

Internship Report

On

Financial Performance Analysis of AB Bank

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Sonargaon University
(SU) Dhaka- 1215
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Internship Report

On

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Submitted to:

Farjana Yeasmin Chowdhury
Program: BBA,
Major: Accounting
Department of Business Administration
Sonargaon University

Submitted by:

Name: hamima Akter
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Program: Bachelor of Business Administration BBA (Major in Accounting)

Semester: Spring

Letter of Transmittal

5th May 2021

To

Farjana Yeasmin Chowdhury

Lecturer

Department of Business Administration

Sonargoan University

Subject: This Report on Financial Performance Analysis of AB Bank Limited.

Dear Sir,

With great pleasure, right here I have submitted my internship report on “**Financial Performance of AB Bank Limited**”. It has been a great gratification for me to have the opportunity to apply my academic knowledge in practical field. The theoretical knowledge is of on worth if it is not applied in reality. The report is prepared on the basis of the theoretical learning from the internship program on AB Bank Limited.

I would like to cordial thanks to you for your support & statement of my works which made it easy for me as properly as supplied expertise of gaining knowledge in practical.

Sincerely Yours,

Shamima Akter

ID: BBA 1702011013

Program: BBA (Accounting Major)

Department of Business Administration

Sonargoan University

Certificate of Supervisor

This is to certify that the internship topic: **Financial performance analysis of AB Bank** has been prepared as a part of completion of the BBA program from Department of Business Administration, Sonargaon University (SU), carried out by Shamima Akter, bearing ID: 1702011013 under my supervision. The report or the information will not be used for any other purposes.

.....
Farjana Yeasmin Chowdhury
Lecturer
Department of Business Administration
Sonargaon University (SU)

Student Declaration

I am Shamima Akter a student of Bachelor of Business Administration, ID: BBA1702011013 from Sonargaon University would like to solemnly declare here that this internship topic on **performance analysis of AB Bank** has been authentically prepared by me. While preparing this report, I didn't breach any copyright act intentionally. I am further declaring that, I did not submit this report anywhere for awarding any degree, diploma or certificate.

Sincerely Yours

Shamima Akter
ID: BBA 1702011013
Program: BBA
Major: accounting
Semester: Spring

Letter of Approval

This is to certify that shamima akter ID: 1702011013 BBA (accounting), is a regular student of Department of Business Administration, Faculty of Business Studies Sonargoan University. She has successfully completed her internship program at AB Bank Limited and has prepared this internship under my direct supervision. Her assigned internship topic is “**Financial Performance Analysis of AB Bank Limited**”. I think that the report is well intended to fulfill the partial requirements of BBA program.

Farjana Yeasmin Chowdhury

Lecturer

Department of Business Administration

Faculty of Business & Entrepreneurship

Sonargoan University

Acknowledgement

First of all I would like to categorical my gratitude to the Almighty Allah. This is my pleasure that I could successfully complete my internship report by the grace of almighty Allah. I want to convey my heartfelt respect and cordial thanks Farjana Yeasmin Chowdhury

Lecturer, department of business & Sonargaon University, Encouragement, Guidance, advices and valuable supervision. I am very lucky for getting the opportunity to prepare this report under his supervision and guidance. Without his instruction it was impossible for me to complete this report successfully. I am also really responsible to my honorable teacher Abul Kalam, Associate Professor and Head of Department of Business & Administration, Sonargaon University for this countless support and guidance. It is not my own credit in this effort. I would like to extend my-sincere regards and gratitude to myhonorable teachers whose kind's guidance and assistance enable me to complete my BBA program and to develop my career through their invaluable teaching. Finally, I want to thanks Mr. SohailImran Assistant General Manager of Arab Bangladesh Bank Limited, Rokeya Sarani Branch, and Dhaka, of ABBL Branch for his regular support, coaching and supervision for getting ready. And last but not the least; I would like to thank all the personnel working at ABBL bank Limited, Rokeya Sarani Branch, Dhaka, of ABBL Branch.

They made the environment congenial and favorable for me to recognize the tasks. Without their help and co-operation, this record would possibly no put together remaining report. I hope that it will help me in my future expert work. Moreover, I like to thank all people who used to be helped me for preparing this report.

Executive Summary

This report on “**Financial Performance Analysis of AB Bank Limited**” is submitted to Farjana Yeasmin Chowdhury on 15th March 2021. This report was prepared as a requirement of internship program. During this period, I have used this observation and gained experience about various banking functions and day-to-day operation regarding the “Financial Performance Analysis of AB Bank Limited”. AB Bank Limited, the first private sector bank under Joint Venture with Dubai Bank Limited. During the last 26 years, AB Bank Limited has opened 70 Branches in different Business Centers of the country, one foreign Branch in Mumbai, India, two Representative Offices in London and Yangon, Myanmar respectively and also established a wholly owned Subsidiary Finance Company in Hong Kong in the name of AB International Finance Limited. To facilitate cross border trade and payment related services, the Bank has correspondent relationship with over 220 international banks of repute across 58 countries of the World. Since beginning, the bank acquired confidence and trust of the public and business houses by rendering high quality services in different areas of banking operations, professional competence and employment of the state of art technology. Thus, the objective of my study has been to find out the foreign trade on bank’s current level of online service and to recommend some necessary short term and strategic plans to ensure quality service. A tabulation work and a survey were conducted and the results are then interpreted. This report the organization gives the idea about of AB Bank, AB Bank’s objective, strategy. Then general banking division mainly discusses about my experience during my internship at the Bank. Project part contains the foreign trade division of AB Bank Limited; the vision of AB Bank is to be the trendsetter for innovative banking with excellence & perfection, which delight the customer and an environment where the people excel. This bank has earned a good niche in the hearts of Bangladeshi people for its longstanding service and quality. I again at the end of the summary would like to express my special thanks to Mr. Sohail Imran AVP & Operations manager and all my colleagues, ABBL, Rokeya Sarani branch for providing me all the guidance and support that I need. Besides, my thanks go to all the other member of AB Bank, and all my family members and friends for their co-operation at different level of my study.

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Chapter-1

(Introduction)

1.1 Background of the Report:

Internship program is a pre-requisite for completes the graduation degree from the Bachelor of Business Administration (BBA) program of the Sonargoan university (SU). The internship program is generally executed in the last semester & it has got the same weight as other courses in the evaluation process. As the classroom discussion alone cannot give proper picture of real business situation, therefore, it is an opportunity for the students to know theoretical and practical knowledge. The area concentration of the report is confined to investigation different aspects of the banking transaction as well as problems and prospects and by this way an endeavor is made to give recommendation for removing the problems.

