Report On

Credit Assessment Practices in Retail Loan Products:

A Study on the Consumer Credit Risk Management Department of Prime Bank PLC

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of
Bachelor of Business Administration (BBA)

BRAC Business School
Brac University
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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Md Farhan Abid Bin Hasan
ID : 21204018

Supervisor's Full Name & Signature:

Md Mahmudul Alam, PhD
Professor, BBA
BRAC Business School

Letter of Transmittal

Md Mahmudul Alam, PhD

Professor, BBA

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report on Consumer Credit Risk Management Practices of Prime Bank PLC

Dear Sir,

It is my pleasure to submit my internship report entitled "Credit Assessment Practices in Retail Loan Products: A Study on the Consumer Credit Risk Management Department of Prime Bank PLC", prepared as a partial requirement for the completion of the Bachelor of Business Administration (BBA) program under your guidance.

This report is based on my three-month internship experience at Prime Bank PLC, where I was working under the Consumer Credit Risk Management (CCRM) Department. The report tries to give an analytical overview of the practices of assessment of consumer credit, operational processes, risk control mechanisms and scope for process improvement by automation based on both practical exposure and relevant academic frameworks.

I have tried my best to prepare this report in a concise, structured and comprehensive manner by taking into account practical observations, secondary data from annual reports and relevant academic literature. I sincerely hope that this report will meet academic requirements and your expectations.

Thank you for your guidance and support during the preparation of this report.

Sincerely yours,

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Md Farhan Abid Bin Hasan

ID : 21204018

BRAC Business School

BRAC University

Date: January 20, 2026

Non-Disclosure Agreement

This Non-Disclosure Agreement (NDA) is made and entered into by and between Prime Bank PLC and the undersigned student of BRAC University.

The student agrees that all information gained during the period of internship including but not limited to internal processes, policies, operational procedures, customer related data and any confidential documents of Prime Bank PLC shall be treated as strictly confidential. Such information shall not be disclosed, reproduced or used for any purpose other than academic reporting, without the prior written consent of the organization.

The internship report has been prepared using aggregated, non-sensitive and non-confidential information, so that no proprietary or restricted data of Prime Bank PLC has been disclosed.

By submitting this report, the student certifies that the student has complied with this agreement.

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Md. Farhan Abid Bin Hasan

ID: 21204018

BRAC University

Acknowledgement

I would also like to thank Prime Bank PLC to have provided me with a chance to fulfill the internship in the Consumer Credit Risk Management (CCRM) Department, Head Office. I particularly owe my debt of gratitude to **Mr. Mahbubul Basar Chowdhury, SAVP** who guided, supervised and supported me all through my internship period.

I would also like to mention the collaboration and support of all the officers and analysts of CCRM Department whose professional knowledge and practical advice were very helpful in improving my knowledge of the consumer credit risk assessment and banking practices.

Moreover, I owe great debt of gratitude to **Md. Mahmudul Alam, PhD**, Professor, BRAC Business School, who provided me with great academic guidance, constructive feedback and encouragement in writing this report.

Lastly, I would like to acknowledge my family and friends who have been my support and motivation throughout the successful completion of my internship and this report.

Executive Summary

This report entails a detailed discussion of the consumer credit assessment practices of the Prime Bank PLC with special reference to Consumer Credit Risk Management (CCRM) Department. It is a research project founded on a three-month internship experience and explores the end-to-end operational process of retail loan and credit card processing, such as documentation, verification, credit analysis, approval and post approval operations.

This paper mixes practical observation, learned academic framework and available annual and public reports of Prime Bank as well as regulatory policies. Evaluation methods of credit risk, operational efficiency, use of information systems and current manual process limitations are some of the notable areas of analysis for this report. The findings of this report reveals that despite having multiple risk control procedures, Prime Bank faces multiple operational inefficiencies, delays in processing and operational risks that reduces overall experience for customers.

The report ends with a recommendation of further automation, system integration and improvement of digital workflow to assist in enhancing operational efficiency, risk governance and customer experience. Practical recommendations are provided to facilitate optimization of the processes without going against regulations.

Keywords: Consumer Credit Risk Management; Retail Banking; Credit Assessment; Operational Efficiency; Digitalization; Prime Bank PLC.

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List of Acronyms

AL	Auto Loan
AML	Anti-Money Laundering
BBA	Bachelor of Business Administration
BB	Bangladesh Bank
BBS	BRAC Business School
BDT	Bangladeshi Taka
CAMEL	Capital Adequacy, Asset Quality, Management, Earnings, Liquidity
CAD	Credit Administration Department
CCRM	Consumer Credit Risk Management
CIB	Credit Information Bureau
CPV	Contact Point Verification
CRM	Credit Risk Management
DBR	Debt Burden Ratio
DDE	Detailed Data Entry
DLA	Delegated Lending Authority
EVA	Economic Value Added
ESG	Environmental, Social and Governance
FI	Financial Institution
HL	Home Loan
HRD	Human Resources Division
IMC	Integrated Marketing Communication
IT	Information Technology
KYC	Know Your Customer
LC	Letter of Credit
MVA	Market Value Added
MTO	Management Trainee Officer
MSME	Micro, Small and Medium Enterprise
NRB	Non-Resident Bangladeshi
NPL	Non-Performing Loan
P&L	Profit and Loss
PL	Personal Loan
QA	Quality Assurance
RM	Relationship Manager
SOP	Standard Operating Procedure
TAT	Turnaround Time

Glossary

Auto Loan (AL)	A secured consumer loan that is offered to people to buy motor vehicles, with the vehicle itself being used as collateral until its full repayment.
Consumer Credit Risk Management (CCRM)	A banking service that evaluates, manages and oversees the credit risk of retail banking products including personal loans, home loans, auto loans and credit cards.
Contact Point Verification (CPV)	A verification that is done to verify the authenticity of the personal, employment, residence and business information of the customer prior to loan issuance.
Credit Administration Department (CAD)	The business unit that deals with post-approval operations, such as loan disbursement, documentation custody, reporting, and post-disbursement account maintenance.
Credit Analyst	A financial employee of a bank who reviews the loan applications based on the financial information, repayment ability, credit record, and the adherence to the policies.
Credit Information Bureau (CIB)	A centralized repository of the Bangladesh bank, which contains the credit history and pending liabilities of borrowers in financial institutions.
Debt Burden Ratio (DBR)	A financial ratio that is used to determine the ability of a borrower to repay the debt by comparing the total debt repayments to the monthly earnings.
Delegated Lending Authority (DLA)	A set of rules that outlines the maximum credit granting authority of specific bank officers depending on their rank and risk mandate.
Economic Value Added (EVA)	A financial performance indicator which is a value based and calculates the remaining profit after subtracting the cost of capital on the net operating profit.
Market Value Added (MVA)	A measure that shows the difference between the market value of the company equity and the book value of the equity held by the shareholders which is an indication of the value creation to the shareholders.
Know Your Customer (KYC)	A regulatory measure that entails identity checks and due diligence to curb money laundering, fraud and terrorist financing.
Manual Credit Processing	A credit processing that is based on physical records, human analysis and manual authorization instead of digital processes.
Non-Performing Loan (NPL)	A loan in which scheduled payments of principal or interest have been overdue over a certain time as stipulated by the regulatory guidelines.
Personal Loan (PL)	Unsecured retail loan that is given to individuals to use personally and is usually based on income stability and credit worthiness, not collateral.
Quality Assurance (QA)	A control process in credit processing that examines files to make sure they are accurate, in policy and complete prior to approval or payment.
Retail Banking	A branch of banking that offers financial services and products to individuals consumers in the form of deposits, loans, and payment services.
Standard Operating Procedure (SOP)	A set of written guidelines that are step-by-step instructions that are intended to provide consistency, compliance, and efficiency in the operational processes.
Turnaround Time (TAT)	The total time taken to accomplish a process, including the time to process an application to the final approval or delivery of a service.

Chapter 1

Overview of Internship

1.1 Student Information

- Name: Md. Farhan Abid Bin Hasan
- Student ID: 21204018
- Program: Bachelor of Business Administration (BBA)
- Major/Specialization: Finance & Marketing
- Semester: Fall 2025

1.2 Internship Information

1.2.1 Internship Details

The internship was completed in Prime Bank PLC which is one of the most successful private commercial banks in Bangladesh. The total number of days of the internship was 90 days between November 2025 and January 2026. The student worked in the Consumer Credit Risk Management (CCRM) Department, Head Office of Prime Bank PLC, Dhaka during this period.

The internship was full time and had to attend the office regularly and participate in the daily running of the Department. The placement provided a practical exposure to the process of assessing consumer credit risk within a regulated banking setting with the intern able to observe and be exposed to actual workflows in credit decisions.

1.2.2 Internship Company Supervisor's Information

- Supervisor's Name: Mahbubul Basar Chowdhury
- Designation: Senior Assistant Vice President (SAVP)
- Department/Division: Consumer Credit Risk Management (CCRM) Department.
- Organization: Prime Bank PLC

The Departmental authority supervised the internship, provided direction, task assignment and performance feedback throughout the internship period.

1.2.3 Job Scope – Duties and Responsibilities

The internship consisted of the student working in daily and rotational assignments with analysts working on different retail loan products such as Credit Cards, Personal Loans, Home Loans and Auto Loans, where concepts of consumer lending, time value of money and risk-return trade-off from BBA coursework were practically seen. This rotational exposure allowed the student to gain an overall understanding of the assessment of consumer credit risk in different categories of lending by applying theoretical knowledge of credit evaluation and borrower classification.

Although there was no designated area of ownership, the intern actively supported the operational activities of the Department by applying basic principles of financial documentation, data management and credit analysis learned in academic courses. Responsibilities included making internal trackers, updating file logs, preparing summaries of loan applications, and assisting analysts in preliminary credit assessment using concepts such as income analysis, debt service coverage and creditworthiness indicators. The intern was expected to review 6-10 loan files per day and about 35 data entry files per day on data intensive assignments.

There was also the verification of documents, profiling of borrowers, checklist preparation, coordination of credit processing activities, strict compliance with internal credit policies, standard operating procedures (SOPs) and regulatory provisions, which was a real-life application of the theoretical knowledge acquired in the BBA program; banking, finance and risk management courses.

1.3 Internship Outcomes

1.3.1 Student’s Contribution to the Company

The student worked primarily in the area of operational support, risk screening assistance, and process efficiency in the Consumer Credit Risk Management Department. During the internship period, the intern assisted analysts in processing about 120-150 retail loan applications and reviewing nearly 250-300 loan and documentation files to ensure that the credit processing operations were efficient. By assisting analysts with the loan files, keeping the files properly documented, and assisting with the workflow during peak periods, the intern helped minimize minor processing delays and improved file readiness for credit evaluation.

Over the years, the intern gained the trust of analysts and supervisors because of his consistent performance and attention to detail. As a result, more complex and sensitive tasks in relation to evaluating credit and preliminary risk screening were gradually delegated. Feedback from assigned analysts indicated that more reliable, adaptable, and professional behavior was indicated by fewer documentation discrepancies and improved compliance with internal credit procedures as the student's involvement.

1.3.2 Benefits to the Student

The internship actually enhanced the practical knowledge and professional skill base of the student. Some of the most important lessons were credit judgment, policy application, discipline of documentation, compliance with SOP, time management and assessment of consumer credit.

On the job training was also provided to the student during the internship period on matters like credit assessment procedures, CTO and DBR calculation, CPV assigning, deduplication checks, due diligence, home loan site visits and home loan and auto loan valuation concepts.

The experience also provided direction in terms of careers. Although the internship strengthened the desire to work in the field of finance and risk management, it made the student realize that there is more interest in the field of corporate banking and corporate risk Department, rather than consumer or retail banking.

1.3.3 Problems and Difficulties Faced

Throughout the internship period, a number of challenges were faced that had to be adjusted both technically and in terms of personal development. A major challenge was to handle a high volume of work during peak processing periods when multiple consumer loan and credit card applications had to be processed at the same time. In addition, files coming from the Sales teams were at times incomplete or with inconsistencies, which impacted processing timelines. Adapting to the internal credit policies, procedural guidelines and systems of the bank also posed a challenge in the beginning, as it needed precision, compliance and quick decision-making in a structured environment.

These difficulties were surmounted by a progressive rise in order, communication and discipline of work. The priority of tasks was determined based on the urgency and service level needs, the lack of documentation was verified and explained through coordination with the analysts and other interested parties. Over time, the familiarity with the internal systems and standard operating procedures led to the minimization of the errors and increased the speed of the processing. Requesting feedback of supervisors and looking at the work of more experienced analysts also contributed significantly to the accuracy and confidence in handling more complex tasks.

Reflecting on these experiences, I can state that the challenges were good learning experiences. The internship served to strengthen the skills of working under pressure, time management and attention to detail in a controlled banking setting. It, as well, improved problem-solving, flexibility and professional communication. The greatest benefit was that the experience helped to reaffirm the importance of compliance, quality of documentation and collaboration in the effective management of credit risks and contributed greatly to the overall professional and personal growth.

1.3.4 Company Recommendations.

Being exposed to the Consumer Credit Risk Management (CCRM) operations practically, it is possible to make several recommendations that can be offered to improve efficiency and quality of services.

Firstly, the overuse of manual and paper-based systems to transfer files, trace them, and check them, which often led to time loss and duplication, was one of the primary issues that were observed. It is suggested that Prime Bank PLC should step by step automate the end-to-end consumer credit process via a combined digital platform that links Sales, CCRM, and Operations. This system might contain uploading documents digitally, validation of checklists, and real-time monitoring of the file status. This automation would greatly save on processing time, human error, and enhance the turnaround time and enhance audit trails and compliance.

