Report On

BRAC Bank PLC.

By

Tahera Tarannum Nawme
21204075

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
December, 2025

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:

________Tahera Tarannum Nawme________

Student Full Name

Student ID

Supervisor's Full Name & Signature:

__________Noshin Anjum Chaiti ________

Supervisor Full Name

Designation, Department

Institution

Letter of Transmittal

Noshin Anjum Chaiti

Lecturer,

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Report on BRAC Bank PLC Internship

Dear Ma'am,

I would want to thank you very much on your priceless instructions and support during the preparation of this report. And without you we should not have got this task through in such a way.

I would also like to express my warmest gratitude to the Unit Head of Trade Operations Ms. Shamima Siddiqua who has guided and monitored me throughout my internship. The knowledge I acquired during this experience has played a significant role in developing my report and I feel that they would be useful in my future activities.

The acquired experience and theoretical knowledge that I have obtained during the process of planning and writing this report will most certainly help me in the course of my professional career. The way you have approached the topic under discussion has been especially eye opening and I am deeply grateful to be given the chance to study under you.

Once again, thank you for your continued support and patience.

Sincerely yours,

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Tahera Tarannum Nawme

21204075

BRAC Business School

BRAC University

Date: December, 7, 2025

Acknowledgement

I would not have managed to complete this Internship Report successfully without the assistance and help of some amazing people. To begin with, I would like to show that my great gratitude goes to Noshin Anjum Chaiti, a Lecturer at BRAC Business School, BRAC University, who remained supportive, provided helpful feedback, and guided me throughout the preparation of this report. The precious help and constant support that she offered were crucial in making this report successful.

I also wish to highly appreciate Shamima Siddiqua, Unit Head of the Trade Operations, who supervised and mentored me when I was on the internship in the Trade Operations Department. I have highly relied on their practical knowledge and guidance in my learning.

Particularly, I would like to offer my thanks to the Executive Vice President and Head of Trade Operations of BRAC Bank PLC, Surajit Kumar Mutsuddi, who has been able to persuade me to get to know more about the various functions of the Trade Operations Department. His help was a great difference in my internship experience.

And last, I would like to thank my family, friends, colleagues, and partners who supported, encouraged, and understood me during the period of this internship and gave me emotional support. Their works enabled me to gain a bigger picture of the business realm and equipped me with my future activities.

Executive Summary

This report gives the summary of the internship experience at BRAC Bank PLC in the Trade operations department. The major tasks highlighted include processing of Letter of credit (LC), foreign exchange and management of export bills. Chapter 1 gives a background on the internship, the duties at work and the challenges encountered during the internship. Chapter 2 discusses the history of BRAC Bank, its structure, and participation in SME banking and trade finance. In chapter 3, the discussion is on how the bank reacted to political and economic reforms in Bangladesh, based on financial performance and governance. The internship provided the valuable information about the work of the bank and offered the hands-on experience of the trade finance and regulatory compliance, improving the professional skills and knowledge of the industry.

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Overview of Internship

Chapter 1: Overview of Internship

The internship program is an inherent component of the academic program, which is meant to expose the students to the real work conditions. This chapter focuses on a report of the internship experience in BRAC bank limited with a focus on the student information, placement in the internship, job roles, contributions, benefits obtained, difficulties encountered and suggestions on how to improve the future internship programs.

1.1 **Student Information**

The candidate in the internship program is a Bachelor-level applicant studying Major Finance & Accounting. The internship is a linkage between theoretical and real world exposure. The information about the student contains:

- Name: Tahera Tarannum Nawme
- Student ID: 21204075
- Program: Bachelor of Business Administration (BBA)
- Major: Finance & Accounting
- Institution: BRAC University

This internship helped the student to put theoretical concept taught at the university courses into the real life working environment especially in the banking and financial services sector.

1.2 Internship Information

1.2.1 Period of Internship, Name of Company, Department and address

The internship was done at one of the most renowned financial institutions in Bangladesh, BRAC bank PLC., the largest privately owned commercial bank, with great governance, trade finance leadership, SME banking leadership and digital transformation projects.

- **Internship Period:** 23rd September, 2025 – 27th November, 2025
- **Name of the Company:** BRAC Bank PLC.
- **Division/Department:** Trade Operations Department (Export Division)
- **Mailing/physical address:** BRAC Bank Head Office, Anik tower, Tejagaon industrial area, Dhaka, Bangladesh.

Positioning the student in the Trade Operations Department has exposed me to the documentation, compliance processes, LC processing workflow and export related financial settlements processes which is a key sensitive sensitive aspect of the bank operations.

1.2.2 Internship Company Supervisor's Information

During the internship, the student was supervised and guided by the experienced individuals working in the Trade Operations Division.

Name of Supervisor: **Shamima Siddiqua**

Designation: **Foreign Export Trade Operations, Senior Manager, BRAC Bank PLC.**

Department: **Trade Operations Foreign Exchange Export Unit**

Role of Supervisor:

The supervisor offered practical training, delegated working activities, monitored performance, and adhered to banking requirements and helped me to comprehend the aspects of LC processing, handling documents, communication with customers, and operational risks management.

1.2.3 Job Scope- Job Description, Duties, and Responsibilities

I was engaged in the internship in different operational tasks that had direct implications in the day-to-day trade finance operations of BRAC Bank PLC. The basic duties were:

Job Responsibilities

- Entering LC (Letter of credit) repayments

  Checking and preparation of payment vouchers connected with LC settlements preparation and recording, checking of accuracy of foreign exchange transactions.

- Sending buyer and seller paperwork

  Dealing with shipment documentation, commercial invoices, bills of loading, packing lists and certificates of origin and sending them to pertinent banks/customers.

- Voucher preparation of transactions.

  Keying in export bill entries, settlement voucher and other working documents into the core system of the bank.

- Auditing of export papers

  Helping staff to discover inconsistencies in the LC-related documents based on the UCP 600 and Bangladesh Bank guidelines.

- SWIFT processing assistance

  Monitors and assists in sending/receiving of the international trade transactions involving the use of the MT700, MT103, and MT202 messages.

- Keeping records in house

Arranging of files, maintenance of registers, compiling of daily checklists, and the support of officers with the work on documents.

- Favoring compliance functions

Assistance in screening of sanctions, AML/CFT, and observation of suspicious patterns of transactions

The internship was a practical introduction to dealing with sensitive trade documents involving international trade, learning the mechanics of LCs, the compliance regulations, and training to become operationally accurate, all of which are essential in the banking and trade finance.

1.3 Internship Outcomes

1.3.1 Student's Contribution to the Company

I contributed to the department in a positive way since I was in the operations and ensured the workflow was performed on time and assisted the team during peak workloads. Contributions included:

- Helping officers process LC settlements fast and accurately.
- Lessening the clerical burden through preparation and arrangement of vouchers and export documents.
- Assistance in ensuring accuracy in the daily operations by checking documents.
- Favoring prompt forwarding of export related documents, avoiding delays in processing.
- Increasing customer service through teaming in answering client questions.
- Being a professional, punctual and highly willing to learn.

Such contributions served to enhance the speed of operations, decrease the number of backlogs, and sustain uninterrupted daily operations in a department that highly depends on time.

1.3.2 Benefits to the Student

The internship experience gave me a good exposure to the profession, hands on skills as well as industry knowledge.

Key Benefits

Trade finance operations knowledge:

Understood the issuance of LCs, transferring the LCs, modification of LCs, settlement of payment, and international banking protocols.

Improved Technical Skills:

Trained on how to use the bank core systems, trade modules, voucher processing tools and document management software.

Developed Communication Skills:

Increased trust in communication with banking professionals and clients and in the dealings with exporters.

Understanding of Compliance in practice:

Acquired regulatory basics like UCP 600, AML/CFT requirement, KYC document, and the Bangladesh Bank foreign exchange requirements.

Professional Development:

Acquired time management, collaboration, precision of documentation, and organizational abilities.

Career Clarity:

Through the internship, I was able to realize some of the career opportunities available to me in terms of trade operations, banking operations, compliance and international finance.

1.3.3 Problem encountered during the period of the internship.

Although the experience was rewarding to learn, the internship was not a smooth sail, but it helped in personal development.

Challenges Faced

- **High Workload Pressure:**

The trade operations are highly pressurized by tight deadlines (LC cut-off times) every day, making the environment hectic.

- **Complexity of Documents:**

LC documents are very technical; it was not an easy task to comprehend discrepancies, compliance regulations and structures.

- **Banking Software Learning Curve:**

It was not easy to learn Flexcube and trade modules without any experience in the first place.

- **Risk of Errors**

Errors of LC documents or vouchers may also result in loss of money and this puts more strain on the accuracy.

- **Political/Operational Disruptions:**

In unstable times in the country, there were delays in document flow and shipment.

- **Restricted Decision-Making Authority:**

Taking the position of an intern, the work mainly was supportive and did not involve greater participation in the eventual decision making.

1.3.4 Future Internship Recommendations to the Company

In order to enhance the internship experience of future students, it is suggested to make the following recommendations:

- **Formal Training Instruction:**

  Orient interns on the processes and rules of compliance and the use of the system even before delegating duties to them.

- **Assign Mentors:**

  There is the advantage of having a special mentor who can mentor the interns through the internship period in a more productive way.

- **Hands-On System Access:**

  Permit simulated practice to allow the interns to study banking software without incurring real transactions.

- **Regular Feedback Meetings:**

  The weekly check-ins will allow the interns to realize their performance and the areas to be improved.

- **Expand Other Departmental Exposure:**

  Interns would enhance their understanding in the industry with rotational visits to retail banking, credit risk, or treasury.

- **Give Case Studies or Miniprojects:**

  Helps interns examine actual trade cases and can think critically.

- **Enhance Workstation Organization:**

  Make sure that every intern is equipped with a computer, desk and materials.

The application of these suggestions would significantly improve the quality, learning and value of the internship program in the long term.

Chapter :2
Organization Part

Chapter 2 Organization Part

2.1 Introduction

BRAC bank limited is a fast growing, innovative and dynamic financial institution in Bangladesh and was founded on the essential basis of enhancing financial inclusivity and increased accessibility to banking services by both the formal and informal sectors. Since the creation in 2001, the bank has evolved itself to be a small institution that assisted Small and Medium Enterprises (SMEs) to a fully commercial bank with a vast network of branches, sub-branches, SME units, agent banking points and online platforms. Having focused on transparency, corporate governance and sustainable business practices, BRAC Bank has been placed among the best commercial banks in the country.

Considering the fact that Bangladesh is increasingly becoming the second-largest exporter of Ready-Made Garments (RMG) in the world, the role of effective banking activities, more so trade finance, has never been so important. Banking institutions such as BRAC Bank are very necessary since they assist in the conduct of international transactions related to trade, assistance to the exporters, the issuance, and transfer of Letter of Credits (LCs), the processing of incoming and outgoing remittances, and the settlement of foreign currencies. Trade Operations Department is of strategic significance in this ecosystem, as it facilitates the free flow of exports-imports, international regulations, and ensures that documentation is properly processed.

The internship took place at the Trade Operations Department (Foreign Exchange -Export Division) where the major tasks were LC repayment, voucher entry, forwarding the documents to buyers and sellers, scrutinizing documents and working out the export transactions. This chapter lays the groundwork to the understanding of how BRAC Bank contributes to the trade sector of the country because it presents the organizational setting where the internship was conducted. It also describes the processes, culture within the department and systems that the intern experienced.

The chapter is designed in a way to give a multi dimensional picture of the organization. It starts with the background of the bank and moves to an in-depth discussion into its purpose, range of operations, approaches adopted in the chapter to write it, how it fits academic research, and the constraints encountered throughout the research. The statement of these foundations in a clear way has given a solid foundation to the discussions that will follow in the other parts of the report.

2.1.1 Objectives

The primary goals of this chapter are aimed at giving the understanding of what the organization is and creating the platform upon which analyses will be made ahead. The following are the objectives that have been extended to be understood in detail:

a) To provide an insight into the organizational picture of BRAC Bank Limited.

This will entail the historical development of the bank, its goals, values, line of services, its governance policies and strategies of operation. The comprehensive organizational description is useful to allow the readers to understand the internship in the context of the greater corporate setting of the bank.

b) To examine and question the management practices of BRAC Bank.

The chapter will examine the leadership styles, communication, human resource policies, coordination mechanisms within the department, and strategies of employee motivation. These are critical areas when it comes to comprehending how the bank makes efficiency, innovation, and accountability.

c) To investigate the marketing and customer relationship strategies.

BRAC Bank has varied client groups of both SMEs and major corporate clients, and its marketing strategies play an important role in building trust and customer retention. The following section will explain how BRAC Bank develops brand identity, customer attraction, advertising trade finance solutions and long-term customer relationship particularly in the RMG industry.

d) To learn about the financial and accounting operations regarding trade activities.

The chapter discusses trade related accounting practices which include LC settlements, foreign currency management, document substitution regulations, export billing, voucher creation and compliance related with taxes. These are vital to the knowledge of how BRAC Bank ensures that there is accuracy and integrity in trade transactions.

e) To describe the working behaviors that were seen in the course of the internship.

The LC repayment, document forwarding, voucher preparation, the process of verifying documents according to UCP 600, and communication with internal stakeholders during the internship are similar to the everyday activities within the bank. This is aimed at relating these tasks with the overall operational system at BRAC bank.

f) To translate the theoretical knowledge to practical organizational behavior.

Banking, trade finance, risk management, and regulatory compliance theories are relevant when they are applied to actual institutional settings. The chapter seeks to bring out the observed and practiced concepts of a textbook during the internship.

g) To give some background details to subsequent chapters.

In this Chapter the support that the discussion of the financial data, the efficiency of the operations, the difficulties of departments, and recommendations (considered in further sections of the report) is based on. Such analyses would be incomplete without such an organizational context.

2.1.2 Scope of the Study

The study scope is broadly stated but much-needed in order to make sure that it is relevant with the internship experience and the goals of the report. The increased scope is as following:

a) Organizational Scope

The following chapter discusses BRAC Bank:

- Core values, organizational history and mission.
- Decision making and structure of governance.
- Inter-departmental relationships and departmental segmentation.
- Part in national banking industry and role to the economy.

A closer examination of the functions the departmental operations support the organizational objectives in general can be achieved through exposure of the intern to the Trade Operations Department.

b) Trade Finance Relational Functions

The research paper is based on the export finance activities of BRAC Bank, such as:

- Issuance, transfer, amendment and settlement of Letter of Credit (LCs).

- Checking and scrutiny of documents as per UCP 600.
- Export bill negotiation
- Foreign currency realization.
- LC repayment and settlement
- Sending shipping and commercial documentations to issuing banks.
- Voucher generation and accounting records.

These steps are the key of the learning process of the intern.

c) Managerial Scope

- This includes analyzing:
- Style of leadership of line managers and departmental heads.
- Patterns of coordination and communication within the employees.
- Evaluation systems of performance.
- Workload allocation and workflow organisation.
- Employee development and training programs which are HR-led.

To understand the internal culture of the bank, it is necessary to know the management practices.

d) Marketing and Strategic Scope

The chapter explores:

- The branding strategies of BRAC Bank.
- Promotions targeting corporate customers, SMEs, exporters, and purchase of houses.
- Promotion strategies of trade products.
- Market expansion planning, particularly in the background of the Bangladesh RMG industry.
- Improvement programs of customer satisfaction and service quality.

The newspapers like Prothom Alo, The Daily Star, and Business Standard provide deeper understanding to the analysis.

e) Technological Scope

The chapter also scopes inasmuch as trade finance is highly reliant on documentation and accuracy:

- Core Banking Systems (CBS)
- Online trade platforms
- Workflow automation tools inside the company.
- SWIFT communication systems
- Communication systems The communication systems are swift.
- Tracking systems of documents.
- Security and compliance systems.

They are essential towards accuracy and speed in trade transactions.

f) Geographic Scope

Despite the fact that BRAC Bank branches of Bangladesh spread over the country, the area of focus is the Trade Operations Department of the head office of the bank where the internship took place.

