

**Internship Report**  
**on**  
**Financial Performance Analysis in Bangladesh:**  
**A Case Study on Agrani Bank Limited**

**Submitted by:**

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**Program: Bachelor of Business Administration BBA (Major in Finance)**

**Semester: Summer 2021**

**Submitted to:**

**Department of Business Administration**

**Submitted for the partial fulfillment of the degree of**  
**Bachelor of Business Administration**



**Sonargaon University (SU)**

**Date of Submission:**

**28<sup>th</sup> September, 2021**

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**Financial Performance Analysis in Bangladesh:**  
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**Prepared by:**  
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**Submitted for the partial fulfillment of the degree of**  
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## Letter Of Transmittal

28<sup>th</sup> September, 2021

To

Md. Rasel Hawlader

Department of Business Administration

Sonargaon University (SU)

Subject: Submission of Internship Report

Dear Sir,

With due respect, I am submitting report on “Financial Performance Analysis in Bangladesh: A Case study on Agrani Bank Limited.” It is a great pleasure that you have given me this opportunity. I do my best for doing this report. This is really a great source of learning for any student. I learn so many things from this work. Your guidance and suggestion help me great. I will be happy to provide any kind of further explanation about this report if it is needed.

I have tried my best to avoid my fault and hope that my report will satisfy you and I also would like to thank you again for giving me the great opportunity to submit the report.

Yours Sincerely,

-----  
Maksuda Khatun Jui

ID: BBA1703012005

BBA (Major in Finance)

Department of Business Administration

Sonargaon University (SU)

## Student Declaration

With due respect, I declare I am Maksuda Khatun Jui, a student of Bachelors of Business Administration, ID: BBA1703012005 from Sonargaon University would like to solemnly declare here that this report on “Financial Performance Analysis in Bangladesh: A Case study On Agrani Bank Limited” has been prepared by me. While preparing this report, I didn’t breach any copy right act internationally.

I am further declaring that; I did not submit this report anywhere forwarding any degree, diploma or certificate.

Sincerely Yours,

-----

Maksuda Khatun Jui

ID: BBA 1703012005

Program: BBA

Major: Finance

Semester: Summer 2021

## **Letter Of Authorization**

Certified that this report titled “Financial Performance Analysis in Bangladesh: A Case study On Agrani Bank Limited” is a bona fide work of Student’s name, who has carried out the research under my supervision. Certified further that to the best of my knowledge the work reported here in 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.

.....

Md. Rasel Hawlader

Lecturer

Department of Business Administration

Sonargaon University (SU)

## **Acknowledgement**

At the beginning I am very much grateful to almighty for giving me strength and opportunity and sound mind to complete the internship report. First of all, I would like to thank to my Internship Supervisor, Md. Rasel Hawlader, Lecturer, Sonargaon University, for guiding me and encouraging me to work on this topic for my internship report. I strongly believe that, these will assist me a lot to make me more professional and building my future professional career. He had been very helpful through the internship program and suggests all sources for necessary information to make this report. This internship report might never have been completed without the necessary particle knowledge, assistance of many books, articles, websites and secondary data. It enhanced my practical knowledge in corporate culture. Finally, my heartiest thanks go to others who were involved and helped directly and indirectly to prepare this report. Without them all these would not have been made possible.

## **Executive Summary**

This report "Financial Performance Analysis in Bangladesh: A Case study On Agrani Bank Limited " is a result of BBA internship program. This report encourages us to apply our comprehension of the hypothetical information in the viable field. This report showing details of Agrani Bank Limited and financial analysis. I was working in this report gain the knowledge that I have gained from working, training and experiences.

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# **Chapter-01**

## **Introduction**

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## **1.1 Introduction**

Agrani Bank Limited, a state owned leading commercial bank with 953 outlets strategically located in almost all the commercial areas throughout Bangladesh, overseas Exchange Houses and hundreds of overseas Correspondents, came into being as a Public Limited Company on May 17, 2007 with a view to take over the business, assets, liabilities, rights and obligations of the Agrani Bank which emerged as a nationalized commercial bank in 1972 immediately after the emergence of Bangladesh as an independent state.

## **1.2 Objective of the study**

- To understand the financial performance of Agrani Bank on different areas such as liquidity, profitability.
- To assess the organization's effectiveness and weakness in these segments.
- To provide some recommendations to improve in this area where it is needed

## **1.3 Methodology of the study**

To conduct this report, collected from two types of sources. Data has been collected through different sources like face-to-face interviews, phone recording and other different circular published by the Agrani Bank Limited.

- i. Primary sources
- ii. Secondary sources

### **i. Primary sources:**

- Information gathered by working with banking group.
- Information gathered by chatting with bank chiefs, bank staffs and others.
- Information gathered by talking clients.
- Information gathered by seeing during working period.

### **ii. Secondary Sources:**

- Annual report of Agrani Bank Limited
- Different composed record of Agrani Bank Limited.
- Information gathered from web.

## 1.4 Limitations of the study

This study is not free from limitations. It is important to note that in spite of these limitations this

report will be contributed in developing a dazzling and outstanding report.

Below these limitations are:

- ❖ **Limitation of Scope:** While collecting data, they did not disclose more information due to the confidentiality of the organization.
- ❖ **Lack of experience:** There is a chance of having some mistake in the report. Though best effort has been applied to avoid any kind of mistake.
- ❖ **Legal obligation:** Due to some legal obligation and business secrecy the bank was reluctant to provide some sensitive data. Thus, this study limits only on the available published data and certain degree of formal and informal interview and limited survey.
- ❖ **Extensive Nature:** Although the particular study is extensive in nature, hard effort was given to make the study Worthwhile and meaningful even then there exists some limitation.
- ❖ **Lack of time:** The researcher was in the bank for three months so within this short span of time it is very difficult to be familiar with all the activities of the bank. Major limitation of this report is time constrained.
- ❖ **Lack of Secondary data:** The annual report and websites was the main secondary information source that was not enough to complete the report.
- ❖ **Lack of Supervision by the bank officers:** As the officers were busy with their daily working activities, they were not able to give me much time apart from their daily working activities.
- ❖ **Restricted Information:** There were various types of information that the bank officers cannot disclose due to the security and other corporate obligations.

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## **Chapter-02**

### **Profile of the organization**

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## **2.1. History**

Agrani Bank Limited, a state owned leading commercial bank with 953 outlets strategically located in almost all the commercial areas throughout Bangladesh, overseas Exchange Houses and hundreds of overseas Correspondents, came into being as a Public Limited Company on May 17, 2007 with a view to take over the business, assets, liabilities, rights and obligations of the Agrani Bank which emerged as a nationalized commercial bank in 1972 immediately after the emergence of Bangladesh as an independent state. Agrani Bank Limited started functioning as a going concern basis through a Vendors Agreement signed between the ministry of finance, Government of the People's Republic of Bangladesh on behalf of the former Agrani Bank and the Board of Directors of Agrani Bank Limited on November 15, 2007 with retrospective effect from 01 July, 2007. Agrani Bank Limited is governed by a Board of Directors consisting of 10 members headed by a Chairman. The Bank is headed by the Managing Director & Chief Executive Officer; Managing Director is assisted by Deputy Managing Directors and General Managers. The bank has 11 Circle offices, 36 Divisions in head office, 53 zonal offices and 953 branches including 34 corporate, 42 AD (authorized dealer) branches. Agrani Bank Limited is the first state-owned Commercial Bank in Bangladesh to introduce Agent Banking. Currently ABL has 200 agent booths who are operating Agent Banking activities around the rural areas of Bangladesh. In Agrani Bank Limited, Islamic Banking system is operated under 'Islamic Banking Unit' since February 28, 2010 through 5 Islamic Banking Windows.

## **2.2. Vision, Mission, Qualities, Motto of Agrani Bank Limited**

### **2.2.1. Vision**

To work morally and decently inside the stringent structure set by our controllers and to acclimatize thoughts and exercises from best practices to improve our business strategies and methodology to the advantage of our clients and representatives.