1.2 Significance of the Report:

The internship program is very helpful to bridge the gap between the theoretical knowledge and real-life experience as the part of the Bachelor of Business Administration (BBA) program. This internship has been designed to have a practical experience through the theoretical understanding. After completing my Bachelor of Business Administration (BBA) as a student of Sonargaon university, I wanted to complete my internship program from a reputed bank which would be helpful for my future career. That the reason I choose bank for my internship. In future I will try to get a job in any bank because there are many opportunities to build up career.

1.3 Scope of the Report:

During my internship period, I came close to the different functional departments of the bank in RokeyaSarani Branch, Dhaka, of ABBL. The report will help to learn the practical procedures followed by the organization. Moreover, the report will help to differentiate between the practice and the theories that direct to realize how the organization can improve their recruitment and selection process.

1.4 Objectives of the Report:

There are two types of objectives which are given below:

Broad objective:

The broad objective of this report is to explain the “**Recruitment and Selection Process of Arab Bangladesh (AB) Bank Limited.**” **Specific objectives:**

The specific objectives of this report are-

- To explore the recruitment sources of the **ABBL**.
- To explain the recruitment and selection process of the **ABBL**.
- To know about the opinion of the respondents regarding recruitment and selection process of **ABBL**.
- To recommend some appropriate measures for overcoming the problems.

1.5 Methodology of the report:

The methodology of the report is given below:-

Research Design:

This is descriptive types of research which briefly discuss the recruitment and selection procedure of **ABBL**. It has been administrated by collection both primary and secondary data.

Sampling Plan: Population:

The population of this study was the all employees who are working in **ABBL**.

Sample Size:

The sample size was 10 respondents which include only executive employees.

Sampling Method:

The Non Probability Convenience Sampling method was used for the collection of information and to identify the respondents.

Types of data:

- Mainly two types of data used. These are:
- Primary Data
- Secondary Data.

Sources of data:

Secondary Data Sources:

1. Annual report and related with books of AB Bank Ltd from 2018 to 2020.
2. Different written document of AB Bank Ltd.
3. Newspaper and web site etc. (www.abbl.com)

1.6 Limitations of the Study:

The limitations of the report and the study are as follows:

1. Three months, time is not enough for such comprehensive study. It is very difficult to collect all information in such a short time.
2. As a financial organization a bank has some restriction to serve all the real data of the bank of the general people as a result the study is mostly depends on artificial files and annual reports.
3. There were some restrictions to have access to the information confidential by the authority.
4. Due to covid-19 there has pandemic situation for this reason I could not go bank for primary data and we have to use secondary data.

Chapter two

Profile of AB Bank Limited

2.1: Background of AB Bank Limited:

AB Bank Limited, the first private sector bank under Joint Venture with Dubai Bank Limited, UAE incorporated in Bangladesh on 31st December 1981 and started its operation with effect from April 12, 1982.

Dubai Bank Limited (name subsequently changed to Union Bank of the Mideast Limited) decided to off-load their investment in AB Bank Limited with a view to concentrate their activities in the UAE in early part of 1987 and in terms of Articles 23A and 23B of the Articles of Association of the Company and with the necessary approval of the relevant authorities, the shares held by them in the Bank were sold and transferred to Group "A" Shareholders.

As of December 31, 2006; the Authorized Capital and the Equity (Paid up Capital and Reserve) of the Bank are BDT 2000 million and BDT 2582.76 million respectively. The Sponsor-Shareholders hold 50% of the Share Capital; the General Public Shareholders hold 49.43% and the rest 0.57% Shares are held by the Government of the People's Republic of Bangladesh. However, no individual sponsor share holder of AB Bank holds more than 10% of its total shares.

2.2 Mission, Vision and Goal: Mission:

We give the best priority on our customer and through our endless effort we assure the best satisfaction to our customers. We provide secure, satisfying employment, ensuring the contribution of each individual to the success of ABBL. To be the best performing bank in the country. To be the best performing bank in the country.

Vision:

We consider adherence to national policies and objectives a priority for giving our customers the best financial support with corporate integrity, meaning a fully compliant bank along with involvement in social development. We assure the best returns to our shareholders by committed prudent performance. To be the trendsetter for innovative banking with excellence and perfection.

Goal of ABBL:

To exceed customer expectations through innovative financial products and services and establish a strong presence to recognize shareholders expectations and to optimize their rewards through dedicated workforce.

- i) Long term goal: Keeping ahead of other competitors in productivity & profitability. ii) Short term goal: To attain budgetary target fixed in each area of business.

2.3 Management of ABBL:

The management of the bank is vested on a broad of Directors, for overall super vision and directors on policy formulation by the board. The power of general supervision and

Control of the affairs of the bank is exercised by the president and the managing director of the bank who is the chief executive. The board establishes the objectives and policies of the Bank. The board has the authority to declare dividend, to approve the Balance sheet, etc. Chairman keeps board of directors informed, on the progress of the bank and implements the policies established. The Board consists of 11 members.

2.4 Strengths of AB Bank Ltd.:

- Customer's satisfaction is the top priority of the Bank.
- AB Bank being the first private sector bank is always one step ahead of the other competitors in serving the customers need. Bank in its goal has mentioned that customer's expectations will be met through innovative financial products and services.
- A bunch of young and energetic work force is engaged to serve the valued customers.

2.5 Offerings of the Bank:

AB Bank offers different type of services to its customer. And day by day they are expanding the area of services. From the very beginning they gave more emphasis on satisfaction of customers. They offer the general banking facilities such as –receive deposit, giving loan etc. Otherwise they also offer

- a) Online Banking system
- b) RIA money transfer
- c) ATM
- d) Pay order
- e) Demand Deposit
- f) Credit Card
- g) Debit Card
- h) Visa Card
- i) Savings Certificate
- j) Easy loan
- k) Gold Grace
- l) Islamic Banking facilities
- m) Foreign exchange
- n) Remittance etc.

