“An Analysis of the Financial Performance of Jamuna Bank PLC’’

PREPARED FOR:

Professor Dr. Mohammed Masum Iqbal

Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

PREPARED BY:

Shabaj Molla Ador

ID: 191-11-1186
Bachelor of Business Administration
Major in Finance
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Daffodil International University

Dhaka, Bangladesh

Date of Submission: 03-06 2024

LETTER OF TRANSMITTAL

Date:03-06-2024

Professor Dr. Mohammed Masum Iqbal
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Subject: Submission of Internship Report entitled "An Analysis of the Financial Performance of Jamuna Bank PLC"

Dear Sir,

I'm ecstatic to be presenting my thesis paper, "An Analysis of the Financial Performance of Jamuna Bank PLC". This task was given to me in order to finish the last prerequisite for the Bachelor of Business Administration course. I have committed to using all of my resources to successfully complete the report. I sincerely appreciate your help and advice, without which I could not have completed this thesis. If you have any other information, I would be interested in hearing it.

Therefore, in this regard, I kindly request your consideration. I could use it if you would acknowledge my report and take the appropriate action.

Thank you
Sincerely yours

Shabaj

Shabaj Molla Ador
ID: 191-11-1186
BBA Program
Department of Business Administration
Faculty of Business &Entrepreneurship

STUDENT DECLARATION

I, Shabaj Molla Ador, ID# 191-11-1186, a Bachelor of Business Administration at Daffodil International University, officially affirm that I have finished my internship paper, "An Analysis of the Financial Performance of Jamuna Bank PLC," under the guidance and supervision of Daffodil International University's Faculty of Business & Entrepreneurship's Professor Dr. Mohammed Masum Iqbal.

This report, "An Analysis of Jamuna Bank PLC's Financial Performance," is now public, per my proclamation. In order to finish my Bachelor of Business Administration, I have sent the original work to Daffodil International University in Dhaka that I haven't submitted to any other university.

Shabaj

Shabaj Molla Ador
ID: 191-11-1186
BBA Program
Department of Business Administration
Faculty of Business &Entrepreneurship
Daffodil International University

Approval Certificate

This attests to the fact that Shabaj Molla Ador, ID # 191-11-1186, fulfilled the requirements of a Bachelor of Business Administration offered by Daffodil International University's Department of Business Administration and Faculty of Business and Entrepreneurship by completing the internship report titled "An Analysis of the Financial Performance of Jamuna Bank PLC".

It is advised that the report be submitted.

I hope he has the best possible life.

Professor Dr. Mohammed Masum Iqbal
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Acknowledgement

In the name of the compassionate and gracious Allah. This endeavor would not have been possible without the guidance and assistance of numerous people who, in a variety of ways, contributed and extended their vital aid in the preparation and completion of this study.

The paper about my internship was difficult for me to write, but I've finished it now. Particular acknowledgement is due to my helpful mentor, Dr. Mohammed Masum Iqbal, PhD Professor & Dean Faculty of Business & Entrepreneurship, Daffodil International University of Bangladesh. His advice and support were essential to the success of the internship program. Thank you so much for your collaboration.

I am grateful to all of the senior authorities who made it possible for me to gain real-world experience. The internship program has strengthened my view on the kind of workplace that continuously challenges us and my awareness of the value of teamwork.

Lastly, I would like to say thanks to all of my acquaintances for helping me to complete this report and the course.

EXECUTIVE SUMMARY

In compliance with the 1994 Company Act, Jamuna Bank PLC was founded as a public limited company on June 3, 2001. This bank is of the third generation. The Bank carries out banking operations through its 149 locations around the country. Within its commercial banking business, the bank provides a broad range of services, such as investment facilities, bill discounting, transfer of funds, foreign exchange, safekeeping, collections, guarantee issuance, acceptances, and credit letters, in addition to bill discounting, money transfers, and other related services.

The study tries to evaluate Jamuna Bank PLC's financial performance. The study's goal is to use ratio analysis to evaluate Jamuna Bank PLC's performance in order to pinpoint issues and make recommendations. Primary and secondary data were collected for the study.

The purpose of this study is to present the various performance aspects of Jamuna Bank PLC in Bangladesh using an improved analysis framework. This report's framework analyzes the institution's health ratio and its related ratios. Among the various types of ratios are those measuring liquidity, leverage, profitability and efficiency, and market position. There are multiple chapters in this report. As a descriptive study, each chapter has been appropriately described. Complete details are provided in the bank's profile. in order for readers to fully comprehend the profile. For Jamuna Bank, various types of ratio analyses have been conducted. This report now includes numbers, tables, and charts. The ratio analysis component of this report is the most crucial one. It's been meticulously completed. According to the study, findings are added. As part of the BBA program, the ratios in this report were calculated using five years' worth of statistics from the annual report of Jamuna Bank PLC's financial statements. This ratio aids in determining Jamuna Bank's historical circumstances, which may enable them to learn from their mistakes in the past and make wiser decisions going forward.

Finally, the bank's return on equity, net profit margin, and earnings per share are all declining. These issues are discovered during the financial performance analysis process, and some recommendations for improving the bank are included in the following chapter, provided that the Jamuna Bank manager deems them suitable. You can take preventative action if you do.

Table of Content

Chapter 1
Introduction

1.1 Introduction of the Study

Bangladesh's banking sector is essential for this country's economy. Current economic processes would be meaningless and sluggish without banks. Additionally, banks are necessary for the expansion of a nation's financial institutions. For instance, the banking industry is involved in many different activities, such as fostering entrepreneurship, boosting capital, and employment creation. In the modern world, banks have become so essential that we are unable to envision a financial scenario without them. Banks act as a mediator in the movement of money from economically active sectors with surpluses to others with deficits.

Finding the best institution to invest in is important if you're an investor. You must want to evaluate your company's performance against that of competitors if you operate a firm. Finding a reliable bank to deposit your money in and obtain competitive interest rates and top-notch service is essential for depositors. All of this is focused on one thing: looking into financial matters to get better advice on where to invest, where to save money, and other things. The reader will get all the information they want in this report to comprehend the recent performance, advantages, and disadvantages of Jamuna Bank Limited.

Jamuna Bank Ltd. (JBL), a private commercial bank with its headquarters located in Bangladesh, won the DHL-Daily Star Business Awards 2015 as the Best Financial Institution of 2014. Previous winners of the best "Women Entrepreneurs' Award" and the first best "SME Bank of the Year" were JBL. Third among Private Banks, JBL was honored with the Best Presented Annual Report-2018 award by the Institute of Chartered Accountants of Bangladesh (ICAB).

1.2 Background of the Study

For students enrolled in Daffodil International University's BBA program who are graduating from the faculty of business and entrepreneurship, participation in the internship program is mandatory. Each intuitive that helps offer both imaginary and real-world facts must provide a report on their internship. After that, my knowledge and ongoing participation in the selected association made my subject—Financial Analysis and Performance Evaluation of Jamuna Bank Ltd.—possible.

1.3 Scope of the Study

Every aspect of the economic achievement of JBL during the previous five years will be displayed in this report. In addition, compared with other banks in our nation and their market conditions. examining every aspect of their banking operations to demonstrate how they actually interact with clients.

1.4 Objectives of the Study

The following are the study's objectives.

- To measure the financial performance of Jamuna Bank PLC from 2018 to 2022.
- To identify problems related to the financial performance of Jamuna Bank PLC.
- To make some recommendations to solve the problems.

1.5 Methodology of the Study

There are various data points and pieces of knowledge required in order to fulfill the aim of this report. These specifics and information were acquired from various places. In my report, secondary data make up the bulk of the data.
Secondary Information

- Official website of Jamuna Bank Limited.
- Annual report of Jamuna Bank Limited (2018-2022)
- Relevant papers and different books.
- Previous research report.

1.6 Limitations of the Study

- When primary data is insufficient, relying more on secondary data.
- Information Limited Since the bank's website isn't very rich.
- I am working on a report detailing the operations of every branch, however I am not allowed to visit every branch and gather data and information from them.
- Time constraint: I had to finish writing my report in a shorter amount of time. Therefore, the study's time restriction makes it difficult to cover a large area and prepare a report in the allotted time.
- Busy work environment: Due to their heavy workload of regular job, the officials occasionally couldn't supply information. Although the officials are very helpful, they are too busy to spend time with me to discuss practical things.
- The banker was really busy, so they were unable to give me enough time to talk.
- Since I lacked a user ID, I was unable to access their internal sector website at any time.
- Insufficient exposure and chance to visit multiple branches.

Chapter-2
Company Profile

2.1 About Jamuna Bank PLC

Established in 1994 by the Companies Act of Bangladesh, Jamuna Bank PLC is a banking business with its headquarters located at Jamuna Bank Tower, Plot#14, Bir Uttam A. K. Khandaker Road, Block# C, Gulshan-1, Dhaka, Bangladesh. Business at the Bank began on June 3, 2001.
The Bank offers all kinds of assistance to industry, trade, commerce, and national enterprise. The entrepreneurs can also establish innovative new businesses and BMRE of already-existing industrial units with the financial support of JBL. A group of well-known local businesspeople in the trade, commerce, industrial, and business sectors of the nation founded the bank. The Bank offers both conventional and Islamic banking services with particular offices. The Bank is managed and overseen by a highly skilled and experienced personnel with a range of banking and financial backgrounds. The administration of the bank is constantly attempting to ascertain what the needs of its customers will be. The bank makes every effort to create new products and methods to adapt to the ever-changing needs of its consumers, which are altering daily due to time changes. From its founding, Jamuna Bank PLC has already made enormous strides. The bank has become widely recognized throughout the country as one of the best service providers. With a modern IT infrastructure, the Bank today operates a statewide network of real-time online banking branches that span both urban and rural areas. Along with traditional distribution centers, the bank shares its own ATMs with groups and collaborating banks across the country. With processing hours from 10:00 a.m. to 4:00 p.m., the Bank is open Sunday through Thursday from 10:00 a.m. to 6:00 p.m. The Bank is closed on Friday and Saturday and on government holidays.

2.2 Vision

To advance to prominence as a financial organization and contribute significantly to the nation's development.

2.3 Mission

With an experienced and motivated staff, The Bank is dedicated to fulfilling the various demands of its customers by offering a wide range of products at reasonable prices, utilizing the right technology, and offering prompt assistance in order to ensure sustained prosperity, equitable trade, and a valuable contribution to the nation's advancement.

