Internship Report

on

Analysis of Operational Performance at Woori Bank Bangladesh

Submitted to:

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Dhaka, Bangladesh

Subject: Report Submission on **"Analysis of Operational Performance at Woori Bank Bangladesh"**

Dear Sir,

With gratification, I am submitting my internship report on **"Analysis of Operational Performance at Woori Bank Bangladesh"**. This report provides an in-depth analysis of operational performance focusing on revenue generation, cost efficiency, profitability and risk management.

I have put my best effort and energy into making this report successful. In preparing the report, I collected the most relevant information to make it more meaningful, appropriate, and reliable. I found this research quite interesting and insightful and feel that the experience I gathered while preparing this report will benefit me in future professional endeavors. I would like to extend my sincere gratitude to you and the entire team at Woori Bank Bangladesh for granting me this invaluable opportunity. The guidance and support I received were essential to the successful completion of this report.

I trust that my best efforts in constructing the report will not go in vain and will suit the expectations and interests that you are looking for. I would be honored if you shared your thoughts on the report with me, and if you have any queries, I am excited to assist and can be reached at siamnur418@gmail.com or +8801760372509.

Yours Sincerely,

Siam Nur

ID: 111 201 162

Acknowledgement

I bequeath my sincere praise to The Almighty Allah for blessing me with the strength and capability to research and bring out the best possible outcome from the report that I have done.

I intend to express my heartfelt appreciation to my supervisor, Mr. Khandker Tashriq Ahmed, FAVP & Head of Trade Finance (DBU) at Woori Bank Bangladesh, for his sharp leadership and extensive expertise in trade finance, which were crucial to making this project success. Nonetheless, I am also honored that the advice, assistance, and motivation I obtained from the Trade Finance division had a long-lasting influence on me. The experience gained in the trade finance division, working alongside experienced individuals, was invaluable. Moreover, the constant encouragement and demanding tasks assigned by the Domestic Banking Unit of Trade Finance have significantly enhanced my professional skills. Additionally, the experiences I have gained will persist to guide my path forward.

I intend to express my deep gratitude to my honorable faculty, Assistant Professor Muhammad Enamul Haque, my Internship Advisor, for his patient guidance, enthusiastic encouragement, and valuable critiques of this research work. His investment of time in helping me understand the report's methods and techniques including his willingness to provide me with his time and sagacity has been invaluable and immensely appreciated.

Lastly, I thank my parents for their constant encouragement and support throughout this journey. Their confidence in my skills and unwavering support boosted my willpower and inspiration to finish this job. Their support and admiration have been my key sources of motivation. They have my sincere gratefulness for being in my life.

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Executive Summary

The report provides a comprehensive financial analysis and competitive positioning of Woori Bank Bangladesh, mostly emphasis on its operational performance along with trade finance department. The sole purpose of this report is to present an image of the banks' operational performance over the last 5 years and in which areas, they need to improve comparing key financial indicators with industry benchmarks and other foreign commercial banks that operate in Bangladesh.

The report began with a crystal clear overview of the organizational structure and strategic focus of Woori Bank Bangladesh. The Bank strengthens its expertise in trade finance to position itself in the competitive market by offering a range of services including retail banking, lending, and support to small and medium-sized businesses as well as export-import financing.

The financial analysis section concerns the performance of Woori Bank Bangladesh over the past five years, focusing on key metrics such as revenue analysis, profitability ratios, cost efficiency, capital adequacy, risk measurement, and asset growth. This analysis section is based on a deep review of the organization's financial statements, annual reports and other publicly available information.

Through equity (ROE) and return on assets (ROA) assessment identified that the capacity to earn money from capital and assets is continuously improving. It shows an important sign of banks performance and financial strength.

Analyzing the bank's cost-to-income and cost-of-funds ratios, the analysis highlights its attempt to successfully control costs. With a strong cost control rate Woori Bank Bangladesh has contributed to improved profitability.

However, through NPL analysis we get to know that the bank holds a lower non-performing loan (NPL) ratio than the industry average. Which specifies the bank manages credit risk operation well thereby keeping its financial and asset quality on track.

Additionally, based on CAR (Capital Adequacy Ratio) and Tier 1 Capital Ratio this report also analyzed how the bank beats the industry standard level under both, with specific emphasis in 2023. The bank's capital position is strengthened to absorb future losses as well as guarantee long-term viability.

Loan and deposit growth rates analysis are covered in the report and this growth is a positive sign that the market share and customer base for Woori Bank Bangladesh continues to expand. Most of this growth has come through the bank´s focus on trade finance where it is now finally taking market share from other Foreign Commercial Banks in Bangladesh.

On top of that, in the comparative analysis segment, it stands against major foreign banks operating in Bangladesh like Standard Chartered, HSBC, Citibank etc. Although these banks have developed large operations and worldwide networks, Woori Bank Bangladesh determines itself through its specialization in trade finance and solid ties within the Asian market. The bank has been able to successfully operate in a dynamic and competitive environment because of its innovative approach, especially in digital banking products.

Chapter 01: Introduction

1.1 Overview

There exist many financial services and products available in the banking industry that aim to reduce risks, ensure on-time delivery and payment of commodities, and speed up international trade. Banking industry forms the backbone of the changing global trade landscape by enabling transactions, reducing risk, and promoting overall economic growth. However, trade finance is one of the essential department of banks as like retail banking. Not to mention the trade financing items are documentary collections, export finance, trade credit insurance, and letters of credit. The significance of trade finance in international trade cannot be exaggerated. The extensive array of financial threats and challenges may impact both importers and exporters, such as disruptions in the supply chain, fluctuations in currency exchange rates, and payment risk mitigated by trade finance.

Over and above this section of a bank guarantees that companies may conduct international commerce with more assurance and security by supplying the required liquidity and risk-reduction instruments. Besides being a fundamental component of operations, Trade finance is a catalyst for revenue generation, risk management, and customer satisfaction for Woori Bank Bangladesh. As the world becomes increasingly interconnected, the role of trade finance in supporting businesses across borders becomes ever more crucial, along with developing countries' overall economies.

Trade financing is an important service and a major source of income and expansion for Woori Bank Bangladesh as they help companies to expand their markets, maximize cash flow and face the threats associated with doing business internationally by facilitating trade transactions. Because of this the bank's income stream from trade finance product fees, interest and commissions associated with trade finance products increases.

To keep Woori Bank Bangladesh's commitment to quality and innovation, it appreciates the intricate importance of trade finance in its day-to-day functionalities. Apart from enabling transactions, the Bank also takes on the responsibility of effectively governing associated risks by providing tailored financial solutions to businesses engaged in global trade. On top of that, they enhance client satisfaction and deliver prompt, effective services to further establish their standing as a reliable financial partner in the area.

The principal of this internship report is to investigate the sophistication of overall operational performance at Woori Bank Bangladesh to determine areas for growth, optimize workflows, and exploit potential in the global economy. The objective is to enhance the provision of outstanding financial services and allow its stakeholders to experience sustained growth through interaction, analysis, and concept. As the report persists, it aims to contribute to the deliberation on operational performance in general and offer constructive information that will benefit Woori Bank Bangladesh. With the integration of academic understanding and real-world application, the report aims to analyze the bank's ability to handle the complexities of global market with confidence and competence.

1.2 Origin

The report, written to fulfill the requirement for 3 Credits of the BBA program under the supervision of Sir Muhammad Enamul Haque, Assistant Professor at United International University's School of Business and Administration, is titled **"Analysis of Operational Performance at Woori Bank Bangladesh**." Throughout my three months at Woori Bank Bangladesh, I worked toward several professional development objectives, including strengthening my ability to analyze and report financial data, increasing my understanding of trade finance procedures, and applying my academic knowledge to practical situations. The key outcomes were improved knowledge of trade finance, improved communication and analytical skills, and advantageous exposure to the industry. In addition, the experience helped me network professionally within the banking industry and enhanced market preparedness and confidence while negotiating business situations, which helped me prepare for my future career aspirations.

1.3 Historical background of the report

In the twenty-first century, finance has an impact on every area of our lives as well as our future economic possibilities. It also forms a significant component of everyone's daily routines. Fintech and finance have a high-value today. To function better than before, financial situation analysis is becoming increasingly important in every firm.

However, Woori Bank Bangladesh has structured the internship Program to provide hands-on experience in the banking operations of Different divisions. Students pursuing hands-on experience in corporate life and activities are the main audience for this program. This Internship also bridge the gap between academic learning and practical application. Through this program, researcher work under the guidance of experienced professionals and get real-world challenge exposure to practical problems and the application of theoretical knowledge. The report's main task is operational performance analysis through financial analysis of Woori Bank Bangladesh. Throughout the report, the researcher tried to encapsulate knowledge and insights gained during the internship.

On top of that, in this report, reporters tried to do a financial analysis of Woori Bank Bangladesh where reporters attempted to analyze using financial data of the Trade Finance Division and overall operational performance analysis to develop an understanding of Woori Bank Bangladesh's Trade Finance Divisions and overall financial performance as well as a thorough analysis of operational performance. Which specifically identify strengths, opportunities for improvement, and strategies for enhancing operational efficiency and financial performance.

1.4 Statement of Purpose

In order to increase comprehension, it is my mission to inform, motivate, and evaluate the Valuation and impact of Trade finance division and understand the profitability performance of a renowned foreign bank.

1.5 Methodology

The reporters followed these procedures for make this report.

Types of Report

"**Analysis of Operational Performance at Woori Bank Bangladesh**" is a Comprehensive analytical report where people are going to have an overview on the financial performance of last 5 fiscal years of **Woori Bank Bangladesh.**

Types of Data

The report is mainly based on primary data. The primary data has been collected by company's financial report. This primary data is the essential thing for this report. The report writer found out some specific quires which addresses the main findings of the report. The reporter has done a primary data collection by collecting financial statement. These financial statements findings are mainly used as the information's of this report. Moreover, when all the primary data has been used properly then the reporters tried to enrich the report by collecting some secondary data. Those data were more specific to the point which really enrich the report statements.

Sample Size

The sample size is last 5 fiscal years' financial statement of **Woori Bank Bangladesh.**

Data Collection Method

Observation is the most popular data collection method, for the analytical reports. Here the reporters try to find out the relevant data related to calculate the various financial assessment analysis. Moreover, there was some specific data on financial statement collected to for addressing the main report statements.

Data Analysis Method

The reporters have analyzed the data based on the financial statement values with Ratio analysis. The reporters have multiple suitable ratios that should be relevant with financial analysis such as revenue, cost analysis, profitability and risk management evaluation. And finally, when the primary data analysis was finished the reporters tried to collect the secondary data to fulfill the gap of the research. However, with all of the findings the reporters analyzed the data which are more related to the research and then it was written in a theoretical way.

Data Presentation Method

The reporters used Bar, Line and Column chart for this report. Mostly, Bar chart used for show analysis for per problem.

1.6 Scope

This study makes several important mathematical contributions.

- According to the report topic, the first thing done was to go through some background review on the assigned topic.
- Recognizing the function of KYC procedures and customer support in trade finance through integrating customer support and the Trade Finance Division.
- Interdepartmental collaboration helps to evaluate the results of working together with divisions such as the Loan Department and Offshore Business Unit.
- With the help of the supervisor, the reporter applies several methods to analyze financial data and creates an appropriate structure for reporting that supports

professional development with brief insights from interactions with department heads and representatives.

- To complete the report, the reporter has continuous support and guidance from trade finance department personnel mostly from domestic banking units (DBUs).

1.7 Limitations

1. The major limitation that the reporter faced throughout the completion process was the Finance Administration Department at the Head Office makes it difficult to get raw financial reports which creates a lack of detailed data. Hence hampering the reliability of the equation used.

2. In some cases, the exact results could not be attained as the necessary entry was not available in the financial statements so the reporter has to use different assumption methods.

3. Certain data of numbers were abbreviated which was not consistent in the entire financial statement

4. Additionally, certain entries were given as a whole and not broken down to show the components in financial statement notes.

5. The banking policy of Woori Bank Bangladesh limits the sharing of comprehensive data and information.

6. The internship tenure was insufficient to acquire rich knowledge of trade finance operations including cooperative activities with other departments and branches.

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Chapter 02:

Company Overview

2.1 Background of Woori Bank

One of the top banks in South Korea, the Woori Financial Group was founded in 1899, and Woori Bank Bangladesh is a subsidiary of this organization. As a part of establishing itself as a prominent player in the global banking landscape Woori Bank started as the first Korean bank to operate in Bangladesh on September 21, 1996, and expanded its presence there intending to utilize its extensive wealth worldwide banking expertise to meet the financial requirements of local companies and consumers. With a wide range of banking services, including corporate, retail, and trade financing, Woori Bank Bangladesh has made a name for itself as a trustworthy financial partner over the years. Recently, they have seven Branches, Two service Centers, and one country office.

However, the root background history began in 1899 when the Republic of Korea's Woori Bank was incorporated as Hanil Bank. On September 21, 1996, the Dhaka branch of Hanil Bank opened for business as a Scheduled Bank. Hanil Bank becomes Hanvit Bank following a merger between Commercial Bank of Korea and Hanil Bank on 01 January 1999. As an inevitable consequence of the ongoing reconstruction process in the economy of South Korea, Hanvit Bank turned into Woori Bank which has taken over the operations of "Kyunnam Bank" on October 07, 2002. Woori Bank, Dhaka Branch is located at Gulshan-1, Dhaka.

Woori Bank Bangladesh provides different type of banking services across all branches, including corporate banking services such as lending, treasury services, and investment banking provide financial solutions for large corporations. As well as they also have Retail Banking services such as current accounts, savings accounts, personal loans, mortgages, and credit cards. Last but not least, its specialized in trade finance products to facilitate international trade and ensure smooth transactions and risk management. With two separate units such as the Domestic Banking Unit and the Offshore Banking Unit are available to provide the trade finance services.

A strong market position has built by Woori Bank Bangladesh through its dedication to provide innovative banking solutions, strong financial products, and excellent customer service with convenient branch locations to enhance its visibility and accessibility in the country's financial hub.

Woori Bank Bangladesh has positioned itself as a major actor in promoting economic development and enabling international commerce in the area thanks to its dedication to innovation, customer satisfaction, and sustainable growth. After all, based solely on its primary banking activities, Woori Bank, Bangladesh, has no subsidiaries or significant investments. Adheres to Basel III norms at the bank level ensuring a strong framework for risk management and financial stability.

Mission

Inheriting a legacy of being the "First Bank under the Sky," we are determined to become the most trusted and respected financial institution for customers.

Vision

"Innovate Today, Create Tomorrow"

Core Values

CUSTOMERS	TRUST	EXPERTISE	INNOVATION
• Woori thinks of its customers and the cummunity firts.	• Woori builds customers trust based on principles.	• Woori Financial Group has the expertise to lead the market.	• Woori shapes the future through innovation.

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2.2 Services of Woori Bank Bangladesh

It is essential to check the basic service categories to give an adequate idea about the variety of services offered by Woori Bank Bangladesh. Each department is vital to providing clients with outstanding banking solutions that are reliable, efficient, and convenient. Cash & Teller Services; BEFTN (Bangladesh Electronic Funds Transfer Network); RTGS (Real Time Gross Settlement); BACH (Bangladesh Automated Clearing House); Customer Service & Remittance; Trade Finance; and, Credit/Loan; are among Woori Bank Bangladesh's main service divisions. However, in this report, our main focused department will be trade finance.

I. Cash and Teller services:

The division in charge of cash and tellers handles all day-to-day financial transactions, such as deposits, withdrawals, and account inquiries. Fast service, personalized support for clients, and secure processing are some of its primary features. Customers benefit from this department as it ensures efficient daily banking operations and enhances customer satisfaction.

II. Customer Service & Remittance:

Woori Bank Bangladesh's Customer Service Division offers support for client questions, account management, and remittance services. These are the service that includes Customer Service and Remittance Services. Individualized customer attention, effective remittance management, and a range of account services are the key qualities of this this department. Core benefits of CSD are faster remittance processing, effortless transfer to foreign nationals and improved customer services.

III. BACH, BEFTN & RTGS:

To improve the efficiency of banking operations Woori Bank Bangladesh using the latest financial technologies such as RTGS (Real Time Gross Settlement), BACH (Bangladesh Automated Clearing House), and BEFTN (Bangladesh Electronic Fund Transfer Network). BACH speeds up settlement time by reducing the need for manual intervention and automated check clearing and electronic transactions. BEFTN facilitates secure and fast electronic financial transfers between Bangladeshi banks by providing a variety of payment options and speeding up transaction processing time. Organizations can better manage their liquidity using real-time large-value fund transfers provided by RTGS as it ensures faster settlement and stronger security. Incorporating these technologies improves customer satisfaction by enabling seamless, secure, and efficient financial operations.

IV. Credit/Loan Services:

To meet the financial needs of both individuals and enterprises, the Credit/Loan Services Division provides credit and loan products across various categories. Personal loans, business loans, mortgages, and other financial facilities are some of its services. Credit facilities promote business expansion, help consumers reach their financial goals, and provide them with more financial freedom

V. Trade Finance Services:

To provide a comprehensive range of trade finance services Woori Bank Bangladesh's Trade finance division has designed to facilitate and support international trade. Letters of credit, documentary collections, and trade finance loans are some of those services. The bank's trade finance division is committed to navigating the complexities of global trade by providing businesses with the financial tools and solutions they need. However, the detailed services of the Trade Finance Division are given below:

Letters of Credit (LC)

A letter of credit is a financial instrument issued by the bank to guarantee a buyer's payment to a seller, provided that the terms and conditions of the LC are met. Different types of LC offered by the bank which are given below:

- **Sight LC:** A sight LC refers to a document that verifies the payment of goods or services, payable once it is presented along with the necessary documents.
- **Usance LC**: A usance LC is a bank undertaking to pay its beneficiary based on the presentation of required documents, provided that the presentation complies with the terms and conditions of the credit.
- **Back-to-Back LC**: It is issued based on an existing LC which is already issued by the bank to support further trading. The first letter of credit serves as collateral for the second letter of credit. Back-to-back letters of credit are usually used in a transaction involving an intermediary between the buyer and seller, such as a broker.

Letter of credit provides security to both buyers and sellers to ensure the payment upon compliance with terms, and facilitates smoother transactions globally.

Documentary Collection

Documentary collection is a form of trade finance in which an exporter is paid for its goods by an importer after the two parties' banks exchange the required documents. The exporter's bank collects funds from the importer's bank in exchange for documents releasing title to the shipped merchandise, usually after the goods arrive at the importer's location.

There are two basic categories of documentary collection, depending on when the payment is made to the exporter.

- **Documents Against Payment (D/P)**: Documents against payment require the importer to pay the face amount of the draft at sight. In other words, the payment must be made to the bank when the buyer is presented with the draft, and before any shipping documents are released. This is the most common form of documentary collection because of the reduced risk for the seller.

- **Documents Against Acceptance (D/A)**: Documents against acceptance require the importer to pay on a specified date. Once the buyer accepts the time draft, the bank releases the documents to the buyer.

However the benefits of documentary collection service is lower cost compared to LCs, faster processing, and ensures proper handling of trade documents, reducing risk for both parties.

Trade Finance Loans

Businesses are given loans to finance their trade activities including pre-shipment and post-shipment financing known as trade finance loans. Companies engaged in global trade benefit greatly from Woori Bank Bangladesh Trade Finance Loans, which offer convenient financing options at various stages of the trade process. Apart from that, bill discounting is the process of selling receivables to banks at a discount to generate quick cash flow for trade finance loans. On the other hand, such funds improve liquidity, meet working capital requirements, guarantee prompt payment to suppliers, and expedite payments to buyers. To help companies reduceing their risk, manage cash flow efficiently, and seize the potential to expand into foreign markets these services are being provided by Woori Bank Bangladesh.

