INTERNSHIP REPORT ON AB

(Arab Bangladesh) BANK

SWOT Analysis of AB Bank Ltd.

Prepared For

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Date 29.09.2020

Letter of Transmittal

29.09.2020

Dr. Khandoker Mahmudur Rahman
Associate Professor
School of Business & Economics
United International University

Subject- **Submission of the Internship Report**

Dear Sir:

I would like to submit my internship report on AB Bank, which has been prepared for completing my BBA Program of United International University.

AB Bank is the 1st Private Bank in Bangladesh. AB bank first established in 31st December 1981. AB bank first founded on April 12, 1982 in Dhaka Bangladesh. Now AB bank has in total 105 branches in Bangladesh.

While working on the report, I have tried to follow each & every guideline that you advised me to follow. It has been a great experience for me to work in corporate venture & I have enjoyed my internship period at AB Bank.

Sincerely,

S.M. Tasneem Al Arif

ID- 111 161 064

Acknowledgement

I would like to express my gratitude to Almighty Allah for enabling me to complete this internship report on AB Bank. I would like to thank my Internship Supervisor Dr. Khandoker Mahmudur Rahman, Associate Professor, UIU, who has helped me in every steps of my internship. I am very much grateful to Ms. Shamshia I Mutasim (Head of Human Resource Management & Development) & Mr. Md. Aminur Rahman (Head of General Banking Operation) for giving me the opportunity to complete my internship at AB Bank.

I am also thankful to my branch manager Md. Mahtab Uddin & Operation Manager Md. Nazim Uddin and all other individual officers, for their support & co-operation that I have been provided for preparing my report. I practically worked with them, try to share their perception, feeling and on the basis of my realization, I've prepared the report from my own point of view. Then at last I shall be grateful to those people who read this report & who shall get benefit from this report at present & future.

Declaration

I am S.M. Tasneem Al Arif, Student of School of Business & Economics (Marketing) of United International University, Bangladesh, Do hereby declare that the Internship Report on AB Bank is an original work and has not been previously submitted for any degree, diploma, title or recognition.

S.M. Tasneem Al Arif

School of Business & Economics

United International University

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Executive Summary

AB bank is the 1st commercial bank in Bangladesh. It's been almost 38 years AB bank is serving our country their best product & quality services. AB bank launches so many new products for the existing customers and also for new customers. AB bank first introduced Sampurna product which is only for housewives of our country. AB bank still launching new products for their clients. Recently they launched their new product which is called AB height. Whatever the situation is AB bank always try to give best service to their clients and best product quality to their clients. Even though AB bank has major advantage in our country still lack in some sector which causes them to face threats in real life. Also AB bank has great opportunities to improve in those sectors so that they can regain their position at top again.

Chapter 1 contains the basic information of the report. Chapter 1 is divided into many subclasses. In chapter 1 at first we discussed the introduction part of our organization which is AB bank. Then we write down the topic name which is SWOT Analysis on AB bank. We discussed our origin of report, background of report & objectives of the reports. There are three objectives one is general objectives, second one is broad objectives and the last one is specific objectives. We also discussed the methodology of the report & scope of the report. We discussed the methodology of the report in two way one is primary another one is secondary. Then we finished our chapter 1 with some limitation of which I faced while preparing the report.

In chapter 2 we discussed about the organization part. In organization part we look into the organization overview. We gather information about the organization from both internally and externally. We look out to the recent board of director of AB bank & we created a list of them. We created a portfolio of AB bank. In portfolio we discussed about the AB Investment Limited (ABIL). Also we discussed some operational procedure of it. Then we figured the recent Fees & charges.

In chapter 3 we discussed about the project part of the report. At first we analyzed the situation of AB bank with the help of Michel porters framework five force model. Then we briefly discussed about the threats of new entrants, bargaining power of buyers, threats of substitutes, rivalry among existing competitors in terms of banking sector in our country. Then we briefly discussed about the general banking section of AB bank. In general banking section we briefly discussed about the main products of AB bank and recent interest rate of AB bank products. Then we started to discuss our main topic of the report which is SWOT analysis on AB bank. At first we point out the Strengths, weaknesses, opportunities & threats of AB bank. Then we briefly discussed each section. We found out so many Strength, weaknesses, Opportunities & possible threats which AB bank is going through. After discussing this we finished our chapter 3 and moved on to chapter 4 which is basically the findings & analysis during my internship on AB bank. In this section there are some points of the findings & analysis. In Chapter 5 we gather the financial report of AB bank 2018 from their website and figured here. In chapter 6 there some recommendation based on the findings and analysis in chapter 4. In chapter 7 conclusion part is written & also references are given in chapter 8.

Chapter 1- Background of the problem

1.1 Introduction

AB Bank is the 1st private commercial bank in Dhaka, Bangladesh. Banking sector plays vital role in nation's financial stabilities. From the very beginning AB Bank currently now with 105 branches operating or providing services in Bangladesh with honor. Now days beside proper business growth, coping with market condition and ensuring proper quality service have become an important agenda for all the commercial banks. Keeping this thought in mind ABBL is performing continuous customer engagement exercise to review branch compliance & customer service involving an external company. From the beginning AB bank committed to provide strong standard of service to their clients. AB bank always gives the best priority to their customer demand. AB bank must define all category customers and realize all volume of customer experience so that they can have long term success. With an ambition to secure its place as the leading service provider, creating lasting value for its clientele, shareholder, and employees and particularly for the community it operates in, AB has formulated a golden heritage and an envious legacy that may not be imitated by many. Achieving plenty of milestones and incorporating numerous changes over the last 37 years, AB has always been authentic to its desire of being the technology driven innovative bank of Bangladesh. To excel this new era of technological triumph, AB has successfully introduced internet banking, SMS banking, cutting edge ICT, state-of-art network solution, 24/7 ATM service and many other e-products. AB bank provide different sort of products to their customers. AB bank has various products such as Saving, FDR, Different kind of Deposit Schemes, Student AB, for women Sampurna etc. Recently AB bank launched their new product which is called AB heights. During my Internship I have worked with all of the products of AB bank and learned about the purpose of different products necessity. AB bank knows about their Customers Priority, That's why AB bank always found out best way to serve them in every possible way.

