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The Report On

“ Ratio Analysis &
Financial Performance
Of Shahjalal Islami Bank
Ltd.”

SUBMITTED BY:

Priyanka Ray

ID: BBA1802014050

Semester: Summer-2021,

Finance, BBA

01845-382505



SUBMITTED TO:

Department of Business
Administration,

Sonargaon University.(su)

Green Road, Dhaka -1215

Internship Report

on

Ratio Analysis & Financial performance of Shahjala Islami bank ltd.

Prepared by:

Name: Priyanka Ray.
ID: BBA1802014050
Program: BBA.
Major: Finance.
Semester: Summer 2021.

Prepared For:

Md. Shahbub Alam
Lecturer,
Department of Business Administration
Sonargaon University.(su)

Submitted for the partial Fulfilment of degree of Bachelor of Business Administration

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Letter of Transmittal

Date: 28September, 2021

Md. ShahbubAlam
Lecturer,Department of Business Administration,
Sonargaon University

Subject: Submission of project report on “*Ratio Analysis and Financial Performance of ShahjalalIslami Bank Ltd.*”

Dear Sir,

I am here by submitting myProject report paper based on the topic “*Ratio Analysis and Financial Performance of ShahjalalIslami Bank Ltd.*” as the partial requirement of the BBA program.

I am confident that this report will help you to understand the reason about my selection of the topic. I have tried my best to follow your guidelines in preparing this report. I have presented what I do believe to be most important information to make my report as specific & coherent as possible.

I hope that this report will fulfill your requirements. Thank you for your kind consideration and guidance. I hope my effort would satisfy you.

Thanking you

Priyanka Ray
Student ID: BBA1802014050
Semester : Summer -2021.
Finance, BBA

Declaration of Student

I am, Priyanka Ray, ID: BBA1802014050, Semester: Summer-2021 Major in Finance Program: BBA at Sonargaon University The Project Report entitled “*Ratio Analysis and Financial Performance of ShahjalalIslami Bank Ltd.*” has been submitted as the requirement for the degree of Bachelor of Business Administration.

I hereby declared that this Project report or any part of it has not been submitted elsewhere for the award.

Priyanka Ray

ID: BBA1802014050
Semester: Summer-2021.
Major in Finance, BBA

Letter of Authorization

Certified That this project report titled “*Ratio Analysis and Financial Performance of Shahjalal Islami Bank Ltd.*” is the bone Field work of Priyanka ray Who Carried out of study under my supervision . Certified further that to the best of my knowledge reported here inj dos not form part of my other project report of dissertation on the basis of which degree or award was conferred on an earlier occasion on this or any other candidate.

Md.ShahbubAlam,
Lecturer
Department of Business administration
Sonargaon University (su)

Executive Summary

ShahjalalIslami Bank Limited is based on Islamic Shariah. SJIBL is named after the name of a saint HajratShahjalal who dedicated his life for the cause of peace in this world and hereafter and served the humanity. This is a 3rd generation bank. The commercial banking activities of the bank encompasses a wide range of services including mobilizing deposits, providing investment facilities, discounting bills, conducting money transfer and foreign exchange transactions, and performing other related services such as safe keeping, collections and issuing guarantees, acceptances and letter of credit.

Here I discussed about the “Ratio Analysis and Fianacial Performance of ShahjalalIslami Bank Ltd.” To discuss this topic, the report also contained some information about the vision, mission, goal, objectives, core values and all related information of ShahjalalIslami Bank Limited in chapter three.

By doing this report a vast knowledge is gained by me how to calculate all financial ratios and evaluate the performance of a financial institution. Another chapter was discussed on a ratio, which is a way of comparing two or more quantities. Analyzing SJIBL’s current ration, quick ratio, Debt-Equity ratio, Gross Margin percentage, Net Profit Margin, Operating Profit Margin, Expense to Operating expense ration, is Ration analysis. It is used to judge the financial success of an economic entity. One popular ratio is the current ratio which is **current assets** divided by **current liabilities**.

After analyzing the performance of ShahjalalIslami bank, some important things are found regarding the bank in Last chapter and conclusion part of this report that includes Findings, recommendation and conclusion. Some suggestions are put herewhich will definitely help ShahjalalIslami bank Limited to Improve their performance and there-by its contribution in the whole economy.

Acknowledgement

Acknowledgement is made to the courtesy of all who have kindly provided prints and given permission for reproduction of all the sources. Copyright materials are acknowledged at the reference list of the Project report.

My sincere thanks go to my supervisor Md. ShahbubAlam, Department of Business Administration, Sonargaon University, Dhaka, Bangladesh for letting me choose this topic and providing with his guidance and support which bring out an outcome of this report. I appreciate his co-operation and sacrifice of valuable time.

I have many thanks to make. When preparing the research paper, my respected boss Md. Rafiqul Islam (SEVP & Head of IT) provided proper guidance and invaluable comments on each of the sections of the report. He greatly improved the readability of the text. I would like to thank Mr. SarkerRashedulKabir (JAVP) . And also specially Thanks My dear Closest Friend Mr. Md. Al Amin Kazi, For his unconditional help. Last but not the least, I thank the Almighty for keeping me healthy and fit and enabling me to complete my report on time.

CHAPTER: 1



Introduction

1.1 Introduction

Everywhere in this world, banking industry is playing a vital role in the economic development. We can observe that financial development in different countries of the world starts with Banking Financial Institutions. Bank as the principal source of credit to millions of individuals, families, businesses & many units of government, has attached its own pace of advancement in the development path of economy.

Islamic Banking Process, bank renders all types of commercial banking services and it conducts business on the Islamic principles of musharaka, Murabaha, bai-muazzal and hire purchase transactions. ShahjalalIslami bank also offer this products to the customers

The bank offers banking services through deposit and investment accounts, trade financing, collection of bills, money transfers, lease of equipment and consumers' durable, hire purchase and installment sale of capital goods, investment in low-cost housing and real estate management, and financing projects in agriculture, transport, education and health sectors. It is involved in opening and introducing various savings and investment schemes for the unemployed poor and the educated. If the CIB (Credit Information Bureau) report obtained from Bangladesh Bank signifies that the customer is a good borrower, the bank starts processing of the investment proposal. At this stage the bank conducts investment and financial analysis.

I observed that the banking environment is the combination of management, finance, and marketing and information system. I also learned about different types of practical application cause I am employee of ShahjalalIslami Bank Ltd .Banks are applying different type of accounting concept such as book keeping, income measurement, and preparation of financial measurement etc. I learned the flow of economic recourses from the owner to business firm and the flow of goods and services from the business firm to households. I learned the SJIBL's hr activities. SJIBL are performing different type of financial activities such as financial analysis, budgeting, financial decision making activities etc. From this organization I got the chance to match my theoretical knowledge with practical knowledge. In different time SJIBL deals with different type of communication ways such as business letter, meetings, and reports etc. so I also learned about business communication process effectively.

1.2 Origin of the Report

Practical knowledge makes a man expert in the real life situation. Bachelor of Business Administration (BBA) course requires to prepare a report assigned by the supervisor in the organization and endorsed by the faculty advisor. I took the opportunity to do my Project Report on *Ratio Analysis and Financial Performance of ShahjalalIslami bank Ltd.* My faculty supervisor Md. Shahbub Alam, Department of Business Administration, Sonargaon University., also approved the topic and authorized me to prepare this report as part of the fulfillment of BBA requirement. The report thus was titled as ‘show *“Ratio Analysis and Financial Performance of ShahjalalIslami bank Ltd.”*

1.3 Objectives

Objective of this report includes two types of objectives. They are broad objective and specific objectives. A broad objective and some specific objectives are included in this report. They are:

Broad Objective

To describe the information gathered from practical experience of working in a Reputed Bank.

Specific Objectives

The specific objectives of this report are given below:

- To know about ShahjalalIslami Bank Limited (SJIBL) operational activities which is based on Islami Shariah.
- To discuss about the Performance Evaluation of SJIBL
- To discuss about the Ratio Analysis of SJIBL
- To relate the practical knowledge with theoretical knowledge.
- To develop the practical knowledge by observation and analysis.

1.4 Methodology

Methodology describes the manner in which data is collected, analyzed and interpreted. For prepare this report I used Microsoft office, excel, graph and internet browse. The data that will present in this research paper would collect from primary data source. The sources are mentioned below:

Secondary Sources of Data:

Secondary data are data collected for some purpose other than the main facts. Secondary data are quick source of background information. In this report the information collected from indirect source will be considered as secondary data sources. The secondary data source that will be used in here would be:

- Annual Report of ShahjalalIslami Bank Ltd.
- Progress report of the Bank.
- Internet.
- Observation.
- Newspapers, Journals and Text books.
- Magazines.
- Search Engines.

Based on the relevant secondary data, an analysis has been done so as to find out “*Ratio Analysis and Financial Performance of ShahjalalIslami Bank Ltd.*”

1.5 Limitation of the Study

For preparing this report some difficulties have been faced. These difficulties can be considered as limitations. The limitations are as following:

- **Time Limitation:** Due to time limitations many aspect may not be discussed properly in the report.
- **Unwillingness to Reveal Confidential Data:** The authority provided restriction to use some confidential organizational data. So confidentiality of data is another important barrier that had been faced during preparing the report.
- **Stress Factors:** Preparing this report required lots of work. After doing fulltime office, it was tough to do the report. So work pressure posed stress. This would hinder the speed of working. So stress factor is one of the limitations

CHAPTER: 2



“An Overview of Banking Sector in Bangladesh”

2.1 Bangladesh Bank

Bangladesh Bank (BB) has been working as the central bank since the country's independence. Its prime jobs include issuing of currency, maintaining foreign exchange reserve and providing transaction facilities of all public monetary matters. BB is also responsible for planning the government's monetary policy and implementing it thereby.

The Bank has 10 physical branches: Bangladesh, Mymensingh, Motijheel, Sadarghat, Barisal, Khulna, Sylhet, Bogra, Rajshahi, Rangpur and Chittagong; each is headed by a general manager. Headquarters are located in the Bangladesh Bank Building in Motijheel, which has two general managers.

2.2 Scheduled Bank in Bangladesh

The Banking Industry in Bangladesh is one characterized by strict regulations and monitoring from the central governing body, the Bangladesh Bank. The chief concern is that currently there are far too many banks for the market to sustain. As a result, the market will only accommodate only those banks that can transpire as the most competitive and profitable ones in the future.

