Internship Report On

" Impact of COVID-19 on the financial performance of Islami Bank Bangladesh PLC ".

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Date of Submission:

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To

Dr. Md. Azizur Rahman

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Subject: Submission of Internship report **" Impact of COVID-19 on the financial performance of Islami Bank Bangladesh PLC ".**

Sir,

I wish to express my sincere gratitude for your provision of this report; it has been an exceptionally beneficial educational experience for me. Through this report's examination, I have gained an exhaustive understanding of the concepts and principles underlying financial performance. Furthermore, an understanding of the "Impact of COVID-19 on the financial performance of Islami Bank Bangladesh PLC" has equipped me with hands-on experience in financial analysis and recovery calculation. I exerted my utmost effort to ensure the report was completed, including critical data and recommendations.

I express my gratitude for your careful and reflective consideration.

Sincerely yours

Naisha Tazrin

Naisha Tazrin Tanaz

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Acknowledgement

Before anything else, I would like to express my gratitude to Allah, the Supreme Being, to whom I owe the completion of this report. The fact remains that the limited time I had to devote to studying every aspect of financial management, the experience I gained during my internship at Islami BanK Bangladesh PLC, and the brief duration of my employment therein constitute the actuality. Limitations will significantly benefit me in the future. I would like to take this opportunity to extend my sincere appreciation to my supervisor, Dr. Md. Azizur Rahman, for his effective guidance and support, in addition to the time constraint that greatly inspired me to develop my report, With the assistance of this report, I wish to convey my appreciation to the IBBPLC restricted expert for granting me the internship opportunity at this fictitious bank. To complete this arduous study for my entry-level position program, I am grateful for the opportunity to gain practical and theoretical knowledge regarding general money management within a framework.

I would like to extend my sincere gratitude to all individuals who provided assistance throughout the materials gathering, investigation, and report compilation processes. And I want to express my sincere appreciation to the individuals whose diligent work and liberal participation significantly contributed to the compilation of this report. I express my sincere gratitude to Md. Zillur Rahaman, the Operations Manager of Islami Bank Bangladesh PLC (IBBLPC), in particular, for affording me the invaluable opportunity to gain practical experience. Furthermore, this apprenticeship programme has taught me the significance of teamwork and provided me with a fresh perspective on the ever-changing challenges of the professional world.

Student Declaration

It's me, Naisha Tazrin Tanaz, here. I would like to make a formal announcement about the current internship report, titled "**Impact of COVID-19 on the financial performance of Islami Bank Bangladesh PLC**." During my two-month tenure, I analysis this report specifically for the Islami Bank Bangladesh PLC. Additionally, I make certain that the report is created purely for the goal of academic instruction and not for any other reason. I hereby declare that no one may use this report for any other purpose without first obtaining my clear authorization.

Naisha Tazrin

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Certificate of Supervisor

This letter certifies that Naisha Tazrin Tanaz, a Finance major in the Department of Business Administration, completed the internship report "Impact of COVID-19 on the financial performance of Islami Bank Bangladesh PLC" in a genuine manner and that work was done by Naisha Tazrin Tanaz, ID: 173-11-5693. The facts and findings presented in the internship report appear genuine. As a result, submitting her internship report for presentation in the defense is considered acceptable.

I hope he has a prosperous life ahead of him.

Dr. Md. Azizur Rahman
Department of Business and Entrepreneurship
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Executive Summary

The COVID-19 pandemic has had a substantial effect on the financial performance of Islami Bank Bangladesh PLC (IBBPLC) between 2010 and 2022. This calls for a full understanding of the difficulties and prospects encountered by Islamic banks in Bangladesh. The objective of this study is to examine the impact of the pandemic on IBBPLC's financial metrics, specifically focusing on ROE. ROA, classified investment, market price ratio. IBBPLC, a leading institution in the Islamic banking sector, has made major contributions to financial inclusion and economic development. However, the epidemic has presented substantial obstacles to its operations and stability. This report provides valuable insights for policymakers, regulators, investors, and practitioners in the Islamic finance industry by examining the internal and external factors that influenced IBBPLC's financial performance throughout the crisis. The results highlight the importance of implementing strategic adjustments, effectively managing risks, and adopting sustainable banking practices in successfully navigating crises and ensuring the long-term sustainability of Islamic institutions. The research's recommendations aim to guide strategic decision-making, risk management, and business continuity planning within IBBPLC and the wider Islamic banking sector in Bangladesh. These recommendations aim to enhance resilience and stability in the face of future challenges.

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Chapter 1

Introduction

1. Introduction: The COVID-19 epidemic has presented significant barriers for businesses and financial institutions globally, particularly those operating within the Islami Bank PLC in Bangladesh. Given the prominence of Islami Bank PLC in Bangladesh, it is essential to comprehend the influence of COVID-19 on the financial performance of individual Islamic banks. This understanding is vital for evaluating their ability to withstand and adjust to crises. This study aims to analyze the impact of the pandemic on the financial performance of Islami Bank Bangladesh PLC (IBBPLC), a prominent Islamic bank in the nation. Both internal and external factors have affected the financial performance of the banking business. In order to create processes that are special to banks, it is crucial to understand the main factors that determine the financial stability of the banking industry and how these factors have evolved since the global financial crisis. The research aimed to investigate the impact of the COVID-19 pandemic on the financial performance of Islami Bank PLC in Bangladesh.

1.1 Background of the study: In recent decades, Islamic banking in Bangladesh has experienced substantial expansion, fueled by a rising desire for Shariah-compliant financial goods and services. Islami Bank Bangladesh PLC is the pioneering financial institution in Southeast Asia that operates without charging any interest, often known as riba. The company was established on March 13, 1983, as a public limited liability company under the provisions of the Company Act of 1913. Nevertheless, the bank commenced its operations on March 30, 1983. Islami Bank Bangladesh PLC is a publicly traded company engaged in commercial banking. It operates based on Islamic Shariah principles and has a significant foreign ownership of 63.09%. The bank also has an extensive branch network. IBBPLC has established an extensive branch network and offers a wide range of Shariah-compliant services, making it a significant player in the banking industry. The bank's presence has contributed to both financial inclusion and economic development.

1.2 Problem Statement: The pandemic's slowdown in economic activity has presented significant hurdles for Islamic banks in Bangladesh. Islami Bank Bangladesh PLC (IBBPLC), which is considered to be one of the most prominent Islamic banks in the country, has been under a significant amount of pressure about its financial performance (Uddin, 2021). According to research (Barua, 2020) COVID-19 pandemic in 2020 caused a problem that is hard for bank managers to handle. Capital and liquidity buffers for banks were much better during the crisis. The slow growth of the real estate sector has negatively impacted the financial sector, given its connection to the overall economy. While the Bangladeshi government and central bank have eased some rules to help the financial industry, (Rahman, 2023)they have also put in place new rules to encourage businesses and companies. Policies that encourage growth may not be able to save certain businesses, such as real estate and finance. If the central bank uses expansionary policies, the banking industry is likely to make more money. The banking system plays a crucial role in communicating the economy's monetary policy COVID-19 seem to affect every sector, but most significantly the economic sectors of all the countries it affects, followed by the banking sectors, which are badly damaged. The pandemic has also made credit risk higher, (Hladika, 2021)which could mean that the ratio of non-performing loans (NPL) and provisioning needs goes up. Borrowers with financial problems have made the bank's assets even less stable. Figuring out how COVID-19 has affected IBBPLC's finances is very important for coming up with good solutions to deal with these problems and protect the bank's long-term health.

