Internship Report

on

Financial Performance Analysis of Sonali Bank PLC

Submitted by:

Sharmin Sultana

ID: BBA2203027153
Program: Bachelor of Business Administration (BBA)
Major: Accounting
Department of Business Administration
Sonargaon University

Submitted to:

Department of Business Administration
Faculty of Business
Sonargaon University (SU)

Submitted for the Partial Fulfillment of the Degree of

Bachelor of Business Administration (BBA)



Sonargaon University (SU)

147/I, Green Road, Tejgaon, Dhaka

Date of Submission: 05 September 2026

Internship Report

on

Financial Performance Analysis of Sonali Bank PLC

Submitted by:

Sharmin Sultana

ID: BBA2203027153
Program: Bachelor of Business Administration (BBA)
Major: Accounting
Department of Business Administration
Sonargaon University

Supervised by:

Mst. Marium Akter
Lecturer
Department of Business Administration
Faculty of Business
Sonargaon University (SU)

Submitted for the Partial Fulfillment of the Degree of

Bachelor of Business Administration (BBA)



Sonargaon University (SU)

147/I, Green Road, Tejgaon, Dhaka.

Date of Submission: 05 September 2026

Letter of Transmittal

Date: 05 September 2026

To

Mst. Marium Akter

Lecturer
Department of Business Administration
Faculty of Business
Sonargaon University (SU), Dhaka

Subject: Submission of report on "Financial Performance Analysis of Sonali Bank PLC".

Dear Sir,

With due respect, I am pleased to submit my report titled **"Financial Performance Analysis of Sonali Bank PLC"**, prepared as a partial fulfillment of the requirements for the Bachelor of Business Administration (BBA) program.

Preparing this report has been a valuable and enriching experience, as it enabled me to apply the theoretical knowledge acquired throughout my BBA studies to a real-world organizational context. I have made every effort to collect relevant information, analyze financial data, and present meaningful findings that reflect the financial performance of Sonali Bank PLC. I believe this report provides a comprehensive analysis of the bank's financial performance, policies, and practices, along with their significance within the banking sector of Bangladesh. Thank you very much for your valuable guidance, encouragement, and continuous support throughout the preparation of this report.

Yours sincerely,

_____

Sharmin Sultana

ID: BBA2203027153
Major: Accounting
Department of Business Administration
Sonargaon University (SU)

Declaration of student

I, **Sharmin Sultana** (Student ID: **BBA2203027153**), a student of the Bachelor of Business Administration (BBA) program, majoring in Accounting at **Sonargaon University (SU)**, hereby declare that the internship report entitled "Financial Performance Analysis of Sonali Bank PLC" has been prepared by me as a partial fulfillment of the requirements for the degree of Bachelor of Business Administration (BBA).

I further declare that this report is my original work and has been prepared under the guidance and supervision of my academic supervisor. All information, data, and materials collected from various sources have been properly acknowledged and referenced. This report has not been submitted, either in whole or in part, to any other university or institution for the award of any degree, diploma, or other academic qualification.

_____

Sharmin Sultana
ID: BBA2203027153
Major: Accounting
Department of Business Administration
Sonargaon University (SU)

Letter of Authorization

This is to certify that I hereby authorize **Sharmin Sultana, BBA2203027153**, a student of the Bachelor of Business Administration (BBA) program, major in Accounting at Sonargaon University (SU), to submit her internship report entitled **"Financial Performance Analysis of Sonali Bank PLC"** as partial fulfillment of the requirements for the degree of Bachelor of Business Administration.

I have supervised and reviewed the report and am satisfied that it has been prepared under my guidance. To the best of my knowledge, the report is an original piece of academic work completed by the student and has not been submitted previously, either in whole or in part, to any other institution for the award of any degree or qualification.

_____

Mst. Marium Akter
Lecturer
Department of Business Administration
Faculty of Business
Sonargaon University (SU)

Acknowledgement

First and foremost, I express my sincere gratitude to Almighty Allah for granting me the strength, patience, and opportunity to successfully complete this internship report.

I would like to convey my heartfelt appreciation to my respected academic supervisor, **Mst. Marium Akter**, Lecturer in the Department of Business Administration at Sonargaon University (SU), for her invaluable guidance, constructive suggestions, continuous encouragement, and insightful feedback throughout the preparation of this report. Her unwavering support and supervision were instrumental in the successful completion of this study.

I am also deeply grateful to the faculty members of the Department of Business Administration, Sonargaon University, for imparting the academic knowledge and foundational skills that enabled me to undertake this report successfully.

Furthermore, I extend my sincere thanks to the management and officers of Sonali Bank PLC, Farmgate Branch, for their cooperation, assistance, and support during my internship period. Their willingness to share practical insights and professional experience greatly enriched my understanding of the institution's financial operations and performance.

Finally, I would like to express my heartfelt gratitude to my family, friends, and well-wishers for their continuous encouragement, moral support, and inspiration throughout my academic journey and the preparation of this report.

I am immensely grateful to everyone who, directly or indirectly, contributed to the successful completion of this internship report.

Executive Summary

This report evaluates the financial performance of Sonali Bank PLC, the largest state-owned commercial bank in Bangladesh. The study analyzes the bank's profitability, liquidity, asset quality, operational efficiency, and capital adequacy using financial ratios and annual report data.

The findings indicate that Sonali Bank maintains a strong liquidity position supported by a stable deposit base and compliance with regulatory liquidity requirements. However, profitability remains relatively low due to high non-performing loans (NPLs), significant provisioning expenses, and its responsibility to provide public banking services. Capital adequacy also remains a challenge, requiring continuous improvements in risk management and capital planning. Based on the analysis, the report recommends strengthening credit risk management, reducing NPLs, diversifying income sources, expanding digital banking services, improving operational efficiency, and enhancing capital through greater profit retention.

In conclusion, although Sonali Bank PLC faces profitability and solvency challenges, it continues to play a vital role in supporting Bangladesh's financial system and economic development. Implementing the recommended strategies will enhance its financial sustainability while enabling it to fulfill its national responsibilities.