Currently, the major financial institutions under the banking system include:

- Bangladesh Bank
- Commercial Banks
- Islamic Banks
- Leasing Companies
- Finance Companies

Of these, there are 6 nationalized commercial banks (NCB), 2 specialized banks, 9 foreign commercial banks, 31 domestic private banks and 8 Islamic Banks currently operating in Bangladesh.

Generally, the commercial banks and finance companies provide a myriad of banking products/services to cater to the needs of their customers. However, the Bangladeshi banking industry is characterized by the tight banking rules and regulations set by the Bangladesh Bank. All banks and financial institutions are highly governed and controlled under the Banking Companies Act-1993.

The range of banking products and financial services is also limited in scope. All local banks must maintain a 6.5% Cash Reserve Requirement (CRR), which is non-interest bearing and a 19% Secondary or statutory Liquidity Requirement (SLR). With the liberalization of markets, competition among the banking products and financial services seems to be growing more intense each day. In addition, the banking products offered in Bangladesh are fairly homogeneous in nature due to the tight regulations imposed by the central bank. Competing through differentiation is increasingly difficult and other banks quickly duplicate any innovative banking service.

2.3 Banking System

Internet Banking

Customers need an Internet access service. As an Internet Banking customer, he will be given a specific user ID and a confident password. The customer can then view his account balances online. It is the industry-standard method used to protect communications over the Internet. To ensure that customers' personal data cannot be accessed by anyone but them, all reporting information has been secured using Version and Secure Sockets Layer (SSL).

Home Banking

Home banking frees customers of visiting branches and most transactions will be automated to enable them to check their account activities transfer fund and to open L/C sitting in their own desk with the help of a PC and a telephone.

Electronic Banking Services for Windows (EBSW)

Electronic Banking Service for Windows (EBSW) provides a full range of reporting capabilities, and a comprehensive range of transaction initiation options. The customers will be able to process all payments as well as initiate L/Cs and amendments, through EBSW. They will be able to view the balances of all accounts, whether with Standard Chartered or with any other banks using SWIFT. Additionally, transactions may be approved by remote authorization even if the approver is out of station.

Automated Teller Machine (ATM)

Automated Teller Machine (ATM), a new concept in modern banking, has already been introduced to facilitate subscribers 24 hour cash access through a plastic card. The network of ATM installations will be adequately extended to enable customers to non-branch banking beyond banking.

Tele Banking

Tele Banking allows customers to get access into their respective banking information 24 hours a day. Subscribers can update themselves by making a phone call. They can transfer any amount of deposit to other accounts irrespective of location either from home or office.

2.4 The Society for Worldwide Interbank Financial Telecommunication (SWIFT)

The **Society for Worldwide Interbank Financial Telecommunication (SWIFT)** provides a network that enables financial institutions worldwide to send and receive information about financial transactions in a secure, standardized and reliable environment. SWIFT also sells software and services to financial institutions, much of it for use on the SWIFT Net Network, and ISO 9362. Business Identifier Codes (BICs, previously Bank Identifier Codes) are popularly known as "SWIFT codes".

The majority of international interbank messages use the SWIFT network. As of September 2010, SWIFT linked more than 9,000 financial institutions in 209 countries and territories, who were exchanging an average of over 15 million messages per day (compared to an average of 2.4 million daily messages in 1995).^[1] SWIFT transports financial messages in a highly secure way but does not hold accounts for its members and does not perform any form of clearing or settlement.

SWIFT does not facilitate funds transfer: rather, it sends payment orders, which must be settled by correspondent accounts that the institutions have with each other. Each financial institution, to exchange banking transactions, must have a banking relationship by either being a bank or affiliating itself with one (or more) so as to enjoy those particular business features.

SWIFT is a cooperative society under Belgian law owned by its member financial institutions with offices around the world. SWIFT headquarters, designed by Ricardo Bofill Taller de Arquitectura are in La Hulpe, Belgium, near Brussels. The chairman of SWIFT is Yawar Shah,^[2] originally from Pakistan,^[3] and its CEO is Gottfried Leibbrandt, originally from the Netherlands.^[4] SWIFT hosts an annual conference every year, called SIBOS, specifically aimed at the financial services industry.

CHAPTER: 3



The Organization

3.1 Background of ShahjalalIslami Bank LTD:

In August 1974, Bangladesh signed the charter of Islamic Development Bank and committed itself to reorganize its economic and financial system as per Islamic Shariah. For the favorable attitude of the government of the people's republic of Bangladesh, at present eight Islamic Banks operate in Bangladesh Financial market and one of them is Shahjalal Islamic Bank. Banking sector is the chief financial intermediaries in a country. It's also true for Bangladesh. ShahjalalIslami Bank Ltd. is a very challenging institution. In the age of globalization and free trade, the process and the system of running a bank is changing. SJIBL is continuously managing itself with this changing environment. The company strategies are clear and concise. The return is pretty good. If the company performs this way, we can expect that in near future, SJIBL may become one of the top performers in banking sector of our country.

They are also able to contribute to our economy in better way. The working environment of the bank is impressive. It was also found that the bank is doing better in most of the sectors and their performance is better than average.

From the beginning, the prime objective of the SJIBL was to increase capitalization, to maintain disciplined growth and high corporate ethics standard and enhance the health of the share holders. Its customer service is very much impressive than of other financial institutions. Their effective strategy, time demand offerings, up to date rules and regulations to cope with international market and their friendship customer services easily impress the clients. So, now The SJIBL is in leading position in financial Institutional sectors in Bangladesh. The financial performance of the bank in recent years is pretty well. Moreover, any laxity in operational ground can considerably be compensated through the cordial services provided by a staff of talented officers or employees.

3.2 Nature of business:

The Bank is carrying out commercial, corporate, investment and retail banking related services as follows:

- Corporate Finance
- Correspondence Banking
- Documentary Credits
- Foreign Exchange
- Guarantees
- Syndicated Finance
- Other related Business

3.3 Vision of SJIBL:

To be the unique modern Islami Bank in Bangladesh and to make significant contribution to the national economy and enhance customers' trust & wealth, quality investment, employees' value and rapid growth in shareholders' equity.

3.4 Mission of SJIBL:

- Uncompromised quality service and customer care
- Setting high standards of integrity
- Inclusive and innovative banking
- Sustainable value for all stakeholders
- Continuous development of professionals and systemupgradation to face the challenges and drive for excellence
- System Automation and digitization adopting the state-of-arttechnology with full proof security to ensure fast and accuratecustomer service
- Human Resources Development based on morality and ethics

3.5 Strategies of SJIBL:

- To strive for customers best satisfaction & earn their confidence.
- To manage & operate the Bank in the most effective manner
- To identify customers needs & monitor their perception towards meeting those requirements.
- To review & updates policies, procedures & practices to enhance the ability to extend betterservices to the customers.
- To train & develop all employees & provide them adequate resources so that the customers' needs are reasonably addressed.
- To promote organizational efficiency by communicating company plans, polices & procedures openly to the employees in a timely fashion.
- To cultivate a congenial working environment.
- To diversify portfolio both the retail & wholesale markets.

3.6 Motto/Slogan:

“Committed to cordial service”

3.7 Corporate Information:

Name of the Company	ShahjalalIslami Bank Limited
Legal Form	A public limited company incorporated in Bangladesh on 1st April 2001 under the companies Act 1994 and listed in Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.
Commencement of Business	10th May 2001
Corporate Head Office	ShahjalalIslami Bank Tower, Plot# 4, Block-CNW(C), Gulshan Avenue, Gulshan, Dhaka-1212
Telephone No.	+ 88-02-9845457, 9849385, 9844736, 9846135, 9847461, 9847463, 9847512
Fax No.	+ 88-02-9844009
Website	www.sjibld.com
SWIFT	SJBLBDDH
E-mail	sjibldho@sjibld.com
Chairman	Mr. Md. SanaullahShahid
Managing Director	Mr. MdShahidul Islam
Auditors	M/s ACNABIN, Chartered Accountants BDBL Bhaban,(level 13 &14)Karwan Bazar C/A Dhaka - 1215, Bangladesh Phone: +88 02-41020030-35
Tax Advisor	M/s. K.M Hasan& Co., Chartered Accountants 87, New Eskaton Road, Dhaka. Phone: +88-02-9351457, 9351564
No. of Branches	132

No. of ATM Booths	110
Subsidiary Company	ShahjalalIslami Bank Securities Limited JibanBimaBhaban (4th Floor), 10 Dilkusha C/A, Dhaka 1000
Off-Shore Banking Unit	1
No. of Employees	2657
Authorized Capital	Tk. 15,000 million
Paid up Capital	Tk. 9,801 million

3.8 Shariah Council:

Shariah Council of the Bank is playing a vital role in guiding and supervising the implementation and compliance of Islamic Shariah principles in all activities of the Bank since its very inception. The Council, which enjoys a high status in the structure of the Bank, consists of prominent ulema, reputed banker, renowned lawyer and eminent economist. Members of the Shariah Council meet frequently and deliberate on different issues confronting the Bank on Shariah matters. They also conduct Shariah inspection of branches regularly so as to ensure that the Shariah principles are implemented and complied with meticulously by the branches of the Bank.

