A
Thesis Paper
on
Financial Performance Analysis of Janata Bank Limited

Submitted by:

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Program: MBA

MBA(Major in Accounting)

Semester: Fall

Submitted to:

Department of Business Administration

Submitted for the partial fulfillment of the degree of

Master of Business Administration



Sonargaon University (SU)

Dhaka- 1215

Date of Submission: 15/01/2022

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Supervised By:

Farjana Yeasmin Chowdhury

Lecturer

Department of Business Administration

Sonargoan University

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Letter of Transmittal

15/01/2022

To

Farjana Yeasmin Chowdhury

Lecturer

Department of Business Administration

Sonargaon University

Subject: Submission of Thesis paper on "Financial Performance Analysis of Janata Bank Limited"

Dear Madam,

with humble honor and respect, I am submitting my thesis paper on "**Financial Performance Analysis of Janata Bank Limited**". As per partial accomplishment of the requirements for the MBA degree, I have completed a thesis from "Sonargaon University" [As per partial accomplishment of the requirements for the MBA degree, this report has been carried out] under the supervision of you.

This report is an integral part of our academic courses in completion of the MBA program which has given me the opportunity to have an insight into the unintentional mistakes, time limitations and confidentiality constraints of the organization. I hope this report reflects on the contemporary issues on the **Financial Performance Analysis of Janata Bank Limited**" that are being Practiced by organizations in our country.

In completing the Report I tried my best to blend all my knowledge and imparted every available detail and also attempted to avoid unnecessary amplification of the report.

I humbly request you to accept this report for your kind evaluation.

Sincerely Yours,

Name: Joy Chandra Debnath

ID: MBA2101022007

Program: MBA (Accounting)

Master of Business Administration

Sonargaon University

Certificate of Supervisor

This is to certify that the thesis report has been "**Financial Performance Analysis of Janata Bank Limited** "has been prepared as a part of completion of the MBA program from Master of Business Administration, Sonargaon University (SU), carried out by Joy Chandra Debnath, bearing ID: MBA2101022007 under my supervision. The report or the information will not be used for any other purposes.

……

Farjana Yeasmin Chowdhury
Lecturer
Department of Business Administration
Sonargaon University (SU)

Student Declaration

I am Joy Chandra Debnath , Sonargaon University would like to solemnly declare here that this thesis paper on "**Financial Performance Analysis of Janata Bank Limited**" has been authentically prepared by me. While preparing this report, I didn't breach any copyright act intentionally. I am further declaring that I did not submit this report anywhere for awarding any degree, diploma or certificate.

Sincerely Yours

Name: Joy Chandra Debnath
ID: MBA21022007
Program: MBA
Major: Accounting
Semester: Fall

Letter of Authorization

Certified that this project report titled "**Financial Performance Analysis of Janata Bank Limited** " is the bonfire work of Joy Chandra Debnath, who carried out the research under my supervision. Certified further that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate

……..……

Farjana Yeasmin Chowdhury
Lecturer
Department of Business Administration
Sonargaon University

Acknowledgement

First of all I would like to categorical my gratitude to the Almighty God. This is my pleasure that I could successfully complete my thesis paper by the grace of almighty God. I wish to extend my gratitude to all the people who helped me accomplish my report Ordinary Activities of Janata Bank . At the very beginning, I want to thank my faculty advisor and thesis supervisor in Sonargaon University, Miss Farjana Yeasmin Chowdhury who has given me precious guidance from her busy Schedule.

I am very grateful for all her advice in order to make my report more effective. I am also really responsible to my honorable teacher Abul Kalam, Head of Department of Business & Administration, Sonargaon University for this countless support and guidance. It is not my own credit in this effort. I would like to extend my-sincere regards and gratitude to my honorable teachers whose kind's guidance and assistance enable me to complete my MBA program and to develop my career through their invaluable teaching.

Executive Summary

JANATA Bank Limited offers to explore the world of progressive Banking in Bangladesh. It is a state owned commercial bank and is catering the need of the mass business people. It was Corporatized on 15th November 2007. Janata Bank was born with a new concept of purposeful banking sub serving the growing and diversified financial needs of planned economic development of the country.

JANATA Bank Limited (JBL) is the second largest public commercial bank among the others public bank in Bangladesh. The Bank has set up a new standard in financing in the Industrial, Trade, Agriculture and Foreign exchange business. Its various deposit & credit products have also attracted the clients-both corporate and individuals who feel comforting doing business with the Bank. Realizing the growing significance of marketing in banking sector to exist successfully in today's competitive banking industry, JBL practices its marketing strategies seriously and adopt proper elements of marketing mix. It targets the customer segments analyzing their financial need and offer highly customized products and services to the target customers. JBL offer a reach portfolio of bank products including deposit products, loan and advance products, remittance products, cards, international business products, and other services. JBL sets competitive rates of interest and commission for various bank products which in most of the cases are almost same to the competitors. It also attempts to reach its services to the door level of customer by increasing its number of branches and ATM booths, and extending mobile and online banking services. It also performs moderate level of promotional activities. It tries to maintain strong customer relationship and acquire more customer base by proving quality services understanding financial needs of customers and offering services accordingly. The commitment of the bank and the people's belief in JBL have given the edge over others to earn this trust about the safe keeping of their money in the right kind of Banking channel.