2.4 Profile of Jamuna Bank PLC

Organization Name:	Jamuna Bank PLC
Country/Territory:	Bangladesh
Business Type:	Banking business
Head Office Address:	Jamuna Bank Tower, Block # C, Gulshan-1, Dhaka, Bangladesh; Plot #14, Bir Uttam A. K. Khandaker Road
Year of Establishment:	Regulating bodies gave it their initial blessing in 1994 and their final approval to run a bank in Bangladesh on June 3, 2001.
Chairman:	MR. MD. Saidul Islam

2.5 Products and Services of Jamuna Bank PLC

Jamuna Bank PLC offers the subsequent goods and amenities to its clients in order to fund a range of requirements that adhere to the bank's criteria., yield a healthy return on expenditures, and please the consumer's needs.

2.6 Retail Banking Product

This bank provides a range of retail banking products, including-

- JB DPS (Enable savings accumulation through consistent monthly deposits).
- JB Double Benefit: Assist in double the amount deposited at maturity.
- Fixed Deposit: Better interest rates for long-term investments in savings.
- JB Monthly Benefit: This feature allows you to receive a monthly yearly benefit by generating additional income from each month's deposited funds.
- Older Citizen Benefit Plan (Program that enables older citizens to conduct daily banking activities on their own).
- JB Salary Account (paychecks or monthly salary credited by the company to the account each month).
- JB Freshers (Students only).
- JB Junior (for kids between the ages of 3 and 18, though parents manage the account until the kid reaches the age of 18).
- NGB Perfect (Permits a person to concurrently handle transactions and savings).

- NGB Queen, an interest-bearing account reserved just for female users.

2.7 Loan Product

The loan and advance products are:

- Personal credit.
- Vehicle Loan (Jamuna Bank Auto Loan)
- House Loan (Jamuna Bank)
- Education Loan
- The Health Support Loan
- Agricultural Financing (GIB Kishan)
- Jamuna Bank Sohoyata Loan
- Jamuna Bank Swadesh Loan
- Jamuna Bank Utshaho Loan
- Jamuna Bank Proshar Loan
- SME Financing (Jamuna Bank Uddom & Nandini)
- Jamuna Bank Travel Loan
- Jamuna Bank Marriage Loan
- Jamuna Bank Executive Loan
- Jamuna Bank Festival Loan

2.8 Trade Finance

Trade Products that is offered by Jamuna Bank PLC are as under:

- **Export**

o Foreign Letter of Credit Advice
o Foreign Letter of Credit Agreement;
o Foreign Letter of Credit Exchange;
o Buying of Foreign Bill
o International Document Collection

- **Import**

o Loan against Trust Receipt
o Confirmed Certificate
o Trade Letter of Credit
o Freight Assurance

- **Bank Guarantee**

o Advance Payment Guarantee
o Quality Assurance;
o Auction Bond
o Economic Assurance;
o Compare Assurance

- **Remittance products**

o Purchase Order (PO)
o Demand Draft (DD)

- **Correspondent Banking**.

o Correspondence among bankers and their customers.

o Interbank communication.

o Communication within the corporate headquarters and its affiliates.

2.9 Services of Jamuna Bank PLC

- ATM card
- Mobile banking
- SMS banking
- Telephone banking
- Commercial banking

2.10 Operational Network Organizational Charts of Jamuna Bank PLC

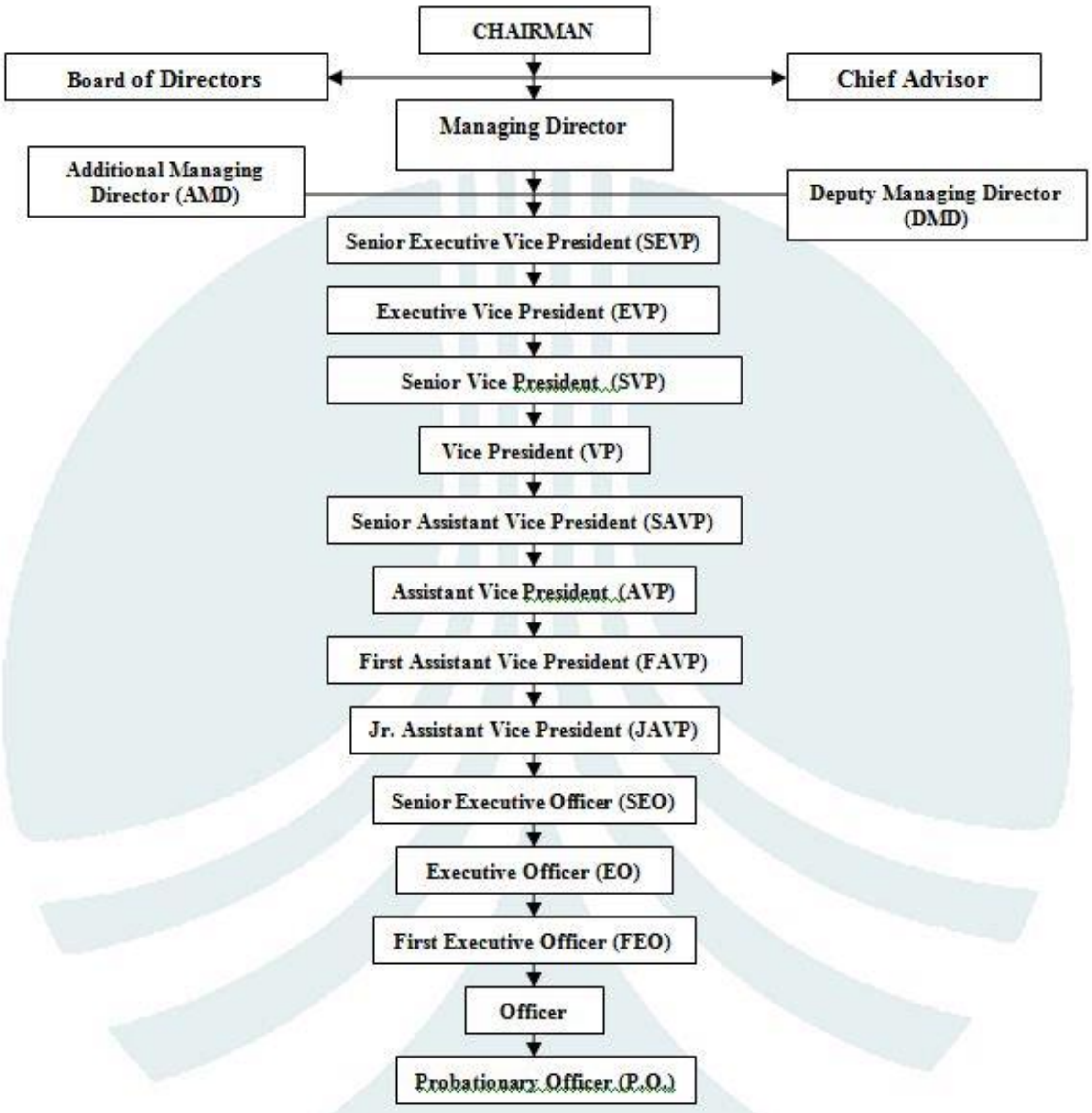


Figure no.1: Jamuna Bank PLC's organizational chart based on function rank.

Chapter-3

Analysis of The Financial Performance and Findings

3.1 Analysis of The Financial Performance of Jamuna Bank PLC:

Examining the relationships between the financial statement's component elements in order to gain a deeper comprehension of the bank's performance and position is known as financial performance analysis. By strengthening the connection between the equilibrium report and earnings statement this procedure aids within determining that bank's strengths and weaknesses. The data is derived from financial statements and other reports prepared by experts, and senior management makes decisions based on these findings.

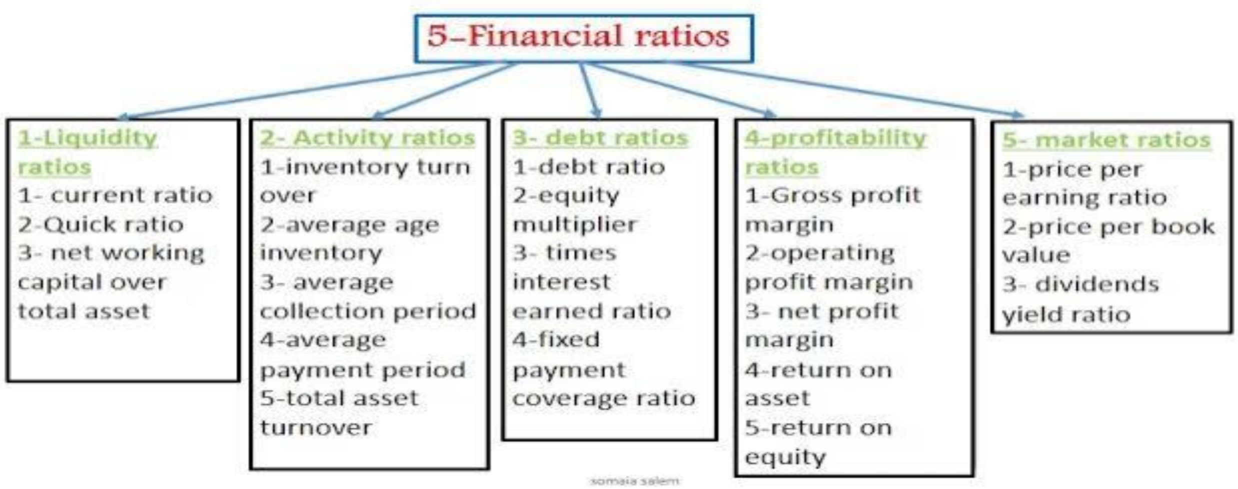
It is essential to test and compare the financial data from several years' ratio analyses. The yearly reports of financial accounts are the primary source of data collection. It should have significance. Ratio analysis makes it simple to comprehend the company's position.

The ratios that are analyzed here can be divided into four groups:

3.1.1 Efficiency and profitability Ratio
3.1.2 Liquidity Ratio
3.1.3 Leverage Ratio
3.1.4 Market Performance Ratio

Diagram of financial Ratio

[redacted]



[redacted]

3.2 Ratio Analysis of Jamuna Bank PLC

3.2.1 Efficiency and Profitability Ratios of Jamuna Bank PLC:

A. Return on Asset (ROA):

Management, investors, and analysts can determine how well a bank uses its assets to generate profits by looking at its return on assets (ROA) %. Higher return on assets (ROA) ratios are better for banks since they indicate higher profits with lower investment.

