Report On

Impact of BRAC Bank's Agricultural Finance Initiatives on Rural Development

By

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19204013

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

BRAC Business School
Brac University

July, 2024

Declaration

1. It is hereby declared that

2. This Internship report is done by my/our own work for completing a degree at BRAC University.

3. This work has not been reported previously, and that it is original text material written by the authors alone, other than as correctly cited via complete and correct referencing.

4. This report has not been used for the basis of admission to any degree or diploma at any other university and it reports on research undertaken by the students so far.

5. Main sources of help (acknowledged in relation to this submission)

Student's Full Name & Signature:

____

Fatema Tuj Zohora
19204013

Supervisor's Full Name & Signature:

____

Riyashad Ahmed

Assistant Professor of Finance & Director of Programs (MBA & EMBA)

BRAC Business School

Letter of Transmittal

Riyashad Ahmed

Assistant Professor (Finance) & Director of Programs - MBA/EMBA

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Report on Internship Experience in BRAC Bank Ltd. titled as Impact of Agricultural Finance Initiatives for Rural Development by BRAC Bank Limited

Dear Sir,

I am proud to share this my 1st professional opportunity with BRAC Bank where I started as an intern in February, 2024; in the sector of SME & MFI division, Agriculture department. So, I have selected the area of Impact of BRAC Bank's Agricultural Finance Initiatives in Rural Development to do my internship report.

I have aimed to fill this report with relevant information and well-concerned advice in a way that's both clear and concise.

I strongly believe that the report will fulfill expectations.

Sincerely yours,

_Fatema______________________

Fatema Tuj Zohora
19204013
BRAC Business School
BRAC University
Date: June 20, 2024

Acknowledgement

This internship report was able to be achieved with the help of many people who have worked patiently and diligently providing advice and suggestions greatly contributing to the aimful accomplishment of the internship report . This report has never been possible without several wonderful individuals whom I wish could thank enough. There are some truly phenomenal individuals who deserve special recognition.

First of all, I will give thanks to our academic supervisor, Riyashad Ahmed who is Assistant Professor of Finance and Programs (MBA & EMBA) BRAC Business School, BRAC University. I am grateful for the continuous tracking, supervision and provision of information that was a milestone in fulfilling this presentation. And also thanks to my co-supervisor Saif Hossain, director of BBA program & Assistant Professor for his superlative support.

I gratefully remember Mr. Liton Kumar Biswas, Supervisor of: SME banking division :BRAC bank for providing guidance to me during my internship period as well. In the final stage I also want to thanks our department head of SME & Agriculture Taposh Kumar Roy and Relationship Manager of BRAC Bank Limited SME Division; Ummi Habiba , Mitali Roy , Md Tanvir Islam Ovi & Rayhan Ahmed for providing me a little bit corporate world opportunity where words like discipline, appearance so on get high.

A heartfelt thank you to all of my amazing companions and the members of my family who have stood by me truly through this journey as well as students, colleagues and whoever supported me along the way.

Executive Summary

This report provides an in-depth look at my internship experience with BRAC Bank PLC, focusing on the responsibilities I undertook, the impact of my work, and the obstacles faced. It begins with an overview of BRAC Bank, detailing its organizational structure, operations, and background. A key highlight of the report is the impact of BRAC Bank's Agricultural Finance Initiatives on rural development. By supporting rural farmers and collaborating with Micro Finance Institutions (MFIs) and SMEs, BRAC Bank serves an essential role in improving the standard of living, productivity, and income levels in these communities. Additionally, these initiatives promote enduring farming practices and empower women economically. Despite these positive outcomes, challenges like deficiencies in financial understanding and climate-related risks remain areas of concern.

Keywords:, Rural Civilization Impact, Sustainable Agro Outdoor and Indoor Microfinance Institutions,), Agriculture Financing, BRAC Bank PLC

Table of Contents

Chapter 1 - An Introduction to Internship

1.1 Student Information

- Full Name of Student: Fatema Tuj Zohora
- ID: 19204013
- Degree: Bachelor of Business Administration
- Major/Specialisation Finance and Accounting

1.2 Internship Information

1.2.1 Period, Company Name, Department/Division, Address.

- Period, Company Name; Department/Division -MA- /Address
- Period: From Date 2/2/2024 to Date 20/05/2024
- Organization: BRAC Bank PLC
- Department: Agriculture Finance at SME & MFI department
- Address: Anik Tower, 220/B Bir Uttam Mir Shawkat Sarak (Tejgaon), Dhaka 1208

1.2.2 Line Manager Information

- Supervisor: Liton Kumar Biswas
- Designation: Relationship Manager

1.2.3 Job Scope:

SME(Small & Medium)

- Monitor the creditworthiness of small farming enterprises
- Tailor suitable agriculture-based financing solutions
- Questions of agriculture financing risks and mitigation efforts
- A customer centered market based on agriculture producers
- Learn how you will differ your investments in the farm industry
- Financial literacy of farmer owners

MFI(Micro Finance Institute)

- Conduct transcend work within the countryside
- Payout Microloans to independent farmers and rural entrepreneurs.
- Capacity building and training for microfinance;
- Monitor and Evaluate Outcomes of Microfinance Interventions
- Ensure your internal policies and legal standards are met.
- Closely cooperate with stakeholders to promote financial inclusion development.

1.3 Reflection of Internship:

1.3.1 Contribution to the company

This project is a unique opportunity for me to help the SME and MFI division of BRAC Bank Ltd in its Agriculture Department by delivering credit mare specifically tailored to meet unmet credit requirements of small business agriculture enterprises and individual farmers. During the Internship, I think after a few meetings & discussions with the SME division, MFI division, Agriculture Finance department of BRAC Bank, I started understanding more on the financial side in agriculture finance like risk associated with credit at agricultural concerned region-field type, loan structure issues etc. I also got to see how the microfinance initiatives on ground were functioning; performing tasks like doing outreach programmes, disbursing loans and training clients. From this experience, I have also developed valuable customer relationship skills and advocate for financial literacy in agricultural entrepreneurs by participating actively in these functions. This was my first chance of a lifetime to see how finance institutions contribute to economic equity and development in rural communities. As a whole, I was given an opportunity to learn applicable skills; gained exposure to corporate matters and cultivated essential networking opportunities within one of the top Fin-tech firms dedicated towards farm solutions.

1.3.2 Benefits to the student

I learnt a lot and got to experience the actual work at a large banking company like BRAC Bank in my 3 month long internship. Every single day at BRAC Bank was full of excitement, laughter and something new to learn. Internship opportunity at BRAC Bank SME & MFI division - Agriculture Finance section compresses life for students. Intern will also get real time exposure in SME banking, Microfinance and inclusive finance. Intern will also get hands-on experience related to SME banking, Microfinance including practical financial analysis skills and credit evaluation along with project assessment. Working alongside industry experts, gives interns a real-world insight into the financial services sector and familiarizes them with innovative approaches to development finance.

Enrolling in networking events also allows interns to interact with other enthusiasts and practitioners who will become potential contacts for careers or mentors. But, I get a bit of opportunity to converse face-to-face with the raw farmers and get to know what they do with loan funds in their farming. I did the NID verification for loan disbursement in many regions like Rajshahi, Pabna, Barisal and more. The professional portfolios of the interns are enriched with a sense of accomplishment by working towards worthy initiatives that raise financial inclusive practices for rural areas. In addition, interns undergo personal development through enhancing soft skills (e.g. cooperation and communication in diverse environment)

I ended up going to work and worked from 10 a.m. - 5 p.m. at my office. My potential job asked for 7:30 but every so often I had to help out with the rest of my team until around five, which was totally fine because I wanted to work there. Apart from that, I've gained professionalism when it comes to attire; lunchroom etiquette; elevator manners etc. Overall it was a fantastic professional experience with BRAC bank and I'm sure this will be beneficial for my future career.

Overall, BRAC Bank SME & MFI division internship is a complete learning experience, besides getting exposure in hands-on work it also helps to develop practical skills which enable the students for an impactful career in development and finance.

1.3.3 Difficulties

At the beginning, my problem with BRAC Bank was that I had to communicate all around the board and let's be honest here I'm not much of a people person it took me a while to warm up with colleagues. Although, from time to time my supervisor and the rest of the line-up educated me on how exactly the team works. So, as new interns in the company who will be soon to finish deadlines. It must have been a hell of a battle - struggling to catch up, convincing herself that she too belonged in this autoclave workplace. This kind of crap started getting on my nerves because there was literally nothing more that I wanted in life than to enter into my new internship and get the ball rolling. But with the kindness and assistance of others, it was easy to get everything done in no time and let go of that anger. They also give interns access to a very limited amount of resources. Interns are not even given basic items such as calculators, or SIM cards yet managers often put up task access gates. My assigned laptop is not working because of technical problems, including internet disconnection and it might even be dead. It has been struggling since I have been relying on my intern partner's Laptop to get things done.

1.3.4 Recommendations

BRAC Bank PLC created an exciting environment which was new but also very comfortable for the interns. Everyone is a nice, helpful person that interns can easily connect with. Basically, I would recommend that companies have a certain type of jobs and resources designated for them , to make it an easier and more efficient way for each intern to integrate themselves with the business. Furthermore, it would enable them to make more out of their summer training program. But, first of all the organization should be concerned that for the organization to expect even more productive work from interns and in return provide them better tools & required facilities. I was finding it a bit hard for me, I had no modern laptop and my PC at work . Interns should get in sync with entertainment to help them feel good about their work, this is how organizations could expect more without retrenchment. Second, the transport service should be available for interns over and beyond. Moreover, the best interns could receive full-time roles as per their work motive.

