



Performance of BRAC Bank in the SME Banking Sector

Internship Report

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Submitted to:

Nusrat Hafiz

Lecturer

BRAC Business School

BRAC University

Submitted by:

Kazi Turin Rahman

ID: 12104244

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May 09, 2016

May 09, 2016

Nusrat Hafiz

Lecturer

BRAC Business School

BRAC University

Subject: Solicitation for Acceptance of the Internship report on BRAC Bank

Dear Madam,

It gives me great pleasure to inform you that I, Kazi Turin Rahman, have successfully completed my internship report on '**Performance of BRAC Bank in the SME Banking Sector**'. This report has been prepared as a requirement for the completion of Bachelor of Business Administration (BBA). It was an amazing experience to work for an esteemed organization such as BRAC Bank Limited. In writing this report, I have followed your guidelines and format to present my views and understanding in the easiest way.

Regards,

Kazi Turin Rahman

ID: 12104244

BRAC Business School

BRAC University

Acknowledgment

I would like to take this opportunity to thank my academic supervisor Nusrat Hafiz, Lecturer, BRAC Business School, for constantly guiding me in the completion of this internship report.

There are a number of BRAC Bank personnel I would like to acknowledge. Firstly, Mr. Abu Md. Mahmudul Hasan, Head of Procurement Department for allowing me to work with his amazing team. Furthermore, my on-site supervisor Kanij Rubyat, Associate Manager for continuously guiding me in my work. A special thank you to Md. Rakibul Islam, Manager for providing me invaluable tips and guidelines. Also, a big thanks to all the other members of the Procurement department for making me feel welcomed.

For information regarding SME Banking, I would like to express my gratitude towards Md. Rejaul Islam, Area Manager who conducted an important session with us interns regarding the issue. Moreover, Muhammad Fazlul Haque, Customer Relations Officer for giving me insightful knowledge about SME unit office activities.

Executive Summary

BRAC Bank Limited happens to be one of the leading private banks in Bangladesh. Established in 2001, it happens to be the pioneer in the SME Banking Sector of Bangladesh. BRAC Bank believes in 3Ps: People, Planet and Profit. The bank has a unique vision of sustaining growth in the SME Sector and touching billions of lives through sustainable banking.

This paper looks to paint an overall picture of BRAC Bank Limited. Their management, history, product offerings, achievements, etc. are few of the things discussed in the beginning. Furthermore, I have presented my internship experience working in the Procurement Department under Finance Division of BRAC Bank Limited which includes job responsibilities, aspects and suggestions. Finally, the report provides an in depth look into the bank's performance in the SME banking sector of the country. This includes a comparison with other banks in the same sector and a SWOT Analysis of BRAC Bank Limited which highlights their strengths, weaknesses, opportunities and threats

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Part 1: BRAC Bank Limited Company Overview

Introduction

BRAC Bank Limited (BBL) was founded on July 4, 2001. Today, the organization possesses 174 outlets, 450+ ATMs, 40 CDMs and 503 SME unit offices across 64 districts of Bangladesh. BRAC Bank owns a number of subsidiaries such as bKash, BRAC EPL, Saajan, biTS, etc. The organisation adheres to CRYSTAL values. BRAC Bank also co-founded the Global Alliance for Banking on Values (GABV) in 2009. This happens to be a group of international banks which share similar ethical values. Surprisingly, BRAC Bank is the only Asian bank in this alliance.

The bank employs around 8,000 employees who work in the different business and support divisions. Business divisions work in the front end which includes Retail Banking, Corporate Banking, SME, and Treasury & Financial Institutions. Support divisions work in the back end which comprises of Operations, Technology, Finance, Human Resources, Communications, etc.

History

Since its inception, BRAC Bank has grown into one of the leading private banks of the country. Below, are some of their immediate achievements which highlight the progress of the company.

Year	Achievements
2014	Sustainable Marketing Excellence Award from CMO Asia
2013	The Best Managed Bank Award from The Asian Banker
2010	Sustainable Banking Awards from The Financial Times & IFC
2008	Best Financial Institution of the Year from DHL-Daily Star Business Awards
2007	National Award from Institute of Chartered Accountants of Bangladesh (ICAB)

Table 1: Recent Achievements of BRAC Bank Limited

Their growth is apparent from their financial performance as well:

	Operating Profit (In Crores of Taka)	Net Profit (In Crores of Taka)
2014	677	209
2013	592	124
2012	514	54
2011	497	170

Table 2: Financial Standing of BRAC Bank Limited

Product/Service Offerings

BRAC Bank offers a wide range of products to cater the needs of their growing customer base.

**ব্র্যাক ব্যাংকে
স্বাগতম**

২০০৯ সালে যাত্রা শুরু করে বাংলাদেশের সর্বত্র ব্রাঞ্চ, ATM, CDM, POS, এস.এম.ই ইউনিট অফিস ইত্যাদির মাধ্যমে ব্র্যাক ব্যাংকের উপস্থিতি বিদ্যমান। এগুলোর মাধ্যমে গ্রাহকগণ দেশের যেকোনো প্রান্ত থেকে অনলাইন ব্যাংকিং সুবিধা উপভোগ করতে পারেন। এছাড়া যেকোন দিন, যেকোন সময় ব্যাংকিং সার্ভিস প্রদান করার জন্য রয়েছে কল সেন্টার।