2.3 Units Of Trade Finance Division

Trade Finance has emerged as a significant component of contemporary banking practices since the concept of business expanded its focus to include activities that took place outside traditional national borders. There are two primary trade finance service units of Woori Bank Bangladesh such as Offshore Banking Unit (OBU) and Domestic Banking Unit (DBU). To ensure safe and simple trading operations each unit offers specialized solutions and also designed specifically to address the needs of various consumer groups. The organizational structure of Uri Bank Bangladesh allows these units to support both small and large businesses to promote economic growth and facilitate international trade.

2.3.1 Domestic Banking Unit (DBU)

The Domestic Banking Unit (DBU) of Woori Bank Bangladesh aims to support regional companies involved in global trade. Offering a wide range of trade financing options, this category helps local businesses expand while reducing risk and increasing cash flow, supporting them with different services related to export and import. Not to mention, that the bank has separate individuals specified to work on export and import-related activities. DBU works with Letters of credit opening, import payment, Advance Remittance (TT) against Imports, endorsement of collection documentary, issuing freight forwarder certificates, and interconnecting with Bangladesh Bank, Customs, and other related authorities regarding export and import activities. Last but not least, export documentary credit (letter of credit), advising export bills, negotiation under L/C, export bill discounting & purchasing under L/C, and export documentary collections are the services provided under the export service of DBU.

2.3.2 Offshore Banking Unit (OBU)

Multinational companies, non-resident individuals, and offshore organizations meet their international banking needs through the offshore banking unit (OBU) of the Trade Finance Division. OBU offers state-of-the-art trade finance solutions that enhance international business operations and facilitate cross-border transactions. Consists of services related to letter of credit, documentary collections, etc. Additionally, advance remittance-based export facilities, D/A, D/P related export services and all sorts of export facilities under the Offshore Banking Unit is provided through OBU. The objective of the offshore banking unit is to provide clients with the tools they need to manage risks and improve their global operations by providing specialized financial solutions that meet the unique challenges posed by foreign trade.

In short, Woori Bank Bangladesh supports firms involved in foreign trading in critical functions with their trade finance division. The bank offers a wide range of products and services that reduce risk, increase cash flow, streamline trade operations, and help businesses manage the complexities of global trade and meet their growth goals. Not to mention that the trade Finance division is a crucial part of Woori Bank Bangladesh.

2.4 Woori Won App

As a top international banks in Bangladesh Woori Bank has made a great progress in digital banking as well as involved in creative banking practices. The bank is dedicated to adopting cutting-edge technology as a result of that its services now include the Woori WON app which is an effective way to improve efficiency and customer service.

By using WON app customers can easily access various financial services as well as quickly without having to visit a bank office in person. Customers of this app may transfer money using various options, including RTGS (Real-Time Gross Settlement), NPSB (National Payment Switch Bangladesh), and Bkash which is one of the leading mobile banking service provider in Bangladesh. As well as, account management, loan information is also included in the app. From the above factors we can come to conclude the fact that this app gives users improved access to financial services.

As Woori Bank Bangladesh emphasis on digital technology its customers have a much better banking experience. Woori WON app provides a seamless, functional, and user-friendly platform for managing financial services, demonstrates this commitment by launching the app. By using the app clients can manage loan information, keep track of account data, transfer money, or stay up-to-date on foreign exchange rates, the WON app offers a complete solution that meets the diverse needs of WBB's customers. Woori Bank Bangladesh is currently leading the way in banking innovation in the country for this digital transformation for higher customer satisfaction.

2.5 Foreign Banks Operating in Bangladesh

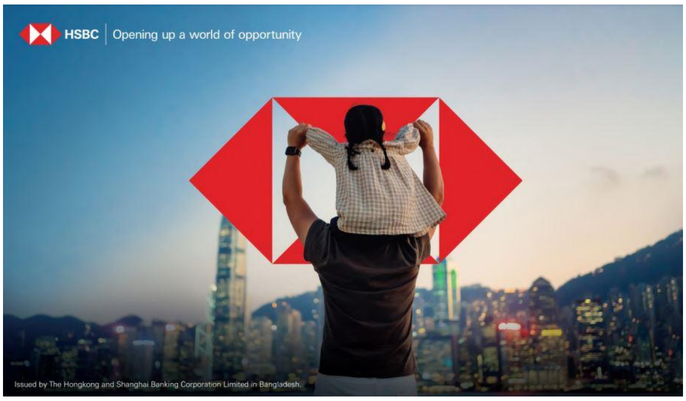
Bangladesh hosts several foreign banks, each contributing uniquely to the financial sector. In Bangladesh among sixty-two scheduled banks nine of them are Foreign Commercial Banks (FCBs): which are operating in Bangladesh as the branches of the banks which are incorporated in abroad. These organizations enrich the competitive landscape, offering specialized services and catering to different market segments. Here is an overview of these multinational banks and a comparative analysis with Woori Bank Bangladesh.

2.5.1 Overview of Foreign Banks in Bangladesh

Standard Chartered Bank

Standard Chartered is the only multinational universal Bank in Bangladesh, with over 119 years of uninterrupted presence in the nation. In 1905, SCB began its journey by opening the first branch in Chittagong. In recent days SCB has been providing services to important economic centers across the country through its 18 branches. One of the oldest and most well-known foreign banks in Bangladesh is Standard Chartered Bank or SCB for short. Its business and retail divisions offer services such as trade finance, corporate financing, credit cards, mortgages, savings accounts and cash management. As well as SCB also offers financial advisory and portfolio management services by its wealth management services division. With a large selection of overseas banking products and a trusted corporate banking presence, SCB is a global pioneer in digital banking solutions.

HSBC Bangladesh



In 1996, HSBC established its first branch in Bangladesh. Hong Kong Shanghai Corporation is what is known as HSBC. It provides various financial services, including trade services, global payments solutions, consumer and commercial banking, treasury, custody, and clearing.

Citibank N.A. Bangladesh

CitiBank N.A. Bangladesh mostly provides services to multinational & local corporations as well as financial institutions. Treasury solutions, corporate finance and working capital solutions are its core services. It also provides services like investment banking such as mergers & acquisitions, and capital market advisory. Additionally, it has global transaction services such as cash management, trade finance and securities services. However, global reach is its core strength which is tailored with financial solutions for large corporates and expertise in complex financial transactions.

State Bank of India (SBI)

SBI's presence in the soil of Bangladesh dates back to 1862 when Bank of Bengal took over Dhaka Bank. Since then, with a brief interruption from 1962 to 1974, SBI through its Bangladesh Operations has been serving the people of Bangladesh.

SBI recommenced its operations in 1975 by reopening its Dhaka Branch at Motijheel on 5th May 1975 after the independence of Bangladesh. Currently SBI is serving the nation through a network of 3 branches and 2 offshore Banking Units in Dhaka, Chittagong and Khulna. On top of that, SBI is also facilitating the processing of Indian VISA through Indian Visa Application Centre's (IVACs) located at various places in Bangladesh. Its Bangladesh Operations is facilitating Indo-Bangla trade substantially. It is fully equipped with state-of-the-art Banking facilities which cater to retail & corporate banking including Forex, remittance and Treasury Operations.The bank provides several technology-based services, including foreign travel prepaid cards, Internet banking, trade portals, and the YONO SBI Bangladesh mobile app, etc. For all clearing activities, it also interfaces with the NPSB.

Commercial Bank of Ceylon PLC

Commercial Bank of Ceylon PLC is known for its comprehensive banking services with a strong emphasis on trade finance. It has a strong reputation with the customer-centric approach as well as it has key expertise in trade finance.

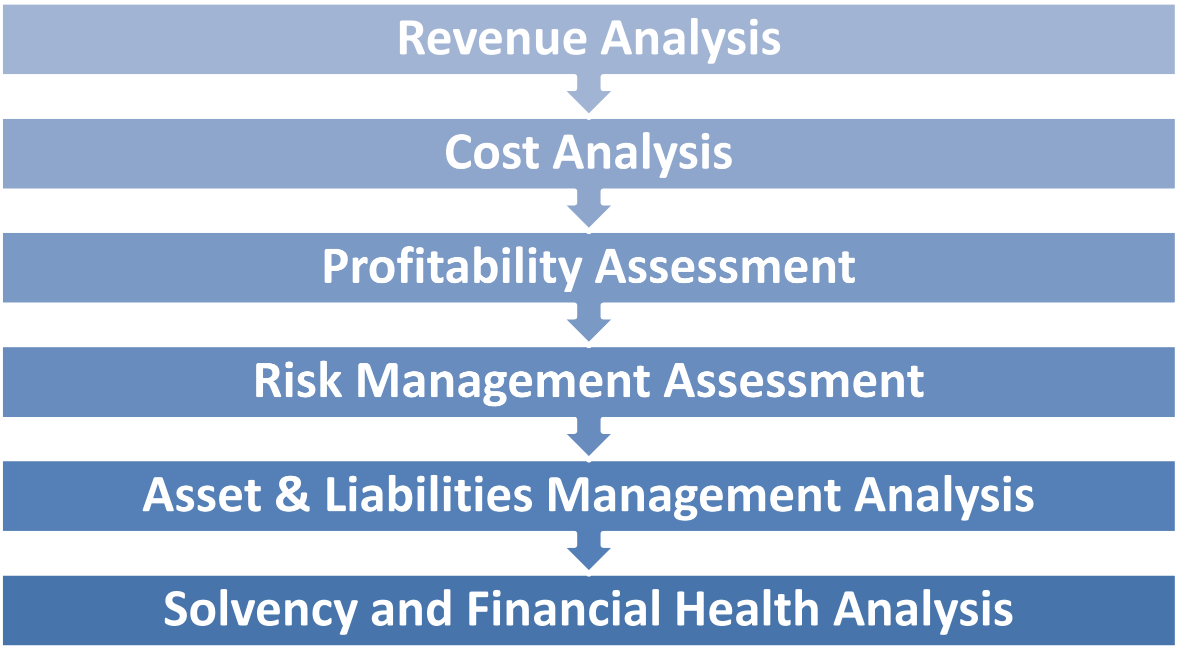
In 2003, the Commercial Bank of Ceylon PLC began operations in Bangladesh with approval from Bangladesh Bank. The bank has branches in key Bangladeshi cities, particularly Dhaka and Chittagong, and its network is growing. Since starting operations in Bangladesh in 2003, CBC has expanded to include eleven branches, one sub branch, two specialized OBU divisions located in Dhaka (Gulshan) and Chittagong (CEPZ), along with six SME service centers. The reasons behind CBC's success in Bangladesh include its unique offerings, first-rate customer support, and efficient, customized solutions that cater to the needs of both personal and business banking clients. A remarkable achievement, CBC has maintained its valuable "AAA" credit rating for 14 years.

Chapter 03: Financial Analysis and Findings

3.1 Dimensions of Financial Performance Analysis

Financial performance analysis of Woori Bank Bangladesh provides insight into the operational effectiveness and strategic importance within the bank. By providing a range of financial instruments such as trade finance loans, documentation collection, and letters of credit, the segment plays a crucial role in enabling global commerce. We may evaluate division's contribution to the bank's overall profitability, efficiency, and competitiveness in the market by looking at important financial data and trends. This research will show the strong points and potential areas for development, providing a thorough understanding of how operational performance contributes to the Bank's strategic goals and how it affects Bangladesh's financial system.

In the Financial Performance Analysis, the researcher makes basically six segmentations for the evaluation of the operational aspects. Those are given below:

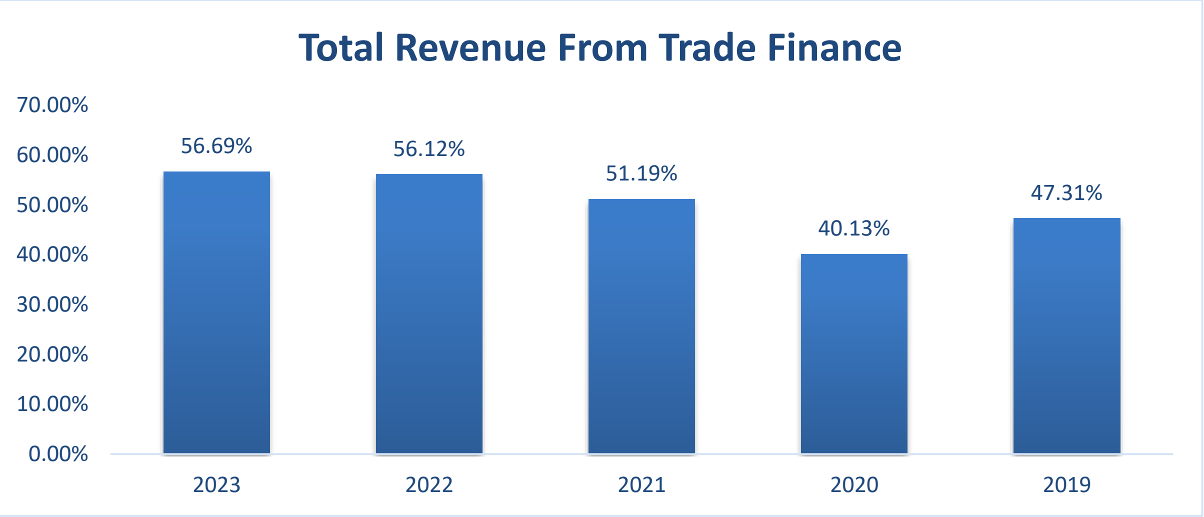


In every segment of the evaluation there are certain performance measures calculated and analyzed with the findings of ratio analysis and so on. Throughout the analysis there are lots of thing calculated and showed in graph for better visualization and understanding for everyone. Each segment is differentiated for each operational performance of Woori Bank Bangladesh. Often there are some emphasized on Trade Finance division as this division is the prominent performer compare to the other divisions.

3.1.1 Revenue Analysis

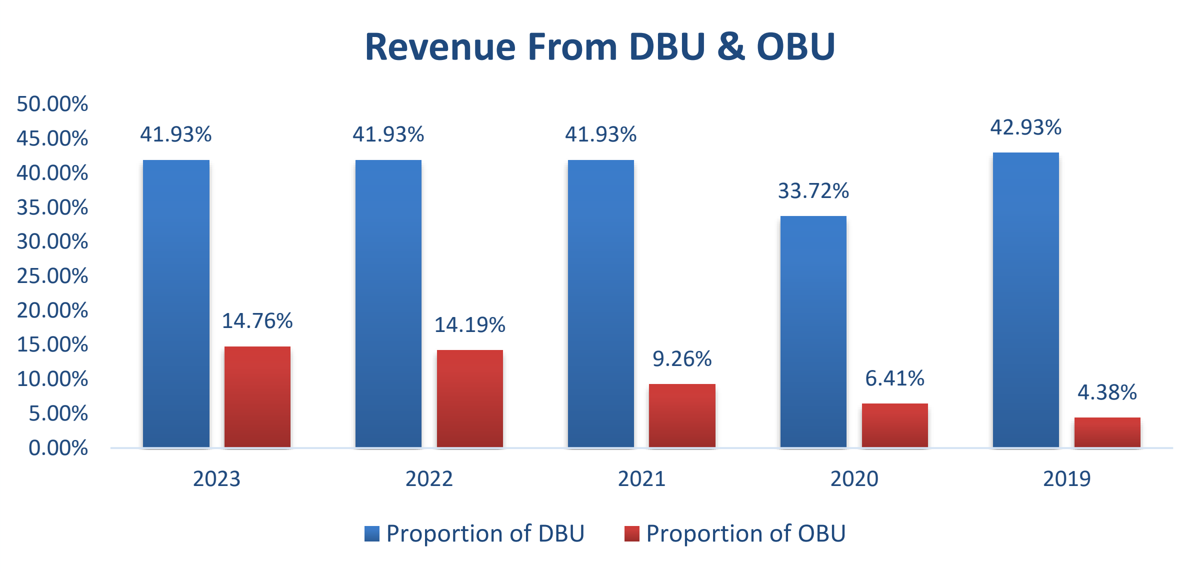
The bank's revenue composition during the last five years is examined in this section, with particular attention paid to different revenue sources such as trade financing, investments, fees, commissions, and other operational income. Our goal in analyzing these elements is to comprehend the patterns, variations, and overall influence on the bank's financial results.

3.1.1.1 Percentage of Total Revenue from Trade Finance



The trade finance section of Woori Bank Bangladesh has demonstrated notable variations in its income contribution between 2019 and 2023, as per a review of financial data. Revenue reached a peak of 56.69% in 2023, demonstrating a robust performance and a noteworthy influence on the bank's overall financial state. Despite a slight decrease to 56.12% in 2022, the division maintained a robust position, although the minor drop suggests potential market saturation or increased competition.

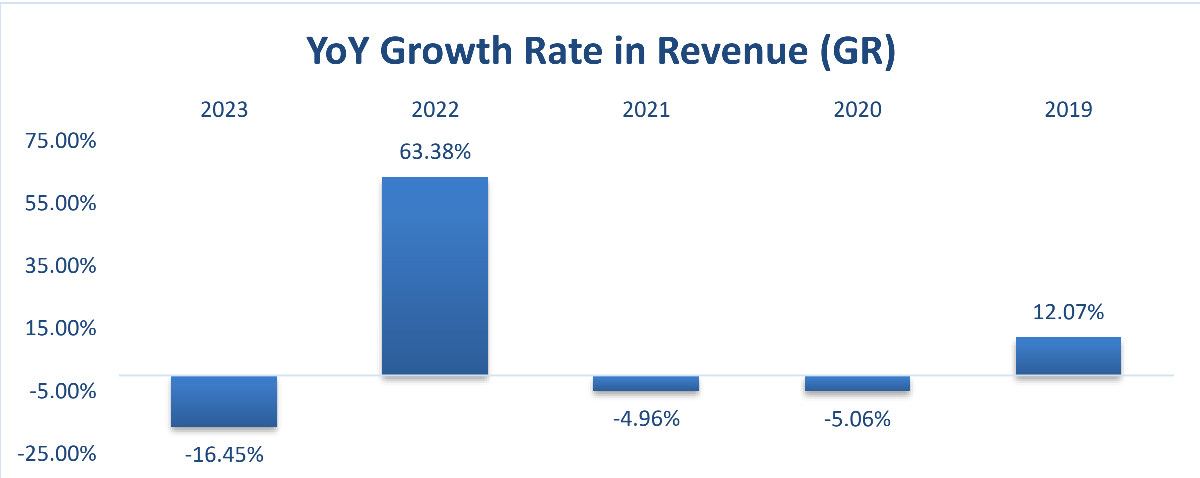
However, in 2021 trade finance fell in its revenue generation by 51.19% which appears to be a result of policy-making changes or global trade restrictions. In 2020 trade finance underwent the lowest contribution to the overall revenue of the bank as it was 40.13%. This decline was probably brought on by the COVID-19 pandemic's effects on global commerce. Revenue in 2019 was 47.31%, which offers a reliable comparative baseline. Despite the volatility trade finance division remains a significant source of income, consistent with the bank's recent strategic focus on expanding its trade finance offering.



Here we can see that, the percentage of income for the Domestic Banking Unit (DBU) did not change from 2021 to 2023, staying at 41.93%. The worldwide outbreak most likely caused the significant drop to 33.72% that evolved in 2019 and the subsequent rise to 42.93% in 2020. Evidence suggests that DBU, which still contributes significantly to the bank's trade finance revenue, was able to bring into line itself following the pandemic.

