Thesis report

On

Financial Analysis of Janata Bank PLC.

Submitted by:

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ID: MBA2303030010

Program: Master of Business Administration

Major: Finance

Sonargaon University (SU)

Submitted to:

Department of Business Administration

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Sonargaon University (SU)
সোনারগাঁও ইউনিভার্সিটি (এসইউ)

Thesis Report

On

Financial Analysis of Janata Bank PLC.

Submitted by:

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ID: MBA2303030010

Program: Masters of Business Administration

MBA(Major in Finance)

Semester: Summer

Submitted to :

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Date of Submission : August 25, 2024

Letter of Transmittal

August 25, 2024

Nowshin Mahmood Tahiya

Lecturer

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Subject : submission of Thesis report.

Dear Mam,

This is my pleasure that I have completed my thesis report and hereby ready to submit my report on “financial analysis of Janata Bank PLC”.According to the instruction . I have tried my best to present all those things that I have experienced over there while preparing my thesis.

This report along with all kinds of necessary information regarding the thesis is being submitted to you for your
evaluation. I sincerely hope that you will appreciate my effort.

Sincerely yours,
Md Shajadur Rahaman Akash

ID MBA2303030010

Program: MBA

Major: Finance

Department of Business Administration

Sonargaon University (SU)

Certificate of Supervisor

I hereby confirm that the thesis report titled financial analysis of Janata Bank PLC has been created for the fulfillment of MBA program requirements at the Department of Business Administration, Sonargaon University (SU). The report was conducted by Md Shajadur Rahaman Akash with ID MBA2303030010, under my guidance. I assure you that the report and its contents will not be utilized for any other intentions.

Nowshin Mahmood Tahiya
Lecturer
Department of Business Administration
Sonargaon University (SU)

DECLARATION OF STUDENT

I am Md Shajadur Rahaman Akash a student in the Master Of Business Administration program with ID MBA2303030010 at Sonargaon University. I want to sincerely state that the report titled financial analysis of Janata Bank PLC has been genuinely created by me. During the preparation of this report, I ensured full compliance with international copyright regulations. I also want to clarify that this report has not been submitted anywhere else for the purpose of obtaining a degree.

Yours Sincerely

Md Shajadur Rahaman Akash

ID: MBA2303030010

Program: MBA

Major: Finance

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LETTER OF AUTHORIZATION

I hereby confirm that the report titled financial analysis of Janata Bank PLC is a genuine effort by Md Shajadur Rahaman Akash The report was conducted under my guidance. I also affirm that, to the best of my knowledge, the content presented in this report has not been included in any other report that led to the award of a degree to any candidate earlier, whether in the same context or a different one.

Nowshin Mahmood Tahiya
Lecturer
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Sonargaon University (SU)

Acknowledgement

I want to thank Almighty ALLAH for making me able to complete one years of MBA program and successfully complete my thesis program from Janata Bank PLC. First of all, I want to show my gratitude and thank my honourable course faculty as well as my thrsis supervisor for supporting me with a lot of information during his busy schedule.The suggestions and guidelines, provided by him, are proved highly important while preparing my thesis report. Secondly, I want to show my gratitude to Md. Habibur Rahman Khan, financial Manager, Janata Bank Limited meherpur branch for giving me an opportunity ,he supervised my responsibilities and guided me to solve any unknown situation. I want to thank all the employees and staffs of Janata Bank PLC. without their support, it was difficult for me to perform my project.They also shared me several information about the bank a single day that help me to enrich my report.

Abstract

The thesis is an essential part of to obtain a Masters of Business Administration (MBA) from sonargaon University. Each student must meet the required credit hours, then they areplaced for observing a specific situation in a real workplace and to guide him to prepare their thesis report,an honourable supervisor always guides the students to prepare their report well. I am so thankful to the career counsel department who managed me the opportunity for intern in Janata Bank PLC which is the 2nd largest government owned commercial bank of Bangladesh. It offers banking services through its 901 branches in all 64 districts of Bangladesh. The bank's commercial banking activities add a wide variety of services, including the preparation of deposits, the granting of investment offices, discounts, cash and foreign exchange transactions and the execution of related services, such as the preservation, and issuance of guarantees, recognitions and letters of credit. I did several tasks as an apprentice and gathered information that could enrich my study of this report valuable. This knowledge was so important for me where I can compare the knowledge that I learned from my university with the practical financial institution. I tried to provide an in-depth analysis of the bank's financial performance analysis using data from the 2016-2020 annual report. In the beginning of preparing this report, I have shared the general and basic ideas of the report as well as the objectives of the report, because without goals,the report cannot be a relevant one. After that, there are discussion on the basic information to share the history and activities performed by Janata Bank PLC. Finally, in the financial performance analysis part, the Horizontal, vertical and ratio analysis has been analysed to portray the financial performance of Janata Bank PLC during the last five years of 2017-2021 as financial analysis is a logical and mathematical way to show the overall financial performance of the bank over these years. Last but not the least, some problems are shared that are found while analysing the financial performance and in the later chapter few suggestions are mentioned for the betterment of the Bank so that manager of Janata Bank can take precautionary steps if the feel the suggestions are well enough.

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Chapter 1

INTRODUCTION

1.1 Introduction of the Report

The Thesis program is an essential part of to obtain a Masters of Business Administration (MBA) from sonargaon University. Each student must meet the required credit hours, then they are placed for observing a specific situation in a real workplace and to guide him to prepare their Thesis report, an honourable supervisor always guides the students to prepare their report well. I decided to prepare my Thesis Thesis report on the Financial Analysis of Janata Bank Limited.

1.2 Background of Study

The rationale of the report is to measure the financial performance of Janata Bank comparing the years of 2017-2020. The analysis of financial performance is a subjective measure of a company's ability to utilize the resources of its primary mode of business and to generate revenue. This term is also used as a general measure of the overall financial health of a business over a given period of time and can be used to compare similar businesses in the same sector or to compare industries or sectors. The measurement of the performance is will be consists of two ways, the first part is Trend analysis that includes Horizontal and vertical analysis, and the Second part is the ratio analysis which is a highly popular analysis to analyse any financial institutions.

1.3 Objectives of the Report

The objectives of the report will help the readers to identify what are the reasons for what the report is prepared and about the goals of this report. This objectives can be separated in two parts mentioned below: a. Primary objectives: b. Specific objectives:

1.4 Methodology of the Report

i. Sampling and Sample size:

The report consists of five years of financial information of Janata Bank Limited taken from the five years annual report from the rears of 2017-2019. All the analysis of the study will follow these years valid information.

ii. Data Collection:

The data's are collected from several relevant sources of the study and can be divided into two sources.

i.Primary sources: The primary data are collected from:

a. Formal and informal communication of the Janata Bank's employees

b. The practical experiences by working inside of the Bank.

c. The annual report of the bank.

d. Various publications, leaf-lets of the bank.

II. Secondary sources:

a. Various publications and articles on financial performance analysis.

b. Websites of the Janata Bank and few other related websites and blogs.

c. Several financial books on financial performance analysis.

iii. Data analysis:

The study follows exploratory research techniques that use both Qualitative and Quantitative data. The quantitative data are directly collected from the Janata Bank's annual report of the year 2013-2019 and used Microsoft word and excel to analyse the performance with the help of different pie charts and bar charts.

