the effectiveness of its marketing programme and its potential for profitability.⁽³⁴⁾

Balance Sheet Ratios

The third major category of measures for evaluating performance is grouping of balance sheet ratios. The title of these groups are fund procurement ratios, fund deployment ratios, liquidity ratios, and Capital adequacy ratios.

a. Funds Procurement Ratios

This aids the bank in identifying its primary sources of funds. These ratios include the average size of the various types of deposits, borrowed funds as a percentage of total resources and demand deposits as a percentage of total deposits.

b. Fund Employment Ratios

It indicates how aggressively the bank has deployed the

funds it has obtained. These ratios include earning assets compared with total resources, the proportion of loan as a percentage of total assets etc. The percentage of total assets invested in loans probably is the key ratio in this category.

Liquidity Ratios

It includes the ratio of net liquid assets to assets, deposits and borrowed funds and the loan to deposit ratios. Evaluation of these ratios-starting with the key ratio of net liquid assets as a percentage of total deposits should indicate whether the bank has over emphasised liquidity (at the cost of lower profits) or under-emphasized liquidity (at the cost of high risk situation).

Capital Adequacy Ratios

It indicates the balances between profitability and solvency for the bank. Aggressive profit oriented banks tend to establish lower capital ratios and utilise borrowed capital. Other banks preserve high capital ratios which limit returns on the stock-holders investment. Capital to total assets ratio is the key ratio in measuring Capital utilisation but capital also can be meaningfully related to risk assets, loans, deposits etc. The proportion of total Capital (that is Share Capital, debt and preferred stock) also can be a useful measure.

Prof. Hempel⁽³⁵⁾ suggested the following further ratios in analysing Bank's performance with a greater emphasis on earnings, efficiency, growth and development etc.

(a) Earnings Ratios

Income earned on assets before tax

Income as % of gross revenue before taxes

Income earned on capital after taxes

(b) Gross Return Ratios (36)

Yield on total assets

Yield on earning assets

Yield on taxable securities

Yield on non-taxable securities

Yield on installment loans

Yield on real estate loans

Yield on commercial loans

Yield on non-commercial loans

Yield on loans

Expense and Efficiency Measures (37)

Total interest cost/borrowed funds

Average interest rate on time deposits

Times fixed Capital costs earned

Deposit per employee

Gross income per employee

Net operating income per employee

Benefits as % Salaries

Tax as % of gross income

Interest Cost as % of gross income

Salaries as % of gross income

Other expense as % of gross income

Loan Loss % of operating income

Service charges per account

Rate of Growth in Resources (38)

Total assets

Total deposits

Demand deposits

Time and Savings deposits

However, the above mentioned conceptual frame work has been emphasised in the present study, the details of which have been shown in the Methodological designs of the study.

Other Terms and Concepts

Operational Efficiency can be defined as the effectiveness or competence with which a structure performs its designed functions. It's defined as the ratio between input and output effort and result, expenditure and income, cost and the resulting satisfaction. In Banking it refers to the accomplishing of the greatest amount of work in the best possible manner with the best expenditure of time and resources. Keeping all these in mind, the Researcher has emphasised the following criteria for measuring the efficiency of operative Management Level of NCBs i.e. Disbursement, Recovery, Profits & Loss and Default.

✓ Spread:	: Difference between Interest earned and interest paid.
Establishment expenses	: Salaries, Allowances, Provident Fund, Bonus etc.

Other Current Expenses : Rent, Taxes, Insurance, lighting, Stationery, Printing, Advertisement, etc., Directors fees, allowances, law charges, postages, Telegrams, Auditors' fees & other expenditure as per P & L A/c.

Other non-current expenses : Depreciation on and repairs to Bank's Property.

Profit : Balance of Profit as per Profit & Loss A/c.

Working Funds : Total liabilities minus contra items.

Operating expenses : Total expenditure excluding Interest paid on Deposits, Borrowing etc.

Total expenditure : Interest paid on deposits, Borrowings etc., Establishment expenses, other current expenses and non-current expenses. '37'

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CHAPTER V

MAJOR FINDINGS

Growth and Development Aspects

NCBs in Bangladesh comprise of six banks i.e. Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank, Pubali Bank and Uttara Bank. The Sonali Bank was established under Bangladesh Banks (Nationalisation) Order, 1972 taking over the branches of former National Bank of Pakistan, Bank of Bahawalpur and Premier Bank Ltd. The Bank has set up 25 Principal Offices located at the various corners of Bangladesh. The total number of branches of the Bank stood at 1254. Out of the total number of branches 353 are in urban and 901 in rural areas. Out of the eight overseas branches, 7 are in U.K. 1 in Calcutta. The Agrani Bank was established merging the assets and liabilities of the former Habib Bank Ltd. and Commerce Bank Ltd. It started operation with 246 branches in 1972 which rose to 825 at the end of 1986. The Janata Bank was established taking the United Bank Ltd. and Union Bank Ltd. Number of branches stood at 856 in December 1986 as against 249 in 1972. Four overseas branches are working in UAE. While Rupali Bank came into existence through the coverage of the Muslim Commercial Bank Ltd., the Standard Bank Ltd. and the Australasia Bank Ltd. Number of branches stood at 501 in 1987 while the same was 140 in 1972. Uttara Bank was formed restructuring the Eastern Banking Corporation Ltd. in 1972. This

emerged as a private sector Bank in September 1983. All the 182 branches of the Uttara Bank including the assets and liabilities have been transferred to the Uttara Bank Ltd. Virtually Pubali Bank is the successor of Eastern Mercantile Bank Ltd. which was further converted to Pubali Bank Ltd. in 1983. Number of branches rose to 356 in 1986 as against 101 in 1972.

The growth and developement of NCBs shows that there was increasing expansion of branches in all the banks except Pubali and Uttara Banks. Total number of branches of Sonali Bank rose to 1254 in 1986 as against 274 in 1972. The same of JB, AB, RB, PB and UB was 856, 825, 500, 356, 182 respectively in 1986 as against 249, 261, 159, 113 and 60 in 1972. Virtually there was increasing branches upto 1984 since then because of the denationalisation of the UB and PB, there was decline in aggregate number of branches of the NCBs during 1984-88 (March). However, rate of growth in urban branches was upto 253 percent in 1984 while the same was 283 percent in rural branches during the same period. Practically growth rate was 263 percent in 1986 as against 267 percent in 1987 and 1988. During the earlier period rate of growth in branches was more in rural areas.

There was increasing growth in urban advances amounting to 597.54 percent in 1986 while the same was 4651.25 percent in rural areas. Average rate of growth in rural areas was more than that in urban areas during the period under study.

Similarly, growth rates in deposits was higher in rural areas than that in urban areas although the aggregate Deposits

was higher in urban areas (Table - 7 & Exhibit - 13).

The NCBs in Bangladesh had an increasing trend in Deposit mobilisation during 1972-1986. Virtually SB had the highest amount of deposit followed by JB, AB, RB, PB and UB respectively. The percentage of growth in deposit was 3297.55 percent in SB during 1986, as against 1444.22 percent in JB, 2045.02 percent in AB, 1868.20 percent in RB, 674.79 percent in UB and 907.46 in PB respectively (Appendix 1 & 3).

The analysis of aggregate nominal deposit indicates that it rose to Tk. 1674.01 crores, Tk. 4355.30 crores and Tk. 10409.21 crores in 1977, 1982 and 1986 respectively. The real deposits virtually declined in 1974-1975 while it rose in 1977 to 1979 with a little decline in 1980 but since that it was also an increasing growth (Appendix - 4).

Trend in deposits in Sonali Bank shows that compared to base year (1972), the rate of growth in deposit mobilisation was 125.95 percent in 1973. The percentage of the same was 136.45, 199.43, 230.28, 264.75, in 1974, 1975, 1976 and 1977 respectively. Growth rate had a continuous increase during the period. Virtually the same was 956.13 and 2227.56 percent in 1982 and 1986 respectively. The growth rate of the JB varied between 144.95 to 1444.22 percent during the period under study. The same of AB, RB, PB and UB varied from 130.06 to 2045.02 percent, 144 to 1868.20 percent, 106 to 674.69 percent and 119.84 to 907.46 percent respectively (App - 3). Aggregate deposit mobilisation by the NCBs

amounted to Tk.55163.27 crores during 1972-1986. Virtually Sonali Bank had the highest of the same i.e. Tk.18866.18 crores, followed by Janata Bank, Agrani Bank, Rupali Bank, Pubali Bank and Uttara Bank i.e. amounting to Tk.13222.20 crores, Tk.9551.22 crores, Tk.6031.28 crores, Tk.4786.65 crores, Tk.2705.85 crores respectively during the period under study (Appendix - 2).

Volume of deposits relation to Total Assets reveals that average percentage of the same to Total Assets was 58.42 in SB while the same was 71.75, 66.57, 63.94, 53.96, 53.43, in PB, RB, AB, JB & UB respectively during 1972-86. In SB, JB there was an increasing trend of the same while in AB, RB, PB & UB, there was a decline in 1983-84 although there was improvement during 1985 and 1986. Virtually in relation to assets, there was more deposit in PB, followed by RB, AB and others. Year to year variation in deposit mobilisation shows that standard deviation of the same was 6.14 and co-efficient of variation was 10.27 during 1972 to 1986 SB, AB, JB, RB, PB & UB respectively. Average of the same had an increasing trend during 1985 and 1986. Practically there was greater year to year variation (Table -1) classification of the same may give better trend.

Table 1

TOTAL DEPOSIT TO TOTAL ASSETS IN NCBs
IN BANGLADESH DURING 1972 TO 1986

(IN PERCENTAGE)

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	69.64	70.00	53.09	61.76	68.84	55.01	62.77
1973	81.08	58.00	57.79	66.70	67.21	60.54	63.66
1974	49.08	50.49	57.36	68.53	58.79	46.26	53.97
1975	45.78	45.47	46.26	58.62	64.59	78.94	49.26
1976	60.18	51.26	50.06	59.10	71.15	44.90	55.20
1977	49.29	51.88	48.13	54.76	64.38	41.90	51.08
1978	50.49	56.85	47.46	60.19	66.25	44.47	52.87
1979	53.35	49.46	45.88	62.14	68.18	36.82	49.54
1980	48.72	54.99	46.63	61.99	77.52	38.71	51.66
1981	49.42	60.08	51.22	57.96	72.65	40.21	53.44
1982	50.90	67.94	50.39	70.49	77.02	57.71	56.82
1983	59.69	69.81	56.01	73.04	75.82	66.56	62.60
1984	62.19	62.43	56.35	73.00	74.77	63.76	60.88
1985	65.54	67.63	55.31	70.20	77.70	64.07	64.42
1986	66.88	74.44	63.88	66.30	79.07	70.52	68.29
AVERAGE	58.42	63.99	53.96	66.57	71.75	53.43	59.76
S. D	10.06	8.945	5.278	5.835	6.049	13.109	6.14
C. V	17.22	14.10	9.78	8.76	8.43	24.53	10.27

The classification of the total deposits indicate that the average percentage of current deposit to total deposits was 53.18 and 47.32 in SB and UB respectively while the same was 41.84, 35.98, 29.05 and 27.28 in AB, RB, JB, and PB respectively. The average of the branches had a declining trend during 1981 and 1986. The degree of variation was highest in PB followed by JB, RB, AB, UB and SB respectively. Average co-efficient of variation was 17.12 during the period under study (Table 2).

Table 2

CURRENT DEPOSITS IN RELATION TO TOTAL
DEPOSITS OF THE NCBs DURING 1972 TO 1986

(IN PERCENTAGE)

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	58.99	56.19	63.10	49.90	38.72	49.92	55.22
1973	59.85	55.73	46.33	53.63	58.42	62.67	54.86
1974	55.21	53.04	42.72	50.99	45.46	58.10	50.02
1975	68.59	57.63	38.77	55.85	49.47	70.15	55.92
1976	61.29	58.28	32.94	49.50	46.80	63.01	50.87
1977	64.13	55.80	32.74	47.32	41.14	52.59	48.46
1978	65.29	55.59	33.51	46.25	32.13	56.57	48.92
1979	58.73	52.70	31.81	48.28	28.25	55.72	48.22
1980	64.32	52.27	33.25	45.04	24.84	54.37	48.16
1981	60.81	45.67	30.70	34.20	22.79	50.43	43.59
1982	56.23	44.39	30.13	34.84	30.13	46.48	42.76
1983	49.66	42.14	27.98	34.86	21.19	41.12	38.89
1984	49.75	40.79	27.62	34.87	21.92	40.28	38.75
1985	52.20	37.13	26.88	29.28	21.60	39.56	38.84
1986	42.26	30.87	19.99	28.26	19.82	37.14	31.94
AVERAGE	53.18	41.84	29.05	35.98	27.28	47.32	39.35
S. D	6.40	8.46	10.29	8.39	12.32	9.67	6.74
C. V	12.03	20.22	35.42	23.31	45.16	20.43	17.12

Savings deposit in relation to total deposit shows that it was 18.99 percent in SB as against 25.56, 24.34, 26.22, 24.24 and 23.04 percent each in PB, UB, RB, AB and JB respectively during 1972-86. Practically this sort of deposit was more in RB followed by PB, UB and AB respectively. The average of the same varied between 23.01 to 31.31 during 1978 to 1986. The average variation was 8.38 during the period. However the degree of variation was highest in SB i.e. 24.90 percent as against 15.42 percent in AB and 12.32 percent in UB (Table 3).

Table 3

SAVINGS DEPOSITS TO TOTAL DEPOSITS
IN NCBs DURING 1972 TO 1986

	----- (IN PERCENTAGE) -----						
	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
	-----	-----	-----	-----	-----	-----	-----
1972	25.66	33.27	24.80	33.76	25.18	22.54	27.04
1973	24.39	31.74	22.03	31.19	26.23	23.25	25.71
1974	24.46	31.54	21.52	31.69	23.95	19.84	25.02
1975	18.06	31.85	18.78	29.99	21.12	17.07	21.47
1976	18.48	28.12	15.77	30.13	19.75	19.53	20.28
1977	20.15	26.03	17.75	29.07	20.86	19.64	21.35
1978	20.38	27.26	20.67	29.46	22.82	23.65	23.01
1979	16.09	27.76	21.50	27.18	22.78	23.14	22.15
1980	17.87	28.46	23.24	26.90	22.17	23.84	22.50
1981	20.92	28.27	25.55	29.86	24.29	25.93	24.81
1982	17.49	24.11	23.93	26.92	30.79	24.71	21.08
1983	19.14	22.95	23.13	25.41	24.56	27.37	22.22
1984	19.28	21.92	21.44	23.23	25.96	26.39	21.31
1985	35.01	22.40	25.22	25.87	28.69	26.64	22.41
1986	19.25	22.82	25.14	24.19	29.18	24.11	22.65
AVERAGE	18.99	24.24	23.04	26.22	25.56	24.34	22.42
S. D	4.73	3.74	2.89	2.88	4.77	3.00	1.88
C. V	24.90	15.42	12.54	10.98	18.66	12.32	8.38

Percentage of Fixed Deposit to Total Deposit reveals that it was highest in PB i.e. 49.51 followed by JB i.e. 48.66. The same in SB, AB, RB and UB was 27.58, 33.91, 37.80 and 28.33 percent respectively during the period under study. Practically there was increasing trend in average percentage of the same during 1980 to 1986. The standard deviation of the same was 7.87 and co-efficient of variation was 21.49 during the period under study. Bankwise position shows that it was highest in AB i.e. 35.88 percent as against 32.45 percent in SB, 30.14 percent in RB and 28.72 percent in UB during the period (Table 4).

Table 4

FIXED DEPOSITS TO TOTAL DEPOSITS IN
NCBs DURING 1972 TO 1986

(IN PERCENTAGE)

	S.B.	A.B.	J.B.	R.B.	P.B.	U.B.	AVERAGE
1972	15.33	10.54	12.10	16.34	26.10	27.54	17.76
1973	15.74	12.53	31.64	16.18	15.35	14.08	20.64
1974	20.31	15.42	35.76	17.32	30.59	20.06	24.95
1975	13.34	10.52	42.55	14.16	29.41	12.78	22.60
1976	15.22	13.70	51.29	20.37	33.45	17.46	28.84
1977	15.71	18.17	49.51	24.61	39.00	27.77	29.52
1978	14.32	17.15	45.82	24.29	45.05	19.78	28.06
1979	38.78	19.54	46.69	27.54	48.97	21.14	29.61
1980	17.79	29.27	43.51	28.06	52.99	21.79	29.32
1981	18.26	36.11	43.75	35.94	52.92	13.64	31.59
1982	26.26	31.50	45.94	38.64	39.08	28.81	35.59
1983	31.19	34.91	48.89	39.73	54.25	31.51	38.88
1984	30.96	37.89	50.94	41.90	53.12	33.33	39.87
1985	29.52	40.47	47.90	44.85	49.71	33.80	40.38
1986	38.48	46.31	54.87	47.55	51.10	38.75	45.40
AVERAGE	27.58	33.91	48.66	37.80	49.51	28.33	36.62
S.D	8.95	12.17	10.48	11.39	12.10	8.14	7.87
C.V	32.45	35.88	21.54	30.14	24.26	28.72	21.49

Total advances in relation to total deposit indicate that it was highest in JB i.e. 89.85 as against 84.48 and 82.04 percent in UB and SB respectively. The same was 73.22, 71.86 and 75.82 percent in AB, RB and PB respectively during the period. There was increasing trend in advances during 1980-82 followed by a declining trend during 1983-86 although there was little improvement in 1984-85. Standard deviation was 7.62 accompanied by co-efficient of variation 9.43 (Table-5).

Table 5

TOTAL ADVANCES TO TOTAL DEPOSITS IN
NCBs DURING 1972 TO 1986

	(IN PERCENTAGE)						
	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	51.14	79.60	71.79	84.47	61.41	73.07	67.56
1973	61.34	81.14	68.44	74.67	61.74	88.48	70.28
1974	73.62	88.43	81.08	69.12	87.67	107.44	82.23
1975	64.59	89.68	87.84	73.57	71.65	100.16	78.82
1976	62.92	83.94	84.48	72.12	67.15	94.28	75.78
1977	80.96	82.72	94.18	69.90	74.92	86.45	83.80
1978	80.61	78.83	100.21	70.42	76.15	101.43	85.12
1979	71.96	77.69	102.11	76.68	73.97	82.64	84.57
1980	87.77	76.90	100.82	79.63	70.43	99.64	87.13
1981	99.40	68.98	102.29	82.09	78.06	111.87	91.74
1982	105.45	65.60	116.37	74.56	101.22	102.80	95.42
1983	82.99	64.51	91.66	65.35	71.57	73.32	75.41
1984	81.84	71.55	81.64	72.69	80.11	72.51	78.37
1985	79.65	73.79	86.11	72.59	76.84	71.31	78.66
1986	76.32	74.54	77.37	65.78	70.33	70.49	74.37
AVERAGE	82.04	73.22	89.85	71.86	75.82	84.98	80.74
S. D	14.2	7.539	13.064	5.446	9.917	14.51	7.62
C. V	17.3	10.29	14.54	7.57	13.07	17.17	9.43

The classification of the rural and urban advances shows that practically the same amounted to Tk.5046.23 crores in urban areas at the end of 1986 as against Tk.1425.61 crores in rural areas. There was increasing growth in both the areas, the rate of growth was 597.54 percent in 1986 in urban areas against 4651.25 percent in rural areas. The total advances in the urban sectors amounted to Tk.32267.46 crores during 1972-86 as against Tk.5732.36 crores in rural areas (Table 6).

Table 6

GROWTH RATES OF URBAN & RURAL ADVANCES OF NCBs

YEAR	URBAN ADVANCES		RURAL ADVANCES	
	AMOUNT (in crores)	GROWTH RATE (in percentage)	AMOUNT (in crores)	GROWTH RATE (in percentage)
1974	844.50	100.00	30.65	100.00
1975	673.26	79.72	24.44	79.73
1976	815.93	96.66	12.80	41.76
1977	1092.69	129.37	63.12	205.93
1978	1375.32	162.85	95.99	313.18
1979	1720.27	203.70	176.63	576.28
1980	2211.61	261.88	234.30	764.43
1981	2597.67	307.50	288.80	942.25
1982	3462.08	409.95	351.73	1147.56
1983	3469.67	410.85	599.73	1956.70
1984	4339.06	513.80	1134.67	3702.02
1985	4619.17	546.97	1293.89	4221.50
1986	5046.23	597.54	1425.61	4651.25
	32267.46		5732.36	

The classification of the urban and rural deposits of NCBs shows that the aggregate urban deposits amounted to Tk.38458.71 crores during 1974 to 1986 while the rural deposits were Tk.9063.08 during the period. The rate of growth in the same was upto 822.11 percent in urban areas in 1986 as against 2076.99 percent in rural areas during the period. Practically the rate of growth in rural deposit was more than that in urban areas (Table 7).

Table 7

GROWTH RATES OF URBAN & RURAL DEPOSITS OF NCBs

YEAR	DEPOSITS URBAN		DEPOSITS RURAL	
	AMOUNT (in crores)	GROWTH RATES (in percentage)	AMOUNT (in crores)	GROWTH RATES (in percentage)
1974	797.96	100.00	93.81	100.00
1975	910.90	114.15	106.88	113.93
1976	1123.53	140.80	132.16	140.88
1977	1305.30	163.58	220.30	234.83
1978	1596.36	200.05	304.98	325.10
1979	1982.20	248.40	399.14	425.47
1980	2403.66	301.22	503.72	536.95
1981	2775.66	347.84	602.98	642.76
1982	3188.10	399.53	684.71	729.89
1983	4187.60	524.78	1027.57	1095.37
1984	5747.08	720.22	1423.62	1517.55
1985	5880.18	736.90	1614.78	1721.33
1986	6560.18	822.11	1948.43	2076.99
	38458.71		9063.08	

The growth rates of Urban and Rural branches of NCBs have been shown in Table 8. It is found that the rate of growth of Urban and Rural branches were 202.12 percent and 263.04 percent respectively in 1986 over the position of 1974. Virtually there was increasing expansion of rural and urban branches with a little decline in 1985 and 1986.

Table 8

GROWTH RATES OF URBAN & RURAL BRANCHES OF NCBs

YEAR	URBAN BRANCHES		RURAL BRANCHES	
	NO.	GROWTH RATE IN PERCENTAGE	NO.	GROWTH RATE IN PERCENTAGE
1974	565	100.00	866	100.00
1975	609	135.17	914	105.54
1976	674	119.29	1054	121.70
1977	910	161.06	1456	168.13
1978	1090	192.92	1821	210.27
1979	1232	218.05	2058	237.64
1980	1404	248.49	2344	270.67
1981	1413	250.08	2381	274.94
1982	1419	251.15	2256	260.50
1983	1422	251.68	2412	278.63
1984	1432	253.45	2455	283.48
1985	1131	200.17	2247	259.46
1986	1142	202.12	2278	263.04

Liquidity Aspects:

In order to find out the liquidity position of the of the NCBs more importance is given on the availability of Cash balances i.e. cash in hand, cash with Bangladesh Bank and other Banks, short-term investment and nature of convertability of the same in relation to total deposits, assets and working funds.

Table 9

CASH BALANCES TO DEPOSITS IN NCBs
DURING 1972 TO 1986

(IN PERCENTAGE)

	S.B.	A.B.	J.B.	R.B.	P.B.	U.B.	AVERAGE
	-----	-----	-----	-----	-----	-----	-----
1972	9.66	15.33	38.81	12.77	25.30	6.11	19.68
1973	8.98	14.42	53.86	15.41	33.13	16.60	26.43
1974	8.40	14.40	13.75	19.35	31.82	18.30	15.78
1975	12.46	13.94	20.61	21.74	31.73	19.89	18.68
1976	7.50	12.46	11.44	21.11	23.54	15.94	13.23
1977	8.03	14.62	12.48	21.06	20.16	14.07	13.56
1978	13.72	16.66	13.73	21.23	20.83	20.86	16.24
1979	9.42	19.06	15.02	18.43	19.30	21.67	15.41
1980	11.64	17.29	13.81	18.76	18.51	22.75	15.14
1981	10.06	15.43	14.59	17.43	16.18	15.98	13.78
1982	9.62	16.44	14.38	16.03	17.64	13.02	12.97
1983	8.00	10.80	13.05	14.56	16.62	11.61	11.26
1984	10.29	13.33	9.31	13.20	12.89	21.82	11.54
1985	8.31	12.40	13.31	14.53	11.44	15.14	11.32
1986	8.25	0.08	13.73	13.24	13.03	15.52	10.78
AVERAGE	9.24	12.96	14.18	15.64	17.18	16.74	12.77
S.D	1.79	4.33	12.03	3.22	7.00	4.47	4.11
C.V	19.37	33.41	84.83	20.59	40.74	26.7	32.18

Table 9 shows that average cash balances of the NCBs were 12.77 percent of the deposits during 1972-86. Practically PB had the highest percentage of the same i.e. 17.18 followed by UB, RB, JB, AB & SB respectively. The average of the same had a declining trend during 1983 to 1986. Virtually the same had an increasing trend during 1978 to 1982, compared to that in 1976-77. The standard deviation of the same was 12.03 in JB as against average of 4.11 during the period. SB had the least of the same i.e. 1.79 as against 4.47 in UB. The co-efficient of variation was 32.18 during the period. The same was highest in JB i.e. 84.83 percent as against 40.74 in PB and 33.41 in SB and 19.37 in AB. Investment situation is shown below.

Table 10

INVESTMENTS TO DEPOSITS IN NCBs DURING 1972 TO 1986

(IN PERCENTAGE)

	S.B.	A.B.	J.B.	R.B.	P.B.	U.B.	AVERAGE
1972	27.96	12.35	12.94	16.02	15.74	15.29	17.74
1973	18.74	10.86	20.65	14.90	51.31	15.10	16.94
1974	22.00	16.59	20.82	24.63	13.10	19.50	19.88
1975	19.10	19.74	18.29	23.52	11.10	20.25	18.57
1976	21.10	20.80	15.10	22.68	15.82	23.98	18.92
1977	20.80	18.42	16.71	20.86	36.17	22.70	18.79
1978	17.13	16.31	16.85	19.43	16.14	24.35	17.49
1979	20.64	16.80	18.11	13.44	18.81	20.85	19.22
1980	22.02	15.99	16.39	15.15	19.40	19.77	18.84
1981	13.66	20.13	16.66	16.72	16.73	20.42	16.43
1982	21.03	128.02	14.93	19.24	26.47	20.57	41.80
1983	20.16	22.33	18.29	23.13	19.58	24.74	20.56
1984	20.60	21.69	17.73	18.50	18.31	22.26	19.77
1985	20.12	19.54	16.88	19.98	16.97	18.68	16.02
1986	15.28	24.07	22.01	27.05	15.18	15.29	14.09
AVERAGE	15.63	20.40	17.97	20.69	18.44	20.01	17.53
S.D	3.25	3.58	2.32	3.98	10.35	3.16	6.35
C.V	20.79	17.55	12.91	19.23	56.12	15.79	36.22

The volume of investment to Deposits shows that it was highest in RB i.e. 20.69 percent followed by AB, PB, UB i.e. 20.40 percent, 18.44 percent and 20.01 percent respectively during the period. The average of the same had an increasing trend upto 1983 followed by a declining trend during 1984-86. The co-efficient of variation was 36.22 during the period. Virtually the variation was highest in PB i.e. 56.22 as against 20.79, 19.23, 17.55 in SB, RB and AB respectively. (Table 10)

Practically the Bank Executives mentioned that there was no difficulty at all on the way of liquidity management of each of the banks. Virtually all the banks maintained the Cash Reserve requirement of the Bangladesh Bank (as mentioned earlier) during the period under study. There was also ample scope to invest the Working Fund in short term investment. Bank Executives expressed the worries regarding the excess liquidity of the NCBs during 1982-1984. Similar ideas have also been backed by the ideas given by Dr. Habibullah in his article "Excess Liquidity in NCBs in Bangladesh".

Profitability Aspects

Volume of total income to total assets reveals that average percentage of the same was highest in UB i.e. 10.11 followed by RB and PB i.e. 7.94 and 7.73 percent respectively. The same was 6.88, 6.95, 5.52 percent in AB, JB and SB respectively. The average of the same had an increasing trend during 1973 to 1978. It deteriorated during 1979 with a little improvement in 1980. It further rose during 1981 and 1982 with a decline during 1983 to 1985 although there was increase in the same during 1986 i.e. 7.66 percent. The average of the period under study was 6.75 percent (Table-11).

Table 11

TOTAL INCOME TO TOTAL ASSETS IN NCBs IN BANGLADESH DURING 1972 TO 1986.

	(IN PERCENTAGE)						
	S.B.	A.B.	J.B.	R.B.	P.B.	U.B.	AVERAGE
1972	2.30	5.72	4.06	5.43	2.41	3.79	3.78
1973	3.97	7.97	5.90	8.75	3.88	6.27	5.80
1974	3.19	8.87	7.22	10.29	5.05	6.53	6.35
1975	3.24	9.21	7.62	9.94	5.91	14.15	6.62
1976	4.62	9.56	7.80	9.86	5.24	8.55	7.25
1977	4.11	4.43	8.02	7.88	5.18	6.87	6.05
1978	3.84	4.88	7.64	9.14	5.89	8.17	6.13
1979	3.47	4.59	5.01	9.98	6.16	5.84	5.03
1980	4.44	4.94	5.71	6.45	6.83	7.10	5.93
1981	5.91	6.27	7.56	7.68	8.50	10.27	7.06
1982	6.10	6.62	7.83	8.32	9.38	15.93	7.48
1983	6.13	6.33	6.54	7.28	8.43	15.97	6.87
1984	5.85	5.87	5.99	7.21	8.53	14.30	6.49
1985	6.31	7.78	7.14	8.44	9.49	14.20	5.59
1986	6.71	8.81	8.01	7.45	9.44	7.77	7.66
AVERAGE	5.52	6.88	6.95	7.94	7.73	10.11	6.75
S.D	1.379	1.778	1.949	2.361	2.131	4.083	1.004
C.V	24.98	25.84	28.04	29.73	27.57	40.38	14.88

The co-efficient of variation was 14.88 during the period under study. However the degree of variation was highest in UB i.e. 40.38% followed by RB, PB, JB, AB and SB i.e. 29.73, 27.57, 28.04, 25.84 and 24.98 respectively.

UB had the highest rate of Total Income to Total Working Fund i.e. 14.21% during 1972-86. Next highest rate was in AB i.e. 11.85 as against 10.14, 8.99, 9.66 and 7.48 percent in RB, PB, JB and SB respectively during the period under study. The average of the same was 10.64 percent during 1972-86. Virtually there was increasing income during 1984 to 1986, compared to that in 1983. The situation was better in 1981 to 1982 than that in 1979 and 1980 (Table 12).

Table 12

TOTAL INCOME TO TOTAL WORKING FUND IN NCBs
DURING 1972 TO 1986.

	(IN PERCENTAGE)						
	S.B.	A.B.	J.B.	R.B.	P.B.	U.B.	AVERAGE
1972	2.91	5.90	6.32	7.03	3.04	6.27	5.08
1973	4.22	11.52	9.20	11.13	4.91	8.08	7.87
1974	4.52	13.45	10.04	12.85	5.83	9.23	8.71
1975	5.07	14.12	11.77	13.43	6.80	12.01	9.66
1976	6.10	14.14	12.93	13.40	6.35	13.32	10.51
1977	5.73	6.61	14.55	11.42	6.71	12.43	9.32
1978	5.55	6.86	11.42	12.36	7.42	11.77	8.67
1979	5.29	7.36	7.59	13.38	7.64	11.86	7.62
1980	6.20	7.29	8.21	8.30	7.60	12.41	7.55
1981	7.95	10.51	9.86	10.50	9.94	16.58	9.71
1982	7.57	8.94	9.62	10.10	10.28	17.23	9.25
1983	7.66	8.43	8.72	9.12	9.62	19.66	8.81
1984	9.92	7.69	8.56	8.87	9.61	17.31	9.28
1985	8.22	9.54	9.89	10.32	10.71	17.97	9.64
1986	6.93	9.83	10.08	9.52	10.87	9.36	9.44
AVERAGE	7.48	11.85	9.66	10.14	8.99	14.21	10.64
S.D	1.808	2.753	2.094	2.016	2.308	3.962	1.307
C.V	24.06	23.23	21.67	19.88	25.66	27.91	12.29

Net Profit to Deposit shows that average percentage of the same was 1.76, 1.76, 1.47, 1.45, 1.44 and 0.55 in SB, UB, RB, JB, AB & PB respectively during 1972-86. The average of the banks had a declining trend during 1978 to 1981 with an improvement in 1982 but again deteriorated during 1983 to 1986. The same was 2.44% in 1975 while it deteriorated to 1.15% in 1986. Virtually there was better situation during 1975 to 1977 i.e. the average percentage of the same varied from 2.06% to 2.44% against 0.51% in 1972 (Table 13).

Table 13

NET PROFIT TO DEPOSITS IN NCBs IN BANGLADESH
DURING 1972 TO 1986.

	(IN PERCENTAGE)						
	S.B.	A.B.	J.B.	R.B.	P.B.	U.B.	AVERAGE
1972	0.14	0.80	0.67	0.94	0.22	0.60	0.51
1973	0.98	2.22	2.03	1.73	1.30	2.63	1.73
1974	1.36	2.06	1.74	1.70	1.33	2.51	1.71
1975	2.43	2.62	3.22	3.31	1.52	4.42	2.44
1976	2.36	2.67	2.63	2.40	1.22	3.31	2.41
1977	2.21	1.74	2.39	1.72	1.34	2.57	2.06
1978	1.06	1.44	1.38	1.15	1.12	1.96	1.27
1979	1.02	1.21	1.45	1.12	1.09	1.40	1.24
1980	1.61	1.08	1.25	1.43	0.62	1.76	1.33
1981	1.94	1.19	0.69	1.55	0.41	2.23	1.33
1982	3.01	1.25	1.72	1.42	0.66	3.07	2.03
1983	2.46	1.15	1.40	1.36	0.11	2.18	1.65
1984	2.04	1.18	1.24	1.34	0.10	1.11	1.44
1985	1.44	1.85	1.44	1.75	0.13	1.24	1.45
1986	1.19	1.41	1.21	1.21	0.37	0.44	1.15
AVERAGE	1.76	1.44	1.45	1.47	0.55	1.76	1.49
S.D	0.754	0.58	0.69	0.59	0.52	1.06	0.51
C.V	42.61	40.27	47.58	40.13	94.54	60.22	34.22

Analysis of Net Profit in relation to Total Income may reveal the nature of the above changes. From Table 14 it is clear that average percentage of net profit to total income was highest in SB i.e. 18.73 while the same was 13.46, 12.34, 11.25, 9.21 & 5.11 in AB, RB, JB, UB and PB respectively. The average of the banks was 13.24 during 1972-86. The same had an increasing trend during 1975 and 1976 but there was declining trend during 1978 to 1981 with a greater improvement in 1982 and 1983 followed by a deterioration during 1984 to 1986.

Table 14

NET PROFIT TO TOTAL INCOME OF NCBs
DURING 1972 TO 1986.

(IN PERCENTAGE)

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	4.34	9.78	8.78	10.72	6.31	8.80	8.46
1973	20.19	16.29	19.94	13.22	2.03	25.42	18.69
1974	21.02	11.75	13.81	11.37	15.56	17.80	14.58
1975	34.25	12.96	19.57	19.54	16.63	24.67	18.19
1976	30.87	14.34	16.87	14.43	16.61	17.38	18.40
1977	26.51	20.45	14.35	11.97	16.67	15.69	17.27
1978	13.79	16.84	8.72	7.57	12.62	10.70	11.01
1979	16.30	13.08	13.29	7.01	12.09	8.84	12.21
1980	17.72	12.11	10.25	13.79	7.06	9.63	12.73
1981	53.38	11.40	4.72	11.72	3.53	8.74	10.07
1982	25.12	12.91	11.07	12.04	4.12	11.12	15.48
1983	23.96	12.75	12.02	13.62	1.00	9.10	15.07
1984	21.71	12.60	11.67	13.57	0.89	4.95	13.95
1985	14.97	16.11	11.19	14.60	1.11	5.63	12.54
1986	11.93	11.93	9.69	10.78	3.15	4.02	10.23
AVERAGE	18.73	13.46	11.25	12.34	5.11	9.21	13.24
S. D	11.43	2.7	4.11	2.99	6.35	6.64	3.27
C. V	61.02	20.05	36.53	24.23	124.26	72.09	24.69

Analysis of the Net Profit in relation to Working Fund shows that the average percentage of the net profit to working fund was highest in AB i.e. 1.59 followed by SB, UB, RB, JB and PB respectively. The same had an increasing trend during 1973 to 1976 with a decline in 1978 to 1981. There was further decline during 1985-86 accompanied by an improvement during 1982 to 1984 (Table 15).

Table 15

NET PROFIT TO WORKING FUND OF NCBs
DURING 1972 TO 1986

(IN PERCENTAGE)

	S.B.	A.B.	J.B.	R.B.	P.B.	U.B.	AVERAGE
1972	0.12	0.67	0.55	0.75	0.19	0.55	0.41
1973	0.85	1.87	1.83	1.47	1.00	2.05	1.47
1974	0.95	1.58	1.38	1.46	0.90	1.64	1.27
1975	1.73	1.83	2.30	2.62	1.13	2.96	1.75
1976	1.88	2.03	2.18	1.93	1.05	2.31	1.93
1977	1.51	1.35	2.09	1.36	1.12	1.95	1.61
1978	0.76	1.15	0.99	0.94	0.93	1.26	0.95
1979	0.83	0.96	1.00	0.93	0.92	1.04	0.93
1980	1.09	0.88	0.84	1.14	0.53	1.19	0.96
1981	1.29	1.19	0.46	1.23	0.35	1.45	0.97
1982	1.90	1.15	1.06	1.22	0.42	2.16	1.43
1983	1.83	1.07	1.04	1.24	0.09	1.79	1.32
1984	2.15	0.97	0.99	1.20	0.08	0.85	1.29
1985	1.23	1.53	1.10	1.50	0.12	1.01	1.20
1986	1.00	1.17	0.97	1.02	0.34	0.37	0.96
AVERAGE	1.4	1.59	1.08	1.25	0.45	1.31	1.24
S.D	0.553	0.367	0.578	0.456	0.406	0.709	0.385
C.V	39.5	23.08	53.51	36.48	90.22	54.12	31.05

Net Profit percentage in relation to spread was higher in RB followed by AB, SB, UB, JB & PB respectively. The average of the Banks was 49.26 percent during 1972-86. Virtually similar trend in profit is also found during the period (Table 16).

Table 16

NET PROFIT IN RELATION TO SPREAD IN NCBs
DURING 1972 TO 1986

	(IN PERCENTAGE)						
	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	12.24	40.00	3.52	53.63	28.33	25.92	31.83
1973	48.03	68.17	7.20	84.14	55.04	90.61	67.92
1974	47.20	62.94	6.15	82.19	68.18	72.57	61.76
1975	83.74	63.24	107.15	142.08	95.69	147.98	84.83
1976	85.29	88.68	107.97	128.57	62.05	96.65	100.98
1977	70.51	74.91	78.72	114.92	50.95	65.30	73.50
1978	35.26	45.96	39.45	65.74	38.51	54.84	41.90
1979	40.90	36.60	42.15	62.74	34.72	38.66	41.14
1980	47.27	40.20	34.72	73.01	20.40	42.53	41.60
1981	49.73	42.63	24.30	113.39	14.07	54.87	42.89
1982	80.27	47.90	50.84	126.22	17.05	74.78	66.52
1983	71.47	52.82	48.42	7.45	4.58	59.76	58.25
1984	57.71	58.12	56.56	81.30	4.25	36.51	55.26
1985	47.29	65.37	53.22	63.32	4.75	41.83	50.40
1986	40.65	52.57	16.54	51.53	14.50	16.84	30.75
AVERAGE	54.88	54.99	39.72	74.3	20.48	52.69	49.26
S. D	20.37	14.67	33.00	35.99	27.12	32.86	19.78
C. V	37.11	26.67	83.08	48.43	132.42	62.36	40.15

The nature of income is analysed through the Interest & Discount earned to Total Income and other income to the same. This analysis reveals that average percentage of interest and discount earned to Total Income was 82.76% during 1972 to 86. Practically SB had the highest of the same i.e. 90.82 percent as against 89.68, 89.22, 85.63, 76.98 and 61.27 percent in UB, PB, JB, RB and AB respectively during the period under study (Table 17).

Table 17

INTEREST AND DISCOUNT EARNED TO TOTAL INCOME OF NCBs
NCBs DURING 1972 TO 1986

(IN PERCENTAGE)

	S.B.	A.B.	J.B.	R.B.	P.B.	U.B.	AVERAGE
1972	84.96	91.86	88.80	85.27	73.97	88.46	87.29
1973	82.52	89.97	84.98	80.33	79.66	81.29	84.26
1974	82.95	89.83	86.15	79.77	672.30	85.80	84.55
1975	76.79	90.15	79.73	71.10	73.04	77.40	79.36
1976	74.07	85.17	81.40	73.88	85.27	83.92	80.51
1977	1.78	70.76	86.63	72.78	83.82	89.59	81.52
1978	84.54	78.98	89.84	75.96	84.70	85.37	84.66
1979	83.66	79.15	83.25	76.57	84.69	87.70	82.17
1980	84.90	78.25	82.34	63.57	88.22	88.69	81.68
1981	87.57	78.05	84.59	65.39	91.02	90.06	76.49
1982	87.14	82.08	87.05	67.10	91.86	88.60	85.00
1983	89.36	82.87	86.17	76.77	92.74	91.74	87.17
1984	91.46	86.24	84.24	80.75	92.80	93.30	87.59
1985	91.58	86.25	84.35	83.40	91.70	93.11	87.59
1986	92.51	88.36	88.45	88.46	89.34	90.25	89.04
AVERAGE	90.82	61.27	85.63	76.98	89.22	89.68	82.76
S.D	22.16	5.95	2.18	6.79	6.96	4.49	3.57
C.V	24.339	9.71	3.28	8.82	7.8	5.06	4.31

Interest and discount earned to working fund had an increasing trend during 1981-86. The average of the same was highest in UB i.e. 12.74 percent as against 8.27, 8.02, 7.81, 7.26 and 6.79 percent in JB, PB, RB, AB and SB respectively. This had a greater impact on the declining profitability of the NCBs during 1981-1986. The verification of the spread rate also shows the significance of the same (Table 18).

Table 18

INTEREST AND DISCOUNT EARNED TO WORKING FUND
IN NCBs DURING 1972 TO 1986

(IN PERCENTAGE)

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	2.48	6.37	0.56	6.00	2.25	5.55	4.43
1973	3.48	10.37	7.82	8.94	3.91	6.57	6.63
1974	3.75	12.08	8.65	10.25	4.36	7.92	7.36
1975	3.89	12.73	9.38	9.55	4.97	9.30	7.67
1976	4.52	12.05	10.52	9.90	5.41	11.17	8.46
1977	4.45	4.68	12.61	8.31	5.63	11.14	7.60
1978	4.69	5.42	10.26	9.39	6.28	10.05	7.34
1979	4.42	5.82	6.28	10.24	6.47	10.40	6.26
1980	5.26	5.70	6.76	5.28	6.70	11.01	6.17
1981	6.96	8.21	8.34	6.89	9.05	14.93	7.42
1982	6.59	7.41	8.38	6.88	9.45	17.23	7.86
1983	6.85	6.99	7.62	7.00	8.93	18.04	7.68
1984	9.07	6.63	7.21	6.91	8.92	16.15	8.13
1985	7.53	8.23	8.34	8.61	9.82	16.37	8.44
1986	7.81	8.69	8.92	8.04	9.71	8.45	8.41
AVERAGE	6.79	7.26	8.27	7.81	8.02	12.74	7.77
S. D	1.891	2.606	2.628	1.584	2.4	3.99	1.007
C. V	27.84	35.89	31.77	20.28	29.92	31.31	13.89

From Table 19 below it is clear that average percentage of spread to Working Fund was 2.52 percent during 1972-86. Practically it was highest in AB followed by JB, SB, UB, PB & RB respectively. The average of the same had an increasing trend during 1983 to 1986. Even there was similar trend during 1977 to 1980.