3.9 SJIBL Products:

Banks have contain two types of products, that deposit and investment products given below:

Deposit:

- SJIBL School Banking
- Mudaraba Monthly income
- Mudaraba Double Money
- MudarabaMonthly Deposit
- Mudaraba Millionaire
- Mudara Hajj Deposit
- Mudaraba Cash Waqf Deposit

Investment Products:

- Small & medium enterprise investment
- Small Business investment
- Housing Investment
- Household Durable
- Car Investment
- CNG Conversion investment
- Overseas Employment Investment
- Scheme for Doctors
- Scheme for Executive
- Scheme for Marriage
- Scheme for education

3.10 Provisional Rate of Profit:

Sl.	Deposit Product	Provisional Rate
01.	Mudaraba Savings Deposit	2.00%
02.	Mudaraba Special Notice Deposit : On average Balance	
	Less than Tk. 1.00 crore	1.00%
	Tk. 1.00 crore to less than Tk. 25.00 crore	1.00%
	Tk. 25.00 crore to less than Tk. 50.00 crore	1.25%
	Tk. 50.00 crore to less than Tk. 100.00 crore	1.25%
	Tk. 100.00 crore and above	1.25%
03.	Mudaraba School Banking Account	2.50%
04.	Mudaraba Savings Payroll Account	2.00%
05.	Mudaraba Term Deposit	
	i) 1 Month	
	Less than Tk. 1.00 Crore	1.50%
	Tk. 1.00 Crore & above	1.25%
	ii) 2 Months	
	Less than Tk. 1.00 Crore	1.75%
	Tk. 1.00 Crore & above	1.50%
	iii) 80 days	3.00%
	iv) 3 Months	
	For Individual, Provident Fund, Retirement & Other Benefit Fund	5.60%
	For Corporate & Others	2.50%
	v) 100 Days	
	For Individual, Provident Fund, Retirement & Other Benefit Fund	5.60%
	For Corporate & Others	2.50%
	vi) 175 Days	
	For Individual, Provident Fund, Retirement & Other Benefit Fund	5.60%
	For Corporate & Others	2.50%
	vii) 6 Months	
	For Individual, Provident Fund, Retirement & Other Benefit Fund	5.60%
	For Corporate & Others	2.50%
viii) 1 Year		
For Individual, Provident Fund, Retirement & Other Benefit Fund	5.60%	
For Corporate & Others	2.75%	
ix) 400 Days		
For Individual, Provident Fund, Retirement & Other Benefit Fund	5.60%	
For Corporate & Others	2.75%	
x) 2 Years		
For Individual. Provident Fund.	5.60%	

	Retirement & Other Benefit Fund	
	For Corporate & Others	3.00%
	xi) 3 Years	
	For Individual, Provident Fund, Retirement & Other Benefit Fund	5.60%
06.	For Corporate & Others	3.00%
	Mudaraba Money Spinning Account: Daily product basis	
	Tk . 1 Lac to less than Tk. 10 Lac	1.00%
	Tk . 10 Lac to less than Tk. 1 Crore	1.00%
	Tk . 1 Crore to less than Tk. 10 Crore	1.25%
	Tk . 10 Crore to less than Tk. 100 Crore	1.50%
07.	Tk . 100 Crore and above	1.50%
	Mudaraba Scheme Deposits	
	a)Mudaraba Multiple Benefit Scheme: Minimum Tk. 10,000 and its multiplier	
	i) Double Benefit	6.00% (Amount will be doubled in 11 years 7 months)
	ii) Triple Benefit	6.24% (Amount will be tripled in 17 years 8 months)
	b)Mudaraba Millionaire Scheme:	
	i) 5 Years (Tk 14,300/ Per Month)	5.90%
	ii) 10 Years (Tk. 6,050/ Per Month)	6.07%
	iii) 12 Years (Tk.4,700/ Per Month)	6.11%
	iv) 15 Years (Tk.3,370/ Per Month)	6.18%
	c)Mudaraba Monthly Deposit Scheme:*	
	i) 3 Years	5.79%
	ii) 5 Years	5.91%
	iii) 8 Years	6.02%
	iv) 10 Years	6.11%
d) Mudaraba Hajj Scheme:**		
1 Year to 10 Years	5.55%-6.21%	
e) Cash Waqf:	7.00%	

*Mudaraba Monthly Deposit Scheme: amount payable at maturity (Provisional) (amount in Taka)

Period	Installment						
	500	1,000	2,000	5,000	10,000	25,000	50,000
3 Years	19,700	39,400	78,800	197,000	394,000	985,000	1,970,000
5 Years	34,975	69,950	139,900	349,750	699,500	1,748,750	3,497,500
8 Years	61,775	123,550	247,100	617,750	1,235,500	3,088,750	6,177,500
10 Years	82,850	165,700	331,400	828,500	1,657,000	4,142,500	8,285,000

**Mudaraba Hajj Scheme Deposit (Provisional) (amount in Taka)

Year	Account opened in 2021 (From 12 August, 2021)		
	Monthly Installment	Expected Amount payable at Maturity to meet-up Hajj Expenses	Rate

1	30,000	3,71,000	5.55%
2	15,200	3,87,225	5.69%
3	10,350	4,08,325	5.87%
4	7,800	4,23,250	5.91%
5	6,350	4,45,000	5.98%
6	5,250	4,56,000	6.01%
7	4,550	4,77,150	6.07%
8	3,850	4,77,525	6.11%
9	3,450	4,98,580	6.15%
10	3,100	5,16,500	6.21%

Investment Profit Rate		
Sl.	Investment Sector	Mid rate of profit
1	Term	
	(a) Large & Medium	7.50%
	(b) Small	7.50%
2	SME	
	(a) Small	7.50%
	(b) Medium	7.50%
3	Working Capital	
	(a) Large & Medium	7.50%
	(b) Small	7.50%
4	Export	7.00%
5	Commercial Investment:	
	(a) Food Grains	7.50%
	(b) Other	7.50%
6	Housing Investment	7.50%
7	Consumer Credit:	7.50%
8	Non-Banking Financial Institute (NBFIs) Investment	7.50%
9	Other	
	(a) Investment Against Different Deposit Own Bank	Spread "2.00%-3.50%"
	(b) Investment Against Different Deposit Other Bank	7.50%

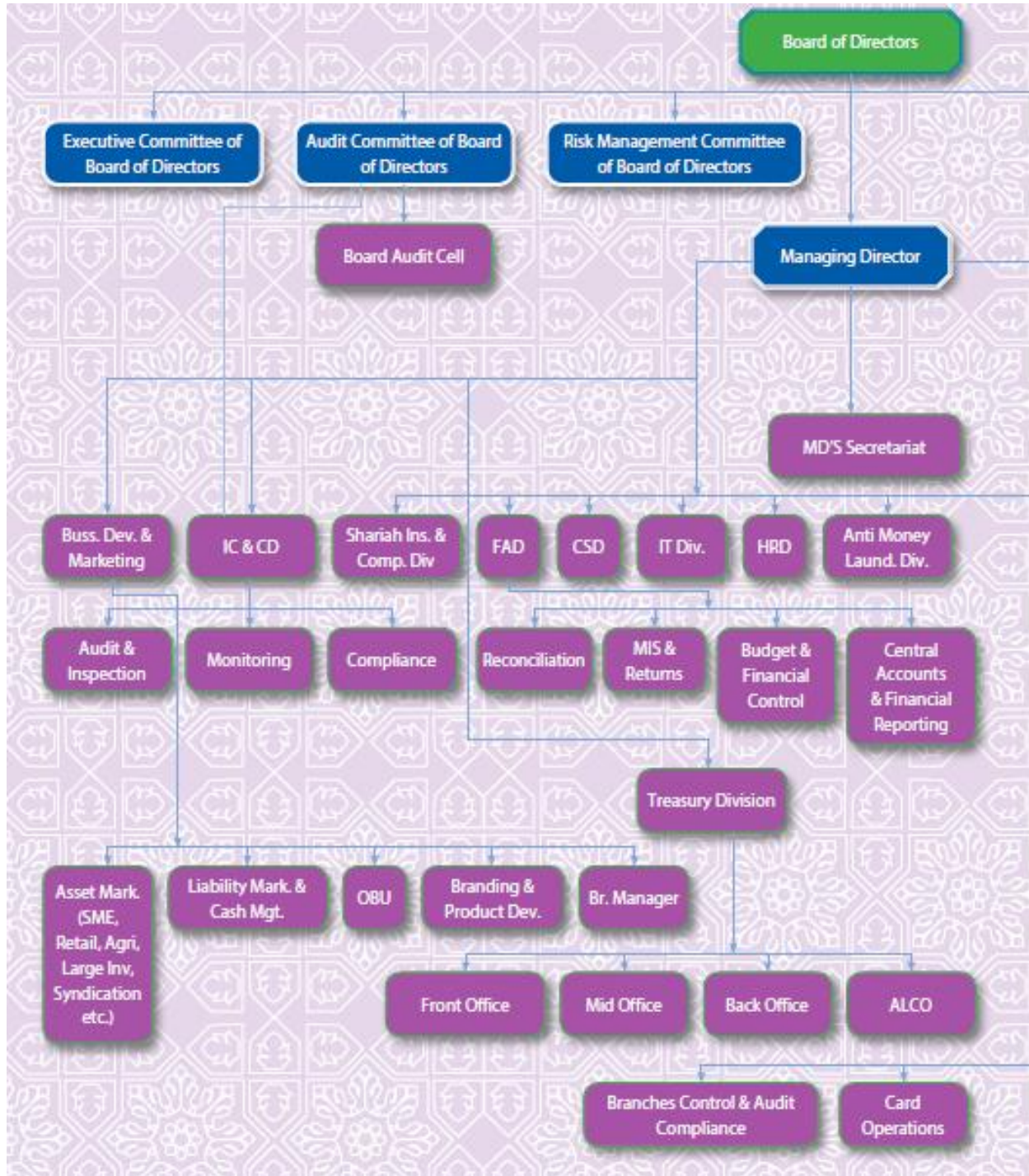
***Note: Agri Investment rate is 4.00%-8.00%**

3.11 List of Application Software of SJIBL:

ShahjalalIslami Bank provide best customer services to their customer by using different software which are:

SL	Name of software	Use	Name of Supplier
1.	BankUltimus	Core Banking Software	LEADS Corporation
2.	Ticket Management Software	Systematic logging of IT related problems & incidents	In-house Development
3.	Human Resource Information System	HR Management & Payroll Management	In-house Development
4.	IT Inventory Management Software	Keeping records of all ICT related assets.	In-house Development
5.	Card Requisition Software	ATM card requisition from branches.	In-house Development
6.	S3 (Sanction Screening)	Antiterrorism & Anti money Laundering	LEADS Corporation
7.	ACCS & EFTN	BACH & EFT	Bangla Phone Ltd.
8.	PlugB	RTGS software , for RTGS services	LEADS Corporation
9.	Microsoft Office	Day to day operation official use	Microsoft Corporation
10.	Windows Operating System	Desktop computer operation	Microsoft Corporation
11.	Windows server operating system	Server computer operation	Microsoft Corporation
12.	Read Hat Linux Operation System	Server computer operation	Read Hat
13.	Foxit Reader	For opening PDF file	Open source software
14.	Zimbra	Email collaboration solution	Open source software
15.	Mozilla Firefox	Internet& other web based software browsing	Open source software

3.12 Organogram of SJIBL:



3.13 Precautionary Measures of ICT Security Threats of

SJIBL:Cyber threat has been rampantly increased for last few years and it's a big challenge for any IT organization, specially financial sectors, to protect such malicious incidents or fraudulent attempts. In this situation, IT professionals should careful and alliance with cyber security awareness. Thus all should follow below measures as per fulfillment of such threats protection and prevention:

1. For providing IT support, the authenticity of person must be ensured.
2. Logout from Core Banking software while leaving the desk even for a single
3. Set secure passwords and don't share the same with anyone.
4. Use strong password (Mixed of lower case, upper case, numbers, and sambols and at least eight digits long)
5. Change password on regular basis, preferably to change password in every 2/3
6. Do not write password on paper, desk, mobile or any other form which might have change of copying and measured by others.
7. Be aware of unknown links or requests send through email or text message.
8. Verify the authenticity of requests from companies or individuals by contacting them directly.
9. Be aware about the received mails whether the sender is trusted or suspicious.
10. Never open any attachment from any suspicious sender.
11. Always be aware about the URL or website address where you are providing your credentials.
12. Maintain a visitor's log register in the DC and DRS.
13. Be aware about the APT (Advanced Persistent Threat), which is the most recent technique followed by the hackers.
14. Grate knowledge regarding the prevention and protection of cyber security threats through internet, newspapers and others' experiences.
15. Go through updated ICT security polices, guidelines, circulars, emails in details and try to accentuate the security measures in everyone's day to day operational activities.