Simultaneously, the Offshore Banking Unit (OBU) saw a consistent rise in its portion of overall revenue. The OBU's share of income increased dramatically from 4.38% in 2019 to 14.76% in 2023. This shows that the bank's efforts to diversify its income sources and strengthen its position in global markets have been effective in growing its offshore banking operations.

3.1.1.2 YoY Growth Rate in Revenue (GR)

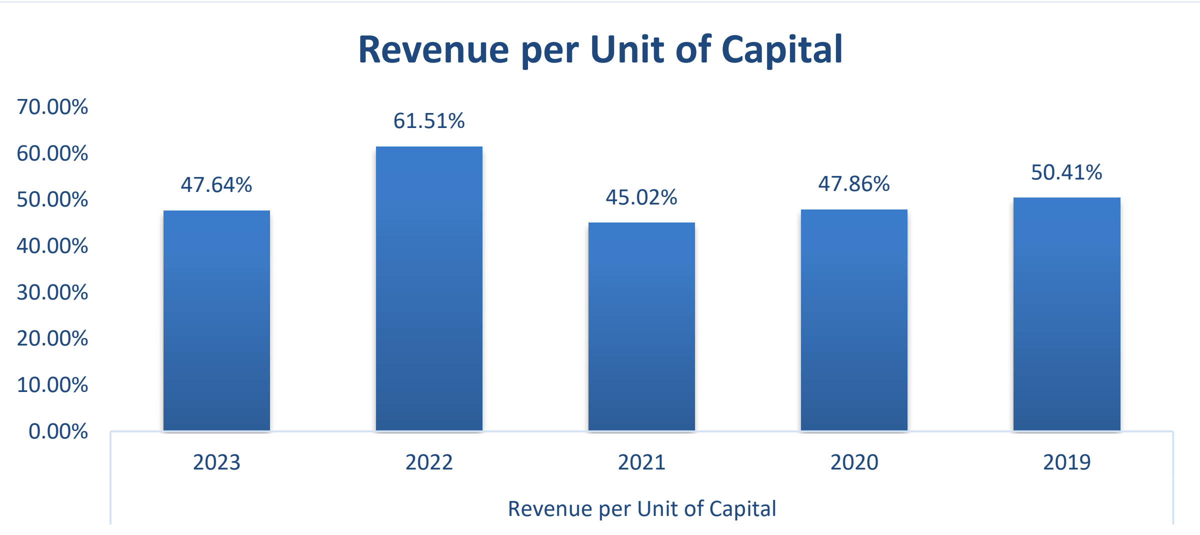


According to the analysis, we can observe a prominent difference in the annual revenue growth rate between 2019 and 2023, which can be linked to both external economic conditions and business plan adjustments. A robust 12.07% growth in revenue in 2019 indicates strong performance and encouraging market conditions.

However, in 2020, the growth rate dropped to -5.06%. Global trade and financial markets were disrupted by the COVID-19 pandemic, which caused a decline in global economic activity. Here also, the pandemic's lasting effects on corporate operations were still visible in 2021, despite a minor recovery as indicated by the negative revenue growth rate of -4.96%. A substantial recovery shown by a growth rate of 63.38% in 2022 signified a major improvement in the situation. Increased trade activity, a successful trade finance department strategy, and the global economic recovery are all responsible for this rise. Meanwhile, with a growth rate of -16.45%, the division can see another decrease in 2023. The decline in trade finance might be attributed to a market correction, heightened competition, or other external reasons.

Nonetheless, the trade finance business is known for its volatility, and these patterns emphasize how crucial it is to be innovative and resilient strategically to sustain steady development in the face of shifting market conditions.

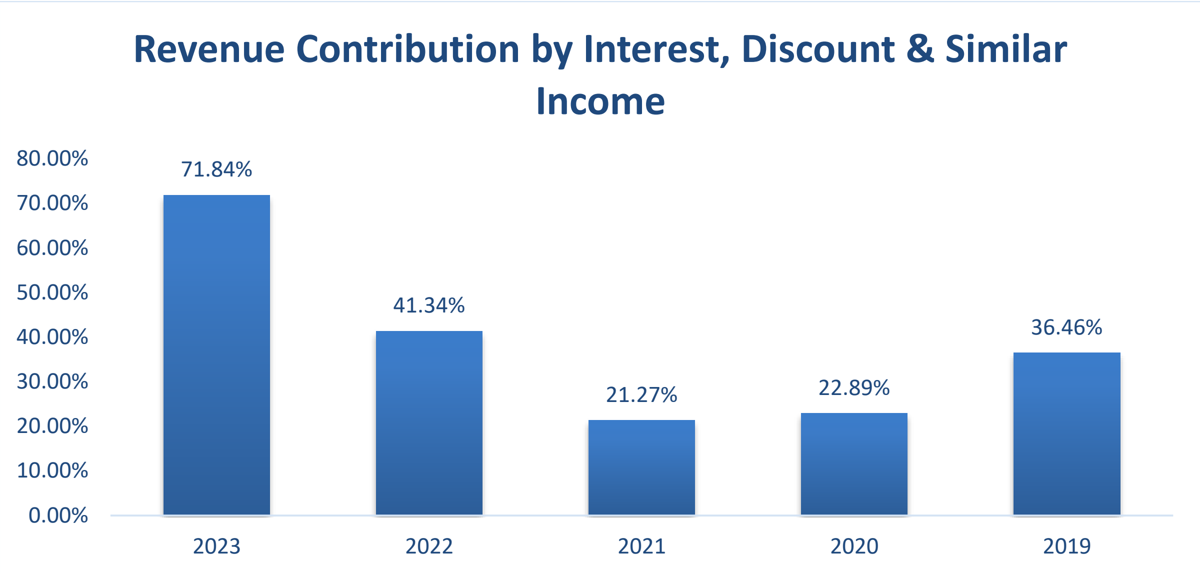
3.1.1.3 Revenue per Unit of Capital



This figure shows how the bank's Revenue per Unit of Capital for the years 2019 to 2023 reflects different levels of capital usage efficiency. The trade finance business demonstrated a strong performance baseline and efficient use of capital in 2019 with a Revenue per Unit of Capital of 50.41%. Nonetheless, in 2020, this measure somewhat dropped to 47.86%, most likely as a result of the worldwide pandemic's impact on trade volumes and financial activity. Additionally, the income per unit dropped to 45.02%, indicating probable persistent effects of the epidemic as well as ongoing difficulties in the economic situation. Despite the fact in 2022 there was a significant rise to 61.51%, marking a strong recovery. However, the metric declined again to 47.64% in 2023. This reduction may reflect market adjustments or strategic changes that are expected to pay off in the long run.

In short, trend of the revenue per capital rates illustrated that the bank is flexible and highlighted the importance of adaptive strategies to maintain high efficiency and capitalize on market conditions. The fluctuations of the rates highlight that the bank needs continuous evaluation and adjustment to optimize the use of capital in response to changing economic conditions.

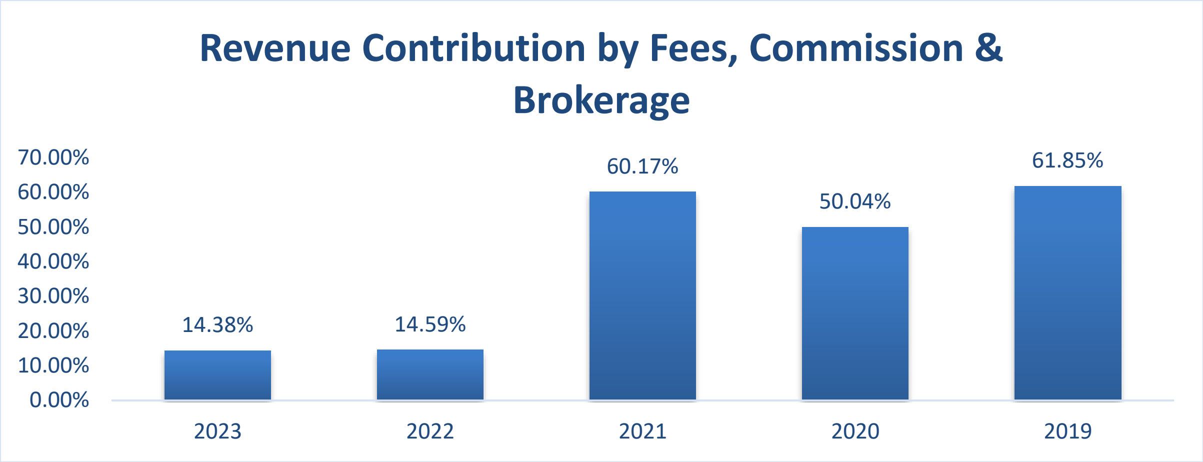
3.1.1.4 Revenue Contribution by Interest, Discount & Similar Income



By reflecting the impact of operational performance considering economic conditions & strategic adjustments revenue contribution from interest, discount and similar income shows significant changes from 2019 to 2023. With the moderate dependence on this income at 36.46% in 2019 we get the bank's operational performance from this income. Because of the pandemic's economic effects, the contribution decreased a little to 22.89%. In 2021, the pattern continued by declining even more to 21.27% which suggests that income sources are still being impacted by persistent difficulties and perhaps low interest rates.

However, by a significant change in 2022 when the contribution increased to 41.34% it demonstrated a recovery phase which was perhaps prompted by good economic conditions or a strategic realignment towards interest-generating activities. With a heavy emphasis on optimizing interest and discount returns, the contribution increased to 71.84% by 2023—the greatest level over the previous five years. This significant increase underscores the need for balanced planning by indicating both the effectiveness of the system and the possibility of danger if interest rates turn unfavorable.

3.1.1.5 Revenue Contribution by Fees, Commission & Brokerage

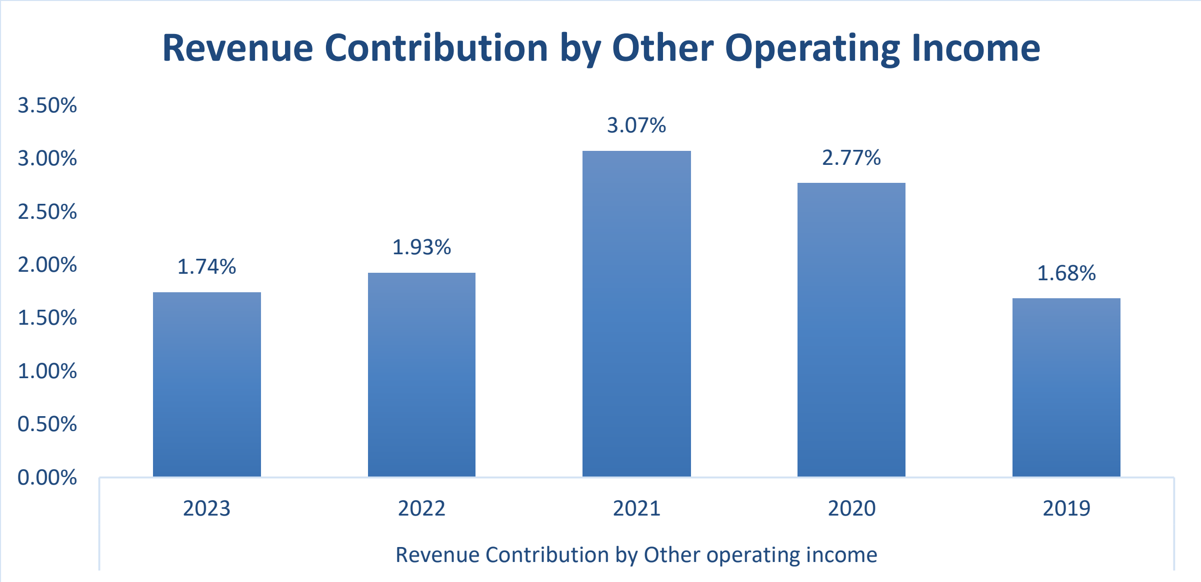


From 2019 to 2023, the bank saw serious fluctuations in revenue contribution from fees, commissions and brokerage. This revenue source accounted for a significant 61.85% in 2019 which reflects a strong emphasis on transaction services and advisory roles. This trend continued to generate revenue from service-based fees until 2020, despite external economic obstacles, albeit at a somewhat lower level of 50.04%.

Nevertheless, 2021 showed a significant decline, with the contribution dropping to 60.17%, suggesting that market circumstances or strategy may have changed and might have an impact on fee-based revenue. In 2022 and 2023, the contributions decreased to 14.59% and 14.38%, respectively, as the drop persisted. This sharp decline suggests either a deliberate shift in focus away from fee-based income or a highly competitive market that has put pressure on margins in this sector.

In view of the bank increasing contribution from interest, discount, and similar income throughout the same time, it appears that the bank’s strategic focus may be shifting away from fees, commissions, and brokerage revenue. Based on shifting market circumstances and strategic goals, the trade division's adaptive methods to maximize income streams are shown by this graph.

3.1.1.6 Revenue Contribution by Other Operating Income

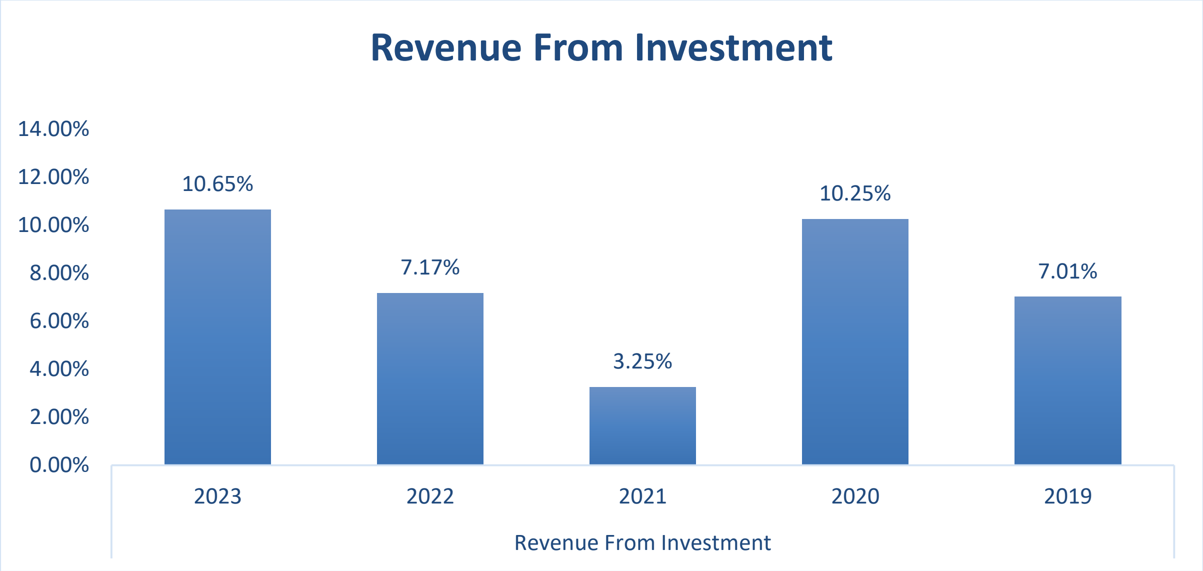


The bank's revenue contribution from other operating income has been relatively low from 2019 to 2023, coming in at 1.68% in 2019, 2.77% in 2020, 3.07% in 2021, 1.93% in 2022, and 1.74% in 2023. This consistent but small contribution shows that other operating income has not been a major source of revenue for the bank, and the decline that followed the peak of 3.07% in 2021 suggests that there is not much potential for growth in this income category.

Its importance as the main source of revenue is highlighted by the significant variations in revenue from interest, discount, and similar income, which peaked at 71.84% in 2023 and dropped to 21.27% in 2021. As a result of the substantial volatility seen in fees, commissions, and brokerage contributions which peaked at 61.85% in 2019 and fell to 14.38% in 2023 fee-based revenue has been on the fall.

As such, the bank's strategy seems to be focused on optimizing interest-based income and navigating the competitive environment of fee services, while other operational income continues to represent a steady but minor portion of the revenue mix. It is necessary to investigate new avenues to improve and diversify the income streams from different sources of operational income.

3.1.1.7 Revenue Contribution by Investment



Through the analysis during the five years from 2019 to 2023, there have been fluctuations in the income from investments. The income from investments increased from 7.01% in 2019 to 10.25% in 2020. But there was a notable decline to 3.25% in 2021. The revenue recovered in 2022 to 7.17% and further increased to 10.65% in 2023. With volatile investment revenue rates, the data indicates a positive trend in recent years, especially from 2021 to 2023.

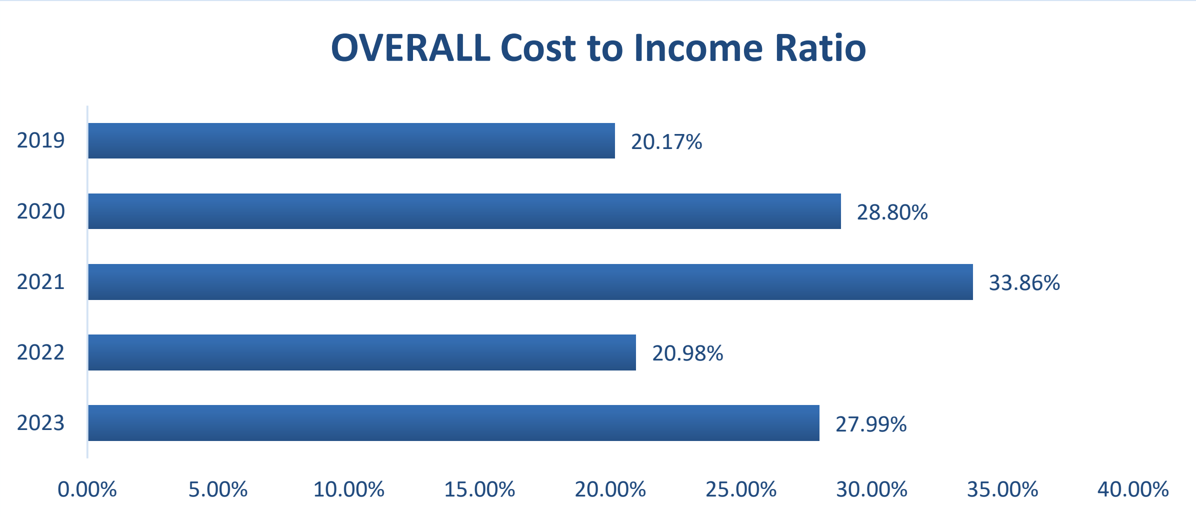
However, the revenue contribution of trade finance was 56.69% in 2023, 56.12% in 2022, 51.19% in 2021, 40.13% in 2020 and 47.31% in 2019. Now if we compare the rates with the percentage of revenue from investment that contrasts sharply. By highlighting the fact that trade financing revenue has continued to grow. As a result, we understand that trade finance makes up a larger portion of the bank's overall income compared to smaller and more unpredictable settlements from investment revenue.

Not to mention that the revenue from investments has also been growing but is still less predictable and more subject to market fluctuations. If compared to the contribution from trade finance the data shows trade finance contribution is larger and more consistent, which highlights the significance in the operational performance as a primary source of income. This comparison highlights how important it is for the bank to focus on ways to strengthen its trade finance sector as well as increase and stabilize its investment income.

3.1.2 Cost Analysis

In this section, the reporter strives to show an in-depth analysis of various cost components that impact the bank's overall financial performance. There are many cost categories analyzed such as interest on loans and deposits, administrative costs, asset depreciation, and other operating costs. By in-depth analysis, we will be able to learn more about the bank's areas of concentration, operational effectiveness, and cost management approach. Understanding these costs is important to assess a bank's profitability, longevity and competitive position in the sector.