Chapter 2: Organization Part

BRAC Bank PLC

2.1 Introduction

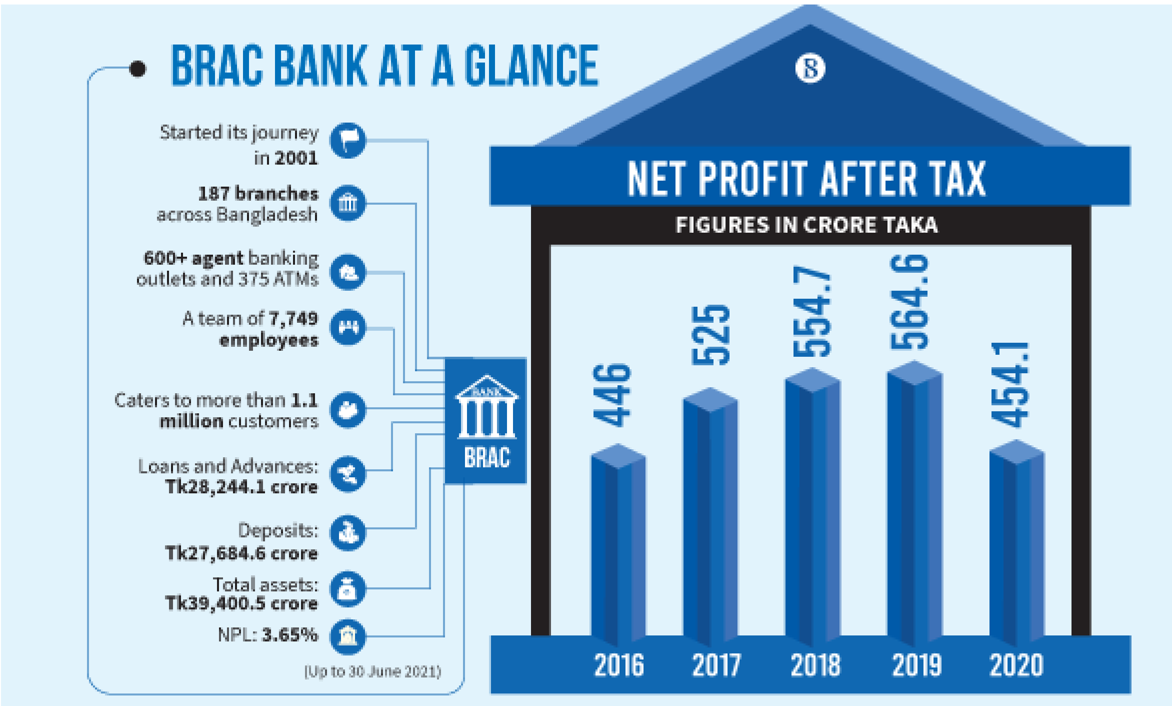
For a BBA degree, students at the BRAC Business School must take the BUS 400 (4 credit) course from BRAC University. Students must take internships where they will gain hands-on experience as well as learn to apply what they were studying in class. This report is an account of the internship I carried on in BRAC Bank PLC as part of my SME & MFI division Internship program, Agriculture Finance department. My paper has priorities on BRAC Bank department, history and roles. This chapter of particular study will serve the objective to portray BRAC Bank Ltd and its presence in the Banking sector of Bangladesh.

2.2 Company Overview

BRAC is the largest non-governmental organization in terms of numbers based on 1972 solutions, established by Sir Fazle Hasan Abed from Bangladesh. In its mission to empower people, BRAC undertakes extensive social empowerment initiatives through microfinance and livelihood programmes as well as investments in essential services such as healthcare education for humans more generally. Over the years, through creative and scalable means of transforming lives sustainably in Asia and Africa. BRAC was created in 1972 and continues to push the boundaries of what is worth possible for creating real solutions that hit at root causes. Its dedication to social justice may have started as an insurgency but has become a relentless will on behalf of billions of people to be more worldly wise when paired with global cross collaboration.

2.2.1 History

BRAC Bank PLC is a pioneer private business commercial bank in Bangladesh, which was founded by the legendary social reformer activist and educator Fazle Hasan Abed as an affiliate of BRAC in 2001. He is the finance representative of Bangladesh, working with GABV in a company which has over 60 million customers and worth more than $200 billion dollars that have been represented by approximately 70 companies to associate from all other continents named Asia, Africa. Smaller firms are known as small and medium-sized enterprises, or SMEs - form one of the bank's four main service groups along with corporate banking, retail and treasury. For the bank has 1900 RDP, 93 CDM, 456 SME unit offices and making its market footprint for innovation through over six hundred thousand Point of Sales (POS) merchant outlets across non-urban landscape to serve large number of clients; with a range from urban people up to remote areas using our Direct Banking Channels such as ATMs/CDM/Retail Internet banking / Agent Banking OutletsBranches/Branches/SME Units located all around Bangladesh. The target market of BRAC Bank is the rural-urban fringe, Lower-mid and Middle -upper middle class with an income earning capability from small to medium companies or organizations. BRAC Bank provides agricultural financing, corporate banking, retail banking, SME banking card services foreign exchange mobile bKash offering financial products. Shift to low-cost channels: BRAC Bank is known as the most innovative bank and it uses technology solutions, especially due its accessibility in terms of reducing workload for commercial banking clients Another feature is they concentrate on lending their facilities to SMEs.



Company Name: BRAC Bank PLC	
Founded in	2001
Industry	Banking
Parent Company	(Bangladesh Rural Advancement Committee) BRAC
Headquarters	Anik Tower, 220/B, Tejgaon-Gulshan Link Road. Tejgaon I/A, Dhaka 1208. Bangladesh.
CEO	Selim R. F. Hussain
Subscribers	Over 1.3 million clients
Website	https://www.bracbank.com/en/

Today in addition to its regular banking activities BRAC Bank is also actively involved in carrying out a number of corporate social responsibility (CSR) initiatives which are primarily related with the concerned areas as environmental sustainability and community development. BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited and Astha are some of the subsidiaries under BRAC bank.

On July 31, 2009, BRAC Bank acquired a controlling stake (51%) of Equity Partners Limited which was later renamed to BRAC EPL Stock Brokerage. In 2010, BRAC Bank established bKash Limited on March 1 , as a private limited company operated in the country that runs under the most strict policies and guidelines of Bangladesh bank regarding mobile financial services (MFS). At present, BRAC Bank holds 51% of the equity share in bKash. BBL bought 25 percent of BRAC EPL Investments shares in 2011 and it owned up to 99.945% by percentage in 2019. Acquisition of BRAC IT Services Limited by BRAC Bank on April 09, 2013 it purchased entire portion which is 51% and the nature/feasibility of party from whom acquired name was a private limited company by shares under Companies Act 1956 regardless of this, BRAC Bank remains committed to its core purpose of driving financial inclusivity and economic growth in Bangladesh. Having the vision to penetrate at PAN India level yet architecting itself as a key player in the financial service industry which also contributes towards inclusive development inspiring other actors obliged with ethical banking norms.

2.2.2 Mission, Vision, Core Values & Core Competencies

Figure 2.2.2: Mission, vision, core values and core competencies.

2.2.3 Divisions and these responsibility

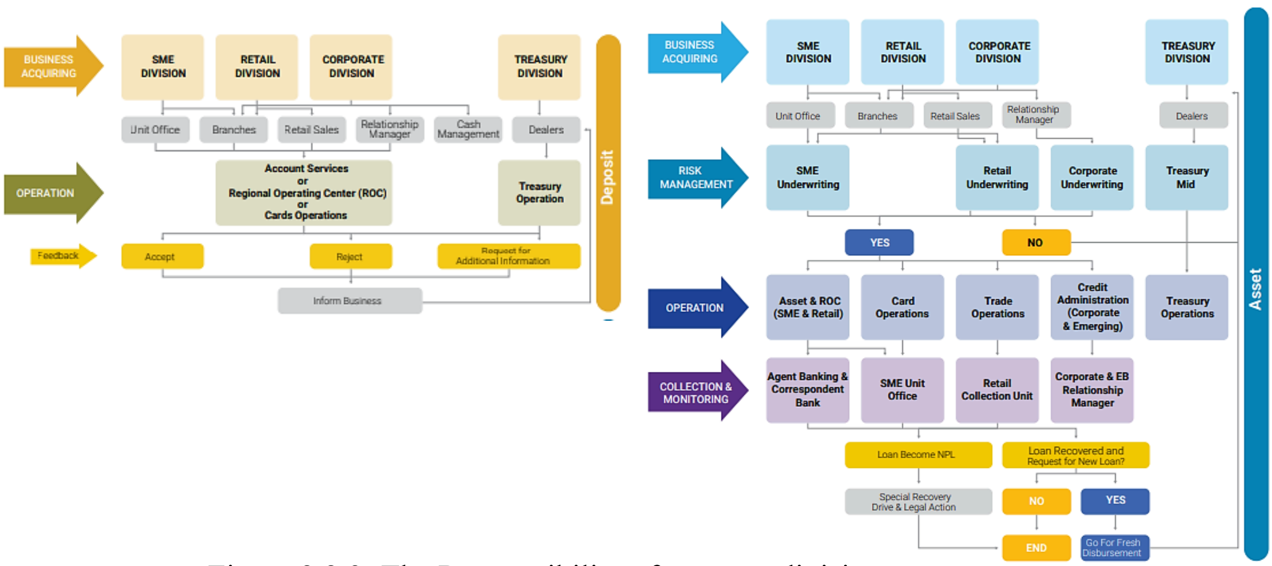


Figure 2.2.3: The Responsibility of separate division

2.3 Management Practices

2.3.1 Structure of the Organization

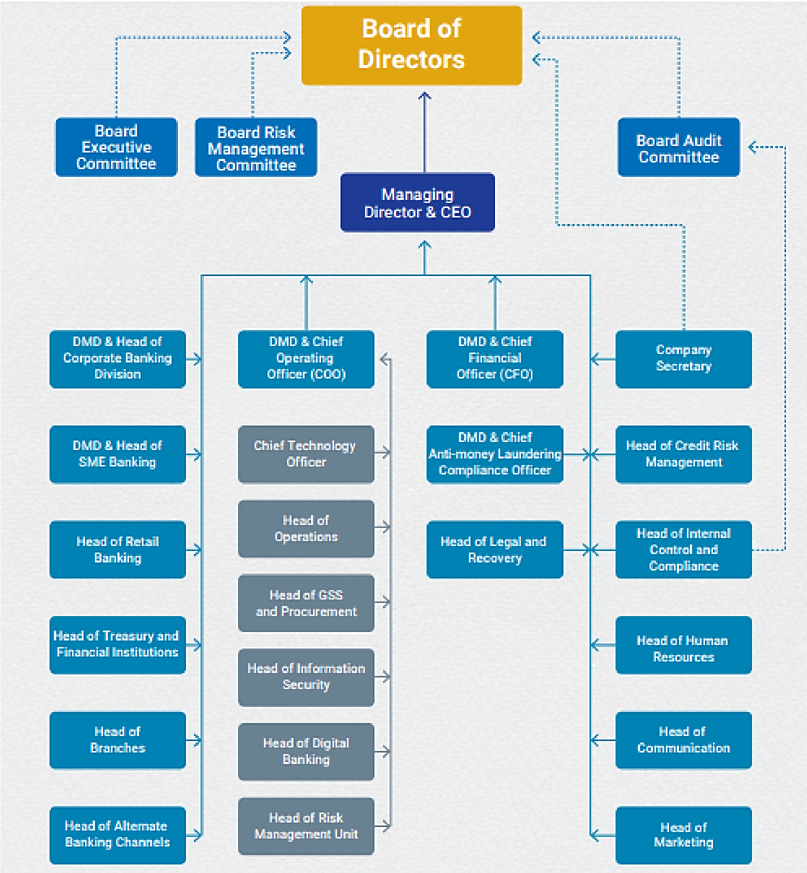


Figure 2.3: Structure of the Organization

2.3.2 Human Resources Management

Human resources Management (HRM) function is wanted to manage the human assets of a bank, and offer excellent place of work surroundings in Banks. The following are the key aspects of BRAC Bank HRM for implementing their process actions:

Recruitment & Selection: The BRAC Bank is committed to finding and hiring the brightest people who share its strategic goals. The HR team also ensures a professional and diverse staff through social media hiring, job portals, college hiring among other recruiting methods.

Employee training and development : The bank focuses on providing continuous learning and upgrading to its employees. HRM provides employee training, relevant courses, workshop and leadership development programs to upgrade the employee skills.

