

Internship Report

On

“Financial Performance Analysis of Bangladesh Krishi Bank”



Internship Report
On
“Financial Performance Analysis of Bangladesh Krishi Bank”

Supervised By

Mr.Mahbub Parvez
Associate Professor &Head
Department of Tourism & Hospitality Management
Daffodil International University, Bangladesh

Prepared By

Mustafizur Rahman
ID. 173-14-2539
Major. Finance
Program. Master of Business Administration

Date of Proposal:

Letter of Transmittal

Date:.....

Mr. Mahbub Parvez

Associate Professor & Head

Department of Tourism & Hospitality Management

Daffodil International University, Bangladesh.

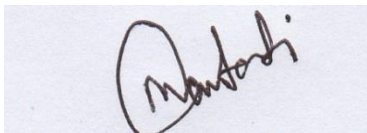
Subject: Submission of Internship Report on “Financial Performance Analysis of Bangladesh Krishi Bank”

Dear Sir,

With due respect, I would like to inform you that it is a great pleasure for me to submit the report on “**Financial Performance Analysis of Bangladesh Krishi Bank**” as a mandatory obligation for MBA (Internship) program. While accompanying the working report, I have assembled extensive knowledge on banking activities of Bangladesh Krishi Bank. In spite of different imperatives, I have done this report taking care of business exertion given. It would be a countless respect for me on the off chance that you would include your suppositions and recommendations for what’s to come.

Much obliged to you by for arranging me during this troublesome brief time of my vocation.

Sincerely yours;



.....
Mustafizur Rahman

ID. 173-14-2539

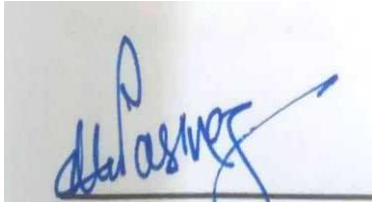
Major. Finance,

Master of Business Administration,
Daffodil International University.

Certificate of Approval

I am pleased to certify that the Internship report on **Financial Performance Analysis of Bangladesh Krishi Bank**, A Study on Sonargaon Branch, Narayangonj accompanied by Mustafizur Rahman bearing ID No. 173-14-2539 of MBA Program, Department of Business Supervision has been permitted for demonstration and defense. Mustafizur Rahman worked with Bangladesh Krishi Bank, Sonargaon Branch, Narayangonj as imprison beneath my administration.

Mustafizur Rahman bears a solid good character and a satisfying character. It has in reality been an incredible tendency working with him. I wish his everything achievement throughout everyday life.



.....
Mr. Mahbub Parvez

Associate Professor & Head

Department of Tourism & Hospitality Management

Daffodil International University, Bangladesh.

Acknowledgement

It bounces me gigantic delight to thank countless people for their agreeable participation and fortification who have financed straightforwardly or in a roundabout way in setting up this report. Initially, I express my thankfulness to Almighty Allah who has empowered me to seek after my investigation.

I pass on my appreciation to my respectable administrator Mr. Mahbub Parvez , Associate Professor & Head , Department of Tourism and Hospitality Management , Daffodil International University , for his direction and participation , which encourages me colossally to set up this report.

I am exclusively thankful to every one of the chiefs and the heads of Bangladesh Krishi Bank, who broadened their wholehearted collaboration during my review period. They are in the same class as anybody could seek after.

My task additionally profited significantly from numerous educative dialog of various experts in Bangladesh Krishi Bank. What's more, last yet not the least, I might want to thank all other magnificent staff working in Bangladesh Krishi Bank.

Uncommon acknowledgments are because of those companions and colleagues who gave their individual help and exhortation.

Again I am appreciative for all the commitment and numerous others obscure to us, however stay mindful where I neglected to notice their recommendation.

At long last, I might want to pass on my appreciation to my parents. Without their commitment it would not be workable for me to finish the three months temporary position.

Executive Summary

Bangladesh Krishi Bank is one of the main and biggest neighborhood banks in Bangladesh. BKB's central goal is to accomplish business perfection through superiority by thoughtful, tolerating, consultation and surpassing client desires.

This explosion has sorted out in five sections. In this explosion presentation part has been given in section one. Presentation of the examination, cause, goal, procedure and restrictions of the investigation are talked about in part one.

In the second part review of BKB has been examined. This part contains BKB's experience, mission, vision, values, items administrations and business.

Third section incorporates hypothetical information, budgetary apparatuses, amount systems and the use of monetary execution as like talked about pattern examination, Common size explanation and proportion investigation.

Fourth section is critical piece of the report, which involves budgetary execution examination. It incorporates the presentation of pattern examination (Net intrigue salary, working use, Net benefit after duty, all out resources, absolute liabilities and Owner's value), Common size proclamation and proportion investigation (Liquidity, Activity, Debt, and Profitability). From the investigation the outcome is very palatable. Also, made a few discoveries dependent on investigation.

At last in the last or five parts a few recommendations accommodate improvement in money related execution. What's more, over all ends is given in this section.

Table of Contents

Topics	Page No.
Title Page	ii
Letter of Transmittal	iii
Certificate of Approval	iv
Acknowledgement	v
Executive Summary	vi
Table Of Contents	vii-viii

Chapter 1	Introduction	01
1.1	Introduction	02
1.2	Origin of the report	03
1.3	Objectives of the report	03
1.4	Scope of the report	03
1.5	Methodology of the report	04
1.6	Limitation of the report	04

Chapter 2	Organizational Part	05
2.1	History of Bangladesh Krishi Bank	06
2.2	Mission	07
2.3	Vision	07
2.4	Core Objectives of Bangladesh Krishi Bank	07
2.5	Goals of Bangladesh Krishi Bank	08
2.6	The Board of Directors	08
2.7	Organizational Structure of Bangladesh Krishi Bank	09
2.8	Strategies of Bangladesh Krishi Bank	10
2.9	Products of Bangladesh Krishi Bank	10
2.10	Services of Bangladesh Krishi Bank	11-12

Chapter 3	Financial Performance Analysis	13
3.1	What is Performance?	14
3.2	What is Financial performance?	14
3.3	Financial Performance Analysis	14
3.4	Tools of Financial Analysis	15-19

Chapter 4	Ratio Analysis	20
4.1	Horizontal Analysis	
	i. Net Interest income	21
	ii. Operating Expenditure	22
	iii. Net Profit After tax	23
	iv. Total Assets	24
	v. Total Liabilities	25
	vi. Owner's Equity	26
4.2	Common size statement	27-30
4.3	Financial Ratio Analysis	31
	4.3.1 Liquidity Ratio	32-33
	4.3.2 Profitability Ratio	34-36
	4.3.3 Solvency Ratio	37-38
	4.3.4 Activity Ratio	39
	4.3.5 Risk Ratio	40
	4.3.6 Time Interest Earned Ratio	40-42

Chapter 5	Findings ,Recommendations & Conclusion	43
5.1	Findings	44
	5.1.1 Horizontal Analysis	44
	5.1.2 Common-Size Analysis	45-46
5.2	Recommendations	47
5.3	Conclusion	48
5.4	References	49

Chapter – 1

Introduction

1.1 Introduction:

Bank is the most momentous financial association in the economy sector in every country. The economic expansion of a country be depending on the enhancement of banking sector. The present current banks are fiving outdated financial administrations as well as expanding numerous monetary administrations. A financial foundation is basic in a cutting edge society. It assumes a critical job in the monetary advancement of a nation and structures the center at the currency showcase in any nation. Bangladesh Krishi Bank is a head and extraordinary business bank in the field of banking business. To all plans and purposes its very own time conveyed administration to the clients as interest is recognizably superior to other bank. By mean of everyday client are expanding. The clients are being BKB educated worried about its contemporary and up to the moment contributed items effectively. It likewise imagine that result of administrations carries repletion to a bank and accepts that powerful client care fortifies. The item information into clients minds all the more emphatically and correctly.

An Organizations budget summaries give difficult money related material that speculators and leasers use to assess an organizations budgetary presentation. Budget summaries are likewise critical to an organizations directors in light of the fact that by distributing fiscal reports. The board can speak with intrigued outside gatherings about its endeavor running the organization. Diverse fiscal summaries center on various territories of monetary exhibitions.

In this report the budgetary exhibitions of BKB have been examined by utilizing the assistance of some monetary devices and methods as like pattern investigation, normal size pay articulations and proportion examination.

1.2 Origin of the report:

As a component of the Internship program of Masters' of Business Administration course prerequisite, I was doled out for doing my entry level position in Bangladesh Krishi Bank. The temporary job boss, **Mr.Mahbub Parvez (Associate Professor&Head)**, Department of Tourism & Hospitality Managemnet, Daffodil International University and Md. Shariat Hossain (Deputy General Manager), Bangla Krishi Bank, Sonargaon branch was picked —Financial execution Analysis of Bangladesh Krishi Bank as a point of this report. The goal of temporary job program was to offer a chance to the understudies to increase some true understanding by working in a useful situation.

1.3 Objectives of the report:

The Primary target of the report is to examine the money related execution of Bangladesh Krishi Bank Limited (BKB). There are some particular destinations that are given below-

- To wrinkle the acquaintance about the economic performance implements near scrutinize the Financial Concert of BKB.
- To assess the bank's financial usefulness and weakness through using different financial tools.
- To find out some deficient, short comings related to financial issues.
- To provide some propositions based on findings.

1.4 Scope of the report:

The examination gives a great deal of learning about money related exhibitions of Bangladesh Krishi Bank. As I was occupied with the yearly gossips of Bangladesh Krishi Bank, I contracted the prospect towards acquire various pieces of budget summaries. The situation consists of my perceptions and hands on encounters during the temporary job time frame. This explosion joins the budgetary status and various parts of proportion investigation of the organization.

1.5 Methodology of the report:

This report is made dependent on my hypothetical and pragmatic information and as venture report “Bangladesh Krishi Bank” is solitary of the outstanding government business bank in Bangladesh. Its open revealing framework is extensive. Its open revealing framework is critical. Information are very much overseen. This course of action is reliable that helps simple utilization of logical instrument.

Study Design:

This report is descriptive in nature and so was conduct using assessment of different historical data along with other sources.

➤ Sources of Data :

In preparing this explosion together prime figures and tributary statistics source of information consume stayed secondhand.

❖ Primary Springs :

- Aspect to Appearance one-to-one with corresponding brigadier of the branch.
- Personal observation.

❖ Secondary Sources :

- Almanac explosion of BKB.
- Official website of Bangladesh Krishi Bank.
- Books, journals, research paper have been used for the study purpose.
- Files and documents of the branch.
- Manuals of Bangladesh Krishi Bank.

1.6 Limitation of the report:

- ❖ Hence, I had less time to spend on the report.
- ❖ Deficient information is the fundamental imperative in figuring of the report.
- ❖ Lack of practice in internship report writing.
- ❖ Lacking Chronicles and periodicals partake existed alternative restriction in concocting of the report.

Chapter – 2

Organizational Part

2.1 History of Bangladesh Krishi Bank:

The Agricultural Development Finance Corporation built up by the Government of Pakistan in 1952, began working from the center of 1953. Therefore the Government of Pakistan, system Agricultural Bank of Pakistan in 1957, which began its task from mid-1958. These two state-possessed credit foundations were touched in February, 1961 and wound up Agricultural Development Bank of Pakistan.

On December 16, 1971, the Agricultural Development Bank of Pakistan wound up Agricultural Development Bank of Bangladesh and, in this manner, re-named as Bangladesh Krishi Bank under Bangladesh Krishi Bank Order, 1973 (President's Order No. 27 of 1973).