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Chapter One

Introduction

1.1 Introduction:

Bank is an important financial institution in the economy. The economic development of a country depends on the development of the banking sector. Today's modern banks are not only providing traditional banking services but also expanding many financial services.

Foreign Exchange Division occupies an important place in a nation's economy because of its intermediary role; it ensures allocation of resources and keeps up the momentum of economic activities. A banking institution is indispensable in a modern society. It plays a pivotal role in the economic development of a country and forms the core at the money market in any country. In a developing country like Bangladesh the banking system as a whole has a vital role to play in the progress of economic development.

The thesis Program exercises a significant importance as it enables a student to be accustomed with the business activities practically. The student gets the chance to work closely with the people of an organization and learn about the functions, responsibility and corporate culture of that organization. This program enables a student to develop their analytical skills and scholastic aptitudes and to have a real- life orientation of the academic knowledge.

This report focuses on the Financial Performance Analysis of Janata Bank Limited. The report was done as a qualitative survey by a questionnaire whereas the senior officials of the branch of this **JBL** were the respondents and in order to collect for the data aggregation for this report website and annual reports of JBL have been used.

1.2 Background of the Report:

Thesis paper is a prerequisite for completing the graduation degree from the Master of Business Administration (MBA) program of the Sonargaon University (SU). This thesis paper is generally executed in the last semester & it has got the same weight as other courses in the evaluation process. As the classroom discussion alone cannot give a proper picture of the real business situation, therefore, it is an opportunity for the students to know theoretical and practical knowledge. The area concentration of the report is confined to investigation of different aspects of the banking transaction as well as problems and prospects and by this way an endeavor is made to give recommendation for removing the problems.

1.3 Scope of the Report:

During my thesis paper, I could not go to the bank because of covid-19. There is a pandemic situation for this reason. That's why I cannot go to the bank for primary data and I used secondary data. The report will help to learn the practical procedures followed by the Organization.

1.4 Objectives of the Study (Will be Divided into Broad and Specific Objectives &Goals of JBL)

- The objectives of JBL is not only to earn profit but also to keep the social commitment and to ensure its co-operation to the person of all level, to the businessman, industrialist-specially who are engaged in establishing large scale industry by consortium and the agro-based export oriented medium and small scale industries by self inspiration.
- JBL is always ready to maintain the quality of services by upgrading banking technology prudence in management and by applying high standard of business ethic through its established commitment and heritage.
- JBL is committed to ensure its contribution to national economy by increasing its profitability through professional and disciplined growth strategy for its customer and by creating corporate culture in international banking arena.

Specific Objectives Of JBL

Janata Bank limited has 31 specific objectives according to its memorandum. The most important objectives are-

- To carry on the business of a bank with such branches or agencies and at such places in Bangladesh and abroad as may form time to time be determined by the directors
- To carry as an agents for the business of banking in all its branches and departments.
- To act as an agents for government or local authorities or for any other person or persons.
- To carry on and transact every kind of guarantee and indemnity business.
- To promote or finance any business undertaking or industry.
- To take or acquire and hold shares, debentures or securities.
- To advance money.

1.5 Methodology

In this report I use my personal oversized information and some information that I gain from Secondary data. I gather information from company's official website and annual reports. I also use some book and research paper.

1.6 Limitations of the Study:

The study was not free of limitations. I encountered few setbacks when creating reports. The limitations faced during the preparation of this report are given below:

1. Due to covid-19 there is a pandemic situation for this reason we cannot go to the bank for primary data and we have to use secondary data.
2. Janata Bank Limited as a commercial bank is very busy and they are not able to give me enough time for discussion about various topics.
3. As a financial organization a bank has some restriction to serve all the real data of the bank of the general people as a result the study mostly depends on artificial files and annual reports.
4. There were some restrictions on having access to the information confidential by the authority.

Chapter two

Profile of

Janata Bank Limited

2.1 Historical Background

Janata Bank Ltd. (Bengali: জনতা ব্যাংক লিমিটেড) is a state-owned commercial bank of Bangladesh established in 1972. Its headquarters is situated at Motijheel in Dhaka, the capital city of Bangladesh. It is the second largest commercial bank in Bangladesh.

Following the independence of Bangladesh from Pakistan at the Bangladesh Liberation War of 1971, Janata Bank Limited was formed combining the then United Bank Limited and Union Bank Limited under the Bank Nationalization Ordinance of 1972 (President's Order 26). The management of Janata Bank has been transferred to Janata Bank Limited after transforming the bank into a company following the existing company act under the Enterprise Growth and Bank Modernization Project' (EGBMP) which has been taken in 2004–05 in order to reform the nationalized commercial banks. Janata Bank Limited has started its operation from 15 November 2007.

