

Unraveling the competitive edge and risk mitigation strategies of the Premier Bank PLC which will aid them in becoming one of the leading banks in the banking industry

By

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20104103

A thesis submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of  
Bachelor in 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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Senior Lecturer  
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Letter of Transmittal

Letter of Transmittal

Md. Shamim Ahmed  
Senior Lecturer  
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Kha-224 Merul Badda  
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Subject: Submission of Internship Report on “Unravelling the competitive edge and risk mitigation strategies of the Premier Bank PLC which will aid them in becoming one of the leading banks in the banking industry”.

Dear Sir,

I'm extremely pleased to submit my internship report to you on “Unravelling the competitive edge and risk mitigation strategies of the Premier Bank PLC which will aid them in becoming one of the leading banks in the banking industry” which is a prerequisite for completing my BBA degree from BRAC University. I'm really very thankful to you for giving me this opportunity to take part in my internship program under your supervision.

I have tried my level best to complete the report with precision and ensure all the vital information and recommendations in a comprehensive manner.

I hope that the report matches your expectations and you find it reliable and educational.

Thank you for your time and consideration.

Sincerely yours,

---

Anjum Tasneem  
20104103  
BRAC Business School  
BRAC University  
Date: 5/17/24

### Acknowledgements

Firstly, I would like to express my sincere gratitude to the Almighty Allah for enabling me to complete my internship report on time.

Then, I would like to praise my academic supervisor, Mr. Shamim Ahmed Sir, Senior Lecturer of BRAC Business School, for guiding me with my report writing process.

Next, I would like to convey my sincere gratitude to my on-site supervisor, Mr. Md. Kaiser Alam Mozumder for his invaluable guidance and insights to help me learn about the HR processes in the Premier Bank PLC.

## Executive Summary

The report on “ Unraveling the competitive edge and risk mitigation strategies of the Premier Bank PLC which will aid them in becoming one of the leading banks in the banking industry ” aims at investigating the measures that Premier Bank can utilize to maintain their competitive position , mitigate the immense challenges offered by the banking industry and how to overcome these by using proactive , effective strategies which can lead them to become of the best banks in the banking industry . This report is divided into 3 chapters. The first chapter talks about Internship Overview where all the necessary information regarding the internship including my job responsibilities and the internship outcomes is discussed thoroughly. The second chapter of this report has a detailed discussion about Premier Bank PLC where Porter’s five forces model is analyzed to study competitive analysis. In the last chapter of the report, the objective behind conducting this research is stated along with the methodology and literature review. This chapter also includes the solutions to the problems and necessary recommendations to Premier Bank PLC to help them become one of the top-tier banks in the banking sector.

Table of Contents	
Declaration .....	2
Letter of Transmittal .....	3
Acknowledgements .....	4
Executive Summary .....	5
List of Acronyms.....	8
Chapter 1: Overview of Internship.....	9
1.1 Student Information .....	9
1.2 Internship Information.....	9
1.2.1 Internship Company Supervisor’s Information.....	9
1.2.2 Job Scope – Job Responsibilities.....	9
1.3 Internship Outcomes .....	10
1.3.1 Student’s contribution to the company .....	10
1.3.2 Benefits to the student .....	11
1.3.3 Problems / Difficulties.....	12
1.3.4 Recommendations.....	12
Chapter 2: Organization Part.....	13
2.1 Introduction.....	13
2.2 Overview of the Company.....	13
2.2.1 Core values of Premier Bank .....	13
2.2.2 Strategy.....	14
2.2.3: Vision .....	14
2.2.4: Mission .....	15
2.3 Management Practices .....	15
2.3.1 Leadership Style and its impact .....	15
2.3.2 Human resource planning process .....	15
2.3.3 Compensation system .....	16
2.3.4 training and development initiatives.....	16
2.4 Marketing Practices.....	17
2.4.1 Marketing strategy.....	17
2.4.2 Target customers, targeting and positioning strategy .....	17
2.4.3 Marketing channels .....	17
2.4.4 New product development .....	17

2.4.5 Branding activities.....	18
2.4.6 Advertising and promotion strategies .....	18
2.4.7 Critical Marketing issues and gaps.....	18
2.5 Financial Performance and Accounting practices .....	19
2.5.1 Liquidity Ratio .....	19
2.5.2 Asset Management ratio/Efficiency Ratio.....	20
2.5.3 Debt Management Ratio.....	22
2.5.4 Profitability Ratio.....	23
2.5.6 Stock Market ratio .....	24
2.5.7 Core Accounting Principles and depreciation method .....	24
2.6 Operations Management and Information System Practices .....	25
2.7 Industry and Competitive Analysis.....	25
2.7.1 Porter’s Five Forces analysis.....	25
2.7.2 SWOT analysis .....	26
2.8 Conclusions .....	28
2.9 Recommendations .....	28
Chapter 3 (Project Part):.....	29
3.1 Introduction .....	29
3.1.1 Literature Review .....	29
3.1.2 Objectives .....	31
3.1.3 Significance .....	31
3.2 Methodology .....	32
3.3 Findings and analysis.....	33
3.3.1 The solutions that Premier Bank PLC have come up with to combat the challenges that they are facing continuously in the dynamic business environment .....	33
3.3.2 The necessary measures that Premier Bank adopts to minimize the financial and credit risks that they face and how they can eliminate their weaknesses and utilize their opportunities better .....	34
3.3.3-The strategies that Premier Bank PLC has undertaken to be one of the leading banks of the country. ....	36
3.4 Summary.....	37
References.....	39
Appendix.....	40

List of Acronyms

PLC: Public Limited company

LC: Letter of Credit

AI: Artificial Intelligence

KYC: Know your client

MTO: Management Trainee Officer

TO: Trainee Officer

CSM: Corporate Social Responsibility

CRM: Customer Relation management

LTDC: Learning and talent development center

AML: Anti Money Laundering

CFT: Countering and financing terrorism



## Chapter 1: Overview of Internship

### 1.1 Student Information

Name: Anjum Tasneem

ID: 20104103

Program: BRAC Business School

Major / Specialization: Human Resource Management

### 1.2 Internship Information

Period: 1<sup>st</sup> February 2024 to 30<sup>th</sup> April 2024

Company Name: The Premier Bank PLC

Division: Human Resource Division

Address: Iqbal Centre (13<sup>th</sup> Floor) 42, Kemal Ataturk Avenue, Banani Dhaka- 1213, Bangladesh

#### 1.2.1 Internship Company Supervisor's Information

Name: Mr. Md. Kaiser Alam Mozumder

Position: Senior Vice President and Head of HR Operations

#### 1.2.2 Job Scope – Job Responsibilities

During my 3 months of internship in the Premier Bank PLC, my prime responsibilities were assisting in almost all the day-to-day HR activities of the organization. I was responsible for maintaining employee records and maintaining employee databases in their app called HRMS , assisting in their recruitment processes by screening resumes of candidates and scheduling interviews , performing background checks of employees ,keeping a record of employee performance and KPI after training , arranging employee education information in Excel and sending them to their respective universities to ensure zero fraudulence regarding using fake academic certificates . A thorough description of each of my job responsibilities are described below:

- i) **Maintaining Employee Records and Databases:** On a regular basis, I had to keep records of employee's attendance sheet which was crucial for the organization to decide on a lot of things – like salary deductions, number of leaves each employee is taking, checking on employee's regularity at work which is a vital component while determining promotions or salary increments. Moreover, I was responsible for recording employee's family information, educational achievements, academic records with transcripts and certificates, previous employment data, nominee, salary breakdown etc. on the HRMS to maintain their database.
  