আমাদের সেবাসমূহঃ

সেভিংস ও কারেন্ট অ্যাকাউন্ট এবং সুবিধা সমূহঃ

- সেভিংস অ্যাকাউন্ট • কারেন্ট অ্যাকাউন্ট • ইজি অ্যাকাউন্ট
- ফিউচার স্টার অ্যাকাউন্ট ফর চিলড্রেন
- ক্যাম্পাস অ্যাকাউন্ট ফর স্টুডেন্ট
- বিদেশে উচ্চশিক্ষার জন্য স্টুডেন্ট ফাইল
- সেভিংস অ্যাকাউন্ট ফর উইমেন
- ফরেন কারেন্সি অ্যাকাউন্ট
(আর.এফসিডি / এফসিওয়াই / এনএফসিডি)
- ফরেন কারেন্সি এক্সচেঞ্জ এবং পাসপোর্ট এনডোর্সমেন্ট

লোন সেবাসমূহঃ

- পার্সোনাল লোন • হোম লোন • অটো লোন
- মোটরসাইকেল লোন • এসএমই লোন
- বিজনেস লোন • প্রথম নারী উদ্যোক্তা লোন
- লোন এসেইন্সটি ফিক্সড ডিসপোজিট • সিকিওর্ড ওভারড্রাফট

Member of:
GLOBAL ALLIANCE FOR BANKING ON VALUES

Winner 2010:
FT SUSTAINABLE BANKING AWARDS
Emerging Markets, Asia

Winner 2013:
THE ASIAN BANKER
BEST MANAGED BANK
IN BANGLADESH

BRAC BANK
আম্মু আবিচলে

Figure 1a: Latest Product Brochure of BRAC Bank Limited (Front)

আরও সেবাসমূহঃ

ফিল্ড ডিপোজিটঃ

- মাসিক মুনাফা
- ইন্টারেস্ট ফাস্ট
- বিভিন্ন মেয়াদে ফিল্ড ডিপোজিট

ডেবিট এবং ক্রেডিট কার্ডঃ

- লোকাল কারেন্সি ডেবিট কার্ড
- ফরেন কারেন্সি ডেবিট কার্ড
- দেশে এবং বিদেশে ব্যবহারের জন্য ক্রেডিট কার্ড
- অনলাইন শপিং / পারচেস ফ্যাসিলিটিজ

আমাদের স্পেশলাইজড সেবা এবং সুবিধাসমূহঃ

- দ্রুত লোন পাবার সুবিধা
- দ্রুত এবং নির্ভরযোগ্য ফরেন রেমিটেন্স সুবিধা
- সম্পূর্ণ অনলাইন ব্যাংকিং
- ২৪ ঘন্টা কল সেন্টার
- ব্র্যাক ব্যাংক মোবাইল অ্যাপ্লিকেশন
- ইন্টারনেট ব্যাংকিং
- ফ্রী ই-স্টেটমেন্ট সুবিধা
- এস এম এস ব্যাংকিং

বিস্তারিত তথ্যের জন্য যোগাযোগ করুন

২৪ ঘন্টা কল সেন্টারঃ ১৬২২১

বিদেশ থেকে কল করতেঃ +৮৮০ ২ ৫৫৬৬৮০৫৬

www.bracbank.com



আমরা আছি

Figure 1b: Latest Product Brochure of BRAC Bank Limited (Back)

Savings

- Savings account
- Current account
- Eezee account
- Future star account
- Campus account
- Student file
- Savings account for women
- Foreign currency account
- Foreign currency exchange
- Passport endoresment

Loan

- Personal loan
- Home loan
- Auto loan
- Motorcycle loan
- Business loan
- Loan against fixed deposit
- Secured overdraft
- Loan for women entrepreneurs

SME Lending Products

- Anonno
- Prothoma
- Apurbo
- Shomridhdhi
- Shokti
- Shohoj
- Shompod

SME Deposit Products

- Prapti current account
- Prachurjo
- Shonchoy
- Interest First Fixed Deposit
- Prothoma current account
- Protashaaccount

Operational Network Organogram

The Managing Director & CEO of BRAC Bank, Selim R.F. Hussain sits at the top of the management hierarchy. He is immediately followed by two deputy managing directors; Mohammad Mamdudur Rashid and IshtiaqMohiuddin. Below them are several heads of divisions such as CFO, CRO, etc. The diagram in the next page illustrates the operational network:

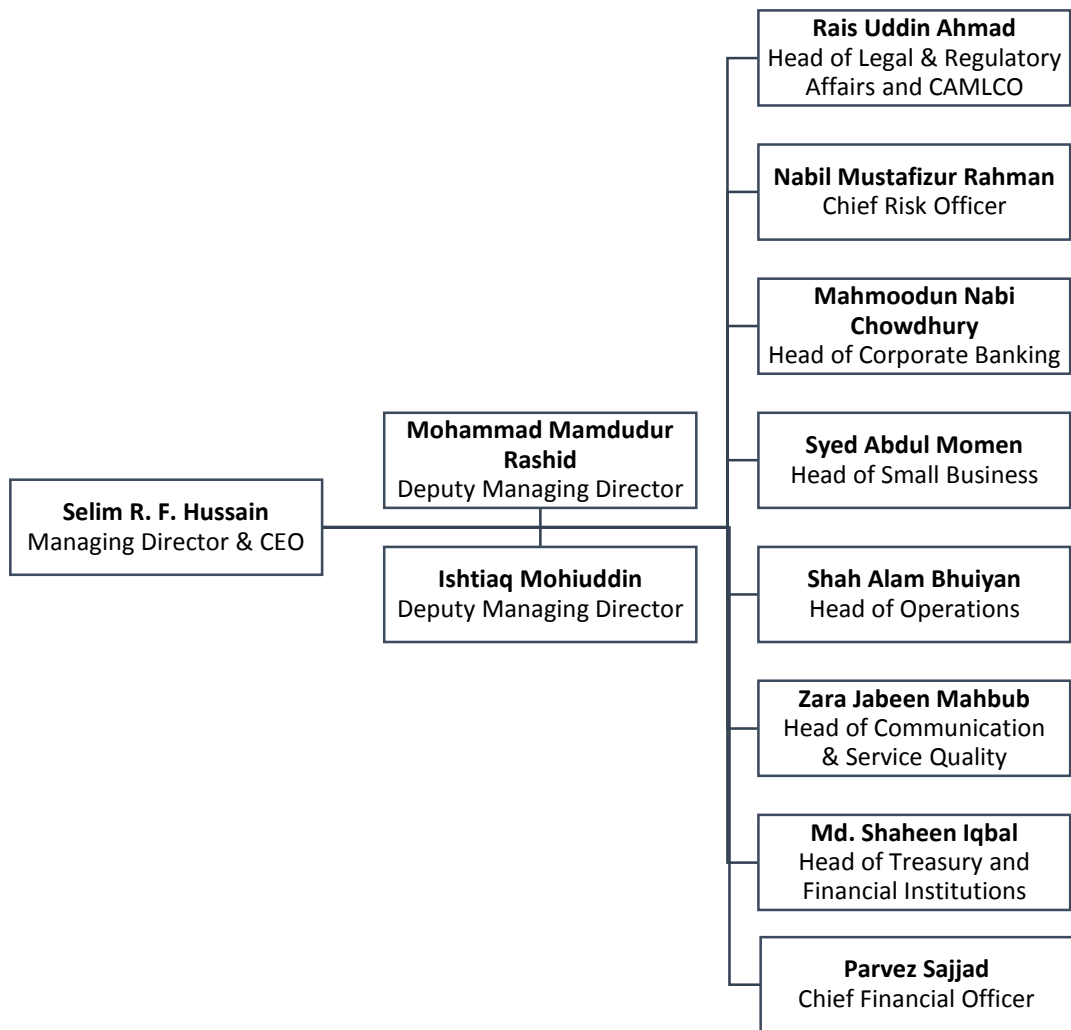


Figure 2: Operational Hierarchy of BRAC Bank

Visions for the future

The one word that describes the bank’s vision for the upcoming future is ‘expansion’. BRAC Bank focuses on opening around 10 branches a year and the number is expected to grow. Their target is also to increase their staff strength to 10,000+. Also, increasing SME unit offices to 800+ is another objective. |

Part 2: BRAC Bank Limited Internship Experience

Description of Job

I had the privilege of working in the Procurement department of BRAC Bank Limited. This department is under the finance division which handles all responsibilities of bargaining and purchasing of items required for smooth operation of bank activities. This department is one of 7 departments which directly reports to the Chief Financial Officer.

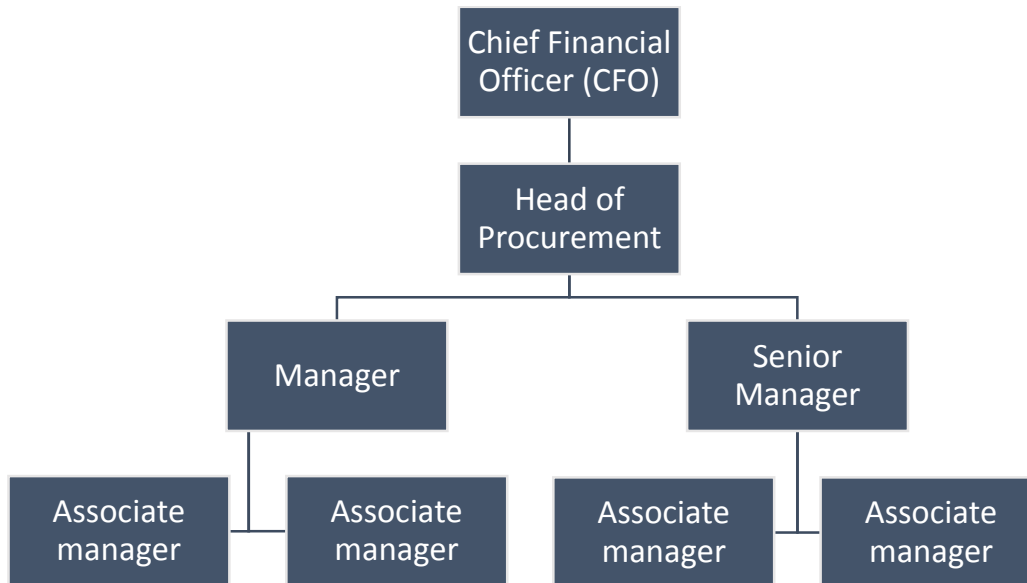


Figure 3: Management Hierarchy of Procurement Department

There are two types of products that are bought. Capital Expenditures (CapEx) and Operational Expenditures (OpEx). CapEx items are capital assets of the company with monetary value above BDT 20,000 subject to depreciation. E.g. Laptop, Computers, etc. OpEx items are that which are required to run day to day business activities. E.g. Stationaries, Toiletries, etc.

As for procurement of goods, there are 4 methods. Open tendering method, Quotation opening method, direct purchase method and limited tendering method. The most commonly used of them all is the second one.

Internship Job Responsibilities

During my tenure at procurement department, I have fulfilled various types of responsibilities. These included typical desk work, computer related tasks and interacting with suppliers. The details have been described below:

- **Preparing work orders**

A work order is basically a letter which places an order for an item to a specific supplier. It includes the name of the product, price, supplier name, terms and conditions. Once there is a requisition for an item, I would proceed to make a work order. After printing, it has to be signed by the head of procurement for final approval. The soft copy of the work order is mailed to the vendor and the hard copy is retained for office records.

