



Internship Report

On

***Customer Experience, Retail Banking Division &
Financial Performance Evaluation (2010-2014) Of
BRAC Bank Limited***



Submitted To:

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Letter of Transmittal

May 12th, 2015

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Subject: Submission of Internship Report

Dear Sir,

It gives me enormous pleasure in preparing this report that was assigned in fulfillment of my internship requirement. This paper has been valuable to me as it contains the reflection of my working experience in BRAC Bank Limited, Head Office, for three months period of my internship. In this report, I have given my best to illustrate the experiences and knowledge I gained from this internship period.

I would like to mention that I am extremely grateful to you for your valuable assistance, extreme understanding effort and constant attention as and when required in accomplishing the paper.

I shall be very pleased to answer any query you think necessary as and when needed.

Sincerely,

Nabila Hoque

Acknowledgements

First of all I give heartfelt thanks to the Almighty for giving me the ability for preparing this report successfully.

I acknowledge the heartiest gratefulness to all who have extended their hands of cooperation in preparing the report. I express gratitude and acclaim my indebtedness towards the relevant Academic Supervisor Riyashad Ahmed, for his overall guidance, advice and support in encouraging the responsibilities consciously while creating this report.

I am cordially thanking Mohammad Tanvir Ahmmed Molla, Manager, Business Development, Customer Experience, Retail Banking Division, BRAC Bank Limited, Head Office, as he provided me the important information and supervision needed during the internship period and in the completion of this report. In addition, I would like to thank all the managers and employees of Retail Banking Division, BRAC Bank Limited, for taking into account my concern and responsibilities.

I would also like to thank all the members of the “Tail Management Project-Dormant and Zero Balance” , for their sincere cooperation and positive effort in completing my internship period. Without the teamwork and assisting attitude of the group members it would not have been possible in finishing this period.

Executive summary

This report is prepared for the completion of internship program as a student of BRAC Business School, BRAC University. First of all, the paper contains a concise view of banking industry analysis and the banking sector of Bangladesh. Afterward, a brief description of BRAC Bank Limited company profile and its products and services. There is a separate chapter on Retail Banking Division and Customer Experience department of BBL comprising the segments and services of this department. A vital portion of this paper is the job description and observations as an intern is also described with few suggestions. Followed by that, the main part of the paper is illustrated elaborately in findings part, consisting of SWOT- TOWS analysis and financial performance evaluation for the year 2009 to 2013. The financial performance is evaluated through profitability ratio as ROA, ROE, Net Operation Margin, Net Interest Margin, Net noninterest Margin and EPS. Finally, the paper presents some recommendations from the overall internship experience as well as references and attachments included the financial reports of BBL. Though this paper is based on real life experience of working in a banking environment, but it may slightly differ from the actual scenario as it is a reflection of three months working period.

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Chapter 1

Introduction

1.1 Origin of the report:

This report is a compulsory component of the successful completion of Internship program assigned in BBA of BRAC Business School, BRAC University. My opportunity to complete my internship was in BRAC Bank Limited, Head Office. After the practical part of internship, I am assigned to prepare this report on the basis of my experiences. I prepared this report on a specific topic of- “Customer Experience, Retail Banking Division and Financial Report Analysis of BRAC Bank Limited”. This is a reflection of academic knowledge through practical work experience. Thus this project report aims to reflect the professional view of real world working environment. This paper includes the financial data of BRAC Bank Limited and analysis is based on financial theories and my knowledge.

1.2 Objective of the Report:

- § To know about retail banking division and how it works as well as the overall idea on banking.
- § Apply the financial theories on a practical environment and analyze the data on real basis.
- § Relate and interpret the findings with theoretical knowledge of finance as well as finding the financial position of BRAC Bank Limited based on the annual balance sheet.
- § Know the banker and customer relationship in a real situation.
- § Focus on the corporate environment and challenges faced during internship period.

- § An indirect objective of this report is to have some practical experience on how the communication is done in the business world and develop communication skill.

1.3 Methodology:

1.3.1 Primary:

- § Face to face conversation with the respective supervisor
- § Experience and observation
- § Direct interaction with customers
- § “Finacle” software of BRAC Bank Limited

1.3.2 Secondary:

- § Annual report of BRAC Bank Limited
- § Website of BRAC Bank Limited

1.4 Scope:

The report is consisting of the real life experience on working in a bank, where I get know how banks run their business as well as dedicated to satisfy customer demands. Working in BRAC Bank Limited for three months is a successful and training part of my future corporate life. I get the actual scenario of banking process and learned about retail banking as well as maintaining positive customer relationship. As, I got the opportunity to work for BRAC Bank Limited, which is one of the top ranking bank in Bangladesh, it will be efficient of my future corporate life

1.5 Limitations:

There were so many scopes of learning during the internship period but some limitations were also faced while preparing this paper.

- § The data provided by the company was not enough to prepare the report as I have also worked on their internal software, which is very confidential.
- § The data I worked on cannot be included on this paper as it includes customers' information.
- § The analysis may slightly different because it is based on my knowledge and financial theories, for a fixed period.
- § Sometimes it was difficult to relate the theory and practical experience because, there are many issues which is beyond any explanation and theory.
- § While preparing the report time was a sophisticated factor because I have to summarize the whole thing within a given period of time.

Chapter 2

Banking Industry & Banking sector in Bangladesh

2.1 Banking Industry:

Bank is financial institution and its main job is the transaction of money. This sector is one of the most challenging sectors all over the world. The importance of the sector emerged through its contribution in the economic growth of the country. This sector accelerates economic growth through mobilizing funds from surplus unit to the deficit unit. Banking Industry is moving towards rapid changes due to technological innovation and diversified needs of its customers. There are several types of banks as- central bank, commercial bank, investment bank, foreign bank etc. commercial banks accept deposits from the public surplus and lend them to the deficit unit for a short period of time. Commercial banks are growing faster as they are involving the investment as well as lending for the purpose of economic balance and development.

2.2 Banking sector of Bangladesh

The central bank of Bangladesh is named as “The Bangladesh Bank”, just after the independence, which was formally known as “The State Bank of Pakistan”. The Bangladesh Bank automatically became official foreign exchange reserve institute. It was responsible for currency control, monitoring exchange and credit control. In the early 1970s, the government decided to permit foreign banks to continue their business and nationalize the local banks. After the independence, banking industry in Bangladesh started its journey with 6 nationalized commercialized banks, 2 State owned specialized banks and

3 Foreign Banks. Whereas now, there are 52 commercial banks in Bangladesh, comprising 4 state-owned banks, 31 private, 8 Islamic and 9 foreign banks. In the 1980's banking industry achieved significant expansion with the entrance of private banks. Now, banks in Bangladesh are primarily of two types:

2.2.1 Scheduled Banks:

The banks which get license to operate under Bank Company Act, 1991 (Amended in 2003) are termed as Scheduled Banks. Scheduled Banks are classified into following types:

§ State Owned Commercial Banks (SOCBs):

There are 4 SOCBs which are fully or majorly owned by the Government of Bangladesh.

§ Specialized Banks (SDBs):

4 specialized banks are now operating which were established for specific objectives like agricultural or industrial development. These banks are also fully or majorly owned by the Government of Bangladesh.

§ Private Commercial Banks (PCBs):

There are 39 private commercial banks which are majorly owned by the private entities. PCBs can be categorized into two groups:

§ Conventional (PCBs):

31 conventional PCBs are now operating in the industry. They perform the banking functions in conventional fashion as interest based operations.

§ **Islamic Shariah Based (PCBs):**

There are 8 Islamic Shariah based PCBs in Bangladesh and they execute banking activities according to Islamic Shariah based principles i.e. Profit-Loss Sharing (PLS) mode.

§ **Foreign Commercial Banks (FCBs):**

9 FCBs are operating in Bangladesh as the branches of the banks which are incorporated in abroad.

2.2.2 Non-Scheduled Banks:

The banks which are established for special and definite objective and operate under the acts that are enacted for meeting up those objectives, are termed as Non-Scheduled Banks. These banks cannot perform all functions of scheduled banks.

There are 56 scheduled banks in Bangladesh who operate under full control and supervision of Bangladesh Bank which is empowered to do so through Bangladesh Bank Order, 1972 and Bank Company Act, 1991.

2.3 Major Commercial Banks of Bangladesh:

Commercial banks play a major role in Bangladesh's financial system. They are ensuring safety of depositors' funds, supplying loans to people for various purposes, encouraging entrepreneurs with different schemes, helping perform international trade and so on. Some top ranking private banks are- The Prime Bank Limited, Islamic Bank Limited, BRAC Bank Limited, Dutch Bangla Bank Limited, Eastern Bank Limited, Mutual Trust Bank Limited and many other. This report is focusing on BRAC Bank Limited.

Chapter 3

Company Overview:

BRAC Bank Limited

3.1 BRAC Bank Limited:

BRAC Bank started through BRAC International, around 2001 BRAC found that it cannot afford the loaded customers of microfinance, then they decided to start SME loan through a bank and finally, on 4th July, 2001 BRAC Bank Limited started their journey. It has spread network with 166 branches, over 350 ATMs, 458 SME units, 30 Cash Deposit Machines and 1800 remittance delivery points. BRAC Bank is known as the pioneer of SME banking in Bangladesh, it is the 4th largest SME bank in world. It is also providing all other banking facilities.

BRAC Bank Limited is a scheduled commercial bank in Bangladesh. It was established under the Banking Companies Act, 1991 and incorporated as a private limited company as on May 20, 1999 under the Company Act, 1994. The chairman of the bank is Sir Fazle Hasan Abed and the CEO is Syed Mahbubur Rahman.

BRAC Bank is a part of a larger alliance GABV from 2009, Global Alliance for Banking on Values, which is an independent network for banks using finance to deliver sustainable development for un-served people, communities and environment. Presently, there are 22 GABV with a combined asset base in excess of USD 30 billion and over 7 million clients.

At a glance:

Name	BRAC Bank Limited
Established	4th July, 2001
First SME	1 st January, 2002
Chairman	Sir Fazle Hasan Abed
CEO	Syed Mahbubur Rahman
Shareholders	BRAC, IFC, Public
No. of Branches	166
No. of SME units	458
No. of ATMs	Over 300
No. of Subsidiaries	5
Employees	Over 8000

3.2 Shareholder Structure:

BRAC Bank has 50% institutional shareholders such as BRAC 44.64%, International Finance Corporation 5.36%. Since early 2007, the remaining halves of its shares have been distributed to the general public and mutual funds through its IPO on the Dhaka and Chittagong Stock Exchanges.