3.1.2.1 Bank's Overall Cost to Income Ratio

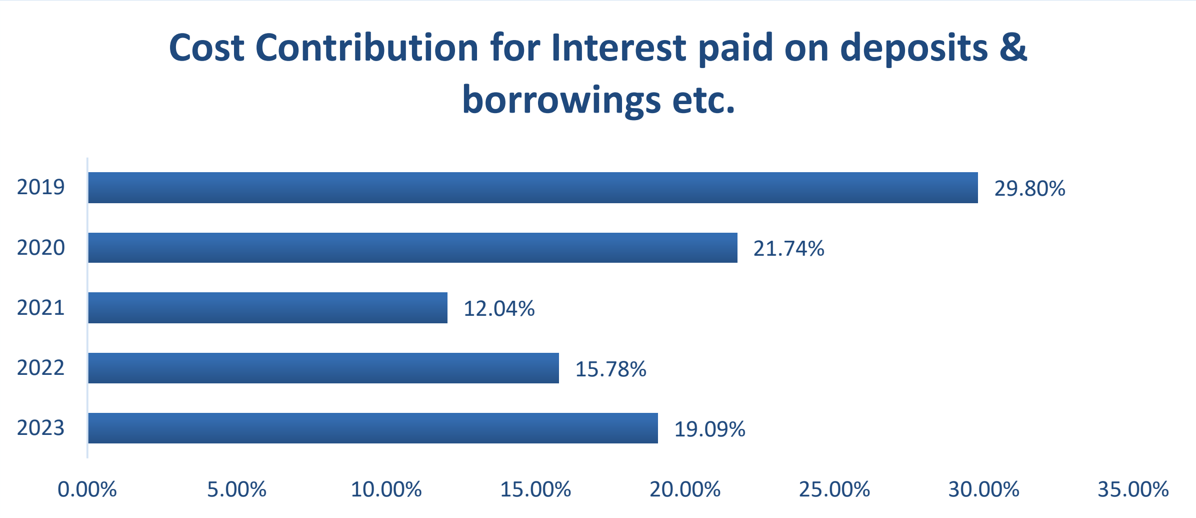


The overall cost-to-income ratio provides insight of the bank's operational efficiency to manage its expenditures relative to its income. From the data we can see that the ratio has fluctuated over the past five years and the highest rate is 33.86% in 2021 and the lowest rate is 20.17% in 2019.

With a cost-to-income ratio of 27.99% in 2023 which is higher than in 2022 but still not as high as the peak. This pattern indicates repeated difficulties in efficiently balancing the outlay of the incomes and revenues. By strict cost control this can be solved. as seen by the steep increase in 2021.

Considering the revenue analysis, it becomes obvious that trade finance and investment revenue contributed significantly to income. As a result, to increase the operational performance in an efficient way the capacity to turn this money into returns is essential. To ensure continuous profitability, this calls for constant efforts to improve operational effectiveness.

3.1.2.2 Cost Contribution for Interest Paid on Deposits & Borrowings Etc.

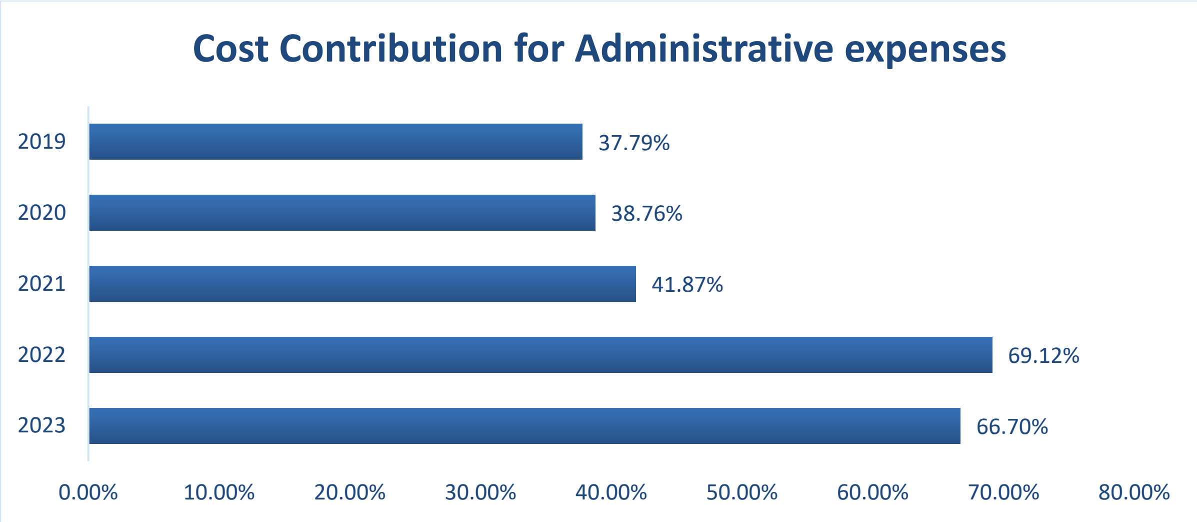


A comprehensive understanding of the bank's financial dynamics during the last five years may be gained by examining the cost contribution for interest paid on deposits and borrowings. This cost was noticeably high in 2019 (29.80%), suggesting a major burden from interest charges. The bank effectively decreased this expense during the forthcoming two years, with a low of 12.04% in 2021, indicating efficient cost control and perhaps favorable interest rate circumstances.

However, there was a steady rise from 2021 to 2023, with the price rising to 19.09% in 2023. This upward trend points to growing interest costs, which may result from higher borrowing costs, higher interest rates, or more competition for deposits, which might impose higher interest rates to draw in and keep consumers.

The management of interest expenditures is critical for sustaining profitability when we relate this to revenue patterns and the total cost-to-income ratio. Profitability was probably enhanced by the lower expenses in 2021 and 2022, but the bank's cost-effectiveness may be called into question by the rise in 2023. As a result, preserving financial stability and growth requires striking a compromise between controlling interest costs and maximizing income from diverse sources. According to this perspective, the bank's entire performance is directly impacted by growing interest expenses, which emphasizes the necessity of smart financial planning.

3.1.2.3 Cost Contribution for Administrative Expenses

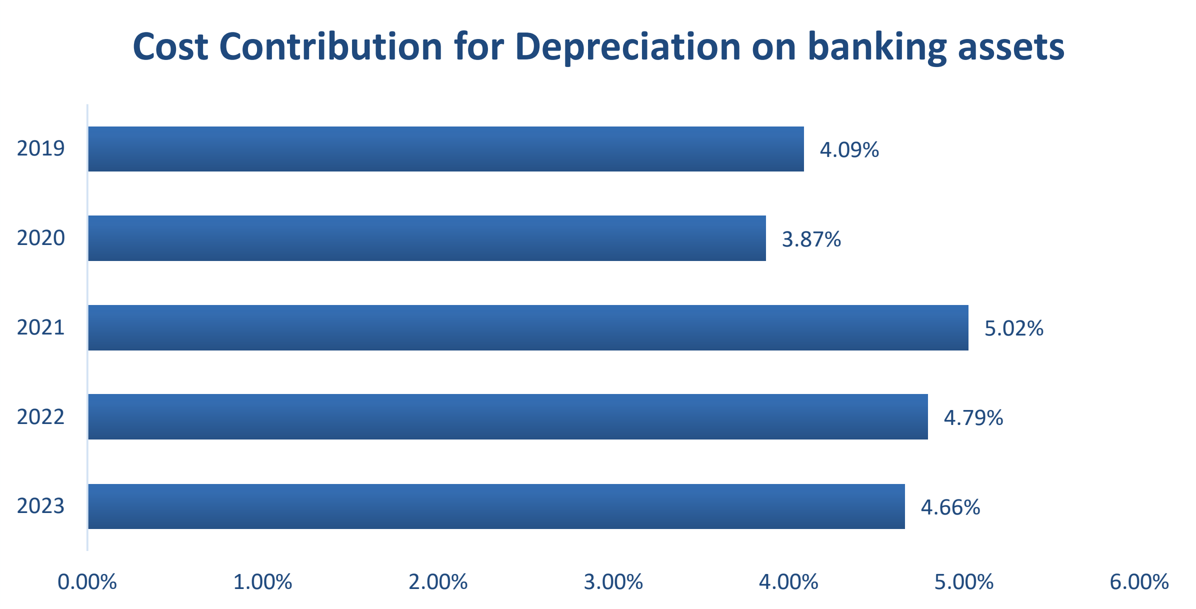


The information on the cost contribution for administrative charges reveals a noteworthy pattern in the amount Woori Bank Bangladesh has spent on administrative duties throughout the last five years. With a cost contribution of 37.79% in 2019, it was mild. Nevertheless, there was a notable increase in 2021, with administrative expenditures accounting for 41.87% of total costs, indicating a rise in operating expenses.

Following this pattern, consumption contribution increased sharply to 69.12% in 2022 and remained high at 66.70% in 2023. These figures seem to indicate that during the last five years, the bank's administrative costs have gone up dramatically. The substantial expansion anticipated in 2021 may result from several causes, such as increased labor expenses, an increase in the number of rules that must be followed, technology advancements, or company growth.

This trend of growing administrative expenses puts banks' cost-management strategies to the test. To save expenditures and increase prosperity, it emphasizes the need for a thorough evaluation and possible reorganization of administrative tasks. If the bank is to maintain its total cost-to-income ratio and long-term sustainable profitability, addressing these additional administrative costs will be essential.

3.1.2.4 Cost Contribution for Depreciation on Banking Assets



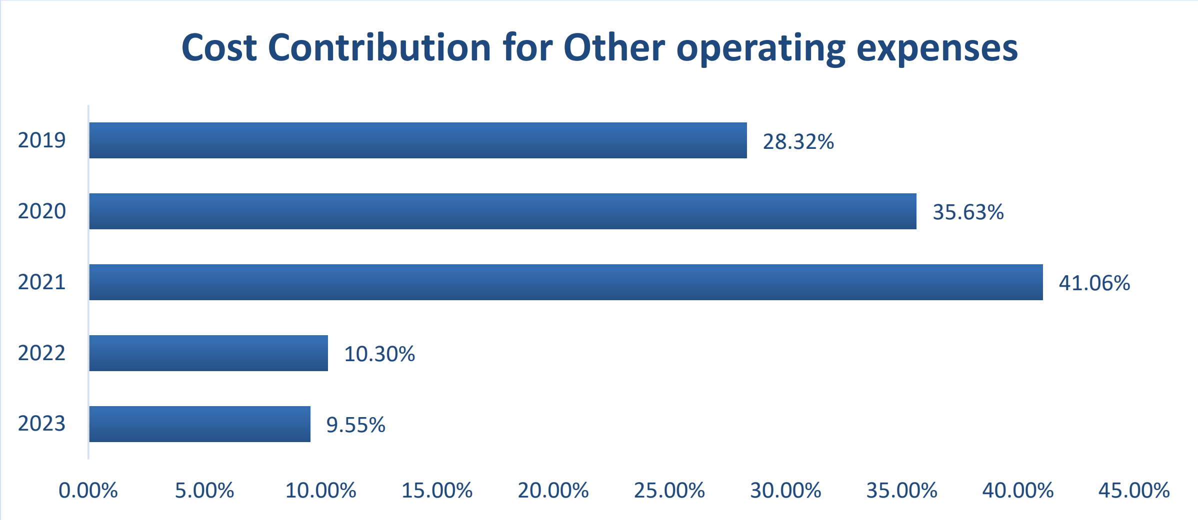
The evolution of banks' depreciation costs over the last five years may be seen by examining the cost contribution statistics for the depreciation of banking assets. The cost contribution for depreciation in 2019 was 4.09%, indicating a consistent and comparatively modest amount of asset depreciation expenditure.

A little decline to 3.87% in 2020 suggests a tiny reduction in the cost contribution from depreciation. The consumption contribution, which increased to 5.02% in 2021—the highest level in five years—reversed this trend, nevertheless. This rise implies a substantial depreciation expenditure that year due to an investment in banking assets.

In the subsequent years, 2022 and 2023, the cost contribution for depreciation slightly decreased to 4.79% and 4.66%, respectively. These figures show a gradual normalization of depreciation costs after the peak in 2021.

Overall, the figures show that even if depreciation costs have varied over time, they still make up a little but steady portion of banks' overall costs. The peak in 2021 denotes a time of major asset upgrading or acquisition, followed by stabilization. Depreciation expense management will remain crucial to maintain efficient asset usage and cost control for the bank.

3.1.2.5 Cost Contribution by Other Operating Expense

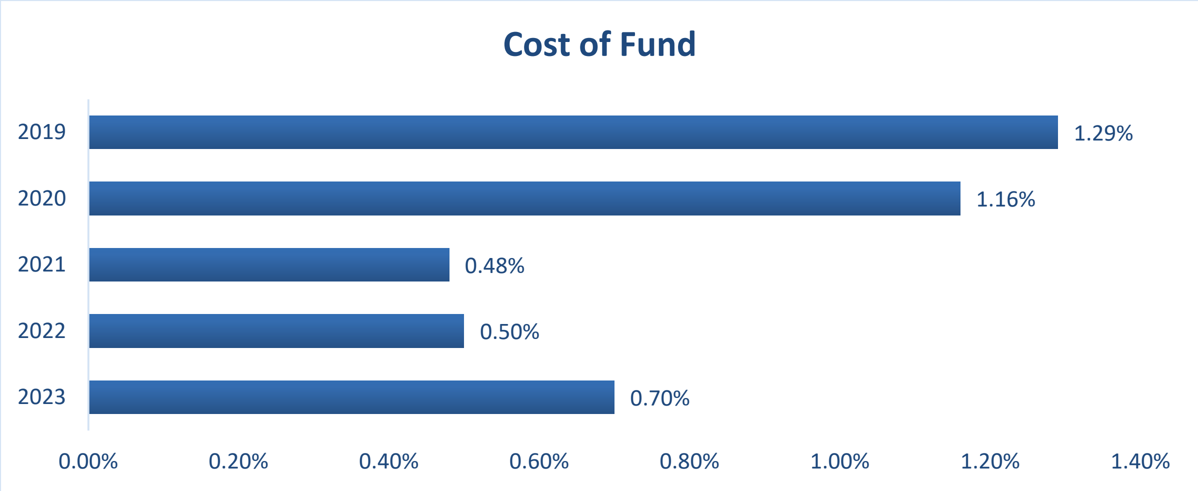


Significant fluctuations in the cost contribution statistics over the period of five years indicate changes in the bank's spending habits on operational operations beyond depreciation, interest, and administrative costs. A significant amount of money was spent on other operational operations, as evidenced by the cost contribution for other operating expenditures in 2019 of 28.32%. This proportion went up to 35.63% in 2020, which suggests that operating costs have grown. Various variables, like expansion initiatives, higher expenses associated with regulatory compliance, or increased investment in technology and infrastructure, might be responsible for this growth.

In 2021, the proportion jumped to 41.06%, its highest level in five years. This high increase shows a considerable increase in operational expenditures, which might be the reason for extensive investment or unanticipated spending that year. However, there is a substantial drop of 10.30% in 2022, owing to effective cost-cutting initiatives, increased efficiency, or the termination of prior high-cost operations. The cost contribution declined to 9.55% in 2023, indicating that other operating expenditures are still being managed and minimized.

Such fluctuations indicate a dynamic cost management environment at the bank. From the peak in 2021, the rates were followed by sharp declines in future years. Demonstrating that the bank has made major efforts to reduce unnecessary operational expenditures to improve efficiency with proper cost control. The declining trend in 2022 and 2023 reflects improved operational efficiency with enhanced cost management strategies.

3.1.2.6 Cost of Fund



The Woori Bank Bangladesh Cost of Funds from 2019 to 2023 illustrates significant developments in the financing effectiveness of the bank and its effects on several business units, especially trade finance. The Cost of Funds dropped dramatically throughout this time, from 1.29% in 2019 to a low of 0.48% in 2021. This decrease implies that the bank was able to obtain funding at ever-lower rates, most likely as a result of advantageous market circumstances, skillful treasury management, or a sizable deposit base that made access to less expensive funding sources possible.

Nonetheless, the Cost of Funds increased a little to 0.50% in 2022 and then to 0.70% in 2023. Though still modest, this increase may be the result of shifting market dynamics, such as increased competition for deposits or interest rate rises, which might have raised funding costs. The bank's cost of funds is still stable enough to sustain its overall profitability and sound financial standing despite this increase.

For the trade finance division, the Cost of Funds is particularly essential. A lower cost of funds helps banks offer more competitive terms on trade finance products, such as trade loans and letters of credit, which are critical to supporting international trade activities. Woori Bank Bangladesh can provide favorable pricing to its trade finance clients, making it a more attractive partner for businesses engaged in international trade by keeping the Cost of Funds low. This competitiveness is compulsory for capturing and retaining market share in the trade finance sector.

Furthermore, the trade finance division's profitability is directly impacted by the division's capacity to manage and maintain a low cost of funds. It enables the bank to maintain strong profit margins on its trade credit products while providing clients with attractive interest rates.

This balance between cost efficiency and competitive pricing is essential for driving growth and profitability within the trade finance division.

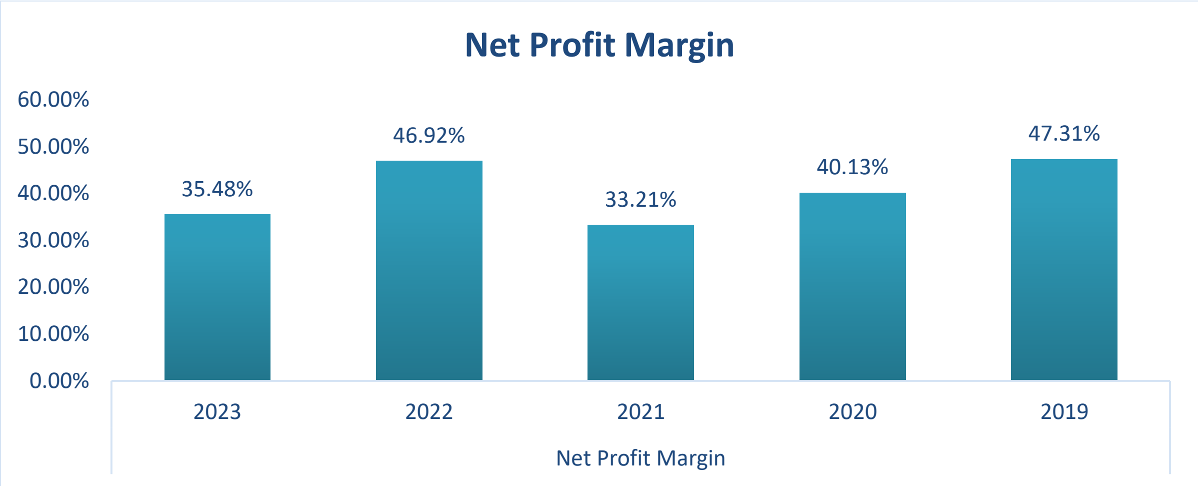
In conclusion, the bank's capacity to efficiently control its financing costs is demonstrated by the declining trend in the Cost of Funds from 2019 to 2021, followed by a minor increase in the following years. This cost efficiency is essential to the trade finance division's capacity to remain profitable and competitive. Overall, the bank's low Cost of Funds continues to offer a strong basis for sustaining its trade finance activities and overall financial success, while the minor increase in recent years may call for strategic modifications.

To sum up, the overall cost analysis reveals significant insights into the bank's cost patterns and measures of efficiency. Fluctuations in costs, particularly other operating expenditures, reflect the dynamic nature of the bank's operational strategies and investments. With a significant reduction in operating expenditures from 2021 to 2023 indicates prosperous cost management and operational optimization endeavors. By constantly observing and managing these expenditures, the bank can increase its financial solidity and competitive edge by ensuring long-term profitability and growth. This analysis emphasizes the importance of strategic cost control in achieving sustainable financial performance.

