

Internship report

On

“Performance analysis of NBFI companies in Department of financial institute and market”

Submitted to:

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United International University
QUEST FOR EXCELLENCE

Letter of Transmittal

Date: 22 September, 2019

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Subject: An Internship report on “Performance analysis of NBFIs companies in Department of financial institute and market”

Dear Sir,

By doing this report I have learned a lot of practical things, and this experience will really help me in the long run. In writing this case, I have followed your instructions for report writing to present my views and understanding in the easiest way and verify that all the information so that can get a exact from this output. However, I will be glad to clarify any divergence that may arise. I would like to thank you for your valuable direction in every problem. I will be available for any further clarification required.

For me it will be an honor if you see the full term paper and give me your opinion.

Sincerely yours,

Tamanna Rashid

Executive Summary

As a part of my BBA Program, the internship report is prepared based on the works done during 3 months period of the internship at the Department of Financial Institutions & Markets, at Bangladesh Bank. I have gathered experience in the behavior of Non- Bank Financial Institutions as well as their performance which is expressed to my internship report. NBFIs have added new dimensions in the financial sector with its array of financial products and services. They offer services like leasing, loan financing, corporate financing, merchant banking, customer loans. The performance of NBFIs over the last years have been impressive. NBFIs have concentrated on the industrial sector, with term loan as its major product. As they do not maintain current deposit with customers. NBFIs are facing difficulty in collecting funds and have to compete with banks that have comparative advantage in obtaining near zero-interest deposits from the public. NBFIs are also facing challenges in raising capital through IPO, as the share market has not returned to the upward trajectory and because of stringent regulation by SEC. Alternative sources of funds. Then they can use share market to their benefit by engaging in trading activities. They can also broaden their scope of services and introduce innovative products in the market. With proper support and infrastructure, NBFIs in Bangladesh can contribute immensely in the economic growth of the country.

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Chapter-1: Introduction

1.1 Background of the Study:



This report is made to gain practical knowledge of **“Performance analysis of NBFIS in department of financial institute and market”**: In the context of different organization of Bangladesh”. Here I read and learn about various facts and topics related NBFIs: NBFIs in Bangladesh, role of NBFIs, present condition and so on. But our honorable course instructor "Dr Seyama Sultana" wanted to relate our learning with practical world. So, she gave me to make a report about **“Performance analysis of NBFIS in department of financial institute and market”** In the context of different organization of Bangladesh". Organization investment sector and rate of growth, and what methods are followed in a particular organization in terms of performance measure. I have come to know after observing the report. My task is to knowing **“Performance analysis of NBFIS in department of financial institute and market”**

1.2 Objective of the Study:

There are two kinds of objectives in this report, one is broad objectives and another is specific objective. These two kinds of objectives are as follows:

Broad Objective:

The broad objective of this report is related with the real-world and professional world. For gaining a Practical experience related to Performance analysis of Non-banking financial institute and markets in department of financial institute and market.

Specific Objective:

Excluding the broad objects some other points are given. which objects are specific. The exact objects of this report are specified:

- To identify the current situation of NBFIs, Banking Industry.
- To measure the performance of NBFIs in Bangladesh.

1.3 Scope of the Report (Main goal):

Writer will assign in Bangladesh Bank (Head Office) as an internee for three months. It will writer's very first on the job exposure & provided author with learning experience & knowledge in several areas. This internship report covers all the related activities handled by the Bangladesh Bank. Writer will have an opportunity to gather experience by working in the different desks of the financial institutions and markets department of Bangladesh Bank. I will able to enhance my Knowledge on fundamentally on the subject matters, with the best support and co-ordinance guidance of all employees of financial intuitions and markets department of Bangladesh Bank.

Chapter-2: Overview of Bangladesh Bank

2.1 About Bangladesh Bank



BANGLADESH BANK
Central Bank of Bangladesh

The central bank of Bangladesh is Bangladesh Bank which is also known as the central bank and peak controlling form for the nation's economic including financial system, was well-known in Dhaka as a main branch of the Bangladesh Bank from 16th December, 1971. Right. Bangladesh bank contain nine workplaces throughout Bangladesh, according to 2010 information total employees at Bangladesh Bank around 5071.

