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Financial Performance Analysis of Some Selected Investment Banks of Bangladesh

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Abstract
The financial sector is one of the most vital sectors for any country specially for a developing country like Bangladesh. In such a developing stage of the economy of Bangladesh, the significance of different merchant banks are enormous. The Investment Banks helps in capital formation for the formation of business and industries which helps our economy to grow. In this study an attempt has been done to analyze the functions of different merchant banks and to measure the financial performance of some selected merchant banks s for the period 2013-2018 through different ratio analyses and DuPont model which is an essential tool for evaluating the financial performance of any entity.

Keywords: **Merchant Banks, Financial Performance, Functions, Ratio Analysis, DuPont**

INTRODUCTION

The most stable sector of Bangladesh is banking sector on which the economy of any country depends substantially. In Bangladesh, banking sector is the most prominent and stable sector compared to other service sectors.

In Bangladesh there are around 60 Investment Banks which are directly or indirectly helping the economy of Bangladesh to develop. In this developing country, new business visionaries are confronting intense deficiency of capital. There is certainly not a solitary investment bank or lease company in the nation which could give direct value assets to the business visionaries and in that circumstance, merchant banks and leasing companies assume the job of venture banks. Merchant banks assume significant jobs in posting protections with stock trades. It incorporates subsidize for business people from numerous points of view like Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, and Direct Listing for selling of existing paid-up capital, issue of inclination offer, convertible or non-convertible in offers. In order to scrutinize the efficiency of functions and activities rendered by the Investment banks of Bangladesh extensively this paper has been furnished with a view to analyze the financial performance of four selected Investment Banks of Bangladesh.

OBJECTIVES OF THE STUDY

The objectives of the study are segregated mainly into two parts. They are as follow:

Primary Objective: The primary objective of this paper is to evaluate the financial performances of the selected Investment Banks and Lease Companies of Bangladesh.

Secondary Objectives: In order to justify the primary objective, this paper also focuses on the functions and services rendered by the selected Investment Banks and Lease Companies. The reason behind is that the functions rendered are mostly affected by the financial performance. If the financial performance is good the bank or the company will have good reputation in the market which will result in providing better service and functions to their respective clients.

LITERATURE REVIEW

Banks additionally play a crucial role in society, affecting not only spending by individual-consumers, however additionally the boom of whole industries. Economic development of the economy is reflected through the soundness of the banking system [1] and its sound application.

It examined that merchant banking is a much desired innovative step undertaken by the commercial banks in India. The study focused that the need for merchant banking was strained by the Banking Commission (1972) and according to the commission, merchant banking institutions are to offer fund based on non-fund based services like syndication of financing, promotion of projects, investment, management and advisory services to medium and small savers and to provide funds and trusts to various types etc. Their main function is to guide the preparation, planning, evaluation and execution of projects which are helpful to the growth of industries.

Investment banks provide a backup to all capital market in the economy through trading in shares, investment holdings, and merchant banking activities. They also support the credit market in the country through short term and medium term loans. For the enhancement of financial performance three principal factors can be argued; its asset management (AM), institution size (IS), and operating efficiency (OE).

According to Al-Shamrnari and Salirni [2] profitability ratio especially return on equity (ROE) signals the earning capability of the organization. They also suggest that higher return on equity (ROE) ratio is appreciable as it is the primary indicator of bank's profitability and functional efficiency.

Generally, the combination of financial ratios, measuring performance against budget, benchmarking or mix of pre-discussed methodologies have been used to measure the financial performance of investment banks and other financial institutions [3].

Financial soundness helps us to measure the results of a firm's policies and operations in monetary terms also these results are reflected in the firm's return on investment, return on assets, value added [4].

It also helps us to evaluate how nicely a bank is the use of its assets to make a profit. Common examples of monetary performance encompass running income, income before hobby and taxes, and net asset value. The health and efficiency of the economic quarter are crucial to economic growth of a country because the tempo of economic boom, a balanced capital market, an efficient float of fund among savers and investors cannot be preserved without a sound economic region.

