

**Research On**  
**Analysis of Financial Performance of BASIC Bank Limited**

**By**

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An internship report submitted to the **Brac Business School** in partial fulfillment of the requirements for the degree of **Masters of Business Administration**.

BRAC Business School  
Brac University  
May 15 2023

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# Declaration

It is hereby declared that

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

**Student's Full Name & Signature:**

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**Student Full Name**  
Student ID

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

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**Abu Saad Md. Masnun Al Mahi, PhD**  
Assistant Professor,  
BRAC Business School  
BRAC University

# Letter of Transmittal

Abu Saad Md. Masnun Al Mahi  
Assistant Professor,  
BRAC Business School  
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66 Mohakhali, Dhaka-1212

Subject: Submission of Research Report

Dear Sir,

Under the MBA program's requirements, I am submitting my research paper titled “Analysis of Financial Performance of BASIC Bank” with gratitude and great pleasure.

Your insightful suggestions, counsel, and assistance have made it easier for me to produce the report. I have completed the research and done my best to make this report as thorough and educational as possible. Nonetheless, various restrictions may have resulted in certain errors.

We appreciate your thoughtful consideration. Working with you has always been a joy for me.

The report will fulfil expectations.

Sincerely yours,

Moumita Khanam  
ID: 21164062  
BRAC Business School  
BRAC University  
Date: May 15, 2023

# **Non-Disclosure Agreement**

This page is for Non-Disclosure Agreement between **BASIC Bank Limited** and **Moumita Khanam**

This agreement is made and entered into by and between and **BASIC Bank Limited** the undersigned student at BRAC University.....**Moumita Khanam**.....

## **Acknowledgement**

I would like to begin by expressing my sincere appreciation to The Almighty Allah for endowing me with the capacity, talent, and determination to successfully finish my internship program. Additionally, I would like to express my gratitude to my honored adviser Abu Saad Md. Masnum Al Mahi of the BRAC Business School and BRAC University for giving me time from his hectic schedule and exceptionally well-organized instructions to finish my report. I would like to extend my sincere gratitude to the management of BASIC Bank Limited for supporting me throughout my internship. I would especially want to thank Md. Adadul Karim Assistant General Manager, and the other assistant officers for providing me with crucial banking-related knowledge. I could not able to finish my internship program and obtain practical experience without their assistance and right direction.

## **Executive Summary**

State-owned BASIC Bank Limited conducts business like a private bank while being controlled by the state. The goal of its establishment was to advance Bangladesh's bank sector. For further information, I've written a study that begins with a summary of the banking sector in Bangladesh and then includes more details about the background of BASIC Bank Limited. Within the report is a progress chart for BASIC Bank Ltd. A detailed explanation of this specific bank's General Banking Department is provided in a subsequent chapter. In-depth descriptions are provided of the many tasks performed by this department as well as the necessary paperwork to create an account. This report may be used to determine the types of loans available as well as the goods and services they offer. My three-month internship experience and my activities are described in the upcoming chapter. In addition, the most significant chapter, which analyzes the financial performance of BASIC Bank Limited, is also carefully produced. The years 2020 and 2021 are used for the Ratio analysis, respectively. An evaluation is also conducted with Bangladesh Development Bank Limited, a bank of a comparable nature. The study concludes with a few helpful ideas that might help the bank increase its effectiveness. It also includes a quick summary.

**Keywords:** Financial Performance, Key Performance Indicators

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# **Chapter 1: Summary of the internship at BASIC Bank**

## **1.1 Heading of the Study**

Analysis of Financial Performance of BASIC Bank Ltd.

## **1.2 Information about an internship**

On January 1, 2023, I began working as an intern at BASIC Bank Limited's Uttara Branch. Such a warm welcome gave me the confidence boost I needed to quickly develop close relationships with nearly everyone in the general banking department. Despite the fact that I the opportunity to work, especially to assist in the General Banking Department. There are two other departments as well, which are known as the Loan or Advances Department and the Foreign Exchange Department. The General Banking Department may sound laid-back, but it actually has the most important work, in my opinion, as it frequently deals directly with various kinds of consumers or customers. In this area, I've learned a number of jobs that have become really vital in the banking industry nowadays. I now know how to open a bank account, complete out the necessary paperwork, provide my customer information number, create a payment order, and clear checks. Furthermore, the staff of this branch of BASIC Bank Ltd. imparts information on the items they provide to current as well as potential clients. Learning the aforementioned skills required strong direction and cooperation from those who were always there to assist me whenever I needed it. These people's demeanor made me feel like one of them, unlike other companies whose behavior is more dictatorial. In general, this branch's atmosphere and its residents are quite kind, which taught me to always keep my feet close to the earth. Even though three months is not long enough to understand everything there is to know about the banking industry, I gave it my all to connect the dots between my theoretical and practical knowledge. In other words, the experiences I've

gained from working in this field will undoubtedly be very beneficial to me in the future and in advancing my career.

**Name:** Moumita Khanam

**Student ID:** 21164062

**Program Name:** Master of Business Administration (MBA)

**Major Subject:** Finance

### **1.3 The date, the company name, the department, and the address**

The date, the company name, the department or division name, and the address I was offered the chance to complete a Brac Business School requirement by working as an intern at BASIC Bank Ltd. for three months. My internship ran from January 1 to March 31, 2023, for a total of three months. Additionally, they provided the choice of an internship at their Dhaka branch office. I work in the general banking division as an intern.

