

# **Internship Report on Premier Bank**

"Critical Review of the use of Information Technology in  
Premier Bank for Banking System Improvement."

By

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ID: 21264088

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

BRAC Business School  
Brac University  
November, 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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## Letter of Transmittal

5<sup>th</sup> November 2024

**Dr. Syed Far Abid Hossain**

Associate Professor Brac Business School

BRAC University

**Subject: Submission of internship report on The Premier Bank PLC**

Dear Sir,

I am so lucky that I can complete my internship under the supervision of you and wants to thank you for the guideline and the support you have given me over the period of the report. This would be difficult for me to finish. With profound appreciation I would like to thank Dr. Syed Far Abid Hossain and Dr. M. Nazmul Islam for giving me support during my Internship span. I gathered all the information and data that I want to serve to prove my point in this report. This practical information and experience accumulated through my report preparation will vastly help me in my future.

I am truly grateful on the chance that you edify me with your consideration and perspective in regard to the report. Additionally on the off chance that you wish to ensure about a part of my report, I would happily answer your questions. Thanks to you again for your help and tolerance.

Sincerely your

Musfaca Jannath

ID-21264088

BRAC Business School

BRAC University

Date: 5<sup>th</sup> November, 2024

## **Non-Disclosure Agreement**

[This page is for non-disclosure agreement between the company and the student]

This agreement is made and entered into by and between Premier Bank PLC., and the undersigned student at Brac University.

## Acknowledgment

I want to express my deepest gratitude to everyone who made this internship and the preparation of this report possible.

First and foremost, I am profoundly grateful to **Premier Bank Bangladesh** for allowing me to undertake this internship. The practical exposure and learning experiences I gained during my time at the bank have been invaluable. I sincerely thank the management and staff of Premier Bank for their continuous support, guidance, and cooperation throughout the internship.

I would like to acknowledge my immediate supervisor, Supervisor **Homayra Ahmed**, whose expertise, patience, and encouragement greatly contributed to the successful completion of this internship. Your willingness to share your knowledge and provide constructive feedback has been instrumental in shaping my understanding of the role of IT in banking.

My heartfelt thanks also go to **all the person of Dhaka New Market Branch** from various departments at Premier Bank, whose insights and assistance were crucial in helping me understand the complex IT systems and their impact on banking operations. Your contributions were essential to the depth and quality of this report.

I am immensely thankful to **Dr. Syed Far Abid Hossain**, my academic supervisor at **Brac University**, for providing me with the academic foundation necessary to approach this study critically and analytically. Your guidance, suggestions, and feedback throughout this process have been invaluable.

Finally, I am grateful to my family and friends for their unwavering support and encouragement during this challenging yet rewarding journey. Your belief in my abilities has been a source of strength and motivation throughout this internship.

This report is a culmination of the collective efforts of all the aforementioned individuals, and I am truly thankful for the contributions made by each one of them.

## Executive Summary

This internship report examines the impact of Information Technology (IT) on Premier Bank's operations in Bangladesh, highlighting how IT improves efficiency and customer service. Drawing from practical internship experience, the report emphasizes IT's pivotal role in modernizing banking practices and offers recommendations to boost the bank's competitive edge, enhance customer satisfaction, and strengthen security.

Premier Bank has adopted digital solutions like the PMONEY mobile app and internet banking, providing 24/7 access to services. The IT division ensures data integrity and implements cybersecurity measures to protect sensitive information. Despite advancements, challenges such as the need for staff training, resistance to change, and outdated security protocols remain.

Key recommendations include adopting AI-driven loan approval systems, using chatbots to improve customer experience, leveraging data analytics for better insights, and enhancing cybersecurity. Exploring fintech partnerships is also suggested to drive innovation. The report underscores the importance of integrating advanced IT solutions to solidify Premier Bank's position in a competitive market.

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# Chapter-01

## Introduction

The banking system in Bangladesh plays a vital role in the country's financial structure, significantly contributing to its economic growth. It consists of four main categories of banks: state-owned commercial banks, private commercial banks, foreign commercial banks, and specialized banks. The central authority, Bangladesh Bank, regulates the system by managing monetary policy and ensuring financial stability. In recent years, we have witnessed an expansion in digital banking, mobile financial services, and Islamic banking, which cater to various customer needs. However, the sector still faces challenges, including non-performing loans, governance issues, and the need for greater financial inclusion. Despite these obstacles, Bangladesh's banking sector continues to advance, remaining essential to the country's economic progress.

The 2023 Annual Report from Bangladesh Bank describes the banking sector as dynamic and diverse, encompassing state-owned, private, foreign, and specialized banks. As the central authority, Bangladesh Bank plays a crucial role in managing monetary policy and ensuring financial stability while promoting inclusive banking practices.

In 2023, there was significant progress in digital banking and mobile financial services, indicating a shift toward more technology-oriented solutions. Despite challenges like non-performing loans, governance concerns, and the need for greater financial inclusion, the banking system remains robust, continually adapting to meet economic demands and supporting the country's development objectives ([Bangladesh Bank, 2023](#)).

Premier Bank PLC, based in Dhaka, Bangladesh, delivers a comprehensive array of financial services, with a strong emphasis on digital innovation. Over time, the bank has embraced cutting-edge technology to streamline its operations, offering features such as real-time online banking and introducing the **PMONEY** mobile app to make banking more accessible.

Additionally, the bank is expanding into suburban regions by opening sub-branches to reach underserved populations.

The bank's services span retail, corporate, and Islamic banking sectors. For individual customers, it offers products like savings accounts, term deposits, personal loans, and various schemes such as the Monthly Income Scheme (MIS) and Double Benefit Scheme (DBS). On the corporate side, it provides solutions like trade finance and cash management. To tackle non-performing loans (NPLs), Premier Bank has enhanced its recovery strategies and followed regulatory guidelines, resulting in one of the lowest default rates in the country. The bank aims to double its business by 2026, increase its market presence, and continue expanding its digital offerings.

## **Research Objective**

The aim of this research is to examine the role of information technology (IT) in the operational and managerial processes of Premier Bank PLC, with a focus on identifying how IT can enhance the efficiency and effectiveness of its banking systems.

## **Scope of the study**

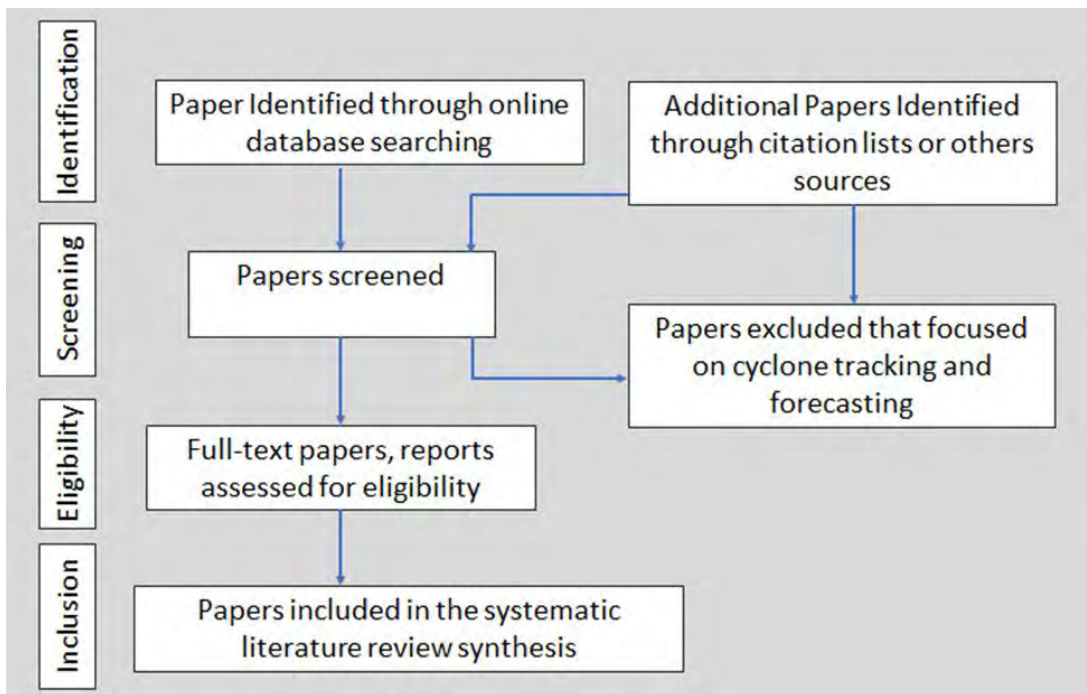
The study finds two major scopes -i) identifying the existing IT system of Bangladesh Bank and Premier Bank PLC, ii) assessing the suitable IT for banking system of Premier Bank

## **Limitations of the study**

This study encountered several limitations. First, the availability and accessibility of authorized reports and academic publications were restricted, posing challenges in gathering comprehensive data from the literature. Second, the time constraints following the completion of the internship period limited the opportunity for in-depth research. Additionally, the political unrest during the study period further hindered the research process.

## Research Methodology

This study is conducted a systematic quantitative literature review method. The relevant works of literature were systematically searched and articles were selected for evaluation following set criteria. Then, the selected literatures were categorized and critically assessed based on the study objectives. The materials and systematic processing flow used in this study are explained in the following sections and presented in Figure -1. The study used the methods outlined in Pickering and Byrne (2014), following the systematic flow developed by [Moher et al., 2009](#); [Pickering & Byrne, 2014](#).