Name of Shareholder	Total Shares	% of Total Share
BRAC	316,598,451	44.64
International Finance Corp	38,002,483	5.36
Sir Fazle Hasan Abed	7,020	0.001
Mr. Syed Humayun Kabir	7,020	0.001
Mr. A. S Mahmud	5,872	0.001
Mr. Faruq A. Chowdhury	5,872	0.001
Dr. Saleh Uddin Ahmed	4,825	0.001
Ms. Tamara Hasan Abed	5,872	0.001
Mr. Shib Narayan Kairy	5,341	0.001
Ms. Nihad Kabir	5,872	0.001
General Public	354,638,693	50
Total Paid-up Share	709,287,321	100

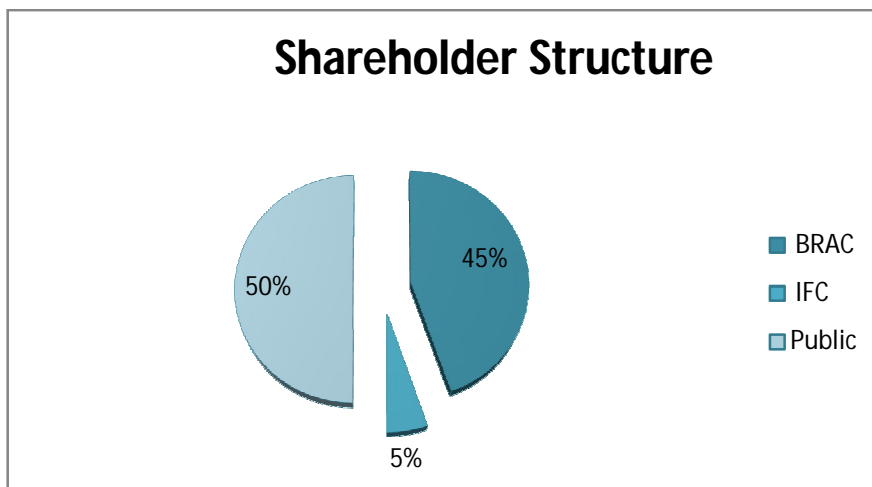


Figure: Shareholder Structure

3.3 Corporate Vision:

Building profitable and socially responsible financial institution focused on Market and Business with Growth potential, thereby assisting BRAC and stakeholders to build a just, enlightened, healthy democratic and poverty free Bangladesh BRAC Bank will be a socially responsible institution that will not lend to businesses that have a detrimental impact on the environment and people.

3.4 Corporate Mission:

The corporate mission of BRAC Bank is given below:

- Sustained growth in Small & Medium Enterprise sector
- Continuous low-cost deposit Growth with controlled growth in retail assets.
- Corporate Assets to be funded through self-liability mobilization. Growth in Assets through syndications and investment in faster growing sectors.
- Continuous endeavor to increase non-funded income
- Keep the debt charges at 2% to maintain a steady profitable growth
- Achieve efficient synergies between the bank's branches, SME unit offices and BRAC field offices for delivery of remittance and Banks other products and services
- Manage various lines of business in a full controlled environment with no compromise on service quality

- Keep a diverse, far flung team fully controlled environment with no compromise on service quality
- Keep a diverse, far flung team fully motivated and driven towards materializing the banks vision into reality.

3.5 Core Values:

BRAC Bank follows these values:

- § Value the fact that one is a member of the BRAC family
- § Creating an honest, open and enabling environment
- § Have a strong customer focus and build relationships based on integrity, superior service and mutual benefit
- § Strive for profit & sound growth
- § Work as team to serve the best interest of our owners
- § Relentless in pursuit of business innovation and
- § Improvement Value and respect people and make decisions
- § Based on merit Base recognition and reward on performance
- § Responsible, trustworthy and law-abiding in all that.

3.6 Goal:

BRAC Bank will be the absolute market leader in the number of loans given to small and medium sized enterprises throughout Bangladesh. It will be a world-class organization in terms of service quality and establishing relationships that help its customers to develop and grow successfully. It will be the Bank of choice both for its employees and its customers, the model bank in this part of the world.

3.7 Subsidiaries:

There are 5 subsidiaries of BRAC Bank Limited, as-

§ BRAC EPL (Stock Brokerage):

It is one of the leading stock brokers of the country which has the membership of both of the stock exchanges of the country, Dhaka Stock Exchange and Chittagong Stock Exchange.

§ BRAC EPL (Investment Limited):

BRAC EPL Investment Limited delivers a whole range of Investment Banking services including traditional merchant banking activities such as Issue Management, Corporate Advisory, Corporate Finance, Underwriting and Portfolio Management.

§ BRAC SAAJAN:

BRAC SAAJAN Exchange Limited mainly provides remittance services to the large Bangladeshi Communities living in UK. Apart from that, it also caters to the investment needs of the NRBs through its parent organization BRAC Bank.

§ **bKash:**

bKash Limited (a subsidiary of BRAC Bank) operates with an objective to ensure access to a broader range of financial services (mobile fund transfer facility) for the people of Bangladesh. It has a special focus to serve the low income masses of the country to achieve broader financial inclusion by providing services that are convenient, affordable and reliable.

§ **BiTs:**

BRAC IT Services Ltd. (biTS) is an IT Solution and Services company and is a subsidiary jointly owned by BRAC Bank and BRAC. biTS has been formed in 2013 through the merger of a subsidiary IT company. It strives to become the most trustworthy company in Bangladesh providing technology solutions and managed IT Services.

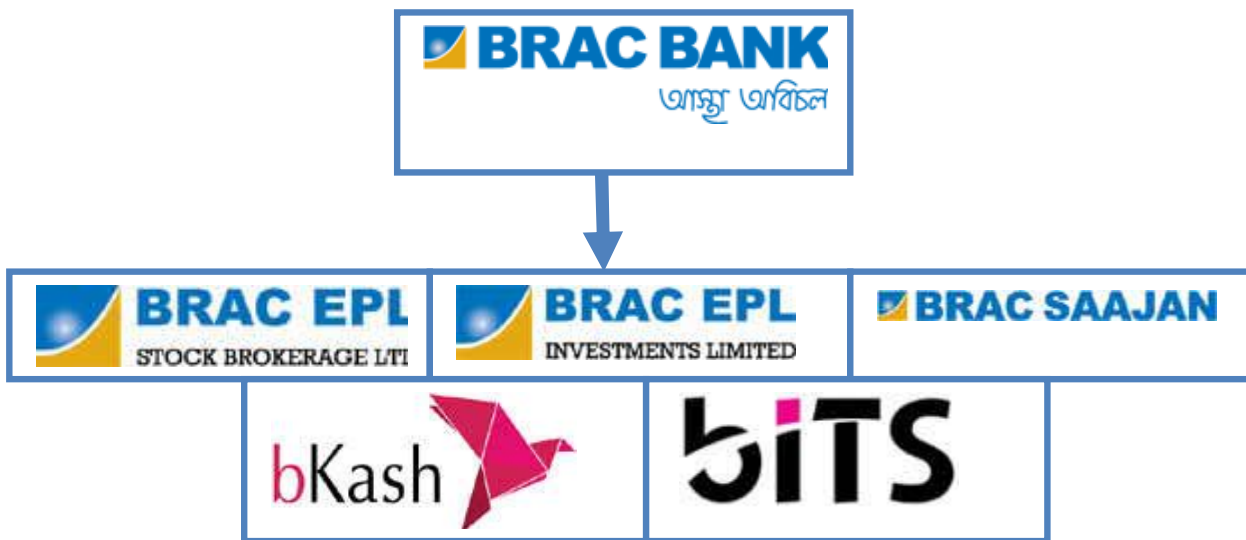


Figure: BBL Subsidiaries

3.8 Corporate Social Responsibilities:

BRAC Bank believes in 3Ps including People, Planet and Profit, with this BBL works for the welfare of the people as first priority then making profit. BBL is also working for long term programs rather than short terms for lasting impact on people and environment. As-

- § Education: BRAC Bank-Prothom Alo Trust Adanya Medhabi Scholarship
- § Health: Facilitating higher education in nursing at BSMMU
- § Social Welfare: Standing beside Savar victims
- § Environment: Solarizing SME Unit Offices
- § Art & Culture: BRAC Bank-Samakal Shahitya Puroshkar
- § Young leadership: Taking Bangladesh on top of the world
- § Employee Initiative in CSR :Marathon for Humanity “Daur”

3.9 Achievements:

- § BRAC Bank has been awarded with ‘Sustainable Marketing Excellence Award’ from CMO Asia in 2014.
- § BRAC Bank Limited has won prestigious ‘Best Bank in Bangladesh Award’ from FinanceAsia as part of Country Awards for Achievement 2013.
- § BRAC Bank has won prestigious “The Best Managed Bank Award” and its Managing Director & CEO Mr. Syed Mahbubur Rahman has been accorded with “The Asian Banker Leadership Achievement Award” for Bangladesh for achievement in the period 2011-2013.
- § BRAC Bank has been named the sole winner for Best Retail Bank in Bangladesh at the 10th International Excellence in Retail Financial Services Awards Programme.
- § BRAC Bank Limited has received ICAB National Award for Best Published Accounts and Reports 2010 as joint third position under banking category.
- § BRAC Bank has been awarded as the Sustainable Bank of the Year 2010 at the FT Sustainable Banking Awards 2010.
- § BRAC Bank received the prestigious Business Award styled DHL-Daily Star Bangladesh Business Awards 2008 as ‘Best Financial Institution of the Year’ for its innovation in products, services, financial performance/ productivity, company management and contribution to Bangladesh’s development.
- § BRAC Bank received National Award as the Highest VAT payer for the financial year 2007-2008.
- §

§ 3.10 Product & Services:

BBL has enormous depository and loan products to meet customer expectations and increase value. A brief list of product and services of BBL is given below-

v **SME Banking**

ü **Deposit Products:**

1. Prapti Current Account
2. Prachurjo Fixed Deposit
3. Shonchoy SME Deposit

ü **Loan Products:**

1. Anonno Rin
2. Apurbo Rin
3. Prothoma Rin
4. Shomriddhi Rin
5. Shompod Rin
6. Shokti Rin

v **Retail Banking:**

ü **Deposit Products:**

1. Savings Accounts:

- i. Triple Benefit Savings Account
- ii. Savings Classic Account
- iii. Aporajita Account
- iv. Future Star Account

2. Current Accounts:

- i. Current Classic Account
- ii. Current Plus Account
- iii. Ezee Account
- iv. Salary Account
- v. Campus Account
- vi. Resident Foreign Currency Deposit(RFCD) Account

vii. Foreign Currency Account

3. Term Deposit:

i. DPS

ii. Fixed Deposit General

iii. Interest First Fixed Deposit

iv. Freedom Fixed Deposit (FFD)

v. Abiram Fixed Deposit

vi. Unit Fixed Deposit

vii. Non-Resident Foreign Currency (NFCD) Account

ü Loan products:

1. Personal Loan

2. Lifestyle Plus Loan

3. Auto Loan

4. Home Loan

5. Nijer Bari

6. Personal Loan for Landlord

7. Personal Loan for Doctors

8. Secured Loan/ Overdraft

ü Cards:

1. Credit Card:

i. Platinum Card

ii. VISA Classic

iii. VISA Gold

iv. Universal Card

2. Debit Card:

- i. VISA Planet Card
- ii. Hajj Card
- iii. Travel Card
- v **Wholesale Banking:**
- ü **Corporate Banking:**
 - 1. Corporate Loan Products
 - 2. Trade Finance
- ü Corporate Cash Management
- ü Custodial Service
- v **Probashi Banking:**
- ü **Accounts & Deposits:**
 - 1. Probashi Current Account
 - 2. Probashi Savings Account
 - 3. Probashi Fixed Deposit
 - 4. Probashi Abiram
 - 5. Probashi DPS
- ü Investments
- ü Remittance Info
- v **E-Banking:**
 - ü E-Commerce
 - ü Internet Banking
 - ü 24 Hour Call Center
 - ü SMS Banking
 - ü Mobile Top-up

Beyond these there are other services and discounts are provided by the bank. The benefits, interest rates and other discounts vary on the differences between the products and services

3.11 Divisions of BRAC Bank Limited:

BBL has mainly two divisions- Business and Support, under these there are several departments. The divisional chart is given below-

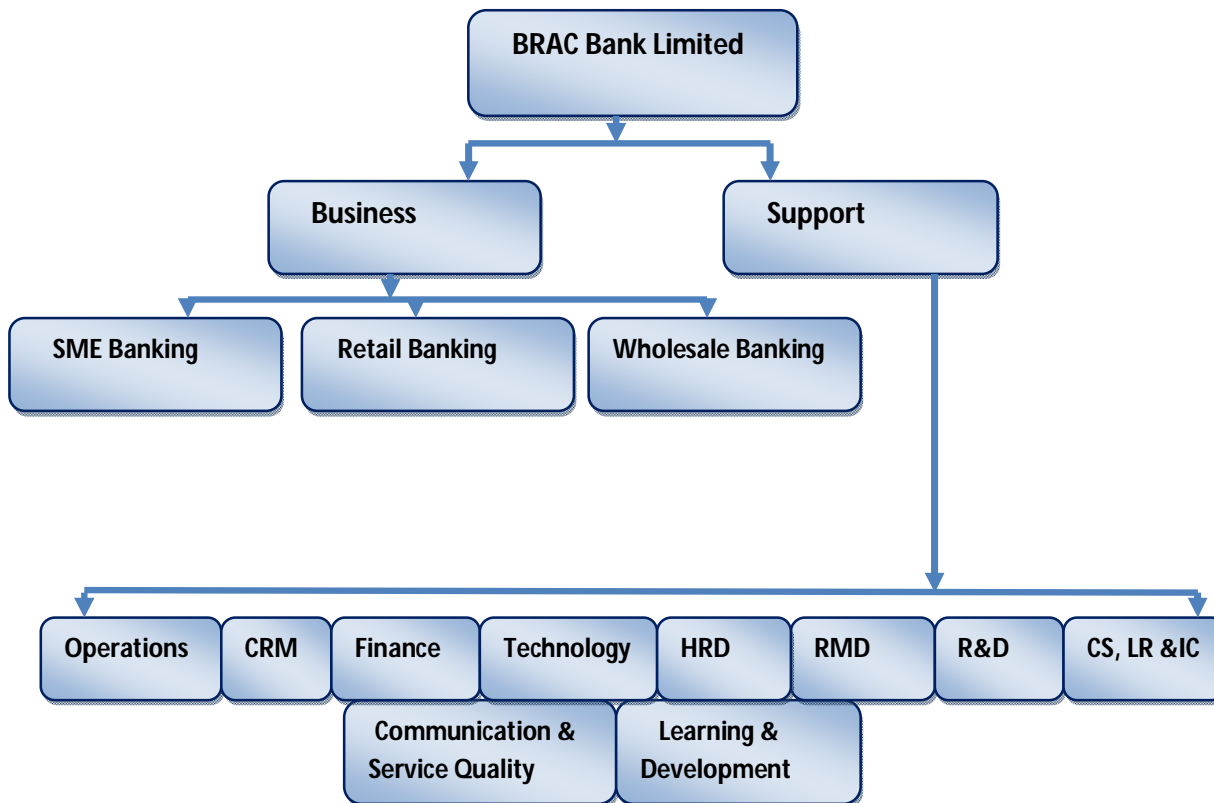


Figure: Divisional Chart of BBL

3.12 Organization Hierarchy

Organizational hierarchy shows the reporting system of a firm. In BBL the hierarchy starts from the chairman Sir Fazle Hasan Abed. The hierarchy of BBL is given below-

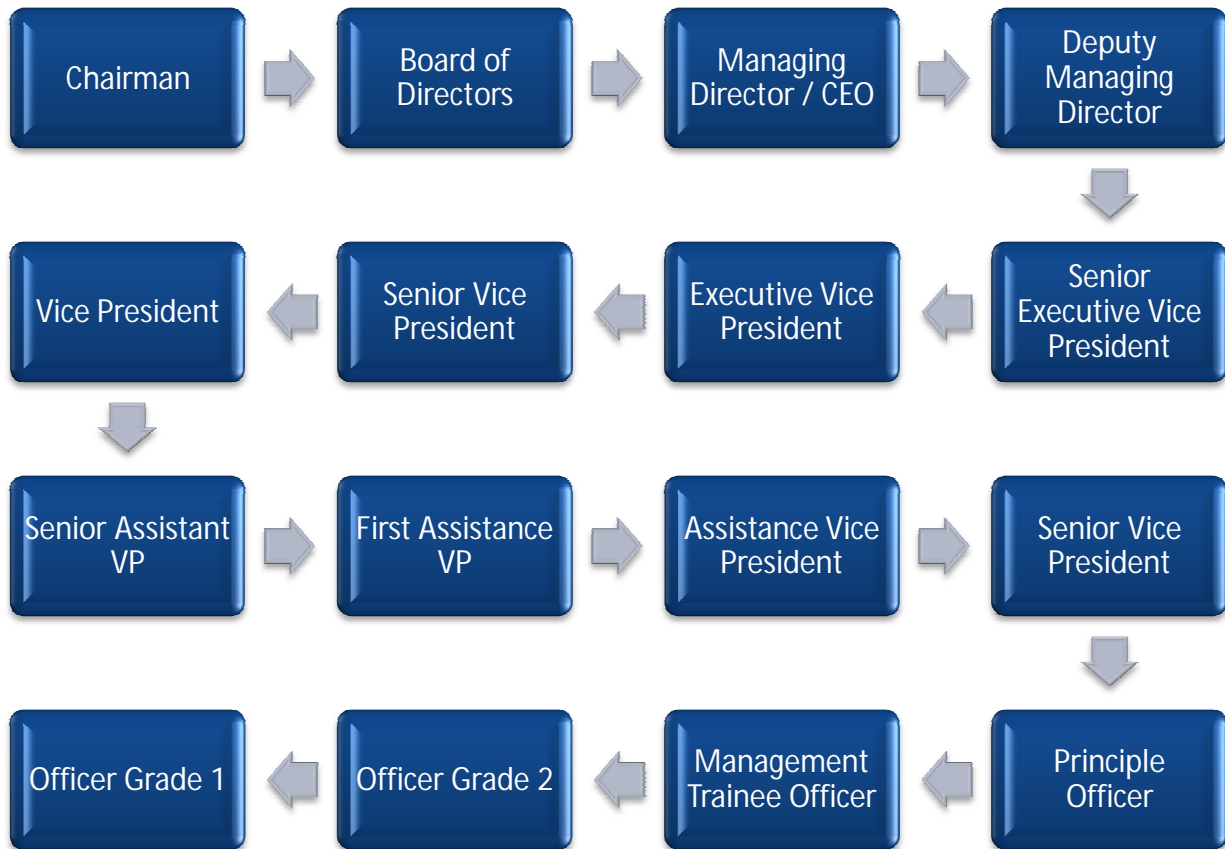


Figure: BBL Organogram

Chapter 4

Retail Banking & Customer Experience of BRAC Bank Limited

4.1 Retail Banking Division:

Retail Banking of BBL is consisting of different types of depository and loan products to fulfil the changing demands of customers. It also offers lucrative and competitive banking products while giving interest on daily amount as savings accounts, DPS, FDR.

BBL Retail Banking Division has five departments as follows-



Figure: BBL Retail Banking Departments

4.1.1 Financial Highlights of Retail Banking Division:

- § In 2013 Total Asset booked from Branch Banking is BDT 2,174 million, which is 31% more than the booking of previous year.
- § In 2013 Branch Banking focused on changing the deposit composition by bringing more CASA deposit so that bank can get a low cost deposit base. Even in a year of greatest political unrest Branch Banking ensured CASA deposit net growth of BDT 3,563 million which 11.25 times more than net growth of 2012.
- § Total Deposit crossed BDT 70 billion mark and strands at BDT 70.85 billion with a growth rate of 20% since 2011.
- § Retail Current & Savings deposit portfolio grew by BDT 3,692 million (16% growth) in 2013.
- § 127.453 new current and savings accounts were opened which resulted in 21.85% portfolio growth.
- § Non funded income increased by BDT 4.3 million (10% growth).
- § 25% increase in FCY sale and 32% increase in FCY purchase.
- § Total advances strands at BDT 19.79 billion.
- § Total fund under management grew by 14% in 2012 and strands at BDT 90.65 billion at the end of 2012.
- § Card acquiring volume growth was 22%.

