

Report On  
**General Banking and Loan System Advancement of IFIC Bank  
Limited**

By

Ahmed Saeef Aditya  
18104011

An internship report submitted to the BBS authority in partial fulfillment of the  
requirements for the degree of Finance

Brac Business School

Brac University

February, 2023

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## **Declaration**

It is hereby declared that

1. The internship report submitted is my/our own original work while completing the 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 that 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:**

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**Ahmed Saeef Aditya**  
18104011

### **Supervisor's Full Name & Signature:**

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**Mr. Riyashad Ahmed**  
Assistant Professor, Brac Business School  
Brac University

## Letter of Transmittal

Mr. Riyashad Ahmed  
Assistant Professor,  
Brac Business School  
BRAC University  
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir,

With due respect, I hereby present you an internship report on “General Banking and Loan System Advancement of IFIC Bank Limited”. It has been a great pleasure to work with their Karwan-Bazar branch for the last 3 months. With their helpful experience and insights into real-life corporate life, I have tried to make a full-fledged report by analyzing all the requirements that the internship required. For all the shortcomings, I would be grateful if you would consider them in an excusable manner.

I would be happy to provide all the further explanations regarding this research report if necessary.

Sincerely yours,

---

Ahmed Saeef Aditya  
18104011  
BRAC Business School  
BRAC University  
Date: October 11th, 2022

## **Non-Disclosure Agreement**

The following information used within the report is made and entered into by and between IFIC Bank Limited and the student from Brac University Ahmed Saeef Aditya (18104011). The purpose of this internship is to share the academic experience within the organization and the university, refraining from disclosing data and related information of the organization which might be confidential.

## **Acknowledgment**

First and foremost, I want to express my heartfelt gratitude to Almighty Allah, for assisting me in completing this task on time. I am pleased and relieved that I completed this study within the time frame specified. This internship report would not have been possible without the necessary practical knowledge, as well as the assistance of numerous books, articles, websites, and primary data. It broadened my understanding of employee job satisfaction. I would like to express my special gratitude to my supervisor, Mr. Riyashad Ahmed, Assistant Professor of BRAC Business School of BRAC University, for her motivating inspiration, kind direction, valuable suggestions & pieces of advice during my internship period and to prepare this report.

I would also like to thank my onsite supervisor, Mr. Harun Or Rashid (CSO, IFIC Bank Limited, Karwan Bazar Branch), as well as the management and officials of IFIC Bank Limited, Karwan Branch, for giving me the opportunity to work with them and for their assistance in providing information and enabling me to prepare this report. I am grateful for their assistance and support.

## **Executive Summary**

IFIC Bank Limited is a well-known and prominent private commercial bank in Bangladesh. The bank was established as a joint venture in 1976 and was later reorganized as a commercial bank in 1983, following the government's decision to permit private sector banks. They are known for their exceptional service and strive to meet customer satisfaction. The bank constantly updates its systems and improves the quality of its services. According to their annual report, IFIC Bank offers a wide range of deposit and loan services to its clients, which is growing on a daily basis. They also provide foreign exchange services to their clients. The bank has a strong strategic management system in place to improve performance. The bank's cash investment and liquidation are increasing year after year, indicating the bank's cash capability. On the other hand, the bank's operating costs are high, with high salaries, wages, and remunerations for bank officials. IFIC Bank is also implementing Corporate Social Responsibility (CSR) initiatives to improve its reputation and goodwill. To increase profits, the bank must focus on reducing operating expenses and costs.

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## **List of Acronyms**

FDR	Fixed Deposit Rate
PSS	Pension Saving Scheme
SND	Special Deposit Notice
RTGS	Real Time Gross Settlement
MIS	Monthly Income Scheme
CA	Current Account
SB	Savings Bank
TT	Telegraphic Transfer
LD	Local Draft
LC	Letter of Credit
IFIC	International Finance Investment and Commerce

# Chapter 1

## Overview of The Internship

### 1.1 Student Information

Name: Ahmed Saeef Aditya

ID: 18104011

Major: Finance

Program: Bachelor of Business Administration

### 1.2 Internship Information

Company Name: IFIC BANK LIMITED

Timeline: 22th June to 22 August

Address: 3, Petro Centre, Dhaka 1215

#### 1.2.1 Internship Company Supervisor Information

Name: Md. Harun-Or-Rashid

Position: Customer Service Manager

Email: m.harun@ificbankbd.com

Number: 01730449066

## **1.2.2 Job Scope**

Helping officers and executives with all facets of their daily work was my main responsibility. Dealing with customers comes first, followed by tasks like document analysis, computer postings, and organizing checks and vouchers, among other things. Providing customers with checks and debit cards was one of my first tasks. My knowledge of the banking industries was improved as a result of performing these daily tasks, which also helped me learn the fundamental functions a bank performs.

## **1.3 Internship Outcome**

### **1.3.1 Contribution to the Company**

I was unfamiliar with the workplace environment because I began as an intern. On my first day, I was completely perplexed. However, officers and executives gradually assist me in understanding the bank's performance and services. I've participated in a variety of activities. My primary responsibility was to assist employees with their daily tasks. It assisted me in learning the fundamentals of banking, which increased my knowledge. Every employee was extremely helpful.

- Assisting in daily works.
- Noticing the transactions carefully.
- Helping in clearing cheques.
- Checking the cash registry and aiding them in small calculations.
- Creating customer profiles and maintaining.
- Properly checking and helping the officers with NID verification and other documents.
- Uploading proper information of the customers and adjusting their information.

### **1.3.2 Benefits of this internship:**

In the current job market and scenario, I am pleased with my decision to conduct my work placement with IFIC Bank Ltd. Working here has helped me become more knowledgeable. Now I have a clear understanding of and respect for the mission leader's responsibilities, as well as knowledge of advertising and what issues may arise in the organization. Many of these details would have been lost on me if I had done work for another organization.

### **1.3.3 Objective of the Report**

The objective of the internship report is to understand the banking structure and the working policy of IFIC Bank Limited. From learning more about how each transaction takes place as well as how all the loans are sanctioned, to corporate duties and financial decision.

### **1.3.4 Recommendations:**

Some recommendations are,

- Friendlier work environment and more communication
- Employee appreciation and motivation
- Performance bonus should be added to inspire them to work hard
- Letting interns to know more about the bank and give a first-hand experience around the bank with proper confidentiality.