**Internship Period:** 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2023.

**Name of the bank:** BASIC Bank Limited

**Department:** General Banking

**Location:** Plot 67/A, Rabindra Sarani, Srector 7, Uttara Model Town, Dhaka-1230.

### **1.4 Quality of Job Description of my position**

A consumer enters into a binding contract when he opens an account with a bank. This is how a banker-customer connection is developed, which, if done carelessly, may also be the beginning of fraud and forgeries. The bank chooses its clientele carefully, keeping this in mind.

A consumer must fulfill the requirements set out by this bank in order to create a bank account. After submitting the required documentation, the customer's account can be opened. A few fundamental needs must be met in order to establish an account, including photos, a nominee, the number from a national ID card, and an introducer. And now for the portion where I have to fill out the customer information number, account number, address (permanent and current), and personal information about the customers such as their birthdates, names of spouses, parents, and mothers. I received the relevant information from an authorized staff member in the cases of the customer information number and account number. Help me fill out the form properly by doing so. The account opening section's responsibility is to issue checkbooks, and I view this activity as being relatively essential. BASIC Bank has a really solid, trustworthy procedure to avoid this, which I find quite intriguing because there might be many falsifications in this area. I used to just jot the numbers down on the back of each check leaf after an authorized individual tosses some random numbers. The authorized individual then confirms if the security numbers are accurate or not before signing off on the task.

## **1.5 Success of internship**

Accountability, working environment, having the requisite knowledge and experience on job accomplishments, and job happiness are just a few of the factors that affect how well a job is done. I couldn't be happier to contribute to the culture of work at BASIC Bank than I am right now. I received helpful support from the professionals, who assisted me in improving my performance and learning new abilities. BASIC Bank offered a 14-week internship. I have taught a number of skills that I have learned through theoretical studies throughout the course of these 14 weeks in a practical context. During my internship, I gained up a lot of knowledge, and the

whole thing was quite instructive. In conclusion, I learned more about the aspect of the role I played.

## **1.6 Specific duties of the positions**

The general banking division carries out a bank's fundamental duties. It handles regular business transactions. It accepts the client's deposit and honors their checks in order to satisfy their demand for cash. It typically performs the following primary duties: There are various areas in the general banking department, including:

- Cash Section
- Collection & Clearing Section
- Accounts Opening Section
- Remittance Section
- Accounts Section

At BASIC Bank Limited, I was essentially an intern working for the accounts opening department. I was in charge of handling daily transactions with a focus on process efficiency, including processing and recording all company payments, issuing payment receipts, operating office equipment, entering and updating data, and ensuring that mail order payments have authorized signatures.

## **1.7 Obstacles encountered during the internship**

I had a number of difficulties when I was an intern. I had no previous work experience, so it took me a while to understand how things really worked. Second, the employee used specialized

software often when working for a private bank like BASIC Bank to perform the majority of the tasks. An intern who hasn't gotten any training may suffer because the program isn't universal and requires specific knowledge to function. Since some supervisors were unwilling to divulge any information, it was difficult for me to conduct a full inquiry. Since some supervisors were unwilling to divulge any information, it was difficult for me to conduct a full inquiry. I was told to check everything with my two employers. The branch of BASIC Bank in Uttara has a general banking department that includes the following divisions as well:

- Cash Section
- Collection & Clearing Section
- Accounts Opening Section
- Remittance Section
- Accounts Section

Though, I didn't get the opportunity to work in every department. Under the supervision of a designated person, my task consisted of nothing more than completing the account opening papers, filing all of the forms for savings, FDR, and current accounts individually, and writing random numbers on each and every check leaf. I did not work any opportunity to work in remittance section, cash section and accounts section as well.

## **1.8 Summary**

Being able to work with a company like BASIC Bank has been a great honour. It is a significant industry as compared to the activities or output of other firms. What I enjoyed best about it was the opportunity to learn while working for the company. There is a fantastic opportunity to possess a solid understanding of several typical banking responsibilities. I helped out with the



majority of general banking tasks, always with my supervisor's complete participation and blessing. Also, I was able to learn more about the many workplace problems that managers and top-level management encounter frequently when working in the general banking department, as well as how these problems can be solved via efficient education. In addition, I developed my grasp of commonplace scenarios and obtained practical professional experience. Furthermore, I utilized my time efficiently by working under time restrictions. Moreover, my networking skills have also improved because to BASIC Bank.

## **1.9 Recommendation**

After working there for 14 weeks, I've learned something absolutely amazing and motivating about BASIC Bank. On the other hand, I'd want to share something with them from what I've observed over the last three months that would persuade them to change their minds. From my perspective, the following suggestions are made:

- The BASIC Bank does have an internship program, but they are not well-established; for instance, they need to provide its intern lunch and access to a carpool.
- A significant difficulty is time management. To handle clients, attend meetings, acquire new skills and tactics, and refine our bargaining abilities as novices or newbies, we need enough time. If our seniors don't give us enough time and focus, we won't be able to learning well for a fair period of time. Therefore, I think the three months should be extended.

