



Daffodil International University

INTERNSHIP REPORT ON

“Financial Performance Analysis of Commercial Bank: A Case Study”

Supervised By



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Date of Submission

07.04.2022

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LETTER OF TRANSMITTAL

5th April 2022

Rozina Akter

Assistant Professor

Department of Business Administration

Daffodil International University

Subject: Submission of Internship Report.

Dear Ma'am,

Following the successful completion of my internship report, I am happily submitting it for your scrutiny. The internship report titled “**Financial Performance Analysis of Commercial Bank: A Case Study.**” It is a Study on Jamuna Bank Limited with Islamic Bank and Dutch Bangla Bank Limited. I have keenly observed how a bank plays a vital organ in financial work. I have tried to demonstrate the analytical and theoretical knowledge I have gathered in my BBA study on this practical expertise.

Especially the given lecture on writing a formal report by my supervisor **Rozina Akter** made me a lot more comfortable and made the hard work easier for me. After analyzing the topic, I submit this report with my supervisor's constant assistance and guidance. I will be available for any classification of this report whenever necessary.

Sincerely yours

Ali Mahtab

Ali Mahtab Rafi
Program: BBA
ID: 182-11-5945
Major: Finance
Daffodil International University



Declaration

I prepare the report with sincerity based on my work completed during my study under Rozina Akhter's supervision.

- The report's content is genuine, and it was completed by myself under the comprehensive supervision of my supervisor.
- This manuscript has not been published to any other institution for any other degree, diploma, or certificate, whether at this university or elsewhere in Bangladesh or even beyond.
- To write the report, I followed the university's standards.
- I have used materials (data, theoretical analysis, and text) from other sources I have credited in the report and given their details in the references.



Letter of Approval

I am pleased to certify that Ali Mahtab Rafi #ID 182-11-5945, a student of the Department of Business Administration of Daffodil International University, has accomplished his internship report titled “**Financial Performance Analysis of Commercial Bank: A Case Study**” under my supervision. I certify that information provided in the report is authentic and has not been previously submitted elsewhere. Therefore, he has been approved for presentation and defense.

I wish him all success in life.

Rozina Akter

Ms. Rozina Akter

Assistant Professor

Department of Business Administration

Daffodil International University



To Whom It May Concern

This is to certify that Mr. Ali Mahtab Rafi, ID # 182-11-5945, a student of BBA of Daffodil International University, Dhaka, has completed his 03 (Three) months internship program from 11th October 2021 to 12th January 2022 at Jamuna Bank Ltd., Narayanganj Branch under our supervision. We are pleased to state that he worked hard in preparing his assigned topic report, and he has been able to present a good picture of the concerned work. So far, our observation goes, he has got potential to progress in the days to come.

Mr. Ali Mahtab Rafi possesses an excellent moral and pleasing personality character. We wish him every success in life.

A handwritten signature in black ink, appearing to read 'Farook Iqbal', is positioned above the printed name.

Farook Iqbal

Senior Vice President & Head of Branch



EXECUTIVE SUMMARY

Banks mobilize money from the public in deposits and borrow funds from the banking system to provide credit to the economy. Besides these core activities, banks are performing other roles in the economy. History shows that a modern bank offers a wide array of financial services, and the bank's services menu is proliferating. This report is prepared based on three months' practical experience at Jamuna Bank limited (Narayanganj Branch). This internship report helped me understand a financial institution's practical situation and implement the theoretical knowledge in a practical and realistic atmosphere.

I have added some of the essential introductory components which is imperative to the report in the first segment. As I had done my internship at Jamuna Bank Limited, the second section of the report explicitly explains the bank's overview with the company's profile and in the third section I have briefly demonstrated financial activities of Jamuna Bank Limited. In this report's fourth compartment, comparative profitability analysis of JBL, IBBL & DBBL is illustrated precisely with the assist of tabular, graphical analysis and interpretation. Most of the data are collected from both primary and secondary sources. Primary sources are collected from Jamuna Bank's clients through informal conversation and from the bank and staff of Jamuna Bank Limited. Secondary sources are – annual reports of Jamuna Bank Limited, Islami Bank Limited and Dutch Bangla Bank Limited, and Lanka Bangla Financial Portal and different circulars sent by these three respective banks' official websites. At last, I have briefly mentioned some significant findings of these three banks and given a recommendation based on this comparative analysis among these banks, which will come to the aid of these banks.



ACKNOWLEDGEMENT

First and foremost, I'd like to convey my gratitude to ALLAH, the Almighty. Without his help, I could not accomplish any objective in my life, and he blessed me with an opportunity to get internship training at Jamuna Bank Limited.

Furthermore, I am pleased with my respected institute for incorporating this learning opportunity into our curriculum. I want to express my heartfelt gratitude to Rozina Akter, Faculty of Business & Entrepreneurship, Department of Business Administration, my respected instructor and supervisor. They guided me well and attentively recommended and supported me in completing my report. It is imperative to list the names of my all-respected teachers because their knowledge allows me to understand the organization better.

I am especially indebted to Farook Iqbal and Saifuddin Mahmud Bulbul, respectively, Manager and Second Manager of Jamuna Bank Limited, Narayanganj Branch, whose direct cooperation & recommendation helped me to get such an excellent internship facility in this reputed organization. Special thanks to Ms. Sayma Sultana and Md. Anowarul Kabir Officer, for assisting me from the heart in accomplishing my internship and preparing this internship report. The other personnel, staff, and employees of the Narayanganj Branch of Jamuna Bank Limited. It also assisted me in going through the banking activities. Their overwhelming support during the internship program inspired me to complete the report successfully.



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Chapter 1

Introduction of the Report



1.1 Introduction

Banking is an integral factor in Bangladesh's financial system. A bank is an economic entity whose prime objective is to profit from the exchange of money and credit. It is indeed a revenue and service-oriented corporation. Thus, the economy's growth and whether or not it achieves significantly impact prospects. In light of the preceding, it can be stated that a bank profitability analysis is helpful to a variety of parties, including the government, the community, and the Bangladesh Central Bank. However, the banking sector is comparatively more significant than many other countries with similar growth and per capita earnings. It is behind economies of comparable size. Companies strive to maximize short-term profit rather than long-term shareholder value. However, meeting short-term goals will eventually lead to the firm's long-term financial goals. It follows that assessing the banking industry's profitability is crucial, and understanding the factors that influence profitability in Bangladesh is very important. Companies strive to maximize short-term profit rather than long-term shareholder value. They are attempting to develop fundamental forecasting. The priority is to deliver quality that genuinely represents their banking vision. Its objective is to be the country's leading financial institution, with high-quality goods and services backed by cutting-edge technology. They want to offer all stockholders unique, sustainable, inclusive growth and superior value. The primary purpose is to help their clients through an experienced and creative staff whose imaginative abilities, innovative perspectives, and strategic advantage identify their position in providing outstanding services to all the people and organizations they care about. All banks have been classified as third-generation banks up to now. As a result, data from two generations of traditional banks was obtained for this study. This report aims to determine how commercial banks are and how frequently they are being productive. We will also see a relationship between a bank's profitability and size.



1.2 **Background of the Report**

The internship program is essential for every student, especially for the students of the BBA program, which helps them know the real-life situation. After completing all the required courses of the BBA Program of DIU, it is essential to spend three months working on a real-world professional case. I have completed three months internship at Jamuna Bank Limited, which has helped me understand and acquire knowledge about the real-life situation of the banking environment.

While preparing this report, I had an excellent opportunity to have an in-depth knowledge of all the financial flows practiced by Jamuna Bank Limited. It also helped me acquire a first-hand perspective of leading enlisted banks in Bangladesh. It's also important to note that the data in the report is entirely confidential, and no one can use any of its components.

1.3 **Scope of the Report**

The study's scope was defined as Jamuna Bank Limited's financial performance and profitability research. However, to make credit performance analysis and evaluation easier, I have tried to focus on other areas of the Bank. I have cooperated with the management of the concerned bank in each department where I have wanted to collect information.



1.4 Objectives of the report

- To analyze the financial activities of Jamuna Bank Limited.
- To evaluate the comparative financial analysis of three commercial banks of JBL, IBBL & DBBL from 2016 to 2020 through profitability ratio.
- To identify some findings based on the comparative profitability analysis of these three commercial banks with the help of mean & standard deviation.
- To provide some appropriate recommendations about the issues of these three commercial banks.

1.5 Limitations of the Report

There are some Limitations of the reports, which are given below.