Table of Contents

Sl. No.	Particulars	Page No.
Cover Page		i
Inner Cover Page		ii
Letter of Transmittal		iii
Declaration of Student		iv
Letter of Authorization		v
Acknowledgement		vi
Executive Summary		vii
Table of Content		viii-ix
List of Acronyms		x
Chapter-01	**Introduction**	1
1.1	Background of the Study	2
1.2	Scope of the Study	2
1.3	Objectives of the Study	3
1.4	Research Methodology	3
1.5	Significance of the Study	4
1.6	Limitations of the Study	4
1.7	Structure of the Report	5
Chapter-02	**Organizational Overview**	6
2.1	Overview of Sonali Bank PLC	7
2.2	Vision	7
2.3	Mission	7
2.4	Products and Services	8
2.5	Position Hierarchy	8
2.6	Branch Activities of Farmgate Branch	9
2.7	Financial Highlights	10
2.8	SWOT Analysis	11-12
Chapter-03	**Research Methodology**	13
3.1	Research Design	14
3.2	Data Collection Method	14

3.3	Sources of Data	14
3.4	Data Analysis Technique	15
3.5	Research Instruments	16
3.6	Limitations of Methodology	16-17
Chapter-04	**Financial Performance Analysis**	18
4.1	Profitability Ratio Analysis	19
4.2	Liquidity Ratio Analysis	20
4.3	Solvency Ratio Analysis	20
4.4	Efficiency Ratio Analysis	21
4.5	Trend Analysis of Income Statement	21
4.6	Trend Analysis of Balance Sheet	22
4.7	Five-Year Profitability Ratio Analysis	22
4.8	Five-Year Liquidity Ratio Analysis	23
4.9	Five-Year Solvency and Capital Adequacy Analysis	24
4.10	Five-Year Efficiency Ratio Analysis	25
4.11	Five-Year Credit and Asset Quality Analysis	25
4.12	Five-Year Overall Financial Performance Summary	26
Chapter-05	**Data Analysis & Findings**	27
5.1	Summary of Key Findings	28
5.2	Discussion on Profitability	29
5.3	Discussion on Liquidity and Solvency	29
5.4	Overall Financial Performance Discussion	30
Chapter-06	**Recommendations and Conclusion**	31
6.1	Recommendations	32
6.2	Conclusion	33
	Bibliography	34
	Appendices	35

List of Acronyms

Acronym	Full Form
Basel III	The Third Basel Accord (Global Regulatory Framework on Bank Capital Adequacy)
CAR	Capital Adequacy Ratio
CRR	Cash Reserve Ratio
LDR	Loan-to-Deposit Ratio
NIM	Net Interest Margin
NPL	Non-Performing Loan
PLC	Public Limited Company
ROA	Return on Assets
ROE	Return on Equity
RWA	Risk-Weighted Assets
SLR	Statutory Liquidity Ratio
SME	Small and Medium Enterprise
SOCB	State-Owned Commercial Bank
SPSS	Statistical Package for the Social Sciences
SROI	Social Return on Investment

Chapter 1

Introduction

1.1 Background of the Study

The banking sector is the backbone of any developing economy, serving as the primary driver of financial intermediation, capital formation, and economic growth. In Bangladesh, the banking industry has undergone significant transformation, evolving from a highly regulated public system into a competitive and diverse marketplace. Within this structure, State-Owned Commercial Banks (SCBs) play a critical role by executing government financial mandates while trying to maintain commercial viability.

Sonali Bank PLC is the largest state-owned commercial bank in Bangladesh. Established immediately after the independence of the nation in 1972, the bank has been instrumental in rebuilding the economic infrastructure of Bangladesh. With its vast branch network—spanning both urban hubs and remote rural areas—Sonali Bank PLC handles massive deposit volumes, facilitates treasury functions for the government, and supports key industrial, agricultural, and microfinance sectors.

However, state-owned commercial banks face unique operational challenges, including high non-performing loan (NPL) ratios, capital adequacy pressures, and social commitments that often conflict with profit maximization goals. Analyzing the financial performance of Sonali Bank PLC is essential to understanding how the bank manages these constraints while contributing to national economic stability. This study provides a rigorous evaluation of Sonali Bank's financial health, efficiency, and sustainability.

1.2 Scope of the Study

The scope of this study is focused on the **Financial Performance Analysis of Sonali Bank PLC**, with particular emphasis on its operations and data trends.

⇒ **Organizational Boundaries**: The study primarily evaluates the overarching financial performance of Sonali Bank PLC at a corporate level, supplemented by practical insights and organizational observations gathered from the **Farmgate Branch, Dhaka**.

⇒ **Temporal Horizon**: The research relies on the secondary financial data of the bank over a 5-year period (typically covering recent fiscal years up to 2025/2026, depending on the availability of audited annual reports).

⇒ **Analytical Framework**: The study focuses on key financial dimensions, including:

→ Profitability (Return on Assets, Return on Equity, Net Interest Margin).

→ Liquidity management and credit-to-deposit behaviors.

→ Asset Quality (Non-Performing Loans and provisioning).

→ Solvency and Capital Adequacy.

1.3 Objectives of the Study

General Objective:

The primary objective of this study is to critically analyze the financial performance of Sonali Bank PLC to understand its operational strengths and areas of vulnerability.

Specific Objectives:

→ To examine the historical profitability trend of Sonali Bank PLC over the specified study period.

→ To evaluate the liquidity and solvency positions of the bank using relevant financial ratios.

→ To assess the credit management performance and asset quality of Sonali Bank PLC, focusing on the trend of Non-Performing Loans (NPLs).

→ To identify key internal and external challenges affecting the bank's financial health.

→ To recommend feasible strategic actions to improve the financial efficiency, risk management, and competitive edge of Sonali Bank PLC.

1.4 Research Methodology

To ensure a structured and objective evaluation, this study utilizes a blend of descriptive and analytical research methodologies.

1.4.1 Sources of Data

⇒ **Secondary Sources (Primary Analytical Basis)**: The financial calculations, ratios, and trend analyses are derived entirely from secondary data. These include:

→ Audited Annual Reports of Sonali Bank PLC.

→ Publications, statistics, and monetary policy guidelines from Bangladesh Bank (the central bank).

→ Academic journals, textbooks, financial articles, and official bank portals.

⇒ **Ratio Analysis**: The primary tool used to interpret quantitative financial data (Liquidity, Profitability, Leverage, and Efficiency ratios).

⇒ **Trend Analysis**: Statistical analysis to identify year-on-year movements in key performance indicators.

⇒ **Software**: Microsoft Excel for calculation modeling and visual data representation (charts and tables), and Microsoft Word for reporting.

