



Financial Performance Analysis of Standard Bank Limited.

Submitted to:

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Submitted by:

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Letter of Transmittal

Date: 25/12/2021

To,

Md. Arif Hassan

Assistant Professor

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

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

Dear Sir,

As part of my BBA degree, I am pleased to present my internship report on "**Financial Performance Analysis of Standard Bank Limited.**" The internship program was a fantastic experience since it gave me extensive exposure to professional skills and the working environment. I wrote the whole report based on Standard Bank's financial performance from 2016 to 2020. I tried to acquire all of the relevant information in order to complete the report as planned. I'd want to thank you for taking the time to read my report.

Therefore, I hope that you will appreciate my effort and I shall be grateful if my report is accepted for the appropriate purpose.

Sincerely Yours,



Sazzad Howlader

ID: 181-11-5828

BBA Program

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Declaration

Here, I declared that the report " **Financial Performance Analysis of Standard Bank Limited**" is prepared after I finished all of my Md. Arif Hassan Assistant Professor Department of Business Administration Faculty of Business and Entrepreneurship Daffodil International University. With the exception of the books and online pages included in the references section, I prepared this report entirely on my own. I also guarantee that the study mentioned in this short-term role is original, and that are not submitted to any other institution or foundation for any degree, grant, or other cause. There are no copyright issues in the information I've presented. As a result, I accept the University's reimbursement of any misrepresentation incurred as a result of my failure to do so, with no obligation on my behalf.



Sazzad Howlader

ID: 181-11-5828

BBA Program

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Letter of Acceptance

This is to declare that **Sazzad Howlader, ID: 181-11-5828** is a student of Daffodil International University. He has prepared his internship report entitled “**Financial Performance Analysis of Standard Bank Limited**” under my supervision. The data and findings presented in this internship report seem to be authentic. Thus, it is accepted for the presentation in the internship defense.

I wish him every success in life.



Md. Arif Hassan

Associate Head & Assistant Professor
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

Acknowledgement

The involvement of a large number of persons to the effective completion of this project task is the result. I would like to express my gratitude to those who have provided the time and effort to share their thoughts and suggestions in order to help me prepare the report and better understand the Financial Performance of Standard Bank, as well as to assist me in collecting information in order to conduct an analysis of Standard Bank LTD's financial condition. First and foremost, I would want to express my sincere appreciation to Almighty for providing me with the strength and serenity necessary to complete the report within the time frame set forth in the contract.

I would like to express my gratitude to my academic supervisor, Mr. Md. Arif Hassan, Assistant Professor at Daffodil International University, for providing me with all of the necessary information for the completion of this study. It was tough to finish my paper without his constant supervision.

I would like to express my heartfelt thanks to all of the employees at Standard Bank Limited for their assistance in completing my internship requirements. Lastly, I'd want to express my heartfelt gratitude to those corporate executives who worked tirelessly to ensure that my Internship Report was completed successfully. I am grateful to the persons listed above for their assistance with each stage of the process of successfully authoring my research.

Executive summary

A brief overview of the financial results of Standard Bank Limited from the years 2016 to 2020 is presented in the paper. A vertical balance sheet and income statement was generated from Standard Bank Limited 's balance sheets and income statements. Both figures are grouped by total assets in the vertical balance sheet and presented as a percentage. Both figures are separated by revenue in the vertical income statements and expressed as a percentage, including averages and standard deviations. A particular technique is used to generate the horizontal balance sheets and financial statements.

This report has organized in five chapters. In this report introduction part has been discussed in chapter one. Introduction of the study, background, origin, objective, methodology and limitations of the study are discussed in chapter one.

In the second chapter over view of Standard Banks Limited been discussed. This chapter contains company's background, mission, vision, values, products services and business. Third chapter includes theoretical knowledge, financial tools, measurement techniques and the application of financial performance.

Fourth chapter is very significant part of the report, which comprises financial performance analysis. It includes the performance of trend analysis (revenue, operating profit, profit after tax, total assets, and liabilities), common size income statement and ratio analysis (Liquidity, Activity, Debt, Profitability). From the analysis the result is quite satisfactory. And made some findings based on analysis.

Finally, in the last or five chapters some suggestions provide for improvement in financial performance. And over all conclusions is given in this chapter.

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Chapter – 01

Introduction

1.1. Background of the study

Internship is required to finish my BBA degree at Daffodil International University (DIU). So, in order to complete my graduation, I've been looking for an internship opportunity, and happily, I've got one. Throughout my internship, I am attempting to compare my theoretical and practical knowledge. This internship program has provided me with the chance to learn about a professional corporate environment while also allowing me to use current office management tools and software. Following the completion of my internship, I will be required to write a report based on my internship experience. So the major goals of my report are to discuss my internship experience with my supervisor as well as to complete a graduate program requirement.

1.2. Scope of the study

The report gives a significant deal of information of Standard Bank Limited's financial performance. While working on the annual reports of Standard Bank Limited, I analyzed the financial statements of the bank as well as a number of elements from the current research. It is made up of my observations and work experiences during the time I was doing the internship. This report includes information on the financial condition of the bank as well as numerous parts of the bank's ratio analysis.

1.3. Objectives of the study

The primary objective of this study is to provide an analysis of Standard Bank Limited's financial performance in order to fulfill the requirements of the BBA program. The report's objectives are summarized in the following way-

- To gather the knowledge about the financial performance tools to analyze the financial performance of Standard Bank Limited.
- To assess the bank's financial effectiveness and weakness.
- To understand the financial performance of Standard Bank Limited.
- To find out some lacking, short comings related to financial issues.
- To provide some suggestion based on findings.

1.4. Methodology of the study

There are many sections in this report that are descriptive in nature, and they include an overview of the financial performance of Standard Bank Limited, as well as the bank's mission, vision, and product. In addition, we gather the annual report of the bank for the previous 05 years for study. The fundamental technique for data analysis is the ratio analysis. Using Microsoft Excel, we can

compute a variety of financial ratios that may provide us with an accurate picture of the financial health of a company or organization.

1.4.1 Nature of Data

The secondary data is used to complete the report (05 years annual report of Standard Bank Limited).

1.4.2 Sources of Data

The bank's annual report serves as the primary source of secondary data.

1.5. Limitation of the Study

Despite the bank's full assistance, I've experienced a few difficulties that are described in detail below.

Time limitation: My internship program has a three-month time constraint. Bangladesh's banking sector and Jamuna Bank Limited's performance may be learned in a short period of time.

The lack of information: Any high-quality resource must start with accurate data and information. It was quite tough for me to gather qualitative data throughout my time as a volunteer.

The policy of non-disclosure: Because of its policy of secrecy, an organization is unable to provide all of its data and statistics to the public. Because of this, the report's acceptability might be lowered as a result of the omission of sensitive information.

Lack of experiences: First time I've done a proper research project. I believe that prior research paper writing expertise was beneficial to me throughout my study project.

Chapter – 02

Organization Overview

2.1 Background History

As a public limited company, Standard Bank Limited (SBL) was established on May 11, 1999, in accordance with the Companies Act, 1994. By June 3, 1999, the Bank had made adequate progress in its commercial activities and was declared to be in good standing. In the area of credit and deposit schemes, SBL has launched a number of new products. Corporate and retail banking are also included in this definition. A fund relationship with other banks was also undertaken by the bank. Standard Bank Limited has made a beneficial contribution to the market via all of its many operations.

2.2 Vision

- Its vision is to be a modern bank dedicated to the development of a solid national economy while also making substantial contributions to the public coffers.

2.3 Company Mission

To be the most efficient and profitable private commercial bank in Bangladesh in terms of efficiency, capital sufficiency, asset quality, sound management, and profit.

