

Report On
IFIC Bank LTD: “General Banking and Financial Performance
Analysis”

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the
requirements for the degree of
Bachelor of Business Administration

BRAC Business School
BRAC University
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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:



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18104054

Supervisor's Full Name & Signature:

RIYASHAD AHMED
Assistant Professor, BBS
BRAC University

Letter of Transmittal

Date: 01/07/2022

Riyashad Ahmed

Assistant Professor,

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report.

Dear Sir,

It is a true honor for me to have your assistance in successful completion of my internship report. I hope you are pleased with the report that I have presented, and please accept my heartfelt gratitude for dedicating your valuable time to me and sharing your knowledge with me. I have gained real-world experience working on Raising Capital, Budget, Annual Integrated Report, Sustainability Reports and other financial activities of a Bank. This report has allowed me to gain a better understanding of business culture and put my academic knowledge into practice. It has improved my professional abilities, enhanced my individuality, and provided me with more opportunities. I am extremely grateful for the opportunity to learn from a highly skilled IFIC Bank Limited team. I want to thank you for guiding and motivating me to complete my internship on IFIC Bank Limited.

Sincerely yours,



JURANA ANJUM ORNA

Student ID: 18104054

BRAC Business School

BRAC University

Non-Disclosure Agreement

This agreement is made and entered into by and between IFIC Bank Limited and Jurana Anjum Orna, the undersigned student from BRAC University for strictly prohibiting the disclosure of the confidential information of the mentioned Bank.

Signature-

JURANA ANJUM ORNA

Student ID: 18104054

BRAC Business School

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Acknowledgement

Above all, I would want to thank the Almighty for the blessings He bestowed upon me throughout my internship and in completing this report.

The report was made entirely due to the constant assistance of a significant number of people for their unending time, help, and direction. I would want to express my gratitude to my dearest faculty, Mr. Riyashad Ahmed, for providing me with clear directions for creating this report and for her help anytime I needed it. I am also appreciative to my supervisor Mr. Harun-Or-Rashid (Customer Service Manager) for his constant support and guidance, and to the other officers in General Banking Division for helping me with information that assisted in the preparation of this report. I am grateful to every one of them for being a continual source of inspiration and learning. Also, for entrusting me with responsibility and teaching me essential skills that will undoubtedly help me for the rest of my career. Lastly, IFIC Bank Limited for recruiting me as their intern.

Finally, I'd like to express my gratitude to my parents for raising me in a way that allows me to be the best version of myself every day.

Executive Summary

This report aims to portray a fairly complete image of my internship in the General Banking Division of IFIC Bank Limited as part of the academic requirement. I completed successfully a three-month internship starting February 3, 2022 to April 28, 2022. I was appointed under the supervision of Mr. MD. Harun-Or-Rashid (Customer Service Manager).

In this report, I include a quick analysis and description of my three-month internship at IFIC Bank Limited. The report is divided into different sections. At the start of the report, I included an overview of the company, including its background, mission, vision, goal, and organizational structure. Following that, I provided a quick summary of the department in where I worked. Then I listed my duties and contributions to the organization. I also added the Financial Position Analysis of the Bank. Later on, I explain my internship experience, including what I learned from it, how I communicated and interacted with supervisors and coworkers, the issues I had throughout my internship, and how I dealt with them. In the internship program, I also expressed my expectations vs reality, as well as how this internship would have a significant impact on my career plans. Finally, I discuss what changes I would do if given the opportunity to undertake an internship again, and I provide a conclusion. This report is a representation of the knowledge and experience I gained during my internship at IFIC Bank Limited. This internship experience has been tremendously significant and powerful, and as a result, it has pushed me to seek a career in a bank.

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List of Acronyms

CC (hypo): Cash credit-hypothecation

CC (Pledge): Cash credit-pledge

SBL: Small business Loan

FDR: Fixed Deposit Receipt

STD: Short Term Deposit

TT: Telephonic Transfer

DD: Demand Draft

KYC: knowledge about your customer

FDD: Foreign Demand Draft

Chapter 1: Overview of Internship

1.1 *Student information*

Name: JURANA ANJUM ORNA

ID: 18104054

Program: Bachelor of Business Administration

Major: Finance

1.2 *Internship Information*

1.2.1 *Internship details:*

Period: February 3rd, 2022 to April 28th 2022

Company Name: IFIC Bank Ltd

Address: Petrocentre Building (Ground Floor) 03, Kawran Bazar, Dhaka-1215, Bangladesh.

1.2.2 *Internship Company Supervisor's Information*

Supervisor's Name: Md. Harun-Or-Rashid

Position: Customer Service Manager

Email: m.harun@ificbankbd.com

Phone Number: +8801730449066

1.2.3 *Job Scope:*

My main task was to assist officers and executives in every aspect of their daily work. It starts with dealing with customers to the activities that includes document analysis, computer postings, sorting out cheques, vouchers etc. One of the first thing I have done was delivering cheques and debit cards to the customers. By doing this daily tasks it helps me to learn the basic performance a bank does, also it enhanced my knowledge in the banking sectors.

1.3 Internship Outcomes:

1.3.1 Contribution to the company:

Since I started as an intern, I was not familiar with the work environment. I was really confused at my very first day. But gradually officers and executives help me to understand the bank performance and services. I have performed numerous activities. My main task was to assisting employees in their daily work. It helped me to learn the basic banking activities which enhanced my knowledge. Every employee was very helpful, I learned a lot of things in a short time

1.3.2 Benefits of this internship:

In current scenario and job market, I am happy about my decision on conducting my internship with IFIC Bank Ltd. Through working here, I have made more knowledgeable outcomes. Now I have a clear considerable knowledge about the mission leader's responsibilities and respect for it, knowledge about advertising and what could be the issues in the organization. Many of these things might have been unclear to me if I had worked for any other organization. More benefits about this internship have been discussed below:

- A new experience of dealing with different kinds of customers every day.
- Learned to work under pressure and minimum supervision.
- Learned new skills, new equipment uses, culture and customer relationship.
- Became more competent and developed ability to adjust to people.

1.3.3 Recommendations:

Here are some of the recommendations:

- The work environment needs to be friendlier and everyone should communicate more.
- They should work on appreciating their employees.
- Thankfulness should be given to good performers which will boost their morale.
- Internship activities may be more closely tied to work in order for us to gain a deeper understanding of it.

Chapter-2: Organization Part

2.1 Introduction

In general, the word "bank" makes it easy to understand that a financial institution deals with money. The overall scenario of a country's economy can be found by examining the state of the banking sector. The banking sector plays an important role in the economic activity and development of every country. There are various types of banks such as central banks, commercial banks, savings banks, investment banks, industrial banks and credit unions. However, when we use the term "bank" without a prefix or qualification, we mean a commercial bank. Commercial banks mainly contribute to the economy of countries like Bangladesh. In Bangladesh, commercial banks dominate the financial sector, and macroeconomic management relies heavily on the performance of commercial banks as well as the banking sector. The banking industry grew primarily in the public sector, focusing on the rebuilding of the financial system and the development needs of the war-torn economy, and then gradually liberalized. There was growing belief that banks should be allowed to give momentum to private-sector-led development processes in the private sector. Several banks of private sector were first licensed in the 1980s. One of them is IFIC Bank. Today, the concept

of banking does not continue in a branch or branch cubicle. Bankers are currently practicing banking activities other than cabins. Guaranteeing Service Provider Availability

is an important element of banking services. As a result, it is imperative that everyone have some idea of the bank and the banking process. Currently, there are 63 planned banks operating nationwide. Of these, 9 are state-owned (including 5 specialized banks), 38 are private commercial banks, and the remaining 9 are foreign commercial banks. Bangladesh's banking sector has undergone radical changes, but still suffers from chronic inefficiencies. The biggest problem with Bangladesh's banking system is the bank's default problem. Various initiatives have been taken to address the Bangladesh credit default swap issue. One of them is the credit and procedural policies mandated by the Bangladesh Bank. Therefore, the bank's financial performance includes all the necessary analysis.

2.1.1 Origin of the report

BRAC University Internship Programs are the final prerequisites for BBA students and are also some requirements of the BBA Curriculum Internship Program. The main purpose of the internship is to expose the students to the real-life work. The intern, the main challenge is to translate theoretical concepts in real life experience. Internship programs and research have achieved the following purposes:

- to obtaining detailed knowledge of job responsibility.
- to collect experience in actual business world.
- Compare real-world scenarios with university teachings
- Meet the requirements of the BBA program.

To complete the internship program, I was assigned to IFIC Bank Limited at the Kawran Bazaar Branch in Dhaka under the following guidance Mr. Riyashad Ahmed My academic supervisor. The subject matter of the report was approved by the supervisor to meet the needs of the organization and the performance of the internship program. As a requirement to complete the internship program, I had to submit this report, which included an overview of the organization and a financial performance analysis IFIC Bank Limited.

2.1.2 Scope of the Report

The main purpose of education is the acquisition of knowledge. Finally, knowledge

In addition to theoretical knowledge, the hands-on application must be run. I have this report to present my practical knowledge as well as to find out-

General:

- Observation of general bank and progress of IFIC banking restrictions Services
- The way banks operate in various fields being a single organization.
- What a bank of Bangladesh is doing to develop the national economy.
- Acquire a wide range of practical knowledge about banking as a financial force institution.

Specific:

- Gives an overview of the entire IFIC Bank Limited organization
- Get an overview of IFIC Bank Limited's lending and general banking operations.
- Recommend the steps necessary to overcome these problems faced by IFIC banks Limited
- To identify key areas of inefficiency.

2.1.3 Methodology

In order to make this report more meaningful and presentable I have used two types of sources:

The Primary Sources:

- Face to face conversation with the respective officers and executives
- Informal discussion with the customers
- Related file survey provided by the respective officers in charge
- Practical work assignments from different departments.

The Secondary Sources:

- Annual Reports of IFIC Bank Ltd.
- Brochures of IFIC Bank Ltd.
- Newspapers, Journals, Books and other written documents
- Web sites

2.1.4 Limitations of the Report

It was a fantastic journey for me to conduct my internship in IFIC bank Ltd kawran Bazar Branch. But there had been virtually a few boundaries whilst in making this report:

- Getting the data and decoding it, on the premise of my expertise and then imposing it.
- Bankers are very busy people. I attempted to get in touch with a few excessive officers from the general banking department for extra unique data and session however they could not make time for me.

