Internship Report on
Performance Evaluation of Grameen Bank

Submitted To:

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Date of Submission:

23 July, 2025

Letter of submission

Date: 23.07.2025

To,

Shah-Noor Rahman

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

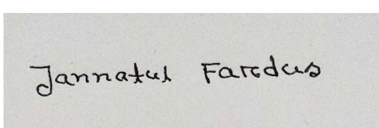
Subject: Submission of Internship Report on "Performance Evaluation of Grameen Bank"

Dear Madam,

I am pleased to inform you that I have completed and hereby submitted my internship report on the "**Performance Evaluation of Grameen Bank"** as a mandatory process to complete my graduation. I successfully completed my internship at Grameen Bank, Head Office, Dhaka, from **01/02/2025 to 01/05/2025.** In this report, I tried to demonstrate my internship experience in the bank. It has been a wonderful opportunity and I have learned a lot during my time preparing this report

Therefore, I humbly request you to accept my Internship Report and provide me with your valuable feedback. I am available at any time to address any queries regarding this report.

Yours sincerely,



Jannatul Fardus

ID: 213-11-1325

Program: B.B.A (Major in Finance)

Daffodil International University

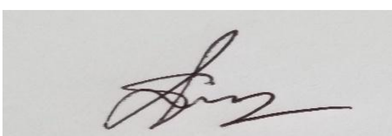
Proof of Internship Completion Letter

This is to certify that Jannatul Fardus**,** a student of the BBA program, ID No: 213-11-1325**,** has completed her internship report on Performance Evaluation of Grameen Bank under my supervision as a partial fulfillment of the requirements for the award of the BBA degree.

She has carried out her tasks under my supervision and guidance and made every effort to complete this report successfully. I believe this experience will assist her in building a promising career in the future.

I wish her success and prosperity in her future endeavors.

Signature of the supervisor



Shah-Noor Rahman

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Acknowledgement

I want to express my profound gratitude to Almighty Allah (SWT) for giving me the fortitude and intellectual capacity to finalize this report within the designated timeframe. I am extremely grateful to Daffodil International University, especially to the Department of Business Administration, for arranging the internship and giving me academic support and advice throughout my studies. This report is a culmination of numerous individuals' collective contributions and assistance.

I wish to extend my particular appreciation to my academic supervisor, Shah-Noor Rahman , Assistant Professor for providing me with his invaluable insights and unwavering support while developing this paper. Without their continual guidance, advice, and supportive demeanor throughout the internship, the seamless completion of this report would not have been feasible.

Furthermore, I would like to thank the management and staff of Grameen Bank, Head Office, for their generous cooperation and assistance during my internship. Their support in providing relevant information and facilitating my learning experience played a vital role in enabling me to complete this report effectively. The support and cooperation of many people are reflected in this report, and I am really appreciative of each person who took part.

Executive Summary

Grameen Bank has positioned itself as a leader in microfinance that targets the financial inclusion of the rural poor in Bangladesh, especially women, by means of its innovative designated model of group lending with no collateral. The provided internship report analyses the financial activity of Grameen Bank during the last five years (2019-2023) and concludes on the aspects where it can be valued and improved. The report has been done on an internship experience at the bank and an analysis of financial ratios as well as operations figures.

To evaluate the health of the bank, important financial ratios were considered that include Return on equity (ROE), Return on assets (ROA), Earnings per share (EPS), Net interest margin (NIM), Net non-interest margin (NNIM), and Equity multiplier. Grameen Bank had a great performance in 2019, having the highest ROE (21.69%), ROA (1.65%), and EPS (34.98%). Nevertheless, it has not been doing as well in 2020 and 2021 because of external shocks, such as the COVID-19 pandemic. However, a slow recovery was witnessed in the years 2022 and 2023, which experienced an improvement in ROE (6.69 %), ROA (0.62 %), and NIM (8.14 %).

And although this turned in a profit, the bank had regular losses in terms of Net Non-Interest Margins, which means poor results in producing income outside the basic processes of lending money. Also, the Equity Multiplier was down in 2023(10.74) as compared to 2019 (13.16), indicating a more conservative financial leverage.

The effect of the Grameen Bank is not achieved only on financial scales. It has a model concerning community-based lending, which contributes to discipline, accountability, and empowerment of women as well as their contribution to rural socio-economic development. But, to ensure long-term sustainability, there is a need to improve the level of digitization, asset utilization, and revenue diversification.

Finally, Grameen Bank has proved to be strong and even socially responsible, but the aspect of improving its operational efficiency and embracing modern trends of banking is important towards ensuring the continuity of its growth and mission.

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Chapter I: Introduction

1.1 Background

Financial inclusion is considered an essential factor for poverty reduction and for the growth of the economy. Grameen Bank's approach fills this gap by providing microfinance and other small-scale financial services tailored to the needs of marginalized communities. The main aim of this internship is to help bridge the actual business work. The report is the result of an extensive internship at Grameen Bank. Credit's work has greatly benefited poverty relief and rural improvement in Bangladesh, which has been recognized worldwide.

I decided to join Grameen Bank for my internship because it was the leader in making financial inclusion possible through microcredit. Because I study Finance, I think this organization is very relevant since it works to provide innovative financial services to people who are usually excluded. Like our BBA curriculum, Grameen Bank focuses on social business, entrepreneurship, and sustainable development, which are also main topics in strategic financial management, rural banking, development finance, and corporate social responsibility.

The report describes Grameen Bank and how it works, analyzes its organization, and shares practical thoughts based on my experience interning there. It discusses ways that knowledge from lectures is used in practice, mostly highlighting the work done at the Grameen Bank.

1.2 Rationale for Choosing Grameen Bank

Besides being a financial institution, Grameen Bank encourages and uplifts the impoverished, especially women living in rural Bangladesh. For a number of compelling reasons, I decided to do my internship at Grameen Bank.

Pioneering Model of Microfinance: Global recognition has been given to Grameen Bank for its revised credit system, which extends loans to the poor without collateral. Because of my interest in finance, I wanted to explore the benefits of this approach outside the bank environment.

Social Impact Orientation: Grameen Bank is built on social business principles. The purpose of the company is to improve society's well-being and not just to make the most profit. This matches well with my interest in both sustainable finance and development economics.