## **Chapter 2**

### **Organization Part**

#### **2.1 Introduction**

International Finance Investment and Commerce Bank Limited (IFIC Bank) is a banking company with a limited liability registered in the People's Republic of Bangladesh. It was founded in 1976 at the request of the country as a partnership between both the Bangladeshi authorities and private industry sponsors to operate as a finance company in Bangladesh and to establish joint venture financial institutions abroad. When the government permitted banks to continue operating in the private industry in 1983, IFIC became a complete commercial bank. Bangladesh now owns 32.75 percent of the overall of the Bank's share capital. Bangladesh's first and earliest bank is IFIC Bank. Over the years, it has created one of the largest networks between many Bangladesh's banks. Commercial banks and domestically owned banks are profit-making financial institutions that hold individual and business deposits in checking and savings accounts and then use these funds to make loans. Banks serve as financial intermediaries for both the general public and the government. As a member of other private sector banks, I have chosen IFIC Bank Limited. I learned a lot during my internship program, and I tried to relate my academic learning to real-life situations and find similarities.

## **2.2 Objective of The Report**

The goal of this report is to apply theoretical concepts to real-life examples of Realistic Perception in banking operations, which is a necessity of the BBA program. However, the goal of this study is much broader. The broad objectives of this report are outlined as follows:

- To comply with the terms of the entire branch banking procedures
- To create a link between the theories and practical procedures of day-to-day banking operations.
- To be familiar with the terms taught in the Brac University
- To examine the branch's and IFIC Bank Ltd.'s overall performance.
- To gain practical experience and see how theoretical knowledge is applied in real life
- To analyze the loans of the bank and how they work.
- To have thought different types of Loans and Advances of the bank.
- To know the actual loan and advance performance of IFIC Bank Limited.



## **2.3 Mission, Vision, and Core Values**

**Mission:** Our Mission is to provide service to our clients with the help of a skilled and dedicated workforce whose creative talents, innovative actions, and competitive edge make our position unique in giving quality service to all institutions and individuals that we care for. We are committed to the welfare and economic prosperity of the people and the community, for we derive from them our inspiration and drive for onward progress to prosperity. In an intensely competitive and complex financial and business environment, we particularly focus on the growth and profitability of all concerned.

**Vision:** Want to be the leader among banks in Bangladesh and make our indelible mark as an active partner in regional banking operating beyond the national boundary.

### **Core Values:**

- Integrity: Upholding integrity in all that we do, always, everywhere.
- Fairness: Strive to offer the best to our customers equitably with transparency.
- Innovation: Encouraging and nurturing creativity.
- Commitment: Committed to excellence in customer service and maximization of stakeholders' value through teamwork.

## **2.4 Limitations of The Study**

I had to work within some constraints while preparing this report. The current study did not have any limitations. However, as an intern, I had the opportunity to learn about Bangladesh's banking activities, particularly those of IFIC Bank. The following are some limitations:

One of the major constraints is a lack of internship time. Because three months is insufficient time to learn everything about a bank, this report does not cover every aspect of IFIC Bank Ltd.

The report lacks important information and data due to the limitations of various sources of information. All scheduled commercial banks are regulated by the central bank. The majority of the instructions are kept private by the commercial bank. As a result, I was unable to provide useful information.

The main limitation of the study is a lack of information, which has limited the scope of analysis required for the study.

Many of the issues could not be discussed in the present due to time constraints.

## **2.5 Management Structure:**

The Bank's strategic planning and overall policy guidelines are overseen by the Board of Directors, which is made up of thirteen members. The Board also has an Executive Committee to handle urgent business proposals, as well as an Audit Committee to ensure compliance with major regulatory and operational issues.

The day-to-day operations of the bank are managed by the CEO and Managing Director, Deputy Managing Director, and Head of Divisions, who are responsible for meeting business objectives. They are supported by a Senior Management Group, which includes a Deputy Managing Director and Head of Divisions, who oversee and coordinate branch operations. For efficient decision-making, a Management Committee led by the CEO and Managing Director is in charge of addressing key issues. The bank also has an Asset Liability Committee, comprising of senior executives led by the CEO and Managing Director, to monitor the bank's organizational activities and evaluate risks.

## 2.6 Credit Rating:

The long-term rating of IFIC Bank Ltd. has been retained by the Credit Rating Agency of Bangladesh Limited (CRAB).

CRAB assigned the rating based on audited financial statements through December 31, 2013, as well as other relevant information and 2014 operational updates. Ratings are shown.

<b>Criteria</b>	<b>2021</b>	<b>2020</b>
Long term	AA	AA
Short Term	ST-2	ST-2
Validity	30 <sup>th</sup> June 2023	30 <sup>th</sup> June 2022
Date of Rating	29 <sup>th</sup> June 2022	

## **2.7 General Banking**

The customer service department is the core of all banking operations, where customers are provided with a wide range of services such as opening new accounts, processing checks and cash transactions, facilitating money transfers, managing bills and clearing sections, issuing checkbooks, transferring and closing accounts, and handling dispatches. The department is staffed by experienced front desk, clearing, and account officers who are dedicated to providing efficient and timely service to clients.

## **2.8 Opening an Account:**

To open an account with IFIC Bank Limited, individuals must visit the bank in person and provide the following information:

- Complete the appropriate account opening form, provided by the bank, for the type of account (Savings, Current, STD, etc.)
- Submit two passport-sized photographs, with all partners' photographs required for partnership accounts.
- Complete the necessary documentation procedures.
- Provide an introducer, who is a current account holder with the bank, a bank official with a minimum rank of Assistant officer or a respectable resident known to the Branch Manager/Sub-Manager.
- Deposit the minimum balance required by the bank (cash only).
- An authorized officer will open the account and grant entry to the register.
- The officer will then provide the account holder with a checkbook.
- Keep the KYC (Know Your Customer) information up to date.

The target customers for IFIC Bank are:

- Individual persons
- Sole proprietorship companies
- Partnership companies
- Private limited companies
- Public limited companies
- Government and semi-government organizations
- Bank employees.

## **2.9 Depositing Money:**

The expression "money deposit" describes the act of placing money in a safe location. Many individuals choose to save funds after earning them, and one common method of doing so is by utilizing a bank. Banks are financial institutions that aid customers in safeguarding their money for future use. The primary purpose of a bank is to facilitate the movement of funds and generate revenue. Banks provide loans to others, who in turn invest the funds and pay interest to the bank, which allows the bank to profit. This process is beneficial for both individuals and the economy as it allows for the circulation of money.

There are 4 types of deposits that are used in the bank,

1. Savings Account
2. Current Deposit
3. STD or Short-Term Deposit
4. FDR or Fixed Deposit

### **Fixed Deposit (FDR):**

A term deposit is another name for FDR. Fixed deposits are sums of money deposited with a bank for a specific length of time. The financial institution is not obligated to keep capital reserves in response to these deposits. In response to these deposits, the financial institution is not required to maintain capital reserves. On these deposits, the bank offers a high rate of return. According to how long they last, FDRs are divided into three categories: three months, six months, and one year. The initial deposit receipt and the deposit's maturity date are provided to the account holder when the account is opened. The customer fills up an application form which is needed as the same for the account opening. The banker checks the signature of the depositor and the form is filled up properly. A depositor can also cash out the

FDR prematurely. For that, the interest of the deposit is cut which is less than what has been agreed as the rate. In such cases, the saving rate is provided instead of the FDR rate.