Almazari (2012), has attempted to analyze the financial performance of seven selected Jordanian commercial banks and pointed out that there exists a positive correlation between financial performance and asset size, asset utilization and operational efficiency [1].

Du Pont analysis takes into account three indicators to measure firm profitability: ROA, ROE and ROI. Return on assets – ROA offers a different take on management effectiveness and reveals how much profit a company earns for every dollar of its assets [5].

The core reason for the existence of most organizations is to make a profit for its owners or shareholders. Even in the case of non-profit organizations, sound financial management is required in order to remain in business. If an organization cannot survive financially, it will have to cease its operations [6-9].

Financial performance is thus the key focus of many line managers and any initiative that does not relate to the achievement of this objective is rarely regarded as being important.

METHODOLOGY OF THE STUDY

Research Design: The overall structure of the paper includes the identification of the research problem, method of research work, data collection, data analysis & interpretations of the research findings.

Sample Selection: As per the instructions provided out of the 60 Investment Banks of Bangladesh four investment banks viz First Security Islami Capital & Investment Ltd, Green Delta Capital Ltd, GSP Investment Limited and ICB Capital Management Ltd are selected [10-13]. The DuPont analysis computes variables from the income statement and balance sheet to determine firm's return on equity (ROE).

The modified DuPont formula can be expressed as-

$$\text{ROE} = \frac{\text{Net profit after taxes}}{\text{Earnings before taxes}} \times \frac{\text{Earnings before taxes}}{\text{Earnings before interest and taxes}} \times \frac{\text{Earnings before interest and taxes}}{\text{Total revenue}} \times \frac{\text{Total revenue}}{\text{Total assets}} \times \frac{\text{Total assets}}{\text{Total equity}}$$

Alternatively, the modified DuPont formula can be written as follows: ROE = [Tax Burden Ratio × Interest Burden Ratio × EBIT Margin Ratio × Asset Turnover Ratio × Equity Multiplier Ratio]

Nature and Sources of Data: The data incorporated in this study are mainly secondary and theoretical in nature. This study is based on the financial data taken from the financial statements of the selected banks.

Collection of Data: The data incorporated in this study has been extracted from the financial statements of the selected banks respective websites. Moreover, few other additional data were collected from the Dhaka Stock Exchange Website (DSE) and other financial portals.

Method of Data Analysis: Financial Analysis technique has been used for analyzing the data. Various ratio analysis has been conducted to detect the profitability of the selected banks. Moreover, Dupont Analysis has been done to establish the results extracted from ratio analysis to justify the profitability of the selected Investment Banks.

EMPIRICAL RESULTS AND INTERPRETATION

Here, the financial statements of the assigned four investment banks have been analyzed through different ratio analyses based on liquidity, leverage, solvency, profitability and DuPont Analysis. Data has been taken for 6 financial years from 2013 to 2018 from the financial statements of those firms.

Quick Ratio: This is a type of liquidity ratio through which the firms' ability can be measured to meet current obligations (Table 1). It's calculated by dividing quick assets by the current liabilities. The mentioned investment banks' quick ratios are as following:

Table 1: Investment banks quick ratios.

Year	2018	2017	2016	2015	2014	2013
First Security Islami Capital	3.196	3.2803	7.341	9.1851	14.051	7.6341
Green Delta	7.1522	17.471	9.0974	6.9265	8.6512	11.467
GSP	1.1869	1.2322	1.1701	1.1541	1.1924	1.2692
ICB	0.4118	0.0731	0.0663	0.156	0.3838	0.3761

This ratio represents the proportion of quick assets the firms have to pay off 1 unit of current liability. According to the perspective of companies, the standard should be 1 unit of quick assets opposite to 1 unit of current liabilities. The standard may vary situation to situation. According to table, it's visible that Greed Delta Capital Limited is far away from the standard [11]. It seems it's managing a huge amount of idle quick assets opposite to current liabilities. This may reason to increase the opportunity cost for it. The same scenario goes for First Security Islami Capital Investment Limited [10]. GSP is doing very well here [12].

