

Report On
Technological Advancement & Financial Performance Analysis of
BRAC Bank PLC

By

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Student ID:19204050

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
January, 2024

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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.

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Sk. Sadia Ferdous
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Assistant Professor, BRAC Business School
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Letter of Transmittal

M. Nazmul Islam Ph.D.
Assistant Professor,
BRAC Business School
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Subject: Submission of Internship Affiliation Report

Dear Sir,

I am delighted to acknowledge that the submission of my internship report provides details regarding 'Technological Advancement & Financial Performance Analysis of BRAC Bank PLC', after successfully completing my internship at BRAC Bank PLC where I was provided with the opportunity to work in the SME department under the supervision of Respective Business Transformation & Product Officer.

This is really gratified for me to have your co-operation and I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I have attamed delicately to complete this report with the essential data. And I truly believe that the report will meet the desirable criteria. Therefore, I pray and hope that you will accept the report and oblige thereby.

Sincerely yours,

Sk. Sadia Ferdous

Student ID: 19204050

BRAC Business School

BRAC University

Date: 11th November, 2023

Non-Disclosure Agreement

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

Sk. Sadia Ferdous

Student ID: 19204050

Acknowledgement

I am grateful to the support of many individuals and the blessings of the Almighty because in spite of numerous challenges I have faced, I am able to end my Internship Program. However, I still require significant support, guidance, and direction to complete this report. This is an opportunity for me to express my gratitude to all those who have contributed.

Firstly, I would like to express my thanks to the Almighty for providing me the opportunity to complete the BBA program at BRAC University with patience and perseverance. This Internship Report is a part of the BBA program under BRAC Business School, and I want to extend my sincere thanks to my Academic supervisor, M. Nazmul Islam Ph.D., Assistant Professor at BRAC Business School. His support, encouragement, and guidance have been instrumental in leading the report in the right direction.

I also want to express my gratitude to my Organizational supervisor, Officers, and Managers of the eLAP Project under Business Transformation and Product of the SME department in BRAC Bank PLC. Special thanks to my line manager, A S M Mustafizur Rahman (Officer, Market Intelligence & Transformation), for guiding me during the internship period.

I appreciate the officers and senior officers who helped me learn about banking activities and acclimate to a banking environment. Their provision of valuable information, guidelines, and insights into the overall banking system has been an honor and a privilege.

Furthermore, I want to thank the authors, researchers, and article writers whose books, reports, thesis papers, and journals assisted me in successfully preparing my Internship Report.

Executive Summary

This internship report is based in a 3months program at BRAC Bank PLC; Department of Business Transformation and Product Department under the SME Division, beginning October 08, 2023, as a requirement for completing my BRAC University Degree of bachelor. This paper contains the following information based on the duties I accomplished and the information I gathered during my internship. In this report, I have illustrated the Bank's overview and financial performance analysis of BRAC Bank PLC. In chapter 1, I have discussed my internship journey, outcome, and the obstacles I faced during my internship. In chapter two, I have discussed the Bank's overview in an expanding way. In this chapter part, I described Mission, Vision, Core Values, Practices of HRM, Market, Industry and Competitive analysis. Then I explained the research part of my report where I discussed primary and secondary objectives and limitations of BRAC Bank PLC in chapter 3. Afterward, I explained BRAC Bank the finding and analysis of technological transformation and financial performance of BRAC Bank PLC from 2011 to 2020

Lastly, the conclusion of this report and recommendation for BRAC Bank PLC that they should implement their service to succeed more and improve financial performance.

Keywords: BRAC Bank PLC, Financial Performance, Digitalization, Products and Services

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Figure 11: Annual Report of BRAC Bank PLC 2012

Figure 12: Annual Report of BRAC Bank PLC 2011

List of Acronyms

BBP	BRAC Bank PLC
eLAP	Electronic Loan Application Platform
Bis	Business
CRM	Credit Risk Management
Ops	Operation
LS	Loan Sanction
UUID	Universally Unique Identity

Chapter 01

Overview of the Internship

1.1 Information of the Intern

Name:	SK. Sadia Ferdous
ID:	19204050
Program:	Bachelor of Business Administration
Major/ Specialization	Accounting

1.2 Internship Information

Duration:	3 Months
Company Name:	BRAC Bank PLC
Department:	SME
Division:	Business Transformation & Product
Address:	220/B Anik Tower, Tejgaon Link Road.

1.2.1 Job Scope-Job Description/ Duties / Responsibilities

IFS, the primary software utilized by BRAC Bank PLC, was launched in 2010 and was initially rather effective for carrying out daily operations. However, last year (Integrated Cloud: Application & Platform Services for SME loan processing, n.d.) eLAP, a database management system supporting multiple models, was introduced in 2022. This software is being gradually

introduced to customers. Now, Phase V is begun, and it will add roughly 500 new members to the system. raising the overall number of users to approximately 3,600 after it is concluded. As the business is continually adapting to address new challenges so now it operates in a dynamic environment. The major responsibilities of this platform-

- Digital transformation's impact on Small and Medium Enterprise (SME) banking
- Comprehend the entire digital loan processing network drastically.

1.2.2 Internship Supervisor's Information

Name:	A S M Mustafizur Rahman
Designation	Officer, Marketing Intelligence & Transformation

1.3 Internship Outcome

1.3.1 Student's Contribution to the Company

I have joined in BRAC Bank PLC (SME department; Business Transformation & Product division) only for 3 months as an intern. I have tried to provide my best performance throughout my whole internship period. And I firmly consider that my contribution towards the company was significant. Being enough responsible and sincere, I consistently maintained in my assigned tasks. Hence, in the Job Description which is mentioned below, I have contributed my sincere attention to the whole project management in eLAP system with the help of my respective eLAP team. The critical tasks, I have done the period that's are

- ✓ Initiating different scenario for testing purpose in the eLAP system; starting from Bis to CRM from LS then CRM to Ops for loan disbursement.
- ✓ Throughout the whole testing process, I maintain the guide line, rules regulation for deviation, charges, tax rates and tried to make the case more feasible.
- ✓ Provide proper support in eLAP hotline system and listed the problems and solutions along with the stakeholder's pin number in G-sheet.
- ✓ Moreover, Contributed in TAB distribution task in different Unit Office in Dhaka for the induction of eLAP system

- ✓ Inputted all the stakeholder's information in eLAP system with the help of my team
- ✓ Checked bug, error, speed, changes of any employees' position, transfer, promotion and tried to fixed as much as possible in the system
- ✓ Raise Ticket for the System Vendor to solve system's bug or error
- ✓ Created Bangla Manual for employees smooth understanding of eLAP system and the software which is used for uploading data or documents like Cam Scanner.
- ✓ Visited different Unit Offices like Motijheel, Mirpur, Nowabpur and so on to communicate with those employees (RO, BDM...) who are using this system to identify the challenges they are facing
- ✓ After every visit made an action plan cooperating with my team and send the solution to them
- ✓ Tried to join maximum meeting, FRD review and took meeting minutes for the system update purpose
- ✓ Contribute in TAT report analysis
- ✓ Apart from those, focused to make more strong network building with every single stakeholder in the office
- ✓ Nevertheless, most common task for any intern; I have done printing, photocopy, stapling, emailing and so forth.

1.3.2 Benefits of the Students

I did not have enough knowledge about the banking industry in reality so my expectation of learning was not that much when I joined at BRAC Bank PLC; all I wanted was to get a feel for the workplace culture and some basic abilities to add to my resume. But my trip exceeded above and beyond what I had anticipated, leaving me with cherished recollections. Without the unfailing support of every employee in my department—especially my manager, who has provided constant encouragement and guidance—this enriching experience would not have been possible.

As a long-standing competitor in the banking sector, BRAC Bank has frequently observed that interns are underappreciated in a variety of settings. It's not unusual for interns to have little duties and minimal influence over the company. At BRAC Bank, I feel privileged to be an exception, given the chance to surpass my own expectations. The opportunity to shine and make an enormous impact on the organization. Most crucial things I have learned

- **Practical Experience:** This Opportunity provides me the real-world, hands-on experience of SME department. This practical exposure helps bridge the gap between academic knowledge and practical application.
- **Skill Development:** To improve and enhance my skills this program helps me most. Technical skills, communication skills, teamwork, problem-solving, time management, and adaptability, among others.
- **Professionalism:** This Internship Program cooperate to expose me to professional environments, help me understand workplace etiquette, communication norms, and the importance of professional conduct which is crucial for a smooth transition from academic to professional settings.
- **Network Building:** Every single day my manager tried me to engage to communicate or took mentorship from other stakeholders in BRAC Bank PLC (Head Office). And the duration might be for couple of minutes or hours. This helps me most to build a strong network with the stakeholders
- **Personal Growth:** In various situation I found myself confident. But via joining in BRAC Bank PLC, the whole period of time I constantly found myself more focused, polished and confident.
- **Resume Enhancement:** Having internship experience on a resume can significantly enhance marketability. As it demonstrates my practical experience, understands workplace dynamics, and has applied academic knowledge in a real-world.

1.3.3 Problems /Difficulties (faced during internship period)

- **Heavy Workload:** Basically, I joined in eLAP project which is going through phase-v. For this, it was very difficult for me to understand all the systematic process and logical things and also come up with the other banking workload
- **Over Time:** My work time was from 10:00 am. To 5:00 pm. But I had present in my office at 9:00 am to 5:30 pm. which was really hectic for me. And my office was so far away from my resident so I have to arrive very early.
- **Lack of proper training and instruction:** The most difficult part of my work is to learn a software from scratch within short period of time. Moreover, the pace of the work is so

fast and heavy dateline that my team cannot able to provide me that much training which I had need.