Bangladesh Krishi Bank (BKB) is a state-claimed keeping money foundation. The Board of Directors of the Bank designated by the Government of the People's Republic of Bangladesh comprises of a Chairman and ten Directors including of eight authorities including the Managing Director and tow non-authorities. The Bank's approach is detailed by the Board of Directors.

There is a three part Executive Committee made out of the Chairman, the Managing Director and a Director. The Executive Committee achieves any issue inside the fitness of the Board of Directors.

The Primary target of BKB is to give credit offices to the ranchers for the advancement of farming and to business visionaries occupied with improvement of agro-based and bungalow ventures. About 85% of the aggregate populace of Bangladesh depends specifically or by implication on horticulture contributing essentially to GDP. The Bank is guided as per the strategies and standards of the Government of the People's Republic of Bangladesh. The bank began business occupied since 1977 with the target of creating increasingly loanable reserve from the inactive district and urban funds and donating them for the improvement of the economy.

2.2 Mission:

Other than banking offices to the individual's doorsteps, giving developed, SME and agro based modern advances for accomplishing independence in sustenance creation and end of neediness.

2.3 Vision:

Giving credit offices to accomplishing independence in sustenance generation and reinforcing provincial economy.

BKB gets ready yearly work plan with a dream to achieve independence in sustenance through improvement of farming, conveying import substitute agro items, taking care of the mounting requests for horticultural credit, and recognizing suitable regions for rural spread undertakings to accomplish practical development in the part.

2.4 Core Objectives of Bangladesh Krishi Bank:

For appropriate usage of horticultural credit, Bangladesh Krishi Bank is the best countrywide foundation. For the improvement of rustic zones, this Bank works for by and large advancement and picking up reliance in nourishment creation. The lot of farming advance is dispersed through this bank. In spite of the fact that it is a specific Bank in agrarian part, it capacities like all other business banks. The fundamental destinations are as per the following:

- ❖ To craft innovative openings for its clientele such by way of ranchers, brokers, capitalists and communal societies.
- ❖ To elasticity adapted amenities and preserves harmonious sponsor-patron affiliation.
- ❖ To underwrite just before establishment principal, evolution of hoards & venture in craft, export & business divisions.
- ❖ To persist solitary of the unsurpassed banks in Bangladesh in relations of effectiveness and belongings eminence.
- ❖ To confirm a satisfactory percentage of arrival on venture.

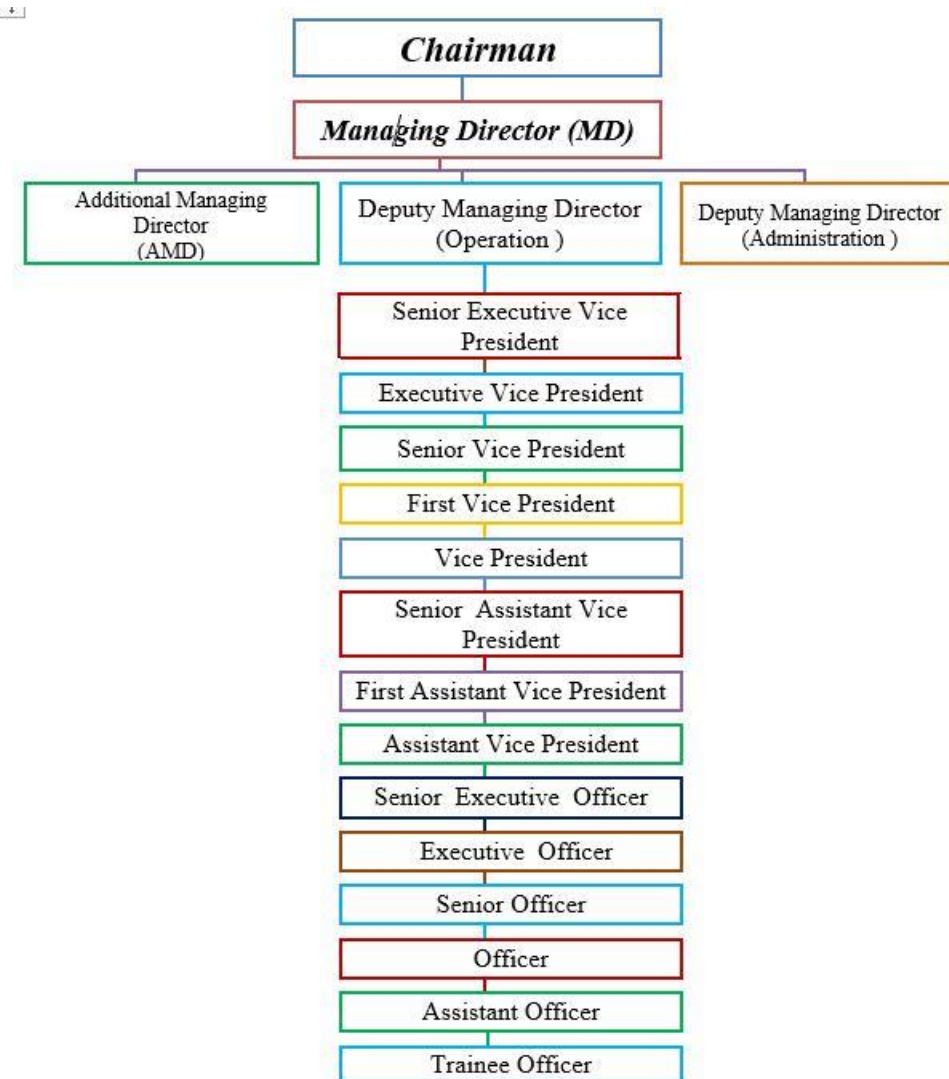
2.5 Goals of Bangladesh Krishi Bank:

- ❖ Develop applicable loaning hazard appraisal framework.
- ❖ Create capital arrangement.
- ❖ Build up a framework to make great advances.
- ❖ Build up a work, remuneration preparing and direction plan.
- ❖ Build up an arrangement for membership better client assistances.

2.6 The Board of Directors:

SI. No.	Name of the Directors	Designation
01.	Mohammad Ismail	Chairman
02.	Md. Ali Hossain Prodhania	Managing Director
03.	Mohammad Shafiqul Azam	Director
04.	Muhammad Maududur Rashid Safdar	Director
05.	Md. Saiful Islam	Director
06.	Md. Nasir Uddin Ahmed	Director
07.	Dr A K M Munirul Haque	Director
08.	Md. Fashiar Rahman	Director
09.	Syed Kamruzzaman (Mahbub)	Director

2.7 Organizational Structure of Bangladesh Krishi Bank:



2.8 Strategies of Bangladesh Krishi Bank:

- To superintend and work the bank in the maximum operative approach to expand pecuniary completing and to governor asking price of endowment.
- To gain ground toward shopper unwaveringness through quality control and conveyance of opportune administration.
- To distinguish client's credit and supplementary possession money requests and screen their acknowledgement on the road to our execution in summit those requiem.
- To survey and refresh gives and rehearses those satisfactory assets so trades need can be sensibly tended to.
- To advance authoritative adequacy by straightforwardly conveying association schemes, polices, live out and systems to workers in an expedient modus.

2.9 Products of Bangladesh Krishi Bank:

Disregarding the way that the central thought of BKB is Agriculture, it doesn't neglect various fields of economy using any and all means. All of the associations of the bank may be portrayed as seek pursue:

- ⇒ Communal Sponsoring
- ⇒ Glory Platform
- ⇒ Withdrawal Pattern
- ⇒ Transnational Heaping
- ⇒ Allow Amenities of BKB
- ⇒ Shortage Assuagement
- ⇒ Microcredit Sequencer
- ⇒ Community Bankrolling

2.10 Services of Bangladesh Krishi Bank:

Online Banking Service (CBS):

Center Banking Solution (CBS) is networking of branches, which empowers Customers to work their records, and profit charge money administrations from any part of BKB on CBS arrange, paying little mind to where client looks after record. The brought together server in Data Center stores all the static and money linked information of clients rather than the branch server. The Client is no more the client of a Branch; turns into the Bank's Customer. Directly Bangladesh Krishi Bank is giving Online Banking Services through its 356 online branches.

ATM Service:

Bangladesh Krishi Bank has developed 06 ATM corners of its own and keeping a strong Q-cash ATM sort out wherever all through the country to improve the plastic portion card system. BKB is dynamic individual from NPSB (National Payment System of Bangladesh) since 2015. At present BKB has exhibited Debit card office. Timetable of charges:

ATM card Transaction charges: ATM card Issuance and Maintenance charges:

Withdrawal amount Tk card issue charge Tk 500/-

Claim ATM No charge renewal charge Tk 500/-

Q-cash ATM Tk 10+vat Duplicate card issue charge Tk 300/-

NPSB Tk 22.50 (Customer Tk 15+ Bank Tk 7.50). Copy Pin Issue Charge Tk 150/-

Client can change secret word two times per day and can pull back most extreme Tk 20,000/-

Every day (Maximum 4times) with his /her plastic.

RTGS (Real Time Gross Settlement) Service:

Factual Stretch Unsophisticated Clearance (RTGS) service is reserves interchange frameworks where interchange of cash or safekeeping materializes preparatory with solitary bank then onto the succeeding on a "continuous" and on

"net" proposition. This is the nippiest credible currency altercation background concluded the convertible money waterway. Reimbursement "progressively" indicates installment interchange isn't exposed to any allotment up historical. The exchanges are unsettled when they are pick up.

"Net settlement" indicates the altercation is mature on well-adjusted proposition starved of confederacy or lattice with some other interchange. Taking into account that cash move happens

in the balance sheet of the Central Bank, the episode is reserved for example last and unalterable. Esteemed clients just require to keep up a task ledger to profit RTGS benefit from any Online Branch of BKB.

SME Banking:

Bangladesh Krishi Bank (BKB) is prepared to acquaint SMS Banking presidencies with give jiffy entrée to your best ever files every time. Any cubicle handset punter having best ever of BKB can contract the command concluded the compartment touchtone phone upon enlistment. SMS Banking conveys your record to your fingertips. It sanctions you to conduct and contract literary data everyplace 7 days a week and 24 hours per day. It empowers you to come to be to records by exploiting your cell phone.

Chapter – 3

Financial Performance Analysis

3.1 What is performance?

The aftereffects of an associations or venture's exercises over a specific timeframe.

(Investorsword.com)

The performance of a given task is measured according to the known pre-established canons of truthfulness, integrity, budget and rapidity. In a indenture, the service is considered the fulfillment of an assurance, in such a way as to release the executor of all the liabilities provided for by the contract,

(Business dictionary.com)

3.2 What is Financial Performance?

"Performance" originates from "parfourmen", which signifies "to do", "to perform" or "to do." It alludes to the demonstration of execution, completing, execution, correspondence, and so forth. In the feeling of the limit, the presentations elude the satisfaction of a given chore, contrasted with pre-set up measures of accuracy, uprightness, expenses and speed.

3.3 Financial Performance Analysis

The analysis of financial concert is the approach just before distinguishing the organization's pecuniary métiers and pecuniary blemishes for property that sets up the gathering between the apparatuses of the balance sheet and the profit and loss account. It likewise helps in short and long forecasts and development can be related to the assistance of monetary execution examination.

The reputation of the word reference of 'investigation' is to understand or isolate a thing in its module or segment parts to follow its overtone with things all in all and with one another. The payments exploration is a procedure of weighing the connection between the parts of the fiscal report to acquire a superior conception of the organization's position and execution. This investigation can be performed by the organization the board or by crowds not associated with proprietors, lenders, and trailblazers.