2.2 Corporate Profile at a Glance

Name	Janata Bank Limited
Genesis	Janata Bank Limited, the 2nd largest State Owned Commercial Bank (SCB) in Bangladesh, is playing pivotal role in overall financial activities of the country. The Bank emerged as 'Janata Bank' by combining the erstwhile United Bank Limited and Union Bank Limited under the Banks Nationalization Order (President's Order- 26) of 1972 and was restructured as a limited company in November, 2007. Since inception in 1972 the Bank has commendably contributed to the socio-economic development of Bangladesh and helped structuring solid financial ground of the country as well. Janata Bank runs its business with 912 branches across the country including 4 overseas branches in United Arab Emirates.
Registered Address	Janata Bhaban, 110, Motijheel Commercial Area Dhaka - 1000, Bangladesh.
Legal Status	Public Limited Company
Chairman	Dr. S. M. Mahfuzur Rahman
CEO & Managing Director	Md. Abdus Salam Azad (F.F.)
Company Secretary	Mansur-Ul Haque Md. Jahangir
Date of Incorporation	21 May 2007
Authorized Capital	BDT 30,000 Million
Paid up Capital	BDT 23,140 Million

Face value per share	BDT 100 per share
Shareholding Pattern	100% Share owned by the Government of Bangladesh
Number of Employees	12,078 (As on 31.07.2021)
Banking license obtained from Bangladesh Bank	31 May 2007
Phone	+88 02-9560000, 9566020, 9556245-49, 9565041-45, 9560027-30
Fax	88-02-9554460, 9553329, 9552078
SWIFT	JANBBDDH
Website	www.jb.com.bd, www.janatabank-bd.com, https://www.জনতাব্যাংক.বাংলা
E-mail	md@janatabank-bd.com