# **Chapter 2: Organizational Part**

## **2.1 Introduction**

### **2.1.1 The Internship Report Origin**

As a component of the academic research for the MBA program at BRAC University, this report was produced. The main objective of the internship is to provide students with practical business experience while introducing them into corporate culture. The following are some of the goals of the study:

- To better understand the responsibilities of the position in greater detail.
- To make a connection between a challenge from everyday life and a subject covered in an MBA program.
- In order to meet the criteria for the MBA program.
- To get experience in a practical firm setting.

### **2.1.2 Objective of the research**

There are two different sorts of objectives for the financial condition analysis of BASIC Bank Ltd.:

- Broad objective of the research
- Specific objective of the research

#### **Broad objective of the research**

- To analysis basic bank's financial performance.

#### **Specific objective of the research**

- to analyze the loan sector's basic bank's liquidity flow and debt ratios.

- To determine the profitability of Basic Bank based on activity ratios from several sectors.

### **2.1.3 Issues with the Report**

Since a lot of the information at BASIC Bank is handled very secretively, it was difficult for me to collect all the information I needed from the management. When I started drafting my report, I became mindful of the following limitations:

#### **A time period**

The working day at BASIC Bank is limited by time. I had just three months to gather all the data, which was clearly inadequate for such a large commitment. Due to time constraints, I was unable to deliver a more comprehensive report.

#### **Lack of Information**

Another problem is a lack of information, and data may be presented in an inappropriate way. The company's annual report is typically unclear and frequently inadequate details may be found on websites and vlogs. the respondent's unwillingness to disclose personal information. They had a belief that they were sharing private material without authorization.

#### **Restrictive Policy**

Due to the BASIC Bank's severe restrictions for revealing important information, I was unable to acquire sufficient data for the article.

#### **Security Issue**

The study began with a lack of data that was required for the research. Due to security concerns and other corporate responsibilities, the bank representative is unable to provide all information. The covert corporation is hesitant to provide further details because of a number of significant responsibilities and current operations. As a consequence, make as many decisions based on

information that is easily available to the public and a limited number of formal, informal, and informal meetings.

### **Place**

Data were merely gathered from the Dhaka Office, highlighting the bias of the location.

### **Lack of Experience**

It took me some time to see things realistically because I was new and without expertise in my field.

## **2.2 An Overview of the Basic Bank**

### **2.2.1 Background of the Basic Bank Limited**

The Bangladesh Small Industries and Commerce Bank Limited, or BASIC Bank Limited, was established under the Corporations Act of 1913 on August 2, 1988, and it began conducting business on January 21, 1989. The Banking Companies Act of 1991 regulates it. The Bank was created because the nation's authorities recognized the need for a private sector bank for financing industries (SSIs). The Bank started as a joint venture with the BCC Foundation, which held 70% of the shares, and the Government of Bangladesh (GOB), which held the remaining 30% of the shares. After the BCCI dissolved, the BCC Foundation stopped functioning and on June 4, 1992, the Bangladeshi government obtained full control of the bank. The Bank thus becomes state-owned. The Bank, however, is not nationalized; rather, it remains to operate as a private bank (basicbanklimited, 2023).

### **2.2.2 BASIC Bank Corporate Goals**

The corporate objectives of BASIC Bank Ltd. surpass beyond purely financial achievement to include enhancing people's quality of life. In below there are some list of Basic Bank's corporate goals:

- consistent and steady growth.
- investment is done with diligence.
- new banking technology adoption.
- to use the money to achieve profitable endeavors throughout a range of fields, with an emphasis on small businesses.
- to promote projects and find appealing possibilities for investment.
- should look for more possibilities for investment and create new goods to meet these requirements.
- to create relationships with other organizations that finance microbusinesses.
- to work alongside to collaborate with organizations entrusted with promoting and assisting the SSI industry (basicbanklimited, 2023).

### **2.2.3 Vision of the BASIC Bank**

“Offering the best banking and insurance services to all customers while promoting national economic growth”.

### **2.2.4 Mission of the BASIC Bank**

To offer the ordinary people of Bangladesh the most advanced development and commercial banking services, and to give special support to small companies.

## 2.2.5 At a quick look at BASIC Bank Limited

Name of the Bank	BASIC Bank Limited
Date of incorporation	2 <sup>nd</sup> August 1988
Date of operation began	21 <sup>st</sup> January 1989
Registered office	Bana Shilpa Bhaban 73, Motijeel Commercial Area Dhaka-1000, Bangladesh.
Corporate Head Office	Sena Kalyan Bhaban (6th floor) 195, , Motijeel Commercial Area Dhaka-1000, Bangladesh.
Company Monogram	
Ownership	Government of Bangladesh

**Table 1:Background of BASIC Bank Limited**

## 2.3 BASIC Bank Limited Management Practices

### 2.3.1 Approach to leadership

Leadership is encouraging and inspiring people to contribute freely of encouraging and inspiring people to freely contribute toward a common goal. It is an essential component that aids in inspiring and helping people or organizations in setting and achieving their goals. A person's approach to leadership is characterized as a recurring set of attitudes, skills, qualities, and dispositions that are shown in their behavior. Positive leaders give rewards and a lot of attention. Negative leaders also highly emphasize threats, dread, harshness, and sanctions.