3.4 Tools of Financial Performance Analysis:

Money related investigation devices are a standout amongst the most productive traditions that can be exploited for pledging great assistance from ventures. These monetary examination devices are profoundly useful in gaging the arcade and putting resources into a path to amplify the benefit from the speculation made. These coinage related going-over gadgets are treasured for interpreting both inner and exterior statistics notorious with an explicit business association. The examination and elucidation of budget summary is operated to decide the budgetary position and moments of commotion too. The following are the tools that are used for analyzing the pecuniary concert of the organization

- ❖ Parallel Breakdown
- ❖ Straight up or Communal Mass Exploration
- ❖ Fraction Enquiry.

These three tools are discussed below:

1. Horizontal Analysis (Trend Analysis):

A company's financial statements for a single accounting period can divulge important information about its performance and financial health. We can compare financial statements for more than one period by using Horizontal Analysis. Horizontal analysis, also called "trend analysis," is used to discover trends in the earnings, assets and liabilities of a company over the course of several years. With horizontal analysis, we compare the amount changes of each item in a financial statement for two consecutive periods. In this horizontal analysis of the financial statement, here all the particulars from the 2012 to 2016 have shown by the amount, increase or decrease in the amount.

2. Common Size Statements:

The common-size statement is a financial statement that expresses all items as a percentage of total takings, so it's simple to compare and analyze companies within an industry. The common-size income statement is generally used in financial statement analysis to compare companies that operate in the same or different industries or to compare time periods of the

Same firm, we can basically say that, common size explanation is a pay articulation wherein each record is communicated as a level of the estimation of offers. It is a well-known device to think about the fiscal report of an organization.

3. Financial Ratio Analysis:

Monetary proportion examination is an apparatus for exploring and looking at connections between changed bits of money related data. Any organization can utilize data from their organizations pay explanation and monetary record to compute money related proportions. A proportion examination is a quantitative investigation of data limited in an organizations budget reports. Proportion examination is utilized to assess different pieces of an organizations working and monetary execution, for example, its efficiency, liquidity, gainfulness and dissolvability. There are different kinds of ratio. The ratios are given below with explanation:

Categories of Financial Ratios:

The important categories of financial ratios for banks are:

- Liquidity Ratio,
- Profitability Ratio,
- Solvency Ratio,
- Activity Ratio,
- Market Ratios,
- Risk Ratios,
- Time interest earned ratio.

Liquidity and action essentially measure chance. Productivity proportions segment return. Market proportions catch both hazard and return. Standard speaking, the information sources important to a compelling money related examination incorporate, at least, the salary articulation and the monetary record. We will utilize the 2013 to 2017 pay proclamations and monetary records for BKB.

A. Liquidity Ratio:

The liquidity of a firm is estimated by its capacity to fulfill its transient obligations. Liquidity alludes to the dissolvability of the associations' general money related position----- the straightforwardness with which it can take care of its tabs. Since a typical forerunner to monetary misery and chapter 11 is low or declining liquidity, these proportions are seen as great driving pointers of income issues.

The basic measures of liquidity are:

- i. **Current Ratio:** The current ratio is a financial ratio that shows the proportion of current properties to present-day legal responsibility. The contemporary percentage is used as a gauge of a company's fluidity. The superlative contemporary fraction is 2:1. It is expressed as follows:

Existing Quotient = _____

- ii. **Net Working Capital Ratio:** The working capital proportion (Current Assets/Current Liabilities) shows whether an organization has enough transient resources for spread its short term obligation.

Working Capital = Current Assets - Current Liabilities

Net Working Capital Ratio = _____

B. Profitability Ratio:

The Profitability Ratio measure the general execution of the organization regarding the absolute income created from its activities. There are different forms of Profitability Ratios. These are given below:

- i. **Return on Asset (ROA):**

The arrival on resources proportion estimates the net gain molded by complete during a period. At the end of the day, ROA measures how productively an organization can adapt their resources for create earnings during a period. (Profit for resource).

$$\text{Return on Asset (ROA)} = (\text{Net Profit after Tax} / \text{Total Assets}) \times 100$$

ii. Return on Equity (ROE):

Return on Equity (ROE) is the amount of net income after taxes returned as a percentage of net assets. It procedures the profitability of the bank by disclosing how much money the bank spawns with the coinage that the bondholders have financed.

$$\text{Return on Equity} = (\text{Net Profit after Tax} / \text{Total Equity Capital}) \times 100$$

C. Solvency Ratio:

Affluence percentage is a significant metric charity to quantity an originality's aptitude to encounter its commitment and further compulsions. There are different types of solvency ratio and these are:

i. Debt to Equity Ratio:

Control fraction is one of the quite a few economic dimensions that aspect at how much principal arises in the arrangement of liability (loans) or gages the capability of an establishment to come transversely monetarist compulsions.

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

ii. Total Debt to Total Asset Ratio:

Over-all liability to complete resources is a weight fraction that expresses the aggregate bulk of debt virtual to resources. This metric qualifies appraisals of pull to be finished diagonally changed syndicates.

$$\text{Total Debt to Total Asset Ratio} = \text{Total Liabilities} / \text{Total Assets}$$

D. Activity Ratio:

Under activity ratio there are many ratios which are important for bank and one of them is total assets turnover ratio.

Total Asset Turnover Ratio:

The overall quality incomings signposts the proficiency with which the steady is incapable to use all its monies to engender transactions.

$$\text{Total Asset Turnover Ratio} = \text{Total Operating Income} / \text{Total Assets}$$

E. Risk Ratio:

For a bank it is important to analyze the risk for its outcome. Loans to total assets ratio and loans to total deposit ratio are under risk ratio.

i. Loans to Total Assets Ratio:

The ratio of loans to total assets measures the total outstanding mortgages as a measurement of over-all moneys. The sophisticated this catalogue signposts that a bank is plagiarized and its runniness is truncated. The complex the ratio, the superior the risk for a bank of higher default values.

$$\text{Loans to Total Assets Ratio} = \text{Total Loans} / \text{Total Assets}$$

ii. Loans to Total Deposit Ratio:

A proportion that is utilized in deciding the measure of credits that a bank has out versus the measure of current aggregates close by at that equivalent time. This proportion is unfaltering by isolating the banks advance sums by its aggregate sum of stores.

$$\text{Loans to Total Deposit Ratio} = \text{Loans} / \text{Deposits}$$

F. Time interest earned ratio:

The occasions premium earned proportion, now and then called the premium inclusion proportion, measures the associations capacity to make legally binding premium installments.

$$\text{Time Interest Earned Ratio} = \text{Earnings before Interest \& Tax} / \text{Interest Expense}$$

Chapter – 4

Ratio Analysis

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

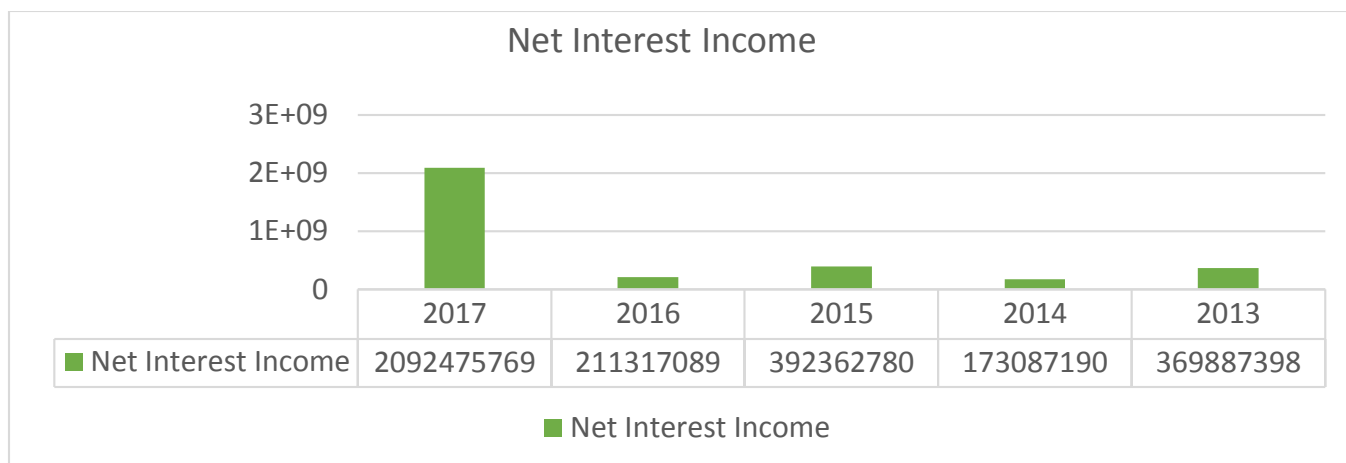
4.1. Horizontal Analysis (Trend Analysis):

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

i. Net Interest Income:

BKB 2013-2017 net interest income (amount in BD):

Particulars	2017	2016	2015	2014	2013
Net Interest Income	2092475769	211317089	392362780	173087190	369887398
Increase or Decrease	1881158680	(181045691)	219275590	(196800208)	



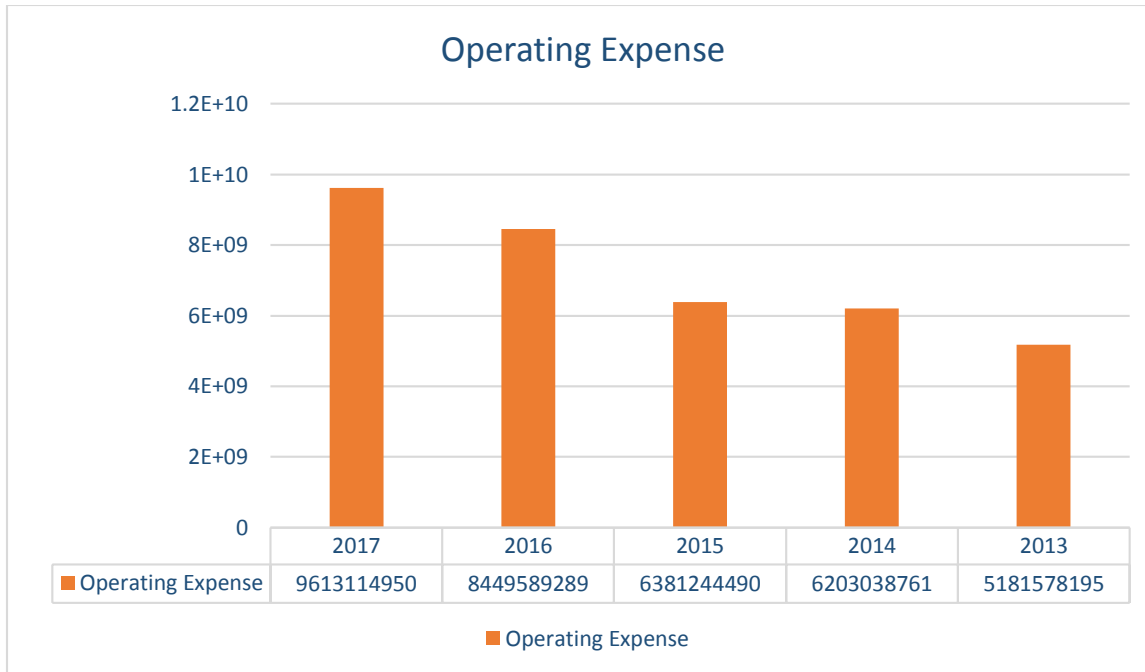
Interpretation:

All through the five years (2013-2017) of homework the overall progression of net interest income of BKB stayed enlarged. On or after the below stand, there substantial fluctuations have befallen in net interest income in every single time.