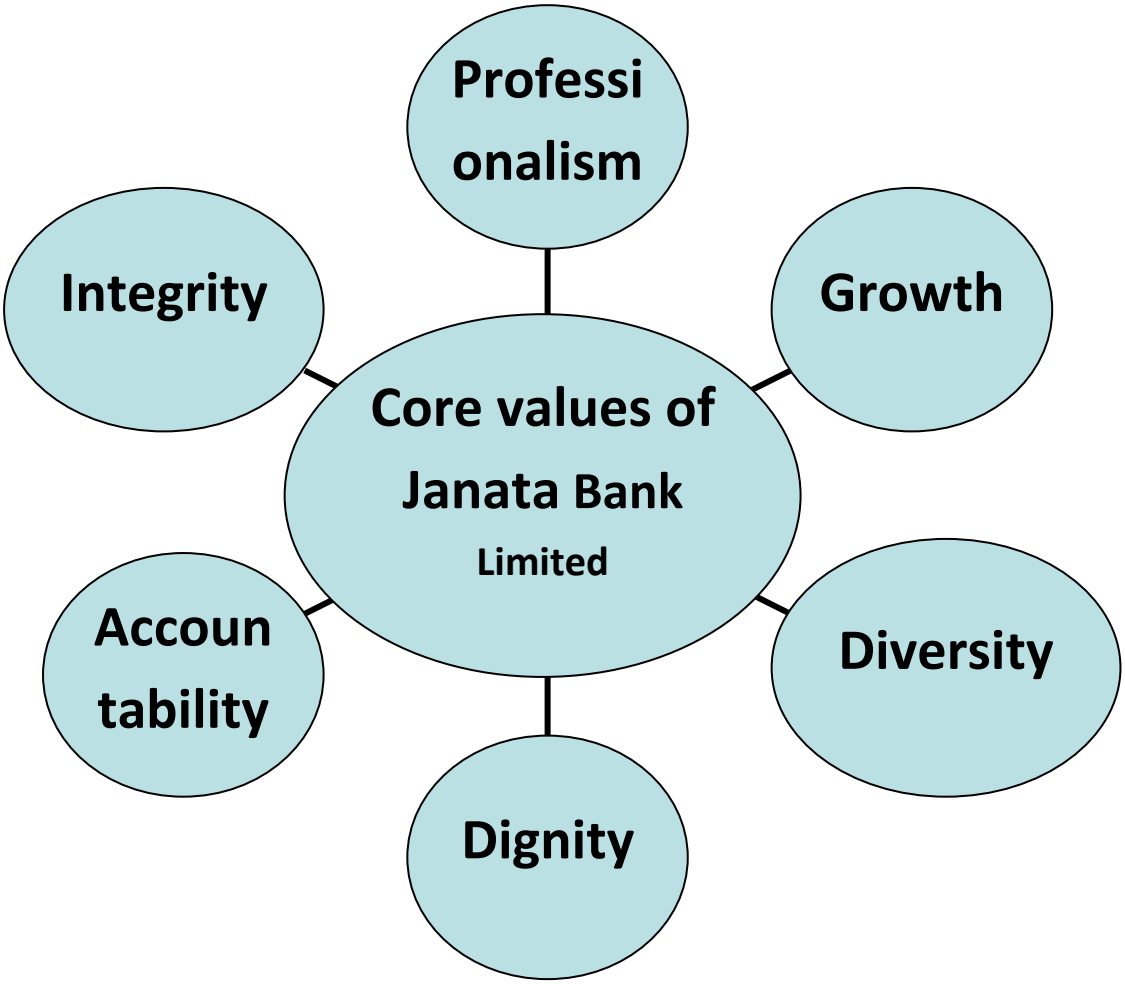
2.3 Vision of Janata Bank Limited

The corporate vision of Janata Bank Limited is to become the largest commercial bank in Bangladesh to support the socio-economic development of the country and be a leading bank in South Asia.

2.4 Mission of Janata Bank Limited

The corporate mission of Janata Bank Limited to be an efficient commercial bank that will maintain a stable growth strategy, providing high quality of financial products, offering brilliant customer service through an higly experienced management team and promising good corporate governance at every step of the banking network.

2.5 Values of Janata Bank Ltd



2.6 Strategies of Janata Bank Ltd

- To manage and operate the Bank in the most efficient manner to enhance financial performance and to control cost of fund
- To strive for customer satisfaction through quality control and delivery of timely services
- To identify customers' credit and other banking needs and monitor their perception towards our performance in meeting those requirements.
- To review and update policies, procedures and practices to enhance the ability to extend better service to customers.
- To train and develop all employees and provide them adequate resources so that customers' needs can be reasonably addressed.
- To promote organizational effectiveness by openly communicating company plans, policies, practices and procedures to employees in a timely fashion
- To cultivate a working environment that fosters positive motivation for improved performance
- To diversify portfolio both in the retail and wholesale market

  To increase direct contact with customers in order to cultivate a closer relationship between the bank and its customers.

2.7 Objectives of Janata Bank Ltd

The objective of the report is to have a real life exposure in the banking sector. It will help to develop my knowledge in banking sector. The following are the objectives of the practical orientation in bank.

The main objectives of the study are:

- To find out the reality in the practical life.
- To fulfill the requirement for the completion of postgraduate (MBA) program.

  The secondary objectives of this report are
- To find out the position of Janata Bank Ltd. in the banking sector

  To analyze the general banking activities of Janata bank ltd. At motijheel Branch.

2.8Service Areas

Services Provided by Corporate-1 Branches

1. Account opening

2. SME banking

3. Western union money transfer

4. Cash deposit

5. Cash withdrawal

6. Pay order

7. Demand draft

8. Cheque deposit

9. Loan and advances

10. Prize bond

11. Sanchaypatra purchase and encashment: Dilkusha Corp(0039), Uttara Model Town Corp(0520), Abdul Gani Road Corp(0898), Topkhana Road Corp(0136), Foreign Exchange Corp(0423), 48 Motijheel Corp(0237), Rajuk Bhabon Corp(0041), Ramna Corp(0005), Gulshan Circle-2 Corp(0494), Kamal Ataturk Avenue Corp(0904), Dhaka Univesity Campus Corp(0118), Gulshan Circle-1 Corp(0832), Kawran Bazar Corp(0232), Mohakhali Corp(0197), Shanti Nagar Corp(0119)

2. Credit card payments

14. Accouant opening and closure

16. Cheque and cards delivery

17. Customer information update

18. Locker service: Gulshan Circle-2 Corp(0494), Uttara Model Town Corp(0520), Gulshan Circle-1 Corp(0832), B.B. Road Corp(0066), Imamgonj Corp(0001), Ramna Corp(0005), Laldighi EastCorp(0002), Sk. Mujib Road Corp(0033), Khulna Corp(0004), Kamal Ataturk Avenue Corp(0904), Topkhana Road Corp(0136), Mohammadpur Corp(0085), Mohakhali Corp(0197), Mymensingh Corp(0051), M. K. Road Corp(0038), Shanti Nagar Corp(0119), Abdul Gani Road Corp(0898)