A collaborative method of leadership is implemented to manage the workforce at BASIC Bank. Decentralized authority is rapidly demonstrated by participatory leaders. Because they consider feedback from followers and engagement from them, participatory decisions are not unilateral like those of an authoritarian. As a social organization, groups and leaders work collectively. As a consequence of their knowledge of the challenges affecting their professions, employees are encouraged to share their ideas, create new ones, and take action.

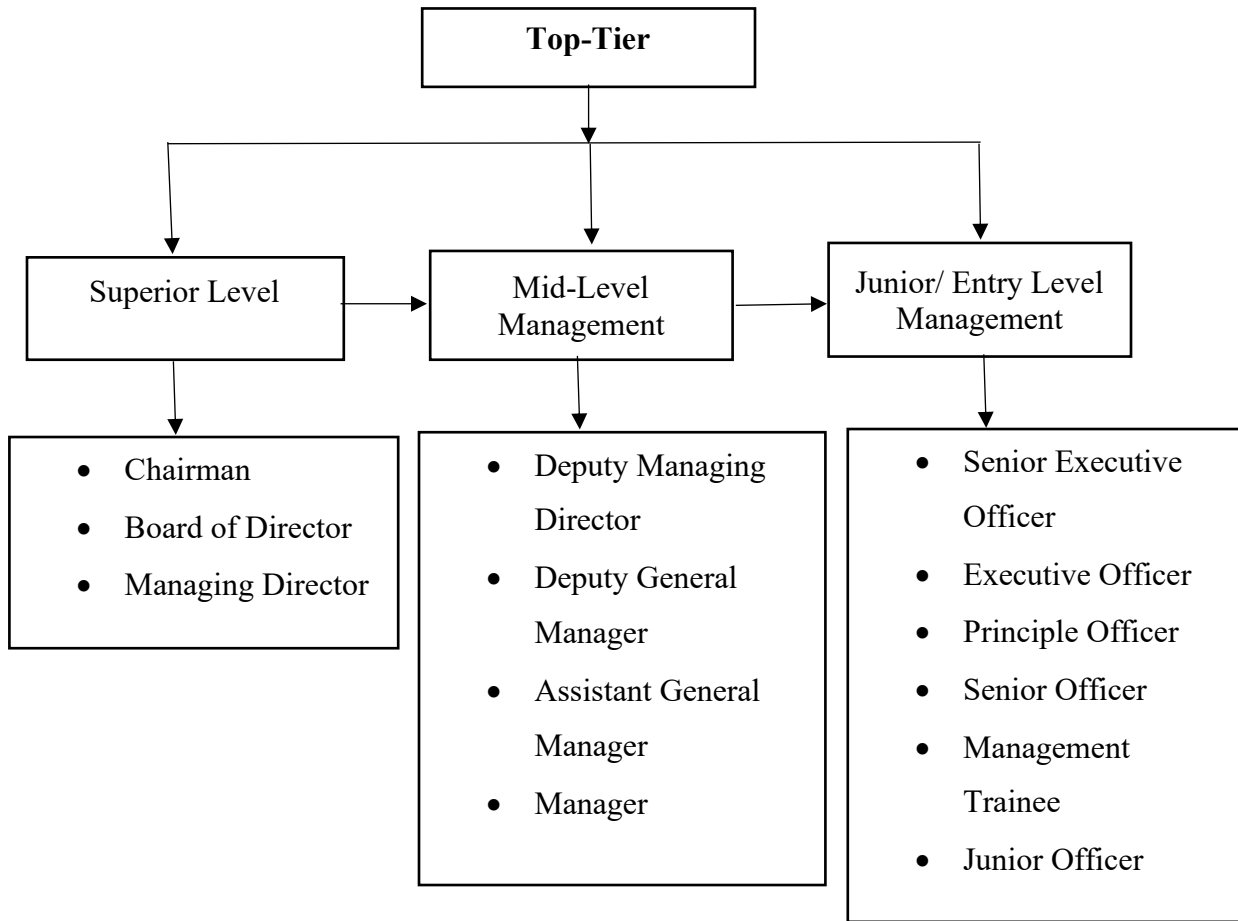
In order to make decisions, BASIC Bank uses a participative leadership method in which it solicits input from its employees and carefully considers their recommendations.

### **2.3.2 Training and Development**

A respectful, fair, and equitable work environment is offered by BASIC Bank for its multi-layered workforce of professionals and support personnel. The Bank is dedicated to recognizing, nurturing, and using top talent. As a consequence, the Bank has access to a diverse group of human resources that possess solid academic credentials and significant professional experiences. There were 2,097 people working for the Bank as of the end of 2019.

By developing and refining the skills of the staff through on-the-job and classroom training, BASIC Bank believes in the development of human capital. By using organized modular training programs, the BASIC Bank Training Institute (BBTI) offers a variety of training seminars and courses for the bank's officers and executives in order to preserve the benefit of having a trained staff. 681 workers of BBTI attended training programs, seminars, and workshops to attain outstanding performance in banking in 2019 (basicbanklimited, 2023).

