Thesis Report
on
Financial Performance Analysis of Jamuna Bank Ltd. & Dutch Bangla Bank Ltd.

Submitted to:
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Thesis Report
on
Financial Performance Analysis of Jamuna Bank Ltd. & Dutch Bangla Bank Ltd.

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Letter of Transmittal

11th May, 2023

To

Md. Shahbub Alam

Lecturer,

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Subject: Submission of thesis report on **"Financial Performance Analysis of Jamuna Bank Limited and Dutch Bangla bank Limited."**

Dear sir,

With due respect, I would like to inform you that, it is my pleasure to present my report on the "**Financial Performance Analysis of Jamuna Bank Limited and Dutch Bangla bank Limited".** I enjoyed preparing this report and it helped me to attain knowledge about the profound information about Jamuna Bank Limited and Dutch Bangla bank Limited. I am also very grateful to my supervisor for your kind help, advice and suggestion. At the end it was an interesting research and I hope that the report will shed some light on the topic even with the limitations. I am again thankful to you for your kind co-operation, constant guidance and support.

Sincerely yours

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CERTIFICATE OF SUPERVISOR

This is to certify that the thesis report on "**Financial Performance Analysis of Jamuna Bank Limited and Dutch Bangla Bank Limited"** is prepared by Afifa Jawad, ID No: MBA2202026004, Program: MBA, Department of Business Administration, Sonargaon University in partial fulfillment of the required for MBA degree from Sonargaon University.

The report has been prepared under my guidance and is a record of the bona fide work carried out successfully.

……

Md. Shahbub Alam

Lecturer

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STUDENT'S DECLARATION

I, Afifa Jawad, the student of Masters of Business Administration (MBA) bearing ID: MBA2202026004 major in Finance from Sonargaon University would like to solemnly declare here that a thesis report on **"Financial Performance Analysis of Jamuna Bank Limited and Dutch Bangla Bank Limited"** has been authentically prepared by me under the supervision of Md. Shahbub Alam, Lecturer, Department of Business Administration, Sonargaon University.

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

Sincerely yours,

……..

Afifa Jawad

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For the successful accomplishment of the report, first would like to thank God. Next, with warm gratitude from the deepest of my heart I would like to remember all of them who have helped me from every side in accomplishing the report as well as my thesis program.

In fact, no devote can achieve perfect without the help of a scholar. Similarly, a student can never be perfect without the help of a good teacher. A good teacher may be the landmark for any student. I am greatly indebted to Md. Shahbub Alam in Department of Business Administration, Sonargaon University. For his whole hearted cooperation, supervision and valued guidance. His suggestion and guidelines during my thesis were really a great help to me.

I must express my extreme gratitude to Md. Shahbub Alam for his constant guidance and help in completing the report and saving my valuable time by timely placement and timely termination of thesis period.

Finally, I thank all persons who have directly or indirectly contributed to preparing the report.

Executive Summary

The report attempts to analyze the financial performance of Dutch-Bangla Bank Limited and Jamuna Bank Ltd. It has been one of the leading private commercial banks in Bangladesh. The bank offers a wide range of products and services which includes Deposits and Advances Products, Personal Banking, Corporate Banking, SME Banking, Internet Banking, Mobile Banking, Agent Banking etc. CAMEL Rating System has been followed to analyze the financial performance of the Bank. Therefore, ratios such as capital adequacy, leverage ratio, percentage of classified loans, net profit margin, earning per share, return on equity etc. are calculated to obtain an overall view of its financial performance. The report also consists a comparative analysis between the banks Dutch-Bangla Bank, Eastern Bank and Southeast Bank to find out the current position of the bank in the industry. From the financial analysis, it can be said that from the comparative analysis, it is evident that the bank has to improve itself in some areas to be more competitive in the market. Increasing profitability is one of the essential ways to improve their position. The top level authority, management team and executives of the bank are concern about their investment, market expansion and more innovative and effective financial performance to make JBL perform better in future. Again, the bank needs to focus on the increasing expenses and swelling non- performing loans.

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Chapter: 01

INTRODUCTION

Origin of the report:

The one-year Masters of Business Administration (MBA) program consists of third semesters' academic program for the building up of the theoretical knowledge about business administration which is the base of practical knowledge and it attempts to provide business graduates an orientation to a real life business situation in which they can observe and evaluate the use and applicability of the concepts which were taught in the classroom.

This report on **"Financial Performance Analysis of Jamuna Bank Limited and Dutch Bangla Bank Limited"** is the outcome of 4-month thesis at Jamuna Bank Limited, Dutch Bangla Bank Limited. I have prepared this thesis report with the mentioned topic which was suggested and supervised by my academic supervisor **Md Shahbub Alam, lecturer, Sonargaon University.**

Introduction

JAMUNA BANK LIMITED and DUTCH BANGLA BANK LIMITED have been proven as the part and parcel of the modern economy these days. Our thesis paper is mainly related to the different kind of operations of a commercial banking system and the formal structure of their organization. The total systematic environment of their operations is mainly for benefiting customers and it also creates a potential impact on the growth of the economics which helps to accelerate the flow of financial activities. Commercial bank and its regulation are needed to protect customers who supply funds to the banking system. By preventing bank runs that might occur if customers became concerned about the safety of their deposits, a safer banking environment. The banking system that has been discussed is to enhance the safety of the banking system by overseeing individual banks. We clearly know that the operation system of the commercial bank and fluctuations of economic cycle are related simultaneously. One of the most important point is, the going concern policy as they can operate in any critical situations. In the recent times, the banks are especially cautious because they are already experiencing an increase in problem (potential defaults) loans as a result of weak economy. Therefore, the bank has more money available than they can use for lending. Many banks increased their investments in securities because the demands of the loanable funds have weakened. Bank operations change in response to changing regulations and economic conditions and to managerial policies designed to hedge various form of risk. For example; in the recent year banks expanded across state lines, diversified their asset portfolios, boosted their capital ratios and expanded their operations into services as insurance, brokerage, underwriting of securities and sales of mutual funds.

Generally, by the word ―Bank we can easily understand that the financial institution deals with money. But there are different types of banks like; Central Banks, Commercial Banks, Savings Banks, Investment Banks, Industrial Banks, Cooperative Banks etc. But when use the Term―Bank without any prefix, or qualification it refers to the 'Commercial Bank'. Commercial banks are the primary contributors to the economy.

Banking sector is expanding its hand in different financial events every day. At the same time the banking process is becoming faster, easier and the banking arena is becoming wider. As the demand for better service increases day by day, they are coming with different innovative ideas & products. In order to survive in the competitive field of the banking sector, all banking organizations are looking for better service opportunities to provide their fellow clients. As a result, it has become essential for every person to have some idea on the bank and banking procedure.

Thesis program is essential for every student, especially for the students of Business Administration, which helps them to know the real life situation. For this reason, a student takes the thesis program at the last stage of the Master's degree, to launch a career with some practical experience.

The report entitled "Financial Performance Analysis of JAMUNA BANK LIMITED and DUTCH BANGLA BANK LIMITED" has been prepared as a partial fulfillment of MBA

program authorized by the Department supervisor, Department of MBA program, Sonargaon University.

Background of the Study

Jamuna Bank Limited came out in reality through the initiatives of some dynamic people, who were from different sectors of commerce, trade and industries. It was registered in 2001 as a commercial bank under the Companies Act, 1994. The bank started its banking activities on 03 June, 2001. JBL from the very inception set a mission to build up itself as a unique commercial bank through difference in outlook, and providing comprehensive and innovative services to the valued customers. And ultimate goal is attaining mutually a sustainable higher level in financial treasury services and SWIFT for foreign trade. The bank has made a significant progress within a very short period of its existence and occupied an enviable position among its competitors after achieving remarkable success in all areas of business operation this bank has 112 branches all over the Bangladesh. As a new generation private commercial bank of the country, JBL provides all conventional services to the clients. In addition, it presents a good number of schemes and products in deposit and credit forms. Such as cash management service, payments and clearings safe deposit locker services, employee benefits. Jamuna Bank Limited provides commercial banking services.

Dutch Bangla Bank is known as the first bank which pioneered in automation in Bangladesh. The Electronic-Banking Division was established in 2002 to carry out fast automation and bring modern banking services into this field. Full automation was completed in 2003 and hereby introduced plastic money to the Bangladeshi masses. Dutch Bangla Bank also operates the nation's largest ATM fleet and in the process drastically cut consumer costs and fees by 80%. Moreover, Dutch Bangla Bank choosing the low profitability route for this sector has surprised many critics. Dutch Bangla Bank had pursued the mass automation in Banking as a CSR activity and never intended profitability from this sector.

Justification of the Study

Climate change is the most complicated issue the world is facing. Across the globe there have been continuous endeavors to measure and mitigate the risk of climate changes caused by human activities. Many countries over the world have made commitments necessary to mitigate climate change. As socially responsible corporate citizen, Bangladeshi banks have a major role and responsibility to support and supplement the government effort towards substantial reduction in carbon emission. Normally we can consider the banks as environment friendly institution with their operational activities but it is important that the environment can be affected greatly by the activities of their customers. The banking sector is one of the major sources of financing for commercial projects such as Brick field, Steel, Paper, Cement, Chemicals Fertilizer, Power, Textiles etc. Which cause maximum carbon emission? Therefore, the banking sector can play intermediary role between economic development and environment protection, for promoting environmentally sustainable and social responsible investment.

JAMUNA BANK LIMITED and DUTCH BANGLA BANK LIMITED refer to the banking business conducted in such areas and in such a manner that helps the overall reduction of external carbon emission and internal carbon footprint. To aid the reduction of external carbon emission, bank should finance green technology and pollution reducing projects. Internally the banking operations have considerably increased the carbon footprint of banks due to their massive use of energy e.g. lighting, air conditioning, electronic/electrical equipment, IT, high paper wastage, lack of green buildings etc. Therefore, to adopting green banking, bank should adopt technology, process, and products which result in substantial reduction of their carbon footprint as well as develop sustainable business.

Now-a-days global warming is a key issue of the world and JAMUNA BANK LIMITED and DUTCH BANGLA BANK LIMITED might be the answer of this burning question. Assessing the available literature, it has been found that no profound work has been done on this topic till now. As it is a very novice topic for country like Bangladesh. That's why working on this contemporary topic is important for the greater interest of people. In fact, the work has enormous justification from theoretical and practical view point.

Objective of the Study

General Objectives: General objective of the study is Financial Performance Analysis of Jamuna Bank Limited and Dutch Bangla Bank Limited.

Specific Objectives:

- To find out the reasons behind JBL and Dutch Bangla limited enhancements or pitfalls of performance over the years.
- To find out the present performance of the bank and predate the near future.
- To gather knowledge about the profitability of the bank through Profitability ratios.
- To evaluate the operational efficiency of the bank.
- To analyze the profitability of selected bank
- To analyze the liquidity of selected bank.

Scope of the Report

The scope of the study is to have an idea about Financial Performance Analysis of JBL and Dutch Bangla Limited. The report starts with the outline of the organization in focus, presenting the mission and vision of organization. It accompanied by the global perspective and look into the future. The researcher provides information about the strengths, weakness, opportunities and threats of the organization. Those who looking for the information about Financial Performance Analysis of JBL and Dutch Bangla Limited they might get help from this report. The study explores the present market scenario between Jamuna Bank and Dutch Bangla Limited and future market growth prospects in Bangladesh.