Table 19

SPREAD TO WORKING FUND IN NCBs
DURING 1972 TO 1986

(IN PERCENTAGE)

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	1.03	1.69	1.57	1.40	0.68	2.13	1.34
1973	1.77	2.74	2.54	1.65	1.81	2.26	2.16
1974	2.01	2.51	2.25	1.77	1.33	2.28	2.05
1975	2.07	2.89	2.15	1.84	1.18	2.00	2.07
1976	2.20	2.28	2.02	1.50	1.70	2.39	2.05
1977	2.15	1.80	2.65	1.19	2.19	2.98	2.19
1978	2.17	2.51	2.52	1.42	2.43	2.29	2.27
1979	2.03	2.63	2.39	1.49	2.66	2.71	2.26
1980	2.32	2.19	2.42	1.57	2.63	2.81	2.31
1981	2.59	2.81	1.91	1.08	2.49	2.64	2.28
1982	2.36	2.41	2.09	9.67	2.48	2.89	2.15
1983	2.56	2.03	2.16	1.66	2.10	2.99	2.28
1984	3.73	1.66	1.76	1.48	2.01	2.34	2.34
1985	2.60	2.35	2.08	2.38	2.52	2.42	2.39
1986	2.48	2.23	5.91	1.99	2.35	2.23	3.14
AVERAGE	2.55	2.9	2.73	1.68	2.24	2.51	2.52
S. D	0.564	0.039	1.008	2.107	0.591	0.321	0.35
C. V	22.11	13.44	36.92	125.41	26.38	12.78	14.05

From Table 20 below it is found that average spread to Total advances was 3.76 percent during 1972-86. It was highest in JB i.e. 4.06 as against 3.94, 3.91, 3.59, 3.55 and 2.75 respectively in UB, SB, AB, PB & RB respectively. There was increasing trend of the same during 1978 to 1980 while the same declined during 1982 and 1984 with an improvement in 1985 and 1986. Practically this is because of increasing advances subsequently.

Table 20

SPREAD TO TOTAL ADVANCES IN NCBs
DURING 1972 TO 1986

(IN PERCENTAGE)

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	2.29	2.50	2.65	2.08	1.27	3.20	2.40
1973	3.35	4.00	4.09	2.60	3.83	3.28	3.63
1974	3.94	3.70	3.48	3.00	2.23	3.22	3.38
1975	4.49	4.63	3.43	3.17	2.24	2.29	3.66
1976	4.41	3.59	2.88	2.59	2.94	3.63	3.38
1977	3.87	2.82	3.22	2.14	3.51	4.55	3.34
1978	3.74	3.99	3.49	2.48	3.83	3.53	3.58
1979	3.78	4.27	3.37	2.33	4.25	4.39	3.56
1980	3.89	3.52	3.58	2.47	4.33	4.16	3.67
1981	3.92	4.04	2.80	1.66	3.76	3.64	3.38
1982	3.55	4.00	2.91	1.51	3.87	3.99	3.21
1983	4.14	3.34	3.16	2.78	3.39	4.98	3.61
1984	4.32	2.85	2.69	2.26	2.98	4.11	3.34
1985	3.83	3.84	3.15	3.82	3.74	4.18	3.68
1986	3.86	3.60	3.49	3.57	3.68	3.73	5.05
AVERAGE	3.91	3.59	4.06	2.75	3.55	3.94	3.76
S. D	0.522	0.575	1.66	0.638	0.847	0.56	0.528
C. V	13.29	15.87	40.88	23.20	23.85	14.21	14.04

Spread to Total Deposits was 3.09% during 1972-86. Similarly it was highest in JB i.e. 3.65 followed by UB, SB, AB & RB respectively. The standard deviation was 1.24 in JB as against average of 0.52. Increasing deposit mobilisation had a greater impact in reducing spread of the NCBs during the period under study. Practically the same had increasing trend during 1978-1982 as against 1972-1977 but the same declined during 1983 to 1985 with an improvement in 1986 (Table 21).

Table 21

SPREAD TO TOTAL DEPOSITS IN NCBs
DURING 1972 TO 1986

(IN PERCENTAGE)

	S.B.	A.B.	J.B.	R.B.	P.B.	U.B.	AVERAGE
1972	2.68	1.99	1.90	1.76	0.78	2.34	1.62
1973	2.05	3.24	2.83	1.94	2.36	2.90	2.55
1974	2.90	3.28	2.82	2.08	1.96	3.46	2.78
1975	2.90	4.15	3.01	2.33	1.59	2.99	2.88
1976	2.77	3.01	2.43	1.87	1.97	3.42	2.56
1977	3.13	2.33	3.03	1.50	2.63	3.94	2.80
1978	3.02	3.15	3.50	1.75	2.91	3.58	3.05
1979	2.50	3.31	3.45	1.79	3.14	3.63	3.01
1980	3.14	2.70	3.61	1.96	3.05	4.15	3.20
1981	3.90	2.79	2.86	1.37	2.93	4.07	3.10
1982	3.75	2.62	3.38	1.12	3.92	4.10	3.06
1983	3.44	2.19	2.90	1.82	2.43	3.65	2.84
1984	3.54	2.03	2.19	1.64	2.38	3.04	2.62
1985	3.05	2.83	2.71	2.77	2.87	2.98	2.89
1986	2.94	2.68	7.35	2.35	2.59	2.63	3.75
AVERAGE	3.21	2.63	3.65	1.98	2.69	3.34	3.09
S.D	0.48	0.57	1.24	0.41	0.74	0.56	0.52
C.V	14.95	21.67	33.97	20.70	27.50	16.76	17.10

Out of the spread, Net Profit in terms of establishment expenses is shown as follows (Table 22):

TABLE 22
NET PROFIT TO ESTABLISHMENT EXPENSES IN
NCBs IN BANGLADESH DURING 1972 TO 1986.

(IN PERCENTAGE)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	12.24	73.00	73.00	64.13	22.00	63.63	47.72
1973	69.10	163.52	203.49	96.29	90.22	216.85	131.08
1974	68.87	111.02	121.68	84.50	78.12	160.74	98.39
1975	163.10	112.46	2.12	151.44	102.04	364.76	149.83
1976	144.83	133.15	226.53	116.12	89.40	242.74	204.87
1977	123.48	89.34	186.24	91.12	94.32	195.92	128.54
1978	48.40	60.97	76.37	38.83	63.26	106.91	59.73
1979	57.26	41.21	64.91	37.35	54.01	70.00	53.61
1980	70.40	37.19	55.39	44.15	34.79	92.98	55.24
1981	82.30	42.07	31.69	50.08	22.03	132.70	55.71
1982	203.12	60.66	16.96	60.67	27.92	199.67	36.01
1983	185.75	65.63	19.23	72.47	6.90	151.65	56.79
1984	148.06	81.02	18.35	81.19	6.35	77.72	52.85
1985	89.52	100.68	70.40	84.37	6.87	98.48	80.51
1986	67.27	74.46	55.15	59.74	17.48	28.67	59.62
AVERAGE	104.55	73.29	38.03	66.71	30.14	116.70	65.17

The average rate of net profit to establishment expenses was 65.17 during 1972-86. The same was encouraging in UB i.e. 116.70 percent as against 104.55 and 73.29 percent in SB & AB respectively. It was worst in PB & JB.

Net Profit to Operating expenses indicates different situation as shown below (Table 23).

Table 23

NET PROFIT TO OPERATING EXPENSES IN
NCBS IN BANGLADESH DURING 1972 TO 1986.

	S.B.	A.B.	J.B.	R.B.	P.B.	(IN PERCENTAGE) U.B.	AVERAGE
1972	9.41	42.77	32.12	42.75	15.04	35.29	28.63
1973	51.23	92.66	87.59	62.15	55.29	1.19	76.07
1974	51.82	66.98	61.50	50.84	47.92	85.09	59.43
1975	114.75	74.74	103.39	84.59	60.06	169.61	86.36
1976	98.80	83.32	97.36	63.03	50.72	103.92	87.02
1977	79.44	56.69	83.22	46.66	51.75	83.47	69.91
1978	33.80	41.27	37.05	27.07	27.95	45.66	35.01
1979	40.28	30.07	37.99	25.41	31.79	33.60	34.61
1980	50.83	27.23	27.76	33.22	17.86	31.47	34.05
1981	56.31	30.60	15.67	35.61	11.56	51.08	34.07
1982	131.99	41.41	46.82	40.69	14.64	83.37	67.45
1983	13.34	44.74	37.98	48.88	3.35	63.20	59.43
1984	88.80	55.20	47.20	53.83	3.27	32.35	58.62
1985	59.64	75.74	43.93	58.29	3.63	38.28	46.66
1986	47.92	53.26	38.30	42.00	11.74	13.59	41.24
AVERAGE	70.51	51.52	43.09	45.22	16.49	49.63	50.60
S.D	34.88	20.35	27.03	15.47	21.73	42.16	19.86
C.V	49.46	39.49	62.72	34.21	131.77	84.94	39.24

The average rate of profit to operating expenses was 50.60 percent during 1972-86. It was highest in SB i.e. 70.51 followed by AB, UB, RB, JB, & PB respectively. The degree of variation was highest in PB followed by UB, JB, SB respectively. The average rate of profit had a declining trend during 1978 to 1981 with an improvement during 1982 to 1984 but it deteriorated during 1985-86.

Expenditure Aspects:

Expenses in relation to Total Deposits, Working Fund, Total Assets & Total Advances will show the various aspects which are as follows:-

Table 24
TOTAL EXPENSES TO TOTAL DEPOSITS IN
NCBs IN BANGLADESH DURING 1972 TO 1986

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
						(IN PERCENTAGE)	
1972	3.16	7.38	6.97	7.86	3.28	6.29	5.60
1973	3.90	11.41	8.18	11.38	5.09	7.72	7.54
1974	5.14	15.50	10.85	13.31	7.25	11.66	10.05
1975	4.66	17.63	13.26	13.64	7.64	13.50	10.62
1976	5.30	15.97	12.96	14.28	6.15	15.75	10.71
1977	6.30	6.82	14.26	12.67	6.71	13.83	9.88
1978	6.66	7.14	14.45	14.04	8.64	16.41	10.42
1979	5.48	8.07	9.48	14.93	7.94	14.47	8.91
1980	7.50	7.89	10.99	8.97	8.19	17.73	9.13
1981	10.02	9.24	14.06	11.69	11.28	23.31	11.61
1982	8.99	8.49	13.83	10.38	15.53	24.53	11.12
1983	7.81	7.91	10.27	8.61	11.01	21.82	9.32
1984	7.36	8.21	9.40	8.54	11.30	21.32	8.95
1985	8.19	9.65	11.46	10.27	12.08	20.91	10.39
1986	8.83	10.42	11.32	10.02	11.27	10.58	10.05
AVERAGE	6.47	9.31	11.44	10.46	10.23	17.24	9.40
S. D	1.996	3.401	2.326	2.34	3.16	5.606	1.51
C. V	30.85	36.53	20.33	22.37	30.88	32.51	16.04

The nature of total expenses in relation to total deposits shows that the average of the same had an increasing trend during 1974 to 1976, 1981 to 1982 and 1985 to 1986. The average percentage was 9.4 during 1972-86 and the same was highest in UB i.e. 17.24 percent as against 11.44, 10.46, 10.23, 9.31 and 6.47 in JB, RB, PB, AB & SB respectively (Table 24).

Expenses in consistence with the working funds also show similar picture.

Table - 25

TOTAL EXPENSES TO TOTAL WORKING FUND IN NCBS
IN BANGLADESH DURING 1972 TO 1986

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
	(IN PERCENTAGE)						
1972	2.79	6.26	5.76	6.28	2.85	5.72	4.65
1973	3.36	9.64	7.37	9.66	3.90	6.02	6.40
1974	3.57	11.87	8.65	11.39	4.92	7.62	7.44
1975	3.33	12.29	9.46	10.80	5.67	9.04	7.63
1976	4.21	12.11	10.75	11.47	5.29	11.01	8.58
1977	4.21	5.26	12.45	10.06	5.59	10.48	7.71
1978	4.78	5.70	10.43	11.42	7.20	10.51	7.79
1979	4.15	6.39	6.58	12.44	6.13	10.81	6.69
1980	5.10	6.40	7.36	7.16	7.06	11.91	6.64
1981	6.66	9.31	9.39	9.26	9.59	15.13	8.52
1982	5.66	7.78	8.56	8.92	9.86	17.28	7.82
1983	5.82	7.35	7.67	7.88	9.52	17.87	7.48
1984	7.76	6.72	7.56	7.66	9.53	16.46	7.99
1985	6.99	8.00	8.78	8.81	10.59	16.96	8.61
1986	7.45	8.66	9.10	8.49	10.26	8.98	8.41
AVERAGE	5.14	10.26	8.57	8.89	8.53	12.94	7.81
S. D	1.65	2.349	1.722	1.803	2.524	4.093	1.05
C. V	32.1	22.89	20.09	20.28	29.58	31.63	13.44

Total expenses to total working fund was 7.81 percent during 1972-86. It was highest in UB i.e. 12.94 percent followed by AB, RB, & JB in having 10.26, 8.89, 8.57 and respectively. SB had the least of the same i.e. 5.14 percent as against 8.53 percent in PB.

The expenses showed increasing trend during 1973 to 1976 followed by a little decline in 1977 to 1980 with a further increase in 1981 but again it declined upto 1984 with increasing situation in 1985 and 1986. The Standard Deviation was highest in UB followed by PB, AB respectively (Table 25).

Expenses in consistence with total assets also reveal the similar trend as shown below:

Table - 26

TOTAL EXPENSES TO TOTAL ASSETS IN
NCBs IN BANGLADESH DURING 1972 TO 1986

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
						(IN PERCENTAGE)	
1972	2.20	5.16	3.70	4.85	2.25	3.46	3.46
1973	3.19	6.67	4.73	7.59	3.08	4.67	4.71
1974	2.52	7.82	6.22	9.12	4.26	5.39	5.42
1975	2.13	8.02	6.13	8.00	4.93	10.66	5.23
1976	3.19	8.19	6.49	8.44	4.34	7.07	5.91
1977	3.02	3.52	6.86	6.94	4.40	5.79	5.00
1978	3.39	4.06	6.97	8.45	5.72	7.30	5.51
1979	2.92	3.99	4.35	9.28	5.41	5.33	4.41
1980	3.65	4.34	5.12	5.56	6.35	6.86	4.74
1981	4.95	5.55	7.20	6.78	8.19	9.37	6.20
1982	4.57	5.77	6.96	7.31	8.99	14.15	6.32
1983	4.66	5.52	5.75	6.29	8.34	14.44	5.83
1984	4.58	5.13	5.29	6.23	8.45	13.59	5.59
1985	5.36	6.53	6.34	7.21	9.39	13.40	6.69
1986	5.91	7.76	7.23	6.64	8.91	7.46	6.86
AVERAGE	3.80	5.95	6.17	6.96	7.34	9.21	5.62
S. D	1.177	1.571	1.099	1.265	2.348	3.749	0.91
C. V	30.97	26.40	17.81	18.17	31.99	40.70	16.17

The average of total expenses to total assets was 5.62 during 1972-86. UB had the highest of the same i.e. 9.21 percent while SB had the least of the same i.e. 3.8 percent during the period under study. The rate of variation was highest in UB followed by PB, SB, AB, RB, & JB respectively (Table 26).

Expenses in relation to advances are shown below:-

Table - 27

TOTAL EXPENSES TO TOTAL ADVANCES IN NCBs
IN BANGLADESH DURING 1972 TO 1986

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
						(IN PERCENTAGE)	
1972	6.18	9.27	9.71	9.30	5.34	8.61	8.27
1973	6.37	14.06	11.96	15.24	8.25	8.73	10.73
1974	6.98	17.53	13.38	19.26	8.27	10.85	12.22
1975	7.22	19.66	15.11	18.54	10.66	13.48	13.48
1976	8.43	19.03	15.34	19.79	9.41	16.70	14.14
1977	7.57	8.22	15.14	18.13	8.95	16.00	11.79
1978	8.26	9.06	14.44	19.94	11.35	16.18	12.24
1979	7.61	10.39	9.28	19.47	10.74	17.51	10.54
1980	8.54	10.26	10.90	11.26	11.63	17.79	10.54
1981	10.08	13.40	13.74	14.25	14.45	20.84	12.65
1982	8.51	12.95	11.88	13.92	15.34	23.86	11.65
1983	9.41	12.26	11.21	13.18	15.38	29.75	11.87
1984	9.00	11.48	11.51	11.75	14.11	29.40	11.42
1985	10.29	13.08	13.31	14.15	15.72	29.32	13.21
1986	11.57	13.99	14.63	15.23	16.03	15.01	13.52
AVERAGE	7.88	12.72	12.73	14.55	13.49	20.33	11.64
S. D	1.503	3.39	2.001	3.443	3.317	7.143	1.49
C. V	19.07	26.65	15.71	23.66	24.58	35.13	12.8

Here it is clear that total expenses were 11.64 percent of the advances during 1972-86. UB had the highest of the same followed by RB, PB, JB, AB, & SB respectively. The same had an increasing trend during 1973 to 1976. It declined during 1977 to 1980 with an increase in 1981 accompanied by a decline during 1982 to 1984, followed by an increase during 1985-86 (Table - 27).

Out of the expenses the major item i.e. Interest paid to working fund has been shown below:

Table - 28

INTEREST PAID TO WORKING FUND IN
NCBs IN BANGLADESH DURING 1972 TO 1986

	(IN PERCENTAGE)						
	S.B.	A.B.	J.B.	R.B.	P.B.	U.B.	AVERAGE
1972	1.44	4.76	4.03	4.51	1.57	4.14	3.15
1973	1.70	7.62	5.27	7.29	2.10	4.30	4.46
1974	1.73	9.57	6.40	8.47	3.03	3.65	5.30
1975	1.82	9.84	7.23	7.70	3.78	7.30	5.55
1976	2.31	9.76	8.50	8.40	3.21	8.78	6.35
1977	2.29	2.87	9.95	7.12	3.43	8.15	5.41
1978	2.52	2.90	7.73	7.96	3.85	7.75	4.73
1979	2.38	3.19	3.92	8.75	3.81	7.69	5.43
1980	2.94	3.16	4.33	3.71	4.07	8.19	3.81
1981	4.36	5.39	6.42	5.81	6.55	12.99	5.85
1982	4.20	5.00	6.28	5.92	6.96	14.68	5.69
1983	4.28	4.95	5.45	5.34	6.83	15.04	5.40
1984	5.34	4.96	5.44	5.43	6.91	13.80	5.78
1985	4.93	5.88	6.26	6.23	7.30	14.31	6.09
1986	5.34	6.46	6.55	6.05	7.35	6.21	6.06
AVERAGE	4.24	7.14	6.1	6.12	5.76	10.27	5.76
S.D	1.411	2.449	1.654	1.52	2.029	4.012	0.88
C.V	33.27	34.29	27.11	24.83	283.88	39.06	15.27

From the above Table it is found that average interest paid to working fund was 5.76 percent during 1972-86. The nature of variation of the same was highest in PB followed by UB, AB, JB, SB & RB respectively. It had an increasing trend during 1981 to 1986 compared to that in 1972-73 (Table-28).

Expenses are grouped into three segments i.e. current expenses, operating expenses and establishment expenses. Operating expenses are shown below:

Table - 29

OPERATING EXPENSES TO WORKING FUND IN
NCBs IN BANGLADESH DURING 1972 TO 1986.

	(IN PERCENTAGE)						
	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	1.34	1.58	1.73	1.76	1.28	1.56	1.50
1973	1.66	2.02	2.09	2.36	1.80	1.72	1.93
1974	1.83	2.35	2.25	2.87	1.89	1.93	2.13
1975	1.51	2.45	2.22	3.10	1.88	1.74	2.03
1976	1.90	2.35	2.24	3.07	2.08	2.22	2.22
1977	1.91	2.38	2.51	2.93	2.16	2.33	2.30
1978	2.26	2.80	2.69	3.45	3.35	2.75	2.72
1979	2.06	3.20	2.65	3.69	2.90	3.12	2.69
1980	2.16	3.24	3.03	3.45	2.99	3.79	2.82
1981	2.29	3.91	2.96	3.45	3.03	2.84	2.87
1982	1.44	2.78	2.27	3.00	2.89	2.59	2.12
1983	1.54	2.40	2.76	2.54	2.87	2.83	2.23
1984	2.42	1.75	2.11	2.23	2.62	2.65	2.20
1985	2.06	2.03	2.52	2.58	3.29	2.64	2.59
1986	2.10	2.20	2.55	2.44	2.91	2.77	2.34
AVERAGE	1.98	3.09	2.52	2.76	2.78	2.66	2.45
S. D	0.335	0.610	0.352	0.539	0.627	0.595	0.37
C. V	16.92	19.74	13.96	19.52	22.55	22.33	15.19

The average of the operating expenses to working fund had an increasing trend during 1974 to 1981 with a little decline in 1982 but it again rose subsequently. AB had the highest rate of the same i.e. 3.09 percent as against 2.78, 2.76, 2.66, 2.52 and 1.98 in PB, RB, UB, JB, and SB respectively. The degree of variation was the highest in PB followed by UB, AB, RB, SB, & JB. (Table - 29).

Operating expenses to total income are shown below:

Table - 30

OPERATING EXPENSES TO TOTAL INCOME IN
NCBs IN BANGLADESH DURING 1972 TO 1986.

	S. B.	A. B.	J. B.	R. B.	P. B.	(IN PERCENTAGE) U. B.	AVERAGE
1972	46.19	22.87	27.36	25.00	42.00	24.94	29.54
1973	39.41	16.97	22.76	21.27	36.78	21.34	24.57
1974	40.56	17.54	22.46	22.37	32.46	20.91	24.54
1975	29.84	17.35	18.93	23.10	27.70	14.54	21.06
1976	31.24	16.62	17.33	22.90	32.75	16.73	21.14
1977	33.37	36.08	17.25	25.66	32.22	18.80	24.71
1978	40.88	40.82	23.55	27.98	45.14	23.44	31.45
1979	39.08	43.52	34.98	27.58	38.04	26.32	35.30
1980	34.86	44.47	36.93	41.53	39.35	30.61	37.40
1981	28.82	37.25	30.10	32.22	30.56	17.12	29.55
1982	19.03	31.17	23.64	29.59	28.18	13.34	22.95
1983	20.19	28.50	31.66	27.87	29.91	14.40	25.37
1984	24.44	22.84	24.27	25.20	27.24	15.30	23.80
1985	25.10	21.27	25.49	25.05	30.71	14.71	26.89
1986	24.90	22.40	25.32	25.67	26.80	29.61	24.82
AVERAGE	26.56	26.12	26.11	27.28	30.99	18.76	26.17
S. D	8.222	10.146	5.89	8.544	5.735	5.728	4.858
C. V	30.95	38.84	22.56	31.3	18.5	30.53	18.56

Operating expenses to Total Income were 26.17 percent during 1972-86. Practically it was highest in PB followed by RB, SB,, AB, JB, and UB respectively. UB had the least of the same which virtually led to the highest earnings rate of the UB during the period under study. The same had a declining trend during 1973 to 1976 with an increasing trend during 1976 to 1980, followed by a decline during 1981 to 1984 but it rose in 1985 with another decline in 1986. Operating expenses had a greater impact on the total income of all the banks. The nature of variation was highest in AB followed by RB, SB, & others respectively. Practically due to environmental constraints, there was little scope in controlling the operating costs. (Table - 30).

Another major share of expenses i.e. establishment expenses are shown below :

Table - 31

ESTABLISHMENT EXPENSES TO TOTAL INCOME
IN NCBs IN BANGLADESH DURING 1972 TO 1986.

(IN PERCENTAGE)

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	35.50	13.34	12.02	16.72	28.62	13.83	17.72
1973	29.22	9.96	9.79	13.72	22.54	11.72	14.25
1974	30.52	10.58	11.35	13.46	19.91	11.07	14.82
1975	20.99	11.53	8.82	12.90	16.30	6.77	12.14
1976	21.31	10.77	7.45	12.43	18.58	7.16	8.98
1977	21.47	22.90	7.70	13.14	17.68	8.01	13.43
1978	28.49	27.63	11.42	19.50	19.95	10.01	18.43
1979	27.50	31.47	20.47	18.76	22.38	12.63	22.79
1980	25.17	32.57	18.51	31.24	20.31	10.36	23.05
1981	19.72	27.09	14.89	23.41	16.04	6.59	18.07
1982	12.36	21.28	65.27	19.82	14.78	5.57	43.04
1983	12.90	19.43	62.54	18.80	14.54	6.00	26.50
1984	14.66	15.43	63.60	16.71	14.01	6.37	26.39
1985	16.72	16.00	15.91	17.30	16.26	15.72	15.58
1986	17.74	16.02	17.98	18.05	18.00	14.04	17.17
AVERAGE	17.91	18.36	29.58	18.49	16.96	7.98	20.32
S. D	6.921	7.740	21.393	4.881	3.847	3.244	7.92
C. V	38.64	42.15	72.32	26.39	22.81	41.9	38.99

In this Table it is visible that establishment expenses to Total Income was lowest in UB while the same was highest in JB. The average of the banks was 20.32 percent during 1972-86. SB, AB, PB, and RB had the situation which is near about the general average while JB, & UB had the abnormally different situation. Bank Executives opined that this is mainly due to planned expenditure and better control mechanism (Table - 31).

The same is interpreted in view of the spread situation of the banks:

Table - 32

ESTABLISHMENT EXPENSES TO SPREAD IN NCBs
IN BANGLADESH DURING 1972 TO 1986.

(IN PERCENTAGE)

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	100.00	54.68	48.17	83.63	128.33	40.74	66.69
1973	69.00	41.87	35.39	92.57	61.00	41.78	51.81
1974	68.00	86.69	50.61	97.26	87.27	45.15	62.73
1975	51.34	56.23	48.29	93.82	93.78	40.60	56.61
1976	58.89	66.60	47.66	110.71	69.71	39.81	46.00
1977	57.10	83.84	42.27	126.11	54.02	33.33	57.18
1978	72.84	75.37	51.65	169.26	60.88	51.30	70.16
1979	71.42	88.82	64.93	167.95	64.28	55.20	76.75
1980	67.15	108.10	62.69	165.34	58.63	45.74	75.31
1981	60.42	105.07	76.69	226.42	63.85	41.35	76.98
1982	39.51	78.95	299.73	208.02	61.09	37.45	184.73
1983	38.48	80.48	296.50	102.88	66.49	39.40	102.39
1984	38.97	70.95	308.22	100.14	66.95	46.98	104.55
1985	52.82	69.92	75.62	75.05	69.11	42.47	62.60
1986	60.43	70.60	30.00	86.26	82.94	58.74	51.58
AVERAGE	60.43	75.02	104.43	111.37	67.95	67.14	75.60

Here it is clear that out of the spread 75.60 percent was the average establishment expenses during the period under study. It was highest in RB followed by JB, AB, PB, UB, & SB respectively. There was increasing establishment during 1982 to 1984 with a decline in 1985-86 (Table-32).

The situation of current expenses is shown below:

Table - 33

CURRENT EXPENSES TO TOTAL INCOME IN
NCBs IN BANGLADESH DURING 1972 TO 1986.

(IN PERCENTAGE)

	S.B.	A.B.	J.B.	R.B.	P.B.	U.B.	AVERAGE
1972	14.85	8.51	13.84	1.09	12.26	10.69	11.45
1973	9.32	7.67	11.81	0.59	13.22	8.96	9.61
1974	9.09	6.00	9.84	0.69	11.82	9.18	8.80
1975	8.08	5.22	9.21	0.58	10.48	7.05	8.16
1976	9.18	5.22	8.51	0.49	12.91	8.96	8.04
1977	13.28	11.45	8.49	0.85	13.04	10.13	10.54
1978	10.98	11.47	10.71	1.22	23.49	12.64	11.64
1979	10.44	9.96	13.92	1.14	13.54	12.84	11.36
1980	8.63	10.05	16.62	1.44	17.35	13.17	12.31
1981	8.24	8.50	13.76	1.08	13.21	9.91	10.31
1982	6.76	8.39	9.10	0.93	11.95	7.16	8.26
1983	6.64	7.83	16.25	0.73	13.86	7.86	1.11
1984	8.90	6.56	10.40	0.59	11.94	8.51	8.97
1985	7.65	4.48	8.75	0.51	13.21	8.70	7.74
1986	6.62	5.65	7.01	0.41	7.66	14.83	6.99
AVERAGE	8.18	6.73	10.62	8.05	12.67	9.82	9.03
S.D	2.351	2.261	2.992	0.311	3.459	3.461	1.60
C.V	28.74	33.59	28.17	3.86	27.3	35.24	17.74

From the Table it is found that on average current expenses were 9.03 percent of the Total Income during the period under study. Practically it was highest in PB, i.e. 12.67 percent followed by JB,UB,SB,RB & AB respectively. The nature of variation was highest in UB and it was least in RB. There was increasing trend in Current expenses during 1977 to 1980 with a decline during 1981 to 1983 but it again rose during 1984-86. (Table - 33). This had a greater impact on the overall earnings of the NCBs as mentioned earlier. The practical implication of the same in relation to spread has been shown in (Table 34).

Table - 34

 CURRENT EXPENSES TO SPREAD IN NCBS IN
 BANGLADESH DURING 1972 TO 1986.

YEAR	S. B.	A. B.	J. B.	R. B.	(IN PERCENTAGE)		AVERAGE
					P. B.	U. B.	
1972	41.83	34.89	55.48	36.36	55.00	31.48	43.09
1973	22.17	32.26	42.65	46.85	35.78	31.29	34.94
1974	20.42	29.50	43.89	61.64	51.81	44.98	37.26
1975	19.77	25.47	50.45	69.88	60.28	42.28	38.06
1976	25.37	32.29	54.47	88.88	48.23	49.84	43.76
1977	35.32	41.92	46.58	111.94	39.84	42.17	44.85
1978	28.09	31.30	48.44	62.97	66.37	64.77	44.30
1979	27.12	27.89	44.16	68.72	38.90	56.13	38.28
1980	23.02	33.35	56.31	46.73	50.09	58.15	40.21
1981	25.26	31.78	70.87	81.46	52.59	62.15	43.94
1982	21.26	31.16	41.79	92.36	49.41	48.12	35.52
1983	19.80	32.45	65.44	45.62	63.37	51.59	39.08
1984	23.99	30.27	50.44	47.29	57.04	62.79	35.25
1985	24.16	18.14	41.62	31.34	56.16	64.67	31.11
1986	22.57	24.91	11.95	34.43	35.32	62.08	21.01
AVERAGE	23.50	27.51	37.50	48.47	50.77	55.54	33.62

The above Table shows that current expenses in relation to spread were 33.62 percent during the period under study. The same varied from 43.09 percent to 21.01 percent during the period. UB had the highest rate of the same i.e. 55.54 percent followed by PB, RB, JB, AB and SB respectively. SB had the least of the same showing better control of the same and increasing spread facilitating the better earnings. (Table-34). However, the major determinants of the earnings of the NCBS are the volume of spread, volume of operating expenses, current expenses and the establishment expenses. The spread is determined mainly by the interest received and interest paid. The nature of interest paid in relation to spread is shown in Table 35.

Table - 35

 INTEREST PAID TO SPREAD IN NCBs IN
 BANGLADESH DURING 1972 TO 1986.

(IN PERCENTAGE)

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	153.00	276.00	255.81	320.90	231.66	194.44	233.20
1973	96.30	278.00	206.95	441.71	115.59	189.67	206.21
1974	86.23	381.25	284.08	476.25	227.72	249.83	257.76
1975	87.78	339.65	336.47	416.98	320.09	364.42	268.09
1976	104.68	426.45	420.71	557.93	189.11	366.56	309.53
1977	106.63	159.10	375.03	598.50	156.13	272.78	246.89
1978	116.11	115.45	306.15	559.19	158.51	337.35	207.68
1979	117.30	121.47	164.01	585.32	143.18	283.27	240.27
1980	126.52	143.98	178.88	236.36	154.68	291.63	164.77
1981	168.29	188.84	335.57	535.22	262.26	464.88	256.68
1982	178.45	207.42	299.73	611.74	279.58	507.75	264.42
1983	166.57	243.17	251.82	320.1	324.5	502.13	236.75
1984	142.84	297.61	308.22	366.76	343.26	587.71	246.94
1985	189.3	249.94	300.89	261.69	289.82	591.55	253.84
1986	215.13	289.33	110.53	303.53	311.68	277.62	192.91
AVERAGE	166.11	246.04	223.24	363.5	256.71	408.92	228.14

The above Table reveals that interest paid to spread was 228.14 percent during 1972-86. The same had an increasing trend during 1975-76 with a decline in 1977 to 1980 but it again rose during 1981 to 1982 followed by a decline in 1984 to 1986. Practically this follows the increasing interest structure of the NCBs during the period under study (Table-35).

The interest paid has been shown in relation to Total Income in the following Table:

Table - 36

INTEREST PAID TO TOTAL INCOME IN
NCBs DURING 1972 TO 1986.

(IN PERCENTAGE)

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	49.45	67.47	63.84	64.18	51.57	66.03	61.98
1973	40.48	66.17	57.29	66.55	42.71	53.22	56.74
1974	38.40	71.16	63.72	65.92	51.97	61.27	60.92
1975	35.90	69.64	61.46	57.35	55.65	60.77	57.50
1976	37.88	68.99	65.76	62.65	50.62	65.93	60.44
1977	40.10	43.45	68.45	62.36	51.09	65.55	58.02
1978	45.42	42.32	67.72	64.44	51.94	65.85	54.57
1979	45.16	43.41	51.72	65.40	49.86	64.82	71.34
1980	47.42	43.38	52.81	44.67	53.38	66.04	50.45
1981	42.37	51.34	65.17	55.35	65.90	74.12	60.26
1982	55.84	55.91	65.27	58.36	67.66	75.52	61.55
1983	55.84	58.27	62.55	58.49	70.99	76.50	61.28
1984	53.84	64.55	63.60	61.21	71.86	79.73	62.34
1985	59.92	61.61	63.31	60.34	68.18	79.66	63.19
1986	63.15	65.66	64.97	63.53	67.64	66.35	64.22
AVERAGE	56.69	60.22	63.22	60.36	64.08	70.92	61.33
S. D	14.807	10.799	16.685	5.553	9.474	7.517	4.71
C. V	26.11	17.93	26.39	9.19	14.78	10.60	7.68

Interest paid to total income was 61.33 percent during 1972-86. It was highest in UB i.e. 70.92 percent followed by PB, JB, RB, AB & SB respectively. Practically it had an increasing trend during the period under the study. The standard deviation of the same was highest in JB and the average was 4.71 during the period under study. Normally the situation of all the Banks excepting UB centre around the average i.e. 61.33 percent while in case of UB it was 70.92 percent. This indicates that UB had better control in other expenses like operating expenses, current expenses and establishment expenses. The interest cost in relation to total expenses are shown in Table 39 to have specific idea for the same (Table 36).

Table - 37

NET PROFIT TO INTEREST PAID IN NCBS IN
BANGLADESH DURING 1972 TO 1986.

(IN PERCENTAGE)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	8.79	14.50	13.76	16.71	12.23	13.33	13.64
1973	49.88	24.62	34.88	20.18	47.61	47.77	32.93
1974	54.73	16.51	21.68	17.25	29.44	29.04	23.94
1975	95.40	18.62	31.84	34.07	29.89	40.60	31.64
1976	81.48	20.79	25.66	23.04	32.81	26.39	30.44
1977	66.12	47.08	20.99	19.20	32.63	23.94	29.62
1978	30.37	39.81	12.88	11.75	24.29	16.25	20.18
1979	34.86	30.13	25.69	10.71	24.25	13.64	17.12
1980	37.36	27.92	19.41	30.88	13.19	14.58	25.25
1981	29.54	22.20	7.24	21.18	5.36	11.80	16.17
1982	44.98	23.09	16.96	20.63	6.10	14.72	25.15
1983	42.91	21.72	19.23	23.29	1.41	11.90	24.60
1984	40.32	19.53	18.35	22.16	1.24	6.21	22.37
1985	24.98	26.15	17.68	24.19	1.63	8.37	19.85
1986	18.89	18.17	14.92	16.97	4.65	6.06	15.94
AVERAGE	33.04	22.35	17.79	20.44	7.98	12.88	21.96
S. D	22.94	8.91	7.20	6.17	21.77	12.32	6.08
C. V	69.43	39.86	40.47	29.89	272.80	95.65	27.68

Profit rates to interest paid shows that the average was 21.96 percent during 1972-86. Practically SB had the highest rate of the same i.e. 33.04 percent during the period under study. While PB had the least of the same i.e. 7.98 percent AB and RB had near about average position. The standard deviation of the same was 22.94 and 21.77 in SB and PB as against average of 6.08 during the period. The degree of deviation was narrow in RB and JB followed by UB. Virtually increasing interest structure formulated by Bangladesh Bank led to the declining profit rates in relation to interest paid. In that sense the situation during 1978 to 1986 had a declining trend compared to that in 1973 to 1976 (Table - 37). The increasing deposit mobilisation had also similar impact on the same.

Spread in relation to total income will further reveal the nature of the same.

Table - 38
SPREAD TO TOTAL INCOME IN NCBs
DURING 1972 TO 1986

	S.B.	A.B.	J.B.	R.B.	P.B.	U.B.	AVERAGE
							(IN PERCENTAGE)
1972	35.00	24.39	24.95	20.00	22.30	33.96	26.58
1973	41.91	23.79	27.68	14.83	36.94	28.06	27.51
1974	44.54	18.66	22.43	13.84	22.82	24.52	23.63
1975	40.89	20.50	18.26	13.75	17.38	16.67	21.45
1976	36.19	16.17	15.63	11.22	26.77	17.98	19.52
1977	37.60	27.31	18.23	10.41	32.72	24.03	23.50
1978	39.11	36.65	22.12	11.52	32.76	19.52	26.28
1979	38.50	35.74	31.53	11.17	34.82	22.88	29.67
1980	37.48	30.13	29.52	18.89	34.63	22.64	30.61
1981	26.26	26.14	9.42	10.34	25.12	15.94	23.47
1982	31.29	26.95	21.77	9.54	24.20	14.87	23.27
1983	33.52	24.14	24.83	18.25	21.87	15.23	25.88
1984	37.62	21.68	20.63	16.69	20.93	13.56	25.24
1985	31.65	24.64	21.04	23.05	23.52	13.46	24.89
1986	29.35	22.69	58.61	20.93	21.70	23.90	33.29
AVERAGE	34.12	24.48	28.32	16.6	24.96	17.68	26.88
S.D	4.94	5.63	10.94	4.39	6.14	5.9	3.57
C.V	14.47	22.99	38.62	26.44	24.59	33.37	13.28

The above Table implies that average percentage of spread to Total Income was 26.58 in 1972. It declined to 19.52 in 1976. There was increasing trend upto 1980 but it declined subsequently with an improvement in 1986. This indicates that some other items of expenses had also a greater impact on the total income of the Banks. Practically the average of the same was highest in SB i.e. 34.12 percent as against 28.32, 24.96, 24.48, 17.68, & 16.60 in JB, PB, AB, UB & RB. respectively (Table -38).

To have specific idea about the nature of Profit and its determinants, the cost components are shown below:

Table - 39
INTEREST PAID TO TOTAL EXPENSES IN NCBs
IN BANGLADESH DURING 1972 TO 1986.

(IN PERCENTAGE)

	S.B.	A.B.	J.B.	R.B.	P.B.	U.B.	AVERAGE
1972	51.70	67.47	70.00	71.89	55.15	41.00	67.70
1973	50.72	66.17	73.70	75.48	53.73	71.50	69.80
1974	48.63	71.16	71.13	74.39	61.54	74.25	71.29
1975	54.60	69.64	76.43	71.28	66.76	80.68	72.80
1976	54.80	68.99	79.12	73.22	60.71	79.76	74.07
1977	54.57	43.45	79.86	70.84	61.32	77.71	70.13
1978	52.69	42.32	74.19	69.72	53.50	73.74	60.75
1979	53.60	43.41	59.65	70.33	56.72	71.11	81.28
1980	57.63	43.38	58.85	51.82	57.65	68.33	57.42
1981	65.58	51.34	68.39	62.70	68.31	81.23	68.61
1982	74.58	55.91	73.40	66.35	70.59	84.98	72.83
1983	73.43	58.27	71.10	67.72	71.70	84.16	72.16
1984	68.77	64.55	72.00	70.54	72.51	83.89	72.37
1985	70.47	61.61	71.29	70.66	68.84	84.40	70.73
1986	71.71	65.66	71.95	71.21	71.61	69.13	72.06
AVERAGE	82.42	69.59	71.24	68.84	67.53	79.38	73.73
S.D	9.323	10.799	5.863	5.737	7.017	11.072	5.52
C.V	11.31	15.51	8.22	8.33	10.39	13.95	7.48

Here it is found that interest paid to Total expenses was 73.73 percent during 1972-86. SB had the highest of the same i.e. 82.42 percent followed by UB i.e. 79.38 percent. The other Banks had 67.53 to 71.24 percent of the same during the period under study. Virtually the standard deviation was highest in UB i.e. 11.07 as against 5.86 in JB. Other Banks had 5.86 to 9.32 standard deviation as against average of 5.52 during the period (Table - 39).

Operational effectiveness

Operational efficiency of the NCBs shows that there was increasing deposit mobilisation per employee during the period under study. The average of the same was Tk.8.52 lakhs during 1972 to 1986. Practically it was highest in JB i.e. Tk.12.92 lakhs, followed by Tk.8.82, Tk.7.93, Tk.7.38, Tk.6.73 and Tk.6.13 lakhs in SB, RB, UB, AB and PB respectively during the period under study (Exhibit - 1).

Similarly advances per employee had an increasing trend during the period ranging from Tk.2.61 lakhs to Tk.11.68 lakhs. The average of the same was Tk.6.88 lakhs. Virtually JB had the highest share of advances i.e. Tk.11.61 lakhs followed by SB, UB, RB, AB and PB i.e. Tk.7.24 lakhs, Tk.6.26 lakhs, Tk.5.70 lakhs, Tk.4.93 lakhs and Tk.4.65 lakhs respectively (Exhibit - 2). The Standard deviation was 6.31 in SB as against 3.40, 3.14, 3.13, 3.09 and 1.98 in RB, AB, JB, UB and PB respectively.

There was similar trend in income earnings per employee i.e. varying between Tk. 0.23 lakhs to Tk.1.77 lakhs during the period. Average of the same was Tk. 0.96 lakh while it was highest in JB i.e. Tk. 1.66 lakhs followed by UB, RB, SB, AB and PB i.e. Tk. 1.39, Tk. 0.94, Tk. 0.83, Tk. 0.72 and Tk. 0.66 lakhs respectively (Exhibit - 3).

Spread per employee rose to Tk.0.59 lakh in 1986 as against Tk.0.06 lakh in 1972. There was continuous increase in the same during the period. Virtually average of the same was Tk. 0.25 lakh during 1972 to 1986. JB had highest of the same i.e.