Second, incomplete or inconsistent Sales team documentation was a common operational problem. To overcome this, it is advisable that a system based pre-screening or compulsory checklist should be instated at Sales or branch level prior to files being submitted to CCRM. The system should be embedded with document completeness checks to help in improving the quality of submissions. This would minimize back-and-forth communication, reduce rework of analysts, and increase coordination between Sales and Risk functions.

Third, the first learning curve of interns and new joiners was noted to be very steep because of the lack of structured onboarding materials. New interns and employees can be better adjusted to the system by introducing short and standardized onboarding modules that include credit policies, documentation requirements, and system navigation. This would enhance the productivity at an early stage, minimize reliance on analysts to provide simple directions and enable the teams to concentrate on more analytical and value addition work.

Lastly, the workload pressure during peak times demonstrated the necessity of the improvement of workload planning and distribution of tasks. Simple workload boards or scheduling systems in the department may assist the department supervisors to distribute files more equally among the analysts. This would eliminate bottlenecks in the processing, eliminate employee burnouts, and help in the delivery of more consistent services in consumer credit products.

Chapter 2

Organization Part

2.1 Introduction, Objectives, Scope, Methodology, Significance, and Limitations

2.1.1 Introduction

Prime Bank PLC is a prominent Bangladesh based private commercial bank which is functioning with a high degree of risk management prudence, customer-focused banking, and regulatory adherence. Prime Bank being a regulated scheduled commercial bank controlled by Bangladesh Bank, it has a retail, corporate, SME, and Islamic banking division with Consumer Credit Risk Management (CCRM) being a key factor in safeguarding the quality of assets in the retail lending portfolio (Prime Bank PLC, 2024).

This chapter provides an organizational profile of Prime Bank PLC, its organization, management practices, marketing strategy, financial performance, operational systems and its competitive stance in Bangladeshi banking industry. The discussion is a combination of secondary data on published sources and the information acquired during the internship experience in the Consumer Credit Risk Management Department.

2.1.2 Objectives of the Study

The objectives to be discussed in this chapter are as follows:

- Provide a summary of the background, working and strategic focus of Prime Bank PLC.
- Check the management and human resource practices of the bank.
- Examine marketing, financial and operational activities of the organization.
- Assess the status of the Prime Bank PLC in the banking sector.
- Connect organizational practice to the internship experiences in Consumer Credit Risk Management.

2.1.3 Scope of the Study

This research is restricted to an organizational analysis of Prime Bank PLC that is of particular interest to the retail banking and consumer credit activities. The analysis covers:

- Corporate profile and business segments of Prime Bank PLC
- Management, marketing, financial and operational practices
- Competitiveness and strategic positioning of the industry

The study does not contain confidential internal data, proprietary risk models, and unpublished operational metrics because of organizational confidentiality.

2.1.4 Methodology of the Study

The study has adopted a mixed method approach and the integration of qualitative insights and secondary quantitative data. The information sources are:

- Prime Bank PLC Annual Reports (2020-2024).
- Publications and guidelines of Bangladesh Bank and the Regulations.
- Prime Bank PLC official web site.

- Consumer Credit Risk Management Department internship observations.
- Unofficial meetings, talks with bank executives.

The given methodology enables one to learn the theoretical and practical aspects of banking activities and risk management in detail.

2.1.5 Significance of the Study

- There are a number of reasons why this research is important:
- It offers academic information on organizational behavior of one of the leading privately owned commercial banks in Bangladesh.
- It fills the gap between the classroom learning and the real world learning in banking.
- It enables the consumer credit risk management to be learnt in the wider institutional context.
- It provides practical implications to the enhancement of the operational efficiency and coordination of the retail banking.

2.1.6 Limitations of the Study

However, the study has a number of limitations:

- Limited access to internal confidential data and proprietary systems
- Time constraints because of the set internship duration
- Reliance on secondary data that is available to the public
- Difficulties in generalising the findings to all banks because of institution-specific practices.

2.2 Overview of the Company: Prime Bank PLC

2.2.1 Background

Prime Bank PLC was established in 1995 as a privately held commercial bank in Bangladesh with a purpose of offering efficient and customer oriented banking services. The bank has had a stable growth and diversification of the financial service segments since its inception. Prime Bank PLC is traded in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) which means that it is highly credible in the market and is regulated in the banking sector of the country (Prime Bank PLC, 2024).

In terms of strategy, Prime Bank is a mid to high-end competitor in the Bangladesh retail banking market with both the large domestic private banks and the multinational banks in terms of relationship-based banking, product diversification, and slow digital transformation. Although it is not the most disruptive digital player, the bank leverages its well-established branch network, risk discipline and brand trust to make sure that it has a stable retail customer base in a very competitive setting.

2.2.2 Vision, Mission, and Core Values

The vision statement of Prime Bank PLC is that it will be recognized as one of the most efficient and customer-centered financial institutions in Bangladesh with good governance, good quality of assets, profitability, and liquidity. Its mission is on sustainable growth, technological development, ethical banking practices and development based on innovation. Integrity, professionalism, accountability, customer focus, and teamwork are the core values of the bank, which are guiding principles that the bank employs to make both strategic and operational decisions (Prime Bank PLC, 2024).

2.2.3 Nature of Business and Banking Segments

Prime Bank PLC is a full service commercial bank which offers a broad range of financial products and services to diverse groups of customers. The core of its business is retail banking through deposit products and consumer credit facilities to facilitate financial inclusion. Corporate banking is targeted at mass lending, trade finance and structured financial solutions to support industrial and commercial development. That sector is the SME banking sector that empowers entrepreneurship with specialized financing and advisory services. Moreover, Prime Bank offers Islamic banking products that are Shariah compliant, and this implies that it is able to cater to faith conscious clients. The liquidity management is a significant aspect of treasury operations that cover the foreign exchange transactions and investment activities to guarantee the successful management of assets and liabilities and financial stability (Prime Bank PLC, 2024).

2.2.4 Branch Network and Operational Presence

By 2024, Prime Bank PLC has 149 branches all over Bangladesh and serves the urban, semi-urban and regional regions. This physical network is supported by ATMs, Cash Recycling Machines (CRM), agent banking outlets and digital platforms, such as internet and mobile banking services, and is more accessible and convenient to customers (Prime Bank PLC, 2024).

2.2.5 Major Products and Services

The products and services provided by Prime Bank PLC are designed to satisfy the requirements of both retail and institutional customers. Key offerings include:

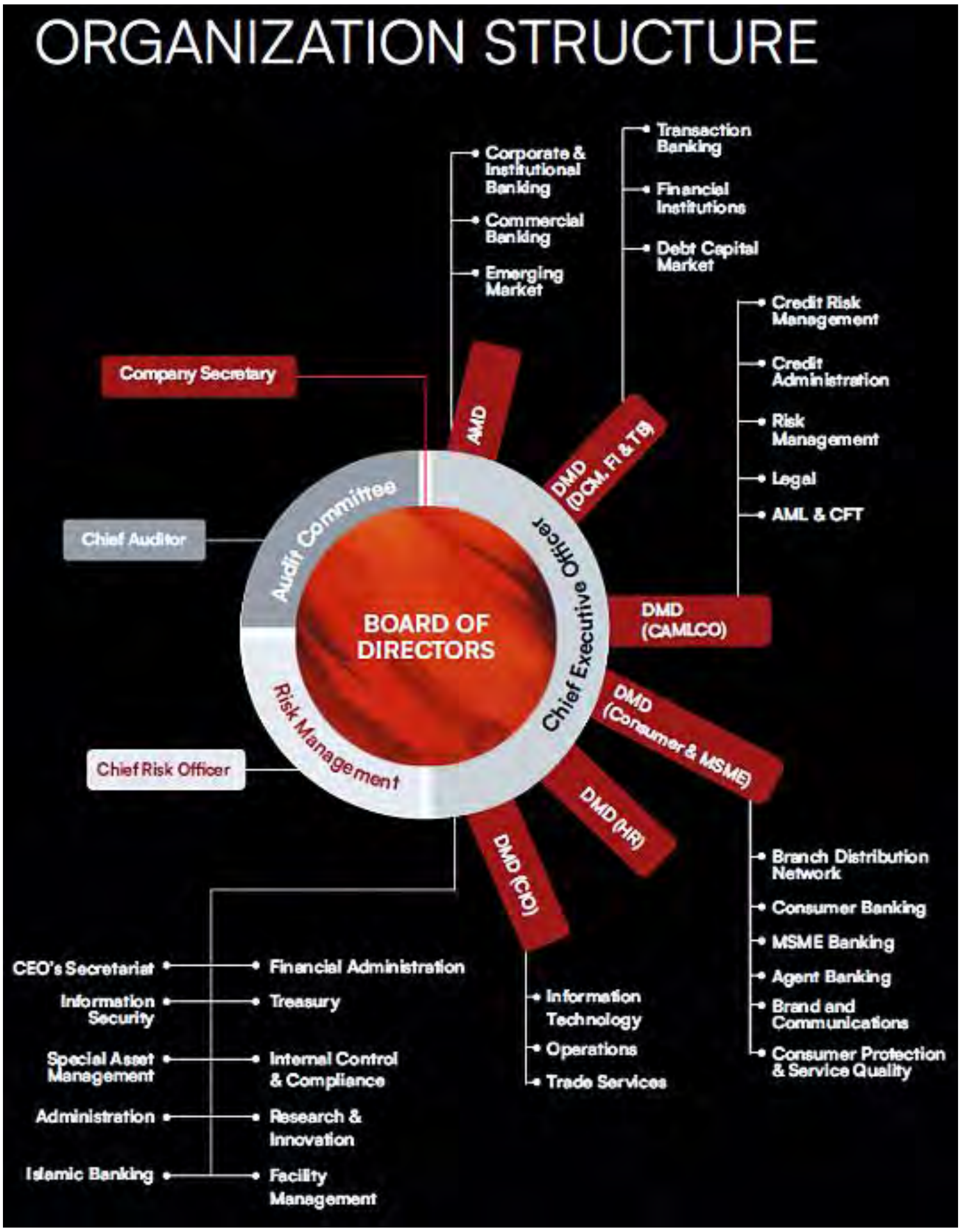
- Deposit Products: Savings, current and fixed term deposits accounts.
- Credit card, personal loans, home loans and auto loans.
- Finance to Corporate and SME: Working capital lending, trade finance, project financing.
- Islamic Banking Solutions: Prime Hasanah, Manjeel, Asbab, Burak and other Shariah Approved Products.
- Digital Banking: mobile banking, internet banking and payment services.

These products align with the bank strategy of serving a large number of customers and financial inclusion and positioning (Prime Bank PLC, 2024).

2.2.6 Organizational Structure

The bank has a hierarchical organizational structure in order to promote good governance and operational efficiency. Strategic oversight is carried out by the Board of Directors, while day to day operations is carried out by the Managing Director & CEO. Key functional divisions such as Retail Banking, Corporate Banking, Risk Management, Treasury, Operations and Support Services are working under senior management to ensure that coordinated decision-making and regulatory compliance are maintained (Prime Bank PLC, 2024).

Figure 1: Organizational Structure



2.2.7 Milestones and Strategic Initiatives

Over the years, Prime Bank PLC has grown to become a diversified financial institution through branch expansion, segment diversification, and digital transformation. The bank has been strengthening risk management frameworks in accordance with Basel III guidelines and investing in modern banking technologies in order to improve efficiency and customer experience. It has also focused its operations on the environmental and social risk management principles as part of increasing sustainable and responsible banking. All these milestones indicate the balanced development approach and long-term orientation of stability, innovation and inclusive financial development of Prime Bank (Prime Bank PLC, 2020-2024).

2.3 Management Practices

As discussed in the previous section, Prime Bank PLC is focussed on structured expansion, regulatory adherence and operational discipline. These strategic priorities are closely aligned to the management practices of the bank particularly in the leadership approach and human resource planning systems. Such practices help Prime Bank to strike a balance between retail and corporate growth in a very competitive and regulated banking environment and ensure high risk discipline and quality of assets. The emphasis on the formal procedures, the numerous levels of approval and responsibility is directly connected with the positioning of the bank as a stable and reliable institution instead of a high-risk growth-oriented player.

As a regulated financial institution subject to the rules and regulations of the Bangladesh Bank, Prime Bank has assumed a management structure that is typified by participative decision-making in a formal and hierarchical control structure. This part evaluates the leadership style and human resource practices of the bank using the internship observations and information available about the organization.

2.3.1 Leadership Style

According to the observations conducted at the internship level, Consumer Credit Risk Management (CCRM) Department of Prime Bank PLC exhibits both bureaucratic and participative leadership styles. Strict adherence to policies, SOPs, regulatory guidelines and approval hierarchies is a bureaucratic approach, which reinforces consistency and risk control. At the same time, participative leadership is reflected in the day-to-day operations, as supervisors foster discussion, learning and clarification, especially for interns and junior officers. Although final decisions on the credit are up to authorized officials, the evaluation of cases is often consultative and explanatory. Supervisors keep the lines of communication open, delegate work to people based on their ability, and give frequent feedback. This hybrid approach to leadership helps to reinforce internal controls while assisting in knowledge transfer and operational efficiency, which is critical to the ongoing risk-focused competitive strategy of Prime Bank in consumer banking.

2.3.2 Human Resource Planning

Human Resource Planning System

Prime Bank PLC has a systematic HR planning system that is in line with the strategic objectives, regulatory, and risk management needs. Its combined strategy in the recruitment, training, performance appraisal and compensation makes its workforce stable, operationally disciplined and long term talent development of both traditional and digital banking operations.

Recruitment and Selection

Prime Bank employs several recruitment strategies such as Management Trainee Officer (MTO) programs, internships, lateral hiring, and contractual recruitment. These approaches assist in leadership growth, identification of talents at an early stage, acquisition of specialized skills and flexibility in operations. The selection focuses on academic competence, analytical skill, integrity and adherence to banking ethics.

