



Report On

**“Analyzing financial performance of Islamic Finance and Investment Limited”**

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**Submitted to:**

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# Letter of transmittal

5th October, 2024

MD Erfan

Assistant Professor,

Department of Computer Science & Engineering

University of Barisal

**Subject: Submission of report on "Analyzing financial performance of Islamic Finance and Investment Limited"**

Dear sir,

With due respect, I, the undersigned student of Finance and Banking, has selected the topic of "Analyzing financial performance of Islamic Finance and Investment Limited".

Though I am in the learning curve, this report has enabled me to gain insight into the core fact of analyzing financial performance of the company. So, it becomes an extremely challenging and interesting experience.

Thank you for your supportive consideration for formulating an idea. Without your Inspiring, this report would have been an incomplete one.

Lastly, I would be thankful once again if you please give your judicious advice on the effort.

Yours obediently,

S. M. Ashiqur Rahman Sykot

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## Acknowledgement

It is my proud privilege to release the feelings of my gratitude to several persons who helped me directly or indirectly to conduct this research project work. I express my heart full indebtedness and owe a deep sense of gratitude to my teacher, for this sincere guidance and inspiration in completing this project.

Successfully completion of any type of report requires help from a number of persons. I have also taken help from different people for the preparation of the report. Now there is a little effort to show my deep gratitude to that helpful person.

The study has indeed helped me to explore more knowledgeable avenues related to my topic and I am sure it will help me in future.

## Bona fide certificate

Certified that this report title "Analyzing financial performance of Islamic Finance and Investment Limited" is a bona fide work of myself. Certified further, that to the best of my knowledge, the work reported herein does not form part of any other thesis or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

.....

Signature

Md. Erfan

Assistant Professor,

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## Executive summary

In this report the financial performance of Islamic Finance and Investment Limited has been analyzed. It is one of the leading institutions of Bangladesh.

Financial performance provides an overview of how well a company manage its assets and liabilities from its primary mode of business and generate revenue. Analysis can find information about long-term vs. short-term debt on the balance sheet. The financial performance of the company is essential to measure management as the individuals and groups within the organization that contributes towards the financial objectives of the company.

To analysis the financial performance we use some financial ratios. To analysis the Islamic Finance and Investment Limited's financial performance we used current ratio, profitability ratio, debt ratio and market ratio.

Islamic Finance and Investment Limited's financial performance was better in 2016 than other years. In 2019 Islamic Finance and Investment Limited's financial situation was weak than other years. Now this company's financial situation is not good.

The ratio analysis has been done of last five years performance which will helps to understand current as well as past performance of Islamic Finance and Investment Limited. Lastly, I have mentioned about some findings or observation and recommended some points which will this company to return its previous position.

# Chapter- 1

## Introduction

### 1.1 Introduction:

Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. The term is also used as a general measure of a firm's overall financial health over a given period.

Analysts and investors use financial performance to compare similar firms across the same industry or to compare industries or sectors in aggregate or evaluate the firm by comparing with its previous financial performance.

The term ‘financial performance analysis also known as analysis and interpretation of financial statement’, refers to the process of determining financial strength and weakness of the firm by establishing strategic relationship between the items of the balance sheet , profit and loss account and other operative data.

The analysis of financial statements is an important aid to financial analysis. They provide information on how a firm is performed in the past and what is its current financial position. Financial analysis is the process of identifying the financial strength and weakness of the firm from the available accounting data and financial statements. The analysis is done by establishing relationship between the different items of financial statements.

The focus of financial analysis is on key figures in the financial statements and the significant relationship that exists between them. The analysis of financial statement is a process of evaluating relationship between component parts of financial statements to a better understanding of the firm’s position and performance.

The first task of financial analysis is to select the information relevant to the decision under consideration from the total information contained in the financial statement. The second step involved in financial analysis is to arrange the information in a way to highlight significant relationships. The final step is interpretation and drawing of inferences and conclusions. In brief, financial analysis is the process of selecting, relation, and evaluation.

## 1.2 Scope of the study:

The study is based on the accounting information of the Islamic finance and Investment limited. The study covers the period of 2015 to 2019 for analyzing the financial statement such as income statements and balance sheet. The scope of study involves the various factors that affect the financial efficiency of the company. To increase the profit and sales growth of the company this study finds out the operational efficiency of the organization and allocation of resources to improve the efficiency of the organization. The data of the past five years are taken into account for the study. The performance is compared within those periods. This study finds out the areas where Islamic finance and Investment limited can improve to increase the efficiency of its assets and funds employed.

## 1.3 Objectives of the study:

- To analyze the liquidity and solvency position of the firm,
- To study the working capital management of the company,
- To understand the profitability position of the firm,
- To assess the factors influencing the financial performance of the organization,
- To understand the overall financial position of the company.

## 1.4 limitations of the study:

- As the study is based on secondary data, the inherent limitation of the secondary data would have affected the study.
- The figures in a financial statements are likely to be a least several months out of date, and so might not give a proper indication of the company's current financial position.
- This study need to be interpreted carefully. They can provide clues to the company's performance or financial situation. But on other way, they cannot show whether performance is good informed analysis to be made.



## 1.5 Research methodology:

### **Sources of Data:**

The information we needed to complete this report were collected from the following sources:

#### **Primary sources of data:**

Though it is an analyzing report but it is matter of great regret that we hardly use primary data for this report. The main reason for this problem is we are far from the Islamic Finance and Investment Limited and that's why we can't collect data from it directly and for this reason we depend on the secondary data.

#### **Secondary sources of data:**

Secondary data are collected through gathering of the published materials such as annual report of the company, it means sources of existing/published data.

- Annual report of Islamic Finance and Investment Limited
- Website of Islamic Finance and Investment Limited
- Various report and articles related to the study.
- Various online publications.
- Different textbooks.

## Chapter- 2

### Profile

#### 2.1 vision of Islamic Finance and Investment Ltd.

To be a leader in financial area of Bangladesh with Islamic values.

#### 2.2 Mission of Islamic Finance and Investment Ltd.

- To build a strong and dynamic institution to make a viable alternative to conventional system;
- To provide quality products and services to the clients with sincerity, honesty and care;
- To maximize clients and shareholders value with stable growth;
- To apply Shariah principles and maintain the highest level of ethical stander and transparency in all business transactions;
- To provide a congenial work atmosphere to create and attract competent work force; and
- To be a socially responsible and make effective contribution to national development.

