Internship Report on
Financial Performance Analysis of
Janata Bank PLC

Internship Report On

"Financial Performance Analysis of Janata Bank PLC"

Submitted By:

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Batch: 55th

BBA Program

Department of Business Administration

Faculty of Business & Entrepreneurship

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Submitted To:

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Date of Submission: 20August 2025

Letter of Transmittal

20th August 2025

Md. Repon Miah

Assistant professor**,**

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Submission of Internship report on "Financial Performance Analysis of Janata Bank PLC."

Dear Sir,

With due respect and humble to state that it is my pleasure to submit this Internship Report on **"Financial Performance Analysis of Janata Bank PLC"** to you. While preparing this report, I tried my best to follow the instructions that you have given me. This report is prepared for the fulfillment of the requirement of the BBA Program. This Internship Report has been extremely challenging, interesting and rewarding experience to me. I would like to express my deepest gratitude to you for providing me with such an opportunity.

I shall be highly encouraged if you are kind enough to receive this report. Thank you for your consideration and collaboration.

Sincerely yours,

Sadia

Sadia Afrin Mim

ID: 201-11-6499

Batch: 55th

BBA Program

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Student's Declaration

I, Sadia Afrin Mim, hereby declares that the internship report titled **"Financial Performance Analysis of Janata Bank PLC''**: A study on **Janata Bank PLC** is individually prepared by me after completing the 90 days internship at Janata Bank PLC, Panth path Branch, Dhaka and a comprehensive study on the Financial Performance Analysis of JBPLC. Nothing in this report is duplicated and no information is used which is highly confidential of JBPLC and the information in this report is not against the law of the country.

I would like also to declare that the report is prepared exclusively for academic purposes and not for any other reason.

Sincerely,

Sadia

Sadia Afrin Mim
ID: 201-11-6499
Program: BBA
Major: Accounting
Department of Business Administration
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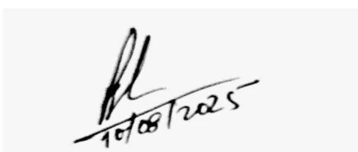
Letter of approval

This is to certify that Sadia Afrin Mim, ID: 201-11-6499 a student at Daffodil International University of BBA program has completed the internship report titled “Financial Performance Analysis of Janata Bank PLC”, under my supervision. Her internship placement was at “Janata Bank PLC, panthapath Branch”. I am pleased to state that she has worked hard in preparing this report and she has been able to present a good picture of the organization concerned. The data and findings presented in the report seem to be authentic. I wish her every success in life.



Md. Repon Miah
Assistant Professor,
Department of Business Administration
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Daffodil International University

ACKNOWLEDGEMENT

It brings me great pleasure to express my gratitude to everyone who helped prepare this report, whether directly or indirectly, for their kind cooperation and encouragement.

First and foremost, I thank Almighty Allah for making it possible for me to continue my education.

To help me produce this report, I would like to express my gratitude to my honorable supervisor, Md. Mia Ripon, Assistant Professor, Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University, for his advice and assistance.

I would like to express my sincere gratitude to all the managers and executives at Janata Bank PLC, Panth path Branch, for their unwavering cooperation during the survey period. They are the best that someone could ask for.

My task was also considerably enhanced by numerous insightful conversations with various specialists at Janata Bank PLC. Finally, but just as importantly, I want to express my gratitude to all the other amazing employees at Janata Bank PLC.

We especially thank our friends and classmates who offered their one-on-one support and guidance.

I want to thank everyone who has contributed, including many that we were unaware of. However, I still bear responsibility for the times I disregarded their counsel.

Lastly, I just wanted to say thank you to my parents. The completion of my BBA program and the three-month internship was made possible through their support.

Executive Summary

Janata Bank Limited is a major state-owned commercial bank in Bangladesh, formed in 1972 through the merger of United Bank Limited and Union Bank Limited. Headquartered in Dhaka, it is crucial in financing key sectors of the Bangladeshi economy, such as agriculture, industry, trade, and infrastructure. The bank offers diverse services, including corporate, retail, SME financing, foreign trade, and investment banking, along with specialized financial products for industrial and agricultural ventures.

With a widespread branch network in Bangladesh and overseas, particularly in the Middle East, Janata Bank supports government initiatives like poverty alleviation and financial inclusion, providing credit to underprivileged communities and SMEs. Despite challenges with non-performing loans, it remains a vital institution in Bangladesh's banking sector.

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Introduction

Chapter 1

1.1Introduction

The financial performance of Janata Bank is thoroughly examined in this internship report, with an emphasis on the bank's strategic ambitions and operational dynamics. The research seeks to offer insightful information about Janata Bank's financial health and its implications for stakeholders by analyzing important financial measures, market trends, and comparative benchmarks. The goal of the investigation is to identify Janata Bank's operational efficacy and strategic placement in the cutthroat banking industry, highlighting both its advantages and disadvantages.

Customers, investors, regulators, and the overall economy are all impacted by Janata Bank, a prominent financial institution that plays a significant role in the banking sector. Comprehending its financial performance is essential for strategic planning and decision-making. In addition to being a teaching tool, this study advances knowledge of financial performance analysis in the context of a well-known financial institution such as Janata Bank.

I have learned useful skills in data analysis, financial reporting, and strategy evaluation throughout this internship. Through this experience, I have been able to put my academic knowledge to use in a practical situation, which has improved my ability to analyze financial data and recognize Janata Bank's strategic prospects and difficulties. This paper seeks to make a significant addition to the field of financial analysis and management by combining theoretical ideas with real-world discoveries. It does this by providing insights that are pertinent to both academic research and real-world banking decision-making.

1.2. Background of Study

The primary goal of this course is to fulfill the academic requirements for a BBA degree at Daffodil International University (DIU). It serves as a practical application of the financial analysis and research strategies learned in the academic curriculum. Janata Bank PLC was chosen as the study's focal point because of its importance in industry or regional environment. The academic community and potential investors are particularly interested in the company's financial performance and stability.

Janata Bank PLC has significant industry significance because of its considerable presence and impact within the banking sector, notably in the countries where it operates.

It plays a crucial role in providing financial services, contributing to economic development, and influencing market dynamics in its operational areas.

The study aims to provide practical insights and recommendations that can benefit Janata Bank PLC. and similar companies. It seeks to address real-world financial challenges and contributes to improving financial management practices.

Certainly! Researchers and scholars are often keen to delve into the financial landscape of companies such as Janata Bank PLC as part of their ongoing research endeavors. This study aligns with their interests in advancing financial analysis techniques and evaluating performance metrics, aiming to contribute new insights and methodologies to the field.
Janata Bank may have willingly offered access to its financial data for research purposes, demonstrating a commitment to transparency and accountability in banking practices.

The study might have been initiated in response to concerns or interests expressed by various stakeholders, such as investors, regulators, or the leadership of Janata Bank PLC.

1.3. Origin of the Report

As part of the Bachelor of Business Administration, to fulfil its requirement of Internship programs, I was assigned to do my internship at Janata Bank PLC. The internship supervisor, **Md. Repon Miah (**Assistant Professor), Faculty of Business & Entrepreneurship**,**
Daffodil International University and Md. Omor Faruk (Manager of Operation & First Assistant Vice President) Janata Bank PLC was chosen "Financial performance Analysis of Janata Bank PLC" as a topic of this report. The intention of the internship program was to give the students an opportunity to gain some real-world experience by working in a practical environment.

To achieve the main objective of analyzing the financial performance of Janata Bank PLC, this report will focus on the following specific objectives:

Broad Objective

1.To analyze financial performance of Janata Bank PLC Specific

Objectives:

2.To analyze liquidity, profitability and solvency of the Bank using ratio analysis tools.

3.To analyze income statement and balance sheet items of the bank using vertical and horizontal analysis methods.

4.To recement based on findings.

1.5. Methodology

This report on Janata Bank Public Limited is based on secondary data sources, primarily focusing on the bank’s publicly available information.

Data source: Key data sources include the Annual Reports of Janata Bank, relevant research papers, and the official website of the bank. These sources provided insights into the bank's financial performance and strategic direction.

For the analysis, several tools were used:

- Trend Analysis to identify growth and performance patterns over time.

- Common Size Statements (Income Statement and Balance Sheet) to compare financial ratios and highlight structural changes.

-The bank's overall financial health and operational efficacy were evaluated by ratio analysis, which included liquidity, profitability, leverage, and efficiency ratios.

This approach guarantees a thorough understanding of Janata Bank's financial situation and position in the market.

1.6. Limitations of the Studies

The following restrictions were found when this report on Janata Bank Public Limited was being prepared:

Time Restrictions: The limited amount of time made it impossible to carry out a comprehensive, extensive examination.

Restricted Data Access: It was challenging to obtain pertinent and in-depth information because of confidentiality regulations, which would have impacted the analysis's depth.

Organizational part

Chapter 2

2.1. About Janata Bank PLC

One of Bangladesh's biggest state-owned commercial banks, Janata Bank Public Limited, is essential to the nation's financial industry. Since its founding in 1972 because of the merger of multiple nationalized banks, Janata Bank has developed into a significant force in meeting the banking needs of both corporations and consumers. The bank offers a broad range of financial services, such as corporate and personal loans, deposit plans, foreign exchange transactions, and financing for SMEs. It has a large branch network throughout the nation with a notable presence in both rural and metropolitan locations.

To improve consumer convenience, the bank has also embraced digital transformation by providing online and mobile banking services. Being a government-owned company, Janata Bank is essential to the execution of government programs since it finances priority industries, infrastructure development, and agriculture. By making transactions easier for foreign workers, it also helps Bangladesh receive remittances.

