Internship Report On
Evaluation of Financial Performance OF BRAC Bank PLC

Submitted To:

Shah-Noor Rahman
Assistant Professor,
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Submitted By:

Name	: Niloy Datta
ID NO	: 213-11-6697
Program	: BBA
Major	: Finance
Batch	: 60th
Department	: Business Administration
Faculty	: Business & Entrepreneurship
University	: Daffodil International University

Date of Submission:

30 June, 2025

LETTER OF SUBMISSION

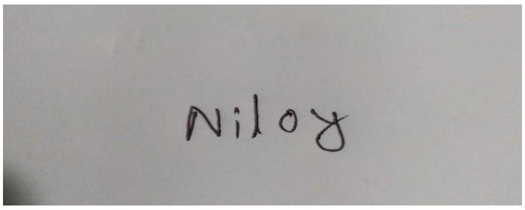
Date: 30.06.2025
To

Shah-Noor Rahman
Assistant
Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Subject: Submission of Internship Report on "Evaluation Of Financial Performance Of Brac Bank PLC"

Dear Madam,
I am pleased to submit my internship report titled **"Evaluation of Financial Performance of BRAC Bank Plc."** Under your valuable guidance, I successfully completed my internship at BRAC Bank Plc, Head Office, Dhaka, from **February 9, 2025, to May 8, 2025**. Throughout this period, I dedicated my full effort to understanding and analyzing the financial operations of the bank.

I believe the knowledge and experience gained during this internship will significantly contribute to my professional development. I respectfully request you to accept this report for your kind consideration.
I appreciate your time and thoughtful oversight.



Sincerely Yours,

Niloy Datta

ID NO: 213-11-6697

Program: BBA (Major in Finance)

Daffodil International University.

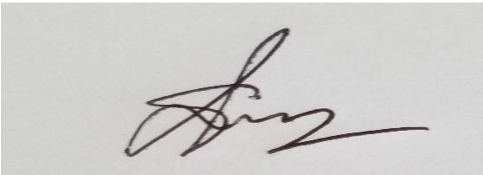
Proof of Internship Completion Letter

This certifies that, Under my guidance, Niloy Datta, a BBA student at Daffodil International University, completed his internship report, "Evaluation of Financial Performance of BRAC Bank Plc." The internship was completed in the headquarters of BRAC Bank Plc.

I'm happy to report that Niloy Datta did a fantastic job of examining the company and relating his conclusions to his scholarly training. The data, analysis, and conclusions in the paper seem genuine and thoroughly investigated.

After assessment, the report was given the all-clear to be presented. I wish him the best of luck in his future pursuits and more success.

Signature of the Supervisor



Shah-Noor Rahman
Assistant Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University.

ACKNOWLEDGEMENT

I want to start by sincerely thanking Allah Ta'ala for giving me the courage and direction I needed to finish this internship report. I also want to express my gratitude to all the people and institutions that helped make this report possible through their encouragement and support. My sincere gratitude is extended to Daffodil International University's Department of Business Administration for setting up the internship opportunity. I also want to express my gratitude to The management of BRAC Bank for giving me the chance to finish my internship with their prestigious company.

I would like to sincerely thank my supervisor, Professor Shah-Noor Rahman, for her helpful advice and helpful critique during the writing of this report. Her unwavering encouragement and wise recommendations significantly improved the caliber of this research.
I want to sincerely thank Mr. Mohammed Masum Iqbal, dean of Daffodil International University's Faculty of Business & Entrepreneurship, for his incisive counsel and invaluable direction in writing this internship report."

I want to sincerely thank BRAC Bank Plc's management and authorities, as well as all of the officers and employees, for their kind cooperation and assistance during my three-month internship. Under their direction, I was able to obtain real-world, hands-on experience in banking operations. Working directly with them gave me the chance to comprehend their viewpoints and workplace culture, which significantly enhanced my education. I have written this report from my personal perspective based on these encounters.

Lastly, I want to express my gratitude to everyone who has read my report. I hope it turns out to be useful now and down the road.

Furthermore, I want to sincerely thank my friends and classmates for their constant encouragement and support during the preparation of this report. Their help was crucial to finishing this project.

Finally, I would like to express my sincere gratitude to the respondents for their kind contributions of time and wisdom, which enabled me to successfully finish this study.

Preface

The internship program is one of the most crucial elements of our BBA curriculum. Learning the ins and outs of the dynamic business world is crucial in today's more competitive global landscape. Students who get this kind of instruction gain important knowledge about how contemporary corporate entities function. It also has a big impact on how well-suited they will be as future executives. One of the leading private commercial banks in our nation is BRAC Bank Plc. The bank provides a broad range of products and services to satisfy a variety of client demands, with a strong emphasis on customer satisfaction.

As a Daffodil International University BBA student, I have been tasked with assessing BRAC Bank Plc's financial performance. Throughout this assignment, To gain practical knowledge and insights, I have made every effort to learn from many bank departments.

Executive Summary

In the fast-paced commercial world of today, Bangladesh's private banking sector is growing more and more competitive. By serving as a link between surplus and deficit economic units, commercial banks are essential financial intermediaries. By effectively allocating financial resources, they promote economic development by mobilizing deposits from surplus units and extending loans to deficit units. The financial accounts of BRAC Bank Plc and my internship experience served as the foundation for this study. It was a fantastic chance to acquire real-world experience and understanding of the several banking functions of BRAC Bank Plc. I chose the topic of "Evaluation of Financial Performance of BRAC Bank Plc," with a focus on the years 2019–2023, under the direction of my faculty supervisor.

The financial performance, efficiency, and stability of BRAC Bank Plc are evaluated in this study through a thorough ratio analysis over the five-year period from 2019 to 2023. Return on Equity (ROE), Return on Assets (ROA), Earnings per Share (EPS), Price-to-Earnings (P/E) Ratio, Net Interest Margin (NIM), Net Non-Interest Margin, Net Operating Margin, Degree of Asset Utilization, and the Equity Multiplier are among the important financial measures that are included in the study.

BRAC Bank's financial performance peaked in 2019, according to the statistics, with the greatest ROA (1.64%), ROE (14%), EPS (4.57), and NIM (4%). But after 2019, the bank encountered difficulties like diminishing returns and shrinking margins, which were probably brought on by both internal and external economic reasons. After a sharp decline in 2020, ROE and ROA gradually recovered in the following years, with ROE rising to 11% and EPS returning to 4.53 by 2023.

The Degree of Asset Utilization and Equity Multiplier offer information on financial leverage and operational efficiency in spite of these difficulties. The increasing equity multiplier, which reached 11.39 in 2023, despite the fall in asset utilization, suggests a larger reliance on debt financing, which, if not handled well, might both boost asset expansion and add to financial risk. With a respectable rebound in earnings and shareholder returns in the subsequent years, the data indicates that BRAC Bank maintained a steady and robust financial position throughout the time. The bank showed strong customer service, efficient asset management, and operational effectiveness. The institution's ability to recover from downturns demonstrates strategic strength and adaptability, despite some indicators displaying variability.

Chapter: 1

Introduction

1.1 Introduction of the Study

By serving as a link between surplus and deficit units, commercial banks are essential financial intermediaries. By taking out loans from surplus units and directing them toward deficit units, they raise money. Economic development is greatly aided by this process of mobilizing deposits and allocating credit to the consumer and productive sectors. My practical experience from the internship program and an examination of Brac Bank Plc's financial records served as the foundation for my study. I worked as an intern at Brac Bank Plc's head office in Dhaka for three months.

In order to obtain a realistic understanding of the procedures involved in various banking activities, I have worked in a variety of capacities. In order to determine important financial ratios, I examined Brac Bank Plc's financial statements from its annual reports and associated bank operations, looking at both historical and current records. I examined the bank's financial accounts for the previous five years, carried out a thorough analysis, and offered perceptive commentary on how the company's financial situation had changed during that time for my report.

One of the largest non-governmental organizations in the world, BRAC, was founded by Sir Fazle Hasan Abed. On July 4, 2001, he also created BRAC Bank. The bank was established with the primary goal of helping the "unbanked," especially small and medium-sized businesses (SMEs), in order to promote financial inclusion and reduce poverty. BRAC Bank prioritizes social responsibility and profits as part of its "double bottom line" approach.

BRAC Bank successfully strikes a balance between its social objective and commercial performance. By supporting rural economic development through SME financing, encouraging women entrepreneurs, and utilizing cutting-edge digital platforms, the bank maintains both profitability and purpose while abiding by stricter governance and credit criteria.

1.2 Objectives of the Study

The main objective of the study is to scrutinize the Financial Performance of Brac Bank Plc from the period of 2019 to 2023 and evaluates this performance.

The other objectives of this study are:-

- ✓ To evaluate the financial position and performance of Brac Bank Plc from the period of 2019 to 2023.
- ✓ To calculate the financial ratios and evaluate performance based on interpretations.
- ✓ To suggest better ways for enhancing the performance of the Bank. (rose, 1987)

1.3 Scope of the study

The "Performance Evaluation of BRAC Bank Plc" is included in this document.". After finishing this crucial phase, we can go on to the following subjects for discussion:

- ➢ How would you characterize the current situation at BRAC Bank Plc. in light of the most recent performance review?
- ➢ to comprehend BRAC Bank Plc's historical context.
- ➢ What issues or challenges are present with BRAC Bank Plc's regular banking procedures?

