

**Internship Report
On
Financial Performance Analysis of Trust Bank Limited**



Internship Report on Financial Performance Analysis of Trust Bank Limited

Submitted To:

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Letter of Transmittal

October 22, 2022

Ms. Sabrina Akhter

Assistant Professor
Department of Business Administration
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Subject: **Submission of Internship Report**

It gives me great pleasure to present my internship report on “**Trust Bank Ltd.**” Financial Performance Analysis. I was assigned this work to complete the unfinished prerequisite for the BBA program. I've promised to put up sincere effort in order to finish the report successfully. Without your guidance and aid, I would not have been able to finish my report, so please know how much I appreciate it. I would be interested in hearing further information if you have any.

I therefore hope you will approve my internship report.

Yours Sincerely,



Nahid Hasan

ID: 191-11-6081
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Certification of Supervisor

This to certify that NAHID HASAN, ID 191-11-6081, Program BBA, Batch 52nd, Major in Finance is a regular student of Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University. He has successfully completed his internship program at Trust bank limited, Mirpur Branch, Dhaka and has prepared this internship report under my direct supervision. His assigned internship topic was “Financial performance analysis of Trust Bank Limited”. I think that the report is worthy of fulfilling the partial requirements of BBA program.

I wish his happiness and every success in life.



Ms. Sabrina Akhter
Assistant Professor
Department of Business Administration
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Acknowledgment

In the name of Allah, the compassionate and kind. This work would not have been possible without the guidance and assistance of numerous people who in various ways contributed and extended their significant assistance in the preparation and completion of this study. This report regarding my internship was my attempt, and it is now complete. A special mention should be made for my encouraging mentor, Assistant Professor, **Ms. Sabrina Akhter**, Faculty of Business & Entrepreneurship. Her advice and support were essential to the smooth progression of the internship program. The cooperation is genuinely highly esteemed.

I thank all the senior officials who made it possible for me to gain real-world experience. The internship program has also helped me understand the value of teamwork and given me a new perspective on the kind of workplace that continuously puts us to the test.

Last but not least, I want to express my gratitude to everyone at Trust Bank Ltd. and elsewhere who contributed to this study.

Executive Summary

The purpose of this internship report is to comply with the requirements of the BBA program. It is a necessity of my course that I interact with an organization in order to gather hypothetical and important information. The purpose of this report is to give the reader a thorough understanding of Trust Bank Ltd.'s entire financial operations. The purpose of this report is to provide some insight into Trust Bank Ltd.'s financial performance and to assess its sufficiency.

I described the context of the study and the report's format in the introduction section. It also includes objectives, scope, constraints, and methods, which includes the data gathering sources. I used both necessary and auxiliary information for data collecting.

Then I spoke about the organizational component, which contains comprehensive details about the corporation, including its corporate goal, vision, product & services, and resources, branch location, and other Trust Bank Ltd. facilities.

The third section, titled Financial Ratio Analysis, includes definitions of terms, an examination of various bank ratio types, results of Trust Bank Ltd.'s financial ratios, an explanation of them, and visual representations. Since the financial analysis is a coherent and numerical way to illustrate the overall financial performance of the bank throughout these years, this portion also integrates even and vertical analysis to display the financial performance of Trust Bank Ltd during the most recent five years of 2017–2021.

Last but not least, a few concerns that were discovered when assessing the financial performance are discussed. Following that, a few recommendations are made for the bank's improvement, and if those suggestions are accepted, the manager of Trust Bank Ltd can take appropriate action.

**“Financial Performance Analysis Trust Bank Limited”
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Chapter: 01

Introduction

1.1 Introduction:

Trust Bank Limited is one of the leading private commercial banks having a spread network of 113 branches & SME centers, 5 sub-branches, 245 ATM Booths and above 500 POS across Bangladesh and plans to open more branches to cover the important commercial areas in Dhaka, Chittagong, Sylhet and other areas in 2021. The bank, sponsored by the Army Welfare Trust (AWT), is first of its kind in the country. With a wide range of modern corporate and consumer financial products Trust Bank has been operating in Bangladesh since 1999 and has achieved public confidence as a sound and stable bank. In 2001, the bank introduced automated branch banking system to increase efficiency and improve customer service. In the year 2005, the bank moved one step further and introduced ATM services for its customers. Since bank's business volume increased over the years and the demands of the customers enlarged in manifold, our technology has been upgraded to manage the growth of the bank and meet the demands of our customers.

In January 2007, Trust Bank successfully launched Online Banking Services which facilitate Any Branch Banking, ATM Banking, Phone Banking, SMS Banking, & Internet Banking to all customers. Customers can now deposit or withdraw money from any Branch of Trust Bank nationwide without needing to open multiple accounts in multiple Branches. Via Online Services and Visa Electron (Debit Card), ATMs now allow customers to retrieve 24x7 hours Account information such as account balance checkup through mini-statements and cash withdrawals.

Trust Bank has successfully introduced Visa Credit Cards to serve its existing and potential valued customers. Credits cards can now be used at shops & restaurants all around Bangladesh and even internationally.

Trust Bank is a customer oriented financial institution. It remains dedicated to meet up with the ever growing expectations of the customer because at Trust Bank, customer is always at the center.

1.2 Background of the Study:

For students completing the BBA program at Daffodil International University's faculty of business and entrepreneurship, the internship program is a requirement that must be fulfilled. A report on an internship is required for every organization that assists in suggesting both hypothetical and actual information. After then, my subject, Financial Analysis and Performance Evaluation of Trust Bank Ltd., was made possible by my knowledge and continued involvement in the chosen association.

1.3 Scope of the Study:

The scope of the study covers general activities and financial Performance analysis of Trust Bank Ltd.

Main focus of this report is to analyze:

- General Activities of Trust Bank Ltd
- Ratio Analysis
- Trend Analysis
- Common Size Statement Preparation

1.4 Objectives of the Study:

The objectives of the this study are listed below-

General Objective:

- To evaluate Trust Bank Limited's financial statements with a focus on its overall financial performance.

Specific Objective:

- To understand Trust Bank Limited's current financial situation.
- To determine Trust Bank Limited's financial performance over the last five years by calculating and examining various types of financial ratios.
- To determine the issues related with Trust Bank Limited's operations and financial performance.
- To provide some potential suggestions to improve the financial performance.

1.5 Methodology of the Study:

I combined primary and secondary data to create this study. Primary data have been gathered through my observation and a private conversation with the administration. They provided me the information, and I used their website's Trust Bank Ltd. yearly report to compile this report.

1.5.1 Data collection:

Primary Data Collection:

- Personal interactions with bank employees.
- Practical work Experience.
- Direct communication With Customers.
- Studying office file while working in the organization

Secondary Data Collection:

- Annual Report of Trust Bank Ltd.
- Official Website of Trust Bank Ltd
- Article , Journal, Newspaper & Publication
- Product brochure of Trust Bank Ltd.

Data Analysis:

- To analyze the data, MS Excel has been used.

1.6 Limitations of the Study:

The chance to work with Trust Bank Ltd. was excellent for me. Throughout the first quarter of the internship program, I have gained both theoretical and practical knowledge that has helped me understand how to adapt to a professional environment. The organization of my internship report was hampered by a few restrictions, though. These are the problems and limitations:

- Three months is not long enough to learn all about any branch's activity.
- The Study Company's technology cannot be used on a single workstation.
- Due to confidentiality, the authority withholds information.
- Staff members have less time to train trainees due to the branch's large amount of business.
- Access to current data that is relevant to the inquiry inadequate report-writing skills.

Chapter: 02

About Trust Bank Limited



2.1 Profile of Trust Bank Limited:

Trust Bank Limited (TBL) is one of the leading commercial banks in Bangladesh. The bank is sponsored by the Army Welfare Trust (AWT) first of its kind in Bangladesh. With a wide range of corporate, retail, SME, and Islamic Banking products TBL has been operating in Bangladesh from 1999 and has since achieved public confidence as a sound and stable financial institution. Here is where we stand today. We have a network of 113 branches throughout Bangladesh, 242 ATM Booths, more than 20,000 pay points, and 65 POS in 55 branches. We employ more than 2,000 people, and we provide services to millions of customers, as well as many of Bangladesh's well-known corporations, small businesses, institutional clients, and government clients.

2.2 Mission of Trust Bank Limited:

- Diversified business with long-term, sustainable growth and effective risk management.
- Through low-cost, technology-based service delivery, financial inclusion aims to bring the unbanked people into the banking system.
- Accountable to all parties involved, including regulators, employees, shareholders, and clients.

At all stages of operation, the highest level of compliance and openness.

2.3 Vision of Trust Bank Limited:

Build a long-term sustainable financial institution through financial inclusion and deliver optimum value to all stakeholders with the highest level of compliance

2.4 Objective:

- To conduct business in the most respectful and effective manner possible. To innovate when creating fresh banking services and goods
- By encouraging their wellbeing by offering alluring compensation and perks.
- Through creating a positive work environment by providing possibilities for career advancement, adequate staff training, and growth.
- On providing high-quality services across the panel in the banking industry with the goal of increasing shareholder value and providing the best possible benefits to our clients.

