

Report On
Impact on the Profitability and capital adequacy of NRB
Commercial Bank before and after COVID 19 pandemic

By

Nawaf Khan
19104028

An internship report submitted to the Brac Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration (BBA)

All rights reserved.
BRAC Business School

Brac University

May 2023

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:

Nawaf Khan

19104028

Supervisor's Full Name & Signature:

Mr. Ahmed Abir Choudhury

Sr. Lecturer

BRAC Business School

BRAC University

Letter of Transmittal

Mr. Ahmed Abir Choudhury

Sr. Lecturer

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Impact of general banking on the profitability of the bank

Dear Sir,

I am delighted to inform you that I am writing for the submission of my report of my internship at NRB Commercial Bank Hatirpool branch, where I have worked for 3 months which provided me with a challenging and at the same time a very different experience.

The focal point of my research was to analyze the impact of COVID 19 on the profitability and capital adequacy of NRB Commercial Bank. Therefore, my 3-month internship period experience and research I realized how important of a financial metric is liquidity and capital adequacy for a banking organization as a whole.

I would also like to thank NRB commercial bank for the guidance and support they have shown me and hopefully, my research will give idea about how general banking can affect profitability of the bank as a whole.

Sincerely yours

Nawaf Khan

19104028

BRAC Business School

BRAC University

Date:, Year

Acknowledgement

Thanks to Almighty ALLAH (SWT) for enabling me to complete this report. Without his blessings, it wouldn't have been possible to finish on time.

The internship at NRBC was great. I learned a lot about professionalism and appreciating others. I feel lucky to have worked in an amazing environment, and this report is thanks to many supporters. I'm grateful to Mr. Ahmed Abir Choudhory, my academic internship supervisor from Brac University, Brac business school for his invaluable guidance and endless support in preparing this report.

My thanks to Mohammad Ghaus Ahmed for carefully and patiently answering all my inquiries, providing invaluable directions, advice, and help that made the report possible. I am grateful to Momin Talukder, junior officer, Taposhi Rabeya, officer and Musaid Abeerul Huda, senior executive officer at general banking department for their support and inspiration, and also thank the Hatirpool Branch Governance team, friends, and family for their cooperation during my internship.

Lastly, I am thankful to Brac University for providing me with the knowledge that helped me perform my tasks in the organization.

Executive Summary

This internship report has been arranged based on the data taken from NRB commercial bank limited (NRBC), Hatirpool Branch. On April 2, 2013, NRB Commercial Bank Limited was founded. It was introduced at the Sonargaon Hotel and at the time served as Bangladesh's main NRB bank. This report begins with a presentation of NRB commercial bank limited (NRBC). its organizational investigation, history of banking sector in Bangladesh This report appears much about NRB commercial bank limited (NRBC), its organizational structure, administrations given by NRBC Bank, my commitment within the organization all through this three-month internship program, lesson learned from the internship.

Too, this report contains data around the relationship between the associates, the challenges I confronted whereas doing the internship and distinction between desire and reality.

At the conclusion of this report, there's a briefing almost internship venture and my individual experiences, which I have gathered during this internship.

Table of Contents

Declaration	ii
Letter of Transmittal	iii
Acknowledgement	iv
Executive Summary	v
Table of Contents	vi
Chapter 1: Overview of my internship.....	1
1.1 Student information	1
1.2 Internship information	2
1.3 Internship outcomes.....	2
Chapter 2: Company Analysis.....	7
2.1 Introduction	7
2.2 History of NRB Commercial Bank Limited	8
2.3 Mission.....	8
2.4 Vision.....	8
2.5 Strategic Goals.....	9
2.6 Green Banking.....	9
2.7 Organizational hierarchy of NRB Commercial Bank Ltd.	10
2.9 Departments of NRBCB	10
2.10 Function of General Banking at NRB Commercial Bank.....	11
2.11 Management practices.....	11
2.12 Marketing practices.....	12

2.13 Accounting practices.....	14
2.14 Operational management practices.....	15
2.15 SWOT Analysis.....	16
Chapter 3: Impact on the Profitability and capital adequacy of NRB Commercial Bank before and after COVID 19 pandemic	18
3.1 Analysis of Banking Industry.....	18
3.2 Initial impact of COVID 19 on Institutions	20
3.3 COVID 19 impact on banking institutions of Bangladesh	20
3.4 Post COVID 19 impact on banking institutions of Bangladesh.....	21
3.5 Main competitors.....	21
3.6 Ratio Analysis	23
3.7 Suggestions.....	28
Chapter 4: Conclusion and Implication	29
References.....	29
Appendix	30

Table of Figures

Figure 1: NRBCB logo.....	7
Figure 2: organizational hierarchy	10
Figure 3: SWOT.....	17
Figure 4: Premier Bank logo.....	22
Figure 5: Rupali bank logo	23

Figure 6: Return on Asset 24

Figure 7: Return on Equity 25

Figure 8: Net Interest Margin 25

Figure 9: Efficiency Ratio..... 26

Figure 10: Loan to Deposit Ratio 27

Figure 11: Capital Adequacy Ratio 27

Chapter 1: Overview of my internship

1.1 Student information

Student Name: Nawaf Khan

Student ID: 19104028

Program: BBA

Majors: Finance and Accounting

1.1.1 Introduction

This internship report documents my internship at NRB Commercial bank Hatirpool Branch. The first chapter comprises of my internship experience, how I have contributed to the organization and all the task I have completed.

One of the many learnings I have received was the knowledge and unique journey I had during my 3 months as an intern where I came to know there is far more to banking than simply lending and borrowing money. I was able to gain knowledge about all departments of a corporate branch and have gained a comprehensive knowledge about the general banking department where I have spent the bulk of my 3-month internship period.

During my internship, I witnessed employees devoted to their work and how each employee coordinates with each other to achieve the congruent goal of having more deposits and giving out loans to increase the profit of the bank as a whole, in return employees also get performance related remuneration above their basic pay.

Moreover, I as lucky enough to interact with such wonderful coworkers who interacted with me and helped me out with my queries and made time even though they were very busy throughout the day.

In conclusion, I would like to say that this internship period although challenging helped me to prepare for the corporate world and gave me an once in a life time experience as it was my first time working in a bank. I am grateful to NRB Commercial bank who worked me to the bone and made me capable as a banker, and I am confident enough to work at any bank especially in the general banking department.

1.2 Internship information

Period: 3 months

Company Name: NRB Commercial bank

Department: General banking

Address: 1) Hatirpool Branch, Ahsan Trade Centre, 15/1, Paribagh, Shah Saheb Road, Hatirpool, Dhaka-1000.

2) Head Office, 114 Motijheel C/A, Dhaka 1000

1.2.1 Supervisor information

Supervisor name: Muhammad Ghaus Ahmed

Job Position: First vice president and Management of Operations at NRB Commercial Bank Hatirpool Branch

1.3 Internship outcomes

1.3.1 Assignments & Contribution to the Organization

During my 3-month internship tenure I have performed various task given to me by my supervisor and coworkers, and performing these tasks have taught me a lot and also helped me develop the patience needed to perform these tasks flawlessly. I have tried my best to do each and every task to my very level best, the task were detailed below.

Inward and outward dispatch

I was given the responsibility of managing both inside and outward dispatch. I also contacted inactive customers to get their comments and notify them of the account's current situation in order to keep the account. It was a very new challenge to maintain professionalism while interacting with the clients who are the main source of money for our business.