1.4 Limitation of the study

In spite of their honest cooperation, the BRAC Bank Plc staff was unable to devote enough time to give all the information needed to complete this report. Consequently, a number of difficulties arose throughout its development. These difficulties could be seen as the study's limitations. The following are the main limitations encountered during preparing this report:

- The lack of the most recent data and statistics regarding the various activities of BRAC Bank Plc is a major drawback of the study.
- Another limitation on this report is the Bank's policy of not disclosing specific data or information for confidentiality reasons.
- The bank's employees are usually occupied with a variety of tasks.
- Since this was my first time doing research of this kind, one of the main drawbacks of this study is my lack of experience.

I have given it my all to the best of my ability in spite of the difficulties.

1.5 Rationale of the Study

Bangladesh is one of the developing nations with the most potential in the world. By transferring surplus cash from industries with extra capital to others that need investment for expansion, the banking industry can act as a crucial middleman in such an economy. Banks can help create a solid basis for the country's economic growth by effectively distributing financial resources.

I was motivated to investigate how a private bank relates its motto to the constant requirement to modify and enhance in order to meet new difficulties. Examining the bank's key performance metrics and comprehending the fundamentals that underpin its operations were my goals.

"Therefore, I prepared my report with a focus on evaluating the performance of BRAC BANK Plc, based on my observations of the bank's financial performance while I was employed in the General Banking Division."

1.6 Methodology

The research problem has been addressed using analytical research methodologies as well as certain descriptive approaches. Secondary data is the study's main source of support.

1.6.1 Sources of Data

The following resources are consulted in order to get the necessary data.

Secondary Data

1. Compiling BRAC Bank Plc's Annual Reports
2. official files and folders, working papers, and both public and unpublished documents.
3. Head Office: Corporate Financial Affairs
4. The website of Brac Bank Plc.
5. A range of scholarly articles and textbooks
6. the Internet and a number of pertinent research studies.

1.6.2 Methods of Data Analysis:

Both qualitative and quantitative approaches were used in the report's data analysis. Numerous statistics tables and graphs are part of the quantitative approach. Furthermore, the report was further examined using the following techniques:

a) Graphical Display
b) Ratio Analysis (Key Financial Ratio Performance Evaluation)
c) SWOT Appraisal

Chapter: 2

Organizational Part
(About the Company)

2.1 INTRODUCTION:

A wide range of domestic and foreign institutional shareholders own BRAC Bank Plc, a full-service scheduled commercial bank. Targeting specialized markets and taking advantage of chances that standard banks sometimes pass up is the bank's main goal. Through its cutting-edge online banking platform, BRAC Bank, which is dedicated to providing outstanding services, provides a wide range of banking solutions across the nation. One of the fastest-growing banks in the country, BRAC Bank, is actively seeking talented, driven, and aspirational employees for a variety of business activities to support its planned expansion of distribution channels, network infrastructure, and various business operations. "The bank aspires to be a prosperous business that also practices social responsibility. We are dedicated to creating a progressive, healthy, democratic, and poverty-free Bangladesh in collaboration with BRAC and other stakeholders. At the same time, we continue to be keenly aware of business and market potential. We are dedicated to enabling people to reach their financial goals and, in doing so, supporting communities and the country's economy. Maintaining the highest standards in all of our dealings with customers, shareholders, partners, and communities is essential to the long-term success of our business.

2.2 HISTORICAL VIEW OF BRAC BANK PLC:

BRAC Bank Plc was established on July 4, 2001, and has a brief but significant history. Sir Fazle Hasan Abed, the visionary creator of BRAC, one of the biggest non-governmental organizations in the world, founded it.

BRAC Bank was established to support Small and Medium Businesses (SMEs), a substantial sector of the Bangladeshi economy that was mainly neglected by conventional banking establishments. The long-held goal of Sir Fazle Hasan Abed was to help these business owners escape poverty and take charge of their financial futures by offering them high-quality financial services.

BRAC Bank has pursued a "double bottom line" strategy since its founding, seeking for both monetary gain and social responsibility. This indicates that it emphasizes helping to create a Bangladesh free from poverty and enlightened, even as it works to become a prosperous commercial bank.

BRAC Bank swiftly became the biggest SME bank in Bangladesh and a trailblazer. It provided large sums of SME loans to hundreds of thousands of small and medium-sized business owners, who the bank considers to be the main source of jobs in the nation.

In order to reach a larger customer base, especially in rural and semi-urban regions, BRAC Bank quickly increased its physical footprint in its early years by opening branches, SME unit offices, and ATM locations nationwide.

Through the introduction of programs like "Shafollo," a digital financing program that offers loans to marginalized communities without the need for collateral, BRAC Bank has continuously placed an emphasis on digital banking solutions and financial inclusion.

increasing the number of its agent banking locations, which will surpass 1000 by February 2023.

Being the first in the sector to incorporate Bangladesh Bank-mandated Digital Certificates for work and purchase orders, the company is integrating digital signature technology into its procurement processes.

BRAC Bank's history is characterized by its commitment to its founding vision of financial inclusion, particularly for SMEs, and its continuous adaptation to the evolving banking landscape through technological advancements and strategic partnerships.

2.3 Strategic Priorities of BRAC BANK PLC

- sustain our desired brand image while promoting strong business expansion across all crucial operations.
- Adopt cutting-edge concepts for financial inclusion and acquire cutting-edge technologies.
- To improve the culture of compliance and risk management.
- To decrease non-performing assets, maintain an incremental deposit, and grow the client base.
- To create a culture and system of corporate governance that are suitable and follow best practices.

- To build relationship banking and consistently raise the Caliber of services.
- To provide financial services to all social classes.. Take actionable steps to strengthen the capital base and address provision shortages.
- Take actionable steps to strengthen the capital base and address provision shortages.
- To improve the quality of human resources and management capabilities, as well as to cultivate a proactive staff with a competitive benefits package.
- To set the standard for the nation's socioeconomic advancement.

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2.4 A Synopsis of BRAC Bank PLC's Vision, Mission, and Core Values

Modernized version:

In addition to being a profitable bank, BRAC Bank aims to be a driving force behind constructive socioeconomic transformation in Bangladesh, especially by emphasizing responsible banking and financial inclusion.

Corporate Mission:

- Maintain the SME sector's growth.
- Constantly increasing low-cost deposits while controlling the increase of retail assets
- Corporate assets financed by mobilizing self-liability
- Increase assets through investments in high-growth industries and syndications.
- Increase fee-based (non-funded) revenue consistently.
- Keep debt charges around 2% to guarantee consistent, profitable growth.
- Create effective synergy between BRAC field offices, SME units, and branches.
- Oversee several corporate divisions in a completely regulated setting without sacrificing the caliber of services.
- Maintain a varied, remote team that is enthusiastic and committed to achieving the bank's goals.

Core Values:

Our owner, BRAC, is the source of our strength. This implies that BRAC will serve as our guide and that we will uphold the following principles while working.

- Respect the fact that you belong to the BRAC family.
- Establishing an environment that is open, honest, and supportive.
- Aim for sound growth and profit.
- Collaborate as a team to meet our owners' needs.
- Constantly seeking to innovate and improve business
- Respect and value others, and base judgments on their merits.
- Reward and recognize based on performance.
- In all we do, we are accountable, reliable, and compliant with the law.

Chapter: 3

An Examination of the Financial Situation of BRAC Bank PLC

From 2019-2023

3.1 Introduction

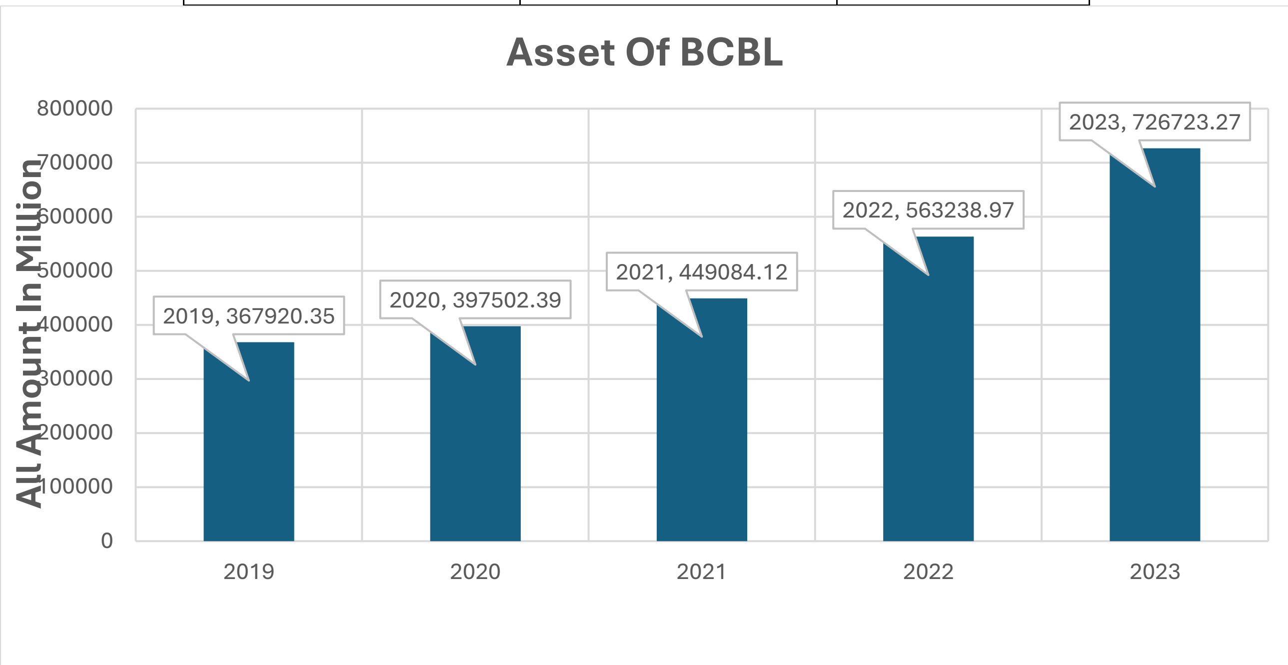
An organization's financial health is usually summarized in a financial review. I examine the current state of BRAC Bank Plc's assets and asset portfolio, deposits and their many kinds, loans and advances, and loan portfolio in this section of the report. I also show the net income of the bank after taxes. A summary of BRAC Bank Plc's important financial data is also included in this chapter for key ratio analysis and performance evaluation purposes.

