



Daffodil
International
University

INTERNSHIP REPORT

On

FINANCIAL PERFORMANCE ANALYSIS OF BANGLADESH KRISHI BANK.

The Internship Report is submitted to the Department Of Business Administration, Daffodil International University, Dhaka for the partial Fulfillment of the Requirements of the “**Degree of Masters of Business Administration (MBA)**”.

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Department of Business Administration
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December 2019



Dedicated

TO

My beloved Parents

and

Honorable Supervisor

Letter of Transmittal

December, 2019

Mr. Syed Mizanur Rahman

Associate professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Submission of Internship Report on “Financial Performance Analysis of Bangladesh Krishi Bank”.

Dear Sir,

With pleasure, I am submitting my internship report of “**Financial Performance Analysis of Bangladesh Krishi Bank**” which was given me as a part of my MBA Program. I have done my level best to complete this report with the necessary information and suggestion from you.

I hope that the report will meet your expectations.

Thank you

Sincerely,

Shahin Alam

.....

Shahin Alam

ID No: 183-14-2834

Department of Business Administration

Daffodil International University

Certificate of Approval

I am pleased to attest that the Internship Report on “**Financial Performance Analysis of Bangladesh Krishi Bank**” prepared by Shahin Alam bearing ID no: 183-14-2834 of Masters of Business Administration (Major in Finance) Under the Department of Business administration. This report is recommended for submission and defense.

Shahin Alam a good moral character and a very pleasing personality. It has indeed been a great pleasure working with him. I wish him all success in life.

I wish him all victory in life.



.....

Mr. Syed Mizanur Rahman

Associate professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Acknowledgment

First, I would like to thank Almighty Allah that he gives me good health to complete this report in time. Then I would like to thank my Supervisor Mr. Syed Mizanur Rahman his continual support, advice, guidance throughout the intact making of this report. I would like to give my -sincere regards and gratitude to my honorable teachers whose kinds of guidance and support helped me to complete my MBA program.

Last but not the least; I would like to thank all the members of the corporate branch of Bangladesh Krishi Bank limited and their help and support throughout the completion of this report.

Executive Summary

This report is divided into five chapters. The **first chapter** of this study deals with introduction that presents the objectives, Methodology, Scope of limitation of the study. In order to understand the Banks on which the study is carried on, the **second chapter** of the study deals with some theoretical concept about Profile of BKB. The **third chapter** is about the conceptual framework of financial performance activities of BKB. The **fourth chapter** is about the different types of analysis and findings on evaluation on investment & financial performance activities. The **fifth chapter** is about conclusions and recommendations which are drawn by analysis of whole study.

The main findings of the study are as follows: BKB financial performance is very restrictive, the bank has little concern about advertising process, the bank has no written lending guidelines, loan sanctioning process is lengthy etc.

Some recommendation of the study is: Financial policy should be moderate, the bank should be concentrating about advertising process, the bank should maintain written lending guidelines, the bank should maintain quick loan sanctioning process.

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Chapter 1 Introduction

1.1 Introduction

The Internship Report is a system for trainees and professionals. The internship reports are similar to commercial and professional internships. Although trainees are usually college or university students, they may also be high school or graduate students. Sometimes they are in high school or even elementary school.

Generally, the internship report serves as an exchange of services between the student and his employer. They can also use the internship report to find out if they are interested in a particular career, setting up a network of correspondents or obtaining a diploma. Some trainees also find a permanent and paid job in the companies for which they work. As a result, employers also benefit from the fact that experienced trainees need little or no training to start a regular full-time employment relationship.

1.2 Origin of the Study

The practical orientation is the bridge between academic knowledge and practical knowledge. The internship program is a mandatory part of the Masters of Business Administration and is a preparatory step to a career. It allows students to practice and familiarizes them with the work environment of the organization. This program includes 12 weeks of full-time assignment, that is, the writing of affiliations of organizations and student placements is usually organized to correspond to the area of intervention under the supervision of the body faculty.

1.3 Objectives of the Study

The purpose of this study is to provide valuable practical information, taking into account my theoretical knowledge acquired as part of the Daffodil International University MBA program. It also helps me develop my concept of the banking system and how it works.

The objectives are:

1. Highlight the analysis of Bangladesh Krishi Bank financial performance
2. Explain the complexity of analyzing the financial performance of Bangladesh Krishi Bank
3. Make recommendations to improve their performance.

1.4 Research Methods

Primary and secondary data have been compiled for this report.

- Face-to-face conversation
- Observations and findings at work

Secondary information sources:

- BKB brochure on the BKB annual report.
- Profile of BKB.
- company and others related website
- Handbook and online articles
- Periodicals published by Bangladesh Bank.
- Various publications on banks, foreign exchange and credit policies.
- Previous internship reports.

1.5 Importance of the Study

Internship reports are recognized to give students the opportunity to apply their knowledge in a real environment. At the same time, they also develop skills that help them perform better in their work.

Internship reports greatly increase the chances that a student will get a full-time job after graduation. This article examines internship reports and explains how they can help students do a good job.

Internship reports provide students with an experience that makes them stronger. In addition, their work ethic develops and they trust their abilities. Practice reports also give students the opportunity to learn about time management, discipline and effective communication skills. In the business world, critical thinking skills are very important. Graduates must be able to make logical decisions quickly. Internship reports teach students to achieve excellence in many organizations and industries. When students use internship reports, they gain benefits for themselves and their employers.

Because many employers feel that some students do not have the practical experience needed to excel in the real world, internship reports have become more important than ever before. Those who choose to participate in the internship reports will receive credits at universities to complete their studies. Many companies provide internship reports to students. These include businesses, non-profit organizations and other institutions. When looking at internship reports, it's important to understand what employers want. Several studies have shown that an employer looks for six qualities.

These include motivation, leadership, oral communication, experience and interpersonal skills. Some employees naturally have these skills. However, it should be noted that most employees do not have these qualities and need training. When students take mentoring programs, they must learn to solve problems and communicate effectively. On top of that, it's important to know how to use different media and technologies. When examining the effectiveness of internship reports, it is also important to look at case studies.

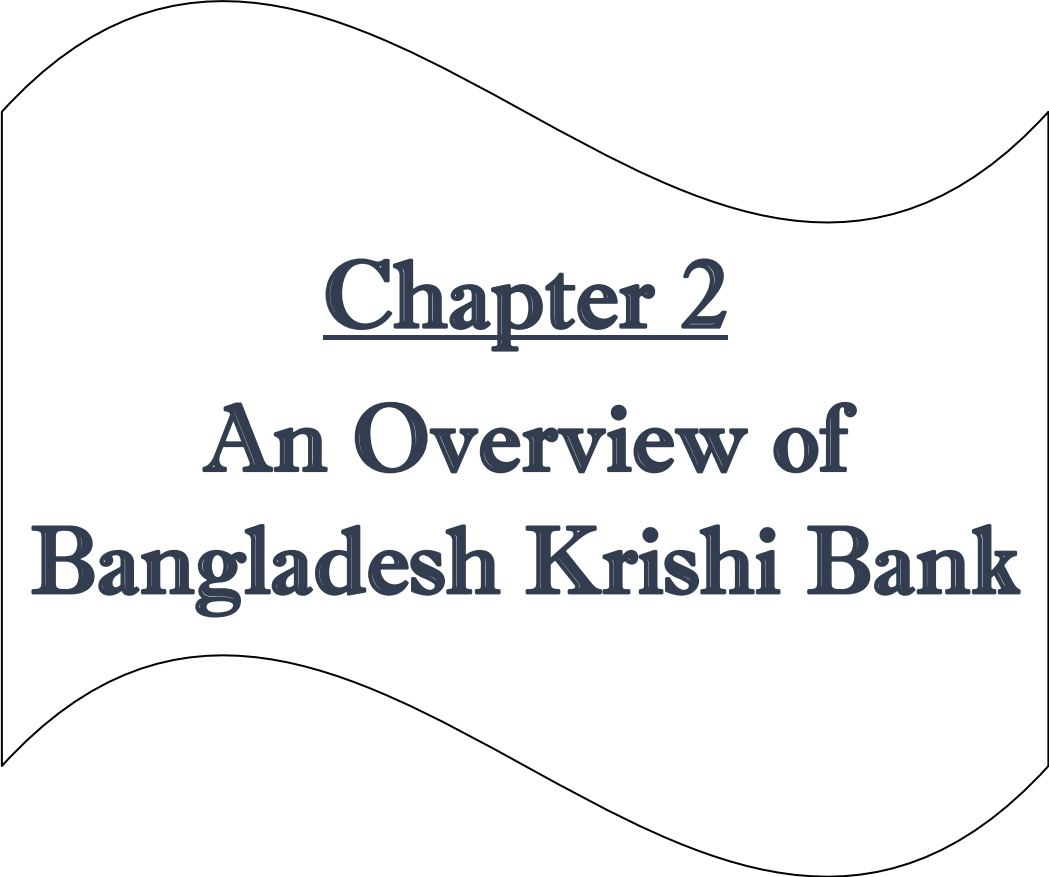
Most students in this study had high or above average scores. Students also demonstrated better oral communication and leadership skills. The objectives of the study have been largely achieved. While more colleges and degree programs may encourage students to write internship reports, it is likely that many graduates will have the skills to succeed. For employees, defining the right program can be a difficult process. The students who

participated in the internship reports performed much better than those who completed the program without having studied the internship reports.

1.6 Restrictions of the Study

We know that practical training is essential to complete the knowledge. But practical information is not easy to obtain. The internship report has many limitations. Those are:

- It is impossible to know the organization completely in a very short time.
- Sometimes an organization is unable to provide a real figure for their organization for confidentiality reasons.
- It is difficult to detect the performance of an organization.
- The lack of necessary elements and aspects is a problem for an appropriate training report.
- Lack of correct information is another practical training problem.
- Lack of information to collect primary and secondary data
- Lack of maintenance of correct books and modern technology
- In many cases, the bank is not interested in disclosing its information to preserve its confidentiality.



Chapter 2
An Overview of
Bangladesh Krishi Bank

2.1 Specialized Banks

They are composed of other development banks in Bangladesh and some NGOs that provide microcredit to the population. Promote the creation of private development banks in the country. Specialized banks were created for a specific purpose, different from that of other commercial banks. Therefore, they can be called special units (SBU).

2.2 The Role of Specialized Banks

Specialized banks play an important role in socio-economic development by:

Specialized banks promote savings mainly in the middle and lower classes of urban and rural areas.