Operating Expenditure:

BKB 2013-2017 Operating Expenditure (amount in BD):

Particulars	2017	2016	2015	2014	2013
Operating Expenditure	9613114950	8449589289	6381244490	6203038761	5181578195
Increase or Decrease	1163525661	2068344799	178205729	1021460566	



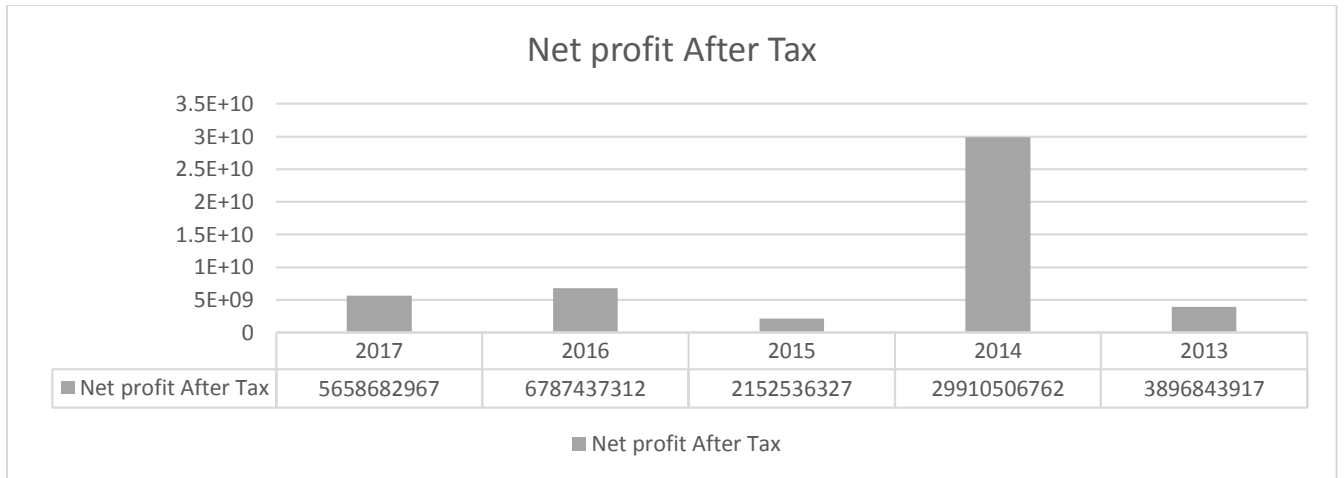
Interpretation:

For the duration of the five years (2013-2017) of study the over-all advance of operational costs of BKB were improved. On or after the upstairs table, there the deviations have retired in functional expenses in apiece time.

iii. Net Profit After Tax:

BKB 2013-2017 Net Profit/ Loss after Tax (amount in BD)

Particulars	2017	2016	2015	2014	2013
Net Profit After tax	5658682967	6787437312	2152536327	29910506762	3896843917
Increase or Decrease	(1128754345)	4640609801	(27757970435)	26013662845	



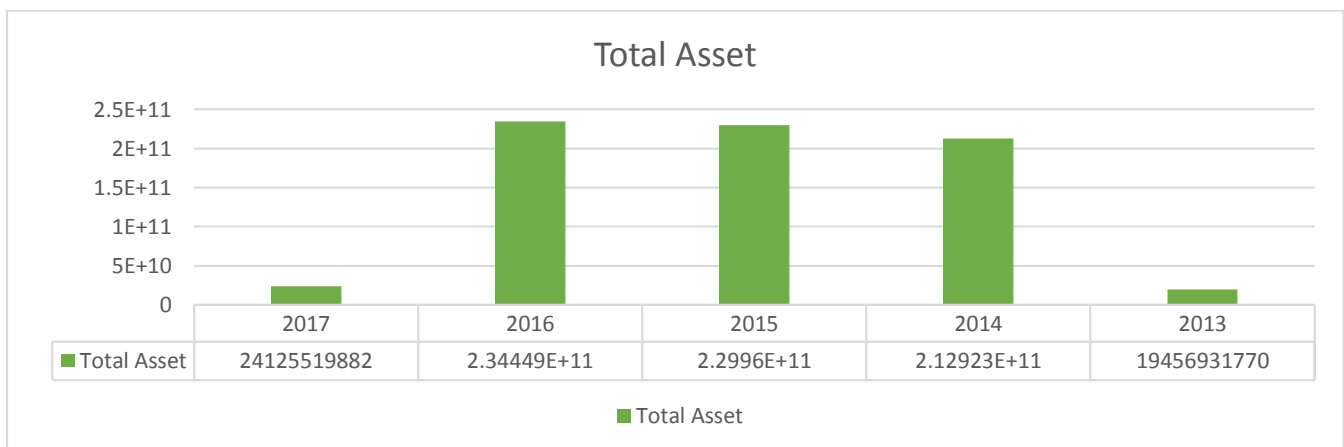
Interpretation:

For the period of the five centuries (2013-2017) of study the aggregate evolution of net yield after tax of BKB were fluctuated. There momentous deviations have transpired in net yield after tax in respectively time.

iv. Total Assets:

BKB 2013-2017 Total Assets (amount in BD):

Particulars	2017	2016	2015	2014	2013
Total Asset	24125519882	234448780749	229959898416	212922635487	19456931770
Increase or Decrease	6806418100	4488882300	17037262923	18353317787	



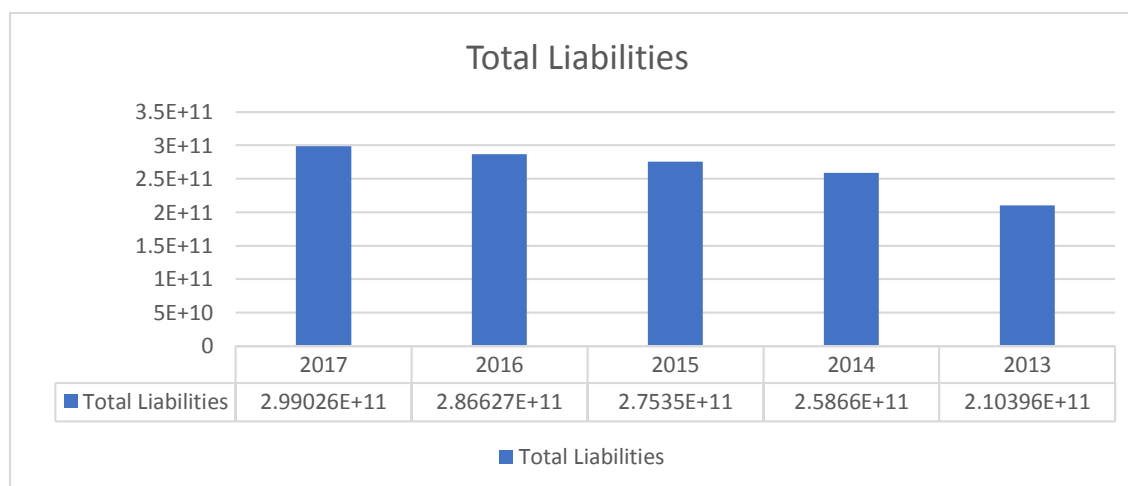
Interpretation:

In the course of the five years (2013-2017) of study the over-all progression of total assets of BKB were amplified. There noteworthy deviations have befallen in complete monies in apiece time. As here, 2013 is the corrupt time, so the fluctuations in total assets have been enlarged as of 2014 to 2017.

v. **Total Liabilities:**

BKB 2013-2017 Total Liabilities (amount in BD):

Particulars	2017	2016	2015	2014	2013
Total Liabilities	299026222659	286626537800	275350218155	258660418899	210396444349
Increase or Decrease	12399684859	11276319645	16689800256	48263974550	



Interpretation:

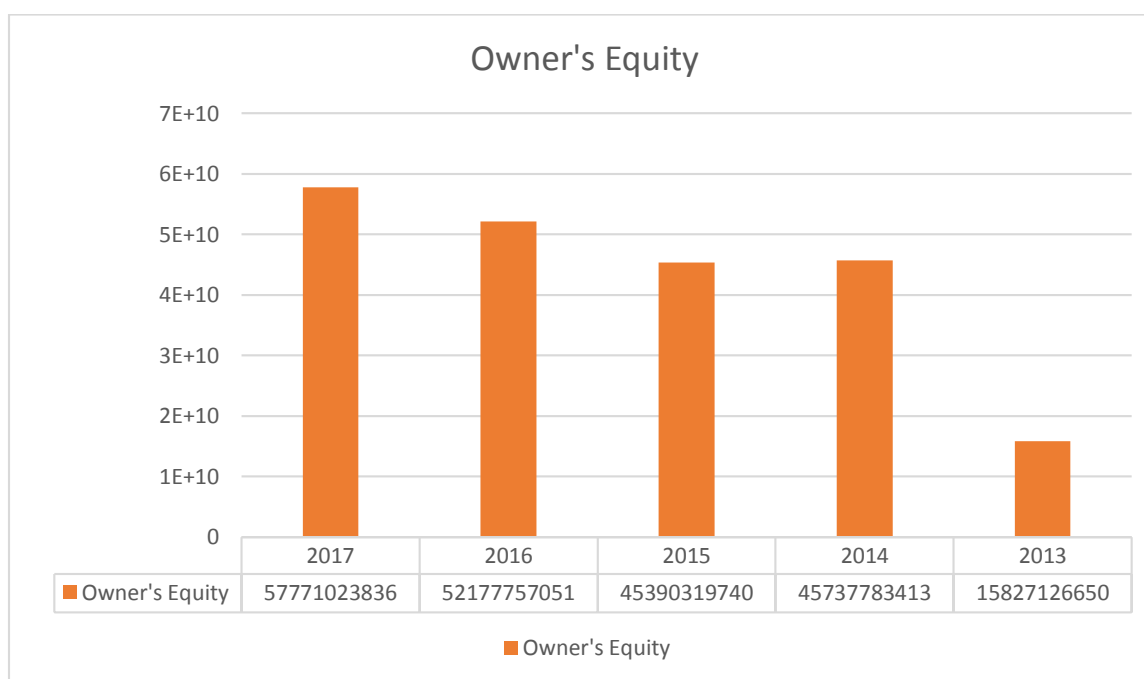
Through the five eons (2013-2017) of scholarship the total evolution of over-all legal obligation of BKB were increased. There noteworthy fluctuations have transpired in total dangers in each

one day. As here, 2013 is the ignoble day, so the deviations in total burdens have been enlarged in 2014 the measurement was 22.94%.

vi. Owner's Equity:

BKB 2013-2017 Owner's Equity (amount in BD):

Particulars	2017	2016	2015	2014	2013
Owner's Equity	57771023836	52177757051	45390319740	45737783413	15827126650
Increase or Decrease	5593266780	6787437310	(347463670)	29910656763	



Interpretation:

For the duration of the five an inordinate length of time (2013-2017) of study the partial progression of owner's equity of BKB were fluctuated. There substantial unorthodoxies have transpired in owner's equity in every one time.