The formula for ROA is 100 * (Net income / Total assets).

Return On Asset (%)					
Year	2018	2019	2020	2021	2022
Return On Asset (ROA)	1.10%	1.11%	1.10%	.98%	.58%

(Source JB PLC annual report)

Graphical presentation

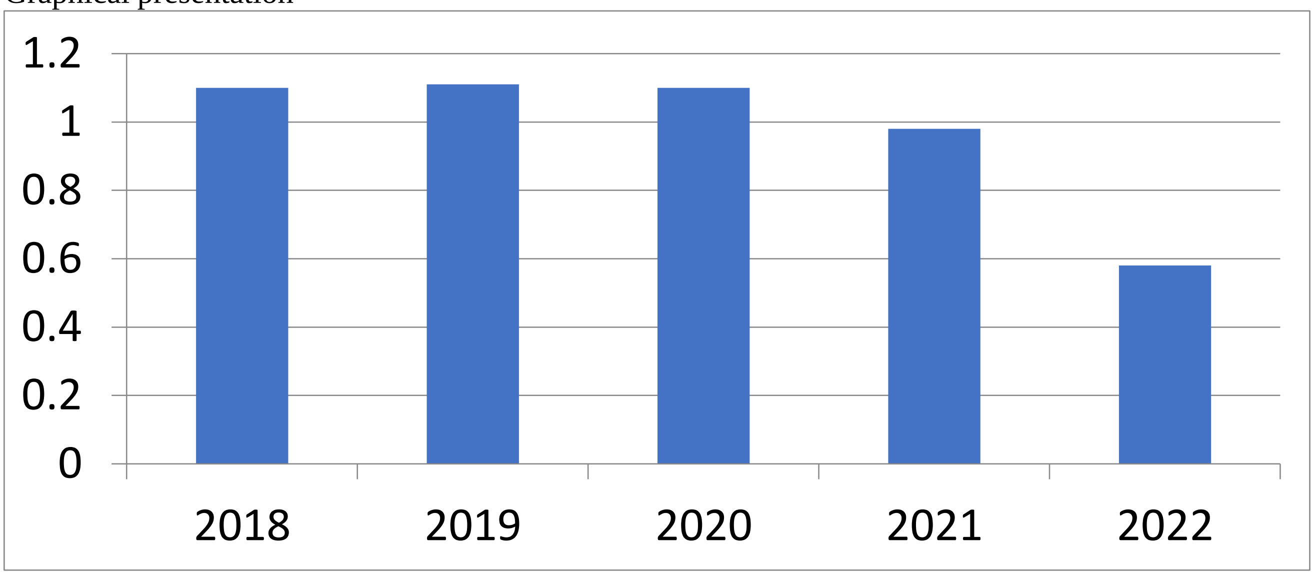


Fig.: ROA, or return on assets

Interpretation:

We discovered the return on assets fluctuates during the consideration stage. It reached its maximum (1.11%) in 2019 and its minimum (.58%) in 2022. Based on our data, we can conclude that while ROA fluctuates very little over time, there is a declining tendency that should worry the bank. A low return on assets as a percentage suggests that the bank isn't generating enough revenue through the use of its resources. Low net investment income and an unstable economy could be the cause of the low ROA.

B. Return on Equity (ROE):

The earnings on ownership ratio is the most important efficiency profitability ratio since it determines the profit from the investments made by the bank's shareholders. It also shows how well bank management is using the money owned by shareholders. Put differently, a larger return on equity is preferable.

Formula: ROE= (Net income / total equity) *100

Return On Equity (%)					
Year	2018	2019	2020	2021	2022
Return On Equity (ROE)	13.83%	14.80%	12.93%	10.88%	7.69%

(Source JB PLC annual report)

Graphical presentation

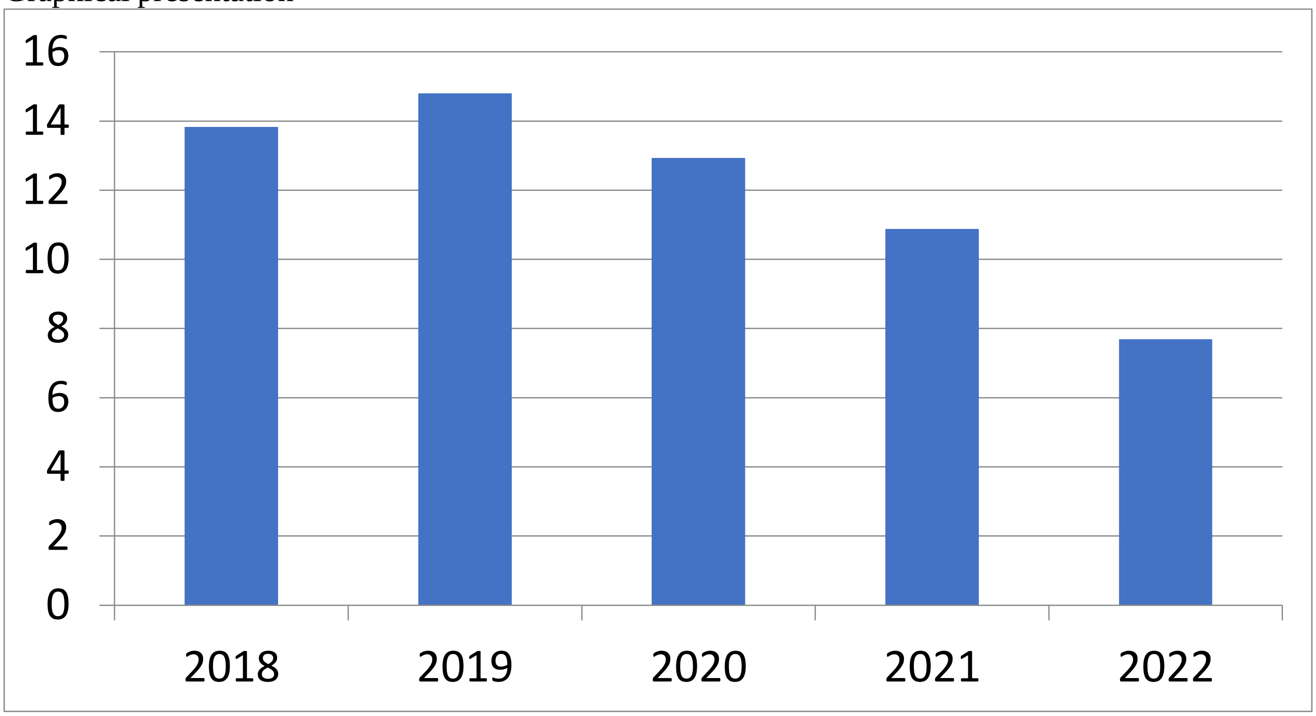


Figure: Equity Return (ROE)

Interpretation:

The return on equity serves as a gauge for the owner's stake in the profit. The graph shows how the bank's profit from ownership has changed over time. It peaked in 2019 at 14.80%, then it fell to 7.69% in 2022. But from 14.80% in 2019 to 7.69% in 2022, the return on equity fell, possibly as a result of certain poor investments.

C. Return on Investment Capital:

The effectiveness with which a bank generates returns on its equity can be determined by looking at this ratio. The return on investment capital % is often compared to the weighted average cost of capital to assess the efficiency with which the money spent gets deployed.

Formula: ROIC= (Net operating profit after tax/Invested capital)*100

Return On Investment (%)					
Year	2018	2019	2020	2021	2022
Return On Investment (ROI)	6.36%	6.56%	10.06%	9.52%	8.22%

(Source JB PLC annual report)

Graphical presentation

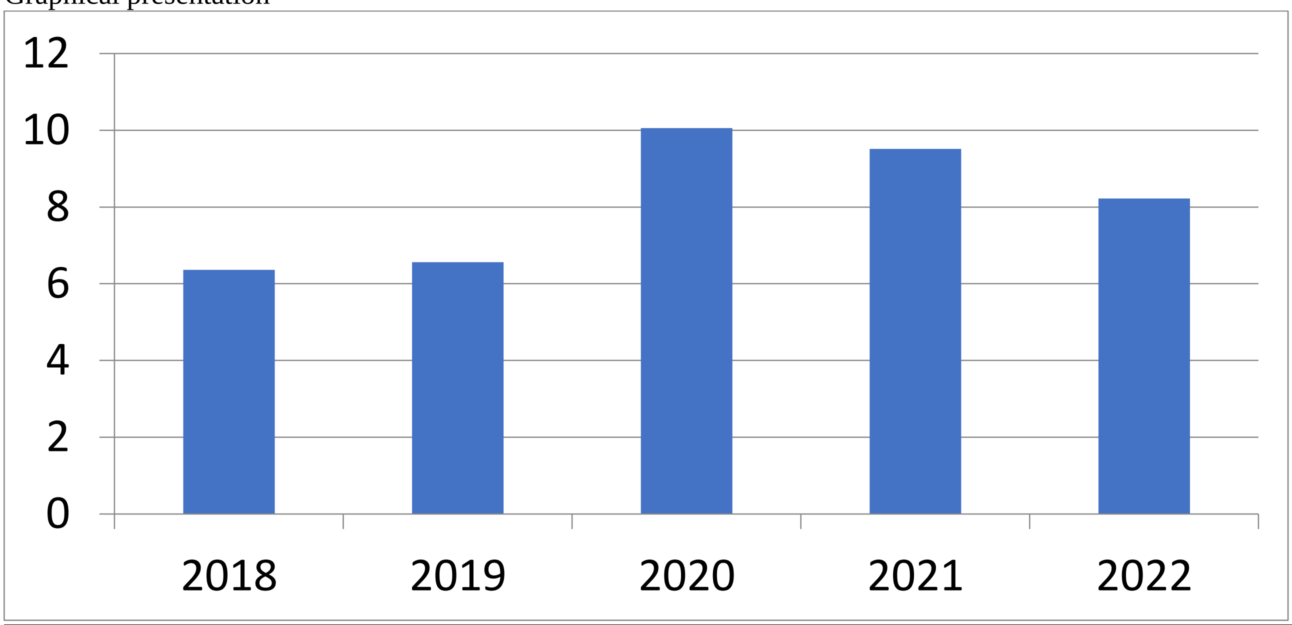


Figure: ROI (return on investment)

Interpretation:

The bank's return on invested capital has varied throughout time, as this graph demonstrates. In 2020, it peaked at 10.06 percent, and in 2018, it dropped to 6.36%. On the other hand, the ROI decreased from 6.36% in 2018 to 6.56% in 2019 and 10.06% in 2020. From 2018 to 2020, they got better, but then everything started to go back downhill. It indicates that while they are getting better at making money, they were unable to continue doing so in 2021 and 2022.