## **2.10 Cash Section:**

For any bank, the cash section is critical. No bank can function properly without a cash section. The customer is linked to the cash section. The tasks that are properly done in the cash sections are,

- Basic Deposits and Withdrawals are made.
- Customer can pay their utility bills.
- Financial instruments such as Prize Bonds are sold here.
- Pay Orders, RTGS, Demand Orders, etc. are done which are basically cash payments.
- Remittance is properly checked and shifted.

### **Pay Order:**

A Payment Order (PO) is a tool for transferring funds between clearing zones. Only at the authorizing branch can the PO be redeemed. Pay Order is completed by either handing over cash or transferring cheques.

Issuance of a Pay Order is mentioned below,

- The customer submits an application to the officer along with money, cash, or a transfer cheque.
- Make the necessary entries in the bills payable register, including the payee's name, date, PO number, and so on.
- Set up the instruments.
- Pay Order is handed over to the authorized officer for signature.



- The instruments are signed in by the authority and delivered to the customer.

Signature is taken on the counterpart.

## **2.11 Clearing House:**

Scheduled banks, which are defined in the Bangladesh Bank Order of 1972, are financial institutions that are members of the Clearing House. These banks participate in a process where they clear checks with one another through the Clearing House. One example of this process can be seen at the Karwan Bazar Branch of IFIC Bank Ltd, which receives a daily average of 40-50 checks from other banks. These checks are then sent to the Bangladesh Bank Clearing House through the bank's Head Office. The Clearing House is primarily made up of officials from each scheduled commercial bank. The representative from IFIC Bank Ltd will present the checks to the official of the branch where the check was signed. Within one or two days, the bank on which the check is drawn will send a confirmation message to the Bangladesh Bank regarding the check's validity and provide information about the account and the funds deposited in it. The Clearing House meets every working day and any dishonored checks are sorted and the parties involved are notified the next day. If the party wishes to return the check, the officer in charge will record that in the check return register and the party will sign and return the check.

### **Non-MICR Cheques:**

Cheques that lack MICRS are sent in for collection. The IFIC Karwan Bazar Branch receives the payment after the collection is finished and transfers the funds to the appropriate client's A/C. It takes 7 to 10 working days to complete this process, depending on where the instrument was sent for collection. Due to its global operations, IFIC Bank has international affiliations with numerous nations for the purpose of collecting local remittances.

## **2.12 IFIC - Aamar Suborno Gram**

According to Bangladesh Bank directives, IFIC Bank introduced agriculture-friendly financing options in 2006 to meet the needs of producers and farmers. As these are in the same line of agricultural activities, some existing agricultural products can be merged for better sales and marketing. The approach of consolidating related kinds of loans under an individual Product Program Guide is needed to provide a more focused and specific focus on customer needs as well as excellence in service. IFIC provides loans based on crops, fisheries, and livestock where the loan period is around 12 months. Loan size is around 20-40 lakh based on collateral and 2-5 lakh without collateral.

## **2.13 Lease Finance**

A lease is an agreement between the owner of an asset, such as a bank, and a customer for a specific period of time in exchange for a previously agreed upon rent. The owner, or the bank, is referred to as the Lessor, while the customer is referred to as the Lessee. Lease finance is an effective method for financing assets such as machinery and vehicles. IFIC, a reputable private bank in Bangladesh, has introduced lease finance to assist customers in meeting their funding needs and expanding their businesses. Examples of such assets that can be leased include:

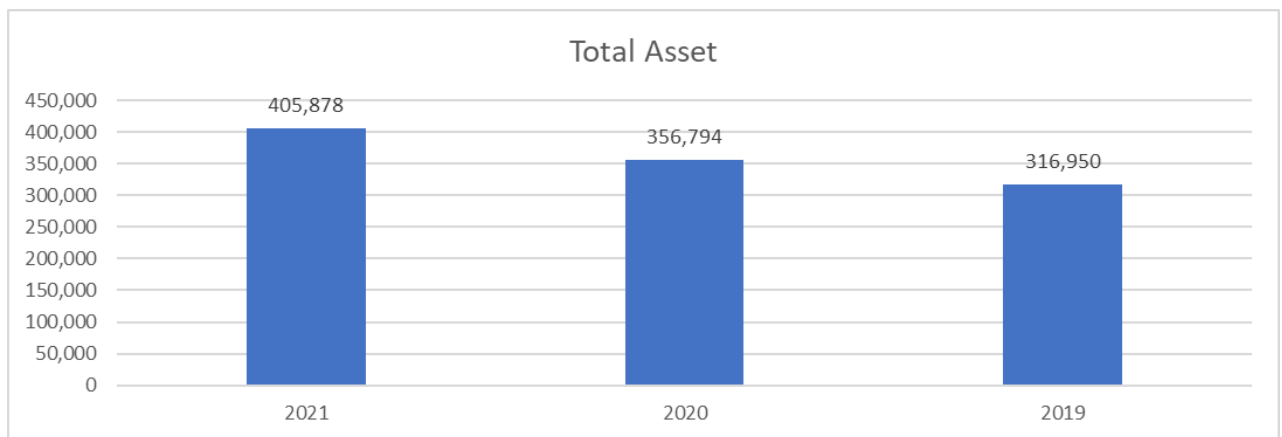
- Vehicles
- Office Equipment
- Machinery for Agriculturally based industry
- Construction Equipment

## Chapter 3

### Financial Performance of IFIC Bank Limited

#### 3.1 Financial Analysis

As a student of finance, my primary focus is on finding and analyzing the financial reports of IFIC Bank. As 2020 was a devastating year for the economy due to the pandemic, the financial situation for such banks wasn't as it was the previous year. Here, I will show the overall performance of IFIC Bank during the year 2019, 2020, and 2021, using their annual report as an analyzing reference.



*Figure 1 Total Asset*

**Analysis:** This graph shows how much assets IFIC Bank Ltd. Has collected throughout the year which includes flows of cash, loans, investments, fixed and other assets. We can see that year after year their asset keeps increasing from 316,950 million BDT to 405,878 million BDT.