*Figure 11: Methodological Framework*

### Document search

For searching, I focused on IT system using in banking sector in context of Bangladesh related documents from electronic databases including Google Scholar, Science Direct, Web of Science

and Google. The databases were browsed between July 2024 to September 2024. The keywords used to search were 'IT in Banking System', 'Premier Bank', 'Bangladesh Bank', 'HR management' and combination of the following terms.

### **Criteria for document selection**

I considered per-reviewed papers, book chapters, annual organizational reports and event-based reports. At the same time, I also consider the reports are fully available and open for access.

## Chapter -02

### Overview of Primer Bank

The Premier Bank Limited, established in Bangladesh on June 10, 1999, under the Companies Act of 1994, swiftly received its banking license from Bangladesh Bank on June 17, 1999, under the Banking Companies Act of 1991. Official banking operations commenced on October 26, 1999, with a paid-up capital of BDT 2,242.30 million and an authorized capital of BDT 6,000.00 million. Located in Banani, a fast-growing commercial district in Dhaka, Premier Bank stands out for its slogan "Service First," which emphasizes customer satisfaction, adaptability, responsiveness, and efficiency. Not only committed to its customers, but the bank also focuses on community welfare, balancing profit with good governance.

In 2007, Premier Bank went public by listing on both the Dhaka Stock Exchange and the Chittagong Stock Exchange. As one of the first local banks in Bangladesh to introduce Visa credit card services, Premier Bank has been a trendsetter in the country's banking sector. The bank operates both conventional and Islamic banking systems to meet diverse customer needs, with core objectives centered on staying adaptable to technological advancements, delivering exceptional customer service, and ensuring sustainable growth for stakeholders through a balanced approach of innovation and traditional banking practices.

### Vision & Mission

#### **Vision of the Bank**

The vision of Premier Bank Limited is to be the best among the top financial institutions, setting a clear path towards achieving this ultimate goal.

#### **Mission of the Bank**

1. To be the most caring and customer-friendly financial services provider, creating opportunities for more people in more places.
2. To ensure stability and sound growth while enhancing the value of shareholders' investments.
3. To aggressively adopt new technology at all levels of operations, improving efficiency and reducing costs per transaction.
4. To maintain a high level of transparency and uphold ethical standards in all business transactions.
5. To create a congenial work environment that attracts and retains a competent workforce, fostering pride and enthusiasm among employees.
6. To be socially responsible by making effective contributions to national development and striving to uplift the quality of life in the community.

### **Strategies of Premier Bank Limited**

**Be Proactive:** Premier Bank takes a proactive stance, consistently working to improve its operations and services through anticipation and strategic action. Instead of simply reacting to situations, the bank emphasizes foresight and preparedness, ensuring effective management and ongoing progress.

**Begin with the End in Mind:** Every initiative at Premier Bank is aligned with its long-term objectives. By establishing clear goals based on past experiences, future ambitions, and internal strengths, the bank pursues its aims with focus and efficiency.

**Put First Things First:** The bank emphasizes prioritizing decisions and actions that have a significant positive impact. Premier Bank ensures that essential priorities are given precedence over less critical matters, driving meaningful outcomes.

**Think Win-Win:** Premier Bank cultivates a culture of mutual benefit, aiming to create positive results for all stakeholders. Through thoughtful planning and a commitment to collaboration, the bank seeks to ensure that everyone, from top management to customers, experiences success.

**Seek First to Understand, Then Be Understood:** Premier Bank values effective communication, prioritizing active listening and understanding the needs and expectations of others before expressing its own views. This approach fosters strong relationships and ensures that the bank's actions are well-received and appropriate.

**Synergy:** Collaboration is a cornerstone of Premier Bank's success. By recognizing the importance of every part of the organization and promoting teamwork, the bank creates synergy that boosts overall performance. Directors, management, investors, and third-party agents work together to achieve the bank's mission and contribute to the nation's economic development.

**Care and Share Alike for Society:** Premier Bank is deeply committed to corporate social responsibility (CSR). Through initiatives in education, healthcare, and disaster relief, the bank actively supports the well-being of society, striving to uplift the less privileged and improve living standards in Bangladesh. The bank sees serving the nation as a duty and privilege beyond its financial services.

**Drive Financial Inclusion:** Premier Bank plays a crucial role in expanding financial access by increasing its branch network and enhancing digital banking services. This strategy ensures that banking becomes more accessible to underserved communities, advancing financial inclusion across the country.

**Leverage Modern Technology:** The bank actively embraces modern technology, such as mobile and online banking platforms, to maintain its competitive edge in a rapidly changing financial environment. This focus on innovation improves operational efficiency and reduces transaction costs, keeping the bank at the forefront of the industry.

**Support GDP Growth and Socio-Economic Development:** Premier Bank's contributions go beyond profit generation. By engaging in CSR activities and supporting economic development through precise operations and sound management, the bank acts as a catalyst for positive change in Bangladesh.



## Organogram

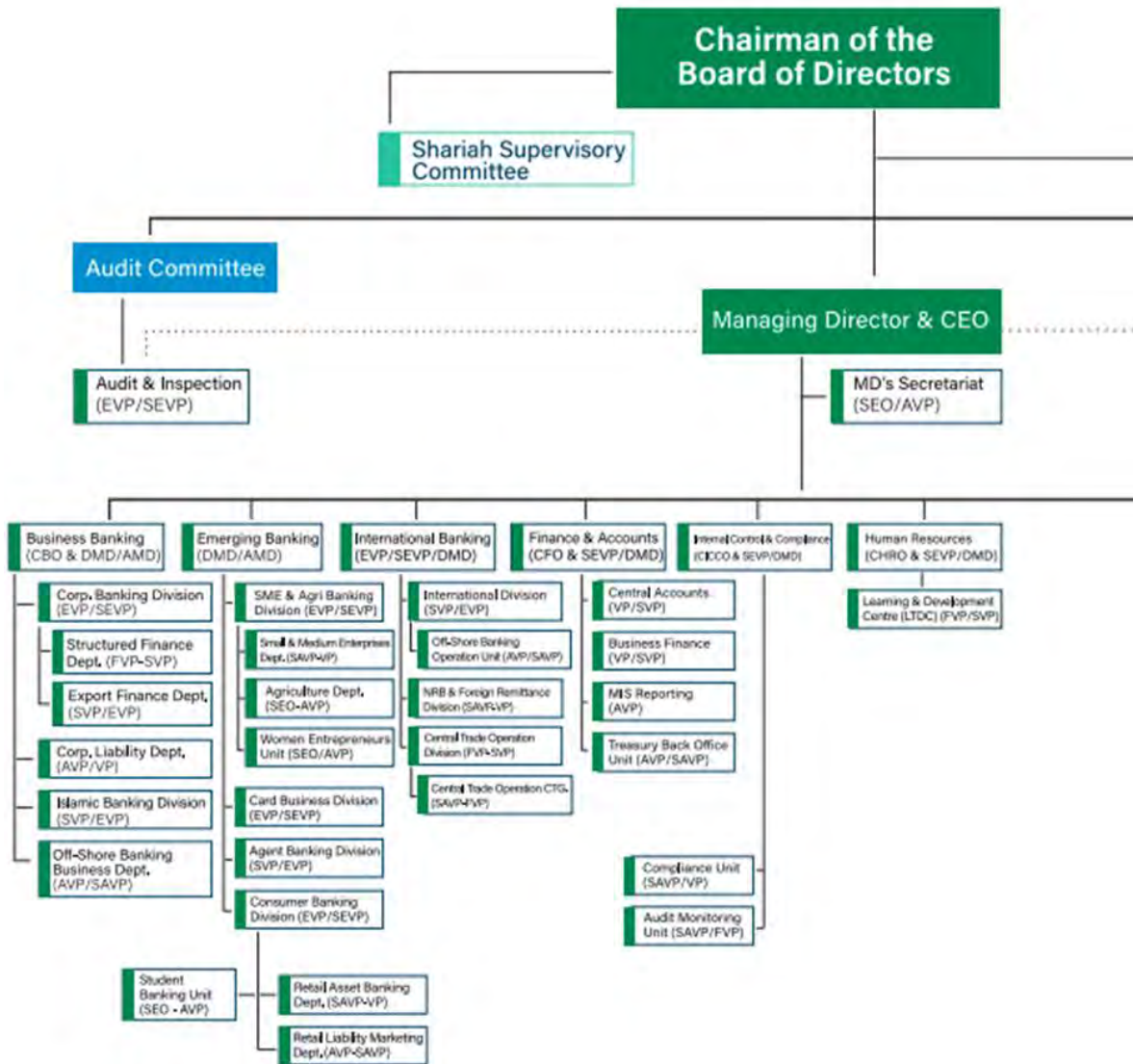


Figure 12: Organogram of Premier Bank PLC

### Product Offerings:

Premier Bank Limited offers a comprehensive range of financial products and services tailored to meet the diverse needs of its customers, combining traditional banking with modern solutions. Here's a summary of its key offerings:

## Deposit Products:

- **Fixed Deposit Rate (FDR):** Designed for investors willing to deposit large amounts for a fixed period, offering competitive interest rates for terms ranging from 30 days to a year or more.
- **Savings Account (SB):** Premier Bank provides a competitive interest rate (9.00% p.a.) on savings accounts, with 24-hour ATM access.
- **Current Account (CD):** A no-interest checking account, ideal for clients seeking easy access to funds without the need to carry cash.
- **Premier 50+ Account:** Tailored for clients over the age of 50, offering a higher interest rate (5.75% per year) on daily balances and no monthly service fees.
- **Double Benefit Scheme:** Investments are quadrupled after six years, with early withdrawal options at prevailing savings rates.
- **Monthly Income Scheme:** Customers invest a lump sum and receive monthly returns until maturity.
- **Monthly Savings Scheme:** Encourages consistent savings with small monthly contributions, growing savings over time.
- **Special Notice Deposit Account:** A short-term deposit option for individuals and corporations, requiring seven days' notice for withdrawals.
- **Premier Esteem Savers:** A premium savings account offering additional benefits and flexibility for high-income users.

