

An Internship Report on
**“The Impact of Foreign Trade on Banks’ Sustainability: An Empirical
Study on State-Owned Commercial Banks in Bangladesh”**



*This report is submitted for the partial fulfillment of the program of Bachelor of
Business Administration (BBA) with Major in Finance and Banking*

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Letter of Transmittal

20th April 2026

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Subject: Submission of the report on "**The Impact of Foreign Trade on Banks' Sustainability: An Empirical Study on State-Owned Commercial Banks in Bangladesh**"

Respected Ma'am,

With due respect, I am submitting my internship report on "**The Impact of Foreign Trade on Banks' Sustainability: An Empirical Study on State-Owned Commercial Banks in Bangladesh**". As per partial accomplishment of the requirement for the BBA degree, this internship has been carried out under the supervision of you. This report is an integral part of our academic courses in completion of the BBA program which has given me the opportunity to have an insight into the core part of this topic. I have tried my best to do the report properly and make the report in a fascinating way. Finally, I would like to express my sincere appreciation and thanks for your help while preparing the report.

I therefore, pray and hope that you would be kind enough to accept my internship report and oblige thereby.

Sincerely,

.....

Ayesha Khatun

ID No: 12117004

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Acknowledgement

At first, I want to express my deepest gratitude to Almighty, the most merciful for her kindness to give me the ability to complete this report successfully. I extend my deep gratitude to my supervisor **Sutapa Chowdhury**, Assistant Professor, Department of Finance and Banking, Comilla University, for her guidance, suggestions, and encouragement for the preparation of this report. Without her guidance I could not have finished this work on time. She provided me full support and ideas necessary in analyzing the industry and thus to accomplish my goal. I am also grateful to all of the respected teachers of the Bachelor of Business Administration for their continuous inspiration and assistance throughout these years.

For her continuous support and guidance while preparing this report, I am indebted to her indeed. She has given her hearty effort to guide me in the right direction during the internship period. Her sincere guidance, untiring co-operation, valuable advice and endless inspiration enabled me to overcome all the quandaries that I faced during the preparation of the report.

Student's Declaration

I am Ayesha Khatun, ID No: 12117004, student of Department of Finance and Banking, Comilla University, do hereby declare that the internship report on "**The Impact of Foreign Trade on Banks' Sustainability: An Empirical Study on State-Owned Commercial Banks in Bangladesh**" represents the result of my own works, pursued under the supervision of Sutapa Chowdhury, Assistant Professor, Department of Finance and Banking, Comilla University, Cumilla. I also confirm that the report is only prepared for my academic requirements and didn't submit this report any other place before.

I also assure you that this report was not submitted for any other degree.

.....

Ayesha Khatun

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Department of Finance and Banking

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Supervisor's Certificate

This is to certify that the report on "**The Impact of Foreign Trade on Banks' Sustainability: An Empirical Study on State-Owned Commercial Banks in Bangladesh**" is done Ayesha Khatun, ID No: 12117004, Session: 2020-2021, as the partial fulfillment of Bachelor of Business Administration (BBA) Degree from Department of Finance and Banking, Faculty of Business Studies, Comilla University, Cumilla. This report has been prepared under my guideline and is a report of the authentic work carried out successfully.

I wish her every success in life.

.....

Sutapa Chowdhury

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Experience Certificate



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INTERNSHIP CERTIFICATE

This is to certify that **Ayesha Khatun**, Student of BBA, Department of Finance and Banking, Comilla University, Cumilla- 3506 has been conducting a Three Months Internship with us since 04/01/2026. Her Student ID is --12117004. She has an excellent knowledge regarding banking products & services.

we wish her all the best in her educational journey.

Sincerely Yours,

Zakaria Sarkar
Manager

ZAKARIA SARKAR
Manager
JANATA BANK PLC.
Cumilla University Branch

Executive Summary

The sustainability of Bangladesh's state-owned commercial banks is examined in this paper, with a focus on six state-owned commercial banks: Janata Bank PLC, Sonali Bank PLC, Agrani Bank PLC, Rupali Bank PLC, BASIC Bank PLC, and BDBL. The research assesses how import, export, letters of credit, inflation, and foreign currency rates affect bank sustainability as assessed by Asset Growth (AG) using secondary data gathered from annual reports and other macroeconomic sources for the years 2010–2024. The goal of the study is to link theoretical knowledge with actual banking operations, and it was inspired by the practical experience obtained during the internship at Janata Bank PLC.

Panel data methods, such as Pooled OLS Regression Model, Hausman specification test, Random Effects Model, Correlation Analysis, Heteroscedasticity test, and Multicollinearity test, form the basis of the empirical study. The results show that the sustainability of state-owned commercial banks is mostly explained by macroeconomic factors and international commerce. Export activity is one of the explanatory factors that has a statistically significant and substantial positive impact on asset growth, suggesting that increased export transactions support banks' long-term viability. On the other hand, import activity has a substantial negative impact, indicating that an over-reliance on import financing may raise risk and diminish financial stability. Additionally, there is a strong negative and substantial correlation between the foreign exchange rate and bank sustainability. This suggests that exchange rate volatility poses considerable issues for banks that engage in international commerce. Conversely, letters of credit have a positive but statistically insignificant link with asset growth, while inflation shows a positive and substantial influence. The model's overall explanatory power is good, accounting for around 56.2% of the variance in bank sustainability.

Keywords: Asset Growth, Pooled OLS Regression Model, Correlation Analysis, Heteroscedasticity test, Multicollinearity test, Random Effects Model.

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Chapter One

Introduction

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Chapter One

Introduction

1.1 Introduction

Foreign commerce has emerged as a major force behind financial development and economic expansion in the age of globalization, especially in emerging nations like Bangladesh. Through services including import and export finance, foreign currency transactions, and the issue of letters of credit, commercial banks play a critical role in promoting international commerce. In addition to promoting international commerce, these initiatives have a major positive impact on the banking industry's growth and performance. The significance of banking institutions in economic growth is shown by the tight relationship between international trade flows and financial intermediation (World Bank, 2020).

In Bangladesh, state-owned commercial banks have long been crucial to maintaining financial stability and promoting international commerce. Banks provide safe and effective commercial transactions between importers and exporters using tools like letters of credit that are subject to international norms (International Chamber of Commerce, 2007). Additionally, macroeconomic variables that affect banking operations and performance include inflation and changes in currency rates (International Monetary Fund, 2020).

The notion of bank sustainability, which encompasses long-term stability, efficiency, and risk management in addition to profitability, has grown in significance in recent years. Although it is commonly anticipated that international trade operations would increase banks' revenue and growth, their true influence on sustainability is still unclear because of a number of internal and external issues. In order to provide empirical insights into this crucial link, this research attempts to investigate the effects of macroeconomic factors and international trade on the sustainability of state-owned commercial banks in Bangladesh.

1.2 Background of the Study

Over the years, Bangladesh's international commerce has grown steadily, which has greatly enhanced commercial banks' participation in trade finance and associated services. State-owned commercial banks are essential to the nation's overall economic growth since they facilitate import and export operations, issue letters of credit, and manage foreign currency transactions. Nevertheless, despite their significance, these banks have a number of difficulties that might jeopardise their long-term viability, including operational inefficiencies, a high percentage of non-performing loans, regulatory pressure, and currency rate volatility.

This research was based on an internship at Janata Bank PLC, one of Bangladesh's top state-owned commercial banks. For the internship report, the topic "**The Impact of Foreign Trade on Banks' Sustainability: An Empirical Study on State-Owned Commercial Banks in Bangladesh**" has been chosen from 2010 to 2024. It is anticipated that the research would shed more light on the connection between international commerce and the long-term success of Bangladesh's state-owned commercial banks. Practical exposure to banking operations, particularly foreign trade activities during the internship period sparked a keen interest in learning how international commerce affects bank sustainability. This practical experience gave important insights into how trade-related services affect bank stability and performance.

Thus, the purpose of this research, which spans the years 2010 to 2024, is to investigate how macroeconomic factors and international trade affect the viability of Bangladesh's state-owned commercial banks. It is anticipated that the results of this study will improve knowledge of the connection between international commerce and bank sustainability and advance this field of study.

1.3 Research Objectives

1.3.1 General Objective

The main objective of this study is to examine the impact of foreign trade activities on the sustainability of state-owned commercial banks in Bangladesh using empirical analysis.

