Internship Report

On

“Financial Performance Analysis of Agrani Bank Limited’’

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Prepared For:

Shahana Kabir

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Prepared By:

Bibhu Sunder Sarkar

ID No.: 161-11-5102

BBA Program (Accounting)

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

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Letter of Transmittal

February 25, 2020

Shahana Kabir

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Submission of Internship Report.

Dear Mam,

It is a pleasure to be able to handover the report of my internship program to you on **“Financial Performance Analysis of Agrani Bank Limited”.** This internship program has provided me the opportunity to work with the employees of Agrani Bank Limited which gave me valuable insights about the life of a bank. This helped me to enhance my knowledge.

I, therefore, convey my thanks to you for your kind cooperation, supervision and advice in conducting and preparing this report. I have completed the whole program with great enthusiasm.

I appreciate if you will assess my report considering the limitations of the study.

Sincerely yours,

Bibhu sunder sarkar

Bibhu Sunder Sarkar

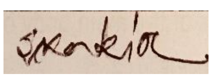
ID No.: 161-11-5102

Daffodil International University

Approval Certificate

Bibhu Sunder Sarkar, ID: 161-11-5102, major in Accounting, Department of Business Administration, Daffodil International University has completed internship report under my supervision. He has done this report on “Financial Performance Analysis of Agrani Bank Limited” as a part of requirement for obtaining the degree of Bachelor of Business Administration.

I have gone through the report and found it a well written report. He has completed the report by himself. I wish him success in life.



Shahana Kabir

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Acknowledgement

It is no a doubt an extraordinary joy and respect of mine to have the chance to present this report following three months of useful direction on Agrani Bank Limited by the favours of God

I pass on my thanks to my mam Shahana Kabir for her direction and supporting me in setting up this internship report. I express gratitude toward her for being a consistent wellspring of motivation.

My true appreciation goes to S,M Sharif Mahmud,(General manager), Agrani Bank Limited, Bashil Branch, Tangail for giving me the significant advices to finish the entire report in a correct way. My effective consummation of internship program in Agrani Bank Limited would not have conceivable without the assistance of kind individuals.

I might want to offer my most profound thanks to the employee of Agrani Bank Limited for their consistent help and significant recommendations.

Executive Summary

This report "Financial Performance Analysis of Agrani Bank Limited" is a result of BBA internship program. This report encourage us to apply our comprehension of the hypothetical information in the viable field. This report showing details of Agrani Bank Limited and financial analysis.

I was working in this report gain the knowledge that I have gained from working, training and experiences.

The 1st portion of the report consists an introduction and description. The 2nd portion of the report contains of background of Agrani Bank Limited. In the 3rd portion, I have shown the theoretical details of the ratios and other analysis. And the 4th portion I have tried to show the analysis of the ratios and other analysis and given explanation. Then include findings and recommendations from my point of view. And carry out the problems and to minimize the problems. And at last the conclusion.

Table of Content

Chapter-01

Introduction

So as to support the homeroom information it is important to go into the corporate world. This is where an understudy can pick up hands-on information, experience of the down to earth and expert world. In this manner we are required to attempt an entry level position program in any working association.

For the fruition of this internship program I have picked a bank named "Agrani Bank Limited" which allowed me the chance to increase knowledge on how a bank works in all actuality.

1.1 Objective of the study:

- To understand the financial performance of Agrani Bank on different areas such as liquidity, profitability.
- To assess the organization's effectiveness and weakness in these segments.
- To provide some recommendations to improve in these area where it is needed

1.2 Scope of the study:

The scope of study would focus on the following fields the three major financial tools of Agrani Bank Limited.

- Ratio Analysis.
- Trend Analysis.
- Common Size Analysis

1.3 Methodology:

To conduct this report, collected from two types of sources. Data has been collected through different sources like face to face interviews, phone recording and other different circular published by the Agrani Bank Limited.

- Primary sources
- Secondary sources.

1. **Primary sources :**

- Information gathered by working with banking group.
- Information gathered by chatting with bank chiefs, bank staffs and others.
- Information gathered by talking clients.
- Information gathered by seeing during working period.

2. **Secondary Sources:**

- Annual report of Agrani Bank Limited
- Different composed record of Agrani Bank Limited.
- Information gathered from web.

1.4 Constraints of the Study:

- Limited of time, the information may not have been completely perfect.
- The source of data and information was not sufficient to fulfil all the requirement of the project.
- Constrained obligation because of absence of my handy information, which restricted the extent of knowing and understanding the entire procedure of bank.

Chapter-02

Background of Agrani Bank Limited

2.1. History:

Agrani Bank Limited, a state owned leading commercial bank with 953 outlets strategically located in almost all the commercial areas throughout Bangladesh, overseas Exchange Houses and hundreds of overseas Correspondents, came into being as a Public Limited Company on May 17, 2007 with a view to take over the business, assets, liabilities, rights and obligations of the Agrani Bank which emerged as a nationalized commercial bank in 1972 immediately after the emergence of Bangladesh as an independent state. Agrani Bank Limited started functioning as a going concern basis through a Vendors Agreement signed between the ministry of finance, Government of the People's Republic of Bangladesh on behalf of the former Agrani Bank and the Board of Directors of Agrani Bank Limited on November 15, 2007 with retrospective effect from 01 July, 2007.

Agrani Bank Limited is governed by a Board of Directors consisting of 10 members headed by a Chairman. The Bank is headed by the Managing Director & Chief Executive Officer; Managing Director is assisted by Deputy Managing Directors and General Managers. The bank has 11 Circle offices, 36 Divisions in head office, 53 zonal offices and 953 branches including 34 corporate, 42 AD (authorized dealer) branches.

Agrani Bank Limited is the first state-owned Commercial Bank in Bangladesh to introduce Agent Banking. Currently ABL has 200 agent booths who are operating Agent Banking activities around the rural areas of Bangladesh. In Agrani Bank Limited, Islamic Banking system is operated under 'Islamic Banking Unit' since February 28, 2010 through 5 Islamic Banking Windows.

2.2. Vision, Mission, Qualities, Motto of Agrani Bank Limited:

2.2.1. Vision:

To work morally and decently inside the stringent structure set by our controllers and to acclimatize thoughts and exercises from best practices to improve our business strategies and methodology to the advantage of our clients and representatives.

2.2.2. Mission:

To turn into the best driving state claimed business bank of Bangladesh working at global degree of proficiency, quality, sound administration, astounding client support and solid liquidity.

2.2.3. Qualities:

We esteem in uprightness, straightforwardness, responsibility, respect, assorted variety, development and polished skill to give significant level of administration to every one of our clients and partners inside and outside the nation.

2.3. Strategic Objectives of Agrani Bank Limited:

I. Succeeding at least 6.50 percent portion of stores and 5.50 percent portion of advances and advance of Bangladesh advertise.

II. Gaining upper hand by bringing in general expense contrasted down with that of contenders.

III. Overtaking contenders by demonstrating quality client care.

IV. Achieving mechanical initiative among the friend gathering.

V. Strengthening the Bank‟s brand acknowledgment.

VI. Contributing towards the financial prosperity of the nation by concentrating especially on SME and farming Sectors.

VII. Strengthening research capacity for imaginative items

2.4 SWOT Analysis of Agrani Bank Limited

We consider Agrani Bank as a business firm and analyse its strength, weakness, opportunity and threat the scenario will be as follows:

Strength:

I. Good Management
II. Lending rate is moderately serious
III. Cooperation with one another
IV. Good financier client relationship
V. Strong Financial Position Huge business zone
VI. Service charges are similarly sensible.
VII. Strong corporate personality
VIII. Young eager workforce
IX. Empowered Work power

Weakness:

I. Lack of appropriate inspiration, preparing and work true
II. Lack of experienced representatives in junior level administration
III. Lack of claim ATM administrations
IV. Tendency to leave the bank in mission of adaptable condition
V. Lack of capable labor in some office Limited publicizing and exposure of bank‟s items and exercises
VI. Absence of solid showcasing exercises
VII. Office condition isn't acceptable as private bank condition
VIII. High charges of L/C

Opportunity

1. Growth of offers volume

2. Change in world of politics
3. Launching own ATM card administrations
4. Expansion of banking administrations into other various administrations
5. Expansion parts of online Experienced Managers

Threats:

1. Upcoming Banks/Branches
2. Different administrations of FCB‟S (Phone Banking/Home Ban ruler)
3. Similar items are offered by different banks
4. Default Loans
5. Financial Crisis
6. Existing card administrations of Standard Chartered Bank or other private Bank

2.5 Motto of Agrani Bank Limited:

The Motto of Agrani Bank Limited is "Committed to serve the nation"

2.6. Products & Services of Agrani Bank Limited:

2.6.1. Products of Agrani Bank Limited:

I. Deposit Product:

1. Deposit Accounts
   - Current Deposit (CD)
   - Savings Deposit
   - Special Noticed Time Deposit (SNTD)
   - Non-Resident Special Taka Account (NRTA)
   - Non-Resident Investors Taka Account (NRIT)

- ♦ Students Savings A/C (School Banking)
- ♦ Small Life Insurance Policy Holders A/C
- ♦ Ten Taka Farmers A/C
- ♦ Freedom Fighters A/C
- ♦ Fixed Deposit (FDR)

1. Deposit Scheme:
   - ♦ Agrani Bank Pension Scheme (APS)
   - ♦ Agrani Bank Bishesh Shanchay Scheme (ABS)
   - ♦ Agrani Bank Quarterly Income Scheme
   - ♦ Agrani Bank Double Benefit Scheme
   - ♦ Agrani Bank Millionaire Deposit Scheme
   - ♦ Agrani Bank Lakhpoti Deposit Scheme
   - ♦ Agrani Bank Prabash Deposit Scheme
   - ♦ Agrani Bank Deposit Scheme for Women