- ii) **Assisting in their Recruitment Process:** During my internship period, Premier Bank was hiring MTO's and TJO's and I was actively engaged in the process from making list of

candidate's names to invigilating them in the exam halls, to calculating their marks in excel and scheduling the passing ones for the interview and then the final interview. In addition to that, I was given some resumes to screen to call employees for their exams. After the recruitment of the selected candidates, I was responsible for making the candidates fill up a joining tool kit which was later used to update the information about the new joining employees in the HRMS.

**iii) Checking employee's information:** I was made to perform background checks on employees from the contact that they used as references to ensure that they were free from any disputes or illegal means in their previous workplace, or they were not connected to any criminal offense, or to ensure that all academic papers provided by them were original and they didn't undertake any fraudulence. In addition to that, I was given a list which included 2400 people and I had to download their academic papers from their app, Enadoc, to print and send them to the respected universities for validation along with forwarding letters.

**iv) Tracking employee performance after training:** While working in The Premier Bank PLC, some training took place for 10 days so I was given some lists to calculate individual KPI of each employee who got the training so that the HR managers could link it to decide if they deserved performance increment or promotion. Hence, I was also made to work in the training and development sector of HRM.

### 1.3 Internship Outcomes

#### 1.3.1 Student's contribution to the company

During my 3 months of internship at Premier Bank PLC, I worked in many significant tasks of the HR division. I screened resumes for selecting candidates for appearing in the exams for MTO and TJO positions according to the instructions I was given. Then I invigilated their exams, updated their marks in Excel, followed some of them up for the final interview. Following that, when the candidates were selected, I made them fill up all the necessary information in the joining tool kit and simultaneously updated these in their HRMS for online use. Hence, I played a very major role in their recruitment process. Not only that, I carried out all necessary data entries on a regular basis like maintaining attendance of employees which is important for them to decide on a lot of things regarding the employees. In addition to these, I was given a list of all of their employees and I had to download all of their academic transcripts and certificates and send them to the respective universities along with forwarding letters for authentication of their academic reports. This was a very vital task as it was an order from the Bangladesh Bank for certificate validation of each and every employee working in Premier Bank and I was entirely responsible for arranging all these. I also assisted in calculating the KPI of all the employees so that the HR professionals could decide on providing relevant training to improve performance which was another vital task. Therefore, according to me my contribution in Premier Bank in the 3 months of my internship period was pivotal as I was significantly involved in almost all the HR functions.

### 1.3.2 Benefits to the student

The learning opportunity that Premier Bank arranges for their interns is huge. They ensure that the interns get hands-on experience of how an organization actually operates which is not possible to acquire by bookish knowledge. Furthermore, they ensure involvement of their interns in almost all sectors of the department they are working in which gives them some practical knowledge that is vital for their future job roles. While working there for 3 months, I gained a lot of knowledge about managing, improving and maintaining employee records and building engagement and satisfaction. I also visually observed how the recruitment and selection, training and development works which are some of the major components of HRM. My internship in the Premier Bank also helped me build a strong network with some higher officials in the organization. Hence, this internship played a vital role in developing my interpersonal and professional skills and knowledge.

- 1) **Exposure to Business operations:** The internship opportunity in Premier Bank ensures that students are directly involved to work in the major functions of HRM which gives them a practical experience which they can take to their future job roles. For instance, I was made to work in the recruitment and selection process which gave me a thorough idea of how talent acquisition works in organizations. In addition to that, I was given the responsibility to update all employee information in the HRMS which gave me a thorough idea of how to maintain the employee database. I was also made to work in the training and development sector through which I learned how to track performance after training to determine rewarding the right employee or providing necessary adjustments if there was no improvement after training. To sum up, it can be said that this internship allowed me to see the reflection of all the HRM theories that I learned in the last 4 years of my BBA degree hence it was a great learning opportunity for me.
- 2) **Improvement of soft and hard skills:** While working for Premier Bank, I worked with many different people and sometimes in teams which helped me learn about leadership qualities, critical thinking abilities, improve communication, time management skills and a lot more. Furthermore, I worked a lot of functions in Excel and Microsoft Word which improved my abilities in these which is undoubtedly one of the biggest benefits of working in The Premier Bank PLC.
- 3) **Networking Opportunity:** Networking is very crucial to build a successful career in the corporate world. My internship helped me work with many HR professionals of the Premier bank as I was made to work in various sectors of the HR division which offered a comparatively bigger networking scope for any intern. This helped me build a

network with many HR professionals which led me to learn a lot under their precious guidance which I'll refer to in my future job roles.

### 1.3.3 Problems / Difficulties

**1)No Specific Line Manager:** During my internship period, I had no specific supervisor under whom I worked but rather I had to work under several other people and I had to manage all of their work within their mentioned deadlines which was quite difficult for me as I had no previous work experience. Therefore, I had no specific work pattern but had to adjust accordingly.

**2) Working environment:** The environment I worked in was not that friendly and supportive. My supervisors would provide me with some instructions and I had to follow it accordingly but whenever I faced any problems while working, I didn't have my colleagues to help me out so I had a tough time fixing my problems by myself. They were not considerate enough with the fact that I was a fresher so I needed some basic help. This was one of the major challenges I faced during my internship period.

### 1.3.4 Recommendations

Premier Bank can design an outline for the interns where they can mention their job roles and expectations which will be easier for the interns to abide by. Interns can also prepare themselves before joining so that they can work more conveniently. By this, the organization can also utilize their interns to the fullest and extract the best performance from them. Therefore, following this can fetch Premier Bank more benefits which is effective for them in the long run.

## Chapter 2: Organization Part

### 2.1 Introduction

Premier Bank PLC is one of most renowned private commercial banks in the banking sector nowadays. It started its journey as a banking organization on June 10,1999 under the company Act 1994. On 17 June 1999 Premier Bank got a license from Bangladesh Bank. This Bank was founded by Dr. H.B.M Iqbal and still he is serving the company as a chairman. Premier bank is a public limited company today and it enlisted in Dhaka stock exchange and Chittagong stock exchange in 2007. This bank operates its business with 118 branches,10 sub-branches and 186 Agent outlets. Premier bank is one of the first developers of visa card service among the regional banks of Bangladesh. It offers its clients both general banking services and Islamic banking services all together. From the very beginning the management of premier bank is very concerned about the adaptability of modern technology and giving top class services to its clients so that the organization can become the best bank in the banking sector of Bangladesh.

### 2.2 Overview of the Company

#### 2.2.1 Core values of Premier Bank

##### Service First

Service first is the motto of Premier bank. It is not for say only, they actually believe in it and work hard for its real implication.

##### Easier Banking

Premier Bank tried to make client's banking easy. That's why they divide their client base into a few numbers of individuals so that they can carefully focus on them.

##### Better Relationship

Keeping clients for the long term is one of the most important values for the organization. So that they guide their client when they face any kinds of difficulties during banking.

##### Assured Confidentiality

Client's data is very important information for clients as well as for the organization. Premier Bank gives guarantees to keep client's data confidential.

### 2.2.2 Strategy

#### Be proactive

Banking is a service type business. It is very important for this business to gain trust and give best service to its customers. Here a small mistake can create a big problem for the organization. That's why management and all the employees work very hard for the betterment of the organization.