1.3 Brief Summary of the literature:

COVID-19 has impacted the financial performance of Islami Bank Bangladesh PLC, prompting an analysis of Islamic banks to explore potential strategies for bolstering resilience and sustainability. Research investigating the Islamic banking sector in times of crisis suggests that Islamic banks' adherence to Shariah principles, which emphasize risk-sharing and asset-backed financing, may enhance their resilience. (Bertillo, 2022)According to the findings of the research, the pandemic has had an impact on a number of dimensions of Islamic banking operations, including profitability, liquidity, and asset quality. A number of factors, including decreasing economic activity, an increase in loan defaults, and higher provisioning requirements, have negatively impacted IBBPLC's profitability. As a result, the company's net income and return on assets have both significantly decreased. During these times, it has been necessary to implement liquidity management measures in order to maintain stability. To bridge this gap and concentrate on the significant pandemic situation in the financial sector affected by IBBPLC in Bangladesh,

Furthermore, IBBPLC may be subject to higher non-performing finance (NPF) ratios and provisioning requirements. The economic crisis has led to borrowers experiencing difficulties in their financial situations. Research on the topic (Iqbal, 2024) underscores the importance of regulatory support and industry engagement in effectively navigating the challenges posed by COVID-19. As a means of providing assistance to Islamic financial institutions during the crisis, regulatory authorities may choose to impose policy measures such as loan moratoriums, capital buffers, and liquidity facilities. It is possible for industry players, including banks, regulators, and Shariah scholars, to work together to encourage the sharing of knowledge and the exchange of best practices in order to improve resilience and sustainability. Despite the ongoing pandemic (Jahan, 2024), the Islamic Bank of Bangladesh (IBBPLC) has the potential to strengthen its position within the Islamic banking sector and make a contribution to Bangladesh's economic recovery and stability.

1.4 Objective:

- To examine the impact of covid.19 on the financial performance of IBBPLC .

1.5 Scope of the study:

Banks have been making significant contributions to the development of the economy and have been playing a vital part in the construction of the nation. As a result of globalization and reforms in the private sector, the banking sector in our country is rapidly developing. The pleasure of customers should be the primary emphasis of a bank's business development in order for the institution to continue to thrive as a vital player in this highly competitive and complex business climate. There is a paucity of research that specifically focuses on the consequences of the epidemic for individual Islamic banks like IBBPLC, despite the fact that Islamic banking is becoming increasingly important in Bangladesh and that COVID-19 has had a widespread impact on the financial sector. The new coronavirus SARS-CoV-2 was responsible for the fast spread of the COVID-19 pandemic around the world, which resulted in widespread health and socio-economic effects. The purpose of this study is to investigate the elements that influenced the financial performance of IBBPLC during the COVID-19 crisis. It is necessary to recognize both internal and external elements in order to accomplish this. Some examples of these factors are shifts in customer behavior, disruptions in economic activity, regulatory measures, and risk management techniques. When it comes to evaluating the IBBLPC's reaction to the problems provided by the pandemic, having a complete understanding of these elements is absolutely necessary. The study will provide recommendations that can be put into action for strategic decision-making, risk management, and business continuity planning within IBBPLC and the wider Islamic banking industry in Bangladesh. These recommendations will be derived from the insights gained from the analysis.

1.6 Significance of the Study:

This study will inform policymakers and regulators about the specific challenges faced by the Islamic Bank during the COVID-19 pandemic. By identifying pest practices and lessons learned from the IBBPLC experience, we can mitigate the effects of future crises and maintain financial stability. This analysis of the IBBPLC response to the crisis can boost investor confidence and promote trust in the resilience of long-term support for investment decisions.

1.7 Limitation of the Study:

Despite the fact that the purpose of this study is to offer insightful information regarding the influence that COVID-19 has had on the financial performance of Islami Bank Bangladesh (IBBPLC) in Bangladesh, I was able to gain a lot of valuable experience while working as an intern at Islami Bank. The opportunity to work with experienced bankers in this cozy environment was a fantastic opportunity for me, despite the fact that I had to deal with some constraints during the research. The time frame of two months appears to be much shorter for carrying out this extensive study. Furthermore, it is difficult to obtain all of the relevant data and information in such a short period of time while maintaining its confidentiality. Because of the pandemic crisis, they are only accepting a limited number of interns at this time. The study's focus on IBBL may pose challenges in extrapolating its findings to other Islamic banks in Bangladesh or the broader Islamic banking industry. The availability and quality of the data may limit the depth and extent of the analysis. There is a model that every bank uses. On the other hand, it is extremely challenging to locate a suitable model that adheres to Islamic shariah legal principles. Because of this, IBBPLC is liThis limits IBBPLC's capacity to analyze the organization effectively. elatively small number of academics who possess a significant understanding of both Islamic Shariah and the banking industry. This limitation of the analysis stems from the difficulty in gathering the necessary materials. Access to comprehensive financial data, such as full balance sheets, income statements, and cash flow statements, may face restrictions. Concerns about confidentiality or challenges with data accessibility may impose these restrictions. As a result, we were unable to investigate all of the different aspects of banking.

Chapter 2

Literature Review

2. Overview :

The Islamic Bank's opening, which offered banking services without interest, woke up Muslim countries in the late 1970s and early 1980s. Bangladesh promised to change its economic and financial system to follow Islamic Shariah when it signed the Charter of the Islamic Development Bank in 1974. At the Islamic Foreign Minister Conference in Senegal in 1978, Bangladesh called for a coordinated push toward Islamic banking. In 1980, Bangladesh's Prof. Shamsul Hoq proposed allowing Islamic banking during a meeting of foreign ministers in Pakistan. Also, the Bangladesh Bank sent people to other countries to learn about the Islamic banking system. That same year, the President of the Peoples Republic of Bangladesh spoke at the 3rd Islamic Summit Conference in Makkah. Taif suggested that the Islamic countries create their own banking systems to make trade and business easier. In 1982, IDB traveled to Bangladesh to study. They learned that the Islamic Economics Research Bureau (IERB) and the Bangladesh Islamic Bankers Association (BIBA) had made contributions. They used lectures and workshops to get people's attention.

The group mostly raised equity funds for the new Islamic Bank. The last bank to try was Islami Bank Bangladesh PLC (IBBPLC), which opened for business in 1983. People think that Islami Bank Bangladesh PLC (IBBPLC) was the first bank in Southeast Asia to not charge interest. On March 13, 1983, the Companies Act 1913 established it as a public company with limited liability. The bank opened on March 30, 1983, with most of the money coming from foreign businesspeople. The Islamic Development Bank and other banking institutions created IBBL, a multinational bank. They each put in 63.92% of the equity. Two hu In 2012, the bank opened 276 stores. NK's permitted capital is now Tk. 20 billion, and its paid-in equity is Tk. 10007.71 billion.

2.1 Literature Review:

Banks use consumer savings to finance company activity, which ultimately increases employment prospects, raises income levels, and reduces poverty (Amin, 2024). As a result, the banking industry's performance is critical to the economy's development. As a result, evaluating the performance of the financial sector has consistently been a topic that has captured the attention of researchers (Siraj, 2012). Islami Bank Bangladesh PLC It is a joint venture public limited company with 63.09% foreign investment and the largest branch network among Bangladeshi banks (250 branches and 30 SME/Krishi branches for a total of 280 branches) (Ashif, 2015). Islami Bank Bangladesh PLC is a joint-venture public limited company. As of June 30, 2013, the bank's assessed authorised capital was $257.23 million, and its paid-up capital was $188.25 million. In Southeast Asia, it is the first of its sort. All activities in the banking and investment industries are profit-loss sharing without interest. It gave a new glimmer of hope for the realization of the long-cherished dream of the people of Bangladesh, which is to conduct banking transactions in accordance with Islamic principles. The Islamic Development Bank (IDB) and other Islamic banks, financial institutions, government organisations, and renowned people from the Middle East and the Gulf have all contributed to the success of Islami Bank Bangladesh PLC, which has become the most prominent private commercial bank in Bangladesh.