- ✓ The first constraint is time itself.
- ✓ Unavailability of sufficient written documents on Bank as required making a comprehensive study.
- ✓ Difficulty in collecting data.
- ✓ This report did not cover the whole process of JBL, IBBL & DBBL Banking.
- ✓ The bank's policy did not permit disclosing various data and information related to this topic.



1.6 Methodology of the Report

During my internship period, I made an effort to assemble both the primary and secondary data of Jamuna Bank Limited. Through the help of direct interaction with the executives and officers of JBL, I collected the preliminary data, which indulged me in preparing my report as well as I gathered journals, brochures, manuals, and several books on finance and Banking as secondary data to prepare this report to compare the profitability of JBL with IBBL and DBBL respectively.

Sources of Data:

Data was gathered from two different sources: primary sources and secondary sources.

Primary Sources:

Primary Data: Raw data is terminology for data collected directly from a source that has not been processed or altered; it is also known as primary data.

- Face-to-face conversation with the bank officers and staff of JBL Bank Limited.
- Informal conversation with clients.

Secondary Sources:

Secondary Data: Someone other than the user collects secondary data.

- Brochures of JBL, IBBL & DBBL.
- Annual report of JBL, IBBL & DBBL (2016-2020).
- Different circulars are sent by JBL, IBBL & DBBL's Official websites.
- Research paper.
- Website of Lanka Bangla BD.

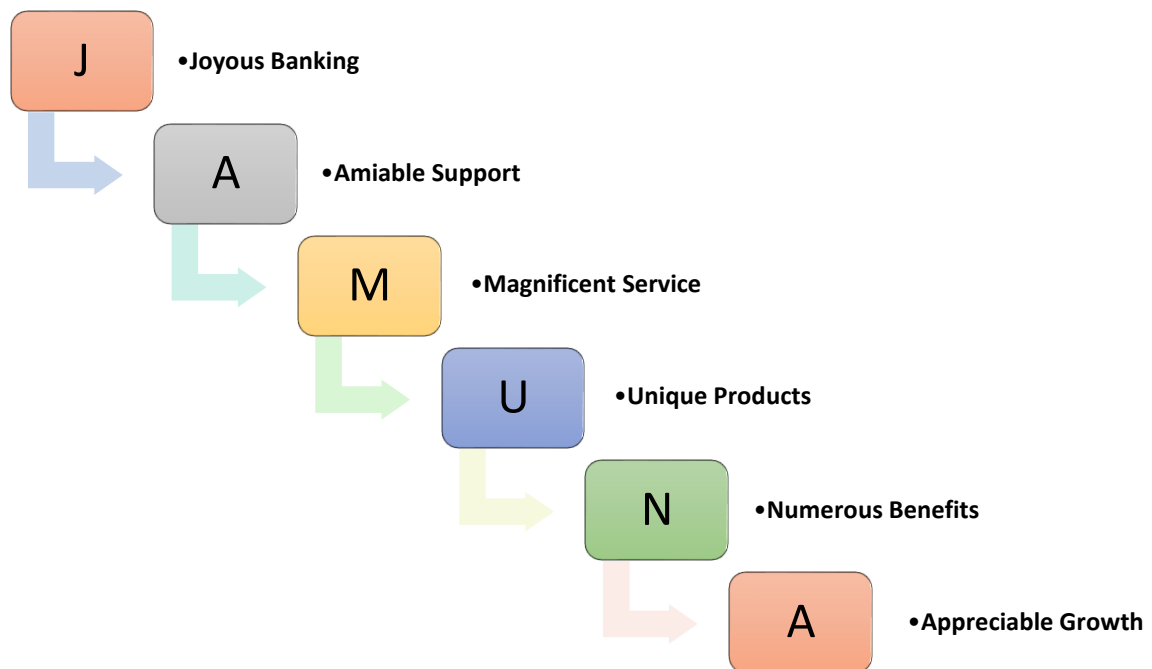


Chapter 2

Organizational Overview of Jamuna Bank Limited

2.1 Overview of the Bank

With 149 branches, 28 sub-branches, 15 banking booths/collection booths, and 314 ATMs, Jamuna Bank Limited is one of Bangladesh's private banks. Incorporated as a public limited company on 2nd April 2001 under the Companies Act, 1994, Jamuna Bank commenced its banking operation on 3rd June 2001. Bank offers a wide range of goods and services to support trade, commerce, industry, and the whole company, including Corporate, Retail, SME, Agri-finance, Islamic financing solutions, Merchant Banking, and Securities Brokerage. JBL also contributes to the economy's growth by providing new and existing entrepreneurs in export-import, manufacturing, servicing, infrastructure building, etc. To meet customer demand, Jamuna Bank has constantly been endeavoring to adapt to the dynamic business predicament and hence has been transforming its banking business with:



2.2 Vision, Mission & Core Values of the Bank



VISION

To become a prominent banking organization that contributes significantly to the country's development.



Mission

The Bank is established to meet the diverse needs of its customers by offering a diverse range of products at a competitive price, utilizing appropriate technology, and providing prompt service, in order to ensure long-term growth, a reasonable return, and contribution to the country's development through a motivated and professional workforce.



Core Value

JBL delivers high standard of services to our customers and shareholder and maintain quality at all levels. They believe in professional ethics. They are a responsible corporate citizen. They are committed to comply with regulatory guidelines believe in team work and have trust in our team.



2.3 Strategy Statements of the Bank

- Stability of financial systems, Connectivity, Convenience, Responsible business
- They commit to living their brand promise every day, delivering spot-on solutions and experiences to their customer's consistency
- By engaging and supporting the community they operate in, they help shape a more sustainable society.
- To manage and operate the financial performance efficiently and control fund costs.
- To achieve client satisfaction through quality control and on-time service delivery.
- Customers' credit and other banking needs should be identified, and their perception of performance in providing those needs should be monitored.
- To identify customers' needs & monitor their perception of meeting those requirements.
- To review & update policies, procedures & practices to enhance the ability to extend better customer services.
- To train & develop all employees & provide them adequate resources so that the customers' needs are reasonably addressed.
- To promote organizational efficiency by communicating company plans, policies & procedures openly to the employees in a timely fashion.
- To ensure a pleasant working environment.
- To diversify the portfolio in both retail & wholesale markets.
- trusted adviser to the Customer
- Being environmentally and socially responsible
- Acting with integrity
- Valuing the people
- Offering a broad basket of products and services to suit our customer's requirements with attractive interest rates.



2.4 Objectives of the Bank

- Earn and maintain CAMEL Rating 'Strong'.
- Develop strategic marketing plans to establish banking relationships and increase service quality.
- In terms of profitability and asset quality, continue to be one of Bangladesh's best banks.
- Introduce fully automated systems through the integration of information technology.
- Assess a sufficient rate of return on investment.
- Maintain a manageable risk posture along with any off-balance sheet risk.
- Ensure that you have enough cash on hand to satisfy your obligations and commitments as they come due.
- Maintain a healthy growth of business with the desired image.
- Ensures consistent control systems and procedures that are transparent.
- Develop and retain a quality workforce through an effective human Resources Management System.
- Ensure optimum utilization of all available resources.
- Pursue an effective management system by ensuring compliance with ethical norms, transparency, and accountability.



2.5 Corporate Slogan of JBL

“Your Partner for growth”

2.6 Corporate Culture of JBL

Employees of JBL share specific common values, which help to create a JBL culture.

- The client comes first.
- Search for professional excellence.
- Openness to new ideas and new methods to encourage creativity.
- Flexibility and promote response.
- A sense of professional ethics.



2.7 Code of Conduct & Ethical Guidelines

1. JBL is fair in well-committed to serving the customers.
2. They keep customers fully informed about their banking and financial products.
3. They strictly adhere to integrity in all courses of banking operations.
4. They provide clear, understandable, and accurate information to their customers within the mutual trust in all our services and operations and perform our customer services wholly and timely.
5. They maintain strict secrecy of customers' accounts unless any competent court or lawful authority asks them.
6. They understand and honor customers' needs and serve them indifferently, promptly, and honestly.
7. They provide fair treatment to all stakeholders.
8. They provide adequate disclosure of corporate information and operation results to shareholders for taking a suitable investment decision.
9. They make an utmost endeavor to maximize profit and increase payout ratio for the stakeholders and give the best effort to maximize profit and manage the same ethically and appropriately.
10. Stable Dividend Policy.
11. All shareholders are treated equally, regardless of their shareholding level.
12. Fairness and accuracy in financial reporting and records are maintained.
13. Restrictions on insider trading.
14. They follow all applicable laws and regulations to the fullest.
15. They have a culture of timely compliance with regulatory requirements.
16. They are concerned about their employees and provide competitive compensation packages.
17. They ensure work under highly motivated team spirit and fellowship bond.
18. Their employees follow the Code of Conduct.
19. They abstain from discrimination of ethnic origin, religion, financial and social status, or gender in providing their services.
20. They are concerned about the health and safety of their workforce.
21. They maintain zero tolerance for any act of dishonesty.



