An Internship Report on

Financial Performance Analysis of Janata Bank Limited

SUPERVISED BY

Mosabbir Ahmed

Assistant Professor,

Faculty of school of business,

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SUBMITTED BY

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United International University (UIU)

DATE OF SUBMISSION: 09th April 2019

Letter of Transmittal

09th April 2019

To,

Mosabbir Ahmed
Assistant Professor,
Faculty of school of business,
United International University.

Subject: <u>Submission of Internship report on "Financial Performance Analysis of Janata Bank"</u>

Dear Sir,

You will be glad to know that I have recently completed my 3 months of internship program from Janata Bank Limited as an Intern. I have completed my internship report as well besides my intern responsibilities. As a finance concentrated student, I had chosenmy Internship report title "**Financial Performance Analysis of Janata Bank Limited".**

Janata Bank Limited is the second largest government owned commercial bank of Bangladesh. Working on the financial performance of the bank enriched my knowledge as I can apply several areas of my financial learnings on a practical scenario. The time during preparing the report was very interesting and taught me a lot. I want to add that I have also earned a lot of valuable practical working experience that helped me to acknowledge the activities performed by financial institution.

All the supports and guidelines, I received from you proved very efficient to prepare the report. I want to assure you all the information and data are taken from relevant source and all are valid. I have followed all the guidelines you had suggested me.

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

Your obedient student,

Md. Jahidur Rahman
ID: 111 123 234
School of business and economics.
United International University (UIU)

Acknowledgement

I want to thank Almighty ALLAH for making me able to complete the four years of BBA program and successfully complete my internship program from Janata Bank Limited.

First of all, I want to show my gratitude and thank my honourable course faculty as well as my internship supervisor **Mosabbir Ahmed, Professor, United International University** for supporting me with a lot of information during his busy schedule.The suggestions and guidelines, provided by him, are proved highly important while preparing my internship report.

Secondly, I want to show my gratitude to **Md. Habibur Rahman Khan, Human Resource Manager, Janata Bank Limited** for giving me an opportunity to work inside an government bank of Bangladesh. During this three months of my internship, he supervised my responsibilities and guided me to solve any unknown situation.

I want to thank all the employees and staffs of Janata Bank Ltd. without their support, it was difficult for me to perform my daily responsibilities. They also shared me several information about the bank that help me to enrich my report.

Executive Summary

The internship program is an essential part of to obtain a Bachelor of Business Administration (BBA) from United International University. Each student must meet the required credit hours, then they areplaced for observing a specific situation in a real workplace and to guide him to prepare their internship report,an honourable supervisoralways guides the students to prepare their report well.

I am so thankful to the career counsel department who managed me the opportunity to work as an intern in Janata Bank Limited which is the 2^{nd} largest government owned commercial bank of Bangladesh. It offers banking services through its 901 branches in all 64 districts of Bangladesh. The bank's commercial banking activities add a wide variety of services, including the preparation of deposits, the granting of investment offices, discounts, cash and foreign exchange transactions and the execution of related services, such as the preservation, and issuance of guarantees, recognitions and letters of credit.

I did several tasks as an apprentice and gathered information that could enrich my study of this report valuable. This knowledge was so important for me where I can compare the knowledge that I learned from my university with the practical financial institution.

I tried to provide an in-depth analysis of the bank's financial performance analysis using data from the 2013-2017 annual report. In the beginning of preparing this report, I have shared the general and basic ideas of the report as well as the objectives of the report, because without goals,the report cannot be a relevant one. After that, there are discussion on the basic information to share the history and activities performed by Janata Bank Limited. Finally, in the financial performance analysis part, the Horizontal, vertical and ratio analysis has been analysed to portray the financial performance of Janata Bank Ltd during the last five years of 2013-2017 as financial analysis is a logical and mathematical way to show the overall financial performance of the bank over these years.

Last but not the least, some problems are shared that are found while analysing the financial performance and in the later chapter few suggestions are mentioned for the betterment of the Bank so that manager of Janata Bank can take precautionary steps if the feel the suggestions are well enough.

Table of Content

Chapter 1

Introduction

Janata Bank Limited

1.1 Background of the Report

The internship program is an essential part of to obtain a Bachelor of Business Administration (BBA) from United International University. Each student must meet the required credit hours, then they are placed for observing a specific situation in a real workplace and to guide him to prepare their internship report, an honourable supervisor always guides the students to prepare their report well. I feel myself lucky that I got an opportunity to work in Janata Bank Limited as an intern. While working inside the bank, I decided to prepare my internship report on the Financial Performance Analysis of Janata Bank Limited.

1.2 Rationale of the Report

The rationale of the report is to measure the financial performance of Janata Bank comparing the years of 2013-2017. The analysis of financial performance is a subjective measure of a company's ability to utilize the resources of its primary mode of business and to generate revenue. This term is also used as a general measure of the overall financial health of a business over a given period of time and can be used to compare similar businesses in the same sector or to compare industries or sectors. The measurement of the performance is will be consists of two ways, the first part is Trend analysis that includes Horizontal and vertical analysis, and the Second part is the ratio analysis which is a highly popular analysis to analyse any financial institutions.

1.3 Objectives of the Report

The objectives of the report will help the readers to identify what are the reasons for what the report is prepared and about the goals of this report. This objectives can be separated in two parts mentioned below:

a. Primary objectives:
b. Specific objectives:

1.4 Methodology of the Report

i. **Sampling and Sample size:** The report consists of five years of financial information of Janata Bank Limited taken from the five years annual report from the rears of 2013-2017. All the analysis of the study will follow these years valid information.

ii. **Data Collection:**The data’s are collected from several relevant sources of the study and can be divided into two sources.

I. **Primary sources:** The primary data are collected from:

   a. Formal and informal communication of the Janata Bank's employees
   b. The practical experiences by working inside of the Bank.
   c. The annual report of the bank.
   d. Various publications, leaf-lets of the bank.

II. **Secondary sources:**

   a. Various publications and articles on financial performance analysis.
   b. Websites of the Janata Bank and few other related websites and blogs.
   c. Several financial books on financial performance analysis.

iii. **Data analysis:** The study follows exploratory research techniques that use both Qualitative and Quantitative data**.** The quantitative data are directly collected from the Janata Bank's annual report of the year 2013-2017 and used Microsoft word and excel to analyse the performance with the help of different pie charts and bar charts.

1.5 Limitations of the Report

Though the experience of working as an intern was good but there are several limitations found that create difficulties to prepare the report. The limitations are:

a. **Too much work pressures:** I had to work all the day long of my internship and there were high work pressures exists during all the day long. A lots of clients were visited the bank in every hour. I found it difficult to collect data during all the day.
b. **Short period of time:** Preparing such an extensive report on financial performance of such a large bank was difficult in this three months of internship period.
c. **Secrecy:** Janata Bank Limited maintain too much secrecy on several parts of information because of the fear of bad reputation. Several important information that can enrich my report with valuable information couldn't attach because of the restriction.

Chapter 2

Literature Review

Janata Bank Limited

2. Literature Review

The literature review is to help the reader to understand all the technical terms suchfinancialconcepts that are used in this study so that any reader of the report can easily understand all the critical concepts of the report as well as understand the financial performance of the Janata bank of recent five years. As shared earlier, the analysis of financial performance is a subjective measure of a company's ability to utilize the resources of its primary mode of business and to generate revenue. This term is also used as a general measure of the overall financial health of a business over a given period of time and can be used to compare similar businesses in the same sector or to compare industries or sectors. The measurement of the performance is will be consists of two ways, the first part is Trend analysis that includes Horizontal and vertical analysis, and the Second part is the ratio analysis which is a highly popular analysis to analyse any financial institutions.

2.1 The concept of financial statement analysis

According to Kaplan (2004), financial performance refers to the achievement of financial objectives and is an important aspect of financial risk management. It is the process of monetary measurement of the results of a company's policies and operations. It is used to measure the overall financial health of the business over a given period and can also be used to compare similar businesses in the same sector or to compare industries or sectors. Businesses and interested groups, such as executives, shareholders, creditors and tax authorities, try to answer important questions such as:

a. **What is the financial position of the company at any given time?**
b. **What is the financial performance of the company over a given period?**

These queries can be solved using a financial analysis of a company. Financial analysis involves the use of financial statements. A financial statement is a collection of data organized according to logical and consistent accounting procedures. Its purpose is to understand certain financial aspects of a commercial enterprise. It is possible to visualize a position during a given period, as in the case of a balance sheet, or to reveal a series of activities for a certain period, as in the case of an income statement. As a result, the term "balance sheet" generally refers to two fundamentals: the balance sheet and the income statement.

(Source: *Kaplan, Robert S, 2004, Book name: Strategy Maps: Converting Intangible Assets Into Tangible Outcomes*.)

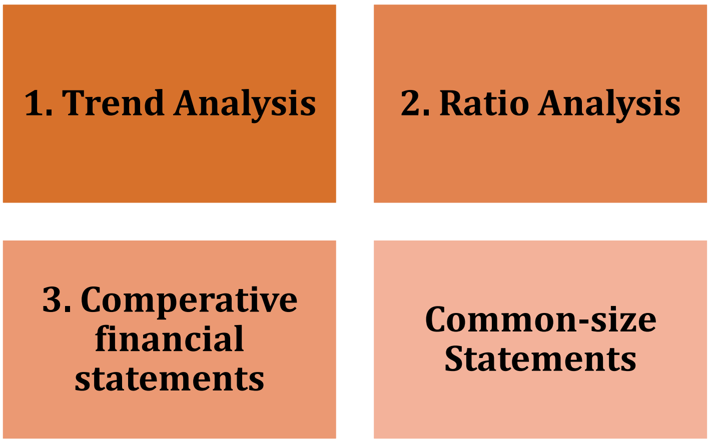
The financial balance sheet indicates the financial condition (condition) of the company at a given time. Provides a snapshot that can be considered a static image. "The financial statements are a summary of a company's financial position at a given date, showing total assets = total liabilities + owner's capital".

The income statement (shown in India in the form of an income statement) reflects the performance of the company over a given period. "The income statement is a summary of the income and expenses of the business in a given period, which ends with the net profit or loss of the period."

Anyways, financial statements do not reveal all the information about a company's financial transactions, but they provide extremely useful information that highlights two important factors: profitability and financial strength.

2.2 Methods of financial statement analysis

There are various methods or techniques to analyse or to measure financial performance of a firm or company. The methods are listed below:



The methods mentioned above are the ways to measure financial performance of a company. It is depended on the user what are the most flexible ways for them to measure his firm. The methods that are used to analyse the Janata Bank Limited performance from the year 2014 to 2018, is through Ratio and Trend Analysis. Both of these two analysis are very popular and widely accepted financial analysis these days. The two analysis are discussed below:

2.2.1 Ratio Analysis

According to Bierman (2009), 'Ratio' in accounting refers to the significant relationships between the figures that are reported in a balance sheet, income statement, budget control system, or any other part of the accounting organization. The accounting ratios indicate a quantitative measure that is used for performance analysis and decision making.