3.2 Assets

Brac Bank Plc's asset position from 2019 to 2023 shows that the bank is forging a solid place in Bangladesh's banking industry.

Table 1: Total Assets

Year	Assets in (Million.)	Growth Rate
2019	367920.35	-
2020	397502.39	8%
2021	449084.12	12%
2022	563238.97	25%
2023	726723.27	29%



This information is sourced from the Annual Reports of BRAC Bank Plc for the years 2019 to 2023."

Figure 1: Asset Summary of BRAC Bank Plc

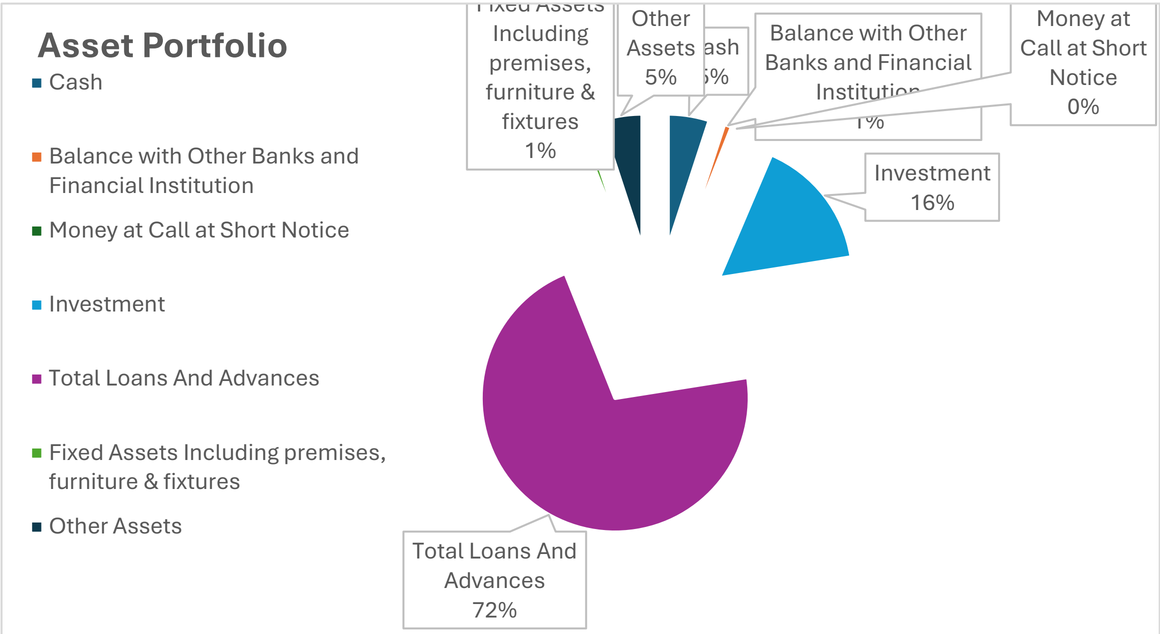
The asset growth rate of BRAC BANK PLC has fluctuated yearly over the last five years, with 2023 seeing the most increase of 29%.

3.2.1 Asset Portfolio

The 2023 asset portfolio of BRAC Bank Plc illustrates the bank's competitive position in relation to other commercial banks and represents the bank's current state:

Table 2: Asset Portfolio

Particulars of Assets	Amount (In Million.)	Percentage
Cash	39349.03	5%
Equilibrium with other Financial Institution & bank	6955.07	0.95%
Short notice and money on call	3000.00	0.41%
Investment	115657.47	16%
Total Advances and Loans	519451.99	71%
Fixed assets including premises, furniture & fixtures	7627.17	1%
Other Assets	34672.36	5%
Total	726713.09	100%



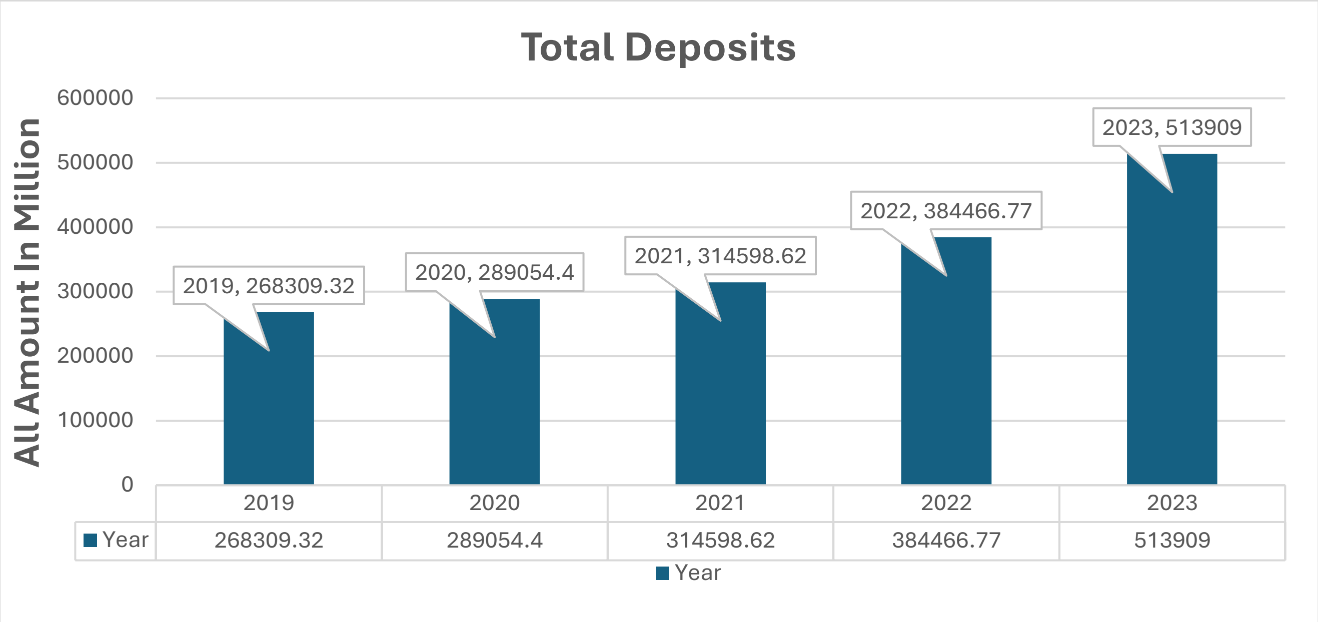
Source: The Annual Report for 2023 of BRAC BANK PLC

Figure 2: BRAC BANK PLC's Asset Allocation

3.3 Deposits

Table 3: Total Deposits

Year	2019	2020	2021	2022	2023
Total deposits in (Million.)	268309.32	289054.40	314598.62	384466.77	513909.00
Growth Rate	----	7%	8%	22%	33%



"This information is sourced from the Annual Reports of BRAC Bank Plc for the years 2019 to 2023."

Figure 3: Deposit of BRAC BANK PLC

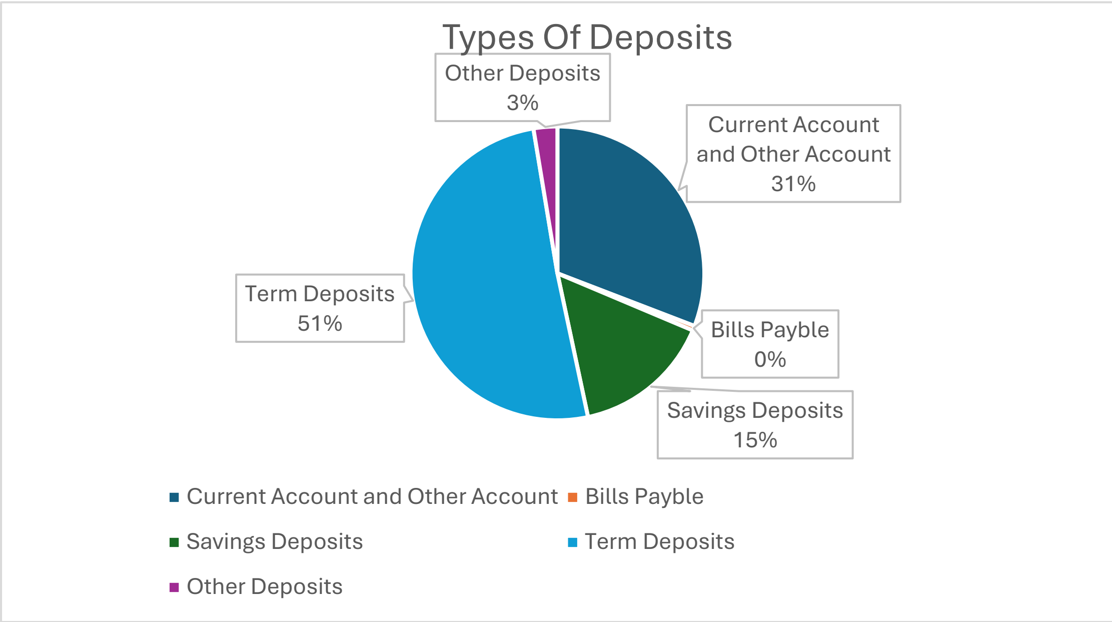
According to the computation above, the growth rate of deposits in 2019 was the lowest. However, the other rate showed an upward tendency in 2020, and the growth of deposits increased annually in 2021–2022. The rate peaked in 2023 at 33%, indicating an upward tendency in the growth rate of deposits.