2.1.3 Methodology

The chapter is formulated wholly as a secondary data, as per the academic and organizational stipulation.

a) Data Sources

The secondary sources were utilized as follows:

- BRAC Bank PLC. official web site.
- Annual reports or financial reports or sustainability reports.
- Banking, trade finance and LC operations academic literature.
- International rules (UCP 600, ISBP)
- The Daily Star, Prothom Alo, Dhaka Tribune, Financial Express newspaper articles.
- Papers and articles in the banking industry.
- Relevant parts of the uploaded document of purchasing house solutions of BRAC Bank and transferable LC processes.
- Foreign exchange and the bangladesh bank circulars.

These guarantee depth, accuracy and validity.

b) Research Approach

It has taken a descriptive and analytical manner. The chapter outlines the structure and practices at BRAC Bank and analytical interpretations are provided on how the practices are in line with industry standards.

c) Data Organization

Data were ordered based on the structural requirements provided in the screenshot making sure that:

- Clear topic segmentation
- Logical flow
- Coherent tone and academic quality.

d) Reason of Using Secondary Data

Primary data was limited by the issues of confidentiality. Banking industries keep confidential data about customers, dealings as well as financial operations. Therefore:

- Interviews were limited
- Documents within the company were not accessible.
- Trade books and LCs could not be borrowed except to be observed.
- Secondary data is therefore a good and ethical option in terms of analysis.

2.1.4 Significance of the Study

This chapter has a multidimensional meaning and is crucial to the comprehension of the organization, as well as the internship experience.

a) Institutional Insight

The case study of BRAC Bank provides an insightful study of how a major bank functions, the decisions that they make, and how they remain relevant within a very competitive financial sector.

b) Trade Finance Relevance

The export sector in Bangladesh depends much on effective LC processing, foreign currency settlement, export realization and document handling. The chapter makes the reader realize the significant role played by banks in international trade.

c) Academic Importance

The chapter facilitates academic learning as it incorporates:

- Banking theories
- Trade finance principles
- Compliance guidelines
- Best practices in the international front.

This increases the educative value of the report.

d) Relevance to Internship in Practice

The following are the operational concepts of this chapter; the duties of the intern, including LC repayment, voucher preparation, forwarding buyer-seller documents, and checking documents are all directly related to the operations of this concept.

e) Implication to Future Research

The chapter is used as a base in the following chapters (Findings, Analysis, Recommendations). It is also useful to the future students or researchers who might be intrigued in the banking, trade finance, or working models of BRAC Bank.

f) Economic National Significance

Through the knowledge of how BRAC Bank helps exporters and purchasing of houses, the chapter indirectly enlightens people on the role of financial institutions in boosting the RMG industry of Bangladesh, and the entire economic development in Bangladesh.

2.1.5 Limitations of the Study

Irrespective of the amount of effort, this chapter has quite a number of inevitable constraints:

a) Constraints of Confidentiality

Banks have a tight rein of secrecy. Internal memos, client invoices, LC details and transactional records were not available.

b) Secondary Data Dependence

The fact that only secondary data has been used (as required) limits the likelihood of:

- Gathering the interviews of the employees.

- Conducting surveys
- Direct examination of the internal performance measures.

c) Scope Limit to a Single Department.

The internship was restricted to Trade Operations Department. The other significant sections like Retail Banking, Treasury, Loan Operations, Risk Management and Internal Audit are not discussed at the same length.

d) Limited Exposure Duration

The internship time was not sufficient to see a complete lifecycle of some trade transactions, more so LCs which have long shipment and payment cycles.

e) Rapid Industry Changes

Banking policies, exchange rates, international trade and compliance policies are dynamic. Certain information might change with time.

2.2 Introduction to the Company

BRAC Bank Limited is among the prominent financial institutions in Bangladesh, which has gained good services through innovation in its banking, good management practices and its contribution in business and export sector are strategic to the country. The bank is run on a progressive corporate philosophy that is led by transparency, ethics, and digital transformation. The bank has a strong network and business portfolio serving millions of people such as retail clients, SMEs, corporate companies, purchasing houses, and exporters.

2.2.1 BRAC bank History and Background

- **Founded in 2001 with an SME focus:**

BRAC Bank started to increase financial coverage of small and underserved entrepreneurs who got no access to formal credit.

- **The NGO BRAC created is the largest in the world:**

It has a strong base that guarantees a socially responsible ethos that combines commercial banking with developmental objectives.

- **Expanding into corporate and retail bank:**

With time, the bank expanded to cater to large corporations, people, and international trade clients besides SMEs.

- **Known to be good in matters of governance and ethical banking:**

BRAC Bank has also been winning transparency and responsible banking as well as sustainability awards.

2.2.2 Vision, Mission and Core Values

Vision

- **Developing a sustainable financial institution:**

Tends to continue making profits and help Bangladesh grow economically in the long run.

Mission

Strengthening of SME and underserved markets:

Concentrated in empowering the local entrepreneurs by availing affordable financing.

- **Delivering customer-focused banking services that are modern:**

Promotes innovation and quality service in all the banking channels.

Core Values (ARTTICA Model)

- Audacity: The audacity is promoted to take innovative and risky decisions in order to stay competitive.
- Result Driven: Focuses on attaining results and performance excellence.
- Teamwork: encourages interdepartmental co-operation to enhance service delivery.
- Transparency: Transparency guarantees fairness, honesty and clarity in operations.
- Integrity: Bears duty of ethics and adherence to all regulations.
- Customer Focus: Customer oriented, responsive and personalized services.
- Accountable: Holds the employees accountable and makes them own their duties and results.

2.2.3 Structure of Ownership and Governance

- Majority owned by BRAC:

Guarantees a high level of ethical values and development-oriented strategies.

- Shareholders: International investors and IFC:

Possesses international experience, banking capital and international banking standards.

- Board of Directors (BoD):

Offers strategic leadership and makes sure that all significant policies are in line with long-term objectives.

- The executive management committee (ECM):

Manages day to day decision making and operational administration.

- Regulatory Compliance Committee:

Internal control and mitigation of risk are done through the Audit, Risk, and Credit Committees bodies.

2.2.4 Organizational Structure

Main Divisions of BRAC Bank

- Retail Banking Division:

Targets single customers who take personal loans, savings accounts, cards and daily banking products.

- SME Banking Division:

BRAC Bank is primarily focused on the rural and urban population of Bangladesh, which are the core strengths of the bank in serving the entrepreneurs.

- Corporate Banking Division:

Extends credit and consultancy services to the big businesses such as RMG exporters, house purchases and manufacturing industries.

- Treasury Division:

This division is in charge of all currency and coinage matters, including sending and receiving money, transferring funds between bank accounts, and the issuance of certificates.

- Treasury & Financial Institutions Division:

Deals with foreign exchange, liquidity, investment portfolios and international banking relationships.

- Operations Division (also incorporates Trade Operations):

This division is involved with trade operations (as well as international trade operations).

In charge of back-office services like processing of LCs, account operations and document verification.

- Credit Risk Management (CRM):

Checks the level of credit worthiness and verifies the loans against risk requirements.

- Information Technology (IT):

Offers digital infrastructure, cybersecurity and automation.

- Human Resource Division (HRD):

Oversees recruitment, training, welfare and performance appraisal of the employees.

2.2.5 Significant Business segments and services

a) Retail Banking

- Accounts, Cards & Loans:

Provides a range of saving accounts, debit/credit card facility and personal loan facilities to individuals.

- Convenience services which are digital in nature:

Maintains convenient accessibility using mobile banking, ATM, and the internet.

b) SME Banking

- Small and medium business loans:

Assists businesspeople in growing business, acquiring equipment or working capital.

- Supply chain financing:

Gives financial assistance through business value chains in order to enhance efficiency.

c) Corporate Banking

- Working capital & term loans:

Proposes massive financing facilities to the expansion of industry and day-to-day operations.

- Cash management services:

Helps the companies to control cash and payment and receivables effectively.

d) Trade Finance

- LC Issuance & Advising:

Enables safe international commerce between buyers and sellers.

- LC Transfer & Substitution:

Protecting confidentiality of pricing especially useful in the purchase of houses.

- Export Bill Negotiation:

Issues documents to enable exporters to get their payments quicker.

2.2.6 Digital Banking Infrastructure and Technology

Single banking platform that enables the creation of multiple service units.

- Core Banking System (Flexcube):

Combines all operations of the customers, so there is real-time management of transaction.

- SWIFT international communication:

Enables standard and secure financial messaging of LC transactions and trade.

- Mobile and Online Banking platforms:

Offer convenient access to account details, money transfers, and payment of bills.

- Document Processing Automation:

Minimizes human error and accelerates trade activities like LC scrutiny.

2.2.7 Branch Network, Workforce and Corporate Culture

Branch & Channel Coverage

- **Nationwide presence:** The bank has hundreds of branches and SME units and is able to reach urban and rural markets.
- **Agent banking system:** Introduces banking services to remote locations that have no physical branches.

Workforce & Human Capital

- **Highly trained and professional employees:** Training and development should be conducted regularly to enhance productivity and quality of service.
- **The culture is strong performance-oriented**: Excellence and compliance with company values are rewarded to employees.

Corporate Culture

- **Ethical, inclusive and customer oriented:** Fosters honesty and equality as well as enhancing teamwork and lifelong learning.

2.2.8 contribution to the Economy of Bangladesh

- **SME empowerment:**

The SME model that is implemented by BRAC Bank has led to the generation of jobs in the thousands and the enhancement of economic activity at the grassroots level.

- **Support for export sectors:**

The bank is very crucial in LC dealings, export settlements and foreign exchange inflows.

- **Digital financial promotion:**

Promotes the use of cashless payment, enhancing financial inclusion and transparency.

- **Special house-buying solutions:**

The transferable LC facilities make helps foreign and local buyers to operate effectively.

2.2.9 Trade Operations Department Overview

- **LC Scrutiny & Compliance Check:**. Ascertains that all trade paperwork is in compliance with UCP 600 principles and principles of Bangladesh Bank.
- **LC Issuance Services:** Supports local and global trade by allowing a secure buy-seller deal.
- **Export Bill Processing:** Handles documents, e.g., commercial invoices, packing lists, and Bills of Lading.
- **Voucher Creation and settlement:** Entering financial information accurately to facilitate optimal reconciliation and reporting.
- **Foreign Currency Settlement:** Ensures that the exporters are paid proceeds in a compliant and timely manner.

These activities are directly related to the work of the intern giving him a good practical insight into the trade finance practice.

2.3 Management Practices

At the core of the growth and long history of success of BRAC Bank is effective management practices. Being a contemporary commercial bank in a competitive industry, BRAC Bank focuses on formalized leadership, strategic human resources, clarity in decision making and stiffness in performance culture. All these practices are aimed at ensuring that the bank continues to record high operational efficiency, customer satisfaction, and consistent financial performance and remain in compliance with the regulatory requirements, and the international best practices.

This section will entail the detailed discussion of the leadership style of the bank, how it influences organizational objectives, human resource planning, and recruitment/selection procedures, compensation plans, training programs, as well as performance appraisal system. The presented insights are founded on the secondary data and workplace observation, publications related to the HR, and the official guidelines of the organization.

2.3.1 BRAC bank Leadership Style

The leadership style in BRAC Bank can be said to be democratic, participative and transformational, in line with the rapid and risk-oriented environment in the banking sector.

a) Democratic Leadership Style

- The managers will promote the employees to express their opinions, propose methods and attend team conferences.
- Cross-functional meetings have an open discussion of major decisions, particularly compliance, workflow changes, digital transformation, and risk mitigation.
- Employees will feel appreciated, respected and involved, which improves motivation and collaboration.

Impact:

It is a leadership style that promotes a cooperative workplace, minimizes misunderstandings and promotes responsible decision making which is vital in fields such as trade finance where precision is vital.

b) The Participative Leadership Style.

- Managers engage members of the team in day-to-day activities, including the scrutiny of the LC, checking of documentation, voucher preparation, and compliance reporting.
- Leaders usually consult employees in the case of implementation of changes to workflow or processing systems.
- At the Trade Operations Department, team consultations are common when determining which decisions to make concerning document discrepancy, LC amendment process, and the settlement schedule.

Impact:

This can be used to minimize operational mistakes, enhance faster problem-solving as well as learning through the involvement of the staff in the crucial decision-making processes.

c) Leadership Aspects of Transformational Leadership

- Top management promotes innovations, automation, and innovations.
- The bank encourages lifelong learning, flexibility, and digitalisation at the departmental level.
- Managers motivate employees to enhance the quality of service and streamline processes and accept organizational change.

Impact:

This leadership approach is aligned with the long-term objectives of BRAC Bank to reinforce digital banking, enhance export services, ensure compliance, and have a competitive advantage.

d) Autocratic Leadership (Where Necessary) Limited

- Some of the decisions, which include regulatory rules, risk management, AML/CFT policies or customer confidentiality, need a highly top-down leadership.
- However, in a high-risk environment, i.e. when sanctions lists are updated, trade-based money laundering checks are performed, or the discrepancy in LCs is increasing then managers provide direct instructions to avert compliance.

Impact:

Autocratic directives are not extensive but they can assist in eliminating operational risk, regulatory violation, and financial loss.

e) Rare Laissez-Faire Style

- BRAC bank cannot afford the hands off approach to leadership since financial transactions are sensitive and risky.
- Close supervision of members is done to see that accuracy and prompt processing LCs, export bills, and foreign exchange settlement is done.

Impact:

This protects the bank against mistakes and supports a powerful internal control.

2.3.2 Critical Analysis: The Leadership Style of BRAC Bank that helps in meeting the Organizational Goals

The critical analysis demonstrates that the management is consistent with the strategic objectives of BRAC Bank:

b) Reaching Operational Excellence.

Participative and democratic leadership will result in a motivated workforce that will be able to perform accuracy in LC documentation, foreign exchange settlement and compliance handling.

b) Improving Customer Satisfaction.

When the employees are involved in decision making, they become more customer oriented and able to serve the customers in a faster manner, particularly in the trade operations where the faster document processing is critical.

c) Enhancing the Culture of Compliance and Risk.

The combination of participative and autocratic leadership makes the employees live under strict rules (Bangladesh Bank, UCP 600, ICC rules), and at the same time motivate employees to report problems and propose solutions.

d) Nurturing Innovation and Technological Development.

Digital solutions that automated LC processing systems, online document tracking, and improvement of SWIFT communications are encouraged by transformational leadership that places a challenge on employees.

e) Enhancing Motivation and Retention of Employees.

Job satisfaction and turnover are enhanced through a participatory environment. This is essential where the department is in need of skilled staff who have experience in handling complicated trade processes.

f) Providing the Organizational Stability in the Long Run.

The culture of leadership that respects teamwork, lifelong learning, and openness brings the bank a nice reputation and development in the long run.

2.3.3 Planning Process of the human resource

The human resource planning in BRAC bank is focused, strategic and goal-oriented.

a) Workforce Forecasting

- HR assesses the staffing requirements on an annual basis depending on the workload of the departments, their growth and expansion into the market.
- To do trade business, they have to employ more staff in the high season of RMG exports to accommodate the increased LC.

b) Job Analysis

- HR in cooperation with department heads determines job roles, competencies and performance expectations.
- Trade Operations- Trade operations roles demand experience with SWIFT, LC rules (UCP 600), ISBP, and export-import forms.

c) Competency Mapping

- The necessary skills associated with every job position include analytical skills, understanding compliance, teamwork, and technological skills.

d) Succession Planning

- One of them, the bank recognizes and trains and mentors the high- performing employees to be leaders.

e) Consistency with Strategic Objectives

- HR will provide a supportive role by staffing decision-making to the long-term vision of the bank which is growth of digital banking, expansion of SME, enhancement of trade services and upgrades in compliance.