Moreover, a ratio is a two-digit quotient and the ratio expressed between two accounting numbers is called an accounting ratio. The analysis of the ratio is a very powerful analysis tool and very helpful for measuring the performance of a firm. The analysis of the report focuses on the interrelationship between the figures in the financial statements.

The analysis of the ratios helps management to analyse the past performance of the company and to create other plans. The analysis of the relationship allows stakeholders, such as investors, creditors, governments and analysts, to evaluate certain aspects of a company's performance. The analysis of the relationship is a process of comparing one number with another, giving a relationship.

The valuation of the ratio will allow a correct analysis of the strengths and weaknesses of the company's activities. Evaluating ratio is a relatively simple and straightforward task, but proper analysis and interpretation of ratios can only be performed by a qualified analyst. When interpreting financial information, the analyst must act with caution within the limits imposed by accounting concepts and methods. Non-financial information will also be considered before any significant analysis. The analysis of the ratio is extremely useful for providing valuable information on a company's financial situation.

Normally, relationships identify a company's strengths and weaknesses in two ways:

I. Ratios are a simple way to compare current performance with previous ones.

II. The ratios describe the areas in which a given company has competitive advantages or disadvantages in comparing relationships with those of other companies of the same size within the same sector.

(Source: *Harold Bierman. JR, Professor of Cornell University, 2009, Book name: The Capital Structure Decision.)*

2.2.2 Trend Analysis

Trend analysis is a technique used in technical analysis to try to predict future stock price developments from recent trend data. The trend analysis is based on the idea that what happened in the past gives traders an idea of what will happen in the future. There are three main types of trends: short, medium and long term. There are two important types of trend analysis. They are:

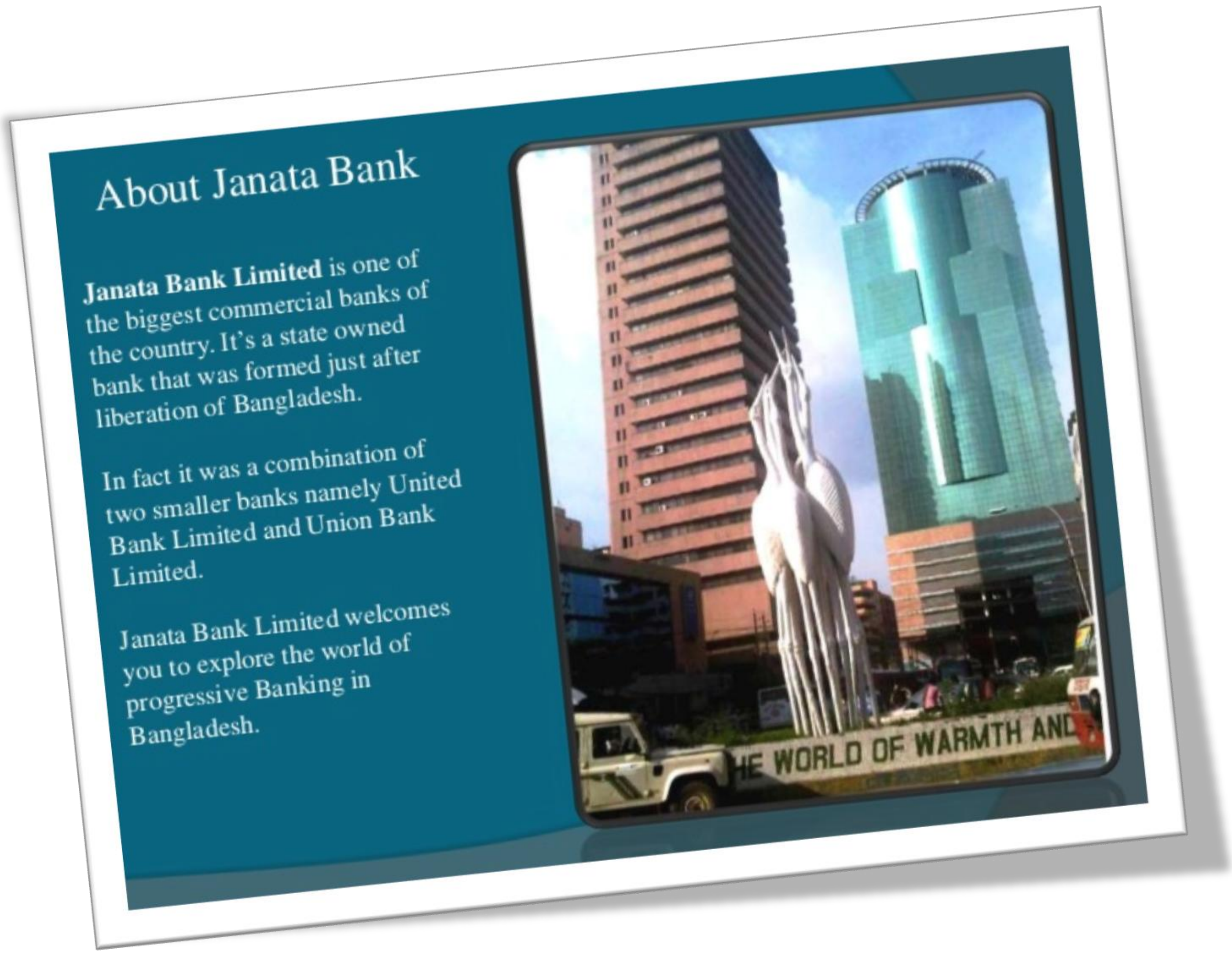
a. **Horizontal Analysis:** According to Edwards (2011), the horizontal analysis examines the amounts of the financial statements over several years. Horizontal analysis is also called trend analysis. Amounts from previous budgets will be redefined as a percentage of the base year amounts.

(Source:*Robert D. Edwards, John Magee,Business & Economics, 2011, Book name: Technical analysis of stock trends*.)

b. **Vertical Analysis:** According to Rich, Jones and Heitger (2011), the vertical analysis expresses each amount in a financial statement as a percentage of another amount. The vertical analysis of a budget implies that each budget amount is redefined as a percentage of total assets. The vertical analysis of an income statement results in any income statement amount that is recalculated as a percentage of net sales.

(Source: Jay Rich, Jeff Jones, Dan L. Heitger, 2011, Book name:Cornerstones of Financial and Managerial Accounting - Page 592)

Chapter 3
Overview of Janata Bank Limited



3.1 Background of Janata Bank Limited

a. History

With the emergence of Bangladesh as an independent and sovereign state in 1971 after a devastating nine-month war against the occupation army of West Pakistan, a war of blood and tears, trauma and suffering in Millions of loved ones, the legacy The rebuilding of the already bankrupt financial base of the country was seen as an urgent call of the day in the face of the collapse of the economic reality of a new state.

b. Creation of the bank

In this context, in order to rebuild the country's economy, steps have been taken to unite several previously managed banks in this region and create new banks. These initiatives led to the creation of the Janata Bank in 1972 by bringing together the first United Bank Limited and Union Bank Limited under the 1972 Bank Ordinance (Presidential Order No. 26).

c. Corporatization

On November 15, 2007, Janata Bank registered with the Joint Stock of Registrar and restructured into a public limited company under the name of Janata Bank Limited.

d. Roundup

The Janata Bank, which has 4 branches in the United Arab Emirates, has 913 branches across the country and has a large family of about 11,858 employees (as of 30.11.2018), based in Janata Bhaban, Motijheel C / A , in the heart of the capital, Dhaka.

At the end of 2017, the Bank had a deposit of 649,440.78 million BDT, an advance loan of 459,580.05 million BDT, with an authorized capital of 30,000 million BDT and a deposited capital of 23,140 million BDT.

Janata Bank Limited, a trusted financial institution over the years, the second largest commercial bank in Bangladesh (with respect to deposits / assets), has played a key role in the country's overall financial activities and has a long history of providing services. Downloadable to the company from its embankment immediately after the appearance of this green alluvial soil as a sovereign and independent state.

The Bank's contribution to the national economy and social reform has set the standard level to such an extent that other players in this sector cannot but aspire to achieve the benchmark of JBL's success. . In addition, it is a great honor that the Bank's contribution, commitment and success have been rewarded with a series of prestigious awards from recognized national and international organizations.

3.2 Mission of Janata Bank

The corporate mission of Janata Bank Limited to be an efficient commercial bank that will maintain a stable growth strategy, providing high quality of financial products, offering brilliant customer service through an higly experienced management team and promising good corporate governance at every step of the banking network.

3.3 Vision of Janata Bank

The corporate vision of Janata Bank Limited is to become the largest commercial bank in Bangladesh to support the socio-economic development of the country and be a leading bank in South Asia.

3.4 Values of Janata Bank

3.5 Ethical Principles of Janata Bank Limited

Janata Bank deals with public funds for which the respect of ethics is very important. Janata Bank maintains its reputation as a law-abiding organization and a good organization. Employees are properly guided to carry out their activities in a compatible manner. Janata Bank's business process policies and procedures are prepared in accordance with laws and regulations. JBL respects and applies ethical principles in all areas of its banking and customer service. The main features of the Code of Ethics and Employee Conduct are:

a. To implement justice and equity;
b. provide optimal services to the client;
c. preserve the confidentiality and confidentiality of the customer's information and at the same time, it respects the Right to Information Act of 2009;
d. prevent money laundering and corruption;
e. protect and defend the values of the company;
f. maintain the accuracy and transparency of financial information;
g. protect the natural environment;
h. Perform all activities in accordance with guidelines and laws approved by the various regulatory authorities.

3.6 Services provided by Janata Bank Limited

Janata Bank Limited provides its customers with all banking facilities and services. Its vast branch network and with a fast and efficient staff provides the personalized services given below:

Demand Draft	**Telegraphic transfer.**	**Mail transfer**
Security deposit receipt	**Payment order**	**General transfer**
Transfer of funds through special agreements.	**Electronic transfer through a credit card list**	**Foreign payments**

a. Interest Services of Janata Bank Limited

The bank offers the following advantages of interest:

Current savings account / STD	FDR accounts	Debit account statement
Advanced status of the accounts	NRB account	Merchant account

b. Services for International Trades

I. Janata Bank Ltd. is one of the pioneers in the promotion of the Letter of Credit (L/C) for the RMG sector (Ready Made Garments)

II. Financing the export as part of the export policy of Bangladesh.

III. Bank management and financing create an excellent corporate reputation in the Bangladeshi Banking industry in terms of International trade, especially in the country's exports and exports.

c. Export finance of Janata Bank Limited

To increase the country's exports, Janata Bank Limited has provided assistance to several exporters. Some of these are the following:

a. Interest discount rates for export financing.
b. Continuous L/C facilities for the bonded warehouse facilities.
c. 100% export-oriented industries for foreign investments and opportunities for joint ventures.
d. Data entry to computer programs and export services to the export financing program.
e. As a specialized consulting agency, the bank serves a group of consulting services.
f. Banking in export processing zone (EPZ).
g. Export incentive programs.

