



“Financial Performance Analysis
of Woori Bank Bangladesh”



Internship Report

On

Financial Performance Analysis of Woori Bank Bangladesh

Submitted To:

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Letter of Transmittal

March 28, 2024

Mr. Muhammad Enamul Haque

Assistant Professor, SOBE

United International University

Madani Avenue, Dhaka.

Subject: Transmittal Letter.

Dear Sir,

With all due respect, I am a BBA student completed my internship at Woori Bank Bangladesh, Dhaka Branch's trade finance division and have written a report on the "Financial Performance Analysis of Woori Bank Bangladesh." It gives me a great pleasure to finish and deliver this report, which is the outcome of my struggles during the internship period. This report is the reflection of the knowledge that was gained throughout the internship period.

I have put forth my utmost effort to ensure this report is completed with the highest level of accuracy and significance. The data in this document is derived from the bank's yearly reports, internal records, and various online sources. I think that my hard work will help you progress with this kind of project. In this situation, it will hold significance for me.

I truly hope that you will find this report to be engaging. Do not hesitate to get in touch with me if you have any inquiries or need further explanations. Reach out to me by calling +8801704884971 or emailing nshuvam567@gmail.com to contact me. I trust you will appreciate the hard work and forgive the minor errors. Thank you for working together with us.

Regards,

Shuvam Saha

BBA, United International University (UIU)

ID-111201170.



Acknowledgement

In my journey to complete this internship report, I dedicated myself to work with diligence and integrity. Nonetheless, this endeavor would not have been achievable without the extensive support and assistance I received from numerous individuals. I wish to extend my heartfelt appreciation to everyone who played a role in bringing this report to fruition.

My supervisor, Mr. Khandker Tashriq Ahmed, Senior Vice President and First Assistant Vice President & Head of Trade Finance Team at Woori Bank Bangladesh, merits significant acknowledgment for his mentorship in trade finance, oversight, and the invaluable insights he provided, which were crucial for the accomplishment of this project. Under his guidance, I have gleaned a wealth of knowledge. This information has sparked a strong interest in trade finance within me.

Equally, I cannot overlook the continuous encouragement provided by Mr. Abu Bakar, Principal Officer at DBU, Dhaka Branch at Woori Bank Bangladesh, throughout my internship. Similarly, my gratitude extends to Mr. Mohammad Ullah, Senior Officer, DBU, Dhaka Branch at Woori Bank Bangladesh, for entrusting me with various challenging assignments that not only bolstered my professional skills but also enriched my understanding of the organization, thereby significantly contributing to this report.

Moreover, the hands-on experience gained under the vigilant mentorship of Mr. Nahin Ahmed, Principal Officer, DBU, Dhaka Branch at Woori Bank Bangladesh, leaves me eternally grateful. His guidance has endowed me with knowledge and skills that I will carry throughout my life.

I also wish to express my sincere thanks and appreciation to my esteemed faculty member and internship advisor, Mr. Muhammad Enamul Haque, for his abundant guidance, mentorship, valuable suggestions, and encouragement in completing this paper.

Table of Contents

Executive Summary	VI
1 Introduction.....	1
1.1 Origin of the Report	2
1.2 Background of the Report.....	2
1.3 Objective of the Report.....	3
1.4 Scope & Limitations	3
1.5 Methodology	5
1.6 List of Abbreviations & Technical Terms	6
2 Company Overview	7
2.1 History of WBB	8
2.2 An Overview of WBB	9
2.3 Mission, Vision and Values of WBB.....	10
2.4 Porter’s Five Forces Model on WBB.....	12
2.5 SWOT Analysis	13
2.6 The WON App.....	14
3 Financial Performance Analysis	15
3.1 Introduction.....	16
3.2 Methodology of the Analysis.....	16
3.3 Objective of the Analysis.....	17
3.4 Ratio Analysis.....	18
3.5 Conclusion of ratio analysis.....	52
3.6 Comparison with industry standard	53
3.7 DuPont Analysis	58
3.8 Non-performing Loans.....	68
4 Recommendation & conclusion.....	71
4.1 Suggestions & Recommendations	72
4.2 Conclusion	74

Executive Summary

The primary motive behind the creation of this report to evaluate Woori Bank Bangladesh's financial performance, casting light on its strategic successes and pinpointing prospects for future advancement. Through an analytical lens focusing on financial ratios, DuPont analysis for Return on Equity (ROE) precision, and Non-Performing Loans (NPL) ratios with industry standards, the report unfolds a multi-layered narrative of the bank's positioning and prospective growth pathways.

The investigation highlights the bank's proficient liquidity management, signaling its readiness to navigate financial uncertainties, a crucial attribute for maintaining operational continuity. The analysis of profitability ratios presents a mixed yet insightful view, with certain metrics indicating growth and others signaling areas where investor caution might be warranted. This dichotomy underscores the imperative for bolstering operational efficiencies to harmonize revenue growth with escalating operational expenses. Examining the solvency and activity ratios sheds further light on the bank's fiscal health, depicting a commendable equilibrium between leveraging and asset utilization until a recent downturn, presumably prompted by overarching economic pressures. This observed variance beckons a strategic recalibration aimed at preserving and amplifying financial robustness. Despite Woori Bank's notable absence from secondary market evaluations—rendering a direct assessment of its market value challenging—its comparative performance suggests a formidable competitive posture. The DuPont analysis elucidates existing pressures on ROE, accentuating the necessity for strategic financial refinement to enhance investor confidence and facilitate sustained growth. Additionally, the bank's exemplary management of credit risk, evidenced by its superior NPL ratio, distinguishes it as a paragon of risk management, enhancing its allure to investors. By synthesizing these insights, the report not only corroborates Woori Bank Bangladesh's capability to align with industry benchmarks but also spotlights strategic avenues for augmenting its operational efficiency, leveraging strategies, and customer-centric offerings. This strategy promises to propel the bank towards unprecedented growth avenues. The bank's potential ascendancy in the banking sector is palpable, with strategic undertakings aimed at unlocking new success dimensions.

Looking ahead, Woori Bank's path is marked by cautious optimism. Addressing prevailing challenges with innovative and strategic solutions heralds the advent of a new epoch of financial

success and a competitive advantage. The bank's commitment to ongoing improvement and adaptability in the face of a dynamic banking landscape will be pivotal in realizing sustainable growth and securing a vanguard market position, ultimately reaching a promising and prosperous future.

1 Introduction

1.1 Origin of the Report

This report had been produced as a requirement to consider the completion of internship program at United International University's Bachelor of Business Administration Department. It is a mandatory part for all students to go through a three-month extensive internship program in a relevant organization to garner practical experience in the area of business operations before entering into the industry and be market ready in order to successfully complete the BBA program. I have been assigned as an intern in Domestic Business Unit under Trade Finance Department of Woori Bank Bangladesh, Dhaka Branch. The office is situated near Gulshan 1 circle at Suvastu Imam Square, 65 Gulshan Ave, Dhaka 1212. The topic of my internship report is "Financial Performance Analysis of Woori Bank Bangladesh. I have been permitted to prepare the report on this topic by Mr. Muhammad Enamul Haque, Assistant Professor, BBA Department, SOBE of UIU.



1.2 Background of the Report

Upon completion of the 120-credit Bachelor of Business Administration program at United International University, all students are required to create and deliver a report centered on a 3-month industrial placement. This situation motivates students to seek internships at companies relevant to their studies in order to acquire experience prior to entering the workforce. In the midst of obtaining hands-on experience through entry-level positions that do not demand much decision-making ability, graduate students take advantage of this chance to adapt to the unique conditions of the organization. Exposure to the business world helps individuals start their career in the corporate environment and provides them with the confidence to handle unexpected situations. During this time, these anxious seniors can acquire the necessary soft skills. The majority of universities in Bangladesh that offer the BBA program require their students to successfully finish an internship. These internship programs launch the career opportunities for these students to pursue a professional business path. They receive essential training that they will apply to observe the practical application of the theoretical knowledge they have acquired from attending classes during those 3 years. Students have the opportunity to understand how

their academic knowledge is applicable in real-life situations by comparing it to practical scenarios.

1.3 Objective of the Report

The primary aim of this in-depth research is to assess the financial performance analysis of Woori Bank Bangladesh in comparison with other Banks in Bangladesh. The data for this internship report was compiled using the bank's financial reports, interviews with team members of the Domestic Business Unit in the Trade Finance Department of the Dhaka Branch, the bank's official website, and various articles from the Bangladesh Bank and reputable newspapers.

The following mentioned goals are the objectives of this report:

1. To have knowledge of all aspects of the organization's activities.
2. To merge theoretical understanding with hands-on practice in several branches of Woori Bank Bangladesh.
3. To evaluate the condition or well-being of the bank's financial situation.
4. To identify problems and suggest ways to enhance.

1.4 Scope & Limitations

1.4.1 Scope of the Report

The internship tenure took place at the Trade Finance Department of the Dhaka Branch office of Woori Bank Bangladesh, located near the busy area of Gulshan-1. One major obstacle in this process was the difficulty of obtaining unprocessed financial reports from the Finance Administration Department located at the Head Office in the same place. Because the bank remains privately owned, they do not publish annual reports currently. Fortunately, the supervisor assisted in gathering the financial raw data from the past five years. All employees in the Domestic Business Unit contributed equally to the creation of this report by providing valuable information. Additionally, the team members offered guidance on creating an appropriate report structure and methods for effectively analyzing the data. The eager intern had the pleasure of discussing the report with the Head of Domestic Business Unit, Trade Finance, where they obtained key information through direct communication. Furthermore, a chief

representative from the Customer Service Department has consistently provided the intern with an abundance of advice and insightful information regarding the report.

Another focus of the report was the educational experience gained by the intern from interacting with individuals from different departments like Offshore Business Unit and Loan Department. The intern was stationed in the Domestic Business Unit but had to consistently move throughout the entire branch to finish daily tasks. Since much of this intern's tasks involved the Customer Service Department, they learned a lot about KYC from them and applied the knowledge to their job. The intern had no previous connections prior to starting at the bank, so they needed to make introductions to other departments. This presented itself as a chance for the intern to leverage these connections in order to explore various projects outside of their department that they wouldn't have otherwise been exposed to. Because of the intern's passion for trade finance, they were able to acquire knowledge and effectively interact with clients. Therefore, by the conclusion of their internship, they had acquired significant knowledge and expertise about the banking sector that would not have been attainable if they hadn't had the chance to intern at a branch of an esteemed multinational bank.

1.4.2 Limitations of the Report

1. The limited availability of secondary data sources, due to the banking industry's emphasis on privacy, significantly impacted the completeness of data necessary for the thorough preparation of the report.
2. The banking policy of Woori Bank Bangladesh restricted the provision of comprehensive data and information.
3. The three-month internship duration was insufficient to gain a full understanding of the operations across the various departments within the bank.
4. Frequently, Woori Bank Bangladesh exhibited reluctance in sharing internal information.

1.5 Methodology

1.5.1 Research Approach

This report is the result of a hybrid research approach. It incorporates elements of both primary and secondary research methodologies. It involves the gathering of fresh data and the utilization of pre-existing information, with a predominant reliance on secondary data for the study.

1.5.2 Data Types

The investigation encompasses a blend of primary and secondary data. This amalgamation of newly acquired and existing data contributes to insightful and significant findings and analyses.

1.5.3 Method of Data Collection

Data for this study were sourced from both primary and secondary means. Primary data collection primarily involved interviews with selected members of the Business Finance Department, including my direct supervisor. However, the bulk of the data collected was secondary, sourced from Woori Bank Bangladesh's financial reports, comparative studies with other banks' annual reports, relevant articles, and some internal data provided by my supervisor. These pieces of information were subsequently synthesized to extract meaningful insights and draw conclusions.

1.5.4 Approach to Data Analysis

The analysis of the data employed a combination of quantitative and qualitative techniques. Responses from interviews were gathered, examined, and then synthesized into conclusions. Furthermore, data obtained from the bank's internal resources and various secondary sources were systematically analyzed in Excel using diverse formulas and analytical methods, and interpretations were made based on logical deduction.

1.5.5 Method of Data Presentation

The compiled data has been systematically organized and presented in both textual format and visually through tables, bar charts, pie charts, etc., to facilitate understanding and interpretation.

1.6 List of Abbreviations & Technical Terms

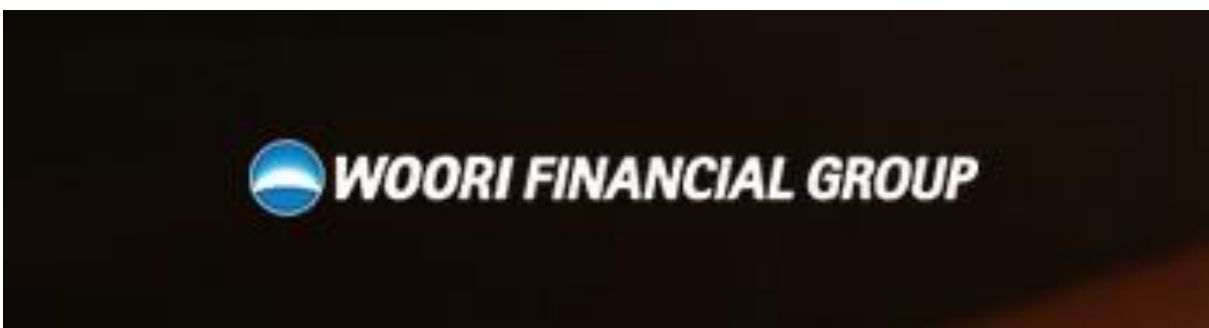
- BBA: Bachelor of Business Administration
- Etc.: Et cetera
- WBB: Woori Bank Bangladesh
- BB: Bangladesh Bank
- NPL: Non-Performing Loans
- CRR- Cash Reserve Requirement
- SLR: Statutory Liquidity Ratio
- SME: Small & Medium Entrepreneur
- NII: Net Interest Income
- ROA: Return on Asset
- ROE: Return on Equity
- RWA: Risk Weighted Assets
- EPS: Earnings Per Share
- NAVPS: Net Asset Value Per Share
- HR: Human Resource
- DBU: Domestic Banking Unit
- TD: Term Deposits
- OBU: Offshore Banking Unit
- DSE: Dhaka Stock Exchange
- BDT: Bangladesh Taka
- KYC: Know Your Customer
- Mn: Million
- \$: Dollar
- SWOT: Strengths, Weaknesses, Opportunities & Threats
- FDI: Foreign Direct Investment
- CRM: Credit Risk Management
- NPSB: National Payment Switch Bangladesh
- RTGS: Real-Time Gross Settlement

2 Company

Overview

2.1 History of WBB

Woori Bank Bangladesh is a subsidiary of Woori Financial Group and a branch of the Seoul, South Korea based Woori Bank. It was established on September 21, 1996 as a part of expanding to other regions apart from South Korea. The bank is enlisted as a schedule foreign commercial bank who has the aim of providing support to foreign investors, particularly Korean investors, alongside offering banking services to a global clientele. Woori Bank has positioned itself as a leading capital market solutions provider in Bangladesh, catering to local corporates and multinationals across various industries. It plays a pivotal role in connecting and offering an integrated perspective throughout the supply chain and business operations within the country.



Woori Bank Bangladesh is dedicated to innovation in order to dominate the banking sector in Bangladesh and expand its footprint in the region. The bank maintains its emphasis on creating and providing innovative products from the beginning of their journey while handling exceptional customer service, and delivering top-notch services. The bank's brand power motivates them to strive for competitive edge, profitability, and ultimately deliver value to their stakeholders.

Woori Bank in Bangladesh has been leading the way in offering innovative solutions. Their goal is constantly to provide innovative products to fulfill the evolving needs of its customers. It falls within the legal jurisdiction of the Bangladesh Bank, the central governing body for all financial institutions in the country. The central bank's responsibilities include implementing monetary policies, managing foreign exchange reserves, issuing banking operation licenses, among other tasks.

2.2 An Overview of WBB

Woori Bank Bangladesh offers a variety of products to its customers, including retail banking services, corporate banking solutions, and digital banking options. Their services cater to individual banking needs as well as business and corporate clients, providing a comprehensive range of financial solutions from savings and checking accounts to loans, internet banking, and more.

Woori Bank Bangladesh has a brief yet robust network with eight strategically located branches in important cities and commercial centers. The branches are located in Dhaka, Chottogram, and Narayanganj, with five in Dhaka, two in Chottogram, and one in Narayanganj Adamji EPZ. These sites primarily specialize in providing corporate services, with the loan departments handling corporate loan distribution and the trade finance divisions providing trade services. Merely examining the number of branches does not give a complete picture of the retail banking division of this bank. Customer service operations are highly automated and efficient. Furthermore, the bank provides an ATM to complement its services, improving customer convenience by allowing access to banking services outside of usual hours.



The bank's dedication to providing trade services to a global customer base is also at the core of its operations. It is rare in Bangladesh for customers to be able to access the trade office from all branches. It has two branches of trade service offerings available in all branches for extended trade services: Domestic Banking Unit (DBU) and Offshore Banking Unit (OBU). Bringing South Korean investors to invest in Bangladesh has a positive impact on the country, boosting overall foreign direct investment. These companies focus mainly on garments and knitwear, which generate numerous job opportunities in our country.



2.3 Mission, Vision and Values of WBB

Woori Bank Bangladesh, a branch of Woori Financial Group headquartered in Seoul, matches its mission, vision, and core values with those of its parent company. Meanwhile, it maintains a unified corporate identity and strategy across its global activities. This arrangement guarantees that every branch and subsidiary, no matter where they are situated, follow the same principles and goals, resulting in a cohesive brand experience and corporate culture. Woori Bank can take advantage of its worldwide reach while adjusting to the requirements and circumstances of different local markets by spreading these basic elements throughout the entire company. This helps them uphold their promise of outstanding performance, creativity, and customer contentment both in Bangladesh and elsewhere.

2.3.1 Mission of WBB

Woori Bank Bangladesh aims to be the digital first financial institute in Bangladesh. With their service offering starting from retail bank to corporate bank, they aim to bring this digital innovation in every product from their product range. In light of this, they want to:

- Committed to the development and implementation of innovative digital solutions, catering to a discerning customer base with specific needs.
- Champions a culture where innovation and digitization are at the forefront, ensuring that service excellence remains a defining characteristic.
- Through robust and comprehensive employee development programs, the bank assures prompt and effective service delivery, enhancing customer experience.

2.3.2 Vision of WBB

Woori Bank Bangladesh embraces a forward-thinking approach with its vision, "Innovate Today, Create Tomorrow." This mantra encapsulates the bank's commitment to fostering innovation as a driving force for future growth and development. Woori Bank aims to stay ahead in the financial services sector by investing in cutting-edge solutions and adopting a progressive stance. They also ensure that they are not just keeping pace but actively shaping what comes next in banking.

VISION

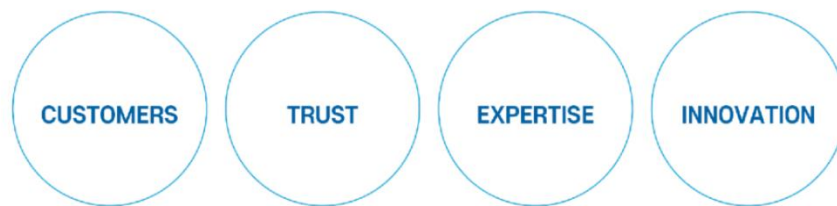
**Innovate Today,
Create Tomorrow**

2.3.3 Core Values of WBB

The core values of Woori Bank Bangladesh are the pillars upon which their corporate culture and business practices rest. The four pillars of their core values are:

1. Customers,
2. Trust,
3. Expertise, and
4. Innovation.

CORE VALUE



Woori Thinks of its customers and the community first.

Woori builds customer trust based on principles.

Woori Financial Group has the expertise to lead the market.

Woori shapes the future through innovation.

These explain their customer-centric philosophy, ensuring all decisions and services prioritize customer and community needs. They want to build a foundational trust on unwavering

principles. Their dedication to expertise, ensuring they lead the market with knowledge and experience. Last but not least, they have a commitment to innovation, ensuring the bank remains dynamic and future-focused. These values guide the bank's operations, ensuring they maintain integrity and excellence in their service.

2.4 Porter's Five Forces Model on WBB

Woori Bank Bangladesh can look their existing strategy and develop a new one according to their current expectations and profitability. They can put these into actions.

- **Buyer Power:** The banking industry has a high level of buyer power. The buyer power is high because of the low switching costs, high price sensitivity, and easy information accessibility.
- **Competitive Rivalry:** There is intense competition within the banking sector. The presence of many banks, Non-Banking Financial Institutions (FIs), and other financial firms, as well as the rise of Fintech companies, is the reason behind it.
- **Supplier Power:** The banking sector is characterized by a significant amount of supplier power. The availability of many customer choices and fierce competition makes it difficult to gather low-cost deposits.
- **Substitution Threat:** The risk of substitution is minimal within the banking sector. The government places high importance on the banking industry as it offers an essential service.
- **Threat of New Entrants:** There is a low risk of new competitors entering the banking industry. The reason is that the banking industry requires a significant amount of capital and specialized knowledge and scale. Also, BB has imposed some strict restriction in opening new banks recently. They are merging existing banks rather than opening new ones.