Tk.0.34 lakh. Next to that was available in SB, UB and AB i.e. Tk.0.28 lakh, Tk.0.25 lakh and Tk.0.24 lakh respectively followed by RB and PB having Tk. 0.16 lakh each. The average variation was Tk. 0.13 lakh during the period. Practically JB had highest variation in spread i.e. Tk. 0.25 lakh while the same was Tk. 0.18, Tk. 0.13, Tk. 0.12, Tk. 0.11 and Tk. 0.08 lakh in RB, UB, SB, AB and PB respectively (Exhibit - 4).

Expenses per Employee showed increasing trend amounting to Tk.0.30 lakh in 1973. It rose to Tk.0.92 lakh in 1983. There was further increase in the same i.e. Tk.1.08 lakhs, Tk.1.56 lakhs and Tk.1.58 lakhs in 1984, 1985 and 1986 respectively. Average of the same was Tk. 0.80 lakh during the period. Practically UB had highest share of expenses per branch although it rose rapidly after denationalisation of the same i.e. in 1983. Next highest expenses were in JB followed by AB, RB, PB and SB i.e. Tk.1.06 lakhs, Tk.0.87 lakh, Tk.0.83 lakh, Tk.0.62 lakh and Tk.0.57 lakh respectively. There was greater variation in UB i.e. Tk.0.91 lakh as against Tk.0.45, Tk.0.43, Tk.0.42, Tk.0.38, Tk.0.37 lakh in RB, AB, JB, PB and SB respectively (Exhibits - 5 & 6).

Establishment expenses rose rapidly during 1982 to 1986. It varied from Tk.0.30 lakh to Tk.0.33 lakh during the period. Practically the same per branch rose to Tk.0.16 lakh in 1981 while the same was Tk.0.05 lakh in 1973. The average of the same was Tk.0.19 lakh during the period under study. practically JB had the highest establishment expenses i.e. Tk.0.35 lakh followed

by AB, SB, RB, PB and UB i.e. Tk.0.18 lakh, Tk.0.17 lakh, Tk.0.15 lakh, Tk.0.11 lakh and Tk.0.11 lakh respectively (Exhibits-7 & 8).

Advances per branch had an increasing trend during 1973 to 1976. It declined a little in 1977 but it had further increasing trend since 1978 continuing upto 1986. Average of the same amounted to Tk.105.16 lakhs during 1972 to 1986. Practically SB had the highest amount of advances per branch i.e. Tk.131.69 lakhs while the same was Tk.127.60 lakhs, Tk.106.53 lakhs, Tk.79.44 lakhs, Tk.77.75 lakhs and Tk.74.51 lakhs per branch in JB, UB, AB, PB and RB respectively. The average volume of advances were highest in 1986 i.e. Tk.195.49 lakhs as against Tk.38.08 lakhs in 1972. The increasing advances is due to the liberal industrial financing to the different areas in Bangladesh as per the industrial policy of the Government of Bangladesh (Exhibit - 9).

Deposit per Branch had a similar growth ranging from Tk.56.37 lakhs in 1972 to Tk.262.85 lakhs in 1986. The average of the same was Tk.130.24 lakhs in 1972 to 1986. On average SB had the highest share of deposits i.e. Tk.160.00 lakhs followed by UB i.e. Tk.125.61 lakhs as against Tk.142.09 lakhs, Tk.108.48 lakhs, Tk.103.68 lakhs, Tk.102.53 lakhs in JB, AB, RB and PB respectively (Exhibit - 10).

Income per branch amounted to Tk.14.72 lakhs during the period under study. It had increasing trend from 1972 to 1986 with a decline in 1977, 1978 and 1979. It rose to Tk.8.95 lakhs

in 1980. Since then it had an increasing trend which virtually rose to Tk.29.65 lakhs during 1986. Per branch income was highest in UB i.e. Tk.23.78 lakhs while the same was Tk.18.31 lakhs, Tk.15.09 lakhs, Tk.12.37 lakhs, Tk.11.67 lakhs and Tk.11.05 lakhs in JB, SB, RB, AB and PB respectively. Year-wise average situation shows that it was highest in 1986 i.e. Tk.29.65 lakhs. Practically this needs to be judged through analysing the net profit per Branch (Exhibit - 11).

It is encouraging to mention that there was increasing trend in average spread per branch i.e. Tk.9.87 lakhs in 1986 as against Tk.0.91 lakh in 1972. Since 1973 there has been increasing trend in the same excepting a little decline in 1977. Virtually volume of spread has a greater impact on the increasing earnings of the Banks during the period. Volume of average spread was highest in JB i.e. Tk.5.18 lakhs, followed by SB, UB, AB, PB and RB i.e. Tk.5.15 lakhs, Tk.4.20 lakhs, Tk.2.85 lakhs, Tk.2.76 lakhs and Tk.2.05 lakhs respectively during the period under study. The volume of interdependence would be more clear from the level of correlation as shown later (Exhibit-12).

In an attempt to judge the some other factors affecting the total earnings of the Banks, it is found that total expenditure per branch had also increasing trend during the period excepting in 1977. The same rose to Tk.26.43 lakhs in 1986 as against Tk.3.15 lakhs in 1972. The average of the same was Tk.12.24 lakhs during 1972 to 1986. UB had the highest average expenditure i.e. Tk. 21.65 lakhs as against Tk. 16.25 lakhs,

Tk. 10.84 lakhs, Tk. 10.49 lakhs, Tk. 10.38 lakhs and Tk.10.10 lakhs in JB, RB, PB, SB and AB respectively during the period (Exhibit-6).

In identifying the nature of increases in each of the elements of total cost, it is clear that establishment expenses per branch had a greater increase during 1982 to 1986. Virtually the same had a greater impact on total cost during the period viz it rose to Tk.5.09 lakhs per branch in 1986 as against Tk.0.83 lakhs in 1973. Even in 1980 the same was Tk.2.06 per branch, JB had the highest of the same i.e. Tk.5.41 lakhs during the period while the same was Tk.2.70 lakhs, Tk.2.29 lakhs, Tk.2.14 lakhs, Tk.1.90 lakhs, Tk.1.87 lakhs in SB, RB, AB, UB and PB respectively (Exhibit - 7).

In an attempt to judge the correlation of earning power and other variables it is found that there is a positive correlation between Interest and discount to Working fund and the total income to working fund and the same is significant at 5 percent level of significance. There is also significant correlation between spread to working fund and the total income to the working fund in the NCBs in general during the period under study.

There is also significant correlation between total income to working fund and fixed deposit to total deposit in NCBs during the period under study.

Virtually there is negative correlation between total income and working fund and operating expenses to working fund

but that is very much insignificant during the period under study. There is negative correlation between net profit to working fund and total advances to total deposits and the same is very much insignificant. Correlation between net profit to working fund and total deposits to total assets is also negative although insignificant during the period under study. Bank-wise correlation reveals that in SB, there was significant positive correlation between total income to working fund, Interest and discount to working fund and spread to working fund and total advance to total deposits. The same is significant at 5% level of significance. Practically there was a negative correlation between net profit to working fund and operating expenses to working fund, total deposits to total assets etc. In AB similar correlation is also found i.e. significant positive correlation between total income to working funds, spread to working fund, advances to deposits etc. The same is significant at 5% level of significance. In JB the same situation is available. But in RB there was insignificant correlation between total income to working fund and total advances to deposits. In PB & UB the correlation is found to be significant between total income and working fund, interest and discount, spread to working fund etc. There is negative correlation between earnings and fixed deposit to total deposit and the same is significant at 5% level of significance. In UB there is positive correlation between interest and discount, spread and total income to working fund and the same is significant at 5% level of significance. The

correlation is negative between net profit to working fund and fixed deposit to total deposit.

The factors governing the operational efficiency of the NCBs show that there was significant correlation between earning power of its working fund and the total advances to deposits. Increasing advances had a greater impact on the greater utilisation of the working fund during the period under study. There was better control in operating expenses and other expenses during the period. Inter bank variation in earning power and operational efficiency is due to variation in advances, volume of spread, operating expenses, establishment expenses, deposit mobilisation etc. in the NCBs during the period under study.

FINANCIAL REPORTING:

All the banks follow double entry system in preparing financial accounting statements i.e. year ending (Jan - Dec) Profit & Loss Accounts, Balance Sheets, particulars of advances etc. Advances are classified into fully secured debts under debtors personal security, debts by the personal liabilities of one or more parties, Debts considered doubtful or bad, debts due by the directors or officers of the bank, debts due by companies or firm in which directors are involved etc. In an attempt to know the principal accounting policies followed by the above, it is also evident that these financial statements are prepared under historical cost convention. Depreciation of depreciable assets are charged as per the rates given by Bangladesh Bank. Cost of fund is found out at the end of the financial year in

each of the banks through correlating the interest paid and total working fund. Regarding the liquidity requirements, the Bank Management mentioned that practically Statutory Cash Reserve requirement of the NCBs remained at 5% of the total demand and time liabilities during 1972 to 1986. In October 1987 the same was raised to 10% of total demand and time liabilities of scheduled banks including NCBs but excepting BKB, RKUB and BSB. Liquidity ratio of the scheduled banks remained at 25% of their demand and time liabilities during 1972 and 1984. During 1985 the same was changed i.e. 25% of total demand liabilities and 23% of total time liabilities. The same remained intact in 1986 but during 1987 the same was reduced to 20% of the total demand and time liabilities. During 1988 it was raised to 25% of total demand and time liabilities. Most of the Bank Executives opined that after liberation there was severe shortage of liquidity in the Banks. This was because of fund transfer and the absence of realisation of advances. Subsequently, there was increasing improvement in the situation. Practically there is no liquidity crisis in any of the NCBs. Rather there is ample scope to have short term investment in marketable securities i.e. Treasury bills and other papers.

Regarding the interest rate on deposits, it is found that it was varying from 3% to 4.5% in call deposits, special notice accounts, Savings Bank account etc. The same varied from 4.5% to 6% in fixed deposit in 1971 to June, 1974. The same rose to 5 to 8 percent in call deposits and savings deposits, 6 to

9.25 percent in fixed deposits during 1974 to October 1980. There was further increase in the same i.e. varying from 8.50% to 10.50% in call and savings deposits and 10 to 15 percent in fixed deposits during October 1980 to December 1984. From January 1985, there was further increase in interest on deposit i.e. in between 8.5% to 10.5% and 10% to 15% in Call and Savings deposits, Fixed deposit respectively (Exhibit - 19).

Normal lending rate was in between 9 to 10 percent during 1971 to June 1974. It was raised to 12 to 13 percent and remained same upto October, 1980. The same was increased to 15.5% to 16% during 1980 to December, 1984. Practically the same varied from 12 to 20 percent from January 1985 onwards (exhibit-20). There was increasing growth in lending rate than that in deposit rates.

Regarding the suitability of the interest rates, bank executives provided no specific suggestions rather it is encouraging for them in view of the socio-economic goals and targets.

Regarding the priority sector financing, it is clear that time to time as per the direction of Bangladesh Bank, 5 to 20 percent of the loanable fund is given to the priority sector at reduced rate of interest varying between 9 to 14 percent (normal rate 18%) depending on the nature of project and types of loan etc.

In Head Office level of each of the bank, there is specific project appraisal committee headed by DGM, other members

are financial analyst, engineers, member secretary etc. Appraisals report is submitted (within the power limit) to the concerned General Manager, Managing Director or Board of Directors. The various loans viz secured O.D., Cash Credit, Project Loan, House Building Loan, Loan against merchandise, Bills purchased and discounted, Trust Receipt, Inland Bills purchased, Payment against document etc. are given.

In relation to overdues, the bank executives mentioned the following factors leading to the low recovery and improper utilisation of the advances:

Changing circumstances i.e. natural, political and socio-economic in nature.

Price escalation, diversion of fund for luxury purpose, lack of austerity, proper budgeting and planning, lack of experience of the entrepreneurs, production problems of the entrepreneurs, marketing efficiency, labour unrest etc.

Regarding the number of units financed by each of the NCBs, number of sick units, causes of the same etc. bank executives refused to provide the exact information due to severe competition among the NCBs and the private Banks in Bangladesh. Needless to say that no such specific record is available at the Head Office level. However, before giving the advances, the purposes of the same, nature of requirements, repaying possibility (with interest) after investment within short term creditability and trust worthiness, intention of diversion of funds, viability of the project in general i.e. short term and long term etc. by

way of considering the technical feasibility, economic feasibility, financial feasibility etc. are judged through the Project Appraisal Committee. Due to non-availability of information the project-wise advances, term-wise advances, bank-wise rural and urban advances could not be collected. However, regarding the rural advances, bank executives mention that rural advances are mainly in the small shopkeeper and small agricultural activities. Repaying capacity of the loan is very much limited and there is little scope of the utilisation of fund. In the rural branches, there is shortage of manpower, Loan area is higher than the number of people engaged. Regarding the budgetary practices of the NCBs the bank executives mentioned that practically development expenditure budget, Revenue budget, Deposit target, Advertising budget, office contingency budget showing miscellaneous sundry expenses etc. are made by the Head Office before the beginning of the year. No advance budget is made rather it depends on the volume of proposals, availability of the entrepreneurs, industrial policy of the governments etc. Normally 75 percent of the total deposit is treated as loanable fund. There is also facility of having the call loan and borrowings from Bangladesh Bank for the same purpose.

In an attempt to judge the cost component of the banking operation, the executives opined that virtually total cost is segregated into fixed and variable. Attempts are made to control the same through systematic Management information system in the branch level and Head office level. All the branches submit the

daily operational information in addition to weekly, fortnightly, monthly, quarterly, half-yearly and Annual Reporting. The specific formats are given by Head Office. Instructions and guidelines from the Head office to branches are given through circulars. Financial evaluation, internal audit, external audit etc. facilitate the verification of the accuracy of the Reporting system. In addition to that Head office by way of sending the Inspection team tries to control the day-to-day activities of the branches in view of the budgets and targets.

Branch overdues are consolidated and handled centrally by Head Office. There is Monitoring and Follow-up Cell in each of the Head Office. The executives of the same are to visit the branch and borrowers personally and assess their repayment capacity and find out new avenues.

Regarding the priority sector financing the Bank executives mentioned that exact measurement of the impact of the same is impossible. Creation of employment opportunities, foreign exchange earnings, financing of the import substituting industries, value added to the economy etc. are the best indicators of the impact of the same.

On the question of well communication among the branches and Head Office the executives opined that the way of specific reporting, test checking made by the Head Office team, conference of the branch executives twice in a year etc. facilitate the interchange of the opinions and views of the executives strengthening the operational effectiveness. The adoption of the

policy regarding the sick units reveals that sometimes additional funds are given to the sick units to facilitates their day-to-day functioning and ensuring the repayment of the same.

In reply to the question of branch developement policy, the bank executives mentioned that before establishing the same, feasibility report is made by the area chief. The same is placed to the Board of Directors and by way of approval it is presented to Bangladesh Bank for licence. All the branches may not earn profit but due to establishment of that particular branch, others get the benefit.

The advances of the NCBs are mainly in the manufacturing sector like jute, sugar, cotton, textiles, iron & steel and tanneries. Other sectors are trade commerce and other industries, transport, agriculture, housing, forestry, fishing, restaurants and hotels, light engineering, food and allied products, printing and packaging, shrimp culture etc. (Appendix - 9).

The classification of advances of SB shows that industry-wise advances had also an increasing trend during the period. Advances to the sugar mills figured to Tk.9.52 crores in 1974. It rose to Tk.44.23 crores in 1986. The same was highest in jute and jute goods i.e. Tk.538.54 croes in 1986. Virtually larger amount of advances were given in agricultural sector i.e. Tk.841.00 crores in 1986 followed by Trade, Commerce and Industry i.e. Tk.667.67 crores. Transport, small scale industries, tobacco, cotton mills and others were given working capital advances. While long term advances were given to Housing and

Capital finance to small industries (Appendix - 9). Securities are mainly in terms of merchandise, precious metals, machinery and other fixed assets, Real estates etc. financial obligations i.e. Insurance policies, Bank deposits etc. out of the same, the major share was in the form of merchandise i.e. amounting to Tk.557.36 crores in SB 1984 (Appendix - 9).

The allocation of advances in the various sectors shows that agriculture, hunting, forestry and fishing had the major proportion i.e. 25.50 percent of the same in 1984 followed by manufacturing industry, wholesale, retail trade and restaurants and hotels etc. in SB (Appendix - 9).

In AB it is found that 38% of the advances were given in textiles followed by garments, light engineering, food and allied industry, ice plants, printing and packaging etc. i.e. 17, 14, 7, 2 and 2 percent respectively during 1986.

In AB advances were highest in manufacturing sector followed by wholesale, retail trade, financing insurance, real estate etc. during 1974-86 (Appendix - 9).

In JB sector-wise advances indicate that highest share was in jute trade and industries followed by rural credit. Other major sectors were sugar industries, Textiles, Tanneries, Tea, Iron & steel, House building etc.

The classification of Advances by securities of JB shows that major portion was in the form of merchandise followed by machinery and other fixed assets (Appendix - 9).

Advances of RB are mainly in crop financing followed by

Swanirvar credit programme, shrimp culture programme, rural house building etc. Highest amount was given in agriculture followed by Manufacturing sector and others (Appendix - 9).

In PB advances were Tk.487.50 crores at the end of June, 1987. Practically Tk.228.07 crores were in whole sale & retail trade etc. followed by Manufacturing Sector and other sectors during the period under study. In UB, total advances were Tk.328.75 crores at the end of 1986 and similarly greater amount was in whole sale and retail trade. Practically it is clear that the advances of the NCBs were concentrated in agriculture, manufacturing sector, whole sale and retail trade etc. having an increasing trend during the period under study. The major limitation of this analysis is that year-wise advances given to different sector are not available rather the balancing figures of the advances including interest are interpreted to focus the nature of advances and its utilisation for the economic welfare of the country.

Private Sector Banking

The operational effectiveness of the selected private banks in Bangladesh reveals that the average gross income to working fund was 10.64 percent during 1983-86. Practically it rose to 12.40 percent in 1984 as against 4.87 in 1983. It deteriorated to 10.28 percent in 1985 but it further rose to 11.21 in 1986. AB Bank had the highest of the same i.e. 13.60 percent followed by IFIC, NBL, UCBL, and CBL i.e. 12.18, 9.18, 8.94 and 7.95 percent respectively. Regarding net profit to working fund

it is found that IFIC had the highest of the same i.e. 2.47 percent followed by NBL, CBL, AB BANK, and UCBL i.e. 2.19, 2.13, 2.11 and 1.75 percent respectively. Average of the same had an increasing trend during 1984 to 1985 with a decline in 1986. Spread to working fund was highest in UCBL i.e. 3.54 percent as against 3.48, 3.21, 3.17 and 2.82 in NBL, CBL, AB bank and IFIC respectively during the period. Volume of deposit mobilisation of the selected private banks shows that it had an increasing trend during the period. Per employee deposit was highest in AB Bank i.e. amounting to Tk.39.15 lakhs while the same was Tk.37.50 lakhs, Tk.28.69 lakhs, Tk.23.49 lakhs, and Tk.23.31 lakhs in IFIC bank, CBL, UCBL and NBL respectively. Similarly advances per employee had also an increasing trend which was highest in IFIC Tk.28.48 lakhs as against Tk.26.59 lakhs, Tk.20.95 lakhs, Tk.14.48 lakhs and Tk.14.41 lakhs in AB bank, NBL, UCBL and CBL respectively in 1986. Deposit per employee and advance per employee had similar trend but inter-bank variation is different. Operational effectiveness of the selected private banks showed better situation compared to that in NCBs during the period under study viz average advances per branch amounted to Tk.118.00 lakhs, Tk.154.61 lakhs, Tk.182.10 lakhs and Tk.195.49 lakhs in NCBs during 1983, 1984, 1985 and 1986 while the same in private banks figured to Tk.548.45 lakhs, Tk.701.17 lakhs, Tk.708.12 lakhs and Tk.688.05 lakhs during 1983, 1984, 1985 and 1986 respectively. Similarly there was greater variation in deposit mobilisation per branch i.e. Tk.150.26 lakhs, Tk.197.27 lakhs,

Tk.231.50 lakhs, Tk.262.85 lakhs in the NCBs during 1983, 1984, 1985 and 1986 respectively as against Tk.920.98 lakhs, Tk.1104.44 lakhs, Tk.1038.70 lakhs, Tk.970.62 lakhs in private banks during the said period respectively. Advances per employee and deposit mobilisation per employee had similar variation. This indicates the increasing utilisation of the working funds of the private banks (Exhibit - 50).

Major Problems of NCBs at a Glance

In an attempt to identify the major problems of the bank executives on the way of fund management in NCBs the following points are note-worthy:-

- a) Delayed decision taken by the government;
- b) Shortage of trained manpower;
- c) Situational hindrances;
- d) Lack of good and experienced entrepreneurs;
- e) Lack of feasible industrial venture;
- f) Shortage of equity capital;
- g) Tendency to divert the bank fund;
- h) Socio-economic stability;
- i) Lack of good investment climate;
- j) Lack of technological climate;
- k) Lack of proper industrial counselling and guidance;
- l) Lack of incentives and publicity.

Thus the first hypothesis of the study is corroborated by the fact that operational efficiency of the NCBs is affected by some controllable and uncontrollable factors.

The second hypothesis of the study is also strengthened through the changing utilisation of working funds of the NCBs during the period under study and there is ample scope to improve the uses of the same by way of better planning and control mechanisms as discussed in details.

The third hypothesis of the study i.e. fulfilment of social obligations is one of the major factors for the low profitability of the NCBs during the period under study is also backed by the significance of priority sector financing at concessional rate of interest, better performance of the private banks, contribution to the national exchequer in the form of taxes, duties, operating surplus etc. However, the NCBs would try to enhance the return on working funds exceeding the obligations i.e. 5% to 20% of the loanable fund is given to the priority sector (Exhibit 52 & 53).

CHAPTER VI

CONCLUSIONS

From the overall analysis and interpretation of quantitative and qualitative data, it could be concluded that operational efficiency of Nationalised Commercial Banks in Bangladesh had an increasing trend during 1972-76. It declined a little during 1978 to 1980 with an improvement during 1981 and 1982 but again deteriorated during 1983 to 1985 although there was an improvement during 1985-86. Agrani Bank had the highest level of operational efficiency followed by Sonali Bank, Uttara Bank, Rupali Bank, Janata Bank and the Pubali Bank respectively. Virtually Pubali Bank had the least of the same. The major factors deteriorating the operational efficiency 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. Bank executives opined that there was little scope in the hands of the Bank Management to enhance the spread as determined by the interest received and interest given by the NCBs, which was as per the direction of Bangladesh Bank. There was also little difficulty in controlling the establishment expenses because of the increasing Pay scales given by the Government of Bangladesh during 1972 to 1986. Current expenses practically rose rapidly during 1976-77 to 1979-80 after that there was a greater control on the same because of the utmost care and sincere efforts of the Bank Management.

Recently there is strict control in the same as evident in Table 32. Non-current expenses had insignificant growth during the period due to intensive restriction of fixed Assets of the Banks. The governing factor of the increasing operational efficiency indicates that there was better deposit mobilisation and increasing advances in various sectors of the NCBs. There was also better recovery because of the effective utilisation of the borrowed funds. The inter bank variation is mainly due to the problem of the utilisation of the working fund. NCBs had satisfactory liquidity situation during the period under study. Instead of having shortage of liquidity, there was excess liquidity in some of the years and efforts were made to invest the same in profitable venture, maintaining the cash reserve requirements of the Bangladesh Bank. Private banks in Bangladesh showed better operational effectiveness by way of increasing earnings through working fund, deposit mobilisation and advances during 1983-1986. Although the governing situation of the two is different, virtually NCBs have given greater emphasis on the social profitability of the working funds as per the strategies of the Government of Bangladesh. Still there is ample scope to enhance the operational effectiveness of the NCBs by way of identifying the sick projects, analysis of the causes of the same, preventing the same through proper feasibility study, imparting guidance to the entrepreneurs. Steps may also be taken to strengthen the existing Budgetary Control practices for ensuring the application of Cost Control mechanisms in Branch

level. This may be done through improving the existing reporting practice of the banks and strengthening the better communication between the branch and Head office. This needs co-operation of the bank executives in different level alongwith the proper steps taken by the Bangladesh Bank.

POLICY IMPLICATIONS

The following policy implications are warranted for the betterment of the operational efficiency of the NCBs in Bangladesh.

- a. More attention should be given on the better utilisation of working funds in profitable ventures.
- b. For the selection of the feasible industrial projects, proper feasibility study should be ensured, through the co-operation of National Board of Investment of the Government of Bangladesh.
- c. Efforts should be taken to minimise the volume of outstanding advances in different industrial sectors by way of strengthening the profitable utilisation of the same.
- d. More caution needs to be taken for rural financing to avoid unnecessary blockage of funds and misuse of the same.
- e. Steps should be followed as to reduce the cost of fund enhancing the volume of spread and return on investment of the NCBs.
- f. There should be more control on operating expenses, establishment expenses, other current and non-current

expenses to facilitate the minimisation of pressure on burden of the NCBs. This needs planned approach on day-to-day management of funds including staff developement.

- g. Bank executives should try to have more deposit mobilisation schemes through better publicity and incentive measures which may strengthen the savings and investment climate in our economy.
- h. Bangladesh Bank should try to mobilise the small deposits in the rural areas by way of better facilities and benefits to the rural poor in co-operation of the NCBs.
- i. Advances of the NCBs needs to be classified as per the time of overdues and specific attempt should be made to identify the causes of the overdues and removal of the same through analysing the nature of controllability of the same.
- j. For increasing entrepreneurship developement in the industrial estates, the lending process and procedures need to be liberalised following accurate project feasibility, counselling and guidance to the entrepreneurs, continuous supervision of the efficiency level of the operating units, expediting the processing of the applications and motivating the entrepreneurs and the prospecting investors according to the emphasis given in the Industrial Policy 1986.
- k. There may be more investment of the working fund, exceeding the liquidity requirements. This requires planned investment decision in view of the operational requirements for funds and the availability of the same.

1. Financial evaluation of each of the bank should be done periodically as to locate the level of operational efficiency and its governing factors to facilitate the better use of working funds in time ensuring better returns.
- m. Financial Reporting system of the Banks needs to be more informative and more methodical. The mere application of Financial Accounting is not enough to measure the achievement of objectives of the NCBs rather there should be proper assessment of the impact of priority sector financing, value added statement, major accounting policies followed, Management information system prevalent etc. in the financial reporting of NCBs which may facilitate the inter-unit comparison and evaluation of the performance of the NCBs in Bangladesh.
- n. Reporting system at the branch level needs to be developed by way of arranging accounting information relating to fund management in time. This will quicken the management decision making of the strategic management at the top level enhancing the better use of the funds through entrepreneurship development programme, creating employment opportunities and enhancing value added to the economy.
- o. More autonomy should be given to the NCBs in granting the industrial advances to the private sectors like small and cottage industries, non-traditional sector etc.

SUGGESTIONS FOR FURTHER RESEARCH

Research creates problem. In view of the limitations of the present study, the following further research works need to be emphasised too facilitate the Banking developement in Bangladesh:

- a. Social obligations of the NCBs and its achievemnt during post-nationalisation period.
 - b. Fund management practices and its impact in the operationl efficiency at the branch level of the NCBs.
 - c. Management of NCBs with an emphasis on planning and control mechanisations in NCBs.
 - d. Comparative study of the NCBs and private banks in relation to their growth and developement.
 - e. Role of NCBs in the economic developement of the different zones in Bangladesh.
 - f. Accounting information system and financial reporting system in the NCBs.
 - g. Managerial effectiveness of the NCBs etc.
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EXHIBITS

(Exhibits have been prepared from the Appendices attached)

EXHIBIT-1

DEPOSITS PER EMPLOYEE IN NCBs IN BANGLADESH DURING 1972 TO 1986.

	(Taka In Lakhs)						
	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	3.54	4.24	4.63	2.58	4.04	4.45	3.87
1973	3.85	5.29	5.40	2.88	3.35	3.78	4.10
1974	3.61	3.88	5.67	3.11	3.81	3.82	4.03
1975	4.76	3.95	3.90	2.96	3.68	4.38	4.44
1976	4.49	4.81	6.87	3.45	4.26	4.21	4.84
1977	4.36	4.91	6.37	3.54	4.06	4.28	4.70
1978	5.10	4.77	5.37	4.05	4.31	4.18	4.81
1979	6.97	5.44	5.62	4.63	4.68	4.87	5.46
1980	6.03	5.94	6.18	5.52	5.20	5.55	5.86
1981	6.66	7.65	7.55	7.39	5.68	7.68	6.99
1982	9.01	7.57	8.37	8.42	4.84	8.13	8.20
1983	9.60	10.20	11.27	10.38	7.54	9.29	9.90
1984	11.06	13.69	14.31	13.70	8.07	11.97	12.14
1985	13.68	15.65	15.11	14.95	10.31	15.02	14.10
1986	14.82	17.56	15.59	18.00	12.14	19.16	15.71
AVERAGE	8.82	6.73	12.92	7.93	6.13	7.38	8.52
S. D.	3.67	4.49	3.95	5.01	2.62	4.45	3.9
C. V.	41.61	66.71	30.57	63.17	42.74	60.29	45.77

EXHIBIT-2

ADVANCES PER EMPLOYEE IN NCBs IN BANGLADESH DURING 1972 TO 1986.

(Taka In Lakhs)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	3.62	3.33	3.32	2.18	2.48	3.26	2.61
1973	8.38	4.29	3.61	2.15	2.07	3.34	2.88
1974	5.32	3.38	4.59	2.15	3.34	4.11	3.31
1975	6.15	3.57	5.35	2.18	2.63	4.39	3.50
1976	5.65	4.04	5.80	2.49	2.86	3.97	3.67
1977	7.06	4.06	6.00	2.48	3.04	3.70	3.94
1978	8.23	3.76	5.38	2.86	3.28	4.24	4.09
1979	10.02	4.23	5.74	3.99	3.46	4.03	4.62
1980	10.58	4.56	6.22	4.39	3.66	5.53	5.10
1981	13.25	5.28	7.73	6.06	4.43	8.29	6.41
1982	19.01	4.46	9.74	6.27	4.90	8.35	7.83
1983	15.94	6.58	10.33	6.78	5.39	6.81	7.77
1984	18.11	9.80	11.68	9.96	6.47	8.68	9.52
1985	21.79	11.55	12.66	10.85	7.92	10.71	11.09
1986	22.62	13.09	12.07	11.84	8.53	13.51	11.68
AVERAGE	7.24	4.93	11.61	5.70	4.65	6.26	6.88
S. D	6.31	3.14	3.15	3.40	1.98	3.09	3.02
C. V	87.15	63.69	27.01	59.65	42.58	49.36	43.89

EXHIBIT-3

INCOME PER EMPLOYEE IN NCBs IN BANGLADESH DURING 1972 TO 1986.

(Taka In Lakhs)

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	0.11	0.34	0.35	0.23	0.14	0.30	0.23
1973	0.19	0.72	0.54	0.38	0.21	0.39	0.38
1974	0.23	0.68	0.71	0.47	0.32	0.54	0.47
1975	0.33	0.80	1.00	0.50	0.33	0.78	0.59
1976	0.34	0.90	1.07	0.57	0.31	0.80	0.63
1977	0.36	0.41	1.06	0.51	0.33	0.70	0.56
1978	0.39	0.41	0.85	0.61	0.38	0.76	0.55
1979	0.45	0.50	0.61	0.47	0.42	0.77	0.55
1980	0.54	0.53	0.75	0.57	0.46	1.02	0.61
1981	0.79	0.80	1.11	0.98	0.66	1.89	0.92
1982	1.08	0.74	1.30	0.99	0.78	2.24	1.08
1984	1.04	1.28	1.52	1.35	0.92	2.68	1.26
1985	1.32	1.80	1.89	1.81	1.26	3.32	1.64
1986	1.49	2.08	1.95	2.02	1.44	2.11	1.77
AVERAGE	0.83	0.72	1.66	0.94	0.66	1.39	0.96
r OF ADVANCE PER EMPLOYEE INC. PER EMP	0.981	0.943	0.94	0.973	0.977	0.86	0.985
r OF DEPOSIT PER EMP. & INC. PE	0.97	0.92	0.904	0.976	0.959	0.829	0.977
S. D.	0.439	0.502	0.485	0.552	0.387	0.948	0.40
C. V	52.89	69.72	29.21	58.72	58.63	68.2	41.66

EXHIBIT-4

SPREAD PER EMPLOYEE IN NCBs IN
BANGLADESH DURING 1972 TO 1986.

(Taka In Lakhs)

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	0.04	0.08	0.08	0.04	0.03	0.10	0.06
1973	0.07	0.17	0.14	0.05	0.08	0.11	0.10
1974	0.10	0.13	0.16	0.06	0.07	0.13	0.11
1975	0.14	0.16	0.18	0.07	0.06	0.13	0.12
1976	0.12	0.15	0.16	0.06	0.08	0.14	0.12
1977	0.13	0.11	0.19	0.05	0.10	0.16	0.13
1978	0.15	0.15	0.18	0.07	0.12	0.15	0.14
1979	0.17	0.18	0.19	0.68	0.14	0.17	0.16
1980	0.20	0.16	0.22	0.10	0.16	0.23	0.18
1981	0.26	0.21	0.24	0.10	0.16	0.30	0.21
1982	0.33	0.20	0.28	0.09	0.18	0.33	0.25
1983	0.33	0.22	0.32	0.18	0.18	0.34	0.28
1984	0.39	0.28	0.31	0.22	0.19	0.36	0.31
1985	0.41	0.44	0.39	0.41	0.29	0.44	0.40
1986	0.43	0.47	1.14	0.42	0.31	0.50	0.59
AVERAGE	0.28	0.24	0.34	0.16	0.16	0.25	0.25
S. D.	0.129	0.111	0.251	0.186	0.08	0.132	0.139
C. V.	46.07	46.25	73.82	116.25	50.00	52.80	55.60

EXHIBIT-5

EXPENDITURE PER EMPLOYEE IN NCBs IN BANGLADESH DURING 1972 TO 1986

(Taka In Lakhs)

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	0.11	0.31	0.32	0.20	0.14	0.28	0.21
1973	0.15	0.60	0.43	0.33	0.21	0.29	0.30
1974	0.18	0.60	0.61	0.41	0.32	0.45	0.40
1975	0.22	0.69	0.80	0.40	0.33	0.59	0.47
1976	0.24	0.76	0.89	0.49	0.31	0.66	0.52
1977	0.26	0.33	0.90	0.45	0.33	0.59	0.46
1978	0.34	0.34	0.77	0.57	0.38	0.68	0.50
1979	0.38	0.43	0.53	0.69	0.42	0.70	0.48
1980	0.45	0.47	0.67	0.49	0.46	0.98	0.53
1981	0.66	0.70	1.06	0.86	0.66	1.72	0.81
1982	0.80	0.64	1.15	0.87	0.78	1.99	0.91
1983	0.75	0.80	1.15	0.89	0.83	2.02	0.92
1984	0.81	1.12	1.34	1.17	0.92	2.25	1.08
1985	1.12	1.51	1.68	1.54	1.26	3.14	1.46
1986	1.31	1.83	1.76	1.80	1.44	2.02	1.58
AVERAGE	0.57	0.87	1.06	0.83	0.62	1.27	0.8
S. D.	0.371	0.436	0.425	0.457	0.387	0.911	0.409
C. V.	65.08	50.11	40.09	55.06	62.41	71.73	51.12

EXHIBIT-6

EXPENDITURE PER BRANCH IN NCBs IN BANGLADESH DURING 1972 TO 1986.

(Taka In Lakhs)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	1.92	2.85	4.20	3.08	2.23	7.25	3.15
1973	2.68	5.04	6.54	5.12	3.27	7.75	4.78
1974	3.26	7.32	8.97	6.70	4.65	11.56	6.50
1975	3.88	8.14	12.03	6.67	5.50	15.83	7.74
1976	4.53	8.26	14.49	7.44	5.29	16.43	8.62
1977	4.51	3.32	13.54	6.25	4.86	13.57	6.93
1978	5.63	3.77	12.37	7.07	5.63	12.01	7.29
1979	6.10	4.44	8.72	8.79	5.80	12.53	7.02
1980	8.13	4.78	10.41	6.02	6.77	15.30	7.86
1981	11.55	6.81	14.73	8.64	10.08	21.89	11.00
1982	13.58	7.73	16.55	10.08	12.53	27.08	13.15
1983	13.18	10.45	16.95	11.57	13.90	27.69	14.01
1984	16.15	15.01	20.86	15.25	16.26	33.83	17.65
1985	22.76	20.82	26.62	20.25	19.76	41.97	24.06
1986	27.02	24.86	30.12	23.39	22.07	27.11	26.43
AVERAGE	10.38	10.10	16.25	10.84	10.49	21.65	12.24
S. D.	7.62	6.50	7.08	5.70	6.41	10.10	6.86
C. V.	73.41	64.35	43.56	52.58	61.10	46.65	56.04

EXHIBIT-7

ESTABLISHMENT EXPENSES PER BRANCH IN NCBs IN BANGLADESH DURING 1972 TO 1986

(Taka In Lakhs)

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	0.71	0.27	0.55	0.57	0.68	1.10	0.61
1973	0.98	0.60	0.80	0.81	0.93	1.22	0.83
1974	1.26	0.87	1.18	1.01	1.09	1.55	1.12
1975	1.24	1.07	1.31	1.07	1.07	1.42	1.19
1976	1.39	1.03	1.29	1.08	1.18	1.42	0.93
1977	1.32	0.95	1.21	0.93	1.03	1.29	1.12
1978	1.86	1.25	1.54	1.49	1.15	1.34	1.49
1979	1.99	1.62	2.05	1.77	1.47	1.73	1.82
1980	2.48	1.77	2.14	2.18	1.48	1.64	2.06
1981	2.73	2.08	2.30	2.29	1.67	1.58	2.26
1982	2.24	1.89	12.15	2.27	1.93	1.70	4.34
1983	2.23	2.32	12.05	2.52	2.04	1.82	4.37
1984	30.25	2.64	15.02	2.95	2.30	2.26	5.14
1985	4.47	3.97	4.77	4.10	3.25	2.54	4.19
1986	5.44	4.52	5.86	4.73	4.20	3.96	5.09
AVERAGE	2.70	2.14	5.14	2.29	1.87	1.90	2.99
S. D.	7.36	1.195	4.81	1.21	0.95	1.71	1.71
C. V.	272.59	55.84	88.90	52.83	50.80	90.00	57.19

EXHIBIT-8

ESTABLISHMENT EXPENSES PER EMPLOYEE IN NCBs IN BANGLADESH DURING 1972 TO 1986.

(Taka In Lakhs)

	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	0.04	0.04	0.04	0.38	0.04	0.04	0.04
1973	0.05	0.07	0.05	0.05	0.05	0.04	0.05
1974	0.07	0.07	0.08	0.06	0.06	0.06	0.07
1975	0.07	0.09	0.09	0.06	0.05	0.05	0.072
1976	0.07	0.09	0.08	0.07	0.06	0.05	0.057
1977	0.07	0.09	0.08	0.06	0.06	0.05	0.075
1978	0.11	0.11	0.09	0.12	0.07	0.07	0.10
1979	0.12	0.16	0.12	0.13	0.09	0.09	0.12
1980	0.13	0.17	0.14	0.17	0.09	0.10	0.14
1981	0.15	0.21	0.16	0.23	0.10	0.12	0.16
1982	0.13	0.15	0.84	0.19	0.11	0.12	0.30
1983	0.12	0.18	0.82	0.19	0.12	0.13	0.28
1984	0.15	0.19	0.96	0.22	0.13	0.17	0.33
1985	0.22	0.28	0.30	0.31	0.20	0.19	0.25
1986	0.26	0.33	0.34	0.36	0.26	0.29	0.30
AVERAGE	0.15	0.18	0.35	0.17	0.11	0.11	0.19
S. D.	0.061	0.081	0.320	0.11	0.06	0.069	0.105
C. V.	40.66	45.00	91.42	64.70	54.54	62.72	55.26

EXHIBIT-9

ADVANCES PER BRANCH IN NCBs IN BANGLADESH DURING 1972 TO 1986.

(Taka In Lakhs)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	62.00	30.74	43.37	33.18	41.73	84.18	38.08
1973	149.00	35.86	54.70	33.58	39.73	88.88	44.59
1974	93.00	41.79	67.06	34.82	56.21	106.54	53.22
1975	107.00	41.40	79.60	35.98	51.62	117.41	57.40
1976	107.00	43.42	94.47	37.58	57.80	98.36	60.96
1977	119.00	40.42	89.39	34.49	54.35	84.85	58.82
1978	136.00	41.67	85.75	35.48	49.63	74.25	59.54
1979	160.00	42.82	93.28	45.17	53.98	71.56	66.60
1980	190.00	46.57	95.54	53.46	58.20	85.98	74.63
1981	229.00	50.85	107.20	60.67	69.72	105.04	86.89
1982	319.00	59.73	139.28	72.43	81.68	113.48	112.72
1983	280.00	85.24	151.24	87.83	90.36	93.07	118.00
1984	358.00	130.71	181.15	129.81	115.25	115.04	154.61
1985	442.00	159.13	199.89	143.15	125.68	143.12	182.10
1986	466.00	177.71	205.85	153.50	137.67	180.63	195.49
AVERAGE	131.69	79.44	127.60	74.51	77.75	106.53	105.16
S. D	129.64	47.73	52.43	42.72	26.69	28.28	50.56
C. V	98.44	60.08	41.09	57.33	34.30	26.54	48.08

EXHIBIT-10

DEPOSITS PER BRANCH IN NCBs IN BANGLADESH DURING 1972 TO 1986.

	(Taka In Lakhs)						
	S.B.	A.B.	J.B.	R.B.	P.B.	U.B.	AVERAGE
1972	61.00	38.62	60.42	39.28	67.95	115.20	56.37
1973	68.00	44.20	79.91	44.98	64.35	100.36	63.45
1974	63.00	47.27	82.71	50.37	64.12	99.16	64.72
1975	83.00	46.16	90.72	48.90	72.04	117.22	72.82
1976	85.00	51.74	111.82	52.11	86.08	104.33	80.44
1977	73.00	48.66	94.89	49.34	72.54	98.15	70.19
1978	74.00	52.87	85.56	50.37	65.17	73.21	69.94
1979	111.00	55.09	91.94	58.92	72.98	86.58	78.75
1980	108.00	60.57	94.75	67.14	82.63	86.28	85.65
1981	115.00	73.72	104.79	73.91	89.32	93.89	94.72
1982	151.00	91.05	119.68	97.15	80.69	110.39	118.12
1983	168.00	132.13	164.98	134.40	126.25	126.93	150.26
1984	219.00	182.67	221.86	178.56	143.85	158.66	197.27
1985	277.00	215.13	232.12	197.19	163.55	200.68	231.50
1986	305.00	238.40	266.03	233.36	195.74	256.23	262.85
AVERAGE	160.00	108.48	142.09	103.68	102.53	125.61	130.24

EXHIBIT-11

INCOME PER BRANCH IN NCBs IN BANGLADESH DURING 1972 TO 1986.