#### Begin with the end in the mind

Premier Bank's goal is to be one of the best banks in the country. They did every task to achieve this goal.

#### Put first things first

While running a business an organization has to face lots of difficulties. Premier banks always take the most priorities, the most important one first.

#### Think win-win

Premier Bank not only likes to get profit from the client. It wants to give best service to its client with minimum charges so that there is a win-win situation for the organization as well as for the client.

#### Seek First to understand and then be understood

For any problem Premier Bank understands the situation thoroughly before making any decision. After they understand the problem then take action to solve that.

#### Synergy

Premier Bank has lots of parts. Every part is important for the organization. All the parts working combinedly here.

### 2.2.3: Vision

The vision of the organization is clearly stated on their website. Its vision is to be the top financial institution in the country.

#### 2.2.4: Mission

- Giving top priority to its customers
- Shareholders profit maximization
- Get done work effectively and efficiently with the help of technology
- Ethically running the business
- Giving good working environment to its employee
- Helping in the development of a nation

### 2.3 Management Practices

#### 2.3.1 Leadership Style and its impact

From the very beginning Premier Bank PLC followed the democratic leadership style. Democratic leadership is a leadership style where all the employees get the chance to give their own view on any decision and top management valued employees view. There are lots of benefits of this leadership style which can help the organization to achieve its goal and objectives. At first Premier bank gets lots of ideas from its employees as democratic leadership style gives opportunity to share employee's opinion and ideas. It helps the management to run the company smoothly. Besides it creates employee engagement which helps in making an excellent working environment. Moreover, it also attracts the shareholders which is a very good sign for the company. Furthermore, this leadership style creates job awareness among the employees and they find themselves important for the organization. Which increases the effectiveness and efficiency of the work? In conclusion, it can be said Democratic leadership style helped Premier Bank to achieve its objectives and goal to become the best financial institution.

#### 2.3.2 Human resource planning process

Humans are one of the biggest assets for any kind of organization. That's why Premier Bank is very careful about their human resources. Recruitment and selection are key elements of humans. In the recruitment process organizations find candidates for a position and fascinating them to apply whereas in the selection process organizations hire deserved candidates for the job.

Recruitment process:

Premier Bank use both internal and external source of recruitment to find the best candidates for the position. It has 118 branches and it is very often it shifted its employee from one branch to another branch. It is the most used internal recruitment process of premier bank. It is very helpful for the organization as employee can easily make themselves comfortable with the job. Besides in every year Premier Bank take lots of intern who became permanent employee after their internship period. For external recruitment Premier Bank gives adds in both online and offline. Besides they create a wonderful and easy to use website for its potential candidates as well as customers. They

also took CV through their own websites. These are the main elements of the Premier Banks recruitment process.

### Selection Process

Selection process comes after the recruitment process. This selection process is different in Premier Bank from position to position. For the MTO position Premier Bank at first gets the CV from the applicant then starts an initial screening. Here very simple things are checked like qualification, academic result, location etc. After that the deserved candidates move to the next step which is an assessment test where the analytical, English and mathematical ability of candidates are checked. Candidates who passed this stage moved to group discussion which took place in person. Where candidate's presentation skill, analytical ability, decision making ability are tested. After clearing this stage candidates have to face an interview. After the interview, management selects the best candidates for the position. For executive level employee candidates have to go through one written test and one interview after initial screening. That's how the selection process occurs in Premier Bank PLC.

### 2.3.3 Compensation system

Compensation system is very crucial for any organization. Premier Bank maintains a market standard compensation system. Their compensation package design with basic salary,

### 2.3.4 training and development initiatives

Training and development are the key for any organization as it helps to increase the skill of the employee. This improvement of skill helps employees to work efficiently which always helps the organization to achieve its goal. That is why Premier Bank uses lots of training session, workshops for its employees. Organizing training for employees is one of the most crucial tasks of the human resource development process. To do this Premier Bank established a Learning and talent development center (LTDC) which is full of modern learning material and courses. LTDC Also conducts AML and CFT training. Here the most important things are

- New Recruits
- Existing employee
- Account opening officials
- Agent Employee



## 2.4 Marketing Practices

### 2.4.1 Marketing strategy

Product, place, people and promotion are the base of the marketing strategy from the very beginning Premier bank is clearly setting their marketing strategy depending on their service. Their motto is 'service first'. They always tried their level best to give the best service to their client. Secondly, they open lots of branches for the convenience of the clients. After that they always try to get the best people in their team. Giving a lot of benefits to their employees is another strategy of Premier Bank PLC. Lastly, they use almost all the channels for promotion of their service and brand. That's how Premier Bank designed their whole marketing strategy. All of these will elaborately be described in the later part.

### 2.4.2 Target customers, targeting and positioning strategy

Premier bank positioned them as the best service provider in the market. Giving fast services makes Premier Bank different from others. Their customers are

- Regular banking users
- High net worth peoples
- People who are outside of country
- Small and medium enterprise
- Corporate clients

### 2.4.3 Marketing channels

- Own website is one of the biggest marketing tools for Premier bank. They designed their website easy to use and it also looks very lucrative. It connects the brand with its current and potential customers.
- Premier bank has lots of branches all over the country. It also serves as the primary way to interact with the customers.
- Social media is another biggest marketing channel for Premier bank. They run online ads and different social media handles to connect with the customers.
- Other channels are print media, television media, mobile banking App, referral program, event and sponsorship.

### 2.4.4 New product development

Premier Bank has been trying to develop new products for a long time. They launched a mobile app and recently added new features on that. In addition, they are trying to introduce new investment products. On the other hand, they are planning to come with a co-brand card. All these are the new products of Premier bank.

#### 2.4.5 Branding activities

- Creating modern website
- Sponsorship on various event like BPL
- Organizing CSR activities

#### 2.4.6 Advertising and promotion strategies

Premier bank uses all the digital advertising and promotional tools. At first Premier Bank used social media marketing most of the time. Then comes website and mobile marketing. Through mobile marketing agents call different potential clients and inform them about various services of the bank. At last, come data driven marketing and search engine marketing. Which are also used by Premier Bank PLC.

#### 2.4.7 Critical Marketing issues and gaps

Online marketing is now one of the biggest challenges for Premier Bank. A very small negative review from any client can hamper the organization massively. That's why Premier Bank should be concerned about this issue. Their gap in the marketing is that they do not focus on influencer marketing which can be improved.

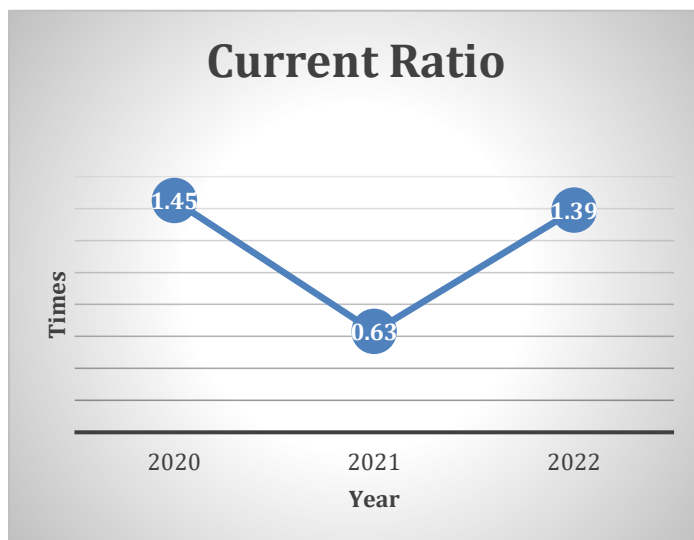
## 2.5 Financial Performance and Accounting practices

In this part of the report the financial performance will be verified through all important financial ratio analysis of premier banks in the last 3 years. On the website of premier bank, the latest 3 years are 2020,2021,2022. All these three years, the financial ratio will be analyzed. The fiscal year of the premier bank is Jun to dec. Most important ratios for business are described below:

### 2.5.1 Liquidity Ratio

**Current Ratio = Current Asset/Current Liability**

Serial	Ration Name	2020	2021	2022	Unit
1	Current Ratio	1.45	0.63	1.39	Times



#### **Time series analysis:**

In 2022 the current ration was 1.39 times. Which increased from the previous year. This ratio declined in 2021 and went from 1.45 times from 1.45 times. Which was a bad indication towards the organization.