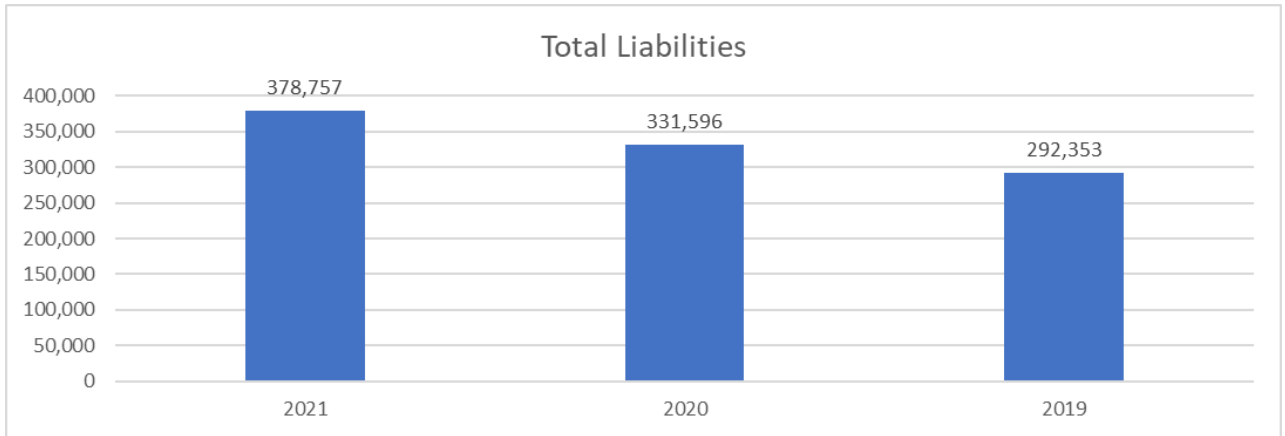


Figure 2 Total Liabilities

**Analysis:** A bank's liabilities consist of deposits, borrowings, debts, and some other liabilities. As their asset kept increasing, so did their liability which they can afford based on their total assets. It kept increasing from 292,353 million BDT to 378,757 million BDT.

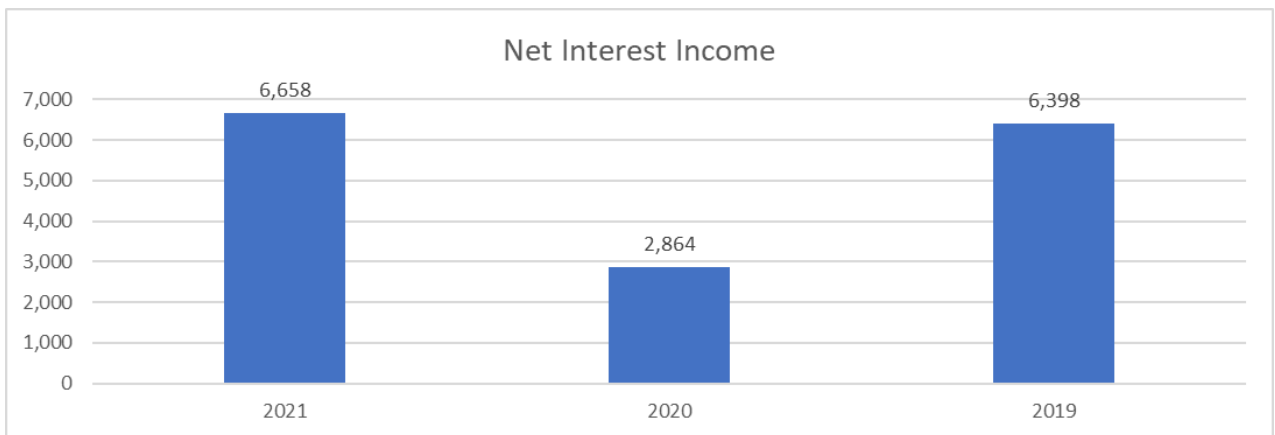
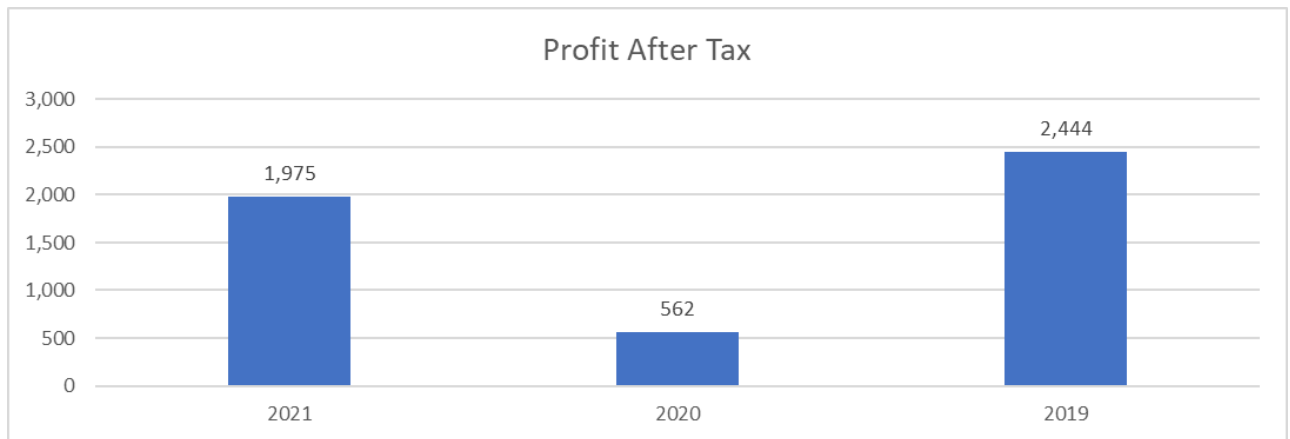