By taking concrete steps to fulfill our responsibilities as a socially conscious corporate citizen, we may help the country advance by closely observing its goals and policies.

2.5 Corporate Information:

Features	Values
Name of the Company	Trust Bank Limited
Chairman	General S M Shafiuddin Ahmed
CEO & Managing Director	Humaira Azam
Legal Status	Public Limited Company
Registered Office	Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate Dhaka Cantonment, Dhaka-1206.
Authorized Capital	BDT 10,000.00 Million
Paid Up Capital	BDT 7,783.88.00 Million
Total No Of Share	778,388,132
No. of Employees	2000+
Website	https://www.tblbd.com

2.6 Product & Service of Trust Bank Limited

2.6.1 Product of Trust Bank Limited

Deposit:

- Current Deposit
- Savings Deposit
- Special Notice Deposit
- Fixed Deposit Schemes

Loan & Advance:

- Loan Against Export Bills
- Working Capital Loan
- Packing Credit
- Overdraft
- Import Loan
- Export Loan
- Project Finance

2.6.2 Service of Trust Bank Ltd.

E-Service:

- ATM Automated Branch Banking
- SME Banking
- Bill Payment Service
- Foreign Trade
- Foreign Remittance
- SWIFT Service
- E-Statement Service
- SMS Alert Service

Modern Banking:

- Online Banking
- PBL Mobile Apps
- Instant Banking

2.7 Board of directors:

Name	Position
General S M Shafiuddin Ahmed	Chairman
Maj Gen Md Moshfequr Rahman	Vice-Chairman
Humaira Azam	MD & CEO
Brig Gen Abul Mansur Md Ashraf Khan	Director
Brig Gen S M Zia-Ul-Azim	Director
Brig Gen Md Kaiser Hasan Malik	Director
Brig Gen Mohammad Moazzem Hossain	Director
Brig Gen Md Nishatul Islam Khan	Director
Brig Gen Md Munirul Islam	Director
Mr. Anisuddin Ahmed Khan	Independent Director
Mr. Arshad Jamal	Independent Director

2.8 Financial Statement of Trust Bank Limited:

Trust Bank Ltd

INCOME STATEMENT

As on December 31, (2017-2021)

Particulars	2017	2018	2019	2020	2021
Interest income	14,413,599,327.00	17,467,596,665.00	19,755,964,324.00	17,859,103,589.00	17,727,106,899.00
Interest paid on deposits and borrowings	8,866,678,706.00	11,209,595,621.00	13,473,906,936.00	13,678,470,839.00	11,341,370,200.00
Net interest income	5,546,920,621.00	6,258,001,044.00	6,282,057,388.00	4,180,632,750.00	6,385,736,699.00
Income from investments	2,268,376,726.00	2,202,506,011.00	2,987,417,168.00	5,865,427,033.00	8,048,694,889.00
Commission, exchange and brokerage Income	1,462,011,593.00	1,253,024,593.00	1,506,181,423.00	1,342,901,816.00	1,797,494,221.00
Other operating income	584,317,034.00	513,509,779.00	538,009,954.00	500,801,763.00	591,781,929.00
Total operating income	9,861,625,974.00	10,227,041,427.00	11,313,665,933.00	11,889,763,362.00	16,823,707,738.00
Rent, Taxes, Insurance, Electricity etc.	706,720,622.00	741,155,095.00	409,493,138.00	418,227,243.00	584,121,896.00
Salaries and allowances	1,960,836,209.00	1,981,922,850.00	2,160,976,019.00	2,342,744,674.00	2,637,847,110.00
Legal Expenses	1,682,980.00	3,481,780.00	4,954,141.00	1,852,884.00	14,387,131.00
Postage, Stamps, Telecommunication etc.	101,339,056.00	87,201,300.00	82,561,983.00	88,735,840.00	94,258,164.00
Stationery, Printing, Advertisement etc.	47,521,164.00	51,585,144.00	54,232,982.00	44,269,141.00	55,992,074.00
Directors' Fees and Expenses	3,679,000.00	3,034,000.00	2,967,000.00	3,297,190.00	2,807,088.00

Salary and allowances paid to Managing director/Chief Executive	13,569,900.00	12,852,349.00	13,923,220.00	12,747,189.00	11,587,556.00
Auditors' Fee	747,500.00	747,500.00	747,500.00	1,358,750.00	1,121,250.00
Depreciation and Repairs to Bank's Assets	239,355,896.00	232,985,036.00	538,645,920.00	570,139,659.00	570,797,965.00
Other Expenses	720,472,506.00	735,491,408.00	816,591,577.00	1,030,342,304.00	2,456,438,582.00
Total operating expenses	3,795,924,833.00	3,850,456,462.00	4,085,093,480.00	4,513,714,874.00	6,429,358,816.00
Operating Profit	6,065,701,141.00	6,376,584,965.00	7,228,572,453.00	7,376,048,488.00	10,394,348,922.00
Profit before provision	6,065,701,141.00	6,376,584,965.00	7,228,572,453.00	7,376,048,488.00	10,394,348,922.00
Specific provision (Loan and Advances)	1,808,276,135.00	2,111,333,673.00	2,466,725,999.00	2,933,301,059.00	4,704,845,140.00
Diminution in value of investment	12,330,903.00	6,527,902.00	80,646,030.00	600,364.00	161,982,593.00
Others Provision	240,425,310.00	147,242,562.00	53,827,942.00	61,571,000.00	450,629,975.00
Total provision	2,061,032,348.00	2,265,104,137.00	2,493,544,087.00	2,995,472,423.00	5,317,457,708.00
Profit for the year before taxation	4,004,668,793.00	4,111,480,828.00	4,735,028,366.00	4,380,576,065.00	5,076,891,214.00
Current Tax	2,277,997,618.00	2,261,930,574.00	2,719,721,831.00	2,588,477,202.00	2,495,960,205.00
Deferred tax	24,188,155.00	14,275,115.00	21,350,112.00	6,571,000.00	-94,508,632.00
Provision for tax	2,253,809,463.00	2,247,655,459.00	2,698,371,719.00	2,581,906,202.00	2,401,451,573.00
Net profit after tax for the year	1,750,859,330.00	1,863,825,369.00	2,036,656,647.00	1,798,669,863.00	2,675,439,641.00

EPS	3.14	3.04	3.17	2.8	3.78
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Trust Bank Ltd

BALANCE SHEET

As on December 31, (2017-2021)

Particulars	2017	2018	2019	2020	2021
Cash	15,734,749, 195.00	15,738,013, 847.00	19,454,986,8 49.00	17,515,803, 699.00	18,439,978,3 91.00
In hand (Including foreign currencies)	3,200,839,8 75.00	3,730,434,6 04.00	4,182,750,41 8.00	4,540,041,2 05.00	4,415,814,52 7.00
Balances with Bangladesh bank and sonali bank (Including foreign currencies)	12,533,909, 320.00	12,007,579, 243.00	15,272,236,4 31.00	12,975,762, 494.00	14,024,163,8 64.00
Balance with other banks and financial institution	4,048,941,3 43.00	7,837,427,1 12.00	12,547,276,5 82.00	13,580,215, 459.00	15,499,140,5 31.00
In Bangladesh	2,401,769,9 77.00	7,062,324,2 16.00	11,053,428,8 01.00	12,104,549, 531.00	14,502,292,2 19.00
Outside Bangladesh	1,647,171,3 66.00	775,102,89 6.00	1,493,847,78 1.00	1,475,665,9 28.00	996,848,312. 00
Money at call and short notice	-	-	2,300,000,00 0.00	680,000,00 0.00	-
Investment in shares & securities	30,615,233, 806.00	34,540,519, 080.00	43,462,118,8 84.00	93,447,270, 433.00	67,593,225,0 71.00
Government	25,596,870, 065.00	28,488,959, 280.00	36,560,686,8 85.00	85,435,338, 971.00	49,426,138,0 22.00
Others	5,018,363,7 41.00	6,051,559,8 00.00	6,901,431,99 9.00	8,011,931,4 62.00	18,167,087,0 49.00
Loans, cash credits, overdrafts/Gener al Investments	182,876,65 5,537.00	195,055,29 8,744.00	209,392,114, 030.00	215,751,13 4,732.00	237,681,539, 292.00
Bills discounted and purchased	4,369,853,4 47.00	4,150,197,5 09.00	3,443,489,56 7.00	7,479,769,1 41.00	21,484,131,8 38.00
Total	187,246,50 8,984.00	199,205,49 6,253.00	212,835,603, 597.00	223,230,90 3,873.00	259,165,671, 130.00