### **2.2.2. Mission**

To turn into the best driving state claimed business bank of Bangladesh working at global degree of proficiency, quality, sound administration, astounding client support and solid liquidity.

### **2.2.3. Qualities**

We esteem in uprightness, straightforwardness, responsibility, respect, assorted variety, development and polished skill to give significant level of administration to every one of our clients and partners inside and outside the nation.

## **2.3. Strategic Objectives of Agrani Bank Limited**

I. Succeeding at least 6.50 percent portion of stores and 5.50 percent portion of advances and advance of Bangladesh advertise.

- II. Gaining upper hand by bringing in general expense contrasted down with that of contenders.
- III. Overtaking contenders by demonstrating quality client care.
- IV. Achieving mechanical initiative among the friend gathering.
- V. Strengthening the Bank's brand acknowledgment.
- VI. Contributing towards the financial prosperity of the nation by concentrating especially on SME and farming Sectors.
- VII. Strengthening research capacity for imaginative items

## **2.4 SWOT Analysis of Agrani Bank Limited**

We consider Agrani Bank as a business firm and analyze its strength, weakness, opportunity and threat the scenario will be as follows:

### **Strength:**

- I. Good Management
- II. Lending rate is moderately serious
- III. Cooperation with one another
- IV. Good financier client relationship
- V. Strong Financial
- VI. Service charges are similarly sensible.
- VII. Strong corporate personality
- VIII. Young eager workforce
- IX. Empowered Work power

### **Weakness:**

- I. Lack of appropriate inspiration, preparing and work true
- II. Lack of experienced representatives in junior level administration
- III. Lack of claim ATM administrations
- IV. Tendency to leave the bank in mission of adaptable condition
- V. La of bank's items and exercises
- VI. Absence of solid showcasing exercises

VII. Office condition isn't acceptable as private bank condition

VIII. High charges of L/C

## **Opportunity**

1. Growth of offers volume
2. Change in world of politics
3. Launching own ATM card administrations
4. Expansion of banking administrations into other various administrations
5. Experienced Mangers.

## **Threats:**

1. Upcoming Banks/Branches
2. Different administrations of FCB"S (Phone Banking/Home Ban ruler)
3. Similar items are offered by different banks
4. Default Loans
5. Financial Crisis
6. Existing card administrations of Standard Chartered Bank or other private Bank

## **2.5 Motto of Agrani Bank Limited**

The Motto of Agrani Bank Limited is "Committed to serve the nation"

## **2.6. Products & Services of Agrani Bank Limited**

### **2.6.1. Products of Agrani Bank Limited:**

I. Deposit Product:

1. Deposit Accounts

◆ Current Deposit (CD)

◆ Savings Deposit

◆ Special Noticed Time Deposit (SNTD)



- ◆ Non-Resident Special Taka Account (NRTA)
- ◆ Non-Resident Investors Taka Account (NRIT)
- ◆ Students Savings A/C (School Banking)
- ◆ Small Life Insurance Policy Holders A/C
- ◆ Ten Taka Farmers A/C
- ◆ Freedom Fighters A/C
- ◆ Fixed Deposit (FDR)

### **1. Deposit Scheme:**

- ◆ Agrani Bank Pension Scheme (APS)
- ◆ Agrani Bank Bishesh Shanchay Scheme (ABS)
- ◆ Agrani Bank Quarterly Income Scheme
- ◆ Agrani Bank Double Benefit Scheme
- ◆ Agrani Bank Millionaire Deposit Scheme
- ◆ Agrani Bank Lakhpoti Deposit Scheme
- ◆ Agrani Bank Prabash Deposit Scheme
- ◆ Agrani Bank Deposit Scheme for Women

### **1. (FC)Foreign Currency Account:**

- ◆ Foreign Currency A/C (FC)
- ◆ Non-Resident Foreign Currency Deposit A/C (NFCD)
- ◆ Resident Foreign Currency Deposit A/C (RFCD)
- ◆ Exporters Retention Quota A/C

### **1. Import Finance:**

- ◆ Loan Against Imported Merchandise
- ◆ Loan Against Trust Receipt

- ◆ Payment Against Document

## **2. Export Finance:**

- ◆ Export Cash Credit
- ◆ Packing Credit
- ◆ Local/ Foreign Bills Purchased
- ◆ Loan Against Export Development Fund

## **1. Loans & Advances:**

### **i. Continuous Loan:**

- ◆ Cash Credit
- ◆ Secured Overdraft

### **ii. Term Loan:**

- ◆ Industrial Credit (IC)
- ◆ Housing Loan (General & Commercial)
- ◆ Consumer Credit
- ◆ Loan for Overseas Employment
- ◆ Weavers' Credit

### **iii. Agriculture Credit:**

- ◆ Crop Loan
- ◆ Fishery Loan
- ◆ Animal Husbandry Loan
- ◆ Agri Machinery Loan
- ◆ Rural Transport Loan

**iv. Enterprise Loan:**

- ◆ Service Sector Loan
- ◆ Trading Sector Loan
- ◆ Manufacturing Sector Loan
- ◆ Women Entrepreneurs Loan

**v. Treasury:**

**a) Money Market:**

- ◆ Maintaining CRR & SLR
- ◆ Treasury Bills
- ◆ Treasury Bonds
- ◆ Secondary Trading of Govt. Securities
- ◆ Repo
- ◆ Reverse Repo
- ◆ Other Investments

**b) Foreign Exchange Market:**

- ◆ Selling Foreign Currency for Import Payment
- ◆ Buying Foreign Currency against Export Proceeds
- ◆ Fixation of Exchange Rate
- ◆ Foreign Currency Buying and Selling
- ◆ SWAP Transactions
- ◆ Forward Transaction
- ◆ Term Placement

**c) Letter of Credit:**

- ◆ Letter of Credit- Sight

- ◆ Back-to-Back L/C

## **2.6.2 Services of Agrani Bank Limited:**

### **1. Value Service:**

- ◆ Locker Service
- ◆ Utility Bill Collection
- ◆ Arm Forces Pension Payment

### **2. Cash Service:**

- ◆ ATM Service
- ◆ Cheque Encashment
- ◆ Foreign Currency

### **3. Islamic Banking Service:**

#### **I. Deposit**

- ◆ Mudaraba Savings A/C
- ◆ Mudaraba Hajj Savings Scheme
- ◆ Mudaraba Term Deposit
- ◆ Mudaraba Mohor Savings Scheme

#### **II. Investments:**

- ◆ Bai Murabaha
- ◆ Bai Muazzal
- ◆ Bai Sal

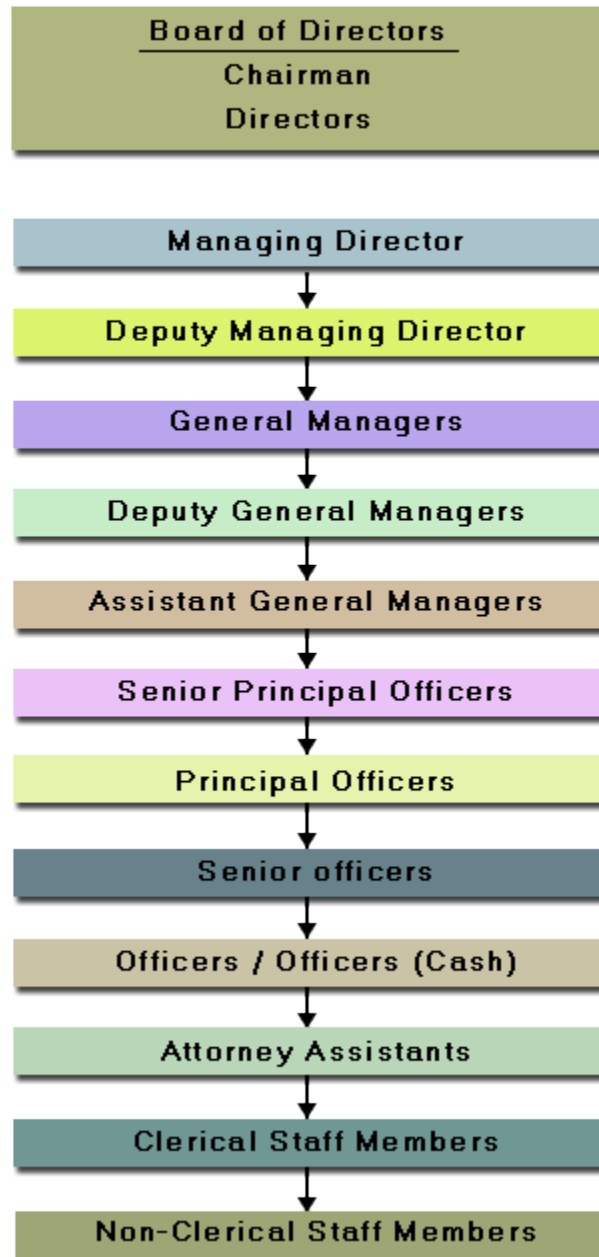
### **4. Other Foreign Exchange Service:**