- **Complexity in Learning Curve:** As an Accounting graduate, it was really challenging for me to understand technical issues, skill development, professionalism and so on at a time. Nevertheless, every day follow up process also became terrible for me when I first joined. At that time, I went through inferior complexity
- **Inadequate Remuneration:** The pressure and datelines which are provided by them and the amount of remuneration is matched up. Even I was not able to bare my transport cost in a month with this remuneration.

1.3.4 Recommendation

Recommendation is very important part both for the company which will hire intern and the students who like to join in Internship Program in future. Firstly, I would like to express my recommendations to the company for making the internship period better for the future interns:

- The interns should not be made entirely responsible for any systematic issues. Especially when the interns are not trained enough and do not have any experience before. So, arranging a proper training session from any experienced one is very important.
- It is important to give interns the tools and equipment they need to complete the responsibilities assigned to them, as well as appropriate seating arrangements.
- The organization should either offer a compensation package commensurate with the amount of labor required by the interns, or it should subsidize the tasks while modifying the current compensation plan.

However, the students who want to join in an Internship Program in Future the recommendation for them from my experiences is following.

After your academic classes are over, internship programs are a great way to learn. It is a crucial aspect of a student's future career. It is a person's first introduction to the corporate world. It is imperative that action be taken to fully use this wonderful era. Some students struggle to strike a balance between their academic and professional lives because it's their first time. Yet, I could manage my personal and professional responsibilities in a balanced way. The new intern will gain a variety of skills from this internship experience. As everyone knows, learning never stops and

you may pick up a hundred new skills every day. You have to be passionate about what you're learning. Developing the requisite skills will help.

Chapter 02

Organization Part

2.1 Introduction

To be eligible for a BBA, each student must complete an internship program. This course's primary goal is to expose students to the realities of business life and connect what they learn in the classroom to real-world scenarios. This course, which lasts for three or four months, gives students the chance to work in a variety of settings and organizations to get real-world experience and practical expertise. I am quite grateful that BRAC Bank PLC offered me the chance to work as an intern.

2.2.1 Overview of BRAC Bank PLC

In 2001, The creative and visionary founder Sir Fazle Hasan Abed established most exceptional banking solution for medium and small entrepreneurs which is “unbanked” (collateral-free loans). And based on this concept BRAC Bank PLC established. BRAC Bank PLC is a value-driven bank whose every single performance. The bank mainly focusing on uplift a significant group of people and creating impact on globally rather than making profit.

From the very beginning of its journey, BRAC Bank PLC embraced a unique approach for constant economic development, impactful governance, transparency, ethics and consolidate culture. It shares the 3P Philosophy: People, Plante, Prosperity. This Principles consolidate with the approach of Global Alliance for Banking on Values (GABV) only member from Bangladesh and other stakeholders.

Now BRAC Bank PLC serving approximately 1.4 million customers. It has 187 branches along with 11 sub-branches, 457 SME unit office and 1000 agent banking outlets all around Bangladesh. At the same time, it is playing a crucial role for contributing society via providing a huge amount of funding and other facilities. Not only for the society and customers, BRAC Bank PLC has created a remarkable workplace. Almost 7836 diverse people are working here with unique facilities and training system. Investors are also delighted via investing this bank as the growth rate is almost 6.5%. Other than that, the success and credibility of BRAC Bank are underscored by its ratings from top agencies, including CRAB(AAA/ST-1), CRISL(AA+/ST-1), S&P Global

Rating(B+), Moody's Investor Service (Ba3) and so on. These ratings reflect the bank's quality portfolios, strong capitalization, stability, and consistent growth trends.

This comprehensive approach, along with its commitment to innovation, sustainable practices, and financial inclusion, positions BRAC Bank as a key player in the banking industry, contributing significantly to the economic development of Bangladesh.

2.2.2 Mission, Vision and Core Values

Vision:

“Building a profitable and socially responsible financial institution focused on markets and businesses with growth potential, thereby assisting BRAC and stakeholders to build a “just, enlightened, healthy, democratic and poverty-free Bangladesh””.

Mission:

- Sustained growth in ‘Small & Medium Enterprise’ sector;
- Continuous low-cost deposit growth with controlled growth in Retained Assets;
- Corporate assets to be funded through self-liability mobilization;
- Growth in assets through syndications and investment in faster growing sectors;
- Continuous endeavor to increase fee-based income;
- Keep our debt charges at 2% to maintain a steady profitable growth;
- Achieve efficient synergies between the bank’s branches, SME Unit Offices and BRAC field officers for delivery of remittance and the bank’s other products and services;
- Manage various lines of business in a fully controlled environment with no compromise on service quality;
- Keep a diverse, far-flung team fully motivated and driven towards materializing the bank’s vision into reality

Core Values:

BRAC Bank is an organization, where its values are at the core of every activity. As a values-based bank, it believes in 3P philosophy of People, Planet and Prosperity. It shares the Principles of Values-Based Banking which underpin all that the bank does.

- Integrity - Manifesting the quality of being honest, exhibiting consistent behavioral traits guided by principals of morals and ethical code of conduct defined by the bank;
- Innovation - It is an act or process of introducing new ideas, methods, devices or technologies aimed to get better results with less input;
- Inclusiveness - 'Inclusiveness' means diverse mix of feelings, ideas, and people from all sections or society;
- Customer Centricity - 'Customer Centricity' means engaging with customer to provide any service and continuously enhancing customer experience;
- Effectiveness - 'Effectiveness' means producing an output expected by the stakeholders and also making an impact to the business

2.2.3 Divisional Overview of BRAC Bank PLC

The overall system or functions of the organization could be divided into 16 divisions, the overall system or function concentrate to the most vital segments. The main three segments or divisions of the systems are: SME Banking, Retail Banking, Corporate Banking. But other are also contributing a vast role in this banking system. A brief of those divisions is provided below:

1. **SME Banking:** The visionary Chairperson of BRAC Bank PLC, established with an objective to work as a catalyst unbanked SME sector of Bangladesh. From that period, the bank constantly focusing on economic development with small and medium entrepreneurs. Till now 1 million SMEs serves since inception. It has 457unit offices with 3000 SME team members and overall, 10.6million household benefitted.
2. **Retail Banking:** BRAC Bank's Retail Banking focuses on enhancing customer experience through data utilization, fostering long-term relationships, and prioritizing digitalization for efficient service and improved performance. Personal loan, Auto Loan, Home Loan, Secured Loan are their main product offerings. Now, 66352 million people are served and their YoY growth is 15%.
3. **Corporate Banking:** In 2022 BRAC Bank's Corporate Banking achieved financial success, demonstrating dedication to becoming the nation's preferred corporate business partner. Corporate Banking has mainly 4 business verticals such as Relationship Units, Transaction Banking, Commercial Banking and Special Asset Management. Yet, they

onboarded 37 new credit relationships, 910 new deposit clients and 617 customers in CORPnet.

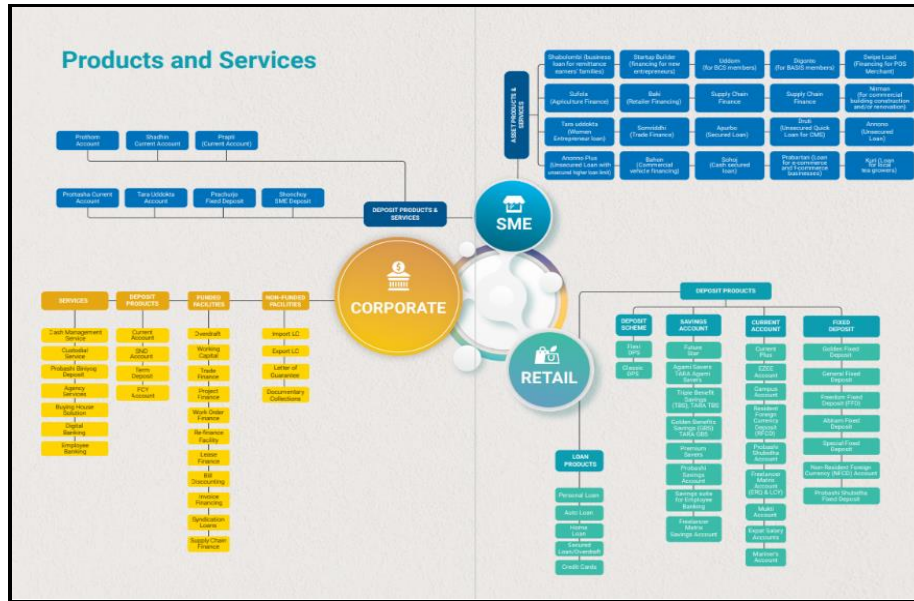
4. **Treasury & Financial Institutions:** BRAC Bank's Treasury & FI team is dedicated to providing top-notch value to stakeholders while also serving as a top market maker and liquidity supplier in Treasury-related areas.
5. **Credit Risk Management:** BRAC Bank employs a distinctive credit risk architecture, utilizing techniques, practices, and policies to manage credit risk across its retail, SME, and Asset operations.
6. **Distribution Network:** The distribution network of BRAC Bank is dispersed throughout eight zones spread over Bangladesh, with a total of 187 branches and 20 sub-branches. Contribution of Distribution Network is almost 63% in deposit growth.
7. **Alternate Banking Channel:** The Alternative Banking Channel of BRAC Bank has created its service reach through four sub-divisions, namely, to go beyond traditional channels. Online banking, call centers, alternative delivery channels, and agent banking. Apart from offering 24/7 services to clients, our alternative banking channels have been essential in building a strong brand presence in remote areas.
8. **Anti Money Laundering:** As one of the industry's leading banks, BRAC Bank is also at the forefront of efforts to prevent Money Laundering (ML) and Terrorist Financing (TF). The bank has integrated a robust Anti-Money Laundering (AML) and combating the Financing of Terrorism (CFT) risk management program across all operational domains
9. **Legal & Recovery:** The Legal and Recovery Division of BRAC Bank aims to ensure regulatory compliance with all laws and regulations related to the bank's business. Here almost 7945 cases are filed, BDT 12cr. Appeal money recovery and almost BDT 30cr. Bail money recovery.
10. **Internal Control & Compliance:** The internal Control and Compliance function of BRAC Bank plays a pivotal role in achieving its objectives by advocating a systematic, methodical and consistent approach to evaluate and improve the effectiveness of risk governance
11. **Human Resources** The strategy of the Human Resources division of BRAC Bank stands on three pillars: People, Performance and Culture. According HR 2022 summary almost

7,863 (FTE) 3,170 (Outsourced) Total employee,1,116 (FTE) 224 (Outsourced) Total women employee, 20% Salary increase and alignment, 1,271 Employees Promoted.