These banks encourage investment in various sectors of agriculture, industry and commerce. They invest directly or lend in advance to investors.

They constantly help disadvantaged people to become self-reliant by providing them with a microcredit.

Specialized banks help to increase the contribution of agriculture to GDP. Some banks help to eradicate poverty by providing microcredit. In practice, they play an important role in socio-economic development.

2.3 Specialized Banks in Bangladesh

The Government of Bangladesh has established specialized banks for agricultural development:

- Bangladesh Krishi Bank
- Rajshahi Krishi Unnayan Bank
- Bangladesh Shilpa Bank
- Bangladesh Shilpa Rin Sangstha

2.4 Logo of Bangladesh Krishi Bank



বাংলাদেশ কৃষি ব্যাংক
Bangladesh Krishi Bank
গ্রামবাংলার গণমানুষের ব্যাংক

2.5 Vision of Bangladesh Krishi Bank

"To be recognized and accepted as a leading specialized bank in Bangladesh through development of agriculture".

2.6 Mission of Bangladesh Krishi Bank

- To be competitive with other Banks and Financial Institutions in rendering services.
- To contribute to the country's socio-economic development by identifying new and profitable areas for investment.
- To mobilize deposit for productive investment.
- To facilitate smooth supply of agricultural credit by opening more rural branches in the remote areas Bangladesh.
- Create a good work environment for employees, foster teamwork, and career development.
- Operate esthetically and maintain transparency in operations.
- Serve the Customer with utmost care and responsibility.

2.7 Trade Values

BKB employees share certain values that help create a BKB culture.

Customer focus: for BKB, the customer first. The bank gives them a very important role. BKB serves its clients with respect and strives to build a strong customer service culture throughout the bank. He treats the client with dignity. Provide smart, effective, open and courteous services.

- Excellence Service Excellence.
- Open to new ideas and new methods to encourage creativity.
- Dignity.
- Engagement.
- Honesty and honesty
- Transparency and accountability.
- Quick decision making.
- Flexibility and quick response.
- High performance.

- Innovation and growth.
- Professional knowledge of professional ethics.

Social responsibility: BKB is a socially responsible institution that does not lend to companies with adverse effects on the environment and people. BKB is committed to corporate social responsibility.

- Citizenship Responsible Citizenship
- Respect for the individual
- Aware of the environment
- High moral
- Respectful of the law

Internal culture: Bank employees work in a shared culture. They believe in understanding. The people at the bank see themselves as a team / close family that believes in the need to work together during growth.

- Understanding
- And the feeling of unity
- Respect with colleagues
- Trust

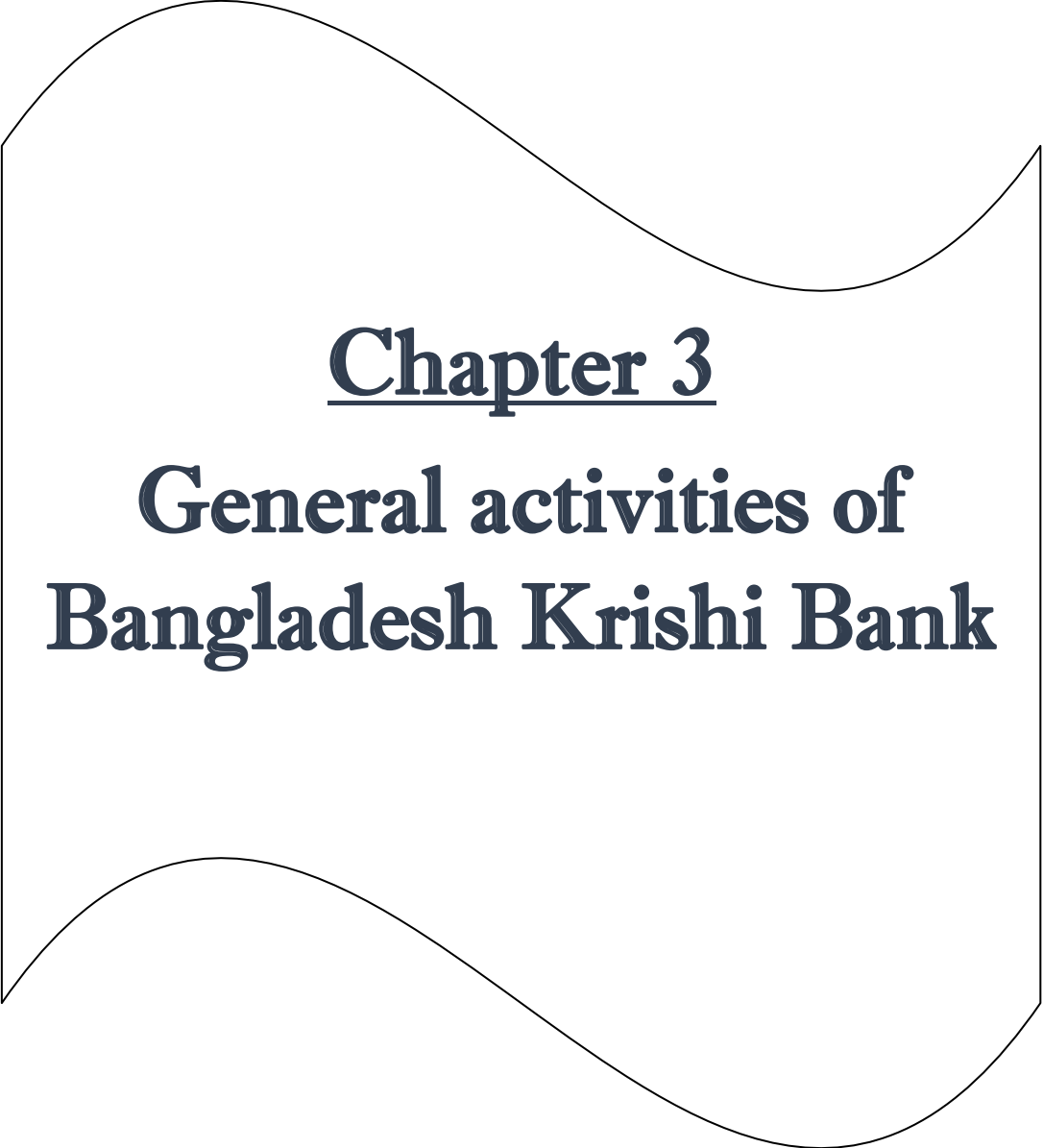
2.8 Corporate information of Bangladesh Krishi Bank

Name of the Company:	Bangladesh Krishi Bank
Legal Form:	Bangladesh Krishi Bank (BKB) has been established under the Bangladesh Krishi Bank order 1973 (President's Order No 27 of 1973). BKB is Banking Company under the Banking Company Act-1991.
Date of Commencement:	1973
Head Office:	Krishi Bank Bhaban, 83-85 Motijheel Commercial Area, Dhaka - 1000, Bangladesh

Phone:	(+88 02) 956 0021
Fax:	(+88 02) 956 1211, (+88 02) 955 6903, (+88 02) 955 3028
Email:	info@krishibank.org.bd
Known As:	BKB
SWIFT Code:	BKBABDDH
Chairman:	Khondkar Ibrahim Khaled
Managing Director:	Md. Abdus Salam

2.9 Branch network of Krishi Bank

Office Type	No. of Branches
Divisional Office	09
Divisional Audit Office	09
Chief Regional Office	29
Regional Office	24
Branch Office	987



Chapter 3
**General activities of
Bangladesh Krishi Bank**

3.1 General Activities or Services

The deposit services provided by the bank are as follows:

1) Deposit Service:

1. Current deposit account
2. Savings accounts
3. Term deposit account:
 - 1) Short Term Deposit Account (STD)
 - 2) Deposit Pension Scheme (DPS)
 - 3) BKB Deposit Pension Scheme (RDPS)
 - 4) Fixed deposit account

2) Commercial Service:

- 1) draft application (DD)
- 2) Mail Forwarding (MT)
- 3) Telephone / electrical transmission (TT)
- 4) Payment Order (PO)

3) Loan Service:

- 1) Short term loan
- 2) Medium-term loan
- 3) Long-term loan

The above services of BKB are discussed in the following pages;

3.1.1: Depository Services

The following three types of accounts are available at the BKB office

3.1.1.1. Current Account:

With this type of account, you deposit and cash a large amount of money at any time during business hours. There is no interest on the current account. The bank project will be penalized on this basis. This account will be opened with a minimum deposit of Tk.1000.

3.1.1.2. Savings Account:

The savings account has been opened for individual clients, with the exception of companies, permanent employees and cooperatives. Money is withdrawn twice a week and deposited at any time during business hours. If the account holder raises money from the account, he will not receive any interest for that month. Opening an account bank only requires Tk.200.

3.1.1.3. Term Deposits:

3.1.1.3.1. Short Term Deposit Account (STD):

Short term deposit accounts are open for companies, companies and the board of directors. This account is used as an exchange account.

3.1.1.3.2. Depository System (DPS):

It's kind of a government deposit program. With this savings system, the individual has the opportunity to accumulate savings by making a monthly payment to obtain an attractive lump sum at the end of a given period. The monthly payments are Tk. 100, Tk. 200, Tk. 300, Tk. 400, Tk. 500, or deposited during the first week of each month. In this case, compound interest will be charged.

3.1.1.3.3. BKB Pension Scheme (RPS):

BKB has some savings systems that motivate people to save. In this case, RPS is considered a special product of this bank. RPS is identical to DPS. But the savings periods of RPS are 5 years and 10 years.

3.1.1.3.4. BKB Grameen Pension Scheme (RGPS):

The poor must motivate them to increase their savings. It's the same as DPS & RPS.

3.1.1.3.5. Fixed Deposit Account (FD):

Term deposits are accepted under the following conditions:

- From one month to less than three months
- More than three months less than six months
- More than six months less than a year
- More than one year less than three years
- More than three years

3.1.2: Business Services

3.1.2.1: Draft Application (DD):

DD is the most popular money transfer instrument. This is an order to pay money raised by a branch, which is paid to another branch on request. DD is given in Tk.15 Commission up to Tk.1000. When the limit exceeds the premium, it is increased by a certain percentage.

3.1.2.2: Mail Transfer (MT):

Cash from this branch at another branch location of another bank against the brokerage fee for that security must be transferred to the other branch's account. The bank charges are Tk.1.5 Tk.1000 and the shipping cost is TK.10.