#### 2.3 Goal of Islamic Finance and Investment Ltd.

Our Goal is to:

- Create the value for our customers, Stakeholders and Employees.
- Establish strong regional presence with Islamic ideas.
- Respond quickly to new prospects.

#### 2.4 Strategic Objectives

- To introduce new products and services with Islamic values through diversification and customization of existing products and services to ensure maximum market coverage.
- To provide employees with high motivation, extensive opportunities for learning and career development, competitive pay and benefits and congenial environment where diversity is valued.
- To create sustainable economic value for stakeholders.
- To conduct business in a socially responsible manner under Islamic principle.
- To elevate ethical and business standard with high corporate governance.

## 2.5 Milestone of the Company

### Events Date

▪ Letter of Intent Issued by Bangladesh Bank	04-09-2000
▪ Date of incorporation	27-02-2001
▪ Bangladesh Banks Permission	12-04-2001
▪ Permission of principal Branch	19-04-2001
▪ Start of Business Operation	19-04-2001
▪ Permission of new registered Office	20-08-2001
▪ Inauguration by Honorable President of Bangladesh	03-03-2002
▪ Permission of Chittagong Branch	24-09-2002
▪ Chittagong Branch Operation started	19-12-2002
▪ Permission of Bogra Branch	25-11-2004
▪ Operation of Bogra Branch started	10-03-2005
▪ IPO Issue	25-09-2005
▪ Listing in Chittagong Stock Exchange	28-11-2005
▪ Listing in Dhaka Stock Exchange	07-12-2005
▪ Share Trading started in Stock Exchange	11-12-2005
▪ Permission of Narayanganj Branch	06-09-2006
▪ Operation of Narayanganj Branch started	29-01-2007
▪ Permission of Uttara Branch	05-08-2007
▪ Operation of Uttara Branch started	04-02-2008
▪ Permission of Nayabazar Branch	29-07-2008
▪ Operation of Nayabazar Branch started	18-12-2008
▪ 1R:2 Rights Issue	15-11-2010
▪ Trade Opening of Mutual Fund Sponsored by IFIL	22-11-2010
▪ Shifting of Head Office	14-07-2011
▪ Enhancement of Authorized Capital	23-11-2011
▪ 1R:3 Rights Issue	22-11-2012
▪ Shifting of Uttara Branch to own premise	02-06-2013
▪ Shifting of Bogra Branch to own premise	30-04-2014
▪ Signing of Sale Agreement for purchasing premises for corporate office	13-04-2015
▪ Launching New Logo	25-09-2017
▪ Permission of Gazipur Branch	28-05-2018
▪ Operation of Gazipur Branch started	27-08-2018
▪ Permission of Chowmuhani Branch	11-09-2018
▪ Operation of Chowmuhani Branch started	06-12-2018
▪ Approval of “IFIL Mudaraba Non-Convertible Fully Redeemable Subordinated Bond of BDT 300.00 Crore”	07-01-2020

## Chapter- 3

### Analyzing financial performance

#### 3.1 Data for analyzing financial performance

Particulars	2015	2016	2017	2018	2019
Current Assets	177016237	179770635	232723892	205275784	243029443
Current liabilities	507950838	256858767	205615663	124059828	400551797
Total assets	9429041289	11936871109	15239737438	16778341340	17218287851
Total liabilities	7814192853	10225894402	13321476930	14810526835	15189759618
Revenue	994,802,694	1,174,136,328	1,065,531,341	1,420,069,822	1,642,315,914
Expense	685,752,698	716,265,683	744,639,627	1,062,426,475	1,255,732,373
Operating profit	264,946,710	388,266,441	287,882,602	335,638,008	331,849,385
EBIT	264946710	388266441	240221577	381349609	389125993
Interest	34091936	17497728	47661025	45711601	57276608
Common stock equity	1614848436	1710976707	1918260508	1967814505	2028528233
Number of share of common stock	120976484	120976484	134283897	134283897	140326670
Earnings available for common stockholder	201,819,444	258,234,877	243,576,745	244,256,648	195,698,517
Earning per share	1.64	2.30	1.81	1.74	1.39
Market price per share	17.18	21.43	20.95	16.35	15.34

## 3.2 Liquidity Ratios

### 3.2.1 Current Ratio

$$\text{Current ratio} = \frac{\text{current assets}}{\text{Current liabilities}}$$

$$\text{In 2015, Current Ratio} = \frac{177016237}{507950838} = 0.34$$

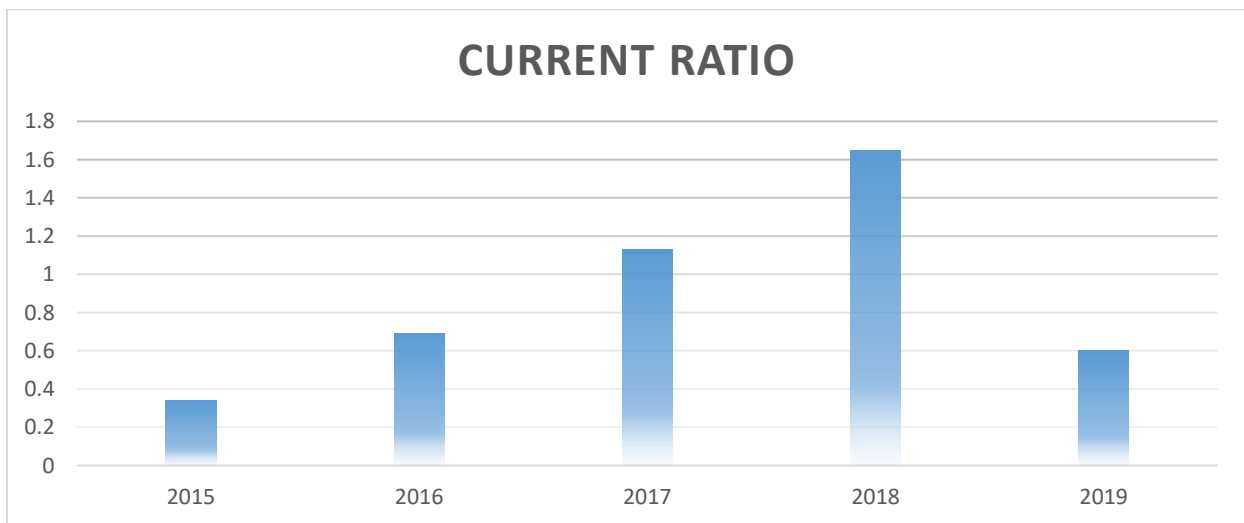
$$\text{In 2016, Current Ratio} = \frac{179770635}{256858767} = 0.69$$