### 2.3.3 Level of the BASIC Bank's Hierarchy



**Table 2: Level of the BASIC Bank's Hierarchy**

### 2.3.4 BASIC Banks's Employees Onboarding Procedures

One of the key duties of the Department of human resources is maintaining BASIC Bank's personnel policy. The division evaluates each employee's performance twice a year, and a comprehensive file is kept on each employee. Below are some policies and processes for recruiting and selecting personnel:

1. Preparing and predicting
2. Request for Personnel



3. A job advertisement
4. Examining resumes to choose candidates
5. Contracting with the Applicants Who Were Selected
6. Arrange the preliminary interview with the selected prospects.
7. Set up a second interview with the original set of interviewees.
8. Updating the candidate database
9. Candidates' Involvement

For those Bangladeshi job seekers who are interested in a banking position, BASIC Bank Career is extremely useful. Through BASIC Bank Career, we will be able to realize all of our potentials. Male, female, and other candidates are encouraged to submit applications as BASIC Bank is an equal opportunity employer. Any kind of influence will void the candidate's eligibility. Visit this page to search for BASIC Bank jobs in Bangladesh and to sign up with our talent group (basicbanklimited., 2023).



**Table 3: BASIC Bank Career Chart**

## **2.4 BASIC Bank Limited Marketing Practices**

### **2.4.1 Types of Banking Business**

The Corporation began its banking operations as planned and was granted a license by Bangladesh Bank pursuant to the terms of the Banking Companies Act 1991, making it authorized to engage in the following banking activity types:

- ATM Services.
- Swift Banking Services.
- A- Challan Services.
- Consumer Banking Services.
- Corporate Banking Services.
- Consumer Locker Services.
- Investment Banking Services.
- Customer BEFTN Services.
- Customer RTGS Services.
- Monthly Utility Bill Services.
- e-GP Services (Retail Products, 2023).

### **2.4.2 Services offering by BASIC Bank**

BASIC Bank began its banking activities as planned for their clients. According to the Banking Companies Act of 1991, Bangladesh Bank issued it a license allowing it to conduct the following banking activity types:

#### **Scheme of basic double benefit**

By utilizing this strategy, one may quadruple their money in just six years. Deposits starting at Tk. 25,000 and growing in multiples of that amount up to Tk. 50,000 at a time will be accepted.

### **NFC & RFC Deposit**

Through its Authorized Dealer Branches, BASIC Bank Limited provides the chance of maintaining a foreign currency account open.

### **Current deposit account**

This bank offers its clients with a current deposit option. It is a simple-to-use account that allows for rapid access, withdrawals of funds from any location in Bangladesh, and everyday business activities without any limits.

### **Current account with premium plus**

This is a special current account with a free remittance option, where interest is paid according to the average monthly balance and credited twice a year in June and December.

### **Fixed deposit**

Fixed-term deposit accounts are provided by Basic Bank, which will over time increase clients' savings amounts. One may keep a lump sum deposit for a set duration of time to earn interest at a greater rate.

### **Basic Rapid Grow Investment Scheme**

The original investment will be 1.5 times throughout the course of three years and three months. The lowest allowable deposit amount is Tk. 25,000, while the maximum amount that may be deposited in a single transaction is Tk. 50,000.

### **Krishok savings**

For farmers, the account is a distinctive savings deposit option. This account can be opened by any adult person farmer with a single or joint name(s). The minimum initial deposit for this account is Tk. 10.00. No bank fees.

### **Account for Savings**

Customers have the flexibility to withdraw money from this bank account whenever required. It also encourages people to develop a saving habits.

### **Account for Special Notice Deposits**

For daily business transactions, BASIC Bank provides Special Notice Deposit A/C to corporate customers.

### **Scheme for basic monthly benefits**

Anyone above the age of 18 with a Savings/Current/Special Noticed Deposit A/C can begin this plan in their own or joint names by depositing TK 100,000 or multiples thereof for a period of 05 (Five) years.

### **School Students Banking**

It is a unique product designed just for school pupils with the goal of developing their saving habits and introducing the next generation to banking. Any person under the age of 18 who is a student in school may open the account in their name.

### **Substantial double benefit plan**

By using this plan, one may double their money in 05 years and 3 months. Deposits commencing at Tk. 25,000 and increasing in multiples of that amount up to Tk. 25, 000,000 per operation will be accepted.

### **Automotive finance**

The bank's primary goal is to provide various industrial loans to small and medium-sized enterprises across its full branch network.

### **Business credit**

For regular company activities with a commercial goal, the bank offers commercial credit.

### **Financing for SMEs**

to aid in the establishment of a solid foundation of SMEs by providing finance for small and medium-sized businesses.

### **Foreign Trade**

Facilitating broad export-import services for commercial and industrial companies.

### **Agriculture & Agro-based project credit**

The bank prioritizes financing to agro-based businesses, primary products, crops, farming, and additional farming activities.

### **Transfer of money (remittance)**

It provides Cash Credit (CC), Export Cash Credit, Loan for the Purchase of Bid Instruments (BIP) [Personal, Contractors & Suppliers], Commercial Service Provider, LIM, LTR, PC, and other services.