4.2. Common Size statement:

The common Size income statements of BKB are given below

Common Size Analysis of Bangladesh Krishi Bank Income Statement For the Year Ended 2017 to 2013

Particular	2017	2016	2015	2014	2013
Operating Income					
Interest Income	100%	100%	100%	100%	100%
Interest Paid on Deposits and Borrowings etc.	86.67%	98.53%	97.33%	101.19%	102.94%
Net interest income	13.33%	1.47%	2.67%	1.19%	2.94%
Investment income	0.007%	0.007%	0.007%	0.007%	0.008%
Commission , Exchange and Brokerage	1.22%	1.74%	2.22%	5.61%	6.51%
Other Receipts	5.50%	8.32%	8.06%	4.03%	6.73%
Total Operating Income	20.06%	11.53%	12.96%	8.46%	10.31%
Operating Expenses					
Salary and Allowances	53.99%	51.51%	36.12%	35.62%	30.03%
Rent , Taxes , Insurance, Lighting etc.	2.29%	2.27%	2.10%	1.87%	1.81%
Legal Charges	0.011%	0.010%	0.006%	0.007%	0.013%
Postage , Telegram , Telephone & Stamps etc.	0.31%	0.27%	0.25%	0.002%	0.15%
Auditor's Fees	0.006%	0.006%	0.007%	0.007%	0.008%
Stationery , Printing & Advertisement	0.34%	0.33%	0.37%	0.34%	0.38%
Pay & Allowance of Managing Director	0.008%	0.009%	0.009%	0.009%	0.009%
Director's Fees	0.013%	0.011%	0.009%	0.013%	0.013%
Depreciation & Repairs of Bank property	1.44%	1.31%	1.14%	1.04%	0.91%
Other expenditure	2.82%	2.86%	3.44%	3.33%	3.87%
Total Operating Expenses	61.24%	58.60%	43.46%	42.48%	41.19%
Profit before provision & Tax	41.18%	47.07%	30.50%	34.02%	30.89%
Provision for Loans and Advances	5.13%	-	15.70%	131.79%	-

Provision for Diminution in value of Investments	-	-	-	0.015%	0.099%
Other Provisions	-	-	0.17%	39.74%	-
Total Provision(D)	5.13%	-	15.87%	170.83%	0.099%
Total profit before taxes	36.05%	47.07%	14.62%	204.86%	30.98%
Provision for Income Tax	-	-	-	-	-
Net Profit After Tax	36.05%	47.07%	14.66%	204.86%	30.98%

Interpretation:

This is the vertical analysis of income statement over the period 2013 to 2017. Basically it shows the relative extent of each category in the income statement. Here interest income in the base amount and each item of income statement has been shown as a percent of interest income and compared it with five consecutive periods.

Mainly, we see that the major portions of interest income less interest paid on deposits and get net interest income which was 13.33% in 2017, 1.47% in 2016, 2.67% in 2015, 1.19% in 2014 & 2.94% in 2013. Noticeable, total operational earnings was improved 20.06% in 2017, 11.53% in 2016, 12.96% in 2015, 8.46% in 2014 & 10.31% in 2013. After calculating the intact operating expenses item then we can find, total operating expenses was increased 61.24% in 2017, 58.60% in 2016, 43.46% in 2015, and 42.48% in 2014 & 41.19% in 2013.

On the other hand, profit before provision & tax was increased in 2016 (47.07%), declined in 2015 (30.50%) and 2013 (30.89%). Likely, we observed that, total provision was increased in 2014 (170.83%), decreased in 2013 (0.099%) and 2017 (5.13%). For that reason, total profit before tax increased in 2014 (204.86%), decreased in 2015 (14.62%) & 2017 (36.05%).

Therefore it is not astounding that net profit after tax percentage of interest income decrease from 47.07% to 36.05% in 2017 and increased from 30.98% to 204.86% in 2014. Finally, I can say, the overall profit position of Bangladesh Krishi Bank was not good but the try to improve their position.

The common –size Balance sheets of BKB are given below:

Common Size Analysis of Bangladesh Krishi Bank

Balance Sheet

For the Year Ended 2017 to 2013

Particular	2017	2016	2015	2014	2013
Cash	8.31%	8.29%	7.51%	6.76%	7.03%
Cash in Hand (including foreign currencies)	0.57%	0.31%	0.59%	0.61%	0.71%
Steadiness with Bangladesh bank and its Agent Bank(s)	7.74%	7.98%	6.92%	6.14%	6.32%
Balance with other Banks and financial institutions	1.32%	1.53%	2.43%	0.72%	1.67%
In Bangladesh	1.23%	1.20%	2.28%	0.59%	1.42%
Outside Bangladesh	0.09%	0.33%	6.15%	0.13%	0.24%
Money at Call and Short Notice	-	-	-	-	-
Investments	0.017%	0.17%	0.018%	0.02%	0.018%
Government Securities	0.003%	0.003%	0.003%	0.004%	-
Other Investments	0.014%	0.014%	0.015%	0.016%	-
Loans and Advances	80.28%	79.51%	78.26%	81.34%	79.26%
Loans, Cash Credits , Overdrafts etc.	77.53%	76.67%	75.52%	78.05%	76.02%
Bills Purchased and Discounted	2.75%	2.84%	2.74%	3.29%	3.24%
Fixed Asset including Land , Building , Furniture and Fixtures	2.71%	2.76%	2.78%	3.01%	3.20%
Other Assets	7.22%	7.75%	8.86%	8.09%	8.67%
Non-banking Assets	0.14%	0.14%	0.14%	0.07%	0.16%
Total Property and Assets	100%	100%	100%	100%	100%
Liabilities and Capital					
Liabilities					
Agents	11.13%	12.15%	13.10%	15.38%	18.49%

In Bangladesh	10.91%	11.96%	12.88%	15.24%	18.35%
Separate Bangladesh	0.22%	0.19%	0.22%	0.15%	0.15%
Deposits and Other Accounts	94.25%	90.35%	86.50%	83.60%	79.39%
Current Accounts and Contingency Accounts	7.10%	13.59%	14.36%	13.41%	12.85%
Bills Payable	0.47%	0.49%	0.64%	0.67%	0.69%
Savings Deposits	23.39%	21.46%	19.19%	18.57%	19.36%
Fixed Deposits	63.29%	54.81%	52.30%	50.95%	46.47%
Other Liabilities	18.57%	19.75%	20.14%	22.49%	10.25%
Total Liabilities	123.94%	122.25%	119.74%	121.48%	108.13%
Capital / Owner's equity					
Paid-up Capital	3.73%	3.73%	3.73%	4.23%	4.63%
Re-Capitalization	1.03%	1.03%	1.03%	-	-
Statutory Reserve	0.096%	0.096%	0.096%	0.11%	-
Other Reserve	2.53%	2.61%	2.96%	2.99%	3.30%
Retained Earnings Surplus	31.54%	29.87%	27.51%	28.72%	16.06%
Total Capital / Owners Equity	23.94%	22.25%	19.74%	21.48%	8.13%
Total Liabilities and Owners Equity	100%	100%	100%	100%	100%

Interpretation:

This is the vertical analysis of balance sheet over the period 2013 to 2017. Basically it shows the relative sizes of the different accounts on a financial statement. Here total assets are the base amount and each item of balance sheet has been shown as a percent of total assets and compared it with five consecutive periods.

4.3 Financial Ratio Analysis:

The ratios are given below with explanations:

Financial Ratio Analysis Of BKB

Last five years financial data analysis of BKB:

Particulars	2017	2016	2015	2014	2013
Profit before tax	5658680967	6787437312	2146827511	29910506762	3896843917
Profit after tax	5658682967	6787437312	2152536327	29910506762	3896843917
Owner's Equity	57771023836	52177757051	4590319740	45737783413	15827126650
Current Assets	216961364401	209478538321	202863911744	189143846695	171164150349
Total Assets	241255198824	234448780749	229959898416	212922635487	194569317700
Current Liabilities	254225886244	240309474717	229041843345	210763487044	190450970569
Total Liabilities	299026222659	286626537800	275350218155	258660418899	210396444349

4.3.1 Liquidity Ratio:

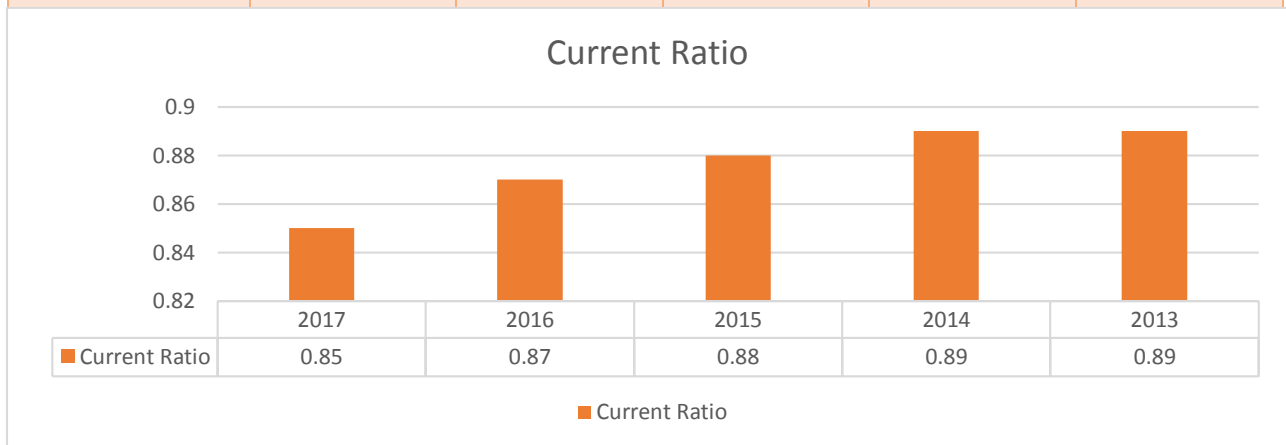
The two different types of liquidity are:

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

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

BKB's 2013-2017 Current Ratio:

Particulars	2017	2016	2015	2014	2013
Current Asset(BDT in Million)	216961.36	209478.54	202825.53	189143.85	171164.15
Current Liabilities(BDT in Million)	254225.89	240309.47	229041.76	210763.49	190450.97
Current Ratio	0.85:1	0.87:1	0.88:1	0.89:1	0.89:1



Interpretation:

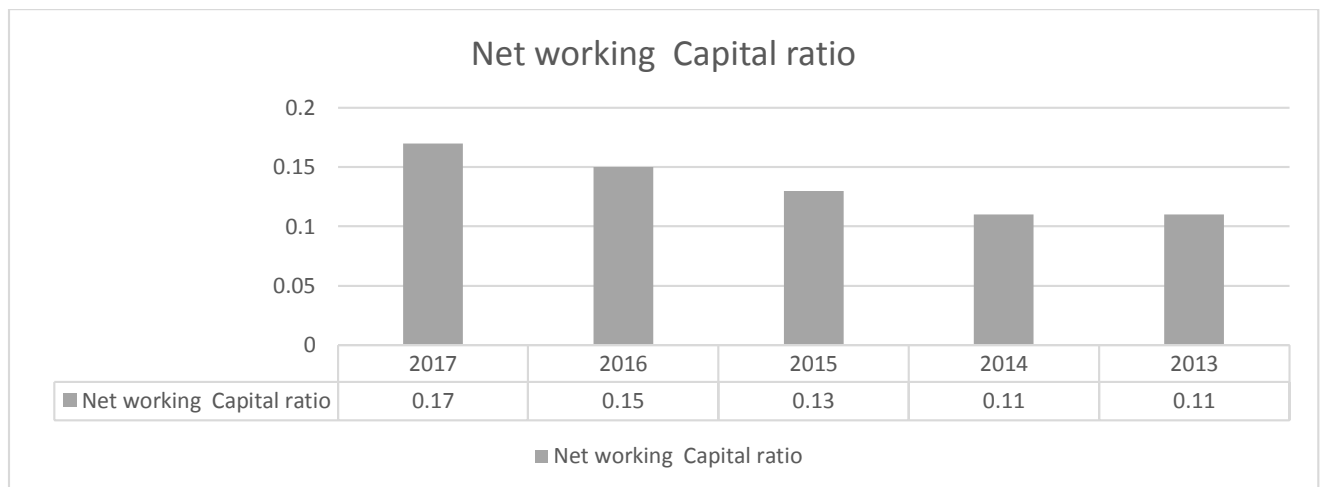
From the above Current Ratio of BKB, it appears that in any of the years the Current Ratio did not meet the standard which is 2:1. So the Current Ratio position of BKB is not good. BKB's current ratio was 0.89:1 in 2013 where the ratio was decreasing every next year. This graph shows that, the current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

ii) Net Working Capital Ratio:

The Disposable salaried Investment fraction of BKB is calculated as follows:

BKB's 2013-2017 Net Working Capital (Amount in BDT):

Particulars	2017	2016	2015	2014	2013
Net Working Capital	37264521843	30830936396	26177931601	21619640349	19286820220
Net Asset	216961364401	209478538321	202863911744	189143846695	171164150349
Net Working Capital Ratio	0.17	0.15	0.13	0.11	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.