Limitations of the study

- **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

- **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's that the bank officers cannot disclose due to the security and other corporate obligations.

CHAPTER: 02

LITERATURE REVIEW

Literature Review

A comprehensive literature study was done to gain an exact scenario of the present status of Jamuna Bank and Dutch Bangla Bank Limited. During the literature survey relevant information was collected from a number of books, journals, magazines, reports, government and non-government documents and other printed materials from the concerned financial and non-financial institutions. A very little study was conducted with the intensity of the green banking till today, although they are burning issue and very crucial phenomena for the present world banking industry.

The bank responsibility extends to Government, customers, shareholders, staff and the community. Companies do have ethical responsibility, but it is not protected by limited liability from the consequences of their actions. A company's record and the perception of its ethics affect its reputation and ensure long-term success or failure. Further, he concluded that as we face increasingly complex and conflicting issues, our commitment to ethical behavior would be tested.

Hitt, Keats and De Marie (1998) identified strategic challenges and discontinuities encountered by firms in 21st century. They analyzed that to build and maintain competitive advantage, requires a new types of organization, leaders for survival and global market leadership. It was concluded that success in 21t century organization would depend on building strategic flexibility like exercising strategic leadership, building dynamic core competencies, focusing and developing human capital, effectively using new manufacturing technologies and implementing new organization structures and culture. Therefore, the responsibility of banks in this scenario should be reviewed so that changes of 21 t century can be effectively controlled.

There is a strong need for re-inventing the role of banks as Jeucken (2001) has compared three world regions Europe (24 banks), North America (6 banks) and Oceania (Japan and Australia; 4 banks) for the period of 1998 to 2000. He analyzed and focused some important differences between regions, countries, and banks with regard to sustainable banking. The methodology was entirely based on studying environmental and annual reports of banks. He concluded that 53 percent of the banks adopt a defensive position towards the environment issue. Still, a large group of banks do not see the role, which they can play a sustainable development. Sahu and Rajasekhar (2005) addressed and analyzed certain questions

regarding bank credit to the agricultural sector and impact of the closure of rural bank branches on the provision of credit to agriculture by analyzing the data on the total outstanding credit provided by the scheduled commercial banks to the agricultural sector during the period 1981 to 2000 and concluded that profit-oriented norms persuaded commercial banks to neglect the agricultural sector, provision of a credit subsidy reduce the supply of agricultural credit.

Lyme, Nielson and Tierney (2009) evaluated and analyzed 10000 Multilateral Development Banks (MDBs) loans from 1980 to 2000. They found that (MDBs) dramatically increased social lending for health, education and safety nets after 1985. Yet the great powers social policy preferences remained relatively static from 1980 to 2000. This contradicts the conventional view that powerful states control International Organizations (10s). They argued that highly institutionalized IOs like MDBs require a complete model of possible member-state coalitions encompassing the preferences of all member states-not just major powers. McMichael (2009) questions the bank's new vision, arguing that 'new wine in old bottles' will continue to supply affluence rather than feed the world' and sustain its agricultures, especially at a time when land is being commandeered for luxury foods (e.g. the livestock complex, all-season vegetables and fruits) and bio-fuels, neither of which feed the poor. Ironically, the reproduction of poverty remains the bank's main source of legitimacy.

Goyal and Joshi (2011) studied a sample of 19 bank mergers (post liberalization) based on number of branches and geographical penetration in the market. Apart from financial aspects, they observed some emerging issues like employee perception, branch size, customer perception, communication, change management strategies and human resource management. These issues can be settled when a bank implements certain social and ethical policies.

Weber and Remer (2011) described social banking as a way of value-driven banking that has a positive social and ecological impact at its heart, as well as its own economic sustainability. Most of the social banks came out of the crisis much stronger and bigger than they were before.

In addition, none of the social banks had to be bailed out with public funds. This increasingly attracts the interest not only of clients searching for safe and sensible ways to deposit their funds but also of conventional banks that begin to understand the potential of a more socially

oriented approach towards banking. It is a matter of awareness, which compel us to have some views from a different outlook. Bearing in mind the various functions of a bank and current scenario, now it is high time to understand the role of banks in 21century.

Therefore, the study is conducted to understand the various roles and responsibilities of banks in order to strive more effectively against some current issues, which has already attracted the attention of the world.

Following are the objectives to uncover the issues:

- To understand the various roles and functions of Banks.
- To know various emerging issues of 21st century in banking industry of India.

The synopsis of my report's literature review is JAMUNA BANK LIMITED and DUTCH BANGLA BANK LIMITED, the focus is on satisfying existing needs in the real economy and the society; also taking into account their social, cultural, ecological and economic sustainability. In the repercussion of the crisis., many people felt that green banking is more caring for the overall progress of society than traditional and mainstream banking. It is assumed that green banking may provide important lessons for the banking and financial sector to avoid further crisis in the future.

CHAPTER: 03

METHODOLOGY OF THE STUDY

Methodology

In this study, exploratory research was undertaken to gain insights and understanding of the overall banking industry and also to determine some of the attributes of service quality in Banks. After, that a more comprehensive conclusive research was undertaken to fulfill the main purpose of the study.

Conceptualization:

Conceptualization is the way of developing concepts about the topic and its related matter. The study follows a procedural approach in order to get complete picture of concentration different banks initiatives Jamuna Bank Limited and Dutch Bangla Bank Limited banking in worldwide and in Bangladesh especially Commercial Bank limited.

Theoretical Framework:

The theoretical framework is focused on the insight of the current process and techniques in related to practice AB bank, NCC bank and IBBL banking to get sustainability. It emphasizes the commercial banking policy, commercial banking strategies, commercial products and probable key opportunities of the products. And the inter relationship with making the environment is commercial system.

Sources of Data:

In order to make the report more meaningful and presentable, data is collected from many sources. The data collection sources can be accumulated two sources. Majority of the information was collected from secondary sources.

Primary sources:

The "Primary Sources" are as follows-

- Face-to faces conversation with the respective officers and staffs of the bank.
- Informal conversation with the investment clients.
- Relevant file study as provided by the officers concerned.
- Different guidelines of Head Office
- Consolation with bank official
- Discussion with the supervisor

- Personal investigation with bankers

Secondary sources:

The "Secondary Sources" of data and information are:

- Annual Report (Last five years) of that bank.
- Different procedure manual published by this bank.
- Various books, articles, compilations etc. regarding green banking functions, and the policies.
- Newspaper, journal, articles etc.
- Reading various files
- Interview of the employees
- Personal observation
- Internet and Study of selected reports
- Prior research report
- Any information and literature regarding the Banking sector

Data processing and analysis

Collected data and information both from primary and secondary sources were analyzed. Raw data collection from survey and edited and then classified according to the objectives. have used some techniques for the purpose of analysis. These are:

- Theoretical analysis
- Graphical analysis
- Tabular analysis

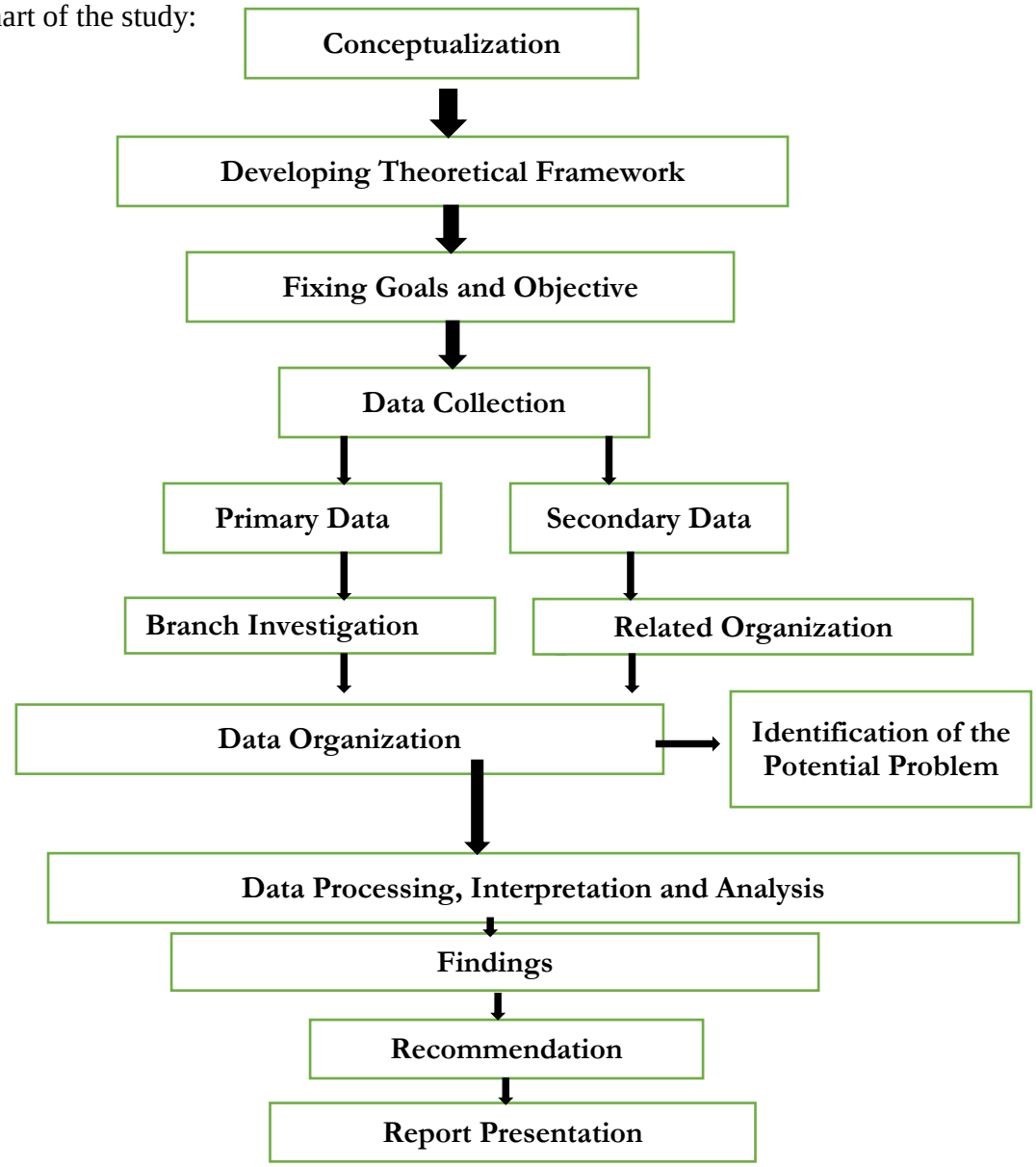
Preparation of the report

Following steps are associated with the preparation of this thesis:

- Representations of the assembled data through graph.
- Preparation of the draft report.