CHAPTER: 4



“Financial Performance & Ratio Analysis”

4.1 Financial Highlights:

Figure in Million Taka

SL	Particulars	Year			Particulars	Year		
		2020	2019	2018		2020	2019	2018
1	Total Capital	14386	13355	12773	Total Asset	293518	265993	243660
2	Total Deposit	218443	203273	176862	Total Investment	196513	197286	186090
3	Import Business	148469	157060	140382	Export Business	133580	147052	125408
4	Cost of Fund	7.39%	8.42%	8.31%	Profit Earning Asset	244232	219818	202397
5	Classified investment	4.57%	4.91%	6.84%	Capital to Risk weighted Asset Ratio	14.19%	16.02%	14.50%
6	Operating Profit	4095	5865	4576	Profit Before Tax	3643	3894	3165
7	Earning Per Share	1.95	1.84	1.58	Net Asset Value Per Share	18.31	16.84	15.84

Source: SJIBL Annual Report 2020

4.2 Five Years Financial Summary of SJIBL:

Figures in Million Taka

SL	Items	2020	2019	2018	2017	2016
A. Financial Position						
1	Authorized Capital	15,000	10,000	10,000	10,000	10,000
2	Paid up Capital	9,801	9,334	8,486	7,714	7,347
3	Reserve and Surplus	8,148	7,173	6,303	5,604	5,510
4	Total Shareholders' Equity	17,949	16,507	14,789	13,318	12,857
5	Total Deposits	218,443	2,03,273	176,862	146,348	124,410
6	Total Investments	196,513	1,97,286	186,090	158,668	122,998
7	Investment in Share and Securities	27,610	15,639	12,321	10,526	7,593
8	Fixed Assets	4,741	4,504	3,995	3,957	3,433
9	Total Assets (excluding off-balance sheet items)	293,518	2,65,993	243,660	207,886	167,245
10	Total Contingent Liabilities and Commitments	120,035	1,13,090	100,787	89,226	63,326
11	Profit Earning Assets	244,232	2,19,818	202,397	173,187	138,949
12	Non-profit Earning Assets	49,286	46,175	41,263	34,699	28,296
B. Operating Result						
1	Investment Income	17,034	20,291	17,122	12,996	11,154
2	Profit Paid on Deposit	11,418	13,112	11,295	8,419	6,986
3	Net Investment Income	5,615	7,178	5,827	4,577	4,168
4	Total Income	202,24	23,618	19,948	15,289	12,965
5	Total Expenditure	16,129	17,753	15,372	11,961	9,985
6	Operating Profit	4,095	5,865	4,576	3,328	2,979
7	Profit before Tax	3,643	3,894	3,165	2,079	2,306
8	Profit after Tax	1,908	1,718	1,471	1,196	1,557
C. Capital Adequacy						
1	Risk Weighted Assets	196,155	182,776	173,161	158,937	124,704
2	Minimum Capital Requirements (MCR)	19,615	18,278	17,316	15,894	12,470
3	Tier 1 Capital	17,949	16,507	12,893	13,318	12,857
4	Tier 2 Capital	9,880	11,970	12,213	6,058	1,529
5	Total Regulatory Capital (Tier 1 & Tier 2)	27,828	28,477	25,106	19,376	14,386
6	Capital Surplus	8,213	10,200	7,790	3,482	1,916
7	Tier 1 Capital Ratio (%)	9.15	9.03	7.45	8.38	10.31
8	Tier 2 Capital Ratio (%)	5.04	6.55	7.05	3.81	1.23
9	Total Capital to Risk-weighted Assets Ratio (Basel-III/II) (%)	14.19	15.58	14.50	12.19	11.54

Figures in Million Taka

SL	Items	2020	2019	2018	2017	2016
D. Investment Quality						
1	Volume of Non-performing Investment	8,973	9,687	12,723	6,301	5,782
2	Amount of Provision kept against classified Investment	3,440	3,258	2,445	1,415	1,431
3	Amount of Provision kept against unclassified Investment	2,224	1,901	1,375	1,166	896
4	Amount of Provision kept against Off Balance Sheets Exposures	935	869	837	892	633
5	Classified Investment as % of Total Investment	4.57	4.91	6.84	3.97	4.70
E. Foreign Exchange Business						
1	Import Business 100	148,469	157,060	140,382	129,244	100,419
2	Export Business 84	133,580	147,052	125,402	97,437	84,769
3	Inward Foreign Remittance 3	7,755	7,849	6,129	3,576	3,361
F. Profitability, Performance and Liquidity Ratio						
1	Net Asset Value per Share (Taka)	18.31	16.84	15.84	15.69	16.67
2	Investment to Total Deposit Ratio (%)	79.62	87.47	90.32	90.17	85.98
3	Return on Equity (%)	11.08	10.98	10.47	9.14	12.40
4	Return on Assets (ROA) (%)	0.68	0.67	0.65	0.64	1.02
5	Operating Income Ratio (%)	20.25	24.83	22.94	21.77	22.98
6	Gross Income Ratio (%)	43.54	44.48	43.38	44.93	46.11
7	Net Income Ratio (%)	2.42	3.40	3.08	2.93	3.38
8	Cost of Deposit (%)	4.98	6.05	6.05	5.60	5.78
9	Cost of Fund (%)	7.39	8.42	8.31	7.83	8.08
10	Return on General Investment (%)	8.34	10.07	9.81	9.12	10.06
11	Net operating Cash flow per Share (Taka)	16.96	9.09	(3.07)	2.50	5.02
12	Profit Per Employee	1.54	2.21	1.91	1.39	1.36
G. Dividend						
1	Cash Dividend	7%*	5%	-	-	10%
2	Stock Dividend	5%	5%	10%	10%	5%
3	Dividend Coverage Ratio (Times)	1.63	1.84	1.73	1.55	1.41
4	Market capitalization	22,444	21,842	23,420	25,457	11,020

**Proposed by the Board of Directors*

H. Shareholders Information						
1	No. of Share Outstanding (million share)	980.09	933.42	848.56	771.42	734.69
2	Earnings Per Share (Taka)	1.95	1.75	1.58	1.41	2.02
3	Number of Shareholders	28,924	31,022	34,229	38,782	52,614
4	Market Value Per Share (Taka)	22.90	23.40	27.60	33.00	15.00
5	Price Earning Ratio	11.76	13.35	17.51	21.29	7.43
I. Other Information						
1	Number of Branches	132	132	122	113	103
2	Number of Brokerage House Branches	8	8	8	8	8
3	Number of Employees	2,657	2,652	2,395	2,402	2,191
4	Number of foreign Correspondents	412	416	428	410	430

(Source: SJIBL Annual Report: 2016-2020)

4.3 Ratio Analysis & Graphical Presentation:

In the report I analyzed the performance of Shahjalal Islami Bank Ltd. in terms of –

- Liquidity Ratio
- Leverage Position
- Profitability
- Activity (Efficiency)
- Adequacy Ratio

1. Liquidity Ratio

- Current Ratio

2. Leverage Position:

- Debt to Equity Capital Ratio
- Debt to Total Assets Ratio

3. Profitability

- Net Profit Margin
- Net Operating Margin
- Return on Equity (ROE)
- Return on Asset (ROA)
- Return on Deposit (ROD)

4. Efficiency

- Tax management ratio
- Expense Control Efficiency
- Degree of Asset Utilization
- Operating Efficiency Ratio

5. Adequacy Ratio

- Capital Adequacy Ratio
- Core Capital Ratio

4.3.1 Liquidity Ratio:

1. Current Ratio

Current Ratio = Current Assets / Current Liabilities

Table 1.1: Current Ratio from 2016-2020

(Tk. In Million)

Particulars	2020	2019	2018	2017	2016
Current Asset	288,777	261,489	239,665	203,929	163,812
Current Liability	120,035	113,090	100,787	89,226	63,326
Current Ratio	2.40	2.31	2.37	2.28	2.58

(Source: Own Analysis based on SJIBL Annual Report: 2016-2020)

According to the result of the ratio of ShahjalalIslamiBank Limited was 2.58 in the year 2016, 2.28 in 2017, 2.37 in 2018, 2.31 in 2019 and 2.40 in the year 2020. It means that the bank had following current assets in against of 1 tk. liability. Most of the years, it was increased from the previous year excluding 2020 which is a good sign for the bank. Because it proves that SJIBL has ability to pay off its current liabilities with its current assets. It fact the higher current ratio is better for the organization as it helps to prevent getting default and pay short term debt swiftly.

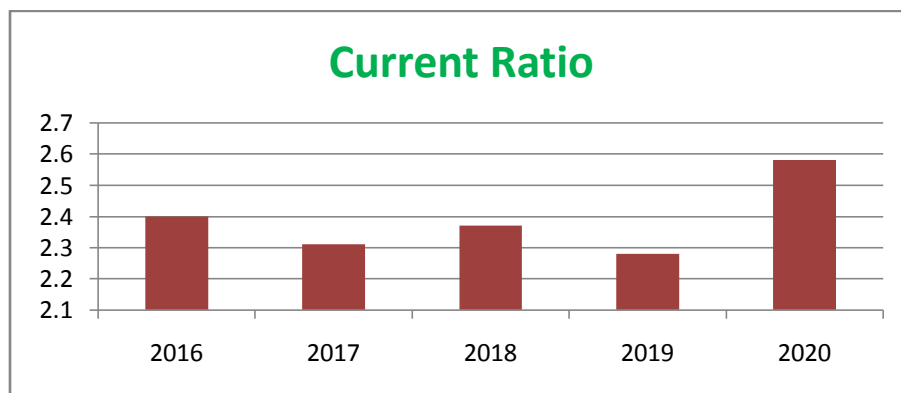


Fig-1.1: Current Ratio from year 2016-2020

4.3.2 Leverage Position:

1. Debt to Equity Capital Ratio

$$\text{Debt to Equity Capital Ratio} = \text{Total Debt} / \text{Total Equity}$$

Table: 2.1 Debt to Equity Capital Ratio 2016– 2020

(Tk. In Million)

Particulars	2020	2019	2018	2017	2016
Total Liability	281951	251926	218761	183510	157707
Total Equity	17949	16507	14789	13318	12857
Debt Equity Ratio	15.70	15.26	14.79	13.77	12.26

(Source: Own Analysis based on SJIBL Annual Report: 2016-2020)

There is an unstable trend in the debt to equity capital ratio of ShahjalalIslamiBank Ltd. from 2016 to 2020. The debt to equity capital ratio of ShahjalalIslami Bank has decreased from 12.26 in 2016 to 15.70 in 2020 over 5 years period of time. It means that their liability is increasing at a higher rate than their equity capital from 2016 to 2020. But it increases form year 2019 to 2020. This higher outcome over years not only increases the risk but also increases the profit. Overall this implies that their leverage and overall risk is decreasing. Additionally, it also means that their expected earnings might increase due to escalating leverage.