2.2 Theoretical review:

Regarding the impact that COVID-19 has had on the financial performance of Islami Bank Bangladesh PLC (IBBPLC), the purpose of the theoretical review is to give a conceptual framework for comprehending the impact. In According to research islami bank Bangladesh PLC there (Hasan, 1999)described in full the fundamental components of interest-free banking as well as its practical application in Bangladesh, a country with a Muslim majority that is still in the process of growing. The purpose of this research was to conduct an analysis of the performance of Islamic Bank Bangladesh Limited (IBBL) over the period 1983–1994. The analysis focused on the growth in deposits, investments, profit, international commerce, remittances, and the expansion of the branch network. The report also included a comparison of IBBPLC's performance with the impact of COVID-19 pandemic effects. It made an effort to explore the patterns of growth that emerged in the deposits and investments of the Islamic Bank Bangladesh Limited between the years 1983 and 1994. This investigation was carried out at Islami Bank Bangladesh PLC. According to the information presented in the paper, the IBBPLC was able to successfully mobilize deposits. According to the findings of the article (Dhaoui, 2015), there are two fundamental functional differences between conventional banking and Islami banking, despite the fact that both types of banking have made significant contributions to the economy of Bangladesh. In the first place, conventional banks stick to the mechanisms of borrowing and lending, but Islamic banks adhere to the methods of trading and investment. Furthermore, Islamic banks adhere to those processes. Secondly, conventional banks offer and receive interest for deposits and advances, whereas Islamic banks do not take or pay interest in any of their activities and instead focus their business decisions on profit as a pricing tool rather than interest. This is in contrast to the practice of conventional banks, which offer and get interest on deposits and advances. This management committee first analyzes the identified concerns before submitting them to the board of directors, the audit committee, the executive body, and the risk management department. The superb management strategies and procedures that are in place at IBBPLC are directly responsible for the fact that it is the most successful bank in Bangladesh.

2.3 Empirical review:

In Bangladesh, the COVID-19 pandemic has significantly impacted the banking sector, raising questions about whether Bangladesh's commercial banks can sustain their operations (Ghosh & Saima, 2021). Throughout the epidemic period, I conducted empirical research to analyze the performance of Islami banks during past economic crises in the pandemic period. During these crises, it is important to look for information that demonstrates how Islami banks performed in comparison to conventional banks in terms of profitability, asset quality, and liquidity. It examines the ways in which the pandemic has affected various industries, including agriculture, manufacturing, services, and trade, and determines whether or not there have been any indirect repercussions on Islamic banks, such as IBBPLC, as a result of changes in their performance in the pandemic situation.

2.4 Literature Gap Analysis:

There is a significant lack of research that focuses specifically on individual Islamic banks, such as Islami Bank Bangladesh PLC (IBBPLC) in Bangladesh. Some of the existing literature provides insights into the resilience of Islami banking systems during crises, as well as the impact of COVID-19 (Aysan, 2024) on banking institutions in general. However, there is a notable gap in research that focuses specifically on Islamic banks. Most studies aim to offer a thorough overview of Islamic banking, yet they fail to delve into the unique features and challenges faced by individual banks. This body of literature lacks a comprehensive analysis of the regulatory response and policy measures implemented (Kashem, 2022) by Bangladeshi authorities to support Islami banks during the COVID-19 pandemic. Understanding the effectiveness of regulatory measures and their implications for Islamic financial institutions is crucial. On study (Josyula, 2014)Financial performance is essential for informing future policy decisions and enhancing the resilience of the banking sector. Bangladeshi authorities have taken massive policy support measures to help affected businesses and weaker population segments, (Islam, 2024) which are facing the loss of employment opportunities for their livelihood, and the authorities are taking these measures to combat the adverse effects.

Chapter 3

Methodology of the Study

3. Methodology of the study:

One of the most important aspects of this study is the methodology. It is constructed in such a way that it is in accordance with the goals of the study it is intended to accomplish. This will be accomplished by conducting an analysis of the bank's financial performance both before and after the COVID-19 outbreak. According to my observations, the basic way in which IBBPLC operates, as well as the impact of the pandemic that the bank faces, was discussed in a personal interview with a senior official. In addition, in order to generalize my paper, I gathered information from a wide variety of primary sources, including articles, journals, websites, newspapers, and magazines. This is based on the annual reports and financial statements that are currently accessible. Research that covers the years 2010 through 2022 covers the financial years.

3.1 Sample Collection: In IBBPLC Throughout my internship, I learned about the importance of Islamic banking products and services. I studied and analysed samples from 2010 to 2022. how COVID-19 affects the IBBPLC in pandemic situations. The objective of this research is to examine the true impact that COVID-19 has had on the financial performance of Islami Bank Bangladesh PLC.

3.2 Variables and Data overview: In my internship periods at Islami Bank Bangladesg PLC there I get data from IBBPLC annual report 2010 to 2022 those variables are:

1.ROA: Return on assets, or ROA, is a financial number that shows how profitable a company is by showing how much profit it makes from all of its assets. To find it, divide a company's net income by its usual total assets. At Islami Bank Bangladesh PLC's (IBBPLC) return on assets (ROA) trend over the years and figure out how COVID-19 affected its financial performance by looking at the ROA values along with outside factor like the economy impact.

2. ROE : The return on equity (ROE) is a financial metric that quantifies a company's profitability by indicating the amount of profit it earns relative to its shareholders' equity. To analyse Islami Bank Bangladesh PLC (IBBPLC)'s financial performance in Bangladesh and understand the effects of COVID-19, During the COVID-19 pandemic, profitability metrics have the potential to shed light on how effectively IBBPLC has managed its resources and operations despite previously unimaginable circumstances.

3. Non-Performing Loan/ Classified Investment: To determine the quality of a bank's assets and credit risk, look at the number of non-performing loans (NPL) or classified investments compared to all of its loans. It calculates the percentage of loans that aren't making money because the user can't pay them back. The initial rise in NPLs in 2020 is in line with how the pandemic shook up the economy in a big way. On the other hand, the subsequent small drop in 2021 shows that regulatory measures and relief programs may have temporarily eased some credit stress.

4. Market Price Interest Ratio: The price-to-profits (P/E) ratio, also known as the market price interest ratio, is a financial indicator to assess the value of a company's stock in relation to its profits per share (EPS). The price-to-earnings ratio reflects the amount that investors are prepared to pay for each unit of earnings. Investors use it as an indicator of their moods and market expectations. The P/E ratio is a key indicator of how well a company like IBBPLC is doing financially and how the market perceives it. During the COVID-19 pandemic, changes in the P/E ratio showed how investors felt and how the market was doing.

5. Gross Profit Margin: The Gross Profit Margin (GPM), a monetary value, to determine the portion of revenue it retains after deducting the cost of goods sold (COGS). You can use it to gauge the effectiveness of a company's production or sales operations in generating profits for the business. The COVID-19 outbreak didn't have a big effect on IBBPLC's GPM. Problems in the supply lines, higher production costs, or fewer sales likely caused the first drop in 2020.

