

Report on
An analysis of banking practices and performance of IFIC Bank Ltd

By

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ID: 17204003

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
May 2023

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Declaration

I do hereby formally declare that this internship report is my own individual work while finishing my degree at BRAC University. The report does not hold any component formerly published or written by a third party, except where this is properly cited through full and exact referencing. I have acknowledged all main sources of help.

Student's full name and signature:

Rifah Nangiba
ID: 17204003

Supervisor's full name and signature:

Mr. Riyashad Ahmed
Assistant Professor
Brac Business School
Brac University

Letter of Transmittal

May 5, 2023

Mr. Riyashad Ahmed

Assistant Professor

BRAC Business School

BRAC University

Subject: Submission of Internship Report on ‘An analysis of banking practices and performance of IFIC Bank LTD’

Dear Professor,

With due respect and great pleasure here I submit the internship report on ‘An analysis of banking practices and performance of IFIC Bank LTD’ which is prepared for the purpose of fulfilling requirements of the internship program.

I was assigned to work at the Banani Branch of IFIC Bank Limited. Through the duration of internship I got the opportunity to assist and observe the actual banking practices. In addition, I had the chance to apply my four years of academic knowledge which I gained from my university. Furthermore, it was a great opportunity for me to learn from the professionals who have years of experience in the field. They have guided me thoroughly with patience and I will be forever grateful to them for their kind words and encouragement. I hope this report will give a clear idea of the concerned matter in question.

To conclude, I would like to say that I have tried my best to make the report as informative and accurate as possible. Moreover, I am very much grateful to you for your guidance and support. However, despite my best intentions, there may remain some mistakes in the report. Please pardon me for such errors.

Yours sincerely,

Rifah Nangiba

ID : 17204003

Non-disclosure Agreement

This agreement is made and entered into by and between IFIC Bank LTD and the undersigned student at BRAC University

Acknowledgement

First and foremost I wish to thank the almighty for always giving me hope in every difficult situation. Also, my parents for their constant encouragement.

Furthermore, I would like to express my sincere gratitude to my supervisor Mr. Riyashad Ahmed, Assistant professor of BRAC Business School for his timely feedback, encouragement and kind words. Without his constant support and motivation this report wouldn't have been completed.

Also, I would like to express my great appreciation to all the bank officials of IFIC Bank, Banani Branch. Firstly, the manager of Banani Branch, Md. Sohel Pervez who has taught me a great deal on leadership. Then, My on-site supervisor Md. Enamul Hoque, customer service officer, is a very humble and knowledgeable person. He taught me how to do things accurately and why maintaining the right procedures matters so much in the banking sector. I am particularly grateful for the assistance and encouragement given by Richard Suvro Baroi, Tanima Affroze and Shahabaj khatun. Their opinions and constructive suggestions during the development of this report has helped me immensely. Lastly, my special thanks extended to the staff for their full-hearted support.

Executive summary

Bangladesh has a mixed banking system which includes nationalized, private and foreign commercial banks. In fact, commercial banks play the main role in the economic upliftment of any country through mobilization of savings and allocation of credit to profitable sectors. (Teker et al, 2011)

What we understand by the word 'Bank' is that all financial institutions deal with money. Also, there are various types of banks such as central banks, commercial banks, saving banks, investment banks, industrial banks. In fact, commercial banks are the fundamental contributor to our economy. These banks are for profit maximization that carry the deposits of people and organizations in checking and saving accounts. Next, they utilize these funds to provide loans. For this reason, individuals in general and government are dependent on the banks, specially commercial banks as the financial intermediary. Firstly, banks collect deposits at a very low and affordable price, also, issue loans and advance a bigger cost.

Banking sector is enhancing its hand on various occasions every year. The banking processes and procedures are also becoming very faster and more convenient for all simultaneously. Banks are coming up with new and innovative products as the demands and expectations are rising day by day. However, it is important for everyone to have at least some general knowledge on the banking system and exactly how it works.

Evaluation of Bank performance is very essential since it helps bankers to protect the banking operations against all the continuous risks (Hays et al, 2009). Therefore, financial performance helps us to determine the consequences of an organization's rules and regulations in monetary terms.

Key words: Banking, commercial banks, economy, government, profit, banking system

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List of Acronyms

- IFIC - International Finance Investment and Commerce Bank Limited
- CSR - Corporate Social Responsibility
- FDR -Foreign Direct Investment
- KYC - Know your customer
- ROE - Return on Equity
- ROA - Return on Assets
- ATM - Automated Teller Machine
- SME - Small and Medium Enterprise
- MIS - Monthly Income Scheme
- LTR - Loan against trust receipt

Glossary

Depreciation - The monetary value of an asset decreases over time due to use.

