

My Experience as an Intern at Treasury Unit,
Finance and Accounts, BRAC

Report On
My Experience as an Intern at Treasury Unit,
Finance and Accounts, BRAC

By

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17104029

**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
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Declaration

It is hereby declared that

1. The internship report submitted is my 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 have acknowledged all main sources of help.

Student's Full Name & Signature:

Student Full Name

Student ID

Supervisor's Full Name & Signature:

Supervisor Full Name
Designation, Department
Institution

Letter of Transmittal

Mr. Ahmed Abir Choudhury
Lecturer,
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report titled, “My experience as an Intern at the Treasury unit, Finance and Accounts, BRAC.”

Sir,

With due respect, it is my pleasure to display my details of internship in BRAC at Accounts and Finance, which I was appointed by my own dedication and hard work.

Though I have more things to learn, I have attempted my best to finish the report with my gathered knowledge and experience in a significant compact and comprehensive manner as possible. And I would be honored to oblige if any clarification and explanation is required.

I trust that the report will meet the desires.

Sincerely yours,

Ibtisum Sadaf

17104029

BRAC Business School

BRAC University

Date: June 1st, 2021

Acknowledgement

I would like to express my earnest gratitude to my onsite supervisor, Ms. Moonia Farlina Islam, Senior Manager, Finance and Accounts, for her patience, guidance and support throughout the whole internship.

I would also like to thank Ashit Baran Das, Associate Director, Finance and Accounts, for giving me this opportunity to prove myself and also believing in me to try my best. I would like to thank Mr. Misbah-Ul-Karim Chowdhury Roakon, Deputy Manager, Financial Analysis, Finance and Accounts, for guiding me with my tasks and helping me along the way. Also, I would like to thank Mohammad Mahabubur Rahman, Manager, Finance and Accounts, for giving me new learning experience and work related to real life. All of these people have helped me a lot throughout the journey of my internship at BRAC. They have provided me with a clear understanding of the various functions of Finance and Accounts department. I have learned through them about BRAC's most important Micro Finance work. Most importantly they have treated me like a colleague and made our working environment better for all of us.

I am thankful to everyone from BRAC Finance and Accounts department who has been helping me since the start of my internship and gave me the warmest of goodbyes at the end.

Finally, I want to say a very big Thank you to Rakib Avi, Social Innovation and Entrepreneurship in the Global South, he believed in me, helped me apply for this position, helped me prepare for my interview, helped me get accustomed to the BRAC environment and helping with everything related to my internship. Without him I could not have done this.

Executive Summary

Chapter 1, I talk about myself, the company I worked for BRAC and my supervisor Ms. Moonia Farlina Islam. Who is a senior manager and I worked directly under her. Then My contribution to the company as an intern. I learned day to day activities and learned how to write legal and sanction letters. I now know how to properly read and pick out information from annual reports. The problems I faced were purely out of the hands of BRAC, Covid had a huge effect on our life and my intern. I recommended that more interns should learn from BRAC and BRAC should take up more students just to teach them proper ethics and work environment.

After that I extensively talk about BRAC as a company, how they conduct their work. Their mission vision and objectives. I talk about the overview of the company, Their governing body, directors' body and founder. We talk about their marketing tactics like linked in and other internet mediums. I talk about their management practices. I show in table view their income and expenditures and finally gave summary and conclusion. I recommended to BRAC that they should invest more in mobile and internet methods to make more of their process easier to access.

Finally, I talk about my biggest project I had to undertake. This was where I researched about all the banks currently working in Bangladesh, take annual reports from each of them and pick out the information I need to make loan ratios. This ensures that we can increase or decrease our loans from them. And I recommended them nothing as this process was easier on our own side, harder to collect the data from those banks.

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Chapter 1

Internship at BRAC, Finance and Accounts,

1.1 About Me

My name is Ibtisum Sadaf. My ID is 17104029. I've been at BRAC University from 2017. This is my final semester. I'm a student of BRAC Business School studying for my Bachelors Degree. Currently I'm doing a double major in both Accounting and Finance. For my BUS 400 course, an internship must be done. I have chosen to do the Internship under BRAC head office. I saw an opportunity and applied for their treasury unit in Accounts and Finance department. It was the best opportunity, because of my majors. I learnt first hand how both accounting and finance can help a company. This will surely help me in the long run.