The management of Employee Performance: To evaluate work or performance of employees a well-structured Performance Management System has been implemented by BRAC Bank. That involves setting clear performance expectations, having frequent feedback discussions and recognizing your high performers.

Employee Engagement and Wellbeing: HRM is all about creating a good working environment, which encourages the participation of employees. The objective of programs such as wellness and recreational activities, employee surveys is that employees become happier and healthier.

High pay and perks: The bank dangles fancy trinkets to attract and retain the best people. HRM defines employee benefits, incentives and pay scales according to the industry norms while at the same time ensures that they are in line with employees expectations.

Career Development and Succession Planning: With a strong focus on developing careers of its workforce, BRAC Bank also takes meticulous measures to track high potential employees across business divisions for hire with intention of recursive Staffing. HRM works very closely with employees to understand their career goals and provide opportunities for internal promotion.

Diversity and Inclusion(D&I): A culture of inclusivity at the workplace while promoting diversity across all platforms . HRM operationalizes processes and procedures that reflect multiple perspectives, ensure equal rights & opportunities for all employees.

Managing Grievances and Employee Interactions: HRM plays a significant role in managing interactions between employees as well handling grievances appropriately. The HR department plays a vital role as an intermediary for the staff and management to ensure fair resolution of issues with transparency.

Compensation and benefits: The bank has benefits as well as salary packages too because they want top talent to remain with the company so that this is another way of keeping them attracted towards the firm. HRM also ensures that the pays incline, incentives and benefits are appropriate with industry norms as well employee expectations. expectations from employees as well mite industry norms

HR technology: We agreed that BRAC Bank uses an HR system for implementing good service and process which is used to streamline processes. All of these numbers are crunched in use HRIS (Human Resource Information Systems) for effective data management and analytics.

In short, as a whole the HR Management department of BRAC Bank stands for nurturing and augmenting human resources (HR) by vitalizing their potentiality from various facets such as talent development, employee well-being which is not only related to physical mechanism but also resonates with professional efficacy pertaining all rounded strategic blend concept. Such as by furthering staff growth, engagement and inclusivity the HRM also assists to fulfill these objectives which in turn help the bank be able duration good provision for all those that are associated alongside it.

2.3.3 Training and Development

Young Leadership Program at BRAC Bank: Building the Future Leaders for Inclusive Growth

Young Leadership Program (YLP) of BRAC Bank is an elite global-standard forum to groom untapped potentials, with its selective batch deriving from best and the brightest minds who undergo rigorous training in unleashed world-class development. Over the course of 18 months, participants complete a rigorous orientation program for executive trainees and receive mentoring from high-level executives on in-classroom material as well as practical job training. The program is designed to build leadership capabilities and behavioral intelligence through real life projects, workshops and continuous performance feedback. That should result in speedier progress up the career ladder for graduating employees and overall innovation and leadership longevity, proponents of the bank say. Here, this program assists BRAC Bank in meeting its goals of providing easy and affordable access to financial services as well as economic development within the country by making sure that there is a steady stream of commanding leaders.

2.4 Marketing Practices

BRAC Bank has a diversified target market and deploys a mix of marketing channels to effectively reach its after sales service: rural & non urban circle; Micro, Small & Medium enterprises (MSMEs). The bank aims to secure its dedication by packaging it with the marketing gimmicks which help ultimately and certainly in improving customer satisfaction, advancing financial reserve banking explication as well as growing advisory financial service all around.

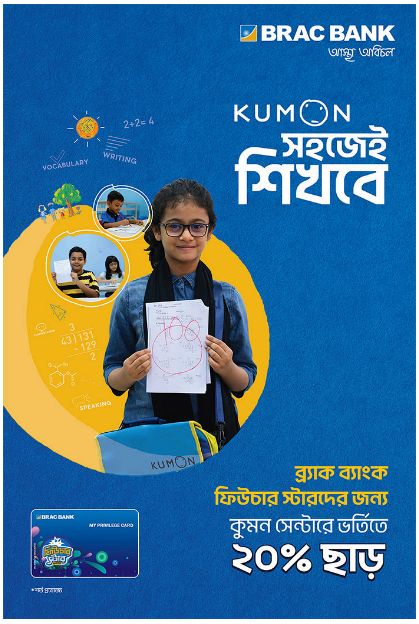


Figure: Popular advertisements on Social Media Platforms

1. Segmenting and Targeting MSMEs: BRAC Bank provides tailored financial solutions to the dynamic needs of micro, small, medium business through Business Accounts and SME Loan Portfolio in improving establishment as well growth.

Retail customers: The bank provides individual consumers with personal loans, credit cards, mortgage services and savings/current accounts among other products.

Non urban & countryfield communities: BRAC Bank urgents for financial inclusion in agriculture (farmers), agent banking, mobile banking.

2. Distinguishing Products

Customized Products: The organization serves the needs of every market segment by offering customized products such as microfinance and SME loans with flexible terms through BRAC Bank.

New Services digitally: The bank enforces technology-based services (All members of the society are very much user-friendly and easily accessible) e.g., Online Banking, Mobile banking(bKash), online loan Apply etc.

3. Marketing Techniques

Advertisement Campaigns: The bank also conducts an advertising campaign across multichannel including TV, Radio, Print and Online media to raise the level of brand awareness for its products/ services.

Events and Sponsorship: Same goes for business fairs, agricultural expos or community events which are backed by BRAC Bank as an opportunity to meet its target market and enhance the brand visibility.

Corporate Social Responsibility (CSR): The bank also pushes CSR programs and projects in its marketing strategy which helps to position the bank as a socially responsible organization looking towards community development.

4. Internet-Based Promotion

Social media dominates our lives: on Facebook BRAC Bank shares news, promotions and customer success stories.

Content Marketing: In order to educate its consumers in financial literacy and the benefits of their services, a bank publishes educational content such as blogs, videos and infographics.

5. Customer Relationship Management (CRM)

Personalized Communication: CRM techniques have been successfully implemented by BRAC Bank to enable personalized communication with its clients, and provide them customized financial advice specific to their wants and needs.

Loyalty Programs: To ensure client retention and build long term relationships the bank has introduced loyalty programs and provide incentive schemes.

6. Channels of Distribution

Branch Network: BRAC Bank ensures a broader availability of its services with more than 193 branches and extensive number of agent banking outlets.

Financial agent: Its attempt to bank via agents, financial or otherwise too goes further than the semi-urban regions thanks to its army of local agents hustling necessary money services.

ATMs and Digital systems: There are ATMs as well as a wide range of online & mobile banking services which ensures customers to avail banking facilities from any part.

The main essence of BRAC Bank marketing strategies lies on the concept that they understand and fulfill what their vast array of customers wants. Using the right blend of both traditional and digital marketing strategies, personalized customer engagement tactics, and fresh financial services-and trying not only to advertise its offerings but also remind customers that it is dedicated to making people happy-the bank promotes itself effectively.

2.5 Financial Performance & Accounting Practices

Departments for the treasury and financial management are responsible for finance-related issues. The Financial Control team supervises all the transactions and issues relating to finances within the company as per usual banking, accounting & financing sector norms. As a result, the company has multiple stakeholders and every financial report made accessible to them. To maximize the level of turnover, we need effective management when it comes to resource allocation, cash collecting and usage with other resources. Financial records including billing and expenditure of companies, financial reports are also managed on a regular basis to meet the industry standards. This can go from profit margins to losses, revenue generation and financial fluctuations or healthy variations. Basically it is a representation also known as a Financial report that will help investors comprehend the company's fiscal health. The bank saw 35 per cent growth in profit during the year ended December 31, 2023 (annual financial statements) exceeding all previous yearly profits of its history. Express the increasing Certificate of return and kept income ratio speculation in FYL 2023 annual report.

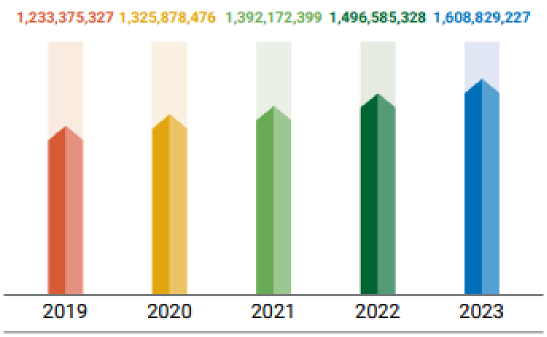
Figure: Credibility of BRAC Bank PLC

BDT in Million unless otherwise specified

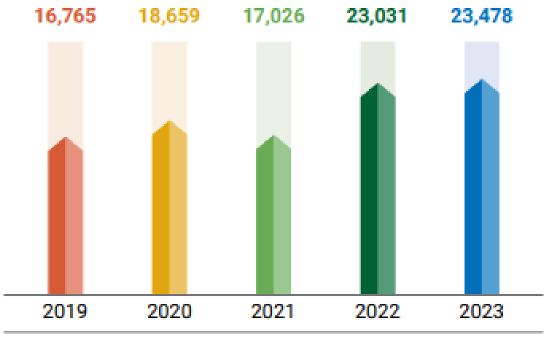
Figure: Financial performance

BDT in Million unless otherwise specified

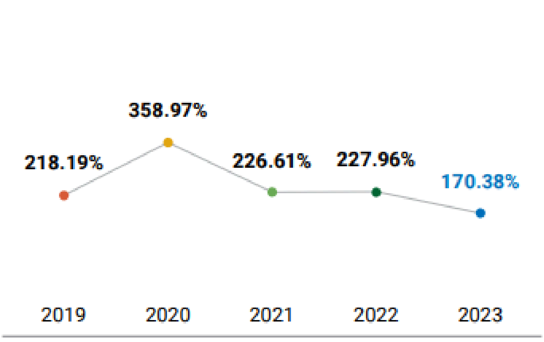
No. of shares



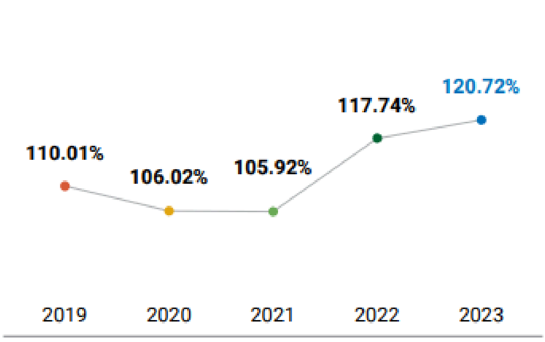
Number of shareholders



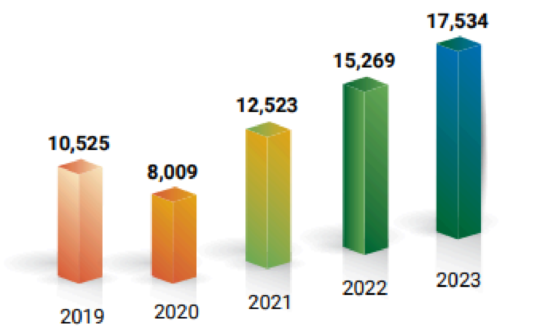
Liquidity coverage ratio (LCR)