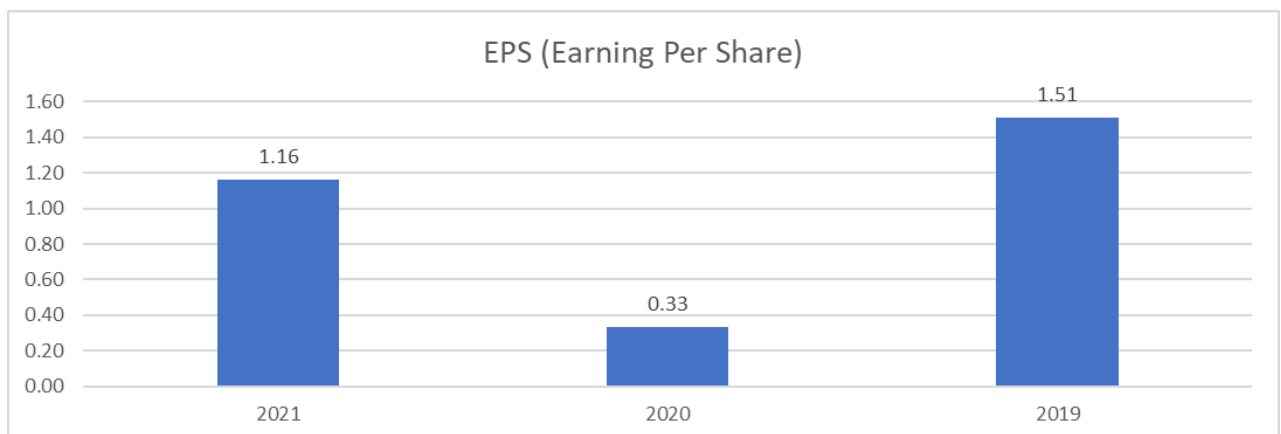
Figure 3 Net Interest Income

**Analysis:** Net interest income is the difference between the revenue from assets with interests and the expenses with liabilities. It's affected by loan portfolios as well as variable rates or fixed rates of loans. As with the worldwide economy got affected by Covid-19, their net interest income fell from 6,398 million BDT to 2,864 million BDT. After that, they regained their pace and went back up to 6,658 million BDT.



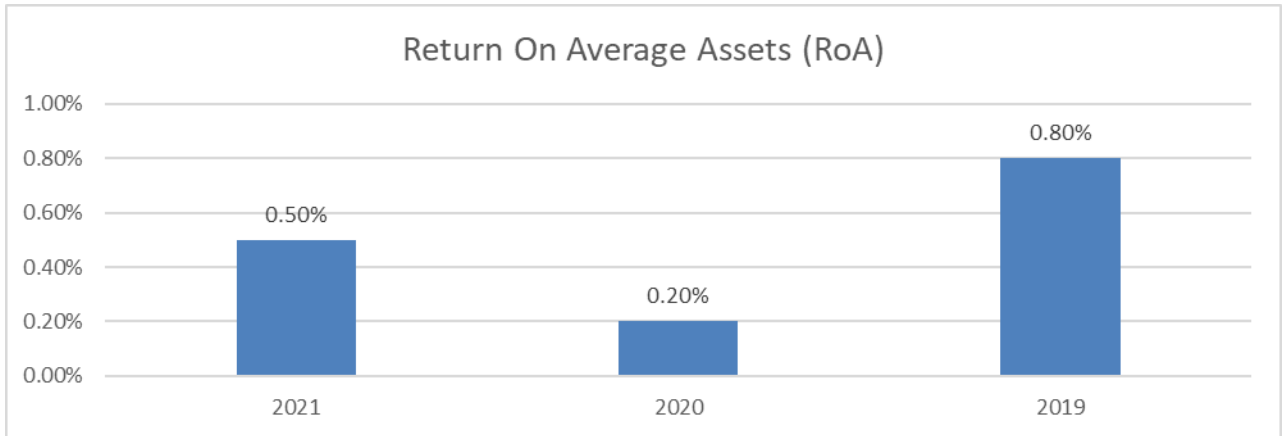
*Figure 4 Profit After Tax*

**Analysis:** After all the expenses, liabilities, and taxes, the amount the company is left with is called Profit After Tax. As per the graph, due to the pandemic in 2020, their profit went down to 562 million BDT from 2444 million BDT. Slowly, it kept increasing as in 2021 it went all the way up to 1975 million BDT.



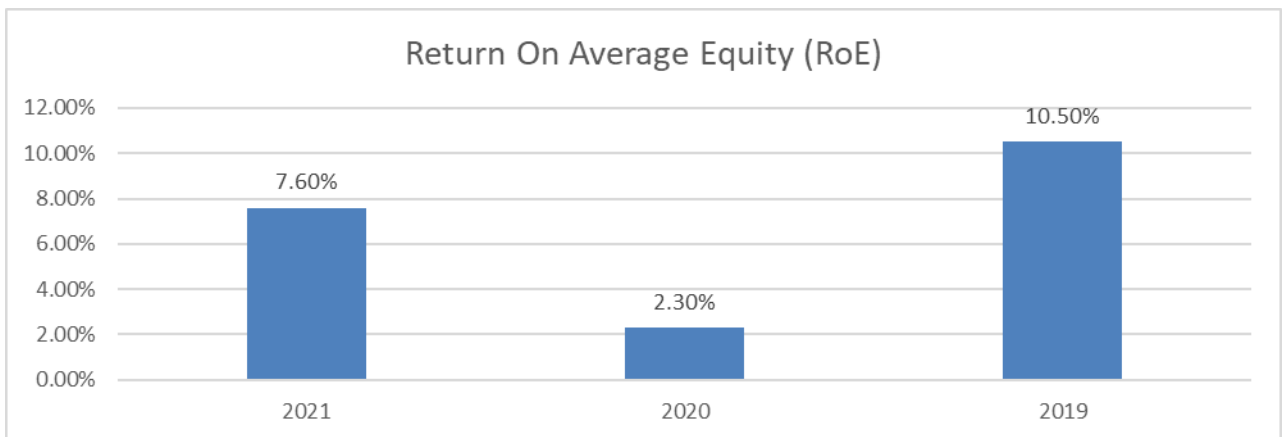
*Figure 5 Earning Per Share*

**Analysis:** Earning per share is what a company makes for each share of the stock which is used more to estimate the company's value. In 2019, it was around 1.51 million BDT and it fell to 0.33 million BDT in 2020. In 2021, it rose back to 1.16 million BDT.



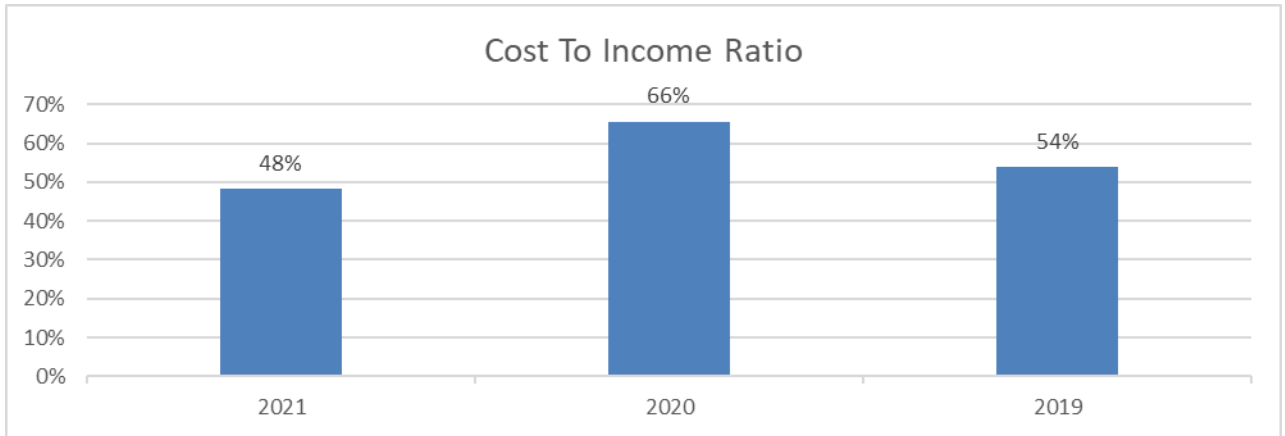
*Figure 6 Return on Average Assets*

**Analysis:** In this graph, ROA is telling us how much profit IFIC Bank gained in relation to their total assets. As we can see, in 2019 their ROA was the highest at 0.80% where it went down to 0.20% in 2020 and slightly improved in 2021 being 0.50%.