	(Taka In Lakhs)						
	S.B.	A.B.	J.B.	R.B.	P.B.	U.B.	AVERAGE
1972	2.01	3.16	4.62	3.46	2.38	7.95	3.44
1973	3.36	6.02	8.17	5.90	4.12	10.39	5.88
1974	4.13	8.30	10.41	7.56	5.50	14.01	7.61
1975	5.90	9.35	14.95	8.29	6.60	21.02	9.79
1976	6.55	9.64	17.44	8.69	6.35	19.88	10.56
1977	6.14	4.17	15.81	7.10	5.84	16.09	8.38
1978	6.53	4.54	13.55	7.65	5.80	13.46	8.11
1979	7.24	5.11	10.05	9.46	6.59	13.74	8.00
1980	9.89	5.44	11.60	6.98	7.28	15.83	8.95
1981	13.84	7.69	15.46	9.79	10.45	23.99	12.52
1982	18.14	8.88	18.61	11.42	13.07	30.47	15.54
1983	17.36	11.98	19.27	13.40	14.03	30.47	16.49
1984	20.63	17.17	23.61	17.65	16.41	35.60	20.49
1985	26.76	24.82	29.98	23.72	19.98	44.45	26.93
1986	30.69	28.23	33.36	26.21	23.37	28.25	29.65
AVERAGE	15.09	11.67	18.31	12.37	11.05	23.78	14.72
r OF ADVANCE & INC.	0.98	0.97	0.95	0.96	0.987	0.655	0.987
r OF DEPOSIT & INC.	0.977	0.953	0.944	0.972	0.951	0.656	0.983

EXHIBIT-12

SPREAD PER BRANCH IN NCBs IN BANGLADESH DURING 1972 TO 1986.

	(Taka In Lakhs)						
	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	AVERAGE
1972	0.71	0.77	1.15	0.69	0.53	2.70	0.91
1973	1.41	1.43	2.26	0.87	1.52	2.91	1.62
1974	1.84	1.55	2.33	1.04	1.25	3.43	1.80
1975	2.41	1.91	2.73	1.14	1.15	3.50	2.10
1976	2.37	1.56	2.72	0.97	1.70	3.57	2.06
1977	2.31	1.14	2.88	0.74	1.91	3.86	1.97
1978	2.55	1.66	2.99	0.88	1.90	2.62	2.13
1979	2.79	1.82	3.17	1.05	2.29	3.14	2.37
1980	3.70	1.64	3.42	1.32	2.52	3.58	2.74
1981	4.51	2.05	3.00	1.01	2.62	3.82	2.94
1982	5.67	2.39	4.05	1.09	3.16	4.53	3.62
1983	5.81	2.89	4.78	2.44	3.07	4.64	4.27
1984	7.76	3.72	4.87	2.94	3.43	4.82	4.17
1985	8.47	6.11	6.30	5.47	4.70	5.98	6.70
1986	9.01	6.40	19.55	5.48	5.07	6.75	9.87
AVERAGE	5.15	2.85	5.18	2.05	2.76	4.20	3.95
S. D.	2.663	1.69	4.37	1.612	1.272	1.175	2.35
C. V.	51.70	59.29	84.36	78.63	46.08	27.97	59.49

EXHIBIT-13

URBAN & RURAL DEPOSITS, ADVANCES AND NO. OF BANK BRANCHES OF NATIONALISED COMMERCIAL BANKS.

YEAR							(Taka In Crores)		
	DEPOSITS			ADVANCES			NO OF BRANCHES		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
1971									
1972									1116
1973									1291
1974	797.96	93.81	891.77	844.50	30.65	875.15	565	866	1431
1975	910.90	106.88	1017.78	673.26	24.44	697.70	609	914	1523
1976	1123.53	132.16	1255.69	815.93	12.80	828.73	674	1054	1728
1977	1305.30	220.30	1525.60	1092.69	63.12	1155.81	910	1456	2366
1978	1596.36	304.98	1901.34	1375.32	95.99	1471.31	1090	1821	2911
1979	1982.20	399.14	2381.34	1720.27	176.63	1896.90	1232	2058	3290
1980	2403.66	503.72	2907.38	2211.61	234.30	2445.91	1404	2344	3748
1981	2775.66	602.98	3378.64	2597.67	288.80	2886.47	1413	2381	3794
1982	3188.10	684.71	3872.81	3462.08	351.73	3813.81	1419	2256	3675
1983	4187.60	1027.57	5215.17	3469.67	599.73	4069.40	1422	2412	3834
1984	5747.08	1423.62	7170.70	4339.06	1134.67	5473.73	1432	2455	3887
1985	5880.18	1614.78	7494.96	4619.17	1293.89	5913.06	1131	2247	3378
1986	6560.18	1948.43	8508.61	5046.23	1425.61	6471.84	1142	2278	3420
1987	7603.47	2355.38	9958.85	5590.61	1330.86	6921.47	1154	2313	3467
1988	7058.53	2141.32	9199.85	5508.02	1354.77	6863.69	1158	2316	3474

(NOTE: FIGURES FROM 1985 TO 1988 INDICATE THE POSITION OF
FOUR NCBs TREATING PUBALI & UTTARA AS PRIVATE BANKS.)

EXHIBIT-14

DEPOSIT RATIOS OF SONALI BANK DURING 1972-86.

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. TOTAL DEPOSIT AS % OF TOTAL ASSETS	69.64	81.08	49.08	45.78	60.18	49.29	50.99	53.35	48.72	49.42	50.90	59.69	62.19	65.54	66.88
2. TOTAL INCOME AS % OF TOTAL ASSETS	2.30	3.97	3.19	3.24	4.62	4.11	3.94	3.47	4.44	5.91	6.10	6.13	5.85	6.31	6.71
3. CURRENT DEPOSIT AS % OF TOTAL DEPOSIT	58.99	59.85	55.21	68.59	61.29	64.13	65.29	58.73	64.32	60.81	56.23	49.66	49.75	52.20	42.26
4. SAVINGS DEPOSITS AS % OF TOTAL DEPOSITS	25.66	24.00	24.46	18.06	18.48	20.15	20.38	16.09	17.87	20.92	17.49	19.14	19.28	35.01	19.25
5. FIXED DEPOSIT AS % OF TOTAL DEPOSITS	15.33	15.74	20.31	13.34	15.22	15.71	14.32	38.78	17.79	18.26	26.26	31.19	30.96	29.52	38.48
6. TOTAL ADVANCE AS % OF TOTAL DEPOSITS	51.14	61.34	73.62	64.59	62.92	80.96	80.61	71.96	87.77	99.40	105.45	82.99	81.84	79.65	76.32
7. CASH BALANCE AS % OF TOTAL DEPOSITS	9.66	8.98	8.40	12.46	7.50	8.03	13.72	9.42	11.64	10.06	9.62	8.00	10.29	8.31	8.25
8. INVESTMENT AS % OF TOTAL DEPOSITS	27.96	18.74	22.00	19.10	21.10	20.89	17.13	20.64	22.02	13.66	21.03	20.16	20.60	20.12	15.28
Y	0.12	0.85	0.95	1.73	1.88	1.51	0.76	0.83	1.09	1.29	1.90	1.83	2.15	1.23	1.00

EXHIBIT-15

EARNING RATIOS OF SONALI BANK DURING 1972-86.

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. INT. & DISCOUNT AS % OF TOTAL INCOME	84.96	82.52	82.95	76.79	74.07	1.78	84.54	83.66	84.9	87.57	87.14	89.36	91.46	91.58	92.51
2. INT & DISCOUNT AS % OF WORKING FUNDS	2.48	3.48	3.75	3.89	4.52	4.45	4.69	4.42	5.26	6.96	6.59	6.85	9.07	7.53	7.81
3. TOTAL INCOME AS % OF WORKING FUNDS	2.91	4.22	4.52	5.07	6.1	5.73	5.55	5.29	6.2	7.95	7.57	7.66	9.92	8.22	6.93
4. SPREAD AS % OF WORKING FUNDS	1.03	1.77	2.01	2.07	2.2	2.15	2.17	2.03	2.32	2.59	2.36	2.56	3.73	2.6	2.48
5. SPREAD AS % OF TOTAL INCOME	35	41.91	44.54	40.89	36.19	37.6	39.11	38.5	37.48	26.26	31.29	33.52	37.62	31.65	29.35
6. SPREAD AS % OF TOTAL ADVANCE	2.29	3.35	3.94	4.49	4.41	3.87	3.74	3.78	3.89	3.92	3.55	4.14	4.32	3.83	3.86
7. SPREAD AS % OF DEPOSIT	2.68	2.05	2.9	2.9	2.77	3.13	3.02	2.5	3.41	3.9	3.75	3.44	3.54	3.05	2.94

EXHIBIT-16

SONALI BANK
EXPENSES RATIOS OF SONALI BANK.

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. INT. PAID AS % OF TOTAL EXPENSES	51.70	50.72	48.63	54.60	54.80	54.57	52.69	53.60	57.63	65.58	74.58	73.43	68.77	70.47	71.71
2. TOTAL EXPENSES AS % OF TOTAL WORKING FUND	2.79	3.36	3.57	3.33	4.21	4.21	4.78	4.15	5.10	6.66	5.66	5.82	7.76	6.99	7.45
3. INT. PAID AS % OF WORKING FUND	1.44	1.70	1.73	1.82	2.31	2.29	2.52	2.38	2.94	4.36	4.20	4.28	5.34	4.93	5.34
4. OPERATING EXP. TO WORKING FUND	1.34	1.66	1.83	1.51	1.90	1.91	2.26	2.06	2.16	2.29	1.44	1.54	2.42	2.06	2.10
5. TOTAL EXP. AS % OF TOTAL ASSETS	2.20	3.19	2.52	2.13	3.19	3.02	3.39	2.92	3.65	4.95	4.57	4.66	4.58	5.36	5.91
6. TOTAL EXP. AS % OF TOTAL ADVANCE	3.09	1.79	3.49	3.61	4.21	3.78	4.13	3.80	4.27	5.04	6.06	4.70	4.50	5.14	5.78
7. TOTAL EXP. AS % OF TOTAL DEPOSIT	3.16	3.90	5.14	4.66	5.30	6.30	6.66	5.48	7.50	10.02	8.99	7.81	7.36	8.19	8.83
8. INTEREST PAID AS % OF SPREAD	1.53	0.96	0.86	0.87	1.04	1.06	1.16	1.17	1.26	1.68	1.78	1.66	1.43	1.89	2.15
9. ESTT. EXP. AS % OF SPREAD	100.00	69	68	51.34	58.89	57.1	72.84	71.42	67.15	60.42	39.51	38.48	38.97	52.82	60.43
10. CURRENT EXP. TO % OF SPREAD	41.83	22.17	20.42	19.77	25.37	35.32	28.09	27.12	23.02	25.26	21.62	19.8	23.99	24.16	22.57
11. OPERATING EXP. AS % TO TOTAL INCOME.	46.19	39.34	40.56	29.84	31.24	33.37	40.8	39.08	34.86	28.82	19.03	20.19	24.44	25.1	24.9
12. INT. PAID AS % TO TOTAL INCOME	49.45	40.48	38.4	35.9	37.88	40.1	45.42	45.16	47.42	42.37	55.84	55.84	53.84	59.92	63.15
13. ESTT. EXPENSES AS % TO TOTAL INCOME.	35.5	29.22	30.52	20.99	21.31	21.47	28.49	27.5	25.17	19.72	12.36	12.9	14.66	16.72	17.74
14. OTHER CURRENT EXP. AS % TO TOTAL INCOME	14.85	9.32	9.09	8.08	9.18	13.28	10.98	10.44	8.63	8.24	6.76	6.64	8.9	7.65	6.62
15. OPERATING EXP. AS % TO TOTAL INCOME.	46.19	39.41	40.56	29.84	31.24	33.37	40.88	39.08	34.86	28.82	19.03	20.19	24.44	25.1	24.9

EXHIBIT-17

PROFIT RATIOS OF SONALI BANK

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. PROFIT AS % TO TOTAL INCOME	4.34	20.19	21.02	34.25	30.87	26.51	13.79	16.3	17.72	53.58	25.12	23.96	21.71	14.97	11.93
2. PROFIT AS % TO SPREAD	12.24	48.03	47.2	83.74	85.29	70.51	35.26	40.9	47.27	49.73	80.27	71.47	57.71	47.29	40.65
3. PROFIT AS % TO DEPOSITS	0.14	0.98	1.36	2.43	2.36	2.21	1.06	1.02	1.61	1.94	3.01	2.46	2.04	1.44	1.19
4. PROFIT AS % TO ESTT. EXPENSES	12.24	69.1	68.87	163.1	144.83	123.48	48.4	57.26	70.4	82.3	203.12	185.75	148.06	89.52	67.27
5. PROFIT AS % TO INTEREST PAID	8.79	49.88	54.73	95.4	81.48	66.12	30.37	34.86	37.36	29.54	44.98	42.91	40.32	24.98	18.89
6. PROFIT AS % TO OPERATING EXP.	9.41	51.23	51.82	114.75	98.8	79.44	33.8	40.28	50.83	56.31	131.99	13.34	88.8	59.64	47.92
7. NET INCOME TO WORKING FUNDS %	0.12	0.85	0.95	1.73	1.88	1.51	0.76	0.83	1.09	1.29	1.90	1.83	2.15	1.23	1.00
8. NET INCOME TO ESTT. EXPENSES %	12	69	68.87	163.1	144.83	123.48	48.4	57.26	70.4	82.30	203.12	183.75	148.06	133.78	67.27

EXHIBIT-18

GROWTH POSITION OF SONALI BANK

(Taka In Lakhs)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. ADVANCE PER EMPLOYEE	3.62	8.38	5.32	6.15	5.65	7.06	8.23	10.02	10.58	13.25	19.01	15.94	18.11	21.79	22.62
2. DEPOSIT PER EMPLOYEE	3.54	3.85	3.61	4.76	4.49	4.36	5.10	6.97	6.03	6.66	9.01	9.60	11.06	13.68	14.82
3. INCOME PER EMPLOYEE	0.11	0.19	0.23	0.33	0.34	0.36	0.39	0.45	0.54	0.79	1.08	0.98	1.04	1.32	1.49
4. EXP. PER EMPLOYEE	0.11	0.15	0.18	0.22	0.24	0.26	0.34	0.38	0.45	0.66	0.80	0.75	0.81	1.12	1.31
5. ESTT. EXP. PER EMPLOYEE	0.04	0.05	0.07	0.07	0.07	0.78	0.11	0.12	0.13	0.15	0.13	0.12	0.15	0.22	0.26
6. SPREAD PER EMPLOYEE	0.04	0.07	0.10	0.14	0.12	0.13	0.15	0.17	0.20	0.26	0.33	0.33	0.39	0.41	0.43
7. ADVANCE PER BRANCH (TK. IN CRORES)	0.62	1.49	0.93	1.07	1.07	1.19	1.36	1.60	1.90	2.29	3.19	2.80	3.58	4.42	4.66
8. DEPOSIT PER BRANCH (TK. IN CRORES)	0.61	0.68	0.63	0.83	0.85	0.73	0.74	1.11	1.08	1.15	1.51	1.68	2.19	2.77	3.05
9. INCOME PER BRANCH (TK. IN LAKHS)	0.02	3.36	4.13	5.90	6.55	6.14	6.53	7.24	9.89	13.84	18.14	17.36	20.63	26.76	30.69
10. EXP. PER BRANCH (TK. IN LAKHS)	1.92	2.68	3.26	3.88	4.53	4.51	5.63	6.10	8.13	11.59	13.58	13.18	16.15	22.76	27.02
11. ESTT. EXP. PER BRANCH (TK. IN LAKHS)	0.71	0.98	1.26	1.24	1.39	1.32	1.86	1.99	2.48	2.73	2.24	2.23	30.25	4.47	5.44
12. SPREAD PER BRANCH (TK. IN LAKHS)	0.71	1.41	1.84	2.41	2.37	2.31	2.55	2.79	3.70	4.51	5.67	5.81	7.76	8.47	9.01

EXHIBIT-19

AGRAHI BANK

DEPOSIT RATIOS

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. TOTAL DEPOSIT AS % OF TOTAL ASSETS	70.00	58.00	50.49	45.47	51.26	51.88	56.85	49.46	54.99	60.08	67.94	69.81	62.43	67.63	74.44
2. TOTAL INCOME AS % OF TOTAL ASSETS	5.72	7.97	8.87	9.21	9.56	4.43	4.88	4.59	4.94	6.27	6.62	6.33	5.87	7.78	8.81
3. CURRENT DEPOSIT AS % OF TOTAL DEPOSIT	56.19	55.73	53.04	57.63	58.28	55.8	55.59	52.7	52.27	45.62	44.39	42.14	40.79	37.13	30.87
4. SAVINGS DEPOSITS AS % OF TOTAL DEP.	33.27	31.74	31.54	31.85	28.12	26.03	27.26	27.76	28.46	28.27	24.11	22.95	21.32	22.4	22.82
5. FIXED DEPOSITS AS % OF TOTAL DEPOSIT	10.54	12.53	15.42	10.52	13.7	18.17	17.15	19.54	29.27	36.11	31.5	34.91	37.89	40.47	46.31
6. TOTAL ADVANCES AS % OF TOTAL DEPOSITS	79.6	81.14	88.43	89.68	83.94	82.72	78.83	77.69	76.9	68.98	65.6	64.51	71.55	73.79	74.54
7. CASH BALANCE AS % OF TOTAL DEPOSITS	15.33	14.42	14.4	13.94	12.46	14.62	16.66	19.06	17.29	15.43	16.44	10.8	13.33	12.4	0.08
8. INVESTMENT AS % OF DEPOSITS	12.35	10.86	16.59	19.74	20.8	18.42	16.31	16.8	15.99	20.13	18.02	22.33	21.69	19.54	24.07

EXHIBIT-20

EARNING RATIOS OF AGRANI BANK

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. Int & discount as % of total income	91.86	89.97	89.83	90.15	85.17	70.76	78.98	79.15	78.25	78.08	82.08	82.87	86.24	86.25	88.36
2. Commission & other receipts as % of total income	8.14	10.03	10.17	9.85	14.83	19.24	2.02	20.85	21.75	21.92	17.92	17.13	13.76	13.75	11.64
3. Int & discount as % of working funds	6.37	10.37	12.08	12.73	12.05	4.68	5.42	5.82	5.70	8.21	7.41	6.99	6.63	8.23	8.69
4. Total income as % of working fund	5.90	11.52	13.45	14.12	14.14	6.61	6.86	7.36	7.29	10.51	8.94	8.43	7.69	9.54	9.83
5. Spread as % to working funds	1.69	2.74	2.51	2.89	2.28	1.80	2.51	2.63	2.19	2.81	2.41	2.03	1.66	2.35	2.23
6. Spread to total income	24.39	23.79	18.66	20.50	16.17	27.31	36.65	35.74	30.13	26.74	26.95	24.14	21.68	24.64	22.69
7. Spread % to advances	2.50	4.00	3.70	4.63	3.59	2.82	3.99	4.27	3.52	4.04	4.00	3.39	2.85	3.84	3.60
8. Spread as % to deposit	1.90	3.24	3.28	4.15	3.01	2.33	3.15	3.31	2.70	2.79	2.62	2.19	2.03	2.83	2.68

EXHIBIT-21

EXPENSES RATIOS OF AGRANI BANK

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. Int paid as % to spread	276.00	278.00	381.25	339.65	426.45	159.10	115.45	121.47	143.98	188.84	207.42	243.17	297.61	249.94	289.33
2. Estt. exp as % to spread	54.68	41.87	86.69	56.23	66.60	83.84	75.37	88.82	108.10	105.07	78.95	80.48	70.95	69.92	70.60
3. Other current exp % to spread	34.89	32.26	29.50	25.47	32.29	41.92	31.30	27.89	33.35	31.78	31.16	32.45	30.27	18.14	24.91
4. Operating exp to spread	93.00	73.89	93.97	84.61	102.73	132.13	111.36	121.71	147.60	139.31	115.66	118.05	105.30	86.29	98.69
5. Int. paid as % to total income	67.47	66.17	71.16	69.64	68.99	43.45	42.32	43.41	43.38	51.34	55.91	58.27	64.55	61.61	65.66
6. Estt. exp as % to total income	13.34	9.96	10.58	11.53	10.77	22.90	27.63	31.47	32.57	27.09	21.28	19.43	15.38	16.00	16.02
7. Other current exp as % to total income	8.51	7.67	6.00	5.22	11.45	11.47	9.96	10.05	8.50	8.39	7.83	6.56	4.48	5.65	3.60
8. Op. exp as % to total income	22.87	16.97	17.54	17.35	16.62	36.08	40.82	43.50	44.47	37.25	31.17	28.50	22.84	21.27	22.40

EXHIBIT-22

PROFIT RATIOS OF AGRANI BANK

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. Profit as % to total income	9.78	16.29	11.75	12.96	14.34	20.45	16.84	13.08	12.11	11.40	12.91	12.75	12.60	16.11	11.93
2. Profit as % to spread	40.00	68.17	62.94	63.24	88.68	74.91	45.96	36.60	40.20	42.63	47.90	52.82	58.12	65.37	52.57
3. Profit as % to deposit	0.80	2.22	2.06	2.62	2.67	1.74	1.44	1.21	1.08	1.19	1.25	1.15	1.18	1.85	1.41
4. Profit as % to Estt. expenses	73.00	163.52	111.02	112.46	133.15	89.34	60.97	41.21	37.19	42.07	60.66	65.63	81.92	100.68	74.46
5. Profit as % to Int. paid	14.50	24.62	16.51	18.62	20.79	47.08	39.81	30.13	27.92	22.20	23.09	21.72	19.53	26.15	18.17
6. Profit as % to Operating exp	42.77	92.66	66.98	74.74	86.32	56.69	41.27	30.07	27.23	30.60	41.41	44.74	55.20	75.74	53.26

EXHIBIT 23

GROWTH POSITION OF AGRANI BANK

(Taka In Lakhs)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. ADV.PER EMPLOYEE	3.33	4.29	3.38	3.57	4.04	4.06	3.76	4.23	4.56	5.28	4.46	6.58	9.80	11.55	13.09
2. DEPOSIT PER EMPLOYEE	4.24	5.29	3.88	3.95	4.81	4.91	4.77	5.44	5.94	7.65	7.57	10.20	13.69	15.65	17.56
3. INCOME PER EMPLOYEE	0.34	0.72	0.68	0.80	0.90	0.41	0.41	0.50	0.53	0.80	0.74	0.92	1.28	1.80	2.08
4. ESTT.PER EMPLOYEE	0.04	0.07	0.07	0.09	0.10	0.10	0.11	0.16	0.17	0.21	0.15	0.18	0.19	0.28	0.33
5. SPREAD PER EMPLOYEE	0.08	0.17	0.13	0.16	0.15	0.11	0.15	0.18	0.16	0.21	0.20	0.22	0.28	0.44	0.47
6. ADV.PER BRANCH	30.34	35.87	41.79	41.40	43.42	40.43	41.68	42.80	45.68	50.86	59.74	85.25	130.71	159.31	177.71
7. DEP.PER BRANCH	38.62	44.20	47.27	46.16	51.74	48.66	52.87	55.09	60.57	73.72	91.05	132.13	182.67	215.63	238.40
8. INCOME PER BRANCH	3.16	6.02	8.30	9.35	9.64	4.17	4.54	5.11	5.44	7.69	8.88	11.98	17.17	24.82	28.23
9. ESTT.EXP.PER BRANCH	0.27	0.60	0.87	1.07	1.03	0.95	1.25	1.62	1.77	2.08	1.89	2.32	2.64	3.97	4.52
10. SPREAD PER BRANCH	0.77	1.43	1.55	1.91	1.56	1.14	1.66	1.82	1.64	2.05	2.39	2.89	3.72	6.11	6.40

EXHIBIT-24

RUPALI BANK

DEPOSIT RATIOS

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. TOTAL DEP.AS % OF TOTAL ASSETS	61.76	66.70	68.53	58.62	59.10	54.76	60.19	62.14	61.99	57.96	70.49	73.04	73.00	70.20	66.30
2. TOTAL INCOME AS % OF TOTAL ASSETS	5.43	8.75	10.29	9.94	9.86	7.88	9.14	9.98	6.45	7.68	8.32	7.28	7.21	8.44	7.45
3. CURRENT DEPOSIT AS % OF TOTAL DEPOSITS	49.90	53.63	50.99	55.85	49.50	47.32	46.25	48.28	45.04	34.20	34.84	34.86	34.87	29.28	28.26
4. SAVINGS DEPOSITS AS % OF TOTAL DEPOSITS	33.76	31.19	31.69	29.99	30.13	29.07	29.46	27.18	26.90	29.86	26.52	25.41	23.23	25.87	24.19
5. FIXED DEPOSIT AS % OF TOTAL DEPOSITS	16.34	16.18	17.32	14.16	20.37	24.61	24.29	27.54	28.06	35.94	38.64	39.73	41.90	44.85	47.55
6. TOTAL ADV.AS % OF DEPOSITS	84.47	74.67	69.12	73.57	72.12	69.90	70.42	76.68	79.63	82.09	74.56	65.35	72.69	72.59	65.78
7. CASH BALANCE AS % OF TOTAL DEPOSITS	12.77	15.41	19.35	21.74	21.11	21.06	21.23	18.43	18.76	17.43	16.03	14.56	13.2	14.53	13.24
8. INVESTMENT AS % OF TOTAL DEPOSITS	16.02	14.9	24.63	23.52	22.68	20.86	19.43	13.44	15.15	16.72	19.24	23.13	18.5	19.98	27.05

EXHIBIT 25

EARNING RATIOS OF RUPALI BANK

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. INT. & DISCOUNTING AS % OF TOTAL INCOME	85.27	80.33	79.77	71.10	73.88	72.78	75.96	76.57	63.57	65.69	67.90	76.77	80.75	83.40	84.46
2. INT. & DISCOUNTING AS % OF W.FUNDS	6.00	8.94	10.25	9.55	9.90	8.31	9.39	10.24	5.28	6.89	6.88	7.00	6.91	8.61	8.00
3. TOTAL INCOME AS % OF WORKING FUNDS	7.03	11.13	12.85	13.43	13.40	11.42	12.36	13.38	8.30	10.50	10.10	9.12	8.87	10.32	9.50
4. SPREAD AS % OF W.FUNDS	1.40	1.65	1.77	1.84	1.50	1.19	1.42	1.49	1.57	1.08	9.67	1.66	1.48	2.38	1.90
5. SPREAD AS % OF TOTAL INCOME	20.00	14.83	13.84	13.75	11.22	10.41	11.52	11.17	18.89	10.34	9.54	18.25	16.69	23.05	20.00
6. SPREAD AS % OF TOTAL ADVANCE	2.08	2.60	3.00	3.17	2.59	2.14	2.48	2.33	2.47	1.66	1.51	2.78	2.26	3.82	3.00
7. SPREAD AS % OF DEPOSIT	1.76	1.94	2.08	2.33	1.87	1.50	1.75	1.79	1.96	1.37	1.12	1.82	1.64	2.77	2.00

EXHIBIT - 26

EXPENSES RATIOS OF RUPALI BANK

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. INT. PAID AS % OF TOTAL EXP.	71.89	75.48	74.39	71.28	73.22	70.84	69.72	70.33	51.82	62.70	66.35	67.72	70.54	70.66	71.21
2. TOTAL EXP. AS % OF WORKING FUNDS	6.28	9.66	11.39	10.80	11.47	10.06	11.42	12.44	7.16	9.26	8.92	7.88	7.66	8.81	8.49
3. INT. PAID AS % OF WORKING FUND	4.51	7.29	8.47	7.70	8.40	7.12	7.96	8.75	3.71	5.81	5.92	5.34	5.43	6.23	6.05
4. OP. EXP. AS % OF WORKING FUNDS	1.76	2.36	2.87	3.10	3.07	2.93	3.45	3.69	3.45	3.45	3.00	2.54	2.23	2.58	2.44
5. TOTAL EXP. AS % OF TOTAL ASSETS	-	-	9.12	8.00	8.44	6.94	8.45	9.28	5.56	6.78	7.31	6.29	6.23	7.21	6.64
6. TOTAL EXP. AS % OF TOTAL ADVANCES	9.30	15.24	19.26	18.54	19.79	18.13	19.94	19.47	11.26	14.25	13.92	13.18	11.75	14.15	15.23
7. TOTAL EXP. AS % OF TOTAL DEPOSIT	7.86	11.38	13.31	13.64	14.28	12.67	14.04	14.93	8.97	11.69	10.38	8.61	8.54	10.27	10.02
8. INT. PAID AS % OF SPREAD	320.00	441.00	476.00	416.98	557.93	598.50	559.19	585.32	236.36	535.22	611.74	320.10	366.76	261.69	303.53
9. ESTT. EXP. AS % OF SPREAD	83.63	92.57	97.26	93.82	110.71	126.11	169.26	167.95	165.34	226.42	208.02	102.88	100.14	75.05	86.26
10. CURRENT EXP. AS % OF SPREAD	36.36	46.85	61.64	69.88	88.88	111.94	62.97	68.72	46.73	81.46	92.36	45.62	47.29	31.34	34.43
11. OP. EXP. AS % TO TOTAL INCOME	25.00	21.27	22.37	23.10	22.90	25.66	27.98	27.58	41.53	32.92	29.59	27.87	25.20	25.05	25.67
12. INT. PAID AS % TO TOTAL INCOME	64.18	66.55	65.92	57.35	62.65	62.36	64.44	65.40	44.60	55.35	58.36	58.49	61.21	60.34	63.53
13. ESTT. EXP. AS % TO TOTAL INCOME	16.72	13.72	13.46	12.90	12.43	13.14	19.50	18.76	31.24	23.41	19.82	18.80	16.71	17.30	18.05
14. OTHER CURRENT EXP. AS % TO TOTAL INCOME	1.09	0.59	0.69	0.58	0.49	0.85	1.22	1.14	1.44	1.08	0.93	0.73	0.59	0.51	0.41
15. OP. EXP. AS % TO TOTAL INCOME	25.00	21.27	22.37	23.10	22.90	25.66	27.98	27.58	41.53	32.92	29.59	27.87	25.20	25.05	25.67

EXHIBIT - 27

PROFIT RATIOS OF RUPALI BANK

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. PROFIT AS % TO TOTAL INCOME	10.72	13.22	11.37	19.54	14.43	11.97	7.57	7.01	13.79	11.72	12.04	13.62	13.57	14.60	10.78
2. PROFIT AS % TO SPREAD	53.63	89.14	82.19	142.08	128.57	114.92	65.74	62.74	73.01	113.39	126.22	7.45	81.30	63.32	51.53
3. PROFIT AS % TO DEPOSITS	0.94	1.73	1.70	3.31	2.40	1.72	1.15	1.12	1.43	1.55	1.42	1.36	1.34	1.75	1.21
4. PROFIT AS % TO ESTT.EXP	64.13	96.29	84.50	151.44	116.12	91.12	38.83	37.35	44.15	50.08	60.67	72.47	81.19	84.37	59.74
5. PROFIT AS % TO INT.PAID	16.71	20.18	17.25	34.07	23.04	19.20	11.75	10.71	30.88	21.18	20.63	23.29	22.16	24.19	16.97
6. PROFIT AS % TO OP. EXPENSES	42.75	62.15	50.84	84.59	63.03	46.66	27.07	25.41	33.22	35.61	40.69	48.88	53.83	58.29	42.00
7. NET PROFIT AS % TO WORKING FUND	0.75	1.47	1.46	2.62	1.93	1.36	0.94	0.93	1.14	1.23	1.22	1.24	1.20	1.50	1.02

EXHIBIT-28

RUPALI BANK.

GROWTH POSITION

(Taka In Lakhs)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1.ADV.PER EMPLOYEE	2.18	2.15	2.15	2.18	2.49	2.48	2.86	3.99	4.39	6.06	6.27	6.78	9.96	10.85	11.84
2.DEPOSIT PER EMP.	2.58	2.88	3.11	2.96	3.45	3.54	4.05	4.63	5.52	7.39	8.42	10.38	13.70	14.95	18.00
3.INCOME PER EMP.	0.23	0.38	0.47	0.50	0.57	0.51	0.61	0.74	0.57	0.98	0.99	1.03	1.35	1.81	2.02
4.EXP.PER EMP	0.20	0.33	0.41	0.40	0.49	0.45	0.57	0.69	0.49	0.86	0.87	0.89	1.17	1.54	1.80
5.ESTT.EXP.PER EMP	0.38	0.05	0.06	0.06	0.07	0.06	0.12	0.13	0.17	0.23	0.19	0.19	0.22	0.31	0.36
6.SPREAD PER EMP	0.04	0.05	0.06	0.07	0.06	0.05	0.07	0.08	0.10	0.10	0.09	0.18	0.22	0.41	0.42
7.ADV.PER BRANCH	33.18	33.58	34.82	35.98	37.58	34.49	35.48	45.17	53.46	60.67	72.43	87.83	129.81	143.15	153.50
8.DEP. PER BRANCH	39.28	44.98	50.37	48.90	52.11	49.34	50.37	58.92	67.14	73.91	97.15	134.40	178.56	197.19	233.36
9.INCOME PER BRANC	3.46	5.90	7.56	8.29	8.69	7.10	7.65	9.46	6.98	9.79	11.42	13.40	17.65	23.72	26.21
10.EXPEN. PER BRAN	3.08	5.12	6.70	6.67	7.44	6.25	7.07	8.79	6.02	8.64	10.08	11.57	15.25	20.25	23.39
11.ESTT.EXP PER BR	0.57	0.81	1.01	1.07	1.08	0.93	1.49	1.77	2.18	2.29	2.27	2.52	2.95	4.10	4.73
12.SPREAD PER BRAN	0.69	0.87	1.04	1.14	0.97	0.74	0.88	1.05	1.32	1.01	1.09	2.44	2.94	5.47	5.48

EXHIBIT-29

DEPOSIT RATIOS JANATA BANK

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. TOTAL DEP. AS % OF TOTAL ASSETS	53.09	57.79	57.36	46.26	50.06	48.13	47.46	45.88	46.63	51.22	50.39	56.01	56.35	55.31	63.88
2. TOTAL INCOME AS % OF TOTAL ASSETS	4.06	5.90	7.22	7.62	7.80	8.02	7.64	5.01	5.71	7.56	7.83	6.54	5.99	7.14	8.01
3. CURRENT DEP. AS % TOTAL DEPOSIT	63.10	46.33	42.72	38.77	32.94	32.74	33.51	31.81	33.25	30.70	30.13	27.98	27.62	26.88	19.99
4. SAVING DEP. AS % TOTAL DEPOSIT	24.80	22.03	21.52	18.78	15.77	17.75	20.67	21.50	23.24	25.55	23.93	23.13	21.44	25.22	25.14
5. FIXED DEP. AS % TO TOTAL DEP.	12.10	31.64	35.76	42.55	51.29	49.51	45.82	46.69	43.51	43.75	45.94	48.89	50.94	47.90	54.87
6. TOTAL ADV. AS % OF TOTAL DEPOSITS	71.79	68.44	81.08	87.74	84.48	94.18	100.21	102.11	100.82	102.29	116.37	91.66	81.64	86.11	77.37
7. CASH BALANCE AS % OF TOTAL DEPOSITS	38.81	53.86	13.75	20.61	11.44	12.48	13.73	15.02	13.81	14.59	14.38	13.05	9.31	13.31	13.73
8. INVESTMENT AS % OF TOTAL DEPOSITS	12.94	20.65	20.82	18.29	15.10	16.71	16.85	18.11	16.39	16.66	14.93	18.29	17.73	16.88	22.01

EXHIBIT-30

JANATA BANK

EARNINGS RATIOS

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. INT. & DISCOUNT AS % TO TOTAL INCOME	88.80	84.98	86.15	79.73	81.40	86.63	89.84	83.25	82.34	84.59	87.05	86.17	84.24	84.35	88.45
2. COMM. & EXCHANGE TO TOTAL INCOME	11.20	15.02	13.85	20.27	18.60	13.33	10.16	17.75	17.66	15.41	12.95	13.83	15.76	15.65	11.55
3. INT. & DISCOUNT AS % OF WORKING FUNDS	0.56	7.82	8.65	9.38	10.52	12.61	10.26	62.88	6.76	8.34	8.38	7.62	7.21	8.34	8.92
4. TOTAL INCOME AS % TO W. FUNDS	6.32	9.20	10.04	11.77	12.93	14.55	11.42	7.59	8.21	9.86	9.62	8.72	8.56	9.89	10.08
5. SPREAD AS % TO WORKING FUNDS	1.57	2.54	2.25	2.15	2.02	2.65	2.52	2.39	2.42	1.91	2.09	2.16	1.76	2.08	5.91
6. SPREAD AS % TO TOTAL INCOME	24.95	27.68	22.43	18.26	15.63	18.23	22.12	31.53	29.52	19.42	21.77	24.83	20.63	21.04	58.61
7. SPREAD AS % TO TOTAL ADVANCE	2.65	4.09	3.48	3.43	2.88	3.22	3.49	3.37	3.58	2.80	2.91	3.16	2.69	3.15	9.49
8. SPREAD AS % OF DEPOSITS	1.90	2.83	2.82	3.01	2.43	3.03	3.50	3.45	3.61	2.86	3.38	2.90	2.19	2.71	7.35

EXHIBIT-31

EXPENSES RATIOS OF JANATA BANK

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
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1. INT. PAID AS % OF TOTAL EXPENSES	70.00	73.70	72.13	76.43	79.12	79.86	74.19	59.65	58.85	68.39	73.40	71.10	72.00	71.29	71.95
2. TOTAL EXP. AS % OF TOTAL W. FUNDS	5.76	7.37	8.65	9.46	10.75	12.45	10.43	6.58	7.36	9.39	8.56	7.67	7.56	8.78	9.10
3. INT. PAID AS % TO WORKING FUND	4.03	5.27	6.40	7.23	8.50	9.95	7.73	3.92	4.33	6.42	6.28	5.45	5.44	6.26	6.55
4. OP. EXP. AS % TO WORKING FUND	1.73	2.09	2.25	2.22	2.24	2.51	2.69	2.65	3.03	2.96	2.27	2.76	2.11	2.52	2.55
5. TOTAL EXP. AS % TO TOTAL ASSETS	3.70	4.73	6.22	6.13	6.49	6.86	6.97	4.35	5.12	7.20	6.96	5.75	5.29	6.34	7.23
6. TOTAL EXP. AS % TO TOTAL DEPOSITS	6.97	8.18	10.85	13.26	12.96	14.26	14.45	9.48	10.99	14.06	13.83	10.27	9.40	11.46	11.32
7. INT. PAID AS % TO SPREAD	255.81	206.95	284.08	336.47	420.71	375.03	306.15	164.01	178.88	335.57	299.73	251.82	308.22	300.89	110.90
8. ESTT. EXP. AS % TO SPREAD	48.17	35.39	50.61	48.29	47.66	42.27	51.65	64.93	62.69	76.69	299.73	296.50	308.22	75.62	30.00
9. CURRENT EXP. AS % TO SPREAD	55.48	42.65	43.89	50.45	54.47	46.58	48.44	44.16	56.31	70.87	41.79	65.44	50.44	41.62	11.95
10. OP. EXP. AS % TO TOTAL INCOME	27.36	22.76	22.46	18.93	17.33	17.25	23.55	34.98	36.93	30.10	23.64	31.66	24.72	25.49	25.32
11. INT. PAID AS % TO TOTAL INCOME	63.84	57.29	63.72	61.46	65.76	68.45	67.72	51.72	52.81	65.17	65.27	62.55	63.60	63.31	64.97
12. ESTT. EXP. AS % TO TOTAL INCOME	12.02	9.79	11.35	8.82	7.45	7.70	11.42	20.47	18.51	14.89	65.27	62.54	63.60	15.91	17.58
13. OTHER EXP. AS % TO TOTAL INCOME	13.84	11.81	9.84	9.21	8.51	8.49	10.71	13.92	16.62	13.76	9.10	16.25	10.40	8.75	7.01
14. OP. EXP. AS % TO TOTAL INCOME	27.36	22.76	22.46	18.93	17.33	17.25	23.55	34.98	36.93	30.10	23.64	31.66	24.72	25.49	25.32

EXHIBIT-32

PROFIT RATIOS JANATA BANK

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. PROFIT AS % TO TOTAL INCOME	8.78	19.94	13.81	19.57	16.87	14.35	8.72	13.29	10.25	4.72	11.07	12.02	11.67	11.19	9.69
2. PROFIT AS % TO SPREAD	3.52	7.20	6.15	107.15	107.97	78.72	39.45	42.15	34.72	24.30	50.84	54.42	56.56	53.22	16.54
3. PROFIT AS % TO DEPOSIT	0.67	2.03	1.74	3.22	2.63	2.39	1.38	1.45	1.25	0.69	1.72	1.40	1.24	1.44	1.21
4. PROFIT AS % TO EXPENSES	73.00	203.49	121.68	2.21	226.53	186.24	76.37	64.91	55.39	31.69	16.96	19.23	18.35	70.40	55.15
5. PROFIT AS % TO INT. PAID	13.76	34.88	21.68	31.84	25.66	20.99	12.88	25.69	19.41	7.24	16.96	19.23	18.35	17.68	14.92
6. PROFIT AS % TO OP. EXPENSES	32.12	87.59	61.50	103.39	97.36	83.22	37.05	37.99	27.76	15.67	46.82	37.98	47.20	43.93	38.30
7. NET INCOME AS % TO WORKING FUND	0.55	1.83	1.38	2.30	2.18	2.09	0.99	1.00	0.84	0.46	1.06	1.04	0.99	1.10	0.97

EXHIBIT-33

GROWTH POSITION OF JANATA BANK

	(Taka In Lakhs)														
	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. Advance per emp	3.32	3.61	4.59	5.35	5.80	6.00	5.38	5.74	6.22	7.73	9.74	10.33	11.68	12.66	12.07
2. Dep. per emp	4.63	5.40	5.67	3.90	6.87	6.37	5.37	5.62	6.18	7.55	8.37	11.27	14.31	15.11	15.59
3. Income per emp	0.35	0.54	0.71	1.00	1.07	1.06	0.85	0.61	0.75	1.11	1.30	1.31	1.52	1.89	1.95
4. Exp per emp	0.32	0.43	0.61	0.80	0.89	0.90	0.77	0.53	0.67	1.06	1.15	1.15	1.34	1.68	1.76
5. Estt. exp per employee	0.04	0.05	0.08	0.09	0.08	0.08	0.09	0.12	0.14	0.16	0.84	0.82	0.96	0.30	0.34
6. Spread per emp	0.08	0.14	0.16	0.18	0.16	0.19	0.18	0.19	0.22	0.24	0.28	0.32	0.31	0.39	1.14
7. Adv. per branch	43.37	54.70	67.06	79.60	94.47	89.39	85.75	93.28	95.54	107.20	139.28	151.24	181.15	199.89	205.85
8. Dep. per branch	60.42	79.91	82.71	90.72	111.82	94.89	85.56	91.94	94.75	104.79	119.68	164.98	221.86	232.12	266.03
9. Income per branch	4.62	8.17	10.41	14.95	17.44	15.81	13.55	10.05	11.60	15.46	18.61	19.27	23.61	29.98	33.36
10. Exp. per branch	4.20	6.54	8.97	12.03	14.49	13.54	12.37	8.72	10.41	14.73	16.55	16.95	20.86	26.62	30.12
11. Estt. exp per branch	0.55	0.80	1.18	1.31	1.29	1.21	1.54	2.05	2.14	2.30	12.15	12.05	15.02	4.77	5.86
12. Spread per branch	1.15	2.26	2.33	2.73	2.72	2.88	2.99	3.17	3.42	3.00	4.05	4.78	4.87	6.30	19.55

EXHIBIT-34

DEPOSIT RATIOS OF PUBALI BANK

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. Total Dep. as % of total assets	68.84	67.21	58.79	64.59	71.15	64.38	66.25	68.18	77.52	72.65	77.02	75.82	74.77	77.70	79.07
2. Total income as % of tot assets	2.41	3.88	5.05	5.91	5.24	5.18	5.89	6.16	6.83	8.50	9.38	8.43	8.53	9.49	9.44
3. Current Dep. as % of T. Deposit	38.72	58.42	45.46	49.47	46.80	41.14	32.13	28.25	24.84	22.79	30.13	21.19	21.92	21.60	19.82
4. Savings Dep. as % of T. Deposit	25.18	26.23	23.95	21.12	19.75	20.86	22.82	22.78	22.17	24.29	30.79	24.56	25.96	28.69	29.18
5. Fixed Dep. as % of total depoist	26.10	15.35	30.59	29.41	33.45	39.00	45.05	48.97	52.99	52.92	39.08	54.25	53.12	49.71	51.10
6. Total advance % of deposit	61.41	61.74	87.67	71.65	67.15	74.92	76.15	73.97	70.43	78.06	101.22	71.57	80.11	76.84	70.33
7. Cash balance as % of T. Deposit	25.30	33.13	31.82	31.73	23.54	20.16	20.83	19.30	18.51	16.18	17.64	16.62	12.89	11.44	13.03
8. Investment as % of T. Deposit	15.74	51.31	13.10	11.10	15.82	36.17	16.14	18.81	19.40	16.73	26.47	19.58	18.31	16.97	15.18

EXHIBIT-35

EARNINGS RATIOS OF PUBALI BANK

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. Int. & Disc. as % of tot income	73.97	79.66	74.79	73.04	85.27	83.82	84.70	84.69	88.22	91.02	91.86	92.87	92.80	91.70	89.34
2. Int. & Disc. as % of W. funds	2.25	3.91	4.36	4.97	5.41	5.63	6.28	6.47	6.70	9.05	9.45	8.93	8.92	9.82	9.71
3. Total income as % of W. funds	3.04	4.91	5.83	6.80	6.35	6.71	7.42	7.64	7.60	9.94	10.28	9.62	9.61	10.71	10.87
4. Spread as % of total income	22.30	36.94	22.82	17.38	26.77	32.72	32.76	34.82	34.63	25.12	24.20	21.87	20.93	23.52	21.70
5. Spread as % of total advance	1.27	3.83	2.23	2.24	2.94	3.51	3.83	4.25	4.33	3.76	3.87	3.39	2.98	3.74	3.68
6. Spread as % of Deposit	0.78	2.36	1.96	14.59	1.97	2.63	2.91	3.14	3.05	2.93	3.92	2.43	2.38	2.87	2.59

EXHIBIT-36

EXPENSES RATIOS OF PUBALI BANK

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. Int. paid as % of total exp	55.15	53.73	61.54	66.76	60.71	61.32	53.50	56.72	57.65	68.31	70.59	71.70	72.51	68.94	71.61
2. Total exp as % of total adv.	5.34	8.25	8.27	10.66	9.41	8.95	11.35	10.74	11.63	14.45	15.34	15.38	14.11	15.72	16.03
3. Total exp as % of total deposit	3.28	5.09	7.25	7.64	6.15	6.71	8.64	7.94	8.19	11.28	15.53	11.01	11.30	12.08	11.27
4. Interest paid as % of spread	231.66	115.59	227.72	320.09	189.11	156.13	158.51	143.18	154.68	262.26	279.58	324.50	343.26	289.82	311.68
5. Estt. exp as % of spread	128.33	61.00	87.27	93.78	69.41	54.02	60.88	64.28	58.63	63.85	61.09	66.49	66.95	69.11	82.94
6. Current exp as % of spread	55.00	35.78	51.81	60.28	48.23	39.84	66.37	38.90	50.09	52.59	49.41	63.37	57.04	56.16	35.32
7. Operating exp as % of tot income	42.00	36.77	32.46	27.70	32.75	32.22	45.14	38.04	39.35	30.56	98.18	29.91	27.22	30.71	26.80
8. Int. paid as % of total income	51.57	42.71	51.97	55.65	50.62	51.09	51.94	49.86	53.58	65.90	67.66	70.99	71.86	68.18	67.64
9. Estt. exp as % of total income	28.62	22.54	19.91	16.30	18.58	18.68	18.95	22.38	20.31	16.04	14.78	14.54	14.01	16.26	18.00
10. Other current exp as % to tot income	12.26	13.22	11.82	10.48	12.91	13.04	23.49	13.54	17.35	13.21	11.95	13.86	11.94	13.21	7.66
11. Op. exp as % to total income	42.00	36.78	32.46	27.70	32.75	32.22	45.14	38.04	39.35	30.56	28.18	29.91	27.24	30.71	26.80

EXHIBIT-37

PUBALI BANK

PROFIT RATIOS

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. PROFIT AS % TO TOTAL INCOME	6.31	2.03	15.56	16.63	16.61	16.67	12.62	12.09	7.06	3.53	4.12	1.00	0.89	1.11	3.15
2. PROFIT AS % TO SPREAD	28.33	55.04	68.18	95.69	62.05	50.95	38.51	34.72	20.40	14.07	17.05	4.58	4.25	4.75	14.50
3. PROFIT AS % TO DEPOSITS	0.22	1.30	1.33	1.52	1.22	1.34	1.12	1.09	0.62	0.41	0.66	0.11	0.10	0.13	0.37
4. PROFIT AS % TO ESTT.EXP	22.00	90.22	78.12	102.04	89.40	94.32	63.26	54.01	34.79	22.03	27.92	6.90	6.35	6.87	17.48
5. PROFIT AS % TO INT. PAID	12.23	47.61	29.94	29.89	32.81	32.63	24.29	24.25	13.19	5.36	6.10	1.41	1.24	1.63	4.65
6. PROFIT AS % TO OP.EXPENSES	15.04	55.29	47.92	60.06	50.72	51.75	27.95	31.79	17.96	11.56	14.64	3.35	3.27	3.63	11.74

EXHIBIT-38

PUBALI BANK LTD.