1.3.2 Specific Objectives

1. To analyze the impact of import activities on bank sustainability.
2. To examine the effect of export transactions on bank sustainability.
3. To assess the role of macroeconomic variables such as Inflation, and Exchange rate on bank sustainability.
4. To determine the overall relationship between foreign trade variables and bank sustainability using panel data models (Fixed Effect and Random Effect models).
5. To identify the most significant determinants of bank sustainability based on empirical findings.

1.4 Research Questions

- Does foreign trade significantly influence the sustainability of state-owned commercial banks in Bangladesh?
- What is the effect of import activity on bank asset growth?
- Does export activity contribute positively to bank sustainability?
- How important is letter of credit activity in explaining asset growth?
- How do inflation and foreign exchange rate movements affect the relationship between trade and bank sustainability?

1.5 Problem Statement

For state-owned commercial banks in Bangladesh, foreign trade activities—especially import (IMP), export (EXP), and letters of credit (LC)—are seen as significant sources of revenue and operational growth. In addition, macroeconomic variables like the foreign exchange rate (FER) and inflation (INF) have a significant impact on the stability and financial performance of banks. In the case of Bangladesh, the combined and individual effects of these factors are yet unknown experimentally, despite their theoretical connection to banks' sustainability.

Studies that have hitherto been conducted provide little and conflicting information on whether foreign trade factors considerably improve banks' sustainability or if external macroeconomic challenges outweigh their advantages. Further complicating the interpretation of their actual influence are problems like multicollinearity across trade variables, inconsistent significance thresholds, and different model outputs (e.g., fixed vs. random effects).

Therefore, the purpose of this study is to empirically investigate the impact of macroeconomic variables (inflation and exchange rate) and foreign trade indicators (import, export, and letters of credit) on the sustainability of state-owned commercial banks in Bangladesh in order to ascertain whether these factors positively contribute to long-term financial stability and performance.

1.6 Significance of the Study

This research is very significant in both academic and real-world settings, especially in Bangladesh's banking industry. Due to their extensive involvement in import-export finance, remittance processing, and foreign currency transactions, state-owned commercial banks' financial performance and long-term viability are significantly influenced by international commerce.

First, by experimentally investigating the connection between international trade activities—such as import, export, and remittance—and bank sustainability, this study adds to the body of current work. This research highlights sustainability, which encompasses banks' long-term stability, growth, and resilience, while many studies concentrate on profitability. In light of emerging economies like Bangladesh, it thereby closes a significant research gap.

Second, policymakers and regulatory bodies like the Bangladesh Bank will find the study's conclusions very helpful in creating efficient banking and trade policies. Policymakers can develop the banking industry and maintain economic stability by knowing how international trade factors affect bank performance.

Thirdly, the management of state-owned commercial banks like as Sonali Bank PLC, Janata Bank PLC, Agrani Bank PLC, and Rupali Bank PLC, Basic Bank, BDBL might benefit from the practical insights this research offers. The findings may help bank managers make better decisions about resource allocation, risk management, and international trade operations.

Additionally, the research is important for stakeholders and investors since it clarifies how external trade trends affect banks' sustainability and financial health. Better investment choices and more trust in the financial system may result from this knowledge.

Lastly, by offering a structured empirical framework, pertinent variables, and analytical methods (such regression analysis, VIF, and panel data models), this study helps students and future researchers. It may be used as a point of reference for more research on international commerce, banking, and financial sustainability.

1.7 Scope of the Study

The study's focus is restricted to examining how international commerce affects Bangladesh's state-owned commercial banks' capacity to survive. The primary goal of the research is to comprehend how international trade-related operations affect these banks' long-term viability and performance. Import and export finance, foreign currency transactions, remittance services, and letter of credit operations are among the key international trade tasks it takes into account.

The research focuses on sustainability metrics such bank long-term performance, profitability, operational effectiveness, and financial stability. The report focuses only on state-owned commercial banks and does not address other bank types in Bangladesh. However, the knowledge of the subject will be reinforced by real-world observations during the internship at Janata Bank PLC.

Secondary data gathered from yearly reports, government publications, bank reports, journal papers, and other pertinent materials serves as the study's primary foundation. As a result, the scope is limited to the data and empirical analysis that are pertinent to the chosen subject. Notwithstanding these drawbacks, it is anticipated that the research would provide a significant insight of how international commerce contributes to the long-term viability of Bangladesh's state-owned commercial banks.

1.8 Limitation of the Study

1. Since the research solely looks at Bangladesh's state-owned commercial banks, its conclusions may not apply to private or international banks.
2. The research relies on secondary data from public sources and yearly reports, which may have limits in terms of availability, quality, and consistency.
3. Import, export, letters of credit, inflation, and currency rates are the only variables taken into account in the research; other significant elements that have an impact on sustainability, such as credit risk, managerial effectiveness, and political influence, are left out.
4. Some trade variables, such as import and LC, have signs of considerable multicollinearity, which might have an impact on the accuracy of coefficient estimations.
5. The study's narrow time frame and very small sample size (90 observations) may have an impact on how reliable the findings are.

Chapter Two

Literature Review

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Chapter Two

Literature Review

2.1 Literature Review

Banks serve as the primary conduit for the processing of import payments, export revenues, documentation credits, and foreign currency settlements, international trade is crucial to the financial systems of developing nations. This connection is particularly significant in Bangladesh as commercial banks, especially state-owned commercial banks, continue to play a significant role in reserve-sensitive transactions, payment intermediation, and external trade finance. Asset Growth (AG) is used as a proxy for bank sustainability as it reflects the expansion of a bank's assets and overall financial strength over time. Higher asset growth indicates improved performance and efficient resource utilization. According to Cooper, Gulen, and Schill (2008), asset growth is an important indicator of firm performance and investment activities. Therefore, it is used as the dependent variable in this study to measure the sustainability of banks. Therefore, changes in imports, exports, letters of credit, inflation, and foreign currency reserves may have an impact on banks' long-term viability as well as their immediate profitability. Long-term financial stability, institutional resilience, regulatory flexibility, and the capacity to maintain trade and productive sectors in the face of shifting macroeconomic circumstances are all included in this broader definition of sustainability. One of the most obvious ways that overseas commerce affects bank operations is via imports. Banks must establish letters of credit, distribute foreign currency, check shipping and trade documentation, and often provide importers short-term financing options in order to complete import operations. In addition to generating income via commissions, fees, and financing costs, this exposes banks to external payment pressure and liquidity limitations in the event that foreign currency supply declines. According to Habib and Haque, A.N. (2020), documentary credit is still a major component of trade service practices in Bangladesh, particularly when it comes to imports. According to Nazia (2015), import finance is still very important for trade-related banking activities and is one of the key roles of commercial banks in Bangladesh.

On the other hand, since exports provide foreign currency to the economy and help the banking system replenish its liquidity, they are often seen more favourably in terms of banking sustainability. Export bill processing, post-shipment financing, documentation collections, and the realisation of export revenues are all ways that banks profit from exports. According to Habib and Haque, A.N. (2020), banks in Bangladesh are crucial to the collection and settlement of export revenues, highlighting the significance of external trade flows for bank operations. Export development has a favourable impact on reserve building and external stability, according to studies on Bangladesh's foreign currency reserves. For instance, Naima et al. (2025) discovered that trade-related and macroeconomic factors have a substantial impact on Bangladesh's foreign currency reserves, and export performance continues to be a crucial element of that external position. Suman and Shanta (2025) similarly came to the conclusion that reserve dynamics in Bangladesh are significantly influenced by external-sector factors. Export growth is more likely to enhance bank sustainability than import growth since larger reserve holdings often lessen strain on trade settlement and foreign exchange management.

Because they combine trade finance, payment security, bank intermediation, and operational risk into a single document, letters of credit have a special place in the literature. LC transactions continue to be crucial to foreign commerce, particularly imports, in Bangladesh, and banks profit handsomely from these activities. According to Habib and Haque, A.N. (2020), letters of credit continue to dominate Bangladesh's commercial sector and are crucial for enabling cross-border transactions. However, the research also demonstrates that there are risks associated with LC procedures. According to Rafique and Duraisingam (2024), fraudulent letter of credit transactions are becoming more common in Bangladesh and have significant effects on the country's financial system. According to Imtiaz (2024), inconsistencies in LC paperwork might lead to financial risk and operational difficulties in a number of Bangladeshi banks. This implies that sustainability cannot be ensured by LC business volume alone; internal control, paperwork management, and compliance quality are just as crucial. Increased LC activity may boost a bank's trade-related revenue, but poor LC control may jeopardise its long-term viability.

