

PROJECT REPORT
ON
AN ANALYSIS OF FINANCIAL PERFORMANCE OF
SHAHJALAL ISLAMI BANK LIMITED

Submitted To:

Controller of Examinations

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Gazipur – 1704

Supervised By:

Md. Mamonur Rashid

Lecturer & Student Advisor (MBA Program)

Department of Business Administration

Daffodil Institute of IT

Submitted By:

Rashna Akter

Roll No – 2020435

Registration No - 19601000548

Major in Finance & Banking

Master of Business Administration (MBA)

Daffodil Institute of IT



Daffodil Institute of IT



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LETTER OF TRANSMITTAL

Date: 14 November 2023

Controller of Examinations

National University

Gazipur -1704

Subject: Submission of Project Paper.

Dear Sir,

This is a great pleasure for me to submit this project paper on “An Analysis of Financial Performance of Shahjalal Islami Bank Limited”. This is a privilege for me to meet the prerequisite for the partial fulfillment of the degree- Master of Business Administration (MBA).

In this report, I tried to illustrate the analysis of financial performance of Shahjalal Islami Bank Limited. I have aimed to represent whatever I found and observed in the organization during observation.

I am indebted to you for your suggestions and recommendations. I will feel glad if you please render your valuable comments and observations.

Sincerely yours,

Rashna Akter

Roll No – 2020435

Registration No - 19601000548

Major in Finance & Banking

Master of Business Administration (MBA)

Daffodil Institute of IT

DECLARATION

I, Rashna Akter, hereby declare that the project paper on “An Analysis of Financial Performance of Shahjalal Islami Bank Limited” is uniquely done by me as a partial fulfillment of the requirement of Master of Business Administration (MBA) after the completion the study and analysis of Shahjalal Islami Bank Limited.

I also confirm that the report is only prepared for my academic requirement, not for any other purpose. It might not be used with the interest of the opposite party of the corporation.

This report is an original work completed by me.

Rashna Akter

Roll No – 2020435

Registration No - 19601000548

Major in Finance & Banking

Master of Business Administration (MBA)

Daffodil Institute of IT

SUPERVISOR'S APPROVAL

This is to certify that Rashna Akter prepared the project report on “An Analysis of Financial Performance of Shahjalal Islami Bank Limited” under my supervision. The data and findings presented in the project report seem to be authentic. Thus, she permitted to submit her report to National University, Gazipur-1704 for Master of Business Administration (MBA) program.

I wish her all success in life.

Md. Mamonur Rashid

Lecturer & Student Advisor (MBA Program)

Master of Business Administration (MBA)

Daffodils Institute of IT

ACKNOWLEDGEMENT

To prepare this report a significant amount of documents and informational inputs from several sources were involved. I would like to take this chance to convey my sincere gratitude to those without whose blessings and cooperation this report would not have been possible. At the very outset, I would like to pay my gratitude to almighty Allah for keeping me well and to successfully complete this report.

I would like to give my heartiest gratitude to my project supervisor Md. Mamonur Rashid, Lecturer and Student Advisor (MBA Program) for giving me the opportunity to my project program has been carried out. Also thanks to our principal Prof. Dr. Mohammed Shakhawat Hossain and Md. Omar Faruk, Assistant Professor (Head of MBA Program).

Last but not least I also acknowledge my family and friends for their support and encouragement throughout my project period and also while preparing this report.

ABSTRACT

The project paper is prepared as a requirement of MBA program of Daffodils Institute of IT. The report helps me to acquire experience through learning and spreading the scope of knowledge. This report focuses on the last five Financial Performance Analysis of Shahjalal Islami Bank Ltd. My supervisor helped me to choose the topic of “An Analysis of Financial Performance of Shahjalal Islami Bank Limited” which is based on the year 2018 to year 2022.

The purpose of this report is to have an idea about the financial performance of Shahjalal Islami Bank Ltd. The report has been divided into 6 chapters. These are – introduction, review of literature, theoretical framework, analysis, major findings, recommendations and conclusion.

In first chapter, I have discussed about the background of the report, statement of the problem, objectives, scope, significance and limitation of the report.

Second chapter is about review of literature.

Chapter three, theoretical framework, is about the organization’s history, objectives, functions, role of the organization, organogram, present and future programs of the organization.

Chapter four is about theoretical framework.

In chapter five, I have evaluated and analyzed the financial performance of the organization by using theoretical and ratio analysis, time series analysis, horizontal and vertical analysis and SWOT analysis.

In chapter six, findings, recommendations and conclusion are given where I have find some key point and shortcomings of the bank and after that summarize the report according to the organization.

This report has reflected a picture of overall financial performance of Shahjalal Islami Bank Limited.

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ABBREVIATIONS

AD	Authorized Dealer
ABP	Academy of Business Professionals
CIB	Credit Information Bureau
CSR	Corporate Social Responsibility
CIF	Cost, Insurance & Freight
FX	Foreign Exchange
FDI	Foreign Direct Investment
GDP	Gross domestic product
IRC	Import Registration Certificate
LC	Letter of Credit
SME	Small Medium Enterprise
SWIFT	Society for Worldwide Inter-Bank Financial Telecommunication
STN	SWIFT Transport Network
SJIBL	Shahjalal Islami Bank Limited
TIN	Tax Identification Number

CHAPTER 01

INTRODUCTION

1.1 Background of Study

The MBA program is designed to focus on theoretical and professional development of the students to take up business as a profession as well as service as a career. It is designed with an excellent combination of theoretical and practical aspects. The project provides the students to link their theoretical knowledge into practical fields. In this connection, I, a student of MBA major in Finance and Banking of Daffodil Institute of IT was assigned to prepare a project report under the guidance of supervising teacher on a selected subject matter to highlight my experience and to conduct an in-depth analysis of the subject matter. I have tried my level best to present my experience of the practical orientation in this report.

1.2 Statement of Problem

Regular checking of an organization's financial performance status is a basic task of a business organization to know where the firm exactly is. Financial performance analysis of the report enables to identify its area of weakness, the area that needs improvement and the area of strength in its daily business operation of the bank. The report creates an opportunity to invest more or review the strategic approach of the Shahjalal Islami Bank Ltd. toward various stakeholders including customers, bankers and investors know where the firm exactly is.

1.3 Objectives of Study

1.3.1 Broad Objective: The main objective of this report is to analyze the five-year' financial performance of Shahjalal Islami Bank Ltd.

1.3.2 Specific Objectives: Specific objectives are-

- To evaluate of the present performance of the bank
- To get an overall idea of banking from banker's point of view
- To evaluate the present position of the bank
- To provide some recommendations to improve in these area where it is needed

1.4 Data Collection Procedure

This report is the output of analyzing the quantitative information collected from secondary sources that contain past and present facts and figures and conditions of the Shahjalal Islami Bank Ltd. This report is based on both primary & secondary information. Majority of the information was collected from secondary sources.

1.4.1 Primary Sources

- Conversations with officers & employees of the branch
- Personal observation & Intelligence
- Interactions with the customers at SJIBL.

1.4.2 Secondary Sources

- Annual reports
- Official documents
- Relevant books
- Newspapers
- Internet & various web sites of SJIBL
- Prior research report.

1.5 Scope of Study

This report aimed at providing practical knowledge on overview of the financial performance focusing the last five years of Shahjalal Islami Bank Ltd working in Bangladesh. It also helped the way of gathering more practical knowledge about banking business.

1.6 Significance of Study

After successful completion of this study, it can be used to identify the performance of SJIBL and also invent new technique, which can be used to prevent a good loan to be a classified loan and these techniques can also be used in other bank to get the same benefit.

1.7 Limitations of Study

- Most of the information has been taken from Secondary sources
- Very few statistical tools have been used
- Time constraints
- The authority of the organization afraid of any type of information leakage to their competitors due to strict confidentiality about their financial and other information. So, there was always lack appropriate information.

CHAPTER 02

LITERATURE REVIEW

In 2022, the banking sector faced several challenges, such as the ongoing Russia-Ukraine war, the prolonged impact of the COVID-19 pandemic, volatility in the foreign exchange market, and the highest inflation rate in a decade caused by soaring prices of both food and non-food items. Despite these challenges, Shahjalal Islami Bank Limited demonstrated resilience and delivered an admirable performance. This report provides a general review of the bank's performance, including a description of the major financial indicators.

2.1 Operating Profit

The operating profit of the bank has increased significantly by 38.83% in 2022. Operating profit increased to Taka 8,334.64 million in 2022 from Taka 6,003.69 million in 2021, and net profit after tax increased to Taka 3,525.06 million in 2022 from Taka 2,585.24 million in 2021. During 2022, the bank's operating result has significantly improved due to impressive foreign exchange business, dynamic capital market operations and effective management of surplus funds.