22. They are an equal employment opportunity provider.
23. In all of their activities, they target profitability and take pains in supporting and sponsoring social and cultural events and activities in light of the principles of supervision of public benefits and respect for the environment.
24. They extend financial assistance to poor, helpless, and distressed people and provide donations/sponsorships to sports, culture, health care, and community development ventures.
25. They do not encourage projects which are not environment friendly.



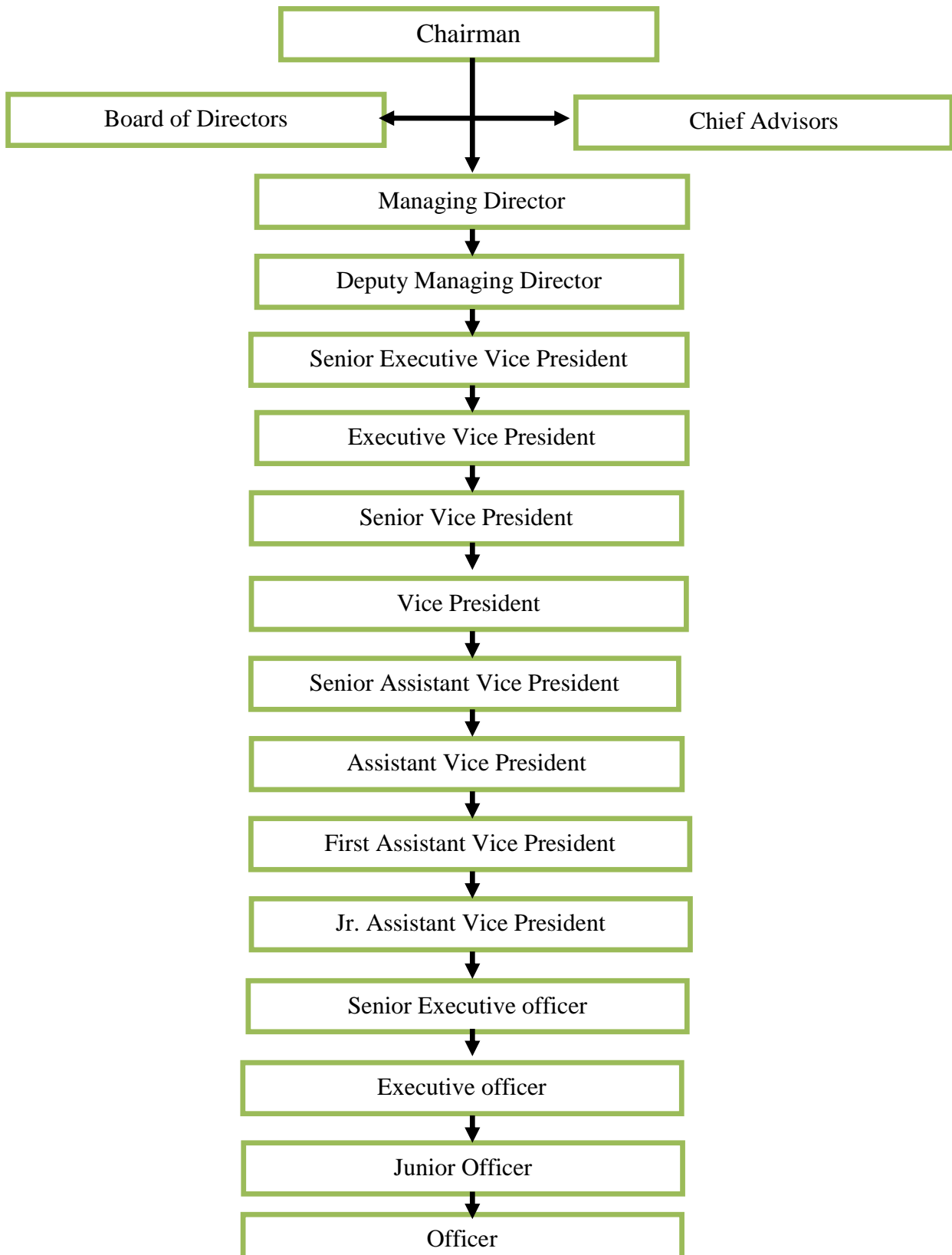
2.8 Corporate Information of JBL

Corporate Details		
Name of the Company	:	Jamuna Bank Limited
Chairman	:	Mr. Gazi Golam Ashria
Managing Director	:	Mr. Mirza Elias Uddin Ahmed
Legal Status	:	Public Limited Company by Share
Line of Business	:	Banking
Date of Incorporation	:	April 02, 2001
Company Address	:	Bir Uttam A. K. Khandaker Road, Gulshan-1, Dhaka
Year of Listing in Stock Exchange	:	April 12, 2006
Authorized Capital	:	10,000 million
Paid-up Capital	:	7,492.26 million
Number of shares	:	749,225,650
Number of Employees	:	3096
Current Market Price	:	18.80
Current EPS	:	3.54
Current P/E Ratio	:	5.31

Table 1.2: Corporate Information of JBL.

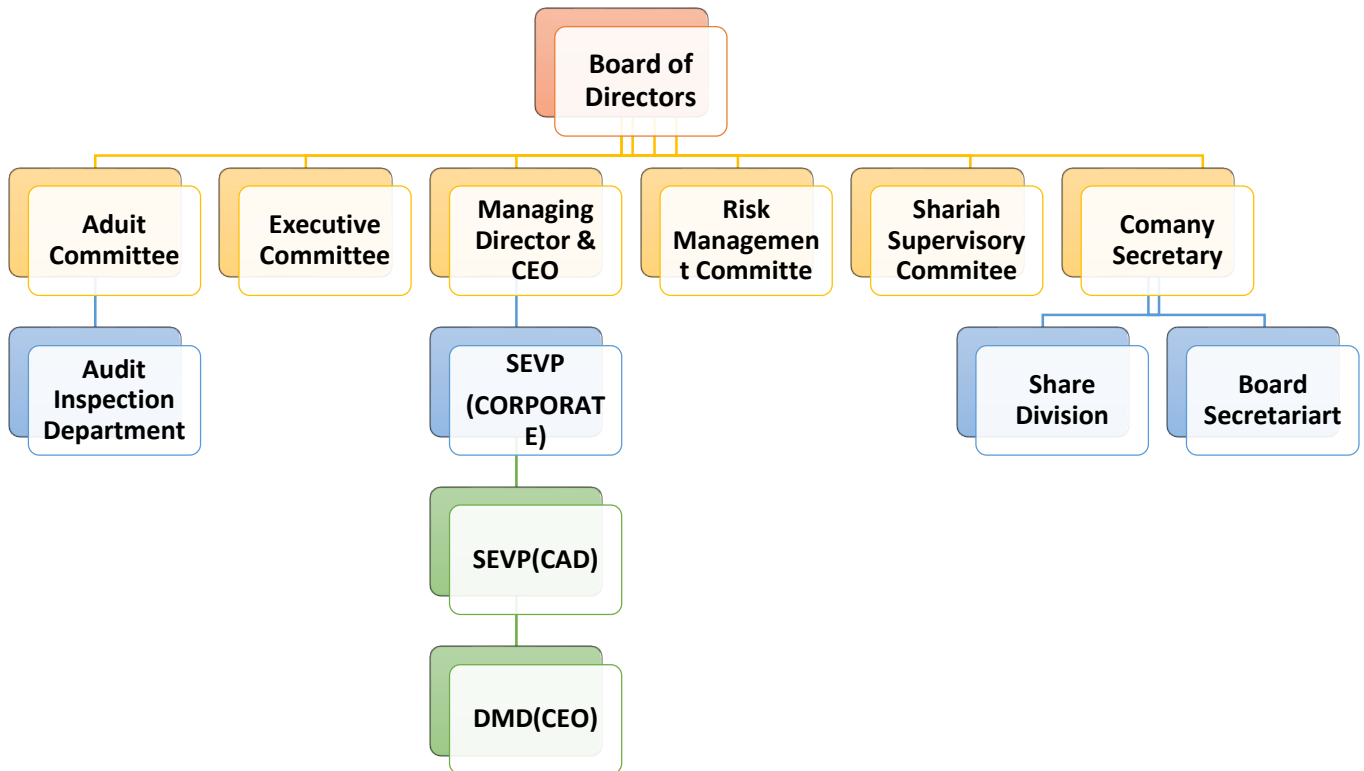


2.9 Hierarchy of the Management of Jamuna Bank





2.10 Corporate Organogram





Chapter 3

“Financial Activities of Jamuna Bank Limited”