WBB can view the situation as a light of hope, assess their position, and take the appropriate actions that fit their preference. Developing a plan to address these challenges can actually pose a challenge for many banks.

2.5 SWOT Analysis

2.5.1 Strengths

- With just 8 branches operating throughout Bangladesh, this bank has managed make BDT100 crores in 2 consecutive years reflecting a higher profit per branch than industry standard.
- The NPL ratio is very low compared to the industry standard, reflects efficient CRM activities.
- Have foreign roots.
- Governance and compliance.
- One of the very few banks in Bangladesh to have large trade finance volume.
- Excellent record of financial performance.
- A digital first bank.

2.5.2 Opportunities

- Investing in digital infrastructure.
- Recent opening of the South-Asia regional headquarters in Bangladesh, making it a financial powerhouse in South-Asia.
- One of the few banks to have Offshore Banking Unit (OBU) before BB declaring it. Ensures a steady flow of foreign reserve for our country. Trade customers can explore more business opportunities for them with this.

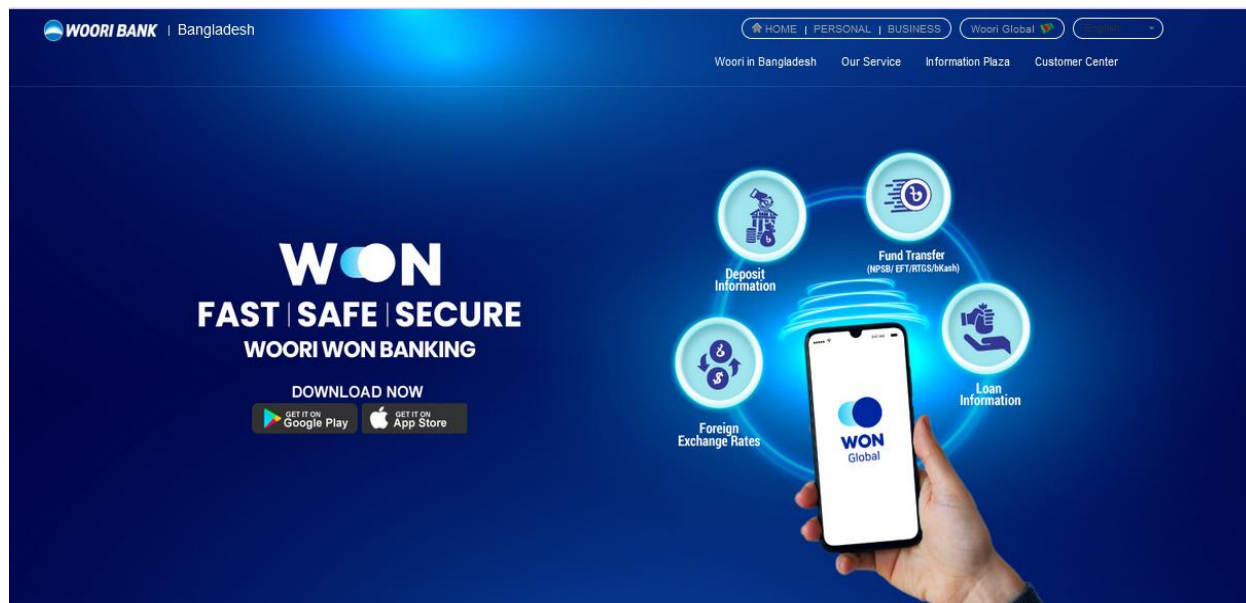
2.5.3 Weakness

- Woori Bank Bangladesh has yet to fully harness its potential within the local market, despite a longstanding 28-year presence.
- The bank's branch network in Bangladesh is limited, resulting in low public awareness.
- A pronounced emphasis on corporate banking has somewhat constrained the development of their retail banking services.

2.5.4 Threats

- The digital first banking approach can be beat by any bank with higher exposure in local market.
- This makes efficient usage of resources more difficult.
- Any competitor can copy their strategy and implement to increase their market share.

2.6 The WON App



WBB's prioritization of digital technology has brought them success, placing them at the cutting edge of banking innovation in our country. The recent launch of the WON app by Woori Bank Bangladesh has enabled customers to access financial services faster and has increased the bank's efficiency in serving customers. Clients have the option to transfer funds using NPSB, RTGS, and Bkash (a respected mobile financial service provider in Bangladesh) solely by engaging with the app without needing to visit the bank in person. They have the ability to view the information about the deposit and the history of transactions. Expats' relatives living in Bangladesh can easily view daily foreign exchange rates without the need to visit the bank, providing a convenient and beneficial option to receive remittances. This information additionally aids corporate clients in making their payments for letter of credit and other payment methods. If someone is interested in getting a loan for personal reasons, they can also access that information. Corporate clients are able to access their loan details, outstanding payments, and maturity status by using this application.

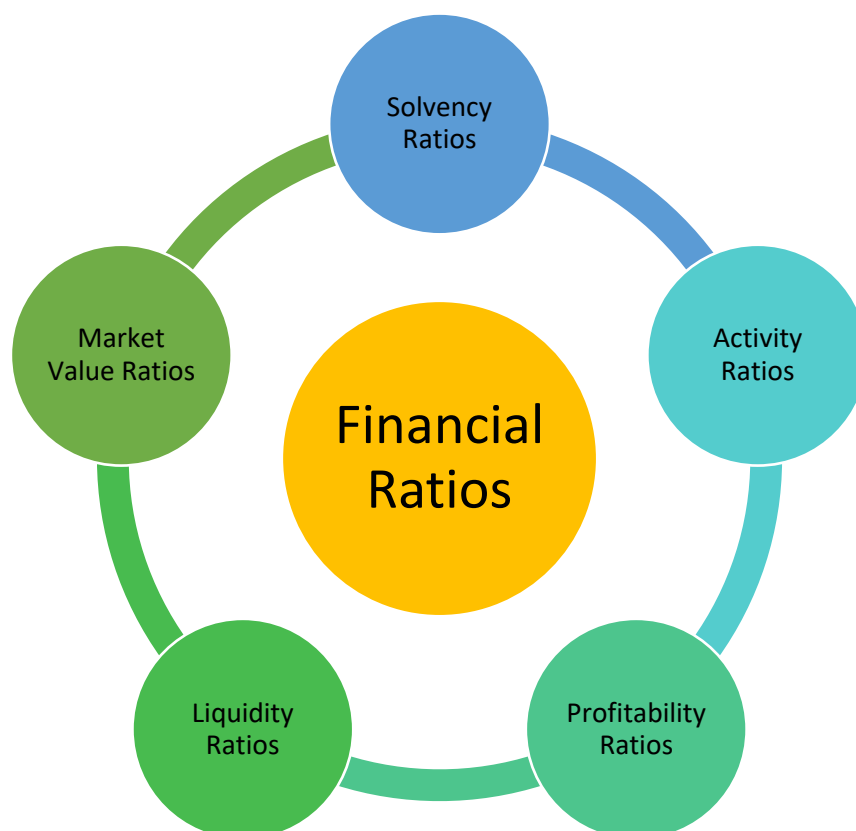
3 Financial Performance Analysis

3.1 Introduction

The financial ratio section of this report will show the financial performance analysis which reflects financial situation of Woori Bank Bangladesh throughout last five years. The years are consecutively 2018, 2019, 2020, 2021, and 2022. Using necessary data from these fiscal years, the financial aspect of Woori Bank Bangladesh will be judged. Any recommendation on increasing the operational efficiency will be mentioned in the later part.

3.2 Methodology of the Analysis

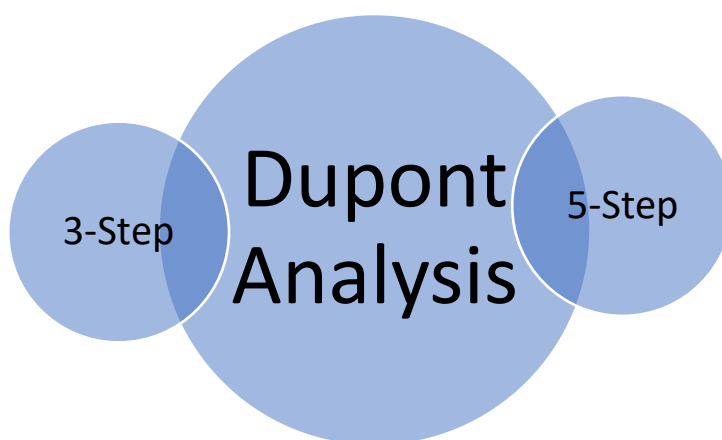
The bank's financial performance data has been evaluated mainly through financial ratios. The focus will be remaining on the five categories of ratios: Liquidity, Solvency, Efficiency, Profitability, and Market Value. Multiple ratios are found within each dimension. Those ratios



will be analyzed and/or measured in relation to these five aspects.

Based on the different ratio calculations, a determination will be made for every aspect of the financial ratios to summarize the bank's performance in each area. Additionally, a comprehensive

summary is made to provide a holistic understanding of all 5 aspects of the bank's financial status to assess its performance in terms of liquidity, solvency, profitability, efficiency, and market value over the past 5 years. These visual representations, such as tables, graphs, flow diagrams, will be utilized in the performances. They will also be compared with industry standards.



An evaluation of Woori Bank Bangladesh's financial health over the past 5 years will be undertaken using both a 3-Step and 5-Step Du Pont Analysis to get further idea of the Bank's ROE, providing important insights and understanding.

At the end, a comparison of the **NPL** will be done with industry average to reflect on the current loan default situation of our country.

3.3 Objective of the Analysis

The purpose of this analysis is to distill and present a clear summary of Woori Bank Bangladesh's performance as a premier foreign commercial bank in the country. This analysis will be utilizing all available data and specified methodologies. This will lead to the formulation of strategic recommendations that could potentially enhance the bank's current performance metrics within the existing operational framework.

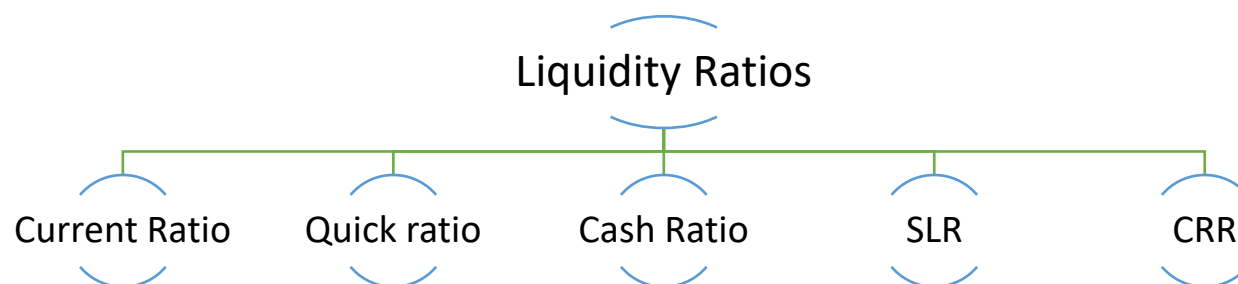
3.4 Ratio Analysis

As previously indicated, this segment will detail and depict the financial performance of Woori Bank Bangladesh across the five key ratio categories. Thus, the forthcoming analysis will expand on each of these facets through detailed descriptions and illustrative visuals in the sections that follow.

3.4.1 Liquidity Ratios

A liquidity ratio is an important financial indicator used to determine a debtor's ability to settle short-term obligations using readily available cash or to assess if additional capital must be acquired to meet these debts. Such metrics are crucial as they also reflect the speed at which a debtor's assets can be converted into liquid cash to fulfill financial liabilities. This evaluation is essential for gauging short-term financial health and ensuring that obligations can be promptly met without necessitating additional funding measures. The most commonly employed liquidity ratios are the current ratio, quick ratio, and cash ratio, alongside the Statutory Liquidity Ratio (SLR) and cash reserve ratio. In the formula for each of the first three ratios, liquid assets form the numerator, and short-term liabilities constitute the denominator.

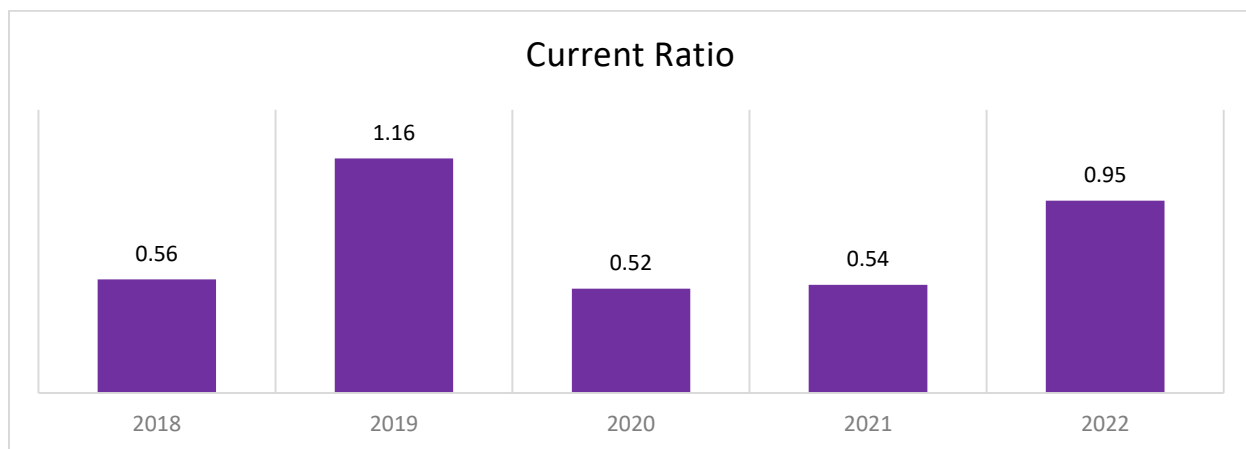
Ideally, ratios exceeding 1.0 are favorable because they imply that assets surpass liabilities. It suggests that a company can cover its current debts with available cash and equivalents. For an example, a ratio of 1 signifies that a company's liquid assets are equal to its current liabilities. For a ratio below 1, such as 0.75, signals an inability to fully meet these obligations. Conversely, a higher ratio, like 2.0, indicates a firm can comfortably settle its current liabilities twice over. Finally, a ratio of 3 suggests it can do so threefold.



The following sections will showcase a series of liquidity ratios for Woori Bank Bangladesh across a five-year span, offering insights into the bank's liquidity stance and its ability to manage short-term debts.

3.4.1.1 Current Ratio

Starting off with current ratio which is the first component of judging an organization's liquidity situation. It assesses an organization's capacity in settling short-term debts or those that are due within a year. It conveys the message to investors and analysts the way this business can use its present assets to the fullest extent possible to pay down its current liabilities and other short-term payables. The current ratio is composed of total current assets and liabilities of a business. If an organization has short-term obligations due at once, this organization has the current ratio of less than 1.00 constantly lacks the required capital to fulfill those obligations. An organization having current ratio of more than 1.00 usually has the required capital resources to cover up the short-term obligations. Throughout the last 5 years the current ratios of Woori Bank Bangladesh look like this below.

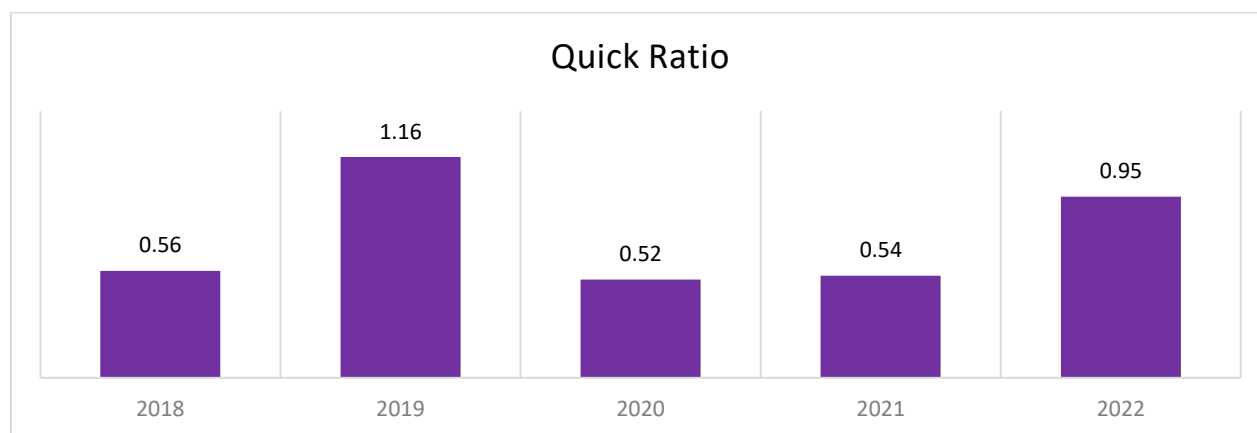


Looking back at Woori Bank Bangladesh's financial journey from 2018 to 2022 through the lens of its current ratio tells a story of resilience and strategic navigation through fiscal challenges. In 2018, the ratio sat at a worrisome 0.56, a stark indicator that the bank had barely over half the necessary assets to cover each dollar of its short-term debts. This scenario likely set off concerns regarding the bank's ability to stay agile in the face of immediate financial obligations. However, 2019 brought a tide of change, boosting the current ratio to an impressive 1.16. This leap signaled a robust period where the bank wasn't just meeting its short-term liabilities; it was

comfortably surpassing them, showcasing a period of financial strength and strategic asset management. Yet, the journey saw its twists with a subsequent dip to 0.52 in 2020, a slight improvement in 2021 to 0.54, and a near-balanced state by 2022 with a ratio of 0.95. This rollercoaster ride underscored the bank's ongoing battle with market volatilities and internal financial strategies aimed at optimizing liquidity.

3.4.1.2 Quick Ratio

Imagine we're dissecting the quick ratio not just as a number but as a narrative of a company's immediate financial health. This ratio, essentially, is like a litmus test for a company's ability to meet its short-term obligations without having to liquidate its inventory or make drastic moves. The quick ratio depends on the most accessible assets — cash, marketable securities, and receivables. It's akin to evaluating if a person can afford an unexpected expense solely with the cash in their wallet and their savings account, excluding assets like their home or car which can't be quickly converted to cash without significant effort. When the talk about a high quick ratio comes in an academic discussion, we're essentially saying the company is in a robust position. It has enough liquid assets to cover its immediate liabilities, showcasing a cushion or safety net. A lower quick ratio signals a potential red flag, indicating that the company might struggle to fulfill its short-term financial commitments without potentially facing liquidity issues.

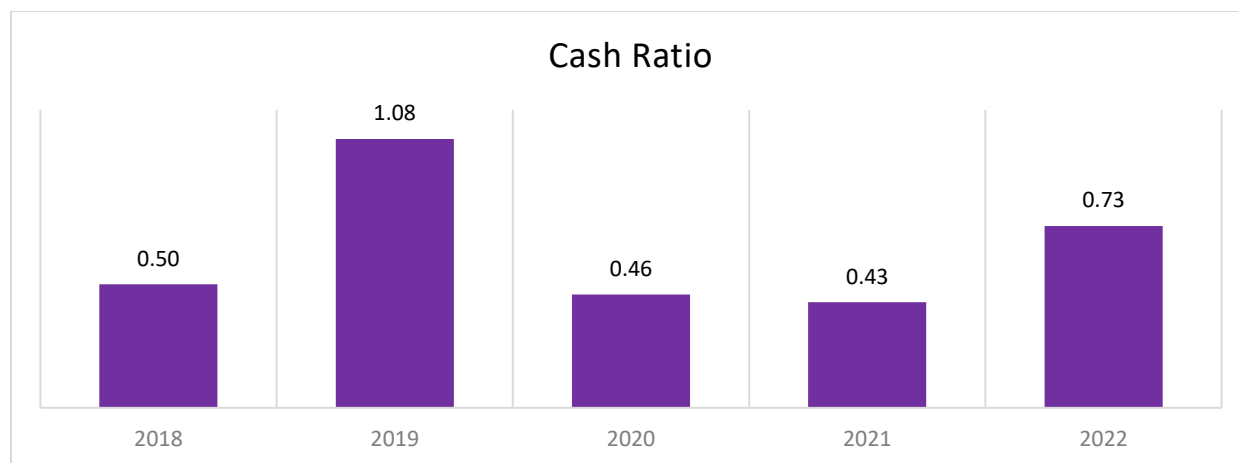


Taking a look at this graph of the quick ratio over five years, it paints a brief picture of the financial performance. Starting in 2018, the ratio was at 0.56, suggesting that the company had some challenges—it didn't have enough liquid assets compared to its liabilities. Then in 2019, there's a significant jump up to 1.16. This is a positive sign due to improved performance than previous year. Moving forward to 2020, the quick ratio dips to 0.52, sliding down further in 2021

to 0.54. These values, lingering just over 0.5, point to a consistent liquidity position that's just over the break-even point. It means the company has been maintaining just enough liquid assets to meet its immediate liabilities, which could be a tightrope walk in challenging times. By 2022, the ratio decreases again to 0.95. Although it's below the 1.0 threshold—which typically indicates a company can fully cover its short-term liabilities without selling current assets—it's not as bad as it was in 2018 or 2020. This indicates a decrease in liquidity but still suggests that the company has nearly enough liquid assets to meet its liabilities. This fluctuation in the quick ratio over the years reflects changes in the company's financial management and market conditions.