## Digital Banking Services:

- **Internet Banking (PBL I-Banking):** Provides online account management, fund transfers, bill payments, and more.
- **Mobile Banking (PBL M-Banking):** Enables banking transactions on the go, including balance checks, fund transfers, and payments.
- **SMS Banking:** Offers instant access to account information via SMS, including transaction alerts and balance checks.

## Cards and Payment Solutions:

- **Visa Credit Card:** Offers rewards, discounts, and flexible repayment options.
- **Debit Card:** Provides easy access to funds through ATMs and cashless payments.
- **Prepaid Cards:** Ideal for travel or online shopping without carrying cash.

## Management Practices:

The management practices of Premier Bank Limited reflect a balanced and progressive approach, blending strong top-to-bottom command with democratic employee engagement. This dual strategy fosters both efficiency and inclusivity. The clear command structure ensures that decisions are made with strategic oversight, while the democratic right of employees to participate in discussions and contribute to decision-making promotes a culture of openness and collaboration. By valuing employee input and choosing the best options based on evidence, the bank demonstrates its commitment to innovative and well-rounded decision-making. This approach not only strengthens internal relationships but also enhances the bank's reputation for responsible and responsive management.

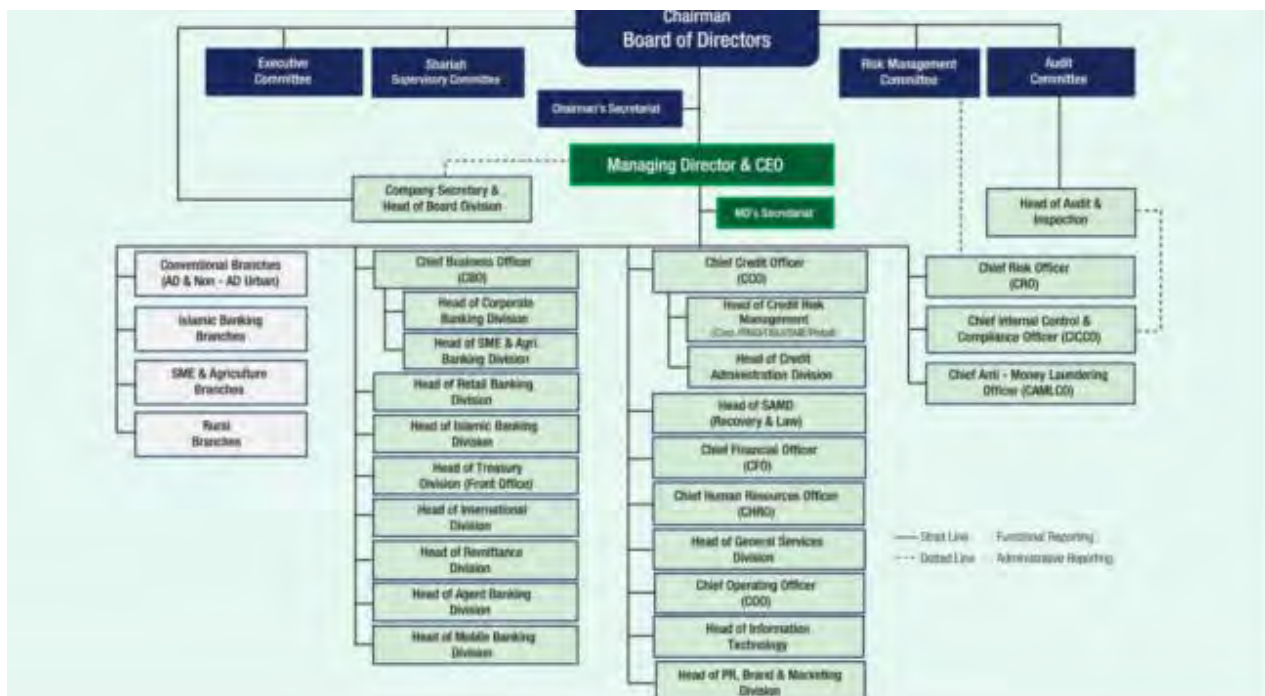


Figure 13: Management Framework of Primer Bank PLC

Premier Bank Limited operates with a well-structured management system designed for optimal performance and strict monitoring. The bank's operations are organized into 23 functional divisions, each working under the guidance of 7 Deputy Managing Directors who actively support the Managing Director. To ensure effective governance and decision-making, the bank has established 4 committees comprising directors and advisors. These committees, along with the Board of Directors, set policies based on detailed operational reports provided by employees. The bank maintains a hierarchical reporting system within each division, where responsibilities are clearly defined, and information flows step by step from lower-level to senior management. This systematic approach allows Premier Bank to efficiently manage its operations, monitor performance, and make informed decisions that align with its strategic goals.

## Human Resource Formation

### Human Resource Overview of Premier Bank PLC

Premier Bank PLC's Human Resource (HR) division plays a pivotal role in aligning its workforce with the bank's strategic objectives, ensuring long-term profitability and employee engagement. The bank emphasizes a performance-driven, rewarding culture that treats employees with respect while offering ample opportunities for development. Here's a detailed breakdown of Premier Bank's HR approach:

### Key Focus Areas in HR

Premier Bank Limited is committed to creating a balanced, diverse, and inclusive workplace.

The HR division prioritizes:

- **Balanced Diversity:** Ensuring a diverse workforce that reflects the community and promotes inclusivity.
- **Human Capital Development:** Investing in employees through training, development, and career growth opportunities.
- **Competitive Compensation and Benefits:** Offering salaries and benefits that attract and retain top talent.

- **Performance-Centric Culture:** Encouraging a culture where performance is rewarded, and employees are motivated to excel.

## **HR Governance**

Premier Bank operates under well-defined policies and regulations, ensuring compliance with industry standards and legal requirements. The bank's HR governance includes:

- **Protecting Human Rights:** Upholding the rights of employees as per local and international laws.
- **Workplace Health and Safety:** Ensuring a safe and healthy work environment for all employees.
- **Equal Opportunities:** Providing equal opportunities for all employees, regardless of their background.

## **HR Technology and Data Management**

The HR division leverages technology to streamline processes, such as using HR Information Systems (HRIS) for managing employee data, payroll, and benefits. Data analytics are employed to monitor workforce trends, inform decision-making, and enhance HR strategies.

## **Economic Value-Added Statement (EVA)**

Premier Bank is committed to providing equal employment opportunities, regardless of an individual's locality, gender, or ethnicity. Since 2015, the bank has relied on its talented workforce and introduced the SMART KPI system to assess individual performance transparently. This system minimizes subjective decision-making, measures goal attainment, and identifies areas for improvement. By establishing clear expectations, the KPI system enables employees to plan accordingly and ensures fair performance assessments at the end of the year. The 2023 report highlights that this system has increased employee motivation and enhanced alignment with the bank's objectives.

Economic Value Added (EVA) is a financial performance metric that aims to measure an organization's true economic profit. It evaluates the bank's economic success (or failure) over a

specific period, offering investors a tool to assess how effectively the bank has generated value for them. EVA also allows for a quick comparison with industry peers to gauge the bank's performance within its sector.

To calculate EVA, you start with the bank's net profit after tax (NPAT) and add the provisions made against profit to cover potential losses in investments. The formula for EVA is:

$$\text{EVA} = \text{NPAT} - \text{Cost of Average Equity}$$

Where:

- **NPAT** refers to the net profit after tax, plus any provisions for doubtful losses deducted from the profit.
- **Equity** is the total shareholders' equity at the end of the year, plus accumulated provisions for doubtful losses.
- **Cost of Equity** represents the opportunity cost, or the expected rate of return for shareholders during the year. It is calculated by dividing the dividend paid during the year by the average shareholders' equity.
- **Dividend** is the proposed dividend for 2023.

This calculation provides insight into whether the bank has generated sufficient returns to cover the cost of equity and added value for its investors.