GROWTH POSITION

(Taka In Lakhs)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1.ADV.PER EMPLOYEE	2.48	2.07	3.34	2.63	2.86	3.04	3.38	3.46	3.66	4.43	4.90	5.39	6.47	7.92	8.53
2.DEPOSIT PER EMP.	4.04	3.35	3.81	3.68	4.26	4.06	4.31	4.68	5.20	5.68	4.84	7.54	8.07	10.31	12.14
3.INCOME PER EMP.	0.14	0.21	0.32	0.33	0.31	0.33	0.38	0.42	0.46	0.66	0.78	0.83	0.92	1.26	1.44
4.EXPENSES PER EMP	0.13	0.17	0.27	0.28	0.26	0.27	0.37	0.37	0.42	0.64	0.75	0.83	0.91	1.24	1.36
5.ESTT.EXP PER EMP	0.04	0.05	0.06	0.05	0.06	0.06	0.07	0.09	0.09	0.10	0.11	0.12	0.13	0.20	0.26
6.SPREAD PER EMP.	0.03	0.08	0.07	0.06	0.08	0.10	0.12	0.14	0.16	0.16	0.18	0.18	0.19	0.29	0.31
7.ADV.PER BRANCH	41.73	39.73	56.21	51.62	57.80	54.35	49.63	53.98	58.20	69.72	81.68	90.36	115.25	125.68	137.67
8. DEP PER BRANCH	67.95	64.35	64.12	72.04	86.08	72.54	65.17	72.98	82.63	89.32	80.69	126.25	143.85	163.55	195.74
9.INCOME PER BRAN.	2.38	4.12	5.50	6.60	6.35	5.84	5.80	6.59	7.28	10.45	13.07	14.03	16.41	19.98	23.37
10.EXPEND.PER BRAN	2.23	3.27	4.65	5.50	5.29	4.86	5.63	5.80	6.77	10.08	12.53	13.90	16.26	19.76	22.07
11.ESTT.EXP PER BR	0.68	0.93	1.09	1.07	1.18	1.03	1.15	1.47	1.48	1.67	1.93	2.04	2.30	3.25	4.20
12.SPREAD PER BRA.	0.53	1.52	1.25	1.15	1.70	1.91	1.90	2.29	2.52	2.62	3.16	3.07	3.43	4.70	5.07

EXHIBIT-39

UTTARA BANK

DEPOSIT RATIOS

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. TOTAL DEPOSIT AS % % OF TOTAL ASSETS	55.01	60.54	46.26	78.94	44.90	41.90	44.47	36.82	38.71	40.21	57.71	66.56	63.76	64.07	70.52
2. TOTAL INCOME AS % % OF TOTAL ASSETS	3.79	6.27	6.53	14.15	8.55	6.87	8.17	5.84	7.10	10.29	15.93	15.97	14.30	14.20	7.77
3. CURRENT DEPOSIT AS % OF TOTAL DEP	49.92	62.67	58.10	70.15	63.01	52.59	56.57	55.72	54.37	50.43	46.48	41.12	40.28	39.56	37.14
4. SAVING DEPOSIT AS % OF TOTAL DEP	22.54	23.25	19.84	17.07	19.53	19.64	23.65	23.14	23.84	25.93	24.71	27.37	26.39	26.64	24.11
5. FIXED DEP. AS % OF TOTAL DEPOSITS	27.54	14.08	22.06	12.78	17.46	27.77	19.78	21.14	21.79	13.64	28.81	31.51	33.33	33.80	38.75
6. TOTAL ADV. AS % OF TOTAL DEPOSITS	73.07	88.48	107.44	100.16	94.28	86.45	101.43	82.64	99.64	111.87	102.80	73.32	72.51	71.31	70.49
7. CASH BALANCE AS % % OF TOTAL DEP.	6.11	16.60	18.30	19.89	15.94	14.07	20.86	21.67	22.75	15.98	13.02	11.61	21.82	15.14	15.52
8. INVESTMENT AS % OF TOTAL DEPOSITS	15.29	15.10	19.50	20.25	23.98	22.70	24.35	20.85	19.77	20.42	20.57	24.74	22.26	18.68	15.29

EXHIBIT-40

UTTARA BANK

EARNINGS RATIOS

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. INT. & DISCOUNT AS % OF TOTAL INC	88.46	81.29	85.80	77.44	83.92	89.59	85.37	87.70	88.69	90.06	88.60	91.74	93.30	93.11	90.25
2. INT. & DIS. AS % OF W. FUNDS	5.55	6.57	7.92	9.30	11.17	11.74	10.05	10.40	11.01	14.93	17.23	18.04	16.15	16.37	8.45
3. TOTAL INCOME AS % % OF W.FUNDS	6.27	8.08	9.23	12.01	13.32	12.43	11.77	11.86	12.41	16.58	17.23	19.66	17.31	17.97	9.36
4. SPREAD AS % OF W.FUNDS	2.13	2.26	2.26	2.00	2.36	2.98	2.29	2.71	2.81	2.64	2.89	2.99	2.34	2.42	2.23
5. SPREAD AS % OF TOTAL INCOME	33.96	28.06	24.52	16.67	17.98	24.03	19.52	22.88	22.64	15.94	14.87	15.23	13.56	13.46	23.90
6. SPREAD AS % OF TOTAL ADVANCE	3.20	3.28	3.22	2.98	3.63	4.55	3.53	4.39	4.16	3.64	3.99	4.98	4.19	4.18	3.73
7. SPREAD AS % OF TOTAL DEPOSIT	2.34	2.90	3.46	2.99	3.42	3.94	3.58	3.63	4.15	4.07	4.10	3.65	3.04	2.98	2.63

EXHIBIT-41

UTTARA BANK

EXPENSES RATIOS

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. INT. PAID AS % OF EXPENSES	2.41	71.50	74.25	80.68	79.76	77.71	73.74	71.11	68.33	81.23	84.98	84.16	83.89	84.40	69.13
2. TOTAL EXP. AS % OF W.FUNDS	5.72	6.02	7.62	9.04	11.01	10.48	10.51	10.81	11.99	15.13	17.28	17.87	16.46	16.96	8.98
3. INT. PAID AS % OF W.FUNDS	4.14	4.30	7.30	8.78	8.15	7.75	7.69	8.19	14.68	15.04	13.80	14.31	6.21	1.24	0.44
4. OP. EXP. AS % OF W.FUNDS	1.56	1.72	1.93	1.74	2.22	2.33	2.75	3.12	3.79	2.84	2.59	2.83	2.65	2.64	2.77
5. TOTAL EXP. AS % OF TOTAL ASSETS	3.46	4.67	5.39	10.66	7.07	5.79	7.30	5.33	6.86	9.37	14.15	14.44	13.59	13.40	7.46
6. TOTAL EXP. AS % OF TOTAL ADVANCES	8.61	8.73	10.85	13.48	16.70	16.00	16.18	17.51	17.79	20.48	23.86	29.75	29.40	29.32	15.01
7. TOTAL EXP. AS % OF TOTAL DEPOSITS	6.29	7.72	11.66	13.50	15.75	13.83	16.41	14.47	17.73	23.31	24.53	21.82	21.32	20.91	10.58
8. INT PAID AS % OF SPREAD	194.44	189.67	249.83	364.42	366.56	272.78	337.35	283.27	291.63	464.88	507.75	502.13	587.71	591.55	277.62
9. ESTT. EXP. AS % OF SPREAD	40.74	41.78	45.15	40.60	39.81	33.33	51.30	55.20	45.74	41.35	37.45	39.40	46.98	42.47	58.74
10. CURRENT EXP AS % OF SPREAD	31.48	31.92	44.98	42.28	49.84	42.17	64.77	56.13	58.15	62.15	48.12	51.59	62.79	64.67	62.08
11. OP. EXP. AS % OF TOTAL INCOME	24.94	21.34	20.91	14.54	16.73	18.80	23.44	26.32	30.60	17.12	13.34	14.40	15.31	14.71	29.61
12. INT. PAID AS % OF TOTAL INCOME	66.03	53.22	61.27	60.77	65.93	65.55	65.85	64.82	66.04	74.12	75.52	76.50	79.73	79.66	66.35
13. ESTT. EXP AS % OF TOTAL INCOME	13.83	11.72	11.07	6.77	7.16	8.01	10.01	12.63	10.36	6.59	5.57	6.00	6.37	5.72	14.04
14. OTHER CURRE. EXP AS % OF TOT INC	10.69	8.69	9.18	7.05	8.96	10.13	12.64	12.84	13.17	9.91	7.16	7.86	8.51	8.70	14.83
15. OP. EXP. AS % TO TOTAL INCOME	24.94	21.34	20.91	14.54	16.73	18.80	23.44	26.32	30.61	17.12	13.34	14.40	15.31	14.71	29.61

EXHIBIT-42

UTTARA BANK

PROFIT RATIOS

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. PROFIT AS % OF TOTAL INCOME	8.80	25.42	17.80	24.67	17.38	15.69	10.70	8.84	9.63	8.74	11.12	9.10	4.95	5.63	4.02
2. PROFIT AS % OF SPREAD	25.92	90.61	72.57	147.98	96.65	65.30	54.84	38.66	42.53	54.87	74.78	59.76	36.51	41.83	16.84
3. PROFIT AS % OF DEPOSITS	0.60	2.63	2.51	4.42	3.31	2.57	1.96	1.40	1.76	2.23	3.07	2.18	1.11	1.24	0.44
4. PROFIT AS % OF ESTT.	63.63	216.85	160.74	364.46	242.74	195.92	106.91	70.00	92.98	132.70	199.67	151.65	77.72	98.48	28.67
5. PROFIT AS % OF INT. PAID	13.33	47.77	29.04	40.60	26.39	23.94	16.25	13.64	14.58	11.80	14.72	11.90	6.21	8.37	6.06
6. PROFIT AS % OF OP. EXPENSES	35.29	1.19	85.09	169.61	103.92	83.47	45.66	33.60	31.47	51.08	83.27	63.20	32.35	38.28	13.59
7. NET PROFIT AS % OF WORKING FUNDS	0.55	2.05	1.64	2.96	2.31	1.95	1.26	1.04	1.19	1.45	2.16	1.79	0.85	1.01	0.37

EXHIBIT-43

UTTARA BANK

GROWTH POSITION

(Taka In Lakhs)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. ADV.PER EMPLOYEE	3.26	3.34	4.11	4.39	3.97	3.70	4.24	4.03	5.53	8.29	8.35	6.81	8.68	10.71	13.51
2. DEPOSIT PER EMP.	4.45	3.78	3.82	4.38	4.21	4.28	4.18	4.87	5.55	7.68	8.13	9.29	11.99	15.02	19.16
3. INCOME PER EMP.	0.30	0.39	0.54	0.78	0.80	0.70	0.76	0.77	1.02	1.89	2.24	2.23	2.68	3.32	2.11
4. EXP.PER EMP	0.28	0.29	0.45	0.59	0.66	0.59	0.68	0.70	0.98	1.72	1.90	2.02	2.55	3.14	2.02
5. ESTT.EXP.PER EMP	0.04	0.04	0.06	0.05	0.05	0.05	0.07	0.09	0.10	0.12	0.12	0.13	0.17	0.19	0.29
6. SPREAD PER EMP	0.10	0.11	0.13	0.13	0.14	0.16	0.15	0.17	0.23	0.30	0.33	0.34	0.36	0.44	0.50
7. ADV.PER BRANCH	84.18	88.88	106.54	117.41	98.36	84.85	74.26	71.56	85.98	105.04	113.48	93.07	115.04	143.12	180.63
8. DEP. PER BRANCH	115.20	100.36	99.16	117.22	104.33	98.15	73.21	86.58	86.28	93.89	110.39	126.93	158.66	200.68	256.23
9. INCOME PER BRANCH	7.95	10.39	14.01	21.02	19.88	16.09	13.46	13.74	15.83	23.99	30.47	30.47	35.60	44.45	28.25
10. EXPEN. PER BRAN.	7.25	7.75	11.56	15.83	16.43	13.57	12.01	12.53	15.30	21.89	27.08	27.69	33.83	41.97	27.11
11. ESTT.EXP PER BR.	1.10	1.22	1.55	1.42	1.42	1.29	1.34	1.73	1.64	1.58	1.70	1.82	2.26	2.54	3.96
12. SPREAD PER BRANC	2.70	2.91	3.43	3.50	3.57	3.86	2.62	3.14	3.58	3.82	4.53	4.64	4.82	5.98	6.75

EXHIBIT-44

GROSS INCOME TO WORKING FUND OF THE
PRIVATE BANKS DURING 1983-86

	(In Percentage)				
	1983	1984	1985	1986	AVERAGE
	----	----	----	----	-----
IFIC	8.59	7.65	11.73	14.69	12.18
CBL	1.79	7.28	9.70	8.15	7.95
UCBL	1.80	6.69	10.35	10.01	8.94
NBL	3.87	6.91	10.71	11.26	9.18
AB BANK	6.63	24.83	9.14	11.04	13.60
AVERAGE	4.87	12.40	10.28	11.21	10.64

EXHIBIT-45

OPERATING EXPENSES TO WORKING FUND OF THE
PRIVATE BANKS DURING 1983-86

	(In Percentage)			
	1983	1984	1985	1986
	----	----	----	----
IFIC	3.00	2.00	2.31	2.59
CBL	2.25	2.83	2.72	2.54
UCBL	1.16	2.49	3.27	2.90
NBL	1.60	2.02	2.90	2.98
AB BANK	2.36	1.76	2.02	2.70
AVERAGE	548.45	701.17	708.12	688.05

EXHIBIT-46

NET PROFIT TO WORKING FUND IN THE SELECTED PRIVATE BANKS IN BANGLADESH DURING 1983 TO 1986.

	(In Percentage)				
	1983	1984	1985	1986	AVERAGE
	----	----	----	----	-----
IFIC	4.55	1.89	2.25	2.63	2.47
CBL	(-0.99)	1.22	3.42	2.17	2.11
UCBL	0.00	1.20	2.61	1.65	1.75
NBL	0.59	1.86	2.69	2.52	2.19
AB BANK	1.29	1.85	2.35	2.34	2.08
AVERAGE	0.96	1.70	2.60	2.30	2.13

EXHIBIT-47

SPREAD TO WORKING FUND

	(In Percentage)				
	1983	1984	1985	1986	AVERAGE
	----	----	----	----	-----
IFIC	6.24	2.34	2.51	2.87	2.82
CBL	0.54	3.22	3.55	3.43	3.21
UCBL	0.60	2.10	4.75	3.81	3.54
NBL	1.48	2.59	3.83	4.47	3.48
AB BANK	2.80	2.78	3.16	3.67	3.17
AVERAGE	2.19	2.62	3.52	3.71	3.26

EXHIBIT-48

DEPOSIT PER EMPLOYEE IN THE SELECTED PRIVATE
BANKS IN BANGLADESH DURING 1983 TO 1986.

	(Taka In Lakhs)			
	1983	1984	1985	1986
	----	----	----	----
IFIC	13.42	35.82	36.72	37.50
CBL	18.72	26.46	26.65	28.69
UCBL	22.16	27.61	22.22	23.49
NBL	49.40	66.29	30.44	23.31
AB BANK	38.17	35.70	34.11	39.15
AVERAGE	32.08	38.17	29.55	28.96

EXHIBIT-49

ADVANCE PER EMPLOYEE IN THE SELECTED PRIVATE
BANKS IN BANGLADESH DURING 1983 TO 1986

	(Taka In Lakhs)			
	1983	1984	1985	1986
	----	----	----	----
IFIC	9.67	23.92	25.63	28.48
CBL	5.52	14.01	13.85	14.41
UCBL	7.96	13.72	13.43	14.48
NBL	30.45	42.68	22.58	20.95
AB BANK	29.17	25.97	26.01	26.59
AVERAGE	19.10	24.23	20.14	20.53

EXHIBIT-50

DEPOSIT PER BRANCH IN THE SELECTED PRIVATE
BANKS DURING 1983 TO 1986.

	(Taka In Lakhs)			
	1983	1984	1985	1986
IFIC	429.44	1233.46	1586.34	1116.25
CBL	457.45	636.93	701.96	793.34
UCBL	753.76	654.03	597.26	675.06
NBL	1334.03	1742.73	1497.26	1129.96
AB BANK	1240.47	1539.17	1298.99	1307.36
AVERAGE	920.99	1104.44	1038.70	970.62

EXHIBIT-51

ADVANCE PER BRANCH IN THE SELECTED PRIVATE
BANKS DURING 1983 TO 1986

	(Taka In Lakhs)			
	1983	1984	1985	1986
IFIC	309.62	823.59	1107.63	847.69
CBL	135.00	337.27	364.92	398.54
UCBL	270.71	325.06	360.94	416.23
NBL	822.34	1121.93	1110.60	1015.57
AB BANK	923.90	1186.17	990.66	888.09
AVERAGE	548.45	701.17	708.12	688.05

EXHIBIT-52

CONTRIBUTION TO THE GOVT. EXCHEQUER BY THE NCBs IN BANGLADESH DURING 1972 TO 1986

	(Taka In Crore)					
	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.
1972	-	0.07	-	0.05	0.08	0.07
1973	0.09	0.26	1.05	0.15	0.18	0.20
1974	0.43	0.24	0.85	0.35	0.26	0.25
1975	0.50	0.37	1.50	0.88	0.31	0.34
1976	1.69	1.50	5.96	0.10	0.35	0.25
1977	2.51	0.70	2.30	0.15	0.40	0.30
1978	1.80	1.00	1.80	0.50	0.90	0.40
1979	2.50	1.00	9.65	0.90	1.46	0.40
1980	2.07	1.50	2.81	1.16	1.85	0.65
1981	1.88	1.50	NIL	1.39	0.60	0.75
1982	4.60	1.50	2.00	1.25	NIL	0.80
1983	6.75	1.60	2.00	1.25	-	-
1984	20.45	2.00	5.52	1.50	-	-
1985	16.57	8.00	5.00	2.72	-	-
1986	10.00	12.01	6.00	-	-	-
	71.84	33.25	46.44	12.36	6.39	4.41

(NOTE: PUBALI & UTTARA BANKS WERE DENATIONALISED FROM 1983
FOR WHICH PAYMENT TO EXCHEQUER OUT OF PROFIT DOES NOT ARISE)

EXHIBIT-53

TAXES PAID BY THE NCBs DURING 1972 TO 1986

	(Taka In Crore)					
	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.
1972	NIL	1.16	NIL	0.15	0.10	0.44
1973	0.28	1.26	2.46	1.05	0.72	1.56
1974	1.87	2.03	2.44	0.96	0.91	1.42
1975	5.05	2.49	5.93	2.42	1.21	2.52
1976	5.84	2.55	11.04	2.23	1.32	2.41
1977	5.61	3.40	8.20	2.15	1.67	3.63
1978	2.90	2.88	4.52	1.76	1.56	2.55
1979	3.95	3.00	5.98	1.96	1.89	1.47
1980	13.99	3.45	5.94	3.67	1.03	1.51
1981	19.62	5.07	5.96	4.36	1.60	4.51
1982	32.97	7.14	13.73	5.10	2.03	3.33
1983	30.55	9.48	14.61	6.72	-	-
1984	24.59	14.56	14.93	9.42	-	-
1985	30.23	24.88	23.27	13.57	-	-
1986	35.94	20.30	18.35	8.31	-	-
	213.39	104.15	137.36	63.83	13.98	25.35

APPENDICES

(Appendices have been prepared from the Balance Sheets, Profit & Loss Accounts and other operational information of the concerned Banks)

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

		SONALI BANK.									
		(Taka In Crores)									
1.DEPOSITS:		1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
(a) FIXED		25.60	33.11	46.28	44.44	58.51	69.44	85.85	136.23	195.13	217.81
(b) SAVINGS		42.85	51.30	55.74	60.13	71.07	89.07	122.21	151.12	196.06	249.53
(c) CURRENT		98.48	125.84	125.77	228.35	254.83	283.45	391.43	551.43	705.48	725.34
TOTAL DEPOSITS		166.93	210.25	227.79	332.92	384.41	441.96	599.49	838.78	1096.67	1192.68
2.CAPITAL		2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3.RESERVES		-	0.09	0.87	3.39	4.42	4.67	5.00	6.00	6.50	7.00
4.BORROWINGS		0.01	5.00	42.10	42.36	10.00	92.68	107.59	184.59	341.62	349.60
5.TOTAL LIAB.		239.68	292.96	464.07	727.12	638.72	896.48	1175.52	1759.54	2250.92	2413.11
6.CASH IN HAND		15.87	18.89	18.70	34.84	24.24	32.31	47.23	65.69	90.81	97.46
7.CASH AT BANK		0.26	-	0.45	6.66	4.60	3.18	35.03	22.80	36.94	22.54
8.TOTAL OF 6&7		16.13	18.89	19.15	41.50	28.84	35.49	82.26	88.49	127.75	120.00
9.MONEY AT CALL & SHORT NOTICE		2.50	0.75	0.44	10.85	8.91	6.56	2.96	18.71	32.52	42.58
10.INVESTMENT		46.69	39.41	50.20	63.62	81.12	92.36	102.75	193.68	241.53	162.96
11.FIXED ASSETS		1.98	2.35	2.41	2.77	3.91	5.65	7.04	10.02	11.63	13.21
12.TOTAL ASSETS		239.68	292.96	464.07	727.12	638.72	896.48	1175.52	1759.54	2250.92	2413.11
13.ADVANCES		85.37	128.97	167.70	215.05	241.89	357.84	483.29	675.58	962.63	1185.54
(a)C.C.& OD		74.89	118.67	143.60	159.19	184.62	308.36	401.23	575.40	840.78	999.73
(b)BILLS PURCHASED & DISCOUNTED		10.48	10.30	24.10	55.86	57.27	49.48	82.06	100.18	121.85	185.81
14.NO. OF BRANCHES		274	306	359	400	450	600	709	843	1011	1031
15.NO.OF EMPLOYEES		4708	5460	6294	6989	8556	10135	11744	13481	18183	17887

Contd....

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

SONALI BANK. (Cont'd)

(Taka In Crores)

1. DEPOSITS:	1982	1983	1984	1985	1986	TOTAL
(a) FIXED	419.16	639.34	836.97	1020.72	1475.94	5304.53
(b) SAVINGS	279.30	392.45	521.20	631.92	738.45	3652.40
(c) CURRENT	897.62	1017.88	1344.94	1804.95	1620.92	10176.71
TOTAL DEPOSITS	1596.08	2049.67	2703.11	3457.59	3835.31	19133.64
2. CAPITAL	3.00	3.00	3.00	4.00	4.00	-
3. RESERVES	9.70	15.70	21.74	23.74	23.74	132.56
4. BORROWINGS	647.25	372.67	569.16	490.87	498.24	3753.74
5. TOTAL LIAB.	3135.14	3483.47	4346.08	5275.11	5733.95	32831.87
6. CASH IN HAND	130.68	142.54	218.10	246.07	269.23	1452.66
7. CASH AT BANK	22.94	21.61	60.22	41.34	47.25	325.82
8. TOTAL OF 6&7	153.62	164.15	278.32	287.41	316.48	1778.48
9. MONEY AT CALL & SHORT NOTICE	58.96	180.98	159.80	294.36	332.04	1152.92
10. INVESTMENT	335.76	413.39	556.98	422.10	586.34	3388.89
11. FIXED ASSETS	12.96	13.58	16.19	23.14	26.17	153.01
12. TOTAL ASSETS	3135.14	3483.47	4346.08	5275.11	5733.95	32831.87
13. ADVANCES	1683.19	1701.06	2212.28	2754.11	2927.15	15781.65
(a) C.C. & OD	1473.44	1614.43	2122.42	2670.66	2838.99	14526.41
(b) BILLS PURCHASED & DISCOUNTED	209.75	86.63	89.86	83.45	88.16	1255.24
14. NO. OF BRANCHES	1055	1214	1233	1245	1254	-
15. NO. OF EMPLOYEES	17707	21337	24420	25271	25785	-

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

SONALI BANK

(Taka In Crores)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	TOTAL
GROSS INCOME	5.52	10.30	14.84	23.62	29.51	36.88	46.32	61.09	100.00	142.73	191.46	210.54	254.38	333.30	384.88	1843
NET PROFIT	0.24	2.08	3.12	8.09	9.11	9.78	6.39	9.62	17.72	23.17	48.10	50.45	55.23	49.90	45.94	338
INTEREST EARN.	4.69	8.50	12.31	18.14	21.86	28.66	39.16	51.11	84.90	125.00	166.85	188.15	232.66	305.25	356.07	1643
OTHER EARNINGS	0.83	2.80	2.53	5.49	7.65	8.22	7.16	9.98	15.12	17.57	24.62	22.39	21.72	28.05	28.81	202
INTEREST PAID	2.73	4.17	5.70	8.48	11.18	14.79	21.04	27.59	47.42	78.41	106.93	117.57	136.96	199.74	243.08	1025
READ	1.96	4.33	6.61	9.66	10.68	13.87	18.12	23.52	37.48	46.59	59.92	70.58	95.70	105.51	112.99	617
ESTABLISHMENT EXPENSES	1.96	3.01	4.53	4.96	6.29	7.92	13.20	16.80	25.17	28.15	23.68	27.16	37.30	55.74	68.29	324
OPERATING EXP.	2.55	4.06	6.02	7.05	9.22	12.31	18.90	23.88	34.86	41.14	36.44	42.52	62.19	83.66	95.86	480
WORKING FUND	189.07	244.00	328.19	465.53	483.56	643.53	834.13	1154.58	1611.97	1794.79	2528.54	2746.48	2563.79	4051.24	4546.63	24186
CURRENT EXPN.	0.82	0.96	1.35	1.91	2.71	4.90	5.09	6.38	8.63	11.77	12.96	13.98	22.66	25.50	25.51	145
NON-CURRENT EXPENSES	0.09	0.10	0.14	0.19	0.22	0.49	0.60	0.70	1.06	1.22	1.43	1.37	2.22	2.42	2.06	14
TOTAL EXPEN.	5.28	8.22	11.72	15.53	20.40	27.10	39.93	51.47	82.28	119.56	143.36	160.09	199.15	283.40	338.94	1506

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

AGRANI BANK.

(Taka In Crores)

1.DEPOSITS:	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
(a) FIXED	10.13	15.66	21.05	14.79	24.67	44.27	54.58	74.23	88.26	149.12
(b) SAVINGS	32.00	39.71	43.08	44.85	51.07	64.89	86.77	105.55	133.62	161.53
(c) CURRENT	54.04	69.71	72.45	81.15	105.84	139.09	176.94	200.36	247.53	260.70
TOTAL DEPOSITS	96.17	125.08	136.58	140.79	181.58	248.25	318.29	380.14	469.41	571.35
2.CAPITAL	1.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3.RESERVES	0.40	1.05	1.50	2.25	3.00	3.20	3.40	3.60	3.65	3.73
4.BORROWINGS	8.06	9.80	22.40	32.50	30.00	44.48	44.21	60.77	59.98	34.61
5.TOTAL LIAB.	137.37	213.96	270.49	309.57	354.19	480.36	559.81	768.51	853.62	950.93
6.CASH IN HAND	12.94	15.94	18.68	18.10	20.08	33.69	47.27	63.01	73.90	81.40
7.CASH AT BANK	1.81	2.10	1.00	1.53	2.55	2.76	5.76	9.46	7.77	6.77
8.TOTAL OF 6&7	14.75	18.04	19.68	19.63	22.63	36.45	53.03	72.47	81.67	88.17
9.MONEY AT CALL & SHORT NOTICE	-	-	-	-	-	-	-	-	-	-
10.INVESTMENT	11.88	13.59	22.67	27.80	37.78	45.93	51.93	63.89	75.08	115.02
11.FIXED ASSETS	1.16	1.13	1.18	1.07	1.12	1.94	3.80	3.71	4.54	4.77
12.TOTAL ASSETS	137.37	213.96	270.49	309.57	354.19	480.36	559.81	768.51	853.62	950.93
13.ADVANCES	76.56	101.50	120.78	126.27	152.42	206.19	250.91	295.35	360.99	394.13
(a)C.C.& OD	71.64	92.08	110.69	112.53	129.92	188.76	230.07	271.05	324.70	362.70
(b)BILLS PURCHASED & DISCOUNTED	4.92	9.42	10.09	13.74	22.50	17.43	20.84	24.30	36.28	31.99
14.NO. OF BRANCHES	249	283	289	305	351	510	602	690	775	775
15.NO.OF EMPLOYEES	2267	2363	3517	3561	3770	5074	6672	6981	7901	7460

Contd.....

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

AGRANI BANK.(Cont'd)

(Taka In Crores)

1.DEPOSITS:	1982	1983	1984	1985	1986	TOTAL
(a) FIXED	222.47	358.32	545.89	704.95	910.64	3239.03
(b) SAVINGS	170.38	235.67	307.41	390.28	448.85	2315.66
(c) CURRENT	313.71	432.64	587.99	647.07	607.28	3996.50
TOTAL DEPOSITS	706.56	1026.63	1441.29	1742.30	1966.77	9551.19
2.CAPITAL	3.00	3.00	3.50	3.50	3.50	-
3.RESERVES	3.80	4.18	4.70	6.12	6.50	51.08
4.BORROWINGS	5.37	11.93	156.75	192.72	221.95	935.53
5.TOTAL LIAB.	1039.94	1470.58	2308.51	2576.20	2641.99	14936.03
6.CASH IN HAND	108.51	91.60	144.90	149.25	116.93	996.20
7.CASH AT BANK	7.67	19.32	47.32	66.91	59.13	241.86
8.TOTAL OF 6&7	116.18	110.92	192.22	216.16	176.06	1238.06
9.MONEY AT CALL & SHORT NOTICE	-	-	-	24.05	-	24.05
10.INVESTMENT	127.35	229.34	312.65	340.61	473.50	1949.02
11.FIXED ASSETS	4.63	4.71	9.12	11.87	12.13	66.88
12.TOTAL ASSETS	1039.94	1470.58	2308.51	2576.20	2641.99	14936.03
13.ADVANCES	463.55	662.36	-1031.34	1285.78	1466.11	6994.24
(a)C.C.& OD	427.34	623.75	986.08	1223.12	1396.70	6551.13
(b)BILLS PURCHASED & DISCOUNTED	36.21	38.61	45.26	62.66	69.41	443.66
14.NO. OF BRANCHES	776	777	789	808	825	-
15.NO.OF EMPLOYEES	9334	10062	10523	11128	11196	-

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

AGRANI BANK

	(Taka In Crores)															
	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	TOTAL
GROSS INCOME	7.87	17.06	24.00	28.53	33.87	21.31	27.36	35.31	42.18	59.64	68.93	93.13	135.55	200.58	232.90	1028.22
NET PROFIT	0.77	2.78	2.82	3.70	4.86	4.36	4.61	4.62	5.11	6.80	8.90	11.88	17.09	32.32	27.79	138.41
INTEREST EARN.	7.23	15.35	21.56	25.72	28.85	15.08	21.61	27.95	33.01	46.57	57.12	77.18	116.90	173.02	205.80	872.95
OTHER EARNINGS	0.66	1.71	2.44	2.81	5.01	6.23	5.74	7.36	9.16	13.07	11.80	15.94	18.65	27.55	27.10	155.23
INTEREST PAID	5.31	11.29	17.08	19.87	23.37	9.26	11.58	15.33	18.30	30.62	38.54	54.69	87.50	123.58	152.94	619.26
DEPRECIATION	1.92	4.06	4.48	5.85	5.48	5.82	10.03	12.62	12.71	15.95	18.58	22.49	29.40	49.44	52.86	251.69
ESTABLISHMENT EXPENSES	1.05	1.70	2.54	3.29	3.65	4.88	7.56	11.21	13.74	16.16	14.67	18.10	20.86	32.10	37.32	188.83
OPERATING EXPN	1.80	3.00	4.21	4.95	5.63	7.69	11.17	15.36	18.76	22.22	21.49	26.55	30.96	42.67	52.17	268.63
WORKING FUND	113.33	148.02	178.39	201.93	239.40	322.07	398.54	479.61	578.33	576.19	770.74	1104.03	1761.74	2101.36	2366.92	11340.60
CURRENT EXPN.	0.67	1.31	1.44	1.49	1.77	2.44	3.14	3.52	4.24	5.07	5.79	7.30	8.90	8.99	13.77	69.84
NON-CURRENT EXPENSES	0.08	0.09	0.10	0.17	0.21	0.37	0.47	0.63	0.78	0.99	1.04	1.16	1.20	1.58	1.69	10.56
TOTAL EXPEN.	7.10	14.28	21.18	24.83	29.01	16.95	22.75	30.69	37.07	52.84	60.03	81.25	118.46	168.26	205.11	889.81

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

JANATA BANK.

(Taka In Crores)

1.DEPOSITS:	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
(a) FIXED	19.07	72.29	92.24	124.13	216.17	238.17	248.50	309.43	335.86	380.50
(b) SAVINGS	39.11	50.36	55.54	54.88	66.51	85.40	112.16	142.55	179.55	222.28
(c) CURRENT	99.50	105.91	110.26	113.10	138.90	157.55	181.82	210.88	256.85	267.05
TOTAL DEPOSITS	157.68	228.56	258.04	292.11	421.58	481.12	542.48	662.86	772.26	869.83
2.CAPITAL	1.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3.RESERVES	-	1.30	2.50	4.50	4.50	5.00	6.05	7.11	7.74	7.90
4.BORROWINGS	5.85	7.59	46.33	77.31	50.78	146.93	177.50	249.61	307.53	338.98
5.TOTAL LIAB.	296.97	395.48	449.81	631.33	842.08	999.42	1124.81	1444.65	1655.95	1697.96
6.CASH IN HAND	14.79	28.09	33.20	29.61	44.43	54.42	65.14	78.46	93.20	106.50
7.CASH AT BANK	46.42	95.03	2.29	30.60	3.83	5.65	9.36	21.12	13.46	20.47
8.TOTAL OF 6&7	61.21	123.12	35.49	60.21	48.26	60.07	74.50	99.58	106.66	126.97
9.MONEY AT CALL & SHORT NOTICE	17.93	8.17	8.38	0.14	1.00	10.87	5.91	19.99	72.51	67.57
10.INVESTMENT	20.41	47.22	53.74	53.45	63.68	80.42	91.41	120.06	126.58	145.00
11.FIXED ASSETS	1.04	1.60	1.71	1.88	2.88	3.83	5.13	5.57	5.70	6.31
12.TOTAL ASSETS	296.97	395.48	449.81	631.33	842.08	999.42	1124.81	1444.65	1655.95	1697.96
13.ADVANCES	113.21	156.43	209.24	256.30	356.16	453.22	543.67	676.87	778.62	889.77
(a)C.C.& OD	92.95	141.73	189.03	235.30	323.35	427.54	511.71	626.89	720.58	814.78
(b)BILLS PURCHASED & DISCOUNTED	20.26	14.70	20.21	21.00	32.81	25.68	31.96	49.98	58.04	74.99
14.NO. OF BRANCHES	261	286	312	322	377	507	634	721	851	830
15.NO.OF EMPLOYEES	3408	4326	4554	4793	6140	7553	10099	11795	12512	11517

Contd.....

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

JANATA BANK. (Cont'd)

(Taka In Crores)

1. DEPOSITS:	1982	1983	1984	1985	1986	TOTAL
(a) FIXED	456.83	670.29	946.76	1044.93	1249.23	6404.40
(b) SAVINGS	238.03	317.14	398.78	497.74	572.60	3032.63
(c) CURRENT	299.75	383.62	513.71	530.40	455.42	3824.72
TOTAL DEPOSITS	994.61	1371.05	1859.25	2073.07	2277.25	13261.75
2. CAPITAL	3.00	3.00	3.00	4.00	4.00	-
3. RESERVES	8.52	9.21	10.26	10.69	11.41	96.69
4. BORROWINGS	478.24	315.88	298.65	300.40	297.91	3099.49
5. TOTAL LIAB.	1973.62	2447.48	3299.24	3567.15	3564.63	24390.58
6. CASH IN HAND	115.90	142.00	186.98	200.96	223.54	1417.22
7. CASH AT BANK	27.15	36.98	86.14	61.85	89.16	549.31
8. TOTAL OF 6&7	143.05	178.98	273.12	262.81	312.70	1966.73
9. MONEY AT CALL & SHORT NOTICE	58.50	42.80	79.03	83.52	86.62	-
10. INVESTMENT	148.50	250.78	329.75	333.23	501.30	2365.53
11. FIXED ASSETS	5.95	5.49	6.01	6.33	6.88	66.31
12. TOTAL ASSETS	-1973.62	2447.48	-3299.24	3567.15	3564.63	24390.58
13. ADVANCES	1157.44	1256.80	-1518.04	1699.11	1762.12	11827.00
(a) C.C. & OD	1096.78	1163.65	1438.27	1638.59	1699.53	11120.68
(b) BILLS PURCHASED & DISCOUNTED	60.66	93.15	79.77	60.52	62.59	706.32
14. NO. OF BRANCHES	831	831	838	850	856	-
15. NO. OF EMPLOYEES	11882	12161	12997	13421	14605	-

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

JANATA BANK

(Taka In Crores)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	TOTAL
GROSS INCOME	12.06	23.37	32.50	48.17	65.76	80.16	85.94	72.52	94.59	128.37	154.69	160.19	197.91	254.84	285.58	1696.1
NET PROFIT	1.06	4.66	4.49	9.43	11.10	11.51	7.50	9.64	9.70	6.06	17.13	19.27	23.10	28.54	27.70	190.1
INTEREST EARN.	10.71	19.86	28.00	38.41	53.53	69.45	77.21	60.38	77.89	108.59	134.67	139.99	166.72	214.96	252.60	1452.1
OTHER EARNINGS	1.35	3.51	4.50	9.76	12.23	10.71	8.73	12.14	16.70	19.78	20.02	30.20	31.19	39.88	32.98	253.6
INTEREST PAID	7.70	13.39	20.71	29.61	43.25	54.83	58.20	37.51	49.96	83.66	100.98	100.20	125.88	161.34	185.56	1072.7
READ	3.01	6.47	7.29	8.80	10.28	14.62	19.01	22.87	27.93	24.93	33.69	39.79	40.84	53.62	167.40	480.5
ESTABLISHMENT EXPENSES	1.45	2.29	3.69	4.25	4.90	6.18	9.82	14.85	17.51	19.12	100.98	100.19	125.88	40.55	50.22	501.8
OPERATING EXP.	3.30	5.32	7.30	9.12	11.40	13.83	20.24	25.37	34.94	38.65	36.58	50.73	48.94	64.96	72.32	443.0
TOTAL EXPENSES	11.00	18.71	28.01	38.74	57.66	68.65	78.44	62.88	84.89	122.31	137.56	140.92	174.81	226.30	257.88	1508.7
WORKING FUND	190.65	253.75	323.58	409.13	508.46	550.59	752.02	954.69	1152.01	1301.44	1606.91	1836.82	2310.75	2576.51	2831.12	17558.4
CURRENT EXPN.	1.67	2.76	3.20	4.44	5.60	6.81	9.21	10.10	15.73	17.67	14.08	26.04	20.60	22.32	20.02	180.25
NON-CURRENT EXPENSES	0.18	0.27	0.41	0.43	0.90	0.84	1.21	1.42	1.60	1.86	1.78	1.67	1.90	2.09	2.08	18.64

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

RUPALI BANK.