3.4.1.3 Cash Ratio

The cash ratio is a strict measure of liquidity. This proportion reduces a company's liquid assets to the most necessary components: cash on hand, and assets that can quickly be converted to cash, like bank deposits and money market funds. It overlooks receivables and inventory, providing a negative view of a company's liquidity status. A high cash ratio signifies robust liquidity, indicating the company can easily cover short-term debts with its most liquid assets. On the other hand, a decreased cash ratio could raise concerns regarding a company's current ability to cushion debts quickly without relying on alternative methods such as dropping assets or gathering receivables. In financial analysis, the cash ratio is a vital tool in assessing a company's liquidity, without the influence of assets that are not easily converted to cash. It draws a clear picture of a company's ability to quickly settle all its debts if they were in demand all at once. The reason this ratio is simple is that it emphasizes assets that are cash or close to cash, which are the most easily accessible resources for a company to pay off debts.

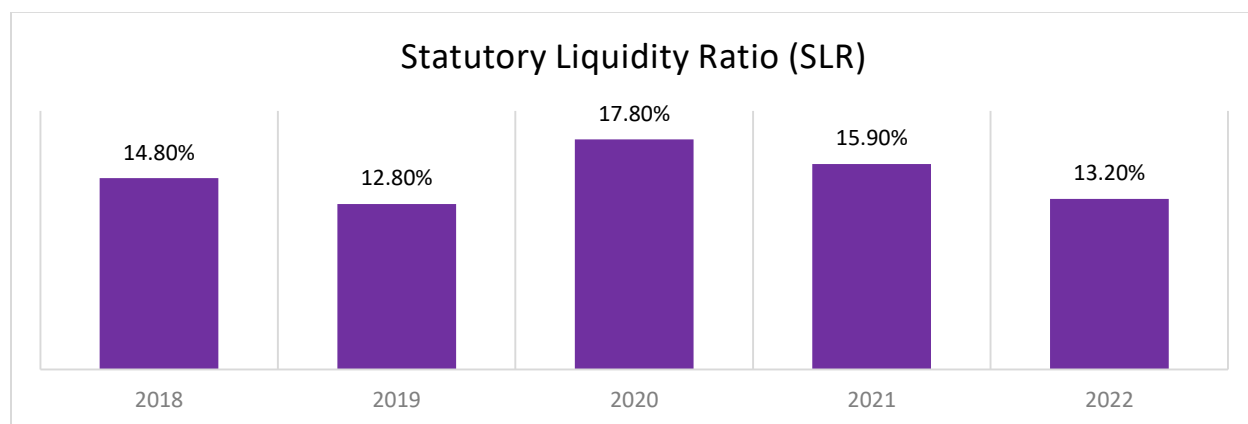


The above graph portrays cash ratio chart for five years with fluctuations in the company's liquidity. In the beginning of 2018, the cash ratio was 0.50, showing that the company had half a unit of cash for a unit of short-term liability. This indicates a more restricted liquidity situation. As the year 2019 starts, there is a significant improvement in the position reaching 1.08, indicating a time when cash reserves exceed short-term liabilities, showcasing a more robust liquidity position. Nevertheless, in the subsequent years, there was a decrease, with the cash ratio decreasing to 0.46 in 2020 and then to 0.43 in 2021. This decrease may suggest a change in focus, like limited growth in investing or a transition towards less easily converted assets. In 2022, there is a small improvement to 0.73, but it remains below the balanced level of 1.0, where cash and cash equivalents match short-term liabilities. The trend indicates that the company has not consistently been able to solely use cash to meet short-term obligations, instead peaking at times and then decreasing to previous levels. It is essential to delve further to uncover the root cause.

3.4.1.4 Statutory Liquidity Ratio

The statutory liquidity ratio (SLR) is a fundamental regulatory requirement for banks that determines how much of total deposit liabilities must be retained in liquid assets such as cash, gold, and government securities. The main aim of the SLR is to guarantee that banks have suitable accessible assets to address troubles with bad debts, therefore boosting their liquidity position. The SLR's perform within the financial stability framework is to prevent liquidity shortages that might lead to a bank's bankruptcy. By ensuring an appropriate quantity of liquid assets, the SLR tries to protect depositors' interests and guarantee that banks will meet their

short-term obligations. This regulatory incrementally is significant not only for individual banks. However, it is also critical to the general stability of the banking industry. In terms of financial analysis, the SLR is examined to figure out its influence on a bank's liquidity management methods, as well as the trade-offs between liquidity preservation and asset return growth. It is also a topic of interest in discussions regarding monetary policy and regulatory control, with implications for the bank's operating efficiency and broader economic stability. As a result, the SLR is a vital component of banking regulation research, exemplifying the critical link between policy requirements and financial prudential principles.



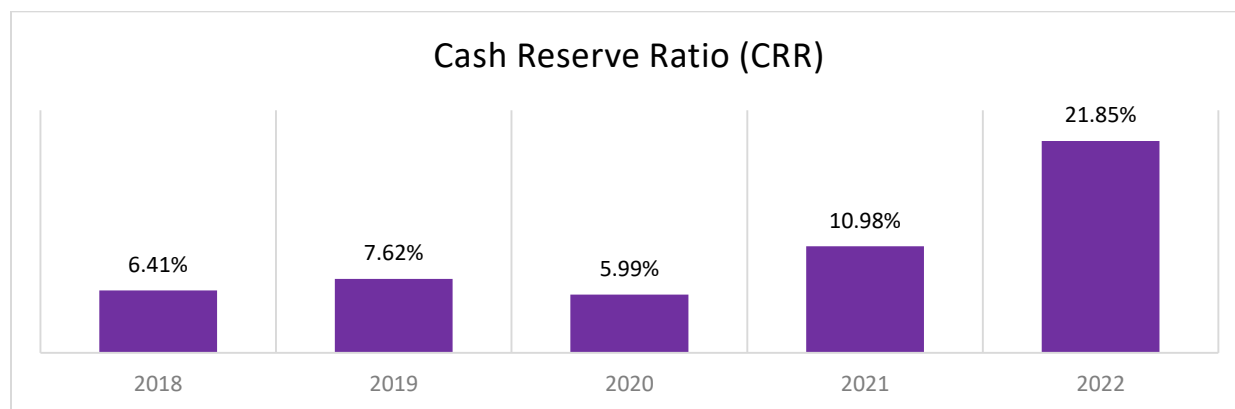
Examining the Statutory Liquidity Ratio (SLR) from the chart for the period of 2018 to 2022, there's a discernible trend and fluctuation in the SLR percentages held by the bank. In 2018, the SLR starts at 14.80%, which suggests that the bank was maintaining this percentage of its deposit liabilities in liquid assets. This level indicates a relatively moderate liquidity buffer according to regulatory standards. The subsequent rise to 17.80% in 2019 reflects an increase in the bank's liquid assets relative to its deposits, possibly indicating a more conservative approach to liquidity management or a response to regulatory changes or economic conditions. This rise in the SLR is frequently viewed as empowering the bank's capacity to handle unforeseen and substantial withdrawals. In 2020, the percentage remains high before slipping slightly to 15.90% in 2021. This slight reduction is caused by the bank's deliberate choice of utilizing urgent funds for more profitable activities, or it could be a quick response to a shift in financial conditions or deposit behavior. It still signifies a strong liquidity position, but with a modest reduction in the liquid assets' cushion. The year 2022 shows a further decrease in the SLR to 13.20%. Although it represents a decline, the ratio remains above regulatory minimums, denoting that the bank still

holds a reasonable level of liquid assets. However, the downward trend could suggest an evolving strategy within the bank's asset management or changes in regulatory requirements.

3.4.1.5 Cash Reserve Ratio

The Cash Reserve Ratio (CRR) is a banking concept that describes how much of a bank's total deposits has to be kept untouched, either in the bank's safe or at the central bank. Imagine it as a part of what customers deposit, that banks are not allowed to use for loans or investments, kind of like setting aside a piece of pie. Within a report, the CRR stands as a key tool for central banks to steer how much money is circulating in an economy. If the central bank hikes up the CRR, that means banks won't be able to lend out as much cash, which helps keep too much money from hitting the streets and driving prices up inflation, that is. On the flip side, dropping the CRR lets banks loosen their purse strings and loan out more dough, which can kick-start growth by getting people and businesses to spend and invest more.

When writing up a report on banking, analyzing how high or low the CRR is set can shine a light on what moves the central bank's making to manage cash flow and its impact on our wallets and purses.



The graph above is showing the Cash Reserve Ratio (CRR) from 2018 to 2022, there is a rising pattern with a small interruption during the COVID-19 outbreak. In 2018, the CRR stood at 6.41%, and it saw a small rise in 2019 to 7.62%. This indicates that the economy was quite steady, so the central bank did not face any outside pressure to either limit or greatly promote bank lending. The CRR dips to 5.99% in 2020, the time when COVID-19 was announced as a global pandemic. Global economy encountered unprecedented difficulties. Lowering the CRR at this time shows the central bank is trying to add more liquidity to the economy to maintain

circulation. By lowering the CRR, banks can increase their lending capacity, driving economic growth amidst the pandemic-induced downturn. It was probably one of several monetary policy tools used to reduce the economic impact of lockdowns, travel restrictions, and overall decrease in economic activity. In 2021, there is a notable increase in the CRR to 10.98%. This rise could indicate the central bank's aim to address inflationary pressures resulting from the abrupt economic revitalization initiatives. In 2022, the CRR experiences a remarkable increase, rising to 21.85%. This significant rise may indicate a bold strategy to address inflation, which had been implemented to control it.

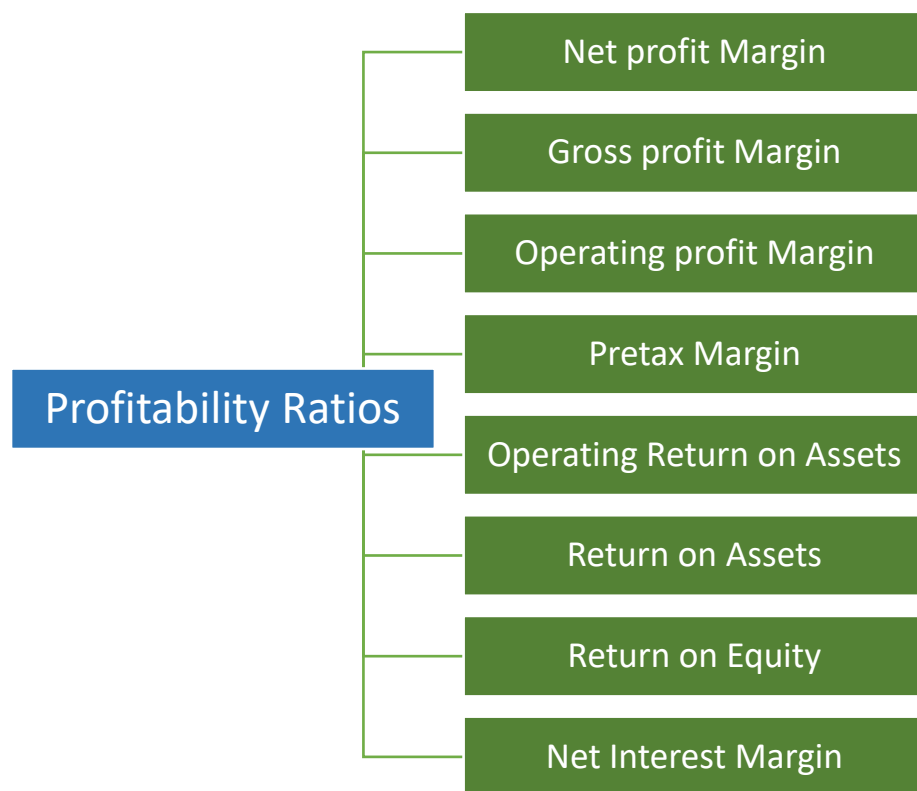
3.4.1.6 Conclusion for Liquidity Ratios

The analysis of Woori Bank Bangladesh's liquidity ratios over the past five years reveals a comprehensive view of the bank's ability to meet its short-term obligations. The journey of the current, quick, and cash ratios, alongside statutory and cash reserve ratios. It helps in finding out the bank's strategic responses to both internal financial management decisions and external economic conditions. While the fluctuations in these ratios indicate periods of tighter liquidity, particularly evident during the COVID-19 pandemic, they also reflect proactive adjustments to maintain financial stability. The bank's ability to navigate the challenging landscape, as seen in the incremental adjustments to the cash reserve ratio. This showcases its commitment to ensuring liquidity amidst varying market pressures. Overall, Woori Bank Bangladesh's management of its liquidity ratios underscores its resilience and adaptability. It has positioned itself well to continue addressing its short-term liabilities and contributing to its sustained financial health in the face of future economic uncertainties.

3.4.2 Profitability Ratios

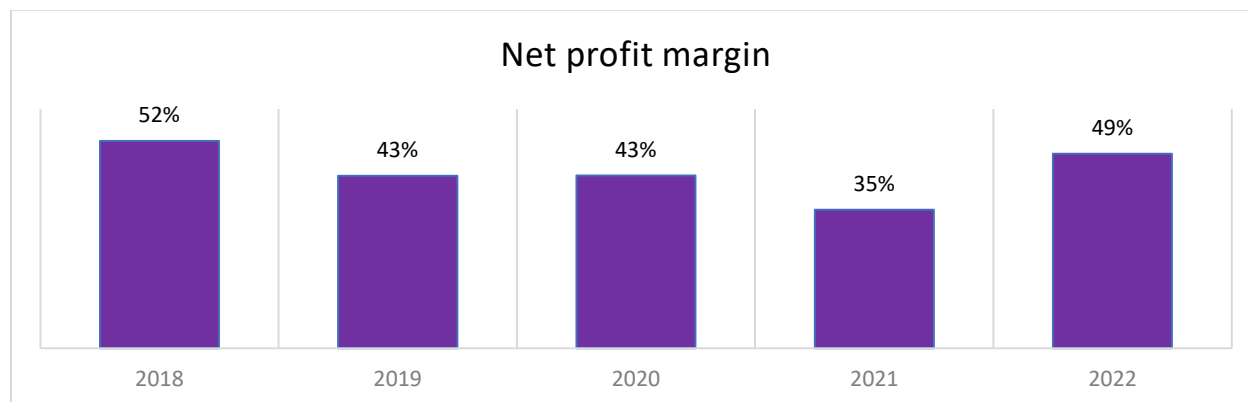
Profitability ratios stand as essential financial tools that scrutinize a company's efficiency in generating profit relative to its sales, operational expenses, assets, or shareholders' equity throughout a period. These ratios are paramount in financial analysis. It illuminates the operational success and fiscal health of a company. Particularly effective as comparative metrics, profitability ratios enable an analysis of performance evolution or positioning against industry counterparts.

For Woori Bank Bangladesh, these ratios provide a window into how adeptly the bank's leadership manages operations to bolster profit margins. Investors might use these insights, alongside additional research, to gauge the bank's potential as a promising investment venue. Generally, a higher spectrum of profitability ratios can suggest the bank's operational leverage, including its ability to command premium pricing or minimize costs effectively. When integrated with efficiency ratios, which evaluate how the bank maximizes asset utility for revenue generation, profitability ratios offer a comprehensive view of the bank's financial efficiency and operational potency. In the ensuing analysis, Woori Bank Bangladesh's financial prowess will be dissected via five critical profitability ratios: Net Profit Margin, Gross Profit Margin, Operating Profit Margin, Pretax Margin, Operating Return on Assets, Return on Assets (ROA), Return on Equity (ROE), and Net Interest Margin. This detailed examination will spotlight the bank's proficiency in revenue maximization and cost management, alongside its strategic financial maneuvers and asset leverage, furnishing a well-rounded insight into its profitability credentials.



3.4.2.1 Net Profit Margin

The net profit margin dives deep into the information regarding how well a company can turn its revenue into profit once all expenses have been incurred. It takes the expenses of goods sold, operating expenses, additional expenses, interest payments, and taxes calculation in relation to the revenue the company made on that specific year. This profit margin is a deciding factor to judge a company's financial well-being, showing the portion of revenue that is actual profit the stakeholders can count on. A large net profit margin indicates that the company is able to keep a substantial amount of revenue as profit due to efficient cost management and successful pricing strategies. On the other hand, a small profit margin may indicate difficulty with costs or pricing. It is a comprehensive indicator that can be impacted by variables like economy, industry competitiveness, and managerial strategies.

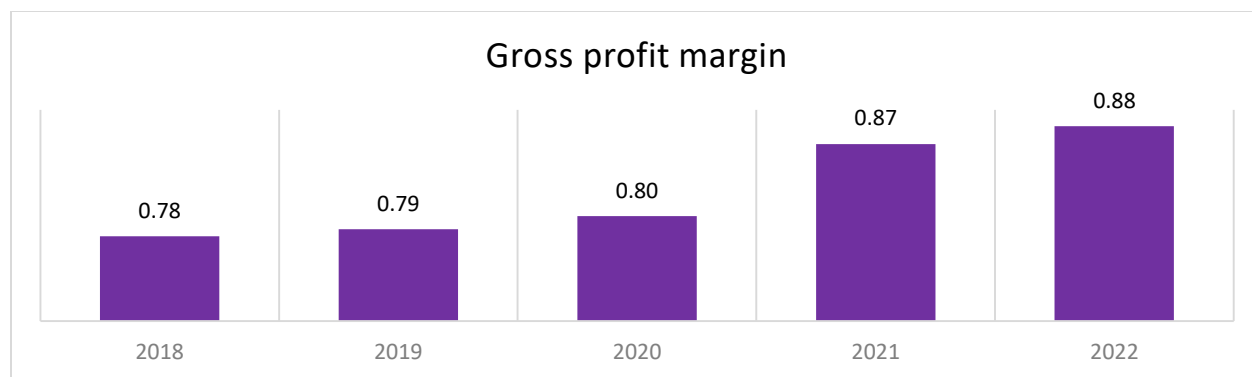


This graph portrays a bumpy ride for Woori Bank Bangladesh's profitability, happened within 2018 and 2022. In 2018, the net profit margin was at 1.27%, meaning the company had the capacity to retain the profit level of \$1.27 for every \$100 in revenue. In 2019, there was a slight decrease in profitability because it can be seen that the margin fell to 1.07%. A slight increase of 1.09% occurred in 2022, reflecting a turn back from the previous year. This could happen due to the company's focus on streamlining operations or a better combination of sales, despite the difficult economic situation caused by the worldwide pandemic and shutdown. Nevertheless, the margin decreased to 0.99% in 2021, marking it to be the lowest point in this period of five years. This could signify the impact of COVID-19 on the bank's operations, where perhaps disruptions in service level, increased operational costs, or changes in consumer behavior affected the company's profit retention capability at the closing point. The year 2022 marked a comeback to

1.37%, exceeding all other margins during this five-year span. This increase could suggest successful strategic adaptations or recovery from the pandemic's impact, indicating improved efficiency or a better pricing strategy, ultimately leading to an enhanced bottom line. The data points to a volatile period where the company had to navigate through various challenges, including potential market shifts and economic disruptions caused by the pandemic. The concluding increase in the net profit margin might reflect the culmination of learned efficiencies and strategic shifts, leading to an improved profitability profile.

3.4.2.2 Gross Profit Margin

Comparing a company's gross profit to its total revenue in a fiscal year through gross profit margin helps in leveling its operational efficiency. When calculating gross profit, a deduction of the cost of goods sold (COGS) from the total revenue shall be conducted. The COGS typically represent the direct expenses related to producing a company's goods, while total sales are the amount derived from a bank's interest income. As this is a financial institution, revenue can be substituted by interest earnings from loan and investment activities, while cost of goods sold is connected to interest payments on deposits. This margin reflects on the amount of the sales revenue that has not been used for direct production costs but have chances to be used for other expenses. A large gross profit margin suggests that a company can sell its products for much more than it costs to produce them. This may imply significant ability to set prices, better product distinctiveness, or reduced production expenses compared to rivals. On the other hand, a low gross profit margin could indicate expensive production costs, competitive pricing tactics, or difficulties managing direct expenses. The significance of the gross profit margin lies in its reflection of the fundamental profitability of a company's offerings. It gives a quick view of how well a company can handle the costs it has the most control over: the costs of producing or buying its products.



The above graph portrays a short glimpse of the gross profit margin of Woori Bank Bangladesh. Starting in 2018, the margin stood at 0.78, meaning that the company could generate 78 cents after direct costs for 1 dollar of interest income. The foundation is solid, but leaves room for improvement. In 2019, there's a slight uptick to 0.79, suggesting that the company may have made small improvements in production efficiency or cost management, or perhaps experienced a mild increase in product prices. By 2020, the margin sees another marginal increase to 0.80. This incremental rise could be reflective of continued improvements or cost-saving measures the company has implemented. However, considering the economic impact of the COVID-19 pandemic which began that year, this stability in gross profit margin could also indicate that the company managed to navigate the initial shocks of the pandemic well. Possibly due to strong supply chain management or a resilient demand for its products. The year 2021 shows a more substantial increase to 0.87. This leap shows significant positive changes in the company's operations or market conditions. It could be the result of strategic changes in pricing, a shift to more profitable products, or cost reductions in materials and production. Moreover, as economies started to recover from the pandemic, demand may have increased, potentially allowing the company to charge higher prices. In 2022, the gross profit margin continues its upward trajectory to 0.88, solidifying the company's growth trend in profitability from its core business activities. This continued improvement could be due to the company's strategic initiatives taking full effect or a favorable market environment where consumers are willing to pay more, or competition has lessened, allowing for higher margins.