Sponsor - A person or organization that pays for or contributes to the costs involved in staging a sporting or artistic event in return for advertising.

Sanchaypatra - A savings certificate issued by the government of Bangladesh.

Inflation - It is a rise in prices, which can be translated as the decline of purchasing power over time.

Shareholder Equity - The amount that the owners of a company have invested in their business.

Remittance - The action of sending money in payment or as a gift.

Chapter 1: Overview of Internship

1.1 Student information

Name: Rifah Nangiba Student ID: 17204003 Major: Marketing BRAC Business School BRAC University
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1.2 Internship Information

Duration	From October 2, 2022 to December 29, 2022
Company name	IFIC Bank Limited
Department	General Banking and credit
Branch	Banani Branch
Address	Glowing stone, House 54, Road 11, Block C, Banani Dhaka 1213

On-site Supervisor Information:	Md Enamul Hoque Principal Officer Customer Service Manager IFIC Bank Banani Branch
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1.3 Internship outcome

1.3.1 My Internship experience

I undertook a twelve-week internship at IFIC Bank, Banani Branch. It was indeed the most rewarding experience I have had during my time as a student of BRAC University. This internship has helped me to achieve my objective of finishing my bachelor's program for my degree in Business. It is just because of the lessons I have learnt from my supervisor and other bank officials, I can ensure that I can work as a professional and manage any difficult situation with patience and hard work. In fact, I would not have the required knowledge on banking if not for my internship program. I tried my best to perform every task that was assigned to me efficiently without taking much time.

1.3.2 My Activities:

- Interact with the clients
- Scan account opening forms and upload in CASA
- SS Card upload
- Sanchaypatra scan and upload in the database
- Checking errors in account opening forms and make corrections
- Data entry
- Performing all the small but time consuming tasks such as organize the daily voucher
- Organize all the debit card, cheque books and pins
- Writing Pay orders
- Checking for errors in cheques, making sure of all the required seals and signatures in the cheques
- Receiving phone calls
- Always ready to assist the bank officers.

1.3.3 Difficulties

As a marketing major, it was very difficult for me to understand and perform my tasks and do those on time. In the first month, I felt out of place because of the workload and the newness of my surroundings. Moreover, I was not aware of many things such as all the products served by the bank, all the types of loans such as Shohoj Rin. With time and help from my supervisor I had learned about all the flagship products and facilities. So when the clients ask for any information I am ready to guide them.

1.3.4 Recommendation

My suggestion to the bank for future internships : Ask the interns about their strengths and aspirations, also, give them tasks in that specific area. This will give the interns the perfect chance where they can show their efficiency and productivity. I believe they should give more priority to interns' distinctive abilities as focusing on the interns individual capabilities will motivate the interns to make exceptional contributions to the organization.