Bangladesh Bank plays all the informatics work of a characteristic fiscal as well as economic fund controller, and a number of other than official roles. Some of the work that Bangladesh bank maintain given below:

- Creation and operation of monetary and acclaim rules.
- Guideline and control of growth and domestic economic marketplaces.
- the nation's total funds mentor.
- Money notes clearance.
- Guiding control of the expense regulation.
- Work as bankers bank.
- Preventing money laundering.
- Providing credit data by gathering information.
- Foreign exchange directive act application.
- Organizing a Payment Insurance System.

Vision:

Developing endlessly as an advancing observing central Bangladesh Bank with capable and specialists of moral values, including monetary administration as well as monetary subdivision supervision to uphold price steadiness and fiscal or monetary system strength, supporting high based inclusive financial development as well, service to minimize poverty annihilation in Bangladesh.

Mission: Bangladesh Bank is resounding its main functions is given below:

- Conveying monetary and credit policy.
- Organizing currency issue and payment system.
- Organizing foreign exchange reserve.
- Guiding as well as controlling banks monetary institutions, and counseling the governmental policies and supervise if they need any policy change.

On the other hand, Bangladesh Bank is settling roles in a forward-looking activity, with dignify way. Bangladesh Bank always maintain the highest standard and providing policies that will be convenient for the common people in this country.

Chapter-3: Job Responsibility

I was engaged as an intern in Bangladesh Bank in the Department of financial institute and markets. DFIM control the Non-Banking monetary organizations. Non-Banking financial institute are approved in supervision of the monetary organization Act1993.

The purposes of NBFIs are given below:

- Administrative and General Works.
- Preparation of policy Guidelines/Circulars for ensuring the soundness of FIs in Bangladesh.
- Issuance of licenses under the FI Act, 1993 & FI Regulations, 1994.
- Supervising through off-site and analyzing through various monitoring procedure.
- Assessing monetary activity of FIs through CAMELS.
- Different banks, FIs is assessing and approving the issuance of Zero-Coupon Bonds, Asset Backed Securitization Bonds, factoring etc. By
- Implementation of Basel Accord for Risk Weighted Asset Based capital adequacy Determination for FIs.
- Revision of Stress testing Guidelines and approval thereof.
- Formulation and approval of Early warning Guidelines for FIs.
- Formulation and approval of Risk Management Guidelines for FIs.

At present there are 34 NBFIs in Bangladesh of them 31 companies are under operation. The contribution of funding activities by NBFIs to the overall economy persistently has been growing.

3.1 Section:

DFIM have six broad sections.

- License Section
- Policy and Control Section
- Statement Section
- Bond and Securitization Section
- Basel Implementation cell
- General Section

License section:**The activities of License Section are:**

- All activity relating to established of new FIs.
- Issuance of the letter of intent.
- Approval of opening new branches/booths.
- Approval of transfer/extension of head offices/branches/booths.
- Sending the list and address of FIs to MOF and any other department or agency if needed.
- Any other task assigned by higher authority.

Policy and Control Section:

The activities of policy and control section are:

- To monitor the NBFIs whether they are maintaining the rules and regulations or not.
- To examine the proposal and give consent to the appointment of MD/Chief Executive/Foreign employee of NBFIs.
- To examine the proposal and give consent to the appointment of auditor of NBFIs.
- To arrange the meeting on quarterly basis between Governor and NBFIs' MD/CEO and prepare the working statement.
- To examine the proposal and give consent to the large loan/lease of NBFIs.
- To examine the working statements of NBFIs.
- To regular monitor the IPO issues of NBFIs
- To give opinion to the NBF1 according to law.
- To issuance of regulation related circulars/circular letters.
- Any other task assigned by higher authority.

