



Internship Report

on

Financial Performance Analysis of Sonali Bank PLC.





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Acknowledgment

Above all, I would like to sincerely thank Allah for bringing me back to life and enabling me to finish the report on schedule. As this essay has developed, several people have offered me assistance. I am really lucky to have those seasoned individuals provide me with honest direction and oversight. Then, I want to express my sincere gratitude to my mentor Dr. Sayedul Anam, an Associate Professor in the department of business administration at Daffodil International University, who provided me with the fundamental guideline for structuring the report. It would be impossible for me to complete the report on time without his help. His dedication went much beyond what he was required to do as a teacher. I also like to thank Sonali Bank PLC.'s branch manager Sir. Paritosh Chandra basak who supported me throughout my internship period. I also want to express my gratitude to Sonali Bank PLC entire staff for their comments and support on my internship report. Finally, I want to express my gratitude to all of the faculty members, administrators, senior brothers and sisters, and classmates who have consistently shown their support for me.



Letter of Transmittal

January 11, 2025

Dr. Sayedul Anam

Associate Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Submission of Internship Report on “**Financial Performance Analysis of Sonali Bank PLC**”

Respected Sir,

It gives me great pleasure to present my internship report on “Financial Performance Analysis of Sonali Bank PLC”. This employment is allotted to me to fulfill the incomplete prerequisite of the BBA program. For the successful completion of the report, I have committed to genuine effort. I sincerely appreciate your advice and assistance, without which it would be impossible for me to complete this report. If you have any additional explanation, I'd be delighted to hear from you.

I therefore hope you will approve my internship report.

Yours Sincerely,

Haider Shahid Mahmud

ID: 192-11-6288

Major in Finance

Department of Business Administration

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Letter of Acceptance

This is to certify that Haider Shahid Mahmud, bearing the ID No: 192-11-6288, Student of BBA Program, Daffodil International University, has completed the internship under my guidance supervision. He has worked with Sonali Bank PLC as an intern and completed the report entitled “Financial Performance Analysis of Sonali Bank PLC” as a partial requirement of getting an BBA Degree. He has finished the report without anyone else. He has allowed to submit the report.

Haider Shahid Mahmud is a highly satisfying and responsible individual with significant strength. Working with him has undoubtedly been a wonderful experience. I wish him all the best in his daily life.

A handwritten signature in black ink that reads "S. Anam".

Dr. Sayedul Anam

Associate Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University



Declaration of the Student

I certify that I wrote the internship report titled “Financial Performance Analysis of Sonali Bank PLC” and it has not previously submitted for a certificate or degree to any other university/College/Organization. In good faith, I declared that this report fulfils a portion of the requirements for Daffodil International University’s Bachelor of Business Administration BBA degree.

After completing my internship at Sonali Bank PLC, Mohadevpur Branch, Naogaon, I prepared this report under the increased supervision and direction of Md. Paritosh Chandra Basak, General Manager, Sonali Bank PLC, and Dr. Sayedul Anam Associate Professor, Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University.

The work I have presented does not violet and already-existing copyright, and no part of this report is based on anything I’ve done before, whether for a degree or not.

I further promise to compensate for any harm caused by a breach of the aforementioned responsibilities.

A handwritten signature in black ink, appearing to read "Haider", written over a horizontal line.

Haider Shahid Mahmud

ID: 192-11-6288

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Executive Summary

This internship report is intended to satisfy a BBA program requirement. My course requires me to communicate with an organization in order to obtain significant and hypothetical data. Giving the reader a comprehensive grasp of Sonali Bank PLC.'s whole financial operations is the aim of this study. This study aims to give some information about Sonali Bank PLC.

In the introduction, I explained the study's background and the structure of the report. It also covers the goals, parameters, limitations, and techniques, including the sources of the data. I collected data using both essential and supplementary information. After that, I discussed the organizational portion, which includes thorough information about the company, such as its mission, vision, resources, products and services, branch locations, and other Sonali Bank PLC. facilities. Terms are defined, different bank ratio types are examined, Sonali Bank PLC's financial ratio findings are explained, and graphic representations are included in the third section, Financial Ratio Analysis. Since the financial analysis provides a logical and quantitative means of demonstrating the bank's overall financial performance over these years, this section also incorporates vertical and even analysis to show Sonali Bank PLC.'s financial performance over the last five years, from 2019 to 2023. Last but not least, a few concerns that were discovered when assessing the financial performance are discussed. Following that, a few recommendations are made for the bank's improvement, and if those suggestions are accepted, the manager of Sonali Bank PLC can take appropriate action.



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Chapter

1

Introduction



1.1 Background of the Study:

The internship program is a requirement for students seeking a BBA at the business and entrepreneurship faculty of Daffodil International University. An internship report must be created to assist a corporation in drawing conclusions about both hypothetical and real-world data. I was thus able to attempt my topic, Financial Performance Analysis of Sonali Bank PLC, because of my understanding and continued involvement in the selected association.

1.2 Scope of the Study:

This internship report's main focus is Sonali Bank PLC's financial performance. The overall presentation of Sonali Bank PLC throughout the preceding five years is included in this report. I looked at Sonali T Bank Limited's annual report, which included financial accounts and general activities, to see how they engage with their customers. My internship observations and conversations with association board members, employees, and clients were used to create this report. I was fortunate enough to properly understand each job when I was writing my report.

1.3 Objectives of the Study:

1. to evaluate Sonali Bank PLC's operations.
2. to assess Sonali Bank PLC's 2019–2023 financial performance.
3. to determine the many financial performance issues Sonali Bank PLC is facing and to offer suggestions on the company's financial performance.

1.4 Methodology of the Study:

This study was constructed using both primary and secondary data. I have been able to gather main facts thanks to my perspective and a private conversation with the administration. They provided me with information, and I used the Sonali Bank PLC annual report that I could find on their website to generate this report.



1.4.1 Data collection:

Gathering Secondary Data:

- A report from Sonali Bank PLC every year.
- Sonali Bank PLC's official website.
- Publication, Newspaper, Journal, and Article
- Sonali Bank PLC product brochure.

Data Analysis:

- Microsoft Excel has been used to evaluate the data.

1.5 Limitations of the Study:

My opportunity to work with Sonali Bank PLC was excellent. The academic and practical information I've gained over the first quarter of the internship program has helped me adjust to a professional work environment. But I also had to overcome certain challenges in order to structure my internship report. These problems and limitations consist of:

- Three months is not enough time to comprehend all of a branch's operations.
- One workstation cannot use the technologies of the Study Company.
- Because the branch is extremely busy, staff members don't have as much time to teach trainees how to write reports or access up-to-date information that is pertinent to the inquiry.



Chapter

2

Organization Overview



2.1 Historical Background:

Sonali Bank PLC is a second-generation bank that was founded in 1972 with the goal of providing the business community and people of Bangladesh with expert and effective financial services. It seeks to have a major impact on the expansion of the national economy.

2.2 Sonali Bank PLC's Mission, Vision, and Goals:

2.2.1 Mission of Sonali Bank PLC:

- Excellent financial services with state-of-the-art technology.
- Both promptness and excellence in client service.
- The strategy of sustainable growth
- High Standards for Workplace Ethics
- A dedication to the concept of corporate social responsibility.
- Competitive pricing for innovative banking

2.2.2 Vision:

Being Bangladesh's leading banking institution and significantly boosting the country's economy.

2.2.3 Objective:

Sonali Bank aims to serve the country with its motto, "Your Trusted Partner in Innovating Banking." The following list includes some of the main goals:



- Maintaining an excellent resource portfolio can help you generate steady, fair returns and continuously inflate investors' value.
- hiring professionals with a strong background and expertise
- Encouraging innovations that enhance the company's use of best practices and lower operational risks.
- The development of novel goods and services that focus on consumers and market niches.
- Employing expert risk management guidelines while adhering to the six-primary environmental, green banking, and financial sector concerns.
- Upholding the Bank's standing as a customer-friendly bank by offering prompt, effective customer service and product enhancement with the ultimate objective of creating enduring, profitable relationships with our customers
- Maintaining adequate capital in accordance with the Bank's risk appetite.
- As part of our Corporate Social Responsibility (CSR), we assist underprivileged students, provide warm clothing to those impacted by the cold, assist those who are unable to pay their bills, and make contributions to various relief programs. By advancing the public exchequer goal, we also help the broader public.
- To meet their financial needs, financial services are being extended to non-banked individuals in return for cash.



2.3 Corporate Information:

2.4 Products and Services The biggest commercial bank in Bangladesh, Sonali Bank PLC, provides a wide range of goods and services to meet the needs of many financial needs. These include:

Qualities	Values
Company Name	Sonali Bank PLC
Chairman	Mohammad Muslim Chowdhury
Managing Director	Md. Shawkat Ali Khan
Legal Affairs	Public Limited Company
Registered Office	35-42, 44 Motijheel Commercial Area, Dhaka, Bangladesh
Authorized Capital	Taka 6000.00 Crore
Paid Up Capital	Taka 4530.00 Crore
Shareholding Pattern	100% Share Owned by Government of Bangladesh
Phone	0257161080-88
Website	info@sonalibank.com.bd

Deposit Products:

- Savings Accounts: Various options with competitive interest rates and flexible features.
- Current Accounts: Designed for businesses with high transaction volumes and flexible operating options.
- Fixed Deposits: Attractive interest rates for fixed periods, ideal for long-term savings.
- Recurring Deposits: Systematic savings plans with regular contributions and compound interest benefits.