Training and Development

The bank emphasizes on continuous learning by On-the-Job Training (OJT), foundation courses and Management Trainee programs. Risk management, AML and CFT, customer service, inclusive banking, sustainability and green banking are specialized training that ensures compliance with the regulations, quality of service and future-ready workforce.

Performance Appraisal

Prime Bank is following a hybrid appraisal system consisting of quantitative appraisal based on KPI and qualitative appraisal by the supervisor. This method assesses the performance results and the behavioral factors such as discipline, accuracy, teamwork, and ethical behavior which help in accountability in a controlled setting.

Compensation System

The pay system comprises of base pay and role and contribution-based performance-based incentives. The allowance is fixed monthly (Tk. 7,000 during the internship period) and is given to the interns on an attendance basis. The system encourages motivation, retention and transparency.

Overall HR Framework Implication

The HR structure of Prime Bank facilitates efficiency in operations, compliance with the regulations, and professional growth. Risk sensitive areas like Consumer Credit Risk Management are made strong through effective HR planning by making sure that the employees are competent, have ethical judgment and discipline in their procedures.

2.4 Marketing Practices of Prime Bank PLC

Being a big commercial bank in a competitive and regulated business environment, Prime Bank PLC adheres to a multi-dimensional marketing strategy that integrates the traditional relationship-based banking with digital and promotional marketing strategies. Its marketing is based on trust, credibility, reliability of its service and technological advancement and not hard sell.

2.4.1 Marketing Strategy

Prime Bank will use a hybrid marketing strategy that combines traditional media, relationship marketing, and online interactions. Product launches and awareness campaigns are done through traditional channels like newspapers, billboards, and outdoor branding especially to corporate and older customers. Branch officials and relationship managers are instrumental in customer acquisition, retention and cross-selling. Communication of product updates and reaching younger customers are increasingly being done through digital platforms, particularly social media with the support of event sponsorships and social initiatives. In general, the plan is focused on the long-term trust and brand credibility according to the demands of the banking sector.

2.4.2 Target Customers, Targeting and Positioning Strategy

Target Customers

Businesses tend to choose a particular segment of individuals that would be interested in their product. Nevertheless Prime Bank PLC has a very wide target market since virtually anyone has been assigned the financial need, which essentially falls under the category of everyone under the sun that needs financial services. Its customer segments are:

- Individual retail customers (students, salaried professionals, entrepreneurs)

- Corporate and institutional clients
- Small, Medium, and Micro Enterprises (SMEs/MSMEs)
- Large industrial and commercial enterprises
- Foreign nationals and expatriates residing or operating in Bangladesh
- Non-resident Bangladeshis (NRBs)
- Specialized social segments such as women entrepreneurs and youth

This extensive customer base reflects Prime Bank's role as a full-service commercial bank rather than a niche financial institution.

Targeting Strategy

Prime Bank uses the differentiated targeting strategy in which it provides tailored financial services to various segments but has the same brand name. The banking segments that are specialized like Neera (women-oriented banking), Abash (home financing), Shaj (consumer lifestyle banking), and SME-oriented services enable the bank to product differentiation without compromising its overall positioning.

Positioning Strategy

Prime Bank also positions itself as a stable, trustworthy and reliable banking partner. Instead of focusing on price or novelty as the main competitive factors, the bank focuses on safety, regulatory compliance, consistency of service, and long-term relationship value. This positioning is very attractive to corporate customers, salaried customers and conservative retail customers who are not interested in experimentation but in financial security.

2.4.3 Marketing Channels

By combining both the traditional and digital channels, the bank aims at targeting customers in various touchpoints during the decision making and service consumption process. This multichannel strategy will enable Prime Bank to support the different customer preferences between relationship-based, branch-based, and technology-based self-service platforms and strengthen the brand presence and communication efficacy. Customer acquisition, retention, and relationship building are also facilitated by the strategic utilization of various channels to ensure that the services are always available, the information is shared in time, and the responsiveness is enhanced. The success of such a system is however dependent on the degree of coordination and integration of channels and a smooth alignment is therefore an important aspect in providing a unified customer experience. The major marketing and service channels are:

- Physical Branch Network: Branches are the main point of customer interaction particularly in opening accounts, credit, and advisory services.
- Official Website: It is used to publish product information, disclosure, updates, and customer instructions.
- Mobile Banking Applications: online platforms that allow transactions, account management, and service orders.
- Internet Banking: This is used to carry out financial transactions with retail and corporate clients.
- Social Media Platforms: Facebook and other social media are used in promotions, announcements and interaction.
- Email and SMS Marketing: This is used in direct communication and alerts, as well as direct communication promotions.
- Sponsorships and Events: Institutional partnerships, seminars, CSR activities and conferences.
- Traditional Media: Newspapers, billboards, and print advertisements will still assist in brand visibility.

This multichannel strategy enables the Prime Bank to strike a balance between physical trust-based relationships and online convenience.

2.4.4 Products and Services

Prime Bank PLC is a diversified and well-rounded financial products and services provider that aims at fulfilling the changing financial needs of its individual, corporate, and institutional clients. The bank will help customers with saving, investment, financing, and transactional needs by providing a mix of traditional banking, digital banking, and specialized financial solutions to various customer segments. This wide product base is an indication of the strategic orientation of Prime Bank on financial inclusion, customer convenience and long term relationship building and also allows the bank to keep up with the ever changing and technological banking environment. The products of Prime Bank PLC are:

Table 1: Prime Bank PLC's Products & Services

Product type	Segments
Deposit Products (savings, current, fixed deposits)	Prime First Account, Prime Youth Account, Prime Freelancer, Resident Foreign Currency Deposit Account (RFCD), Prime Teacher’s Account, Prime 50 & Plus Savings Account, Prime Atlas FC Account, etc)
Retail Loans (personal loans, home loans, auto loans)	***Personal Loans:*** Prime Executive Loan, Prime Neera Loan EdLoan Unsecured EMI Loan, SemLoan — Unsecured Short EMI Loan, Digital Device Loan
	Home Loans: Swapna Neer, Abash, Swapnashaj, Manjeel
	Auto Loans
Debit Cards	Regular, Neera, Hasanah, Priority, Agent Banking, International, SME Debit Card
Credit cards	World Mastercard, Mastercard Platinum, Visa Platinum, Visa Gold, JCB Platinum, JCB Gold, *Visa Signature (Prime Zero)*
Women Banking	Prime Women’s Savings Account, Prime Neera Loan, Prime Anchol, Skill Development Initiatives.

Also Prime Bank has a small number of other products and services in various segments:

Table 2: Other Products & Services

Services	
Foreign exchange and remittance services	
Trade finance services	SME and corporate financing
Digital banking and mobile financial services	Agent banking and inclusive banking services

New Product Development and Competitive Practices

Prime Bank is more committed to constant product innovation and variation, which is aimed at addressing particular problems of customers and enhancing user convenience. The bank does not focus on radical product disruption, but it uses an incremental innovation approach, which involves improving on the existing products to make them more usable and accessible. Notable examples include:

- Prime Zero Credit Card: Does not charge any annual and joining fee to appeal to low-end customers.
- Prime Ogrim: This is aimed at meeting certain financing requirements.
- Segment offering: Abash, Shaj, and Neera that can be customized without too much complexity.

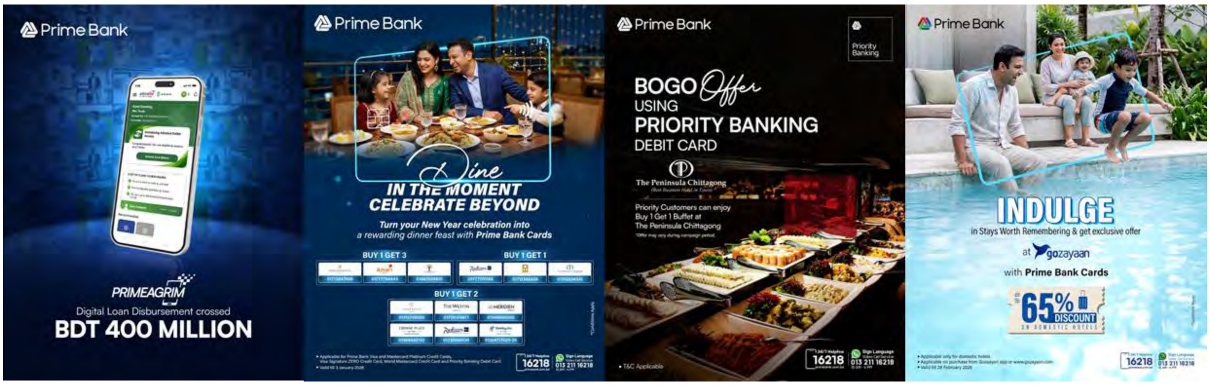
This strategy will help Prime Bank to be competitive and control risk and operational stability.

2.4.5 Advertising and Promotion Strategies

The advertising of Prime Bank is oriented more and more on digital and social media where creative posts, reels, and short videos are used to promote products, offers, and lifestyle benefits. This is a content-based strategy that is aimed at younger customers that are digitally savvy and want to spend more time and increase brand awareness. Through the integration of informational and aspirational messages, the bank can place its services as functional and lifestyle-oriented but it is the consistency of messages, optimization of the platforms, and alignment with the real service delivery that makes it effective.

The significant aspects of its promotion plan are:

- Periodic online advertising of specific products.
- Pay attention to merchant discounts and offers to partners.
- Clean and trust-based professional visual branding.
- Constant contact rather than intermittent advertising spurts.
- The traditional advertising is secondary, and it contributes to the support of the digital campaigns and credibility.



2.4.6 Critical Marketing Issues and Gaps

Although Prime Bank has already established itself in the market, several marketing issues that threaten its competitive stance in the long run exist. One of the main problems is that it does not differentiate its products and services; the main products and services, including savings accounts, loans and digital solutions are quite similar to those of its competitors. Although the bank offers a very diverse range of product categories, they appear to make the banking experience more complex instead of simplified, which implies that the customer-focused differentiation should be prioritized over the product proliferation.

Moreover, the high level of relationship marketing that Prime Bank has invested in, though good in terms of trust and loyalty, cannot be scaled and is not appealing to younger consumers who are more digitally minded and are more concerned with efficiency, convenience and self-service features. Also, the bank lacks a powerful emotional brand relationship because it is regarded as trustworthy and professional without being closely related to customers on the emotional level. The competition has also been intensified and this has diluted its uniqueness because its competitors have comparable digital platforms and innovations. All of these problems are indicative of the fact that the company needs to be more differentiated, have a greater presence online and a better brand story.

2.4.7 Integrated Marketing Communication (IMC) Challenges

In terms of Integrated Marketing Communication (IMC), Prime Bank is facing the problem of alignment of the messages being communicated and services being offered. Although promotional messages are focused on digital convenience and efficiency, service failures and broken digital systems provide disconnects between the promise and experience. This lack of alignment undermines customer confidence and indicates a lack of internal alignment between touchpoints, including mobile banking, online services, and branch services. Such inconsistencies interfere with the long term relationship building as pointed out in IMC relationship models. To make IMC more effective, it is therefore necessary to bring operational performance and marketing communication closer together in order to achieve consistency and credibility.

In general, Prime Bank PLC adheres to a conservative, relationships-based, and trust-oriented marketing strategy with the increasing digital interaction. High institutional credibility, regulatory adherence and a well-established customer base are some of the factors that have ensured that it has a stable position in the market. Nevertheless, the lack of product differentiation, uneven digital experiences, and a poor emotional brand image limit its chances of being a competitive force in a highly competitive and technological market. The bank needs to increase value-based differentiation, align communication and operation, and create a better and more emotionally appealing brand story in order to remain relevant in the long run.

2.5 Financial Performance and Accounting Practices

This section is an assessment of financial health, operational effectiveness, and value-creation capacity of Prime Bank PLC based on audited financial reports of the years 2019 to 2024. The analysis combines ratio analysis, trend and comparative evaluation, DuPont framework and value-based measures (EVA and MVA) to directly relate financial performance to shareholder wealth creation. The bank accounting practices are also critically examined in accordance with the IFRS/BFRS and the Bangladesh Bank guidelines.