3.1.2.3: Transfer (TT):

This is the fastest way to transfer money from one place to another. In this procedure, the instruments will not be sent to the paying branch. Only the message is sent by phone or telex and the paying branch will pay after receiving the message. Due to lack of technology, this branch can not use the TT.

3.1.2.4: Payment Order (PO):

It is a written document. This purchase order can be encapsulated in the branch from which it is issued. Many POs use this DG and do not need to open an account in a bank. It is granted locally.

3.1.3: Loan Services

The bank loan portfolio is classified in the following categories:

- a) Short Term Loan (STL): The loan term is one year.
- b) Medium Term Loan (MTL): The loan term is greater than 1 to 5 years.
- c) Long Term Loan (LTL): The loan term is greater than 5 years.

3.2 Accounting Procedure in the BKB

Although BKB is a specialized banking institution, it offers commercial banking services. As a commercial function, it offers the customer the possibility to open a bank account. Opening an account is an agreement between the client and the banker. Here is a general procedure to open an account with BKB:

- i. Obtaining a proposal from a potential client.
- ii. Obtaining a completed KYC form
- iii. Submit an account opening form.
- iv. Fill out the form correctly.
- v. Interview with the applicant.
- vi. vi) Introduction.
- vii. Collect at least three signature specimens on a signature card provided by the bank.
- viii. Offer a deposit and obtain the initial deposit.
- ix. With an account number.
- x. Deliver a chess book to increase the amount deposited from the current account and the savings account.

In the case of joint accounts, the applicant must provide the following information:

- i. Name of the person who manages the account and signs the cheese.

- ii. In the event of the death of one or more account holders, how will the balance be paid and to whom the securities will be transferred. The document requirements are almost the same as for individual accounts. All co-account holders must sign an account opening form and specific instructions to indicate their consent.

Open an account is considered as:

- Fill out the application correctly.
- Get Customer Signature screen
- Initial Make your first cash deposit.

In principle, a person over 18 is qualified to open an account in a bank. But there are specific types of account holders, such as joint accounts, secondary accounts, illiterate accounts, blind accounts, deaf and dumb accounts, and so on. The following parties can never open an account with a bank account.

- Person who is still bankrupt.
- Nobody whose mind is a fault.
- Person Totally angry person.

3.3 Accounting Procedure

To close an account (in the case of FDR, some time before the due date), the holder must submit a written request to the bank. Upon receipt of the request, the bank will deduct the service charge from each account from the closing amount of the balance and the remaining amount will be remitted to the account holder.

3.4 When the Bank Close the Account

The relationship between the bank and its client is a contractual relationship and one or the other may decide. The bank will close the account in the following situations:

1. If the customer submits a written request to the bank to close the account.
2. If the customer does not respect the rules necessary to access his account.
3. If the bank is informed of the client's death message.
4. If the bank receives a notification of the madness of its client.
5. If the bank receives a court order to close the client's account.

3.5 Types of Accountant

There are the following types of account holders at BKB:

- Personal/ Individual Account
- Joint/ Shared Account
- Non-business Firms
- Business Firms.

3.6 Types of Specific Accounts Holders

The banker and the client have a contractual relationship and the account is opened with the bank. A person is considered qualified from the age of 18 (18) years to open an account in BKB.

3.6.1 Minor

A BKB minor can open an account but can not access the account. The minor has a guardian who manages his account. Only money can be deposited in this account and can not be withdrawn until the minor has reached the age of 18.

3.6.2 Illiterate People

Illiterates can open an account at the bank, but they will not receive their checks. They must put the thumb mark in front of the director and give them a loose check to raise their money.

3.6.3 The Blind:

The blind can open an account in a bank and the procedure is the same as for the illiterate. In both cases, you must read the conditions for opening accounts. If they think, the accounts are open.

3.6.4 Pardashin Women:

The Pardashin woman can open an account in BKB, but she must accept the statement that she must be ready to sign a signature to the manager in order to assess the similarity between the signature sent and the signature template during fundraising.

3.7 Payment of Money

In this section, I have gained hands-on experience on how to check and respect the way money is paid. The following formalities for the payment of checks and cash payments:

The formalities for making a check and a cash payment are listed below.

3.7.1 Counter

The customer places this in the general ledger (LO). LO receives the check, writes its data in the register and gives an identifier to the customer.

3.7.2 Verifying the Check

LO is currently reviewing the customer's ledger. If the customer's account information is correct, he will forward it to another manager.

3.7.3 Honoring

The statement of objections compares the customer's signature given by check with his signature card. If the signature is correct, he will check the check in another register and cancel it by signing the check.

3.7.4 Check Cancellation

Once the check canceled, it will be validated for payment, it will be brought to the cashier by the peon.

3.8 Cash Receipt

Customer deposits are accepted in this banking section. The amount received is then credited to the client's account book. The formalities for obtaining customer deposits (cash) in the receipt are shown in the following diagram.

The customer places this money and the deposit form in front of the responsible employee at the counter.

Upon receipt of cash and the deposit form, the police will write a note to scroll through the register. The deposit form and cash are then placed in front of the cashier.

The cashier calculates this amount first and then saves it in another register. A book is usually called a cash book.

The cashier then transfers the cash book and the deposit slip to another agent.

After certifying the deposit form, another agent sends the deposit file back to the client and keeps the second item.

At the end of the opening time, a test balance is taken from this cash register.

3.9 Check Honoring Procedure

- i. After placing the check, the competent banker will give you the code.
- ii. The banker has also entered an entry in the register;
- iii. The banker places the ID number and the article behind the check.
- iv. The banker proposes to record the number of checks in the register; and the mark on the check.

3.10 Checks Dishonoring by the Bank

During the internship report program, I was also taught to stop the bank. The bank has the legal obligation to respect the customer's check. But the bank can reject it for several reasons. Some of the reasons a bank fails a customer check are:

- i. If the customer's account is not in good standing, if the amount of the check is greater than the customer's deposit.
- ii. If the check is torn.
- iii. If the check is dated or stolen.

- iv. If the customer's signature on the check is a fake or does not match his signature, it is kept in a bank account.
- v. If the check is not delivered to the customer within the banking hour.
- vi. If the check is issued for more than 6 months.
- vii. Other.

3.11 Concept About Cash Scroll, Clean Cash, General Ledger and General Ledger Abstract

3.11.1 Cash Scroll:

Initially, an authorized officer keeps these events on this list of money that has taken place every day. There, the cashier kept these events in the daily trade register.

3.11.2 Clean Cash:

When the receipts are closed, the accounts are written in cash books. It can be deposits or expenses. The transactions of each capital that occur are overwritten on a specific page of the cash book and the total amount of the debit and credit is determined. Then each end is completely inscribed to the right of the blank cash register. But this is a cash book, the balance of the previous day is shown as the opening balance the next day, when the balance is determined for the day.

3.11.3 General Ledger:

The big book is the heart of the bank. Net cash is recorded in this general ledger stream.

3.11.4 General Ledger Abstract:

The balance of the different accounts constitutes the general ledger. Accounts receivable and accounts receivable balances are kept on the debit and credit side of the summary. Since the double entry system is maintained, its amount and its reimbursement are identical.

3.12 Different Types of Voucher

A coupon is a type of document that proves its accuracy.

- i. Proof of payment: legal cultivation loans are paid by voucher.
- ii. Transfer Voucher: This voucher is used to transfer Tk... From one account to another in case of inter Banking. Its color is yellow.
- iii. Debit Voucher: To deposit or get Tk... Its color is white.
- iv. Credit Voucher: Voucher for repayment. Its color is green.

3.13 Procedure of Loan Recovery

The primary responsibility of the banker and the credit manager is to recover the outstanding loan. BKB uses the following two procedures to recover the loan;

- a) Normal procedure.
- b) The judicial proceedings.

(a) Normal procedure: The normal procedure for recovering a loan is divided into several stages. They are:

Sending a Notice of Inquiry: A Notice of Inquiry is sent to the borrower before the due date of the loan or payment due.

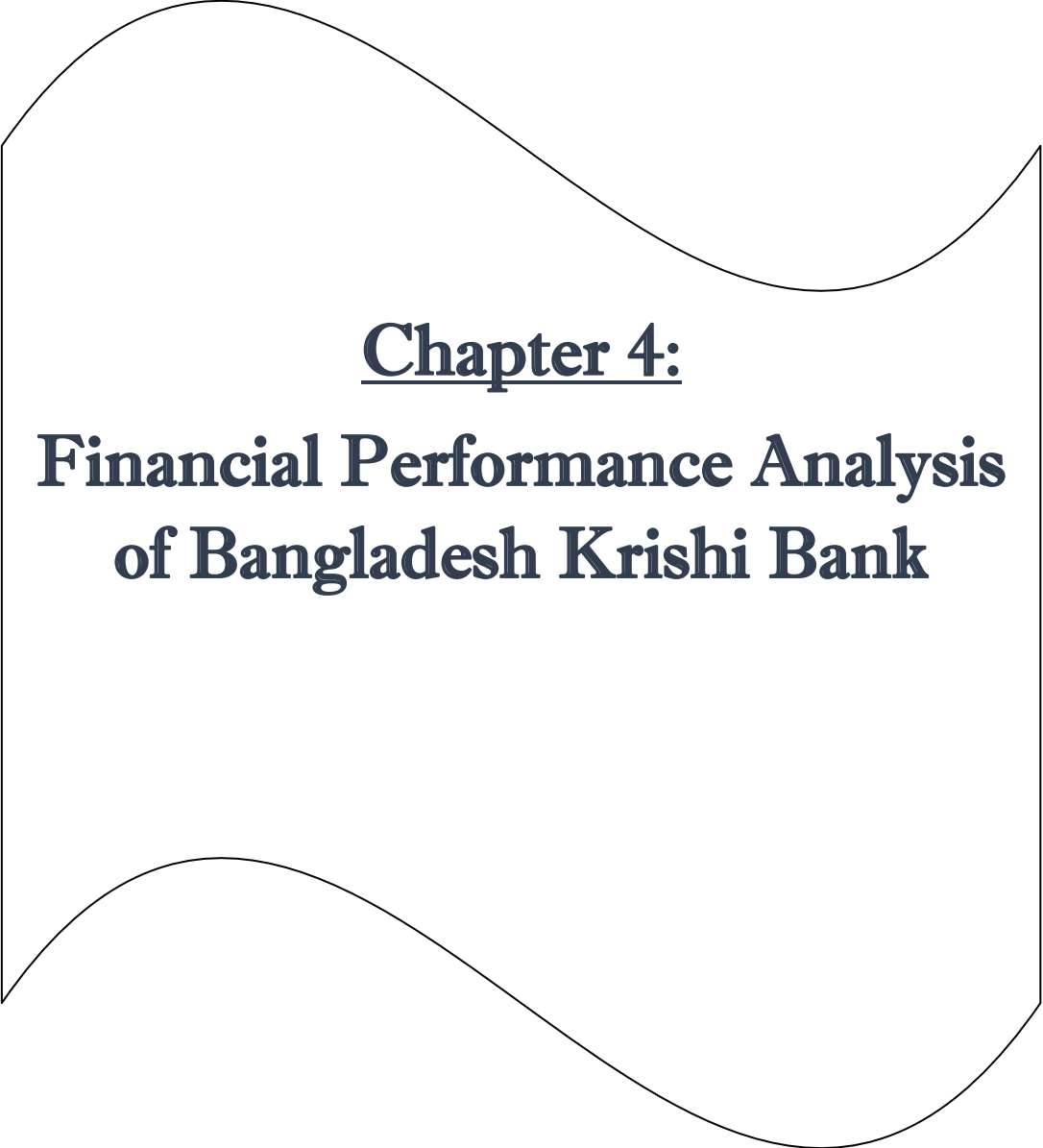
Notice Legal Notice: If the borrower fails to repay the loan and interest after the due date, upon receipt of the notice of application to the borrower by registered mail, the bank must send a legal opinion to the borrower.