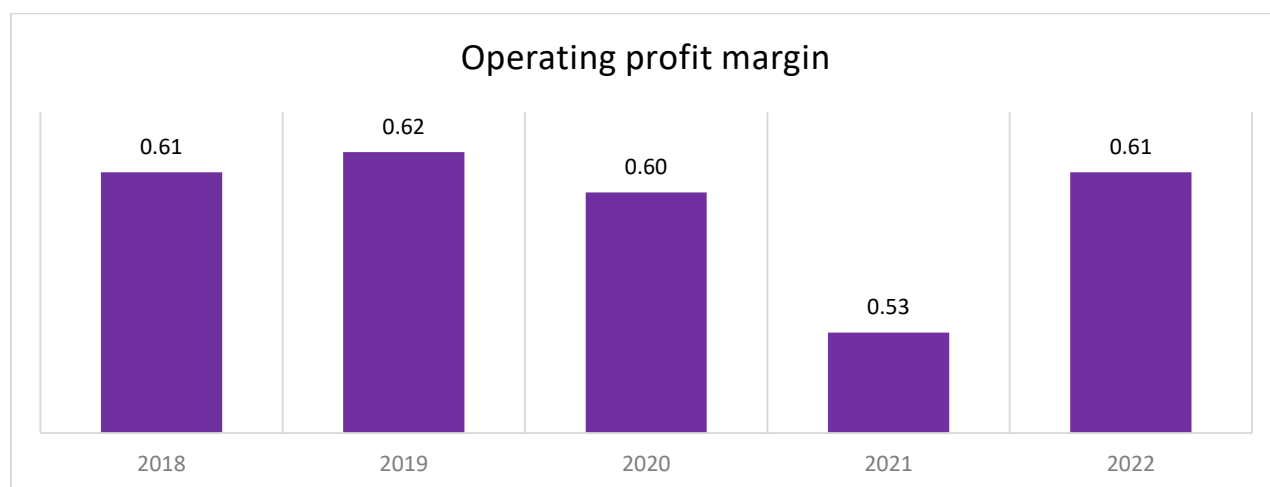
This trend is heartening and recommends that the company has been progressively strengthening its core operations and perhaps benefiting from external factors such as market recovery post-pandemic and strategic adjustments in response to global economic changes. It's a clear indicator

of the company's improving capability to generate profit from its sales, a sign of robust health and operational effectiveness.

3.4.2.3 Operating Profit Margin

Talking about the operating profit margin, it is basically what a company can do with the money it makes from selling its goods or services and in terms of bank it is its income from interest. It's about figuring out the amount of cash the company can keep funds to pay interest and taxes after covering all the costs of operating its day-to-day business. Things like paying interest to customers, paying for supplies and the salaries of its employees. This excludes what it has to pay in interest on debts or what goes in corporate tax, just the core stuff. This margin matters a lot because it tells us how well the company's boss and the team are at running the whole operation. If they can keep this margin high, it means they're not just pulling in revenue; they're actually keeping the operation efficient for a better outcome. This is very crucial from the lens of investor because it shows the management got a good handle on their business, and they're staying ahead of the competition.

For people who dig into a company's finances, whether for investing or just out of curiosity, watching how this margin changes over time, or how it stacks up against similar companies, can give some important insights. A company that's keeping its operating profit margin healthy or making it even better is like a good sign for its investors and other stakeholders. It is that sort of information that can make people sit up and take notice because it's a sign of a company which is doing well, with a team that has expertise in making and saving money.



Starting from 2018, the operating profit margin stood at 0.61, meaning that the company was keeping 61 cents for every dollar of sales after paying for the costs of doing business, except for interest and taxes. This sets the stage as a starting point for our analysis. In the following year a minor increase can be noticed to 0.62 which suggests a slight improvement in managing the costs of operations or an increase in pricing power, possibly due to favorable market conditions or internal efficiencies. The year 2020 shows a marginal decrease to 0.60. Here, the company felt the first effects of the COVID-19 pandemic, which likely brought supply chain disruptions and changing consumer behaviors. Despite these challenges, the modest decrease indicates that the company maintained a relatively stable operating performance, possibly through swift strategic adjustments or the cushioning effect of diversified product lines. In 2021, the margin drops to 0.53, reflecting the deeper and more prolonged impact of the pandemic. This could be due to continued disruptions, additional costs incurred for safety measures, shifts to remote work, or a potential decline in consumer demand in certain sectors. This year would require deeper analysis to understand specific operational challenges and the company's response. The rebound in 2022 to 0.61 is noticeable, as prior years' performances were not that satisfactory. It suggests that Woori Bank Bangladesh went for the new market realities, possibly through operational restructuring, cost-cutting measures, or capitalizing on a resurgence in consumer demand as the pandemic's effects began to fade off. This recovery is a positive sign, showing the company's ability to not only withstand adverse conditions, but also to recover to its pre-pandemic operational profitability.

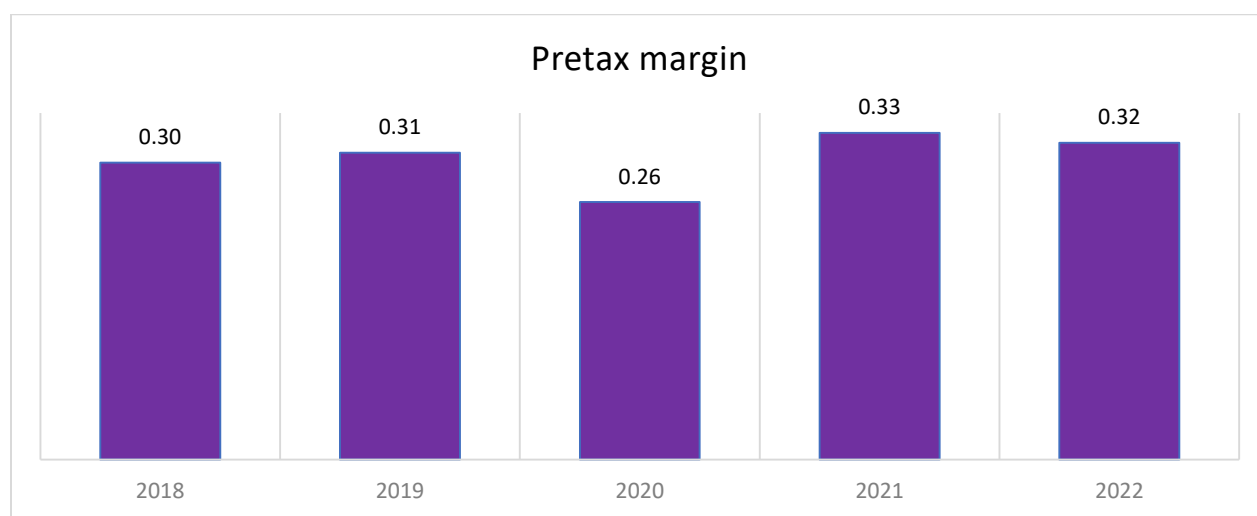
In conclusion, the operating profit margin over these five years tells us that while the company navigated a period of significant economic stress, it demonstrated resilience. Understanding the specific strategies that led to this recovery would be a key point of interest for a report, as it could offer valuable lessons on crisis management and operational agility.

3.4.2.4 Pretax Margin

The pre-tax margin is a financial tool to assess a company's sales that is left over before taxes are taken out, but after all the day-to-day expenses of a running business are paid. It is a way of looking at the amount of money a company have at the end of the month before paying income tax, but after they have covered all of their bills and expenses. In a report, you might describe the pre-tax margin as a way to gauge a company's profitability without the variable of tax, which can

differ a lot depending on where you are and other factors. It helps to find out the performance of the company at making money from its core business activities. Comparatively, a high pre-tax margin depicts the company is pretty good at handling its costs and generating as much profit as possible out of its sales. Whereas, a low pre-tax margin conveys the signal that the company is spending quite a bit to make those sales, which might not be as sustainable.

Looking at a company's pre-tax margin, one can understand how efficiently it is running its company. If that margin is going up, it often means management is finding smarter ways to operate, cutting unnecessary costs, or maybe selling their products at better prices.



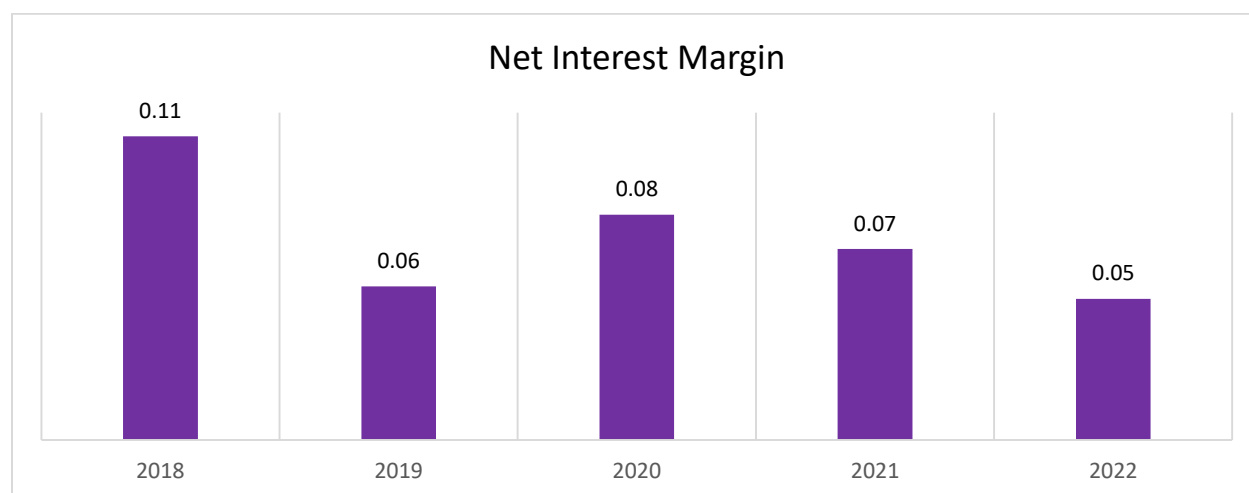
The graph above shows a five-year depiction of pre-tax margin. From 2018 onwards, the pre-tax margin stands at 0.30, meaning that 30% of the company's revenue is profit before paying taxes. This marks a positive beginning for the next five years, indicating the company gets to retain a significant portion of its profits. In 2019, there was a slight increase to 0.31, represents an improving nature throughout the tenure, but then dropped to 0.26 in 2020. The emergence of the COVID-19 pandemic caused widespread economic disturbances that have halted Woori Bank Bangladesh's operation for a huge portion of the year. This decrease may be attributed to increased operational expenses from disruptions in the supply chain, higher investments in health and safety, or reduced consumer spending impacting income. Yet, the margin rebounds to 0.33 in 2021. This ability to bounce back could suggest the company has effectively adjusted to the new challenges by implementing cost-cutting techniques, expanding product range, or entering new markets to generate more income. In 2022, there will be a small decrease to 0.32. This tiny

droplet could indicate a variety of outside influences like market saturation, new supply chain problems, rising costs due to inflationary pressures, or shifts in consumer behavior after the pandemic.

In general, the company's pre-tax margin indicates its skills in maneuvering through times of economic strain and unpredictability.

3.4.2.5 Net Interest Margin

Net interest margin is a one of the key financial analysis tools used particularly for the banking industry to get insight regarding the difference interest income generated from loans and the amount of interest paid out to depositors. It essentially reflects the bank's performance in managing the spread between borrowing and lending rates. It looks into the difference from the view of assets and helps in understanding the cost of having that asset by paying interest. Since the asset for a bank is the lending business that its operate and liability is the deposits that it creates, the interest differences that can be created by interest income and interest paid. On top of the total amount that the bank has, it has to be noticed how much interest the bank is paying in that fiscal year. A higher net interest margin depicts the bank's strength in gathering higher interest in comparison to its average asset which means the performance is optimal. Whereas, lower net interest margin shows banks inability to generate interest income compared to asset, this can have two meaning, either the amount of assets is very high or the interest income is very low.

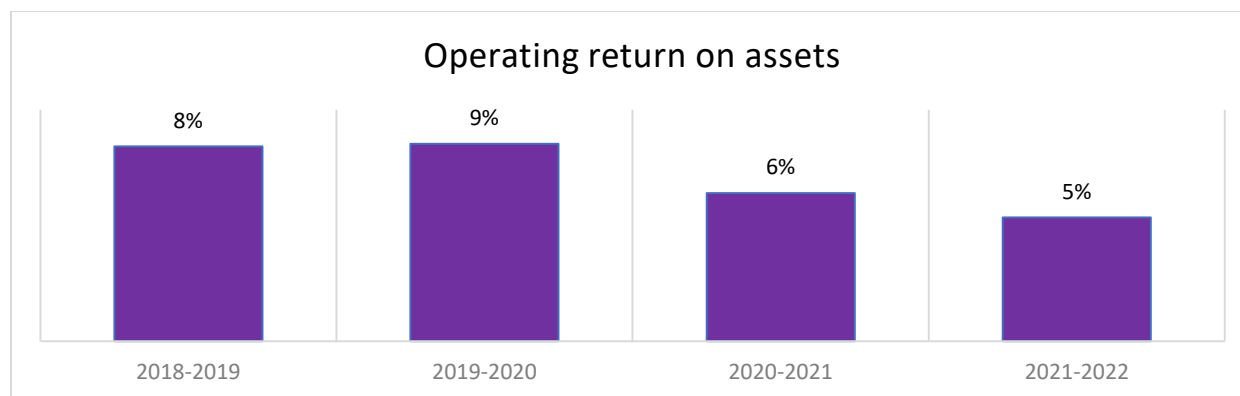


The chart shows a decreasing Net Interest Margin trend from 2018 to 2022. Interest income in proportion to assets has been decreasing since 2018. There have been some minor alterations but they did not impact the overall decrease. Beginning with a high of 0.11 in 2018, the NIM is indicative of a strong differential between the interest income generated and the interest paid out. This figure, representative of a healthy financial environment, suggests an initial phase where the bank capitalized efficiently on its lending activities. Yet, the subsequent years show a downward trajectory in NIM, highlighting potential shifts in the financial landscape. The decline to 0.05 by 2022 raises questions beyond the surface level—perhaps reflecting strategic changes in asset portfolio composition with a move towards more conservative, lower-yield investments or adaptation to a globally low-interest-rate environment post-2018. It may also mirror a strategic choice to prioritize loan quality over quantity, accepting lower yields for safer credit profiles in an evolving market characterized by increased competition and tighter regulatory standards. Simultaneously, this trend might reflect broader macroeconomic conditions. A sustained low NIM could point towards external pressures such as compressed global interest rates, which can affect the bank's traditional revenue streams. Woori Bank Bangladesh, within this context, might have faced challenges in maintaining its interest margins due to these extrinsic economic pressures.

In light of these observations, it is crucial for Woori Bank to re-evaluate its financial strategies. This could involve reinvigorating its asset and liability management practices, exploring new avenues for interest income, or optimizing the cost of its fund sources. The bank's future strategic planning must consider these financial indicators' trajectories to bolster its profitability while mitigating the impact of ongoing economic fluctuations. The key lies in balancing asset yield optimization against the backdrop of market competition and economic policy shifts, ensuring sustainable financial performance.

3.4.2.6 Operating return on Assets

Operating return on assets is a financial ratio tool used to measure the efficiency of a company's core business operation in generating profit in relation to its assets. It depends upon a company to generate substantial operating income within a fiscal year in proportion to its asset throughout that year. It is not dependent on net income rather the income that is there after fulfilling all operating requirements.

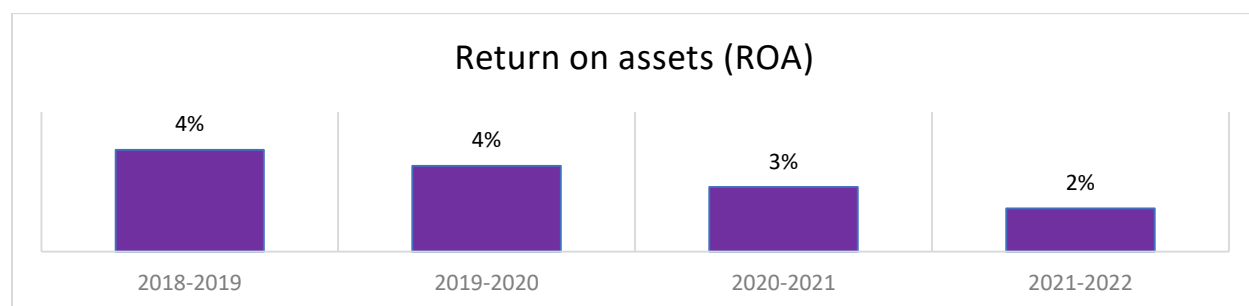


The Operating Return on Assets for Woori Bank Bangladesh, as represented in the graph from 2018-2022, displays a fluctuating trend. Initially, the bank maintained an 8% for this ratio in 2018-2019, which climbed to 9% in 2019-2020, suggesting an improved efficiency in utilizing assets to generate earnings. However, a subsequent decline to 6% in 2020-2021 and further to 5% in 2021-2022 indicates a potential decrease in the profitability of the bank's asset base or challenges in operational performance. This descending trend in OROA could point to a range of strategic implications. For instance, the peak in 2019-2020 may have been due to effective cost management or high-yield asset investments. Yet, the downturn that follows could suggest that these assets are not generating as much income as before, possibly due to lower interest rates affecting the bank's lending margins or a less favorable economic environment impacting the bank's investment returns. The reduction in Operating Return on Assets requires attention, as it is crucial for the bank to generate optimal income from its asset base to ensure long-term sustainability and shareholder value. The bank might consider reviewing its asset allocation, pricing strategies, and operational efficiency to arrest the decline in OROA and steer back towards the higher levels seen in earlier years. It's also important for the bank to analyze external economic factors and internal operational practices that could have led to this trend, enabling them to take informed actions to enhance their overall financial health.

The analysis of this trend should guide strategic decisions around resource allocation, investment opportunities, and cost management, helping Woori Bank Bangladesh to optimize its operational return on assets in the forthcoming fiscal periods.

3.4.2.7 Return on Assets (ROA)

Return on Assets or shortened as ROA is a financial ratio that helps in determining a company's profitability. It shows a company's competency to generate for a dollar. It evaluates the efficiency of the management's decision in utilizing company's assets to generate profits. To find out a company's ROA for a particular year, one has to divide the company's net income by average total assets of that period. To assess the attractiveness of investment of a company within a sector, it is advised to compare the ROAs of different companies.



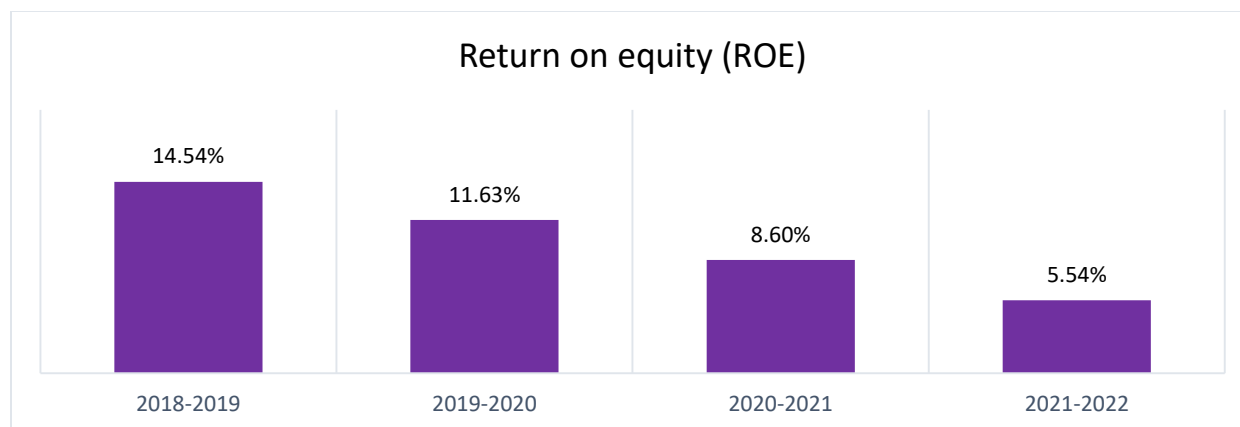
The trend in Woori Bank Bangladesh's Return on Assets (ROA) graph spanning from 2018 to 2022 reveals a consistent decrement in profitability relative to the bank's total assets. This ROA reduction indicates a shrinking efficiency in capitalizing on the bank's assets to generate net income. Starting at a robust 4% ROA, the bank demonstrated commendable profit-generating capability from its assets. Despite maintaining this figure into the next year, a subsequent annual decrease led to an ROA of 3% and eventually, a concerning 2%. These figures underscore an emergent need for strategic review. The bank's decreasing ability to convert assets into profit suggests that while the asset base may be growing or remaining static, the corresponding returns are not matching up, pointing to a potential underutilization or misallocation of assets. The bank could also be facing increasing operational costs that are not offset by revenue growth, or it might be contending with competitive pressures that erode profit margins. This downward trend is critical because ROA is an indicator of managerial efficiency, reflecting how effectively a bank can convert the money it invests in assets into net income. The observed trend could have several underlying causes, such as a rise in non-earning assets, an increase in provisions for potential loan losses, or an overall tightening of the bank's interest margins. In light of these trends, the bank may consider deploying strategies aimed at enhancing asset performance, such as reassessing its investment portfolio, optimizing its loan origination processes, or streamlining

operational workflows to curb unnecessary expenses. Additionally, it might explore new revenue streams or increase its focus on higher-yielding asset classes.