1.5 Limitations of the Report

Though the experience of working was good but there are several limitations found that create difficulties to prepare the report. The limitations are:

a. Too much work pressures: I had to work all the day long of my thesis and there were high work pressures exists during all the day long. A lots of clients were visited the bank in every hour. I found it difficult to collect data during all the day.

b. Short period of time: Preparing such an extensive report on financial performance of such a large bank was difficult in this three months of internship period.

c. Secrecy: Janata Bank PLC maintain too much secrecy on several parts of information because of the fear of bad reputation. Several important information that can enrich my report with valuable information couldn't attach because of the restri

Chapter 2

Literature Review

2.1 The concept of financial statement analysis

According to Kaplan (2004), financial performance refers to the achievement of financial objectives and is an important aspect of financial risk management. It is the process of monetary measurement of the results of a company's policies and operations. It is used to measure the overall financial health of the business over a given period and can also be used to compare similar businesses in the same sector or to compare industries or sectors.

These queries can be solved using a financial analysis of a company. Financial analysis involves the use of financial statements. A financial statement is a collection of data organized according to logical and consistent accounting procedures. Its purpose is to understand certain financial aspects of a commercial enterprise. It is possible to visualize a position during a given period, as in the case of a balance sheet, or to reveal a series of activities for a certain period, as in the case of an income statement. As a result, the term "balance sheet" generally refers to two fundamentals: the balance sheet and the income statement. (Source: Kaplan, Robert S, 2004, Book name: Strategy Maps: Converting Intangible Assets Into Tangible Outcomes.)

The financial balance sheet indicates the financial condition (condition) of the company at a given time. Provides a snapshot that can be considered a static image. "The financial statements are a summary of a company's financial position at a given date, showing total assets = total liabilities + owner's capital". The income statement (shown in India in the form of an income statement) reflects the performance of the company over a given period. "The income statement is a summary of the income and expenses of the business in a given period, which ends with the net profit or loss of the period." Anyways, financial statements do not reveal all the information about a company's financial transactions, but they provide extremely useful information that highlights two important factors: profitability and financial strength.

2.2 Methods of financial statement analysis

There are various methods or techniques to analyse or to measure financial performance of a firm or company. The methods are listed below:

1: trend analysis 2: ratio analysis 3: Comperative financial statements 4: Common-size Statements

The methods mentioned above are the ways to measure financial performance of a company. It is depended on the user what are the most flexible ways for them to measure his firm. The methods that are used to analyse the Janata Bank Limited performance from the year 2014 to 2019, is through Ratio and Trend Analysis. Both of these two analysis are very popular and widely accepted financial analysis these days. The two analysis are discussed below:

2.2.1 Ratio Analysis

According to Bierman (2009), 'Ratio' in accounting refers to the significant relationships between the figures that are reported in a balance sheet, income statement, budget control system, or any other part of the accounting organization. The accounting ratios indicate a quantitative measure that is used for performance analysis and decision making.

Moreover, a ratio is a two-digit quotient and the ratio expressed between two accounting numbers is called an accounting ratio. The analysis of the ratio is a very powerful analysis tool and very helpful for measuring the performance of a firm. The analysis of the report focuses on the interrelationship between the figures in the financial statements.

The analysis of the ratios helps management to analyse the past performance of the company and to create other plans. The analysis of the relationship allows stakeholders, such as investors, creditors, governments and analysts, to evaluate certain aspects of a company's performance. The analysis of the relationship is a process of comparing one number with another, giving a relationship.

The valuation of the ratio will allow a correct analysis of the strengths and weaknesses of the company's activities. Evaluating ratio is a relatively simple and straightforward task, but proper analysis and interpretation of ratios can only be performed by a qualified analyst. When interpreting financial information, the analyst must act with caution within the limits imposed by accounting concepts and methods. Non-financial information will also be considered before any significant analysis. The analysis of the ratio is extremely useful for providing valuable information on a company's financial situation.

Normally, relationships identify a company's strengths and weaknesses in two ways:

I. Ratios are a simple way to compare current performance with previous ones.

II.The ratios describe the areas in which a given company has competitive advantages or disadvantages in comparing relationships with those of other companies of the same size within the same sector. (Source: Harold Bierman. JR, Professor of Cornell University, 2009, Book name: The Capital Structure Decision.)

2.2.2Trend Analysis

Trend analysis is a technique used in technical analysis to try to predict future stock price developments from recent trend data. The trend analysis is based on the idea that what happened in the past gives traders an idea of what will happen in the future.

There are three main types of trends: short, medium and long term. There are two important types of trend analysis. They are:

a.**Horizontal Analysis:**

According to Edwards (2011), the horizontal analysis examines the amounts of the financial statements over several years. Horizontal analysis is also called trend analysis. Amounts from previous budgets will be redefined as a percentage of the base year amounts. (Source:Robert D. Edwards, John Magee,Business & Economics, 2011, Book name: Technical analysis of stock trends.)

b.Vertical Analysis:

According to Rich, Jones and Heitger (2011), the vertical analysis expresses each amount in a financial statement as a percentage of another amount. The vertical analysis of a budget implies that each budget amount is redefined as a percentage of total assets. The vertical analysis of an income statement results in any income statement amount that is recalculated as a percentage of net sales. (Source: Jay Rich, Jeff Jones, Dan L. Heitger, 2011, Book name:Cornerstones of Financial and Managerial Accounting - Page 592)

2.3Capital budgeting

Capital budgeting is the process a business undertakes to evaluate potential major projects or investments. Construction of a new plant or a big investment in an outside venture are examples of projects that would require capital budgeting before they are approved or rejected.

As part of capital budgeting, a company might assess a prospective project's lifetime cash inflows and outflows to determine whether the potential returns that would be generated meet a sufficient target benchmark. The capital budgeting process is also known as investment appraisal.

Capital budgeting is used by companies to evaluate major projects and investments, such as new plants or equipment.

The process involves analyzing a project’s cash inflows and outflows to determine whether the expected return meets a set benchmark.

The major methods of capital budgeting include discounted cash flow, payback, and throughput analyses.

2.4Cash Flow statment

In financial accounting, a cash flow statement, also known as *statement of cash flows*, is a financial statement that shows how changes in balance sheet accounts and income affect cash and cash equivalents, and breaks the analysis down to operating, investing, and financing activities. Essentially, the cash flow statement is concerned with the flow of cash in and out of the business. As an analytical tool, the statement of cash flows is useful in determining the short-term viability of a company, particularly its ability to pay bills. International Accounting Standard 7 (IAS 7) is the International Accounting Standard that deals with cash flow statements.

The cash flow statement (previously known as the flow of funds statement), shows the sources of a company's cash flow and how it was used over a specific time period. It is an important indicator of a company's financial health, because a company can report a profit on its income statement, but at the same time have insufficient cash to operate. The cash flow statement reveals the quality of a company's earnings (i.e. how much came from cash flow as opposed to accounting treatment), and the firm's capacity to pay interest and dividends.

The cash flow statement differs from the balance sheet and income statement in that it excludes non-cash transactions required by accrual basis accounting, such as depreciation, deferred income taxes, write-offs on bad debts and sales on credit where receivables have not yet been collected.

The cash flow statement is intended to:

provide information on a firm's liquidity, solvency and financial flexibility (the ability to change cash flows in future circumstances)

help predict future cash flows and borrowing needs

improve the comparability of different firms' operating performance by eliminating the effects of different accounting methods. The cash flow statement has been adopted as a standard financial

statement because it eliminates allocations, which might be derived from different accounting methods, such as various timeframes for depreciating fixed assets.

2.5 Cost of Capital

Cost of capital is the required return necessary to make a capital budgeting project, such as building a new factory, worthwhile. When analysts and investors discuss the cost of capital, they typically mean the weighted average of a firm's cost of debt and cost of equity blended together.