3.3.1 Types of Deposits

Funds are collected by Brac Bank Plc from a variety of deposit sources. Mobilizing inexpensive funds is a top priority for the bank in order to maximize financial efficiency. The following was the breakdown of the bank's deposits as of December 31, 2023:

Table 4: Types of Deposits

Types of Deposits	Amount in (Million)	Percentage
Other Accounts Include the Current etc.	157581.03	31%
Bills Payable	2716.81	0.52%
Savings Deposits	79097.01	15.39%
Term Deposits	260948.52	51%
Other Deposits	13565.60	2.63%
Total	513909	100%



"This information is sourced from the Annual Reports of BRAC Bank Plc for the years 2019 to 2023."

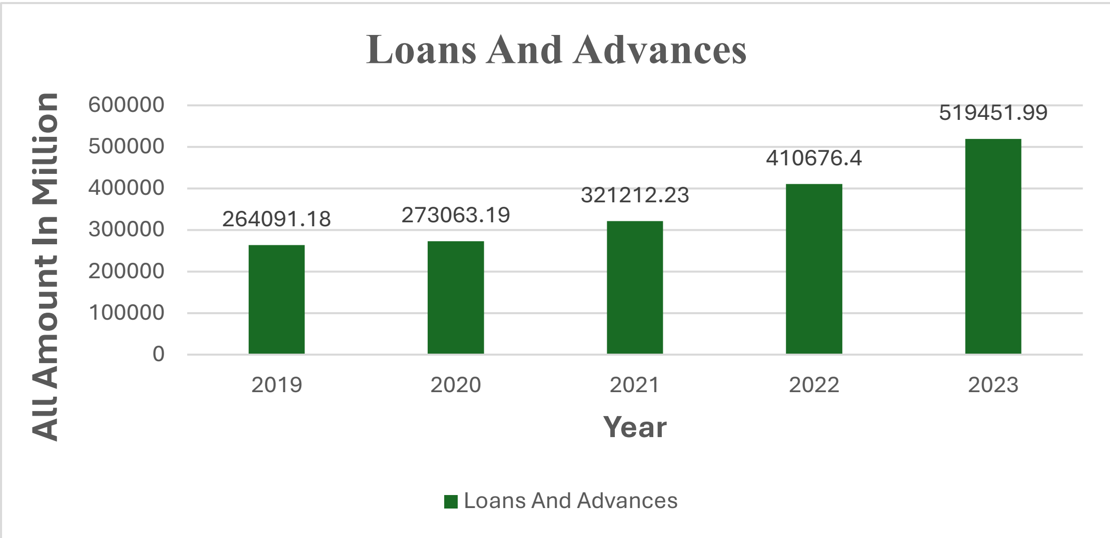
Figure 4: BRAC Bank PLC's Various Deposit Types

3.4 Loans and Advances

The bank's advances and loans increased significantly between 2019 and 2023. The total was BDT 410,676.40 million on December 31, 2022, and it rose to BDT 519,451.99 million in 2023.

Table 5: Total Loans and Advances

Year	2019	2020	2021	2022	2023
Loan and Advance in (Million.)	**264091.18**	**273063.19**	**321212.23**	**410676.40**	**519451.99**
Growth Rate	**----**	**3%**	**17%**	**27%**	**26%**



"This information is sourced from the Annual Reports of BRAC Bank Plc for the years 2019 to 2023."

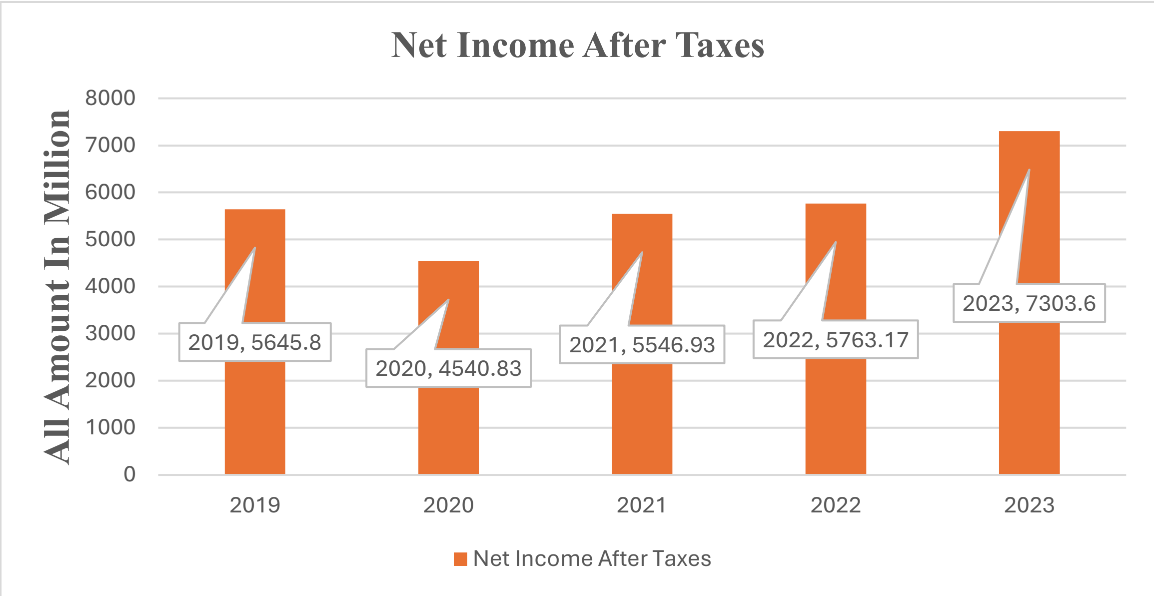
Figure 5: Loans and Advances Disbursed by BRAC Bank Plc

With the exception of 2023, when the growth rate fell, an examination of BRAC Bank Plc's loan and advance growth over the previous five years shows a consistently rising tendency. The total growth in loans and advances over the time can be regarded as satisfactory, even this brief decline.

3.5 Net Income After Tax Analysis

Table 6: Net Income after Tax Analysis

Year	2019	2020	2021	2022	2023
Net Income after Tax (In Million)	5645.80	4540.83	5546.93	5763.17	7303.60
Growth Rate	-	-19%	22%	3%	26%



"This information is sourced from the Annual Reports of BRAC Bank Plc for the years 2019 to 2023."

Figure 7: Net Income after Tax Analysis

The main reason for BRAC Bank Plc's notable rise in Net Income After Tax in 2021 was the comparatively low amount in 2020, which led to a rapid growth rate. Net income increased steadily in 2022 and 2023, but in 2023 it accelerated noticeably.

Based on financial data and growth rates, BRAC Bank Plc's total assets, total deposits, total loans and advances, and net income after taxes all exhibited a consistent upward trend. This implies that the bank's financial status is stable and improving.

In terms of growth, BRAC Bank Plc's financial performance peaked in 2023 out of all the years examined, indicating its most advantageous financial situation at the time.

Table 7: Financial Performance Summary of BRAC Bank Plc, 2019–2023 (Figures in Million)

Accounts Name	2019	2020	2021	2022	2023
Paid up Capital	12,334	13,259	13,922	14,966	16,088
Total Assets	367,920	397,502	449,084	563,239	726,723
Total Liabilities	330,485	350,505	394,665	504,853	662,941
Total Equity Capital	37,658	46,955	54,419	58,391	63,782
Number Of Common Shares	1,233.37	1,325.87	1,392.17	1,496.58	1,608.82
Total Loans	264,091	273,063	321,212	410,676	519,452
Total Deposits	268,309	289,054	314,591	384,467	513,909
Operating Revenues	21,388	20,336	23,364	26,571	31,610
Operating Expenses	11,440	11,734	12,420	15,442	17,680
Net Income before Taxes	8,505	6,735	7,890	8,939	11,013
Net Income After Taxes	5,646	4,541	5,547	5,763	7,304
Non-performing Loans	10,537	8,000	12,527	15,227	17,557
Interest Income	29,692	24,709	21,586	28,462	39,086
Interest Expense	14,654	13,502	7,589	13,227	21,367
Non-Interest Income	3,279	2,672	3,586	6,152	6,317
Earnings Per Share	4.26	3.26	3.71	3.58	4.54
Return on Investment	8.04%	5.79%	6.04%	4.69%	4.62%
Price to Earnings Ratio	12.47 Times	12.94 Times	13.88 Times	10.75 Times	7.89 Times

"This information is sourced from the Annual Reports of BRAC Bank Plc for the years 2019 to 2023."

Chapter: 4

Ratio Analysis and Interpretation of Brac Bank Plc

4.1 Definition & Importance of Performance Evaluation

The methodical process of determining how well a person, division, or organization is accomplishing its goals and objectives is known as performance evaluation. It entails applying predetermined criteria to compare actual performance to predetermined targets. To improve operational efficiency, strengths and weaknesses are identified. gives information for resource allocation and strategic planning. raises morale by assisting in identifying and rewarding excellent performance. holds people and groups accountable for their work. helps people set goals and improve their performance over time.