- **Making comparison statements**

Comparison statements are made to compare and contrast the specifications and prices of a particular product. This is done when various vendors submit quotations for the same product.

- **Payment approval note**

When a product is delivered, the vendor submits the bill to procurement department. Then, a payment approval note is made which is attached to the bill and forwarded to payments. This note also has to be signed by the head of procurement before it is forwarded.

- **Purchase approval form**

When procurement department is planning to buy a high value item which costs a few lacs or even crores, they must seek approval from all heads. The purchase approval form states the terms and conditions of the purchase and must be signed by the aforementioned authorities.

- **Indexing**

A Microsoft excel index is maintained yearly to keep records of every purchase. Whenever a work order is made simultaneously an entry is made into the index so that it can be referred back if needed. Also, it is helpful to track items which are not delivered and require further investigation.

Critical Observations

Over the course of my internship, I have come across numerous observations some of which have been discussed below.

- **Respect for interns**

One thing that was very clear from day one is that interns are treated as part of the workforce and humbly welcomed in BRAC Bank. Everyone from the head of the department to colleagues show ample respect to interns. Other organization should adopt such similar culture I believe.

- **Punctuality is maintained**

All employees are required to be present by 10am and sign in their computers to record attendance. Late attendances are actively monitored by HR hence everyone tries to show up before 10am. Even interns are subject to strong supervision.

- **Day care facilities**

A very unique feature of the BRAC Bank head office is the day care facility. This is something which is absent in many reputed organizations so it's a big plus point for parents working here.

- **Working environment**

BRAC bank probably has the biggest head office in the Gulshan area. It is very exciting to work in such a massive infrastructure with respectful colleagues

**Part 3: Project on Performance of BRAC Bank in the SME
Banking Sector**

Project Summary

The reason I have selected this topic is because SME Banking is synonymous with BRAC Bank. They happen to be the pioneer in this sector. BRAC Bank Ltd. has a dual objective: a combination of profit making and social contribution. The bank also focuses on relationship based banking, as it believes that the pursuit of profit and developmental goals are mutually reinforcing. We will be looking at the current standing of BRAC Bank in the SME sector and how they are contributing to the society.

Objectives

The Broad objective of this project is to analyse the SME scenario of Bangladesh and to assess the performance of BRAC Bank Ltd in context of the highly competitive market. The report will also look at some specific objectives. They are:

- Definition of SMEs
- Importance of SMEs in Bangladesh
- SME banking portfolio of BRAC Bank
- SME loan sanctioning procedure of BRAC Bank
- SWOT analysis of BRAC Bank

Methodology

This project is based on both primary and secondary data. Primary data was collected from discussions with Customer Relationship Officer (CRO) and Area Manager (AM). Secondary data was collected from annual reports, slides and previous reports on similar topics.

Limitations

As with any project I have faced a few constraints in preparing this report. Some of which include:

- Lack of time
- Confidentiality issues
- Officials were very busy
- No access to customers

Chapter 1: Defining Small and Medium Enterprises (SMEs)

An SME is defined as a firm managed in a personalized way by its owners or partners, which has only a small share of its market and is not sufficiently large to have access to the stock exchange for raising capital. SMEs ordinarily have few accesses to formal channels of finance and depend primarily upon savings of their owners, their families & friends. Consequently, most SMEs are sole proprietorships & partnerships. SMEs have been defined against various criteria. The three parameters that are generally applied by the Governments to define SMEs are: Capital investment in plant and machinery, Number of workers employed, Volume of production or turnover of business.

Definition of SME as per Industrial Policy 2010 based on BB's SMESPD circular No. 01 dated 19 July 2015:

Sector	Total Fixed Assets (In millions of taka)	Labor Employment
Medium Enterprise	Manufacturing : 100.00-300.00 (10-30 crore)	100-250
	Service/Trading : 10.00-150.00 (1-15 crore)	50-100
Small Enterprise	Manufacturing : 5.00-100.00 (50 lak-10 crore)	25-99
	Service/Trading : 0.50-10.00 (5 lac-1 crore)	10-25
Micro Enterprise	Manufacturing : .50-5.00 (5 lak-50 lac)	10-24
	Service/Trading : <_0.50 (5 lac or below)	_<10

Table 3: Definition of SME by Bangladesh Bank

Chapter 2: Importance of SMEs in Bangladesh

- **Employment Generation**

SMEs engage the middle and lower classes of the economy more effectively. It is estimated that SMEs generate around 60-70% employment. This is found from a report of the International Monetary Fund (IMF).

- **GDP Growth**

If more people are engaged in business it ultimately contributes positively to the GDP of the country. SMEs in Bangladesh contribute around 30% to the GDP.

- **Enhanced Living Standard**

Since the lower class of the economy is being engaged in forms of businesses, it helps them to improve their living standards to a much better position.

- **Women Empowerment**

A considerable amount of SMEs are run by women. This is crucial for women empowerment in our country. Women run various types of businesses such as cultivation, raising livestock, weaving, etc.

- **Creation of Entrepreneurial Class**

SMEs are empowering people to make money for themselves. Hence, they are their own bosses and it is helping in developing an entrepreneur culture. People are being inspired to break free from poverty.

- **Reduction in Urban Migration**

Rural people are now involved in different types of work in their own villages. Thus, this decreases the need to shift to the city which saves costs and ensures that villagers are able to stay with their family members at home

Chapter 3: SWOT Analysis of BRAC Bank

A SWOT analysis is a tool that identifies the strengths, weaknesses, opportunities and threats of an organization. We will look at the SWOT analysis of BRAC Bank. This will include an assessment of their internal environment (strengths and weaknesses) and also their external environment (opportunities and threats).

