

Internship Report
On
Financial Performance Analysis of BRAC Bank
Limited

Submitted To:

Controller of Examinations

National University

Gazipur-1704

Supervised By:

Professor Dr. Mohammed Shakhawat Hossain

Principal

Daffodil Institute Of IT (DIIT)

Submitted By:

Daisy Afroz Shanta

Registration No: 18601000617

Roll No: 1920425

Session: 2018-2019

Program: Master of Business Administration

Major: Finance

Daffodil Institute of IT (DIIT)



Date of Submission: April 05, 2023

LETTER OF TRANSMITTAL

5th April, 2023

Controller of Examinations

National University

Gazipur -1704

Subject: Submission of the internship report.

Sir,

With due respect, I would like to inform you that, it is a great pleasure for me to submit the internship report on “**Financial Performance Analysis of BRAC Bank Limited**”, as it is a fulfillment of partial requirement to achieve MBA degree under the curriculum of National University, Bangladesh.

To prepare this report, I have gathered what I believe to be the most complete information available on Facility Management division (FMD) of BRAC Bank Limited (BBL) and enjoyed working thereon. The experience I have gathered during this period will remain as an invaluable asset of immense useful in my life. I have worked hard preparing this report and I hope that it will fulfill my degree requirement. I will be always available for answering any query on this report

So, I fervent requesting and hope that you would be kind enough to accept my report and oblige thereby.

Sincerely Yours,

.....

Daisy Afroz Shanta

NU Registration No: 18601000617

NU Roll No: 1920425

Session: 2018-2019

Department of Business Administration

Daffodil Institute of IT (DIIT)

CERTIFICATE OF SUPERVISOR'S

This is to certify that Daisy Afroz Shanta is a student of MBA program, National University Roll No: 1920425, National University Registration No: 18601000617, Academic session 2018-2019, has successfully completed her internship program entitled “**Financial Performance Analysis of BRAC Bank Limited**” under my supervision as a partial requirement to fulfill MBA degree. She has done her job according to my supervision and guidance and has tried the best to complete this report successfully. I think this program will help her in the future to build up her better career.

I wish her success and prosperity.

.....
Professor Dr. Mohammed Shakhawat Hossain
Principal
Daffodil Institute of IT (DIIT)

STUDENT DECLARATION

I, Daisy Afroz Shanta, Roll No: 1920425, Registration No: 18601000617, Session: 2018-2019, Major in Finance & Banking, Department of master of Business Administration, Daffodil Institute of IT, hereby declare that the presented Report of internship titled **“Financial Performance Analysis of BRAC Bank Limited”** is uniquely prepared by me under the guidance and supervision of Professor Dr. Mohammed Shakhawat Hossain, Principal, Daffodil Institute of IT (DIIT). The information has been collected from genuine & authentic sources. The work has been submitted in partial fulfillment of the requirement of MBA completion to my university. This report, I have not submitted to any other organization.

.....

Daisy Afroz Shanta

NU Registration No: 18601000617

NU Roll No: 1920425

Session: 2018-2019

Department of Business Administration

Daffodil Institute of IT (DIIT)

ACKNOWLEDGEMENT

First of all, I am expressing my heartfelt gratitude to the Almighty Allah, the most Merciful and the Benevolent, for his special kindness to give me the opportunity to complete the internship successfully and prepare internship report timely. I would like to express my gratitude to the authority of National University for providing me such an opportunity. I also give my sincere gratitude to my academic supervisor Professor Dr. Mohammed Shakhawat Hossain, Principal, Department of Master of Business Administration, Daffodil Institute of IT for his continuous guidance, individual suggestions, continuous encouragement and unfailing enthusiasm throughout the process of completion of this report. I would like to extend my deepest appreciation to all my faculty members of Department of Master of Business Administration, Daffodil Institute of IT for their individual contribution and cooperation in advancing this report and hereby completing my MBA program successfully. I would also like to express my special thank to the staffs of the college for their excellent administration supports. I am also thankful to the Head of Human Resources Division of BRAC Bank Limited for giving me the opportunity to do the internship in BRAC Bank Limited, and specially Mr. Nazmul Hossain Management Division for his since advice, encouragement and support in my internship program as my organization's supervisor. I also thankful my beloved colleague at BBL, Who gave me a sense of belongings which help me to get acquainted with the culture of the Bank and encourage me to complete my internship successfully. At last, but not least, I am very grateful to my entire family members especially to my Father and Mother for their respective support and inspiration to accomplish my study.

EXECUTIVE SUMMARY

Banks are the most financial institution and they are playing an important role in our national economy. It can be easily identified by the function it performs in the economy. Today the importance of banking practices have become undoubtedly immense across the world and by noticing such growing demand, banks are trying to cope up with different kinds of products and services. They contribute highly to the GDP. The main motive of bank is giving services to the people and gain profit from that. Banks are collecting money from one party (as deposit) and lending them to another party. By that procedure, they are mobilizing the money and help the country to develop.

In the First chapter described the origin of the report, the primary objective of the report is to fulfill the requirements of Master of Business Administration. The primary data has been collected through discussion with the respective organization's officials. Secondary data consist of all published or reported material. Then objectives of the study, scope of the study, limitation of the study and methodology of the study are included. Then in the second chapter described the vision, mission and values of the BRAC bank. And also describe the achievements, different types of products, company philosophy, Organogram Of BRAC Bank limited, SWOT analysis, Functional Department of BRAC Bank, HR Practices at BRAC Bank Ltd, Achievement and reorganization

In the third chapter described Financial Performance Analysis, Financial Performance Analysis Techniques and Tools of Financial Performance Analysis. Then in the fourth chapter narrated comparative analysis, Ratio Analysis, Trend Analysis of BRAC BANK LIMITED from 2017 to 2021. In the last chapter finally it included findings & recommendations in BRAC Bank Limited. In findings section discussed about the lack of advertisement, lack of motivation, centralization, lack of manpower, lack of technical problems, environmental problem and etc. and positive side such as customer satisfaction, good relationship between the clients and the employees, the excellent systems of monitoring and recording and proper information. . At the end of the report after analyzing all the findings recommend that, the BBL should defined customer

service standards, increase promotional activities, increase manpower, maintaining a well-balanced portfolio, computerization etc.

TABLE OF CONTENTS

Topic Name	Page Number
LETTER OF TRANSMITTAL	i
CERTIFICATE OF SUPERVISOR	ii
STUDENT DECLARATION	iii
ACKNOWLEDGEMENT	iv
EXECUTIVE SUMMARY	v

Chapter No	Topic Name	Page Number
Chapter 1	Introduction	1-4
1.1	Origin of the Report	2
1.2	Scope of the Report	2
1.3	Objectives of the Report	2
1.4	Methodology	3
1.5	Limitations of the Report	3
Chapter 2	Overview of BRAC Bank Limited	5-14
2.1	Origin	6
2.2	Mission	7
2.3	Vision	7
2.4	Values	7
2.5	Achieve	8
2.6	Company Philosophy	9
2.7	Organogram of BRAC Bank limited	10
2.8	SWOT Analysis of BBL	11
2.9	Achievements and Recognitions	12
2.10	Corporate social responsibility (CSR)	13
2.11	Social, Economic and environmental Framework	13
Chapter 3	Theoretical Concept of Financial Performance Analysis	15-22
3.1	Financial Performance Analysis	16
3.2	Financial Performance Analysis Techniques	17
3.3	Tools of Financial Performance Analysis	18

Chapter 4	Performance Analysis of BRAC Bank Limited	23-42
4.1	Comparative Analysis of Total Income and Total expenditure	24
4.2	Comparative analysis of Net profit	25
4.3	Comparative analysis of Total Deposit and Total Loan & Advance	26
4.4	Comparative analysis of Total Foreign Remittance	27
4.5	Performance Analysis Method	28
4.5.1	Trend analysis	28
4.5.2	Ratio analysis	28
4.6	Trend Analysis of Total deposit	29
4.7	Trend Analysis of Total Loan & Advance	30
4.8	Trend Analysis of Total profit	31
4.9	Trend Analysis of Total Foreign Remittance	32
4.10	Liquidity ratio	33
4.11	Ratio Analysis for Return on Asset (ROA)	37
4.12	Ratio Analysis for Return on Equity (ROE)	38
4.13	Ratio Analysis For Equity To Total Asset (ETA)	39
4.14	Ratio Analysis for Capital Adequacy Ratio (CAR)	40
4.15	Analysis for Income to Expense ratio (IER)	41
4.16	Analysis for Asset Utilization Ratio (AUR)	42
Chapter 5	Findings, Recommendations & Conclusion	43-47
5.1	Findings And Observation	44
5.2	Recommendations	46
5.3	Conclusion	47

Bibliography & Appendix	48-53
Bibliography	49
Appendix	50

Serial No	List of Tables	Page Number
1	Total income and Total expenditure	24
2	Net profit	25
3	Total Deposit and Loan & Advance	26
4	Total Foreign Remittance	27
5	Trend Analysis of Total Deposit	29
6	Trend Analysis of Total Loan & Advance from	30
7	Trend Analysis of Total Profit	31
8	Trend Analysis of Total Foreign remittance	32
9	Current Ratio	33
10	Working Capital	34
11	Total debt to Total asset Ratio	35
12	Net profit Margin	36
13	Return on Asset (ROA)	37
14	Return on Equity (ROE)	38
15	Equity To Total Asset (ETA)	39
16	Capital Adequacy Ratio (CAR)	40
17	Income to Expense ratio (IER)	41
18	Asset Utilization Ratio (AUR)	42

Serial No	List of Graph	Page Number
1	Graphical presentation of Total income and Total Expenditure	24
2	Graphical presentation of net profit	25
3	Graphical presentation of Total Deposit and Total Loan & Advance	26
4	Graphical presentation of Total Remittance	27
5	Graphical presentation of Trend Analysis of Total Deposit	29
6	Graphical presentation of Trend Analysis of Total Loan & Advance	30
7	Graphical presentation of Trend Analysis of Total Profit	31
8	Graphical presentation of Trend Analysis of Total Foreign Remittance	32
9	Graphical presentation of Current Ratio	33
10	Graphical presentation of Working Capital	34
11	Graphical presentation of Total debt to Total asset Ratio	35
12	Graphical presentation of Net profit Margin	36
13	Graphical presentation of Return on Asset (ROA)	37
14	Graphical presentation of Return on Equity (ROE)	38
15	Graphical presentation of Equity To Total Asset (ETA)	39
16	Graphical presentation of Capital Adequacy Ratio (CAR)	40
17	Income to Expense ratio (IER)	41
18	Asset Utilization Ratio (AUR)	42

Chapter 1

Introduction

1.1 Origin of the Report

This report was on my job exposure and provided me with learning experience and knowledge in several areas. I was able to get accustomed to the working environment of BRAC Bank Limited. As the internship continued, I was not only learned about the activities and operations of correspondent Bank, but also gathered some knowledge about the basic business of banking. While working in BBL (Head office), I have found each and every employee is friendly to me to co-operate. They have discussed in details about their respective tasks. While making this report, it is tried to discuss all the activities of the bank is now performing and the activities focused on their nature. Overall, a very friendly and supporting environment are experienced at BRAC Bank Limited, which gives the pleasure and satisfaction to be a part of them for a while. This report mainly covers financial performance of BRAC BANK LIMITED from the year 2017 to 2021.

1.2 Scope of the Report

The report covers the organizational structure, background, objectives, functions and financial performance of BRAC BANK LIMITED from the year 2017 to 2021. The scope is limited to financial analysis operation procedure, instruments used, and modes of financing, modes of payment, settlement procedure, use of funds and treasury management.

1.3 Objectives of the Report

1.3.1 Main Objective

To analyze the financial performance of BRAC Bank Limited.

1.3.2 Secondary Objectives

- i. To gain some experience on different functions of bank.
- ii. To know the present financial status of BRAC Bank limited.
- iii. To assess the comparative scenario of Assets, Profitability, Liquidity of BBL.
- iv. To identify problems and suggest recommendations regarding financial position of BBL.

1.4 Methodology

Methods followed to perform a job or conducting activities to complete a task is called methodology. For doing this report I have used qualitative and quantitative methods. In conducting this study, data have been collected from both primary and secondary sources.

1.4.1 Primary sources

- i. Face to face conversation with the respective officers of the branch
- ii. By receiving lecture on financial activities
- iii. Observation

1.4.2 Secondary sources

- i. Annual reports of BBL
- ii. Website of BBL
- iii. Daily summary sheet
- iv. Various printed forms and documents supplied by BBL

1.5 Limitations of the Report

From the beginning to end, the study has been conducted with the intention of making it's a complete and truthful one. However, many problems appeared in the way of conducting the study. During the study it was not possible to visit the whole area covered by the banks although the financial statements and other information regarding the study have been considered. The study considers following limitations:

- i. Lack of opportunity to access of internal data.
- ii. Collection of data was not smooth.
- iii. Lack of experience to prepare such kind of report.
- iv. Analyzing with financial data is much more confusing and complicated than any other data.
- v. Lack of sufficient books, papers and journals etc.

- vi. Difficulty in accessing latest data.
- vii. Large-Scale research was not possible for the some constraints and restrictions.