Flow Chart of the Study Methodology

Following is the flow chart of the study:



CHAPTER: 04

ORGANIZATION PROFILE

Background of the Organization

Jamuna Bank Ltd.:

Jamuna Bank Limited (JBL) is a Banking Company registered under the Companies Act, 1994 with its Head Office at Printers Building (2nd & 8th Floor), 5, Raja Avenue, Dhaka-1000. The Bank started its operation from 3rd June 2001.

Jamuna Bank Limited is a highly capitalized new generation Bank with an Authorized Capital and Paid-up Capital of Tk.1600.00 million and Tk.390.00 million respectively. The Paid-up Capital has been raised to 429.00 million and the total equity of the bank stands at 725.00 million as on June 30, 2005. Currently the Bank has 35 (Thirty-Five) branches 14 in Dhaka, 6 in Chittagong, 2 in Gazipur, 3 in Sylhet, 1 in Bogra, 2 in Naogaon, 1 in Munshiganj, 1 in Shirajganj, 1 in Rajshahi and 1 in Narayanganj (including Nine Rural Branches).

The Bank undertakes all types of banking transactions to support the development of trade and commerce of the country. JBL's services are also available for the entrepreneurs to set up new ventures and BMRE of industrial units.

Jamuna Bank Ltd., the only Bengali named new generation private commercial bank was established by a group of winning local entrepreneurs conceiving an idea of creating a model banking institution with different outlook to offer the valued customers, a comprehensive range of financial services and innovative products for sustainable mutual growth and prosperity. The sponsors are reputed personalities in the field of trade, commerce and industries.

The Bank is being managed and operated by a group of highly educated and professional team with diversified experience in finance and banking. The Management of the bank constantly focuses on understanding and anticipating customer's needs. The scenario of banking business is changing day by day, so the bank's responsibility is to device strategy and new products to cope with the changing environment. Jamuna Bank Ltd. has already achieved tremendous progress within only two years. The bank has already ranked as one of the quality service providers & is known for its reputation. Jamuna Bank offers different types of Corporate and Personal Banking Services involving all segments of the society within the purview of rules and regulations laid down by the Central Bank and other regulatory authorities.

Dutch Bangla Bank ltd.:

Dutch-Bangla Bank Limited is a scheduled commercial bank. The Bank was established under the Bank Companies Act 1991 and incorporated as a public limited company under the Companies Act 1994 in Bangladesh with the primary objective to carry on all kinds of banking business in Bangladesh. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. DBBL- a Bangladesh European private joint venture scheduled commercial bank commenced formal operation from June 3, 1996. The head office of the Bank is located at Senakalyan Bhaban (4^{th}, 5^{th} and 6th floor), 195, Motijheel C/A, Dhaka, Bangladesh. The Bank commenced its banking business with one branch on 4 July 1996.

Dutch Bangla Bank Limited (DBBL) is a public limited company by shares, incorporated in Bangladesh in the year 1995 under companies Act 1994. With 30% equity holding, the Netherlands Development Finance company (FMO) of the Netherlands is the international co-sponsor of the Bank. Out of the rest 70%, 60% equity has been provided by prominent local entrepreneurs and industrialists & the rest 10% shares is the public issue. During the initial operating year (1996-1997) the bank received skill augmentation technical assistance from ABN Amro Bank of the Netherlands.

DBBL's focus is to provide one counter service to clients covering: Commercial Banking (Deposit Accounts), Consumer Banking (Retail Baking) – Traveler Cheques- Foreign & Inland Remittances, Financial Services, Corporate Banking, Asset & liability management, Liquidity & capital Resources Management, Information technology, Human Resources.

DBBL Internet banking enables customer to access his/her personal or business accounts anytime anywhere from home, office or when traveling. Internet Banking gives customer the freedom to choose his/her own banking hours. It can save time, money and effort. It's fast, easy, secure and best of all.

DBBL, since its inception was active in various social activities, which increased manifold over the period of time and its growth. It is one of the fast growing leading online banks in private sector. The emergence of Dutch-Bangla Bank Ltd. in the private sector is an important event in the banking area of Bangladesh. The Netherlands Development Finance Company (FMO) of the Netherlands is the international sponsor of the Bank. The FMO is the Dutch development bank of the Netherlands specialized in the financing of private enterprises in Asia, Africa, Latin America and Eastern Europe.

Dutch-Bangla Bank Ltd. came into existence with joint venture as a public limited company incorporated in Bangladesh on June 26, 1995 with the primary objectives to carry on all kinds of banking business in and outside of Bangladesh. DBBL has started its business with foreign bank. DBBL commenced its business as scheduled bank with effect from July 04, 1995 with one branch-Motijheel Branch, Dhaka, with a motto to grow as a leader in the banking arena of Bangladesh through better counseling and effect service to clients and thus to revitalize the economy of the country. All the branches are currently providing truly On-Line banking facility. DBBL resumed its operational activities initially with an authorized capital of Tk.400 million and paid up capital of Tk.202.14 million.

Vision statement of Jamuna bank:

To be in the forefront of national development by providing all the customers inspirational strength, dependable support and the most comprehensive range of business solutions, through our team of professionals who work passionately to be outstanding in everything we do.

Mission statement of Jamuna bank:

Jamuna Bank Ltd will become most caring, focused for equitable growth based on diversified deployment of resources, and nevertheless would remain healthy and gainfully profitable Bank.

Will become most caring, focused for equitable growth based on diversified deployment resources, and nevertheless would remain healthy and gainfully profitable Bank. Jamuna Bank Limited aims to become one of the leading banks in Bangladesh by prudence, flair and quality of operations in their banking sector. The bank has some mission to achieve the organizational goals. Some of them are as follows as:

- Jamuna Bank Limited provide high quality financial services to strengthen the wellbeing and success of individual, industries and business communities.
- Its aim to ensure their competitive advantages by upgrading banking technology and information system.
- JBL intends to play more important role in economic development of Bangladesh and its financial relations with the rest of the world by interlining both modernistic and international operations.
- JBL encourages investors to boost up share market.
- The bank creates wealth for the shareholders.
- The bank believes in strong capitalization.
- It maintains high standard of corporate and business ethics.
- Jamuna Bank Limited extend highest quality of services, which attracts the customers to choose them first.
- The bank creates wealth for the shareholders.
- The bank maintains congenial atmosphere for which people are proud and eager to word with Jamuna Bank Limited.
- Jamuna Bank Limited intend to provide better benefits to their customers and good returns to their shareholders.
- The bank intends to meet the needs of their clients and enhance their profitability by creating corporate culture.

Jamuna Bank Ltd will become most caring, focused for equitable growth based on diversified deployment of resources, and nevertheless would remain healthy and gainfully profitable Bank.

Objectives of JBL

- To earn and maintain CAMEL Rating 'Strong'
- To establish relationship banking and improve service quality through development of Strategic Marketing Plans.
- To remain one of the best banks in Bangladesh in terms of profitability and assets quality.
- To introduce fully automated systems through integration of information technology.
- To ensure an adequate rate of return on investment
- To keep risk position at an acceptable range (including any off balance sheet risk)
- To maintain adequate liquidity to meet maturing obligations and commitments.
- To maintain a healthy growth of business with desired image.
- To maintain adequate control systems and transparency in procedures.
- To develop and retain a quality work-force through an effective human Resources Management System. To ensure optimum utilization of all available resources
- To pursue an effective system of management by ensuring compliance to ethical norms, transparency and accountability at all levels.

Product of JBL:

The Bank has an array of tailor made financial products and services. Such, products are Monthly Savings Schemes, Consumer Credit Scheme, Lease Finance, and Personal Loan for Women, and Shop Finance Scheme etc. JBL also introduced Q -cash ATM cards for its valued customers giving 24 hours banking services through Debit Cards. JBL offers the following services to its valued customer-

(a) Deposit Schemes

(b) Remittance and Collection

(c) Import and Export handling and finance

(d) Loan syndication

(e) Project finance

(f) Investment Banking

(g) Lease Finance

(h) Hire Purchase

(i) Personal Loan for Woman

(j) 24-hours banking: Q-Cash ATM facility

(k) Islamic Banking

(l) Corporate Banking

(m) Consumer Credit Scheme

(n) International Banking.

Mission statement of Dutch Bangla bank:

Each business unit needs to define its specific mission within the broader company mission. Dutch-Bangla Bank engineer's enterprise and creativity in business and industry with a commitment to social responsibility. "Profits alone" do not hold a central focus in the Bank's operation; because "man does not live by bread and butter alone". Mission statements are at their best when they are guided by a vision.

Vision statement of Dutch Bangla bank:

"To become a leading banking institution and play a pivotal role in the development of the country"

Vision, a compelling view of a future yet to be, creates meaning and purpose which catapults both individuals and organizations to high levels of achievement. Dutch-Bangla Bank dreams of better Bangladesh, where arts and letters, sports and athletics, music and entertainment, science and education, health and hygiene, clean and pollution free environment and above all a society based on morality and ethics make all our lives worth living. DBBL's essence and ethos rest on a cosmos of creativity and the marvel-magic of a charmed life that abounds with spirit of life and adventures that contributes towards human development.

Objectives of DBBL

- To earn and maintain CAMEL Rating 'Strong'
- To establish relationship banking and improve service quality through development of Strategic Marketing Plans.
- To remain one of the best banks in Bangladesh in terms of profitability and assets quality.
- To introduce fully automated systems through integration of information technology.
- To ensure an adequate rate of return on investment
- To keep risk position at an acceptable range (including any off balance sheet risk)

Product of Dutch Bangla Limited

Dutch Bangla Bank offers a wide range of products and services to their clients. The bank offers
different Deposit and Advances schemes, Personal banking, SME banking, Corporate banking,
Mobile banking, Agent Banking etc. Some of them are as follows-

- Deposits and Advances
- Personal Banking

- Corporate Banking
- Letter of Credit-Trade Business
- SME Banking

Core Values

- Strive for profit & sound growth.
- Work as team to serve the best interest of our owners.
- Relentless in pursuit of business innovation and improvement.
- Value and respect people and make decisions based on merit.
- Base recognition and reward on performance.
- Responsible, trustworthy and law-abiding in all that we do.
- Highest standard of Honesty, Integrity & Morale
- Welfare Banking
- Equity and Justice
- Environmental Consciousness
- Personalized Service
- Adoption of Changed Technology
- Proper Delegation, Transparency& Accountability

Commitments

- To Shariah
- To the Regulators
- To the Shareholders
- To the Community
- To the Customers
- To the Employees
- To other stakeholders& To Environment

Ethic's Principles

We are compliant to our country's laws and regulations.

We reject bribery and corruption.

We avoid compromised gifts and entertainment.

We speak up if we suspect any actual, planned or potential behavior that may breach any laws and regulations.

We are compliant to Anti Money Laundering guidelines and other prudential regulations provided by our regulators.

We resolve customer complaints quickly and fairly.

We maintain confidentiality and fidelity of our customer.

We treat our colleagues with fairness and respect; work with highly motivated team spirit and fellowship bondage.

Management Hierarchy of Jamuna Bank ltd.