Under this section there is also a Basel Implementation Cell (BIC). Through BIC, a well maintained (SC) has formed, developed by the deputy groaner -1 of Bangladesh Bank and FIs CEO and a team member has formed, developed by the (ED) executive director of Bangladesh Bank to acquisition of Basel II for NBFIs. However, Basel Accord for Financial Institutions (BAFI) has been issued for the acquisition of Basel II for NBFIs. BAFI was introduced from January 01, 2011 on test basis. The guidelines on BAFI have come fully into force from January 01, 2012 with its subsequent supplements/revisions

- Acquisition of BASEL II Accord as Standardized Tactic for acclaim risk approach for being accumulating informational management risk.
- Database emerging for swapping up to Internal Rating Based Method (IRBA)

Statement section:

The activities of statement section are:

- To review the call loan positions of NBFIs on daily basis.
- To review the statement of CRR and SLR on monthly basis.
- To review the statement of rescheduling loan/lease of NBFIs on monthly basis
- To review the statement of write off loan/lease of NBFIs on monthly basis.
- To review the statement relating to liquidity profile on monthly basis.
- To review the statement of classification and provisioning of loan/lease of NBFIs on quarterly basis.
- To review the statement relating to interest rate of NBFIs on quarterly basis.
- To review the statement relating to large loan/lease of NBFIs.
- To review the statement of net asset of NBFIs on half yearly basis.
- To review the stress testing report on half yearly basis.
- To review the annual report of NBFIs on annual basis.
- To review the management report of NBFIs on annual basis.
- Conduct CAMELS rating of NBFIs on half yearly basis.

Bond and Securities section:

The activities of bond and securitization section are:

- Examine the application of FIs different types of bond issue
- Provide NOC to the NBFIs
- Check the credit rating of FIs to give NOC

BASEL Implementation cell:

The activities of Basel Implementation cell are:

- Capacity Building in terms of rules and regulation.
- Creating annual plan through specific approach
- creating roadmap according to that make appropriate action.
- Functioning of (BIU)
- guidelines of preparation of draft for Basel II application.
- Test run of BASEL II Accord
- Quantitative Impact Study (QIS) on progress
- One-to-one meeting with FIs and Feedback analysis

- Preparation of final guidelines for Basel II implementation.
- circular issuance on regulation for compliance of Basel II lengthwise with final guidelines & reporting format
- Acquisition of (BIU) Accord as Standardized with credit risk and monetary policy
- Database emerging for swapping up to Internal Rating Based Method (IRBA)

General Section:

The activities of general section are:

- Keep/store the letters as a diary which is come from the NBFIs
- Reply for the letter which is come from the NBFIs
- Check the audit
- Provide various facility to the whole department
- Arrangement of internal/departmental meeting and preparation of minutes thereof.
- Leave management.
- Administrative works like sanction strength transfer, posting, post creation, monitoring of staff training etc.

3.2 NBFIs in Bangladesh

Serial .No.	Name of BNFI	Year of Establishment	Type of Ownership
1	Finance and Investment Co. Ltd	1999	Joint Venture
2	BIFC	1996	Joint Venture
3	BLIL	1996	Private
4	Bangladesh Infrastructure Fund Ltd.	2011	Government
5	DBH	1997	Joint Venture
6	FFIL	2002	Private
7	FAS Finance and Investment Limited	2001	Private
8	First Lease Finance and Investment Ltd.	1993	Government
9	GSP Finance Company (Bangladesh) Limited (GSPB)	1996	Joint Venture
10	Hajj Finance	2007	Joint Venture
11	IDLC Finance Limited	1985	Private
12	Industrial and Infrastructure Development Finance Company Limited (IIDFC)	2000	Private
13	Industrial Promotion and Development		