Land, building, furniture and fixtures (Including leased assets)	712,868,478.00	585,895,813.00	1,936,945,124.00	2,023,594,611.00	2,372,291,418.00
Other assets	2,960,877,649.00	3,169,048,021.00	3,915,906,795.00	5,979,982,881.00	6,423,549,297.00
Total assets	241,319,179,455.00	261,076,400,126.00	296,452,837,831.00	356,457,770,956.00	369,493,855,838.00
Borrowings from other banks, financial institutions and agents	16,565,960,958.00	20,916,518,784.00	19,776,264,394.00	26,444,601,370.00	37,704,763,903.00
Current /Al-Wadeeah current and other deposit accounts	28,172,405,389.00	29,394,205,285.00	35,149,690,574.00	30,412,623,029.00	33,942,373,174.00
Bills payable	2,685,106,501.00	4,227,864,871.00	3,316,469,487.00	5,756,649,635.00	5,035,263,847.00
Savings deposits/Mudarabba Savings Deposits	28,898,709,201.00	31,908,653,593.00	36,085,273,119.00	48,906,165,234.00	53,111,470,086.00
Mudarabba/ Term and Fixed deposits	140,517,973,798.00	147,004,310,673.00	167,270,591,932.00	201,859,240,178.00	192,617,905,118.00
Total Deposits	200,274,194,889.00	212,535,034,422.00	241,822,025,112.00	286,934,678,076.00	284,707,012,225.00
Other liabilities	12,004,121,227.00	14,403,276,881.00	19,575,792,650.00	25,469,434,378.00	28,321,909,930.00
Total liabilities	228,844,277,074.00	247,854,830,087.00	281,174,082,156.00	338,848,713,824.00	350,733,686,058.00
Capital /Shareholders" Equity:	12,474,901,592.00	13,221,569,250.00	15,278,754,886.00	17,391,975,786.00	18,608,075,734.00
Paid up capital	5,569,662,160.00	5,569,662,160.00	6,126,628,370.00	6,432,959,780.00	7,076,255,750.00
Statutory reserve	4,815,477,540.00	5,638,527,443.00	6,579,751,092.00	6,979,751,092.00	7,829,751,092.00
Foreign Currency Translation Gain	1,780,871.00	2,024,844.00	2,232,421.00	2,198,346.00	2,774,882.00
Retained earnings	2,082,533,494.00	2,009,376,528.00	2,547,843,316.00	3,319,387,820.00	3,667,427,926.00
Other Reserve	5,447,527.00	1,978,275.00	22,299,687.00	657,678,748.00	31,866,084.00
Minority Interest	789	789	789	217,081,346.00	152,094,046.00

Total Equity	12,474,902, 381.00	13,221,570, 039.00	15,278,755,6 75.00	17,609,057, 132.00	18,760,169,7 80.00
Total liabilities and shareholders' equity	241,319,17 9,455.00	261,076,40 0,126.00	296,452,837, 831.00	356,457,77 0,956.00	369,493,855, 838.00
NAV	22.4	23.74	24.94	27.04	26.3

Chapter: 03

Theoretical Analysis

3.1 Ratio Analysis

Ratio analysis examines the connections between different financial factors. It is used to assess a company's efficiency, liquidity, profitability, and solvency as well as other aspects of its operating and financial performance. To determine whether these ratios are improving or declining, the trend of those ratios through time is examined. A percentage, rate, or proportion can be used to express a ratio. An important method for analyzing financial statements is ratio analysis. The ratio is used by a variety of users, including management, bankers, creditors, and investors, to examine a company's financial status for decision-making purposes. The most prevalent ratios are included in this study, along with an analysis of Advance Trust Bank Limited's operating and financial results for the years 2017, 2018, 2019, 2020 and 2021.

Due to the fact that they offer indicators and symptoms of underlying issues, ratios are one of the more popular methods utilized in financial statement analysis. By examining the ratio's constituent parts individually, we can only discover certain situations and trends with difficulty. Like other analysis techniques, ratios are frequently future-focused. Their value depends on the expert interpretation, and they are frequently changed for their likely future trend and magnitude. A ratio is a mathematical expression of the relationship between two quantities. As a percentage, rate, or proportion, it can be stated. Ratio calculations are straightforward arithmetic operations, but ratio interpretation is difficult. A ratio must refer to an economically significant relationship in order to be meaningful.

In this section an important set of financial ratios and its applications are described. The selected ratios are organized into the four building blocks of financial statement analysis.

3.2 Types of Ratios are:

1. Liquidity Ratio
2. Operating Efficiency Ratios
3. Efficiency or Activity Ratio
4. Profitability Ratio
5. Financial Risk/Leverage Ratios

3.1.1 Liquidity Ratio

Liquidity is the ability of an organization to meet its immediate monetary requirements. Expectations for future performance and the timing of cash inflows and outflows are both important. Finding a company's financial needs is the aim of a liquidity study.

If a business doesn't take care of its current obligations, it probably won't last long. The importance of all other analytical measures is insignificant from this perspective. Although the assumption that the company would continue to operate is made in accounting measurements, our research must continually assess whether this presumption is true using liquidity metrics.

This section describes the key ratios relevant to assessing liquidity ratio:

- Cash Ratio
- Current Ratio
- Quick Ratio

3.1.2 Operating Efficiency Ratios

A company's capacity to translate its balance sheet accounts into revenue is assessed using an activity ratio. Activity ratios are crucial for assessing how effectively a company's management is generating revenue and cash from its resources. They quantify the relative efficiency of a company based on how it uses its assets, leverage, or other comparable balance sheet elements. Activity ratios measure the profitability and operational effectiveness of a company. These ratios are particularly helpful when used to determine whether an entity's processes are beneficial or unfavorable when compared to a competition or industry. Activity ratios are a useful tool for comparing data from different reporting periods to track changes over time.

Types of Operating Efficiency Ratios are:

- Total Assets Turnover
- Equity Turnover
- Current Asset Turnover
- Fixed Asset Turnover

3.1.3 Efficiency Ratio

The efficiency ratio is frequently used to evaluate how well a corporation utilises its internal assets and liabilities. The rotation of receivables, the repayment of obligations, the amount and usages of equity, and the overall use of inventories and machinery can all be calculated using an efficiency ratio. Efficiency is the productiveness with which a business utilizes its resources. Efficiency is typically assessed in terms of the amount of income produced from a particular level of assets. Additionally, using assets inefficiently can result in issues with liquidity. Lower profitability and fewer chances are sometimes preceded by a lack of liquidity. Short-term

liquidity issues can also have an impact on a company's clients and vendors, and they are more acute for banking companies.

The major ratios important for evaluating efficiency ratio are described in this section:

- Accounts Receivable Turnover
- Average Collection day
- Inventory Turnover
- Inventory Processing Day
- Accounts Payable Turnover
- Payables Payment Day

3.1.4 Profitability Ratio

A company's capacity to produce pay that is comparable to income, balance sheet assets, operating costs, and investors' value over a given time period is described by its productivity ratio. It assesses how successfully a group uses its assets to give incentives and advantages to investors. The income that is still available after covering all related costs constitutes the inferred benefit.

Types of Profitability ratio:

- Gross Profit Margin
- Operating Profit Margin
- Net Profit Margin
- Return on Assets
- Return on Equity

3.1.5 Financial Risk or Leverage Ratios

Types of Leverage Ratio Includes:

- Equity to Assets
- Equity to Net Loans

3.2 Common Size Analysis

Common size analysis otherwise called vertical analysis that financial directors use to dissect fiscal summaries. It evaluates financial reports by converting each specific to a level of the base amount for that time period. This study can be used by an organization to understand the impact on its pay announcement or the balance sheet for everything that hasn't been announced yet.

There are two reasons to use common-size analysis:

1. To evaluate information from one period to the next within a company and
2. To evaluate a company relative to its competitors.

The formula used in the common-size analysis is:

Common Size Amount = (Analysis amount / Base amount) x 100%

3.2.1 Common Size of Balance Sheet

A balance sheet with a common size shows the absolute value as well as the proportionate % for each account's total assets, total liabilities, and equity.

The relative level of each asset, liability, and equity account can be rapidly assessed using a balance sheet of a standard size. The value of the overall assets is contrasted with each individual asset line item. The value of every equity account is compared to the value of all equity, and the value of any single liability is compared to the value of all liabilities. Because all minor parts add up to the major account classification, each major account classification will equal 100%.

3.2.2 Common Size of Income Statement

An income statement with each account expressed as a percentage of sales value is known as a common size income statement. It is used for vertical analysis, which facilitates comparisons by listing each line item in a financial statement as a percentage of a base amount.

It is simpler to understand what drives a company's profitability and evaluate that performance against that of its competitors with a standard size income statement analysis. Common size financial statements enable investors to identify trends that a raw financial statement may not reveal by examining how that performance has changed over time. Large shifts in the proportion of revenue consumed by various expense categories over a specific time frame

3.3 Trend Analysis

Trend Analysis is otherwise called horizontal analysis is a factual strategy that attempts to decide future developments of a given variable by investigating chronicled patterns. As such, it is a technique that expects to anticipate future practices by analyzing past ones.

Trend analysis focuses on three typical time horizons:

1. Short
2. Intermediate and

3. Long-term.

3.3.1 Trend Analysis of Balance Sheet

A company's balance sheet is an overview of its financial situation at a specific period. The accounts mentioned make it possible to ascertain whether the business is under any kind of financial strain. A corporation can determine whether its financial status is improving or deteriorating through trend analysis by comparing the percentage change in the balance sheet accounts. A corporation will examine the dollar amount of balance sheet accounts over a period of two or more years to ascertain the change.