2.6: First of Many Firsts:

- First Private Commercial Bank to start Banking Operation (1982)
- First ATM at Gulshan Club (1996)
- First Teller System in Branches (1982)
- First in syndication Finance to BIMAN (2009)
- First financing in Ship building: Western Marine (2009)
- First in using SWIFT (1999)
- First Multi Bank owned Switching network: CBL (2008)
- First in opening Merchant Banking Wing (2002)
- First to have a Financial House abroad at Hong Kong (1995)
- First to open overseas Branch at Mumbai (1996)
- First subsidiary for Merchant Banking: AB Investment Limited (2009)
- First to have a representative office in Myanmar (2010)
- First to invest in Sri Lanka – Amana Bank Ltd. (2011)
- First Solar Power ATM at Uttara (2011)

2.8 Islamic Banking Products:

1. Al-Wadana:

Fund which is deposited with banks by the depositors with clear permission to utilize/invest the same is called Al-Wadana...

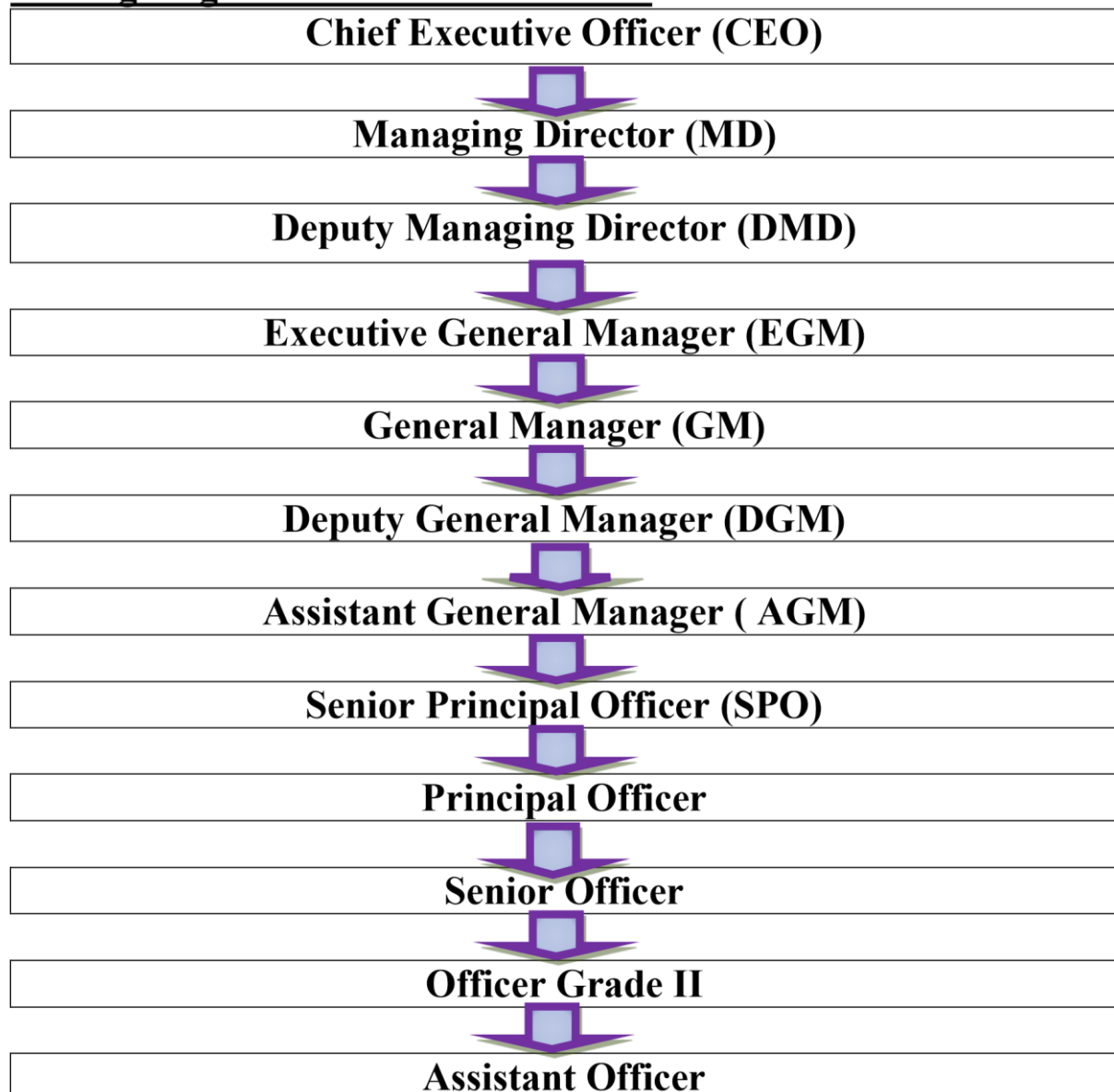
2. Al-Mudarabah:

Mudarabah is a partnership between the fund provider and the user. Depositor here provides fund and the bank does business...

3. Investment Services:

AB Bank Islamic Banking wing provides investment facilities for project finance, working capital finance, SME finance, consumer / retail banking finance etc.

2.9 Organogram of AB Bank Limited:



2.10 SWOT analysis of AB Bank Limited:

<p>Strength</p> <ul style="list-style-type: none"> <input type="checkbox"/> AB Bank is one of the largest and oldest private-sector commercial bank in Bangladesh, <input type="checkbox"/> They have 150 branches for customer service. <input type="checkbox"/> The bank has more than 600 foreign correspondents worldwide. <input type="checkbox"/> They have 2500 employees for ensure best possible and fastest services to its valued clients. <input type="checkbox"/> They have an 18-storied building at Motijheel of their own. <input type="checkbox"/> Working environment of ABBL is such Wonderful. 	<p>Opportunities</p> <ul style="list-style-type: none"> <input type="checkbox"/> The external environmental analysis may reveal certain new opportunities for profit and growth. <input type="checkbox"/> They have a great opportunity of leading banking institution and to play a pivotal role in the development of the country though they have 150 branches. <input type="checkbox"/> Bank can offer new innovative products.
<p>Weakness</p> <ul style="list-style-type: none"> <input type="checkbox"/> The Bank does not have any formal promotional activity, does not give any sort of advertisement or does not have any marketing activity. <input type="checkbox"/> There is some online and mobile banking facility. <input type="checkbox"/> Limited number of ATM booth. <input type="checkbox"/> The remuneration of the officers of AB Bank is lower compared to other private Banks. This is why high skilled human resources are discouraged to join here. <input type="checkbox"/> The decision making of the Bank is too much centralized. No decision is made without the authorization of the head Office. 	<p>Threats</p> <ul style="list-style-type: none"> <input type="checkbox"/> Compete with the huge number of competitors in the market. <input type="checkbox"/> Changes in the external environmental also may present threats to the firm. <input type="checkbox"/> Going with new strategy would be risky.