## **2.5 Basic Bank Limited Corporate Social Practices**

Accordingly, CSR broadly speaking refers to the voluntary contribution made by the company to foster a better society and a healthier environment outside of its financial and legal responsibilities.

Following are a few CSR initiatives and donations done by Basic Bank:

### **Reduce poverty**

Since 1995, BASIC Bank Limited has offered preferential interest rates (between 7.00% and 13.00%) to NGOs in order to increase the poor and ultra-poor community's access to funding. The bank has so far provided funding for 65 NGOs, ranging in size from small to big and from local/regional to national/international. Such efforts further aided in the creation of jobs and money.

### **Women empowerment**

Women make up half of the population, therefore excluding them will prevent sustained national advancement. In recognition of this fact, the bank has started extending loan facilities at a lower interest rate to qualified women entrepreneurs. The bank is currently offering to fund a number of female entrepreneurs, and it will pick more steam as time goes on.

### **Environment pollution**

This bank has funded 26 CNG filling stations in an effort to lower environmental pollution. Once more, the majority of their office cars have already undergone CNG fuelling system conversions. Using CNG fuel additionally reduces the need to spend hard-earned foreign cash. Concerns about the environment are considered while evaluating loan requests for industrial projects.

### **Sports and Cultural Program**

Sheikh Jamal Dhanmondi Club and Sheikh Russel Krira Chakra both received financial support from the Bank in 2011 totaling Tk. 1 crore for the growth of games and sports. To create a

documentary exhibition and archive of rare film from our heroic freedom battle, Tk. 8.00 lac was donated in 2011. The Bangladesh Table Tennis Federation received Tk. 10,000,000 from the Bank in 2011. 2011 saw the Bank provide Tk 4.00 lac to organize the Baishakhi Fair. The Bank also contributed Tk. 1.00 lac annually to fund the 25th through 31st National Junior Chess Championship. By sponsoring the BASIC Bank Limited Inter-district National Women Handball Tournament, BASIC Bank has been supporting the Handball Federation. The Bank also gave the Krishibid Institution a Tk. 1.00 lac donation to help them organize their national convention. The bank provided Tk. 1.00 lac in sponsorship for the SME exhibition in 2006.

### **Activities of Disaster management**

The Prime Minister's Relief and Welfare Fund received 25,000 blankets from the BASIC Bank in 2011. The Bank gave the same Fund Tk. 1 crore the year before to aid in the rehabilitation of the Nimtoli Fire Tragedy victims.

### **Inspire of Entrepreneurship**

Through funding Small and Medium Scale Industries (SMIs), which are truly necessary for the industrialization needed for the country's economic progress, the bank's promoters anticipated encouraging entrepreneurship among potential, new, and small entrepreneurs and creating jobs. The bank always concentrated on the SMIs, which is ultimately the development of SMEs, and committed to the triple bottom line: People, Planet, and Profit, keeping the dream in mind. Due to the fact that many enterprises have developed alongside us in this way, many individuals now have work possibilities. One of each individual's fundamental rights is access to healthcare services. BASIC Bank Limited is dedicated to helping individuals in need who lack access to even the most basic medical care. The Bank provided around Tk. 3.00 lac in 2011 to various underprivileged

people. The Bank supports certain groups that seek to enhance public health in the year 2010. A donation from the bank helped SANDHANI & Lions Eye Hospital organize a nationwide campaign providing free medical care in 2009. Additionally, the Bank immediately offered help to several acid victims (CSR activities, 2023).

## **2.6 Summary**

I have already discussed the management procedures, marketing plans, and CSR initiatives of BASIC Bank; everything they do is of the highest caliber. I had a fantastic opportunity to study outside the box when working for the top bank in Bangladesh, therefore if interns came here to learn anything, it would be incredibly beneficial for their future.



## Part 3: Project Part

### 3.1 Introduction

The main objective of my project is the financial analysis of BASIC Bank's latest two years (2020,2021). The assets in the company and the income they generate are primarily measured in BASIC Bank's financial performance analysis. They assess the efficiency with which their bank can utilize its assets and make money from them. The financial analysis tracks the entire financial operations of BASIC Bank over a certain time period. Financial analysis of BASIC Bank assessment of the bank's profitability, sustainability, and financial strength. Professionals did a financial study of BASIC Bank and incorporated ratios from their financial statements and other financial data in their reports.

### 3.2 Methodology

The internship report data collected by two categories:

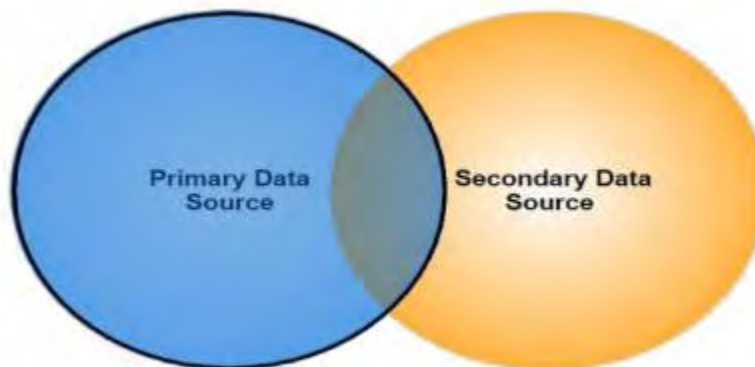


Figure 1:Sources of Data for the Report

**Primary Sources:**

- The Operations of BASIC Bank
- Face-to-face interview with the Manager
- Group conversation with staff of BASIC Bank.