Chapter 2

Overview of BRAC Bank Limited

2.1 Origin

BRAC Bank was founded on 4 July 2001 to reach the large number of unbanked people which were not covered by traditional bank. The main concept of the bank was to facilitate Small and Medium Enterprise. BRAC Bank was found by Fazle Hasan Abed, the founder of BRAC and BRAC University.

In 2005, BRAC Bank established BRAC Afghanistan Bank in 2006 as a greenfield venture.

In February 2008, the CEO and managing director of BRAC Bank, Imran Rahman, died in Canada. In May 2008, the bank decided to purchase a majority stake in GSP Finance Company (Bangladesh) Limited. Muhammad A. (Rume) Ali was appointed chairman of BRAC Bank Limited. Muhammad A. (Rume) Ali was a deputy governor of Bangladesh Bank and had joined BRAC in 2007.

In August 2009, BRAC Bank purchased 51 per cent of Equity Partners Limited and Equity Partners Securities Limited. They are later renamed to BRAC EPL Stock Brokerage Limited and BRAC EPL Investments Limited. BRAC Saajan Exchange Limited was established in 2011 through the purchase of Saajan Worldwide Money Transfer Limited, established in 2009, in Great Britain. BRAC Bank sponsored Wasfia Nazreen seven summit expedition.

In September 2014, a robbery took place at the Joypurhat District branch of BRAC Bank Limited. Rapid Action Battalion arrested the suspects and recovered some of the stolen money in September.

Ahsan H Mansur was appointed chairman of BRAC Bank on 27 August 2019 replacing Sir Fazle Hasan Abed after he retired. It's half yearly profit saw a 50 per cent decline.

BRAC Bank filled an appeal on 19 October 2020 with the Appellate Division seeking a stay order on a verdict of Bangladesh High Court which ordered the bank to pay 1.5 million BDT to Jaha Alam, who had served three years wrongly in case filed by BRAC.

BRAC Bank received 30 million USD in April from International Finance Corporation. In August 2021, BRAC Bank planned to raise six billion BDT through issuing bonds.

In September 2022, Bangladesh Bank ordered BRAC Bank to spend 50 per cent of their profits from Foreign Exchange trading, deemed unethical by Bangladesh Bank, on corporate social responsibility programs. On 28 September, it opened its 800th agent banking branch. It had approved 15 per cent dividends for stock holders. It increased the salary of junior grade officers by 50 per cent. It had a total asset of 611 billion BDT as of 2022. It launched a digital loan app called Shubidha.

On 11 January 2023, BRAC Bank borrowed 50 million USD from the German Investment Corporation. It donated 40 million BDT to Prime Minister Sheikh Hasina's Ashrayan-2 project. BRAC Bank opened its 1000th agent banking outlet in February 2023.

2.2 Mission

Our mission is to empower people and communities in situations of poverty, illiteracy, disease and social injustice. Our interventions aim to achieve large scale, positive changes through economic and social programme that enable women and men to realize their potential.

2.3 Vision

A world free from all forms of exploitation and discrimination where everyone has the opportunity to realize their potential.

2.4 Values

Integrity - Integrity implies trustworthiness and incorruptibility to a degree that one is incapable of being false to a trust, responsibility, or pledge

Innovation - Innovation is the practical implementation of ideas that result in the introduction of new goods or services or improvement in offering goods or services.

Inclusiveness - Inclusiveness means the quality of including many different types of people and treating them all fairly and equally.

Effectiveness - Effectiveness is the capability of producing a desired result or the ability to produce desired output.

2.5 Achieve

Loan Products

1. Personal Loan
2. Home Loan
3. Auto Loan
4. SME Loan
5. Dishari Loan

Deposit Products

Cards

BRAC bank offers two types of card

Credit Card:

1. Classic or silver Card
2. Gold Card
3. Platinum Card
4. Master Millennial Card

Debit Card:

1. Visa card
2. Master Card

Account

Savings Account	Current Account
1.Future star account	1.Current prapti Account
2. Triple Benefits account	2.Current Plus Account
3.Ezze savings account	3.Current Classic Account
4.Happy Savers Account	4.Current Ezze Account
5.Savings Account Classic	5.Tara Uddokta Account
6.Premium Savers account	6.Prothom Current Account
7.Golden benefit Account	7.Shadhin Current Account

They have also another products. These are:

1. Probashi Banking
2. Employee Banking
3. Agami Student Banking
4. Internet Banking- Astha

2.6 Company philosophy

BRAC Bank has three philosophies. These are-

•**Focus on people-** Focus on people means focus on customer service and satisfaction. At the moment, banks are concerned about retaining and growing their customer bases.

•**Focus on planet-** BRAC Bank is a planet caring bank. It defines environmental connection of the bank. BRAC Bank promotes green banking and support green banking.

•**Focus on profit-** Building a profitable and socially responsible financial institution focused on market and business with growth potential. The net profit after tax of BRAC Bank increased 22% to Tk 555 core for the financial year that ended on 31 December 2021 compared to a year ago.

BRAC Bank believed that they have some responsibility towards people they are working with and also the environment of working place.

2.7 Organogram Of BRAC Bank limited

An organogram is a graphical representation of an organization's structure. It's used to show hierarchical relationships between managers and the people who report to them, as well as departments.

It is a visual representation of the structure of a company. In other words, it's an organizational chart.

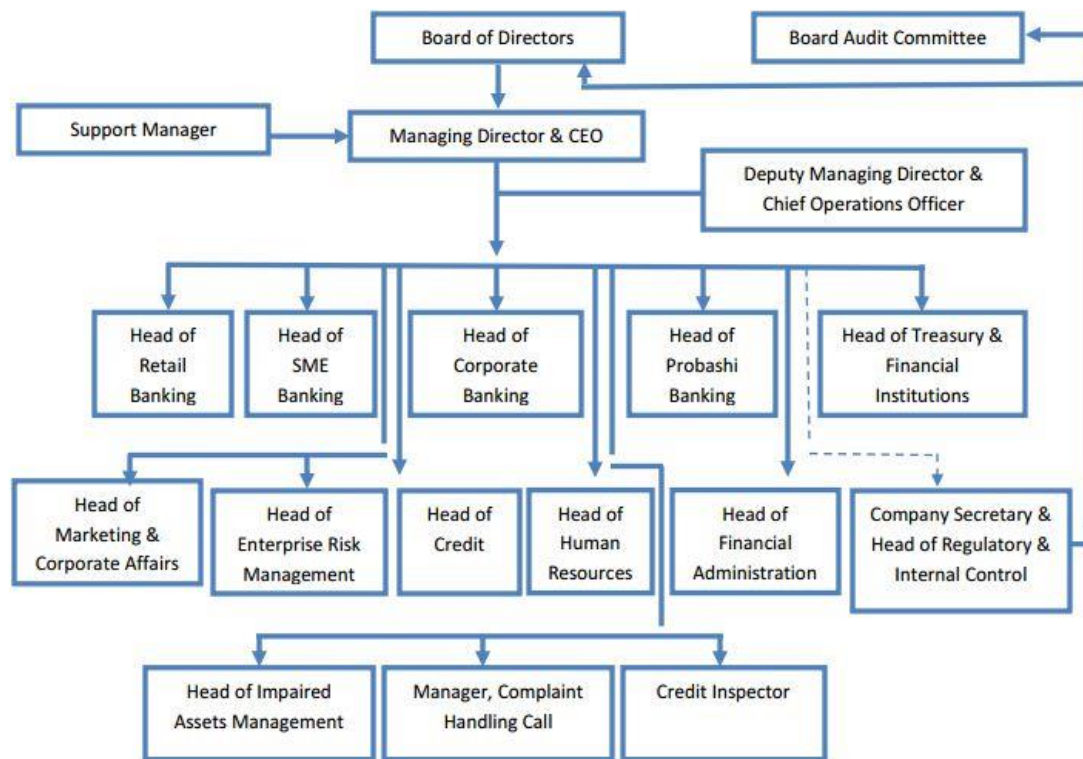


Figure 2.1: Corporate Organogram

2.8 SWOT Analysis of BBL

Every organization is composed of some internal strengths and weaknesses and also has some external opportunities and threats in its whole life cycle.



Figure 2.2: SWOT analysis of BRAC Bank Limited

❖ Strengths

- BBL has strong Brand image.
- BBL is a financially sound company and has financial strength.
- BBL has various products and services.
- BBL has a capacity to adopting new technologies.
- BBL is a pioneer in SME banking.
- The main focus of BBL is customer service and satisfaction.

❖ Weaknesses

- BBL impose high service charge in some sector.
- BBL is more concentrated on SME banking.
- Banking process is slow than other commercial bank.
- Customer ignorant in adopting BBL RCDM.

❖ Opportunities

- BBL can introduce more innovative and customized service packages.
- Many branches and ATMs can be open in remote location.
- BBL can recruit experienced, efficient and knowledgeable work force as it offers good working environment.
- BBL can expand retail corporate banking.

❖ Threats

- Local competitors can capture huge market share by offering similar products.
- Lots of new banks are coming in the scenario with new service.
- Changing the demand of customers over the time.
- Irregular economic condition and foreign exchange rate fluctuation is causing problem.

2.9 Achievements and Recognitions

- i. US\$ 1 billion market capitalization in the capital market.
- ii. BRAC Bank received Asia Money's Best bank for SME's in 2017.
- iii. They received SAFA Award for the best presented Annual Report in 2016.
- iv. They got ICMAB Best corporate Awards in 2016.
- v. ISO certification in information security is another achievement for BBL.
- vi. BBL get women's market champion award from the Global Banking Alliance for women (GBA).
- vii. They recognized most progressive bank on Gender strategy and implementation 2017 by Asian Development Bank.

2.10 Corporate social responsibility (CSR)

Corporate social responsibility (CSR) is embedded in the value system of BRAC Bank Limited. For BRAC Bank, being committed to CSR means giving statement that the bank is ethically committed towards the society of this country in which it operates. BRAC Bank's corporate social responsibility (CSR) in Bangladesh are in line with its 3P (People, Planet, Profit) philosophy which are framed by the vision that was instilled by its Founder Chairman Sir Fazle Hasan Abed, KCMG, who founded this bank with a vision of financial inclusion of the unbanked grassroots people. The establishment of BRAC Bank's CSR strategy is a crucial component that reflects the intention for the sustainable development of our society and our stakeholders which means having policies and procedures in place that integrate social, environmental, ethical, human rights or consumer concerns into business operations and core strategy – all in close collaboration with stakeholders. For BRAC Bank, the overall aim for CSR activities is to achieve a positive impact on society as a whole, while maximizing the creation of shared value for the owners of the business, its employees, shareholders and stakeholders. Bangladesh Bank CSR Guideline is the guiding principal in designing our CSR roadmap. BRAC Bank prioritizes on long-term programs rather than the short-term ones that have sustainable and lasting impact on the people and society of the country. At BRAC Bank, employees work with a greater mission. They are motivated to contribute to the bank's social initiatives like annual fundraiser marathon, warm clothes distribution and blood donation. Employees' passionate involvement in CSR adds new dimensions to the bank's CSR portfolio.

2.11 Social, Economic and environmental Framework

Social: The value BRAC Bank creates for the society, as measured by the value created for our employees in areas such as capacity building and skills development, the shared value our business generates for our customers and clients, and other stakeholders, through deepening financial inclusion, through industrialization and by supporting job creation and our investments in the realm of health and education that benefit communities and future generations.

Economic: The value BRAC Bank creates for its shareholders and, more broadly, for the society, by driving inclusive economic growth and mainstreaming a large swathe of the

population into formal banking, by developing and implementing more efficient ways of doing business and through supporting economic growth and development.

Environmental: The value BRAC Bank creates for the natural environment, through businesses we finance or refrain from financing, investments towards decarbonizing the economy and any other environmental degradation and by helping our customers to reduce and mitigate the impact of climate change.

Chapter 3

Theoretical Concept of Financial Performance Analysis

3.1 Financial Performance Analysis

Financial performance is a subjective measure of how well a company uses assets and generates revenues. It is an evaluation of its financial position regarding variables such as assets, liabilities, equity, expenses and revenues.

Financial performance is highly determined by the way finances are managed. Financial management relates to applying general management principles to the financial resources of a company. It includes strategic planning, organizing, directing and controlling of financial undertakings in a firm.

Financial performance analysis is a process of analyzing and evaluating a company's financial position. It focuses on reviewing, assessing and comparing financial statements - a collection of data and figures organized according to recognized accounting principles. The analysis helps to determine whether a company is making a profit or loss. It shows how the company is spending, investing and earning money. Knowing how the company is performing, we are able to make better economic decisions and assess its potential.

There are two types of financial statements:

- **Income statement** - showing the profit earned and loss sustained by a business entity over a particular period (usually 12 months),
- **Balance sheet** - showing assets and liabilities of a business at a specific point in time (usually the end of the financial period).

Financial Performance: Sources of finance

Sources of finance are the provision of finance for a business to fulfill its requirement for short-term working capital and fixed assets and other investments in the long term.