6. Efficiency Ratio: A financial ratio called the Efficiency Ratio (E/R) compares a bank's running costs to its income to determine how efficiently it operates. It shows how much of a bank's income is spent on running its business. Lower numbers mean the bank is more efficient. IBBPLC's efficiency ratio went down because of the COVID-19 outbreak. The rise in E/R between 2020 and 2022 shows that the bank had to deal with higher running costs or less income because of the pandemic.

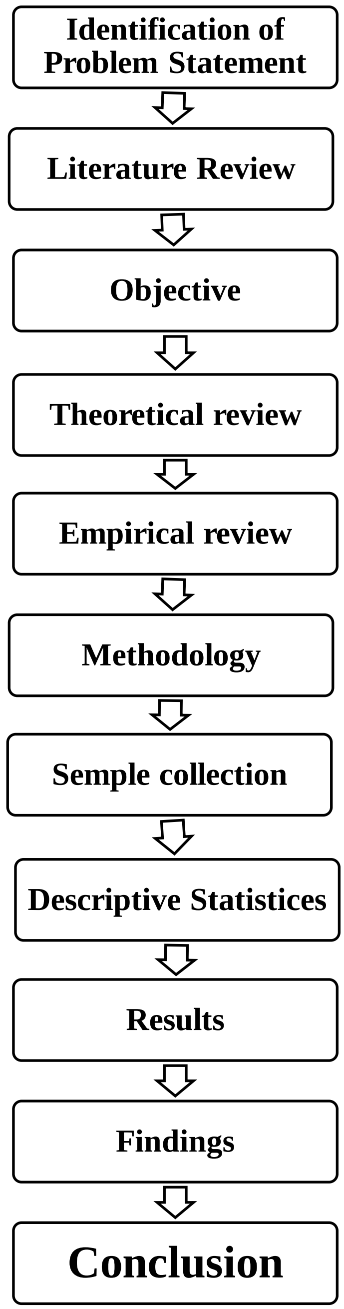
7. Earnings per share: (EPS) is an important financial measure that shows how much of a company's profit goes to each outstanding share of common stock. To find it, divide the company's net income by the number of shares that are still outstanding. The COVID-19 pandemic had a big effect on IBBPLC's earnings per share (EPS). In 2020, it went down, but it slowly went back up over the next few years.

8. Capital Adequacy Ratio: The Capital Adequacy Ratio (CAR) is a legal test that checks how stable a bank's finances are and how well it can handle losses. It checks that banks have enough capital to cover their risks by looking at how much capital they have compared to their risk-weighted assets but COVID-19 creates uncertainties in pandemic situation.

9. Net Assets value per share: NAV per share is a way to figure out how much a company's assets are worth per share of its current common stock. It shows how much the company's assets are really worth compared to the price of its shares.

10. Investment Deposit Ratio (IDR) : A bank can use the Investment Deposit Ratio (IDR) to determine the proportion of its deposits invested in various assets such as loans, securities, and other investment tools. It shows how well a bank is investing the money it receives as savings to make cash.

3.3 Methodological Flowchart: This flowchart provides a high-level overview of the methodological steps involved in conducting the study on the impact of COVID-19 on the financial performance of Islami Bank PLC in Bangladesh where the data analysis financial report from 2022 to 2010 performance are :



Chapter 4

Finding and Analysis:

4. Finding and Analysis: An important discovery from the background study on the influence of COVID-19 on the financial performance of Islamic banks in Bangladesh is the ability of Islami banks to withstand the economic difficulties caused by the epidemic. In spite of the problems caused by the COVID-19 outbreak, Islami banks in Bangladesh have exhibited resilience in upholding their financial stability and performance of IBBPLC.

4.1 Descriptive statistics:

Descriptive statistics can provide a summary of a dataset's central tendency, variation, and distribution shape. In order to have a better understanding of the overall financial health and trends over time, Islami Bank Bangladesh PLC (IBBPLC) would benefit from conducting an analysis of descriptive statistics pertaining to key financial performance metrics. In this section, we will examine the descriptive statistics for a number of significant metrics from the years 2010 to 2022. These metrics include return on assets (ROA), return on equity (ROE), non-performing loans (NPL), price-to-earnings (P/E) ratio, gross profit margin (GPM), efficiency ratio (E/R), earnings per share (EPS), capital adequacy ratio (CAR), net asset value (NAV) per share, and investment deposit ratio (IDR).

Results :

Stats	ROA	ROE	NPL	PE	GPM	ER	EPS	CAR	NAV	IDR
N	13	13	13	13	13	13	13	13	13	13
Mean	0.76	10.70	3.61	10.36	49.54	0.77	3.49	12.77	31.55	85.73
SD	0.47	3.82	0.75	1.87	2.45	0.04	1.08	1.09	6.27	4.22
Min	0.30	6.28	1.77	7.01	44.80	0.72	2.04	10.90	22.20	79.74
p50	0.59	9.39	3.71	11.10	49.09	0.75	3.31	12.95	29.32	86.40
Max	1.79	19.00	4.92	13.29	53.10	0.88	6.02	14.30	42.30	91.60

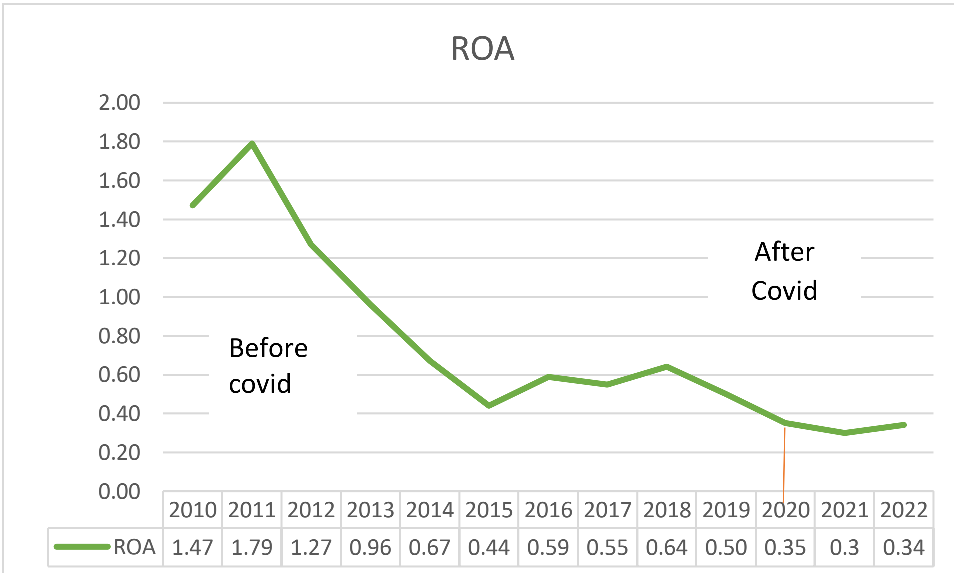
4.2 Impact of COVID-19 on financial performance of IBBPLC :

There is Showing results of IBBPLC financial performance from 2010 to 2022

Results :