2.3.4 Recruitment and Selection Process

BRAC Bank has a transparent and merit-based recruitment process which is aimed at recruiting qualified, ethical and high-performance individuals.

a) Recruitment Sources

- Online Job platforms: It is done to recruit talented employees within the country.
- University Career Fairs: Assists in targeting fresh graduates with high educational qualifications.
- Internal Job Circulars: This will enable employees to transfer to new departments where they will be promoted.
- Employee Referrals: Recommended, but highly considered to be fair.

b) Selection Process

1. Preliminary Screening

The HR surveys resumes to filter the shortlisting of candidates in accordance with education, experience, and ability.

2. Written Tests

Applicants are subjected to tests that test numeracy skills, communication, banking and logic.

3. Interviews

Several sessions of interviews will determine technical competencies, behavioral characteristics, ethics, and cultural alignment.

4. Background Verification

Close identity, jobs and integrity checks allow candidates to be regulatory.

5. Final Approval

As an approval, the selected candidates are approved by the HR department and respective departmental heads

c) Recruitment Practices Effect

- Makes sure that the bank has recruited qualified people.
- Has a good culture of compliance.
- Minimizes operational hazards through hiring of competent trade specialists.

2.3.5 compensation and benefits

The compensation system of BRAC Bank is aimed at attracting, retaining, and motivating its employees.

a) Competitive Remuneration System

- The bank has competitive remuneration packages in the market according to employee grade, experience, and the complexity of the job.
- Promotions on salary are based on performance and are examined after every year.

b) Financial Benefits

- Provident Fund / Gratuity: Secures long term financial security.

- Medical Insurance: It covers employees and their families.
- Bonuses: They are dependent on performance (individual and organizational).
- Staff Loans: They are provided with subsidized interest rates.

c) Non-Financial Benefits

- Employee Recognition Programs: Excellence, innovation and customer service awards.
- Career Growth Opportunities: Within the company, promote and transfer to acquire various skills.
- Positive Work Culture: Supportive, inclusive and ethical environment.

d) Compliance With Labor Laws

- The compensation system is in line with the guidelines of the Bangladesh Labor Act and Bangladesh Bank.

2.3.6 Training and Development Initiatives

BRAC bank gives strict emphasis on life long learning and skill development.

a) Orientation Programs

- New employees are oriented in detail regarding the structure, the policies, the culture and the expectations in the operations of the bank.

b) Technical Training

- Special training regarding LC operations, UCP 600, ICC guidelines, export billing, SWIFT messages and compliance.
- Employees in trade operations undergo some compulsory refresher courses in the accuracy of documentation and risk controls.

c) Soft Skills Training

- Developes communication, leadership, negotiation, stress management and teamwork.

d) E-Learning Platforms

- Online courses provide employees with the ability to refresh skills at their speed.
- Trade operation Digital learning modules improve the knowledge of real-life cases.

e) Development Leadership Programs.

- As a mid-level manager is groomed, workshops and mentorship are used.
- Succession planning makes succession continuity in key positions.

f) Impact of Training

- Reduces operational errors.
- Enhances quality and adherence to the services.
- Enhances competencies of employees with the complicated financial processes.

2.3.7 Performance Appraisal System

BRAC Bank has a clear and distinct performance management system.

a) KPI-Based Assessment

Employees are rated on targets regarding:

- Accuracy of work
- LC processing speed
- Compliance adherence
- Error rate reduction
- Customer service quality
- Team collaboration

b) Balanced Scorecard Approach

Measures performance in four dimensions:

1. Financial outcomes
2. Customer satisfaction
3. Efficiency within the internal processes.
4. Learning and development

c) Mid-Year and Annual Reviews

Performance is appraised twice annually in order to keep it in line with the goals and giving the feedback.

d) Link to Rewards & Promotions

High performers receive:

- Annual increments
- Bonuses
- Promotion opportunities
- Recognition awards

e) Fairness and Transparency

There are multiple assessors who guarantee that contributions are evaluated without bias and error.

2.3.8 Summarization of Management Practices

The management practices at BRAC Bank indicate high degree of people-oriented as well as performance-driven management. The leadership behavior at the bank fosters cooperation, openness, creativity, and adherence- this way, the employees are always motivated, updated, and oriented towards organizational goals. The Hr planning, recruitment, compensation and training as well as the appraisal systems are targeted at developing a competent workforce that can manage the requirements of banking in the contemporary world.

2.4 Marketing Practices

BRAC Bank Limited marketing practices are thorough, well thought out as well as in line with the mission of the bank to offer affordable, customer focus and technology advanced financial services. Being one of the leading commercial banks in Bangladesh, BRAC Bank has a powerful marketing department that is held accountable to brand communication, market segmentation, digital promotion, positioning of services, and customer relationship management. Marketing strategies adopted by the bank are influenced by the consumer behaviour trends, the competitive market forces, the regulatory environments, and the rising demand of the digital banking solutions.

Marketing by BRAC Bank particularly focuses on the trust, transparency, innovation, and excellent customer experiences. Such priorities are vital in the banking industry where credibility, reliability and brand reputation should be used to market intangible products (services). The subsequent subsections give a comprehensive analysis of the marketing policy, target market, channels, branding processes, product development and promotion of BRAC Bank.

2.4.1 BRAC Bank Marketing Strategy

The approach adopted by BRAC Bank is a clear, combined marketing strategy consisting of conventional banking values, digitalization, and customer-based innovation.

a) Customer-Centric Strategy

- The bank is a bank of customer satisfaction in all its segments which include retail, SME, corporate and trade customers.
- Products: Products are customized to fulfill certain customer needs which include SME loans, credit cards and savings plans, LC services, payroll banking, and digital payments.

b) Market Differentiation Strategy

- The distinctions that BRAC Bank faces are that the bank has robust dominance in SMEs, vast services in trading, digital platforms, and ethical banking.
- Bank identifies itself as a trustworthy, inclusive, and progressive financial institution.

c) Value-Based Marketing

Marketing messages are based on trust, transparency, efficiency and innovation.

- Focus on long-term relationships as opposed to short-term sales.

d) Digital Banking Strategy

- Skyrocketing mobile banking, online banking, digital account registration, QR payment services and trade finance automation.
- Goal: Become one of the most digitized banks in Bangladesh.

e) Integrated Marketing Communication (IMC)

- Integrates social media, traditional media, digital PR, influencer collaboration, CSR programs and brand campaigns.
- Maintains a congruent brand message on any communication media.

Influence on Company Objectives

The strategies serve the interests of the bank in the areas of financial inclusion, export support, customer loyalty, and brand leadership.

2.4.2 Target Customer, Segmentation and Positioning Strategy

The multi-level market segmentation strategy is employed by BRAC Bank in order to serve various groups of clients.

a) Customer Segmentation

1. Retail Segment

- individuals, salaried workers, professionals, students.
- Focused on saving accounts, credit cards, loans, remittance products, and online banking.

2. SME Segment

- Small and medium business people in metropolitan and rural areas.
- It is the main segment of BRAC Bank and its most powerful base of customers.

3. Corporate Segment

- Big business, manufacturing companies, export-driven companies, RMG factories, purchasing of houses, and importers.
- Needs superior banking, loan, trade finance, cash management and treasury needs.

4. Priority/High-Net-Worth Customers

- High end clients that have high service needs, wealth management needs, and customized financial planning.

5. Digital-Savvy Customers

- Customers with young demographics and technology-focused and wish to have a convenient mobile banking.

b) Targeting Strategy

BRAC Bank employs differentiated targeting where each segment is provided with differentiated services.

- SME customers are offered with special products of loans and advisory services.
- Corporate clients: the clients are offered personalized trade finance solutions, such as LC issuance and transfer facilities.

- Retail customers- Segregated products of the retail business include student accounts, women-oriented banking and youth banking.

c) Positioning Strategy

BRAC bank is positioned as:

- A customer-friendly, progressive and trusted bank.
- Digital banking and ethical banking values, as well as known in SME leadership.
- A friend to entrepreneurs, exporters and corporate players.

The brand campaigns, services quality, and other trade finance innovations such as LC substitution services (when purchasing houses) are used to reinforce this positioning.

2.4.3 Marketing Channels (Products and services)

Being a big business commercial bank, BRAC Bank employs various channels of marketing and delivery.

a) Branch Banking

- Physical branches: these will be used to provide face to face service to customers who require personal service.
- Significant to the high-value corporate customers and trade customers requiring documentation advice.

b) SME Unit Offices

- 465-plus SME units to serve unserved regions provide on-ground services to processing loans and entrepreneurship training.

c) Digital Channels

- BRAC bank mobile app: transferring funds, checking the statement, loan details, paying the bill.
- Internet Banking: Corporate and retail Internet Banking.
- QR Payments to grow digital commerce.

d) Web 2.0 and Social Media.

- Facebook, YouTube, LinkedIn, Instagram, and customer engagement and awareness promotions and customer engagement through the web.
- Online campaigns: New products, banking, financial tips, CSR.

e) ATM, CDM, CRM Networks

- ATM/CRM/CDM machines serve as service channels of cash withdrawal, deposit, and balance checks.

f) Agent Banking

- Increases the banking penetration to the rural community at reduced transaction costs.

g) Trade Finance Channels

- SWIFT issuance of LC and international banking.
- Online submission of documents, LC advising platforms as well as email communications to exporters/importers.
- Buyers and exporters, the houses and exporters have their own relationship managers.

2.4.4 Product Development and Competitive Practices

BRAC Bank also constantly creates new financial products in order to remain competitive in the banking industry.

a) Product Development Strategy

- Market research: customer needs (e.g. SME financing issues, digital banking requirements).
- The new solutions are established in partnership with product teams, IT, risk management and operations.

b) New Product Examples

- Fully online onboarding of Digital Savings Accounts.
- Women entrepreneur and micro business SME Loan Products.
- Export LC services and LC Transfer facilities useful in the purchase of houses and RMG exporters.
- Credit cards: Lifestyle benefits of business professionals in cities.

c) Competitive Practices

- Rates of loans and deposits are competitive.
- Quick cycle trade finance services.
- Good online attributes relative to most of the competitors.
- Best Customer Service with Relationship Managers on corporate customers.

d) Trade Finance Innovation

- BRAC Bank Buying House Solutions Team offers transferable LC services involving specially tailored solutions of confidentiality of commissions and guaranteed substitution of documents in a safe setting.
- This puts BRAC Bank in a competitive position of serving garment exporters and purchasing houses.

2.4.5 Branding Activities

BRAC Bank has a good corporate brand established upon trust, innovation and ethical banking.

a) Brand Identity

- Blue and yellow brand logo is used to imply trust, optimism, and reliability.
- Messaging: The focus is on transparency, honesty and customer empowerment.

b) CSR Branding

- Educational programs, women empowerment programs and SMEs development generate good CSR visibility.
- CSR activities help in enhancing brand image as an institution that is socially responsible.

c) Corporate Campaigns

- TVCs, print advertising, online videos, customer testimonials and event sponsorships are among the means that advertise the brand.
- The areas covered by campaigns include SME success stories, convenience in digital banking and ethical practices.

2.4.6 Advertising and Promotion Strategy

BRAC Bank employs Integrated Marketing Communications on the offline and online mediums.

a) Traditional Advertising

- TV advertisements emphasize on loan services, SME support and online banking.
- Advertisements in newspapers inform about the new products, fixed rate, or government announcements.

b) Digital Advertising

- Very active on facebook and youtube and connecting with millions of customers through creative information.
- Social media advertising is used in promoting mobile banking, SME, and trade services.

c) Content Marketing

- Financial literacy posts, informative videos, customer stories, and animated explainers create the engagement.

d) Influencer Collaborations.

- Brand ambassadors and influencers facilitate marketing to the youth and digital-savvy shoppers.

e) Email & SMS Marketing

- Sends targeted product offers, alerts, reminders and promotion campaigns.

f) Event Marketing

- SME fairs, financial conferences, career fairs and expos make BRAC Bank a thought leader.

g) Public Relations

- The Daily Star and Prothom Alo press releases reflect key success, prizes or projects.

2.4.7 Critical Marketing Problems and Lapses

Though the marketing practices are strong, there are a number of challenges and gaps:

a) Competition in the Banking Industry is high.

- Many banks promote comparable products in form of loans and it is hard to be different.

- Competitors such as Eastern Bank, City Bank and Dutch-Bangla Bank have aggressive digital marketing.

b) Low personalization of certain services.

- More personalized products in terms of customer behavioral and spending analytics might be helpful to the retail services.

c) Customer Awareness Vexations.

- Some semi-urban and rural clients do not know about the enhanced digital banking capabilities.

d) Delayed Product Updates

- Some of their products need a more rapid innovation to follow the trends of fintech.

e) Requirement of a better Digital Trust-Building.

- With the increase in cyber risks, the customers are seeking greater assurances of data safety and fraud prevention.

BRAC Bank has good marketing activities that are backed by good strategic planning, customer-differentiated segmentation, multi-channel communication, innovative product development, and vibrant digital campaigns. Despite the level of competition and digital disconnection, the bank has been able to build its brand name and customer confidence in its service with the help of aggressive marketing and uninterrupted quality of services.

2.5 Financial Performance and Accounting Practices

BRAC Bank Limited is a big and most systemically important financial organization of Bangladesh. Thus, the review of its financial performance and accounting practices provides significant information about the health, stability and the strength of its operation, its compliance culture, risk management and its sustainability in general. This section gives a detailed analysis of the financial performance of BRAC Bank in the past 3-5 years regarding the tactics, which are publicly available, as well as the industry standards and outcomes reported by the newspaper, and annual reports disclosures. Besides that, it also critically analyses accounting principles, policies, disclosures and reporting structures applicable by BRAC Bank.

This chapter is broken down into two general subsections:

1. **Financial Performance Analysis.**
2. **Financial Reporting Practices and Accounting Frameworks.**

Moreover, since there was a significant political-economic change in Bangladesh (the overthrow of the former government and the establishment of Interim Government in 2024-2025), this section further examines the role of macro-level uncertainty in affecting the banking operations, earnings, liquidity, solvency, and financial disclosures.

2.5.1 BRAC Bank Financial Performance (2020-24): an overview

An overview of the financial performance of BRAC Bank in the past five years shows:

- High growth rate in spite of macroeconomic volatility.
- There will be a sharp increase in profitability in 2023-2024, which will be caused by treasury gains, increased interest margin, and control of costs.
- Strong liquidity growth and tremendous increase in customer deposits (more than 34% in 2024).
- Medium leverage and restrained debt-equity ratios.
- Making ROE and ROA trends more resilient.
- Healing effect of COVID-19 effect, and fresh external shocks of political uncertainly in 2024-2025.

These are indicators that the bank can maintain performance even in uncertain environments.

2.5.2 Profitability Analysis

Based on the information provided in financial newspapers and metrics databases:

a) Earnings Per Share (EPS)

- EPS increased by Tk 4.30 (2023) to Tk 6.95 (2024) by 73 percent.
- Strong income growth due to high levels of treasury income, increased interest income and a steady non interest income.

b) Net Profit After Tax (NPAT)

- Profit was very high in 2024 than in 2023.

- Shows the reversal of past inflationary and political crises.

c) Return on Equity (ROE)

- ROE rose to 17.35% year-on-year as compared to 15%.
- Measures a high value creation among the shareholders and effective use of equity.

d) Return on Assets (ROA)

- ROA improved from ~1.51% to ~1.74%.
- Represents a more effective utilization of the asset base of the bank particularly in treasury and loan portfolio.

e) Non-Interest Income

BRAC Bank receives substantial revenue in the form of fees on:

- LC issuance
- LC advising and transfer
- Export bill collection
- Amendment fees
- Service charges
- Credit card fees

Trade finance revenue is a more consistent earner.

2.5.3 Liquidity and Solvency Position

Banks have liquidity ratios that are not similar to those of manufacturing companies. Key indicators for BRAC Bank:

a) Customer Deposit Growth

- Deposits were up 34 percent in 2024, which bolstered the liquidity buffer of the bank.

b) Loans & Advances Growth

- Loans increased more than 20 percent due to the increase in demand of SMEs and corporate clients.

c) Government Securities Portfolio

- The bank boosted the investment in T-bills and bonds thereby improving liquidity, stability, and risk-free earnings.

d) Solvency & Leverage

- Debt-to-equity of approximately 0.98 (balance).
- The quality of capital structure guarantees adequacy of regulatory capital.

e) Cash Reserve & Statutory Liquidity Ratio

- Always kept at maximum Bangladesh bank standards.