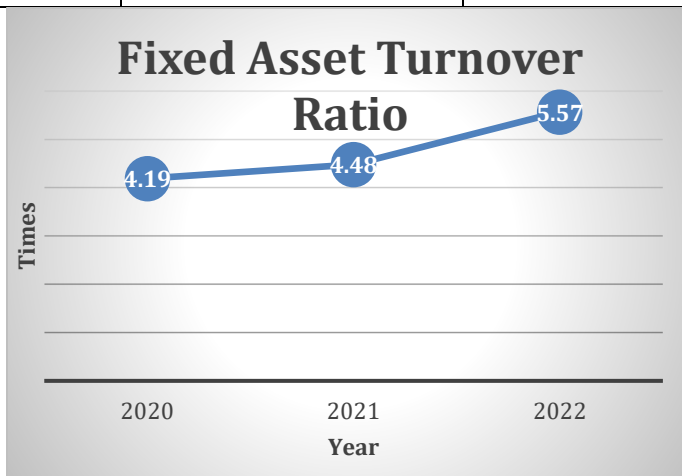
**Significance:** Current ratio is analyzed to understand the financial strength of the organization in a short time. An organization has lots of expenses. There are short term expenses as well as long term expenses. Current ratio indicates the potentiality of the organization to pay short term expenses. It is very important as it gives investors and creditors the confidence that they will get

dividends and interest at the right time from the company. Current ratio more than 1 indicates that organizations have more current assets than current liability.

### 2.5.2 Asset Management ratio/Efficiency Ratio

**Fixed Asset Turnover= Revenue/ Net fixed Asset**

Serial	Ration Name	2020	2021	2022	Unit
1	Fixed Asset Turnover	4.19	4.48	5.57	times



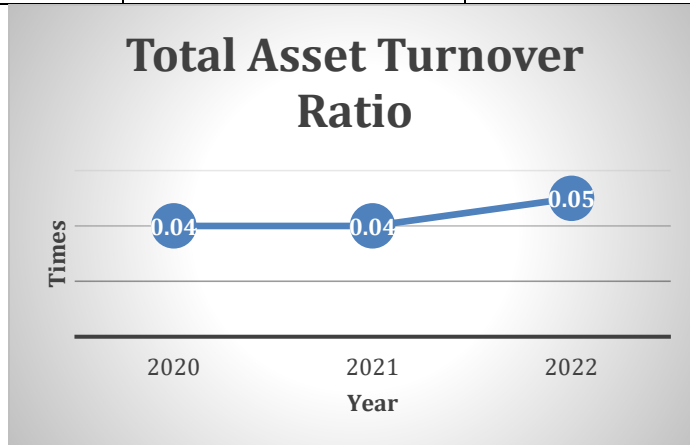
#### **Time Series Analysis:**

In 2022 the fixed asset ratio was 5.57 times. It is increasing over these three years. It indicates that the organization using them is fixed properly day by day.

**Significance of fixed asset management ratio:** This analysis tells the organization how successfully they are using their fixed assets. It also helps to take investment decisions related to fixed assets. In addition, it helps to find return on investment for capital expenditure on property, plant and equipment.

**Total Asset Turnover=Sales/Total Asset**

Serial	Ration Name	2020	2021	2022	Unit
1	Total Asset turnover ratio	0.04	0.04	0.05	times

**Time Series Analysis:**

The graph shows that the total asset turnover ratio is constant over the years. There is a very small increase that can be noticed in the year 2022.

**Significance of total asset turnover ratio:**

At first asset turnover ratio is important because by analyzing this ratio an organization can understand how efficiently an organization is using its total asset. Secondly it is very important for the investors. So, organizations have to be careful of this ratio.

### 2.5.3 Debt Management Ratio

**Debt Ratio= Total debt/Total Asset**

Serial	Ration Name	2020	2021	2022	Unit
1	Debt Ratio	93.56	93.74	93.56	Percentage



#### **Time Series Analysis:**

In the graph it is shown that the debt ratio is constant over the three years. It is almost 93% every year. It means that 93% of total assets are financed by debt. This ratio is quite high for the company.

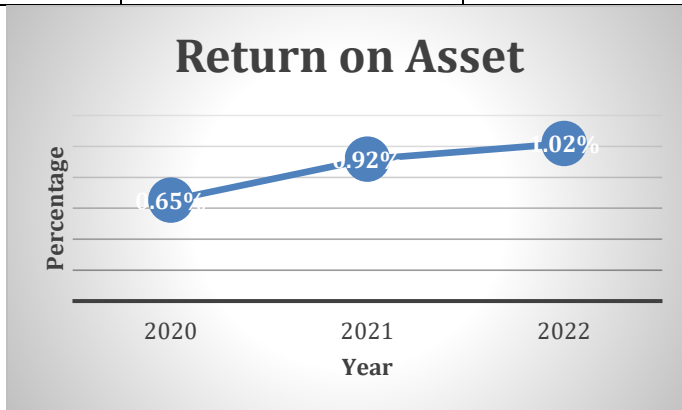
#### **Significance of debt management ratio:**

Taking debt is very common in the banking industry. Often Banks take loans for various reasons. By analyzing this ratio, organizations can know how much their assets are financed by debt. If the organization cannot pay their debt in time, it can cause them a lot of problems. Before giving a loan, financial institutions check the debt ratio of the bank. That's why it is very important for the organization.

### 2.5.4 Profitability Ratio

Return on Asset= Net Income/ total asset

Serial	Ration Name	2020	2021	2022	Unit
1	Return on Asset	0.65	0.92	1.02	percentage



#### **Time Series Analysis:**

The above graph shows that the return on assets is increasing every year. It was 0.65% in 2020 which will increase the next year and reach to 0.92%. Then in 2022 it will become 1.02%. This improvement of the ROA is very good for the organization.

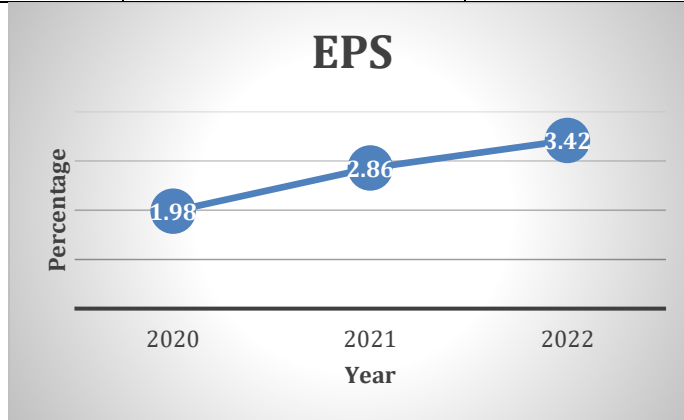
#### **Significance of return on asset:**

This ratio is important to understand how efficiently an organization uses its assets to generate revenue. By understanding this management can take necessary steps for the better usage of assets. A bank's assets are its loans and deposits. Using them properly is very important for the organization. So, it is very important for the organization.