Alignment with Academic Curriculum: Within the BBA program, several subjects like Development Economics, Financial Institutions and Markets, and Corporate Finance cover the part played by microfinance in economic and social growth. This means Grameen Bank is an example that can guide studies and the use of academic ideas.

Legacy and Innovation: Started by Nobel Prize winner Professor Muhammad Yunus, Grameen Bank is still inspiring new ideas in financial services around the world. Seeing that the institution was personally attractive to me, and also a good learning opportunity.

1.3 Objective of the Study

Broad Objective

The main objective of the study is to scrutinize the Financial Performance of Grameen Bank and evaluates this performance.

Specific Objectives

- To examine the financial operations and assess the financial status and performance of Grameen Bank Limited.
- To explore how microcredit operations, work, assess their effectiveness, and observe the procedures involved in both borrowing and repayment.
- To suggest better ways for enhancing the performance of the Bank.

1.4 Methodology

Secondary data were used so that the study would be complete and balanced.

Secondary Data Sources

- Annual reports of Grameen Bank.
- Official website of Grameen Bank.
- Research articles, journals, and reports related to microfinance and development banking.
- Publications by Bangladesh Bank and the Microcredit Regulatory Authority (MRA).

1.5 Scope and Limitations

Scope of the Study

The report highlights operational, financial, and social features of Grameen Bank by looking at its microcredit and risk management systems and their effects on development. It involves:

- Organizational Structure: In rural Bangladesh, Grameen Bank functions with a headquarters in Dhaka as well as many regional, area, and branch offices. Every branch is run by a branch manager and field officers to varying degrees of autonomy.
- Credit Policies and Procedures: Grameen Bank focuses on giving collateral-free microloans mainly to women who live in rural areas. A loan is given to a group, rather than just one member, and borrowers join forces, forming groups that take on joint responsibility.
- Client Engagement and Repayment Systems: Clients join in weekly sessions, where they repay their debts, are trained in money matters, and let others know about their recent business actions.
- Financial Inclusion Strategies: Grameen Bank serves rural women who do not have access to banking by giving them easy financial solutions like microcredit, savings schemes, pensions, and insurance.

Limitations

- Limited Timeframe: Since the time spent on the internship was not long, the analysis was not always as thorough as I hoped.
- Web Confidentiality: Employees like me were not able to view all internal financial data and strategic plans because of the confidentiality policies.
- Geographical Limitation: Only data from a particular branch was analyzed, and this may not show how all branches operate.
- Dependence on Secondary Sources: Some data were found in reports that might not always be completely recent or relevant to the area under study.

Chapter II: Organization Overview

2.1 Overview of Grameen Bank

Founded in Bangladesh, Grameen Bank is known around the world for its microfinance work. The main purpose was to get rid of poverty and help financial inclusion, and it has now become a game-changer in banking and development.

Conventional banks usually lend money after checking collateral and credit, but Grameen Bank offers no-collateral microloans to those in need, especially giving priority to women entrepreneurs. Loans of this kind are generally meant for starting or growing micro enterprises like tailoring, raising poultry, making handicrafts, or trading informal goods. As a result of this aid, borrowers obtain a consistent income, learn to depend on themselves, and advance their socio-economic status.

Grameen Bank stands out for making groups responsible for addressing lending challenges. To support each other, borrowers group themselves into solidarity groups of five who help keep each other accountable for repaying loans. Meetings are done once a week to keep an eye on development, confirm repayments, and share recommendations. Community Banks succeed in collecting loans while also increasing community participation and support for one another.

Grameen Bank acts not only as a bank; it also works as a social improvement organization. It helps people build savings, pay attention to their health, educate their children, and overall fosters community development. Today, there are over 2,568 Grameen Bank branches in every district of Bangladesh, serving about 10.3 million people, and more than 97% of these are women.

Because of its unique model, it has been recognized internationally and copied in around 100 countries worldwide. Further success for Grameen Bank came when its founder, Professor Muhammad Yunus, was given the Nobel Peace Prize in 2006, sharing the prize with the bank for their achievements at the village level.

2.2 Mission, Vision, and Values of the Organization

Mission

Grameen Bank hopes to help the poor, particularly women, to get out of poverty by helping them with accessible financial services, so they can become self-dependent, take part in economic activities, and improve their quality of life. It aims to make it possible for people from excluded groups to create income and improve their situation through financial services.

Vision

Grameen Bank aims to create a poverty-free world in which people from any background are given the chance to succeed. The organization hopes to make a world where financial access and empowerment help create lasting development and dignity for each person.

Core Values

Grameen Bank relies on a set of strong main values to shape its philosophy and routine activities:

Helping the Poor: Promoting progress among the poor by making sure they can access money to start small businesses.

Transparency and Trust: Being open and trustworthy and always striving for integrity with clients during all interactions and operations.

Sustainability and Responsibility: Being Responsible and Sustainable: Helping customers make ethical loans while working to support the environment for future generations.

Community Development and Social Justice: Community Development and Social Justice is the process of helping the community grow and giving everyone the same chances.

Equality, Especially Gender Equity: Helping women get involved and become leaders so fairness and all-embracing results are achieved.

2.3 History and Current Operations of the Organization

Bangladesh's government passed a special ordinance in 1983 to officially establish Grameen Bank, as a result of Professor Muhammad Yunus' successful pilot microcredit program in 1976, located in Zobra village, Chittagong. At that point, Professor Yunus noticed that not being able to borrow modest funds kept poor villagers stuck in a poverty cycle. A handful of women got a little money from him to launch income-generating activities, and they were able to repay everything they owed. This work formed the basis of the Grameen Bank, which was created later.

Grameen Bank gave collateral-free loans to the rural poor, most of whom were women, who could not usually access formal banking services. Because the programme became very popular among rural residents, it was changed into a microfinance bank with an established presence.

Since it was founded, Grameen Bank has managed to reach many more people. It currently serves more than 2,568 branches in all Bangladeshi districts and provides services to over 10.3 million active borrowers, most of whom (97%) are women. Because it is a decentralized structure, it can connect easily to rural areas and support clients with fast financial services.

Apart from microcredit, Grameen Bank supplies a set of services to help its clients enjoy a better quality of life. Members can use credit unions for savings, retirement plans, life insurance, insurance for loans, and mortgages. The bank sponsors programs outside the financial area, like providing support for primary and secondary education, making people aware of health care, and working to protect the environment through Grameen sister organizations such as Grameen Shakti, Grameen Telecom, and Grameen Education.