Note Special Note: In addition to the two notices above, a special notice bearing DC's signature will be sent to the responsible UN borrower to keep him under the mental restraint of repaying the loan.

Collection Debt collection in the field: the borrower recovers a loan I.O. a receipt by visiting the place and the source of the borrower.

b) Judicial procedure: In the event of failure of the normal loan recovery procedure, the borrower is prosecuted. The case is usually mentioned for the following reasons:

- Unwilling to repay the loan, even if it is financially solvent.
- Each loan recovery attempts to fail.



Chapter 4:
**Financial Performance Analysis
of Bangladesh Krishi Bank**

To analyze the financial performance all calculation as like horizontal analysis, Common size statements and ratio analysis are given as follow:

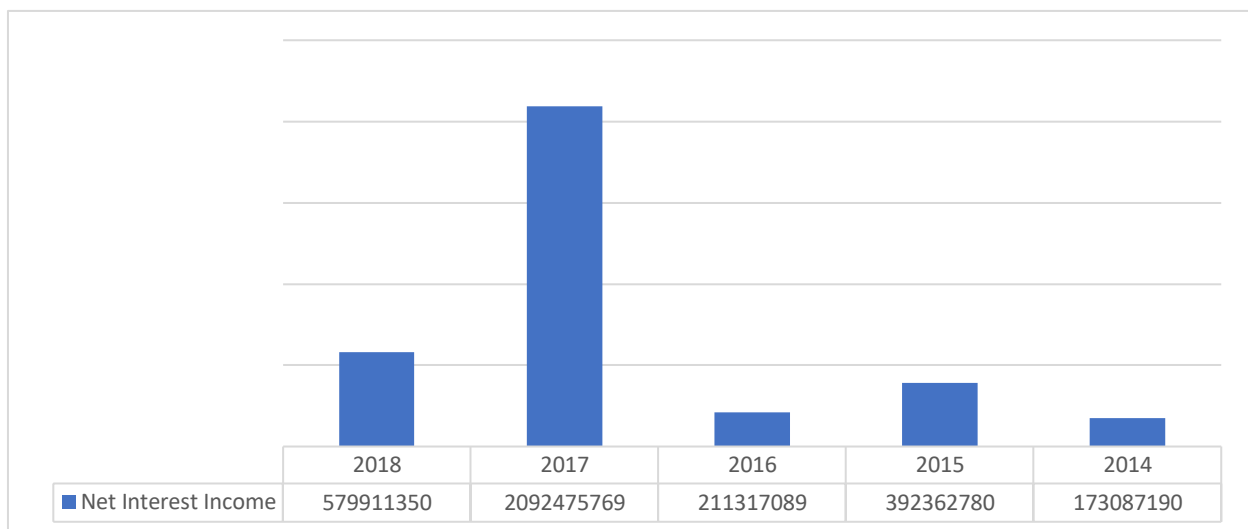
4.1. Horizontal Analysis (Trend Analysis):

The horizontal analyses of BKB are given below as a table:

i. Net Interest Income:

BKB 2014-2018 Net Interest Income (amount in BD):

Particulars	2018	2017	2016	2015	2014
Net Interest Income	579911350	2092475769	211317089	392362780	173087190
Increase or Decrease	(1512564419)	1881158680	(181045691)	219275590	



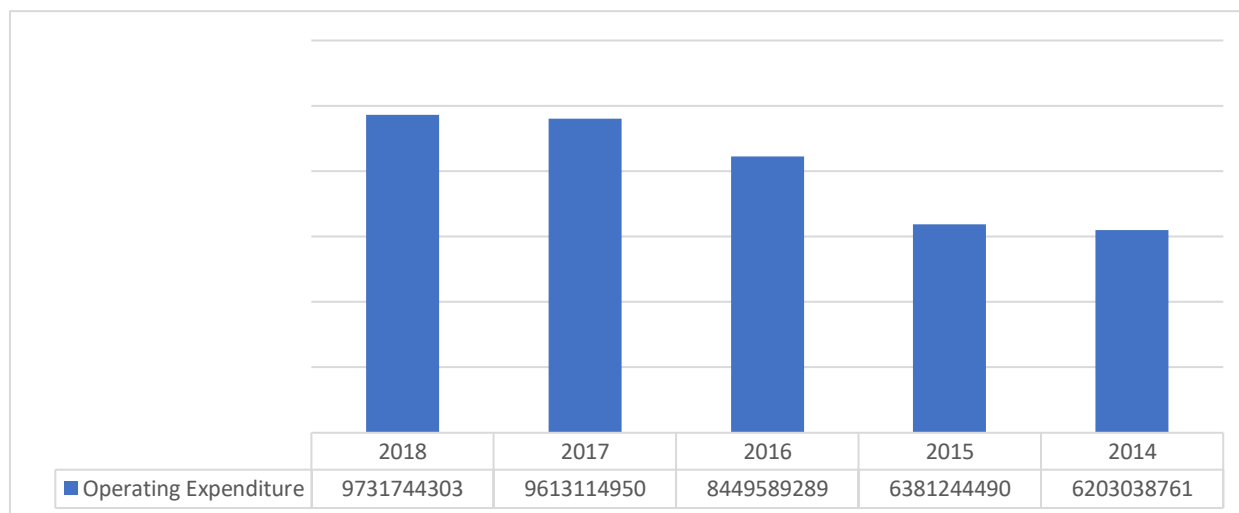
Interpretation

Amid the 5 years 2014-2018 of concentrate the all out development of net intrigue pay of BKB were expanded. From the above table, there huge changes have happened in net intrigue pay in every year. As here, 2014 is the base year, so the adjustments in net intrigue pay have been expanded from 2014 to 2015. In this 5 year net interest income was lowest in 2014 and highest in 2017.

ii. Operating Expenditure:

BKB 2014-2018 Operating Expenditure (amount in BD):

Particulars	2018	2017	2016	2015	2014
Operating Expenditure	9731744303	9613114950	8449589289	6381244490	6203038761
Increase or Decrease	118629353	1163525661	2068344799	178205729	



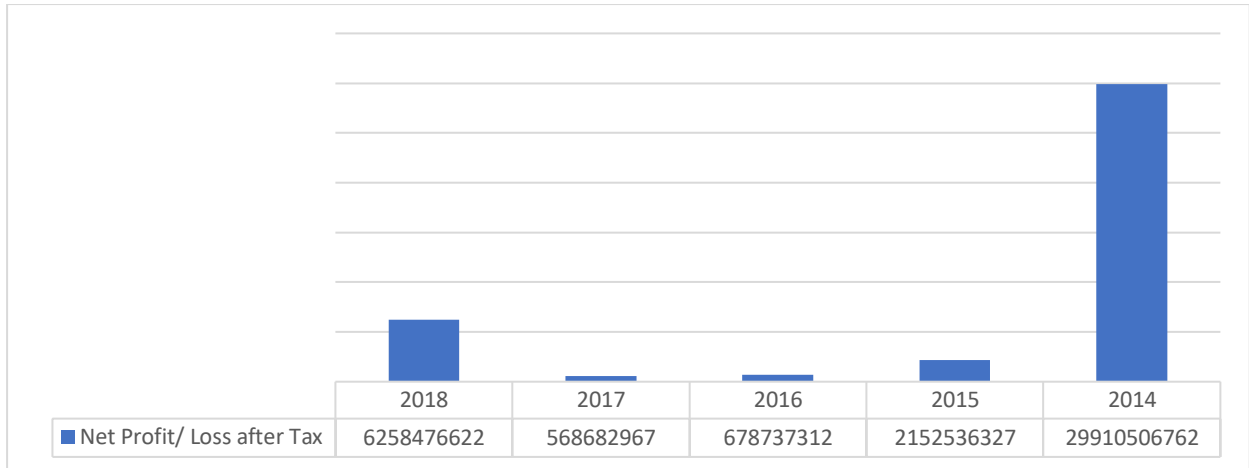
Interpretation

Amid the 5 years 2014-2018 of concentrate the all out development of net intrigue pay of BKB were expanded. From the above table, there huge changes have happened in net intrigue pay in every year. As here, 2014 is the base year, so the adjustments in net intrigue pay have been expanded from 2014 to 2015. In this 5 year operating expenditure was lowest in 2015 and highest in 2018.

iii. Net Profit After Tax:

BKB 2014-2018 Net Profit/ Loss after Tax (amount in BD):

Particulars	2018	2017	2016	2015	2014
Net Profit After Tax	6258476622	568682967	678737312	2152536327	29910506762
Increase or Decrease	4105940295	(1128754345)	4640609801	(27757970435)	