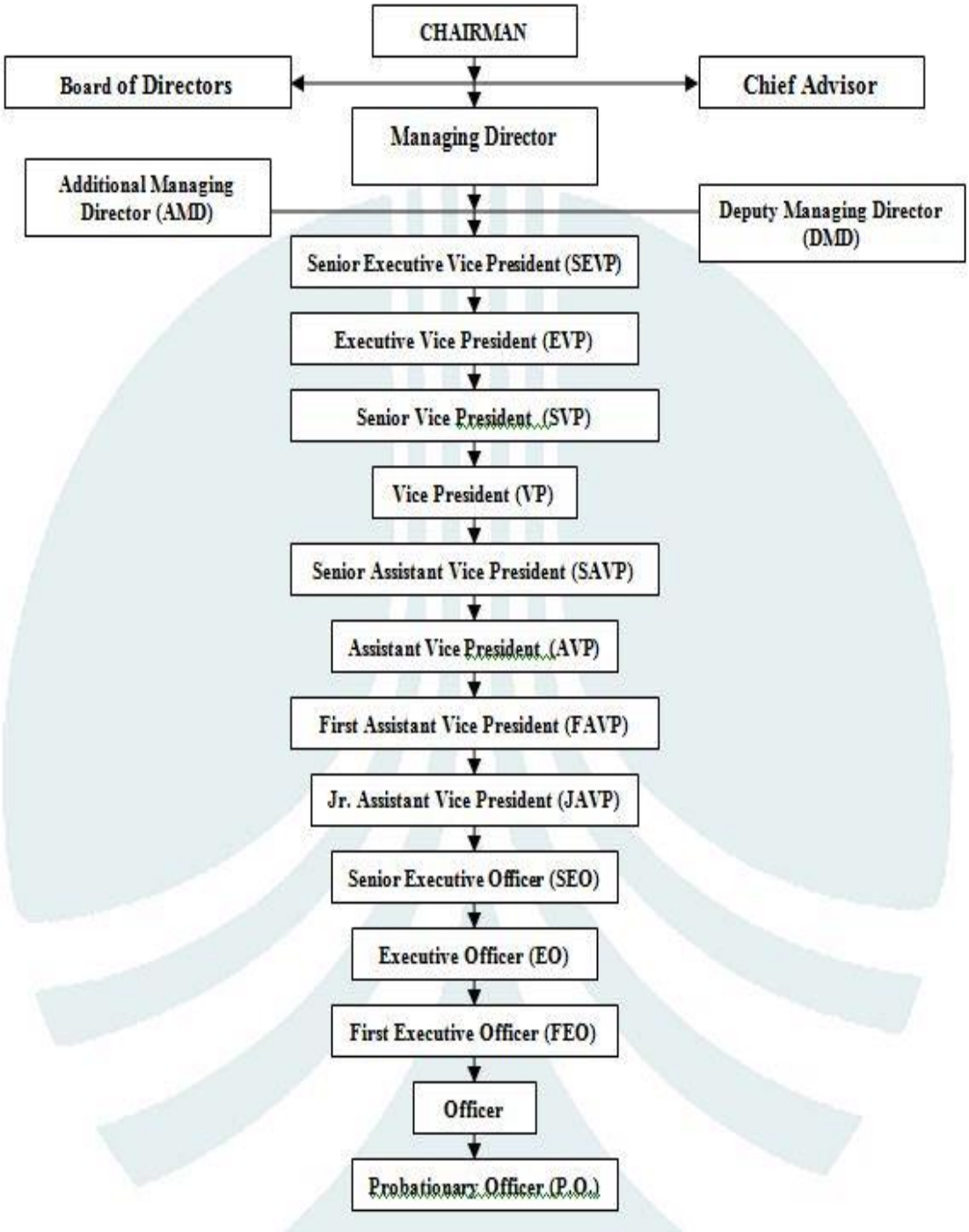


Figure: Management Structure of JBL

Management Hierarchy of Dutch Bangla Bank Ltd.



Figure: Management Structure of DBBL

Chapter: 05

FINANCIAL PERFORMANCE ANALYSIS

(Year: 2017-2021)

5.1 Profitability Ratio

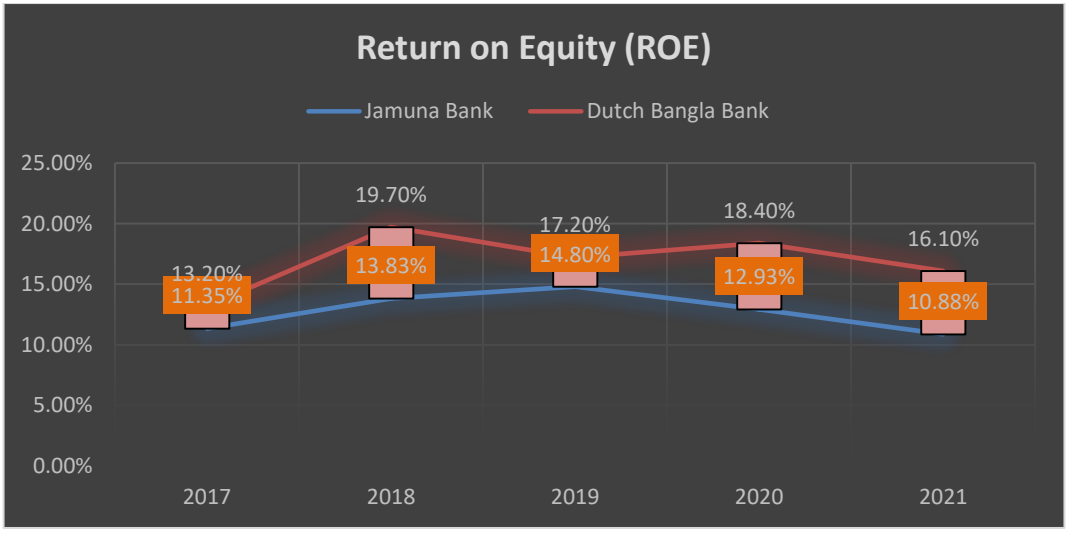
A profitability ratio is a measure of profitability, which is a way to measure a company's performance. Profitability is simply the capacity to make a profit, and a profit is what is left over from income earned after you have deducted all costs and expenses related to earning the income. The formulas you are about to learn can be used to judge a company's performance and to compare its performance against other similarly-situated companies.

5.1.1 Return on Equity:

Return on equity means the amount of net income returned as percentage of shareholders' equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

Return on Equity (ROE)= Net income after tax/Total equity capital

	Return on Equity (ROE)	
Year	**Dutch Bangla Bank**	**Jamuna Bank**
2017	**13.2%**	**11.35%**
2018	**19.7%**	**13.83%**
2019	**17.2%**	**14.80%**
2020	**18.4%**	**12.93%**
2021	**16.1%**	**10.88%**



Graph 1: Return on Equity (ROE)

Analysis:

The standard ROE for banks is between 15% to 20%. Dutch Bangla bank ROE from 2017 to 2021 was 13.2%, 19.7%, 17.2%, 18.4%, 16.1% which indicate that in 2018 its ROE is very good but after that its reduced in the next year then again increased next years and in 2021 again reduce that indicate the bad performance of the company. Its ROE always below 20% that indicate that the bank couldn't use their investors' money successfully because investors always demand higher ROE that Dutch Bangla Bank fail to maintain in higher rate and it reduced gradually.

The ROE of jamuna bank over last five years was 11.35%, 13.83%, 14.80%, 12.93%, 10.88%. The ROE of jamuna was quite consistent but the ratio lower that 15% which not good for the investors because they always demand higher ROE. When we look around the

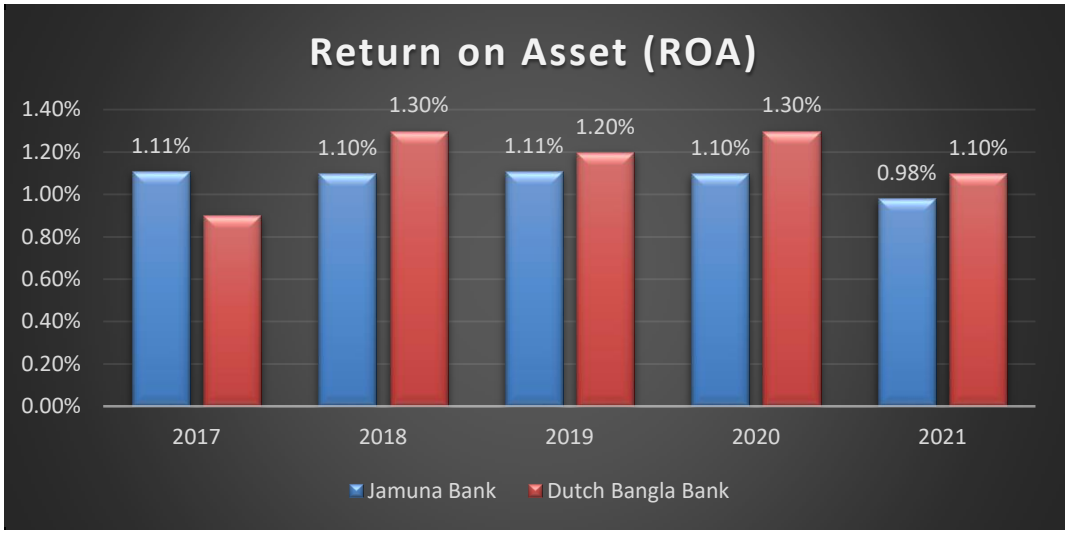
ROE of these two banks Dutch Bangla bank ROE is always higher than Jamuna bank that means Dutch Bangla bank use their investor money more successfully than Jamuna bank and they are able to attract more confident of investor than Jamuna bank

5.1.2 Return On Asset:

An indicator of how profitable a company is relative to its total asset. ROA gives an idea as to how efficient management is at using its assets to generate earnings. Calculated by dividing a company's annual earnings by its total assets, ROA is displayed as a percentage. Sometimes this is referred to as "return on investment".

Return on Asset(ROA)= Net income after Tax/Total Asset

	Return on Assets (ROA)	
Year	**Dutch Bangla Bank**	**Jamuna Bank**
2017	**0.9%**	**1.11%**
2018	**1.3%**	**1.10%**
2019	**1.2%**	**1.11%**
2020	**1.3%**	**1.10%**
2021	**1.1%**	**0.98%**



Graph 2: Return on Asset (ROA)

Analysis:

Return on assets (ROA) is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. Calculated by dividing a company's annual earnings by its total assets, ROA is displayed as a percentage. The ROA of Dutch Bangla bank from 2017 to 2021 was 1.11%,1.10%,1.11%,1.10%,0.98% which indicate that they use their asset very efficiently their ROA is always higher than 80% in three years and less than one year but the ROA in these two years is also high. So Dutch Bangla bank use their asset successfully and generate huge profit.