Loan and Advance Products:

- Consumer Loans: Personal loans for various purposes like education, travel, or home improvement.
- Housing Loans: Financing for home purchases and construction.
- SME Loans: Credit facilities for small and medium-sized enterprises to support business growth.



- Agricultural Loans: Financial support for farmers and agricultural activities.
- Trade Finance: Services like Letter of Credit (LC) and export/import financing to facilitate international trade.

Remittance Services:

- Inward and outward remittance services, enabling customers to send and receive money from abroad.

Trade Finance Services:

- Letter of Credit (LC) issuance and negotiation.
- Export and import financing.
- Foreign exchange transactions.

Treasury Operations:

- Foreign exchange trading and dealing.
- Money market operations.
- Treasury bill and bond trading.

Digital Banking Services:

- Internet banking: Online access to accounts and banking services.
- Mobile banking: Convenient banking on the go through mobile apps.
- ATM and Debit Card services: Easy access to cash and convenient transactions.

Additional Services:

- Locker facilities for secure storage of valuables.
- Safe deposit boxes for businesses.
- Collection and payment services for utility bills and other payments.
- Insurance services through partnerships with insurance companies.
- Investment banking services for corporate clients.



2.5 Branch Information





2.6 Organization Structure of Sonali Bank PLC





Chapter

3

Activities of IFIC Bank PLC



3.1 Activities of Sonali Bank PLC

3.1.1 Overview of Activities

Sonali Bank Plc engages in a wide range of activities as a commercial bank. These activities can be broadly categorized into:

Certainly, let's delve deeper into the activities of Sonali Bank PLC:

3.1.2 Deposit Mobilization:

- **Savings Accounts:** Cater to individuals and businesses with diverse needs, offering various features like interest-earning options, flexible withdrawals, and online banking access.
- **Current Accounts:** Tailored for businesses with high transaction volumes, providing features like cheque books, online fund transfers, and overdraft facilities.
- **Fixed Deposits:** Offer attractive interest rates for fixed periods, enabling customers to earn higher returns on their savings.
- **Recurring Deposits:** Encourage systematic savings with regular deposits and compound interest benefits, making it suitable for long-term financial goals.
- **Short-Term Deposits:** Cater to businesses and individuals seeking short-term investment options with competitive returns.

3.1.3 Lending and Credit Operations:

- **Consumer Loans:** Personal loans for various purposes such as education, travel, home improvement, and medical expenses.
- **Housing Loans:** Financing options for home purchases and construction, including mortgages and home improvement loans.
- **SME Loans:** Credit facilities for small and medium-sized enterprises to support business growth and expansion.
- **Agricultural Loans:** Financing for farmers and agricultural activities, including crop loans, livestock loans, and agricultural equipment loans.
- **Industrial Loans:** Credit facilities for industrial units, including working capital loans, term loans, and project finance.



- **Overdraft Facilities:** Short-term credit lines for businesses to manage cash flow fluctuations.

3.1.4 Trade Finance:

- **Letter of Credit (LC) Issuance and Negotiation:** Facilitating international trade by issuing LCs to importers and negotiating LCs on behalf of exporters.
- **Export Financing:** Providing loans and advances to exporters to finance production, purchase of raw materials, and shipment of goods.
- **Import Financing:** Offering credit facilities to importers for the purchase of goods from overseas suppliers.
- **Foreign Exchange Transactions:** Handling foreign exchange transactions for customers, including buying and selling foreign currencies.

3.1.5 Remittance Services:

- **Inward Remittances:** Facilitating the receipt of funds from overseas through various channels like bank transfers, money orders, and mobile wallets.
- **Outward Remittances:** Enabling customers to send money abroad to family, friends, or businesses through secure and efficient channels.

3.1.6 Treasury Operations:

- **Foreign Exchange Trading:** Dealing in foreign currencies and managing the bank's exposure to exchange rate fluctuations.
- **Money Market Operations:** Engaging in short-term borrowing and lending in the money market to manage liquidity and optimize returns.
- **Treasury Bill and Bond Trading:** Investing in government securities and other financial instruments.
- **Interest Rate Risk Management:** utilizing a variety of hedging strategies to control the bank's exposure to interest rate swings.



3.1.7 Digital Banking:

- **Internet Banking:** granting clients access to their accounts online so they can carry out a range of financial operations, including bill payment, fund transfers, and account inquiries.
- **Mobile Banking:** giving consumers easy access to banking services via mobile apps so they can use their smartphones to access accounts, make payments, and carry out other tasks. **ATM and Debit Card Services:** Providing access to cash and enabling convenient transactions through a wide network of ATMs and debit cards.

3.1.8 Other Services:

- **Locker Facilities:** Providing secure storage space for valuables like jewelry, documents, and other important items.
- **Safe Deposit Boxes:** Offering secure storage for businesses to store valuable assets like important documents, legal papers, and other valuables.
- **Collection and Payment Services:** Facilitating the collection and payment of bills, taxes, and other dues on behalf of customers.
- **Insurance Services:** Offering insurance products through partnerships with insurance companies, such as life insurance, health insurance, and property insurance.
- **Investment Banking Services:** Providing advisory services to corporate clients on mergers and acquisitions, capital raising, and other corporate finance matters.

3.1.9 Branch and ATM Network Management:

- Building and maintaining a vast nationwide network of branches and automated teller machines to give clients in various places easy access to banking services.

3.1.10 Compliance and Risk Management:

- Ensuring adherence to all applicable rules and regulations, such as those pertaining to data protection, know-your-customer (KYC) policies, and anti-money laundering.
- Controlling a range of risks, including market, credit, operational, liquidity, and reputational risks.



Sonali Bank PLC contributes significantly to Bangladesh's economic development and offers a broad range of financial services to its clients by taking part in these varied operations.



Chapter 4

Financial Performance Analysis
of
SONALI BANK PLC (2019-
2023)



4.1 Analysis of Ratios: By comparing the data and results from the prior year, ratio analysis is a numerical tool used to assess an organization's presentation in relation to its rivals and determine its liquidity, operational effectiveness, risk, and productivity. A company can have a better understanding of its operations and financial situation by examining and translating various accounting proportions.

Types of Ratios are:

1. Liquidity Ratio
2. Profitability Ratio
3. Efficiency Ratio
4. Ratios of Financial Risk to Leverage

4.1.1 Liquidity Ratio:

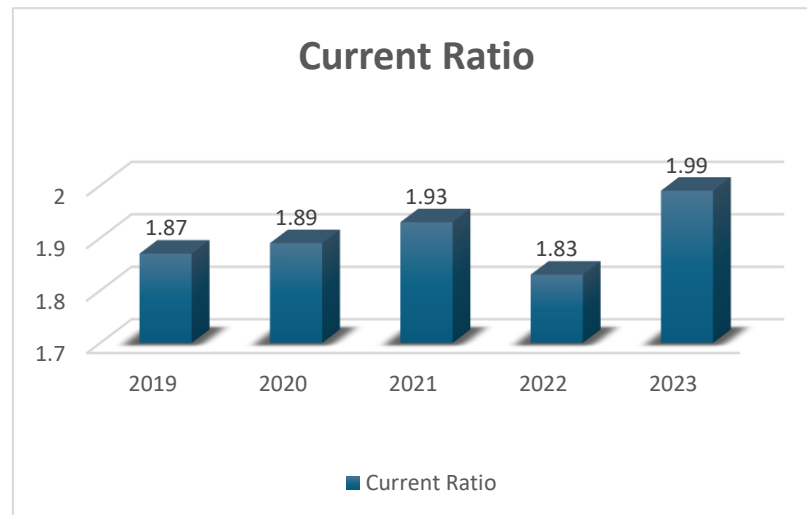
The capacity of a corporation to pay its short-term debts is known as liquidity. Crucial elements include the timing of capital inflows and withdrawals as well as expectations for future performance. A liquidity analysis's objective is to ascertain a company's financial requirements.

If a business is unable to fulfill its present obligations, it is unlikely to survive for very long. None of the other analytical metrics make sense from this perspective. Liquidity indicators must be used in our research to regularly assess if the assumption made by accounting measurements that the business will continue to operate is accurate.

- The main ratios that are pertinent to evaluating the liquidity ratio are described in this section:
- Current Ratio Analysis
- Cash Ratio Analysis



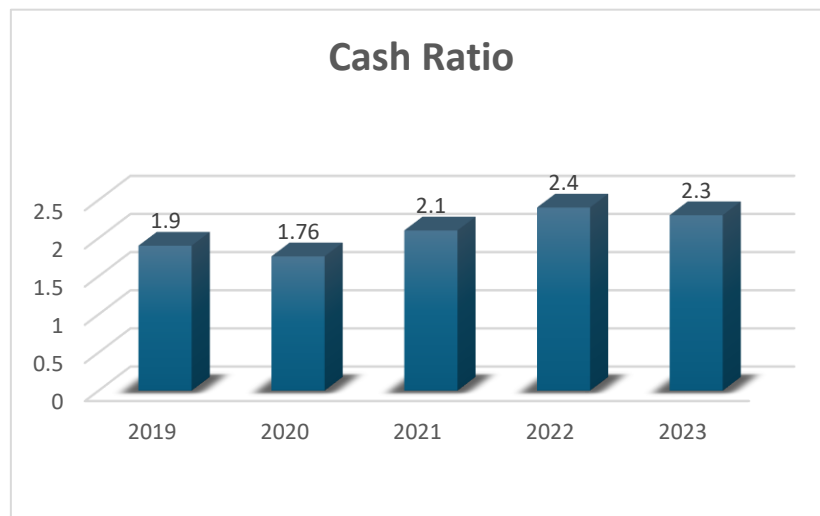
✚ **Current Ratio:** The current ratio, a liquidity metric, evaluates a company's ability to pay off short-term debt or bills that are due within a year. It demonstrates to analysts and investors how a company might maximize the assets now displayed on its balance sheet in order to pay down its current debt and other payables.