3.7 Janata Bank at a glance

FEATURES	VALUES
Name	Janata Bank Limited
Genesis	Janata Bank Limited, the second largest commercial bank in Bangladesh, plays a central role in all of the country's financial activities. The bank emerged as "Janata Bank" in combining the former United Bank Limited and Union Bank Limited under the Bank's Nationalization Ordinance (Presidential Ordinance No. 26) of 1972 and was restructured into a limited public company in November. 2007. Since then, it has made an important contribution to the socio-economic development of Bangladesh and to the extraction of a solid base in the country. Janata Bank operates 912 branches throughout the country, including 4 abroad in the United Arab Emirates.
Registered Address	Janata Bhaban, 110, Motijheel Commercial Area Dhaka - 1000, Bangladesh.
Legal Status	Public Limited Company
Chairman	Luna Shamsuddoha
CEO & Managing Director	Md. Abdus Salam Azad (F.F.)
Company Secretary	Hussain Yeahyea Chowdhury
Date of Incorporation	21-May-07
Authorized Capital	BDT 30,000 Million
Paid up Capital	BDT 23,140 Million
Face value per share	BDT 100 per share
Shareholding Pattern	100% Share owned by the Government of Bangladesh
Number of Employees	11,849 (As on 01.02.2019)
Banking license obtained from Bangladesh Bank	31-May-07
Phone	+88 02-9560000, 9566020, 9556245-49, 9565041-45, 9560027-30
Fax	88-02-9554460, 9553329, 9552078
SWIFT	JANBBDDH
Website	www.jb.com.bd, www.janatabank-bd.com, জনতাব্যাংক .বাংলা
E-mail	md@janatabank-bd.com

3.8 Financial Highlights of Janata Bank

SL	Particular	2017	2016	2015	2014	2013
1	Authorized capital	30,000.00	30,000.00	30,000.00	30,000.00	20,000.00
2	Paid up capital	19,140.00	19,140.00	19,140.00	19,140.00	19,140.00
3	Total capital (Tier-I+Tier-II)	44,596.31	43,189.82	37,128.33	36,468.38	34,301.04
4	Required capital	44,341.90	40,408.89	36,562.52	35,420.25	33,392.33
5	Surplus/(shortage) of capital	254.41	2,780.93	565.82	1,048.13	908.71
6	Capital to Risk Weighted Asset Ratio (CRAR)	10.06%	10.69%	10.16%	10.30%	10.27%
7	Total assets	805,988.41	778,603.91	683,157.58	628,415.27	586,082.99
8	Total deposits	649,440.78	641,819.15	568,911.14	516,010.74	478,535.57
9	Total loans and advances	459,580.05	403,037.41	349,861.30	319,773.25	285,747.65
10	Total contingent liabilities and commitments	120,881.92	105,174.55	121,570.94	72,495.16	99,726.43
11	Credit deposit ratio	70.77%	62.80%	61.50%	61.97%	59.71%
12	Total classified loans	75,995.50	59,359.80	43,181.70	37,375.67	31,766.86
13	Percentage of classified loans against total loans	16.54%	14.73%	12.34%	11.69%	11.12%
14	Import	143,582.20	126,650.00	147,181.80	144,556.80	176,671.00
15	Export	139,920.90	154,454.20	145,373.60	154,079.70	153,252.00
16	Foreign remittance	72,022.00	90,081.80	106,336.30	106,677.10	103,982.00
17	Income from investment	14,414.82	16,597.90	18,260.44	16,742.67	13,736.50
18	Operating profit	11,369.48	10,038.29	10,720.50	10,683.34	12,127.10
19	Profit after tax and provision	2,686.50	2,605.48	4,807.88	3,813.15	9,551.39
20	Provision kept against loans and advances (G+S) including OBS exposures	29,614.04	24,869.90	21,661.71	25,454.54	23,418.22
21	Provision kept against classified loans and advances	23,910.51	19,914.24	17,670.80	21,688.26	19,345.33

22	Provision surplus/(deficit) against loans and advances	59.39	251.56	83.77	418.95	330
23	Cost of fund	7.28%	8.05%	7.94%	8.82%	9.23%
24	Cost of deposit (%)	4.47%	5.49%	6.76%	7.34%	7.75%
25	Average return on loans and advances	8.04%	8.54%	9.35%	11.44%	12.39%
26	Interest spread	3.58%	3.05%	2.59%	4.10%	4.64%
27	Net spread		1.48%	1.77%	2.06%	2.45%
28	Earning assets	610,004.45	605,444.04	548,634.47	496,866.59	461,290.06
29	Non-earning assets	195,983.96	173,159.87	134,523.10	131,548.69	124,792.92
30	Return on investment (ROI)	6.90%	7.19%	8.61%	8.47%	9.39%
31	Return on assets (ROA) after tax	0.33%	0.33%	0.70%	0.61%	1.42%
32	Return on equity (ROE)	5.23%	5.22%	11.44%	9.66%	30.09%
33	Earnings per share (EPS)	14.04	13.61	25.12	19.92	86.31
34	Net operating income per share	59.4	52.45	56.01	55.82	63.36
35	Net assets value per share (NAVPS)	268.36	260.66	219.63	206.14	193.92
36	Net operating cash flow per share (NOCFPS)	-171.58	103.13	165.93	89.18	396.8

Chapter 4
Analysis of Financial Performance of Janata Bank Limited

Janata Bank Limited

4. Contribution of Janata Bank in the banking sector of Bangladesh

The banking sector in Bangladesh is operated by 57 banks with more than 9,000 branches. In addition to making a maximum contribution to the country's socioeconomic development, JBL achieved an operating profit of 11,369.48 million euros in 2017. Data as of December 31, 2017 show 6.91% of assets, 6.92% of deposits, 5, 60% of loans and advances, 4.69% JBL owns 4.27% of imports and 8.61% of remittances from the banking sector abroad. The details are discussed below:

Sl.	Components	Amount	Market Share (%)
1	Total Assets	805,988.41	**6.91%**
2	Deposits	649,440.78	**6.92%**
3	Loans and advances	459,580.05	**5.60%**
4	Import	143,582.20	**4.27%**
5	Export	139,920.90	**4.69%**
6	Foreign Remittance	72,022.00	**8.61%**
7	Branches (Number)	912	**9.38%**
8	Manpower (Number)	12,391	**7.52%**

Chart: Contribution of Janata Bank Limited

4.1 Horizontal and Vertical Analysis of Janata Bank

Horizontal analysis (also known as trend analysis) is a financial statement analysis technique that shows changes in the amounts of the corresponding items in financial statements over a period of time. It is a useful tool for evaluating trend situations. Statements of two or more periods are used in the horizontal analysis.The horizontal analysis allows investors and analysts to see what has motivated the financial performance of a company over several years, as well as detect trends and growth patterns such as seasonality. It allows analysts to evaluate the relative changes in different items over time and project them. By simultaneously reviewing the statement of results, the balance sheet and the cash flow statement, it is possible to obtain a complete picture of the operating results, to see what motivated the performance of a company and determine if it is operating effectively or not.

While the horizontal analysis analyses how the dollar amounts in a Janata Bank's balance sheets have changed over time, the **vertical analysis**considers each element as a percentage of a basic figure within the financial statement. Therefore, items in an income statement can be declared as a percentage of gross sales, while items in a balance sheet can be expressed as a percentage of total assets or liabilities. Cash flow shows each cash flow as a percentage of total incoming cash flows. Vertical analysis is also known as the analysis of common size budgets. For more information, see the analysis of the common dimensions of the financial statements.

Horizontal Statement Analysis of Janata Bank Limited

- Formula used for horizontal analysis in the excel is: =(B2-D2)/D2

All Amount is in Millions

Balance sheet Matrix	2017	Hori. 17-16	2016	Hori. 16-15	2015	Hori. 15-14	2014
Authorized capital	30,000.00	0.05%	30,000.00	0.00%	30,000.00	0.00%	30,000.00
Paid up capital	19,140.00	0.00%	19,140.00	0.00%	19,140.00	0.00%	19,140.00
Reserve fund & surplus	32,223.33	0.00%	30,749.66	1.13%	30,407.44	49.67%	20,315.70
Total shareholders' equity	**51,363.33**	**4.79%**	**49,889.66**	**0.69%**	**49,547.44**	**25.58%**	**39,455.70**
Capital employed	392,032.44	2.95%	368,100.88	3.78%	354,689.00	9.91%	322,712.54
Deposits	649,440.78	6.50%	641,819.15	12.82%	568,911.14	10.25%	516,010.74
Loans and advances	459,580.05	1.19%	403,037.42	15.20%	349,861.30	9.41%	319,773.25
Investments	177,342.15	14.03%	233,274.87	6.45%	219,150.10	11.41%	196,713.53
Property, plant & equipment (Fixed Assets)	10,308.63	-23.98%	10,573.26	5.38%	10,033.61	3.13%	9,729.02
Total assets	**805,988.41**	**-2.50%**	**778,603.91**	**12.73%**	**690,667.66**	**9.91%**	**628,415.27**
Total off balance sheet exposures	120,881.92	3.52%	105,174.55	-13.49%	121,570.93	67.70%	72,495.16
Earning assets	610,004.45	14.93%	605,444.04	10.35%	548,634.47	10.44%	496,785.00
Non-earning assets	195,983.96	0.75%	173,159.87	21.92%	142,033.19	7.90%	131,630.27
Net assets	**51,363.33**	**13.18%**	**49,889.66**	**0.69%**	**49,547.44**	**25.58%**	**39,455.70**
Income Statement Matrix	**2017**		**2016**		**2015**		**2014**
Interest income	31,145.61	0.05%	31,897.90	4.05%	30,655.17	-9.13%	33,734.43
Investment income	14,414.82	-2.36%	16,416.87	-10.10%	18,260.44	9.07%	16,742.67
Non-interest income	6,911.54	-12.20%	6,032.29	-10.81%	6,763.21	14.32%	5,915.90
Total income	**52,471.97**	**14.58%**	**54,347.06**	**-2.39%**	**55,678.82**	**-1.27%**	**56,393.00**
Interest expenses	27,093.67	-3.45%	31,331.30	-7.80%	33,982.70	-5.56%	35,984.27
Non-interest expenses	14,008.82	-13.53%	12,977.48	18.24%	10,975.62	12.86%	9,725.39
Total expenses	**41,102.49**	**7.95%**	**44,308.78**	**-1.44%**	**44,958.32**	**-1.64%**	**45,709.66**
Net interest income/ Net interest margin (NIM)	4,051.94	-7.24%	566.6	-117.03%	-3,327.53	47.90%	-2,249.84
Net non-interest expenses	7,097.28	615.13%	6,945.19	64.87%	4,212.41	10.58%	3,809.49

Operating profit	**11,369.48**	**2.19%**	**10,038.28**	**-6.36%**	**10,720.50**	**0.35%**	**10,683.34**
Earnings before interest depreciation and tax	11,981.14	13.26%	10,650.94	-4.74%	11,180.33	0.34%	11,142.02
Profit before provision & tax	11,369.48	12.49%	10,038.28	-6.36%	10,720.50	0.35%	10,683.34
Profit before tax	4,210.05	13.26%	3,650.16	-44.36%	6,560.05	14.43%	5,733.05
Net profit after tax	**2,686.50**	**15.34%**	**2,605.48**	**-45.81%**	**4,807.88**	**26.09%**	**3,813.15**