3.3.2 Trend Analysis of Income Sheet

A financial statement analysis approach called horizontal analysis, often referred to as trend analysis, demonstrates variations in the amounts of related financial statement items over time. It is an effective tool for analyzing trend situations.

In a horizontal analysis, the assertions for two or more periods are used. The basis period is often the earliest period, and all subsequent periods' items on the statements are compared to those of the base period. Typically, the changes are displayed in both dollars and percentages.

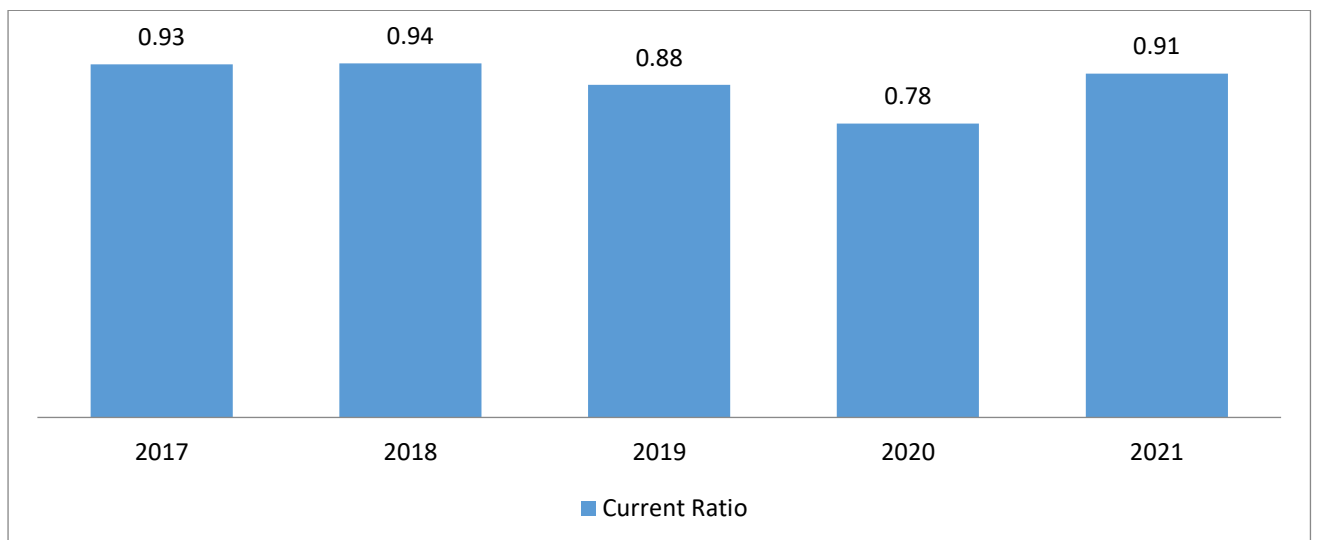
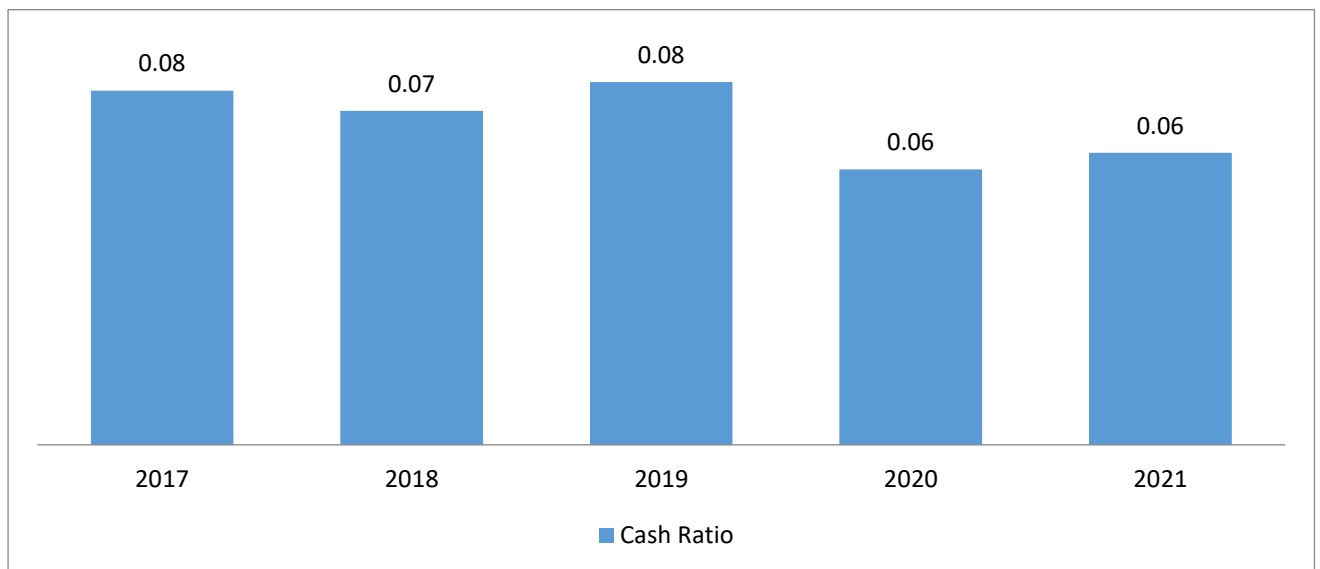
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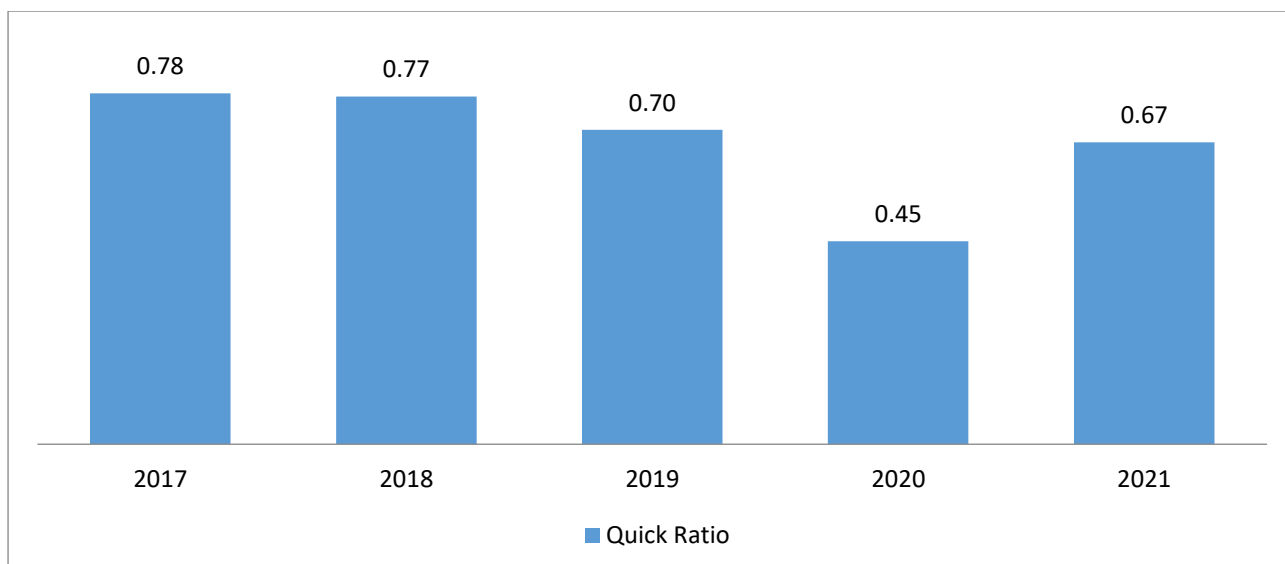
Financial Performance of Trust Bank Ltd.