By their original model, Grameen Bank has shown that making loans to the poor is possible and has also changed global views on alleviating poverty and developing at the community level. Because of its achievements, over 100 countries have established microfinance institutions.

2.5 Organization Structure

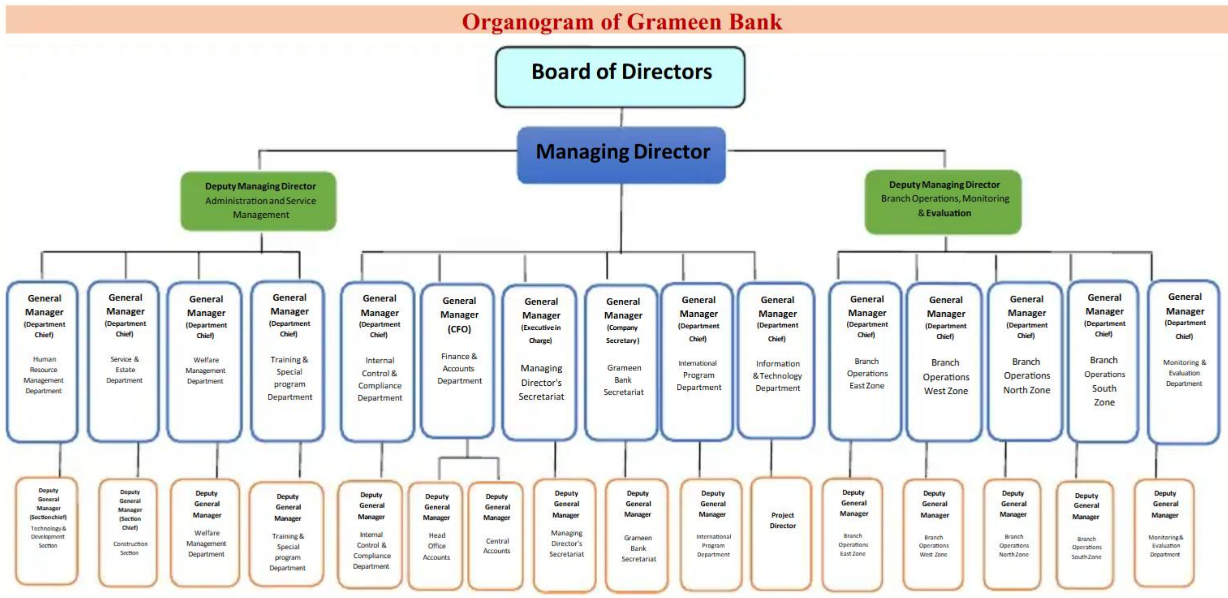


Figure 1: Organization Structure of Grameen Bank

Grameen Bank is organized by function and hierarchy, establishing clear leadership, proper supervision, and efficient coordination within all departments.

The top position is the Board of Directors, which oversees the main transactions and draws up company policies. The Managing Director, responsible to the Board, looks after the administration and achieves the goals of the company.

The Managing Director is supported by two Deputy Managing Directors (DMDs):

• DMD – Administration and Service Management, which looks after internal management, personnel, staff care, training, compliance with rules, finance, and various services.

• DMD – Branch Operations, Monitoring & Evaluation, who oversees branch operations, branch performance, and evaluation for the bank in different areas.

The head of each department under the DMDs is a General Manager (GM) who serves as the chief. Deputy General Managers take care of managing different areas, for example, technology development, building construction, and accounting work at the head office.

Chapter III: Internship Role and Responsibilities

3.1 My Designation and Department

At Grameen Bank, I was appointed as an Intern and watched over by the Accounts and Microfinance Section. Being a part of this department gave me a clear view of the bank's financial operations and microfinance operations that help the underprivileged.

3.2 Assigned Tasks and Daily Duties

I conducted activities in the office as well as in the field, which helped me monitor and assist the day-to-day work of the bank staff. The main tasks in this stage were:

- Helping out with updating the borrower information and instructions for making payments.
- Occupies oneself with ensuring the loan application documents are in order.
- Being involved in field visits with credit officers to remote areas.
- Presence at group meetings of borrowers, especially female entrepreneurs, and taking important notes.
- Organizing and taking care of client files, passbooks, and related material.
- Helping in the daily preparation of financial reports with the Accounts Officer's support.

These responsibilities allowed me to see how Grameen Bank made loans without collateral for groups.

3.3Specific Projects or Reports Prepared

I handled several reporting and analysis tasks during my internship period. Examples of the main philosophers are:

- ❖ Monthly Loan Repayment Trend Report: For the last three months, I was involved with aggregating loan repayment data and reviewing the patterns of those who did not follow payment rules.
- ❖ Client Profile Summary: Prepared a summary of clients by reporting demographics and the use of loan amounts for over 50 borrowers in developing businesses or their homes.
- ❖ Field Visit Report: I spent three days traveling with loan officers to different rural units and then prepared a report comparing their actions, how careful the borrowers are, and their timeliness in repayment.

I delivered these reports to my supervisor, and they were held as a record of monitoring activity.

3.4 Learning Outcomes from Responsibilities

Being part of the Grameen Bank showed me many useful and important points about banking and business:

1. Enough knowledge about how microfinance loans are distributed and returned, and who the beneficiaries are.
2. Better understanding of managing financial reports in rural banking.
3. Involvement in dealing directly with low-income rural clients.
4. Learned how to follow a well-structured and organized financial process.
5. Found out that in organizations supporting the fight against poverty, measuring social impact is as important as financial results.

Because of this internship, I was able to relate the concepts I learned in Business Administration courses, such as financial management, development economics, and organizational behavior, to real situations, which made my learning much more interesting.

Chapter IV: Key Learnings and Experiences

4.1 Major Insights about Microfinance

I learned the main ideas and working system of microfinance during my internship with Grameen Bank. One key finding was that even small loans that do not require collateral can greatly assist marginalized people, and mainly rural women, in getting out of poverty. It was clear that Grameen Bank forms bonds between members of the same group, encourages repayment with social pressure, and supports its clients regularly in the community.

I found out that microfinance is more than giving money; it helps with education, social change, inclusion, and empowering people. Grameen Bank encourages members to meet weekly and offers constant supervision, which helps them become more disciplined and supports their bond with other participants. Focusing on people is the main difference between Grameen and common banks.