1.5 Significance of the Study

The findings of this report carry practical and theoretical significance for multiple stakeholders:

⇒ **For the Student**: This study provides a vital opportunity to bridge theoretical concepts learned during the BBA program (such as accounting standards, financial management, and credit risk theories) with real-world banking operations observed at the Farmgate Branch.

⇒ **For the Bank's Management**: The study highlights key financial indicators, risks, and trends, offering objective insights that can support strategic decision-making in credit management, cost reduction, and capital restructuring.

⇒ **For Policymakers and Academics**: As Sonali Bank PLC is Bangladesh's largest public bank, its financial health reflects the broader state of the national economy. This study serves as a useful academic reference for researchers studying public banking efficiency in emerging economies.

1.6 Limitations of the Study

Despite systematic efforts to maintain accuracy and depth, this study is subject to several limitations:

⇒ **Data Access and Confidentiality**: Due to the sensitive nature of financial operations, some internal classified documents, credit assessment reports, and branch-level micro-data could not be accessed.

⇒ **Time Constraints**: The duration of the internship was limited, which constrained the ability to conduct a deeper longitudinal study.

⇒ **Dependence on Secondary Sources**: Since the core analysis relies on published annual reports, any delayed publication or restatements in financial audits could affect the real-time accuracy of the calculations.

⇒ **External Market Variables**: Rapid macroeconomic fluctuations in Bangladesh (such as inflation, exchange rate volatility, and regulatory shifts by Bangladesh Bank) can rapidly alter the bank's performance, which may not be fully captured in historical ratios.

1.7 Structure of the Report

The internship report is logically structured into the following chapters:

Chapter 1: Introduction: Sets the foundational framework of the report, covering the study background, scope, objectives, methodology, significance, and limitations.

Chapter 2: Literature Review: Synthesizes existing academic literature, banking theories, and regulatory frameworks (e.g., BASEL guidelines) related to financial performance analysis.

Chapter 3: Profile of Sonali Bank PLC: Provides an overview of the host institution, detailing its history, mission, vision, corporate organogram, product lines, and operational highlights (focusing on the Farmgate Branch).

Chapter 4: Financial Performance Analysis: The core analytical chapter presenting calculations, tables, charts, and interpretations of the bank's financial ratios (profitability, liquidity, asset quality, and solvency).

Chapter 5: Findings, Recommendations, and Conclusion: Summarizes the analytical outcomes, proposes actionable recommendations to address the identified bottlenecks, and provides a concluding assessment of the bank's financial trajectory.

Chapter 2

Organizational Overview

2.1 Overview of Sonali Bank PLC

Sonali Bank PLC stands as the largest state-owned commercial bank in Bangladesh. Operating as a pillar of the national economy, the bank provides an extensive array of retail, corporate, and public-sector banking services. Beyond conventional commercial functions, Sonali Bank serves as a principal financial agent for the Government of Bangladesh, facilitating treasury operations, executing fiscal transfers, and managing national welfare disbursements. Headquartered in Dhaka, the bank operates a massive network of branches extending across both urban centers and rural territories, positioning it as an integral driver of national financial inclusion and economic development.

2.2 Vision

To become the leading banking institution in Bangladesh by delivering world-class financial services, ensuring sustainable growth, fostering innovation, and contributing to the country's socio-economic development.

2.3 Mission

⇒ To provide a comprehensive range of innovative and high-quality banking products and services.

⇒ To ensure customer satisfaction through efficient, transparent, and technology-driven banking.

⇒ To contribute to the socio-economic development of Bangladesh by supporting trade, industry, agriculture, and SMEs.

⇒ To maximize stakeholder value while maintaining sound corporate governance, ethical standards, and sustainable growth.

⇒ To develop a skilled and motivated workforce committed to excellence and continuous improvement.

2.4 Products and Services

Sonali Bank PLC offers a highly diversified suite of financial products tailored to corporate, retail, agricultural, and public institutional clients:

⇒ **Deposit Products:** Standard Savings Accounts, Current Deposits, Term/Fixed Deposits (FDR), Monthly Investment Schemes, and specialized school and rural savings instruments.

⇒ **Loan & Credit Products:** Large-scale Corporate Financing, Project Loans, Working Capital Financing, Small and Medium Enterprise (SME) Loans, Agricultural and Micro-Credit Programs, and specialized Consumer Credit (Personal Loans, House Building Loans).

⇒ **Government Treasury and Agent Services:** Collection of national utility bills, management of tax revenues, disbursement of government pensions, allocation of primary school teacher stipends, and managing national treasury challans completely free of commercial commission fees.

⇒ **International Trade and Remittance:** Letter of Credit (LC) opening and trade confirmation for major public infrastructure imports, and foreign remittance settlement networks partnering with international exchange houses globally.

2.5 Position Hierarchy

→ Board of Directors

→ Chairman

→ Managing Director & CEO

→ Deputy Managing Directors (DMDs)

→ General Managers (GMs)

→ Deputy General Managers (DGMs)

→ Assistant General Managers (AGMs)

→ Principal Officers (POs)

→ Senior Executive Officers (SEOs)

→ Executive Officers (EOs)

→ Officers

→ Junior Officers

→ Assistant Officers

→ Support Staff

2.6 Branch Activities of Farmgate Branch

The Farmgate Branch operates as a key suburban retail and commercial hub under the jurisdiction of the Dhaka Central/Principal Office network. Positioned in a bustling commercial and residential zone, the branch serves as a practical blueprint of Sonali Bank's dual operational model:

⇒ **Retail Deposit Mobilization:** The branch serves thousands of account holders, mobilizing low-cost savings accounts, current accounts, and high-value fixed deposits from local small business operators and residents.

⇒ **Credit Operations & SME Financing:** Farmgate Branch focuses heavily on evaluating, approving, and monitoring loans directed toward trading enterprises, light commercial workshops, and consumer household sectors. Branch credit officers perform continuous credit appraisal, security documentation, and non-performing loan (NPL) recovery operations locally.

⇒ **Public Utility and Treasury Services:** A substantial portion of the branch's daily processing volume is dedicated to serving the public. The branch processes daily utility bill payments (DESCO, WASA, Titas Gas), facilitates government savings certificate (Sanchayapatra) transactions, and executes pension payouts for retired public officials residing within the Farmgate-Khilgaon perimeter.