	Company of Bangladesh Limited (IPDC)	1981	Joint Venture
14	Infrastructure Development Company Limited (EDCOL)	1997	Government
15	Global Leasing and Monetary Services Limited	1996	Private
16	Islamic Finance and Investment Limited	1994	Private
17	Lanka Bangla Finance Ltd.	1997	Joint Venture
18	MIDAS Financing Limited (MFL)	1995	Private
19	National Finance Limited	2003	Private
20	National Housing Finance and Investment Limited (NHFIL)	1998	Private
21	People's Leasing and Financial Services Ltd.	1996	Private
22	Phoenix Finance and Investment Limited	1995	Private
23	Premier Leasing and Finance Limited	2001	Private
24	Prime Finance and Investment Ltd.	-	Private
25	Reliance Finance	1996	Private
26	Saudi-Bangladesh Industrial and Agriculture Investment Company Limited (SABINCO)	1986	Bangladesh Govt. Saudi Govt.
27	The UAE-Bangladesh Investment Co. Ltd.	1987	Bangladesh Govt. -UAE Govt.
28	Union Capital Limited	1998	Private
29	United Leasing Company Limited (ULCL)	1989	Joint Venture
30	Uttara Finance and Investment Limited	1995	Joint Venture
31	Agrani SME Financing Company Limited	2011	Government
32	Meridian Finance and Investment Limited Bangladesh	2015	Private
33	CAPM Venture Capital and Finance Limited	2015	Joint Venture
34	Sabinco capital and finance ltd	1984	joint venture

3.3 Products and Services Offered by NBFIs in Bangladesh

As an alternative solution financial institution plays a vital part for achieving in breach of monetary facilities that usually distribute by the Bangladesh Bank. All Non-Banking Financial Institutions are drastically changing over these years that are why Bangladesh Bank forcing them to expand a good amount of product and services. NBFIs offer flexible choices with competitive goods so that they can assist clients that will matchup with their working besides monetary aims. The List is given below that which product and service given by Bangladesh Bank.

Financial/Capital Lease: Provide a long-term solution which give the clients to free up as well as their working capital that they demand.

Operational and manage Lease: An operational management lease involves giving temporary flexibility but in long run it creates less than asset which may allow the authority and clients for off-balance sheet accounting treatment.

Hiring-purchase: For an alternative solution hiring purchase is the most convenient way. Yet, hiring purchase and maintaining them is also suitable for practicing taxes besides business.

Public sale & Rental back: For defending their rivals they reinvest the equipment so that they can capture more customers.

Home loan & real estate financing: home loan financing plays a vital role in terms of attracting new clients with lucrative amount of offers.

Work order through financing: For doing business taxes is a barrier for every business man so to reduce that term financing give the whole accountability as well as give the major feedback for the businessmen.

Lining up for large loan: Making syndication is much more important than any other work on the other hand arranging the phase of credit they also prefer large projects to run such as green field project. In this project no single investor takes total risk by this time it become a large investment project and get the award from prime minister.

Suggested Facilities: In this field Bangladesh Bank plays a vital role it's a continuous process whenever NBF company send permission they try to prefer some suggestion financial strategic and evaluation of those agreement. They also do capital restructuring, financial engineering and analyzing financial problems.

Securitization in fund: For achieving goals most important thing is to be get the customers trust whereas modern financial service work done on the other hand they can solve a specific type of strategic and financial need.

Chapter-4: Important Issues of NBF

In Bangladesh non-banking financial market plays a vital role in economic system. In the monetary system non-banking financial institute controls all the peoples fund and according to that they invest in different sector. Sometimes they prefer to do social development job. For long term financial needs, they prefer most of the vital offers for their customers. Non-banking financial institute create a competitive rivalry in the market for differentiating the financing market.

4.1 Demographic information

Historical background of the Non- Banking financial institution in Bangladesh

Non-Banking Financial Institutes were incorporated in 1993 Act. For being regulated by Bangladesh Bank it has been revised by 1972. In 1944 it has been regulated that in chapter v where it defines that wide range of activities to be covered. At first license will be regulated from that if the non-banking financial institute can differ there working activities and their deposit terms. Issuance of IPO is another issue for the non-banking financial institute here they can't declare any IPO without the CEO member so for acceptance it will be a great time-consuming project. Bangladesh Bank suggest minimum interest rate for those investment bank but most of the time it become a crucial for people to maintain there Return on investment back. People who work in investment bank most of the time they face fraud to collect there working method, whereas they do some research according to that they invest in different sector.