D. Expense Control Efficiency:

Because its revenue is in the basis point and its operating costs are in the sum, a bank with a lower productivity ratio is one that is operating more effectively. Growing bank costs are indicated by a hike in the productivity ratio. It is a measure of managerial effectiveness and budget control that displays the quantity of revenue generated by operations that is left over after running costs are deducted.

Formula: Expense control efficiency = Total operating expense / Total operating revenue

Expense control efficiency (%)					
Year	2018	2019	2020	2021	2022
Expense Control Efficiency	52.85%	48.93%	53.14%	52.79%	55.49%

(Source JB PLC annual report)

Graphical presentation

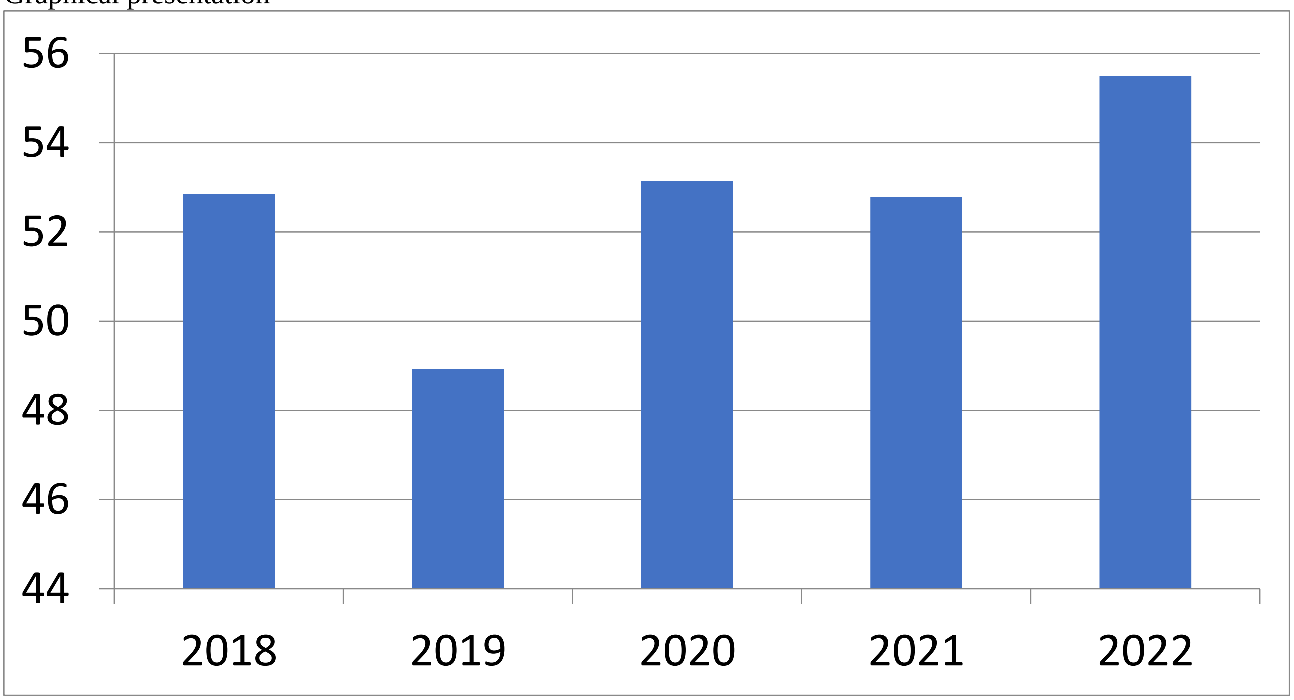


Figure: Efficiency of Expense Control

Interpretation:

Throughout the years, the bank's earnings from its investment funds has fluctuated as this graph demonstrates. Nonetheless, it is evident that Jamuna Bank PLC has improved its average expense control efficiency over the previous five years to 52.64%, which is a positive development. With the exception of 2019, the bank has good control over its expenses as seen by the overall rising trend in expenditure control efficiency.

E. Net Profit Margin:

The proportion of net income or profit generated as a fraction of revenue is referred to as "net profit margin," or simply "net margin." It is the proportion of a company's or business segment's net income to expenditures. Although it typically appears as a percentage, net profit margin can also be shown as a fraction. A business's net profit margin shows how much of every taka of revenue is converted to profit.

Formula: Net profit Margin= Net profit after tax/ Revenue*100

Net Profit Margin (%)					
Year	2018	2019	2020	2021	2022
Net Profit Margin	42.78%	39.26%	70.39%	96.85%	52.98%

(Source JB PLC annual report)

Graphical presentation

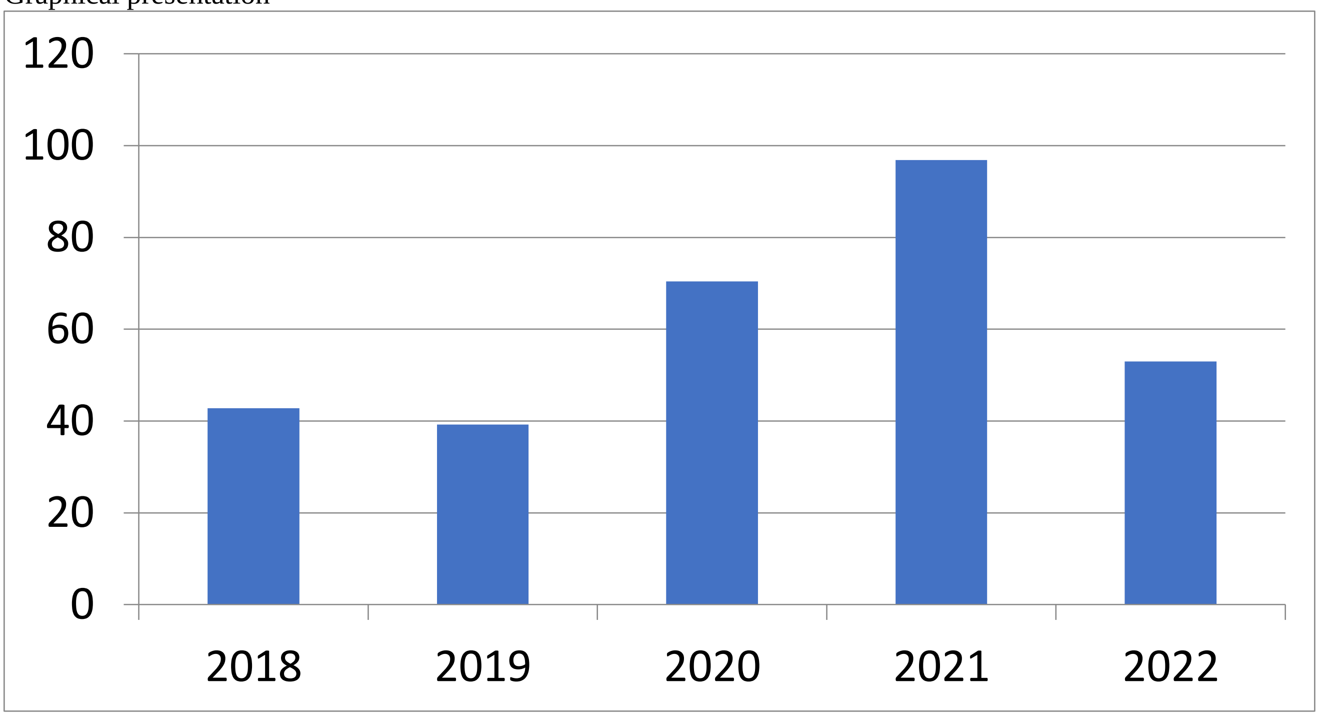


Figure: Net Profit Margin

Interpretation:

The following chart demonstrates how the bank's net profit margin varied significantly over a five-year period. 2019 saw a decline in the net profit margin, which could have been brought on by increased operational costs. Though it is encouraging for the bank, the net profit margin declined slightly in 2022 after increasing in 2020 and 2021.

3.2.2 Liquidity Ratio of jamuna Bank PLC:

A. Current Ratio:

The bank's current ratio illustrates how well it can pay its present debts with its present assets. The bank's working capital strength is shown by the current ratio. It notifies analysts and investors as to whether or not the bank is using its current assets to the fullest extent possible to settle its unpaid bills and other accounts owing on its balance sheet.

Formula: Current Ratio = Current assets / Current liabilities

Current Ratio					
Year	2018	2019	2020	2021	2022
Current Ratio	0.84:1	0.95:1	0.89:1	0.84:1	0.91:1

(Source JB PLC annual report)