Chapter three

Theoretical Background

3.1 Theory of Ratio

Ratio analysis is the most effective way to evaluate a company or organization. By this a company can take the proper decision to make an investment. Most of the financial institution is depending on it just to make their investment is going to in productive sector. With these tools now a day's people can take decision about their short term & long term financing. Ratio can make the results so approximate to practical. Only ratio can express the comparative result on the basis of logical calculation. There are many kinds of ratio now days. People are creating different software to get proper analysis of their respected balance. Basically ratios are categorized in five ways in banking sector. These are given below:-

1. Liquidity Ratio
2. Asset Activity Ratio
3. Efficiency Ratio
4. Profitability Ratio
5. Credit Risk Ratio

3.1.1 Liquidity Ratio: Liquidity Ratio is the ratio by which a company can calculate the company's ability to meet up the amount of liability to creditor. Most of the firm used to take a large amount of loan from respected lender to expand its productive activity. Against the loan a company has to calculate the cost of capital. Because a levered company is more beneficial compare to unlevered company. So in that case for a company has to maintain liquidity ratio to aware of its liability to creditors. There are some liquidity ratios those are given below.

1. Cash Ratio.
2. Cash to Assets Ratio.
3. Cash to Deposit Ratio.
4. Loan to Total deposit ratio.
5. Loan to total assets ratio.

3.1.2 Asset Activity Ratio: It modifies the various kind of account in the financial statement in consideration of cash & time. By this ratio an institution can measure its perfect time to make a transaction in cash or credit. In the perspective of banking sector it covers two ratios. These are given below:

1. Fixed Assets Turnover.
2. Total Asset Turnover.

3.1.3 Efficiency Ratio: It implies the percentage of assets return compare to its total cost. On the others hand, it measure the income has made by using 100% asset. The higher the ratio indicates the better operation of the company. Sometimes it ensures the respected creditors about to buy more common stocks. Some ratios are responsible for creating efficiency in a company these are:-

1. Interest Income to Expense ratio.
2. Operating Expense to asset ratio.

3. Operating Income to Asset Ratio.
4. Operating Expense to Revenue Ratio.

3.14 Profitability Ratio: The ratio measure the company's ability in format of profit remaining after deducting all costs. Every company wants to get biggest than big profit in consider of its total operating activities. It can indicate the investment opportunity to a firm about to take decision. By the ratio new investors for a company can take decision at to have investment. There are some ratios which are considered as profitability ratio.

Those are given below:

1. Return on assets.
2. Return on equity.
3. Interest Spread.
4. Net Interest Margin.
5. Operating Profit Margin.

3.15 Credit Risk Ratio: The ratio refers the probability of credited money to return. If the respected loan amount does not make interest it has the most probability to be default. End of the day it will consider as non-performing loan. It used to calculate by two ways.

1. Equity to Total asset.
2. Equity to net loan.

3.2 Common Size Analysis

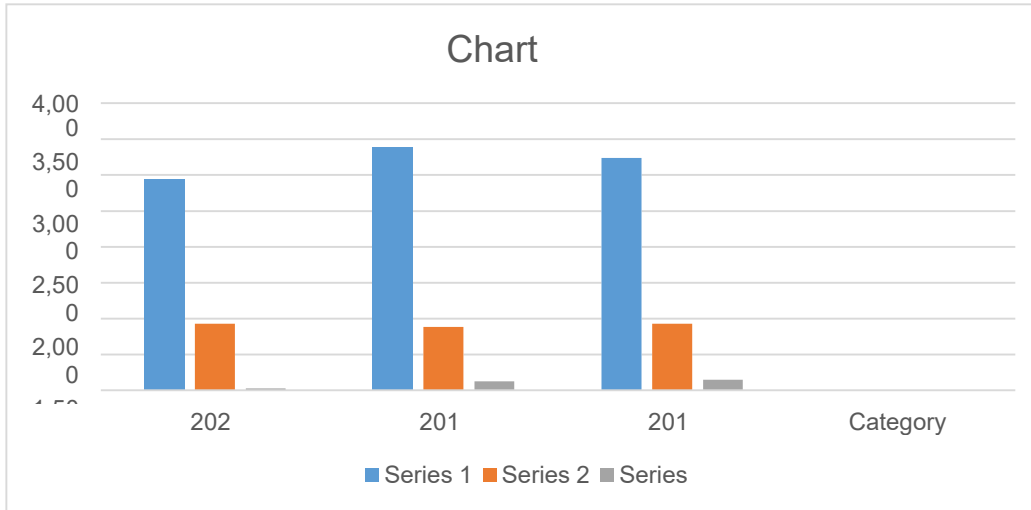
Common size or vertical analysis is a method of evaluating monetary statistics by means of expressing each item in an economic announcement as a proportion of a base amount for the equal time period. A company can use this analysis on its stability sheet or its profits statement. A balance sheet summarizes the company's property (things that it owns that have value) its liabilities means the amounts it owes to others, and its fairness means an owners funding in the business. A profit assertion shows the company's revenues means amount of cash it made through promoting its goods and services and its prices means the amount of cash it spent to earn its revenues.

3.3 Trend Analysis

Trend analysis regularly refers to methods for extracting an underlying pattern of behavior in a time series which would otherwise be partly or almost completely hidden by means of trend. If the trend can be assumed to be linear, trend analysis can be undertaken inside a formal regression analysis, as described in trend estimation. Trend analysis is a mathematical technique that makes use of historical outcomes to predict future outcome. This is done by tracking variances in value and time table performance. The accounts listed help decide if the company is going through any type of financial stress. When trend analysis is performed, an organization is capable to see if its monetary position is enhancing or declining based as the length and the items on the statements for all later intervals are compared with gadgets on the statements of the base period. The adjustments are normally shown in percentage.