2.5.4 Operational Productivity and Efficiency

a) Cost-to-Income Ratio (CIR)

- Not given, but the increase in profitability is proposing the amelioration of CIR.
- Digitalization led to the low cost of transaction.

b) Asset Utilization

- Better turnover of assets due to increase in treasury and lending activities.

c) Fee Income Contribution

- Constant non-interest revenue suggests effective utilization of services.

d) Efficiency of Processing loans

- Improved automation and digital processes minimized processing lag.

2.5.5 Leverage and Capital Sufficiency

BRAC Bank has a low-risk leverage profile:

- Debt–equity ratio under 1.0
- A good level of tier-1 capital contribution.
- Compliance with Basel III norms.
- Tier-2 capital strengthened by using subordinated bonds.

This guarantees strength during stressful situations.

2.5.6 Market-Based Performance Indicators

a) Market Capitalization

- Doubled between some Tk 57,596 million to some Tk 130,406 million (recent years).

b) Price-to-Book Ratio (P/B)

- Approximately at 1.0, which is fair market value.

c) Dividend Yield

- Between 1.5%-3%, with consistent returns.

d) Investor Confidence

- The increase of EPS and ROE had the effect of increasing interest of long-term investors.

2.5.8 Political transition Effect on Financial performance (Former Govt. Fall to Interim Govt.)

The 2024–2025 political turmoil affected the economy and the financial system.

a) Liquidity Pressures

- Withdrawals of deposits got higher in times of unrest; BRAC Bank tightened liquidity buffers.

b) FX Market Instability

- The country risk perceptions increased and made LC confirmation more expensive.

c) Export Delays

- Slow LC settlements were due to shipment delays by RMG.

d) NPL Pressure

- SMEs had a problem in the cash flow during political blockade.

e) Reduction in Non-Interest Revenue

- Reduction in trade volume had a temporary effect of reducing LC fees and amendment charges.

f) Post-crisis recovery

- Exports became stable in late transition; BRAC Bank experienced more LC flows and recovery of deposits.

2.5.8 Comparative, Vertical and Horizontal Analysis Framework Trend

Even though precise values cannot be calculated without using numbers, the following is the format:

a) Horizontal Analysis

Comparisons between years on growth trends in:

- Assets
- Deposits
- Loans
- Net profit
- Shareholder equity

b) Vertical (Common-Size) Analysis

- Revenue to expense ratios: Income Statement.
- Balance: Sheet: significant weights of assets and liabilities.

c) Comparative Industry Benchmarking

Compare BRAC Bank with:

- Eastern Bank
- The City Bank
- Dutch Bangla Bank
- Prime Bank
- UCBL

d) Du-Pont ROE Analysis

Break ROE into:

1. Net profit margin

2. Asset turnover
3. Equity multiplier

This is to show whether ROE is a product of profitability, efficiency or leverage.

e) EVA, MVA & Valuations

- EVA: Calculates real economic profit (not including cost of capital).
- MVA: The disparity of the market value and the book value of equity.
- DDM / P/E valuation: to know the fundamentals of share price.

2.5.9 BRAC Bank Accounting Practices

This sub-section gives a most in-depth analysis of the accounting systems of BRAC Bank.

2.5.9.2 Fundamentals of Accounting Adhered To

BRAC Bank follows:

a) IFRS

Used in order to provide transparency, comparability, and global consistency.

b) IAS (International Accounting Standards)

Financial instruments, property valuation, etc. used to recognize revenues.

c) Bangladesh Financial Reporting Standards (BFRS)

Localisation of IFRS/IAS that Bangladesh bank demanded.

d) Bangladesh Accounting Standards (BAS)

Applied to specialized banking items, like provisions and loan classification.

e) Bangladesh Bank Circulars

In certain situations, regulatory instructions take priority of IFRS.

2.5.9.3 Accrual Basis Method of Accounting

The bank operates on the accrual basis of accounting i.e.:

- Income is recognized on earning (not receipt of cash).
- Expenses are registered when they occur.

- Interest earnings are received on daily basis.
- There is pre-bad loan provisioning.
- Commission income of LC is subject to recognition once service stages are completed.

This makes sure that there is proper matching of income and expenses.

2.5.9.4 Evaluation of accounting cycle

BRAC Bank adheres to the entire cycle of accounting:

1. Transaction Identification

All banking deals (deposit, remittance, LC fee, loan dispensation) are logged on the core banking system.

2. Recording (Journal Entries)

Flexcube system generated automated entries.

3. Posting to Ledger

The transactions recorded in the general and subsidiary ledgers.

4. Trial Balance Preparation

To be accurate, daily and monthly trial balances.

5. Adjusting Entries

Lending towards loans, interest modulations, depreciation recording.

6. In the preparation of financial statements

Quarterly and annual regulatory statements.

7. Closing Entries

Income and expense accounts closed on an annual basis.

8. Auditing

Internal, external, inspection of the Bangladesh Bank.

Regulatory requirements mandate that all the elements of the accounting cycle are done to the letter.

2.5.9.5 Depreciation Methods Used

BRAC Bank uses:

a) Straight-Line Method (SLM)

- Most of the fixed assets (furniture, equipment, vehicles).
- Depreciation is evenly spread over useful life.

b) Computer Equipment - acceleration of depreciation

There are IT assets that consume higher rates as a result of rapid technological obsolescence.

c) Right-of-use assets (IFRS 16)

Depreciated as lease period.

2.5.9.6 Revenue Recognition Policies

a) Interest Income

Earned day to day, suspended in case of non-performing of the loan.

b) LC Fees

Known upon service performance (advising, transfer, amendment).

c) Foreign Exchange Gains/Losses

Realized according to the IFRS & the Bangladesh Bank FX regulations.

2.5.9.7 Accounting Disclosures

BRAC Bank discloses:

- Capital adequacy
- Risk-weighted assets
- Liquidity coverage
- Segment reporting
- Related party transactions

- Loan classification
- Provisioning details
- Market risk exposures
- Interest rate risk
- FX risk
- Corporate Governance compliance.
- CSR expenditure
- Environmental social and governance (ESG) conformity.

Disclosures are in accordance with the Financial Reporting Act, IFRS, and codes of corporate governance of Bangladesh bank.

2.5.9.8 Adherence to Regulatory Bodies

BRAC Bank follows:

- Prudential Guidelines Bangladesh Bank.
- Anti-Money Laundering (AML) legislation.
- Foreign Exchange Guidelines.
- Basel III capital adequacy regime.
- International Accounting Standards.
- Corporate governance systems.

Such culture of high compliance enhances international correspondent relationships.

2.5.10 Concluding report of the Financial and Accounting assessment of BRAC Bank

Strengths:

- High profitability growth in the year 2024.
- Effective mobilization of liquidity and deposits.
- Consistent capital base and average leverage.
- Strong accounting system in accordance with IFRS.
- Good transparency in disclosure.
- Effective risk management and provisioning.
- Strength in political instability.

Challenges:

- Political instability (former govt. fall) exposure.
- SME loan vulnerability
- FX market volatility
- Rising NPL risk post-crisis
- Dependence upon treasury revenue.

Outlook:

- With the Interim Government normalizing the macroeconomic situation, BRAC Bank will be able to grow by funding SMEs, conducting trade operations, and using digital banking.

2.6 Practices in Operations Management and Information System

The basic operational backbone of BRAC bank limited is the Operations Management (OM) and Information System (IS) practices which have allowed the institution to provide quality financial services on large scale. BRAC Bank being a technologically advanced commercial bank, this means that they incorporate elaborate information systems, automated workflow systems, digital transaction systems, compliance engines, and real-time data processing systems to maintain precision, effectiveness and service excellence. The operations management structure of the bank encompasses many functions- trade operations, cash management, card operations, clearing, foreign exchange, branch banking, SME operations, and digital banking. All these systems allow the bank to achieve quick processing speed, regulatory adherence, safe financial transactions, and interaction with customers hustle-free.

In this section, the operational design, digital infrastructure, information management systems, database platforms, and quality management practices, scheduling mechanisms, resource allocation mechanisms and integration of OM and IS in achieving operational excellence of the bank have been analyzed.

2.6.1 BRAC Bank Overview BRAC Bank Operations Management Environment

The BRAC bank has a decentralized but well integrated operational structure that integrates the conventional banking operations with the contemporary digital and automated operations. The Operations Division serves as the core to all the back-office operations that ensure timely processing of financial transactions, LC operations, payments, clearing, reconciliation and customer service support. All the units of operations division are integrated with digital workflow platforms, where tasks are performed in a synchronized, effective, and compliant way.

Explanation of Operational Structure

The business structure of BRAC bank is meant to support large volume transactions in its 187 plus branches, 465 plus SME unit offices, 350 plus agent banking outlets, and enormous digital customer base. To do this, the bank has teams that are specialized like Trade Operations, Card Operations, Clearing & Settlement, Cheque Processing, Treasury Middle Office and IT Operations. Every team has its operational guidelines which are stipulated by Bangladesh Bank, in-house audit standards, and international best practices (ISO, ITIL, and COBIT frameworks).

2.6.2 Information Systems to use in Data Collection, Data Processing, and Data storage

BRAC bank is immensely dependent on sound information systems (IS) to gather, store, and manipulate huge amounts of financial and customer information. These systems provide accuracy, security and availability of data- informative decision-making throughout the organization.

Core Banking System (CBS)

The bank has an Oracle FLEXCUBE Core Banking System that is the heart of information system of the bank and it combines all financial activities like deposits, loans, trade finance, payment processing and customer profiles, account statements and the general ledger activities.

Data Collection Capabilities

The IS of BRAC bank gathers data on:

- Branch transactions
- ATM/CDM/CRM machines
- Mobile banking (App)
- Internet banking portals
- SWIFT messages (LCs, remittances)
- Agent banking transactions
- POS terminals
- Trade documents
- Treasury operations

- Cheque clearing systems

This massive data flows into the central servers of the bank thereby facilitating real-time processing and reporting on the data.

Infrastructure Data storage

The bank uses:

- Tier-3 standard (centralized data centers).
- Backup data centers
- An encrypted cloud storage (limited functions)
- On-site high security servers.
- Facilities of disaster recovery (DR) sites.

Every site of storage has high-level cyber-security guidelines such as firewalls, intrusion detection systems, data encryption, and several-level authentication.

Data Processing Systems

The customer and transaction data is processed all:

- In real time (CBS-integrated)
- Automated reconciliation
- with automated reconciliation.
- Application of algorithm-based validation rules.
- In compliance filters of AML/CFT.
- With exception-handling modules automated.

Trade operations, LC settlements and foreign exchange transactions must process accuracy.

2.6.3 Information System Integration with Stakeholders and Clients

Digital Channels That Benefit the Stakeholders

The information systems at BRAC Bank allow effective flow of information with the clients, vendors, regulators, and the foreign parties.

- Mobile Banking Application to check balance in real-time, transactions, loan tracking.

- The Internet Banking Platform (IBBL) can be used by corporate clients to handle payroll, vendor payments, LC queries and to handle statements.
- SWIFT Network to communicate with the foreign banks in case of issuance of LCs, confirmation of payment and negotiation of the documents.
- SMS Banking to receive alerts and OTPs, as well as notifications.
- Rural customer in remote areas linked through Agent Banking System.
- Trade Processing Module for exporters and buying houses are required to manage the status of LC.

Stakeholder Interfaces

- Controllers (Bangladesh Bank): Automated reporting using the online reporting portals of Bangladesh Bank (CIB, FX statements, CAMELS indicators).
- Corporate Clients: Automated LC, TT and remittance updates.
- International Buyers/Suppliers: Correspondent banking by use of SWIFT and secure email gateways.
- Auditors and Internal Control: Compliance monitoring through real-time data access.

2.6.4 Databases and Office Management Software Use

BRAC Bank uses formal databases, enterprise software suites and office management systems to facilitate day to day operations.

Databases Used

- Oracle Database (CBS Flexcube)
- MySQL Database (to store the application level data).
- Microsoft SQL Server (hr, crm, internal systems)
- NoSQL (analytics and big data) platforms.

Office Management Software/ Workflow Software

- Microsoft Office 365 Enterprise: SharePoint, Email, Teams, OneDrive.
- Document Management Systems (DMS): Trade documents, audit files, LC papers: Secure handling.

- IBM Filenet / Enterprise Content Management System: This is an archiving and workflow automation system.
- Helpdesk Ticketing System (ServiceNow/JIRA): To support IT and identify issues.
- HRMS Software: Payroll, attendance, employee records, and leave.

Automation Tools

- RPA (Robotic Process Automation) is a tool used in repetitive tasks such as reconciliation, generation of reports.
- OCR (Optical Character Recognition) to read trade documents, invoices and LC forms.
- AML/CFT filtering and Sanctions checking Risk Scoring Tools.

2.6.5 Trade Finance Operations Management

One of the units that is the most technological is the trade operations department of BRAC bank. The efficiency of this department is witnessed in the exposure of the intern to LC repayment, voucher creation, and document forwarding.

Trade Operations Workflow

This department deals with issuance of LC, LC transfer, LC advising, checking of export documents, and payment processing, and reconciliation. The accuracy of these is high since trade papers have to meet the requirements of UCP 600, ISBP 745, and the guidelines of Bangladesh bank. Flexcube and SWIFT simplify the whole LC process - opening till payment.

Basic Trade Operations Systems

- Trade Finance Module (Flexcube): LC transactions are processed.
- SWIFT Messaging Platform: Sends international settlements of MT700, MT103 and MT202 messages.
- Filters Compliance AML/CFT automatic screening of documents and clients.
- LC Document Checker Module: Monitors discrepancy and document status.

2.6.6 Quality Management Practice

BRAC Bank adheres to the international quality management standards, which are analogous to ISO 9001 standards.

Quality Practices

The quality is enforced using the standard operating procedure, cross verification controls, digital authentication, document-level validation and customer service audits. Internal Control and Compliance (ICC) will make sure that every department adheres to the operational and regulatory guidelines.

Quality Management Activities

- SOP-driven operations
- Checking of trade documents.
- Monthly, quarterly, annual internal audits.
- Quality monitoring of customer service.
- LC processing zero-error goal.
- Meetings of continuous improvement.

2.6.7 Scheduling, Resource Allocation and Work load Management

Scheduling Practices

The banking processes are operated by strict schedules as the cut-off times of transactions (to be cleared, RTGS, LC payments, SWIFT messages, etc.) are time-sensitive. Automated scheduling tools are applied by operations teams to facilitate efficiency.

Resource Allocation

- **Human Resource Allocation:** employees can be allocated to work according to the workload every day (e.g., LC load should be more at the end of a month).
- **Shift-Based Operations:** Provides the 24/7 availability of the system.
- **Performance Dashboards:** Monitor the productivity of the staff.
- **Cross-Training:** Flexibility: Employees are trained to work in various functional areas.
- **Contingency Staffing:** Special teams when there is high export.

2.6.9 Data Protection, Disaster Recovery and Cybersecurity

Cybersecurity Measures

Being a big commercial bank, BRAC Bank spends a lot of money on cyber-security to ensure the safety of customer information, avoid fraud, and preserve the integrity of the system. The risk of cyber attacks became more significant in 2024-2025 in the middle of the political crisis, so greater security is necessary.

Security Tools

- Multi-factor authentication (MFA)
- Firewall and intrusion detecting.
- Data transmission through encryption.
- SOC (Security Operation Center) monitoring.
- DR (Disaster Recovery) Site that is real-time replicated.
- Periodic testing of penetration.

2.6.10 Integration of Operations and information system Practice

The IS integration is quite important in the operational efficiency of BRAC Bank.