Graphical presentation

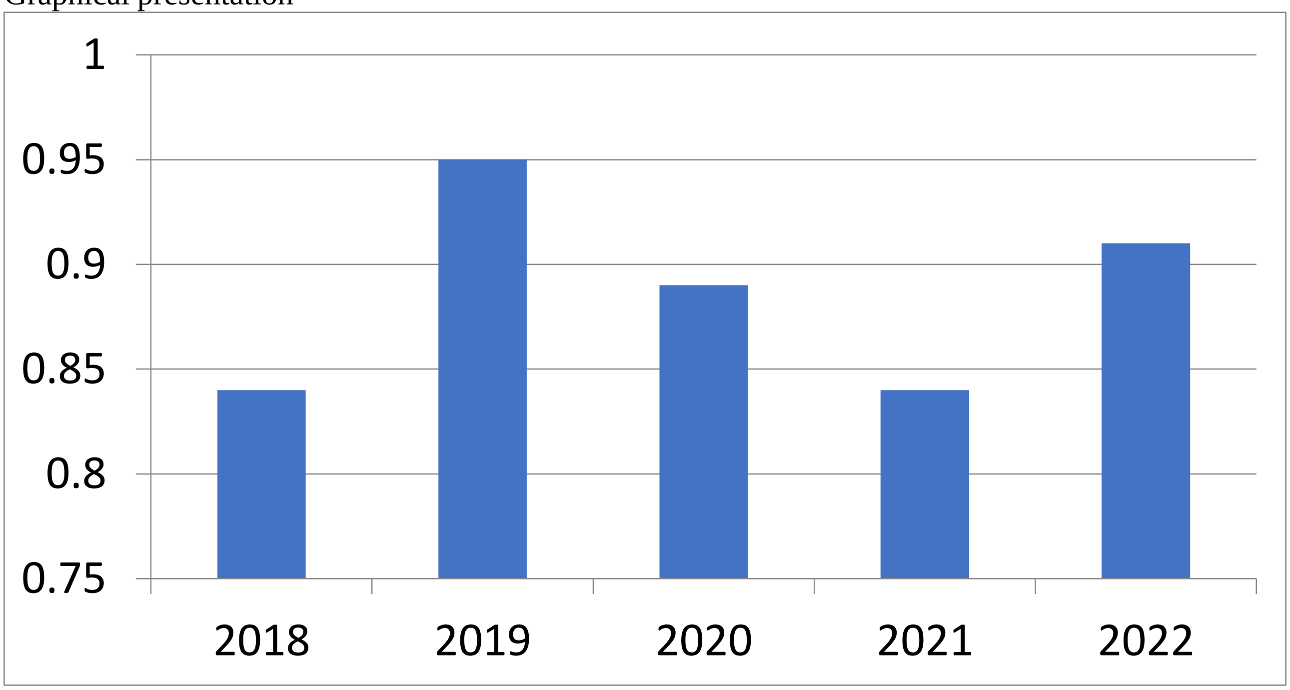


Fig: Current Ratio

Interpretation:

A concerning trend can be seen in Jamuna Bank PLC's current ratio, something the bank finds problematic. The current ratio reached its maximum in 2019 at 0.95:1. The values for 2018 and 2021 were as low as.84:1. In comparison to 2019, it fell even more in 2020 and 2021 before rising again in 2022. Despite a relatively modest growth in 2022, Jamuna Bank's total current ratio remains unsatisfactory due to the declining tendency.

B. Earning Assets to Total Assets Ratios:

A concerning trend can be seen in Jamuna Bank PLC's current ratio, This raises concerns for the bank. The current ratio reached its maximum in 2019 at 0.95:1. The values for 2018 and 2021 were as low as.84:1. In comparison to 2019, it fell even more in 2020 and 2021 before rising again in 2022. Despite a relatively modest growth in 2022, Jamuna Bank's total current ratio remains unsatisfactory due to the declining tendency.

Formula: Earning Assets to Total Assets Ratios = Average earning assets/ Average total assets

Earning Assets to Total Assets Ratios					
Year	2018	2019	2020	2021	2022
Earning Assets to Total Assets Ratios	0.74	0.73	0.70	0.69	0.71

(Source JB annual report)

Graphical presentation

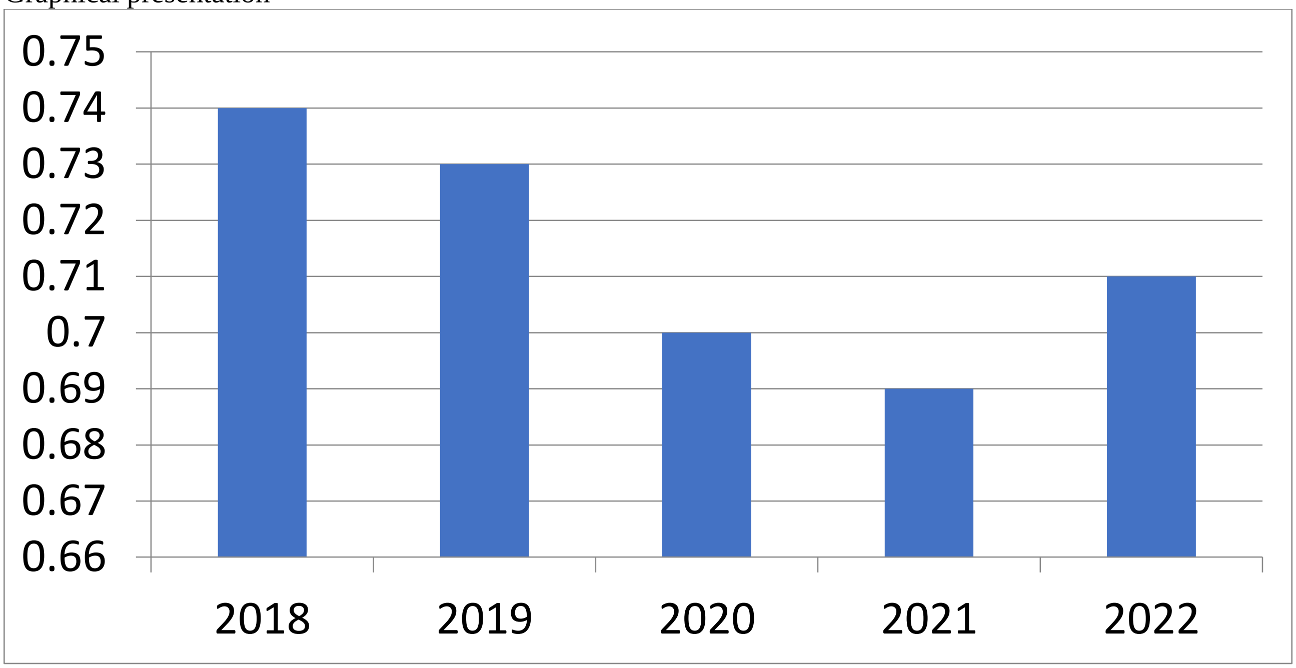


Fig: Earning Assets to Total Assets Ratio

Interpretation:

According to the statistical analysis, in 2018, JB PLC's Total Assets to Earnings ratio reached its highest point of 0.74. Compared to previous years, Jamuna Bank has operated more profitably in 2018 and 2019. Large holdings of public and other stocks and bonds, basic savings, such, can produce high income assets. Nonetheless, JB PLC's total assets to profits ratio dropped to 0.70 in 2020 and 0.69 in 2021. In 2021, At its lowest point, the ratio of entire assets to profits was 0.69.

C. Current Deposits to Total Liabilities:

This ratio is used to assess the liquidity of the bank through contrasting the total loans to the total deposits for a comparable length of time. It expresses itself as a percentage. If the proportion is too high, the bank might not have adequate liquidity to meet any unanticipated expenses. However, if the ratio is too low, the bank could not be earning as much as it could. This ratio shows how well-equipped a bank is to handle both loan losses and withdrawals by customers. Customers monitor banks to make sure there is enough liquidity to pay debts in the unlikely event of an economic downturn that results in lender defaults.

Formula: Current Deposit to Total Liabilities = Total loans / total deposits

Current Deposit to Total Liabilities (%)					
Year	2018	2019	2020	2021	2022
Current Deposit to Total Liabilities	87.96%	87.54%	85.11%	84.74%	82.53%

(Source JB PLC annual report)

Graphical presentation

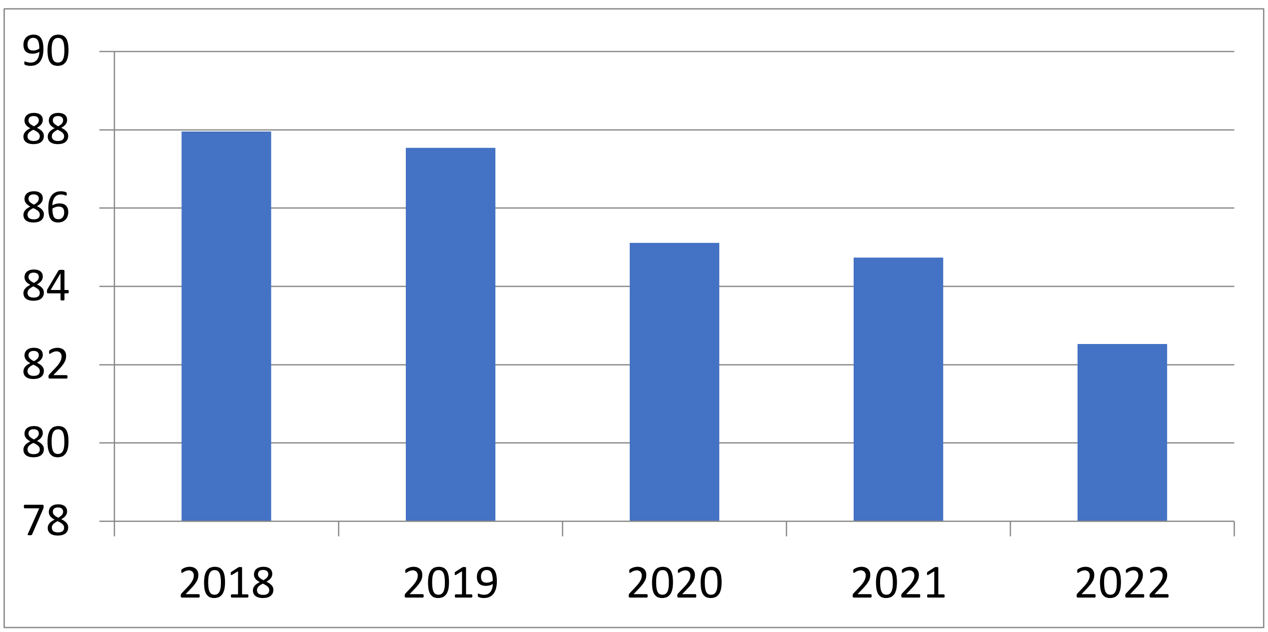


Fig: Current Deposit to Total Liabilities

Interpretation:

The Chart demonstrates which between 2018 and 2022, JB PLC's current deposit to total liability ratio shrank. 2018 saw the highest ratio of current deposits to total liabilities (87.96%) in the previous five years, indicating JB PLC's best level of efficiency. One possible explanation for JB PLC's performance scenario in 2018 could be the relatively low total liabilities resulting from low bills payable. Between 2018 and 2022, the ratio decreased; JB PLC needs to investigate further and determine the cause.

D. Cash Ratio:

The cash ratio, or the ratio of a bank's total cash and cash equivalents to its present obligations, is used to measure the sustainability of the bank. This metric assesses a bank's ability to settle short-term debt with cash or nearly finances, such as readily convertible assets. With the use of this data, bankers can decide how much—if any—money they are ready to provide a company.