1. (FC)Foreign Currency Account:
   - ♦ Foreign Currency A/C (FC)
   - ♦ Non-Resident Foreign Currency Deposit A/C (NFCD)
   - ♦ Resident Foreign Currency Deposit A/C (RFCD)
   - ♦ Exporters Retention Quota A/C

1. Import Finance:
   - ♦ Loan Against Imported Merchandise
   - ♦ Loan Against Trust Receipt
   - ♦ Payment Against Document

2. Export Finance:
   - ♦ Export Cash Credit
   - ♦ Packing Credit
   - ♦ Local/ Foreign Bills Purchased
   - ♦ Loan Against Export Development Fund

1. Loans & Advances:

1. Continuous Loan:
   - Cash Credit
   - Secured Overdraft
1. Term Loan:
   - Industrial Credit (IC)
   - Housing Loan (General & Commercial)
   - Consumer Credit
   - Loan for Overseas Employment
   - Weavers' Credit
1. Agriculture Credit:
   - Crop Loan
   - Fishery Loan
   - Animal Husbandry Loan
   - Agri Machinery Loan
   - Rural Transport Loan
2. Enterprise Loan:
   - Service Sector Loan
   - Trading Sector Loan
   - Manufacturing Sector Loan
   - Women Entrepreneurs Loan

3. Treasury:

I. Money Market:
   - Maintaining CRR & SLR
   - Treasury Bills
   - Treasury Bonds
   - Secondary Trading of Govt. Securities
   - Repo
   - Reverse Repo
   - Other Investments

II. Foreign Exchange Market:

- Selling Foreign Currency for Import Payment
- Buying Foreign Currency against Export Proceeds
- Fixation of Exchange Rate
- Foreign Currency Buying and Selling
- SWAP Transactions
- Forward Transaction
- Term Placement

III. Letter of Credit:

- Letter of Credit- Sight
- Back to Back L/C

2.6.2 Services of Agrani Bank Limited:

1. Value Service:

- Locker Service
- Utility Bill Collection
- Arm Forces Pension Payment

2. Cash Service:

- ATM Service
- Cheque Encashment
- Foreign Currency

3. Islamic Banking Service:

I. Deposit

- Mudaraba Savings A/C
- Mudaraba Hajj Savings Scheme
- Mudaraba Term Deposit
- Mudaraba Mohor Savings Scheme

i. Investments:

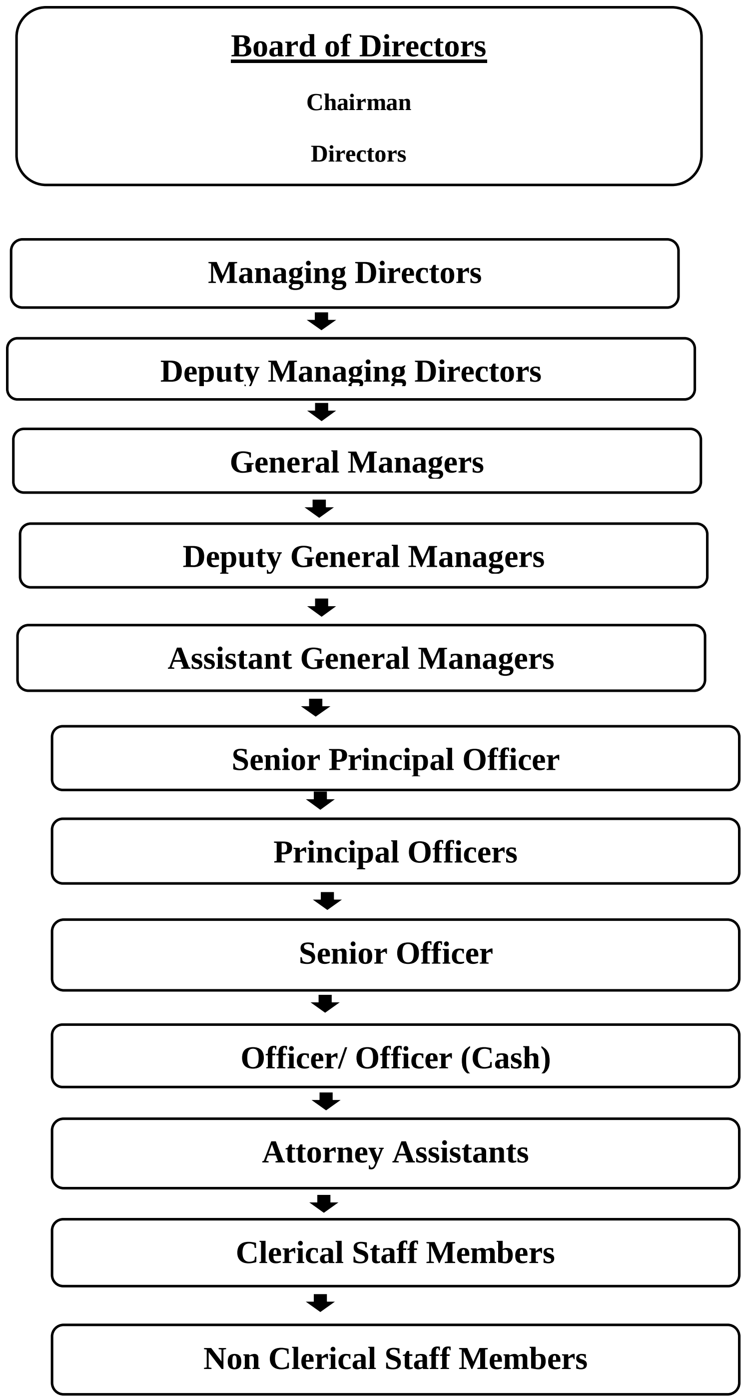
- Bai Murabaha
- Bai Muazzal

- Bai Sal

4. Other Foreign Exchange Service:

- Documentary Bill Collection
- Advanced Payment for Import & Export
- Foreign Remittance (incoming & Outgoing)
- Issuance of Draft, TT

2.7. Chain of command of Agrani Bank:



Chapter-03

Theoretical Background

3.1. Theory of Ratio:

A ratio analysis is a quantitative analysis of information contained in a company's financial statements. Ratio is used to evaluate the several of a organization's financial performance. Without ratio analysis, a organization cannot take the proper decision to make an investment

3.2 Financial Ratio's users:

Each association needs to think about their business execution or position. In the accompanying significant clients of fiscal summaries with their zones of intrigue are depicted:

1. **Government**
2. **Investors**
3. **Bankers and Lenders**
4. **Employees**
5. **Suppliers**
6. **Management**

3.3. Types of Financial Ratios:

There are many kinds of ratio. Described below:

1. Liquidity Ratio
2. Leverage Ratio
3. Asset Activity Ratio
4. Credit Risk Ratio
5. Profitability Ratio

3.3.1 Liquidity Ratio: A liquidity ratio is a financial ratio that shows whether an organization's present resources will be sufficient to satisfy the organization's commitments when they become due. As the vast majority of the organization take a lot of credit from lenders to grow its generation or business so they have to figure the expense of capital against the advance. Since a turned organization is more helpful than other organization. There are some liquidity ratio those are given below:

i. Current Ratio

ii. Cash Ratio

iii. Quick Ratio

3.3.2. Leverage Ratio:

Leverage Ratio shows how much obligation an organization utilized. A higher proportion demonstrates that an organization may have caused a more elevated level of obligation. The two principle influence proportions are:

i. Debt Ratio

ii. Debt to Equity Ratio.

3.3.3. Asset Activity Ratio: Fundamentally this ratio reflect the productivity of using the advantages appropriately. There are a few ratio those are given below:

i. Total Asset Turnover

ii. Fixed Asset Turnover

iii. Current Asset Turnover

iv. Equity Turnover

3.3.4 Credit Risk Ratio: Credit risk ratio demonstrates the danger of loss of the financial specialist cash alongside the loan costs because the company is failed to repay the debt. There are few credit risk ratios. Those are below:

i. Equity to Asset Ratio
ii. Equity to Net Loan Ratio

3.3.5. Profitability Ratio: profitable Ratio shows the organization's capacity to create salary in the wake of deducting all costs. It's otherwise called profit margin ratio. Each organization needs more profit by thinking about its absolute working costs. This ratio is one of the most significant ratio as by assessing this ratio financial specialists take contributing choices. There are some profitable ratio those are:

i. Net Profit Margin

ii. Return on Asset

iii. Return on Equity

3.4 Common size Analysis: Common size analysis is also known as vertical analysis which is used by the financial manager to analyse the financial statements. It encourages the organization to decide how the organization is performing over year and contrasted with contenders. It likewise permit the organization to see the effect of each detail on the revenue, cash flow, or asset figures for the organization.

3.4.1. Common Size of Income Statement:

The common size of income Statement is generally complete deals or all out incomes. It is utilized to compute net overall revenue just as gross and working edges. Organizations utilize this apparatus to competitors to know the extent of incomes that goes to advertising, research and development and other essential expenses.

3.5 Trend Analysis: Trend analysis is otherwise called level examination which is a scientific system that utilizes verifiable results to anticipate future results. At the point when an organization utilizes trend analysis then they become fit to discover its money related position is upgrading or declining based as the length and the things on the announcements**.**

3.5.1 Trend Analysis of Income Statement: In income statement trend examination, revenue and cost information from an organization's income statement can be orchestrated on a trend line for different detailing periods and inspected for trend and in consistence. The soonest period is generally utilized as the base time frame and the things on the announcements for every single later period are contrasted and things on the announcements of the base time frame.