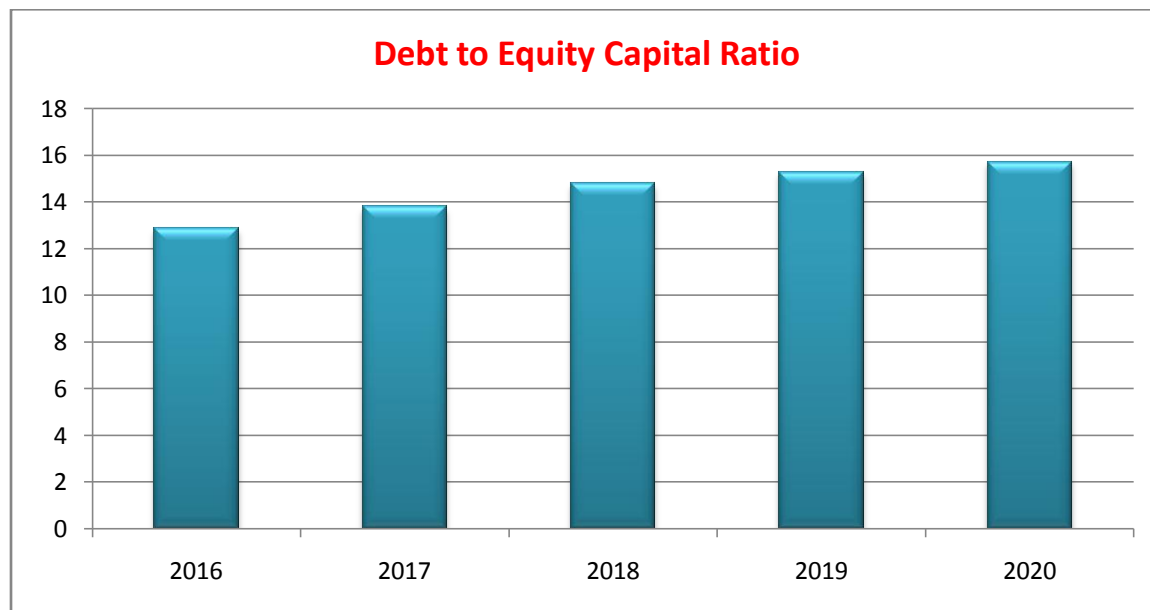


Fig: Debt to Equity Capital Ratio 2016 – 2020

2. Debt to Total Assets Ratio

Total debt to Total Asset ratio = Total Debt / Total Assets

Table: 2.2 Total debt to Total Asset ratio 2016-2020

(Tk. In Million)

Particulars	2020	2019	2018	2017	2016
Total Liability	281951	251926	218761	183510	157707
Total Assets	293518	265963	243660	207886	167,245
Debt Assets Ratio	0.96	0.94	0.89	0.88	0.94

(Source: Own Analysis based on SJIBL Annual Report: 2016-2020)

Though there are slight fluctuations, ShahjalalIslami Bank Ltd. has been able to maintain an average debt ratio of 0.94 from 2016 to 2020. Their total asset and their liabilities are increasing mostly in same range. But it has slightly increased from 0.94 to 0.96 in 2020. This is not good from a risk perspective, because lower leverage means lower earnings.

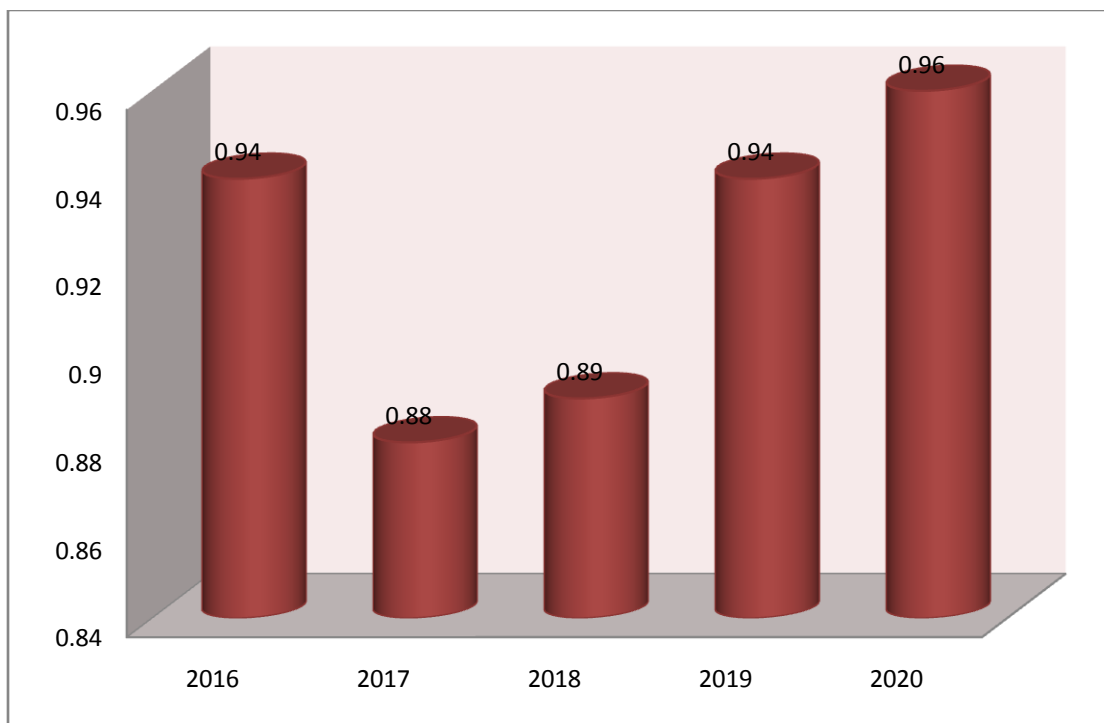


Fig: Debt to Assets Ratio 2016 – 2020

4.3.3 Profitability Ratio:

1. Net profit Margin:

$$\text{Net Profit Margin} = \text{Net Income After tax} / \text{Total operating Revenue}$$

Table: 3.1 Net Profit Margin 2016-2020

(Tk. In Million)

Particulars	2020	2019	2018	2017	2016
Net Income After Tax	1908	1718	1471	1196	1557
Total Operating Revenue	4095	5865	4576	3328	2979
Net Profit Margin	0.46%	0.29%	0.32%	0.35%	0.52%

(Source: Own Analysis based on SJIBL Annual Report: 2016-2020)

The Net Profit Margin ratio of SJIBL is showing a fluctuations trend. From 2016 to 2020 the Net Profit Margin has increased incredibly. But in 2018 and 2020 is decreasing from their previous year. It decreased because the increase in their total operating revenue is higher than the increase in net income after tax. It indicates that bank performance outcome is not that much up to the mark.

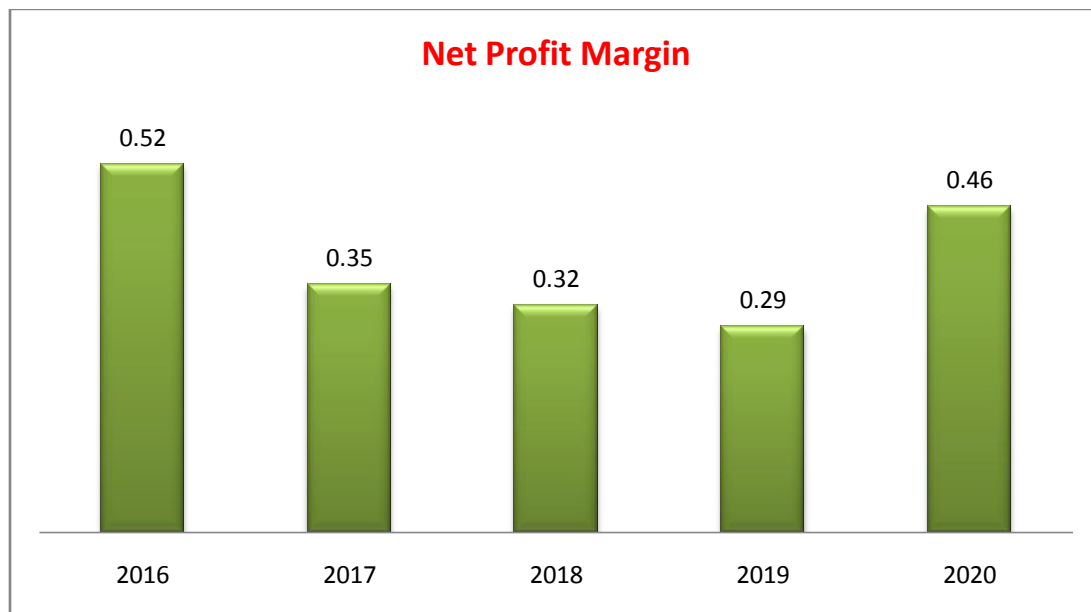


Fig: Profit Margin Ratio 2016 – 2020

2. Net Operating Margin

$$\text{Net Operating Margin} = (\text{Operating revenue} - \text{Operating Expense}) / \text{Total Asset}$$

Table: 3.2 Net Operating Margin 2016-2020

(Figure in Million)

Particulars	2020	2019	2018	2017	2016
Net Operating Margin	20.25%	24.83%	22.94%	21.77%	22.98%

(Source: SJIBL Annual Report: 2016-2020)

From the year 2016 to 2020, the performance of Shahjalal Islami Bank was decreasing and increasing in terms of net operating margin. It has decreased significantly from 22.98% in 2016 to 21.77% in 2017 and rest of the years from 2017 to 2020 is increased respectively. This occurs as their operating income was increased than their operating expenses. This is a very good sign for the bank.