(Taka In Crores)

1.DEPOSITS:	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
(a) FIXED	10.20	13.65	18.22	15.71	27.37	42.15	55.05	79.49	100.37	142.86
(b) SAVINGS	21.09	28.06	33.37	33.30	40.51	51.93	66.80	78.48	96.27	118.73
(c) CURRENT	31.17	48.24	53.69	62.00	66.56	84.53	104.85	130.72	161.19	136.02
TOTAL DEPOSITS	62.46	89.95	105.28	111.01	134.44	178.61	226.70	288.69	357.83	397.61
2.CAPITAL	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
3.RESERVES	0.05	0.36	0.79	1.05	1.84	2.46	2.64	2.79	3.14	3.40
4.BORROWINGS	6.59	3.00	7.75	16.27	18.92	30.66	34.78	39.69	66.05	74.17
5.TOTAL LIAB.	101.13	134.85	153.62	189.36	227.47	326.16	376.58	464.51	577.23	685.98
6.CASH IN HAND	7.51	12.61	14.97	16.77	19.72	25.04	32.19	40.73	49.92	48.25
7.CASH AT BANK	0.47	1.26	5.41	7.37	8.67	12.58	15.95	12.50	17.22	21.08
8.TOTAL OF 6&7	7.98	13.87	20.38	24.14	28.39	37.62	48.14	53.23	67.14	69.33
9.MONEY AT CALL & SHORT NOTICE	-	2.00	-	-	-	-	-	1.70	-	-
10.INVESTMENT	10.01	13.41	25.94	26.11	30.50	37.26	44.06	38.82	54.24	66.51
11.FIXED ASSETS	1.05	1.11	1.24	1.28	1.49	1.87	2.67	3.13	2.17	3.07
12.TOTAL ASSETS	101.13	134.85	153.62	189.36	227.47	326.16	376.58	464.51	577.23	685.98
13.ADVANCES	52.76	67.17	72.78	81.68	96.97	124.86	159.66	221.37	284.95	326.41
(a)C.C.& OD	46.11	61.25	59.02	73.27	83.26	115.41	150.28	211.56	266.49	307.29
(b)BILLS PURCHASED & DISCOUNTED	6.65	5.92	13.76	8.41	13.71	9.45	9.38	9.81	18.46	19.12
14.NO. OF BRANCHES	159	200	209	227	258	362	450	490	533	538
15.NO.OF EMPLOYEES	2416	3120	3382	3742	3897	5092	5591	6237	6487	5382

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APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

RUPALI BANK.(Cont'd)

(Taka In Crores)

1.DEPOSITS:	1982	1983	1984	1985	1986	TOTAL
(a) FIXED	175.25	249.34	361.25	434.21	554.62	2279.74
(b) SAVINGS	120.33	159.49	200.40	250.51	282.27	1581.54
(c) CURRENT	158.10	218.80	300.81	283.52	329.79	2169.99
TOTAL DEPOSITS	453.68	627.63	862.46	968.24	1166.68	6031.27
2.CAPITAL	2.00	2.00	2.00	2.50	20.40	-
3.RESERVES	4.92	5.50	5.70	6.36	3.60	44.60
4.BORROWINGS	33.44	4.27	28.48	70.31	94.59	528.97
5.TOTAL LIAB.	643.59	859.19	1181.40	1379.01	1759.49	9059.57
6.CASH IN HAND	61.27	82.03	102.41	131.64	145.62	790.68
7.CASH AT BANK	11.50	9.40	11.46	9.07	8.92	152.86
8.TOTAL OF 6&7	72.77	91.43	113.87	140.71	154.54	943.54
9.MONEY AT CALL & SHORT NOTICE	-	3.19	9.16	22.00	9.00	47.05
10.INVESTMENT	87.32	145.19	159.60	193.54	315.60	1248.11
11.FIXED ASSETS	4.39	5.39	5.52	6.33	6.25	46.96
12.TOTAL ASSETS	643.59	859.19	1181.40	1379.01	1759.49	9059.57
13.ADVANCES	338.27	410.16	627.00	702.91	767.50	4334.45
(a)C.C.& OD	326.69	397.54	611.14	694.62	750.17	4154.10
(b)BILLS PURCHASED & DISCOUNTED	11.58	12.62	15.86	8.29	17.33	180.35
14.NO. OF BRANCHES	467	467	483	491	500	-
15.NO.OF EMPLOYEES	5391	6048	6294	6427	6483	-

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

RUPALI BANK

(Taka In Crores)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	TOTAL
GROSS INCOME	5.50	11.80	15.82	18.83	22.44	25.72	34.45	46.36	37.25	52.70	53.56	62.60	85.25	116.48	131.09	719.85
NET PROFIT	0.59	1.56	1.80	3.68	3.24	3.08	2.61	3.25	5.14	6.18	6.45	8.53	11.57	17.01	14.14	88.83
INTEREST EARN.	4.69	9.48	12.62	13.39	16.58	18.72	26.17	35.50	23.68	34.62	36.37	48.06	66.42	97.15	110.73	554.18
OTHER EARNINGS	0.81	2.32	3.20	5.44	5.86	7.00	8.28	10.86	13.57	18.08	17.19	14.54	18.83	19.33	20.36	165.67
INTEREST PAID	3.53	7.73	10.43	10.80	14.06	16.04	22.20	30.32	16.64	29.17	31.26	36.62	52.19	70.29	83.29	434.57
DEPRECIATION	1.10	1.75	2.19	2.59	2.52	2.68	3.97	5.18	7.04	5.45	5.11	11.44	14.23	26.86	27.44	119.55
ESTABLISHMENT EXPENSES	0.92	1.62	2.13	2.43	2.79	3.38	6.72	8.70	11.64	12.34	10.63	11.77	14.25	20.16	23.67	133.15
OPERATING EXPN	1.38	2.51	3.54	4.35	5.14	6.60	9.64	12.79	15.47	17.35	15.85	17.45	21.49	29.18	33.66	196.40
TOTAL EXPENSES	4.91	10.24	14.02	15.15	19.20	22.64	31.84	43.11	32.11	46.52	47.11	54.07	73.68	99.47	116.95	631.02
WORKING FUND	78.16	105.96	123.04	140.16	167.36	225.03	278.69	346.43	448.40	501.84	527.95	685.68	961.02	1127.95	1376.66	7094.33
CURRENT EXPN.	0.40	0.82	1.35	1.81	2.24	3.00	2.50	3.56	3.29	4.44	4.72	5.22	6.73	8.42	9.45	57.95
NON-CURRENT EXPENSES	0.06	0.07	0.11	0.11	0.11	0.22	0.42	0.53	0.54	0.57	0.50	0.46	0.51	0.60	0.54	5.35

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

PUBALI BANK.

(Taka In Crores)

1.DEPOSITS:	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
(a) FIXED	27.71	24.12	34.31	38.55	57.57	75.23	104.22	141.50	188.66	204.63
(b) SAVINGS	19.34	24.14	26.88	27.70	34.01	41.33	52.81	65.86	78.99	93.97
(c) CURRENT	29.74	53.77	51.02	64.88	80.58	81.49	74.35	81.65	88.50	88.16
TOTAL DEPOSITS	76.79	102.03	112.21	131.13	172.16	198.05	231.38	289.01	356.15	386.76
2.CAPITAL	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
3.RESERVES	0.34	0.65	1.00	1.50	1.93	2.47	2.85	3.25	3.83	3.83
4.BORROWINGS	5.60	7.34	39.85	29.57	11.75	23.31	29.92	34.44	32.53	48.55
5.TOTAL LIAB.	111.55	151.82	190.86	203.06	241.97	307.58	349.23	423.88	459.44	532.33
6.CASH IN HAND	16.77	28.73	33.53	39.14	36.02	35.08	42.29	49.47	59.98	58.44
7.CASH AT BANK	2.71	1.76	2.18	2.48	4.52	4.86	5.92	6.31	5.96	4.14
8.TOTAL OF 6&7	19.48	30.49	35.71	41.62	40.54	39.94	48.21	55.78	65.94	62.58
9.MONEY AT CALL & SHORT NOTICE	3.38	1.97	2.06	-	-	1.00	-	-	1.25	-
10.INVESTMENT	12.09	14.09	14.70	14.56	27.24	71.65	37.36	54.55	69.10	64.71
11.FIXED ASSETS	0.27	0.38	0.51	0.79	2.01	3.65	5.12	6.38	7.93	8.63
12.TOTAL ASSETS	111.55	151.82	190.86	203.06	241.97	307.58	349.23	423.88	459.44	532.33
13.ADVANCES	47.16	56.82	98.38	93.96	115.61	148.39	176.21	213.79	250.85	301.91
(a)C.C.& DD	33.28	46.33	93.72	83.97	103.10	139.21	164.27	198.02	236.36	206.63
(b)BILLS PURCHASED & DISCOUNTED	13.88	10.49	4.66	9.99	12.51	9.18	11.94	15.77	14.48	95.28
14.NO. OF BRANCHES	113	143	175	182	200	273	355	396	431	433
15.NO. OF EMPLOYEES	1900	2744	2940	3561	4041	4878	5365	6176	6837	6801

Contd....

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

PUBALI BANK.(Cont'd)

(Taka In Crores)

1.DEPOSITS:	1982	1983	1984	1985	1986	TOTAL
(a) FIXED	218.52	257.52	281.90	305.63	355.37	2315.44
(b) SAVINGS	93.45	116.60	140.42	176.49	203.34	1195.33
(c) CURRENT	91.45	100.61	118.58	132.83	138.13	1275.74
TOTAL DEPOSITS	403.42	474.73	540.90	614.95	696.84	4786.51
2.CAPITAL	2.00	2.00	13.64	14.91	15.03	-
3.RESERVES	3.83	0.11	0.23	0.51	1.73	28.06
4.BORROWINGS	48.76	37.48	48.54	45.04	28.06	470.74
5.TOTAL LIAB.	523.78	626.09	723.36	791.40	881.27	6517.62
6.CASH IN HAND	50.08	49.30	65.52	66.76	84.66	715.77
7.CASH AT BANK	3.45	29.61	4.22	3.61	6.15	87.88
8.TOTAL OF 6&7	53.53	78.91	69.74	70.37	90.81	803.65
9.MONEY AT CALL & SHORT NOTICE	10.10	-	-	10.50	35.00	65.26
10.INVESTMENT	80.34	92.96	99.04	104.36	105.71	862.46
11.FIXED ASSETS	8.45	14.80	14.56	15.90	19.08	108.46
12.TOTAL ASSETS	523.78	626.09	723.36	791.40	881.27	6517.62
13.ADVANCES	307.15	339.78	433.34	472.57	490.12	3546.04
(a)C.C.& OD	268.26	290.57	417.94	448.38	458.44	3188.48
(b)BILLS PURCHASED & DISCOUNTED	38.89	49.21	15.40	24.18	31.68	357.54
14.NO. OF BRANCHES	376	376	376	376	356	-
15.NO. OF EMPLOYEES	6268	6295	6696	5961	5740	-

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

PUBALI BANK

(Taka In Crores)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	TOTAL
GROSS INCOME	2.69	5.90	9.64	12.02	12.70	15.95	20.60	26.13	31.41	45.25	49.17	52.79	61.71	75.15	83.22	504.33
NET PROFIT	0.17	1.20	1.50	2.00	2.11	2.66	2.60	3.16	2.22	1.60	2.03	0.53	0.55	0.84	2.62	25.79
INTEREST EARN.	1.99	4.70	7.21	8.78	10.83	13.37	17.45	22.13	27.71	41.19	45.17	49.03	57.27	68.92	74.35	450.10
OTHER EARNINGS	0.70	1.20	2.43	3.24	1.87	2.58	3.15	4.00	3.70	4.06	4.00	3.76	4.44	6.23	8.87	54.23
INTEREST PAID	1.39	2.52	5.01	6.69	6.43	8.15	10.70	13.03	16.83	29.82	33.27	37.48	44.35	51.24	56.29	323.20
READ	0.60	2.18	2.20	2.09	3.40	5.22	6.75	9.10	10.88	11.37	11.90	11.55	12.92	17.68	18.06	125.90
ESTABLISHMENT EXPENSES	0.77	1.33	1.92	1.96	2.36	2.82	4.11	5.85	6.38	7.26	7.27	7.68	8.65	12.22	14.98	85.56
OPERATING EXPN	1.13	2.17	3.13	3.33	4.16	5.14	9.30	9.94	12.36	13.83	13.86	15.79	16.81	23.08	22.31	156.34
TOTAL EXPENSES	2.52	4.69	8.14	10.02	10.59	13.29	20.00	22.97	29.19	43.65	47.13	52.27	61.16	74.32	78.60	478.54
CURRENT EXPEN	0.33	0.78	1.14	1.26	1.64	2.08	4.84	3.54	5.45	5.98	5.88	7.32	7.37	9.93	6.38	63.92
NON-CURRENT EXPENSES	0.03	0.06	0.07	0.11	0.16	0.24	0.35	0.45	0.52	0.59	0.71	0.79	0.79	0.93	0.93	6.73
WORKING FUND	88.22	120.00	165.30	176.65	199.82	237.43	277.53	341.71	413.21	455.09	477.98	548.51	641.52	701.45	765.40	5609.82

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

UTTARA BANK LTD.

(Taka In Crores)

1.DEPOSITS:	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
(a) FIXED	19.03	10.31	19.03	12.73	16.75	21.07	23.30	31.28	37.58	44.61
(b) SAVINGS	15.58	17.04	17.11	17.01	18.75	21.98	27.88	34.27	41.15	48.94
(c) CURRENT	34.51	45.92	50.13	69.90	60.49	58.85	66.69	82.51	93.84	95.18
TOTAL DEPOSITS	69.12	73.27	86.27	99.64	95.99	101.90	117.87	148.06	172.57	188.73
2.CAPITAL	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
3.RESERVES	0.34	0.77	1.25	2.02	2.34	2.41	2.50	2.59	2.75	2.87
4.BORROWINGS	3.24	9.42	30.47	30.42	25.53	30.06	51.79	34.42	64.50	80.10
5.TOTAL LIAB.	125.63	121.02	186.46	188.08	213.75	267.05	265.03	402.05	445.78	469.78
6.CASH IN HAND	3.96	6.98	10.12	17.47	13.44	14.69	22.27	28.08	35.23	27.35
7.CASH AT BANK	0.27	5.19	5.67	1.35	1.87	1.06	2.32	4.01	4.03	2.81
8.TOTAL OF 6&7	4.23	12.17	15.79	18.82	15.31	15.75	24.59	32.09	39.26	30.16
9.MONEY AT CALL & SHORT NOTICE	3.91	1.47	0.91	0.50	0.23	-	-	-	-	-
10.INVESTMENT	10.57	11.07	16.83	20.18	23.02	25.41	28.71	30.88	34.13	38.54
11.FIXED ASSETS	0.29	0.40	0.53	0.53	0.61	0.90	1.24	2.41	1.96	2.59
12.TOTAL ASSETS	125.63	121.02	186.46	188.08	213.75	267.05	265.03	402.05	445.78	469.28
13.ADVANCES	50.51	64.83	92.69	99.80	90.50	96.74	119.56	122.37	171.96	211.15
(a)C.C.& OD	37.88	49.22	82.37	70.25	72.09	79.43	98.87	104.63	148.12	172.08
(b)BILLS PURCHASED & DISCOUNTED	12.63	15.61	10.32	29.55	18.41	17.31	20.69	17.74	23.84	39.07
14.NO. OF BRANCHES	60	73	87	85	92	114	161	171	200	201
15.NO. OF EMPLOYEES	1550	1936	2255	2270	2276	2611	2819	3036	3106	2547

Contd.....

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

UTTARA BANK LTD. (Cont'd)

(Taka In Crores)

1. DEPOSITS:	1982	1983	1984	1985	1986	TOTAL
(a) FIXED	57.87	72.78	96.22	123.41	180.65	766.62
(b) SAVINGS	49.66	63.24	76.22	97.33	112.47	658.63
(c) CURRENT	93.39	95.00	116.33	144.51	173.23	1280.48
TOTAL DEPOSITS	200.92	231.02	288.77	365.25	466.35	2705.73
2. CAPITAL	2.00	0.50	9.08	9.19	9.24	-
3. RESERVES	3.00	1.20	1.84	2.76	3.17	31.81
4. BORROWINGS	58.71	7.66	41.77	41.04	40.94	550.07
5. TOTAL LIAB.	348.13	347.08	452.91	570.06	661.28	5064.09
6. CASH IN HAND	22.72	24.66	50.95	35.67	55.96	369.55
7. CASH AT BANK	3.44	2.24	12.06	19.64	16.43	82.39
8. TOTAL OF 6&7	26.16	26.90	63.01	55.31	72.39	451.94
9. MONEY AT CALL & SHORT NOTICE	-	2.00	7.00	19.75	29.00	64.77
10. INVESTMENT	41.33	57.16	64.17	68.26	71.33	541.59
11. FIXED ASSETS	2.43	6.34	8.36	10.69	12.08	51.36
12. TOTAL ASSETS	348.13	347.08	452.91	570.06	661.28	5063.59
13. ADVANCES	206.55	169.40	209.39	260.49	328.75	2294.69
(a) C.C. & OD	176.71	159.08	191.92	249.16	303.94	1995.75
(b) BILLS PURCHASED & DISCOUNTED	29.84	10.32	17.47	11.33	24.81	298.94
14. NO. OF BRANCHES	182	182	182	182	182	-
15. NO. OF EMPLOYEES	2471	2486	2412	2431	2433	-

APPENDIX-1

OPERATIONAL INFORMATION OF NCBs FOR THE YEARS 1972 TO 1986.

UTTARA BANK LTD.

(Taka In Crores)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	TOTAL
GROSS INCOME	4.77	7.59	12.19	17.87	18.29	18.35	21.67	23.51	31.66	48.23	55.46	55.46	64.79	80.95	51.42	512.21
NET PROFIT	0.42	1.93	2.17	4.41	3.18	2.88	2.32	2.08	3.05	4.22	6.17	5.05	3.21	4.56	2.07	47.72
INTEREST EARN.	4.22	6.17	10.46	13.84	15.35	16.44	18.50	20.62	28.08	43.44	49.14	50.88	60.45	75.38	46.41	459.38
OTHER EARNINGS	0.55	1.42	1.73	4.03	2.94	1.91	3.17	2.89	2.58	4.79	6.32	4.58	4.34	5.57	5.01	51.83
INTEREST PAID	3.15	4.04	7.47	10.86	12.06	12.03	14.27	15.24	20.91	35.75	41.89	42.43	51.66	64.48	34.12	370.36
DEPRECIATION	1.62	2.31	2.99	2.98	3.29	4.41	4.23	5.38	7.17	7.69	8.25	8.45	8.79	10.90	12.29	90.57
ESTABLISHMENT EXPENSES	0.66	0.89	1.35	1.21	1.31	1.47	2.17	2.97	3.28	3.18	3.09	3.33	4.13	4.63	7.22	40.89
OPERATING EXPN	1.19	1.62	2.55	2.60	3.06	3.45	5.08	6.19	9.69	8.26	7.40	7.99	9.92	11.91	15.23	96.14
TOTAL EXPENSES	4.35	5.66	10.06	13.46	15.12	15.48	19.35	21.43	30.60	44.01	49.29	50.41	61.58	76.39	49.35	466.54
WORKING FUND	76.00	93.87	132.00	148.71	137.31	147.56	184.08	198.12	255.01	290.78	285.20	281.99	374.10	450.37	548.98	3604.08
CURRENT EXPN.	0.51	0.68	1.12	1.26	1.64	1.86	2.74	3.02	4.17	4.78	3.97	4.36	5.52	7.05	7.63	50.31
NON-CURRENT EXPENSES	0.02	0.05	0.07	0.13	0.11	0.17	0.17	0.20	0.24	0.30	0.32	0.31	0.27	0.33	0.38	3.09

APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING THE YEARS 1972-86.

TOTAL DEPOSITS

(Taka In Crores)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
1972	166.93	96.17	157.68	62.46	76.79	69.12	629.15
1973	210.25	125.08	228.56	89.95	92.03	73.27	819.14
1974	227.79	136.58	258.04	105.28	112.21	86.27	926.17
1975	332.92	140.79	292.11	111.01	131.13	99.64	1107.60
1976	384.41	181.58	421.58	134.44	172.16	95.99	1390.16
1977	441.96	249.25	481.12	178.61	198.05	111.90	1660.89
1978	599.49	318.29	542.48	226.70	231.38	117.87	2036.21
1979	938.78	380.14	662.86	188.69	289.01	148.06	2607.54
1980	1096.67	469.41	772.26	357.83	356.15	172.57	3224.89
1981	1192.68	571.35	869.83	397.61	386.76	188.73	3606.96
1982	1596.08	706.56	994.61	453.68	403.42	200.92	4355.27
1983	2049.67	1026.63	1371.05	627.63	474.73	231.02	5780.73
1984	2703.11	1441.29	1859.25	862.46	540.90	288.77	7695.78
1985	3457.59	1742.30	1973.07	968.24	614.95	365.25	9121.40
1986	3835.31	1966.77	2277.25	1166.68	696.84	466.35	10409.20
TOTAL:	19233.64	9552.19	13161.75	5931.27	4776.51	2715.73	55371.09

APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING THE YEARS 1972-86.

CURRENT DEPOSITS

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
							(Taka In Crores)
1972	98.48	54.04	99.50	31.17	29.74	34.51	347.44
1973	125.84	69.71	105.91	48.24	53.77	45.92	449.39
1974	125.77	72.45	110.26	53.69	51.02	50.13	463.32
1975	228.35	81.15	113.10	62.00	64.88	69.90	619.38
1976	254.83	105.84	138.90	66.56	80.58	60.49	707.20
1977	283.45	139.09	157.55	84.53	81.49	58.85	804.96
1978	391.43	176.94	181.82	104.85	74.35	66.69	996.08
1979	551.43	200.36	210.88	130.72	81.65	82.51	1257.55
1980	705.48	247.53	256.85	161.19	88.50	93.84	1553.39
1981	725.34	260.70	267.05	136.02	88.16	95.18	1572.45
1982	897.62	313.79	299.75	158.10	91.45	93.29	1854.00
1983	1017.88	432.64	383.62	218.80	100.61	95.00	2248.55
1984	1344.94	587.99	513.71	300.81	118.58	116.33	2982.36
1985	1804.95	647.07	530.40	283.52	132.83	144.51	3543.28
1986	1620.92	607.28	455.42	329.79	138.13	173.23	3324.77
TOTAL:	10176.71	3996.58	3824.72	2169.99	1275.74	1280.38	22724.12

APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING THE YEARS 1972-86.

SAVINGS BANK DEPOSITS

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
							(Taka In Crores)
1972	42.85	32.00	39.31	21.09	19.34	15.58	170.17
1973	51.30	39.71	50.36	28.06	24.14	17.04	210.61
1974	55.74	43.08	55.54	33.37	26.88	17.11	231.72
1975	60.13	44.85	54.88	33.30	27.70	17.01	237.87
1976	71.07	51.07	66.51	40.51	34.01	18.75	281.92
1977	89.07	64.89	85.40	51.93	41.33	21.98	354.60
1978	122.21	86.77	112.16	66.80	52.81	27.88	468.63
1979	151.12	105.55	142.55	78.48	65.86	34.27	577.83
1980	196.06	133.62	179.55	96.27	78.99	41.15	725.64
1981	249.53	161.53	222.28	118.73	93.97	48.94	894.98
1982	279.30	170.38	238.03	120.33	93.45	49.66	951.15
1983	392.45	235.67	317.14	159.49	116.60	63.24	1284.59
1984	521.20	307.41	394.78	200.40	140.42	76.22	1640.43
1985	631.92	390.28	497.74	250.51	176.49	47.33	1994.27
1986	738.45	448.85	572.60	282.27	203.34	112.47	2357.98
TOTAL:	3652.40	2315.66	3028.83	1581.54	1195.33	608.63	12382.39

APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING THE YEARS 1972-86.

FIXED DEPOSITS

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
							(Taka In Crores)
1972	25.60	10.13	19.07	10.20	27.71	19.03	111.74
1973	33.11	15.66	72.29	13.65	24.12	10.31	169.14
1974	46.28	21.05	92.24	18.22	34.31	19.03	231.13
1975	44.44	14.79	124.13	15.71	38.55	12.73	250.35
1976	58.51	24.67	216.17	27.37	57.57	16.75	401.04
1977	69.44	44.27	238.17	42.15	75.23	21.07	490.33
1978	85.85	54.58	248.50	55.05	104.22	23.30	571.50
1979	136.23	74.23	309.43	79.49	141.50	31.28	772.16
1980	195.13	88.26	335.86	100.37	188.66	37.58	945.86
1981	217.81	149.12	380.50	142.86	204.63	44.61	1139.53
1982	419.16	222.47	456.83	175.25	218.52	57.87	1550.10
1983	639.34	358.32	670.29	249.34	257.52	72.78	2247.59
1984	836.97	545.89	946.76	361.25	281.90	96.22	3068.99
1985	1020.72	704.95	1044.93	434.21	305.63	123.41	3633.85
1986	1475.94	910.64	1249.23	554.62	355.37	180.65	4726.45
TOTAL:	5304.53	3239.03	6404.40	2279.74	2315.44	766.62	20309.76

APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING THE YEARS 1972-86.

YEAR	S. B.	A. B.	J. B.	CASH		U. B.	TOTAL
				R. B.	P. B.		
						(Taka In Crores)	
1972	16.13	14.75	61.21	7.98	19.48	4.23	123.78
1973	18.89	18.04	123.12	13.87	30.49	12.17	216.58
1974	19.15	19.68	35.49	20.38	35.71	15.79	146.20
1975	41.50	19.63	60.21	24.14	41.62	19.82	206.92
1976	28.84	22.63	48.26	28.39	40.54	15.31	183.97
1977	35.49	36.45	60.07	37.62	39.94	15.75	225.32
1978	82.26	53.03	74.50	48.14	48.21	24.59	330.73
1979	88.49	72.47	99.58	53.23	55.98	32.09	401.84
1980	127.75	81.67	106.66	67.14	65.94	39.26	488.42
1981	120.00	88.17	126.97	69.33	62.58	30.16	497.21
1982	153.62	116.18	143.05	72.77	53.53	26.16	565.31
1983	164.15	110.92	178.98	91.43	78.91	26.90	651.29
1984	278.32	192.22	173.12	113.87	67.94	63.01	888.48
1985	287.41	216.16	262.81	140.71	70.37	55.31	1032.77
1986	316.48	176.06	312.70	154.54	90.81	72.39	1122.98
TOTAL:	1778.48	1238.06	1866.73	943.54	802.05	452.94	7081.80
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APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING THE YEARS 1972-86.

GROSS INCOME

(Taka In Crores)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
1972	5.52	7.87	12.06	5.50	2.69	4.77	38.41
1973	10.30	17.06	23.37	11.80	5.90	7.59	76.02
1974	14.84	24.00	32.50	15.82	9.64	12.19	108.99
1975	23.62	28.53	48.17	18.83	12.02	17.87	149.04
1976	29.51	33.87	65.76	22.44	12.70	18.29	182.57
1977	36.88	21.31	80.16	25.72	15.95	18.35	198.37
1978	46.32	27.36	85.94	34.45	20.60	21.67	236.34
1979	61.09	35.31	72.52	46.36	26.13	23.51	264.92
1980	100.00	42.18	94.59	37.25	31.41	31.66	337.09
1981	142.73	59.64	128.37	52.70	45.25	48.23	476.92
1982	191.46	68.93	154.69	53.56	49.17	55.46	573.27
1983	210.54	93.13	160.19	62.60	52.79	55.46	634.71
1984	254.38	135.55	197.91	85.25	61.71	64.79	799.59
1985	333.30	200.58	254.84	116.48	75.15	80.95	1061.30
1986	384.48	232.90	285.58	131.09	83.22	57.42	1174.69
TOTAL:	1844.97	1028.22	1696.65	719.85	504.33	518.21	6312.23

APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING THE YEARS 1972-86.

NET PROFIT

(Taka In Crores)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
1972	0.24	0.77	1.06	0.59	0.17	0.42	3.25
1973	2.08	2.78	4.66	1.56	1.20	1.93	14.21
1974	3.12	2.82	4.49	1.80	1.50	2.17	15.90
1975	8.90	3.70	9.43	3.68	2.00	4.41	32.12
1976	9.11	4.86	11.10	3.24	2.11	3.18	33.60
1977	9.78	4.36	11.51	3.08	2.66	2.88	34.27
1978	6.39	4.61	7.50	2.61	2.60	2.32	26.03
1979	9.62	4.62	9.64	3.25	3.16	2.08	32.37
1980	17.72	5.11	9.70	5.14	2.22	3.05	42.94
1981	23.17	6.80	6.06	6.18	1.60	4.22	48.03
1982	48.10	8.90	17.13	6.45	2.03	6.17	88.78
1983	50.45	11.88	19.27	8.53	0.53	5.05	95.71
1984	55.23	17.90	23.10	11.57	0.55	3.21	111.56
1985	49.90	32.32	28.54	17.01	0.84	4.56	133.17
1986	45.94	27.79	27.70	14.14	2.62	2.07	120.26
TOTAL:	339.75	139.22	190.89	88.83	25.79	47.72	832.20

APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING
THE YEARS 1972-86.

TOTAL EXPENSES

(Taka In Crores)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
1972	5.28	7.10	11.00	4.91	2.52	4.35	35.16
1973	8.22	14.28	18.71	10.24	4.69	5.66	61.80
1974	11.72	21.18	28.01	14.02	8.14	10.06	93.13
1975	15.53	24.83	38.74	15.15	10.02	13.46	117.73
1976	20.40	29.01	54.66	19.20	10.59	15.12	148.98
1977	27.10	16.95	68.65	22.64	13.29	15.48	164.11
1978	39.93	22.75	78.44	31.84	20.00	19.35	212.31
1979	51.47	30.69	62.88	43.11	22.97	21.43	232.55
1980	82.28	37.07	84.89	32.11	29.19	30.60	296.14
1981	119.56	52.84	112.31	46.52	43.65	44.01	418.89
1982	143.36	60.03	137.56	47.11	47.13	49.29	484.48
1983	160.09	81.25	140.92	54.07	52.27	50.41	539.01
1984	199.15	118.46	174.81	73.68	61.16	61.58	688.84
1985	283.40	168.26	226.30	99.47	74.32	76.39	928.14
1986	338.94	205.11	257.88	116.95	78.60	49.35	1046.83
TOTAL:	1506.43	889.81	1495.76	631.02	478.54	466.54	5468.10

APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING THE YEARS 1972-86.

INTEREST PAID

(Taka In Crores)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
1972	2.73	5.31	7.70	3.53	1.39	3.15	23.81
1973	4.17	11.29	13.39	7.73	2.52	4.04	43.14
1974	5.70	17.08	20.71	10.43	5.01	7.47	66.40
1975	8.48	19.87	29.61	10.80	6.69	10.26	85.71
1976	11.18	23.37	43.25	14.06	6.43	12.06	110.35
1977	14.79	9.26	54.83	16.04	8.15	12.03	115.10
1978	21.04	11.58	58.20	22.20	10.70	14.27	137.99
1979	27.59	15.33	37.51	30.32	13.03	15.24	139.02
1980	47.42	18.30	49.96	16.64	16.83	20.91	170.06
1981	78.41	30.62	83.66	29.17	29.82	35.75	287.43
1982	106.93	38.54	100.98	31.26	33.27	41.89	352.87
1983	117.57	54.69	100.20	36.62	37.48	42.43	388.99
1984	136.96	87.50	125.88	52.19	44.35	51.66	498.54
1985	199.74	123.58	161.34	70.29	51.24	64.48	670.67
1986	243.08	152.94	185.56	83.29	56.29	34.12	755.28
TOTAL:	1025.79	619.26	1072.78	434.57	323.20	369.76	3845.36
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APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING THE YEARS 1972-86.

ESTABLISHMENT EXPENSES

(Taka In Crores)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
1972	1.96	1.05	1.45	0.92	0.77	0.66	6.81
1973	3.01	1.70	2.29	1.62	1.33	0.89	10.84
1974	4.53	2.54	3.69	2.13	1.92	1.35	16.16
1975	4.96	3.29	4.25	2.43	1.96	1.21	18.10
1976	6.29	3.65	4.90	2.79	2.36	1.31	21.30
1977	7.92	4.88	6.18	3.38	2.82	1.47	26.65
1978	13.20	7.56	9.82	6.72	4.11	2.17	43.58
1979	16.80	11.21	14.85	8.70	5.85	2.97	60.38
1980	25.17	13.74	17.51	11.64	6.38	3.28	77.72
1981	28.15	16.16	19.12	12.34	7.26	3.18	86.21
1982	23.68	14.67	100.98	10.63	7.27	3.09	160.32
1983	27.16	18.10	100.19	11.77	7.68	3.33	168.23
1984	37.30	20.86	125.88	14.25	8.65	4.13	211.07
1985	55.74	32.10	40.55	20.16	12.22	4.63	165.40
1986	68.29	37.32	50.22	23.67	14.98	7.22	201.70
TOTAL:	324.16	188.83	501.88	133.15	85.56	40.89	1274.47

APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING THE YEARS 1972-86.

CURRENT EXPENSES

(Taka In Crores)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
1972	0.82	0.67	0.40	1.67	0.33	0.51	4.40
1973	0.96	1.31	0.82	2.76	0.78	0.68	7.31
1974	1.35	1.44	1.35	3.20	1.14	1.12	9.60
1975	1.91	1.49	1.81	4.44	1.26	1.26	12.17
1976	2.71	1.77	2.24	5.60	1.64	1.64	15.60
1977	4.90	2.44	3.00	6.81	2.08	1.68	20.91
1978	5.09	3.14	2.50	9.21	4.84	2.74	27.52
1979	6.38	3.52	3.56	10.10	3.54	3.02	30.12
1980	8.63	4.24	3.29	15.73	5.45	4.17	41.51
1981	11.77	5.07	4.44	17.67	5.98	4.78	49.71
1982	12.96	5.79	4.72	14.08	5.88	3.97	47.40
1983	13.98	7.30	5.22	26.04	7.32	4.36	64.22
1984	22.66	8.90	6.73	20.60	7.37	5.52	71.78
1985	25.50	8.99	8.42	22.32	9.93	7.05	82.21
1986	25.51	13.17	9.45	20.02	6.38	7.63	82.16
TOTAL:	145.13	69.24	57.95	180.25	63.92	50.13	566.62

APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING THE YEARS 1972-86.

OPERATING EXPENSES

(Taka In Crores)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
1972	2.55	1.80	3.30	1.38	1.13	1.19	11.35
1973	4.06	3.00	5.32	2.51	2.17	1.62	18.68
1974	6.02	4.21	7.30	3.54	3.13	2.55	26.75
1975	7.05	4.95	9.12	4.35	3.33	2.60	31.40
1976	9.22	5.63	11.40	5.14	4.16	3.06	38.61
1977	12.31	7.69	13.83	6.60	5.14	3.45	49.02
1978	18.90	11.17	20.24	9.64	9.30	5.08	74.33
1979	23.88	15.36	25.37	12.79	9.94	6.19	93.53
1980	34.86	18.76	34.94	15.47	12.36	9.69	126.08
1981	41.14	22.22	38.65	17.35	13.83	8.26	141.45
1982	36.44	21.49	36.58	15.85	13.86	7.40	131.62
1983	42.52	26.55	50.73	17.45	15.79	7.99	161.03
1984	62.19	30.96	48.94	21.49	16.81	9.92	190.31
1985	83.66	42.67	64.96	29.18	23.08	11.91	255.46
1986	95.86	52.17	72.32	33.66	22.31	15.23	291.55
TOTAL:	480.66	268.63	443.00	196.40	156.34	96.14	1641.17

APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING
THE YEARS 1972-86.

INTEREST EARNINGS

(Taka In Crores)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
1972	4.69	7.23	10.71	4.69	1.99	4.22	33.53
1973	8.50	15.35	19.86	9.48	4.70	6.17	64.06
1974	12.31	21.56	28.00	12.62	7.21	10.46	92.16
1975	18.14	25.72	38.41	13.39	8.78	13.84	118.28
1976	21.86	28.85	53.53	16.58	10.83	15.35	147.00
1977	28.66	15.08	69.45	18.72	13.37	16.44	161.72
1978	39.16	21.61	77.21	26.17	17.45	18.50	200.10
1979	51.11	27.95	60.38	35.50	22.13	20.62	217.69
1980	84.90	33.10	77.89	23.68	27.71	28.08	275.36
1981	125.00	46.58	108.59	34.62	41.19	43.44	399.42
1982	166.85	57.12	134.67	36.37	45.17	49.14	489.32
1983	188.15	77.18	139.99	48.06	49.03	50.88	553.29
1984	232.66	116.90	166.72	66.42	57.27	60.45	700.42
1985	305.25	173.02	214.96	97.15	68.92	75.38	934.68
1986	356.07	205.80	252.60	110.73	74.35	46.41	1045.96
TOTAL:	1643.31	873.05	1452.97	554.18	450.10	459.38	5432.99
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APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING THE YEARS 1972-86.

SPREAD

(Taka In crores)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
1972	1.96	1.92	3.01	1.10	0.60	1.62	10.21
1973	4.33	4.06	6.47	1.75	2.18	2.13	20.92
1974	6.61	4.48	7.29	2.19	2.20	2.99	25.76
1975	9.66	5.85	8.80	2.59	2.09	2.98	31.97
1976	10.68	5.48	10.28	2.52	3.40	3.29	35.65
1977	13.87	5.82	14.62	2.68	5.22	4.41	46.62
1978	18.12	10.03	19.01	3.97	6.75	4.23	62.11
1979	23.52	12.62	22.87	5.18	9.10	5.38	78.67
1980	37.48	12.71	27.93	7.04	1.88	7.17	94.21
1981	46.59	15.95	24.93	5.45	11.37	7.69	111.98
1982	59.92	18.58	33.69	5.11	11.90	8.25	137.45
1983	70.58	22.49	39.79	11.44	11.55	8.45	164.30
1984	95.70	29.40	40.84	14.23	12.92	8.79	201.88
1985	105.51	49.44	53.62	26.86	17.88	10.90	264.21
1986	112.99	52.86	167.40	27.44	18.06	12.29	391.04
TOTAL:	617.52	251.69	480.55	119.55	117.10	90.57	1676.98

APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING THE YEARS 1972-86.

REAL DEPOSITS

(Taka In crores)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
1972	166.93	96.17	157.68	62.46	76.99	69.12	629.35
1973	149.11	88.70	162.09	63.79	65.26	51.96	580.91
1974	94.91	56.90	107.51	43.86	46.75	35.94	385.87
1975	181.92	76.93	159.62	60.66	71.65	54.44	605.22
1976	217.18	102.58	238.18	75.95	97.26	54.23	785.38
1977	191.32	108.11	208.27	76.98	85.73	48.44	718.85
1978	229.68	121.95	207.84	86.85	88.65	45.16	780.13
1979	318.23	128.86	224.69	97.86	97.96	50.18	917.78
1980	336.40	143.99	236.88	109.76	109.24	52.93	989.20
1981	324.98	155.68	237.01	108.34	105.38	51.42	982.81
1982	414.56	183.51	258.34	117.83	78.80	52.18	1105.22
1983	456.49	228.64	305.35	139.78	105.73	51.45	1287.44
1984	524.87	279.86	361.01	167.46	105.02	56.07	1494.29
1985	635.58	320.27	362.69	177.98	113.04	67.14	1676.70
1986	626.68	321.36	372.09	190.63	113.86	76.20	1700.82
TOTAL:	4868.84	2413.51	3599.25	1580.19	1361.32	816.86	14639.97

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APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING THE YEARS 1972-86.

REAL ADVANCES

(Taka In Crores)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
1972	85.37	76.56	113.21	52.76	47.16	50.51	425.57
1973	88.00	71.98	110.94	47.63	40.29	45.97	404.81
1974	70.00	50.32	87.18	30.32	40.99	38.62	317.43
1975	118.00	69.00	140.05	44.63	51.34	54.33	477.35
1976	137.00	86.11	201.22	54.78	65.31	51.13	595.55
1977	155.00	89.25	196.19	54.05	64.23	41.87	600.59
1978	185.00	96.13	208.30	61.17	67.51	45.80	663.91
1979	229.00	100.11	229.44	75.04	72.47	41.48	747.54
1980	295.00	110.73	238.84	87.40	76.94	52.74	861.65
1981	323.00	107.39	242.44	88.94	82.26	57.33	901.36
1982	437.00	120.40	300.63	87.86	79.78	53.64	1079.31
1983	379.00	147.51	279.91	91.34	75.67	37.72	1011.15
1984	385.00	200.26	294.76	121.74	84.14	40.65	1126.55
1985	506.00	236.35	312.33	129.21	86.87	47.88	1318.64
1986	478.00	239.56	287.92	125.40	80.08	53.71	1264.67
TOTAL:	3870.37	1801.66	3243.36	1152.27	1015.04	713.38	11796.08

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APPENDIX-2

CONSOLIDATED INFORMATION OF THE SIX NCBs DURING
THE YEARS 1972-86.

WORKING FUND

(Taka In Crores)

YEAR	S. B.	A. B.	J. B.	R. B.	P. B.	U. B.	TOTAL
1972	189.07	133.33	190.65	78.16	88.22	76.00	755.43
1973	244.00	148.02	253.75	105.96	120.00	93.87	965.60
1974	328.19	178.39	323.58	123.04	165.30	132.00	1250.50
1975	465.53	201.93	409.13	140.16	176.65	148.71	1542.11
1976	483.56	239.40	508.46	167.36	199.82	137.31	1735.91
1977	643.53	322.07	550.59	225.03	237.43	147.56	2126.21
1978	834.13	398.54	752.02	278.69	277.35	184.08	2724.81
1979	1154.58	479.61	954.69	346.43	341.71	198.12	3475.14
1980	1611.97	578.33	1153.01	448.40	413.21	255.01	4459.93
1981	1794.79	567.19	1301.44	501.84	455.09	290.78	4911.13
1982	2528.54	770.74	1606.91	527.95	477.98	283.20	6195.32
1983	2746.48	1104.03	1836.82	685.68	548.51	281.99	7203.51
1984	2563.79	1761.74	2310.75	961.02	641.52	374.10	8612.92
1985	4051.24	2101.36	2576.51	1127.95	701.45	450.37	11008.88
1986	4546.63	2366.92	2831.12	1376.66	765.40	548.98	12435.71
TOTAL:	24186.03	11351.60	17559.43	7094.33	5609.64	3602.08	69403.11

APPENDIX-3

GROWTH RATES OF NCBs DURING 1972-86.