Nevertheless, despite its advantages, Janata Bank has problems with significant non-performing loans (NPLs) and governance, which have affected its financial performance and profitability recently. It is anticipated that continued initiatives to boost risk management and operational effectiveness will improve the bank's overall performance and support its long-term viability.

2.2. Background

Janata Bank PLC is one of Bangladesh's oldest and largest state-run commercial banks. It was formed on March 21, 1972, by the merger of United Bank Limited and Union Bank Limited, following the nationalization of institutions after the country attained independence in 1971.

This initiative was part of a broader effort by the newly formed government of Bangladesh to take control of vital sectors, including banking, to rebuild the war-torn economy.

Key Background Information:

1.Formation and Early Years:

After the independence of Bangladesh, the government nationalized all domestic banks, and

Janata Bank was created by combining two banks: United Bank and Union Bank. The purpose was to create a strong, unified state-owned financial institution to support the country's economy during its early years of independence.

2.Ownership and Management:

Janata Bank was initially fully owned by the government of Bangladesh. It operated under direct state control, with its main objective being to

2.3. Mission of Janata Bank PLC:

The mission of Janata Bank PLC is essential in guiding employees toward achieving the bank's vision. It establishes the framework for the bank's priorities, strategies, goals, and job responsibilities. Janata Bank places significant emphasis on its mission, which is communicated and reinforced by its management through the mission statement. The mission statements are as follows:

- To provide high-quality financial services that cater to the diverse needs of our customers.
- To ensure customer satisfaction through exceptional service and innovative solutions.
- To leverage advanced technology for efficient banking operations and enhanced customer experience.
- To promote sustainable economic development through responsible lending and investment practices.

2.4 Vision of Janata Bank PLC:

Janata Bank Public Limited envisions becoming a leading financial institution by delivering superior services, promoting sustainable growth, and fostering financial inclusion while enhancing customer satisfaction and operational excellence.

2.4Our Core Values:

At Janata Bank PLC, our Core Values are the foundation of our business practices. They steer our decisions and actions, ensuring we remain aligned with our mission and vision as we navigate us path forward

Core Values:

- Integrity
- Respect
- Fairness
- Harmony
- Team Spirit
- Courtesy

Core Competencies:

- Customer-Centric Approach
- Strong Ethical Foundation
- Operational Excellence

Core Strengths:

- Strong Financial Position
- Extensive Branch Network
- Reputation and Trust
- Diverse Product Portfolio
- Experienced Leadership
- Customer Loyalty
- Adaptability
- Corporate Social Responsibility
- Technological Integration

Code of Conduct and Ethics:

Janata Bank Public Limited upholds a robust Code of Conduct and Ethics, emphasizing integrity, transparency, and accountability in all business practices. Employees are expected to adhere to high ethical standards, avoid conflicts of interest, and ensure compliance with legal and regulatory requirements. The code mandates respectful treatment of all stakeholders and

promotes fair dealing and confidentiality. Additionally, Janata Bank emphasizes commitment to social responsibility, including adherence to environmental and community standards. By maintaining these principles, the bank aims to build trust with customers, partners, and the public while fostering a positive and ethical work environment.

2.6. Goals and Commitments

Janata Bank Limited, a public limited company, operates as a key player in the banking sector, providing various financial services to the public. As a public limited company, it offers shares to the public, and its liability is restricted to the capital contributed by shareholders, ensuring limited risk for individual investors. The bank follows regulatory guidelines and corporate governance practices to protect the interests of shareholders and customers alike.

Our commitments to the clients are as follows:

Customer-Centric Services: The bank provides efficient, reliable, and personalized banking services tailored to meet the diverse needs of its clients.

Transparency and Trust: It ensures transparency in all transactions and maintains open communication, building trust with its clients by providing clear and honest information.

Financial Inclusion: The bank is committed to offering accessible banking services to all segments of society, including underserved communities, promoting financial inclusion and economic development.

Data Security and Privacy: Protecting client information is a top priority, with the bank implementing robust security measures to safeguard personal and financial data.

Ethical Practices: Janata Bank upholds the highest ethical standards, ensuring that all operations are conducted with integrity and fairness.
Continuous Improvement: The bank is committed to enhancing its services through innovation and adapting to the changing needs of clients, ensuring satisfaction and long-term relationships.

These commitments reflect the bank's dedication to fostering trust, reliability, and customer loyalty in its operations.

Goals:

The goals of Janata Bank Limited as a public limited company include:

Financial Growth and Profitability: The bank aims to maintain steady financial growth and profitability by expanding its market share, offering diverse banking products, and optimizing operational efficiency.
Customer Satisfaction: One of the key goals is to continuously enhance customer satisfaction by providing high-quality services, improving customer experience, and responding effectively to client needs.
Financial Inclusion: The bank strives to contribute to economic development by promoting financial inclusion, extending its services to underserved and rural areas, and supporting small businesses.
Innovation and Digitalization: Embracing new technologies and digital solutions is a core goal, enabling the bank to modernize its operations, improve service delivery, and stay competitive in the evolving financial landscape.
Corporate Social Responsibility (CSR): The bank is committed to supporting social and economic development through various CSR initiatives, contributing to community welfare, education, and environmental sustainability.
Compliance and Governance: Ensuring strict adherence to legal, regulatory, and ethical standards is a priority, helping the bank maintain trust and credibility while mitigating risks.
Employee Development: Investing in the growth and development of its employees by providing training and skill-building opportunities is another goal, fostering a motivated and high-performing workforce.
By focusing on these goals, Janata Bank aims to strengthen its position in the banking sector while delivering value to its shareholders and customers.

Strategic Objectives:

The strategic objectives of Janata Bank Limited align with its mission to provide excellent banking services and promote sustainable growth. These objectives include:

Expand Market Presence: Janata Bank aims to increase its market share by expanding its branch network and enhancing its digital banking platforms to reach a broader customer base, including rural and underserved regions.

Strengthen Financial Performance: A key strategic objective is to improve the bank's financial performance by increasing revenue, reducing operational costs, and managing risks effectively to maintain profitability and financial stability.

Enhance Customer Experience: The bank focuses on improving customer experience through personalized services, faster processing, and convenient digital solutions, ensuring client satisfaction and loyalty.

Promote Financial Inclusion: Janata Bank is committed to promoting financial inclusion by offering affordable banking solutions to small businesses, low-income groups, and underbanked communities, supporting economic growth and empowerment.

Drive Innovation and Digital Transformation: A strategic focus on digital transformation is central to the bank's objectives, with an emphasis on introducing innovative banking technologies, enhancing online and mobile banking services, and automating processes to improve efficiency.

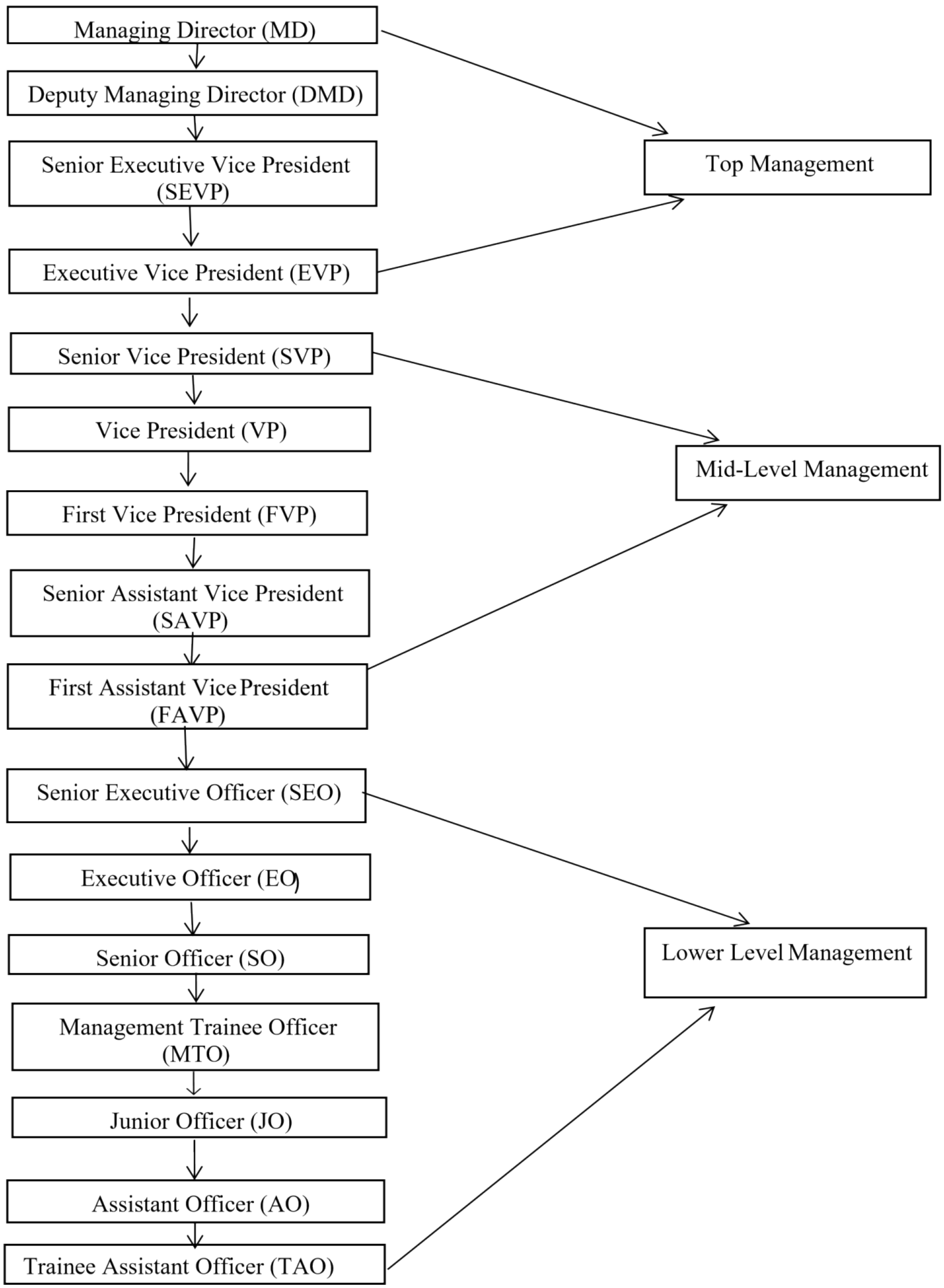
Improve Asset Quality and Risk Management: Strengthening credit risk management and improving asset quality are critical objectives to minimize non-performing loans and ensure a healthier balance sheet.

