

## **A Note on Productivity Change of Bangladeshi Commercial Banks**

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*Financial system of Bangladesh is predominantly bank based and overwhelming portion of its financing need is catered by commercial banks. A good number of private commercial banks along with some well-known international banks operate in Bangladesh. In such backdrop efficiency of banking system of Bangladesh is crucial. It has been more than a decade that Bangladeshi banking system has become market oriented (in functional sense) and local banking system is becoming increasingly integrated with international financial network creating an expectation pressure for higher efficiency. Malmquist index (Malmquist, 1953), which computes productivity changes, is widely used in efficiency computing literature. This current paper measures productivity changes among Bangladeshi commercial banks using DEA based Malmquist index between 2008 and 2011. Using both intermediation and production approach we found that within these three years banks have experienced meager productivity growth. Some banks registered notable progress at individual level however, as a whole, the industry suffered a minor productivity loss.*

**Field of Research:** Banking