Strengths

- **Focus on Technological Advancements:** The most important feature that I have noticed during my tenure at BRAC Bank is that they are constantly focused on improving their technological features. This includes upgrading Wi-Fi solution, purchasing the latest banking software, establishing high speed connectivity links, etc.
- **Building customer relationship outside branches:** I got to know an interesting detail from Muhammad FazlulHaque, CRO of Mohakhali SME office. Whenever he gets free time he tries to socialize with his clients outside the office. He regularly has a chat with them over tea or coffee. This creates a long term bonding and future references for potential candidates.
- **Preference for Interns:** BRAC Bank prefers to offer their own interns full time positions unlike other organizations. As per my observations in the month of February 2016, the bank recently hired 4 Officers out of which 3 were interns in the past. This is a very positive motivation for interns to work hard and secure a good position in the company.
- **Extra Benefits for Employees:** BRAC bank employees enjoy certain discounts from other BRAC subsidiaries. E.g. BBL employees get 10% discount from Aarong. Also, when they join the company, they get free Debit cards and bKash accounts.

Weaknesses

- Remuneration Packages are Low: Compared to other banks, the salaries of entry level employees are less. Few employees have expressed their dissatisfaction over this issue.
- Lack of Promotion of SME Banking: It seems that the SME products are not getting enough promotion which is a big concern. Most information regarding SME Banking is transmitted through word of mouth. BRAC Bank is mainly an SME Bank and must brand itself as such.
- Working hours are not enforced: like many other banks, the working hours are not strictly maintained. The official closing time is 6pm but often personnel must work for 2-3 hours extra due to work load. This is unhealthy as people have the least energy to work with at night.

Opportunities

- Expand to more areas: BRAC Bank could open branches in places such as Dinajpur, Bagerhat, Pirojpur, etc
- International Expansion: Since BRAC is one of the most renowned NGOs in the world, BRAC Bank could attempt to go overseas with their operations.
- Engaging in CSR activities: BRAC Bank could organize some events to benefit the society which will also help them boost their brand image.

Threats

- Upcoming banks: The upcoming private local banks can also pose a threat to the existing private commercial banks like BRAC Bank Limited. It is expected that in the next few years more local private banks may emerge. If that happens the intensity of competition will rise further and banks will have to develop strategies to compete against an on slaughter of foreign banks.
- Multinational banks: The emergence of multinational banks and their rapid expansion poses a potential threat to the new emerging private banks. Due to the booming energy sector, more foreign banks are expected to arrive in Bangladesh. Furthermore,

the already existing foreign banks such as Standard Chartered, Citi Bank N.A, etc. are now pursuing an aggressive branch expansion strategy. These banks are establishing more branches countrywide and are already involved in SME operation. Since the foreign banks have tremendous financial strength, it will pose a threat to local banks.

- Contemporary banks and financial institutions: The contemporary banks and financial institutions of BRAC Bank Limited such as Dhaka Bank, Prime Bank, and Dutch Bangla Bank Limited and IDLC are its major rivals. Prime bank and other banks are carrying out aggressive campaign to attract lucrative clients as well as big time depositors.

A summary of the points discussed have been illustrated in the matrix below:

Strengths <ul style="list-style-type: none"> ▪ Focus on Technological Advancements ▪ Building customer relationship outside branches ▪ Preference for Interns ▪ Extra Benefits for Employees 	Weaknesses <ul style="list-style-type: none"> ▪ Remuneration Packages are Low ▪ Lack of Promotion of SME Banking ▪ Working hours are not enforced
Opportunities <ul style="list-style-type: none"> ▪ Expand to more areas ▪ International Expansion ▪ Engaging in CSR activities 	Threats <ul style="list-style-type: none"> ▪ Upcoming banks ▪ Multinational banks ▪ Contemporary banks and financial institutions

Table 4: SWOT Analysis of BRAC Bank

Chapter 4: Results and Discussion

4.1 SME Banking of BRAC Bank

BRAC Bank is currently into its 15th year of operation. It has pioneered the concept of small and medium enterprise (SME) Banking. They identified that there was a big gap in the middle of the banking structure. Something was ‘missing in the middle’ and they decided to focus there.

If we think of the financial pyramid, there are corporate institutions (local and Multinational) at the top of the pyramid and there are low income individuals at the bottom. Those at the top are served by banks and other financial institutions while those at the bottom are served by Micro Finance Institutions (MFIs), e.g. NGOs. But SME sector in the middle were missing access to necessary banking services and that is where BRAC Bank came into play.

Now of course, many other banks have started to roll out similar SME services so the competition is tough. But nonetheless, BRAC Bank remains the pioneer and the market leader in this field. As we can see in the pie chart below, SME Banking account for 39% of BRAC Bank’s portfolio. Hence, it is clear that they are known as an SME Bank