19. Debit card service

20. Credit card service

21. Statement and certificates

23. Express money

Corporate-1 Branches

Services Provided by Corporate Branches-2

1. Account opening
2. SME banking
3. Western union money transfer
4. Cash deposit
5. Cash withdrawal
6. Pay order
7. Demand draft
8. Cheque deposit
9. Loan and advances
10. Prize bond
11. Sanchaypatra purchase and encashment: Rupashi Bangla Hotel Corp(0159), Green Road Corp(0327), Farmgate Corp-(0080), Dhanmondi Corp(0239), R. E. B. Corp(0148), Sher-E-Bangla Corp(0314), Mouchak Market Corp(0231), Satmosjid Road Corp(0238), Ziro Point Corp(0235), Arambagh Corp(0040), Shyamoli Corp(0519), Elephant Road Corp(0208), Zatrabari(WASA) Corp(0074)
12. Credit card payments
14. Accouant opening and closure
16. Cheque and cards delivery
17. Customer information update
18. Locker service: Dhanmondi Corp(0239), D. M. C. H. Corp(0053), Satmasjid Road Corp(0238), Rupashi Bangla Hotel Corp(0159), Khatungonj Coro(0009), Mimi Super Market, Ctg(0835), Rangpur Corp(0008), Satkhira Corp(0067), Bagerhat Corp(0007), Rajshahi Corp(0014), Nawabpur Corp(0024), Bogra Corp(0018), Narsingdi Corp(0031), Moghbazar Corp(0203), Dinajpur Corp(0091), Farmgate Corp(0080)
19. Debit card service
20. Credit card service
21. Statement and certificates
23. Express mon

2.9 Organogram of JanataBank Ltd

There are 13 members of Board of Directors manages Janata Bank Limited. For efficient operation of the bank the Board of directors forms an Executive Committee of 19 members. Besides, a management Committee looks after the affairs of the bank. The Bank maintains transparency in its entire works. All decisions of the management come through discussions in appropriate forum and required follow-ups are also made to see their effectiveness. Here are the management team given in a chart and he hierarchy of the JBL is given in next page-



Chapter Three

Theory of Ratio

3.1 Theory of Ratio

Ratio analysis is the most effective way to evaluate a company or organization. By this a company can make the proper decision to make an investment. Most of the financial institutions are depending on it just to make their investment going into the productive sector. With these tools nowadays people can make decisions about their short term & long term financing. Ratio can make the results so approximate to practical. Only ratio can express the comparative result on the basis of logical calculation. There are many kinds of ratios nowadays. People are creating different software to get proper analysis of their respected balance. Basically, ratios are categorized in five ways in the banking sector. These are given below:-

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

3.1.1 Liquidity Ratio:

Liquidity Ratio is the ratio by which a company can calculate the company's ability to meet up the amount of liability to the creditor. Most of the firms used to take a large amount of loan from respected lenders to expand their productive activity. Against the loan a company has to calculate the cost of capital. Because a levered company is more beneficial compared to an unlevered company. So in that case a company has to maintain a liquidity ratio to be aware of its liability to creditors. There are some liquidity ratios that are given below.

1. Cash Ratio.
2. Cash to Assets Ratio.
3. Cash to Deposit Ratio.
4. Loan to Total deposit ratio.
5. Loan to total assets ratio.

3.1.2 Asset Activity Ratio:

It modify the various kind of account in the financial statement in consideration of cash & time. By these ratio an institution can measure its perfect time to make a transaction in cash or credit. In the perspective of banking sector it covers two ratio. These are given below:

1. Fixed Assets Turnover.
2. Total Asset Turnover.

3.1.3 Efficiency Ratio:

It implies the percentage of assets return compare to its total cost. On the others hand, it measure the income has made by using 100% asset. The higher the ratio indicates the better operation of the company. Sometimes it ensures the respected creditors about to buy more common stocks. Some ratios are responsible for creating efficiency in a company these are:-

1. Interest Income to Expense ratio.
2. Operating Expense to asset ratio.
3. Operating Income to Asset Ratio.
4. Operating Expense to Revenue Ratio.

3.1.4 Profitability Ratio:

The ratio measure the company's ability in format of profit remaining after deducting all costs. Every company wants to get biggest than big profit in consider of its total operating activities. It can indicate the investment opportunity to a firm about to take decision. By the ratio new investors for a company can take decision at to have investment. There are some ratios which are considered as profitability ratio. Those are given below:

1. Return on assets.
2. Return on equity.
3. Interest Spread.
4. Net Interest Margin.
5. Operating Profit Margin.

3.1.5 Credit Risk Ratio:

The ratio refers the probability of credited money to return. If the respected loan amount does not make interest it has the most probability to be default. End of the day it will consider as non-performing loan. It used to calculate by two ways.

1. Equity to Total asset.
2. Equity to net loan.

3.2 Common Size Analysis:

Common size or vertical analysis is a method of evaluating monetary statistics by means of expressing each item in an economic announcement as a proportion of a base amount for the equal time period. A company can use this analysis on its stability sheet or its profits statement. A balance sheet summarizes the company's property (things that it owns that have value) its liabilities means the amounts it owes to others, and its fairness means an owners funding in the business. A profit assertion shows the company's revenues means amount of cash it made through promoting its goods and services and its prices means the amount of cash it spent to earn its revenues.