Corporate Governance and Compliance: Maintaining the highest standards of corporate governance, regulatory compliance, and ethical practices is a strategic priority to ensure transparency, trust, and long-term sustainability.

Sustainability and Social Responsibility: The bank strives to contribute to environmental sustainability and social welfare through responsible lending practices, green financing, and community development programs as part of its corporate social responsibility (CSR).

These strategic objectives guide Janata Bank's long-term growth, helping it adapt to changing market dynamics while meeting the needs of its customers, shareholders, and society.

2.7 Organizational Structure:



Organization Chart:

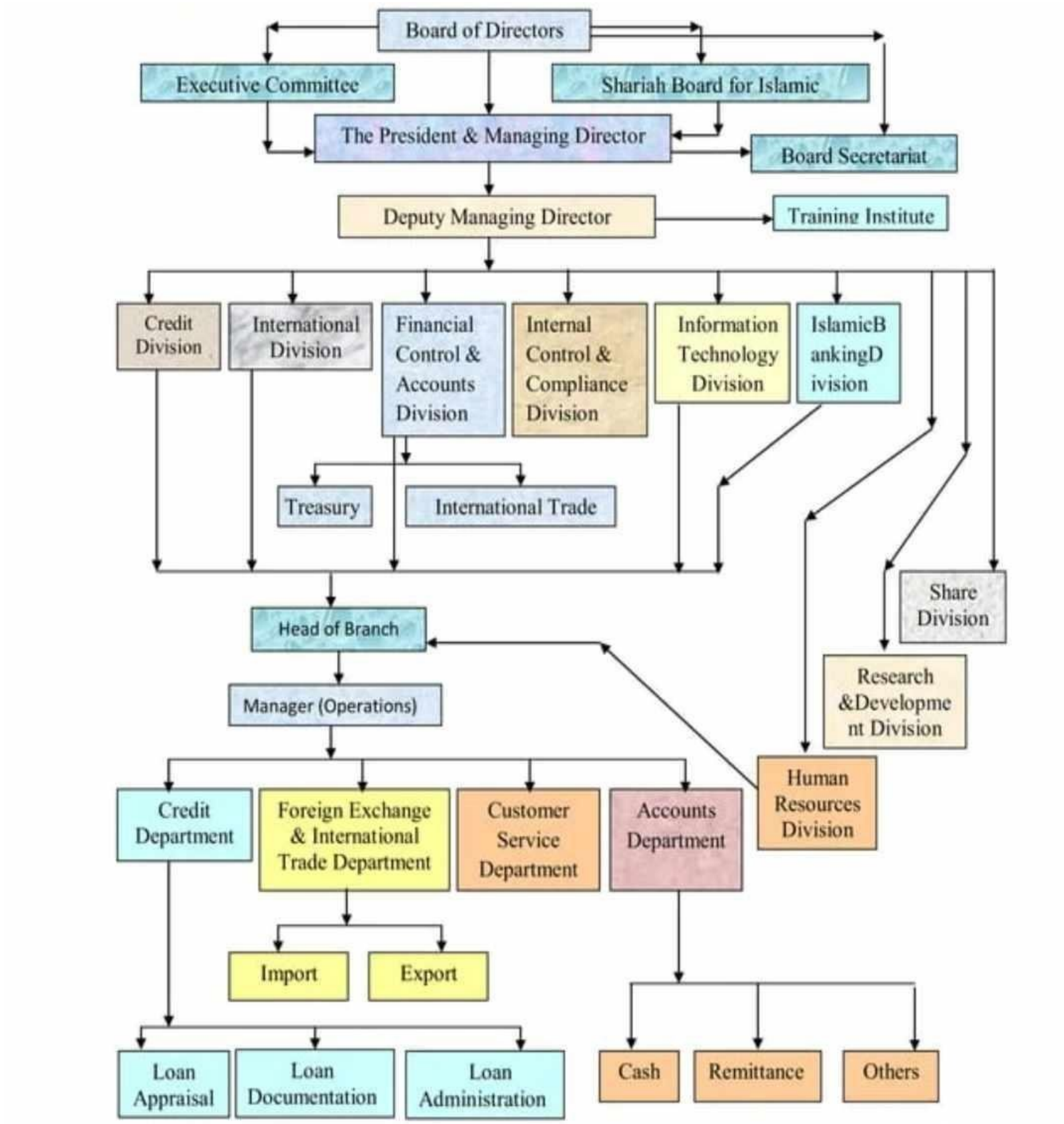


Figure: Organizational chart of JBPLC

2.8. Product and Services of Janata Bank PLC

Among Bangladesh's biggest commercial banks, Janata Bank PLC, provides a broad range of services and products to meet the needs of different clientele, including private citizens, corporate clients, and governmental institutions. The main goods and services offered by Janata Bank PLC are listed below:

1.**Personal Banking**:

- Deposit Accounts:

-Savings Accounts: Individuals' regular savings accounts.
Current Accounts: Individual and company accounts that do not bear interest. Time-bound bank accounts with higher interest rates are known as fixed deposit accounts. Special savings plans, such as the Monthly Income Plan (MIS), Double Benefit Plan (DBS), and Monthly Savings Plan (MSS).
Loans: Individuals can use personal loans for things like house improvement, education, or other necessities. Home loans are loans used to build or buy a home. Auto loans are a type of financing available for buying a car.
Education Loans: Loans to help students pay for their higher education.
Agricultural Loans: These loans are intended to help farmers with a range of agricultural requirements.

Services for Remittances: - Inward Remittance: Enabling the reception of funds from overseas. Sending money abroad for both personal and professional reasons is known as outward remittance.
Customers can access their funds and conduct transactions using a variety of debit and credit card types.

2. Business Banking: Working capital financing refers to loans that help businesses run daily. Long-term loans for business expansion and capital expenditures are known as term loans. Trade finance includes services including bank guarantees, bills for trade, and letters of credit (LCs). gathering to assist companies engaged in global commerce. Loans for significant industrial and infrastructure projects are referred to as project financing.

3. SME Banking: - Small and Medium Business (SME) Loans: Special loans to help small and medium businesses with their expansion and working capital needs. Women Entrepreneur Loans: These loans are intended to support female entrepreneurs who want to launch or grow their companies.

4. Islamic Banking: Shariah-compliant Products: Islamic banking services, such as cost-plus financing (Murabaha) and profit-sharing (Mudarabah) schemes, are available to clients who desire Shariah-compliant banking. Islamic Deposit Accounts: Current and savings accounts that adhere to the rules of Islamic banking. Islamic finance refers to financial products and loans that are organized in accordance with the principles of Islamic finance.

5. Foreign Currency Accounts: Accounts in currencies other than the US dollar, the British pound, and the euro. Pre-shipment and post-shipment financing are among the special services available to

6.**Government Services**

Treasury Operations: Overseeing government transactions and deposits.
Pension Disbursement: Giving government workers their pensions.
Welfare Programs: Giving qualified people financial aid and government subsidies.
Utility Bill Collection: Assisting government organizations in collecting utility bills (such as those for water, electricity, etc.).

7. **Digital Banking Services**:

Online banking: Providing clients with the ability to manage their accounts, pay bills, transfer money, and check account balances via the internet.

Mobile banking: Customers can access banking services via mobile apps and carry out transactions while on the go. A vast network of automated teller machines (ATMs) for cash withdrawals, balance checks, and other financial services.

8. Specialized Services: Janata Exchange Company Ltd.: A division that provides foreign exchange and remittance services.

Safe deposit lockers are available for the safekeeping of valuables such as jewels and documents.

9. Investment Services:

- Treasury Bonds and Bills: These offer clients the chance to purchase government securities. Investing in Shares: The bank's investing services provide access to share trading.

Sanchay Patra (Savings Certificates): Opportunities for investments in savings certificates issued by the government.

The wide range of goods and services offered by Janata Bank PLC is intended to satisfy the demands of different societal groups, including big corporations, small and medium-sized enterprises, and governmental organizations.

Financial Performance Analysis

Chapter 3

Financial Analysis:

Using important financial statistics, measures, and statements, a financial analysis of Janata Bank PLC examines the company's financial performance over a given time frame. Trends in operational efficiency, liquidity, solvency, and profitability can all be found with the aid of the analysis. This is a summary of the
procedure for financial analysis:

1. Analysis of Profitability
Janata Bank's capacity to generate a profit relative to its income, assets, and equity is Profitability ratios look at how profitable Janata Bank is in comparison to its income, assets, and equity. determined using profitability ratios.