Integrated OM–IS Benefits

The coordination of the operations management and information systems results in the minimization of manual work, eradication of delays, accuracy, transparency, and regulatory compliance. The operational processes such as LC processing, voucher entry, remittance payment, SME loan disbursement, credit scores, customer onboarding, and FX settlements are executed in integrated systems without any huddle.

Benefits

- Faster service delivery
- Reduced errors
- Real-time reporting
- Lower operational cost
- Improved risk management
- Increased customer satisfaction.

The operations management and information system practices in BRAC Bank are highly technologically advanced, discipline-driven, and strategically aligned with the present banking demands. The bank incorporates state of the art core banking systems, automated workflow, big data analytics, SWIFT interface, digital banking platform, cybersecurity systems, and compliance engines to guarantee effective and error-free operations. Its operations management aspects, such as resources allocation, scheduling, document processing, quality control, and customer service are geared towards ensuring that it is fast, accurate and complies with its regulations. As a unit, BRAC Bank is one of the exemplary cases of good operational governance and digitalization in the banking industry.

2.7 Industry and Competitive Analysis

BRAC Bank is located in one of the most competitive industries in Bangladesh, the financial services industry, which can be described by the high level of competition, the rapid evolution of technology, changing customer expectations, strictness of regulation, the necessity to develop new ideas on the market constantly. Banks in Bangladesh The banking sector in Bangladesh consists of more than 60 commercial banks (state owned, privately owned, foreign owned, Islamic banks as well as specialized banks) that compete against each other in deposit and loan, SME portfolio, RMG trade financing, digital banking, and corporate customers. In this regard, BRAC Bank has staged itself as a global leader in terms of private commercial bank with high SME control, superior digital capacities, and superior trade finance service, and a powerful brand image.

In an attempt to appreciate the competitiveness of the firm, the section looks into BRAC Bank using the Five Forces model, along with a detailed SWOT analysis of the strengths that are common, imitable and unique strengths that give BRAC Bank its competitive advantage.

2.7.1 Porters Five Forces Analysis

The Porters Five Forces of the Bangladesh banking industry presents a big picture of the competition in the industry.

2.7.1.1 Threat of new entrants- moderate

Even though the financial industry seems to be appealing with its high profitability and market size, it is important to note that to enter the banking sector in Bangladesh, one would need:

- Minimal capital requirement (BDT 500 crore+).
- Firm licensing by Bangladesh Bank.
- Broadly speaking, adherence to Basel III capital adequacy requirements.
- Massive investment in technology, cyber-security and infrastructure.
- Building the trust and reputation over the long run.

These obstacles make new entrants of new banks in the market less probable. However:

- Fintech firms, MFS providers (bKash, Nagad) and online microfinance platforms are also becoming new entrants in the context of digital competition to banks.

Overall:

Potential new entry threat is medium-level- -it is challenging to enter the traditional banks, yet digital entry can be threatful.

2.7.1.2 Supplier Bargaining Power- Low to medium

Examples of suppliers in banking include:

- Depositors
- Employees
- Technology vendors
- Capital providers (investors, shareholders).
- Correspondent banks

The depositors are moderate in that they have power due to:

- The customers would be able to change banks with ease in search of better interest rates or services.
- There is high competition among the banks, and this enhances the importance of depositors.

The bargaining power of employees in specialized departments such as trade operations, credit risk, treasury also has power because there is demand of experienced staff.

Nevertheless, technology suppliers and financial providers possess low power due to the diversification of suppliers and global technology platforms among banks such as BRAC Bank.

Overall:

The power of suppliers is moderate, though manageable.

2.7.1.3 Buyer (Customer) Power -High.

The bargaining power of clients in the banking industry, retail, corporate, SME, RMG exporters, buying houses, is high because:

- Presence of several other substitute banks.
- Low switching cost
- High customer awareness
- Price sensitivity to interest rates charged on loans and returns that are received on deposits.
- Improved quality service delivery of the competitors (e.g., EBL, City Bank, Dutch Bangla Bank)

Corporate clients and exporters are sensitive to low LC rates, expediency, and advanced digital solutions.

Overall:

The bargaining power of customers is strong, and it is one of the key competition mechanisms.

2.7.1.4 Threat of Substitute Products -High.

The alternatives to conventional bank services include:

- Mobile Financial Services (MFS) such as bKash, Nagad, Rocket.
- Fintech lending platforms
- Agent banking alternatives
- Digital wallets (e.g., Tap, Upay)
- Cooperative credit societies
- Microfinance organizations (Grameen, BRAC, ASA)
- Peer-to-peer lending (emerging) and crowdfunding.

These alternatives offer:

- Faster transactions
- Lower cost
- Digital interfaces that are user friendly.
- More accessibility in rural localities.

This requires banks to be innovative at all times.

Overall:

Threats of substitutes are high because of the fast digital disruption.

2.7.1.5 Industry Rivalry – Very High

Banking is a very competitive industry in Bangladesh.

Rivalry exists over:

- Deposit acquisition
- SME loans
- Corporate loans
- Trade finance (LC operations)
- Digital banking dominance
- ATM/CDM/CRM network coverage
- Brand reputation and customer experience.

Major competitors include:

- Eastern Bank Limited (EBL)
- The City Bank (American Express).
- Dutch-Bangla Bank (DBBL - digital innovator)
- Prime Bank
- UCBL
- Islamic bank Bangladesh Limited.
- -Standard Chartered Bank (foreign leader)
- Rivalry intensifies due to:
- Similar product offerings
- Price competition
- High marketing expenditure
- Digital transformation at a quick pace.
- Customer demands to receive faster and safer services.

Overall:

The competition in the industry is extremely high and is growing.

2.7.2 SWOT Analysis of BRAC Bank

SWOT analysis will help to understand the internal strengths and weaknesses of BRAC Bank and external opportunities and threats of the financial sector.

2.7.2.1 Strengths

BRAC bank possesses several strengths that help it to have a competitive advantage:

Strong SME Leadership

BRAC Bank is a well established market leader in SME financing having more than 465 offices of the SME units throughout the country. This allows penetration of the markets and loyalty of the customers.

Strong Trade Finance Strengths

The bank offers highly developed trade services, such as the issuance of LCs, transfer of LCs, processing of export bills as well as dedicated solutions to purchase houses. It has one of the best LC systems in the country which is transferable.

Strong Brand Reputation

Customer trust in BRAC Bank lies in its parent organization which is BRAC, the largest NGO in the world in addition to high governance and ethical banking culture.

Digital Transformation and Innovation

This is because the bank is technologically competitive through its digital platforms, which include mobile banking, internet banking, agent banking, and automated trade modules.

Diversified Portfolio

The bank possesses a balanced retail, SME as well as corporate client base that minimizes the concentration risk.

High Liquidity and Good Capital Base

Stability is achieved by continuous increase in deposits and government security investments.

High Compliance Standards

The bank is a strong follower of the regulations of the Bangladesh Bank, AML/CFT guidelines, and IFRS.

2.7.2.2 Weaknesses

High Exposure to SME Sector

Though SME is strength, it is also a weakness since the SME clients are very sensitive to political disturbances, inflation and disruptions in the supply chain.

Higher Operating Costs

The cost structure will be more expensive with maintenance of large SME field teams and manual trade operations than banks with less than as many branches.

Migration Issues in the System

Massive digital transformation may also cause technical problems and customer discontent.

Limited Global Presence

BRAC Bank does not have extensive international presence as compared to Standard Chartered or HSBC.

2.7.2.3 Opportunities

Demand of Trade Finance is high

The RMG industry in Bangladesh is still on the rise which gives the opportunity to LC operations, export finance and FX income.

Increasing Demand of Digital Banking

The increasing use of smartphones will enable BRAC Bank to increase mobile banking, QR payments and agent banking.

Untapped Rural Market

Further expansion of the bank can be done through agent banking and SME banking.

Partnerships with FinTech's

Another way to hasten digital innovation is by collaboration with fintech companies.

Economic Stabilization of the Post-Interim Government

Recovery of economic activities following the change in politics boosts the demand of loans and trade services.

2.7.2.4 Threats

Banking is a high competition industry

The threats of aggressive competitors are significant.

Political Instability

The collapse of the former Government in 20242025 interrupted the supply chains, decreased the export, and accelerated the risks to the NPL.

The currency exchange rate is not fixed and instead changes with fluctuations in the global economy.

Foreign Exchange Volatility

The effect of depreciation of the taki on the importers and exporters affects the LC.

Cybersecurity Threats

The levels of digital fraud and hacking are on the increase all over the world.

Regulatory Pressure

Interest capping, liquidity, and provisioning regulations in Bangladesh Bank are able to influence profitability.

2.7.3 Competitive Advantage Analysis

This discussion finds the actual competitive advantage of BRAC Bank.

2.7.3.1 Common Strengths

Most banks have these, BRAC Bank is not alone in its strengths:

- Wide branch and ATM network
- Corporate and general retail banking.
- Normal LC and import export facilities.

- Core banking systems
- Internet banking (industry-standard) and digital applications.

These are strengths needed, which do not establish sustainable advantage.

2.7.3.2 Imitable Strengths

The following strengths are a competitive advantage that may be imitated by the competitors over time:

- Strong marketing campaigns
- Digital loan products
- Trade finance processes and teams.
- SME-focused branches
- Better channels of customer service.
- In-house compliance practices.

These can be emulated by other banks through time and investment.

2.7.3.3.3 Unique Competitive Advantage

These are the strengths that are hard to replicate, durable and rare to find in BRAC Bank:

Small and Medium Enterprises Dominance in Bangladesh

BRAC Bank possesses an SME network that is widely spread and in depth as compared to any other bank. This ecosystem of SMEs required 20+ years of development.

BRAC Legacy & Social Trust

The bank has an unparalleled credibility, trust, and goodwill with the BRAC.

Expert Buying House Solutions

Its model of transferable LC substitution in house purchase is original, very efficient and hard to emulate on large scale.

State-of-the-art Trade Operations Infrastructure

The SWIFT automation, document-checking skills, highly sophisticated compliance tools, and LC processing velocity create a competitive advantage.

Well-trained Human Resource

SME field officers, trade operations staff and treasury analysts have a special experience and training that is not easily replicated.

The best Governance Culture

The bank has ethical governance, transparency and accountability which distinguishes the bank among others.

2.7.4 Positioning of BRAC Bank in the industry

BRAC Bank stands as:

- An SME banking market leader.
- An elite trade finance provider.
- An excellent brand with national confidence.
- A bank with an innovation-driven and digitally advanced bank.
- A well-compliant and risk culture financial institution.

BRAC bank has a high competitive advantage in a highly competitive industry due to its unique SME network, digital infrastructure, strength of trade finance, and its governance standards.

BRAC Bank competes in a very competitive environment in the financial sector that is characterized by stiff competition, new replacement, strict customers and effective regulatory environments. The bank remains competitive with maintaining competitive advantage through excellent SME dominance, excellent trade finance capacity, enhanced digitalization systems, and unmatched reputation based on the legacy of BRAC. Although there are threats of political instability, regulatory pressure, and digital competition, the strengths of BRAC Bank, especially its special capabilities, help it to sustain its leadership in the industry and be sustainable in the long-term.

2.8 Summary and Conclusions

Chapter gave a very broad and multidimensional overview of BRAC bank limited as the internship host organization, providing a detailed insight into its operational setup, managerial outlook, marketing, financial performance, accounting, and digital transformation, industry competitiveness, and institutional effectiveness. The chapter has identified the way BRAC Bank has become one of the most successful commercial banks in Bangladesh by way of BRAC Bank having a substantial SME presence, developed trade financing services, well-developed information technology systems, a well-developed governance system, and a stable financial base through the numerous subsections. The sections as a whole depicted how the bank has aligned itself with the national economic priorities, regulatory compliance frameworks as well as global banking standards.

BRAC Bank leadership and management practices revealed a good balance between democratic and participative leadership styles, which allowed engaging employees in their activities, innovating, and enhancing the improvement process. The areas of human resource planning, recruitment strategies, compensation structures and training systems demonstrated the way the bank invests in the creation of skilled, motivated and well governed workforce. The practices have helped the company achieve efficiency and reduce risks and service excellence particularly in sensitive organizations such trade operations and SME lending.

The marketing strategies adopted by the bank focused on customer-centricity and targeting by segments, online branding and high positioning in the market. BRAC Bank is effective in market segmentation by dominating the SMEs, offering integrated trade finance solutions, and providing high-level digital platforms. It has enhanced its competitiveness in a highly competitive and fast changing financial sector through advertising, online outreach, branding, and new product development.

The financial performance analysis indicated that BRAC Bank has been profitable, liquid, leveraged equally, and with better operational efficiency within the last 3-5 years, although it has been facing several challenges, such as inflationary pressures, global economic volatility, and high political instability following the fall of the Former government in 2024. The shift to the Interim Government first interrupted financial flows and trade operations but eventually helped stabilize it slowly. Its strong capital structure, diverse sources of income, well-developed treasury management, and strict cost control can be proven by the financial recovery that the bank demonstrated in this period of time.

Regarding the accounting practices, BRAC bank is in full compliance with IFRS, Bangladesh Financial Reporting Standards, Bangladesh Bank regulations and international auditing requirements. Its accounting methodology, careful classification and provisioning of loans, transparency in its financial reporting accounts and full adherence to the entire accounting process shows its devotion to proper reporting, responsibility to its stakeholders and financial integrity.

The operation management and information system practices have brought out the good technological base and digitalization of the bank such as in its Oracle Flexcube core banking system, SWIFT messaging, enterprise data centers, automated trade processing modules, and strong cyber-security systems. The quality management, allocation of resources, schedule and automating the workflow are all reliability, accuracy, and customer satisfaction to all service channels.

Lastly, the industry and competitive analysis repositioned BRAC Bank to the strategic location in Bangladesh dynamic banking industry. The chapter took various findings using the Five Forces and SWOT analysis, as follows: the bank experiences a high customer bargaining power, increasing digital disruption, however, it enjoys unique strengths in unmatched SME penetration, specialized buying house solutions, a trusted brand identity, and strong governance, which offer sustainable competitive advantage.

To sum up, BRAC Bank is a strong and forward-thinking and strategically stable financial entity. Its leadership skills, technological capabilities, good financials, diversified services, and customer-focused orientation make it grow further and dominate the changing banking environment in Bangladesh. The knowledge acquired in this chapter is a powerful basis of the following analysis, findings, and recommendations of this internship report.

2.9 Recommendations

According to the thorough review of the BRAC Bank organizational structure, its operational efficiency, information system practices, financial performance, management strategies, and competitive positioning, some significant recommendations and implications can be made. These proposals are oriented to improving the performance of excellence, intensifying digital innovation, customer experience, reducing risks, and consolidating the bank in a long-term strategic context in the face of increasing competitiveness and technological sophistication in the banking environment.

1. Enhance Digital Banking System and Cybersecurity

BRAC Bank has achieved a lot in the field of digital transformation. Nevertheless, the high rate of digitization in the world and increasing cyber threats require more investment.

Recommendations

- Enhance safe cloud technology in dealing with storing customer data and disaster recovery.
- Install superior AI-based fraud detection systems to monitor transactions in real time.
- Ensure penetration testing, security audits, and cyber-drill simulations.
- Improve the use of biometric authentication in both mobile and online banking.

Implications

The enhanced cybersecurity will minimize risk of fraud, improve consumer trust, and ensure that regulatory cyber rules are met or exceeded particularly as digitalization becomes more prevalent.

2. Enhance trade process efficiency

Besides the general workflow optimization that can be realized given the nature of trade finance being the core of the BRAC Bank portfolio, there are occasions to streamline the workflow due to your experience in the LC processing as an intern when you were at the bank.

Recommendations

- Install robots checking documents (AI-OCR) and identify LC inconsistencies.
- Limit human intervention in the data entry by imbibing the trade documents into the core banking system.
- Prepare a specific online portal where houses/exporters can get real-time status of LC.
- Enhance employee education of revised UCP 600/ISBP rules to minimize errors in paper reviewing.

Implications

The changes will result in less processing time, fewer errors, higher customer satisfaction and better LC turn around time- enhancing competitiveness in the RMG and export market.