- 12. Operations:** BRAC Bank's Operations division is responsible for maintaining efficient operations, ensuring scalability, cost optimization, and high-quality customer service, directly impacting the bank's profits. Global award in 4 categories for SWIFT straight through processing (STP) on global payments from JP Morgan Chase Bank, NY, USA is awarded by this division.
- 13. Information Technology:** BRAC Bank Ltd. has an IT department that continuously seeks innovative ways to improve systems and explore new business opportunities through technology, supporting existing software like Finacle, m-fin, e-LAP and so on.
- 14. Digital Banking:** The Digital Banking team consist of 3 very important functions. They continue to strive excellence from their respective areas supporting this Digital Transformation journey.
- 15. Information Security:** Cyber-resilience is a crucial aspect of BRAC Bank's operations. The bank is committed to providing the highest standards of service quality and banking security to all internal and external users. The bank has included cybersecurity in its overall defensive plan to promote responsible banking operations.
- 16. General Service:** With its multifaceted logistical capabilities, General Services Department (GSD) has been helping BRAC Bank sustain itself since its inception. The mission of GSD is to enable the business to ensure the finest customer experience through seamless business operations

BRAC Bank PLC in Bangladesh has established a vast network of service touchpoints, serving 1.3 million rural and semi-urban customers with a 77% rural penetration rate. Its agent banking network handles over 186,000 transactions annually.

Diagram of Product and Services

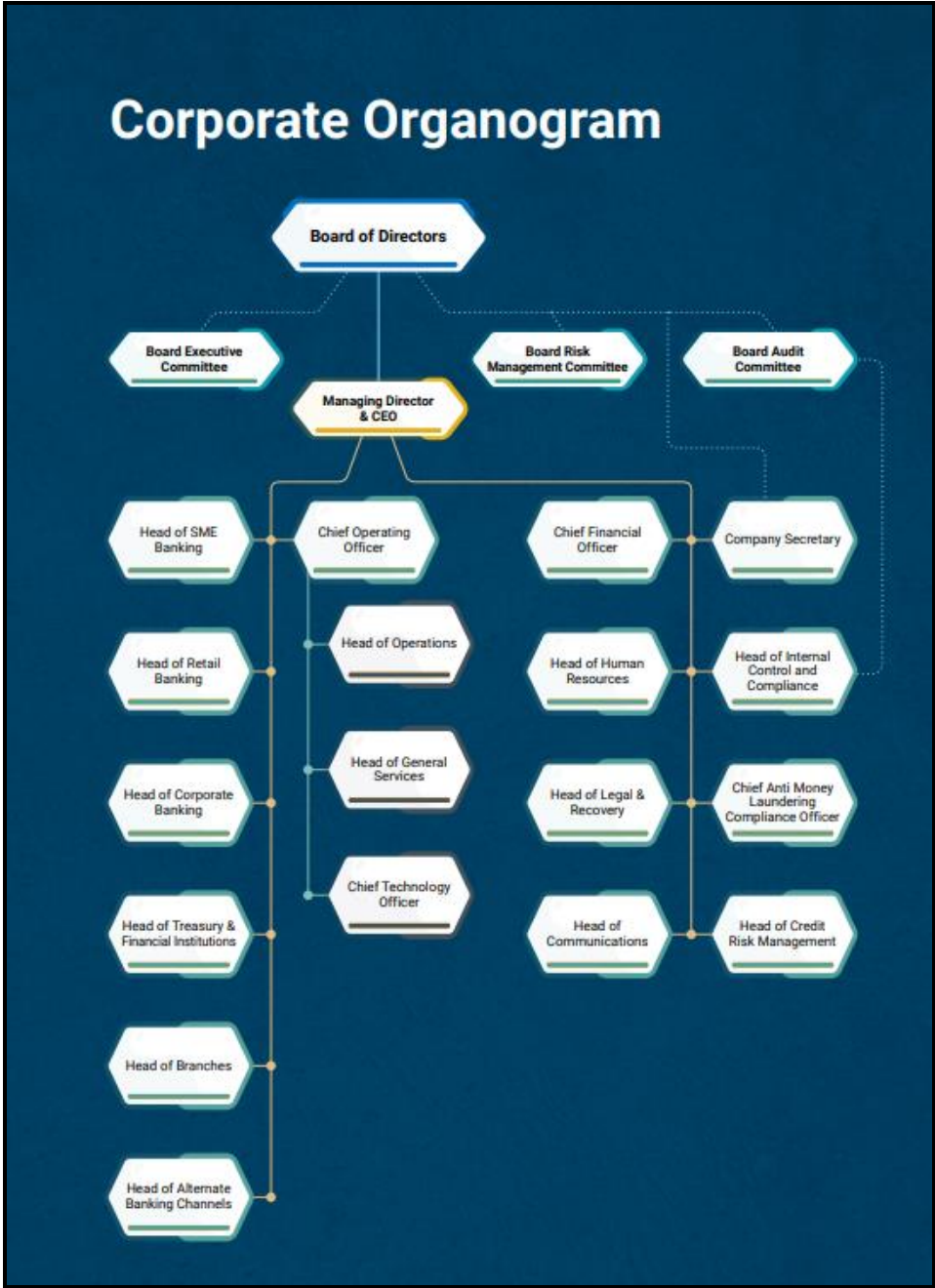


2.2.3 Subsidiaries of BRAC Bank PLC

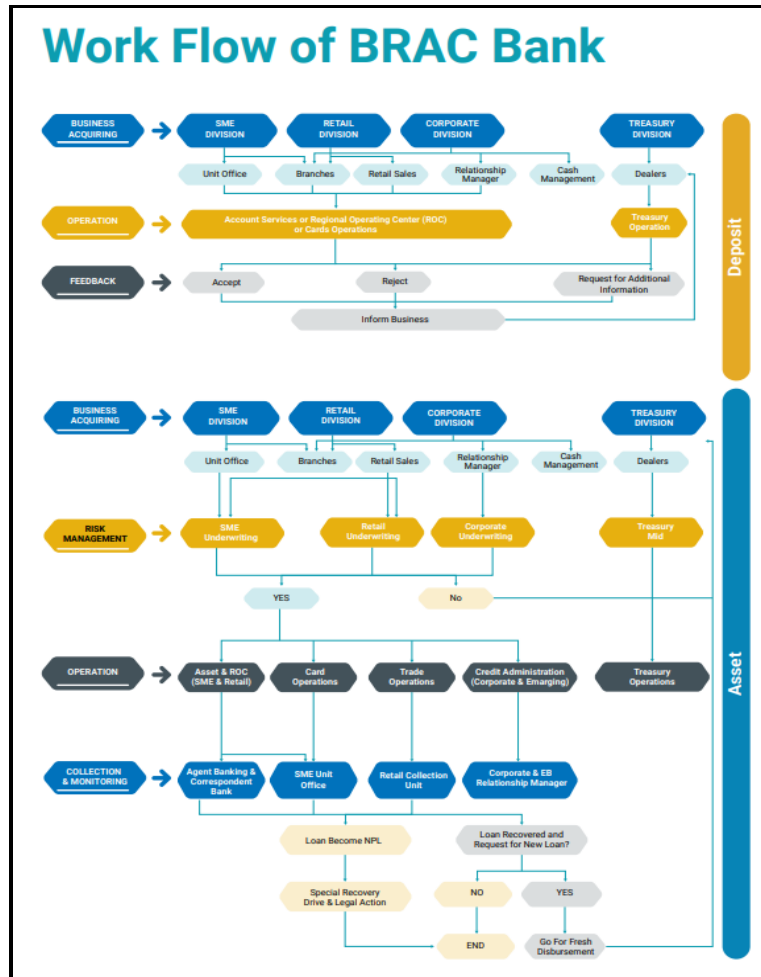
- bkash Limited.
- BRAC EPL Stock Brokerage Limited.
- BRAC Saajan Exchange Limited.
- BRAC EPL Investment Limited.

Current allocation of assets and bottom-line composition				
Particulars	Total asset composition		External assurance	
	2022	2021	2022	2021
BRAC Bank Limited	83%	82%	93%	120%
bKash Limited	16%	17%	3%	-27%
BRAC EPL Stock Brokerage Ltd.	0.3%	0.4%	1%	6%
BRAC EPL Investment Ltd.	0.6%	0.6%	4%	5%
BRAC Saajan Exchange Limited	0.02%	0.06%	-2%	-4%
BRAC Bank Group	100%	100%	100%	100%

2.2.4 Organizational Organogram



2.2.5 The Work Flow of BRAC Bank PLC



2.2.6 Employees Job Environment

BRAC Bank PLC is a value-based organization which believes in ‘leaving no one behind’.