Suggestion for the antecedent two companies is that, they should try to analyze and search for opportunities whether they can invest the extra amount or not to decrease the opportunity cost if they have no valid reasons for holding of this extra proportion of idle quick assets. Again, ICB should focus that how the ratio can be increased otherwise it may fell in liquidity crisis.

Interval Measure: This is another type of liquidity ratio which measures the sufficiency of firms' liquid asset to finance operational cost if no further cash is received. It's calculated by dividing quick assets to average daily operating expenses Table 2. The mentioned investment banks' interval measures are as following:

Table 2: Investment banks' interval measures.

Year	2018	2017	2016	2015	2014	2013
First Security	211147	226646.1	306906.6	430621.5	399042.2	189881.4
Green Delta	93644.36	83563.6	73621.28	68194.98	73435.67	50198.11
GSP	38307.17	23106.22	16329.52	10431.33	3855.639	3405.98
ICB	2251.186	772.1069	725.7148	1737.457	5605.141	6393.164

The output represents that all of these investment banks are in very good positions in case of interval measure. FSIC Limited is tremendously in good position. After that Green Delta but point to be noted that why they are in such position [11]. The answer is their quick ratio is very much higher than others and this may lead to a bad management of idle asset.

Suggestion will be same as quick ratio, that need to identify the idle assets, try to invest those in a good portfolio. However, ICB is in moderate position in this situation, still, it should increase this a bit since its quick asset is not sufficient to pay off the current liabilities.

Debt to Equity Ratio: It's a type of leverage ratio which says how perfectly the firms did capital structuring or mix of debt-equity. Debt capital has the liquidation risk but in case of equity capital, it's absent. Again, debt capital provides tax advantage, equity capital has not. Therefore, the degree of debt magnifies in both ways depending on the firm's situation and increase the significance of optimal capital structuring. It's the ratio between debt and equity Table 3.

Table 3: Ratio between debt and equity.

Year	2018	2017	2016	2015	2014	2013
First Security Islami Capital	0.9667	0.8121	0.4659	2.0181	0.8971	0.8962
Green Delta	0.1594	0.0592	0.1206	0.1626	0.1238	0.0942
GSP	2.3242	2.8437	2.2346	2.6191	2.391	1.9537
ICB	1.566	3.0585	3.5992	3.1319	0.6487	0.2446

The results represent the proportion of debt against every 1 unit of equity. If it's considered that the ratio is 'x'. It means that the amount of firm's total asset is 'x+1', which refers 'x' unit is financed from debt source and 1 unit is financed from equity source and this is the capital structure of the firm. According to the standard, the optimum mixture is must, however, sourcing from debt instruments should not be more than 60% of total assets. Here, the ratio should not be more than 1.5:1. In the above table, it's seen that GSP and ICB is maintaining more debt than standard [12]. For this, they may face liquidation risk if unexpectedly net loss occurred. However, they are also getting the benefit of tax shield. Again, FSIC and Green Delta are maintaining debt financing much lower and that's why they may be missing the advantage of tax shield.

Suggestion to all of them will be to revise their capital structuring, and also need to set an optimum level in which the risk of liquidation is lower and the benefit of tax shield is higher.

Financial Expense Coverage: It is an efficiency measurement ratio through which it represents how much of a firm's assets are used for administrative and other operating expenses. It is calculated by dividing the operating expenses by average value of fund assets. Operating expenses reduce the firm's assets, thereby reducing the return to investors. By the way, the ratio does not include trading activities either Table 4.

Table 4: Financial expense coverage.