3.1.3 Profitability Assessment

One important measure of a bank's financial health and capacity to make money relative to its costs is the profitability assessment ratios. The net profit margin, operational profit margin, return on assets (ROA), return on equity (ROE), and net interest margin (NIM) of the bank are among the important profitability measures evaluated in this research. These measures provide light on various aspects of the bank's financial performance. These profitability measurements are significantly influenced by the trade finance department, which is an essential component of the bank's activities. We can gain a better understanding of trade finance's influence on the bank's overall financial performance by looking at how it contributes to these metrics.

3.1.3.1 Net Profit Margin

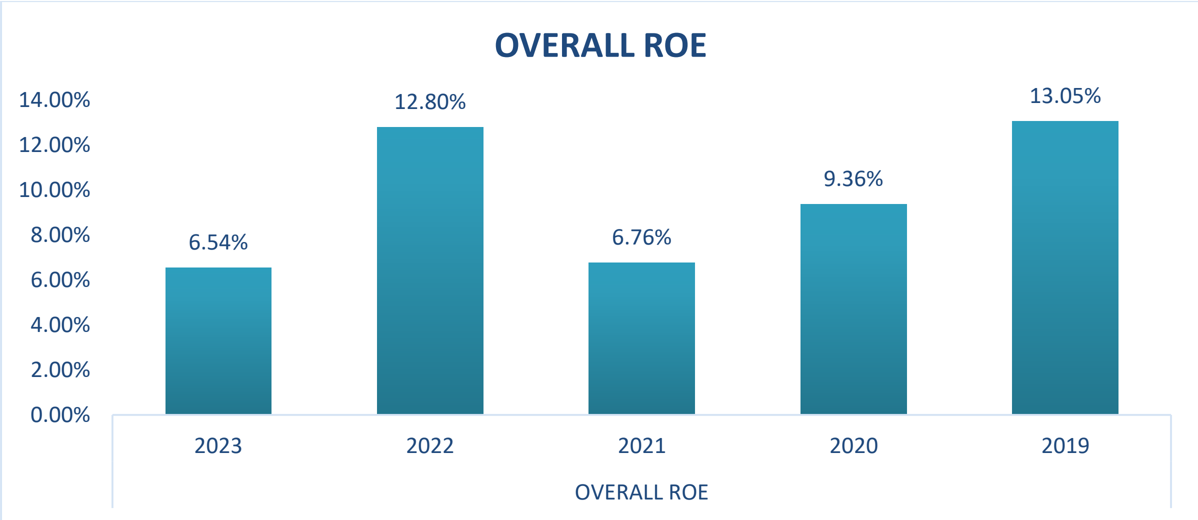


A bank's net profit margin is a core metric for evaluating both its overall profitability in terms of revenue and its cost control effectiveness. Net profit margin data over the last five years reveals significant fluctuations, which is indicative of the bank's operational and financial health.

Net profit margin diminished after a sharp decrease from 46.92% in 2022 to 35.48% in 2023. This drop indicates challenges in retaining high profitability, conceivably due to increased expenditures or reduced earnings. After a decline to 40.13% in 2020, the year 2021 has a margin of 33.21%, indicating a recovery period. A stable financial position before experiencing subsequent volatility was emphasized by the highest margin rise throughout this era, which occurred in 2019 at 47.31%.

However, the fluctuations seen in the net profit margin highlight the need to use efficient cost management and revenue optimization tactics. To improve profitability, the bank may need to review its cost-control and operational efficiency approaches in light of a declining margin in recent years. In order to, maintain the bank's competitive edge in the market and improve its financial performance, constant monitoring with systematic development is essential.

3.1.3.2 Bank's Overall Return on Equity



Profitability is considered by its return on equity (ROE), which shows how successfully it leverages equity holders' money to create profits. The data indicates a notable shift in ROE during the last five years, indicating different levels of capital usage efficiency.

Profitability is considered by its return on equity (ROE), which shows how successfully it leverages equity holders' money to create profits. The data indicates a notable shift in ROE during the last five years, indicating different levels of capital usage efficiency.

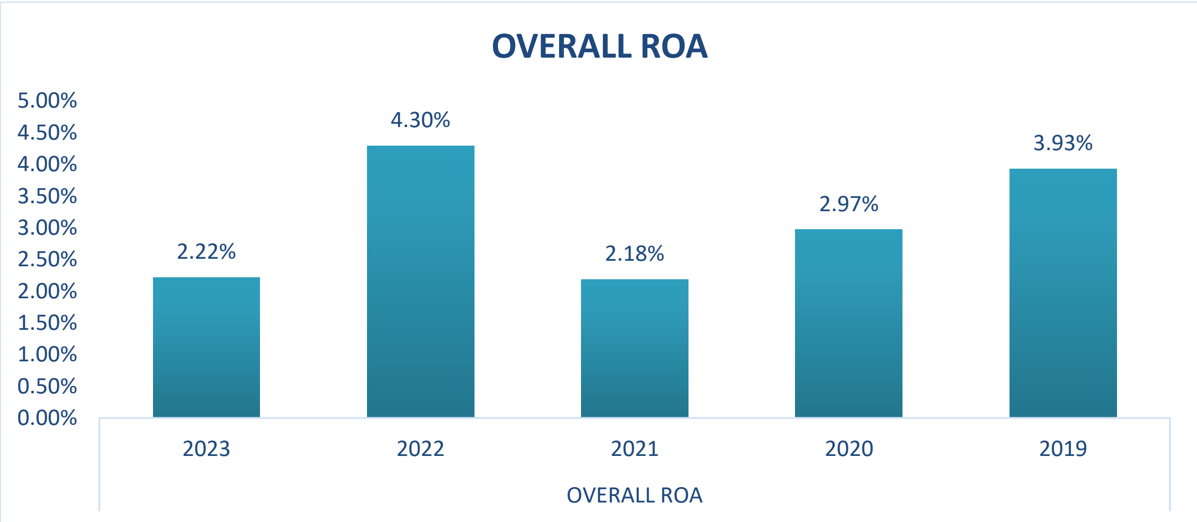
However, a notable decline in profitability from 12.80% in 2022 to 6.54% in 2023 was shown by the ROE, which might indicate reduced revenue or greater expenses compared to equity. This decline implies that the bank has not generated as much return on its capital, either as a result of difficulties keeping expenditures under control or sustaining profitability. Compared to the peak of 13.05% in 2019, the ROE in 2021 was 6.76%, indicating a negligible improvement over the prior year's performance. Nevertheless, it was still significantly low. A period of excellent performance preceded by a future decrease is indicated by the 2019 peak ROE.

Not to mention, these ROE numbers may be impacted by the trade finance section, which makes a sizable contribution to the bank's overall income. Profitability and return on equity (ROE) may increase in the trade finance industry with effective management and expansion. Moving forward these ROE numbers may be impacted by the trade finance section, which makes a sizable contribution to the bank's overall income.

Profitability and return on equity (ROE) may increase in the trade finance industry with effective management and expansion. Trade finance's performance immediately affects the bank's capacity to produce returns on equity because it often entails low-risk transactions.

Increasing the ROE going ahead would necessitate a strategic focus on maximizing revenue and cost efficiency across all divisions, including trade finance to guarantee that the bank more fully utilizes its equity,

3.1.3.3 Bank's Overall Return on Assets



The Return on Assets (ROA) is a critical indicator of how efficiently a bank is using its assets to generate profit. The data reveals significant variability in the bank's ROA over the five years, reflecting fluctuating efficiency in asset utilization.

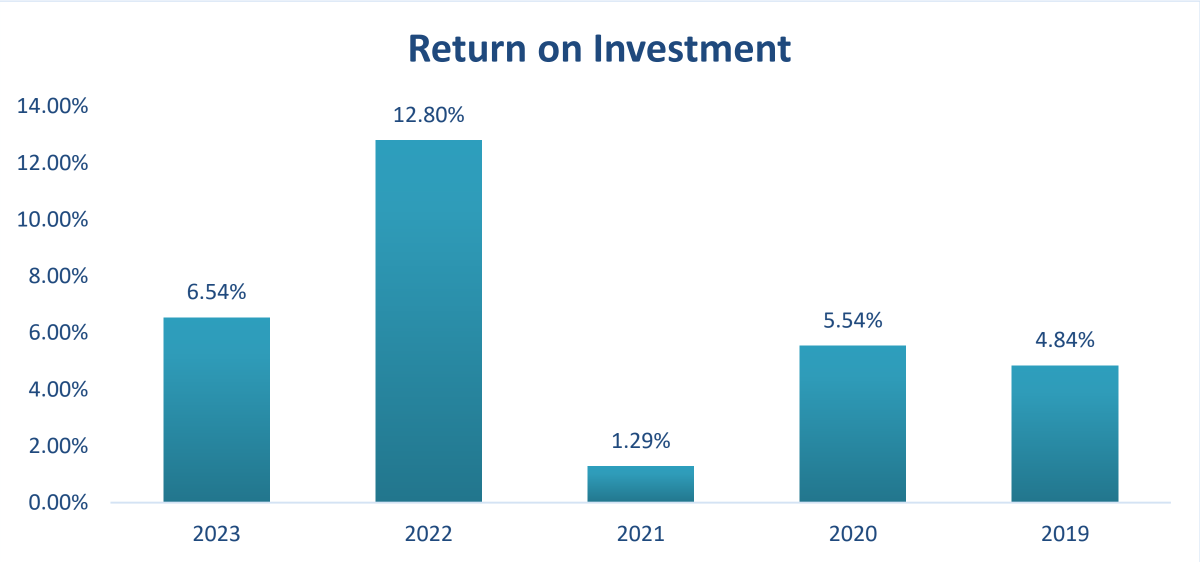
The return on assets (ROA) decreased significantly from 4.30% in 2022 to 2.22% in 2023. This decline indicates that the bank may have been less successful in turning its assets into net income, either as a result of declining profitability or growing assets without increasing revenue. Despite being somewhat lower than the 2023 number, the ROA of 2.18% in 2021 showed a period of steady but moderate asset use. The greatest ROA within this time frame was 4.30% in 2022, suggesting that operational efficiency peaked prior to the most recent decline. On the other hand, 2019 saw a greater ROA of 3.93%, indicating improved performance prior to a string of falls.

Given that the trade finance division is a significant part of the bank's overall operations, its performance likely influences these ROA figures. The trade finance division's ability to generate consistent revenue with minimal asset deployment is crucial for sustaining a healthy

ROA. The recent decline in ROA could indicate challenges within this division or other parts of the bank that have impacted overall asset profitability.

Improved asset usage efficiency would increase ROA, and the bank should work to optimize the performance of revenue-generating divisions such as trade finance and streamline processes. A more stable financial position would result from this strategy's improved capacity to match asset expansion to profitability.

3.1.3.4 Bank's Overall Return on Investment



The Return on Investment (ROI) data for Woori Bank Bangladesh, covering the period from 2019 to 2023, demonstrates substantial variations in profitability and provides a valuable understanding of the bank's operations in many areas, such as trade finance and credit.

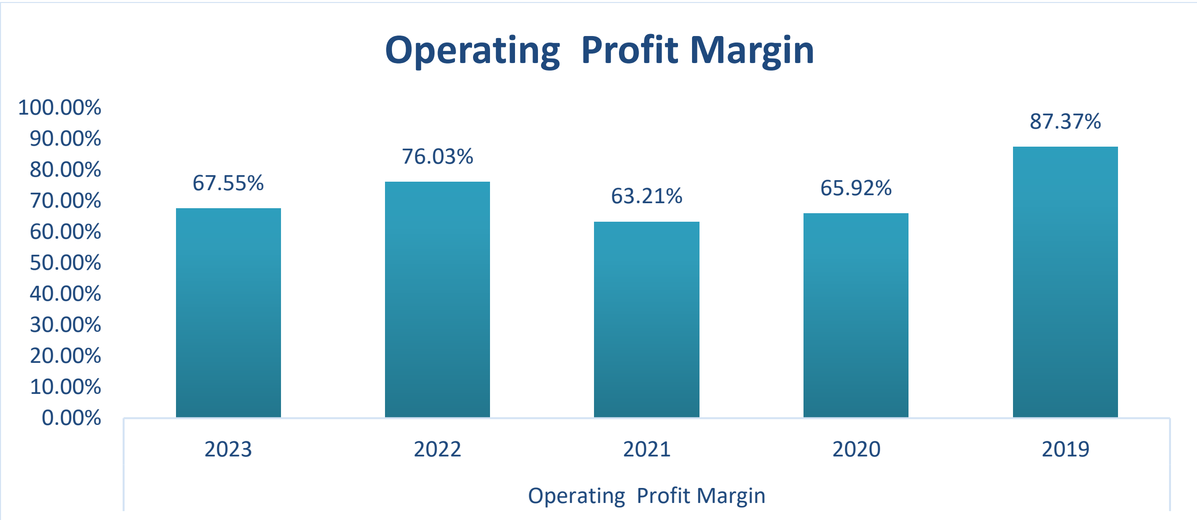
The ROI for 2023 is 6.54%, which is higher than it was in prior years. This predicts a good change in profitability and a rebound from the low of 1.29% in 2021. The highest ROI of 12.80% in 2022 indicates a time of strong financial performance, which may have been brought about by successful tactics or advantageous market circumstances. The ROI dropped to 1.29% in 2021, indicating difficulties or problems with operations that affected profitability in that year.

The increase in ROI from 4.84% in 2019 to 6.54% in 2023 reflects a gradual improvement in the bank's overall profitability. The trade finance division is especially impacted by this growing trend since it receives better returns on investment (ROI) from efficient oversight of trade finance activities, such as trade loan disbursements and credit letters. Fluctuations in ROI may also be associated with varying demand for trade finance products and changes in the global trade environment.

A better return on investment (ROI) for the loan and credit departments also denotes positive returns on the bank's loan portfolios and effective management of credit risk. The variations in ROI suggest that shifts in loan portfolio quality or changes in credit risk management practices have impacted profitability. Strategic lending and efficient risk management raise ROI, which in turn boosts profitability.

In conclusion, the trends in ROI from 2019 to 2023 illustrate the bank's varying profitability over the years. The significant improvement to 12.80% in 2022, followed by a recovery to 6.54% in 2023, underscores the bank’s ability to adapt and enhance its profitability. For the trade finance, loan, and credit departments, these ROI trends reflect their effectiveness in managing their portfolios and contributing to the bank’s financial success. Analyzing ROI provides valuable insights into the performance of these divisions and the bank’s strategic direction.

3.1.3.5 Operating Profit Margin

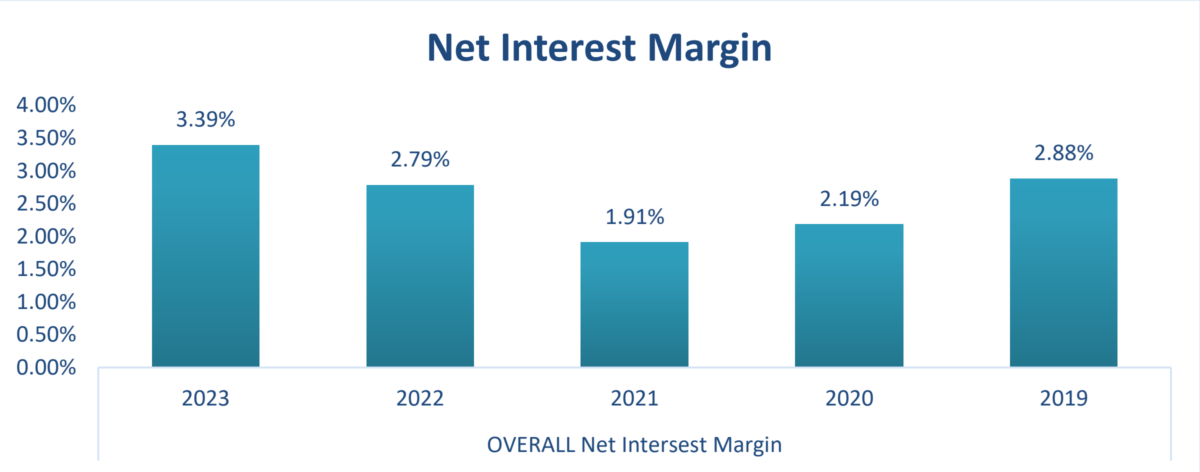


The profitability and operating efficiency before deducting interest and taxes are shown by the Operating Profit Margin analysis. As a measure of the bank's overall financial health, this margin shows what proportion of revenue is transformed into operational profit.

However, despite a decrease from 76.03% in 2022 to 67.55% in 2023, the operational profit margin remains optimal. This dip could be a sign of rising operational costs or falling revenue due to internal inefficiencies or outside economic factors. Notwithstanding sporadic fluctuations, the bank's operating efficiency throughout the preceding several years has been rather strong, as seen by the 2021 margin of 63.21%. In contrast, the margin had a better functional performance in 2019 when it peaked at 87.37%. Margin has steadily decreased since then, a sign of growing difficulties in sustaining high operational profits.

On top of that, Trade Finance division is expected to make a significant contribution to overall operating profitability. To preserve or boost profitability, nonetheless, the decreasing trend points to the necessity of more stringent cost-control measures as well as optimization within this and other divisions. The resilience and competitiveness of the bank in the financial industry depend on maintaining a strong operating profit margin.

3.1.3.6 Bank's Overall Net Interest Margin



About the bank's interest-earning assets, the difference between the interest revenue it generates and the interest it pays to depositors is measured by its net interest margin or NIM. This measure is essential for assessing the bank's overall profitability from lending operations.

The NIM increased significantly from 2.79% in 2022 and 1.91% in 2021 to 3.39% in 2023. Due to favorable interest rate circumstances or a transition to higher-margin lending products, the bank has likely benefited from this rising trend, which shows that it has been able to properly manage its interest revenue and costs. In 2019 With a margin of 2.88%, the bank has substantially increased its net interest margin over time.

We can identify that the trade finance division plays an integral role in this context, as it usually involves high-volume trades with moderately stable interest spreads. The division's contribution to the bank's interest income can positively impact the overall NIM, especially if it is executed efficiently and aligned with the bank's broader asset-liability strategies.

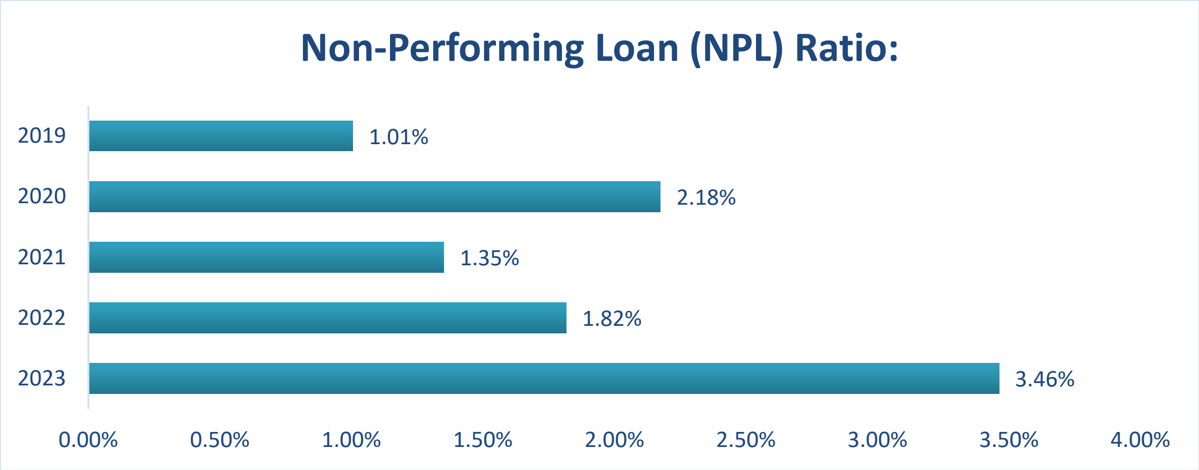
Finally, by generating reliable and higher interest income, a trade finance business with outstanding performance can increase the bank's net interest margin (NIM). This is achieved through competitive pricing and efficient risk management. The division's impact on the bank's NIM will only increase as it expands and adjusts to market conditions, emphasizing the need to preserve strong trade finance operations.