The cost of capital metric is used by companies internally to judge whether a capital project is worth the expenditure of resources, and by investors who use it to determine whether an investment is worth the risk compared to the return. The cost of capital depends on the mode of financing used. It refers to the cost of equity if the business is financed solely through equity, or to the cost of debt if it is financed solely through debt.

Many companies use a combination of debt and equity to finance their businesses and, for such companies, the overall cost of capital is derived from the weighted average cost of all capital sources, widely known as the weighted average cost of capital (WACC).

Cost of capital represents the return a company needs in order to take on a capital project, such as purchasing new equipment or constructing a new building.

Cost of capital typically encompasses the cost of both equity and debt, weighted according to the company's preferred or existing capital structure, known as the weighted average cost of capital (WACC).

A company's investment decisions for new projects should always generate a return that exceeds the firm's cost of the capital used to finance the project; otherwise, the project will not generate a return for investors.

2.6 Payback Analysis

Payback analysis is the simplest form of capital budgeting analysis, but it's also the least accurate. It's still widely used because it's quick and can give managers a "back of the envelope" understanding of the real value of a proposed project.

Payback analysis calculates how long it will take to recoup the costs of an investment. The payback period is identified by dividing the initial investment in the project by the average yearly cash inflow that the project will generate. For example, if it costs $400,000 for the initial cash outlay, and the project generates $100,000 per year in revenue, it'll take four years to recoup the investment.

Payback analysis is usually used when companies have only a limited amount of funds (or liquidity) to invest in a project and therefore, need to know how quickly they can get back their investment. The project with the shortest payback period would likely be chosen. However, there are some limitations to the payback method since it doesn't account for the opportunity cost or the rate of return that could be earned had they not chosen to pursue the project.

Also, payback analysis doesn't typically include any cash flows near the end of the project's life. For example, if a project being considered involved buying equipment, the cash flows or revenue generated from the factory's equipment would be considered but not the equipment's salvage value at the end of the project. The salvage value is the value of the equipment at the end of its useful life. As a result, payback analysis is not considered a true measure of how profitable a project is but instead, provides a rough estimate of how quickly an initial investment can be recouped.

2.7 Net Present Value (NPV)

Net present value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. NPV is used in capital budgeting and investment planning to analyze the profitability of a projected investment or project.

NPV is the result of calculations used to find today’s value of a future stream of payments. It accounts for the time value of money and can be used to compare similar investment alternatives. The NPV relies on a discount rate that may be derived from the cost of the capital required to make the investment, and any project or investment with a negative NPV should be avoided. One important drawback of NPV analysis is that it makes assumptions about future events that may not be reliable.

Net present value, or NPV, is used to calculate the current total value of a future stream of payments.

If the NPV of a project or investment is positive, it means that the discounted present value of all future cash flows related to that project or investment will be positive, and therefore attractive.

To calculate NPV, you need to estimate future cash flows for each period and determine the correct discount rate.

2.8 Internal Rate Of Return

The internal rate of return (IRR) is a metric used in financial analysis to estimate the profitability of potential investments. IRR is a *discount rate* that makes the net present value (NPV) of all cash flows equal to zero in a discounted cash flow analysis.

IRR calculations rely on the same formula as NPV does. Keep in mind that IRR is not the actual dollar value of the project. It is the annual return that makes the NPV equal to zero.

Generally speaking, the higher an internal rate of return, the more desirable an investment is to undertake. IRR is uniform for investments of varying types and, as such, can be used to rank multiple prospective investments or projects on a relatively even basis. In general, when comparing investment options with other similar characteristics, the investment with the highest IRR probably would be considered the best.

The internal rate of return (IRR) is the annual rate of growth that an investment is expected to generate.

IRR is calculated using the same concept as net present value (NPV), except it sets the NPV equal to zero.

IRR is ideal for analyzing capital budgeting projects to understand and compare potential rates of annual return over time.

Using IRR with WACC

Most IRR analysis will be done in conjunction with a view of a company's weighted average cost of capital (WACC) and NPV calculations. IRR is typically a relatively high value, which allows it to arrive at an NPV of zero. Most companies will require an IRR calculation to be above the WACC. WACC is a measure of a firm's cost of capital in which each category of capital is proportionately weighted. All sources of capital, including common stock, preferred stock, bonds, and any other long-term debt, are included in a WACC calculation.

In theory, any project with an IRR greater than its cost of capital should be profitable. In planning investment projects, firms will often establish a required rate of return (RRR) to determine the minimum acceptable return percentage that the investment in question must earn to be worthwhile. The RRR will be higher than the WACC.

2.9 Corporate Finance

Corporate finance is the division of finance that deals with how corporations deal with funding sources, capital structuring, and investment decisions. Corporate finance is primarily concerned with maximizing shareholder value through long and short-term financial planning and the implementation of various strategies. Corporate finance activities range from capital investment decisions to investment banking.

Corporate finance departments are charged with governing and overseeing their firms' financial activities and capital investment decisions. Such decisions include whether to pursue a proposed investment and whether to pay for the investment with equity, debt, or both.

Corporate finance is often associated with a firm's decision to undertake capital investments and other investment-related decisions.

Corporate finance manages short-term financial decisions that affect operations.

In addition to capital investments, corporate finance deals with sourcing capital.

It also includes whether shareholders should receive dividends. Additionally, the finance department manages current assets, current liabilities, and inventory control.

Chapter 3

Profile of Janata Bank PLC

3.1 Background of Janata Bank PLC

a. History

With the emergence of Bangladesh as an independent and sovereign state in 1971 after a devastating nine-month war against the occupation army of West Pakistan, a war of blood and tears, trauma and suffering in Millions of loved ones, the legacy The rebuilding of the already bankrupt financial base of the country was seen as an urgent call of the day in the face of the collapse of the economic reality of a new state.

b. Creation of the bank

In this context, in order to rebuild the country's economy, steps have been taken to unite several previously managed banks in this region and create new banks. These initiatives led to the creation of the Janata Bank in 1972 by bringing together the first United Bank Limited and Union Bank Limited under the 1972 Bank Ordinance (Presidential Order No. 26).

c. Corporatization

On November 15, 2007, Janata Bank registered with the Joint Stock of Registrar and restructured into a public limited company under the name of Janata Bank Limited.

d. Roundup

The Janata Bank, which has 4 branches in the United Arab Emirates, has 913 branches across the country and has a large family of about 11,858 employees (as of 30.11.2021), based in Janata Bhaban, Motijheel C / A , in the heart of the capital, Dhaka. At the end of 2017, the Bank had a deposit of 649,440.78 million BDT, an advance loan of 459,580.05 million BDT, with an authorized capital of 30,000 million BDT and a deposited capital of 23,140 million BDT. Janata Bank Limited, a trusted financial institution over the years, the second largest commercial bank in Bangladesh (with respect to deposits / assets), has played a key role in the country's overall financial activities and has a long history of providing services. Downloadable to the company from its embankment immediately after the appearance of this green alluvial soil as a sovereign

and independent state. The Bank's contribution to the national economy and social reform has set the standard level to such an extent that other players in this sector cannot but aspire to achieve the benchmark of JBL's success. . In addition, it is a great honor that the Bank's contribution, commitment The Financial Analysis of Janata Bank Limited 11 | P a g e and success have been rewarded with a series of prestigious awards from recognized national and international organizations.

3.2 Vision of Janata Bank

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.

3.3 Mission of Janata Bank

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.