2.2 Investment Income

Total Investment Income of the Bank stood at Tk 15,885.44 million as of December 31, 2022, as compared to Tk 13,805.19 million in 2021. Investment income increased by Tk. 2,080.25 million due to an increase in investment of 9.53%. The yield on investment decreased slightly to 6.36% in 2022 from 6.76% in 2021. The amount of investment income represents 70.74% of the total income of the year 2022, as opposed to 75.51% of the year 2021.

2.3 Income From Investments In Shares & Securities

Income from investment in shares and securities increased to Tk. 1,732.56 million in 2022 from Tk. 1,192.32 million in 2021, showing a growth of 45.31% over last year. As part of our liquidity management strategy, the surplus liquidity was utilized to invest in the capital market, the Mudaraba Subordinated Bond, and the Bangladesh Government Investment Sukuk, which resulted in a significant increase in income during the year under review.

2.4 Other Operating Income

Other Operating Income stood at Tk. 1,351.23 million for the year 2022 as against Tk. 1,045.66 million in 2021, representing a growth of 29.22% over 2021.

2.5 Operating Expenses

The total operating expenses for the year 2022 were Tk. 5,786.18 million, compared to Tk. 4,897.03 million in 2021. In 2022, the total operating expenses accounted for 40.97% of the total expenditure, whereas in 2021, it was 39.88%.

2.6 Total Assets

The bank's total assets as of December 31, 2022, stood at Tk 339,818.87 million, which was Tk 313,731.10 million as of December 31, 2021, registering a growth of Tk 26,087.77 million, or 8.32%, from 2021. Investment growth, growth of Cash and Bank Balance, as well as other asset growth, were all key factors in this increase.

2.7 Investments

The total investments of the bank stood at Tk 237,229.98 million as of December 31, 2022, as compared to Tk 216,586.58 million as of December 31, 2021, registering an increase of Tk 20,643.39 million, which is a 9.53% increase from 2021. Due to the ongoing Russia-Ukraine war and the prolonged impact of COVID-19, there was a lower appetite for investment in the market, and SJIBL was more cautious about disbursing the investment, which resulted in the overall slower investment growth during 2022.

2.8 Total Liabilities

Total liabilities of the bank stood at Tk 317,948.73 million at the end of 2022, up from Tk 293,928.11 million at the end of 2021, which was 8.17% higher than that of the previous year. Total liabilities increased mainly due to an increase in placements from other banks and financial institutions, deposits and other accounts, and other liabilities.

2.9 Corporate Banking

Shahjalal Islami Bank Limited acknowledges the diversity of customers' needs and understands that tailor-made solutions are vital for their businesses to prosper. To cater

to the domestic and international requirements of corporate houses, the bank offers a wide range of corporate finance products, including traditional working capital finance, project finance, and customized financing services. The bank's product basket encompasses everything from short-term financing to long-term investments to support business expansion, facilities to assist with various business activities.

2.10 SME Banking

Small and Medium Enterprises (SMEs) are the engines of growth, innovation, and employment worldwide, including Bangladesh. The sector provides a major thrust to the economy, providing commercial stabilization as well as directly contributing to the grassroots development of the nation. SJIBL strongly believes that the SME sector is one of the main driving forces of economic growth and that there is a market with huge potential. In order to facilitate the SMEs in our country, the bank has been financing the SME sector since its inception. The SME Division has been strengthened to further reinforce SME financing and bring grassroots entrepreneurs into the mainstream of economic growth.

2.11 Retail Banking

The bank is committed to enhancing the living standards of people, which include people from diverse classes and professions as well as society as a whole. To meet consumer demand promptly, it has established a Retail Investment Department that offers a range of specialized investment products. These include house-building investments for purchasing new flats, household durables investments for purchasing household goods, education investments for higher studies, marriage investments for financial assistance during marriage, and car investments for vehicle purchases. Additionally, the bank has a Semi-Pacca Housing Investment scheme that caters to the special needs of middle- and lower-income-class people in society.

2.12 Financial Inclusion

Financial inclusion is emerging as one of the most effective tools among policymakers around the globe to ensure inclusive and sustainable economic development. Recognizing the importance of financial inclusion, SJIBL has been exploring and promoting innovative and successful initiatives to bring the financially excluded under

the financial inclusion umbrella. It has worked tirelessly to provide formal banking services to the poor and underprivileged segments of society through low-cost digital financial services. SJIBL has been opening No-Frill Accounts (NFAs) for farmers, readymade garment workers, workers in small footwear and leather product industries, and physically challenged people. The bank has school banking facilities for students up to 18 years of age. They can open a school banking account through their parents or legal guardians by depositing a minimum of BDT 100. Moreover, the bank is working with banking for street urchins, working children, lactating and working mothers, etc. Moreover, Agent Banking under SJIBL will be an emerging financial inclusion tool that will provide unhindered access to tailor-made financial products for the underprivileged, underserved, and poor segments of the population, especially those from geographically remote locations.

CHAPTER 03

COMPANY PROFILE

3.1 History of The Organization

Shahjalal Islami Bank Limited (SJIBL) commenced its commercial operation in accordance with principle of Islamic Shariah on the 10th May 2001 under the Bank Companies Act, 1991. During these years SJIBL has diversified its service coverage by opening new branches at different strategically important locations across the country offering various service products both investment & deposit. Islamic Banking, in essence, is not only INTEREST-FREE banking business, it carries deal wise business product thereby generating real income and thus boosting GDP of the economy. Board of Directors enjoys high credential in the business arena of the country, Management Team is strong and supportive equipped with excellent professional knowledge under leadership of a veteran Banker Mr. Muhammed Shahidul Islam.

3.2 Objectives of The Organization

Shahjalal Islami Bank believes in moral and material development simultaneously. The main objectives of Shahjalal Islami Bank include the followings:

- To avoid "interest" in all its transactions and provides all available modern banking services to its clients and wants to contribute in both moral and material development of human being
- To implement and materialize the economic and financial principles of Islam in the banking arena
- To contribute in sustainable economic growth and to help in poverty alleviation and employment generations
- To conduct interest-free and welfare oriented banking business based on Islamic Shariah
- 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 develop and retain a quality work force through an effective Human Resources Management System
- To pursue an effective system of management by ensuring compliance to ethical norms, transparency and accountability at all levels

3.3 Functions of The Organization

The primary function of SJIBL is to develop and implementation of Islamic principles in the business sector. Other functions of SJIBL are listed as follow:

- Establish participatory banking instead of banking on debtor-creditor relationship
- Invest through different modes permitted under Islamic Shariah
- Perform and make sure of interest-free banking system
- Receive deposits on profit-loss sharing basis
- Extended co-operation to the poor, the helpless and the low-income group for their economic uplift
- Play a vital role in human development and employment generation
- Contribute towards balanced growth and development of the country through investment operations particularly in the less developed areas.

3.4 Role of The Organization in The Economic Development of Bangladesh

The banking system plays an important role in the modern economic world. Banks collect the savings of the individuals and lend them out to business- people and manufacturers. Bank loans facilitate commerce.

SJIBL provide facilities to different kinds of economic activities. Such as-

- Islamic and economic development
- Roles to customers
- Business roles
- Ethics and society
- Roles to the community

Islamic & Economic development: As Shahjalal Islami Bank is an Islamic financial organization, first of all its strictly bans on the interests. The ban on interest is the only issue where there is some degree of consensus amongst Islamic economists. As a result, the interest ban is without comparison the Islamic economic issue that has attracted the most attention from both supporters and observers of Islamic economics.