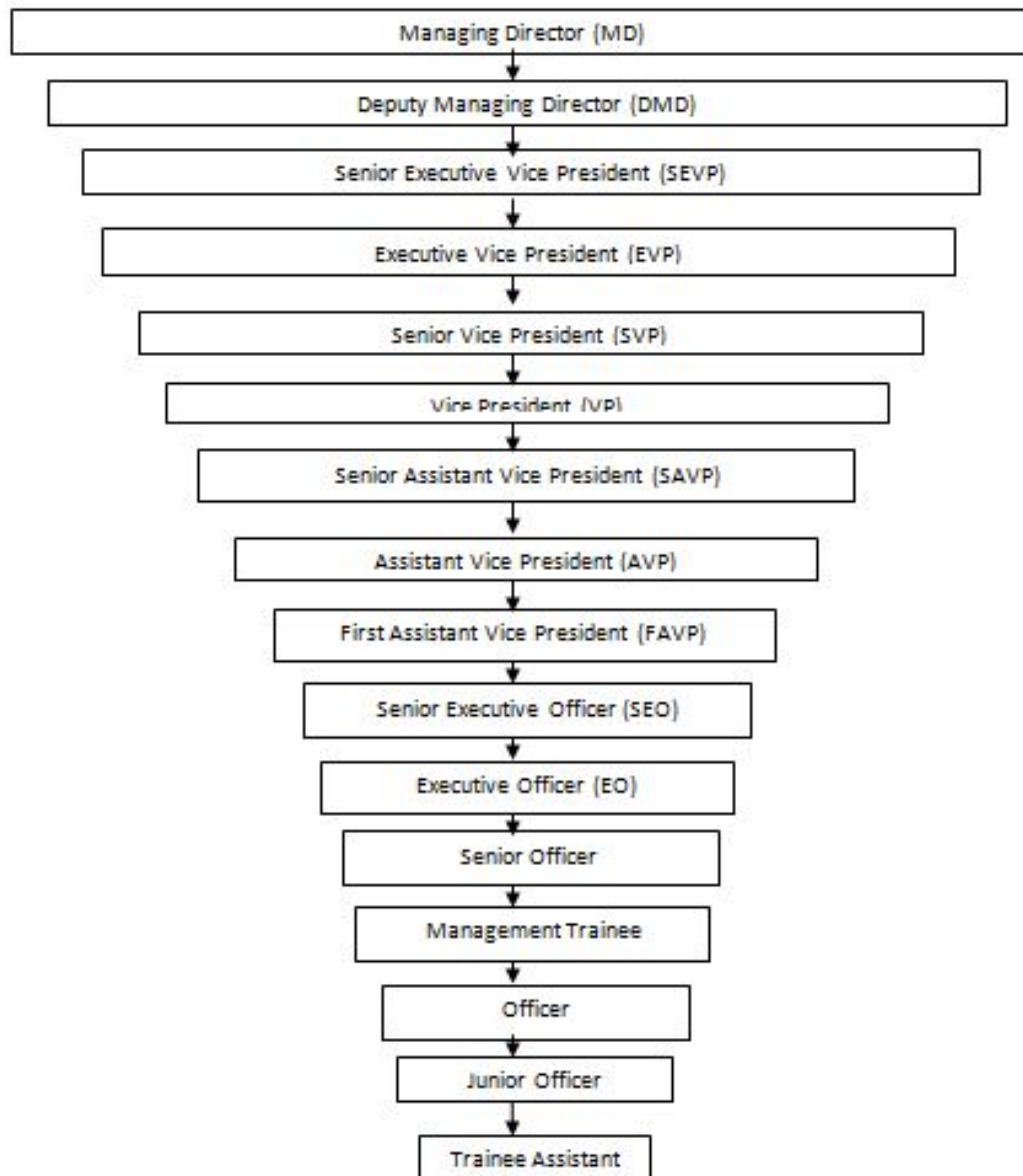
2.4 Objectives of the Bank

- To attract prospective consumers by offering high-quality products and services.
- To meet the financial needs of its corporate clients by offering a full range of financial services to national and global corporations. To serve as a medium of exchange.
- To make a contribution to the gross domestic product.
- Ensure that the deposit composition is adequate.
- To assist in the expansion of entrepreneurship.
- To contribute to the acceleration of economic development.
- In order to make a profit.
- Increase the diversity of the loan portfolio and the geographic scope of the loan portfolio.
- To contribute to the solution of the unemployment crisis.
- The Bank has already incorporated technology advancements into all of its operations.

2.5 Major Operations of the Bank

- 1) General Banking
- 2) Loan and advance Banking
- 3) Foreign Exchange Banking

2.6 Organogram



Chapter – 03

Theoretical Background

3.1 About Financial Analysis

Financial analysis evaluates the viability of organizations, projects, budgets, and other financial operations. Financial analysis is often used to assess a company's stability, liquidity, and profitability. In addition to assessing economic trends, financial analysts also develop long-term corporate strategy and evaluate investment opportunities. This is achieved by merging financial data. A financial analyst will thoroughly examine a company's income, balance, and cash flow statements. Financial analysis is used in both business and investment finance. One common approach of assessing financial data is to construct ratios and compare them to other companies' or the company's own past performance.

3.2 Financial Analysis Tools

A financial analysis tool is a technique to evaluate and analyse financial information for objectives such as planning, investing, and performance. Common size statements (vertical analysis), comparative financial statements (comparison of financial statements), and ratio analysis are some of the most often used financial techniques. It is possible to get quantitative solutions using a variety of analytical techniques—and sometimes simple rules of thumb—when dealing with a financial problem or understanding the financial ramifications and economic trade-offs involved in company investment, operations, or financing choices. Clearly, choosing the right instrument among a variety of options is an important part of the process.

The common financial analysis tools are:

- i. Horizontal Analysis
- ii. Vertical Analysis
- iii. Ratio Analysis

3.2.1 Horizontal Analysis

A technique used in financial statement analysis to analyze historical data, such as ratios or line items, across a number of accounting periods is known as horizontal analysis (also known as cross-tabulation). Horizontal analysis can be performed using either absolute comparisons or percentage comparisons, in which case the numbers in each succeeding period are expressed as a percentage

of the amount in the baseline year, with the baseline amount being listed as 100 percent in the beginning of the analysis. This is referred to as a base-year analysis in certain circles.

3.2.2 Vertical Analysis

Vertical analysis is a type of financial statement analysis in which each line item is reported as a percentage of a base number inside the statement. Consequently, line items on an income statement can be expressed as a percentage of gross sales, whereas line items on a balance sheet can be expressed as a percentage of total assets or liabilities, and vertical analysis of a cash flow statement shows each cash inflow or outflow as a percentage of the total cash inflows or outflows.

3.2.3 Ratio Analysis

Financial ratios are intended to provide a meaningful connection between the various variables in a financial statement. The risk-to-return connection of several firms of differing sizes may be compared using the risk-to-return ratio. A ratio may be used to create a profile of a firm, encompassing its economic qualities, competitive strategies, and distinguishing operational, financial, and investment traits, among other things. Changes in a ratio and variability over time may be more meaningful than the quantity at any one point in time, given the differences within sectors, as well as the influence of differing capital structures and accounting and reporting procedures. The following are some of the many different kinds of ratios that are utilized in the financial industry:

- Liquidity Ratio
- Activity Ratio
- Debt Ratio
- Profitability Ratio
- Market Ratio

3.2.3.1 Liquidity Ratio

A bank's capacity to meet debt obligations as well as its margin of safety are measured by the computation of liquidity ratios, which include the current ratio, quick ratio.

Current Ratio:

The current ratio, also known as the working capital ratio, shows how well a company is able to pay its short-term debts that are due within the year.

Formula of Current Ratio:

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

Quick Ratio:

The Quick Ratio, also known as the Acid-test or Liquidity ratio, is a way to see how well a business can pay its short-term debts by having assets that can be easily turned into cash.

Quick Ratio = [Cash & equivalents + marketable securities + accounts receivable] / Current liabilities.

3.2.3.2 Activity Ratio:

When we talk about activity ratios, we're talking about the sort of financial ratios that a business uses to assess how efficiently it is able to utilize the various operational assets that are present on its balance sheet and turn them into sales or cash.

Using fixed assets, inventory, and accounts receivables, activity ratios may be used to evaluate a company's operational efficiency and efficiency of operations. It not only communicates a company's financial health, but it also reveals how well the balance sheet components are being used by the company, this encompasses two ratios. Mentioned below are these:

- i. Fixed Assets Turnover.
- ii. Total Asset Turnover

Asset Turnover Ratio = Net Income/ Total Asset.

3.2.3.3 Debt Ratio:

The debt ratio is a financial measurement that determines how much leverage a bank has. The debt ratio is defined as the decimal or percentage ratio of total debt to total assets. It refers to the percentage of a company's assets that are funded by debt. A ratio larger than one indicates that assets are funding a significant percentage of a firm's debt, implying that the organization has more liabilities than assets. A high ratio suggests that if interest rates unexpectedly increase, a firm may be at danger of defaulting on its debts. A lower ratio indicates that equity funds a larger part of a company's assets.

Debt Ratio = Total Debt / Total Asset.

3.2.3.4 Profitability Ratio:

Analysts and investors use profitability ratios to assess and evaluate a company's capacity to create income (profit) in relation to sales, balance sheet assets, operational expenses, and shareholders' equity over a certain period of time. They demonstrate how well a firm uses its assets to generate profit and value for its owners.

Most businesses strive for a greater ratio or value since it indicates that the firm is operating well in terms of sales, profitability, and cash flow. When analyzing the ratios, they are most beneficial when compared to comparable firms or earlier eras. Below are some of the most widely used profitability ratios.

Gross Profit Margin: The gross margin ratio is the proportion of a company's gross profit to its sales. It's a profitability ratio that determines how much of a company's revenue is transformed into gross profit (i.e., revenue less cost of goods sold). The better is a bigger gross profit margin (that is, the lower the relative cost of merchandise sold). The gross profit margin is calculated as follows

$$\text{Gross Profit Margin} = (\text{Net Sales} - \text{COGS}) / \text{Net Sales}$$

Operating Profit Margin: The operating margin is the amount of profit a firm earns on a dollar of sales after deducting variable production expenses such as salaries and raw materials but before deducting interest and tax. It is computed by dividing an organization's operational revenue by its net sales. Higher ratios are typically better, indicating that the company's operations are efficient and that it is effective at converting revenues into profits.

$$\text{Operating Profit Margin} = \text{Operating Profit} / \text{Net Sales}$$

Return on Total Assets (ROA): The ratio of yearly net income to average total assets of a company during a financial year is known as return on assets. It assesses a company's ability to create net income by maximizing the use of its assets. It's a profit-to-cost ratio. It is beneficial for the firm to have a higher Return on Total Assets. The following is how the return on total assets is computed.

$$\text{Return on Asset} = \text{Net Income} / \text{Total Asset}$$

Return on Total Equity (ROE): The return on equity ratio is a financial metric that assesses a company's ability to create profits from its shareholders' investments. This profit helps to determine how successful a firm is at utilising equity investment to conduct its day-to-day operations.

Individuals may determine how much post-tax revenue is left in a company's reserve by calculating its ROE. The net income may then be compared to the total shareholder equity as shown on the balance sheet.