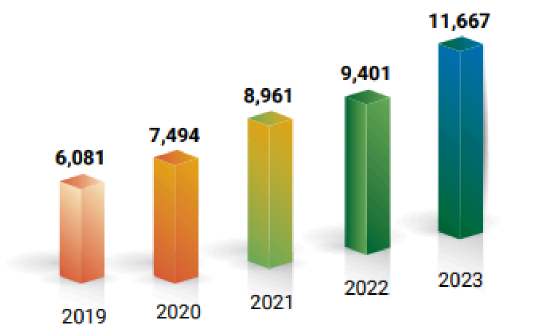
Net stable funding ratio (NSFR)



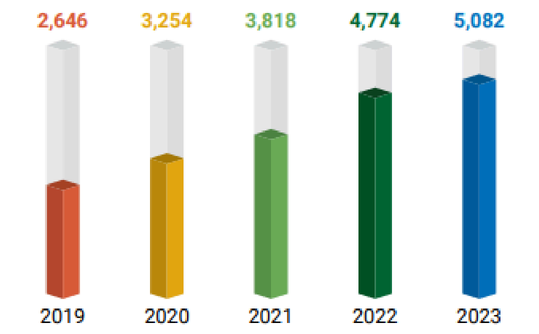
Classified loans



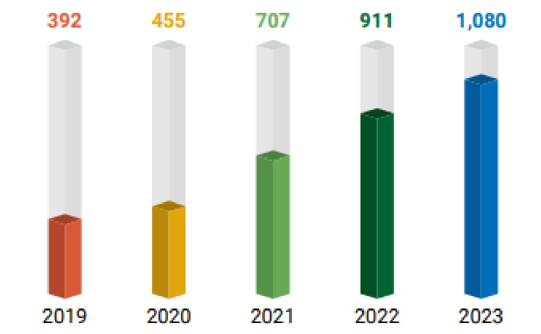
Provision for classified loans (SP)



Provision for unclassified loans (GP)

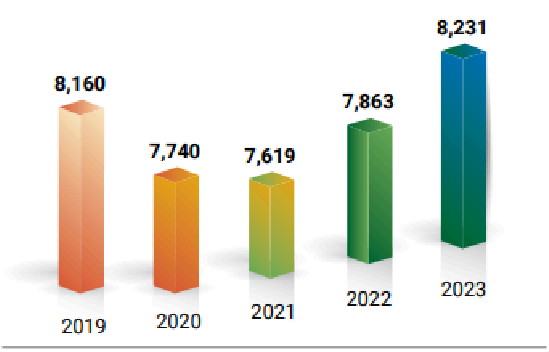


Provision for off balance sheet items

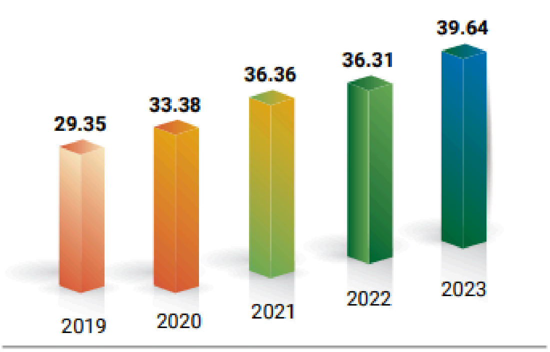


BDT in Million unless otherwise specified

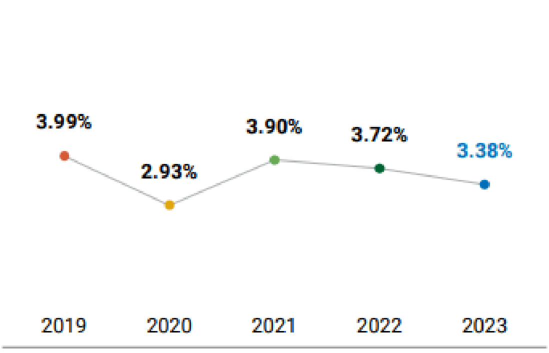
Number of employees



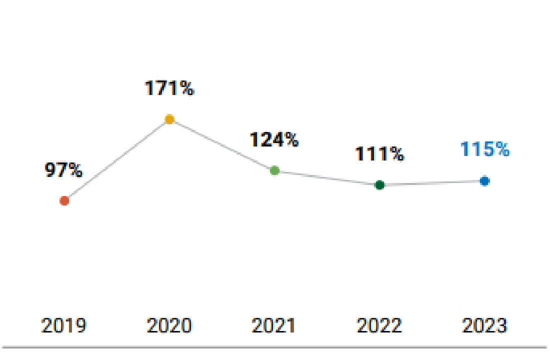
Net asset value per share in taka



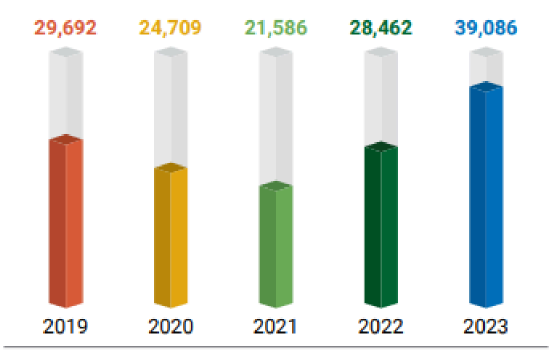
Percentage of NPLs to total loans and advances



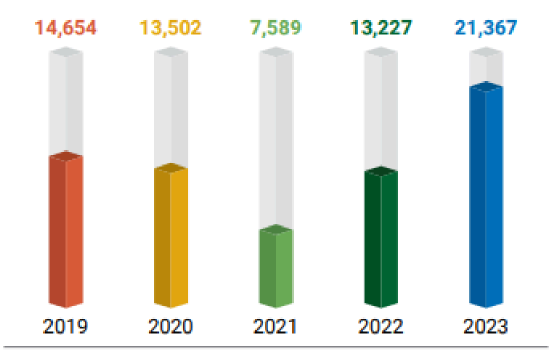
NPL coverage ratio (incl. GP)