Interpretation: Here the upper mentioned chart is the graphical representation of current ratio of Sonali Bank PLC from 2019 to 2023. As we know that the standard value for current ratio is 1 or greater than 1 is good for the business organization. Here we can see that from the year 2019 the ratio is greater than 1 in all over the five years which indicates a good financial health of the company. In year 2023 the ratio was the highest which was 1.99 times which is way greater than the year 2022. At a glance by the graphical chart it indicates a good financial position which indicates that the Sonali bank plc is capable to pay off their short-term obligations with the current asset.



Cash Ratio: The cash ratio is one indicator of a company's liquidity. It determines how much cash and cash equivalents a business has compared to its current liabilities.



Interpretation: Here the upper mentioned graph shows the cash ratio of sonali bank plc over last five years. The standard for cash ratio is over 1 is considered good for all types of financial institutions as well as banks. Here the graph shows that the cash ratio of sonali bank plc is greater than 1 in all over the five years which indicates that the bank is maintaining a good cash ratio against their current liabilities. The graph also indicates that the cash ratio was getting greater day by day which is also a strong position in financial health. At last we cans ay that sonali bank plc is in a good position as per the cash ratio chart.



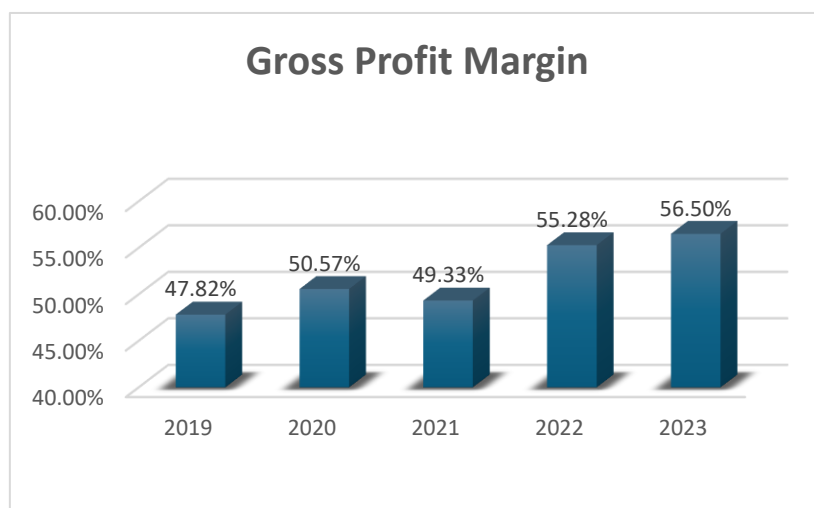
4.1.2 Profitability Ratios:

According to income, balance sheet assets, operational costs, and investor value, the productivity ratio assesses a company's capacity to produce revenue over a certain time period. It evaluates a company's ability to employ its resources to provide investors with profits and advantages.

Profitability ratio types include:

- Gross Profit Margin Ratio
- Operating Profit Margin Ratio
- Net Profit Margin Ratio
- Return on Assets Ratio
- Return on Equity Ratio
- Return on Investment Ratio
- Return on loan and advances Ratio

✚ **Gross Profit Margin:** The cost of goods sold (COGS) or direct expenses are deducted from net sales, which are determined by deducting gross revenues from returns, allowances, and discounts. This yields the gross profit margin.

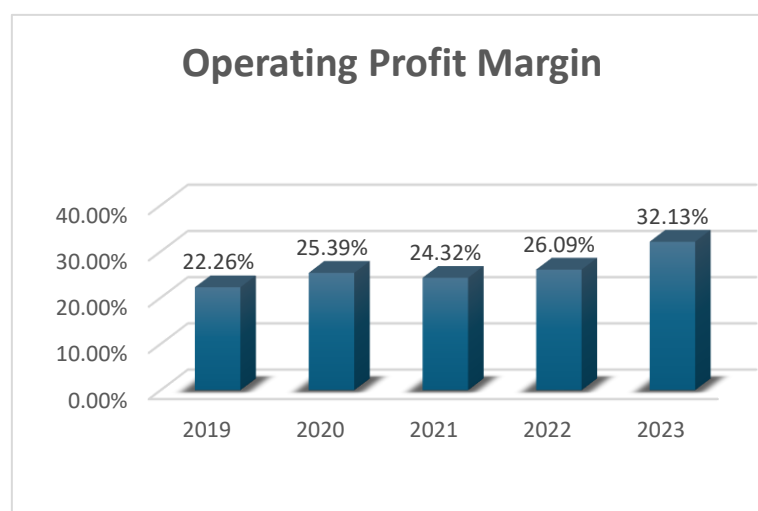


Interpretation: The upper given graph is showing the gross profit margin of sonali bank plc over last five years. From the graph the data is showing that the sonali bank plc is now generating a higher amount of gross profit in compared with last five years where the gross



profit was 47% approx. in year 2029 and if we look at the current scenario which is near 56% in 2023 which indicates that sonali bank plc earned a greater growth in recent years. In the other hand the standard for the gross profit margin for bank is above 40% is considered as good and the data showing that the ratio of sonali bank plc is strong in the financial position.

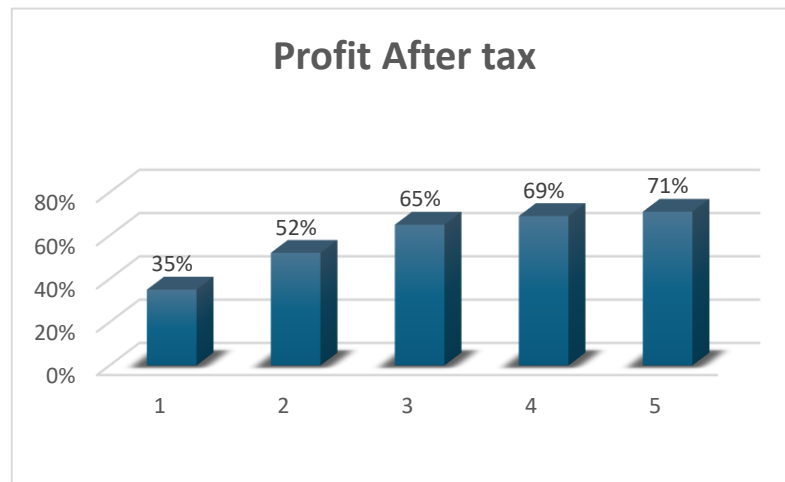
✚ **Operating Profit Margin:** A financial indicator that gauges how much money a business produces from its main activities is the operational profit margin ratio, sometimes referred to as the operating margin.



Interpretation: Here the upper mentioned graph is all about the operating profit margin of sonali bank plc. The standard for the operating profit is about 20% is considered as good for the financial institutions as a result we can see that the operating profit margin of sonali bank plc is way more in a great position in terms of generating operating profit over the last five years and the margin was getting greater year to year. The highest amount of operating profit is earned by the sonali bank plc was in year 2023 which is 32.13% and the lowest was in year 2019 here we can see the progress. Finally, we can state that Sonali Bank Plc is producing a respectable operating profit margin, indicating a solid financial situation.



✚ **Net Profit Margin:** Net profit is calculated by deducting all business expenses from total sales. Now, let's examine Sonali Bank Plc's net profit margin.



Interpretation: Here the upper given graph is all about the net profit margin of sonali bank plc. Here the standard for net profit margin ratio is at least 40% for the bank industry and here we can see that the sonali bank plc is generating enough profit except year 2019 rest this in every year the bank was generated a good amount of net profit which indicates a good position in financial position. The bank recently generated 71% net profit in year 2023 which is great. At last we can say that after viewing sonali bank is in a good position in terms of generating net profit margin.



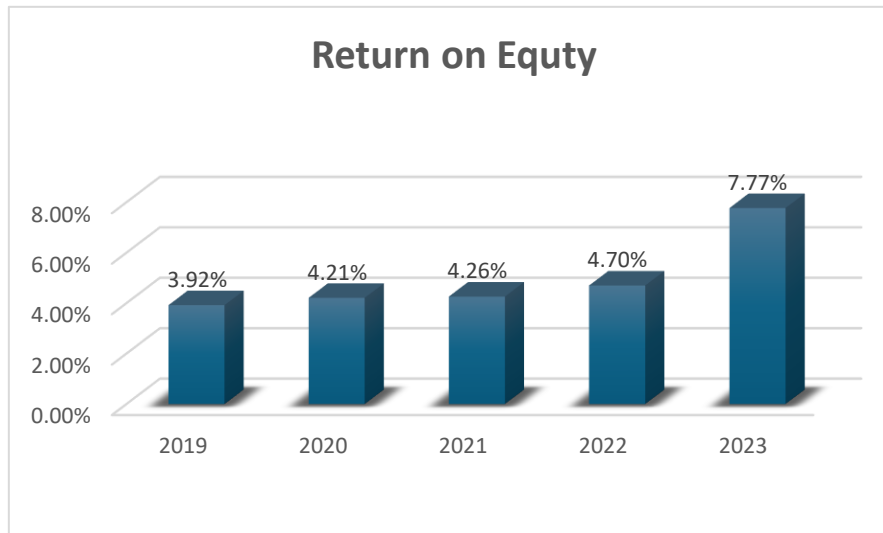
✚ **Return on Asset:** Return on assets (ROA) is a financial measure that illustrates a company's profitability in relation to its total assets.