4.2 Assets, liabilities and deposits:

To increase the value of a firm or benefit the firm's operations assets are bought. What a firm owns its balance sheet is given below

Table: Assets, liabilities and deposits of NBFIs

	2014	2015	2016	2017	2018
Total asset	333.9	611.0	713.9	841.07	870.30
Total liabilities	274.3	350.4	424.2	509.0	762.04
Liabilities-asset ratio	81.5	83.3	84.95	86.6	87.56
Total deposit	238.5	318.1	382.43	467.98	480.10
Deposit as % of Total liabilities	56.6	56.2	62.5	64.41	63.00

Source: Annual report of Bangladesh Bank

Present Condition of NBFIs

In the financial system of the different non-banking financial institute making a significant role in society. Because of the financial institute is increasing rapidly so the amount of investing in share market is also increasing for emerging this position they give different source of offers. There are 34 non-banking financial institute. To be the leader in society they prefer giving the huge amount of money supplies. They give the loan by segment targeting or the analysis process. Non-banking financial institution provide diversify products so that they can minimize the intermediary financial project. Most of the time they do survey in terms of doing stock exchange analysis. GDP analysis is also a vital survey by which how they are helping country for increasing GDP in particular sector. In 1972 non-banking financial institute incorporated the act 1993 after that it has been revised in 1994 in chapter V, they try to describe the whole working situation and guideline of the society in terms of banking sector. After that, to control major sector they try increase GDP growth by increasing the investment. At first, they have to take the license from Bangladesh bank after that they have to shown their investor and their working IPO system to Bangladesh bank. Bangladesh bank also see the peoples share percentage how they work as the permanent investor. Right now, present condition of non-banking financial institute is not that much good enough their investors are decreasing because of the economy inflation. In this situation Bangladesh bank is not giving permission to any other company to open a financial institute. Right now, they are focusing commercial banks, leasing company rather than financial institute. They not only monitoring their fund but also their securitization and deposit funding process. They are focusing on marketable sector where they can find out the service which will rise the whole component of economic industry. A non-banking financial industry have to have one billion paid up capital otherwise they can not open a financial institute. There is bond securitization where they fill up their cash reserve ration and statutory liquidity requirement without statutory liquidity 5 percent and cash reserve ratio 2.5 percent it's very difficult for them to survive in the market. They also control the storage as well as their funding process by following the Act 1993 revised in 1994. By establishing fund in private sector and developing a rule and securitizing the credit capability. By doing long term investment demand rapidly rising the enclosed sector. In 1913 the obligations where been revised the provisions and after that those IPO sectors is going to be the main factor for GDP. In monetary and economic sector its very important to be followed by the rules of collecting finance and other protecting those securitization policies. Policy has been revised not only for the financial institute but also for the commercial banks where they can find out there position in the market place, according to that they take proper decision.

Table: Structure of NBFIs

Item	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018
No. of NBFIs	28	29	29	29	29	29	30	31	31	31	34
Government-owned	1	1	1	1	1	1	2	3	3	3	3
Joint-venture	7	8	8	8	8	8	8	10	10	10	11
Private	20	20	20	20	20	20	20	18	18	18	19
New Branches	5	10	8	8	8	20	53	8	7	20	6
Total Branches	54	65	72	80	88	108	161	169	176	183	150

Sources: Department of Financial Institutions and Markets

In different sectors of the economy NBFIs are investing, but they are focusing on the industrial sector.

Table: Investment of NBFIs

Name of Sector	2016	2017	2018
Industry	42.6%	43.8%	43%
Real State	18.5%	16.7%	16.9%
Margin Loan	8.0%	5.0%	4.4%
Trade and Commerce	10.4%	11.3%	15.4%
Merchant Banking	1.4%	4.0%	4.5%
Agricultural Sector	1.3%	1.5%	1.4%
Others	17.8%	17.7%	14.4%

Source: Department of Financial Institutions and Markets

All NBFIs are Not in Capital Market:

Among 34 NBFIs, only 26 NBFIs are now in capital market. If all NBFIs are in capital market, then they can contribute more in the economy.

Weak legal system:

In case of a default non-banking financial institute doesn't have any modernization for default society's people and culture working system has not infected in the acme level.