As this trend analysis elucidates a clear picture of declining asset profitability, it is incumbent upon the bank's leadership to investigate the root causes and take corrective action to reverse this trend and enhance shareholder value. By doing so, the bank can aspire to improve its ROA in the coming years, ensuring it remains competitive and profitable in a dynamic banking environment.

3.4.2.8 Return on Equity (ROE)

Return on Equity (ROE) is a financial ratio used to examine a company's ability to make profit using its owners' equity. It can be found by dividing net income by shareholders' equity. In shareholders' equity, the average of two fiscal years will be counted. ROE is expressed as a percentage. It helps shareholders assess the profitability compared to the capital investment. Also, it represents management's capacity to use shareholders' funds to generate profits providing insight into financial performance and efficiency.



The Return on Equity (ROE) graph for Woori Bank Bangladesh displays a clear declining trend from 2018 to 2022. Starting from a robust 14.54% in the first year, which suggests that the bank was generating a commendable return on shareholders' investment, there's been a steady decrease each year, culminating in a ROE of 5.54% by 2022. This pattern indicates a reduction in the bank's profitability or an increase in equity, possibly through retained earnings or additional capital infusions. The bank's ROE peaked in the 2018-2019 period, indicating strong financial performance and efficient equity use. However, the subsequent years have shown a significant downward shift. The 2019-2020 period showed a decrease to 11.63%, potentially reflecting

external market pressures or operational challenges that have begun to affect the bank's profit generation capabilities. The continued decline to 8.60% in the 2020-2021 period could be due to the impacts of global economic challenges, possibly influenced by the COVID-19 pandemic's strain on financial institutions worldwide. It's a trend that has been observed across many financial entities, where traditional revenue streams were disrupted leading to a comprehensive reassessment of operational strategies. By 2021-2022, the ROE has fallen further to 5.54%, signaling that while the bank may still be profitable, the margin of profitability in relation to equity has contracted significantly. This could indicate a strategic pivot within the bank's operations, emphasizing stability over aggressive growth, or a sustained impact of global economic pressures.

In a dynamic financial landscape, such a trend in ROE necessitates an analysis beyond surface numbers. It requires understanding the bank's internal strategic decisions, market performance, and the potential expansion of equity. The figures call for a detailed review of the bank's operational efficiency, cost management, and revenue generation tactics. As the bank moves forward, it might need to revisit its investment strategies, optimize cost structures, and explore new revenue streams to bolster this key profitability metric and reassure stakeholders of its growth potential.

3.4.2.9 Conclusion for Profitability ratio

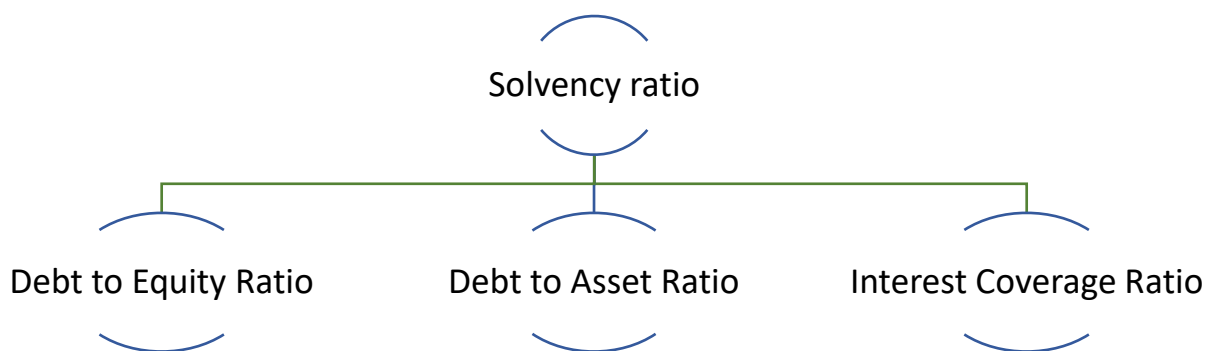
Reflecting on Woori Bank Bangladesh's performance through the lens of profitability ratios over the last five years reveals a trajectory. A trajectory marked by strategic resilience and adaptability in an unpredictable economic environment. The fluctuations observed across key metrics such as net profit margin, gross profit margin, and return on equity underscore the bank's response to external pressures, including the global pandemic and market shifts. Despite these challenges, the bank's ability to maintain a steady course and even show signs of profitability improvement highlights effective management practices and a strong operational framework. The resilience displayed in navigating financial stress points to a well-managed institution capable of weathering economic turbulence while positioning itself for future growth. As Woori Bank Bangladesh continues to refine its strategies and optimize its financial and operational levers, it stands well-poised to build on its strengths and enhance value for its stakeholders in the dynamic banking landscape of Bangladesh. This conclusion encapsulates the bank's journey and

forward-looking potential, derived from a comprehensive analysis of its profitability over the critical period reviewed.

3.4.3 Solvency Ratios

Solvency ratios serve as vital indicators of a company's financial stamina and its ability to sustain operations over the longer period. These ratios paint an opinion for lenders, investors, suppliers, and potential business partners, offering a gauge for assessing a company's long-term debt repayment capabilities. By examining the relationship between a company's debts, assets, and equity, solvency ratios shed light on its capacity to meet debt obligations and finance operations with assets rather than relying on additional borrowing. A robust solvency ratio is an indication of a firm's solid financial health. It suggests a lower risk of financial distress and making the company more attractive to investors and creditors. On the other hand, a weak solvency ratio signals potential financial challenges ahead. It raises concerns about the company's ability to service its debts timely.

The debt-to-assets ratio, interest coverage ratio, and debt-to-equity (D/E) ratio are key measures that collectively offer a comprehensive view of a company's solvency. The debt-to-assets ratio quantifies the proportion of a company's assets financed through debt, highlighting its leverage level. The interest coverage ratio evaluates the ease with which a company can cover its interest expenses on outstanding debt. The debt-to-equity ratio compares the total debt to shareholders' equity. It helps in taking notes about the company's capital structure and risk level.



It is essential to contextualize solvency ratios within the specific industry landscape in any given significant variation in capital structures and financing requirements across different industries.

3.4.3.1 Debt to Equity Ratio

The debt-to-equity (D/E) ratio is a critical financial metric that compares the total liabilities of a company to its shareholder equity. This ratio is a key indicator of the financial health and leverage of a company, providing insights into its capital structure and risk profile. Here's a more detailed look at its components and implications:

Components of the D/E Ratio

- **Total Liabilities:** This encompasses all debts a company owes, including both short-term obligations, like accounts payable and taxes owed, and long-term debt such as bonds payable, loans, and other financial obligations that are due in more than one year.
- **Shareholders' Equity:** This represents the residual interest in the assets of the company after deducting liabilities. It includes funds invested by shareholders through purchase of company stock and retained earnings (accumulated profits not distributed as dividends to shareholders).

Calculating the D/E Ratio

The formula to calculate the D/E ratio is:

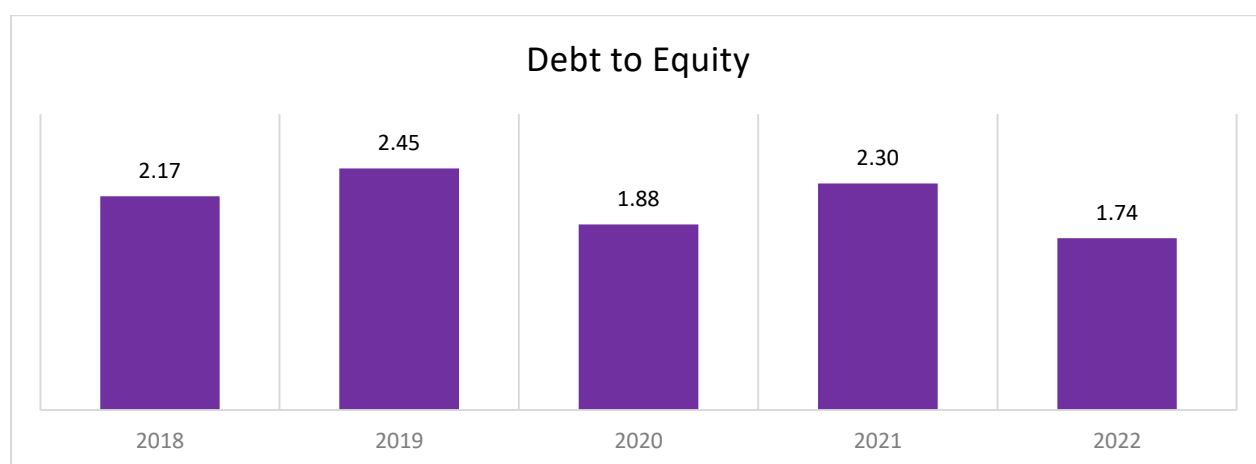
$$\text{Debt – to – Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Shareholders' Equity}}$$

Implications of the D/E Ratio

- **Risk Assessment:** A high D/E ratio indicates that a company has financed a significant portion of its growth with debt. This may result in risky outcomes, since it implies a higher obligation to repay loans and interest on those loans, which can be particularly burdensome during economic downturns or periods of reduced revenue.
- **Financial Leverage:** Conversely, some degree of debt can be beneficial as it allows companies to leverage their operations and potentially increase returns to shareholders. Debt financing, compared to equity financing, can be cheaper and provide tax benefits.
- **Industry Comparison:** It's important to note that acceptable D/E ratios vary by industry. Industries that require large capital expenditures, like manufacturing or utilities, typically have higher D/E ratios compared to those in services or tech sectors.

- **Investor Perspective:** Investors use the D/E ratio to gauge a company's financial health and sustainability. A company with a steadily increasing D/E ratio might be seen as risky, but the context matters. Growth investments financed through debt can increase this ratio temporarily but may lead to higher income in the future.

In summary, while the D/E ratio is a valuable tool for assessing a company's financial leverage and risk profile, it should not be used in isolation. Analyzing it alongside other financial metrics and considering the context of the industry and economic conditions is crucial for a comprehensive understanding of a company's financial health.



The chart above draws a picture of the Debt to Equity (D/E) ratio over five years from 2018 to 2022 for Woori Bank Bangladesh. The D/E ratio tells us the amount of debt the bank has for every dollar of shareholder's equity.

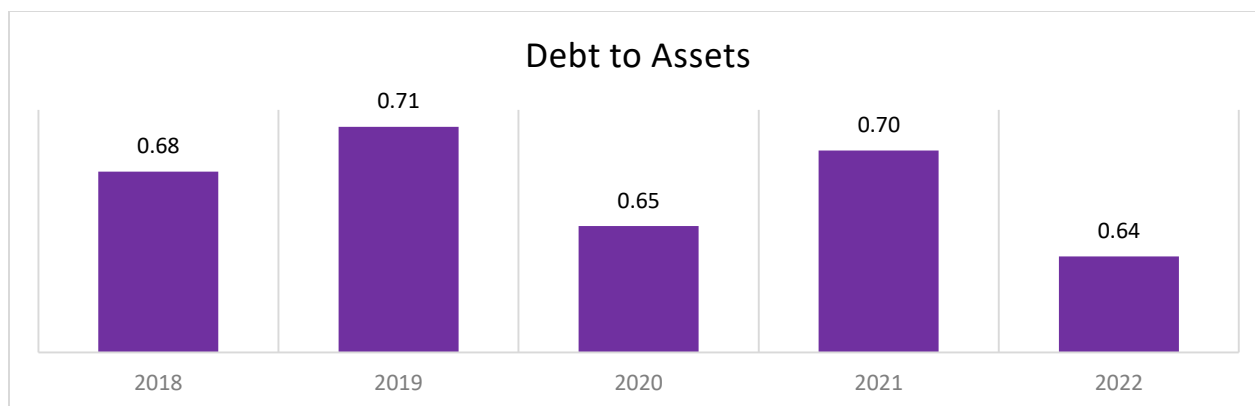
The Debt-to-Equity ratio trajectory for the specified period reveals an intricate financial narrative for the institution. Beginning at a ratio of 2.17 in 2018, the bank demonstrated a notable reliance on debt over equity, a common practice in periods of favorable lending conditions or when engaging in expansive strategies requiring substantial capital. This reliance intensifies in 2019, as evidenced by the increased ratio, possibly reflecting a strategic decision to fuel growth through additional debt in the face of conducive market trends or potential investment opportunities. The subsequent year, however, sees a pivot to a more conservative stance, with the ratio retracting to 1.88. This adjustment could be interpreted as a shift towards enhancing financial resilience, likely in response to the economic uncertainties triggered globally, prompting a reassessment of

leverage strategies. The slight uptick in 2021, with the ratio at 2.30, may denote a calculated return to a more assertive use of debt, perhaps motivated by opportunities for recovery and growth as the economic landscape begins to stabilize post-crisis. By 2022, the reduction to 1.74 marks a strategic downshift to the lowest leverage point within the observed timeframe. This could signal a concerted effort to fortify the bank's financial foundations amid shifting economic winds, prioritizing equity to strengthen solvency and potentially mitigate future financial risks. Such a pattern of fluctuation suggests that the bank has been actively recalibrating its leverage in accord with evolving economic conditions, strategic imperatives, and a long-term vision for fiscal stability and sustainability.

Throughout this period, the bank appears to have navigated through the delicate balance of using debt as a tool for expansion while also being cognizant of the inherent risks, particularly in a volatile economic environment. The latest trend towards a lower D/E ratio might also reflect a broader industry movement towards deleveraging, as financial institutions brace for a landscape characterized by increasing regulatory scrutiny and the imperative for robust balance sheets.

3.4.3.2 Debt to Assets Ratio

The debt-to-assets ratio helps you determine a company's financial health. It compares a company's liabilities to its assets. It also judges the company's ability to repay loans with assets whenever it is in the brink of bankruptcy. Debtors can be assured even if the company does not have adequate capital to repay the loan, they can take control and sell the assets for their money. Thus, debtors can be assured of their lent money. A lower ratio is an indicator for a company that they are utilizing less debt in relation to its assets. That sums up to a sign of financial soundness. A greater ratio reflects company's assets are tied up more in amount than debt commitments, which can be dangerous. This ratio can help investors and creditors understand how effectively a firm can cover its debts if things go wrong. A corporation should have adequate assets to pay its obligations, therefore a lower ratio is generally preferable. However, certain industries have greater rates due to the way they function.



The chart projects the Debt to Assets ratio of Woori Bank Bangladesh of five-year from 2018 to 2022. Examining the Debt to Assets ratio from 2018 to 2022 reveals a nuanced narrative of financial strategy and asset management. The initial ratio of 0.68 in 2018 reflects a conservative balance between debt and assets, indicative of a cautious financial policy. The subsequent increase in 2019 to 0.71 may signify a strategic decision to invest in growth opportunities through increased debt, possibly reflecting an optimistic outlook on future earnings and market conditions. As the ratio dips to 0.65 in 2020, this marks a pivotal response, potentially due to shifting market dynamics or a re-evaluation of financial strategies, emphasizing asset accumulation or debt reduction. The year 2020, marred by global economic uncertainties, may have compelled a reassessment of leveraging practices in pursuit of greater financial resilience. The minor increase to 0.70 in 2021 could be attributed to several factors, including a recalibration of the bank's asset-to-debt ratio in response to economic recovery prospects or strategic debt utilization to capitalize on emerging market opportunities. The subsequent decrease to 0.64 in 2022 consolidates this trend towards strengthening the asset base while judiciously managing debt levels. This could reflect a strategic shift towards sustainable growth, reduced borrowing costs, or a more robust capital structure less reliant on external financing.

Across this period, the pattern indicates an evolving financial strategy that adapts to the external economic environment and internal goals. The emphasis on maintaining a lower debt-to-assets ratio could position the organization favorably in terms of financial flexibility and risk management, ensuring it is better equipped to navigate future market fluctuations with stability.

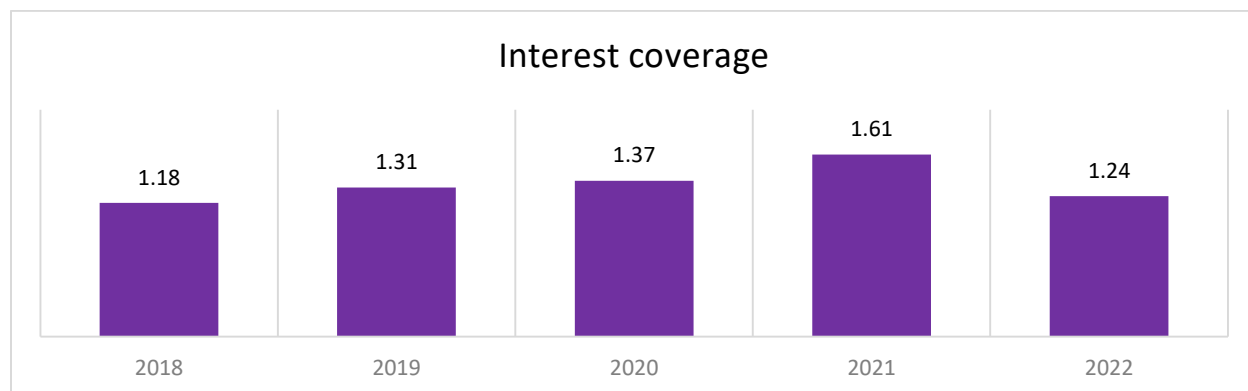
3.4.3.3 Interest Coverage

The interest coverage ratio is an essential financial metric that aids in determining a company's ability to make interest payments on borrowed funds. The formula involves dividing the company's EBIT by its interest expenditures. This ratio informs stakeholders about a company's financial well-being, raising worries about debt levels and the ability to repay them on time.

A corporation with a greater interest coverage ratio can produce enough income to pay its interest expenditures, demonstrating excellent financial stability and the flexibility to borrow additional funds if necessary. A lower ratio, on the other hand, signals potential financial issues, implying that the firm may struggle to repay loans and secure more capital.

For instance, the ratio of 2 shows that the company's operational earnings exceed its interest commitments, providing insurance against economic downturns or abrupt profit decreases. Companies having a ratio greater than one are often considered well-positioned to bear interest payments.

When evaluating the interest coverage ratio, it is critical to compare it to industry standards and consider the reliability of the company's earnings. businesses that are cyclical may have changing ratios, but more stable businesses should have a consistent ratio throughout time.



The Interest Coverage ratio depicted in the chart reflects a company's fluctuating capacity to cover interest expenses with its operating earnings. Initially, the company showed an upward trend with 1.18 in 2018, indicating improving profitability or favorable debt conditions. This number means that company have just adequate funds to pay interest on its borrowings. This number does not give enough confidence to the investors. From 2018 to 2021, this trend kept on going with good numbers suggesting better positioning for Woori Bank Bangladesh. It hit its

peak in 2021 with 1.61 which means even after paying interest from EBIT, the bank was not facing any pressure. One thing to be noted, COVID-19 did not break the rhythm of this increase. Even in the pandemic, the bank was in good position to pay interest on its loan. The peak of this trend suggests robust financial management and possibly post-pandemic recovery effects. However, a subsequent downturn highlights a need for scrutiny; this dip could point to rising debt levels, increasing interest rates, or declining earnings, all of which require strategic attention to maintain financial health and investor confidence. This dip in 2022 with 1.24, might not be the lowest but is the most concerning part. It represents that the good days of the company took a hit. If subsequent actions are not taken quickly enough, it can cause a great hamper for the bank in near future.