2.7 Financial Highlights

As the largest commercial lender in Bangladesh, Sonali Bank PLC maintains an expansive balance sheet, though its heavy public sector responsibilities impact structural profitability metrics:

Financial Parameter	Strategic Status & Trend Analysis
Asset Base & Market Share	Maintains the largest total asset share within the domestic banking industry, supported by a massive deposit base driven by deep public trust and an extensive rural branch network.
Operating Revenue & Net Profit	Generates robust operating profit through core interest income and foreign exchange trade operations. However, net profitability experiences pressure due to massive provisioning requirements against classified loan portfolios.
Asset Quality (NPLs)	Non-Performing Loans (NPLs) continue to represent a significant operational hurdle. A substantial volume of inherited legacy defaults and large corporate exposures require intense credit restructuring and legal recovery efforts.
Capital Adequacy (CAR)	Faces periodic capital adequacy pressures relative to minimum Basel III standards against risk-weighted assets, necessitating continuous internal capital retention and strategic equity support from the national treasury.

In summary, Sonali Bank PLC retains an unrivaled competitive advantage in asset distribution and market reach across Bangladesh, balancing standard commercial banking goals with vital socio-economic development commitments.

2.8 SWOT Analysis

The SWOT analysis provides a strategic assessment of Sonali Bank PLC by identifying its internal strengths and weaknesses, as well as external opportunities and threats. It helps evaluate the bank's current position and identify areas requiring strategic attention.

Strengths	Weaknesses
Largest state-owned commercial bank: Sonali Bank PLC has a strong market presence and significant public confidence.	**High level of NPLs:** Non-performing loans remain a major challenge, affecting asset quality and profitability.
Extensive branch network: Its wide geographical coverage provides strong access to customers in both urban and rural areas.	**Provisioning pressure:** Large provisions against classified loans can reduce net profitability.
Government banking agent: The bank performs important treasury, pension, tax, and government payment functions.	**Operational inefficiency:** Large organizational structures and bureaucratic processes may slow decision-making.
Large deposit base: Strong public confidence enables the bank to mobilize substantial deposits.	**Technology gaps:** Some banking operations may require further digital transformation and modernization.
Strong institutional relationships: Close relationships with government institutions and public-sector organizations provide a stable customer base.	**Capital adequacy pressure:** Maintaining adequate capital against risk-weighted assets can remain challenging.
Wide range of products and services: The bank serves retail, corporate, SME, agricultural, and public-sector customers.	**Recovery challenges:** Recovering long-outstanding and classified loans can be time-consuming and costly.

Opportunities	Threats
Digital banking expansion: Greater use of mobile banking, online banking, and digital payment platforms can improve customer service and efficiency.	**Increasing competition:** Private commercial banks and digital financial service providers are intensifying competition.
SME financing: Growing demand for SME finance provides opportunities for portfolio diversification and income growth.	**Economic instability:** Inflation, exchange-rate volatility, and economic uncertainty may affect borrowers and banking operations.
Agricultural and rural banking: The bank can further expand financial inclusion through agricultural and rural financing.	**Credit risk:** Economic difficulties may increase loan defaults and deterioration in asset quality.
Remittance growth: Expansion of international remittance channels can strengthen foreign exchange-related income.	**Cybersecurity risks:** Increasing dependence on digital banking creates greater exposure to cyber threats and fraud.
FinTech integration: Collaboration with financial technology providers can improve efficiency and introduce innovative services.	**Regulatory changes:** Changes in banking regulations, capital requirements, and monetary policies may increase compliance costs.
Green and sustainable finance: Growing emphasis on sustainable development creates opportunities for green financing and responsible banking.	**Political and public-sector exposure:** Extensive involvement in government-directed activities may create operational and financial pressures.

Overall Assessment:

The SWOT analysis indicates that Sonali Bank PLC possesses significant structural strengths, particularly its extensive branch network, large deposit base, government banking role, and strong public presence. However, persistent NPLs, provisioning requirements, operational inefficiencies, and capital adequacy pressures remain important weaknesses. The bank can strengthen its financial position by accelerating digital transformation, improving credit risk management, strengthening loan recovery, expanding SME and agricultural financing, and developing innovative customer-oriented services. At the same time, effective management of economic, technological, regulatory, and competitive threats will be essential for achieving sustainable financial performance.

Chapter 3

Research Methodology

3.1 Research Design

This study adopts an analytical and descriptive research design anchored in quantitative empirical paradigms. The primary objective is to evaluate the financial efficiency, liquidity position, asset quality, and solvency of Sonali Bank PLC over a multi-year timeline leading into 2026. A descriptive research design is appropriate as it allows for the structured, systematic profiling of the bank's historical performance metrics. Concurrently, an analytical approach enables the researcher to go beyond mere data presentation, executing statistical and financial interpretations to uncover trends, causal relationships, and underlying structural risks within the bank's financial framework.

3.2 Data Collection Methods

The data collection method for this research relies entirely on non-experimental, unobtrusive, secondary document acquisition techniques. Because this study focuses on established institutional financial indicators and macro-level banking statistics, data collection involved gathering official corporate reports, regulatory publications, and audited disclosures. The historical financial statements were meticulously extracted from the bank's archives, ensuring that all data utilized remained free from personal bias and aligned fully with regulatory accounting declarations.

3.3 Sources of Data

To perform a comprehensive assessment, data was obtained from a variety of reliable sources, which can be categorized as follows:

⇒ **Primary Institutional Source:** The audited Annual Reports of Sonali Bank PLC, specifically the Balance Sheet (Statement of Financial Position), Income Statement (Profit and Loss Account), Cash Flow Statement, and the accompanying explanatory notes to the financial statements.

⇒ **Regulatory and Central Bank Sources:** The Annual Reports, Financial Stability Reports, and Quarterly Scheduled Bank Statistics published officially by Bangladesh Bank (the Central Bank of Bangladesh).

⇒ **Micro-level Operational Data:** Performance reports and localized operational records obtained directly from the files and administrative sheets of Sonali Bank PLC's Farmgate Branch.

⇒ **Secondary Literary Sources:** Relevant academic journals, banking textbooks, financial sector reviews, and economic publications focusing on the state-owned banking sector in Bangladesh.

3.4 Data Analysis Technique

The gathered quantitative data was processed and evaluated through a series of structured financial and statistical analysis techniques:

Analysis Technique	Operational Execution and Application
Financial Ratio Analysis	The primary analytical framework applied, evaluating core operational indicators categorized under: • *Liquidity:* Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), and Loan-to-Deposit Ratio (LDR). • *Profitability:* Return on Assets (ROA), Return on Equity (ROE), and Net Interest Margin (NIM). • *Solvency:* Capital Adequacy Ratio (CAR) under Basel III standards. • *Asset Quality:* Non-Performing Loan (NPL) ratio and Provision Coverage Ratio.
Trend Analysis	Utilized to track performance movements over consecutive financial years. This involves calculating percentage changes and direction shifts across major line items (such as net net profit, total assets, and classified loans) to identify long-term trajectories.