4.1 Ratio Analysis

4.1.1 Liquidity Ratio:

Liquidity Ratio					
Particular	2017	2018	2019	2020	2021
Cash Ratio	0.08	0.07	0.08	0.06	0.06
Current Ratio	0.93	0.94	0.88	0.78	0.91
Quick Ratio	0.78	0.77	0.70	0.45	0.67

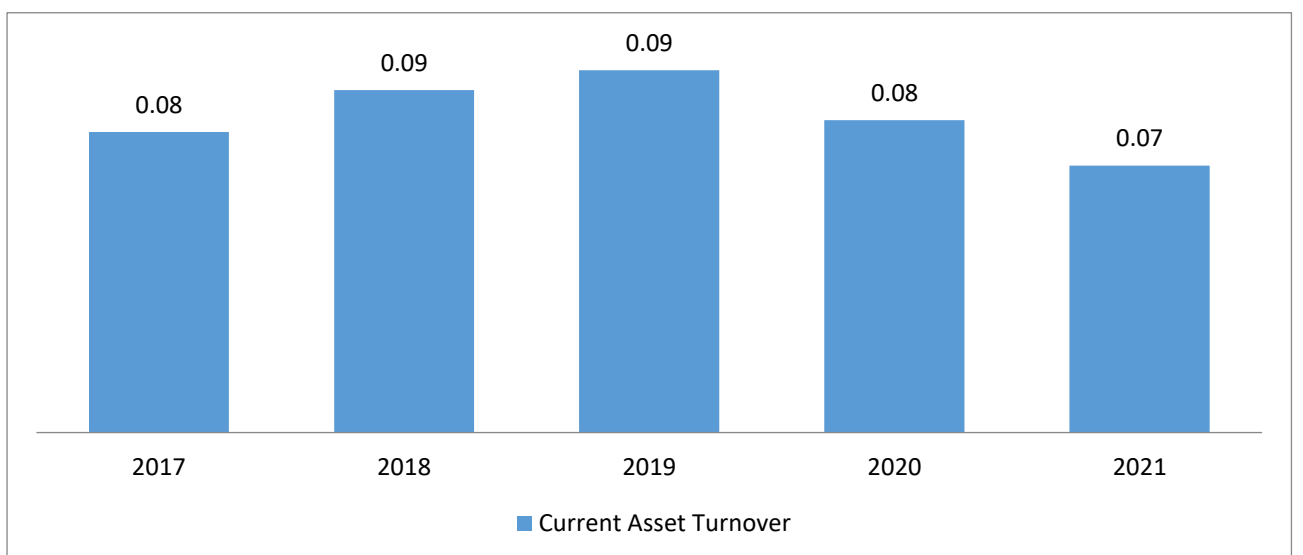
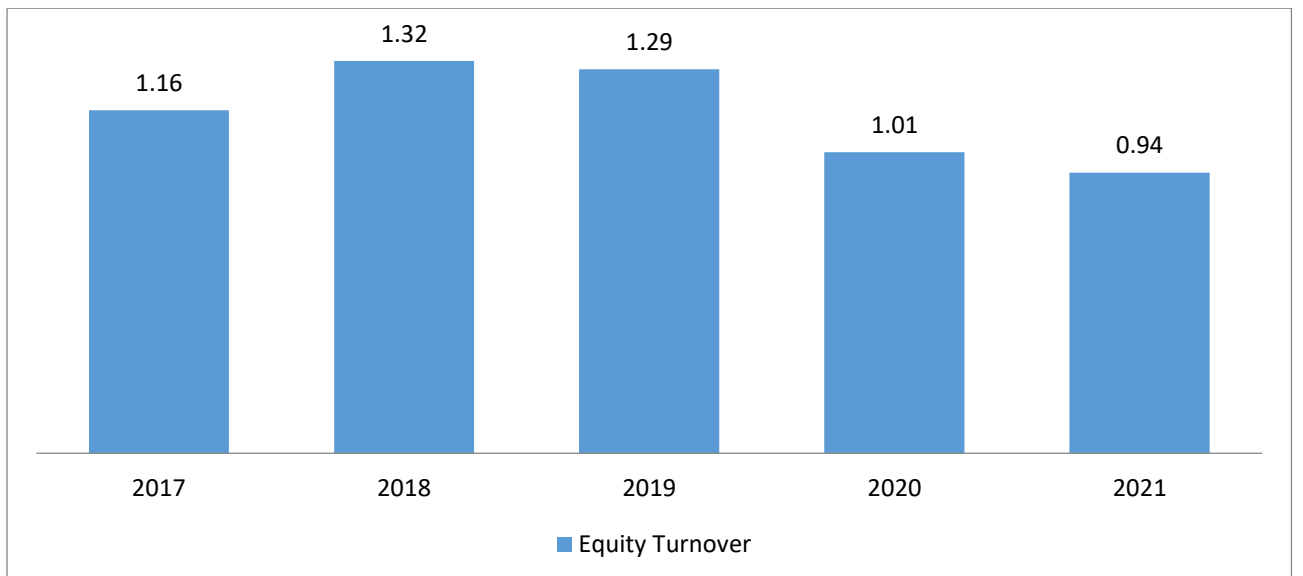
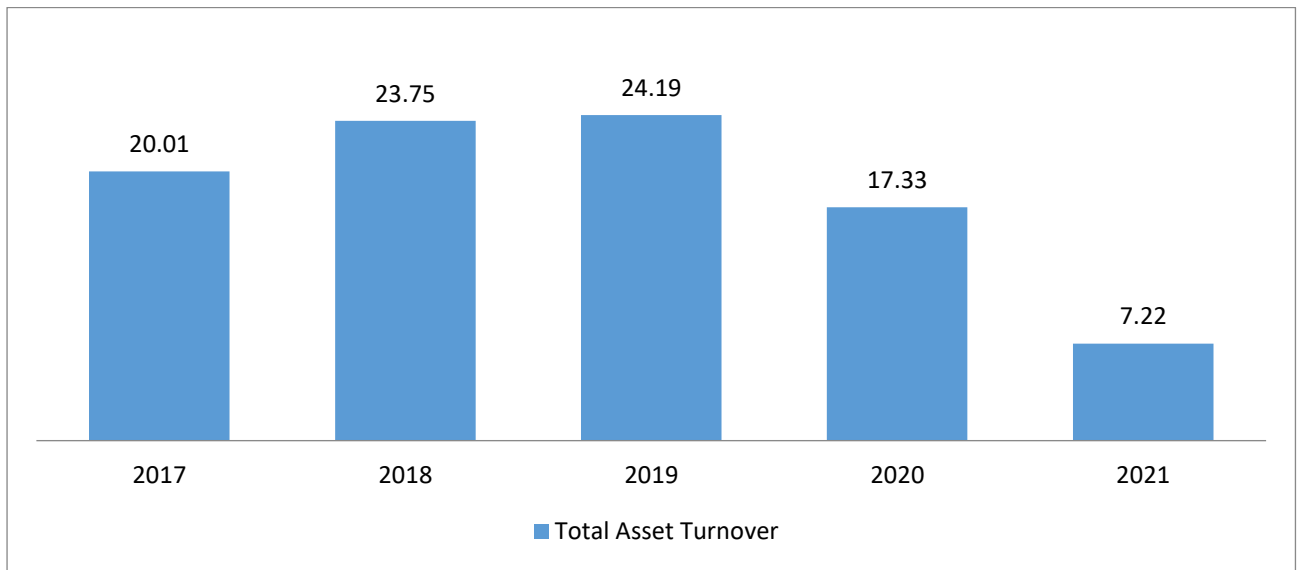


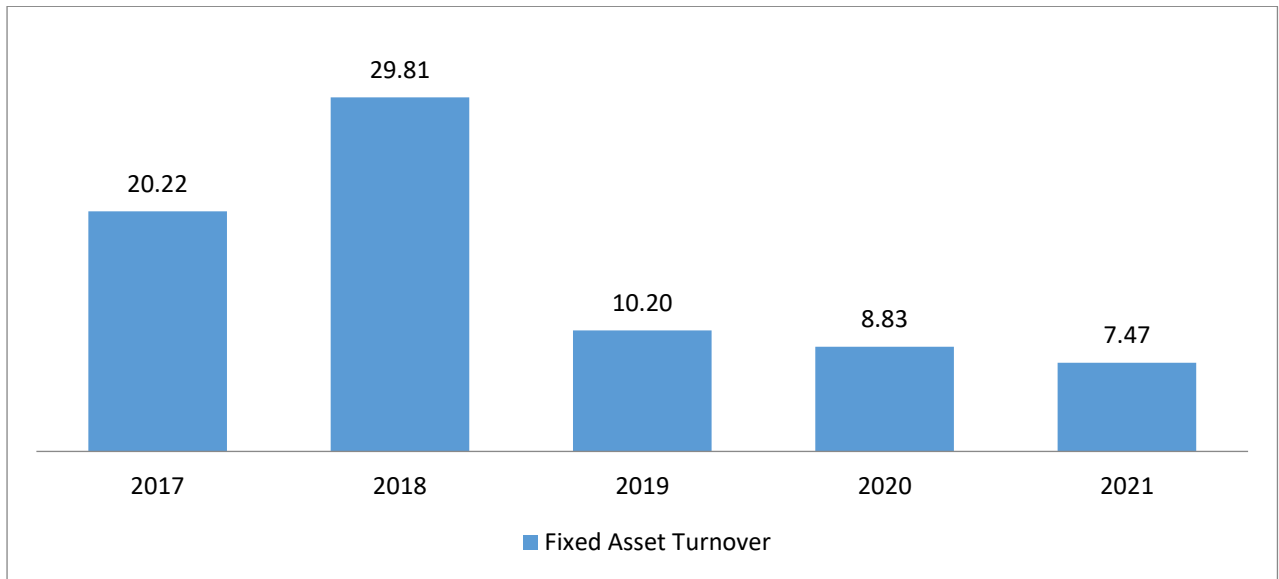


Interpretation: Liquidity is a phrase used in accounting to describe a company's capacity to pay its debts as they become due. A liquidity measurement called the cash ratio or cash coverage ratio assesses a company's capacity to settle its current obligations entirely in cash and cash equivalents. Trust Bank cash ratio for 2017 was 0.08, whereas it was 0.07, 0.08, 0.06 and 0.06 in 2018, 2019, 2020, and 2021. The cash ratio decrease from 2017-2021, which was bad for Trust Bank Ltd. If the company's cash ratio is less than 1, it means that it lacks the marketable securities and cash necessary to cover its present liabilities. Current Ratio of trust bank ltd. was in 2017 is 0.93 & the rest of the year was 0.94, 0.88, 0.78 & 0.91. When current ratio is greater than 1 it means that the company have adequate asset to settle current liabilities. But here we saw that every current ratio was less than 1. It is also bad sign for Trust Bank Ltd.