VERTICAL ANALYSIS

Balance Sheet

Standalone BALANCE SHEET				
Particulars	2024	%	2023	%
Cash	29,169,697,279	5.32%	20,771,606,150	4.41%
Balance with other banks and financial institutions	3,667,038,301	0.67%	13,128,268,200	2.79%
Investments	129,610,512,746	23.65%	86,345,763,070	18.32%
Loans, advances and lease /investments	343,457,577,523	62.66%	315,292,889,877	66.90%
Fixed assets including premises, furniture and fixtures	6,976,553,047	1.27%	6,759,494,420	1.43%
Other assets	35,016,572,684	6.39%	28,766,814,457	6.10%
Non - banking assets	220,500,640	0.04%	220,500,640	0.05%
Total assets	548,118,452,220	100.00%	471,285,336,814	100.00%
Liabilities		%		%
Borrowings from other banks, financial institutions and agent	90,893,119,786	16.58%	80,650,735,521	17.11%
Deposits and other accounts	358,868,307,100	65.47%	305,268,857,938	64.77%
Other liabilities	59,549,493,410	10.86%	51,752,189,170	10.98%
Total liabilities	509,310,920,296	92.92%	437,671,782,629	92.87%
Total Shareholders' equity	38,807,531,922	7.08%	33,613,554,185	7.13%
Total liabilities and Shareholders' equity	548,118,452,220	100.00%	471,285,336,814	100.00%

Standalone BALANCE SHEET				
Particulars	2022	%	2021	%
Cash	17,466,984,078	4.03%	15,853,476,184	4.07%
Balance with other banks and financial institutions	5,057,435,513	1.17%	12,147,007,333	3.12%
Investments	69,211,029,019	15.97%	59,143,887,627	15.17%
Loans, advances and lease /investments	296,481,349,271	68.41%	263,015,347,849	67.46%
Fixed assets including premises, furniture and fixtures	8,917,065,250	2.06%	8,325,699,812	2.14%
Other assets	36,055,297,579	8.32%	31,172,459,495	8.00%
Non - banking assets	220,500,640	0.05%	220,500,640	0.06%
Total assets	433,409,661,350	100.00%	389,878,378,940	100.00%
Liabilities		%		%
Borrowings from other banks, financial institutions and agent	77,079,066,963	17.78%	62,061,332,558	15.92%
Deposits and other accounts	265,841,465,120	61.34%	243,070,491,793	62.35%
Other liabilities	58,184,526,755	13.42%	54,857,681,565	14.07%
Total liabilities	401,105,058,838	92.55%	359,989,505,916	92.33%
Total Shareholders' equity	32,304,602,512	7.45%	29,888,873,023	7.67%
Total liabilities and Shareholders' equity	433,409,661,350	100.00%	389,878,378,940	100.00%

Standalone BALANCE SHEET				
Particulars	2020	%	2019	%
Cash	17,480,653,523	5.03%	19,584,501,525	6.07%
Balance with other banks and financial institutions	6,934,450,131	2.00%	8,296,215,246	2.57%
Investments	54,880,723,801	15.80%	46,914,421,055	14.54%
Loans, advances and lease /investments	232,400,082,933	66.92%	213,954,737,941	66.30%
Fixed assets including premises, furniture and fixtures	8,150,428,200	2.35%	8,138,891,579	2.52%
Other assets	27,225,018,123	7.84%	25,598,629,871	7.93%
Non - banking assets	220,500,640	0.06%	220,500,640	0.07%
Total assets	347,291,857,351	100.00%	322,707,897,857	100.00%
Liabilities		%		%
Borrowings from other banks, financial institutions and agent	37,454,834,664	10.78%	36,536,574,764	11.32%
Deposits and other accounts	233,028,203,164	67.10%	216,444,143,574	67.07%
Other liabilities	48,253,633,599	13.89%	42,656,691,430	13.22%
Total liabilities	318,736,671,427	91.78%	295,637,409,768	91.61%
Total Shareholders' equity	28,765,185,924	8.28%	28,150,488,089	8.72%
Total liabilities and Shareholders' equity	347,501,857,351	100.06%	323,787,897,857	100.33%

Income Statement

STANDALONE PROFIT AND LOSS ACCOUNT				
Particulars	2024	%	2023	%
Interest income / profit on investments	31,117,616,605	130.54%	24,177,426,337	136.08%
Interest / profit paid on deposits, borrowings, etc.	(21,896,076,669)	-91.86%	(14,893,655,303)	-83.83%
Net interest / net profit on investments	9,221,539,935	38.69%	9,283,771,034	52.25%
Investment income	10,275,666,377	43.11%	5,129,055,383	28.87%
Commission, exchange and brokerage	2,933,728,749	12.31%	1,903,793,224	10.72%
Other operating income	1,406,427,398	5.90%	1,450,167,322	8.16%
Total operating income (A)	23,837,362,459	100.00%	17,766,786,963	100.00%
Total operating expenses (B)	9,570,521,916	40.15%	8,372,148,507	47.12%
Profit / (loss) before provision (C=A-B)	14,266,840,543	59.85%	9,394,638,456	52.88%
Total provision (D)	2,185,869,577	9.17%	2,573,894,064	14.49%
Total profit / (loss) before taxes (C-D)	12,080,970,966	50.68%	6,820,744,392	38.39%
Net profit after taxation	7,445,763,713	31.24%	4,837,646,640	27.23%

STANDALONE PROFIT AND LOSS ACCOUNT				
Particulars	2022	%	2021	%
Interest income / profit on investments	18,197,460,058	110.27%	14,851,645,019	98.69%
Interest / profit paid on deposits, borrowings, etc.	(9,834,257,445)	-59.59%	(6,788,926,990)	-45.11%
Net interest / net profit on investments	8,363,202,613	50.68%	8,062,718,029	53.58%
Investment income	3,907,651,541	23.68%	4,115,098,793	27.34%
Commission, exchange and brokerage	3,177,076,894	19.25%	1,966,352,275	13.07%
Other operating income	1,054,017,607	6.39%	905,227,825	6.02%
Total operating income (A)	16,501,948,655	100.00%	15,049,396,923	100.00%
Total operating expenses (B)	7,753,887,524	46.99%	6,808,682,435	45.24%
Profit / (loss) before provision (C=A-B)	8,748,061,131	53.01%	8,240,714,487	54.76%
Total provision (D)	2,516,500,000	15.25%	2,644,403,393	17.57%
Total profit / (loss) before taxes (C-D)	6,231,561,131	37.76%	5,596,311,094	37.19%
Net profit after taxation	7,707,892,860	46.71%	5,440,914,302	36.15%

STANDALONE PROFIT AND LOSS ACCOUNT				
Particulars	2020	%	2019	%
Interest income / profit on investments	15,912,904,591	125.76%	19,957,165,815	141.23%
Interest / profit paid on deposits, borrowings, etc.	(10,339,311,628)	-81.71%	(11,683,913,380)	-82.68%
Net interest / net profit on investments	5,573,592,963	44.05%	8,273,252,435	58.55%
Investment income	4,581,288,398	36.21%	2,864,783,622	20.27%
Commission, exchange and brokerage	1,713,520,639	13.54%	2,168,347,205	15.34%
Other operating income	784,638,037	6.20%	824,625,635	5.84%
Total operating income (A)	12,653,040,037	100.00%	14,131,008,897	100.00%
Total operating expenses (B)	6,943,810,376	54.88%	7,181,448,105	50.82%
Profit / (loss) before provision (C=A-B)	5,709,229,660	45.12%	6,949,560,792	49.18%
Total provision (D)	1,711,000,000	13.52%	2,300,000,000	16.28%
Total profit / (loss) before taxes (C-D)	3,998,229,660	31.60%	4,649,560,792	32.90%
Net profit after taxation	3,986,922,182	31.51%	3,718,432,277	26.31%

HORIZONTAL ANALYSIS

Balance Sheet

Standalone BALANCE SHEET					
Particulars	2024	2024 vs 2023	2023	2023 vs 2022	2022
Cash	29,169,697,279	40.43%	20,771,606,150	18.92%	17,466,984,078
Balance with other banks and financial institutions	3,667,038,301	-72.07%	13,128,268,200	159.58%	5,057,435,513
Investments	129,610,512,746	50.11%	86,345,763,070	24.76%	69,211,029,019
Loans, advances and lease /investments	343,457,577,523	8.93%	315,292,889,877	6.34%	296,481,349,271
Fixed assets including premises, furniture and fixtures	6,976,553,047	3.21%	6,759,494,420	-24.20%	8,917,065,250
Other assets	35,016,572,684	21.73%	28,766,814,457	-20.21%	36,055,297,579
Non - banking assets	220,500,640	0.00%	220,500,640	0.00%	220,500,640
Total assets	548,118,452,220	16.30%	471,285,336,814	8.74%	433,409,661,350
Liabilities		%		%	
Borrowings from other banks, financial institutions and agent	90,893,119,786	12.70%	80,650,735,521	4.63%	77,079,066,963
Deposits and other accounts	358,868,307,100	17.56%	305,268,857,938	14.83%	265,841,465,120
Other liabilities	59,549,493,410	15.07%	51,752,189,170	-11.06%	58,184,526,755
Total liabilities	509,310,920,296	16.37%	437,671,782,629	9.12%	401,105,058,838
Total Shareholders' equity	38,807,531,922	15.45%	33,613,554,185	4.05%	32,304,602,512
Total liabilities and Shareholders' equity	548,118,452,220	16.30%	471,285,336,814	8.74%	433,409,661,350

Standalone BALANCE SHEET						
Particulars	2022 vs 2021	2021	2021 vs 2020	2020	2020 vs 2019	2019
Cash	10.18%	15,853,476,184	-9.31%	17,480,653,523	-10.74%	19,584,501,525
Balance with other banks and financial institutions	-58.36%	12,147,007,333	75.17%	6,934,450,131	-16.41%	8,296,215,246
Investments	17.02%	59,143,887,627	7.77%	54,880,723,801	16.98%	46,914,421,055
Loans, advances and lease /investments	12.72%	263,015,347,849	13.17%	232,400,082,933	8.62%	213,954,737,941
Fixed assets including premises, furniture and fixtures	7.10%	8,325,699,812	2.15%	8,150,428,200	0.14%	8,138,891,579
Other assets	15.66%	31,172,459,495	14.50%	27,225,018,123	6.35%	25,598,629,871
Non - banking assets	0.00%	220,500,640	0.00%	220,500,640	0.00%	220,500,640
Total assets	11.17%	389,878,378,940	12.26%	347,291,857,351	7.62%	322,707,897,857
Liabilities	%		%		%	
Borrowings from other banks, financial institutions and agent	24.20%	62,061,332,558	65.70%	37,454,834,664	2.51%	36,536,574,764
Deposits and other accounts	9.37%	243,070,491,793	4.31%	233,028,203,164	7.66%	216,444,143,574
Other liabilities	6.06%	54,857,681,565	13.69%	48,253,633,599	13.12%	42,656,691,430
Total liabilities	11.42%	359,989,505,916	12.94%	318,736,671,427	7.81%	295,637,409,768
Total Shareholders' equity	8.08%	29,888,873,023	3.91%	28,765,185,924	2.18%	28,150,488,089
Total liabilities and Shareholders' equity	11.17%	389,878,378,940	12.19%	347,501,857,351	7.32%	323,787,897,857

Income Statement

STANDALONE PROFIT AND LOSS ACCOUNT					
Particulars	2024	2024 vs 2023	2023	2023 vs 2022	2022
Interest income / profit on investments	31,117,616,605	28.71%	24,177,426,337	32.86%	18,197,460,058
Interest / profit paid on deposits, borrowings, etc.	(21,896,076,669)	47.02%	(14,893,655,303)	51.45%	(9,834,257,445)
Net interest / net profit on investments	9,221,539,935	-0.67%	9,283,771,034	11.01%	8,363,202,613
Investment income	10,275,666,377	100.34%	5,129,055,383	31.26%	3,907,651,541
Commission, exchange and brokerage	2,933,728,749	54.10%	1,903,793,224	-40.08%	3,177,076,894
Other operating income	1,406,427,398	-3.02%	1,450,167,322	37.58%	1,054,017,607
Total operating income (A)	23,837,362,459	34.17%	17,766,786,963	7.66%	16,501,948,655
Total operating expenses (B)	9,570,521,916	14.31%	8,372,148,507	7.97%	7,753,887,524
Profit / (loss) before provision (C=A-B)	14,266,840,543	51.86%	9,394,638,456	7.39%	8,748,061,131
Total provision (D)	2,185,869,577	-15.08%	2,573,894,064	2.28%	2,516,500,000
Total profit / (loss) before taxes (C-D)	12,080,970,966	77.12%	6,820,744,392	9.45%	6,231,561,131
Net profit after taxation	7,445,763,713	53.91%	4,837,646,640	-37.24%	7,707,892,860

STANDALONE PROFIT AND LOSS ACCOUNT						
Particulars	2022 vs 2021	2021	2021 vs 2020	2020	2020 vs 2019	2019
Interest income / profit on investments	22.53%	14,851,645,019	-6.67%	15,912,904,591	-20.26%	19,957,165,815
Interest / profit paid on deposits, borrowings, etc.	44.86%	(6,788,926,990)	-34.34%	(10,339,311,628)	-11.51%	(11,683,913,380)
Net interest / net profit on investments	3.73%	8,062,718,029	44.66%	5,573,592,963	-32.63%	8,273,252,435
Investment income	-5.04%	4,115,098,793	-10.18%	4,581,288,398	59.92%	2,864,783,622
Commission, exchange and brokerage	61.57%	1,966,352,275	14.76%	1,713,520,639	-20.98%	2,168,347,205
Other operating income	16.44%	905,227,825	15.37%	784,638,037	-4.85%	824,625,635
Total operating income (A)	9.65%	15,049,396,923	18.94%	12,653,040,037	-10.46%	14,131,008,897
Total operating expenses (B)	13.88%	6,808,682,435	-1.95%	6,943,810,376	-3.31%	7,181,448,105
Profit / (loss) before provision (C=A-B)	6.16%	8,240,714,487	44.34%	5,709,229,660	-17.85%	6,949,560,792
Total provision (D)	-4.84%	2,644,403,393	54.55%	1,711,000,000	-25.61%	2,300,000,000
Total profit / (loss) before taxes (C-D)	11.35%	5,596,311,094	39.97%	3,998,229,660	-14.01%	4,649,560,792
Net profit after taxation	41.67%	5,440,914,302	36.47%	3,986,922,182	7.22%	3,718,432,277

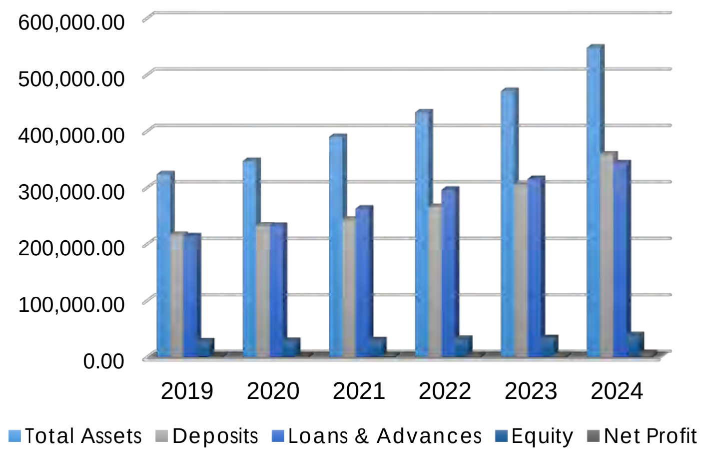
2.5.1 Overview of Financial Performance (2019–2024)

Table 3: Growth of Key Financial Indicators

Year	Total Assets	Deposits	Loans & Advances	Equity	Net Profit
2019	323,787.90	216,444.10	213,954.70	28,150.50	1,662.10
2020	347,501.90	233,028.20	232,400.10	28,765.20	1,797.10
2021	389,878.40	243,070.50	263,015.30	29,888.90	3,111.00
2022	433,409.70	265,841.50	296,481.30	32,304.60	4,021.80
2023	471,285.30	305,268.90	315,292.90	33,613.60	4,837.60
2024	548,118.50	358,868.30	343,457.60	38,807.50	7,445.80

Between 2019 and 2024, Prime Bank PLC has demonstrated good and steady growth in all the major financial indicators, which shows a good strategy and resilience in its operations. The total assets improved to BDT 548.12 billion, as compared to BDT 323.79 billion, which means that the balance sheet has been expanded significantly. The deposits increased continuously as the deposits increased to BDT 216.44 billion and then to BDT 358.87 billion which shows the confidence of the customers and the stability of the funding base. The growth in loans and advances increased to BDT 343.46 billion as compared to BDT 213.95 billion, which shows that the bank is concerned with credit growth, especially after the pandemic. The BDT 28.15 billion of equity was reinforced to BDT 38.81 billion, which is beneficial to capital adequacy. The net profit also rose considerably as it rose to BDT 7.45 billion as compared to BDT 1.66 billion, which highlights better profitability, efficiency, and asset utilization.