Almost 7,863 people are engaged as service provider, 7,012 Unique training participants are available here. At the same time, 19 Person-hour average training and 223,243 Training hours are allocated for per employee. Most importantly 224 Unique training programs conducted and Equal opportunity employer. Here diversity is also very warming. The Bank has created employment opportunities for transgender and physically challenged individuals. Like 5 transgenders working in mainstream roles and 25% Growth in female employment. The initiative will usher in a new era

of creating an inclusive society where no one will be judged by their gender or other needs but by their talent and potential.

2.3 HRM Development & Accounting Practices

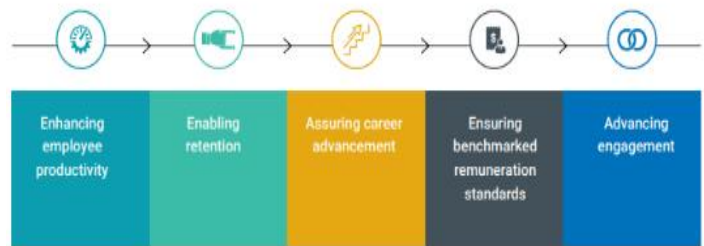
The Board formulates and approves policies for human resource management and development, including those concerning hiring, promotion, transfers, disciplinary and punitive actions, training and upskilling, and working conditions. No human resources-related administrative matter is handled by the Chairman or any of the Directors, nor do they engage in it or attempt to influence it.

The executive responsibilities of the Board are distinguished from the operational responsibilities of management by the fact that no member of the Board serves on the selection committee(s) for staff hiring or promotions.

However, the Board has final say over hiring, promoting, moving, and disciplining officials who are two levels below the MD & CEO. All hiring and promotion procedures are guaranteed to adhere to the bank's service guidelines, which include hiring and promotion regulations.

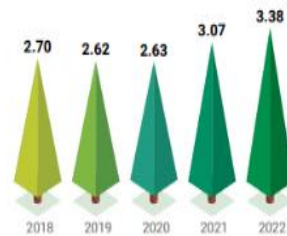
The Board is committed to taking the lead in skill development, with a particular focus on developing human resource capacity in the areas of strategic planning, credit underwriting, customer service, digital skills, and loan recovery. The Board places a strong emphasis on ensuring that all actions are in line with the bank's principles and

Key thrusts that accelerate BRAC Bank's HRA

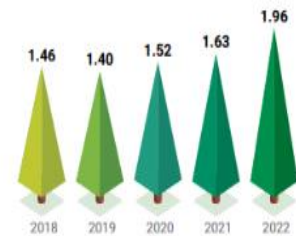


Particulars	2022	2021	2020	2019	2018
Operating income per employee	3.38	3.07	2.63	2.62	2.70
Operating cost per employee	1.96	1.63	1.52	1.40	1.46
Operating profit per employee	1.42	1.44	1.11	1.22	1.25
PBT per employee	1.14	1.04	0.87	1.04	1.14

Operating income per employee



Operating cost per employee

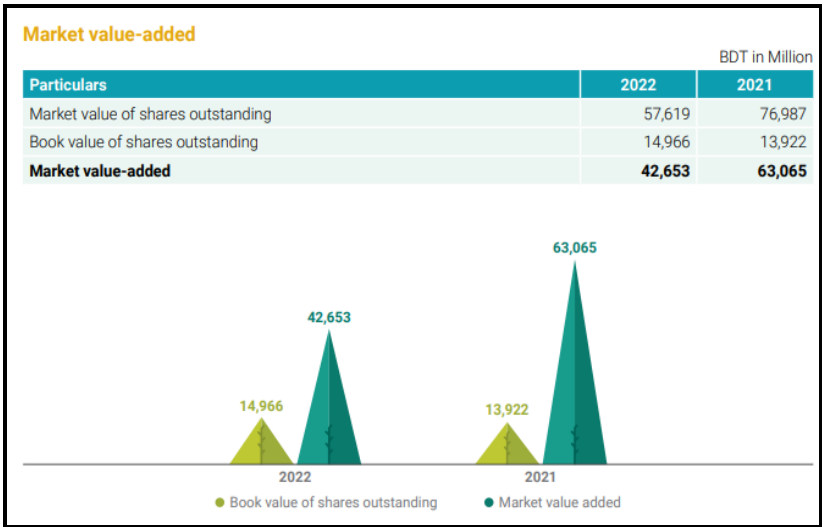


values. The Board also conducts a comprehensive 360-degree assessment to make sure that goals and objectives are met as well as the manner in which performance was attained.

All things considered, the Board confirms compliance and provides a tone of leadership for maintaining proper corporate conduct and adherence to ethics. Moreover, BRAC Bank PLC has been done huge income and cost for the employees. The Accounting for the Human Resources snapshot is attached below.

2.4 Market Value Added Statement

Market value-added, or MVA, is a measure of how well a business is performing as determined by the stock market through the price of stock shares. MVA is therefore an external validation of an entity's performance. It is the amount that separates an entity's market value from the capital contributions made by investors. Compared to BDT 63,065 Mn in 2021, BRAC Bank recorded a positive market value-added of BDT 42,653 Mn in 2022. Due to the global economic downturn caused by the Russia-Ukraine war, unfavorable market circumstances were the primary cause of the bank's market capitalization decrease.



2.5 Industry & Competitive Analysis

SWOT Analysis

SWOT analysis is a method of determining the current state of an organization by examining its strengths, weaknesses, opportunities, and threats. This is a standard method of determining a company's resources. BRAC Bank PLC consistently trying to provide their excellent performance for overall uplifting the people of Bangladesh's welfare and gain the trust of people. But the Bank also identified strengths, weaknesses, opportunities and threat



Strengths



Weaknesses



Opportunities



Threats

Strength	Weakness
<ul style="list-style-type: none"> • Special Expertise Team • Efficient Asset Sufficiency • SME Based • Diversification Prioritize • Remarkable quality credit rating • Digitalization • Growth of Sustainability • Reliable Cost to Income Ratio 	<ul style="list-style-type: none"> • Increase of Cost deposit • Online Fraud • Technical Obsolesce • Various products
Opportunity	Threats
<ul style="list-style-type: none"> • Digital Social Media Marketing • Trusted Banking System • Powerful Cross Sell Opportunities • Sustainable ecosystem • Strong Climate Action Initiatives 	<ul style="list-style-type: none"> • Immune Competition • Aggressive Actions via Competitors • Cap of Interest Rate • Deficiency of Talent

BRAC Bank PLC, one of the leading banks always attempt to provide their best performance to mitigate the weaknesses through strength at the same time threats cover with opportunities as much as possible. Over the years they build up strong team to uplift their position. Nevertheless, they can mitigate the weakness through bellow described way
Such as

1. **Increase of Cost Deposit:**

Efficient Asset Sufficiency: distribution of sufficient asset efficiently is most crucial section for reducing cost. The bank can utilize their asset for cutting cost.

Diversification Prioritize: BRAC Bank PLC has a strong diverse program. They prioritize and uplift diversification. Via offering various deposit options over the time and interest rates within diverse people can reduce their cost deposit.

Digitalization: To optimate a smoothing operation with a minimum cost, enhancing digital banking can be a great solution.

2. **Online Fraud:**

Special Expertise Team: BRAC BANK PLC has a enrich team for control any section of their banking industry and its not different for online fraud detection. But as the online fraud is increasing by the by on cybersecurity, they should form a structured team to identify and stop this fraud.

Digitalization: Modern security methods like biometric authentication, encryption, AI driven fraud detection algorithms protect online transactions.

Growth of Sustainability: As BRAC Bank PLC has an opportunity to making a sustainable growth in the market in terms of long-term investment. So it also reduce the chances to inter the new risks and fraud.

3. **Technical Obsolescence:**

SME Based: To ensure continued relevance and competitiveness, collaborate with startups or technology businesses to implement creative solutions catered to SME needs.

Digitalization: To keep ahead of technology changes, continuously engage in updating and upgrading digital platforms and infrastructure.

Specialized Team: Assign a group of IT specialists to keep an eye on market trends and forecast upcoming advancements in technology.

4. **Various Products:**

SME Based: Pay close attention to understanding the requirements of SMEs and offering customized product packages that address their particular requirements. Outstanding Quality Credit Rating: Make the most of your outstanding credit rating by utilizing it as leverage to negotiate favorable terms with suppliers and partners, which will allow you to offer items at competitive prices.

5. **Growth of Sustainability:**

BRAC Bank PLC is offering various products through its tough to maintain every single product with a sustainable growth. But to stand out from their competitors it's a huge kick.

Additionally, The Bank can utilize those below illustrated opportunities to reduce like:

1. **Immune Competition**

Use targeted social media marketing campaigns to highlight unique selling points and differentiate the bank from rivals. In order to promote brand loyalty, emphasize new products, excellent customer support, and client endorsements. In addition, emphasize the financial system's security and stability in marketing materials to draw in customers who respect these attributes and to build trust.

2. **Aggressive Actions Via Competitors**

Utilize consumer information to enhance business by providing tailored cross-selling possibilities that will increase client happiness and loyalty. Customers may receive more value from bundled products, which makes it more difficult for rivals to entice them away.