1.2 Information about the Internship

So, I applied for BRAC's internship programme. It asked me which department I would prefer and since my major is in both Accounting and Finance, I decided I want to be on the Finance and Accounts team. On the day of the interview, I asked specifically to be put into their treasury department. I knew it was where I would find the work that I want to do. I was under supervision while doing my work. It was work related to the microfinance programme of BRAC. I had to work with numbers, bank accounts, loans as well as methods of disbursement, methods of collection, new innovative digital methods etc. I made my efforts within the organization as much as I could for 3 months and I believe I made an impact even if it was small.

1.2.1 Period, Company Name, Department and Address

Internship was for 3 months. From February 9th to May 10th. I was at BRAC Head Office, Finance and Accounts Department, Treasury Unit. The office I worked at was at 75 Mohakhali Road, there head office building.

1.2.2 Supervisor Information

The very kind supervisor I had for these 3 months, were a Ms. Moonia Farlina Islam. She is the Senior Manager at Finance and Accounts. She works with a range of things, but mainly works with giving and taking out loans.

1.2.3 Job Responsibilities

For my internship, I had to work directly under Ms. Islam. I had many responsibilities doing her paperwork. The work for my unit was related to loans and such. I had to figure out which banks were better to take loans from, since we took out so much loans. For this I needed to read up on every single bank's financial document that worked in Bangladesh. Write the needed amounts and figure out if we can take loans from them. This was needed for the Microfinance work BRAC needs to do. That was one of the biggest works I was involved in.

Since its Finance and Accounts, there's little chance for creativity. Even then I had to work on a system that can make Ms. Islam's life easier. I made a program for Ms. Islam that distinguished emails and sorted them accordingly in Excel.

1.3 Internship Outcomes:

1.3.1 My Contribution:

During my time spent at BRAC Head Office. I had helped with many tasks related to loans and microfinance. There was no huge project to be undertaken by the treasury unit at the moment, in fact when I joined, we were closing a huge project. I helped research a bit about that project. But I was more involved with the day-to-day regular work at the treasury unit. I contributed to making sanction letters and resolution letters to multiple banks. I made a huge portfolio for all of the active banks in Bangladesh, how much assets they have and can BRAC take loans from them with ease. This involved all private, non-private, Islamic, multinational and foreign banks' annual report, going through those reports taking what's necessary and coming up with a decision. I have made an ICE research for them, where I had to learn about international laws and loan percentages. I made a 5-year graph and 5-year prediction of how the ICE international loan percentage may be and how much we have to pay each year for this loan.

1.3.2 Benefits to the student:

I learnt how to make sanctions letter to banks. I learnt how to check for problems in a legal agreement document. I fixed problems with multiple legal documents with multiple banks, and made multiple sanction letters and resolution letters to multiple banks. I researched about Digital Loans and how it can be done within Bangladesh, who is doing it and how to do it with Bkash. Learnt about the state of digital financing in Bangladesh. And for the closing of the huge project, I had researched about ICE and how international companies deal with each other. I had to read up on how loans are given and taken, and how is the interest percentage identified. Most importantly I learnt how to behave in an office environment.

1.3.3 Problems/ Difficulties:

During my time spent at the internship, I was given 3 months. But due to the pandemic and severity of it in our country, I was able to attend the office physically for 1 and a half months. Then because of office and government regulations, I had to do office virtually. So, for the next 2 months I did my regular work via the internet, emails, meetings and such. So, for the first 1.5 months I learnt many things, BRAC treasury unit's day to day activities, I learnt how we manage to fund our micro finance program and how we earn from it. And everything that goes along with this.

Then comes the problem of having to do the office at home. There were times when I had no work for days. Since I usually do whatever work my supervisor passes onto me. With no office presence, more free time and flexibility to do work as we all wanted, my supervisor was managing to do more work. This means I had less and less work to do. In the end I had to fact check a few files, write a few more letters, make digital documents of physical copies and very little things to do.

Because of Corona my experience got shorthanded. I still tried my earnest to learn more and work more to reach a certain experience, but truth be told Covid destroyed that opportunity. That is the only difficulty I faced during our internship. There were times when I understood nothing about a work, but my supervisor, my colleagues even attendants helped me out greatly to understanding that task and how to complete it. So, work wise, I did not face much difficulty as all of my colleagues were genuinely nice and made a great work environment.