$$\text{In 2017, Current Ratio} = \frac{232723892}{205615663} = 1.13$$

$$\text{In 2018, Current Ratio} = \frac{205275784}{124059828} = 1.65$$

$$\text{In 2019, Current Ratio} = \frac{243029443}{400551797} = 0.60$$

Year	2015	2016	2017	2018	2019
Ratio	0.34	0.69	1.13	1.65	0.60



**Interpretation:** generally, 2:1 is considered ideal for a company. Current assets should be twice of the current liabilities. If the ratio is higher than 2, it is very comfortable for the creditors. For Islamic finance and Investment ltd., current ratio is 1.65 in 2018. It was the highest ratio within 5 years. The current ratio of 2015-2018 was improving day by day but the company fail to continue its trend of improvement in 2019. So, it is great concern for Islamic finance and Investment ltd.

### 3.3 Profitability Ratios

#### 3.3.1 Gross profit margin

$$\text{Gross profit margin} = \frac{\text{sales} - \text{cost of goods sold}}{\text{sales}}$$

As the company is not manufacturing company, the formula is-

$$\text{Gross profit margin} = \frac{\text{Revenue} - \text{expense}}{\text{Revenue}}$$

$$\text{In 2015, Gross profit margin} = \frac{994,802,694 - 685,752,698}{994,802,694} = 31.1\%$$

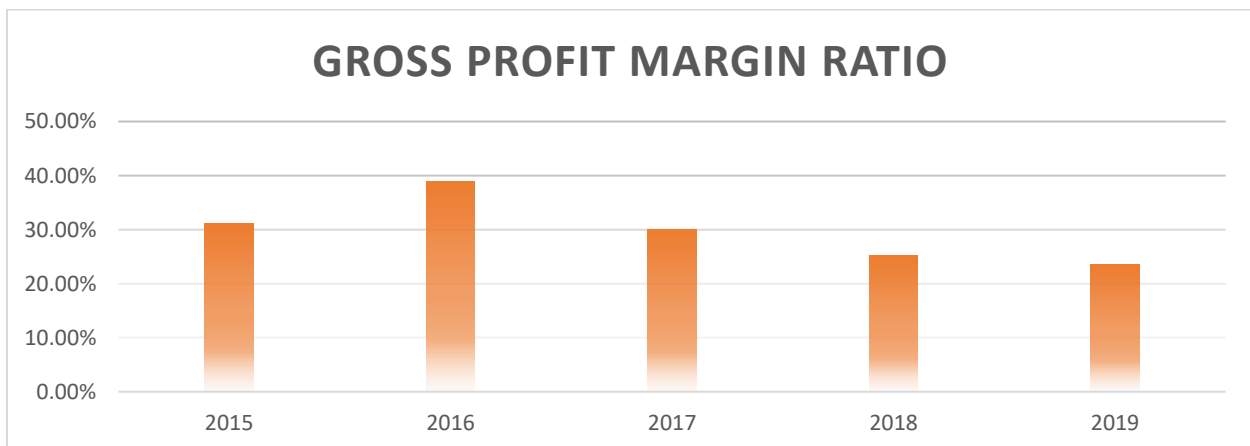
$$\text{In 2016, Gross profit margin} = \frac{1,174,136,328 - 716,265,683}{1,174,136,328} = 38.9\%$$

$$\text{In 2017, Gross profit margin} = \frac{1,065,531,341 - 744,639,627}{1,065,531,341} = 30.1\%$$

$$\text{In 2018, Gross profit margin} = \frac{1,420,069,822 - 1,062,426,475}{1,420,069,822} = 25.2\%$$

$$\text{In 2019, Gross profit margin} = \frac{1,642,315,914 - 1,255,732,373}{1,642,315,914} = 23.6\%$$

Year	2015	2016	2017	2018	2019
Ratio	31.1%	38.9%	30.1%	25.2%	23.6%



**Interpretation:** The gross profit ratio of Islamic Finance and Investment Limited presents decreasing trends. Although, it rises in 2016 at a glance. In 2016 gross profit ratio is 38.9%. It was the highest ratio within 5 years. It shows decreasing trends from 2017 up to 2019. Accordingly, it represents the company's unprofitability.

### 3.3.2 Operating profit margin

$$\text{Operating profit margin} = \frac{\text{operating profits}}{\text{sales}}$$

As the company is not manufacturing company, the formula is-

$$\text{Operating profit margin} = \frac{\text{operating profit}}{\text{Revenue}}$$

$$\text{In 2015, Operating profit margin} = \frac{264,946,710}{994,802,694} = 26.7\%$$

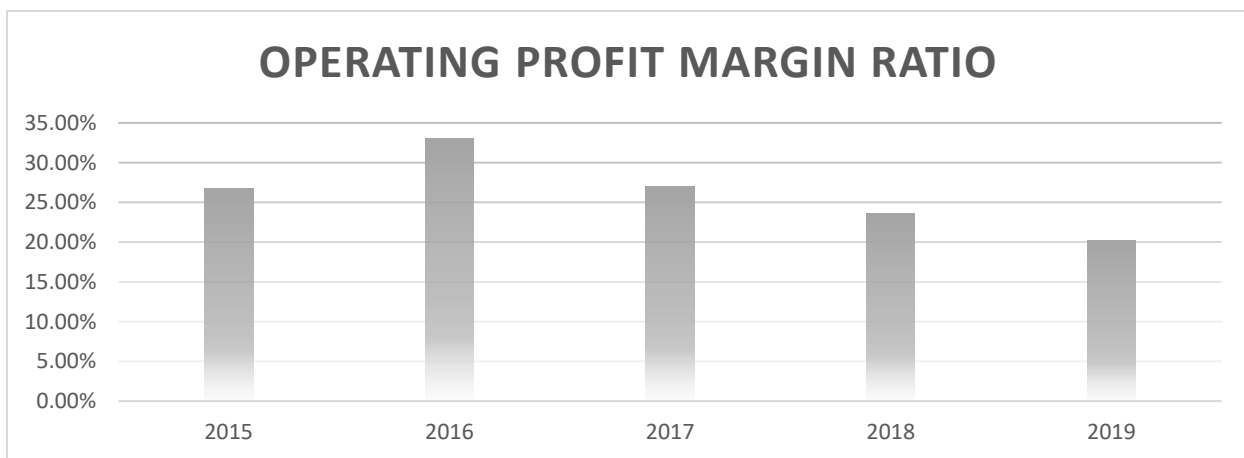
$$\text{In 2016, Operating profit margin} = \frac{388,266,441}{1,174,136,328} = 33.06\%$$