There are two types of sources of finance:

- **Internal sources** - funds coming from the inside of the company. For example, capital brought by the owner, retained profit, discount selling and selling of fixed assets
- **External sources** - funds coming from the outside of the company. For example, long term sources such as equity shares, debentures and term loans, or short-term sources such as bank overdraft and trade credit

Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. Financial analysis refers to the process of studying and assessing a company's financial statements-a collection of data and figures organized according to recognized accounting principles. The aim is to understand the company's business model, the profitability (or loss) of its operations, and how it's spending, investing, and generally using its money.

3.2 Financial Performance Analysis Techniques

Several techniques are commonly used as part of financial statement analysis. Three of the most important techniques are horizontal analysis, vertical analysis, trend analysis and ratio analysis.

- **Horizontal analysis**- Horizontal analysis is a financial analysis technique used to evaluate a company's performance over time. By comparing prior-period financial results with more current financial results, a company is better able to spot the direction of change in account balances and the magnitude in which that change has occurred.
- **Vertical analysis**- Vertical analysis, also known as common-size analysis, is used to evaluate a firm's financial statement data within an accounting period. Vertical analysis is a method of financial statement analysis in which each line item is listed as a percentage of a base figure within the statement.
- **Trend analysis**- Trend analysis is an analysis of the trend of the company by comparing its financial statements to analyze the trend of the market or analysis of

the future based on past performance results, and it's an attempt to make the best decisions based on the results of the analysis done.

Trend analysis involves collecting the information from multiple periods and plotting the collected information on a horizontal line to find actionable patterns from the given information.

- **Ratio Analysis-** Ratio analysis is a quantitative procedure of obtaining a look into a firm's functional efficiency, liquidity, revenues, financial leverage, asset turnover and profitability by analyzing its financial records and statements.

Ratio analysis is the quantitative interpretation of the company's financial performance. Ratio analysis is a process used for the calculation of financial ratios or in other words, for the purpose of evaluating the financial wellbeing of a company.

3.3 Tools of Financial performance Analysis

Ratios are the traditional tools used to analyze financial statements. Ratio analysis examines four aspects of a company's financial condition and performance: profits, liquidity, financial leverage and efficiency.

3.3.1 Profits

Bank profitability is the measure of a bank's performance. Banks make a profit by earning or generating more money than what they are paying in expenses.

The ultimate objective of a business is to make profit, without profit an organization can't run his business. So, Profit margins are very important metrics.

3.3.1.1 Net profit Margin

The most common and important measure of profitability is the net profit margin. It is a profitability ratio that measures what percentage of revenue and other income is left after subtracting all costs for the business, including costs of goods sold, operating expenses, interest, and taxes. Net profit margin differs from gross profit margin as a measure of

profitability for the business in general, taking into account not only the cost of goods sold, but all other related expenses.

3.3.1.2 Gross Profit Margin

Gross profit margin is a metric analysts use to assess a company's financial health by calculating the amount of money left over from product sales after subtracting the cost of goods sold (COGS). Sometimes referred to as the gross margin ratio, gross profit margin is frequently expressed as a percentage of sales.

3.3.1.3 Operating profit Margin

The operating profit margin is another measure of a firm's efficiency of operations. In business, operating margin also known as operating income margin, operating profit margin, EBIT margin and return on sales is the ratio of operating income to net sales, usually expressed in percent.

3.3.2 Liquidity

Liquidity is a company's ability to convert assets to cash or acquire cash through a loan or money in the bank to pay its short-term obligations or liabilities. Profits are essential, but it takes liquidity and cash to pay the bills.

3.3.2.1 Current Ratio

Current ratio is a liquidity ratio that helps you understand whether the business can pay its short-term obligations- that is, obligations due within one year- with its current assets and liabilities.

However, a very high current ratio may indicate that a company is leaving excess cash unused rather than investing in growing its business.

Formula: **Current Ratio = Current Assets / Current Liabilities**

Where,

Current Assets = Current assets include cash, cash equivalents, accounts receivable, stock inventory, marketable securities, pre-paid liabilities, and other liquid assets.

Current Liabilities = Current Liabilities includes Short term loan, Interest payable, Bank account overdrafts, outstanding expense and other current liability.

3.3.2.2 Acid Test Ratio or Quick Ratio

The quick ratio, also known as an acid test ratio, is another type of liquidity ratio that measures a business's ability to handle short-term obligations. The quick ratio uses only highly liquid current assets, such as cash, marketable securities, and accounts receivables, in its numerator. The assumption is that certain current assets, like inventory, are not necessarily easy to turn into cash. A very high ratio may also indicate that the company's accounts receivables are excessively high and that may indicate collection problems.

Quick Ratio = Quick Assets / Current Liabilities

Where,

Quick Assets= Current Assets – Inventory- prepaid expense

3.3.3 Financial Leverage

Financial leverage, also known as the equity multiplier, refers to the use of debt to buy assets. If all the assets are financed by equity, the multiplier is one. As debt increases, the multiplier increases from one, demonstrating the leverage impact of the debt and, ultimately, increasing the risk of the business.

Leverage = Total Assets / Total Equity

3.3.3.1 Debt –to-equity ratio:

The debt-to-equity ratio is a solvency ratio that measures how much a company finances itself using equity versus debt. This ratio provides insight into the solvency of the business by reflecting the ability of shareholder equity to cover all debt in the event of a business downturn.

Debt to Equity Ratio = Total Debt / Total Equity

3.3.4 Efficiency

Efficiency is the often measurable ability to avoid wasting materials, energy, efforts, money, and time while performing a task.

Management always strives to achieve better returns on its assets. Turnover ratios are a way to measure efficient use of assets.

3.3.4.1 Accounts receivable turnover

The accounts receivable turnover ratio (also called the “receivable turnover” or “debtor’s turnover” ratio) is an efficiency ratio used in financial statement analysis. It demonstrates how quickly and effectively a company can convert AR into cash within a certain accounting period. It is a component in the full accounting cycle of running business.

Receivables Turnover Ratio = Net Credit Sales / Average Receivables

3.3.4.2 Inventory turnover

Inventory turnover ratio is used to determine the speed of a company in converting its inventories into sales. Higher ratios are better, because it means less money is invested in

inventory. Lower turnover ratios could mean products are obsolete and must be sold at lower prices or written off entirely.

Inventory Turnover Ratio = Cost of Goods Sold / Average Inventories

Chapter 4
Performance Analysis of
BRAC Bank Limited

4.1 Comparative Analysis of Total Income and Total expenditure

Table 1: Total income and Total expenditure of BBL from 2017- 2021

(BDT in million)

Year	2017	2018	2019	2020	2021
Total	31,902	37,668	42,517	42,279	39,536
Income					
Total expenditure	22,480	28,275	33,557	34,070	29,428

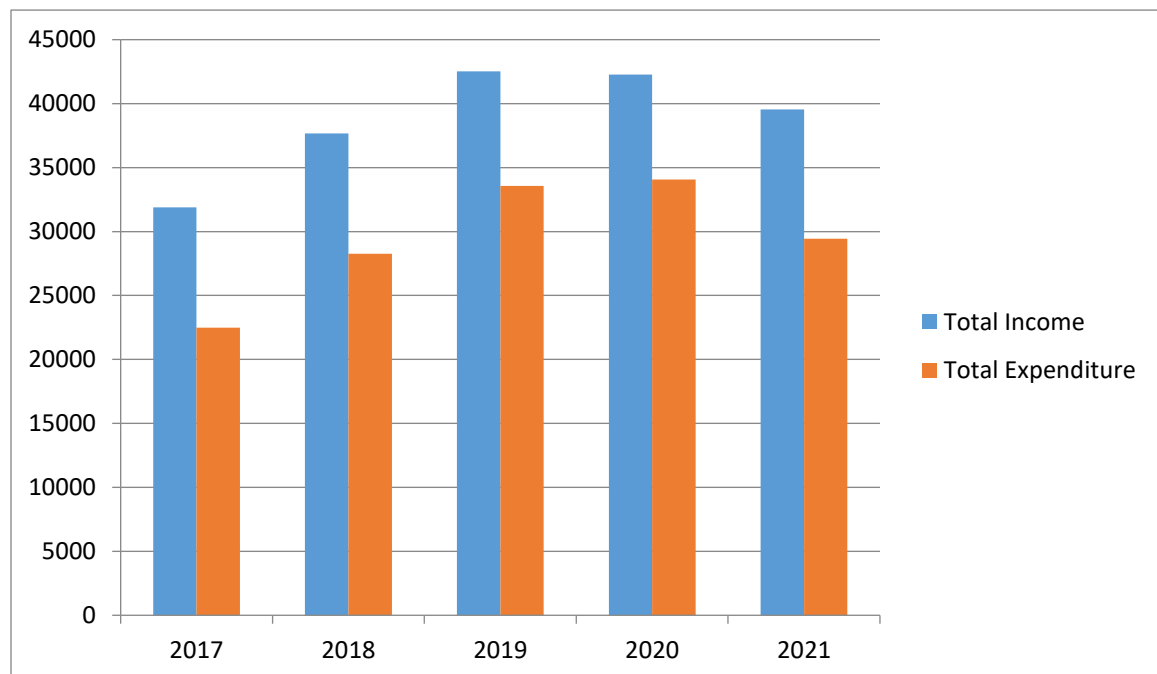


Figure 1: Graphical presentation of Total income and Total Expenditure

From the table we see that the total income is increasing from 2017 to 2020 but 2021 it is decreased than the previous year. And on the other hand Total expenditure is increasing from 2017 to 2020 but 2021 the expenditure is decreased than the previous year.

4.2 Comparative analysis of Net profit

Table 2: Net profit of BBL from 2017-2021

(BDT in million)					
Year	2017	2018	2019	2020	2021
Net profit	5,250	5,547	5,646	4,541	5547

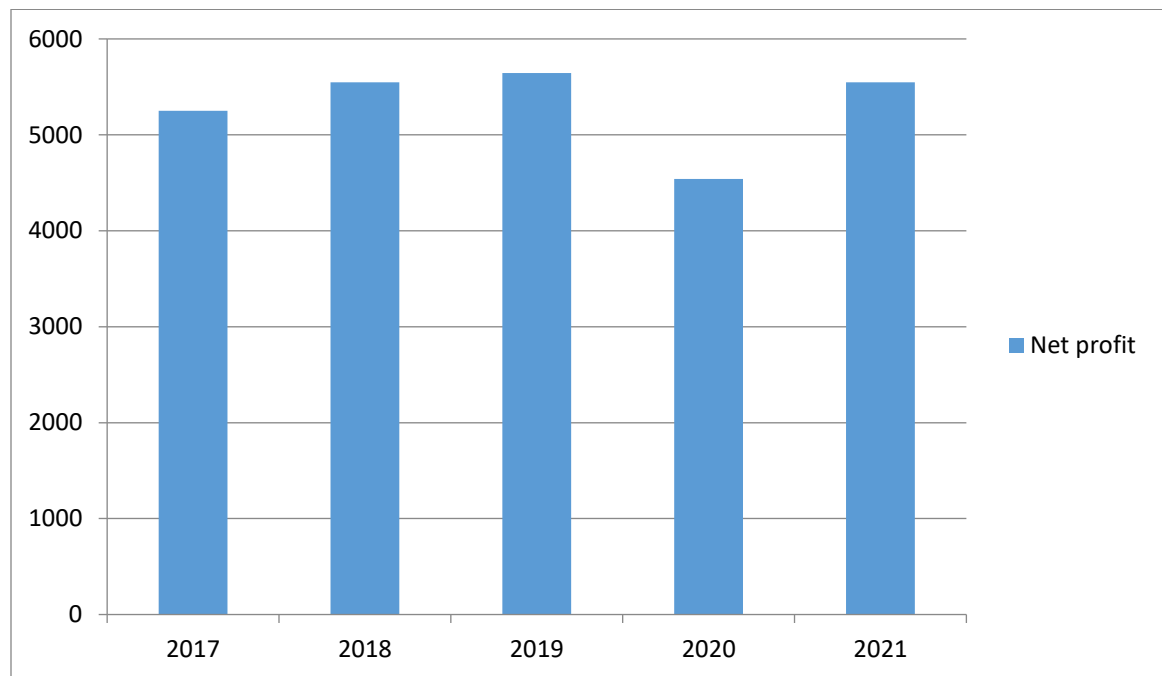


Figure 2: Graphical presentation of net profit

From the table we see that the net profit of BBL 2017 to 2019 it is increasing, after that year it is decreased and finally in 2021 BBL earnings the highest profit and overcome the previous situation.