4.2 Objectives of Evaluation and Interpretation:

Financial statement users analyze and evaluate financial statements with certain goals in mind. Consequently, different classes of people have different interpretive goals. The following list of particular, shared goals is provided:

- To evaluate the profitability and effectiveness of various business processes using a profit and loss account.
- assess the managerial efficacy of the organization.
- To determine income potential in the future.
- To assess the company's solvency throughout the long and short terms.
- To ascertain the concern's future status.

4.3 Methods of Evaluation and Interpretation

The financial status and operational outcome are also ascertained through the analysis and interpretation of financial statements. The instruments used to examine the company's financial situation are as follows:

1. Assessment of Financial Ratios
2. Comparison of Financial Positions
3. Evaluation of Strengths, Weaknesses, Opportunities, and Threats.

4.4 Ratio Analysis

A basic and popular technique for assessing performance is ratio analysis. It is a very useful instrument for evaluating the financial health of a business. Ratios can be described as the quotient obtained from two mathematical expressions or as the relationships between two or more variables. One can assess a company's strengths and shortcomings, look back at its historical performance, and comprehend its current financial situation by methodically applying ratio analysis to financial data.

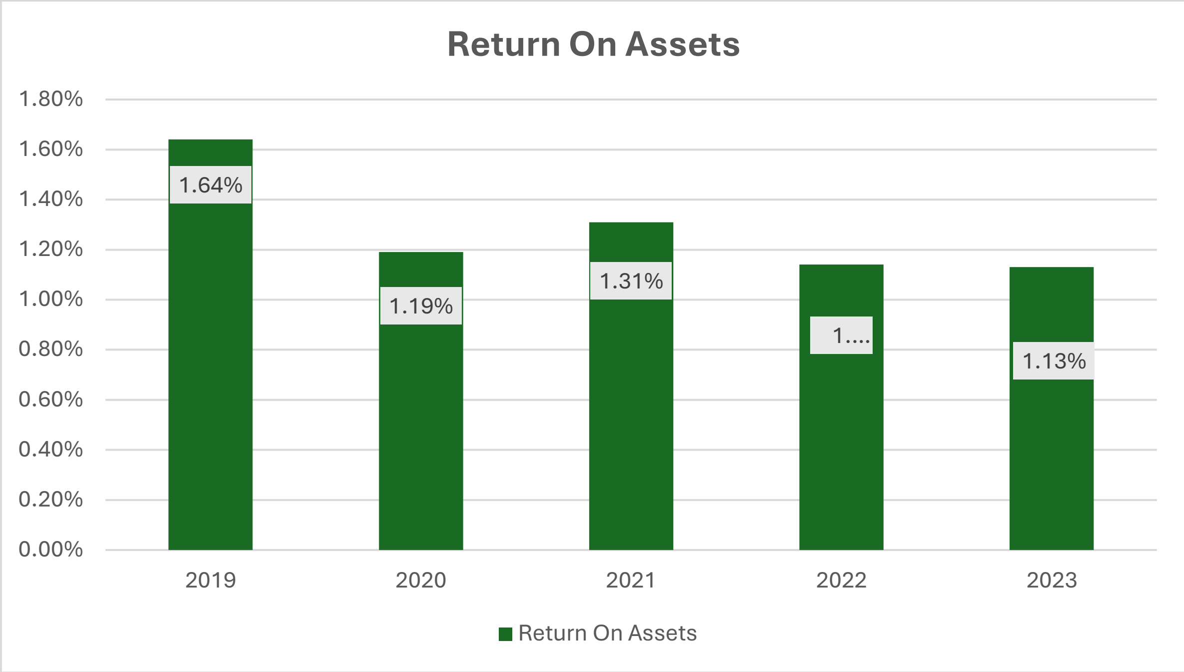
4.5 Analysis of Brac Bank Plc's Financial Ratios

4.5.1 Return on Assets (ROA)

A financial indicator called return on assets (ROA) shows how much profit a business makes in comparison to all of its assets. It is typically calculated by dividing total assets by net income after taxes. Since ROA demonstrates how well management uses the company's resources to generate profits, it is commonly seen as a measure of productivity or profitability. Together with other financial ratios, ROA is a useful tool for small business owners and managers to assess their performance in relation to industry benchmarks, rivals, and internal goals. Moreover, business analysts, bankers, and investors utilize ROA to assess a company's resource efficiency and financial health. *(hasan, 2023)*

Return on Assets (ROA) = Net Income after Tax / Total Assets

2019 (In Million.)	2020 (Million.)	2021 (Million.)	2022 (Million.)	2023 (Million.)
5645.80/ 367920.35	**4540.83/ 397502.39**	**5546.93/ 449084.12**	**5763.17/ 563238.97**	**7303.60/ 726723.27**
1.64%	**1.19%**	**1.31%**	**1.14%**	**1.13%**



"This information is sourced from the Annual Reports of BRAC Bank Plc for the years 2019 to 2023."

Figure: 8 Return on BRAC BANK PLC's assets

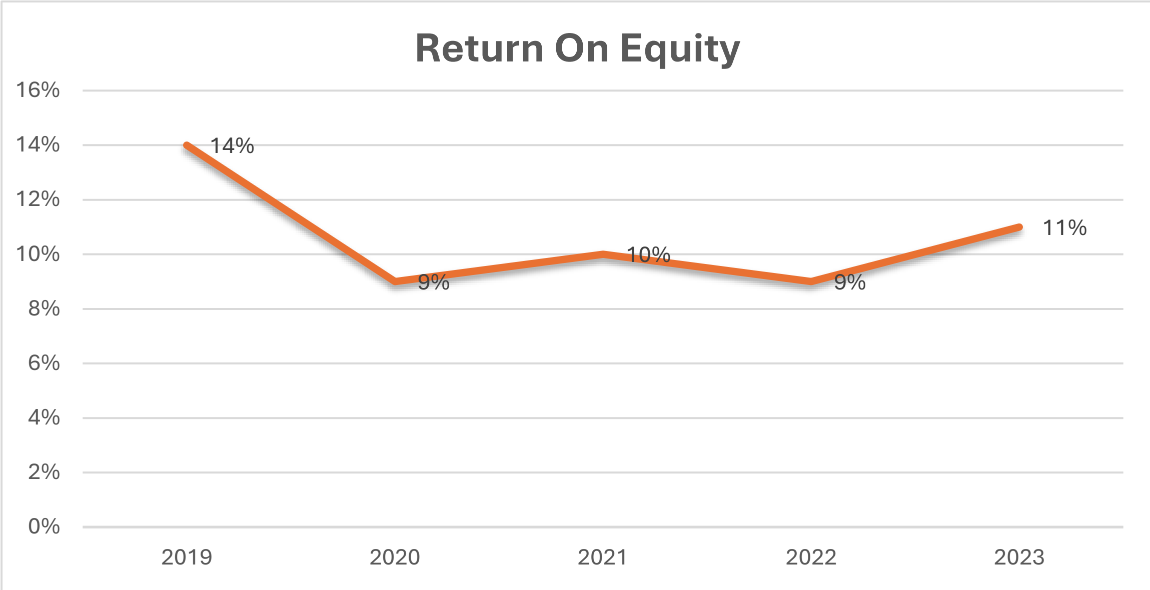
Interpretation: The figure above indicate that, at 1.64%, BRAC Bank Plc's Return on Assets (ROA) in 2019 was the highest throughout that time. The ROA decreased to 1.19% in 2020, a decrease from the year before. After that, there was a minor 0.12% increase in 2021 and a 0.17% decline in 2022. In 2023, the reduction was even more pronounced, falling by 1.13%. Over the course of these five years, BRAC Bank's ROA varied from 1.13% to 1.64%. The trend indicates an overall fall from 2019 to 2023, with a slight recovery in 2021.

4.5.2 Return on Equity (ROE)

The amount of net income produced expressed as a proportion of shareholders' equity is known as return on equity, or ROE. Return on equity (ROE), also known as return on net worth, is regarded by investors as the most significant profitability ratio. It offers information about how well the business is utilizing the money that its shareholders have contributed. ROE shows how much profit a business makes in relation to the capital invested by comparing net income to the total shareholders' equity shown on the balance sheet. ROE rates in the range of 15% to 20% are typically regarded as strong and advantageous.

Return on Equity Capital (ROE) = Net Income after Tax/ Total Equity Capital

2019 (Million.)	2020 (Million.)	2021 (Million.)	2022 (Million.)	2023 (Million.)
5646/ 38919	4541/ 46,477	5547/ 54,419	5763/ 58,418	7304/ 63,782
14%	9%	10%	9%	11%



"This information is sourced from the Annual Reports of BRAC Bank Plc for the years 2019 to 2023."