3.6. DuPont Analysis:

The DuPont analysis is a financial ratio based on the return on equity. This is used to analyse a organization's ability to increase its return on equity. In 1920 it was developed by the DuPont Corporation.

DuPont Analysis Formula= NPM*TAT*EM

Then,

$$\textbf{Net Profit Margin (NPM)} = \frac{\textbf{Net Profit}}{\textbf{Net Interest Income}}$$

$$\textbf{Total Asset Turnover (TAT)} = \frac{\textbf{Net Interest Income}}{\textbf{Total Asset}}$$

$$\textbf{Equity Multiplier (EM)} = \frac{\textbf{Total Asset}}{\textbf{Total Equity}}$$

3.7. Sensitivity Analysis: Sensitivity analysis is contemplated by transforming each factor in turn and watching the resulting impacts. It is utilized in the business world and in the field of financial aspects.

Chapter-04

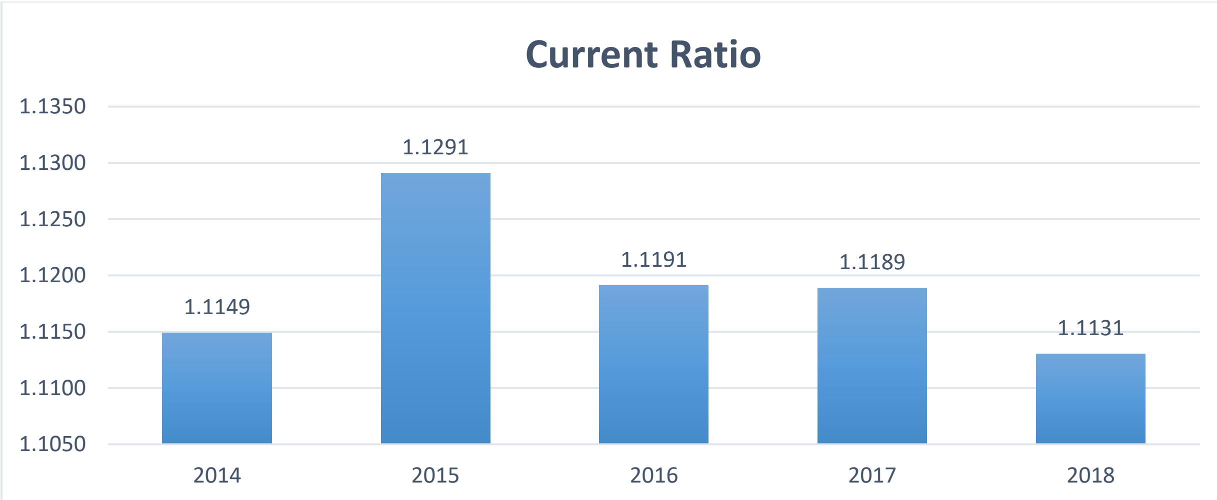
Performance Analysis

4.1. Ratio Analysis of Agrani Bank Limited:

4.1.1. Liquidity Ratio: Current Ratio: Current ratio shows the capacity of a firm to pay its present liabilities by its current asset. This ratio tells financial specialists and examiners how an organization can augment the current asset on its accounting report to fulfill its current debt and other payable. The higher ratio is useful for the bank. In any case, if an organization has a high current ratio contrasted with their companion gathering, it demonstrates that administration may not be utilizing their assets efficiently.

Current Ratio= "Current Asset"/"Current Liabilities"

Particular	2014	2015	2016	2017	2018
Current ratio	1.1149	1.1291	1.1191	1.1189	1.1131



Current Ratio of Agrani Bank Ltd.

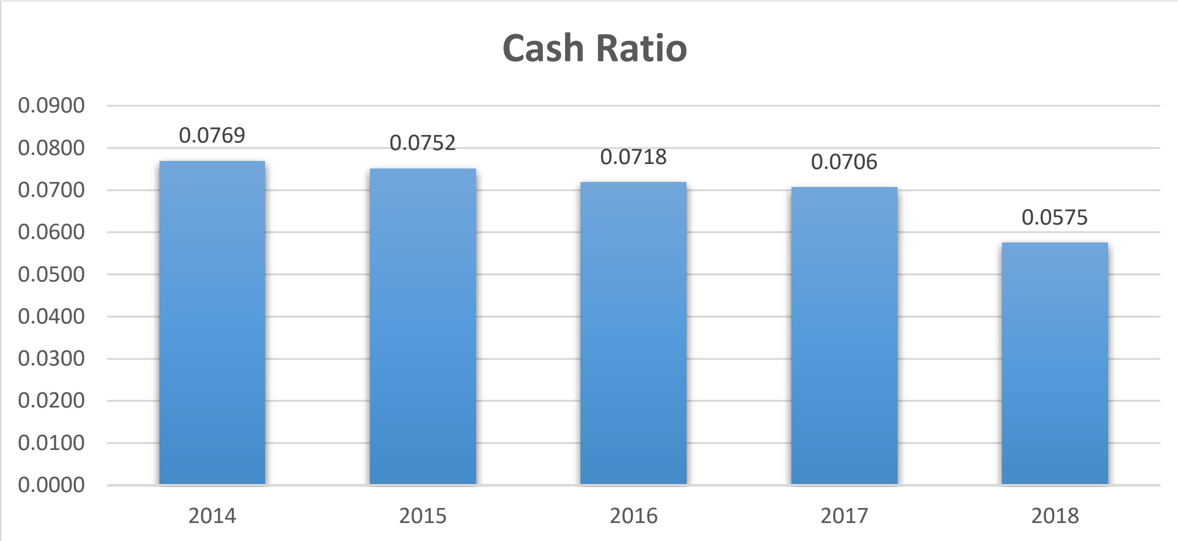
The current ratio of Agrani bank is fluctuating from 2014 to 2018. In 2014 the ratio was 1.1149 and in 2015 the ratio was growth in 1.1291. Be that as it may, in 2016 the ratio was decreased to 1.1191 and in 2018 it also reduce by 1.1131.

The bank is doing acceptable as the greater part of the bank keeps up 1:1 current ratio. The bank successfully use their current assets as they have enough current assets for pay its current liabilities.

i. **Cash Ratio:** Cash ratio is a ratio which indicates the ability to pay its current liabilities by its highly liquid asset. This ratio is more protective than other liquidity ratio because it only considers an organization's most liquid resources. If the cash ratio is under 1, this connote that the organization won't have enough money on hand to pay off its current liabilities.

$$\text{Cash Ratio} = \frac{\textbf{Cash and Cash Equivalents}}{\textbf{Current Liabilities}}$$

Particular	2014	2015	2016	2017	2018
Cash Ratio	0.0769	0.0752	0.0718	0.0706	0.0575



Cash Ratio of Agrani Bank Ltd.

In this graph cash ratio was gradually reducing. In 2014 the ratio was 0.0769 which was reducing by 0.0752 in 2015. We can see that in 2018 it was 0.0575 which is bad for the bank. And the cash ratio should not be lower than 0.5. In such a case that there come any crisis then they can't pay. If they have not enough money then they can’t pay to the customers. For this reason bank have to maintain at least 0.5 as cash ratio.

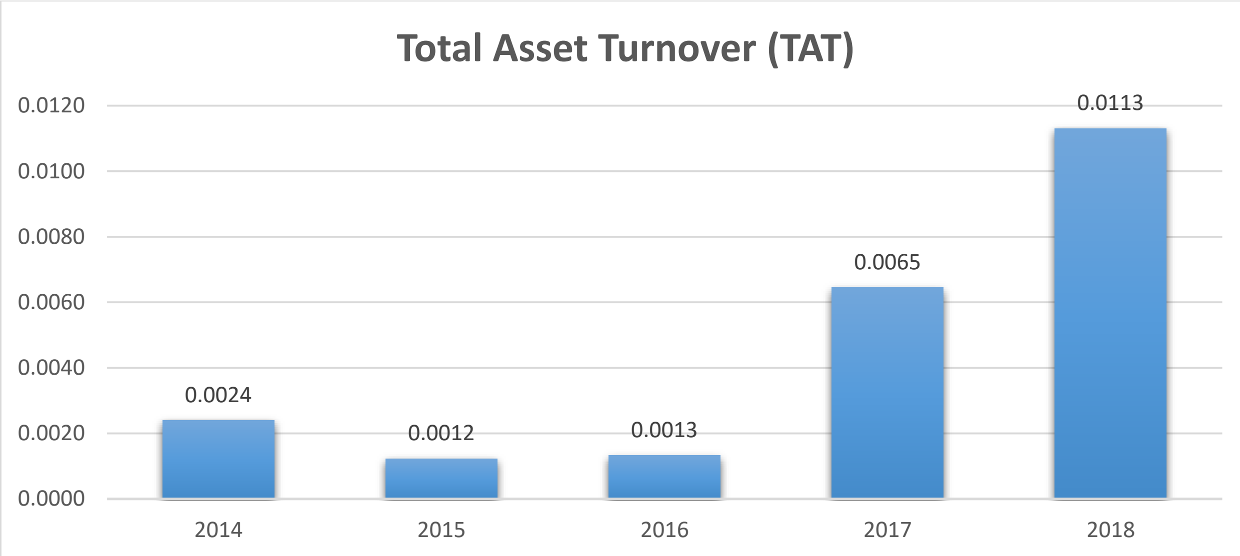
4.1.2. Asset Activity Ratio:

Total Asset Turnover: Total asset turnover ratio is a ratio which indicates how efficiently a firm uses own asset to generate sales. The total asset turnover ratio, the more proficient an organization. On the other hand, if an organization has a low complete asset turnover ratio, it shows it isn't effectively utilizing its assets to create deals. Financial specialists utilize this ratio to contrast and comparative organizations in a similar part

.