Figure 2: Key Financial Indicators (BDT Million)



2.5.2 Liquidity Performance Analysis

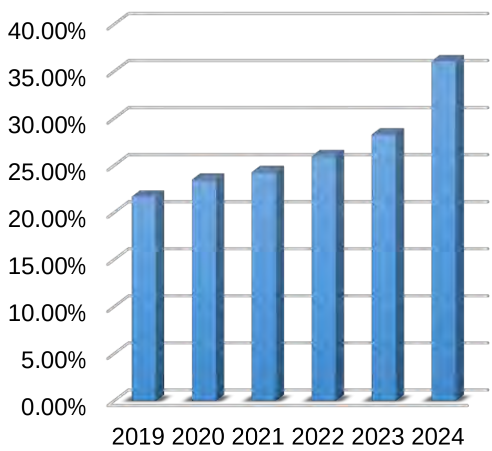
The liquidity management is one of the key operations of banks because of their maturity transformation capacity where the short-term liabilities in the form of customer deposits are utilized to fund the long-term loans and advances. Banks use cash holdings, deposit stability, and regulatory liquidity ratios to measure the strength of liquidity, unlike non-financial firms, which use inventory-based liquidity measures, which directly reflect their capacity to fulfill withdrawal demands and short-term commitments.

Table 4: Key Liquidity Indicators

Year	Cash & Cash Equivalents (BDT)	Total Deposits (BDT)	Cash-to-Deposit Ratio
2019	46.91 bn	216.44 bn	21.70%
2020	54.88 bn	233.03 bn	23.50%
2021	59.14 bn	243.07 bn	24.30%
2022	69.21 bn	265.84 bn	26.00%
2023	86.35 bn	305.27 bn	28.30%
2024	129.61 bn	358.87 bn	36.10%

This indicates that Prime Bank PLC has a consistently growing liquidity position between 2019 and 2024. Cash and cash equivalents were also increased significantly as compared to BDT 46.91 billion in 2019 to BDT 129.61 billion in 2024, with total deposits increasing by BDT 216.44 billion to BDT 358.87 billion. Consequently, the cash to deposit ratio was steadily increasing, 21.7 to 36.1, which is indicative of intentional liquidity hoarding, and sound balance-sheet management. The slow

Figure 3: Cash to Deposit Ratio



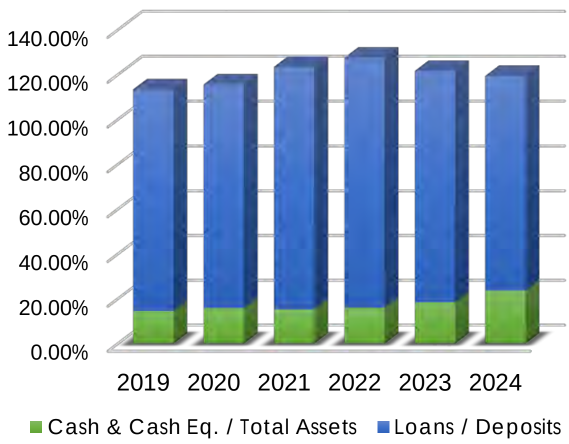
growth in 20192023 is evidence of a conservative stance in the period of and following the COVID-19, whereas the sharp upward growth in 2024 is evidence of a more conservative liquidity position in reaction to a tightening of monetary policy and increased regulatory focus.

Table 5: Liquidity Ratio

Year	Cash & Cash Eq. / Total Assets	Loans / Deposits
2019	14.49%	98.85%
2020	15.79%	99.73%
2021	15.17%	108.21%
2022	15.95%	111.56%
2023	18.33%	103.26%
2024	23.65%	95.71%

This gives more understanding of the liquidity strategy of the bank. The cash and cash equivalents to total assets ratio was comparatively steady at 14-16 percent until 2022 but sharply increased to 23.65 percent in 2024 indicating more holdings of high-quality liquid assets in accordance with the Basel III principles. The loans-to-deposits ratio increased to over 100% in 20212022, which means that the credit growth was aggressive, but dropped to 95.71 in 2024, which means that lending operations were completely covered by deposit funding.

Figure 4: Liquidity Ratio Over the Years



In general, the integrated trends reflect a strategic change of the growth-driven liquidity deployment to a more risk-conscious and resilient liquidity framework, which will improve the financial stability of Prime Bank PLC and the confidence of its depositors.

2.5.3 Profitability Analysis

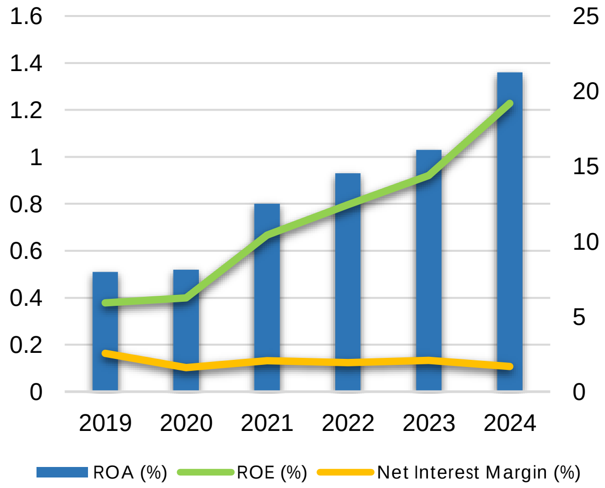
Profitability ratios are valuable in determining how well the management is able to make profits out of assets and equity. A review of the profitability indicators of Prime Bank PLC between 2019 and 2024 shows that profitability has a stable and structurally improving trend.

Table 6: Profitability Ratio

Year	ROA (%)	ROE (%)	Net Interest Margin (%)	Net Interest Margin (status)
2019	0.51	5.91	2.55	Moderate
2020	0.52	6.25	1.6	Stable
2021	0.8	10.41	2.07	Improving
2022	0.93	12.45	1.93	Strong
2023	1.03	14.39	2.09	Strong
2024	1.36	19.19	1.68	Very Strong

The Return on Assets (ROA) increased gradually, as in 2019, the value was 0.51% and in 2024, it was 1.36% which shows better utilization of assets and efficiency of operations, and a value higher than 1 shows good positioning in the industry. The Return on Equity (ROE) rose by 5.91 to 19.19, which indicates a great growth in the shareholder returns as a result of growth in earnings and a stable growth in equity. Until 2023, Net Interest Margin (NIM) increased and then leveled off to 1.68% in 2024 partly provided by cost control and non-interest income, and increased funding costs. In general, financial sustainability and profitability improved.

Figure 5: Profitability Ratio Over the Years



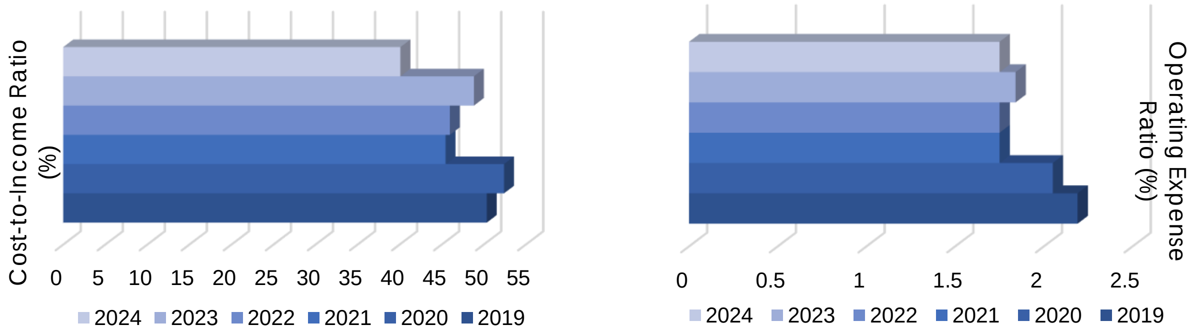
2.5.4 Efficiency and Operating Performance

Table 7: Efficiency Ratio

Year	Cost-to-Income Ratio (%)	Operating Expense Ratio (%)
2019	50.36	2.19
2020	52.41	2.05
2021	45.46	1.75
2022	45.97	1.75
2023	48.83	1.84
2024	40.09	1.75

The efficiency of Prime Bank PLC has been increasing between 2019 and 2024. The cost-to-income ratio decreased to 40.09% compared to 50.36% which shows improved operating leverage, growth in revenues, digitalization, and cost management. The operating expense ratio also decreased to 1.75% against 2.19% and it has not decreased since 2021 even though its assets expanded. These trends show efficient cost management, economies of scale, and efficiency through technology. All in all, the enhanced efficiency of the bank enhances profitability, resilience, and competitive positioning, which promotes sustainable long-term performance in a digital and highly competitive banking environment.

Figure 6: Efficiency Ratio Over the Years



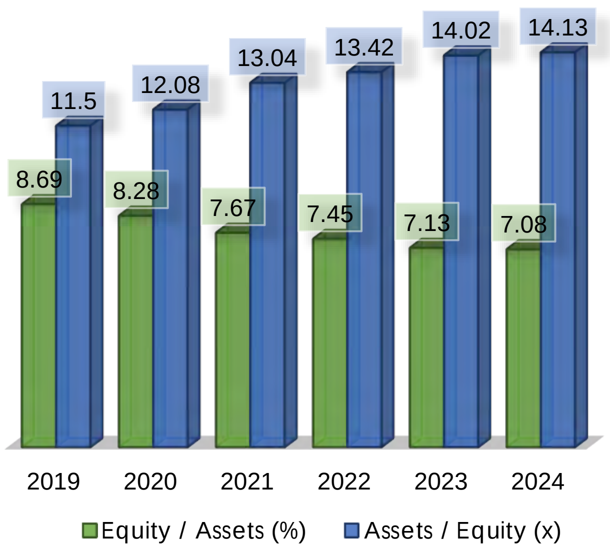
2.5.5 Leverage and Solvency Analysis

Table 8: Solvency Indicators

Year	Equity / Assets (%)	Assets / Equity (x)
2019	8.69	11.5
2020	8.28	12.08
2021	7.67	13.04
2022	7.45	13.42
2023	7.13	14.02
2024	7.08	14.13

The efficiency of Prime Bank PLC increased gradually between 2019 and 2024. The price to income ratio decreased to 40.09 percent, which is an improvement in operating leverage, revenue growth, digitalization, and cost control. The operating expense ratio also decreased to 1.75 compared to 2.19 percent, and it has not increased since 2021 even though the assets were expanded. These trends show good cost control, economies of scale, and efficient technology. All in all, the enhanced efficiency of the bank enhances profitability, resilience, and competitive positioning, which will help the bank perform sustainably in the long term in a digital and highly competitive banking landscape.

Figure 7: Solvency Indicators Over the Years



2.5.6 DuPont Analysis

The DuPont model breaks down Return on Equity (ROE) into Return on Assets (ROA) and the equity multiplier, which allows evaluating whether operational performance or leverage is the cause of profitability. A review of the DuPont components of Prime Bank PLC between 2019 and 2024 reveals that the increase in ROE was mainly aided by the increase in asset profitability and not the overuse of leverage.

Table 9: DuPount Breakdown

Year	ROE	ROA	Equity Multiplier
2019	5.91%	0.51%	11.5
2020	6.25%	0.52%	12.08
2021	10.41%	0.80%	13.04
2022	12.45%	0.93%	13.42
2023	14.39%	1.03%	14.02
2024	19.19%	1.36%	14.13

The increase in ROE, which was 5.91% in 2019, increased to 19.19 in 2024 due to the consistent growth of ROA, which was 0.51% to 1.36% indicating increased asset use, credit quality, price, and efficiency. The equity multiplier has been rising slowly by slowly to 14.13x, which is moderate, controlled leverage, which is in line with the regulations. In general, the DuPont analysis reveals that the growth of the ROE of Prime Bank was mainly caused by the efficiency of the operations and the efficient use of the assets that was facilitated by the reasonable leverage and good financial management.