Figure 9: BRAC Bank Plc's Return on Equity

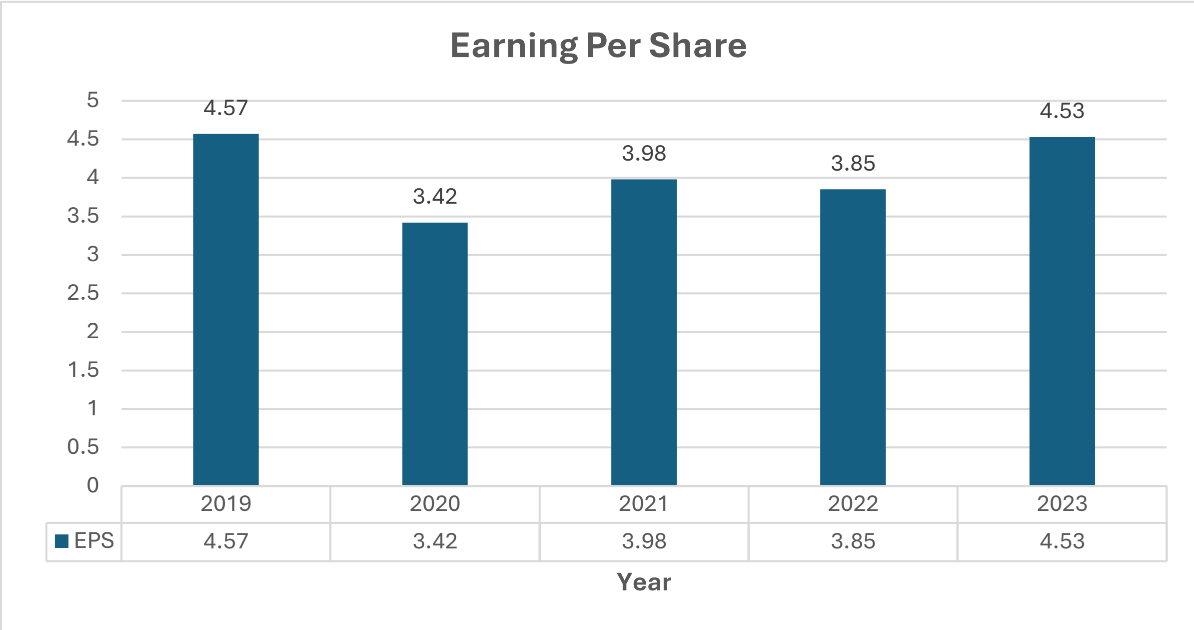
Interpretation: The computations show that BRAC Bank's lowest return on equity (ROE) was 9% in 2020 and 2022, mostly as a result of the bank's low profit margins during those years. But in 2021, the ROE rose to 10%, suggesting a modest improvement in financial performance. The ROE increased to 11% in 2023, the highest level since 2019. Significantly, BRAC Bank's ROE in 2019 exceeded that of every year after that, indicating a particularly sound financial situation at the time. (brac, Annual Report, 2022)

4.5.3 Earnings per share (EPS)

Earnings per share (EPS) is calculated by dividing a company's profit by the total number of outstanding common shares. To ensure accuracy over a reporting period, companies often use the weighted average number of outstanding shares. The one-year (historical or trailing) EPS growth rate is determined by calculating the percentage change in EPS over the prior year. The anticipated EPS growth rate is the percentage difference between this year's earnings and analysts' consensus forecasts for the following year.

Earnings per Share = Net Income after Taxes / Common Equity Shares Outstanding

2019	**2020 (Million.)**	**2021 (Million.)**	**2022 (Million.)**	**2023 (Million.)**
5645/ 1233	**4541/ 1326**	**5547/ 1392.17**	**5763/ 1497**	**7304/ 1609**
4.57	**3.42**	**3.98**	**3.85**	**4.53**



"This information is sourced from the Annual Reports of BRAC Bank Plc for the years 2019 to 2023."

Figure 10: Overview of BRAC Bank Plc's Earnings per Share

Interpretation: In 2020, BRAC Bank Plc's earnings per share (EPS) was comparatively lower at 3.42, according to the company's statistics. But in the years that followed, the EPS steadily improved, rising to 3.85 in 2021, 3.98 in 2022, and 4.53 in 2023. The overall upward trend in recent years indicates a consistent financial performance, even though the highest EPS was obtained in 2019 at 4.57. It is reasonable to conclude that the company is unlikely to experience losses over the next five years based on this pattern. (report, 2021)

4.5.4 An indicator of earnings valuation or (P/E) ratio

The market price per equity share is divided by the earnings per share (EPS) to determine the price-earnings (P/E) ratio. This ratio is frequently used by investors to evaluate the possible value growth of a company's stock and make investment decisions. Positive market sentiment is reflected in a higher P/E ratio, which shows that the market is prepared to pay more for each unit of the company's earnings. A high P/E ratio, however, can be interpreted by some investors as an indication that the company is overpriced.

This stock's market price has demonstrated a steady upward trend, suggesting robust growth momentum and substantial potential for future appreciation.

Price to Earnings Ratio = Market Price per Share /Earning Per Share

2019 (Million.)	2020 (Million.)	2021 (Million.)	2022 (Million.)	2023 (Million.)
57.10/4.57	44.30/3.42	55.30/3.98	38.50/3.85	35.80/4.53
12 Times	13 Times	14 Times	10 Times	8 Times

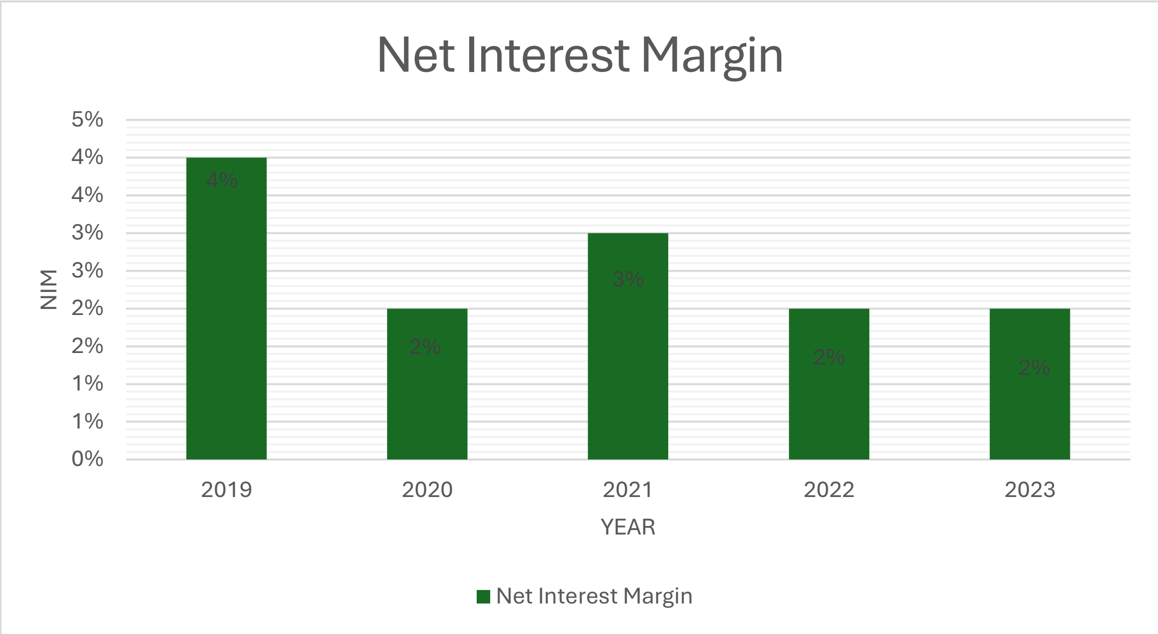
Interpretation: The market was willing to pay 14 times the EPS in 2021, according to the figures above, which suggests that the share value was relatively high in respect to the company's earnings. The anticipation of robust potential growth may be the reason for this high P/E ratio. The P/E ratio, however, had dropped to eight times the EPS by 2023. In contrast, the P/E ratios were 12, 13, and 10 times the EPS in 2019, 2020, and 2022, respectively. This implies that because of the higher growth forecasts shown by the rising P/E ratio, investors were prepared to pay more for the company's earnings in 2021. (brac b. , 2020)

4.5.5 Margin of Net Interest Rates(NIM)

Net interest margin, or NIM, is a crucial financial metric that banks and other financial organizations mainly use to evaluate the profitability of their primary lending operations.NIM is the difference between a bank's interest revenue from lending activities (such loans and mortgages) and the interest it pays to depositors and other funding sources in relation to its interest-earning assets.

Margin of net interst = Net Interest Income/ Total Assets

2019 (Million.)	2020 (Million.)	2021(Million.)	2022 (Million.)	2023 (Million.)
15037.79/ 367920.35	11379.61/ 397502.39	13996.92/ 449084.12	15234.74/ 563238.97	17718.20/ 726723.97
4%	2%	3%	2%	2%



"This information is sourced from the Annual Reports of BRAC Bank Plc for the years 2019 to 2023."

Figure 11: BRAC BANK PLC's Net Interest Margin Analysis

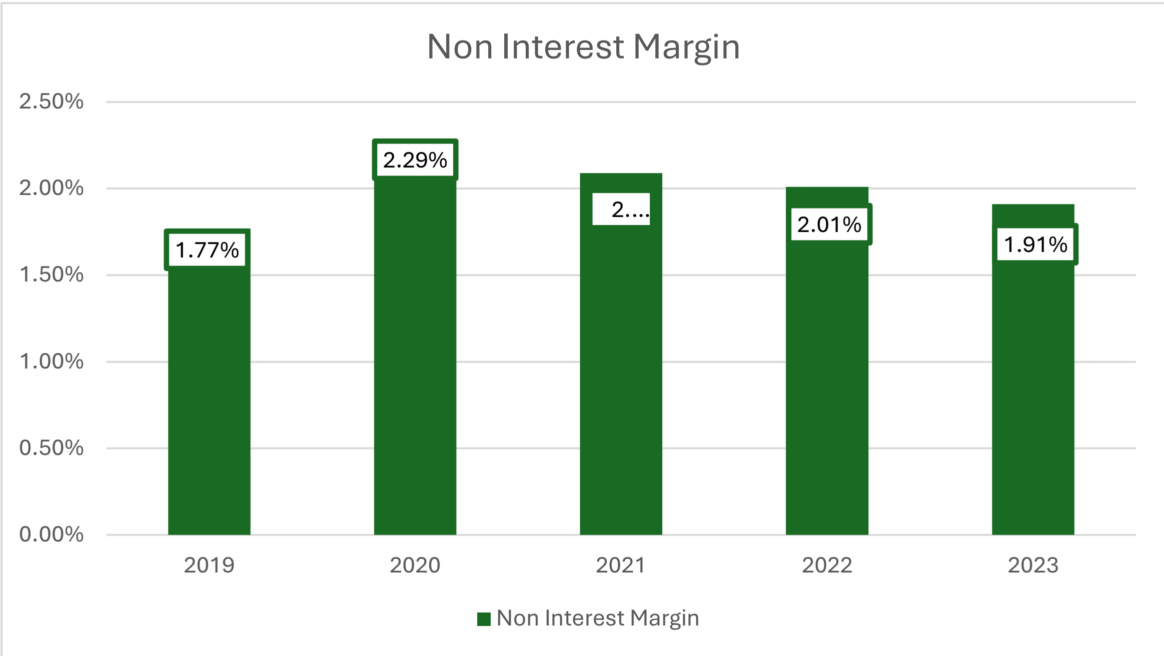
Interpretation: The findings show that in 2019, BRAC Bank's Net Interest Margin (NIM) was 4%. In comparison to 2019, the NIM fell by 2% in 2020. The NIM rose by 1% in 2021, totaling 3% for that year. However, the NIM fell by 2% annually in 2022 and 2023 as well. As a result, BRAC Bank's NIM in 2019 was more than in the years that followed. Overall, it can be said that, in comparison to the years that followed, BRAC Bank produced the largest interest margin in 2019.