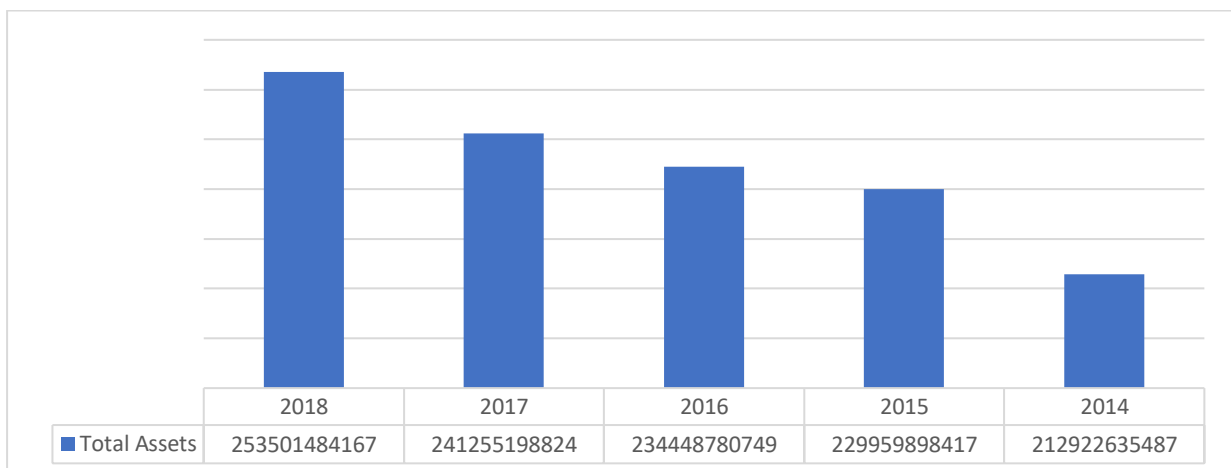
Interpretation

Amid the 5 years 2014-2018 of concentrate the all out development of net intrigue pay of BKB were expanded. From the above table, there huge changes have happened in net intrigue pay in every year. As here, 2014 is the base year, so the adjustments in net intrigue pay have been expanded from 2014 to 2015. In this 5 year net profit after tax was lowest in 2017 and highest in 2014.

iv. Assets:

BKB 2014-2018 Total Assets (amount in BD):

Particulars	2018	2017	2016	2015	2014
Total Assets	253501484167	241255198824	234448780749	229959898417	212922635487
Increase or Decrease	12246285343	6806418100	4488882300	17037262923	



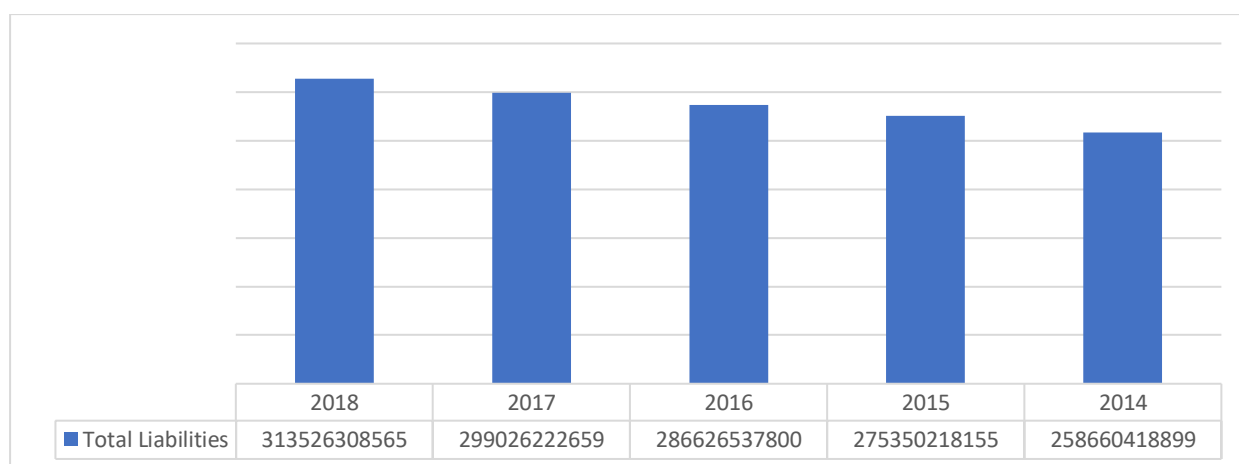
Interpretation

Amid the 5 years 2014-2018 of concentrate the all out development of net intrigue pay of BKB were expanded. From the above table, there huge changes have happened in net intrigue pay in every year. As here, 2014 is the base year, so the adjustments in net intrigue pay have been expanded from 2014 to 2015. In this 5 year total assets was lowest in 2014 and highest in 2018.

v. Total Liabilities:

BKB 2014-2018 Total Liabilities (amount in BD):

Particulars	2018	2017	2016	2015	2014
Total Liabilities	313526308565	299026222659	286626537800	275350218155	258660418899
Increase or Decrease	14500085906	12399684859	11276319645	16689800256	



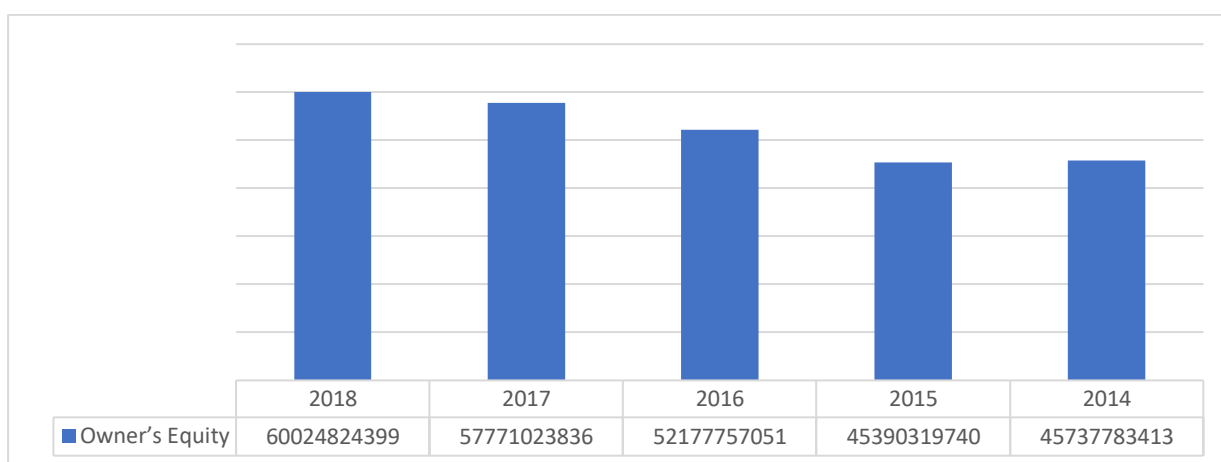
Interpretation

Amid the 5 years 2014-2018 of concentrate the all out development of net intrigue pay of BKB were expanded. From the above table, there huge changes have happened in net intrigue pay in every year. As here, 2014 is the base year, so the adjustments in net intrigue pay have been expanded from 2014 to 2015. In this 5 year total liabilities was lowest in 2014 and highest in 2018.

vi. Owner's Equity:

BKB 2014-2018 Owner's Equity (amount in BD):

Particulars	2018	2017	2016	2015	2014
Owner's Equity	60024824399	57771023836	52177757051	45390319740	45737783413
Increase or Decrease	2253800563	5593266780	6787437310	(347463670)	



Interpretation

Amid the 5 years 2014-2018 of concentrate the all out development of net intrigue pay of BKB were expanded. From the above table, there huge changes have happened in net intrigue pay in every year. As here, 2014 is the base year, so the adjustments in net intrigue pay have been expanded from 2014 to 2015. In this 5 year owner's equity was lowest in 2015 and highest in 2018.

4.2 Financial Ratio Analysis:

The ratios are given below with explanations:

Financial Ratio Analysis Of BKB

Last five years financial data analysis of BKB:

Particulars	2018	2017	2016	2015	2014
-------------	------	------	------	------	------

Profit Before Tax	6172920069	5658682967	6787437312	2146827511	29910506762
Profit After Tax	6258476622	5658682967	6787437312	2152536327	29910506762
Owner's Equity	60024824399	57771023836	52177757051	45390319740	45737783413
Current Assets	171164150349	216961364401	209478538321	20286311744	1814346695
Total Assets	253501484167	241255198824	234448780749	229959898416	212922635487
Current Liabilities	190450970569	254225886244	240309474717	229041843345	210763487044
Total Liabilities	313526308565	299026222659	286626537800	275350218155	258660418899

4.2.1 Liquidity Ratio:

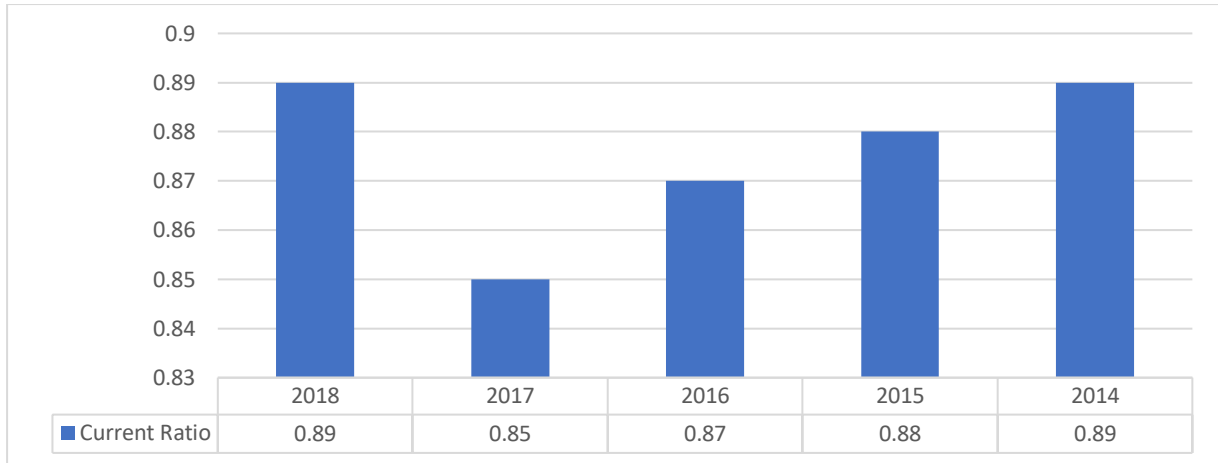
The two different types of liquidity are:

- i. Current Ratio,
- ii. Net Working Capital Ratio.

i. Current Ratio: The calculations of Current Ratio of BKB are given below:

BKB's 2014-2018 Current Ratio:

Particulars	2018	2017	2016	2015	2014
Current Assets (BDT in Million)	171164.15	216,961.36	209,478.54	202,825.53	189,143.85
Current Liabilities (BDT in Million)	190450.97	254,225.89	240,309.47	229,041.76	210,763.49
Current Ratio	0.89:1	0.85:1	0.87:1	0.88:1	0.89:1



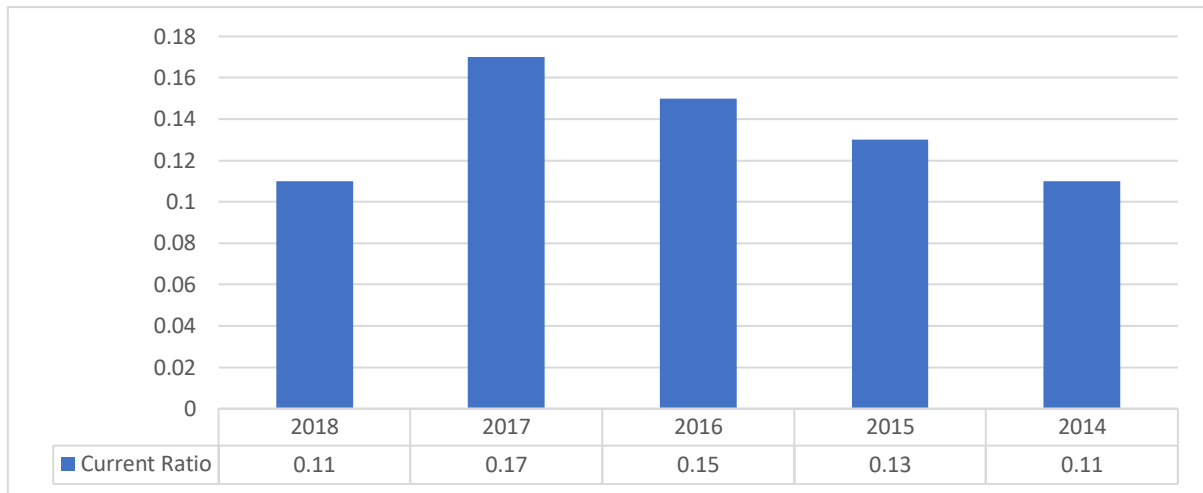
Interpretation:

From the above Current Ratio of BKB, it appears that in any of the years the Current Ratio did not meet the standard which is 2:1. So the Current Ratio position of BKB is not good. BKB's current ratio was 0.89:1 in 2018 and 2013 where the ratio was decreasing every next year. This graph shows that, the current ratio continuously decreases year by year, which is a bad sign for the bank.

ii) Net Working Capital Ratio: The Net Working Capital Ratio of BKB is calculated as follows:

BKB's 2014-2018 Net Working Capital (Amount in BDT):

Particulars	2018	2017	2016	2015	2014
Net Working Capital	19286820220	37264521843	30830936396	26177931601	21619640349
Net Assets	171164150349	216961364401	209478538321	202863911744	189143846695
Current Ratio	0.11	0.17	0.15	0.13	0.11



Interpretation:

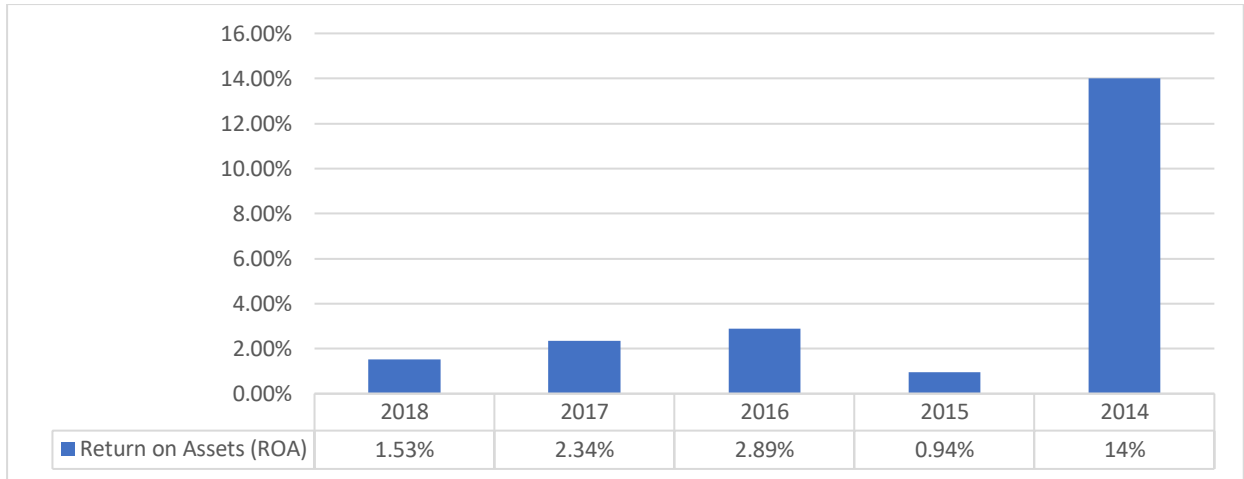
From the above table, it can be seen that the Net Working Capital Ratio of BKB was 0.17 in 2017 and it increased than the previous years. And it was a significant changed for BKB because in the previous three years the percentage of the ratio was low. In 2018 year BKB again decrease the percentage of the ratio.

4.2.2 Profitability Ratio:

- i. **Return on Assets (ROA):** The Return on Asset Ratio of BKB is calculated as follows:

BKB's 2014-2018 ROA (Amount in BDT):

Particulars	2018	2017	2016	2015	2014
Net Profit After Tax (BDT in Million)	3896.84	5658.68	6787.44	2152.54	29910.51
Total Assets (BDT in Million)	253501.48	241255.19	234448.78	229959.89	212922.64
Return on Assets (ROA)	1.53%	2.34%	2.89%	0.94%	14%



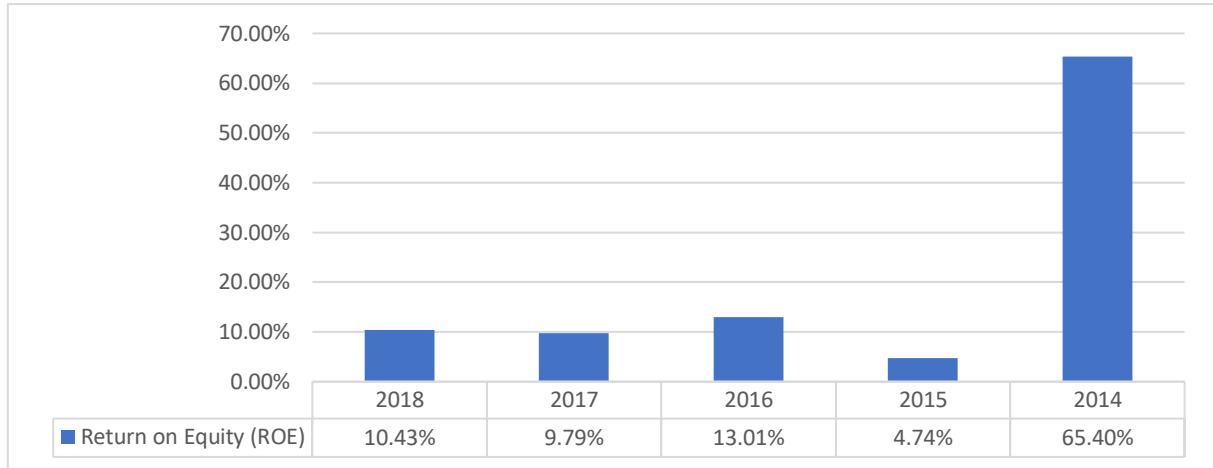
Interpretation:

This ratio is calculated to measure the profit after tax compared to the amount invested in total assets to determine whether the assets are used correctly or not. Some authors believe that the rate of return of total assets from 10% to 12% is a reasonable standard. The ROA of BKB is not in a satisfactory position. In 2014 it was only 14%, which is higher in 4 years.

ii. **Return on Equity (ROE):** The Return on Equity of BKB is calculated as follows:

BKB's 2014-2018 ROE (Amount in BDT):

Particulars	2018	2017	2016	2015	2014
Net Profit After Tax (BDT in Million)	6258.47	5658.68	6787.44	2152.54	29910.51
Total Equity Capital (BDT in Million)	60024.82	57771.02	52177.76	45390.32	45737.78
Return on Equity (ROE)	10.426%	9.79%	13.01%	4.74%	65.4%



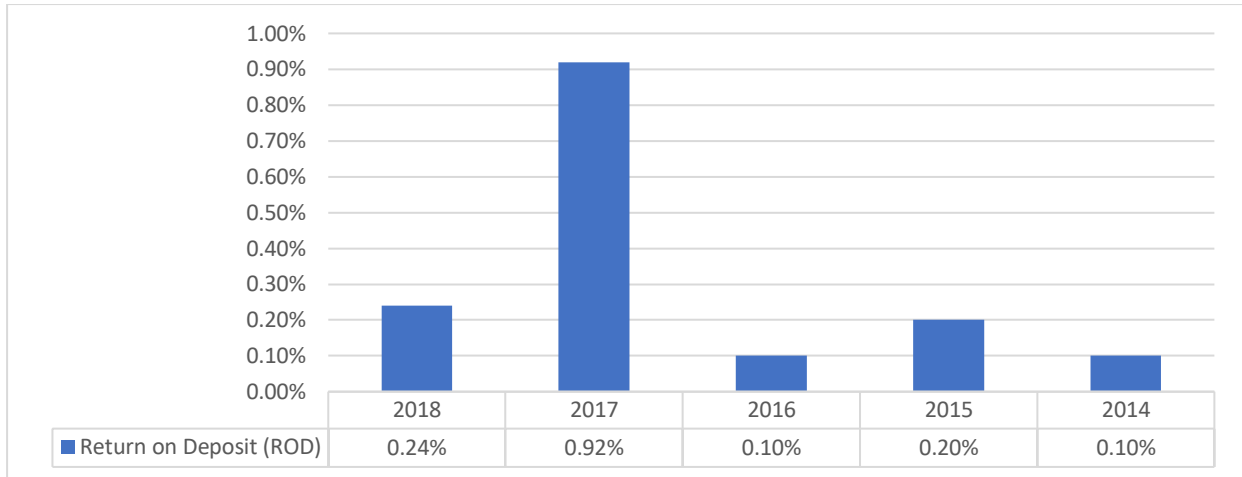
Interpretation:

Here the ratio was 4.74% in 2015. This means that every Tk.1 of common shareholder's equity earned about 4.74 Paise this year. In other words, shareholders saw a 4.74 percent return on their investment. From 2014 to 2015 it was highly increased which was 65.4%. In 2018 it shows that, the ratio was slightly decreased by 10.43%. But considering a growing organization this percentage of return is acceptable.