### 2.5.6 Stock Market ratio

15)  $EPS = \text{Net income} / \text{total number of common shares}$

Serial	Ration Name	2020	2021	2022	Unit
1	Return on Asset	1.98	2.86	3.42	Taka



#### **Time series Analysis:**

The graph presents those earnings per share is increasing over the last few years in Premier Bank PLC. Here constant growth is noticed over the year. Which is a very good sign for the organization. It gives confidence to the shareholders of the organization.

#### **Significance:**

Eps stands for earning per share. Premier bank is a public limited company and its equity is divided into lots of shares. How much a share earns is very important for the shareholders. Depending on that they take decisions to buy or sell the share. That's why this ratio is important for the organization as well.

### 2.5.7 Core Accounting Principles and depreciation method

Premier Bank follows the IFRS principles for making their financial statements. Going concern accounting principle is followed in Premier Bank PLC. This principle assumes that the business operation of the company will run indefinitely. Then comes the accounting method of the company. Here Premier Bank follows an accrual basis of accounting. After analyzing the whole annual report, it is noticed that all steps of the accounting cycle are fully followed during performing accounting activities. After that it is found that two types of depreciation methods are applied in the company. They are reducing balance and straight lines. Reducing balance is used for all kinds of fixed assets like furniture, equipment, land etc. except vehicles. In vehicles, a straight-line method is applied. These all are the accounting practices of Premier Bank PLC.



## 2.6 Operations Management and Information System Practices

Premier Bank's operation management and information system is very closely related with each other. It has lots of branches all over the country and operation of these branches are very complex to handle because of distance. That's why it is very important for the organization to use modern technology in their information system so that they can get advantages in operation management. On the other hand, there are high chances of destroying the data during this time of digitalization. That's why Premier Bank takes lots of precautions to save their data. There actions of information system are given below:

- Developing core banking system new release called spark which is the advanced version of their previous software. New features are updated security module, sub-branch module, simpler customer accounting opening etc.
- Automation of Islamic banking window and sub branches
- Renewed License of Web Gateway Solution for next 3 years
- deployed Backup HSM for BACH II System
- Signed Annual Maintenance Contract of VMware for Card Management System for next 3 years

## 2.7 Industry and Competitive Analysis

### 2.7.1 Porter's Five Forces analysis

Porter's five forces analysis is the framework to understand competitive forces in any industry. Porter's five forces for banking sector where Premier Bank operates are given below:

#### Threat of New Entrants (Low)

Banking business is a high capital-intensive business and risk is too high here. Besides, there are lots of rules and regulations that are present to start a bank. Moreover, trust is the most important thing in the banking sector. So new entrants face huge challenges when starting the business. For all of these reasons, the threat of new entrants is low in the banking sector.

#### Bargaining Power of Customers (Moderate)

The customers of bank's are individual people, corporate houses and financial institutions. They have very limited bargaining power individually but they collectively have the power to influence lots of things in the bank like transparency of fees, interest rates, switching cost etc.

#### Bargaining Power of Suppliers-Depositors and Investors (Moderate)

Banking business is a high capital-intensive business as it requires invertors and lots of depositors. The investors of the banks and also depositors are always diluting their personal bargaining power. In addition, regulatory measures and competitive pressure create impact on the bargaining power

of suppliers and depositors. Because of these two factors supplier power is limited in the banking sector.

#### Threat of Substitutes (High)

This is the time of advancement in technology. There is a high chance that in the near future the market of traditional banking will decrease because of fintech companies. These fintech companies are offering lots of financial services, advisory service and payment service. All of these are at very low pricing and easy to use. That's why the threat of substitutes is high in the banking sector.

#### Intensity of Competitive Rivalry (High)

In the banking sector, the rivalry is very high. All the banks tried their level best to get maximum market share by applying lots of strategies like pricing strategy, customer service, product differentiation etc. To get the maximum number of markets share many banks use merger and acquisition. So that they can beat the rival company.

#### 2.7.2 SWOT analysis

SWOT analysis has four factors. They are strength, weakness, opportunity and threats. Here strength and weakness are internal factors where opportunity and threats are external factors. By analyzing this organization can understand their current position in the market, future challenges and upcoming opportunities of the company. It is a very helpful analysis in the competitive market. SWOT analysis of premier Bank are described below:

##### Strength (Internal factor)

###### Expanded network

Premier Bank already established a huge network all over the country. It has 118 branches, 186 agents and 10 sub-branches through which it operates its business.

###### Established brand

Today Premier bank successfully established their brand in the market which is a big advantage for the organization. It will help them to spread their business and engage more clients.

###### Product Portfolio

Premier bank offers almost every kind of banking service like retail banking, corporate banking, SME banking, Islamic banking etc. They are considered as their strength because it will help them to satisfy their customers and fulfill their needs.

##### Weakness (Internal factor)

### Change in working environment among branches

Working environment is not the same in all the branches of Premier bank. It creates dissatisfaction among employees. Which can hamper the company most. And it is the biggest weakness of Premier Bank.

### Issue in customer service

Often customer complaints about minimal assistance, prolonged wait times and poor quality of service, might lead to the collapse of business.

### High reliance on interest income

Interest income is the biggest revenue stream for Premier bank. It can be affected by many things like government rules, economic conditions etc. That's why high dependency on interest income can be harmful for the organization.

### Opportunity (External factor)

#### Advanced technology

Latest technology opens lots of opportunities for all the banks in the banking sectors. By using technology banks can increase their efficiency of work. Not only this but also it helps to enhance the experience of customers.

#### Spreading market

Geographical expansion is becoming easier than ever, which creates a very large market. From which banks can get huge advantages.

#### Increasing demand of Islamic banking

The market of Islamic banking is increasing day by day. Premier Bank also has Islamic banking wings. By properly using it, organizations can easily get advantages in their business.

### Threats (External factor)

#### High costing

Running physical Branches is becoming very costly today. All the overhead costs, administration expenses, variable costs are increasing day by day.

#### Cyber security risk

Cyber-attacks are a very common phenomenon nowadays. It is very harmful for the organization as it is considered the biggest threat for any organization specially for the bank.

### Economic uncertainty

Economic uncertainty directly affects the banks. Economic downfall, interest fluctuation can be very harmful for any bank.

## 2.8 Conclusions

The purpose of a bank is to operate its business in profit and also give best service to its client. It has the ability to create a huge impact on the development of any nation. Premier bank is successfully going closer to its goal to become the best bank in the banking sector. Their client is the first priority for them. They are very well aware about their weaknesses and it's the time to eliminate those weaknesses. Hopefully in the near future Premier Bank will be the best bank in the banking sector of Bangladesh.