To sum up the profitability assessment while the bank has demonstrated strength in areas like Net Interest Margin and Operating Profit Margin, other important measures like ROE and ROA have fluctuated, according to the profitability evaluation. The trade finance division proves to be a vital component of the bank's profitability, offering a consistent and frequently profitable source of income. Its effect is notably prominent in the Net Interest Margin since the division's capacity to provide steady interest revenue considerably improves the bank's performance as a whole. The bank's profitability will need to be sustained and increased going ahead to build the trade finance business, especially in light of the competitive and changing financial environment.

3.1.4 Risk Management Assessment

Banking operations require effective risk management, primarily in the dynamic and frequently turbulent area of trade financing. Strong risk management strategies are becoming increasingly necessary as Woori Bank Bangladesh keeps growing its trade financing portfolio. Regardless, trade finance involves a complicated risk landscape due to the involvement of diverse parties, worldwide transactions, and varied regulatory frameworks. In addition to preserving the bank's competitive edge and upholding its financial stability, efficient risk management also improves the bank's capacity to facilitate international trade activities. Prominent risk criteria, such as capital adequacy, and credit risk, will be examined in this evaluation along with how they affect the bank's trade financing operations.

3.1.4.1 Non-Performing Loan (NPL) Ratio

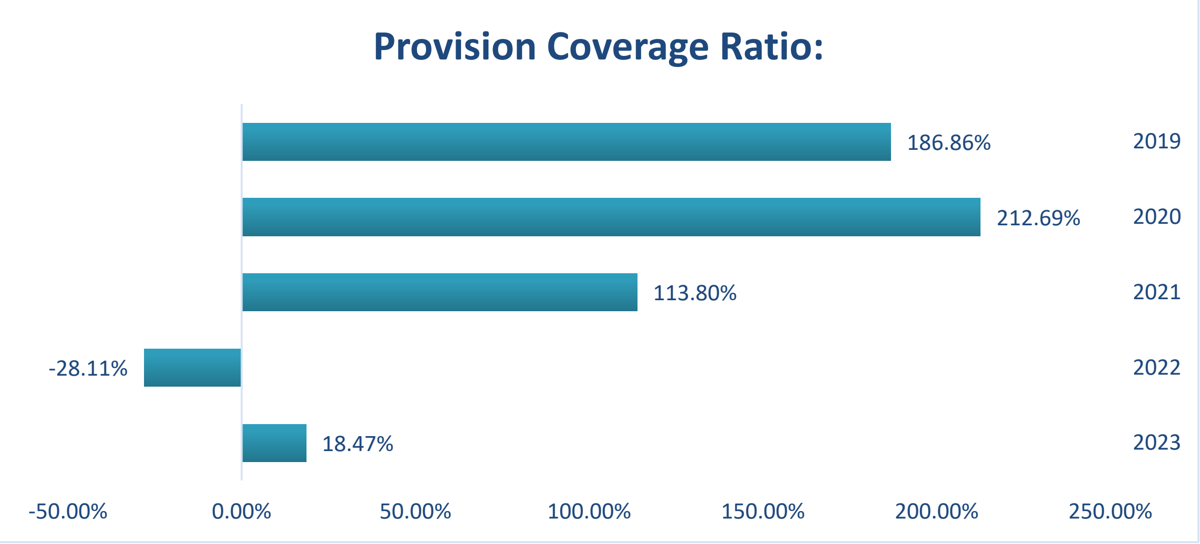


The non-performing loan (NPL) ratio is an important measure of risk management, indicating the proportion of loans that are in default or close to default. The data shows that the NPL ratio has increased from 1.01% in 2019 to 3.46% in 2023. With a larger percentage of loans becoming problematic over time, this upward trend indicates rising levels of credit risk.

In 2019, the NPL ratio was relatively low at 1.01%, reflecting effective credit risk management practices at that time. However, growth of 2.18% in 2020 and a peak of 3.46% in 2023 indicates that the bank faces challenges in maintaining the quality of its loan portfolio. The significant rise in 2023 is especially concerning since it implies that an increasing percentage of the bank's assets are vulnerable to default, which might have an impact on stability and profitability as a whole.

This trend could be attributed to several factors, including economic downturns, changes in borrower creditworthiness, or insufficient risk management practices. The bank will need to strengthen its risk management strategies, perhaps by tightening credit assessment criteria, enhancing loan monitoring processes, and diversifying its loan portfolio to mitigate the risks associated with high NPL ratios. The rising NPL ratio underscores the need for proactive measures to address and manage credit risk effectively.

3.1.4.2 Provision Coverage Ratio:



Provision coverage ratio (PCR) is an important metric of risk management, especially related to credit risk. It measures the extent to which a bank has set aside provisions to cover possible losses from its non-performing loans (NPLs). A higher PCR indicates that the bank has more provisions to absorb potential losses, thereby reducing the impact on its profitability and capital.

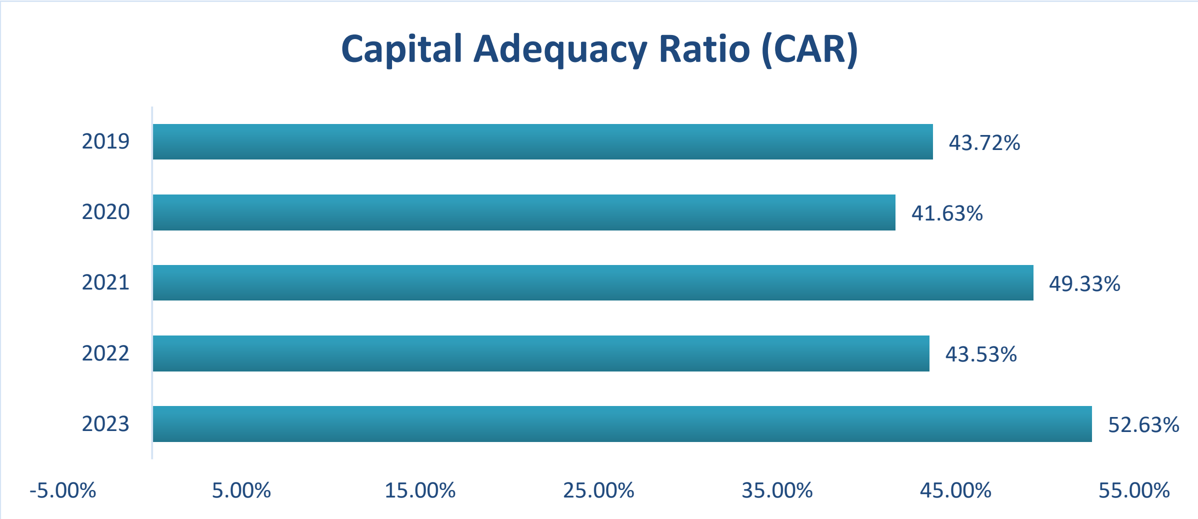
The provision coverage ratio has varied significantly over time, according to the statistics. PCR was comparatively high in 2019 and 2020, coming in at 186.86% and 212.69%, respectively. This suggests that provisioning was greater than NPL. These high ratios show that the bank had a significant buffer against credit risk and was ready to absorb possible losses.

Nevertheless, in 2022, PCR dropped sharply to 113.80%, and in 2022, it sharply declined to -28.11%. Concerning, a negative PCR implies that the bank's provisions are insufficient to cover its non-performing loans (NPLs), pointing to a serious credit risk vulnerability. A negative ratio in 2022 implies that the bank has not only exhausted its provisions but may also have to draw from its profits or capital to cover loan losses.

In 2023, the PCR improved to 18.47%, indicating some recovery in the bank's ability to deal with its NPLs, but it remains low, reflecting ongoing challenges in managing credit risk. While this progress is encouraging, it is still far below the desired levels seen in 2019 and 2020.

All things considered, the erratic and unexpectedly low PCRs point to possible flaws in banks' risk management procedures, especially concerning their capacity to sufficiently prepare for credit losses. The unfavorable outlook for 2022 is especially concerning, indicating that the bank is probably going to be under a lot of strain because of an unanticipated rise in non-performing loans or insufficient provisioning plans. In the future, the bank will have to review its provisioning guidelines to make sure they align with the degree of credit risk in its loan portfolio and replenish its reserves to guard against more losses.

3.1.4.3 Capital Adequacy Ratio (CAR):

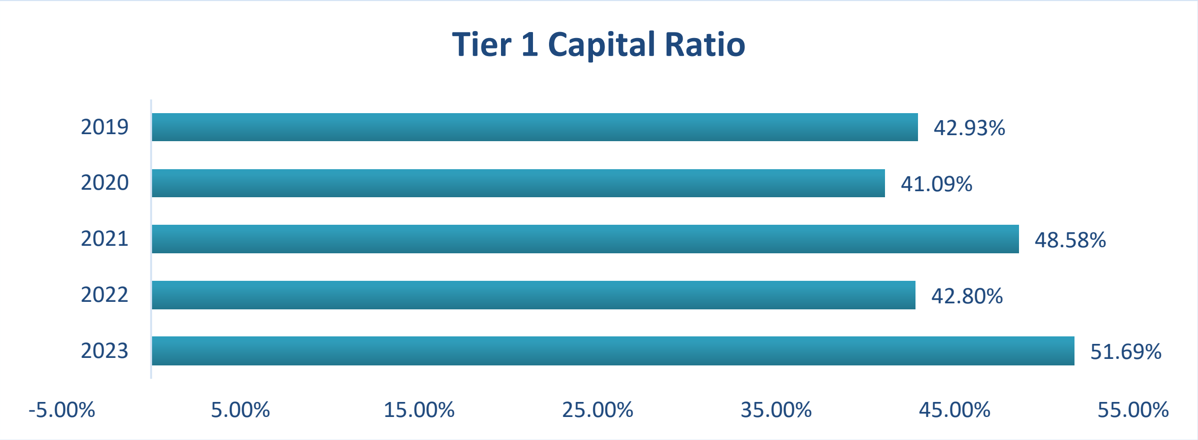


Over the period from 2019 to 2023, the bank's Capital Adequacy Ratio (CAR) has demonstrated a notable improvement, rising from 43.72% in 2019 to 52.63% in 2023. This increase highlights a significant strengthening in the bank’s capital base, which has grown more robust over these years. The CAR's upward trend, despite some fluctuations, particularly peaking at 49.33% in 2021, underscores the bank’s enhanced ability to absorb potential losses and manage financial risks effectively.

This improved CAR is crucial for the bank’s performance in trade finance. A higher CAR indicates a greater capacity to support trade finance activities, such as issuing letters of credit and providing trade loans. This strength in capital allows the bank to undertake larger trade deals and manage the associated credit risks more effectively. Furthermore, a robust CAR ensures the bank's compliance with regulatory capital requirements, reducing the risk of constraints on its trade finance operations.

The enhanced capital position also boosts investor and client confidence, which is vital for securing and maintaining trade finance contracts and fostering strong business relationships. Overall, the substantial improvement in CAR reflects the bank’s increased financial stability and its capacity to support and expand its trade finance activities, contributing positively to its growth and stability in the sector.

3.1.4.4 Tier 1 Capital Ratio:



Woori Bank Bangladesh's core capital position has significantly improved, as seen by its Tier 1 capital ratio from 2019 to 2023. The ratio grew immensely from 42.93% to 51.69% between 2019 and 2023. This increasing tendency indicates the bank's successful attempts to fortify its core capital base and might be linked to capital-raising programs like issuing additional shares or holding onto earnings. The ratio reached its highest point in 2023 at 51.69%, despite sporadic variations, suggesting a better capital position than the year before.

For various reasons, improving the Tier 1 capital ratio is essential. First, a larger ratio strengthens the bank's overall resilience against potential financial shocks and downturns in that it is better able to handle losses and financial stress. The trade finance sector has many advantages with high Tier 1 capital ratios. It guarantees that the bank's financial stability is not put at risk as it supports trade finance operations, such as granting trade loans and issuing letters of credit.

Moreover, a high Tier 1 Capital Ratio supports the bank's ability to engage in larger trade deals and manage associated risks effectively. It also reinforces investor and stakeholder confidence, signaling that the bank is well-capitalized and capable of sustaining its operations and pursuing growth opportunities in trade finance and beyond. Maintaining a strong capital position is vital for compliance with regulatory requirements, which is essential for smooth trade finance operations and expanding the bank's footprint in international markets.

In conclusion, the bank's financial health has significantly improved as seen by the constant growth in the Tier 1 capital ratio, which went from 42.93% in 2019 to 51.69% in 2023. This increased capital strength benefits the bank's strategic goals and competitive position by fortifying the bank's overall stability and offering a strong base upon which to grow and sustain its trade financing activities.

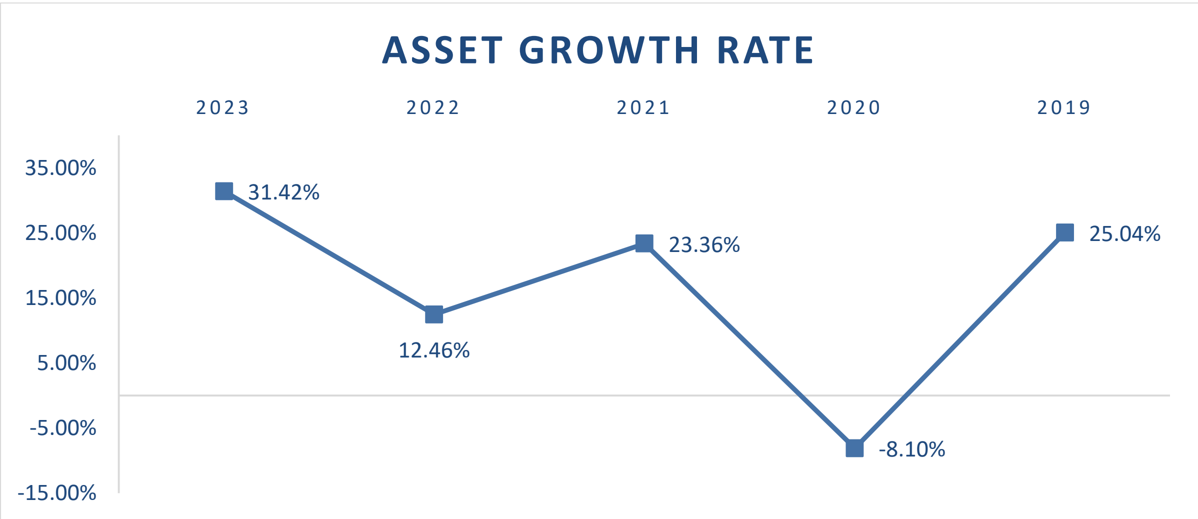
In conclusion, the evaluation of risk management identifies both its trade finance division's strengths and weaknesses. The bank's enhanced Tier 1 Capital Ratio and Capital Adequacy Ratio (CAR) demonstrate a more robust capital foundation, which is necessary to handle bigger and trickier trade financing transactions. Additionally, by improving the bank's capacity to handle financial risks and absorb any losses, its capital strength boosts investor and customer trust.

Nonetheless, difficulties in preserving the quality of the loan portfolio and making provisions for any losses, as seen by the growing Non-Performing Loan (NPL) ratio and the erratic Provision Coverage Ratio (PCR). These problems highlight the trade finance division's need for improved credit risk management to reduce related risks. Overall, by addressing these challenges and leveraging its capital strengths, Woori Bank Bangladesh can better support global trade activities, maintain financial stability, and achieve sustainable growth in the trade finance sector.

3.1.5 Asset & Liability Management Analysis

For a bank to be financially stable and to allocate resources efficiently, asset and liability management is fundamental. To optimize its balance sheet and maintain overall financial health, Woori Bank Bangladesh must closely monitor crucial indicators including the asset growth rate, loan growth rate, deposit growth rate, and credit deposit ratio. This study assesses these crucial metrics to determine how well the bank is performing in terms of balancing its liabilities and assets and making sure that liquidity is managed effectively.

3.1.5.1 Asset Growth Rate



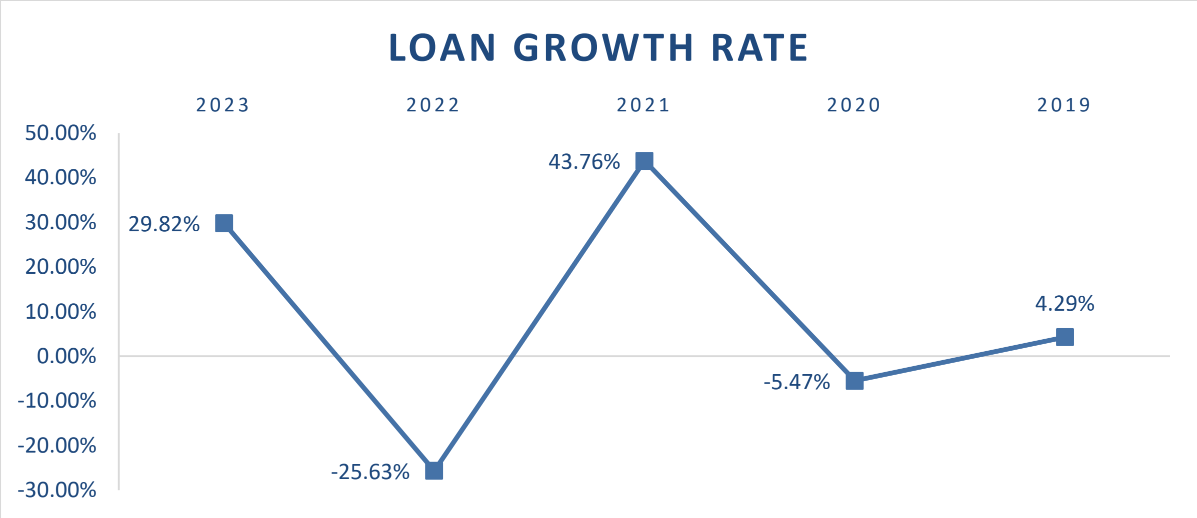
Woori Bank Bangladesh's performance and strategic priorities over the years are shown by the Asset Growth Rate statistics from 2019 to 2023. After rising by just 12.46% in 2022, the Asset Growth Rate in 2023 ascended dramatically to 31.42%, indicating a strong expansion over the previous year. This notable rise points to a deliberate endeavor on the part of the bank to enlarge its asset base, possibly resulting in a greater focus on expanding its loan portfolio, which includes trade financing operations. Given that businesses are increasingly looking for financing for international trade, the trade finance division, which is renowned for its high transactional volume and low default rates, may play a significant role in this asset expansion.

The bank had a 23.36% growth in 2021, which is encouraging but suggests a more cautious phase of expansion. This is either because of internal risk management procedures or external economic reasons. The bank's asset base contracted in 2020, probably because of the worldwide economic downturn brought on by the pandemic, which is why the negative growth of -8.10% is so influential. The rebound in later years, particularly in 2023, indicates determination and a tactical turn in the direction of asset expansion, which may include more lending, including trade financing and other credit-related operations.