Data entry and Documentation

Data entry is an important job to learn and do, as it enables staff to save time during hectic periods. However, too much data can lead to mistakes, so it is important to enter balance sheet items after organizing client information in excel files. I spent a lot of effort in the initial weeks integrating data from various sources into excel spreadsheets and accurately capturing that data.

Filling out Government Invoice

I began by completing the invoice (চালান) where it is required to execute government payments, such as taxes, value added tax (VAT), tenders, police, passport checks, pay orders transmitted through banks, etc. The invoice is divided into three sections: Main Copy, Bank Copy, and Payee Copy. The invoice has a serial number and TIN code in the corner, and is divided into three sections: Main Copy, Bank Copy, and Payee Copy. The invoice has to be "Inked" by writing the amounts in each of the three parts using a red pen and comparing them to the amounts written by the issuer to see if they match. The demand to release these bills intensifies around the end of the month. After inking, the branch and clearing seal is added.

Loading of ATM Booth

Here, I had to perform a new duty at the Hatirpul Branch, which involved loading an ATM. This was a difficult task, as several processes had to be followed. Before loading the money, I had to check the balance, then when the money loading was complete, I also had to check it again. Additionally, for record-keeping purposes, I had to report this to the branch and headquarters.

Account opening

Opening a bank account is one of the most typical responsibilities offered to interns after instructing them in the proper processes. To open an individual savings account, the customer must first fill out the application form with all the required information. The form must be filled out, sent in, and the receipt obtained. A BDT 100 initial deposit is required to start the account, and there is a BDT 50 minimum balance requirement at all times. The final step of the process was then performed by my guiding coworker, Momin Talukder.

Dispatching Thanks Letters

I was assigned the task of writing thank-you messages to clients' residents. After a successful account opening, a note of thanks is delivered to the customer's house by postal service. The letter is split into two sections, with a copy for the client on the upper side and the lower. I separated the two copies, trimmed them, added a branch seal and serial number, and put the name, father's name, and address from the envelope into the registration book. The letters were then inserted into the envelope after being folded into four sections.

NID Verification

For a while, I also finished the task of confirming a customer's National ID card. My duties essentially consisted of scanning customer and application NIDs and sending them to the corporate headquarters. They were principally in charge of determining the legitimacy of the NID. even if the job was fairly simple, but persistent.

Document Management System

I was assigned an important task to record and update customer information in the web system. I had to scan each customer document and convert them to PDF format, giving each one a unique surname. After completion, the scanned papers must be submitted and updated in the system. All data must be gathered by banks in electronic forms, so all information must be in an electronic document

Customer Status Inquiry

In order to learn from direct experience for a few days, Mohammad Ghaus Ahmed assigned me to this crucial responsibility. He granted me access to the NRBC Bank's web site, which allows staff members to view client account data. I had to operate the system. to look up customers by name and make sure their accounts were open. I had to make an excel document to keep track of the customer's status. Even though the assignment was simple, it was tedious because it's difficult to find and change the status of 4000 accounts.

Registering and Issuing Cheque books

Here, I had to input a serial number into a register notebook from an MS Excel file. The first four numbers were used as the Branch code, while the first row and column were required to complete the account number. The remaining entries required the last three digits of the account number. After putting the account number in the register book, I had to jot down the name, account number, page count, and book issued. After delivery, the book needs to be signed by the client.

1.3.2 Benefits to me

My internship at NRB Commercial Bank Hatirpool branch gave me a truly enhancing experience and taught me many beneficial lessons. These include technical skills, efficiency and effectiveness, communication skills, and interpersonal interactions. Technical skills

included Microsoft Office, Excel, MS Word, photocopying, NID scanning, DMS, and an online portal to check on account activity. Efficiency and effectiveness included producing maximum output within in a very short period. Communication skills included listening, writing, and speaking. All of these skills will be beneficial to me in the future. The most important skills for me are communication, time management, and ability to work under pressure. Communication is essential to any banker's success, as it is used to clarify work-related issues, open accounts, and deal with customers. Time management skills are also important, as it exemplifies honesty and integrity. Ability to work under pressure is also important, as it requires patience and effective communication. For example, during my internship I had to complete several account opening forms in a very short time as our branch manager was getting a promotion at the head office. Therefore, I had to become accustomed to meeting deadlines and hopefully, have improved my capacity to work under pressure. My supervisor, Ghaus Sir, is a friendly person but was strict when it came to work, who has guided me in numerous ways. He taught me some Excel tricks and suggested that I acquire as many soft skills as possible. I was also fortunate enough to work under two branch managers Md. Kabir Hossain sir the previous branch head and Monir Hossain the current head of branch.

1.3.3 III Effects to me

As I said before, an internship is a journey filled with real-world events that introduce us to corporate life, where by it connects school life with work place life. Therefore, I had a variety of experiences throughout my internship which was difficult for me because it was something totally new to me as before I really had little knowledge about the ongoings in a bank. Thus, I had to overcome certain obstacles in order to complete my job, which was not at all simple for me. I had to learn about the company culture first and foremost. I've never been in a corporate setting before. So, at first, I was anxious. There was a fresh task every day. All of those things were uncomfortable for me. Then, my supervisors and coworkers helped me get through a lot of these problems. When I was having issues, most of my coworkers was always there for me even though they were plenty busy themselves. Getting a feel for the company and its workings is, in my opinion, one of the first and hardest obstacles that intern encounters.

Secondly, I ran into some problems with some of my clients in the beginning. After learning how to create savings accounts, I had to work with actual clients and assist them with completing applications and gathering required paperwork. I occasionally had to deal with consumers who were inexperienced with setting savings accounts and didn't grasp what I was

asking. A lot of consumers also provided outdated images, so I had to ask them to bring more recent ones. And last, when it came to drafting official documents, adding the right seals to them, and correctly recording them, I originally found it difficult. Anxiety may have contributed to the early errors made when writing down the account numbers, names, and accurate information. But my coworkers and supervisor fixed my errors and assured me to just keep going and move forward.

1.3.4 Recommendations

The following internship recommendations come to mind for the company's future internship opportunities:

1. Increase the remuneration paid to interns
2. Establish proper communication between supervisor and interns
3. Provide a designated table and chair for specially for interns
4. Encourage a cooperative and supportive work atmosphere.
5. Interns should work 6 hours instead of 9 hours
6. Pending work should not be delegated to interns with an impossible deadline
7. Encourage work life balance to interns
8. Offer opportunities for interns to develop their professional skills and knowledge
9. Give interns the chance to offer feedback and recommendations for improvement.
10. Create a positive and inclusive work culture for all interns
11. Free lunch should be provided to interns
12. Informal language should not be used to address interns
13. To suit the requirements of both interns and the company, the internship program should be periodically evaluated and updated.