Chapter Four

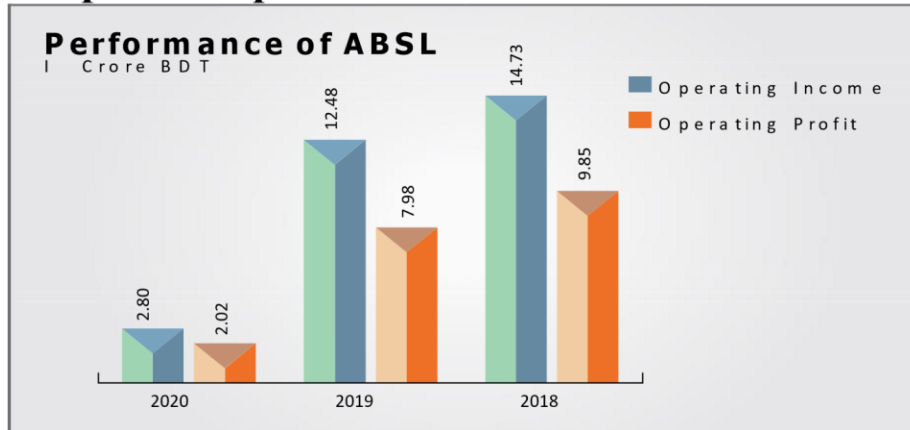
Performance Analysis



4.1 Performance of ABL Bank Limited:

Particulars	2020	2019	2018
Number of Clients	2,942	3,385	3,238
Margin Loan Disbursed (Million Tk.)	930.53	881.89	926.45
Operating Income (Million Tk.)	27.59	124.75	147.39
Operating Profit (Million Tk.)	(20.21)	79.76	98.48
Earnings Per Share (Tk.)	0.01	.15	.25
Total Turnover –Trade (Billion Tk.)	18.32	20.07	38.86

Graphical Explanation:

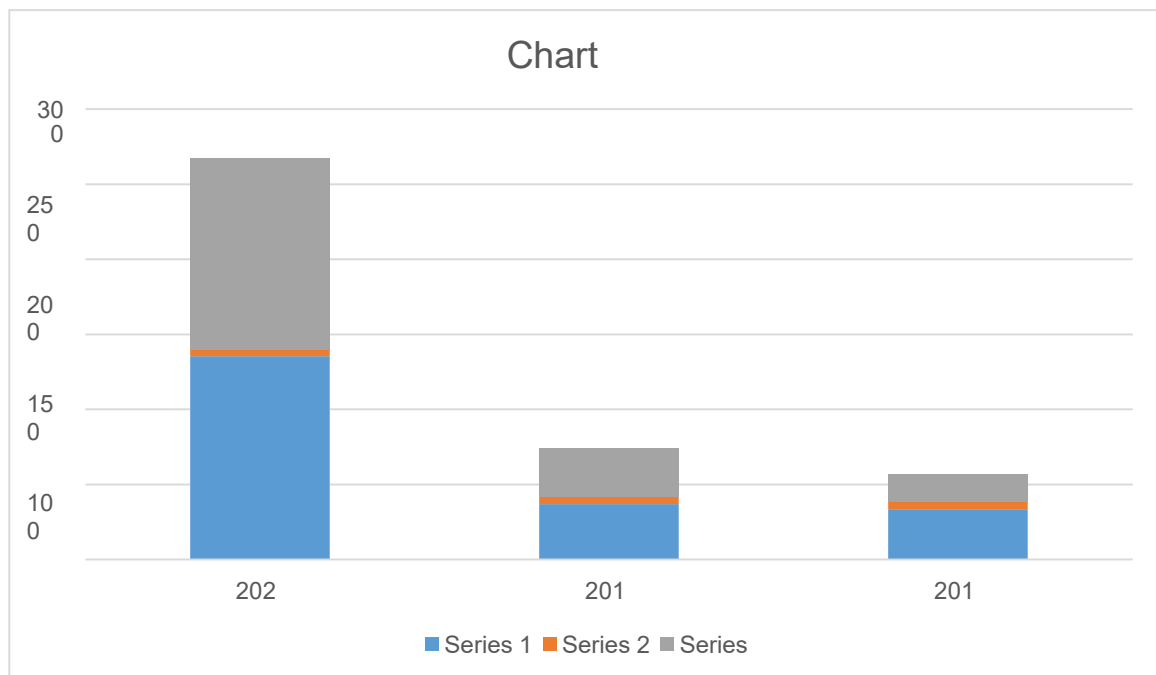


4.2 Cash link Bangladesh Limited (CBL)

CBL is a subsidiary of AB Bank Limited. CBL incorporated on 24th September 2008 with the following objectives:

- To carry on the business of providing integrated electronic financial payment to AB and other member Banks
- To do Transaction Processing solutions in Bangladesh, including coordination and deployment of independent branded automated teller machines (ATM)
- To facilitate Electronic Fund Transfer through Points of Sale (EFT POS) and provide pre-paid Card
- Debit Card, Credit Card processing services, etc.
- To facilitate E-commerce facility to our clients

Amount in Lac Taka



Particulars	2020	2019	2018
Total Operating Income	135.55	36.89	33.19
Total Operating Expense	4.53	5.08	5.49
Profit After Tax (PAT)	127.37	31.82	18.41
Total Shareholder's Equity	744.66	617.29	585.48
Total Asset	823.94	791.88	763.33

Arab Bangladesh Bank Foundation (ABBF)

4.3 Performance Highlights:

As one of the most highly regulated industries in the world, investors have some level of assurance in the soundness of the banking system. As a result, investors can focus most of their efforts on how a bank will perform in different economic environments. In 2019, the banking sector witnessed some unsavory developments through major indicators such as rise of non-performing loans, lower capital adequacy and the overall lack of stable policy in the sector. Amid a challenging economic and business environment, which prevailed throughout 2019, AB registered following financials:

BDT in core

Particulars	Consolidated		Change	Solo		Change
	2020	2019	%	2020	2019	%
Interest Income/Profit on Investments	2,695.42	1,981.09	36%	2,671.55	1,946.75	37%
Interest paid/profit on deposits and borrowings, etc.	1,886.85	1,758.04	7%	1,884.68	1,755.74	7%
Net Interest Income	808.57	223.04	263%	786.87	191.01	312%
Other Income	496.84	692.29	-28%	501.53	673.77	-26%
Operating Expenses	658.29	571.40	15%	643.43	557.27	15%
Operating Profit	647.11	343.94	88%	644.97	307.51	110%
Provisions for loans & others	510.85	273.63	87%	514.05	251.91	104%
Profit Before Taxation	136.26	70.31	94%	130.92	55.60	135%

Provisions for Tax	123.93	65.99	88%	114.14	53.77	112%
Profit After Tax	12.33	4.32	185%	16.77	1.83	817%

Net interest income of the Bank increased in both consolidated and solo basis. Interest paid on deposits and borrowings have 7% growth in 2019. Operating expense increased by 15% mainly for loan loss charges BDT 111 core in 2020 but fee based income reduced by 26% in 2019. In 2020, Bank was able to maintain Profit after Tax of BDT 12.33 core and BDT 16.77 core only on consolidated and solo basis respectively.