Return on equity = Net income / Average shareholder's equity.

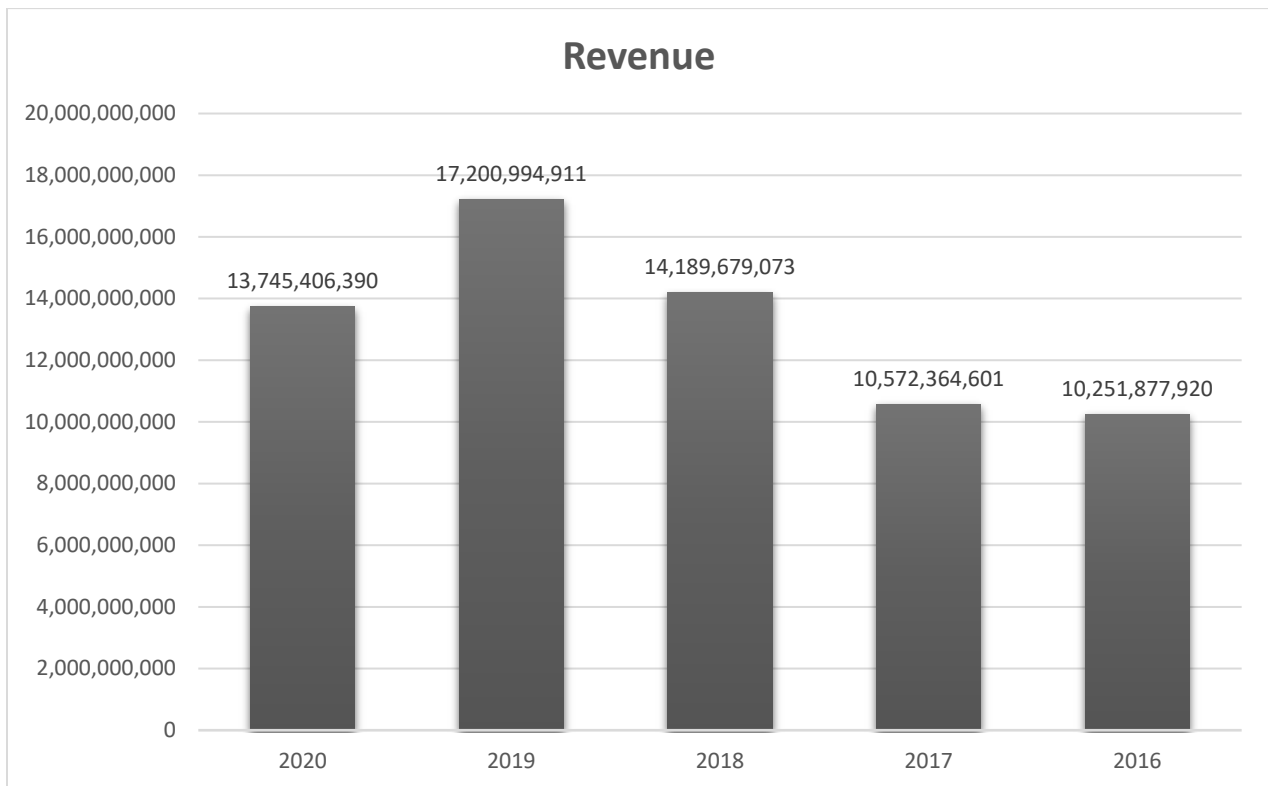
Chapter – 04

Financial Analysis

4.1 Horizontal Analysis (Trend Analysis) of Standard Bank

4.1.1 Revenue

Particulars	2020	2019	2018	2017	2016
Revenue	13,745,406,390	17,200,994,911	14,189,679,073	10,572,364,601	10,251,877,920
Increase or decrease	-3,455,588,521	3,011,315,838	3,617,314,472	320,486,681	



Interpretation:

From the graph it is seen that the revenue of Standard bank is increasing every year. According to the above information, significant changes in revenue have happened in each year. Because 2016 is the base year in this case, the revenue changes have been increased from 2017 to 2020. In 2019 the bank generates highest revenue compared to other year but in 2020 the revenue of the bank is declined compared to 2019, and the amount of decreased revenue is 3,455,588,521.

4.1.2 Operating Profit

Particulars	2020	2019	2018	2017	2016
Operating Profit	7,800,155,659	7,754,432,408	7,144,331,424	6,516,474,540	6,060,923,538
Increase or decrease	45,723,251	610,100,984	627,856,884	455,551,002	

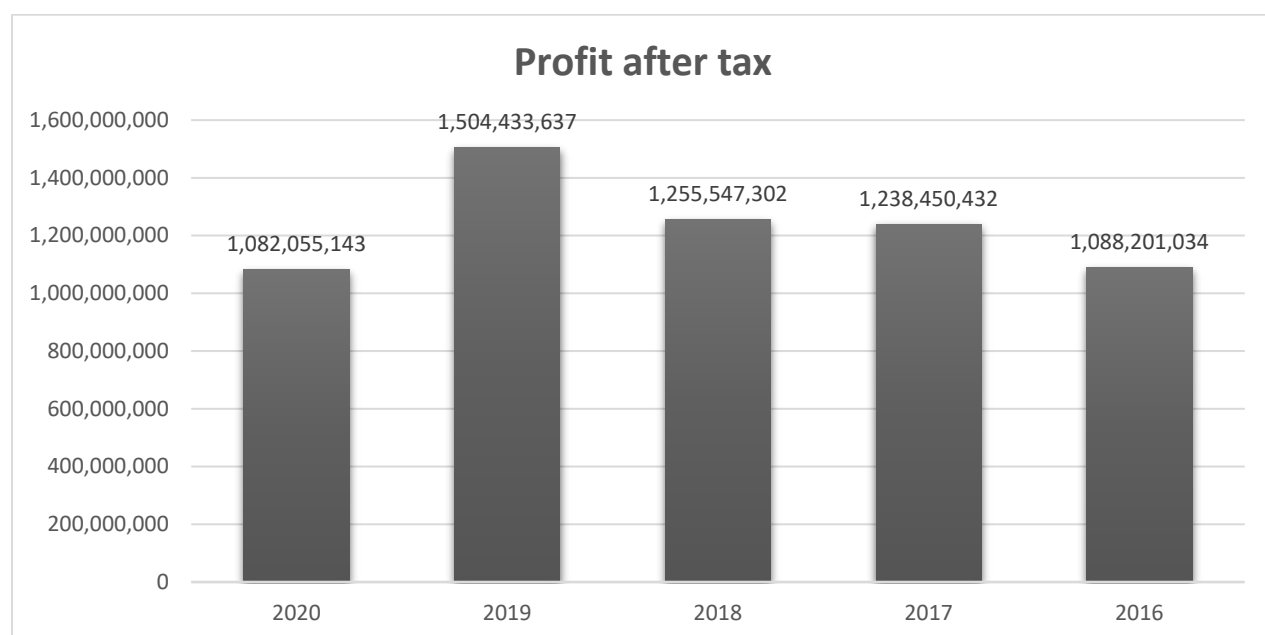


Interpretation:

From the graph it is seen that the Operating Profit of Standard bank is increasing every year. According to the above information, significant changes in Operating Profit have happened in each year. Because 2016 is the base year in this case, the Operating Profit changes have been increased from 2017 to 2020. In 2019 and 2020 the bank generates highest Operating Profit compared to other year.

4.1.3 Profit after tax

Particulars	2020	2019	2018	2017	2016
Profit after tax	1,082,055,143	1,504,433,637	1,255,547,302	1,238,450,432	1,088,201,034
Increase or decrease	-422,378,494	248,886,335	17,096,870	150,249,398	

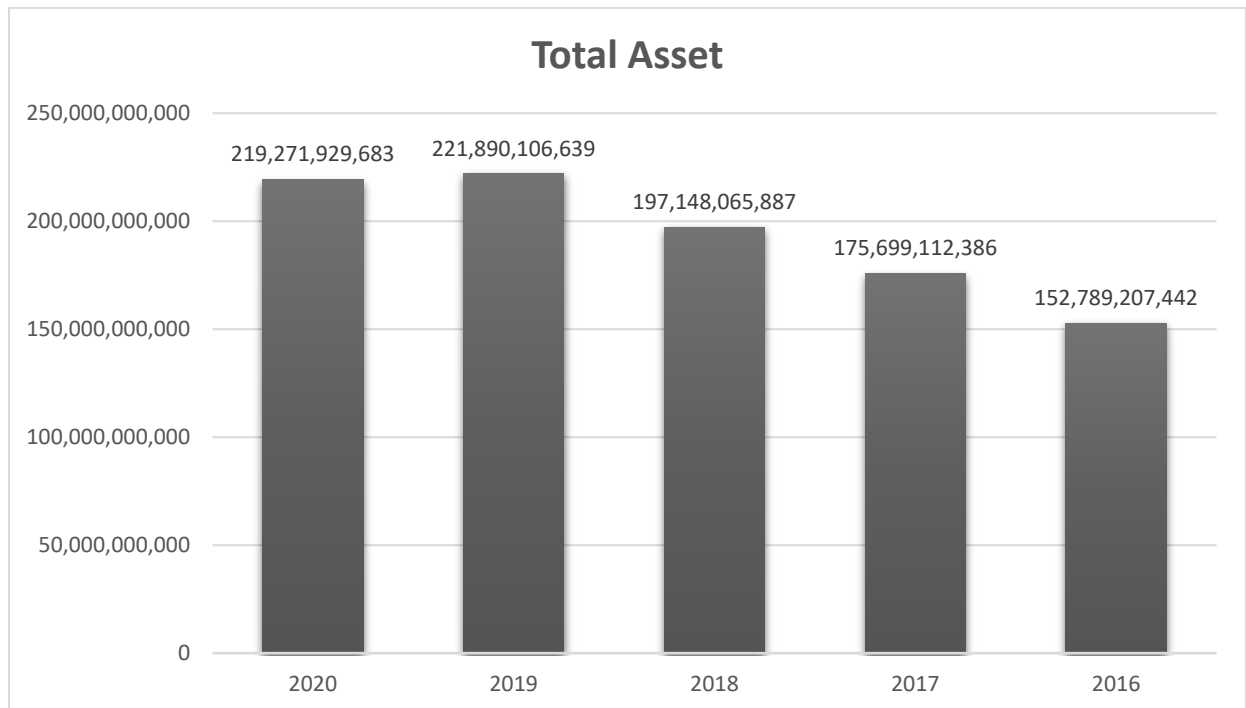


Interpretation:

During the five years (2016-2020) of study the total growth of profit after tax of Standard Bank Limited were fluctuated. There significant changes have occurred in profit after tax in each year. As here, 2016 is the base year, so the changes in profit after tax have been increased from 2017 to 2018 and the amount was BDT 1,255,547,302. In 2019 the profit after tax has increased highly from the previous year but in 2020, the changes in profit after tax slightly decline compared to 2019 and the declining amount was BDT 422,378,494. So, in each year company's profit after taxation is increasing which makes the company can invest more money for their business purpose as well as the company can pay more dividends to their shareholders.

4.1.4 Total Asset

Particulars	2020	2019	2018	2017	2016
Total Asset	219,271,929,683	221,890,106,639	197,148,065,887	175,699,112,386	152,789,207,442
Increase or decrease	-2,618,176,956	24,742,040,752	21,448,953,501	22,909,904,944	

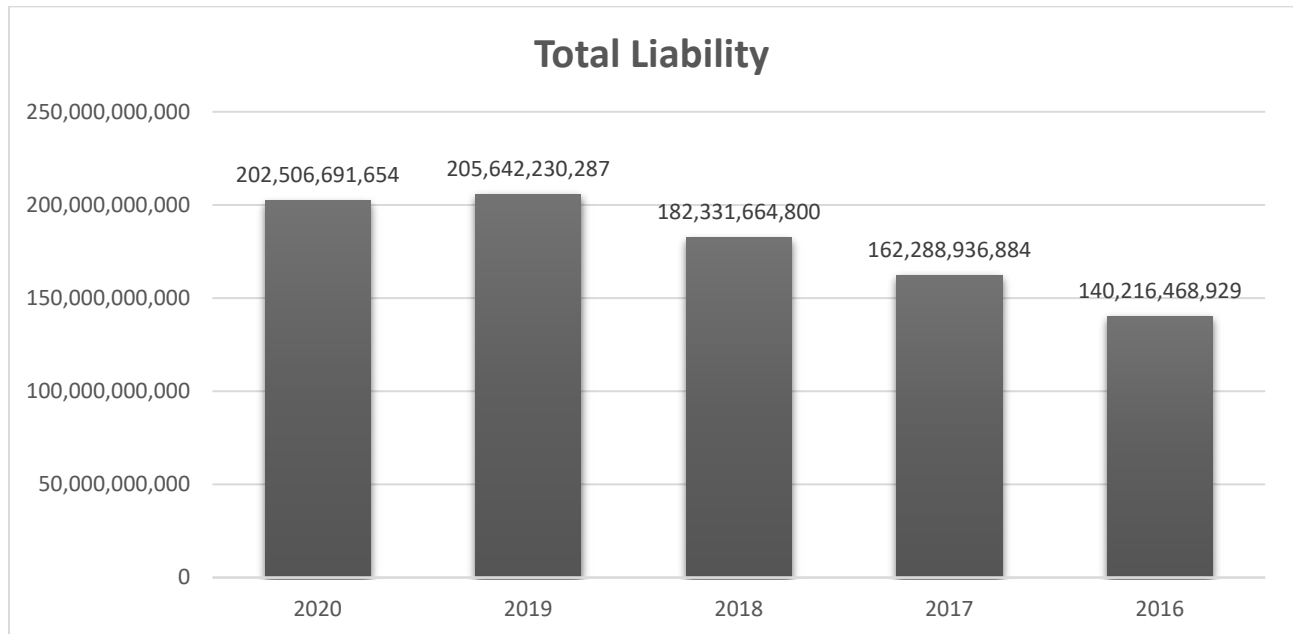


Interpretation:

The overall growth of Standard Bank Limited's total assets increased throughout the five-year research period (2016-2020). In each year, the overall assets have changed significantly. Because 2016 is the base year in this case, the changes in total assets from 2017 to 2020 have been increased. In 2019 the highest increased in total assets and that was 221,890,106,639 but in 2020, the changes in total assets slightly decline compared to 2019 and the decline amount was 2,618,176,956. Only reaming 2020, it has been clear that there is an increasing trend in the changes of total assets.

4.1.5 Total Liability

Particulars	2020	2019	2018	2017	2016
Total Liability	202,506,691,654	205,642,230,287	182,331,664,800	162,288,936,884	140,216,468,929
Increase or decrease	-3,135,538,633	23,310,565,487	20,042,727,916	22,072,467,955	

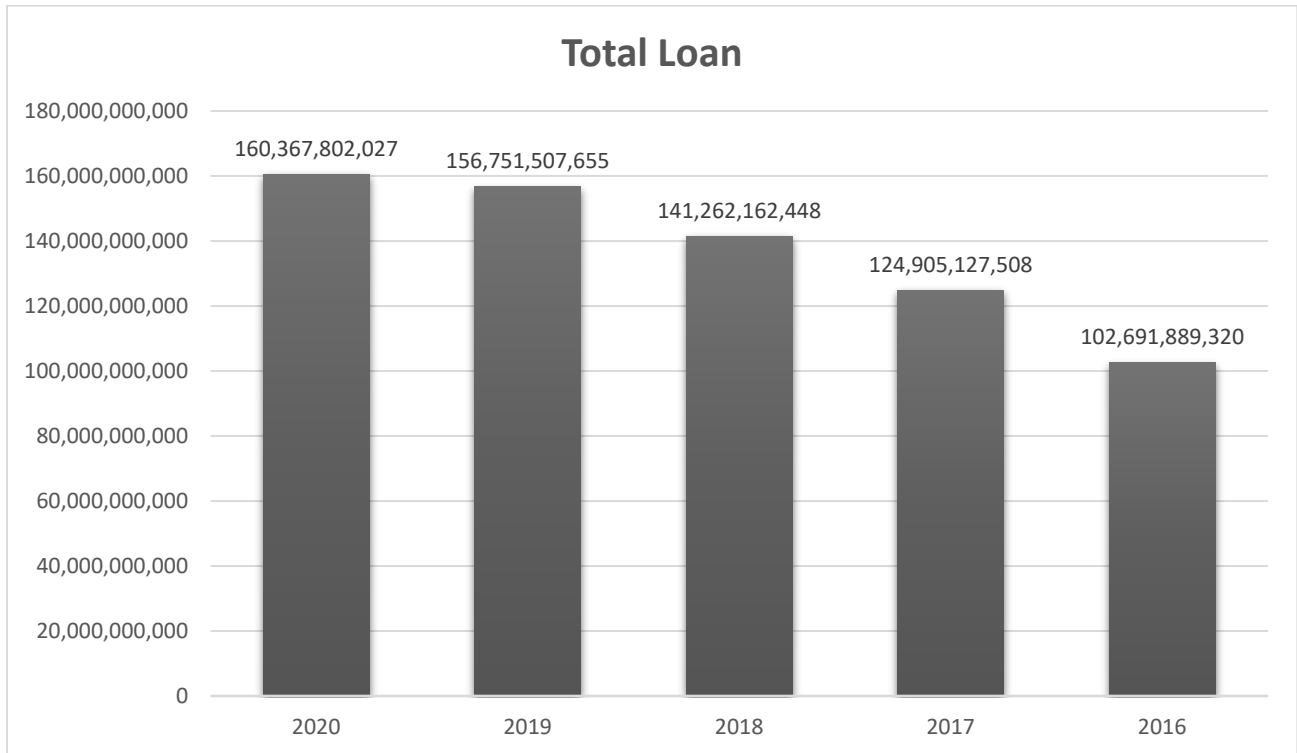


Interpretation:

The overall growth of Standard Bank Limited's total liability increased throughout the five-year research period (2016-2020). In each year, the overall liabilities have changed significantly. Because 2016 is the base year in this case, the changes in total liabilities from 2017 to 2020 have been increased. In 2019 the highest increased in total liability and that was 205,642,230,287 but in 2020, the changes in total liabilities slightly decline compared to 2019 and the decline amount was 3,135,538,633. Only reaming 2020, it has been clear that there is an increasing trend in the changes of total liability.