3.4 Values of Janata Bank

Core values of Janata Bank Limited=

Professionalism

Growth

Diversity

Dignity

Accountability

Integrity

3.5 Ethical Principles of Janata Bank PLC

Janata Bank deals with public funds for which the respect of ethics is very important. Janata Bank maintains its reputation as a law-abiding organization and a good organization. Employees are properly guided to carry out their activities in a compatible manner. Janata Bank's business

process policies and procedures are prepared in accordance with laws and regulations. JBL respects and applies ethical principles in all areas of its banking and customer service. The main features of the Code of Ethics and Employee Conduct are:

a. To implement justice and equity;

b. provide optimal services to the client;

c. preserve the confidentiality and confidentiality of the customer's information and at the same time, it respects the Right to Information Act of 2009;

d. prevent money laundering and corruption;

e. protect and defend the values of the company;

f. maintain the accuracy and transparency of financial information;

g. protect the natural environment;

h. Perform all activities in accordance with guidelines and laws approved by the various regulatory authorities.

3.6 Services provided by Janata Bank PLC

Janata Bank Limited provides its customers with all banking facilities and services. Its vast branch network and with a fast and efficient staff provides the personalized services given below:

Demand draft	Telegraphic transfer .	Mail transfer
Security deposit receipt	Payment order	General transfer
Transfer of funds through special agreements	Electronic transfer through a credit card list	Foreign payments

a.Interest Services of Janata Bank PLC

The bank offers the following advantages of interest:

Current savings account / STD FDR accounts Debit account statement

Advanced status of the accounts NRB account Merchant account

b. Services for International Trades

I. Janata Bank Ltd. is one of the pioneers in the promotion of the Letter of Credit (L/C) for the RMG sector (Ready Made Garments)

II. Financing the export as part of the export policy of Bangladesh.

III.Bank management and financing create an excellent corporate reputation in the Bangladeshi Banking industry in terms of International trade, especially in the country's exports and exports.

c.Export finance of Janata Bank PLC

To increase the country's exports, Janata Bank Limited has provided assistance to several exporters. Some of these are the following:

a. Interest discount rates for export financing.

b. Continuous L/C facilities for the bonded warehouse facilities.

c. 100% export-oriented industries for foreign investments and opportunities for joint ventures.

d. Data entry to computer programs and export services to the export financing program.

e. As a specialized consulting agency, the bank serves a group of consulting services.

f. Banking in export processing zone (EPZ).

g. Export incentive programs.

3.7 Janata Bank at a glance

Name of Company	: Janata Bank PLC
Registered office	: Janata Bhaban , 110, Motijheel C/A
	Dhaka -1000 Bangladesh
Legal Status	: Public Limited Company
Date of Incorporation	: 21 May 2007
Date of Commencement of Business	: 21 May 2007
Authorized Capital	: Tk. 30,000 Million
Paid up Capital	: Tk. 23,140 Million
Face value per share	: Tk. 100 per share
Shareholding Pattern of	:100% Share owned by the Government of the Peoples Republic of Bangladesh
Tax Identification No.	: 143462765792
Business Identification No	: 000000027-0002
Chairman	: Jamaluddin Ahmed, PhD FCA
CEO & Managing Director	: Md. Abdus Salam Azad FF
Chief Risk Officer	: Md. Ismail Hossain (DMD)
Head of Internal Control and Compliance	: Md. Zikrul Hoque (DMD)
Chief Financial Officer (CFO)	: A K M Shariat Ullah FCA ACCA
Company Secretary	: Hossain Yeahyea Chowdhury (GM)
Total Number of Branch	: 914

Domestic Network Number of Branch	: 910
Number of Divisional office	: 12
Number of Area Office	: 50
Number of AD Branch	: 55
Overseas Network Number of Branch	: 04
Location UAE	: Abudhabi, Dubai, Al-Ain and Sarjah.
Chief Executive Office & Branch Zayed Post Box No Arab Emirates	: Obeid Sayah Al – Mansuri Building 1st Street (Electra Road), 2630 Abu Dhabi, United
Relationship Management Application	:586
Subsidiaries Janata: Dhaka, Bangladesh Capital and Investment Ltd	: Dhaka, Bangladesh
Janata Exchange Company srl. Italy	: Corporate Head Office: Rome, Italy Branch: Rome & Milan,
Janata Exchange Company Inc. USA	: Tackson Height, Queens, New York (USA)
Number of Employees	: 11851
Number of Exchange House	: 76
Corporate Rating Status	: A AA in the long term ST-1 in the short term
As Commercial Bank	: A in the long term : ST-2 in the short term

Telex JBHOBJ	: 675840JBDBJ, 671288
E-mail	: md@janatabank-bd.com
Website jb.com.bd	: www. janatabank-bd.com,
Swift Code	: JANBBDDH
Phone PABX 9556245-49,	: 9560000, 9566020, 9565041-45, 9560027-30
Fax	: 88-02-9564644, 9560869

3.8 Financial Highlights of Janata Bank 2021

Operating profit BDT 7,094m	Profit after tax BDT246m
CRAR 10.03%	
Total Deposit 691,409m	Loans & advances 548,474m

Chapter 4
Analysis of the study

4.1 Contribution of Janata Bank in the banking sector of Bangladesh

The banking sector in Bangladesh is operated by 57 banks with more than 9,000 branches. In addition to making a maximum contribution to the country's socioeconomic development, JBL achieved an operating profit of 11,369.48 million euros in 2020. Data as of December 31, 2030 show 6.91% of assets, 6.92% of deposits, 5, 60% of loans and advances, 4.69% JBL owns 4.27% of imports and 8.61% of remittances from the banking sector abroad. The details are discussed below:

Sl.	Components	Amount	Market share(%)
1	Total Assets	805,988.41	6.91%
2	Deposits	649,440.78	6.92%
3	Loans and advances	459,580.05	5.60%
4	Import	143,582.20	4.27%
5	Export	139,920.90	4.69%
6	Foreign Remittance	72,022.00	8.61%
7	Branches (Number)	914	9.38%
8	Manpower (Number)	12391	7.52%

4.2.1 Horizontal and Vertical Analysis of Janata Bank

Horizontal analysis (also known as trend analysis) is a financial statement analysis technique that shows changes in the amounts of the corresponding items in financial statements over a period of time. It is a useful tool for evaluating trend situations. Statements of two or more periods are used in the horizontal analysis.The horizontal analysis allows investors and analysts to see what has motivated the financial performance of a company over several years, as well as detect trends and growth patterns such as seasonality. It allows analysts to evaluate the relative changes in different items over time and project them. By simultaneously reviewing the statement of results, the balance sheet and the cash flow statement, it is possible to obtain a complete picture of the operating results, to see what motivated the performance of a company and determine if it is operating effectively or not. While the horizontal analysis analyses how the dollar amounts in a Janata Bank's balance sheets have changed over time, the vertical analysisconsiders each element as a percentage of a basic figure within the financial statement. Therefore, items in an income statement can be declared as a percentage of gross sales, while items in a balance sheet can be expressed as a percentage of total assets or liabilities. Cash flow shows each cash flow as a percentage of total incoming cash flows. Vertical analysis is also known as the analysis of common size budgets. For more information, see the analysis of the common dimensions of the financial statements.