4.3 Comparative analysis of Total Deposit and Total Loan & Advance

Table 3: Total Deposit and Loan & Advance of BBL from 2017-2021

(BDT in million)

Year	2017	2018	2019	2020	2021
Total	196224	233509	268309	289054	314599
Deposit					
Total Loan & Advance	202559	238008	264091	273063	321212

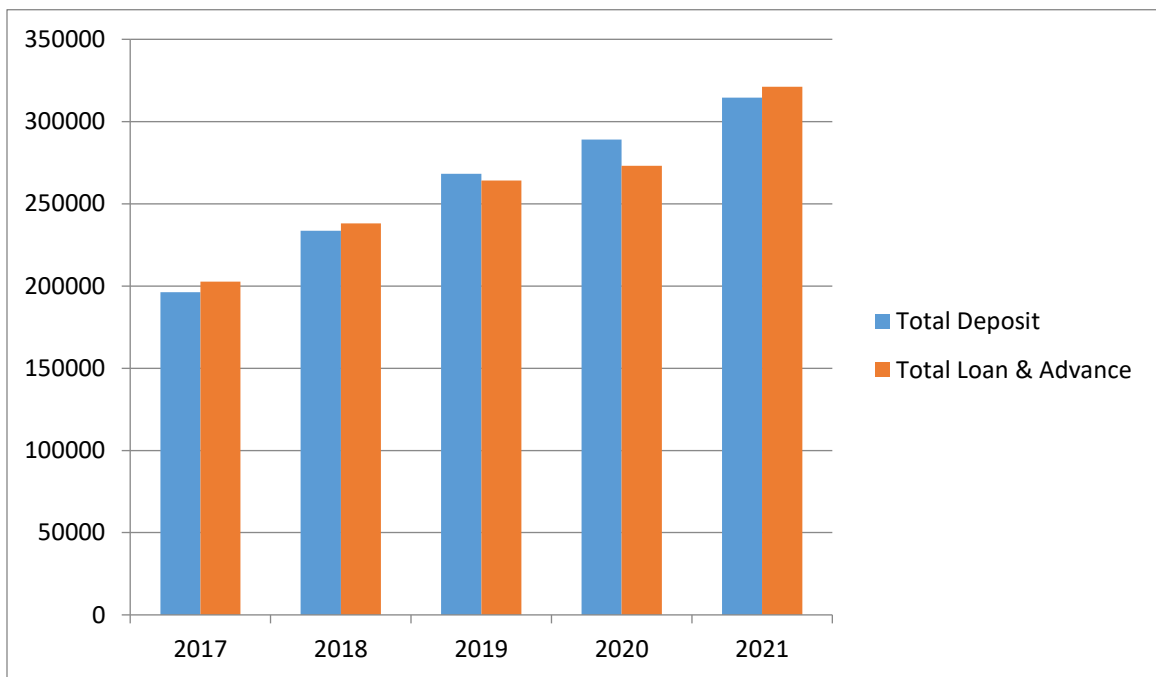


Figure 3: Graphical presentation of Total Deposit and Total Loan & Advance

From the table we see that the total deposit of BBL 2017 to 2021 it grows each year. On the other hand the total loan & advance from the year 2017 to 2021 is also grows each and every year.

4.4 Comparative analysis of Total Foreign Remittance

Table 4: Total Foreign Remittance from 2017 to 2021

(BDT In million)					
Year	2017	2018	2019	2020	2021
Total Foreign Remittance	57,522	84,178	73,344	72,452	98,887

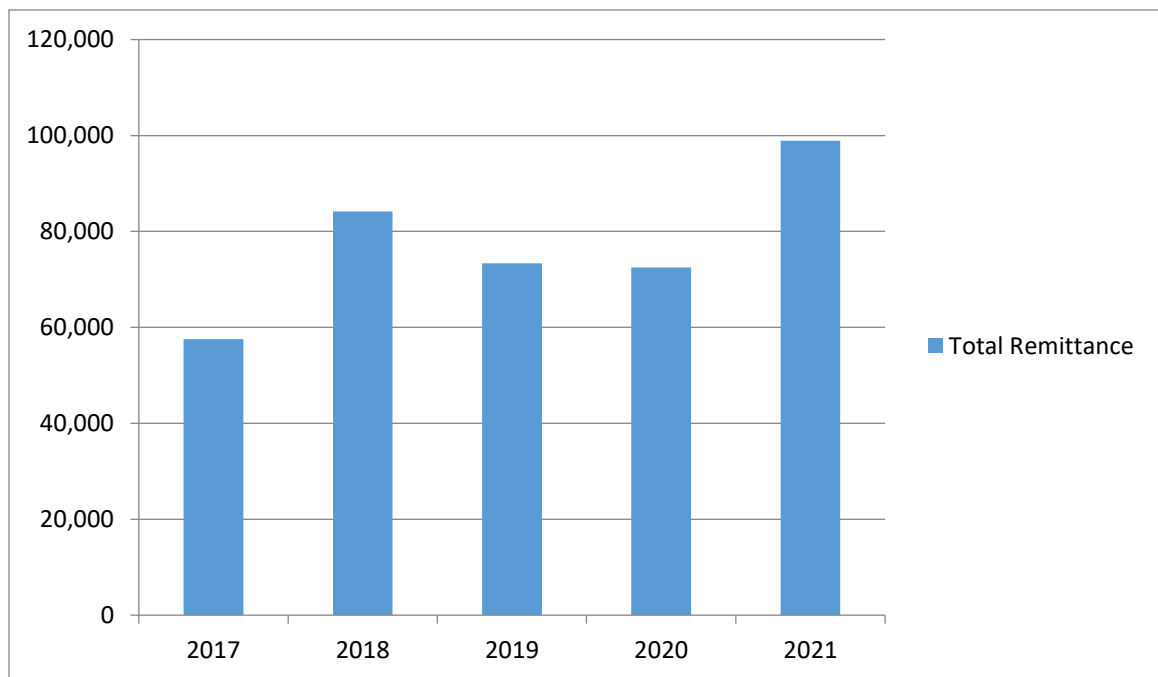


Figure 4: Graphical presentation of Total Remittance

From the table we see that in 2018 it was increased than the previous year but in 2019 & 2020 the remittance was decreased. Finally in 2021 the remittance was 98,887(in million taka) increased which was highest in last 5 years.

4.5 Performance Analysis Method

There are many financial analysis methods which can measure the financial position of a company. In this section few of these techniques are discussed in an attempt to outline the financial health of BBL.

Among the various types of methods, we will use the following methods to analysis the performance of BBL-

- Trend Analysis
- Ratio Analysis

4.5.1 Trend analysis

Trend Analysis is a one kind of criteria, which may be used to measure the performance of a bank. The trend can represent the growth or decline of a bank over a period of time. Here we have analyzed the trend of total deposit, total loan and advances, Foreign Remittance and net income or Loss.

4.5.2 Ratio analysis

Ratio analysis is structural and logical way to present overall financial performance of a financial position. It's also help to evaluate and decision making for business operation. In financial analysis process ratio analysis is the most dominant and logical structure to help business related stakeholder. Under the financial ratio analysis process there are few categories to identical area of financial institution. So business stakeholders try to concentrate to get overall business overview from profitability, liquidity, assets management and solvency ratio analysis. These ratios not only help to decision making process also emphasized on risk avoiding and profit raising related factors. To calculate the ratio need to take quantitative data from bank trading activity and other sources.

Ratio analysis is a diagnostic tool that helps to identify problem areas and opportunities within a company. Ratio analysis is very important for every business, because by calculating ratio analysis we can understand the business position, business strength and

weakness. By knowing this information, management can takes its necessary steps to organize their goal.

4. 6 Trend Analysis of Total deposit

Table 5: Total Deposit from 2017 to 2021

(BDT in million)					
year	2017	2018	2019	2020	2021
Total Deposit	196224	233509	268309	289054	314599

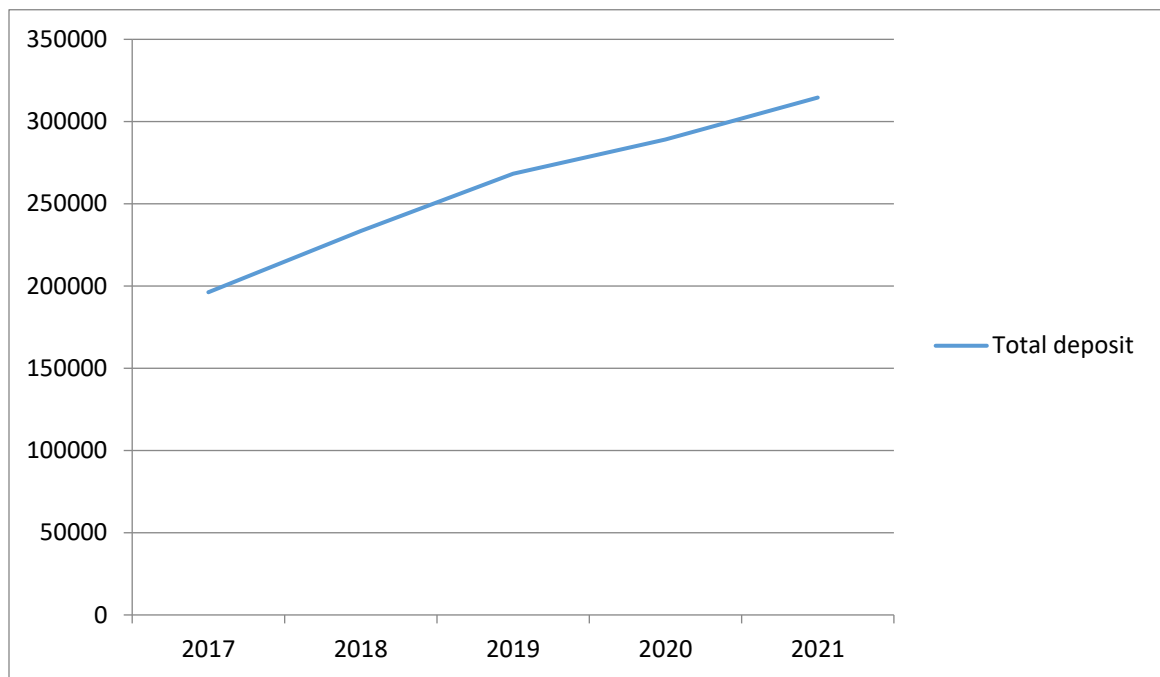


Figure 5: Graphical presentation of Total Deposit

From the table we see that the total deposit of BBL 2017 to 2021 it grows each year.

Finally in 2021 the deposit was 314599 (in million tk) increased which was highest in last 5 years.

4.7 Trend Analysis of Total Loan & Advance

Table 6: Total Loan & Advance from 2017 to 2021

(BDT in million)					
Year	2017	2018	2019	2020	2021
Total Loan & Advance	202559	238008	264091	273063	321212

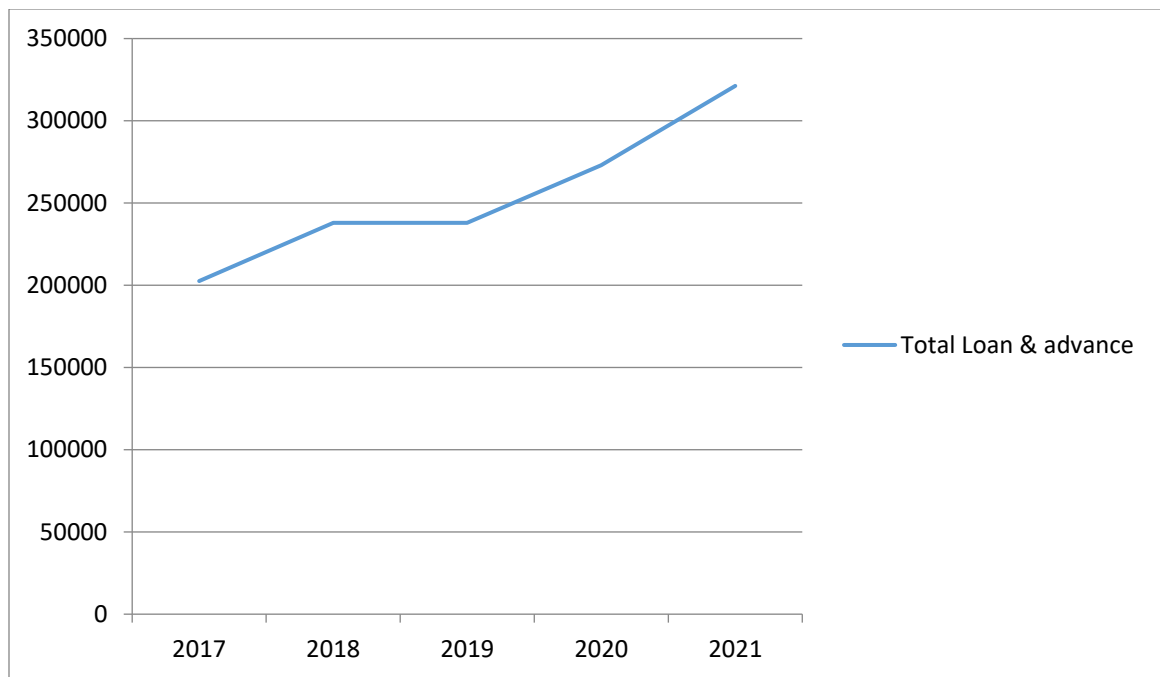


Figure 6: Graphical presentation of Total Loan & Advance

From the table we see that the total Loan & Advance of BBL 2017 to 2021 it grows each year. Finally in 2021 the Loan & Advance was 3 21212(in million tk) increased which was highest in last 5 years and it also grow each and every year.