Year	2018	2017	2016	2015	2014	2013
First Security Islami Capital	6.68	7.92	15.26	10.38	11.23	15.07
Green Delta	12.75	11.43	9.46	9.17	9.87	6.89
GSP	0.632	0.432	0.394	0.277	0.121	0.237
ICB	2.19	1.69	1.62	1.443	1.435	1.439

In the above table, the graph represents the percentage of total assets that must be paid off in order to run the fund. If the percentage is ‘x%’, then the loss will not be occurred if a firm is earning more than that on investment. It is only the firm’s share of the financial price to run and operate capital for the financial year.

According to the table, the financial expense coverage for GSP and ICB is very much moderate than the other two firms. In case of FSIC, it can be observed that this percentage is in the decreasing line which is good for them. On the other side, Green Delta’s percentage is increasing year by year which is not a good sign.

Suggestion to all of them is they should try to decrease the percentage as much as possible so that the margin extends positively.

Net Asset Value per Share: Net asset value means the value of a firm’s assets minus the value of its liabilities. The net asset value is typically represented on a per-share basis. With the increasing amount of NAV per share will lead a rising demand for itself to the market which will increase the fascination to the shareholders. If we divide the net asset value by the number of shares outstanding, the result will be net asset value per share Table 5.

Table 5: Net asset value.

Year	2018	2017	2016	2015	2014	2013
First Security Islami Capital	30.002	97.47	125.012	223.182	203.807	86.539
Green Delta	5.997	8.042	8.054	6.837	6.299	7.046
GSP	22.33	20.06	11.36	10.78	22.77	23.72
ICB	11.25	17.42	14.91	17.19	13.43	10.85

The table represents the net asset value against a share of the respective companies. It basically indicates the price at which shares are bought and sold at the end of each trading day.

The chart shows in case of FSIC, the NAV per share is in decreasing trend for last 4 years. The scenario for Green Delta is also like that. On the other side, ICB’s NAV per share is in fluctuating trend for last 6 years, so is for GSP. Though their NAV per share is lower.

Suggestion for the firms FSCI and Green Delta will be to checkout and analyze about the ratio that why it is in decreasing trend since the increasing trend is better for every firm towards increasing the market demand to the potential shareholders and also help to grow the firms.

Net Profit Margin: This exhibits the relationship between net profit and sales. It reflects the efficiency in manufacturing, administrating and selling of product and services which indicates the firms’ ability to overcome adverse economic conditions such as falling price of commodities, less demand, sudden price increase of raw materials etc Table 6.

Table 6: Net profit margin.

Year	2018	2017	2016	2015	2014	2013
FSIC	4.34%	39.45%	4.73%	22.94%	31.31%	10.77%
Green Delta	30.92%	34.84%	34.43%	29.87%	26.34%	18.42%
GSP	42.99%	42.66%	43.52%	44.46%	36.54%	37.32%
ICB	5.54%	0.94%	-	32.43%	31.60%	38.15%

			116.86%			

According to the outputs, the values represent net profit margin against the percentage of sales or service revenue. In case of manufacturing companies, this margin can be compared to the gross profit margin and that's how it reflects the condition of operating expense margin. Greater the margin will lead towards the increase of equity value.

In this table of net profit margin, FSIC's one is very much unstable than others. On the other side, ICB faced a huge loss back in 2016, but it's trying to cope up with it in the recent times. Again, Green Delta's margin was upward trending except the year 2018 and GSP's one was fluctuating over the times.

Suggestion for the companies will be to make control over unnecessary operating expenses so that the reduction of it expand the gap between the margin. Side by side, efficiency in sales or in service revenue is a must.

Operating Expense Ratio: In real estate, the operating expense ratio refers to the measurement of cost to operate a piece of property compared to the income brought in by the property. It can be calculated by dividing a property's operating expense (less depreciation) by its gross operating income and is used for comparing the expenses of similar properties Table 7.

Table 7: Operating expense ratio.