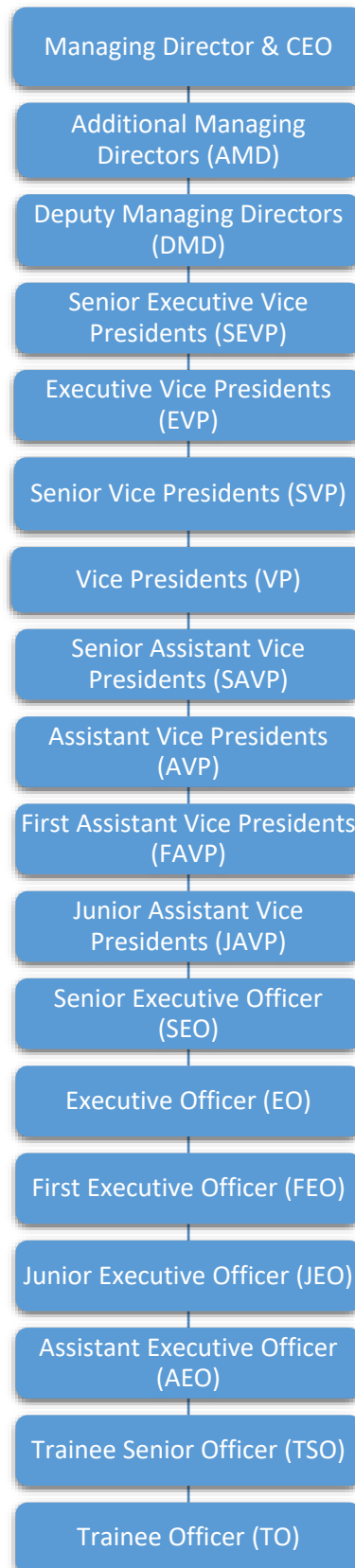
Roles to Customers: SJIBL tries its best to satisfy their customers through developing the efficiency of its function and to reach its ultimate goal of winning client satisfaction. Customer can enjoy withdrawal, transfer and pay utility bills from anywhere in Bangladesh from any of their branches. Recently they have launched their official app for conducting banking activities for customers. The customers can transfer, pay utility bills, mobile recharge from the app.

Business Roles: Board of Directors enjoys high credential in the business arena of the country. Management Team is strong and supportive equipped with excellent professional knowledge under leadership of veteran bankers.

Ethics & Society: The organization strongly believes in banking ethics and social responsibilities. Though it's main purpose is profit making, it tries not to harm the society in any of its activities by Mudaraba way. It performs its social responsibilities through involving in different type of social development activities to develop the socio-economy of the country. It is fully engaged to fulfilling the satisfaction of the customer as well as its employees.

Roles to the Community: Shahjalal Islami Bank Limited performs its roles for the community through – school banking, investment scheme for doctors, investment scheme for education etc.

3.5 Organogram of The Organization



3.6 Present Programs of the Organization

3.6.1 CMSME Financing

The development of CMSME is considered as a vital instrument for poverty alleviation and ensures the rapid industrialization in Bangladesh. About 95% private sector enterprises are CMSMEs, major portion of non-agricultural workforce is working in this sector and providing a livelihood for 31.2 million in total of this country. But MSME is one of the hardest hit by COVID-19 pandemic and MSMEs already has become vulnerable due to dependence on a shorter cash cycle, supply chain disruption, and loss of sales.

3.6.2 CMSME Women Entrepreneurs

Empowering women through SME financing is an added remarkable inspiration in the development of women entrepreneurs. In the special framework of CMSME, Shahjalal Islami Bank Ltd is giving top priority in developing and inspiring women entrepreneurs. The Bank is working with women entrepreneurs to make them capable of earning by connecting with country's economic activities. Initiative for development of Women Entrepreneur-

- The Bank has a separate “Woman Entrepreneur Dedicated Help Desk” which under each Branch of the Bank works to facilitate the Women Entrepreneurs and to ensure their easy access to bank finance.
- The Bank has a dedicated product named “Prattasha” for women entrepreneurs. To encourage women, the Bank provides Investment to the women entrepreneurs at much easier terms & conditions including low profit, relaxed collateral requirement etc.
- SJIBL gives priority to women entrepreneurs to invest on various productive sectors. Apart from collateral secured investment, collateral security free investment is also considered for Woman Entrepreneur.
- Shahjalal Islami Bank has an exclusive branch for women which is helping to thrive women entrepreneurship.

3.6.3 Agricultural Investment

Although the Agriculture sector experienced declining trend towards GDP contribution but still about 40.62 percent of the labor force are directly or indirectly dependent on this sector. Realizing the importance of Agricultural finance in creating self-employment opportunities, ensuring food security and Socioeconomic development of the country, Shahjalal Islami Bank Limited has been providing agriculture investment through own network and Micro Finance Institute linkage.

3.6.4 ALM Desk

Stewardship of the bank's balance sheet is given typically to the Asset-Liability Committee (ALCO). The key function of Asset Liability Management desk is to give insight to ALCO on Bank's balance sheet & off-balance sheet movement and key insight regarding market and industry trend on liquidity, Interest rate movement. Over the time, the scope of treasury operations has significantly expanded and asset-liability management appeared as the heart of treasury function. In banking business, movement or transformation of the components in the balance sheet is an ongoing process which has a resultant effect on the profitability and overall strength of the Bank. SJIBL ALM plays an important role by identifying and measuring those risks and minimizing or hedging those risks using various financial tools for stabilizing the balance sheet and maximizing profit for bank.

3.6.5 Offshore Banking

Offshore banking acts as a unique solution for banks across the globe to carry out international banking business through foreign currency by borrowing, depositing and placing such currency. The bank established its offshore banking unit (OBU) to catering to such opportunities. The COVID-19 induced economic crisis has affected the export and import of Bangladesh by large margins. As OBU business directly correlated with foreign trade business, Offshore Banking also experienced difficulty throughout the year of 2020. But our OBU showed tremendous resilience in their business operations as well as profit performance in 2020 despite of all odds caused by COVID-19 pandemic, mainly due to firm commitment, excellent service quality, expertise in trade business.

3.6.6 Card Division

Digital transaction vis-à-vis card business is one of the few sectors that has become a blessing for COVID-19 pandemic. Its growth in the country's financial sector has advanced by at least five years amid the pandemic as dependency on digital means has increased significantly. Shahjalal Islami Bank card division has tried to take full advantage of this opportunity and has been largely successful.

3.6.7 Agent Banking

Agent Banking has been a catalyst in financial inclusion in Bangladesh. Agent Banking is defined as the banking services provided outside of regular bank branches by engaged agents under a valid agency agreement. The aim is to provide financial services to the underserved and poor segments of the population, especially those from the geographically dispersed locations. Shahjalal Islami Bank Limited (SJIBL) realized the potential to increase customer reach by offering Agent Banking services through agents for the customer of remote areas where they do not have access to formal banking system. SJIBL started its agent banking segment from December 2019 by setting up its first SJIBL Agent Banking Centre in Cumilla and its operations have grown rapidly.

3.6.8 Branding & Product Development (BPD)

To build and deliver a brand, it is vital that the brand is effectively communicated both internally and externally. Brands are not things; rather brands are a representation of a highly valued idea that resides in the minds of consumers and stakeholders alike. Brands represent a set of unifying principles that guide an organization's behavior and its manner of delivering experiences customers highly value above the available alternatives in the marketplace.

3.7 Future Programs of the Organization

3.7.1 Shariah Inspection & Compliance

To ensure maximum level of Shariah compliance in all operational dimensions of the bank, the division have made a calculated plan for the future. The highlighted points of the plan for the upcoming year are given below:

- Publishing "Shahjalal Islami Bank Shariah Guidelines".

- Introducing the integrated software of Shariah documentation for facilitating the functions of Shariah compliance
- Introducing E-doc software for better monitoring of Shariah documentation status of the branches
- Taking necessary steps to obtain membership of AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions), IFSB (Islamic Financial Services Board) and CIBAFI (Council for Islamic Banks and Financial Institutions)
- The performance Deposit Mobilization Campaign “Dream it Achieve it” in the last quarter of 2019 with target achievement of 132.26% maintaining CASA proportion of 51.64%.

3.7.2 Banking Operations Division

In COVID-19 scenario, BOD was always in close touches with the Branches for ensuring Banking Operations at branches with minimum manpower for keeping infections level at minimum in the Bank by arranging all necessary approvals from the competent authority of the Bank for any sorts of policy exceptions/special issues related to product lines/customer services etc.

- Starting “Centralized Account Opening Management” to reduce Operational Risks at branch level as well as rationalize the related volume of man hour incurred.
- Introduction of digital Account opening platform
- Implementation of live operation of FC Cheque/FC DD and BEFTN Operations in different foreign currencies through BACH-II
- Establishment of full-fledged Disaster Recovery Site (DRS) for ACP (BACH) Unit.

3.7.3 Offshore Banking Future Strategy

- Plan to diversify the borrowing sources to avoid concentration risk
- Achieve cost competitiveness
- Enhance the business with wholly foreign owned enterprise in EPZs, PEPZs, and EZs & Hi-tech parks.

CHAPTER 04

THEORETICAL FRAMEWORK

4.1 Financial Performance Analysis

Financial Performance analysis are different ways to evaluate and interpret a company's financial statements for various purposes like planning, investment, and performance. Some of the most used financial tools based on their usage and requirements are common size statements (vertical analysis), comparative financial statements (comparison of financial statements), ratio analysis (quantitative analysis), cash flow analysis, and trend analysis.

4.2 Tools Of Financial Performance Analysis

In this study, I have used ratio analysis, time series analysis, horizontal and vertical analysis and SWOT analysis to evaluate the performance of SJIBL.