- iii. **Return on Deposit Ratio:** The Return on Deposit Ratio of BKB is calculated as follows:

BKB's 2014-2018 Return on Deposit (Amount in BDT):

Particulars	2018	2017	2016	2015	2014
Net Interest Income (BDT in Million)	369.89	2029.47	211.32	392.36	173.09
Total Deposit (BDT in Million)	154462.13	227380.62	211824.32	198912.37	178006.47
Return on Deposit (ROD)	0.24%	0.92%	0.10%	0.20%	0.10%



Interpretation:

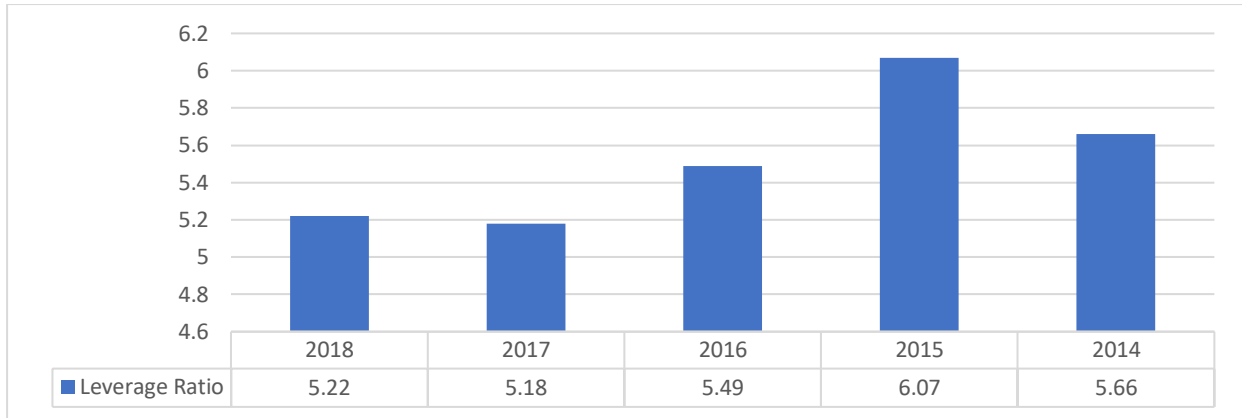
This proportion demonstrates the measure of overall gain returned as a level of all out stores. Profit for store estimates a partnership's productivity by uncovering how much benefit an organization creates with the cash savers have kept in the bank. It demonstrates an association's effectiveness in applying stores (liabilities) to win benefit. Return on deposits was 0.24% in 2018, 0.92% in 2017, 0.10% in 2016, 0.20% in 2015 & 0.10% in 2014 which indicates a substantial increase in deposits and even greater decrease in net profit.

4.2.3 Solvency Ratio:

i) **Debt to Equity Ratio:** The Debt to Equity Ratio of BKB is calculated as follows:

BKB's 2014-2018 Debt to Equity (Amount in BDT):

Particulars	2018	2017	2016	2015	2014
Total Liabilities (BDT in Million)	313526.30	299026.22	286626.54	275350.22	258660.42
Total Equity (BDT in Million)	60024.82	57771.02	52177.76	45390.32	45737.78
Leverage Ratio	5.22 times	5.18 times	5.49 times	6.07 times	5.66 times



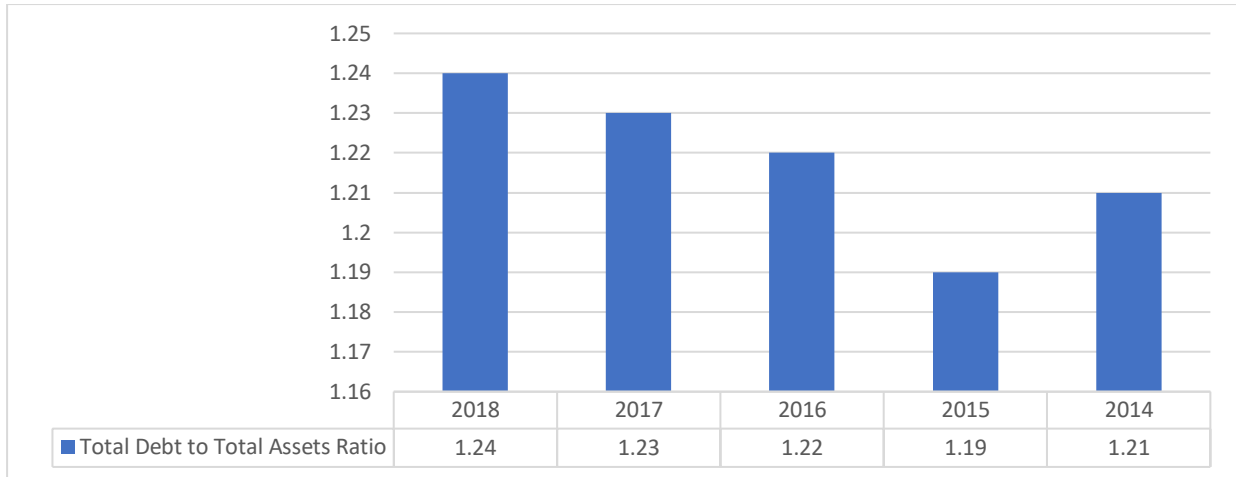
Interpretation:

This ratio appears to have been decreased over the years. Only in 2015 has increased. This indicates that the debt is decreasing at a faster rate than equity. Once again, it shows that they depend more on deposits than on equity to manage their assets.

ii) Total Debt to Total Asset Ratio: Total Debt to Total Assets Ratio of BKB is calculated as follows:

BKB's 2014-2018 Total Debt to Total Assets (Amount in BDT):

Particulars	2018	2017	2016	2015	2014
Total Liabilities (BDT in Million)	313526.30	299026.22	286626.54	275350.22	258660.42
Total Assets (BDT in Million)	253501.48	241255.19	234448.78	229959.89	212922.64
Total Debt to Total Assets Ratio	1.24	1.23	1.22	1.19	1.21



Interpretation:

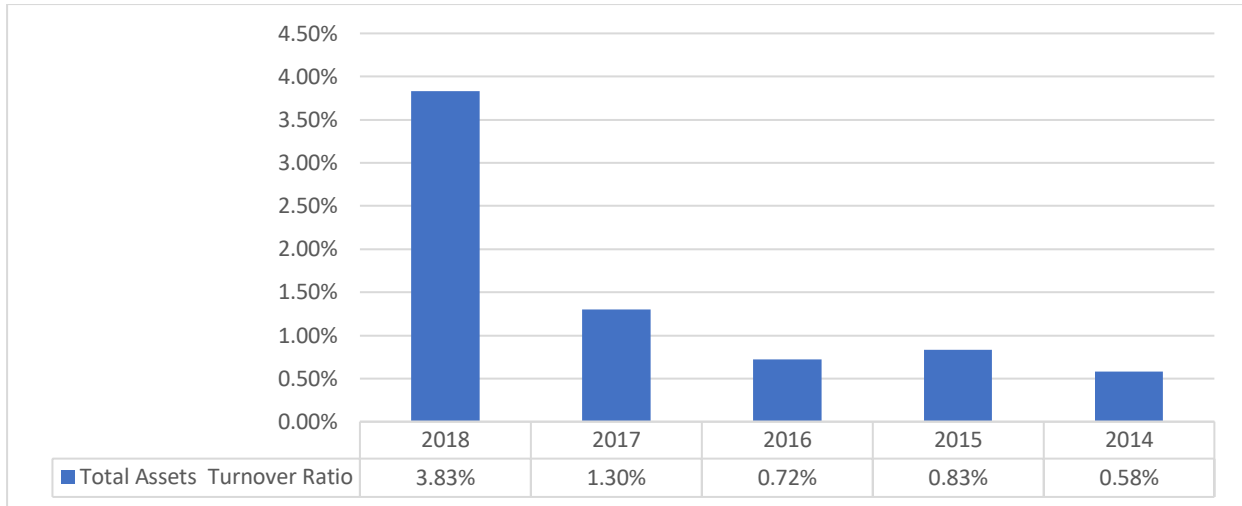
Despite the fact that there are slight variances, Bangladesh Krishi Bank has possessed the capacity to keep up a normal obligation proportion of 1.21 from 2014 to 2018. Their absolute resource and their liabilities are expanding for the most part in same range. This is great from a hazard point of view, in light of the fact that higher use implies higher profit. Higher use additionally, infers that the bank is presented to higher hazard. Amid great occasions when incomes are high, monetary use is useful for a bank.

4.2.4 Activity Ratio:

Total Asset Turnover Ratio: The total asset turnover ratio of BKB is calculated as follows:

BKB's 2014-2018 total asset turnover ratios (Amount in BDT):

Particulars	2018	2017	2016	2015	2014
Total Operating Income (BDT in Million)	9731.74	3149.14	1662.15	1902.94	1235.69
Total Assets (BDT in Million)	153501.48	241255.19	234448.78	229959.89	212922.64
Total Assets Turnover Ratio	3.83%	1.30%	0.72%	0.83%	0.58%



Interpretation:

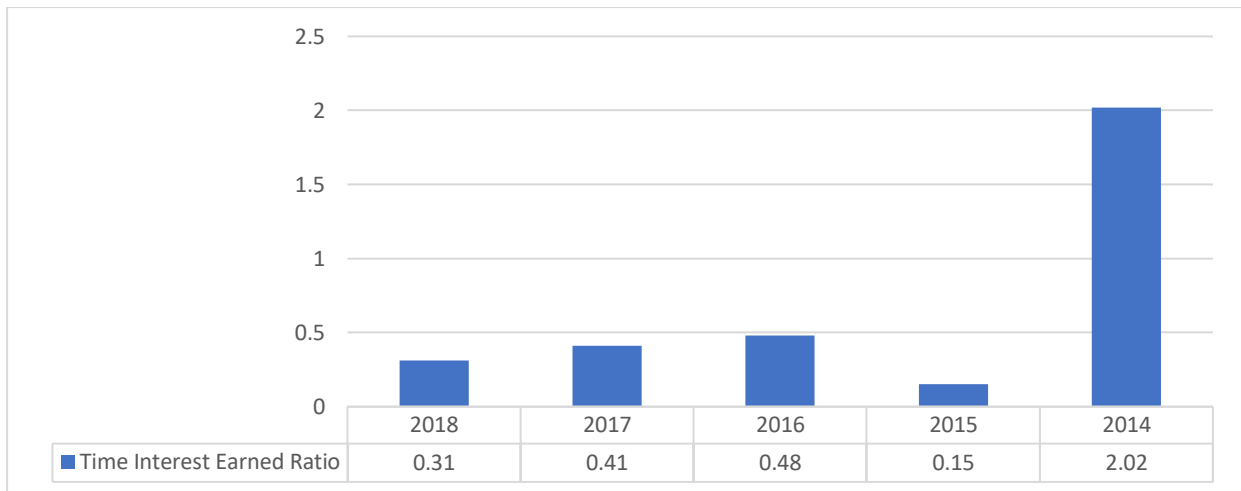
From the analysis, total asset turnover ratio of Bangladesh Krishi Bank is increased 3.83% in 2018 compare to the rest to year 1.30% in 2017, 0.72% in 2016, 0.83 in 2015 & 0.58% in 2014. It is good sign for the bank.