Vertical Analysis of Janata Bank Limited

All Amount is in Millions

Balance sheet Matrix	**2017**	**2017 %**	**2016**	**2016 %**	**2015**	**2015 %**	**2014**	**2014%**
Authorized capital	30,000.00	3.72%	30,000.00	3.85%	30,000.00	4.34%	30,000.00	4.77%
Paid up capital	19,140.00	2.37%	19,140.00	2.46%	19,140.00	2.77%	19,140.00	3.05%
Reserve fund & surplus	32,223.33	4.00%	30,749.66	3.95%	30,407.44	4.40%	20,315.70	3.23%
Total shareholders' equity	**51,363.33**	**6.37%**	**49,889.66**	**6.41%**	**49,547.44**	**7.17%**	**39,455.70**	**6.28%**
Capital employed	392,032.44	48.64%	368,100.88	47.28%	354,689.00	51.35%	322,712.54	51.35%
Deposits	649,440.78	80.58%	641,819.15	82.43%	568,911.14	82.37%	516,010.74	82.11%
Loans and advances	459,580.05	57.02%	403,037.42	51.76%	349,861.30	50.66%	319,773.25	50.89%
Investments	177,342.15	22.00%	233,274.87	29.96%	219,150.10	31.73%	196,713.53	31.30%
Property, plant & equipment (Fixed Assets	10,308.63	1.28%	10,573.26	1.36%	10,033.61	1.45%	9,729.02	1.55%
Total assets	**805,988.41**	**100.00%**	**778,603.91**	**100.00%**	**690,667.66**	**100.00%**	**628,415.27**	**100.00%**
Total off balance sheet exposures	120,881.92	15.00%	105,174.55	13.51%	121,570.93	17.60%	72,495.16	11.54%
Earning assets	610,004.45	75.68%	605,444.04	77.76%	548,634.47	79.44%	496,785.00	79.05%
Non-earning assets	195,983.96	24.32%	173,159.87	22.24%	142,033.19	20.56%	131,630.27	20.95%
Net assets	**51,363.33**	**6.37%**	**49,889.66**	**6.41%**	**49,547.44**	**7.17%**	**39,455.70**	**6.28%**
Income Statement Matrix	**2017**	**2017%**	**2016**	**2016%**	**2015**	**2015%**	**2014**	**2014%**

Interest income	31,145.61	59.36%	31,897.90	58.69%	30,655.17	55.06%	33,734.43	59.82%
Investment income	14,414.82	27.47%	16,416.87	30.21%	18,260.44	32.80%	16,742.67	29.69%
Non-interest income	6,911.54	13.17%	6,032.29	11.10%	6,763.21	12.15%	5,915.90	10.49%
Total income	**52,471.97**	**100.00 %**	**54,347.06**	**100.00%**	**55,678.82**	**100.00 %**	**56,393.00**	**100.00%**
Interest expenses	27,093.67	51.63%	31,331.30	57.65%	33,982.70	61.03%	35,984.27	63.81%
Non-interest expenses	14,008.82	26.70%	12,977.48	23.88%	10,975.62	19.71%	9,725.39	17.25%
Total expenses	**41,102.49**	**78.33%**	**44,308.78**	**81.53%**	**44,958.32**	**80.75%**	**45,709.66**	**81.06%**
Net interest income/ Net interest margin (NIM)	4,051.94	7.72%	566.6	1.04%	-3,327.53	-5.98%	-2,249.84	-20.19%
Net non-interest expenses	7,097.28	13.53%	6,945.19	12.78%	4,212.41	7.57%	3,809.49	6.76%
Operating profit	**11,369.48**	**21.67%**	**10,038.28**	**18.47%**	**10,720.50**	**19.25%**	**10,683.34**	**18.94%**
Earnings before interest (non-operating), depreciation and tax	11,981.14	22.83%	10,650.94	19.60%	11,180.33	20.08%	11,142.02	19.76%
Profit before provision & tax	11,369.48	21.67%	10,038.28	18.47%	10,720.50	19.25%	10,683.34	18.94%
Profit before tax	4,210.05	8.02%	3,650.16	6.72%	6,560.05	11.78%	5,733.05	10.17%
Net profit after tax	**2,686.50**	**5.12%**	**2,605.48**	**4.79%**	**4,807.88**	**8.64%**	**3,813.15**	**6.76%**

4.3 Ratio Analysis of Janata Bank

The ratio analysis is a quantitative technique that helps to know the information of a Bank's liquidity, operating efficiency and profitability by relating the information taken from its financial statements.

External analysts use various kinds of ratios to evaluate a bank, while inside analysts of that bank can use them less to access more detailed operational data on a bank.There are several types of ratio to analyse a bank's financial performance. Few appropriates are analysed below:

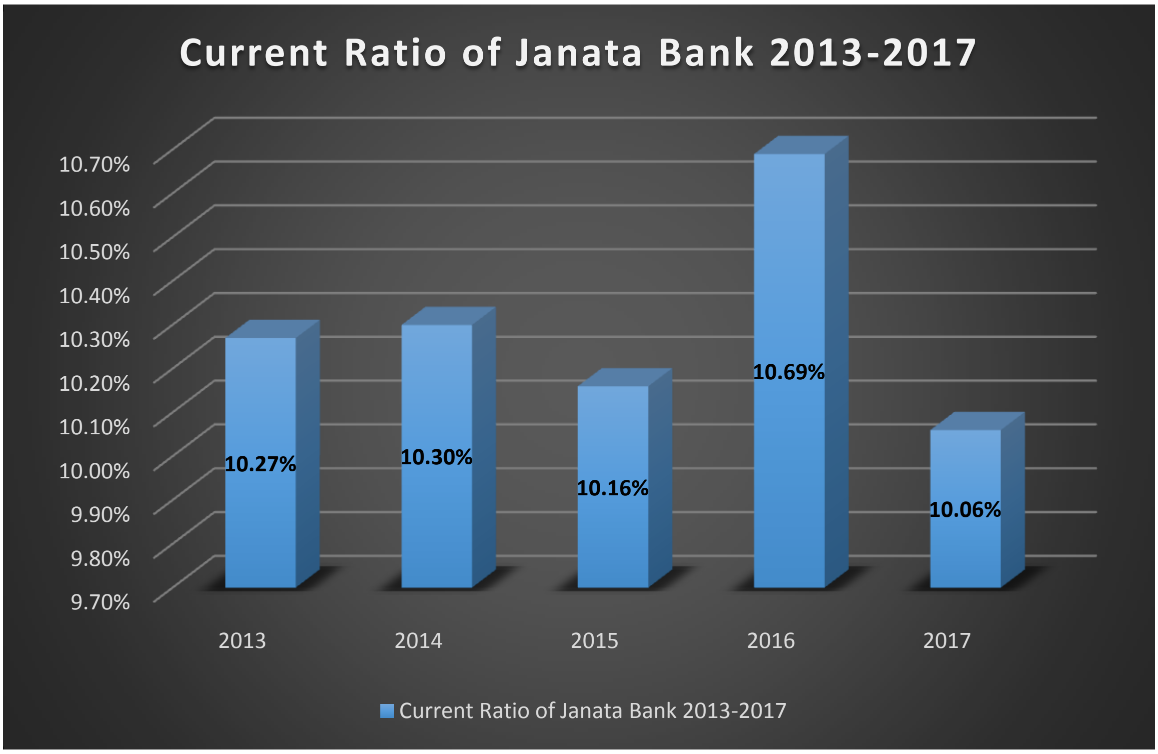
a. Liquidity Ratio

I. Current Ratio

According to investopedia.com, the current ratio is actually a liquidity ratio that measures a bank's ability to pay short-term obligations or those that mature in a year. It informs analysts and investors whether the bank is maximizing its current assets on its balance sheet to satisfy its current debtors and other accounts payable or not. The formula used to measure Janata Bank's current ratio is:

Formula: Current Ratio = Current Assets / Current Liabilities

Year	Current Ratio of Janata Bank 2013-2017
2013	10.27%
2014	10.30%
2015	10.16%
2016	10.69%
2017	10.06%



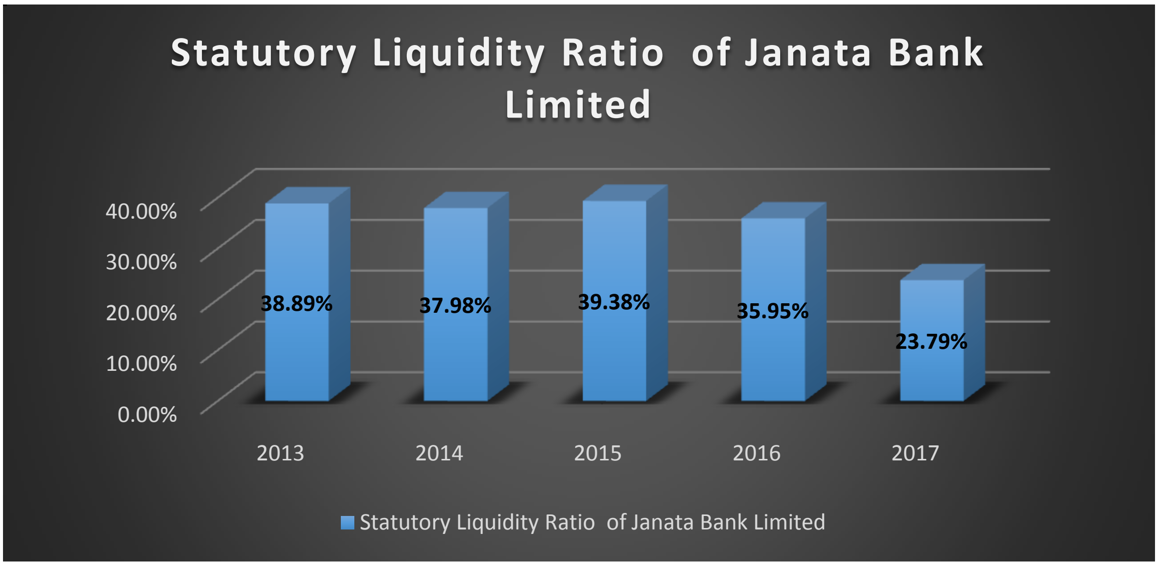
Interpretation:

The Bar Chart is representing that the current ratio of Janata bank of the year 2017 was slightly lower than the previous four years. In 2015, the current ratio of Janata Bank fell down from the year 2014, but somehow it manages to increase in 2016. However, the changes of this current ratio was not very significant. So, it can be said, Janata Bank Limited is stable to utilize its current assets in terms of managing its current liabilities.