3.1 Summary of Financial Products and Services

The Bank offers a wide range of customized financial products and services. They provide a diverse selection of products and services to assist valued clients in achieving their objectives. Jamuna Bank has many years of experience across the full range of banking products and services. They are working with their respected clients to provide the right mix of products and guidance to help their business flourish. Such products are Monthly Savings Schemes, Consumer Credit Scheme, Lease Finance, Personal Loan for Women, Shop Finance Scheme, etc. JBL has launched Q-cash ATM cards for its dedicated consumers, which provide 24-hour financial services via debit cards. The following services are available to JBL's valued customers:

- (a) Deposit Schemes
- (b) Remittance and Collection
- (c) Import and Export handling and finance
- (d) Loan syndication
- (e) Project finance
- (f) Investment Banking
- (g) Lease Finance
- (h) Hire Purchase
- (i) Personal Loan for Woman
- (j) 24-hours Banking: Q-Cash ATM facility
- (k) Islamic Banking
- (l) Corporate Banking
- (m) Consumer Credit Scheme
- (n) International Banking.



3.2 **Products & Services**

3.2.1. DEPOSIT PRODUCTS

- Savings Bank (SB) Account
- Current Deposit (CD) Account
- Short Notice Deposit (SND) Account
- Grihini Savings Account
- Student Savings Account
- JBL School Account
- Senior Citizen Savings Account
- Resident Foreign Currency
- Deposit (RFCD) Accounts
- Fixed Deposit Receipts (FDR)
- Double Growth Deposit Scheme
- Triple Growth Deposit Scheme
- Monthly Benefit Scheme (MBS)
- Lakhpati Deposit Scheme
- Millionaire Deposit Scheme
- Kotipati Deposit Scheme
- Rural Deposit Scheme
- Mudaraba Hajj Savings Scheme
- Pension Deposit Scheme
- Educational Scheme
- Monthly Savings Scheme
- Marriage Scheme



3.2.2. CORPORATE LOAN PRODUCTS

- CC (Hypo)
- CC (Pledge)
- SOD (G)
- SOD (WO)
- SOD (PO/SDR)
- SOD (FDR)
- SOD (FO)
- SOD (Special Scheme)
- SOD (Share)
- Time Loan
- PAD
- LTR
- LIM
- PC
- IDBP
- FDBP
- Loan against EDF
- Lease Finance
- Hire Purchase (HP)
- Real Estate Financing (CRB)
- Real Estate Financing (CCB)
- Loan Syndication & Structured Finance
- Employee's House building Loan
- Employee's Car Loan Scheme
- Loan (General) or Loan (G)
- Letter of Credit (L/C)
- Back-to-Back L/Cs
- UPAS L/C (Usance Payable at Sight)
- ABP
- Bank Guarantee (BG)



- Bid Bond (BB)
- Performance Guarantee (PG)
- Advance Payment Guarantee (APG)
- Retention Money Guarantee/Retention
- Bond
- Payment Guarantee/ Suppliers Credit Guarantee
- Guarantee against Counter Guarantee of
- other Bank/NBFI (Foreign or Local
- Customs Guarantee

3.2.3 RETAIL LOAN PRODUCT

- Auto Loan
- Any Purpose Loan
- Personal Loan
- Salary Loan
- Doctors Loan
- Education Loan
- Overseas Job Loan

3.2.4. SME FINANCING

- Jamuna Swabolombi
- Jamuna Sommriddhi
- Jamuna Jantrik
- Jamuna Green
- Jamuna Bonik (Import Finance)
- Jamuna Chalantika
- Jamuna Shachchondo



- Jamuna NGO Shohojogi
- Jamuna SOD General
- Jamuna Nari Uddogh (Women
- Entrepreneur Loan)

3.2.5. AGRICULTURE LOAN

- Crop Loan
- Pisciculture Loan
- Livestock Loan
- Agricultural & Irrigation equipment's Loan
- Nursery & Horticulture Loan
- Crop Warehouse & Marketing Loan
- Loan for Poverty alleviation activities
- Other term loan activities

3.2.6. NRB DEPOSIT AND INVESTMENT SCHEME

NRB FC A/C	US Dollar/ Pound Sterling/EURO
NFCD A/C	3-month, six months & 1-year term
NRB Monthly FC Savings Scheme (FC-MSS)	1, 2, 3 & 5 years term
NRB FC Term Deposit	6 months, 1, 2 & 3 years term
NRB Offshore FC Term Deposit A/C	Three months, 1, 2 & 3 years term



3.2.7. LOAN SCHEME FOR NRB

- NRB SME.
- NRB Agriculture.
- NRB Real Estate Financing.
- NRB Retail Loan.

3.2.8. INVESTMENT FACILITIES FOR NRB

- US Dollar Premium Bond. US Dollar
- Investment Bond.
- Government Treasury Bond (5, 10, 15, 20 Years).
- Treasury Bills (91, 181, 365 Days).
- Wage-Earners Development Bond.
- Non-Resident Investors Taka A/C (NITA) –
- Share Investment.

3.2.9. CARD & ADC

- VISA Electron Payroll Debit Card (Yearly Fee-free)
- VISA Debit Card (Yearly Fee Tk. 500)
- VISA Local Classic Credit Card (Yearly Fee Tk. 690 including VAT)
- VISA Local Gold Credit Card (Yearly Fee Tk.1380 including VAT)
- VISA Dual Currency Gold Credit Card (Yearly Fee Tk. 3450 including VAT)
- RFCD Card (Yearly Fee USD 57.50)
- Exporter Retention Quota (ERQ) Credit Card (Yearly Fee USD 30.00)
- VISA Platinum Credit Card (Yearly Fee Tk.4140 including VAT)
- VISA Co-Branded Platinum Credit Card (Only for Gulshan Club members)



3.2.10. MOBILE FINANCIAL LIMITED SERVICES

The Just Pay - Digital Banking Service from Jamuna Bank makes banking as simple as possible. The service combines all of the advantages of banking with the ease of using internet-connected gadgets. Consumers can even use Just-Pay to pay their mobile phone bills, credit card payments, and BEFTN transfer cash and keep track of their accounts. VISA, Master, AMEX, and Nexus Pay cards, and I-Banking, Bkash, Rocket, and Sure Cash, can now be used to deposit money into a Jamuna Bank client savings account.



Chapter 4

“Comparative Profitability Financial Analysis of JBL, IBBL & DBBL” (2016-2020)



4.1 Profitability Ratio

The ratio measures the company's ability in the format of profit remaining after deducting all costs. Every company aspires to make a more significant profit than its total expenditures. It can alert a company that is about to decide whether or not to invest. By the ratio, new investors can choose to have investment. Some ratios are considered profitability ratios. The following is the list:

1. Return on assets.
2. Return on equity.
3. Return on Deposit
4. Operating Profit Margin
5. Net Profit Margin.
6. Earnings Per Share

4.2 Data Collection

The data for the comparative analysis of three commercial banking, JBL, IBBL, and DBBL, was gathered from secondary sources from the annual reports and financial information. The bank's position is evaluated based on the different elements of the ratio analysis. Published papers, related books, newspapers, journals, statistics yearbooks, economic evaluations, and the usage of a variety of other websites, among other things, are all useful resources. As a reference frame, relevant books and journal literature were also studied.

4.3 Variables

In this report, the banks are evaluated based on multiple profitability variables. The ability to generate profits from different sectors is used to calculate bank profitability. Return on asset (ROA), return on equity (ROE), return on deposit (ROD), operating profit margin (OPM), net profit margin (NPM), and earning per share (EPS). All of these elements include profitability analysis.