Formula: Cash Ratio = Cash and cash equivalents / current liabilities

Cash Ratio					
Year	2018	2019	2020	2021	2022
Cash Ratio	0.58:1	0.54:1	0.49:1	0.48:1	0.50:1

(Source JB PLC annual report)

Graphical presentation

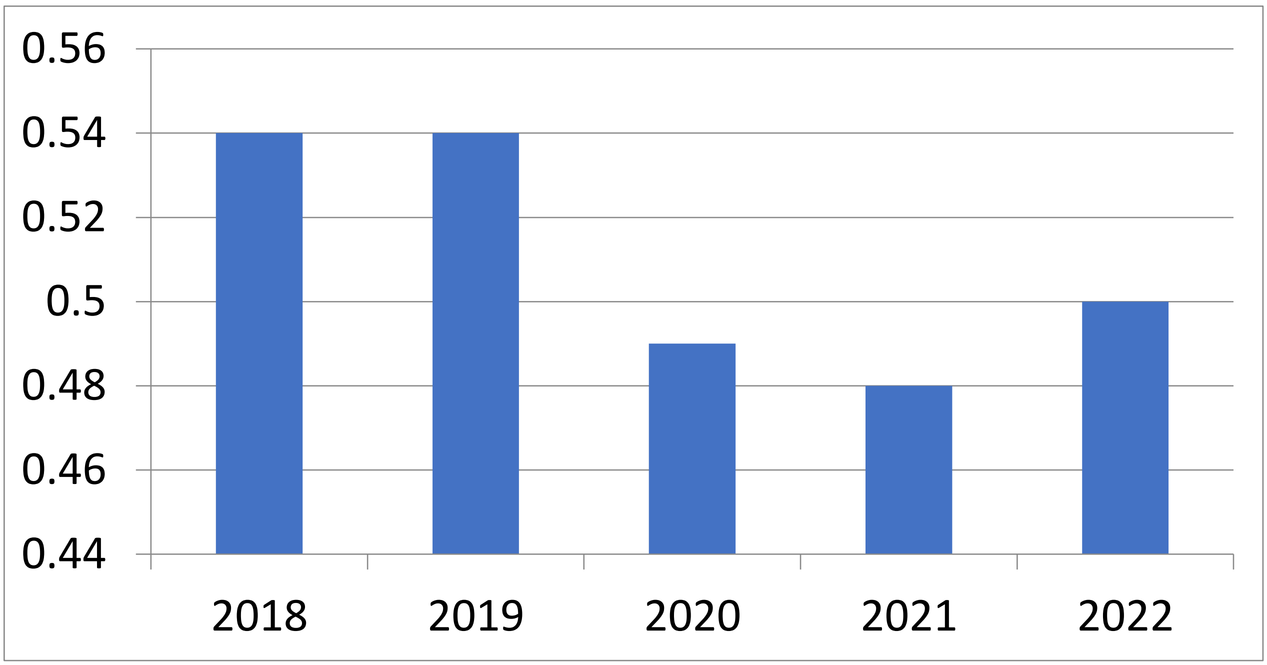


Fig: Cash Ratio

Interpretation:

The chart shows a declining cash ratio for JB PLC, which is bad news for the bank. The ratio of cash peaked in 2018 and reached its lowest point in 2022. The bank must look into the cause of the downturn and take the necessary measures.

3.2.3 Leverage Ratio of Jamuna Bank PLC:

A. Debt to Asset Ratios:

It displays the proportion of a company's debt to its total assets. It stands for the percentage of debt-funded total assets held by a bank. Generally speaking, a higher percentage of debt to total assets indicates higher risk and more financial leverage.

Formula: Debt to Assets Ratio = Total debt / total assets

Debt to Assets Ratio					
Year	2018	2019	2020	2021	2022
Debt to Assets Ratio	0.14	0.13	0.07	0.13	0.14

(Source JB PLC annual report)

Graphical presentation

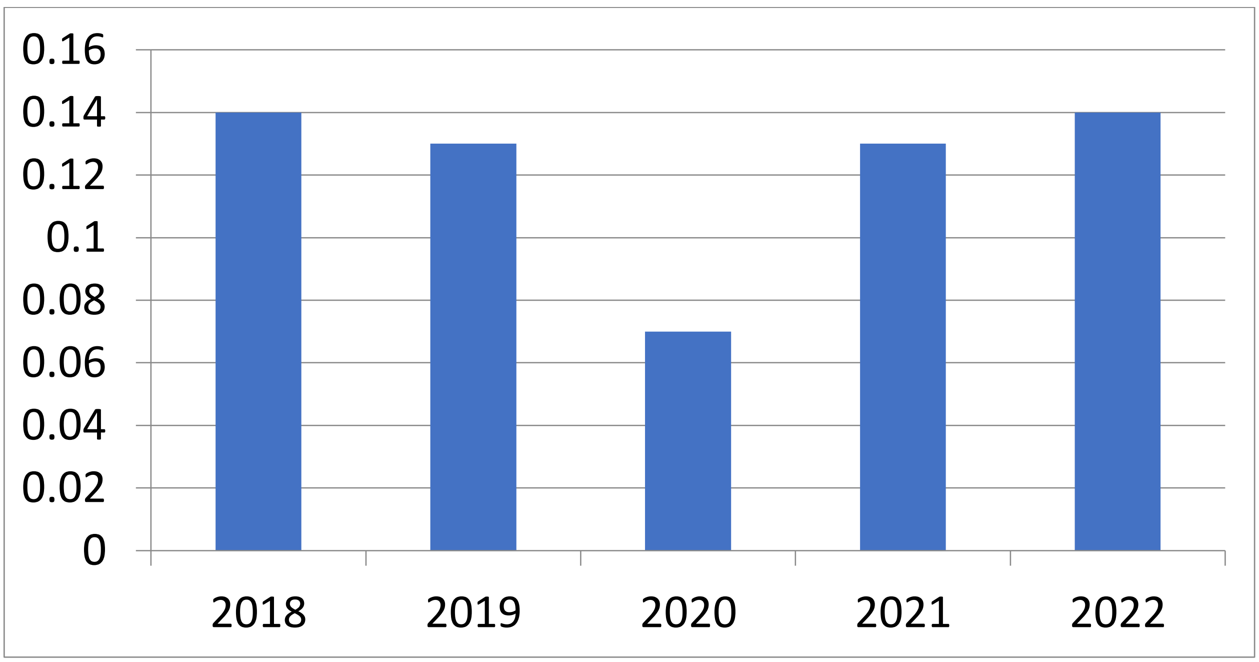


Fig: Debt to Assets Ratio

Interpretation:

After small fluctuations, Jamuna Bank managed to maintain a typical debt ratio of 0.12 from 2018 to 2022. The majority of their liabilities and total assets are rising within the same range. However, in 2020, it dropped from 0.13 to 0.07. Risk-wise, this is advantageous because greater leverage translates into bigger profits. Increased risk exposure for the bank is another consequence of increasing leverage. Financial leverage is advantageous for a bank during prosperous periods when earnings are strong. That has, nevertheless, been repeated since 2021.

B. Debt to Equity Ratios:

The debt to equity ratio is a vital gauge of success at every bank. This ratio compares the amount of money contributed by the lender and the owner. Yet, the obligation to equity ratio differs by industry since some companies employ loans more than elsewhere. It's a financial leverage ratio as well. It shows that shareholder equity is able to pay off all of the debt-related obligations.

Formula: Debt to Equity Ratio = Total debt / total shareholder equity.

Debt to Equity Ratio					
Year	2018	2019	2020	2021	2022
Debt to Equity Ratio	11.49	13.16	9.07	11.44	13.39

(Source JB PLC annual report)

Graphical presentation

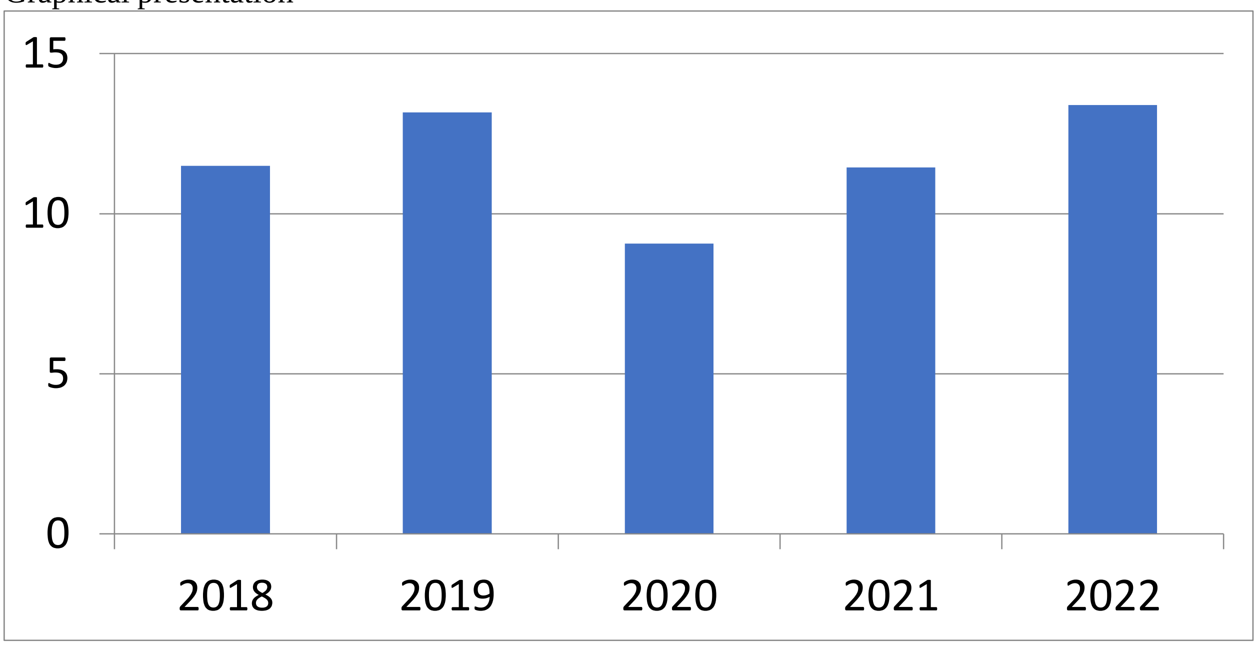


Fig: Debt to Equity Ratio

Interpretation:

Between 2018 and 2022, Jamuna Bank PLC's debt to capital expenditure ratio shows a shifting pattern. Jamuna Bank's debt to equity capital ratio decreased from 13.16 in 2019 to 9.00 in 2020. This indicates that, from 2018 to 2020, their liabilities increased more quickly than their equity capital and then started to decline in 2021 and 2022.