4.8 Trend Analysis of Total profit

Table 7: Total Profit from 2017 to 2021

(BDT in million)					
Year	2017	2018	2019	2020	2021
Total Profit	31,902	37,668	42,517	42,279	39,536

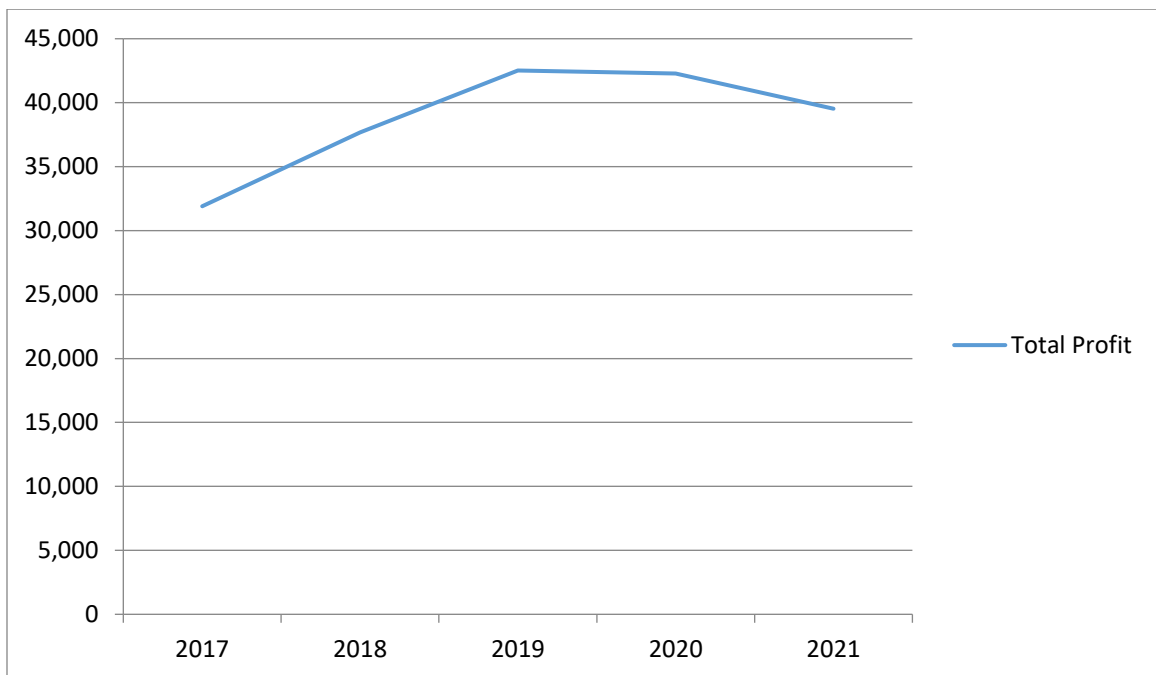


Figure 7: Graphical presentation of Total Profit

From the table we see that the total profit of BBL in 2017 to 2020 was increasing but after the next year in 2021 the net profit was decreased. In 2020 the net profit was 42279(in million taka) and in 2021 the net profit was 39536. This is not good sign for the bank.

4.9 Trend Analysis of Total Foreign Remittance

Table 8: Total Foreign remittance of BBL from 2017 to 2021

(BDT in million)					
Year	2017	2018	2019	2020	2021
Total Remittance	57,522	84,178	73,344	72,452	98,887

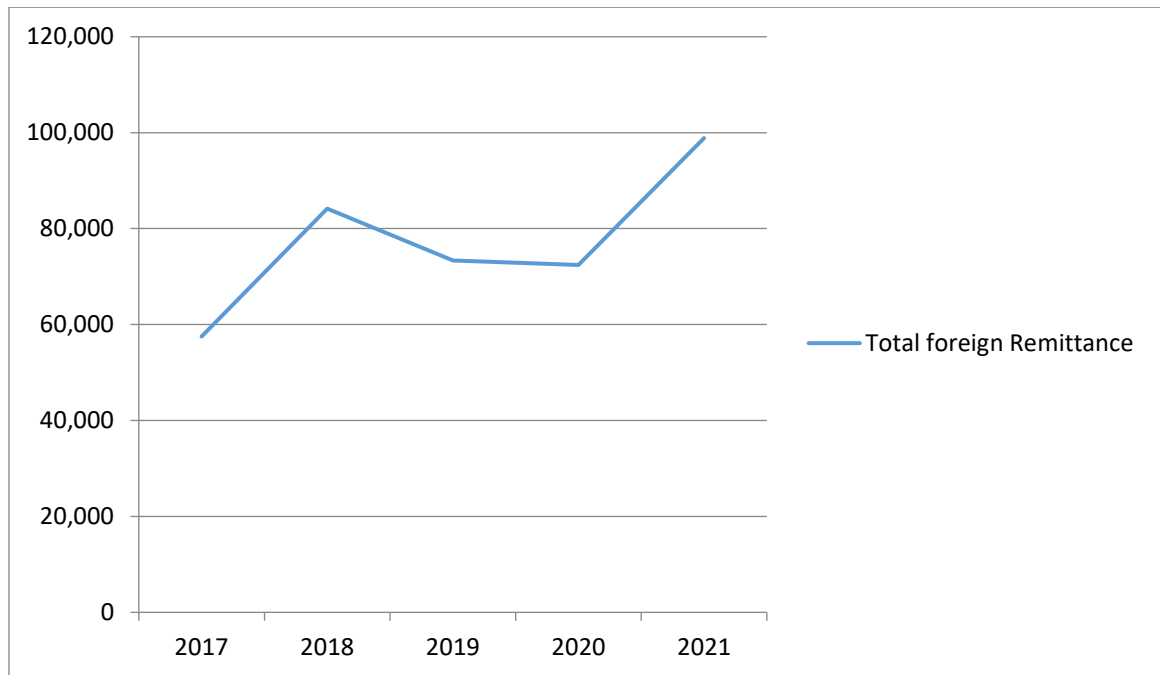


Figure 8: Graphical presentation of Total Foreign Remittance

From the Graphical presentation we see that in 2018 it was increased than the previous year but in 2019 & 2020 the remittance was decreased. Finally in 2021 the remittance was 98,887(in million taka) increased which was highest in last 5 years.

4.10.1 Liquidity ratio

4.10.1.1 Current Ratio

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. Current assets normally consist of cash, cash equivalents, accounts receivable, stock inventory, marketable securities, pre-paid liabilities, and other liquid assets. Current Liabilities includes Short term loan, Interest payable, Bank account overdrafts, outstanding expense and other current liability.

Current Ratio = Current Assets / Current Liabilities

Table 9: The current Ratio of BBL from 2017 to 2021

Year	2017	2018	2019	2020	2021
Current ratio	1.41	1.92	1.17	1.19	2.04

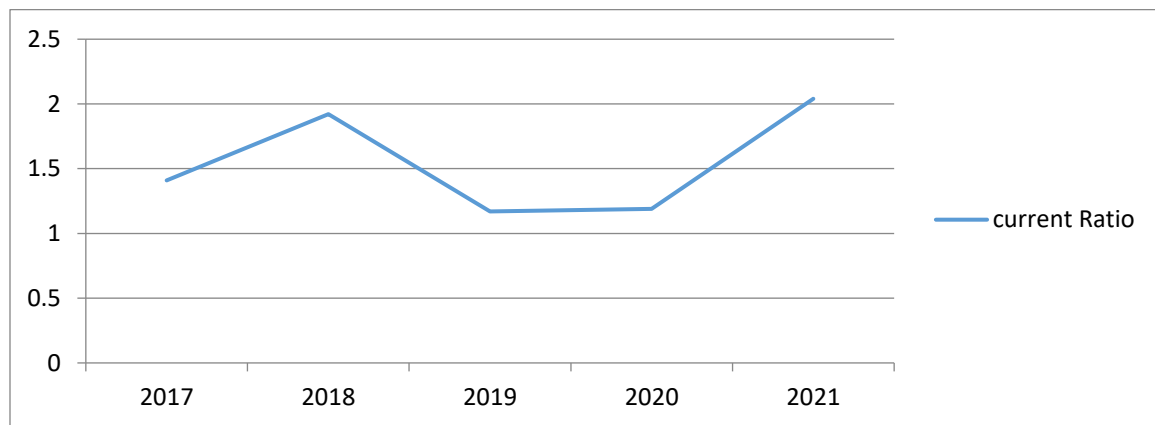


Figure 9: Graphical presentation of Current Ratio

According to the result of the ratio of BRAC Bank Limited was 1.41 in the year 2017, 1.92 in 2018, 1.17 in 2019, 1.19 in 2020 and 2.04 in 2021. It means that the bank had following current assets in against of taka 2 liabilities. It proves that, BBL has ability to pay off its current liabilities with its current assets. In fact the higher current ratio is better for the organization as it helps to prevent getting default and pay short debt swiftly.

4.10.1.2 Working Capital

Working capital is a measure of the business's available operating liquidity, which can be used to fund day-to-day operations.

Working Capital = Current Assets - Current Liabilities

Table 10: The working capital of BBL from 2017 to 2021

(BDT in million)

Year	2017	2018	2019	2020	2021
Working Capital	829.95	894.72	449.26	494.16	819.47

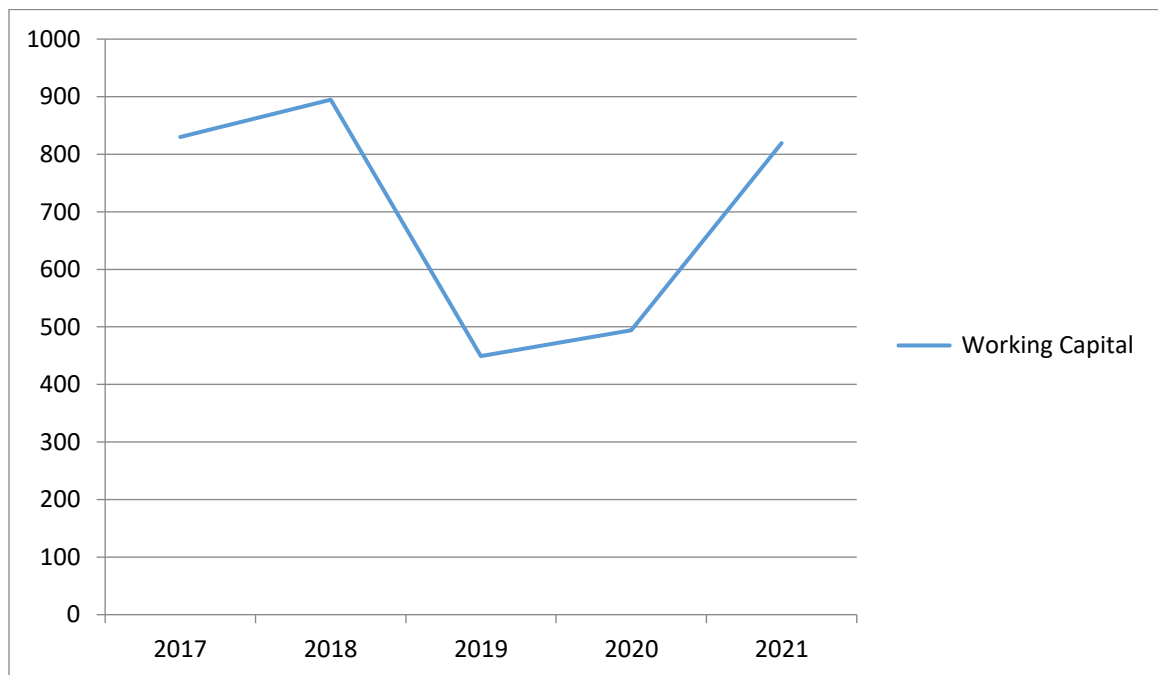


Figure 10: Graphical presentation of Working Capital

In the graphical presentation we see that the working capital from 2017 to 2021 were 829.95, 894.72, 449.26, 494.16 and 819.47 (in million tk). It is very clear from the above calculations that the working capital of the bank is positive over the years, which shows good short term liquidity efficiency.