Chapter 2: Company Analysis



Figure 1: NRBCB logo

2.1 Introduction

Bangladesh's banking system is dominated by commercial banks. The Bangladesh Bank is the primary financial sector regulator and the country's central bank. There are nine foreign commercial banks and 61 private commercial banks. There are also four state-owned commercial banks and one land development bank. The Grameen Bank is a microfinance institution that has significantly advanced efforts to end poverty and increase women's economic participation in Bangladesh. NRB Commercial Bank is a private commercial bank in Bangladesh that is regulated by Bangladesh Bank (BB). The Central Bank of Bangladesh has approved three new commercial banks sponsored by non-resident Bangladeshis (NRBs), on the condition that they will enhance the inflow of foreign cash. Mr. Farasath Ali has extensive professional expertise and served as the bank's founding Chairman. His goals are to open up banking to a significant percentage of the unbanked population and transform NRB Commercial Bank Limited into a global provider of services that are genuinely of the highest caliber. The banking industry is evolving and increasing its involvement in various financial transactions. Organizations are searching for possibilities to provide their fellow clients better service in order to thrive in the cutthroat business environment. Programs like internships are crucial to finishing the BBA since they enable students to become familiar with the workplace. One of Bangladesh's most recently established top banks is the NRB Commercial Bank Limited, Hatirpool Branch. Through its four main business areas, Corporate & Investment Banking, Retail Banking (including Card), SME Banking, and Treasury & Market Risk, the bank operates its operations vertically from its head office. These four business divisions are supported by a green service delivery or operations setup and a smart IT Backbone under a real-time online banking platform. The bank's many customer segments will receive specialized care and service thanks to its centralized business and operating architecture.

2.2 History of NRB Commercial Bank Limited

NRB Commercial Bank Limited (NRBC Bank) is a public limited company that was incorporated on February 20, 2013 in compliance with the Companies Act, 1994 and is regulated by the Bank Company Act of 1991. It has a substantial capital foundation, with Tk. 444.60 core (Paid up Capital) and Tk. Beginning its journey on April 2, 2013, NRBC Bank formally started for operations on April 18, 2013 after getting clearance to do so on March 10, 2013. NRBC Bank has just opened a new subsidiary called NRBC Bank Securities Limited, and it currently has 51 locations in urban and rural Bangladesh. The Bangladesh Bank (Central Bank of Bangladesh) and the Bangladesh Securities and Exchange Commission (BSEC) are the primary sources of advice for NRBC Bank's corporate governance practices.

2.3 Mission

- Increase the NRBs' trust in investing.
- Deliver prompt, precise, and appropriate customer service while respecting company ethics and transparency.
- Increase remittance inflow.
- Create value for the communities, societies, and economies in which we work by fostering growth and sustainability.
- Integrating technology with the aid of trained experts and seasoned sponsors of the Bank.
- Provide workers with a respectable work atmosphere.

2.4 Vision

Focusing on directing consistent inflows of foreign remittance from Bangladeshi expatriates employed overseas and inflows of inactive and underperforming funds held with wealthy NRBs, the bank aspires to become unrivalled in its ability to provide efficient and innovative banking services, protect depositor interests, satisfy shareholder needs, and support national economic growth.

2.5 Strategic Goals

- Create chances for NRBs to invest their profits and apply their specialized knowledge to the advancement of Bangladesh's economy.

- Utilize the NRB's idle and underperforming fund.
 - Attract FDI from NRBs through a range of programs and products.
 - Sustainable and balanced growth.
 - Maximizing the wealth of shareholders.
 - Fulfill the aspiration and hope of NRBs to create their own bank.
 - The excellence of staff morale and efficiency via training, development, and career plans, as well as an appealing remuneration package.
 - To make investments in the key industries for the expansion of the global economy.
 - Technology transfer with the assistance of the Bank's competent and well-educated sponsors in order to create a green banking practice.
 - Observe the highest standards of corporate social responsibility (CSR).
 - Make a commitment to daily expanding NRBC Bank's universe.

2.6 Green Banking

A new generation of Bangladeshi banks, NRB Commercial Bank Limited, is committed to fostering investor trust among Bangladeshi immigrants. Through a variety of financial products, the bank will offer services, lucrative profitability, and secure investment. It will also set up a Foundation for the welfare of wage earners' families, operate nationally, tap into new sources of funding, offer excellent service, and be a trailblazer in introducing the idea of Green Banking in Bangladesh. These programs will be need-based and effective. The Bank's Board of Directors has backed a variety of cutting-edge goods and services, and the regulatory bodies have offered appropriate and useful assistance. NRB Commercial Bank is sure that it would be able to increase its efficiency and provide its clients superior goods and services.

2.7 Organizational hierarchy of NRB Commercial Bank Ltd.

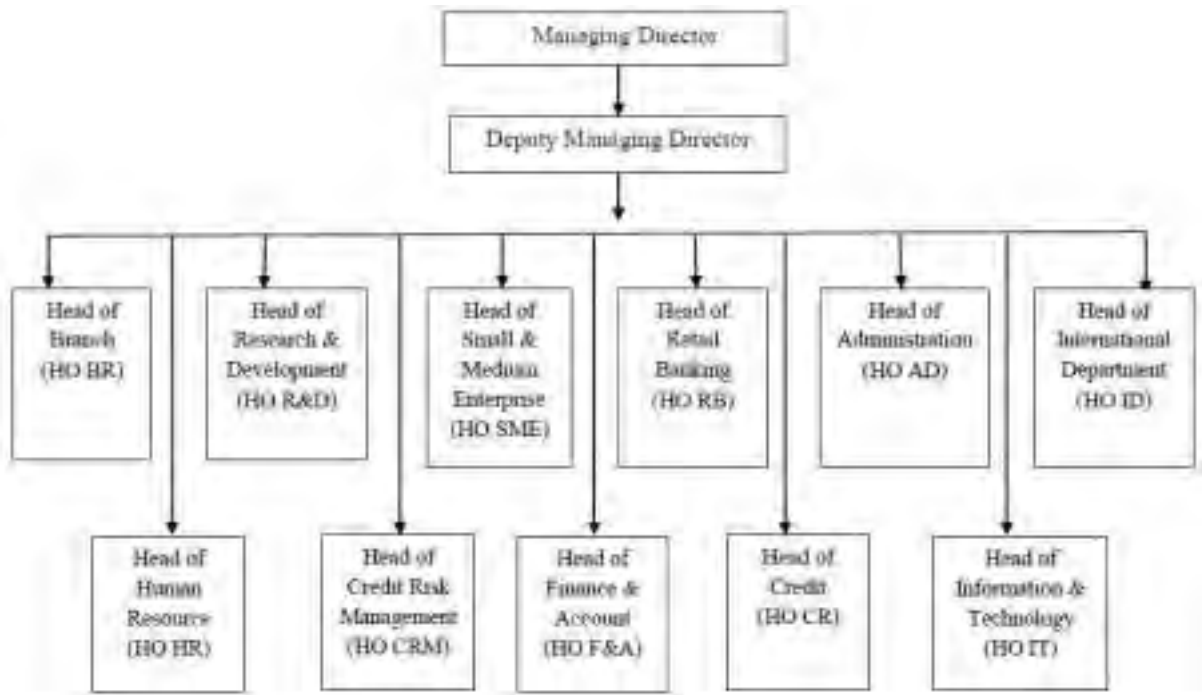


Figure 2: organizational hierarchy

2.9 Departments of NRBCB

□ General Banking Department of NRBCB:

The General Banking Department is a crucial component of a bank since it offers consumers and clients direct service and establishes a positive first impression. This division is crucial to the bank's performance since it develops customers' perception and creates their initial image of the institution.

□ Foreign Trade Department of NRBCB:

The exchange of one currency for another is known as foreign exchange. The "Export" and "Import" sections of this department both exist. Both divisions primarily function for letters of credit, or L/Cs. Additionally, it functions for the L/C opening process, L/C payment kinds, needed paperwork, document verification, and issuing IDBP and IDBC.