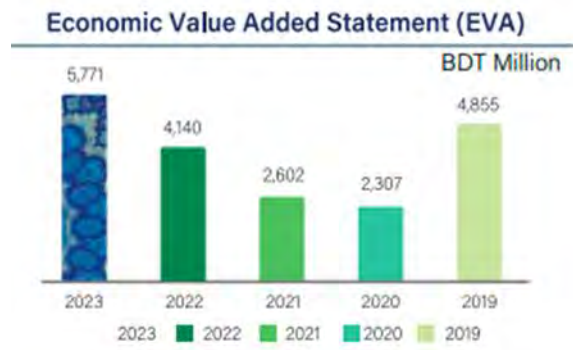


Figure 14: Economic Value-Added Structure of Primer Bank PLC from 2019 to 2023

# Financial Statement of Premier Bank Limited

## Profit and Loss Statement

Annual Report 2023

### The Premier Bank PLC. Profit and Loss Account

For the year ended 31 December 2023

Particulars	Notes	Amount in Taka	
		2023	2022
<b>OPERATING INCOME</b>			
Interest income/profit on Islamic investments	24	20,834,289,731	19,750,231,414
Interest/profit paid on deposits, borrowings, etc.	25	(16,683,898,271)	(14,867,446,987)
<b>Net interest income/ net profit on investments</b>		<b>4,150,391,460</b>	<b>4,882,784,427</b>
Investment income	26	3,533,547,428	3,030,240,730
Commission, exchange and brokerage	27	7,429,435,238	8,744,871,577
Other operating income	28	2,550,883,089	1,650,356,170
		<b>13,513,865,755</b>	<b>13,425,468,477</b>
<b>Total Operating Income (A)</b>		<b>17,664,257,215</b>	<b>18,308,252,904</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	29	3,737,007,718	3,032,198,809
Rent, taxes, insurance, electricity, etc.	30	1,615,710,890	1,527,409,974
Legal expenses	31	89,396,110	134,224,111
Postage, stamps, telecommunication, etc.	32	168,126,723	167,690,474
Stationery, printing, advertisement, etc.	33	928,441,150	1,731,300,371
Chief executive's salary and fees	34	18,200,000	18,200,000
Directors' fees	35	4,514,000	3,608,000
Auditors' fee		460,000	517,500
Depreciation and repair of Bank's assets	36	737,676,882	645,922,248
Other expenses	37	1,218,899,709	1,168,784,509
<b>Total Operating Expenses (B)</b>		<b>8,518,433,182</b>	<b>8,429,855,996</b>
<b>Profit before provision (C = A-B)</b>		<b>9,145,824,033</b>	<b>9,878,396,908</b>
Provision for loans & advances	38	1,924,852,723	2,622,460,498
Provision for off-balance sheet items	38	237,439,669	(275,150,395)
Provision for investment in shares	38.1	11,391,595	239,608,776
Other provision	38.2	1,711,184,444	1,112,577,239
<b>Total provision (D)</b>		<b>3,885,172,731</b>	<b>3,699,496,118</b>
<b>Profit before taxation (C-D)</b>		<b>5,260,651,302</b>	<b>6,178,900,790</b>
<b>Provision for taxation</b>			
Current tax	39	2,187,062,500	2,352,204,590
Deferred tax expense (Income)	101.3.1	(1,271,941,301)	(204,364,873)
		<b>915,121,199</b>	<b>2,147,839,717</b>
<b>Profit after taxation</b>		<b>4,345,530,103</b>	<b>4,031,061,073</b>
Retained earnings brought forward	20	4,152,956,843	3,944,795,668
<b>Profit available for appropriation</b>		<b>8,498,486,946</b>	<b>7,975,856,741</b>
<b>Appropriations</b>			
Statutory reserve	17	1,052,130,260	1,235,780,158
Start-up fund		43,455,301	40,310,611
Coupon/dividend on perpetual bond		200,000,000	199,900,000
Issue of bonus shares and Dividend paid	20	2,294,755,589	2,346,909,129
		<b>3,590,341,150</b>	<b>3,822,899,898</b>
<b>Retained earnings carried forward</b>		<b>4,908,145,796</b>	<b>4,152,956,843</b>
<b>Earnings per share (EPS)</b>	<b>40</b>	<b>3.52</b>	<b>3.27</b>

These Financial Statements should be read in conjunction with the annexed notes

  
Chairman

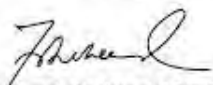
  
Director

  
Director

  
Managing Director

Signed as per our annexed report of even date

Place : Dhaka  
Dated: 29 April, 2024

  
**Mohammad Shaheed FCA, FCMA**  
Enrolment No.: 1016  
Senior partner  
**Khan Wahab Shafique Rahman & Co.**  
Chartered Accountants  
Firm Registration No.: 11970 E.P.  
DVC: 2404301016AS992587

Premier Bank | 281



Figure 15: Profit and Loss Statement of Primer Bank PLC, Source: (Premier Bank, 2023)

## Owner Equity Statement

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### The Premier Bank PLC. Statement of Changes in Equity For the year ended 31 December 2023

Amount in Taka

Particulars	Paid-Up Capital	Statutory Reserve	Other Reserve	General Reserve	Foreign currency translation difference	Retained Earnings	Total
<b>Balance as at 01 January 2023</b>	<b>11,473,777,990</b>	<b>8,697,333,746</b>	<b>106,172,195</b>	<b>300,000,000</b>	<b>39,395,993</b>	<b>4,152,956,843</b>	<b>24,769,636,767</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	(44,240,182)	-	-	-	(44,240,182)
Net profit for the Year	-	-	-	-	-	4,345,530,103	4,345,530,103
Payment of cash dividend	-	-	-	-	-	(1,434,222,249)	(1,434,222,249)
Transfer to start-up fund	-	-	-	-	-	(43,455,301)	(43,455,301)
Foreign currency translation difference	-	-	-	-	(39,395,993)	-	(39,395,993)
Transfer to statutory reserve	-	1,052,130,260	-	-	-	(1,052,130,260)	-
Coupon/dividend on perpetual bond	-	-	-	-	-	(200,000,000)	(200,000,000)
Issue of bonus shares	860,533,340	-	-	-	-	(860,533,340)	-
<b>Balance as at 31 December 2023</b>	<b>12,334,311,330</b>	<b>9,749,464,006</b>	<b>61,932,013</b>	<b>300,000,000</b>	<b>-</b>	<b>4,908,145,796</b>	<b>27,353,853,145</b>
<b>Balance as at 31 December 2022</b>	<b>11,473,777,990</b>	<b>8,697,333,746</b>	<b>106,172,195</b>	<b>300,000,000</b>	<b>39,395,993</b>	<b>4,152,956,843</b>	<b>24,769,636,767</b>

These Financial Statements should be read in conjunction with the annexed notes

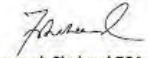
  
Chairman

  
Director

  
Director

  
Managing Director

Signed as per our annexed report of even date

  
Mohammad Shaheed FCA, FCMA  
Enrolment No.: 1018  
Senior partner  
Khan Wahab Shafique Rahman & Co.  
Chartered Accountants  
Firm Registration No.: 11970 E.P.  
DVC: 2404301016AS992587

Place: Dhaka  
Date: 29 April, 2024

Figure 16: Statement of Changes in Owners' Equity, Source: (Premier Bank, 2023)

# The Premier Bank PLC.

## Balance Sheet

As at 31 December 2023.

Particulars	Notes	Amount in Taka	
		31 December 2023	31 December 2022
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	4	<b>20,104,373,266</b>	<b>22,038,459,485</b>
In hand (including foreign currencies)	4.1	3,302,992,983	3,039,689,935
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4.2	16,801,380,283	18,998,769,550
<b>Balance with other banks and financial institutions</b>	5	<b>8,642,064,566</b>	<b>10,082,204,713</b>
In Bangladesh	5.1	5,951,275,624	6,556,430,639
Outside Bangladesh	5.2	2,690,788,942	3,525,774,074
<b>Money at call on short notice</b>	6	<b>-</b>	<b>1,700,000,000</b>
<b>Investments</b>	7	<b>57,262,102,224</b>	<b>58,468,219,953</b>
Government securities	7.1	43,662,015,446	45,246,129,275
Others	7.2	13,600,086,778	13,222,090,678
<b>Loans, advances and lease/ investments</b>	8	<b>289,392,272,129</b>	<b>264,549,643,962</b>
Loans, cash credits, overdrafts, etc.	8.1.1	272,839,970,937	244,170,911,500
Bills purchased and discounted	8.1.2	16,552,301,192	20,378,732,462
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>4,920,511,541</b>	<b>3,307,862,932</b>
<b>Other assets</b>	10	<b>34,080,254,364</b>	<b>24,625,430,368</b>
<b>Non-banking assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b>414,401,578,090</b>	<b>384,771,821,413</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11	<b>30,267,898,234</b>	<b>27,931,991,371</b>
<b>Non-convertible Subordinated bonds</b>	12	<b>8,506,000,000</b>	<b>11,675,000,000</b>
<b>Premier Bank Perpetual Bond</b>	13	<b>2,000,000,000</b>	<b>2,000,000,000</b>
<b>Deposits and other accounts</b>	14	<b>316,870,643,863</b>	<b>296,439,862,199</b>
Savings / Mudaraba Saving deposits		26,704,191,692	26,576,799,438
Fixed deposits/Mudaraba term deposits		150,546,464,332	137,960,708,256
Current deposits and other accounts		134,817,877,377	124,612,930,442
Bills payable		4,802,110,462	7,289,424,063
<b>Other liabilities</b>	15	<b>29,403,182,848</b>	<b>21,955,331,076</b>
<b>Total Liabilities</b>		<b>387,047,724,945</b>	<b>360,002,184,646</b>
<b>Capital/ Shareholders' Equity</b>			
Paid-up capital	16	12,334,311,330	11,473,777,990
Statutory reserve	17	9,749,464,006	8,697,333,746
Other reserve	18	619,320,13	106,172,195
General Reserve	19	300,000,000	300,000,000
Foreign currency translation gain/ (loss)		-	39,395,993
Retained earnings	20	4,908,145,796	4,152,956,843
<b>Total Shareholders' Equity</b>		<b>27,353,853,145</b>	<b>24,769,636,767</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>414,401,578,090</b>	<b>384,771,821,413</b>