II. Statutory Liquidity Ratio:

The central bank of Bangladesh (Bangladesh Bank) determines and maintains the statutory liquidity ratio to control bank credit, guarantee the solvency of commercial banks and force banks to invest in government bonds. By changing the reflection, the flow of bank credit in the economy can be increased or decreased. For example, when the central bank decides to reduce bank credit to control inflation, the reflection will increase. On the contrary, when the economy faces recession and the central bank decides to increase bank credit, the reflection will be reduced. However, The Statutory Liquidity Ratio (SLR) refers to the proportion of deposits that the commercial bank must maintain in the form of liquid assets in addition to the reserved index.

Year	Statutory Liquidity Ratio of Janata Bank Limited
2013	38.89%
2014	37.98%
2015	39.38%
2016	35.95%
2017	23.79%



Interpretation:

From the above bar chart, it can be interpreted that the statutory liquidity ratio of Janata Bank is gradually decreasing and it can be at its crucial stage if precautionary steps are not taken. In 2014, the SLR of Janata Bank Limited was higher and it was at its worst in 2017.

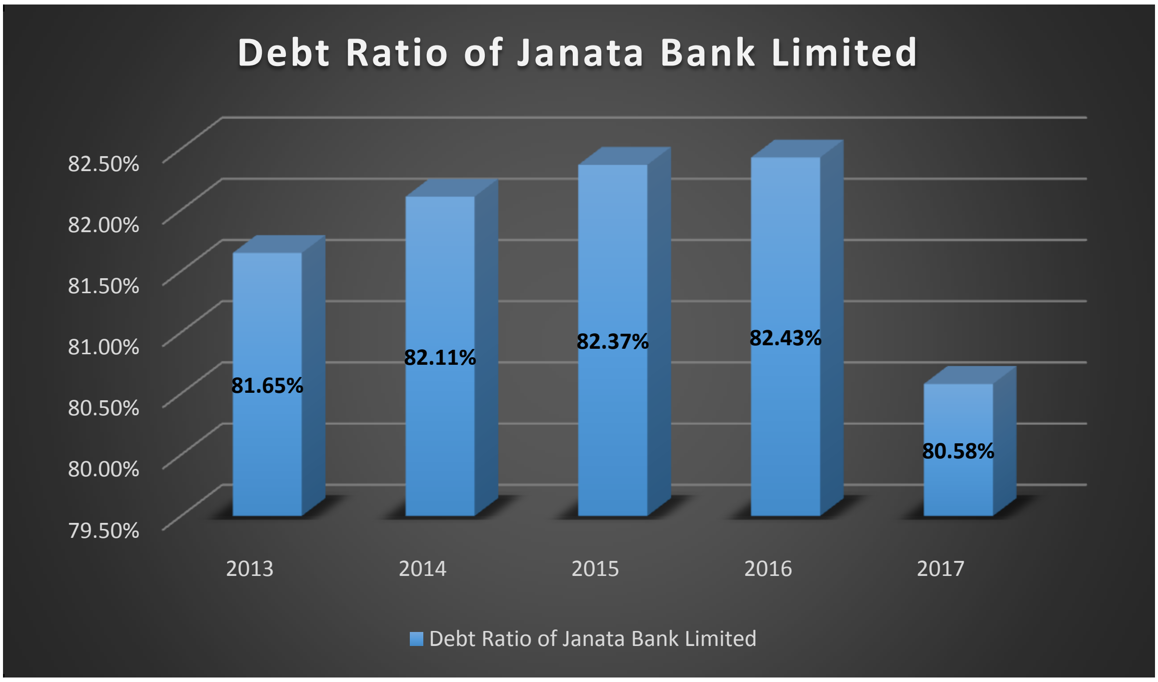
b. Leverage Ratio

I. Debt Ratio

The analysis of the debt ratio, defined as an expression of the relationship between the debt and the total assets of a company, enables the ability to serve a company's debt to be measured. Indicates what percentage of a company's financial capital derives from debt, making it a good way to verify a company's long-term solvency. In general, a lower ratio is preferable. A debt ratio of less than or equal to 1 indicates the good financial health of a company. The formula used to measure the debt ratio is:

Formula: Debt Ratio: Total Debt/ Total Asset

Item name	2013	2014	2015	2016	2017
Total Debt (Deposit amounts are taken)	478535.6	516,010.74	568,911.14	641,819.15	649,440.78
Total Assets	586,082.98	628,415.28	690,667.66	778,603.91	805,988.41
Debt Ratio	**81.65%**	**82.11%**	**82.37%**	**82.43%**	**80.58%**



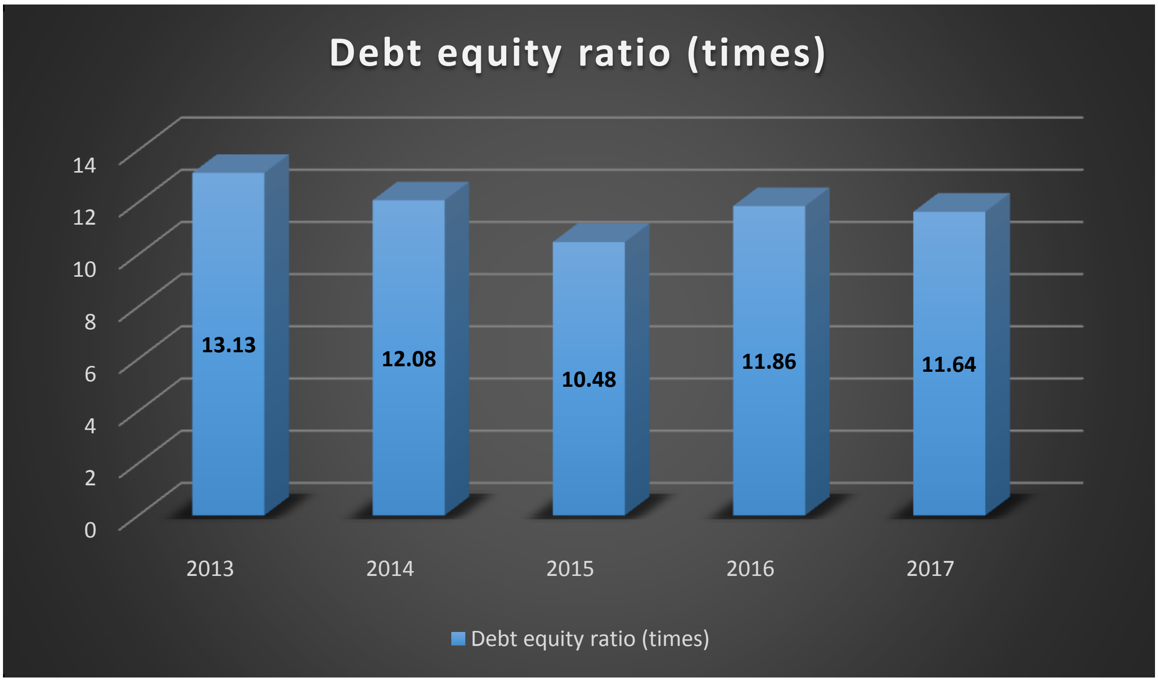
Interpretation:

The Bar Chart shows what percentage of a Janata Bank's financial capital derives from debt from the year 2013-2017, making it a good way to verify the bank's long-term solvency. There were slightly ups and downs, but in general was similar in the debt ratio among the yaers 2013-2016. But in 2017 it decreases around 2 percent.

II. Debt to Equity Ratio

The debt-to-equity ratio (D/E) is a financial ratio that shows the relative proportion of capital and debt used to finance the assets of a business. Closely linked to leverage, the relationship is also called risk, debt or leverage. Usually, the two variables are collected from the company's or bank's balance sheet (the book value), but the ratio can also be calculated using market values for both if the company's debt and equity are traded on the stock exchange, or a combination of book value for debt and market value for the capital stock.

Year	Debt equity ratio (times)
2013	13.13
2014	12.08
2015	10.48
2016	11.86
2017	11.64



Interpretation:

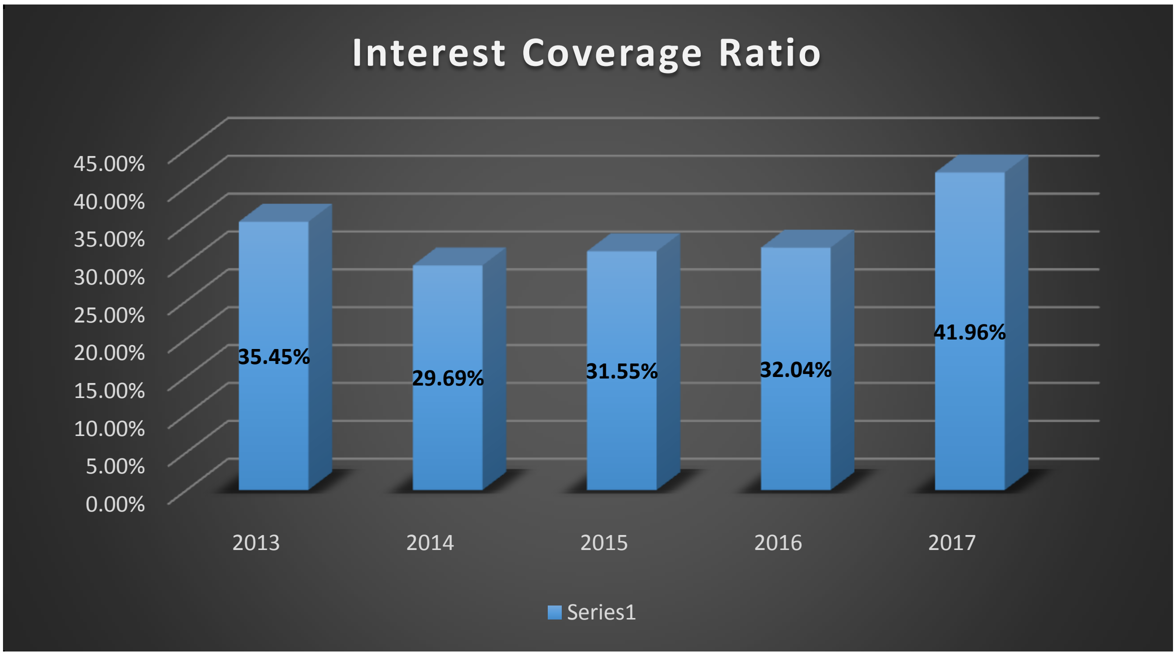
The chart shows the relative proportion of capital and debt used to finance the assets of the Janata Bank Limited from the year 2013-2017. Here Janata bank used its capital and debt mostly in 2013 and lower in 2015. Though, the bank used its capital less in 2015, it had gradually improved its finance in 2016 and 2017.