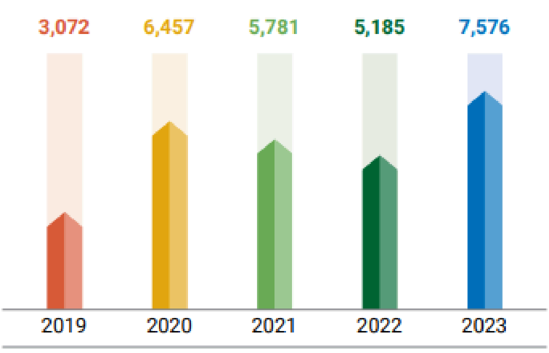
Interest income



Interest expense



Investment income



Commission exchange & brokerage

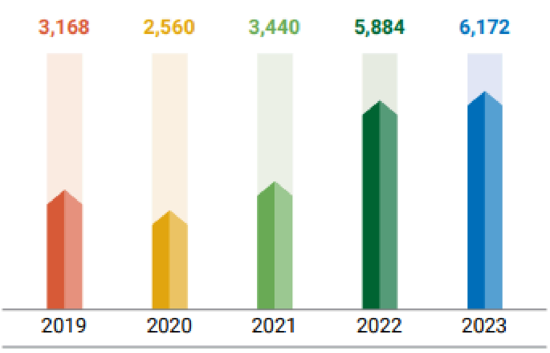


Figure: Ratio analysis of BRAC Bank PLC

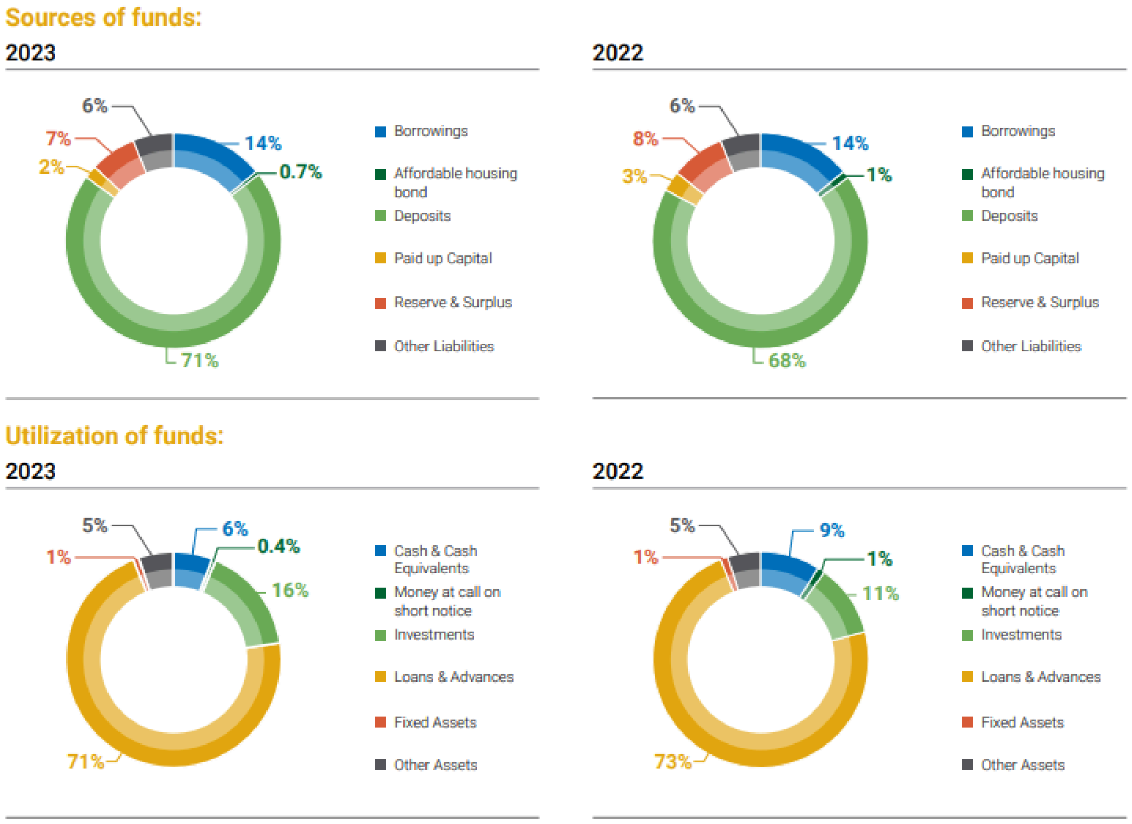


Figure: Source of fund of BRAC Bank PLC

Five Years' Financial Summary

Standalone Information

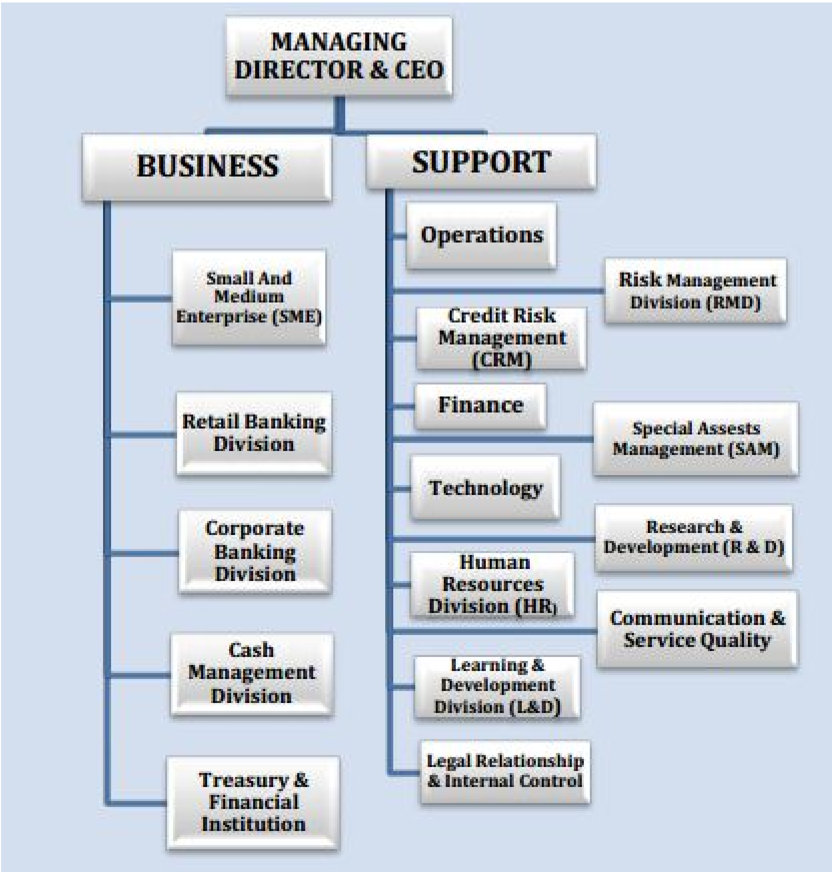
BDT in Million unless otherwise specified

STANDALONE INFORMATION	2023	2022	2021	2020	2019
FINANCIAL POSITION					
Cash and bank balances	46,304	48,032	42,558	33,602	38,629
Money at call and short notice	3,000	6,826	3,500	-	-
Investments	115,657	64,288	51,591	68,896	45,944
Loans and advances	519,452	410,676	321,212	273,063	264,091
Fixed asset	7,627	7,779	7,455	6,829	8,189
Other assets	34,672	25,658	22,764	14,526	12,485
Non-banking assets	10	11	5	66	66
Total assets	**726,723**	**563,271**	**449,084**	**396,982**	**369,404**
Borrowing	103,147	80,870	47,310	35,283	35,390
Affordable housing bond	4,751	4,751	-	-	-
Money at call and on short notice	550	-	-	85	1,274
Deposit and other accounts	513,909	384,467	314,591	289,054	268,309
Other liabilities	40,584	34,766	32,763	26,083	25,512
Total shareholders' equity	63,782	58,418	54,419	46,477	38,919
Total liability and shareholders equity	**726,723**	**563,271**	**449,084**	**396,982**	**369,404**
AD ratio	74.29%	79.94%	81.86%	76.69%	82.10%
Off balance sheet items	182,588	129,667	134,197	93,580	100,137
Interest earning assets	702,954	547,373	434,883	384,778	356,631
Non-interest earning assets	23,770	15,899	14,201	12,204	12,773
Liquid asset to total deposit ratio	34.29%	29.28%	27.40%	32.03%	26.45%
Liquid asset to short term liabilities	197.70%	182.10%	204.39%	229.33%	153.88%
Liquidity coverage ratio (LCR)	170.38%	227.96%	226.61%	358.97%	218.19%
Net stable funding ratio (NSFR)	120.72%	117.74%	105.92%	106.02%	110.01%
INCOME STATEMENT- PERFORMANCE AND PROFITABILITY					
Total revenue	31,610	26,571	23,364	20,336	21,388
Interest income	39,086	28,462	21,586	24,709	29,692
Interest expense	21,367	13,227	7,589	13,502	14,654
Investment income	7,576	5,185	5,781	6,457	3,072
Commission exchange & brokerage	6,172	5,884	3,440	2,560	3,168
Non-interest income	6,317	6,152	3,586	2,672	3,279
Total operating expenses	17,680	15,442	12,420	11,734	11,440
Total income	52,978	39,798	30,953	33,837	36,042
Total expenditure	39,048	28,669	20,009	25,236	26,095
Operating profit	13,930	11,129	10,944	8,602	9,948

Figure: Financial summary of BRAC Bank PLC

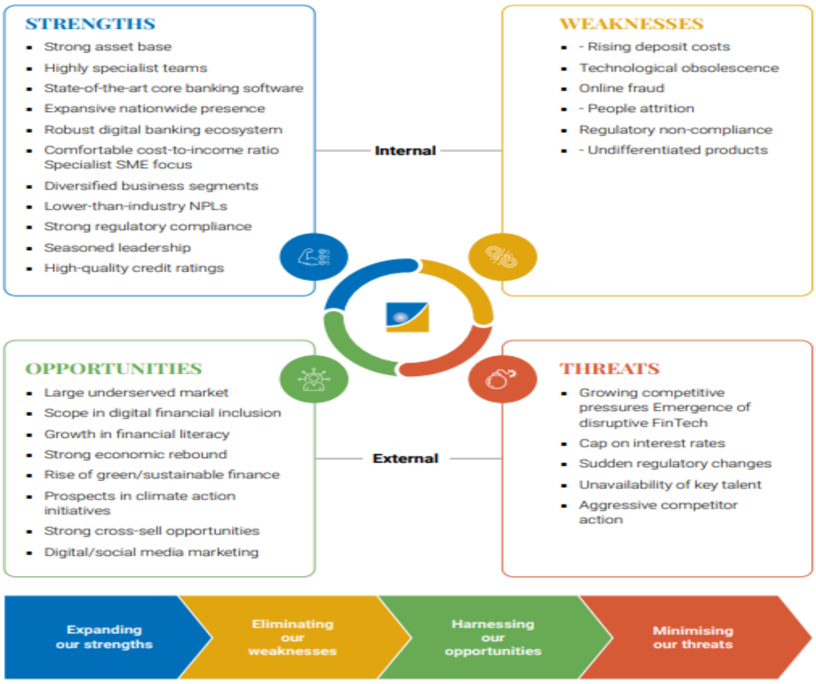
2.6 Operations Management & Information Practices

2.6 Operations Management and Information System Practices



2.7 Industry and Competitive Analysis

2.7.1 SWOT Analysis



2.7.2 Porter's Five Forces Model

Porter's analysis of the five forces that are important to determining industry competition, and hence capacity profitability for a specific business by examining every competitive force may be strong or weak... The case solution addresses the five forces of Porter, which are discussed in relation to BRAC Bank PLC.

Threat of New Entrants: In the Bangladeshi banking sector, many barriers to entry exist such as tough regulations and capital requirements that are high along with needs for large branch networks. The On-premise solution facet held the largest market share in 2018 on account of offering a secure and cost-effective hosting option to large banks with economies scale, brand equity which prevent emerging competitors from entering into the entry barrier for startup challengers.

Bargaining power of Suppliers : Suppliers in the banking industry refer mainly to capital suppliers like investors and depositors as well as technology vendors. The proposed regulation places more importance onto banks as they can use a range of financing and technology sources, thus their providers' influence is limited. Given the strength of BRAC Bank's franchise and sound financial profile, its dependence on any single source - deposits such as term deposits or call deposit will be significantly diversified by bringing in business from multiple sources.

Buyer bargaining power: Buyers have a lot of alternatives when it comes to banking, so they will try and negotiate the terms. They can always switch banks if a bank offers higher interest rates or less fees, better services. To mitigate its impact, BRAC Bank is intensely focused on excellent customer service and offering innovative offerings such as tailored financial solutions for SMEs and rural customers.

Threat of Substitute Products: Mobile money solutions like bKash (partnered with BRAC Bank) microfinance institutions and Fintech services provide substitutes to conventional banking. It is very obvious that there are risks of substitution and technological improvements, as a result BRAC Bank invests heavily in fintech partnerships and digital banking services to overcome these threats. Strong relationships with its customers and customer loyalty actually decrease competition that it will have from others as the clients are less likely to move to another financial institution.

Competitive Rivalry: Bangladesh banks (locals and foreigners) from local & global are fierce to capture the biggest portion in banking business. BRAC Bank Differentiation Factors - Superiority In Developing Banking Propositions, Extensive Network Of Branches And Agents & Focus On Financial Inclusion Through the business faced intense competition, it was well-entrenched in rural banking and had considerable presence among small-and-medium enterprises giving them some competitive advantage.

2.8 Conclusion and Recommendation

Every new journey always feels interesting and unique. Similarly, my first corporate experience at BRAC Bank was a great start. It has been a learning curve for the whole experience from beginning to end. I had the privilege of working as an intern at a private commercial bank BRAC Bank for three months. BRAC Bank is the Employer of Choice within top five private commercial banks in Bangladesh with an excellent working environment and corporate atmosphere.

Some of the opportunities, threats and weaknesses identified under swot analysis which BRAC Bank can capitalize to strengthen its likely sectors a private commercial bank include. BRAC Bank is still smaller than private-sector peers like Prime Bank and Eastern Bank in terms of market share, subscribers and other indicators. BRAC Bank has to take the necessary steps in order not to lose its edge as Bangladesh's biggest private commercial bank, and avoid or contain risks while taking advantage of growth opportunities

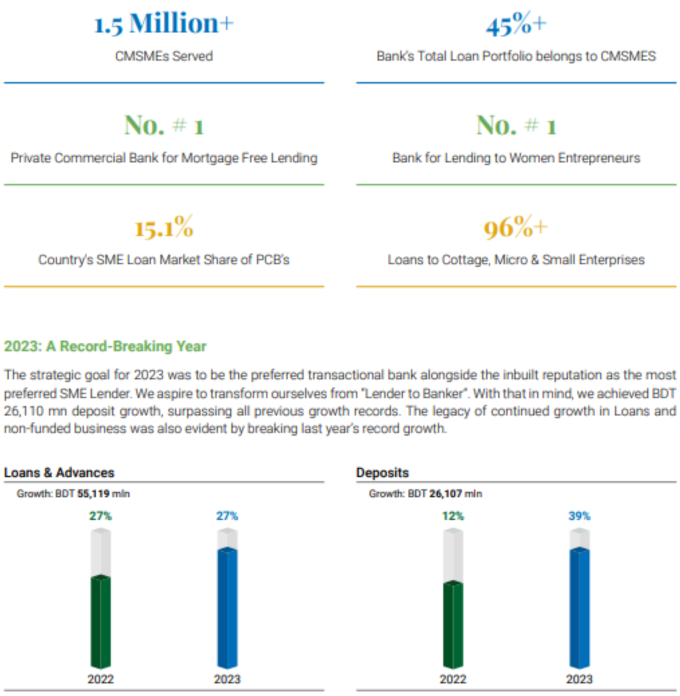
Chapter 3 : Project Part

BRAC Bank PLC

Impact of BRAC Bank's Agricultural Finance Initiatives on Rural Development

3.1 Introduction

BRAC Bank of SME Banking is dedicated to assisting excluded populations in the past and working towards sustainable & inclusive development for cottage, micro, small & medium enterprises (CMSME) sector / segment. Through the TARA SME platform, women's entrepreneurship has also enforced and boosted its digital capabilities by reaching out to more customers with deployment of new strategic relationships as well as an increase in both deposit and loan portfolios. BRAC Bank has been lauded to have helped in the resurrection of rural and semi-urban areas by servicing more than 1.5 million CMSMEs through its 446 SME unit offices which employ over 3,000 staff members. Through the bank boosting deposit and loan portfolios for the SME segment in 2023, is a measure of supporting entrepreneurs (CMSMEs) to realize their business success. Meanwhile, 66,191 TARA accounts bring BRAC Bank SME division efficiency.