Particular	2022	2021	2020
Total revenue	49958.85	50704.84	52471.97
Interest expenses	28826.54	26972.08	27093.67
Administrative & other expenses	14038.65	13943.80	14008.82
Operating profit	7093.66	9788.96	11369.48
Provisions excluding tax	6229.34	8866.15	7159.43
Profit before tax	864.32	922.81	4210.05
Provision for tax	617.88	673.84	1523.55
Profit after tax	246.44	248.97	2686.50
Reserve fund	200.04	193.84	807.87
Retained profit	46.40	55.45	1878.63
EPS	1.06	1.17	14.04

4.2.2 Horizontal & vertical analysis for balance sheet

Particular	2022	2021	2020
Cash in hand	6009.12	4809.17	4298.62
Balance with other banks and FTs	37066.07	46066.30	34441.96
Money at call and short notice	1075.03	3509.66	14622.35
Investments	190816.26	`166783.79	177342.15
Loans and advances	548473.94	533707.16	459580.05
Balance with BB and its agent bank(s)	41830.25	39607.48	44219.85
Fixed assets	7833.08	10277.04	10308.63
Other assets	62283.32	61285.88	61174.80
Total assets	895387.08	866046.48	805988.41

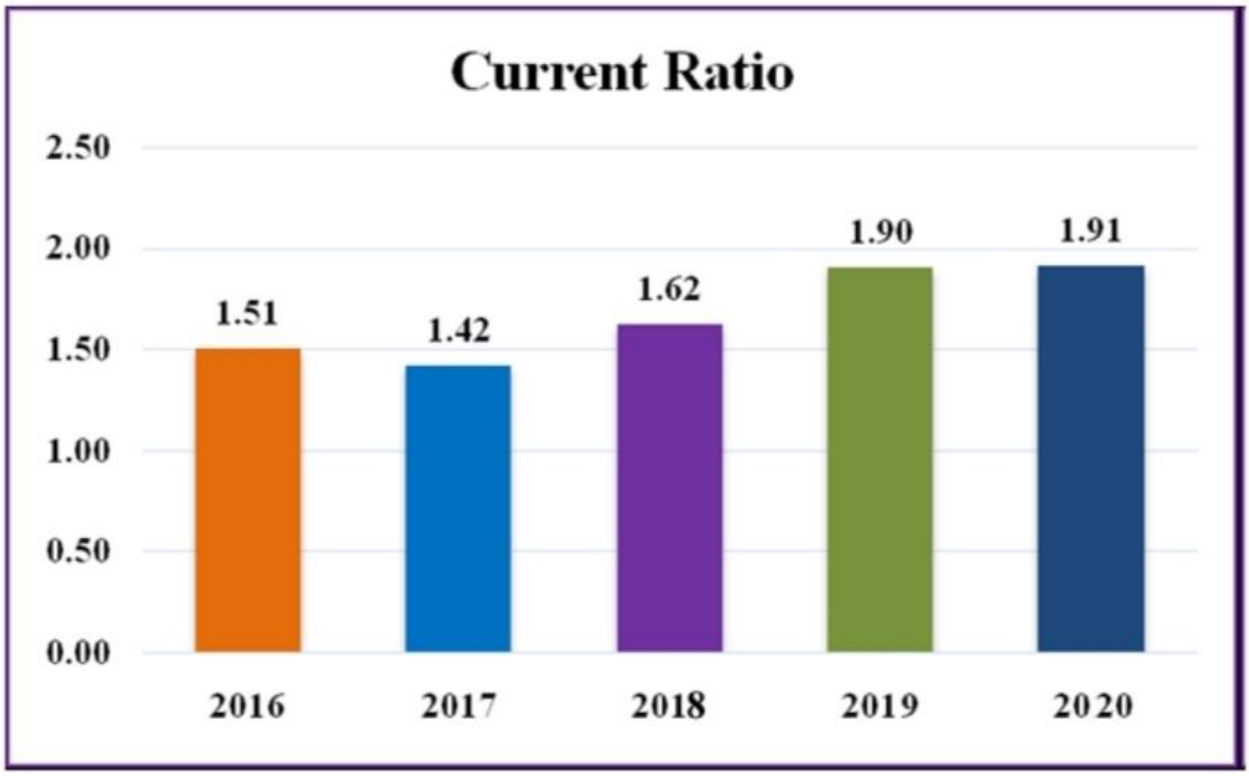
4.3 Current ratio

Current ratio indicates the ability of a company to pay its current liabilities through its current assets.

Current ratio =current assets /current liabilities.

Millions tk.

Current ratio					
	2016	2017	2018	2019	2020
Current ratio	1.51:1	1.42:1	1.62:1	1.90:1	1.91:1



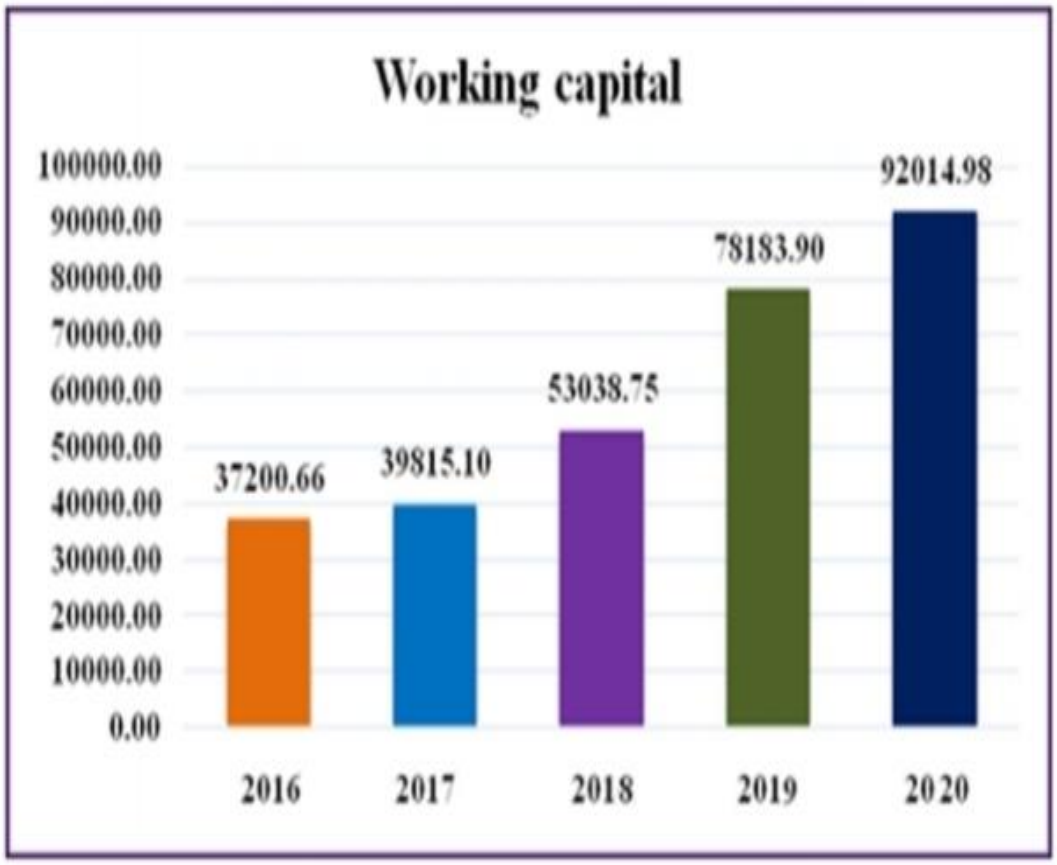
4.3: **Current ratio of JBPLC for the year 2016 to 2020**

4.4 Net Working capital

Working capital (WC) represent the liquid capital of an organization which is using to meet the organization's daily operating cost. Working Capital = (Current Assets – Current Liabilities)

Million TK.