The ROA of Jamuna bank from 2017 to2021 was 0.9%,1.3%,1.2%,1.3%,1.1% which is very sign for the company because their ROA was always more than 90% in each year that

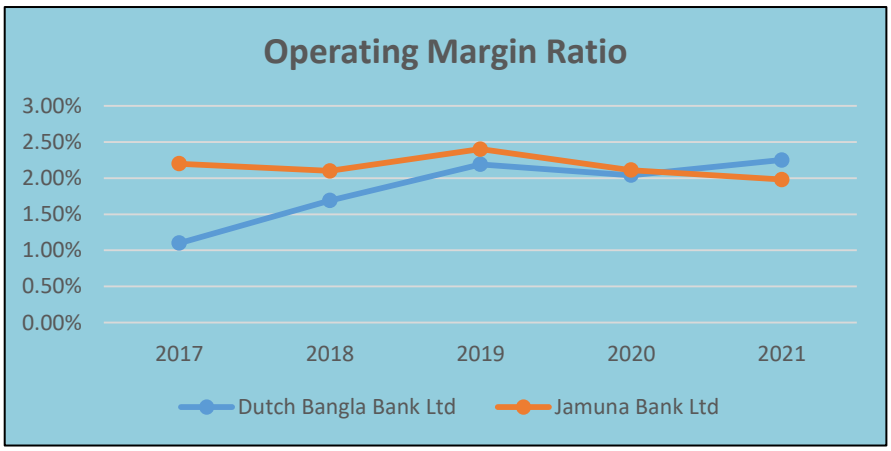
indicate that they did a huge profit over last five years. According ROA Jamuna bank use their asset more successfully than standard bank and earn more profit than Dutch Bangla bank.

5.1.3 Operating Profit Margin Ratio:

The operating profit margin ratio indicates how much profit a company makes after paying for variable cost of production such as wages, raw materials, etc. It is expressed as a percentage of sales and shows the efficiency of a company controlling the costs and expenses associated with business operations. Phrased more simply, it is the return achieved from standard operations and does not include unique or one time transactions. Term used to describe operating profit margin ratio this includes operating income margin, operating profit margin or return on sales (ROS).

Operating Profit Margin= Total operating Revenues-Total operating expense/Total asset

	Operating Margin Ratio	
Year	**Dutch Bangla Bank**	**Jamuna Bank**
2017	**1.10%**	**2.20%**
2018	**1.69%**	**2.10%**
2019	**2.19%**	**2.40%**
2020	**2.04%**	**2.11%**
2021	**2.25%**	**1.98%**



Graph 5: Operating margin ratio

Analysis:

The operating margin ratio for Dutch Bangla bank from 2017 to 2021 was 1.10%, 1.69%, 2.19%, 2.04%, 2.25%. Dutch Bangla bank operating margin ratio is higher over last five years that indicate that they control their cost so efficiently and generating huge profit before loan provision and tax.

The operating margin ratio for Jamuna bank from 2017 to 2021 was 2.20%, 2.10%, 2.40%, 2.11%, & 1.98%. The operating margin of jamuna bank is good as they are new bank in the industry they have huge amount of cost in the beginning session.

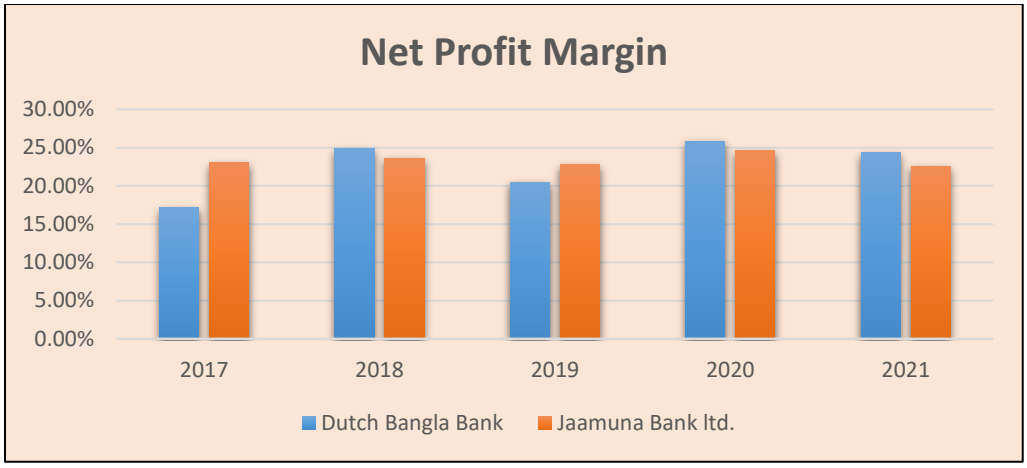
The operating margin ratio of Jamuna bank ltd. is much higher than Dutch Bangla bank over last five years that indicate that Jamuna bank efficiently managing their cost than Dutch Bangla bank and did well over last five years.

5.1.4 Net profit margin:

It measures how much out of every dollar of sales a company actually keeps in earnings. Profit margin is very useful when comparing companies in similar industries. A higher profit margin indicates a more profitable company that has better control over its costs compared to its competitors.

Net Profit Margin Ratio (NPM)= Net Income after Tax+ Extraordinary Revenue (expense)/Total Operation Revenue

	Net Profit Margin	
Year	**Dutch Bangla Bank**	**Jamuna Bank**
2017	**17.15%**	**23.02%**
2018	**24.84%**	**23.60%**
2019	**20.48%**	**22.80%**
2020	**25.84%**	**24.59%**
2021	**24.31%**	**22.58%**



Graph 6: Net profit margin

Analysis:

Net profit margin of Dutch Bangla bank from 2017 to 2021 was 17.15%, 24.84%, 20.48%, 25.84%, and 24.31%. Dutch Bangla bank net profit margin in 2020 was high 25.84% but after that it reduced in 2021 into 24.31% but in 2017 net profit margin was very low 17.15%. In 2018 it increases a lot into 24.84% then again reduced into 20.48%. This ratio shows that profit fluctuates a lot over last five years which not good for the bank reputation because with a fluctuating profit statement they lose their investor confidence as well their customer.

Net profit margin of Jamuna bank from 2017 to 2021 was 23.02%, 23.60%, 22.80%, 24.59%, and 22.58%. Jamuna bank profit margin ratio increased and decreased over last five years that indicate that the bank made profit consistently over last five years.

Jamuna bank net profit margin ratio over last five years was much higher than Dutch Bangla bank that indicate that now the financial position of Jamuna bank is very good than Dutch Bangla bank. Jamuna bank may attract more confidence of both customer and investors than Dutch Bangla bank.

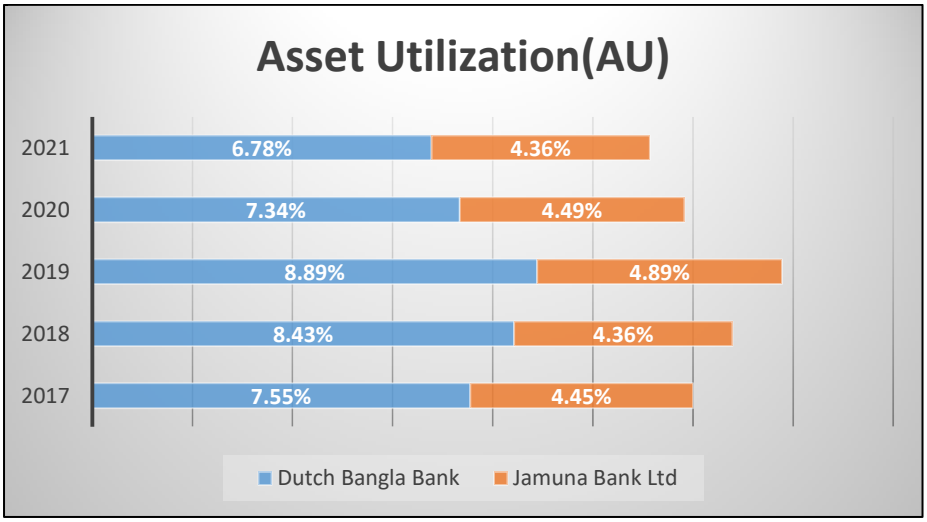
5.1.5 Asset Utilization:

The asset utilization ratio calculates the total revenue earned for every dollar of assets a company owns. Increasing asset utilization means the company is being more efficient with each dollar of assets it has.

This has ratio frequently used to compare a company's efficiency over time.

Asset Utilization (AU)= Total operating revenues/Total assets

	Asset Utilization Ratio	
Year	**Dutch Bangla Bank**	**Jamuna Bank**
2017	**7.55%**	**4.45%**
2018	**8.43%**	**4.36%**
2019	**8.89%**	**4.89%**
2020	**7.34%**	**4.49%**
2021	**6.78%**	**4.36%**



Graph 7: Asset Utilization (AU)

Analysis:

Asset Utilization Ratio of Dutch Bangla bank from 2017 to 2021 was 6.78%, 7.43%, 8.89%, 8.43%, & 7.55%. Dutch Bangla bank Asset Utilization Ratio is quite high that indicate that they used their asset over last five very efficiently. Except 2017 they generate more than $4 for every dollar of investment.

Asset Utilization Ratio of Jamuna bank from 2017 to 2021 was 4.36%, 4.49%, 4.89%, 4.36%, & 4.45%. Jamuna bank asset utilization ratio over last five years was more than in every year that means they were able to generate more than 2 dollars in every year of $1 of investment.

Dutch Bangla bank asset utilization ratio was high in every year than Jamuna bank over last five years that shows Dutch Bangla bank used their more efficiently than Jamuna bank.

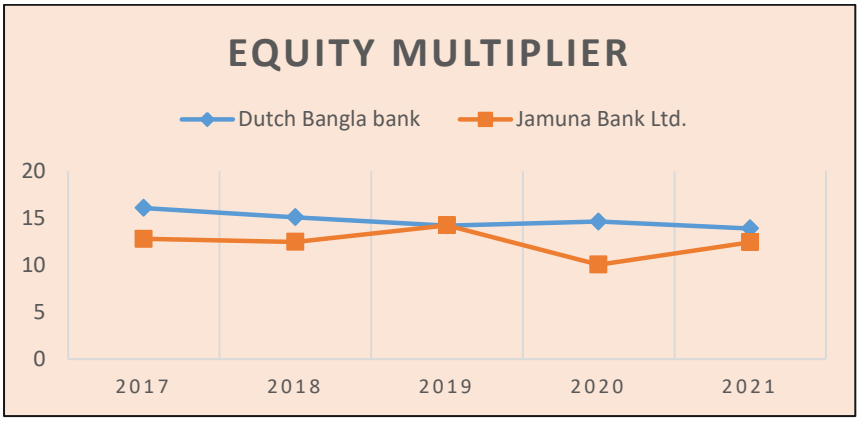
5.1.6 Equity Multiplier:

The equity multiplier is a measurement of a company's financial leverage. Like all debt management ratios, the equity multiplier is a way of examining how a company uses debt to finance its assets, also known as the financial leverage ratio or leverage ratio. In other words,

this ratio shows a company's total assets per dollar of stockholders' equity. A higher equity multiplier indicates higher financial leverage, which means the company relying more on debt to finance its assets.

Equity Multiplier (EM)= Total assets/Total equity capital

Equity Multiplier		
Year	**Dutch Bangla Bank**	**Jamuna Bank**
2017	**16.1**	**12.81**
2018	**15.1**	**12.48**
2019	**14.22**	**14.26**
2020	**14.64**	**10.07**
2021	**13.91**	**12.44**



Graph 8: Equity Multiplier

Analysis:

Jamuna could not finance their assets with their equity that much in terms of Dutch Bangla bank. But here we can see that from 2017 and 2021 Jamuna bank lose their ratio which was 12.81 and 12.44 percent that is very bad indication for the Jamuna bank. But Dutch Bangla bank maintains their flow and doing better than Jamuna bank.