Interpretation: Here the upper given graph is all about the return that earned by sonali bank plc in recent last five years. The standard for the return of asset is 20% is considered as low and above that is considered as good here the graph showing that the return from asset is moderate almost every year except 2023. We can see that the return is almost same and near to 22% which indicates that sonali bank plc was not generating enough profit in last five years but in year 2023 the return suddenly boosts up to 32% which indicates a good position in financial health. For a commercial bank a bank needs to earn at least 30% from their asset to maintain healthy position but sonali bank plc was not able to do that in recent year but in last year the ratio was 32% which is a good thing.



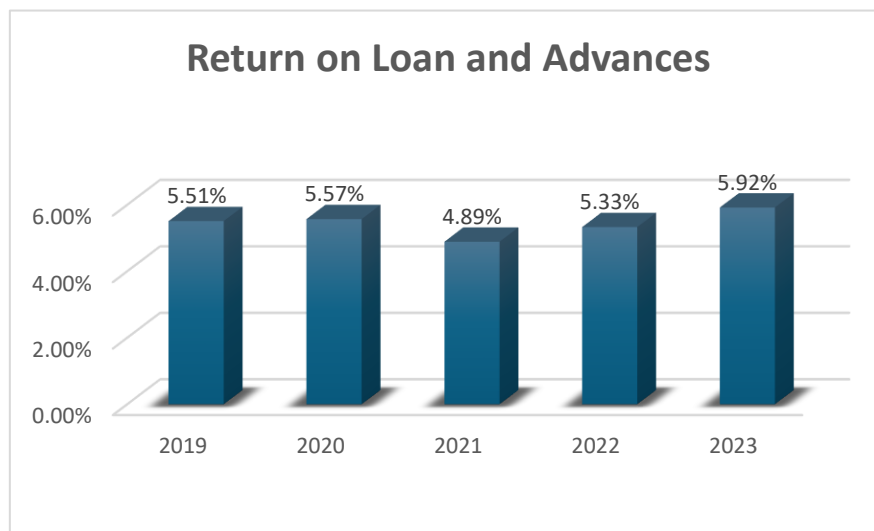
Return on Equity: Return on equity, or ROE, is a statistic used to evaluate the financial performance of a business. This number is calculated by dividing net income by shareholders' equity.



Interpretation: Here the upper given graph is all about the income generated by sonali bank plc from their equity is described. The standard ratio for return on equity is about 15% or above is considered as good as well as it differs from industry to industry. Here the graph showing that the return on equity for sonali bank plc in recent five years was not enough to maintain a good financial health because the ratio is below 15% in last five years which indicates that the sonali bank plc is not earning much from their equity in the market. We can see that from the year 2019 to 2022 the ratio is fluctuating in between 3 to 5% which is not that much good for the organization but in year 2023 the bank earned a much better from the other past years which was 7.77% but it still under the standard value as a result the ratio is not that much good for the business organization.



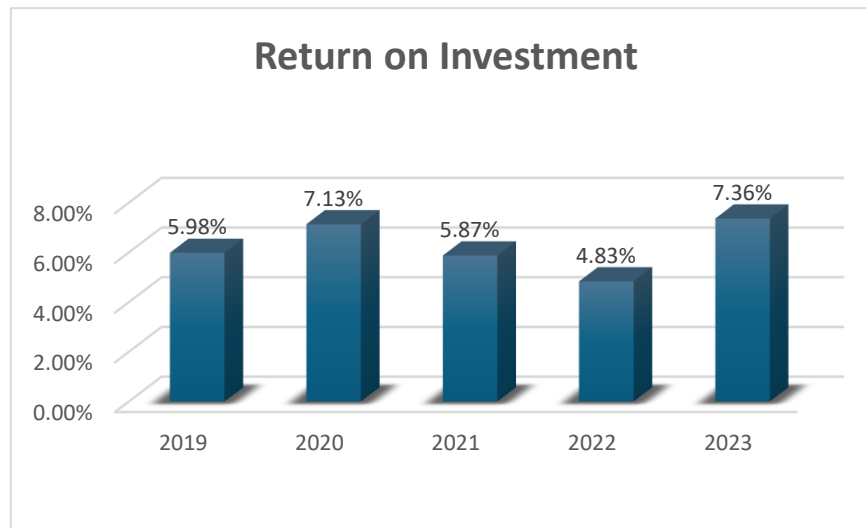
✚ **Return on Loan and Advances:** Return on loans and advances represent the amount of income that a business organization had earned from their given loan and advances to other business or individual group.



Interpretation: Here the upper mentioned graph is showing the return that made by sonali bank plc from the last respective years. The standard for the ratio is like 5% is considered as good above that represent very good. Here the graph is showing that the return that made by sonali bank plc is near and a little bit more that in all over the five years which indicates a great position in the financial health which means that sonali bank plc is generating a good amount of income from the given loan and advances that they had made. It is curtail type of income that hard to earn effectively because there is a lot of chances of loan defaults and other factors as well but it was a great achievement that sonali bank was efficient enough to manage all their loan advances and monitoring this loan and advances in a way that the bank generate a good amount of income which was respectively in year 2019 5.51% in 2020 it was 5.57% and I last year 5.95 the highest amount of income.



✚ **Return on Investment:** A financial metric called return on investment (ROI) compares the monetary worth of an investment to its cost in order to determine how profitable it is.

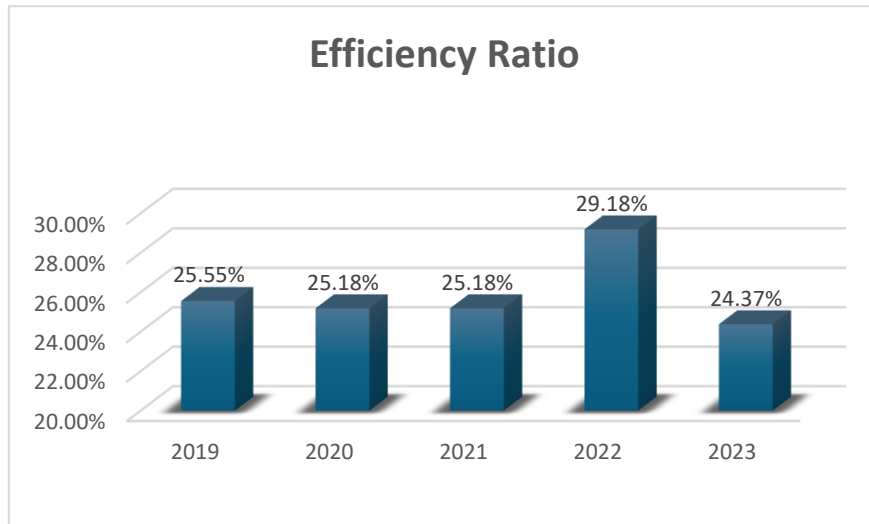


Interpretation: Here the upper mentioned graph is showing the return on investment of sonali bank plc of last five years from which a short financial analysis could be done on sonali bank plc. The standard of return on investment for bank industry is about 7% is considered as good and from above even good. Here we can see that the ROI of sonali bank plc is fluctuating between 5 to 7 all over the five years. The ratio was below 7% in 2019, which was not good, but it rose to 7.13% the following year, which was a good ratio for Sonali Bank Plc in that year. However, the ratio fell below 7 in the following two years, to 5.87% and 4.83%, before rising to 7.36%, which was again a favorable position. As a result of the ratio's excessive volatility, we can conclude that Sonali Bank Plc's ROI ratio is mediocre throughout the year.



4.1.3 Efficiency Ratio:

A financial indicator called an efficiency ratio assesses how well a business uses its resources to produce revenue. It is computed by contrasting the revenue and expenses of a business. A business is more efficient if its efficiency ratio is lower.

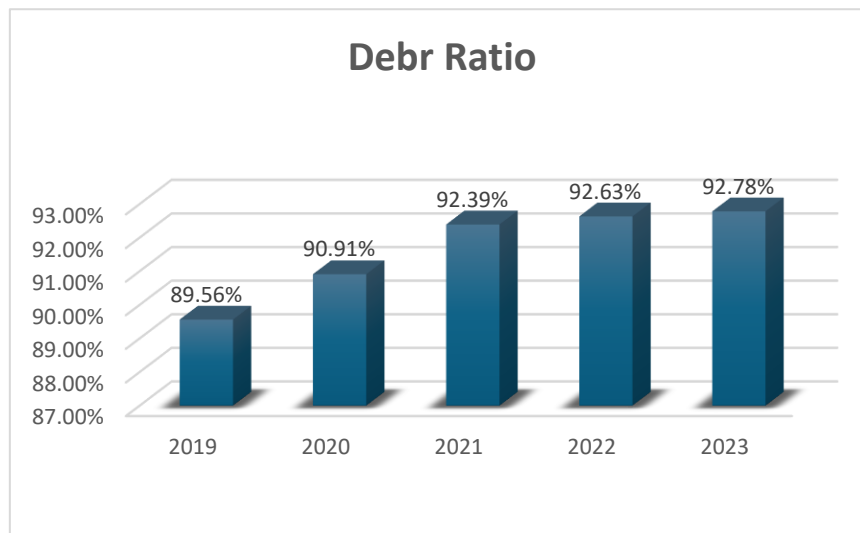


Interpretation: The efficiency ratio of Sonali Bank Plc is the main topic of the graph above. For financial firms, an efficiency ratio exceeding 20% is seen favorable. Here, we can observe that Sonali Bank Plc's efficiency ratio consistently above 20%, indicating a strong financial situation. The efficiency ratio reached its maximum in 2022, at 29.18%. Upon examining Sonali Bank Plc's efficiency ratio, it is finally possible to conclude that the bank is effectively utilizing its resources to turn a profit.