Working capital					
	2016	2017	2018	2019	2020
Working capital	37200.66	39815.10	53038.75	78183.90	92014.98

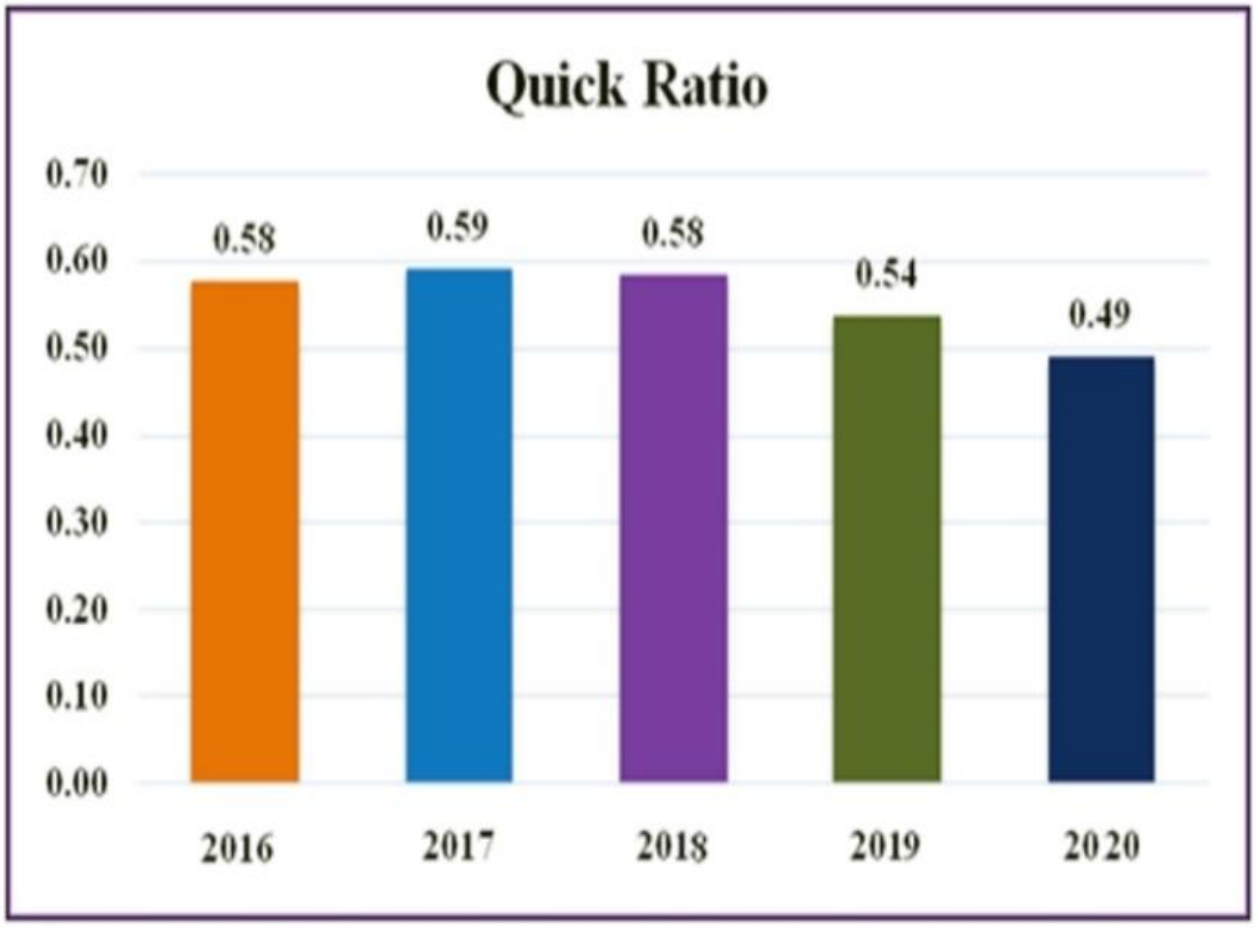


4.5 Quick ratio

Quick ratio is an indicator of a company's short-term liquidity position, and measures a company's ability to meet its short-term obligations with its most liquid assets. Quick Ratio = (Current Assets - Inventories-Prepaid Expenses) / Current Liabilities

In Millions TK

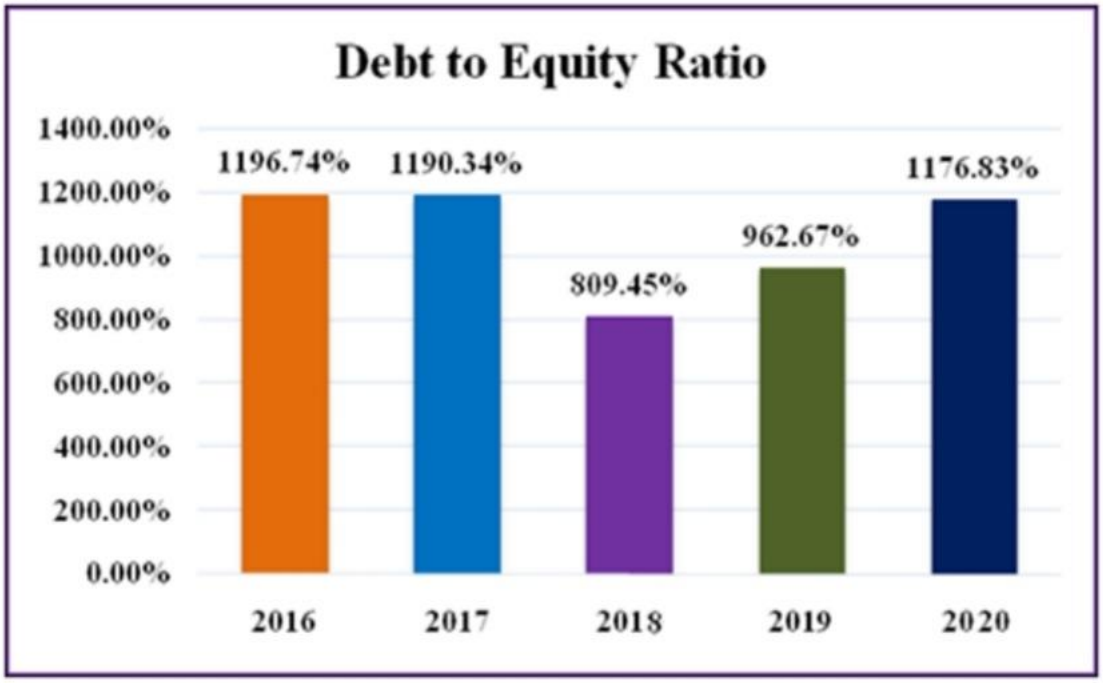
Quick ratio					
	2016	2017	2018	2019	2020
Quick ratio	0.58:1	0.59:1	0.58:1	0.54:1	0.49:1



4.6 The debt to equity ratio

The debt to equity ratio shows the percentage of company financing that comes from creditors and investors. Debt to Equity Ratio = (Total Debt/Total Equity)