However, erratic inflation may also impair credit quality and skew financial planning. According to Akther et al. (2023), commercial bank profitability in Bangladesh is significantly positively impacted by inflation, indicating that banks may profit in specific inflationary circumstances. Due to their frequent involvement in overseas trade finance and external settlements, state-owned commercial banks are also directly impacted by exchange-rate-related stress and reserve variations. Hossin and Mondol (2020) discovered that the financial performance of Bangladesh's state-owned commercial banks is adversely affected by changes in currency rates. This conclusion is particularly significant since exchange rate volatility makes trade financing more expensive and unclear, makes managing foreign currencies more difficult, and may erode the balance-sheet position of banks that deal with external transactions. The sustainability concerns increase when this pressure on currency rates is coupled with diminishing foreign exchange reserves. Chowdhury et al. (2014) explained Bangladesh's reserve position may be explained by a number of macroeconomic factors. The claim that trade and macroeconomic factors, such as exports, imports, and other external-sector indicators, influence foreign currency reserves is supported by more recent research like Naima et al. (2025) and Suman and Shanta (2025). Reserve adequacy is important for banks' capacity to maintain import payments, export proceeds realisation, and international banking services since they are the operational intermediates of the foreign currency market.

Research on sustainable banking and green finance, which expands the notion of sustainability beyond specific accounting performance, is another relevant body of literature. Weber and Chowdury (2020) discovered a favourable correlation between Bangladeshi banks' financial success and sustainability performance, suggesting that sustainability is not only a regulatory burden but may also promote better institutional results. In their study of Bangladesh's green banking development, Khairunnessa et al. (2021) shown that regulatory actions have been crucial in promoting sustainable banking practices. Green banking was previously defined by Masukujjaman and Aktar (2013) as a strategic commitment in line with international efforts and long-term responsibility. These studies help define sustainability as a multifaceted concept that includes institutional durability, responsible financing, and strategic resilience, even though they do not directly examine imports, exports, letters of credit, inflation, or foreign exchange reserves.

The general notion that external-sector connections may have a major impact on banking sustainability is likewise supported by international data. In the case of China, Yang et al. (2019) discovered that, when kept at a suitable level, foreign strategic investment may enhance banking sustainability. Using data from emerging nations, Bouzidi and Nefzi (2024) found that although foreign bank entrance may increase efficiency, it may also put local bank stability at risk in situations when institutional circumstances are weaker.

However, the current research is still disjointed despite the significance of these factors. Few studies have combined imports, exports, letters of credit, inflation, and foreign exchange reserves into a single integrated framework to explain the sustainability of state-owned commercial banks in Bangladesh. Previous studies have looked at profitability, trade services, green banking, reserve determinants, and non-performing loans. The current research fills this exact gap.

2.2 Research Gap

While many studies have looked at the connection between international commerce and banking performance, the most of them are more concerned with profitability, financial performance, or macroeconomic effects than with the more general idea of bank sustainability. The majority of current research in Bangladesh focuses on private commercial banks or the banking industry as a whole; state-owned commercial banks, which operate under distinct structural and management settings, get less attention.

Furthermore, previous research often examines international trade elements (such import, export, or remittance) separately rather than combining them with important macroeconomic factors like inflation and currency rates to create a holistic model. This leaves a vacuum in our knowledge of how macroeconomic and trade-related issues interact to affect banks' long-term viability.

Additionally, there is insufficient empirical evidence based on panel data to elucidate these linkages. In order to close these gaps, this study uses panel data analysis to empirically investigate how macroeconomic variables (inflation and exchange rate) and foreign trade indicators (import, export, and letters of credit) affect the sustainability of state-owned commercial banks in Bangladesh.

2.3 Hypothesis Development

There are two types of hypotheses. The first type is null hypothesis (H_0) and another hypothesis is known as alternative hypothesis (H_1). Null hypothesis describes the exact relationship between two variables. In general, the null statement is expressed as no relationship or zero relationship between two variables. The hypothesis will come out such as follows:

H1: There is no relationship between Import (IMP) and Asset Growth (AG).

H2: There is no relationship between Export (EXP) and Asset Growth (AG).

H3: There is no relationship between Letter of Credit (LC) and Asset Growth (AG).

H4: There is no relationship between Foreign Exchange Rate (FER) and Asset Growth (AG).

H5: There is no relationship between Inflation rate (INF) and Asset Growth (AG).

Chapter Three

Organizational Profile of Janata Bank PLC

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Chapter Three

Organizational Profile of Janata Bank PLC

3.1 Background History

The second-biggest commercial bank in Bangladesh is Janata Bank PLC. This bank is forward-thinking. The former United Bank Limited & Union Bank Limited were nationalised and renamed Janata Bank Limited as soon as Bangladesh emerged in 1971. Since its founding in 1972, it has operated both domestically in Bangladesh and abroad. By mobilising savings and directing cash into various productive sectors, JBL has been significantly contributing to the nation's economic progress. The 13-member Board of Directors, which includes the non-executive Chairman, oversees the bank. The CEO is in charge of the bank's general administration.

Janata Bank is a private commercial bank that was established on May 21, 2007, as a public limited company under the Companies Act of 1994. It is subject to the Bank Companies Act of 1991. Through a vendor agreement signed between The Peoples Republic of Bangladesh and Janata Bank Limited on November 15, 2007, with retroactive effect from July 1, 2007, JBL acquired the business, assets, liabilities, right, authority, privilege, and duty of the former Janata Bank. The bank has two 100% owned subsidiaries, Janata Exchange Company Sarja in Italy and Janata Capital and Investment Limited in Dhaka, in addition to its 918 branches, four of which are located abroad. On May 31, 2007, Bangladesh Bank granted Janata Bank Limited a licence to perform banking operations.

3.2 Corporate Profile

Chairman	M. Fazlur Rahman
Managing Director	Md. Mazibur Rahman
Company Secretary	Md Abdul Alim Khan (DGM)
Legal Status	Public Limited Company
Date of Incorporation	21 May 2007
Date of Commencement of Business	21 May 2007
Registered Office	Janata Bhaban 110, Motijheel C/A Dhaka-1000 Bangladesh.
Accounting Year-end	December 31
Authorized Capital	Tk. 30,000 Million
Paid up Capital	Tk. 23,140 Million
Number of Branch	929
Number of Employee	14323
Swift	JANBBDDH
E-mail	md@janatabank-bd.com
Website	jb.com.bd

3.3 Vision, Mission and Core Values of Janata Bank PLC

3.3.1 Vision

To become the biggest and most efficient commercial bank in Bangladesh in order to promote the nation's socioeconomic growth and to become a premier bank in South Asia.

3.3.2 Mission

Janata Bank PLC will be a successful commercial bank by upholding a steady growth strategy, offering top-notch financial products, offering first-rate customer service via a knowledgeable management team, and guaranteeing sound corporate governance in each branch and part of the banking network.

3.3.3 Core Values

- ✓ Professionalism
- ✓ Development
- ✓ Diversity
- ✓ Dignity
- ✓ Accountability
- ✓ Integrity

3.4 Slogan of Janata Bank PLC

"A Committed Partner in Progress"

This slogan reflects the bank's dedication to supporting its customers and contributing to the socio-economic development of Bangladesh.

3.5 Strategic Objectives of JBPLC

HAVE	NEED
▪ Concern ▪ Dedication ▪ Proficiency	▪ Keep your capital robust. ▪ Create a strong feeling of ownership and belonging. ▪ Foster a sense of unity. ▪ Use human touch while interacting with customers. ▪ Boost the effectiveness of management. ▪ Use creative thinking. ▪ Avoid corruption. ▪ Enhance online banking. ▪ Enhance the infrastructure of IT. ▪ Expand the base of deposits. ▪ Accelerate the recovery of funds.