Considering the credit department, the fluctuating growth rates suggest adjustments in credit policies and risk appetite. In trade finance, this might imply a greater emphasis on obtaining short-term, lower-risk trade loans, as an expanding asset base typically results in more loans being given out. With a careful balance between asset expansion and preserving liquidity and risk exposure, the asset liability management strategy would need to guarantee that this increase is sustainable.

The bank appears to be pursuing a more aggressive asset acquisition strategy, with trade finance probably being a major factor, as seen by the rising asset growth rate overall, particularly in 2023. For the bank to be able to fulfill its responsibilities and keep growing its asset base strategically, this expansion needs to be properly controlled within the asset liability management framework.

3.1.5.2 Loan Growth Rate



The Loan Growth Rate data from 2019 to 2023 highlights significant fluctuations in the Woori Bank Bangladesh lending activities, which can be particularly insightful when focusing on trade finance loans. In 2023, the Loan Growth Rate surged to 29.82%, indicating a robust expansion in the bank's lending activities. This rise indicates a deliberate focus on increasing credit availability, most likely including trade finance loans, which are crucial for enabling cross-border commerce. The significant increase in loans issued during this time frame could be the bank's reaction to a rise in demand from companies looking to finance trade activity as the impacts of the epidemic wear off on international markets.

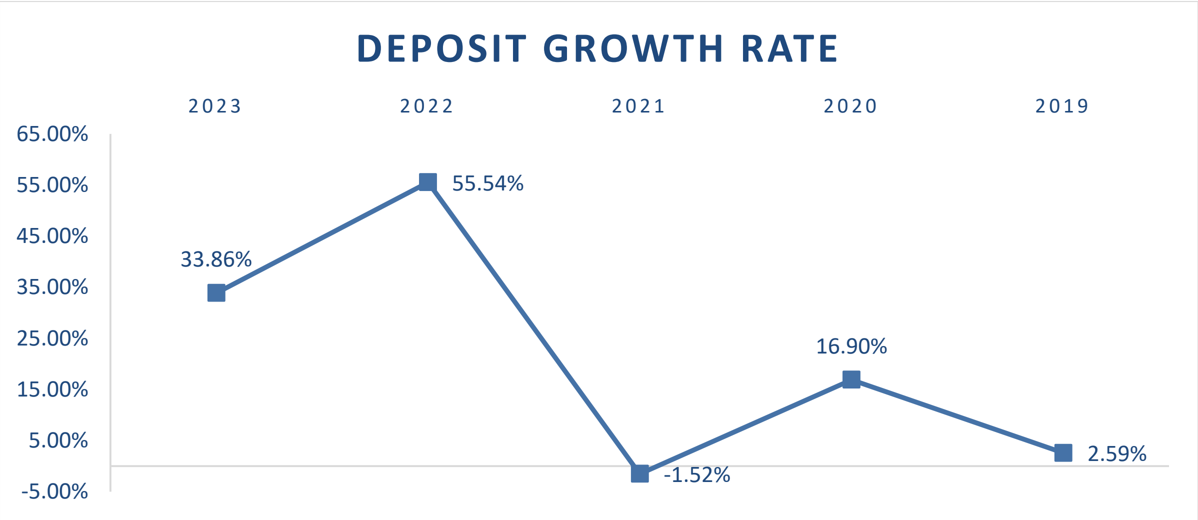
However, the bank's lending drastically decreased in 2022, resulting in a noteworthy fall of -25.63%. This growth followed that year. This decline may have been the result of a calculated move motivated by tighter lending guidelines or increased worries about credit risk, maybe in reaction to unstable economic conditions. The bank's conservative stance in 2022 contrasts sharply with the aggressive growth seen in 2023, indicating a shift in strategy, possibly driven by improved economic conditions or a recalibration of risk management policies.

The sharp rise of 43.76% in 2021, following a -5.47% decline in 2020, further underscores the volatility in the bank's lending approach. The increase in 2021 shows a recovery period during which the bank took advantage of market possibilities and may have expanded its trade finance loan portfolio to assist companies that resumed international commerce following the pandemic's early effects. A stable but cautious attitude is shown by the moderate increase of 4.29% in 2019, prior to the commencement of global upheavals.

Focusing on trade finance loans, these fluctuations could reflect the bank's strategic adjustments in response to external market conditions and internal risk assessments. Trade finance loans, typically shorter-term and self-liquidating, might have been scaled back in 2022 due to uncertainty, only to be ramped up again in 2023 as confidence in global trade and borrower reliability improved.

Overall, the patterns in the Loan Growth Rate point to a dynamic approach to lending, with notable fluctuations that represent both strategic goals and broader economic situations. The bank's overall lending strategy may be driven by a renewed emphasis on extending trade financing loans, as seen by the recent rise in 2023.

3.1.5.3 Deposit Growth Rate



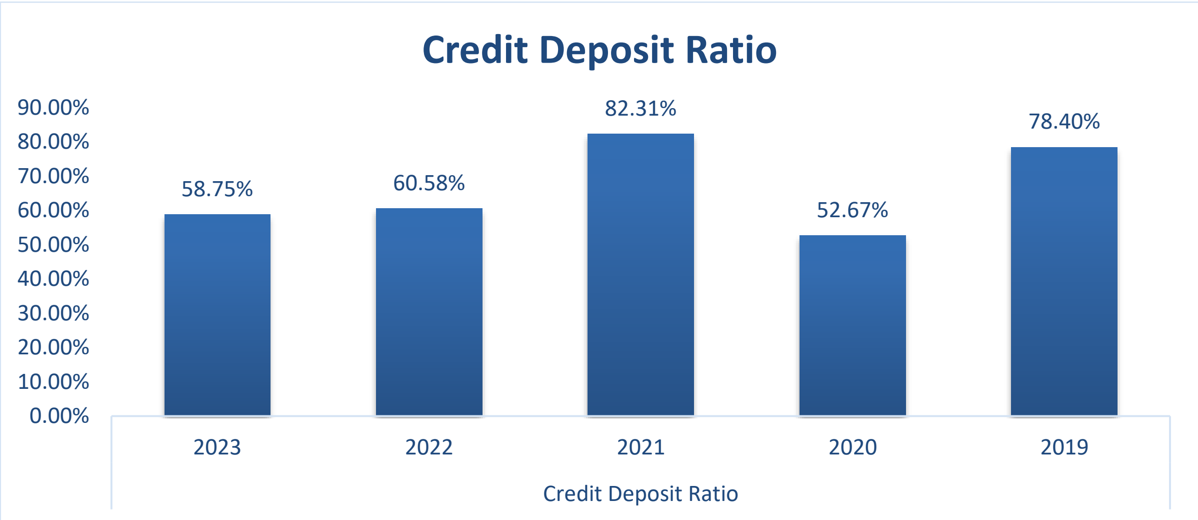
The analysis of deposit growth rates from 2019 to 2023 reveals substantial changes, which are meaningful in shifting consumer behavior, market conditions, and the bank's strategic goals. The bank's deposit base increased by 33.86% in 2023 and then by 55.54% in 2022. This progress points to practical approaches for drawing deposits, which are essential for banks to have the liquidity and capacity to provide loans. The minor fall of -1.52% in 2021, however, suggests that deposit retention may be difficult, either as a result of shifting market conditions or client withdrawals. A time of stability is indicated by the moderate increase of 16.90% in 2020 and the minimal growth of 2.59% in 2019, but it also emphasizes the necessity of fortifying the bank's deposit collecting techniques.

Concluding the analysis of asset and liability management of Woori Bank Bangladesh provides significant new information on the bank's financial activities. The bank's capacity to increase lending and deposit base is demonstrated by its asset growth rate, loan growth rate, and deposit growth rate; its effectiveness in using deposits for lending operations is demonstrated by its credit deposit ratio. Effective management of these metrics is crucial for maintaining liquidity, optimizing resource allocation, and supporting the bank's financial stability and growth objectives.

3.1.6 Solvency and Financial Health Analysis

Analyzing solvency and financial health performance demonstrates an influential report about Woori Bank Bangladesh's capacity to satisfy long-term obligations and continue operating over time. We can examine the bank's leverage, liquidity, and overall financial health by looking at important financial ratios such as the debt-to-equity ratio, debt-to-asset ratio, and credit deposit ratio. These metrics are important for assessing a bank's resilience during financial crises and its ability to support trade finance activities.

3.1.6.1 Credit Deposit Ratio



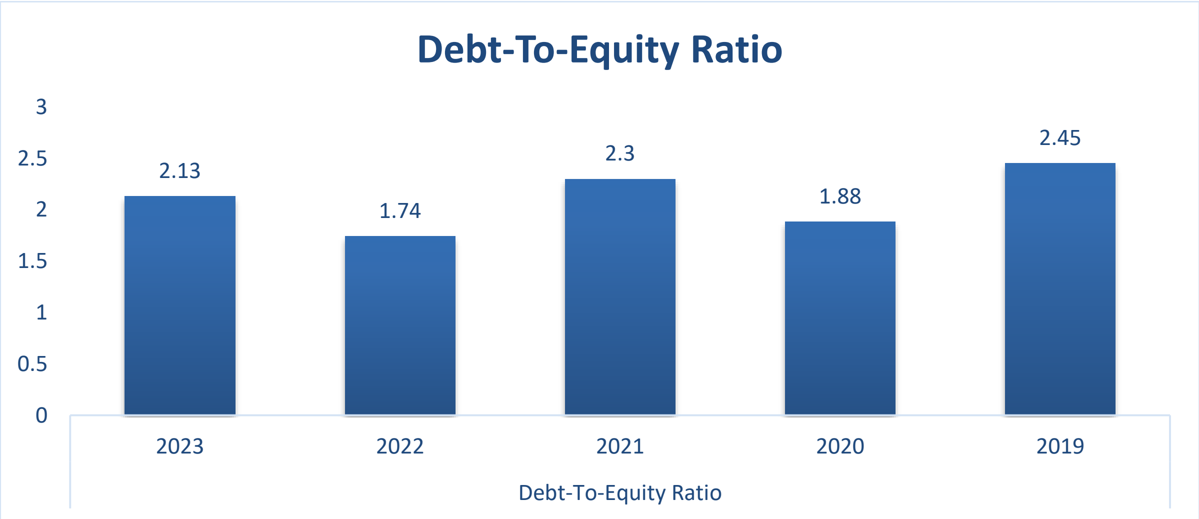
The Credit Deposit Ratio (CDR) is a key indicator of a bank's financial health and solvency, showing how much of the bank's deposits are being used to issue loans. The data from 2019 to 2023 shows notable fluctuations that shed light on the bank's lending strategy, liquidity management, and risk exposure. CDR was 58.75% in 2023, down from 60.58% in 2022. This suggests that the bank has maintained a conservative approach to lending relative to its deposits, which may indicate a focus on credit risk and liquidity management, particularly in an uncertain economic environment. A lower CDR may also indicate a cautious approach to growing the loan portfolio, possibly because of worries about asset quality or the economy.

The bank's outlook has changed due to a steep decline from 82.31% in 2021 to 52.67% in 2020. Liquidity may be constrained by higher CDRs in 2021, which may indicate aggressive lending or slower deposit growth. Regardless, the drop in 2020 points to a reorientation in favor of raising liquidity or addressing reduced demand for credit at that time, which may be impacted by the economic impact of the COVID-19 pandemic.

Fluctuations in trade finance loan requests or changes in the bank's risk management strategy may lead to changes in the trade finance division's CDR. To ensure that it has adequate liquidity to satisfy withdrawal requests and cover any losses, a bank may prioritize its solvency and long-term sustainability over short-term income, as indicated by a low CDR.

An excessively high CDR may be a sign of excessive leverage and increase the likelihood of financial distress, while an excessively low CDR may indicate underutilization of assets. Movement in the ratio indicates that the bank continuously monitors lending policies in response to market conditions, seeking to maintain a solid deposit base while balancing loan growth both of which are critical to the stability of the trade finance division and the bank's overall financial health.

3.1.6.2 Debt-To-Equity Ratio



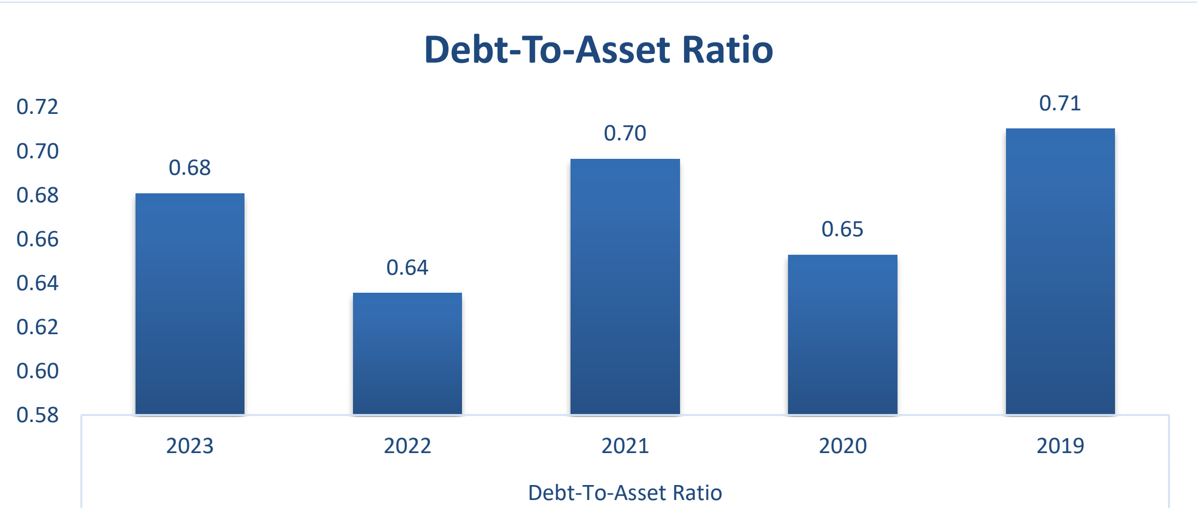
The debt-to-equity (D/E) ratio, which measures debt financing rather than equity, is a solvency statistic used to assess a company's financial leverage. The greater the ratio is the riskier it is for the firm. There is some fluctuation in the Debt-to-Equity Ratio statistics from 2019 to 2023, which may indicate changes in the bank's risk management and financing tactics.

Although the D/E ratio increased to 2.13 in 2023 from 1.74 in 2022, demonstrating that the bank has borrowed more money than it has invested. This can indicate a response to opportunities in the market or an effort to get additional loans to support expansion and satisfy the demands of its trade finance division. Still, this is just below the 2021 ratio of 2.3, suggesting a more conventional perspective than that year.

Additionally, in 2019, the highest ratio ever recorded was 2.45, pointing to a period of more aggressive loan use. The observed discrepancy between 2019 and 2023 can be attributed to the bank's efforts to achieve stability between growth and maintaining a stable capital structure. The fall to 1.88 in 2020 can be the reason for the bank's intention to reduce risk and leverage in response to the global economic uncertainty brought on by the COVID-19 pandemic.

A greater D/E ratio for the trade finance division may be beneficial if borrowed funds are used effectively to provide better profits. To prevent a financial disaster, the bank must carefully manage its increased financial obligations and interest costs. The D/E ratio indicates that even if the bank is utilizing debt to finance operations and expansion, it is also mindful of the need to preserve compensation to guarantee financial solidity. To preserve long-term profitability and lower the risks connected with excessive debt, this cautious management is essential.

3.1.6.3 Debt-To-Asset Ratio



Debt-to-Asset ratio (D/A) indicates how much of its assets are funded by debt. This ratio indicates the measure of solvency and shows how much debt a business has relative to its assets. It also sheds light on the bank's exposure to risk and level of leverage. The higher the ratio, the higher the company's risk. However, data from 2019 to 2023 show a range of 0.64 to 0.71, indicating that a significant portion of bank assets are consistently financed through debt.

With a debt-to-asset ratio of 0.68 in 2023, the bank is financing 68% of its assets with debt. The fact that this is a small rise from 0.64 in 2022 indicates that the bank is depending more on debt financing to fund the expansion of its assets. Though it was the highest in the time, this ratio is less than the 0.70 recorded in 2021, suggesting a more cautious approach to leverage following that year.

For the trade finance department, this ratio is crucial as it reflects the department's ability to leverage debt to finance trade activities and other operations. A higher D/A ratio might suggest that the department is using more debt to capitalize on growth opportunities in trade finance, such as funding large transactions or extending credit to trading partners. However, the department's reliance on debt also puts it at risk financially and with increased interest payments.

The bank's debt-to-asset ratio seems to have remained mostly steady throughout time, with only minor fluctuations that may be related to shifting market dynamics or tactical modifications in trade financing and other activities. Effectively managing this ratio is crucial to ensuring that the trade finance division can expand and support commercial operations without taking on more debt than it can handle, which might jeopardize the stability and health of the bank's finances.

In conclusion to the solvency and financial health analysis, Woori Bank Bangladesh's solvency and financial health performance demonstrate a responsible strategy for managing debt and equity according to the analyzed measures by ensuring that the bank keeps enough cash on hand while utilizing debt for expansion prospects. The consistency of these ratios over time highlights the bank's capacity to weather changes in the market and continue operating its trade financing business. The bank's long-term viability depends on maintaining this balance, which will allow it to continue serving its customers while reducing financial risks.

3.2 Industry Comparison & Performance Analysis

3.2.1 Introduction to Industry Comparison & Performance Analysis

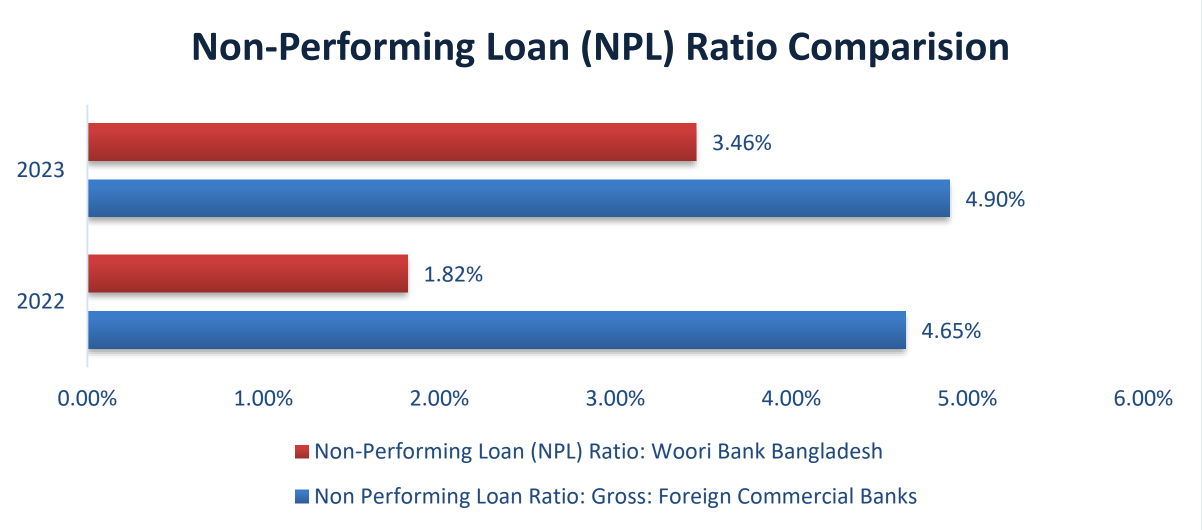
Efficiency is an important aspect of bank performance that must be measured for foreign commercial banks in a highly competitive banking environment to comprehend where they stand head-on in the market and which areas are lacking attention. This study deploys data from 2022 and 2023 to investigate the performance of Woori Bank Bangladesh with the banking industry benchmarks as well as in foreign commercial banks. But there are two elements which held the clue, and offer great insights, into an important aspect of our analysis i.e. Non-Performing Loans (NPLs) and Capital Adequacy Ratios (CAR). It is also important to highlight that the source of data used for this comparison was CEIC Data.