4.3 Ratio Analysis

4.3.1 Liquidity Ratio

Liquidity ratio is used to determine a company's ability to pay its short-term debt obligations. The three main liquidity ratios are the current ratio, quick ratio, and cash ratio.

- Current Ratio = Current Assets / Current Liabilities
- Cash Ratio = (Cash and Cash Equivalents) / Current Liabilities

4.3.2 Leverage Ratio

Leverage ratio is any one of several financial measurements that look at how much capital comes in the form of debt (loans) or assesses the ability of a company to meet its financial obligations. The leverage ratio category is important because companies rely on a mixture of equity and debt to finance their operations, and knowing the amount of debt held by a company is useful in evaluating whether it can pay off its debts as they come due.

- Debt Ratio = (Total Liabilities / Total Asset)
- Debt to Equity Ratio = (Total Liabilities / Total Equity)

4.3.3 Price Earnings Ratio

The price-to-earnings ratio (P/E ratio) is the ratio for valuing a company that measures its current share price relative to its earnings per share (EPS). The price-to-earnings ratio is also sometimes known as the price multiple or the earnings multiple. Investors and analysts to determine the relative value of a company's shares in an apples-to-apples comparison use P/E ratios. It can also use to compare a company against its own historical record or to compare aggregate markets against one another or over time.

4.3.4 Capital Adequacy Ratio

Capital Adequacy Ratio (CAR) is a measurement of a bank's available capital expressed as a percentage of a bank's risk-weighted credit exposures.

4.3.5 DuPont Analysis

DuPont analysis is used to evaluate the component parts of a company's return on equity (ROE). This allows an investor to determine what financial activities are contributing the most to the changes in ROE.

- Net Profit Margin = (Net Profit after Tax / Total Income)
- Total Asset Turnover = (Total Income / Average Assets)
- Return on Asset = (Net Profit after Tax / Average Assets)
- Financial Leverage = (Average Assets / Average Equity)
- Return on Equity = (Net Profit after Tax / Average Equity)

4.4 Time Series Analysis

Time series analysis is a specific way of analyzing a sequence of data points collected over an interval of time. In time series analysis, analysts record data points at consistent intervals over a set period of time rather than just recording the data points intermittently or randomly.

4.5 Horizontal & Vertical Analysis

4.5.1 Horizontal Analysis

Horizontal analysis is an approach used to analyze financial statements by comparing specific financial information for a certain accounting period with information from other periods. Analysts use such an approach to analyze historical trends. Horizontal analysis is the comparison of historical financial information over various reporting periods. It helps determine a company's growth and financial position versus competitors. The horizontal analysis technique uses a base year and a comparison year to determine a company's growth.

4.5.2 Vertical Analysis

Vertical analysis is an accounting tool that enables proportional analysis of documents, such as financial statements. While performing a vertical analysis, every line item on a financial statement is entered as a percentage of another item. For example, on an income statement, every line item is stated in terms of the percentage of gross sales.

4.6 SWOT Analysis

A SWOT analysis is designed to facilitate a realistic, fact-based, data-driven look at the strengths and weaknesses of an organization, initiatives, or within its industry. The organization needs to keep the analysis accurate by avoiding preconceived beliefs or gray areas and instead focusing on real-life contexts. Companies should use it as a guide and not necessarily as a prescription. The elements of SWOT analysis are-

4.6.1 Strengths

Strengths describe what an organization excels at and what separates it from the competition: a strong brand, loyal customer base, a strong balance sheet, unique technology, and so on. For example, a hedge fund may have developed a proprietary trading strategy that returns market-beating results. It must then decide how to use those results to attract new investors.

4.6.2 Weaknesses

Weaknesses stop an organization from performing at its optimum level. They are areas where the business needs to improve to remain competitive: a weak brand, higher-than-average turnover, high levels of debt, an inadequate supply chain, or lack of capital.

4.6.3 Opportunities

Opportunities refer to favorable external factors that could give an organization a competitive advantage. For example, if a country cuts tariffs, a car manufacturer can export its cars into a new market, increasing sales and market share.

4.6.4 Threats

Threats refer to factors that have the potential to harm an organization. For example, a drought is a threat to a wheat-producing company, as it may destroy or reduce the crop yield. Other common threats include things like rising costs for materials, increasing competition, tight labor supply and so on

CHAPTER 05

ANALYSIS & DISCUSSION

5.1 Ratio Analysis

5.1.1 Liquidity Ratio

Table - 5.1: Liquidity Ratio

Years	2022	2021	2020	2019	2018
Current Ratio	1.48	1.53	1.49	1.72	1.51
Cash Ratio	4.98	4.70	3.21	3.33	2.10

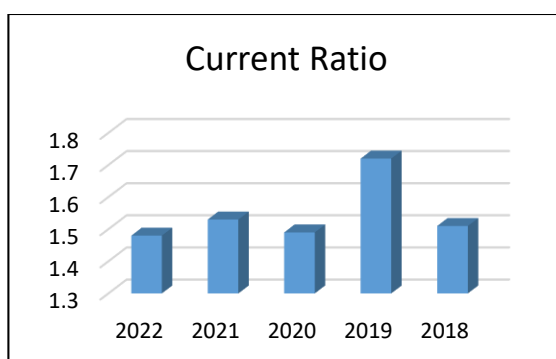


Figure: 5.1

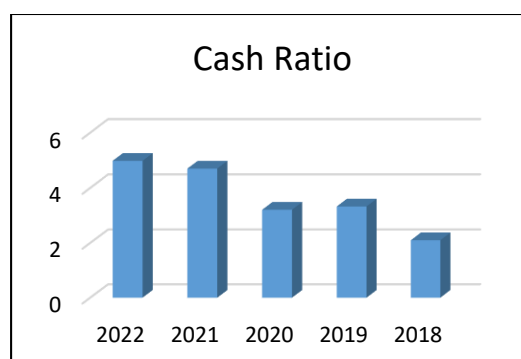


Figure: 5.2

Interpretation: The Bar Chart is representing that the current ratio of Shahjalal Islami Bank Limited of the year 2022 was slightly lower than the previous four years, which was 1.48%. In 2019, the current ratio of SIBL slightly increase from the year 2018 respectively 1.51% to 1.72%, but it fell down in the year 2020, which was 1.49%. However, the changes of this current ratio were not very significant. Therefore, it can be said, Shahjalal Islami Bank Limited is stable to utilize its current assets in terms of managing its current liabilities. The cash ratio of SIBL of the year 2022 was higher than the previous four years, which was 4.98%. From 2018 to 2021 it's increasing respectively 2.10% to 4.70%.

5.1.2 Leverage Ratio

Table - 5.2: Leverage Ratio

Years	2022	2021	2020	2019	2018
Debt Ratio	94.64	94.68	95.07	94.83	94.30
Debt to Equity Ratio (times)	15.35	15.11	15.48	14.61	12.01

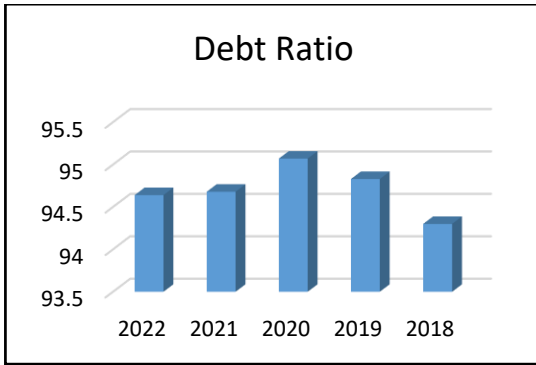


Figure: 5.3

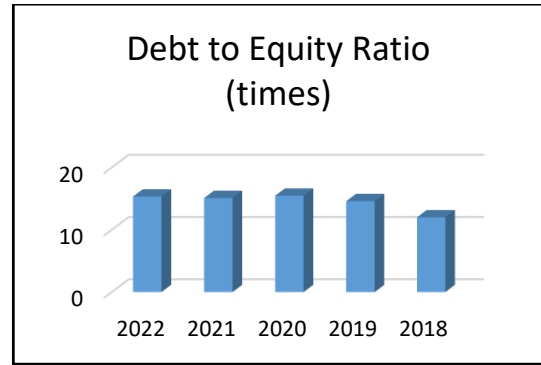


Figure: 5.4

Interpretation: The Bar Chart is representing that the Debt equity ratio of Shahjalal Islami Bank Limited. According to the result, it shows there is a fluctuations debt to equity ratio from 2018 to 2022. The debt to equity ratio has been increased from 12.01 in the year 2018 to 15.35 in the year 2022 over the five years period. That means their debt is increasing and their equity capitals are decreasing. It is increasing from the year 2018 to 2022. Debt equity ratio above 5% is deemed an indicator of strong financial footing for a bank.