4.1.4 Leverage Ratio:

- ✚ **Debt Ratio:** The debt ratio, sometimes referred to as total debt-to-total assets, is calculated by dividing the total amount of debt owed by the business by its total assets.



Interpretation: Over the previous few years, Sonali Bank PLC's debt ratio has been gradually rising, reaching 92.78% in 2023. This indicates that the bank's operations are largely financed by borrowing, which raises the possibility of financial risk. The bank may find it more difficult to withstand interest rate increases or economic downturns if its debt ratio is large. For instance, the bank's profits might be squeezed if interest rates increased since it would have to pay more to service its loan. Furthermore, a bank may find it challenging to borrow more capital if necessary if its debt ratio is high. It is crucial to remember that having a high debt ratio is not always a bad thing. A high debt ratio may indicate a bank's sound financial standing if it is effectively using its debt to fund lucrative ventures. To better understand Sonali Bank PLC's relative position, it is also critical to compare its debt ratio to industry averages and that of its rivals.

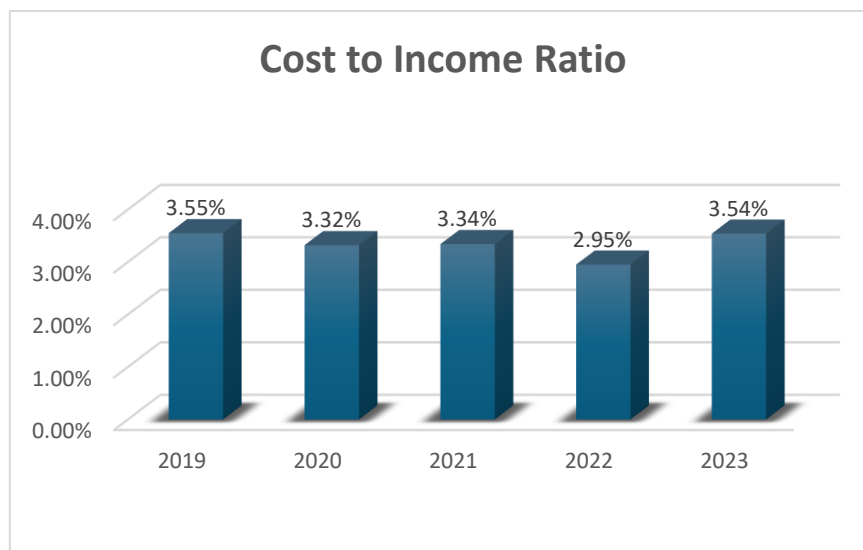


4.1.5 Other Financial Ratios of Sonali Bank Plc:

There are other types of financial ratios that are playing a vital role in financial performance analysis of in any business organization. These are as follows:

- Cost to deposit ratio
- Cost to income ratio
- Capital Adequacy ratio
- EPS Ratio

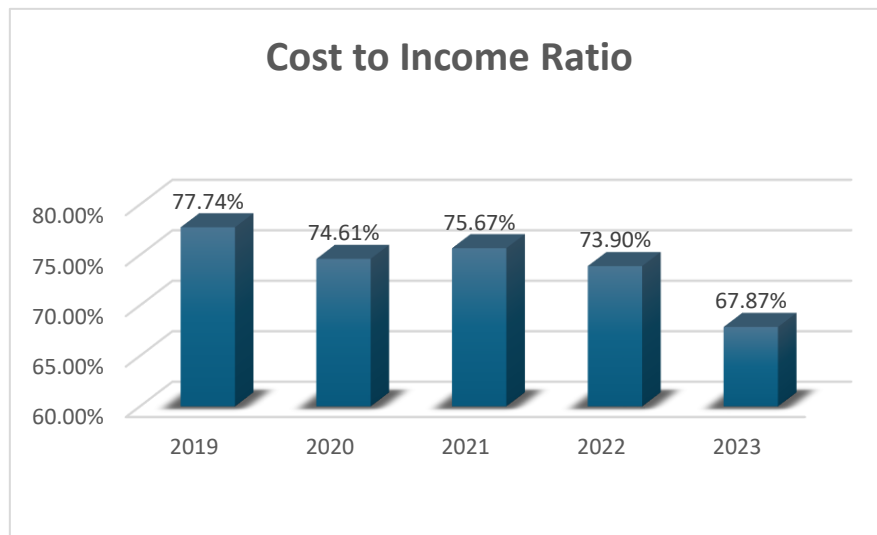
✚ **Cost to Deposit Ratio:** A financial indicator known as the Cost of Deposit Ratio (or CD Ratio) calculates the cost a bank incurs in order to obtain money from depositors. In essence, it determines the portion of interest revenue allocated to deposit attraction.



Interpretation: The Cost to Deposit Ratio (CD Ratio) of Sonali Bank PLC increased from 3.32% in 2020 to 3.54% in 2023, with a minor decline in 2022, according to the graph. This indicates that the bank is investing more in order to draw in deposits, for example, by raising the interest rates on savings accounts. Because the bank may have to raise lending interest rates to offset the increased cost of capital, a rising CD Ratio can reduce profitability.



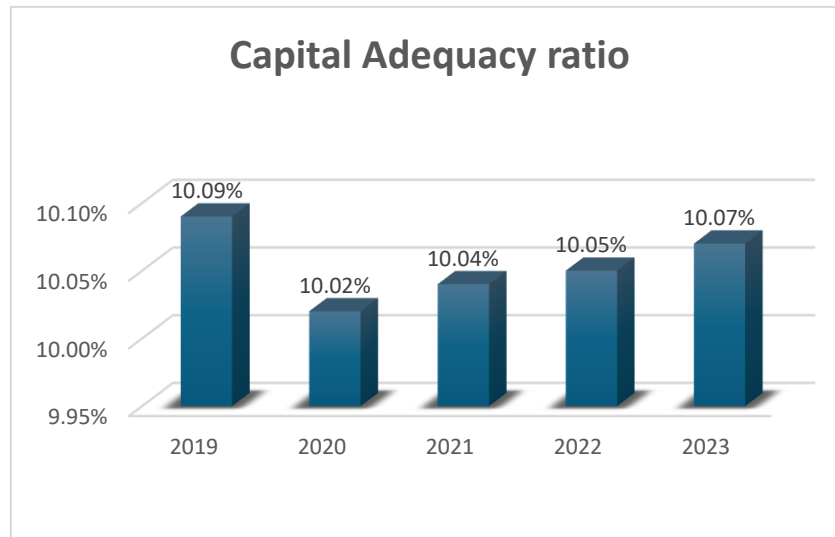
✚ **Cost to Income Ratio:** One important financial indicator of banks' operational effectiveness is the Cost of Income Ratio (CIR). It basically determines the percentage of a bank's operational income that goes toward operating costs.



Interpretation: Sonali Bank PLC's Cost to Income Ratio (CIR) dropped from 77.74% in 2019 to 67.87% in 2023, according to the graph. This suggests that the bank has improved its operational efficiency over time. Generally speaking, a lower CIR indicates that the bank is paying less on operating costs in comparison to its revenue, which might increase profitability.



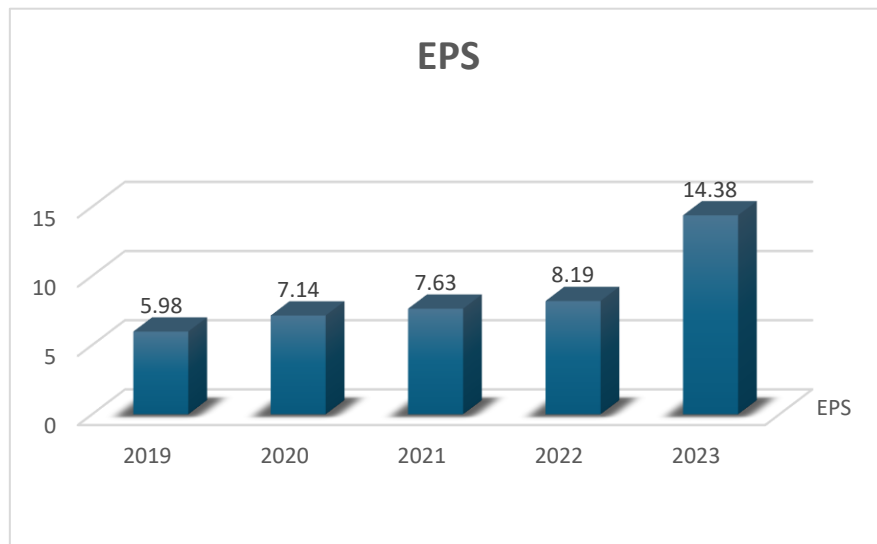
Capital Adequacy ratio: The Capital Adequacy Ratio (CAR) is a crucial metric for assessing a bank's financial soundness. It demonstrates a bank's ability to sustain potential losses and maintain its solvency.



Interpretation: The Capital Adequacy Ratio (CAR) of Sonali Bank PLC has been comparatively steady over the time depicted in the graph, varying only little between 10.02% and 10.09%. This suggests that the bank has kept up a healthy capital position, which is essential for protecting against future losses and guaranteeing stability in the financial system.



✚ **EPS Ratio:** This important financial indicator displays the amount of profit a business makes for each outstanding share of its common stock.