2.5.7 Value Creation Analysis: EVA & MVA

The traditional accounting profits are not a complete measure of whether a firm is generating actual economic value to shareholders. Thus, in addition to the ratio-based performance analysis, this section will assess the value creation of Prime Bank PLC in terms of Economic Value Added (EVA) and Market Value Added (MVA). These measures combined can be used to connect internal operating performance to capital costs and market perception to give a holistic evaluation of long-term shareholder wealth creation.

A. Economic Value Added (EVA) Analysis

Economic Value Added (EVA) is the actual economic profit of a firm, which is calculated by subtracting the cost of equity capital. In the case of banks, EVA is especially applicable as the operations are mainly funded by the equity and deposits of the shareholders and effective use of capital is very important. EVA is calculated as:

$$\boxed{\text{EVA} = \text{Net Profit After Tax (NPAT)} - (\text{Equity} \times \text{Cost of Equity})}$$

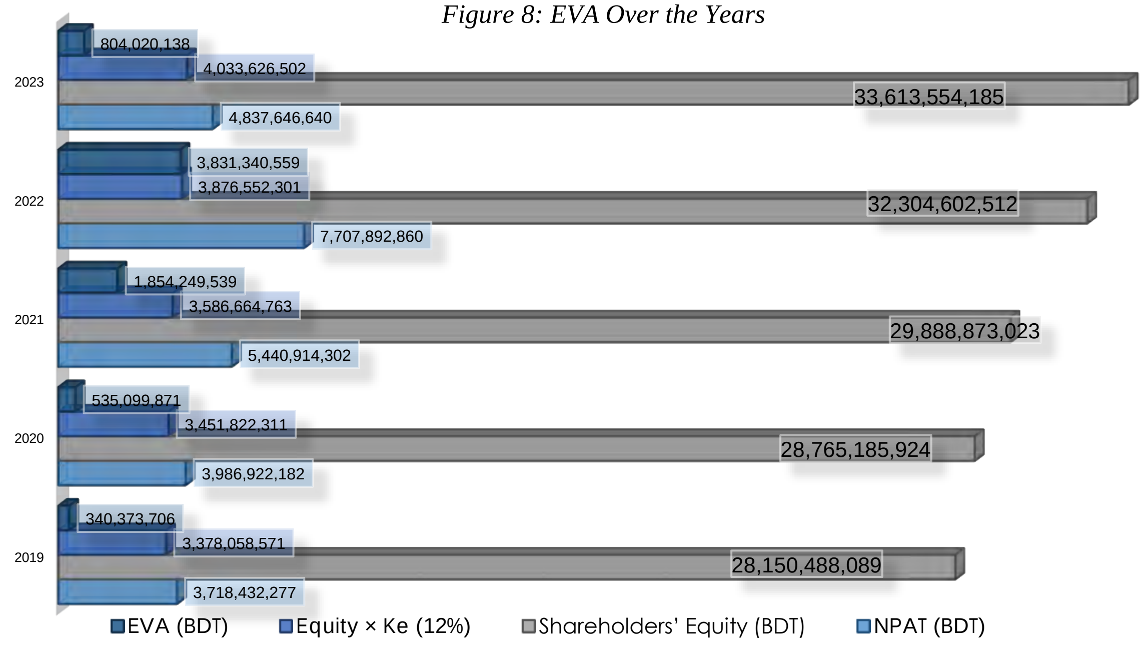
Cost of Equity (Ke) is assumed constant at 12%.

Table 10: EVA Calculation of Prime Bank PLC (2019-24)

Year	NPAT (BDT)	Shareholders' Equity (BDT)	Equity × Ke (12%)	**EVA (BDT)**
2019	3,718,432,277	28,150,488,089	3,378,058,571	340,373,706
2020	3,986,922,182	28,765,185,924	3,451,822,311	535,099,871
2021	5,440,914,302	29,888,873,023	3,586,664,763	1,854,249,539
2022	7,707,892,860	32,304,602,512	3,876,552,301	3,831,340,559
2023	4,837,646,640	33,613,554,185	4,033,626,502	804,020,138

EVA was positive during the period of 20192023, which means that Prime Bank was able to make returns that were higher than its cost of equity. The 20192020 moderate growth in EVA

Figure 8: EVA Over the Years



indicates resilience in operations in the COVID-19 period. The steep increase in 2021 and 2022 was predetermined by the high growth of NPAT that was higher than the equity charge, which indicated successful post-pandemic recovery and increased utilization of assets. Even though EVA decreased in 2023, as profitability and macroeconomic pressure dropped, it was still positive, which proves that economic value is still created.

B. Market Value Added (MVA)

Market Value Added (MVA) is the value between the market value of equity and the book value of invested capital by shareholders. A high MVA will show that the market believes that the firm has generated value above its accounting equity.

$$\boxed{MVA = (Market\ Price\ per\ Share \times Shares\ Outstanding) - Book\ Value\ of\ Shares\ Outstanding}$$

Table 11: MVA Calculations of Prime Bank PLC (2019-24)

Year	Market Price (BDT)	Market Value of Equity (BDT)	Book value of shares outstanding (BDT)	**MVA (BDT)**
2019	18.2	20,607,559,281	11,322,834,770	9,284,724,511
2020	17.1	19,362,047,457	11,322,834,770	8,039,212,687
2021	21.5	24,344,094,756	11,322,834,770	13,021,259,986
2022	19.4	21,966,299,454	11,322,834,770	10,643,464,684
2023	21.0	23,777,953,017	11,322,834,770	12,455,118,247
2024	23.4	26,495,433,362	11,322,834,770	15,172,598,592

MVA was positive in all years indicating continued confidence in the market. The fall in 2020 was due to market uncertainty caused by the pandemic and not poor fundamentals. The recovery since 2021 is expected to be strong, which will be followed by increasing profitability, increasing share prices, and optimism among investors. The highest MVA of 2024 proves that the improved performance in terms of earnings was effectively converted into the improved market value.

On the whole, the EVA-MVA analysis shows that Prime Bank PLC was able to generate shareholder value throughout the period of 2019-2024, which was facilitated by high internal performance and was strengthened by the positive market recognition.

Figure 9: Comparison of Share Prices vs Profitability vs MVA Over the Years

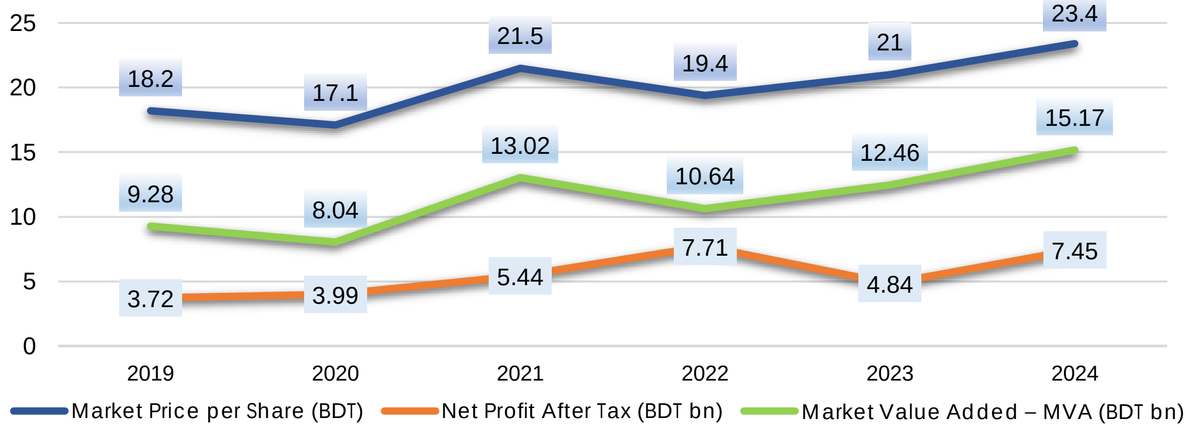


Figure 9 shows the correlation between market price per share, net profit after tax, and Market Value Added (MVA) of Prime Bank PLC between 2019 and 2024, and the interaction between profitability and market perception in determining shareholder value. In 20192020, the share price and MVA dropped because of the uncertainty caused by COVID-19, although the bank was profitable, which shows that it is more sensitive to macroeconomic factors than to absolute earnings. Since 2021, the increasing net profit was accompanied by the increase in share prices and the steep growth in MVA, which indicates the enhanced investor confidence. Despite share price moderation in 2022, MVA was robust because it continued to be profitable. The most consistent one was in 20232024, when the highest profit and the increase in share prices drove MVA to its peak. On the whole, the figure supports the existence of a positive long-term relationship between profitability, market valuation, and shareholder value creation, which supports the stable performance of Prime Bank PLC based on EVA-MVA.

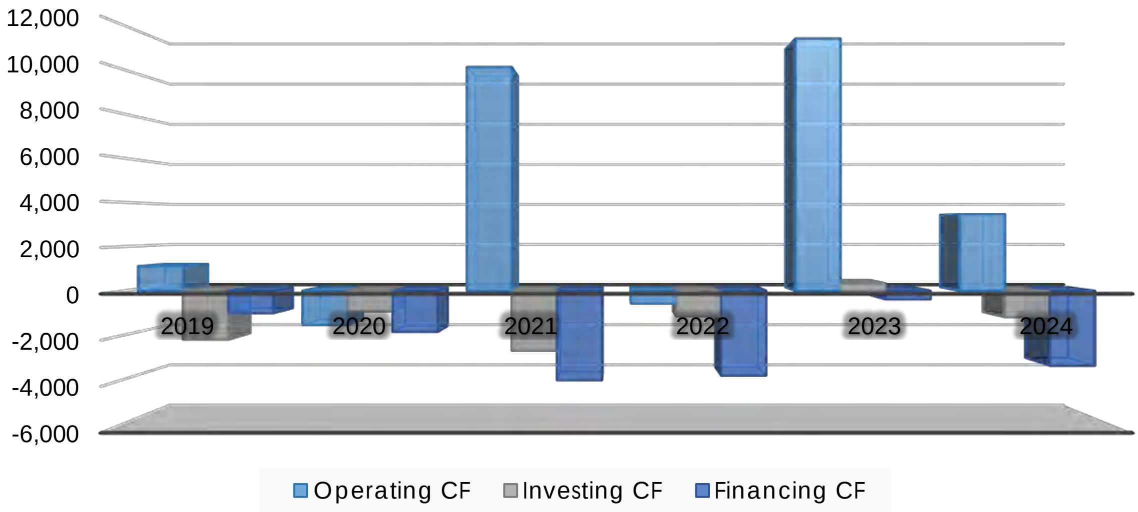
2.5.8 Cash Flow Performance Analysis

Table 12: Cashflow Summary (BDT Million)

Year	Operating CF	Investing CF	Financing CF
2019	1,113.20	-2,201.40	-1,007.50
2020	-1,546.20	-928.2	-1,854.30
2021	10,111.10	-2,706.30	-4,038.00
2022	-573.9	-1,148.30	-3,833.00
2023	11,398.20	335.5	-381.5
2024	3,462.20	-1,183.40	-3,381.50

The cash flow trend of Prime Bank PLC shows that the banking business is volatile and this is as a result of the fluctuations in the deposits, loan disbursement and investments. Despite the lack of consistency, the overall structure demonstrates that there is a balance between growth, investment, and shareholder distribution.

Figure 10: Cashflow Summary (BDT Million)



Most years recorded positive operating cash flows, with a high of 2021 and 2023, which is a sign of good deposit mobilization, efficient conversion of earnings and good cash generation of core operations. The negative operating cash flows in 2020 and 2022 were primarily caused by aggressive lending and increased investment in securities and not operational weakness. There was a significant negative cash flow investment, which is an investment in the expansion of branches and digital infrastructure, and a positive inflow in 2023, which is the rationalization of assets. Cash flow financing was largely negative, which implies that it pays dividends regularly and manages liabilities well. In general, enhanced operating inflows in 2023 to 2024 will be an indicator of better liquidity management and financial stability.

2.5.9 Accounting Practices of Prime Bank PLC

Prime Bank prepares its financial statements in accrual basis accounting in accordance with the IFRS/BFRS and regulations of the Bangladesh Bank. Some of the accounting practices are:

- **Provisioning & Impairment:** Loan loss provisioning is based on BB guidelines and models of expected credit losses.
- **Depreciation:** Straight-line on property, plant and equipment mainly.
- **Quality of Disclosure:** Full risk management, capital adequacy, related-party disclosures, and ESG practices.
- **Accounting Cycle:** Full accounting cycle is observed, between the recognition of the transaction and audited reporting.

Prime Bank adheres to accrual-based accounting as per IFRS and Bangladesh bank guidelines. The bank has been a regular user of the accounting cycle, conservative provisioning policies, and straight-line depreciation of fixed assets. Comprehensive reporting on credit risk, market risk, liquidity risk and capital adequacy increases the level of transparency and regulatory compliance. These practices promote transparency, comparability and regulatory confidence (Prime Bank PLC, 2020 to 2024).

All in all, Prime Bank PLC has high financial strength, enhanced profitability, efficient operations, and value creation to shareholders. Positive EVA and MVA coupled with good accounting practices will make the bank a stable and progressive financial institution in the competitive banking industry of Bangladesh.

Chapter 3 Project Part

Assessment of Operational Effectiveness and Risk Management in Consumer Loan and Credit Card Processing at Prime Bank PLC.

3.1 Introduction

The banking sector is a very sensitive, risky and service-oriented sector where efficiency in operations and proper management of risks are the key factors that define sustainability and competitiveness. In consumer banking, especially when it comes to processing loans and credit cards, banks have to trade speed, accuracy, compliance and risk mitigation at the same time. Any operational inefficiency or failure in operation workflows can cause a rise in processing time, increase in operational risk, and customer experience.