I. Total Asset Turnover = $\frac{\textbf{Net Interest Income}}{\textbf{Total Asset}}$

Particular	2014	2015	2016	2017	2018
Total Asset Turnover (TAT)	0.0024	0.0012	0.0013	0.0065	0.0113



Total Asset Turnover of Agrani Bank Ltd.

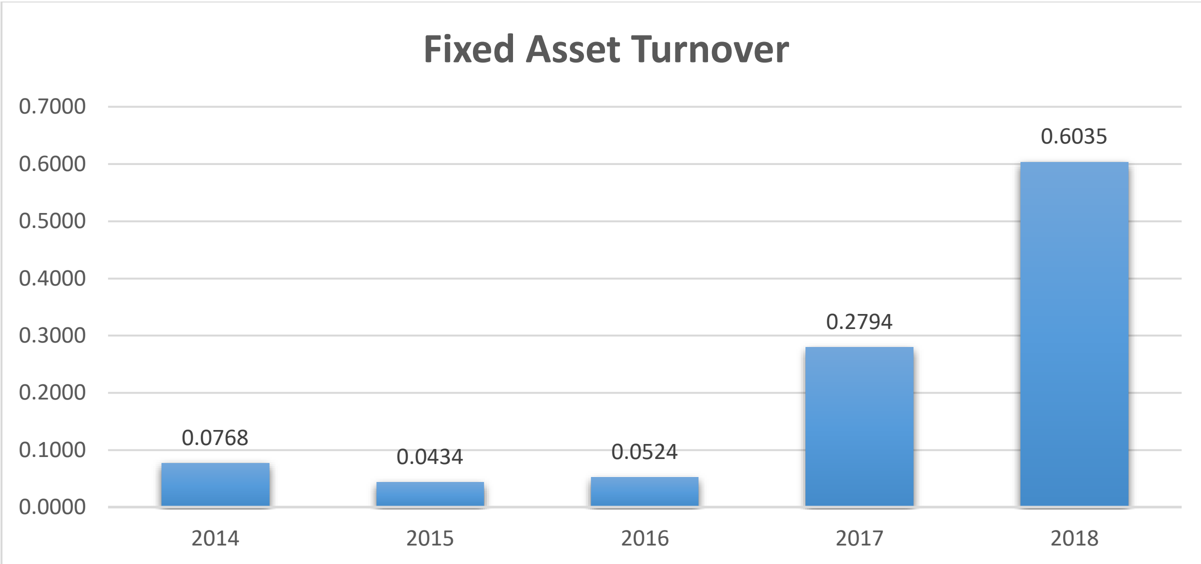
Total asset turnover ratio was shifting from 2014 to 2018. In 2014 the total asset turnover ratio was 0.0024 and 2015 it was decrease by 0.0012. And in 2016, 2017, 2018 it was continually increase by 0.0013, 0.0065 and 0.0113.

The bank is not utilize its total asset to produce its sales. As the higher the ratio is, the better the company. The standard range of TAT is 4 to 6 times though it differs from organization to organization. If the bank wants to raise the asset turnover ratio they need to forecast properly to produce sales.

i. Fixed Asset Turnover: Fixed asset turnover demonstrates how effectively a firm uses its fixed asset, for example- property, plant, and gear to create deals. A higher fixed asset turnover additionally shows that the administration is utilizing fixed asset all the more viably. Then again, banks utilize this ratio to discover that the organization can deliver enough incomes from another bit of hardware to repay the credit they used to buy it.

$$\text{Fixed Asset Turnover} = \frac{\textbf{Net Interest Income}}{\textbf{Fixed Asset}}$$

Particular	2014	2015	2016	2017	2018
Fixed Asset Turnover	0.0768	0.0434	0.0524	0.2794	0.6035



Fixed Asset Turnover of Agrani Bank Ltd.

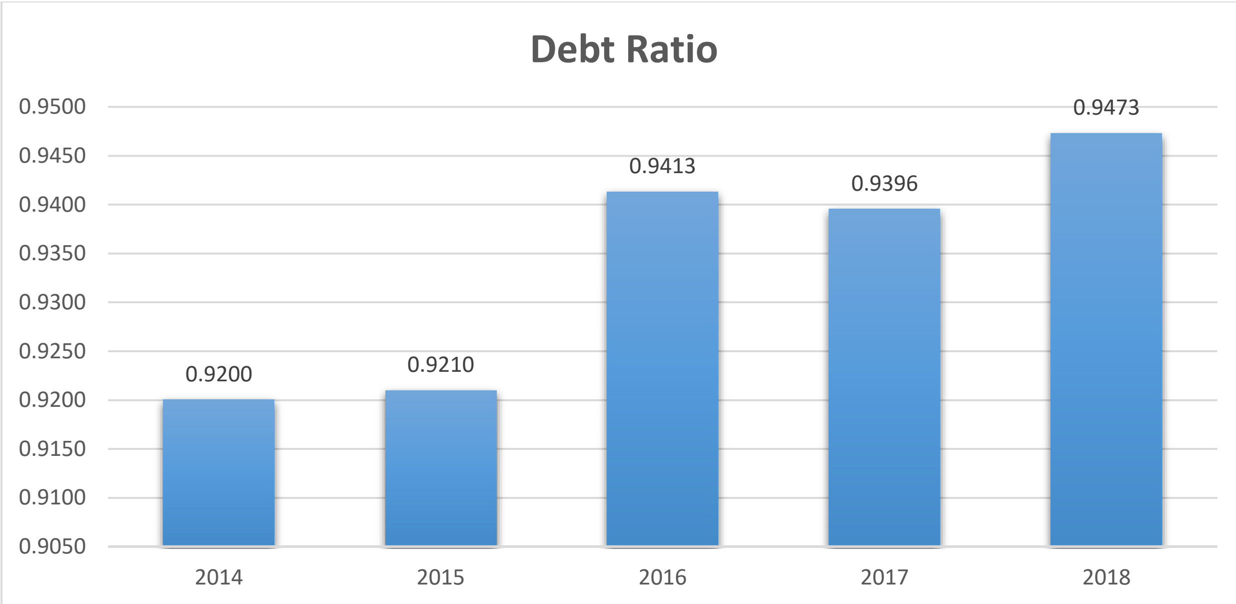
The fixed asset ratio was lower in 2015 and 2016. Then in 2017 and 2018 it was increasing by 0.2794 and 0.6035. Though in 2017 and 2018 the fixed asset ratio was increased but still it was bad for the bank as a low fixed asset indicates that the fixed asset are not being utilized effectively and large amount of sales are not produced by using fixed asset. If the bank wants to raise the ratio then management have to focus on the usage of fixed assets.

4.1.3. Leverage Ratio:

Debt Ratio: Debt ratio refers the purchase of asset through debt. The ratio indicates that the company keeps itself into a risky location as its interest rate can be arise suddenly. So that an organization funds a lot of its advantages with debt, at that point debt ratio will be higher. Leasers see organizations with high debt ratio as less secure borrowers in light of the fact that the organization must offer a greater amount of its advantages for pay its liquidity in liquidations.

$$\text{Debt Ratio} = \frac{\textbf{Total Liabilities}}{\textbf{Total Asset}}$$

Particular	2014	2015	2016	2017	2018
Debt Ratio	0.9200	0.9210	0.9413	0.9396	0.9473



Debt Ratio of Agrnai Bank Ltd

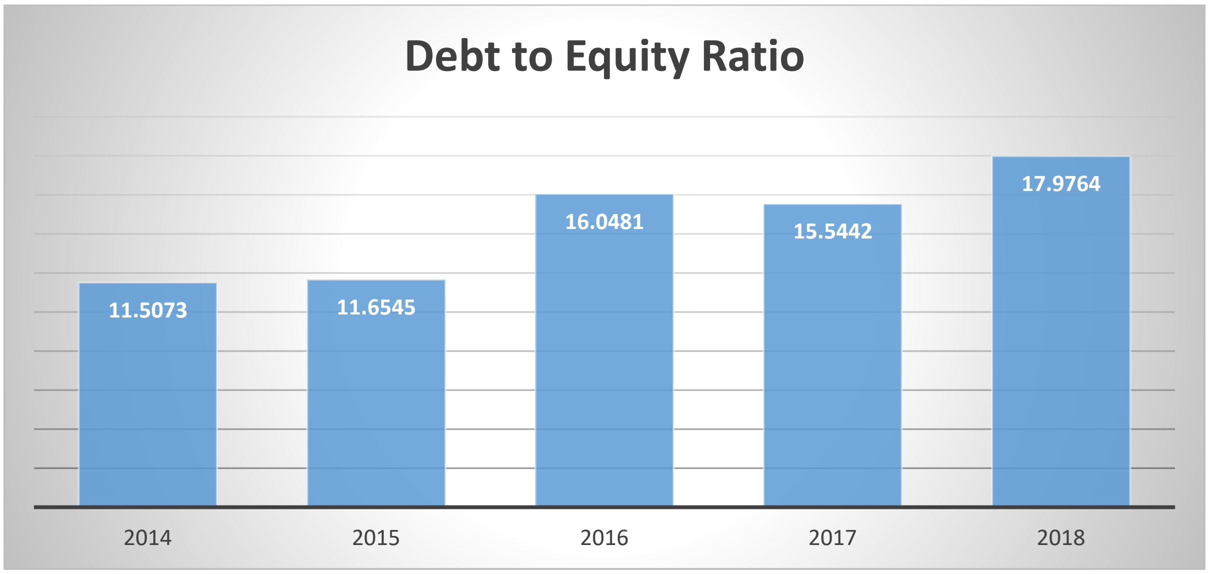
The debt ratio of Agrani Bank Ltd. was expanded from 2014 to 2016 and in 2017 it was diminished by 0.9396. Be that as it may, in 2018 again it was expanded by 0.9473.