4.2 Use of Academic Knowledge in the Real World

My internship helped me apply several theoretical concepts from my coursework to real-world situations:

- Financial Management & Accounting: Accounting principles were useful in preparing accounts, checking repayment due dates, and producing reports.
- Development Economics: I understood the impact of microcredit on income and rural growth more clearly by visiting the field.
- Organizational Behavior: I discovered how team players, effective communication, and leadership work in the workplace, mainly in the field offices.
- Research Methods: Preparing client profiles and reports during work involved using the data collection, categorization, and analytical ideas I learned during my research studies.

These applications made me understand better how academic theories apply to real situations and challenges in the development banking sector.

4.3 Technical and Soft Skills Developed

- Learned how to manage clients' files and repayment records with computers as well as with paper records.
- Became familiar with Microsoft Excel for inputting, organizing, and generating basic financial reports.
- Team members worked more effectively together by involving field officers and office workers.
- Developed time management by combining time spent in the field with time working on reports and other tasks.

4.4 Personal and Professional Growth Examples

This internship has contributed significantly to both my personal and professional development:

- Confidence Building: I managed to try speaking with more people and became confident enough to take part in public events and meetings.
- Empathy and Social Awareness: The experiences of rural borrowers helped me see the need for inclusive development and influenced me to get involved.
- Behavior at Work: Being responsible, avoiding lateness, and being disciplined are important to ensure that a workplace runs smoothly.
- Career Path: Following this experience, I aim to focus on development finance or NGOs, where I can support social change through financial means.

All in all, spending my time at Grameen Bank changed me, improving my way of thinking and my ambitions.

Chapter V: Critique and Reflections

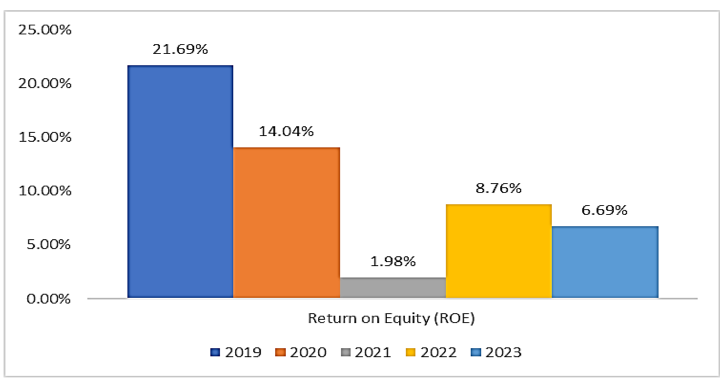
5.1 Measuring and Evaluating Bank Performance

Return on Equity

Return on Equity (ROE) is a performance ratio that indicates the capacity of a company to make a profit based on the equity of its shareholders. It shows the efficiency of management utilizing the equity capital base of the company to generate income.

Return on Equity (ROE) = (Net Profit / Total Equity) × 100

Year	Net Profit	Shareholder's Equity	Return on Equity (ROE)
2019	4,723,241,977	21,769,865,374	21.69%
2020	3,486,949,975	24,835,110,510	14.04%
2021	493,321,970	24,921,428,810	1.98%
2022	2,360,494,805	26,920,133,023	8.76%
2023	1,882,033,107	28,121,532,306	6.69%



Interpretation: Also, from the ROE range, the ROE lower value between 2019 and 2023, the company has an ROE range from the very smallest 21.69% up to 1.98%**.** In 2019, the firm reported a relatively low return on equity of 21.69%, which is a good sign that it is making a profit using shareholder equity. That was a sign of solid profitability and efficient use of shareholder capital. In 2020, this profitability percentage decreased to 14.04% and may have been related to external environments, cost-push inflation, or reduced sales due to an unfavorable market environment.

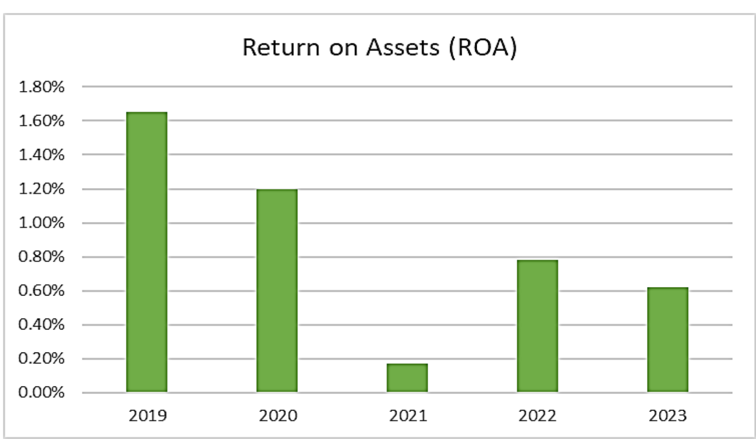
However, even more alarming was that in 2021, the dip further steepened, and ROE dropped to 1.98%, suggesting a significant decrease in the quickness with which the company returns to its investors. The company bounced back in 2022 with an ROE of only 8.76%, but it was still 14% shy of its 2019 peak. For context, ROE for 2023 was 6.69%, which is better, but again, the company's profitability compared to its shareholder equity is relatively low.

Return on Assets

Return on Assets (ROA) stands for the Return on Assets, which is a financial ratio that measures the efficiency with which a business utilizes its total assets in order to produce a net profit. It indicates how efficiently management can convert institutional assets into earnings.