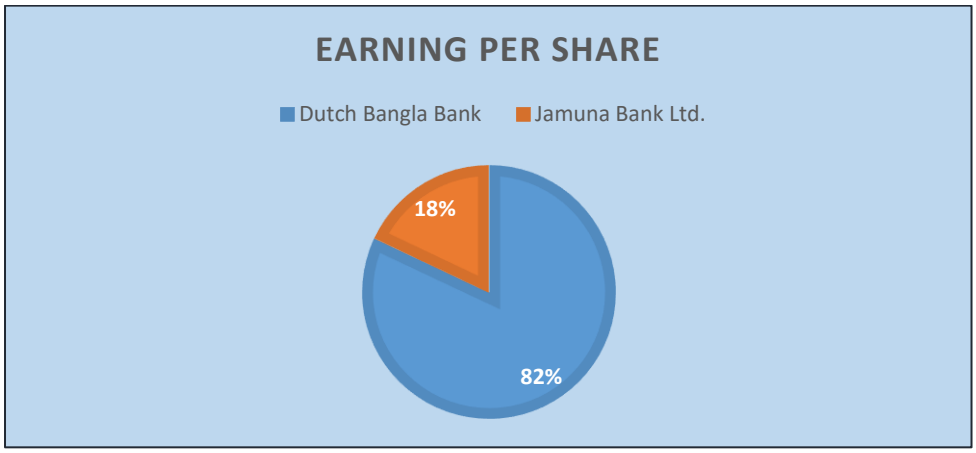
So, Jamuna bank should improve this ratio to finance their assets with their equity.

5.1.7 Earnings per Share (EPS):

The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

Earnings per Share (EPS)= Net Income Available for Common Stockholder/Common Equity share Outstanding.

	Earnings Per share	
Year	**Dutch Bangla Bank**	**Jamuna Bank**
2017	**12.3**	**2.70**
2018	**21.0**	**3.09**
2019	**8.7**	**3.48**
2020	**10.0**	**3.56**
2021	**8.8**	**3.31**



Graph 9: Earning per Share (EPS)

Analysis:

Earnings per share of Dutch Bangla bank from 2017 to 2021 was 12.3, 21, 8.7, 10, and 8.8. The earning per share of Dutch Bangla bank over last five years is reducing but always more than 1% that indicate that their investor always get profit from their investment.

Earnings per share of Jamuna bank from 2017 to 2021 was 2.70, 3.09, 3.48, 3.56, and 3.31. The EPS of Jamuna bank consistently increasing over last five years which is very good for the bank because it attracts the attention of the invertor invest their company.

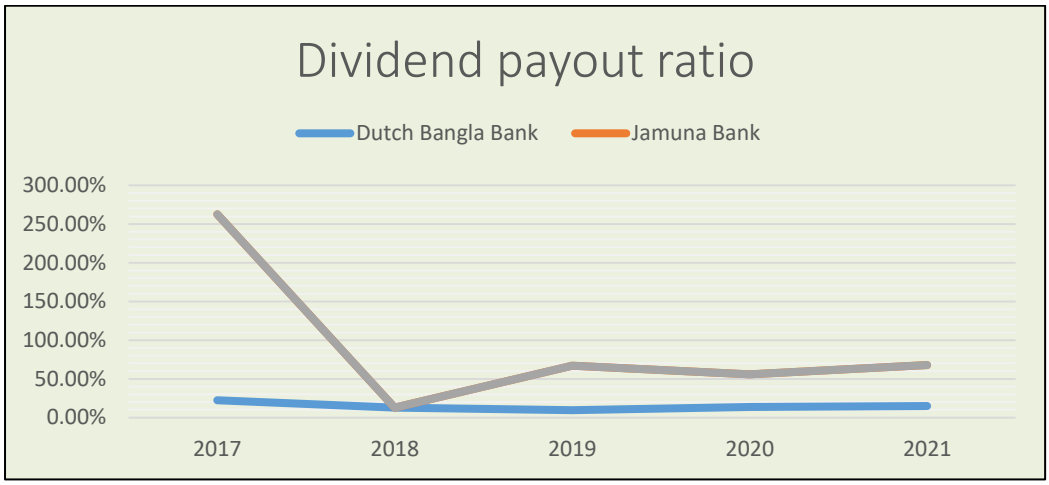
Dutch Bangla Bank per share was always higher than Jamuna bank that indicate Dutch Bangla bank generating more profit for their investor than Jamuna bank that's why investors are more willing to invest in Dutch Bangla bank than Jamuna bank.

5.1.8 Dividend payout Ratio:

The dividend payout ratio is the percentage of earnings paid to shareholders in dividends.

Dividend payout Ratio= Dividend for common stockholders'/Net income

	Dividend Payout Ratio	
Year	**Dutch Bangla Bank**	**Jamuna Bank**
2017	**22.31%**	**62.29%**
2018	**12.76%**	**0.00%**
2019	**9.55%**	**57.45%**
2020	**13.61%**	**42.08%**
2021	**15.03%**	**52.93%**



Graph 11: Dividend payout ratio

Analysis:

In 2017 Dutch Bangla bank gave 23.31% in terms of each taka of profit and eventually it decreases. For the jamuna bank they gave more percentage of dividend ten Dutch bangla bank and when they provide any dividend it that was satisfactory than Dutch Bangla bank.

5.2 Efficiency Ratio:

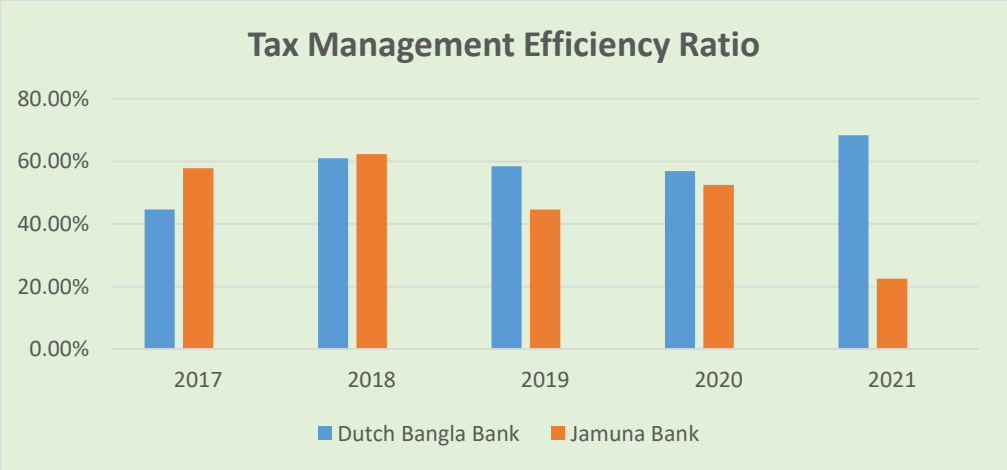
Ratios that are typically used to analyze how well a company uses its assets and liabilities internally. Efficiency Ratios can calculate the turnover of receivable, the repayment of liabilities, the quantity a usage of equity and the general use of inventory and machinery.

5.2.1 Tax Management Efficiency Ratio (TME):

The tax management efficiency ratio of a fund measures what percentage of a fund's earnings is lost to taxation. Since the purpose of a mutual fund is to put money into your pocket, tax efficiency is a useful way to measure the desirability of a fund. Funds that lose a lot of money to taxes have low efficiency and are less desirable, while those that lose little to taxes have a high tax management efficiency ratio and greater desirability.

Tax Management Efficiency Ratio (TME)= Net Income/Net Operating Income before

	Tax Management Efficiency Ratio	
Year	**Dutch Bangla Bank**	**Jamuna Bank**
2017	**44.63%**	**57.80%**
2018	**60.94%**	**62.32%**
2019	**58.38%**	**44.64%**
2020	**56.91%**	**52.48%**
2021	**68.37%**	**61.54%**



Graph 12: Tax management efficiency ratio

Analysis:

Tax efficiency ratio of Dutch Bangla bank from 2017 to 2021 was 44.63%, 60.94%, 58.38%, 56.91%, and 68.37%. In 2018 and 2021 it was high that means in this two years they pay less tax than all other three years. In 2017, this ratio was quite low that means this year they use less debt and more equity or they earned more non-interest than interest income. Overall they were successful to maintain a high tax efficiency ratio in all five years.

Tax efficiency ratio of Jamuna bank from 2017 to 2021 was 57.80%, 62.32%, 44.64%, 52.48% & 61.54%. Jamuna bank tax efficiency ratio increase in 2021 that means they manage their tax liability very efficiently. In this year their debt portion was higher than their equity portion. In 2017 and 2018 the ratio was very near to each other. Overall they also successfully manage their tax liability very well.

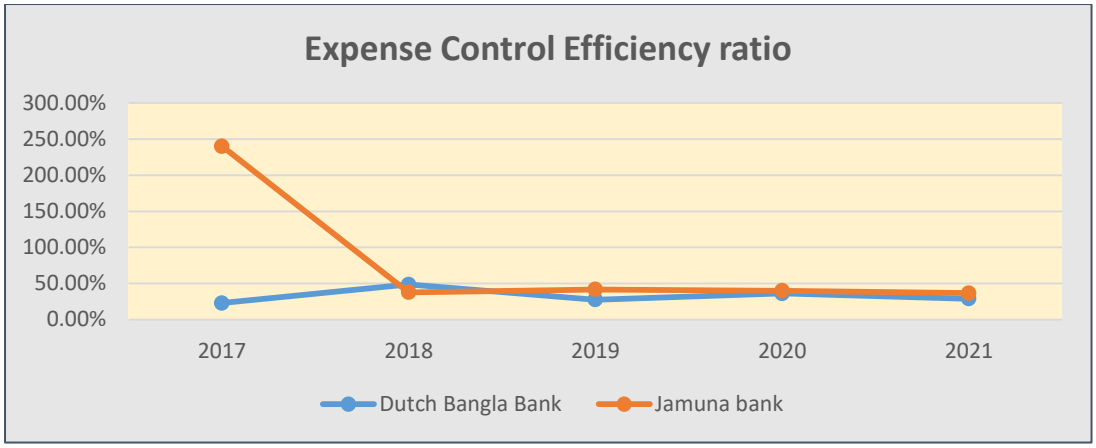
Jamuna bank manage their tax liability more successfully than Dutch Bangla bank that indicate that they always design their asset- liability ratio very carefully that helps them to reduce their tax liability a lot than Dutch Bangla bank.

5.2.2 Expense Control Efficiency Ratio:

Expense control efficiency ratio indicates how a company manages their expense properly.