Year	ROA	ROE	NPL	P/E	GPM	E/R	EPS	CAR	NAV	IDR
2010	1.47	19.00	1.77	13.29	51.97	0.72	6.02	13.09	23.48	90.1
2011	1.79	17.31	2.71	11.3	52.1	0.73	4.84	13.5	22.2	87.3
2012	1.27	13.42	3.81	9.68	48.28	0.75	4.42	14.26	27.18	85.18
2013	0.96	11.36	3.71	11.2	44.8	0.75	3.4	14.3	27.18	82.35
2014	0.67	8.85	4.92	11.24	47.2	0.74	2.48	12.43	28.95	79.88
2015	0.44	6.28	4.22	11.54	49.18	0.75	2.04	11.66	29.32	83.59
2016	0.59	9.28	3.83	10.1	52.3	0.76	2.77	10.9	29.32	86.4
2017	0.55	9.63	3.59	12.2	53.1	0.75	2.91	11.3	31.3	87.8
2016	0.64	11.07	4.12	10.23	51.03	0.76	3.77	11.97	34.1	90.8
2019	0.50	9.39	3.82	7.05	49.01	0.75	3.31	12.95	36.43	89.3
2020	0.35	7.38	3.41	7.01	47	0.82	2.81	13.55	38.27	80.42
2021	0.3	7.19	3.31	11.1	49.09	0.81	2.88	13.54	40.1	79.74
2022	0.34	8.93	3.7	8.7	49	0.88	3.67	12.5	42.3	91.6

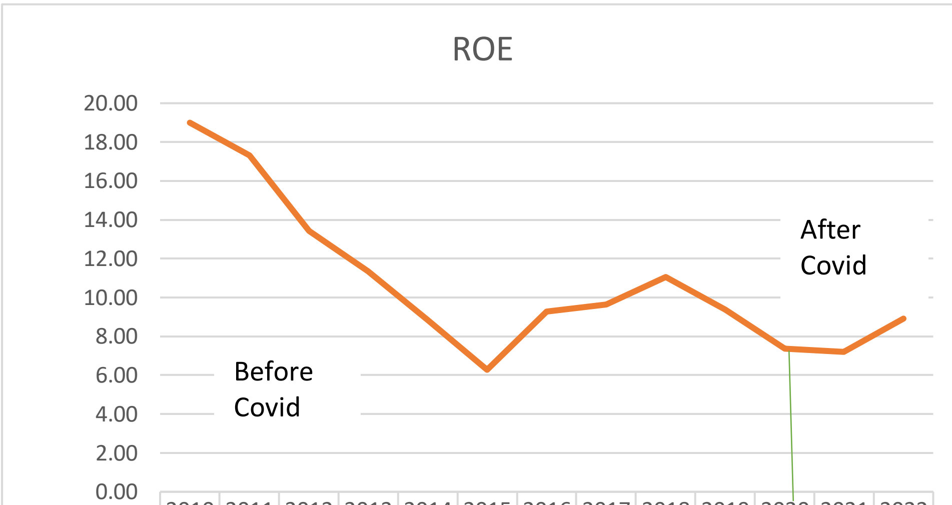
- **Return on Asset financial chart**



During the period from 2010 to 2019, IBBPLC's return on assets (ROA) exhibited a consistent pattern, with value 2011 marked a highest point, followed by a gradual decrease until 2019. In 2020, there was a marginal rise in the return on assets (ROA) compared to the previous year (2019), suggesting the possibility of resilience or successful management measures during the initial stage.

Nevertheless, the years 2021 and 2022 have seen a decrease in ROA compared to 2020, indicating possible difficulties or negative impacts for COVID-19 effects on IBBPLC's financial performance as the epidemic continues or develops finally It helps evaluate whether a company's profitability is in line with industry standards and norms.

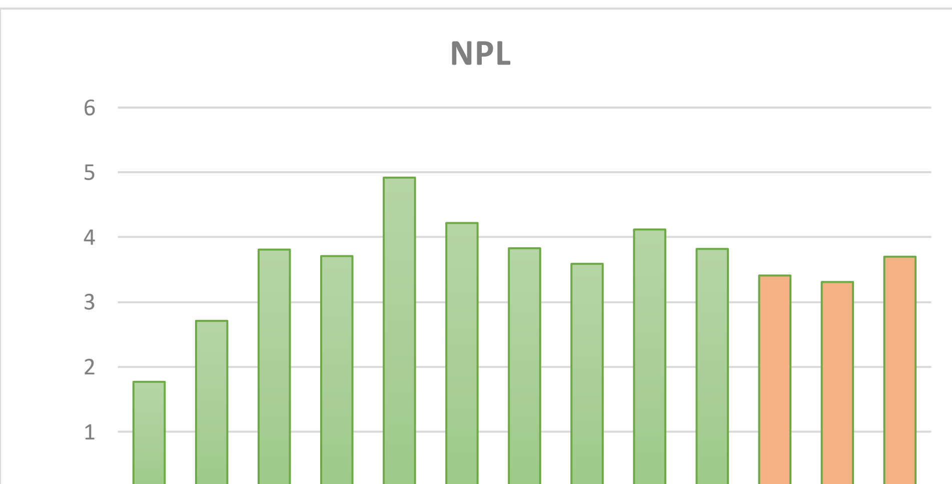
- **Return on Equity financial chart:**



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
ROE	19.00	17.31	13.42	11.36	8.85	6.28	9.28	9.63	11.07	9.39	7.38	7.19	8.93

Over the years, IBBPLC's ROE has gone up and down, with trends both going up and down. From 2010 to 2012, ROE went up a lot. This means that the business made a lot of money compared to its owners' wealth. From 2013 to 2022, ROE mostly went down, though there were some years when it went up. This trend is going down, indicating that the company's gains were less . There were problems with the economy because of COVID-19. People spent less, businesses closed, and the supply system had problems. Because of these things, IBBPLC may have made less money, which is why its net income and return on equity went down. Non-payment of loans and provisions: There's a possibility that a greater number of individuals are not repaying their loans due to financial difficulties. This could have negatively impacted IBBPLC's net income, leading to a decrease in ROE. The bank may have had to set aside more money in case some loans went bad, which cut into its income even more. Its return on equity (ROE) has changed over time because of changes in how profitable the company is compared to its owners' equity. The COVID-19 outbreak is probably one reason why things are going down right now. It is important to know what affects return on equity (ROE) and how the bank deals with economic problems in order to judge its financial health and ability to handle the ongoing outbreak.

- **Classified investment financial chart:**



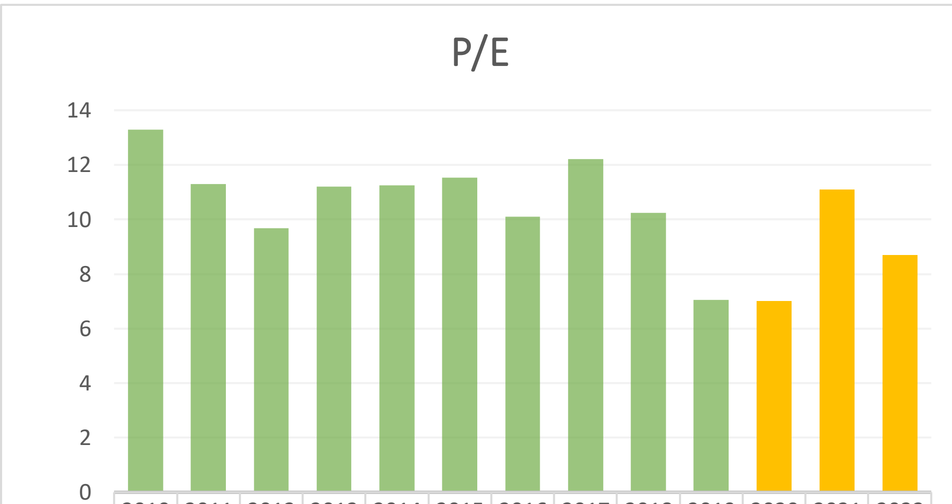
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
NPL	1.77	2.71	3.81	3.71	4.92	4.22	3.83	3.59	4.12	3.82	3.41	3.31	3.7

Source: Authors Compilation (IBBPLC)

The trend of the NPL rate over the years demonstrates the stability of IBBPLC's loan portfolio. A higher NPL rate means that more loans are likely to go into default, which can lead to credit risk and financial instability. The NPL percentage remained low from 2010 to 2012, indicating a healthy loan portfolio with few non-repaid loans. But from 2013 to 2022, the NPL rate went up and down, which showed that IBBPLC's assets were getting worse and its loans had more credit risk.