4.1.6 Total Loan

Particulars	2020	2019	2018	2017	2016
Total Loan	160,367,802,027	156,751,507,655	141,262,162,448	124,905,127,508	102,691,889,320
Increase or decrease	3,616,294,372	15,489,345,207	16,357,034,940	22,213,238,188	

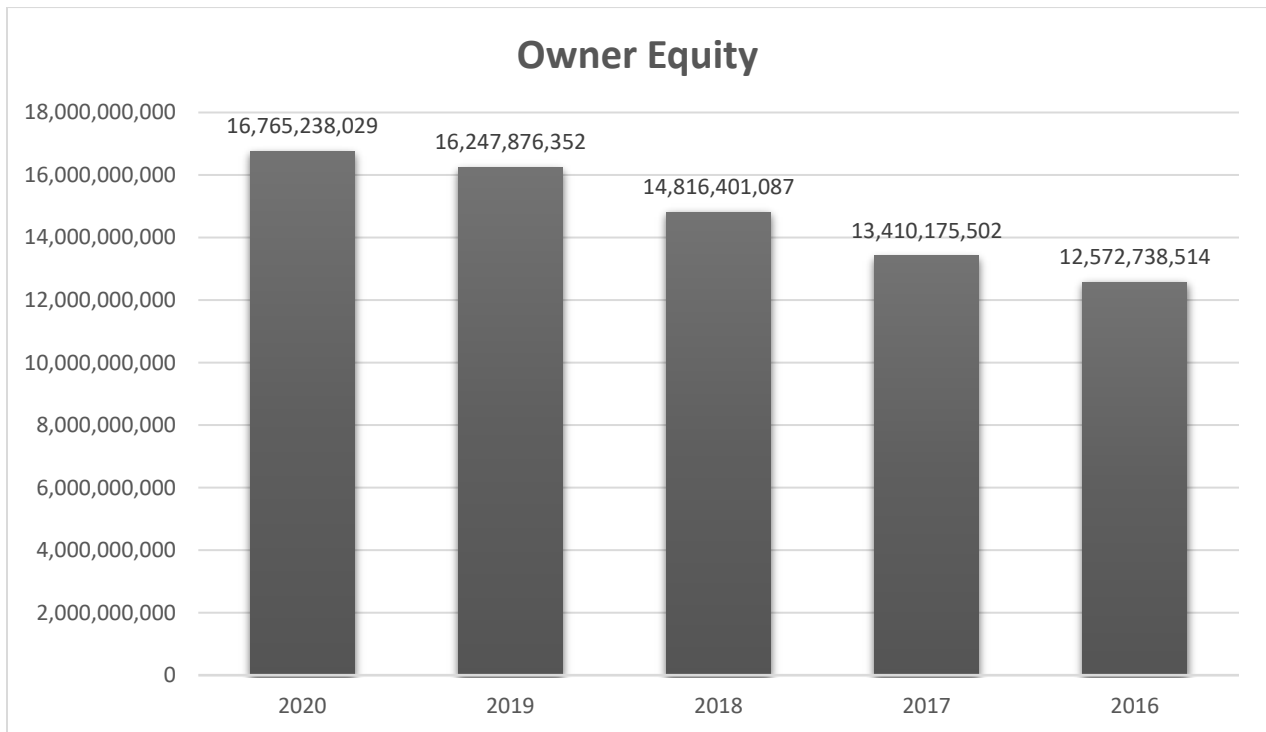


Interpretation:

The overall growth of Standard Bank Limited's total loan increased throughout the five-year research period (2016-2020). In each year, the overall loan has changed significantly. Because 2016 is the base year in this case, the changes in total loan from 2017 to 2020 have been increased. In 2020 the highest increased in total loan and that was 160,367,802,027, it has been clear that there is an increasing trend in the changes of total loan

4.1.7 Shareholder Equity

Particulars	2020	2019	2018	2017	2016
Owner Equity	16,765,238,029	16,247,876,352	14,816,401,087	13,410,175,502	12,572,738,514
Increase or decrease	517,361,677	1,431,475,265	1,406,225,585	837,436,988	



Interpretation:

The overall growth of Standard Bank Limited's total Shareholder Equity increased throughout the five-year research period (2016-2020). In each year, the overall Shareholder Equity have changed significantly. Because 2016 is the base year in this case, the changes in total Shareholder Equity from 2017 to 2020 have been increased. In 2020 the highest increased in total Shareholder Equity and that was 16,765,238,029 it has been clear that there is an increasing trend in the changes of total liability.

4.2 Vertical Analysis (Common Size Analysis) of Standard Bank Limited

Common Size Analysis of Standard Bank limited					
Particulars	2020	2019	2018	2017	2016
Interest income	100%	100%	100%	100%	100%
Interest paid on deposits	84%	75%	74%	72%	68%
Net interest income	16%	25%	26%	28%	32%
Income from investments	31%	10%	13%	19%	15%
Commission, exchange	7%	7%	8%	11%	9%
Other operating income	3%	3%	3%	3%	3%
Total operating income	57%	45%	50%	62%	59%
Rent, Taxes, Insurance, Electricity etc.	4%	4%	4%	5%	5%
Other Expenses	5%	3%	4%	5%	4%
Total operating expenses	34%	26%	26%	30%	28%
Operating Profit	23%	19%	24%	31%	31%
Profit before provision	23%	19%	24%	31%	31%
Specific provision (Loan and Advances)	5%	2%	8%	8%	7%
General Provision	0%	1%	1%	0%	1%
Total provision	7%	3%	9%	10%	10%
Profit for the year before taxation	16%	17%	15%	22%	22%
Current Tax	9%	8%	6%	10%	11%
Deferred tax	-2%	0%	0%	0%	0%
Provision for tax	8%	8%	6%	10%	11%
Net profit after tax for the year	8%	9%	9%	12%	11%

Interpretation:

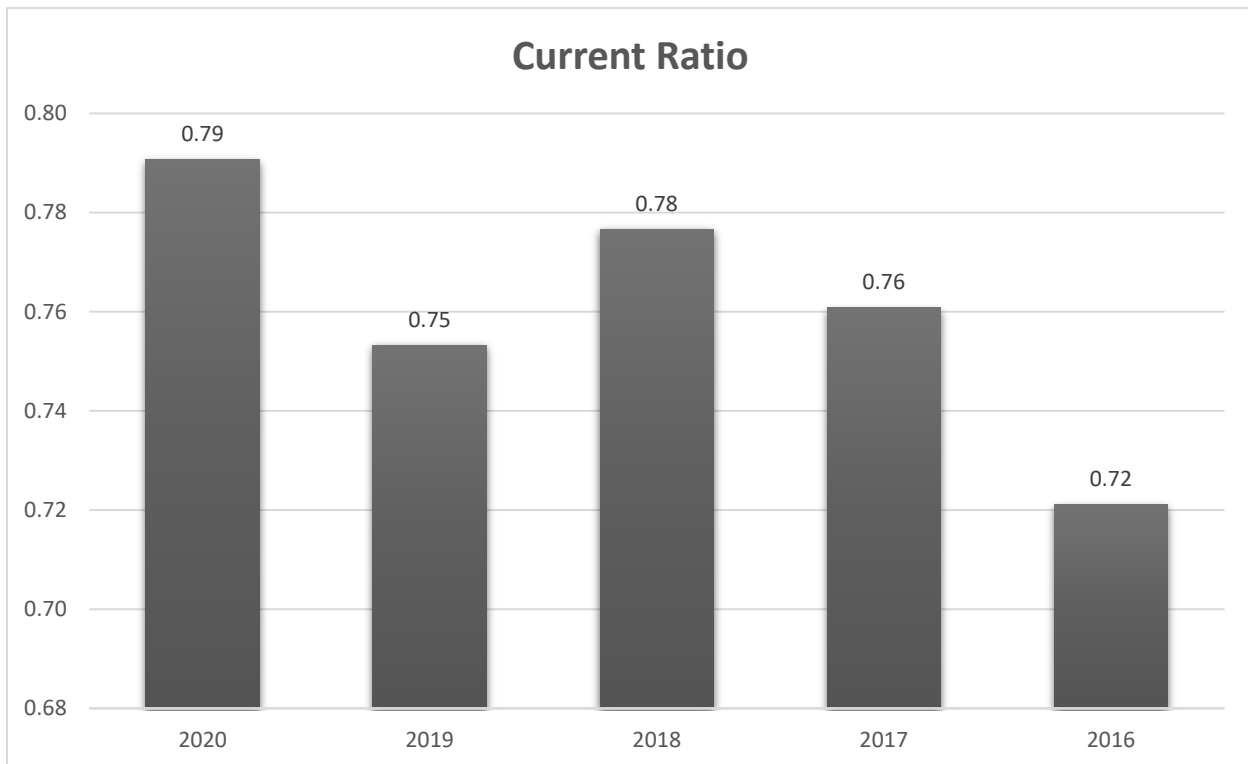
The term "common size analysis" refers to a technique for examining balance sheet components to calculate the percentage change in assets, liabilities, and other items. Essentially, it uses a partial common account to compute the worth of the relevant products. From 2016 to 2020, the cash item shows a little change when compared to the entire asset. Income from Investment showing a lesser growth from 2016 to 2019 but in 2020 it showing a higher growth. Along with the other operating income is showing decreased a little bit in 2020, in 2016 the operating income was 59% which decreased in 2020 to 57%. The net profit of standard bank is also showing decreasing trend is 2020.