	▪ Make every branch profitable. ▪ Improve training initiatives. ▪ Increase remittances from overseas.
STRENGTHS ▪ 925 branches across national networks ▪ Four branches of foreign networks ▪ Application 376 for relationship management ▪ A rise in remittances sent home ▪ The appearance of a commercial bank that is owned by the state ▪ Reputation in the market ▪ Global recognition ▪ A strong base of deposits	BRAND ▪ IT based delivery channels ▪ Easy access to customers ▪ Quality and responsive staff ▪ Service with competitive cost ▪ Business diversification ▪ Expertise ▪ No additional expenses ▪ Positive impact of CSR

3.6 Code of Conduct

Ethical Principles The workers of Janata Bank PLC adhere to the following ethical principles:

- Act honourably, competently, and with dignity;
- Be devoted to the bank and its interests;
- Uphold professionalism and ethical standards;
- Provide services in compliance with JBPLC's policies and pertinent guidelines.
- Try to satisfy customer needs as best you can while adhering to corporate ethics guidelines;
- Maintain confidentiality in all pertinent matters;
- Adhere to all applicable laws, rules, and regulations;
- Never offer or accept illegal facilities or gifts in order to gain personal advantage;
- Show no discrimination against anyone, regardless of their race, religion, colour, gender, age, etc.

3.7 Ethical Principles

Banks handle public fund thus adhering to ethical standards is crucial. Janata Bank continues to maintain its standing as a respectable business entity and a law-abiding corporation. Workers are appropriately trained to do business in a way that complies with regulations. Laws and regulations are followed in the preparation of the policy and procedures pertaining to Janata Bank's business process. In all areas of its banking operations and customer service, JBPLC upholds and adheres to ethical standards. The primary characteristics of an employee code of ethics and their business behaviour are as follows:

- ✓ Implementing justice and fairness;
- ✓ Ensuring the best possible customer service;
- ✓ Adhering to "The Right to Information Act-2009";
- ✓ Preventing money laundering and corruption; protecting and upholding corporate values;
- ✓ Maintaining accuracy and transparency in financial reporting; protecting the environment;
- ✓ Carrying out all activities in accordance with the rules and regulations approved by the various regulatory authorities.

3.8 Board of Directors

Current Board of Directors of Janata Bank PLC. includes the following:

Name	Position
Mr. M. Fazlur Rahman CSP	Chairman
Mr. Badre Munir Firdaus	Director
Dr. Md. Abdus Sabur	Director
Mr. Abdul Majid Sheikh	Director
Mr. A. K. M. Khabir Uddin Chowdhury	Director
Mr. Abdul Awal Sarker	Director
Dr. Md. Shahadat Hossain	Director
Mr. Md. Ahsan Kabir	Director
Mr. Md. Kausar Alam, FCS, FCCA, ACA (ICAEW), FCMA	Director
Mr. Md. Obaidul Hoque	Director
Mr. Md. Mazibur Rahman	Managing Director
Mr. Md. Abdul Alim	Company Secretary

Chapter Four

Research Methodology

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Chapter Four

Research Methodology

4.1 Research Design

It describes the kind of pattern that the research intends to follow. This is the overall strategy or method of study. A systematic approach to examining a scientific problem is called research design. Research design is the structure used to find answers to research questions. The main objective of the research is to evaluate the effects of international commerce on the viability of Bangladesh's state-owned commercial banks. The research is analytical as its goal is to examine the relationship between dependent and independent variables. The study approach is quantitative and empirical as it depends on secondary data and a limited number of prior empirical studies. This let the researcher form conclusions about the impact of macroeconomic and trade variables on the foreign trade operations of Bangladeshi banks in order to comprehend the present and anticipate and manage the future. The study's quantitative research approach allowed for the systematic and statistical assessment of the correlations between variables by providing answers to the "How many?" enquiries.

4.2 Sampling Design

Six state-owned commercial banks are chosen for a fair and even comparison and to get accurate findings. Six state-owned commercial banks, including Janata Bank PLC. Agrani Bank PLC and Sonali Bank PLC. Basic Bank PLC. BDBL and Rupali Bank PLC. This research will concentrate on the influence of foreign trade on the sustainability of banks: An empirical analysis of state-owned commercial banks in Bangladesh. All the information needed to make this report comes from secondary data sources. This research has been undertaken by gathering data for the period of 15 years from 2010-2024.

4.3 Data Source and Collection

This study is mostly centred on how foreign trade affects the long-term health of banks: An empirical examination of state-owned commercial banks in Bangladesh.

To make things easier, secondary data were gathered from the annual reports of six banks from 2010 to 2024. This was done using convenience sampling, which is a non-probabilistic method.

The result is a panel data set with 90 observations. The primary purpose to write the report is to learn more about something and get more experience. The "Secondary Sources" of information and data are:

Research papers; annual reports from Agrani Bank, Sonali Bank, Janata Bank, Rupali Bank, BDBL, and Basic Bank; websites on the Internet; online journals; and different books, articles, and other things on the centralisation process.

We will get information on macroeconomic indicators from trustworthy sources such as the Bangladesh Bank and World Bank websites.

4.4 Method of Data Analysis

To find out whether there is a link between the dependent variables (Determinants=AG) and the independent variables, multiple regression is used. Using the STATA 18 application program, data were regressed, and the resulting regression outputs were analysed. MS Excel and MS Word were also utilised to do calculations and provide useful information to the STATA 18 program. But I have used certain statistical methods to look at the data.

4.5 Model Specification

All of the dependent and independent variables used in the analysis are listed below.

Table 1: An explanation of the variables used in the study's empirical findings.

Table 1: Variable Measurement

Variable	Definition	Sources
Asset Growth (AG)	The percentage change in a bank's total assets over time is referred to as asset growth. It shows a bank's potential for development and expansion as well as its capability to boost operations and financial stability.	Cooper, Gulen, and Schill (2008)

Import (IMP)	Import is the total amount of goods and services acquired via banking methods from other nations. It shows the extent to which banks manage trade finance.	World Bank (2020)
Export (EXP)	The entire value of products and services sold to other nations, made possible by banks via trade finance and foreign currency services, is referred to as export.	International Monetary Fund (2019)
Letter of Credit (LC)	In international commerce, a bank may guarantee payment to exporters on behalf of importers under certain circumstances by issuing a letter of credit.	UCP 600, (International Chamber of Commerce)
Inflation (INF)	The pace at which the average level of prices for goods and services rises over time, diminishing buying power and undermining economic stability, is known as Inflation.	International Monetary Fund (2020)
Foreign Exchange Rate (FER)	The value of one nation's currency in relation to another is known as the exchange rate, and it affects banking and international commerce.	World Bank (2020)

The following is the regression model that was used to test the hypotheses:

$$AG_{it} = \beta_0 + \beta_1 IMP_{it} + \beta_2 EXP_{it} + \beta_3 LC_{it} + \beta_5 INF_{it} + \beta_6 FER_{it} + \epsilon_{it}$$