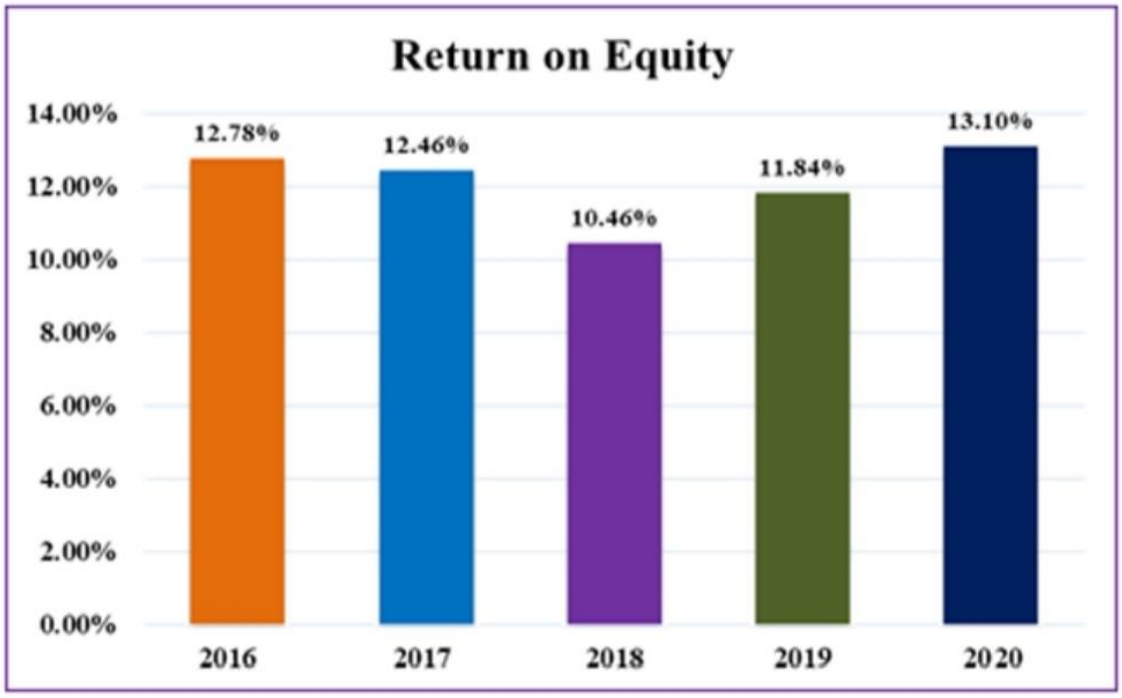
equity ratio					
	2016	2017	2018	2019	2020
equity ratio	1196.74%	1190.34%	809.45%	962.67%	1176.83%



4.7 Return on equity

Return on equity indicates the profitability of the company. Return on Equity = (Net profit after Tax/Shareholders Equity)*100

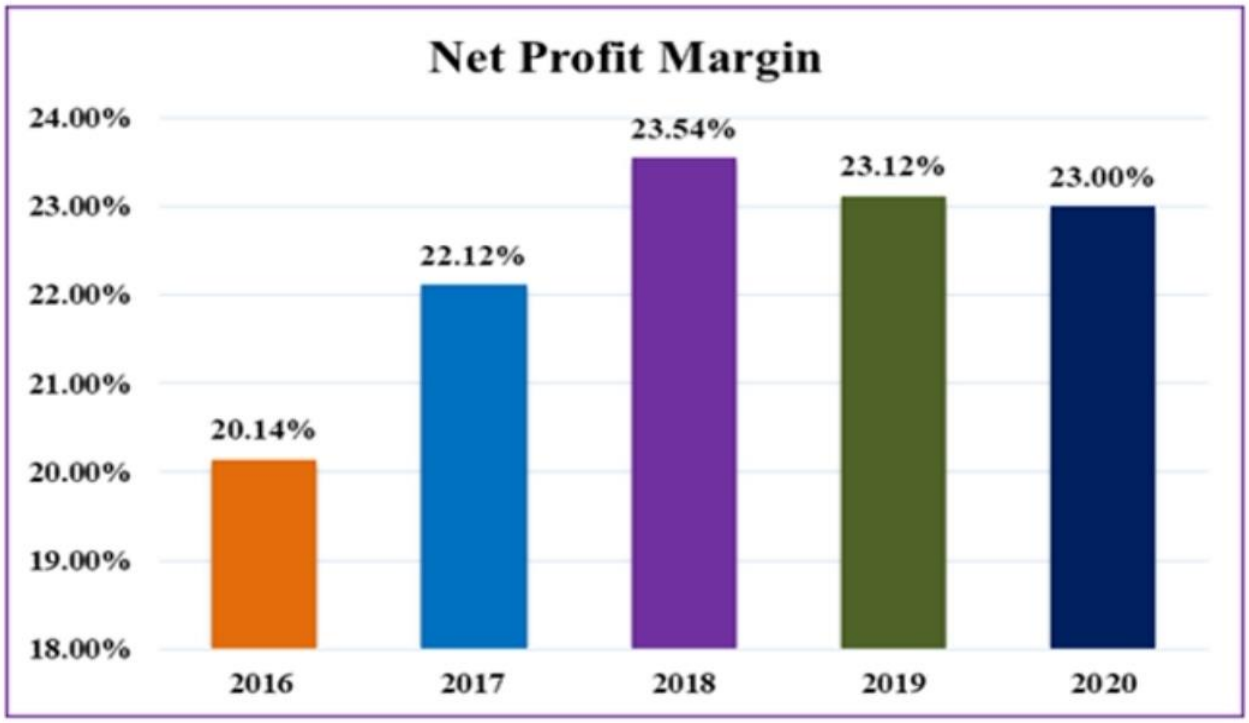
Return on equity					
	2016	2017	2018	2019	2020
Return on equity	12.78%	12.46%	10.46%	11.48%	13.10%



4.8 Net Profit Margin

Profit margin is called net margin. It indicate what percentage of net operating revenue add' to its profit. Net Profit Margin =(Net Income After Tax/Total Operating Revenue)

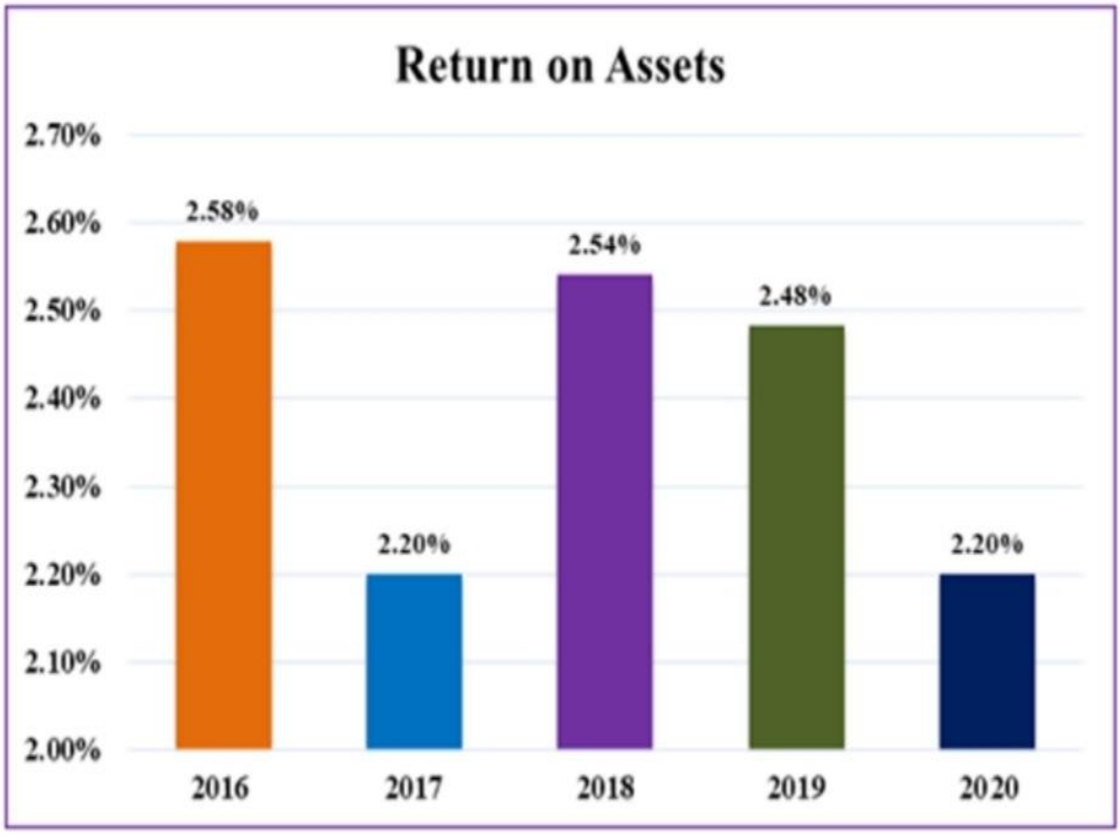
Net profit margin					
	2016	**2017**	**2018**	**2019**	**2020**
Net Profit Margin	**20.14%**	**22.12%**	**23.54%**	**23.12%**	**23%**