Return on Assets (ROA) = (Net Profit / Total Assets) × 100

Year	Net Profit	Total Assets	Return on Assets (ROA)
2019	4,723,241,977	286,451,740,650	1.65%
2020	3,486,949,975	290,299,916,572	1.20%
2021	493,321,970	295,040,349,948	0.17%
2022	2,360,494,805	301,048,026,939	0.78%
2023	1,882,033,107	302,003,294,605	0.62%



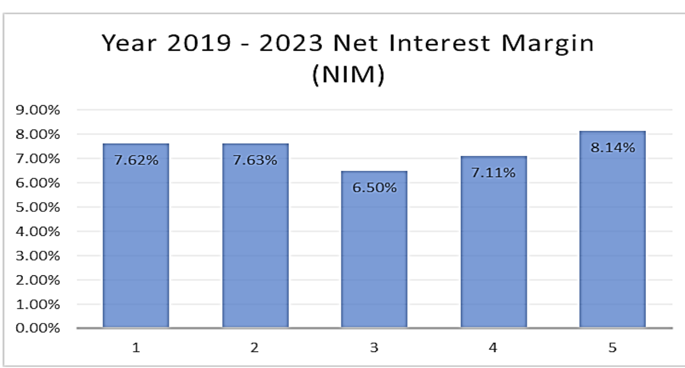
Interpretation: The Return on Assets (ROA) or the ratio of the profitability of a firm to its total assets decreased running out to 1.65 % in 2019 and to 0.17 % in 2023. The decline of ROA indicates that the efficiency has declined, which may relate to an increase in operating expenses or fewer productive assets. ROA of 0.25 % in 2021 was a low figure because of inefficiency, asset write-down, or devastating macroeconomic factors. ROA stood at 0.48 % and just slightly better at 0.78 per cent in 2021 and 2022 respectively, a low marker when it comes to assets utilized and earning profits. The ROA of 0.622023 is quite low implying that the business did not yet discover the effective way to utilize the assets in order to produce significant returns as compared to the previous returns.

Net Interest Margin (NIM)

The Net interest margin (NIM) is a measurement dedicated to the performance of banks and financial institutions. It is the net interest spread between interest earned on loans and interest paid out as deposits or borrowings as a percentage of total assets.

Net Interest Margin (NIM) = [(Interest income – interest expense) / Total Assets] × 100

Year	Interest income – interest expense	Total Assets	Net Interest Margin (NIM)
2019	21,833,986,611	286,451,740,650	7.62%
2020	22,154,411,640	290,299,916,572	7.63%
2021	19,192,291,560	295,040,349,948	6.50%
2022	21,406,090,196	301,048,026,939	7.11%
2023	24,596,561,866	302,003,294,605	8.14%



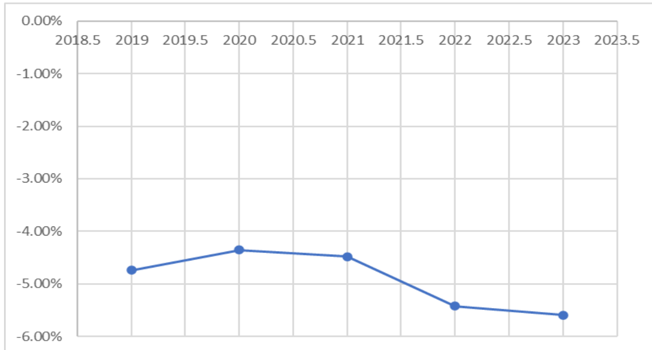
Interpretation: NIM is the difference between a company's income from interest and what it pays out to its lenders relative to the total interest. Earning assets from 2019 to 2023, the net interest margin appeared consistent, ranging between 6.50% and 8.14%.Although the NIM means you have relatively stable interest income to assets, 7.62% achieved when you first listed in 2019 increased to 7.63% in 2020. This was, however, down to 6.50% in 2021, implying upward pressures in the interest income or the cost of borrowing indicative of negatively impacting profitability. Its management of interest income and expenses also improved, resulting in an NIM of 7.11% in 2022. It made another jump in 2023 to 8.14%, the figure at five-year-high. This marks a giant leap that implies better management of interest-earning assets or perhaps a sweet spot in the market where one can earn more from underlying lending or financial activities.

Net Non Interest Margin

The Non-Net interest margin (NIM) shows the capacity of a financial institution to gain revenue in non-interest-bearing streams, e.g., fees and services, as compared to its earning assets. It reports earnings on activities that do not involve interest.

Net Non Interest Margin = [(Non Interest Income – Non Interest Expense) / Total Assets] × 100

Year	Non-Interest Income	Non-Interest Expenses	Total Assets	NNIM
2023	560,781,644	16,598,495,060	286,451,740,650	**-5.60%**
2022	395,146,423	16,144,196,867	290,299,916,572	**-5.43%**
2021	3,306,143,759	16,537,176,041	295,040,349,948	**-4.48%**
2020	2,392,071,648	15,513,551,858	301,048,026,939	**-4.36%**
2019	2,518,706,928	16,835,107,490	302,003,294,605	**-4.74%**



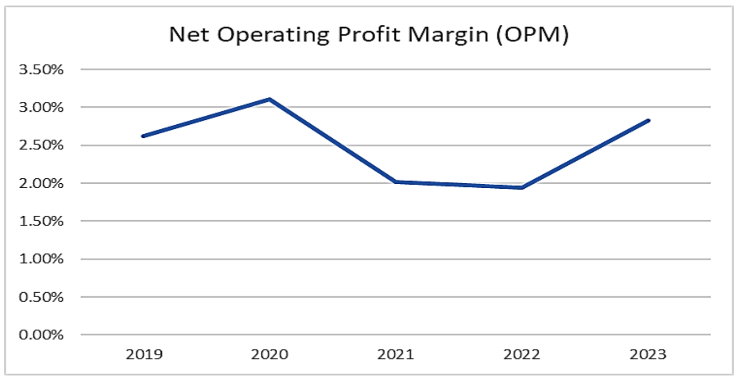
Interpretation: Grameen Bank registered a negative Net Non-Interest Margin (NNIM) between 2019 and 2023, indicating that non-interest expenses exceeded the net interest income. The NNIMs in the years 2019, 2020, 2021, and 2023 were -5.21, -5.28, -5.30, and -5.32, respectively, with even slight variations found to be negative. This has indicated a constant imbalance in operations such that operating expenses like wages, administration costs, and maintenance could not be met by revenues generated by fees, commissions, dividends and other non-interest incomes.The non-interest income also fell drastically decreasing by Tk 2.5 billion (2019) and 560 million (2023). Non-interest expenses on the other hand were somewhat well-managed, moving around Tk 15-16 billion per annum. In the meantime, having had an average earning asset grow by over Tk 26 billion in four years (from Tk 275 billion in 2019 to more than Tk 301 billion in 2023), the bank did not manage to derive a better NNIM, indicating to the inefficiency of its non-interest operation.

Net Operating Profit Margin (OPM)

Operating Profit Margin (OPM) indicates the percentage of the revenues left after all operating expenses have been withheld, not including interests or taxes. It gauges the effectiveness of the basic operations of a company.