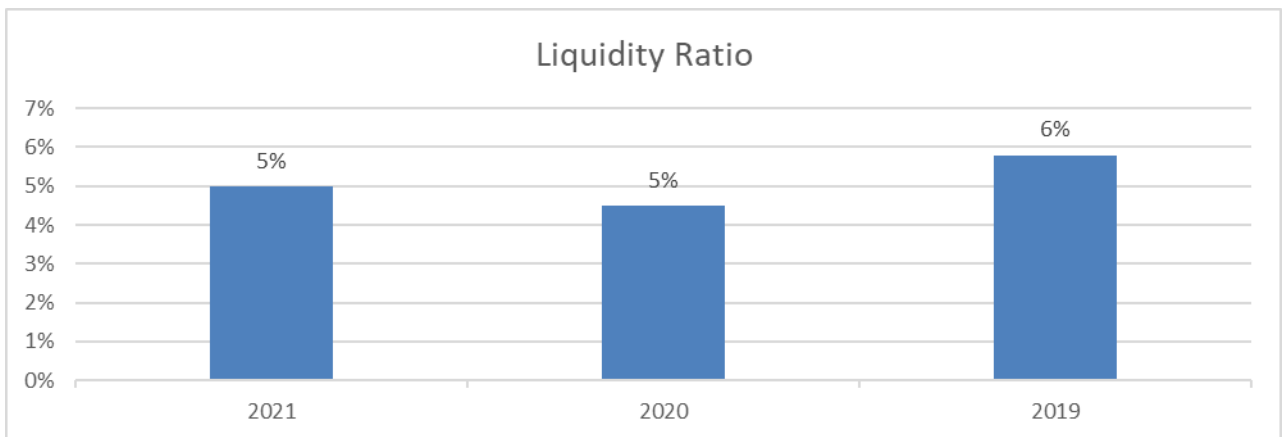
*Figure 7 Return on Average Equity*

**Analysis:** ROE is when net income is divided by shareholder's equity. Again, it was at its peak in 2019 being 10.50%. In 2020 it was around 2.30% and in 2021 it grew to 7.60%.



*Figure 8 Cost to Income Ratio*

**Analysis:** The cost to income ratio is measured to show how efficiently a bank or business is performing. Here, in 2019 it was around 54% which means they're earning more money than they're spending which is good for creating a profit margin. In 2020, it increased to 66% and fell in 2021 to 48% which is their lowest.



*Figure 9 Liquidity Ratio*

**Analysis:** The liquidity ratio explains that a company can pay off its debts without raising other capital. In 2019 it was 6% and in both 2020 and 2021, it was the same, decreasing to 5%.

### 3.2 Project Summary

IFIC Bank is one of Bangladesh's largest banks. Since its beginning, this bank has consistently made a profit, despite the fact that Bangladesh's banking sector is deplorable. To summarize, IFIC bank must preserve this standard as well as a strategy because its success is greater compared to other banks and its profit is continuing to increase year after year. They should now concentrate on proper investments such as multinational corporations, government projects, private enterprises, societal welfare, and Corporate sustainability. As a result, IFIC Bank's profit ratio will remain stable, bringing the bank's reputation while also meeting its mission and vision goals. Despite some constraints in their offerings, they are doing a wonderful job for the financial system. They can do better in Bangladesh's banking sector if they can help lower their barriers and introduce fresh concepts.

### 3.3 Methodology

During the internship, the main sources of information was through primary and secondary data. As all of the employees there had quite a bit of experience, I just rather approach them and they answered to my queries. However, all of the information regarding the organization and the policies aren't for public domain as the information they provided were extremely restricted and limited.

- **Primary Sources:** I had to observe their work and the files to understand more about the company and their working policy. I also had to discuss with the employees to learn more about the work, the procedures, their financial data, their opinion on the data.
- **Secondary Sources:** I checked their website and accessed their annual reports. I also checked a few online sources, news portals, some sites and publications in regards to the banking policy and financial analysis.



### **3.3 Research Analysis**

This research analysis focuses on examining the impact of the pandemic on the banking system of IFIC Bank Limited. The analysis is conducted by reviewing the bank's annual reports and interviewing employees to gather information on how the banking system functioned before, during, and after the pandemic.

The banking sector in Bangladesh is a significant contributor to the country's economy, accounting for 61% of GDP, which is higher than expected for a country with a per capita income of only US \$1680. The banking sector in Bangladesh is divided into four types of scheduled banks, including nationalized commercial banks (NCBs), national development financial institutions (DIFs), private commercial banks (PCBs), and foreign commercial banks (FCBs). Commercial banks are classified into three types based on their ownership structure: state-owned commercial banks (SOCBs), private commercial banks (PCBs), and foreign commercial banks (FCBs).

To evaluate the financial performance of a bank, various authors use different methods such as financial ratio analysis, trend analysis, and CAMEL assessment. Prior studies have focused on the efficiency and productivity of banks, while this study examines how different financial structures, board composition, and financial performance affect firm productivity. The study found a link between ownership structure, legal experts on the board, and financial performance and productivity. The study also shows that different stakeholders have a significant impact on firm productivity, and strong corporate governance helps to align the interests of executives and shareholders to improve bank productivity.

The annual report of IFIC Bank shows that the bank has managed its finances positively, even during difficult times. Despite fluctuations in net profit during 2019, 2020, and 2021,

the bank managed to retain its ROA and ROE ratio, and regain control of its financial situation during the post-pandemic period.

### **3.4 Findings**

As an intern, some findings are listed down below,

1. The exposure to a new setting during the internship showed me how banking functions are conducted internally.
2. Due to the closing hours of clearance, the traditional careful management of timely transactions is vitally necessary.
3. Because money is reserved during transactions, communication between sub-branches and the assigned branch is critical.
4. As consumers are afraid of collaterals, it is critical to promote lending schemes to local store owners.