The debt ratio expended is 0.4 to 0.6 however it can shift industry to industry. Debt ratio isn't useful for the bank. As the ratio is practically close to 1 which means all out resource is equivalent to add up to liabilities. The bank is correct now in less secure situation as whenever the loan fee can be risen. In that circumstance they can't have the option to pay those intrigue. The bank should utilize greater value to buy its benefit and ought to pay off utilizing debt.

i. ii. **Debt to Equity Ratio:** The debt to equity ratio demonstrates the extents of equity and debt that an organization is utilizing to back its business exercises. It shows the degree to which the investor's equity can satisfy its debts. If the ratio is too high that means the company maybe face financial problem. So the company has to maintain this ratio so that the ratio does not rise so high.

$$\text{Debt to Equity Ratio} = \frac{\textbf{Total Liabilities}}{\textbf{Total Equity}}$$

Particular	2014	2015	2016	2017	2018
Debt to Equity Ratio	11.5073	11.6545	16.0481	15.5442	17.9764



Debt to Equity Ratio of Agrani Bank Ltd.

The debt to equity ratio of Agrani Bank Ltd. was increased except 2017 where the ratio was 15.5442.

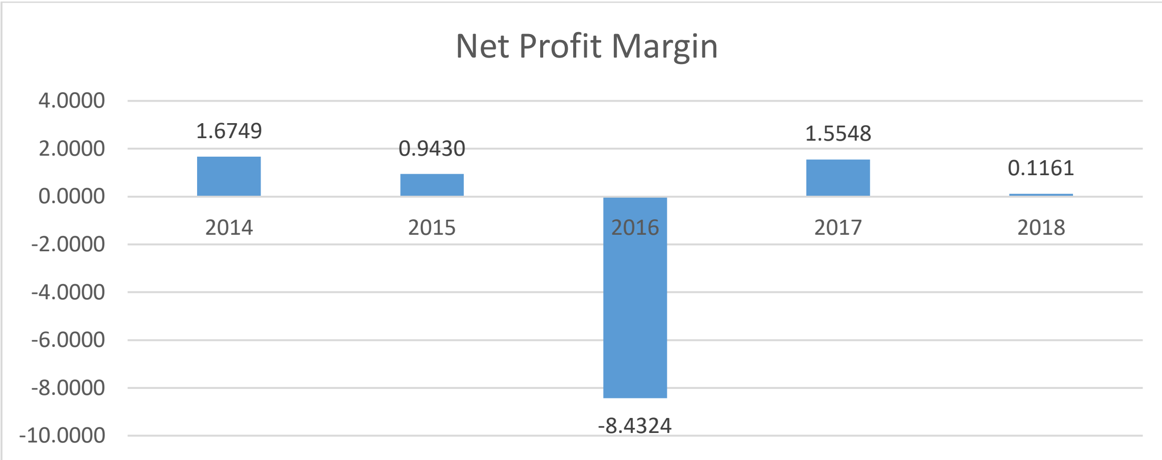
A higher debt to equity ratio for the most part suggests the more unsafe as it utilizes more debt than equity. Numerous banks utilizes more debt to fund its business exercises yet they ought to keep up the ratio as loan cost can be risen whenever.

4.1.4. Profitability Ratio:

i. **Net Profit Margin:** Net profit margin alludes the level of income staying in the wake of giving all costs, for example, interest, taxes and favour stock profit to the investors from organization's absolute income. A high net profit margin demonstrates that the business is evaluating its items accurately.

$$\text{Net Profit Margin} = \frac{\textbf{Net Profit}}{\textbf{Net Interest Income}}$$

Particular	2014	2015	2016	2017	2018
Net Profit Margin (NPM)	1.6749	0.9430	-8.4324	1.5548	0.1161



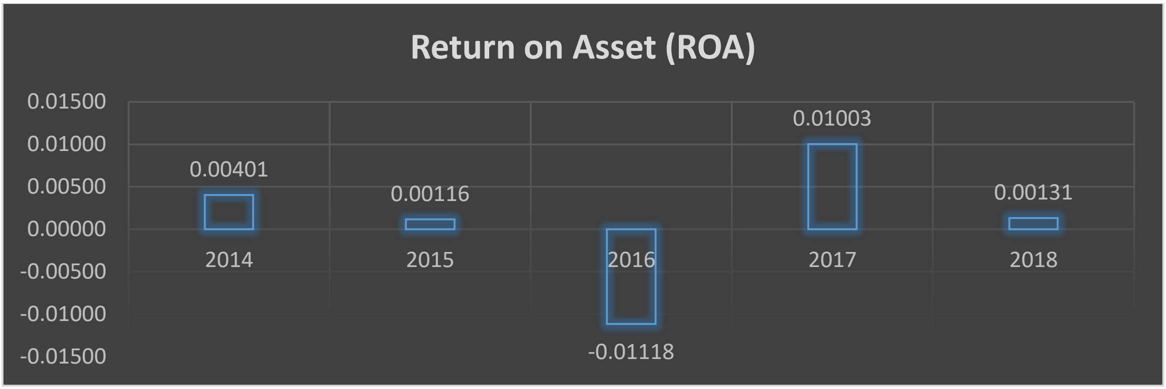
Net Profit Margin Ratio of Agrani Bank Ltd.

The Net Profit Margin was low even in 2016 it became negative which isn't useful for the bank. Regularly 10% Net Profit Margin is acceptable however it relies upon industry. As this ratio isn't acceptable that implies the bank can't have the option to decrease its costs

ii. **Return on Asset (ROA):** Return on asset quantifies how proficiently an organization can deal with its asset to create profits. The higher ratio is increasingly positive for financial specialists on the grounds that more often than not they utilize this ratio to see if the organization successfully dealing with its assets to create more noteworthy measure of profit or not.

iii. Return on Asset = $\frac{\textbf{Net Profit}}{\textbf{Total Asset}}$

Particular	2014	2015	2016	2017	2018
Return on Asset (ROA)	0.00401	0.00116	-0.01118	0.01003	0.00131



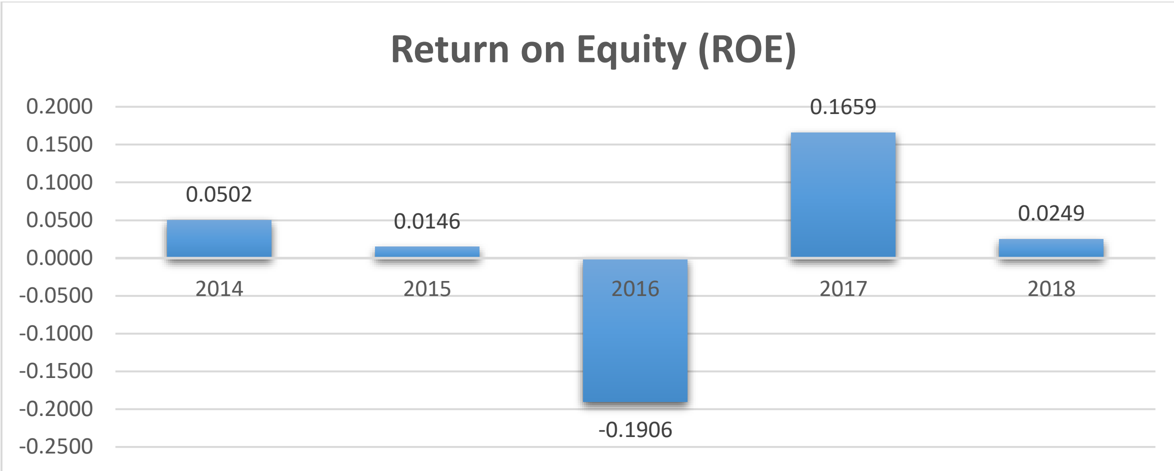
The Return on asset ratio ABL.

The Return on asset ratio is in vacillated circumstance and in 2016 it became negative which isn't useful for the bank. Return on asset ratio should be in any event 5% for an organization. In that think about, it is by all accounts that the bank isn't bringing in cash from the utilization of its assets. If it happens further, at that point will make issue for them as it is one of the most significant ratio to dissect the organization's exhibition. In this situation the bank needs to build profit, at that point they should appropriately use its assets.

iii. Return on Equity (ROE): Return on Equity measures the ability of a company to generate profits from its shareholder's investments in the company

$$\text{Return on Equity} = \frac{\textbf{Net Profit}}{\textbf{Total Equity}}$$

Particular	2014	2015	2016	2017	2018
Return on Equity (ROE)	0.0502	0.01462	-0.19056	0.16593	0.0249