4.10.1.3 Leverage Position

4.10.1.3.1 Total debt to Total asset Ratio

Total Debt to Total Asset Ratio=Total Debt /Total Asset

Table 11: Total debt to Total asset Ratio of BBL from 2017 to 2021

(BDT in million)					
Year	2017	2018	2019	2020	2021
Total debt to Total Asset Ratio	90.69	89.96	89.46	88.29	87.88

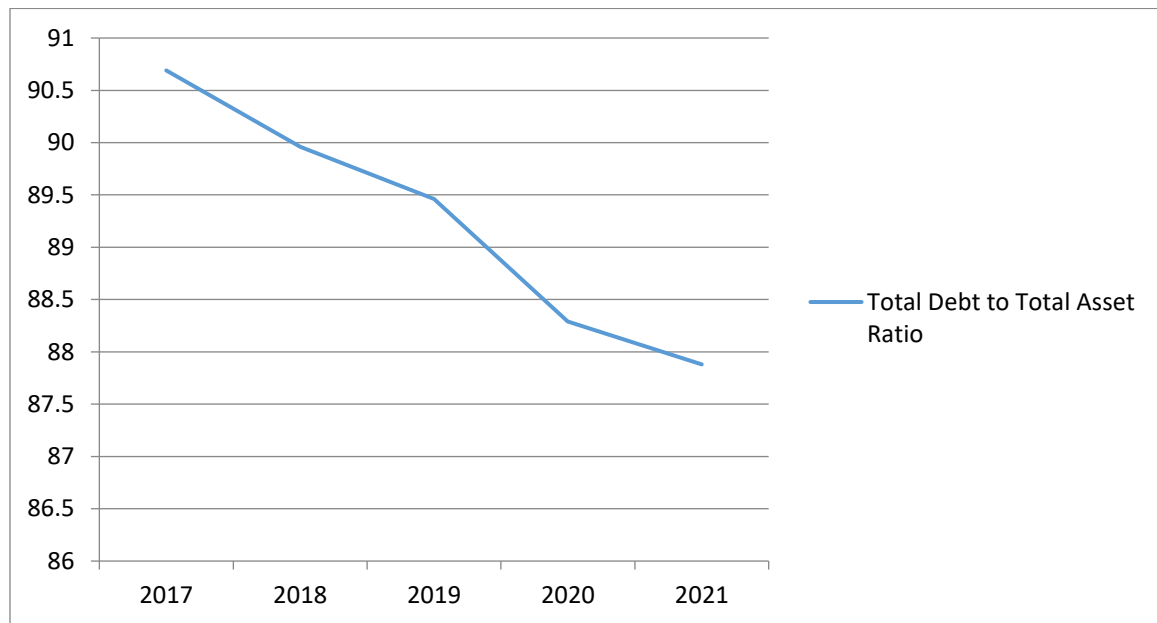


Figure 11: Graphical presentation of Total debt to Total asset Ratio

Though there are slight fluctuations, BBL has been able to maintain an average debt ratio 2017 to 2021. Their total asset and liabilities are increasing mostly in same range. But it has slightly decreased from 2018 to 2020. This is good from a risk perspective, because higher leverage means higher earnings. Higher leverage also implies that the bank is exposed to higher risk. During good times when earnings are high, financial leverage is beneficial for a bank.

4.10.1.4 Profitability Ratio

4.10.1.4.1 Net profit Margin

Net profit margin - Net profit margin is a profitability ratio that measures what percentage of revenue and other income is left after subtracting all costs for the business, including costs of goods sold, operating expenses, interest, and taxes.

$$\text{Net Profit Margin} = \text{Net Profit} / \text{Revenue} * 100$$

Table 12: The Net profit Margin of BBL from 2017 to 2021

Year	2017	2018	2019	2020	2021
Net profit Margin (%)	23.19	21.80	16.47	14.15	14.71

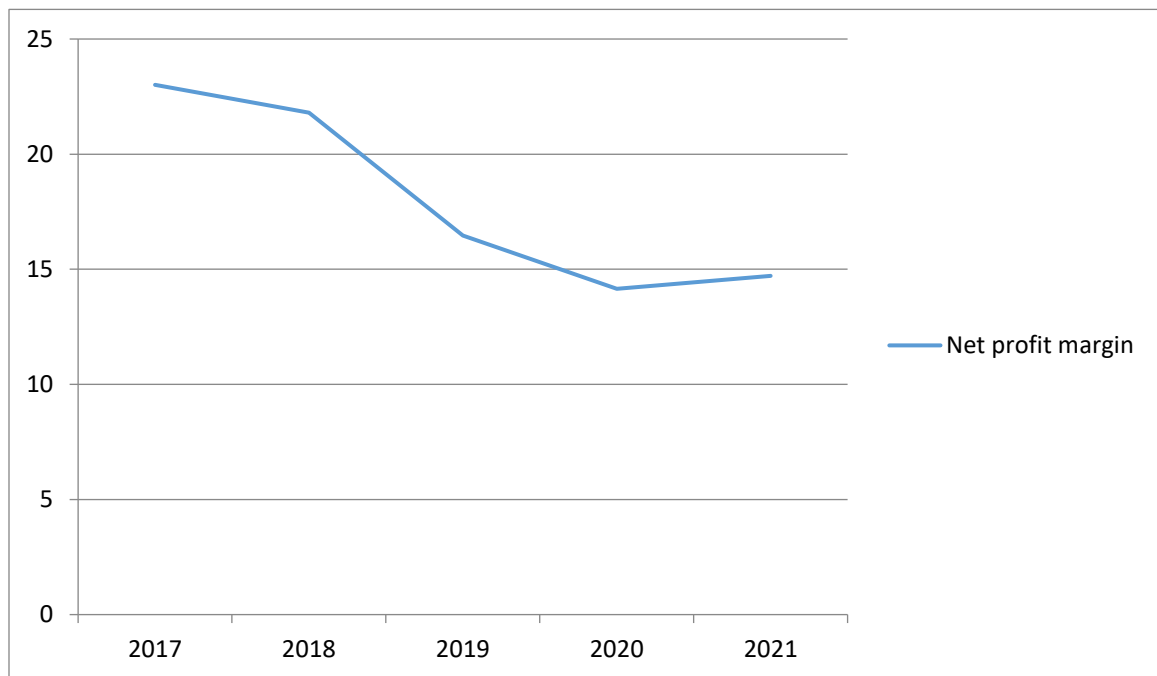


Figure 12: Graphical presentation of Net profit Margin

The net profit margin ratio of BBL is showing a decreasing trend. From the 20107 to 2021 net profit margin ratio were 23.19%, 21.80%, 16.47%, 14.15% and 14.71%.But we can considered it as an average margin.

4.11 Ratio Analysis for Return on Asset (ROA)

Year	2017	2018	2019	2020	2021
BBL (%)	2.02	1.87	1.64	1.19	1.31

Table 13: Return on Asset (ROA) of BBL from 2017 to 2021

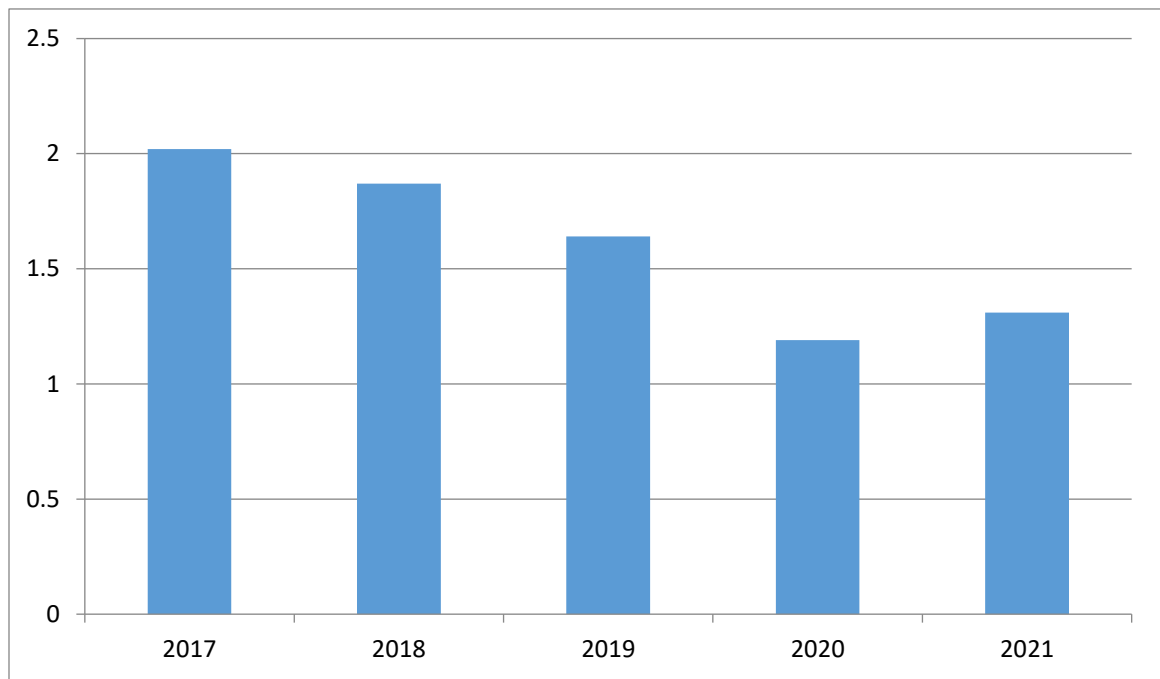


Figure 13: Graphical presentation of Return on Asset (ROA)

The return on Asset of BBL from 2017 to 2021 were 2.02%, 1.87%, 1.64%, 1.19% and 1.31%. It shows company's return from their investment. We can see that in 2017 company's return was good but after that year it is decreasing day by day. And in 2021 its return was increase a little bit from the previous year.

4.12 Ratio Analysis for Return on Equity (ROE)

Year	2017	2018	2019	2020	2021
BBL (%)	22.14	19.25	15.60	10.69	11.00

Table 14: Return on Equity (ROE) of BBL from 2017 to 2021

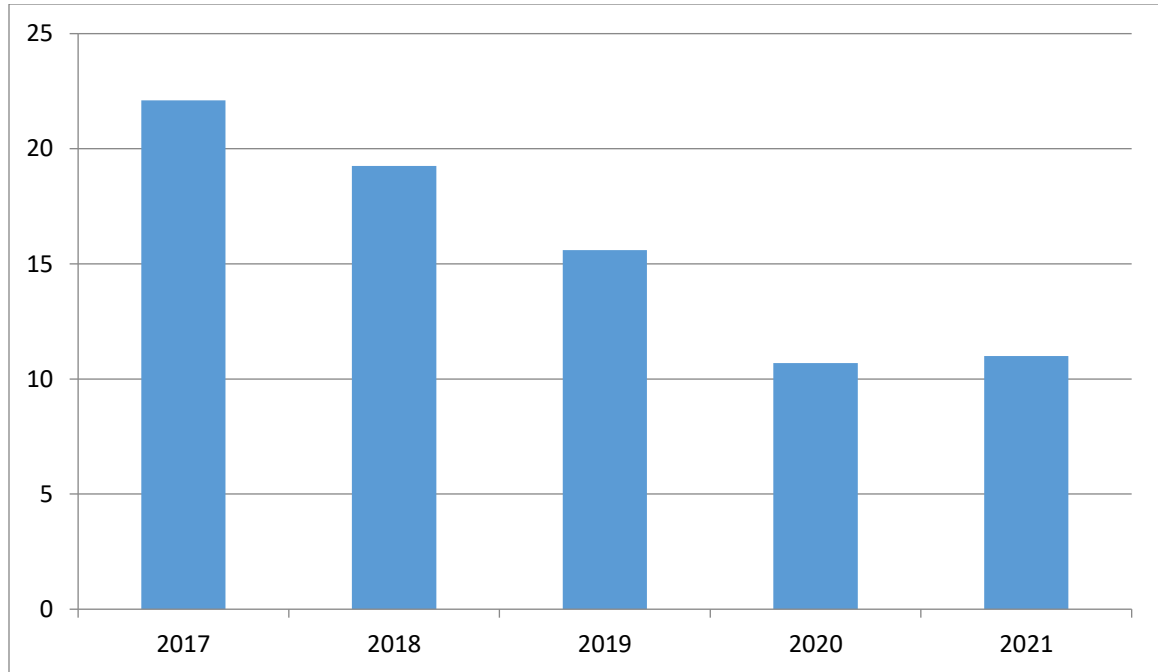


Figure 14: Graphical presentation of Return on Equity (ROE)

The Return On Equity (ROE) of BBL from 2017 to 2021 were 22.104%, 19.25%, 15.60%, 10.69% and 11.00%.. It shows stockholders earnings from their investment in BBL. We can see that in 2017 stockholders earnings was good but after that year it is decreasing every year. And in 2021 it increased a little bit from the previous year.

4.13 Ratio Analysis For Equity To Total Asset (ETA)

Year	2017	2018	2019	2020	2021
BBL (%)	9.30	10.03	10.53	11.70	12.11

Table 15: Equity To Total Asset (ETA) of BBL from 2017 to 2021

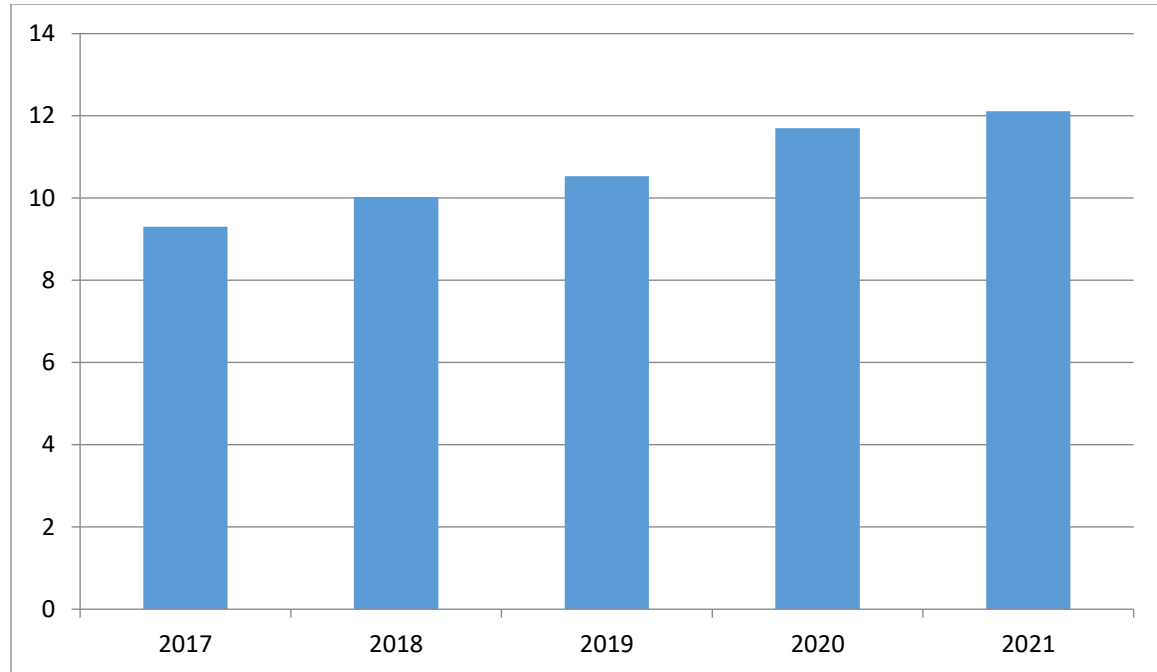


Figure 15: Graphical presentation of Equity To Total Asset (ETA)

The Equity to Total assets of BBL From 2017 to 2021 were 9.30%, 10.03%, 10.53%, 11.70% and 12.11%. We see from 2017 to 2021 the Equity to Total assets was increased every year and it is positive sign for a company to protect it against investment and assets also maintain loan losses & assets losses.