III. Interest Coverage Ratio

The Interest Coverage Ratio (ICR) is a financial index used to determine the extent to which a company can pay interest on its outstanding debts. Creditors, lenders, and investors often use the ICR to determine the degree of risk of capital to a company. Another name of this interest coverage ratio is the time interest earned ratio. The formula to calculate interest coverage ratio is:

Formula: Interest coverage ratio = Earnings before interest and tax (EBIT)/ Interest expense

Item name	2013	2014	2015	2016	2017
EBIT	12127.1	10,683.34	10,720.50	10,038.28	11,369.48
Interest Expenses	34212.8	35,984.27	33,982.70	31,331.30	27,093.67
Interest Coverage Ratio	**35.45%**	**29.69%**	**31.55%**	**32.04%**	**41.96%**



Interpretation:

The bar chart above, represent the extent to which Janata bank limitedhavepaid interest on its outstanding debts from the year of 2013-2017. As an analyst, I tried to describe the profitability and risks of Janata bank and highly concerned that if the ratios among these years are gradually forwarding as it will share the payment of interest given by Janata bank for our investment. The ratios among the year shows that it was gradually down from 2013-2015 and then its increasing from 2016, and reaches at its highest at 41.96% in 2017.

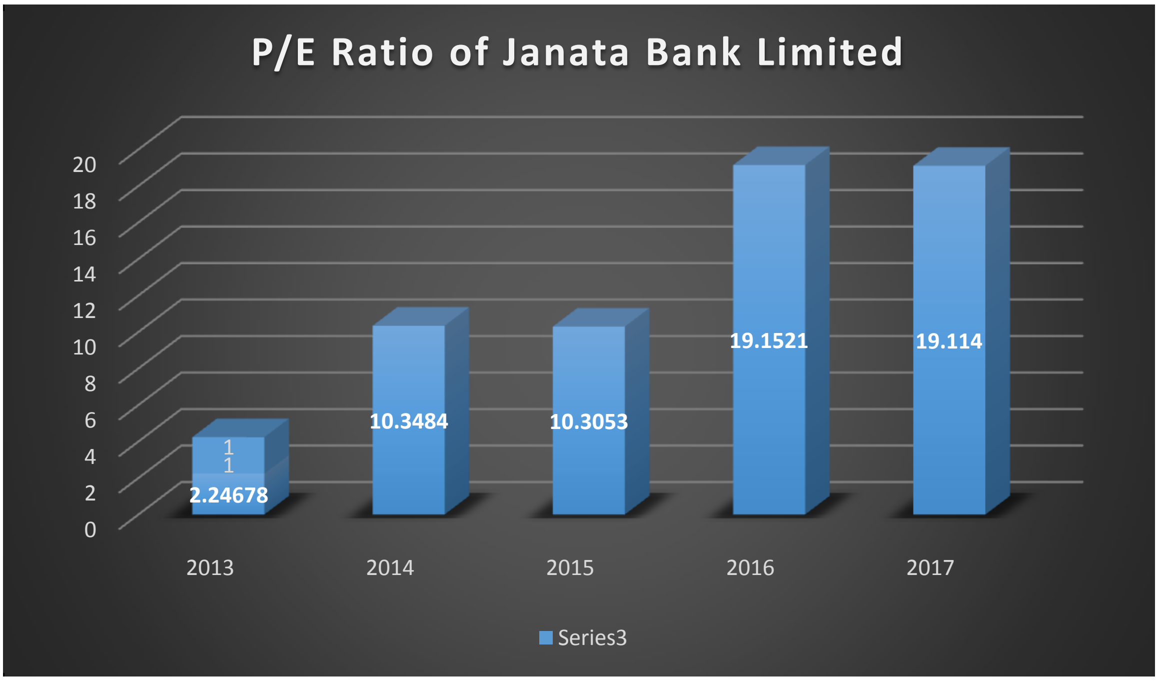
IV. P/E Ratio

The P/E ratio is abbreviated as price/earnings ratio that shows the market perspective relationship that calculates the market value of an action against its earnings by comparing the market price per share for profit per share. In other words, the price-earnings ratio shows how much the market wants to pay for a value based on its current earnings.

Analysts usually use this ratio to assess what the fair market value of action should be when forecasting future earnings per share (EPS). In general, companies who have a higher price to earnings ratio are expected to generate higher dividends or appreciate shares in the future. The formula used to calculate the P/E ratio of Janata bank limited is:

Formula: P/E Ratio = Market Value per Share/ Earnings per Share.

Items name	2013	2014	2015	2016	2017
Market value per share (in million)	193.92	206.14	258.87	260.66	268.36
Earnings per share (EPS) (in million)	86.31	19.92	25.12	13.61	14.04
P/E Ratio	**2.24678**	**10.3484**	**10.3053**	**19.1521**	**19.114**



Interpretation:

The chart shows that how much the market had paid for a value based on its current earnings and how much effectively the Janata Bank Limited provided dividends to its consumers. Janata Bank Limited P/E ratio was not good enough in 2013-2015. However, the bank is sharing well enough surprisingly in terms of dividend to its shareholders from 2016 and 2017

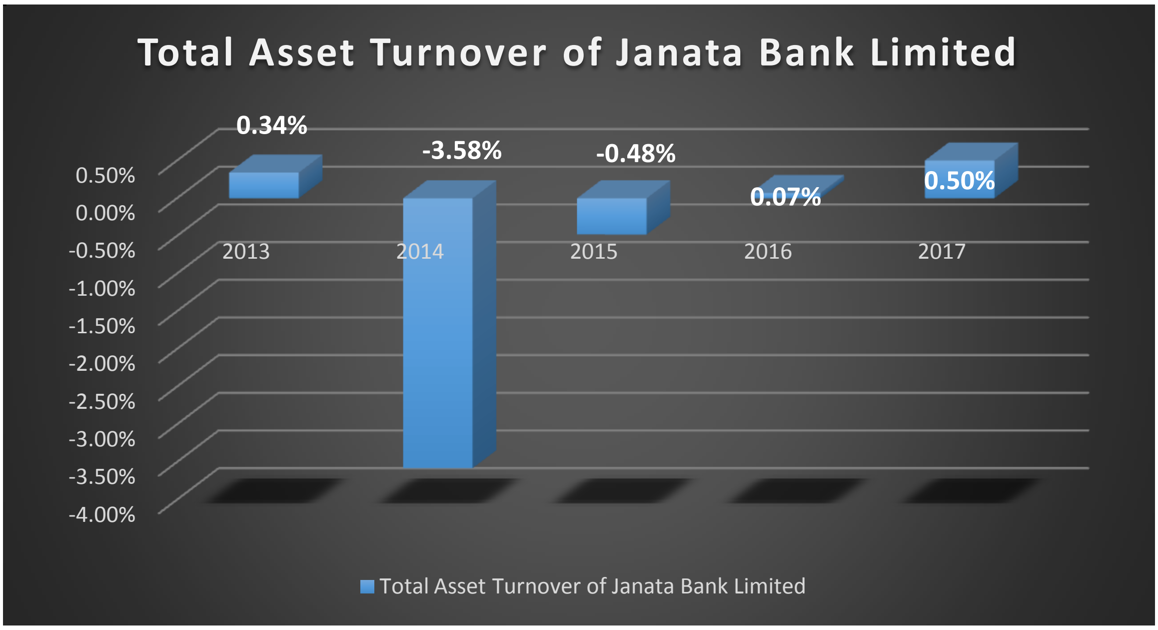
c. Management efficiency Ratio

I. Total Asset Turnover

The total asset turnover is an activity ratio that measures a company's ability to efficiently use its resources to generate sales. It can be calculated by dividing net sales by average total assets. Unlike the rotation of fixed assets, which includes only the property, the structure and the equipment to be calculated, this report measures the efficiency with which the company uses all its activities. The total value of the assets' turnover measures the number of goods and services sold per dollar of assets used during the period analysed. The formula used to find total asset turnover of Janata Bank is:

Formula: Net interest income/ Average total assets of Janata Bank

Item name	2013	2014	2015	2016	2017
Net Interest Income	1976.85	-2249.84	-3327.53	566.6	4051.94
Average Total Assets	586083	62845.27	690667.7	778603.9	805988.4
Total Asset Turnover	**0.34%**	**-3.58%**	**-0.48%**	**0.07%**	**0.50%**



Interpretation:

The chart there was a great fall in terms of asset turnover in the year of 2014 and however, it has increased gradually. This represent that Janata Bank is utilizing their resources and the sales is increasing year after year in terms of its assets quite well from the past.

d. Profitability Ratio

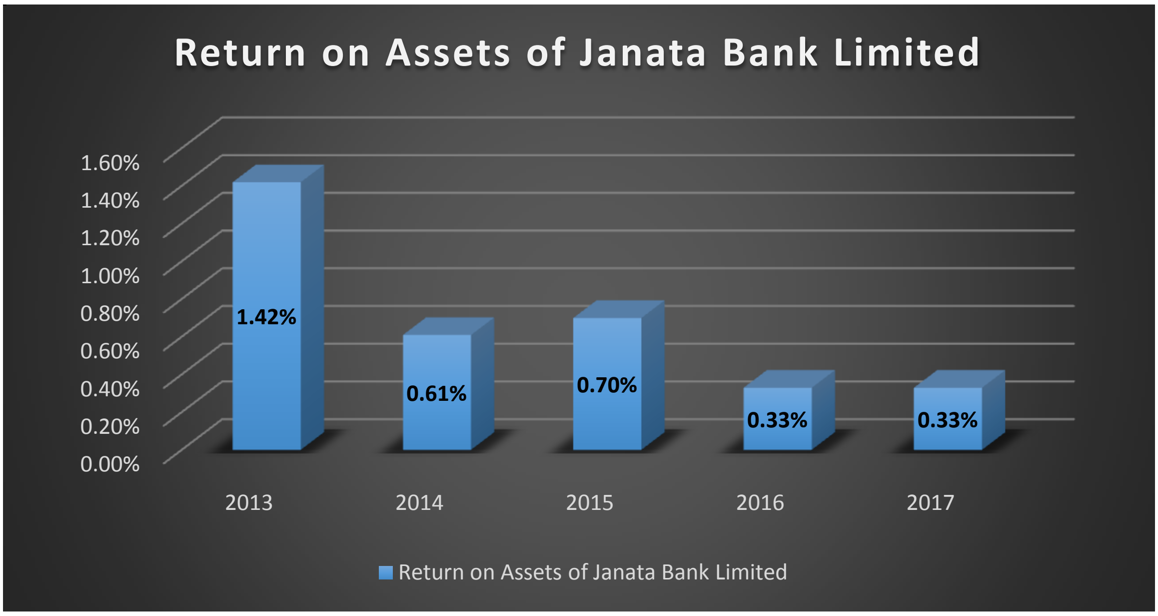
I. Return on Asset

Return on Assets (ROA) is an index of profitability whichevaluates the rate of return on resources that a company owns. It measures the level of net income generated by the assets of a company. The return on assets is a list of crossed financial statements. It uses the "net income" of the income statement and the "total assets" of the balance sheet.