Where,

AG = Asset Growth

IMP = Import

EXP = Export

LC = Letter of Credit

INF = Inflation

FER = Foreign Exchange Rate

4.6 Conceptual Framework

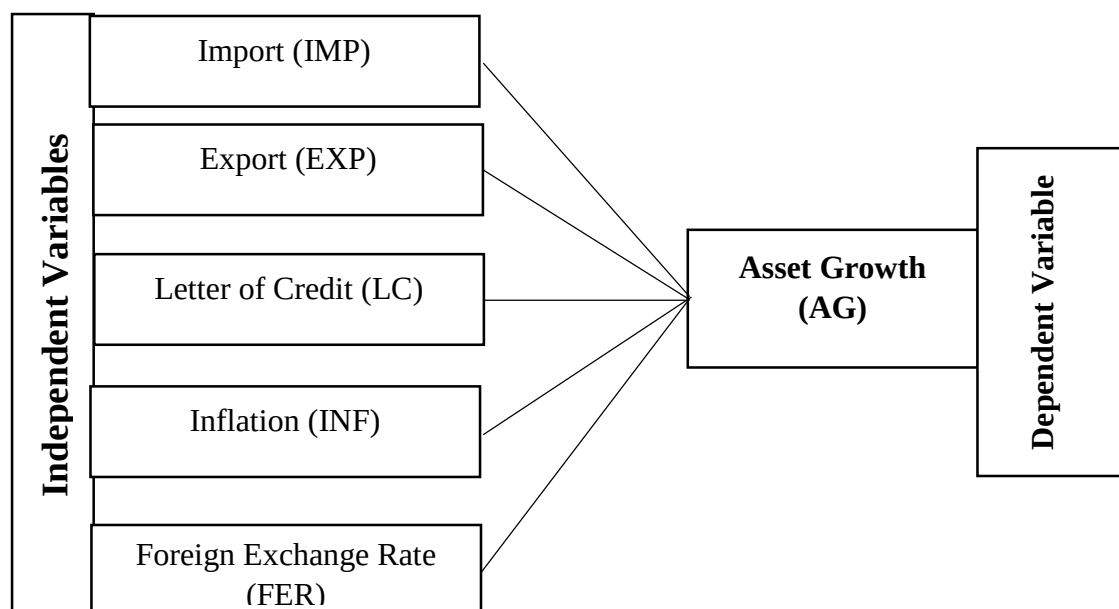


Figure 1: Conceptual Framework of the Study

Chapter Five

Data Analysis

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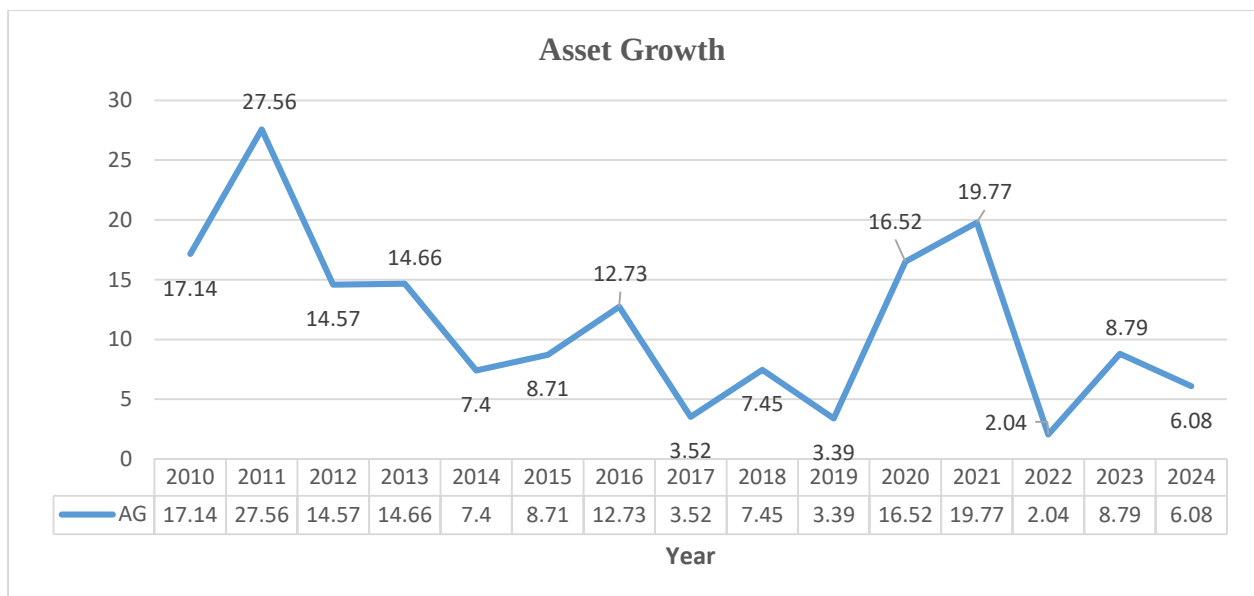
Chapter Five

Data Analysis

5.1 Trend Analysis

To comprehend the long-term performance and sustainability pattern of banks throughout time, the asset growth trend is examined. To illustrate the development pattern and performance of banks over the study period, the Asset Growth (AG) trend analysis is shown below.

Janata Bank PLC



Janata Bank PLC's growth chart exhibits notable swings with somewhat higher positive growth spikes. With notable increases and decreases in different years, the bank's growth seems to be more erratic. This illustrates the erratic growth performance over time. This may indicate that Janata Bank's operations are comparatively stable, either as a result of a steady development trajectory or more consistent management procedures. But the absence of significant growth also begs the question of whether the bank is aggressively seeking innovations or market expansion. To determine if Janata Bank PLC is being too cautious, which might restrict its potential for considerable development in a competitive banking environment, a closer examination of the bank's market positioning, product diversification, and reaction to external economic stimuli would be required.

Rupali Bank PLC



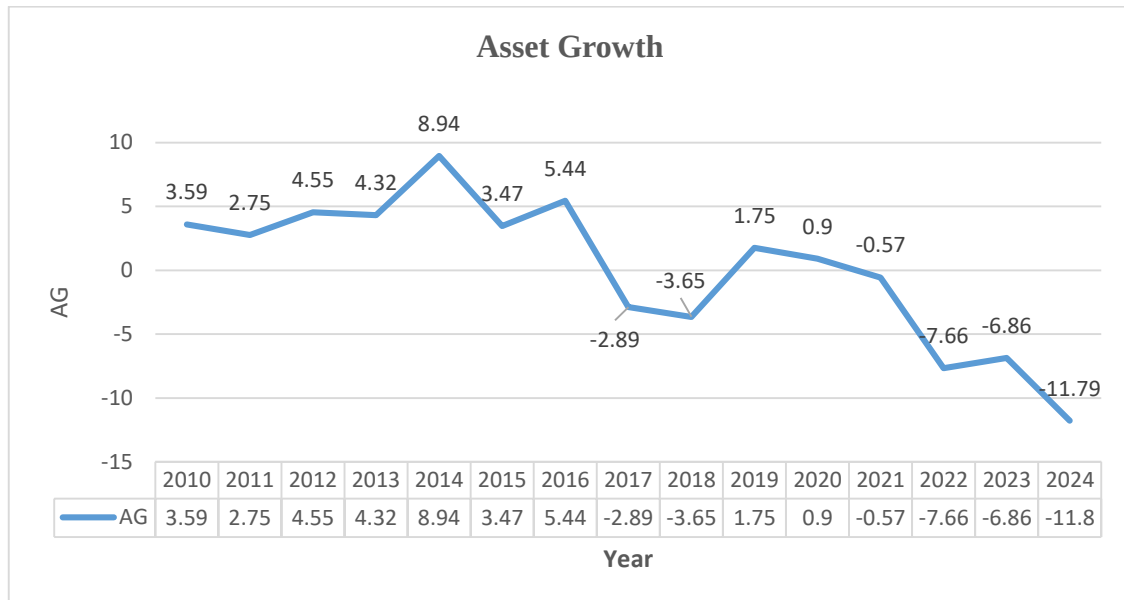
Rupali Bank PLC's performance from 2008 to 2026 is rather level, with just little variations, according to the data. In comparison to other banks, the bank's growth is very slow, and its performance clearly declined in 2016. Rupali Bank's performance has been comparatively constant throughout the years, with little variations, according to the chart, which seems to be more consistent. With relatively little variations, this bank's performance pattern is steady. This relative stability may indicate effective risk management and smooth operations. But the absence of noticeable growth can also mean that the bank isn't taking full advantage of expansion prospects in a fast-paced banking industry.