5.1.3 Price Earnings Ratio

Table - 5.3: Price Earnings Ratio

Years	2022	2021	2020	2019	2018
Price Earnings Ratio	11.76	13.35	17.51	21.29	7.43



Figure: 5.5

Interpretation: The price earnings of Shahjalal Islami Bank Limited have quite fluctuated over the years. As their earning dropped in 2022, it has decreased to 11.76 price earnings ratio from 13.35 price earnings ratio. 21.29 In 2019, which was the highest price earnings in five years of period.

5.1.4 Capital Adequacy Ratio

Table - 5.4: Capital Adequacy Ratio

Years	2022	2021	2020	2019	2018
Tier I Capital Ratio (%)	9.15	9.03	7.45	8.38	10.31
Tier II Capital Ratio (%)	5.04	6.55	7.05	3.81	1.23
Total Capital Adequacy Ratio (Basel-III/II) (%)	14.19	15.58	14.5	12.19	11.54

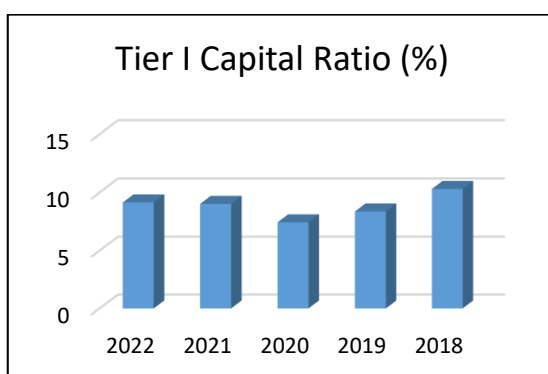


Figure: 5.6

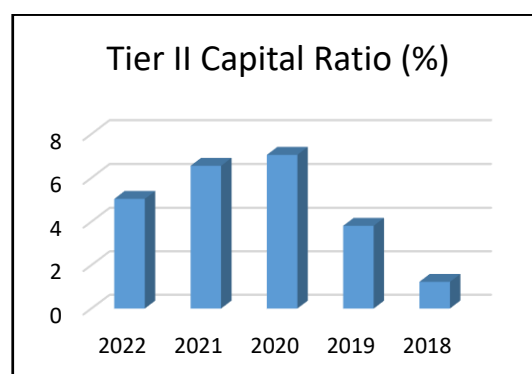


Figure: 5.7

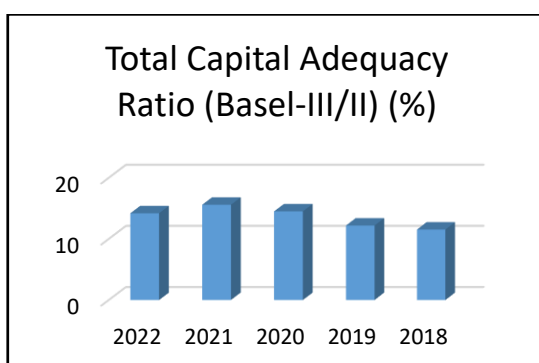


Figure: 5.8

Interpretation: Shahjalal Islami Bank Limited has been able to maintain a healthy Capital Adequacy Ratio (CAR) ratio over the years. However, it has started to gradually rising from 11.54 to 15.58 In 2018 to 2021 then its declined from 2021 to 2022 respectively 15.58 to 14.19 which does not show a very healthy sign. Still, it has been able to manage the ratio above the requirements specified by Bangladesh Bank which is capital adequacy standard of 8%

5.1.5 DuPont Analysis

Table - 5.5: DuPont Analysis

Years	2022	2021	2020	2019	2018
Net Profit Margin	9.44%	7.28%	7.38%	7.82%	12%
Total Asset Turnover	7.23%	9.27%	8.84%	8.15%	8.5%
Return on Asset	0.68%	0.67%	0.65%	0.64%	1.02%
Financial Leverage (times)	16.24	16.28	16.07	14.33	13.06
Return on Equity	11.08%	10.98%	10.47%	9.14%	12.40%

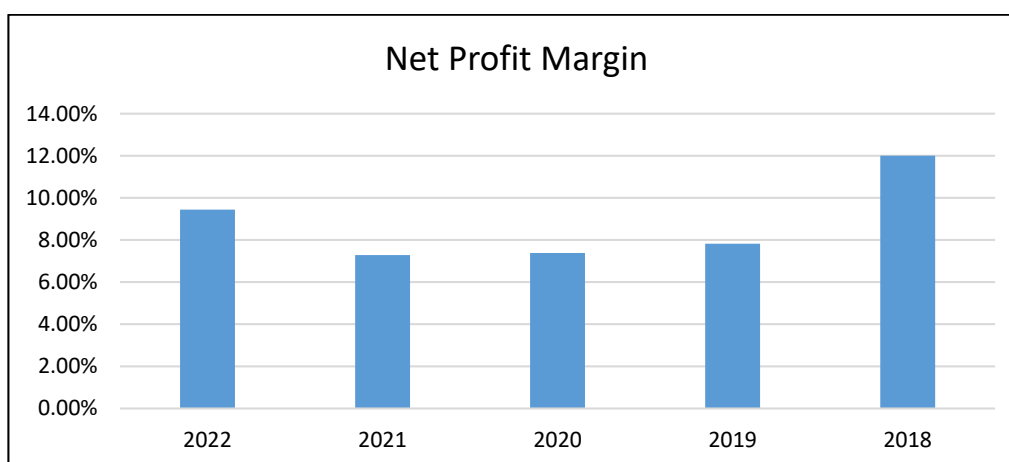


Figure: 5.9

Interpretation: The net profit margins of the bank sharply fall down over the years. The highest margin was in 2018. After that, it started decreasing from 12% to 7.28% respectively 2018 to 2021, it slightly increase in 2022 at 9.44%, as in this year the net profit after tax has decreased significantly.

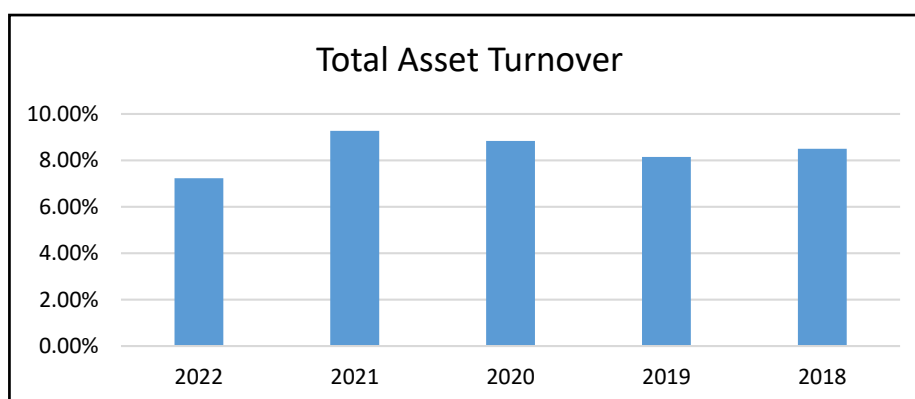


Figure: 5.10

Interpretation: The total asset turnover of the bank sharply increase over the year. The highest margine was 9.27% in 2021. In 2022 the margine was slightly decrease at 9.27% to 7.23%.

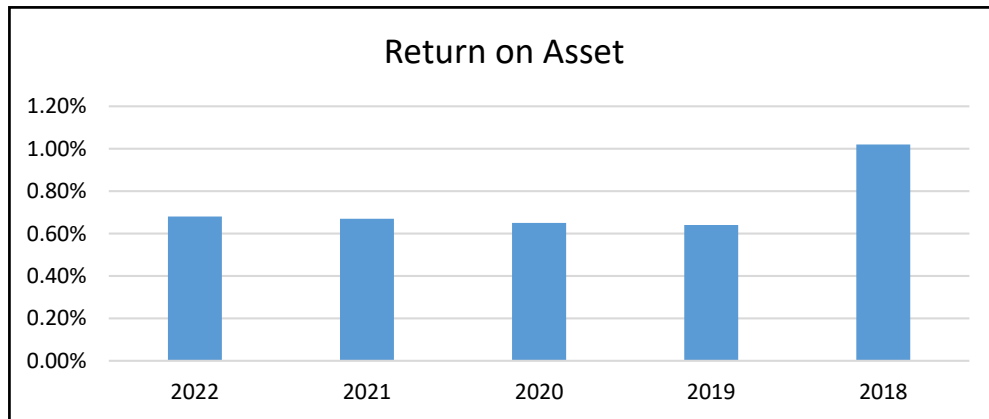


Figure: 5.11

Interpretation: Return on Assets (ROA) is the most used profitability ratio. As SIBL was a part of banking industry and its most of the assets come from the debt which was the reasons for it slow net profit as well as poor ROA. As a result the SIBL had the lowest ROA in the year of 2019 which is 0.64%. In the year 2019 the net profit of the bank has not increased that much. Its increase from 2019 to 2022 respectively 0.64% to 0.68%. And there is in this scenario 1.02% in 2018 which is the highest position in five years of time period.