Net Operating Profit Margin (OPM) = (Profit from operating Activities / Total Assets) × 100

Year	Profit from operating Activities	Total Assets	Net Operating Profit Margin (OPM
2019	7,517,386,049	286,451,740,650	2.62%
2020	9,032,931,430	290,299,916,572	3.11%
2021	5,961,259,278	295,040,349,948	2.02%
2022	5,827,239,751	301,048,026,939	1.94%
2023	8,558,848,450	302,003,294,605	2.83%



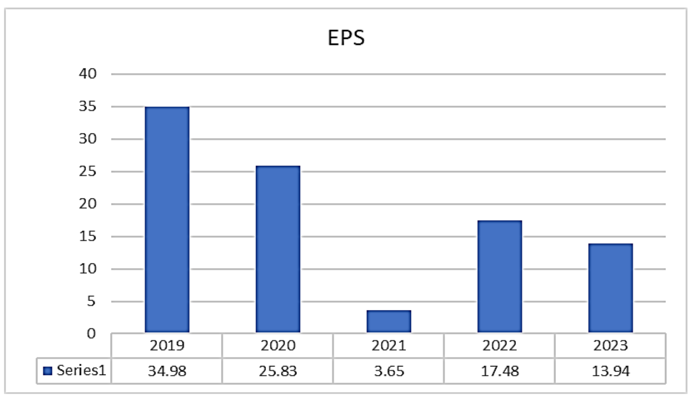
Interpretation: The Net Operating Profit Margin, the percentage of profit revenue, accounted for between 1.94% and 3.11% from 2019 to 2023. The OPM went up from 2019's 2.62% to 2020's 3.11%, indicating better operational efficiency and cost control for all of 2020. In 2021 and 2022, however, the margin dropped to only 2.02% and again to only 1.94%, respectively, suggesting rising operating costs, weaker pricing power, or trouble running a core business during those years. Although it did decrease, the OPM regained 2.83% in 2023, indicating a renewed focus on operational performance and a rise in revenue generation or declining cost management strategies. Here, the new positive trend suggests the firm is going toward solvability in reaching a healthy inflow-to-outflow ratio. This shift demonstrates a commitment to enhancing operational efficiency, improving long-term financial sustainability and increasing resilience to changing economic conditions.

Earnings per share

Earnings Per Share (EPS) show the amount of the net profit of a company divided by the number of outstanding shares of common stock. It is one of the major pointers to the earnings per share of a company.

Earnings per share = Net Income after Taxes / No of Common Share Outstandings

Year	Net Profit	No of Common Share Outstandings	EPS
2019	4,723,241,977	135000000	34.98
2020	3,486,949,975	135000000	25.83
2021	493,321,970	135000000	3.65
2022	2,360,494,805	135000000	17.48
2023	1,882,033,107	135000000	13.94



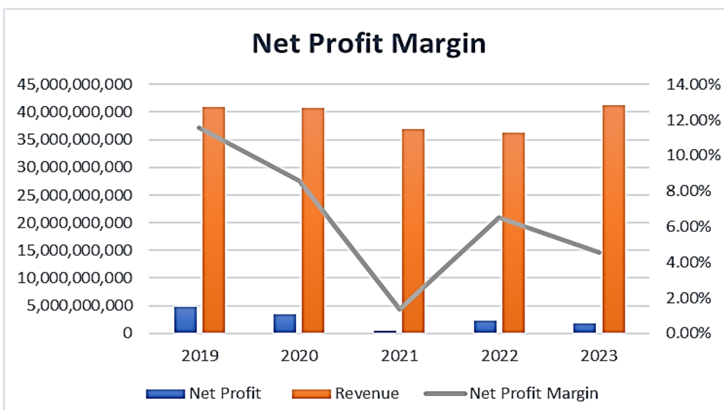
Interpretation: The EPS of Grameen Bank has been increasing and decreasing tremendously over the last 5 years. It achieved a high EPS of 34.98 in 2019, a sign of good profitability. But owing to the COVID-19 pandemic, the EPS decreased to 25.83 in 2020 and plummeted to 3.65 in 2021 in response. Its recovery started in 2022 when its EPS was at 17.48, which was at a slightly lower level in 2023 at 13.94. This tendency indicates the proneness to external shocks of the bank as well as its robustness. On the whole, the average EPS done in this time was 19.98, which signifies the moderate degree of profitability in the face of economic hardships.

Net Profit Margin

Net Profit Margin indicates the remaining revenue of a business, expressed as a percentage of the net income, after all the operating expenses, interest, and tax are deducted. It shows the general profitability.

Net Profit Margin = (Net Profit / Revenue) × 100

Year	Net Profit	Revenue	Net Profit Margin
2019	4,723,241,977	40,814,055,575	11.57%
2020	3,486,949,975	40,771,598,998	8.55%
2021	493,321,970	36,943,489,812	1.34%
2022	2,360,494,805	36,299,997,218	6.50%
2023	1,882,033,107	41,261,472,104	4.56%



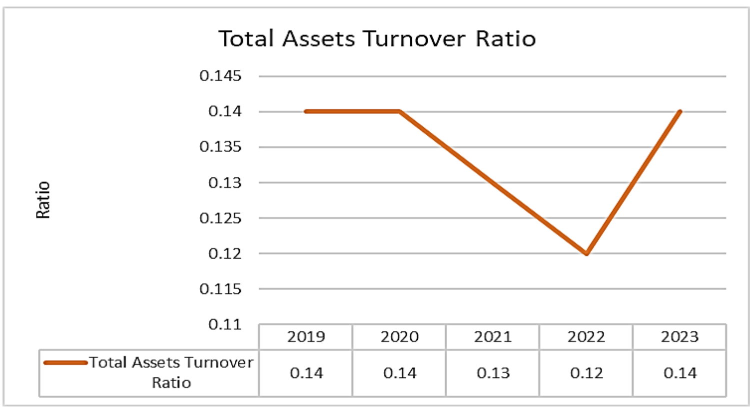
Interpretation: The net profit margin (NPM) of the company in 2019-2023 was decreasing and then increasing to reach its highest value of 11.57 % in 2023. The company controlled costs, given a profit margin per total revenue of 11.57% in 2019. However, in 2020, the NPM declined by almost 8.55 % because of an increase in the operating expenditure and the adverse effects. The NPM has dipped to 1.34 % in 2021 and presents intense profit stress due to higher costs, deteriorating revenues, or other unusual spending. It averagely 6.50 % in the year 2022 to 6.50 % as the firm was again within control of operating costs and profitability. With a 2023 NPM of 4.56 %, this figure rose relative to the previous year.