- ◆ Documentary Bill Collection

- ◆ Advanced Payment for Import & Export
- ◆ Foreign Remittance (incoming & Outgoing)
- ◆ Issuance of Draft, TT

## 2.7. Chain of command of Agrani Bank

### Hierarchy Of Agrani Bank



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**Chapter -03**

**Literature Review**

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### **3.1. Theory of Ratio**

A ratio analysis is a quantitative analysis of information contained in a company's financial statements. Ratio is used to evaluate the several of a organization's financial performance. Without ratio analysis, a organization cannot take the proper decision to make an investment

### **3.2 Financial Ratio's users**

Each association needs to think about their business execution or position. In the accompanying significant clients of fiscal summaries with their zones of intrigue are depicted:

1. Government
2. Investors
3. Bankers and Lenders
4. Employees
5. Suppliers
6. Management

### **3.3 Types of Financial Ratios**

There are many kinds of ratio. Described below:

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

#### **3.3.1 Liquidity Ratio**

A liquidity ratio is a financial ratio that shows whether an organization's present resources will be sufficient to satisfy the organization's commitments when they become due. As the vast majority of the organization take a lot of credit from lenders to grow its generation or business so they have to figure the expense of capital against the advance. Since a turned organization is more helpful than other organization. There are some liquidity ratios those are given below:

- i. Current Ratio



- ii. Cash Ratio
- iii. Quick Ratio

### **3.3.2. Leverage Ratio**

Leverage Ratio shows how much obligation an organization utilized. A higher proportion demonstrates that an organization may have caused a more elevated level of obligation. The two principal influence proportions are:

- i. Debt Ratio
- ii. Debt to Equity Ratio.

### **3.3.3. Asset Activity**

Ratio: Fundamentally this ratio reflects the productivity of using the advantages appropriately. There are a few ratios those are given below:

- i. Total Asset Turnover
- ii. Fixed Asset Turnover
- iii. Current Asset Turnover
- iv. Equity Turnover.

### **3.3.4 Credit Risk Ratio**

Credit risk ratio demonstrates the danger of loss of the financial specialist cash alongside the loan costs because the company is failed to repay the debt. There are few credit risk ratios. Those are below:

- i. Equity to Asset Ratio
- ii. Equity to Net Loan Ratio

### **3.3.5. Profitability Ratio**

profitable Ratio shows the organization's capacity to create salary in the wake of deducting all costs. It's otherwise called profit margin ratio. Each organization needs more profit by thinking about its absolute working costs. This ratio is one of the most significant ratios as by assessing this ratio financial specialists take contributing choices. There are some profitable ratios those are:

- i. Net Profit Margin

- ii. Return on Asset
- iii. Return on Equity

### **3.4 Common size Analysis**

Common size analysis is also known as vertical analysis which is used by the financial manager to analyse the financial statements. It encourages the organization to decide how the organization is performing over year and contrasted with contenders. It likewise permits the organization to see the effect of each detail on the revenue, cash flow, or asset figures for the organization.

#### **3.4.1. Common Size of Income Statement**

The common size of income Statement is generally complete deals or all out incomes. It is utilized to compute net overall revenue just as gross and working edges. Organizations utilize this apparatus to competitors to know the extent of incomes that goes to advertising, research and development and other essential expenses.

### **3.5 Trend Analysis**

Trend analysis is otherwise called level examination which is a scientific system that utilizes verifiable results to anticipate future results. At the point when an organization utilizes trend analysis then they become fit to discover its money related position is upgrading or declining based as the length and the things on the announcements.

#### **3.5.1 Trend Analysis of Income Statement**

In income statement trend examination, revenue and cost information from an organization's income statement can be orchestrated on a trend line for different detailing periods and inspected for trend and in consistence. The soonest period is generally utilized as the base time frame and the things on the announcements for every single later period are contrasted and things on the announcements of the base time frame.

### **3.6. DuPont Analysis**

The DuPont analysis is a financial ratio based on the return on equity. This is used to analyse a organization's ability to increase its return on equity. In 1920 it was developed by the DuPont Corporation.

DuPont Analysis Formula=  $NPM * TAT * EM$

Then,

Net Profit Margin (NPM) = Net Profit / Net Interest Income

Total Asset Turnover (TAT) = Net Interest Income / Total Asset

Equity Multiplier (EM) = Total Asset / Total Equity

### **3.7. Sensitivity Analysis**

Sensitivity analysis is contemplated by transforming each factor in turn and watching the resulting impacts. It is utilized in the business world and in the field of financial aspects.

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**Chapter-04**

**Analysis of the Study**

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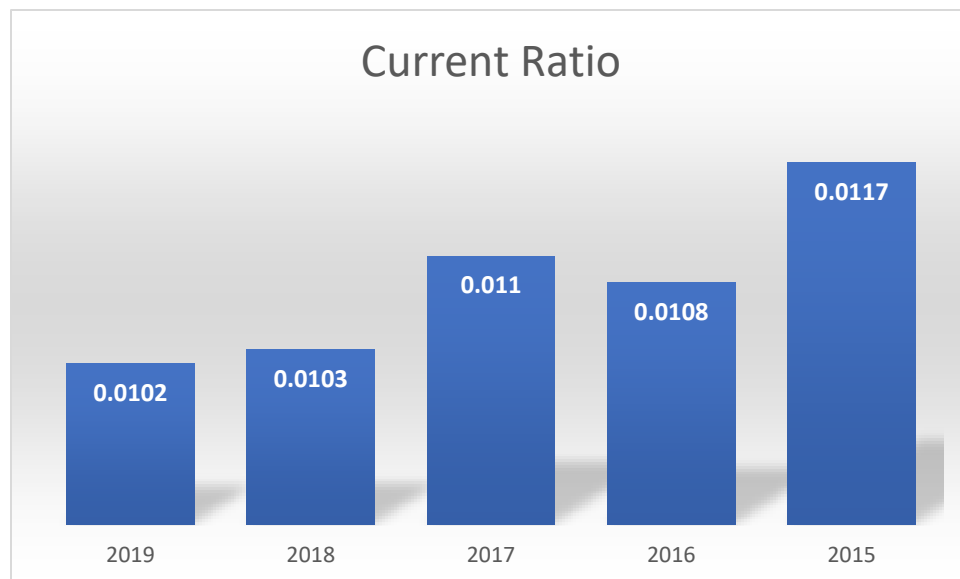
## 4. Ratio Analysis of Agrani Bank Limited

### 4.1 Liquidity Ratio:

**I. Current Ratio:** Current ratio shows the capacity of a firm to pay its present liabilities by its current asset. This ratio tells financial specialists and examiners how an organization can augment the current asset on its accounting report to fulfill its current debt and other payable. The higher ratio is useful for the bank. In any case, if an organization has a high current ratio contrasted with their companion gathering, it demonstrates that administration may not be utilizing their assets efficiently.

Current Ratio= "Current Asset"/"Current Liabilities"

Particulars	2019	2018	2017	2016	2015
Current Ratio	0.0102	0.0103	0.0110	0.0108	0.0117



### Current Ratio of Agrani Bank Ltd.

The current ratio of Agrani bank is fluctuating from 2015 to 2019. In 2015 the ratio was 0.0117 and in 2016 the ratio was decreased in 0.0108. Be that as it may, in 2017 the ratio was growth to 0.011 and in 2019 it also reduce by 0.0102.