2.2 Overview of the Company

International Finance Investment and Commerce Bank Limited (IFIC Bank) is a limited liability banking company founded in the People's Republic of Bangladesh. It was set to 1976 Government example as a Joint Venture between the Government of Bangladesh and private sector sponsors aimed at working as a financial company within establishment of joint venture / financial institution with land on board. When in 1983 IFIC, a government-approved private bank, has been transformed into a full-fledged bank Commercial bank. The Government of the People's Republic of Bangladesh currently holds 32.75% The capital of the bank. Directors and sponsors with many years of experience in the commercial field Handel owns 8.62% of the equity capital and the rest is owned by the general public. As of December 31, 2013, banks increased their deposits by 17.00% year-on-year to reach 107,778.00 million taka. Total outstanding Loans & Advances of the Bank also stood at BDT84,110.00 million as on 31 December 2013, marking an increase of 9.00% over the previous year. The Bank has signed a participation agreement with Bangladesh Bank of 2,000 million taka for refinancing solar energy, biogas and wastewater treatment plants (ETP). It aims to help maintain the balance of ecosystems by increasing the use of solar energy and environmentally friendly alternative renewable energies.

2.2.1 Bank's Mission

Bank's Mission is to provide service to our clients with the help of a skilled and dedicated workforce whose creative talents, innovative actions and competitive edge make their position unique in giving quality service to all institutions and individuals that they care for. They are committed to the welfare and economic prosperity of the people and the community. They want to be the leader among banks in Bangladesh and make their indelible mark as an active partner in regional banking operating beyond the national boundary. In an intensely competitive and complex financial and business environment, they particularly focus on growth and profitability of all concerned.

2.2.2 Bank's Vision

At IFIC, they want to be the preferred financial service provider through innovative, sustainable and inclusive growth and deliver the best-in-class value to all stakeholders.

2.2.3 Core Values

Integrity: Upholding integrity in all that we do, always, everywhere.

Fairness: Striving to offer the best to our customers equitably with transparency.

Innovation: Encouraging and nurturing Creativity.

Commitment: Committed to excellence in customer service and maximization of stakeholder's value through teamwork.

2.3 Milestones in the development of IFIC Bank

1976-Established as an Investment & Finance Company under arrangement of joint venture with the Govt. of Bangladesh.

1980-Commenced operation in Foreign Exchange Business in a limited scale.

1982-Obtained permission from the Govt. to operate as a commercial Bank, set up its first overseas joint venture (Bank of Maldives Limited) in the Republic of Maldives (IFIC's share in Bank of Maldives limited was subsequently sold to Maldives Govt. in 1992)

1983-Commenced operation as a full-fledged commercial bank in Bangladesh.

1985-Set up a joint venture Exchange Company in the Sultanate of Oman, titled Oman Bangladesh Exchange Company (Subsequently renamed as Oman International Exchange, LLC)

1987-Set up its first overseas branch in Pakistan at Karachi

1993-Set up its second overseas branch in Pakistan at Lahore

1994-Set up its first joint venture in Nepal for banking operation, titled Nepal Bangladesh Bank Ltd.

1999-Set up its second joint venture in Nepal for lease financing, titled Nepal Bangladesh Finance & Leasing Co. Ltd. (Which was merged with NBBL in 2007)

2003-Set up a new Bank in Pakistan, NDLC -IFIC Bank Ltd. (Subsequently renamed as NIB Bank Ltd.) and the Overseas Branches of IFIC and a local leasing company, NDLC were amalgamated with and into it.

2005-Acquired MISYS solution for real time online banking application-Core Risk Management implemented

2007-Launched VISA branded Credit Card (completed full range of Cards i.e., Debit, Credit & Prepaid by 2010)

2010-Set up Offshore Banking Unit (OBU)

2011-Established a fully owned subsidiary exchange company named IFIC Money Transfer (UK) Ltd.

2012-Inauguration of 100th Branch at Tejgaon-Gulshan Link Road in Dhaka

2015- Make a steep to generate another 15 branches in several area.

2016- Inauguration of IFIC Tower at 61 Purana Paltan, Dhaka.

2017- Launched an innovative product IFIC Amar Account, combining benefits of current & saving accounts, FDR, credit cards etc. Became Market leader in Home loan product under retail banking segment. Introduced One stop Service model in the branches for the first time in Bangladesh.

2018- IFIC Home Loan outstanding crossed the amount BDT 2,911.40 corer. Amar Account stood at BDT 1,456.49 corer with a total of 99,399 accounts.

2019- Established 35 Uposhakhas across the country. Launched IFIC Amar Bank (Digital Banking Platform). Launched IFIC Shohoj Account to expand financial inclusion.

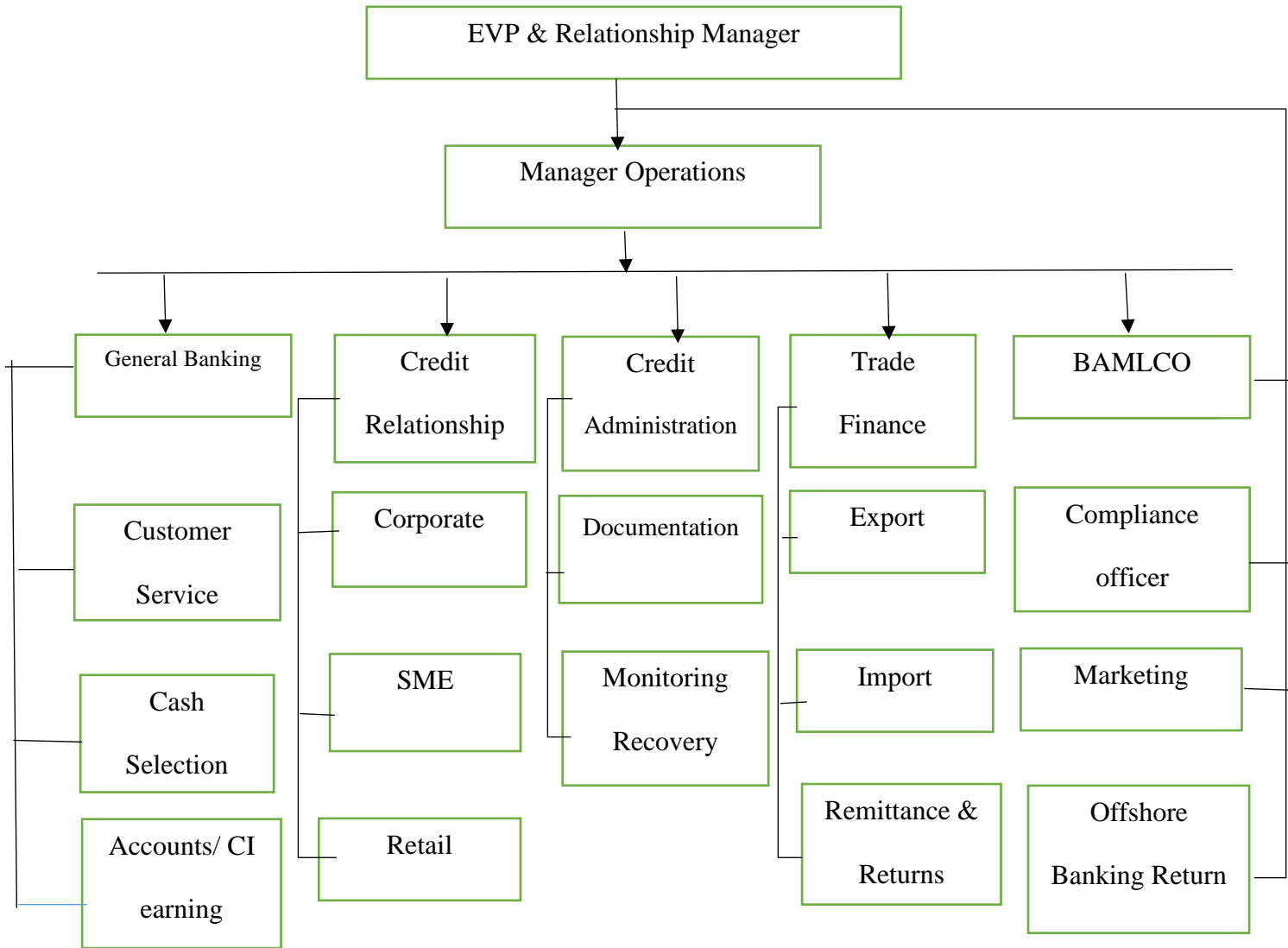
2020- Number of Branches crossed 150 and number of Uposhakhas around the country stood at 285. IFIC Home Loan Sanctioned amount reached BDT 61061.924 million as of 31 December 2020. Launched IFIC Shohoj Rin. Formation of IFIC Investment Limited for merchant banking operations.

2.4 Management Structure/ Responsibilities

The 13 members of the board have strategic planning and general bank policy guidelines. There is also an executive committee of the board of directors to conduct urgent business proposal. The Management Committee also has an Audit Committee that oversees compliance with important regulations and operational issues. CEO and Managing Director, Deputy Managing Director, Section Chief responsible for achieving business goals and overseeing day-to-day operations. The CEO and Managing Director are supported by a senior management group consisting of the following members: Deputy General Manager and Department Manager oversee various operations split and coordinate branch operations. Key issues are managed by the Executive Committee, chaired by the CEO and Executive Director directed by this

facilitates quick decision making. There is an Asset and Debit Commission, which is made up of members of senior management and chaired The CEO and Managing Director of the Bank.

2.5 Organogram



2.6 IFIC at a glance

Financial Highlights (2020)

2020 Highlights



Deposits
₹ 296,374 m
 +14.7%



Assets
₹ 363,412 m
 +14.6%



Investments
₹ 52,722 m
 +15.9%



Loans & Advances
₹ 260,650 m
 +14.0%



Mortgage Loan
₹ 39,580 m
 +21.4%



Market Capitalization
₹ 24,622 m



Investment in Human Capital
₹ 7.2 m
 Participants 7,945
 216 Training programs

NPL
3.97%

ROE
2.3%

Operating Profit
₹ 2,902 m
 -43.3%

PBT
₹ 1,664 m
 -60.2%

PAT
₹ 562 m
 -77%



Total Equity
₹ 25,217 m
 +2.5%

Main Services of IFIC Bank:

1) Corporate Banking:

Working Capital Finance
Project Finance
Team Finance
Syndication Finance
Lease Finance

2) Retail Banking:

Consumer Finance
Debit cards
Credit cards
Deposit Products
Pre-paid cards
NRB Account
Our Products:

- IFIC Amar Account
- IFIC Sohoj Account
- IFIC Amar Bhomishawt
- IFIC Amar Bari

Student File

SME Banking

Digital Services:

- IFIC Amar Bank
- Bkash services
- 24/7 Customer Care services
- Charge free Cash withdrawal from all bank's ATM.