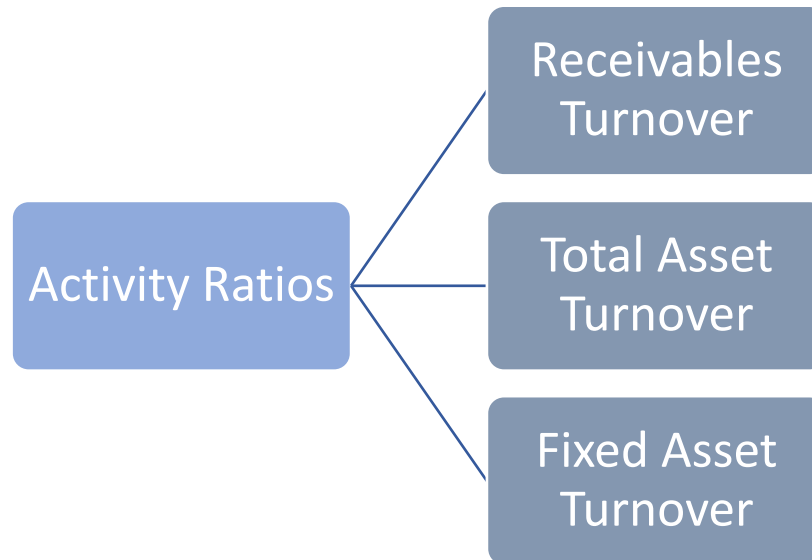
3.4.3.4 Conclusion for Solvency ratio

The solvency ratios of Woori Bank Bangladesh show that the bank has maintained a steady run in their usage of debt compared to its assets and equity over the last five years. This careful management in solvency account helps the bank stay strong and able to handle its long-term debts. Also, it reflects the bank is solvent enough for coming years. Even though there were some ups and downs, but the bank has shown that it's in a good position to pay off its debts and keep running smoothly. This is a good sign for investors. They do not have to worry about possible bankruptcy in coming years. The slight dip in the ability to cover interest expenses in the last year tells us to keep an eye on it, but it doesn't overshadow the bank's overall good management. In simple terms, Woori Bank Bangladesh is doing a good job keeping itself financially healthy and ready for the future.

3.4.4 Activity Ratios

Activity Ratios are the type of financial measures that are used to assess how effectively a company can utilize its assets to generate income. It paints a short picture of the effectiveness of the company and its potential for success in the competitive market. Various financial activity ratios are commonly used to evaluate company performance, as detailed in the article provided. They are crucial for both the company's management and stakeholders involved in making decisions about investing in the business. Analysts and finance professionals often rely on them

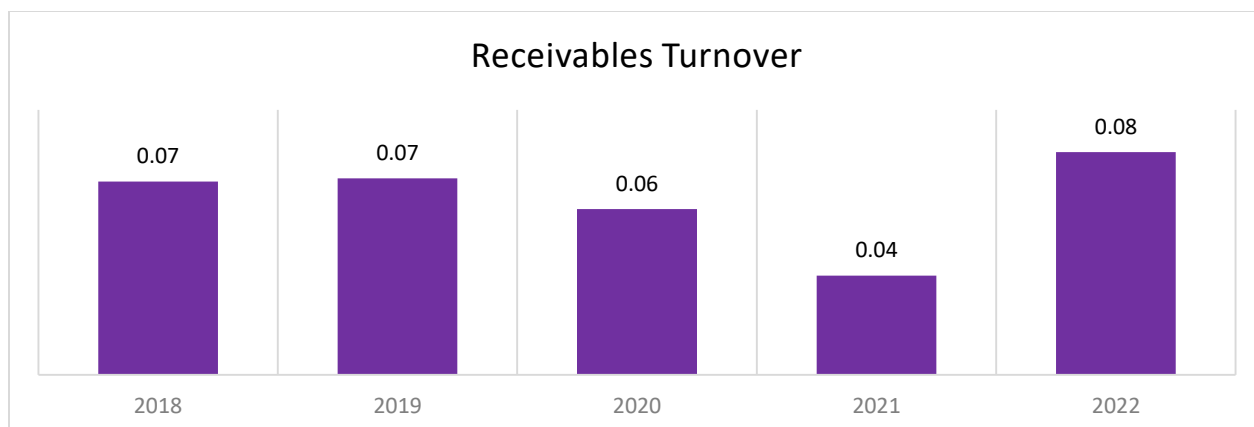
to shape their understanding of the business. It also influences the investment choices they make for their clients.



Activity ratios do not provide the desired results when evaluating businesses in various industries. Efficiency ratios are the more common term used for activity ratios. Formulas for activity ratios are also useful for analysts to assess the company's present or immediate performance.

3.4.4.1 Receivable Turnover

The accounts receivable turnover ratio is crucial in assessing a company's effectiveness in extending credit as well as collecting debts. It helps company to review their trade terms with other for their own benefit. In an industry, it is usual to look into this ratio where it is notorious to delay payments of products. It is determined by dividing the total net credit sales by the average accounts receivable during a certain period which ends up giving us the number of times a company collects its average receivables. A higher ratio is often desirable. Most of the time, a company wants to turn receivables into cash quickly, typically due to strict credit policies and efficient collection processes. On the other hand, a lower ratio can suggest less efficient collection efforts or more lenient credit terms. This situation ordinarily leads to cash flow issues. It is important for businesses to compare their ratio to industry benchmarks to gauge competitiveness and ensure that their credit and collection policies are optimal.



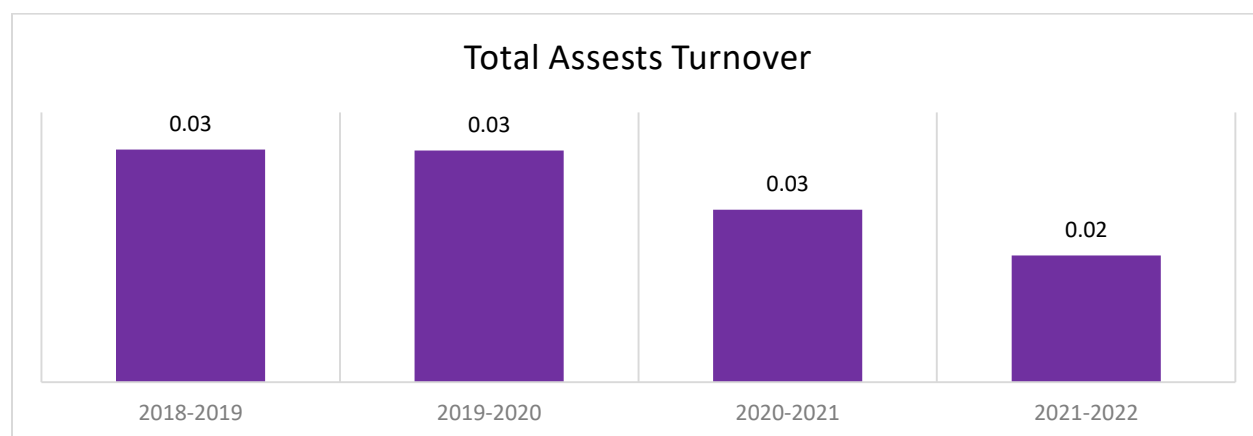
In analyzing Woori Bank Bangladesh's financial data, the Receivables Turnover ratio offers insight into the bank's credit collection trajectory. Initially, in 2018, the bank presented a steady approach with a ratio holding at 0.07, reflecting a consistent pace in converting credit sales into cash. Moving into 2020, a slight decrease to 0.06 possibly indicates a more cautious credit policy or a response to slower economic activity. The ratio's further decline to 0.04 in 2021 raises questions about potential liquidity constraints or extended payment terms, perhaps in response to the ongoing financial challenges presented by the pandemic. However, by 2022, Woori Bank Bangladesh markedly improved its ratio to 0.08, suggesting successful strategic measures were implemented to enhance its collections process and optimize credit management within the challenging economic landscape.

Woori Bank Bangladesh's Receivables Turnover ratio has shown volatility, which is not uncommon in the banking sector, given that such institutions typically deal with a range of credit products and economic cycles. In the industry, a higher ratio is usually favorable as it indicates efficient credit and collection processes. The bank's initial ratio in 2018 at 0.07 was conservative, potentially reflecting a cautious credit approach. The slight dip in 2020 may align with industry trends during the pandemic when many financial institutions experienced a slowdown in collections due to economic strain on borrowers. The decrease in 2021 to 0.04 could be a point of concern, as it suggests a lower efficiency compared to industry standards. However, the subsequent increase in 2022 to 0.08 is a strong sign of recovery, likely above the industry average, signaling that Woori Bank has possibly outperformed its peers in strengthening its collection efforts post-pandemic. Generally, banks aim for a higher ratio to ensure liquidity and minimize credit risk. Hence, while Woori Bank's figures initially suggest a need for

improvement, the latest upswing indicates a positive shift towards industry expectations of effective receivables management.

3.4.4.2 Total Assets Turnover

The accounts receivable turnover ratio is an essential tool essential to evaluate how well a company is able to both give credit and recover debts. The frequency of how often a company collects its average receivables is determined by dividing the total net credit sales by the average accounts receivable during a specific period. A higher ratio is usually looked upon favorably and indicates that a company is efficient in converting receivables to cash, often as a result of stringent credit policies and effective collection procedures. On the other hand, a decreased ratio may indicate collection efforts that are not as effective or credit terms that are more lenient, potentially resulting in cash flow problems. Comparing their ratio to industry benchmarks is crucial for businesses to assess competitiveness and ensure that their credit and collection policies are at their best.

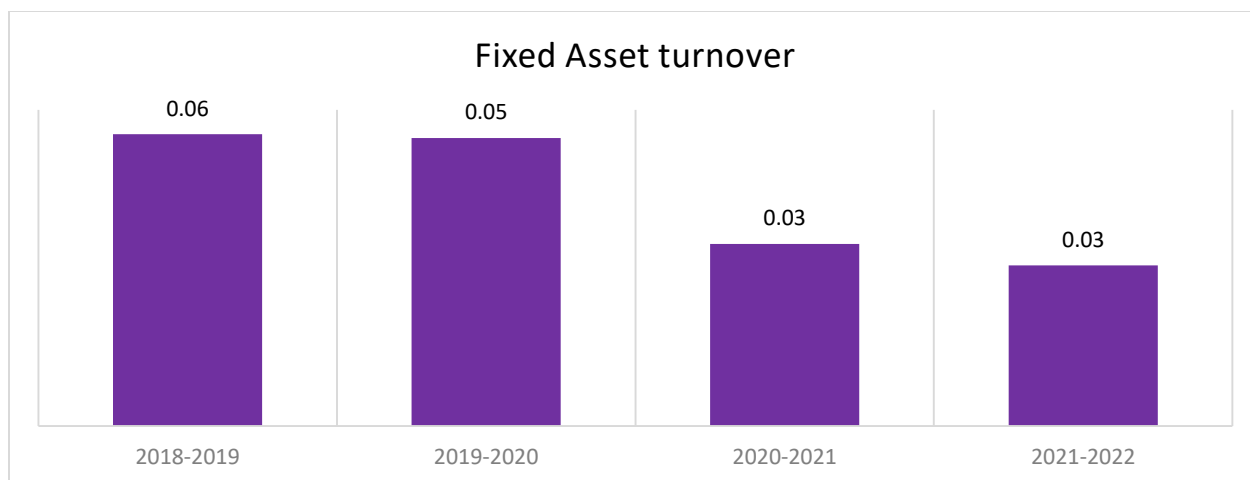


As seen from the data, Woori Bank Bangladesh's Total Assets Turnover Ratio experienced a stable phase at 0.03 from 2018 through 2020, indicating consistent revenue generation from its total assets. However, in 2021, the bank witnessed a decline in efficiency, with the ratio dropping to 0.02. Despite this setback, considering the steady performance in previous years, the bank may have been faced with external economic pressures or an expansion in asset base that did not proportionately increase revenue. This shift underlines the importance of strategic asset management to enhance revenue generation capabilities for Woori Bank Bangladesh moving forward.

The consistency in Woori Bank Bangladesh's Total Assets Turnover Ratio from 2018 to 2020, holding at 0.03, suggests alignment with industry norms, given that banking sector ratios are often lower than those of other industries due to the significant asset base typical of banks. However, the dip to 0.02 in 2021 warrants attention. This decrease may reflect industry-wide impacts, such as economic downturns or low interest rate environments, which can compress margins and reduce the revenue generated per asset. Additionally, it could indicate that Woori Bank's asset growth outpaced its revenue growth, which may suggest an overextension or underutilization of assets relative to its peers. To provide constructive feedback, it would be beneficial for Woori Bank to assess the productivity of its asset base and compare its performance to that of other banks, adjusting its asset management and growth strategies to better match the revenue generation seen across the industry.

3.4.4.3 Fixed Asset Turnover

Analysts rely on the fixed asset turnover (FAT) ratio as a crucial measure to assess how effectively a company's fixed assets contribute to generating sales. The calculation takes place by dividing net sales by the average net fixed assets, that consist of property, plant, and equipment, accounting for accumulated depreciation. In essence, this ratio is an important indicator to gather information about efficiency of a company in generating revenue from its fixed assets. A high proportion of FAT usually indicates that a company is effectively utilizing its fixed assets, leading to a positive impact on sales. Although a high FAT ratio may suggest effective utilization of fixed assets, it does not necessarily mirror the overall financial well-being of a company, including its profitability and consistency of cash flow. It is important to take into account the industry average when evaluating FAT, as capital-intensive sectors may have a lower ratio than less asset-heavy companies.



From what can be observed off the table and chart above, the Fixed Asset Turnover (FAT) ratio for Woori Bank Bangladesh exhibits a downward trend from 2018 to 2021, starting from a ratio of 0.06 and decreasing to 0.03. Initially, the ratio's decrease from 0.06 to 0.05 between 2018 and 2019 suggests a slight decline in the bank's ability to generate revenue from its fixed assets. The subsequent decline to 0.03 in both 2020 and 2021 indicates a more pronounced underutilization of fixed assets or a substantial increase in the asset base without a proportional rise in revenue. Considering the economic challenges of the period, particularly the global impact of the COVID-19 pandemic, this decline could mirror the industry-wide struggle in leveraging fixed assets amidst reduced business activity. It's important for Woori Bank Bangladesh to review its fixed asset investment strategy and perhaps streamline or enhance asset efficiency to improve this ratio and align with industry best practices.

In reviewing Woori Bank Bangladesh's Fixed Asset Turnover ratio from 2018 to 2021, a decline can be seen that merits consideration when benchmarked against industry standards. The banking sector is typically asset-intensive, with lower turnover ratios common due to the nature of financial assets versus fixed assets. The initial ratio of 0.06 dropping to 0.03 may reflect industry trends, especially given the economic slowdown caused by the pandemic in 2020 and 2021, which affected banks' ability to utilize fixed assets like branches and office spaces. However, the persistent low ratio could also suggest room for improvement in asset management within Woori Bank compared to peers. It is advisable for the bank to optimize asset usage, possibly through digital transformation initiatives that have gained traction in the banking industry, to enhance revenue generation from its fixed assets in line with or exceeding industry norms.

3.4.4.4 Conclusion for Activity ratios

Woori Bank Bangladesh's analysis of activity ratios over the past five years reveals insights into the bank's asset management and operational efficiency. The bank has shown competency in managing its receivables and assets, indicating effective credit management and strategic asset use. However, fluctuations in the Receivables Turnover and a decline in the Fixed Asset Turnover ratios suggest areas for improvement, particularly in optimizing fixed asset efficiency. Despite these challenges, the bank's efforts to enhance its collection processes and asset utilization reflect a proactive approach to maintaining financial health. In summary, while Woori Bank demonstrates strong asset management capabilities, ongoing efforts to improve fixed asset utilization will further solidify its operational efficiency and competitive standing in the industry.

3.4.5 Market Value Ratios

Market value ratios are financial indicators that measure and evaluate stock values and compare them to those of rivals, as well as other facts and numbers. These measures analyze public firms' financial performance to help investors evaluate their market positioning. Market value ratios can help you decide if a company's stocks are overpriced, undervalued, or appropriately valued. You may also determine the ideal price at which to buy or sell the shares. Aside from determining the current share price of a public company's stock, these variables assist existing and prospective investors in making financial judgments regarding investing in shares. Various financial metrics govern share prices in the stock market. These indicators are critical for both business owners and investors to monitor in order to avoid losing money due to poor financial decisions.

Woori Bank Bangladesh has been a private entity from its beginning in Bangladesh. Initiated by Woori Bank Financial Group, this bank started its journey in 1996 by opening its first branch in Gulshan 1. Since then, it has not taken any measurements to list the bank into any secondary equity market. For that reason, no earning per share (EPS), no price to earnings ratio (P/E ratio), and no net asset value per share cannot be measured. These market value ratios give investors the confidence that their hard-earned capital will be in a company with good operational excellency and fine financial performance. Thus, they can rely on getting good return from their investment. As Woori Bank Bangladesh does not have any of their stock listed in the public market, they are

not inviting any individual investor to take any interest in investing in this company. As a result, any market value ratios for this company cannot be found.

3.5 Conclusion of ratio analysis

Woori Bank Bangladesh's five-year financial journey, scrutinized through a series of ratio analyses, reflects a narrative of resilience, prudence, and strategic agility that has both met the trials of a fluctuating economy and seized the opportunities therein.

Liquidity ratios across the years have mirrored the bank's cautious yet responsive approach to market volatilities, with significant improvements pointing towards a well-maintained balance of liquid assets against liabilities. The quick ratio's trajectory underscores the bank's adeptness in adjusting its operational liquidity amidst fluctuating economic demands. Despite periodic fluctuations, these ratios indicate a consistent effort to maintain liquidity sufficiency, ensuring operational resilience.

Solvency ratios draw a picture of a bank that has carefully calibrated its use of leverage. The debt-to-equity trajectory reveals a strategic shift toward strengthening equity positions, reducing reliance on debt financing. The interest coverage ratio, consistently above the threshold, suggests that the bank has maintained a solid capacity to meet its interest obligations, an indicator of sound debt management and financial robustness.

The bank's profitability, assessed through various ratios, narrates an overall positive trend despite the occasional dip. The net profit margin's slight increase in recent years is a testament to incremental enhancements in operational efficiencies and cost management. While the ROE's downward trend signifies challenges, it also indicates a potentially cautious, stability-focused strategy in face of economic headwinds. This decline calls for strategic actions to boost profitability while maintaining the bank's commitment to financial sustainability.

Operational efficiency, as evidenced by activity ratios, has shown competent asset management with a spotlight on credit and collections processes. Though the fixed asset turnover ratio indicates a need for optimization, the trend suggests a proactive adaptation to the changing dynamics of the banking sector, with digitalization being a potential area for strategic development to improve asset utilization.

While market value ratios remain unanalyzed due to the bank's non-listed status, the overall analysis of the bank's financial ratios over the years provides a comprehensive view of its

operational and financial standing. The bank has navigated through various challenges with strategic finesse, managing to uphold its financial health and positioning itself for a trajectory of growth and stability in the forthcoming years.

In conclusion, Woori Bank Bangladesh's commitment to financial prudence, operational efficiency, and strategic planning has borne fruit over the past five years. The bank's financial indicators suggest a preparedness to face future uncertainties with robust financial health, reflecting its resilience and potential for continued success in Bangladesh's dynamic banking landscape.

3.6 Comparison with industry standard

Finding out all of these ratios has given us an indication that these ratios are crucial in evaluating a company's performance and solvency. With no operating activities possible without capital at stake, it leaves us no room to imagine the potential consequences of lacking money. Finding out these ratios and trendlines will give us a message on how well the company is doing gradually, but without knowing the benchmark, it would be difficult for us to give any verdict on the performance or determine our goals. For that reason, a comparison shall be done with Woori Bank Bangladesh's performance to other banks. Considering an average standard of 28-30 banks for this process and comparing those standards with Woori Bank's. The financial ratios will work in this regard to reflect the actual performance of Woori Bank Bangladesh. A yearly representation of all those ratios in accordance to WBB and industry average is shown below.

3.6.1 Comparison with industry standard (2022)

Year	Financial Ratio	Woori Bank Bangladesh	Industry Average	WBB's Status
2022	Current Ratio	0.95	0.70	Above average
	Quick Ratio	0.95	0.70	Above average
	Cash Ratio	0.73	0.68	Above average
	Net profit margin	1.37	0.35	Above average
	Operating profit margin	0.61	0.60	Above average
	Pretax margin	0.32	0.29	Above average
	Debt to Equity	1.74	1.78	Below Average
	Debt to Assets	0.64	0.83	Below Average



	Receivables Turnover	0.08	0.03	Above average
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In 2022, Woori Bank Bangladesh (WBB) showed strong financial performance, with key financial ratios exceeding industry standards. WBB's liquidity ratios, which include the current, quick, and cash ratios, surpass the industry average, showing a solid liquidity position. This indicates that WBB has a greater reserve to address short-term obligations, which is beneficial especially during uncertain economic times.

The bank's performance metrics, such as net profit margin and operating profit margin, surpass industry standards, showcasing effective leadership and strong revenue-generating abilities. The increased net profit margin is particularly important because it indicates that WBB is not only making more money from its activities but also successfully managing expenses. Having a pre-tax margin higher than the industry average, WBB is generating greater profits from its activities before taxes compared to its competitors, potentially drawing interest from investors due to the possibility of increased net earnings. Nevertheless, WBB's leverage ratios, including the debt to equity and debt to assets ratios, fall short of the industry's typical levels. This situation could have both positive and negative outcomes: it may indicate a more cautious approach to financial management with reduced dependence on borrowing, making it a safer strategy in unpredictable markets. Alternatively, this could suggest that WBB is not maximizing financial chances as effectively as its competitors, leading to potential growth being overlooked. Ultimately, WBB has a receivables turnover ratio that is well over the industry average, indicating that the company has effective credit policies and collection procedures that facilitate the speedy conversion of receivables into cash.

Ultimately, Woori Bank Bangladesh is surpassing industry norms in various important financial indicators, indicating strong financial well-being and successful management strategies. The conservative leverage ratios need to be examined more closely to ensure they are in line with WBB's strategic growth goals and also maintain financial stability.