□ Credit and Loan Department of NRBCB:

This department handles loans from two categories. There are two types of loans: personal loans and business loans. For a loan proposal, it is required to submit certain papers, such as a

guarantor's portfolio, a trade license, a bank's solvency, a TIN & VAT certificate, a PNW (Personal Net Worth) statement, and an applicant's profile.

2.10 Function of General Banking at NRB Commercial Bank

The specific functions of general banking are as follows:

- Establishing of a banker-customer relationship through account opening.
- Dispatching customer's money from one place to another.
- Taking deposits.
- Honouring cheque.
- Clearing cheque.

2.11 Management practices

The participative leadership approach used by NRB Commercial Bank greatly aids in the accomplishment of its aims and objectives. The company encourages its workers to work together, participate actively, and make decisions together. The bank empowers its workforce, promotes open communication, and values the various viewpoints and ideas of its workers by using a participative leadership strategy. Employees can contribute their knowledge to problem-solving and strategic decision-making thanks to this style's promotion of an innovative, creative, and engaged culture. Employee commitment to the organization's objectives is increased by active participation, which boosts output, increases employee happiness, and improves performance all around. The goals and objectives of NRB Commercial Bank are further supported by its human resource planning procedure. To add, the hiring of talented people who are in line with the values and capabilities of the bank is ensured by the meticulous recruitment and selection procedure. With competitive salary, performance-based incentives, and extensive benefits, the compensation structure is created to

draw in and keep top people. Moreover, through regular programs, workshops, and seminars, the bank's training and development activities concentrate on advancing employees' knowledge and abilities. These programs give workers the flexibility to change with changing market trends and efficiently contribute to the expansion of the company. A culture of continual improvement and accountability is promoted through the performance assessment system, which also assesses employee performance, offers constructive criticism, and rewards outstanding accomplishments. Together, the participative leadership style and robust human resource planning process of NRB Commercial Bank to create an environment that supports employee engagement, development, and alignment with organizational goals, ultimately driving the bank towards success.

2.12 Marketing practices

NRB Commercial Bank can be regarded as a SME (Small and Medium Enterprise) in this context because it is a banking-related company. As a result, the following topics will be covered: marketing strategy, target audiences, positioning and targeting strategy, marketing channels, product development and competitive strategies, and crucial marketing difficulties and gaps.

The primary goal of NRB Commercial Bank's marketing strategy is to meet the needs of its target consumers by offering comprehensive banking products. The bank's main customer segments are private citizens, small enterprises, and corporations. In order to satisfy the various demands of its target segments, it uses a broad range of banking products and services, such as savings accounts, loans, investment possibilities, and payment solutions.

The NRB Commercial Bank uses both traditional and digital media for marketing. Physical branches, ATMs, and relationship managers are examples of traditional channels that provide

accessibility for customers. To promote ease and improve customer experience, the bank has also embraced digital channels like mobile applications and online banking platforms.

Moreover, the practices used by the bank for product development are centered on innovation and constant improvement. In order to remain competitive in the market, it frequently launches new banking products and services. To set itself apart from rivals in terms of competitive practices, NRB Commercial Bank places a strong emphasis on providing great customer service, competitive interest rates, and quick transaction processing.

Furthermore, the NRB Commercial Bank is aware of how crucial branding initiatives are to building a solid market presence. It has created a distinctive brand identity that emphasizes dependability, trustworthiness, and customer-centricity. The bank makes branding investments to increase brand awareness and exposure through a variety of channels, including as advertising, sponsorships, and community involvement.

To add, NRB Commercial Bank has increased its use of social media and digital marketing in its advertising and promotion tactics. It engages with customers on websites like Facebook, Twitter, LinkedIn, and Instagram to communicate updates and advertise its goods and services. To reach a larger audience and improve client engagement, the bank uses digital marketing strategies such targeted web adverts and email marketing campaigns.

However, competition from well-established banks, shifting consumer expectations, and the need to adjust to changing digital trends are possible critical marketing difficulties and gaps for NRB Commercial Bank. To remain competitive and fill any holes in its marketing procedures and strategies, the bank must regularly monitor and assess market trends, client preferences, and technology changes.

Therefore, the overall goal of NRB Commercial Bank's marketing plan is to identify and serve its target clients' banking needs. In order to increase client engagement, the bank uses a variety

of traditional and digital marketing channels, places an emphasis on product development and industry-leading strategies, finances branding initiatives, and embraces social media and digital marketing. While it shows initiative, continual evaluation of crucial marketing problems and gaps will be essential for sustainable growth and success in a changing market environment.

2.13 Accounting practices

Based on the examination of NRB Commercial Bank's financial statements and annual reports from the previous three to five years, it has been found that the bank adheres to fundamental accounting principles and uses proper accounting procedures. The accrual foundation of accounting, a key tenet of financial reporting, is consistently used by the organization. With this method, revenues and costs are recorded when they are received or expended, giving the bank's financial situation and performance a more realistic picture.

NRB Commercial Bank appears to follow all required procedures in the accounting cycle. These actions include locating and documenting financial transactions, compiling information into financial statements, making adjusting and closing entries, and preparing annual reports. The bank's adherence to the accounting cycle indicates a systematic and comprehensive approach to financial reporting, ensuring accuracy and reliability in the presented financial information.

NRB Commercial Bank uses a proper depreciation technique to spread the cost of its fixed assets across their useful lives. Although the precise method employed by the bank is not stated, it is crucial that the method picked appropriately reflects the depreciation of the asset's value. By doing so, it is made sure that the depreciation expense is properly recorded and that the carrying value of the bank's fixed assets is properly shown on the balance sheet.

Furthermore, the financial statements of NRB Commercial Bank also include the necessary accounting disclosures. These disclosures offer transparency and follow rules and standards for

accounting. They often contain details about the bank's important accounting policies, potential liabilities, related party transactions, and other important information required for users to make knowledgeable judgments regarding the bank's financial position and performance.

Overall, the accrual basis of accounting, the accounting cycle, and the provision of important accounting disclosures are all ways that NRB Commercial Bank exhibits excellent accounting procedures. These procedures make sure that the bank's financial statements are accurate, trustworthy, and transparent, enabling stakeholders to evaluate the bank's financial performance and position with confidence.

2.14 Operational management practices

The NRB Commercial Bank is aware of the value of information systems in gathering, storing, processing, and effectively exchanging data with clients and stakeholders. The business makes use of reliable information systems that permit the efficient and secure handling of information across the entire organization. These technologies are essential for enabling different banking processes and making sure that data flows freely.

Large amounts of customer and financial data are organized and stored by NRB Commercial Bank using a database management system. This makes it possible for the bank to quickly access and recover information as required, preserving the accuracy and integrity of the data. The usage of database software makes it possible to analyze and report data in an efficient manner, which speeds up the bank's decision-making procedures.

To further streamline internal processes and improve operational efficiency, the bank also uses office management software, such as enterprise resource planning (ERP) systems. These software programs provide operations management, resource allocation, and scheduling across many organizational departments. By utilizing such solutions, NRB Commercial Bank was able to improve operational efficiency all around, assure effective resource use, and optimize workflows.

Furthermore, to provide dependable and accurate services to its clients, NRB Commercial Bank probably adheres to strict quality control standards. To ensure compliance with industry standards and laws, the bank also probably uses quality management systems and the best practices. To improve service quality, this entails maintaining strong internal controls, carrying out routine audits, and continuously observing and improving processes.