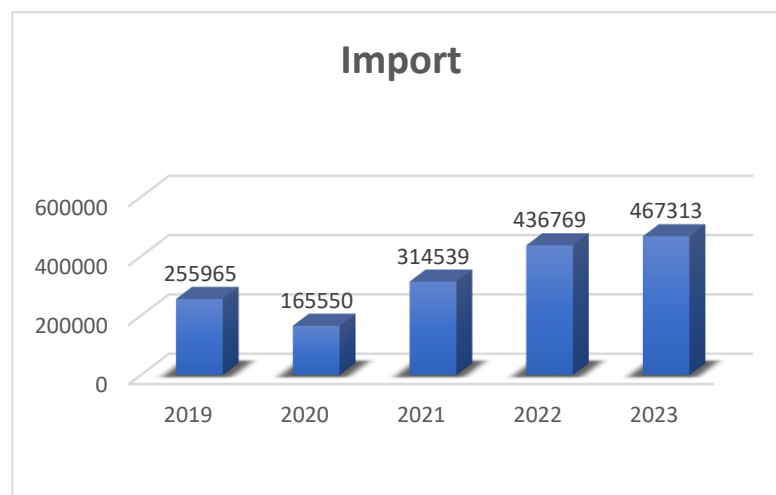
Interpretation: The graph indicates a notable growth in Sonali Bank PLC's profits per share (EPS) between 2019 and 2023. This positive trend suggests that the bank has been increasing its earnings per outstanding share, an indication of improved profitability and financial success. It is crucial to remember, nonetheless, that a number of variables, such as market dynamics, competition, and legislative modifications, can affect EPS. To completely comprehend the variables driving Sonali Bank PLC's EPS growth, a more thorough analysis would need to take these elements into account.



4.1.6 Foreign Exchange Business of Sonali Bank Plc:

Dealing in foreign exchange involves a variety of intricate and highly skilled tasks. As a result, the operations have been given special management attention. The introduction of many exotic goods and innovations through a variety of new dealing platforms of counterparties and service providers have caused significant changes in the financial markets over the past several years. Due to declining margins elsewhere, foreign exchange dealing has become a significant source of revenue for banks all over the world.

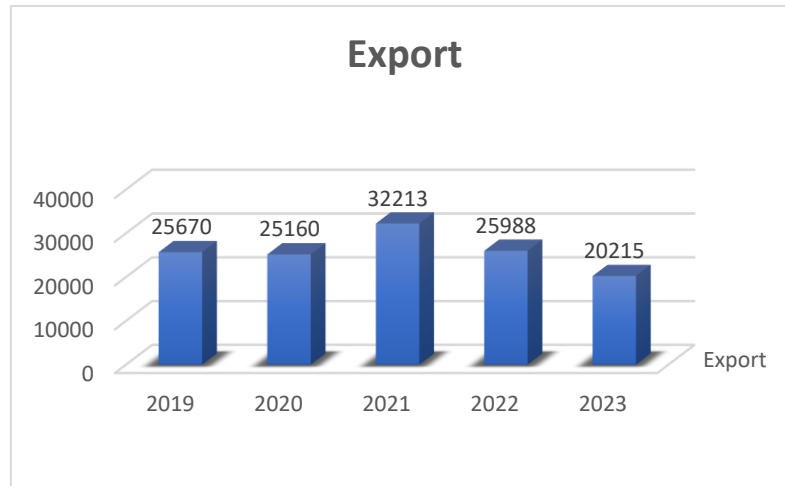
Import: Let's analyze the Import income for last five income year and give interpretation.



Interpretation: Sonali Bank PLC's import revenue from 2019 to 2023 is depicted in the graph. The COVID-19 epidemic probably caused a decline in export revenue in 2020, but it has since been steadily increasing. This expansion implies that the bank has successfully adjusted to shifting market conditions, either by enhancing export-related services, growing trade relationships, or taking advantage of the economic rebound.



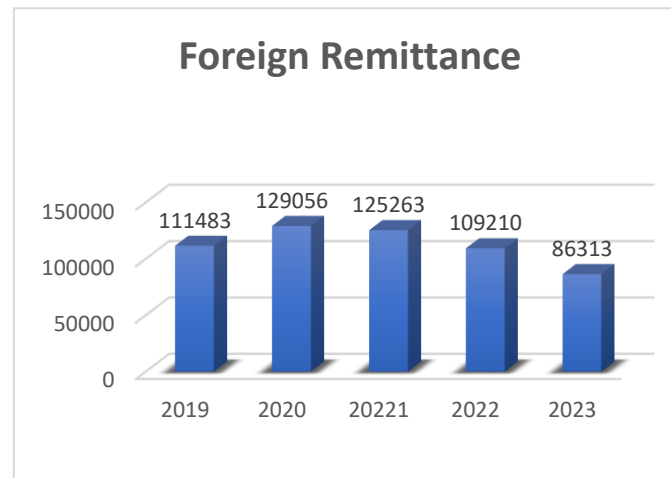
Export: Let's analyze the export income for last five income year and give interpretation.



Interpretation: Sonali Bank PLC's export revenue from 2019 to 2023 is shown in the graph. 2020 saw a minor decline in export revenue, most likely as a result of the COVID-19 pandemic. It did, however, recover in 2021 and expand gradually until 2022. Export revenue in 2023 was little lower than the year before. This implies that recent developments in the global economy have affected Sonali Bank PLC's export operations, and that actions may be needed to sustain or boost export earnings going forward.



Foreign Remittance:



Interpretation: The graph shows the foreign remittance revenues of Sonali Bank PLC from 2019 to 2023. Due to the COVID-19 pandemic's consequences and the increasing need for financial support from overseas workers, foreign remittance income increased significantly in 2020. However, it has somewhat declined since 2020, which can be a sign of a decline in remittance inflow. This can be attributed to a variety of factors, such as changes in the global economy, new channels for remittances, or adjustments to regulations.



4.2 Average Size of Balance Sheet and Income Statement:

Soanli Bank

Balance Sheet

Particular	2019	2020	2021	2022	2023
Cash	6.14%	6.11%	6.18%	5.64%	5.36%
In hand (Including foreign currencies)	0.73%	0.83%	0.89%	0.94%	0.87%
Balances with Bangladesh bank and Sonali bank (Including foreign currencies)	5.41%	5.28%	5.30%	4.70%	4.49%
Balance with other banks and financial institution	1.30%	1.39%	1.26%	1.69%	1.77%
In Bangladesh	0.84%	0.98%	0.94%	1.04%	1.32%
Outside Bangladesh	0.46%	0.41%	0.32%	0.64%	0.45%
Money at call and short notice	0.35%	1.46%	1.07%	1.81%	1.12%
Investment in shares & securities	22.56%	21.16%	18.54%	17.19%	18.31%
Government	20.18%	18.61%	14.80%	13.36%	14.78%
Others	2.38%	2.55%	3.74%	3.84%	3.53%
Loans, cash credits, overdrafts/General Investments	61.97%	62.60%	65.92%	66.93%	66.01%
Bills discounted and purchased	2.81%	3.15%	3.14%	3.22%	4.26%
Total	64.77%	65.75%	69.06%	70.15%	70.27%
Land, building, furniture and fixtures (Including leased assets)	3.02%	3.07%	2.75%	2.45%	2.21%
Other assets	1.85%	1.06%	1.13%	1.08%	0.97%
Total assets	100.00%	100.00%	100.00%	100.00%	100.00%
Borrowings from other banks, financial institutions and agents	3.24%	5.79%	5.61%	6.51%	6.10%
Current /Al-Wadeeah current and other deposit accounts	9.93%	11.42%	11.33%	11.45%	12.32%
Bills payable	91.00%	2.47%	1.57%	1.27%	1.05%
Savings deposits/Mudaraba Savings Deposits	7.89%	7.43%	7.62%	7.71%	7.76%



Savings deposits/Mudaraba Savings Deposits	7.89%	7.43%	7.62%	7.71%	7.76%
Modaraba/ Term and Fixed deposits	71.39%	65.38%	65.56%	63.97%	62.91%
Total Deposits	90.12%	86.70%	86.08%	84.41%	84.03%
Other liabilities	6.64%	7.51%	8.31%	9.08%	9.87%
Total liabilities	100.00%	100.00%	100.00%	100.00%	100.00%
Capital /Shareholders' Equity:	99.97%	99.96%	99.96%	99.96%	99.97%
Paid up capital	33.69%	34.56%	35.49%	37.49%	38.02%
Statutory reserve	32.69%	34.56%	35.50%	35.89%	35.95%
Revaluation Reserve on govt. securities	21.93%	17.95%	17.55%	15.50%	13.92%
Foreign Currency Translation Gain	-0.10%	-0.09%	-0.05%	-10.00%	-0.03%
Retained earnings	10.85%	12.05%	10.51%	10.30%	11.29%
Other Reserve	0.91%	0.93%	0.96%	0.88%	0.81%
Minority Interest	0.03%	0.04%	0.04%	0.04%	0.03%
Total Equity	100.00%	100.00%	100.00%	100.00%	100.00%
Total liabilities and shareholders' equity	100.00%	100.00%	100.00%	100.00%	100.00%

Interpretation: let us examine Sonali Bank PLC's common size balance sheet for the years 2019 through 2023.

- **Loan Portfolio Growth:** There has been a noticeable emphasis on lending activities, as evidenced by the steady increase in the percentage of loans, cash credits, and overdrafts in total assets.
- **Investment in Securities:** The total amount of money invested in shares and securities has stayed largely constant, notwithstanding a decline in investments in government securities.
- **Cash and Deposits:** A move towards lending and investing activity is indicated by the generally declining percentage of cash and balances with banks.
- **Fixed Assets:** A steady decline in the percentage of physical asset holdings has been indicated by the declining share of fixed assets, such as real estate, buildings, and furnishings.