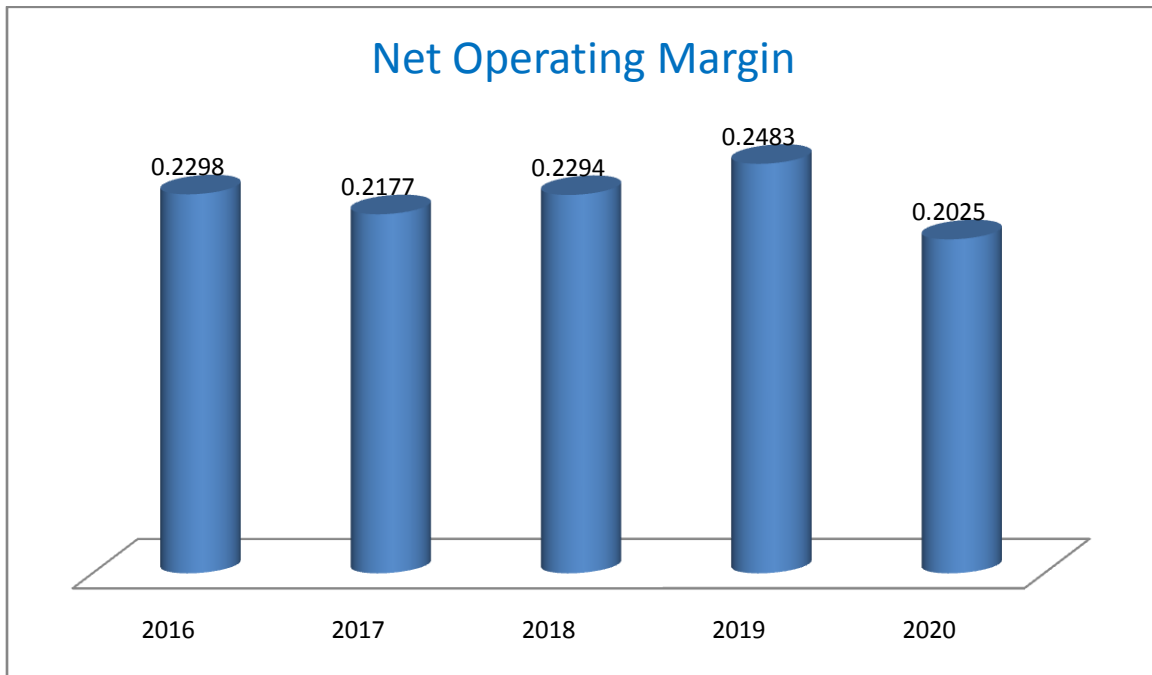


Fig: Net operating Margin 2016 – 2020

3. Return on Equity (ROE):

$$\text{Return on Equity(ROE)} = \text{Net Income After Tax} / \text{Total Equity Capital}$$

Table: 3.3 Return on Equity

(Figure in Million)

Particulars	2020	2019	2018	2017	2016
Return on Equity	11.08%	10.98%	10.47%	9.14%	12.40%

(Source: SJIBL Annual Report: 2016-2020)

ROE is very popular ratio toward the shareholders of any bank. The higher the percentage is the better for the bank as well as for shareholders. But the ROE of Shahjalal Islami Bank shows that the shareholders are receiving decreasing rate of returns throughout the first three years from 2016 to 2018. Though in 2020 their ROE was 11.08%, but after that it gradually increased from 2016 to 2018.

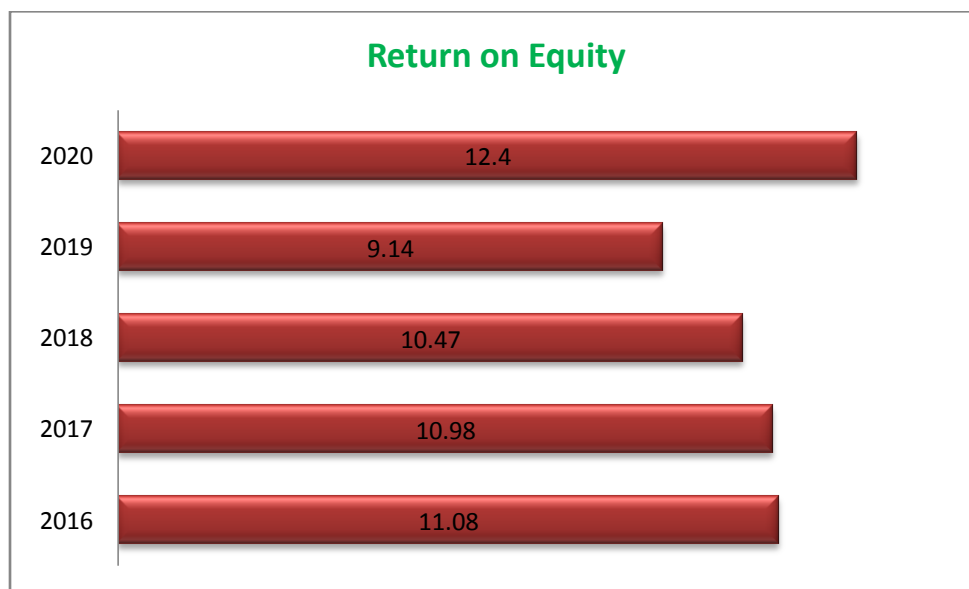


Fig: Return on Equity 2016 – 2020

4. Return on Asset (ROA):

$$\text{Return on Asset} = \text{Net Income After Tax} / \text{Total asset}$$

Table: 3.4 Return on Asset

(Figure in Million)

Particulars	2020	2019	2018	2017	2016
Return on Asset	0.68%	0.67%	0.65%	0.64%	1.02%

(Source: SJIBL Annual Report: 2016-2020)

ROA is the most used profitability ratio. As SJIBL was a part of banking industry and its most of the assets come from the debt which was the reasons for its low net profit as well as poor ROA. As a result the SJIBL had low ROA in the year of 2018 which were 0.65%. In the year 2020 the net profit of the bank had increased that much.

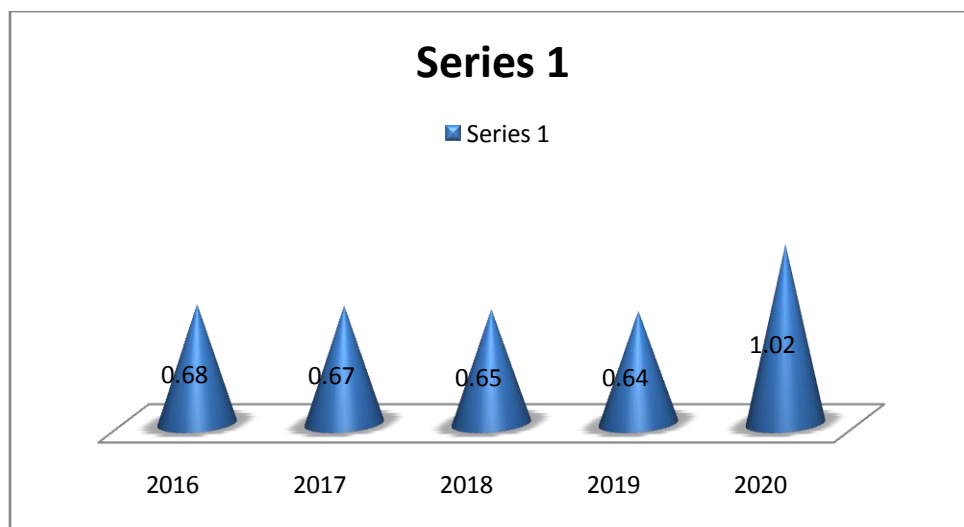


Fig: Return on Asset 2016 – 2020

1. Return on Deposit (ROD):

$$\text{Return on Deposit} = \text{Net Income} / \text{Total Deposit}$$

Table: 3.5 Return on Deposit 2016 2020

(Figure in Million)

Particulars	2020	2019	2018	2017	2016
Net Income	4095	5865	4576	3328	2,979
Total Deposit	218443	203273	176862	146348	124,410
Return on Deposit	1%	2%	2%	2%	2%

(Source: Own Analysis based on SJIBL Annual Report: 2016-2020)

This ratio shows the amount of net income returned as a percentage of total deposits. Return on deposit measures a corporation's profitability by revealing how much profit a company generates with the money savers have kept in the bank. It indicates a firm's efficiency in applying deposits (liabilities) to earn profit.

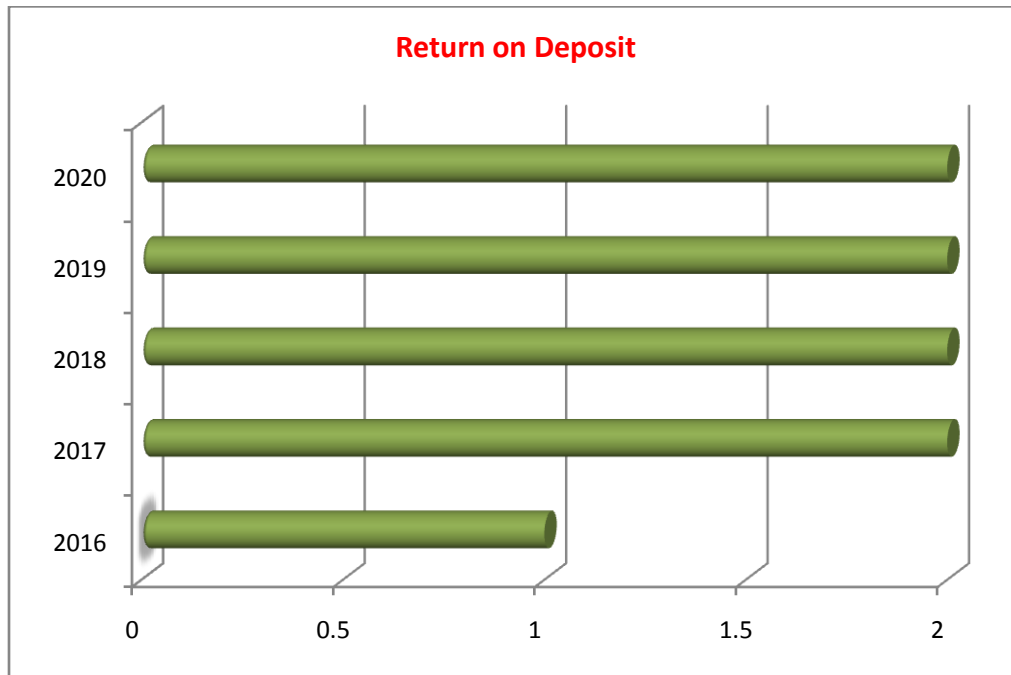


Fig: Return on Deposit

4.3.4 Efficiency Ratio:

1. Tax Management Ratio:

$$\text{Tax Management Ratio} = \text{Net Income After tax} / \text{Net Income Before Tax}$$

Table: 4.1 Tax Management Ratio 2016-2020 (Figure in Million)

Particulars	2020	2019	2018	2017	2016
Net Income After Tax	1908	1718	1471	1196	1,557
Net Income Before Tax	3643	3894	3165	2079	2,306
Tax Management Ratio	52%	44%	46%	57%	68%

(Source: Own Analysis based on SJIBL Annual Report: 2016-2020)

We can observe that from the year 2016 to 2020, the Tax Management ratio of SJIBL has been fluctuating from 49% to 96%. This trend is seen because of fluctuation in net income after taxes and also in net income before security gains and losses. It is good for the bank to increase this ratio. The management should try to maximize this ratio as much as possible because the tax is a direct cash expense which lowers the net income.