### **3.5 Loan and Advances**

Credit can be defined in a broad or narrow sense. In general terms, credit is financial assistance provided by one party (such as a lender or shareholder) to another (such as a borrower or buyer). In simpler terms, credit is the opposite of debt. Debt refers to the obligation to make future payments, while credit refers to the right to those payments. According to IFIC Bank, limited risk refers to the potential for financial or other losses. Risk management is becoming increasingly important in order to reduce the uncertainty of assets and other investments. Major areas of risk include credit risk, liquidity risk, market risk, operational risk, and reputational risk, as well as the risk of money laundering. Market risks include foreign exchange risk, interest rate risk, and equity risk. IFIC Bank offers two types of loans based on duration.

#### **Short-Term Loan:**

Borrowers take out this type of loan for a period of no more than one year. This loan is intended to help tenors with their working capital and manufacturing needs.

### **Long-Term Loan:**

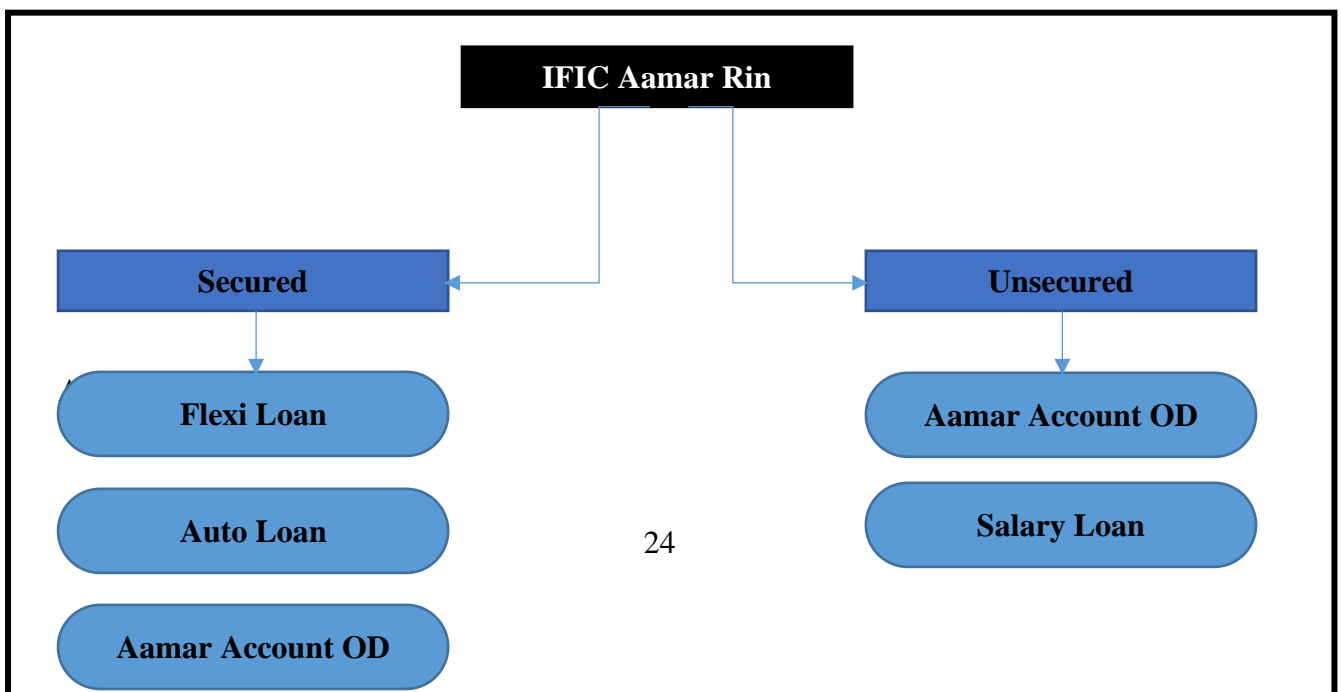
Banks provide loans for a variety of purposes, such as salary-based loans and home construction financing for retailers. For corporate entities, the criteria for loans may vary and include funding for establishing new plants, industrial construction projects, machinery purchases, and employee salaries.

## **3.6 Retail Banking**

Retail Banking is a common service that enables customers to access banking services directly from branches all over the country. The bank provides an "one-stop financial services" to individual customers through its innovative products and services. To provide more convenient and faster centralized online banking services, all of its branches have been integrated into the real-time internet banking system. IFIC Bank offers a variety of fixed deposits, loan products, and additional services to meet the diverse needs of its customers.

## **3.7 IFIC Amar Rin**

In terms of fulfilling any sort of personal needs, IFIC will offer Amar Rin as a bundle of secured and unsecured products.



### **3.8 Small and Medium Businesses**

The expansion of Small and Medium Enterprises (SMEs) has a significant impact on the economy of Bangladesh, particularly in terms of job creation, economic growth, and poverty reduction. The SME sector plays a vital role in the development of new entrepreneurs and fostering an entrepreneurial culture in the country. Small businesses often prefer collateral-free loans due to lack of collateral. To meet this need, IFIC Bank provides collateral-free loans to small and medium-sized businesses all over the country, who have limited access to credit facilities. The bank offers 15 different loan products tailored to specific target groups, such as Easy Commercial Loan, Retailers Loan, Muldhan Loan, Women Entrepreneur's Loan (Protyasha), Transport Loan, Project Loan, Letter of Firm's Loan, Bidder's Loan, Working Capital Loan, Project Loan, Loan against Trust Receipt, Letter of Guarantee, and Letter of Credit Loan against Imported Merchandise (LIM). These loans are designed to support the growth of the country's SME sector.

### **3.9 SWOT Analysis**

The SWOT analysis of IFIC Bank Limited is presented below,

#### **Strengths:**

- 1. Strong brand reputation and established presence in the Bangladeshi banking market:** IFIC Bank has a good reputation in the market and a long history of operations in Bangladesh, which gives it a strong competitive advantage.
- 2. Wide range of products and services offered to customers:** The bank offers a variety of products and services, including retail banking, corporate banking, trade finance, and investment banking, which allows it to cater to the diverse needs of its customers.

3. **Strong financial performance with steady growth in assets and profits:** IFIC Bank has reported strong financial performance in recent years, with steady growth in assets and profits, which indicates its ability to generate revenue and manage its operations effectively.
4. **Strong focus on risk management and compliance with regulatory requirements:** The bank places a strong emphasis on risk management and compliance with regulatory requirements, which helps to ensure the safety and soundness of its operations.