Moreover, the dedication of NRB Commercial Bank to planning, resource allocation, and operations management is essential to upholding effective banking operations. The bank uses these software programs to make project planning, resource allocation, and operational activity monitoring easier. The bank can guarantee that customer requests are addressed quickly and effectively by properly managing schedules and allocating resources.

Overall, the use of information systems for data management, office administration, quality management, scheduling, resource allocation, and operations management is clearly prioritized by NRB Commercial Bank. Utilizing office management and database software speeds up internal procedures and allows for effective data handling. The provision of dependable and accurate banking services is ensured by the bank's dedication to quality control and adherence to industry standards. The bank is able to efficiently meet client expectations by using efficient scheduling, resource allocation, and operations management procedures.

2.15 SWOT Analysis

The acronym SWOT describes a company's internal strengths and weaknesses in addition to the external Opportunities and Threats it faces. Consequently, if we treat The NRBC Bank Limited as a corporation and do a SWOT analysis, we get the following situation.



Figure 3: SWOT

Strength

1. Truthfulness
2. Proper management
3. cooperation between coworkers
4. Repeat customers
5. Swift membership
6. Having a good customer-banker relationship
7. Strong Financial Position
8. A significant network, both domestically and internationally
9. Banking online in real-time
10. Unique only in Bangladesh, the NRBC Visa Card offers dual currencies.

Weaknesses

1. Inadequate training, incentive, and job rotation.
2. Inexperienced personnel in managerial positions at the entry level.

3. Problematic Status Bank
4. Lack of own ATM services.
5. Too many branches in Rural areas

Opportunities

1. SME Finance
2. large business district
3. High rise in trade finance volume and sales
4. Investments in banking technology and fintech
5. New steps taken by Bangladesh Bank to regulate banking and financial institution

Threats

1. Third-generation banks and FCBs
2. Aggressive SME Finance by New fourth- generation commercial banks
3. losing clients
4. New entries 4th generational commercial bank
5. Huge amount of FDI

Chapter 3: Impact on the Profitability and capital adequacy of NRB Commercial Bank before and after COVID 19 pandemic

3.1 Analysis of Banking Industry

Commercial banks in Bangladesh play a significant role in the economy by serving as a source of loans and savings for businesses and consumers and by facilitating the transfer of funds across different parts of the economy. The Bangladesh Bank, the country's central bank, oversees the entire banking system, all of which consists of nationalised banks, private commercial banks, and foreign commercial banks. The purpose of this paper is to examine the commercial banking sector in Bangladesh from a number of angles, including its current state, projected growth, organisational make-up, regulatory climate, competitive landscape, risks, and problems.

Over the past few years, Bangladesh's commercial banking sector has expanded considerably. The Bangladesh Bank estimates that by 2021, the industry's total assets will have increased to nearly BDT 18 trillion (around USD 211 billion). Increasing demand for financial services, higher wages, and a wider range of economic activities all play a role in this expansion. Government efforts to promote economic growth and broaden access to financial services are seen as a key driver of the industry's projected continued expansion in the years ahead.

The commercial banking industry in Bangladesh is highly concentrated, with a few large players dominating the market. According to the Bangladesh Bank, as of 2021, the top five banks in the country held around 50% of the industry's total assets, while the top ten banks held around 70% of the market share. This concentration is partly due to the entry barriers in the industry, such as high capital requirements, regulatory compliance costs, and the need for an established brand and reputation. However, the industry is also competitive, with banks offering a wide range of services to attract customers.

The commercial banking industry in Bangladesh is regulated by the Bangladesh Bank, which is responsible for setting policies and guidelines for the industry, issuing licenses to banks, and monitoring their operations. The bank also regulates the interest rates, reserve requirements, and other macroeconomic indicators to maintain stability in the industry and the overall economy. In addition, the bank has introduced several regulations to promote financial inclusion and prevent money laundering and terrorism financing.

Bangladesh's commercial banking sector is very competitive, and banks provide a variety of services to draw clients. To satisfy the changing needs of clients, private commercial banks in particular have been creative in creating new products and services including online banking, mobile banking, and Islamic banking. Foreign banks compete in the market as well, providing specialized services to wealthy individuals and multinational organizations.

Risks and difficulties that the Bangladeshi commercial banking sector must deal with include credit risk, liquidity risk, operational risk, and cybersecurity risk. Effective risk management techniques are therefore necessary because these hazards have the potential to significantly affect banks' stability and profitability.

In addition, the industry also faces challenges such as low financial inclusion, weak corporate governance, and inadequate infrastructure, which can hinder its growth and development.

The commercial banking industry in Bangladesh presents significant opportunities for growth and development, driven by rising demand for banking services and expanding economic activities. However, the industry also faces various risks and challenges, which require effective risk management and regulatory oversight. By analyzing the industry's market size, growth, structure, regulatory environment, competitive landscape, risks, and challenges, this report has provided valuable insights for investors, policymakers, and other stakeholders.

3.2 Initial impact of COVID 19 on Institutions

The rise of Covid-19, which started in early 2020, had an impact on people's lives, education, and the worldwide economy. All sectors encountered issues during the initial months. The majority of firms had to switch to online sales or temporarily cease operations because only a tiny number of service industries could offer their services online. The coronavirus and pandemic caused a huge decline in banks and non-bank financial entities. Even after they had recovered from the Global Financial Crisis of 2008, the COVID-19 epidemic struck in January 2020 as a "Black Swan" disaster for the financial markets (Godell,2020). Global financial markets were aware of the pandemic since, prior to the Covid-19 outbreak, the World Economic Forum had ranked health crises and epidemics as the 10th greatest risk factor for 2020 risk report that can have an effect on the financial markets. The banking industry is in a bind as a result of a stop in the disbursement of credit to the private sector, a decline in settlement/opening of new LCs, and defaults on EMI payments by borrowers. Although everything from social security payments to the salary of RMG employees was handled through the Mobile Financial Service (MFS) platform, in Bangladesh, digital payment solutions may be the only good to come out of this epidemic. Despite how challenging the environment is for businesses, the government's stimulus programs are likely to come as a comfort.

3.3 COVID 19 impact on banking institutions of Bangladesh

The Bangladeshi banking industry has been significantly impacted by the COVID-19 outbreak. In order to cope with new working and customer service practices, banks had to implement safety measures, shorten branch hours, and speed up the adoption of digital channels. Banks' financial performance was also impacted by the pandemic, which resulted in poorer profitability and higher provisions for bad loans. Customers' behavior changed in favor of

online channels, and many of them experienced economic difficulties that required bank assistance and regulatory actions. The Bangladesh Bank implemented a number of measures to maintain the capital and liquidity position of banks and guarantee the borrowers' financial stability (Bangladesh Bank, 2020). The pandemic has accelerated the shift towards digital banking and highlighted the need for greater investment in digital infrastructure and financial inclusion (Asian Development Bank, 2020).