4.1.2 Operating Efficiency Ratios

Operating Efficiency Ratio					
Particular	2017	2018	2019	2020	2021
Total Asset Turnover	20.01	23.75	24.19	17.33	7.22
Equity Turnover	1.16	1.32	1.29	1.01	0.94
Current Asset Turnover	0.08	0.09	0.09	0.08	0.07
Fixed Asset Turnover	20.22	29.81	10.20	8.83	7.47

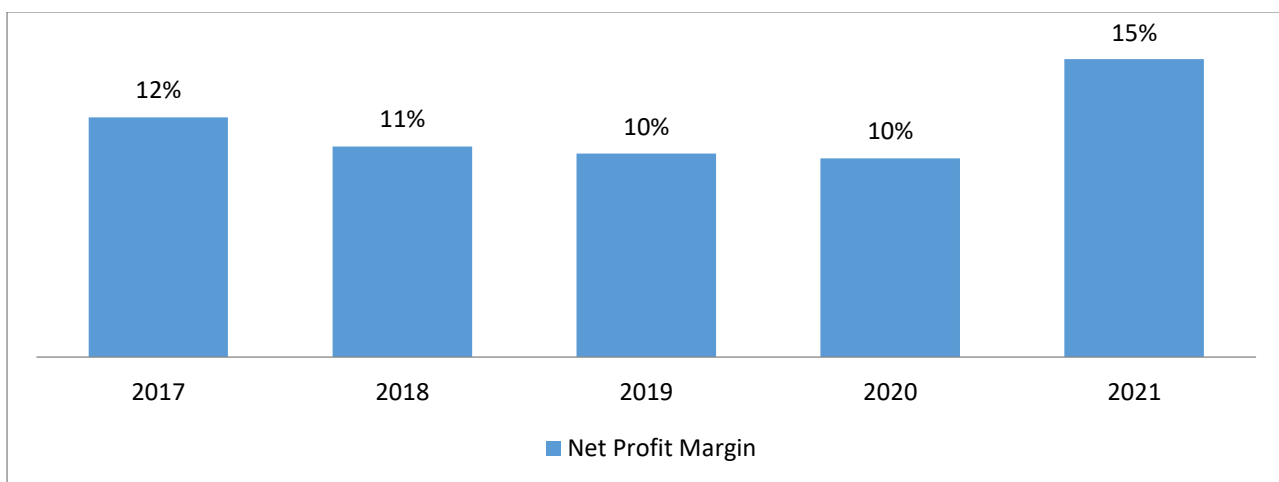
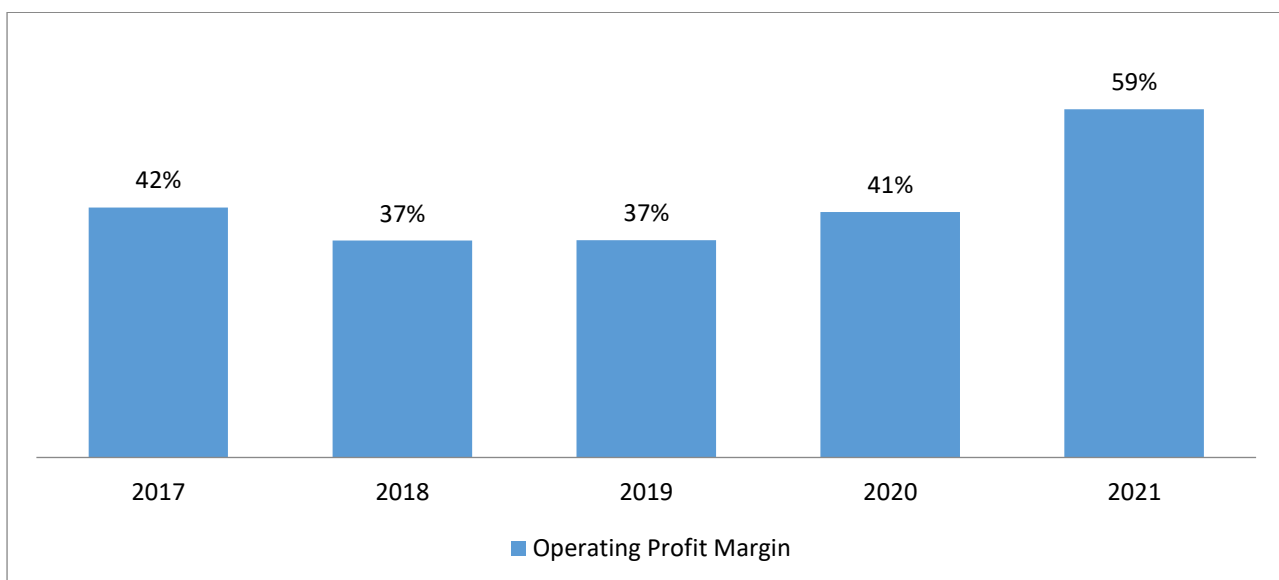
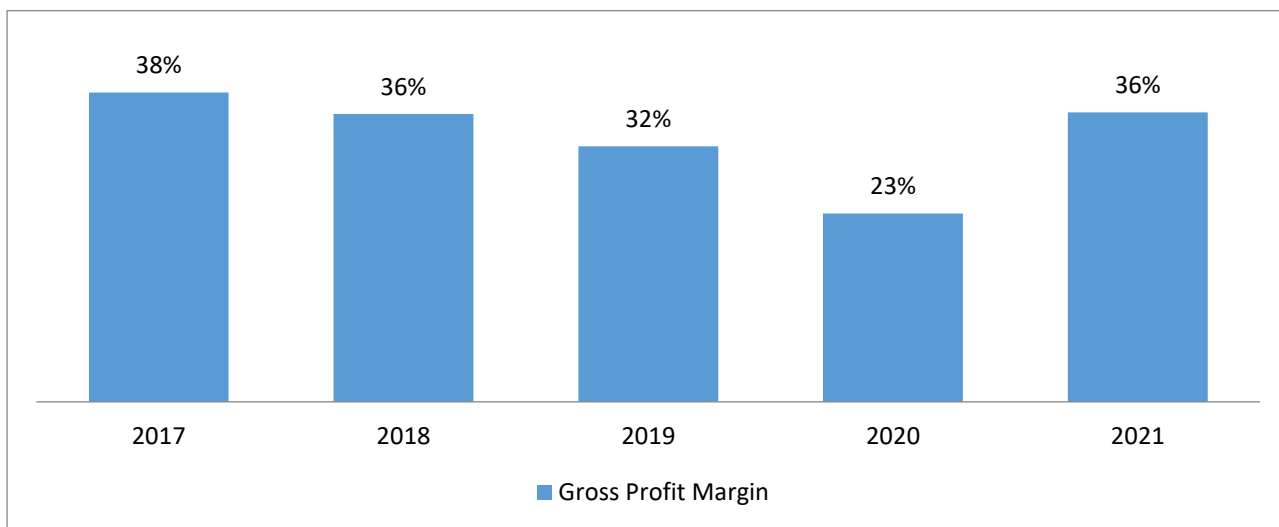