3) SME Banking

Easy Commercial

Loan

Retailers Loan

Transport Loan

Commercial House

Building Loan

Possession Right Loan

Contractor's Loan

Bidder's Loan

Working Capital Loan

Project Loan

Trade Finance

Muldhan

Women Entrepreneur's Loan

4) Treasury and Capital Market

Money Market

Forex Market

Brokerage House

- 5) **Agriculture Credit**
Krishi soronjam rin
Shech soronjam rin
Phasali rin

2.7 Departments of IFIC Bank

This section details the three divisions of IFIC Bank LTD. They are-

- 1) General Banking
- 2) Credit, Loan and Advance
- 3) Foreign Exchange

2.7.1 General Banking

The general banking sector is at the heart of all banking operations. Performs core functions of bank, perform daily transactions of banks. This is the storage point for all types of transactions foreign department, credit department, and itself. An important role in mobilizing deposits in the industry. IFIC Bank offers different types Accounts and special forms of savings in general banking. They are as follows:

- Accounts opening section.
- Deposit Section
- Cash section
- Remittance section
- Bills and clearing section
- Accounts sections
- Cheque book issue
- Debit card issue
- Transfer to Account
- Closing of Account
- Dispatch section

Opening of Account:

If an individual wants to open an account at IFIC Bank Limited, Federation Branch, they must do so- Get in touch with the person in charge. Must be replenished by an individual or company to open an account. Fill up Account opening form. You need to submit the following items:

- Fill out a specific form type provided by your bank (such as Savings \ Current \ Std)

Customer.

- The form must be completed by the applicant himself
- You will need to submit two copies of your passport photo to the bank. With partnership Account, all partners are required to submit a photo.

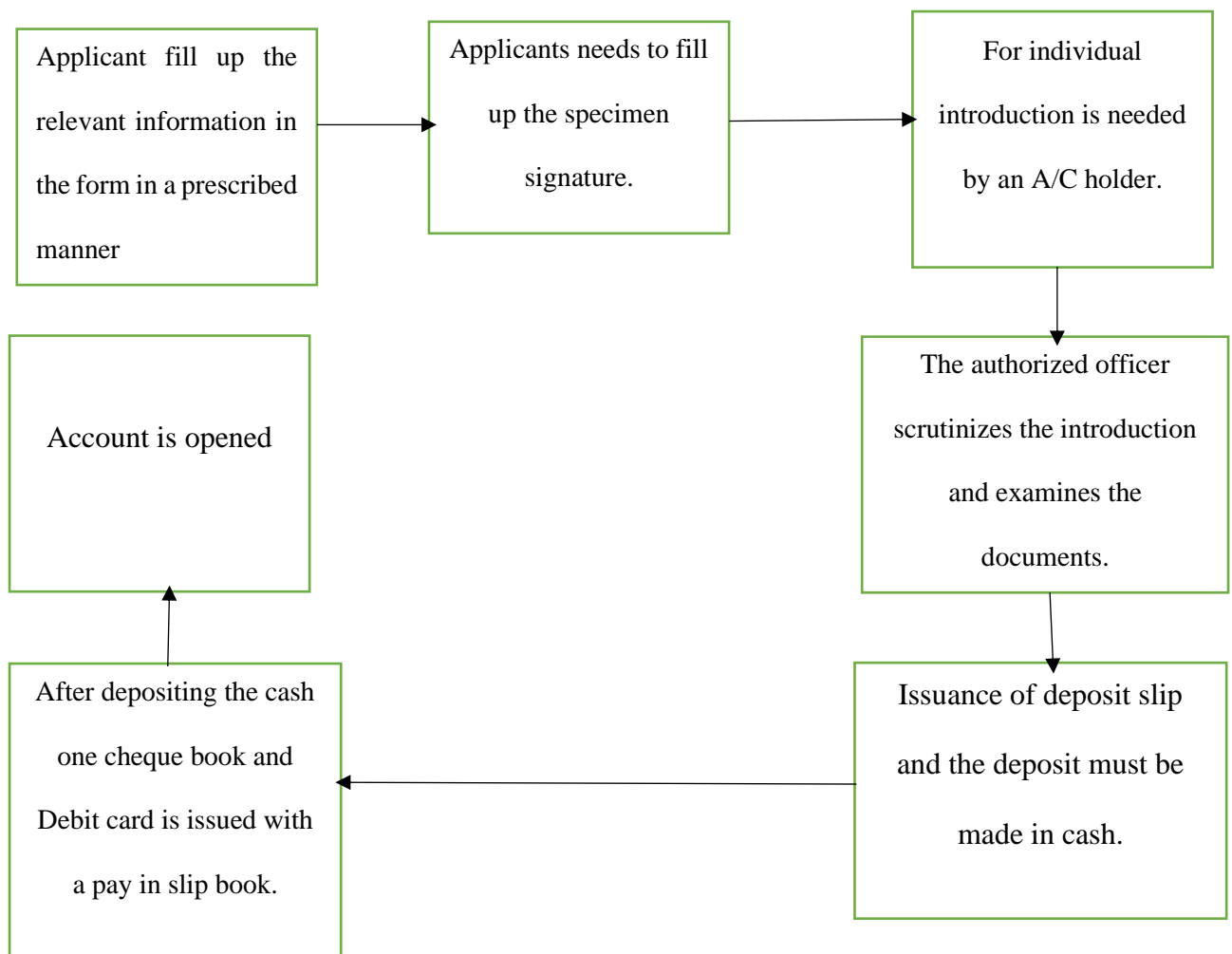
- The documentation procedure must be performed by the applicant.
- The applicant must sign the sample signature sheet provided by the bank.

- An introducer is an intermediary for opening an account.
- The importer's signature and account number will be verified by an authorized officer
- An authorized officer will accept the application.
 - The minimum balance must be deposited by the applicant at the bank (cash only accepted).
- An authorized representative fills out the register and opens an account.
- The officer then hands the checkbook to the account holder.
- You need to maintain the KYC (customer knowledge).

The account must be properly deployed by one of the following:

- Holders of an existing bank checking account.
- Bank employees who are not below the rank of assistant officer.
- Good locals familiar to the location manager / sub-manager of the affected branch.

Account Opening Procedure in a flow chart:



Deposit Section:

The time period deposit of cash means, to maintain cash. After the intake humans need to keep a few cash for destiny uncertainty. So, they deposit it to the financial institution. On the opposite hand financial institution is a provider business enterprise that enables humans to deposit their cash for destiny. Bank`s primary cause is to mobilize the cash and advantage profit. Banks provide mortgage to different humans, they make investments it and provide hobby to the financial institution, with the aid of using that the financial institution earns profit. By mobilizing that sum of cash, now no longer most effective the people however additionally the financial system is benefited.

There are four basic types of deposit are mainly used-

1. Current Deposit.
2. Savings account.
3. Short term deposit (STD)
4. Fixed deposit (FDR)

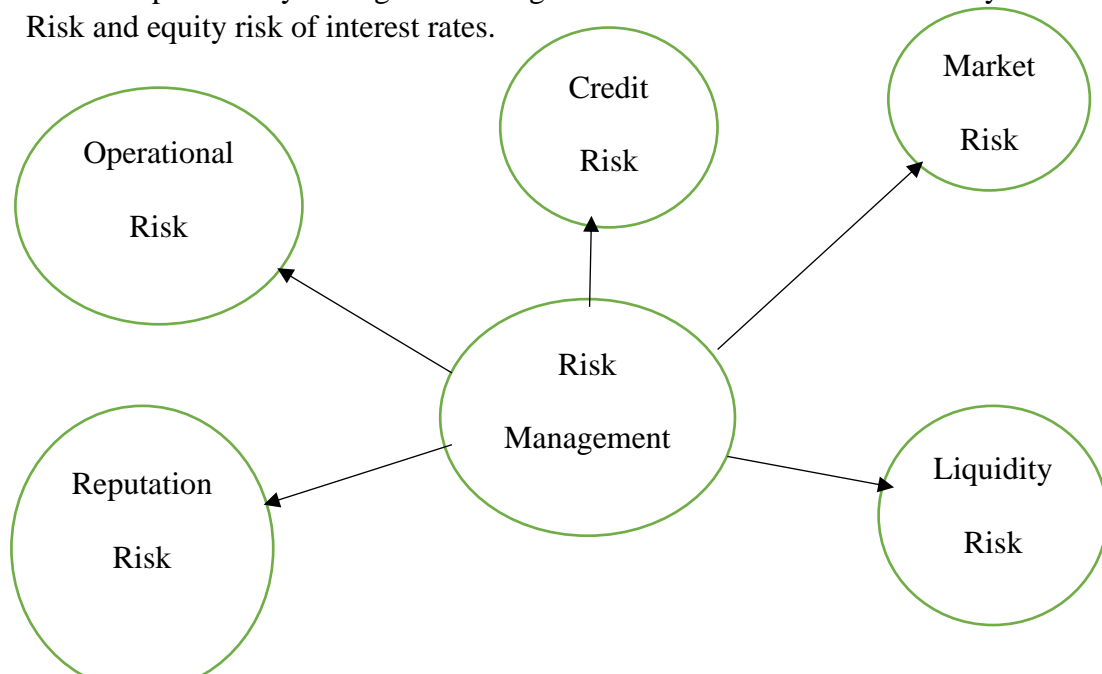
Cash Section:

Cash area is very important for all banks. Banking is not possible without a checkout area Correct activity. The checkout area is directly related to the customer. Given the following tasks Checkout area:

- Here, customers can deposit and withdraw money.
- Clients can receive different types of financial products like Prize bond, sancaypatra.
- This is the place where customers can pay for their electricity.
- Cash payments for all transfer types (payment orders, demand orders, etc.).