4.5.6 Net Non Interest Margin:

Earnings from fees rather than interest levied on an account's outstanding balance are referred to as non-interest revenue. Financial entities, especially banks and credit card firms, are frequently linked to this kind of income. Non-interest revenue may occasionally be derived from regular monthly fees assessed to client accounts. In other cases, it results from one-time charges made by the account issuer for particular services or transactions. The amount of extra revenue a bank receives from these fees in relation to its total asset base, which supplements the interest income from lending operations, is known as the non-interest margin.

Net Non interest Margin = Non Interest Income / Total Assets

2019 (Million.)	2020 (Million.)	2021 (Million.)	2022 (Million.)	2023 (Million.)
6530.30/ 367920.35	9128.78/ 397502.39	9366.96/ 449084.12	11336.16/ 563238.97	13892.26/ 726723.27
1.77%	2.29%	2.09%	2.01%	1.91%



"This information is sourced from the Annual Reports of BRAC Bank Plc for the years 2019 to 2023."

Figure 12: The Non-Interest Margin Analysis of BRAC Bank Plc

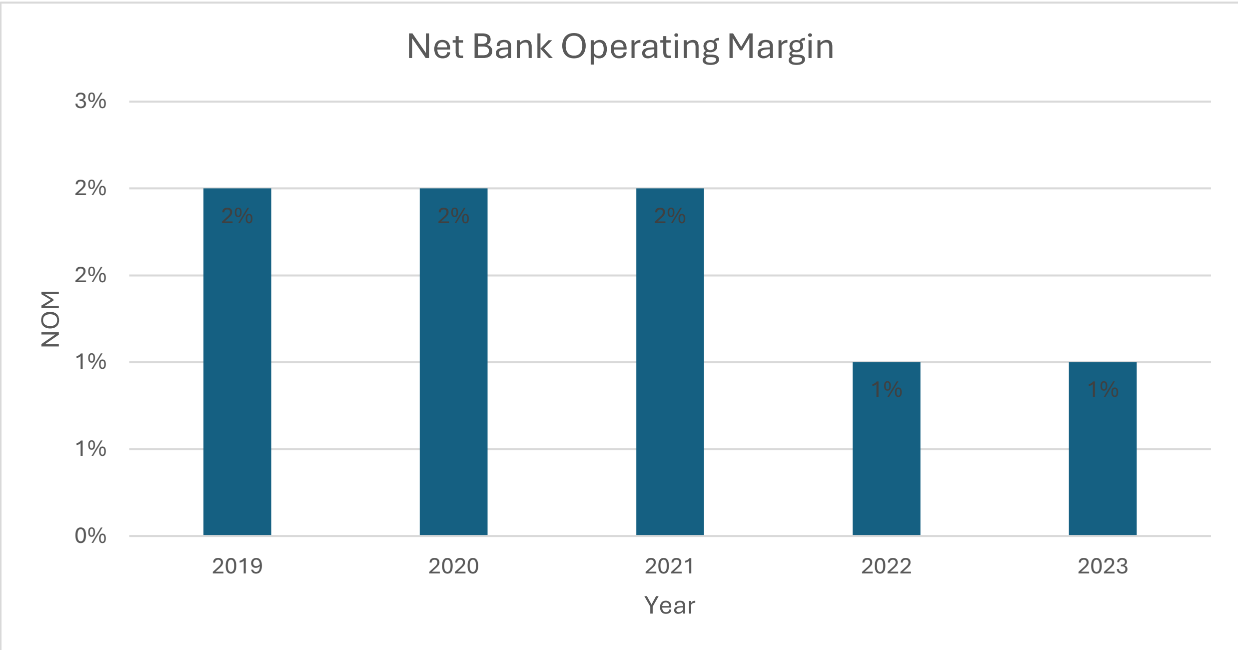
Interpretation: The foregoing computations demonstrate that BRAC Bank's net non-interest margin in 2019 was 1.77%, a decrease from the four years prior. The non-interest margin, on the other hand, rose sharply in 2020 and hit its greatest level at 2.29%. The BRAC Bank's net non-interest margin, however, began to decline after 2020. For example, it dropped to 2.09% in 2021, then to 2.01% in 2022, and finally to 1.91% in 2023.

4.5.7 Net Bank Operating Margin

The amount of profit a bank makes from its primary banking operations after all operating expenses are paid is known as the net bank operating margin. It demonstrates how effectively the bank makes money from its core operations. A larger margin indicates that the bank is making more money from its operations and effectively controlling its costs.

Net Bank Operating Margin = Total Operating Revenues - Total Operating Expenses / Total Assets

2019 (Million.)	2020 (Million.)	2021 (Million.)	2022 (Million.)	2023 (Million.)
(21388.10-11440.47)/ 367920.35	(20508.39-11906.66)/ 397502.39	(23363.89-12419.99)/ 449084.12	(26570.91-15441.66)/ 563238.97	(31610.47-17680.20)/ 726723.27
2%	2%	2%	1%	1%



"This information is sourced from the Annual Reports of BRAC Bank Plc for the years 2019 to 2023."

Figure 13: Net Operating Margin of BRAC BANK PLC

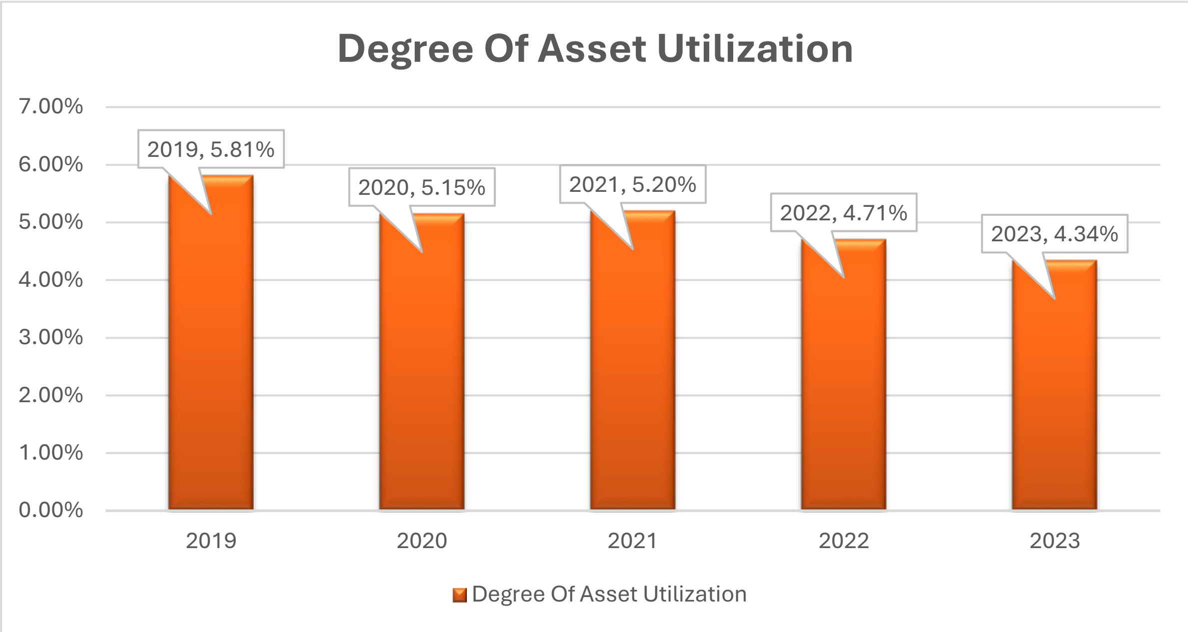
Interpretation: According to the figures above, BRAC Bank's Net Operating Margin (NOM) for 2019 and 2021 is the same. In contrast to the preceding three years, the NOM fell by 1% in 2022 and 2023. All things considered, BRAC Bank continuously kept its NOM positive during that time. In particular, with the exception of two years, the NOM exhibited an upward tendency from 2019 to 2021. In conclusion, the net operating margin of BRAC Bank grew throughout the first three years before falling over the final two.

4.5.8 Level of Asset Utilization

The Level of Asset Utilization measures how well a business makes use of its resources to produce income or sales. It aids in gauging operational efficiency, or how effectively a company uses all of its assets to support its main business operations.