3. Increase and broaden SME and Rural Banking Presence.

The SME ecosystem is the biggest competitive advantage of BRAC Bank. Enhancing this network even further will hasten the financial inclusion of the whole country.

Recommendations

- Expand the agent banking branches in areas that are underserved.
- Introduce micro-insurance and micro-pension among the rural entrepreneurs.
- Increase the digital credit scoring models to speed up the SME loan approval process.
- Enhance SME-based financial literacy.

Implications

Increased SME outreach will increase loan expansion, economic growth, and resistance to the bank when there is an economic slowdown.

4. Improve the Quality and Management of Customer Service

The competition of agile fintechs, digital wallets, and MFS platforms is increasing customer demands.

Recommendations

- Adopt an omnichannel CRM system that will combine branch, call center, mobile, and online channels.
- Implement customer satisfaction dashboard and AI-based feedback analysis.
- Lessen the branch level bureaucracies to enhance customer experience.
- Make frontline staff be more trained on communication and problem-solving skills.

Implications

The outstanding customer service will enhance loyal customers, promote brand awareness, and minimize the churn rates in a very competitive market.

5. Investment in Advanced Data Analytics and Business Intelligence

Business banks need profound data insights to be competitive.

Recommendations

- Establish a special data analytics unit to handle big data of digital channels.

- Predictive analytics can be used to predict loan defaults, churning of customers, and transaction trends.
- Installing automated MIS dashboards to enable real time performance monitoring.
- Include AI tools in the risk scoring, credit appraisal, and portfolio analysis.

Implications

The use of data-driven decision making will increase accuracy, solid risk management and improve profitability.

6. Empower Risk Management to Counter Political and Economic Instability.

The political shift in Bangladesh (deposing former government and the emergence of Interim Government) demonstrated that there was a weak political risk and debt repayment ability.

Recommendations

- Stress-test SME and corporate portfolios through political disruption.
- These include enhanced diversification to lessen the over-exposure to politically sensitive parts and divisions.
- Consolidate early warning systems (EWS) on loan defaults prediction.
- Improve contingency planning of trade finance disruption.

Implications

An adequate risk structure will ensure that the bank is not at risk in future due to instabilities, economic shocks, currency volatility, and increment in NPL.

7. Enhance Human Resource Management and Turnover

The employees of BRAC Bank are one of the key factors to its success, particularly in the trade operations, SME banking, credit risk, and compliance.

Recommendations

- Implement systematic leadership training to the middle-level managers.
- Provide staff who perform well with retention bonuses and performance-based rewards.
- Add to the investment in employee well-being and stress-management programs.

- Increase the cross-department mobility to promote careers.

Implications

Enhanced HR practices will make the staff more motivated, less turnover, and more skilled and committed.

8. Broaden ESG (Environmental, Social, Governance) Activities.

Sustainability and responsible finance are emerging as the core values of global banking.

Recommendations

- Introduce green financing programs of environmentally friendly plants and renewable energy.
- Adopt sustainable procurement practices.
- Engage more transparency in the reporting of the ESG in accordance with global standards (GRI/IFC).
- Empower social impact initiatives of women entrepreneurs and rural populations.

Implications

Better ESG profile will attract foreign investors, enhanced reputation, and make BRAC Bank in line with sustainable banking trends.

9. Improve Co-ordination of Operations and Information Systems.

The effective integration will decrease the manual dependence and delay in operations.

Recommendations

- Automate completely the reconciliation, vouchers and LC settlement reporting.
- Move out old systems to new cloud-based systems.
- Fortify the dialogue between the IT departments and the operations managers.
- Periodically upgrade and review the core banking system in order to improve speed and functionality.

Implications

This will minimize operational risks, better service delivery, cut on human error, and become digital-ready in the future.

To sum up, BRAC Bank stands at a good position to retain its top position in the financial sector in Bangladesh. Nevertheless, to maintain the long-term competitive advantage in the face of increasing digital disruption, customer demands, regulatory risks and political uncertainties, the bank should keep innovating and enhancing its operations, risk management, digital infrastructure and people strategies. These recommendations will help BRAC bank to become more efficient, minimize operational risks, increase financial inclusion, strengthen its market share, and improve its reputation as a reliable and future-proof banking organization.

Chapter 3

Resilience Amid Political Transition: How BRAC Bank Maintains Profitability in Post Leadership Bangladesh

3.1 Introduction

3.1.1 Background and Problem Statement

2024 was a historic political twist of the Bangladesh nation where the established political order was followed by an extensive social chaos, and the dramatic falling of the former government on 5 August 2024 (The Daily Star, 2024). This was not that moment of a political break; it was the culmination of increasing public dissatisfaction with institutional decay, increased corruption, and the apparent abuse of state apparatus, at least in the financial arena. Over the past 10 years the Bangladesh banking system was subjected to a serious scrutiny by the local stakeholders, international financial bodies, and the media because of off-putting loan default rates, politically driven lending, regulatory laxity and unprecedented rates of capital flight.

After the transition, several studies, ordered by the interim government under the leadership of Professor Muhammad Yunus, found out the extent of systemic corruption. A third-party examination of global auditing firms recommended that it was estimated that about USD 17 billion had been drained out of the banking sector in the last 10 years due to irregular lending, fraudulent dealing and business cartels with political links (Reuters, 2025). Further Estimates of the government white paper changed USD 16 billion per year of money laundered in the regime, which further drained national reserves and destroyed confidence of people in the financial institutions (Asia Financial, 2024). These revelations proved the old held suspicions that the financial system of Bangladesh had been undermined structurally, with the banks, in particular the state-owned and politicized institutions, taking the brunt of the blow (Dhaka Tribune, 2024).

It is against this crisis background that the interim government started one of the most exhaustive reform agendas ever in the history of Bangladesh economy. Its goals were to bring about stabilization of the macro-economic environment, confidence in the banking and capital markets and an underlying re-organization of the regulatory environment. In the banking industry, these reforms involved the abolition of bank boards, the merging of insolvent banks, forensic auditing, anti-corruption investigations as well as the introduction of new transparency rules. Such actions indicated the abandonment of the patronage-based system of financial governance in favour of one that was more rule-oriented. Although these changes posed short term uncertainty, they also brought in chances of healthy and well managed banks to enhance their competitive grounds.

Under these conditions, BRAC Bank PLC, with its excellent oversight systems, digital banking leadership, and SME-oriented lending model, was a significant point of interest to scholars who wanted to appreciate the organizational resilience in times of systemic change. As most banks experienced difficulties due to increasing NPLs and liquidity stress and reputational crisis, BRAC Bank announced excellent financial performance prior to and afterward of transition. The fact that it has been able to remain profitable, keep its classified loan ratios low and ultimately emerge as the first bank in Bangladesh to cross USD 1 billion in market capitalization is a strong argument of the way internal governance practices and external political shifts interact to produce financial results (Dhaka Tribune, 2024).

In this way, the research problem that will be pursued in the study is as follows: How did BRAC Bank succeed in preserving and even increasing its profitability when the entire country was going through restructuring of the economy, and what was the contribution of changing governance structures, both in the bank and in the regulatory framework at large to this success? Placing BRAC Bank in the framework of the overall macro-political and reform-based environment, this chapter aims at discovering the processes by which stable financial institutions should manoeuvre in unstable political surroundings.

3.1.2 Objectives

- Assess BRAC Bank's financial Performance using Ratio Analysis before and after the political government collapse in 2024
- Analyze key financial indicators like profitability, governance and investor confidence.
- Explore the impact of national reforms following the political transition on BRAC Bank
- To find whether BRAC Bank's resilience was due to internal strengths or external reforms.
- Provide insight into how political changes influence banking performance in Bangladesh.

3.1.3 Significance

The present research is important in a number of ways. First, it adds in academic literature on how politics transitions relate to the performance of financial sector- an area where there is a lack of empirical data in South Asia. Second, the research identifies how the integrity of organizations can help to curb vulnerability in times of national turmoil by concentrating on BRAC Bank, a leader in its industry when it comes to governance and innovation. Third, the report can provide policy implications on regulatory agencies, and how systematic reforms, including better oversight, anti-corruption implementation and bank consolidation, could make financial institutions stronger, and restore market confidence. Lastly, the paper has practical implications on investors, growth alliances, and industry players who need to be informed about the nature of banking stability in the newly formed economies where there is a political restructuring.

3.1.4 Scope of the Study

The timeframe of this chapter runs between the beginning of 2023 and mid-2025, which encompasses not only pre-transition vulnerabilities but also post-transition reforms, which influenced the financial situation. This analysis focuses on the financial statements, market disclosures and the governance practices of BRAC Bank and places this analysis in the broader context of regulatory changes, stock-market changes and management of foreign-exchange reserves and anti-corruption efforts. Even though the main case study is BRAC Bank, the chapter also reflects wider sectoral trends, such as forced mergering of troubled banks, reforming of the central bank and reforms driven changes in the market sentiment to offer a holistic picture of the environment that the bank operates in.

3.2 Literature Review

The correlation between the transitions in the political sphere, the stability of the banking sector, and the profitability has been examined in a variety of economies, but Bangladesh is still under-represented in the academic literature. The literature available in the banking system in the country has largely discussed structural flaws of the country, including a high number of non-performing loans, failure to implement governance, and regulatory loopholes, whereas literature with links to political change and sector performance is a relative rarity. This is quite a significant gap considering that Bangladesh has always had a history of banking practices that are influenced by politics and have been influencing the performance of the institution over the decades.

The studies on the determinants of bank profitability in Bangladesh have always given consistent results by indicating some fundamental variables. A body of literature has recognized capital sufficiency, asset quality, and income diversification as factors being extremely important to sustainable profitability. Indicatively, a highly referenced panel-data study carried out in 2021 revealed that non-interest income, size of bank and robust capital base have a considerable positive effect on profitability of the Bangladeshi banks, whilst high operating costs and high default ratio harm the financial performance (Ahmed & Uddin, 2021). Such results are consistent with the trends observed in the rest of the world, that is, it has been indicated that those banks with more diversified revenue bases and a strong capital buffer are in a better position to absorb external shocks.

The other body of literature is the emphasis on the subject of corporate governance due to its increasing significant role in the global financial ecosystem. The 2019 to 2024 studies on corporate governance in Bangladeshi banks always indicate that the quality of governance in form of board independence, transparency, risk-control mechanisms, and compliance culture is closely linked to long-term financial stability (World Bank, 2021). BRAC Bank comes out as a benchmark institution in this literature. Its leadership in SME financing, transparency initiative, as well as adoption of digital banking have been pointed out as examples of good governance mechanisms that lead to increased profitability and minimization of operational risks by scholars. An analysis of CSR and governance practices in Bangladeshi banks in 2025 made BRAC Bank one of the most compliant, socially-responsible, and digitally-advanced organizations in the industry, which further corroborates that effective governance is the foundation of financial resilience (Rahman & Chowdhury, 2025).

In international literature, a political transition is mostly linked to economic instability, loss of investor confidence, and the financial system upheaval. Comparative transition analysis of Pakistan, Sri Lanka, and Nepal has shown that the political instability mostly has a downward effect on the stock market, weakens currency stability and elevates credit risk among the banks. Nevertheless, it is sometimes possible that reforms that have been introduced through transitional periods bring about opportunities in terms of structural changes, better governance and investor optimism. This is a two-sided effect of risk and the opportunity created by the reform that is one of the key themes in the works on the political economy and performance of the banking sector.

Past political transitions in the case of Bangladesh did not result in massive financial restructuring. However, as it has been stated in literature on crisis periods, including the post-2009 global recession and the years of 2020-21, which saw the pandemic, it has always turned out that banks that have a stronger governance system performed better than weaker ones during periods of uncertainty. This trend is reflected in the larger financial literature across the globe, which is strongly hinting at governance maturity as a shock absorber against macroeconomic shocks.

The politically-economy studies applicable to Bangladesh also point to the degree to which lending behaviour and the response of regulation can be determined by the state capture and political interference. The development of non-performing loans in the state-owned and private banks has been reported to be a result of accessing loans by influential business groups by way of political patronage. This literature is directly connected to the necessity of the sweeping reforms that the interim government will take in 2024-2025. According to scholars, it is impossible to resolve systemic corruption without structural change - i.e. tightening regulations, forensic investigations of financial frauds, and the bailout of troubled banks all of which were done in this time (Rahman & Chowdhury, 2025).

There is a growing literature that underlines the significance of digital transformation in banking resiliency, especially in developing nations. The long-term focus on digital banking, SME-oriented services, and credit score based on the data provided by BRAC Bank has often been mentioned as an example of how a modern financial institution can free-sail in the turbulent conditions. Research conducted in 2022-2024 indicated that banks that had a robust digital infrastructure were much better off in the case of a crisis, mainly because they had lower operational costs and better customer outreach and risk management.

Lastly, the studies of financial markets in Bangladesh demonstrate that the connection between the political stability and the performance of the stock-market is rather weak. Historical reviews show that the Dhaka Stock Exchange has been hit severally by severe slumps in the times of political unrest, but it is likely to cane back to its feet whenever serious reforms have been undertaken. This is in line with the international evidence that investor sentiment usually depends on the rule-of-law standards and perceived integrity of the regulatory bodies. These patterns of the world are highly reflected in the dramatic decline of the DSEX in early 2024 and its quick recovery on the back of the interim government reform program.

Collectively, the literature available has a solid conceptual base on which the resilience of BRAC Bank as it passed through the political transition process in Bangladesh can be studied. Previous studies prove the strength of governance, diversification of income, digitalization, and capital sufficiency as critical in the assessment of the ability of a bank to prosper in the period of uncertainty (Ahmed & Uddin, 2021). Nevertheless, the only aspect that has not been researched sufficiently is the relationship between such internal advantages and macro-level political shifts and systemic reforms, and this is what the given study tries to fill in. This chapter, therefore, places BRAC Bank on the nexus of organizational capacity and political-economic change, creating a new contribution to the body of scholarship in both banking and governance studies.

3.3 Methodology

The methodological design of the proposed research will consist of quantitative financial analysis and qualitative policy review to create a comprehensive picture of the performance of BRAC Bank before and after the political transition in August 2024 (Bangladesh Bank, 2024). Due to the depth of the topic, in which the bank profitability, governance changes, macroeconomic indicators, and political trends collide, a mixed-method research design will enable the study to reflect both numerical patterns and contextual changes that contributed to the formation of the external environment of the bank.

To supplement these bank-specific financial indicators, the paper will use more sizable market data, Dhaka Stock Exchange (DSE) index, turnover volumes, and sector-related stock performance, in order to place BRAC Bank into the context of Bangladeshi financial market (The Business Standard, 2024). Since the stock market is a measure of investor sentiment, the movements of DSE enable them to know how investors viewed political events, reforms, and stability of the banking sector. Considering the fact that the DSEX plummeted sharply in early 2024 only to recover afterward under the interim government, it offers an invaluable background on why BRAC Bank is the first bank in the country to reach USD 1 billion in market capitalization (The Daily Star, 2024). These more expansive financial variables are therefore the environmental variables that determine the bank-level results.

The use of ratio analysis was necessary due to a number of reasons:

1. Detection of Crisis: Ratios indicate the initial liquidity and solvency risks in times of political instability.
2. Comparison Across Periods: Comparisons can be made between pre- and post-transition periods using them.
3. Governance Assessment: Ratios include NPL, ROE, ROA, and reveal the effect of the governance reforms on the functioning of banks.
4. Benchmarking Stability: Liquidity and profitability ratios indicate the strength of BRAC bank compared to the declining banking sector in the country.

5. Investor Interpretation: Ratios show underlying financial health of bank which the investors relied on to redefine the market value of BRAC Bank.

Ratio analysis is the surest way of objectively evaluating the stability and performance of a sector that is going through a change of leadership, forced mergers, forensic audit and liquidity shock.

