



## IMPACT OF IMPLEMENTING BASEL ACCORDS ON PRIVATE COMMERCIAL BANKS' PERFORMANCE IN BANGLADESH

**PRODIP CHANDRA BISHWAS**

0000-0002-1477-3894

prodipbishwas@gmail.com

Bangladesh Army University of Engineering and Technology (BAUET)  
Qadirabad Cantonment, Dayarampur, Natore, Bangladesh

### ABSTRACT

The Banking industry of Bangladesh is growing day by day. Currently, sixty-one scheduled banks are functioning in Bangladesh. The regulation of banking in developing countries has increasingly focused on attaining financial stability. Bangladesh Bank (BB), the central bank of Bangladesh implements Basel I in 1996, Basel II in 2010, and Basel III in 2015. To check the impact of implementing the Basel Accords on the private commercial banks' performance in Bangladesh is the main target of this study. It also considered whether banks' return on assets (ROA) and return on equity (ROE) has changed or not after implementing Basel I, II and Basel III, and the relationship between the banks' performance and capital adequacy ratio (CAR). The study uses the convenience sampling method to select the target sample. Secondary data of seventeen private commercial banks in Bangladesh from the year 2006 to 2019 have been collected for the study. The research approach involves quantitative analysis with multiple linear regression, which illustrates the relationship between dependent variables and independent variables. The outcome shows that the total assets, total deposits, total classified loan, CAR, tier I capital, tier II capital of the banks have a significant impact on both ROA and ROE. The paper also found that the introduction of the Basel Agreements had a profound effect on the private commercial banks in Bangladesh. It also indicates that a positive relationship exists between capital adequacy and banks' performance. From now on, the study's findings would support policymakers to amend any Basel Agreement policy to achieve the financial stability of private commercial banks in Bangladesh.

*Keywords: Bank, Basel Accords, Capital Adequacy, Linear Regression, Bangladesh.*

JEL Classification: C39, E58, G21