	Notes	Amount in Taka	
		31 December 2023	31 December 2022
<b>OFF- BALANCE SHEET ITEMS</b>			
<b>Contingent Liabilities</b>			
		<b>232,452,826,768</b>	<b>201,495,980,192</b>
Acceptances and endorsements		58,962,681,780	50,145,321,631
Letters of guarantee	21.1	76,151,286,630	66,946,796,878
Irrevocable letters of credit		62,556,425,695	48,466,835,630
Bills for collection		34,782,432,663	35,937,026,053
Other contingent liabilities	21.2	-	-
		<b>991,187,000</b>	<b>9,997,190,100</b>
<b>Other commitments</b>			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchase and forward deposits placed	22	991,187,000	9,997,190,100
Spot and forward foreign exchange contracts		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		<b>233,444,013,768</b>	<b>211,493,170,292</b>
<b>Total Off-Balance Sheet Items including contingent liabilities:</b>			
		<b>22.18</b>	<b>20.08</b>
<b>Net asset value (NAV) per share</b>			
	42	<b>22.18</b>	<b>20.08</b>

These Financial Statements should be read in conjunction with the annexed notes

  
Chairman

  
Director

  
Director

  
Managing Director

Signed as per our annexed report of even date

Place : Dhaka  
Dated: 29 April, 2024

  
**Mohammad Shaheed FCA, FCMA**  
Enrolment No.: 1016  
Senior partner  
**Khan Wahab Shafique Rahman & Co.**  
Chartered Accountants  
Firm Registration No.: 11970 E.P.  
DVC: 2404301016AS992587

Figure 17: Balance Sheet of Primer Bank PLC, Source: (Premier Bank, 2023)

# Cash Flow Statement

Annual Report 2023

## The Premier Bank PLC. Cash Flow Statement For the year ended 31 December 2023

Particulars	Notes	Amount in Taka	
		2023	2022
<b>Cash Flows from Operating Activities</b>			
Interest received in cash		25,001,534,372	22,959,238,108
Interest paid		(16,561,336,661)	(14,700,737,763)
Fee and commission received in cash		2,5178,38,726	2,274,608,269
Payments to employees		(3,755,207,718)	(3,050,398,809)
Payments to suppliers		(1,101,396,766)	(1,851,060,139)
Income taxes paid		(2,479,245,445)	(2,012,848,945)
Receipts from other operating activities		2,550,883,089	1,850,356,170
Payments for other operating activities		(3,097,726,274)	(3,002,853,410)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>		<b>3,075,343,323</b>	<b>2,266,303,481</b>
<b>Increase/decrease in operating assets and liabilities</b>			
Loans and advances to customers		(25,497,870,976)	(16,285,973,037)
Other assets		(10,238,998,235)	398,530,594
Deposits from other banks		2,335,906,863	(6,793,911,741)
Deposits from customers		20,308,220,054	27,470,099,893
Other liabilities		4,005,529,286	615,044,129
		<b>(9,087,213,008)</b>	<b>5,403,789,838</b>
<b>Net cash from operating activities (A)</b>		<b>(6,011,869,685)</b>	<b>7,670,093,319</b>
<b>Cash Flows from Investing Activities</b>			
Purchase/sale of trading securities, shares, bonds, etc.		(377,996,100)	(3,500,000,000)
Purchase of property, plant and equipment		(293,212,498)	(501,381,554)
<b>Net cash used in investing activities (B)</b>		<b>(671,208,598)</b>	<b>(4,001,381,554)</b>
<b>Cash Flows from Financing Activities</b>			
Dividend paid		(1,434,222,249)	(1,303,838,409)
Coupon/dividend on perpetual bond		(200,000,000)	(199,900,000)
Issue of non-convertible variable coupon rate bond		(3,169,000,000)	1,675,000,000
<b>Net cash from financing activities (C)</b>		<b>(4,803,222,249)</b>	<b>171,261,591</b>
<b>Net increase in cash (A+B+C)</b>		<b>(11,486,300,532)</b>	<b>3,839,973,356</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>4,872,200,519</b>	<b>6,509,659,301</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>79,002,544,167</b>	<b>68,652,911,510</b>
<b>Cash and cash equivalents for the year ended (*)</b>		<b>72,388,444,154</b>	<b>79,002,544,167</b>
(*) Cash and cash equivalents at the end of the year:			
Cash in hand (including foreign currencies)	41	3,302,992,983	3,039,689,935
Investments in government securities		43,642,006,322	45,181,879,969
Money at call on short notice	8	-	1700,000,000
Balance with Bangladesh Bank and its agent bank(s)	4.2	16,801,380,283	18,998,769,550
Balance with other banks and financial institutions	5	8,642,064,566	100,82,204,713
		<b>72,388,444,154</b>	<b>79,002,544,167</b>
<b>Net operating cash flow per share (NOCFPS)</b>	41	<b>-4.87</b>	<b>6.22</b>

These Financial Statements should be read in conjunction with the annexed notes

  
Chairman

  
Director

  
Director

  
Managing Director

Place: Dhaka  
Dated: 29 April, 2024

Figure 18: Chash Flow Statement of Primer Bank PLC, Source: (Premier Bank, 2023)

## SWOT Analysis

SWOT analysis illustrates internal factors (Strength, Weakness) relevant to our industry which are within our control/ ability and external factors (Opportunity, Threat) exist in our business surroundings within which we face continuing our day to day operation. In perspective from PBL, the following crucial elements are relevant to SWOT analysis, which are enumerated below-

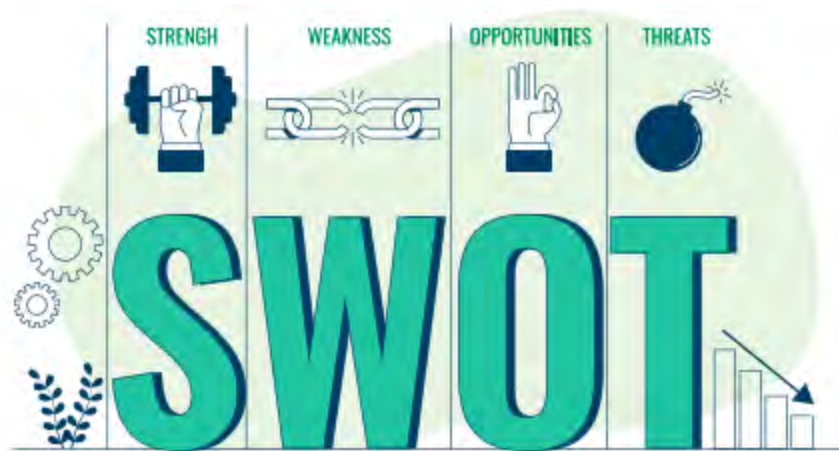


Figure 19: Premier Bank SWOT Framework

### Strengths (Internal Factors)

1. **Strong Liquidity and Capital Base:** The Premier Bank PLC has successfully maintained a Capital to Risk-Weighted Assets Ratio (CRAR) of 13.58% and managed a cost-to-income ratio of 48.22% in 2023, reflecting a robust financial position.
2. **Strong Corporate Governance:** The bank's board ensures that high ethical standards are upheld throughout the organization. Regular reviews ensure compliance with the Central Bank's regulations, recognizing that good corporate governance is essential for creating substantial shareholder value and safeguarding the interests of all stakeholders.
3. **Skilled Human Capital:** Premier Bank boasts a highly skilled workforce and provides an excellent environment for maximizing organizational value.

4. **Diversified Products and Services:** PBL offers a range of dynamic corporate, retail, and SME products, along with prudential services, to meet the needs of its valued customers.
5. **Extensive Branch Network:** With a focus on customer service, Premier Bank operates through 136 branches, including 12 SME Service Centers/Agricultural Branches, 67 Sub-Branches, and 127 ATM booths, though it currently has no overseas branches.
6. **Regulatory Compliance:** PBL consistently complies with regulations set by Bangladesh Bank, as well as tax and VAT laws mandated by the National Board of Revenue.

### **Weaknesses (Internal Factors)**

1. **Limited Retail and SME Market Exposure:** Premier Bank has a limited presence in the retail and SME markets compared to other industry leaders.
2. **Reliance on Core Banking Operations:** The removal of the 6-9% interest rate cap on deposits and loans has led to reduced interest revenue, as customers are less inclined to take new loans, resulting in diminished total income.
3. **Non-Performing Loans:** Despite satisfactory overall loan recovery, Premier Bank's non-performing loans stand at BDT 14,451 million, indicating issues with loan selection.
4. **Lack of Advanced Technology:** Premier Bank's investments in IT infrastructure and software upgrades are insufficient. Although progress is being made in cyber security, further enhancements are necessary.

### **Opportunities (External Factors)**

1. **Government Development Initiatives:** Bangladesh's government is heavily investing in infrastructure projects such as the Padma Bridge, Metro Rail, and various highways. PBL is prepared to collaborate with stakeholders to capitalize on these developments.
2. **Rising Women Entrepreneurship:** With increasing literacy rates and educational advancements, women's entrepreneurship is on the rise. Premier Bank supports this growth by offering specialized services through dedicated desks and relationship managers who cater to women entrepreneurs' banking needs.

