HOW TO IMPROVE THE FINANCIA PERFORMANCE OF HBL?



A PROJECT BY:

Babar Iqbal 01-122061-008

Saqib Latif Satti 01-122061-036

MBA 2008

BAHRIA UNIVERSITY



ABSTRACT

HBL performance in last few years is not satisfactory. Every analyst will consider different factors as a major reason of failure. In this effort we tried to identify the major factors affecting its performance. Different types of analysis used in this project that includes ratio analysis and index analysis. We concluded report at the end by giving recommendations and action plan for the better performance of HBL.

CHAPTER		TITLE	PAGE
	1.	Introduction	08
	1.1.	Problem Statement	09
Chapter 1	1.2.	Objective And Aims Of Study	09
	1.3.	Research Methodology	10
	1.3a.	Research Type	10
	1.3b.	Technique Of Research	10
	1.3c.	Sample	11
	1.3d.	Sample Size	11
	1.3e.	Data Collection	11
	1.3f.	Data Analysis Technique	12
	1.4.	Limitations Of Study	12
Chapter 2			13
	2.	Industry Introduction	
	3.	Organizational Overview	15
Chapter 3	3.1.	HBL Vision	15
Chapter 5	3.2.	HBL Mission	15
	3.3.	Departments of Head Office	15
Chapter 4	4.	Ratio Analysis And Interpretation	17
•	4.1	Liquidity Ratios	20
	4.1a.	Current Ratio	20
	4.1b.	Advances To Deposits Ratio	22
	4.2.	Leverage Ratio	24
	4.2a.	Debt To Equity	24
	4.2b.	Debt To Total Assets	25
	4.2c.	Coverage Ratios	25
	4.3.	Activity Ratios	27
	4.3a.	Advances To Interest Earned	27
	4.3b.	Total Assets To Interest Earned Ratio	28
	4.4.	Profitability Ratio	29
	4.4a.	Profit Margin Analysis	29
	4.4b.	Return On Investment	30
	4.5.	Market Value Ratios	32
	4.5a.	Earning Per Share	32
	4.6.	Common Sizing Balance Sheet Liabilities	34
	4.6a.	Bills Payable	34
	4.6b.	Borrowing From Financial Institutions	34
	4.6c.	Deposits And Other Accounts	34
	4.6d.	Total Current Liabilities	35
	4.6e.	Shares Capital	35
	4.6f.	Capital Reserves	36

	4.7.	Common Sizing Balance Assets	37
	4.7a.	Cash And Balances	37
	4.7b.	Investments	37
	4.7c.	Advances	37
	4.7d.	Fixed Assets	38
	4.7e.	Net Assets	38
	4.8.	Common Sizing Profit And Loss Account	40
	4.8a.	Net Mark-Up Interest Income	40
	4.8b.	Non Mark-Up Interest Income	40
	4.8c.	Non Mark-Up Interest Expense	41
	4.8d.	Profit After Tax	41
	4.8e.	Basic Earning Per Share	41
	4.9.	Index Analysis Balance Sheet	43
	4.9a.	Cash And Balances	43
	4.9b.	Balance With Other Banks	43
	4.9c.	Lending To Financial Institutions	43
	4.9d.	Investments	44
	4.9e.	Advances	44
	4.10.	Index Analysis Of Liabilities	46
	4.10a.	Bills Payable	46
	4.10b.	Deposits	46
	4.10c.	Net Assets	46
	4.10d.	Share Capital	47
	4.10e.	Profit and Loss	47
	4.11.	Index Analysis Profit and Loss	48
	4.11a.	Net Interest Income	48
	4.11b.	Total Interest Income	48
	4.11c.	Total Interest Expense	48
	4.11d.	Profit Before Taxation	49
	4.11e.	Profit After Taxation	49
Chapter 5	5.	Limitations Of Ratio Analysis	51
Chapter 6	6.	Conclusion	53
	6.1.	Recommendations	54
Chapter 7	7.	Action Plan	57
		Bibliography	59