4.4 Variable List

Variable (Ratios)	Symbol	Formula	Description
Return on Assets	ROA	= Net profit after tax/ Total Asset	The higher the ROA, the better.
Return on Equity	ROE	=Net profit after Tax/ Shareholder's Equity	The higher the ROA, the better the performance.
Return on Deposit	ROD	= Net Profit after Tax / Total Deposit	The higher the ROD, the better.
Operating Profit Margin	OPM	= Operating Profit/ Operating Income	The higher OPM ratio indicates better performance.
Earnings Per Share	EPS	= Net profit/ Total no. of share outstanding	The higher EPS means the stock has a higher value.
Net Profit Margin	NPM	= Net Profit after Tax / Total Operating Income	The higher the NPM, the better.



4.5 List of Selected Banks

No.	Name of the Selected banks	DSE Trading Code	Acronyms
1.	Jamuna Bank Limited	JAMUNABANK	JBL
2.	Islamic Bank Bangladesh Limited	ISLAMIBANK	IBBL
3.	Dutch Bangla Bank	DUTCHBANGL	DBBL

4.6 Comparative Profitability Analysis of JBL, IBBL & DBBL

To calculate the profitability of three commercial banks of JBL, IBBL & DBBL, I have conducted profitability ratios; those methods are therefore analyzed below:

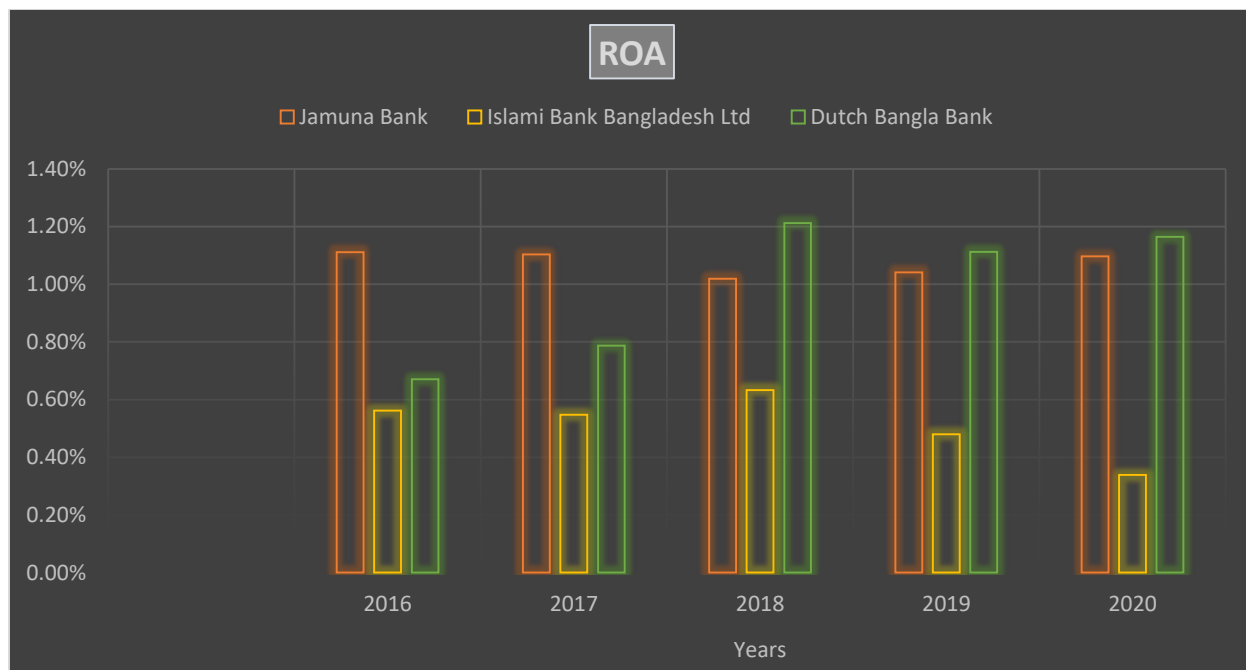
4.6.1 Return on Assets (ROA)

Profitability Ratio Table-1

Name of the Banks	Years					Mean	Standard Deviation
	2016	2017	2018	2019	2020		
Jamuna Bank	1.11%	1.10%	1.02%	1.04%	1.10%	1.07%	0.041%
Islami Bank Bangladesh Ltd	0.56%	0.55%	0.63%	0.48%	0.34%	0.51%	0.111%
Dutch Bangla Bank	0.67%	0.79%	1.21%	1.11%	1.16%	0.99%	0.244%

Return on Assets of Selected Banks During (2016-2020)

Source: Calculating Values Using Annual Report, 2016-2020



Profitability Figure 1: Analysis of Selected Banks

Interpretation

A higher positive percentage of ROA proves that the bank's financial orders are more effective than the bank's management. This ratio serves as an indicator for the assessment of managerial efficiency. Based on the analysis in **Profitability Ratio Table 1:**

Jamuna Bank Ltd has the highest average return on asset ratio (1.07 %) compared to the other banks throughout the duration. At the same time, Dutch Bangla Bank Limited is in the second position with (0.99%). Islamic Bank Bangladesh Limited ranks third in asset returns with (0.51%). Hence, from the tabular analysis and the graphical representation of the average return on assets for IBBL is the lowest in the period from 2016 to 2020. Jamuna Bank Limited has a lower Standard Deviation of (.041%), which means this bank has been correlated with more stability than other banks. Islamic Bank Bangladesh Limited is less stable than Jamuna bank Limited, holding a standard deviation of (0.111%). Dutch Bangla Bank Limited is in the third spot with a Standard Deviation of (0.244%). Dutch Bangla Bank Limited is the riskier among other banks with the highest Standard Deviation.



4.6.2 Return on Equity (ROE)

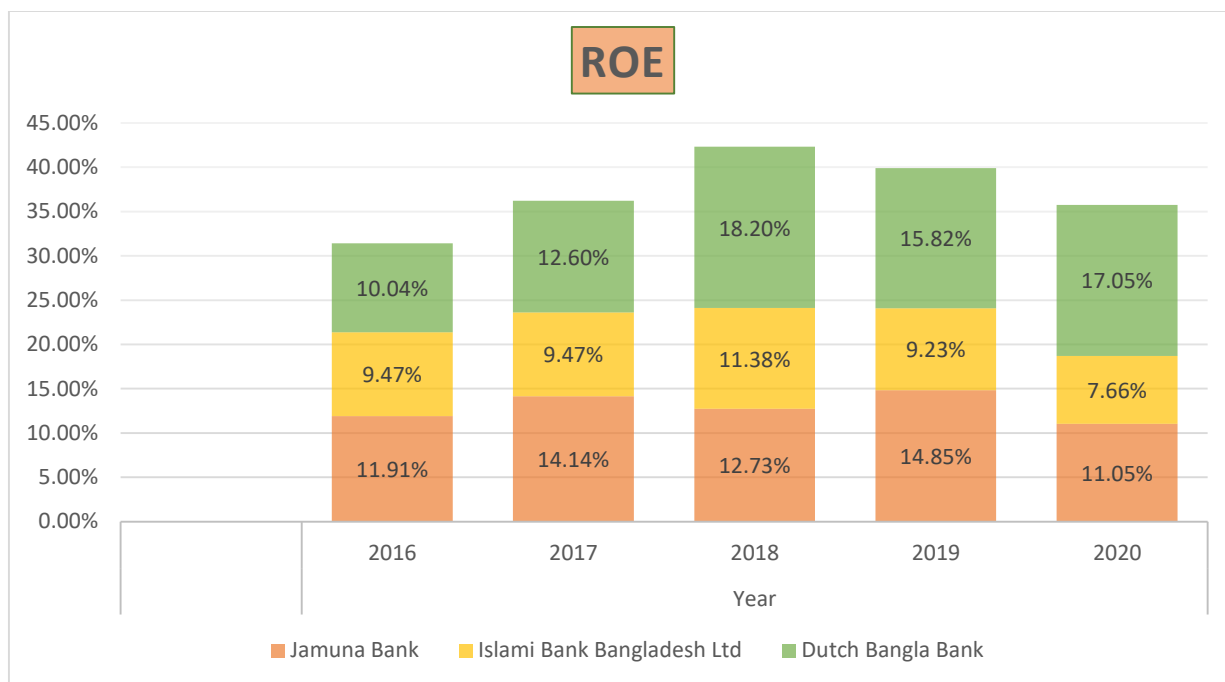
Profitability Ratio Table-2

Return on Equity of Selected Banks During (2016-2020)

Name of the Bank	Year					Mean	Standard Deviation
	2016	2017	2018	2019	2020		
Jamuna Bank	11.91%	14.14%	12.73%	14.85%	11.05%	12.94%	1.56%
Islami Bank Bangladesh Ltd	9.47%	9.47%	11.38%	9.23%	7.66%	9.44%	1.32%
Dutch Bangla Bank	10.04%	12.60%	18.20%	15.82%	17.05%	14.74%	3.36%

Return on Equity of Selected Banks During (2016-2020)

Source: Calculating Values Using Annual Report, 2016-2020



Profitability Figure 2: Analysis of Selected Banks

Interpretation

ROE is another measure of managerial efficiency. ROE shows how the bank can profit from the shareholders' capital invested. This ratio's higher value indicates increased financial efficiency.