3.6.2 Comparison with industry standard (2021)

Year	Financial Ratio	Woori Bank Bangladesh	Industry Average	WBB's Status
2021	Current Ratio	0.54	0.65	Below Average
	Quick Ratio	0.54	0.65	Below Average



Cash Ratio	0.43	0.50	Below Average
Net profit margin	0.99	0.36	Above average
Operating profit margin	0.53	0.67	Below Average
Pretax margin	0.33	0.32	Above average
Debt to Equity	2.30	3.68	Below Average
Debt to Assets	0.70	0.75	Below Average
Receivables Turnover	0.04	0.02	Above average

Woori Bank Bangladesh (WBB) has exhibited moderate to normal financial health in 2021 as evidenced by key financial ratios being lower or close to industry averages. Liquidity wise, WBB is trailing the industry, with current, quick, and cash ratios all falling below the industry benchmarks. This could suggest tighter liquidity conditions for the bank, potentially impacting its agility in financial maneuvering or indicating a more significant investment in less liquid assets. On the profitability front, WBB has a notably higher net profit margin than the industry, demonstrating its capacity to convert revenues into actual profits more efficiently than its peers—a strong indicator of effective cost management and revenue generation strategies. However, its operating profit margin is lower than the industry average, which could signal operational cost issues or higher overheads that aren't reflected in net profits. Despite this, the bank's pre-tax margin aligns closely with the industry norm, indicating that its pre-tax earnings are competitive. WBB's leverage ratios depict a conservative approach, with both debt to equity and debt to assets ratios lower than the industry. This conservative capital structure could signify a risk-averse strategy or limited debt-financed growth, which might slow expansion but also protects the bank in economic downturns. Lastly, the bank excels in receivables turnover, doubling the industry average. This suggests WBB is particularly efficient at credit management and collecting payments, which is essential for maintaining healthy cash flows.

In summary, WBB is demonstrating robust profitability and receivables management, although its liquidity and operational efficiency may need strategic enhancements to align with industry standards. The conservative approach to leverage should be balanced against growth opportunities, especially in an expanding economy where strategic debt can fuel development. Looking ahead, WBB's prospects seem promising if it can bolster its liquidity and refine its operational cost structure while capitalizing on its strong profitability metrics.



3.6.3 Comparison with industry standard (2020)

Year	Financial Ratio	Woori Bank Bangladesh	Industry Average	WBB's Status
2020	Current Ratio	0.52	0.68	Below Average
	Quick Ratio	0.52	0.68	Below Average
	Cash Ratio	0.46	0.43	Above average
	Net profit margin	1.09	0.37	Above average
	Operating profit margin	0.60	0.59	Above average
	Pretax margin	0.26	0.28	Below Average
	Debt to Equity	1.88	1.60	Above average
	Debt to Assets	0.65	1.00	Below Average
	Receivables Turnover	0.06	0.02	Above average
	Total Asset Turnover	0.03	0.02	Above average
	Fixed Asset turnover	0.03	0.02	Above average

A comparison of Woori Bank Bangladesh's financial standing with industry averages for the year shows a mixed picture, with strengths and possible concerns. The bank has current and quick ratios below industry standards, indicating a weaker liquidity position that may lead to a higher risk in fulfilling short-term obligations. Nevertheless, its cash ratio is higher than the industry standard, providing some offset by showing a greater percentage of cash and cash equivalents available. Woori Bank stands out in terms of profitability, with a net profit margin that exceeds the industry average, highlighting effective management and operations. The bank's operating profit margin is higher than the industry average, indicating its proficiency in managing costs efficiently. The bank's debt to equity ratio is higher than the industry average, indicating its leverage. This shows that Woori Bank relies less on borrowing for funds compared to other banks, indicating a cautious approach to growth and possibly lower risk. The bank excels in asset management, with receivables turnover, total assets turnover, and fixed asset turnover all higher than industry norms, showing a strong ability in using assets effectively to generate revenue. Given these aspects, although Woori Bank Bangladesh has some areas that may need strategic enhancements to meet industry liquidity norms, it also displays robust profitability and asset management that set it up for consistent expansion. The above-average turnover ratios of the



bank show its ability to quickly profit from its assets, which is especially beneficial in the current economic environment of recovering and rising inflation. In the future, Woori Bank may see advantages by improving its liquidity management, all while utilizing its strong profitability and effective asset utilization to succeed in the market and promote future growth.

3.6.4 Conclusion of this comparison

The comprehensive analysis of Woori Bank Bangladesh (WBB) across the years 2020, 2021, and 2022, juxtaposed against industry standards, provides a rich tapestry of insights into the bank's financial health, operational efficiency, and strategic positioning. Throughout this period, WBB demonstrated an evolving financial landscape marked by significant achievements and areas earmarked for strategic refinement. A meticulous examination reveals a financial institution that, despite the challenges, has consistently strived to optimize its performance, enhance shareholder value, and solidify its standing within the competitive banking sector.

In 2022, WBB's performance was notably robust, with the institution outperforming the industry average across several key financial metrics. This achievement was not a mere coincidence but the result of astute management decisions, efficient operational strategies, and a focus on sustainable growth. The bank's liquidity ratios, such as the current, quick, and cash ratios, alongside its profitability metrics like net profit margin and operating profit margin, were commendable. These indicators not only underscore WBB's solid liquidity position and effective cost management but also its superior capability in revenue generation and expense control. However, the bank's conservative leverage ratios, evidenced by its debt to equity and debt to assets ratios, highlight a cautious approach towards financial management. While this conservatism could be perceived as a strategy to mitigate financial risks, it also prompts a reflection on whether WBB is fully capitalizing on growth opportunities through leverage.

Transitioning to 2021, the analysis paints a picture of moderate financial health, with WBB navigating through a landscape of liquidity challenges and operational inefficiencies, yet showcasing remarkable profitability and receivables management. The bank's below-average liquidity and operational profit margins juxtaposed with its above-average net profit margin and receivables turnover ratio reveal a complex but not uncommon scenario within the banking sector. These discrepancies suggest areas where strategic interventions could enhance liquidity

management and operational efficiency, aligning them more closely with the bank's otherwise strong financial performance.

The year 2020 offered a mixed yet insightful perspective into WBB's financial disposition. The bank's liquidity ratios lagged behind industry norms, indicating potential vulnerabilities in fulfilling short-term obligations. Conversely, WBB's profitability metrics and asset management capabilities, including receivables turnover, total asset turnover, and fixed asset turnover, were exemplary. These strengths highlight WBB's adeptness at cost management, revenue generation, and asset utilization, forming a solid foundation for sustainable growth and profitability.

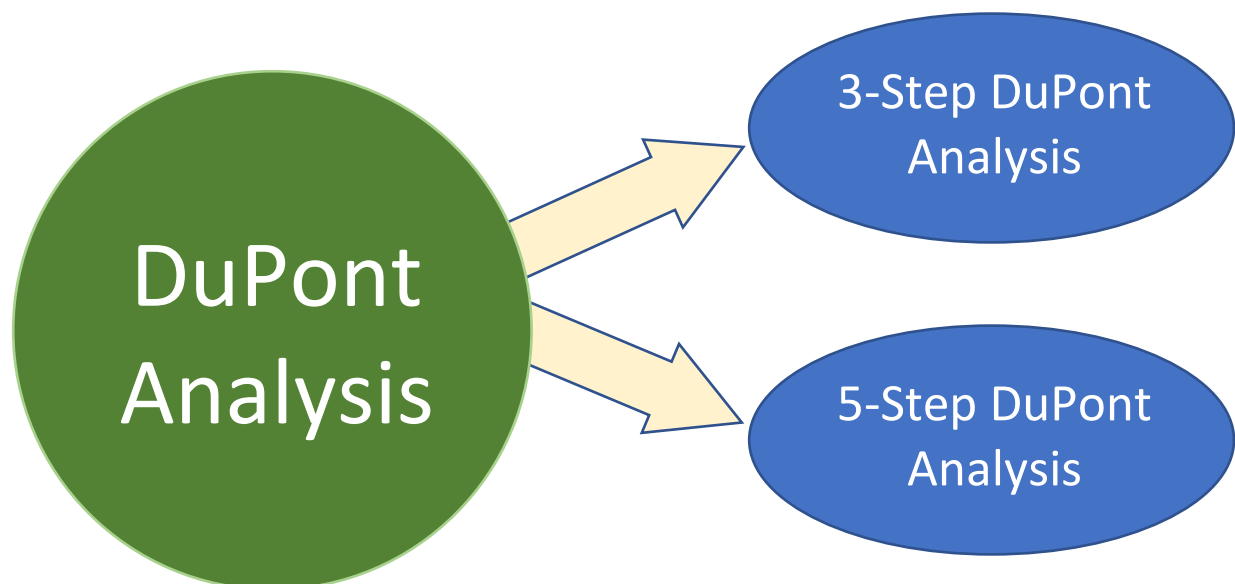
In conclusion, the triennial analysis of Woori Bank Bangladesh reveals a financial institution characterized by a dynamic interplay of strengths and areas ripe for enhancement. The bank's commendable performance in profitability, asset management, and receivables turnover underscores its operational efficiency and strategic management acumen. However, the highlighted liquidity and leverage challenges offer a nuanced understanding that financial prudence, while vital, should be balanced with strategic risk-taking to foster growth and expansion. Moving forward, WBB is poised for continued success should it maintain its strong performance metrics while strategically addressing the identified areas for improvement. In doing so, WBB can enhance its competitiveness, financial stability, and growth trajectory in the ever-evolving banking landscape.

3.7 DuPont Analysis

As outlined, the forthcoming sections will dissect and assess the financial performance of Woori Bank Bangladesh Limited via a dual-pronged approach, encompassing both the 3-Step and 5-Step DuPont Analysis. These ensuing discussions aim to elucidate the fiscal standing of this eminent financial institution within Bangladesh, offering a comprehensive view of Woori Bank Bangladesh's operational success and financial health.

3.7.1 Introduction to DuPont Analysis

The DuPont Corporation created the DuPont analysis, a method used for financial evaluation that breaks down a company's return on equity (ROE) into its individual parts for better understanding. Created in the early 1900s by F. Donaldson Brown, this tool aids in dissecting a company's ROE by analyzing various financial ratios. In the conventional model, ROE is broken down into three components: efficiency in operations, efficiency in asset usage, and leverage in finances. By analyzing the net profit margin, asset turnover, and equity multiplier, investors can identify the specific factors contributing to a company's financial results. It emphasizes if a company's return on equity is influenced by its ability to control expenses, its skill in utilizing assets for revenue generation, or its incorporation of debt in its financial framework.



The DuPont model with 5 steps expands on this concept by dividing operating efficiency into tax efficiency and interest burden, providing a more detailed analysis on the impact of interest payments and tax management on converting operating income into net income. Investors use DuPont analysis to evaluate companies with similar business models. It helps them to gain understanding of operational strategies and the efficiency of debt utilization. For managers, it is a valuable tool for assessing strengths and weaknesses in operations and determining areas that need improvement or enhancement.

In summary, DuPont analysis acts as a comprehensive gauge of a company's operational and financial effectiveness. It reveals various components that together impact a company's profitability and guiding strategic business choices.

3.7.2 3-Step DuPont Analysis of Woori Bank Bangladesh

The 3-Step DuPont analysis essentially unpacks the Return on Equity (ROE) into its core elements: the Net Profit Margin, Asset Turnover, and Equity Multiplier. This dissection helps to pinpoint which factor is exerting the greatest influence on the ROE's movement. It offers insights into the broader fiscal health of the enterprise. By understanding these components individually, analysts can more precisely advise on which areas of the business demand attention to bolster the company's financial robustness and drive better performance. The forthcoming graphic will serve to visually demystify the 3-Step DuPont Analysis, while providing a clear, digestible depiction of how these components interact to shape the overall ROE.

$$ROE = \text{Net Profit Margin} * \text{Asset Turnover} * \text{Equity Multiplier}$$

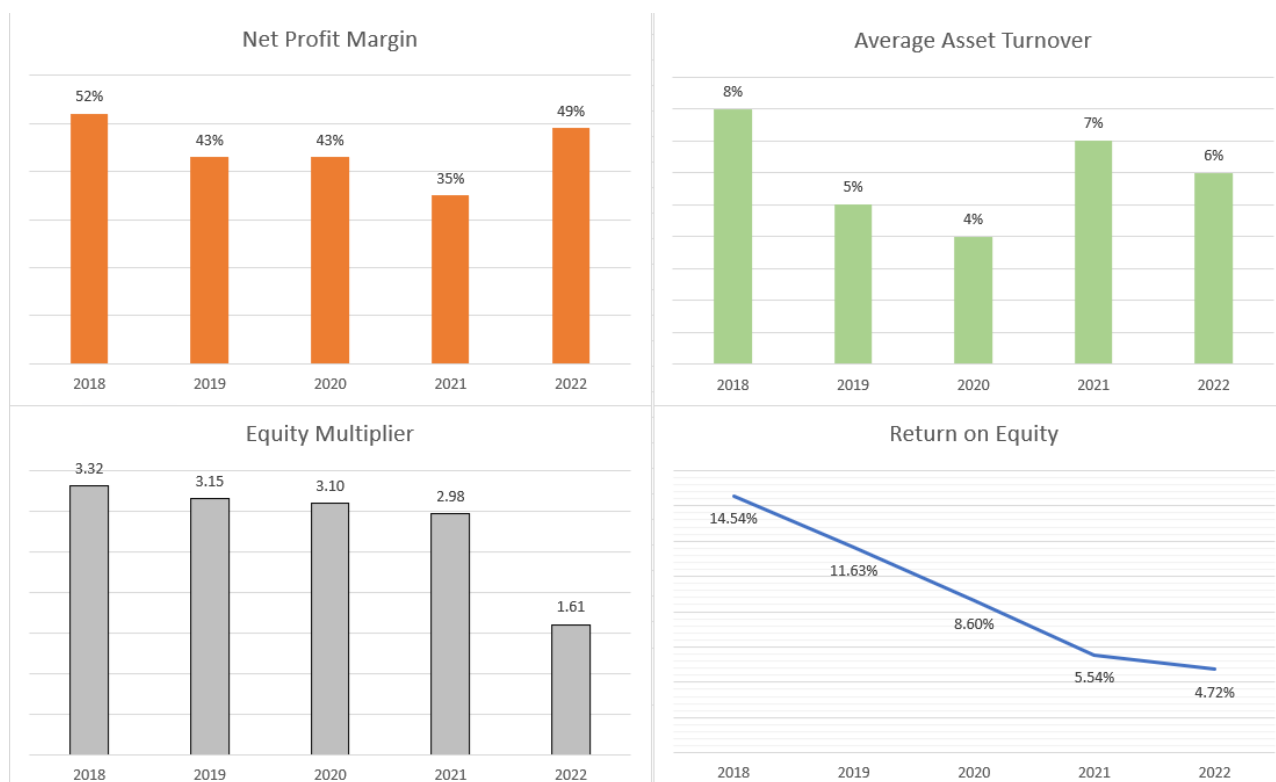
After breaking down this formula for 3-step DuPont Analysis, the formula is as follows:

$$ROE = \frac{\text{Net Income}}{\text{Sales}} * \frac{\text{Sales}}{\text{Average Assets}} * \frac{\text{Average Assets}}{\text{Shareholder's Equity}}$$

The forthcoming table and graph will dissect the elements that constitute Woori Bank Bangladesh's Return on Equity (ROE), offering a comparative perspective on their evolution over the last five years. Accompanied by a 3-step DuPont Analysis, this evaluation will shed light on the influence of different operational factors on the bank's ROE throughout this timeframe, providing valuable insights into the financial dynamics at play within the

Particulars	2018	2019	2020	2021	2022
Net Profit Margin	52%	43%	43%	35%	49%
Average Asset Turnover	8%	5%	4%	7%	6%
Equity Multiplier	3.32	3.15	3.10	2.98	1.61
Return on Equity	14.54%	11.63%	8.60%	5.54%	3.72%

organization.



For Woori Bank Bangladesh, the 3-Step DuPont Analysis for the years presented shows a dynamic financial landscape:

Net Profit Margin: There's a general trend of decline in net profit margin. This ratio started from a high of 52% in 2018 to 49% in 2022. The bank maintained strong profitability in 2019 and 2020 but faced a sharper decline in 2021. It has been caused due to increased operating costs or competitive pressures reducing margins. The slight recovery in 2022 suggests cost control measures or improved revenue strategies may be taking effect.

Equity Multiplier: The equity multiplier showed a significant downward trend from 3.32 in 2018 to 1.61 in 2022. A high multiplier initially indicated a heavy reliance on debt financing. The progressive decrease over the years reflects a strategic shift towards less financial leverage. This strategic change represents a move to strengthen the bank's financial stability by relying more on equity than debt.

Asset Turnover: Asset turnover decreased from 8% to 6% across the analyzed period. Initially stable through 2019, there was a dip in 2020, continuing to 2022. This decline could be due to an increased asset base not matched by proportional revenue growth. Also, macroeconomic factors

such as decreased lending activity due to economic downturns, which would impact asset efficiency.

These three different financial factors have influenced the Return on Equity (ROE) as explained in 3-step DuPont Analysis for Woori Bank Bangladesh over the years.

2018: The bank started with a strong ROE of 14.54%, driven by a high net profit margin of 52% and a significant equity multiplier of 3.32. These figures suggest that the bank was both profitable and heavily leveraged, with debt playing a substantial role in financing assets.

2019-2020: During these years, although the net profit margin began to compress slightly, the ROE remained over 10%. The equity multiplier showed a gradual decline, indicating a reduction in leverage. Despite the slight dip in asset turnover, the bank's profitability managed to sustain its ROE.

2021-2022: The decline in ROE becomes more pronounced, reaching 3.72% by 2022. This decrease is a cumulative result of a reduced net profit margin and a significantly lower equity multiplier, meaning the bank has deleveraged considerably. The asset turnover also decreased, reflecting less efficient use of assets to generate revenue.

In summary, the reduced net profit margin points to operational challenges in maintaining profitability. The substantial drop in the equity multiplier reflects a strategic shift away from using debt to finance operations, possibly aiming for a more conservative financial structure. However, this deleveraging, combined with less efficient asset turnover, has ultimately resulted in a considerable decline in ROE. To improve ROE, Woori Bank Bangladesh may need to strike a balance between optimizing debt levels to enhance profitability while also finding ways to more effectively utilize its assets.

To conclude, the overall financial performance of Woori Bank Bangladesh as per the 3-Step DuPont Analysis reveals a bank that has seen considerable changes over the years. With a notable reduction in financial risk as seen in the equity multiplier, but at the cost of declining efficiency in using its assets to generate revenue. The trends point towards a bank that is cautious in its use of debt, but may need to focus more on enhancing its operational effectiveness and asset management to reverse the downtrend in ROE and capitalize on future market opportunities.

3.7.3 5-Step Dupont Analysis on Woori Bank Bangladesh

The 5-Step DuPont Analysis further dissects the Return on Equity (ROE) into more detailed components than the 3-Step Analysis. It provides a granular view of a company's financial efficiency and profitability. The components include:

EBIT Margin (Operating Profit Margin): It helps in measuring how well the company converts revenue into operating profit, before interest and taxes.

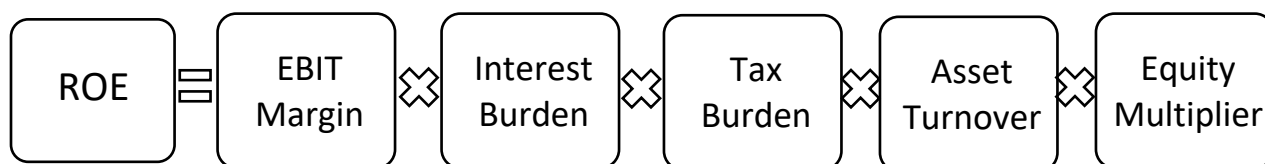
Interest Burden: A ratio that examines the proportion of operating profit consumed by interest expenses, reflecting the cost of the company's debt.

Tax Burden: This ratio is crucial in looking at the amount of the pre-tax income is retained after accounting for taxes, highlighting tax management effectiveness.

Asset Turnover: One can assess the effectivity of the company that uses its assets to generate sales.

Equity Multiplier: Indicates the degree of a company's financial leverage by showing the ratio of total assets to shareholders' equity.

By deconstructing ROE into these five elements, analysts gain insights into specific operational areas. It helps in determining operational efficiency, cost of debt, and tax strategy, along with the overall impact of leverage on profitability. Companies can then pinpoint the most influential factors in their ROE performance. They can identify strengths to be leveraged or weaknesses to be addressed, thus guiding strategic decision-making towards financial stability and improved performance. The 5-Step DuPont Analysis is a more comprehensive tool as it includes the effects of financial structure on profitability, allowing for a more in-depth assessment compared to the 3-Step mode



The breakdown for this formula is mentioned below

$$ROE = \frac{EBIT}{Sales} * \frac{EBT}{EBIT} * \frac{Net\ Income}{EBT} * \frac{Sales}{Total\ Assets} * \frac{Total\ Assets}{Equity}$$

The following table and graph will dissect the elements that constitute Woori Bank Bangladesh's Return on Equity (ROE), offering a comparative perspective on their evolution over the last five years. Accompanied by a 5-step DuPont Analysis, this evaluation will shed light on the influence of different operational factors on the bank's ROE throughout this timeframe, providing valuable

Particulars	2018	2019	2020	2021	2022
EBIT margin	89%	88%	79%	71%	83%
Interest Burden	95%	86%	92%	88%	97%
Tax Burden	61%	57%	60%	56%	60%
Average Asset Turnover	8%	5%	4%	7%	6%
Equity Multiplier	3.32	3.15	3.10	2.98	0.95
Return on Equity	14.54%	11.63%	8.60%	5.54%	4.72%

insights into the financial dynamics at play within the organization.