3.4 Post COVID 19 impact on banking institutions of Bangladesh

The COVID-19 pandemic has had a significant impact on the banking institutions of Bangladesh. Banks had to adapt to new ways of working and serving customers, such as introducing safety measures, reducing branch hours, and accelerating the adoption of digital channels. The pandemic also affected the financial performance of banks, with lower profitability and increased provisions for bad loans. Customer behavior shifted towards digital channels, and many have faced financial difficulties, requiring support from banks and regulatory measures. The Bangladesh Bank introduced several measures to support the liquidity and capital position of banks and ensure the financial stability of borrowers (Bangladesh Bank, 2020). The pandemic has accelerated the shift towards digital banking and highlighted the need for greater investment in digital infrastructure and financial inclusion (Asian Development Bank, 2020). However, the post-pandemic period also presents challenges such as rising inflation, liquidity risks, and cybersecurity threats (PwC Bangladesh, 2021).

3.5 Main competitors

The two main competitors of NRB Commercial Bank Limited are Premier Bank Limited and Rupali Bank Limited.

Premier Bank:

Premier Bank

service first



Figure 4: Premier Bank logo

Bangladesh's Premier Bank Limited opened for business in 1999. The bank offers a wide variety of financial services to its customers, such as deposit accounts, loans, currency exchange, money transfers, and online banking. Premier Bank's mission is to become the preeminent bank in the country via the delivery of superior products and services. Premier Bank, as of the end of 2020, had 121 physical locations, 333 agent banking locations, and 328 automated teller machine locations around the United States.

The financial results of Premier Bank have been reliable. The bank's earnings after tax in 2020 was BDT 1.41 billion, up 9.34% from 2019 (Premier Bank, 2020). The bank has total assets of BDT 233.39 billion, with deposits of BDT 206.28 billion and loans and advances of BDT 161.24 billion (Premier Bank, 2020).

Premier Bank has been honored with a number of accolades for its work advancing the banking industry in Bangladesh. The Bangladesh Institute of Bank Management (BIBM) has twice given the bank its "Best Bank Award" (Premier Bank, 2020), and the country's Brand Forum has given it its "Excellence in Banking Award" (Premier Bank, 2019).

Rupali Bank:



Figure 5: Rupali bank logo

In Bangladesh, a state-owned commercial bank called Rupali Bank Limited was founded in 1972. Deposits, loans, trade finance, and treasury services are just a few of the many financial services the bank offers to people, companies, and governments. Rupali Bank has 444 locations and 88 ATMs as of December 2020 (Rupali Bank, 2020).

In order to enhance its financial performance and customer service, Rupali Bank has undergone a number of changes and modernization projects. In comparison to the prior year, the bank's profit after tax increased by 49.5% to BDT 598 million in 2020 (Rupali Bank, 2020). The bank's total assets were BDT 270.69 billion, including BDT 223.24 billion in deposits, BDT 186.35 billion in loans and advances, and BDT 270.69 billion in total assets (Rupali Bank, 2020).

Rupali Bank has faced several challenges in recent years, including high levels of non-performing loans (NPLs) and liquidity issues. However, the bank has taken several measures to address these challenges, such as implementing stricter loan recovery measures and improving its risk management practices.

3.6 Ratio Analysis

Ratio analysis is an important tool to assess the financial performance of a company. In this report, we will analyze the performance of NRB Commercial Bank Limited using some important ratios and compare it with two other banks, Premier Bank Limited and Rupali Bank Limited.

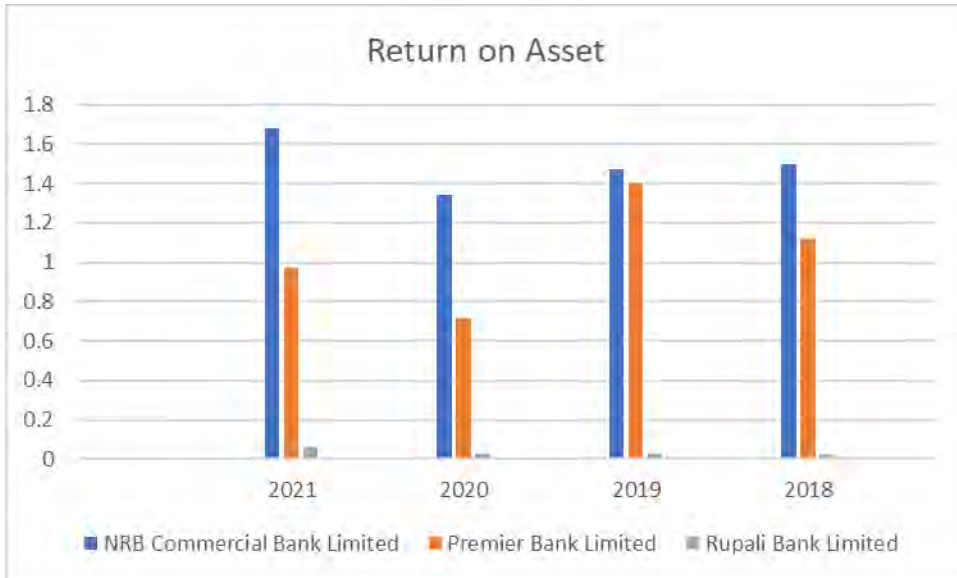


Figure 6: Return on Asset

Return on Asset (ROA):

NRB Commercial Bank Limited has shown an upward trend in its ROA over the past four years, with a significant increase from 1.34% in 2020 to 1.68% in 2021. This indicates that the bank has been able to generate more profit from its assets. However, its ROA is still lower than that of Premier Bank Limited in all the years, and Rupali Bank Limited in 2019 and 2018. This suggests that NRB Commercial Bank Limited should focus on improving its asset utilization efficiency.

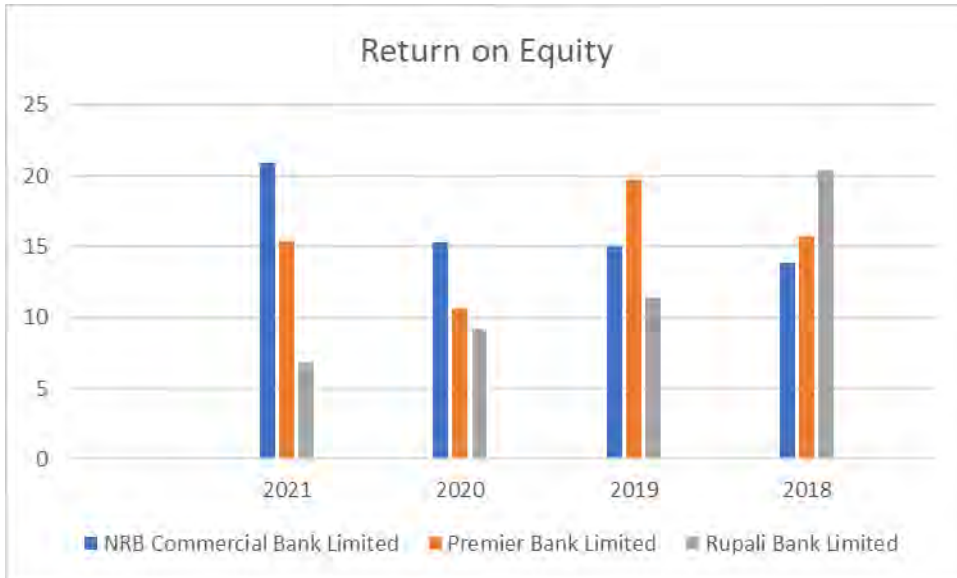


Figure 7: Return on Equity

Return on Equity (ROE):

NRB Commercial Bank Limited has also shown an upward trend in its ROE over the past four years, with a significant increase from 15.28% in 2020 to 20.93% in 2021. This indicates that the bank has been able to generate more profit for its shareholders. Its ROE is higher than that of both Premier Bank Limited and Rupali Bank Limited in all the years. This suggests that the bank has been able to effectively utilize the shareholder's fund.