In addition, keep updated on what other companies are doing on social media, and when they launch aggressive marketing campaigns, swiftly counterattack with ads that showcase distinct advantages and special products.

3. Cap of Interest Rate

Develop and promote sustainable financial solutions (such green loans and investment opportunities) that attract customers who are enthusiastic about climate change and sustainability by providing value above and beyond interest rates. Gain customers by taking advantage of the bank's established reputation for reliability and credibility. Interest rates may not be as important to these clients as service quality and security are.

4. Deficiency of Talent

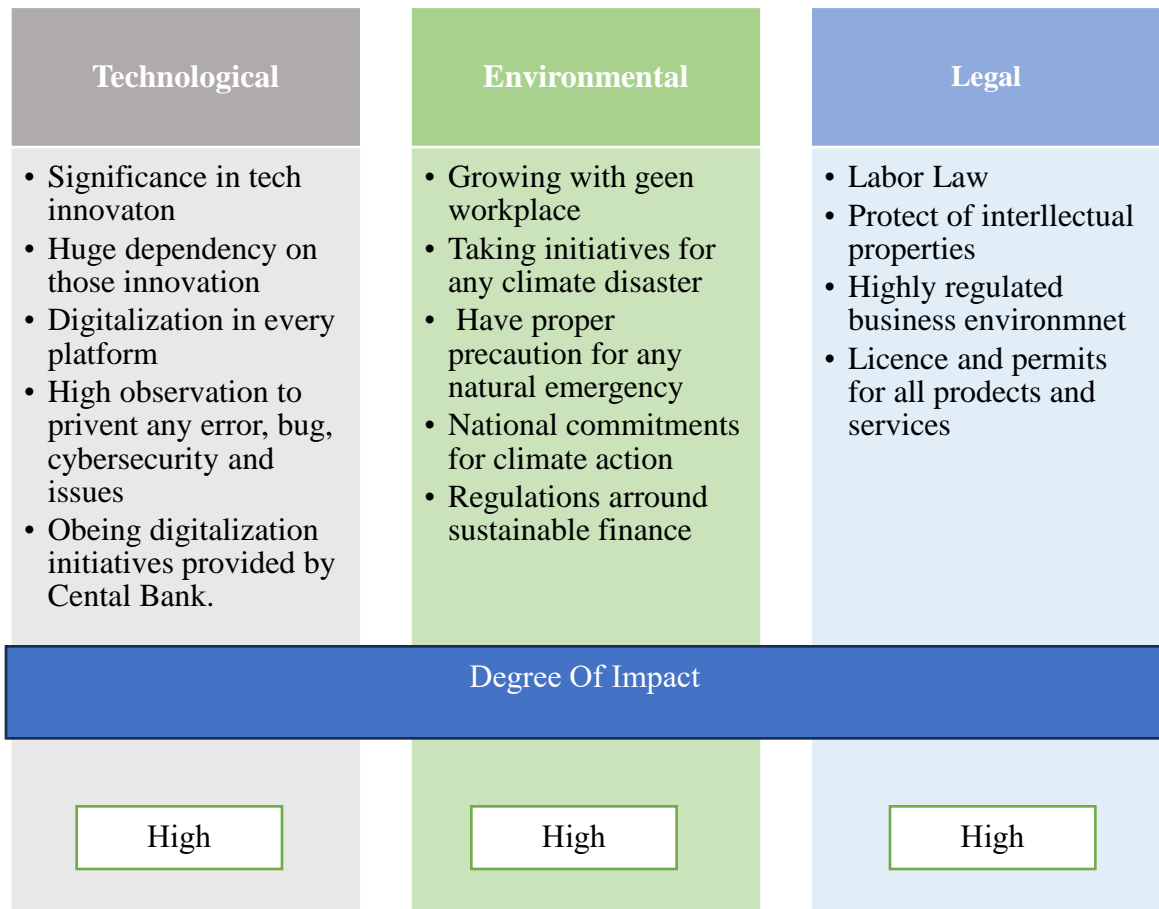
To attract talent that is passionate about sustainability and wants to work for a company that has strong environmental standards, position the company as a leader in climate action. BRAC Bank PLC should use social media to promote its culture, beliefs, and opportunities for career progression to a larger group of people in order to draw in talent. Use employee testimonials and success stories to determine advanced personnel.

PESTEL Analysis

PESTEL stands the factors of Political, Economic, Social, Technological, Environmental and Legal. To analyze macro-environment this framework is used. BRAC Bank, used this tool to evaluate, examine, and monitor the macroenvironmental factors that impact the bank. BRAC Bank learns about the important external and internal factors influencing its operations and business through PESTEL study. This strategy helps identify the bank's competitive position in addition to its intrinsic strengths.



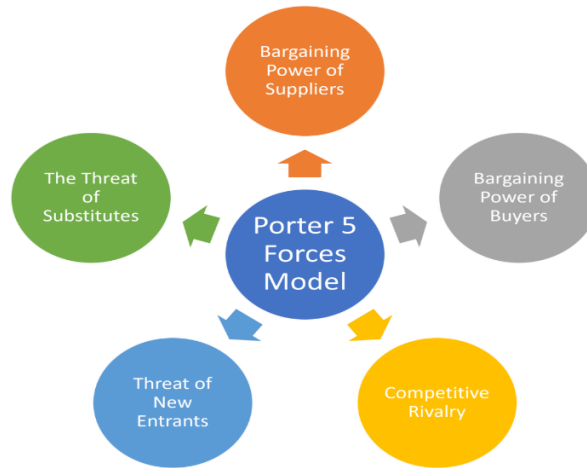
Political	Economic	Social
<ul style="list-style-type: none"> • Stable Political environments • Mega project for public development sector • Support via funding on differnt project • Proactive in Govt. policies. 	<ul style="list-style-type: none"> • Volaterity on Currency exchange rate • Strong economic recovery after pendamic • High non-performing Loan • Interest rate cap on both deposit and loan 	<ul style="list-style-type: none"> • Development in basic needs like education • Raising in social awareness • Setisfctory per capita income • Increasing heath and safety awareness
Degree Of Impact		
High	High	Moderate



From this framework it can be said that they have high degree of political impact where tolerance of misalignment is Zero. High Economic impact which regulates powerful business analytics and monitoring system. On the other hand, The Bank has a moderate efficiency for social impact as social regulations are transforming robustly every single day. Nevertheless, The Bank has high degree of impact in terms of technological, environmental and legal factors.

Porter’s Five Forces Analysis

To visualize and analyze business understanding via a framework, Porter’s Five Forces is most suitable technique which established in 1979 by Michael E. Porter of Harvard Corporate School.



1. Bargaining Power of Buyers:
(High Influence)

External Influences	Bank's responses and initiatives
<ul style="list-style-type: none"> • Vast corporates and high net-worth individuals can exert impact • Low switching costs enforces higher competitive intensity • Location-agnostic services (alternative delivery channels, digital channels, etc.) can help sway customer decisions 	<ul style="list-style-type: none"> • The Bank focus on service as key differentiator. Though it's may easy to copy any product but it's not possible to replicate their services. • They offer amongst the industry's lowest loan TAT (turnaround time) to eligible borrowers • Their digital banking channels, including app, ensure banking at the fingertips • The pandemic has reinforced public trust in bigger and well-managed banks and such a shift represents a major advantage for them

2. Threat of new entrants:

(Low Influence)

External Influences	Bank's responses and initiatives
<ul style="list-style-type: none">• Required huge amount of capital• Complex Regulation Policies• Level of competitive intensity is so high	<ul style="list-style-type: none">• According to BRAC Bank PLC, new entrants should create a big identity• Should invest in huge delivery channel• Restlessly focus on tech and digitalization

3. Threat of Substitute:

(Moderate Influence)

External Influences	Bank's responses and initiatives
<ul style="list-style-type: none">• Digitalization/ Advance technology launched by substitute in future.• Accepting lower EMI from Customers	<ul style="list-style-type: none">• Constant focus on innovation on Digitalization of product and services• Successfully believed and proven excellent management and supply system

4. Supplier Power:

(Moderate Influence)

External Influences	Bank's responses and initiatives
<ul style="list-style-type: none">• The treat from individual depositors is minimal• The bargaining power of the suppliers is not high• There is a huge gap of major corporate customers	<ul style="list-style-type: none">• Via introducing new CASA BRAC Bank PLC attracting their customer.• Offering wild rang of fixed deposit products and services• Ensuring to reduce cost fund origination

	<ul style="list-style-type: none"> Managing impactful suppliers of Products and services.
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5. Competitive Rivalry:
(High Influence)

External Influences	Bank’s responses and initiatives
<ul style="list-style-type: none"> As in Bangladesh, there is 61 scheduled banks, 5 non-scheduled banks and 34 financial institutions, the competition level of domestic banking industry is so high. Maximum Products and services are same in Bangladesh market so only brand loyalty can significantly attract customers 	<ul style="list-style-type: none"> Onboarding customers unbanked banking system Bring competitive rate or favorable rates toward customers. have adopted a “phygital” strategy combining the robust delivery network of our physical touchpoints Via dependable and strong governance, BRAC Bank PLC foster enhanced customer trust

Nevertheless, from the observation from Porter’s Five Forces, BRAC Bank PLC is facing high, moderate and lower degree of influences from those external factors. Like The degree of Buyer Power and Competitive Rivalry are high. At the same time, Moderate degree of Supplier Power and Treats of Substitutes. Lastly, the degree of threats of entrants is low.