1.3.4 Recommendations:

From my time at BRAC, as an Intern I have learnt a lot. The work they gave me was very practical to real life. Moreover, the ethics they teach is greatly appreciated, the work environment they ask us to maintain is full of respect for each other. It is truly something to learn from. I would highly recommend BRAC to take up more students during this trying times as interns. While it may be expensive as they have to pay their interns.

It is also a social initiative to show that in these trying times, they are bringing in more and more interns and teaching them responsibilities, giving them experience for upcoming jobs, making them learn proper ethics and etiquette and most importantly giving and teaching proper workplace environment. These are not just necessary these are a must. Because in our country BRACs workplace environment sets a world class standard. If they teach more and more students these, you can have a whole class of people with proper teachings.

This will stamp BRAC as a work place standard and also make sure students can come out of this pandemic prepared. BRAC will garner more attention from this and gain a unique name for themselves.

Chapter 2

BRAC as a Whole.

Overview of the Organization

BRAC is currently the largest non-government development organization in the world. BRAC was established in 1972 by Sir Fazle Hasan Abed (KCMG) for the rehabilitation of the people in the war-torn post liberation war period of Bangladesh. After successful operations in Bangladesh, BRAC expanded its operation in various other countries in the world. BRAC was formerly known as the Bangladesh Rehabilitation Assistance Committee, then as the Bangladesh Rural Advancement Committee, and later as Building Resources Across Communities. Since 2009, the abbreviated name BRAC has been officially accepted as its name.

2.1 Vision, Mission and Values of BRAC:

❖ Vision:

“A world free from all forms of exploitation and discrimination where everyone has the opportunity to realize their potential.”

❖ Mission:

“Our mission is to empower people and communities in situations of poverty, illiteracy, disease and social injustice. Our interventions aim to achieve large scale, positive changes through economic and social programs that enable women and men to realize their potential.”

Values:

- Integrity.
- Innovation.
- Inclusiveness.

- Effectiveness.

2.2 Operations:

BRAC conducts its operations in 4 segments. These are:

- 1) Social development
- 2) Social enterprises
- 3) Investments
- 4) University

2.2.1 Social Development:

BRAC is conducting its social development programs by giving priorities in 8 areas:

1. Eliminating extreme poverty
2. Expanding financial choices
3. Employable skills for decent work
4. Climate change and emergency response
5. Gender equality
6. Universal healthcare
7. Pro-poor urban development
8. Investing in the next generation

Under these priorities, BRAC is conducting 15 programs. These programs are the following:

1. Eliminating extreme poverty:

- Ultra-poor graduation
- Integrated development

2. Expanding financial choices:

- Microfinance

3. Employable skills for decent work:

- Skills development
- Migration

4. Climate change and emergencies:

- Climate change
- Agriculture and food security
- Humanitarian program

5. Gender equality:

- Gender justice and diversity
- Community empowerment
- Human rights and legal aid services

6. Investing in the next generation:

- Education

7. Universal access to healthcare:

- Health, nutrition and population
- Water, sanitation and hygiene

8. Pro-poor urban development:

- Urban development

2.2.2 Social Enterprises:

BRAC social enterprises are self-sustaining cause-driven business entities that create social impact by offering solutions to social challenges and reinvesting their surplus to sustain and generate greater impact. BRAC has established the following social enterprises:

1. Aarong
2. BRAC Dairy
3. BRAC Seed and Agro
4. BRAC Artificial Insemination
5. BRAC Nursery
6. BRAC Sericulture
7. BRAC Fisheries
8. BRAC Recycled Hand Made Paper
9. BRAC Cold Storage
10. BRAC Salt
11. BRAC Printing Pack
12. BRAC Sanitary Napkin and Delivery Kit

2.2.3 Investments:

BRAC invest in socially responsible companies that assist in the mission of empowering people and communities in situations of poverty, illiteracy, disease and social injustice. BRAC invested in the following entities:

1. BRAC Bank
2. Delta BRAC Housing Finance Corporation Ltd.
3. BRAC Net
4. Guardian Life Insurance
5. IPDC Finance Ltd.
6. BRAC IT Services
7. BRAC Tea States

2.2.4 University:

In order to foster knowledge creation, uphold human values and promote sustainable development, BRAC established the 'BRAC University' in Dhaka in 2001. The university has 7 departments, 8 schools and institutes, and 7 centers of excellence.