3.3Trend Analysis:

Trend analysis regularly refers to methods for extracting an underlying pattern of behavior in a time series which would otherwise be partly or almost completely hidden by means of trend. If the trend can be assumed to be linear, trend analysis can be undertaken inside a formal regression analysis, as described in trend estimation. Trend analysis is a mathematical technique that makes use of historical outcomes to predict future outcome. This is done by tracking variances in value and time table performance. The accounts listed help decide if the company is going through any type of financial stress. When trend analysis is performed, a organization is capable to see if its monetary position is enhancing or declining based as the length and the items on the statements for all later intervals are compared with gadgets on the statements of the base period. The adjustments are normally shown in percentage.

Chapter Four

Analysis and Findings

4.1 Ratio Analysis of Janata Bank Limited:

The ratio analysis is a quantitative technique that helps to know the information of a Bank's liquidity, operating efficiency and profitability by relating the information taken from its financial statements. External analysts use various kinds of ratios to evaluate a bank, while inside analysts of that bank can use them less to access more detailed operational data on a bank.There are several types of ratio to analyse a bank's financial performance. Few appropriates are analysed below:

A. Liquidity Ratio

1. Current Ratio

According to investopedia.com, the current ratio is actually a liquidity ratio that measures a bank's ability to pay short-term obligations or those that mature in a year. It informs analysts and investors whether the bank is maximizing its current assets on its balance sheet to satisfy its current debtors and other accounts payable or not. The formula used to measure Janata Bank's current ratio is:

Formula: Current Ratio = Current Assets / Current Liabilities

Year	Current Ratio of Janta Bank 2017-2021
2017	**10.27%**
2018	**10.30%**
2019	**10.16%**
2020	**10.69%**
2021	**10.06%**

Interpretation:

The Bar Chart is representing that the current ratio of Janata bank of the year 2011 was slightly lower than the previous four years. In 2019, the current ratio of Janata Bank fell down from the year 2020, but somehow it manages to increase in 2018. However, the changes of this current ratio was not very significant. So, it can be said, Janata Bank Limited is stable to utilize its current assets in terms of managing its current liabilities.

2. Statutory Liquidity Ratio:

The central bank of Bangladesh (Bangladesh Bank) determines and maintains the statutory liquidity ratio to control bank credit, guarantee the solvency of commercial banks and force banks to invest in government bonds. By changing the reflection, the flow of bank credit in the economy can be increased or decreased. For example, when the central bank decides to reduce bank credit to control inflation, the reflection will increase. On the contrary, when the economy faces recession and the central bank decides to increase bank credit, the reflection will be reduced. However, The Statutory Liquidity Ratio (SLR) refers to the proportion of deposits that the commercial bank must maintain in the form of liquid assets in addition to the reserved index.

Year	Statutory Liquidity Ratio of Janata Bank Limited
2017	**38.89%**
2018	**37.98%**
2019	**39.38%**
2020	**35.95%**
2021	**23.79%**

Interpretation:

From the above chart, it can be interpreted that the statutory liquidity ratio of Janata Bank is gradually decreasing and it can be at its crucial stage if precautionary steps are not taken. In 2017, the SLR of Janata Bank Limited was higher and it was at its worst in 2021.

B. Leverage Ratio

1. Debt Ratio

The analysis of the debt ratio, defined as an expression of the relationship between the debt and the total assets of a company, enables the ability to serve a company's debt to be measured. Indicates what percentage of a company's financial capital derives from debt, making it a good way to verify a company's long-term solvency. In general, a lower ratio is preferable. A debt ratio of less than or equal to 1 indicates the good financial health of a company. The formula used to measure the debt ratio is:

Formula: Debt Ratio: Total Debt/ Total Asset:

Item name	2017	2018	2019	2020	2021
Total Debt (Deposit amounts are taken)	478535.6	516,010.74	568,911.14	641,819.15	649,440.78
Total Assets	586,082.98	628,415.28	690,667.66	778,603.91	805,988.41
Debt Ratio	**81.65%**	**82.11%**	**82.37%**	**82.43%**	**80.58%**

Interpretation:

The Chart shows what percentage of a Janata Bank’s financial capital derives from debt from the year 2017-2021, making it a good way to verify the bank’s long-term solvency. There were slightly ups and downs, but in general was similar in the debt ratio among the yaers 2017-2020. But in 2017 it decreases around 2 percent.

2. Debt to Equity Ratio

The debt-to-equity ratio (D/E) is a financial ratio that shows the relative proportion of capital and debt used to finance the assets of a business. Closely linked to leverage, the relationship is also called risk, debt or leverage. Usually, the two variables are collected from the company's or bank's balance sheet (the book value), but the ratio can also be calculated using market values for both if the company's debt and equity are traded on the stock exchange, or a combination of book value for debt and market value for the capital stock.

Year	Debt equity ratio (times)
2017	**13.13**
2018	**12.08**
2019	**10.48**
2020	**11.86**
2021	**11.64**

Interpretation:

The chart shows the relative proportion of capital and debt used to finance the assets of the Janata Bank Limited from the year 2017-2021. Here Janata bank used its capital and debt mostly in 2017 and lower in 2019. Though, the bank used its capital less in 2019, it had gradually improved its finance in 2020 and 2021.