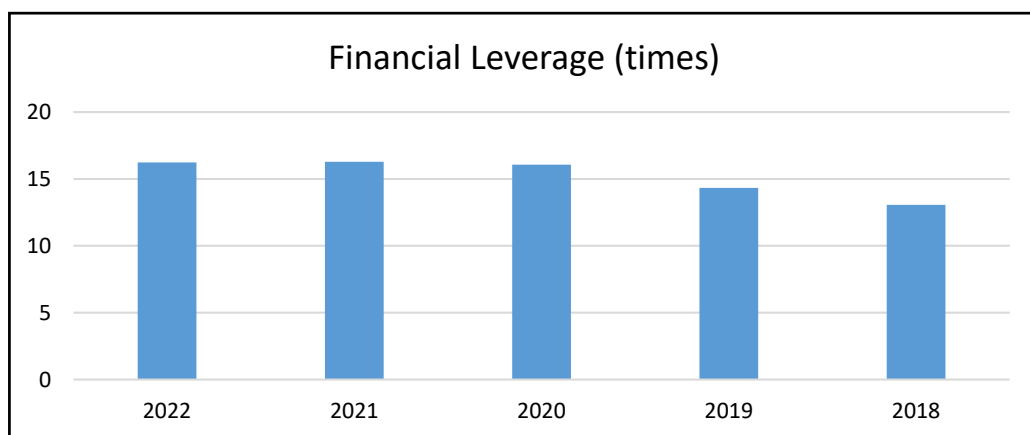


Figure: 5.12

The financial leverage is sharply increase in every year. The financial leverage of 2022 was 16.24 times which is slightly lower than the previous year. The highest times of financial leverage of this bank was 16.28 in 2022.

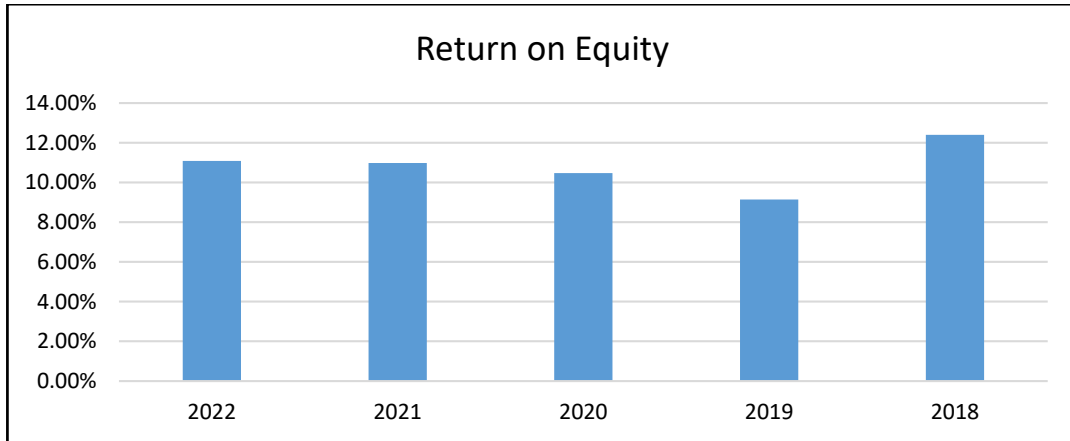


Figure: 5.13

Interpretation: Return on equity of Shahjalal Islami Bank Limited in 2018 was 12.40% but its drastically fell to 9.14% in 2019 which is the lowest in the five-year scenario and it's a cause for concern. It is slightly increase from 2020 to 2022 respectively 10.47% to 11.08%.

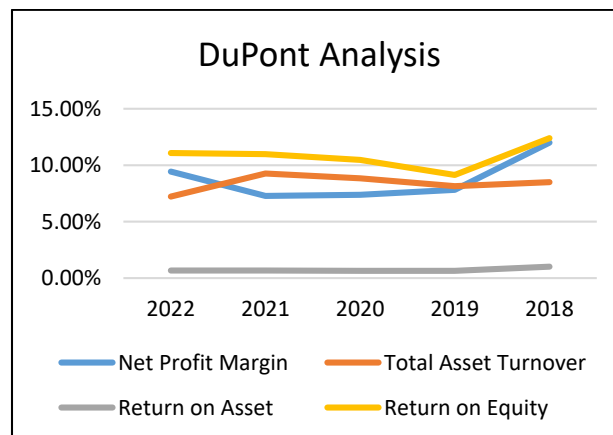
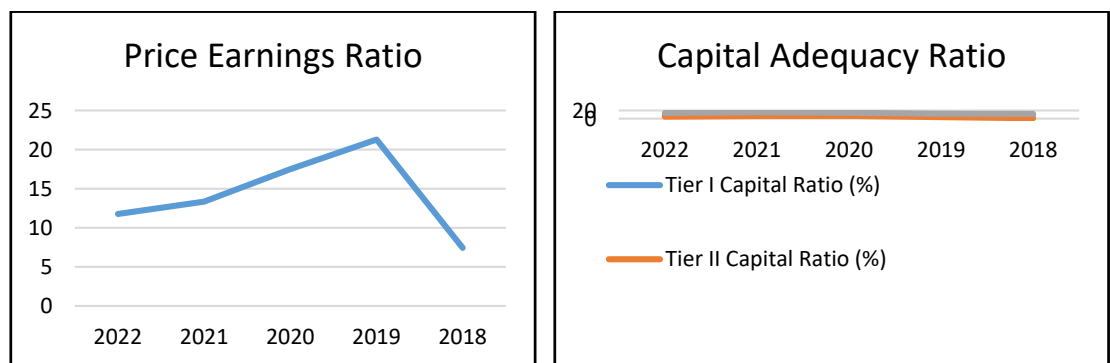
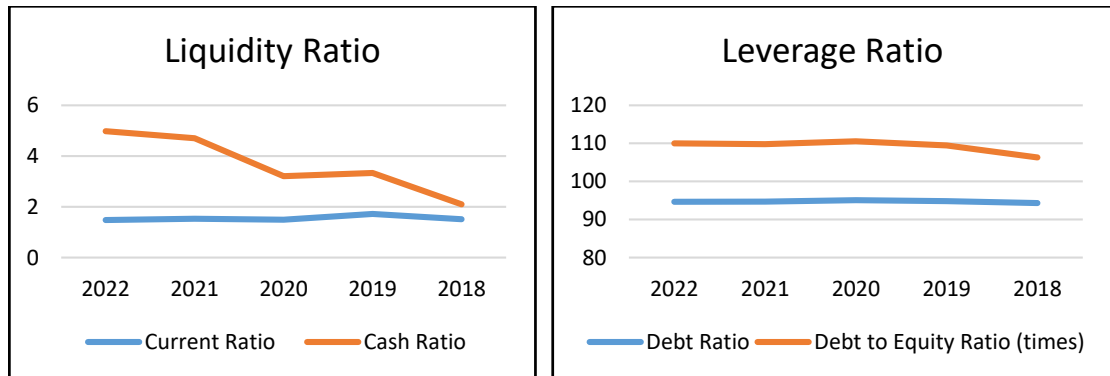
5.1.6 Business Ratio/Information

Table - 5.6: Business Ratio/Information

Years	2022	2021	2020	2019	2018
Statutory Liquidity Ratio (SLR)	11.5	7.43	7.21	8.23	6.43
Net profit income as a percentage of working funds/ Operating cost-efficiency ratio	2.01	2.82	2.58	2.44	2.73
Cost/Income ratio	53.5	44.17	47.11	51.56	50.17
Net Asset Value per Share (In Taka)	18.31	16.84	15.84	15.69	16.67
Profit per Employee (in million)	1.54	2.21	1.91	1.39	1.36
Cost of Fund (%)	7.39	8.42	8.31	7.83	8.08
Dividend Coverage Ratio	1.63	1.84	1.73	1.55	1.41
Operating profit as a percentage of working funds	1.46	2.3	2.03	1.77	1.95
Operating Income Ratio (%)	20.25	24.83	22.94	21.77	22.98
Gross Income Ratio (%)	43.54	44.48	43.38	44.93	46.11

5.2 Time Series Analysis

Here I used ratios to represent the Time Series.