3.1.1 Literature Review

Despite the importance of industry to the growth trajectory, 75 percent of Bangladesh's gross domestic product (GDP) originates from service trading and only approximately a third from the industrial sector. About two-fifths engaged in agriculture that still relies heavily on this segment for whom it contributes significantly not just as a source but also providing employment to a large portion of the labor force benefiting GDP wide strength . As important an industry as it may be, there are many obstacles to face thanks in large part to the fact that afterward financing is heavily restricted which greatly hampers both one's ability to grow and productivity. BRAC Bank aims to empower agricultural communities and has developed agro financing projects in this context driven by its vision of financial inclusion. The poverty and food insecurity of farming communities result from socioeconomic initiatives to achieve economic change in income, productivity, livelihoods at community level as a whole.

Bangladesh Bank, in a performance report as per Business Post of Bangladesh bank has targeted agricultural loans worth Tk 35,000 crore for the next fiscal year 2023–24 which is also an ambitious increase of by near about 13.60% from the previous set target at its peer level last year This project will contribute to providing adequate financial resources and support through the nation's agricultural sector on farmers in agriculture + rural sectors. Tk 21,923 crore as a target for private and foreign commercial banks while Tk 12,030 (state-owned) - specialized. This initiative aims to meet the growing demand for agricultural and rural finance by supporting food security, sustainable agricultural practices.

The Bangladesh Bank has also seated a host of other guidelines with the schemes to make them more effective. Now they even have banks strongly encouraged to start providing loans for urban farming, rooftop gardening and other innovative agricultural ventures. In addition, certain sectors have been allocated to be served first such as the livestock and fisheries that are subjected with a minimum payout of 13% and the banks' targets would also need an exposure at a ratio not less than 15%. The performance of banks in disbursing these programmes is also seen as important, to ensure that success. Should they miss their targets, funds not used could be given back and spread among banks which are more successful. The objective is to improve the impact and outreach of agricultural credit particularly among women borrowers as well as small and marginal farmers on a country-wide basis.

BRAC Bank, for example (as featured in Dhaka tribune) plays a substantial role providing sustainable finance and agro-industry credit to assist Bangladesh's agricultural industry through educational activities and community outreach. Recognised as one of the top sustainable banks by Bangladesh Bank, BRAC Bank has also integrated ESG (Environmental Social and Governance) standards into its lending to ensure loans for agriculture are directed towards sustainable practices.

Through the funding of education assistance and scholarships for students from poor-rural families, the bank ends up appreciating agricultural output in these places as it reinforces human capital. In addition, BRAC Bank collaborates with the Bangladesh Agricultural Research Council (BARC) to address crop production and climate resilience-related problems of jute in numerous fronts. These initiatives are in alignment with the UN Agenda 2030 Sustainable Development Goals (SDGs), especially around governance, transparency and ethical behavior. This initiative enables BRAC Bank to develop a long-term sustainability and resilience in the agricultural sector by assisting small and medium enterprises (SMEs) operating within this space, while promoting green finance as well all contribute significantly towards economic growth for Bangladesh.

3.1.2 Objectives

- Evaluate the impact of BRAC Bank's agricultural finance initiative on farmers income, production and welfare

- Look at some solutions to improve the cohesion, healthcare and education in agricultural communities.
- Analyze the impact of measures on women in rural areas.
- Assess how our initiatives contribute to the promotion and practice of sustainable agriculture.
- Identify the constraints involved in accessing agricultural credit, and propose solutions.

Research Question :

- How do BRAC Bank's agriculture finance programs impact agricultural communities?
- What are the implications of these initiatives for social cohesion and healthcare/education within a society?
- How can BRAC Bank's agricultural finance initiatives support rural women?
- How supportive are these practices of sustainable agriculture?
- Access to these financing initiatives by agricultural communities are not being easily done, according to you what obstacles these farm or rural communities face while trying to get the benefits and how can addressing those obstacles be addressed?

3.1.3 Significance

This report underscores the significance of BRAC Bank's agricultural financing efforts for enhancing socioeconomic status in rural communities within Bangladesh. These measures, by elevating the income of farmers along with their produce as well as level of living contribute largely towards rural economic progress and curtailment poverty. These results could help financial institutions and policymakers to have a better sense of how it is possible for effective agricultural finance using sustainability, gender empowerment. The report also reveals the challenges farmers face in accessing financial services and offers recommendations to consumers to enhance the effectiveness of these programs, thereby unlocking broader socio-economic benefits as well as a sustainable environment.

3.2 Methodology

The study combines qualitative interviews with quantitative field surveys and secondary data analysis (e.g., detailed loan disbursement/demographic details provided by a branch of BRAC Bank). Data was collected from various places in Bangladesh But the focus was given to territories where farm finance initiatives have been successfully implemented by BRAC Bank. An assessment of these initiatives focused on core performance indicators such as income, yields, access to financial services and community development measures.

3.3 Findings and Analysis

Sustainable Finance is one of the approaches through which BRAC Bank extends to support agriculture. BRAC Bank is the first bank to reach a $1 billion market cap level in Bangladesh. The bank operates on the BRAC Bank 3P Banking model which includes a Sustainable platform for economic, social and environmental development - Climate Finance. By national objective I refer to the Sustainable Development Goals and they fit seamlessly with what we do as a business. BRAC Bank provides unique SME Banking services and solutions for cottage, small & micro enterprise (C/SME) to raise finance which was otherwise unreachable through traditional commercial banking. Our rural penetration rate is best-in-class with seventy-five percent of all our small business loans going to rural regions. BRAC Bank in a different sector is the largest supplier of collateral-free loans with 50%

market share; Education initiatives, community outreach and strategic partnerships. The bank played an instrumental role in significantly improving the borrowers' quality of life and created more than 1.5 million jobs over its small business financing history, a comprehensive impact measurement study on SME financing shows. The bank has contributed significantly to Bangladesh's socioeconomic development, providing more than billion in loans by its inception in 2001, between small and medium-sized business owners around the country with over 650,000 entrepreneurs benefited from Pragati.

TARA, BRAC Bank's Women Banking Solutions aims to make substantial contributions in getting women mainstream as the country graduates from a growing nation. TARA now has a client base of over 200,000 deposit clients and approximately 2,900 female SME enterprise clients. bKash Limited, a subsidiary of BRAC Bank, provides financial services to thirty million people in every single hamlet across the country through its transactional capabilities as well as microsaving and money transfer features. As an ethically conscious bank, we always aim to not only consider the profitability of our proposed investments but also how they influence these factors - namely in relation to the environment and community welfare more broadly. For this reason, we strongly advocate for financial inclusion and investment in Envirotecture Preneurship & Services, gender equality & the empowerment of women across different networks.

3.3.1 Agricultural credit policies:

The borrower of the agricultural loan should be an eligible farmer and engaged in legitimate Agr. production work for this end flowchart is attached at Agriculture materials and the national identity card of the loan seeker. Help cards would sing the trill for true farmers.Those who have opened bank accounts at Tk 10 in exchange for an Agricultural Aid Support Card can only be identified as real farmers if pass books are asked to give credit. If agricultural input support card is not linked to the national identity card, in that case other authorized persons will also be identified by a letter of transfer prepared from the chairman of Union Parishad/ local school & college head or any person as fertilizer subsidy beneficiary farmers approved by the Bank.

Agricultural loans and the introduction of new farmers should be given priority, not just one farmer or another. Fast Agri- Rural loans to a large number of members in the same family, against realistic standards

Surveillance at the designated bank level

- Mark-up maximum 2% on flat rate as determined by Bangladesh Bank for SMART +2%, to be provided through the own network of the banks only (if MFI is not linked) under Agriculture and Rural Credit Policy and Program.
- Those funds deposited in the BBADCF will then be directed to banks as they draw based on their demands and capacity. The principal is to be rebated with an interest rate of two percent, or a maximum period of eighteen months indicating the date on which it has received such allotment.

According to this policy, all the scheduled banks must ensure suitable monitoring operations at bank level so that agricultural loans are given only to genuine farmers who will not be subjected to any harassment; and it can satisfy stated loan distribution targets as well making recovery of a farming effective.

The objectives of monitoring the Agricultural and Rural loans at Scheduled Bank-level are as under :

- ☐ Achieving the targets for delivery of agricultural and rural credit in aggregate
- ☐ There is a target loan for Investing 60% on agriculture and rural areas to plants, crops sub-sectors, Place 13% to fishing industry and cattle (15%)
- ☐ A total of 8,000 crore has been earmarked for the planned loan amount with livestock industry getting a lion's share at 15 per cent and fisheries sector accounting for another significant chunk at nearly 13%.
- ☐ Development of Loans to Char, Haor and Hilly Areas, Rural Urban Marketing (Day-2) Reversal Former Enclaves Minority Concentrated Area Coastal and Backward

Areas & Communities Manorama Region Rurban Marketitrust IITF 20 Registration(Private Corporate Lounge) providing veracity in the loan distribution among actual farmers

- Thus, monitoring to borrow with the disbursements of loans and restricting its usage as appropriate.

3.4 The Initiatives BRAC Bank Agriculture Financing Is Loading

Crop cultivation is an essential sector in Bangladesh, employing a large portion of the labor force and accounting for most GDP businesses. Nevertheless, many farmers struggle with the problem of financial access which holds them well below their potential output and welfare levels. To cater to the basic farming requirements of farmers and agro-entrepreneurs, BRAC Bank offers specific agricultural financing programmes. A specific focus of this study is the impact that these programmes have on small/medium agricultural communities in terms of socioeconomic development, which covers much about rural countryside and economic growth. Under its agriculture finance programmes, RAC Bank provides a bouquet of financial products and services to cater the needs of farmers as well as agribusinesses. These solutions involve literacy training on personal finance, technical support for ecological farming and support in microloans to small-scale farmers as well as bigger loans for agribusinesses. As the programme is delivered through Micro Finance Institutions (MFIs), it becomes an effective approach for BRAC Bank to cater services in rural areas.