3. **GDP Growth and Business Expansion:** Bangladesh's continuous GDP growth, except during the COVID-19 pandemic, is driving new business opportunities. The banking industry is benefiting from this growth, along with the rise in per capita income.
4. **Islamic Banking Expansion:** With the majority of the population being Muslim, there is growing demand for Shariah-compliant banking services. Premier Bank is expanding its Islamic banking division to meet this demand and offers unique products like the 'Prepaid Hajj Card' for pilgrims.

### **Threats (External Factors)**

1. **Non-Cooperative Customers:** Due to COVID-19, Bangladesh Bank implemented interest waivers on loans for a specific period. Some customers exploited this policy by avoiding payments despite being able to, and others misused loans by providing misleading documents.
2. **Unforeseen Events:** The increasing sophistication of cybercriminals poses a threat to banking security, potentially undermining customer trust.
3. **Higher Interest Rates:** The government has lifted the 9% interest rate cap, allowing banks to renegotiate income levels. However, customers are hesitant to accept higher rates due to inflationary pressures.
4. **Dollar Crisis:** The ongoing dollar crisis and foreign currency reserve issues have led the government to impose restrictions on importing raw materials and machinery. This has negatively impacted the trade finance income of the banking industry.

## Chapter- 03

### Critical Review of using Information Technology (IT) in Premier Bank for Banking System Improvement

#### IT System of Primer Bank

The Information Technology (IT) division at Premier Bank is a vital component in ensuring the smooth operation, security, and modernization of the bank's services. The division plays several critical roles in managing and supporting both internal processes and customer-facing platforms. Here's an overview of how the IT system works at Premier Bank:

#### Infrastructure Management

Premier Bank's IT division oversees a robust and secure IT infrastructure, including servers, networks, and data centers. This infrastructure is the backbone supporting various banking services, ensuring uptime, data integrity, and reliable service delivery across all digital and physical banking channels. Their systems are designed to handle high transaction volumes while maintaining optimal performance and security.

#### Digital Banking Solutions

The bank's IT division develops and manages its digital banking ecosystem, which includes:

- **Pmoney Mobile App:** Offers real-time access to banking services, transactions, account management, and bill payments.
- **Internet Banking:** Provides customers with online access to their accounts, allowing fund transfers, loan management, and transaction history. These platforms are critical to providing customers with 24/7 access to financial services and reflect the bank's commitment to enhancing customer convenience through technology.



## Cyber security Framework

The IT division ensures that Premier Bank adheres to stringent cyber security measures, protecting sensitive customer data and securing transactions. Key security protocols include:

- **ISO 27001:2022 Certification:** This certification guarantees that the bank follows international best practices in information security.
- **Advanced Tools:** The bank utilizes technologies like **Security Operations Centers (SOC)**, **Privileged Access Management (PAM)**, and **Security Information and Event Management (SIEM)** to detect and respond to threats in real-time.
- **Regular Audits and Vulnerability Assessments:** The IT team conducts ongoing evaluations to ensure that the bank's defenses are strong and compliant with industry regulations.

## Data Management and Analytics

Premier Bank's IT division ensures the proper management and security of vast amounts of customer and financial data. They deploy data analytics tools to:

- Analyze customer behavior and transaction patterns.
- Improve personalized services.
- Support strategic decision-making by offering insights into business trends.

## System Integration

A key function of Premier Bank's IT division is the integration of different systems such as:

- **Core Banking System (CBS)**, which is regularly upgraded to enhance operational efficiency.
- Integration of **offshore banking**, **trade finance automation**, and **digital payment systems** like **Bangla QR**. Seamless integration ensures the free flow of data across departments, leading to improved efficiency, better decision-making, and enhanced customer service.

## **Support and Maintenance**

The IT division provides technical support for both customers and bank staff, ensuring that:

- Systems are maintained regularly to avoid downtime.
- Help desk services are available to quickly resolve any technical issues faced by employees or customers using the bank's digital platforms.

## **Regulatory Compliance**

Premier Bank's IT systems comply with regulations set by the **Bangladesh Bank** and international standards. The IT division ensures:

- Regular updates to IT policies in line with regulatory changes.
- Adherence to security measures to protect customer data, in line with **Data Protection Acts** and other regulatory standards.

## **Innovation and Development**

The IT team is actively exploring innovative technologies, such as:

- **IP PABX Services:** Advanced communication technologies to streamline internal and customer communications.
- **E-signature systems:** Enabling secure and digital document signing for smoother transactions and processes.
- **Trade Finance Automation:** Ensuring that the trade finance business remains competitive, efficient, and easily accessible to customers.

## **Disaster Recovery and Business Continuity**

Premier Bank has a comprehensive disaster recovery and business continuity plan managed by the IT division, ensuring:

- Backup of critical data.
- Contingency measures in case of disruptions, with regular testing to maintain operational resilience in emergencies.

## **Customer Engagement**

The IT system also powers enhanced customer engagement through digital features such as:

- **SMS alerts** for transactions and account activities.
- **E-statements** and other personalized communication.
- Tools to monitor spending and manage accounts, all of which contribute to a more personalized and engaging customer experience.

Premier Bank's IT system is designed to drive digital transformation while ensuring security, compliance, and operational efficiency. By continually investing in infrastructure, cyber security, and innovative digital banking solutions, the IT division plays a pivotal role in the bank's strategy to remain competitive in the financial sector and offer cutting-edge services to its customers. These efforts ensure Premier Bank can meet evolving customer needs and industry standards in a dynamic banking environment.

## **Partner of IT sector**

Premier Bank PLC has collaborated with several technology partners to strengthen its digital and financial services. One significant partnership is with **bKash**, a leading mobile financial services provider in Bangladesh. This collaboration enables Premier Bank customers to seamlessly transfer funds between their bank accounts and bKash wallets, enhancing accessibility for both online and mobile transactions. The bank is also planning to launch its own app, **pMoney**, to integrate these services further. Additionally, Premier Bank has entered into a partnership with **Nagad**, another major mobile financial service provider, to streamline the distribution of foreign remittances directly to e-wallets, making the process more efficient for customers. These partnerships demonstrate Premier Bank's commitment to leveraging technology to improve its service delivery and expanding digital banking options for its customers ([The Business Standard, 2024](#)).

## Information Technology (IT) in Banking Sector of Bangladesh Bank

The banking system in Bangladesh has undergone significant digital transformation, adopting various Information Technology (IT) solutions to enhance efficiency, security, and customer experience. Key aspects of the existing IT infrastructure in the Bangladeshi banking system include:

1. **Core Banking Systems (CBS):** Most banks in Bangladesh use advanced Core Banking Systems to manage day-to-day banking operations, including account management, transactions, and reporting. This centralizes all banking activities, enabling better management of customer accounts and services.
2. **Online and Mobile Banking:** Almost all major banks in Bangladesh now offer online and mobile banking services. Customers can access their accounts, transfer funds, pay bills, and manage their finances through web portals and mobile apps. These platforms provide real-time access to banking services, enhancing convenience.
3. **ATM and POS Networks:** Automated Teller Machines (ATMs) and Point of Sale (POS) systems are widely used across Bangladesh. Banks have developed extensive ATM networks, enabling cash withdrawals and other services. POS systems facilitate card payments in retail stores, supporting credit and debit cards ([Bangladesh Bank, 2021](#)).
4. **Digital Payment Systems:** With the rise of e-commerce, digital payment gateways, and mobile financial services (MFS) like bKash and Nagad, banks in Bangladesh are increasingly integrating with these platforms. This has expanded access to financial services, especially for the unbanked population.
5. **Cyber security Measures:** As digital banking grows, so does the need for robust cyber security. Banks in Bangladesh are investing in security solutions to protect against cyber threats. This includes encryption, firewalls, intrusion detection systems, and multi-factor authentication to ensure secure online transactions.
6. **Block-chain and Fin-tech Integration:** Some banks are exploring block-chain technology for secure and transparent transactions. Additionally, collaborations with fin-tech companies are helping banks offer innovative financial products and services, such as peer-to-peer lending and digital wallets.

7. **Regulatory Compliance and IT Governance:** The central bank of Bangladesh, Bangladesh Bank, has implemented regulations to ensure IT governance and security standards across the banking sector. This includes guidelines for IT infrastructure, data protection, and disaster recovery ([Bangladesh Bank, 2020](#)).
8. **Artificial Intelligence and Big Data:** A few banks in Bangladesh are starting to use AI and Big Data analytics to enhance customer service, detect fraud, and personalize banking products. These technologies help banks analyze customer behavior and improve decision-making.

Overall, the banking sector in Bangladesh is rapidly evolving with the integration of modern IT solutions, aimed at enhancing operational efficiency and expanding access to banking services across the country ([Bangladesh Bank, 2023](#)).

## **IT System of Premier Bank for handling the critical situation**

The Information Technology (IT) division at Premier Bank is a key player in ensuring business continuity and managing critical situations. Premier Bank's IT division adopts a multifaceted approach to handle disruptions and emergencies, ensuring minimal impact on operations and safeguarding customer trust. Here's an in-depth look at how the IT division works to manage critical situations:

### **1. Business Continuity Planning (BCP)**

- Premier Bank's IT division has established a **comprehensive Business Continuity Plan (BCP)** that provides detailed protocols to follow during unforeseen disruptions, including natural disasters, cyber-attacks, or other emergencies.
- This plan ensures the continuity of **essential banking services**, such as real-time transactions, fund transfers, and access to customer accounts. The BCP is tested regularly to guarantee that key banking functions remain operational even during critical situations.