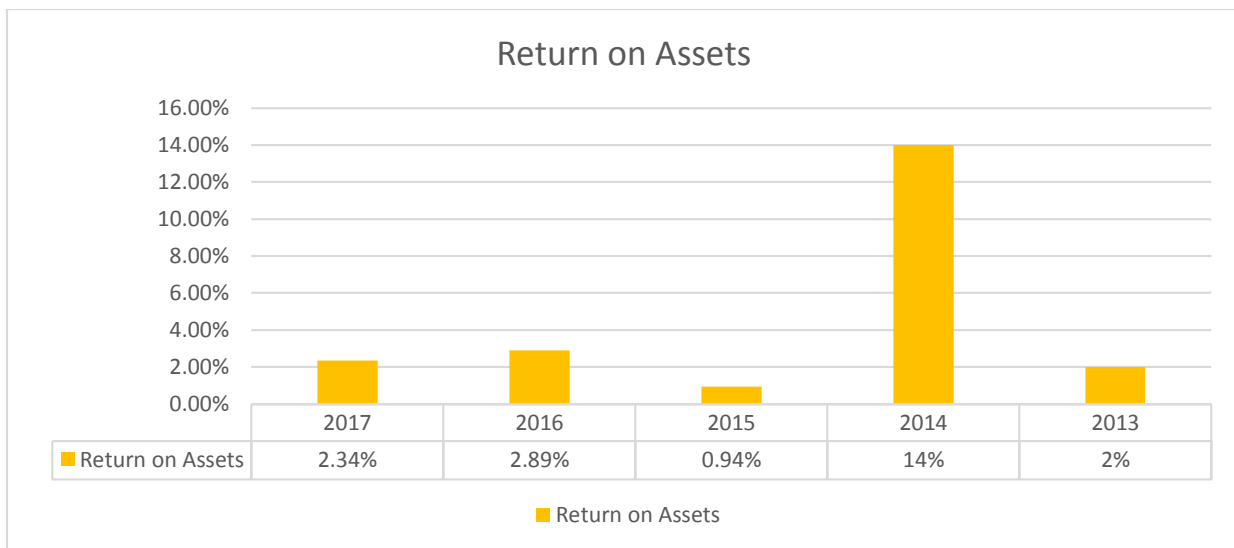
4.3.2 Profitability Ratio:

i. Return on Assets (ROA):

The return on asset ratio of BKB is calculated as follows:

BKB's 2013-2017 ROA (Amount in BDT):

Particulars	2017	2016	2015	2014	2013
Net Profit After tax(BDT in Million)	5658.68	6787.44	2152.54	29910.51	3896.84
Total Asset(BDT in Million)	241255.19	234448.78	229959.89	212922.64	194569.32
Return on Asset	2.34%	2.89%	0.94%	14%	2%



Interpretation:

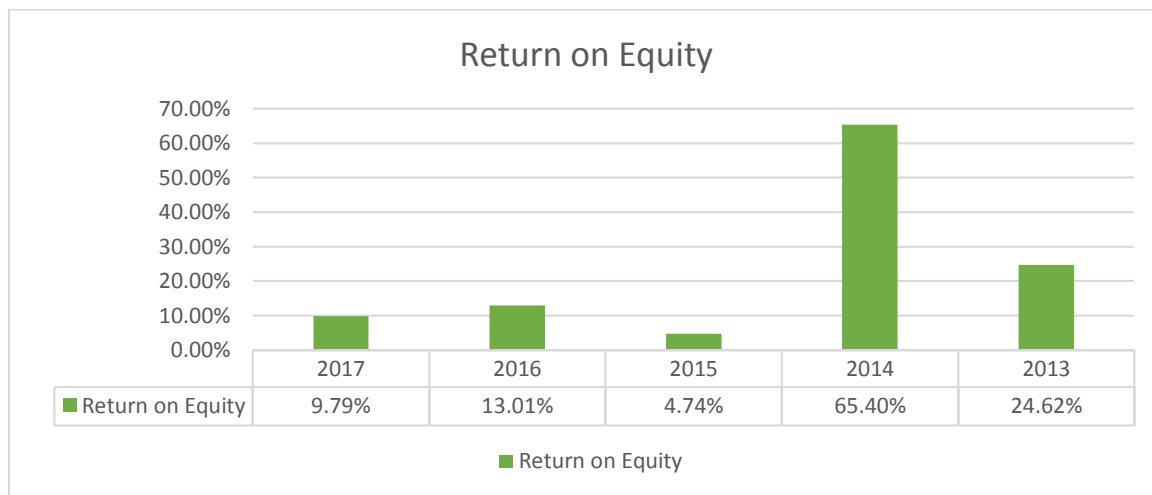
This quotient is premeditated to quantify the return afterwards toll compared to the expense financed in total belongings to determine whether the resources are used correctly or not. Some playwrights consider that the rate of return of total assets from 10% to 12% is a reasonable standard. The ROA of BKB is not in a pleasing locus. In 2014 it was merely 14%, which is sophisticated in 4 years.

ii. Return on Equity (ROE):

The return on equity of BKB is calculated as follows:

BKB's 2013-2017 ROE (Amount in BDT):

Particulars	2017	2016	2015	2014	2013
Net Profit After tax(BDT in Million)	5658.68	6787.44	2152.54	29910.51	3896.84
Total Equity Capital(BDT in Million)	57771.02	52177.76	45390.32	45737.78	15827.13
Return on Equity	9.79%	13.01%	4.74%	65%	24.62%



Interpretation:

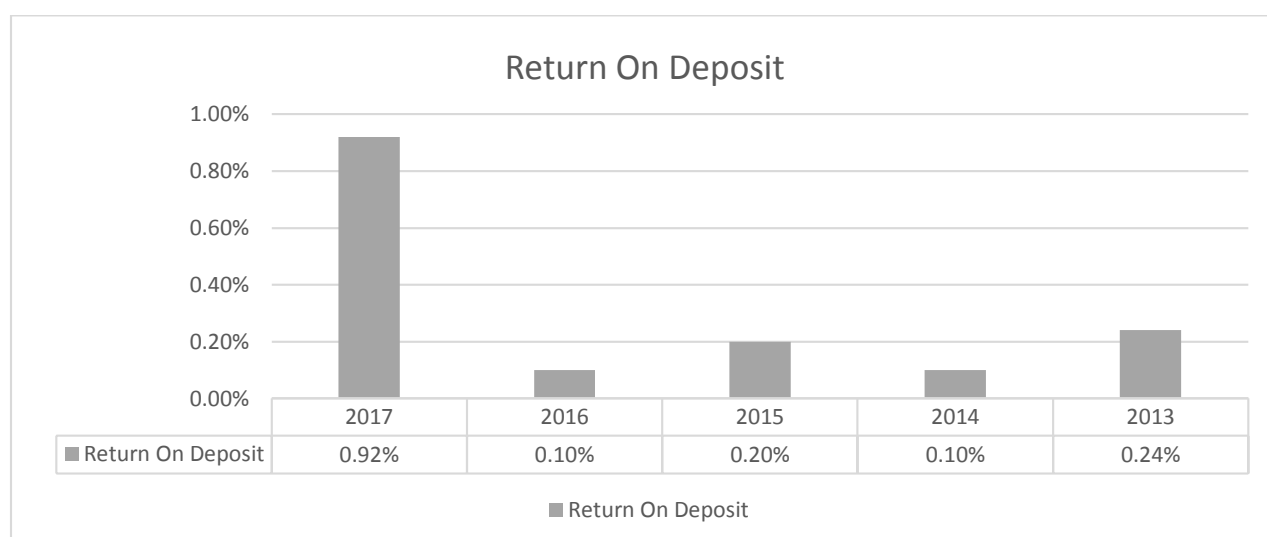
At this time the fraction was 4.74% in 2015. This revenues that every single Tk.1 of collective nominee's justness grossed almost 4.74 Paisa this time. In further confrontations, bond holder aphorism a 4.74 percent departure on their speculation.

iii. Return on Deposit Ratio:

The return on deposit ratio of BKB is calculated as follows:

BKB's 2013-2017 return on deposit (Amount in BDT):

Particulars	2017	2016	2015	2014	2013
Net Interest Income(BDT in Million)	2092.47	211.32	392.36	173.09	369.89
Total Deposit(BDT in Million)	227380.62	211824.32	198912.37	178006.47	154462.13
Return on Deposit	0.92%	0.10%	0.20%	0.10%	0.24%



Interpretation:

This fraction confirms the extent of net income returned as a measurement of total guarantees. Return on deposit processes a conglomerate's cost-effectiveness by tightfitting how much earnings an enterprise harvests with the money hoarders have retained in the bank. It signposts a firm's proficiency in rub in guarantees (liabilities) to clear turnover. Return on deposits was 0.92% in 2017, 0.10% in 2016, 0.20% in 2015, 0.10% in 2014 & 0.24% in 2013

which signposts an extensive intensification in securities and even grander shrinkage in net yield.