The formula for the return of assets is:

Formula: Return On Assets = Net income assets/Average total assets

Year	Return on Assets of Janata Bank Limited
2013	1.42%
2014	0.61%
2015	0.70%
2016	0.33%
2017	0.33%



Interpretation:

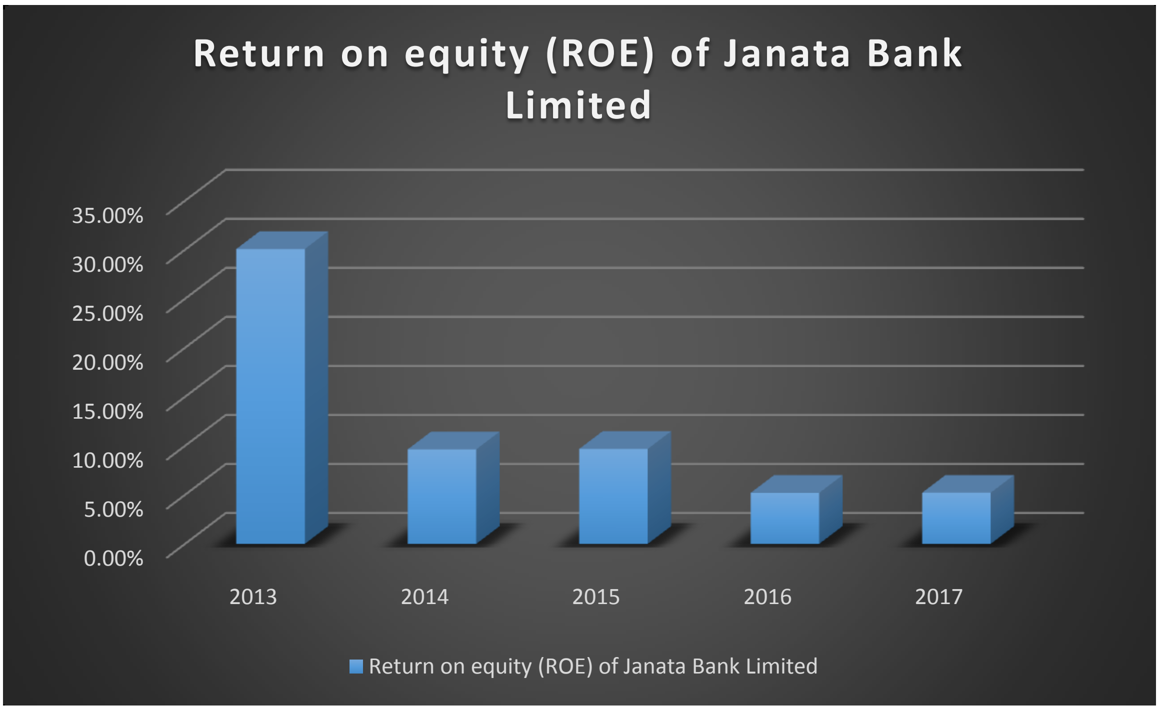
The bar chart above represent the level of net income generated by the assets of Janata Bank Limited between the years of 2013-2017. The results are highly dissatisfied for any analyst or investor who want to invest in the bank as the return of asset were good in 2013 but then it is continuously down till 2017. It means the bank is not efficient enough to maintain its net income generated that by its assets.

II. Return on Equity

ROE is an indicator of how effectively management uses capital funding to finance operations and grow the company. Moreover, it is a profitability ratio that measures a company's ability to generate profits from its shareholders' investments in the company. In other words, the rate of return on capital indicates the number of profits generated by each dollar of equity. Therefore, a return of 1 means that every dollar of net worth generates 1 dollar of net income. This is an important step for potential investors because they want to see how effectively a company will use its money to generate net income. The formula used to calculate ROE is:

Formula: Return on Equity= Net Income/ Shareholder's Equity

Year	Return on Equity of Janata Bank Limited
2013	30.09%
2014	9.66%
2015	9.70%
2016	5.22%
2017	5.23%



Interpretation:

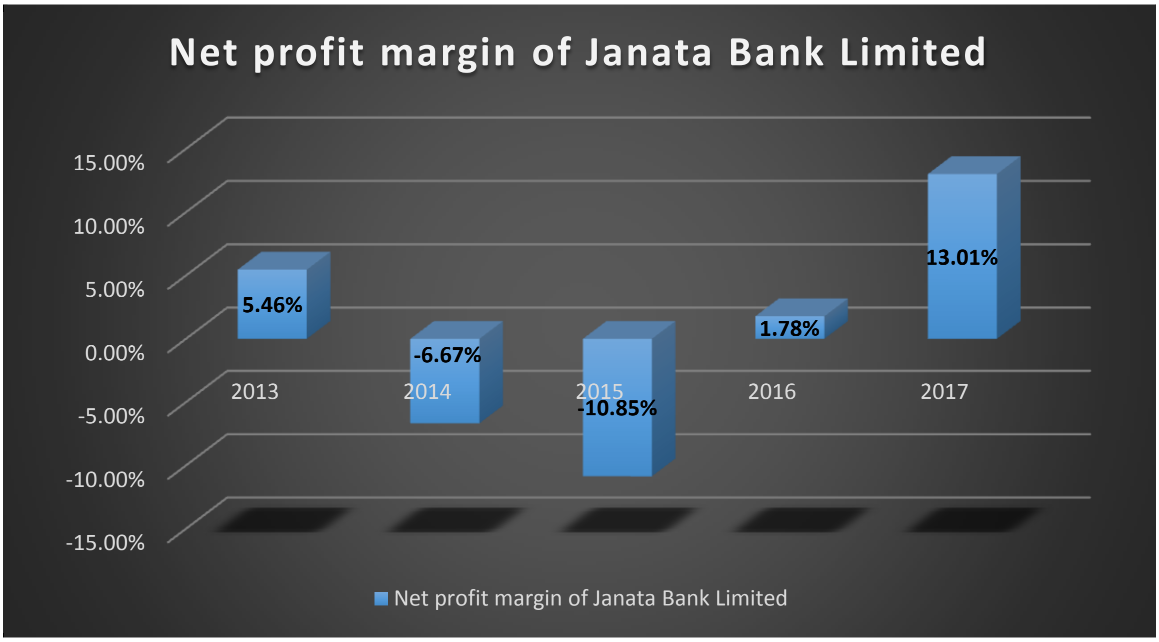
The bar chart represents how effectively management of Janata Bank had used capital funding to finance operations and to grow the bank. Moreover, it shows the bank's ability to generate profits from its shareholders' investments. The performance of the bank in terms of ROE is very poor. Though it was good in 2013, the ROE fell drastically from the year of 2014-2017. At present they cannot still improve it.

III. Net Profit Margin

The net profit margin ratio or the net margin is a measure of profitability which calculates the percentage of each dollar earned by a company that becomes a profit at the end of the year. In other words, the net profit margin ratio shows the net income of a business for every dollar of sales.Investors and analysts often use net margins to predict the effectiveness of running a business and future profit forecast based on the manager's sales forecast. By comparing net sales with total sales, investors can see how much percentage of their operating income and operating costs and any percentage for shareholders or company will be redefined. The formula used to find the net profit margin of Janata Bank is:

Formula: Net profit margin= Net Profit/ Total Revenue

Year	Net profit margin of Janata Bank Limited
2013	5.46%
2014	-6.67%
2015	-10.85%
2016	1.78%
2017	13.01%



Interpretation:

The Bar chart above is to describe the net profit margin ratio shows the net income of Janata Bank Limited for every dollar of sales. The performance of this net profit margin was very low and it was mostly be on the negative sides from 2014-2016. Anyway, surprisingly, it had improved at 13.01% in 2017.

Chapter 5
Findings of the report

Janata Bank Limited

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5. Findings of the report

After analysing the performance of Janata Bank Limited the findings are noted down:

1. In Most cases, after analysing through several variables, it can be said that the year 2017 was not good enough for Janata Bank Limited as most of the ratio displayed several poor performances.

2. The debt ratio of 2017 was not good enough compared to the other years and it is found that Janata bank might not be done well enough in terms of its long term insolvency.

3. Janata Bank Limited is doing well in its payment of interest on its outstanding debts. Most of the investor are highly concerned for this information.

4. Dividend payments to shareholders are quite well and a huge comeback from the years 2013-2015 when the dividend payment was not good enough.

5. Janata Bank Limited is performing very poor gradually in terms of managing its net income generated that by its assets.

6. The performance in the bank's ability to generate profits from its shareholders' investments was very poor since 2014 to 2017.

7. A sudden increase in net profit margin as well as net profit also found that shows a positive performance of the Janata bank Limited.

Chapter 6
Recommendations and Conclusion

Janata Bank Limited

6.1 Recommendations

The findings of Janata Bank were measurable in terms of several variables. The part hare is going to share some suggestions according to my academic knowledge for the betterment and to improve the variables and conditions of the financial performance of Janata Bank Limited.

1. Janata bank Limited need to provide high concern on their investors and depositor's interest as the performances of the bank is decreasing in the most cases, the bank might face lack of investor deposits in the coming future.
2. There is a tendency in the employees of Janata bank to wasting their time doing nothing or walking around the bank, therefore, all the employees should be monitored on daily basis and should be provided specialization training in their own field.
3. I highly felt the absence of ethical or moral obligations while working there as an intern. If employees are not treated and serve well just because the bank is government owned and employees are on a permanent salary basis is highly responsible for the performances of the bank today.
4. The net profit margin, the payments of dividend and the payment of interest on outstanding debts have improved recently in 2017 and Janata Bank needs maintain there proportion for saving their current investor's interest.
5. Managing the banks net income generated that by its assets and profits from its shareholders' investments were very poor. The bank need to give high importance to tackle the situation.
6. Janata Bank Limited need to introduce few new ideas on services so that customers can receive better service that may change their interest from other banks.
7. Few recent corruption made by the insiders created a huge influence on the bank. Janata Bank Limited should introduce and provide special securities to their consumer's savings so that the consumers can feel free to deposit in the bank.

6.2 Conclusion

Janata Bank Limited (JBL), which sets new standards for the banking sector in economic conditions without obstacles. As part of the long-term fiscal reform and the planning of government modernization, the bank has become a public limited company. The Janata Bank Limited operation helps strengthen the resources to stay strong in the main area. By operating in the Treasury area, JBL continues to be the main player in improving market value, risk assessment and return on investment in foreign currency. Treasury operations are strengthened to facilitate transactions that require more sophisticated products and services. The largest customers and institutional companies. Although the network and customer relationships are extensive, reducing problems is problematic. The authorities are not so flexible and take the time to make decisions.

Janata Bank Limited has always tried to do everything possible to obtain good financial results. But in reality, financial services related to the banking sector are not entirely satisfactory. Janata Bank Limited has sometimes encountered financial problems. The problem was the enormous profitability and solvency, the lack of modern technology, the lack of modern technology, etc. These problems, inflation in the currency market, etc. Fighting with all these problems and trying to do everything possible every time you compete with other banks. If this continues, we hope that Janata Bank Limited continues to improve.