This table presents key financial ratios of a company over a five-year period, highlighting its EBIT margin, interest and tax burdens, asset turnover, equity multiplier, and return on equity (ROE).



The 5-Step DuPont Analysis for Woori Bank Bangladesh offers a detailed examination of the elements influencing the bank's Return on Equity (ROE) across a span of five years.

EBIT Margin: The EBIT margin has experienced a decline, as it dropped from 89% in 2018 to 83% in 2022. This decrease implies that the bank is maintaining a high percentage of revenue as operating profit, but it has experienced challenges with its operational efficiency or cost structure in recent years.

Asset Turnover: The rate of asset turnover has dropped from 8% to 6% between 2018 and 2022. This pattern suggests that the bank's capacity to make money from its assets has decreased over time. It has happened because the expanding asset base is not fully leveraged to generate extra revenue or due to a slowdown in overall business operations.

Equity Multiplier: There has been a notable drop in the equity multiplier. It declined from 3.32 in 2018 to just 0.95 in 2022. It transmits a signal that a considerable decrease in the bank's

financial leverage took place. The bank appears to have transitioned to a less debt-dependent strategy, decreasing the risks linked to high leverage.

Interest Burden: The interest burden has decreased from 95% to 97%, showing that more of the bank's operating income is now being allocated to pay for interest costs. This could indicate a rise in interest rates or higher levels of debt leading up to the year 2021. Yet, the rise in 2022 indicates progress in handling interest costs or potentially reducing debt.

Tax Burden: The amount of taxes paid has varied, with certain years seeing a greater percentage of income kept after taxes, possibly because of alterations in tax legislation or the bank's tax planning methods.

This mix of factors affects the ROE.

ROE: There has been a consistent decrease in ROE from 14.54% in 2018 to 3.72% in 2022 can be attributed to the declines in EBIT margin and asset turnover, coupled with changes in the bank's equity multiplier. Even as the bank has become less leveraged, which might ordinarily be seen as a conservative financial position, the reduced efficiency in operations and asset use has led to a lower ROE. To reverse this trend, Woori Bank Bangladesh may need to enhance operational efficiencies, optimize asset use, and carefully manage its balance between debt and equity financing.

The 5-Step DuPont Analysis of Woori Bank Bangladesh highlights several key trends affecting its financial performance from 2018 to 2022. The bank has seen a notable reduction in operational efficiency, as indicated by the declining EBIT margin, and a reduced capacity to generate revenue from its asset base, evidenced by the falling asset turnover. Concurrently, the equity multiplier's significant decrease reflects a strategic shift towards lower leverage, lessening financial risk but also impacting the bank's ability to magnify earnings through debt.

This comprehensive analysis culminates in a clear downward trajectory for ROE, compounding the effects of operational and asset utilization declines with a more conservative capital structure. Going forward, the bank faces the challenge of revitalizing its revenue-generating strategies without compromising the financial stability gained from reducing its leverage. Given the complex interplay of the factors influencing ROE, Woori Bank Bangladesh's future prospects will hinge on its ability to balance prudent financial management with aggressive growth tactics in a competitive banking landscape.

3.7.4 Conclusion of DuPont Analysis

The comprehensive analyses conducted through both the 3-Step and 5-Step DuPont Analysis methodologies provide an illuminating examination of Woori Bank Bangladesh's financial performance over a span of five years, from 2018 to 2022. These analyses serve not only as a testament to the utility of the DuPont Analysis in dissecting a company's return on equity (ROE) into its fundamental components but also as a crucial lens through which the strategic financial decisions and operational effectiveness of Woori Bank Bangladesh can be scrutinized in detail.

From the 3-Step DuPont Analysis, it is evident that Woori Bank Bangladesh experienced a fluctuating financial landscape, with notable strengths in net profit margins and a strategic shift towards a less leveraged financial structure, as seen in the equity multiplier's significant decline. However, the bank's asset turnover ratio indicated a decreasing efficiency in using its assets to generate revenue, a trend that directly impacts the overall ROE. The analysis pointed towards operational challenges and the necessity for the bank to enhance its asset utilization and manage its leverage more effectively to bolster financial performance.

Further diving into the nuanced 5-Step DuPont Analysis provides a granular view of the operational and financial factors influencing the bank's ROE. The fluctuating EBIT margin and the decreasing asset turnover highlight operational inefficiencies and a reduced capacity to leverage assets for revenue generation. Meanwhile, the substantial reduction in the equity multiplier over the years marks a deliberate move away from debt reliance, showcasing a strategy aimed at financial stability. However, this conservative approach to financing, while mitigating financial risk, also dampens the potential for higher returns on equity through leverage.

In summary, the DuPont Analyses over the years underscore a bank in transition, grappling with the balancing act between operational efficiency, asset utilization, and financial leverage. Woori Bank Bangladesh's management appears to be navigating through a complex financial terrain, marked by efforts to reduce leverage and maintain a solid equity base, while simultaneously facing the challenges of declining operational efficiency and asset turnover.

To chart a course towards enhanced financial performance and sustainability, Woori Bank Bangladesh may consider several strategic imperatives. First, there is a clear need for bolstering operational efficiency through cost management and revenue enhancement strategies. This could involve leveraging technology to streamline operations and develop innovative financial

products that meet evolving customer needs. Second, enhancing asset utilization by ensuring that the bank's asset base is optimally leveraged to generate revenue is crucial. This may entail reassessing the bank's asset portfolio and investment strategies to align with market opportunities and risk appetite. Lastly, the bank's approach to financial leverage needs careful recalibration. While the move towards reducing debt is commendable for its risk-averse stance, Woori Bank Bangladesh must also explore strategic debt utilization that can amplify returns without compromising financial stability.

In navigating these strategic dimensions, Woori Bank Bangladesh stands at a critical juncture where the decisions made today will profoundly influence its future trajectory. The bank's leadership, by leveraging insights from the DuPont Analysis, is equipped to make informed decisions that balance risk and return, optimize financial performance, and secure a competitive edge in the dynamic banking sector. As such, the path forward for Woori Bank Bangladesh involves a nuanced blend of financial prudence, operational agility, and strategic foresight to ensure sustained growth and profitability in the years to come.

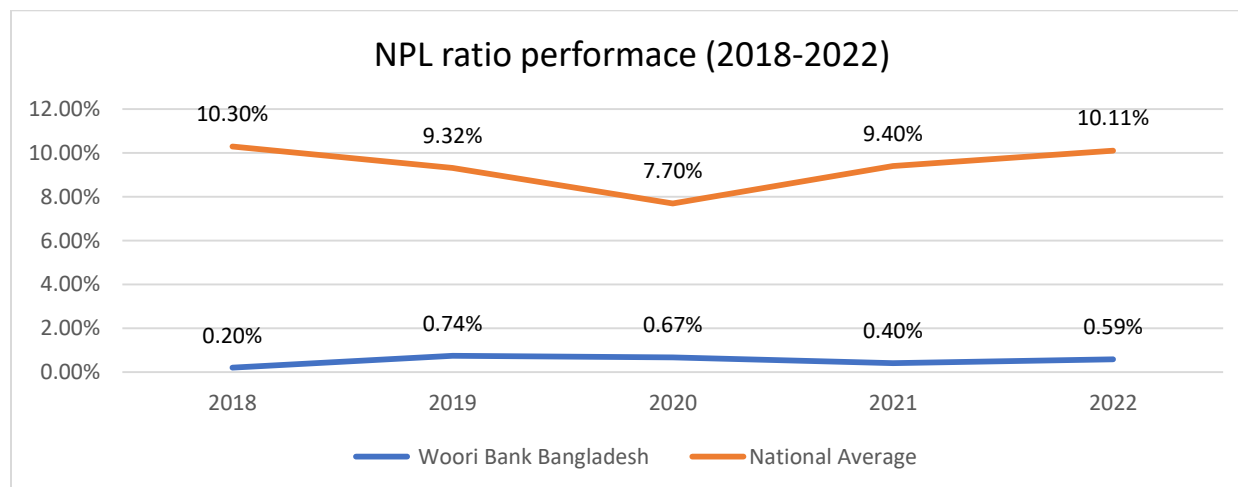
3.8 Non-performing Loans

In recent times, a surge has been seen in assessing a bank's performance based on its non-performing loan ratio. To describe, an NPL is a loan where the borrower is failing to make the required payments of both principal and interest. A loan is classified as "non-performing" when the borrower has not made the required payments for a specific length of time. Usually, the duration is different depending on the country and institution, typically around 90 days. NPLs are important for banks as they are assets that do not generate revenue. Banks reserve this capital as provisions in case of potential losses. This impacts their ability to generate profits and maintain adequate capital ratios. Elevated NPLs may suggest financial strain in the lending organization, impacting the overall financial system's stability.

Banks handle NPLs by restructuring loans, taking legal action to regain funds, or selling loans at a reduced price to collection agencies or investors. Regulators carefully track the levels of non-performing loans in banks and throughout the financial system as a crucial measure of financial well-being.

3.8.1 NPL ratio throughout 5 years

The comparison of NPL performance of Woori Bank Bangladesh with national average will show us how good this bank is performing relative to other banks in Bangladesh. The chart below gives us a representation of those performance throughout the five years.



Woori Bank Bangladesh's NPL ratio is significantly lower than the national average. It exhibits a strong credit risk management framework relative to other banks in the country. Starting at a mere 0.20% in 2018, Woori Bank Bangladesh's NPL ratio shows an incremental increase over the next four years. It peaked at 0.59% in 2022 in the last year of this five-year period. Despite this increase, the bank's NPL ratio remains well below the national average. The NPL ratio has experienced more pronounced volatility during this period.

The national average NPL ratio begins at a concerning 10.30% in 2018. It indicates a higher risk environment or lenient credit policies across the banking sector. The involvement of bank officials in disbursing loans to faulty customers who ended up defaulting those loans. It sees a decrease to 7.70% in 2020. BB stepped into imposing tighter credit controls for this loan disbursement process. Also, COVID-19 pandemic hit caused people taking less loans. However, the subsequent rise to 10.11% in 2022 suggests persisting challenges in the sector, potentially exacerbated by the economic impacts of the COVID-19 pandemic and subsequent market conditions.

This contrast in performance indicates that Woori Bank Bangladesh has maintained a conservative and effective approach to its lending practices, ensuring a stable asset quality in its

portfolio. In the context of the report, the bank's ability to manage credit risk effectively should be highlighted as a key strength, especially in a challenging economic landscape marked by high levels of NPLs nationally.

3.8.2 Conclusion of the NPL ratio

To wrap up, Woori Bank Bangladesh has notably managed to keep a tight rein on its non-performing loans. It showcases sound judgment and lending discipline that outpaces the broader banking sector's performance. While the bank has seen a slight uptick in NPLs, climbing to just 0.59% in 2022, it's still a minor concern relative to the average figures across the nation's banks, which have fluctuated above 10%. This demonstrates that Woori Bank has been cautious in choosing its borrowers and vigilant in its loan recovery efforts. In contrast to the national trend, where there have been sharp rises and falls in NPLs, the bank's stable and low NPL ratio reflects a strategic edge in credit risk control. For stakeholders reading the report, Woori Bank's prudent lending approach is a bright spot, particularly given the volatile economic conditions and the financial hiccups that have affected the sector as a whole. Their steadfast methods of managing loans suggest a forward-looking resilience and a commitment to maintaining the health of their financial portfolio.

4

Recommendation

& conclusion



4.1 Suggestions & Recommendations

After analyzing Woori Bank Bangladesh's financial performance in light of all the performance ratio and passing 3-months over there to garner corporate experience, I, as a former intern have some recommendations on which the bank can work on. These suggestions can be proven to be advantageous for the bank:

1. **Optimize Liquidity Management:**

- **Strengthen Cash Reserves:** Although Woori Bank has shown robust liquidity ratios, continuous improvement in cash and near-cash assets will bolster its capacity to handle sudden financial obligations.
- **Diversify Funding Sources:** Explore various funding channels to reduce dependency on any single source and mitigate funding cost pressures.

2. **Enhance Profitability:**

- **Cost Reduction Initiatives:** Identify and implement cost-saving measures across operational domains without compromising service quality to improve net profit margins.
- **Revenue Diversification:** Develop new revenue streams, particularly in non-interest income, to enhance gross and net profit margins.

3. **Improve Solvency Position:**

- **Debt Management:** While the bank's solvency ratios indicate a conservative approach to leverage, a balanced strategy of debt utilization could fuel growth opportunities without significantly increasing risk.
- **Capital Adequacy:** Maintain a robust capital adequacy ratio to ensure solvency and stability, supporting long-term growth and investor confidence.

4. **Asset and Credit Management:**

- **Asset Utilization:** Increase efforts to improve the efficiency of asset use, particularly fixed assets, to enhance asset turnover ratios.
- **Credit Risk Management:** Continue the effective management of credit risk as evidenced by the low NPL ratio. Implement predictive analytics for early detection of loan default risks.

5. **Market Positioning and Expansion:**

- **Brand Building:** Enhance brand visibility and value proposition to increase market share in Bangladesh's competitive banking sector.
- **Geographical Expansion:** Consider expanding the branch network strategically to underserved areas to capture new customer segments.

6. **Digital Banking Focus:**

- **Expand Digital Offerings:** Invest in online banking platforms and mobile banking apps to serve a wider customer base without the need for physical expansion. This can include digital wallets, online loan applications, and virtual customer service.
- **Innovative Digital Products:** Develop digital-only banking products tailored to the needs of young professionals, small businesses, and the tech-savvy population.

7. **Operational Efficiency:**

- **Branch Optimization:** Evaluate the performance of existing branches to ensure they are strategically located to serve key market segments efficiently. Consider adopting a hub-and-spoke model, where a few full-service branches serve as hubs with a greater number of digital and pop-up branches (or spokes) providing specialized services.
- **Process Automation:** Implement process automation technologies to streamline operations, reduce costs, and improve customer service. This could include automated loan processing and AI-driven customer service bots. In this rise of AI, customer service activities can be pursued to a great amount through the usage of AI.

8. **Strategic Alliances:**

- **ATM Network Partnerships:** Form partnerships with other banks or financial institutions to allow Woori Bank customers access to a wider network of ATMs without the high costs associated with deploying additional machines.
- **Fintech Collaboration:** Partner with fintech companies to leverage their technology and innovation for expanding service offerings and improving operational efficiency.

9. **Market Segmentation and Targeting:**

- **Niche Market Focus:** Identify and target niche markets where the bank can offer specialized services, such as SME financing, expatriate banking services, or digital-native customer segments.
- **Customized Financial Solutions:** Develop tailored financial products and advisory services for specific customer segments, leveraging data analytics for personalized offerings.

10. **Brand and Customer Engagement:**

- **Digital Marketing:** Utilize digital marketing and social media platforms to enhance brand visibility and engage with potential and existing customers. Focus on content marketing to educate customers about financial planning and the benefits of banking with Woori Bank.
- **Customer Experience:** Invest in training for frontline employees and digital interfaces to ensure a high-quality customer service experience, reinforcing the bank's brand as customer-centric and innovative.

4.2 Conclusion

Woori Bank Bangladesh is navigating through a challenging financial landscape with a mixed performance that highlights both its resilience and areas requiring strategic enhancement. The bank's liquidity ratios reflect a stable financial base, capable of withstanding external pressures, which is pivotal in ensuring operational continuity. The performance for Woori Bank Bangladesh over the recent years presents a multifaceted view of its financial health, operational efficiency, and strategic positioning in the banking sector. By delving into key financial metrics, we can draw a comprehensive picture of its current status and future outlook.

The bank's liquidity ratios, including the current ratio and quick ratio, fluctuated over the analysis period, reflecting its ability to meet short-term obligations. With a current ratio peaking at 1.16 in 2019 before a slight decline, Woori Bank Bangladesh demonstrates adequate liquidity management. However, the fluctuations indicate variable cash flow levels, necessitating continuous monitoring to ensure stability against external financial pressures.

Profitability ratios reveal insights into the bank's capacity to generate income relative to its sales, assets, and equity. Notably, the net profit margin showed an upward trend, reaching 1.37% in

2022, indicating an improvement in operational efficiency and cost management. However, the return on assets (ROA) and return on equity (ROE) experienced a decline, with ROE decreasing from 14.54% in 2018 to 5.54% in 2022, suggesting challenges in asset optimization and equity-based profit generation.

Solvency ratios, including the debt-to-equity ratio and interest coverage ratio, reflect the bank's long-term financial stability and debt management. The debt-to-equity ratio decreased from 2.17 in 2018 to 1.74 in 2022, indicating a strategic reduction in leverage and an improved equity position. This reduction points to a cautious approach towards debt, aiming to enhance financial resilience.

Activity ratios, such as receivable turnover and total assets turnover, provide insights into the bank's operational effectiveness. The receivables turnover ratio saw an increase to 0.08 in 2022, suggesting improved efficiency in credit collection. However, the total assets turnover experienced a decline, indicating potential areas for enhancing asset utilization to generate higher income levels.

Coming to the market value ratio, it seems the situation for Woori Bank Bangladesh cannot be traced due to its absences. The company has not gone public yet. No common stocks are being traded through secondary stock market. As a result, earning per share, price to earnings ratio cannot be detected.

Woori Bank Bangladesh's mixed financial performance underscores the importance of strategic initiatives aimed at bolstering profitability, optimizing asset utilization, and managing liquidity and solvency more effectively. The bank's management needs to focus on leveraging technology for operational efficiency, exploring new revenue streams, and enhancing customer service to improve financial ratios further. The numbers indicate that while Woori Bank Bangladesh has demonstrated resilience and strategic adaptability, there remain areas requiring attention to ensure sustainable growth and competitive advantage in the dynamic banking sector. The future strategy should prioritize financial stability, operational efficiency, and market expansion to navigate the challenges and capitalize on opportunities ahead.

When compared with industry benchmarks, Woori Bank Bangladesh demonstrates a robust liquidity profile and a commendable approach to managing credit risk, as evidenced by its lower NPL ratio. However, the comparison also brings to light areas for improvement, particularly in

enhancing ROE through better asset turnover and leveraging strategies. The industry comparison suggests that while Woori Bank is on a solid footing in terms of liquidity and credit risk management, it faces competition in optimizing returns on equity and assets, necessitating focused strategic initiatives to enhance these metrics.

The DuPont analysis, which dissects Return on Equity (ROE) into three core components—net profit margin, asset turnover, and financial leverage—reveals crucial insights into Woori Bank's operational efficiency and financial management. Despite maintaining a strong net profit margin, the bank's ROE has been under pressure due to a lower asset turnover ratio and fluctuations in financial leverage. This suggests that while Woori Bank is profitable, it could enhance its asset utilization and capital structure to improve ROE. Specifically, the bank's ROE showed a downward trend from a higher initial value to a lower figure by 2022, indicating challenges in maintaining profitability growth in line with its equity base. The analysis underscores the need for strategic adjustments in asset management and capital utilization to bolster ROE. The financial leverage ratio does not disappoint so there is hope for better performance in coming times.

The NPL ratio, a critical indicator of credit risk and asset quality, shows that Woori Bank Bangladesh has managed to maintain a lower NPL ratio compared to industry averages. This achievement highlights the bank's effective credit risk management strategies and quality of its loan portfolio. A lower NPL ratio not only reflects the bank's strong asset quality but also enhances investor and customer confidence, contributing to financial stability and growth potential.

In the midst of challenges and opportunities, Woori Bank Bangladesh exhibits a strong foundation and areas ripe for strategic enhancement, showing promising signs of resilience and adaptability. The bank's future shines with potential, buoyed by its robust liquidity and effective credit risk management. To harness this potential fully, targeted initiatives aimed at optimizing asset utilization, improving profitability, and embracing technological innovation are essential. With a keen focus on strategic growth areas and leveraging its solid financial base, Woori Bank Bangladesh is well-positioned to navigate the evolving banking landscape, promising a hopeful and prosperous trajectory ahead.

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Glossary

- Undergraduate: a student at university who is not yet enrolled in their first degree
- Practically: experiencing anything at real time
- Specialized: involving or requiring detailed and specific training
- Demonstrate: show and clarify in practice how something works
- Non-Performing Loans: an amount of borrowed funds on which the borrower has missed one or more of the scheduled payments for an extended period of time, typically 90 or 180 days
- Utilization: the act of using something in a useful and efficient manner
- Bankrupt: a person or group that has been legally declared unable to pay their debts
- Insolvency: the condition of being bankrupt
- Convincingly: in a way that makes somebody think something is real or true.
- FDI: Foreign investment flowing into a country
- Resilient: capable of enduring or quickly recovering from challenging circumstances
- Component: An element or part of a wider whole

Service Area