Lack of Human Resource:

Expert qualified people are major component in a banking society they know themselves or train themselves for a particular position. Availability and manpower is a treasure for this industry due to the present analysis for development in NBFIs sector. The source and shortage of treasury bill is also a problem, another cause of concern for NBFIs.

Investment growing in Industry sector:

Comparing with FY13 the investment was slightly decreased in FY12 and FY14 but in FY14 is affected by political unrest. That's why investment is slightly decreased. It can be said that improving investment in the industry sector.

Profitability of NBFIs and banking sector:

The Return investment on fact Equity and the Return investment on fact Assets ratios have also shown a positive trend over the last five years. Aggregate ROA and ROE decreased in 2010 compared with CY1 1 to CY14. This is not better utilization of assets and equity results in the reducing trend of these key ratios.

Problem to meet up paid-up capital requirement:

As per BB rules MPC of the non-banking financial institutions is Tk. 2.00 million. Moreover, as per equity Basel requirement Minimum Capital Adequacy Ratio (CAR) of the NBFIs will be 10% of their risk weighted assets.

Capital Adequacy of NBFIs:

The Capital Adequacy Ratio of the 20 company is greater than 15% which is positive. They have enough adequate capital. 10 companies have Greater than 10% CAR, which could be treated as financial soundness of NBFIs industry. Less than 10% CAR carried by 1 company, which is bad indicator of the companies. So, it can be said that industry is improving in capital adequacy.

Sources of Funds:

Insurance company always contain a full amount of wide range of source. Non-banking financial institute give loans by doing their company in terms of private and public limited company. Line of recognition is also providing total fund of non-banking financial institute. At first, they take capital from normal people after that they make it as the deposit and credit. According to Bangladesh Bank regulation it has less limit to collect the venture and deliver to bulk amount of mobilization. They also prefer the dissimilarities of cost and the investment process; non-banking financial companies is now collecting public information and create fund that permitted over the year. After one year they evaluate the situation of the bank and according to that they identify the whole impact that they are serving. On the other hand, line of recognition is also important to do so. For making an alignment they prefer every transaction agreement so that they can achievement of entrée to private industry. For encouraging new investor, they SSR, camels rating and their provident fund. Non-banking financial institution also offer different product and services PPR whereas they find out the real investor according to that they take decisions though they don't offer whole fund one person but they prefer to distribute those funds.

Asset-Liability of Public Mismatch:

Another issue for non-banking financial institute is asset-liability mismatch. The cumulative lending procedure requirements for public has amplified many more times. Funds that has become inadequate for the as non-banking financial institute are mostly reliant on loan and from most of the commercial banks. In Bangladesh asset liability is biggest factor for the investors in this case they try to minimize liability and increase assets. According to specialist in economics they said investors are those persons who like to work with human resource and asset liability. Assets and liability both are consumed by owner of the company but sometimes they prefer to give one portion of share to public.

Investment in High Risk Portfolio:

Cost of funds is higher than the assets and liability. Cost that collected for funds in non-banking financial institute are higher or less than that commercial bank of other banks it has already been mentioned. In order to monitoring that stand of the high cost of borrowing, it may be disposed to invest in the high long return segments, which will expose through them too commensurately with advanced and versatile risks. Furthermore, aggressive segment competition through among selected participants may also create false force many more non-banking financial institute to decrease the appropriate margin border at the expenditure and fund of quality asset growth portfolio. This plan will eventually create ability the possibility growth in the way of non-designated accounts

Product Diversification:

Non-banking financial institute developed mainly the product to fill the proper gaps in the supply of the financial institute services which are not generally providing by segment of the banking differentiate sector, and to accompaniment investment sector in summit the pure funding evaluates requirements of the developing certain economy. Through favor toward placement of Hinds, entire remaining occupancy, advance besides asset by non-banking stood completed 35 billion, 25 billion correspondingly in the conclusion of September, 2008. They are allowable toward start wide collection in terms of actions and consequently not detain them to an incomplete amount goods individual. Rental, not at all uncertainty, offerings good substitute form of time funding. Unfluctuating popular rental, investments on the other hand, were not continuously completed in the actual subdivision in addition non-conventional industrial subdivision. Nearly all the rental businesses absorbed on gear leases to (Complementary, Transformation, Auxiliary and Growth) components solitary brought under the preview of leasing facilities new industrial units were difficult. This suggests that original purchaser dishonorable consumes not remained formed and development with trading free enterprise might not be enabled concluded financing correspondences. Varying the creation variety is tactical task for NBFi to develop a inexpensive in swiftly rising marketplace.