Sonali Bank PLC



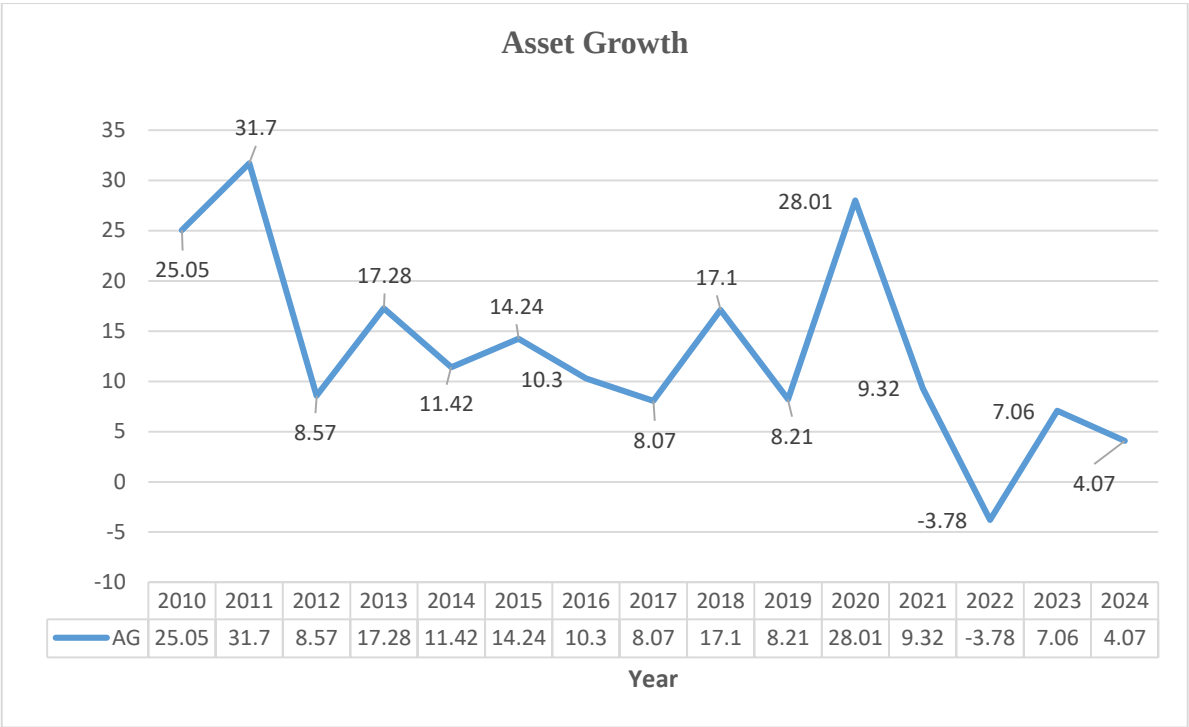
Sonali Bank PLC's graph shows significant growth, particularly from 2018 to 2024. Compared to other banks, the growth curve is more noticeable and shows definite increasing patterns. Although there are still some reductions, they seem to be less frequent or severe than the others, suggesting improved overall performance throughout the time under study. This implies that Sonali Bank PLC may be experiencing growth and decrease cycles, which might be a reflection of both internal management or strategy changes as well as times of market optimism and pessimism.

Basic Bank PLC



Compared to the preceding institutions, Basic Bank PLC's growth path exhibits more extreme swings, with the AG value falling sharply into negative territory in 2012 and 2016. This points to times when the bank's performance significantly declined. Although there is a slow comeback in the years that follow these decreases, the general pattern is very unpredictable. This implies that the bank could have had serious financial difficulties, which might be a sign of bad management, inadequate financial supervision, or possible outside influences like credit crises or market downturns.

Agrani Bank PLC



Agrani Bank PLC’s annual growth (AG) from 2008 to 2026 is shown in the chart. There are notable peaks and troughs in the pattern, which is rather erratic. It shows times of rapid expansion interspersed with slower growth, indicating that Agrani Bank PLC's growth performance has been erratic. While some years exhibit negative or low growth, the peaks seen around 2016 and 2020 represent times of increased growth.

BDBL



The trend on BDBL's chart is comparable to that of Agrani Bank, however it is less erratic. The graph shows growth swings that are comparatively modest, with notable declines in 2012 and 2016. In comparison to Agrani Bank PLC, the results are more steady, suggesting that BDBL may have performed more consistently throughout time.

5.2 Statistical Analysis

5.2.1 Descriptive Statistics

Using data from 2010 to 2024, the tables in the publication provide a thorough empirical examination of how foreign trade affects the sustainability of state-owned commercial banks in Bangladesh.

Table 2: Descriptive Statistics

Variable	Mean	Max	Min	Standard Deviation	Kurtosis	Skewness	Median
Asset Growth	6.7	19.77	-5.3	5.755	2.784	-.082	6.75
Import	9.467	12.64	4.16	2.386	3.278	-1.024	9.865
Export	7.823	11.05	3.21	2.249	1.842	-.428	7.13
Letter of Credit	10.198	13.67	1.4	3.66	3.774	-1.424	9.995
Inflation	7.078	9.9	5.51	1.551	1.893	.573	6.8
Foreign Exchange Rate	4.433	4.75	4.24	.132	3.563	1.113	4.4
Notes: The table shows the mean, standard deviation, minimum, median, skewness, and kurtosis of the Asset growth (AG), Import (IMP), Export (EXP), Letter of Credit (LC), Inflation (INF), Foreign Exchange Rate (FER) for 6 commercial banks using the data of 2010-2024. For all variables, the mean and median values are very similar, suggesting a symmetrical distribution in the data.							

Source: Considering the results produced by STATA 18

Key metrics for variables including Asset Growth (AG), Imports (IMP), Exports (EXP), Letter of Credit (LC), Inflation (INF), and Foreign Exchange Rate (FER) are summarised in the Descriptive Statistics table. These variables' mean and median values are quite close, suggesting that the data distributions are reasonably symmetrical. For instance, the average figure for exports is 7.823 while the average value for asset growth is 6.7. Standard deviations are also included in the table; Asset Growth has the highest standard deviation (5.755), indicating a considerable dispersion of data points around the mean.

5.2.2 Correlation Analysis

Table 3: Correlation Matrix

Variable	Asset Growth	Import	Export	Letter of Credit	Inflation	Foreign Exchange Rate
Asset Growth	1.000					
Import	0.323***	1.000				
Export	0.612***	0.701***	1.000			
Letter of Credit	0.220**	0.912***	0.510***	1.000		
Inflation	-0.068	0.055	0.013	0.032	1.000	
Foreign Exchange Rate	-0.347***	0.093	0.053	0.111	0.500***	1.000
Note 1: *** p<0.01, ** p<0.05						
Note 2: The table shows the results of Pearson's pairwise correlation coefficients between the examined variables. Data collected from 6 state-owned commercial banks (SOCBs) in Bangladesh between 2010 to 2024 is utilized.						

The correlations between the variables are shown in the correlation table. It reveals favourable connections between Imports and Letters of Credit (0.912) and Asset Growth and Exports (0.612), indicating that larger imports often correlate with higher Letter of Credit use. The modest connection (-0.068) between asset growth and inflation, however, suggests that inflation has little effect on banks' asset growth.

5.2.3 Linear Regression Model

Table 4: Pooled OLS Regression Model: Dependent Variable (Asset Growth)

Variable	Coefficient	t-value	p-value	Sig
Import	-1.155	-2.01	0.48	**
Export	2.114	7.29	0	***
Letter of Credit	0.443	1.42	0.159	
Inflation	0.631	2.02	0.046	**
Foreign Exchange Rate	-20.196	-5.50	0	***
Constant	81.649	5.32	0	***
Model Summary				
R-squared	0.562		Number of obs	90
F-test	21.533		Prob > F	0.000
<u>***$p < .01$, **$p < .05$, *$p < .1$</u>				

The findings of the linear regression show that macroeconomic factors and international commerce significantly affect bank sustainability (AG). Export (EXP) is one of the factors that has a strong positive and highly significant impact on sustainability, indicating that higher export activity improves banks' revenue and overall performance. On the other hand, there is a statistically significant negative correlation between import (IMP) and import finance, suggesting that increased import financing might result in greater costs or risks for banks. Additionally, inflation (INF) shows a positive and substantial impact, suggesting that nominal returns and profitability may be enhanced by moderate inflation. Letters of credit (LC), on the other hand, have a positive but statistically negligible effect, indicating that their contribution is insufficient to directly affect sustainability. The exchange rate (FER) shows a substantial negative and highly significant coefficient, indicating that bank stability is negatively impacted by exchange rate fluctuation. With an R-squared of 0.562, the model is statistically significant overall (Prob > F = 0.000), indicating that the chosen factors account for around 56.2% of the variance in bank sustainability.

5.2.4 Test for Hausman Specifications

The Hausman test may be used to differentiate between fixed effects and random effects models in panel analysis.

Table 5: Test for Hausman Specifications

Test	Chi-square value	p-value
Hausman test	6.85	0.0768

Source: Based on STATA 18's output.

In this case,

H0: Random Effect Model is superior than Fixed Effect Model

H1: Random Effect Model is not superior to Fixed Effect Model

The null hypothesis is accepted because the p value is greater than 0.05. Fixed effect models are inferior than random effect models.