3.4.1 MFIs' contribution

BRAC Bank PLC reaches farmers through Micro Finance Institutions (MFIs) as private commercial banks such as BRAC bank have operating difficulties in rural areas - reference [16] In partnership with MFIs, BRAC Bank can efficiently provide essential financial services like microloans to the marginalized agricultural community. This partnership leverages the vast grassroots network of MFIs to deliver financial resources directly into the hands of rural farmers - promoting agricultural growth and livelihood enhancement for rural communities. Microfinance companies are focused on the beneficiary population that resides in rural areas and is devoid of any assets or does not have access to formal banking. Furthermore, they offer financial loans with no any papers. This is a sure sign of an imminent massive default in that market. Coincidentally, the territory has one of the largest return rates in every aspect on earth and then some particularly our country. Microfinance NGOs have sometimes payback rates as high as 99% or better. This high payback rate is created because they do not have any other means of finance, and members are afraid to default since it would make them unable to borrow. In this sector, BRAC Bank has 38 customers.

S.L	MFIs Name
1	BRAC
2	BURO BANGLADESH
3	SAJIDA FOUNDATION
4	SOCIETY FOR SOCIAL SERVICE (SSS)
5	RURAL RECONSTRUCTION FOUNDATION
6	RURAL RECONSTRUCTION FOUNDATION
7	GRAM UNNAYAN KARMA (GUK)
8	CENTER FOR DEVELOPMENT INNOVATION AND PRACTICES (CDIP)
9	SHAKTI FOUNDATION
10	DUSHTHA SHASTHYA KENDRA (OSK)
11	SKS FOUNDATION
12	PEOPLES ORIENTED PROGRAM IMPLEMENTATION (POPI)
13	RESOURCE INTEGRATION CENTRE (RIC)
14	MAMATA
15	NATIONAL DEVELOPMENT PROGRAMME (NDP)
16	AMBALA FOUNDATION
17	SOCIETY DEVELOPMENT COMMITTEE (500)
18	SHARIATPUR DEVELOPMENT SOCIETY (SDS)
19	PAGE DEVELOPMENT CENTRE (PDC)
20	SHISHU NILOY FOUNDATION (SNF)
21	SOCIETY FOR DEVELOPMENT INITIATIVES (SDI)
22	SAGARIKA SAMAJ UNNAYAN SANGSTHA
23	CENTRE FOR COMMUNITY DEVELOPMENT ASSISTANCE
24	PIDIM FOUNDATION
25	VILLAGE EDUCATION RESOURCE CENTER (VERG)
26	PRISM BANGLADESH
27	JAKAS FOUNDATION
28	YOUNG ECONOMIC SOCIETY (YES)
29	COMMUNITY DEVELOPMENT CENTRE (CODEC)
30	COAST FOUNDATION
31	ORGANISATION FOR SOCIAL ADVANCEMENT & CULTURAL ACTIVITIES (OSACA)
32	SURJER HASHI NETWORK
33	DAM FOUNDATION FOR ECONOMIC DEVELOPMENT (DFED)
34	GRAM BIKASH KENDRA
35	WAVE FOUNDATION
36	DESHA
37	GRAMEEN JANO UNNAYAN SANGSTHA (GJUS)
38	ECO-SOCIAL DEVELOPMENT ORGANIZATION (ESDO)

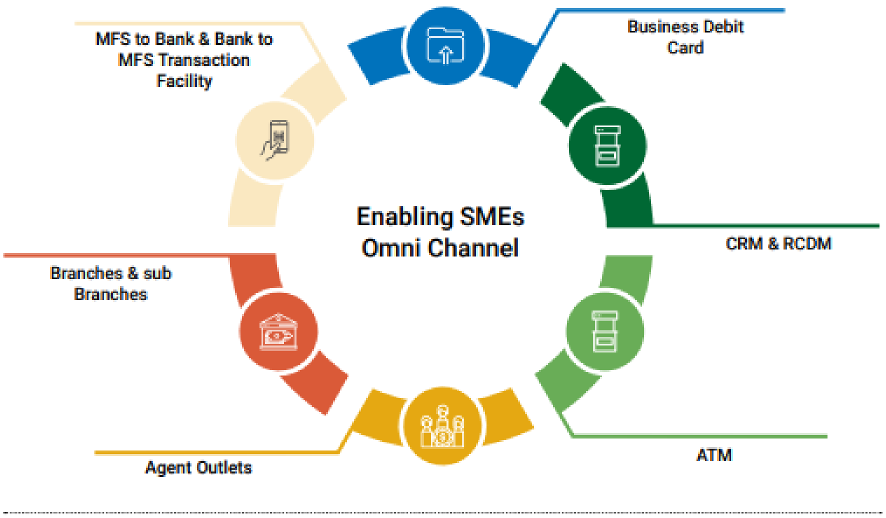


Figure: Digital Transformation of SMEs & MFIs

Credit Risk Grading (CRG) is an integral part of the loan approval process and CRG allows BRAC Bank to maintain a uniform standard across all the lending processes.CRG has taken into consideration for mitigating its credit risk Quantitative / Qualitative variables are introducing in-calculation. The above mechanism ensures that risks are mitigated and the financial asset of the bank is used efficiently. For BRAC Bank to effectively support advancements in agricultural financing it must rely on a mix of partnerships and credits extended based entirely around comprehensive, quantitative MFI scrutiny - as controlled by the CRG system. Loan loss provisioning Portfolio at Risk Scorecard development and monitoring Emergency preparedness Information technology My proposed structure of this guide provides ten individual chapters on various key topics that pertain to best practices in microfinance.

There are five grading scales for investing in operational MFIs:

Scale of Grading

MFI is known to have excellent risk management, financial soundness and operating efficiency as demonstrated by solid cash flow coverage of expenses, strong earnings from operations (OPEX), and high levels of reserves for defaulted loans.

Fair (60–79 points): MFI performed well but minor refinements are needed.

Admissible (40–59 Points) : This scale indicates moderate risk for MFI and requires mindful monitoring.

At risk; insufficient (20–39 points): Low MFI is at high danger.

Fail (0–19 points): Risky portal for MFIs to partner with without major improvements

To eliminate these kinds of barriers, BRAC Bank recently had approved a Grading Scale via which all those Gradable MFIs can put their surplus capital to invest. Based on the satisfactory grading scale, BRAC Bank partners with top-tier MFIs which is another proof of a better credit-worthy quality customer base as well marking financial healthiness in governance and operational efficiency. The criteria will evaluate sukuk issues from the perspective of financial health, business performance profile and management as well as socio-economic assessment. MFIs eligible for this satisfactory grading scale are considered to have reliable capabilities of disbursing as well as maintaining recovery in the loans. This, in turn enables BRAC Bank to invest and strengthen the financial services in these MFIs, thus promoting more accessible finance and thriving rural development while at the same time catering for new initiatives with farming communities.

Microloans for Farmers: Tiny amount of loans that cater to farmers' unique needs...for instance, buying a sack of fertilizer, doing some planting seeds etc.

Agribusiness Financing - Loans are offered to help larger sized agribusinesses including a processing plant and market ties.

Financial Education: These are channels that teach farmers to improve their handling of money in order for them to use loans better.

Sustainable Agriculture Activities: Financial and technical support for sustainable farming practices, such as organic agriculture, or rainfed irrigation.

3.4.2 Procedure for Disbursing Loans

1. **Identification of farmer:** BRAC Bank, for example, lends to farmers using the channel of MFIs in a multi stage procedure which ensures delivery at desired speed and minimizes transaction costs.
2. **Distribution of loan:** After receiving cash from affiliated MFIs, BRAC Bank distributes the cash following agreements and financing goals for agriculture.
3. **Farmer Identification :** Community Gatherings, Current client Database and neighborhood outreach meet the crop which suits best for their region.
4. **Credit Appraisal:**MFI deeply evaluates the financials requirements, farming methods and credit worth of farmers. This could include evaluating land records, cropping patterns and historical credit background.

5. **Credit application:** Successful farmers apply for credit from MFIs and must often be supported by the project staff to ensure all necessary documentation is in place.
6. **Loan Approval:** After the screening of applications, farmers who apply and qualify are granted loans provided they show that their farming activities will enable them to pay back funds borrowed. The loans are designed keeping in mind the agricultural cycles, revenue patterns of farmers.
7. **Repayment:** These loan amounts will only be cleared when the farmers have been sanctioned, with a direct credit to out their accounts. This can be done via cash disbursements, the use of mobile banking systems or bank transfers depending on the available infrastructure.
8. **Monitoring and Support:** MFIs provide ongoing support as well in order ensure that the money lent is used for its intended purpose. These include education in financial literacy, regulatory site visits and technical farming assistance.
9. **Repayment:** The MFIs hence collect the loan amount as per scheduled timeline (generally in and around the crop harvesting time, selling or avoids) MFIs may also offer restructuring choices in the case of unforeseen challenges including crop failure or market changes.

3.5 Impacts on Socio-economic

Effect on rural economy of Bangladesh BRAC Bank related agricultural projects - Among the tools applied are field level SRI (Sustainable Responsible Investments) and to a lesser extent linking with high yielding environment-friendly sustainable agribusiness. As a result of being sustainability-oriented, it lessens the systemic risks related to climate change that affects farmers and agriculture in general (Dhaka Tribune 2023). It has been running educational support by BRAC Bank to poor rural students as next capital development and created additional skilled agriculture within these areas (Business Post Staff Correspondent 2023).

This form of bank favoritism in respect to agricultural technology has also been seen through the banks partnership with The Bangladesh Agricultural Research Council (BARC) which is trying to strengthen crop resilience and production as well(BRAC, n.d). This way it lessens the poverty, increases income of farmers and brings about economic interdependence in rural areas. BRAC Bank, likewise hopes to create jobs and incomes with their vision of supporting small- and medium-size agricultural businesses (SMEs), which can help the entire rural landscape become more financially robust at once. BRAC Bank is involved largely in social and economic development through these endeavors by farming an efficient as well as gainable agriculture industry of Bangladesh.

3.5.1 The level of income and productivity:

The accessibility of finances also raised the farmer income level and productivity in many-folds. These loans enable farmers to afford modern fertilizers, seeds and other inputs and machinery that makes the agriculture process easier resulting in an increase of their productivity.

BRAC Bank's support in agriculture financing has brought phenomenal change for farmers as they are able to earn quality income. Farmers have the opportunity to improve quality of inputs and modern farming practices with assistance from finance, resulting in generally higher agricultural yields and production. This has raised average annual earnings by 30-40%, surveys show, thanks to improved market access facilitated by the bank and improvements in agricultural practices.

Improved Effectiveness and Overall More Productive

BRAC Bank may provide farmers with funds to use advanced methods and technologies in agriculture. Financial options for hybrid seeds, fertilizers and irrigation equipment have led to a massive spike in production. In addition, agricultural productivity and efficiency has increased because of the training programme of BRAC Bank PLC(Agro-Conference) on sustainable resource management and organic farming techniques.