## 2.9 Recommendations

- Working on the working environment of the organization
- Running the company in profit
- Increasing the ability of adapting digital changes
- Invest more in R&D

## Chapter 3 (Project Part):

### 3.1 Introduction

#### 3.1.1 Literature Review

Premier Bank PLC is at the verge of a window of opportunity in the banking market that is constantly changing, with the potential to redefine industry standards and become a shining example of the highest standards (Akter et al 2012). Developing a successful strategy requires vision, flexibility, and a dedication to creativity. This represents the road map that Premier Bank PLC can utilize to ascend to the top of the banking industry. Crafting a sustainable strategy can help any organizations like Premier bank PLC to act in fulfilling their mission and vision as a successful business strategy can improve financial performance, helps to gain competitive advantage, provides long term sustainability, encourages growth and innovation, minimizes risks etc. The banking industry in Bangladesh faces numerous challenges to survive which includes non-performing loans, lack of financial inclusion, cybersecurity risks, regulatory compliance, limited innovation, governance issues (Al-Ajlouni, 2018). Though lots of research has been done on finding ways to find permanent solutions to this problem, no concrete solutions could be discovered (Hadad, 2019). The main objective of this research is to find out the ways by which Bangladeshi banks including Premier Bank PLC can overcome these problems and become one of the leading banks in the banking industry by implementing effective corporate strategies. According to previous research, the dynamic changes in the banking industry and the fierce competition from new advancements in the ways of conducting banking operations is a huge threat to the banking industry. Some of these include: mutual funds which continuously challenge the banks' core deposit base (Mack, 1993). The ongoing financial innovations like zero-coupon bonds, Eurodollars, callable bonds and other kinds of derivatives challenges the traditional banking system continuously (González et al 2021). Therefore, the main task of banks is to overcome these otherwise banks' competitive advantage in relationship banking is diluted by new advancements in the financial markets. Credit and Risk management is another vital component that drives financial institutions like banks (Njanike, 2009). Only banks that manage risks effectively can survive in these crucial market conditions which determines sustainability of the banks. Moreover, the wind of economic liberalization affects the market driven economy so Indian banks are also highly affected by this (Ravi et al 2011). In addition to that, building customer satisfaction by

adopting technological advancements is also a prime challenge that banks face and should develop effective strategies to combat it. The banks in India have diversified their traditional operations with insurance, merchant banking, factoring, advisory services which built a momentum in the levels of their customer satisfaction. Hence, the adoption of promotional tools and techniques have improved both public and private banks in India (Mano, PK 2018). Therefore, banks in Bangladesh including the Premier Bank PLC should be aware of the challenges and take preventive measures to overcome it so that they can maintain their comparative advantage.

### 3.1.2 Objectives

The main objectives of this research paper are as follows:

- 1) To understand all the problems and challenges in the banking sector due to dynamic changes in the business environment and how these can be mitigated from the perspective of Premier bank.
- 2) To find out the financial and credit risks that banks face and how they can eliminate their weaknesses and utilize their opportunities better.
- 3) To determine the strategies which can make Premier Bank PLC one of the leading banks in the banking sector.

### 3.1.3 Significance

The internship report on “Unraveling the competitive edge and risk mitigation strategies of Premier Bank PLC” is of utmost importance to all the banks and its stakeholders as it provides insights into interpreting the competitive edge within which Premier Bank operates and how they are maintaining the comparative advantage. This study also includes the strategies that competitor banks are employing which can act as a lesson for Premier Bank to understand areas where they are lacking and areas where they are excelling and refine their strategies accordingly to become one of the top-tier banks among the banking industry. Furthermore, this research encompasses the elements that offer Premier Bank a competitive edge, which they can bolster to draw in and keep clients while discouraging their customers to switch to their competitors. This paper provides a thorough definition of the various risks that banks face in the constantly changing business climate, including credit risk, market risk, operational risk, and regulatory risk. By analyzing these risks, Premier Bank can better develop approaches to reduce these risks, which is essential for maintaining the institution's image and its financial health. Furthermore, in order to maintain its edge over its rivals, Premier Bank can use the results of the research to choose where to allocate resources and make fresh expenditures. Premier Bank can take proactive steps in order to minimize risks by identifying possible weaknesses and gaps in the way they currently operate with the help of this study. Furthermore, it can assist in coordinating the bank's long-term aims and objectives with the ever-changing market conditions by guaranteeing successful execution of strategy. Thus, it can be concluded that Premier Bank PLC may use this report as a framework to efficiently

traverse the challenges of the banking sector by utilizing its strengths, minimizing all risks, and remaining informed of market trends, hence this report is of high significance for any banks including the Premier Bank PLC to become one of the leading banks in the banking industry.

### 3.2 Methodology

The data needed for this internship report was collected from both primary and secondary sources as this helps to increase the credibility of the research. During my 3 months of internship period at Premier Bank PLC, I worked with their HR professionals who were responsible for different HR operations so I gathered data from them by interviewing them. Also, the head of HR operations at Premier Bank PLC was also surveyed on how they are taking preventive measures to ensure their comparative advantage and how they are recrafting their strategies to adapt to the constantly changing business environment. Not only that, quantitative data on the bank's financial performance was analyzed to get an idea about where the bank stands and how that could be improved. The industry reports which are considered as the secondary data source are studied to get a thorough idea on the banking landscape and its trends and challenges. Additionally, many online platforms like Google scholar, Research gate, Google books and open books were used to gather other company information and background which were used to explain several theoretical points throughout the paper. All of these data were then studied to reach valid findings and analysis for Premier Banks to follow to become one of the leading banks and the effective strategies for reaching their goals. Then, proper conclusions and recommendations were drawn for the bank. Hence, the data used for this research is reliable therefore providing effective solutions and recommendations which is the main goal for conducting this research.



### 3.3 Findings and analysis

#### 3.3.1 The solutions that Premier Bank PLC have come up with to combat the challenges that they are facing continuously in the dynamic business environment

The banking industry possesses high risks and challenges which is crucial for Premier Bank to overcome by taking adequate preventive measures. Some of the prime challenges and risks include: adapting to advanced technology, high threat of substitutes, high intensity of competitive rivalry, changing economic conditions, huge cost of running several branches, cybersecurity risk, maintaining customer satisfaction in all branches, high reliance on interest income. Premier Bank PLC is continuously trying to overcome all these by implementing effective strategies. It is of utmost importance for Premier Bank to embrace cutting-edge technologies to enhance operational efficiency to improve customer satisfaction and foster innovation. To mitigate the challenge proposed by advanced technology, Premier Bank can implement robust data analytics and AI driven solutions to analyze huge amounts of data on customer behavior and preferences to better understand customer expectations and work accordingly. They should also introduce digital banking platforms to provide customers a seamless online banking experience. Customers should be able to make financial transactions, manage accounts and have access to financial services anywhere and anytime along with high security and convenience. Additionally, features like mobile payments, budgeting tools and AI powered chatbots can give a huge boost to customer satisfaction in all branches of the Premier bank PLC. Moreover, Premier Bank can integrate blockchain technology in their operation system by investing in blockchain startups or introducing their in-house blockchain solutions to improve efficiency and reduce expenses of traditional banking operations among all the branches of Premier Bank. However, with advances in technology, the cybersecurity risk also elevates which is a crucial challenge for Premier Bank. Therefore, they must adopt some cybersecurity measures to ensure safety of data and to protect themselves against cyber-attacks. For this, they can include multi-factor authentication, real-time monitoring systems, encryption protocols, regular security audits to ensure compliance with industry standards and regulations. Moreover, they should introduce biometric authentication across channels like mobile banking, ATM, branch services to give customers a premium feeling of safety and security. Despite these, the banking sector faces intense competition due to high