2.7.2 Credit Department

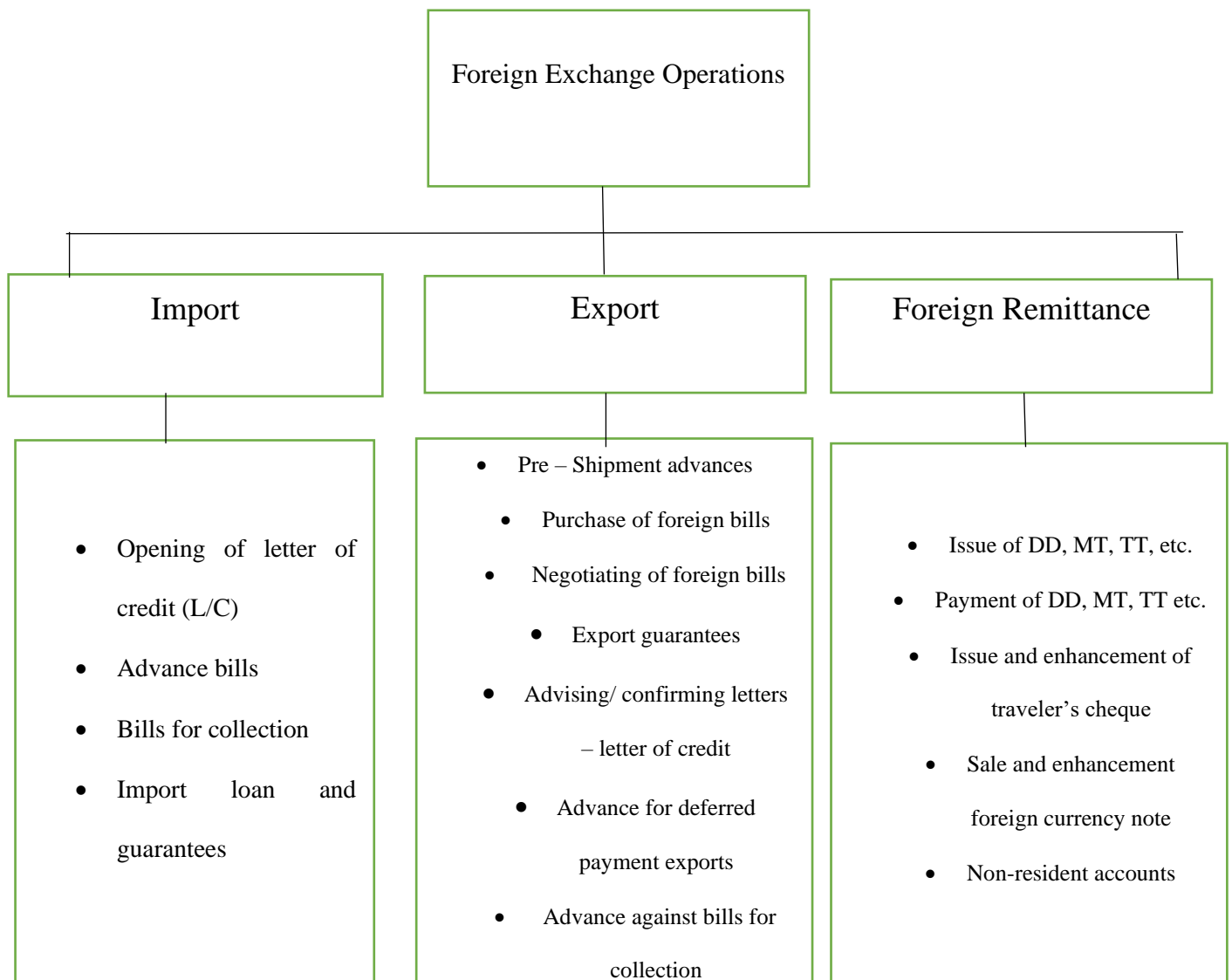
Loan and advances Credit can be broadly defined or narrowly defined. Broadly speaking, credit is funding another party (borrower, buyer, company, or partnership). In short, credit is simply the opposite of debt. Guilt makes future payments. Credit is the right to receive these payments. In terms of IFIC banking risks, IFIC bank risks are defined as the likelihood of losses defined in financial or other methods. Now, one day's risk management plays an important role to reduce asset uncertainty and other ways. It The main risk range is a credit risk, liquidity risk, market risk, operational risk, and Risk of reputation by manager rendering risk. Market risk includes currency risk. Risk and equity risk of interest rates.



2.7.3 Foreign Exchange Department

One of the largest stores in Commercial banks are foreign trade. That transaction between different countries and the party acting in trade. The situation is necessary in expertise in overseas business. Or Banks that offer such operations as a highly profitable international banking business. mainly Transactions with foreign countries will be respected Imports; includes exports and international transfers foreign trading preview. International trade requires a flow of goods Payment from seller to buyer, buyer to seller. In this case, the bank plays an important role in bridging. Between the buyer and the seller. Foreign sector is international Banking department. Treat it globally, Promote international trade through its various type of service. Bridge between importers and exporters. Bangladesh Bank issues license to scheduled banks to deal with foreign exchange. These banks are known as Authorized Dealers. If the branch is authorized dealer in foreign exchange market, it can remit foreign exchange from local country to foreign country. This department mainly deals with foreign currency. This is why this department is called foreign exchange department. Some national and international laws regulate this Duties in this department. Including foreigners, The Securities and Exchange Act of 1947 applies to transactions in foreign currencies. Stock exchange business and import / export management Documentary credit law of 1950. Government import / export policies are different an important factor for the import and export business of Bank.

Functions of Foreign exchange department:



2.8 Summary and conclusion

IFIC Bank is one of the top-notch Bank in Bangladesh. They need to maintain their quality of service and keep working on game changing ideas of new products to attract new customers. In this competitive market they always need to keep working on with new ideas otherwise they may fall behind.

2.9 Recommendation

Some of the recommendations are given below-

- 1) Try to retain experienced employees and individuals
- 2) They need to work on employee appraisals
- 3) Implicate more new advance technologies

Chapter 3: Project Part – “Financial Performance Analysis”

3.1 Introduction

Analyzing financial statements involves comparing the performance of one company to that of another company in the same industry, usually identified by the company's industry classification. Here, my analysis determines the financial position of the bank, identifies its current strengths and weaknesses, and the bank corrects its strengths and weaknesses. My analysis is based on three years (2018-2020).

3.1.1 Literature review

Bangladesh's banking sector is relatively larger than many comparable economies with similar levels of development and per capita income. The size of the sector as a whole is currently 61% of GDP, which is relatively larger for a country with a per capita income of only US \$1680 [source: Bangladesh Bank quarterly review, 2021]. Bangladesh banking sectors can be divided into four categories of planned banks. These are Nationalized commercial Bank (NCBs), National Development Financial Institution (DIFs), Private Commercial Banks (PCBs) and Foreign Commercial Banks (FCBs). Of these, commercial banks are the most dominant, accounting for more than 80% of the total assets of the financial system. These commercial banks are divided into state-owned commercial banks (SOCBs), private commercial banks (PCBs), and foreign commercial banks (FCBs) based on their ownership structure. Different

authors around the world measure a bank's financial performance based on different methods. Of these, financial ratio analysis, trend analysis, and CAMEL assessment are the most commonly used tools. Almazari (2011), in his study measures the financial performance of several selected Jordanian commercial banks from 2005 to 2009. This study uses a simple regression analysis. In this study, bank-wide, asset management, and operational efficiency as independent variables and dependent variables were taken as financial performance. In this study, we concluded that total deposits, credits, assets, and shareholder banks do not necessarily lead to better profitability. Ashraf and Rehman (2011), analysis of the annealing soba system of Islamic banks and traditional banking systems using financial measures was compared. This study analyzed the financial performance of the bank selected from five different dimensions. I) Profitability, II) Transfer, III) Liquidity, IV) Credit Risk and V) Asset Activities of 2007-2010. Studies entered into as the performance of Pakistanian Islamic Bank due to increased operating costs and the performance remained. Part of management Kausar and Saba (2012), Mixed banks and traditional banks of Pakistan with camel rating compared to pure Islamic bank performance. This study has a good quality that my Islamic Bank has enough capital, and has strongly accepted quality compared to other banks, ii) Islamic Banks generally compare with traditional banks Molitent Management, III) Traditional banks are greater than other banks. Nimal and Hasan (2008) conducted a comparative study of the financial performance of Bangladesh's banking sector using the CAMELS rating system. This survey was conducted at the 6562 branches of 48 Bank in Bangladesh during the 1999-2006 fiscal year. According to the survey, of the 48 banks, 3 banks are 01 or strong, 31 banks are 02 or satisfied, 7 banks are 03 or normal, 5 banks are 04 or the limit, and 2 banks are 05 or bad. It was evaluated. The rating of one Nationalized Commercial Bank (NCB) was inadequate, and the rating of three more NCBs was insignificant. In his study, Chowdhury (2002) describes the state of banking in Bangladesh. His research emphasized that bank performance requires knowledge of profitability and the relationship between profitability and variables such as market size, bank risk, and bank market size. This study sheds light on the importance of performance.

3.2 Project Summary

My main purpose here is to clearly show the financial performance of IFIC Bank Limited. For this reason, you need to know how IFIC Bank scores using a particular financial performance analysis tool. I have already mentioned the background of IFIC Bank Limited, but I conducted

a ratio analysis to evaluate the performance that contributes to a reasonable evaluation. Basically, I chose some metrics for my analysis and gathered information to calculate the metrics from the income statement and balance sheet for the last three years. Finally, we interpreted the results and recommended where improvements could be made.