2.3 Areas of Operations:

Along with working in 64 districts of Bangladesh, BRAC currently works in 13 countries. In Asia BRAC is operating in Afghanistan, Myanmar and Nepal. In Africa, BRAC is operating in South Sudan, Liberia, South Sudan, Tanzania, Philippines, Rwanda and Uganda. BRAC has affiliates in UK and USA which was initiated in 2006 and 2007. BRAC founded BRAC International in Netherlands in the year 2009. The countries where BRAC operates except Bangladesh are:

1. Afghanistan
2. Liberia
3. Myanmar
4. Nepal
5. Netherlands
6. Philippines
7. Rwanda
8. Sierra Leone
9. South Sudan
10. Tanzania
11. Uganda
12. USA
13. UK

2.4 Management Practices:

The executive director is the top of the management in BRAC. Senior directors work under the executive director. Different divisions of the organization works under their senior directors. The organogram of BRAC is given below:

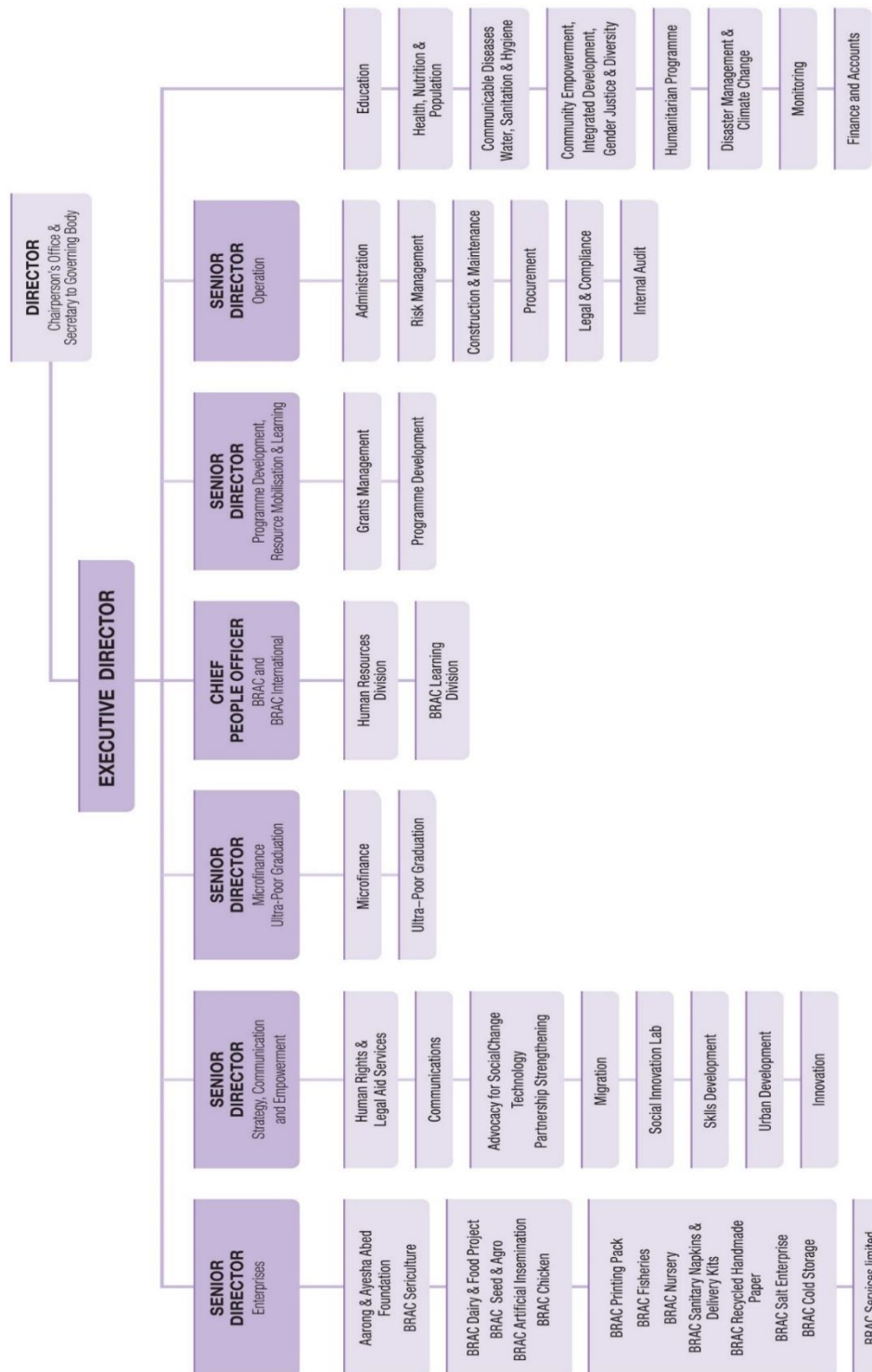


Figure 1 Organogram of BRAC

2.4.1 Executive Management Committee:

Executive management committee of BRAC consists of 8 members. These members are:

1. Dr. Muhammad Musa (Executive Director)
2. Asif Saleh (Executive Director, Acting)
3. Tamarah Hasan Abed (Senior Director, Enterprises)
4. Shameran Abed (Senior Director, Microfinance and Ultra-Poor Graduation)
5. Zulfikar Hyder (Chief People Officer)
6. Dirk Broer Booy (Senior Director, Program Development, Resource Mobilization and Learning)
7. Matiul Islam Nowshad (Senior Director, Operation)
8. Tushar Bhowmik (Director, Finance)

2.4.2 General Body:

The general body of BRAC consists of 29 members. According to the Memorandum of Association and Rules and Regulations of BRAC, the general body elects the governing body.

2.4.3 Directors:

Director's panel of BRAC consists of 16 members. They are:

1. Ahmed Najmul Hussain (Director, Administration and Road Safety)
2. Anna Minj (Director, Community Empowerment, Integrated Development, Gender Justice and Diversity)
3. Kam Morshed (Director, Advocacy for Social Change, Technology, Partnership Strengthening Unit)
4. Lamia Rashid (Director, Africa Region and Global Strategy Development)
5. Maria Huq (Director, Human Resources)
6. Md. Akramul Islam (Director, Communicable Diseases, Water, Sanitation and Hygiene)
7. Md. Sajedul Hasan (Director, Humanitarian Program)
8. Mohammad Anisur Rahman (Director, Dairy and Food Enterprise)
9. M. Anowar Hossain (Director, Asia Region)
10. Moutushi Kabir (Director, Communications and Outreach)
11. Nanda Dulal Saha (Director, Internal Audit)
12. Rachel Lindsay Haggard Kabir (Director, Chairperson's Office)
13. Sk. Jenefa Khanom Jabbar (Director, Human Rights And Legal Aid Services And Social Compliance)
14. Dr. Safiqul Islam (Director, Education Program)
15. Saieed Bakth Mozumder (Director, Tea Estates)
16. Syed Mazbahul Morshad (Chief Engineer)

2.4.4 Governing Body:

The governing body of BRAC comprises of 10 distinguished professionals, activists and entrepreneurs of excellent repute who bring their diverse skills and experience to their governance role. The members of governing body are:

1. Dr. Hossain Zillur Rahman (Chairperson)
2. Adv. Syeda Rizwana Hasan (Member)
3. Irene Khan (Member)
4. Shafiqul Hassan (Member)
5. Dr. Fawzia Rasheed (Member)
6. Melissa Parke (Member)
7. Kaiser Zaman (Member)
8. Fathima Dada (Member)
9. Adeeb H Khan (Member)
10. Lord Mark Malloch-Brown (KCMG) (Member)

2.5 Marketing Practices:

BRAC follows direct marketing approach. BRAC conducts its marketing through its human resources. BRAC has a large workforce working throughout the country. Its workers reach out to the socially challenged and introduce the various programs of BRAC to them. In addition, BRAC also conducts its marketing through social media such as Facebook, Twitter and LinkedIn.

2.6 Financial Analysis and Accounting Practices:

Income of BRAC comes from the following sources:

1. Donor grants
2. Social enterprises
3. Microfinance program
4. Self-financing social development program
5. Investment income
6. Community contribution
7. House property

The Income of BRAC from the year 2016 to 2018 is given below:

Table 1 Income of BRAC from 2017 to 2019

Income	2017	2018	2019
	BDT		
Donor grants	11,705,986,813	13,052,555,411	13,855,431,903
Social enterprises	14,970,226,455	15,963,431,001	16,727,388,949
Microfinance program	37,890,583,381	45,970,181,074	56,866,222,004
Self-financing social development program	640,295,209	1,238,629,026	1,111,125,520
Investment income	543,617,402	217,875,460	200,683,637
Community contribution	1,375,712,028	1,512,408,328	1,000,167,362
House property	93,062,652	92,593,668	92,593,668
Total income	67,219,483,940	78,047,671,967	89,853,613,043