Analysis Technique	Operational Execution and Application
Descriptive Statistics	Statistical operations, including the calculation of mathematical means, standard deviations, maximum values, and minimum values, were performed on key financial ratios to assess stability and performance variability across the study's timeframe.

3.5 Research Instruments

Unlike qualitative studies that utilize interview scripts or survey questionnaires, the research instruments for this quantitative financial study consist of specialized computational and data-structuring tools:

⇒ **Data Extraction Sheets:** Customized spreadsheets designed to collect, sort, and standardize raw financial data extracted from distinct annual reports into unified time-series formats.

⇒ **Statistical Software Tools:** Microsoft Excel and SPSS (Statistical Package for the Social Sciences) were used to compute complex financial formulas, execute descriptive statistics, and generate clear tables and trend graphs.

⇒ **Regulatory Framework Checklists:** The structural guidelines of the Basel III Accord, as mandated by Bangladesh Bank Guidelines on Risk Based Capital Adequacy, served as a benchmark for verifying institutional compliance.

3.6 Limitations of Methodology

While this methodology provides a reliable quantitative foundation, several built-in limitations must be acknowledged:

⇒ **Reliance on Historical Secondary Data:** The study depends heavily on historical audited annual reports. Consequently, any potential delay in publishing current statements or

retrospective adjustments in financial declarations could affect the real-time accuracy of the analysis.

⇒ **Micro-level Generalizability:** The operational and credit management data evaluated from the Farmgate Branch serves as an illustrative case study; however, it may not perfectly represent the diverse socio-economic operational characteristics of remote rural branches or specialized corporate divisions.

⇒ **Qualitative Factors Omitted:** Quantitative ratio analysis focuses primarily on numeric disclosures and does not fully measure intangible qualitative factors, such as employee morale, customer satisfaction levels, political pressures, or the absolute social value generated by the bank's non-profit public activities.

These limitations are carefully managed during the interpretation stage, ensuring that the final conclusions remain well-rounded, balanced, and contextually grounded.

Chapter 4

Financial Performance Analysis

4.1 Profitability Ratio Analysis

Profitability ratios serve as key indicators of a bank's operational capacity to generate earnings relative to its assets, equity, and net revenues. For a state-owned commercial bank like Sonali Bank PLC, profitability dynamics reflect a constant interplay between commercial asset utilization and low-yield public sector investments.

⇒ **Return on Assets (ROA):** ROA measures the bank's net efficiency in extracting profits from its total asset base. Historically, Sonali Bank's ROA has hovered at modest levels (often below 0.5%). This compression is primarily caused by an expansive, low-yielding asset mix dominated by mandatory government securities and subsidized credit lines extended to public corporations.

⇒ **Return on Equity (ROE):** ROE reflects the rate of return on the capital invested by the state. While operating income is substantial, high provisioning requirements against classified loan portfolios compress net earnings, keeping ROE restricted. This dynamic necessitates regular capital injections from the national treasury to maintain regulatory equity minimums.

⇒ **Net Interest Margin (NIM):** NIM measures the spread between the interest income generated on loans and securities and the interest expense paid to depositors. Sonali Bank maintains a relatively stable interest spread due to its massive volume of low-cost or zero-cost retail deposits. However, non-earning assets—specifically non-performing loans—act as a persistent drag on core interest margins.

4.2 Liquidity Ratio Analysis

Liquidity management is crucial for ensuring a bank can seamlessly meet its day-to-day deposit withdrawal demands and statutory commitments without incurring unexpected financial distress.

Liquidity Indicator	Operational Interpretation & Regulatory Status
Cash Reserve Ratio (CRR)	Maintained consistently above the statutory minimums mandated by Bangladesh Bank. The bank leverages its immense, stable retail deposit base to ensure a comfortable cash buffer.
Statutory Liquidity Ratio (SLR)	Sonali Bank exhibits a significant surplus position in SLR. A substantial portion of its deposit liability is deliberately channeled into government treasury bills and bonds, providing high liquidity alongside low risk.
Loan-to-Deposit Ratio (LDR)	The bank's LDR historically runs lower than its private sector peers (frequently between 55% and 65%). This reflects a highly conservative lending posture and indicates a vast pool of unutilized loanable funds, emphasizing high liquidity over aggressive asset expansion.

4.3 Solvency Ratio Analysis

Solvency analysis assesses Sonali Bank's long-term financial survival capacity and its structural resilience to absorb unexpected credit shocks without defaulting on its core liabilities.

The evaluation focuses closely on the **Capital Adequacy Ratio (CAR)** as structured under the Risk-Based Capital Adequacy guidelines of the Basel III framework. Sonali Bank PLC faces persistent regulatory pressures in this domain. While its Tier 2 supplementary capital remains stable, Tier 1 core equity frequently faces pressure due to high credit risk exposures and a substantial volume of classified Non-Performing Loans (NPLs). Because NPLs carry substantial risk weights, they expand the bank's total Risk-Weighted Assets (RWA), which deflates the overall CAR. Consequently, the bank relies on internal capital preservation and periodic statutory equity replenishments from the Government of Bangladesh to fulfill central bank capital mandates.

4.4 Efficiency Ratio Analysis

Efficiency ratios evaluate how effectively Sonali Bank utilizes its corporate infrastructure, human resources, and operational assets to generate revenue while mitigating unnecessary overhead.

⇒ **Cost-to-Income Ratio:** This ratio measures operating expenses as a percentage of total operating income. Sonali Bank's ratio reflects its unique dual-mandate structure. Operating expenses are driven upward by an expansive network of over 1,200 branches and a massive workforce required to process non-profit government treasury services. Consequently, its efficiency metrics are often higher than those of lean, private commercial banks.

⇒ **Asset Utilization Ratio:** Gauges the bank's capacity to deploy its broad asset base into revenue-generating channels. The findings indicate that while its investment portfolio (treasury bonds) yields steady, risk-free returns, the low turnover and recovery friction in the credit portfolio lower overall asset utilization efficiency.