C. Equity Multiplier:

The percentage of the bank's assets that are financed by shareholders is displayed by this financial leverage ratio. On the other hand, it also illustrates the quantity of debt financing needed to maintain bank operations. The bank will need to generate more cash flow if it relies solely on debt financing to meet its duties A greater equity multiplication suggests that debt is the primary source of funding for the bank's assets.

Formula: Equity Multiplier = Total asset / total shareholders' Equity.

Equity Multiplier					
Year	2018	2019	2020	2021	2022
Equity Multiplier	12.45	14.16	10.00	12.36	14.31

(Source JB PLC annual report)

Graphical presentation

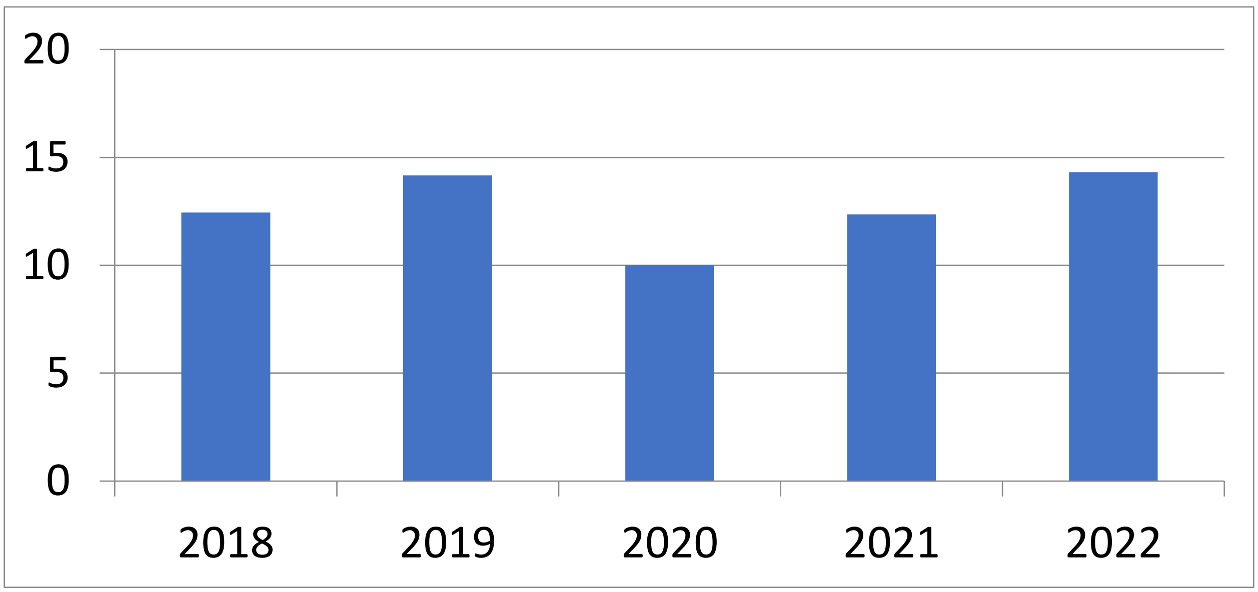


Fig: Equity Multiplier

Interpretation:

The equity multiplier ratio is trending higher, according to the graph. Over the previous five years, the bank's equity multiplier ratio has improved generally, albeit declining from 14.16 in 2019 to 10.00 in 2020. This does not bode well. Larger multiplied ratios indicate that more assets may have been borrowed against to sustain activities at the bank, hence increasing the bank's risk.

D. Capital Adequacy Ratio:

The capital adequacy ratio (CAR) is a metric that expresses a bank's available capital as a proportion of its risk-weighted loan obligations. An instrument used worldwide to protect depositors and improve the effectiveness and stability of financial systems is the capital-to-risk weighted assets ratio, also known as the proportion of capital that is sufficient, or CRAR.

Formula: Capital Adequacy Ratio = (Tire-I Capital + Tire-II Capital)/Risk weighted assets

Capital Adequacy Ratio (%)					
Year	2018	2019	2020	2021	2022
Capital Adequacy Ratio	13.58%	14.25%	15.50%	16.42%	16.66%

(Source JB PLC annual report)

Graphical presentation

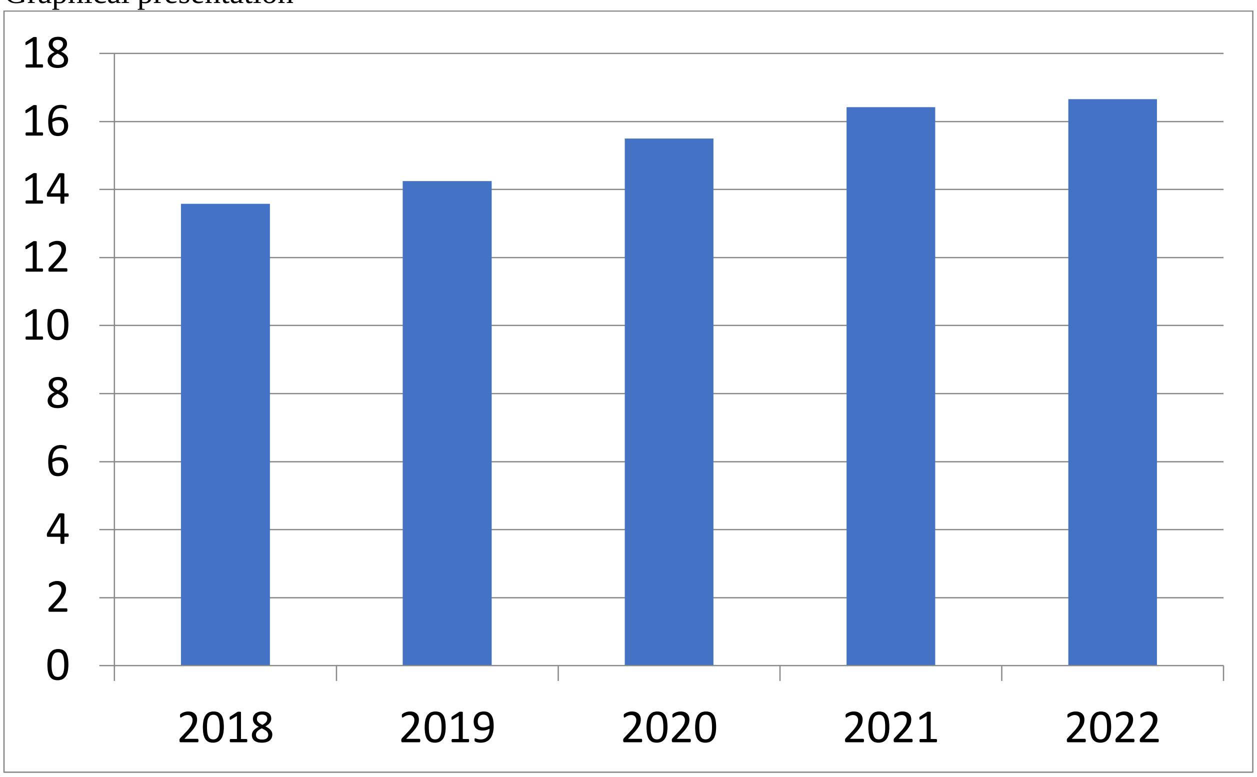


Fig: Capital Adequacy Ratio

Interpretation:

Our research indicates that Jamuna Bank's capital adequacy ratio is trending increasing. Over the past five years, JBL's average capital adequacy ratio has been higher than 15.28%. The bank is safe with a greater capital adequacy ratio. Thus, it can be concluded that Jamuna Bank PLC had a good risk-absorbing posture.

3.2.4 Market Performance Ratio of Jamuna Bank PLC:

A. Earnings Per Share (EPS):

Before investing in a company's ownership, market participants can evaluate its profitability by looking at its earnings per share (EPS).

Formula: EPS = (Net income-preferred dividend) / weighted average number of shares outstanding.

Earnings Per Share (EPS)					
Year	2018	2019	2020	2021	2022
Earnings Per Share (EPS)	3.09	3.48	3.56	3.31	2.12

(Source JB PLC annual report)

Graphical presentation

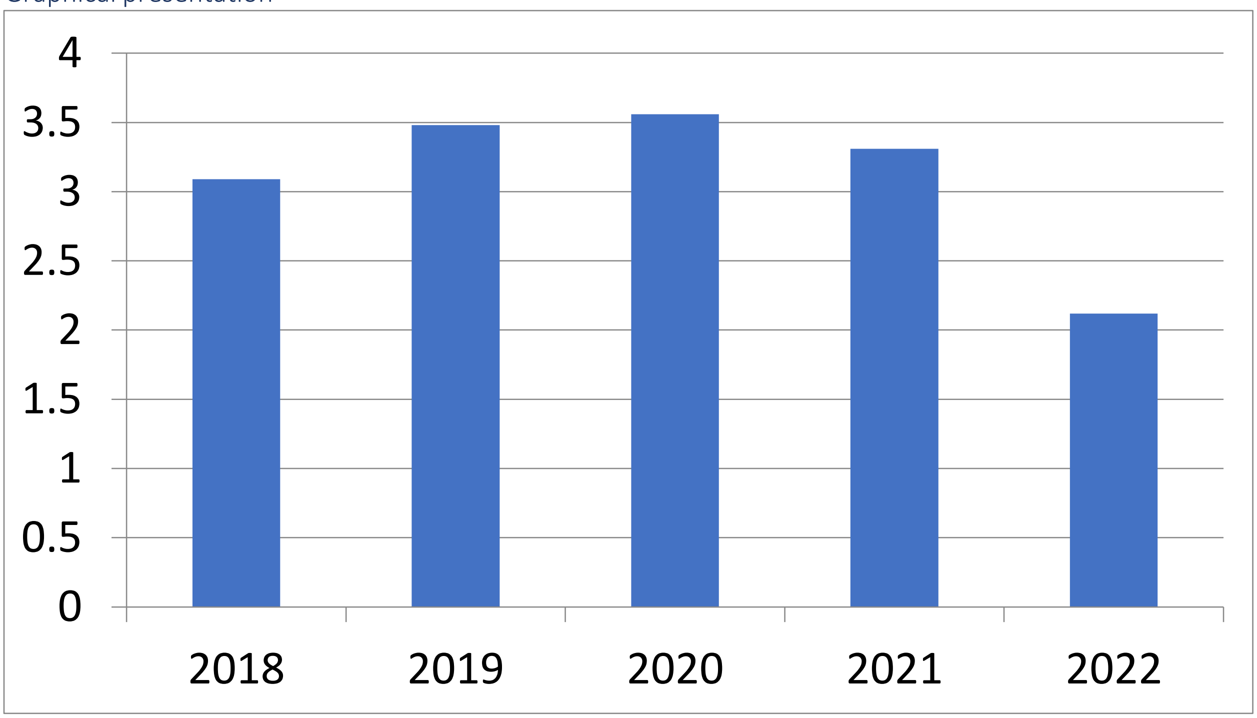


Fig: Earnings Per Share (EPS)

Interpretation:

The amount earned for each common share is shown by the EPS. Investors keep a close eye on EPS because it's a key sign of a successful organization. JB PLC's earnings per share (EPS) increased from Rs. 3.09 in 2018 to 3.48 and 3.56 in 2019 and 2020, respectively. However, it dropped to 2.12 and 3.31 in 2021 and 2022. This graph's final year shows an unsettling EPS reduction for Jamuna Bank PLC.