#### **Weaknesses:**

1. **Limited international presence and exposure:** IFIC Bank's operations are primarily focused on the domestic market, with limited international presence and exposure, which limits its ability to diversify its revenue streams and access new growth opportunities.
2. **Dependence on the domestic market for revenue and growth:** The bank is heavily dependent on the domestic market for its revenue and growth, which makes it vulnerable to economic and political fluctuations in Bangladesh.
3. **Limited investment in technology and digital banking services:** IFIC Bank has limited investment in technology and digital banking services, which limits its ability to improve customer experience and increase efficiency.

#### **Opportunities:**

1. **Expansion into international markets through strategic partnerships or acquisitions:** The bank can expand its operations into international markets through

strategic partnerships or acquisitions, which would help to diversify its revenue streams and access new growth opportunities.

2. **Investment in technology and digital banking services to improve customer experience and increase efficiency:** The bank can invest in technology and digital banking services to improve customer experience and increase efficiency, which would help to stay competitive in the market and increase its market share.
3. **Opportunities to tap into the growing microfinance and SME sectors in Bangladesh:** With the growing microfinance and SME sectors in Bangladesh, the bank has opportunities to tap into these sectors and increase its revenue and market share.

#### **Threats:**

1. **Intense competition from domestic and international players in the Bangladeshi banking market:** The bank faces intense competition from domestic and international players in the Bangladeshi banking market, which limits its ability to increase market share and revenue.
2. **Economic instability and political uncertainty in Bangladesh:** Economic instability and political uncertainty in Bangladesh can negatively impact the bank's operations and revenue.
3. **Increasing regulatory scrutiny and compliance requirements:** The bank is subject to increasing regulatory scrutiny and compliance requirements, which can be costly and time-consuming to comply with, and can negatively impact the bank's operations and revenue.

### **3.10 Conclusion**

Business banking today is a demanding business. The price is modest, but the penalties for being unattractive are severe. Furthermore, business banks are exceptional financial institutions that are more important to overall government assistance than any other banking industry of the economic foundation. IFIC Bank Limited is one of the most important commercial banks in the Bangladesh. IFIC Bank Limited has been operating with extraordinary clarity and contending enormously in our country's entire monetary state. With government-oriented financial institutions nearby, as well as commercial enterprise banks and alternative international banks. IFIC Bank Limited frequently attempted to appear financially nicely stage best. In the course of attempting to do well in certain areas, IFIC Bank Limited encountered a few financial difficulties. A portion of the issues included unreasonable horrible credit, the loss of loans and advances, the loss of cash in palms due to a vault limit, and so on. These issues can arise as a result of financial lulls, home loan price variations, rising financial markets, foreign currency market expansion, and so on. While dealing with all of these issues and competing with other banks, the banking firm is continuously trying to be the best.

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## Appendix A.

### 3 Year Performance of IFIC Bank Limited

Particulars	2021	2020	2019
<b>Financial Position</b>			
Authorized capital	40,000	40,000	40,000
Paid-up capital	17,009	16,199	14,726
Reserves and Profit Surplus	10,112	8,999	9,871
Shareholders 'equity	27,121	25,198	24,597
Deposits	333,142	296,369	258,368
Borrowings	14,562	13,022	8,216
Subordinated debt	6,400	2,100	2,800
Other liabilities	24,652	20,105	22,969
Total liabilities	378,757	331,596	292,353
Total liabilities and Shareholders' Equity	405,878	356,794	316,950
cash and cash equivalents	30,474	29,718	24,582
Loans and advances	305,061	260,650	228,589
Investments	55,612	52,722	45,500
Fixed assets	7,923	7,495	6,384
Other assets	6,808	6,208	11,896
Total assets	405,878	356,794	316,950
AD ratio	85.06%	82.40%	84.08%
Total off-balance sheet items	71,384	50,484	51,095
Interest earning assets	358,619	317,877	275,640
Non-interest earning assets	47,258	38,917	41,311
<b>Financial Performance</b>			
Interest income	22,091	21,159	24,426
Interest expenses	15,433	18,295	18,028
Net interest income (NII)	6,658	2,864	6,398
Investment income	4,447	3,455	2,626
Fees income on Commission, exchange and brokerage	2,552	1,922	1,650
Other operating income	180	184	446
Operating expenses	6,669	5,523	5,999
Operating profit	7,168	2,902	5,120
Provision for loans and assets	2,703	1,237	943
Profit before tax	4,465	1,664	4,177
Current bx	2,579	963	1,700
Deferred bx expense/(income)	(89)	139	34
Provision for Taxation	2,490	1,102	1,734
Profit after tax	1,975	562	2,444
<b>Trade Business</b>			
Import	110,718	77,078	86,203
Export	87,674	74,061	94,645

<b>Capital Measure</b>			
Risk weighted assets (RWA)	300,759	255,639	227,798
Common Equity Tier 1 Capital	25,957	24,086	23,421
Tier-2 capital	13,449	7,204	5,747
Total Regulatory Capital	39,406	31,290	29,167
Common Equity Tier 1 to RWA	8.6%	9.4%	10.3%
Tier 2 capital to RWA	4.5%	2.8%	2.5%
Capital to Risk-weighted Asset Ratio (CRAR)	13.1%	12.2%	12.8%
<b>Assets Quality</b>			
Non-performing loans (N PLs)	18,588	10,346	12,265
Provision for loans and advances	10,125	7,406	6,034
NPLs to total loans and advances	6.09%	3.97%	5.37%
<b>Share Information</b>			
Number of shares outstanding	1,701	1,620	1,473
Number of shareholders	57,234	39,267	41,573
Market price per share	16.9	15.2	9.9
Operating profit per share	4.2	1.7	3.5
Earnings per share (EPS)	1.16	0.33	1.51
Stock Dividend	5.0%	5.0%	10.0%
Dividend coverage ratio (times)	2.32	0.66	1.66
Market capitalization	28,745	24,622	14,579
Net asset value (NAV) per share	15.95	14.81	15.18
Price earnings ratio (times)	14.6	46.0	6.6
<b>Profitability Ratio (%)</b>			
Return on average assets (RoA)	0.5%	0.2%	0.8%
Return on average equity (RoE)	7.6%	2.3%	10.5%
Net interest margin on average earning assets	2.0%	1.0%	2.5%
Return on Advances	8.4%	8.2%	11.7%
Cost of Deposit	4.7%	5.4%	7.9%
Cost to income ratio	48.2%	65.6%	54.0%
Operating profit per employee (million)	1.8	1.0	2.0
<b>Liquidity Ratio (%)</b>			
Cash receive ratio (CRR)	5.0%	4.5%	5.8%
Statutory liquidity ratio (SLR)	18.0%	18.5%	19.1%