

# “Financial Performance Analysis of Janata Bank Limited”



(This report is submitted to the Department of Business Administration of Daffodil International University as a partial fulfillment of the requirement for the degree of Masters of Business Administration)

## **Submitted to:**

**Md. Anhar Sharif Mollah**

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## **Prepared by:**

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ID: 173-14-038

Fall 2018

Department of Business Administration

Daffodil International University



**19 December 2018**

# Letter of Transmittal

**18 December 2018**

**Md. Anhar Sharif Mollah**

Assistant Professor (Finance)

Department of Business Administration

Daffodil International University

**Subject: Submission of the Internship Report on “Financial Performance Analysis of Janata Bank Limited.”**

Dear Sir,

This is to inform you that I have finished the internship report on “**Financial Performance Analysis of Janata Bank Limited**” which has been prepared as a requirement for the completion of the MBA program of the Department of Business Administration, Daffodil International University.

The internship program has given me a chance of having a presentation to the workplace and at work involvement in Financial Performance Analysis of Janata Bank Limited at Rayer Bazar Branch, Dhaka. I have obtained a sound learning and comprehension of the fundamental task of the organization.

I am grateful to you, as you have enabled me to direct a temporary job and to present the report. I trust that the report will meet the standard and will fill its need.

Sincerely Yours,

.....

**Md. Badrul Islam Rukon**

ID: 173-14-038

MBA (Major in Finance)

Batch- 48

Department of Business Administration

Daffodil International University

## Student's Declaration

This is **Md. Badrul Islam Rukon**, hereby asserts that the presented report of internship titled “**Financial Performance Analysis of Janata Bank Limited.**” is uniquely prepared by me after completion of two months works in Janata Bank Limited, Rayer Bazar Branch, Dhaka.

I also confirm that; this report is only prepared to fulfil my academic requirement, not for any other purpose. It might not be used with the interest of opposite party of the corporation.

.....

**Md. Badrul Islam Rukon**

ID: 173-14-038

MBA (Major in Finance)

Batch- 48

Department of Business Administration

Daffodil International University

## Supervisor's Certificate

This is to certify that the internship report on “**Financial Performance Analysis of Janata Bank Limited**” has been submitted for the award of the degree of Masters of Business Administration (MBA) with major in Finance, Daffodil International University is recorded of original work carried out by **Md. Badrul Islam Rukon (ID: 173-14-038)** under my supervision. No piece of the Internship Report has been submitted for any degree, certificate, title or acknowledgement previously.

I recommended this report for submission of the Department of Business Administration, Daffodil International University.

.....

**Md. Anhar Sharif Mollah**

Assistant Professor (Finance)

Department of Business Administration

Daffodil International University

## Acknowledgements

First and foremost, I would like to thank Almighty Allah, the omniscient and omnipotent, who bestowed me the capability of successful completion of my internship report and the internship as well.

I would like to offer my heartfelt thanks and gratitude to my internship advisor **Md. Anhar Sharif Mollah**, Assistant Professor (Finance), Department of Business Administration, Daffodil International University.

My pleasure turns blooming to offer thanks to **Mohammad Rejaul Haque** (Manager of Rayer Bazar Branch, Dhaka), **Asma Akter** (Principal Officer of Rayer Bazar Branch, Dhaka), and other employees of Janata Bank Limited.

My special gratitude goes to **Abdul Kader Akon** (Senior Officer of Rayer Bazar Branch, Dhaka) who helped me the most to prepare my report.

Also, last however not the slightest, I might want to thank all the staff working at Janata Bank Limited, Rayer Bazar Branch, Dhaka. They made nature harmonious and great for me to comprehend the errand. Without their help and co-task, this report probably won't have seen the light of dayparting the report.

## Executive Summary

This report is on “**Financial Performance Analysis of Janata Bank Limited**”. This is an **internship report** on the “**Financial Performance Analysis of Janata Bank Limited.**” To fulfil the academic requirement. The major objective of this report is to know about the functions of the financial activities of Janata Bank Limited and to identify some problem of Finance & Accounting activities and raise possible recommendations.

This report gives a clear of the financial activities and the performance of Janata Bank Limited. The Financial ratio of the Janata Bank Limited is good but some of the sectors are not good because the development and the rising ratio are very slow. On the other ratio is very good because they incising day by day.

The first chapter Introduction of the report focuses on the Background of the study, Company profile, Vision, Mission, Rational of the study, The Objectives of the Study and Limitations of the study etc. The second chapter of the report focused on Literature review. The third chapter of the report focused on Methodology. The fourth chapter of the report focused on Financial Statement Analysis. The fifth chapter of the report focused on SWOT analysis. The sixth chapter of the report focused on Findings, Recommendations. Last on here given Conclusion.

My overall experience had been very fascinating and I believe an internship period of Janata Bank Limited, will definitely help me a lot in building my future career.

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# CHAPTER - 01

## Introduction



## 1.1 Introduction

Financial statements for banks present an unexpected scientific issue in comparison to framing and administration organizations. Accordingly, the investigation of a bank's budget reports requires an individual methodology that perceives a bank to some degree special dangers. Banks take stores from savers, paying enthusiasm on a portion of these records. As a standout amongst the most very efficient managing an account business on the planet, financial specialists have some dimension of confirmation in the soundness of the saving money framework. Therefore, financial specialists can focus a large portion of their endeavors on how a bank will perform in various monetary situations. In this task, I am endeavoring to give help to the financial specialists, by demonstrating to them the execution of two banks hidden similar capacities.

## 1.2 Background of the study

Financial Statement Analysis is a strategy utilized by a pulled in the outfit, for example, speculators, loan bosses, and the board to assess the past, current, and anticipated conditions and execution of the firm. Proportion investigation is the most common type of money related examination. It gives an overall estimation of the association's conditions and execution. It shows the current connection among deals and every pay explanation account. It demonstrates the blend of advantages that create salary and the blend of the wellsprings of capital, regardless of whether by present or long-haul obligation or by value subsidizing. When utilizing the money related proportions, a monetary expert makes two kinds of correlations. Money related proportion examination is a huge subject and is cozy in all standard corporate fund course books. It is likewise a well-known motivation thing in venture club gatherings. It is extensively used to abbreviate the data in an organization's fiscal summaries in estimation its money related wellbeing.