**Secondary Sources:**

- BASIC Bank Website
- Financial reports of previous years
- Annual Audit reports of BASIC Bank

### 3.3 Income Statement, Balance Sheet, Financial Ratio of BASIC Bank

<b>A. From the Balance Sheet (Million Taka)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Authorized Capital	55,000.00	55,000.00	55,000.00	55,000.00
Paid-up Capital	10,846.98	10,846.98	10,846.98	10,846.98
Share Money Deposit	26,000.00	26,000.00	26,000.00	26,000.00
Reserve and Surplus	(37,421.89)	(33,153.85)	(29,839.84)	(26,465.66)
Shareholders' Equity	(574.91)	3,693.13	7,007.14	10,381.32
Fixed Assets	375.01	414.93	472.71	312.29
Total Assets	195,561.35	196,678.18	194,915.97	191,560.41
Deposits	150,980.39	139,714.95	138,307.35	131,821.58
Long-term Debt	4,627.16	8,454.52	7,315.44	7,082.11
Loans and Advances	144,451.77	149,125.94	151,769.61	151,968.05
Placement & Investment	36,058.78	29,157.29	27,995.90	25,313.44
<b>B. From the Income Statement (Million Taka)</b>				
Gross Income	7,993.92	7,772.95	8,489.12	9,586.44
Gross Expenditure	12,016.88	11,476.08	11,555.65	10,787.00
Profit before Tax and Provision	(4,022.96)	(3,703.13)	(3,066.53)	(1,200.56)
Profit/(Loss) after Tax	(3,969.79)	(3,718.18)	(3,269.03)	(3,538.95)
Tax Paid (cumulative)	8,339.99	8,292.03	8,245.39	8,124.98
<b>C. Others (Million Taka)</b>				
Import Business	29,176.40	27,758.60	32,514.70	41,925.40
Export Business	21,362.20	19,161.10	22,470.90	23,102.40
<b>D. Financial Ratios (Percentage)</b>				
Capital Adequacy Ratio	0.18	3.08	6.53	8.25
Capital Fund to Deposite Liabilities	(0.38)	2.64	5.07	7.88
Liquid Assets to Deposit Liabilities	9.15	10.39	9.58	7.75
Loan to Deposit Liabilities	92.92	100.84	103.88	109.45
Earning Assets to Deposit Liabilities	62.48	74.00	72.82	68.70
After Tax Return on Average Assets	(2.02)	(1.90)	(1.69)	(1.81)
Net Profit to Gross Income	(49.66)	(47.83)	(38.51)	(36.92)
Interest Margin Cover	(163.46)	(155.39)	(77.25)	(41.11)
After Tax Return on Equity	(49.01)	(28.09)	(20.57)	(21.08)
SMI/SSI Loan and Micro Credit to Loanable Fund	40.31	40.13	39.71	40.72
Number of Branches	72	72	72	68
Number of Employees	2,005	2,070	2,097	2,075
Deposit per employee (Million Taka)	75.30	67.50	65.95	63.53
Advance per employee (Million Taka)	72.05	72.04	72.37	73.24
Profit before Tax per employee (Million Taka)	(2.01)	(1.79)	(1.46)	(0.58)

Figure 2: Financial Report of the Year 2020, 2021

### 3.4 Findings and Data Analysis

#### 3.4.1 Return on Asset (ROA)

Return on Asset= Net Income After Tax / Total Asset \*100

Year	2021 (Million Taka)	2020 (Million Taka)
Net Income After Tax	(3,969.79)	(3,718.18)
Total Asset	195,561.35	196,678.18
ROA	-2.02%	-1.89%

**Table 4: Return on Asset (ROA)**

The ratio of annual net income to all assets during a fiscal year is known as return on assets. It gauges how well a bank uses its assets to produce net income. This ratio measures profitability. It is not based on market prices but rather accounting book values. The bank is more lucrative the greater the return on assets value. ROA's rising trend suggests that profitability is advancing. On the other hand, a declining trend indicates declining profitability. For every 1 Tk. of assets, Basic Bank generated losses of -1.89% and -2.02% in the years 2020 and 2021, respectively. The management of BASIC Bank should consider measures to increase the effectiveness with which it uses its resources.

### 3.4.2 Return on Asset (ROI)

Return on Investment= Profit After Tax / (Average Shareholder Equity + Average Long-term Debt) \*100

Year	2021	2020
ROA	-49.01%	-18.09%

**Table 5: Return on Asset (ROI)**

A financial ratio called return on investment (ROI) is used to determine how much an investor will profit relative to the cost of their investment. It is most frequently calculated by dividing net revenue by the investment's initial capital cost. The advantage accrued increases as the ratio rises. The management of BASIC Bank should consider investments that will lower costs. Between 2020 and 2021, BASIC Bank's ROI declines -by 49.01% from -18.09%. It signifies that Basic Bank's overall costs are higher than its total returns.