Year	2018	2017	2016	2015	2014	2013
FSIC	40.03%	39.85%	97.73%	64.49%	58.18%	40.95%
Green Delta	47.93%	48.26%	47.48%	48.91%	53.73%	59.24%
GSP	10.69%	9.78%	10.21%	16.72%	19.81%	22.26%
ICB	77.81%	55.96%	117.34%	34.78%	33.96%	18.64%

A high ratio is not good since it leaves a small margin of earning for owners. The ratio might fluctuate over times due to many factors. The operating expense ratio range is most ideal between a maximum level of 60%–80%, where, lower the ratio is better for the company. Here, GSP's operating expense ratio is exceptionally good. FSIC and Green Delta's ratio is in moderate level. ICB was in minimized level back in 2013-15. But suddenly their operating expense had tremendously rise compare to the gross operating income level, FSIC also faced this situation in the same year. In the year 2017 they managed to decrease though, again it's increased in the year 2018. However, the ratio is unstable in case of both ICB and FSIC.

Suggestion for all of them is again try to decrease the level of operating expense and compare to that, try to increase the revenue level so that the gap expands positively.

Return on Investment: It represents the unit of currency earned for each unit of same currency's investment. By this, investors compare their investment with other available potential investments. The higher the ratio, better for the company and investors. It can be calculated by dividing EBIT by investment. The reason of using EBIT is, interest depends on capital structuring and company do not have control over tax rates Table 8.

Table 8: Return on Investment.

Year	2018	2017	2016	2015	2014	2013
First Security Islami	3.71%	42.37%	7.71%	19.92%	17.59%	6.63%

Capital						
Green Delta	18.58%	16.86%	17.39%	13.97%	18.01%	11.01%
GSP	56.61%	92.07%	121.27%	81.68%	50.27%	39.79%
ICB	1.68%	0.11%	-6.51%	6.02%	6.75%	14.56%

The table is representing the return level which is the percentage of total investment. While ROI is 'x%', it refers that for every 100 taka of investment, the company is earning at the rate of 'x%'. So, it's natural that higher the percentage is better and thus the investors always will look for the higher percentage here.

According to the above chart, it can be figured out that except one year, the ROI for GSP was more than 50%, where once it crossed 100% and another year it was near to that. It means its ROI is very much strong than others. On the other side, FSIC secured the lowest ROI since last 6 years. ICB was in negative ROI in 2016, but now it's trying to cope up the situation. And Green Delta is in a range where the ROI is fluctuating over the times.

Suggestion will be for all since all of the company's ROI is not stable. So, a sudden downfall may be problematic for the companies. They all should try to maintain the percentage at a decent rate so that the reputation towards market become durable.

Earning per Share: The profitability of shareholders can also be measured by Earning per Share. It is the ratio between Net Profit and the Number of Shares Outstanding. It exhibits the earning capacity of companies on a per share basis. However, it does not ensure the dividend payments rather represents only the earnings. Firm may retain the earnings in future Table 9.

Table 9: Earning per share.

Year	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
First Security Islami Capital	1.28	13.73	0.91	11.21	11.69	2.57
Green Delta	3.64	3.59	3.08	2.85	3.26	3.12
GSP	2.4	2.49	0.91	1.8	1.02	1.34
ICB	0.13	0.02	-1.02	0.85	0.8	1.81

This table is the reflection of previous one where return on investment discussed. On the basis of that return, the per share earnings come out. Though it does not represent the actual distributable amount towards the shareholders, it's important to the shareholders to determine the investment decisions.

The chart shows most stable EPS the company is achieving is Green Delta and in 2018, it recorded the highest EPS in 6 years. On the other side, FSIC's EPS is very much fluctuating which may create a negative impression to the market. And ICB's EPS is very much lower.

Suggestion for the companies will be to keep up a good and appealing EPS and distribute a good and logical portion of EPS as dividend so that the demand for those particular company's shares increase in the market and become lucrative to the shareholders.