## 1.3 Origin of the study:

The internship program is intended for the student of Masters of Business Administration Program (MBA) of Daffodil International University on finishing the course to secure involvement on the useful application with the hypothetical information. This report was finished amid my temporary position period in Janata Bank Ltd. to satisfy the prerequisite of the course under the supervision of **Md. Anhar Sharif Mollah**. The subject was chosen with the capable direction of the administrator. The Topic of the report is "Financial Performance Analysis of Janata Bank Limited". It additionally assesses and basic leadership for business activity. Business partners attempt to think to get a general business outline from productivity, liquidity, resources the executives, and dissolvability proportion examination.

## 1.4 Company Profile:

### **Background of Janata Bank Limited**

Janata Bank biggest business bank in Bangladesh was built up under Bangladesh Bank (Nationalization) arrange 1972 (Presidency Order of 1972). After the introduction of Bangladesh on sixteenth December 1971, recently shaped Janata Bank for mass saving money motivated exceptional offices from the administration to fill in as nationalized business bank everywhere throughout the nation. With the expansion of obligations and by prudence of execution inside a couple of years, it turns into the biggest business bank of the nation with 912 branches including 4 abroad branches at the United Arab Emirates. It is connected with 1202 outside journalists everywhere throughout the world.

## 1.4.1 Janata Bank at a Glance

FEATURES	VALUES
<b>Name</b>	<b>Janata Bank Limited</b>
<b>Genesis</b>	<b>Janata Bank biggest business bank in Bangladesh was built up under Bangladesh Bank (Nationalization) arrange 1972 (Presidency Order of 1972). After the introduction of Bangladesh on sixteenth December 1971, recently shaped Janata Bank for mass saving money motivated exceptional offices from the administration to fill in as nationalized business bank everywhere throughout the nation. With the expansion of obligations and by prudence of execution inside a couple of years, it turns into the biggest business bank of the nation with 912 branches including 4 abroad branches at the United Arab Emirates. It is connected with 1202 outside journalists everywhere throughout the world.</b>
<b>Registered Address</b>	<b>Janata Bhaban, 110, Motijheel Commercial Area Dhaka - 1000, Bangladesh.</b>
<b>Legal Status</b>	<b>Public Limited Company</b>
<b>Chairman</b>	<b>Luna Shamsuddoha</b>
<b>CEO &amp; Managing Director</b>	<b>Md. Abdus Salam Azad (F.F.)</b>
<b>Company Secretary</b>	<b>Hussain Yeahyea Chowdhury</b>
<b>Date of Incorporation</b>	<b>21 May 2007</b>
<b>Authorized Capital</b>	<b>BDT 30,000 Million</b>
<b>Paid up Capital</b>	<b>BDT 23,140 Million</b>
<b>Face value per share</b>	<b>BDT 100 per share</b>
<b>Shareholding Pattern</b>	<b>100% Share owned by the Government of Bangladesh</b>
<b>Number of Employees</b>	<b>11,876 (As on 16.09.2018)</b>
<b>Banking license obtained from Bangladesh Bank</b>	<b>31 May 2007</b>
<b>Phone</b>	<b>+88 02-9560000, 9566020, 9556245-49, 9565041-45, 9560027-30</b>
<b>Fax</b>	<b>88-02-9554460, 9553329, 9552078</b>
<b>SWIFT</b>	<b>JANBDDH</b>
<b>Website</b>	<b><a href="http://www.jb.com.bd">www.jb.com.bd</a></b>
<b>E-mail</b>	<b><a href="mailto:md@janatabank-bd.com">md@janatabank-bd.com</a></b>

## 1.4.2 Vision of Janata Bank Limited:

The Vision is to wind up the viable biggest business bank in Bangladesh to help the financial improvement of the nation and to be the main bank in South Asia.

## 1.4.3 Mission of Janata Bank Limited:

The Mission of Janata Bank Limited will be an effective commercial bank by maintaining a stable growth strategy, delivering high-quality financial products, providing excellent customer service through an experienced management team and ensuring good corporate governance in every step of banking network.

## 1.4.4 Core Values of Janata Bank Limited:

**For Customers:** To end up the most minding bank by giving the most polite and effective administration in each territory of our business.

**For Employees:** By giving the prosperity of the individuals from the staff.

**For Shareholders:** By guaranteeing a reasonable profit for their venture by creating stable benefit.

**For Community:** By expecting our job as a socially capable corporate substance in a substantial through close adherence to national strategies and goals.

## 1.5 Scope of the study

The study gives a lot of knowledge about financial performances of Janata Bank Limited. As I was working with the annual reports of Janata Bank Limited, I analyzed financial statements of Janata Bank Limited and many things from this report. It consists of my observations and on the job experiences during the internship period. This report incorporates the financial status and different aspects of ratio analysis of the company.

## 1.6 Objectives of Janata Bank Limited:

### **Broad Objective:**

- To have a broad idea of different activities of Janata Bank Limited.
- To get a general thought regarding the money related execution of Janata Bank Limited.
- To relate the hypothetical learning to the first monetary information of Janata Bank Limited.

### **Specific Objectives:**

The specific objectives for which the bank is established are as follows:

- To find out the reasons behind JBL's enhancements or pitfalls of performance over the years.
- To find out the present performance of the bank and predate the near future.
- To gather knowledge about the profitability of the bank through Profitability ratios.
- To evaluate the operational efficiency of the bank.
- To know the strengths, weaknesses, Opportunities and threats of JBL.
- To conduct a time series analysis of the bank for measuring the financial performance.
- To evaluate the financial performance of Janata Bank Limited.
- Finally, to suggest necessary recommendations to overcome the shortcomings of Janata Bank to improve their financial performance.