### 3.4.3 Earning Per Share (EPS)

Year	2021	2020
EPS	-3.66	-3.43

**Table 6: Earning Per Share (EPS)**

Earnings per share, often known as net income per share, is a market potential ratio that calculates how much net income is generated for each outstanding share of stock. In other words, if all profits were allocated to the outstanding shares at the end of the year, this is the amount that each share of stock would get. By deducting preferred dividends from net income and dividing by the weighted average number of outstanding common shares, earnings per share, also known as basic earnings per share, is determined. Because higher earnings per share indicate a bank is more lucrative and has more profits to deliver to its shareholders, they are always preferable to lower ratios. The BASIC Bank's earnings per share are highly erratic. According to the years 2020 and 2021, BASIC Bank's EPS was Tk. -3.43 and Tk. -3.66, respectively. From 2020 to 2021, BASIC Bank's situation deteriorated.

### **3.5 Research Limitations**

I had a lot of challenges to overcome when gathering data. The restrictions or causes are:

- Lack of complete information disclosure by the organization
- Some clients' lack of cooperation
- Three months is a fairly short period of time to understand all the banking operations and functions
- Current statistics are not accessible

### **3.6 Recommendation**

BASIC Bank Ltd., formerly a leader in the industry, is now in serious financial trouble. The Bank, which was once a benchmark, is currently in a precarious position. While not all of this Bank's branches are at fault, for some of them, current performance requirements are not being met. There

may be a wide range of causes for this poor performance. However, if I had been asked to propose some ways to get out of this dilemma, I would have said the following:

- There are a few new items that the bank should launch in order to draw in more customers. The bank runs like a private bank even though it is state-owned. Therefore, it is the responsibility of BASIC Bank to improve its goods and services in order to compete in this contemporary banking period when private banks are dominating. Its portfolio should grow to incorporate new goods.
- To have an increase in profitability, BASIC Bank management should lower the cost of the bank and operational expenses.
- The loan portfolio should be created with the possibility of default in mind. They can rely on a variety of reputable credit rating agencies for this in order to somewhat mitigate the loss of bad debt. The bank may implement a system of rewards for responsible borrowers as well as sanctions for dishonest ones.
- Management must attempt to consider ways to boost profits or shareholder value. They have to try to operate alone and without interference.

### **3.7 Conclusion**

Despite being controlled by the government, BASIC Bank Ltd. does business like a private bank. The term itself has a connotation that refers to developing Bangladesh's small enterprises. Despite not being restricted to improving the industrial sector alone, it has also dispersed its activity into green banking and several CSR endeavors. I regret to inform you that the bank lately found itself in a very poor condition despite all of its efforts. However, the bank can return to its prior state provided safety measures are adopted. My internship program was completed by working in the

general banking department, which really aided my learning. I now know how a bank runs, how to deal with customers, how to regulate a problem calmly, and many other things. As conclusion, I'd like to add that BASIC Bank will only be able to improve upon its current situation if it makes an effort to be more cautious while making loan payments. The management must come up with ground-breaking ideas to restore its robust existence and ensure that this inconvenience won't crop up again in the future.

## **Appendix**



**BASIC Bank Limited**

**Highlights on the overall activities of the Bank**

Sl #	Particulars	2021	2020
1	Paid up Capital	10,846,982,500	10,846,982,500
2	Total Capital	319,488,214	4,194,412,539
3	Capital Surplus / (Deficit)	(17,147,185,419)	(9,416,427,537)
4	Total Assets	195,561,348,367	196,678,184,076
5	Total Deposits	150,980,393,126	139,714,950,632
6	Total Loans and Advances	144,451,774,009	149,125,944,182
7	Total Contingent Liabilities and Commitments	17,008,837,572	14,511,786,194
8	Credit - Deposit Ratio	92.92%	100.84%
9	Percentage of Classified Loans against total Loans & Advances	59.80%	51.72%
10	Profit (Loss) after Tax and Provision	(3,969,791,178)	(3,718,181,224)
11	Amount of Classified Loans and Advances	86,377,468,123	77,121,889,645
12	Provision Kept against Classified Loan	16,240,867,401	22,124,795,327
13	Provision Surplus/(deficit)*	-	-
14	Cost of Fund	7.66%	8.12%
15	Interest Earning Assets	94,339,082,023	101,279,390,591
16	Non-interest Bearing Assets	101,222,266,344	95,398,793,485
17	Return on Investment (ROI)***	-49.01%	-28.09%
18	Return on Assets (ROA)	-2.02%	-1.90%
19	Incomes on Investment	2,186,997,825	2,427,825,589
20	Earnings Per Share (EPS)	(3.66)	(3.43)
21	Diluted Earning Per Share (Diluted EPS)	(1.08)	(1.01)
22	Net Income Per Share	(3.66)	(3.43)
23	Price Earning Ratio**	N/A	N/A

\*\*\* ROI has been calculated by dividing profit after tax by average shareholders equity plus average long term debt.

\*\* N/A: Not Applicable



**Figure 3: Findings and Data Analysis of BASIC Bank 2021, 2022**

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