These financial highlights collected from the BBL Annual Report of 2013

4.2 Retail Banking & Customer Experience:

On 2nd May, 2012, BRAC Bank has re-organized its retail business according to customer profile. This segmentation has been done to deliver more standardized services and reduce operating costs as well. Customer Experience is a separate wing of retail banking division includes 4 segments under Business Development, as –

- § Premium Banking
- § Supreme Banking
- § Excel Bankig
- § Easy Banking

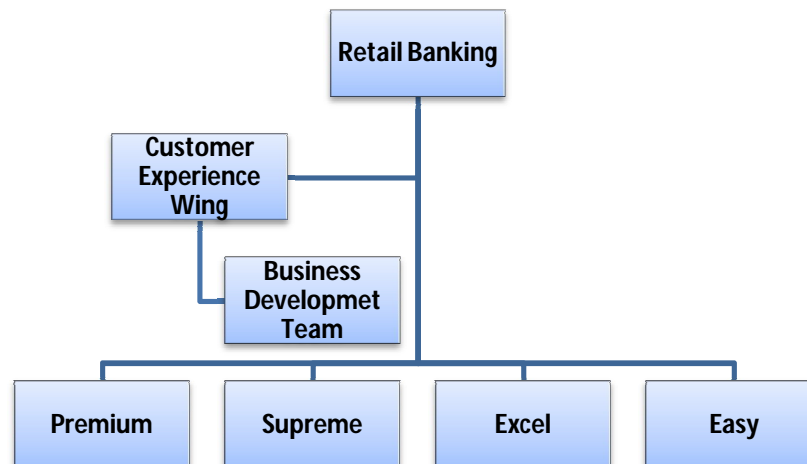


Figure: Business Development Team

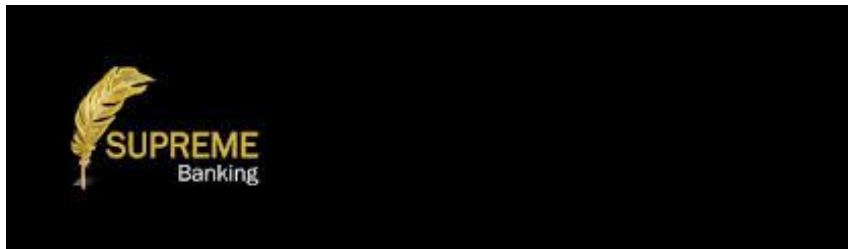


4.2.1 Premium Banking:

Customer who maintains at least BDT 50 lacs (6 month average) is called premium customers. They are highly prioritized. They also enjoy different gift and discount through BRAC Bank.

ü Benefits:

- § State of the art banking services from the Premium Banking Lounges
- § Dedicated “Relationship Managers”
- § Platinum Debit card and Premium cheque book
- § Complementary Platinum Credit Card
- § Invitations to exclusive events, parties and seminars
- § Festival greetings and gifts
- § Special occasion based offers
- § Privileges and benefits with over 200 of BBL partners across the country.



4.2.2 Supreme Banking:

Guests who maintain a balance between BDT 10 lacs to below 50 lacs (6month average) are treated as supreme clients. They enjoy separate service booth and cash deposit booth in the branch along with many other services.

ü Benefits:

- § Supreme Debit Card
- § Dedicated “Relationship Managers” in selected branches
- § Exclusive service and cash counters in selected branches
- § Faster service arrangement by Customer Service Managers in non branded branches
- § Pre-Approved Credit Card
- § Personalized birthday wishes and surprises
- § Invitations to exclusive events, parties and seminars
- § Festival greetings and gifts
- § Continuous Special occasion based offers
- § Privileges and benefits with over 200 of BBL partners across the country.



4.2.3 Excel Banking

Client who maintains a balance between BDT 50 thousand to below 10 lacs in an average of 6 months are called excel group of guest. Excel Banking Unit is under the Customer Experience department. This unit has two wings: Business Development Team and Excel Sales Team. The Business Development Manager (BDM) And Senior Sales Manager (SSM) report to the Head of Customer Experience. Associate Business Development Managers and Officers report to the BDM. Sales Managers, Associate Sales Managers, and Sales Officers report to the SSM.

ü **Benefits:**

- § Customer service through branches, SME service units, Apon Shomoy Centers and ATMs
- § Excel VISA Debit Card
- § Weekend and monthly offers at various restaurants and lifestyle products
- § Privileges and benefits with over 200 of BBL partners across the country.



4.2.4 Easy Banking:

These are the general customers who do day to day and traditional banking with the bank. They only require a minimum balance in the account (up to BDT 50 thousand).

ü Benefits:

- § An Easy Banking customer will be entitled to get fast and convenient transactional banking services through ATM, CDMs, IVR, bKash, etc.
- § Easy Banking Customer can avail discounts and benefits from tie up partners by showing their “Planet Card”.
- § Easy Banking Customer can avail our Internet Banking and E-statement facility with free of cost.

Chapter 5

Job as an Intern:

Observations & Suggestions

5.1 Internship Purpose:

BRAC Business School requires an internship program in competition of BBA. The main purposes of internship is-

- § Learn corporate culture in a practical environment.
- § Learn discipline and reporting to the administrator.
- § Be self confident and responsible for any given job.
- § Manage and cope up any immediate challenge in corporate life.
- § Learn team working and maintain good relations with colleagues.

5.2 Internship Placement:

After completion of the academic courses, I got the opportunity to do my internship program at BRAC Bank Limited. I was an intern of Customer Experience wing of Retail Banking Division, which is situated at BRAC Bank Head Office, Anik Tower, Tejgaon link road, Dhaka. It was a three months internship program offered with an amount of honorarium. My internship started from January 12th, 2015 and ended at April 12th, 2015. As an intern I have to report to Mohammad Tanvir Ahmmad Molla, Manager, Business Development, Customer Experience. My office time was 10 am to 6 pm, Sunday to Thursday.

I worked with a group of interns on an assigned project- “Tail Management Project”. The working environment was friendly and cooperative as they maintain good relationship among the colleagues. During the internship, I have given my best performance for a better outcome.

5.3 Assigned Job-“ Tail Management Project”:

As I mentioned earlier that, it was a project called Tail Management Project for Dormant and Zero Balance Accounts, where we had to deal with the customers over phone.

My main job is-

- § An excel sheet was given to me including customer lists with details as well as an Id and password were also given for using their software ‘Finacle’.
- § Check the accounts whether they are Dormant/ Zero Balance/ Regular, by using ‘Finacle’ software.
- § Call the customers of zero balance and dormant accounts through Rankstel.
- § Let the customers know about their account status and convince them to regularize the accounts.
- § Answer their queries politely and influence them to maintain account regularly for utilizing the offers of BBL.
- § After each call, keep the record in excel file, given to me, as well as make daily report at the end of the day for my performance evaluation.
- § Daily report includes the number of calls, reached calls, number of interested customers and not interested customers.
- § If any problem arises regarding customers, I had to inform the supervisor for further initiatives.
- § Tackle any negative conversation in a polite manner with the customers.

§ Sometimes I had to do other task given by the supervisor.

These tasks were specifically assigned to me other than that, there was a three days orientation program for the interns.

5.4 Training and Orientation Program:

I attended the training program of BBL, designed for the interns during the internship program. It was a three days training program and purposed to enlighten the history of BRAC and BBL. The training included-

- § First day of training consisted the Lecture session and video session on BRAC, knowing BBL, knowing Retail Banking Division and other departments of BBL.
- § Second day, I had to visit a branch; my posting was in Moghbazar Branch to learn the daily working process of a bank.
- § Last day, I had to go on a SME Unit of BBL which was situated in Malibagh. After that, I attended an exam based on the training program.

5.5 Observations:

ü Positive:

- § First of all, BBL has a pleasant working environment with a superior manager-employee relationship.
- § The senior managers are cooperative and responsive about all level of employees including the interns.

- § Always determine to give highest satisfaction to the customers through various products and offerings.
- § Very responsible in solving any problem of the customers as soon as possible.
- § Discipline and time management are strictly maintained by all the managers and employees.
- § Everyone is dedicated to their respective jobs and hard working.
- § Maintain cultural occasions and arranges programs for recreation.
- § Provides excellent banking environment to the customers in different segments.
- § Successful team working among the colleagues.

ü **Negative:**

As I interacted with the customers over phone, I found some of the shortcomings beyond the positive issues, as,

- § Service charges are higher compare to other banks.
- § Hidden charges on deposits that discourage the customers.
- § Almost every time the call center number remains busy.
- § Sometimes misbehavior in branches that makes customers annoyed.
- § Lack of updated information provider in branches and misguided customers.
- § Sometimes slow working process and long queue in branches that irritates customers.

- § Many customers are unaware of CDM (Cash Deposit Machine) and uncomfortable of using this which reduces the regularity in banking.

These are some negative findings on customers' perspectives. BBL should be more concentrate about these complains to increase the customer loyalty.

5.6 Few Suggestions:

- § BBL should clear the customers about every cost of the accounts and deposit products.
- § Service charges should be minimized that would attract the customers more.
- § Convince customers for adopting new technologies as CDM and make them use it for their betterment. Additionally, influence them to start E-banking for avoiding long queue in branches.
- § Ensure that, each and every customer is getting same quality of service as well as priority.
- § Employees in branches should be updated of the product and services and should behave politely to the customers.
- § Take quick concern about any problem of customer and ensure to solve within a short period of time.

The overall experience of working in a bank is absolutely different and enjoyable. I have learned several matters in three months. The whole internship period was flowing and challenging as I faced various types of situation during my internship.

Chapter 6

Findings:

*SWOT- TOWS Analysis &
Financial Performance
Evaluation (2010-2014)*

6.1 SWOT Analysis:

The SWOT analysis is a instrument in business that helps to develop strong business strategies by considering all the strengths and weakness, as well as the opportunities and threats. Strengths and weaknesses are internal to the company includes reputation, patents, location. Opportunities and threats are external as-suppliers, competitors, prices, which is unchangeable as it is out of control.

The Strengths, weakness, threats and opportunities of BBL are given below-

6.1.1 Strengths:

§ Strong Brand image 'BRAC':

BBL has a strapping brand name of the NGO BRAC, which was founded by Sir Fazle Hasan Abed. He is also the Chairperson of BBL, consequently, BBL has the advantage of this brand image of BRAC.

§ Stable Financial Strength:

BBL has a well-built financial sponsorship as the Chairman is Sir Fazle Hasan Abed and the other directors of the board are highly experienced and qualified to face and adopt any difficulties. This is a strength which is taking forward the bank more rapidly.

§ Various Products and Services:

BBL is offering different types of loans and depository products to the customers according to their changing demands. They are coming in the market with new and customized products as they have a huge number of customers from all level.

§ **Adopting New Technologies:**

BBL is introducing new technologies to the customers. They are offering E-banking, through which banking is easier and faster. Customers are being attracted because they can do banking from their own house by connecting through internet. Additionally, customers are getting banking information and solutions over telephone from the call-center service of BBL. These facilities of new technologies are creating value of BBL.

§ **Pioneer in SME Banking:**

BBL is the pioneer of 'Small and Medium Enterprise-SME Banking', from the root BRAC by Sir Fazle Hasan Abed. This the 2nd largest SME bank of Bangladesh, with a view to reduce poverty and enhance living standards. For that reason, BBL is reaching to each and every house of the nation with a better solution for all.

§ **Member of GABV:**

BBL is a member of 'Global Alliances for Banking on Values' since 2009, which is targeted to establish sustainable development for un-served people and environment by using

finance. BBL is only bank of Bangladesh with this membership. BBL's view is to touch the billion people with sustainable banking by 2020.