The above **Profitability Ratio Table 2**

This reveals that Dutch Bangla Bank Limited is more profitable than other banks, with a mean percentage (of 14.74 %). Jamuna Bank Limited is placed in the second position (12.94%). At the same time, Islami Bank Bangladesh Ltd shows the third spot in terms of mean return on equity (9.44%). According to the analysis, this has the lowest mean return on equity ratio of the other two banks during the years (2016-2020). However, customers prefer Islami Bank Bangladesh Limited because its Standard Deviation (1.32%) is lower than the other selected banks. Jamuna Bank Limited is a little riskier, with a Standard Deviation of (1.56%). Dutch Bangla Bank Limited is the most uncertain among the other banks, with a Standard Deviation of (3.36%).



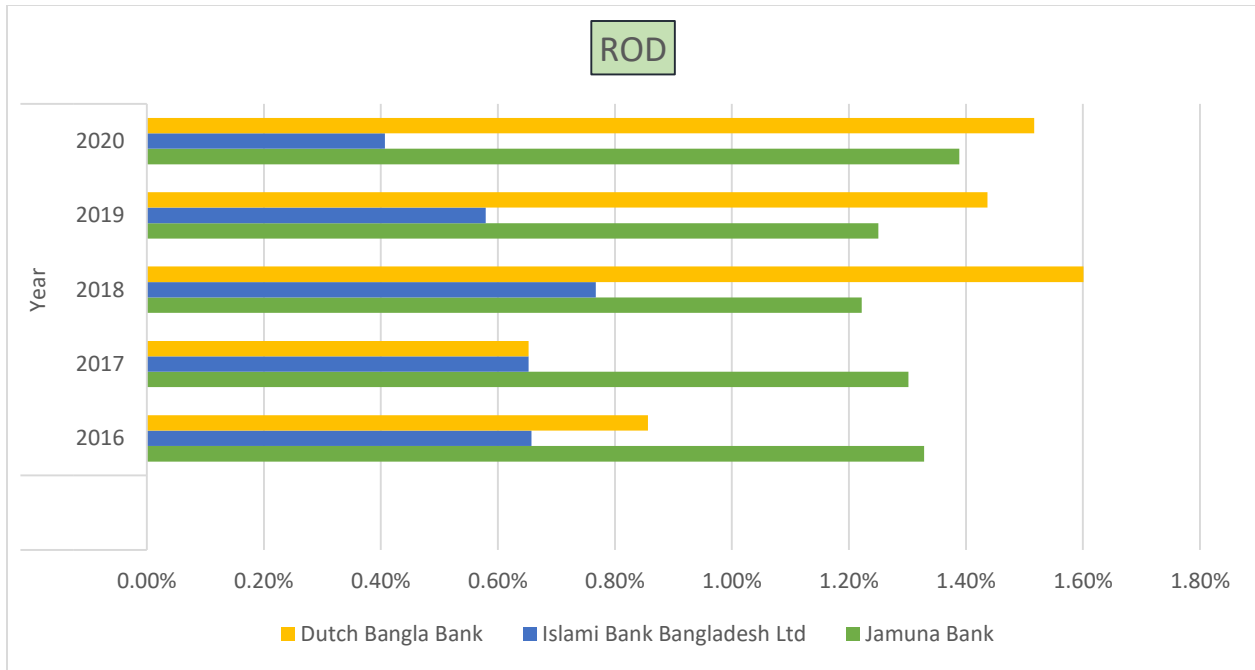
4.6.3 Return on Deposit (ROD)

Profitability Ratio Table-3

Name of the Bank	Year					Mean	Standard Deviation
	2016	2017	2018	2019	2020		
Jamuna Bank	1.33%	1.30%	1.22%	1.25%	1.39%	1.30%	0.07%
Islami Bank Bangladesh Limited	0.66%	0.65%	0.77%	0.58%	0.41%	0.61%	0.13%
Dutch Bangla Bank	0.86%	0.65%	1.60%	1.44%	1.52%	1.21%	0.43%

Return on Deposit of Selected Banks During (2016-2020)

Source: Calculating Values Using Annual Report, 2016-2020



Profitability Figure 3: Analysis of Selected Banks

Interpretation

ROD demonstrates how well a bank's management will transform deposits into net earnings. Table 3 displays selected banks' return on deposit ratios from 2016 to 2020. According to the results, Jamuna Bank Limited has the highest profitability (1.30%). Dutch Bangla Bank Limited is in the second position with a deposit return of (1.21%). Islami Bank Bangladesh Limited shows the third position with (0.61%). Islami Bank Bangladesh Ltd has the lowest mean of return on a deposit. Jamuna Bank Limited has the lowest standard deviation (0.07%), making it the least risky. Islami Bank Bangladesh Limited is less stable, with an SD of (0.13) than Jamuna Bank Limited. Dutch Bangla Bank is at more risk, with an SD of (0.43%).



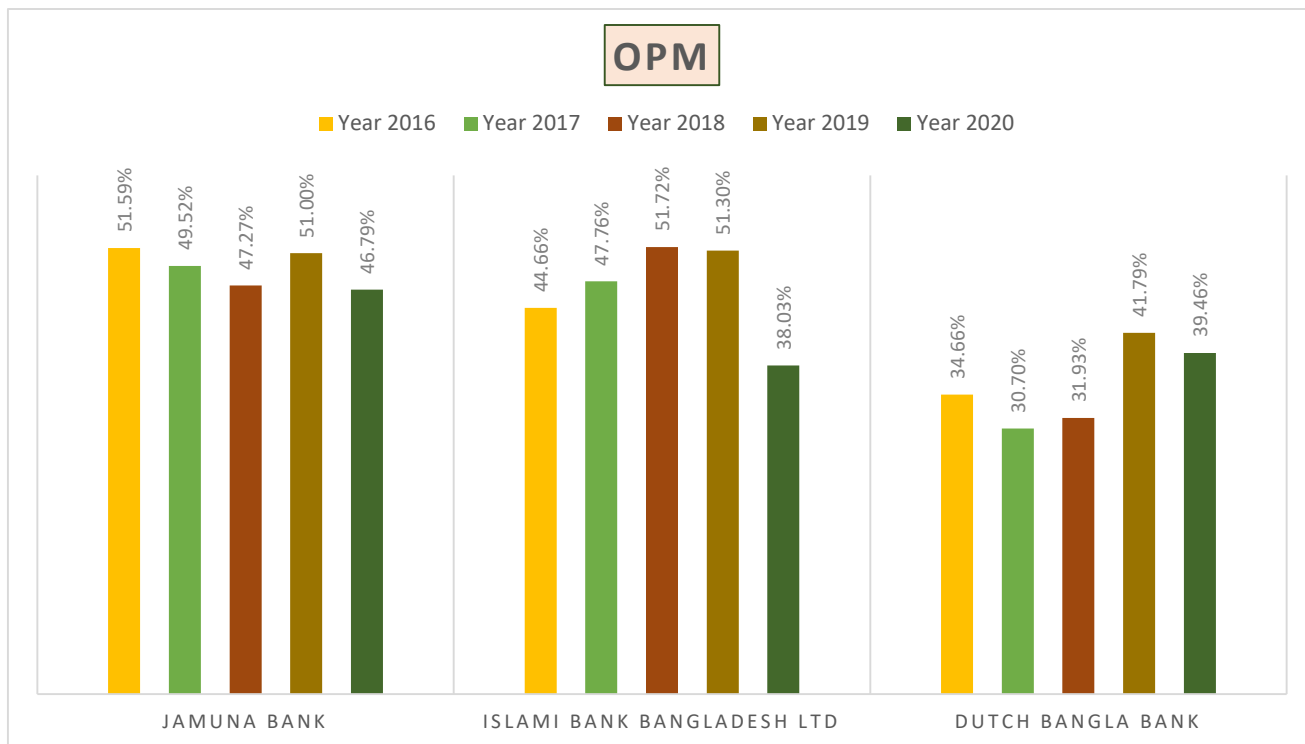
4.6.4 Operating Profit Margin (OPM)