Rivalry through commercial Banks:

Market share is existence binge finished the rival companies besides the request opposite respectively stable is attractive additional adaptable with the advent of new banking sector. Energetic contribution of profitable banks in then non-bank funding events consumes additional augmented the equal of rivalry in the manufacturing. Until recently rental was measured as a non-bank funding movement. On the other hand, a huge amount of commercial banks consumes likewise exposed their attention in the rental commercial and consumes previously entered the marketplace.

Chapter-5: Conclusions and Recommendation

5.1 Conclusions:

Commercial banks are essential for a steady monetary scheme. NBFIs previously increased substantial approval equally in industrialized besides emerging countries. On the other hand, institutes assistance toward level the progress of longstanding asset besides funding, that is frequently a face up toward investment segment. On the other hand, the development of non-bank broadens variety of goods presented aimed at persons and organizations through incomes toward devote. Their process non-bank collects long-standing reserves essential aimed by the growth of justice besides company obligation marketplaces, rental, factoring and scheme principal. Additional significant part which non-bank production for an economy system is performance by way of a barrier, particularly for instants of financial anguish. Efficient segment likewise acts by way of a general jeopardy remover that underwrites toward general part financial consistency of monetary system. NBF Is of this country has previously approved additional than three decades of operation. In 1981 the journey started holding the hand of Manufacturing Elevation & Growth Corporation Limited (IPDC) and now in 2015 the number of companies goes up to 33. In spite of fairly a few restraints, the manufacturing company has achieved remarkably good besides their part in economy must be therefore approved. It is vigorous to term that a substance aimed at economic development and to deliver essential provision aimed at their growth. A longstanding method through altogether alarmed aimed at growth of non-bank is essential. Assumed appropriate delivery, non-bank will bright to performance an additional important part in the financial growth of republic.

5.2 Recommendations:

Exploring Alternative Sources of Fund:

Different sources for collecting funds are searched by the economics besides rental businesses crosswise the ecosphere. The possibilities of in advance entree toward new-fangled bases of reserves similar profitable daily then overlooking before auction of let creditable NBFIs of Bangladesh may also determine.

Enhancing Capital Market Activities:

Significant part of the growth in wealth marketplace remains carry out by NBFIs around the world. Robust official funding remains essential aimed at a vivacious investment marketplace that is the essential of monetary growth slightly marketplace founded monetary scheme. Non-bank finished their commercial investment extension performance this favor as merchant banks in Bangladesh total of 30 companies are now listed, of 6 issue directors, and individual one is a selection director. Energetic contribution of commercial series is important toward accelerate the principal marketplace actions which the financial development of republic. The achievement of commercial banking processes is mainly related toward development of the sanctuary marketplace. Consequently, remote non-bank should focus additional on their opportunities in the principal marketplace.

Improving Capital Adequacy:

Non-banking in this country consume remained trained below the statutory and cash reserve ratio Consensus toward preserve a Wealth Competence Relation (CAR) of not fewer than 10.0 percent with in core capital. So, must be following the instruction of BB.

Market specialization through Segmentation:

It consumes remained deliberated that through Series besides non-bank contest by other they can also achieve opposite purposes. For functioning by way of balancing organizations both Series and non-bank must shadow approximately moral besides practical standards.

Ensure Strong Legal System:

Government and BB should ensure a strong legal system for this sector. The condition cannot be improving solitary through creation of lawful scheme sturdier finished performing of new-fangled rules relatively guaranteeing correct application present remains additional apprehension.

NBFIs should enter into Capital Market:

Every NBFIs should enter into capital market as soon as possible. If they enter, they can mobilize more funds and take more advantages by using it.

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