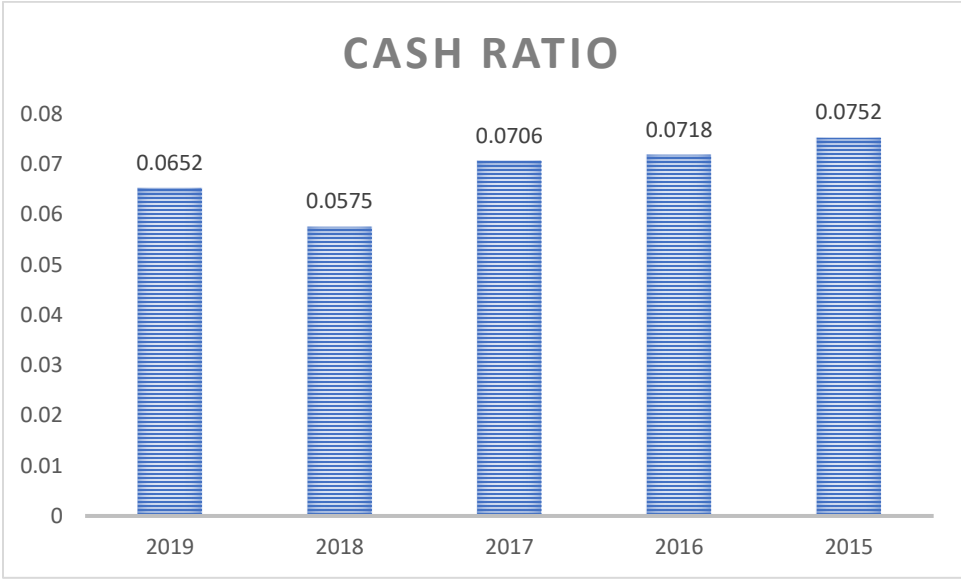
The bank is doing acceptable as the greater part of the bank keeps up 1:1 current ratio. The bank successfully uses their current assets as they have enough current assets for pay its current liabilities.

**II Cash Ratio**

Cash ratio is a ratio which indicates the ability to pay its current liabilities by its highly liquid asset. This ratio is more protective than other liquidity ratio because it only considers an organization’s most liquid resources. If the cash ratio is under 1, this connote that the organization won’t have enough money on hand to pay off its current liabilities.

$Cash\ Ratio = \frac{Cash\ and\ Cash\ Equivalents}{Current\ Liabilities}$

Particulars	2019	2018	2017	2016	2015
Cash Ratio	0.0652	0.0575	0.0706	0.0718	0.0752



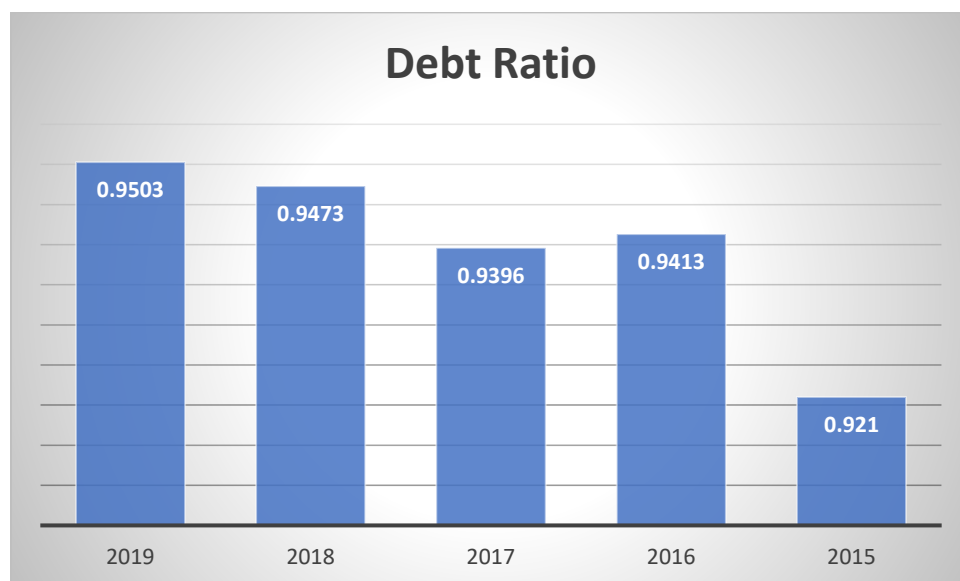
In this graph cash ratio was gradually reducing. In 2015 the ratio was 0.0752 which was reducing by 0.0718 in 2016. We can see that in 2018 it was 0.0575 which is bad for the bank. And 2019 it was 0.0652 lower increase than 2018. But the cash ratio should not be lower than 0.5. In such a case that there comes any crisis then they can't pay. If they have not enough money than they can't pay to the customers. For this reason, bank have to maintain at least 0.5 as cash ratio.

## 4.2. Leverage Ratio

**I) Debt Ratio:** Debt ratio refers the purchase of asset through debt. The ratio indicates that the, company keeps itself into a risky location as its interest rate can be arise suddenly. So that an organization funds a lot of its advantages with debt, at that point debt ratio will be higher. Leasers see organizations with high debt ratio as less secure borrowers in light of the fact that the organization must offer a greater amount of its advantages for pay its liquidity in liquidations.

Debt Ratio = Total Liabilities/Total Asset

Particulars	2019	2018	2017	2016	2015
Debt Ratio	0.9503	0.9473	0.9396	0.9413	0.9210

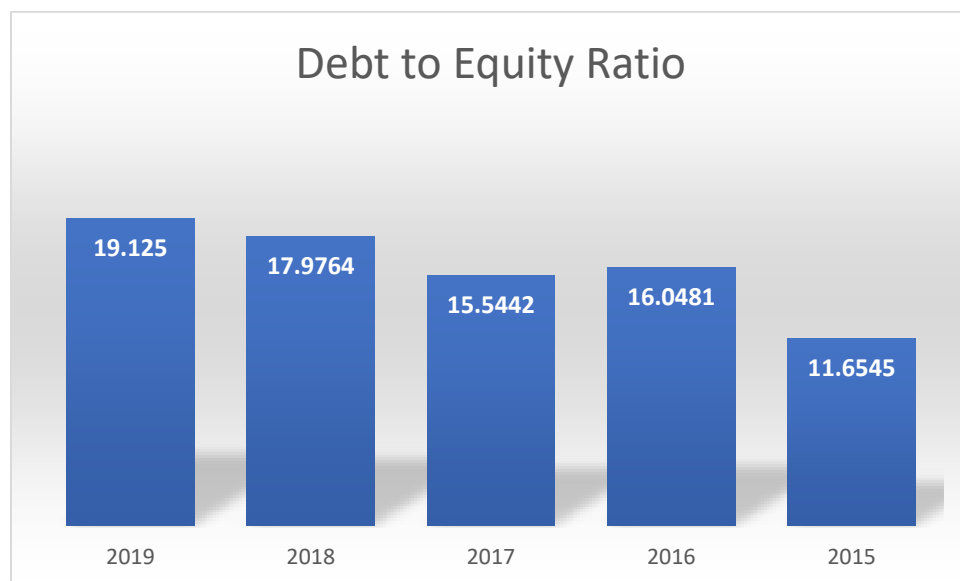


The debt ratio of Agrani Bank Ltd. was expanded from 2015 to 2016 and in 2017to 2018 it was diminished by 0.9396. Be that as it may, in 2019 again it was expanded by 0.95503. The debt ratio expended is 0.4 to 0.6 however it can shift industry to industry. Debt ratio isn't useful for the bank. As the ratio is practically close to 1 which means all out resource is equivalent to add up to liabilities. The bank is correct now in less secure situation as whenever the loan fee can be risen. In that circumstance they can't have the option to pay those intrigues. The bank should utilize greater value to buy its benefit and ought to pay off utilizing debt.