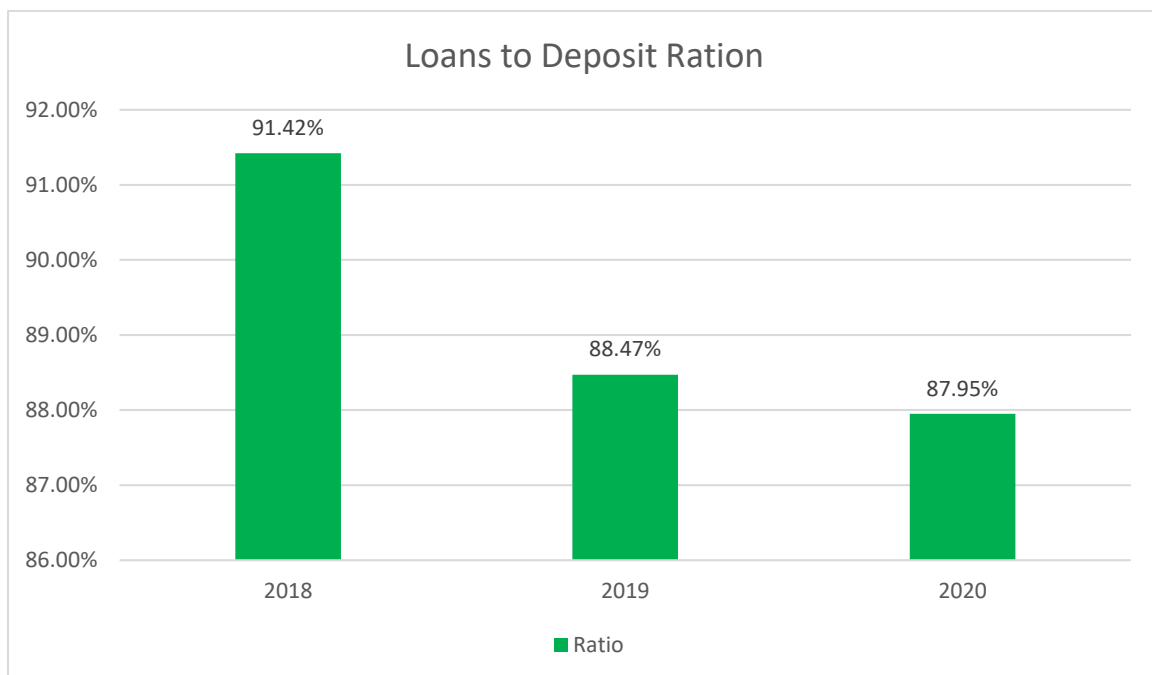
3.3 Project Analysis

Here I have analyzed the key performance ratio to conduct the financial performance analysis. The financial performance Analysis of IFIC bank is given below:

3.3.1 Loans to Total deposits

This statistic commonly used to assess a bank's liquidity by dividing the total loan amount of the bank by the total deposit amount. This number, also known as the LTD ratio, is expressed as a percentage. If the ratio is too high, it means that the bank may not have enough liquidity to meet its unexpected funding needs. If the ratio is too low, banks may not be able to accomplish as much as possible. These ratios are used to determine if a bank can open or acquire a branch outside its home country. This ratio is often used by policy makers to determine the lending practices of financial institutions.

$$\text{Loans to Deposit Ratio} = \frac{\text{Total Loans}}{\text{Total Deposit}}$$

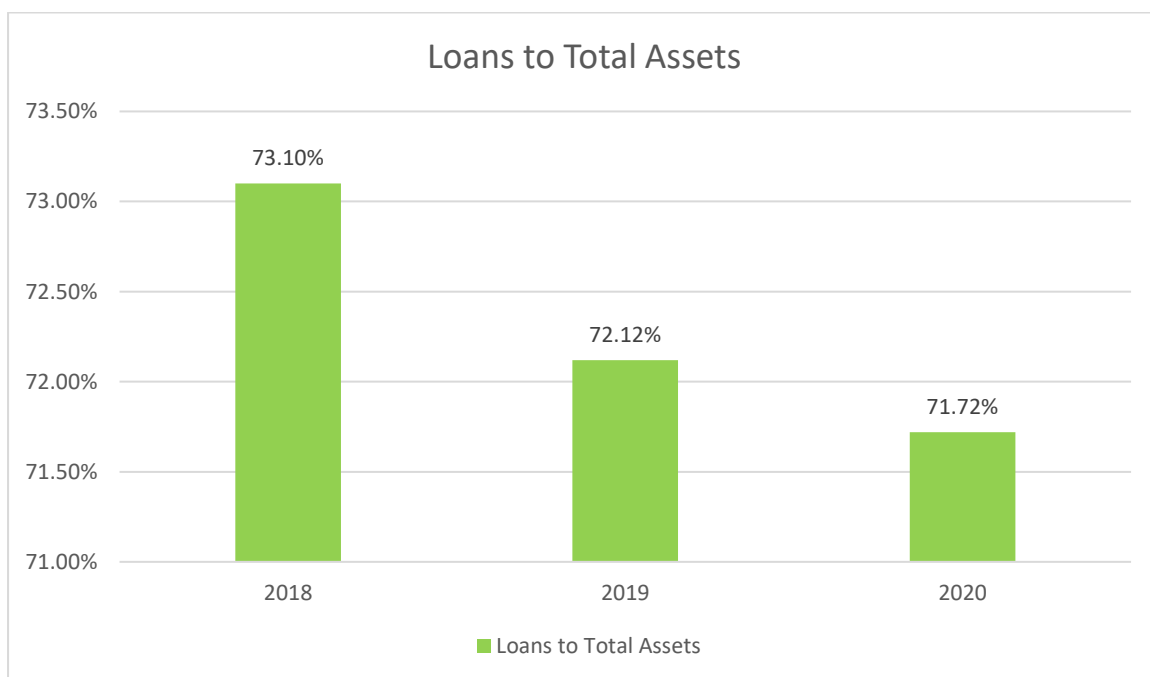


Loans to Deposit ratio significantly decreased from 2018 to 2020. In 2018 the it was 91.42% which decreased by 3.95% in 2020 to 87.95%. Although it helped in bank’s liquidity position as the bank became cautious in giving loans and assessing credit worthiness because of the on-going fund crisis. Comparatively a larger growth in deposits (made possible by increasing interest on deposits) reduced the loans to total deposit ratio.

3.3.2 Loans to Total Asset

The ratio of loans to assets measures the total loan balance as a percentage of total assets. The higher this ratio, the less liquid the bank is in debt. The higher the ratio, the higher the risk that banks will have higher defaults. A statistic commonly used to assess a bank's liquidity by dividing the total loan amount of the bank by the total assets.

$$\text{Loans to Asset Ratio} = \frac{\text{Total Loans}}{\text{Total Assets}}$$



The ratio of loans to total assets of IFIC Bank decreased from 73.10% in 2018 to 72.12% in 2019. In 2020, this ratio also dropped to 71.72%. Both assets and loans have increased as a percentage compared to 2018. As a result, the ratio of loans to total assets has tended to rise, and liquidity has tended to decline. This ratio declined in 2019 as banks expanded and purchased new assets. Compared with the comparison in recent years, a big gap was seen between assets and loans. Despite the growth of the overall credits compared to 2018, loans went back as a total ratio of balance sheet in 2020.

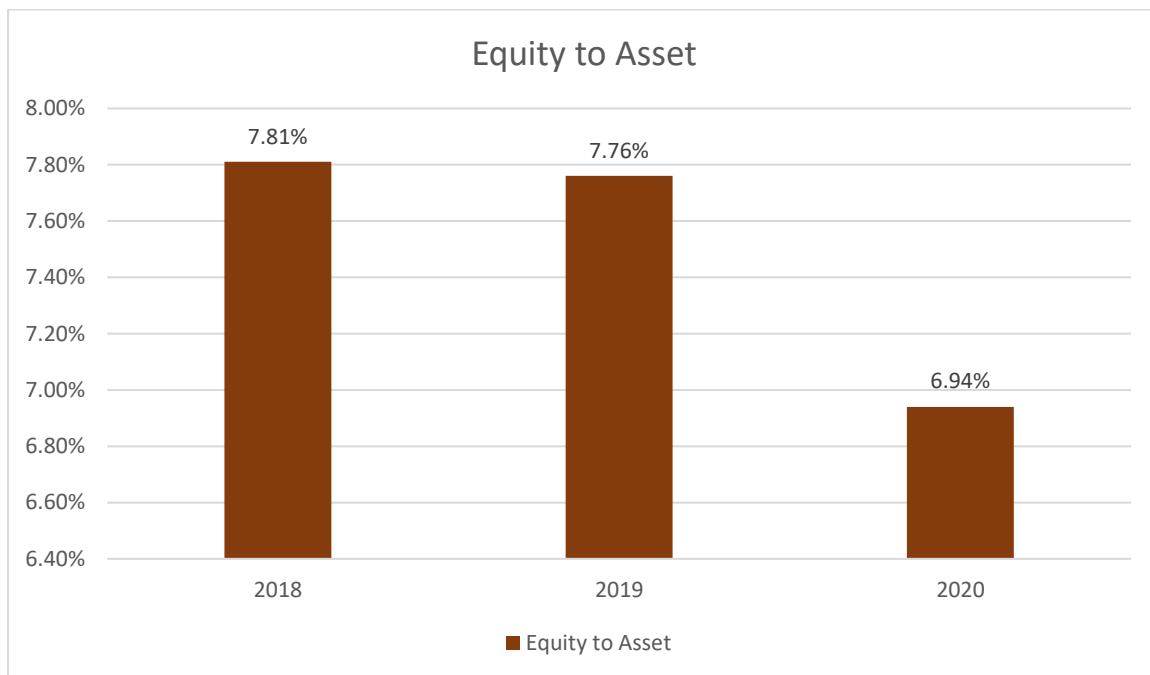
3.3.3 Credit Risk Ratios

Credit risk indicators are used to calculate a company's financial leverage, understand how a company raises funds, and measure its ability to meet its financial obligations. There are several different indicators, but the main factors include liabilities, capital, assets, and interest expense. It measures a company's credit risk associated with its reliance on debt financing and equity financing. Credit risk ratios include equity to assets and equity to net lending.