Profitability Ratio Table-4

Name of the Bank	Year					Mean	Standard Deviation
	2016	2017	2018	2019	2020		
Jamuna Bank	51.59%	49.52%	47.27%	51.00%	46.79%	49.23%	2.15%
Islami Bank Bangladesh Limited	44.66%	47.76%	51.72%	51.30%	38.03%	46.69%	5.63%
Dutch Bangla Bank	34.66%	30.70%	31.93%	41.79%	39.46%	35.71%	4.78%

Operating Profit Margin of Selected Banks During (2016-2020)

Source: Calculating Values Using Annual Report, 2016-2020



Profitability Figure 4: Analysis of Selected Banks

Interpretation

The profit-to-expense ratio measures a company's profitability by considering the incurred expenses and the generated profits. For a particular level of income, high profitability means higher profits. After paying for variable production costs, like wages and raw materials, but before paying interest or taxes, the operating margin quantifies how much profit a company generates on a dollar of sales. It's computed by dividing its net sales by its active income. Higher ratios are generally better, indicating that a company's operations are efficient and effective at converting sales into profits.

Table 04 shows that Jamuna Bank Limited has the highest mean Operating Profit margin in terms of its income, with a profit margin of (49.23 %). In contrast to other banks, Islami Bank Bangladesh Limited is ranked second with a percentage of (46.69%). Dutch Bangla Bank Limited has an operating profit ratio of (35.71%). Jamuna Bank Limited has a lower Standard Deviation (2.51%), which means that this bank has been correlated with more stability than other banks. Dutch Bangla Bank and Islami Bank Bangladesh Limited both have Standard Deviations of (4.78%) and (5.63%) which are less stable than Jamuna bank.

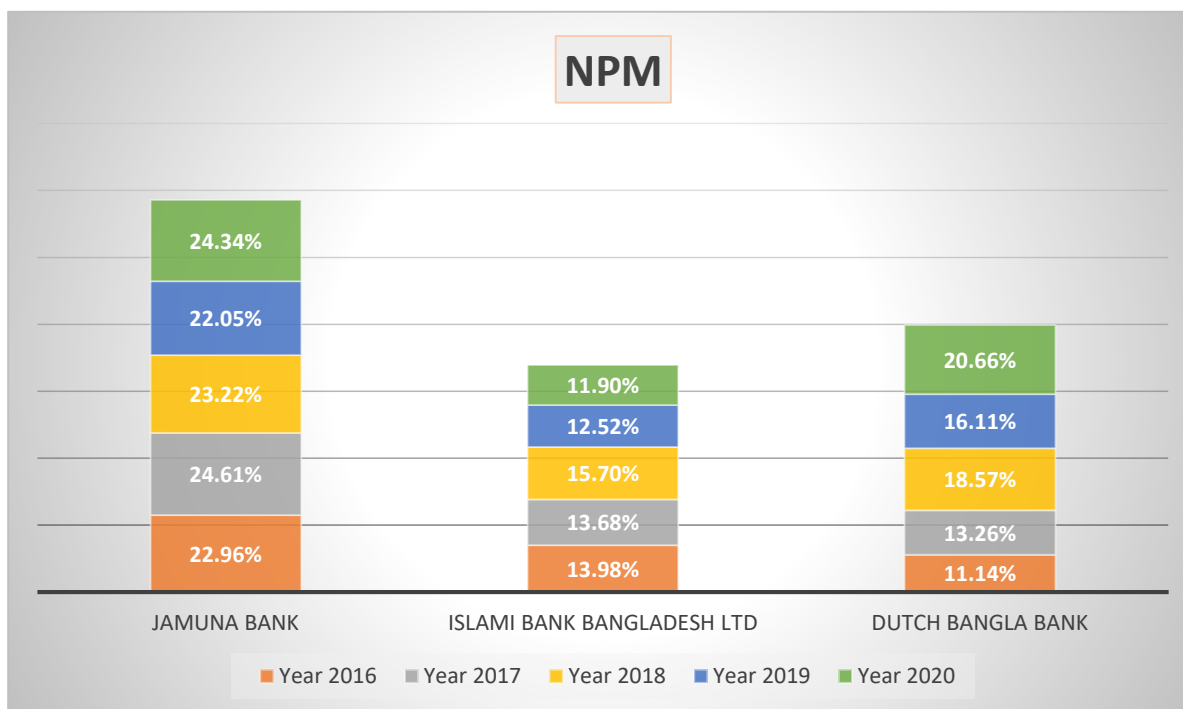
4.6.5 Net Profit Margin (NPM)

Profitability Ratio Table-5

Name of the Bank	Year					Mean	Standard Deviation
	2016	2017	2018	2019	2020		
Jamuna Bank	22.96%	24.61%	23.22%	22.05%	24.34%	23.43%	1.05%
Islami Bank Bangladesh Limited	13.98%	13.68%	15.70%	12.52%	11.90%	13.56%	1.47%
Dutch Bangla Bank	11.14%	13.26%	18.57%	16.11%	20.66%	15.95%	3.85%

Net Profit Margin of Selected Banks During (2016-2020)

Source: Calculating Values Using Annual Report, 2016-2020



Profitability Figure 5: Analysis of Selected Banks

Interpretation

The net profit margin is a proper measure because it acknowledges all variables. The above table 5 indicates that Jamuna Bank Limited is in the highest position as it has the highest mean net profit margin (23.43%) compared to other banks. Dutch Bangla Bank Limited ranks in the second spot with (15.95%). Islami Bank Bangladesh Limited shows the third position with (13.56%). Islami Bank Bangladesh Limited has the lowest net profit margin mean. Jamuna Bank Limited has a lower Standard Deviation, which means that this bank has been correlated with more stability than other banks. Islami Bank Bangladesh Limited is less stable than Jamuna Bank Limited, with a Standard Deviation of (1.47%). Dutch Bangla Bank Asia Limited is in the third spot with a Standard Deviation of (3.85%). Lastly, it can be said that despite having a higher mean net profit margin than Islami Bank Bangladesh Limited, Dutch Bangla Bank Limited has the highest Standard Deviation OF (3.85%), which means it is the riskiest one.

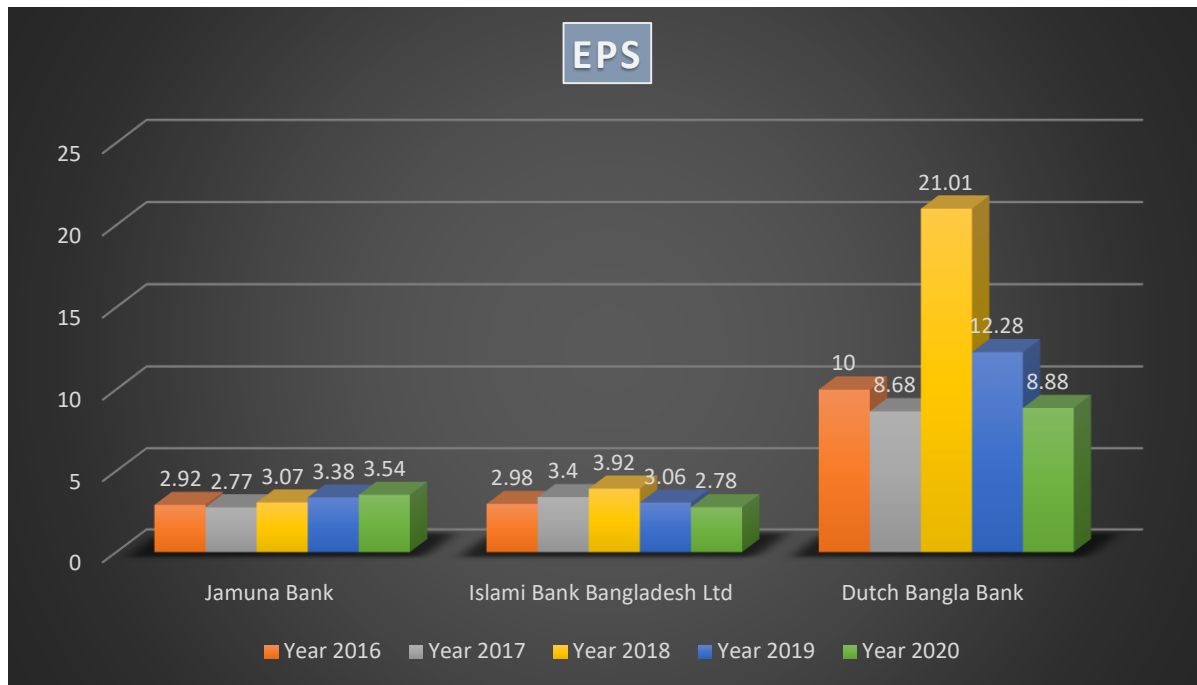
4.6.6 Earnings Per Share (EPS)