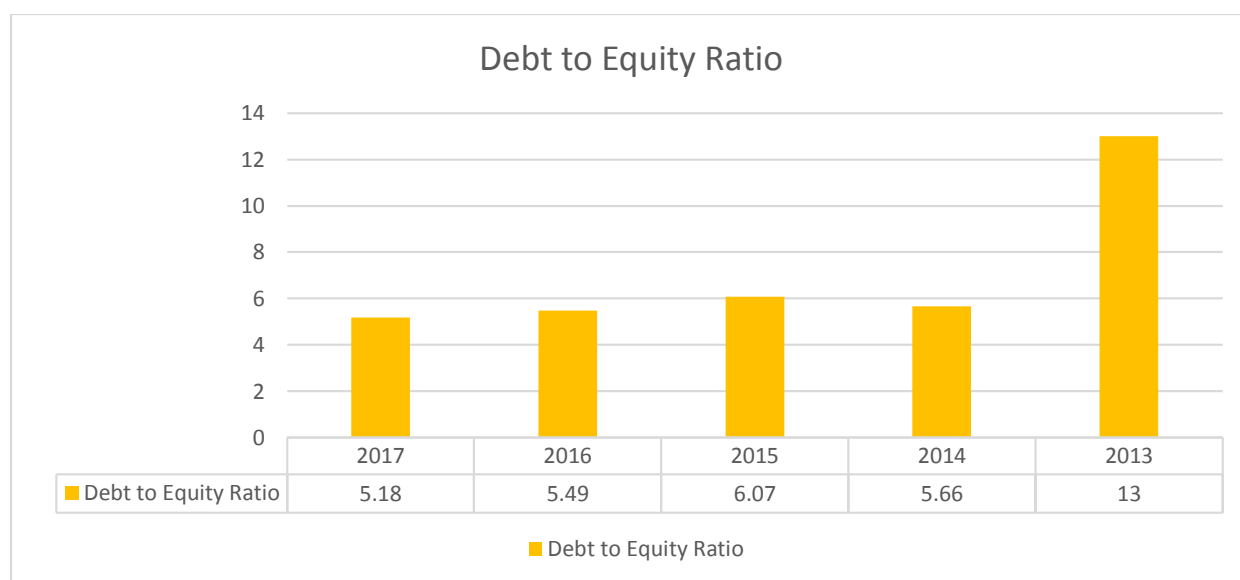
4.3.3 Solvency Ratio:

i) Debt to Equity Ratio:

The debt to equity ratio of BKB is calculated as follows:

BKB's 2013-2017 debt to equity (Amount in BDT):

Particulars	2017	2016	2015	2014	2013
Total Liabilities(BDT in Million)	299026.22	286626.54	275350.22	258660.42	210396.44
Total Equity(BDT in Million)	57771.02	52177.76	45390.32	45737.78	15827.13
Leverage Ratio	5.18 Times	5.49 Times	6.07 Times	5.66 Times	13 Times



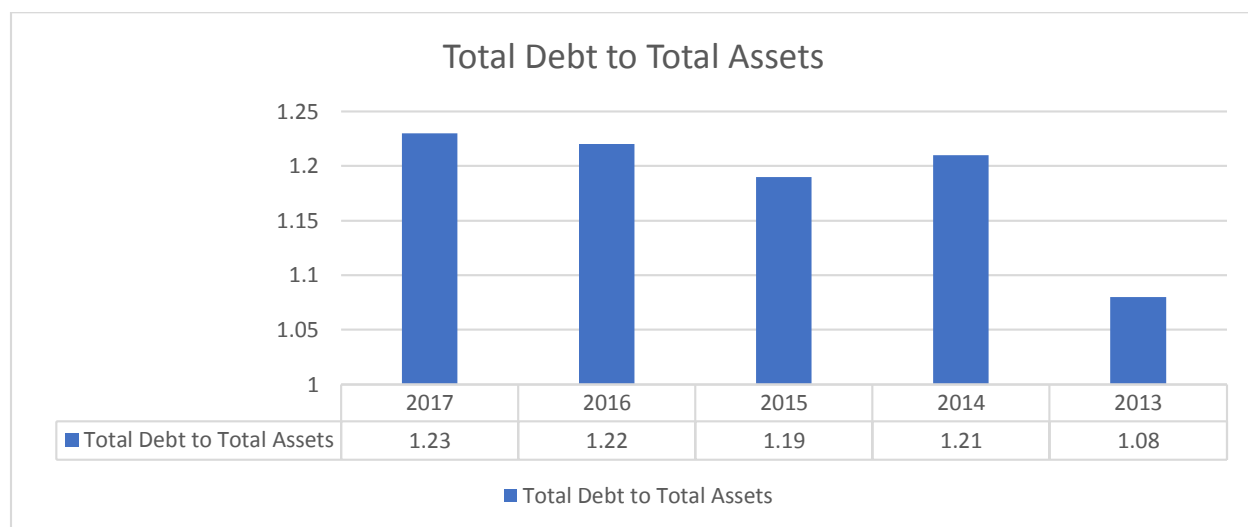
Interpretation:

This ratio appears to have been decreased over the years. Only in 2015 has increased. This signposts that the debt is diminishing at a faster rate than equity. On one occasion, it appearances that they be governed by more on pledges than on justice to cope their monies.

ii) **Total Debt to Total Asset Ratio:** Total debt to total assets ratio of BKB is calculated as follows:

BKB's 2013-2017 total debt to total assets (Amount in BDT):

Particulars	2017	2016	2015	2014	2013
Total Liabilities(BDT in Million)	299026.22	286626.54	275350.22	258660.42	210396.44
Total Assets(BDT in Million)	241255.19	234448.78	229959.89	212922.64	194569.32
Total Debt to Total Asset Ratio	1.23	1.22	1.19	1.12	1.08



Interpretation:

Nevertheless there are insignificant instabilities, Bangladesh Krishi Bank has been intelligent to continue an average debt ratio of 1.21 from 2013 to 2017. Their total asset and their burdens are growing mostly in equivalent assortment. This is virtuous from a threat perception, because difficult influence means basic paychecks. Difficult weight also implies that the bank is

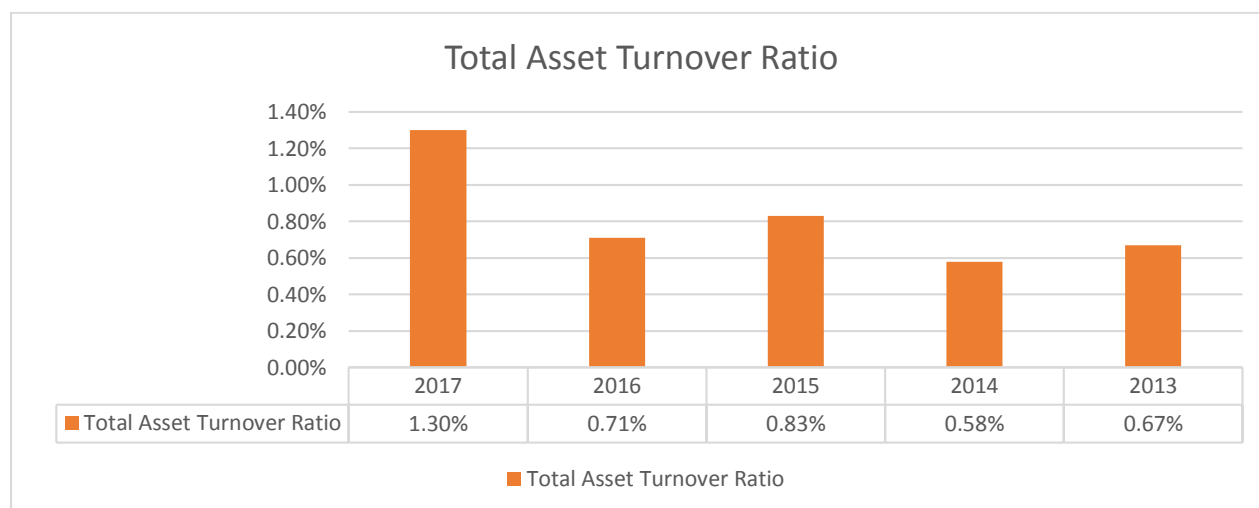
discernable to sophisticated risk. Through upright spells when retributions are high, financial force is advantageous for a panel.

4.3.4 Activity Ratio:

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

BKB's 2013-2017 total asset turnover ratios (Amount in BDT):

Particulars	2017	2016	2015	2014	2013
Total Operating Income(BDT in Million)	3149.14	1662.15	1902.94	1235.69	1297.31
Total Assets(BDT in Million)	241255.19	234448.78	229959.89	212922.64	194569.32
Total Assets Turnover Ratio	1.30%	0.71%	0.83%	0.58%	0.67%



Interpretation:

From the analysis, total asset turnover ratio of Bangladesh Krishi Bank is increased 1.30% in 2017 compare to the rest to year 0.71% in 2016, 0.83% in 2015, 0.58 in 2014 & 0.76% in 2013.

It is good sign for the bank.

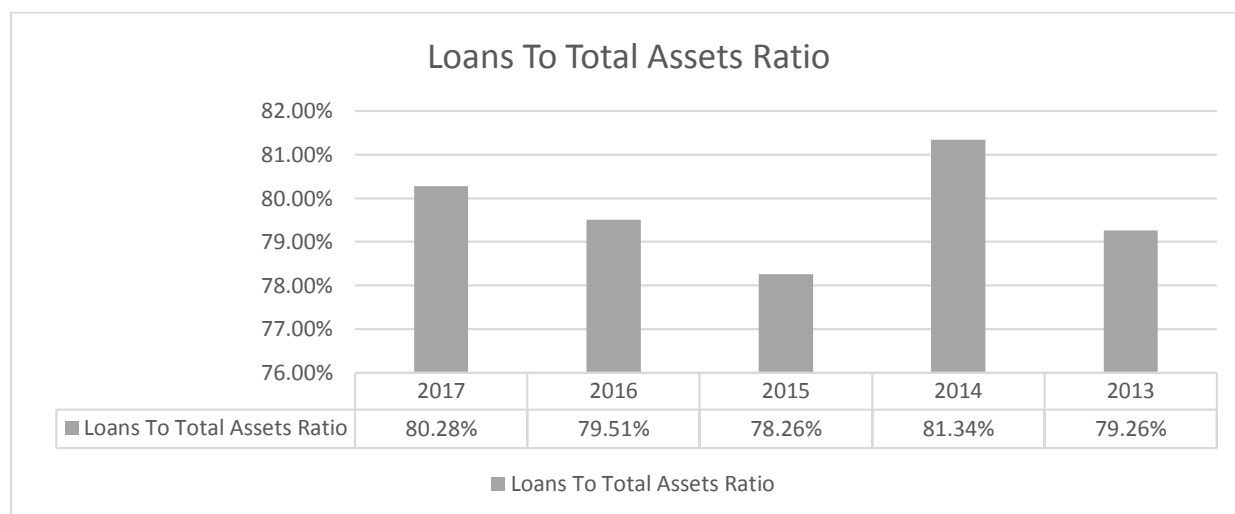
4.3.5 Risk Ratio:

i. Loans to Total Assets Ratio:

The loans to total assets ratio of BKB is calculated as follows:

BKB's 2013-2017 loans to total assets (Amount in BDT):

Particulars	2017	2016	2015	2014	2013
Total Loans(BDT in Core)	19367.26	18642.00	17996.02	17318.97	15421.47
Total Assets(BDT in Core)	241255.19	234448.78	229959.89	212922.64	194569.32
Loans to Total Assets Ratio	80.28%	79.51%	78.26%	81.34%	79.26%