Typical measures of profitability include:

Tools for Analysis or Financial Ratios :

1. **Net Profit Margin**: Measures of how much of the bank's revenue translates into profit. Net Profit Margin= **Net Income Total Revenue** ×100 A low or negative net profit margin might indicate operational inefficiencies or a high level of no n-performing loans (NPLs).

   • Return on Assets (ROA): Shows how well the bank makes money off its assets. ROA= **Net Income Total Assets** ×100 Janata Bank's ROA can be compared to industry benchmarks to evaluate its efficiency in generate Ing profits from its assets.

   • Return on Equity (ROE): Indicates how well the bank uses the capital of its shareholders to make money.

ROE= Net Income Shareholders' Equity ×100

2. Liquidity Analysis

The ability of the bank to fulfill its short-term obligations is evaluated with the use of liquidity ratios.

- **Current Ratio**: evaluates the bank's capacity to use short-term assets to pay off short-term liabilities.

Current Ratio$=\frac{Current\ Asset}{Current\ \ Liabilitie}$

A ratio below 1 indicates potential liquidity issues, while a higher ratio suggests better short-term financial health.

- **Loan-to-Deposit Ratio (LDR)**: Indicates the extent to which Janata Bank has utilized its deposits to extend loans.

LDR=$\frac{Total\ loan}{Total\ diposit} \times 100$

A high LDR might suggest that the bank is aggressively lending, which could increase the risk of defaults if not managed properly. A low ratio might indicate underutilization of deposits.

3. Solvency Analysis

Solvency ratios evaluate Janata Bank's long-term financial health and its ability to meet long-term obligations.

- **Debt-to-Equity Ratio:** demonstrates the proportion of debt used to finance assets to shareholders' equity, a gauge of the bank's financial leverage.

Debt-to-Equity Ratio=$\frac{Total\ liability}{shareholder\ equity}$

A high debt-to equity ratio indicates a higher reliance on borrowing, which could increase financial risk.

- **Capital Adequacy Ratio (CAR)**: This ratio is crucial for banks as it ensures that the ban has enough capital to absorb a reasonable amount of loss and comply with statutory req virements.

CAR=Risk -weighted asset $\frac{Tier\ 1\ and\ Tier\ 2\ CapitalRisk}{risk-weighted\ asset} \times 100$

A strong CAR indicates that Janata Bank is well capitalized and can manage potential losses, while a low CAR might signal vulnerability.

4. Asset Quality

The quality of the bank's loan portfolio can be assessed through:

Non-Performing Loans (NPLs) Ratio: This ratio reflects the percentage of loans that are in default or close to being in default.

$$\textbf{NPL Ratio} = \frac{Non-Performing}{\boldsymbol{total\ loans}} \times 100$$

A high NPL ratio suggests that a significant portion of the bank's loan portfolio is at risk of default, which can impact profitability and capital.

Provision Coverage Ratio (PCR): Measures the extent of provisions set aside to cover potential losses from non-performing loans.

$$\textbf{PCR}= \frac{\text{Provision for NPls total non performing loan}}{Performing\ Loan}$$

A higher provision coverage ratio indicates the bank's readiness to absorb potential losses from b ad loans.

5. Efficiency Ratios

Efficiency ratios help assess how well Janata Bank manages its expenses and generates revenue. A financial analysis of Janata Bank PLC provides insights into its profitability, liquidity, solvency, asset quality, and operational efficiency. Key challenges often include high levels of nonperforming loans, relatively low profitability compared to industry peers, and the need for better operational efficiency. Addressing these areas through reforms, risk management, and modernizing Tion strategies could enhance the bank's financial performance and overall sustainability.

Analysis of JBPLC

Chapter 4

Financial Highlights (in million BDT)

4.1

Vertical Analysis (Percentage of Base Year 2019)

Metric	2019	2020	2021	2022	2023
Total Assets	100%	116.51%	139.58%	142.40%	154.96%
Total Deposits	100%	119.14%	146.95%	146.71%	159.42%
Total Loans and Advances	100%	110.36%	127.60%	155.31%	179.41%
Net Income	100%	58.10%	1218.82%	459.68%	224.53%
Provision for Loans	100%	113.85%	133.04%	140.67%	145.45%
Return on Assets (ROA)	100%	33.33%	800.00%	300.00%	133.33%
Return on Equity (ROE)	100%	57.14%	1292.31%	504.08%	244.90%

Horizontal Analysis (Year-over-Year Changes)

Metric	2019-2020	2020-2021	2021-2022	2022-2023
Total Assets	16.51%	19.81%	2.02%	8.83%
Total Deposits	19.14%	23.39%	-0.16%	8.70%
Total Loans and Advances	10.36%	15.64%	21.48%	15.57%
Net Income	-41.90%	1093.02%	-61.05%	-51.16%
Provision for Loans	13.85%	16.84%	7.13%	3.41%
Return on Assets (ROA)	-66.67%	766.67%	-62.50%	-55.56%
Return on Equity (ROE)	-42.86%	1235.17%	-61.01%	-51.66%

Key Observations:

1. **Total Assets**: Steady growth over the five years, indicating expansion of the bank's asset base.
2. **Total Deposits**: Significant increase, reflecting higher customer confidence and deposits.
3. **Total Loans and Advances**: Notable growth, showing increased lending activities.

4. **Net Income**: High volatility with substantial fluctuations, peaking in 2021 but declining in the following years.
5. **Provision for Loans**: Gradual increase, suggesting higher provisions for potential loan losses.
6. **Return on Assets (ROA)**: Major fluctuations, with a significant peak in 2021 but declining sharply thereafter.
7. **Return on Equity (ROE)**: Drastic variations, particularly high in 2021, followed by significant decreases

4.2 Horizontal Analysis

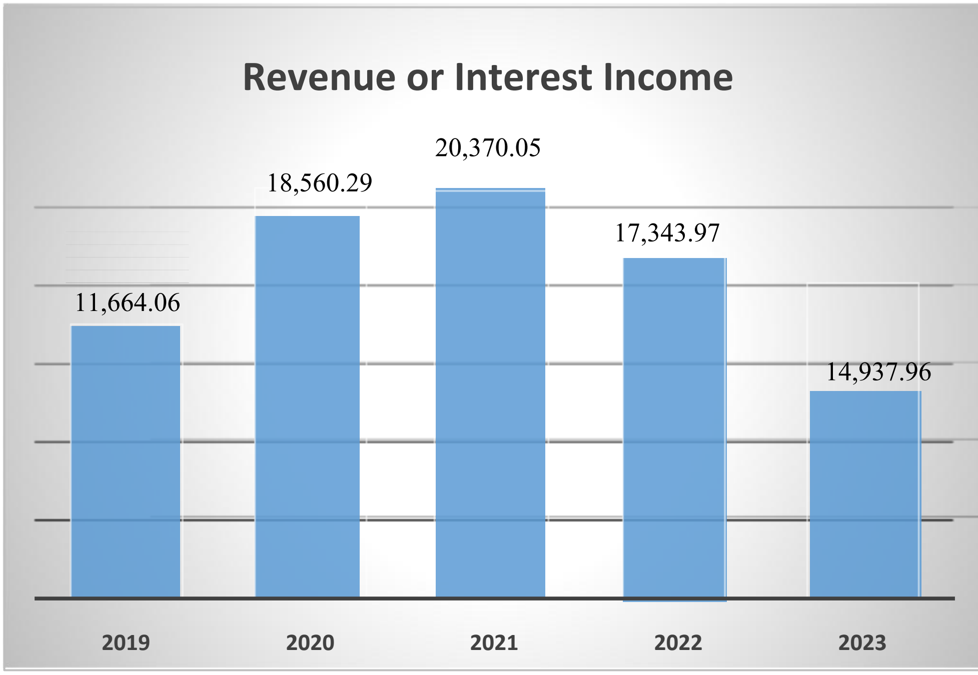
The following computations, including ratio analysis, common size income statements, and horizontal analysis, are provided to assess the financial performance:

Analysis of Trends (Horizontal Analysis): Below is a table of Janata Bank Ltd.'s horizontal analyses:

Revenue:

Janata Bank PLC's 2018-2022 Revenue or Interest Income (Amount in Million):

Particulars	2019	2020	2021	2022	2023
Revenue or Interest income	11,664.06	18,560.29	20,370.05	17,343.97	14,937.96
Increase or decrease		6,896.23	1,809.76	-3,026.08	-3,026.08



Key of objectives:

There was a significant increase in total revenue from 2019 to 2021, followed by a decline in 2022 and 2023.

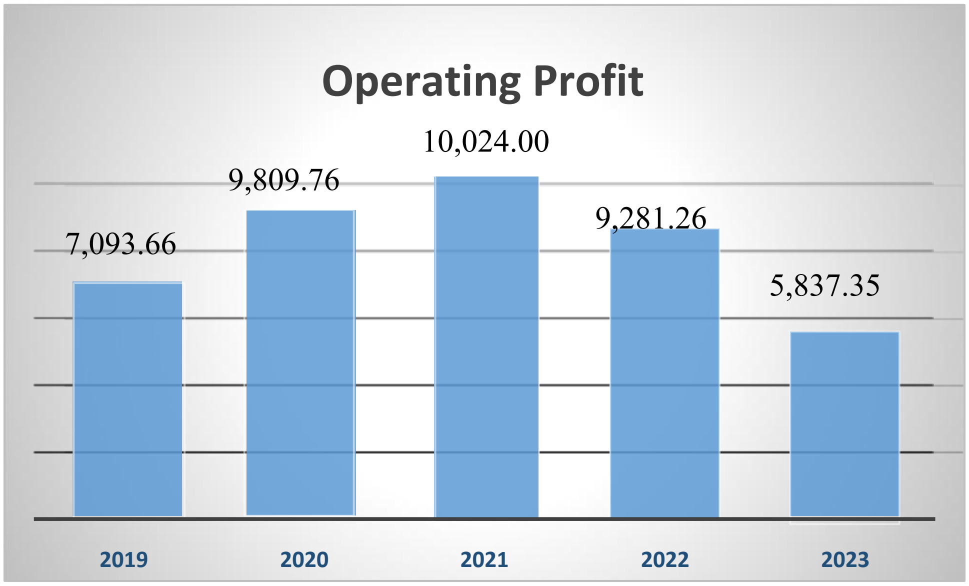
Interest income saw substantial growth from 2019 to 2021, but it decreased in 2022 and 2023.