Total Assets Turnover Ratio

Total Asset Turnover is used in assessing the effectiveness of a firm in using its total assets in producing revenue. It determines the efficiency of the management in using assets to generate sales

Total Assets Turnover Ratio = (Revenue / Total Assets)

Year	Revenue	Total Assets	Total Assets Turnover Ratio
2019	40,814,055,575	286,451,740,650	0.14
2020	40,771,598,998	290,299,916,572	0.14
2021	36,943,489,812	295,040,349,948	0.13
2022	36,299,997,218	301,048,026,939	0.12
2023	41,261,472,104	302,003,294,605	0.14



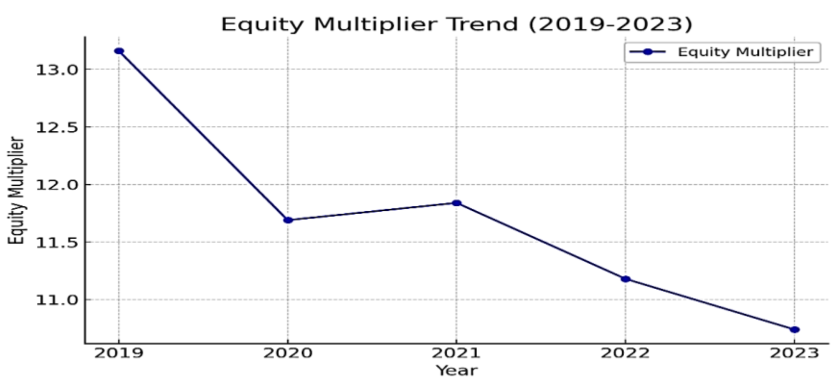
Interpretation: Equally stable but low, the Total Assets Turnover Ratio remained between 0.12 and 0.14 over the five years, a measure of the company's ability to generate revenue from its assets. So, in 2019, it generated $0.14 invoices per dollar of assets (from 0.14). That was an indication of reasonably efficient asset use. In 2020, the ratio remained stagnant at 0.14, indicating stability in performance in terms of the generation of revenue from assets with no significant deterioration or improvement. In 2021, this ratio fell slightly to 0.13, indicating a marginal decrease in asset utilization efficiency. This trend continued into 2022 as asset efficiency decreased but in 2023, the ratio rose slightly to 0.14. This is a sign that the company may have become better at turning its assets into revenue, but it still has difficulty with asset efficiency.

Equity Multiplier

Equity Multiplier is a financial metric that suggests the degree to of the shareholders' equity finances the assets of a company. It measures the financial risk that the company incurs.

Equity Multiplier = (Total Assets / Total Equity Capital Accounts)

Year	Total Assets	Total Shareholder's Equity	Equity Multiplier
2019	286,451,740,650	21,769,865,374	13.16
2020	290,299,916,572	24,835,110,510	11.69
2021	295,040,349,948	24,921,428,810	11.84
2022	301,048,026,939	26,920,133,023	11.18
2023	302,003,294,605	28,121,532,306	10.74



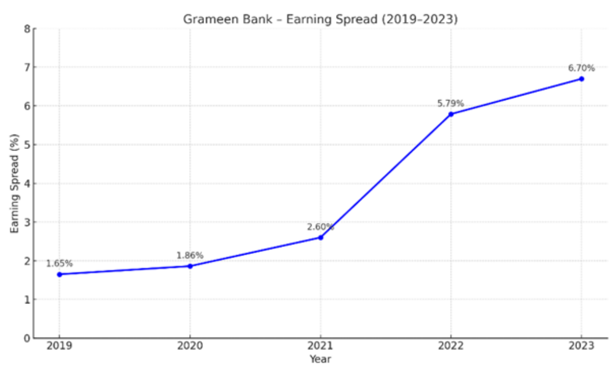
Interpretation: Through Equity Multiplier, which is one of the elements of the DuPont analysis, one would indicate the stable reduction in the financial leverage of a company by 13.16 in 2019 and 10.74 in 2023. This shows a slow process of deleveraging with the amount used in support of operations as a proportion of shareholders' equity reducing. This goes in tune with reduced Debt-to-Asset and Debt-to-Equity proportions, which denote a general quest to remain financially liquid and not burdened by interest and payment responsibilities.

Earning Spread

Earning Spread is the interest difference between the average yields earned on the earning assets of a bank with that of its interest-bearing liabilities. It implies the profitability of a bank in lending compared to the cost of funds.

Earning Spread = (Total Earning Assets/Total Interest Income) − (Total Interest-Bearing Liabilities/Total Interest Expense)

Year	Interest Yield	Cost of Interest-Bearing Liabilities	Earning Spread
2023	13.66%	6.96%	**6.70%**
2022	12.91%	7.12%	**5.79%**
2021	9.53%	6.93%	**2.60%**
2020	9.40%	7.54%	**1.86%**
2019	9.74%	8.09%	**1.65%**



Interpretation: The earning spread at Grameen Bank exhibited significant improvement between 2019 and 2023 as the interest-driven profitability was on the increased side. The interest yield was 9.74 in the year 2019, and the cost of interest-paying liability was 8.09; hence, its earning spread is 1.65. The same trend continued in 2020 and 2021 with spreads of 1.86% and 2.60% respectively. These are indicators of quite small amounts of difference between the interest earned by the bank in its assets and the interest paid by the bank in its debts during these years. But since the year 2022, the earning spread increased massively. Interest yield in 2022 managed to increase to 12.91%, and the cost of liabilities increased to 7.12%, but the spread considerably soared to 5.79%. This continued even in 2023 when the interest yield was 13.66% and the cost was 6.96% which resulted in an excellent spread of 6.70%.

5.2 Findings

The analysis of Grameen Bank's financial and operational performance over the five years from 2019 to 2023 reveals several notable insights.

- **Declining Profitability:** Compare the Return on Equity (ROE) and Return on Assets (ROA), which showed a notable decrease between 2019 & 2021 and partly recovered after this period. ROE has declined significantly, from 21.69 % to 1.98 % in the past three years, and ROA 1.65 % to 0.17%, respectively, which means that equity and asset use are less efficient in bringing profits.