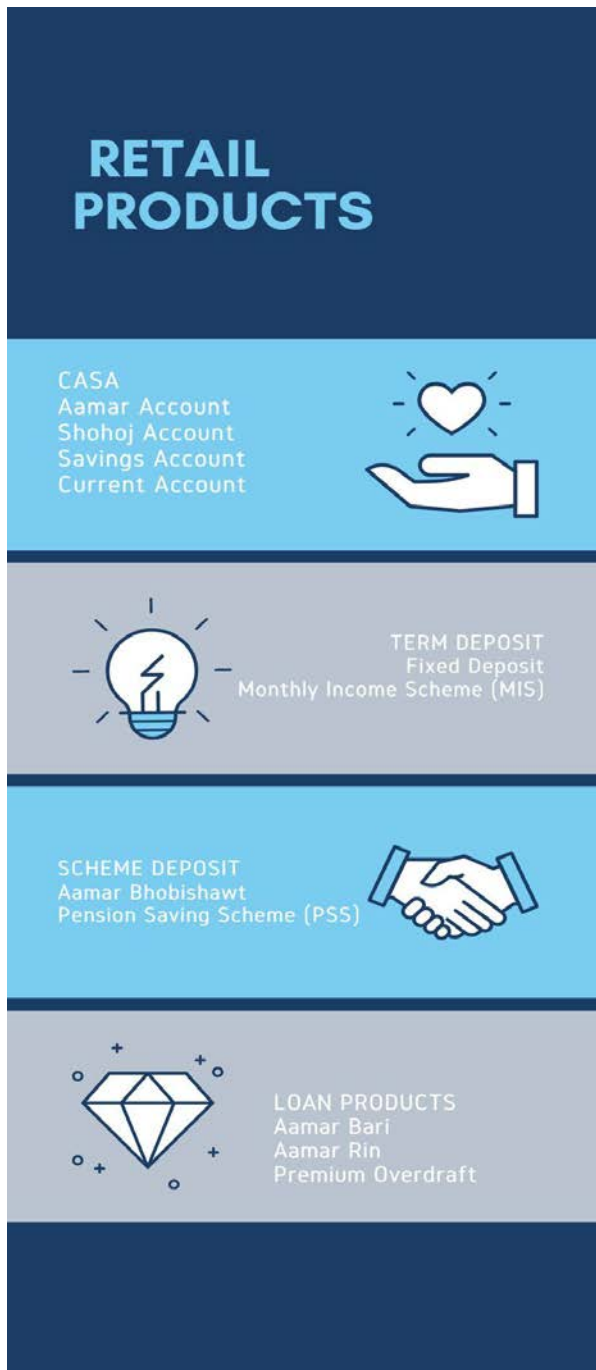
Chapter 2

Organization Part

2.1 Introduction

International Finance Investment and Commerce Bank Limited is a banking institute integrated in the People's Republic of Bangladesh with limited liability. It is a first generation private commercial bank of Bangladesh. Furthermore, it was built in 1976 as a joint venture between Bangladesh government benefactors in the private zone with the purpose of working as a finance company within the country and establishing joint venture financial institutions overseas.

2.2.1 Products and services



SME PRODUCTS

Loan products

Shohoj Rin
IFIC Prantonari
Protyasha
Shilpa Shohay
Krishi Shilpo
Working Capital Loan
Transport Loan
LTR
Easy Commercial Loan
LIM

Agriculture

Amar Subornogram
Krishi sharanjam
Sech sharanjam

Sustainable Finance

Green Earth

Figure 1, Source: IFIC Annual report 2021

2.2 Overview of IFIC


<p>VISION</p> <p>At IFIC, We want to be the preferred financial service provider through innovative, sustainable and inclusive growth and deliver the best in class value to all the stakeholders.</p>  <p>MISSION</p> <p>Our mission is to provide service to our customers with the help of a skilled and dedicated workforce whose creative actions and competitive edge make our position unique in giving quality service to all institutions and individuals that we care for</p>	<p style="text-align: center;">Corporate profile</p> <p>Company name: International Finance Investment and Commerce Bank Limited (IFIC)</p> <p>Authorized Capital: 40,000 million</p> <p>Paid up Capital: 17008.67 million</p> <p>Market Category: A Category</p> <p>Registered Office: IFIC Tower, Purana Paltan</p> <hr/> <p>Chairman: Salman F Rahman MP</p> <p>Vice Chairman: Ahmed Shayan Fazlur Rahman</p> <p>Managing Director and CEO: Mohammad Shah Alam Sarwar</p> <hr/> <table border="1"> <tr> <td>Employees</td> <td>4350</td> </tr> <tr> <td>Branches</td> <td>169</td> </tr> <tr> <td>Sub-branches</td> <td>1044</td> </tr> <tr> <td>Shareholders</td> <td>57234</td> </tr> </table>	Employees	4350	Branches	169	Sub-branches	1044	Shareholders	57234
Employees	4350								
Branches	169								
Sub-branches	1044								
Shareholders	57234								

Figure 2, Source: IFIC Annual report 2021

2.3 Management Practice

IFIC Bank practices centralized decision making which enables rigid control from the top level executives retain authority for most of the strategic and operating decisions. Moreover, it is believed that the most important issues should be in the hands of people who have the required experience and judgment. In fact, this decision making process makes them facilitate quick decision making and admirable leadership during hardships. However, it demotivates lower level employees from taking any initiative.

Human resource planning: IFIC HR is working relentlessly to ensure employee welfare and a healthy environment. The bank prioritized its employees' safety most and successfully executed continuous competitive working strength.

- *Recruitment and selection process*: it mainly focuses on hiring fresh graduates as transaction service officers and management trainee officers (MTO). Moreover, the bank implemented a cost effective hiring process.
- *Employee engagement*: IFIC arranges many programmes such as celebrating various significant holidays, sport events to boost up employee enthusiasm and encourage them to be more competitive.
- *Compensation and benefits* : IFIC designed the compensation plan in a way that concentrates mainly on long term sustainability and successfully retains the top talents.
- *Training and development*: the bank performs an inclusive training programme so that employees can better understand their duties and expand their knowledge on crucial matters. In addition to in-house training for the employees IFIC also arranges training programmes and orientations.
- *Employee Performance Management*: IFIC management reviews Performance Management Framework to enhance employee skill by establishing KPI goals..