# Chapter - 02

## Literature Review

## 2.1 Literature Review:

Survey of Literature alludes to the accumulation of the aftereffects of the different examines identifying with the present examination. It mulls over the examination of the past analysts which are identified with the present research in any capacity. Here are the surveys of the past inquiries about related with the present investigation:

**Moreover, Gopinathan** (2009) has introduced that the money related proportions investigation can spot better speculation alternatives for financial specialists as the proportion examination estimates different parts of the execution and dissects essentials of an organization or a foundation.

**Andrew and Schmidgall** (1993) in their examination arranged monetary proportions into five classifications "liquidity proportions, dissolvability proportions, action proportions, gainfulness proportions, and working proportions". They showed that money-related proportions themselves don't give profitable data about a company's execution, Andrew (1993) in his examination led on vehicle industry researched the use proportion of organizations and proposed that an esteem-boosting capital structure.

**Hitchings** (1999), in his examination, understood that proportion investigation is a delicate and profitable instrument in credit evaluation which is to estimate the capacity of a borrower to meet its obligation commitments.

**Dr SuganC.Jain** (2002) in his examination analyzed the execution of the car industry. He utilized composite file way to deal with a break down the operational proficiency and productivity and recommended to reinforcing the soundness, gainfulness spontaneous creation, working capital and in the execution of settled resources.

**Harrison** (2003) led to consider and contended that monetary proportion examinations are extremely helpful. Amid his examination he found that budgetary proportions investigation are likewise successful in the vehicle industry, it controls overseeing body to decide powerful and effective systems and recognize the feeble regions which require consideration.

**Chen and Shimerda** (1981) in their examination noticed that there are 41 diverse money related proportions which were before utilized adequately in studies and infer that it is hard to choose proportion with the inexact and total components stacking as the delegate monetary proportion for the watched variables.

**Virtanen and Yli-Olli** (1989) in their investigation tried the worldly conduct of money related proportion disseminations and found that business cycle influences the cross-sectional monetary proportion conveyances.

# Chapter - 03

## Methodology



## 3.1 Methodology:

### Research Design:

The report is enlightening in nature. To set up this report gathering information is vital. The data was gathered from both essential and optional wellsprings of information. The data was gathered inside the association from the Corporate Division of Janata Bank Limited.

### Data Collection Method:

This report is prepared based on information collected from two sources i.e. Primary sources and Secondary sources.

### Sources of Data:

The investigation inputs were gathered from two sources:

- ❖ Primary Information
- ❖ Secondary Information

### Sources of Primary Information:

- Face confronting discussion with the individual officers and customers.
- Practical work understanding from the various branch of the concerned officers.
- Collect ratios from the Audit department through personal interview.
- Guidelines and recommendations from all the senior representatives responsible for Janata Bank Ltd.

### Sources of Secondary Information:

- Annual Reports of Janata Bank Limited.
- Online data from the JBL website.
- Working papers
- Office files
- Several articles related on financial analysis
- Selected Books

### **Data Analysis Method:**

Qualitative and Quantitative both types of researches are conducted to analysis the primary and secondary data. The data are presented in this report by using the Microsoft Word and Microsoft Excel.

## **Limitations**

It was an uncommon open entryway for me to work in Janata Bank compelled as an Intern and make a give insight about its budgetary execution yet there were plainly a couple of imprisonments while making this report. These are according to the accompanying:

- The bank agents are so clamoring all the time that they couldn't help me a great deal to disentangle the information.
- As I have done this kind of report out of nowhere and the subject is to a great degree bewildering that is the reason it was difficult to form the report essentially.
- "Time limitation" is another issue for which numerous parts of Janata Bank Limited are dropped from this report.
- There are different data the bank officer didn't give because of security and other corporate commitments.
- As I am a newcomer, there is an absence of past involvement in this worry. What's more, numerous down to earth matters have been composed of my own perception that may fluctuate from individual to individual.

# Chapter - 04

## Financial Performance Analysis

## 4.1 Ratio Analysis:

Financial ratios are important pointers of an affiliation's execution and budgetary situation. Money related proportions can be used to analyze designs and to balance the organization's financials with those of various firms. Extent examination is the figuring and connection of extents which are gotten from the information in an association's fiscal reports. Money related proportions are ordinarily imparted as a between firm or as times per period.

Ratio examination is a for the most part used instrument of money related examination. It is portrayed as the efficient use of extent to decipher the spending rundowns so the quality and deficiencies of a firm, and its chronicled execution and current budgetary condition, can be settled. With the help of extent, the examination end can be drawn review a couple of points of view, for instance, money related prosperity, benefit and operational efficiency of the undertaking. Extent examination helps in the middle of firm examination by giving crucial data. A cover firm examination indicates relative position. It gives the noteworthy data to the connection of the execution of different workplaces.

### **a) Liquidity Ratios**

### **b) Leverage Ratios**

### **c) Profitability Ratios**

### **d) Activity Ratios**

## 4.2 Liquidity Ratios

Liquidity ratios a company's capacity to meet its present commitments. These include:

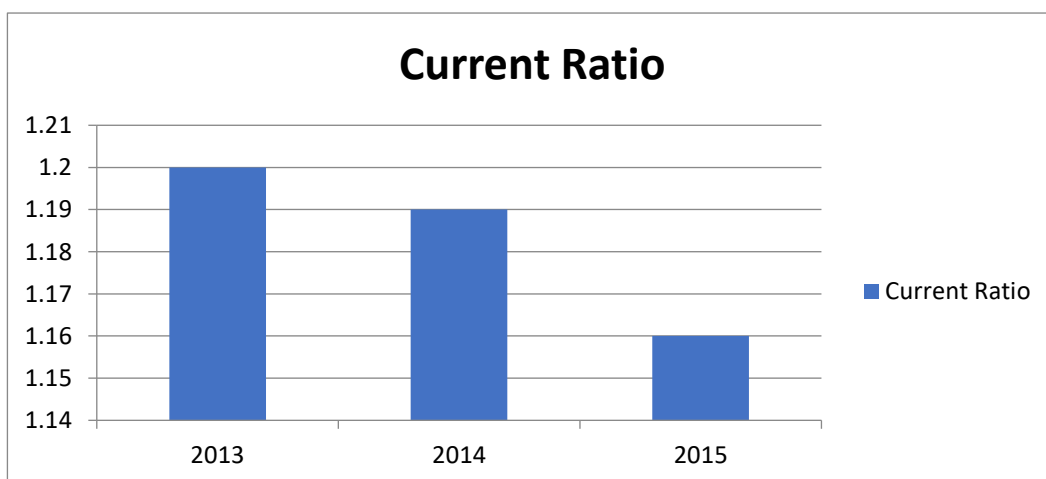
## Current Ratio:

$$\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$$

This extent demonstrates how much current liabilities are anchored by those advantages foreseen that would be changed over to exchange out the not all that removed future. Current assets commonly consolidate cash, alluring securities, accounts receivables, and inventories. Current liabilities include records payable, transient notes payable, current advancements of whole deal commitment, amassed charges, and other assembled costs. Current assets are basic to associations since they are the advantages that are used to fund ordinary errands and pay advancing expenses.

Year	2013	2014	2015
Current Assets	575611106	671597594	731954693
Current Liabilities	480455832	566659483	631948038
Current Ratio	1.20	1.19	1.16

**Table-1: Current Ratio**



**Figure-1: Current Ratio**

## Explanation

The current ratio for the year 2013, 2014 and 2015 is 1.20, 1.19 and 1.16 separately, contrasted with standard proportion 2:1 this proportion is bringing down which demonstrates low momentary liquidity effectiveness in the meantime holding not exactly adequate current resources mean wasteful utilization of assets.

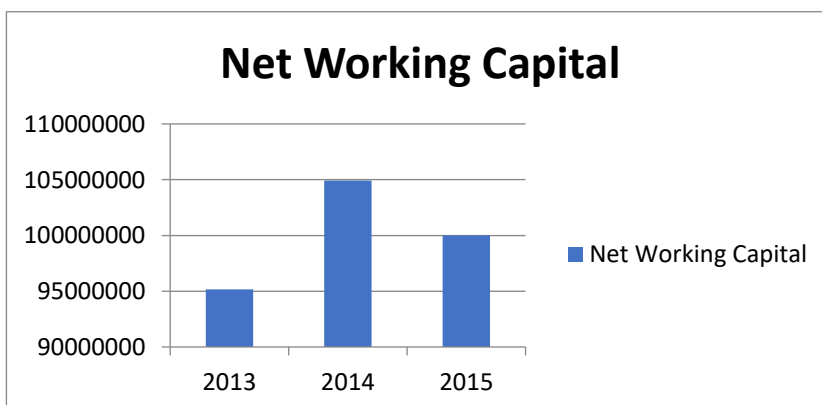
### Net working Capital:

**Net Working Capital = Current Assets – Current Liabilities**

An extent of both an association's efficiency and its transient cash related prosperity. Positive working capital infers that the association can fulfill its flashing liabilities. Negative working capital suggests that an association right currently can't meet its transient liabilities with its present assets (cash, records of offers and stock). Generally called "net working capital", or the "working capital extent".

Year	2013	2014	2015
<b>Current Assets</b>	575611106	671597594	731954693
<b>Current Liabilities</b>	480455832	566659483	631948038
<b>Net Working Capital</b>	<b>95155274</b>	<b>104938111</b>	<b>100006655</b>

**Table-2: Net Working Capital**



**Figure-2: Net Working Capital**

## Explanation

It is clear from the above calculations that the working capital of the Bank is logically extending consistently, which shows extraordinary transient liquidity adequacy.

### 4.3 Leverage Ratios

By using a blend of points of interest, commitment, esteem, and interest portions, use extents are used to appreciate an association's ability to meet its whole deal cash related duties. Use extents measure the dimension of protection of suppliers of whole deal saves. The element of utilization depends upon many parts, for instance, an openness of certification, the nature of working pay and cost meds. Thusly, examiners should be mindful about differentiating cash related use between associations from different organizations. For example, associations in the keeping cash industry ordinarily work with high use as protection their points of interest are viably collateralized. These include:

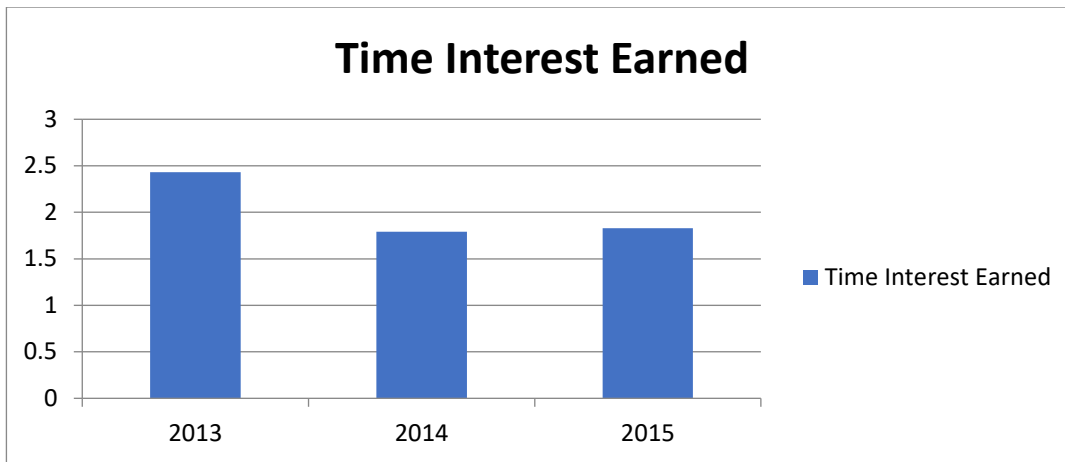
#### Time Interest Earned:

##### **TIE Ratio = EBIT / Interest Charges**

The intrigue inclusion proportion reveals to us how viably an association can pay interest costs identified with the commitment they starting at now have. The extent is planned to grasp the proportion of energy due as a component of an association's salary before interest and obligations (EBIT). This extent appraises how much functioning compensation can rot before the firm can't meet its yearly interest cost.