Level of Asset Utilization = Total Operating Revenue / Total Assets

2019 (Million.)	2020 (Million.)	2021 (Million.)	2022 (Million.)	2023 (Million.)
21388.10/ 367920.35	**20508.39/ 397502.39**	**23363.89/ 449084.12**	**26570.91/ 563238.97**	**31610.47/ 726723.27**
5.81%	**5.15%**	**5.20%**	**4.71%**	**4.34%**



"This information is sourced from the Annual Reports of BRAC Bank Plc for the years 2019 to 2023."

Figure 17: Level of Asset Utilization

Interpretation: The BRAC Bank Plc asset utilization ratio in 2019 was 5.81%, meaning that 5.81% of the bank's entire operating income came from its assets. This ratio fell to 5.15% in 2020 before somewhat rising to 5.20% in 2021. These variations imply that during the previous few years, BRAC Bank Plc's asset utilization level was irregular.

4.5.8 Bank's Equity Multiplier

A measure of financial leverage called the equity multiplier is computed by dividing the total assets of a business by the total equity held by its shareholders. It shows the proportion of a company's assets that are financed by debt as opposed to equity. Greater financial leverage is highlighted by a higher equity multiplier, which shows that a bigger percentage Debt provides financing for assets. The multiplier of equity functions as a variant regarding the debt ratio since it takes into account all obligations as a component of debt financing. A company's financial leverage is measured by the equity multiplier, which is computed by dividing its total assets by the equity held by its shareholders. A lower equity multiplier typically denotes less financial leverage, which means the business uses less debt to fund its assets. Since it implies a more cautious capital structure with lower financial risk, this is usually regarded as positive.

Total Assets/Total Equity Capital Accounts = Equity Multiplier

2019 (Million.)	2020 (Million.)	2021 (Million.)	2022 (Million.)	2023 (Million.)
367920.35/ 37658.13	**397502.39/ 46955.08**	**449084.12/ 54419.47**	**563238.97/ 58390.55**	**726723.27/ 63782.02**
9.77	**8.46**	**8.25**	**9.64**	**11.39**

Interpretation: As can be seen from the computation above, Brac Bank's equity multiplier ratio is extremely high in 2023 (it is 11.39 in that year), lower in 2021 (it is 8.25), and unstable in other years like 2019–2020 and 2022.

Overall, we can see that the equity multiplier is unsatisfactory due to its annual increasing and falling pattern.

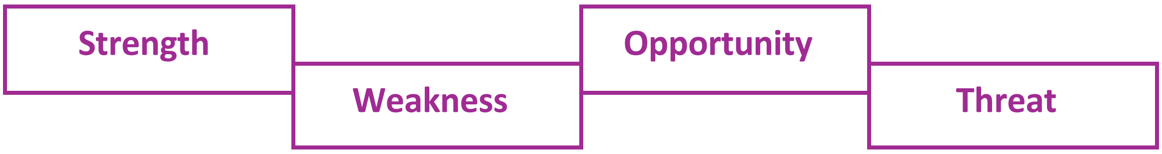
From 2019 to 2023, BRAC Bank's financial situation was solid and getting better.

To assess if BRAC Bank's financial situation is robust or weak, a single financial ratio is insufficient. Nonetheless, it can be inferred from a study of important ratios like Return on Equity (ROE), Return on Assets (ROA), and Net Interest Margin (NIM) that BRAC Bank has remained in a strong financial position. The bank also exhibits good client lending, efficient asset management, and strong operational efficiency. Through strategic management, BRAC Bank Limited can further improve its financial performance thanks to these strengths.

4.6 SWOT Analysis

A strategic planning tool called a SWOT analysis is used to determine and evaluate a company's, project's, or person's Strengths, Weaknesses, Opportunities, and Threats. It facilitates comprehension of the internal and external elements that may influence choices. (fme)

SWOT is an acronym that stands for



Strength

- ✓ delivering high-quality services to all customers nationwide through BRAC BANK PLC's robust network and knowledgeable workforce.
- ✓ Expert staff members have established professional connections with their clients and consumers, which is an emotional bond in everyday business.
- ✓ The bank is able to make information easily accessible without wasting time or paper thanks to a highly designed and sophisticated technology.
- ✓ Brac Bank offers a credit card that is appealing.
- ✓ In order to ensure seamless operations, BRAC BANK PLC maintains equivalent relationships with numerous overseas banks.
- ✓ Employees at BRAC BANK PLC are enjoying a positive work environment, which motivates them to work hard and become committed to the banking industry.

Weakness

- ✓ The bank's market promotion efforts continue to be notably inadequate due to a lack of initiative, employee engagement, and well-structured plans for aggressive marketing techniques.
- ✓ Customers are deterred from saving money with BRAC Bank Plc by the comparatively low interest rates on deposits.
- ✓ The high personality is discouraged by the absence of top-level management staff. Entrepreneurs and businesspeople are welcome to work with BRAC BANK PLC.
- ✓ One problem is that high-level employees are contracted rather than promoted, which demoralizes them.

Opportunity

- ✓ The government of Bangladesh has fully backed the banking industry in an effort to improve the nation's economic standing while also generating job opportunities.
- ✓ BRAC BANK PLC might initiate an investment company using foreign exchange curriculum by broadening its business portfolio.
- ✓ Expanding the financing policy with credit facilities gives clients a great deal of security in the corporate world.

Threats

- ✓ In Bangladesh, the central bank constantly monitors both domestic and foreign banks, which occasionally interferes with private banks' regular business activities.
- ✓ The same retail/SME groups are being targeted by international banks, new digital banks, and mobile wallet providers.
- ✓ But even if the innovation process is ongoing, the other competing banks are quickly duplicating everything.

Chapter: 5

Findings, Recommendations & Conclusion

5.1 Findings

A thorough analysis of the full work produced a number of important conclusions. In order to get pertinent conclusions, the data analysis was carried out honestly and thoroughly. These conclusions were also greatly influenced by conversations with BRAC Bank Plc executives.

- Compared to 2023, BRAC BANK PLC's total operational revenue and total operating expenses were much higher.
- Furthermore, in 2023, BRAC BANK PLC's paid-up capital and interest expenses were roughly double what they were in 2019.
- The earnings per share of BRAC BANK PLC decreased by 0.04% in 2023 as compared to 2019.
- The Return on Assets (ROA) varied from 1.13% to 1.64% during the five-year period.
- The ROE ratio shows that BRAC BANK PLC's equity capital is growing quickly in relation to net income after taxes.
- BRAC BANK PLC's net operating income has grown in comparison to the prior year, according to the Net Operating Margin ratio.

Strong indicators including ROA, ROE, NIM, and other important ratios demonstrate BRAC Bank's sound financial standing in Bangladesh's commercial sector, according to the bank's stated results. Furthermore, BRAC Bank has a great deal of potential to improve its financial status through strategic management initiatives because of its outstanding client lending practices, competent asset management, and efficient operational efficiency.

5.2 Recommendations

To improve their ability to compete with other banks and fortify their financial position, top management should concentrate on altering the following practices.

- A crucial suggestion is to carry out a comprehensive examination of the elements influencing the erratic and eventually falling Return on Assets (ROA), paying special attention to the notable decline in 2023. To improve the bank's profitability and maximize asset utilization, specific plans should be created and put into action based on the analysis's findings.

- To sum up, the main suggestions are to carry out a comprehensive examination of the fundamental reasons for the low profitability in 2020 and 2022, take advantage of the advantageous circumstances seen in 2021 and 2023, and put specific plans into action based on these discoveries in order to guarantee a more steady and long-lasting ROE going forward.

- The goal of the bank should be to maximize interest income while minimizing interest expenses. Finding extremely lucrative investment alternatives for its deposits and locating affordable funding sources are crucial.

- By providing customers with a wide range of cutting-edge and value-added services, the bank should increase its non-interest revenue.

- The bank should concentrate on raising operating income while cutting administrative costs.

- By providing attractive interest rates that can be used to finance profitable initiatives through lending, the bank should increase its efforts to acquire client deposits.

- The analysis of the financial statements' ownership, profitability, and liquidity ratios should be the focus of a distinct section.

5.3 Conclusion

In today's contemporary society, banks are essential to economic growth. The banking business is now much more competitive than it was a few years ago due to the rise of many new commercial banks. Banks need to effectively manage their assets and liabilities in order to thrive in this fiercely competitive market. In this sense, BRAC Bank Plc is unique since it has a solid financial base and significant assets, making it a solvent and sound organization. BRAC Bank Plc is still a major contributor to the socioeconomic development of independent Bangladesh, having been a reliable partner in its advancement. In addition to its traditional role as an agent of Bangladesh Bank, which involves mobilizing deposits, facilitating the flow of funds in trade, commerce, industry, agriculture, import and export, and processing inward and outbound remittances, BRAC Bank Plc has emerged as a leader in the country.. (brac, brac bank , 2023)

BRAC Bank Plc performed well in the most recent year. Despite some declines in net income after taxes, expense management, and the quantity of nonperforming loans, the bank is well-positioned for future success because of its solid asset base and efficient administration, particularly in its credit control department. (bank, 2019)

To secure survival and expansion in the quickly changing financial landscape of today, every financial institution needs to create a customized plan. Building a strong information technology infrastructure, gaining extensive knowledge, and encouraging an adaptable management style that welcomes innovation are some of the main goals. By continuously providing excellent services and gaining the trust of its clients, BRAC BANK PLC has effectively established itself as a successful and respectable bank in Bangladesh. The bank's success has been largely fueled by its dynamic leadership, constant devotion, and dedication. BRAC BANK PLC has rapidly become one of the most forward-thinking and vibrant financial organizations in the nation.

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