2.7 Summery

BRAC Bank PLC is an efficient and reliable financial company. It's a robust, progressive, contemporary local bank with a reputation for providing dependable service. This bank represents a new age in banking. This is committed to offering significant economic frameworks that will support the GDP growth, export expansion, and employment creation of industrialization. The nation's overall socioeconomic progress, the intelligent youth, and rising living conditions for low-income groups are all contributing factors to Bank's aspiration to become the greatest private

commercial bank. Bangladeshi banks rank among the finest in the world in terms of effectiveness, capital sufficiency, asset quality, and outstanding leadership. The Bank needs to put more effort into expanding its horizons and being aware of current events. In addition, they ought to keep a closer eye on the domestic violence scenario and assess any patterns or strategies employed by their competitors.

Chapter 03

Research Part

3.1 Introduction

The purpose of this report is to fulfill a segment of the internship program requirements for my Bachelor's Degree in Business Administration, as sanctioned by BRAC Business School, BRAC University. The primary objective of the three-month internship program is to provide students with real-world experience, enabling them to apply their academic knowledge and subsequently compile a report for submission to the respective department.

I embarked on my internship journey with BRAC Bank PLC, joining the SME department on a contractual basis for three months. This endeavor aimed to satisfy the stipulated requirements for my academic program. Commencing on October 8, 2023, my internship with the company extended until January 7, 2023. The chosen topic for this internship report, "Technological Advancement & Financial Performance Analysis of BRAC Bank PLC," was decided upon following discussions with my supervisor.

I would like to express my gratitude to my supervisor, M. Nazmul Islam Ph.D., and co-supervisor Dr. Syed Far Abid Hossain for their invaluable cooperation, guidance, and supervision throughout the process of preparing and completing this report.

3.2 Theoretical Background

The aims to analyze technological advancement or digitalization process smoothness and automate the process of banking BRAC Bank PLC working tremendously. Because digitalization is growing in popularity within our economy, our banks are striving to support the mechanization of modern society (Bhuiyan et al., (2022)). Another study on digital transformation landscape has transformed and revolutionized the payment landscape (domestic and cross-border), lending ecosystem, wealth management offerings, insurance industry Khattak et al., (2023). Customers' trust in a financial institution and its prudent application of competitive strategies are key success factors. Any financial institution must perform satisfactorily at first glance for an investor to feel comfortable

making an investment there (Hosssain et al., 2021). Considering these factors, BRAC Bank PLC is continuously updating themselves with technological advancement over the years and attempting to satisfy their customers. As a result, the bank is now listed one of the fastest growing banks in our country.

At the same time, Assessing the health of an economy can be accomplished by studying the financial performance of its banks, (Haque and Sharma, 2011). The widely used measures to assess commercial banks' performance are return on total assets (ROA) and return on total equity (ROE). These measures have been used by analysts and bank regulators in (a) assessing industry performance (b) forecasting market structure trends (used to predict bank failures and mergers) and (c) other purposes where a profitability measure is wanted (Gilbert and Wheelock, 2007). Banking supervision cannot function well if sound corporate governance is not in place, and consequently, banking supervisors have strong interest in ensuring that there is effective corporate governance at every banking organization (Heidi, & Marleen, 2003:4)

3.3 Objective

The particular goals or aims of the study are referred to as the objective. By defining the goal and parameters of the study, objectives contribute in directing the investigator while they carry out a methodical inquiry. Clarity and concentration are enhanced by well-defined objectives, which make the goals and anticipated results of the study easier to understand for both the audience and the researcher.

The Primary Objective of this report is to analyze Technological Advancement over the year and Financial Performance of BRAC Bank PLC and determine which aspects need to be changed or improved upon further. To establish a precise, targeted goal that divides the overall aim into manageable, quantifiable parts. The steps necessary to accomplish the overarching research goal are outlined by Secondary objectives.

The Secondary objectives of the report are

- To Overview the current scenario of BRAC Bank PLC
- Analyze technological advancement and several ratios based on previous financial Performance
- To offer recommendations and potential suggestions for the improvement of the current Status of the company.

3.4 Methodology

The systematic and structured collection of guidelines, protocols, or regulations that direct the course of research or investigation in a specific field of study is referred to as methodology. It describes the methods and strategies for obtaining, examining, deciphering, and drawing conclusions from data. Basically, methodology gives researchers a structure to plan and execute their research in an exacting and systematic way.

The study is carried out in a valid and systematic manner by the help of methodology. The report has been prepared and completed using both primary and secondary data. And the data prioritize on quantitative method. Primary sources include my own experience and careful observation from my internship at BRAC Bank PLC, as well as the data I was able to obtain from in-depth conversations I had with the company's Head of SME, Managers, Officers. Conversely, as secondary sources of information, the sources I used to collect data like:

- Annual Report of BRAC Bank PLC
- Official Website of BRAC Bank PLC
- Google Scholar
- Different Research Papers

3.5 Scope of the Study

The report mainly covered the performance of BRAC Bank PLC from the year 2011 to 2020

3.6 Limitation

- The resources design in that particular way so that it creates difficulty to get the exact findings
- Extreme security policy
- Biasness of internal environment to gather data

Chapter 4

Findings & Performance of Technological Advancement and Financial Analysis

4.1 Technological Advancement over the Year

4.1.1 Technological Advancement via Adding Facilities

Over the years, BRAC Bank, a Bangladeshi bank, has made substantial technical breakthroughs to improve its banking services and client experience. The following are some examples of how BRAC Bank has incorporated technology:

Online and Mobile Banking: Customers can now easily conduct a variety of banking transactions from their desktops or mobile devices thanks to BRAC Bank's comprehensive online and mobile banking facilities. This cover paying bills, transferring money, checking accounts, and more.

ATM Network Expansion: By adding more ATMs, the bank has improved consumer convenience by allowing users to access their accounts and conduct transactions at ATMs spread over various geographic areas.

Integration of Digital Wallets: BRAC Bank PLC has also added Digital Wallets for their valuable users into its banking offerings, allowing to use their cellphones or other mobile devices to make digital payments.

Card Services: For both online and offline transactions, the bank offers a variety of card services, including prepaid, debit, and credit cards with state-of-the-art security features and capabilities.

E-commerce Solutions: BRAC Bank has developed e-commerce systems that facilitate online payments for goods and services in response to the growing trend of consumers making purchases online.

Fintech Partnerships: Through collaboration with fintech companies, BRAC Bank has been able to leverage cutting edge technologies such as blockchain, artificial intelligence, and machine learning to enhance its banking operations, risk management, and customer service.

Digital Customer care: In order to support customers in real-time by responding to inquiries and swiftly resolving issues, the bank has implemented digital customer care channels, such as chatbots and AI-powered virtual assistants.

Data analytics: BRAC Bank makes use of data analytics technologies and processes to gain a deeper understanding of consumer behavior, preferences, and market trends. With the usage of this data, the bank is better able to tailor its services, make more informed decisions, and develop targeted marketing initiatives.

All things considered, BRAC Bank's ongoing technological investments have allowed it to enhance productivity, simplify operations, and provide cutting-edge banking products that satisfy its clients' changing expectations in the digital world.

4.1.2 Technological Transformation via Apps Development

BRAC Bank has started a digital transformation process to introduce new technologies with the goal of giving our clients the best possible services. To enhance the comfort, pleasure, and ease of the client experience, we have already implemented the core banking system, card management system, mobile banking app "Asta," corporate online banking through CorpNet, and call center services. Several technology initiatives focused on resource optimization, data analytics, and core infrastructure are in varying state of completion. The digital apps Shubidha, Astha, and eLAP were recently released by Brac Bank. Selected consumers can access digital retail loan products through BRAC Bank's (BBL) "Shubidha" and "eLAP" mobile application. The program completes all aspects of digital loan processing, including loan application, evaluation, and distribution.

BBL Astha: The company rebuilt the app with an assortment of additional features under the Astha lifestyle banner. These features include streaming music and video, bill payments, online education, online travel, Islamic content, and a host of other services. The simplest and safest banking experience is delivered straight to your door by BRAC Bank Astha. The following features are easily accessed by BRAC Bank Astha users with a simple finger swipe: Obtain account information: comprehensive account data (transaction, loan, term deposit, etc.)



BBL Shubidha: A restricted number of clients can access digital retail loan products through BRAC Bank's (BBL) "Shubidha" mobile application. The software manages all aspect of digital

loan processing, including application, assessment, and distribution. Consumers can apply for Digital Retail Loans via the app from anywhere in Bangladesh, and their applications will be approved quickly. Customers may also make purchases from the bank's partner companies using the app; the loan will be digitally deposited into the partners' accounts shortly after. The bank wants the app to serve as a one-stop shop for its esteemed clients, providing them with access to loan-related solutions.



BBL Obichol: Developed by BRAC Bank Limited, BBL Obichol is an Android-based digital loan origination tool. It is intended to give its lending company stakeholders a fully automated and digital lending experience. This application covers every stage of the loan application process, from filing to funding. One of the main features of BBL Obichol is its ability to handle loan applications more quickly. A dashboard to monitor file status and enabled application status notifications improves the efficiency of application processing. Additionally, business channels can use this website to upload scanned application documents, which are required for CIB and CPV.



BBL eLAP: For SME clients, the bank's online electronic loan application programs are now available, enabling borrowers to send in their loan requests from any location with an internet connection. Applicant financial and personal data is entered onto digital forms. Information like income, work history, credit score, and loan purpose may be included in these forms. A lot of online loan application systems let candidates attach supporting files, including identification documents, bank statements, and income verification. This assists lenders in determining the applicant's eligibility and creditworthiness. This covers various cybersecurity aspects as well as encryption and safe transmission mechanisms.