4.3 Financial Ratio Analysis of Standard Bank Limited

4.3.1 Liquidity Ratio

4.3.1.1 Current Ratio

Particulars	2020	2019	2018	2017	2016
Current Ratio	0.79	0.75	0.78	0.76	0.72

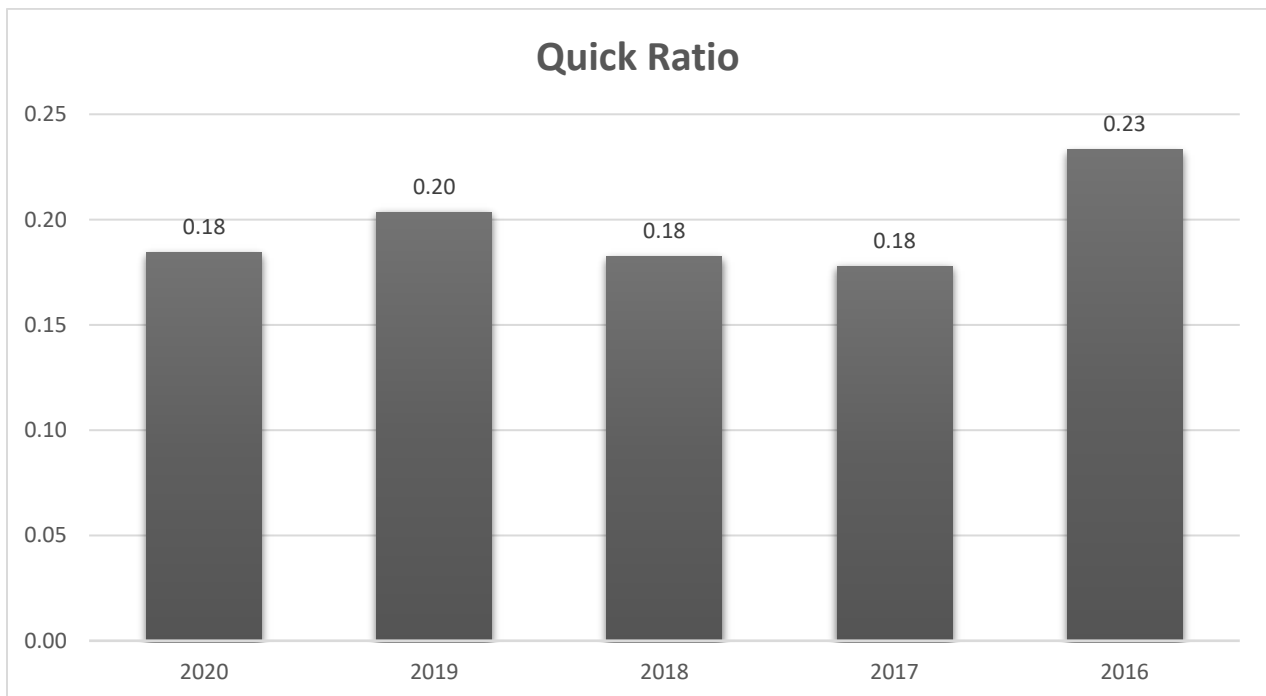


Interpretation:

The current ratio is a liquidity ratio used to evaluate a bank's ability to pay short-term or one-year obligations. It demonstrates to investors and analysts how a bank's current assets on its balance sheet might be optimized in order to pay down its current debt and other payables. The above graph shows that the current ratio of Standard bank is fluctuating from 2016 to 2020. In 2016 the current ratio was 0.72 which increased in the next year to 0.78 and also increased in 2018 but it decreases a little bit in 2019 and again increased in 2020 which was good but the current ratio of standard bank is very low the bank may face financial distress.

4.3.1.2 Quick Ratio

Particulars	2020	2019	2018	2017	2016
Quick Ratio	0.18	0.20	0.18	0.18	0.23



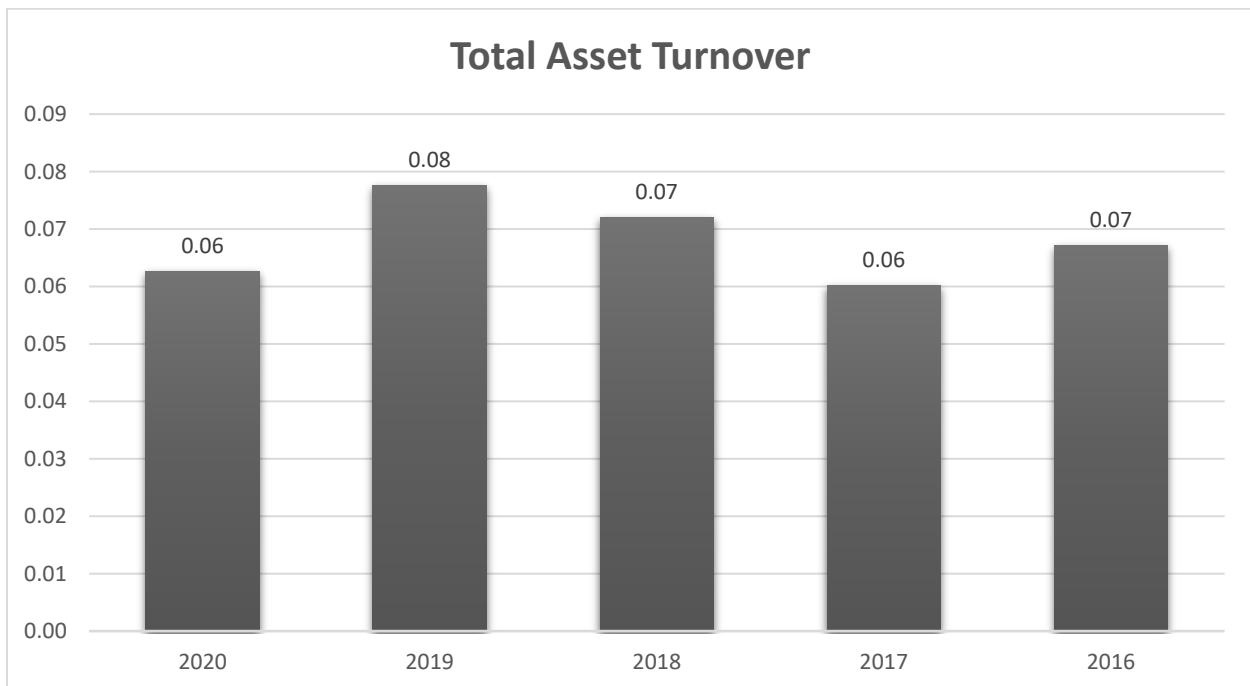
Interpretation:

It is sometimes referred to as the acid test ratio. The quick ratio is a measure of a bank's ability to meet short-term obligations using its most liquid assets, and it is an indicator of the bank's short-term liquidity position. The graph shows that the quick ratio of Standard bank is fluctuating from 2016 to 2020. In 2016 the quick ratio was 0.23 which decreased in the next year to 0.18 and remain constant in the next year 2018 but it increases a little bit in 2019 and again it decreased in 2020. The current ratio of standard bank is very low the bank may face financial distress.

4.3.2 Activity Ratio

4.3.2.1 Total Asset Turnover Ratio

Particular	2020	2019	2018	2017	2016
Total Asset Turnover	0.06	0.08	0.07	0.06	0.07



Interpretation:

Total asset turnover showing very low rate that means the bank's interest income is so less than total asset. It is showing almost a constant rate of asset turnover ratio from 2016 to 2020, that means the bank is not efficient to generate interest income. The highest total asset turnover ratio was in 2019 and that was 0.08 and the lowest ratio was in 2020 and the ratio was 0.06.

4.3.2.2 Fixed Asset Turnover Ratio

Particular	2020	2019	2018	2017	2016
Fixed Asset Turnover	3.56	4.51	3.82	2.87	2.92

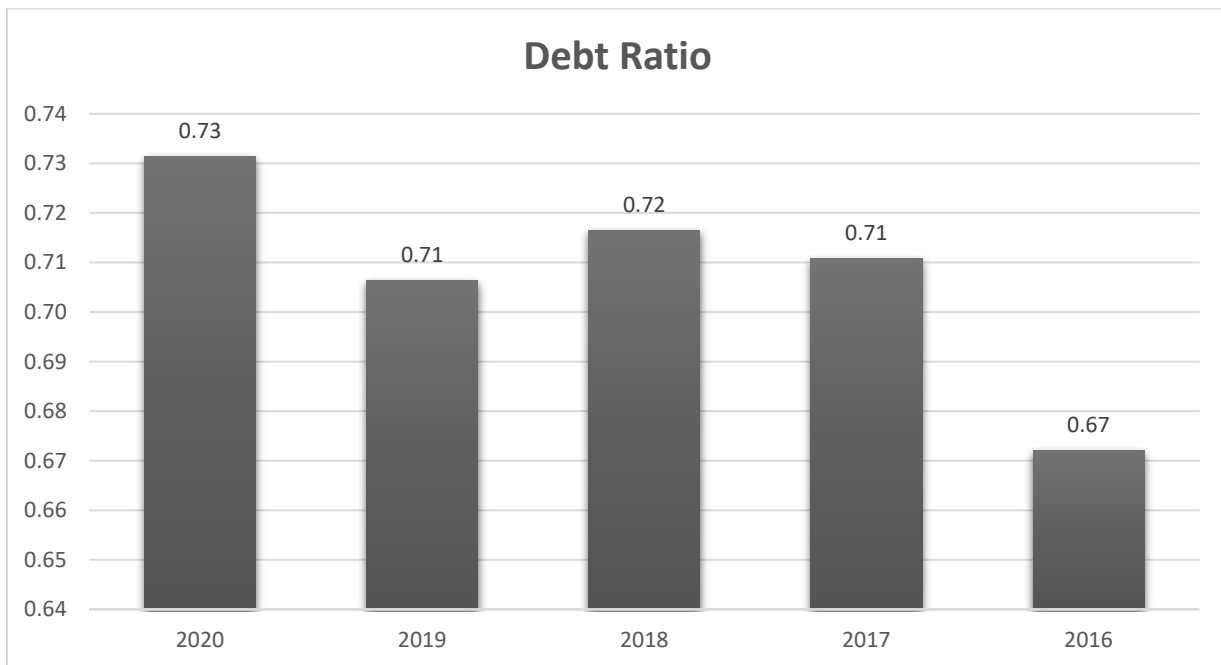


Interpretation:

The fixed asset turnover ratio is fluctuating over the year 2016 to 2020. In 2016 it was 2.92 because of interest income was a little bit less than fixed asset, but it decreases a little bit in 2017 and increase in 2018. The total asset turnover showing that bank's interest income is so less than total asset. After 2018, it is increasing but the growth rate is not satisfactory.