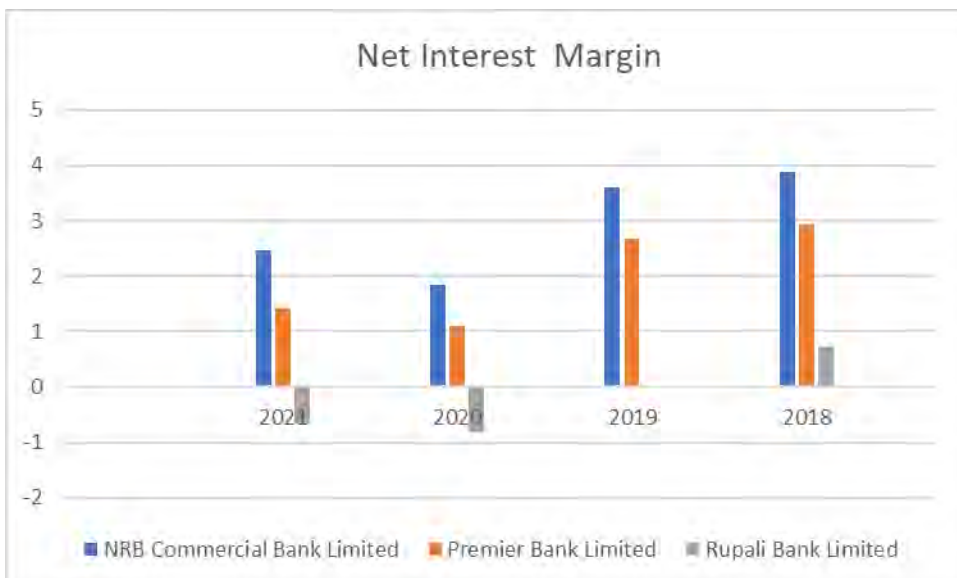


Figure 8: Net Interest Margin

Net Interest Margin (NIM):

NRB Commercial Bank Limited has shown an upward trend in its NIM from 1.84% in 2020 to 2.47% in 2021. This indicates that the bank has been able to increase its interest income relative to its interest expenses. However, its NIM is lower than that of both Premier Bank Limited and Rupali Bank Limited in all the years, which suggests that NRB Commercial Bank Limited should focus on improving its interest income or reducing its interest expenses.

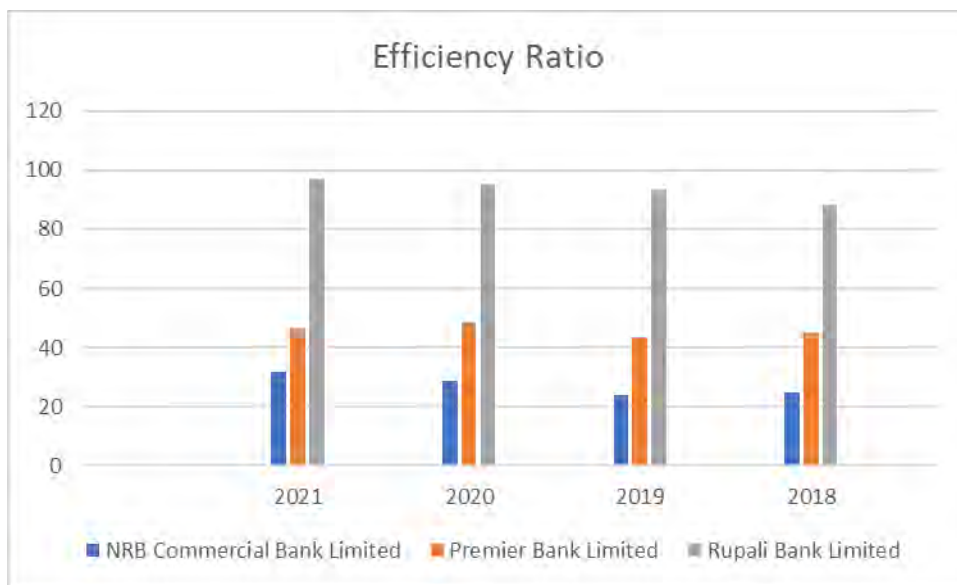


Figure 9: Efficiency Ratio

Efficiency Ratio:

NRB Commercial Bank Limited has shown an upward trend in its efficiency ratio from 23.91% in 2019 to 31.92% in 2021. This suggests that the bank has been able to control its operating expenses relative to its revenue. However, its efficiency ratio is higher than that of both Premier Bank Limited and Rupali Bank Limited in all the years, indicating that there is room for improvement in terms of cost control.

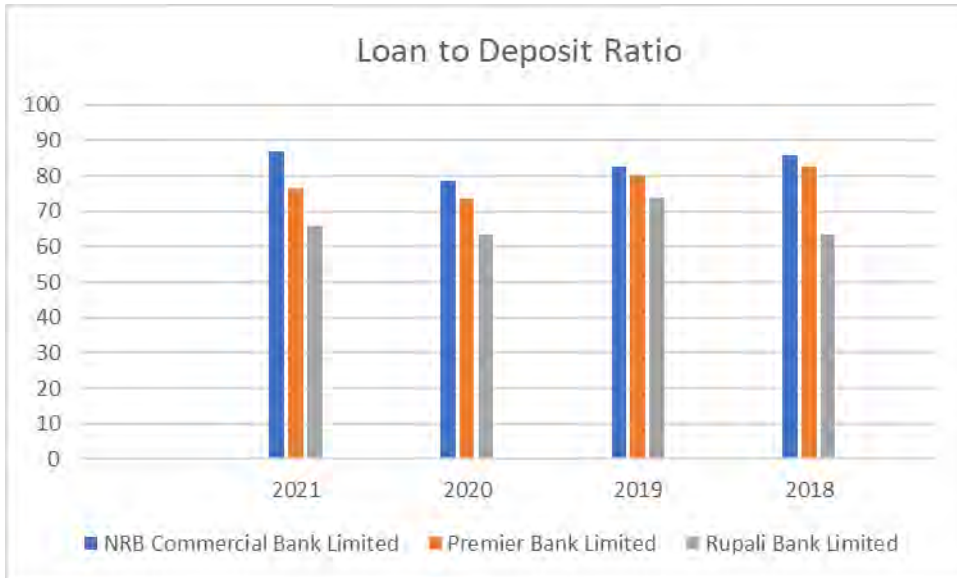


Figure 10: Loan to Deposit Ratio

Loan to Deposit Ratio (LDR):

NRB Commercial Bank Limited has shown an upward trend in its LDR from 78.66% in 2020 to 86.82% in 2021. This suggests that the bank has been able to increase its loan portfolio relative to its deposit base. However, its LDR is higher than that of both Premier Bank Limited and Rupali Bank Limited in all the years, indicating that the bank may be exposed to higher credit risk.