2. Expense Control Efficiency:

$$\text{Expense Control Efficiency} = \text{Net Income Before Tax \& Gain} / \text{Total Operating Revenue}$$

Table: 4.2 Expense Control Efficiency 2016 - 2020 (Figure in Million)

Particulars	2020	2019	2018	2017	2016
Net Profit Before Tax	3643	3894	3165	2079	2,306
Total operating Revenue	4095	5865	4576	3328	2,979
	89%	66%	69%	62%	77%

(Source: Own Analysis based on SJIBL Annual Report: 2016-2020)

For ShahjalalIslami Bank, we are observing very inconsistent trend in their Expense Control Efficiency ratio from 2016 to 2020. There is less improvement in their expense control efficiency ratio. It has increased from 2019 to 2020. But in 2017, it has fallen down to 33%. The reason behind this inconsistency is the proportionate change in the net income before tax & gains (Losses) and total operating revenue. This implies that SJIBL is efficiently controlling its expenses.

3. Degree of Asset Utilization:

$$\text{Degree of Asset Utilization} = \text{Total Operating Revenue} / \text{Total asset}$$

Table: 4.3 Degree of Asset Utilization 2016-2020 (Figure in Million)

Particulars	2020	2019	2018	2017	2016
Total Operating Revenue	4095	5865	4576	3328	2979
Total Asset	293518	265993	243660	207886	167245
Degree of Asset Utilization	1%	2%	1%	1%	2%

(Source: Own Analysis based on SJIBL Annual Report: 2016-2020)

There is a slight increase in the asset utilization ratio of SJIBL from 2016 to 2017. The ratio was decreasing from 2016 to 2017. It increases considerably because their total asset increased at a higher rate compared to their operating income. This rise in Asset Utilization indicates that more and more assets are becoming exploited which is a good sign for the bank.

4. Operating Efficiency Ratio:

$$\text{Operating Efficiency Ratio} = \text{Total Operating Expenses} / \text{Total Operating Revenue}$$

Table: 4.4 Operating Efficiency Ratio 2016- 2020 (Figure in Million)

Particulars	2020	2019	2018	2017	2016
Operating Efficiency Ratio	20.25%	24.83%	22.94%	21.77%	22.98%

(Source: SJIBL Annual Report: 2016-2020)

There is a decline in the operating efficiency ratio of SJIBL from 2016 to 2017. It has decreased from 22.98% times to 21.77% times in 2013. On the other hand, it increased from 2016 to 2017 i.e. 20.25% to 22.98%. It implies that the bank has been able to efficiently utilize its revenues to cover the operating expense for the last five years. This increasing trend reflects that the operating revenue is increasing at a higher rate than the operating expense. The increasing of this ratio was because of a significant decrease in their total operating expense.

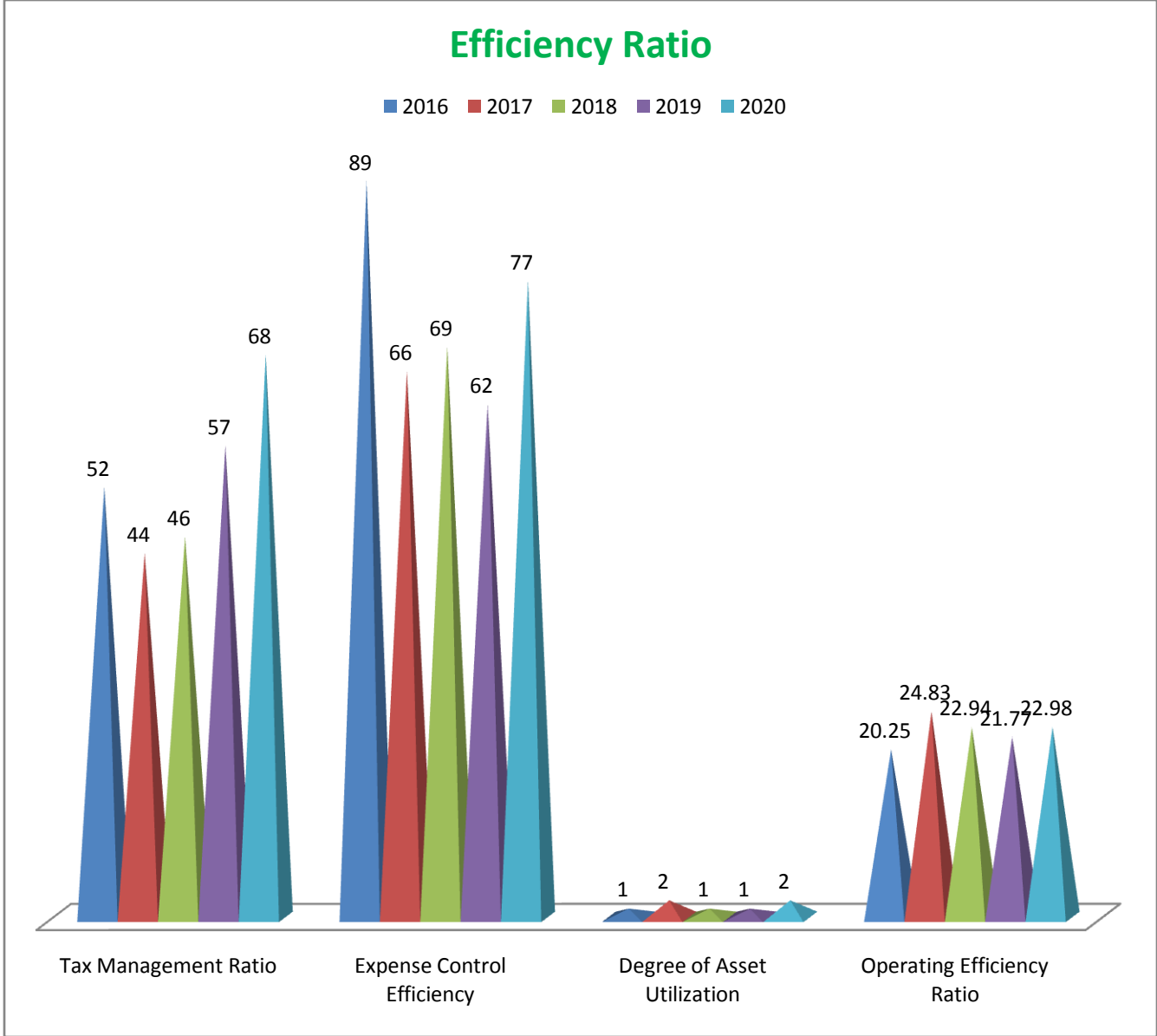


Fig: Efficiency Ratio 2016 – 2020

4.3.5 Adequacy Ratio:

1. Capital Adequacy Ratio:

$$\text{Capital Adequacy Ratio} = \text{Capital Base (Tier I +Tier ii)} / \text{Risk-Weighted Asset}$$

Table: 5.1 Capital Adequacy Ratio 2016- 2020

Particulars	2020	2019	2018	2017	2016
Tier I	17949	16507	12893	13318	12,857
Tier II	9880	11970	12213	6058	1,529
Capital Base (Tier I +Tier II)	27829	28477	25106	19376	14,386
Risk-Weighted Assets	196155	182779	173161	158937	124,704
Capital Adequacy Ratio	14.18%	15.58%	14.49%	12.19%	11.54%

(Source: SJIBL Annual Report: 2016-2020)

This ratio basically determines a bank's capital to its risk. It is presented as a percentage of a bank's risk weighted credit exposures. In 2020 CAR required for SJIBL was 11.54% which was determined by Bangladesh Bank and actually minimum requirement is 10% in 2020. Before that it was 9%. So ShahjalalIslami Bank has maintained the minimum requirement so far.