$$\text{In 2017, Operating profit margin} = \frac{287,882,602}{1,065,531,341} = 27.01\%$$

$$\text{In 2018, Operating profit margin} = \frac{335,638,008}{1,420,069,822} = 23.6\%$$

$$\text{In 2019, Operating profit margin} = \frac{331,849,385}{1,642,315,914} = 20.2\%$$

Year	2015	2016	2017	2018	2019
Ratio	26.7%	33.06%	27.01%	23.6%	20.2%



**Interpretation:** The operating profit margin ratio of Islamic Finance and Investment Limited presents decreasing trends. Although, it rises in 2016 at a glance. In 2016 the operating profit margin ratio is 33.06%. It was the highest ratio within 5 years. It shows decreasing trends from 2017 up to 2019. Accordingly, it represents the company's unprofitability.

### 3.3.3 Net profit margin

$$\text{Net profit margin} = \frac{\text{Earnings available for common stock holders}}{\text{sales}}$$

As the company is not manufacturing company, the formula is:-

$$\text{Net profit margin} = \frac{\text{Earnings available for common stock holders}}{\text{Revenue}}$$

$$\text{In 2015, Net profit margin} = \frac{201,819,444}{994,802,694} = 20.3\%$$

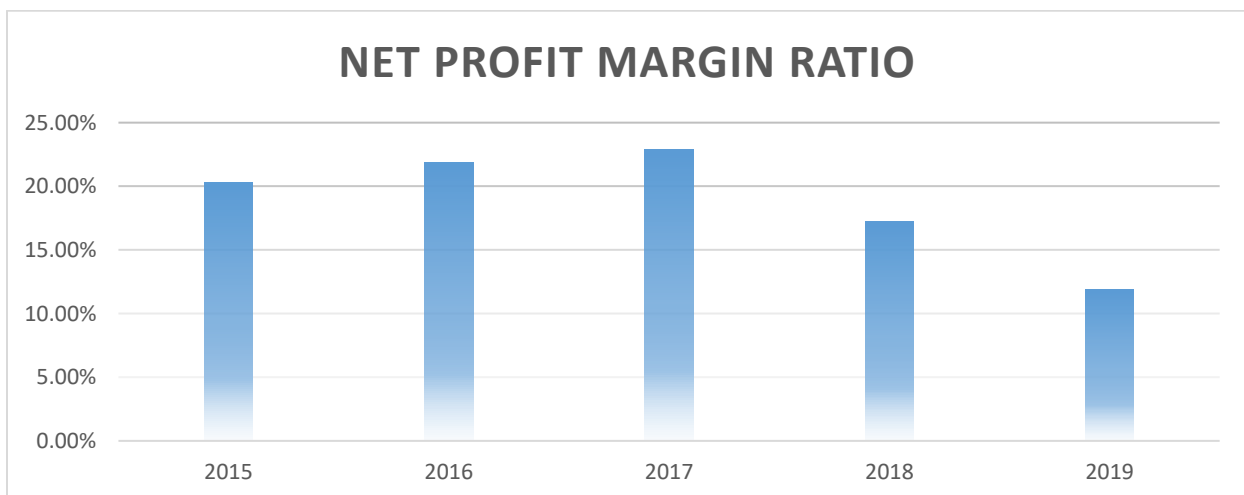
$$\text{In 2016, Net profit margin} = \frac{258,234,877}{1,174,136,328} = 21.9\%$$

$$\text{In 2017, Net profit margin} = \frac{243,576,745}{1,065,531,341} = 22.9\%$$

$$\text{In 2018, Net profit margin} = \frac{244,256,648}{1,420,069,822} = 17.2\%$$

$$\text{In 2019, Net profit margin} = \frac{195,698,517}{1,642,315,914} = 11.9\%$$

Year	2015	2016	2017	2018	2019
Ratio	20.3%	21.9%	22.9%	17.2%	11.9%



**Interpretation:** profit margin ratio of Islamic Finance and Investment Limited presents decreasing trends. Although, 2015 to 2017 the ratio is rising .In 2017 the highest ratio within 5 years. It shows decreasing trends from 2018 up to 2019. Accordingly, it represents the company' unprofitability.



### 3.3.4 Earnings per share (EPS)

$$\text{Earnings per share (EPS)} = \frac{\text{Earnings available for common stockholders}}{\text{Number of share common stock outstanding}}$$

$$\text{In 2015, Earnings per share (EPS)} = \frac{201,819,444}{120,976,484} = 1.7$$