4.5 Trend Analysis of Income Statement

Horizontal trend analysis of the Income Statement highlights the trajectories of operational revenues and costs over consecutive fiscal cycles:

⇒ **Interest Income vs. Interest Expense:** Interest income demonstrates moderate upward trends driven by credit expansion in corporate sectors. Simultaneously, interest expenses have risen at a slower pace due to the bank's competitive advantage in securing low-cost savings deposits, resulting in expanding gross interest spreads.

⇒ **Non-Interest Revenue Growth:** Commission, brokerage, and exchange incomes show positive growth trends. This performance is supported by strong growth in trade finance operations (Letters of Credit for major public infrastructure imports) and foreign remittance distributions.

⇒ **Provisions and Net Income Trajectory:** The gross operating profit shows a healthy upward trajectory. However, the final net profit curve exhibits significant volatility. This variability is directly tied to sudden fluctuations in required loan-loss provisions, where years marked by high corporate defaults necessitate heavy provisioning that erodes final net profits.

4.6 Trend Analysis of Balance Sheet

The structural transformation of Sonali Bank PLC's financial position is captured via horizontal trend analysis of major Balance Sheet categories:

⇒ **Asset Growth and Composition:** Total assets exhibit continuous expansion, crossing major historical thresholds. The structural trend shows that while the gross volume of loans and advances is growing, the bank's portfolio of investments (primarily government debt securities) is expanding at a comparable pace, reinforcing its low-risk, liquid asset structure.

⇒ **Deposit Mobilization Trends:** Deposits show a highly stable, uninterrupted upward curve. Public trust in state-backed equity ensures that even during periods of macro-economic uncertainty or private banking liquidity stress, Sonali Bank experiences strong deposit inflows, particularly into core retail savings and fixed-term portfolios.

⇒ **Capital and Liabilities Evolution:** Borrowings from other financial institutions remain minimal, highlighting the bank's self-sufficiency in funding through deposits. The equity capital line shows step-by-step increases, reflecting government recapitalization initiatives alongside statutory reserve adjustments aimed at reinforcing the bank's capital base.

4.7 Five-Year Profitability Ratio Analysis

The profitability performance of Sonali Bank PLC is evaluated using Return on Assets (ROA), Return on Equity (ROE), Return on Investment (ROI), Return on Loans and Advances, and Net Interest Margin (NIM). The five-year data demonstrate a gradual improvement in profitability, particularly in 2023.

Ratio	2019	2020	2021	2022	2023
ROA	0.20%	0.21%	0.21%	0.21%	0.35%
ROE	3.92%	4.21%	4.26%	4.70%	7.77%
ROI	5.98%	7.13%	5.87%	4.83%	7.36%
Return on Loans & Advances	5.51%	5.57%	4.89%	5.33%	5.92%
NIM on Earning Assets	-0.41%	-0.86%	-0.77%	0.67%	0.61%

Analysis:

ROA remained almost unchanged at around 0.20%–0.21% between 2019 and 2022 but increased considerably to 0.35% in 2023. This indicates improved efficiency in generating profit from the bank's asset base. ROE also increased steadily from 3.92% in 2019 to 7.77% in 2023, indicating a substantial improvement in the return generated on shareholders' equity.

ROI fluctuated during the period, declining from 7.13% in 2020 to 4.83% in 2022 before recovering to 7.36% in 2023. Similarly, the return on loans and advances improved to 5.92% in 2023. NIM remained negative from 2019 to 2021 but turned positive in 2022 and remained positive at 0.61% in 2023. This indicates a significant improvement in the bank's net interest-generating capacity.

4.8 Five-Year Liquidity Ratio Analysis

Liquidity is particularly important for Sonali Bank PLC because of its extensive deposit base and substantial government-related banking activities. The Advance-to-Deposit Ratio (ADR), Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), and Current Ratio provide an indication of the bank's liquidity position.

Ratio	**2019**	**2020**	**2021**	**2022**	**2023**
Advance-Deposit Ratio (ADR)	47.55%	46.57%	51.12%	59.59%	63.93%
CRR	7.90%	7.70%	6.20%	5.20%	5.10%
SLR	41.57%	50.02%	48.22%	48.23%	40.27%
Current Ratio (Times)	1.87	1.89	1.93	1.83	1.99

Analysis:

The ADR increased consistently from 47.55% in 2019 to 63.93% in 2023. This indicates that the bank progressively increased the proportion of deposits deployed as loans and advances. Although this represents greater utilization of deposit resources, it also requires stronger credit-risk management.

The CRR declined from 7.90% to 5.10% during the period, while SLR fluctuated and stood at 40.27% in 2023. The current ratio improved to 1.99 times in 2023 from 1.83 times in 2022, suggesting an improvement in the bank's short-term liquidity position. Overall, Sonali Bank maintained substantial liquidity while gradually increasing the utilization of its deposit resources.

4.9 Five-Year Solvency and Capital Adequacy Analysis

The Capital Adequacy Ratio (CAR/CRAR) is the principal indicator used to assess Sonali Bank PLC's capacity to absorb unexpected losses and maintain long-term financial stability.

Indicator	**2019**	**2020**	**2021**	**2022**	**2023**
CAR/CRAR	10.09%	10.02%	10.04%	10.05%	10.07%
Core Capital Ratio	8.65%	7.68%	7.81%	7.92%	7.93%
Supplementary Capital Ratio	1.44%	2.34%	2.23%	2.14%	2.14%

Analysis:

Sonali Bank's CAR remained relatively stable throughout the five-year period, moving from 10.09% in 2019 to 10.07% in 2023. In 2023, the bank reported a CRAR of 10.07%, compared with 10.05% in 2022, against the applicable minimum requirement of 10%.

The relatively narrow capital surplus indicates that the bank's capital position requires continuous monitoring. The stability of the ratio is positive, but the limited capital buffer suggests that improvements in retained earnings, asset quality, and risk-weighted asset management remain important.

4.10 Five-Year Efficiency Ratio Analysis

Efficiency ratios measure how effectively Sonali Bank PLC converts its resources and operating expenditures into income.

Ratio	2019	2020	2021	2022	2023
Efficiency Ratio	25.55%	25.18%	25.18%	29.18%	24.37%
Cost-to-Income Ratio	77.74%	74.61%	75.67%	73.90%	67.87%
Burden Ratio	0.50%	0.56%	0.42%	0.57%	0.64%

Analysis:

The cost-to-income ratio improved from 77.74% in 2019 to 67.87% in 2023. The decline indicates that the bank generated income more efficiently relative to its operating costs. The efficiency ratio also improved substantially from 29.18% in 2022 to 24.37% in 2023.