§ **Customer focused:**

BBL is customer focused as they believe in people, planet and profit. The first priority is customer satisfaction through their products, services and behavior. They are trying to give a trendy banking experience to all the customers.

6.1.2 Weaknesses:

§ **High service charges and hidden charges:**

BBL is offering different types of services but the service charges are higher compare to other banks. Customers are disappointed in this issue, which is being a major weakness for the bank.

§ **More concentrated on SME Banking:**

As BBL is the initiator of SME banking so they are more focused on SME banking, consequently, other banking services are not going faster as SME banking. This is proving a limitation for this bank.

§ **Slow banking process:**

The banking process is slower than other banks, so customers have to wait in a long queue. For that reason, customers get irritated and quit banking with BBL.

§ **Unattractive remuneration package:**

BBL does not offer attractive remuneration packages for employees, which is creating employee dissatisfaction. As a result, the employee dedication is not up to the level.

§ **Decreasing customer loyalty:**

Customers are facing many problems regarding banking with BBL as well as they are also paying hidden charges, which is resulting in reduction on customer loyalty.

§ **Customer ignorant in adopting CDM:**

Regular and average customers of BBL are not accepting the new technology, as they are not having the proper knowledge on the benefits of this. They have to use CDM when the deposit amount is lower than 50000 BDT, that is discouraging customers, for that reason, BBL is losing their regular customers.

6.1.3 Opportunities:

§ **Expansion in retail banking and corporate banking:**

BBL has a large opportunity to spread the business by focusing in retail and corporate banking. They are already established in SME banking, with this reputation they can also be the topper in retail and corporate banking.

§ **Increase the number of branches and ATMs:**

The increasing number of branches and ATMs can make strong connection with the increasing number of customers as well as the huge customer pressure on other branches can also be solved.

§ **Introduce Innovative and customized service packages:**

BBL has the opportunity to increase the number of customers through offering innovative and customized product and services. Almost all banks are going on a similar track, so if BBL can introduce some new and different types of product then customers will be more influenced to start banking with BBL.

§ **Construct skilled and trained workforce:**

BBL has the opportunity to recruit selective talents as it has a brand image. Additionally, it also can provide more training to the employees to get a strong management system and better service quality.

6.1.4 Threats:

§ **Increasing number of competitors:**

Day by day the competitor is increasing in banking industry of Bangladesh. New banks are coming in the industry with various products and services, which is a major threat for BBL.

§ **Changing demands of customers:**

The customer demand is changing as well as demands vary customer to customer. In that case, BBL may face threats of losing customer loyalty. Customers may have more desirability to other banks of new and contemporary packages.

§ **Irregular economic condition:**

The economic condition in Bangladesh is not regular and prosperous; consequently, it has a negative impact on overall banking industry of the country. BBL may also face the difficulties of irregular economic condition.



Figure: SWOT Analysis of BBL

6.2 TOWS Analysis:

After analyzing the strengths, weakness, threats and opportunities of BBL, some strategies can be developed that receives benefit by strengths and opportunities as well as avoids weakness and threats. Tows analysis is utilizing the findings of SWOT analysis. The strategies are-

§ **Strengths to opportunities Strategy:**

That uses the internal strengths to take advantage of external opportunities.

§ **Weakness to Opportunities Strategy:**

Taking advantage of external opportunities to reduce internal weakness.

§ **Strengths to Threats Strategy:**

Uses internal strengths to reduce external threats.

§ **Weakness to Threats Strategy:**

Strategies to minimize companies' weakness to avoid future threats.

Here, the TOWS analysis of BBL is done by the major strengths, weakness, threats and opportunities.

	<i>Opportunities</i>	<i>Threats</i>
<i>Strengths</i>	<p style="text-align: center;"><u>Strengths to Opportunities Strategy</u></p> <ul style="list-style-type: none"> § Through stability in financial strength BBL can increase the number of branches and ATMs nationwide. § With the strong brand image, BBL can make profit by expanding business in retail and corporate sector. 	<p style="text-align: center;"><u>Strengths to Threats Strategy</u></p> <ul style="list-style-type: none"> § With various products and services BBL can conquer the changing trend of customer choice. § As a member of GABV BBL can have a better reputation to compete the enormous opponent in the industry.
<i>Weakness</i>	<p style="text-align: center;"><u>Weakness to Opportunities Strategy</u></p> <ul style="list-style-type: none"> § By introducing the innovative and customized service packages BBL can increase the customer loyalty. § By constructing skilled and trained workforce, BBL can reduce the employee dissatisfaction on unattractive remuneration package. 	<p style="text-align: center;"><u>Weakness to Threats Strategy</u></p> <ul style="list-style-type: none"> § If BBL can provide the same concentration to retail and corporate banking as SME banking then it can reduce the threat of affecting by irregular economic condition. § If BBL can ensure the use of modern technology as CDM, then it can cope up with new trend of customers.

Figure: TOWS Analysis of BBL

6.3 Ratio Analysis:

Performance evaluation is very essential for every organization. Financial statement is the way to evaluate the performance of a company. Ratio analysis on the basis of financial statement shows the position of a company in the overall industry. It also indicates the weakness and future threats, so that necessary initiatives can be taken earlier.

§ Profitability Ratio:

To evaluate BBL's financial performance I have done the profitability ratios. This indicates the market's evaluation of the firm. The ratio analysis is based on the financial report of 2009 to 2013 of BRAC Bank Limited.

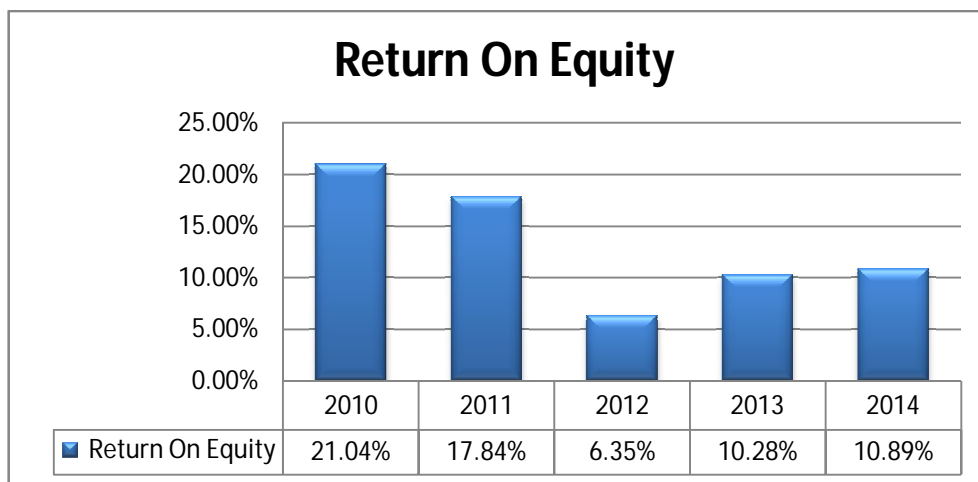
6.3.1 Return On Equity:

This ratio shows the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. It indicates a firm's efficiency in applying common-stockholders' money. A rising ROE suggests that a company is increasing its ability to generate profit without needing as much capital.

$$\text{Return On Equity (ROE)} = \frac{\text{Net Income}}{\text{Total Equity Capital}}$$

Particulars	Amount in Taka				
	2010	2011	2012	2013	2014
Net income after tax	2,073,059,083	1,812,444,190	699,784,295	1,339,351,330	2,101,567,513
Total equity capital	9,852,519,850	10,160,209,935	11,025,261,642	13,024,054,944	19,288,575,777
ROE	.2104	.1784	.0635	.1028	.1089
	21.04%	17.84%	6.35%	10.28%	10.89%

Here, in the years 2010 and 2011 the ROE was around 17% to 20% but in 2012 it went down drastically to 6% because of the economic recession and the lower net profit of the company but again in 2013 it raised up to 10% and in 2014 it is in upward direction to 10.89%. In 2012, the total equity increases but net income after tax decreased, results the ROE down.



So, BBL has generated .1089 taka of profit for 1 taka of shareholders' equity in 2014, giving the stock a ROE of 10.28%. As, the higher the ROE is better so BBL is doing better compare to the year 2012.

6.3.2 Return On Asset (ROA):

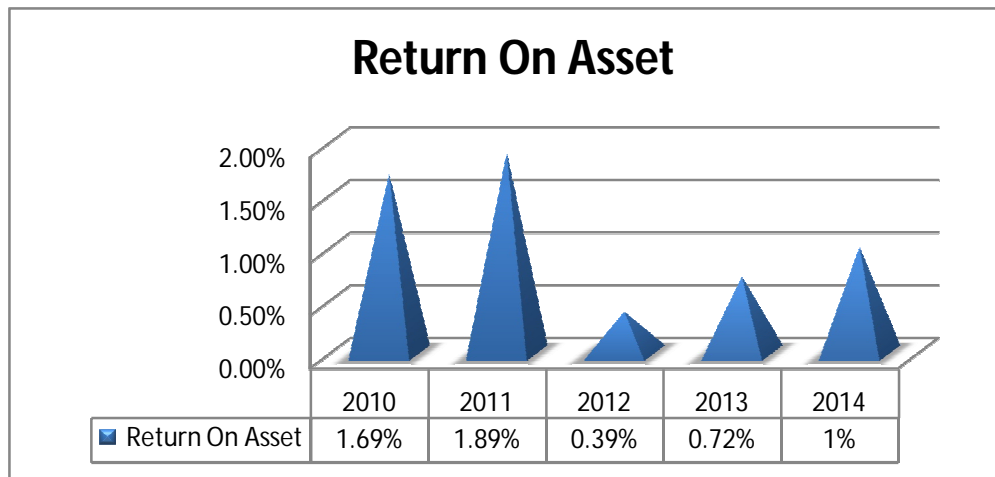
It is known as a profitability or productivity ratio, because it provides information about the management's performance in using the assets of the small business to generate income. It is an indicator of how profitable a company is relative to its total assets.

$$\text{Return On Asset (ROA)} = \frac{\text{Net Income}}{\text{Total Asset}}$$

Particulars	Amount in Taka				
	2010	2011	2012	2013	2014
Net income after tax	2,073,059,083	1,812,444,190	699,784,295	1,339,351,330	2,101,567,513
Total Asset	122,801,151,189	140,922,122,974	180,396,133,411	185,576,398,523	209,733,601,225
ROA	.0169	.0129	.0039	.0072	.0100
	1.69%	1.89%	0.39%	0.72%	1.00%

Here, in 2010, 2011 the ROA was around 1.69% to 1.9% which was in an increasing trend but in 2012 it decreases significantly to .39%. In 2012, net income after tax was decreased but the total asset was increased, consequently, the ROA goes down. The fall was caused

by the bad economic condition and also the decrease in net profit after tax. But again in 2013 and 2014 it has a increasing trend by .72% to 1%.