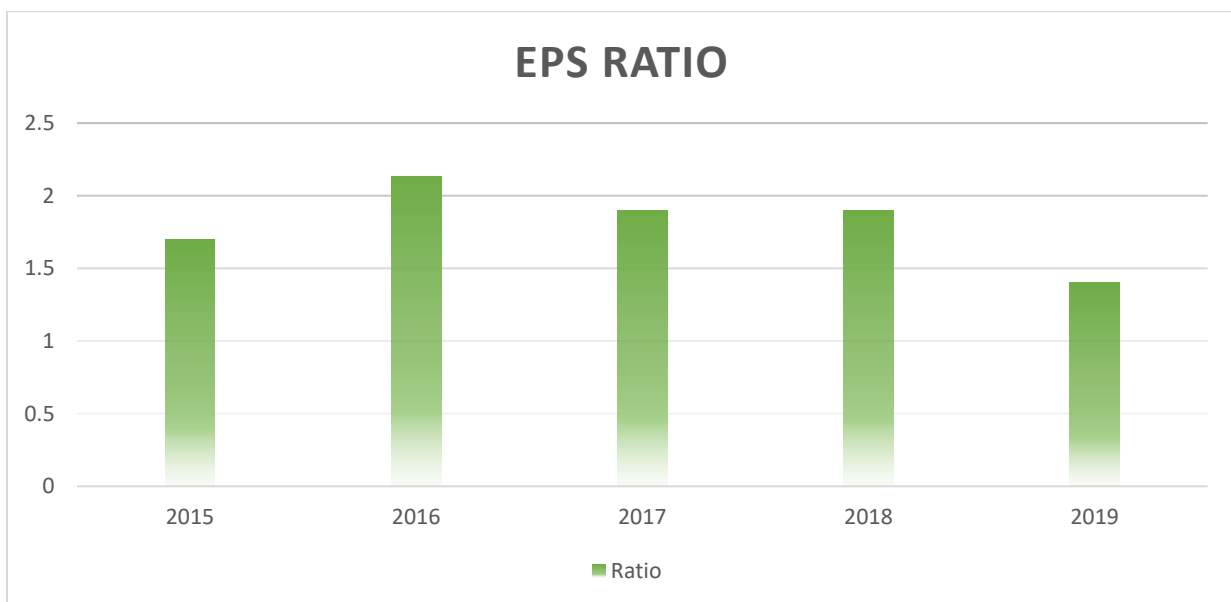
$$\text{In 2016, Earnings per share (EPS)} = \frac{258,234,877}{120,976,484} = 2.13$$

$$\text{In 2017, Earnings per share (EPS)} = \frac{243,576,745}{134,283,897} = 1.9$$

$$\text{In 2018, Earnings per share (EPS)} = \frac{244,256,648}{134,283,897} = 1.9$$

$$\text{In 2019, Earnings per share (EPS)} = \frac{195,698,517}{140,326,670} = 1.4$$

Year	2015	2016	2017	2018	2019
Ratio	1.7	2.13	1.9	1.9	1.4



**Interpretation:** EPS represents the amount earned on behalf of each outstanding share of common stock. The EPS ratio of Islamic Finance and Investment Limited presents decreasing trends. Although, in 2016 the ratio is 2.13. It was the highest ratio within 5 years. It shows decreasing trends from 2017 up to 2019.

### 3.3.5 Return on total Assets (ROA)

$$\text{Return on total Assets (ROA)} = \frac{\text{Earnings available for common stockholders}}{\text{Total assets}}$$

$$\text{In 2015, Return on total Assets (ROA)} = \frac{201,819,444}{9,429,041,289} = 2.14\%$$

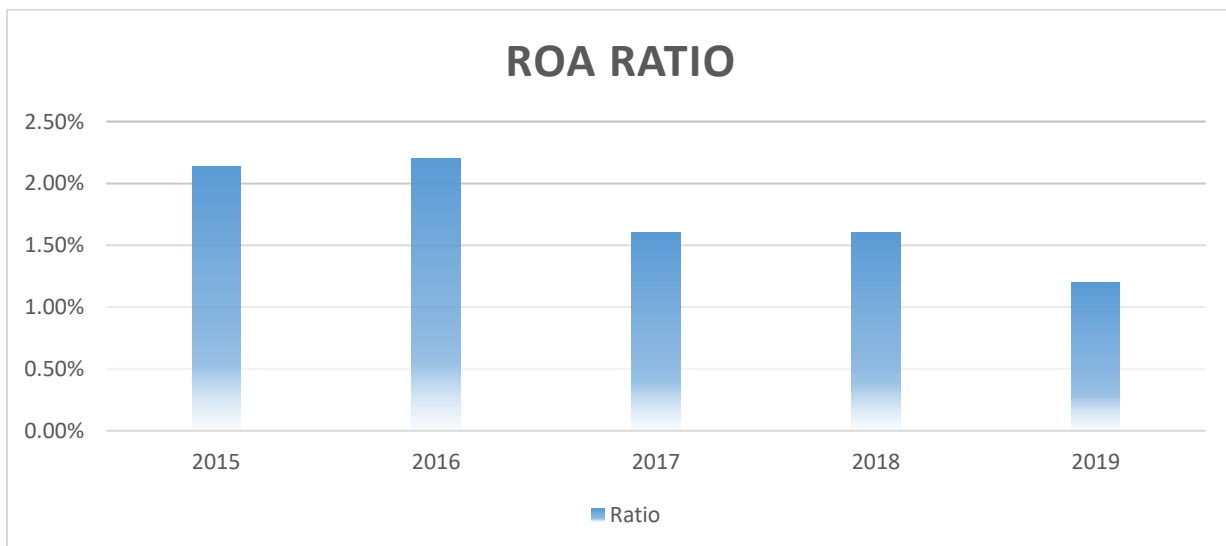
$$\text{In 2016, Return on total Assets (ROA)} = \frac{258,234,877}{11,936,871,109} = 2.2\%$$

$$\text{In 2017, Return on total Assets (ROA)} = \frac{243,576,745}{15,239,737,438} = 1.6\%$$

$$\text{In 2018, Return on total Assets (ROA)} = \frac{244,256,648}{16,778,341,340} = 1.6\%$$

$$\text{In 2019, Return on total Assets (ROA)} = \frac{195,698,517}{17,218,287,851} = 1.2\%$$

Year	2015	2016	2017	2018	2019
Ratio	2.14%	2.2%	1.6%	1.6%	1.2%



**Interpretation:** The return on asset ratio of Islamic Finance and Investment Limited shows the decreasing trend from 2015 up to 2019. It means company's total assets are not much active to generate profit.