4.14 Ratio Analysis for Capital Adequacy Ratio (CAR)

Year	2017	2018	2019	2020	2021
BBL (%)	11.96	15.70	16.16	15.12	20.42

Table 16: Capital Adequacy Ratio (CAR) of BBL from 2017 to 2021

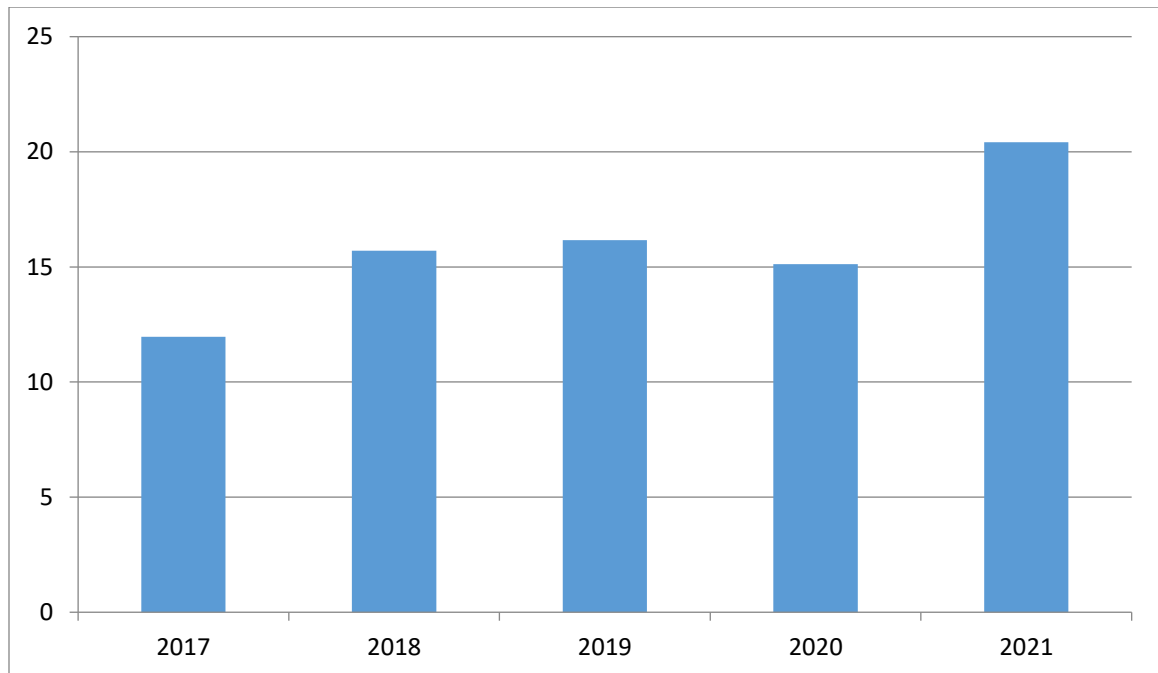


Figure 16: Graphical presentation of Capital Adequacy Ratio (CAR)

Capital Adequacy Ratio (CAR) is the ratio of a bank's capital in relation to its risk weighted assets and current liabilities. The Capital Adequacy Ratio (CAR) of BBL From 2017 to 2021 was 11.96%, 15.70%, 16.16%, 15.12% and 20.42%. In 2017 to 2021 it increasing every year but in 2020 it decreases from the previous year.

4.15 Analysis for Income to Expense ratio (IER)

Year	2017	2018	2019	2020	2021
BBL (%)	2.23	2.26	2.25	2.08	1.83

Table 17: Income to Expense ratio (IER) of BBL from 2017 to 2021

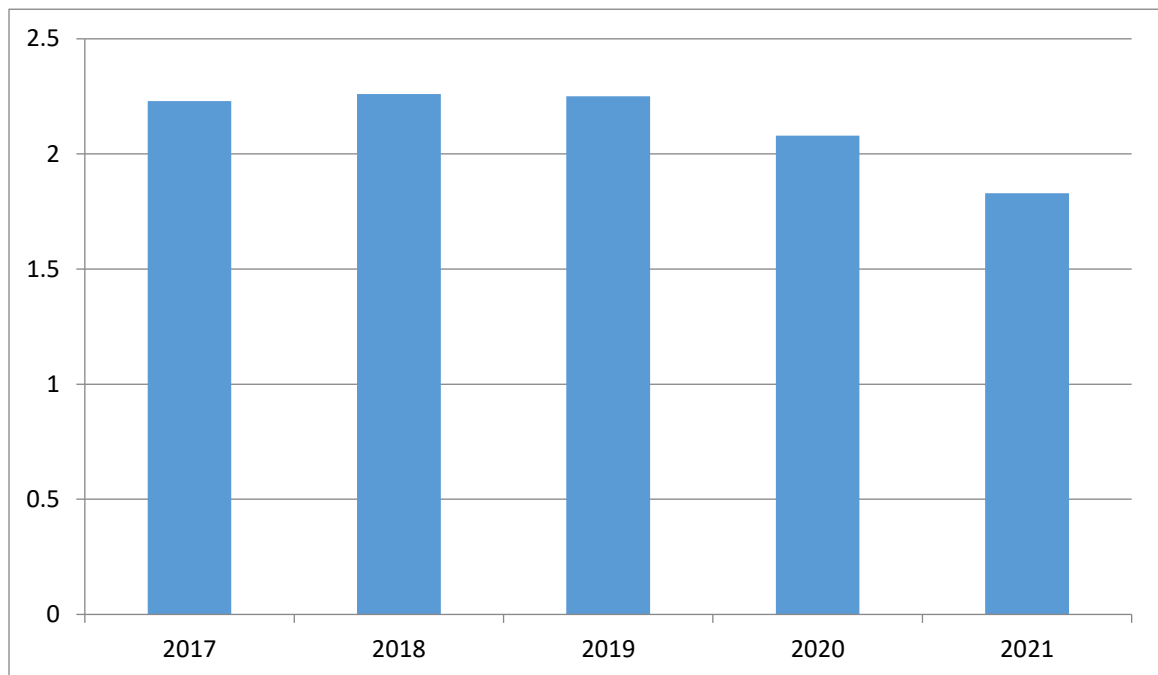


Figure 17: Graphical presentation of Income to Expense ratio (IER)

Income to Expense ratio (IER) means which measures operating expense as a percentage of operating income, is used to gauge efficiency and productivity for banks. The Income to Expense ratio of BBL From 2017 to 2021 were 2.23%, 2.26%, 2.25%, 2.08% and 1.83%. From the graph it declares that it is decreasing in every year. It indicates positive sign for a company.

4.16 Analysis for Asset Utilization Ratio (AUR)

Year	2017	2018	2019	2020	2021
BBL (%)	6.70	6.08	5.78	5.12	5.20

Table 18: Asset Utilization Ratio (AUR) of BBL from 2017 to 2021

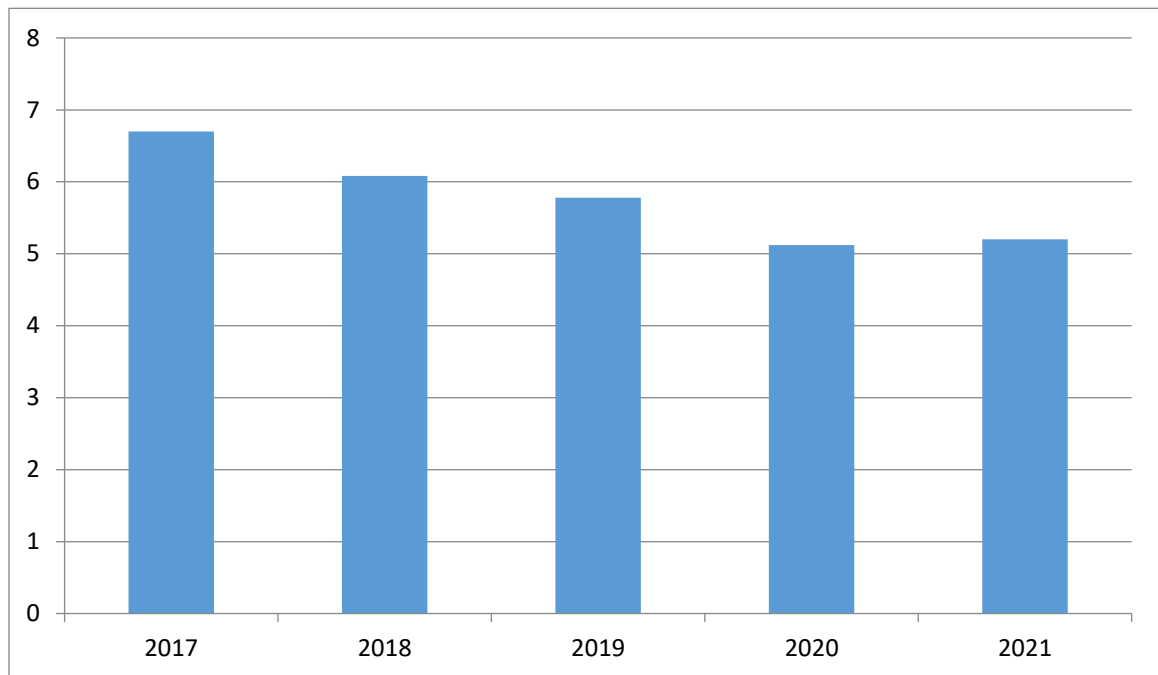


Figure 18: Graphical presentation of Asset Utilization Ratio (AUR)

Asset utilization ratios measure the efficiency with which the firm uses its assets to generate sales revenue to reach a sufficient profitability level. The Asset Utilization Ratio of BBL From 2017 to 2021 was 6.70%, 6.08%, 5.78%, 5.12% and 5.20%. The graph shows it is decreasing trend. It's not good sign for company. In 2017 its position was good but after the next years ratio is decreasing.

Chapter 5

Findings, Recommendations & Conclusion

5.1 FINDINGS AND OBSERVATION

Bank is a financial institution. The Service of a bank is considered as its product. Bank is financial intermediary dealing in accepting surplus saving as deposits and extending funds. Amount of funds can be increased or decreased depending on the professional skill of the bank executives. Efficiency of customer service is related with progression of operation. BRAC Bank Limited operations are increasing gradually. Investment is rising rapidly and a good response is getting from the clients. BRAC Bank limited rising movement is generating increasing profit.

5.1.1 Analysis and Findings

After analyzing the financial performance of BBL, found some important observation that need to attention, by analyzing these observation following findings have been placed to perform efficient operation of financial performance. Overall performance Analysis Summary-

Trend Analysis:

After analyzing all the trend analysis, we have found the following information:

- i. Trend Analysis of Total Deposit: The total amount of deposit has increased continuously. So, the performance of the Bank is favorable.
- ii. Trend analysis of Total Loan and Advance: The total loan and advance is increasing continuously. So the performance of the Bank is favorable.
- iii. Trend analysis of total profit or loss: This bank has been achieving the profit in every year and profit has been increased continuously. So the performance of the Bank is favorable.
- iv. Trend analysis of Total Foreign Remittance: From the graph it is clear that Total Foreign Remittance of the Bank is increasing continuously. So performance of this department is satisfactory.

Ratio Analysis:

- i. **Current Ratio:** Although the current ratio of BBL shows the ability of a firm to meet its current obligations. The current ratio improves over time marginally. The situation was almost stable.
- ii. **Working capital:** Working capital of the bank is positive over the years, which shows good short term liquidity efficiency.
- iii. **Return on Total Assets (ROA):** Although Total Assets is increasing but the percentage of Return on total assets is so poor.