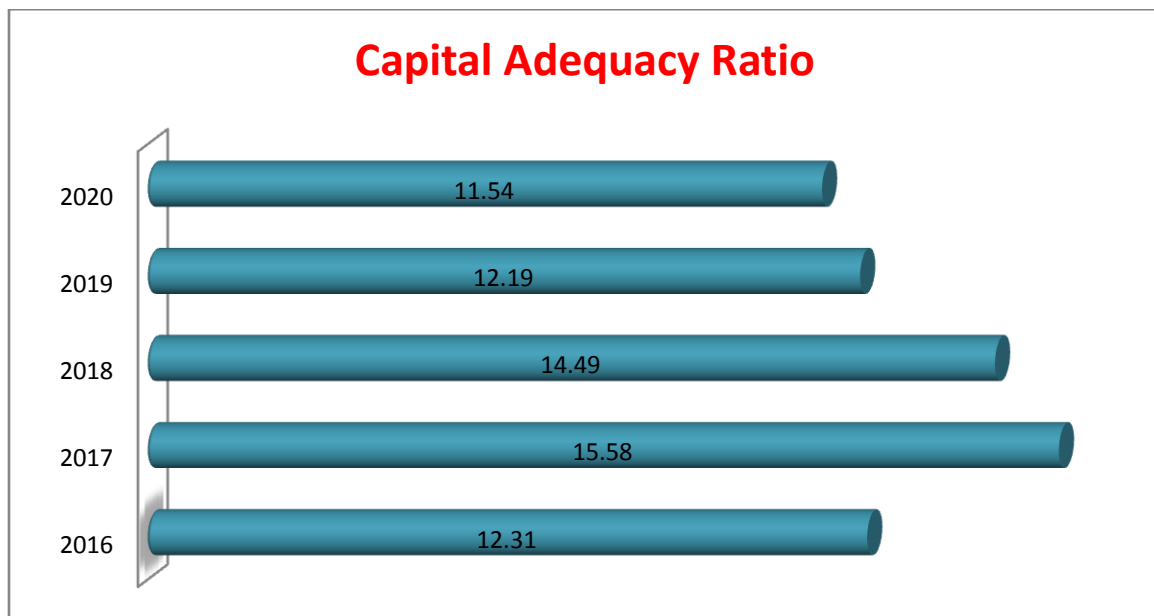


Fig: Capital Adequacy Ratio

2. Core Capital ratio:

$$\text{Core Capital Ratio} = \text{Tier I} / \text{Risk-Weighted Assets}$$

Table: 5.2 Core Capital Ratio 2016-2020

Particulars	2020	2019	2018	2017	2016
Core Capital Ratio	9.15%	9.03%	7.44%	8.37%	10.31%

(Source: SJIBL Annual Report: 2016-2020)

Core capital is the minimum amount of capital that a bank has to ensure to protect consumers. It is also expressed as a percentage of a bank's risk weighted credit exposures. It was slightly decreased and increased from 2016 to 2020 around 7.44% to 10.31%. The highest was in 2016.

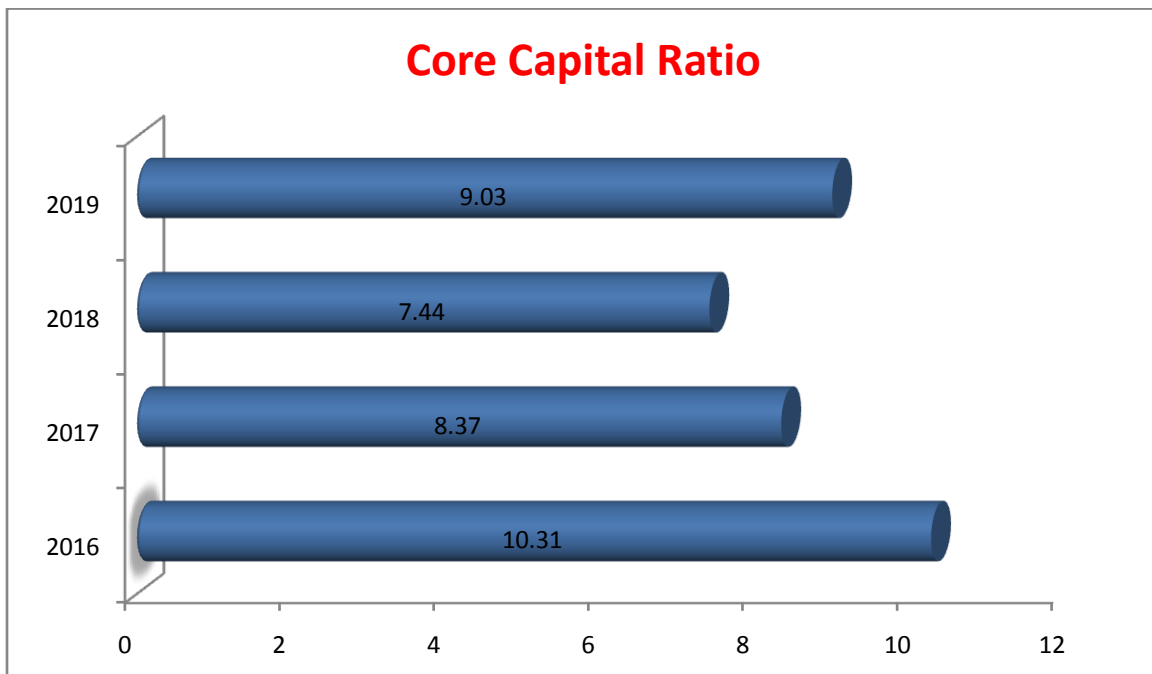


Fig: Core Capital Ratio

4.4. Net Asset Value Per Share:

Net Asset Value Per Share = Total Equity / No. of Share

Table: 6 Net Asset Value Per Share

(Tk. In million)

Particulars	2020	2019	2018	2017	2016
Net asset Value Per Share	18.31	16.84	15.84	15.69	16.67

(Source: SJIBL Annual Report: 2016-2020)

The net asset value per share can be defined as an expression for net asset value that indicates the value per share for a fund (exchange-traded, mutual, and closed-end) or a company. Shahjalal Islami Bank has highest NAVPS is 18.31 in 2020.

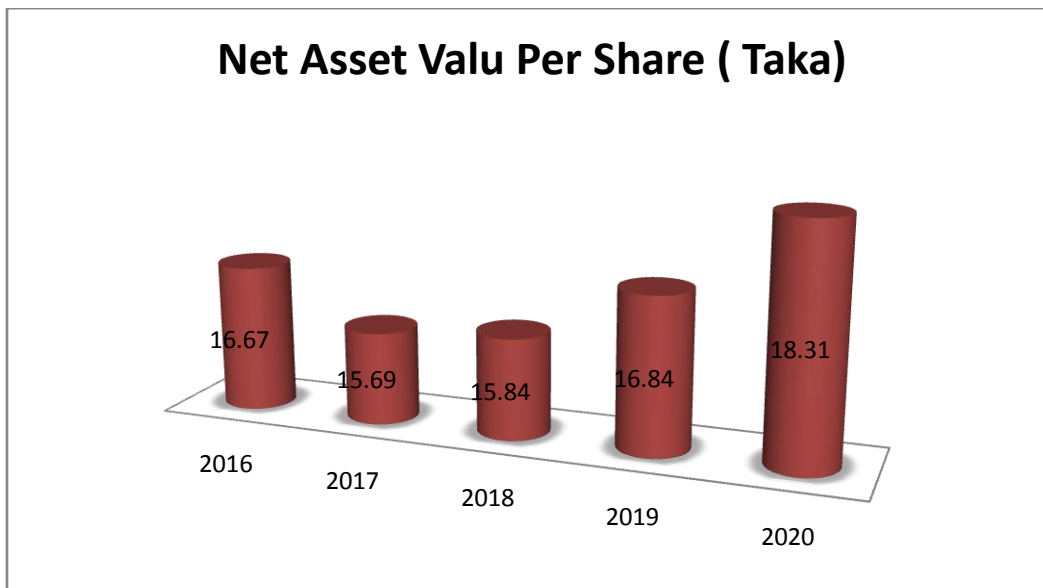


Fig: Net Asset Value Per Share

CHAPTER: 5



“Findings & Recommendation”

5.1 Findings of the report:

After analyzing the performance of ShahjalalIslami Bank Limited, I have found some important things regarding the bank. These are given below:

- In the year 2020 the bank attain around 21.30% growth of assets which is a good sign for the bank.
- In 2020 SJIBL's liabilities is amplified from the previous year. It increased around 43.54%.
- The bank keeps prevision against non-performing loans and advance.
- Total deposit of SJIBL in the year 2019 was Tk.203,273 million but it has increased in 2020 and it was Tk. 218,443 million. So the growth rate is around 13.87% in 2016.
- Profit before tax was increased of the bank. (Tk. 3,165 million in 2018, Tk. 3,894 million in 2019 and Tk. 3,643 million in 2020).
- Profit after tax was increased of the bank. (Tk. 1,471 million in 2018, Tk. 1,718 million in 2019 and Tk. 1908 million in 2020).
- The investment of the bank was increased from 2018 to 2020. (Tk. 186,090 million in 2018 but Tk. 197,286 million in 2019 and Tk. 119,6513 in 2020). So ShahhalalIslami Bank has maintained the minimum requirement.
- The net asset value per share of the bank was increased from 2018 to 2020 i.e. Tk. 15.84, 16.84 and 18.31 million respectively, which is a good sign for the bank.
- There are no significant deviations in 2018 operating result. The performance of that year is mainly caused by political crisis and economical instability of the country.

● **5.2 Recommendations of the Study:**

Through this study I myself gained some practical knowledge. I want to put some suggestion here which I think if followed would definitely help ShahjalalIslami Bank Ltd. to Improve their performance and thereby its contribution in the whole economy.

Suggestions are-

- ShahjalalIslami Bank need to put some special look on some ratios which fluctuates more.
- To attract more clients ShahjalalIslamiBank Ltd. should sought new marketing strategy, which will increase the bank performance.
- Introduction of various incentives to increase remittance.
- Effective and efficient initiative is necessary to recover the default loans.
- They should invent other type of deposit to attract more customers which is different from other banks.
- SJIBL should maintain more cash and deposit balances with other banks. Because it is desirable that banks keep their cash and balance with other bank to such extent so that it can minimize the chance of liquidity crunch.
- SJIBL had fair leverage ratios in where it uses the debt most to increase revenue rather than the equity. It may increase the risk of the bank. So, to minimize the risk I think SJIBL should finance more equity.
- SJIBL is needed to reach the brand value to the customers for building up ideal relationship to create loyal customer.

5.3 Conclusion:

In this age of modern civilization bank is playing its splendid role to keep to the economic development wheel moving. We can see lot of new commercial banks has been established in last few years and these banks have made this banking sector very competitive. The major task for banks, to survive in this competitive environment is by managing its assets and liabilities in an efficient way. SJIBL has a strong financial base and huge assets to meet up its liabilities which make this organization financially sound and solvent. Shahjalal Islami Bank Ltd. started with a vision to be the most efficient financial intermediary in the country and it believes that the day is not far off when it will reach its desired goal. SJBL looks forward to a new horizon with a distinctive mission to become a highly competitive modern and transparent institution comparable to any of its kind at home and abroad.

Shahjalal Islami Bank Limited has been working with great confidence and competing tremendously with Government oriented bank, local commercial banks along with the multinational banks also. SJIBL always tried its level best to perform financially well. In spite of trying to do well in some aspects Shahjalal Islami Bank Limited faced some financial problems from time to time. Some of the problems were-excessive bad loans, shortage of loans and advances, scarcity of cash in hands due to vault limit etc. These problems arouse time to time due to economic slowdown, interest rate fluctuation, emerging capital market, inflation in the money market and so on. Fighting with all these problems and competing with other banks every moment the bank is trying to do better to best. If this thing continues we hope that Shahjalal Islami Bank Limited will develop even more in the future.

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