- Deposit Growth: There has been a downward trend in deposits overall, especially Mudaraba/Term and Fixed deposits.



Sonali Bank PLC

Income Statement As on December 31, (2019-2023)

Particulars	2019	2020	2021	2022	2023
Interest income	100.00%	100.00%	100.00%	100.00%	100.00%
Interest paid on deposits and borrowings	82.36%	75.21%	76.85%	78.31%	83.79%
Net interest income	17.64%	24.79%	23.15%	21.69%	16.21%
Income from investments	28.99%	29.93%	32.01%	21.39%	20.14%
Commission, exchange and brokerage Income	15.51%	17.10%	19.90%	15.23%	14.70%
Other operating income	3.08%	3.90%	5.01%	4.08%	3.75%
Total operating income	65.21%	75.73%	80.07%	62.40%	54.80%
Rent, Taxes, Insurance, Electricity etc.	3.70%	4.72%	5.35%	4.30%	4.13%
Salaries and allowances	8.00%	10.26%	10.81%	8.45%	8.28%
Legal Expenses	0.01%	0.00%	0.01%	0.01%	0.01%
Postage, Stamps, Telecommunication etc.	0.83%	0.98%	1.01%	0.76%	0.66%
Stationery, Printing, Advertisement etc.	0.63%	0.78%	0.86%	0.96%	0.63%
Directors' Fees and Expenses	0.01%	0.02%	0.02%	0.01%	0.01%
Salary and allowances paid to Managing director/Chief Executive	0.05%	0.07%	0.06%	0.04%	0.04%
Auditors' Fee	0.01%	0.01%	0.01%	0.01%	0.01%
Depreciation and Repairs to Bank's Assets	1.91%	2.38%	2.62%	1.99%	2.04%
Other Expenses	4.91%	6.41%	7.24%	5.34%	4.78%
Total operating expenses	20.06%	25.63%	27.99%	21.60%	20.59%
Operating Profit	45.15%	50.10%	52.08%	40.80%	34.21%
Profit before provision	45.15%	50.10%	52.08%	40.80%	34.21%
Specific provision (Loan and Advances)	11.46%	13.91%	21.73%	20.75%	16.20%
Diminution in value of investment	1.15%	5.24%	5.81%	-0.50%	1.25%



Others Provision	0.01%	2.15%	1.76%	-0.64%	-1.23%
Total provision	14.14%	18.93%	28.05%	21.33%	17.44%
Profit for the year before taxation	31.01%	31.17%	24.03%	19.47%	16.77%
Current Tax	12.97%	16.44%	16.46%	9.30%	10.05%
Deferred tax	0.79%	0.38%	0.86%	-0.15%	-2.83%
Provision for tax	13.76%	16.82%	17.32%	9.16%	7.22%
Net profit after tax for the year	17.25%	14.35%	6.72%	10.31%	9.55%

Interpretation: let us examine Sonali Bank PLC's 2019–2023 common size income statement.

Important Points to Note:

- **Net Interest Income Variability:** One of the main factors influencing bank profitability, net interest income, has fluctuated a lot. After reaching a peak in 2020, it started to fall in the years that followed. This might be explained by shifts in funding costs, loan growth, and interest rate spreads.
- **Growth in Non-Interest Income:** In previous years, non-interest income—especially commission income and income from investments—made a substantial contribution to total income. Its contribution has decreased recently, though.
- **Operating Expenses:** Profitability has been impacted by operating expenses, which have typically increased as a percentage of total income. This might be the result of things like increasing labor costs, more expenditures for regulatory compliance, and technological investments.



4.2.1 Income Statement and Balance Sheet Trend Analysis:

Sonali Bank PLC

Balance Sheet

Particular	2019	2020	2021	2022	2023
In hand (Including foreign currencies)	100.00%	111.49%	131.14%	134.50%	141.40%
Balances with Bangladesh bank and Sonali bank (Including foreign currencies)	100.00%	127.81%	158.20%	189.09%	192.55%
Balance with other banks and financial institution	100.00%	109.29%	127.49%	127.12%	134.49%
In Bangladesh	100.00%	119.28%	126.19%	189.73%	220.34%
Outside Bangladesh	100.00%	98.49%	89.98%	203.57%	158.20%
Money at call and short notice	100.00%	462.54%	394.60%	746.88%	513.24%
Investment in shares & securities	100.00%	104.93%	106.94%	111.53%	131.41%
Government	100.00%	103.19%	95.41%	96.85%	118.60%
Others	100.00%	119.70%	204.66%	235.91%	240.00%
Loans, cash credits, overdrafts/General Investments	100.00%	113.06%	138.44%	158.09%	172.55%
Bills discounted and purchased	100.00%	125.70%	145.58%	167.59%	245.76%
Total	100.00%	113.61%	138.75%	158.50%	175.72%
Land, building, furniture and fixtures (Including leased assets)	100.00%	113.47%	118.22%	118.42%	118.37%
Other assets	100.00%	64.44%	79.69%	85.39%	84.86%
Total assets	100.00%	111.92%	130.14%	146.36%	161.98%
Borrowings from other banks, financial institutions and agents	100.00%	203.41%	232.66%	304.51%	316.28%
Current /Al-Wadeeah current and other deposit accounts	100.00%	130.65%	153.20%	174.60%	208.20%
Bills payable	100.00%	307.86%	231.94%	211.29%	192.52%
Savings deposits/Mudaraba Savings Deposits	100.00%	106.95%	129.73%	147.99%	165.13%
Modaraba/ Term and Fixed deposits	100.00%	104.04%	123.26%	135.63%	147.85%



Total Deposits	100.00%	109.29%	128.23%	141.77%	156.46%
Other liabilities	100.00%	128.40%	167.88%	206.93%	249.14%
Total liabilities	100.00%	113.60%	134.24%	151.37%	167.79%
Capital /Shareholders" Equity:	100.00%	97.49%	94.92%	103.34%	112.10%
Paid up capital	100.00%	100.00%	100.00%	115.00%	126.50%
Statutory reserve	100.00%	103.06%	103.06%	113.45%	123.29%

Interpretation: Important Points to Note:

- **Cash & Balances:** Cash and balances with banks, especially those with Bangladesh Bank, have significantly increased. This would suggest a more cautious strategy for managing liquidity.
- **Loans & Advances:** There is a steady upward trend in loans and advances, which points to a rise in lending activity.
- **Investments:** While government securities have grown more moderately, shares and securities investments have increased steadily.
- **Fixed Assets:** The comparatively modest growth in fixed assets points to prudent investment in tangible assets.

Debts:

- **Deposits:** Mudaraba/Term and Fixed deposits have been a major contributor to the consistent growth in deposits.
- **Borrowings:** A significant rise in borrowings from other banks suggests a rising dependence on interbank financing.



Sonali Bank PLC

Income Statement

As on December 31, (2019-2023)

Particular	2019	2020	2021	2022	2023
Interest Income	100.00%	95.38%	97.78%	134.75%	147.56%
Interest paid on deposits & Borrowings	100.00%	87.10%	91.24%	128.12%	150.12%
Net Interest Income	100.00%	134.05%	128.33%	165.68%	135.64%
Income from Investments	100.00%	98.74%	107.99%	99.44%	102.53%
Commission, exchange & brokerage Income	100.00%	105.20%	125.49%	132.37%	139.87%
Other operating Income	100.00%	120.93%	159.10%	178.75%	179.79%
Total Operating Income	100.00%	110.76%	120.07%	128.93%	124.01%
Rent, Taxes, Insurance & Electricity etc.	100.00%	121.69%	141.53%	156.71%	164.58%
Salaries & Allowance	100.00%	122.32%	132.10%	142.34%	152.79%
legal Expenses	100.00%	40.21%	122.82%	87.10%	133.96%
Postage, Stamps, Telecommunication Etc.	100.00%	112.98%	119.61%	123.77%	118.47%
Stationery, Printing, Advertisement Etc.	100.00%	117.41%	132.78%	147.08%	147.17%
Directors Fees & Expenses	100.00%	109.87%	142.80%	110.39%	130.84%
Salary & Allowances Paid to Managing Director/Chief Executive	100.00%	126.72%	106.22%	106.58%	117.16%
Auditors Fee	100.00%	153.84%	183.36%	177.63%	183.08%
Auditors Fee	100.00%	153.84%	183.36%	177.63%	183.08%
Depreciation & repairs to the bank's assets	100.00%	118.99%	134.26%	140.43%	157.63%
Other Expenses	100.00%	124.35%	144.07%	146.43%	143.61%
Total Operating Expenses	100.00%	121.82%	136.43%	145.06%	151.47%
Operating Profit	100.00%	105.84%	112.80%	121.77%	111.81%
Profit before provision	100.00%	105.84%	112.80%	121.77%	111.81%
Specific Provision (Loan & Advance)	100.00%	115.75%	185.38%	243.87%	208.60%



General Provision	100.00%	433.56%	492.31%	-58.07%	159.89%
Diminution in value of Investment	100.00%	- 149.77%	-80.60%	153.28%	118.60%
Total Provision	100.00%	127.65%	193.91%	203.21%	181.93%
Profit for the year before taxation	100.00%	95.89%	75.80%	84.62%	79.82%
Current Tax	100.00%	120.90%	124.06%	96.64%	114.38%
Deferred Tax	100.00%	46.41%	107.25%	-25.00%	- 531.70%
Provision For Tax	100.00%	116.64%	123.09%	89.68%	77.44%
Net Profit after Tax for the year	100.00%	79.33%	38.07%	80.58%	81.73%

Interpretation: Of course, let us examine the income statement trend study for Sonali Bank PLC from 2019 to 2023.