2.4 Marketing Practices

IFIC Target customers

- Middle class people who are retail focused.
- Women entrepreneurs
- Agriculture centered people
- Corporate clients
- SME centered people in emerging areas
- High value customers

2.4.1 Market Segmentation

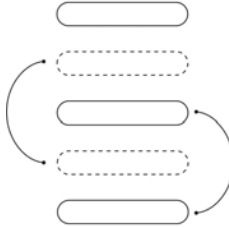
GEOGRAPHICAL	➤ Concentrates mainly on urban, developed areas
DEMOGRAPHIC	➤ Age: 18 years to 50 years old ➤ Gender: Male, Female ➤ Family size: Small, large, single, married ➤ Income: high, low, medium ➤ Occupation: Job holders, students, High profile clients
PSYCHOGRAPHIC	➤ People from different social status
BEHAVIORAL	➤ Loyal customers
DECISION MAKER	➤ Different social class: high, middle, lower


2.5 Branding Activities

- IFIC sponsored various events and activities
- New commercial to promote new products such as Amar Bari etc
- Road shows
- Photo exhibition

2.6 Industry and competitive Analysis

2.6.1 SWOT ANALYSIS

<p>STRENGTHS</p> <hr/> <ul style="list-style-type: none"> → Brand image → Human capital → Great infrastructure → A powerful capital base → Innovative products → Corporate governance → Exposure across the country 		<p>WEAKNESSES</p> <hr/> <ul style="list-style-type: none"> → Non-performing loan rate is high → Technological obsolescence
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<p>OPPORTUNITIES</p> <hr/> <ul style="list-style-type: none"> → Acquire the latest technological advances → Improve customer care activities focus on rural growth → Large network through branches → Improve marketing activities → Progress on financial literacy 		<p>THREATS</p> <hr/> <ul style="list-style-type: none"> → Many competitors → Identical products offered by rivals → Government interference → Unstable global and local economic situations. → Inflation is rising
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2.6.2 The Five forces model of competition

Bargaining powers of buyers - Moderate

Factors affecting the bargaining power of buyers:

- Since there are many financial institutions in the market offering low cost , buyers can easily switch.
- Single digit interest rates play a significant role here.
- High price sensitivity of corporate clients.

Possible solution:

- Prioritize low cost accounts more than the high cost ones
- Create more innovative products which will meet customer preferences
- Maintain good relationship with all the customers

Supplier bargaining power - Moderate to high

Factors affecting the bargaining power of suppliers:

- Predominant sources: depositors, corporates, staffs
- Large IT infrastructure providers hold control because of their value
- The market dominates the interest rate notably
- Influential corporate clients and affluent individuals can dominate

Solution:

- Retaining customers
- Training for employees
- Diversify deposit holders

Threat of substitutes - High

Factors affecting the Threat of substitutes:

- NBFIs - they provide interesting offerings with easier terms.
- Installment basis payment offered by many consumer goods providers
- Non financial institutions that provides EMI services
- Fin- tech services like bKash, Nagad because of the beneficial advances

Solution:

- Offer something cost effective and progressive
- Staying up to date with the latest trends
- Put more money on technological aspects

Threat of new entrants - Low

Factors affecting the Threat of new entrants:

Because of the gigantic starting capital requirements it takes, more financial institutions are shifting their focus on the retail and SME segment.

Solution:

- IFIC has already created a loyal customer base.
- To maintain its position, the bank is working persistently. they are concentrating more on tech and digital banking
- Constantly taking steps to improve customer experience

Competitive rivalry - High

Factors affecting the Competitive rivalry:

Tremendous competition from commercial, non-scheduled banks and other NBFIs since there are many rivals, the switching cost is low. Most of the rivals are mainly competing for the same customer segment. However, many are now targeting retail and SME.

Solutions:

- Attract new customers and retain the existing ones
- Upgrading online banking

- Making new ways for enhancing customer experience
- Investing more on technology

2.6.3 PESTEL Analysis

Political dimension:

Impact - High

- Bangladesh politics mostly seems stable. No major political disruption or fights. Govt is investing on big projects
- To stabilize the economy the government and central bank has taken some steps such as monetary and fiscal policies - to attract FDI, improve trade relations, and find new markets. Our country's monetary and tax policy are quite proactive
- Main challenge is to improve country position
- Global political situation - russia ukraine conflict, chaos in supply chain, it is the reason behind increasing price of daily essentials

IFIC initiatives:

IFIC is determined to provide quality services to its valuable customers. Their main focus is on country wide exposure and they are committed to the economic prosperity of people

Economic growth

Impact: High

- Because of the single digit interest rate set up by the central bank financial institutions are left with no choice but to reduce their profit. Moreover, profit reduction can be the reason for the liquidity crisis. although this single digit rate can be proven beneficial when it comes to generating more private level investments.

IFIC initiatives:

This situation is very challenging. There's also the problem with rigid competition from rivals.

This is why it's best to focus on the SME segment and retail lending. IFIC mainly focused on risk management and maximization of assets of the bank.