**II) Debt to Equity Ratio:** The debt-to-equity ratio demonstrates the extents of equity and debt that an organization is utilizing to back its business exercises. It shows the degree to which the investor's equity can satisfy its debts. If the ratio is too high that means the company maybe face financial problem. So, the company has to maintain this ratio so that the ratio does not rise so high.

Debt to Equity Ratio = Total Liabilities/Total Equity

Particulars	2019	2018	2017	2016	2015
Debt to Equity Ratio	19.125	17.9764	15.5442	16.0481	11.6545



The debt-to-equity ratio of Agrani Bank Ltd. was increased except 2017 where the ratio was 15.5442. A higher debt to equity ratio for the most part suggests the more unsafe as it utilizes more debt than equity. Numerous banks utilize more debt to fund its business exercises yet they ought to keep up the ratio as loan cost can be risen whenever.

#### **4.3 Asset Activity Ratio**

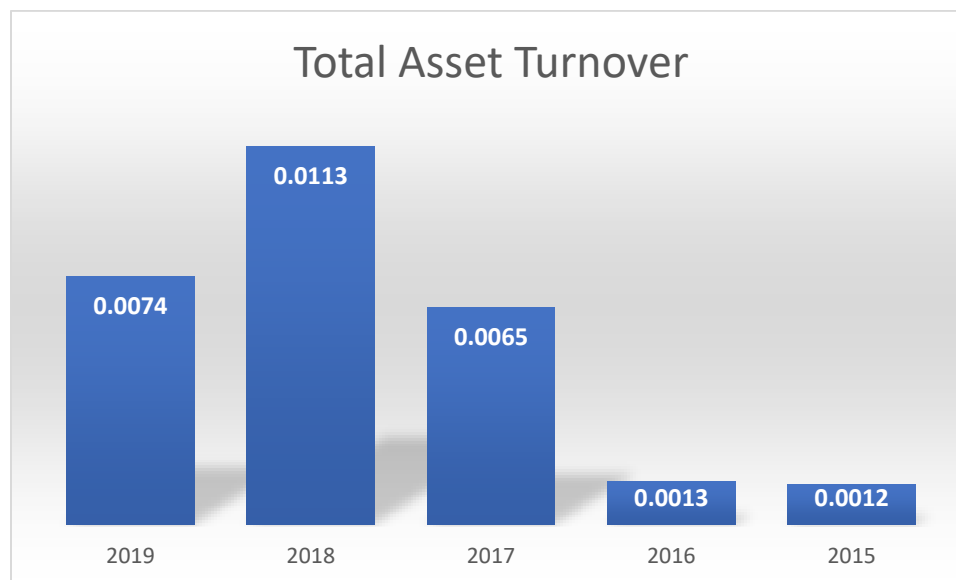
**II) Total Asset Turnover:** Total asset turnover ratio is a ratio which indicates how efficiently a firm uses own asset to generate sales. The total asset turnover ratio, the more proficient an organization. On the other hand, if an organization has a low complete asset turnover ratio, it shows



it isn't effectively utilizing its assets to create deals. Financial specialists utilize this ratio to contrast and comparative organizations in a similar part.

Total Asset Turnover = Net Interest Income/Total Asset

Particulars	2019	2018	2017	2016	2015
Total Asset Turnover	0.0074	0.0113	0.0065	0.0013	0.0012

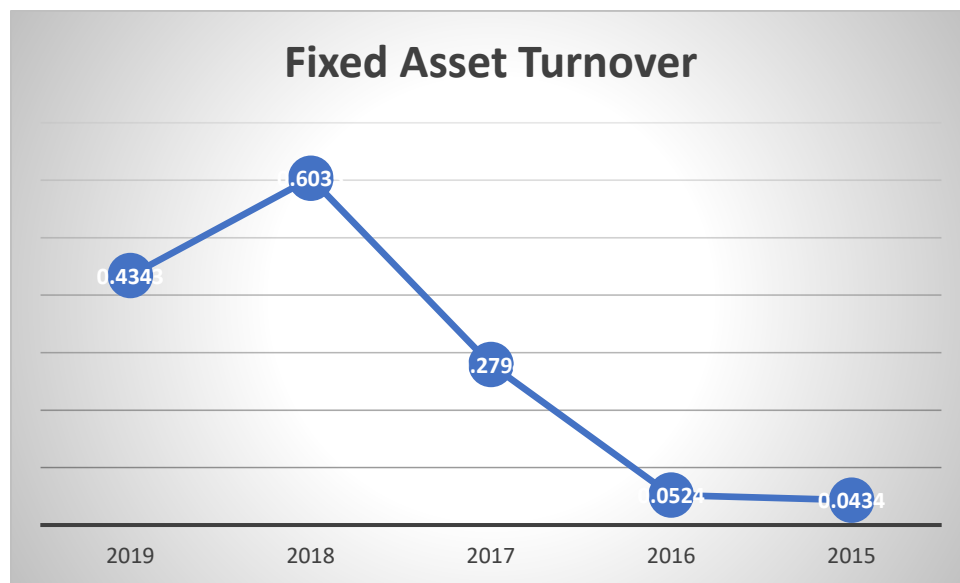


Total asset turnover ratio was shifting from 2015 to 2019. In 2015 the total asset turnover ratio was 0.0012 and 2016 it was increase by 0.0013. And in 2017, 2018, it was continually increase by 0.0065 and 0.0113 and 2019 it decreases by 0.0074. The bank is not utilize its total asset to produce its sales. As the higher the ratio is, the better the company. The standard range of TAT is 4 to 6 times though it differs from organization to organization. If the bank wants to raise the asset turnover ratio, they need to forecast properly to produce sales.

**II) Fixed Asset Turnover:** Fixed asset turnover demonstrates how effectively a firm uses its fixed asset, for example- property, plant, and gear to create deals. A higher fixed asset turnover additionally shows that the administration is utilizing fixed asset all the more viably. Then again, banks utilize this ratio to discover that the organization can deliver enough incomes from another bit of hardware to repay the credit they used to buy it.

Fixed Asset Turnover = Net interest Income/Fixed Asset

Particulars	2019	2018	2017	2016	2015
<b>Fixed Asset Turnover</b>	0.4343	0.6035	0.2794	0.0524	0.0434



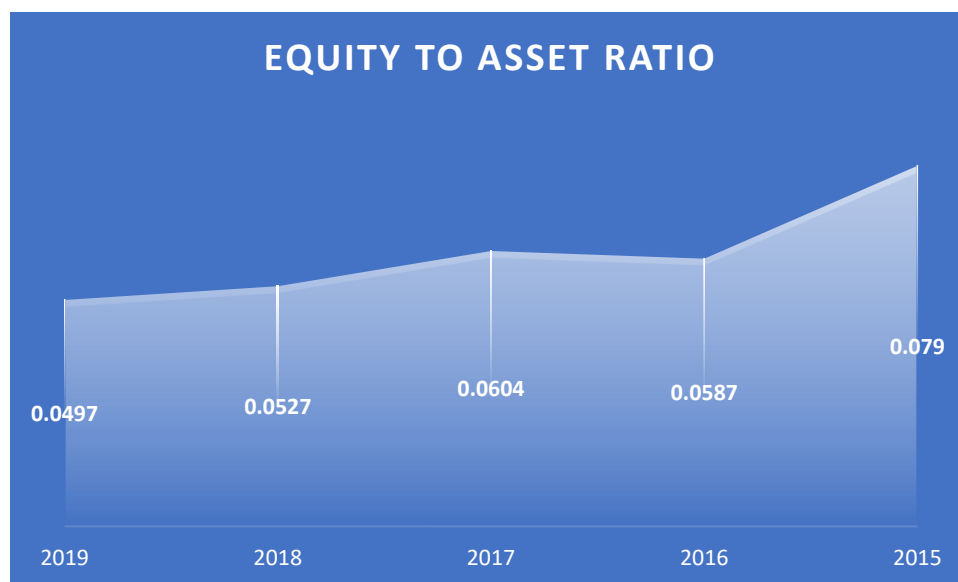
The fixed asset ratio was lower in 2015 and 2016. Then in 2017 and 2018 it was increasing by 0.2794 and 0.6035. Though in 2017 and 2018 the fixed asset ratio was increased but 2019 it was decreased by 0.4343 and it was bad for the bank as a low fixed asset indicates that the fixed asset is not being utilized effectively and large amount of sales are not produced by using fixed asset. If the bank wants to raise the ratio, then management have to focus on the usage of fixed assets.