- **Earnings Volatility:** The Earnings per Share (EPS) decreased significantly in 2020-2021 (decrease in EPS from 34.98 to 3.65), mainly because of the effect of COVID-19. This resilience can be seen in the EPS recovered, which gained 13.94 in 2023, and the volatility reflects exposure against external shocks.

- **Bettering of Interest-Based Operations:** The Net Interest Margin (NIM) was relatively sound and even showed the highest in 2023 (8.14%), indicating better income from core lending services.

- **Net profit margin:** The Net Profit Margin of the company shrank terribly during the years 2019 to 2021 owing to the increasing expenses and unfavorable effects, but slowly improved in 2022. It was at its highest in 2023 (11.57%), which indicates better management of costs. To maintain this positive trend, additional attention should be paid to profitability.

- **Net Non-Interest Margin:** The continuous Net Non-Interest Margin (NNIM), which lies between -4.36 and -5.60, indicates that non-interest expenses far surpassed non-interest income. This unbalance insinuates poor challenges of supplementary income flow, like charges and commissions.

- **Confusion on the Operating Efficiency:** Operating Profit Margin (OPM) experienced a decline in 2021 - 2022 and was finally restored, but partly in 2023. In the same way, the Total Asset Turnover Ratio was also underutilized; the Ratio was lying stagnant (approximately 0.12 to 0.14).

- **The Leverage has been lessened:** Equity Multiplier was decreasing, at 13.16 in 2019 and 10.74 in 2023, meaning the company was shifting to a more conservative tier of capitalization, where the use of debt financing is less prominent.

- **Enhanced Earning Spread:** The Earning Spread has increased manifold, as it was 1.65% in 2019 and has improved to 6.70% in 2023, which forms a good basis of interest-earning as well as a lower cost of liabilities management.

5.3 Critical Evaluation of the Internship Experience

Being an intern at Grameen Bank was enriching and presented many learning opportunities as well as difficulties. Microfinance, group lending, and rural outreach formed the bank's work pattern, giving it a great platform for learning. I noticed how committed the field officers were and how job situations were properly controlled.

But some aspects need improvement. Tech is being used less than expected at the level of banks' branches. The fact that operations use mostly manual processes heightens the chance of both human mistakes and poor results. Giving interns a clearer set of instructions and tasks at the start of the internship would help them get a clearer picture of what is expected.

In spite of the problems mentioned, the overall experience was highly satisfying and helped me develop professionally.

5.4 Key Challenges Faced During the Internship

During the internship, I faced several challenges:

1. Many rural people communicated in local dialects that I didn't understand, which meant it was difficult for me to hold conversations during field visits.
2. At times, I spent many hours working since I had to blend fieldwork with creating documents in the office.
3. I had trouble working with their internal MIS and Excel formats at first since I had not dealt with them before.

Going through these problems showed me that patience, being able to adapt, and continuous learning are necessary.

5.5 Learning from Challenges

The difficulties I went through helped me both at work and in my own life. Because of the unfamiliar dialects, I learned to use simple words and gestures to communicate well, which boosted my social skills. Dealing with both office tasks and duties outside meant I had to be careful with my time and decide what to prioritize, which helped me work in a better way.

Chapter VI: Conclusion

The analysis of the financial and operational performance of Grameen Bank in the years 2019-2023 is ambiguous in terms of stabilization, weakness, and opportunity. ROE, ROA, and EPS profitability indicators dropped severely in the years of the pandemic, but the bank continued to recover gradually after it. Performance due to interest, such as Net Interest Margin, Earning Spread, and so forth, was improving steadily, demonstrating benefits in essential lending operations. Nevertheless, it keeps showing highly negative Net Non-Interest Margins and unconvincing asset turnover rates that can be considered evidence of inefficiency in the supplementary sources of income and resource management.

Operationally, the bank has a conservative leverage strategy, and the increase in the earning spread is an excellent indicator of a long-term financial health measure. Still, it has some problems, especially those of modernizing its manual operations, enhancing the quality of non-interest income, and raising the effectiveness of its assets.

As an intern, my experience at Grameen Bank provided appropriate knowledge in rural microfinance, as well as changing the aspects that require an improved technological base and task orientation to other interns in the future. The language barrier and technical ignorance are all issues that make adjustability, communication, and time management in a career crucially significant. Internationally, the internship has contributed greatly to my insight into how finance and a social mission can transform a community. I have found that this has had me engage more in sustainable finance, and this has only reaffirmed my interest in development finance banking practices.

To sum up, Grameen Bank has proven a sort of financial resilience and mission-wise dedication, but to become more productive, resilient, and influential in the future, the organization must improve its profitability through strategic changes to technology use, efficiency, and income diversification.

Chapter VII: Implications

Recommendations implications

Based on the financial and operational performance between 2019 and 2023, the following recommendations are addressed for the strategic development of Grameen Bank as follows.

- **Improve the Risk Management and Credit Screening:** With increasing borrower indebtedness, Grameen needs to improve its risk assessments. Credit scoring tools will be made more robust, and the credit information networks will be utilized to minimize the default risk by multiple borrowing.
- **Look at the Non-Interest Income Streams:** Although the non-interest income, like fees on digital transactions, advisory services, and even micro insurance, are sources that Grameen Bank should enhance to offset the overdependence on interest income.
- **Take a stake in Technology and Automation:** The bank should embrace automation of its branch activities, such as MIS and loan processing applications, to reduce human errors, increase efficiency, and provide effective data management.
- **Asset Utilization enhancement:** There is poor and stagnant asset turnover. Bank officers should study poor assets and consider an option that will help maximize the use of bank assets, like diversifying the loan portfolio or creating new financial products.
- **Embolden Financial Literacy and communication:** To enhance the outreach and serve the rural clients more adequately, Grameen Bank can arrange the financial education campaigns in simplified language and more local dialects, which might lead to better client interaction and loan repayments.
- **Keep Conservative Leverage Policy:** With a better equity multiplier and an enhanced earning spread, the bank must persist in this low leverage course, which will be stabilizing, but will judiciously take advantage of some growth potentials by making use of debt when it is warranted.
- **Rebuilding strategy profitability:** Having fallen back to the levels of 2020 after the COVID impact, the management finds itself in the necessity to resume the ROE and ROA to the levels of the year 2019 by enhancing cost control, pricing, and selective lending to the profitable areas.

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