## 2. Disaster Recovery Planning (DRP)

- In conjunction with the BCP, the IT team has developed a **Disaster Recovery Plan (DRP)** focused on restoring IT systems and recovering data in the aftermath of critical incidents.
- This plan includes procedures for recovering from natural disasters, system outages, or security breaches. Regular **disaster recovery drills** are conducted to assess the effectiveness of these recovery strategies.

## 3. Incident Management Framework

- The bank's IT division utilizes a well-defined **Incident Management Process** to respond to IT-related disruptions promptly.
- When an incident occurs, the team swiftly initiates predefined response protocols, assessing the impact and coordinating efforts to resolve the issue. This rapid response limits service downtime and prevents further escalation of the incident.

## 4. Real-Time Monitoring and Threat Detection

- Premier Bank's IT systems are equipped with **real-time monitoring tools** that continuously scan for unusual activities, potential cyber threats, or system malfunctions.
- These monitoring systems trigger alerts to the IT team in real-time, allowing them to proactively address threats before they develop into full-scale disruptions. The use of **Security Information and Event Management (SIEM)** tools enhances this real-time capability by detecting and analyzing potential risks.

## 5. Cyber security Measures

- Premier Bank has deployed robust cyber security measures to prevent unauthorized access, data breaches, and other cyber threats. These include:
  - **Firewalls, Intrusion Detection Systems (IDS), and PAM (Privileged Access Management)** to safeguard the bank's infrastructure.

- Regular **vulnerability assessments** and **penetration testing** to identify and address any weak points in the system.
- **Compliance with ISO 27001:2022** standards ensures adherence to international best practices for information security.

## 6. Regular Training and Awareness Programs

- The IT division conducts **cyber security awareness and emergency response training** for all bank employees. This includes simulations and training sessions that prepare staff to handle critical situations such as data breaches, phishing attacks, and service outages.
- Employees are taught how to report incidents, protect sensitive information, and follow safety protocols to prevent the spread of cyber threats within the organization.

## 7. Collaboration with Regulatory Bodies

- The IT division maintains ongoing communication with regulatory authorities such as the **Bangladesh Bank**. This helps the bank stay compliant with **regulatory standards** for managing and responding to crises.
- This collaboration ensures that Premier Bank follows best practices and meets the expectations set by regulatory guidelines, especially during emergencies that affect the broader banking sector.

## 8. Data Backup and Recovery

- Premier Bank implements regular **data backup procedures** to protect vital information. Data backups are stored securely and are used to recover lost or compromised information during a crisis.
- These backups are an essential part of the **Disaster Recovery Plan (DRP)**, allowing the bank to restore critical data quickly and maintain the continuity of banking services.

## 9. Crisis Communication

- The IT division plays a pivotal role in supporting the bank's **crisis communication** efforts. During emergencies, they ensure that all communication systems, including

emails, mobile alerts, and SMS, are operational, allowing the bank to inform employees and customers about the situation.

- This enables Premier Bank to maintain transparency, keep stakeholders updated, and provide guidance on steps being taken to resolve the crisis.

## **10. Post-Incident Review and Continuous Improvement**

- After a critical incident, the IT division conducts a **post-incident analysis** to evaluate the response and identify areas for improvement. This review helps refine both the BCP and DRP to ensure that the bank is better prepared for future incidents.
- The lessons learned from these reviews are incorporated into the bank's risk management and operational continuity strategies.

Premier Bank's IT division is structured to handle critical situations effectively, ensuring both operational continuity and the security of customer data. Through robust **Business Continuity and Disaster Recovery Plans**, **real-time monitoring systems**, and **proactive cybersecurity measures**, the IT division mitigates risks and responds swiftly to incidents. Regular training and collaboration with regulatory bodies ensure that the bank remains compliant while continuously improving its ability to handle crises. These efforts solidify Premier Bank's reputation for reliability and security in an ever-evolving digital banking landscape.

### **Roles of Information Technology to Achieve ISO**

Premier Bank has implemented several key initiatives to secure ISO 27001:2022 certification, which is essential for its IT division. These initiatives include:

#### **Steps to Achieve ISO 27001:2022 Certification**

1. **Establishing an Information Security Management System (ISMS):** The bank developed a robust ISMS in line with ISO 27001:2022 standards, ensuring systematic information security management across all operations.



2. **Regular Audits:** Premier Bank conducted surveillance audits and internal evaluations to assess the effectiveness of its information security practices, ensuring compliance with certification standards.
3. **Comprehensive Security Policies:** The IT division created and implemented detailed information security policies, procedures, and guidelines to protect the bank's assets and ensure regulatory compliance.
4. **Employee Training and Awareness:** The bank launched security awareness programs for its staff, fostering a culture of security and ensuring employees understand their role in protecting sensitive information.
5. **Advanced Security Solutions:** Premier Bank deployed advanced security technologies, such as Privileged Access Management (PAM) and a Security Operations Center (SOC), to strengthen its security infrastructure and address potential risks.

## The Premier Bank PLC. Secures ISO 27001:2022 Certification



Figure 20: ISO Certification of Premier Bank PLC 2022

### Importance of ISO 27001:2022 Certification for Premier Bank

1. **Trust and Credibility:** Achieving the certification highlights the bank's dedication to maintaining high information security standards, enhancing trust and credibility with customers and stakeholders.
2. **Regulatory Compliance:** The certification helps the bank meet legal and regulatory information security requirements, reducing the risk of non-compliance penalties.
3. **Effective Risk Management:** The certification process allows the bank to identify and manage information security risks, proactively addressing potential vulnerabilities.

4. **Competitive Edge:** ISO 27001:2022 certification positions Premier Bank as a leader in information security, attracting customers who value strong data protection measures.
5. **Continuous Improvement:** The certification encourages ongoing evaluation and refinement of security practices, ensuring the bank remains resilient to emerging security threats.

In conclusion, Premier Bank's efforts to achieve ISO 27001:2022 certification are key to its IT strategy, strengthening its commitment to protecting sensitive data and delivering secure banking services.

### Pmoney App



Figure 11: Pmoney App

The Pmoney mobile app greatly improves customer access to banking services in several key ways:

**24/7 Access:** Customers can access banking services anytime, anywhere, eliminating the need for branch visits and offering greater convenience.

**Real-Time Transactions:** The app enables instant fund transfers, including payments to other bank accounts, allowing for immediate and seamless financial transactions.

**Comprehensive Banking Services:** It offers a variety of features, such as viewing account details for savings, current, and loan accounts, managing credit card payments, and handling other banking activities.

**User-Friendly Design:** With a simple and intuitive interface, the app ensures easy navigation and smooth transactions, minimizing technical challenges for users.

**Integration with Additional Services:** The Pmoney app supports features like bill payments, mobile top-ups, and transfers to mobile financial services (MFS), enhancing the overall user experience.

**Advanced Security Features:** It incorporates security measures, including eKYC (electronic Know Your Customer), to safeguard customer information while using the app.

**Push Notifications:** Users receive real-time notifications on account activities, keeping them up-to-date on transactions and their account status.

**Financial Management Tools:** The app may also include budgeting and spending tracking tools, helping customers improve financial management and control.

In summary, the Pmoney mobile app offers a convenient, secure, and comprehensive platform that enhances customers' access to banking services and supports their financial management needs.

## Information Technology for Cyber Security

Premier Bank is proactively addressing cyber security risks and safeguarding sensitive customer information by employing strategic measures and advanced IT practices. Here's how the bank is handling these challenges:

### Cyber security Measures

1. **Information Security Management System (ISMS):** The bank has established a strong ISMS that complies with international standards like ISO 27001:2022. This framework provides a structured approach to managing sensitive information and mitigating security risks.
2. **Regular Security Audits and Assessments:** Premier Bank conducts routine audits and assessments to ensure the effectiveness of its cyber security measures, helping to identify vulnerabilities and maintain compliance with security standards.
3. **Employee Training and Awareness:** The bank prioritizes cyber security awareness for its staff, offering regular training sessions to educate employees on potential threats, safe practices, and their roles in protecting sensitive information.
4. **Advanced Security Technologies:** Premier Bank deploys cutting-edge security tools such as Privileged Access Management (PAM) and a Security Operations Center (SOC) to monitor and respond to threats in real time, protecting the bank's IT infrastructure and customer data.
5. **Incident Response Planning:** The bank has developed a comprehensive incident response plan to swiftly address and reduce the impact of security breaches, detailing steps for detecting, responding to, and recovering from cyber incidents.
6. **Data Encryption and Secure Communication:** The bank uses encryption to protect sensitive customer data during transmission and storage, ensuring confidentiality and preventing unauthorized access.

## **Role of IT in Cyber security**

1. **Monitoring and Detection:** IT systems continuously monitor network activity and detect unusual patterns that could signal cyber security threats. Advanced analytics and machine learning are employed to identify anomalies in real-time.
2. **Access Control and Authentication:** IT solutions enforce strict access control, allowing only authorized personnel to access sensitive information. Multi-factor authentication (MFA) adds an extra layer of security.
3. **Data Protection and Backup:** IT systems regularly back up customer data and maintain its integrity. In the event of a cyber-attack, these backups are essential for restoring lost or compromised information.
4. **Vulnerability Management:** IT teams consistently assess and patch software vulnerabilities to prevent exploitation, ensuring a secure environment.
5. **Compliance and Reporting:** IT systems help Premier Bank comply with data protection and cyber security regulations while providing reporting tools to track security incidents and compliance status.