B. Price-to-Earnings (P/E) ratio:

It is also known as cost various. Banks make money per exchange by the price of their shares. It is employed in the process of appraising banks to determine whether they are overvalued or undervalued. Investors anticipate stronger earnings growth in response to a higher P/E ratio.

Formula: P/E Ratio =Market price per share of common stock/Earning per share.

P/E Ratio (Times)					
Year	2018	2019	2020	2021	2022
P/E Ratio	5.69	5.31	5.27	7.09	10.09

(Source JB PLC annual report)

Graphical presentation

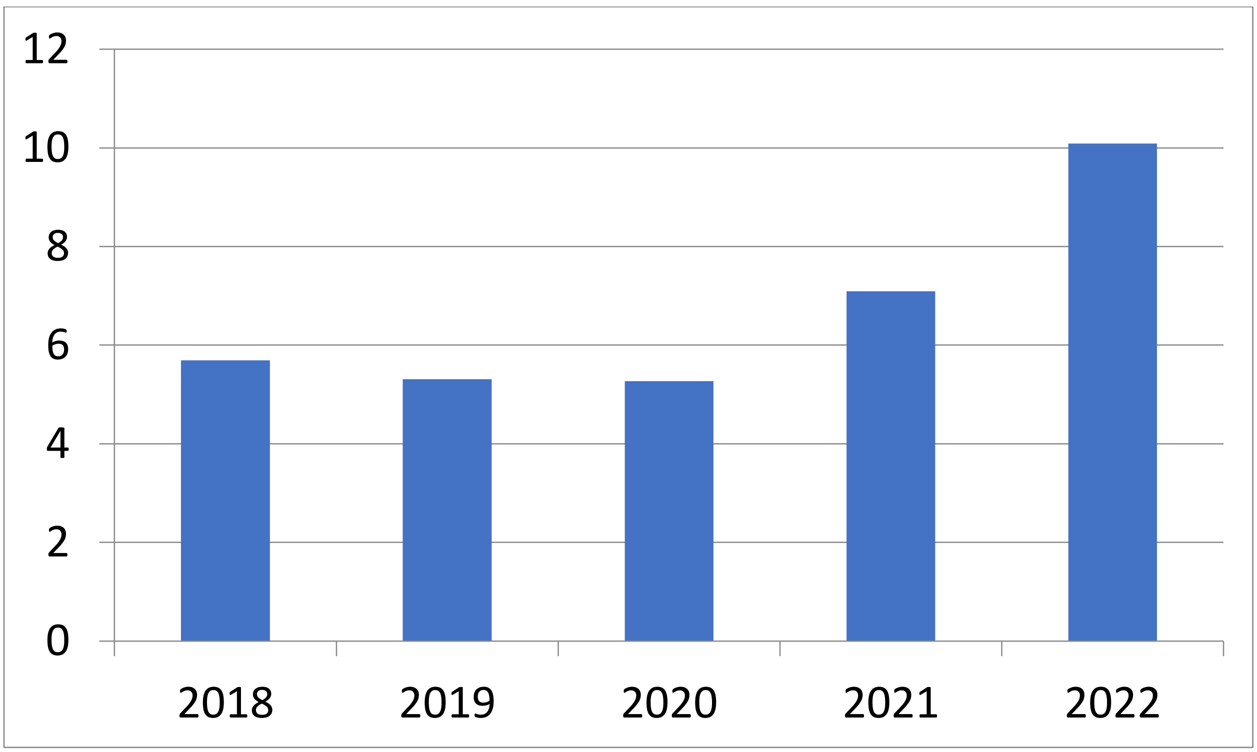


Fig: P/E Ratio

Interpretation:

An indicator of shareholders' perceptions of the company is the price-earnings ratio. With the exception of 20122, when the P/E ratio reached its maximum, the remaining years demonstrate a downward trend in the ratio. For the five years, JB PLC has maintained an average P/E ratio of 6.69, which is favorable for bank investors.

3.3 Findings-

Following an analysis of Jamuna Bank PLC's financial statistics from 2018 to 2022, the following conclusions are made:

- Throughout the five-year period from 2018 to 2022, 2019 was the strongest year for the Jamuna bank in terms of earnings from operations. Because of the reality of the financial institution achieves its largest operational profit and income in that year, at 5,841.84 million taka and 11,439.53, respectively.

- Profit before taxes exhibits an upward trend from 2018 to 2022. However, it is 8.99% lower in 2020 than it was in 2019.

- Throughout the five years, 2020 had the largest net profit after tax (2,670.71 million taka), and it also showed a growing tendency.

- The bank's deposits experienced a 5.63% decline in 2020 compared to the previous year; however, they experienced a gain in 2021 and 2022. Therefore, over the past five years, total deposits have increased.

- Total Assets decreased by 0.57% in 2020 compared to the previous year, however this climbed in 2021 and 2022. However, the general revenues of the bank are increasing overall.

- The bank's total liabilities had a drop in 2020, but an increase in 2021 and 2022.

- Among the five years from 2018 to 2022, 2021 had the highest market price per share (23.40). The bank's overall market price per share is very steady.

- Bank investment is increasing year by year.in 2022 it was the highest at 76395 million takas.

- Over the course of the last five years, dividends paid to shareholders have varied. It reached its maximum of 26.00% in 2022 and its minimum of 15.00% in 2019.

- There is expected to be a rise in both staff and branch population between 2018 and 2022.

- Throughout of the five years, return on assets (ROA) varied and showed a declining tendency.

- The bank benefits from an increasing trend in return on equity.

- There is an opportunity to cause the ratio of cash to cash and the present ratio to decline.

- The P/E ratio exhibits a falling trend, whilst earnings per share (EPS) displays an upward trend.

Chapter-4

Recommendations and Conclusion

4.1 Recommendations

From this research, practical information about the banking sector can be acquired. to offer some recommendations based on scholarly research in an effort to alter and enhance Jamuna Bank PLC's financial performance.

- The Bank authorities ought to be mindful of their increasing costs. The bank's total operational expenses are expected to increase annually between 2018 and 2022. Thus, it is imperative to concentrate on the areas where the bank's expenses are rising.
- Ever since Jamuna Bank PLC's cash ratio started to decline, the bank has been experiencing liquidity issues. The management of the bank should act appropriately in this situation to control the bank's liquidity.
- Performance on investments is a measure of how a financial institution uses its possessions to produce profits. The bank needs to focus on raising ROA.
- Jamuna Bank PLC should pay particular attention to certain ratios that exhibit greater fluctuations.
- The management of Jamuna Bank PLC must take the required actions to raise the P/E ratio.
- The bank must continue to sustain its increasing earnings per share (EPS) in the future.
- In order to provide better service to its customers and potentially win them over from other banks, Jamuna Bank PLC needs to implement some innovative concepts.
- It is recommended that Jamuna Bank PLC implement multiple incentives to enhance remittances.
- It is recommended that the management of Jamuna Bank PLC take proactive measures to retrieve the loans that have fallen into default.
- When integrating new technologies into their financial system, the bank ought to be highly responsive and adaptable.
- In order to establish perfect relationships with clients and cultivate a loyal customer base, Jamuna Bank PLC must strive to achieve its brand value.

4.2 Conclusion

In the banking sector of Bangladesh, Jamuna Bank has long been a successful corporate economic institution. Its original mission was to become the nation's most effective financial middleman, and it now hopes that the time will come to realize this ambition. With time, the bank has adopted a cautious approach to banking. To improve transparency across the board for the bank's central management, new technologies have been implemented. It has reduced the time required for tasks that used to take hours to just a few minutes. The range of products and services that Jamuna Bank provides to its customers is likewise always growing. Once more, the bank enjoys a positive reputation among shareholders because to its social purpose initiatives.

Since the bank's founding, profits have continued to flow in. But as of late, the banking industry has been dealing with issues including an increase in ineffective debt, an abundance of money, insufficient money. The bank owns eventually been impacted by these difficulties in one way or another. Nonetheless, JB PLC is solvent and sound financially because of its substantial assets and solid financial foundation.

The Banking industry is a very dynamic one that is continually evolving and facing new difficulties. It thinks Jamuna Bank is fully capable of overcoming those obstacles. Jamuna Bank constantly strives to be the best by introducing cutting-edge concepts and cutting-edge technologies. It is reasonable to assume that Jamuna Bank PLC will continue to grow in the future if current trend persists.

4.3 References

Annual Report:

https://jamunabankbd.com/jb_uploads/files/files/AR_2018_final.pdf

https://jamunabankbd.com/jb_uploads/files/files/Annual_Report_2019_f.pdf

https://jamunabankbd.com/jb_uploads/files/files/Annual_Report_2020.pdf

https://jamunabankbd.com/jb_uploads/files/files/Annual_Report_2021.pdf

https://jamunabankbd.com/jb_uploads/files/files/Annual_Report_2022.pdf

Websites:

https://jamunabankbd.com/

https://www.bibm.org.bd/

https://www.wikipedia.org/

https://www.google.com/