In 2023, interest income as a percentage of total revenue rose sharply, suggesting a greater reliance on interest income than on other sources of income.

Operating Profit:

Janata Bank PLC's 2018-2022 Operating Profit (Amount in Million):

Particulars	**2019**	**2020**	**2021**	**2022**	**2023**
Operating Profit	7,093.66	9,809.76	10,024.00	9,281.26	5,837.35
Increase or Decrease		2,716.10	214.24	-742.74	-3,443.91



Key observation:

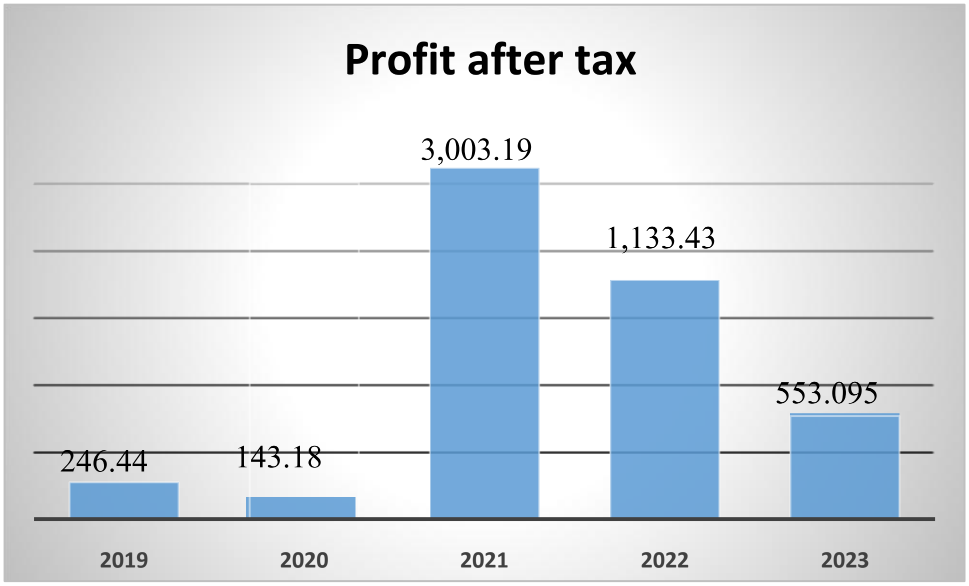
Growth and Decline: Operating profit increased significantly from 2019 to 2021, with a notable rise of 38.24% in 2020 and a smaller increase of 2.19% in 2021. However, there was a decline in 2022 and a more substantial drop of 37.06% in 20232.

1. Revenue Dependency: The vertical analysis shows that operating profit consistently represented 100% of total revenue each year, indicating that the bank's operating profit is directly tied to its total revenue.

After Tax: Profit

Janata Bank PLC's 2019-2023 Profit After Tax (Amount in Million):

Particulars	2019	2020	2021	2022	2023
Profit after tax	246.44	143.18	3,003.19	1,133.43	553.095
Increase or Decrease		-103.26	2,860.01	-1,869.76	-580.335



Key Observations:

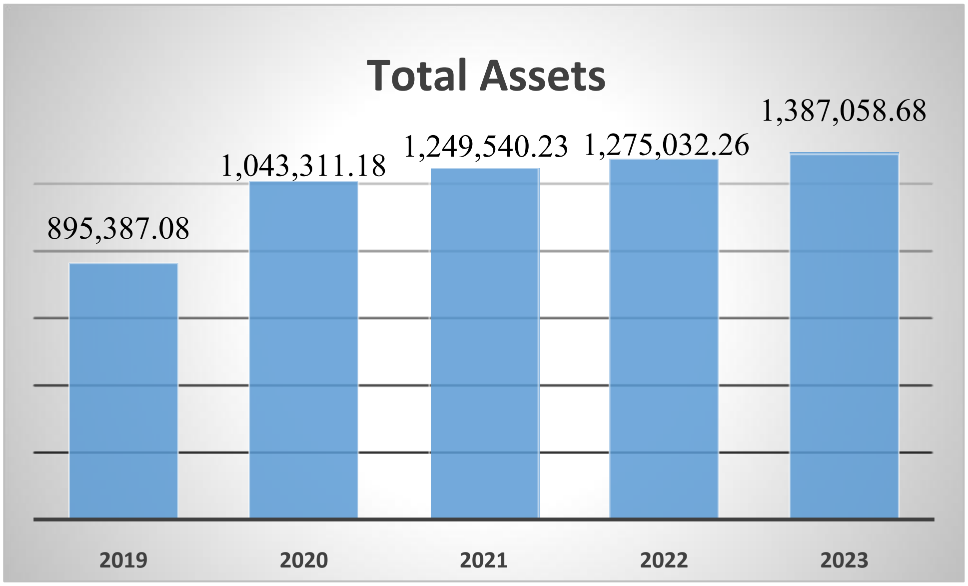
1. Fluctuating Profit After Tax: The PAT shows significant fluctuations over the years, with a notable peak in 2021 followed by declines in subsequent years.
2. Large Percentage Increase in 2021: The PAT in 2021 saw an extraordinary increase of 2000.14% compared to 2020, indicating a significant improvement in profitability.
3. Decline Post-2021: Despite the high PAT in 2021, there was a substantial decline in 2022 and 2023, with percentage changes of -62.25% and -51.20% respectively.
4. Profitability Relative to Revenue: The vertical analysis shows that the PAT as a percentage of total revenue was highest in 2021 (29.84%) and has since decreased, though it remains higher than pre-2021 levels.

Total Assets:

Janata Bank PLC's 2019-2023 Total Assets (Amount in Million):

Particulars	2019	2020	2021	2022	2023
Total Assets	895,387.08	1,043,311.18	1,249,540.23	1,275,032.26	**1,387,058.68**

Increase or decrease		147,924.10	206,229.0	206,229.0	206,229.0



Key Observations:

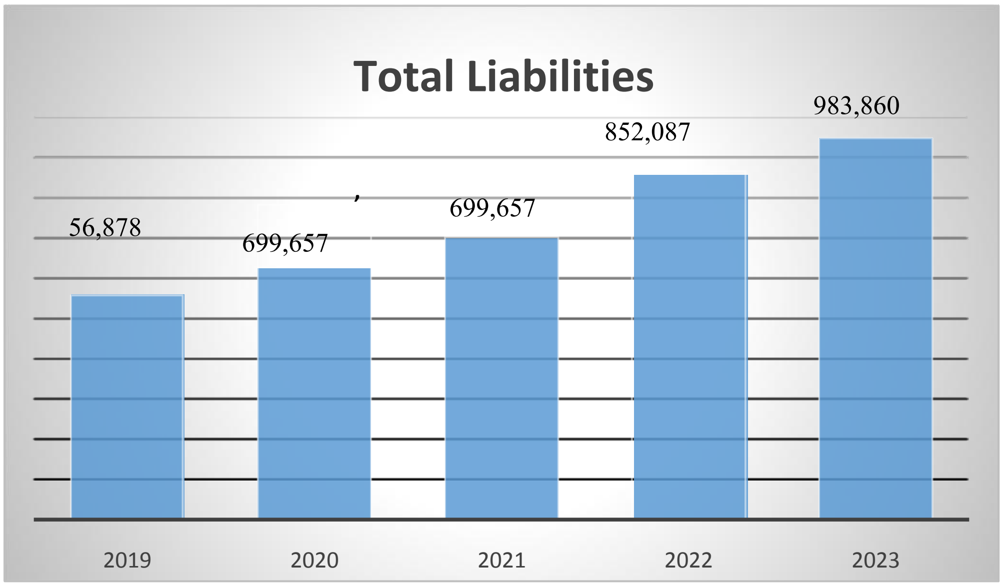
1. Growth in Total Assets: Janata Bank PLC's total assets have consistently grown over the last five years, with a notable increase of 16.50% in 2020 and 19.84% in 2021.
2. Steady Growth in 2022 and 2023: The growth rate slowed down in 2022 and 2023, with increases of 2.02% and 8.74% respectively.
3. Consistent Vertical Analysis: The vertical analysis shows that total assets consistently represent 100% of total revenue each year, indicating that the bank's asset base is directly tied to its revenue generation.