3.3.4 Equity To Asset

Capital adequacy ratio is a financial ratio that indicates the relative percentage of capital adequacy used to fund a company's assets. It is used to determine the amount that shareholders will receive in the event of a company-wide liquidation. The percentage ratio is calculated by dividing total shareholders' equity by the company's total assets and represents the amount of assets in which shareholders have residual equity.

$$\text{Equity To Asset Ratio} = \frac{\text{Total Equity}}{\text{Total Asset}}$$

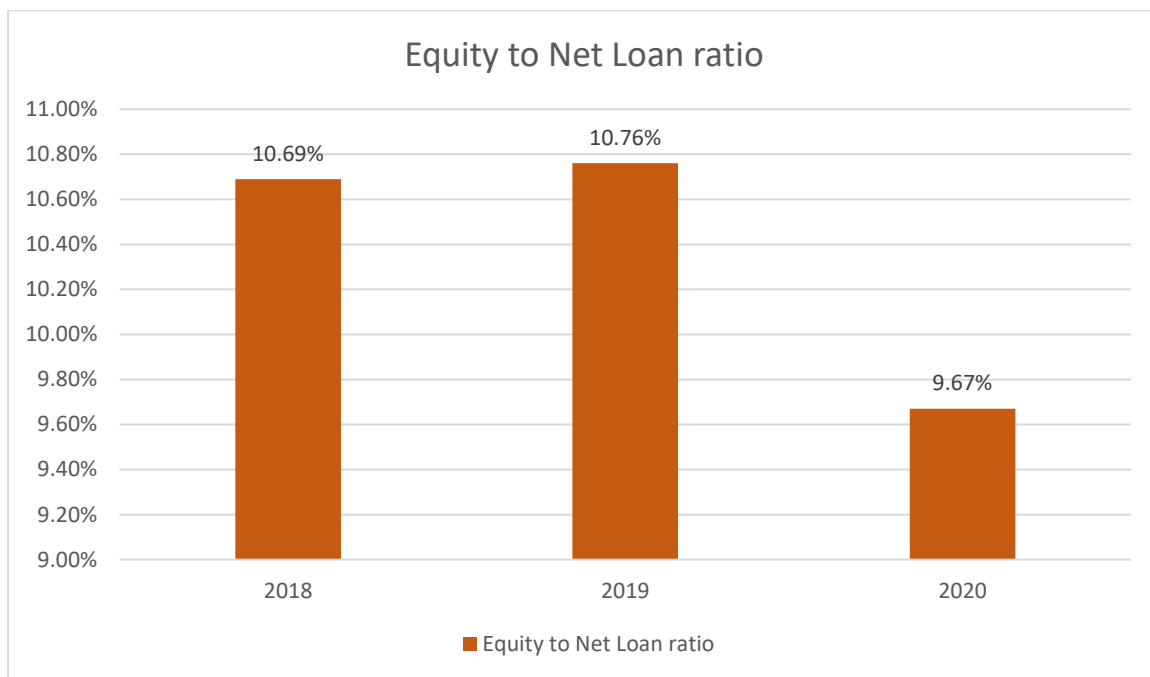


The ratio follows a more declining cycle trend from 2018 to 2020. With peaks in 2018 and declines in 2019 and 2020. The ratio was 7.81% in 2018 declining to 7.76 % in 2019. However, the decrease continues to 2020 which was 6.94% due to the decrease of asset rather than equity.

3.3.5 Equity to Net Loans

This metric is part of a bank's capital and financing metric and measures the financial leverage of a company / bank by calculating the percentage of equity and liabilities that the company / bank uses to finance its assets. To do. Total capital includes total capital reserves, total equity capital and treasury stock. Net loans include loans to banks or credit institutions, net loans to customers and loans to group companies.

$$\text{Equity to Net Loan} = \frac{\text{Total Equity}}{\text{Net Loans}}$$



IFIC Bank's capital adequacy ratio was 10.69% in 2018, but went up to 10.76% in 2019. In 2020, it fell to 9.67% again. Fluctuations in the ratio from 2018 to 2020 can be explained by changes in funding methods. In 2020, both equity and net loans decreased, resulting in a lower ratio of equity and net loans. However, in 2019 and 2018, net credit decreased significantly and the ratio inclined.

3.3.6 Asset Activity Ratios

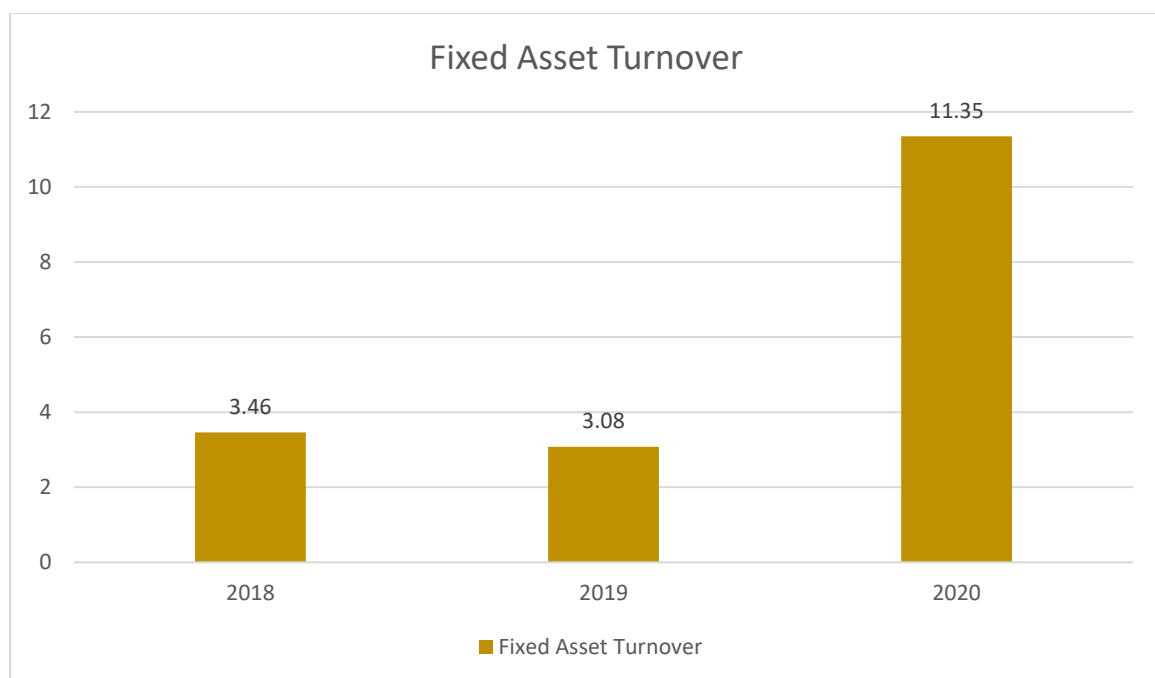
Also known as wealth management metrics or efficiency metrics, it is used to assess the efficiency of asset management. Assets are used to generate sales for financial institutions, and these ratios determine how well the assets are used to efficiently generate or convert them into sales. A high asset turnover is desirable because it means that the company is using its assets

efficiently to generate sales. The higher the turnover rate, the more turnover the institute will generate with its assets. It consists of fixed asset turnover and net asset turnover.

3.3.7 Fixed Asset Turnover

Fixed asset turnover calculates the value of income generated per dollar invested. Asset turnover measures the ability of a company / bank to generate net sales from a fixed asset investment, specifically PP & E minus depreciation. The higher the ratio, the higher the asset management and utilization, and vice versa.

$$\text{Fixed Asset Turnover} = \frac{\text{Revenue}}{\text{Net Fixed Asset}}$$

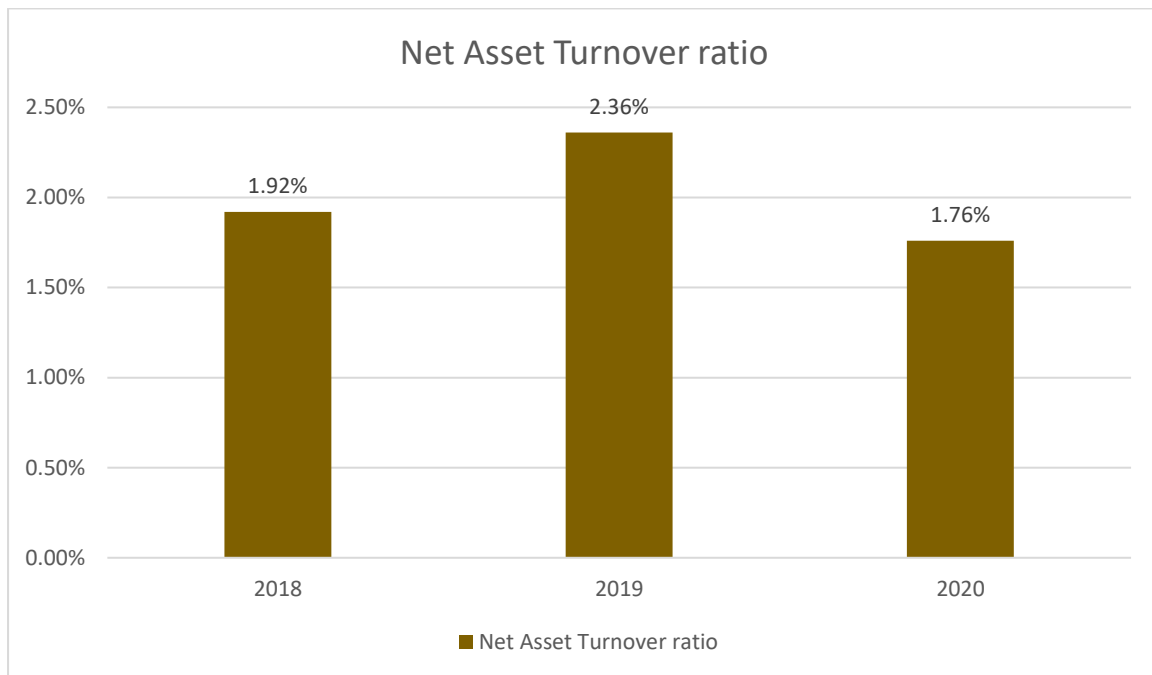


The fixed asset turnover of IFIC bank was 3.46 in 2018 which increased drastically in 2020 to 11.35. Although there was a decline in turnover in 2019 which was 3.08. A possible reason for the increased in 2020 was for the increase of value of fixed assets which was raising inflation.

3.3.8 Net Asset Turnover

Net worth turnover measures the ability of management to generate revenue using the company / bank's net worth. Well-run businesses / banks work hard for their business by minimizing the idle time of machines and equipment. If the ratio is too high, it may indicate over-trading. Fixed asset turnover is too high Earnings with too little investment. If the ratio is too high, it may indicate poor resource management and inefficiency.

$$\text{Net Asset Turnover} = \frac{\text{Revenue}}{\text{Net Asset}}$$



Net Asset Turnover of IFIC Bank was 1.92 % in 2018 which increased to 2.36 % in 2019. It dropped to a greater percentage in 2020 to 1.76%. In 2020, the ratio dropped drastically because of significant increase in net assets as well as slight decrease in revenue. Rapidly, growing fixed assets increased net assets thus bringing down net asset turnover.