BRAC has expenditures in the following areas-

1. Social enterprises
2. Micro finance program
3. House property
4. Agriculture and food security
5. Community empowerment program
6. Education program
7. Gender, justice and diversity
8. Health program
9. Human rights and legal aids services
10. Policy advocacy
11. Water, sanitation and hygiene program
12. Ultra-poor program
13. Forcibly displaced Myanmar nationals
14. Disaster management and climate change
15. Skills development program
16. Other development projects
17. Grants

Expenditures of BRAC from the year 2016 to 2018 is shown below:

Table 2 Expenditures of BRAC from 2017 to 2019

Expenditure	2017	2018	2019
	BDT		
Social enterprises	13,112,389,739	14,292,037,535	14,751,216,995
Micro finance program	23,503,895,326	29,598,743,798	39,909,043,349
House property	53,500,360	56,900,848	46,169,419
Agriculture and food security	131,818,903	73,539,035	16,385,453
Community empowerment program	411,173,013	296,447,514	279,518,943
Education program	4,480,157,832	3,763,213,655	2,126,223,583
Gender, justice and diversity	168,043,284	145,618,483	118,242,230
Health program	3,865,359,912	4,134,008,246	4,225,917,877
Human rights and legal aids services	329,312,602	330,841,546	341,577,024
Policy advocacy	64,429,597	59,461,048	53,531,885
Water, sanitation and hygiene program	443,028,511	652,072,685	341,772,203
Ultra-poor program	1,829,575,433	2,302,438,776	2,008,360,909
Forcibly displaced Myanmar nationals	807,653,622	2,914,613,506	4,568,977,441
Disaster management and climate change	334,753,011	245,997,998	217,965,788
Skills development program	305,918,160	499,228,766	754,954,897
Other development projects	840,734,722	923,045,497	1,280,816,247
Grants	302,730,374	12,614,227	236,338,397
Total expenditure	50,982,472,381	60,302,821,160	71,769,740,599

2.7 Operations Management and Information System Practices:

Currently, BRAC has their operations in 3 continents: Asia, Africa, and Americas. The countries are Afghanistan, Bangladesh, Myanmar, Nepal, Liberia, Philippines, Rwanda, Sierra Leone, South Sudan, Tanzania, and Uganda.

The head quarter of BRAC is located in Dhaka, Bangladesh. In Bangladesh, BRAC actively operates its works in all 64 districts. The operations are eliminating extreme poverty, provide microfinance, skills development, migration, climate change, agriculture and food securities, gender equality, healthcare, urban development, education, social enterprises, and investment.

According to Asif Saleh, Executive Director, BRAC Bangladesh, more than 90% of BRAC's activities are run through BRAC's own financial ecosystem. Rest 10% is dependent on donations. For example, Social Innovation Lab is funded by Melinda Gates Foundation. Now, operations procedures vary from project to project. As for example, for Social Innovation Lab, representatives from both Social Innovation Lab and Melinda Gates sit for several meetings to come to a decision. After that, the implementation process starts. First, the messages are sent to the BRAC district coordinators of the respective districts. Later, they carry the message to the field staffs and monitor the activities. They all need to report to the head quarter again. Usually, most of the communications are done via email/phone call. Sometimes all the BRAC district coordinators get connected to the head quarter through video conference.

2.7 Industry and Competitive Analysis:

SWOT analysis for BRAC

Strengths of BRAC:

- Largest NGO in the world. This has its merits; it gives huge media attention as well as provides chances to tackle more and more.
- Largest women customers in finance, truly empowering woman and taking the lead.
- For 45 years BRAC has made strong relationship with their own suppliers, customers and future suppliers and customers alike.
- BRAC has first mover advantage in a lot of areas. Where many leading companies in Bangladesh still struggle with innovation and creativity, BRAC is already leading like an international company with various areas like Economy, Social innovation, growth strategy, social enterprise, social responsibilities etc.
- BRAC has garnered a very large array of patents, copyrights and properties. These help in the long run when conducting any business. From innovative ideas to world changing theories from creators. All of this helps.
- Superior products and services. From Aarong to Bkash, whatever BRAC brings out, goes through lots of tests and hardships to check all the boxes. This is why BRAC has a huge loyal customer base.
- BRAC has a strong brand equity and brand awareness. It has the most recognizable brands in the domestic market.