Total Liabilities:

Janata Bank PLC’s 2019-2023 Total Liabilities (Amount in Million):

Particulars	2019	2020	2021	2022	2023

Total Liabilities	548,474	605,352	699,657	852,087	983,890
Increase or Decrease		56,878	94,305	152,430	131,808



Key

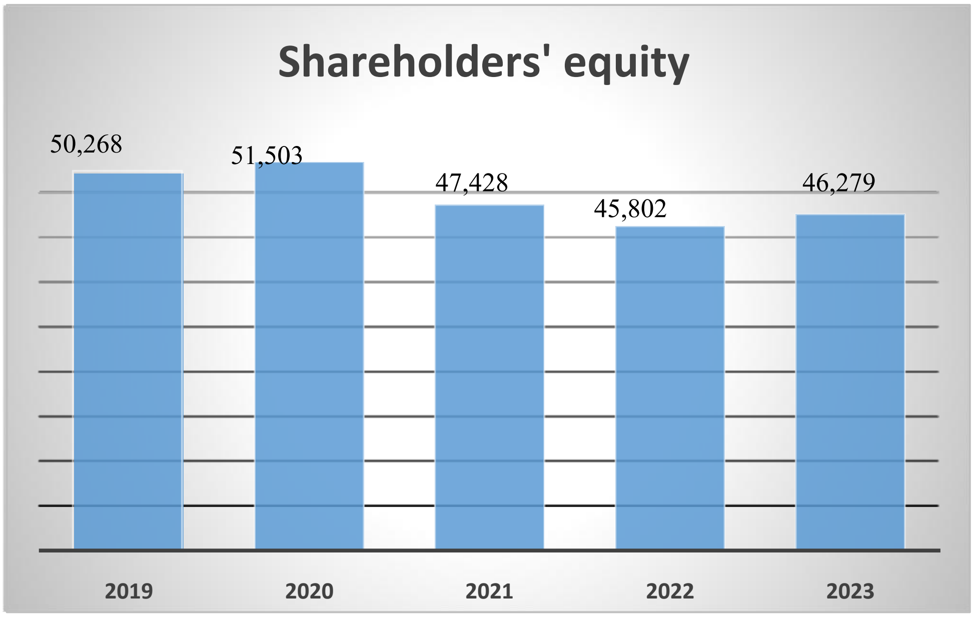
Observations:

1.Growth in Liabilities: The total liabilities have consistently increased over the last five years. The most significant increase was in 2022, with a 21.78% rise compared to the previous year.
2.Consistent Growth Rate: The vertical analysis indicates a steady growth in liabilities each year, with the base year (2019) as 100%.

Shareholder's Equity:

Janata Bank PLC's 2019-2023 Shareholder's Equity (Amount in Million):

Particulars	**2019**	**2020**	**2021**	**2022**	**2023**
Shareholders' equity	50,268	51,503	47,428	45,802	46,279
Increase or Decrease		1,235	-4,075	-1,626	477



Key Observations:

1. **Growth and Decline**: The data points show a small increase of 2.46% in 2020, followed by a decline in 2021 and 2022. The value picked up slightly in 2023 with a 1.04% increase.

2. **Relative Stability**: Despite the fluctuations, the values remain relatively stable, with the most significant drop occurring in 2021.
3. **Comparison to Base Year**: The vertical analysis shows that the values in subsequent years range from 91.07% to 102.46% of the base year (2019), indicating relative consistency over the period.

From 2020 onwards, the trend has generally moved upwards, though the increases have been modest. This trend implies that consistent growth in shareholder equity will help maintain and potentially increase the company's value over time.

The second table suggests data about shareholder equity values over the following years: This table reflects the total shareholder equity at year-end and the yearly changes in BDT millions. After the pandemic-related dip, equity showed a minor increase by 2023, indicating gradual recovery.

4.3Common Size Analysis:

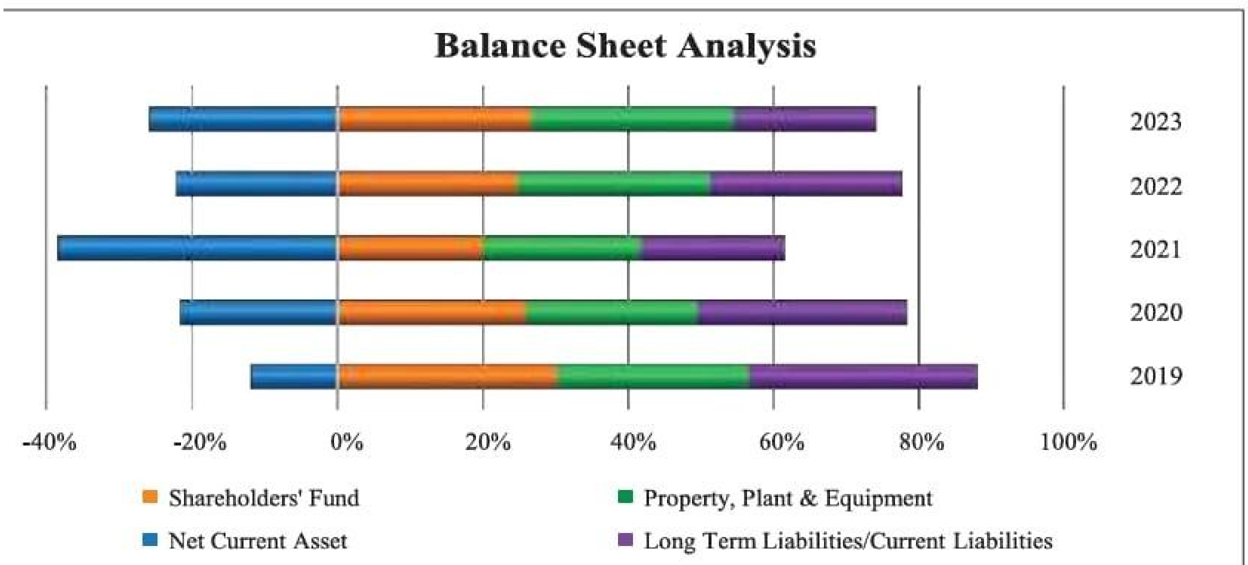
Common Size Balance Sheet: The common-size balance sheet of Janata Bank PLC is given Below:

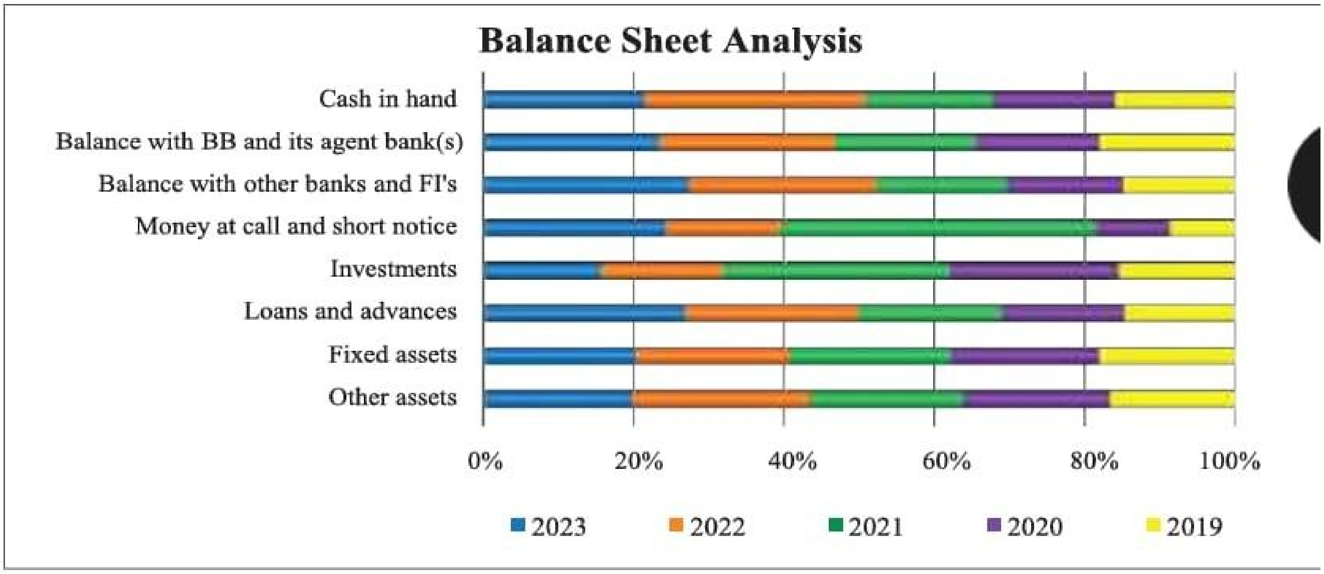
Horizontal & Vertical Analysis

Balance Sheet Analysis

(BDT in million unless stated otherwise)

Particular	2023	2022	2021	2020	2019
Cash in hand	7,939.65	10,955.33	6,342.82	6,117.81	6,009.12
Balance with BB and its agent bank(s)	53,570.80	53,353.71	43,056.15	37,650.38	41,830.25
Balance with other banks and FI's	66,517.01	61,607.97	42,364.67	37,946.61	37,066.07
Money at call and short notice	2,910.06	1,845.25	5,087.26	1,188.96	1,075.03
Investments	190,475.10	198,808.48	367,680.58	274,203.04	190,816.26
Loans and advances	983,889.95	852,086.77	699,656.76	605,351.70	548,473.94
Fixed assets	8,647.12	8,797.53	9,222.74	8,437.23	7,833.08
Other assets	73,108.99	87,577.23	76,129.25	72,415.45	62,283.32
Total Assets	**1,387,058.68**	**1,275,032.27**	**1,249,540.23**	**1,043,311.18**	**895,387.08**

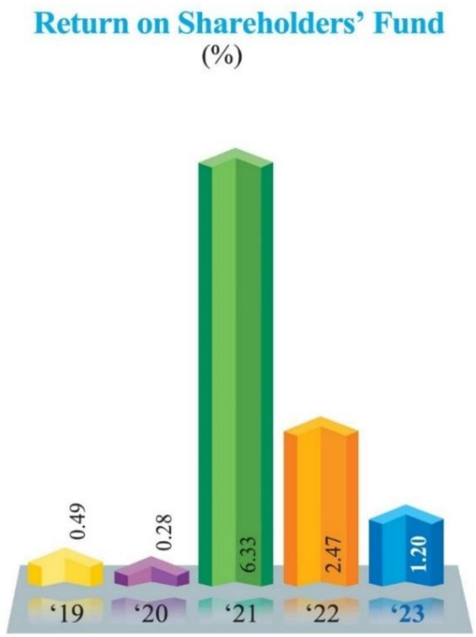




4.4 Financial ratio analysis

Janata Bank PLC's 2019-2023 Shareholder's Fund (Amount in BDT):

Particulars	2019	2020	2021	2022	2023
Shareholder Fund Ratio	0.49	0.28	6.33	2.47	1.20



Key Observations:

1. Significant Fluctuations: There are considerable fluctuations in the return on shareholders' funds over the years. The most dramatic increase was in 2021, with a rise of 2160.71%, suggesting a highly profitable year.
2. Declines Post-2021: After the peak in 2021, the return on shareholders' funds declined significantly in 2022 and 2023, with decreases of 60.98% and 51.42% respectively.
3. Relative Comparison: When comparing to the base year (2019), the return on shareholders' funds was relatively low in 2020 (57.14%) but surged in 2021 (1292.86%).