Profitability Ratio Table-6

Name of the Bank	Year					Mean	Standard Deviation
	2016	2017	2018	2019	2020		
Jamuna Bank	2.92	2.77	3.07	3.38	3.54	3.14	0.319
Islami Bank Bangladesh Limited	2.98	3.4	3.92	3.06	2.78	3.23	0.447
Dutch Bangla Bank	10	8.68	21.01	12.28	8.88	12.2	5.145

Earnings Per Share of Selected Banks During (2016-2020)

Source: Calculating Values Using Annual Report, 2016-2020



Profitability Figure 5: Analysis of Selected Banks

Interpretation

Profitability is expressed in terms of earnings per share. Higher EPS suggests that the banks are in a better position. From the above Profitability Ratio, Table-6 implies that Dutch Bangla Bank Limited is in the first position having the highest EPS of (1.99%) and but highest Standard Deviation (5.145) compared to the other banks, which is not very stable and risky to buy the share despite having highest Earning Per Share than the other two banks. Islami Bank Bangladesh Limited is in the second position with (3.23), and this bank shows a minor Standard Deviation from Dutch Bangla Bank of (0.447). Jamuna Bank Limited ranks third with an average Earning Per Share of (3.14) and the lowest Standard Deviation of (0.319). Despite having the lowest earning per share, Jamuna Bank is less risky because of having the lowest Standard Deviation.



Chapter 5

“Findings, Recommendations & Conclusion”



5.1 Findings of Comparative Profitability Analysis of JBL, IBBL & DBBL

- In Return on Asset, Jamuna Bank Limited conducted the operation more magnificently and conveniently, stating that Jamuna Bank Limited was more profitable than the other two banks, Islami Bank Bangladesh Limited and Dutch Bangla Bank. On the other hand, Islami Bank Bangladesh Limited and Dutch Bangla Bank were not stable. Yet, the scenario of Dutch Bangla Bank's ROA was more unstable than the other two banks because of the downfall after 2018 on ROA, which ultimately affected in 2020 despite having a slightly upward ROA than 2019 and also the highest standard deviation indicating the poor profitability than the other two banks of Jamuna Bank Limited and Islami Bank Bangladesh Limited.
- Individually, the return on equity of all three banks was in a better position. However, suppose I compare these three banks from the profitability analysis of standard deviation. It illustrates that the Return on Equity of Islamic Bank Bangladesh Limited was in a much better position than Jamuna Bank Limited & Dutch Bangla Bank, an aptitude outlook of the bank's profitability. The return on equity for Dutch Bangla Bank was increasing over the years except 2019, which was a good sign, yet Dutch Bangla Bank's higher standard deviation shows that the bank was not consistently growing than the other two banks; therefore, Dutch Bangla Bank's ROE was less good than Jamuna Bank Limited & Islami Bank Bangladesh Limited.
- From the profitability analysis, the return on deposit of all three banks shows disappointing performance over the five years. Dutch Bangla Bank was extremely unstable among these three banks, with a higher standard deviation than Jamuna Bank Limited and Islami Bank Bangladesh Limited.
- Operating Profit Margin of Jamuna Bank Limited, Islami Bank Bangladesh Limited & Dutch Bangla Bank was on an acceptable track to meet the interest on debts or taxes. However, all three were not consistent. They fluctuated over the years, which is not a good sign for these three banks. To compare the consistency among these three banks, Jamuna Bank Limited was more in tune with a lower standard deviation than the other three banks.
- Higher net profit margin with a lower standard deviation of Jamuna Bank Limited illustrates that they received more net profit than Islami Bank Bangladesh Limited and Dutch Bangla Bank.



- Despite having higher earnings per share of Dutch Bangla Bank than Islami Bank Bangladesh Limited and Jamuna Bank Limited still had a higher standard deviation over the last five years, which represents that Dutch Bangla Bank was more volatile and riskier to earn a profit than Islami Bank Bangladesh Limited and Jamuna Bank Limited. Yet, the market investors want to profit more with a more complex situation; they can invest in Dutch Bangla Bank.



5.2 Recommendations

- Return on Asset of Jamuna Bank Limited was better than Islamic Bank Bangladesh and Dutch Bangla Bank. However, Jamuna Bank still needs to increase the ratio to captivate more investors in the future for higher profitability through ROA. It is also a matter that it is necessary to increase the ROA, but still, it shouldn't be too high to face high financial leverage, which can be harmful to the bank's solvency. Islami Bank Bangladesh Limited and Dutch Bangla Bank should also work on their ROA by developing their asset efficiency to increase profitability.
- Return on Equity of all three banks was stable over the years. Still, Jamuna Bank Limited and Dutch Bangla Bank should increase the ratio to attract more investors for higher profitability so that these banks can reinvest and generate their capital efficiently.
- Return on deposit of all three banks of Jamuna Bank Limited, Islami Bank Bangladesh Limited & Dutch Bangla Bank were excessively poor and low; therefore, they should target their goal efficiently of increasing the return on deposits while making the most of the net profit. In addition, the condition of Dutch Bangla Bank was more critical, with a higher standard deviation than Jamuna Bank Limited & Dutch Bangla Bank. On that account, they should work harder to increase the ratio of Return on Deposit.
- Despite having higher operating profits, all three banks were not very consistent over the five years, which can be dangerous for these three banks in the upcoming years by facing higher operating costs through declining sales and experiencing a fall in sales of high margin products. Consequently, Jamuna Bank Limited, Islami Bank Bangladesh Limited, and Dutch Bangla Bank should completely manage the working environment.
- Net profit margin of Dutch Bangla Bank was less consistent with a higher standard deviation than the other two banks, Jamuna Bank Limited and Islami Bank Bangladesh Limited. Dutch Bangla Bank should improve the net profit margin by decreasing interest costs by investing capital in more profitable sectors.
- All three banks, Jamuna Bank Limited, Islami Bank Bangladesh Limited, and Dutch Bangla Bank, have lower earnings per share. Therefore, they all must increase their net profit to have enough profit to distribute among the shareholders.



5.3 Conclusion

All three banks of Jamuna Bank Limited, Islami Bank Bangladesh Limited, and Dutch Bangla Bank have started their banking activities not for gaining profit moreover to attract customers with quality full, and trustworthy products, and in today's world, these three banks are not any longer entirely dependent only on commercial banking strategies. They are spreading their banking services anywhere in today's competitive world through export and import business. Consequently, now banks are experiencing inviolable competition from domestic and international banks. The most challenging task for a bank in this difficult atmosphere is to get used to the new innovative technologies for declining operating costs and increasing profits. To summarize the whole situation, I want to add that, as I did my internship at Jamuna Bank Limited, my experience with the bank was delightful. As well as, I learned so many real-life official experiences through working with them, which will guide me in my near future. Through analysis, it can be said that the profitability of Jamuna Bank Limited is entirely more consistent than the other two banks, which has been proved very worthy for them to survive in the competition. Jamuna Bank Limited should maintain a structured base financial strategies to make more profit, and from time to time, they should change the design or need to make it updated.



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- Wikipedia-Dutch-Bangla Bank Limited. Available from:
https://en.wikipedia.org/wiki/Dutch_Bangla_Bank
- LankaBangla Financial Portal. Available from: <https://lankabd.com/>



Appendix

Link of Excel File:

Profitability Analysis of Jamuna Bank Limited, Islami Bank Bangladesh Ltd & Dutch-Bangla Bank Limited –

<https://docs.google.com/spreadsheets/d/1Yn70fOuZyYb0MqjnDOKHIYdrUnsoBhVR/edit?usp=sharing&ouid=100093997487954624206&rtpof=true&sd=true>