IFIC has branches and sub branches across the country which help to mobilize money through banking channels and also the bank's liquidity crisis.

Social Dimension

Impact: High

- Our country has witnessed amazing achievements on the social front . There's significant improvement in poverty reduction, child mortality. Moreover, our life expectancy has increased, more involvement of women in the workforce and other economic practices.
- Rising literacy levels and lifestyle aspirations and urbanization
- Increase awareness regarding health care and safety.

IFIC initiatives:

IFIC bank has always prioritized its CSR activities. They have contributed to research and development collective, donated blankets, health care, food etc. the bank's recruitment process is fair and there's no discrimination regarding people's age, appearance, gender, ethnicity

Technological Dimension

Impact: High

- Reliance on technology
- Operational excellence is highly dependent on technological aspects
- Increased cases of cyber security and threats
- Customers are nowadays more experienced and redefined thanks to technology
- Government commitment towards digital bangladesh
- Progress on digital banking

IFIC initiatives:

The bank invests heavily on its technological front so that it can provide the customers easy and convenient banking experience. Some major activities are customer request management system, Fund transfer with Nagad and bKash, website, digital account opening, digital requisition system, online report inventory.

Environmental dimension:

Impact: Moderate

- Bangladesh Bank has given a ERM, which stands for Environment Risk Management so that the banks can follow the guidelines and maintain.
- There's a growing focus on green banking and regulations around sustainable finance.

- Many incidents of natural disasters.

IFIC initiatives:

IFIC Green products, which are for eco-friendly business activities such as Domestic bio gas plant, vermin compost etc. the bank has also participated in different green events to introduce its green products to people.

IFIC has also created a new bundle of loan products which is IFIC Shohoj Rin. This product is mainly for agricultural and agro based activities, marginal and landless farmers, grass root level entrepreneurs.

Legal Dimension

Impact: High

- Government is implementing more rigid regulations so that agreeableness can exist among businesses.
- In Bangladesh, the business environment is highly regulated
- Laws regarding customer data safety and protection

IFIC initiatives:

IFIC Bank follows all the regulations and ensures every standard is maintained. They encourage all the employees to work diligently and make sure everything is well maintained.

2.6.4 Business Model Canvas

<p>KEY PARTNERS</p> <ul style="list-style-type: none"> ➤ Central Bank ➤ shareholders ➤ Investors ➤ Regulators ➤ Sponsors ➤ Institutions 	<p>VALUE PROPOSITIONS</p> <ul style="list-style-type: none"> ➤ SME products ➤ IFIC AAMAR account ➤ IFIC Shohoj Rin ➤ IFIC Aamar bari ➤ IFIC Digital services ➤ Retail and deposits ➤ loan and advances 	<p>REVENUE STREAMS</p> <ul style="list-style-type: none"> ➤ Interest income ➤ Fee based income ➤ income from investments
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<p>CUSTOMER SEGMENTS</p> <ul style="list-style-type: none"> ➤ Women entrepreneurs ➤ SMEs in developing sectors ➤ Agri- business in budding parts 	<p>KEY RESOURCES</p> <ul style="list-style-type: none"> ➤ Human resources ➤ fund ➤ stakeholder relationship 	<p>COST STRUCTURE</p> <ul style="list-style-type: none"> ➤ employee salary and allowances ➤ Administrative fees ➤ staff training ➤ Infrastructure development ➤ Dividends ➤ Mobile app development
<p>KEY ACTIVITIES</p> <ul style="list-style-type: none"> ➤ Risk management ➤ Brand management ➤ Product innovation ➤ service quality improvement 	<p>CHANNELS</p> <ul style="list-style-type: none"> ➤ Branches ➤ sub-branches ➤ Digital platforms ➤ ATM ➤ customer care 	

<p>CUSTOMER RELATIONSHIP</p> <ul style="list-style-type: none"> ➤ Loyalty programs ➤ pinpoint customer preferences ➤ increase customer engagement

Table 1, Source: MTB Annual report 2021, Bank Asia Annual report 2021

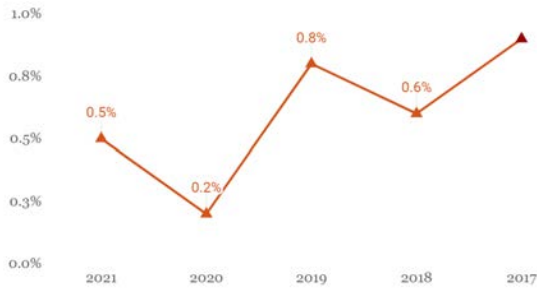
2.6.5 Financial Performance (2017 to 2021)