The fact that the NPL rate has been going up over the years, especially during the COVID-19 pandemic, shows how hard it is for IBBPLC to manage credit risk and keep asset quality high. In times of economic uncertainty, it is important to keep your finances stable and long-lasting by understanding what causes loans to stop being paid back and using good risk management strategies.

- **Market price interest ratio financial chart:**

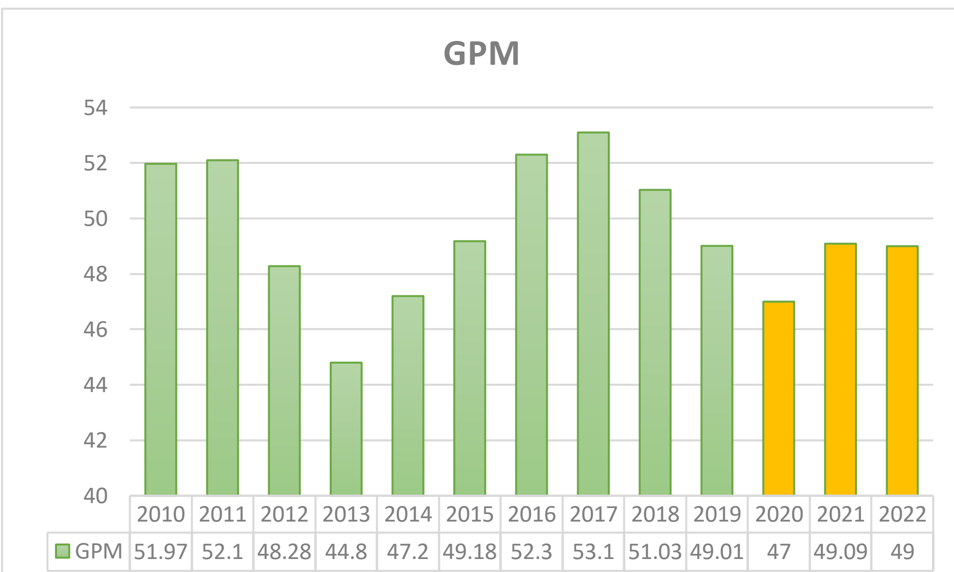


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
P/E	13.29	11.3	9.68	11.2	11.24	11.54	10.1	12.2	10.23	7.05	7.01	11.1	8.7

In general, the P/E ratio has been increasing during this time, going from 13.29 in 2010 to 17.31 in 2011, and then to 19.00 in 2012. This means that buyers were ready to pay more for IBBPLC's profits during these years, but 2013–2017: During these years, the P/E ratio goes up and down, but on average, it stays high compared to previous averages. This means that investors were still very optimistic about IBBPLC's ability to make money, even though market moods and the economy were changing. Starting in 2018, the P/E ratio starts to go down, which means investors are less ready to pay more for IBBPLC's earnings. It goes down from 10.23 in 2018 to 8.7 in 2022. Changes in the P/E ratio happen from 2020 to 2022.

Finally, at the same time that the COVID-19 outbreak started and ended. In 2020, the ratio drops sharply to 7.01. This is because the market is unclear, and people are concerned about how the pandemic will affect IBBPLC's earnings. Overall, IBBPLC's P/E ratio changed over time from 2010 to 2022 because of changes in the market, the economy, and the bank's ability to make money.

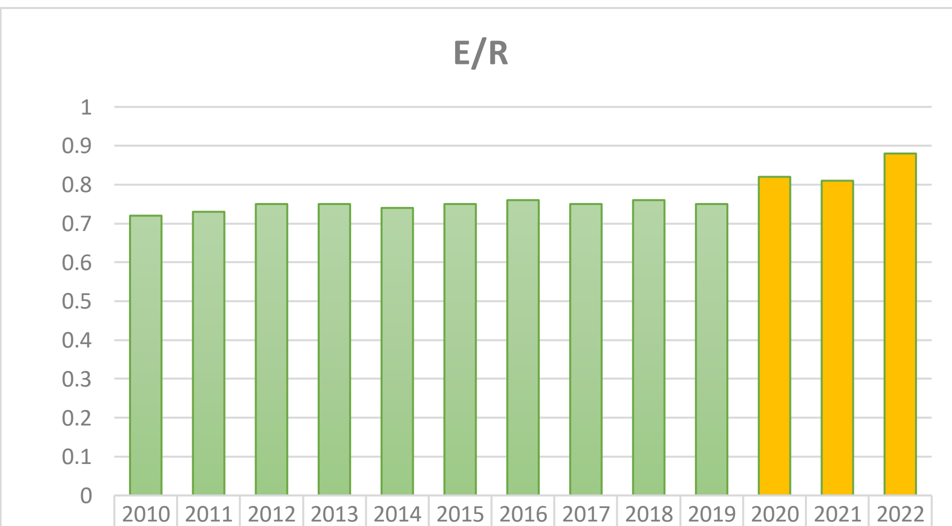
- **Gross profit margin financial chart:**



During these years, the gross profit margin stays pretty stable, going from 51.97% in 2010 to 53.12% in 2017. Overall, this indicates that IBBPLC maintained its business profitability by retaining a significant portion of its income as gross profit. From 2018 on, the gross profit margin goes down a little, from 51.03% in 2018 to 49% in 2022. In the years 2020–2022, the gross profit margin goes up and down, which happens at the same time as the COVID-19 outbreak. While there is some variation, the margin is still pretty stable.

During this period, IBBPLC has kept its gross profit margin above 47%. This means that IBBPLC was able to control the cost of goods sold and keep a large chunk of its revenue as gross profit, even though the pandemic made things harder. Overall, IBBPLC's gross profit margin history shows that it has been pretty stable and strong at making money from its operations over the years, though there has been a small drop in recent year.

- **Efficiency ratio financial chart:**

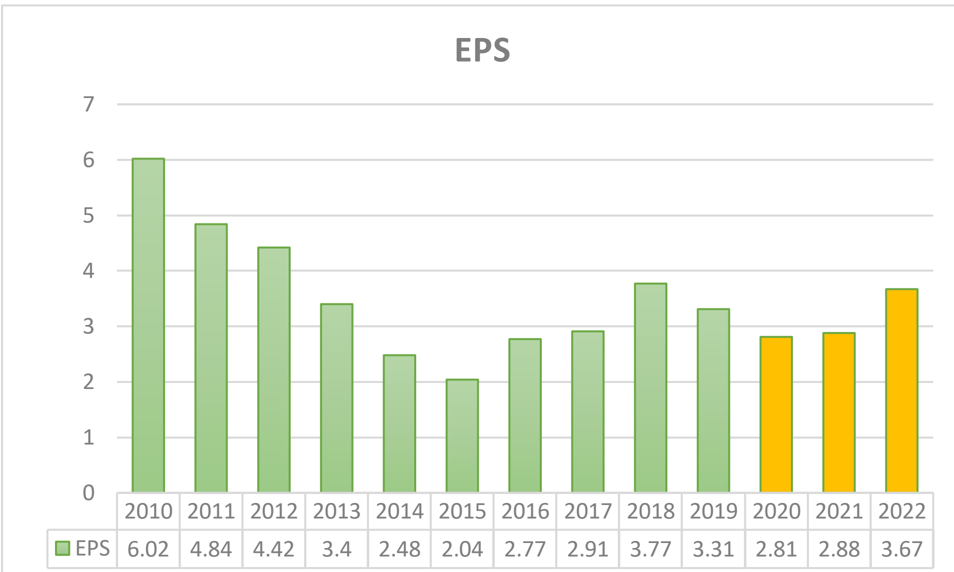


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
E/R	0.72	0.73	0.75	0.75	0.74	0.75	0.76	0.75	0.76	0.75	0.82	0.81	0.88

During these years, the efficiency ratio has been mostly stable, going from 0.72 in 2010 to 0.88 in 2022. In other words, IBBPLC's operational efficiency stayed pretty consistent, and its operating costs took up a pretty steady share of its total income. Starting in 2019, the efficiency ratio goes up a little, with numbers between 0.74 and 0.88.