5.2.5 Regression results Random Effects

Table 6: Regression results Random Effects

Variable	Coefficient	t-value	p-value	Sig
Import	-1.155	-2.01	0.045	**
Export	2.114	7.29	0	***
Letter of Credit	0.443	1.42	0.155	
Inflation	0.631	2.02	0.043	**
Foreign Exchange Rate	-20.196	-5.50	0	***
Constant	81.649	5.32	0	***
Model Summary				
R-squared	0.562	Number of obs	90	
Chi-square	107.667	Prob > chi2	0.000	
R-squared within	0.213	R-squared between	0.991	
*** $p < .01$, ** $p < .05$, * $p < .1$				

Consistency in the study is shown by the random effect regression results, which mostly corroborate the linear regression model's conclusions. Export (EXP) continues to have a big and favourable impact on bank sustainability. Import (IMP) still has a strong negative impact, suggesting that actions connected to imports might have a detrimental influence on financial stability. While letters of credit (LC) continue to be statistically insignificant, indicating a limited direct influence, inflation (INF) also exhibits a positive and substantial link with sustainability. Exchange rate (FER) once again shows a strong negative and very significant effect, demonstrating that exchange rate fluctuations are a substantial risk to the sustainability of banks. The R-squared value of 0.562 shows that the model has strong explanatory power, and the whole model is statistically significant (Prob > $\chi^2 = 0.000$). As a result, the random effect model validates that macroeconomic factors and international trade both have a significant impact on bank sustainability.

5.2.6 Heteroscedasticity Test

When the variance of the error terms, or residuals, vary across all levels of the independent variable or variables, it is referred to as heteroscedasticity in regression analysis.

The analysis's hypothesis is:

H0: The residuals' variance is not heteroscedastic

H1: The residuals' variance is heteroscedastic

Table 7: Cook-Weisberg/Breusch-Pagan test for Heteroskedasticity

Chi-square value	p-value
0.26	0.6133

Source: Based on the output generated from STATA 18

Here the p value is more than 0.05. The null hypothesis is accepted. So, it can be said the model does not suffer from heteroscedasticity.

5.2.7 Test of Multicollinearity

To evaluate the necessity of addressing multicollinearity, it is essential to identify the impacted variables and the extent of their relationship. Fortunately, a simple test can help researchers find out how much multicollinearity is in their regression model. The variance inflation factor (VIF) tells you how strong the relationship is between independent variables.

Statistical program makes a VIF for each independent variable. VIFs start at 1 and have no upper limit. A value of 1 means that this independent variable has no effect on any other variables. A VIF between 1 and 10 shows a modest relationship, but not one strong enough to warrant action. VIFs greater than 10 show that multicollinearity is at a critical level. Show important levels of multicollinearity when coefficients are not calculated correctly and p-values are not trustworthy.

Use VIFs to find correlations between variables in order to assess the strength of links. The majority of statistical software can display VIFs to researchers. It is especially important to check VIFs because observational studies are more likely to exhibit multicollinearity.

Table 8: VIF TEST

Variable	VIF
Import	9.92
Export	7.54
Letter of Credit	2.46
Inflation	1.36
Foreign Exchange Rate	1.35
Mean VIF 4.73	

Source: Based on STATA 18's output.

Lastly, the degree of correlation between independent variables is examined using the Test of Multicollinearity. The reliability of the regression coefficients for these variables may be impacted by the considerable multicollinearity indicated by the Variance Inflation Factor (VIF) for Imports (9.92) and Exports (7.54). However, low VIFs for some variables, such as the foreign exchange rate and inflation, indicate no multicollinearity. However, the multicollinearity is not deemed severe since the majority of the VIF values are below the crucial threshold of 10. None of the variables surpass the crucial threshold of 10, despite a few showing comparatively larger VIF values. This suggests that although certain variables may have mild multicollinearity, the model does not have a serious multicollinearity issue.

5.3 Findings

The empirical findings show that macroeconomic factors and international trade significantly affect Bangladeshi banks' capacity to survive. The model's R-squared (R^2) value is 0.562, meaning that the chosen independent variables—import, export, letters of credit, inflation, and exchange rate—account for around 56.2% of the variance in bank sustainability (WAG). This implies that the factors included in the model are significant predictors of bank sustainability and that the model has moderate to strong explanatory power. A detrimental effect on bank sustainability was shown in the examination of import activity.

The regression model's import activities (IMP) coefficient was shown to be negative (-1.155) and statistically significant at the 5% level ($p = 0.045$). This implies that Bangladesh's state-owned commercial banks may become less sustainable as import activity rises. Export

transactions (EXP) significantly and favorably impacted bank sustainability, in contrast to import operations. At the 1% level ($p = 0$), the export transaction coefficient of 2.114 is statistically significant. This suggests that increased export activity and better sustainability in the banking industry are favorably connected. Export transactions (EXP) significantly and favorably impacted bank sustainability in contrast to import operations. At the 1% level ($p = 0$), the export transaction coefficient of 2.114 is statistically significant. This suggests that increased export activity and better sustainability in the banking industry are favorably connected. Bank sustainability was strongly impacted negatively by the foreign exchange rate, with a value of -20.196 ($p = 0$). This suggests that the sustainability of banks, especially those engaged in international commerce, is adversely affected by changes in the foreign exchange rate. There was no statistically significant correlation found between Letters of Credit (LC) and bank sustainability in the context of international commerce, as shown by the coefficient for LC being 0.443 and the p-value of 0.155. With a p-value of 0.0768, the Hausman test suggested that the random effects model is more suitable than the fixed effects model. This indicates that the link between foreign trade factors and bank sustainability is best explained by the random effects model.

The variance inflation factor (VIF) findings showed that multicollinearity was a possible issue, particularly between import operations (IMP) and export transactions (EXP). IMP's VIF of 9.92 indicated a moderate association, while EXP's VIF of 7.54 similarly indicated a moderate correlation. Nevertheless, multicollinearity did not significantly skew the regression findings since none of the variables above the crucial threshold ($VIF > 10$).

5.4 Hypothesis Summary

Hypothesis	Relationship	P-value
H1	Negative Significant	0.045
H2	Positive Significant	0.000
H3	In Significant	0.155
H4	Positive Significant	0.043
H5	Negative Significant	0.000

H1: There is no relationship between Import (IMP) and Asset Growth (AG).

The Pooled OLS model computation produces a significance value of 0.048, below the 0.05 threshold. The significance value in the Random Effect model is also less than 0.05, at 0.045. Consequently, the null hypothesis is disproved. This suggests that WAG and IMP have a substantial negative association.

H2: There is no relationship between Export (EXP) and Asset Growth (AG).

The Pooled OLS model's computation results in a significance value of 0.000, which is below the 0.05 threshold. The significance value in the Random Effect model is also 0.000, which is less than 0.05. Consequently, the null hypothesis is disproved. This suggests that WAG and EXP have a substantial and favorable association.

H3: There is no relationship between Letter of Credit (LC) and Asset Growth (AG).

A significance value of 0.159, higher than the 0.05 threshold, is obtained from the computation in the Pooled OLS model. The significance value in the Random Effect model is 0.155, which is also higher than 0.05. As a result, the null hypothesis is approved. This suggests that WAG and LC do not significantly correlate.

H4: There is no relationship between Foreign Exchange Rate (FER) and Asset Growth (AG).

The Pooled OLS model's computation results in a significance value of 0.046, below the 0.05 threshold. The significance value in the Random Effect model is also less than 0.05, at 0.043. Consequently, the null hypothesis is disproved. This suggests that WAG and INF have a substantial and favorable association.

H5: There is no relationship between Inflation (INF) and Asset Growth (AG).

The Pooled OLS model's computation results in a significance value of 0.000, which is below the 0.05 threshold. The significance value in the Random Effect model is also 0.000, which is less than 0.05. Consequently, the null hypothesis is disproved. This suggests that WAG and FER have a substantial negative association.

Chapter Six
Conclusion and Recommendations

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Chapter Six

Conclusion and Recommendations

7.1 Conclusion

This research uses panel data analysis to investigate how international trade operations affect the sustainability of Bangladesh's state-owned commercial banks. The results show that macroeconomic factors and international commerce have a big impact on bank sustainability. Export has a substantial positive and highly significant influence among the variables, suggesting that it plays a key role in enhancing the long-term stability and performance of banks. On the other hand, imports and exchange rates have significant negative effects, indicating that increased reliance on imports and volatility in currency rates may have a detrimental influence on sustainability. Letters of credit have a negligible impact on bank sustainability, however inflation is proven to have a beneficial impact.

Overall, the empirical findings support the notion that international trade activities play a significant role in determining the sustainability of banks, even if the consequences of these activities vary according on the factors. The model's strong explanatory power shows that the chosen factors significantly account for differences in sustainability. However, bank performance may also be impacted by other variables not included in the research.