SONALI BANK

(Taka In Crores)

YEAR	TOTAL ASSETS	DEPOSITS	ADVANCES	INVESTMENTS	BRANCHES	EMPLOYEES
1972	239.68 (100)	166.93 (100)	85.37 (100)	46.69 (100)	274 (100)	4708 (100)
1973	259.28 (108.17)	210.25 (125.95)	128.97 (151.07)	39.41 (84.40)	306 (111.67)	5460 (115.97)
1974	464.07 (193.62)	227.79 (136.45)	167.70 (196.43)	50.20 (107.51)	359 (131.02)	6294 (133.62)
1975	727.12 (303.37)	332.92 (199.43)	215.05 (251.9)	63.62 (136.26)	400 (145.98)	6984 (148.44)
1976	638.72 (266.48)	384.41 (230.28)	241.89 (283.34)	81.12 (173.74)	450 (164.23)	8556 (181.73)
1977	896.48 (374.03)	441.96 (264.75)	357.84 (419.16)	92.36 (197.81)	600 (218.97)	10135 (215.27)
1978	1175.52 (490.45)	599.49 (359.12)	483.29 (566.11)	102.75 (220.06)	709 (258.75)	11744 (249.44)
1979	1759.54 (734.12)	938.78 (562.37)	675.58 (791.35)	193.68 (414.80)	843 (307.66)	13481 (286.34)
1980	2250.92 (939.13)	1096.67 (656.96)	962.63 (1127.59)	241.53 (517.30)	1011 (368.97)	18183 (386.21)
1981	2413.11 (1006.80)	1192.68 (714.48)	1185.54 (1388.70)	162.96 (349.02)	1031 (376.27)	17887 (379.92)
1982	3135.14 (1308.05)	1596.08 (956.13)	1683.19 (1971.64)	335.76 (719.12)	1055 (385.03)	17707 (376.10)
1983	3433.47 (1432.52)	2049.67 (1277.86)	1701.06 (1992.57)	413.39 (885.39)	1214 (443.06)	21337 (453.20)
1984	4346.08 (1813.28)	2703.11 (1619.30)	2212.28 (2591.40)	556.98 (1192.93)	1233 (450.00)	24420 (518.69)
1985	5275.11 (2200.89)	3457.59 (2071.24)	2754.11 (3226.08)	422.10 (904.04)	1245 (454.37)	25271 (536.76)
1986	5733.95 (2392.23)	3835.31 (2297.55)	2927.15 (3428.75)	386.34 (1255.81)	1254 (457.66)	25785 (547.68)

(FIGURES IN BRACKETS INDICATE GROWTH RATE IN PERCENTAGE)

APPENDIX-3

GROWTH RATES OF NCBs DURING 1972-86.

AGRANI BANK

(Taka In Crores)

YEAR	TOTAL ASSETS		DEPOSITS		ADVANCES		INVESTMENTS		BRANCHES	EMPLOYEES
1972	137.37	(100)	96.17	(100)	75.56	(100)	11.88	(100)	249 (100)	2267 (100)
1973	213.96	(155.75)	125.08	(130.06)	101.50	(134.33)	13.59	(114.39)	283 (113.65)	2363 (104.23)
1974	270.66	(197.02)	136.58	(142.02)	120.78	(159.84)	22.67	(190.82)	289 (116.06)	3517 (155.13)
1975	309.57	(225.35)	140.79	(146.39)	126.27	(167.11)	27.80	(234.01)	305 (122.48)	3561 (157.07)
1976	354.19	(257.84)	181.58	(188.81)	152.42	(201.72)	37.78	(318.01)	351 (140.96)	3770 (166.30)
1977	480.37	(349.69)	249.25	(259.17)	206.19	(272.88)	45.93	(386.61)	510 (204.81)	5074 (223.82)
1978	559.82	(407.52)	318.29	(330.96)	250.19	(331.11)	51.93	(337.12)	602 (241.76)	6672 (294.31)
1979	768.52	(559.45)	380.14	(395.27)	295.35	(390.88)	63.89	(537.79)	690 (277.10)	6981 (307.94)
1980	853.62	(621.40)	469.41	(488.10)	360.99	(477.75)	75.08	(631.98)	775 (311.24)	7901 (348.52)
1981	950.93	(692.40)	571.35	(594.10)	394.13	(521.61)	115.02	(968.18)	775 (311.24)	7460 (329.07)
1982	1039.75	(756.90)	706.56	(734.69)	463.55	(613.19)	127.35	(1071.96)	776 (311.64)	9334 (411.73)
1983	1470.58	(1070.52)	1026.63	(1067.51)	662.36	(876.60)	229.34	(1930.47)	777 (312.04)	10062 (443.84)
1984	2308.51	(1680.51)	1441.29	(1498.68)	1031.34	(1364.92)	312.65	(2631.73)	789 (316.86)	10523 (464.18)
1985	2576.20	(1875.37)	1742.30	(1811.68)	1285.78	(1701.66)	340.61	(2867.08)	808 (224.49)	11128 (490.89)
1986	2641.99	(1923.27)	1966.77	(2045.02)	1466.11	(1940.32)	473.50	(3985.69)	825 (331.32)	11196 (493.86)

(FIGURES IN BRACKETS INDICATE GROWTH RATE IN PERCENTAGE)

APPENDIX-3

GROWTH RATES OF NCBs DURING 1972-86.

JANATA BANK

(Taka In Crores)

YEAR	TOTAL ASSETS	DEPOSITS	ADVANCES	INVESTMENTS	BRANCHES	EMPLOYEES
1972	296.97 (100)	157.68 (100)	113.21 (100)	20.41 (100)	261 (100)	3408 (100)
1973	395.48 (133.00)	228.56 (144.95)	156.43 (138.17)	47.22 (231.35)	286 (109.58)	4326 (126.93)
1974	449.81 (151.00)	258.04 (163.64)	209.24 (184.82)	53.74 (263.30)	312 (119.54)	4554 (133.62)
1975	631.33 (213.00)	292.11 (185.25)	256.30 (226.39)	53.45 (261.88)	322 (123.37)	4793 (140.64)
1976	842.08 (283.00)	421.58 (267.36)	356.16 (314.60)	63.68 (312.98)	377 (144.44)	6140 (180.16)
1977	999.42 (336.00)	481.12 (305.12)	453.22 (400.33)	80.42 (394.02)	507 (194.25)	7553 (221.62)
1978	1124.81 (378.00)	542.48 (344.03)	543.67 (480.23)	91.41 (447.87)	634 (242.91)	10099 (296.33)
1979	1444.65 (486.46)	662.86 (420.38)	676.87 (597.88)	120.06 (588.24)	721 (276.24)	11795 (346.09)
1980	1655.95 (557.61)	772.26 (489.76)	778.62 (687.76)	126.58 (620.18)	815 (312.26)	12512 (367.13)
1981	1697.96 (570.76)	869.83 (551.64)	889.77 (785.94)	145.00 (710.43)	830 (318.00)	11517 (337.94)
1982	1973.62 (664.58)	994.61 (630.77)	1157.44 (1022.38)	148.50 (727.58)	831 (318.39)	11882 (348.65)
1983	2447.48 (824.15)	1371.05 (869.51)	1256.80 (1110.15)	250.78 (1228.71)	831 (318.39)	12161 (356.83)
1984	3299.24 (1110.96)	1859.25 (1179.12)	1518.04 (1340.90)	329.75 (1615.62)	838 (321.07)	12997 (381.36)
1985	3567.15 (1201.18)	1973.07 (1251.31)	1699.11 (1500.84)	333.23 (1632.26)	850 (325.67)	13421 (393.81)
1986	3564.63 (1200.33)	2277.25 (1444.22)	1762.12 (1556.50)	501.30 (2456.15)	856 (327.97)	14605 (428.55)

(FIGURES IN BRACKETS INDICATE GROWTH RATE IN PERCENTAGE)

APPENDIX-3

GROWTH RATES OF NCBs DURING 1972-86.

RUPALI BANK

YEAR	TOTAL ASSETS (%)		DEPOSITS		ADVANCES		INVESTMENTS		(Taka In Crores)	
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
1972	101.13	(100)	62.46	(100)	52.76	(100)	10.01	(100)	159	(100)
1973	134.85	(133.34)	89.95	(144.0)	67.17	(127.31)	13.41	(133.96)	200	(125.78)
1974	153.62	(151.90)	105.28	(168.55)	72.78	(137.94)	25.94	(259.14)	209	(131.44)
1975	189.36	(187.24)	111.01	(177.72)	81.68	(154.81)	26.11	(260.84)	227	(142.76)
1976	227.47	(224.92)	134.44	(215.24)	96.97	(183.79)	30.50	(304.69)	258	(162.26)
1977	326.16	(322.51)	178.61	(285.95)	124.86	(128.76)	37.26	(372.20)	362	(227.67)
1978	376.58	(372.37)	226.70	(362.95)	159.66	(127.87)	44.06	(440.15)	450	(283.01)
1979	464.51	(459.31)	288.69	(462.19)	221.37	(419.57)	38.82	(387.81)	490	(308.17)
1980	577.23	(570.78)	357.83	(572.89)	284.95	(540.08)	54.24	(541.86)	533	(335.22)
1981	685.98	(678.31)	397.61	(636.58)	326.41	(618.66)	66.51	(664.43)	538	(338.36)
1982	643.59	(636.39)	453.68	(726.35)	338.27	(641.14)	87.32	(872.32)	467	(293.71)
1983	859.19	(849.58)	627.63	(1004.85)	410.16	(777.40)	145.19	(1450.44)	467	(293.71)
1984	1181.40	(1168.19)	862.46	(1380.81)	627.00	(1180.40)	159.60	(594.40)	483	(303.77)
1985	1379.09	(1363.68)	968.24	(1550.17)	702.91	(1332.27)	193.54	(1933.76)	491	(308.80)
1986	1759.49	(1739.82)	1166.68	(1868.20)	767.50	(1454.70)	315.60	(3152.84)	500	(314.46)

(FIGURES IN BRACKETS INDICATE GROWTH RATE IN PERCENTAGE)

APPENDIX-3

GROWTH RATES OF NCBs DURING 1972-86.

PUBALI BANK

(Taka In Crores)

YEAR	TOTAL ASSETS	DEPOSITS	ADVANCES	INVESTMENTS	BRANCHES	EMPLOYEES
1972	111.55 (100)	76.79 (100)	47.16 (100)	12.09 (100)	113 (100)	1900 (100)
1973	151.82 (136.10)	92.03 (119.84)	56.82 (120.48)	14.09 (116.54)	143 (126.54)	2744 (144.42)
1974	190.86 (171.09)	112.21 (146.12)	98.38 (208.60)	14.70 (121.58)	175 (154.86)	2940 (154.73)
1975	203.06 (183.56)	131.13 (170.76)	93.96 (199.23)	14.56 (120.43)	182 (161.06)	3561 (187.42)
1976	241.97 (216.91)	172.16 (224.19)	115.61 (245.14)	27.24 (225.31)	200 (176.99)	4041 (212.68)
1977	307.58 (275.73)	198.05 (257.91)	148.39 (314.65)	71.65 (592.63)	273 (241.59)	4878 (256.73)
1978	399.23 (313.07)	231.38 (301.31)	176.21 (373.64)	37.36 (309.01)	355 (314.15)	5365 (282.36)
1979	423.88 (379.99)	289.01 (376.36)	213.79 (453.33)	54.55 (451.19)	396 (350.44)	6176 (325.05)
1980	459.44 (411.87)	356.05 (463.66)	250.85 (531.91)	69.10 (571.54)	431 (381.41)	6837 (359.84)
1981	532.33 (477.21)	386.76 (503.65)	301.91 (640.18)	64.71 (535.23)	433 (383.18)	6801 (357.94)
1982	523.78 (469.54)	303.42 (395.12)	307.15 (651.29)	80.34 (664.51)	376 (332.74)	6268 (329.89)
1983	626.09 (561.26)	474.73 (618.21)	339.78 (720.48)	92.96 (768.90)	376 (332.74)	6295 (331.31)
1984	723.36 (648.46)	540.90 (704.38)	433.34 (918.87)	99.04 (819.18)	376 (332.74)	6696 (352.42)
1985	771.40 (709.45)	614.95 (800.82)	472.57 (1002.05)	104.36 (863.19)	376 (332.74)	5961 (313.73)
1986	881.27 (790.02)	696.84 (907.46)	490.12 (1039.27)	105.71 (874.35)	376 (332.74)	5740 (302.10)

(FIGURES IN BRACKETS INDICATE GROWTH RATE IN PERCENTAGE)

APPENDIX-3

GROWTH RATES OF NCBs DURING 1972-86.

UTTARA BANK

(Taka In Crores)

YEAR	TOTAL ASSETS (%)		DEPOSITS (%)		ADVANCES	INVESTMENTS	BRANCHES		EMPLOYEES
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1972	125.63	(120)	69.12	(100)	50.51 (100)	10.57 (100)	60	(100)	1550 (100)
1973	121.02	(96.63)	73.27	(106.00)	64.83 (141.70)	11.07 (104.73)	73	(121.66)	1936 (124.90)
1974	186.46	(148.41)	86.27	(124.81)	92.69 (183.50)	16.83 (159.22)	87	(145.00)	2255 (145.48)
1975	188.08	(149.70)	99.64	(144.15)	99.80 (197.58)	20.18 (190.91)	85	(141.66)	2270 (146.45)
1976	213.75	(170.14)	95.99	(138.87)	90.50 (179.17)	23.02 (208.89)	92	(153.33)	2276 (148.83)
1977	267.05	(212.56)	111.90	(161.89)	96.74 (191.52)	25.41 (240.39)	114	(190.00)	2611 (168.45)
1978	265.03	(210.96)	117.87	(170.53)	119.56 (236.70)	28.71 (271.61)	161	(268.33)	2819 (181.87)
1979	402.05	(320.02)	148.06	(214.20)	122.37 (242.26)	30.88 (292.14)	171	(285.00)	3036 (195.87)
1980	445.78	(354.83)	172.57	(249.66)	171.96 (340.44)	34.13 (322.89)	200	(333.33)	3106 (200.38)
1981	469.28	(373.54)	188.73	(273.04)	211.15 (418.03)	38.54 (364.61)	201	(335.00)	2547 (164.32)
1982	348.13	(277.10)	200.92	(290.68)	206.55 (408.92)	41.33 (391.01)	182	(303.33)	2471 (159.42)
1983	347.08	(276.27)	231.02	(334.23)	169.40 (335.37)	57.16 (540.77)	182	(303.33)	2486 (160.38)
1984	452.91	(360.51)	288.77	(417.78)	209.39 (414.55)	64.16 (607.00)	182	(303.33)	2412 (155.61)
1985	570.06	(453.76)	365.25	(528.42)	260.49 (515.71)	68.26 (645.78)	182	(303.33)	2431 (156.83)
1986	661.08	(526.21)	466.35	(674.69)	328.75 (650.86)	71.33 (674.83)	182	(303.33)	2433 (156.96)

(FIGURES IN BRACKETS INDICATE GROWTH RATE IN PERCENTAGE)

APPENDIX-4

NOMINAL DEPOSITS & REAL DEPOSITS OF NCBs FOR THE YEARS 1972-86.

YEAR	AGRANI BANK		SONALI BANK	
1972	96.17	(96.17)	166.63	(166.93)
1973	125.08	(88.70)	210.25	(149.11)
1974	136.58	(56.90)	227.79	(94.91)
1975	140.79	(76.93)	332.92	(181.92)
1976	181.58	(102.58)	384.41	(217.18)
1977	249.75	(108.11)	441.96	(191.32)
1978	318.29	(121.95)	599.49	(229.68)
1979	380.14	(128.86)	938.78	(318.23)
1980	469.41	(143.99)	1096.67	(336.40)
1981	571.35	(155.68)	1192.68	(324.98)
1982	706.56	(183.51)	1596.08	(414.56)
1983	1026.63	(228.64)	2049.67	(456.49)
1984	1441.29	(279.86)	2703.11	(524.87)
1985	1742.30	(320.27)	3457.59	(635.58)
1986	1966.77	(321.36)	3835.31	(626.68)
TOTAL	9551.19	(2393.51)	19233.64	(4868.84)

FIGURES IN BRACKET INDICATE REAL DEPOSITS
(AFTER ADJUSTMENT WITH N. I. DEFLATOR)

APPENDIX-4

NOMINAL DEPOSITS & REAL DEPOSITS OF NCBs FOR THE YEARS 1972-86.

YEAR	JANATA BANK		RUPALI BANK	
1972	157.68	(159.68)	62.46	(62.46)
1973	228.56	(162.09)	89.95	(63.79)
1974	258.04	(107.51)	105.28	(43.86)
1975	292.11	(159.62)	111.01	(60.66)
1976	421.58	(238.18)	134.44	(75.95)
1977	481.12	(208.27)	178.61	(76.98)
1978	542.48	(207.84)	226.70	(86.85)
1979	662.86	(224.69)	288.69	(97.86)
1980	772.26	(236.88)	357.83	109.76)
1981	869.83	(237.01)	397.61	(108.34)
1982	994.61	(258.34)	453.68	(117.83)
1983	1371.05	(305.35)	627.63	(139.78)
1984	1859.25	(361.01)	862.46	(167.46)
1985	1973.07	(362.69)	968.24	(177.98)
1986	2277.25	(372.09)	1166.68	(190.63)
TOTAL	13161.75	(3599.25)	6031.27	(1580.19)

FIGURES IN BRACKET INDICATE REAL DEPOSITS
(AFTER ADJUSTMENT WITH N. I. DEFLATOR)

APPENDIX-4

NOMINAL DEPOSITS & REAL DEPOSITS OF NCBs FOR THE YEARS 1972-86.

YEAR	PUBALI BANK	UTTARA BANK
1972	76.99 (100)	69.12 (69.12)
1973	92.03 (65.26)	73.27 (51.96)
1974	112.21 (46.75)	86.27 (35.94)
1975	131.13 (71.65)	99.64 (54.44)
1976	172.16 (97.26)	95.99 (54.23)
1977	198.05 (85.73)	111.90 (48.44)
1978	231.38 (88.65)	117.87 (45.16)
1979	289.01 (97.96)	148.06 (50.18)
1980	356.15 (109.24)	172.57 (52.93)
1981	386.76 (105.38)	188.73 (51.42)
1982	403.42 (78.80)	200.92 (52.18)
1983	474.73 (105.73)	231.02 (51.45)
1984	540.90 (105.02)	288.77 (56.07)
1985	614.95 (113.04)	365.25 (67.14)
1986	696.84 (113.86)	466.35 (76.20)
TOTAL	4776.71 (1361.32)	2705.73 (816.86)

FIGURES IN BRACKET INDICATE REAL DEPOSITS
(AFTER ADJUSTMENT WITH N. I. DEFLATOR)

APPENDIX-5

NOMINAL AND REAL ADVANCES OF NCBs FOR THE YEARS 1972-86.

	SONALI BANK		AGRANI BANK		JANATA BANK	
	NOM. ADV.	REAL ADV.	NOM. ADV.	REAL ADV.	NOM. ADV.	REAL ADV.
	-----	-----	-----	-----	-----	-----
1972	85.37	(85.37)	76.56	(76.56)	113.21	(113.21)
1973	123.97	(88.00)	101.50	(71.98)	156.43	(110.94)
1974	167.70	(70.00)	120.78	(50.32)	209.24	(87.18)
1975	215.05	(118.00)	126.27	69.00)	256.30	(140.05)
1976	241.89	(137.00)	152.42	(86.11)	356.16	(201.22)
1977	357.84	(155.00)	206.19	(89.25)	453.22	(196.19)
1978	483.29	(185.00)	250.91	(96.13)	543.67	(208.30)
1979	675.58	(229.00)	295.35	(100.11)	676.87	(229.44)
1980	962.63	(295.00)	360.99	(110.73)	778.62	(238.84)
1981	1185.54	(323.00)	394.13	(107.39)	889.77	(242.44)
1982	1683.19	(437.00)	463.55	(120.40)	1157.44	(300.63)
1983	1701.06	(379.00)	662.36	(147.51)	1256.80	(279.91)
1984	2212.28	(385.00)	1031.34	(200.26)	1518.04	(294.76)
1985	2754.11	(506.00)	1285.78	(236.35)	1699.11	(312.33)
1986	2927.15	(478.00)	1466.11	(239.56)	1762.12	(287.92)
	-----	-----	-----	-----	-----	-----
		3870.37		1801.66		3243.36

APPENDIX-5

NOMINAL AND REAL ADVANCES OF NCBs FOR THE YEARS 1972-86.

	RUPALI BANK		PUBALI BANK		UTTARA BANK	
	NOM. ADV.	REAL ADV.	NOM. ADV.	REAL ADV.	NOM. ADV.	REAL ADV.
1972	52.76	(52.76)	47.16	(47.16)	50.51	(50.51)
1973	67.17	(47.63)	56.82	(40.29)	64.83	(45.97)
1974	72.78	(30.32)	98.38	(40.99)	92.69	(38.62)
1975	87.68	(44.63)	93.96	(51.34)	99.80	(54.53)
1976	96.97	(54.78)	115.61	(65.31)	90.50	(51.13)
1977	124.86	(54.05)	148.39	(64.23)	96.74	(41.87)
1978	159.66	(61.17)	176.21	(67.51)	119.56	(45.80)
1979	221.37	(75.04)	213.79	(72.47)	122.37	(41.48)
1980	284.95	(87.40)	250.85	(76.94)	171.96	(52.74)
1981	326.41	(88.94)	301.91	(82.26)	211.15	(57.53)
1982	338.27	(87.86)	307.15	(79.78)	206.55	(53.64)
1983	410.16	(91.34)	339.78	(75.67)	169.40	(37.72)
1984	627.00	(121.74)	433.34	(84.14)	209.39	(40.65)
1985	702.91	(129.21)	472.57	(86.87)	260.49	(47.88)
1986	767.50	(125.40)	490.12	(80.08)	328.75	(53.71)
		----- 1152.27		----- 1015.04		----- 713.70

APPENDIX-6

LIST OF THE NCBs AND THE PRIVATE COMMERCIAL BANKS SELECTED FOR THE STUDY.

1.	SONALI BANK	-----	SB
2.	AGRANI BANK	-----	AB
3.	JANATA BANK	-----	JB
4.	RUPALI BANK	-----	RB
5.	PUBALI BANK	-----	PB
6.	UTTARA BANK	-----	UB
7.	INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LTD.	-----	IFIC
8.	CITY BANK LTD.	-----	CB
9.	UNITED COMMERCIAL BANK LTD.	-----	UCBL
10.	NATIONAL BANK LTD.	-----	NBL
11.	ARAB BANGLADESH BANK LTD.	-----	AB BANK

ABBREVIATIONS USED

1. NCBs = NATIONALISED COMMERCIAL BANKS.
2. S.D. = STANDARD DEVIATION.
3. C.V. = COEFFICIENT OF VARIATION.

APPENDIX-7

Interview Schedule entitled Performance Evaluation of the Nationalised Commercial Banks in Bangladesh: A comparative Study.

Name of your Bank _

Date of establishment _

Date of nationalisation _

Background information _

Authorised & Paid up Capital _

Sources of Capital _

Organisation Chart of your Bank (Head Office & Branch level) _

General Management pattern of your Bank _

Do have any problem on the way of the same ?

Fund Management

Please mention your accounting system.

How do you find out cost of fund ?

Spread, Burden etc. If so, how and for what time and by whom ?

Please mention your liquidity requirements _

Do you have any problem of liquidity during last 15 years ? If so, why & how did you face them ?

Do you have any specific suggestion for the liquidity management in your Bank ?

Please mention your planning & controlling techniques of working funds _

What are your suggestions for the same ?

Please mention your interest rates for the last 15 years.

Do you think that interest structure is defective ? If so, why and what are your suggestions for the same ?

Please mention your nature of deposits in rural & urban areas during last 15 years.

Do you face any problem on the same ?

What are your suggestions for the deposit mobilisation in rural & urban areas ?

Do you have specific lending policy ?

What are its feature ?

Do you have Project Appraisal Committee ?

What are its Constituents ?

How does it work ?

How many projects did you finance during last 5 years ?

How many of them are functioning ?

How many of them are sick units ?

What are the causes of the same ?

What are your suggestions for the removal of the same ?

Please mention the nature of your advances ?

Do you have priority sector financing ? If so, how much ?

What are the impact of the same or your ROI ?

Please mention your industry-wise advances, term-wise advances, rural & urban advances during last 15 years ?

Which industry has better repayment ?

What are the factors behind ?

Do you have any problem of overdues, bad debt and other ? If so, how do you make provision for all these ?

What are the factors leading to the same ?

What are your suggestions for the same ?

Cost Structure:

Please mention your Cost Components.

How do you record the cost ?

Do you have proper Cost Control Mechanism ? If so, how does it operate at the Head Office level & Branch level ?

Please mention the causes of your increasing cost of fund during the years.

What are the reasons for your increasing establishment expenses, operating expenses, current expenses, & non-current expenses during the period ?

What are your suggestions for controlling the same ?

Please mention your nature of cost from the point of its controllability ?

What are the limiting factors of the same ?

Earnings & Profitability:

How do you measure rate of earnings and profitability ?

What are the causes of lower earnings during the recent years ?

Do you have specific policy for the same ? If so, how it framed ?

Do you consider social profitability ? If so, how do you measure the same ?

What are the limiting factors of enhancing your ROI ?

What are your suggestions for the same ?

Do you have Budgetary practices, If so how the budgets are prepared ?

How does Budgetary Control operate ? How do you adopt corrective action ?

Information System:

Please mention your Information System within & outside the bank.

How the various Reports are sent to the branches & same from branches are sent to Head Office ?

Please mention your follow up system for the same.

Do you have separate department for Management Information System ? If so, how does it work ? Please mention the function of the same.

Do you face any problem in collecting information from branch level ? If so, what are the causes of the same ?

What are your suggestions for the same ?

Investment Policy:

Do you have specific investment policy ? If so how does it work ?

Please mention your nature of investment during last 15 years.

How planning & control of investment is done ?

Do you face any problem on the way of the same ?

What are the causes of your declining investment during recent period ?

What are your experiences on the same & please suggest for better investment decisions.

What are the factors considered in making the decision ?

Growth & Development of Banks:

Please mention your branch development policy, if any.

Do you have any loosing branches, if so, what are the steps taken ?

Please mention your rural & urban branches ?

Do you have any problem in fund management in branch level ?

How the communication is done ?

How the accountability is measured ?

How the Branch Manager participates in your day to day decision ?

Please mention your branch level problem of overdues, if any.

What are your suggestions for the same ?

Operational Efficiency:

How do you measure your operational efficiency of your Bank ?

Do you have any financial analysis from time to time ?

How do you prepare your Performance Report ? Please mention the contents of the same.

Please mention your number of employees, Officers - Staff - etc.

What are the factors governing your operational efficiency ?

What are your suggestions for the same ?

Do you think that you are having increasing operational efficiency, if so, what are your arrangement in favour of the same ?

Please mention the major problems of your Bank. What are your suggestions for the same ?

APPENDIX-8

OPERATIONAL INFORMATION OF SELECTED PRIVATE COMMERCIAL BANKS FOR THE YEARS 1983-86

IFIC BANK LTD.

(Taka In Lakhs)

	1983	1984	1985	1986
1. DEPOSITS:	1288.33	8634.26	15863.55	23441.33
(a) FIXED	418.45	4334.44	7655.35	11216.64
(b) SAVINGS	94.70	408.50	1202.53	1722.95
(c) CURRENT	775.18	3891.32	7005.67	10501.74
2. CAPITAL	632.00	715.00	722.00	800.00
3. RESERVES	219.84	325.59	406.48	631.52
4. BORROWINGS	-	-	-	-
5. TOTAL LIABILITIES	4017.65	15915.66	24424.44	36152.62
6. CASH IN HAND	285.01	1080.11	1493.14	2717.88
7. CASH AT BANK	639.50	1130.42	2065.97	2369.85
8. TOTAL OF 6 & 7	924.51	2210.53	3559.11	5077.73
9. MONEY AT CALL & SHORT NOTICE	-	-	-	-
10. INVESTMENTS	579.61	1593.84	3000.48	3693.05
11. OTHER ASSETS	434.32	1533.52	1303.72	996.97
12. FIXED ASSETS (IMMOVABLE PROPERTY)	-	-	-	-
13. TOTAL ASSETS	4017.65	15915.66	24424.44	36152.62
14. ADVANCES	928.86	5765.19	11076.37	17801.55
15. WORKING FUND	2867.33	11103.11	19140.54	27570.77
16. NO. OF BRANCHES	3	7	10	21
17. NO. OF EMPLOYEES	96	241	432	625

APPENDIX-8

IFIC BANK LIMITED.

(Taka In Lakhs)

	1983	1984	1985	1986	TOTAL
	-----	-----	-----	-----	-----
1. GROSS INCOME	246.43	849.58	2245.78	4050.87	7392.66
2. NET PROFIT	130.67	210.44	432.04	726.02	1499.17
3. INTEREST EARNINGS	208.68	677.11	1851.35	3403.05	6140.19
4. OTHER EARNINGS	37.75	172.47	394.43	647.82	1252.47
5. INTEREST PAID	29.61	416.66	1369.84	2610.16	4426.27
6. SPREAD	179.07	260.45	481.51	792.89	1713.92
7. ESTT. EXPENSES	23.34	111.95	190.71	326.72	652.72
8. OPERATING EXPENSES	86.15	222.48	443.90	714.69	1467.22
9. TOTAL EXPENDITURE	115.76	639.14	1813.74	3324.85	5893.49

APPENDIX-8

CITY BANK LTD.

(Taka In Lakhs)

	1983	1984	1985	1986
1. DEPOSITS:	3202.21	8917.03	12635.39	18247.04
(a) FIXED	904.40	2817.35	4160.73	7429.44
(b) SAVINGS	146.17	477.04	991.57	1753.38
(c) CURRENT	2151.64	5622.64	7483.09	9064.22
2. CAPITAL	340.00	340.00	440.00	440.00
3. RESERVES	-	30.11	209.47	302.22
4. BORROWINGS	13.02	-	4.64	-
5. TOTAL LIABILITIES	4352.05	13321.49	18391.90	26987.40
6. CASH IN HAND	402.36	1500.29	2258.71	3599.02
7. CASH AT BANK	760.78	1226.05	2259.58	3390.21
8. TOTAL OF 6 & 7	1163.14	2726.34	4518.29	7989.23
9. MONEY AT CALL & SHORT NOTICE	650.00	-	200.00	600.00
10. INVESTMENTS	600.10	1707.41	1958.78	3520.27
11. OTHER ASSETS	194.55	362.63	683.78	904.95
12. FIXED ASSETS (IMMOVABLE PROPERTY)	-	-	-	-
13. TOTAL ASSETS	4352.05	13321.49	18391.90	26987.40
14. ADVANCES	945.02	4721.87	6568.54	9166.42
15. WORKING FUND	3588.66	9518.26	13929.42	21180.09
16. NO. OF BRANCHES	7	14	18	23
17. NO. OF EMPLOYEES	171	337	474	636

APPENDIX-8

CITY BANK LTD.

(Taka In Lakhs)

	1983	1984	1985	1986	TOTAL
	-----	-----	-----	-----	-----
1. GROSS INCOME	64.53	693.19	1351.53	1727.75	3837.00
2. NET PROFIT	(35.83)	116.54	477.28	461.01	1019.00
3. INTEREST EARNINGS	56.33	605.17	1122.69	1376.88	-
4. OTHER EARNINGS	8.20	88.02	228.84	350.87	-
5. INTEREST PAID	19.39	307.11	495.20	726.81	1548.51
6. SPREAD	36.94	298.06	627.49	650.07	1612.56
7. ESTT. EXPENSES	37.83	127.56	188.86	283.11	-
8. OPERATING EXPENSES	80.97	269.54	379.05	539.94	1269.50
9. TOTAL EXPENDITURE	100.36	576.65	874.25	1266.75	2818.01

APPENDIX-8

UNITED COMMERCIAL BANK LTD.

(Taka In Lakhs)

	1983	1984	1985	1986
	----	----	----	----
1. DEPOSITS:	2261.29	10464.50	14334.35	20251.99
	-----	-----	-----	-----
(a) FIXED	560.71	3208.12	6410.35	8999.02
(b) SAVINGS	64.28	524.05	1417.94	2178.82
(c) CURRENT	1636.30	6732.33	6506.06	9074.15
2. CAPITAL	355.00	440.00	440.00	800.00
3. RESERVES	-	57.28	141.91	234.91
4. BORROWINGS	-	-	-	-
5. TOTAL LIABILITIES	3921.38	15198.39	20361.07	27875.80
6. CASH IN HAND	220.61	1879.59	2337.45	3435.08
7. CASH AT BANK	771.64	1985.93	1235.53	830.08
8. TOTAL OF 6 & 7	992.25	3865.52	3572.98	4265.16
9. MONEY AT CALL & SHORT NOTICE	485.00	-	480.00	1450.00
10. INVESTMENTS	460.09	1823.43	2240.97	3884.41
11. OTHER ASSETS	203.99	989.84	1230.83	1183.63
12. FIXED ASSETS (IMMOVABLE PROPERTY)	-	-	-	-
13. TOTAL ASSETS	3921.38	15198.39	20361.97	27875.80
14. ADVANCES	812.14	5200.97	8662.55	12486.92
15. WORKING FUND	2953.51	11879.78	16187.37	23270.16
16. NO. OF BRANCHES	3	16	24	30
17. NO. OF EMPLOYEES	102	379	645	862

APPENDIX-8

UNITED COMMERCIAL BANK LTD.

(Taka In Lakhs)

	1983	1984	1985	1986	TOTAL
	-----	-----	-----	-----	-----
1. GROSS INCOME	53.30	794.79	1676.90	2330.18	4855.17
2. NET PROFIT	0.26	143.17	423.15	385.39	951.97
3. INTEREST EARNINGS	36.30	605.10	1493.05	2156.76	-
4. OTHER EARNINGS	17.00	189.69	183.85	173.42	-
5. INTEREST PAID	18.54	355.36	723.56	1269.52	-
6. SPREAD	17.76	249.74	769.49	887.24	1924.23
7. ESTT. EXPENSES	13.93	117.53	237.16	322.57	-
8. OPERATING EXPENSES	34.50	296.26	530.19	675.27	1536.22
9. TOTAL EXPENDITURE	53.04	651.62	1253.75	1944.79	3903.20

APPENDIX-8

NATIONAL BANK LTD.

(Taka In Lakhs)

	1983	1984	1985	1986
	-----	-----	-----	-----
1. DEPOSITS:	10672.27	24398.27	25453.57	27119.04
(a) FIXED	2445.25	7002.58	9636.42	15131.93
(b) SAVINGS	381.10	1148.21	2039.33	3042.16
(c) CURRENT	7845.92	16247.48	13777.82	8944.95
2. CAPITAL	440.00	440.00	800.00	800.00
3. RESERVES	41.42	281.24	384.56	761.36
4. BORROWINGS	332.43	1598.00	2440.95	3600.00
5. TOTAL LIABILITIES	18564.95	46030.45	46504.09	50725.43
6. CASH IN HAND	1670.51	4539.66	4081.79	4684.09
7. CASH AT BANK	1133.28	1500.83	1692.44	1891.31
8. TOTAL OF 6 & 7	2803.79	6040.49	5774.23	6575.40
9. MONEY AT CALL & SHORT NOTICE	-	-	300.00	800.00
10. INVESTMENTS	1851.04	2197.21	3508.53	3171.19
11. OTHER ASSETS	556.80	4083.91	3017.63	2748.10
12. FIXED ASSETS (IMMOVABLE PROPERTY)	-	-	-	-
13. TOTAL ASSETS	18564.95	46030.45	46504.09	50725.43
14. ADVANCES	6578.75	15707.02	18880.34	24373.71
15. WORKING FUND	11790.30	28028.67	31480.76	37669.42
16. NO. OF BRANCHES	8	14	17	24
17. NO. OF EMPLOYEES	216	368	836	1163

APPENDIX-8

NATIONAL BANK LTD.

(Taka In Lakhs)

	1983	1984	1985	1986	TOTAL
	-----	-----	-----	-----	-----
1. GROSS INCOME	457.18	1937.33	3373.68	4243.99	10012.18
2. NET PROFIT	69.61	521.36	847.36	950.16	2388.49
3. INTEREST EARNINGS	363.64	1575.54	2820.40	3808.14	-
4. OTHER EARNINGS	93.54	361.79	553.28	435.85	-
5. INTEREST PAID	198.55	848.91	1613.23	2120.56	-
6. SPREAD	175.09	726.63	1207.17	1687.58	3796.47
7. ESTT. EXPENSES	70.35	243.86	404.44	555.85	-
8. OPERATING EXPENSES	189.02	567.06	913.09	1173.27	2842.44
9. TOTAL EXPENDITURE	387.57	1415.97	2526.32	3293.83	7623.69

APPENDIX-8

ARAB BANGLADESH BANK LTD.

(Taka In Lakhs)

	1983	1984	1985	1986
1. DEPOSITS:	7442.87	13852.58	16886.95	23532.62
(a) FIXED	2263.62	7305.68	9141.42	13803.32
(b) SAVINGS	304.24	713.64	1216.32	1595.11
(c) CURRENT	4875.01	5833.26	6529.21	8134.19
2. CAPITAL	850.00	1000.00	1000.00	1000.00
3. RESERVES	66.21	108.80	202.34	364.27
4. BORROWINGS	1550.00	8835.78	8916.91	2437.34
5. TOTAL LIABILITIES	16017.61	36227.42	37485.72	40243.79
6. CASH IN HAND	841.53	1268.54	2678.19	4335.88
7. CASH AT BANK	3203.30	6362.77	5933.51	2940.61
8. TOTAL OF 6 & 7	4044.83	7631.31	8611.70	7276.49
9. MONEY AT CALL & SHORT NOTICE	-	-	-	282.59
10. INVESTMENTS	1660.00	2207.46	3424.70	3643.63
11. OTHER ASSETS	792.78	5506.43	4938.45	2187.50
12. FIXED ASSETS (IMMOVABLE PROPERTY)	-	-	-	-
13. TOTAL ASSETS	16017.61	36227.42	37485.72	40243.79
14. ADVANCES	5543.40	10675.61	12878.58	15985.70
15. WORKING FUND	12041.75	26020.86	29853.47	29375.94
16. NO. OF BRANCHES	6	9	13	18
17. NO. OF EMPLOYEES	190	411	495	601

APPENDIX-8

ARAB BANGLADESH BANK LTD.

(Taka In Lakhs)

	1983	1984	1985	1986	TOTAL
	-----	-----	-----	-----	-----
1. GROSS INCOME	799.17	6461.30	2728.95	3243.44	13302.86
2. NET PROFIT	155.37	482.34	703.53	688.63	2029.87
3. INTEREST EARNINGS	697.33	6244.07	2345.47	2839.18	-
4. OTHER EARNINGS	101.84	217.23	383.48	404.26	-
5. INTEREST PAID	359.27	5518.82	1421.50	1760.62	-
6. SPREAD	338.06	725.25	923.97	1078.56	3065.84
7. ESTT. EXPENSES	93.74	134.60	186.35	253.95	-
8. OPERATING EXPENSES	284.53	460.14	603.92	794.19	2142.78
9. TOTAL EXPENDITURE	643.80	5978.96	2025.42	2554.81	11202.99

APPENDIX-8

TOTAL ADVANCES

(Taka In Lakhs)

	1983	1984	1985	1986	TOTAL
	----	----	----	----	-----
IFIC	928.86	5765.19	11076.37	17801.55	35571.97
CBL	945.02	4721.87	6568.54	9166.42	21401.85
UCBL	812.14	5200.97	8662.55	12486.92	27162.58
NBL	6578.75	15707.02	18880.34	24373.71	65539.82
AB BANK	5543.40	10675.61	12878.58	15985.70	45083.29
	-----	-----	-----	-----	-----
	14808.17	42070.66	58066.38	79814.30	194759.51

TOTAL DEPOSITS

(Taka In Lakhs)

	1983	1984	1985	1986	TOTAL
	----	----	----	----	-----
IFIC	1288.33	8634.26	15863.55	23441.33	49227.47
CBL	3202.21	8917.03	12635.39	18247.04	43001.67
UCBL	2261.29	10464.50	14334.35	20251.99	47312.13
NBL	10672.27	24398.27	25453.57	27119.04	87643.15
AB BANK	7442.87	13852.58	16886.95	23532.62	61715.02
	-----	-----	-----	-----	-----
	24866.97	66266.64	85173.81	112592.02	288899.44

APPENDIX-8

OPERATIONAL INFORMATION OF SELECTED PRIVATE COMMERCIAL BANKS

GROSS INCOME

(Taka In Lakhs)

	1983	1984	1985	1986	TOTAL
IFIC	246.43	849.58	2245.78	4050.87	7392.66
CBL	64.53	693.19	1351.53	1727.75	3837.00
UCBL	53.30	794.79	1676.90	2330.18	4855.17
NBL	457.18	1937.33	3373.68	4243.99	10012.18
AB BANK	799.17	6461.30	2728.95	3243.44	13232.86
	1620.61	10736.19	11376.84	15596.23	39329.87

NET PROFIT

(Taka In Lakhs)

	1983	1984	1985	1986	TOTAL
IFIC	130.67	210.44	432.04	726.02	1499.17
CBL	(35.83)	116.54	477.28	461.01	1019.00
UCBL	0.26	143.17	423.15	385.39	951.97
NBL	69.61	521.36	847.36	950.16	2388.49
AB BANK	155.37	482.34	703.53	688.63	2029.87
	320.08	1473.85	2883.36	3211.21	7888.50

SPREAD

(Taka In Lakhs)

	1983	1984	1985	1986	TOTAL
IFIC	179.07	260.45	481.51	792.89	1713.92
CBL	19.39	307.01	495.20	726.80	1548.40
UCBL	17.76	249.74	769.49	887.24	1924.23
NBL	175.09	726.63	1207.17	1687.58	3796.47
AB BANK	338.06	725.24	943.47	1078.56	3085.33
	729.37	2269.07	3896.84	5173.07	12068.35

APPENDIX-8

OPERATING EXPENSES

(Taka In Lakhs)

	1983	1984	1985	1986	TOTAL
	----	----	----	----	-----
IFIC	86.15	222.48	443.90	714.69	1467.22
CBL	80.97	269.53	379.05	539.94	1269.49
UCBL	34.50	296.26	530.19	675.27	1536.22
NBL	189.02	567.06	913.17	1123.27	2792.52
AB BANK	284.53	460.15	603.92	794.19	2142.79
	-----	-----	-----	-----	-----
	675.17	1815.48	2870.23	3847.36	9208.24

TOTAL EXPENDITURE

(Taka In Lakhs)

	1983	1984	1985	1986	TOTAL
	----	----	----	----	-----
IFIC	115.76	639.14	1813.74	3224.85	5793.49
CBL	100.36	576.65	874.25	1266.75	2818.01
UCBL	53.04	651.62	1253.75	1944.79	3903.20
NBL	387.57	1415.97	2526.32	3293.83	7623.69
AB BANK	643.80	5978.96	2025.42	2554.81	11202.99
	-----	-----	-----	-----	-----
	1300.53	9262.34	8493.48	12285.03	31341.38

WORKING FUND

(Taka In Lakhs)

	1983	1984	1985	1986	TOTAL
	----	----	----	----	-----
IFIC	2867.33	11103.11	19141.54	27570.77	60682.75
CBL	3588.66	9518.26	13929.42	21180.90	48217.24
UCBL	2953.51	11879.78	16187.37	23270.16	54290.82
NBL	11790.30	28028.67	31480.76	37669.42	108969.15
AB BANK	12041.75	26020.86	29853.47	29375.94	97292.02
	-----	-----	-----	-----	-----
	33241.55	86550.68	110592.56	139067.19	369451.98

APPENDIX-8

NO. OF BRANCHES

	1983	1984	1985	1986	TOTAL
	----	----	----	----	----
IFIC	3	7	10	21	41
CBL	7	14	18	23	62
UCBL	3	16	24	30	73
NBL	8	14	17	24	63
AB BANK	6	9	13	18	46
TOTAL	27	60	82	116	285

NO. OF EMPLOYEES

	1983	1984	1985	1986	TOTAL
	----	----	----	----	----
IFIC	96	241	432	625	1394
CBL	171	337	474	636	1618
UCBL	102	379	645	862	1988
NBL	216	368	836	1163	2583
AB BANK	190	411	495	601	1697
TOTAL	775	1736	2882	3887	9280

APPENDIX-9

ADVANCES CLASSIFIED BY SECURITIES

SONALI BANK

(Taka in Crores)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
A. GOLD BULLION, GOLD & SILVER ORNAMENTS & PRECIOUS METALS	0.41	0.54	1.50	2.47	3.38	6.90	10.52	12.22	14.46	33.71	52.90	55.00	34.64	34.64	34.04
B. STOCK EXCHANGE SECURITIES	1.03	0.98	0.99	1.38	2.62	2.75	2.12	2.23	2.16	2.20	2.91	2.85	3.45	-	-
C. MERCHANDISE	7.27	24.19	32.51	22.54	24.04	48.40	177.52	326.25	379.40	408.39	516.34	420.63	557.36	171.41	236.45
D. MACHINERY & OTHER FIXED ASSETS	0.80	0.68	1.18	1.80	3.50	5.06	12.74	8.15	11.23	14.73	16.74	18.20	33.49	578.57	567.66
E. REAL ESTATE	0.30	0.55	0.98	0.76	0.72	2.02	3.52	4.32	5.24	23.88	25.60	26.36	23.18	11.61	43.86
F. FINANCIAL OBLIGATIONS E.G. INSURANCE POLICIES, BANK DEPOSITE, ETC.	0.75	0.86	1.20	1.26	0.80	2.23	1.58	15.87	4.84	10.20	11.03	12.17	25.40	241.17	257.15
G. MISCELLANEOUS	74.81	101.18	129.34	184.84	206.83	290.48	215.30	306.55	545.30	692.44	1057.67	1165.85	1551.00	1720.68	1785.79
TOTAL:	85.37	128.98	167.70	215.05	241.89	357.84	483.30	675.59	962.63	1185.55	1683.19	1701.06	2228.52	2758.02	2924.95

APPENDIX-9

ADVANCES CLASSIFIED BY ECONOMIC PURPOSES.