5.3 Horizontal & Vertical Analysis

Table - 5.7: Horizontal Analysis of Balance Sheet for the Last Five Years

Particulars	2022	2021	2020	2019	2018
PROPERTY AND ASSETS					
Cash	158%	186%	142%	138%	100%
Cash in hand (Including Foreign Currencies)	154%	197%	166%	130%	100%
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	159%	185%	138%	139%	100%
Balance with other Banks and Financial Institutions	320%	99%	72%	41%	100%
Inside Bangladesh	153%	91%	71%	29%	100%
Outside Bangladesh	1006%	129%	79%	90%	100%
Placement with other Banks & Financial Institutions	301%	157%	146%	85%	100%
Investments in Shares & Securities	364%	206%	162%	139%	100%
Government	394%	214%	164%	131%	100%
Others	283%	186%	159%	159%	100%
Investments	160%	160%	151%	129%	100%
General Investment etc.	161%	162%	155%	132%	100%
Bills Purchased and Discounted	144%	139%	110%	98%	100%
Fixed Assets Including Premises	138%	131%	116%	115%	100%
Other Assets	135%	120%	108%	104%	100%
Non-Banking Assets	174%	174%	174%	174%	100%
Total Assets	176%	159%	146%	124%	100%
LIABILITIES AND CAPITAL					
Liabilities					
Placement from other Banks & Financial Institutions	122%	70%	145%	182%	100%
Deposits and Other Accounts	176%	163%	142%	118%	100%
Mudaraba Savings Deposits	164%	134%	112%	99%	100%
Mudaraba Term Deposits	181%	184%	177%	143%	100%
Other Mudaraba Deposits	153%	141%	115%	94%	100%
Al-Wadeeah Current & Other Deposit Accounts	238%	199%	154%	133%	100%
Bills Payable	227%	253%	166%	146%	100%
Mudaraba Subordinated Bond	230%	250%	250%	100%	0%
Other Liabilities	205%	181%	135%	106%	100%
Deferred Tax Liabilities	272%	197%	149%	145%	100%

Total Liabilities	178%	162%	148%	126%	100%
Capital/Shareholders' Equity					
Paid-up Capital	133%	127%	115%	105%	100%
Statutory Reserve	158%	142%	124%	109%	100%
Retained Earnings	107%	85%	77%	71%	100%
Total Shareholders' Equity	140%	128%	115%	104%	100%
Total Liabilities & Shareholders' Equity	176%	159%	146%	124%	100%

Interpretation: Growth of each component of Balance Sheet of every year is calculated based on the amount of 2018, which is representing the value of 100%. The value above 100% means growth and below 100% means negative growth compared to base year 2018. Consistent growth of Assets, Liabilities and Shareholders' Equity represents sustainable balance sheet growth of the bank as a whole. The growth of Investment become stagnant during the year 2022 for economic slowdown because of COVID 19 pandemic. As a strategy of bank's fund management, the bank has increased placement with other banks and financial institutions. Mudaraba Subordinated Bond decreased due to repayment of 20% of 1st Mudaraba Subordinated Bond.

Table - 5.8: Horizontal Analysis of Profit & Loss Account for the Last Five Years

Particulars	2022	2021	2020	2019	2018
Investment Income	153%	182%	154%	117%	100%
Less: Profit paid on Deposits	163%	188%	162%	121%	100%
Net Investment Income	135%	172%	140%	110%	100%
Income from Investment in Shares/securities	460%	352%	274%	220%	100%
Commission, Exchange and Brokerage	143%	168%	151%	121%	100%
Other Operating Income	180%	175%	133%	114%	100%
Total Operating Income	147%	176%	145%	115%	100%
Salaries and Allowances	159%	155%	141%	118%	100%
Rent, Taxes, Insurances, Electricity etc.	101%	108%	108%	107%	100%
Legal Expenses	170%	157%	204%	198%	100%
Postage, Stamps, Telecommunication etc.	128%	114%	121%	111%	100%
Stationery, Printings, Advertisements etc.	105%	151%	131%	107%	100%
Chief Executive's Salary & Fees	161%	149%	119%	106%	100%
Directors' Fees & Expenses	108%	118%	100%	116%	100%
Shariah Supervisory Committee's Fees & Expenses	53%	235%	93%	148%	100%
Auditors' Fees	83%	83%	83%	75%	100%
Depreciation & Repairs of Bank's Assets	281%	216%	141%	109%	100%
Zakat Expenses	158%	138%	122%	112%	100%
Other Expenses	184%	200%	152%	144%	100%
Total Operating Expenses	157%	155%	136%	118%	100%
Profit before Provision	137%	197%	154%	112%	100%
Specific provision for Classified Investment	44%	326%	313%	186%	100%
General Provision for Unclassified Investment	198%	456%	182%	234%	100%
General Provision for Off-Balance Sheet Items	33%	16%	0%	131%	100%
Provision for diminution in value of Investments in Shares	0%	675%	232%	100%	0%
Provision for Other Assets	0%	0%	0%	525%	100%
Total Provision	67%	293%	210%	186%	100%
Profit before Provisions for Taxation	158%	169%	137%	90%	100%
Deferred Tax Expenses	-814%	-521%	-51%	-486%	100%
Current Tax Expenses	220%	281%	223%	111%	100%

Interpretation: Growth of each component of Profit and Loss Account of every year calculated based on the amount of 2018, which is representing the value of 100%. The value above 100% means growth and below 100% means negative growth compared to base year 2018. The Net Investment Income decreased due to profit rate cap and negative growth of investment due to COVID 19 pandemic. Nonprofit Income decreased due to slowdown of overall economic activities as a result of COVID 19 pandemic.

Table - 5.9: Vertical Analysis of Balance Sheet for the Last Five Years

Particulars	2022	2021	2020	2019	2018
PROPERTY AND ASSETS					
Cash	5.17%	6.71%	5.57%	6.34%	5.73%
Cash in hand (Including Foreign Currencies)	11.97%	12.99%	14.42%	11.60%	12.32%
Balance with Bangladesh Bank & Sonali Bank Ltd (Including Foreign Currencies)	88.03%	87.01%	85.58%	88.40%	87.68%
Balance with other Banks and Financial Institutions	2.64%	0.89%	0.72%	0.48%	1.44%
Inside Bangladesh	38.47%	74.46%	78.74%	57.28%	80.42%
Outside Bangladesh	61.53%	25.54%	21.26%	42.72%	19.58%
Placement with other Banks & Financial Institutions	8.06%	4.65%	4.73%	3.20%	4.70%
Investments in Shares & Securities	9.41%	5.88%	5.06%	5.06%	4.54%
Government	78.58%	75.13%	73.05%	68.40%	72.43%
Others	21.42%	24.87%	26.95%	31.60%	27.57%
Investments	66.95%	74.14%	76.37%	76.32%	73.54%
General Investment etc.	92.35%	92.59%	93.79%	93.51%	91.48%
Bills Purchased and Discounted	7.65%	7.41%	6.21%	6.49%	8.52%
Fixed Assets Including Premises	1.62%	1.69%	1.64%	1.90%	2.05%
Other Assets	6.14%	6.01%	5.88%	6.64%	7.96%
Non-Banking Assets	0.03%	0.03%	0.04%	0.04%	0.03%

Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
LIABILITIES AND CAPITAL					
Liabilities					
Placement from other Banks & Financial Institutions	6.72%	4.28%	9.63%	14.25%	9.71%
Deposits and Other Accounts	74.42%	76.43%	72.59%	70.40%	74.39%
Mudaraba Savings Deposits	13.88%	12.17%	11.76%	12.49%	14.88%
Mudaraba Term Deposits	37.31%	40.61%	44.90%	43.90%	36.11%
Other Mudaraba Deposits	31.26%	30.95%	29.08%	28.75%	35.99%
Al-Wadeeah Current & Other Deposit Accounts	15.76%	14.15%	12.65%	13.15%	11.65%
Bills Payable	1.78%	2.13%	1.61%	1.70%	1.38%
Mudaraba Subordinated Bond	3.13%	3.76%	4.10%	1.92%	0.00%
Other Liabilities	9.52%	9.26%	7.55%	6.96%	8.16%
Deferred Tax Liabilities	0.09%	0.07%	0.06%	0.07%	0.06%
Total Liabilities	93.88%	93.80%	93.93%	93.59%	92.31%
Capital/Shareholders' Equity					
Paid-up Capital	54.61%	56.55%	57.38%	57.92%	57.14%
Statutory Reserve	38.78%	37.75%	36.87%	36.19%	34.25%
Retained Earnings	6.62%	5.71%	5.75%	5.89%	8.60%
Total Shareholders' Equity	6.12%	6.20%	6.07%	6.41%	7.69%
Total Liabilities & Shareholders' Equity	100.00%	100.00%	100.00%	100.00%	100.00%

Interpretation: The percentage (%) of each components of Balance Sheet refers to the weightage based on Total Assets over the periods. Investment to client comprises the maximum weight of Total Assets. In 2022 investment comprise 66.95% of Total Assets. Customer Deposit comprises the maximum weight of Total Liabilities. In 2022 Customer deposit comprise 74.42% of Total Liabilities.