Thus, the research indicates that improving the sustainability of state-owned commercial banks in Bangladesh requires bolstering export-oriented banking operations, regulating currency rate volatility, and managing import-related risks. The results of this study help future scholars, bank management, and regulators understand how international trade and banking sustainability are related.

7.2 Recommendations

1. Since exports have a major and favorable influence on bank sustainability, state-owned commercial banks should prioritize export financing operations.
2. Since imports have a detrimental effect on sustainability, banks should enhance risk management in import finance.
3. To lessen the detrimental effects of exchange rate changes, effective management techniques including hedging and careful observation should be used.
4. Since moderate inflation promotes sustainability but excessive inflation may lead to instability, banks should continue to implement stable and regulated inflation-related policies.
5. Since the effect of letters of credit (LC) activities is now negligible, their efficiency should be increased via greater management and technology support.
6. To improve long-term sustainability, bank management should concentrate on enhancing governance, technology adoption, and overall operational efficiency.
7. Future studies might use a bigger dataset and a longer time frame, which could provide more solid and dependable findings. Adding extra years of data may increase the analysis's accuracy and assist identify long-term patterns.
8. Future study should take multicollinearity into consideration by using methods like principle component analysis (PCA) or ridge regression to manage correlations between variables like imports and exports, even if it did not significantly affect the present analysis. This will guarantee more precise and trustworthy findings in further empirical research.

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2. Annual Report of Sonali Bank PLC
3. Annual Report of Agrani Bank PLC
4. Annual Report of Basic Bank PLC
5. Annual Report of Rupali Bank PLC
6. Annual Report of BDBL

Appendices

Appendix 01: Bank Specific Factors for years (2010-2024)

Bank Name	Year	AG	IMP	EXP	LC
JBPLC	2024	6.08	10.68	9.01	11.61
JBPLC	2023	8.79	10.73	9.56	11.51
JBPLC	2022	2.04	10.79	9.99	11.60
JBPLC	2021	19.77	10.22	9.75	11.35
JBPLC	2020	16.52	9.83	9.14	11.25
JBPLC	2019	3.39	9.96	9.18	10.95
JBPLC	2018	7.45	10.00	9.35	11.20
JBPLC	2017	3.52	9.57	9.55	11.51
JBPLC	2016	12.73	9.45	9.65	11.35
JBPLC	2015	8.71	9.60	9.58	11.53
JBPLC	2014	7.40	9.58	9.64	10.94
JBPLC	2013	14.66	9.78	9.64	11.31
JBPLC	2012	14.57	9.84	9.66	11.41
JBPLC	2011	27.56	9.89	9.64	11.76
JBPLC	2010	17.14	9.82	9.38	11.43
ABPLC	2024	4.07	10.83	9.55	12.06
ABPLC	2023	7.06	10.64	9.57	12.37
ABPLC	2022	-3.78	11.09	9.81	12.18
ABPLC	2021	9.32	10.59	9.60	12.55
ABPLC	2020	28.01	10.12	9.27	12.70
ABPLC	2019	8.21	10.57	9.29	12.50
ABPLC	2018	17.10	10.07	9.02	11.40
ABPLC	2017	8.07	9.49	8.86	11.37
ABPLC	2016	10.30	9.23	8.91	11.05
ABPLC	2015	14.24	9.30	8.93	10.98
ABPLC	2014	11.42	9.66	9.03	11.46
ABPLC	2013	17.28	9.68	8.97	11.58

ABPLC	2012	8.57	9.74	9.09	11.44
ABPLC	2011	31.70	10.20	9.14	11.46
ABPLC	2010	25.05	9.73	8.77	11.07
RBPLC	2024	3.23	9.67	8.23	9.67
RBPLC	2023	3.18	9.77	8.26	9.77
RBPLC	2022	9.53	9.84	8.31	9.84
RBPLC	2021	5.88	10.21	8.11	10.21
RBPLC	2020	6.63	9.32	7.73	9.32
RBPLC	2019	6.08	9.64	7.90	9.73
RBPLC	2018	5.84	9.34	7.86	9.79
RBPLC	2017	5.97	9.49	7.74	9.71
RBPLC	2016	5.87	9.29	7.82	9.67
RBPLC	2015	5.98	9.39	7.68	9.56
RBPLC	2014	5.29	8.96	7.57	9.48
RBPLC	2013	7.59	8.78	7.50	9.44
RBPLC	2012	7.89	8.41	7.35	9.38
RBPLC	2011	8.23	8.84	7.21	9.30
RBPLC	2010	12.90	8.70	6.74	9.19
SBPLC	2024	14.19	12.62	9.94	13.14
SBPLC	2023	10.69	13.05	9.91	13.52
SBPLC	2022	4.86	12.99	10.17	13.53
SBPLC	2021	7.26	12.66	10.38	13.67
SBPLC	2020	8.06	12.02	10.13	13.75
SBPLC	2019	12.68	12.45	10.15	11.52
SBPLC	2018	3.99	12.46	10.39	11.59
SBPLC	2017	4.67	13.96	10.26	11.64
SBPLC	2016	17.00	11.81	10.52	12.14
SBPLC	2015	9.79	12.21	10.72	12.40
SBPLC	2014	9.67	12.61	11.06	12.24
SBPLC	2013	13.03	12.19	11.05	11.96
SBPLC	2012	8.45	12.57	11.38	12.08
SBPLC	2011	12.03	12.64	11.30	11.73

SBPLC	2010	10.27	12.01	11.21	11.65
Basic bank	2024	-11.79	10.26	10.42	13.66
Basic bank	2023	-6.86	10.35	10.33	13.60
Basic bank	2022	-7.66	10.21	10.29	13.37
Basic bank	2021	-0.57	10.28	9.97	13.86
Basic bank	2020	0.90	10.23	9.86	13.47
Basic bank	2019	1.75	10.39	10.02	13.27
Basic bank	2018	-3.65	10.64	10.05	13.67
Basic bank	2017	-2.89	8.28	10.01	13.38
Basic bank	2016	5.44	10.32	10.06	13.46
Basic bank	2015	13.47	10.38	9.99	13.25
Basic bank	2014	8.94	10.55	10.19	13.77
Basic bank	2013	43.21	10.65	10.33	13.54
Basic bank	2012	40.56	10.52	10.31	13.38
Basic bank	2011	26.74	10.76	10.41	13.63
Basic bank	2010	35.89	10.65	10.09	11.88
BDBL	2024	-5.68	4.16	4.74	5.30
BDBL	2023	4.16	5.64	6.05	4.82
BDBL	2022	0.31	5.38	5.98	4.10
BDBL	2021	10.59	5.28	5.85	3.64
BDBL	2020	-5.30	5.06	5.34	2.95
BDBL	2019	-0.13	4.77	5.12	3.12
BDBL	2018	1.95	4.97	4.99	2.76
BDBL	2017	6.45	4.09	4.11	2.31
BDBL	2016	6.00	3.87	4.51	1.88
BDBL	2015	2.38	3.14	4.11	1.64
BDBL	2014	7.26	4.43	2.61	1.40
BDBL	2013	43.25	4.45	2.80	1.22
BDBL	2012	13.39	5.88	5.88	1.10
BDBL	2011	4.83	4.42	4.42	0.95
BDBL	2010	64.00	0.00	0.00	0.82

Source: Annual Reports of State-owned Banks (2010-2024)

Appendix 02: Macroeconomics Variables for years (2010-2024)

Year	Inflation	Foreign Exchange Rate
2024	9.70	4.75
2023	9.90	4.68
2022	7.70	4.56
2021	5.55	4.45
2020	5.69	4.44
2019	5.59	4.44
2018	5.54	4.42
2017	5.70	4.39
2016	5.51	4.36
2015	6.19	4.35
2014	7.30	4.35
2013	6.80	4.36
2012	8.90	4.40
2011	8.80	4.31
2010	7.30	4.24

Source: World Bank, Bangladesh Bank

Appendix 03: Regression results Fixed Effects

Variable	Coefficient	t-value	p-value	Sig
Import	-0.17	-0.02	0.987	
Export	0.091	0.11	0.914	
Letter of Credit	0.605	0.81	0.42	
Inflation	0.571	1.83	0.0710	*
Foreign Exchange Rate	-20.443	-4.44	0	***
Constant	86.563	5.48	0	***
Model Summary				
R-squared		0.258	Number of obs	90
F-test		5.481	Prob > F	0.000
<u>***p<.01, **p<.05, *p<.1</u>				