Control Efficiency Ratio (ECE)= Net Operation Income before Tax/Total Operating Revenues

	Expense Control Efficiency Ratio	
Year	**Dutch Bangla Bank**	**Jamuna Bank**
2017	**22.91%**	**39.82%**
2018	**48.55%**	**37.86%**
2019	**27.59%**	**41.78%**
2020	**36.30%**	**40.05%**
2021	**28.83%**	**36.68%**



Graph 13: Expense control efficiency ratio

Expense control efficiency ratio of Dutch Bangla bank from 2017 to 2021 was 22.91%, 48.55% 27.59%, 36.30%, 28.83%. In 2018 and 2020 it was high that means in these two years the control of expense is better the operating efficiency higher than all other three years. In 2017 the percentage is quite low that's means in this year they cannot maintain properly the operating efficiency. Overall they were try to maintain good operating efficiency and try to control the expense ratio in all five years.

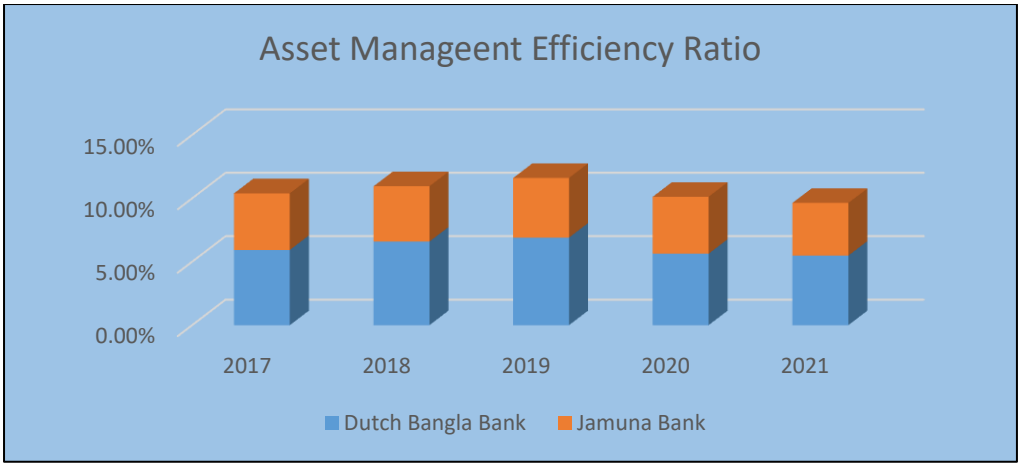
Tax efficiency ratio of Jamuna bank from 2017 to 2021 was 39.82%, 37.86%, 41.78%, 40.05%, 36.68%. Jamuna bank operating efficiency ratio increase in 2017, 2019 and 2020. Actually the last five years they maintain really a good performance on expense control and operating efficiency and 2019 at a very high rate that means in these year the manage their expense and total revenue very efficiently.

5.2.3 Asset management efficiency ratio (AME):

Asset management efficiency ratio calculates the total revenue earned for every taka of assets a company owns. Increasing asset management ratio means the company is being more efficient with each taka of assets it has. This ratio is frequently used to compare a company's efficiency over time.

Assets Management Efficiency Ratio (AME)= Total Operating Revenues/Total Assets

	Asset Management Efficiency Ratio	
Year	**Dutch Bangla Bank**	**Jamuna Bank**
2017	**5.93%**	**4.46%**
2018	**6.59%**	**4.36%**
2019	**6.90%**	**4.70%**
2020	**5.63%**	**4.49%**
2021	**5.48%**	**4.15%**



Graph 14: Asset Management Efficiency Ratio

Analysis:

Asset management efficiency Ratio of Dutch Bangla bank from 2013 to 2017 was 4.77%, 4.62%, 4.77, %, 4.42. %. 3.99%. Its shows that their asset management efficiency are decreasing day by day. In last 5 years they have higher percentage on 2013 and lower percentage on 2017. They cannot manage the asset efficiently.

Asset management efficiency Ratio of JAMUNA bank from 2013 to 2017 was 3.00%, 2.67%, 2.31 %, 2.61%, 2.50%. it's also shows that their asset management efficiency is decreasing day by day as like standard. In last 5 years they have higher percentage on 2013 and lower percentage on 2017. They also cannot manage the asset efficiently.

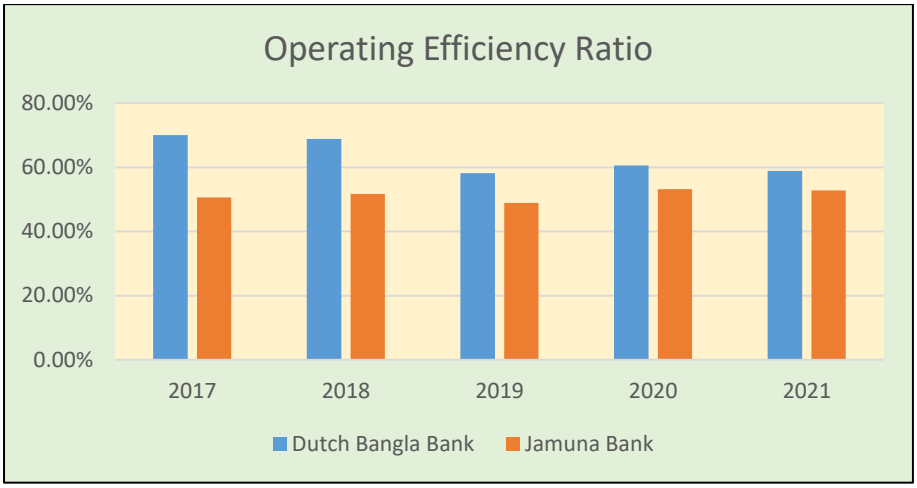
In a comparison of Dutch Bangla bank and JAMUNA bank that shows Dutch Bangla bank manage their asset more efficiently than JAMUNA bank. The percentage of both bank is decreasing year to year. But in comparison Dutch Bangla bank are more efficient to manage their asset.

5.2.4 Operating efficiency Ratio(OER):

Operational efficiency can be defined as the ratio between the input to run a business operation and the output gained from the business. When improving operational efficiency, the output to input ratio improves.

Operating Efficiency Ratio (OE)= Total Operating Expense/Total Operating Revenue

	Operating Efficiency Ratio	
Year	**Dutch Bangla Bank**	**Jamuna Bank**
2017	**69.99%**	**50.62%**
2018	**68.79%**	**51.71%**
2019	**58.21%**	**48.93%**
2020	**60.54%**	**53.14%**
2021	**58.84%**	**52.79%**



Graph 16: Operating Efficiency ratio

Analysis:

Here it is found that two operating efficiencies of Jamuna bank is higher than Dutch Bangla bank in every year (2017-2021). It is also found that highest operating efficiency rate of Dutch Bangla bank (69.99%) was in 2017 and the lowest efficiency rate was in 2019 (58.21). Its shows that the performance of Dutch Bangla bank are making good year to year. On the other hand the highest efficiency rate of Jamuna bank (53.14%) was in 2020 and the lowest efficiency rate of jamuna bank (48.973%) was in 2019.

5.3 Market Ratio:

Market value ratios evaluate the economic status of your company in the wider marketplace. value ratios include the earnings per share, price earnings ratio, the price/cash ratio, dividend yield, book value per share, market value per share, and the market/book ratio.

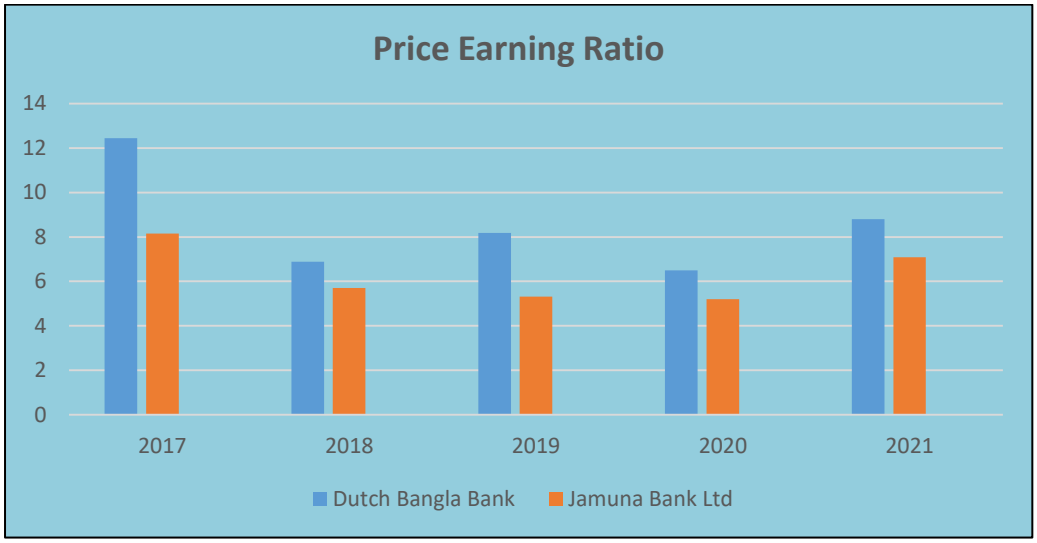
5.3.1 Price Earnings Ratio:

Price to earnings ratio (PE Ratio) is the measure of the share price relative to the annual net income earned by the firm per share. A high PE ratio generally indicates increased demand

because investors anticipate earnings growth in the future. The PE ratio has units of years, which can be interpreted as the number of years of earnings to pay back purchase price.

Price-Earnings Ratio (PE)= Market Price Per Share/ Earning Per Share

	P/E Ratio	
Year	**Dutch Bangla Bank**	**Jamuna Bank**
2017	**12.45**	**8.15**
2018	**6.88**	**5.7**
2019	**8.18**	**5.31**
2020	**6.5**	**5.2**
2021	**8.8**	**7.09**



Graph 17: Price earnings ratio

Analysis:

Price earnings ratio of Dutch Bangla Bank from 2017 to 2021 was 12.45, 6.88, 8.18, 6.5, 8.8. Here we see that the price earnings ratio was downward in 2018 and 2020. So the price earnings ratio was decreasing. But in 2021 price earnings ratio was again increasing in significant margin. It indicates positive future performance of the company and investors are willing to pay more for this company's share.

Price earnings ratio of Jamuna Bank from 2017 to 2021 was 8.15, 5.7, 5.31, 5.2 and 7.09. Here we see that the price earnings ratio was downward from 2018 to 2019. Though it increased in 2021 but that's not a very significant margin. So we can say that the price earnings ratio was decreasing. It indicates negative future performance of the company and investors are not willing to pay more for this company's share.