Table - 5.10: Vertical Analysis of Profit & Loss Account for the Last Five Years

Particulars	2022	2021	2020	2019	2018
Investment Income	84.23%	85.91%	85.83%	85.00%	86.04%
Less: Profit paid on Deposits	56.46%	55.52%	56.62%	55.07%	53.89%
Net Investment Income	27.77%	30.39%	29.21%	29.94%	32.15%
Income from Investment in Shares/securities	3.09%	2.03%	1.87%	1.96%	1.05%
Commission, Exchange and Brokerage	8.67%	8.71%	9.28%	9.67%	9.43%
Other Operating Income	4.02%	3.35%	3.01%	3.37%	3.48%
Total Operating Income	43.54%	44.48%	43.38%	44.93%	46.11%
Salaries and Allowances	14.74%	12.33%	13.24%	14.47%	14.49%
Rent, Taxes, Insurances, Electricity etc.	2.12%	1.94%	2.29%	2.97%	3.27%
Legal Expenses	0.01%	0.00%	0.01%	0.01%	0.01%
Postage, Stamps, Telecommunication etc.	0.22%	0.17%	0.21%	0.25%	0.27%
Stationery, Printings, Advertisements etc.	0.41%	0.50%	0.52%	0.55%	0.61%
Chief Executive's Salary & Fees	0.11%	0.08%	0.08%	0.09%	0.10%
Directors' Fees & Expenses	0.03%	0.03%	0.03%	0.05%	0.05%
Shariah Supervisory Committee's Fees & Expenses	0.00%	0.01%	0.00%	0.01%	0.00%
Auditors' Fees	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation & Repairs of Bank's Assets	1.93%	1.27%	0.98%	0.99%	1.07%
Zakat Expenses	0.80%	0.60%	0.62%	0.74%	0.79%
Other Expenses	2.93%	2.72%	2.45%	3.03%	2.48%
Total Operating Expenses	23.29%	19.65%	20.44%	23.17%	23.13%
Profit before Provision	20.25%	24.83%	22.94%	21.77%	22.98%
Specific provision for Classified Investment	34.78%	58.89%	79.00%	53.21%	52.96%
General Provision for Unclassified Investment	50.62%	26.66%	14.85%	21.59%	17.11%
General Provision for Off-Balance Sheet Items	14.60%	1.63%	0.00%	20.73%	29.40%
Provision for diminution in value of Investments in Shares	0.00%	12.82%	6.15%	2.99%	0.00%
Provision for Other Assets	0.00%	0.00%	0.00%	1.48%	0.52%
Total Provision	2.23%	8.35%	7.07%	8.17%	5.19%

Profit before Provisions for Taxation	18.02%	16.49%	15.87%	13.60%	17.79%
Less: Income Tax Expenses	8.58%	9.21%	8.49%	5.77%	5.78%
Deferred Tax Expenses	4.10%	2.10%	0.26%	4.82%	-1.17%
Current Tax Expenses	95.90%	97.90%	99.74%	95.18%	101.17%
Net Profit after Taxation	9.44%	7.28%	7.38%	7.82%	12.01%

Interpretation: The percentage of each component of Profit and Loss Account refers to the weightage based on total income over the periods. Investment Income comprises the maximum weight of total income. In 2022, Investment Income comprises 84.23% of total income. Profit paid on Deposits comprises the maximum weight of Total Expense. In 2022 Profit paid on Deposits, comprise 56.46% of total income.

5.4 Five Years' Financial Position

Table: 5.11 Five Years' Financial Position

Items	2022	2021	2020	2019	2018
Authorized Capital	15,000	10,000	10,000	10,000	10,000
Paid up Capital	9,801	9,334	8,486	7,714	7,347
Reserve and Surplus	8,148	7,173	6,303	5,604	5,510
Total Shareholders' Equity	17,949	16,507	14,789	13,318	12,857
Total Deposits	218,443	203,273	176,862	146,348	124,410
Total Investment	196,513	197,286	186,090	158,668	122,998
Investment in Share & Securities	27,610	15,639	12,321	10,526	7,593
Fixed Assets	4,741	4,504	3,995	3,957	3,433
Total Assets (excluding off-balance sheet items)	293,518	265,993	243,660	207,886	167,245
Total Contingent Liabilities and Commitment	120,035	113,090	100,787	89,226	63,326
Profit Earning Assets	244,232	219,818	202,397	173,187	138,949
Non-profit Earning Assets	49,286	46,175	41,263	34,699	28,296

5.5 SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Islami Banking services and products are the key focus for the customers • Maximum branches are situated in the retail business area and commercial area • Bank has high performance in foreign exchange department and financially stable • Good understanding among the officers in the office environment. So that their work is efficient and become more dedicated to work • Corporate culture of SJIBL is more interactive comparing with the other banks 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Internet banking facilities is too much complex for the customer • Insufficient number of officer in some branches • Charges of statement or certificates cost are very high
<p>Opportunities</p> <ul style="list-style-type: none"> • More focusing on SME, because there are many Small Medium Enterprise in every branch area for operate import and export business • Newly internet banking will open more scope for the bank • New Product Innovation • Credit card in dual currency • Expanding foreign exchange activities because of importer and exporter's faith on bank's activities 	<p>Threats</p> <ul style="list-style-type: none"> • Central Bank's barriers to operate the actual Islami Banking activities among the society • Competitors are increasing day by day. That's why customers are switching to other banks to operate banking • Sometimes economical break down arise some problem on banking activities

CHAPTER 06

FINDINGS, RECOMMENDATIONS & CONCLUSION

6.1 FINDINGS

- Total Investment of 2022 was little bit less than for the year 2021.
- We can see that the Current Ratio of 2022 is the lowest among the last five years.
- Foreign Exchange business for the year of 2022 is less than the previous year.
- SJIBL expenditure is very high than the other competitor banks.
- Operating profit declined by 30.18% to Tk. 4,095 million, but Net Profit After Tax increased by 11.06% to Tk.1,908 million for the year ended 31st December 2022.
- The Bank's Return on Average Equity (ROE) increased from 10.98% as of 31st December 2021 to 11.08% as of 31st December 2022, while our Return on Average Assets (ROA) increased to 0.68% during the same period, from 0.67% as at the end of 2021.
- Net asset value (NAV) stood at Tk. 17,949 million in 2022, whereas it was Tk.16,507 million in 2021. In 2022, our earnings per share (EPS) stood at Tk. 1.95 whereas it was Tk. 1.75 during the previous year.
- Little application of modern technology such as computer and internet are used to operate the banking activities.
- Technological problem was face here by 20-30%.

6.2 RECOMMENDATIONS

It is very difficult for me to recommend because there are no major shortcomings. Based on my observation I would like to recommend the following suggestions-

- The bank should increase the total investment for the upcoming years.
- However, the current ratio is good enough but the bank should be aware of it.
- Foreign Exchange business for the year 2022 is less than the previous year. Though it may occur due to the pandemic of COVID19 situation, the bank should increase the level of foreign exchange business for the next year.
- The bank may concentrate on making investment easier for others compared.
- SJIBL needs to utilize more modern and updated technologies to keep pace with the modern time.
- It is very essential to reduce the expenditure of the SJIBL Bank.
- The Bank should increase its performance by engaging efficient decision makers at the managerial level and by conducting training programs more frequently.
- The official website of the bank needs to improve with more information and details.

6.3 CONCLUSION

Shahjalal Islami Bank Limited is a leading Private Islami bank in Bangladesh with better customer bases that are trustworthy, faithful, and creditable towards the bank. The bank is improving day by day as it is growing in size. It is continuously developing new services for its customers. In this report, I show my level best financial analysis of Shahjalal Islami Bank Limited. Due to the pandemic of COVID19 situation, the bank faced some financial issues, but we hope they will cover up this situation in a good way within the short time. Since the market is going to be more competitive, Shahjalal Islami Bank Limited should focus on research and development. The study provides bank manager and the authorities with an understanding of activities that would improve their bank's financial performance and every division's operation. From the analysis and discussion, it can be said that Shahjalal Islami Bank Limited is playing an important role in the economic development of the country and in the future it will have a very good position in the Banking sector.

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