Weaknesses of BRAC:

- Has really poor waste management, this is a huge point of criticism from environmentalists.
- The culture from the inside is different, as there is always ongoing wars between people inside the organization. Employees, instead of wanting what's best for the company, wants best for themselves. With managers keeping information secret for their own gain, this can lead to serious road blocks in future growth.
- Like everywhere else in this country, BRAC has less expenditure on research and development activities. This can amount to always thinking about the present and not the future, so they may be less prepared for the future and the change it brings.

Opportunity of BRAC:

- The exponential growth in population and the rising potential customers.
- Customer needs, tastes and wants are suited for this type of business. Creative, new and one-of-a-kind products go a long way now.
- Rise in customers disposable income. Increase of affluent customers willing to pay more for better service.
- Rise of e-commerce and social media marketing. Internet based; mobile based works are now the number one selling point of our country. Specially during this pandemic.

Threats of BRAC:

- The changing framework and introduction of new rules impose a major threat to BRAC. It makes compliance with legal standards more complex for the business.
- Shortage of skilled labor and people going less and less for more creative approach. This makes harder for organizations to attract talents with creative skills
- The pandemic hitting hard for everyone, this includes organizations. More work from home means less direct approach.
- The deteriorating economic conditions affect all business performance and customers spending patterns
- The growing environmentalist mindset means companies have to go greener. This trend is catching up on Bangladesh too.

Recommendations:

I would recommend BRAC to get more involved in digital ways. While BRAC may be leading in innovation and creativity, it is lacking in technology. Specially because of the pandemic, the whole world is moving extremely fast to a more digital platform. BRAC is no exception. It needs to keep up or it will fail in the long run. It needs to give people more opportunities to get educated in technology and give proper digital equipment to those in need. And needs a platform to connect everything together. From loan disbursement to loan collection, from making and marketing their hand-woven sarees to selling them all needs to be done more via digital media.

Chapter 3

Loans taken and adjusted according to financial indicators.

3.1 Introduction:

I worked under my supervisor for various work that she provided for me. One of the biggest projects for me to undertake was seeing how much loan can be borrowed by BRAC from all the banks working in Bangladesh. BRAC is currently the biggest borrower in Bangladesh. Bangladesh Bank has limits to how much an entity can borrow from a bank. For BRAC's microfinance work we borrow from other banks at a cheaper rate and lend that money in small amounts for the betterment of society. That is the simplest explanation of BRAC's microfinance. But BRAC has maxed out their loan taking limit from all the banks. The limit isn't fixed. It increases or decreases every year. So, I had to calculate for the year 2019 how much had paid up capital had each bank had. How much classified and unclassified loans did they give out. How much liquid cash they had and how much can they really lend us without getting bankrupted themselves?

There were several things to consider. All of them included me working with various banks' annual report, studying them and picking out the information I needed to conduct our own research. These information are, loans and advances, classified and unclassified loans, provisions for these loans, paid up capital, amount of assets, fixed assets their ratings and finally their financial position overall.

This project is done every year, to determine which banks are still solvent, which banks can give out more loans and which banks are in need of paying back these loans. This is necessary for microfinance part of BRAC. Its not needed for day-to-day activities, but definitely needed for analysis and properly maintaining the loans.

3.2 Methodology:

For this project, I had to do financial research and analysis. I had to go through the annual report of 55 Banks, which included State owned commercial banks, private commercial banks, Islami banks, foreign commercial banks, specialized banks and 6 financial institutes.