Important Points to Note:

- **Growth in Interest Income:** In recent years, interest income has increased significantly, particularly in 2022 and 2023. This implies that the bank has profited from rising interest rates and/or has been successful in growing its loan portfolio.
- **Net Interest Income Variability:** Despite an increase in interest income, net interest income has fluctuated. This implies that an increase in the cost of funds, or interest paid on deposits and borrowings, has affected the bank's net interest margin.
- **Growth of Non-Interest Income:** Non-interest income has been steadily increasing and has contributed to total revenue, especially commission, exchange, and brokerage income.
- **Operating Expenses:** All categories have shown a steady growth in operating expenses.



Chapter 5

FINDINGS & RECOMMENDATION



5.1 Findings of the Report:

Findings:

- ❖ **Profitability Growth:** The bank has shown significant growth in Earnings Per Share (EPS) over the past few years, indicating improved profitability.
- ❖ **Strong Liquidity:** Sonali Bank PLC maintains healthy liquidity ratios, demonstrating its ability to cover up the short-term obligation of the organization.
- ❖ **Expanding Loan Portfolio:** The bank has been actively expanding its loan portfolio, indicating growth in lending activities.
- ❖ **Rising Operating Expenses:** Operating expenses have been increasing, which can impact profitability.
- ❖ **Fluctuating Net Interest Income:** Net interest income has shown volatility, indicating potential challenges in managing interest rate risks.
- ❖ **Increased Reliance on Interbank Funding:** The bank has increased its reliance on interbank borrowings, which can expose it to liquidity risks.
- ❖ **Return on Equity:** Return on equity has been below industry standards in recent years, indicating that the bank may not be maximizing shareholder value.



5.2 Recommendations:

- ❖ **Control Operating Expenses:** The bank should focus on controlling operating expenses through measures like process optimization, technology adoption, and cost-cutting initiatives.
- ❖ **Manage Interest Rate Risk:** Implement strategies to manage interest rate risks, such as asset-liability management techniques and hedging instruments.
- ❖ **Improve Return on Equity:** Explore strategies to improve return on equity, such as increasing lending efficiency, optimizing capital allocation, and reducing non-performing loans.
- ❖ **Diversify Funding Sources:** While interbank funding can provide liquidity, the bank should strive to diversify its funding sources to reduce reliance on interbank borrowings.
- ❖ **Enhance Risk Management:** Strengthen risk management frameworks to mitigate credit risk, operational risk, and market risk.
- ❖ **Invest in Technology:** Invest in technology to obtain a competitive edge, boost customer satisfaction, and increase operational efficiency.



5.3 Conclusion:

This study should not be interpreted as financial advice because it is based on the information that has been provided. For a more thorough knowledge of the bank's financial performance and prospects, more investigation and analysis are advised, taking into account macroeconomic conditions, industry trends, and the competitive environment. Sonali Bank PLC has demonstrated encouraging growth and profitability indicators. To preserve its financial stability and achieve sustainable growth, the bank must, nevertheless, handle a number of issues, including growing operating costs, controlling interest rate risk, and enhancing return on equity. Sonali Bank PLC has established itself as the top financial institution in Bangladesh. The association is notably more organized when compared to a number of other public business banks in Bangladesh. It never gives up on improving and advancing the industry. It has aided in the advancement of consumers. Additionally, it performs better than a number of other banks in the financial industry overall because of its wide branch network across the nation. However, as everyone must place a higher priority on quality, it will be challenging to maintain banking in a competitive market if the bank does not offer exceptional standards that translate into unmatched services. Numerous problems plague Sonali Bank PLC's credit and advancement operations. Sonali Bank PLC's inadequate liquidity, productivity, proficiency, and leverage ratios illustrate the bank's fragile position. As a result, Sonali Bank PLC needs to find a solution as soon as possible. If Sonali Bank PLC can handle this kind of issue, it will also be more organized than other regional or foreign banks.



5.4 Reference:

- www.sonalibank.com.
- www.investopedia.com
- <https://www.sonalibank.com.bd/downloads.php>
- [Annual Report of sonali bank plc 2019](#)
- [Annual Report of sonali bank plc 2020](#)
- [Annual Report of sonali bank plc 2021](#)
- [Annual Report of sonali bank plc 2022](#)
- [Annual Report of sonali bank plc 2023](#)

5.5 Appendix:



SONALI BANK PLC

Balance Sheet

As at 31 December 2023

Particulars	Notes	2023 Taka	2022 Taka
PROPERTY AND ASSETS	3.00		
Cash			
Cash in Hand (Including Foreign Currencies)		9,939,498,217	9,842,626,905
Balance with Bangladesh Bank and its agent Bank(s) (Including Foreign Currencies)		102,942,238,504	80,274,430,747
		112,881,736,721	90,117,057,652
Balance with other Banks & Financial Institutions	4.00		
In Bangladesh		33,772,238,317	32,500,901,850
Outside Bangladesh		14,164,637,071	5,650,468,281
		47,936,875,388	38,151,370,131
Money at Call on Short Notice	5.00	15,217,100,000	2,808,200,000
Investments	6.00		
Government		571,733,542,069	555,025,215,511
Others		51,807,590,613	66,247,357,715
		623,541,132,682	621,272,573,226
Loans and Advances	7.00		
Loans, Cash Credit, Overdrafts, etc.		999,493,962,338	837,639,094,517
Bills Purchased and Discounted		8,558,715,394	8,791,140,395
		1,008,052,677,732	846,430,234,911
Fixed Asset including Premises, Furniture and Fixture	8.00	34,401,988,666	33,931,888,066
Other Assets	9.00	139,055,384,820	157,019,924,698
Non-Banking Assets	10.00.	42,765,706	41,038,796
Total Assets		<u>1,981,129,661,716</u>	<u>1,789,772,287,480</u>
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other Banks, Financial Institutions & Agents	11.00	17,009,475,183	439,400,183
Deposit and Other Accounts	12.00		
Current Accounts and Other Accounts		249,564,577,197	244,282,387,948
Bills Payable		13,549,022,870	14,817,246,120
Savings Bank Deposits		636,606,889,386	587,362,193,073
Fixed Deposits		606,332,995,685	573,800,970,173
Other Deposits		130,446,594	100,133,935
		1,506,183,931,731	1,420,362,931,248
Other Liabilities	13.00	371,377,219,468	287,778,695,826
Total Liabilities		<u>1,894,570,626,383</u>	<u>1,708,581,027,257</u>
Shareholders' Equity			
Paid-up Capital	14.00	45,300,000,000	45,300,000,000
Statutory Reserve	15.00	18,093,248,941	16,022,482,465
Others Reserve	16.00	437,403,009	179,384,978
Revaluation Reserve	17.00	23,696,386,963	24,895,027,235
Surplus in Profit and Loss Account/Retained Earnings	18.00	(968,003,580)	(5,205,634,456)
		86,559,035,333	81,191,260,222
Total Liabilities and Shareholders' Equity		<u>1,981,129,661,716</u>	<u>1,789,772,287,480</u>



SONALI BANK PLC

Profit and Loss Account

For the year ended 31 December 2023

Particulars	Notes	2023 Taka	2022 Taka
Operating Income			
Interest income	21.00	56,841,916,662	42,920,887,860
Interest paid on deposit and borrowing etc.	22.00	(52,083,249,260)	(40,831,453,313)
Net Interest Income		4,758,667,402	2,089,434,546
Investment income	23.00	45,794,880,461	31,638,742,551
Commission, exchange and brokerage	24.00	16,782,868,632	16,480,486,814
Other operating income	25.00	301,883,682	261,611,535
		62,879,632,776	48,380,840,900
Total Operating Income (A)		67,638,300,178	50,470,275,447
Operating Expenses			
Salary and allowances	26.00	21,841,957,038	19,793,374,678
Rent, tax, insurance, electricity etc.	27.00	1,449,140,696	1,342,489,865
Legal expenses	28.00	56,249,528	24,440,907
Postage, stamps and telecommunication etc.	29.00	46,549,853	45,419,973
Stationery, printings, advertisements etc.	30.00	226,726,896	196,487,371
Chief Executive's salary and fees	31.00	9,181,346	9,869,232
Directors' fees	32.00	4,879,600	4,950,090
Auditors' fees	33.00	5,493,994	6,105,786
Depreciation and repair of bank's assets	34.00	1,013,032,502	1,070,663,517
Other expenses	35.00	4,523,209,408	4,153,408,427
Total Operating Expenses (B)		29,176,420,862	26,647,209,845
Profit/Loss before Provision (C=A-B)		38,461,879,316	23,823,065,601
Provision for loans & advances	36.00	18,557,324,890	9,234,167,996
Provision for diminution in value of investment	37.00	542,123,016	1,275,456,080
Other provisions	38.00	9,008,599,030	5,936,512,402
Total Provision (D)		28,108,046,936	16,446,136,478
Total Profit/(Loss) before Taxes (E=C-D)		10,353,832,380	7,376,929,123
Provision for Taxation (F)		3,839,037,075	3,666,504,805
Current tax	13.06	712,875,418	566,066,371
Deferred tax	9.08.01	3,126,161,657	3,100,438,434
Net Profit after Taxation (G=E-F)		6,514,795,305	3,710,424,318



Sonali bank

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