In summary, Premier Bank is committed to tackling cyber security threats through a comprehensive strategy that leverages IT solutions to protect sensitive customer information. By implementing robust security measures, fostering employee awareness, and utilizing advanced technologies, the bank ensures a secure environment for its customers.

## **Innovative technologies to enhance its future digital banking for Premier Bank PLC**

Premier Bank is exploring various innovative technologies to enhance its future digital banking services, aiming to improve customer experience, streamline operations, and ensure secure transactions. Key technologies and initiatives include:

**Corporate Internet Banking:** The bank is developing a platform for corporate internet banking, offering businesses greater convenience, efficiency, and flexibility in managing their finances. This will enable corporate clients to perform banking operations anytime, anywhere, streamlining their processes ([Premier Bank, 2021](#)).

**IP PABX Services:** Premier Bank is implementing advanced IP Private Automatic Branch Exchange (PABX) services, utilizing modern communication technologies to enhance both customer service and internal communication.

**Electronic Signature (E-signature):** The bank plans to introduce electronic signature technology to authenticate and access e-signature booklets. This will enable secure, efficient document signing for both staff and customers ([Premier Bank, 2022](#)).

**Trade Finance Automation:** In response to customer needs, Premier Bank is digitizing its trade finance operations, aiming to automate these processes for greater efficiency and accessibility.

**Bangla QR Payment System:** The bank is preparing to roll out the Bangla QR payment system, a groundbreaking technology in Bangladesh designed to replace traditional POS systems. It will cater to micro-merchants, retailers, and rural shopkeepers, improving digital payment solutions.

**Automated Tax Return Document Submission:** Premier Bank is simplifying tax return submissions for customers by enabling electronic document submissions, making compliance easier and enhancing the overall customer experience.

**Enhanced Cyber security Solutions:** The bank is exploring advanced cyber security measures, including Security Information and Event Management (SIEM) tools and Privileged Access Management (PAM), to strengthen its security and safeguard sensitive customer data.

**Digital Literacy Programs:** As part of its commitment to financial empowerment, Premier Bank is investing in digital literacy initiatives, aiming to educate citizens about digital banking services and ensure wider participation in the digital economy.

Through these innovations, Premier Bank seeks to improve its digital banking services, boost customer satisfaction, and maintain its competitive position in the evolving financial landscape.

## Importance of Information Technology (IT for Banking System Improvement)

The use of Information Technology (IT) plays a crucial role in improving its banking system in several key areas. These improvements are focused on enhancing efficiency, customer satisfaction, security, and innovation within the bank's operations.

### Key Areas of IT's Contribution to Premier Bank's Banking System Improvement:

#### 1. Automation of Banking Processes

- **Process Automation:** IT has enabled the automation of a range of banking operations such as loan approvals, account management, and transaction processing. Automation helps reduce manual tasks, thereby minimizing human errors, speeding up operations, and improving overall operational efficiency.
- **Efficiency Gains:** Automated workflows ensure quicker turnaround times for both internal processes and customer-facing services, leading to better service delivery.

#### 2. Enhanced Customer Experience

- **Digital Banking Solutions:** IT supports the development of digital banking platforms like **mobile banking apps** and **online banking portals**. These platforms provide customers with **24/7 access** to their accounts, enabling them to check balances, make payments, transfer funds, and manage their financial activities at their convenience.
- **User-Centric Design:** These digital channels are designed to enhance user experience by being intuitive and easy to use, ultimately improving customer satisfaction and engagement.

#### 3. Data Analytics and Business Insights

- **Customer Insights:** IT systems allow Premier Bank to collect and analyze large amounts of data. Using **data analytics**, the bank can better understand customer behaviors, preferences, and trends, allowing for personalized products and services.



- **Strategic Decision-Making:** The ability to analyze data in real-time helps the bank to make informed, data-driven decisions, which supports targeted marketing and product innovation efforts.

#### 4. Enhanced Security and Fraud Prevention

- **Cybersecurity Measures:** Premier Bank uses IT to implement cutting-edge cybersecurity technologies, such as **encryption, firewalls, and intrusion detection systems**. These measures safeguard sensitive customer information and protect the bank from potential cyberattacks or fraud.
- **Fraud Detection Systems:** IT enhances the bank's ability to detect fraudulent activities by monitoring transactions and identifying suspicious patterns, improving overall security.

#### 5. System Integration and Operational Efficiency

- **Integration of Systems:** IT ensures that various banking systems, such as core banking, customer relationship management (CRM), and payment gateways, are seamlessly integrated. This **streamlines internal operations** and facilitates better coordination between departments, resulting in improved operational efficiency.
- **Smooth Inter-Departmental Communication:** The integration enables the bank to offer a cohesive customer experience, where different services and departments can share data and respond to customer needs more quickly.

#### 6. Regulatory Compliance

- **Automated Compliance:** Premier Bank's IT systems support regulatory compliance by automating key reporting functions. This ensures adherence to local and international regulations, such as those set by **Bangladesh Bank**, reducing the risk of non-compliance and penalties.
- **Compliance Management:** IT tools are used to track, monitor, and audit all transactions to ensure they meet regulatory standards, providing transparency and accountability.

## 7. Digital Payment Solutions

- **Mobile and Online Payment Systems:** The IT division develops **digital payment solutions** like **mobile wallets**, **Bangla QR payment systems**, and **online payment gateways**. These innovations facilitate faster, more secure, and more convenient transactions for customers, aligning with the global trend towards **cashless banking**.
- **Support for E-commerce:** Digital payment solutions enable seamless payments for e-commerce platforms, contributing to the growing digital economy in Bangladesh.

## 8. Customer Relationship Management (CRM)

- **CRM Tools:** IT provides tools that allow Premier Bank to manage and optimize customer relationships more effectively. These tools enable the bank to track customer interactions, preferences, and feedback, ensuring that services are tailored to meet customer needs and expectations.
- **Personalized Services:** CRM systems supported by IT help the bank enhance customer loyalty through targeted marketing and personalized banking offers, improving long-term customer retention.

## 9. Business Continuity and Disaster Recovery

- **Resilience through IT:** The IT division ensures the bank has robust **business continuity and disaster recovery plans**. This includes regular **data backups**, redundant infrastructure, and disaster recovery drills, which allow the bank to quickly recover from potential disruptions or critical incidents, such as cyberattacks or natural disasters.
- **Minimal Downtime:** By having these plans in place, Premier Bank ensures minimal operational downtime, ensuring continued service delivery even during critical events.

## 10. Innovation and New Services

- **Exploration of Emerging Technologies:** Premier Bank's IT division is actively involved in the exploration and adoption of innovative technologies like **artificial intelligence**

**(AI), machine learning, and block chain.** These technologies are used to enhance service offerings, improve risk assessment, and automate routine tasks.

- **AI-driven Services:** The bank is working on AI-based tools for **chatbots** and **automated customer support**, which will help streamline customer service operations and improve response times.

Premier Bank's IT division plays a critical role in driving the bank's overall growth and modernization. By focusing on **automation, enhanced digital platforms, data analytics, cybersecurity, and system integration**, the IT team ensures that Premier Bank continues to provide cutting-edge banking services. This commitment to leveraging technology for operational efficiency, customer satisfaction, security, and innovation has positioned Premier Bank as a forward-thinking leader in the financial sector ([Sijan et al., 2022](#)).

## Chapter- 4

### Conclusion and Recommendation

This study focuses on the existing Information Technology (IT) applied in commonly the banking sector of Bangladesh especially Bangladesh Bank and Premier Bank PLC. The existing role of IT system and future modification are also tried to find out from this critical analysis. Furthermore, the possible robust way of IT sector for secured banking system also mentions in this critical analysis. Here are tailored recommendations for Premier Bank's IT improvements based on the latest trends and the landscape of the Bangladeshi banking sector. The bank should implement automated loan approval systems integrated with AI for credit scoring and utilize Robotic Process Automation (RPA) for routine tasks such as account opening, KYC verifications, and transaction processing to minimize errors and boost efficiency. The customer experience can be enhanced by improving the mobile banking app with AI-driven chatbots for 24/7 support and introducing personalized dashboards that provide tailored financial insights and advisory services. Data analytics should be leveraged to understand customer behavior better, enabling the cross-selling of financial products, while establishing a centralized data warehouse that can assist with real-time analysis for risk management and performance tracking. Cybersecurity protocols must be upgraded by adopting AI-powered threat detection and response systems, alongside multi-factor authentication and encrypted digital signatures to secure online transactions. Digital payment solutions can be expanded by integrating mobile wallet services with popular local and international platforms and introducing blockchain-based secure payment gateways to reduce transaction costs and improve traceability. For regulatory compliance, automating reporting processes with AI will ensure real-time adherence to evolving standards, while integrating AI and blockchain into AML and KYC processes can enhance customer verification and transaction monitoring. To ensure disaster recovery and business continuity, Premier Bank should implement cloud-based solutions for data backups and a multi-site redundancy system to minimize operational downtime during localized disasters. Finally, exploring partnerships with fintech companies can drive innovation, particularly in peer-to-peer lending platforms, while investing in AI for fraud detection and personalized product development will help the bank stay ahead of market trends. These recommendations aim to

enhance Premier Bank's efficiency, customer satisfaction, and security, aligning it with modern banking advancements.

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