DuPont Analyses of the Assigned Investment Banks: In this study DuPont model has been used with the intension of ranking the selected firms. Based on this model financial performance of selected firms has been evaluated in much easier and refined way. This method has evaluated the performance of each firm relative to the performance of others.

However, selected firms have been ranked based on their performances on return on equity (ROE) which has been calculated through multiplying the sub-parameters. The final ranking is done using simple average technique.

Tax Burden Ratio: Tax burden ratio indicates how much of the pretax profits remain with the company after paying all taxes. Likewise, an increase in the tax burden will decrease the tax burden ratio, which in turn will decrease the ROE. A high tax burden means that the company is keeping more of its pretax income which results in higher ROE and vice versa Table 10. The table regarding tax burden ratio is presented as following:

Table 10: Tax burden ratio.

	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**Mean**
FSIC	0.52348	0.486377	0.747458	0.983503	0.770683	0.786223	0.716
Green Delta Capital Ltd.	0.655908	0.743272	0.768198	0.702485	0.676388	0.560821	0.684
GSP	0.623191	0.598237	0.595973	0.598066	0.570163	0.578285	0.594
ICB	0.835654	0.824	0.868336	0.871	0.836218	0.836411	0.845

From the table, we can see that the average tax burden ratio of ICB Capital Ltd is 84.5% which is highest among all banks indicating better performance in managing tax efficiency where GSP Investment's average tax burden ratio is 59.4%, which is lowest among all banks indicating the bank as least performer in managing tax efficiency.

Interest Burden Ratio: Interest burden ratio indicates how much of the company's operating profits are left over after making interest payments. An increase in interest payments will increase the interest burden and lower the interest burden ratio. A lower interest burden ratio will result in decrease of the ROE Table 11. The table regarding interest burden ratio is presented:

Table 11: Interest burden ratio.

	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**Mean**
FSIC	0.570039	0.565002	0.68421	0.59406	0.675312	0.754853	0.640
Green Delta	0.905523	0.905914	0.85339	0.832261	0.84167	0.805711	0.857
GSP Investment Limited	0.844641	0.865236	0.878405	0.976057	0.792374	0.830219	0.864
ICB	0.815218	0.834191	0.885339	0.931424	0.879116	0.940438	0.881

It is found from the table here, that average interest burden ratio of ICB Capital Ltd is 88.1%

[13] which is highest among all banks indicating better performance in managing interest efficiency where First Security Bank's average interest burden ratio is 64%, which is the lowest among all banks indicating the bank as least performer in managing interest efficiency.

EBIT Margin Ratio: EBIT margin indicates the effect of earnings before interest and tax (or EBIT margin) on ROE. This ratio evaluates the effect of a company's core business operations on its ROE. It measures how much EBIT a firm can generate from total revenue. It is a measure of bank profitability that gives information about a bank's earning ability. Increase in EBIT margin is mainly due to growth of revenue and good cost control. Decrease in EBIT Margin in largely result from reduction in revenue and higher operating cost Table 12. The table of EBIT Margin Ratio is as following:

Table 12: EBIT margin ratio.

	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**Mean**
FSIC	0.482506	0.490092	0.464313	0.354181	0.432281	0.459806	0.447
Green Delta	0.520673	0.517367	0.525225	0.510907	0.462662	0.407613	0.491
GSP Investment Limited	0.892842	0.900494	0.895661	0.832796	0.790125	0.885092	0.866
ICB Capital Management Ltd.	0.786077	0.703953	0.749666	0.821578	0.860161	0.849433	0.795

It is found from the above table that GSP Investment Limited's average EBIT margin is 86.6%, which is better than other banks. On the other hand, First Security Islamic Bank's average EBIT margin is 44.7%, which leads the bank to take the last position among other banks.