SONALI BANK

(Taka in Crores)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
A.AGRICULTURE, HUNTING, FORES- TRY & FISHING.	-	0.75	1.65	3.32	8.43	20.17	37.13	62.53	108.14	132.50	187.61	300.00	586.35	764.64	841.00
B.MANUFACTURING	15.14	24.23	19.74	22.76	39.24	53.84	106.19	161.78	195.36	223.54	298.45	136.57	179.76	361.89	377.78
C.WHOLESALE AND RETAIL TRADE & RESTAURANTS & HOTELS	0.35	0.80	1.30	2.62	3.01	7.47	54.83	56.67	65.76	96.63	123.36	120.00	155.25	387.65	391.57
D.FINANCING, INSURANCE, REAL ESTATE & BUSI- NESS SERVICES	0.75	0.86	1.64	1.16	0.80	2.23	5.11	15.87	22.78	38.44	44.41	52.73	69.46	218.08	227.43
E.TRANSPORT, STORAGE & COM- MUNICATIONS	0.72	0.90	1.01	1.10	1.07	2.20	2.66	3.33	3.60	8.50	7.59	9.62	14.47	13.84	14.74
F.OTHERS	68.41	101.44	142.36	184.09	189.34	271.93	277.38	375.41	567.09	695.94	1021.77	1082.14	1241.23	1011.97	1072.43
TOTAL:	85.37	128.98	167.70	215.05	241.89	357.84	483.30	675.59	962.63	1185.55	1683.19	1701.06	2228.52	2758.07	2924.95

APPENDIX-9

CLASSIFICATION OF ADVANCES OF THE NCBs DURING 1972-86.

ADVANCES IN MAJOR ECONOMIC SECTORS.

SONALI BANK

(Taka in Crores)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. SUGAR MILLS	9.52	13.53	17.78	20.84	13.16	19.18	23.37	25.67	20.17	23.22	9.32	29.71	44.23
2. COTTON MILLS & CORPORATIONS	1.38	3.07	1.61	41.03	29.30	30.53	38.36	31.14	31.17	37.92	89.41	105.83	116.07
3. JUTE & JUTE GOODS	67.13	70.48	79.68	97.60	129.47	139.36	143.36	171.35	195.39	256.85	399.43	508.07	538.54
4. AGRICULTURE	1.18	3.71	8.43	23.74	37.14	62.53	108.14	149.47	187.61	300.00	597.85	764.64	841.00
5. TRANSPORT	2.64	1.78	2.16	2.58	4.52	3.33	3.60	7.97	7.59	9.62	11.47	13.97	200.94
6. SMALL LOANS	2.31	3.71	4.64	7.85	10.53	12.10	14.76	16.42	15.73	17.90	62.44	66.38	77.73
7. TRADE & COM- MERCE & OTHER INDUSTRIES	65.86	99.10	94.00	142.18	166.67	193.19	217.91	265.91	469.93	379.83	519.39	663.38	667.67
8. TOBACCO	-	-	-	5.40	5.30	6.43	5.40	6.65	7.19	8.20	9.23	10.75	13.53
9. OTHERS	17.18	18.52	31.67	18.56	81.04	200.31	395.57	493.87	711.55	628.91	458.46	503.51	249.47
LONG-TERM LOANS													
10. HOUSING	-	0.15	0.42	1.70	3.57	4.32	5.25	6.10	25.60	20.36	32.05	11.61	38.80
11. CAPITAL FINANCE TO SMALL INDUSTRIES	0.50	1.00	1.50	1.00	2.60	4.31	6.91	11.00	11.26	12.25	23.23	76.27	139.17
TOTAL:	167.70	215.05	241.89	362.48	483.30	675.59	962.63	1185.55	1683.19	1695.06	2212.28	2754.12	2927.15

APPENDIX-9

ADVANCES CLASSIFIED BY SECURITIES

AGRANI BANK

(Taka in Crores)

TYPE OF SECURITI	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
A.GOLD BULLION, GOLD & SILVER ORNAMENTS & PRECIOUS METALS											24.75	39.57	65.75	0.57	0.44
B.STOCK EXCHANGE SECURITIES	0.79	2.16	2.22	2.27	2.24	1.93	2.13	2.22	2.11	2.10	2.50	53.33	68.08	8.30	3.46
C.MERCHANDISE	58.97	75.11	89.18	100.14	120.14	154.74	160.05	190.03	234.00	227.49	317.06	430.85	523.43	756.00	883.01
D.MACHINERY & OTHER FIXED ASSETS	2.54	1.94	1.15	2.39	3.24	4.25	5.39	4.75	5.82	5.52	6.44	8.96	10.73	18.65	24.70
E.REAL ESTATE:	1.34	1.97	2.13	2.09	2.37	3.65	4.58	5.54	8.07	11.86	13.43	13.43	15.30	24.01	32.09
F.FINANCIAL OBLIGATION e.g. INSURANCE POLICIES, BANK DEPOSITS, ETC.	0.89	1.27	1.29	0.73	1.45	4.17	3.12	8.60	3.02	5.69	7.23	15.28	35.38	30.92	44.03
G.MISCELLANEOUS	12.03	19.04	24.81	18.31	22.81	39.41	73.64	84.21	110.14	143.52	85.62	0.94	351.12	445.33	530.55
TOTAL:	76.56	101.49	120.78	125.93	152.25	208.15	248.91	295.35	363.16	396.18	457.03	562.36	1069.79	1283.78	1518.28

APPENDIX-9

ADVANCES CLASSIFIED BY ECONOMIC PURPOSES.

AGRANI BANK

(Taka in Crores)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
A.AGRICULTURE, HUNTING, FORES- TRY & FISHING.	0.48	0.52	0.16	1.22	0.54	7.47	13.77	16.99	20.63	22.20	26.78	57.70	86.70	122.30	123.30
B.MANUFACTURING	22.96	44.83	53.69	51.99	54.29	75.11	85.85	94.07	102.61	123.85	145.73	217.86	324.86	398.01	467.53
C.WHOLESALE AND RETAIL TRADE & RESTAURANTS & HOTELS	26.66	33.84	47.75	42.81	44.89	59.79	67.18	102.70	107.97	121.76	140.23	181.34	231.35	299.24	362.96
D.FINANCING, INSURANCE, REAL ESTATE & BUSI- NESS SERVICES	1.34	1.97	2.13	2.09	2.37	3.65	7.28	10.46	10.70	25.77	20.85	23.75	45.24	153.89	187.53
E.TRANSPORT, STORAGE & COM- MUNICATIONS	0.22	0.85	1.26	1.65	1.76	2.30	3.26	2.96	3.96	5.07	5.29	9.28	9.99	39.93	67.23
F.OTHERS	24.90	19.50	15.79	26.17	48.40	59.83	71.57	68.17	117.29	97.53	120.15	72.43	333.19	270.19	309.93
TOTAL:	76.56	101.50	120.78	125.93	152.25	208.15	248.91	295.35	363.16	396.18	457.03	562.36	1069.79	1283.78	1518.28

APPENDIX-9

ADVANCES CLASSIFIED BY SECURITIES

JANATA BANK

(Taka in Crores) EXCLUDING OPERATION OF OVERSEAS BRANCHES.

OF SECURITIES	JUNE 1972	JUNE 1973	JUNE 1974	JUNE 1975	JUNE 1976	JUNE 1977	JUNE 1978	JUNE 1979	JUNE 1980	JUNE 1981	JUNE 1982	DEC. 1982	DEC. 1983	DEC. 1984	DEC. 1985	DEC. 1986
OLD BULLION, OLD & SILVER ORNAMENTS & PRECIOUS METALS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
STOCK EXCHANGE SECURITIES	-	1.42	0.60	2.37	1.81	1.96	2.04	1.89	1.91	1.87	1.99	1.26	0.83	0.58	0.58	0.73
MERCHANDISE	39.51	71.43	97.47	111.27	124.98	138.44	194.24	258.90	306.72	415.51	583.17	710.81	679.49	674.74	916.50	980.07
MACHINERY & OTHER FIXED ASSETS	3.73	3.42	4.48	6.25	8.23	8.23	8.53	10.75	16.34	18.07	27.58	28.83	37.08	37.35	40.22	57.90
REAL ESTATE	3.55	4.25	8.16	7.32	7.16	10.36	13.93	17.68	22.29	33.58	43.04	46.05	51.78	62.78	73.40	62.70
FINANCIAL OBLIGATION e.g. INSURANCE POLICIES, BANK DEPOSITS, etc.	6.10	3.60	5.58	4.71	3.38	7.55	6.94	10.00	10.70	11.48	16.79	22.71	33.50	47.22	48.83	46.20
MISCELLANEOUS	18.09	30.95	50.11	63.26	177.17	226.41	233.34	267.41	295.25	334.09	474.61	347.79	545.12	605.37	395.83	614.12
TOTAL:	70.98	115.07	166.40	195.18	322.73	392.95	459.02	566.63	653.21	814.60	1147.18	1157.45	1347.80	1428.04	1475.36	1761.72

APPENDIX-9

ADVANCES CLASSIFIED BY ECONOMIC PURPOSES.

JANATA BANK

(Taka in Crores)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
A.AGRICULTURE, HUNTING, FORE- STRY & FISHING.	1.05	1.11	1.21	1.39	3.28	**	**	**	***	***	63.60	108.60	156.34	226.95	244.32
B.MANUFACTURING	34.61	41.32	52.74	82.92	66.10	91.74	131.75	137.02	-	-	205.27	222.81	487.86	460.72	587.07
C.WHOLESALE AND RETAIL TRADE & RESTAURANTS & HOTELS	36.11	63.55	106.48	111.27	126.52	138.44	194.14	260.85	-	-	463.03	418.80	374.55	17.86	18.81
D.FINANCING, INSURANCE, REAL ESTATE & BUSI- NESS SERVICES	8.22	10.00	15.46	13.28	16.66	17.91	20.86	27.68	-	-	82.96	72.66	78.06	59.45	40.48
E.TRANSPORT, STORAGE & COM- MUNICATIONS	0.13	5.13	5.16	13.72	23.60	26.23	26.33	26.08	-	-	21.50	16.80	30.97	32.64	31.19
F.OTHERS	37.89	35.33	28.19	33.72	20.60	113.71	69.47	96.73	-	-	321.09	417.13	390.27	833.24	768.84
TOTAL:	118.01	156.44	209.24	256.30	256.76	392.95	458.92	566.63	-	-	1157.45	1256.80	1518.05	1630.86	1690.71

* EXCLUDING OPERATION OF OVERSEAS BRANCHES

** FIGURES AS ON END JUNE SINCE FIGURES AS ON END
DECEMBER WERE NOT AVAILABLE.

*** FIGURES FOR 1980 AND 1981 WERE NOT AVAILABLE.

APPENDIX-9

MAJOR SECTOR-WISE ADVANCES

JANATA BANK

(Taka in Crores)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
JUTE TRADE	24.50	66.70	85.37	91.22	41.02	41.84	46.95	64.37	71.27	71.27	93.37	122.44	151.68	141.45	179.43
JUTE INDUSTRIES	-	-	-	-	31.60	37.62	58.11	58.15	47.39	71.13	81.72	101.94	230.94	218.99	230.19
TANNERIES	2.00	5.61	6.27	8.52	13.56	14.96	24.66	28.72	28.70	35.16	32.86	51.91	50.58	52.14	51.61
SUGAR INDUSTRIE	1.85	1.55	3.25	4.91	-	-	5.51	11.51	13.55	16.58	6.88	2.75	2.75	11.30	25.69
TEXTILE (TRADE & INDUSTRIES)	1.95	1.22	4.48	6.48	16.29	35.10	36.40	33.29	42.59	57.05	64.07	57.91	65.62	83.24	92.16
TRANSPORT (COM- MUNICATION)	1.00	3.26	4.45	6.98	7.51	8.58	10.47	12.94	14.82	15.98	16.35	17.30	18.27	24.18	31.19
IRON & STEEL	7.40	5.82	6.87	13.14	6.13	10.46	14.96	21.00	6.17	24.58	65.34	63.36	52.28	68.08	49.81
TEA (TRADE & INDUSTRIES)	0.70	0.80	0.75	1.27	2.63	2.91	3.51	4.35	3.34	5.97	6.76	6.40	7.01	8.47	8.94
SMALL LOAN	-	-	-	-	6.08	8.51	14.01	14.86	16.42	17.74	20.23	22.42	23.54	19.97	18.81
RURAL CREDIT	-	-	-	-	2.88	11.89	16.45	20.47	34.96	42.83	54.26	106.62	187.92	228.50	244.32
HOUSE BUILDING	-	-	-	-	-	-	-	10.58	12.63	17.77	27.88	28.33	31.40	33.67	40.48
TOTAL:	39.40	84.96	111.44	132.52	127.70	171.87	231.03	280.24	291.84	376.06	469.72	581.38	821.99	889.99	972.63

APPENDIX-9

ADVANCES CLASSIFIED BY SECURITIES

RUPALI BANK

(Taka in Crores)

TYPE OF SECURITY	JUNE 1972	JUNE 1973	JUNE 1974	JUNE 1975	JUNE 1976	JUNE 1977	JUNE 1978	JUNE 1979	JUNE 1980	JUNE 1981	JUNE 1982	JUNE 1983	JUNE 1984	JUNE 1985	JUNE 1986	JUNE 1987
GOLD BULLION, GOLD & SILVER ORNAMENTS & PRECIOUS METALS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
STOCK EXCHANGE SECURITIES	1.50	1.44	1.40	1.21	1.21	1.84	1.59	1.49	1.55	1.55	1.19	-	-	-	-	-
MERCHANDISE	28.80	43.73	49.60	38.75	59.64	64.77	92.13	114.52	160.56	192.58	203.21	238.00	19.92	49.53	237.88	280.78
MACHINERY & OTHER FIXED ASSETS	1.78	2.39	2.39	2.30	2.20	2.37	2.64	3.51	3.50	5.06	4.98	15.63	21.94	25.55	20.68	22.47
REAL ESTATE	0.66	0.62	0.62	0.78	1.02	1.73	2.56	2.71	7.96	7.00	6.90	7.08	11.65	10.82	21.94	23.25
FINANCIAL OBLIGATION e.g. INSURANCE POLICIES, BANK DEPOSITS, etc.	2.01	2.33	3.58	3.64	2.55	6.11	8.29	8.93	8.45	8.92	68.88	16.78	8.95	11.73	55.75	62.28
MISCELLANEOUS	5.36	5.35	8.62	9.70	9.48	19.24	17.61	38.49	50.95	64.14	32.35	82.17	492.18	551.15	386.77	442.49
TOTAL:	40.11	55.86	66.21	56.38	76.10	96.06	124.82	169.65	232.97	299.25	317.87	359.66	554.64	648.78	723.02	831.27

APPENDIX-9

ADVANCES CLASSIFIED BY ECONOMIC PURPOSES.

RUPALI BANK

(Taka in Crores)

	JUNE 1972	JUNE 1973	JUNE 1974	JUNE 1975	JUNE 1976	JUNE 1977	JUNE 1978	JUNE 1979	JUNE 1980	JUNE 1981	JUNE 1982	JUNE 1983	JUNE 1984	JUNE 1985	JUNE 1986	DEC. 1986
A. AGRICULTURE, HUNTING, FORE- STRY & FISHING.	2.00	1.48	1.59	1.41	1.86	3.41	3.83	13.56	17.10	17.50	19.12	28.90	44.00	74.65	560.37	345.54
B. MANUFACTURING	18.57	24.53	30.50	25.90	25.13	30.49	38.88	37.74	27.87	38.55	70.15	67.00	94.00	112.00	116.55	118.20
C. WHOLESALE AND RETAIL TRADE & RESTAURANTS & HOTELS	11.89	19.76	22.12	18.15	32.60	39.14	43.34	72.29	127.26	77.26	80.05	122.00	145.00	163.00	168.72	171.40
D. FINANCING, INSURANCE, REAL ESTATE & BUSI- NESS SERVICES	1.97	2.95	3.68	3.96	5.57	7.84	10.91	8.94	11.05	8.92	22.27	11.80	11.65	9.66	11.16	13.68
E. TRANSPORT, STORAGE & COM- MUNICATIONS	0.35	0.35	0.35	0.35	0.65	1.92	2.58	3.50	3.72	4.78	5.10	8.53	5.55	13.45	14.85	18.15
F. OTHERS	5.83	6.79	7.97	6.80	12.29	13.53	25.28	33.62	46.95	150.56	85.15	198.52	296.75	230.22	411.74	451.14
TOTAL:	40.61	55.86	66.21	56.57	78.10	96.33	124.82	169.65	233.95	297.57	281.84	436.75	596.95	602.98	1203.39	1118.11

APPENDIX-9

LOANS AND ADVANCES CLASSIFIED BY SECURITIES

PUBALI BANK

(Taka in Crores)

TYPE OF SECURITY	AS ON JUNE, 1972	AS ON JUNE, 1973	AS ON JUNE, 1974	AS ON JUNE, 1975	AS ON JUNE, 1976	AS ON JUNE, 1977	AS ON JUNE, 1978	AS ON JUNE, 1979	AS ON JUNE, 1980	AS ON JUNE, 1981	AS ON JUNE, 1982	AS ON JUNE, 1983	AS ON JUNE, 1984	AS ON JUNE, 1985	AS ON JUNE, 1986	AS ON JUNE, 1987
A. GOLD BULLION, GOLD & SILVER ORNAMENTS & PRECIOUS METALS	0.36	0.43	0.75	0.73	0.88	1.14	2.86	3.51	6.40	7.69	9.81	9.76	9.81	7.08	5.44	3.11
B. STOCK EXCHANGE SECURITIES	0.36	0.43	0.75	0.75	0.88	1.14	1.43	3.72	2.22	3.57	3.17	3.09	3.18	3.26	2.00	2.44
C. MERCHANDISE	25.78	30.66	52.90	52.04	62.16	81.07	77.10	89.51	118.29	153.78	170.02	166.26	216.49	262.54	239.80	228.07
D. MACHINERY & OTHER FIXED ASSETS	1.45	1.73	2.98	2.93	3.50	4.57	1.43	2.04	2.33	15.65	14.21	14.03	25.71	28.37	7.64	24.16
E. REAL ESTATE	0.73	0.86	1.49	1.42	1.75	2.28	4.28	5.43	8.70	2.74	11.16	11.12	11.63	17.02	26.33	29.67
F. FINANCIAL OBLIGATION e.g. INSURANCE POLICIES, BANK DEPOSITS, etc.	0.73	0.86	1.49	1.47	1.75	2.28	4.28	7.15	13.31	10.71	11.97	11.91	12.61	13.04	16.25	25.09
G. MISCELLANEOUS	6.90	8.21	14.16	13.93	16.63	21.69	51.40	56.14	57.93	80.48	77.05	79.14	87.07	120.96	146.75	169.96
TOTAL:	36.31	43.18	74.52	73.27	87.55	114.17	142.78	167.50	209.18	274.62	297.39	295.31	366.50	452.27	444.21	482.50

APPENDIX-9

ADVANCES CLASSIFIED BY ECONOMIC PURPOSES.

PUBALI BANK

(Taka in Crores)

	JUNE 1972	JUNE 1973	JUNE 1974	JUNE 1975	JUNE 1976	JUNE 1977	JUNE 1978	JUNE 1979	JUNE 1980	JUNE 1981	JUNE 1982	JUNE 1983	JUNE 1984	JUNE 1985	JUNE 1986	JUNE 1987
A. AGRICULTURE, HUNTING, FORES- TRY & FISHING.	1.45	1.73	2.98	2.93	3.50	5.94	7.14	12.29	13.65	16.47	18.01	27.03	41.71	59.13	67.56	51.08
B. MANUFACTURING	15.98	10.00	32.78	32.25	38.53	65.29	61.40	24.78	28.94	37.89	41.89	41.35	49.31	56.83	54.21	57.87
C. WHOLESALE AND RETAIL TRADE & RESTAURANTS & HOTELS	13.44	15.98	27.57	27.12	32.39	53.43	49.97	59.02	79.24	101.08	111.77	206.07	145.82	181.23	125.29	228.07
D. FINANCING, INSURANCE, REAL ESTATE & BUSI- NESS SERVICES	0.73	0.86	1.49	1.47	1.75	2.97	4.28	6.00	12.01	15.65	16.31	15.32	15.63	16.51	13.51	29.67
E. TRANSPORT, STORAGE & COM- MUNICATIONS	2.54	3.03	5.21	5.13	6.13	7.43	7.14	8.70	4.79	6.59	7.23	7.18	11.51	13.93	12.09	9.08
F. OTHERS	2.18	11.58	4.47	4.40	5.25	13.33	12.85	56.71	70.55	96.94	102.18	98.36	102.52	124.64	171.55	106.73
TOTAL:	36.32	43.18	74.50	73.30	87.55	148.39	142.78	167.50	209.18	274.62	297.39	295.31	366.50	452.27	444.21	482.50

APPENDIX-9

LOANS AND ADVANCES CLASSIFIED BY SECURITIES

UTTARA BANK

(Taka in Crores)

TYPE OF SECURITY	AS ON JUNE, 1972	AS ON JUNE, 1973	AS ON JUNE, 1974	AS ON JUNE, 1975	AS ON JUNE, 1976	AS ON JUNE, 1977	AS ON JUNE, 1978	AS ON JUNE, 1979	AS ON JUNE, 1980	AS ON JUNE, 1981	AS ON JUNE, 1982	AS ON JUNE, 1983	AS ON JUNE, 1984	AS ON JUNE, 1985	AS ON JUNE, 1986	AS ON JUNE, 1987
A. GOLD BULLION, GOLD & SILVER ORNAMENTS & PRECIOUS METALS	0.01	0.01	0.01	0.02	0.04	0.13	0.20	0.23	0.12	0.11	0.18	0.21	0.22	0.17	0.14	0.16
B. STOCK EXCHANGE SECURITIES	0.72	0.64	0.77	0.63	0.59	0.64	0.69	0.72	0.71	0.74	0.72	0.71	0.38	0.38	0.37	0.39
C. MERCHANDISE	15.53	34.35	52.41	67.79	80.14	72.47	78.67	82.16	88.46	151.27	175.00	124.40	141.06	143.02	202.66	252.54
D. MACHINERY & OTHER FIXED ASSETS	1.52	0.76	1.05	0.97	1.60	1.57	1.48	3.33	2.37	2.96	3.12	2.88	2.90	4.41	6.67	7.75
E. REAL ESTATE	1.20	1.25	1.70	1.28	1.54	3.07	4.33	3.67	3.23	2.94	2.89	2.81	6.81	7.65	17.48	25.82
F. FINANCIAL OBLIGATION e.g. INSURANCE POLICIES, BANK DEPOSITS, etc.	1.70	1.53	2.19	0.80	1.26	0.29	1.04	0.88	1.03	1.85	1.99	2.08	5.44	7.90	8.44	11.69
G. MISCELLANEOUS	2.70	8.86	9.22	10.59	11.69	18.47	19.43	33.68	42.49	47.21	29.47	21.92	26.62	53.40	55.87	70.69
TOTAL:	23.38	47.40	67.44	82.08	96.86	96.64	105.84	124.67	138.41	207.08	213.37	155.01	183.43	216.93	291.63	369.04

APPENDIX-9

ADVANCES CLASSIFIED BY ECONOMIC PURPOSES.

UTTARA BANK

(Taka in Crores)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
A. AGRICULTURE, HUNTING, FOREST TRY & FISHING.	0.40	0.46	6.49	11.98	11.14	0.05	17.02	24.33	15.10	16.49	18.60	17.63	13.88	13.65	12.77
B. MANUFACTURING	14.29	14.14	35.89	63.53	57.03	53.52	58.39	56.01	94.64	129.31	126.34	106.34	64.38	31.71	43.62
C. WHOLESALE AND RETAIL TRADE & RESTAURANTS & HOTELS	9.82	19.71	21.24	13.18	15.80	17.72	14.14	16.75	21.44	22.56	17.60	15.60	52.39	112.37	193.87
D. FINANCING, INSURANCE, REAL ESTATE & BUSI- NESS SERVICES	1.39	1.26	3.59	1.76	1.42	4.54	3.68	4.95	13.50	15.53	16.28	8.36	1.42	5.81	22.72
E. TRANSPORT, STORAGE & COM- MUNICATIONS	0.11	0.23	12.33	1.49	2.43	4.35	3.08	4.17	10.32	9.47	15.74	5.12	2.15	2.69	3.46
F. OTHERS	21.68	21.40	11.06	10.80	7.32	3.95	9.53	13.92	28.14	30.75	29.07	30.25	89.36	109.39	52.31
TOTAL:	47.69	57.20	90.60	102.74	95.14	84.58	105.84	120.13	183.14	224.11	223.63	183.30	223.58	275.62	328.75

* FIGURES AS ON END JUNE SINCE FIGURES AS ON END DECEMBER WERE NOT AVAILABLE.

APPENDIX-10

REQUIREMENT OF CASH RESERVE AND LIQUIDITY BY NCBs DURING 1972-86.

DECEMBER 16, 1971-73	CASH RESERVE REQUIREMENT	LIQUIDITY RATIO
	STATUTORY CASH RESERVE REQUIREMENTS OF SCHEDULED BANK REMAINED AT 5% OF THE TOTAL DEMAND AND TIME LIABILITIES.	LIQUIDITY RATIO OF SCHEDULED BANKS REMAINED AT 25% OF THEIR DEMAND AND TIME LIABILITIES.
1973-74	-DO-	-DO-
1974-75	-DO-	-DO-
1975-76	-DO-	-DO-
1976-77	-DO-	-DO-
1977-78	-DO-	-DO-
1978-79	-DO-	-DO-
1979-80	-DO-	-DO-
1980-81	-DO-	-DO-
1981-82	-DO-	-DO-
1982-83	-DO-	-DO-
1983-84	-DO-	25% EXCEPT BKB & BSB. BKB & BSB WERE EXEMPTED FROM KEEPING LIQUID ASSET BY THE GOVERNMENT.
1984-85	-DO-	25% OF TOTAL DEMAND LIABILITIES AND 23% OF TOTAL TIME LIABILITIES W.E.F. 16.8.1984, BKB AND BSB EXEMPTED FORM 1983-84.
1985-86	-DO-	(1) 25% OF TOTAL DEMAND LIABILITIES AND 23% OF TOTAL TIME LIABILITIES, BKB & BSB EXEMPTED. (2) 15% OF TOTAL DEMAND AND TIME LIABILITIES OF ISLAMI BANK BANGLADESH Ltd. w.e.f. DECEMBER, 1984.

CASH RESERVE
REQUIREMENT

1986-87

STATUTORY CASH RESERVE
REQUIREMENTS OF SCHEDULED
BANK REMAINED AT 5% OF
THE TOTAL DEMAND AND TIME
LIABILITIES.

1987-88

(a) FORM 29th OCTOBER 1987
10% OF TOTAL DEMAND
AND TIME LIABILITIES
OF SCHEDULED BANKS
EXCEPT BKB, RKUB AND
BSB. 5% OF TOTAL DEMAND
AND TIME LIABILITIES OF
BKB, RKUB AND BSB.

(b) 2.5% INTEREST ALLOWED
ON AMOUNT EXCESS 5%

(c) WITH EFFECT FROM
1.3. 1988 INTEREST @ 5%
INSTEAD OF 2.5% WAS
ALLOWED.

(d) ISLAMI BANK AND
AL-BARAKA BANK ARE NOT
GIVEN INTEREST ON EXCESS
LIQUIDITY. (i.e. AMOUNT
ABOVE 10%).

LIQUIDITY RATIO

(1) 20% OF TOTAL DEMAND
AND TIME LIABILITIES OF
SCHEDULED BANKS EXCEPT
ISLAMIC BANK, BKB AND BSB
w.e.f. 18.1.1987.

(2) 10% IN PLACE OF 15% OF
TOTAL DEMAND AND TIME
LIABILITIES OF ISLAMI BANK
w.e.f. 3.1.1987. BKB,
RKUB (w.e.f. MARCH, 1987)
AND BSB EXEMPTED.

(3) 10% OF TOTAL DEMAND
AND TIME LIABILITIES OF
AL-BARAKA BANK
w.e.f. MAY, 1987.

(1) 25% INSTEAD OF 20% OF
TOTAL DEMAND AND TIME
LIABILITIES OF SCHEDULED
BANKS EXCEPT BKB, RKUB,
BSB, ISLAMI BANK AND
AL-BARAKA BANK.

(2) BKB, RKUB AND BSB
EXEMPTED.

(3) 10% OF TOTAL DEPOSITS OF
ISLAMI BANK AND
AL-BARAKA BANK.

APPENDIX-11

THE INTEREST RATE STRUCTURE OF THE BANKING SECTOR IN BANGLADESH

(PERCENT PER ANNUM)

	DECEMBER, '71 TO JUNE, '74	JULY, '74 TO MARCH, '76	APRIL, '76 TO APRIL, '77	MAY, '77 TO OCT. 15, '80	OCT. 16, '80 TO DEC., '84	FROM JANUARY 1, '85 ONWARDS
BANK RATE	5.00 UPTO JUNE 20, '74 8.00 FROM JUNE 21, '74	8.00	8.00	8.00	10.50	11.00 UPTO SEPT. 15, '85 11.25 FROM SEPT. 16, '85 to JUN. 30-06-86 10.75 FROM JULY 1. 1986
SCHEDULED BANKS INTEREST RATES ON DEPOSITS						
a) CALL DEPOSITS	-	-	-	-	4.50 OCT. 16, '80 DEC. 1, '82	-
b) SPECIAL NOTICE ACCOUNTS:-						
i) WITHDRAWABLE AT NOTICE OF 7 TO 29 DAYS	3.00	4.00	5.00	4.00	4.50	4.50
ii) WITHDRAWABLE AT NOTICE OF 30 DAYS OR OVER	3.25	4.25	5.25	4.25	4.50	4.50
c) SAVINGS BANK ACCOUNTS WITH CHEQUING FACILITIES	4.00	5.00	6.00	6.00 UPTO JULY, 1977 4.50 FROM AUG. 1977 TO OCT. 15, 1980	8.50 9.50 FOR RURAL AREA W.E.F. JULY, 1984	8.50 UPTO 30-06-87 9.00 FROM 1-7-1987 10.50 FOR RURAL UPTO 30-06-1987 11.00 FOR RURAL FROM 1-7-1987
d) SAVINGS BANK ACCOUNTS WITHOUT CHEQUING FACILITIES	4.50	6.00	7.00	7.00 (7.75)	10.00	10.00 11.00 THE SYSTEM ABOLISHED FROM 9-7-1987
e) FIXED DEPOSITS:						
i) FOR 3 MONTHS AND OVER BUT LESS THAN 6 MONTHS	4.50	6.00	7.00	7.00 (8.50)	12.00	12.00

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APPENDIX-11

THE INTEREST RATE STRUCTURE OF THE BANKING SECTOR IN BANGLADESH

(Contd)

(PERCENT PER ANNUM)

	DECEMBER, '71 TO JUNE, '74	JULY, '74 TO MARCH, '76	APRIL, '76 TO APRIL, '77	MAY, '77 TO OCT. 15, '80	OCT. 16, '80 TO DEC., '84	FROM JANUARY 1, '85 ONWARDS
ii) FOR 6 MONTHS AND OVER BUT LESS THAN 1 YEAR	4.75	6.50	7.50	7.50 (8.50 & 9.00)	13.00	13.00 UPTO JAN. 16. 1987 12.50 FROM JAN. 17. 1987
iii) FOR 1 YEAR AND OVER BUT LESS THAN 2 YEARS	5.00	7.25	8.25	8.25 (9.25)	14.00	14.00 UPTO JAN. 16. 1987 13.25 FROM JAN. 17. 1987
iv) FOR 2 YEARS & OVER BUT LESS THAN 3 YEARS	5.50	8.25	9.25	9.25	14.50	14.50 UPTO JAN. 16. 1987 13.75 FROM JAN. 17. 1987
v) FOR 3 YEARS AND OVER	6.00	9.25	10.25	10.25	15.00	15.00 UPTO JAN. 16. 1987 14.25 FROM JAN. 17. 1987
SCHEDULED BANKS' LENDING RATES	9.00-10.00	12.00-13.00	12.00-13.00	11.00-12.00	15.50 UPTO DEC. 4 '81	16.00
a) NORMAL LENDING RATES					16.00 FROM DEC. 5 '81	
b) FOR ADVANCES AGAINST JUTE GOODS & TEA WHETHER DOMESTICALLY TRADED OR EXPORTED	8.50 7.50 JULY, '73 TO JUNE, '74	10.50	10.50	10.50	-	-
c) FOR EXPORT CREDIT IN RESPECT OF ITEMS OTHER THAN JUTE GOODS AND TEA	-	-	11.50 w.e.f. JULY 1, '76	10.50	-	-

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APPENDIX-11

THE INTEREST RATE STRUCTURE OF THE BANKING SECTOR IN BANGLADESH

(Contd)

(PERCENT PER ANNUM)

	DECEMBER, '71 TO JUNE, '74	JULY, '74 TO MARCH, '76	APRIL, '76 TO APRIL, '77	MAY, '77 TO OCT. 15, '80	OCT. 16, '80 TO DEC., '84	FROM JANUARY 1, '85 ONWARDS
d) AGRICULTURE (PRODUCTION) INCLUDING FORESTRY AND FISHERY (SERVICE CHARGE AT 4% OVER THE NORMAL INTEREST OF 12% ON SHORT-TERM LOANS ARE APPLIED W.E.F. SEPT. 29, 1983.)	-	-	-	-	12.00	12.00
e) FOR INDUSTRY (ALL MANUFACTURING INDUSTRIES INCLUDING ASSEMBLING PROCESSING MILLING CRUSHING AND TRANSPORT INDUSTRY)	-	-	-	-	14.00 UPTO JULY '81 14.50 FROM AUG, '81	14.50 10.00 w.e.f. 1-7-86
f) FOR SPECIFIED INDUSTRIES IN LESS DEVELOPED AREA	-	-	-	-	13.00	13.00
g) FOR EXPORT CREDIT IN RESPECT OF i) TRADITIONAL ITEMS i.e., LOOSE TEA, JUTE & JUTE GOODS EXCLUDING CARPET (CARPET IS EXCLUDED AND LOOSE TEA IS INCLUDED w.e.f. JULY, '83)	-	-	-	-	12.00	12.00 9.00 w.e.f. 1-7-86
ii) NON-TRADITIONAL ITEMS INCLUDING PACKET TEA & JUTE CARPET (FOR ALL ADVANCES AGAINST TEA INCLUDING THOSE RELATING TO INTERNAL TRADE RATE OF INTEREST WAS 12% UPTO 24.5 1981. JUTE CARPET AND PACKET TEA (INSTEAD OF LOOSE AND PACKET BOTH) WERE INCLUDED w.e.f. JULY 1, 1983.)	-	-	-	-	12.00 UPTO JUNE '82 11.50 JULY '82 TO JUNE '83 9.00 w.e.f. JULY '83	9.00

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APPENDIX-11

THE INTEREST RATE STRUCTURE OF THE BANKING SECTOR IN BANGLADESH

(Contd)

(PERCENT PER ANNUM)

	DECEMBER, '71 TO JUNE, '74	JULY, '74 TO MARCH, '76	APRIL, '76 TO APRIL, '77	MAY, '77 TO OCT. 15, '80	OCT. 16, '80 TO DEC., '84	FROM JANUARY 1, '85 ONWARDS
i) FOR CONSTRUCTION OF HOUSE IN RURAL AREAS (w.e.f. JAN, '84)	-	-	-	-	5.00	5.00
j) ADVANCES FOR INTERNAL TRADING PURPOSES	-	-	-	-	-	16.00 UPTO LIMIT TK.1 LAC 18.00 EXCEE- DING LIMIT OF TK.1 LAC
k) ADVANCES AGAINST FDR w.e.f. DEC. 1. '84 (UPTO LIMIT TK.1 LAC THE RATE IS 3% ABOVE THE RATE ALLOWED ON THE RELEVANT F.D.R. w.e.f. 1ST MARCH, 1985.	-	-	-	-	20.00	20.00
l) ADVANCES ON ACCOUNT OF COMMERCIAL IMPORTS	-	-	-	-	16.00 UPTO 15-12-84 18.00 FROM 16-12-84	18.00 UPTO 23-3-87 17.00 FROM 24-3-87

NOTE:

FIGURES WITHIN PARENTHESES INDICATE INTEREST RATES FOR DEPOSITS ACCOUNT OPENED BY INDIVIDUALS IN RURAL AREAS EFFECTIVE FROM 1-10-78 TO 15-10-80. RATE FOR TERM DEPOSIT IN RURAL AREAS FOR 6 MONTHS OR OVER BUT LESS THAN ONE YEAR WAS 8.50 FROM 15-12-77 TO 30-09-78 AND 9.00 FROM 1-10-78 TO 15-10-80 AND THE RATE FOR TERM DEPOSIT IN RURAL AREAS FOR ONE YEAR AND OVER BUT LESS THAN 2 YEARS WAS 9.25 FROM 15-12-77 TO 15-10-80.

) BRANCHES SITUATED OUTSIDE THE MUNICIPAL AREAS ARE RURAL BRANCHES.

i) BANGLADESH KRISHI BANK AND BANGLADESH SHILPA BANK WERE ALLOWED TO PAY INTEREST ON TERM DEPOSITS (EXCL. BANKS AND FINANCIAL INSTITUTIONS) AT 1% ABOVE THE PRESCRIBED RATES w.e.f. JULY 1, 1974 TO OCTOBER 15, 1980

) LENDING RATES AGAINST THE PURPOSES COVERED UNDER SUB-HEADS (d) THRU (i) UPTO OCTOBER 15, 1980 WERE NOT SPECIFICALLY FIXED.

APPENDIX-12

EXCHANGE RATES
(PERIOD AVERAGE OFFICIAL RATES & MARKET RATES)

TAKA PER POUND STERLING			TAKA PER U.S. DOLLAR	
PERIOD	OFFICIAL RATE	WES RATE	OFFICIAL RATE	WES RATE
1972-73	18.8001	-	7.8763	-
1973-74	18.8001	-	7.9664	-
1974-75	20.8064	-	8.8752	-
1975-76	29.3600	-	15.0541	-
1976-77	26.5077	-	15.4260	-
1977-78	27.6126	36.12	15.1168	19.86
1978-79	30.5002	38.54	15.2231	19.68
1979-80	34.4975	42.47	15.4900	19.21
1980-81	37.2535	45.69	16.2586	20.11
1981-82	36.7613	41.86	20.0652	22.79
1982-83	38.2688	38.83	23.7953	24.12
1983-84	36.2302	39.32	24.9437	27.16
1984-85	31.7647	35.97	25.9634	29.38
1985-86	43.0297	47.10	29.8861	32.74
1986-87	46.7049	50.42	30.6294	33.08
JUL. -SEP.	45.1505	49.28	30.3000	33.15
OCT. -DEC.	43.6686	47.39	30.5292	33.15
JAN. -MAR.	47.5579	50.83	30.8000	33.03
APR. -JUN.	50.7630	54.20	30.9133	33.00
1987-88	54.7077	57.73	31.2422	32.94
JULY	49.8568	53.18	31.0000	33.00
AUGUST	49.6332	52.79	31.0000	33.00
SEPTEMBER	51.0312	54.30	31.0000	33.00
OCTOBER	51.4671	54.87	31.0000	33.00
NOVEMBER	55.0912	58.28	31.0615	32.95
DECEMBER	56.9878	60.03	31.2000	32.94
JANUARY	56.4224	59.54	31.3500	32.90
FEBRUARY	50.0361	57.72	31.3500	32.90
MARCH	58.0135	60.18	31.3500	32.90
APRIL	59.0301	61.89	31.3500	32.90
MAY	58.9840	61.49	31.3500	32.90
JUNE	55.9429	58.54	31.3500	32.91
1988-89				
JULY	53.8972	55.92	31.6500	32.91
AUGUST	53.9735	55.87	32.0000	32.91
SEPTEMBER	...	55.37	...	32.90

SOURCE: i) BALANCE OF PAYMENTS DIVISION, STATISTICS DEPARTMENT,
BANGLADESH BANK

ii) WAGE EARNERS' BRANCH, SONALI BANK

NOTE: OFFICIAL RATES AND WES RATES ARE RESPECTIVELY WEIGHTED AVERAGES
AND SIMPLE AVERAGES FOR THE RELATED PERIODS.

'-' NIL. '...' NOT AVAILABLE.

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