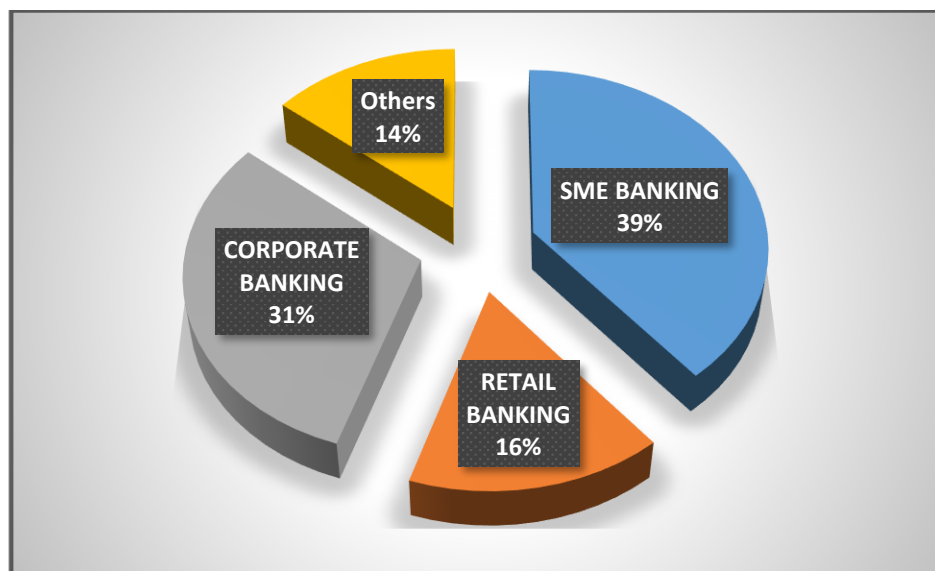


Figure 4: BRAC Bank's Portfolio

Here are some more financial figures which highlight the current position of BRAC Bank's SME Banking:

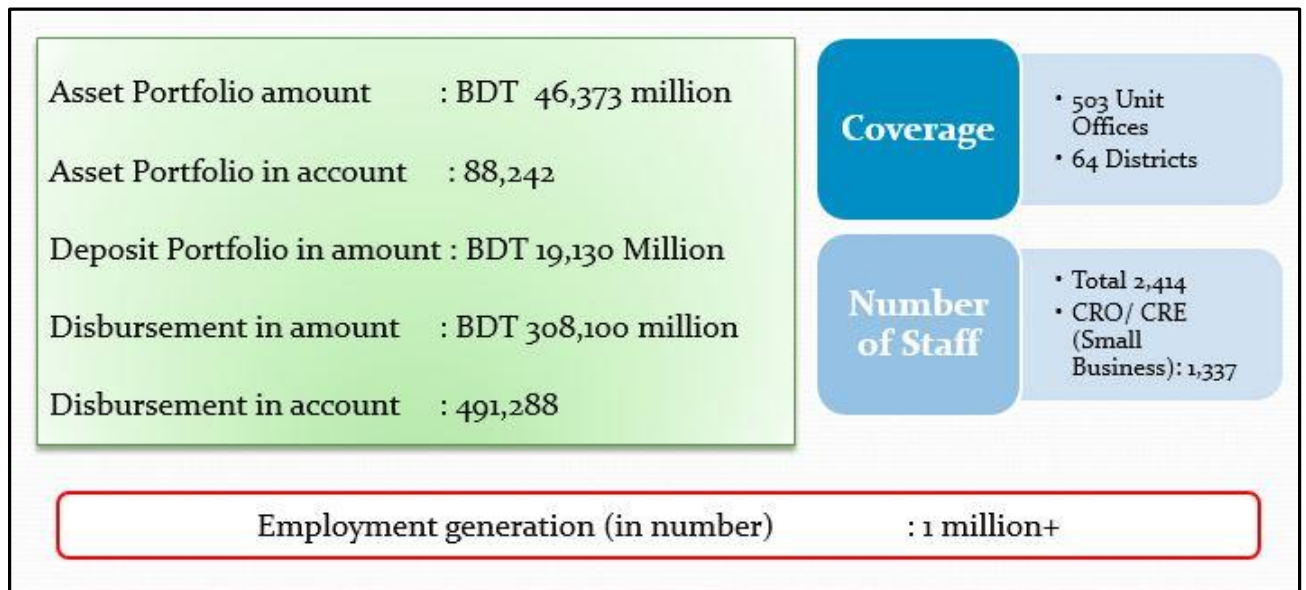


Figure 5: Various Statistics of SME Banking of BRAC Bank

4.2 BRAC Bank SME Banking Procedure

The bank follows certain steps before it sanctions a loan to a particular SME. The steps have been described below in detail:

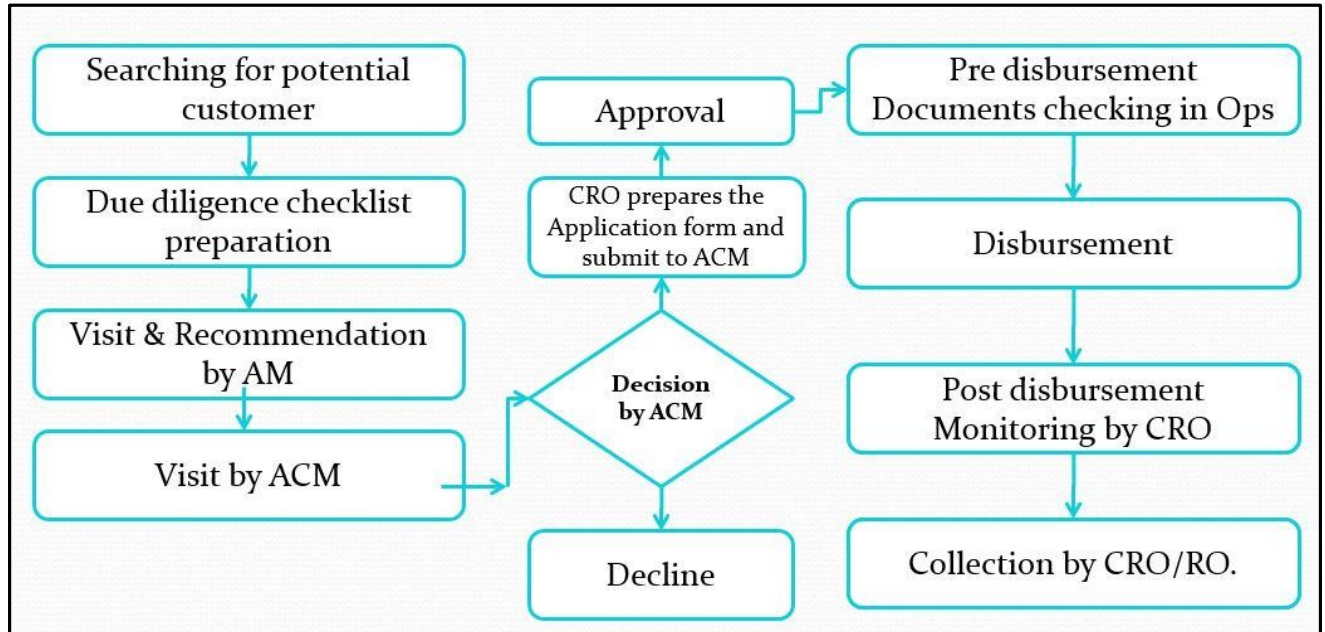


Figure 6: Steps Involved in Sanctioning SME Loans

1. CROs constantly search for potential customers among their known contacts or surroundings
2. Once they find a candidate, the CROs make an early assessment and try to determine what amount of loan would be ideal for them
3. The Area Manager then visits the candidate and if is satisfied with the early assessment then recommends it to the Area Credit Manager
4. The Area Credit Manager then decides whether or not to sanction a loan to the potential candidate
5. If it is approved then the CRO prepares the application forms
6. The form along with other necessary documents of the candidate is sent to Operations for checking
7. The loan is then disbursed and regular monitoring is done post disbursement
8. The CROs then collect the installments against the loans accordingly.

4.3 Performance of BRAC Bank in the SME Banking Sector

BRAC Bank has been performing quite well in the SME Banking Sector. The competition is quite tough as more rivals have emerged such as Standard Chartered Bank, Jamuna Bank, IFIC Bank, etc. But, BRAC Bank has maintained its position at the top of the pyramid.

As we can see from the diagram below, private banks constitute around 60% of loans in the SME industry. BRAC Bank SME division holds 7.90% SME portfolio of private banks. This means they hold 3.51% SME portfolio of the entire industry.

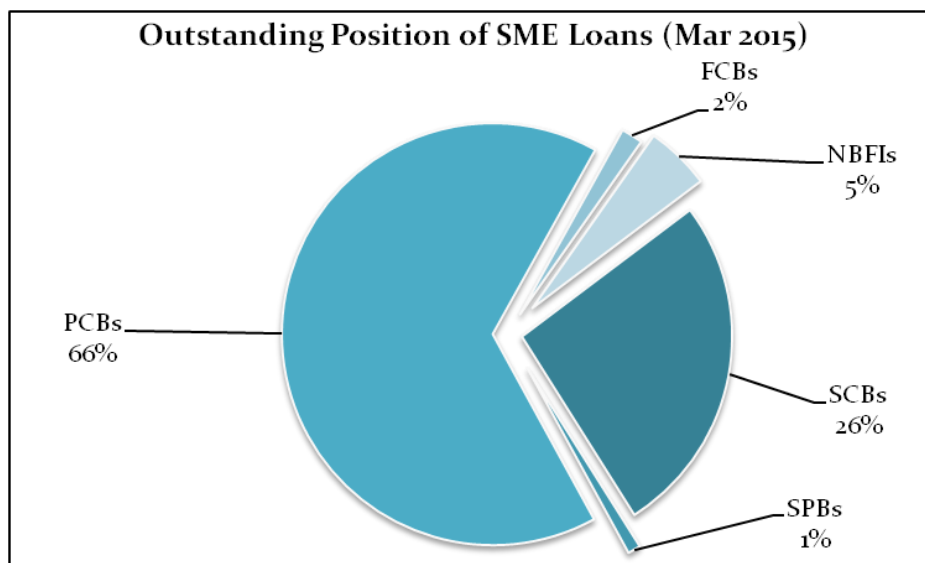


Figure 7: Outstanding Positions of SME Loans in the Industry

- Total Outstanding of SME Loans in the industry: BDT 121,762 Crore
- Total Outstanding of SME Loans position of Private Banks: 73,057 Crore
- Total Outstanding of SME Loans position of BRAC Bank in the private banking sector: 5,771 Crore
- Total Outstanding of SME Loans position of BRAC Bank in the industry: 4,274 Crore