4.3.3 Debt Ratio

Particulars	2020	2019	2018	2017	2016
Debt Ratio	73%	71%	72%	71%	67%



Interpretation:

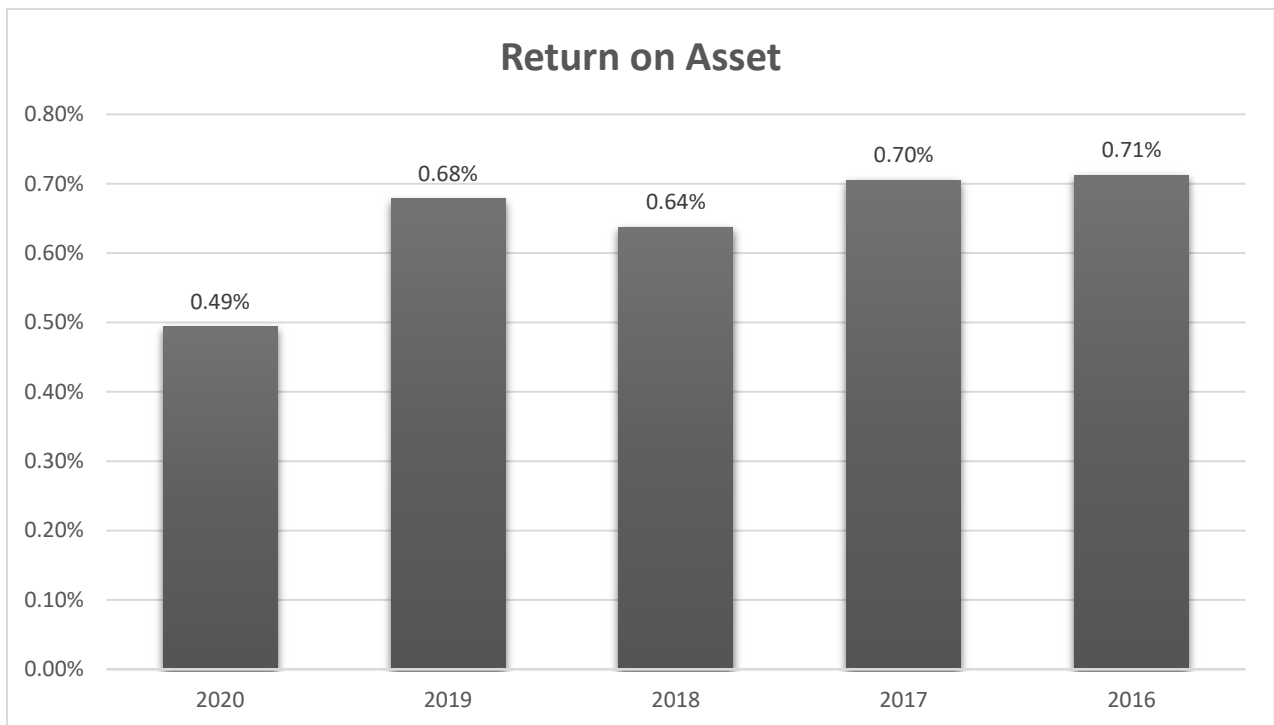
As a financial ratio, the debt ratio is used to quantify the level of leverage of an organization. It refers to the percentage of a bank's assets that are funded by debt. A ratio larger than one indicates that assets are funding a significant percentage of a firm's debt, implying that the organization has more liabilities than assets. A ratio below 1 means that a greater portion of a company's assets is funded by equity.

The debt ratio of standard bank limited is showing a fluctuating rate from 2016 to 2020. From 2017 to 2019 the debt ratio was almost constant but it increased a little bit in 2020. The Debt ratio of Standard bank is showing lower rate (Below 1) that means the bank using its owner equity to purchase assets.

4.3.4 Profitability Ratio

4.3.4.1 Return on Asset

Particular	2020	2019	2018	2017	2016
Return on Asset	0.49%	0.68%	0.64%	0.70%	0.71%



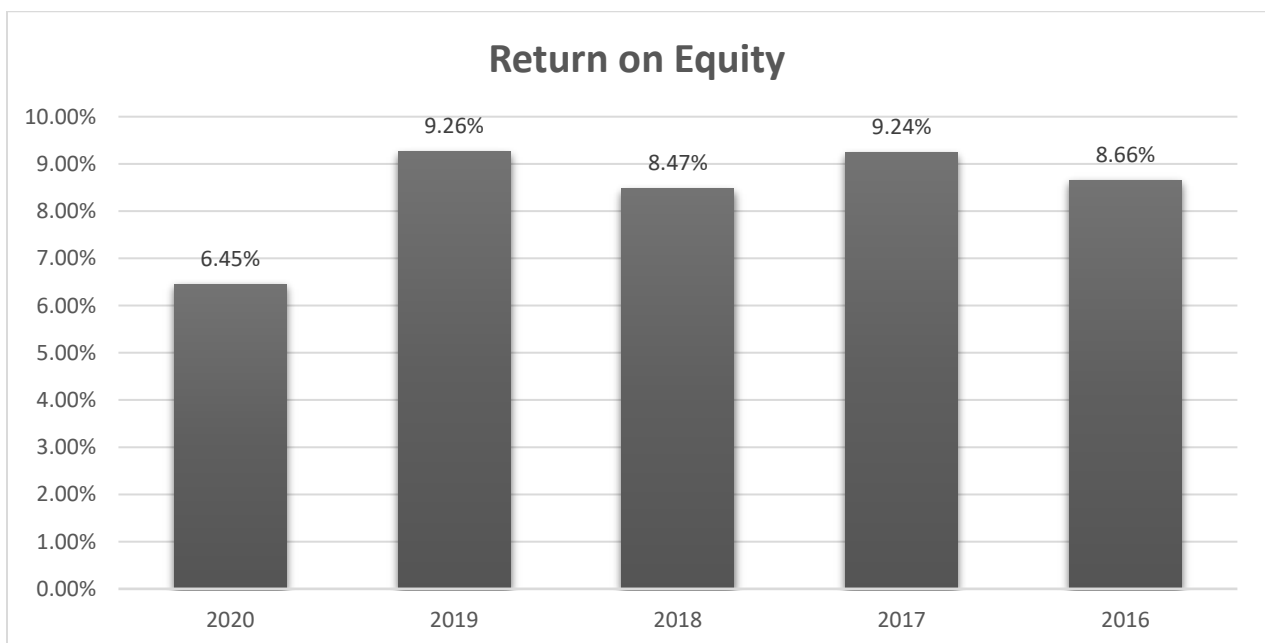
Interpretation:

The graph is showing the Return on Asset (ROA) of Standard Bank Limited and it is seen that the ROA of Standard Bank Limited showing fluctuating trends in 2016 the ROA was 0.71% which decreased a little bit to 0.70% in the next year 2017 and start decreasing continuously to 2020 that indicate that the bank is not efficient to generate income from its assets.

4.3.4.2 Return on Equity

Return on Equity (ROE) is a metric that compares a company's profitability to its total Owner Equity. A manager, investor, or analyst may use the Return on Equity (ROE) to determine how successfully a company's management is employing its Owner Equity to create profits.