5.1.2 Working Experience & Findings

1. Technical problems reduce the performance of the branch and extend the span of time resulting in loss (Financial) and providing less service to both the bank and customers.
2. They have set incentive program for good performance at work to motivate the employees.
3. The number employees are not sufficient to give service to the customers in the branch.
4. In agent banking outlet customer can't get same facilities as like as branch.
5. In agent banking outlet it's mandatory to maintain average balance to get account's debit card and checkbook which customer don't prefer it.
6. Different sector people as like aged people and rural areas people are not eligible to understand the the BRAC bank mobile banking bank app ASTHA.
7. In credit card annual charge and other charge is comparatively high rather than the others bank's charges.
8. All the credit card holder's didn't get the EMI facilities and Lounge key facilities.

5.2 RECOMMENDATIONS

I had practical exposure in BBL. With my little experience in the bank it is not so easy to suggest some suggestions to enhance the performance level of the organization. In light of the findings, the recommendations are as follow

1. The manager may also provide sufficient sophisticated computers to the employees in the different department of all the branch over the Bangladesh.
2. The bank should arrange more training programs and seminars for their officer.
3. More attractive schemes and plans should be introduced for all the sector of people specially businessperson.
4. Number of experienced employees should be increased in the different department all over the branch.
5. Bank may develop quality service in respect of speedy disposal both at branch and Agent banking outlet.
6. BBL should increase the employee's efficiency to find out the errors and correct it promptly.
7. Bank should introduce more AD branches in all the division for enhancing foreign exchange business all over the Bangladesh.
8. BRAC bank should introduce Bangle version of mobile banking App Astha because every sectors people don't understand the English version of Astha.
9. In agent banking outlet customer should get same facilities as like as which is enjoying the branch customer.
10. Bank should remove maintaining average balance varies to taken request of account checkbook and debit card for account holder.
11. BRAC Bank should develop their delivery process so that customer can get their security item as fast as they want.
12. BRAC Bank should give all the credit card holders EMI facility and Lounge key facilities So that they can enjoy it.

5.3 CONCLUSION

I have truly enjoyed my internship from the learning and experience viewpoint. I am confident that this internship program at BBL will definitely help me to realize my further carrier in the job market. BRAC Bank Limited is a new generation bank. It is committed to provide high quality financial services, commerce, accelerating the pace of industrialization, boosting up export, creating employment opportunity for the educated youth, poverty alleviation, raising standard of living of limited income group and overall sustainable social-economic development of the country. BBL makes a strong position through it's varies activities. Its number of clients, amount of deposit and investment money increases day by day. There is too much competition and new banks are growing up, so bank should be strong in financial site. This bank already has shown impressive performance in investment. The bank now should think to start new services and take different types of marketing strategy to get more customers in this competition market of banking. Now the time for BBL to fabricate in success they have achieve and go on with its operation. I also think that there is a bright future waiting for the BRAC bank in Bangladesh. And BBL is in a position to go as a catalyst for this development in the banking sector in Bangladesh as a Market Leader.

Bibliography & Appendix

Bibliography

A. Books & Articles

- i. Peter S. Rose (2002). Commercial Bank Management, (5th Edition), USA, McGraw Hill Irwin Education Limited
- ii. Zikmund, William G.(2008). Business Research Method,(7th Edition), USA, Thomson South-western.

B. References

- i. Annual report of 2017-2021 of BRAC Bank Limited
- ii. BRAC Bank limited Prospectus

C. Websites

- i. <https://www.bracbank.com/en/sustainable-banking>
- ii. <https://online.hbs.edu/blog/post/financial-performance-measures>
- iii. <https://www.educba.com/ratio-analysis-types/>

Appendix

Five Years' Financial Summary

BDT in million unless
otherwise specified

STANDALONE INFORMATION	2021	2020	2019	2018	2017
FINANCIAL POSITION					
Cash and bank balances	42,558	33,602	38,629	37,253	37,681
Money at call and short notice	3,500	-	-	-	-
Investments	51,591	68,896	45,944	25,765	24,966
Loans and advances	321,212	273,063	264,091	238,008	202,559
Fixed asset	7,455	6,829	8,189	4,301	4,275
Other assets	22,764	14,526	12,485	10,023	9,642
Non-banking assets	5	66	66	66	63
Total assets	449,084	396,982	369,404	315,417	279,187
Borrowing	47,310	35,283	35,390	31,303	28,807
Convertible subordinate bonds	-	-	-	-	2,850
Money at call and on short notice	-	85	1,274	-	2,700
Deposit and other accounts	314,599	289,054	268,309	233,509	196,224
Other liabilities	32,756	26,083	25,512	18,966	22,615
Total shareholders' equity	54,419	46,477	38,919	31,638	25,991
Total liability and shareholders equity	449,084	396,982	369,404	315,417	279,187
AD ratio	81.86%	76.69%	82.10%	82.78%	83.39%
Off balance sheet items	143,923	93,580	100,137	79,543	68,250
Interest earning assets	434,883	384,778	356,631	307,272	271,282
Non-interest earning assets	14,201	12,204	12,773	8,144	7,905
Liquid asset to total deposit ratio	27.40%	32.03%	26.45%	22.90%	23.20%
Liquid asset to short term liabilities	204.39%	229.33%	153.88%	123.89%	101.89%
Liquidity coverage ratio (LCR)	226.61%	358.97%	218.19%	143.54%	125.51%
Net stable funding ratio (NSFR)	105.92%	106.02%	110.01%	123.54%	114.38%
INCOME STATEMENT- PERFORMANCE AND PROFITABILITY					
Total revenue	23,364	20,336	21,388	19,165	18,710
Interest income	21,586	24,709	29,692	25,112	20,498
Interest expense	7,589	13,502	14,654	11,574	8,351
Investment income	5,781	6,457	3,072	2,961	3,581
Commission exchange & brokerage	3,440	2,560	3,168	2,573	2,876
Non-interest income	3,586	2,672	3,279	2,666	2,981
Total operating expenses	12,420	11,734	11,440	10,343	9,660
Total income	30,953	33,837	36,042	30,739	27,060

STANDALONE INFORMATION	2021	2020	2019	2018	2017
Total expenditure	20,009	25,236	26,095	21,917	18,011
Operating profit	10,944	8,602	9,948	8,822	9,050
Profit before tax	7,890	6,735	8,505	8,072	7,897
Net profit after tax	5,547	4,541	5,646	5,547	5,250
CAPITAL MEASURES					
Authorized capital	20,000	20,000	20,000	20,000	12,000
Paid up share capital	13,922	13,259	12,334	10,725	8,552
Risk weighted assets	307,360	276,175	244,401	233,713	209,351
Common equity tier-1 capital	39,607	36,473	33,784	28,780	23,534
Total admissible tier-1 capital	39,607	36,473	33,784	28,780	23,534
Total admissible tier-2 capital	4,525	3,709	3,038	3,157	3,100
Total capital	44,132	40,182	36,822	31,937	26,634
Capital surplus/(deficit)	5,712	5,660	6,272	4,184	3,082
Common equity tier-I (CET1) capital ratio	12.89%	13.21%	13.82%	12.31%	11.24%
Total capital to risk-weighted asset ratio (CRAR)	14.36%	14.55%	15.07%	13.67%	12.72%
ASSET QUALITY					
Total loans and advance	321,212	273,063	264,091	238,008	202,559
Classified loans	12,523	8,009	10,525	7,379	7,221
Provision for unclassified loans (GP)	3,818	3,254	2,646	2,504	2,341
Provision for classified loans (SP)	8,961	7,494	6,081	5,067	5,649
Provision for off balance sheet items	707	455	392	584	621
Percentage of NPLs to total loans and advances	3.90%	2.93%	3.99%	3.10%	3.56%
NPL coverage ratio (incl. GP)	124%	171%	97%	123%	132%
NPL coverage ratio	82%	114%	65%	76%	86%
FOREIGN EXCHANGE BUSINESS					
Import	134,102	81,820	90,661	110,575	98,332
Export	93,786	68,863	71,360	60,800	53,161
Remittance (inward)	98,887	72,452	73,344	84,178	57,522
Guarantee	4,856	2,136	7,783	4,537	3,673
OPERATING PROFIT RATIOS					
Cost of fund	4.49%	6.41%	7.04%	6.75%	5.69%
Return on assets	1.31%	1.19%	1.64%	1.87%	2.02%
Return on equity	11.00%	10.69%	15.60%	19.25%	22.14%
Return on investment	6.04%	5.79%	8.04%	9.00%	9.41%
Debt equity ratio (times)	6.65%	6.98%	7.84%	8.37%	8.87%
GP margin	75%	60%	59%	62%	69%
NP margin	18%	13%	16%	18%	19%
MANAGEMENT EFFICIENCY RATIOS					
Operating income per employee	3.07	2.63	2.62	2.70	2.74
Operating cost per employee	1.63	1.52	1.40	1.46	1.41
Operating profit per employee	1.44	1.11	1.22	1.25	1.32

STANDALONE INFORMATION	2021	2020	2019	2018	2017
PBT per employee	1.04	0.87	1.04	1.14	1.16
Cost to income ratio	53%	58%	53%	54%	52%
DIVIDEND PAYMENT					
Cash	7.5%	10.0%	7.5%	0%	0%
Stock	7.5%	5.0%	7.5%	15%	25%
Total dividend	15%	15%	15%	15%	25%
SHARE INFORMATION					
No. of shares	1,392,172,399	1,325,878,476	1,233,375,327	1,072,500,285	855,209,694
Earnings per share (BDT)	3.98	3.26	4.26	4.50	4.91
Number of shareholders	17,026	18,659	16,765	17,459	15,593
Market value per share (year end) in taka	55.30	44.30	57.10	72.70	108.40
Price earnings ratio	13.88	12.94	12.47	16.16	22.08
Net asset value per share in taka	39.09	33.38	29.35	25.65	24.23
Market capitalization at the year end	76,987	58,736	70,426	77,971	92,363
DISTRIBUTION NETWORK					
Number of customer (mn)	1.3	1.1	1.3	1.2	1.3
Number of branches	120	120	120	119	118
No. of SME SC/KB	67	67	67	67	68
Number of SME unit office	456	456	456	456	457
Number of ATMs	373	375	424	448	447
Number of CDM	93	96	89	97	90
Number of employees	7,619	7,740	8160	7,085	6,835
Number of foreign correspondents	391	381	379	370	396

CONSOLIDATED INFORMATION	2021	2020	2019	2018	2017
FINANCIAL POSITION					
Cash and bank balances	101,721	62,638	69,662	67,046	61,658
Investments	70,069	94,095	55,952	35,133	26,889
Money at call and short notice	3,500	-	-	-	-
Loans and advances	322,135	273,439	264,870	238,400	203,431
Fixed asset	12,834	10,606	10,873	6,265	5,610
Other assets	16,222	13,863	12,004	9,665	9,314
Goodwill	1,427	1,427	1,427	1,427	1,351
Non-banking assets	5	66	66	66	63
Total assets	527,913	456,134	414,855	358,005	308,317
Borrowing	47,327	35,943	35,949	31,303	28,807
Convertible subordinate bonds	-	-	-	-	2,850
Money at call and on short notice	-	85	1,274	-	2,700
Deposit and other accounts	364,338	333,616	297,755	259,961	216,930
Other liabilities	39,300	32,732	33,214	25,040	28,600

CONSOLIDATED INFORMATION	2021	2020	2019	2018	2017
Total shareholders' equity	57,187	48,111	40,582	35,250	26,600
Non controlling interest	19,761	5,648	6,081	6,450	1,830
Total liability and shareholders' equity	527,913	456,134	414,855	358,005	308,317
CAPITAL MEASURES					
Risk weighted assets	337,282	297,178	264,598	251,233	225,438
Common equity Tier-1 capital	64,354	41,252	39,733	36,294	23,882
Total admissible Tier-1 capital	64,354	41,252	39,733	36,294	23,882
Total admissible Tier-2 capital	4,525	3,709	3,038	3,157	3,100
Total capital	68,879	44,962	42,771	39,452	26,982
Capital surplus/(Deficit)	26,718	7,814	9,696	9,618	1,620
Common equity Tier-I (CET1) capital ratio	19.08%	13.88%	15.02%	14.45%	10.59%
Total capital to risk-weighted asset ratio (CRAR)	20.42%	15.13%	16.16%	15.70%	11.97%
INCOME STATEMENT- PERFORMANCE AND PROFITABILITY					
Total revenue	31,623	28,554	27,819	26,008	23,701
Interest income	24,225	27,080	32,623	27,478	21,734
Interest expense	7,913	13,725	14,698	11,660	8,201
Investment income	7,142	8,182	3,057	2,791	2,915
Commission exchange & brokerage	7,993	6,846	6,599	7,227	6,882
Non-interest income	8,168	7,017	6,837	7,399	7,253
Total operating expenses	21,515	20,345	18,859	16,614	14,279
Total income	39,536	42,279	42,517	37,668	31,902
Total expenditure	29,428	34,070	33,557	28,275	22,480
Operating profit	10,107	8,209	8,960	9,393	9,422
Profit before tax	6,910	6,336	7,501	8,643	8,284
Net profit after tax	4,653	4,041	4,583	5,670	5,498
Earnings per share (BDT)	3.93	3.17	3.73	4.50	4.86
Cost-to-income ratio	68%	71%	68%	64%	60%