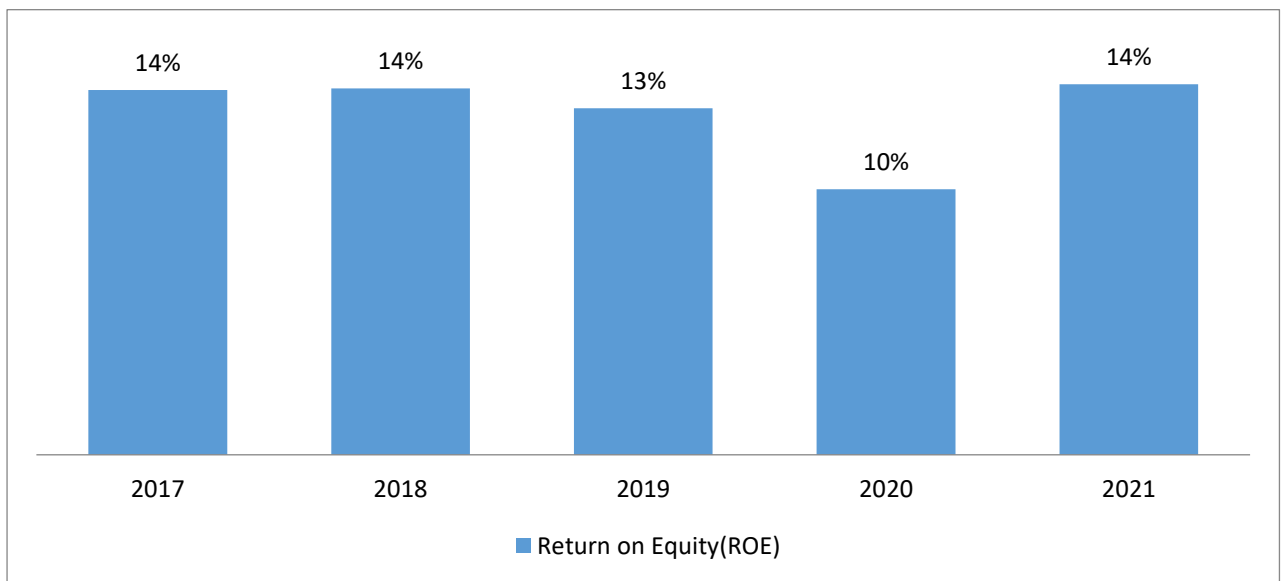
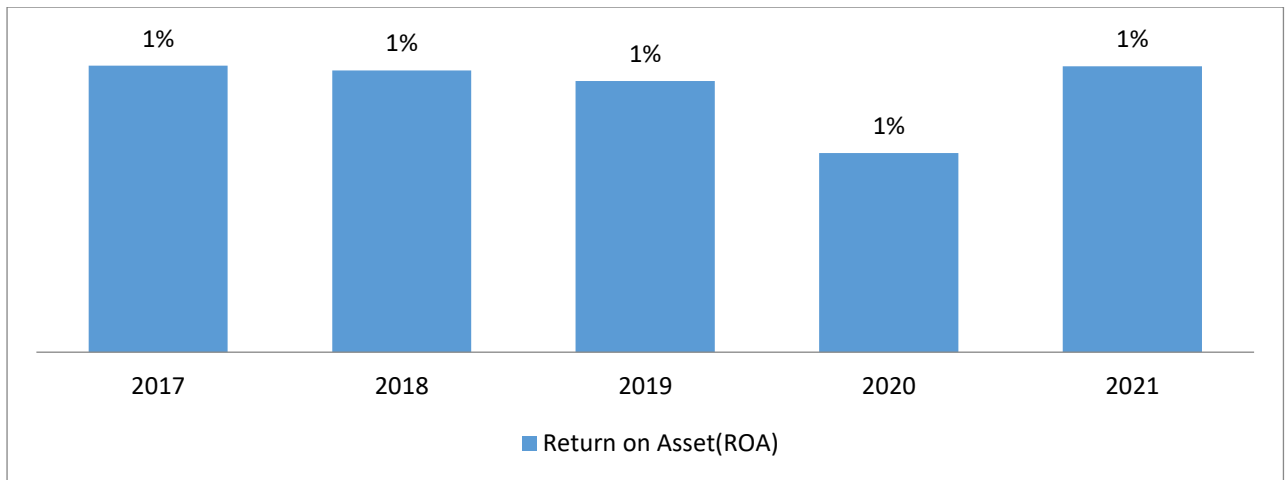


Interpretation: The asset turnover ratio is calculated by dividing total interest income by average total assets. Interest income, found on the income statement, are used to calculate this ratio returns and refunds must be backed out of total sales to measure the truly measure the firm's assets ability to generate sales. Trust Bank Ltd. total Assets turnover in 2017 was 20.01; in 2018, 2019 year TAT have increased but in 2020 & 2021 it decreased. It was bad sign of Trust Bank Ltd. Equity turnover ratio on TBL in 2017 to 2021 increase & Decrease in every year. Fixed asset turnover ratio that measures a company's return on their investment in property, plant, and equipment by comparing net sales with fixed assets. In 2017 to 2021 fixed asset turnover ratio increase & decrease in every year but last three years it's decreasing. It was bad sign for trust Bank Ltd.

4.1.3 Profitability Ratio:

Profitability Ratio					
Particular	2017	2018	2019	2020	2021
Gross Profit Margin	38%	36%	32%	23%	36%
Operating Profit Margin	42%	37%	37%	41%	59%
Net Profit Margin	12%	11%	10%	10%	15%
Return on Asset(ROA)	1%	1%	1%	1%	1%
Return on Equity(ROE)	14%	14%	13%	10%	14%

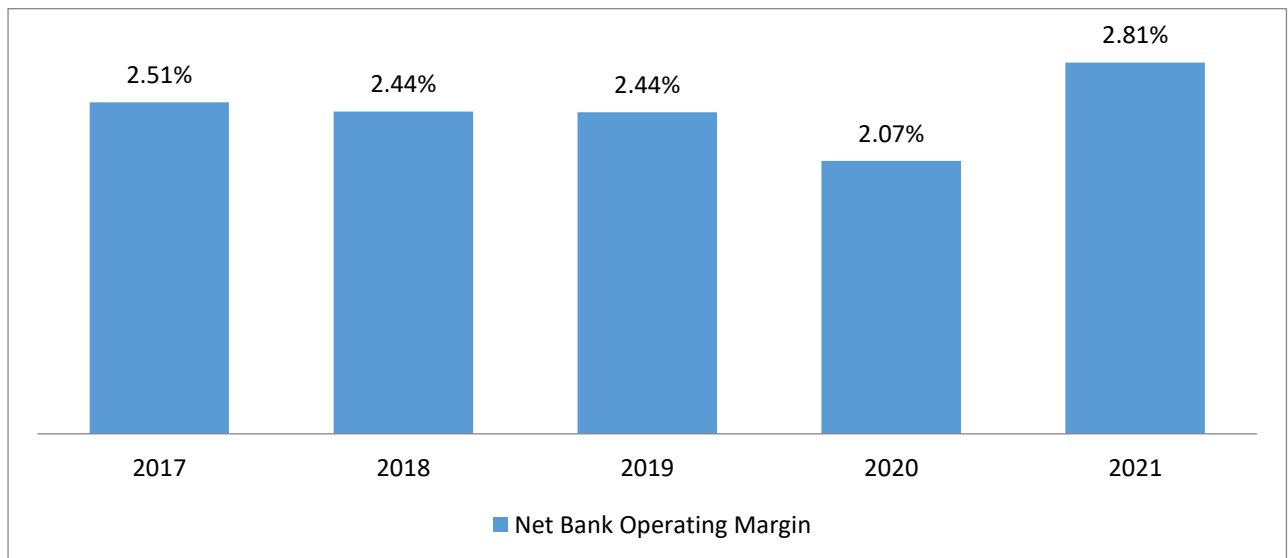




Interpretation: A group of financial measurements known as profitability ratios are used to evaluate a company's capacity to create profits in relation to its expenses and other pertinent charges incurred during a given time period. A financial ratio called return on assets (ROA) displays the proportion of profit an organization makes in comparison to its total resources. Net income divided by total assets is a frequent definition. In 2017 to 2021 ROE was Increase & Decrease but last year it increasing. ROA is same almost Every Year. Net Profit Margin was increasing. It was good sign for Trust Bank Ltd. Operating profit margin is a measurement of what proportion of a company's revenue is left over after paying for variable costs of production such as wages, raw materials.

4.1.4 Net Bank Operating Margin

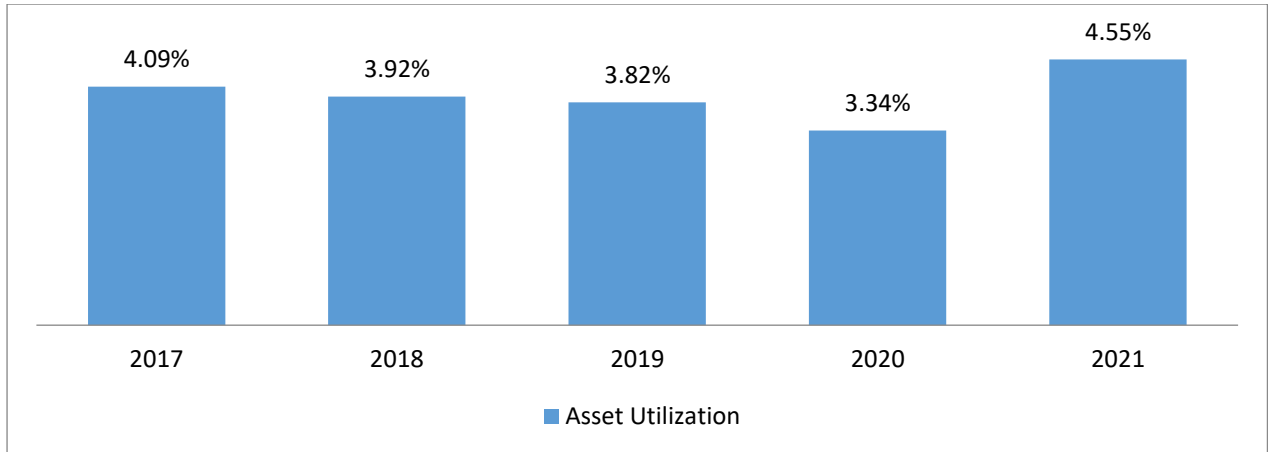
Net Bank Operating Margin					
Particular	2017	2018	2019	2020	2021
Net Bank Operating Margin	2.51%	2.44%	2.44%	2.07%	2.81%



Interpretation: The net bank operating margin ratio of Trust Bank Ltd. was fluctuating from year to year. Though in 2021 it had the highest ratio. That means the bank was able to keep the growth of revenues against the rising cost. That means the bank was profitably operated in 2021 compared to its previous year.