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Appendices

Key Financial Information

Janata Bank Limited

Key Financial Information

(BDT in million unless stated otherwise)

Particular	2017	2016	2015	2014	2013
Balance Sheet Matrix					
Authorized capital	30,000.00	30,000.00	30,000.00	30,000.00	20,000.00
Paid up capital	19,140.00	19,140.00	19,140.00	19,140.00	19,140.00
Reserve fund & surplus	32,223.33	30,749.66	30,407.44	20,315.70	17,976.20
Total shareholders' equity	51,363.33	49,889.66	49,547.44	39,455.70	37,116.20
Capital employed	392,032.44	368,100.88	354,689.00	322,712.54	310,499.23
Deposits	649,440.78	641,819.15	568,911.14	516,010.74	478,535.57
Loans and advances	459,580.05	403,037.42	349,861.30	319,773.25	285,747.65
Investments	177,342.15	233,274.87	219,150.10	196,713.53	193,269.66
Property, plant & equipment (Fixed Assets)	10,308.63	10,573.26	10,033.61	9,729.02	9,724.84
Total assets	805,988.41	778,603.91	690,667.66	628,415.27	586,082.98
Total off balance sheet exposures	120,881.92	105,174.55	121,570.93	72,495.16	99,726.43
Earning assets	610,004.45	605,444.04	548,634.47	496,785.00	461,290.06
Non-earning assets	195,983.96	173,159.87	142,033.19	131,630.27	124,792.92
Net assets	51,363.33	49,889.66	49,547.44	39,455.70	37,116.20
Income Statement Matrix					
Interest income	31,145.61	31,897.90	30,655.17	33,734.43	36,189.68
Investment income	14,414.82	16,416.87	18,260.44	16,742.67	13,736.50
Non-interest income	6,911.54	6,032.29	6,763.21	5,915.90	5,145.67
Total income	52,471.97	54,347.06	55,678.82	56,393.00	55,071.85
Interest expenses	27,093.67	31,331.30	33,982.70	35,984.27	34,212.83
Non-interest expenses	14,008.82	12,977.48	10,975.62	9,725.39	8,731.92
Total expenses	41,102.49	44,308.78	44,958.32	45,709.66	42,944.75
Net interest income/ Net interest margin (NIM)	4,051.94	566.60	(3,327.53)	(2,249.84)	1,976.85
Net non-interest expenses	7,097.28	6,945.19	4,212.41	3,809.49	3,586.25
Operating profit	11,369.48	10,038.28	10,720.50	10,683.34	12,127.10
Earnings before interest (non-operating), depreciation and tax	11,981.14	10,650.94	11,180.33	11,142.02	12,513.16
Profit before provision & tax	11,369.48	10,038.28	10,720.50	10,683.34	12,127.10
Profit before tax	4,210.05	3,650.16	6,560.05	5,733.05	10,625.32
Net profit after tax	2,686.50	2,605.48	4,807.88	3,813.15	9,551.39
Capital Matrix					
Risk weighted assets (RWA)	443,419.03	404,088.92	365,625.15	354,202.50	333,923.30
Minimum capital requirement	44,341.90	40,408.89	36,562.52	35,420.25	33,392.33
Total regulatory capital maintained	44,596.31	43,189.82	37,128.33	36,468.38	34,301.04
Capital surplus/(deficit)	254.41	2,780.93	565.81	1,048.13	908.71
Capital to risk weighted asset ratio (CRAR)	10.06%	10.69%	10.16%	10.30%	10.27%
Tier-I capital ratio	8.40%	8.85%	8.20%	8.07%	7.85%
Tier-II capital ratio	1.66%	1.84%	1.96%	2.23%	2.42%
Amount of Tier-I capital	37,243.49	35,760.22	29,971.61	28,579.56	26,225.67
Amount of Tier-II capital	7,352.82	7,429.60	7,156.72	7,888.82	8,075.36
Return on average risk weighted asset	0.61%	0.64%	1.31%	1.08%	2.86%
Internal capital generation ratio	57.08%	55.68%	48.45%	47.52%	44.20%

Stakeholders' Information

Key Financial Information

(BDT in million unless stated otherwise)

Particular	2017	2016	2015	2014	2013
Asset Quality					
Classified loans & advances (Non-performing loan)	75,995.50	59,359.80	43,181.70	37,375.67	31,766.86
Percentage of NPLs to total loans and advances (Gross NPL)	16.54%	14.73%	12.34%	11.69%	11.12%
Net NPL ratio	3.73%	4.71%	3.62%	2.56%	2.82%
Gross NPL Coverage	77.46%	67.99%	70.64%	78.14%	74.63%
SMA to credit portfolio	6.60%	3.07%	1.08%	2.50%	2.15%
Required provision for unclassified loans	3,970.86	3,802.20	2,690.70	2,474.43	2,946.45
Required provision for classified loans	24,373.61	19,763.30	17,670.80	21,434.72	19,015.33
Total required provision for loans and advances	28,344.47	23,565.50	20,361.50	23,909.15	21,961.78
Total provision maintained for loans and advances	28,403.99	23,817.06	20,445.27	24,323.37	22,291.78
Provision excess/(shortfall) for loans and advances	59.52	251.56	83.77	414.22	330.00
General provision (including OBS) maintained	5,703.52	4,955.66	3,990.91	3,765.58	4,072.89
Specific provision maintained	23,910.51	19,914.24	17,670.80	21,684.23	19,345.33
Classified investment	187.02	222.05	187.22	32.73	71.09
Provision maintained for classified investment	189.22	439.22	439.22	82.02	121.60
Classified other assets	2,734.13	2,790.45	2,682.01	690.67	733.89
Provision maintained for other assets	2,919.03	2,069.04	1,027.76	727.76	927.94
Total classified assets	78,916.65	62,372.30	46,050.93	38,099.07	32,571.84
Total unclassified assets	727,071.76	716,231.61	644,616.73	590,316.20	553,511.14
Required provision for contingent liabilities	1,208.82	1,051.75	1,215.71	724.95	997.20
Provision maintained for contingent liabilities	1,210.04	1,052.84	1,216.44	1,126.44	1,126.44
Current assets	430,681.68	426,636.64	345,385.82	314,186.75	285,730.53
Current liabilities	413,955.97	410,503.03	335,978.66	305,702.73	275,583.75
Net current assets	16,725.71	16,133.61	9,407.16	8,484.02	10,146.78
Average assets	792,296.16	734,635.79	659,541.47	607,249.13	548,606.20
Long term liabilities	340,669.11	318,211.22	305,141.56	283,256.84	273,383.03
Long term liabilities/current liabilities	0.82	0.78	0.91	0.93	0.99
Actual cash reserve held with BB (CRR)	42,872.18	40,850.69	34,706.71	33,523.90	25,016.24
Actual statutory liquidity reserve held with BB (SLR)	152,877.71	218,013.19	210,526.65	186,458.40	170,727.61
Financial Ratios: Profitability					
Operating profit ratio	22.46%	20.19%	24.09%	27.90%	44.43%
Operating profit as a percentage of average working fund	1.44%	1.37%	1.63%	1.76%	2.21%
Net interest income ratio	13.01%	1.78%	(10.85%)	(6.67%)	5.46%
Return on average asset	0.34%	0.35%	0.73%	0.63%	1.74%
Return on assets (ROA)	0.33%	0.33%	0.70%	0.61%	1.42%
Return on equity (ROE)	5.23%	5.22%	9.70%	9.66%	30.09%
Return on investment (ROI)	6.90%	7.19%	8.61%	8.47%	9.39%
Return on loans & advances	8.04%	8.54%	9.35%	11.44%	12.39%
Return on working fund	0.34%	0.35%	0.73%	0.63%	1.74%
Return on earning assets	0.44%	0.45%	0.92%	0.80%	2.27%
Return on capital employed	0.69%	0.71%	1.36%	1.18%	3.08%
Operating profit per employee	0.92	0.76	0.76	0.74	0.78
Net profit per employee	0.22	0.20	0.34	0.26	0.62
Operating profit per branch	12.47	11.03	11.81	11.82	13.52

Stakeholders' Information

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Key Financial Information

(BDT in million unless stated otherwise)

Particular	2017	2016	2015	2014	2013
Financial Ratios: Liquidity and Regulatory					
Current ratio (times)	1.04	1.04	1.02	1.31	1.04
Cash reserve ratio or Liquidity ratio	6.67%	6.74%	6.49%	6.83%	5.70%
Statutory liquidity ratio (SLR)	23.79%	35.95%	39.38%	37.98%	38.89%
Medium term funding ratio (MTFR)	67.21%	74.79%	65.19%	68.72%	74.00%
Maximum cumulative outflows (MCO)	18.85%	18.88%	16.37%	15.82%	17.10%
Credit deposit ratio (CDR) or Advance Deposit Ratio (ADR)	70.77%	62.80%	61.50%	61.97%	59.71%
Capital to risk weighted asset ratio (CRAR)	10.06%	10.69%	10.16%	10.30%	10.27%
Financial Ratios: Other Performance Ratio					
Net interest income as a percentage of working funds	0.51%	0.08%	(0.50%)	(0.37%)	0.36%
Operating cost	3.12%	2.17%	2.04%	1.86%	1.85%
Efficiency ratio	26.70%	23.88%	19.71%	17.25%	15.86%
Burden ratio	0.90%	0.95%	0.64%	0.63%	0.65%
Cost of deposit	4.47%	5.49%	6.76%	7.34%	7.75%
Yield on loans and advances	8.04%	8.54%	9.35%	11.44%	12.39%
Net interest margin as a percentage of working fund	0.51%	0.08%	(0.50%)	(0.37%)	0.36%
Net interest margin on earning assets	0.67%	0.10%	(0.64%)	(0.47%)	0.47%
Interest spread	3.58%	3.05%	2.59%	4.10%	4.64%
Cost of fund	7.28%	8.05%	9.06%	8.82%	9.23%
Net spread	1.02%	1.48%	1.77%	2.06%	2.45%
Cost to income ratio	78.33%	81.53%	80.75%	81.06%	77.98%
Administrative cost	3.12%	2.17%	2.04%	1.86%	1.85%
Debt equity ratio (times)	11.64	11.86	10.48	12.08	13.13
Net asset value per share (NAVPS) (in BDT)	268.36	260.66	258.87	206.14	193.92
Earnings per share (EPS) (in BDT)	14.04	13.61	25.12	19.92	86.31
Foreign Exchange Business					
Import	143,582.20	126,650.00	147,181.80	144,556.80	176,671.00
Export	139,920.90	154,454.20	145,373.60	154,079.70	153,252.00
Foreign Remittance	72,022.00	90,081.80	101,348.20	106,677.10	103,982.00
Shares Information Matrix					
No. of shares	191.40	191.40	191.40	191.40	191.40
Earnings per share (EPS) (in BDT)	14.04	13.61	25.12	19.92	86.31
Net asset value per share (NAVPS) (in BDT)	268.36	260.66	258.87	206.14	193.92
Market price per share	Not listed in any stock exchange				
Price earnings ratio	Not listed in any stock exchange				
Dividend:					
Cash	10.00	10.00	10.00	10.00	10.00
Bonus	-	-	-	-	-
Dividend cover ratio (times)	268.65	260.55	480.79	381.32	955.14
Right share issued	-	-	-	-	8,140
Number of shareholders	100% share owned by Government				
Other Information					
Number of branches (in number)	912	910	908	904	897
Number of employees (in number)	12,391	13,188	14,151	14,413	15,485
Relationship management application	598	602	570	574	547

Stakeholders' Information

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