Return on Equity of Agrani Bank Ltd

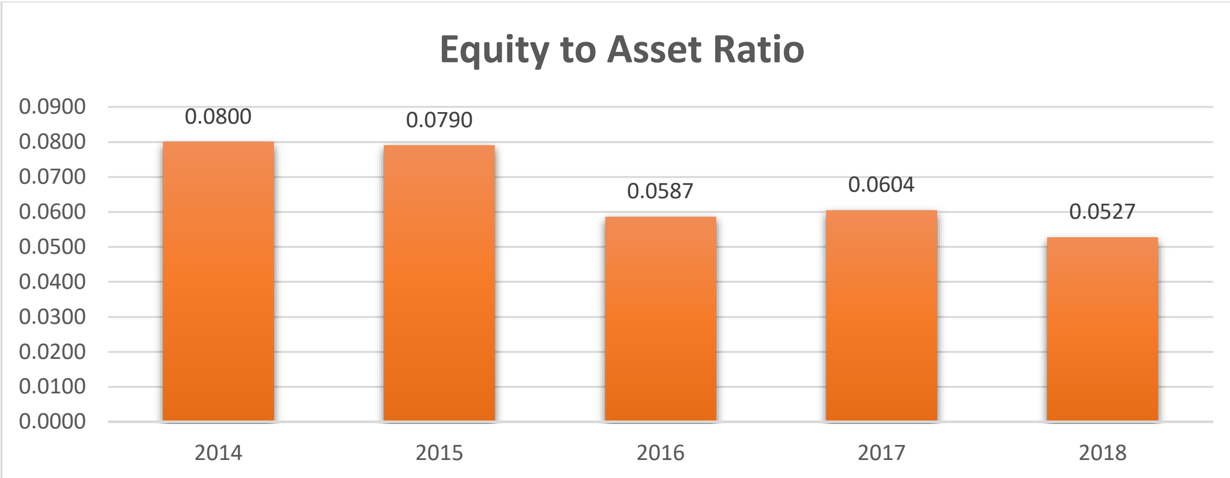
Return on Equity of Agrani Bank Ltd. is fluctuating from 2014-2018. Be that as it may, in 2016 it got negative. Be that as it may, shockingly it got positive and furthermore higher (0.1659) in 2017. In 2018 again it is diminished by 0.0249 which implies the bank isn't successfully use investor's venture. It is bad sign for the bank. As investor use this return on equity ratio to find out whether the bank is correctly use their investment or not.

4.1.5. Credit Risk Ratio:

Equity to Asset Ratio: Equity to asset ratio is a ratio that refers to the percentage of total assets financed through the shareholder’s equity It is utilized to decide how much investor would get when the organization goes for liquidation and it speaks to the measure of assets on which investors have a remaining case. The more noteworthy the ratio the better as it will infer that more prominent measures of advantage are being financed through equity

$$\text{Equity to Asset Ratio}= \frac{\textbf{Total Equity}}{\textbf{Total Asset}}$$

Particular	2014	2015	2016	2017	2018
Equity to Asset Ratio	0.0800	0.0790	0.0587	0.0604	0.0527



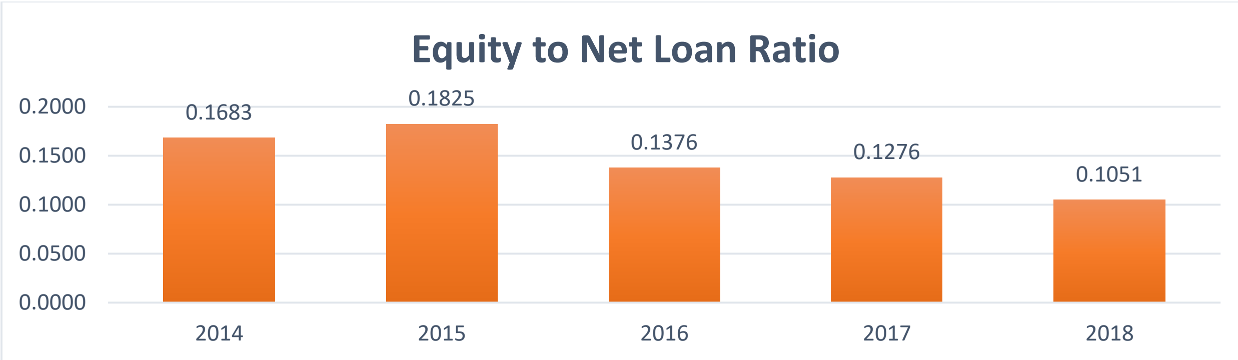
Equity to Asset Ratio of Agrani Bank Ltd.

The equity to asset ratio of ABL was decrease except 2017. As we realize that the greater the ratio more measure of assets being acquired through equity. Year to year the bank is lessening to utilization of equity to buy assets. In 2014 the bank utilize more equity to buy assets instead of different years.

i. **Equity to Net Loan Ratio:** Equity to net loan is a ratio that refers to how much net loans are financed by the equity the bank occupy. It is used to determine how much shareholder would receive when the company goes for liquidation and it represents the amount of assets on which shareholders have a residual claim. The greater the ratio the better as it will imply that greater amounts of asset are being financed through equity. Equity to net loan ratio=

$$\frac{\textbf{Total Equity}}{\textbf{Net Loans}}$$

Particular	2014	2015	2016	2017	2018
Equity to Net Loan Ratio	0.1683	0.1825	0.1376	0.1276	0.1051



Equity to Net Loan Ratio of Agrani Bank Ltd

The equity to net loan ratio of ABL was decrease after2015 where the ratio was 0.1825. The higher ratio suggests lower hazard to become default. As in 2015 the ratio was higher there was less opportunity to become default than different years.

4.2. Common Size Analysis of Agrani Bank Limited:

i. Common Size of Balance Sheet:

Agrani Bank Limited Balance Sheet As on December 31, 2014-2018					
Particulars	**2014**	**2015**	**2016**	**2017**	**2018**
PROPERTY AND ASSETS:					
Cash and Cash Equivalents:	6.10%	5.97%	5.74%	5.70%	4.70%
Cash in Hand (Including foreign currencies)	0.86%	0.72%	0.62%	0.56%	0.49%
Balance with Bangladesh Bank and its agent bank (Including foreign currencies)	5.25%	5.25%	5.13%	5.14%	4.21%
Balance with Other Banks and Financial Institution:	3.11%	3.70%	4.45%	11.54%	15.92%
In Bangladesh	2.64%	3.18%	4.14%	10.85%	15.09%
Outside Bangladesh	0.47%	0.52%	0.31%	0.69%	0.83%
Money at call and short notice:	1.02%	0.28%	0.14%	0.40%	0.09%
Investments:	30.77%	36.38%	36.49%	25.36%	20.18%
Government	26.20%	32.01%	32.47%	21.61%	12.51%

Others	4.57%	4.37%	4.02%	3.75%	7.66%
Loans and advances:	47.50%	43.30%	42.64%	47.35%	50.15%
Loans, cash credit and overdraft etc.	46.40%	42.47%	42.05%	46.96%	49.83%
Bills discounted and purchased	1.10%	0.83%	0.59%	0.40%	0.32%
Total Current Asset	88.50%	89.63%	89.46%	90.36%	91.04%
Fixed assets Including land,building, furniture and fixtures	3.12%	2.82%	2.53%	2.31%	1.87%
Other assets:	8.38%	7.54%	8.01%	7.33%	7.04%
Non-banking Assets:	0.00%	0.00%	0.00%	0.00%	0.05%
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
LIABILITIES & CAPITAL:					
Liabilities:					
Borrowings from other Banks, Financial Institutions and agents	1.95%	1.70%	0.75%	2.19%	3.15%
Deposit and other accounts:	84.32%	84.50%	84.17%	83.76%	83.19%
Current deposits and other accounts	8.42%	8.05%	18.36%	18.96%	21.01%
Bills payable	1.11%	0.93%	1.08%	0.88%	1.19%
Savings bank deposits	23.08%	22.50%	24.37%	25.43%	23.72%
Fixed deposits	51.72%	53.02%	40.36%	38.48%	37.28%
Other liabilities:	13.72%	13.80%	15.08%	14.05%	13.66%
Total Liabilities	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Shareholders' Equity /Capital:					
Paid-up Capital	52.37%	46.39%	56.66%	50.87%	49.83%
Reserve:	42.80%	39.10%	47.69%	47.59%	48.31%
Statutory Reserve	14.81%	13.12%	16.02%	19.14%	20.43%
General Reserve	0.01%	1.20%	1.47%	1.32%	1.29%
Risk Fund	0.00%	0.00%	0.11%	0.15%	0.19%
Asset revaluation reserve	27.98%	24.78%	30.09%	26.98%	26.40%
Revaluation and amortization reserve	5.12%	12.43%	11.70%	4.07%	3.50%
Retained surplus/(deficit)	-0.30%	2.09%	-16.05%	-2.53%	-1.64%
Total Shareholders' Equity	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

In comparison of total asset, cash and cash proportionate thing is demonstrating a little change from 2014 to 2018 contaminate it is diminishing from 6.10% to 4.70%. Ventures is indicating less development as it is fluctuating. Credit and advances is expanding from 47.50% to 50.15%. Yet, fixed asset is diminishing from 3.12% to 1.87%. Comparing to total liabilities, current deposits and different records is indicating a tremendous change from 2014 to 2018 by expanding 8.42% to 21.01%. Fixed deposit is diminishing from 51.72% to 37.28%

i. Common Analysis of Income Statement:

Agrani Bank Limited Income Statement For the year ended December 31, 2014-2018					
Particulars	**2014**	**2015**	**2016**	**2017**	**2018**
Operating income					
Interest and revenue income (Interest Income)	**100.00 %**	**100.00 %**	**100.00 %**	**100.00 %**	**100.00 %**
Interest paid on deposits, borrowings etc. (Interest Expense)	94.93%	97.07%	-96.15%	-80.70%	-72.39%
Net interest income	5.07%	2.93%	3.85%	19.30%	27.61%
Investment income	55.62%	63.26%	72.80%	65.20%	37.23%
Commission, exchange earnings and brokerage	18.54%	13.77%	14.40%	15.07%	7.84%
Other operating income	4.12%	4.30%	5.92%	4.87%	4.16%
Total Operating Income	**83.35%**	**84.26%**	**96.97%**	**104.44 %**	**76.84%**
Operating expenses					
Salary and allowances	26.35%	29.42%	46.93%	47.67%	34.42%
Rent, taxes, insurance, electricity etc.	3.25%	3.61%	4.94%	3.98%	3.45%
Legal expenses	0.09%	0.10%	0.17%	0.12%	0.09%