Asset Quality:

BDT in crore

Particulars	Consolidated		Change	Solo		Change
	2020	2019	%	2020	2019	%
Total Loans and Advances	26,438.50	24,918.53	6.10%	25,651.25	24,107.01	6.41%
Unclassified	21,749.45	16,945.75	28.35%	20,962.20	16,134.23	29.92%
Standard	20,185.80	13,952.23	44.68%	19,398.55	13,140.71	47.62%
Special Mention Account	1,563.65	2,993.52	-47.77%	1,563.65	2,993.52	-47.77%
Classified	4,689.05	7,972.78	-41.19%	4,689.05	7,972.78	-41.19%
Sub-standard	221.97	414.56	-46.46%	221.97	414.56	-46.46%
Doubtful	325.47	380.91	-14.56%	325.47	380.91	-14.56%
Bad Loss	4,141.61	7,177.31	-42.30%	4,141.61	7,177.31	-42.30%

Main challenge of the Bank is to maintain its quality of assets. At the end of 2020 Bank reduced 41% classified loan through recovery/rescheduling. 2020's prime focus has been set

by the Board to improve the asset quality, recovering classified and written off loans, restructuring loan portfolio in order to improve the profitability.

Capital Position:

BDT in core

Particulars	Consolidated		Change %	Solo		Change %
	2020	2019		2020	2019	
Risk Weighted Assets (RWA)	33,421.14	33,303.67	0.35%	33,137.52	32,958.30	0.54%
Credit Risk	30,292.97	30,039.36	0.84%	30,131.81	29,860.81	0.91%
Market Risk	806.09	696.53	15.73%	692.12	611.65	13.16%
Operational Risk	2,322.09	2,567.78	-9.57%	2,313.59	2,485.85	-6.93%
Regulatory Requirement	12.50%	11.875%		12.50%	11.875%	
Capital Requirement	4,177.64	3,954.81		4,142.19	3,913.80	
Capital Maintained	3,539.83	3,490.93	1.40%	3,354.71	3,304.61	1.52%
Tier-I	1,981.36	2,033.81	-2.58%	1,871.16	1,919.42	-2.51%
Tier-II	1,558.48	1,457.13	6.96%	1,483.55	1,385.20	7.10%
Capital Surplus/ (deficit)	(637.81)	(463.88)		(787.48)	(609.19)	
Capital to Risk Weighted Asset Ratio (CRAR)	10.59%	10.48%		10.12%	10.03%	
Tier-I	5.93%	6.11%		5.65%	5.82%	
Tier-II	4.66%	4.38%		4.47%	4.20%	

At the end of 2020 Bank was able to maintain CRAR @10.59% and 10.12% on consolidated and solo basis respectively against 12.50% (10% minimum and 2.50% capital conservation buffer) regulatory requirement. Risk Weighted Assets (RWA) of the Bank increased near about 1%, where capital increased approximately 2%. Bank is trying to increase its capital by issuing Tier-I and Tier-II equivalent instruments and as well by reducing RWA.

Cash Flow Position:

BDT in core

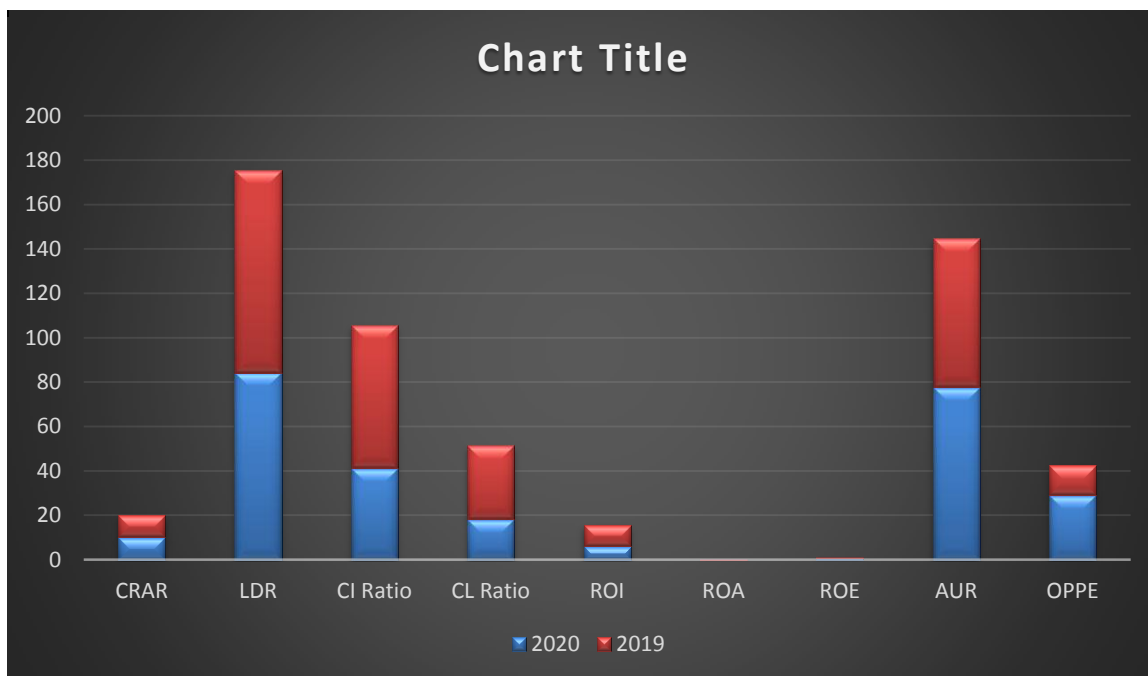
Particulars	Consolidated		Change	Solo		Change
	2020	2019	%	2020	2019	%
Net Cash Flow from/(used in) Operating Activities	2,864.75	(692.67)	513.58%	2,870.27	(683.09)	520.19%
Net Cash Flow from/(used in) Operating Activities	(1,855.22)	214.15	-966.32%	(1,846.35)	226.47	-915.27%
Net Cash Flow from/(used in) Financing Activities	(139.92)	264.90	-152.82%	(139.92)	264.90	152.82%
Net Increase/Decrease in cash	869.60	(213.63)	-507.08%	884.00	(191.72)	561.09%
Net Operating Cash Flow Per Share (NOCFPS) (BDT)	37.79	(9.14)	46.92	37.86	(9.01)	46.87

Major component of net cash flow from operating activities was operating profit after elimination of the effect of depreciation and provision and non-cash items in Profit and Loss Account. Changes in operating assets and liabilities i.e. changes in loans, deposits and short term borrowing mainly affected the cash flow from operating activities. Net Operating Cash Flow per Share increased compare to the corresponding previous year.