Prime Bank PLC being one of the most successful private commercial banks in Bangladesh has developed a systematic consumer finance operation with a set of policies, approval hierarchies and control systems. Nonetheless, similar to most of the traditional banking institutions in the emerging economies, much of its consumer loan and credit card processing operations are still paper-based, which entails physical paperwork, multiple levels of verification and decision making points that rely on human factors.

This chapter provides a project based analysis in terms of operational efficiency, risk control mechanisms and process integration in the consumer loan and credit card processing operations of Prime Bank PLC. The analysis will be based on personal observations of the internship with the support of internal policy frameworks and current academic and professional literature, without revealing any confidential or sensitive internal information.

3.1.1 Background and Problem Statement

Background

High-volume, risk-intensive banking products that demand high internal controls, proper income evaluation, regulatory adherence, and service delivery on time include consumer lending and credit card services. Basel Committee guidelines state that poor operational procedures are major contributors to credit risk, fraud risk, and compliance failures in the retail banking (Basel Committee on Banking Supervision [BCBS], 2011).

Consumer finance activities in Bangladesh are also regulated by:

- Bangladesh Bank prudential regulations,
- Requirements of Credit Information Bureau (CIB),
- Anti-Money laundering (AML) and Counter Financing of Terrorism (CFT) regulations.

Prime Bank PLC has Consumer Finance Policies, Product Program Guidelines (PPGs) and income assessment frameworks to handle these risks. Nonetheless, the practical implementation of these policies relies on manual processes, such as document collection, physical file transfer, and human validation to a great extent.

Problem Statement

Prime Bank PLC consumer loan and credit card processing system is supported with well-developed credit policies, multi-layered approval and strict regulatory control. Nevertheless, the practical implementation of these processes remains largely reliant on manual processes, disjointed information systems and regular inter-departmental handoffs. These structural features create inefficiencies in the nature of long turnaround times, data duplication and exposure to operational risk.

High risk governance combined with manual process dependency is a strategic issue. Although multi-layers verification and approval offers a certain degree of credit discipline, it is not scalable because of the absence of end-to-end digital integration, transparency in the process, and responsiveness in the service in an ever more competitive retail banking setting. With the changing customer demands of being able to deliver the services more quickly and more seamlessly, the bank has a significant trade-off between the preservation of the effectiveness of the risk control and the delivery of the operational efficiency.

It is on this basis that the study is informed by three key problem questions:

(i) What is the extent to which the manual workflow dependencies and fragmented information systems are affecting the operational efficiency of consumer loan and credit card processing in Prime Bank PLC?

(ii) The extent to which the existing risk control mechanisms are integrated into the operational process and whether they add to processing delays in any way.

(iii) Will process redesign and targeted digitalization facilitate in enhancing turnaround time and coordination without affecting the risk discipline and regulatory compliance of Prime Bank?

The proposed project will attempt to provide answers to these questions through a systematic operational analysis to position the investigation at the intersection of operational efficiency, risk management and strategic competitiveness.

3.1.2 Objectives of the Project

Primary Objective

- To critically analyze how effective and efficient the operating system is and how it differs from risk control factors in the consumer loan and credit card processing system of Prime Bank PLC.

Specific Objectives

- To analyze the end-to-end operational workflow of the consumer loan and credit card processing from initiation to fulfillment.
- To identify structural bottlenecks that are caused by manual process dependencies and inter-departmental handoffs.
- To assess how existing risk control mechanisms are integrated into execution of operations.
- To evaluate the role and limitations of information systems in supporting the operation efficiency and risk governance.
- To recommend its process improvement and digitalization that will improve the efficiency while maintaining Prime Bank's risk discipline and regulatory compliance.

3.1.3 Significance of the Study

This research is significant in multiple sectors :

Academic Significance

- Adds to the applied knowledge on banking operations management.
- The theory of bridges and actual operational practices in emerging-market banks.
- Can be used as a structured case study that will help in learning operations and finance studies at BBA level.

Organizational Significance

- Shows a path for improving operational efficiency without giving out sensitive information.
- Favors ongoing process optimization programs.
- Shows the ways how digitalization can be used to increase efficiency without minimizing risk management.

Industry Significance

- Mirrors the general operational problems of the Bangladesh private commercial banks.
- Gives information that can be used in other consumer banking settings.
- Alines with international discussion of digital transformation in retail banking (Deloitte, 2022)

3.1.4 Scope of the Study

The scope of this project is limited to :

- Consumer lending and credit card processing business.
- Processes involved in the application initiation and post-approval execution.
- Risk control mechanisms integrated in the operational processes.
- Application of information systems at process-support level.

Rule out of the scope :

- Banking operations of corporations and SMEs.
- Internal financial performance analysis.
- Customer satisfaction questionnaires.
- Hidden internal system indicators.

The study follows the strict rules and grouped information is used to ensure no personal data is leaked.

3.2 Literature Review

Digitization of consumer lending and credit card processing has become a main theme in the current banking operations especially in emerging economies like Bangladesh. The recent research stresses that digital platforms can shorten the processing time and increase customer access and operational scalability, and at the same time create new dimensions of operational and risk management issues (Oleti, 2023).

The Daily Star reports on the fast development of digital nano-loans in Bangladesh, where loans are now being disbursed fully via digital platforms like MFS, mobile applications, e-wallets, and e-banking, which removes a lot of paperwork and shortens processing time (Afrin, 2025). This transformation may demonstrate the capacity of digitalization to mechanize the traditionally manual operations and shorten the turnaround time that directly responds to the bottlenecks in the physical documentation and manual verification. Nevertheless, this article states that even though digital lending can achieve better speed and access it needs constant monitoring and integrated systems for it to run smoothly and outgrow the risks.

At the same time The Financial Express (2025) has reported that in order to provide the best possible service possible the digital banking industry in Bangladesh needs to work on their service delivery, operational efficiency and enhancing differentiation. Additionally the paper also talks about the industry tendencies to hold on to outdated practices that can limit the full benefit of digital banking and can lead to a number of problems regarding coordination and create repetitive tasks.

This specific problem is directly faced by Prime Bank PLC where its lack of system integration and manual handoffs create delays and human errors. Regulatory institutions should further strengthen their policies regarding balancing the operational efficiency and risk management where strong internal surveillance and frameworks are built and followed to ensure a seamless automated process that is not vulnerable to risks (Bangladesh Bank, 2024). Such guidelines highlight that automation may lead to efficiency and partial digitalization or insufficient integration may pose a risk to the operations due to inconsistencies in data and control failures.

At the global level, Basel Committee on Banking Supervision (BCBS) emphasizes that banks need to have operational resilience and an effective risk management system as more of them become digital and more automated (BIS, 2025). According to the BCBS, the increasing reliance on technology makes well-developed internal controls, systems integration, and accountability in operational processes even more important. This can be highly applied in Prime Bank PLC whereby the effectiveness of end-to-end control can be compromised by a large number of handoffs and manual interventions between departments.

In the academic literature, there is also support of the use of advanced analytics and automation to improve credit risk assessment and operational efficiency. The machine learning research in credit risk assessment shows that the data-driven models can significantly enhance the precision and speed of the credit decision-making process and do not require relying on the human judgment and reduce the processing time (Gatla, 2023). These results indicate that the adoption of smart systems in the consumer loan and credit card processing can enable Prime Bank PLC to minimize the use of the manual processing and enhance the risk assessment.

According to the literature on digital banking transformation, end-to-end digital processes also improve operational effectiveness, customer satisfaction and consistency of controls. According to the Journal of Islamic Marketing article on the transformation of digital banking (DBT), banks that utilize integrated digital platforms are more standardized in their operations and less likely to make mistakes in their operations and also monitor risks better (Al-Haija et al., 2025). This adds to the argument that the process of partial digitalization which is not accompanied by the full integration of the system cannot provide the best efficiency, and even complicate the work.

The research on the operational and credit risk management further demonstrates that the inefficient processes and poor integration negatively affect financial performance and risk outcomes. In the European Journal of Economic and Financial Research case study on credit risk in the banking sector, it is noted that the quality of loans and the general financial performance may be directly influenced by the inability to have effective risk management structures and poor operational controls (Kamara, 2024). This supports the significance of matching operational design to risk control mechanisms in lending to consumers.

Recent arXiv publications are also emerging research in the field of artificial intelligence and financial systems and continue to point to the increasing role of automation and sophisticated analytics in enhancing process performance, fraud detection, and real-time risk monitoring (arXiv, 2025). This development implies that banks that do not modernize their operations systems might be subjected to growing inefficiencies and competitive disadvantages.

In general, it is evident that digitalization and system integration are essential to enhance operational efficiency in consumer loan and credit card processing, as well as enhance risk management, which is consistent throughout the literature. Nevertheless, it is also suggested by the evidence that the partial automation, the further use of manual workflows, and the disconnected systems may cause bottlenecks, the rise of the error rates, and the deterioration of the interdepartmental coordination (The Daily Star, 2025; The Financial Express, 2025; BIS, 2024). This directly justifies the topicality of the current research, which aims at determining the impact of manual workflow dependencies and low rates of digital integration on the effectiveness of operations and risk management at Prime Bank PLC.

3.3 Methodology

3.3.1 Research Design

The research is a qualitative and descriptive case study, which is appropriate when it is necessary to examine the processes of operation in an organizational context.

3.3.2 Data Sources

Primary Data

- Process observation through internship.
    - Consumer loan and credit card processing workflow analysis.
    - Monitoring of system usage and movement of files.\
- Interviews & Questionnaire’s (Open Ended). Participants: Analysts & SAVPs

Secondary Data

- Annual reports of Prime Bank PLC.
- Consumer Finance Policy documents.
- Banking textbooks and academic journals.
- Regulatory publications (Bangladesh bank, BCBS)

3.3.3 Data Collection Method

- On-site observation of working processes.
- Primary data was collected through offline surveys and open-ended questions. There were 16 questions in total.
    - Participants information : There were 15 participants ranging from various age groups all working under the CCRM Department.
- Checking of standardized process documents.
- Non sensitive workflow mapping.
- Best practice comparison with industry.

(All collected data in person are discussed in detail above within section 1.3.1)

3.3.4 Ethical Considerations & Confidentiality

- No internal financials reported.
- No names of employees or internal system credentials stated.
- Aggregated and anonymized observation based analysis.
- Adherence to internship confidentiality rules.
- Specific customer data, loan amounts, risk models

3.4 Findings and Analysis

In this section, the primary findings obtained during the process observation of the internship are introduced and discussed using the standard operations management, risk management, and information systems frameworks. The analysis is based on operational efficiency, effectiveness in risk control, system support, and process integration in consumer loan and credit card processing operation of Prime Bank PLC.

In order to make the findings academic, the findings are organized into distinct sub-sections with each being backed by theory and industry best practices.

3.4.1 End-to-End Operational Workflow Analysis

Observed Process Structure

The consumer loan and credit card processing in Prime Bank PLC is a sequential, stage-gated process, which comprises of:

- Application sourcing and initiation.
- KYC checking and documentation.
- CPV, quality checks and data entry.
- Risk analysis and credit analysis.
- Approval and decision making.
- Post approval implementation and delivery.

This framework is typical of an old banking operations model, in which risk mitigation is a priority with several checkpoints, and not system-driven automation.

Strengths of operation identified

- Definite separation of sourcing, processing, analysis, approval and operations.
- Clear approval lines that are accountable.
- Good compliance orientation in line with regulatory requirements.

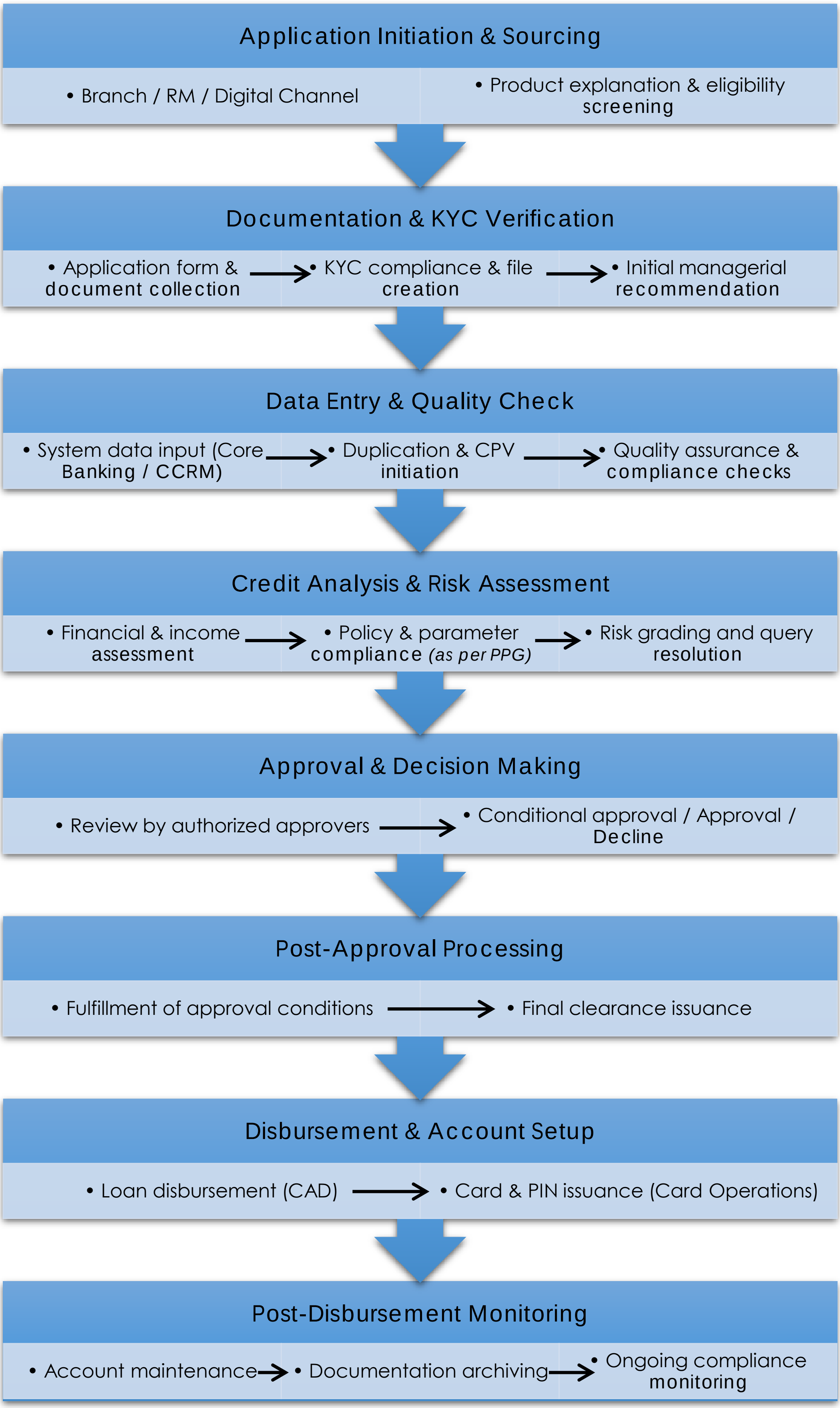
Structured workflows are efficient in the risk-sensitive industries because they minimize the discretion at the individual level and increase the control.