Postage, stamp, telecommunication etc.	0.68%	1.05%	1.62%	1.87%	0.80%
Stationery, printing, advertisement etc.	1.07%	1.19%	0.97%	0.73%	0.56%
Chief Executive's salary and allowances	0.02%	0.02%	0.02%	0.03%	0.02%
Directors' fees	0.01%	0.01%	0.02%	0.03%	0.02%
Auditors' fees	0.02%	0.02%	0.02%	0.02%	0.01%
Depreciation, Amortization and Repair of bank's assets	3.06%	4.10%	4.29%	5.88%	4.56%
Other expenses	2.90%	7.61%	12.11%	8.03%	7.13%
Total operating expenses	**37.44%**	**47.14%**	**71.09%**	**68.35%**	**51.09%**
Profit/(Loss) before amortization, provision & tax (Operating Profit)	45.91%	37.13%	25.88%	36.08%	25.75%
Amortization of valuation adjustment	5.68%	5.63%	6.20%	5.90%	0.00%
Profit/(Loss) before provision & tax	40.22%	31.50%	19.68%	30.18%	25.75%
Provision for loans and advances	17.48%	23.52%	38.08%	-22.38%	3.98%
Provision for off balance sheet exposure	0.00%	0.00%	0.00%	1.75%	0.00%
Provision for diminution in the value of Investment	0.00%	0.00%	4.34%	-3.16%	0.00%
Provision for employees benefits	0.00%	0.00%	4.99%	6.04%	3.28%
Other provision	15.45%	10.52%	7.30%	4.97%	4.55%
Total provision	32.94%	34.03%	54.70%	-12.79%	14.91%
Net profit/(loss) before Tax	7.29%	-2.53%	-35.02%	42.97%	10.84%
Provision for Tax	-1.20%	-5.30%	-2.52%	12.97%	7.64%
Current Tax	0.54%	0.55%	10.83%	11.91%	10.09%
Deferred Tax	-1.74%	-5.85%	-13.35%	1.06%	-2.45%
Net profit/(loss) after Tax	**8.49%**	**2.76%**	**-32.50%**	**30.00%**	**3.20%**

Add: Retained surplus (Opening balance)	-9.61%	-0.50%	5.13%	-25.99%	-3.19%
Add: Transfer from provision	1.61%	2.44%	0.00%	0.00%	0.00%
Add: Prior year adjustment	0.47%	-0.73%	0.00%	0.00%	0.00%
Net effect of all items directly recognized in Equity-retained earnings	0.00%	0.00%	0.00%	0.00%	0.04%

Investment income is showing growth except 2018 as in 2018 the investment income is not increasing by 37.23% than other years. Commission, exchange earnings and brokerage income is decreasing from 18.54% to 7.84%. Then positive net profit except 2016.

4.3. Trend Analysis of Agrani Bank Limited:

i. Trend Analysis of Balance Sheet:

Agrani Bank Limited Balance Sheet As on December 31, 2014-2018					
Particulars	**2014**	**2015**	**2016**	**2017**	**2018**
PROPERTY AND ASSETS:					
Cash and Cash Equivalents:	100.00%	111.73%	118.60%	127.30%	122.91%
Cash in Hand (Including foreign currencies)	100.00%	95.67%	90.91%	89.37%	91.84%
Balance with Bangladesh Bank and its agent bank (Including foreign currencies)	100.00%	114.35%	123.12%	133.50%	127.99%
Balance with Other Banks and Financial Institution:	100.00%	136.08%	180.46%	505.96%	817.15%
In Bangladesh	100.00%	137.91%	198.01%	560.87%	913.26%
Outside Bangladesh	100.00%	125.82%	82.41%	199.26%	280.28%
Money at call and short notice:	100.00%	31.65%	17.69%	53.68%	13.72%
Investments:	100.00%	135.08%	149.42%	112.21%	104.56%
Government	100.00%	139.58%	156.14%	112.30%	76.15%
Others	100.00%	109.28%	110.85%	111.70%	267.56%

Loans and advances:	100.00%	104.13%	113.10%	135.75%	168.34%
Loans, cash credit and overdraft etc.	100.00%	104.56%	114.19%	137.81%	171.24%
Bills discounted and purchased	100.00%	86.11%	67.19%	48.86%	46.36%
Total Current Asset	**100.00%**	**115.71%**	**127.37%**	**139.04%**	**164.04%**
Fixed assets Including land,building, furniture and fixtures	100.00%	103.25%	102.14%	100.73%	95.70%
Other assets:	100.00%	102.87%	120.44%	119.20%	133.94%
Non-banking assets:					
Total assets	**100.00%**	**114.24%**	**126.01%**	**136.18%**	**159.47%**
LIABILITIES & CAPITAL:					
Liabilities:					
Borrowings from other Banks, Financial Institutions and agents	100.00%	99.20%	49.74%	155.87%	264.40%
Deposit and other accounts:	100.00%	114.60%	128.69%	138.14%	161.99%
Current deposits and other accounts	100.00%	109.45%	281.23%	313.37%	409.98%
Bills payable	100.00%	95.81%	125.71%	110.63%	175.62%
Savings bank deposits	100.00%	111.50%	136.11%	153.26%	168.72%
Fixed deposits	100.00%	117.23%	100.61%	103.47%	118.35%
Other liabilities:	100.00%	115.03%	141.66%	142.38%	163.42%
Total liabilities	**100.00%**	**114.36%**	**128.92%**	**139.07%**	**164.19%**
Shareholders' Equity /Capital:					
Paid-up Capital	100.00%	100.00%	100.00%	100.00%	100.00%
Reserve:	100.00%	103.14%	103.00%	114.47%	118.63%
Statutory Reserve	100.00%	100.00%	100.00%	133.04%	145.00%
General Reserve	100.00%	10730.25%	10739.66%	10741.20%	10741.20%
Risk Fund	---------	---------	---------	---------	---------
Asset revaluation reserve	100.00%	100.00%	99.42%	99.29%	99.16%
Revaluation and amortization reserve	100.00%	274.05%	211.25%	81.88%	71.85%
Retained surplus/(deficit)	100.00%	-795.52%	5001.67%	879.48%	582.07%
Total Shareholdes' Equity	**100.00%**	**112.91%**	**92.44%**	**102.95%**	**105.10%**

Cash and cash equivalent is increasing from111.73% to 122.91% in 2014 to 2018. Investments is no increasing from 135.08% to 104.56% because of economical slum in this country. Credit and advances has a positive increased from 2015 to 2018 by 104.13% to 171.24%. But bills discounted and purchased is not increased from 86.11% to 46.36%. And current deposits and other accounts has a great increased from 109.45% to 409.98% in 2015 to 2018 and fixed deposits has not increased from 117.23% to 118.53%

ii. Trend Analysis of Income Statement:

iii. Agrani Bank Limited sIncome Statement For the year ended December 31, 2014-2018					
Particulars	**2014**	**2015**	**2016**	**2017**	**2018**
Operating income					
Interest and revenue income (Interest Income)	**100.00%**	**101.03%**	**91.67%**	**96.31%**	**138.13%**
Interest paid on deposits, borrowings etc. (Interest Expense)	100.00%	103.30%	-92.84%	-81.87%	-105.34%
Net interest income	100.00%	58.40%	69.70%	366.60%	752.29%
Investment income	100.00%	114.92%	119.99%	112.90%	92.46%
Commission, exchange earnings and brokerage	100.00%	75.03%	71.20%	78.26%	58.38%
Other operating income	100.00%	105.31%	131.62%	113.86%	139.60%
Total Operating Income	**100.00%**	**102.13%**	**106.65%**	**120.67%**	**127.34%**
Operating expenses					
Salary and allowances	100.00%	112.78%	163.27%	174.24%	180.43%
Rent, taxes, insurance, electricity etc.	100.00%	111.98%	139.19%	117.97%	146.70%
Legal expenses	100.00%	115.69%	174.66%	125.81%	140.45%

Investment income has been not increased from 114.92% to 92.46% in 2015 to 2018. Commission, exchange earnings and brokerage has also been decreased from75.03% to 58.38%.