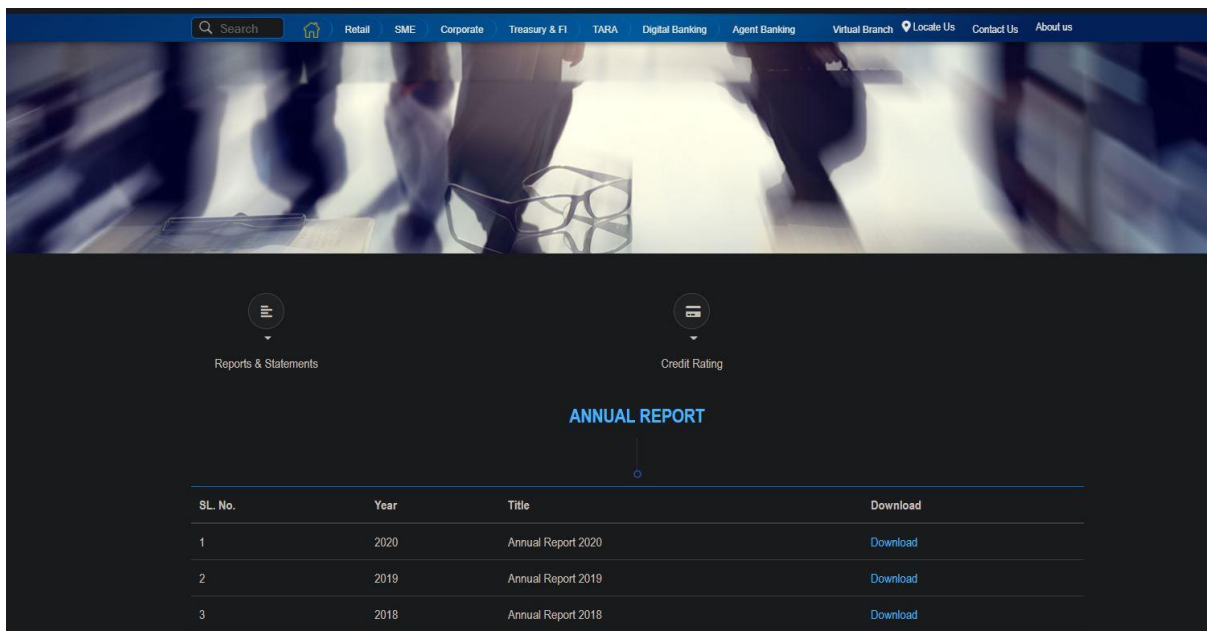


Figure 2 Annual Report Collection

I had to navigate through each banks complicated and outdated websites, download the annual reports of 2019 and 2018 for all of them. Match it with the previous year BRAC did this. Get all the correct information from each section of the annual report. After getting all the correct info we have to make the provision to loan ratio for each classified and unclassified loans. Finally, from BRAC's own papers, we have to find how much amount is currently invested and how much the limit is for the Bank. And after posting these numbers, the CFO will determine which banks should be given back the loans, which banks from which we should take more loans and which banks should be left alone.

I had to collect annual report for all of these banks. These include but are not limited to

- Janata Bank
- Rupali Bank
- Agrani Bank
- Sonali Bank
- Eastern Bank
- Trust Bank
- Brac Bank
- Standard Bank
- Dhaka Bank
- Jamuna Bank
- Mutual Trust Bank
- Southeast Bank
- One Bank
- Mercantile Bank
- IFIC Bank
- Pubali Bank
- Bank Asia
- City Bank
- Prime Bank
- National Bank
- FSIB Bank
- ICB Bank
- Sahjalal Islami
- Woori Bank
- City Bank
- Citi Bank
- Meghna Bank
- Union Bank
- Bank Alfalah
- Habib Bank
- BASIC Bank
- IDLC
- IFIC
- IPDC
- United Finance
- Lanka Bangla
- HSBC
- SCB
- Bank of India

After collecting the annual report of each of these I had pick out these amounts from them

- Paid up Capital
- Total Assets
- Fixed Assets
- Loans and Advances
- Classified Loan
- Unclassified Loan
- Provision for classified loan
- Provision for unclassified Loan
- Total Provision
- NPL Ratio
- Short Term Rating
- Long Term Rating

3.3 Findings and Analysis:

After doing that research, which is publicly available for anyone to do. I have found out which banks are more solvent this year then the last. Which banks had their ratings changed and which banks have invested more in their capital and provisions for loans.

I found out 36 of those banks have improved their ratings and provision for both their loans. We had maxed loans from 30 of these banks. So, we needed permission from the CFO to increase loans from 6 of these banks. Out of 64 banks and financial institutes, 10 had the same rating but decreasing loans and provisions for these loans. Making it a risk to take out large sums of loans from them. We had to decide what we were going to do for these 10 banks. Finally, the last 16 banks had to drastic changes to them, meaning we could hold onto the loans we had taken from them.

This is how I research and made an investment decision for BRAC's microfinance programme.

3.4 Recommendations:

While doing this project the most hardship I faced was not from BRACs side. In fact, it was from gathering resources for this work. The banks of our country have outdated, complicated interface, where the simple task of finding the annual report took a lot of time. This was a big problem from my side. So, the recommendation is not for BRAC but for the banks currently working in Bangladesh, fixing their website, making it easier for customers to find what they want goes a long way in the long run. Spamming them with advertisements and annoying them bears to fruits, in fact it makes customers not want to use their services more.

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