So, BBL has earned .0100 taka of profit for every 1 taka of its assets in 2014, giving the company a ROA of 1%. As, the higher the ROA is better so BBL had the increasing trend of ROA in 2009, 2010, 2011 and again it follows the track on 2013 and 2014.

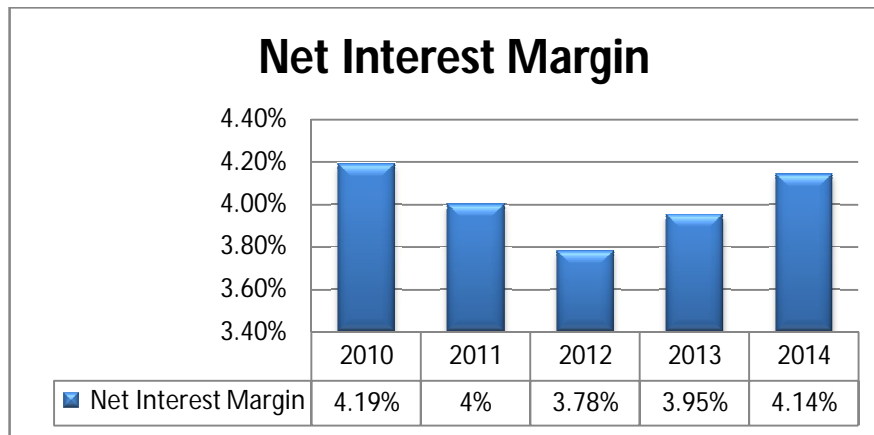
6.3.3 Net Interest Margin:

Net interest margin indicates the perfection of the investment decisions of a firm. It is a performance metric that evaluates the investment compared to debt situations. Banks are interested in their net interest margins because they lend at one rate and pay depositors at another. It should be positive because negative value denotes that the investment decisions are not optimal and the interest expenses are higher than the returns generated by the investments.

$$\text{Net Interest Margin} = \frac{\text{Interest Income} - \text{Interest Expense}}{\text{Total Asset}}$$

Particulars	Amount in Taka				
	2010	2011	2012	2013	2014
Interest Income	11,028,458,556	14,283,148,334	17,528,045,159	18,715,692,063	22,269,682,075
Interest Expense	5,886,828,346	8,645,101,681	10,703,575,883	11,378,701,188	13,587,368,694
Total Asset	122,801,151,189	140,922,122,974	180,396,133,411	185,576,398,523	209,733,601,225
Net Interest Margin	.0419	.0400	.0378	.0395	.0414
	4.19%	4%	3.78%	3.95%	4.14%

Here, BBL has a steady net profit margin from 2010 to 2011 from 4.19% to 4%, in 2010 net profit margin was higher at 4.19% but it downs in 2012 at 3.78% and had a slight increase in 2013 by 3.95% and again increased by 4.14% in 2014. In 2012, the increase in interest income was lower than the increase in total asset. BBL has positive net interest margin of all the years that means the interest income is more than the interest expense.



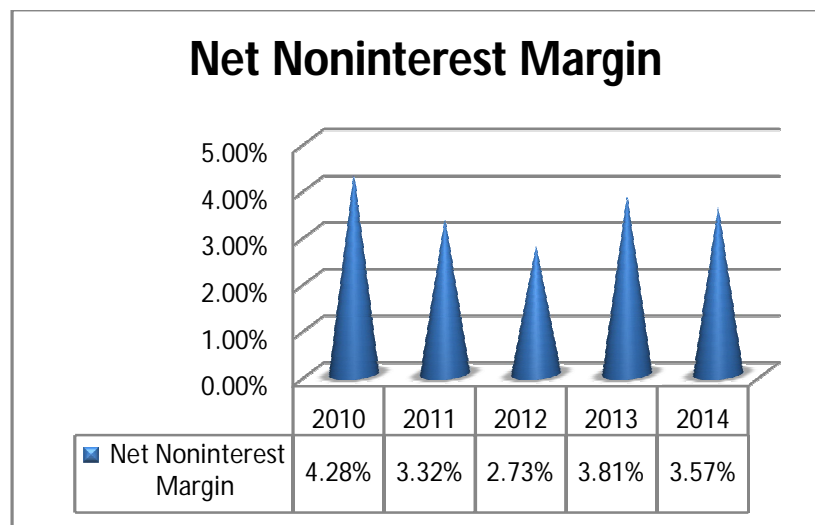
So, in 2014 for every 1 taka of asset, the bank earned .0414 taka, giving the company net interest margin of 4.14%, which is positive and increasing from 2012 and 2013.

6.3.4 Net Non-interest Margin:

Net non-interest margin measures the profits of a company beyond the interest income. Non- interest income include deposit and transaction fees, insufficient funds (NSF) fees, annual fees, monthly account service charges, inactivity fees, check and deposit slip fees etc. this ratio is especially used by banks as their main source of income is interest from loans.

Particulars	Amount in Taka				
	2010	2011	2012	2013	2014
Noninterest Revenues	5,257,845,790	4,688,613,806	4,932,386,584	7,070,037,975	7,484,001,759
Total Asset	122,801,151,189	140,922,122,974	180,396,133,411	185,576,398,523	209,733,601,225
Net Noninterest Margin	.0428	.0332	.0273	.0381	.0357
	4.28%	3.32%	2.73%	3.81%	3.57%

Here, the noninterest margin was high 4.28% in 2010 and low in 2012 by 2.73%. Again, in 2013 it overcomes the situation by increasing the revenue portion but in 2014 it decreased slightly by 3.57% because the increase in noninterest revenue is lower than the increase in total asset, resulting the ratio in downward.



So, in 2014, BBL has earned .0357 taka noninterest revenue for every 1 taka of asset, giving the company net noninterest margin of 3.57%.

6.3.5 Net Operating Margin:

Net bank operating margin is a measure of the difference between the operating revenues generated by banks and the amount of operating expenses paid out, relative to the amount of their assets. It is similar to the gross margin of non-financial companies. It is known as a profitability or productivity ratio, because it provides information about the management's performance in using the assets of the small business to generate income.

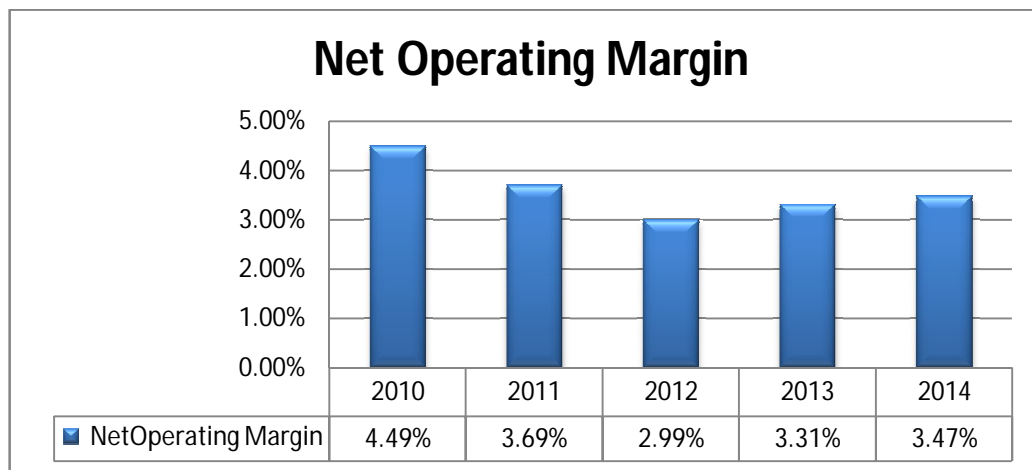
$$\text{Net Operating Margin} = \frac{\text{Total Operating Revenues} - \text{Total Operating Expenses}}{\text{Total Asset}}$$

Or,

$$\text{Net Operating Margin} = \frac{\text{Pretax Net Operating Income}}{\text{Total Asset}}$$

Particulars	Amount in Taka				
	2010	2011	2012	2013	2014
Net Pretax Operating income	5,519,092,846	5,198,782,215	5,406,110,885	6,141,204,313	7,282,663,641
Total Asset	122,801,151,189	140,922,122,974	180,396,133,411	185,576,398,523	209,733,601,225
Net Operating Margin	.0449	.0369	.0299	.0331	.0347
	4.49%	3.69%	2.99%	3.31%	3.47%

The net operating margin increased in 2010 by 4.49% but again decreased in 2011 and 2012 because the increase in net operating income is lower than the increase in total asset of these years. On the other hand, it is upward by 3.31% in 2013 and 3.47% in 2014 from 2012.



So, in 2014, BBL earned .0347 Taka of profit for every 1 Taka of asset giving the company 3.47% of net operating margin, which is increasing from 2012 and indicates the company is earning more profit per 1 Taka of asset in 2014.

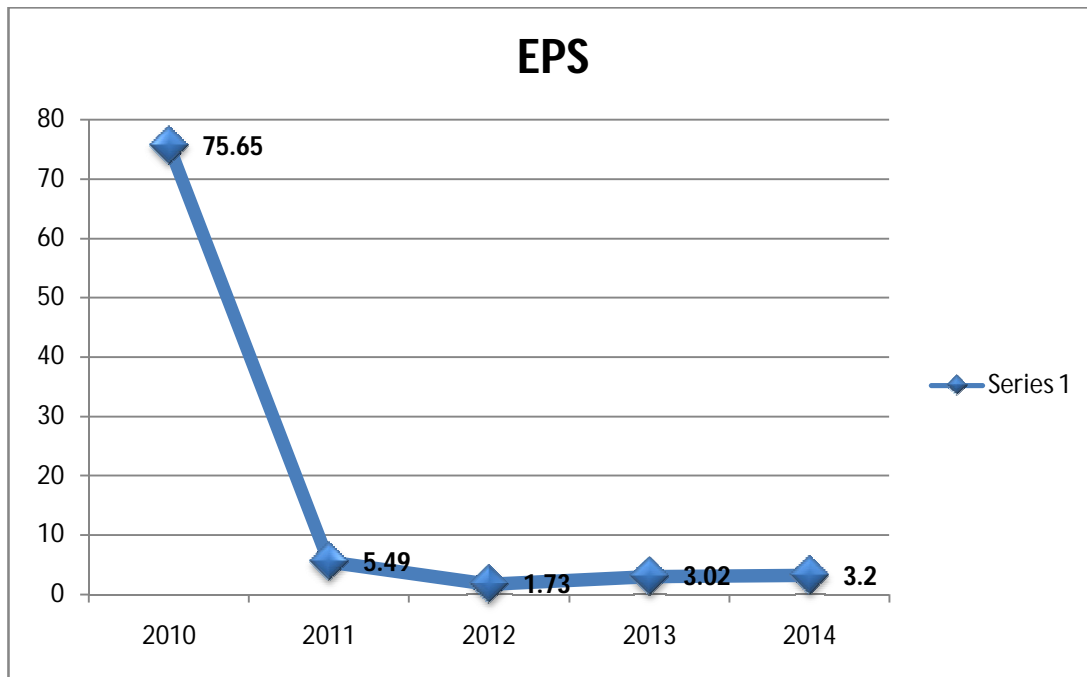
6.3.6 Earning Per Share (EPS):