Particulars	2020	2019
Capital to Risk Weighted Assets Ratio (CRAR)	10.12%	10.03%
Loan Deposit Ratio (LDR)	84.28%	91.09%
Cost Income Ratio	41.35%	64.44%
CL Ratio	18.28%	33.07%
Return on Investment (ROI)	6.07%	9.58%
Return on Assets (ROA)	0.05%	0.01%
Return on Equity (ROE)	0.74%	0.08%
Assets Utilization Ratio	77.80%	66.61%

Operating Profit Per Employee (Lac/Taka)	29.18	13.31
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Graphical Presentation



Performance of the Bank - analysis:

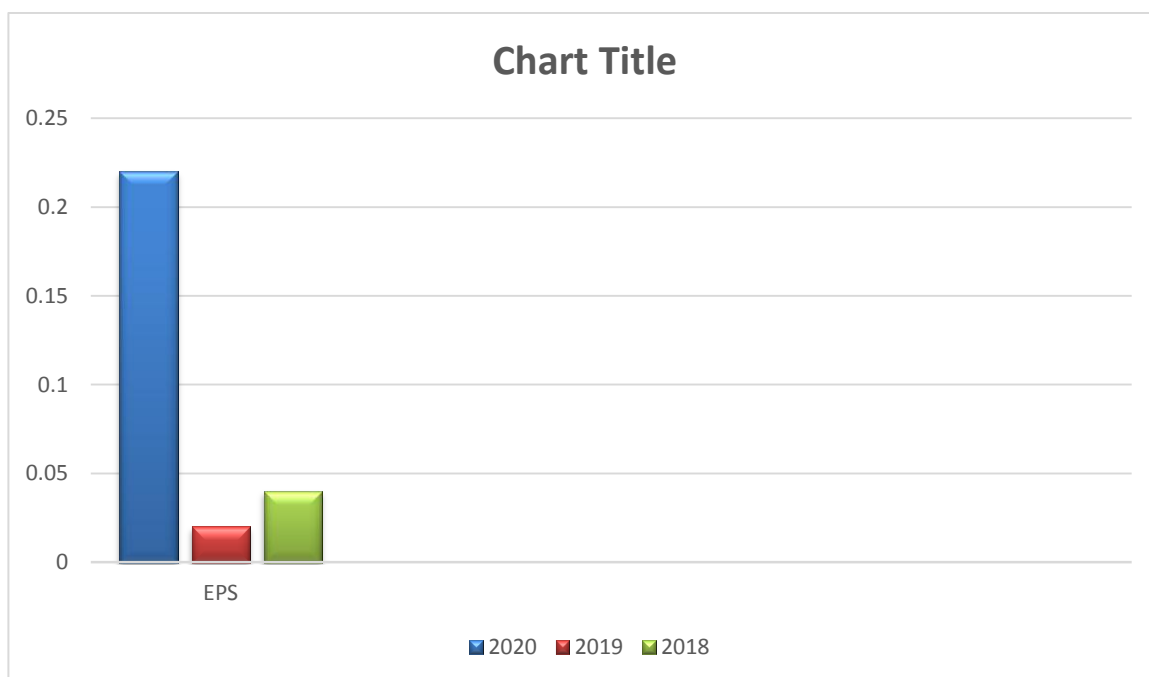
Particulars	2020	2019	2018
Loans & Advances	25,651.25	24,107.01	22,964.73
Deposit	27,945.76	23,544.48	23,595.43
Export	5,511.00	7,345.00	7,511.00
Import	4,737.00	8,963.00	10,492.00
Remittance (core USD)	26.50	33.00	30.00

Financial and performance:

Particulars	2020	2019	2018
Interest Income/Profit on Investments	2,671.55	1,946.75	1,756.70
Interest Paid/Profit on Deposits and Borrowings, etc.	1,884.68	1,755.74	1,489.69

Net Interest Income	786.87	191.01	267.01
Other Income	501.53	673.77	767.69
Operating Expenses	643.43	557.27	587.09
Operating Profit	644.97	307.51	447.61
Provisions for loans & others	514.05	251.91	463.41
Profit Before Taxation	130.92	55.60	(15.80)
Provisions for Tax	114.14	53.77	(18.76)
Profit After Tax	16.77	1.83	2.96
Earnings Per Share-EPS (Tk.)	0.22	0.02	0.04

Graphical Presentation



For the year ended December 31, 2020

Equity Position:

BDT in core

Particulars	2020	2019	2018
Paid-up Capital	758.13	758.13	758.13
Retained Earnings	581.72	590.52	601.19
Statutory Reserve	687.21	662.34	654.92
Other Reserves	257.00	254.07	262.87
Total	2,284.05	2,265.06	2,277.11