The Capital Adequacy Ratios, which include Tier 1 Capital Ratio and Capital Adequacy Ratio (CAR) basically represent the capability of an Institution to absorb a reasonable amount of losses while still maintaining adequate capital with it to meet regulatory requirements.

In addition, the non-performing loan (NPL) ratio is an asset quality metric which is also crucial for assessing a bank's capacity to manage credit risk and it also shows the data about how much capacity a bank has with its loan portfolio. A low NPL ratio means that a small percentage of loans are in danger of default, it indicates strong risk management and high asset quality. Compared to the overall banking industry how Woori Bank Bangladesh addresses their loan risk in the difficult economic condition also depends on this indicator which is very crucial to measure the operational performance as well.

Apart from highlighting Woori Bank's position in the market through this comparison it also brings out areas where the bank can strengthen its position against competitors by addressing its shortcomings or exploiting its strengths to improve the operational performance efficiency.

3.2.1.1 Comparison of Non-Performing Loan Ratio



Significant variations in credit risk management are evident when comparing the Non-Performing Loan (NPL) ratios of Woori Bank Bangladesh with those of all foreign commercial banks operating in Bangladesh. According to CEIC Data, foreign commercial banks' gross Non-Performing Loan (NPL) ratio was 4.65% in 2022 and climbed to 4.90% in 2023. This suggests a slight increase in credit risk within the sector. Woori Bank, on the other hand, saw a more notable increase in its NPL percentage, going from 1.82% in 2022 to 3.46% in 2023.

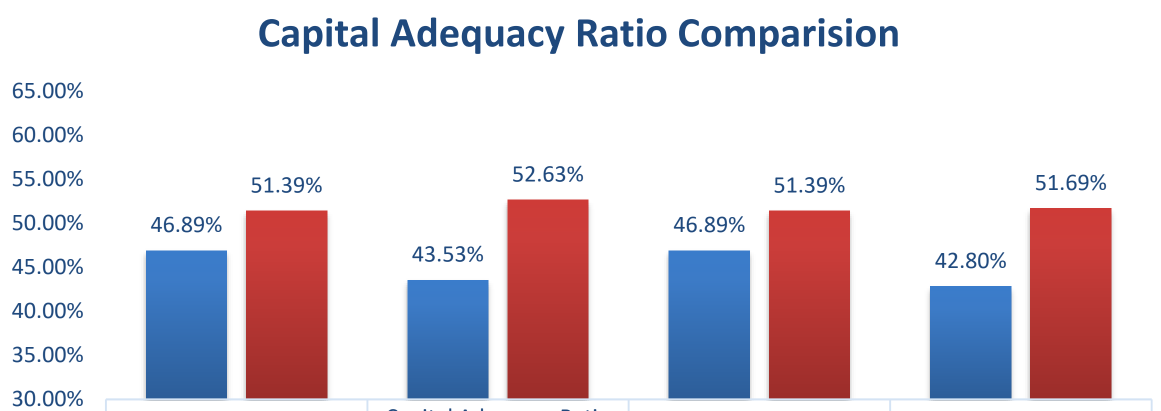
This comparison suggests that while Woori Bank has historically maintained a lower NPL ratio than the industry average, a significant increase in 2023 raises concerns about its credit risk management practices. The sharp increase can be attributed to several factors, including economic challenges, specific sectoral exposures, or changes in the bank's loan portfolio.

Yet, even with this growth, Woori Bank's NPL ratio remains below the industry average, indicating better performance in credit risk management than its peers. The bank's ability to maintain a lower NPL ratio than the average for foreign commercial banks suggests strong credit assessment and loan monitoring practices. However, an upward trend in 2023 may require a more aggressive provisioning strategy or a reassessment of the bank's risk management framework to prevent further deterioration in asset quality.

In conclusion, Woori Bank's credit risk management techniques are evident in its ability to lower its Non-Performing Loan (NPL) percentage during a time when the industry as a whole witnessed a rise. In addition to highlighting Woori Bank's prowess in preserving asset quality, this comparison places the bank in a favorable position relative to the industry standard, highlighting its stability and responsible approach to risk management.

3.2.1.2 Comparison of Capital Adequacy Ratios

Capital Adequacy Ratio (CAR), which reflects how capable a bank is to bear losses and continue its operations in any situation. Also it is one of the main signs of the financial health of a bank. The capital to risk-weighted assets (CAR) ratio is calculated by dividing the bank's capital by its risk-weighted assets. A higher CAR means the bank is able to withstand financial strain and loss, which is beneficial for the banks' stability as well as for their depositors.



	Capital Adequacy Ratio: Bangladesh	Capital Adequacy Ratio (CAR) Woori Bank Bangladesh	Tier 1 Capital Ratio: Bangladesh	Tier 1 Capital Ratio: Woori Bank Bangladesh
2022	46.89%	43.53%	46.89%	42.80%
2023	51.39%	52.63%	51.39%	51.69%

According to CEIC Data and Woori Bank Bangladesh Financial Report, the comparison between the overall foreign commercial banks in Bangladesh and Woori Bank Bangladesh for the years 2022 and 2023 discloses significant insights:

Bangladesh Foreign Commercial Banks

- CAR: 46.89% in 2022, increasing to 51.39% in 2023.
- Tier 1 Capital Ratio: Also 46.89% in 2022, rising to 51.39% in 2023.

Woori Bank Bangladesh

- CAR: 43.53% in 2022, increasing to 52.63% in 2023.
- Tier 1 Capital Ratio: 42.80% in 2022, increasing to 51.69% in 2023.

However, the Tier 1 capital ratio is basically the subject of the bank's core capital which consists of stated reserves and equity capital. This ratio is important as through this ratio the bank's main source of funding and its capacity to withstand losses without suspending operations. Similar to CAR, more financial resilience is indicated by a higher Tier 1 capital ratio.

Interpretation and Theoretical Implications:

- **Capital Adequacy Ratio Trends:**

The industry benchmark of Capital Adequacy Ratio (CAR) for foreign commercial banks in Bangladesh saw an increase from 46.89% in 2022 to 51.39% in 2023, demonstrating the high performance of their capital positions. This increase suggests that these banks have significantly boosted their capital buffers, which should help render them more robust against future financial shocks or an economic slowdown.

Besides, the CAR of Woori Bank Bangladesh has increased from 43.53% in 2022 to 52.63% in 2023. Clearly, Woori Bank's starting point of CAR in 2022 was slightly below its industry average, But the bank surpassed it by growing above average. In any case, the move is likely part of a larger move by the bank to increase its capital adequacy including raising additional funds or maximizing the use of risk-weighted assets depending on the situation.

- **Tier 1 Capital Ratio Trends:**

Similar patterns to the Capital Adequacy Ratio (CAR) were seen in the Tier 1 Capital Ratio of foreign commercial banks in Bangladesh showing a steady rise in core capital capacity. The percentage of Tier 1 Capital hit 51.39% in 2023 showing a solid foundation of strong capital.

The Banks Tier 1 Capital Ratio increased by 8.89% from 42.80% in 2022 to 51.69% in 2023. From this, we can say that the bank's core capital can be used more to absorb losses. A high rate of this ratio indicates a good capacity for absorbing losses using core capital. However, a higher ratio of Tier 1 Capital is also effective in maintaining depositor assurance and ensuring the bank's ability to continue operations as well, especially during economic uncertainties.

The fact that Woori Bank's performance is in line with the industry benchmark shows that the bank has been successful in fortifying its financial base, which has increased its competitiveness and resilience in the difficult banking climate.

However, In the context of theoretical knowledge, we focused on economic impact and regulatory Framework which are explained below:

Economic Impact: In times of financial instability or economic uncertainty, a high CAR and Tier 1 capital ratio are particularly important. Acting as a security, these ratios enable banks to withstand losses from subprime loans and other financial difficulties without reducing lending or other operations, which can harm the economy as a whole.

Regulatory Framework: Basel III guidelines, which have been adopted in various forms globally, including in Bangladesh, require banks to maintain a minimum CAR of 8% with an additional buffer for Tier 1 capital. The CAR and Tier 1 capital ratio figures for both Woori Bank and the overall foreign commercial banks in Bangladesh exceeded these minimum requirements, demonstrating strong compliance and financial health.

In conclusion, the data reveals that, between 2022 and 2023, Woori Bank Bangladesh and the broader foreign commercial banking sector both significantly improved their capital adequacy. Based on its performance, especially on its Tier 1 capital ratio, Woori Bank Bangladesh appears to have a solid and expanding absorption capacity. Shocks to finances give the bank a strong competitive position and reassure investors, customers, and regulators in equal measure. Woori Bank Bangladesh has successfully bridged the gap, albeit still trailing the industry average by a small amount, which is indicative of its dedication to sound financial management and careful risk-taking.

3.2.1.3 Woori Bank Bangladesh: Positioning and Competitiveness

Apart from the financial comparisons we try to do some comparisons of key strengths with the most renowned foreign banks operating in Bangladesh. However, along with other significant foreign commercial banks in Bangladesh, Woori Bank Bangladesh, a branch of the South Korean Woori Bank, operates in a highly dynamic environment. Its primary strategic emphasis is trade finance, where it faces competition from major international firms such as Standard Chartered, HSBC, and Citibank. With its in-depth knowledge of the South Korean and larger Asian markets, Woori Bank offsets the unique advantages of each of these rivals, which include vast international networks and a lengthy history in the industry.

Woori Bank Bangladesh competes with several major international banks in the country, each with distinct strengths. Standard Chartered's extensive global network provides a competitive edge in trade finance, yet Woori Bank counters this with a focus on innovation and digital solutions. HSBC, known for its corporate banking expertise, challenges Woori Bank in tailored trade finance services, while Woori uses its regional expertise to stay competitive. Citibank N.A., with a strong corporate and institutional banking focus, contrasts with Woori Bank's emphasis on trade finance and SME support, making Woori a strong competitor in those niches. State Bank of India (SBI) focuses on retail and SME lending, while Woori Bank prioritizes trade finance and corporate banking, both supporting business growth with tailored solutions. Woori Bank competes in the corporate and trade finance sectors but Bank Alfalah focuses on Islamic banking. Last but not least, Habib Bank Limited (HBL) focuses on retail banking whereas Woori Bank's strengths are its operation in trade finance and corporate solutions. If particularly said its focused operational activities are in facilitating international trade.

To sum up, Woori Bank Bangladesh is distinguished by its strong ties within Asian markets and its specific concentration on trade financing. Woori Bank's strategy of prioritizing innovation, customer-centric services, and tailored financial solutions positions it well to enhance its competitiveness and deliver greater value to its customers in Bangladesh's dynamic banking landscape, even in the face of competition from banks with a longer market presence and a wider global reach.

Chapter 04: Recommendations & Conclusion

4.1 Recommendations

Based on the analysis and data presented in this report, as well as the writer's observations as a former intern, here are some useful recommendations for Woori Bank Bangladesh to strengthen its competitive position and meet its goals:

- **Enhance Digital Banking Solutions:**

Woori Bank Bangladesh has already emphasized innovation and digital banking solutions to bridge the gap with larger, more globally networked competitors like Standard Chartered and HSBC. A competitive edge might be gained, meanwhile, from more investment in digital transformation initiatives like AI-driven customer service, improved mobile banking, and block chain technology for trade finance.

To implement this, it can develop partnerships with Fin-tech companies to accelerate the adoption of cutting-edge technologies. This will improve the client experience and expedite processes, especially in the trade finance industry where money laundering protection and efficiency are essential.

- **Strengthen Capital Adequacy and Risk Management:**

The Capital Adequacy Ratio (CAR) and Tier 1 Capital Ratio of Woori Bank Bangladesh have improved significantly, matching or even exceeding industry norms. This puts the bank in a strong position to withstand shocks and continue growing.

Spontaneous focus on maintaining a strong capital base while diversifying the asset portfolio to reduce exposure to specific sectors. This may involve expansion into less volatile sectors or geographic markets to reduce risk and maintain growth.

- **Expand Market Presence and Customer Base:**

Woori Bank Bangladesh's strengths are in corporate banking and trade finance, especially in South Korea and the larger Asian market. However, there is still an opportunity to grow in the SME and retail banking sectors, where Bank Alfalah and SBI are major rivals.

In this case, I would advise launching focused advertising efforts and creating financial solutions specifically designed for small and medium-sized businesses as well as retail clients. Increasing the number of branches and improving online banking services can assist in gaining a bigger portion of the domestic market. more addition, expanding ATM availability across the nation may help the bank draw more customers for retail banking.

- **Improve Asset Quality:**

Despite being lower than the industry average, Woori Bank Bangladesh's Non-Performing Loan (NPL) ratio remains concerning due to its increase from 2022 to 2023.

In order to detect possible repayments early, use more stringent credit evaluation procedures and early warning systems. By taking a proactive approach, NPLs may be managed more skillfully while asset quality is preserved.

- **Strategic Partnerships and Alliances:**

Woori Bank Bangladesh is competing in a market with well-established multinational banks that have extensive global networks as well as with the domestic commercial banks.

Consider forming strategic alliances with other international banks or local financial institutions to expand service offerings such as they can collaborate with mobile financial services, and provide more ATM services by using competitive and user friendly ATM networks, share risks, and enhance overall market presence.

- **Enhance Operational Efficiency:**

As Woori Bank Bangladesh is competing in a market with well-established multinational banks that have extensive global networks with highly automated services.

Though Woori Bank Bangladesh already using very reliable and efficient service portal to provide services. But there are still so many scopes to develop that and which will definitely increase the efficiency of operational works done by the employees as well as it will be increase customer satisfactions.

As Woori Bank Bangladesh is already holding a competitive edge in the banking industry, these recommendations seek to overcome the limitations mentioned in the study. Besides, in Bangladesh's changing banking environment, putting these tactics into practice can help the bank become more competitive and maintain long-term development.

4.2 Conclusion

As said earlier, as a prominent participant in the nation's banking industry, Woori Bank Bangladesh functions as a branch of the South Korean Woori Bank. However, with a wide range of banking services, including corporate, retail, and trade financing, Woori Bank Bangladesh has made a name for itself as a trustworthy financial partner over the years. and strategically concentrates on trade finance, which is now a major source of revenue for the company. Recently, they have seven Branches, two service Centers, and one country office and it has shown notable expansion in a number of financial indicators throughout the last five years, from 2019 to 2023.

The objectives of this report are to provide a comprehensive analysis of Woori Bank Bangladesh's financial performance, focusing on key indicators like profitability ratios, capital adequacy, and risk management, and so on, based on data from 2019 to 2023. The report also aims to compare Woori Bank's performance against other foreign commercial banks in Bangladesh, particularly focusing on metrics such as Capital Adequacy Ratio (CAR), Tier 1 Capital Ratio, and Non-Performing Loans (NPL). The report also addresses key limitations in the bank's operations and provides strategic recommendations aimed at improving Woori Bank's financial stability and market positioning.

However, the researcher essentially creates six dimensions in the Financial Performance Analysis to assess the operational factors of Woori Bank Bangladesh. The dimensions are Revenue Analysis, Cost Analysis, Profitability Assessments, Risk Management Assessment, Asset & Liability Management Analysis and last but not the least Solvency & Financial Health Analysis. Throughout the findings the Trade Finance division receives special attention since it outperforms the other divisions in terms of performance.

Woori Bank Bangladesh's performance highlights its strong reliance on trade financing, which remains a significant portion of its total revenue. As per a review of financial data, revenue reached a peak of 56.69% in 2023 from trade finance division. In 2022 there was a significant rise to 61.51% in revenue per unit of capital. However, in 2023 the metric declined again to 47.64%, suggesting possible market corrections or increased capital investments that have not yet yielded proportional returns. Not to mention, the income from investments increased from 7.01% in 2019 to 10.25% in 2020. But there was a notable decline to 3.25% in 2021. The revenue recovered in 2022 to 7.17% and further increased to 10.65% in 2023. While investment income has fluctuated, it has recently improved, and other income streams like commissions and fees contribute variably to overall earnings.

The bank's cost management, especially between 2021 and 2023, shows a notable reduction in operating expenses, reflecting effective operational strategies. The analysis shows that cost to income ratio has fluctuated over the past five years, with the highest being 33.86% in 2021 and the lowest at 20.17% in 2019. With a cost-to-income ratio of 27.99% in 2023, it is somewhat higher than in 2022 but still better than the peak. This pattern points to recurrent difficulties in efficiently balancing expenses and revenue.

In terms of profitability, trade finance plays a vital role in sustaining the bank's Net Interest Margin and Operating Profit Margin, though key measures like ROE and ROA have seen fluctuations. However, a stable financial position before experiencing subsequent volatility was emphasized by the highest Net Profit Margin rise throughout this era, which occurred in 2019 at 47.31%. Also, net profit margin diminished after a sharp decrease from 46.92% in 2022 to 35.48% in 2023.

Nevertheless, in the latest year, a notable decline in profitability from 12.80% in 2022 to 6.54% in 2023 was shown by the ROE, which might indicate reduced revenue or greater expenses compared to equity. As well as, the return on assets (ROA) decreased significantly from 4.30% in 2022 to 2.22% in 2023. This decline indicates that the bank may have been less successful in turning its assets into net income, either as a result of declining profitability or growing assets without increasing revenue. Moving forward, sustained growth in the divisional operations of the bank will be crucial for maintaining profitability.

With enhanced Tier 1 Capital and CAR, Woori Bank Bangladesh has reinforced its capital adequacy, which is essential for overseeing significant trade financing operations. However, because to the expanding NPLs and uneven PCR, credit risk management still faces difficulties. In order to support lending operations and liquidity, the bank's asset and liability management demonstrates consistent growth and an optimal Credit-Deposit Ratio. Overall, Woori Bank has done a good job of balancing debt and equity, preserving financial stability in its primary trade financing sector. However, these measures must be maintained for Woori Bank to continue growing and being resilient.

The comparison with the industry standard shows that, Non-Performing Loan (NPL) ratio of foreign commercial bank was 4.65% in 2022 and climbed to 4.90% in 2023. This suggests a slight increase in credit risk within the sector. Whereas, Woori Bank Bangladesh saw a more notable increase in its NPL percentage, going from 1.82% in 2022 to 3.46% in 2023.

According to the statistics, there was a considerable improvement in both the capital adequacy of Woori Bank Bangladesh and the foreign commercial banking industry between 2022 and 2023. Its performance, particularly its Tier 1 capital ratio, suggests that Woori Bank Bangladesh has a strong and growing absorption capacity. Financial shocks provide the bank a competitive edge and simultaneously reassure regulators, customers, and investors. Though it still behind the industry average somewhat, Woori Bank Bangladesh has closed the gap, demonstrating its commitment to prudent risk-taking and excellent financial management.

On top of that, although Woori Bank Bangladesh is a lesser participant than global behemoths like Standard Chartered, HSBC, and Citibank, it has made impressive strides in trade financing and capital adequacy, two important areas of its strategic focus.

Besides, to accomplish long-term sustainability and expansion, the recommendations seek to overcome the pointed obstacles and capitalize on Woori Bank Bangladesh's advantages. Woori Bank Bangladesh can maintain its position as a major participant in Bangladesh's active and competitive banking market by emphasizing innovation, providing customer-centric services, and using its local knowledge.

As a final point, Woori Bank Bangladesh, with its focus on strategic initiatives and capital adequacy, is well-positioned to navigate the challenges of the banking industry. However, continuous improvement and strategic adaptation will be key to ensure its sustained success and growth in the coming years.

Appendix

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