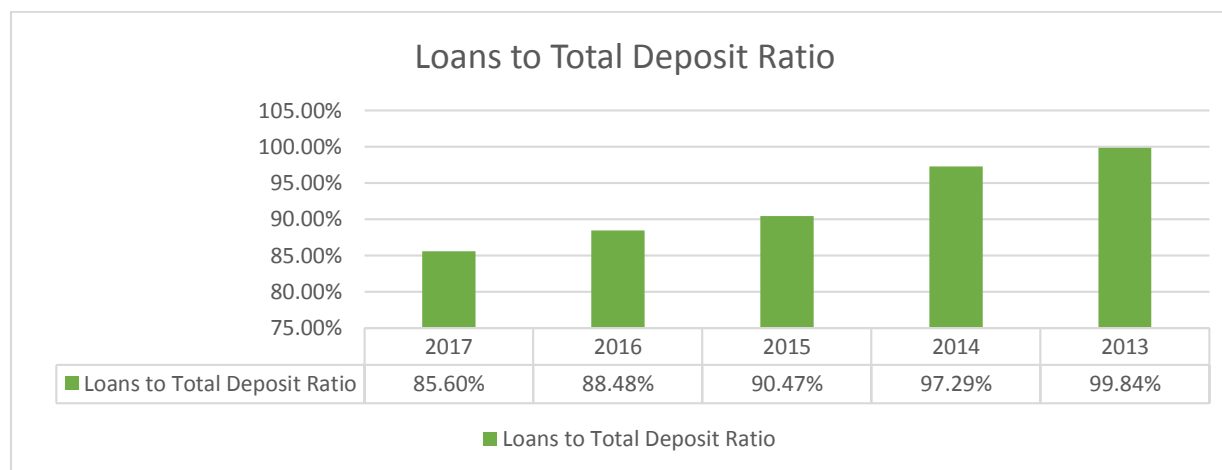
Interpretation: The ratio shows a stable position of the bank in granting loans. It had declined in 2015 (78.26%) from the previous year 2014 (81.34%) and began to increase from 79.51% in 2016 to 80.28% in 2017. This increase in ratio indicates a positive signal for the bank, as it is obtaining greater profits by increasing loans.

ii. Loans to Total Deposit Ratio:

Loans to total deposit ratio of BKB is calculated as follows:

BKB's 2013-2017 loans to total deposit ratio (Amount in BDT):

Particulars	2017	2016	2015	2014	2013
Total Loans(BDT in Core)	19367.26	18642.00	17996.02	17318.97	15421.47
Total Deposit(BDT in Core)	22624.66	21067.66	19891.37	17800.65	15446.21
Loans to Total Deposit Ratio	85.60%	88.48%	90.47%	97.29%	99.84%



Interpretation:

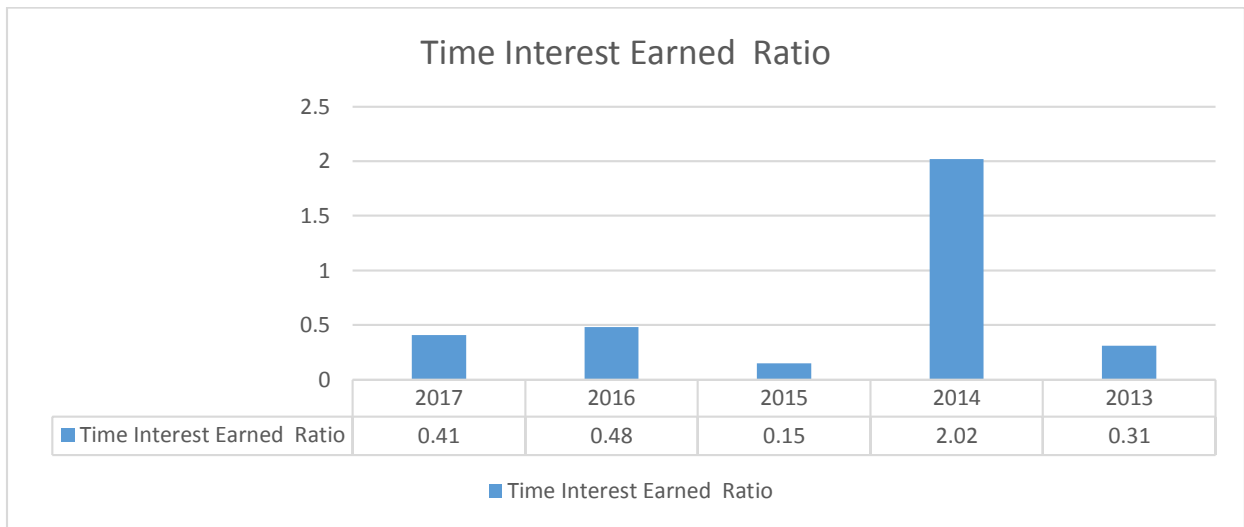
This diagram illustrates that the loans to total extraction ratio of Bangladesh Krishi Bank is decreased year by year. It presents 85.60% in 2017, 88.48% in 2016, 91.15% in 2015, 97.29% in 2014 & 99.84% in 2013.

4.3.6 Time Interest Earned Ratio

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

BKB's 2013-2017 time interest earned (Amount in BDT):

Particulars	2017	2016	2015	2014	2013
EBIT(BDT in Million)	5658.68	6787.44	2146.83	29910.5	3869.84
Interest Expense(BDT in Million)	13604.78	14206.77	14291.64	14773.7	12950.3
Time Interest Earned Ratio	0.41	0.48	0.15	2.02	0.31



Interpretation:

From the above inquiry time interest earned ratio on BKB's was not satisfying. It was dwindled in 2017 (0.41) but increased in 2016 (0.48) and again decline in 2015 (0.15). But in 2014 the time interest earned ratio was maximum and it was 2.02. For this reason, it is not virtuous badge for the bank.

Chapter - 5

Findings, Recommendations & Conclusion

5.1 Findings:

The key capacities which influence an organizations fluidness and efficiency are total assets, total liabilities, owner's equity, current ratio, debt to equity ratio and ROA. Be that as it may, different proportions are additionally significant since them likewise measure organization's exhibition. In view of the budgetary presentation examination, both affirmative and damaging discoveries can be watched. Generally speaking finding that we experiment from overhead proportion investigation of BKB are expressed beneath:

5.1.1 Horizontal Analysis:

- i. **Net Interest Income:** All over the place is a snowballing inclination in the deviations of disposable concentration earnings. But in 2017, the changes in remaining concern proceeds were enlarged 89.90% linked to 2016. Consequently, in every single time company's over-all net interest proceeds is emergent which front-runners to sale are suitable.
- ii. **Operating Expenditure:** Total growths of operating expenditure of BKB were increased (BDT 1163525661) in 2017 than the year of 2015 and 2014. That's not a good sign of this company.
- iii. **Net Profit after tax:** The average Profit after Tax BDT 1128754345 of BKB was decreasing in 2017 than in 2016.
- iv. **Total Assets:** The total growths of total assets of BKB were increased and the condition of total assets of this company is quite good.
- v. **Total Liabilities:** This Company's total liabilities are increasing and that percentage is 4.33%, which varieties their imparting proficiency is tolerable.
- vi. **Owner' Impartiality:** There substantial fluctuations have befallen in owner's justness in every one time that was swelling trend.

5.1.2 Common-size Analysis:

Communal-dimension returns proclamation: In this breakdown all of measurements of the proceeds announcement items are growing year by year. The net interest returns was improved than the aforementioned eons.

Common-size balance sheet: In this analysis shows that total liabilities have increased, as well as the owners' equity, where total liabilities are 123.94% in 2017, 122.25% in 2016, 119.74% in 2015, 121.48% in 2014 & 108.13% in 2013 which indicates that it has more debt financing than equity.

5.1.3 Financial Ratio Analysis:

a. **Liquidity Ratio:** The liquidity ratio of BKB is not so good. Here **Current Ratio** did not meet the standard which is 2:1. So the Current Ratio position 0.88:1 in 2017 of BKB is not good. And lower current ratio doesn't mean negative all the time. It may demonstrate encouraging insignia also. The **Net Working capital ratio** is also comparatively bad (0.17) in 2017 than the previous years.

b. **Profitability Ratios:**

- **Return on Resources** appearances accumulative inclinations, which is anticipated. But in the last year it was marginally declined which was 2.34%.
- **Return on Equity** shows increasing trends. But in last year it was slightly reduced which was 9.79%. It was not bad for the company.
- **Return on Deposit** there is an increasing trend which is good for the bank. In 2017 the highest ROD was happened and it was 0.92%.

c. **Solvency Ratio:**

- **Debt to equity ratio** in 2013 (13 times) was higher than 2014 (5.66 times), 2015 (6.07 times), 2016 (5.49 times) and 2017 (5.18 times).
- **Total debt to total assets ratio** in 2017 (1.23) was higher than 2016 (1.22), 2015 (1.19), 2014 (1.21) & 2013 (1.08).

d. **Activity Ratios:**

- **Total assets turnover ratio** in 2017 (1.30%) was higher than 2016 (0.71%), 2015 (0.83%), 2014 (0.58%) & 2013 (0.67%).

e. **Risk Ratio:**

- **Loans to total asset ratio** in 2014 (81.28%) was higher than 2017(80.28%), 2016 (79.51%), 2015 (78.26%) & 2013 (79.26%). The ratios show a stable position of the bank in granting loans.
- **Loans to total deposit ratio** in 2013 (99.84%) was higher than 2017(85.60%), 2016 (88.48%), 2015 (85.60%) & 2014 (97.29%) which indicates that bank is giving loans continuously and assessing credit worthiness so that there is ongoing funds crisis.

f. **Time interest earned ratio:**

In 2014 (2.02) was higher than 2013 (0.31), 2015 (0.15), 2016 (0.41) and 2017 (0.41).

5.2 Recommendations:

This explosion is primed based on the financial performance analysis of Bangladesh Krishi Bank. The explosion pursued to provide details on financial performance. When formulating the report, it is unstated that pecuniary concert is not a simple matter, but that they are the parents of any analysis of a bank. During my internship period, it became easy to escalate every part of this section. However, it will applaud some problems that will be useful for the functioning of the financial and overall performance.

- BKB should increase operational efficiency by dropping cost, surplus, improving operational and supervision performance.
- BKB should increase current asset and decrease current liabilities for smoothly operating their banking activities. For occurrence if the owner makes an additional venture of the bank, the bank's total current assets will increase but there is no increase in its current liabilities.
- BKB should decrease operating overheads by dipping cost of espousal technology and sourcing, acclimating their phones to a cloud-based system. Bank should repetitively review, measure and heighten their advertisement spend.
- BKB should take necessary steps to increase their net income.
- As BKB has the lower rate of deposit amount, they can use marketing strategies to increase deposits. For instance they can use multiple marketing channels to reach their anticipated interview and also can create an effective mobile manifestation.
- BKB should control the debtor's collection period which is most important part of current assets.
- The bank should make a team for taking collection of payment.
- BKB have to cope their assets carefully so that they can complete determined assistance from the speculation and intensification the return on quality ratio by accumulative net proceeds.
- BKB should built separate loan recovery division.

5.3 Conclusion:

There are various National Commercial Banks (NCBs), Homegrown Private Marketable Arrays (PCBs), Overseas Panels and Dedicated Banks working their exercises in Bangladesh. The Krishi Bank is an administration possessed Dedicated Bank. BKB is been made to meet the credit needs of the farming segment. The adventure of BKB has begun in Bangladesh in the year 1973. Since initiation, Bangladesh Krishi Bank (BKB) has been execution a significant administration in the improvement of economy of Bangladesh Particularly rustic economy. Bangladesh Krishi Bank (BKB) constantly attempted its level best to perform monetarily well. Despite attempting to do well in certain angles Bangladesh Krishi Bank confronted some monetary issues every now and then. 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 on. These issues stimulate time to time because of monetary log jam, financing cost variance, developing capital market, swelling in the currency advertise etc. Battling with every one of these issues and rivaling dissimilar series each minute. The bank is struggling to expand to unsurpassed. In the event that this things proceeds with us trust that Bangladesh Krishi Bank will grow considerable more later on.

5.4 References:

- ❖ Annual Report of Bangladesh Krishi Bank 2013 to 2017.
- ❖ 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.
- ❖ Brigham, E. F., & Houston, J. F. (2011), Fundamentals of Financial Management, 10th Edition, Ohio, USA: Thomson South Western.
- ❖ www.investopedia.com
- ❖ <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>.