Year	2013	2014	2015
<b>EBIT</b>	32044524	34298574	48559935
<b>Interest Charges</b>	13204037	19153957	19153957
<b>TIE Ratio</b>	<b>2.43</b>	<b>1.79</b>	<b>1.83</b>

**Table-3: Time Interest Earned**



**Figure-3: Time Interest Earned**

### **Explanation**

We can see from this extent examination that, this association has anchored their preference costs 2.43 events in 2013, 1.79 events in 2014 and 1.8 events in 2015. It suggests they have performed for all intents and purposes the equivalent in 2014 and 2015, be that as it may, has explored 2013. As in 2013 they issued a to some degree a high number of whole deal credits and does not have extraordinary liquidity position, their EBIT ended up being high thusly making TIE to some degree high moreover.

### **Debt Ratio:**

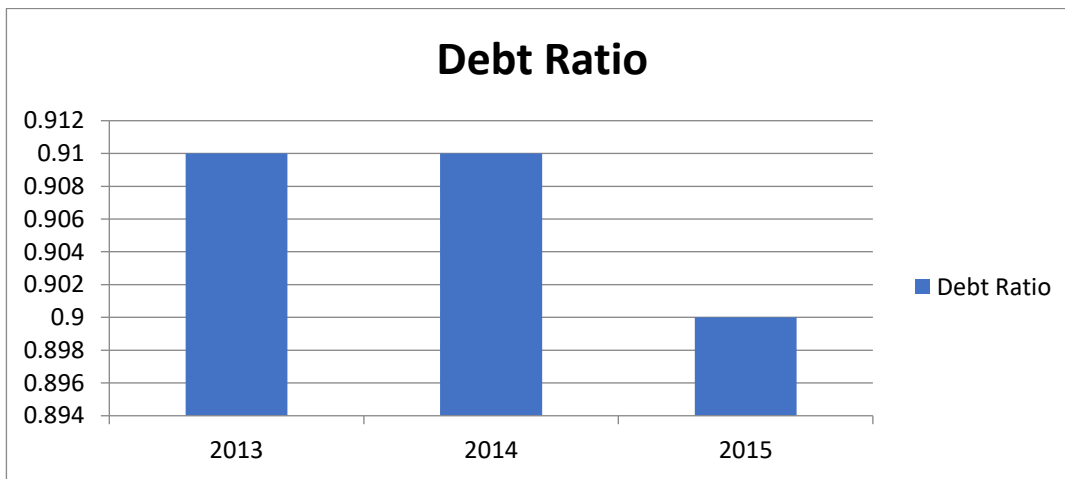
$$\text{Debt Ratio} = \text{Total Debt} / \text{Total Assets}$$

The extent of total commitment to indicate assets, all things considered, called the commitment extent, measures the dimension of benefits given by the credit managers. The degree of an affiliation's total assets that are being financed with gained resources. The commitment extent is dictated by separating a total whole deal and transient liabilities by total assets. The higher the extent, the more utilize the association is using and the more risk it is tolerating. Assets and liabilities are found on an association's money related record.



Year	2013	2014	2015
<b>Total Debt</b>	536848102	628754092	682747953
<b>Total Assets</b>	590291468	691991521	757928,89
<b>Debt Ratio</b>	<b>0.91</b>	<b>0.91</b>	<b>0.9</b>

**Table-4: Debt Ratio**



**Figure-4: Debt Ratio**

### **Explanation**

Figuring the obligation proportion, we came to see that this organization is profoundly utilized one.

### **Debt to Equity Ratio:**

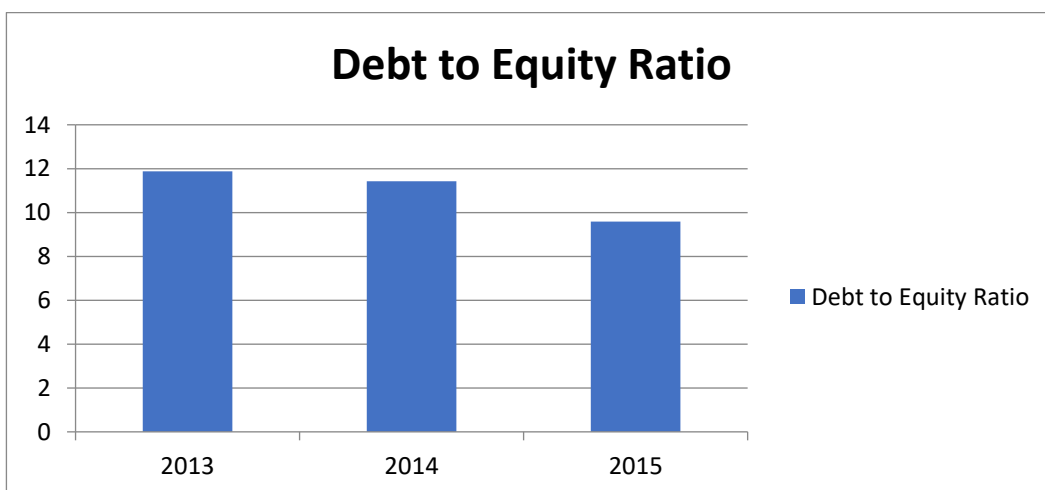
$$\text{Debt to Equity Ratio} = \text{Total debt} / \text{Total Equity}$$

The obligation to value proportion is the most well-known use proportion and it gives detail around the measure of use (liabilities accepted) that an organization has in connection to the monies given by investors. As should be obvious through the equation beneath, the lower the number, the less use that an organization is utilizing. The obligation to value proportion

gives the extent of an organization (or person's) resources that are financed by obligation versus value. It is a typical proportion of the long-haul suitability of an organization's the same old thing and, alongside current proportion, a proportion of its liquidity, or its capacity to cover its costs. Subsequently, obligation to value computations frequently just incorporates long haul obligation as opposed to an organization's aggregate liabilities. A high obligation to value proportion infers that the organization has been forcefully financing its exercises through obligation and hence should pay enthusiasm on this financing.