4.2.5 Time Interest Earned Ratio

The time interest earned ratio of BKB is calculated as follows:

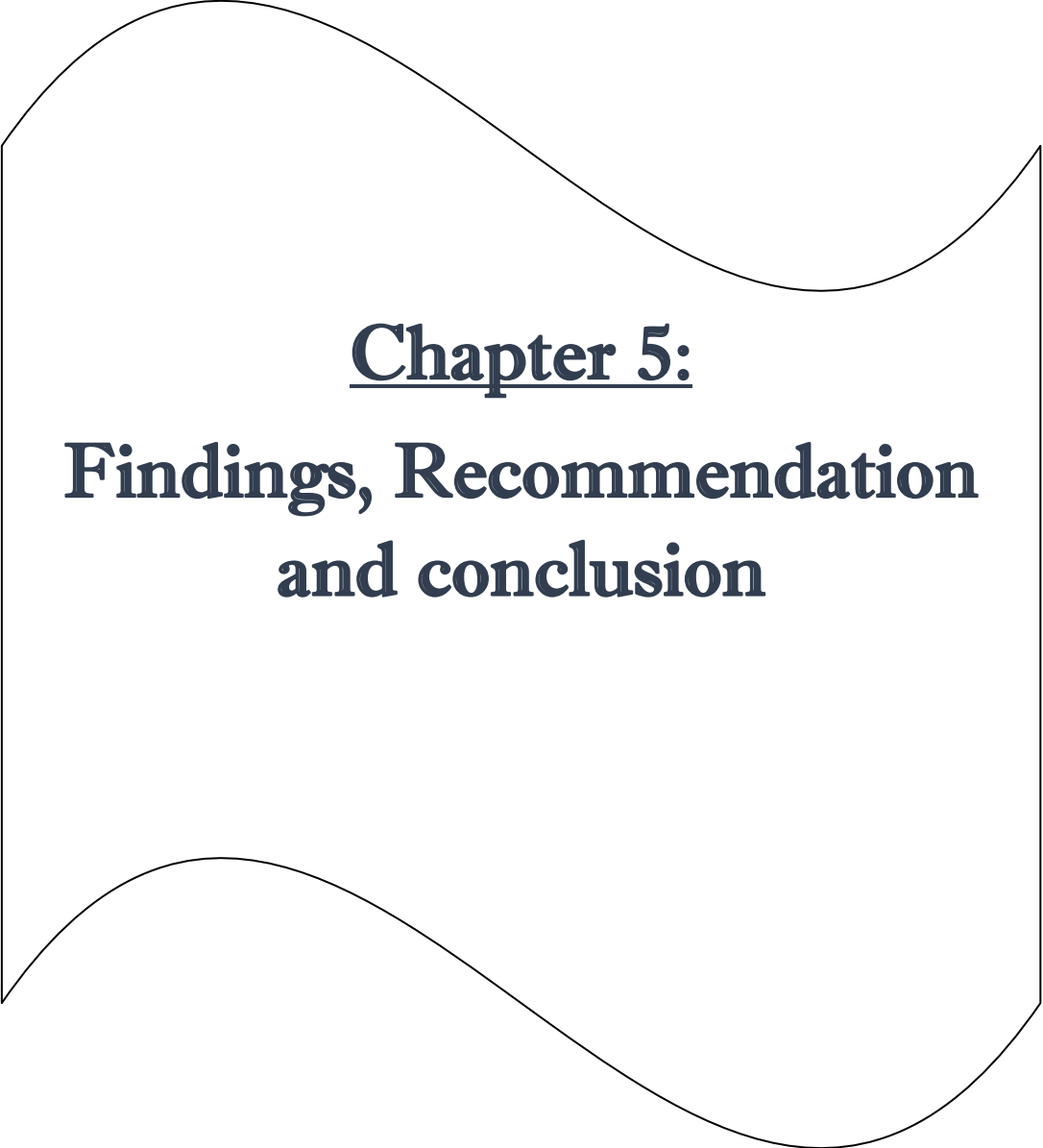
BKB's 2014-2018 time interest earned (Amount in BDT):

Particulars	2018	2017	2016	2015	2014
EBIT (BDT in Million)	3869.84	5658.68	6787.44	2146.83	29910.5
Interest Expense (BDT in Million)	12950.3	13604.78	14206.77	14291.64	14773.7
Time Interest Earned Ratio	0.31	0.41	0.48	0.15	2.02



Interpretation:

From the above analysis time interest earned ratio on BKB’s was not satisfying. It was decreased in 2018 (0.31) but increased in 2017 (0.41) and again increase in 2016 (0.48) and again decline 2015 (0.15%). But in 2014 the time interest earned ratio was highest and it was 2.02. For this reason, it is not good sign for the bank.



Chapter 5:
**Findings, Recommendation
and conclusion**

5.1 Findings

The results of the study are organized using a SWOT analysis. SWOT analysis refers to the analysis of the strengths, weaknesses, opportunities and threats of an organization. This will help the organization improve its future performance relative to its competitors. The organization can also review its current position through a SWOT analysis. For all these elements, SWOT analysis is considered an important tool for making changes to an organization's business strategy. The SWOT analysis is as follows:

5.1.1 Strengths

- 1) BKB is a leading specialty bank in Bangladesh.
- 2) Banks provided services and goodwill throughout the country.
- 3) BKB offers a reduced interest rate on loans, which helps attract potential customers.
- 4) BKB has sponsors from different sectors of Bangladesh. This company was created by the most successful entrepreneurs in various fields. As a result, the bank's management had a combination of different ideas and skills, which is essential to succeed in today's competitive marketplace.
- 5) Senior management has highly qualified and experienced managers.
- 6) BKB has a reputation for providing quality services to existing and potential customers.

5.1.2 Weaknesses

- 1) The branch is located in a residential area. Commercial loans can not be significantly increased.
- 2) Some jobs at RAKUB do not have a growth or advancement path that causes dissatisfaction with the work of certain employees.
- 3) The promotional activities of BKB are not sufficient to increase its market share.
- 4) The Bank has no formal promotional activity. They do not advertise or have any marketing activity. They do not even have too many boards.
- 5) BKB officials have lower wages than other banks. Even the internship report of the students is paid nothing. As a result, highly qualified human resources refuse to register here.
- 6) The decision-making process of the Bank is too centralized. The decision will not be taken without the authorization of the seat.
- 7) Their banking system is not a fully automated system.

5.2 Recommendations

1. Proper step should be taken to fulfill the target in collection & disbursement of fund.
2. Deposit mobilizations have to be increased.
3. Banks personnel behavior should be friendly to their customers.
4. Selection of genuine borrower.
5. Spot investigation must be ensured in case of security.
6. Strong monitoring should be ensured for proper utilization of fund.
7. Diversified sectors are to be identified and financed.

8. The procedure of loan disbursement should not be lengthy.
9. Banks will have to keep itself beyond all political influences.
10. Prompt services are given to the borrower.
11. Maintained credit discipline.
12. In providing loan, land mortgaged security should be preferred for best results.

Bangladesh Krishi Bank objective is the strengthening rural economy by extending credit support to agricultural and agro-based sectors. But now a days BKB increase general activities and therefor agricultural sectors is reduced. I think that BKB should be focus on the agricultural because more than 70 percent of Bangladesh's population and 77 percent of its workforce lives in rural areas. Nearly half of all of Bangladesh's workers and two-thirds in rural areas are directly employed by agriculture, and about 87 percent of rural households rely on agriculture for at least part of their income.

5.3 Conclusion

There are various Nationalized Commercial Banks (NCBs), Local Private Commercial Banks (PCBs), Foreign Banks and Specialized Banks working their exercises in Bangladesh. The Krishi Bank is an administration claimed Specialized Bank. BKB is been made to meet the credit needs of the horticulture part. The voyage of BKB has begun in Bangladesh in the year 1973. Since beginning, Bangladesh Krishi Bank (BKB) has been rendering an essential administration in the improvement of economy of Bangladesh particularly rustic economy. Bangladesh Krishi Bank constantly attempted its dimension best to perform monetarily well. Notwithstanding attempting to do well in a few perspectives Bangladesh Krishi Bank confronted some monetary issues occasionally. A portion of the issues were-extreme awful credits, lack of advances and advances, shortage of money in hands because of vault limit and so forth. These issues stimulate time to time because of monetary lull, loan cost variance, developing capital market, expansion in the currency advertises, etc. Battling with every one of these issues and contending with different banks each minute the bank is attempting to improve the situation to best. On the off chance that this thing proceeds with we trust that Bangladesh Krishi Bank will grow significantly more later on.

5.4 References:

Annual Report of Bangladesh Krishi Bank 2013 to 2018.

Bangladesh Krishi Bank Website: www.krishibank.org.bd

Different Publications of the Bangladesh Krishi Bank.

General Banking Manual of Bangladesh Krishi Bank

Everyday Working experience in Bangladesh Krishi Bank with the executives.

- <http://www.krishibank.org.bd>
- <https://www.slideshare.net/HasnanImtiaj/financial-performance-analysis-of-janata-bank-limited>.
- <https://www.slideshare.net/MdAbdulMaleque/internship-final-report-ibn-sina-1>.
- <https://studylib.net/doc/8126570/chapter-6-financial-statements--analysis-and-interpretation>.