Particulars	2021	2020	2019	2018	2017
Interest Income	22091	21159	24426	18965	14924
Interest Expenses	15433	18295	18028	14405	9432
Net interest income	6658	2864	6398	4560	5492
Investment Income	4447	3455	2626	2358	2071
Fees income on commission, exchange and brokerage	2552	1922	1650	1593	1667
Other operating income	180	184	446	490	534
Operating expenses	6669	5523	5999	5106	5348
Operating Profit	7168	2902	5120	3895	4416
Provisions for loans and assets	2703	1237	943	1035	2038
Profit before tax	4465	1664	4177	2859	2379
Current Tax	2579	963	1700	1080	750
Deferred tax expense	89	139	34	209	441
Provision for taxation	2490	1102	1734	1289	309
Profit after tax	1975	562	2444	1570	2070

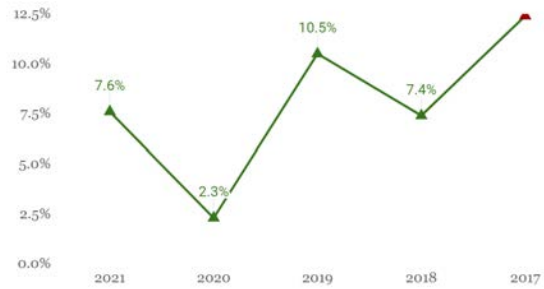
Table 2, Source: IFIC Annual Report 2021

2.6.6 Graphical Financial Summary (2017 to 2021)

ROA

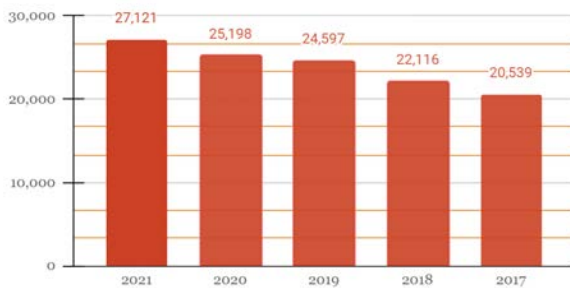


ROE



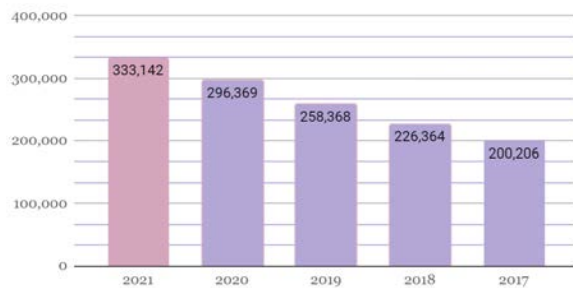
★ Growth of ROE and ROA in financial year of 2021 compared to the previous year

Shareholder's Equity



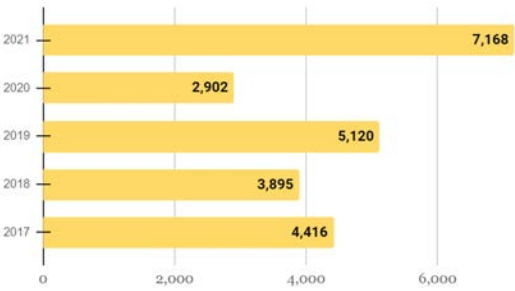
★ Shareholder's Equity increased by 7.6%. In 2021 it rose to 27,121 million from 25,198 million in the financial year of 2020.

Deposits

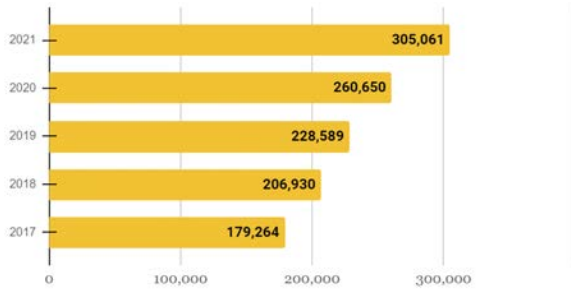


★ Deposits Growth 12.4% : deposits increased to BDT 333,142 Million in 2021 financial year from 296,369 million in 2020 financial year.

Operating profit

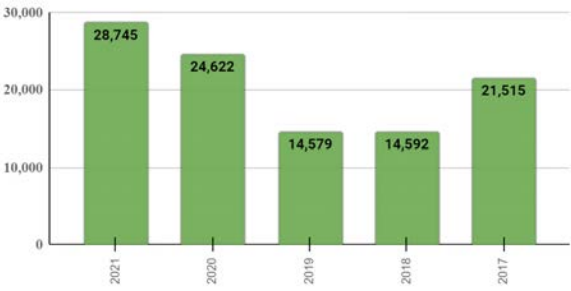


Loans and advances



★ Loans and advances growth 17.0%: It rose from BDT 260,650 million in the financial year of 2020 to 305.061 million in the financial year of 2021.