4.9 Return on Assets

It is a profitability ratio. It indicate the amount of profit made by the organization by using 100 Tk total assets. Return on Assets = (Net Income after tax/Total Assets)

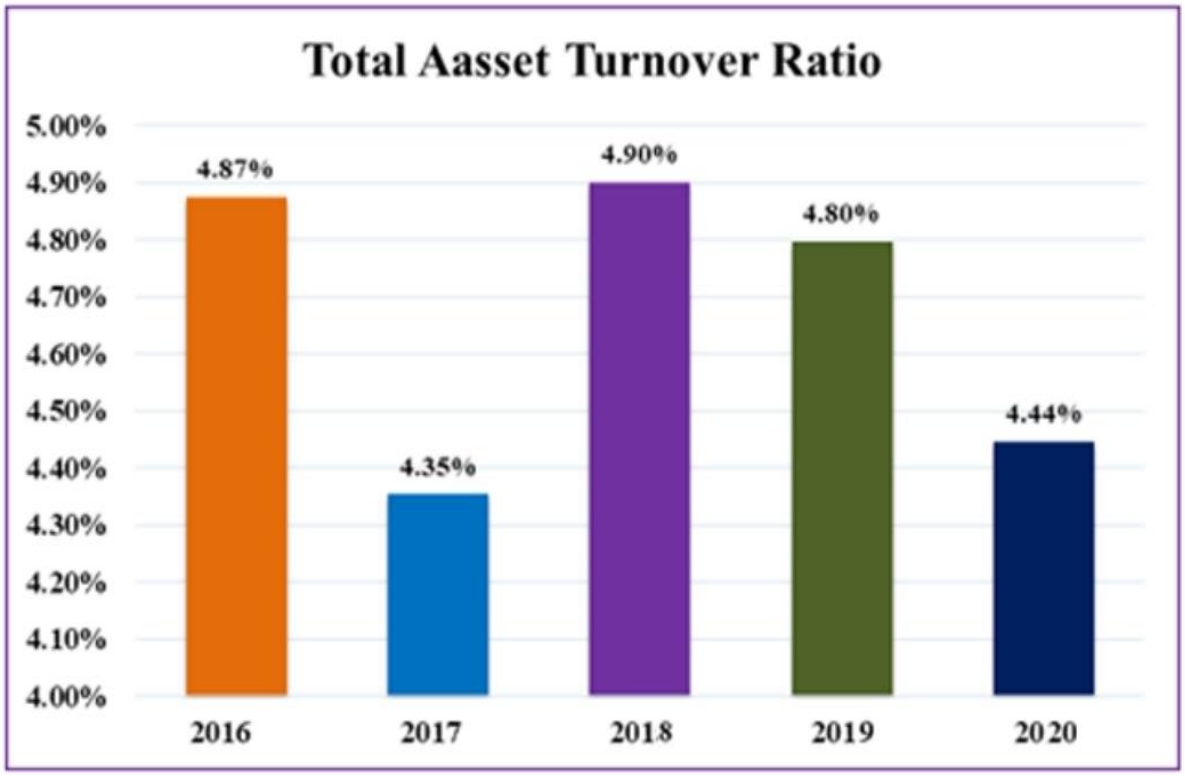
Return on Assets					
	2016	2017	2018	2019	2020
Return on Assets	2.58%	2.20%	2.54%	2.48%	2.20%



4.10 Total Assets Turnover Ratio

It is an efficiency ratio. It is the ability of an organization to generate the operating income by using its assets. Total Assets Turnover Ratio = Total Operating Income/Total Assets

Total Assets Turnover Ratio					
	2016	2017	2018	2019	2020
Total Assets Turnover Ratio	4.87%	4.35%	4.90%	4.80%	4.44%



Chapter 5

Findings

5 Findings of the report

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

1. 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.

2. 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.

3. 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.

4. Dividend payments to shareholders are quite well and a huge comeback from the years 20118-20119 when the dividend payment was not good enough.

5. Janata Bank Limited is performing very poor gradually in terms of managing its net income generated that by its assets.

6. The performance in the bank's ability to generate profits from its shareholders' investments was very poor since 2016 to 2020.

7. 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 6

Recommendations and Conclusion

6.1 Recommendations

The findings of Janata Bank were measurable in terms of several variables. The part hare is going to share some suggestions according to my academic knowledge for the betterment and to improve the variables and conditions of the financial performance of Janata Bank Limited.

1. Janata bank Limited need to provide high concern on their investors and depositor's interest as the performances of the bank is decreasing in the most cases, the bank might face lack of investor deposits in the coming future.

2. There is a tendency in the employees of Janata bank to wasting their time doing nothing or walking around the bank, therefore, all the employees should be monitored on daily basis and should be provided specialization training in their own field.

3. I highly felt the absence of ethical or moral obligations while working there as an intern. If employees are not treated and serve well just because the bank is government owned and employees are on a permanent salary basis is highly responsible for the performances of the bank today.

4. The net profit margin, the payments of dividend and the payment of interest on outstanding debts have improved recently in 2020 and Janata Bank needs maintain there proportion for saving their current investor's interest.

5. Managing the banks net income generated that by its assets and profits from its shareholders' investments were very poor. The bank need to give high importance to tackle the situation.

6. Janata Bank Limited need to introduce few new ideas on services so that customers can receive better service that may change their interest from other banks.

7. Few recent corruption made by the insiders created a huge influence on the bank. Janata Bank Limited should introduce and provide special securities to their consumer's savings so that the consumers can feel free to deposit in the bank.

6.2 Conclusion

Janata Bank Limited (JBL), which sets new standards for the banking sector in economic conditions without obstacles. As part of the long-term fiscal reform and the planning of government modernization, the bank has become a public limited company. The Janata Bank Limited operation helps strengthen the resources to stay strong in the main area. By operating in the Treasury area, JBL continues to be the main player in improving market value, risk assessment and return on investment in foreign currency. Treasury operations are strengthened to facilitate transactions that require more sophisticated products and services. The largest customers and institutional companies. Although the network and customer relationships are extensive, reducing problems is problematic. The authorities are not so flexible and take the time to make decisions. Janata Bank Limited has always tried to do everything possible to obtain good financial results. But in reality, financial services related to the banking sector are not entirely satisfactory. Janata Bank Limited has sometimes encountered financial problems. The problem was the enormous profitability and solvency, the lack of modern technology, the lack of modern technology, etc. These problems, inflation in the currency market, etc. Fighting with all these problems and trying to do everything possible every time you compete with other banks. If this continues, we hope that Janata Bank Limited continues to improve.

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THE END