4.4 BRAC Bank Compared to its Competitors

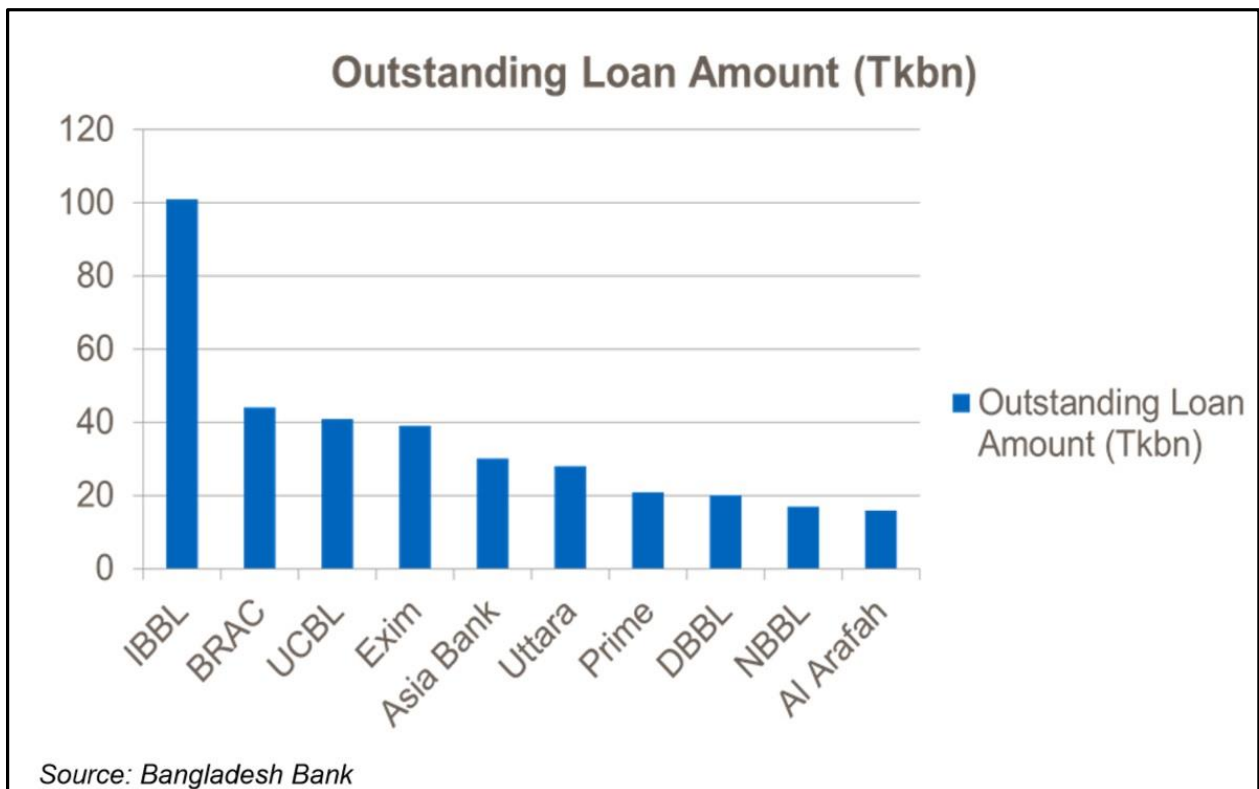


Figure 8: Outstanding Loan Amount of Different SME Banks

According to Business Innovation Facility (2012), the largest lender to SMEs is Islami Bank Bangladesh Limited. At 31 May 2012, its OLB for SMEs was Tk100bn - equal to approximately 42% of its assets. The number of SME clients was put at 83,000 plus an additional, 11,000 women entrepreneur clients. Of the national SME target for calendar year 2012 of Tk590bn, IBBL has committed to Tk125bn.

The second largest SME bank lender is BRAC Bank. The managing director and chief executive officer of BRAC Bank, told The Daily Star in an interview (9 January 2012): “Set up in 2001, BRAC Bank is the largest SME bank in the country. Of its Tk 9,000 crore loan portfolio, SMEs account for 50 percent. Of the SME loans, 92% are without collateral with an average loan size of Tk 6-7 lakh. In the last 10 years, the bank has lent over Tk 15,000 crore to over 3.5 lakh SMEs.”

Other bank lenders in Bangladesh with a focus on SMEs include:

- Sonali Bank, with over 1,000 clients and total SME OLB of Tk59bn
- Eastern Bank, with 9,000 SME clients and OLB of Tk10.9bn, through two dedicated small and medium enterprise departments, and
- Mutual Trust Bank, with 3,300 SME clients and an OLB of just Tk2.8bn but around 20% of its portfolio in SME lending

Chapter 5: Recommendations

Based on the current findings, a few suggestions have been provided on how the bank can further improve its activities.

- **E-procurement should be introduced**

E-procurement is the business-to-business purchase and sale of supplies and services over the Internet. This would reduce costs and increase productivity. However, this is a system which is absent.

- **Delivery time to end users need to be reduced**

Whenever a product is procured, it usually takes about 10-15 days to reach the end user. This is not very efficient as the user has to wait a long time and cannot get his/her work done in time.

- **Office hours need to be strictly maintained till 6pm**

This is a concerning issue. Employees are seen to be working well over time which causes problems. Many personnel stay far away from office and should get a head start going back home.

- **Bills must be cleared up within 2-3 days**

After purchasing an item, it is the responsibility of the payment department to clear the bills of the vendors. Unfortunately, in many cases there is a delay in payment which is not a good sign as maintain good relationship with suppliers is crucial.

- **During emergency procurement, the formalities need to be reduced**

In many cases, items must be purchase in short notice. E.g. when the CEO's printer isn't functioning it needs to be replaced immediately. But, the formalities in purchasing the items take a lot of time which causes inefficiencies.

- **There must be an extensive promotional campaign on SME products**

SME is the heart of BRAC Bank and it is quite astonishing to find that these products are not being heavily promoted like the retail products so they must take care of this issue.

Conclusion

BRAC Bank is moving forward with a vision of People, Planet and Profit. They believe in the economic development and sustainability of the nation by empowering people to earn for themselves. BRAC Bank Ltd has been established on the vision to finance the “missing middle” group in order to bring prosperity. With its unique thinking and impressive business strategies it has proven that SMEs are the future of entrepreneurship. There are a few challenges for BBL to overcome if they are to be the market leader. But at the moment, there is no doubt that BRAC Bank is one of the top players when it comes to SME financing and their performance has been excellent.

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