<b>Year</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Total Debt</b>	536848102	628754092	682747953
<b>Total Equity</b>	45177664	55063125	71280902
<b>Debt to Equity Ratio</b>	<b>11.88</b>	<b>11.42</b>	<b>9.58</b>

**Table-5: Debt to Equity Ratio**



**Figure-5: Debt to Equity Ratio**

## Explanation

We can see from the above estimations that this proportion ceaselessly diminishing over the most recent three years.

### 4.4 Profitability Ratios:

Productivity is the net outcome of different procedures and decisions. This portion of the discussions about the unmistakable extents of corporate advantage and financial execution. These extents, much like the operational execution extents, give customers a fair cognizance of how well the association utilized its advantages in making advantage and financial specialist regard. The whole deal profit of an association is fundamental for both the survivability of the association and also the preferred standpoint gotten by financial specialists. It is these extents that can give information into them to a great degree indispensable "advantage". Profit extents show the merged effects of liquidity, an asset the officials and commitment on work results. These extents break down the advantage made by the firm and complexity these figures and the degree of the firm, the points of interest used by the firm or its element of offers. There are four basic profit extents that I am will research:

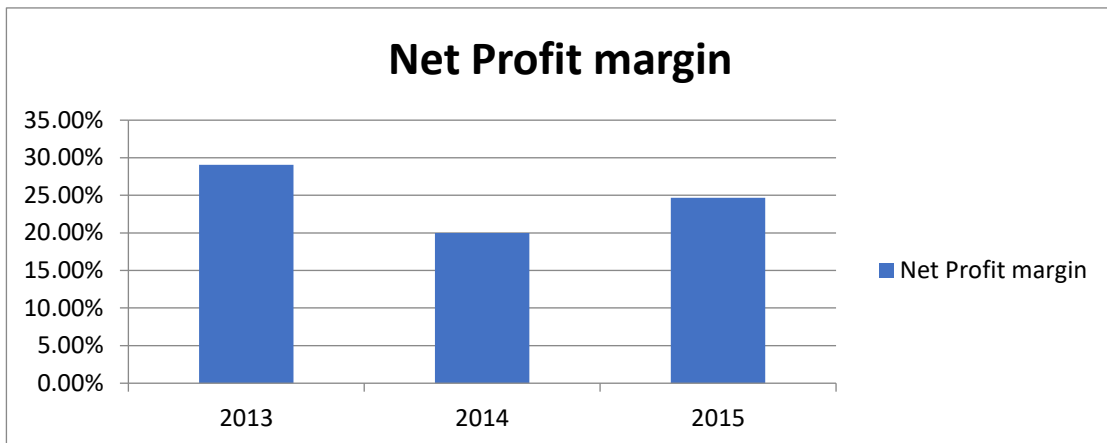
#### Net Profit Margin:

**Net Profit margin = Net Profit / Sales**

Net Profit Margin gives us the net advantage that the business is obtaining per dollar of offers. This edge exhibits the advantage after all of the costs have been achieved it shows that what % of turnover is addressed by the net advantage. A development in the extents demonstrates that a firm is conveying a higher net advantage of offers than beforehand.

Year	2013	2014	2015
Net Profit	12700315	10084037	15614020
Sales	43685740	50481021	63305033
Net Profit margin	29.07%	19.97%	24.66%

**Table-6: Net Profit margin**



**Figure-6: Net Profit margin**

**Explanation**

We can see from this proportion examination that, this organization has a net revenue of 29.07% in 2013, 19.97% in 2014 and 24.66% in 2015. In this manner, the Net Profit Margin was 29.07% in 2013, decline to 9.1% in 2014 and afterward increment to 4.69% in 2015.

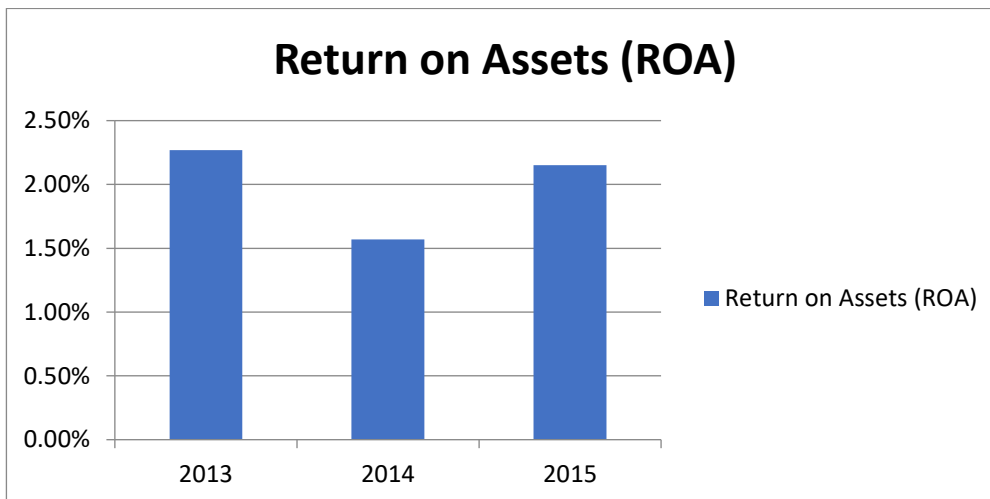
**Return on Assets:**

**Return on Assets (ROA) = Profit after Taxation / Total assets**

ROA, an extent of an association's efficiency, proportional to a financial year's benefit apportioned by its total assets, conveyed as a rate. This is a basic extent for associations picking regardless of whether to begin another undertaking. The start of this extent is that if an association will start an assignment, they want to get a landing on it, ROA is the entry they would get. Fundamentally, if ROA is over the rate that the association gets at, the endeavor should be recognized.