#### 4.4 Credit Risk Ratio

**I) Equity to Asset Ratio:** Equity to asset ratio is a ratio that refers to the percentage of total assets financed through the shareholder's equity. It is utilized to decide how much investor would get when the organization goes for liquidation and it speaks to the measure of assets on which investors have a remaining case. The more noteworthy the ratio the better as it will infer that more prominent measures of advantage are being financed through equity

Equity to Asset Ratio=Total Equity/Total Asset

Particulars	2019	2018	2017	2016	2015
Equity to Asset Ratio	0.0497	0.0527	0.0604	0.0587	0.0790

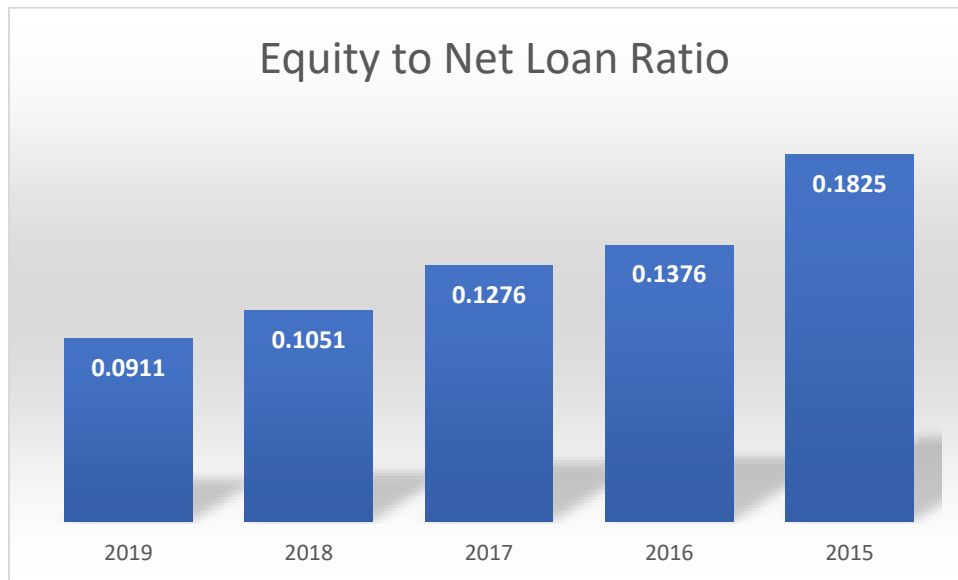


The equity to asset ratio of ABL was decrease except 2017. As we realize that the greater the ratio more measure of assets being acquired through equity. Year to year the bank is lessening to utilization of equity to buy assets. In 2015 the bank utilizes more equity to buy assets instead of different years.

**II) Equity to Net Loan Ratio:** Equity to net loan is a ratio that refers to how much net, loans are financed by the equity the bank occupies. It is used to determine how much shareholder would receive when the company goes for liquidation and it represents the amount of assets on which shareholders have a residual claim. The greater the ratio the better as it will imply that greater amounts of asset are being financed through equity.

Equity to net loan ratio= Total Equity/Net Loans

Particulars	2019	2018	2017	2016	2015
Equity to Net Loan Ratio	0.0911	0.1051	0.1276	0.1376	0.1825



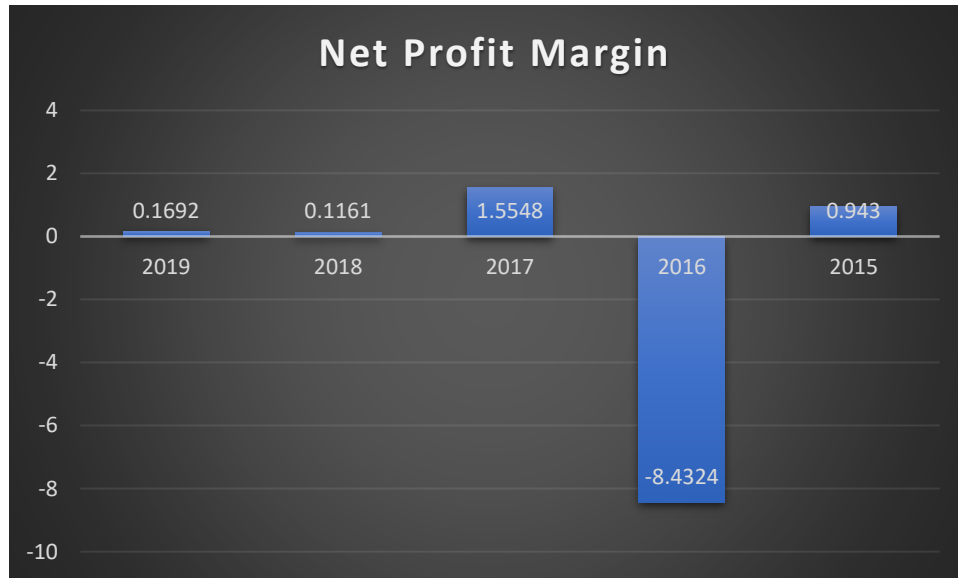
The equity to net loan ratio of ABL was decrease after2015 where the ratio was 0.1825. The higher ratio suggests lower hazard to become default. As in 2015 the ratio was higher there was less opportunity to become default than different years.

#### 4.5 Profitability Ratio

**I) Net Profit Margin:** Net profit margin alludes the level of income staying in the wake of giving all costs, for example, interest, taxes and favour stock profit to the investors from organizations absolute income. A high net profit margin demonstrates that the business is evaluating its items accurately.

Net Profit Margin =Net Profit/Net Interest Income

Particulars	2019	2018	2017	2016	2015
Net Profit Margin	0.1692	0.1161	1.5548	-8.4324	0.9430

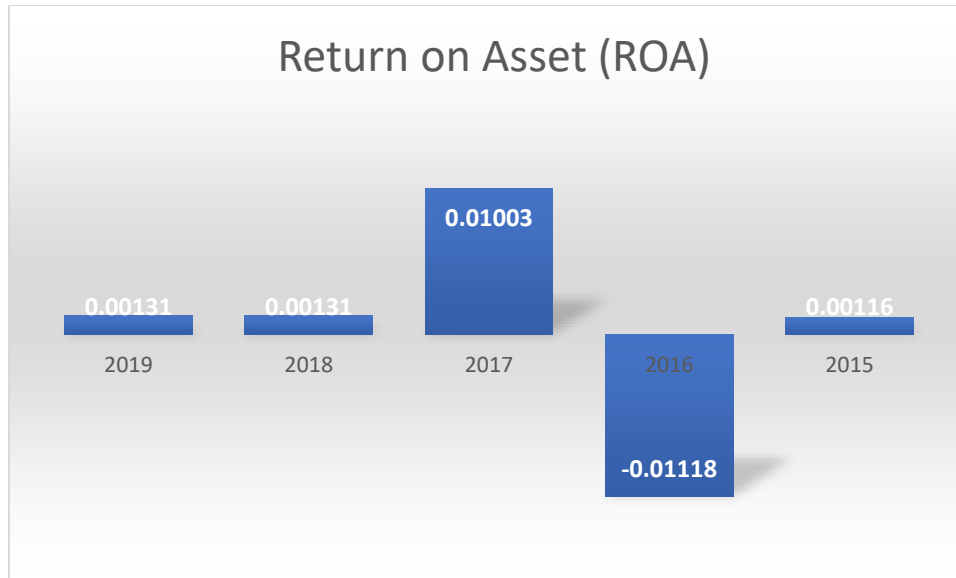


The Net Profit Margin was low even in 2016 it became negative which isn't useful for the bank. Regularly 10% Net Profit Margin is acceptable however it relies upon industry. As this ratio isn't acceptable that implies the bank can't have the option to decrease its costs.