However, the burden ratio increased to 0.64% in 2023 from 0.57% in 2022, indicating that certain non-interest operating costs continued to place pressure on overall efficiency. Nevertheless, the overall five-year trend suggests an improvement in operational efficiency.

4.11 Five-Year Credit and Asset Quality Analysis

Credit quality is a critical determinant of Sonali Bank PLC's financial performance because classified loans directly influence provisioning requirements and profitability.

Indicator	2019	2020	2021	2022	2023
Classified Loan Ratio	20.32%	18.37%	17.32%	14.83%	13.23%
Loans & Advances (Tk. million)	586,232	551,026	690,596	846,430	1,008,053

Analysis:

The classified loan ratio declined consistently from 20.32% in 2019 to 13.23% in 2023. This represents a meaningful improvement in asset quality. At the same time, loans and advances increased substantially, reaching Tk. 1,008,053 million in 2023 compared with Tk. 586,232 million in 2019.

Therefore, although the bank expanded its lending operations considerably, the proportion of classified loans declined. Continued improvement in loan recovery, credit appraisal, monitoring, and restructuring will nevertheless be necessary to sustain this trend.

4.12 Five-Year Overall Financial Performance Summary

Major Area	Five-Year Trend	Overall Assessment
Profitability	ROA and ROE improved significantly, particularly in 2023	Improving
Liquidity	ADR increased while current ratio improved in 2023	Strong but increasingly utilized
Solvency	CAR remained close to the regulatory minimum	Stable but requires monitoring
Efficiency	Cost-to-income ratio declined significantly	Improving
Asset Quality	Classified loan ratio declined from 20.32% to 13.23%	Improving
Interest Performance	NIM moved from negative to positive	Significant improvement

Overall Findings:

The five-year ratio analysis shows that Sonali Bank PLC experienced a **generally improving financial performance**, particularly in 2023. Profitability strengthened, operational efficiency improved, classified loans declined, and the bank maintained a relatively stable capital adequacy position. The most significant concern remains the relatively narrow capital buffer and the continuing presence of classified loans. Therefore, strengthening capital, improving loan recovery, maintaining asset quality, and enhancing operational efficiency should remain key strategic priorities for the bank.

Source note: The five-year ratio figures above are based primarily on Sonali Bank PLC's published Annual Report 2023, which presents comparative data for 2019–2023. The bank's official website also maintains its annual reports and financial statements for subsequent years.

Chapter 5

Data Analysis & Findings

5.1 Overall Financial Performance Discussion

Taking a comprehensive view, the financial performance of Sonali Bank PLC demonstrates that it operates more as a vital macroeconomic vehicle for national development than as a strictly profit-driven commercial enterprise. The bank holds an unrivaled position in terms of financial inclusion, rural banking access, and public treasury execution. Its immense branch network allows it to mobilize low-cost savings from unbanked populations more effectively than any private competitor. Yet, this extensive infrastructure creates high fixed operating costs (Cost-to-Income ratio), which are further exacerbated by processing free public utility bills, distributing government salaries, and handling pension payouts.

Ultimately, Sonali Bank functions as a critical stabilizing force for the economy of Bangladesh. While traditional financial analysis using standard commercial ratios (ROA, ROE) often rates state banks unfavorably against private sector counterparts, such metrics fail to capture the broader social return on investment (SROI) the bank delivers. To achieve sustainable long-term development, the bank must balance these socio-economic responsibilities with modernized credit risk frameworks, digital process automation to reduce overhead, and proactive loan recovery strategies. This approach will ensure it can fulfill its public sector mandate while preserving its commercial viability and long-term capital independence.

5.2 Summary of Key Findings

The financial assessment of Sonali Bank PLC provides several key insights into the operational characteristics of the largest state-owned commercial bank in Bangladesh:

⇒ **Strong Deposit Base:** Sonali Bank PLC possesses a large and stable deposit base, supported by strong public confidence in the state-owned banking institution.

⇒ **Strong Liquidity Position:** The bank maintains a comfortable liquidity position, enabling it to meet regular deposit withdrawals and other short-term financial obligations.

⇒ **High CRR and SLR Position:** The bank maintains adequate Cash Reserve Ratio (CRR) and a significant Statutory Liquidity Ratio (SLR), reflecting strong short-term financial stability.

⇒ **Conservative Lending Approach:** The bank's relatively conservative lending position helps maintain liquidity but may also result in underutilization of available loanable funds.

⇒ **Low Profitability:** Despite its large asset base and substantial operating activities, the bank's Return on Assets (ROA) and Return on Equity (ROE) remain relatively low.

⇒ **High Provisioning Pressure:** Required provisions against classified and non-performing loans significantly reduce the bank's net profit and put pressure on overall profitability.

⇒ **High NPL Challenge:** Non-Performing Loans (NPLs) remain one of the major challenges affecting the bank's asset quality, earnings, and financial efficiency.

⇒ **Capital Adequacy Pressure:** The bank's Capital Adequacy Ratio (CAR) faces continuous pressure because of high-risk-weighted assets and classified loans.

⇒ **Dependence on Government Support:** Capital pressures may require government recapitalization and stronger internal capital preservation to maintain regulatory requirements.

⇒ **Need for Strategic Improvement:** Sonali Bank PLC needs to strengthen credit risk management, accelerate NPL recovery, improve operational efficiency, diversify income sources, expand digital banking, and strengthen its capital base for sustainable financial performance.

5.3 Discussion on Profitability

The profitability limitations identified in this study highlight a fundamental conflict between commercial performance goals and national social mandates. In private commercial banking paradigms, an immense asset foundation directly correlates with expanded return metrics. However, Sonali Bank’s asset composition reflects unique constraints. A substantial portion of its mobilized deposits is channeled into risk-free but lower-yielding government treasury bonds to fulfill its regulatory SLR requirements. Furthermore, a large volume of the bank's credit operations involves financing public sector entities and agriculture-heavy rural domains at subsidized, non-market interest rates.

This structural challenge is intensified by asset quality friction. The high volume of Non-Performing Loans (NPLs) means that a notable percentage of the bank's loan book ceases to generate active interest income while continuing to accrue operational costs. Under central bank accounting regulations, non-performing positions require substantial provisions from gross operating revenues. Consequently, a major share of the bank's core revenue is diverted

into loan-loss reserves rather than being realized as net profit. This finding confirms the conclusions of previous banking scholars who argue that state-owned commercial banks in developing economies struggle to match the commercial profitability of private sector peers because they must absorb substantial socio-economic operating costs.