3. Interest Coverage Ratio

The Interest Coverage Ratio (ICR) is a financial index used to determine the extent to which a company can pay interest on its outstanding debts. Creditors, lenders, and investors often use the ICR to determine the degree of risk of capital to a company. Another name of this interest coverage ratio is the time interest earned ratio. The formula to calculate interest coverage ratio is:

Formula: Interest coverage ratio = Earnings before interest and tax (EBIT)/ Interest expense:

Item name	2017	2018	2019	2020	2021
EBIT	12127.1	10,683.34	10,720.50	10,038.28	11,369.48
Interest Expenses	34212.8	35,984.27	33,982.70	31,331.30	27,093.67
Interest Coverage Ratio	**35.45%**	**29.69%**	**31.55%**	**32.04%**	**41.96%**

Interpretation:

The bar chart above, represent the extent to which Janata bank limitedhavepaid interest on its outstanding debts from the year of 2017-2019. As an analyst, I tried to describe the profitability and risks of Janata bank and highly concerned that if the ratios among these years are gradually forwarding as it will share the payment of interest given by Janata bank for our investment. The ratios among the year shows that it was gradually down from 2017-2019 and then its increasing from 2020, and reaches at its highest at 41.96% in 2021.

4. P/E Ratio

The P/E ratio is abbreviated as price/earnings ratio that shows the market perspective relationship that calculates the market value of an action against its earnings by comparing the market price per share for profit per share. In other words, the price-earnings ratio shows how much the market wants to pay for a value based on its current earnings. Analysts usually use this ratio to assess what the fair market value of action should be when forecasting future earnings per share (EPS). In general, companies who have a higher price to earnings ratio are expected to generate higher dividends or appreciate shares in the future. The formula used to calculate the P/E ratio of Janata bank limited is:

Formula: P/E Ratio = Market Value per Share/ Earnings per Share.

Item name	2017	2018	2019	2020	2021
Market value per share (in million)	193.92	206.14	258.87	260.66	268.36
Earnings per share (EPS) (in million)	86.31	19.92	25.12	13.61	14.04
P/E Ratio	**2.24678**	**10.3484**	**10.3053**	**19.1521**	**9.114**

Interpretation:

The chart shows that how much the market had paid for a value based on its current earnings and how much effectively the Janata Bank Limited provided dividends to its consumers. Janata Bank Limited P/E ratio was not good enough in 2017-2019. However, the bank is sharing well enough surprisingly in terms of dividend to its shareholders from 2020 and 2021.

C. Management efficiency Ratio

1. Total Asset Turnover

The total asset turnover is an activity ratio that measures a company's ability to efficiently use its resources to generate sales. It can be calculated by dividing net sales by average total assets. Unlike the rotation of fixed assets, which includes only the property, the structure and the equipment to be calculated, this report measures the efficiency with which the company uses all its activities. The total value of the assets' turnover measures the number of goods and services sold per dollar of assets used during the period analysed. The formula used to find total asset turnover of Janata Bank is:

Formula: Net interest income/ Average total assets of Janata Bank:

Item name	2017	2018	2019	2020	2021
Net Interest Income	1976.85	-2249.84	-3327.53	566.6	4051.94
Average Total Assets	586083	62845.27	690667.7	778603.9	805988.4
Total Asset Turnover	**0.34%**	**-3.58%**	**-0.48%**	**0.07%**	**0.50%**

Interpretation:

The chart there was a great fall in terms of asset turnover in the year of 2018 and however, it has increased gradually. This represent that Janata Bank is utilizing their resources and the sales is increasing year after year in terms of its assets quite well from the past.

D. Profitability Ratio

1. Return on Asset

Return on Assets (ROA) is an index of profitability whichevaluates the rate of return on resources that a company owns. It measures the level of net income generated by the assets of a company. The return on assets is a list of crossed financial statements. It uses the "net income" of the income statement and the "total assets" of the balance sheet. The formula for the return of assets is:

Formula: Return On Assets = Net income assets/Average total assets:

Year	Return on Assets of Janata Bank Limited
2017	**1.42%**
2018	**0.61%**
2019	**0.70%**
2020	**0.33%**
2021	**0.33%**

Interpretation:

The bar chart above represent the level of net income generated by the assets of Janata Bank Limited between the years of 2017-2021. The results are highly dissatisfied for any analyst or investor who want to invest in the bank as the return of asset were good in 2017 but then it is continuously down till 2021. It means the bank is not efficient enough to maintain its net income generated that by its assets.