Mixed-method design has explanatory and interpretive functions. Quantitative data help determine whether the financial performance of BRAC Bank was enhanced or worsened with the passage of time whereas qualitative data help to determine the reason why changes took place. The combination of these two stands of analysis in the methodology gives us a holistic approach of looking at the resilience of the bank in a political chaotic environment. This will make sure that the research does not put the financial performance on these individual variables but rather acknowledge the relationship between institutional governance, macroeconomic reforms, investor confidence, and structural changes in the banking sector.

3.4 Findings and Analysis

In order to have a strict and multi-dimensional assessment of the performance of BRAC Bank in the Bangladesh political transition, the paper uses a comprehensive ratio analysis. Ratio analysis is also necessary since financial statements are insufficient to demonstrate the underlying liquidity risks, operational pressures, and asset-quality deterioration or solvency vulnerability, particularly at volatile political times. Ratio analysis is even more important in transition economies, where the macroeconomic shock, regulatory change, and the change in the confidence of the population are likely to impact the financial health of banks, but such impacts cannot be reflected in the profit statistics. Thereby, liquidity, profitability, solvency, and efficiency and asset-quality ratios enhance the depth of the analysis of this study.

Corporate Governance and Non-Performing Loans Management: One of the reasons behind the success of BRAC Bank:

As an intern at BRAC Bank under the supervision of Ms. Shamima Siddiqua, who works in the Foreign Export Trade Operations department, I was able to understand the reasons behind the performance of the bank. Among the most important issues that my supervisor emphasized was the importance of good corporate governance in the low Non-Performing Loan (NPL) ratio of

BRAC Bank, which was below 4, which is significantly lower than the national one of more than 10.

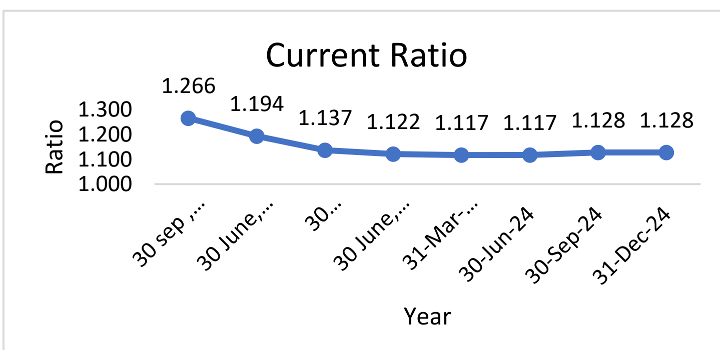
- Ms. Siddiqua highlighted that the NPL ratio of BRAC bank is a consequence of its good corporate governance such as proper credit screening, risk management and compliance with regulatory frameworks. The transparency, accountability and ethical business practices by the bank have ensured that the process of loan approval is strong and the non-performing loans are manageable even during political and economic instability.

- This not only minimizes the risk of credit, but it also assists in the sustenance of the bank in the hard times. The good governance structure is one of the factors that make BRAC Bank perform better than other banks of Bangladesh who have experienced greater NPL ratios because of political interference and irregular lending practices.

This response of Ms. Siddiqua is one of the main sources of information about the significance of corporate governance in NPL management and provides the better perspective on the role played by BRAC Bank internal practices in the context of its resilience and financial well-being.

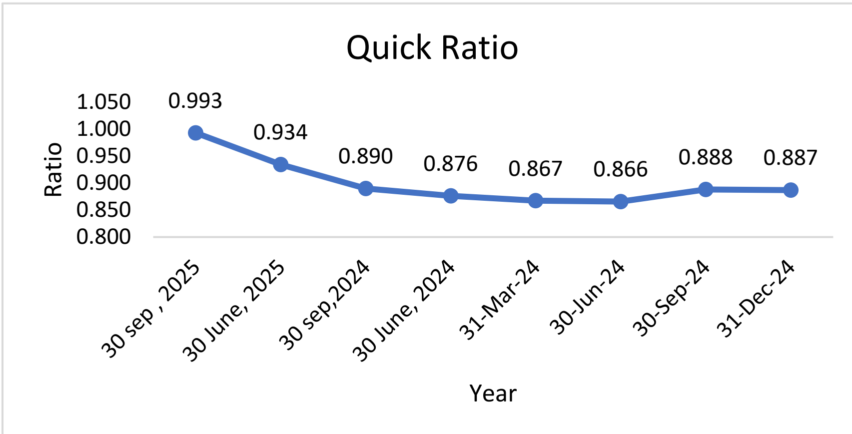
3.4.1 BRAC Bank's Pre-Transition Financial Position

- Current Ratio between the period of December 2023 and September 2025 demonstrates the tendency of the gradual consolidation of liquidity. The ratio began with a figure of 1.128 (Dec 2024) but it slightly increased to 1.137 (Sept 2024) and then to 1.266 (Sept 2025).



This consistent positive trend proves that BRAC Bank had a consistent capacity to cover the short term liabilities, even though it was going into a season of political instability and market volatility.

- The Quick Ratio is expected to continue following the same trend, going down to 0.887 (Dec 2024) and then 0.867 (Mar 2024), and then back up to 0.993 (Sept 2025). A Quick Ratio of or near 1.0 shows that the liquid assets of the bank (cash, treasury investments and others) were virtually adequate to cover the immediate liabilities without the use of



inventory or illiquid assets a good indication of sound liquidity management. It is significant considering that, in early 2024, most Bangladeshi banks were said to be struggling with critical liquidity issues caused by the mismanagement and corruption (Asia Financial, 2024).

The liquidity enhancement is also coupled with the reform of the interim government to stabilize the banking sector by compelled mergers, recovery of siphoned money and increased regulation of the liquidity status of banks (The Business Standard, 2024). This is an indication that BRAC Bank enjoyed the regulatory clean-up that assisted in enhancing depositor confidence and stabilizing cash flows.

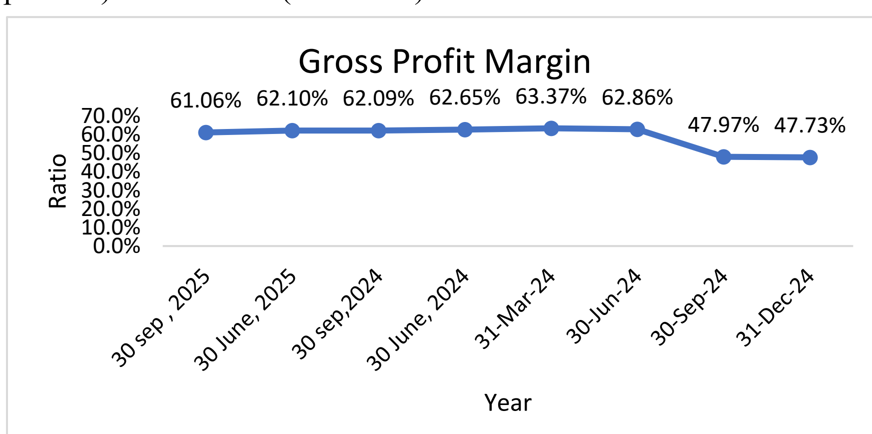
BRAC Bank PLC is one of the institutions that had been able to maintain financial discipline in the run-up to the dramatic political shift of August 2024, in an increasingly problematic national financial environment. In 2023 and early 2024, the macroeconomic environment was characterized by shortage of liquidity, escalating inflation, strain on foreign-exchange reserves, and growing mistrust in the way the banking sector in Bangladesh was run. Many banks - state owned, as well as various commercial lenders, were accumulating significant classified loan losses and deteriorating capital adequacy in terms of the structural inefficiencies that years of political arm-twisting in lending decisions had built up. However, within this problematic environment, BRAC Bank proved to be financially solid to an extent that other institutions are not.

As of 2023, BRAC Bank had consolidated net profit of Tk 8.28 billion which is quite impressive given that the loan recovery rates were low and the currency fluctuations that defined the year (Bangladesh Bank, 2024). This has been successful because the bank had a well-dispersed income base, a well-functioning treasury, and a long-standing focus on the digital transformation, which enabled it to ensure the continuity of services and efficient operations of the bank even during the periods of intermittent disruption of physical channels. In addition, the credit screening and risk management strategy were effective in limiting the non-performing ratio of loans in the bank. By September 2024, BRAC Bank had freed its classified loans to no more than 3 percent of its total disbursements, a figure which was much healthier than that of the industry, many times higher.

The most remarkable sign of the BRAC Bank financial strength at this pre-transition stage was the spectacular improvement of profitability in 2024 many of which had been realized even ahead of the fall of the government in August. The bank achieved the highest profit of Tk 14.32 billion during the entire year which is an increase of 73 percent in comparison with the previous year and the respective earnings per share also increased to Tk 6.95 as compared to Tk 4.30. Those data indicate that BRAC Bank not only had been maintaining its stability, but also developing its profitability by prioritizing its business with SMEs, careful asset distribution, and fast digitisation. Basically, BRAC Bank went into the political transition process not as a weak organization but as one of the few of its kind by strength and the maturity of their operations.

3.4.2 Post-Transition Strengthening Under the Interim Government

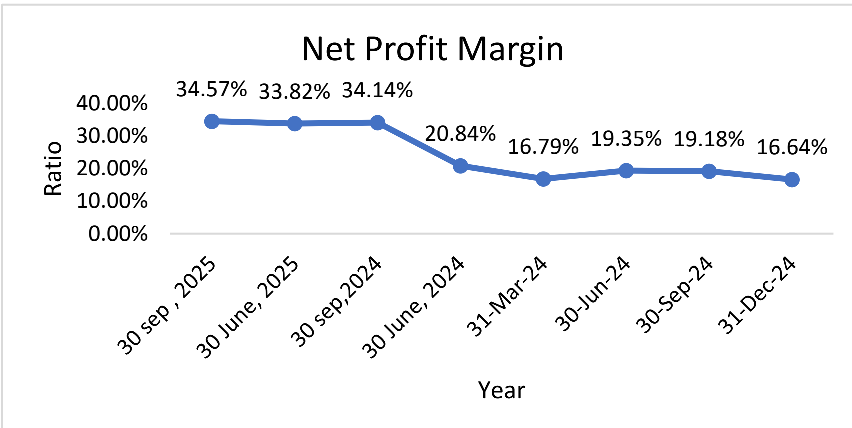
The Gross Profit Margin (GPM) has also been very strong during the period of the work, between 62 and 63, between December 2023 and June 2024. It is showing a fall in the final quarter of 2024 to 47.97% (Sept 2024) and 47.73% (Dec 2024). This decline indicates that the bank is witnessing



a rising cost to operate, and the overall industry is witnessing an increase in the amount of provisioning as the systemic corruption was unveiled before the political transition (Financial Times, 2025).

Nonetheless, in 2025, GPM became stronger once again, reaching more than 61 percent, which is an indicator of the recovery of operations. The recovery in greater margins may be explained by the unchanged investment income of BRAC Bank and its enhanced regulatory conditions due to the governance changes that were developed by the interim government (IMF, 2024).

- The Net Profit Margin (NPM) exhibits more shock and recovery pattern. NPM falls enormously to 16.79% (Mar 2024) but then returns to 19.18% (Sept 2024) before regaining its ground at 34.57% (Sept 2025). This upward movement indicates that the bank has the



capacity to cut some of its operational inefficiencies and recover profitability since the political transition, in line with national evaluation where the economic normalcy is reported to have improved in 2025 (Reuters, 2024).

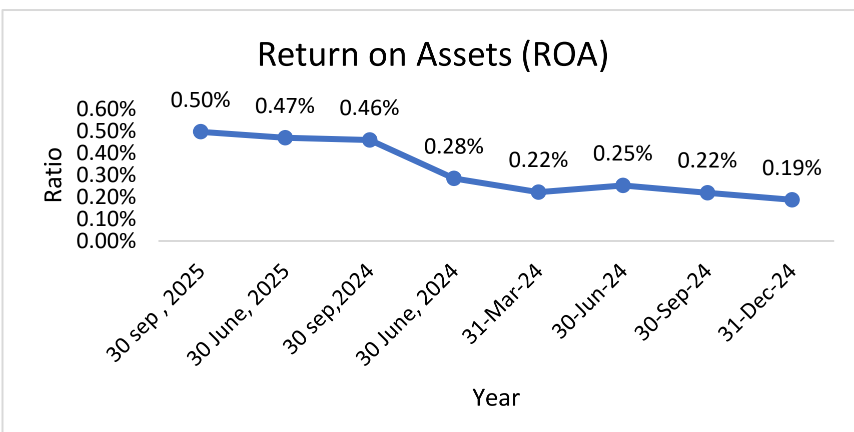
The most interesting part of the BRAC Bank path is the manner that its performance will change following the seismic events of August 2024. The political transitions, particularly the abrupt change of regime is normally a blowback to the investor confidence, disruption of capital flows and destabilization of the financial sector. But this was the opposite of what had happened in the case of Bangladesh. The political shift became a time of reform acceleration, increased regulatory oversight and a conscious effort to reinstitute order into the financial institutions. These changes never hampered the operations of BRAC Bank, but rather enabled the bank to perform even better and triumph in the market.

During the first half of 2025, the BRAC Bank achieved one of the best interim performance ever. The investment income also increased by 71 percent with an increase of Tk 1,191 crores to Tk

2,044 crores in a period of twelve months (The Financial Express, 2024). At the same time, half-year profits grew by 53 percent, to Tk 906 crores. Such outcomes were not mere improvements of numbers but signs of a bank that was now able to fit in the new reformist environment. The newfound discipline over the monetary policy by the government helped the treasury operations in BRAC Bank, and its digital operations saw increased activity as people avoided banks with questionable reputations by those that were believed to be transparent and well-regulated.

The reawakening investor confidence during the post transition phase was especially in the capital market. In the start of the revival of the Dhaka Stock Exchange, which was on a multi-year low, the banking stocks spearheaded the recovery. It is against this backdrop that BRAC bank made another history by becoming the first and only bank in Bangladesh to exceed USD 1 billion in market capitalization (Dhaka Tribune, 2025). The success was not only due to a lack of investor confidence in the integrity of BRAC Bank but also because the financial sector was going through a new period of accountability and stability (The Business Standard, 2024). It was a symbolic move out of the patronage-based banking tradition of the past and it was an indicator of how the market approved of reform-based governance.

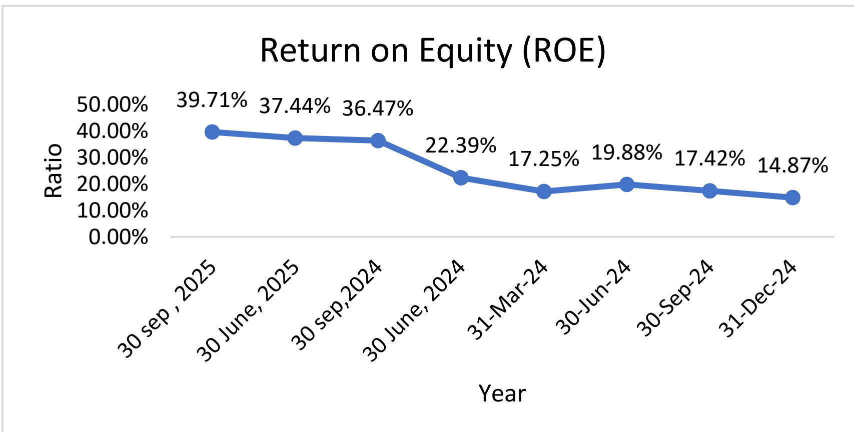
- The ROA trends indicate the internal efficiency of the use of assets of BRAC Bank. The increased provisioning, tightening of liquidity and credit crises during the period of crisis make ROA decrease to 0.19% (Dec 2024), as compared to 0.46% (Sept 2024).



Nevertheless, by 2025, it will recuperate to 0.50, which indicates the quality of assets and a greater income of the treasury.

This revival reflects the overall financial system stabilization of Bangladesh with the adjustment of the FX reserves to less secretive values and enhancement of the banking governance under the interim government (The Financial Express, 2024).