### 3.3.6 Return on Common Equity (ROE)

$$\text{Return on Common Equity} = \frac{\text{EARNING AVAILABLE FOR COMMON STOCK HOLDER}}{\text{COMMON STOCK EQUITY}}$$

$$\text{In 2015, Return on Common Equity} = \frac{201,819,444}{1,614,848,436} = 12.5\%$$

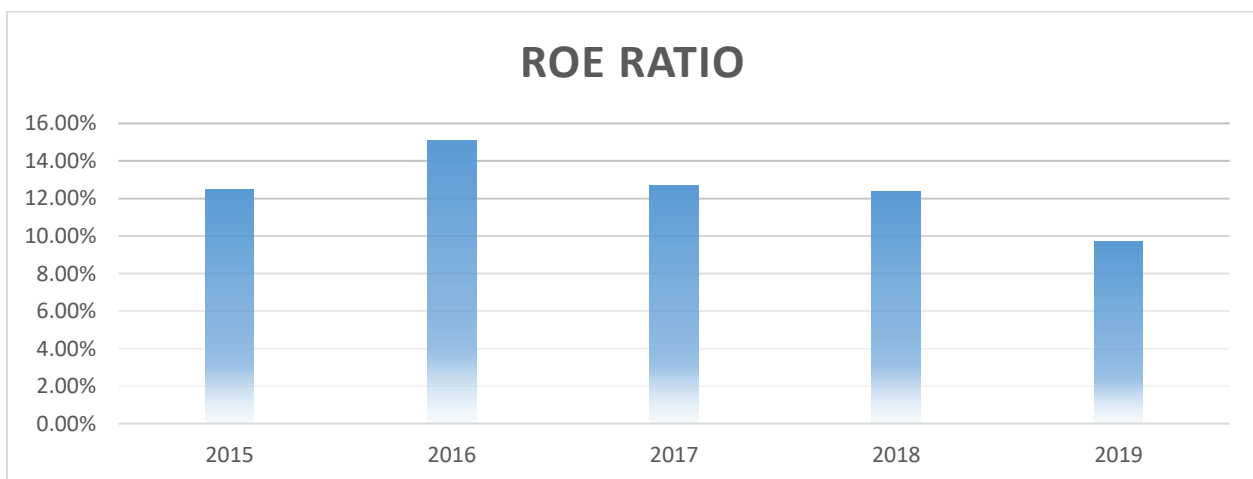
$$\text{In 2016, Return on Common Equity} = \frac{258,234,877}{1,710,976,707} = 15.1\%$$

$$\text{In 2017, Return on Common Equity} = \frac{243,576,745}{1,918,260,508} = 12.7\%$$

$$\text{In 2018, Return on Common Equity} = \frac{244,256,648}{1,967,814,505} = 12.4\%$$

$$\text{In 2019, Return on Common Equity} = \frac{195,698,517}{2,025,528,233} = 9.7\%$$

Year	2015	2016	2017	2018	2019
Ratio	12.5%	15.1%	12.7%	12.4%	9.7%



**Interpretation:** The Return on Common Equity ratio of Islamic Finance and Investment Limited shows decreasing trends. In 2015 to 2016 it rises at glance. In 2016, ratio level was high 15.1%. It was the highest rate within 5 years. It shows decreasing trends from 2017 to 2019. It indicate that shareholders invest money or asset property can't keep peace with generating profit.

### 3.4 Debt Ratios

#### 3.4.1 Debt Ratio

$$\text{Debt Ratio} = \frac{\text{Total liabilities}}{\text{Total assets}}$$

$$\text{In 2015, Debt Ratio} = \frac{7814192853}{9429041289} = 82.87\%$$

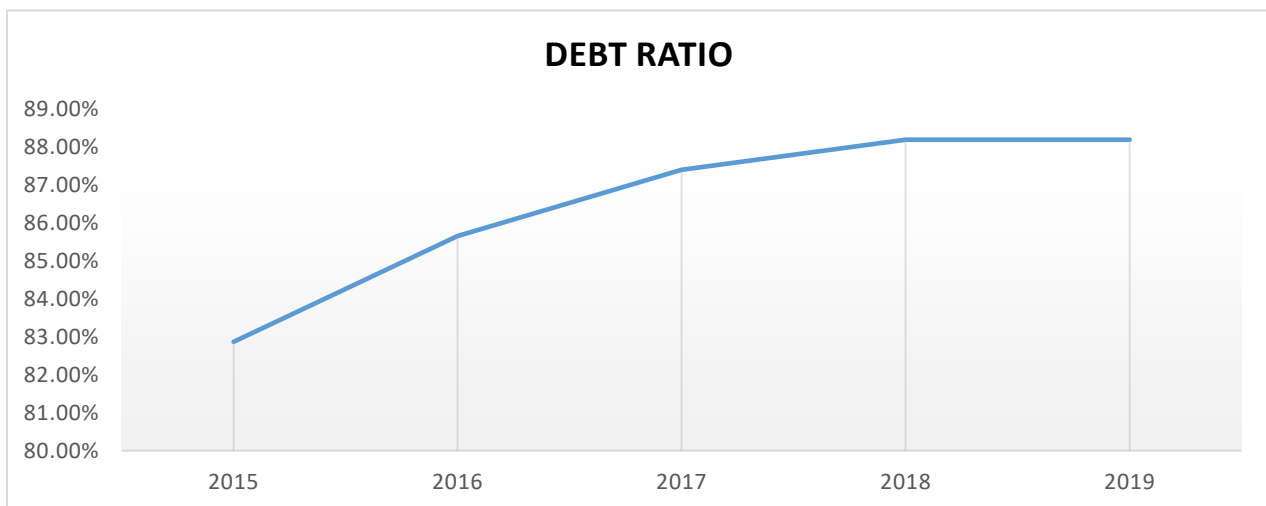
$$\text{In 2016, Debt Ratio} = \frac{10225894402}{11936871109} = 85.66\%$$

$$\text{In 2017, Debt Ratio} = \frac{13321476930}{15239737438} = 87.41\%$$

$$\text{In 2018, Debt Ratio} = \frac{14810526835}{16778341340} = 88.2\%$$

$$\text{In 2019, Debt Ratio} = \frac{15189759618}{17218287851} = 88.2\%$$

Year	2015	2016	2017	2018	2019
Ratio	82.87%	85.66%	87.41%	88.2%	88.2%



**Interpretation:** Generally, the higher the debt ratio, the greater the company's degree of indebtedness and the more financial leverage it has. For Islamic Finance and Investment Limited, the ratio shows that the company is so much risky as it has so much financial leverage.