Year	2013	2014	2015
<b>Profit after Taxation</b>	12700315	10084037	15614020
<b>Total assets</b>	559592686.5	641141494.5	724959955
<b>Return on Assets (ROA)</b>	<b>2.27%</b>	<b>1.57%</b>	<b>2.15%</b>

**Table-7: Return on Assets**



**Figure-7: Return on Assets**

### **Explanation**

Profit for resources diminished in 2014 and 2015 and it was greatest in the year 2013.

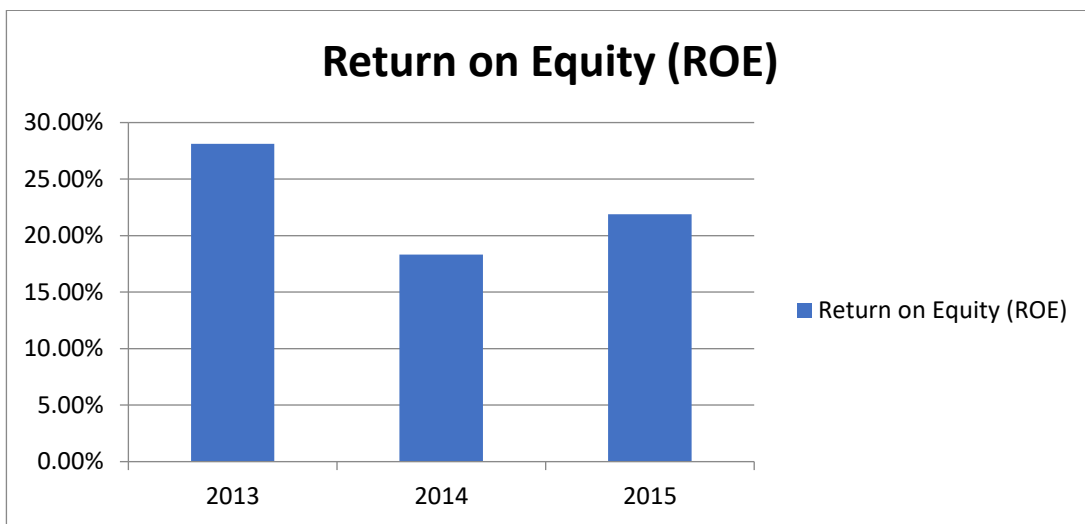
### **Return on Equity (ROE):**

**Return on Total Equity = Profit after taxation /Total Equity**

Profit for Equity evaluates the proportion of Net Income earned by utilizing each dollar of Total standard esteem. It is the most fundamental of the "Truth" extent. By this, we can find how much the speculators will get for their offers. This extent exhibits how profitable an association is by standing out its net gain from its ordinary speculators' esteem.

Year	2013	2014	2015
<b>Net Income</b>	12700315	10084037	15614020
<b>Total Equity</b>	45177664	55063125	71280902
<b>ROE</b>	<b>28.11%</b>	<b>18.31%</b>	<b>21.9%</b>

**Table-8: Return on Equity**



**Figure-8: Return on Equity**

### **Explanation**

The Return on Equity was most outrageous in 2013 anyway decreased in 2014 and went down extra in 2015. This again may have happened due to the issue of even more whole deal commitment in 2014 and 2015.

### **4.5 Activity Ratios**

Movement proportion is some of the time are called compelling proportions. Action proportions are worried about how proficiency the benefits of the firm are overseen. These proportions express the connection between the dimension of offers and the interest in different resources inventories, receivables, settled resources and so on.

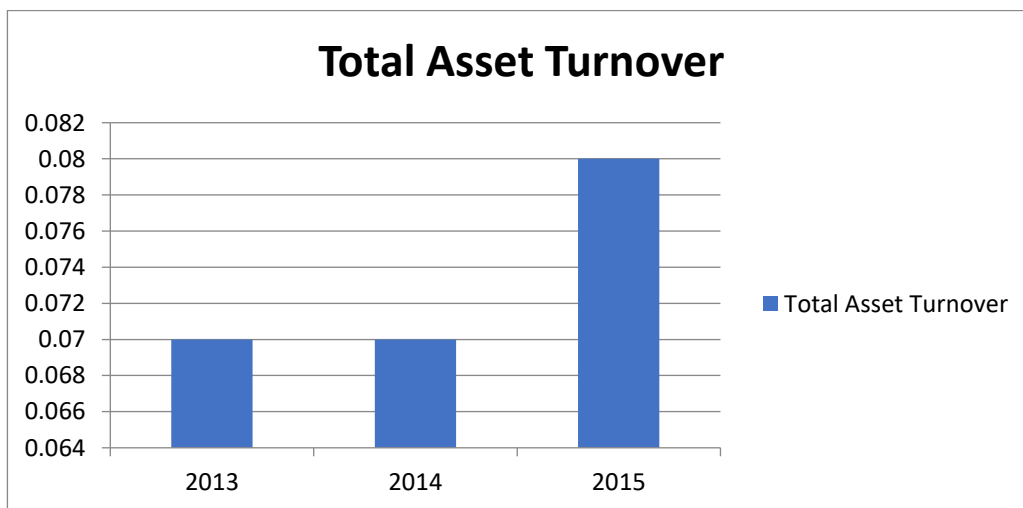
### **Total Asset Turnover:**

$$\text{Total Asset Turnover} = \text{Total Sales} / \text{Total Assets}$$

The number of offers created for each dollar of benefits. It is determined by isolating deals in Tk. by resources in Tk. Resource turnover estimates an association's productivity at utilizing its benefits in creating deals or income - the higher the number the better. It likewise shows valuing system: organizations with low net revenues will, in general, have high resource turnover, while those with high-net revenues have the low-resource turnover.

Year	2013	2014	2015
<b>Total Sales</b>	43685740	50481021	63305033
<b>Total Assets</b>	590291468	691991521	757928389
<b>Total Asset Turnover</b>	<b>0.07</b>	<b>0.07</b>	<b>0.08</b>

**Table-9: Total Asset Turnover**



**Figure-9: Total Asset Turnover**

### **Explanation**

The Total Asset Turnover ratio was maximum in 2015 but decreased in 2013 and 2014.