Postage, stamp, telecommunication etc.	100.00%	157.86%	219.59%	266.11%	164.68%
Stationery, printing, advertisement etc.	100.00%	112.24%	82.91%	66.27%	73.04%
Chief Executive's salary and allowances	100.00%	100.00%	93.48%	99.00%	110.75%
Directors' fees	100.00%	116.28%	120.26%	188.25%	215.40%
Auditors' fees	100.00%	100.06%	126.96%	100.06%	111.18%
Depreciation, Amortization and Repair of bank's assets	100.00%	135.53%	128.51%	185.00%	206.02%
Other expenses	100.00%	265.46%	383.21%	266.99%	340.08%
Total operating expenses	**100.00%**	**127.18%**	**174.04%**	**175.80%**	**188.45%**
Profit/(Loss) before amortization, provision & tax (Operating Profit)	100.00%	81.71%	51.69%	75.70%	77.49%
Amortization of valuation adjustment	100.00%	100.00%	100.00%	100.07%	0.00%
Profit/(Loss) before provision & tax	100.00%	79.12%	44.86%	72.26%	88.43%
Provision for loans and advances	100.00%	135.88%	199.64%	-123.27%	31.47%
Provision for off balance sheet exposure	---------	---------	---------	---------	---------
Provision for diminution in the value of Investment	---------	---------	---------	---------	---------
Provision for employees benefits	---------	---------	---------	---------	---------
Other provision	100.00%	68.78%	43.29%	30.95%	40.70%
Total provision	100.00%	104.40%	152.26%	-37.39%	62.54%
Net profit/(loss) before Tax	100.00%	-35.13%	-440.54%	567.82%	205.48%
Provision for Tax	100.00%	445.07%	192.11%	-1038.50%	-877.23%
Current Tax	100.00%	103.97%	1843.64%	2129.21%	2587.81%
Deferred Tax	100.00%	339.55%	703.02%	-58.54%	194.71%

Net profit/(loss) after Tax	**100.00%**	**32.88%**	**-350.94%**	**340.32%**	**52.14%**
Add: Retained surplus (Opening balance)	100.00%	5.22%	-48.93%	260.32%	45.89%
Add: Transfer from provision	100.00%	152.84%	0.00%	0.00%	0.00%
Add: Prior year adjustment	100.00%	-158.15%	0.00%	0.00%	0.00%
Net effect of all items directly recognized in Equity-retained earnings	---------	---------	---------	---------	---------
Appropriation:					
Statutory Reserve	100.00%	0.00%	0.00%	567.82%	205.48%
Cash dividend paid to Govt.	---------	---------	---------	---------	---------
Retained surplus/(deficit)	100.00%	-795.52%	5001.67%	879.48%	582.07%
Earnings Per Share (EPS)	100.00%	32.88%	351.04%	340.50%	52.19%

4.4. DuPont Analysis:

An organization can improve its return on equity if it generates a high net profit margin, effectively uses its assets so as to generate more profit, and has a high financial leverage.

DuPont Analysis Formula= NPM*TAT*EM

DuPont Analysis (3 Factor)					
Particular	2014	2015	2016	2017	2018
NPM	1.6749	0.9430	-8.4324	1.5548	0.1161
TAT	0.0024	0.0012	0.0013	0.0065	0.0113
EM	12.5073	12.6545	17.0481	16.5442	18.9764
ROE	5.0197%	1.4618%	-19.0561%	16.5935%	2.4901%

ROE of Agrani Bank Limited is fluctuating from 2014 to 2018. On account of NPM and TAT, ROE is diminished even it goes negative in 2016.

On the off chance that Agrani bank restricted needs to build ROE, at that point it needs to concentrate on the most proficient method to expand NPM and TAT. For expanding NPM, the bank needs to build net premium salary by using assets adequately and by lessening working costs and different costs. The bank ought to likewise expand total asset turnover. For that they have to put resources into more tasks and don't keep their asset as inactive. In the event that the bank can build NPM and TAT, at that point at last it will assist to save money with increasing ROE which will spur financial specialists to put resources into the bank. As ROE is the most significant factor for the speculators to settle on a choice to contribute or not. So the bank should concentrate on the best way to expand NPM and TAT.

4.5. Sensitivity Analysis:

Base Factor				
Particulars	**NPM**	**TAT**	**EM**	**ROE**
2014	1.6749	0.0024	12.5073	0.0501975
2015	0.9430	0.0012	12.6545	0.0146178
2016	-8.4324	0.0013	17.0481	-0.1905606
2017	1.5548	0.0065	16.5442	0.1659349
2018	0.1161	0.0113	18.9764	0.0249013

Sensitivity of NPM with ROE					
Particulars	**NPM**	**TAT**	**EM**	**ROE**	**Change**
2014	1.6749	0.0024	12.5073	0.0502	
2015	0.9430	0.0024	12.5073	0.0283	-0.4370
2016	-8.4324	0.0024	12.5073	-0.2527	-9.9423
2017	1.5548	0.0024	12.5073	0.0466	-1.1844
2018	0.1161	0.0024	12.5073	0.0035	-0.9253
				Average	-3.1222

Sensitivity of TAT with ROE					
Particulars	**NPM**	**TAT**	**EM**	**ROE**	**Change**
2014	1.6749	0.0024	12.5073	0.0502	
2015	1.6749	0.0012	12.5073	0.0257	-0.4888
2016	1.6749	0.0013	12.5073	0.0278	0.0821
2017	1.6749	0.0065	12.5073	0.1351	3.8664
2018	1.6749	0.0113	12.5073	0.2368	0.7525
				Average	1.0530

Sensitivity of EM with ROE					
Particulars	**NPM**	**TAT**	**EM**	**ROE**	**Change**
2014	1.6749	0.0024	12.5073	0.0502	
2015	1.6749	0.0024	12.6545	0.0508	0.0118
2016	1.6749	0.0024	17.0481	0.0684	0.3472
2017	1.6749	0.0024	16.5442	0.0665	-0.0281
2018	1.6749	0.0024	18.9764	0.0763	0.1470
				Average	0.1195

NPM has a great impact on reduction of ROE. Because when we freeze TAT and EM, the ROE is negative (-3.1222) which means the bank is not able to reduce its cost and is not effectively utilize assets. For that reason, the net interest income is not increased. If the bank do not wants decrease NPM then it has to decrease operating expenses and other expenses and effectively utilize assets. Only then NPM will be increased and ultimately ROE will be increased.

EM has additionally little effect behind the decrease of ROE. That implies the bank isn't appropriately use the proprietor's equity to create benefit. On the off chance that the bank needs to build ROE, at that point they need to use proprietor's equity appropriately and put resources into more tasks. At exactly that point ROE will be expanded.

Chapter- 05

Findings, Recommendations and Conclusion

5.1 Findings of the Report:

It was another experience for me to work in Agrani Bank Limited. I have made sense of certain findings in the wake of gathering and breaking down information. These findings are totally founded on my origination. The findings are as per the following:

• Current ratio of Agrani Bank Limited was fluctuating from 0.0769 (2014) to 0.0575 (2018). In 2018 the ratio was decreased by 1.1131 than previous years.

- Cash ratio of Agrani Bank Limited was diminishing from 2014 to 2018 that implies the bank has confronting cash emergency in 2018.
- In 2018, the total asset turnover ratio was 0.0113 which higher than other years. So that it was not put an extraordinary effect on the bank.
- Debt ratio of Agrani Bank Limited was0.9473 which is higher than other years. As debt ratio is in expanded situation that implies bank's reliance on creditors are expanded.
- Debt to equity ratio was expanded with the exception of 2017. As in 2018 the ratio was 17.9764 which higher than different years that implies the bank utilize more debt to back its exercises as opposed to utilizing equity.
- Net profit margin was decreasing from 1.6749 (2014) to 0.1161 (2018) even it goes negative in 2016 (-8.4324) that means the bank is unable to earn huge profit even some time it faces huge losses.

- Return on asset was decreasing from 0.00401 (2014) to 0.00131 (2018) even it got negative in 2016 (-0.01118) which implies the bank isn't adequately use their assets to create profit.
- Return on equity was diminishing from 0.0502 (2014) to 0.0249 (2018) even it goes negative in 2016 (-0.19056) that implies the bank isn't viably use their equity to produce profit. It isn't acceptable sign for the bank as the investors utilize this ratio to see if the bank is appropriately utilize their venture or not. On the off chance that the bank is neglected to use their ventures appropriately, at that point they will not contribute once more.
- The equity to asset ratio was lessening with the exception of 2017 (.0790) which implies the bank utilizes more debt to buy assets than equity.
- The equity to net loan ratio was decreasing except 2015 (0.1825). As the ratio is lower that means the bank has higher chance to default.

5.2. Recommendations for Agrani Bank Limited:

It is extremely hard for me to give recommendations in a three months and it would be venturesome of me to give suggestions to the people who have preferable comprehension and aptitude over me.

I. As cash ratio was decreasing 0.0769 (2014) to 0.0575 (2018). So the bank needs to expand the ratio above 0.5. Else they can't ready to settle liquidity emergency and can't pay to the customer.

II. Though in 2018 total asset turnover was 0.0113 which higher than previous years, they still not utilizing their assets adequately to produce salary. For adequately using assets they need to conjecture appropriately. They have to build total asset turnover from 4 to 6 multiple times as it is standard range however it varies from organization to organization.

III. As debt ratio was expanding year to year that implies bank's reliance on creditors are expanded which isn't useful for the bank. They should decrease the reliance on creditors as their liquidity was insufficient then they can confront troubles if the loan cost can be risen. The bank should cautious to utilize debt to buy asset or working different exercises.

IV. As debt to equity ratio was expanding that implies the bank utilizes more debt to fund its exercises as opposed to utilizing equity. The bank should keep up among debt and equity to fund its exercises in any case bank will be confronted many problems to pay its commitments.

V. Net profit margin (NPM) of Agrani Bank Limited was extremely low in 2016 (-8.4324) even it became negative which isn't useful for the bank. On the off chance that the bank needs to expand NPM, at that point it must be decrease its costs else it can't ready to procure profit and can't offer profit to the investors.

5.3. Conclusion:

In this internship report, I show my level best to financial analyse of Agrani Bank Limited. We already know about Agrani Bank Limited is one of the best owned bank in our country. In all economic conditions of our country, the bank has been working with extraordinary certainty and contending colossally with local commercial banks along with other multinational banks also. Agrani Bank Limited is attempting its level best to perform well. Agrani Bank Limited faced some financial crisis time to time. Some of the crisis were excessive bad loans, shortage of loans and advances, scarcity of cash in hands due to vault limit etc. These crisis increases time to time due to economic slowdown, interest rate variation, inflation in the money market. Agrani Bank Limited still fighting with these crisis and give their best.

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