Broadening of Agriculture Pursuing Stream

Financial aid has been made available to the farmers and they are encouraged by BRAC Bank for diversification of their farm enterprises The farmers are supported to diversify hence spreading risk and depend less on one type of income through loans for fisheries, agro-processing as well as livestock. And, the result has been more secure and better-recovered farming communities that can resist environmental challenges along with economic disasters.

There are rules defined in the policy paper for the agriculture loan system also which suggests - timely payments, a repayment plan going with crop growth phase and more. This highlights some key aspects:

Intercropping: The bank may also provide additional loans to farmers with companion crops at their main crop.

Exhibited and reticular cropping:- Low value crops as food security needs- High Value crops potato, pulses,oilseeds maize on bank loan.

Spinning Grain Boundary Method: That redemption facilitates new documentation and it is a three year guarantee arrangement for continuous crop production pursuits.

Loans for high value crops - Crops that have the potential to generate more income such as vegetables, fruits and spices.

To ensure supply of quality seeds and seedlings, the tissue culture industry can be funded by the banks under high-cost lending rules.

Jute Cultivation: Short term funding for high tech jute seed manufacturing and cultivation machinery.

Compensation for Oil Palm Well Cultivation: A very long haul loan in the case for better palm processing and farming.

Mango, Litchi and Guava farming - the loan for one year for the mass market especially regions which produce fruits.

High value & Native breed fish farming loan :Structure of total agricultural loans at 13% & High value & Native breed fish farming loan

Animal husbandry - Minimum of 15% for purchase of the cattle, goat/sheep and buffalo with total disbursement.

3.6 Implications for Society

The out turn of agriculture investment is affecting the whole socioeconomic, extending to entire communities in addition to individual farmers. With finance and other related financial services, farmers are able to diversify their crops using new technology all of which contributes a great deal in reducing the risk they face because of climate change or reduced market price. This improves food security and at the same time it allows for economic development of rural areas, decreasing population migration to cities creating jobs there. Financial measures also help in conservation of biodiversity, protecting the environment from degradation and sustainable agriculture practices which maintains the ecological balance. By agroforestry, organic farming and precision irrigation systems farmer investments can help to reduce GHG emissions, improve soil quality and save water. Farmer communities being encouraged, comprehensive sustainable economic growth and environmental exclusion may be possible by combining financing in agriculture with enduring modification methods.

3.6.1 Improved Livelihoods and Quality of Life

Increased production including revenue from BRAC Bank's agriculture finance programs have made a significant contribution in bettering the lives and livelihoods for farmers. With a higher income, Farming households can also afford better housing, healthcare and education. According to interviews with beneficiaries, some positive changes include more access to health care, increased children in school and improved nutrition. Finally, the most important agreement was between BRAC Bank and dairy farmers of Aarong Dairy as an asset finance service for purchasing cows that enable family farmer's women richer milk production to contribute majorly in expanding the business chain while maintaining entrepreneurship conditions.

3.5.2 Acknowledgement of Women

TARA from BRAC Bank also gives priority to the womenfolk in rural programmes carried out. With the bank training and lending to female farmers, it increases women participation in agriculture therefore promoting gender equality. The women beneficiaries have also been reported to enjoy more economic freedom and autonomy as well as increased decision-making power at the household levels which in turn contributes towards fostering local inclusive development. With a view to supporting WSMEs in receiving formal financial services, BRAC Bank formed the first ever women-led SME sales team of Bangladesh comprising 35 members. With training in management and entrepreneurship, 100 women created new online businesses through the Amrai TARA programme. The TARA Uddokta Fair, fully funded by BRAC Bank as an org-anizer with 50 participants and USD70,000 in sales made use of mobile payments. In conjunction with Go Deshi and BRAC Business School, we have conducted survey and training for business management & financial literacy to assist more than 130 women entrepreneurs across their extended sustainability through this supporting effort in building capacity o f diverse host of other enterprises run by women.

Projects & Trainings	Outcome
Women-led Sales Team	▪ First ever full women-led SME sales team of 35 members in Bangladesh. ▪ To make it easier for the WSMEs to seek formal financial solutions without hesitation.
Amrai TARA Program for Indigenous Women Entrepreneurs	▪ Facilitated 100 F-com women entrepreneurs in developing their entrepreneurial and managerial skills. ▪ Helped to expand and sustain their online business.
TARA Uddokta Fair	▪ 50 women entrepreneurs participated ▪ Generated USD 70,000 sales in two days ▪ Fully sponsored by BRAC Bank ▪ Enabled digital payment system, i.e., QR Code-based and card payments in the fair to facilitate as a 'cashless fair'.
QR Code Payment Facility	▪ Survey conducted on 500 women entrepreneurs in collaboration with Go Deshi ▪ Emphasized the significance of promoting QR code to an untapped customer segment engaged in online businesses.
Uddokta 101 in collaboration with BRAC Business School	▪ 130 women entrepreneurs have graduated from this program so far. Enabled women entrepreneurs to hone their business management and marketing skills as well as achieving financial literacy. ▪ Enabling them to participate in a two-day fair and facilitating preferential account opening process for them.

3.6.3 Community Improvement

Their farm finance operations are helping to create stronger community ties due, in part, to their cooperativeness. Cooperative agricultural programs and group lending models provide farmers with an incentive to work together, better ways of exchanging knowledge and mutual help. Together we can increase community collaboration and visibility of the social good work happening, making it easier to learn from other innovative ideas that are working well.

3.6.4 Effects on Healthcare and Education

When farming families earn higher wages, they can afford better health care and education. This, in turn, enabled farmers from several districts to send their children to schools on a regular basis and see the doctor more frequently due financial support provided by BRAC Bank.

3.6.5 Development of Facilities

Agri production at higher levels can boost economic growth which ultimately leads in rural area infrastructure development. BRAC Bank's financing operations have contributed to the town in a great measure, such as better infrastructure and trade locations along with its availability to serviceability.

3.7 The effects on Environment

3.7.1 Encouraging Environment-Friendly Technological Solutions in Farming

This event consists of monetary support from BRAC Bank for eco-friendly agricultural practice. For example, the bank provides funding to farmers who employ environmentally sustainable farming systems such as integrated pest management (IPM), organic farms and water-saving farms. Sustainable agriculture training sessions and seminars have equally minified the impact of farming operations on the environment, hopefully securing long-term viability in local agricultural development also.

3.7.2 Advocacy for sustainable farming practices :

BRAC Bank also has the widest suite of financing programs in the agriculture sector with an inclination towards sustainable farming practices. It is not only engaging in conditional cash transfer, but it is also a bank that can provide banking facilities and wishes to interest farmers who do farming sustainably such as integrated pest control, organically grown their product, water-saving etc. In addition, training programs and workshops on sustainable agriculture have resulted in reduced environmental impact of agricultural practices along with ensuring that farming will be viable for generations to come.

3.7.3 The Organic Cultivation Application

There are such Loans provided solely by the SME & MFIs division of BRAC Bank according to organic farming policy. Most of the companies which convert to organic farming argue that it helps in making them more profitable as production cost is lower and produce market at better prices.

3.7.4 Water-Sparing Sprinkler Systems

The bank also supported the application of drip irrigation and other water saving technologies in agriculture which could go a long way to reduce uncertainty for tea farmers. It saves water and not much stress on the environment from a farming perspective.

3.7.5 Reduced Risk of Climate Change

The effects of climate change on agriculture in Bangladesh are particularly dire. Climate risk mitigation is integral to BRAC Bank's agriculture finance projects. Funding crops that are resilient to climate change and funding infrastructure are also two examples of this. The bank also provides insurance solutions that increase the capacity for farmers to cope with climate variability, protecting them against losses due to extreme weather events.

Case Study 01: *Enhanced Earnings and Efficiency*

A case study of farmers in the north which received loans from BRAC Bank showed that they had increased their income by an average of 25%. As a result of the cash transfer for better fertilizer and seeds, their agricultural production increased by 30%.

Case Study 02: *Based on my internship*

I found that raw farmers would like to sell milk but BRAC AARONG dairy manufacturers did not buy cows so were unable to generate enough volume of their own to make the product. So despite the fact that a loan of 25,0000 tk at an interest rate of just 4% was on offer to the farmers from BRAC Bank through their infrastructure and partnership with BRAC NGO; it wasn't enough compared to other credit possibilities. For farmers, it is also very important because of the higher financial performance.

A Case Study 03 Sustainable Practices:

In a western region of the country, farmers who took out loans to purchase drip irrigation systems saw crop production increase by 20% and water use decline 40%. This has also diversified the sustainability of their farming operations as well as increasing their profit margins.

While the additional revenue and production improved the financial stability of individual farmers, as well, they contributed to broader economic development within villages. These raised incomes also allowed the farmers to contribute further in multiple investments that provided them additional means.

3.8 Problems and Suggestions

Although the benefits are undeniable, there are significant challenges facing farming communities when it comes to accessing and utilizing the service of BRAC Bank Agriculture department. There are some difficulties exist:

Lack of Financial Literacy: The farmers are unable to avail any financial services be it loan or insurance as 60% of them do not have knowledge in finance. That could lead to disaster in terms of handling your money and keeping up with payments.

Requirements for Collateral: One of the biggest hurdles to accessing loans is that not all smallholder farmers have collateral they can provide against which lenders will give them a loan.

Lack of Access to Markets - Even with the financing now available farmers find it hard to secure markets where they can sell their food at competitive prices.

The climate risks: Climate risk can erode the ability of farmers to repay loans, since nature is not predictable and there might be droughts or floods during an agricultural process that are gradually becoming more common.

3.9 Instruction to Deportment

Based on the findings currently available, BRAC Bank can use these recommendations to enhance their performance of farm finance projects:

Financial Literacy Programmes: Encouraging policymaker to introduce financial literacy programmes which will help the farmers understand what money is, how they are spending and improving their loan utilization ratio getting out of it.Statement

Collateral: Flexibility in the collateral market such as availability of crop insurance, group graders and so on which are acceptable can help smoothen loan application for agriculture.

Access To Markets: Farmers can get better prices for their produce, thus they will be in a good position to repay the loans if they establish market linkages and provide information on markets.

Financing for Climate Resilience : Protection against the impacts of climate change is a priority and can be achieved through innovative financial products to reduce risks as well as investment in adaptation initiatives.

3.10 In conclusion

The agriculture finance programs of BRAC Bank provide a huge relief to the socioeconomic status of Bangladesh agricultural communities. These projects generally contribute to the overall development and resilience of rural communities through increased incomes, community building activities, empowerment of women and climate smart agricultural practices. However, realizing these benefits from such initiatives hinges on resolving the issues farmers face in accessing and utilizing financial services. For now, focused interventions and creative financial solutions will enhance the lives of rural people in Bangladesh through BRAC Bank so an agricultural industry can be more effectively transformed.

As the needs of farmers change and if the context in agriculture shifts, BRAC Bank has an ability to adapt so viability going forward will depend on how these may evolve. If BRAC Bank can maintain a focus on inclusion, sustainability and resilience then its agriculture financing efforts will remain an important tool in the promotion of economic development among the farming community built based on diversified livelihoods for rural Bangladesh.

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