- ROE is equally on the downward trend with a fall to 36.47% (Sept 2024) and 14.87% (Dec 2024) as banks were initially shocked by the sector wide shock. The fact that the bank recovered to its 39.71% (Sept 2025) in a short period indicates that the bank had been able to recover shareholder value better than most of the institutions in the country. It is



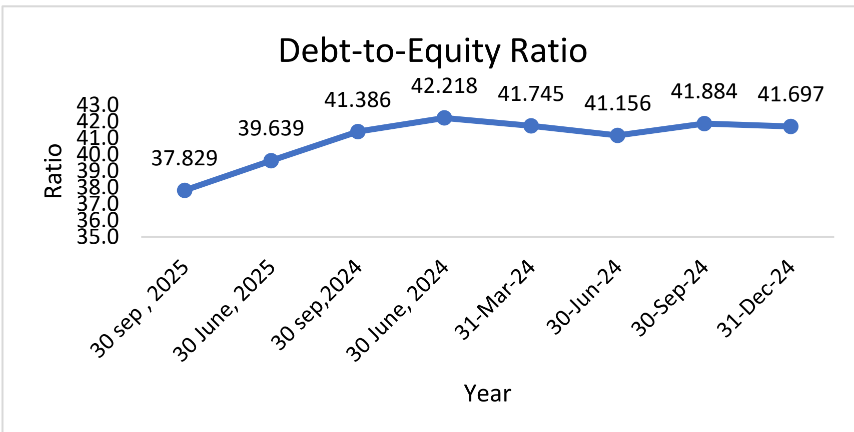
consistent with the news that BRAC Bank is the first bank in Bangladesh to have a market cap exceeding USD 1 billion, which is an indication of high investor trust (Dhaka Tribune, 2025).

3.4.3 Banking Sector Reforms After the Transition and Their Impact

The change of government brought about one of the greatest and well-organized reform programs that the banking sector in Bangladesh had ever witnessed. These reforms radically changed the environment in which financial institutions were operating and had a direct effect in the performance of BRAC Bank through regulation fairness and minimized systemic risks which had a long time been affecting the industry.

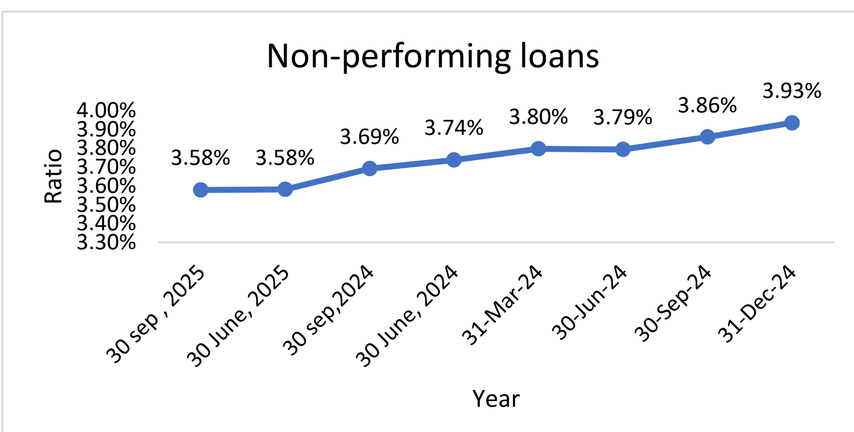
Aggressive anti-corruption campaign by the government was one of the most changeable reforms. Over the years, politically linked borrowers had been enjoying impunity when it comes to loan defaults and laundering money. This was overturned by the interim government who put up investigative committees with the details of investigating into financial irregularities, fraud in loans, and offshore transfer of the assets. These enquires revealed billions of dollars in fraudulent money and led to a legal examination and scrutiny never seen before on major business organizations. At the same time, the Bangladesh Bank signed contracts with international auditing firm to perform a forensic audit of the banks that were suspected to have been part of the loss of the USD 17-billion which was reported after the transition. Accountability started to trickle down the financial system like never before; weaker banks were having to face structural deficiencies and those institutions that had a good compliance culture were being rewarded.

- Debt-Equity (D/E) Ratio was rising at a slow pace (37.829 in Sept 2025) and moving to 42.218 in March 2024, and then stayed at approximately 41.641.8 throughout the rest of



the year. BRAC Bank managed to maintain its solvency within a manageable level unlike many other troubled banks in the country, and it did not have to rely on debt extensively.

- A careful, yet moderate increase in the NPL ratio can be observed: 3.74% (Mar 2024) → 3.80% (Jun 2024) ,3.86% (Sep 2024) → 3.93% (Dec 2024). This marginal decrease is



anticipated, given that the whole banking sector was struggling with bad loans of the past, a significant number being those that were connected with political figures and failed to repay them under any penalty in the last regime (bdnews24, 2024).

Nonetheless, BRAC Bank NPL ratio remaining under 4 yet the national average was over 10, is an indicator of its good governance and credit screening, which is significant since the interim government was cracking down on the willful defaulters.

The marginal growth in the crisis months can be attributed to the short-term funding pressures which were common in the national banking system as the corruption investigations paralyzed the liquidity in the weaker banks (The Daily Star, 2025). Nevertheless, the stabilization was fast after the transition and it proves that BRAC Bank was structurally sound and did not have excessive leverage risk even in the case of systemic shocks.

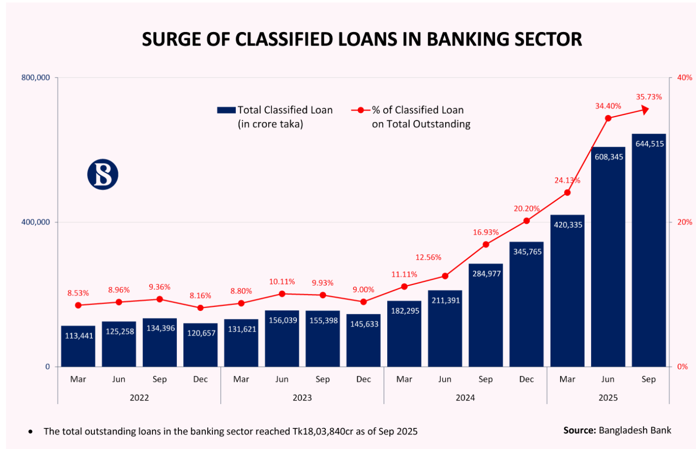
The other significant aspect of reform was the involuntary amalgamation of troubled banks and five of the Islamic banks had their boards abolished and their positions taken by administrators. These banks had always suffered chronic ineffectiveness such as extreme liquidity crunch, inadequate capitalization and overblown NPLs under political covers (The Business Standard, 2025). Their merging also has eliminated substantial systemic risk on the financial landscape thus eliminating the spill-over risks that would have been experienced even by the healthier institutions. This restructuring was beneficial to BRAC Bank because the competition playing field changed to include not the politically shielded institutions but those based on commercial discipline.

There were also monetary and foreign-exchange reforms, which were very important in the environment of the performance of BRAC Bank. The interim government put measures to eliminate over-invoicing, fortify remittance flows and stabilize reserve reporting. Even though foreign-exchange reserves decreased to USD 18.6 billion in late 2024 partly because of the transition to more accurate reporting, the consequent stabilization activities enhanced predictability of liquidity to banks. The treasury operations of BRAC Bank came across less distortions, as the more disciplined exchange-rate management and matching IMF-supported policy conditions contribute to the increased investment income in 2025 (Dhaka Tribune, 2025).

Capital market reforms also added to the stronger position of BRAC Bank. The former regulatory world was repeatedly criticized as selective enforcement and allowing of the manipulating practices. The interim government brought in reforms that restored investor confidence by promoting greater transparency and less political influence in the Securities and Exchange Commission. Consequently, the DSEX started enjoying a significant recovery wave, a factor that aid in boosting the prices of bank stocks, especially to banks such as BRAC bank that had always been reputed to be upright (The Business Standard, 2024).

3.4.4 Discussion: The Crossing of Governance Strength and Political Transformation.

The conclusions that are drawn together are that the resilience of BRAC Bank cannot be attributed to external reforms or internal strengths, but instead the response that is generated between the two. Bank was going into transition with a good governance structure, solid capital base, good quality of assets and diversified sources of income. These internal attributes enabled it to endure the early turbulence which was due to political upheavals (Dhaka Tribune, 2025). Nevertheless, the reforms which took place since August 2024 enhanced these advantages as they made the regulatory environment more equitable, transparent, and disciplined.



Where most banks had been used to the long-term survival by politicking, unsustainable lending, or exploitation, BRAC Bank had developed a culture of professionalism and risk management that put it in a better position to survive in the new reformist paradigm. Therefore, the post-transition success of the bank is not merely a testimonial of the organizational strengths of the bank, but also an approving commentary on the financial reforms put in place by the transitional government in general. The combination of them demonstrates how political changes, which are usually perceived only in terms of risk, can open up the possibilities of institutional transformation and a more stable financial position.

3.5 Summary and Conclusions

The discussion in this chapter brings into view a convoluted but also interesting story of financial strength placed within one of the most significant political changes in the modern history of Bangladesh. The overthrow of the Former administration 5 August 2024 and the resultant rise of the interim government under professor Muhammad Yunus significantly altered the architecture of the government of the banking sector. Although this kind of political discontinuity can be very destructive in a system, in the case of Bangladesh, the post-transition phase was filled with a strong shift toward reform, transparency, and institutional accountability, which became very important in redefining the performance of banks through the whole sector.

The experience of BRAC Bank during this time can be a valuable case study of organizational endurance and elasticity. This is because in the preceding years, the bank was already a governance-based institution with diversified revenue model, disciplined approach to credit risk, and a ground-breaking digital banking structure. These internal strengths came in handy to enable the company to remain stable at a time when most of the banks were struggling with liquidity problems, growing non-performing loans, and their reputation. Although vulnerabilities in the entire industry are prevalent, BRAC Bank posted a consolidated net profit of Tk 8.28 billion in 2023, and the figure dramatically increased to Tk 14.32 billion in 2024, by 73 percent year-on-year (The Financial Express, 2024). The strategic clarity and operational maturity that has been infused in the organizational culture can be seen in the capacity of the bank to remain profitable in a poorer macro-financial environment.

The 2024 political change instead of destabilizing BRAC Bank triggered a series of circumstances which added to its financial results. The transitional government began an overhaul campaign against the old ills within the banking system such as politically-based lending, corruption and the general hiding of anomalies in loans (The Financial Express, 2024). The government brought some form of regulatory discipline that had never existed before through forensic audits, anti-corruption probes and consolidation and forced merger of troubled banks. Banks that had good compliance cultures, reputable balance sheets and clear systems of operation became the natural benefactors in this new environment (The Financial Express, 2024). BRAC bank, having laid its focus on governance and sound financial management, was on the leading edge of this realignment.

This trend has been confirmed by the performance of the bank during the post-transition period. The bank recorded 71 percent growth in investment income, 53 percent growth in half-year profits, and made a historical feat by becoming the first institution in Bangladesh to capitalize in the market at USD 1 billion (The Daily Star, 2025). These outcomes are not only on an enhanced operational performance but also a newfound investor confidence whether nationally or globally in the long-term prospects of the bank.

This interpretation is supported by the context in the wider area of banking. The revival of the Dhaka Stock Exchange after a long time of decline, the stabilization of the foreign-exchange reserves after years of mischaracterization, and the adoption of the IMF-congruent financial governance indicators all marked a structural change of the banking environment. These developments coupled up with the reforms made by the interim government changed the incentives, behaviors and expectations in the financial system.

After all, the conclusions of this chapter demonstrate that the resilience of BRAC Bank as an organization is the result of dynamic interaction between internal organizational power and external structural changes. The disruption of 2024 was a trigger point that led to the financial sector being rejuvenated, and governance-based institutions such as BRAC Bank emerged to consolidate their leadership in an industry that was previously characterized by malpractices. The work of the bank is the testimony to the fact that the political change, combined with the honest intentions to reform, can provide the conditions of more financial stability and better institutional responsibility.

3.6 Recommendations and Implications

The results of this chapter have significant implications to BRAC Bank, financial regulators, policymakers, investors, and academics who would like to know the relation between governance, political change, and the performance of the banking sector. According to the analysis, there are some important recommendations to make (Bangladesh Bank, 2025).

In the case of BRAC Bank, the most important suggestion is to carry on enhancing its governance and compliance structure, which has been the most prominent sources of strength throughout the political transition. With the banking industry being consolidated and scrutinized more than ever before, BRAC Bank will require preserving its competitive edge by ensuring that internal controls are solid, audit mechanisms are tightened, and risk analytics are invested in. The bank must also consider spreading its SME lending and retail lending activities which it has traditionally been good at and through digital financial services, increase access to credit and bring down operational costs and customer experience. Moreover, BRAC Bank can consider the opportunities of issuing long-term financial instruments, including sustainability bonds or digital finance products, in order to diversify its funds and encourage greater confidence on the market.

To policymakers and regulators, the results underscore the need to maintain the reform movement that was launched in 2024-2025 (Financial Times, 2025). The compulsory merging of troubled banks, forensic audit, and the role of investigation into corruption has helped a great deal in restoring the confidence in the financial sector. These gains however rely on the sustainability of these gains through sustained implementation of regulatory standards, maintenance of central bank independence and institutionalization of transparent banking practices. The regulators are recommended to adopt measures that are more effective in early-warning frameworks, capital adequacy requirements, and more stringent loan-classification frameworks to avoid a repeat of the susceptibility that defined the pre-transition banking environment.

Investors can see the case of BRAC Bank revealing the permanence of investment strategies that are driven by governance. The market-cap achievement came to the bank is an indication of how shareholders reward companies that are transparent, have good risk management, and are strategic enough, particularly in times of political upheaval. NPL ratios, digital adoption rates, capital adequacy, and compliance strength are some of the indicators that investors should be watching when being bank stocks of emerging economies (Financial Times, 2025).

This study presents a number of avenues to be used in future research. There could be comparative studies of resilience in other banks in Bangladesh or could go further and conduct case studies of the region that can explore how a political transition affects resilience in the banking-sector reforms in South Asia. Moreover, future research may determine the sustainability of reforms provided by the interim government on the financial wellbeing of integrated institutions, the stability of the entire sector, and investor attitudes.

To sum up, the case of the BRAC Bank in the political changes of 2024-2025 in Bangladesh shows that the unstable times may also act as the time of rebirth. With institutional power and structural adjustments this can lead to a more transparent, robust and fair financial system. The performance of BRAC Bank highlights the paradigm shift of governance (both institutional and across the regulatory environment) in influencing the financial outlook of a country that is experiencing a substantial political and economic change.

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Appendix

BRAC BANK

Private & Confidential

Ref: BBL|HR|Offer|2500007V|753455

September 23, 2025

Ms. **Tahera Tarannum Nawme**
3/16 Iqbal Road, Mohammadpur, Dhaka-1207, 3/16 Iqbal Road, Mohammadpur, Dhaka-1207
Mohammadpur, Mohammadpur
., Dhaka,1207

Sub: Letter of Internship

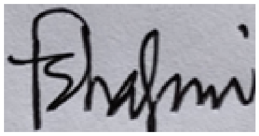
Dear Ms. **Tahera Tarannum Nawme**

We are pleased to offer you an internship program with BRAC Bank Limited for a period of 3 months in **Trade Operations Department** of **Operations Division** from **September 23, 2025.** You will be provided an honorarium of Taka **10,000.00** per month.

Please note that any information and data collected by you during the course of your internship should be kept confidential at all times.

You are required to respond to this offer by September 29, 2025. We appreciate your interest in BRAC Bank Limited.

With Regards



Farhana Sharmin Sumi

Head of Human Resources

Human Resources Division
BRAC Bank Limited

In case of any queries, please connect with us @ recruitment@bracbank.com (mailto:recruitment@bracbank.com).

Offer electronically accepted by: Nawme, Tahera Tarannum
Offer electronically accepted on: Sep 23, 2025 3:48 PM
Offer electronically accepted from: 202.134.9.145

Ratio Analysis file:

Tahera_tarannum_n
awme_brac bank an