EPS is an indicator of profitability because it shows how much the company has earned on their stock on share price basis. EPS calculates the amount of net income earned per share of stock outstanding, it is a measure of how profitable a company is based on the shareholder basis. If the EPS goes high the share price will be increased in the market.

$$\text{Earning Per Share (EPS)} = \frac{\text{Net Income} - \text{Preferred Dividends}}{\text{Total Common Equity Shares Outstanding}}$$

Particulars	Amount in Taka				
	2010	2011	2012	2013	2014
Net income-preferred Dividend	2,025,246,583	1,764,631,690	666,315,545	1,339,351,330	2,101,567,513
No. of Common Share outstanding	26,769,600	321,235,200	385,482,240	443,304,576	655,302,051
EPS	75.65	5.49	1.73	3.02	3.20

Here, in 2010 the EPS is highest of 75.65 and then decreased in the following years, it is not because of the company performance. The reason behind the fall is, in 2010, Securities and Exchange Commission (SEC) has instructed every company in the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) to change the Face Value of their shares to Taka 10, in order to that, the number of shares increased by 10 times. BBL had their Face Value of Taka 100 and it decreased to Taka 10 from 2011. Consequently, the EPS is different and high in 2010 and from 2011 it is following the regular track with Face Value of Taka 10.



In 2012 the EPS was lowest because the net income decreased drastically from previous years but the number of common share outstanding increased as a result the EPS decreased severely. But, in 2013 and 2014 BBL again follows the increasing trend by 3.02 and 3.20 through increasing the proportion of net income than the increase in number of common shares.

So, in 2014, BBL generated 3.2 Taka for each share, giving the company EPS of 3.2.

The overall financial performance of BBL is good and satisfactory, though it faced some economical difficulties in the year 2012. After that, again BBL is fighting against all the odds and being more efficient to generate more customer satisfaction and make profit. If it goes in this way, BBL can reach in the top among the banking industry in Bangladesh.

Chapter 7

Recommendations & Conclusion

Recommendations:

From the internship experience and analysis I come up with some recommendations for BBL to be more efficient in banking industry. As-

- § First of all, the information should be provided correctly and updated to the customers including all hidden charges.
- § The service charges should be minimized as this is the main complains of customer.
- § BBL should focus on time management while providing services; it may acquire a minimum time limit per customer service.
- § BBL can start banking through Bkash, as Bkash has a huge customer from every remote place of the country. That can increase the number of customer as well as can generate many future customers.
- § BBL should recruit more employees to reduce the pressure of customers as well as provide same quality services to all the customers on a short period of time.
- § BBL should concentrate on their depository products by introducing new offerings and services.
- § A feedback system for customers should be introduced to know the actual scenario of the customer satisfactory level.
- § Authority should motivate the employees to be dedicated by attractive remuneration packages as well as non-financial benefits.
- § The workforce should be skilled and trained to cope up with the new technologies and software execution.

Conclusion:

BRAC Bank is the pioneer in SME banking and it is one of the successful commercial banks in Bangladesh. Banking industry in Bangladesh is improving and adding value to GDP. The economic recession affected the potential growth of the bank, but BBL is being more efficient to overcome the situation and going faster to generate more profit. If BBL can build a skilled workforce in every level, it can provide the highest satisfaction to the customers. Though BBL is customer focused but sometimes it becomes harder to continue the service quality, in that case, BBL has to utilize their strengths to reduce the future threats of losing customer loyalty. Now, BBL has owned a strong market position and competing with other banks in the industry. If BBL continues these strategies it can be the top ranked bank in Bangladesh. To conclude, I would mention that, it was a great opportunity for me to working in BBL as an intern and I gathered lots of knowledge about corporate culture. The most important is I get the basic knowledge of how banks run their business and what challenges they face frequently. This report is a reflection of my working experience and my knowledge. I have tried to give my best while working in the bank as well as preparing this report and I consider this internship experience is a base learning for my future corporate life.

Chapter 8

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Attachments:

I. List of Acronyms

List of Acronyms	
BBL	BRAC Bank Limited
GABV	Global Alliances for Banking on Values
CRM	Credit Risk Management
R&D	Research & Development
HRD	Human Resource Department
CS,LR &IC	Company Secretariat, Regulatory & Internal controls

II. Financial Reports -2010-2014

BRAC BANK LIMITED
Consolidated Balance Sheet
 As at 31 December 2014

	Note	2014 Taka	2013 Taka
PROPERTY AND ASSETS			
Cash	3.a	17,091,323,727	17,162,778,425
Cash in hand (Including foreign currency)		7,560,169,362	8,526,841,262
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currency)		9,531,154,365	8,635,937,163
Balance with other Banks and Financial Institutions	4.a	25,264,857,467	11,485,717,915
Inside Bangladesh		24,096,693,266	9,197,074,221
Outside Bangladesh		1,168,164,201	2,288,643,694
Money at call and short notice		-	-
Investments	6.a	24,225,504,521	21,483,906,130
Government		20,559,303,620	19,365,124,617
Others		3,666,200,901	2,118,781,513
Loans and advances	7.a	124,299,994,135	119,514,547,936
Loans, cash credit, overdrafts etc.		123,717,849,561	118,683,980,593
Bills purchased & discounted		582,144,574	830,567,343
Fixed assets including premises, furniture and fixtures	8.a	3,552,406,494	2,799,356,898
Other assets	9.a	13,857,269,390	11,660,591,910
Non-banking assets	10	-	-
Goodwill	11	1,442,245,491	1,472,292,272
Total Property and Assets		209,733,601,225	185,579,191,486
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents	12.a	9,354,167,049	15,099,564,380
Borrowings from Central Bank	13.a	2,387,403,892	1,437,826,249
Convertible Subordinate Bonds	14.a	3,000,000,000	3,000,000,000
Money at Call and Short notice	15.a	1,220,000,000	2,847,513,000
Deposits and other accounts	16.a	146,366,349,410	126,679,221,827
Current accounts & other accounts		58,303,386,705	45,686,654,323
Bills payable		1,035,003,537	991,931,890
Savings deposits		25,820,159,618	20,738,609,556
Fixed deposits		60,785,364,555	59,077,741,206
Other deposits		422,434,995	184,284,852
Other liabilities	17.a	26,794,547,893	22,638,507,947
Total Liabilities		189,122,468,244	171,702,633,403
Capital and Shareholders' Equity			
Paid up share capital	18.2	7,092,873,210	4,433,045,760
Share premium	18.8.a	4,781,671,715	2,132,968,292
Statutory reserve	19.a	3,470,350,332	3,281,594,097
Revaluation reserve	20.a	693,004,816	744,701,943
Share money deposit	20.b	23,715,983	23,715,983
Surplus in profit and loss account/Retained Earnings	21.a	3,226,959,721	2,407,550,889
Total shareholders' equity		19,288,575,777	13,023,576,964
Minority Interest	22	1,322,557,204	852,981,119
Total equity		20,611,132,981	13,876,558,083
Total Liabilities and Shareholders' Equity		209,733,601,225	185,579,191,486

BRAC BANK LIMITED
Consolidated Profit and Loss Account
 For the year ended 31 December 2014

	Note	2014 Taka	2013 Taka
Interest income	25.a	22,269,682,075	18,715,692,063
Interest paid on deposits and borrowing etc.	26.a	13,587,368,694	11,378,701,188
Net interest income		8,682,313,381	7,336,990,875
Investment income	27.a	2,486,217,457	2,766,048,421
Commission, exchange and brokerage	28.a	3,454,502,102	3,567,356,522
Other operating income	29.a	1,543,282,208	736,633,034
Total operating income		16,166,315,148	14,407,028,852
Salaries and allowances	30	3,477,501,367	3,375,600,927
Rent, taxes, insurance, electricity etc.	31.a	983,240,836	910,750,021
Legal expenses	32	161,353,121	87,527,967
Postage, stamps, telecommunication etc.	33.a	251,483,787	259,050,809
Stationery, printing, advertisement etc.	34.a	484,864,049	897,981,495
Chief Executive's salary & fees		13,783,916	12,954,750
Directors' fees & expenses	35.a	2,842,279	3,994,064
Auditors' fee	36.a	4,864,705	3,288,067
Impairment of goodwill		30,046,781	30,046,781
Depreciation on and repairs to bank's assets	37.a	1,314,617,113	1,266,468,354
Other expenses	38.a	2,159,053,553	1,418,161,304
Total operating expenses		8,883,651,507	8,265,824,539
Profit/(loss) before provisions		7,282,663,641	6,141,204,313
Provision for:			
Loans and advances		2,756,498,897	2,865,261,844
Diminution in value of investments		30,000,000	47,500,000
Off balance sheet items		102,732,266	20,941,567
Total provision	39.a	2,889,231,163	2,933,703,411
Profit/(loss) before taxes		4,393,432,478	3,207,500,902
Provision for Tax:			
Current tax expense		2,203,346,998	1,994,013,810
Deferred tax expense/ (income)		88,517,967	(125,864,238)
Total provision for Tax	40.a	2,291,864,965	1,868,149,572
Profit/(loss) after taxes		2,101,567,513	1,339,351,330
Appropriations:			
Statutory reserve		188,756,234	347,576,811
General reserve		-	-
		188,756,234	347,576,811
Retained earnings		1,912,811,279	991,774,519
Attributable to:			
Equity holders of BRAC Bank Ltd.		1,862,564,479	1,071,808,041
Minority interest		50,246,800	(80,033,522)
		1,912,811,279	991,774,519
Earnings Per Share (EPS)	41.a	3.13	2.51

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


 Managing Director & CEO


 Director


 Director


 Chairman

Auditors' report to the shareholders
 See annexed report of date

BRAC BANK LIMITED
Consolidated Statement of Financial Position
 As at 31 December 2013