4.2 Financial Analysis over the Year

4.2 Ratio Analysis

To assess the financial performance of the chosen bank, this report employs ratio analysis as a key analytical tool. Ratio analysis involves the comparison of various line items within a bank's financial statements, offering insights into aspects like liquidity, operational efficiency, and profitability.

Numerous researchers, including Chen and Shimerda (1981), Sabi (1996), and Ahmad and Hassan (2007), have widely adopted ratio analysis as a valuable method for evaluating financial entities. For this analysis, data has been sourced from the bank's annual reports covering the period from 2011 to 2020. The financial metrics utilized in this analysis are extracted directly from the bank's annual reports during this specified timeframe.

4.2.1 Profitability Ratio:

- Return on Asset
- Return on Equity

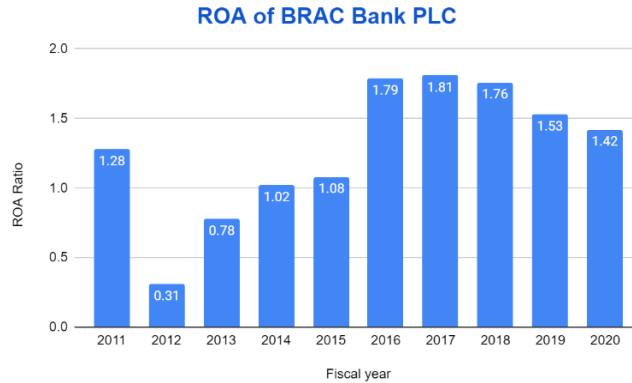
Return on Asset: The return on assets (ROA) ratio serves as a gauge for a firm's profitability and managerial effectiveness. It shows how well a company uses its total assets. This indicator can be used to gather clear information on a company's financial soundness for managers, investors, analysts, brokers, dealers, and other agencies.

Return on Assets = Net Profit / Total Asset

Greater managerial skill, which is a sign of improved financial performance, is indicated by a higher ratio. A return on asset ratio of more than 5% is usually seen as favorable.

Return on Asset (ROA) of BBPLC

Bank	Year										Mean	S.D
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
BBL (%)	1.28	0.31	0.78	1.02	1.08	1.79	1.81	1.76	1.53	1.42	1.28	0.46



A company's total assets are the sum of its shareholders' investments. Therefore, evaluating the company's ability to create returns on these investments is critical from the perspective of an investor. A higher return suggests that the management is using its assets effectively. The Return on Assets (ROA) percentages for BRAC Bank PLC (BBPLC) from 2011 to 2020 were as follows: 1.28%, 0.31%, 0.78%, 1.02%, 1.08%, 1.79%, 1.81%, 1.76%, 1.53%, and 1.42%. According to the mean ROA of 1.28%, BBPLC made this amount of money on each Taka invested in their assets after taxes. Crucially, the bank's standard deviation, which gauges the degree of risk connected to this profitability, is comparatively low.

Return on Equity: ROE ratio is another tool for assessing managerial effectiveness and profitability. It gauges a bank's or company's return or financial performance in proportion to the total equity. A bank's ability to efficiently use its equity to produce output is shown by its return on equity (ROE). The net profit of a business is divided by the total equity to get the ROE ratio. Based on the formula,

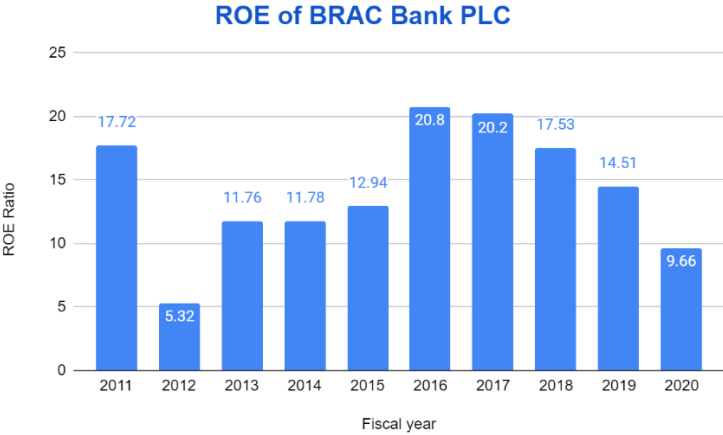
$$\text{Return on Equity} = \text{Net Profit} / \text{Total Equity}$$

A higher ratio denotes a higher level of managerial performance.

Return on Equity (ROE) of BBPLC

Bank	Year										Mean	S.D	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020			

BBL	17.72	5.32	11.76	11.78	12.94	20.80	20.20	17.53	14.51	9.66	14.22	4.65
(%)												



ROE (Return on Equity), is a metric that shows how much money was made by a company's shareholders in relation to their investment. This ratio assesses the management's ability to turn a profit large enough to cover the capital inputs made by the owners. BRAC Bank PLC (BBPLC) published the following ROE percentages from 2011 to 2020: 17.72%, 5.32%, 11.76%, 11.78%, 12.94%, 20.80%, 20.20%, 17.53%, 14.51%, and 9.66%. The computation of the ROE indicates that during a ten-year period, the average return for each unit of equity investment is 14.22%. Notably, the standard deviation of this profitability, which measures risk, is 4.65%, suggesting some degree of return variability.

4.2.2 Credit Risk Performance:

- Equity to Total Asset (ETA)
- Capital Adequacy Ratio (CAR)

Equity to Total Asset: The ratio is an essential tool which determine a bank's level of expertise and is especially useful for analyzing its credit risk performance. This ratio represents the bank's equity holdings as a percentage of total assets, giving an indication of how well-positioned it is to

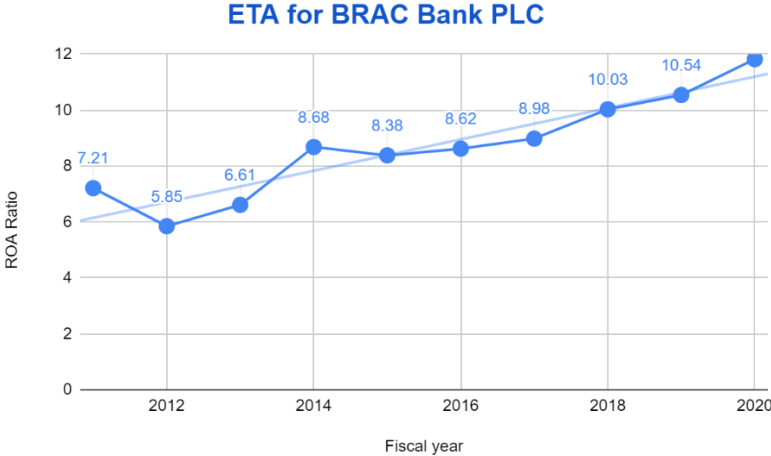
withstand unforeseen changes in its financial performance. The ETA ratio essentially gauges the bank's ability to withstand shocks brought on by unanticipated losses in borrowed assets.

Equity to Total Asset= Common Equity/Assets

Lower leverage for the bank or business is indicated by a higher proportion in this ratio. On the other hand, a ratio of less than 70% is seen negatively since it suggests a higher degree of risk and reduces the institution's ability to borrow money.

Equity to Total Assets (ETA) of BBPLC

Bank	Year										Mean	S.D
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
BBL (%)	7.21	5.85	6.61	8.68	8.38	8.62	8.98	10.03	10.54	11.82	8.67	1.73



The Equity to Total Assets (ETA) ratio is a metric used to evaluate the performance of a bank with respect to credit risk. It displays the bank's ability to protect assets and investments and demonstrates its resilience to any losses. The ratio also shows how the bank uses its equity money to support its assets and demonstrates its capacity to withstand shocks associated with possible loan defaults. The bank benefits from a higher ETA ratio since it indicates good management and mitigation of asset losses.

According to the information supplied, BRAC Bank PLC's (BBPLC) ETA ratios were 7.21%, 5.85%, 6.61%, 8.68%, 8.38%, 8.62%, 8.98%, 10.03%, 10.54%, and 11.82%, in that order, between 2011 and 2020. Over the ten years, the average ETA for BBL is estimated to be 8.67%, with a standard deviation of 1.73%. The standard deviation gives information about the degree of fluctuation in this performance parameter, while the average value indicates the bank's consistent ability to maintain a good equilibrium between equity and total assets.

The Capital Adequacy Ratio (CAR): It is known as capital-to-risk weighted credit exposure (CRAR). It is a crucial indicator of a bank's capital availability in relation to its risk-weighted credit exposure. This ratio is essential for evaluating the strength and effectiveness of the financial system and is critical in protecting depositors. The ratio takes into account both Tier I and Tier II capital.

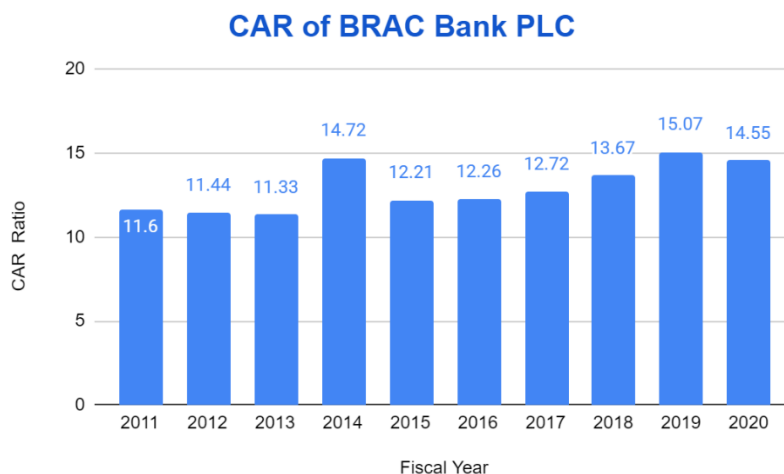
Depositors are well-protected by Tier I Capital's ability to withstand losses without forcing a stop to business as usual. Less security for depositors is provided by Tier II Capital, which absorbs losses in the event that a bank must close.