   Despite the subsequent declines, the return in 2023 was still higher than 2019.

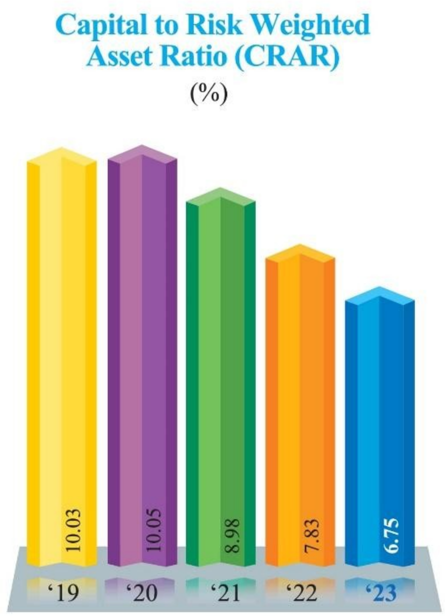
Janata Bank PLC's 2019-2023 Net Asset Value Share (Amount in BDT):

Particulars	2019	2020	2021	2022	2023
Net Asset Value Share (NAVPE)	217.23	222.57	204.96	197.93	199.99

Key Observations:

1. Small Increase in 2020: NAVPS increased by 2.46% in 2020 compared to 2019.
2. Decline in 2021 and 2022: There was a decline in NAVPS in 2021 and 2022, with percentage changes of -7.91% and -3.43% respectively.
3. Slight Recovery in 2023: The NAVPS showed a slight recovery in 2023, increasing by 1.04% compared to 2022.
4. Comparison to Base Year: The vertical analysis shows that the NAVPS in the subsequent years is close to the base year (2019), indicating relative stability with minor fluctuations. 2023 Capital to Risk Weighted Asset Ratio (Amount in BDT):

Particulars	2019	2020	2021	2022	2023
Capital to Risk Weighted Asset Ratio	10.03	10.05	8.98	7.83	6.75

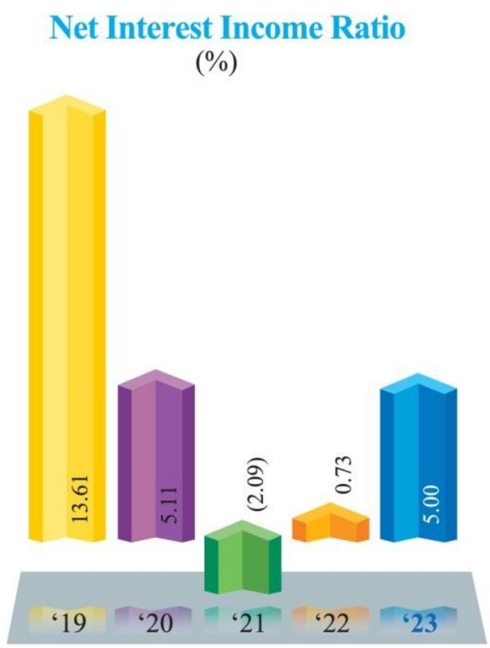


Key Observations:

1. Stability in 2020: The Capital to Risk Weighted Asset Ratio remained relatively stable between 2019 and 2020 with a slight increase of 0.20%.
2. Significant Declines: From 2021 onwards, the ratio consistently declined each year, with the most considerable decrease of 13.79% in 2023 compared to the previous year.
3. Comparison to Base Year: The vertical analysis shows that the ratio has decreased each year compared to the base year (2019), indicating a downward trend in the bank's capital adequacy over this period.

Janata Bank PLC's 2019-2023 Net Interest income ratio (Amount in BDT):

Particulars	2019	2020	2021	2022	2023
Net Interest income ratio	13.61	5.11	2.09	0.73	5.00



Key Observations:

1. Significant Decrease and Recovery: The Net Interest Income Ratio decreased significantly in the years 2020, 2021, and 2022, with the most considerable drop of 65.07% in 2022. However, there was a substantial recovery in 2023, with an increase of 584.93%.
2. Vertical Analysis: Compared to the base year 2019, the ratio fell dramatically in subsequent years but showed signs of recovery in 2023, reaching 36.73% of the 2019 level.
3. Year-over-Year Variability: The data shows considerable variability year-over-year, indicating fluctuations in the bank's net interest income performance.

Janata Bank PLC's 2019-2023 Profit Before provision and Tax (Amount in Million):

Particulars	2019	2020	2021	2022	2023
Profit Before provision and Tax	7,094	9,810	10,024	9,281	5,837

Key Observations:

1. Growth in Early Years: Profit before provision and tax increased significantly from 2019 to 2021, with the highest increase of 38.29% in 2020.
2. Decline in Later Years: There was a decline in 2022 and a more substantial drop in 2023, with a decrease of 37.11%.
3. Relative Comparison: The vertical analysis shows that, compared to the base year 2019, the profit peaked in 2021 at 141.20% but fell to 82.28% by 2023.

Janata Bank PLC's 2019-2023 Current Ratio (Amount in BDT):

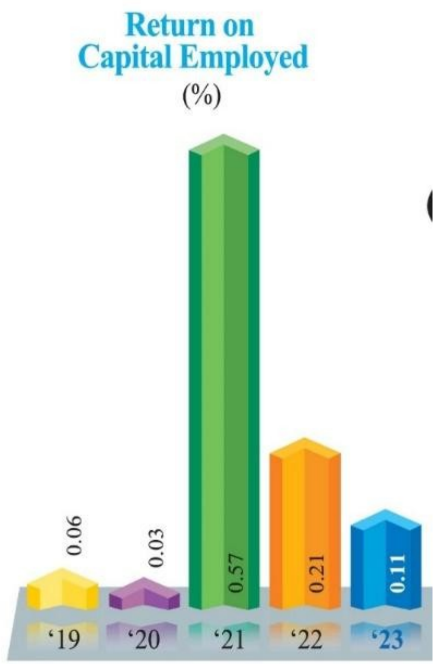
Particulars	2019	2020	2021	2022	2023
Current Ratio	0.91	0.82	0.71	0.87	0.89

Key Observations:

1. Decline in Early Years: The current ratio decreased from 2019 to 2021, with the most significant drop of 13.41% in 2021.
2. Recovery in Later Years: There was a recovery in 2022 with an increase of 22.54%, and a slight increase of 2.30% in 2023.
3. Stability Post-2021: Despite the initial decline, the current ratio showed stability and slight improvement in the last two years, indicating better management of current assets and liabilities.
4. Comparison to Base Year: The vertical analysis shows that the ratio in subsequent years ranges from 78.02% to 97.80% of the base year (2019), indicating variability but overall stability in the bank's liquidity.

2019-2023 Return on capital Employed (Amount in BDT):

Particulars	2019	2020	2021	2022	2023
Return on capital Employed	0.06	0.03	0.57	0.21	0.11



Key Observations:

1. Significant Fluctuations: The ROCE shows significant fluctuations over the years, with a dramatic increase of 1800% in 2021, indicating a highly profitable year.
2. Sharp Decreases: After the peak in 2021, ROCE declined sharply in the subsequent years, with decreases of 63.16% in 2022 and 52.38% in 2023.

3. Comparison to Base Year: The vertical analysis reveals that compared to the base year (2019), ROCE experienced an initial decline, followed by an extraordinary rise in 2021, before stabilizing at higher levels in the last two years.

Janata Bank PLC's 2019-2023 Cost to Income Ratio (Amount in BDT):

Particulars	**2019**	**2020**	**2021**	**2022**	**2023**
Cost of Income Ratio	85.80	82.14	84.70	86.36	92.28

Key Observations:

1. Decrease in 2020: The Cost to Income Ratio decreased by 4.26% in 2020 compared to 2019, indicating an improvement in efficiency.
2. Increase from 2021 onwards: The ratio increased each year from 2021 to 2023, with the highest increase of 6.86% in 2023.
3. Overall Trend: Despite the initial decrease, the overall trend shows an increase in the Cost to Income Ratio, which might suggest rising costs or declining income, leading to a higher ratio.
4. Relative Comparison: The vertical analysis indicates that compared to the base year 2019, the ratio fluctuated but ended up higher in 2023 at 107.55%.