	Note	2013 Taka	2012 Taka
PROPERTY AND ASSETS			
Cash	3.a	17,148,674,282	13,581,915,641
Cash in hand (Including foreign currency)		8,526,841,263	4,750,845,270
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currency)		8,618,833,020	8,831,070,371
Balance with other Banks and Financial Institutions	4.a	11,502,822,058	10,978,155,044
Inside Bangladesh		9,214,178,364	10,338,261,494
Outside Bangladesh		2,288,643,694	639,893,550
Money at call and short notice	5.a	-	-
Investments	6.a	21,483,906,130	25,463,079,931
Government		19,365,124,617	21,858,309,744
Others		2,118,781,513	3,604,770,187
Loans and advances	7.a	119,514,547,936	114,086,283,173
Loans, cash credit, overdrafts etc.		118,683,980,593	113,485,146,984
Bills purchased & discounted		830,567,343	601,136,190
Fixed assets including premises, furniture and fixtures	8.a	2,792,707,112	2,861,824,309
Other assets	9.a	11,664,448,733	11,997,406,400
Non-banking assets	10	-	-
Goodwill	11.a	1,472,292,272	1,427,468,912
Total Property and Assets		185,576,398,523	180,396,133,411
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents	12.a	15,099,564,380	4,918,169,184
Borrowings from Central Bank	13.a	1,437,826,249	4,526,502,247
Convertible Subordinate Bonds	14.a	3,000,000,000	3,000,000,000
Money at Call and Short notice	15.a	2,847,513,000	1,990,000,000
Deposits and other accounts	16.a	126,679,221,827	134,244,989,307
Current accounts & other accounts		45,686,854,323	42,141,724,262
Bills payable		991,931,891	1,693,298,032
Savings deposits		20,738,609,556	18,130,936,581
Fixed deposits		59,077,741,206	71,999,644,228
Other deposits		184,284,852	279,386,204
Other liabilities	17.a	22,635,237,004	20,241,603,354
Total Liabilities		171,699,362,460	168,921,264,092
Capital and Shareholders' Equity			
Paid up share capital	18.2	4,433,045,760	3,854,822,400
Preference share capital		-	-
Share premium	18.8.a	2,133,446,272	1,740,102,253
Statutory reserve	19.a	3,281,594,097	2,934,017,286
Revaluation reserve	20.a	744,701,943	558,121,126
Share money deposit	20.b	23,715,983	23,741,603
Surplus in profit and loss account/Retained Earnings	21.a	2,407,550,889	1,914,456,975
Total shareholders' equity		13,024,054,944	11,025,261,642
Minority Interest	22	852,981,119	449,607,676
Total equity		13,877,036,063	11,474,869,319
Total Liabilities and Shareholders' Equity		185,576,398,523	180,396,133,411

BRAC BANK LIMITED
 Consolidated Statement of Profit or Loss and other Comprehensive Income
 For the year ended 31 December 2013

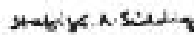
Particulars	Note	2013 Taka	2012 Taka
Interest income	25.a	18,715,692,063	17,528,045,159
Interest paid on deposits and borrowing etc.	26.a	11,378,701,188	10,703,575,883
Net interest income		7,336,990,875	6,824,469,276
Investment income	27.a	2,766,048,421	1,535,945,862
Commission, exchange and brokerage	28.a	3,567,356,522	2,964,000,773
Other operating income	29.a	736,633,034	432,439,952
Total operating income		14,407,028,852	11,756,855,863
Salaries and allowances	30	3,375,600,927	2,811,069,919
Rent, taxes, insurance, electricity etc.	31.a	910,750,021	724,180,923
Legal expenses	32	87,527,967	38,191,360
Postage, stamps, telecommunication etc.	33.a	259,050,809	224,191,903
Stationery, printing, advertisement etc.	34.a	897,981,495	239,889,154
Chief Executive's salary & fees		12,954,750	11,921,417
Directors' fees & expenses	35.a	3,994,064	3,526,900
Auditors' fee	36.a	3,233,067	2,842,161
Impairment of goodwill		30,046,781	-
Depreciation on and repairs to bank's assets	37.a	1,266,468,354	1,143,521,168
Other expenses	38.a	1,418,216,304	1,151,410,073
Total operating expenses		8,265,824,538	6,350,744,978
Profit/(loss) before provisions		6,141,204,313	5,406,110,885
Provision for:			
Loans and advances	39.a	2,865,261,844	2,953,867,367
Diminution in value of investments		47,500,000	276,133,403
Off balance sheet items		20,941,567	-
Others		-	-
Total provision		2,933,703,411	3,230,000,770
Profit/(loss) before taxes		3,207,500,902	2,176,110,115
Provision for Tax:			
Current tax expense		1,994,013,810	1,595,434,751
Deferred tax expense/(income)		(125,864,238)	(119,108,931)
Total provision for Tax	40.a	1,868,149,572	1,476,325,820
Total profit/(loss) after taxes		1,339,351,330	699,784,295
Appropriations:			
Statutory reserve		347,576,811	397,585,824
General reserve		-	-
Dividend etc.		-	-
Retained earnings		991,774,519	302,198,471
Attributable to:			
Equity holders of BRAC Bank Ltd.		1,071,808,041	307,978,207
Minority interest		(80,033,522)	(5,779,736)
EPS	41.a	3.20	1.52



Managing Director &
CEO



Director



Director



Chairman



Hoda Nisi Chowdhury & Co

Chartered Accountants

Dhaka, 27 February 2014

Customer experience, retail banking services & performance evaluation (2014)

BRAC Bank Limited

 Consolidated Balance Sheet
 As on December 31, 2011

	Note	2011 Taka	2010 Taka
PROPERTY AND ASSETS			
Cash	3.a	11,979,216,569	9,853,046,264
Cash in hand		3,648,779,467	3,578,604,602
(Including foreign currency)			
Balance with Bangladesh Bank and its agent Bank(s)		8,330,437,102	6,274,441,763
(Including foreign currency)			
Balance with other Banks and Financial Institutions	4.a	3,746,866,187	3,887,254,779
Inside Bangladesh		3,138,856,331	3,036,616,263
Outside Bangladesh		608,009,856	850,638,516
Money at call and short notice	5.a	480,000,000	-
Investments	6.a	14,674,983,791	13,125,495,806
Government		10,291,953,253	9,667,938,634
Others		4,383,030,537	3,457,557,172
Loans and advances	7.a	97,478,364,517	86,573,913,596
Loans, cash credit, overdrafts etc.		97,083,550,903	86,329,829,222
Bills purchased & discounted		394,813,615	244,084,374
Fixed assets including premises, furniture and fixtures	8.a	2,599,931,447	1,854,245,194
Other assets	9.a	8,553,122,866	7,195,307,035
Non-banking assets	10	-	-
Goodwill	11.a	1,409,637,597	311,888,515
Total Property and Assets		140,922,122,974	122,801,151,189
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents	12.a	5,720,180,188	4,973,920,255
Borrowings from Central Bank	13.a	1,533,371,184	1,828,605,004
Convertible Subordinate Bonds	14.a	3,000,000,000	3,000,000,000
Money at Call and Short notice	15.a	-	550,000,000
Deposits and other accounts	16.a	103,648,725,771	88,154,867,683
Current accounts & other accounts		32,369,590,116	30,290,472,653
Bills payable		768,394,617	1,021,461,002
Savings deposits		18,421,267,314	21,093,422,226
Fixed deposits		51,763,212,319	35,488,954,124
Other deposits		326,261,506	260,557,678
Other liabilities	17.a	16,538,199,960	13,742,438,421
Total Liabilities		130,440,477,104	112,249,831,364
Capital and Shareholders' Equity			
Paid up share capital	18.2	3,212,352,000	2,676,960,000
Preference share capital	18.9	350,000,000	500,000,000
Share premium	18.8.a	1,553,052,103	1,553,052,103
Statutory reserve	19.a	2,536,431,462	1,920,598,872
Revaluation reserve	20.a	163,089,754	1,220,932,131
Share money deposit	20.b	62,333,542	24,851,503
Surplus in profit and loss account/Retained Earnings	21.a	2,282,951,075	1,956,125,242
Total BRAC Bank Limited shareholders' equity		10,160,209,935	9,852,519,851
Minority Interest	22	321,435,935	698,799,975
Total equity		10,481,645,870	10,551,319,825
Total Liabilities and Shareholders' Equity		140,922,122,974	122,801,151,189

BRAC Bank Limited

 Consolidated Profit and Loss Account
 For The Year Ended 31 December 2011

Particulars	Note	2011 Taka	2010 Taka
Interest income	25 a	14,283,148,334	11,028,458,556
Interest paid on deposits and borrowing etc.	26 a	8,645,101,681	5,886,828,345
Net interest income		5,638,046,653	5,141,630,210
Investment income	27 a	1,640,318,565	2,259,257,261
Commission, exchange and brokerage	28 a	3,151,441,516	2,771,273,888
Other operating income	29 a	365,980,102	227,314,643
Total operating income		10,795,786,834	10,399,476,002
Salaries and allowances	30.0	2,501,563,705	2,111,594,431
Rent, taxes, insurance, electricity etc.	31.a	629,938,192	553,962,234
Legal expenses	32.0	31,055,680	37,854,350
Postage, stamps, telecommunication etc.	33 a	208,114,022	184,457,390
Stationery, printing, advertisement etc.	34.a	349,075,279	327,490,915
Chief Executive's salary & fees		11,146,417	10,365,818
Directors' fees & expenses	35 a	3,796,156	2,953,907
Auditors' fee	36 a	2,046,680	943,150
Depreciation on and repairs to bank's assets	37 a	838,480,869	607,276,877
Other expenses	38 a	1,021,787,620	1,043,484,084
Total operating expenses		5,597,004,619	4,880,383,156
Profit/(loss) before provisions		5,198,782,215	5,519,092,846
Provision for:			
Loans and advances	39 a	1,536,497,958	1,827,695,989
Diminution in value of investments		444,213,413	56,741,049
Off balance sheet items		4,000,000	168,593,000
Others		-	-
Total provision		1,984,711,371	2,053,030,038
Profit/(loss) before taxes		3,214,070,845	3,466,062,809
Provision for Tax:			
Current tax expense		1,575,650,322	1,558,995,482
Deferred tax expense/ (income)		(174,023,667)	(165,991,757)
Total provision for Tax	40.a	1,401,626,655	1,393,003,726
Total profit/(loss) after taxes		1,812,444,190	2,073,059,083
Appropriations:			
Statutory reserve		615,832,590	583,118,995
General reserve		-	-
Dividend etc.		-	-
		615,832,590	583,118,995
Retained earnings		1,196,611,600	1,489,940,088
Attributable to:			
Equity holders of BRAC Bank Ltd.		1,210,473,401	1,289,710,188
Minority interest		(13,861,801)	200,229,900
		1,196,611,600	1,489,940,088
Basic earnings per share	41.a	5.54	5.68



 Managing Director & CEO



 Director

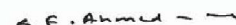


 Director



 Chairman

 Dated, Dhaka;
 February 22, 2012



 S. F. Ahmed & Co.
 Chartered Accountants