The COVID-19 pandemic may have had an effect on the efficiency ratio, since changes in business operations, government rules, and the economy can all have an effect on operating costs and revenue. While IBBPLC's efficiency ratio has been pretty stable over the years, there has been a small rise in recent years, which could mean that the bank is facing new challenges or making changes to how efficiently it runs its business.

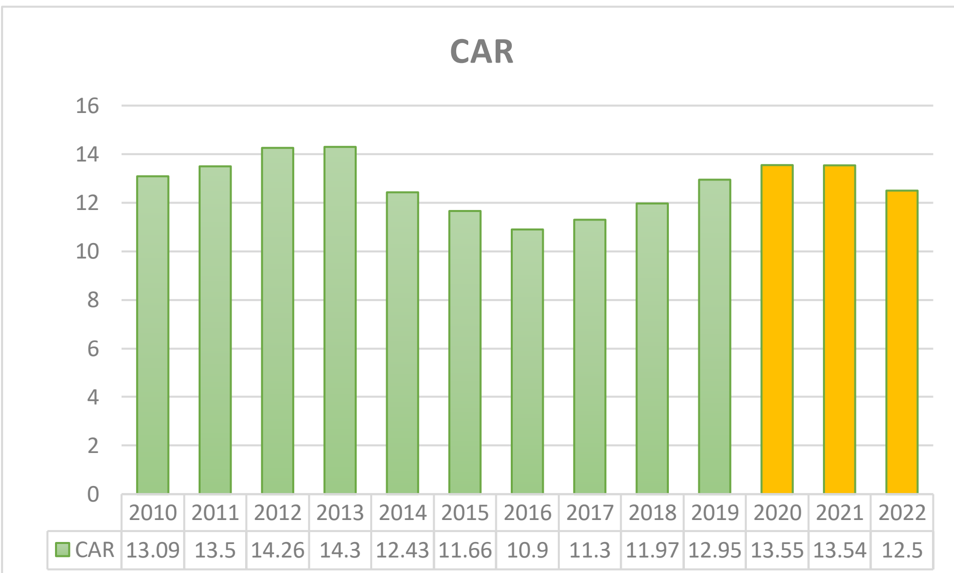
- **Earnings per share financial chart:**



During these years, IBBPLC's EPS has grown quickly, going from $6.02 in 2010 to $4.84 in 2011 and then to $4.42 in 2012. During this time, the bank was able to make a lot of money and grow its earnings. From 2013 to 2018, IBBPLC's EPS went up and down, but it always stayed above 2.00, which means the company is still profitable and making money. The EPS reached its highest point of 3.77 in 2018, which shows that the bank was doing pretty well financially during that year. IBBPLC's EPS has been all over the place in recent years, going from 2.81 to 3.67. Even though the EPS is still positive, there are changes that could indicate problems or changes in how well the bank is making money during this time.

It would take more research to figure out how the COVID-19 pandemic affected IBBPLC's EPS. The trend in IBBPLC's earnings per share demonstrates how the company's profitability and earnings have changed over the years. Although the bank has experienced great growth and profit in the past year, there have been changes.

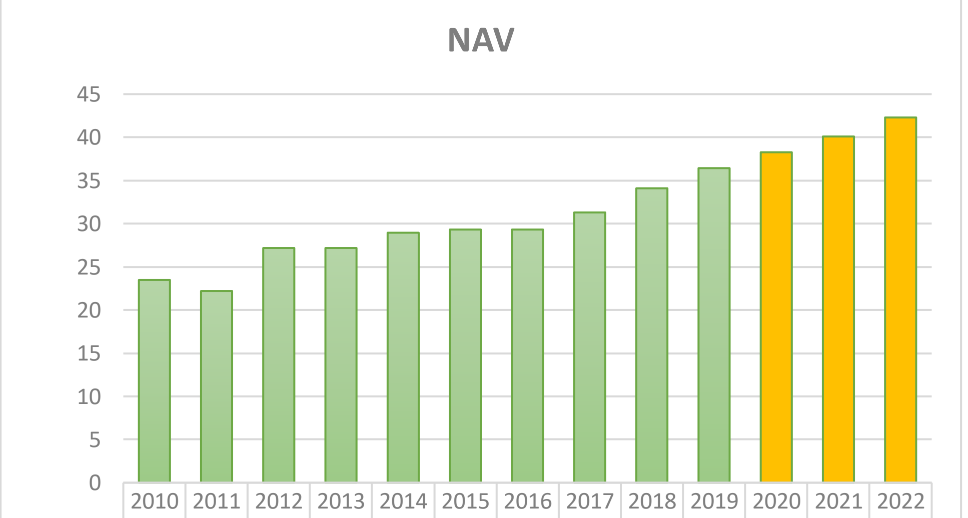
- **Capital Adequacy Ratio financial chart:**



The CAR for IBBPLC has been pretty stable over the past few years, going from 13.09% in 2010 to 11.30% in 2017. The bank had enough capital to cover its risk-weighted assets, so it maintained a satisfactory level of capital adequacy. From 2018 to 2022, IBBPLC's CAR increases slightly, with values ranging from 11.97% to 13.55%. This could indicate an improvement in the bank's capital adequacy, potentially due to capital injections, retained profits, or modifications in the calculation of risk-weighted assets during this period.

The COVID-19 pandemic affected IBBPLC's CAR. Even though changes in the economy, credit risk, and government rules could affect the bank's capital adequacy, the fact that CAR stayed mostly the same during the pandemic years shows that IBBPLC kept its strong capital base. For the bank to meet regulatory standards, keep its finances stable, and support its ongoing operations and growth plans, it needs to be able to keep its capital base stable and sufficient. To get a full picture of IBBPLC's general financial health, we need to look into the factors that are causing changes in the CAR.