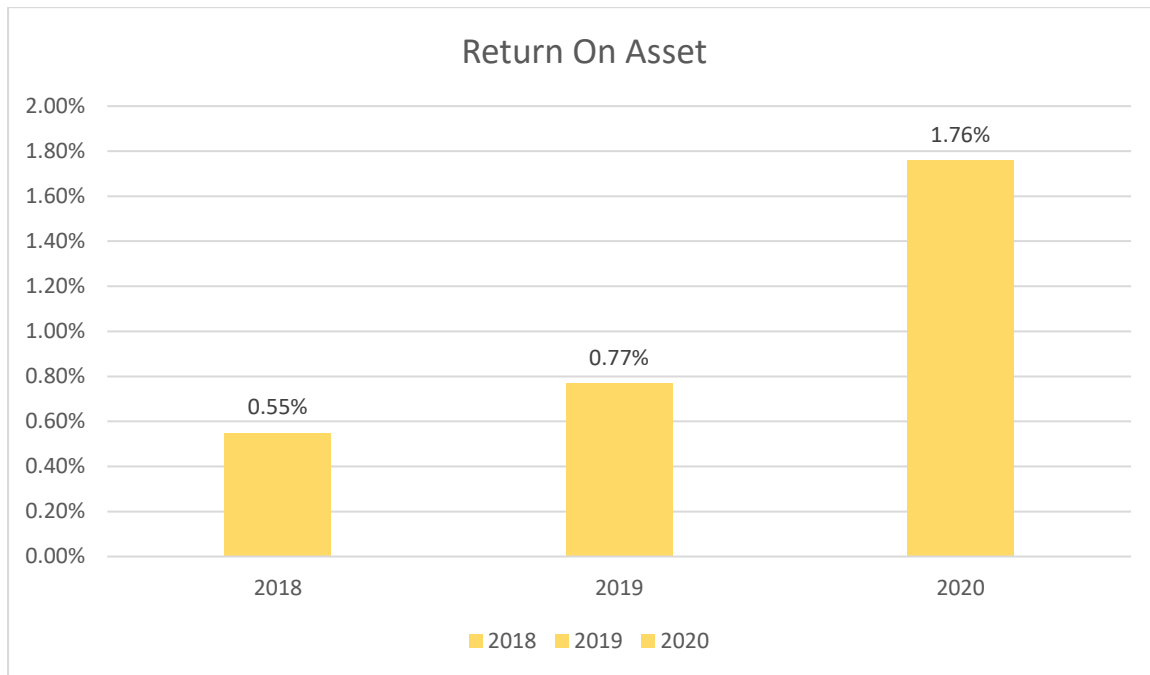
3.3.9 Return on Asset

ROA is a trademark of a company's profitability. ROA is calculated with the aid of using dividing a company's internet profits in an economic 12 months with the aid of using its general property. It is referred to as a profitability or productiveness ratio, as it presents facts approximately the management's performance in the usage of the property of the small enterprise to generate profits. ROA can be used as a treasured device to degree development in opposition to predetermined inner goals, a certain competitor, or the general industry. ROA is likewise utilized by bankers, investors, and enterprise analysts to evaluate a company's use of assets and economic strength.

$$\text{Return on Asset} = \frac{\text{Net Profit}}{\text{Asset}}$$

IFIC Bank's return on assets follows a cyclical trend. It was 0.55% in 2018. It rose to 0.77% in 2019. After rising in 2019, it rose again, reaching 1.76% in 2020. Decrease in 2018 caused by

recession combined with decline in margin on total interest income and net income after tax.



In 2020, both total assets and net income grew faster than in 2019 and 2018, improving return on total assets during profitable periods. The increase in assets is due to a significant increase in total loans and fixed assets. Return on total assets fell sharply in 2018 as profits were hit hard by the slump in capital markets and the shrinking net margin. Interest rate spreads narrowed as deposit rates soared, but lending rates did not rise much due to credit restrictions.

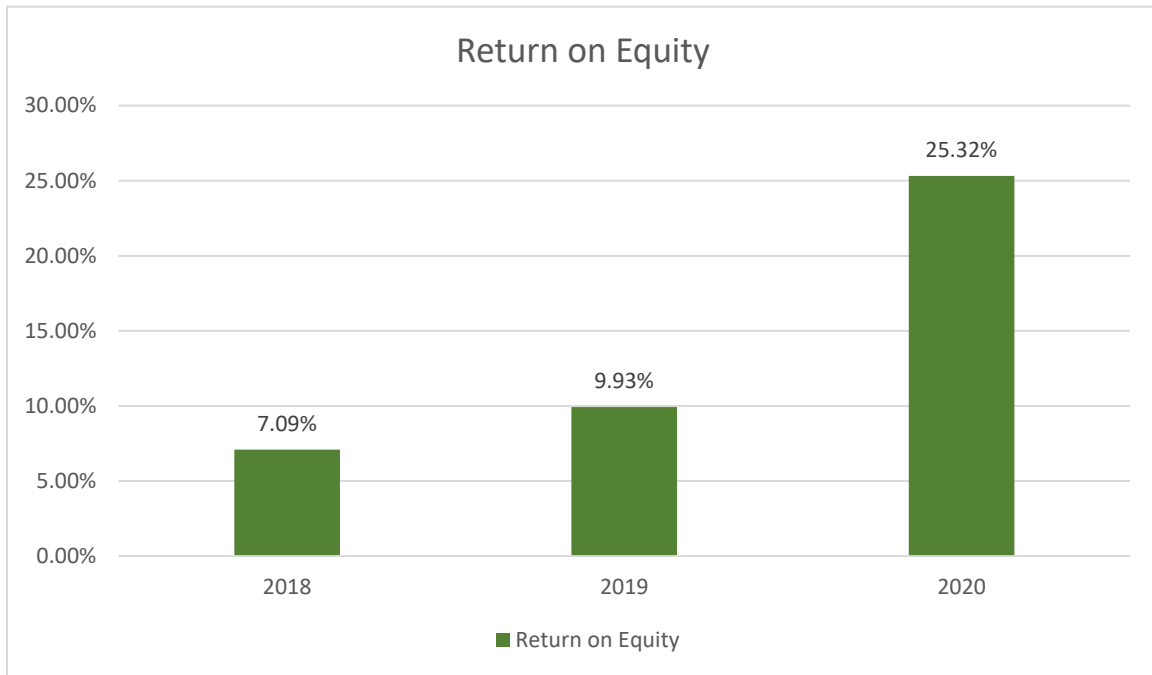
3.4 Return on Equity

This ratio shows the amount of net income returned as a percentage of shareholders' equity. Return on Equity measures the profitability of a company / bank by showing how much the company is making from the money invested by its shareholders. It shows the efficiency of a company that spends money of ordinary shareholders (ordinary shareholders).

$$\text{Return on Equity} = \frac{\text{Net Profit}}{\text{Equity}}$$

IFIC Bank's return on equity was 7.09% Then it started to increase, reaching 9.93% in 2019. Then, in 2020, the ratio will change to 25.32%. The 2018 decline was due to lower interest margins and lower net margins due to higher provisions and operating expenses. Profitability has declined due to the downturn in the domestic economy and the global economic crisis. The

sharp decline in 2011 is due to a combination of the two factors. On the one hand, lower yields are reflected in lower margins and lower net margins. Profitability declined due to rising deposit rates and losses on capital market investments.

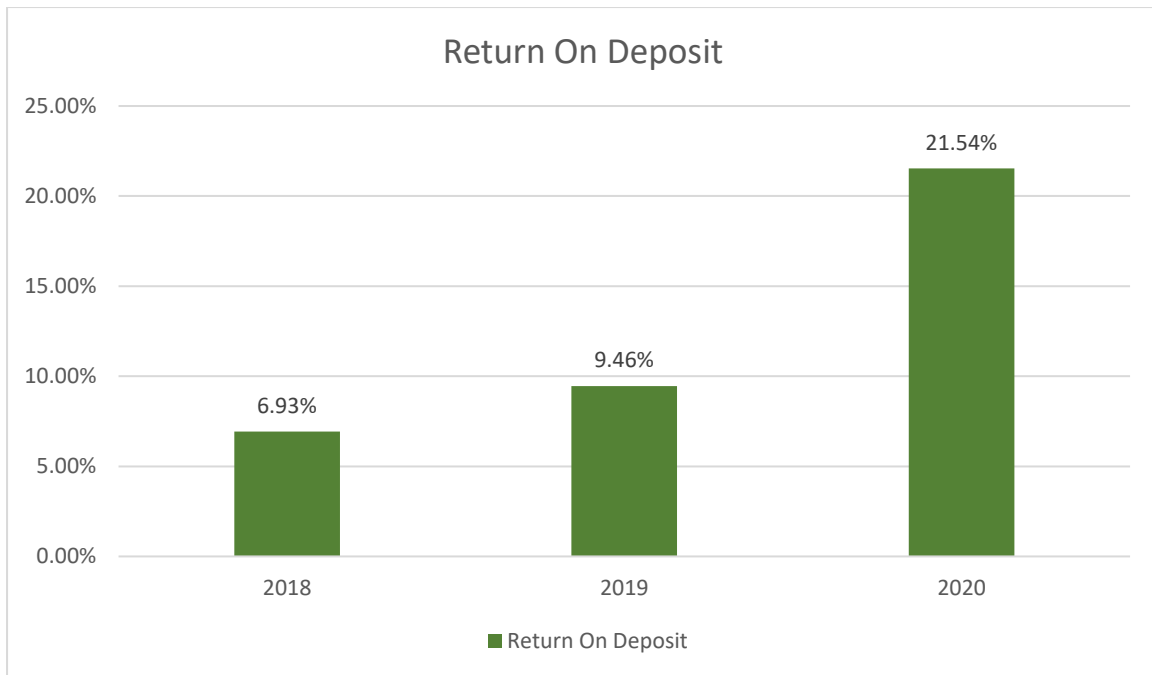


3.5 Return On Deposit

This ratio indicates the amount of net income refunded as a percentage of total deposits. The rate of return on deposits measures a company's profitability by showing how profitable it is with its money saver. This shows a company's efficiency in using deposits (debts) to generate profits. Here, the rate of return on deposits of IFIC Bank over the past three years is as follows.