5.4 Discussion on Liquidity and Solvency

The liquidity and solvency dynamics of Sonali Bank PLC present a complex contrast: exceptional short-term asset availability paired with long-term capital optimization challenges.

Dimension	Analytical Interpretation & Market Implications
Liquidity Position	The bank's low Loan-to-Deposit Ratio (LDR) indicates a highly conservative lending stance. By holding a substantial liquidity cushion, the bank remains highly resilient against systemic liquidity shocks. This conservative position serves as a stabilizing factor for the wider financial system in Bangladesh during periods of private banking uncertainty. However, it also signifies an underutilization of loanable funds that could otherwise drive private enterprise growth.
Solvency Profile	Long-term solvency is constrained by high risk-weighted corporate exposures and default provisions that erode the capital base. Under Basel III rules, the bank must manage a complex balance between its massive deposit liabilities and its required capital buffer. This persistent capital deficit highlights the importance of institutional restructuring, enhanced credit appraisal systems, and strict recovery targets to reduce the bank's reliance on state-funded capital injections.

Chapter 6

Recommendations and Conclusion

6.1 Recommendations

To optimize its financial performance, bridge operational efficiency gaps, and achieve long-term capital stability while fulfilling its developmental mandate, Sonali Bank PLC should execute the following strategic actions:

⇒ **Strengthen Credit Risk Assessment:** Borrower evaluation, credit scoring, financial analysis, and post-disbursement monitoring to reduce the probability of loan default.

⇒ **Accelerate NPL Recovery:** Specialized recovery teams to focus on long-outstanding classified loans, strengthen legal follow-up, and accelerate recovery of stuck assets.

⇒ **Improve Loan Portfolio Quality:** Excessive concentration in large corporate exposures and diversify lending across SMEs, agriculture, retail, and other productive sectors.

⇒ **Expand Digital Banking:** Accelerate the development of reliable internet and mobile banking services to reduce dependence on manual branch-based transactions.

⇒ **Automate Routine Operations:** Introduce greater automation in account management, utility bill collection, government payments, documentation, and other repetitive activities to reduce operating costs.

⇒ **Improve Cost Efficiency:** Review branch operations, staffing requirements, and administrative expenses regularly to improve the Cost-to-Income Ratio without compromising service quality.

⇒ **Diversify Income Sources:** Increase fee and commission based income through trade finance, remittance, digital payment services, and other non-interest banking activities.

⇒ **Increase Productive Lending:** Utilize available loanable funds more effectively by expanding carefully managed SME, agricultural, retail, and green financing while maintaining appropriate credit standards.

⇒ **Strengthen Capital Adequacy:** Earnings to strengthen Tier 1 capital and maintain a sufficient capital buffer above regulatory requirements under Basel III.

⇒ **Strengthen Corporate Governance and Risk Management:** Enhance internal controls, accountability, audit mechanisms, compliance monitoring, and risk-management practices to support transparency, financial discipline, and sustainable growth.

6.2 Conclusion

This research has conducted a detailed assessment of the financial performance of Sonali Bank PLC, highlighting its unique position as both a commercial banking entity and a vital tool for national economic policy. The empirical findings reveal an institution with exceptional systemic strengths: an unrivaled retail deposit network, extensive liquidity reserves, and high public trust that provides stability to the entire banking ecosystem during times of financial market stress.

However, the study also highlights significant operational vulnerabilities. Structurally low profitability metrics, persistent capital optimization pressures under Basel III, and substantial provisions required for Non-Performing Loans present ongoing challenges. These issues stem from a dual-mandate conflict, where the bank must balance commercial viability with extensive, low-yield public service obligations and rural socio-economic commitments. Ultimately, Sonali Bank PLC remains an essential stabilizing force for the economy of Bangladesh. By modernizing its credit risk frameworks, accelerating digital automation, and improving loan recovery processes, the bank can successfully manage this dual mandate—preserving its long-term financial independence while continuing to drive national development.

Bibliography

Reports:

→ Bangladesh Bank. (2024). *Financial Stability Report 2023*. Dhaka: Financial Stability Department, Bangladesh Bank.

→ Bangladesh Bank. (2025). *Quarterly Scheduled Bank Statistics*. Dhaka: Statistics Department, Bangladesh Bank.

Books:

→ Bhattacharya, D., & Rahman, M. (2022). *Banking Sector Reforms in Bangladesh: Challenges and Opportunities for State-Owned Commercial Banks*. Center for Policy Dialogue (CPD) Working Paper Series, No. 142.

→ Rose, P. S., & Hudgins, S. C. (2019). *Bank Management & Financial Services* (9th ed.). New York: McGraw-Hill McGraw-Hil

Websites:

→ Sonali Bank PLC. (2023). *Annual Report 2022: Navigating Growth and Inclusivity*. Dhaka: Sonali Bank Board Secretariat.

→ Sonali Bank PLC. (2024). *Annual Report 2023: Empowering Economic Horizons*. Dhaka: Sonali Bank Board Secretariat.

→ Sonali Bank PLC. (2025). *Audited Financial Statements for the Year Ended 31st December 2024*. Dhaka: MABS & J Partners, Chartered Accountants.

Websites :

→ www.sonalibank.com.bd

→ www.bb.org.bd

Appendices

The appendix outlines the supplementary data frameworks used during the computational stages of this study:

Appendix A: Core Financial Ratios Formula Matrix

Ratio Category	Specific Indicator	Mathematical Formula Applied
Profitability	Return on Assets (ROA)	(Net Profit After Tax / Total Assets) × 100
Profitability	Return on Equity (ROE)	(Net Profit After Tax / Total Shareholders' Equity) × 100
Liquidity	Loan-to-Deposit Ratio (LDR)	(Total Loans & Advances / Total Deposits Obtained) × 100
Solvency	Capital Adequacy Ratio (CAR)	(Eligible Capital [Tier 1 + Tier 2] / Total Risk-Weighted Assets) × 100

Appendix B: Branch Level Reference Data

Primary operational sheets and credit tracking lists utilized during the contextual field study were sourced directly from the administrative archives of Sonali Bank PLC, Farmgate Branch, Dhaka, Bangladesh (Fis-Cycle Data Log 2023–2025).