Market Capitalization



Investments

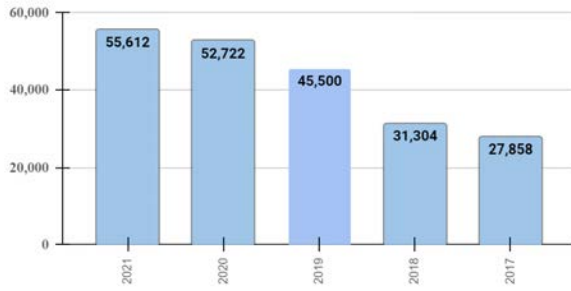


Figure 3, Source: IFIC Annual report 2021

2.7 Accounting Practices

According to the Bank's annual report, there are Consolidated financial statements of IFIC and separate financial statements. Moreover, they have included a summary of accounting policies. The audit report is conducted according to International Standards on Auditing. The financial statements have been organized according to International Financial Reporting Standards, International Accounting Standards and rules and regulations initiated by Bangladesh Bank.

IFIC Bank financial statements includes:

- Consolidated and separate balance sheets
- Consolidated and separate profit and loss accounts
- Consolidated and separate cash flow statements
- Consolidated and separate changes in equity

Chapter 3

Project Part

3.1 Introduction

3.1.1 Background

Banks are the backbone of the global economy. They come up with the capital for innovation, framework, provide jobs and overall growth and expansion. Also, banks play a crucial role in society by influencing the boom of entire enterprises. Bangladesh has a mixed banking system which consists of three sectors. These are formal, semi formal and informal sectors. Moreover, the banking industry started its journey with six nationalized commercialized banks, three state owned specialized banks and nine foreign banks. The banks of bangladesh are mainly of two types, one is scheduled banks and the other one is non-scheduled banks. There are 61 scheduled banks maintained by Bangladesh bank order. Next, there are six non-scheduled banks. In this report, banking practices and performance of IFIC Bank Limited have been observed. However, As we know, banks are crucial for the development of our country. That's why, It is very essential for everyone to have knowledge on banks and their activities. In this report, I have made an effort to present IFIC Bank's performance and activities as concisely as possible.

Banking industry is going through a lot of challenges over the last few years due to various reasons, significantly covid 19 had a lasting impression on the situation. Banks are in constant need of new and improved products, better service quality due to the rigid competition. In addition, because of the rising competition among the nationalized, private commercial and foreign banks , customers' demands and expectations are also increasing day by day. Also, banks are under a lot of pressure to be one step ahead of its rivals and create more convenient services for its customers. Finally, the bank has proved itself capable of continuous growth over the year and still focused on delivering high quality services to its customers.

3.1.2 Objective

❖ Broad objective

The main objective of this study is to analyze the banking practices and performance of IFIC Bank Limited.

❖ Specific objective

- To give an overview of IFIC
- To give an idea about the banking performance
- Analyze the performance of the bank
- Making Competitive analysis
- Analyzing competitors and figure out what they are doing differently
- Analyze strength, weakness, threat of IFIC
- To give an idea about what makes IFIC different than it's rivals
- To present my internship experience

3.1.3 Rationale of the report

Our current economic situation requires an analysis on banking practices of IFIC Bank as IFIC Bank is one of the leading commercial banks in Bangladesh. Furthermore, it is very important for parties like depositors, Bank managers, policy makers, employees, shareholders etc.

3.2 Scope of the Report

This Scope of this report is limited to a commercial bank named International Finance Investment and Commerce Bank Limited. Moreover, it focuses mainly on the banking activities and performance of IFIC. This report has been made through widespread conversations and discussions with the officers of IFIC Bank Banani Branch. Furthermore, I was advised to talk to the bank's valuable customers and have an in-depth knowledge of their suggestions and expectations. In addition, I had the great opportunity of experiencing first hand how commercial banks of Bangladesh actually operate. Finally,

I got to have a detailed knowledge of all the banking activities practiced and maintained by IFIC. Also, This report is expected to be relevant for management in the area of banking and educational purposes.

3.3 Methodology

According to wikipedia, methodology includes a collection of theories, different approaches and critique of the methods.

Selection of sample: The main goal of this report is to study all the annual reports of IFIC Bank and make an analysis. Annual reports starting from 2017 to 2021 from Bank Asia and Mutual trust Bank have been thoroughly explored in order to get a clear view.

Desk Study: A rigid desk study had been conducted in order to get all the accurate information. Many books and journals have been studied and analyzed.