- **Net Assets value financial chart:**

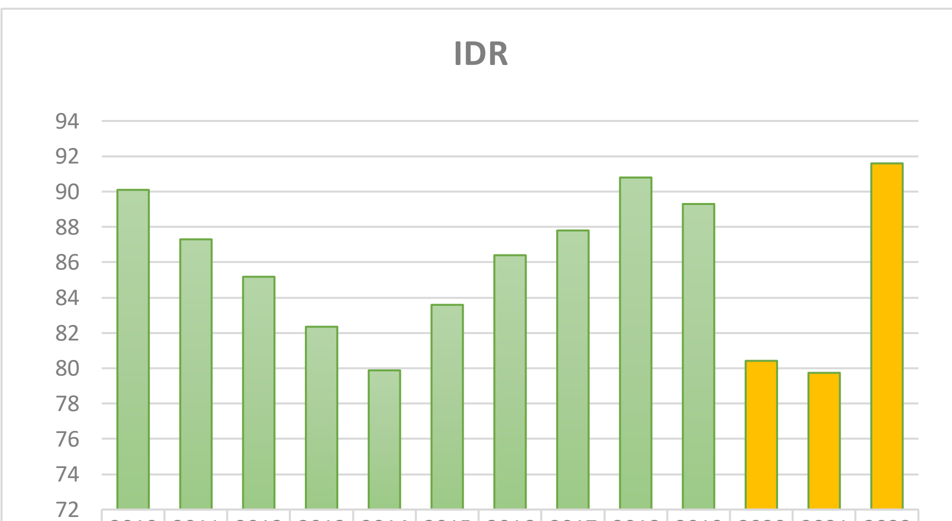


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
NAV	23.48	22.2	27.18	27.18	28.95	29.32	29.32	31.3	34.1	36.43	38.27	40.1	42.3

From 2010 to 2017, IBBPLC's NAV per share has consistently increased. This means that the bank's assets are becoming more valuable compared to the number of shares it has out there. This means that IBBPLC's assets were likely rising over time, either because of retained earnings, capital injections, or the value of its assets going up. 2018–2022: IBBPLC's NAV per share will continue to rise, though at a slower rate than in previous years, starting in 2018.

This means that the bank's assets are still increasing in value, though the rate of growth may have slowed down. While the pandemic was going on, business activities and asset valuations could have an effect on the bank's asset value. But the relatively stable trend in NAV per share over these years shows that IBBPC's assets stayed strong. This is a good sign for the bank's finances and the value of its shares. To get a full picture of IBBPLC's underlying asset growth and financial success, for Covid-19 the affect changes in NAV per share .

- **Investment deposit Ratio financial chart:**



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
IDR	90.1	87.3	85.18	82.35	79.88	83.59	86.4	87.8	90.8	89.3	80.42	79.74	91.6

Over the past few years, the IDR for IBBPLC has been declining, going from 90.10% in 2010 to 79.74% in 2021. This means that the bank was slowly relying less on investments compared to savings. The bank could have taken this action to boost its income or allocate funds to other activities. From 2019 to 2022, IBBPLC's IDR goes up, with figures ranging from 89.30% to 91.64% in 2022. This means that the bank's investments have grown as a share of its deposits.

This could be because of changes in investment plans, market conditions, or government rules. The COVID-19 pandemic would have an effect on IBBPLC's Investment put Ratio, which would change how the bank invested money and got people to put money during the pandemic years. There are many reasons why the IDR can change, but it's important to know what causes those changes in order to fully evaluate IBBPLC's investment strategies, liquidity management, and total financial performance.

4.3 Finding and Analysis objective one: The emergence of Islami banks in Bangladesh PLC is a response to changing customer behaviour and preferences, specifically towards digital banking channels. During the COVID-19 pandemic, there has been a significant surge in the use of digital banking services by consumers of Islami banks in Bangladesh. Due to problems with movement and worries about safety, there has been a significant increase in the demand for internet banking, mobile banking, and other digital financial services. (Pervin, 2024) In general, the transition to digital banking channels offers both advantages and difficulties for Islami Banks in Bangladesh PLC. By embracing the action of incorporating digital technology and adjusting to changing client demands, IBBPLC can improve their financial performance, reinforce their competitive position, and achieve long-term growth in the period following the epidemic.

Chapter 5

Discussion and result

5 Discussion and result: Islami Bank Bangladesh PLC (IBBPLC) can work on improving its financial performance in a number of variables after the COVID-19 pandemic, as shown by the following results:

- **ROA:** IBBPLC is making sure that its investments continue to pay off Return of Assets. The sharp drop during the pandemic reflects how sensitive the banking industry is to external shocks. However, the small improvement in asset quality shows that the company is resilient and may be able to adapt to the new economic situation.
- **ROE :** There have economic changes for COVID-19 affcets where need to focus on risk management system of IBBPLC to Using strong risk management techniques to cut down on loan failures and lower the amount of money needed for ROE allocation
- **NPL :** Despite the changes, the overall non-performing loan ratio remained reasonably moderate, indicating that IBBPLC has a certain level of resilience and that its risk management techniques are effective in focusing on a more efficient lending recovery.
- **P\E :** The price-to-earnings ratio shows how investors feel and what the market thinks the company's future profit potential will be. When ratios are higher, investors are more confident and ready to pay more for earnings. At first, the COVID-19 pandemic caused the P/E ratio to go down because it made things less certain and the market more volatile.
- **GPM :** The COVID-19 epidemic initially caused a decrease in GPM (gross profit margin), but the subsequent recovery and stabilization indicate the bank's ability to withstand and

adjust to the situation. IBBPLC may achieve long-term financial stability and growth by prioritizing managing expenses, revenue growth, operational efficiency, and strategic pricing.

- **E/R :** During the COVID-19 pandemic, the efficiency ratio increased significantly, indicating that the bank is having trouble running its business and that costs are rising. However, IBBPLC can improve its efficiency ratio by lowering costs, improving revenue, streamlining processes, and utilizing new technology. This will lead to better operating efficiency and overall financial performance.
- **EPS :** To get more customers and make more money, they need to offer new financial products and services that bring in extra money. After the COVID changes, EPS Pay close attention to investments that are smart and fit with the bank's long-term goals for profit and growth. Our goal is to generate even more net income and EPS.
- **CAR :** The COVID-19 affects on CAR highlights the steps the bank takes to maintain effective capital levels and promote stability during times of uncertainty. When it comes to improving risk management, operational efficiency, and overall financial performance, investing in technology is extremely beneficial.
- **NAV :** The impact that COVID-19 has on NAV reflects the bank's resiliency as well as the comprehensive asset management methods that it employs. It is possible for IBBPLC to preserve and further improve its net asset value (NAV) by implementing strategic steps to improve asset management, diversify the asset portfolio, and invest in high-yield assets. This will ensure the company's continued financial stability and growth over the long term.
- **IDR :** the COVID-19 spread. The lower IDR demonstrates the bank's response to the pandemic, emphasizing its focus on risk management and maintaining high liquidity. The rise

in IDR after the pandemic shows a move toward using better economic conditions to boost investment growth.

Chapter 6

Conclusion and Implication

6.0 Conclusion and Implication: The COVID-19 outbreak is still a big problem for everyone in the economy. IBBPLC Banking is one example. The IBBPLC banking business, on the other hand, seems to have done well both before and after the pandemic. Ensure continued adherence to crucial business and financial services-related regulations. The financial sector is currently dealing with two major issues: bank rules and management. Because of this, it is hard to keep the banking sector under good regulation all the time. Employee morale will go up because of clear accountability and management oversight. This will help the bank's professional image and brand growth. Because of its excellent public image, people in the industry will be more likely to support the company's plans to improve corporate management.

The pandemic has had an effect on Islami Bank's financial success, which shows how important strategic flexibility, innovation, and risk management are for adapting to changing market conditions. By using digital technologies, encouraging new ideas, and sticking to environmentally friendly banking methods, Islami Bank can become more competitive, make its operations more efficient, and strengthen its place in the world after the pandemic. Maintaining a method focused on the customer and following ethical standards will also be important for gaining stakeholders' trust, loyalty, and strength. In general, the pandemic has caused change, forcing Islami Bank to adapt, come up with new ideas, and come out better after the storm.

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