4.1.5 Asset Utilization:

Asset Utilization					
Particular	2017	2018	2019	2020	2021
Asset Utilization	4.09%	3.92%	3.82%	3.34%	4.55%



Interpretation: Asset utilization ratios determine the efficiency with which a company utilizes its resources to drive sales and earn enough profit.

$$\text{AU} = \text{Total Operating Revenues} / \text{Total Assets}$$

The graph shows that Trust Bank Limited utilized its asset efficiently in 2021 and it had a greater AU of 4.55%, it generates satisfactory sales revenue by properly using its asset. But in 2017-2020, it reduced which is not a good sign for the bank that the bank didn't use its asset properly to generate sufficient profit. If we see last year bank properly utilize their Asset.

4.2 Common Size of Income Statement & Balance Sheet:

Trust Bank Ltd INCOME STATEMENT As on December 31, (2017-2021)

Particulars	2017	2018	2019	2020	2021
Interest income	100%	100%	100%	100%	100%
Interest paid on deposits and borrowings	62%	64%	68%	77%	64%
Net interest income	38%	36%	32%	23%	36%
Income from investments	16%	13%	15%	33%	45%
Commission, exchange and brokerage Income	10%	7%	8%	8%	10%
Other operating income	4%	3%	3%	3%	3%
Total operating income	68%	59%	57%	67%	95%

Rent, Taxes, Insurance, Electricity etc.	5%	4%	2%	2%	3%
Salaries and allowances	14%	11%	11%	13%	15%
Legal Expenses	0%	0%	0%	0%	0%
Postage, Stamps, Telecommunication etc.	1%	0%	0%	0%	1%
Stationery, Printing, Advertisement etc.	0%	0%	0%	0%	0%
Directors' Fees and Expenses	0%	0%	0%	0%	0%
Salary and allowances paid to Managing director/Chief Executive	0%	0%	0%	0%	0%
Auditors' Fee	0%	0%	0%	0%	0%
Depreciation and Repairs to Bank's Assets	2%	1%	3%	3%	3%
Other Expenses	5%	4%	4%	6%	14%
Total operating expenses	26%	22%	21%	25%	36%
Operating Profit	42%	37%	37%	41%	59%
Profit before provision	42%	37%	37%	41%	59%
Specific provision (Loan and Advances)	13%	12%	12%	16%	27%
Diminution in value of investment	0%	0%	0%	0%	1%
Others Provision	2%	1%	0%	0%	3%
Total provision	14%	13%	13%	17%	30%
Profit for the year before taxation	28%	24%	24%	25%	29%
Current Tax	16%	13%	14%	14%	14%
Deferred tax	0%	0%	0%	0%	-1%
Provision for tax	16%	13%	14%	14%	14%
Net profit after tax for the year	12%	11%	10%	10%	15%

Trust Bank Ltd

BALANCE SHEET

As on December 31, (2017-2021)

Particulars	2017	2018	2019	2020	2021
Cash	7%	7%	8%	7%	8%
In hand (Including foreign currencies)	1%	2%	2%	2%	2%
Balances with Bangladesh bank and sonali bank (Including foreign currencies)	5%	5%	6%	5%	6%
Balance with other banks and financial institution	2%	3%	5%	6%	6%

In Bangladesh	1%	3%	5%	5%	6%
Outside Bangladesh	1%	0%	1%	1%	0%
Money at call and short notice	0%	0%	1%	0%	0%
Investment in shares & securities	13%	14%	18%	39%	28%
Government	11%	12%	15%	35%	20%
Others	2%	3%	3%	3%	8%
Loans, cash credits, overdrafts/General Investments	76%	81%	87%	89%	98%
Bills discounted and purchased	2%	2%	1%	3%	9%
Total	78%	83%	88%	93%	107%
Land, building, furniture and fixtures (Including leased assets)	0%	0%	1%	1%	1%
Other assets	1%	1%	2%	2%	3%
Total assets	100%	108%	123%	148%	153%
Borrowings from other banks, financial institutions and agents	7%	9%	9%	12%	16%
Current /Al-Wadeeah current and other deposit accounts	12%	13%	15%	13%	15%
Bills payable	1%	2%	1%	3%	2%
Savings deposits/Mudaraba Savings Deposits	13%	14%	16%	21%	23%
Mudarabba/ Term and Fixed deposits	61%	64%	73%	88%	84%
Total Deposits	88%	93%	106%	125%	124%
Other liabilities	5%	6%	9%	11%	12%
Total liabilities	100%	108%	123%	148%	153%
Capital /Shareholders' Equity:	100%	106%	122%	139%	149%
Paid up capital	45%	45%	49%	52%	57%
Statutory reserve	39%	45%	53%	56%	63%
Foreign Currency Translation Gain	0%	0%	0%	0%	0%
Retained earnings	17%	16%	20%	27%	29%
Other Reserve	0%	0%	0%	5%	0%
Minority Interest	0%	0%	0%	2%	1%
Total Equity	100%	106%	122%	141%	150%
Total liabilities and shareholders' equity	100%	108%	123%	148%	153%

Interpretation: There are two approaches to describe common size analyses. The first is called horizontal analysis. A vertical analysis is the second. The base value for the balance sheet of a conventional size analysis is the total asset value. It is used to compare a company's capital structure to that of its competitors. Net profit margin as well as gross and profit margin are both subject to common size analysis.

Chapter: 05

Findings, Recommendation & Conclusion

5.1 Problems Identification:

I discovered a number of financial and operational areas require significant attention after gathering and analyzing the data from Trust Bank Limited. Some of the findings of analysis are as follows:

- The current ratio is increased in 2017 to 2019 & decreased from 2020. But last year 2021 current ratio is increased again. Trust Bank Ltd. need to concern about it. The company's liquidity position is shown by the current ratio.
- The Quick Ratio was fluctuating though 2017-2021. Sometimes it was higher and sometimes lower. Compare with 2017, quick ratio was decreased in 2021.
- From the year 2017 to 2021 TBL's ROE percentage was 14%, 14%, 13%, 10%, and 14% which indicates a decreasing trend.
- Bank's operating margin shows a downward trend which was 2.51%, 2.44%, 2.44%, 2.07% & 2.81%. That means the bank was not profitably operated during 2017-2020 but in 2021 its increasing that was good sign for Trust Bank Ltd.
- The company's Net profit margin was decreased in 2017 to 2020 but last year its increase. That means year, operating and non-operating expenses were increased which is not good for the company.
- The net profit margin of TBL was 12%, 11%, 10%, 10%, 15% which represents the bank was not doing well from 2017 – 2020 . That means the bank was not able to generate profit against its sales. But in 2021 it generates profit against its sales.
- From 2017 to 2021 PBL cash ratio was 0.08, 0.07, 0.08, 0.06, and 0.06 which means TBL has not the ability to pay off its current liabilities with cash.
- From 2017 to 2021 TBL current ratio was less than 1 which means TBL cannot pay short-term and long-term obligations.

5.2 Recommendations for Trust Bank Limited:

With only three months of job experience, it is really difficult to make recommendations, and it would be arrogant of me to offer advice to others who have more knowledge and experience than I do. There are a few areas, though, where I believe the organization can do better:

- The company should focus on current and quick ratio and figure out the way to increase it. If company falls in a liquidity crisis, it will not be able to reply current obligations.
- It should need to increase its net operating profit margin by decreasing expenses and using equity capital to cover liability increasing rate and gain its goal.
- Return on asset (ROA) is the indicator how company use its asset to generate returns. So Trust Bank Ltd needs to pay attention to increase ROA.
- In order to make more profit, the bank could offer more facilities to its customers on credit card and loan.
- In order to decrease the number of nonperforming advances or loans, it is crucial to carry out a thorough investigation.
- TBL could offer a short-term solution, such as microcredit, to help those in need.

5.3 Conclusion

The title of top financial institution in Bangladesh has been attained by Trust Bank Limited. The association is considerably more organized when compared to a number of other public business banks in Bangladesh. It pursues industrial progress and improvement tenaciously. It has supported the growth of the consumer. Additionally, it surpasses several other banks in the financial sector in general thanks to its huge branch network across the nation.

Trust Bank Limited is currently not in a good position. It will be difficult to retain banking in a competitive environment if the bank doesn't provide greater standards, which translate to unrivaled services, because everyone must concentrate on quality. Some work for Trust Bank Limited's credit and advancement department.

The credit and advancement business of Trust Bank Limited is plagued by a number of issues. The liquidity, productivity, proficiency, and leverage ratios of Trust Bank Limited are poor and show the bank's precarious situation. As a result, Trust Bank Limited needs to address the issue as a whole as soon as is practical. If Trust Bank Limited can solve this kind of issue, it will also be more organized than other local or foreign banks operating in Bangladesh.

Reference:

Annual report of Trust Bank Limited 2021 to 2017

Website:

- <https://www.tblbd.com/>
- www.google.com
- www.wikipedia.org
- www.investopedia.com