Primary Data:

- Interviewing and communicating with the bank officers
- Communicating with the regular clients
- Face to face conversations with the clients
- My own perspective
- Observing various procedures
- Experiencing first hand how everything works

Secondary data:

- Various Website information
- IFIC official website
- Previous internship reports
- Various circulars
- Annual report of IFIC Bank 2021
- Annual report of MTB and Bank Asia
- IFIC insights
- Bangladesh Bank circulars

3.4 Finding and Analysis

- IFIC is the first private commercial bank who took the initiative of bKash linked account to it's clients
- The bank generates an enabling-engaging-empowering working environment
- It always tries to simplify all the banking formalities.
- IFIC is involved in various CSR Activities.
- Retail banking division has changed its previous ways for the betterment of its customers.
- Implemented the E-KYC module in all the endeavors.
- Implemented state of the art technology which is a customer experience system.
- Many of the banks are facing problems regarding loan default
- The bank successfully maintained coverage against its non performing loans.
- Financial statements have been made according to appropriate accounting policies.
- 1044 Uposhakhas all over the country which is a huge achievement and they plan to open more.
- They prioritized more on risk management, digital banking transformation.
- its capital adequacy rate is also high

3.5 Limitations

The first and foremost drawback of this report is that the time frame was only for three months. It is difficult to write a report with only three month's observations.

- Limited time frame
- Finding accurate and latest information
- Analyzing all the information
- Getting relevant journals, articles, internship reports
- Making the report as specific and understandable as possible

- Due to shortage of time many areas left unexplored
- It was difficult to find relevant information and observe those

3.6 Recommendations

Based on my experience I would like to provide some suggestions keeping the betterment of the country in mind. At present, it is much needed that the banking sector has improved and functions properly.

- Promote SME and Agri products more
- Corporate governance system should be reinforced
- More independent directors should be given full authority
- Monitoring whether the Rules and regulations are being followed or not
- Services should be more convenient for customers
- More CSR activities
- Ensuring every employee and client information safety
- More ATM Booths for cash withdrawal
- Prevent employee turnover by providing more incentives
- Employee satisfaction must be prioritized more
- More concentration on getting new customers
- Established rules and procedures should be reviewed

3.7 Conclusion

Economic growth of Bangladesh is highly dependent on the efficiency and success of the banking sector. This report presents that IFIC is safe and its capital adequacy rate is also high which is commendable. In fact, Its skillful operations can help in decreasing risk of shortcomings in the economy. Also, the present condition and performance of the bank is satisfactory as it has been providing its services wonderfully. Although there are numerous challenges and rigid competition from rivals the bank has managed to grow and continues to make an impact in our society. They are appreciated for various reasons such as CSR activities, continuous contribution to the society through their flagship products and loan schemes. Furthermore, the bank provides excellent customer care. They continuously bring new and relevant products to provide

technology driven opportunities for its valuable customers. Their major challenge for upcoming years is to open more Uposhakhas and make those profitable. Also, they need to put more effort on their mobile application development. As one of the front line banks of Bangladesh, IFIC is committed to the security and economic improvement of people and the community. To conclude, I would like to wish IFIC Bank greater success and a profitable business portfolio. I hope this report will be of value for academic purposes in future.

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- *Gitman- Principles of Managerial Finance*

ANNUAL REPORTS:

- IFIC Bank 2021
- Islami Bank 2021
- Bank Asia 2021
- Mutual Trust Bank 2021
- BRAC Bank 2021

WEBSITES:

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- <https://www.wsj.com/market-data/quotes/BD/XDHA/IFIC/financials/annual/balance-sheet>

Internship reports:

- Digitization of banking in Bangladesh by Mohammad Al Amin
- Employee job satisfaction of IFIC Bank by Tajin Sultana
- Loan and advance management: a study on IFIC Bank by Md Anisur Rahman

Appendix

Proposal for the internship report

Semester: Fall 2023

Title of the report: An analysis of banking practices and performance of IFIC Bank Ltd, Banani Branch, Dhaka.

Rationale for selecting the report: This is the last part of the BBA program. Only after successfully finishing this report will I be able to complete the program. I have done my internship in IFIC Bank for three months.

Background of the report: International Finance Investment and Commerce Bank Limited is a banking institute integrated in the People's Republic of Bangladesh with limited liability. It is a first generation private commercial bank of Bangladesh. Furthermore, it was built in 1976 as a joint venture between Bangladesh government benefactors in the private zone with the purpose of working as a finance company within the country and establishing joint venture financial institutions overseas.

Objectives:

Broad objective: The main objective of this study is to analyze the banking practices and performance of IFIC Bank Limited.

Specific objective:

- To give an overview of IFIC

- To give an idea about the banking performance

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Action by the supervisor:

Approved -

Disapproved -

Revision and Approved -