threat from substitutes which challenges the traditional way of banking. Some vital examples include: mutual funds, zero coupon bonds, Eurodollars, fintech companies, callable bonds and other kinds of derivatives. Therefore, Premier Bank should collaborate with fintech companies to enhance customer value by providing a wide spectrum of services and solutions under one roof at a lower price tailoring customer loyalty and retention. Another challenge for Premier Bank is maintaining the huge cost of operations in different branches and this can be minimized by embracing cloud computing technologies which can help with flexibility, scalability and cost effectiveness in their IT infrastructure. By adopting this, the bank can foster innovation while reducing the dependency on on-premises hardware and software. In addition to all these challenges, government policies and changing economic conditions is also a major challenge for the Premier Bank. Monetary policies, fiscal policies, regulatory policies are highly responsible for affecting bank's operations as these affects overall economic stability. Hence Premier Banks should abide by them by altering their business models and risk profiles to mitigate the threats these policies offer as it is crucial for Premier Bank to thrive in this dynamic regulatory environment. Other than all these, another prime source of challenge lies in the fact that Premier bank is highly dependent on interest-based income. Therefore, Premier banks should diversify their revenue channels by focusing on fee-based services which includes wealth management, financial advisory and transaction fees as this can aid the bank to generate their revenues in a more convenient source. Furthermore, they can invest in non-interest income sources, can expand their presence in the emerging markets, and form partnerships with fintech companies. This is because this strategic approach can help Premier Bank to reduce risks associated with fluctuations in interest rates which can improve the bank's sustainability and success. Therefore, it can be concluded that if Premier Bank is successful in mitigating all the above-mentioned challenges with these effective solutions, they will be able to maintain their comparative advantage and ensure sustainability in the ever-changing business environment.

3.3.2 The necessary measures that Premier Bank adopts to minimize the financial and credit risks that they face and how they can eliminate their weaknesses and utilize their opportunities better

Credit risk is one of the most vital risks that Premier Bank faces as their income relies on the interest that they gain by lending money to their customers on credit. Therefore, there is always a very high possibility of not recovering the money back which determines the profitability of

Premier Bank. To minimize credit and financial risks, Premier Bank should adopt effective measures by fencing risk management strategies, technological advancements, regulatory compliance and proactive decision-making. Premier Bank should implement thorough checks on their customer's creditworthiness before lending them so that credit risk is somewhat minimized. Moreover, they should go for loan diversification in different sectors and among all districts of our country. They should set lending limits based on the customer's credit profiles and collateral and monitor the customer's financial performance to identify early signals of deteriorating credit quality to prevent sudden losses. For further safety and risk mitigation, credit derivatives and insurance products can be used to hedge against probable credit losses. As technological innovations emerge, it deploys a huge opportunity to analyze datasets to gather information for risk management purposes. Also, investment in blockchain, predictive analysis and artificial intelligence to minimize emerging credit risks can help Premier Bank to sustain their profitability. Investment in blockchain is a huge opportunity for Premier Bank as it smooths out operational costs among various branches of the bank which can improve efficiency and flexibility of services which is important for customer satisfaction which in turn is vital for the bank's growth and sustainability. To further cut down losses, Premier Bank should focus on other investments other than only relying on interest-based income as this can enhance liquidity management. They should maintain contingency funding and diversify their funding sources to prevent liquidity crises as these investments can act as a buffer when credit risks arise. Moreover, Premier ensures that they are maintaining regulatory compliance to ensure that their good will is maintained by not violating any government regulations or frameworks. In addition to that, Premier Bank should build an environment which has a high-risk tolerance and awareness and for that they should maintain open communication with their employees, build risk-conscious behavior among them and provide sufficient training to manage risks if it arises. They should also regularly update their risk management policies to align with the changing market conditions and make sophisticated risk models to monitor and calculate operational and credit risks. In conclusion, it can be said that minimizing risks is very crucial and requires proactive strategies which Premier Bank plans on to implement with full fledge. By adopting these important effective steps, Premier Bank can successfully mitigate credit and financial risks and make possible use of their opportunities to mitigate their weaknesses.

3.3.3-The strategies that Premier Bank PLC has undertaken to be one of the leading banks of the country.

Strategy acts as a roadmap for any organizations to proceed towards success. It is a very vital component for any organization and must be implemented proactively to make accurate decisions. Premier Bank plans to put on some effective strategies to help them become one of the leading banks in the banking industry. Premier Bank always ensures that they are prioritizing their most important tasks first and then concentrate on the least important ones which is a very proactive approach. They also follow the strategy “Seek first to understand and then to be understood “– which means that they always get a thorough understanding of any problems that arise and then take effective decisions to mitigate it. They also follow the “Think win-win “which means that not only they serve their customers, but also, they try to ensure that they are doing it with the minimum charge so that customers are glad and at the same time the organization is also making profits which is a win-win situation that earns them good will. However, despite the strategies that they already follow they must continuously update their strategies to be one of the leading banks. Firstly, Premier Bank must be proactive in effectively managing their customers as it is essential for any business to gain trust and provide their customers with the most premium quality service. That is why, all the employees of Premier Bank must work hard to tailor their services according to the customer’s preferences to enhance customer satisfaction. Secondly, it is highly important for Premier Bank to embrace digitalization as it helps to maintain modernization in banking services like mobile banking apps, online banking platforms and digital payment solutions. Thirdly, they should focus on financial inclusion by including rural communities, low-income individuals in their target customer segments as it can provide them with a significant opportunity for growth which is vital for their success. Moreover, Premier Bank can go for strategic partnerships with other financial institutions, fintech startups, or non-banking entities to build synergy which acts as a very effective strategy for growth as it helps to expand into new markets, give access to innovative technologies and provides cost-effectiveness. They should also continuously invest in talent development and training so that their employees can excel in their roles which improves customer satisfaction and ultimately benefits the organization to go towards success. Lastly, Premier Bank PLC should perform activities like community development, environmental sustainability activities and philanthropic activities to build a positive image of being socially responsible which can help build stronger relationships with stakeholders and

enhance their brand image. To sum up, it can be said that if Premier bank can successfully implement all the above mentioned, holistic and effective strategies, it can enroll its name in the list of the leading banks in the banking industry.

### 3.4 Summary

Premier Bank PLC is at the verge of a window of opportunity in the banking market that is constantly changing, with the potential to redefine industry standards and become a shining example of the highest standards. To achieve this, Premier Bank should be able to craft effective, proactive strategies to take appropriate business decisions which can lead to the success of the organization. Crafting a sustainable strategy can help Premier bank PLC to act in fulfilling their mission and vision as it can enhance financial performance, helps to gain competitive advantage, provides long term sustainability, encourages growth and innovation, minimizes risks etc. The banking industry is prone to several challenges and therefore proper solutions must be implemented to overcome these. In this paper, some probable effective measures that Premier Bank can take in has been discussed thoroughly which will help Premier Bank to fit in the dynamic business environment and utilize their opportunities to mitigate their weaknesses. Moreover, the reasons behind huge credit and financial risks that all banks including Premier Bank faces is analyzed and accordingly effective solutions have been recovered for minimizing these risks. Lastly , the strategies that Premier Bank can undertake to position themselves as one of the leading banks of the country is determined in this paper as this is very vital for any organizations to sustain and succeed in achieving their mission .Hence , the objectives and findings of this paper is of utmost importance for Premier Bank to maintain their comparative position in the banking industry and if the solutions and suggestions of this paper is followed by Premier Bank , then they can easily become one of the top-tier banks of the banking sector in Bangladesh .