**II) Return on Asset (ROA):** Return on asset quantifies how proficiently an organization can deal with its asset to create profits. The higher ratio is increasingly positive for financial specialists on the grounds that more often than not they utilize this ratio to see if the organization successfully dealing with its assets to create more noteworthy measure of profit or not.

Return on Asset = Net Profit / Total Asset

Particulars	2019	2018	2017	2016	2015
<b>Return on Asset (ROA)</b>	0.00131	0.00131	0.01003	-0.01118	0.00116

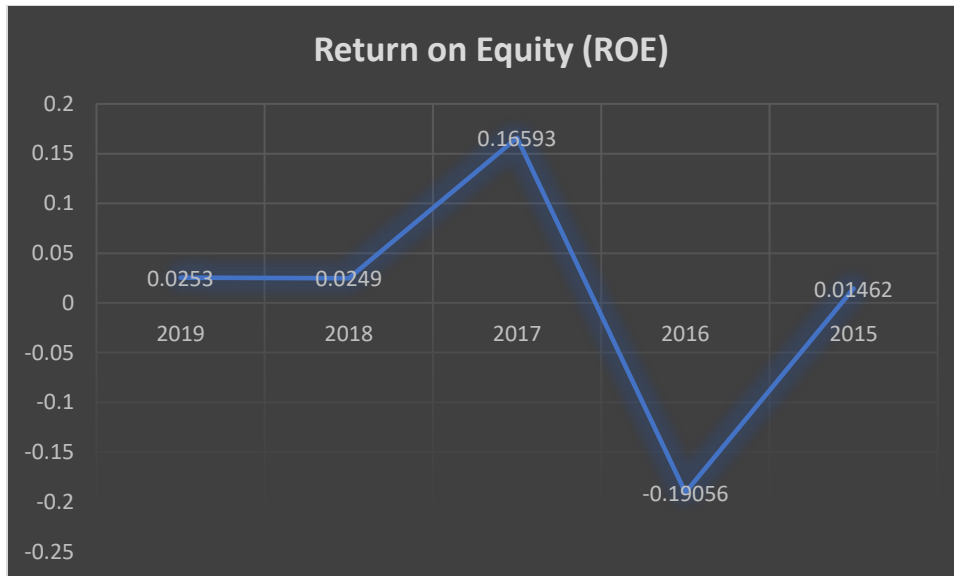


The Return on asset ratio is in vacillated circumstance and in 2016 it became negative which isn't useful for the bank. Return on asset ratio should be in any event 5% for an organization. In that think about, it is by all accounts that the bank isn't bringing in cash from the utilization of its assets. If it happens further, at that point will make issue for them as it is one of the most significant ratios to dissect the organization's exhibition. In this situation the bank needs to build profit, at that point they should appropriately use its assets.

**III) Return on Equity (ROE):** Return on Equity measures the ability of a company to generate profits from its shareholders investments in the company.

Return on Equity=Net Profit/Total Equity

Particulars	2019	2018	2017	2016	2015
<b>Return on Equity (ROE)</b>	0.0253	0.0249	0.16593	-0.19056	0.01462



Return on Equity of Agrani Bank Ltd. is fluctuating from 2015-2019. Be that as it may, in 2016 it got negative. Be that as it may, shockingly it got positive and furthermore higher (0.1659) in 2017. In 2018 and 2019 again it is diminished by 0.0249 and 0.0253 which implies the bank isn't successfully use investor's venture. It is bad sign for the bank. As investor use this return on equity ratio to find out whether the bank is correctly uses their investment or not.

## 4.6 Common Size Analysis of Agrani Bank Limited:

### I. Common Size of Balance Sheet:

	2019	2018	2017	2016	2015
<b>Property and Assets</b>					
<b>Cash</b>	5.29%	4.70%	5.70%	5.74%	5.97%
<b>Cash in hand (including foreign currencies)</b>	0.65%	0.49%	0.56%	0.62%	0.72%
<b>Balance with Bangladesh Bank and its agent bank (including FC)</b>	4.64%	4.21%	5.14%	5.13%	5.25%
<b>Balance with Other Banks and Financial Institutions</b>	8.12%	15.92%	11.54%	4.45%	3.70%
<b>In Bangladesh</b>	7.11%	15.09%	10.85%	4.14%	3.18%
<b>Outside Bangladesh</b>	1.01%	0.83%	0.69%	0.31%	0.52%
<b>Money at Call and Short Notice</b>	0.06%	0.09%	0.40%	0.14%	0.28%
<b>Investments</b>	23.38%	20.18%	25.36%	36.49%	36.38%
<b>Government</b>	13.87%	12.51%	21.61%	32.47%	32.01%
<b>Others</b>	9.52%	7.66%	3.75%	4.02%	4.37%
<b>Loans and advances</b>	54.55%	50.15%	47.35%	42.64%	43.30%
<b>Loans, cash credit &amp; overdraft etc.</b>	54.01%	49.83%	46.96%	42.05%	42.47%
<b>Bills discounted and purchased</b>	0.54%	0.32%	0.40%	0.59%	0.83%
<b>Fixed assets including land, building, furniture and fixtures</b>	1.71%	1.93%	2.31%	2.53%	2.82%
<b>Other Assets</b>	6.88%	7.04%	7.33%	8.01%	7.54%
<b>Total Assets</b>	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Liabilities and Capital Liabilities</b>					
<b>Borrowings from Other Banks, Financial Institutions and Agents</b>	2.18%	2.98%	2.06%	0.71%	1.56%
<b>Deposit and Other Accounts</b>	81.07%	78.81%	78.70%	79.23%	77.82%
<b>Current deposits &amp; other accounts</b>	20.53%	19.90%	17.82%	17.28%	7.42%



<b>Bills payable</b>	1.08%	1.12%	0.83%	1.02%	0.86%
<b>Savings bank deposits</b>	23.84%	22.47%	23.90%	22.94%	20.72%
<b>Fixed deposits</b>	35.61%	35.31%	36.15%	37.99%	48.83%
<b>Other Liabilities</b>	11.79%	12.94%	13.20%	14.19%	12.71%
<b>Total Liabilities</b>	95.03%	94.73%	93.96%	94.13%	92.10%
<b>Capital/Shareholders' Equity Total</b>	4.97%	5.27%	6.04%	5.87%	7.90%
<b>Shareholders' Equity</b>					
<b>Paid-up capital</b>	2.43%	2.63%	3.07%	3.32%	3.67%
<b>Statutory reserve</b>	1.09%	1.08%	1.16%	0.94%	1.04%
<b>General reserve</b>	0.08%	0.08%	0.09%	0.09%	0.09%
<b>Asset revaluation reserve</b>	1.29%	1.39%	1.63%	1.77%	1.96%
<b>Revaluation &amp; amortization reserve</b>	0.12%	0.18%	0.25%	0.69%	0.98%
<b>Retained surplus/(deficit)</b>	-0.03%	-0.09%	-0.15%	-0.94%	0.17%
<b>Total Liabilities and Shareholders' Equity</b>	100.00%	100.00%	100.00%	100.00%	100.00%