Asset Turnover Ratio: Asset turnover ratio is used to measure how efficiently a company uses its assets to generate revenue. As per rule, the higher the ratio the better the company is performing. Lower Asset turnover ratio indicates that the company isn't using its asset efficiently and most likely have management problems. This gives investors and creditors an idea of how a company is managed and uses its assets to generate revenue Table 13. The table regarding Asset Turnover Ratio is as following:

Table 13: Asset turnover ratio.

	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**Mean**
FSIC	0.029671	0.028805	0.026641	0.027252	0.02503	0.027225	0.027
Green Delta	0.215396	0.197948	0.160867	0.148644	0.158935	0.106211	0.165
GSP Investment Limited	0.065152	0.06614	0.075054	0.062117	0.057415	0.044548	0.062

ICB Capital Management Ltd.	0.044842	0.047072	0.043122	0.058841	0.062125	0.063159	0.053

The table shows that Green Delta Capital's average asset turnover ratio is 16.5%, which is highest and First Security Islamic Capital's average asset turnover ratio is 2.7%, which is lowest among all the banks.

Equity Multiplier Ratio: Equity multiplier ratio measures financial leverage of a company. The equity multiplier ratio indicates whether a company finances its assets through debt or equity. The higher the equity multiplier, the more leveraged the company is, or the more debt it has in relation to its total assets. However, the decrease in leverage ratio will decrease the ROE due to non-optimal use of leverage Table 14. The table regarding Equity Multiplier Ratio is given in following page:

Table 14: Equity multiplier ratio.

	2018	2017	2016	2015	2014	2013	Mean
FSIC	28.0083	28.9127	28.1470	26.5038	24.4961	25.1528	26.87
Green Delta	1.159368	1.059206	1.120594	1.162634	1.123801	1.094183	1.120
GSP Investment Limited	3.843692	3.23458	3.619068	3.390956	3.390956	3.390956	3.394
ICB Capital Management Ltd.	4.88548	3.813774	3.564532	2.556289	3.026561	3.039473	3.481

The table shows that First Security Islamic Capital's average equity multiplier ratio is 26.87% which is highest among all the banks. On the other hand, Green Delta Capital's average equity multiplier ratio is 1,12%, which is lowest among all the banks.

Final Ranking of Assigned Investment Banks Based on ROE Performance: Consequently, an increase in either of these component ratios will increase the ROE. The final ranking on the table of following page shows that First Security Islamic Capital has achieved the highest average ROE of 14.86% and secured the 1st position followed by ICB Capital Management Ltd 10.91% in 2nd place, GSP Investment Ltd 9.35% in 3rd place and Green Delta Capital has achieved lowest average ROE of 5.31% and therefore secured the last position among the selected banks Table 15.

Table 15: Final ranking of assigned investment banks.

	Tax Burden Ratio	Interest Burden Ratio	EBIT Margin Ratio	Asset Turnover Ratio	Equity Multiplier Ratio	Modified ROE using DuPont Model	Final Ranking
	Mean	Mean	Mean	Mean	Mean	Mean	

First Security Islami Capital & Investment Ltd.	0.716	0.640	0.447	0.027	26.870	14.86045	1
Green Delta Capital Ltd.	0.684	0.857	0.491	0.165	1.120	5.318882	4
GSP Investment Limited	0.594	0.864	0.866	0.062	3.394	9.352368	3
ICB Capital Management Ltd.	0.845	0.881	0.795	0.053	3.481	10.91892	2

CONCLUSION AND RECOMMENDATIONS

This study was designed to evaluate the financial performances of the selected Investment Banks of Bangladesh on the basis of some ratio analysis and DuPont Analysis. Its a quick method for analyzing the management efficiency of the banks. The selected banks are doing quite well but in order to sustain in the highly competitive market of Bangladesh they need to search for new opportunities and need to invest in ideal assets as soon as possible. They need to revise their capital structuring if they don't want to be disappeared from the market. Lastly, they should control over their unnecessary operating expenses which will result in a stable ROE for all the banks.

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