Operational Limitations

- Cumulative delays are brought about by sequential dependencies.
- The files have to go through several physical and manual touchpoints.
- Minimal opportunities of parallel processing.

Operationally, this means that it is a low process velocity system where the throughput time is high when the number of handoffs is high (Slack et al., 2019).

Figure 11: End-to-End Operational Workflow



3.4.2 Manual Process Dependency and Workflow Bottlenecks

The credit operations of Prime Bank PLC have high levels of manual dependencies such as the collection of physical documents and file movement, manual data entry into various systems, verification and checklist verification which is dependent on human, and manual query resolution and follow-ups. Although these controls increase the level of oversight, there is a greater operational risk and increased processing time that is linked to large reliance on manual workflow, as noted in the literature on operational risk (BCBS, 2006). Such manual operations also lead to operational bottlenecks that can be identified, including the presence of multiple delays in the corrective document cycles, backlogs in data entry and CPV phases, and delays in approvals due to the movement of files in batches. In terms of operations management, these limits can be associated with capacity bottlenecks, where processing capacity at certain points will limit the overall system throughput and efficiency.

3.4.3 Risk Control Effectiveness Analysis

Embedded Risk Controls

Risk controls are incorporated in the process, which include:

- KYC and AML verification
- Checks by Credit Information Bureau (CIB).
- Income evaluation and policy compliance audit.
- Multi-level authority of approval.

These controls are in accordance with the international principles of risk management in retail banking (Saunders and Cornett, 2019).

Credit risk wise, the current structure shows significant strengths, with the intensive front-end verification processes, which minimize the chances of default, and policy-based credit evaluation, which prevents the overall portfolio quality. But operation risk wise, the high rate of manual controls exposes the company to human error and the high rate of physical documentation exposes the company to inconsistency, delays, and control weaknesses. Similar to this finding, BCBS (2011) points out that operational risk is best reduced when controls are integrated into automated systems as opposed to relying on specific individuals, and thus, more integration of systems in credit processes is necessary.

Risk-Efficiency Trade-Off

One of the major discoveries is the trade-off between the strength of risk control and processing efficiency. Although controls are strong, they are performed manually, which makes service delivery very slow.

3.4.4 Information System Support and Limitations

Systems in Use

- Core Banking Software (Temenos R16)
- Loan Tracker
- Internal databases
- Excel-based trackers

These systems assist in keeping and monitoring records, but not automating the entire workflow.

System Strengths

- Centralized customer and account data
- Applications traceability.
- Simple monitoring and reporting functions.

System Limitations

- Absence of workflow automation end-to-end.
- Repeated manual data entry across systems
- No real-time process visibility or alerts
- Excel overreliance in tracking.

Laudon and Laudon (2022) claim that fragmented systems lead to a decrease in process integration, which leads to more operational inefficiencies and control gaps.

Digitalization Gap

The absence of:

- Electronic document management.
- Automated decision engines
- Combined workflow approval.

Establishes a digital divide, particularly when compared to the best banks that have implemented straight-through processing (STP) models.

3.4.5 Approval Hierarchy and Governance Analysis

Approval Structure:

- Well established hierarchical leadership.
- Defined delegation levels
- Responsible decisions are centralized.

This ensures proper governance and adheres to good management practices; in this process decisions are reviewed and approved whenever necessary.

Operational Impact

- Improves accountability and control.
- Extends the lead time of decisions.
- Restricts flexibility in high volume seasons.

The governance model is effective in the risk containment environment but ineffective in high-speed retail banking environment.

3.4.6 Quality Assurance and SOP Compliance

Quality Controls Observed

- SOP-driven operations
- Pre-analytical quality assurance.
- SLA/DLA monitoring

These are habits that enable uniformity and adherence of the processes, which is in tandem with the Total Quality Management (TQM) principles.

Limitations

- QA is responsive and not anticipatory.
- Problems that are identified at the end of the process.
- Processing time is increased by rework.

The modern quality models have been based on built in quality whereby errors are not corrected at the lower levels.

3.4.7 Overall Operational Efficiency Assessment

Qualitative Key Efficiency Indicators:

- High control intensity
- Low automation level
- Long turnaround cycles
- High human involvement

The current model is risk-averse, as opposed to being speedy, in terms of operations strategy, which aligns with the conventional banking model but is increasingly becoming misaligned with the demands of the digital age on the customer.

Synthesis of Findings

- There are strong but manual operational controls.
- Risk governance is efficient but expensive over the long run.
- Information systems facilitate compliance, rather than efficiency.
- The biggest opportunity of improvement is digital integration.

These results are then summarized in the following section into a systematic summary and conclusions drawn on the subject of operational effectiveness and strategic implications.

3.4.8 Discussion

According to the collected data from interviews & offline surveys, most of the answers were repetitive and standardized as the workflow process is set within a standard system. The overall process functions on a very restrictive, sequential and manual operational model, which is primarily focused on minimizing credit and compliance risks. Findings, however, indicate that this risk-oriented operational design ensures a high degree of governance, costs process efficiency. This costs the Bank long turnaround times, Massive use of manual file movement, Redundancy in data entry in systems, Lack of real time visibility of application status.

When the survey participants were asked about, *Are there any parts of the workflow that are more focused on manual heavy lifting?* They informed that *the entire workflow is manual, from application to loan disbursements and the same data often needs to be entered into multiple systems*. Despite being a functioning process the problem lies in heavy reliance on manual documentation and repeated manual human interaction, where it can be easily shifted to automation without increasing credit risks while improving workflow efficiency.

When asked about, at *which stage do delays more commonly occur?* Participants notified that, *Delays most frequently happen during the CPV and corrective documentation cycles or the Backlogs in data entry during high application volumes. However, they can also occur in Approval stages when files are moved in batches. Any delay in the process automatically makes the entire process slower*. As CPV is a fundamental part of credit analysis, analysts can't proceed further without it, thus resulting in an increase in TAT while waiting on CPV. As for manual documentation and correction, this further delays the overall credit analysis. All this could be effectively fixed by incorporating a digital documentation process at the beginning of application (customer life cycle).

Additionally, to answer the question, *What are the limitations for the current system setup*? The respondents reported that, *The limitations that came up multiple times include Lack of workflow automation, Lengthy data duplication, High reliance on Excel for monitoring data, Unable of doing real-time monitoring*. This shows the inefficiency of the current workflow and how this largely manual human interaction dependent process is increasing TAT and hampering the customer experience.

Furthermore, they answered the question, *Describe the quality of overall efficiency of the current process*? The survey group responded that it's, *Inefficient, Slow, Manual, human involvement reliant, high TAT*. This is alarming as this risks the Bank lagging behind their competition, who've already incorporated latest technology to automate their credit analysis process.

Finally, when asked, *Without compromising risk, how do you think the system can be improved to enhance the process workflow?* They mentioned the improvements they feel can be made, such as *Making Digital Documentation and application, Automating the workflow, Integrate approval process into core systems, Reduced Excel dependency*. This would improve the credit workflow and help in ensuring better customer experience.

The research Findings and Survey responses align, and modern digital documentation and credit workflow will improve the credit analysis process. Streamlining the automation workflow, turnover time will decrease effectively, improving customer experience thus ensuring repeated business to the bank.

3.5 Summary and Conclusions

3.5.1 Summary of Key Findings

The project examined the efficiency of operations and risk control effectiveness of consumer loan and credit card processing in Prime Bank PLC, based on systematic internship observations and supported by the corresponding academic and industry literature.

It was realized that Prime Bank PLC is functioning on a very restrictive, sequential and manual model of operation, which is primarily focused on minimizing credit and compliance risks. The process of end-to-end is verified at different levels, checked at different points of approval, and controlled by quality assurance, which ensures a high degree of governance and adherence to regulations.

The findings however indicate that this risk-oriented operational design is linked with efficiency at the cost of:

- Long turnaround times
- Massive use of manual file movement.
- Redundancy in data entry in systems.
- Lack of real time visibility of application status.

The approval hierarchy and the SOP-based structure of the bank make it more responsible and consistent, but, at the same time, the operations become too rigid, particularly, when the applications are numerous.

3.5.2 Conclusions Drawn from the Study

Regarding the operations management, the consumer credit process of Prime Bank PLC is founded on the traditional banking operations paradigm, in which risk mitigation is more significant than the speed of service. The model remains applicable in the quality assurance of assets but is increasingly becoming irrelevant to the present demands of retail banking which are grounded on speed, transparency and online convenience.

The study concludes that:

- The mechanisms of risk control are high and are well integrated into the process.
- The systems are not efficient in terms of operations due to manual processes and fragmentation.
- Information systems are record keeping systems but not workflow enablers.
- Quality control is not proactive but reactive.

Overall, Prime Bank PLC is well-operating disciplined, but the current process design does not allow being scaled, cost-effective, and competitiveness in customer experience.

3.5.3 Strategic Implication of Findings

The findings show that the bank is at the stage of strategic inflection, and the gradual enhancement of the processes is not always sufficient. To stay competitive especially in the consumer banking business, there is the need to shift towards digitally enabled, process integrated operations.

This is as per the global banking research that has highlighted that the institutions that fail to modernize their operational processes are likely to lose market share despite their good balance sheets and governance structures.

3.6 Recommendations and Implications

3.6.1 Automation of Digital Workflow

Recommendation:

Implement an overall digital workflow management solution, which incorporates the application intake, document verification, credit analysis, approvals, and post-approval implementation.

Justification:

Workflow automation decreases the time of processing, minimizes human errors, and enhances real-time visibility (Laudon and Laudon, 2022).

Expected Impact:

- Reduced turnaround time
- Lower operational costs
- Better transparency of the processes.

3.6.2 Document Management and E-KYC Integration

Recommendation:

Adopt online document management and secure document uploading and e-KYC verification.

Justification:

The biggest bottleneck and area of risk exposure is manual documentation. Digital KYC eliminates redundancy and increases the effectiveness of compliance.

Expected Impact:

- Faster onboarding
- Reduced document errors
- Improved audit readiness

3.6.3 Risk-Based Automation and Decision Support

Recommendation:

Embrace risk-based credit decision engines in low risk, standardized consumer products.

Justification:

Studies indicate that automated credit scoring is more efficient than risk quality is impaired when used on low-risk segments.

Expected Impact:

- Faster approvals
- Reduced analyst workload
- Better resource allocation

3.6.4 Process Parallelization

Recommendation:

Restructure the working process to allow verification, CPV, and documentation checks to be done simultaneously.

Justification:

Service operations are greatly shortened in parallel processes.

Expected Impact:

- Reduced backlog
- Better service level performance.

3.6.5 Quality Built into the Process

Recommendation:

Change reactive QA to preventive system based quality controls.

Justification:

In-built quality eliminates the rework and enhances reliability of the process.

Expected Impact:

- Fewer processing errors
- Lower rework costs

3.6.6 Managerial and Strategic Implications

- Increased the preparedness of Prime Bank PLC to digital competition.
- Enhances customer retention and satisfaction.
- Promotes sustainable growth without corresponding rise in costs.
- Enhances operational resiliency in the long run.

3.6.7 Academic and Practical Contribution

- The project will add to the body of academic and practical knowledge in that it:
- Using the operations management theory in a banking scenario.
- Illustrating the efficiency-risk trade-off of financial services.
- Emphasizing the information systems in operational performance role of information systems in operational performance

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Appendix A

Primary Interview Questionnaire

Q1. How does the overall process flow of consumer loan and credit card applications work from initiation to disbursement?

Q2. Is there any particular reason why the step-by-step process is so long? Wouldn't it be a lot faster to be done with the process otherwise?

Q3. Are there any parts of the workflow that are more focused on manual heavy lifting?

Q4. In which stage do delays more commonly occur?

Q5. What are the key risk management procedures / guidelines placed in the consumer lending process?

Q6. Are the controls effective enough in managing credit risk?

Q7. What operational challenges does the team have to face for these controls?

Q8. What are the currently used systems in consumer loan and credit card processing?

Q9. Are daily operations well supported by the systems?

Q10. What are the limitations for the current system setup?

Q11. What is the structure of approval authority in consumer lending?

Q12. What is the impact of this approval structure on operations?

Q13. How do you ensure quality in the processing workflow?

Q14. In which stage are quality issues detected?

Q15. Describe the quality of overall efficiency of the current process?

Q16. Without compromising risk, how do you think the system can be improved to enhance the process workflow?