### 3.4.2 Times Interest Earned Ratio

$$\text{Times Interest Earned Ratio} = \frac{\text{Earning Before interest and Tax}}{\text{Interest}}$$

$$\text{In 2015, Times Interest Earned Ratio} = \frac{264946710}{34091936} = 7.77$$

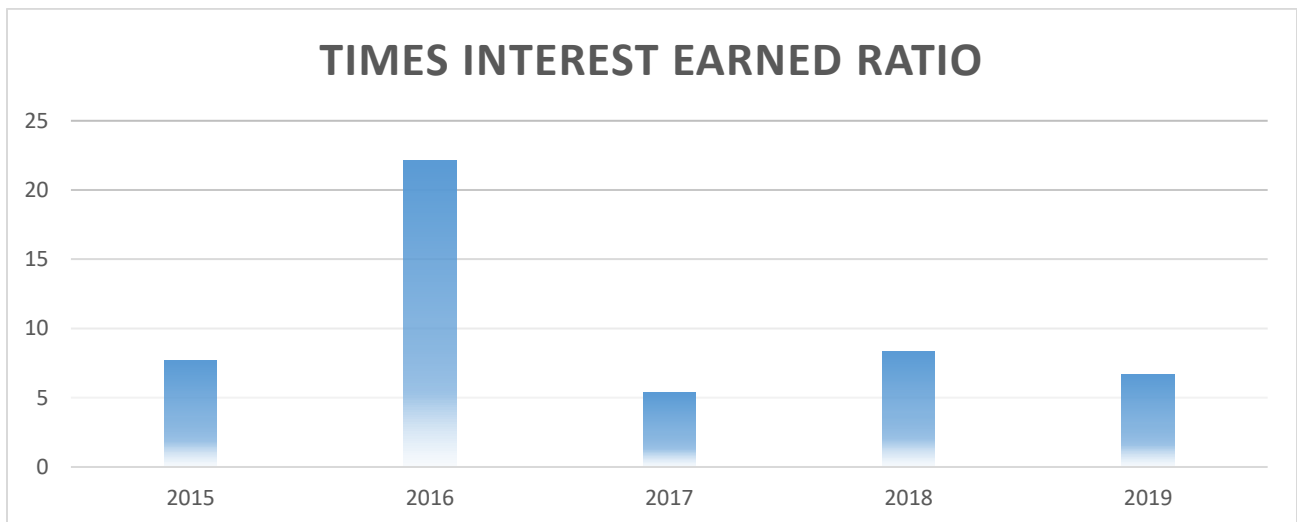
$$\text{In 2016, Times Interest Earned Ratio} = \frac{388266441}{17497728} = 22.14$$

$$\text{In 2017, Times Interest Earned Ratio} = \frac{240221577}{47661025} = 5.04$$

$$\text{In 2018, Times Interest Earned Ratio} = \frac{381349609}{45711601} = 8.34$$

$$\text{In 2019, Times Interest Earned Ratio} = \frac{389125993}{57276608} = 6.7$$

Year	2015	2016	2017	2018	2019
Ratio	7.7	22.14	5.4	8.34	6.7



**Interpretation:** the higher the value of this ratio, the better the company is able to fulfill its interest. For Islamic Finance and Investment Limited, the ratio of the company is in good shape. It can fulfill its interest without any kind of hesitation.

### 3.5 Market Ratios

#### 3.5.1 Price/Earnings (P/E) Ratio

$$\text{Price/Earnings (P/E) Ratio} = \frac{\text{Market price per share of common stock}}{\text{Earnings per share}}$$

$$\text{In 2015, Price/Earnings (P/E) Ratio} = \frac{17.18}{1.64} = 10.48$$

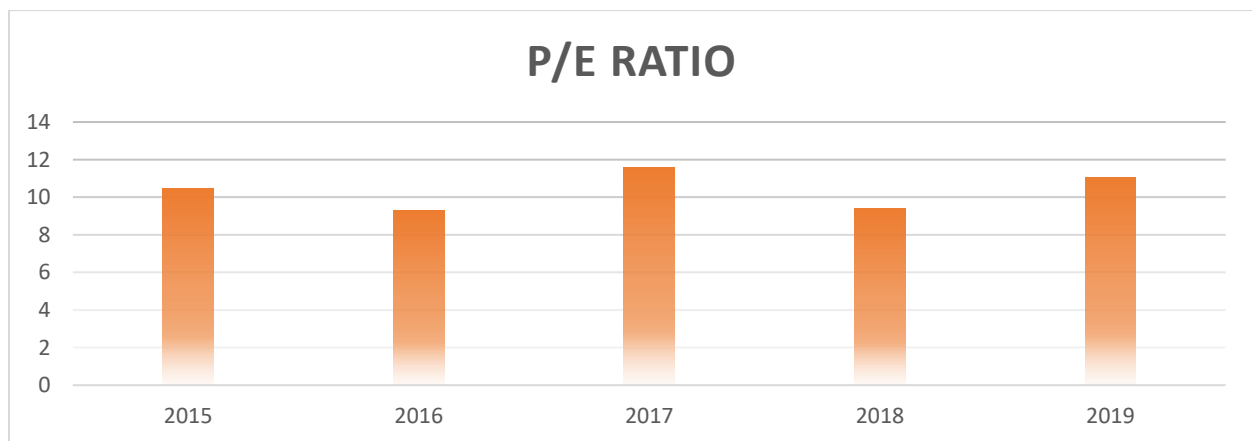
$$\text{In 2016, Price/Earnings (P/E) Ratio} = \frac{21.43}{2.30} = 9.32$$

$$\text{In 2017, Price/Earnings (P/E) Ratio} = \frac{20.95}{1.81} = 11.58$$

$$\text{In 2018, Price/Earnings (P/E) Ratio} = \frac{16.35}{1.74} = 9.4$$

$$\text{In 2019, Price/Earnings (P/E) Ratio} = \frac{15.34}{1.39} = 11.04$$

Year	2015	2016	2017	2018	2019
Ratio	10.48	9.32	11.58	9.4	11.04



**Interpretation:** The ratio indicates the degree of confidence that investors have in the company's future performance. The higher the P/E ratio, the greater the investor's confidence. . For Islamic Finance and Investment Limited, the highest P/E ratio is 11.58 in 2017. The P/E ratio in 2019 is 11.04. This figure indicates that investors are paying 11.04 taka for each 1.00 taka of earnings.