$CAR = (\text{Tier One Capital} + \text{Tier Two capital}) / \text{Risk Weighted Assets}$.

According to BASEL III, banks must maintain a minimum level of capital adequacy of 8% in order to withstand risks and safeguard the overall stability of the financial institution.

Capital Adequacy Ratio (CAR) of BBPLC

Bank	Year										Mean	SD
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
BBL (%)	11.60	11.44	11.33	14.72	12.21	12.26	12.72	13.67	15.07	14.55	12.96	1.36



A statistic that shows a bank's available capital as a percentage of its risk-weighted credit exposures is called the Capital Adequacy Ratio (CAR). A bank with a higher CAR is better able to withstand unanticipated losses in hard times. It is clear from analyzing the statistics that BRAC Bank PLC (BBPLC) CAR stayed comparatively steady from 2011 and 2013. Though there was a decline in 2015, there was a notable surge in 2014. Consequently, from 2016 to 2019, CAR showed an upward tendency. CAR did, however, somewhat decrease in 2020, going from 15.07% to 14.55%. Between 2011 and 2020, the CAR averaged 12.96%, with a standard deviation of 1.36%. The aforementioned data showcases BBL's persistent endeavor to uphold a stable level of capital adequacy and highlights some fluctuations in this regard over time.

4.2.3 Managerial Efficiency:

- Income to Expense Ratio

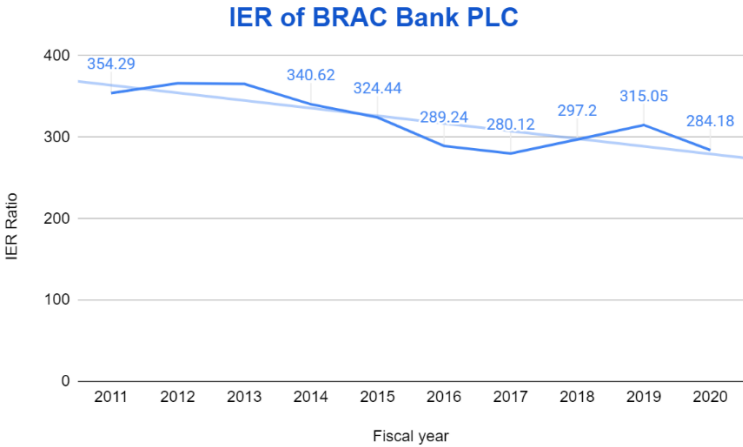
The Income to Expense Ratio indicates the amount of income eared against per currency of bank operating expense. In the banking sector, the income to expense ratio is probably the most popular ratio used to evaluate the management efficiency in generating return by minimizing operating expenses. In accordance with the formula, it would be expressed as:

$$\text{IER} = \text{Total Income} / \text{Total Operating Expenses}$$

Higher the IER notify the more efficiency of management in generating profit against bank's total operating expense.

Income to Expense Ratio (IER) of BBPLC

Bank	Year										Mean	S.D
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
BBL (%)	354.29	366.31	365.54	340.62	324.44	289.24	280.12	297.20	315.05	284.18	321.7	31.9



In order to evaluate management effectiveness in producing overall income while keeping operating expenses under control, the banking industry uses the Income to Expense Ratio (IER), a crucial calculation. The IER for BRAC Bank Limited (BBL) was 354.29%, 366.31%, 365.54%, 340.62%, 324.44%, 289.24%, 280.12%, 297.20%, 315.05%, and 284.18%, in that order, from 2011 to 2020. The data unmistakably shows a downward trend in BBL's IER in both tabular and graphic form. While there was an uptick in 2019, there was a following decline in 2020. Still, the average IER seems to be adequate. It is noteworthy that the risk level linked to IER is rather high, standing at 31.9%, suggesting some degree of variation in this ratio.

4.2.4 Management Ability:

- Asset Utilization Ratio (AUR)

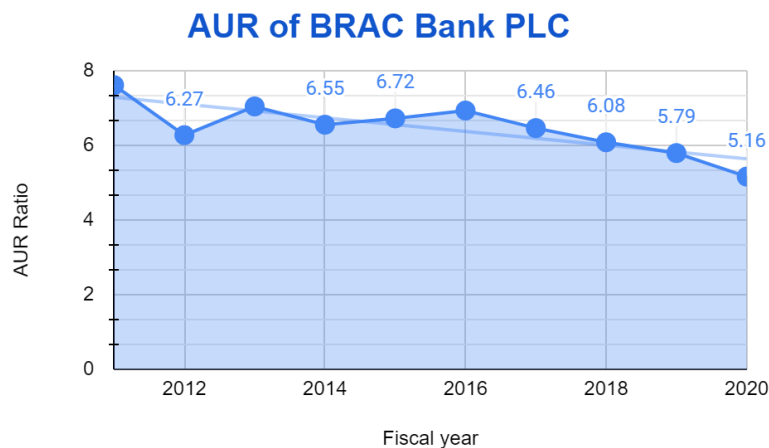
Utilization of Assets Ratio: It calculates a bank's income for each Taka of assets it possesses. According to Ross et al. (2005), this ratio shows how well the bank's management uses its assets to generate output, which significantly and favorably affects shareholders' equity. AUR is computed by dividing total revenue by total assets for a business. Based on the formula, this may be written as:

$$\text{Asset Utilization Ratio} = \frac{\text{Total revenue}}{\text{Total assets}}$$

A higher ratio indicates a greater capacity to use the bank's resources. A lower ratio indicates that banks are unable to use their assets effectively, necessitating the sale of some assets.

Asset Utilization Ratio (AUR) of BBPLC

Bank	Year										Mean	S.D
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
BBL (%)	7.61	6.27	7.04	6.55	6.72	6.93	6.46	6.08	5.79	5.16	6.46	0.65



Asset Utilization Ratios are a measure of how effectively a bank or firm utilizes its assets to generate revenue and achieve its objectives. A higher ratio suggests efficient management. According to the provided table and chart, BRAC Bank Limited's (BBL) Asset Utilization (AU) was at its highest in the last ten years in 2011, reaching 7.61%. It then decreased by 1.34% in 2012

to 6.27%, followed by an increase in 2013. However, from 2016 to 2020, AU ratios exhibited a declining trend. The average AU over this period is 6.46%, with a standard deviation of 0.65%. This data indicates fluctuations in BBL's efficiency in utilizing assets for revenue generation, with an emphasis on the declining trend in recent years.

Conclusion

The banking industry is becoming more competitive, with customers evaluating banks based on fintech usage. Companies must update technology to stay competitive. Banks like Bangladesh Bank have contributed positively to the economy, with steady earnings growth. Moreover, BRAC Bank PLC has strong financial performance due to strategic risk-taking and wise management. To improve, BBL can lower its cost-to-income ratio, increase ETA and ROA, and maximize resource use. Digitization and cost-effectiveness can lead to increased profitability and cost effectiveness.

Recommendation

It is clear from ratio analysis that BBL is operating profitably. That still needs to address a few things.

Following are some recommendations and advice derived from the analysis for the BBL:

1. Information obtained digitally needs to be protected at all costs.
2. The bank ought to reduce the fee they charge for their services.
3. Create and execute clear, user-friendly user interfaces for online and mobile banking systems.
4. To improve security, use sophisticated authentication techniques like two-factor authentication and biometrics (facial recognition and fingerprints).
5. Utilize artificial intelligence and data analytics to comprehend consumer preferences and behavior in order to offer tailored services and relevant product recommendations.
6. While BBL's ROE is acceptable, its ROA is insufficient. To raise their ROA ratio, BBL needs to improve managerial effectiveness in order to make the best use of their assets.
7. BBL's credit risk performance is adequate. Although the CAR is quite good, BBL ought to raise the ETA ratio. It does not appear that ETA is in excellent shape. BBL should raise equity by boosting revenue and cutting expenses.
8. BBL's income to expense ratio is quite good, but its standard deviation is rather greater.

9. Over the periods, there were variations in the IER. BBL ought to be aware of this.
10. The asset utilization ratio conveys a bank's managerial aptitude. The AU of BBL is in average condition. By making sure that the asset is used properly, BBL should raise the AU ratio.

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Appendix-1

Ten Years' Financial Summary

BDT in million, unless otherwise specified

Particulars	Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Assets	133201	173677	179713	204592	224493	248605	289501	315417	369404	397502
Total Equity	9603	10155	11883	17755	18815	21441	25991	31638	38919	46995
Risk Weighted Asset	110285	111494	126391	133930	166622	188431	209351	233713	244401	276175
Tier One Capital	8238	8651	10051	16005	17114	19707	23534	28780	33784	36437
Tier Two Capital	4551	4101	4274	3712	3260	3389	3100	3157	3038	3709
Total Income	18299	21063	23939	22600	23785	23000	27060	30739	36042	33837

Total Operating Expense	5165	5750	6549	6635	7331	7952	9660	10343	11440	11907
Net Profit	1702	540	1397	2091	2435	4460	5250	5547	5646	4541
Total Revenue	10134	10894	12655	13408	15085	17229	18710	19165	21388	20508

Source: www.bracbank.com (Annual Report 2011-2020)