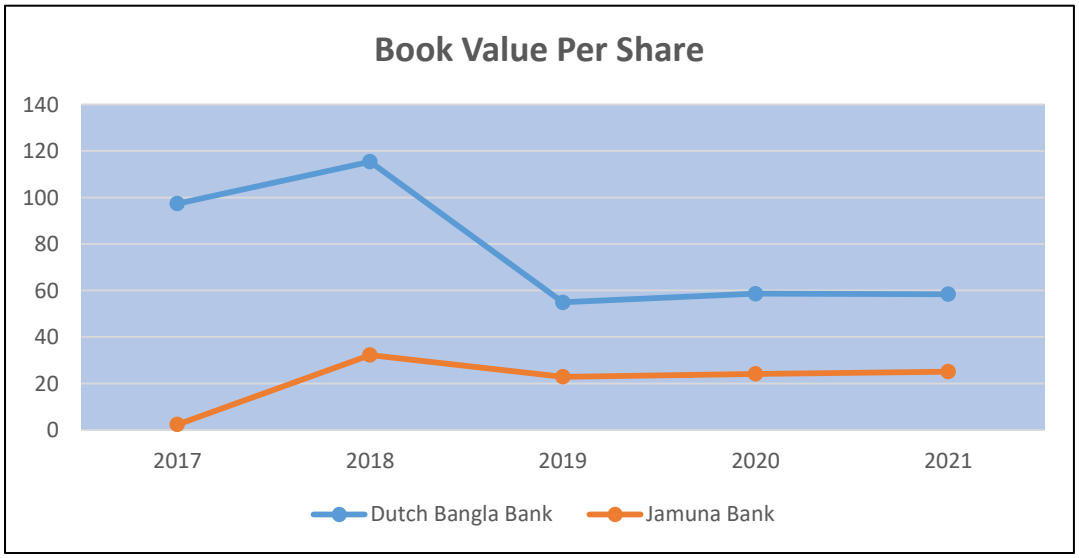
So as per the criteria of future performance, investors will be willing to pay more for Dutch Bangla Bank than Jamuna bank.

5.3.2 Book Value per Share:

Book value per share indicates the book value (or accounting value) of each share of stock. Book value is a company's net asset value, which is calculated by total assets minus intangible assets and liabilities. A relatively high book value per share in relation to stock price often occurs when a stock is undervalued.

Book Value per Share= Common Equity/No. of Common Share Outstanding

	Book Value Per Share	
Year	**Dutch Bangla Bank**	**Jamuna Bank**
2017	**97.4**	**28.52**
2018	**115.4**	**32.23**
2019	**54.9**	**22.90**
2020	**58.6**	**24.12**
2021	**58.4**	**25.13**



Graph 18: Book Value per Share

Analysis:

Book Value per share of Dutch Bangla from 2017 to 2021 was 97.4, 115.4, 54.9, 58.6, and 58.4. The ratio from 2017 and 2021 is good for the shareholders of the company because it assures them safety of their money though it was decreasing gradually in 2019 to 2021.

Represents safety for the shareholders of the company after all debt are paid accordingly. Book Value per share of Jamuna Bank from 2017 to 2021 was 28.52, 32.23, 22.90, 24.12, and 25.13. The ratio from 201 and 2021 was good for the shareholders of the company because it assures them safety of their money.

So as per the criteria of paying debt, investors will be willing to pay less for Dutch Bangla Bank than Jamuna bank.

5.4 Liquidity Ratio:

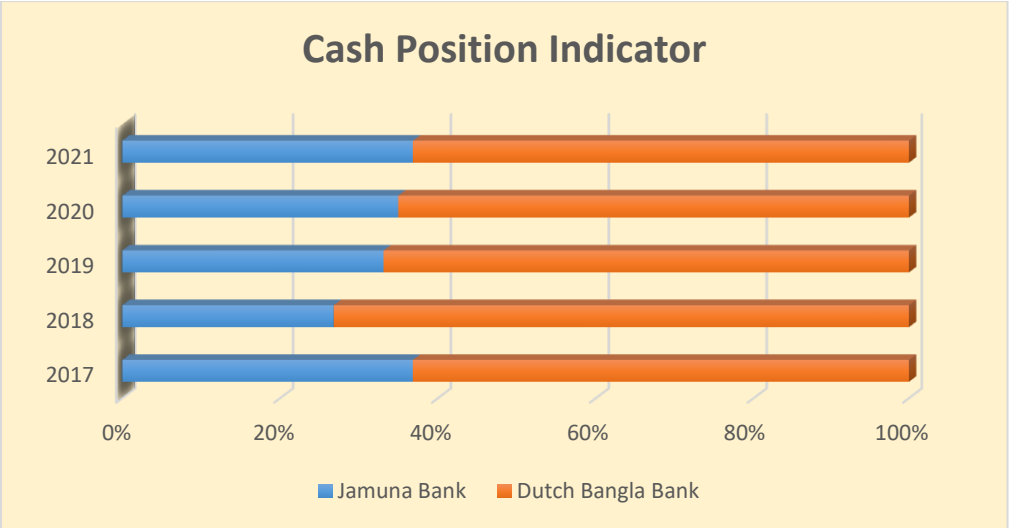
It measures the short-term ability of the company to pay its maturing obligations and to meet unexpected needs for cash.

5.4.1 Cash Position Indicator:

A cash position represents the amount of cash that a bank has on its books at a specific point in time.

Cash Position Indicator= Cash/ Total asset

	Cash Position Indicator	
Year	**Jamuna Bank**	**Dutch Bangla Bank**
2017	**5.83%**	**10.00%**
2018	**5.31%**	**14.5%**
2019	**5.33%**	**10.76%**
2020	**4.66%**	**8.66%**
2021	**3.99%**	**6.84%**



Graph 19: Cash Position Indicator

Analysis:

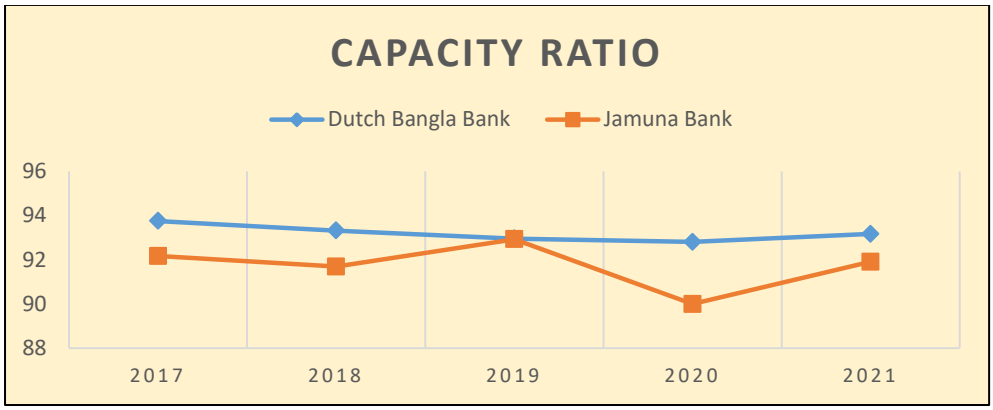
Out of the total assets Dutch Bangla bank has 10% total cash and Jamuna bank has 5.83% in their vault in 2017. Jamuna bank on an average maintained their cash position 4% till 2021 but Dutch Bangla bank's cash position fluctuated over the period. Though Dutch Bangla bank's cash position fluctuated their cash position was good enough than Jamuna bank.

5.4.2 Capacity Ratio:

It measures the ability to pay off the liabilities through their asset.

Capacity Ratio= Total liabilities/total asset

	Capacity Ratio	
Year	**Dutch Bangla Bank**	**Jamuna Bank**
2017	**93.76%**	**92.17%**
2018	**93.32%**	**91.69%**
2019	**92.96%**	**92.93%**
2020	**92.81%**	**90.00%**
2021	**93.17%**	**91.91%**



Graph 21: Capacity Ratio

Analysis:

Both bank is good enough to pay off their liabilities through their asset. Both bank has over 90% assets to pay off their liabilities. But in 2016 jamuna bank loose this percentage to 89.03% which doesn't affect the bank because in 2017 it goes up again.

CHAPTER: 06

Findings

Findings

- In general banking system Dutch Bangla Bank & Jamuna Bank follow the modern banking system.
- According to a few client's opinion of bank introducer is one of the problems to open account. If a person who is new of the city wants to open account, it is a problem of him/her to arrange an introducer of SB or CD accounts holder.
- The loans and advances department takes a long time process a loan because the process of sanctioning loan is done manually.
- Political influence is one of the major problems in Bangladesh. Due to political intervention, the bank becomes obliged to provide loans in most cases, which are rarely recovered. Bank has to face this in convenience situation almost every year.
- The DBBL is using SWIFT (Society for Worldwide Inter Bank Financial Telecommunication) to provide better service for the customer of foreign trade and exchange. This allows doing many businesses with the foreign market. And it always gives change to the bank to update the foreign financial currency and market information regularly.
- The DBBL has a training institute to build a better work force. When a provisional officer joints the bank, the bank arranges some training course associate with Bangladesh Institute of Bank Management to improve the officer's skill.
- The JBL is showing their growth by increasing the number of branch. Currently the bank has 35 branches.
- JBL IT section is week and sometimes it is hanged, as a result they employee face problem at the time of their work.

CHAPTER: 07

Recommendation

&

Conclusion

Recommendations

Although there are some problems in General Banking system, the system will become beneficiary for both banks and clients. Bangladesh Bank can overcome such problems by taking following steps:

- For increasing more funds customer may be offered different types of prizes.
- They should increase promotion campaign and they should participate in social activities for creating good image in targeted customer mind.
- HRD should train their employees with computer knowledge and their human resources department should arrange training program frequently.
- Bank should care about their assets and liability management which can be the good side for the Dutch Bangla Bank.
- Jamuna bank has did bad some of the ratio and specially in 2017 they did very bad in terms of Dutch Bangla bank so we think they will be more careful of their fund management.
- As the clients are not in favor of introducer system that currently present, if possible the rule of introducing to open an account should be changed.
- Up to date Banking software should be used to give better service to the customer.
- In advance section to recovery loan and the delay problems. Special monitoring cell should work in the field level.
- Jamuna Bank Ltd. should focus on their promotional activities on its marketable Products.
- They should also focus on the marketing aspects to let customers know about their products and offerings and more promotion should be given to attract new customer.
- All the government approved securities in Bangladesh are interest bearing. Government and Bangladesh Bank need to take care to this situation.

Conclusion

At the end of this project report it can be concluding that JBL and DBBL efficiently performing their banking activities. They are offering a wide variety of products and services to their customers and they believe that customers are their first priority. They have built a disciplined banking culture in the banking sector of Bangladesh.

By analyzing their financial statements in recent five years (year 2017 to 2021) it has been founded that in the profitability part the Dutch Bangla bank's ROE and ROA is not satisfactory level they are not that much profitable bank in terms of Jamuna bank. From the beginning they are doing well because their ROE and ROA are very much good and indicates us that it a profitable bank in the Bangladesh and as well as much better than Dutch Bangla bank. So here Dutch Bangla bank should improve in the profitability section thorough good management strategy, they have to follow better fund

management strategy. But their performance of all ratios is satisfactory. Measuring and evaluating this performance was the major objective of this study.

The secondary objective of this report was to present the overall banking activities of JBL and DBBL. In this project report the overall banking activities of JBL and DBBL is presented with their different working divisions and detailed information on their products and services is presented.

Finally, I believe that JBL and DBBL will concentrate to their profitability by maintaining their customer value and goodwill in order to gain market leadership in the banking sector of Bangladesh.

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- ✓ Annual Report of JBL (Year 2018)
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- ✓ Annual Report of JBL (Year 2021)

- ✓ Annual Report of DBBL (Year 2017)
- ✓ Annual Report of DBBL (Year 2018)
- ✓ Annual Report of DBBL (Year 2019)
- ✓ Annual Report of DBBL (Year 2020)
- ✓ Annual Report of DBBL (Year 2021)