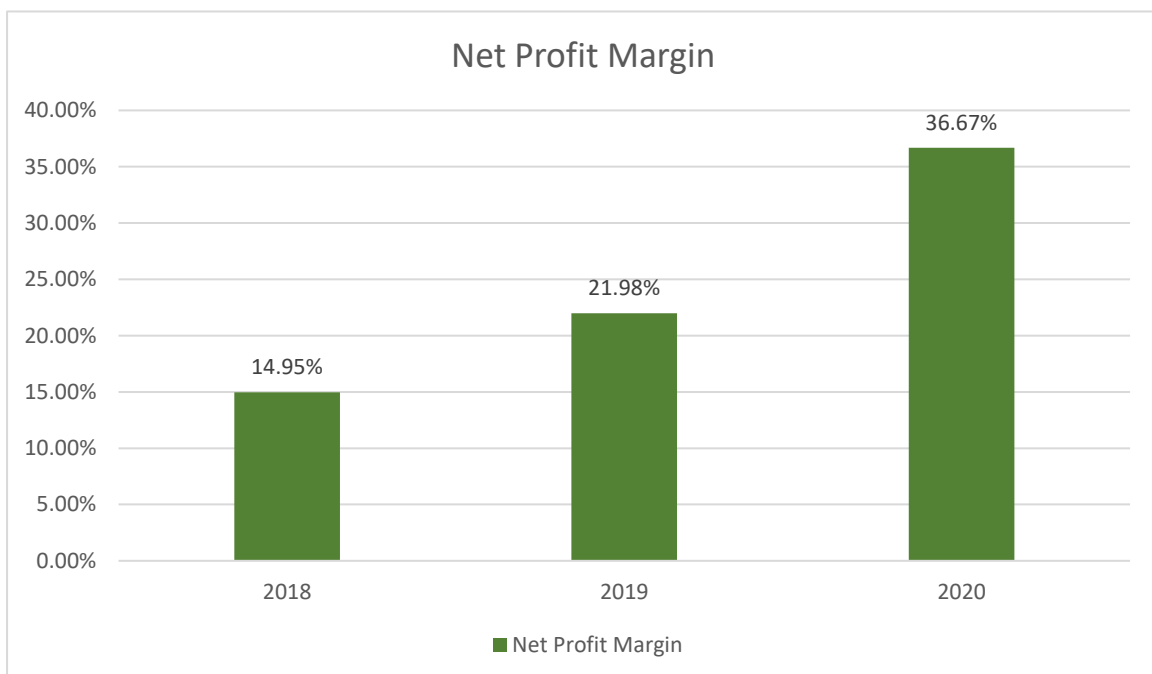
$$\text{Return on Deposit} = \frac{\text{Net Profit}}{\text{Total Deposit}}$$

In 2018, IFIC Bank's rate of return on deposits was 6.94%. In 2019 it rose slightly to 9.45%. It rose to 21.54% in 2020. The 2018 decline was due to a significant increase in deposits and a sharper decline in net income. The decline in net income was due to the stock market plunge and rising deposit rates, resulting in lower bank-wide earnings.



3.6 Net Profit Margin

$$\text{Net profit Margin} = \frac{\text{Net income after tax}}{\text{Total operating revenue}}$$

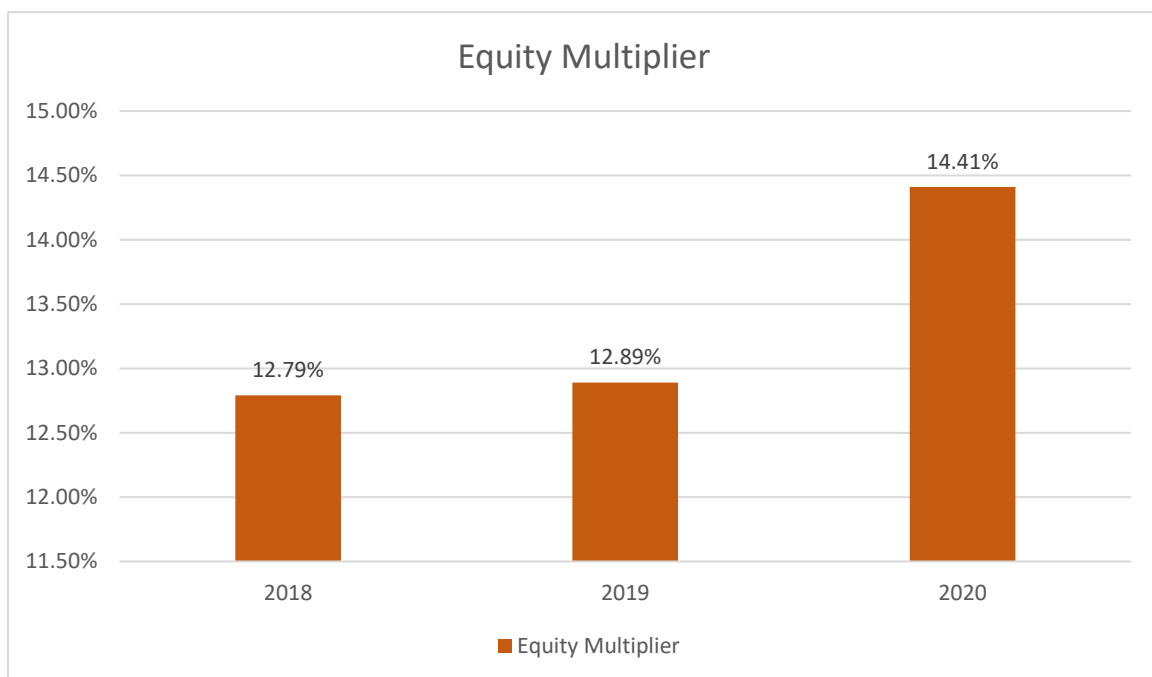


Net earnings margin of IFIC Bank changed into 14.95% in 2018. It rose in 2019 to 21.98%. The ratio multiplied to 36.67% in 2020. The fall in internet earnings changed into resulting from the inventory marketplace crash and the growth in go back on deposits, main to a decrease overall earnings for the bank.

3.7 Equity Multiplier

Equity multiplier is measured by the following equation-

$$\text{Equity Multiplier} = \frac{\text{Total Assets}}{\text{Total Equity Capital}}$$



The Equity multiplier of IFIC Bank rose drastically in 2020. It was only 12.79% in 2018 which went up to 14.41% in 2020. The fall in 2018 and 2019 was caused by lower net profit margin resulting from a lower interest rate spread and increased provisions and operating expenses.

3.8 Recommendation

Some guidelines primarily based totally on the Financial Performance of IFIC Bank Limited are given below-

- Before giving long-time period mortgage a financial institution has to bear in mind that whether or not a financial institution has long term deposit or now no longer. Otherwise, the financial institution will virtually face the liquidity problem.
- A financial institution has to growth the non-funded earnings to be able to growth the operating income ratio.
- After giving the mortgage to the clients, a banker has to additionally carry out positive duties to the clients to lower the horrific debt problem. Like-monitoring, supervising and observe up the mortgage this is taken with the aid of using the clients.
- Bangladesh Bank have to impose the guideline of thumb of uniformity for all kinds of schemes. By this manner clients can determine from in which they may obtain carrier primarily based totally on the service high-satisfactory and organizational environment.
- Director's interference in case of giving mortgage have to be lessening due to the fact on this manner threat may also growth and horrific debt may growth.
- "Employee Recruitment Process"- have to be carried out in a fare technique so that appropriate and gifted personnel are decided on via the recruitment process and growth the productiveness and high-satisfactory of the carrier.

- The maximum essential aspect that has come to my thoughts regarding their promotional sports is they have to pass for print or large solid media for advertisement to make their client privy to their variety of offerings and make the sturdy vicinity withinside the client's thoughts.
- They have to make their offerings decentralized in place of centralized, in order that the process of LC in addition to the mortgage approval will now no longer be time consuming. And they may be capable of provide quicker and up to date carrier to the customers.
- They have to provide a few energies to the Branch Managers for sanctioning loans for the cause of overseas exchange as much as a positive limit. So that, they could offer mortgage to their precious customers whilst they're in shortfall of budget on emergency basis.
- They have to growth the variety of extra branches in all around the use with the permission of Bangladesh Bank. Thus, the customers in each metropolis can enjoy their overseas exchange from their personal metropolis.

3.9 Summary and conclusion

Present day business banking is demanding business. The award is humble, the penalties for terrible looking are colossal. Also, business banks are extraordinary monetary institutions, vital to the overall government assistance of the economy more than any other financial foundation. IFIC Bank Limited is one of the main business banks in us country. In all monetary state of our country, IFIC Bank Limited has been working with extraordinary certainty and contending immensely

with Government oriented bank, nearby business banks alongside the other worldwide banks also. IFIC Bank Limited generally attempted performing monetarily well level best. In demonstrate hatred for of trying to do well in certain angles IFIC Bank Limited confronted some monetary problems from time to time. A portion of the issues were-unreasonable terrible credits, deficiency of loans and progresses, shortage of money in hands because of vault limit and so on. These issues arouse time to time because of monetary lull, loan cost variance, arising capital market, expansion in the currency market, etc. Battling with every one of these problems and rivaling different banks each second the bank is attempting to improve to best. If this thing proceeds with, we trust that IFIC Bank Limited will grow much more in the future.

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Appendix

Year	loans/Total deposit	Loans/ Total Assets	Equity/Assets
2018	206930/226364	206930/283073	22116/283073

2019	228589/258368	228589/316950	24597/316950
2020	260650/296374	260650/363412	25217/363412

Year	Equity/loans	Revenue/Fixed asset	Revenue/ Net asset
2018	22116/206930	5437949308/1570234267	5437949308/283073282387
2019	24597/228589	7495172120/2443732947	7495172120/316950343190
2020	25217/260650	6384198894/562247536	6384198894/363411767076

Year	Net profit/ Asset	Net profit/ equity	Net profit/ deposit	Asset/ equity cap
2018	1570234267/283073282387	1570234267/22116234218	1570234267/22636458921	283073282387/2
2019	2443732947/316950343190	2443732947/24596979455	2443732947/25836896521	316950343190/2
2020	6384198894/363411767076	6384198894/25216954980	6384198894/29634658486	363411767076/2