2. Return on Equity

ROE is an indicator of how effectively management uses capital funding to finance operations and grow the company. Moreover, it is a profitability ratio that measures a company's ability to generate profits from its shareholders' investments in the company. In other words, the rate of return on capital indicates the number of profits generated by each dollar of equity. Therefore, a return of 1 means that every dollar of net worth generates 1 dollar of net income. This is an important step for potential investors because they want to see how effectively a company will use its money to generate net income. The formula used to calculate ROE is:

Formula: Return on Equity= Net Income/ Shareholder's Equity

Year	Return on Equity of Janata Bank Limited
2017	**30.09%**
2018	**9.66%**
2019	**9.70%**
2020	**5.22%**
2021	**5.23%**

Interpretation: The bar chart represents how effectively management of Janata Bank had used capital funding to finance operations and to grow the bank. Moreover, it shows the bank's ability to generate profits from its shareholders' investments. The performance of the bank in terms of ROE is very poor. Though it was good in 2017, the ROE fell drastically from the year of 2018-2021. At present they cannot still improve it.

3. Net Profit Margin

The net profit margin ratio or the net margin is a measure of profitability which calculates the percentage of each dollar earned by a company that becomes a profit at the end of the year. In other words, the net profit margin ratio shows the net income of a business for every dollar of sales.Investors and analysts often use net margins to predict the effectiveness of running a business and future profit forecast based on the manager's sales forecast. By comparing net sales with total sales, investors can see how much percentage of their operating income and operating costs and any percentage for shareholders or company will be redefined. The formula used to find the net profit margin of Janata Bank is:

Formula: Net profit margin= Net Profit/ Total Revenue

Year	Net profit margin of Janata Bank Limited
2017	**5.46%**
2018	**-6.67%**
2019	**-10.85%**
2020	**1.78%**
2021	**13.01%**

Interpretation: The Bar chart above is to describe the net profit margin ratio shows the net income of Janata Bank Limited for every dollar of sales. The performance of this net profit margin was very low and it was mostly be on the negative sides from 2018-2020. Anyway, surprisingly, it had improved at 13.01% in 2021.

Findings of the report

After analysing the performance of Janata Bank Limited the findings are noted down:

- In Most cases, after analysing through several variables, it can be said that the year 2020 was not good enough for Janata Bank Limited as most of the ratio displayed several poor performances.
- The debt ratio of 2020 was not good enough compared to the other years and it is found that Janata bank might not be done well enough in terms of its long term insolvency.
- Janata Bank Limited is doing well in its payment of interest on its outstanding debts. Most of the investor are highly concerned for this information.
- Dividend payments to shareholders are quite well and a huge comeback from the years 2018-2020 when the dividend payment was not good enough.
- Janata Bank Limited is performing very poor gradually in terms of managing its net income generated that by its assets.
- The performance in the bank's ability to generate profits from its shareholders' investments was very poor since 2017 to 2021S.
- A sudden increase in net profit margin as well as net profit also found that shows a positive performance of the Janata bank Limited.

Chapter-five

Recommendations & conclusion

5.1. Recommendations for Janata Bank Limited :

Based on the results of the study, the following recommendations are being made with a view towards improving perceived levels of service quality and improving the capacity of service personnel:

- Continuous Customer Service Training is required to improve greeting skills, which has reflection on the level of courteousness with which the officer interacts with customers.
- Reinforce the culture of answering inquiries as exhaustively as possible rather than just giving a basic answer covering the bare essentials. This depicts service personnel's professionalism, especially with regard to the services Offered by the bank and highlights the service personnel's capability, efficiency and knowledge.
- Reinforce the need for staff to initiate contact with customers and to acknowledge their presence, even if by body language if not verbally. "Showing Customers You Care".
- Remind staff of the requirement to wear a name badge in the workplace which is visible to customers.
- Give guidance to staff about giving business cards to customers during the service delivery. This is being insufficiently practiced in some branches as noted earlier, but this is a part of Customer Care standards.
- The service personnel should complete his/her service by expressing thanks/welcome, invite the customer to return, and maintain a smiling face throughout in order to make a good impression. Thus, customers can feel that they are always welcome to the bank.
- Signage instructions should be visible in different places or sections as appropriate, so that they are easily noticeable to customers.

5.2 Conclusion:

As a commercial bank, it has many regular functions like different commercial banks. Without those the financial institution has a gorgeous contribution in the experienced banking to guard the environment with the local financial challenges globally. An awesome duty carried out with the aid of the financial institution is the clearing housing characteristic on behalf of the Bangladesh bank.

Nowadays Banking institutions are one of most major parts of an economy. Presently bank outfits have different contributions for singular, restrictive firms, bunches not withstanding for development criteria. Janata Bank has earned the ubiquity of best banking administration in Bangladesh. The Association is an entire with additional organized as opposed to some other money related association running neighborhood or outside in Bangladesh. Janata bank takes a favorable position of any risk in the banking division with the great affirmed and talented human. Like American express credit card, Special Budgetary establishment account and administration in the managing an account area of our nation, it is a pioneer in presenting numerous new monetary items.

Bangladesh with the Janata Bank Ltd. in this entry level position paper. After all analysis, I can say that comparatively Janata bank’s performance was higher in some sectors than the other banks. In deposits aspect other listed banks Performances have been higher than Janata bank.