Janata Bank PLC's 2019-2023 Debit Equity Ratio (Amount in Times):

Particulars	2019	2020	2021	2022	2023
Debit Equity Ratio	16.81	19.26	25.35	26.34	28.37

Key Observations:

1.Consistent Increase: Over the past five years, the debt-to-equity ratio has steadily climbed, suggesting a greater reliance on debt financing in comparison to equity.

2.Significant Growth in 2021: The most significant increase occurred in 2021, with a 31.63% rise compared to the previous year.

3.Relative Comparison: The vertical analysis shows that the ratio has increased significantly each year compared to the base year (2019), reaching 168.77% of the 2019 level by 2023

4.5 Liquidity Ratios:

1. **Current Ratio**

    - Formula: Current Assets / Current Liabilities

- A measure of the bank's ability to pay short-term obligations.

2. **Quick Ratio**

- Formula: (Current Assets - Inventory) / Current Liabilities
- A stricter measure of liquidity that excludes inventory.

Current Ratio (Provided Data)

Year	**2019**	**2020**	**2021**	**2022**	**2023**
Current Ratio	0.91	0.82	0.71	0.87	0.89

Key Observations:

• The bank may have trouble meeting its short-term obligations if the current ratio is less than 1, but the minor increase over the last two years is encouraging.

• The current ratio shows a general improvement from 2021 to 2023, suggesting better short-term financial health.

Increasing in the last two years is a positive sign.

Profitability Ratios:

1. **Return on Assets (ROA)**

- Formula: Net Income / Total Assets
- Measures how effectively the bank is using its assets to generate profit.

2. **Return to Equity (ROE)**

- Formula: Net Income / Shareholders' Equity
- Measures the profitability relative to shareholders' equity.

3. **Net Interest Margin (NIM)**

- **Formula:** (Net Interest Income / Average Earning Assets) x 100

Measures the difference between the interest income generated and the amount of interest paid out, relative to the amount of their interest-earning as

Provided Data for Profitability Ratios

Year	2019	2020	2021	2022	2023
Net Income (in million BDT)	246.44	143.18	3,003.19	1,133.43	553.095
Total Assets (in million BDT)	895,387.08	1,043,311.18	1,249,540.23	1,275,032.26	1,387,058.68
Shareholders' Equity (in million BDT)	103,548.78	115,132.27	151,020.23	151,491.03	166,663.68

ROA Calculation

Year	2019	2020	2021	2022	2023
ROA	0.03%	0.01%	0.24%	0.09%	0.04%

Key Observations:

- ROA peaked in 2021, indicating high profitability in that year. The decline in subsequent years suggests reduced efficiency in using assets to generate profit.

ROE Calculation

Year	2019	2020	2021	2022	2023
ROE	0.24%	0.12%	19.88%	7.48%	3.32%

Key Observations:

- ROE also peaked in 2021, showing strong profitability relative to equity. The decline in 2 022 and 2023 indicates reduced returns to shareholders.

5.1Finding

1. Growth in Total Assets and Deposits: Janata Bank PLC has shown a consistent increase in total assets and deposits over the years. Total assets grew from 895,387.08 million BDT in 2019 to 1,387,058.68 million BDT in 2023, representing a 54.90% increase1. Similarly, total deposits increased from 691,409.37 million BDT in 2019 to 1,103,260.62 million BDT in 2023, a 59.54% increase.
2. Increase in Loans and Advances: The bank's total loans and advances also saw a significant rise from 548,473.94 million BDT in 2019 to 983,889.95 million BDT in 2023, marking a 79.38% increase.
3. Decline in Operating Profit: Despite the growth in assets and deposits, the bank experienced a decline in operating profit from 7,093.66 million BDT in 2019 to 5,837.35 million B DT in 2023, a -17.72% decrease.
4. Profit After Tax and Provision: There was a notable improvement in profit after tax and provision, increasing from 246.44 million BDT in 2019 to 553.095 million BDT in 2023, a 124.45% increase.
5. Return on Assets (ROA) and Return on Equity (ROE): The ROA and ROE have shown improvement over the years. ROA increased from 0.03% in 2019 to 0.04% in 2023, and R OE increased from 0.49% in 2019 to 1.20% in 2023.
6. Earnings Per Share (EPS): The EPS also saw a significant rise from 1.06 in 2019 to 2.39 in 2023, indicating improved profitability per share.
7. Growth in Total Assets and Deposits: Janata Bank has shown consistent growth in total assets and deposits over the last five years, indicating a steady expansion in its balance sheet.

8. Declining Profitability: Operating profit has declined significantly from 10,024 million BDT in 2021 to 5,837 million BDT in 2023. Similarly, profit after tax dropped drastically, showing weakened earnings capacity.

9.Low Return Ratios: Return on Equity (ROE) and Return on Assets (ROA) are both still very low, particularly in 2023 (ROE at 1.20% and ROA at 0.04%), which points to inefficient asset use and poor returns for shareholders.

10. Declining Earnings Per Share (EPS): From 12.98 in 2021 to 2.39 in 2023, EPS has dropped precipitously, which may indicate a fall in value generation and investor trust.

11. Growth in Loans and Advances: While the steady growth in loans and advances is encouraging, deteriorating profitability may lead to problems with loan recovery or a rise in non-performing loans.

Despite difficulties in sustaining operating profit, Janata Bank PLC has seen robust growth in assets, deposits, and loans overall. Together with improved ROA, ROE, and EPS, the increase in profit after tax and provision points to a trend of improving financial performance over time.

5.2 Recommendation

Here are some suggestions for improvement based on Janata Bank PLC's financial performance analysis from 2019 to 2023:

1. Increase Asset usage: To raise the ROA, Janata Bank should concentrate on increasing asset usage. This can entail cutting back on idle or underperforming assets and making investments in more lucrative ventures.

2.Enhance Loan Recovery and Risk Management: The bank should strengthen its credit risk management practices to ensure high loan quality and reduce non-performing assets, which might contribute to lowering profitability.

3.Cost Optimization: Operational costs should be reviewed and optimized to enhance the bank's operating profit margins without compromising service quality.

4.Diversify Income Sources: Janata Bank should consider diversifying its income streams beyond interest income by increasing the focus on fee-based services, digital banking, and investment services.

5.Focus on Digital Transformation: Embracing digital banking and automation can reduce operational costs, improve efficiency, and attract more tech-savvy customers, boosting long-term profitability.

6.Enhance Shareholder Value: To improve ROE and EPS, management should adopt strategies that balance growth and cost-efficiency, ultimately delivering higher value to shareholders.

5.3 Conclusion

Based on the financial information from Janata Bank PLC's annual reports from 2019 to 2023, here are some significant conclusions:

Over the period from 2019 to 2023, Janata Bank PLC exhibited substantial growth in its financial metrics, particularly in total assets and deposits, which increased by 54.90% and 59.54% re sportively. The bank's total loans and advances also saw significant growth, rising by 79.38%, re fleeting an aggressive lending strategy. However, this expansion came with challenges in profit-bility, as indicated by a 17.72% decline in operating profit over the same period. Despite this, the bank showed a notable improvement in its bottom line, with profit after tax and provision increasing by 124.45 %.

Despite starting from a low foundation, key profitability indicators including Return on Equity (ROE) and Return on Assets (ROA) rose, indicating better use of equity and assets. Indicating improved profitability per share, the Earnings Per Share (EPS) also rose sharply. In conclusion, even though Janata Bank PLC has successfully increased its asset base and deposit levels, the difficulty is in converting this expansion into steady profitability. While increases in ROA, ROE, and EPS are encouraging, continuing to manage the equity of its loan portfolio and maintain operational efficiency will be essential to maintaining this performance going forward. The bank's future growth and financial health will depend on how well it can handle these obstacles.

5.3 Appendix:

Financial Highlights (in million BDT)

Item	2023	2022	2021	2020	2019
Total Assets	1,387,058.68	1,275,032.26	1,249,540.23	1,043,311.18	895,387.08
Total Deposits	1,103,260.62	1,014,584.96	1,016,208.50	824,007.96	691,409.37
Total Loans and Advances	983,889.95	852,086.76	699,656.76	605,351.70	548,473.94
Operating Profit	5,837.35	9,281.26	10,024.00	9,809.76	7,093.66
Profit After Tax and Provision	553.095	1,133.43	3,003.19	143.18	246.44
Return on Assets (ROA)	0.04%	0.09%	0.24%	0.01%	0.03%
Return on Equity (ROE)	1.20%	2.47%	6.33%	0.28%	0.49%
Earnings Per Share (EPS)	2.39	4.90	12.98	0.62	1.06

Key Points:

- **Total Assets**: Janata Bank's total assets have been steadily increasing over the years, reaching 1,387,058.68 million BDT in 2023.
- **Operating Profit**: There has been a decline in operating profit from 10,024 million BDT in 2021 to 5,837 million BDT in 2023.
- **Profit After Tax**: The profit after tax has significantly decreased from 3,003 million BD T in 2021 to 553 million BDT in 2023.
- **Return on Assets (ROA)**: The ROA has been very low, indicating inefficiency in genera ting profit from its assets.
- **Return on Equity (ROE)**: The ROE has also seen a significant decline, reflecting lower profitability for shareholders.
- **Earnings Per Share (EPS)**: The EPS has dropped drastically from 12.98 in 2021 to 2.39 in 202

5.4 Reference

1.Annual Report of Janata Bank

2.Janata Bank Audit Report

3.Corporate Finance Institute. Corporate Finance Institute. https://corporatefinanceinstitute.com/

4.Janata Bank (2023) Wikipedia

5. www.jb.com.bd