### 3.5.2 Market /Book (M/B) Ratio

$$\text{Book value per share} = \frac{\text{comon stock equity}}{\text{number of share of common stock outstanding}}$$

$$\text{Market/Book Ratio} = \frac{\text{Market price of per share common stock}}{\text{Book value per share of common stock}}$$

$$\text{In 2015, Book value per share} = \frac{1614848436}{120976484} = 13.34$$

$$\text{Market/Book Ratio} = \frac{10.48}{13.34} = 0.78$$

$$\text{In 2016, Book value per share} = \frac{1710976707}{120976484} = 14.14$$

$$\text{Market/Book Ratio} = \frac{21.43}{14.14} = 1.51$$

$$\text{In 2017, Book value per share} = \frac{1918260508}{134283897} = 14.28$$

$$\text{Market/Book Ratio} = \frac{20.95}{14.28} = 1.46$$

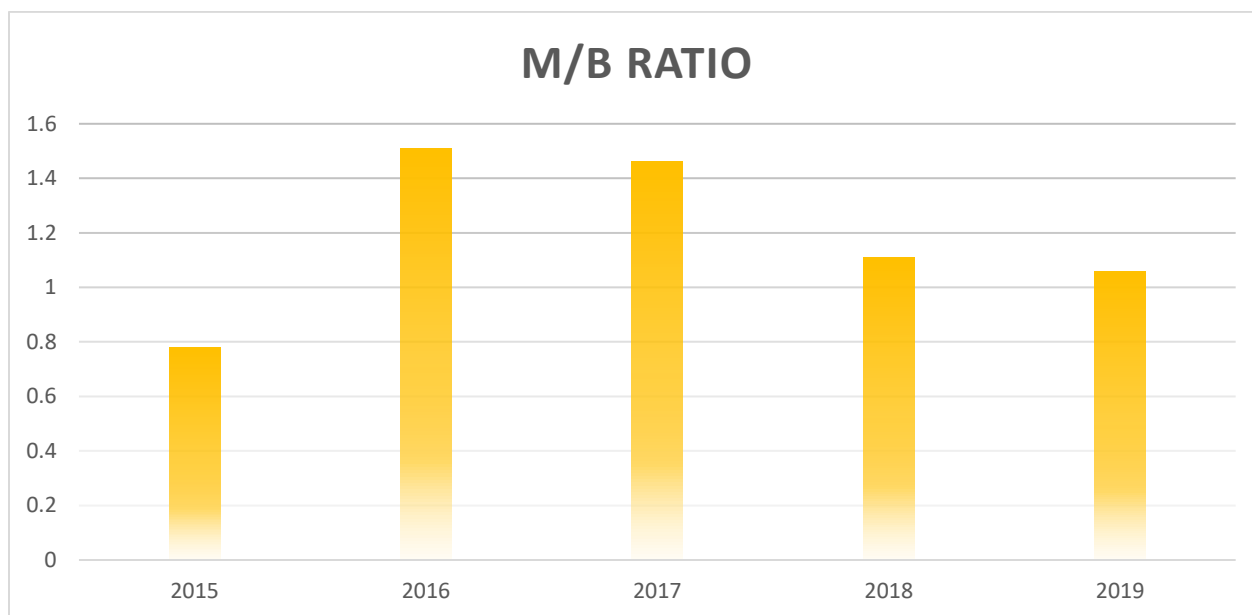
$$\text{In 2018, Book value per share} = \frac{1967814505}{134283897} = 14.65$$

$$\text{Market/Book Ratio} = \frac{16.35}{14.65} = 1.11$$

$$\text{In 2019, Book value per share} = \frac{2028528233}{140326670} = 14.45$$

$$\text{Market/Book Ratio} = \frac{15.34}{14.45} = 1.06$$

Year	2015	2016	2017	2018	2019
Ratio	0.78	1.51	1.46	1.11	1.06



**Interpretation:** The market/book ratio provides an assessment of how investors view the company's performance. The ratio means that how much the investors are paying for each 1.00 taka of book value of Islamic Finance and Investment Limited. The highest ratio is 1.51 in 2016. It was good for the company. But the ratio is getting low day by day.



## Chapter- 4

### Findings and Recommendation

#### Findings

- ❖ The current ratio of Islamic Finance and Investment Limited is not in a good position. It has not enough ability to pay off its liabilities with its current assets.
- ❖ The current ratio of 2019 is very low. We have studied, the company has so much current liabilities company comparing the current assets.
- ❖ The profitability ratio of Islamic Finance and Investment Limited's is in good shape. Especially in 2016 company's profit earning level was so high. But in 2017 up to 2019 profit earning level was decreasing day by day. In 2019 the company's profitability ratio was fall down.
- ❖ The debt ratio of Islamic finance and Investment Limited is so high. It has a high level of financial leverage.
- ❖ The times interest earned ratio of the firm is in good shape. So, there would be no hesitation for the firm to pay its interest.
- ❖ The market ratio of Islamic finance and Investment Limited is getting low day by day. We have studied, the confidence of investors on the company is decreasing from 2017 to 2019.

### Recommendation:

- ❖ Islamic Finance and Investment Limited must focus on increasing current assets to fulfill its current liabilities.
- ❖ The company has high level of financial leverage so it should collect its most of the capital by selling its stocks.
- ❖ Islamic Finance and Investment Limited's profitability ratio was in good shape from 2015 to 2016. But day by day its profit earning level was fall down. Profit is an important things of a company. Without profit a company could not attract outside capital. So owners, creditors and management should pay close attention to boosting profits because of the great importance the market place on earning. As a result, Islamic Finance and Investment Limited will return its previous position again.
- ❖ The Islamic Finance and Investment Limited is losing its share value in market so first it should become a profitable company by investing its capital in profitable sources then it should increase its earnings per share value day by day. So, the investors can gain the confidence on the future performance of the company. By doing this, the market value of the company will increase and the market ratio of the company will also begin to improve.

## CONCLUTION

Analyzing the financial performance is so much important as it reveals the overall financial scenario of a company. In the case of Islamic Finance and Investment Limited, the financial performance of the company is getting weak from 2017. The current scenario of financial performance of this company is the worse comparing the previous 5 years. The company is playing a great role in the economic development of Bangladesh. But the company is facing a lot of challenges as it is going through a good level of financial leverage. To overcome these challenges, the company needs to improve the financial sectors. The company should make every movement by forecasting its result as it has a lot of financial leverage.

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