### **3.5 Recommendations**

Some of the vital recommendations for Premier Bank would be:

- 1) Embrace Technological Advancements
- 2) Collaborate with other Financial Institutions
- 3) Make other investments except relying solely on the return from lending money to customers
- 4) Adopt Customer-Centric Approach
- 5) Continuous Investment on Developing their employees
- 6) Engage in Corporate Social Responsibility
- 7) Expand in more market

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## Appendix

service first

## The Premier Bank Limited

Balance Sheet as at 31 December 2022

	Notes	Amount in BDT	
		2022	2021
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	<b>4</b>	<b>22,038,459,485</b>	<b>16,459,278,343</b>
In hand (including foreign currencies)	4.1	3,039,689,935	2,808,726,290
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4.2	18,998,769,550	13,650,552,053
<b>Balance with other banks and financial institutions</b>	<b>5</b>	<b>10,082,204,713</b>	<b>4,727,660,107</b>
In Bangladesh	5.1	6,556,430,639	1,683,002,749
Outside Bangladesh	5.2	3,525,774,074	3,044,657,358
<b>Money at call on short notice</b>	<b>6</b>	<b>1,700,000,000</b>	<b>600,000,000</b>
<b>Investments</b>	<b>7</b>	<b>58,468,219,953</b>	<b>56,603,121,054</b>
Government securities	7.1	45,246,129,275	46,881,030,376
Others	7.2	13,222,090,678	9,722,090,678
<b>Loans, advances and lease/ investments</b>	<b>8</b>	<b>264,549,643,962</b>	<b>249,829,580,581</b>
Loans, cash credits, overdrafts, etc.	8.1.1	244,170,911,500	227,012,420,281
Bills purchased and discounted	8.1.2	20,378,732,462	22,817,160,300
<b>Fixed assets including premises, furniture and fixtures</b>	<b>9</b>	<b>3,307,862,932</b>	<b>3,332,025,016</b>
<b>Other assets</b>	<b>10</b>	<b>24,625,430,368</b>	<b>25,023,315,167</b>
<b>Non-banking assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b>384,771,821,413</b>	<b>356,574,980,268</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	<b>11</b>	<b>27,931,991,371</b>	<b>34,725,903,112</b>
<b>Non-convertible Subordinated bonds</b>	<b>12</b>	<b>11,675,000,000</b>	<b>10,000,000,000</b>
<b>Premier Bank Perpetual Bond</b>	<b>13</b>	<b>2,000,000,000</b>	<b>2,000,000,000</b>
<b>Deposits and other accounts</b>	<b>14</b>	<b>296,439,862,199</b>	<b>268,803,053,082</b>
Savings / Mudaraba Saving deposits		26,576,799,438	20,860,458,810
Fixed deposits/Mudaraba term deposits		137,960,708,256	141,808,661,634
Current deposits and other accounts		124,612,930,442	102,334,267,257
Bills payable		7,289,424,063	3,799,665,381
<b>Other liabilities</b>	<b>15</b>	<b>21,955,331,076</b>	<b>18,851,987,343</b>
<b>Total Liabilities</b>		<b>360,002,184,646</b>	<b>334,380,943,537</b>
<b>Capital/ Shareholders' Equity</b>			
<b>Paid-up capital</b>	<b>16</b>	<b>11,473,777,990</b>	<b>10,430,707,270</b>
Statutory reserve	17	8,697,333,746	7,461,553,588
Other reserve	18	106,172,195	56,980,205
General Reserve	19	300,000,000	300,000,000
Foreign currency translation gain/ (loss)		39,395,993	-
Retained earnings	20	4,152,956,843	3,944,795,668
<b>Total Shareholders' Equity</b>		<b>24,769,636,767</b>	<b>22,194,036,731</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>384,771,821,413</b>	<b>356,574,980,268</b>



# The Premier Bank Limited

Profit and Loss Statement for the year ended 31 December 2022

	Notes	Amount in BDT	
		2022	2021
<b>OPERATING INCOME</b>			
Interest income/profit on Islamic investments	24	19,750,231,414	17,967,682,583
Interest/profit paid on deposits, borrowings, etc.	25	(14,867,446,987)	(13,159,510,700)
<b>Net interest income/ net profit on investments</b>		<b>4,882,784,427</b>	<b>4,808,171,883</b>
Investment income	26	3,030,240,730	3,640,153,280
Commission, exchange and brokerage	27	8,744,871,577	4,566,316,225
Other operating income	28	1,650,356,170	1,559,085,448
		<b>13,425,468,477</b>	<b>9,765,554,953</b>
<b>Total Operating Income (A)</b>		<b>18,308,252,904</b>	<b>14,573,726,836</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	29	3,032,198,809	2,700,561,533
Rent, taxes, insurance, electricity, etc.	30	1,527,409,974	1,381,651,905
Legal expenses	31	134,224,111	137,751,290
Postage, stamps, telecommunication, etc.	32	167,690,474	125,252,002
Stationery, printing, advertisement, etc.	33	1,731,300,371	596,702,366
Chief executive's salary and fees	34	18,200,000	17,460,000
Directors' fees	35	3,608,000	4,352,000
Auditors' fee		517,500	517,500
Depreciation and repair of Bank's assets	36	645,922,248	626,075,128
Other expenses	37	1,168,784,509	596,238,845
<b>Total Operating Expenses (B)</b>		<b>8,429,855,966</b>	<b>6,186,562,569</b>
<b>Profit before provision (C = A-B)</b>		<b>9,878,396,938</b>	<b>8,387,164,267</b>
Provision for loans & advances	38	2,622,460,498	1,670,000,000
Provision for off-balance sheet items	38	(275,150,395)	460,000,000
Provision for investment in shares	38.1	239,608,776	(87,558,429)
Other provision	38.2	1,112,577,239	901,371,412
<b>Total provision (D)</b>		<b>3,699,496,118</b>	<b>2,943,812,983</b>
<b>Profit before taxation (C-D)</b>		<b>6,178,900,790</b>	<b>5,443,351,284</b>
Provision for taxation			
Current tax	39	2,352,204,590	1,805,100,000
Deferred tax expense (Income)	10.1.3.1	(204,364,873)	369,125,970
		<b>2,147,839,717</b>	<b>2,174,225,970</b>
<b>Profit after taxation</b>		<b>4,031,061,073</b>	<b>3,269,125,314</b>
Retained earnings brought forward	20	3,944,795,668	3,758,264,921
<b>Profit available for appropriation</b>		<b>7,975,856,741</b>	<b>7,027,390,235</b>
Appropriations			
Statutory reserve	17	1,235,780,158	1,088,670,257
Start-up fund		40,310,611	53,327,611
Coupon/dividend on perpetual bond		199,900,000	-
Issue of bonus shares and Dividend paid	20	2,346,909,129	1,940,596,699
		<b>3,822,899,898</b>	<b>3,082,594,567</b>
<b>Retained earnings carried forward</b>		<b>4,152,956,843</b>	<b>3,944,795,668</b>
Earnings per share (EPS)	40	3.51	2.85

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



**Hedayet Ullah FCA**  
Senior Partner  
Enrolment No: 0281  
**K. M. Hasan & Co.**  
Chartered Accountants  
DVC No: 2305020281AS154837

Place: Dhaka, Bangladesh  
Date: 30 April 2023