## II. Common Size Analysis of Income statement Or Profit & Loss Account Statement

	2019	2018	2017	2016	2015
<b>Operating Income</b>					
Interest and Revenue Income	64.22%	67.01%	54.01%	51.78%	55.15%
Interest Paid on Deposit, Borrowings etc.	52.45%	48.51%	43.59%	49.79%	53.53%
<b>Net Interest Income</b>	11.76%	18.50%	10.42%	2.00%	1.62%
<b>Investment Income</b>	26.29%	24.95%	35.21%	37.70%	34.89%
<b>Commission,Exchange and Brokerage</b>	6.56%	5.25%	8.14%	7.46%	7.60%
<b>Other Operating Income</b>	2.94%	2.79%	2.63%	3.06%	2.37%
<b>Total Operating Income</b>	47.55%	51.49%	56.41%	50.21%	46.47%
<b>Salaries &amp; Allowances</b>	20.75%	23.06%	25.75%	24.30%	16.22%
<b>Rent,Tax,Insurance,Light etc.</b>	2.29%	2.31%	2.15%	2.56%	1.99%
<b>Law charges</b>	0.05%	0.06%	0.06%	0.09%	0.06%
<b>Postage,Telegram &amp; Stamp, telecommunication</b>	0.85%	0.54%	1.01%	0.84%	0.58%
<b>Stationery,Printing &amp; Advertisement etc.</b>	0.36%	0.38%	0.40%	0.50%	0.65%
<b>Chief Executive's Salary and fees</b>	0.01%	0.01%	0.01%	0.01%	0.01%
<b>Directors fees &amp; allowance</b>	0.01%	0.01%	0.01%	0.01%	0.01%
<b>Auditor's fees</b>	0.01%	0.01%	0.01%	0.01%	0.01%
<b>Depreciation &amp; Repairs of bank's assets</b>	2.45%	3.06%	3.17%	2.22%	2.26%
<b>Other expenditure</b>	4.06%	4.78%	4.34%	6.27%	4.20%
<b>Total Operating Expenses</b>	30.84%	34.23%	36.92%	36.81%	25.99%
<b>Profit/(Loss) before Amortization, Provision &amp; Tax</b>	16.71%	17.26%	19.49%	13.40%	20.47%
<b>Amortization for valuation adjustment</b>	0.00%	0.00%	6.94%	6.66%	6.92%
<b>Profit/(Loss) before Provision &amp; Tax</b>	16.71%	17.26%	16.30%	10.19%	17.37%
<b>Provision</b>					
<b>Provision for loans and advances</b>	8.50%	2.67%	-12.09%	19.72%	12.97%
<b>Provision for diminution in the value of Investment</b>	-2.14%	0.00%	-1.71%	2.25%	2.62%
<b>Other provision</b>	3.09%	7.32%	6.89%	6.36%	3.18%
<b>Total Provision</b>	9.44%	9.99%	-6.91%	28.33%	18.77%
<b>Total Profit before Tax</b>	7.26%	7.26%	23.21%	-18.13%	-1.40%
<b>Provision for Taxation Current Tax</b>	3.90%	6.76%	6.43%	5.61%	0.31%
<b>Deffered Tax</b>	1.38%	-1.64%	0.57%	-6.91%	-3.23%
<b>Net profit /(loss) after Tax</b>	1.99%	2.15%	16.20%	-16.83%	1.52%

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## **Chapter -05**

### **Findings**

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## 5.1 Findings of the Report:

I have made sense of certain findings in the wake of gathering and breaking down information. The findings are as per the following:

- ✚ Current ratio of Agrani Bank Limited was fluctuating from 0.0117 (2015) to 0.0102 (2019). In 2019 the ratio was decreased than previous years.
- ✚ Cash ratio of Agrani Bank Limited was diminishing from 2015 to 2019 that implies the bank has confronting cash emergency in 2019.
- ✚ In 2019, the total asset turnover ratio was 0.0074 which lower than previous years. So that it was put an effect on the bank.
- ✚ Debt ratio of Agrani Bank Limited was 0.95503 which is higher than other years. As debt ratio is in expanded situation that implies bank's reliance on creditors are expanded.
- ✚ Debt to equity ratio was expanded with the exception of 2017. As in 2019 the ratio was 19.125 which higher than different years that implies the bank utilize more debt to back its exercises as opposed to utilizing equity.
- ✚ Net profit margin was decreasing from 0.9430 (2015) to 0.1692 (2019) even it goes negative in 2016 (-8.4324) that means the bank is unable to earn huge profit even some time it faces huge losses.
- ✚ Return on asset was decreasing from 0.00131 (2015) to 0.00116(2019) even it got negative in 2016 (-0.01118) which implies the bank isn't adequately use their assets to create profit.
- ✚ Return on equity was diminishing from 0.01462 (2015) to 0.0253 (2019) even it go negative in 2016 (-0.19056) that implies the bank isn't viably use their equity to produce profit. It isn't acceptable sign for the bank as the investors utilize this ratio to see if the bank is appropriately utilizing their venture or not. On the off chance that the bank is neglected to use their ventures appropriately, at that point they will not contribute once more.
- ✚ The equity to asset ratio was lessening with the exception of 2017 (.0790) which implies the bank utilizes more debt to buy assets than equity.
- ✚ The equity to net loan ratio was decreasing except 2015 (0.1825). As the ratio is lower that means the bank has higher chance to default.

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## **Chapter-06**

# **Recommendations, Conclusion & Reference**

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## 6.1 Recommendations for Agrani Bank Limited:

- ✚ Bank should have rigorous advertising policy to make their advances product more attractive and popular.
- ✚ Personal loan and any purpose loan should be promoted among different salaried people in both government and private sector employee reducing the rate of interest in compare to other bank.
- ✚ In cash credit (cc) their loan disbursement on August is relatively low compared to July. They should keep trying to push it up because it is considered as credit risk which is essential factors that needs to be managed.
- ✚ In Customer Credit their loan disbursement in middle suddenly fall a certain amount which is very much unpredictable because this is related to the stander of living of the customer. So, they should increase this type of loan amount.
- ✚ In staff loan there is also down fall. They must be encouraged their staff for that type so that they might satisfied with their work.
- ✚ In FDR loan disbursement there is little bit low but they should keep it stable because the customers have the option to re-invest their funds both principal amount and interest amount on maturity or principal amount and the interest amount being paid into their accounts.
- ✚ In ABS (Agrani Bank Special benefit Scheme) their loan disbursement is positive. They are very good on it. They give pretty much good offer to their special customer and they should keep going like this.
- ✚ In MDS (Monthly Deposit Scheme) loan disbursement is like same as ABS. This is also pretty much high amount because of their special scheme. In this two sector Agrani Bank doing well. My recommendation is they should keep it up with the other sector of loan disbursement.
- ✚ As cash ratio was decreasing 0.0752 (2015) to 0.9503 (2019). So, the bank needs to expand the ratio above 0.5. Else they can't ready to settle liquidity emergency and can't pay to the customer.
- ✚ Though in 2019 total asset turnover was 0.0074 which higher than previous years, they still not utilizing their assets adequately to produce salary. For adequately using assets, they need to conjecture appropriately. They have to build total asset turnover from 4 to 6 multiple times as it is standard range however it varies from organization to organization.

- ✚ As debt ratio was expanding year to year that implies bank's reliance on creditors are expanded which isn't useful for the bank. They should decrease the reliance on creditors as their liquidity were insufficient then they can confront troubles if the loan cost can be risen. The bank should cautious to utilize debt to buy asset or working different exercises.
- ✚ As debt-to-equity ratio was expanding that implies the bank utilizes more debt to fund its exercises as opposed to utilizing equity. The bank should keep up among debt and equity to fund its exercises in any case bank will be confronted many problems to pay its commitments.
- ✚ Net profit margin (NPM) of Agrani Bank Limited was extremely low in 2016 (-8.4324) even it became negative which isn't useful for the bank. On the off chance that the bank needs to expand NPM, at that point it must be decreasing its costs else it can't ready to procure profit and can't offer profit to the investors.

## 6.2 Conclusion

In this internship report, I show my level best to financial analyses of Agrani Bank Limited. We already know about Agrani Bank Limited is one of the best owned banks in our country. In all economic conditions of our country, the bank has been working with extraordinary certainty and contending colossally with local commercial banks along with other multinational banks also. Agrani Bank Limited is attempting its level best to perform well. Agrani Bank Limited faced some financial crisis time to time. Some of the crises were excessive bad loans, shortage of loans and advances, scarcity of cash in hands due to vault limit etc. These crisis increases time to time due to economic slowdown, interest rate variation, inflation in the money market. Agrani Bank Limited still fighting with these crises and give their best.

## 6.3 Reference

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- ❖ **Agrani Bank Limited's Annual Report from 2016**
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