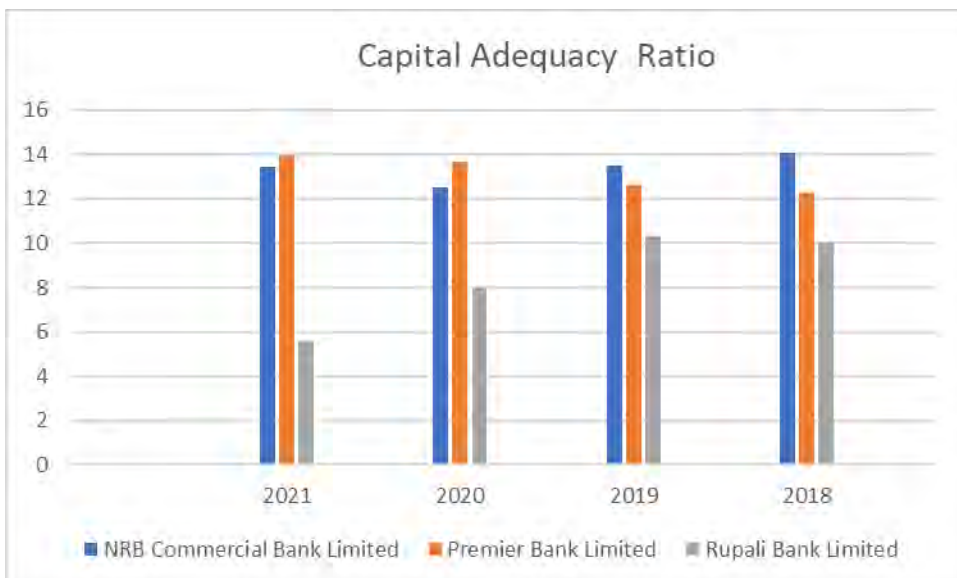


Figure 11: Capital Adequacy Ratio

Capital Adequacy Ratio (CAR):

NRB Commercial Bank Limited has shown an increase in its CAR from 12.52% in 2020 to 13.45% in 2021. This indicates that the bank has been able to maintain a strong capital base relative to its risk-weighted assets. Its CAR is higher than that of Rupali Bank Limited in all the years, indicating that the bank is better capitalized. However, its CAR is lower than that of Premier Bank Limited in all the years, suggesting that NRB Commercial Bank Limited should focus on improving its capital base.

3.7 Suggestions

- The bank needs to focus on improving its asset utilization efficiency to increase profitability.
- The bank should work on using shareholders' equity efficiently to generate more profits.
- The bank needs to focus on improving its interest rate spread to increase profitability.
- The bank should work on reducing its operating expenses to improve its profitability.
- The bank needs to maintain a healthy balance between lending and deposit-taking activities to mitigate liquidity risk.
- The bank should maintain a higher CAR to meet regulatory requirements and maintain investor confidence.

Lastly, NRB Commercial Bank's ratios suggest that the bank has improved its profitability and capital adequacy in 2021. However, the bank needs to work on improving its asset utilization efficiency.

Chapter 4: Conclusion and Implication

In conclusion, my three-month internship in the Hatirpool branch of the NRB Commercial Bank was a worthwhile experience. I was able to develop real-world expertise in the banking sector during my tenure there, including customer service, account management, and financial analysis. I also had the chance to work with a broad group of professionals and gain knowledge of a bank's operations.

Overall, I am grateful of the opportunity and think the knowledge and skills I picked up during my internship will help me in my future work in the financial sector.

While there were some challenges during my internship, such as managing workload and adapting to a new work environment, I was able to overcome these obstacles with the support of my colleagues, supervisors, family, friends and Almighty ALLAH.

In terms of suggestions for improvement, I would recommend that the bank provides more structured training and guidance for interns, especially in the initial stages of the internship. Additionally, it may be helpful to assign a mentor or supervisor to each intern to provide regular feedback and support.

Overall, I am pleased with my experience at NRB Commercial Bank Hatirpool branch and would recommend this internship to other students interested in pursuing a career in banking.

References

<https://www.nrbcommercialbank.com/>

<https://www.linkedin.com/company/nrb-commercial-bank-limited/>

<https://www.banksbd.org/nrb/branches>

https://en.wikipedia.org/wiki/NRB_Bank

<https://www.nrbcommercialbank.com/about/reports>

Paul, T. C. 2021. COVID-19 Impact in Banking Industry.

<https://mblbd.com/assets/corporate/senior/COVID-19-Impact-in-Banking-Industry.pdf>

Goodell, J. W. COVID-19 and Finance: Agendas for Future Research. *Finance Research Letters* 2020, 35 (101512), 101512. <https://doi.org/10.1016/j.frl.2020.101512>.

Bangladesh Bank (2021). Annual Report 2020-21. Retrieved from <https://www.bb.org.bd/en/index.php/statistical-data/banking-and-financial-statistics/annual-reports>.

Chowdhury, M. A. (2019). Banking Industry of Bangladesh: An Overview. *Journal of Business and Technology (Dhaka)*, 14(2), 93-105.

Bangladesh Bank. (2020). Annual Report 2020. Retrieved from https://www.bb.org.bd/pub/annual/anrep2020/bb_anrep2020_eng.pdf

Asian Development Bank. (2020). Bangladesh: Economic Impact of COVID-19 and Policy Responses. Retrieved from <https://www.adb.org/publications/bangladesh-economic-impact-covid-19-and-policy-responses>

Bangladesh Bank. (2021). COVID-19 Regulatory and Policy Measures. Retrieved from <https://www.bb.org.bd/covid19.php>

PwC Bangladesh. (2021). The future of banking in Bangladesh - navigating the new normal. Retrieved from <https://www.pwc.com/bd/en/publications/the-future-of-banking-in-bangladesh.html>

Premier Bank. (2020). Annual Report 2020. Retrieved from https://www.premierbankltd.com/annual_reports/PBL%20Annual%20Report%202020.pdf

Rupali Bank. (2020). Annual Report 2020. Retrieved from https://www.rupalibank.org/home/uploads/AnnualReport/Annual_Report_2020_RBL.pdf

Appendix

	NRB Commercial Bank Limited			
Details	2021	2020	2019	2018
Return on Asset	1.68%	1.34%	1.47%	1.50%
Return on Equity	20.93%	15.28%	15.04%	13.89%
Net Interest Margin	2.47%	1.84%	3.61%	3.88%
Efficiency Ratio	31.92%	28.80%	23.91	24.94%

Loan to Deposit Ratio	86.82%	78.66%	82.54%	85.91%
Capital Adequacy ratio	13.45%	12.52%	13.50%	14.09%

	Premier Bank Limited			
Details	2021	2020	2019	2018
Return on Asset	0.97%	0.72%	1.40%	1.12%
Return on Equity	15.40%	10.62%	19.70%	15.71%
Net Interest Margin	1.43%	1.10%	2.68%	2.92%
Efficiency Ratio	46.39%	48.52%	43.50%	45.44%
Loan to Deposit Ratio	76.22%	73.51%	80.01%	82.68%
Capital Adequacy ratio	13.97%	13.64%	12.61%	12.27%

	Rupali Bank Limited			
Details	2021	2020	2019	2018
Return on Asset	0.06%	0.03%	0.03%	0.02%
Return on Equity	6.79%	9.14%	11.38%	20.40%
Net Interest Margin	-0.66%	-0.82%	0.01%	0.72%
Efficiency Ratio	96.99%	95.29%	93.56%	88.35%
Loan to Deposit Ratio	66.07%	63.28%	73.98%	63.53%
Capital Adequacy ratio	5.56%	8.00%	10.34%	10.02%