# Chapter - 05

## SWOT Analysis



## 5.1 SWOT Analysis:

SWOT Analysis is a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieving that objective.

“S” = Strengths – Attributes helpful for achieving the objective.

“W” = Weaknesses – Attributes harmful for achieving the objective.

“O” = Opportunities – External conditions that are helpful for achieving the objective.

“T” = Threats – External conditions that may harm the business’s performance.

The SWOT Analysis of Janata Bank Limited is exhibited in a table beneath:

### **Strengths:**

- Name recognition within the community
- Large customer base
- Community involvement/increasing presence in the market
- Management knowledge of the industry
- Financial condition: Strong capital and asset quality
- Regulatory performance is strong and positive
- A Fine environment inside of the branch
- Co-ordination and co-operation among the staff
- Attractive Location
- Old Bank so greater reliance on customer

## **Weaknesses:**

- An absence of innovative assets and also the Internet keeping money
- Lack of learning of client profile
- Insufficient center around quality client administration and home loan managing an account
- Overall piece of the pie needs to develop Opportunities
- Cross-moving existing clients
- Growth in business
- Increase piece of the overall industry through the development of the credit portfolio
- Increased nearness by methods for extra ATMs
- Enhanced business improvement in all item territories and the advancement of those items
- Attracting possibility for securing throughout the following couple of years Lack of technological resources as well as Internet banking

## **Opportunities:**

- More Experienced and Managerial know-how
- Opportunity to grow topographically inside Bangladesh.
- Customers are searching for good quality and have the ability to keep money with Janata Bank.

## **Threats:**

- Strong community bank competition Non-bank competition
- Inefficiencies within the operations of the bank
- Possibilities of more stringent regulations
- Lack of appeal to younger, Student, affluent potential customers
- Lack of Flexibility to adapt to any change
- The continuing increase in non-bank competitors offering similar services
- Continued deregulation and globalization of services
- Increased technological innovation and technology costs in order to compete effectively

# Chapter - 06

## Findings and Recommendations

## 6.1 Findings:

Analysis of the financial statements of Janata Bank Limited and found some findings:

- ❖ Current Ratio in 2015 was (1.16:1) which was lower than in 2014 (1.19:1) and 2013 (1.20:1).
- ❖ The liquidity position of Janata Bank isn't up to standard. Working capital of Janata Bank is great.
- ❖ Leverage proportions show the high hazard related with the organization's by and large use proportions, measures the level of assets given by the banks. The extent of an association's aggregate resources is being financed with a high level of obtained reserves.
- ❖ Profitability proportions of Janata Bank Limited are up to the stamp.
- ❖ In Debt to Equity Ratio consistently diminishing over the most recent three years.
- ❖ Earnings per Share and Operating income of Janata Bank is likewise great.
- ❖ The Return on Equity was most extraordinary in 2013 anyway decreased in 2014 and went down extra in 2015. This again may have happened on account of the issue of even more whole deal commitment in 2014 and 2015

## 6.2 Recommendations:

Some recommendations based on the financial performance of JBL are given below:

- ❖ Before giving a long-haul credit, a bank ought to think about that whether a bank has the long-haul store or not. Something else, the bank will without a doubt confront the liquidity issue.
- ❖ The bank should increasingly productive being used its advantages.
- ❖ The bank should expand the non-subsidized pay so as to build the working salary proportion.
- ❖ After giving the advance to the clients, a broker ought to likewise play out specific obligations to the clients to diminish the awful obligation issue. Like-observing, managing and follow up the advance that is taken by the clients.
- ❖ Bangladesh Bank ought to force the standard of consistency for a wide range of plans. Along these lines, clients can choose from where they will get benefit dependent on the administration quality and hierarchical condition.
- ❖ Director's obstruction in the event of giving credit ought to decrease in light of the fact that along these lines hazard may increment and awful obligation may likewise increment.
- ❖ "Employee Recruitment Process"- ought to be done in a faring procedure so suitable and skilled workers are chosen through the enlistment procedure and increment the profitability and nature of the administration.
- ❖ JBL should build separate loan recovery division if it happens then their classified loan amount will reduce.
- ❖ JBL should give the competitive interest rate so that the clients are not shifting their accounts to another bank.
- ❖ The amount of non-performing loan should be reduced by analysis proper evaluation.
- ❖ As JBL is a service providing organization, it should introduce new and dynamic services to serve the people and capture the target market. It is required to develop some effective motivational programs.

# Chapter - 07

## Conclusion

## 7.1 Conclusion:

Janata Bank Limited (JBL), setting new models in the keeping money war zone in the season of hard-headed monetary conditions. As a major aspect of the long haul money related change and modernization plan of the administration, the bank had been changed over into an open constrained organization. JBL assembles the assets to remain solid in the key territories of activity. In the territories of treasury activity, JBL remains the key player in the nation's outside trade and currency showcase improving productivity through watchful estimating and appraisal of hazard and rate of profitability, the treasury managing is being fortified to encourage exchanges requiring increasingly complex items and administrations for bigger institutional and corporate customers. Despite the fact that it has an extensive variety of system and certainty from the clients it has a few issues those issues decrease its pay.

Janata Bank Limited constantly attempted its dimension best to perform monetarily well. their budgetary execution against the managing an account industry is very attractive. notwithstanding attempting to do well in a few angles Janata bank constrained face some monetary issues now and again. a portion of the issues for diminishing pattern of gainfulness and dissolvability, lack of worker's shortage of present-day innovative offices and so forth these issues emerged time to time because of the monetary lull, loan cost moderate and change, rising capital market, expansion in the currency showcase, etc. battling with every one of these issues and rivalling different Banks right now the bank is endeavoring to improve the situation to best. In the event that this thing persistent we trust the Janata Bank Limited will grow significantly more later on.

Form the practical point of view I can declare boldly that I have truly made the most of my temporary job at the bank from the specific first day. In addition, this entry level position program that is obligatory from my MBA program clearly has helped my dad considering my profession. I have made a decent attempt and soul to sort out the examination report with important applicable data.

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