Particular	2020	2019	2018	2017	2016
Return on Equity	6.45%	9.26%	8.47%	9.24%	8.66%

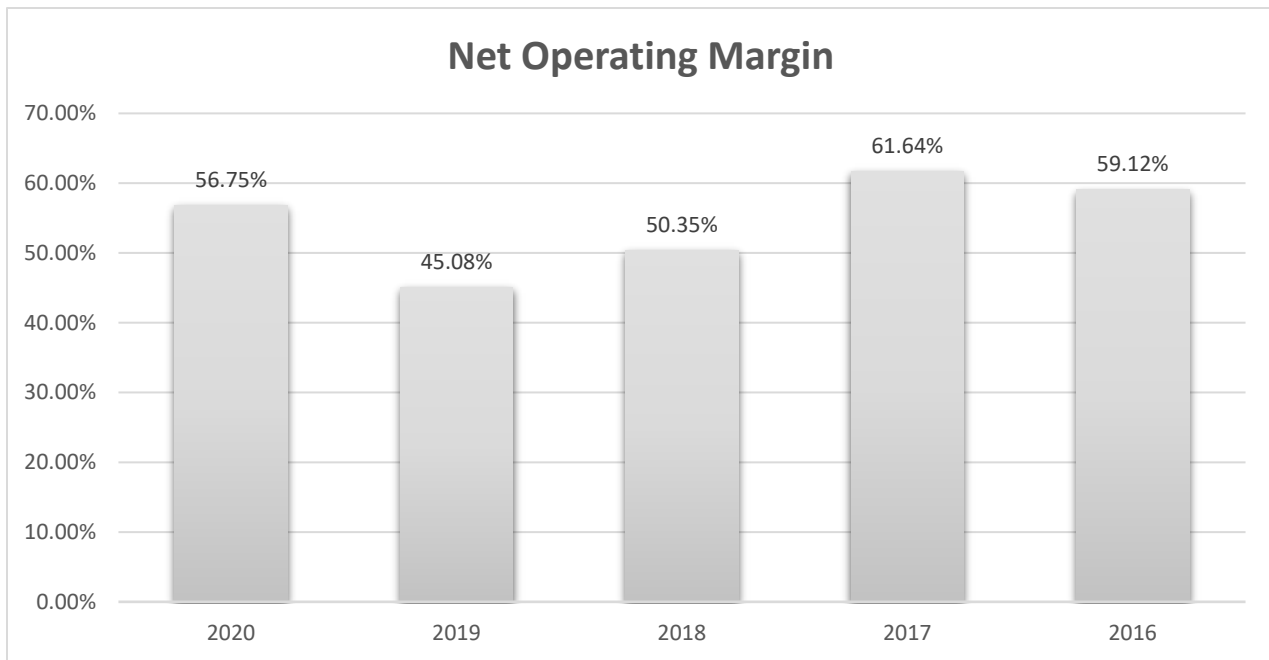


Interpretation:

The graph is showing the Return on Equity (ROE) of Standard Bank Limited and it is seen that the ROE of Standard Bank Limited showing a positive stream but it is showing a decreasing trend from 2016 to 2020. In 2016 the ratio was 8.66% after that it start decreasing continuously till to 2020 and in 2020 the ratio was 0,49%. That means the bank are not efficient to generate profit by using its shareholder Equity.

4.3.4.3 Net Operating Margin

Profitability Ratio					
Particular	2020	2019	2018	2017	2016
Net Operating Margin	56.75%	45.08%	50.35%	61.64%	59.12%

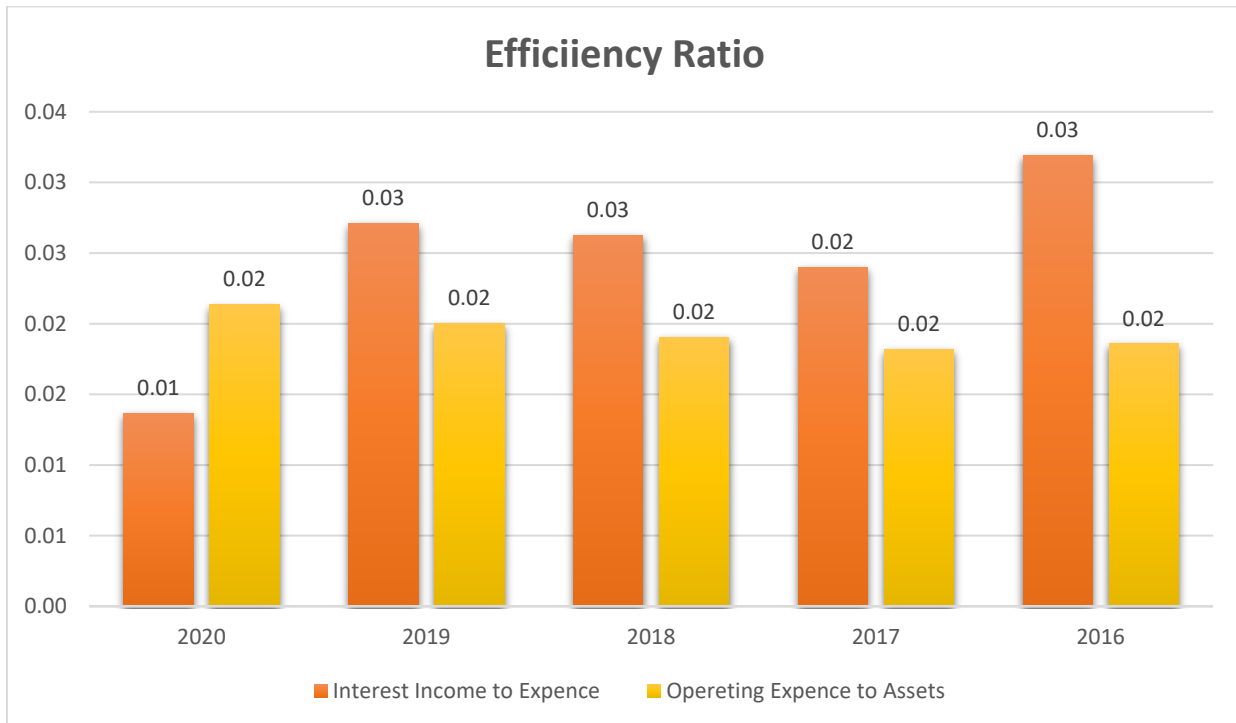


Interpretation:

The banks return on equity showing a positive stream but it is showing a decreasing trend from 2016 to 2020. In 2016 the ratio was 8.66% after that it start decreasing continuously till to 2020 and in 2020 the ratio was 0,49%. Operation profit margin has a strong growth following the years. In 2019, it is so high after that in 2020 it decreased a little bit. Interest spread showing a normal rate following the years.

4.3.5 Efficiency Ratio

Particular	2020	2019	2018	2017	2016
Interest Income to Expense	0.01	0.03	0.03	0.02	0.03
Operating Expense to Assets	0.02	0.02	0.02	0.02	0.02



Interpretation:

Operating expense to total asset showing a positive result in favor of the bank. It is almost constant from the year 2016 to 2020 at the range .02 to .02. The bank could able to operate their activities with low operational expense compare to total asset. The bank could maintain their operating income against total asset. Most of the time the bank could reduce the difference between operating income and total asset.

Chapter-5

Findings, Recommendation and Conclusion

5.1 Findings of the Study

1. Horizontal Analysis:

- i. **Revenue:** The revenue has been increased from 2017 to 2020. In 2019 the bank generates highest revenue compared to other year but in 2020 the revenue of the bank is declined compared to 2019, and the amount of decreased revenue is 3,455,588,521.
- ii. **Operating Profit:** Operating Profit of Standard bank is increasing every year. In 2019 and 2020 the bank generates highest Operating Profit compared to other year.
- iii. **Total Loan:** The overall growth of Standard Bank Limited's total loan increased throughout the five-year (2016-2020). In 2020 the highest increased in total loan and that was 160,367,802,027.
- iv. **Total Asset:** The overall growth of Standard bank limited total assets has improved and the condition of the company's total assets is very strong.
- v. **Total Liability:** The overall liabilities of this Bank are growing, which makes their lending capacity adequate.
- vi. **Total Equity:** The overall equity of the bank's shareholders is rising, making its worth sufficient for shareholders.

2. **Common-size Analysis:** Many of the items of income statement are growing year by year in this analysis. Income from investment has been increased 99% in 2020 compared to 2016, Operating expenses are increased 23% in 2020 compared to 2016. And the percentage of some items of income statement are decreased such as operating profit has been decreased -28% in 2020 compared to 2016.
3. The bank has a higher level of cash and cash equivalents than in terms of its current liabilities, it means that the bank is losing investment opportunity. The loan to deposit ratio of the bank is increasing continuously for this the bank may not have enough liquidity to cover any unforeseen fund requirements.
4. Total asset turnover showing very low rate that means the bank's interest income is so less than its total asset. The bank is inefficient to generate revenue by using its total asset.
5. Return on asset showing fluctuating trends in 2016 the ROA was 0.71% which decreased a little bit to 0.70% in the next year 2017 and start decreasing continuously to 2020 that indicate that the bank is not efficient to generate income from its assets.
6. Operating expense of the bank are increasing compared to revenue which is not good for the bank.

5.2 Recommendations

1. As the increases of liquid asset doesn't increase the profitability so the bank should invest the extra portion of Cash and Cash equivalent assets to other sector to increase the profitability.
2. To increase the asset turnover ratio Standard Bank, have to increase efficiency, and also have to reduce cost and have to implement better inventory management process.
3. The most important things to increase the profit margin ratios is "cost". To increase the profit margin ratios Standard Bank, have to reduce the cost first then Standard Bank, have to increase its unit of sale and also Standard Bank, shave make proper use of time.
4. Return on asset showing a slowing decreasing trend. So Standard Bank should pace up its productivity. Return on equity showing a low return. So, they should be careful about it to increase ROA and ROE.
5. To reduce operating expenses to income ratio the bank either needs to increase its operating income or decrease its operating expenses. Employee expenses and administration expenses come under the operating expenses.

5.3 Conclusion

The general banking operations of this bank, as well as its financial performance from 2016 to 2020, have been addressed in this presentation. I sought to evaluate the performance of this bank by examining the ratios of several parts of the bank. Over the course of the next five years, the data suggests that this bank's financial performance will improve chronologically. The banking business in Bangladesh has long been seen as a promising component of the country's financial sector. Standard Bank has done a tremendous deal over the years, despite severe opposition from the banking sector, a highly uneven money and foreign currency market, and rising political instability. Bangla Desh's banking system is now creating devastation as a result of bad debt. At times, the liquidity of a bank may be a concern. For addressing financial requirements, Standard Banks's capital access and financial markets are viable options. Even though risk factors seem straightforward, they might change in times of economic difficulty.

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