Cash flow Movement

BDT in core

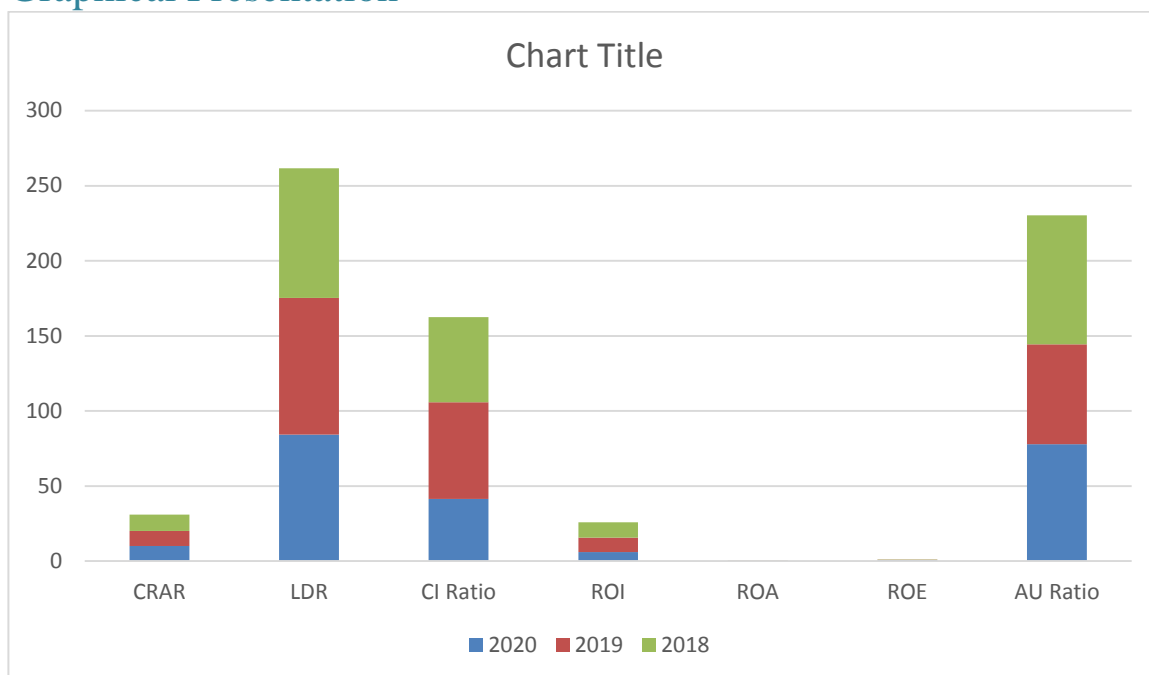
Particulars	2020	2019	2018
Net Cash Flow from/(used in) Operating Activities	2,870.27	(683.09)	(918.36)
Net Cash Flow from/(used in) Investing Activities	(1,846.35)	226.47	166.69
Net Cash Flow from/(used in) Financing Activities	(139.92)	264.90	(61.61)
Net Operating Cash Flow Per Share (NOCFPS)	37.86	(9.01)	(12.11)

Key Ratios

Particulars	2020	2019	2018
Capital to Risk Weighted Assets Ratio (CRAR)	10.12%	10.03%	10.80%
Loan Deposit Ratio (LDR)	84.28%	91.09%	86.24%
Cost Income Ratio	41.35%	64.44%	56.74%
Return on Investment (ROI)	6.07%	9.58%	10.18%
Return on Assets (ROA)	0.05%	0.01%	0.01%
Return on Equity (ROE)	0.74%	0.08%	0.13%

Assets Utilization Ratio	77.80%	66.61%	85.86%
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Graphical Presentation



4.4 Accounting Policies and Estimation for Preparation of Financial Statements:

The consolidated and separate Financial Statements of the Bank have been prepared for the year ended December 31, 2020 in accordance with the measurement and recognition requirements of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which have replaced Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) vide circular no. 1/1/ICAB-2017 of the Institute of Chartered Accountants of Bangladesh, the accounting standard setting body for Bangladesh, dated 14 December 2018 for due period begins on or after 1 January 2019. The financial statements cover a full set of Financial Statements which comprise of consolidated and separate Balance Sheets, Profit or Loss Accounts, Cash Flow Statements, Statements of Changes in Equity, Liability Statements and relevant notes and disclosures. The Financial Statements have been prepared under historical cost convention, except investments categorized under treasury securities in accordance with Bank Company Act, 1991 (amendment up to 2019); BRPD circular no. 14 dated 25 June 2003, the Companies Act, 1994; the Securities and Exchange Ordinance 1969, Securities and Exchange Rules 1987 and other laws and rules applicable for the Bank.

4.5 Discussion & Analysis

For the year ended December 31, 2020

Changes in Accounting Policies and Estimation:

The preparation of consolidated Financial Statements and Financial Statements of the Bank required management to make judgments, estimates and assumptions that affected the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions have been reviewed considering business realities. Revisions of accounting estimates have been recognized in the period in which the estimates have been revised and in the future periods affected, if applicable.

All intergroup balances, transactions, income and expenses are fully eliminated while preparing the consolidated financial statements.

In 2019 following policy/accounting estimates has been changed:

- The Bank has adopted IFRS 16 Lease new accounting pronouncements from the year, which replaces IAS 17 'leases'. The adoption of this new standard has resulted in ABBL recognizing a right-of-use assets and related lease liability in connection with all former operating lease except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.
- The Bank changes the estimated useful life of Core Banking Hardware from five years to eight years. As per IAS-8 it is a change in estimation and will affect the Financial Statements prospectively from the year 2019.

Chapter Five

Recommendation & Conclusion

5.1. Recommendations

- Continuous Customer Service Training is required to improve greeting skills, which has reflection on the level of courteousness with which the officer interacts with customers.
- Reinforce the culture of answering inquiries as exhaustively as possible rather than just giving a basic answer covering the bare essentials. This depicts service personnel's professionalism, especially with regard to the services Offered by the bank and highlights the service personnel's capability, efficiency and knowledge.
- Reinforce the need for staff to initiate contact with customers and to acknowledge their presence, even if by body language if not verbally. "Showing Customers You Care".
- Remind staff of the requirement to wear a name badge in the workplace which is visible to customers.
- Give guidance to staff about giving business cards to customers during the service delivery. This is being insufficiently practiced in some branches as noted earlier, but this is a part of Customer Care standards.

- The service personnel should complete his/her service by expressing thanks/welcome, invite the customer to return, and maintain a smiling face throughout in order to make a good impression. Thus, customers can feel that they are always welcome to the bank.
- Signage instructions should be visible in different places or sections as appropriate, so that they are easily noticeable to customers.

5.2 Conclusion

As a commercial bank, it has many regular functions like different commercial bank. Without those the financial institution has a gorgeous contribution in the experienced banking to guard the environment with the local financial challenges globally. An awesome duty is carried out with the aid of the financial institution is the clearing housing characteristic on behalf of the Bangladesh bank.

Nowadays Banking institutions are one of most major parts of an economy. Presently bank outfit have different contributions for singular, restrictive firms, bunches not withstanding for development criteria. AB Bank has earned the ubiquity of best banking administration in Bangladesh. The Association is an entire with additional organized as opposed to some other money related association running neighborhood or outside in Bangladesh. AB bank takes favorable position of any risk in the banking division with the great affirmed and talented human. Like American express credit card, Special Budgetary establishment account and administration in the managing an account area of our nation, it is pioneer in presenting numerous new monetary items. Bangladesh with the AB Bank Ltd. in this entry level position paper. After all analysis, I can say that comparatively AB bank's performance was higher in some sectors than the other banks. In deposits aspect other listed banks Performances have been higher than AB bank.