1.2 Topic of the Report

A topic is the main thing to be set for a report. A well-chosen topic is basically tell what has discussed in the whole report. The topic of this report is SWOT analysis of AB Bank.

1.3 Origin of the Report

In today's world academic knowledge is not enough for students to test their skills or prove themselves to the realities. They must experience the real world outside for better knowledge and to gain more confidence in themselves. A well written report helps a student to know more about the marketing strategies of a company. How they set all their strategies to reach their organizational goals.

1.4 Background of the Report

Internship program is essential for every BBA student to complete their degree. Internship helps business students to learn or get familiar to practical business activities. The student work closely with the organization and learn about their functions and strategies. I have been place in AB Bank Mirpur Branch for my internship. I closely worked with all the officers to get more knowledge about the AB bank, which helps me to finish my report.

1.5 Objective of the Report

Internship is practical and realistic experience for every Business students to understand the situation nearly. It helps student to build their career development strategies. The internship program provides me with following knowledges-

General Objectives

The main and general objective is to complete this report based on the topic. The report will lead us to the existing knowledge about the company in the market. It is important for us also to have objective of our own to complete the report properly.

- During intership visit every day to the branch.
- Work closely with the officers.
- Ask out about their market position and future strategies.
- Take help to prepare the report based on the topic.

Broad Objective

Find out and analyze the current market situation of AB bank and which promotional strategies they can take to make their brand stronger to competitive market.

Specific Objective

As a marketing student I have to do my internship in an organization. So I choose to complete my internship in AB bank. During my internship I had some specific objectives based on the topic of report to complete my report.

- Find out the current strength of AB bank
- Find out the current Weaknesses of AB bank
- Find out the future opportunities of AB bank
- Find out the possible threats that AB bank can face.

1.6 Scope of the Report

This report has been prepared fully by working closely with the AB bank Officers and discuss every situation with them. The officers and manager helped thoroughly to complete my report. I also get great knowledge about their work which was not my topic.

1.7 Methodology of the Report

To complete a Full report everyone must follow some rules and regulations. Study were collected from two sources for my report-

Primary Sources

- Direct Observation
- Face to face conversation with client & officers.
- Face to face conversation with my supervisor.
- Marketing activities and initiatives.

Secondary Sources

- Previously recorded report.
- Websites.
- Circulars of their brand and products.

1.8 Limitation

While preparing report I had to face some limitation. The limitation were faced –

- Some aspects of the report may be considered confidential by the organization.
- Continues change of market product rate.
- Based on my topic very little knowledge was provided by the organization.
- Couldn’t collect more data because of the pandemic Covid-19.

Chapter 2- Organization Part

2.1 Overview of the Organization

Every top organization has their own created vision and mission, which helps to align everyone with the organization. Vision & Mission of AB Bank-

Vision

"To be the trendsetter for innovative banking with excellence & perfection"

Mission

"To be the best performing bank in the country"

CHAIRMAN

VICE CHAIRMAN

BOARD OF DIRECTOR

MANAGING DIRECTOR & PRESIDENT

SEVP SEVP SEVP SEVP

EVP EVP EVP EVP

SVP SVP SVP SVP

VP VP VP VP

SAVP SAVP SAVP SAVP

AVP AVP AVP AVP

SPO SPO SPO SPO

PO PO PO PO

SO SO SO SO

O O O O

Figure 2.1 - Organogram of AB Bank

Figure 2.2 – General Banking Hierarchy of AB Bank

Board of Directors

Figure 2.3 – Board of Directors ABBL LTD.

List of Board of Directors-

Chairman - Muhammad A. (Rumee) Ali

Director - Feroz Ahmed

Independent Director - Kaiser A. Chowdhury

Director - Khairul Alam Choudhury

Director - Shajir Ahmed

President & Managing Director - Tarique Afzal

2.2 Portfolio

AB Investment Limited (ABIL) a company limited by shares has incorporated in Dhaka on December 24, 2009 to deal with Merchant Banking business and started its commercial operation on March 10, 2010. ABIL is also a subsidiary company of AB Bank Limited, provides all types of Merchant Banking services permitted under existing law of the country. AB Bank Limited is the pioneer in banking industry, started its Merchant Banking operation on 2003. Since its inception, AB Bank Merchant Banking wing provided various services which include Issue Management, Portfolio Management & Underwriting and gained an excellent reputation in the market.

We have achieved an unparalleled reputation as a leading Merchant Banker through providing portfolio management services by maintaining a high level of professional expertise and integrity in client relationships. Keeping customer preferences as an investor in mind, ABIL has designed-

- Investors' Discretionary Account (IDA)
- Management Discretionary Account (MDA)
- Non-Resident Investors' Discretionary Account (NRB-IDA).

Operational Procedure-

Opening of the Account: Any two Bangladeshi nationals and NRB of sound mind having a minimum age of 18 years may open three IDA/MDA/NRB-IDA -one each in their single name and the other in their joint names.

Building of Portfolio: A diversified portfolio can be built through investment in IPO, Private Placement and Secondary Market.

Appointment of an Operator: Account holder may appoint any existing account holder of ABIL as an operator of his/her Account.

Application, Transfer and Collection of Shares and/ or Dividends: Arranged by ABIL on behalf of the clients.

Safe Custody of Securities: Securities are kept in the ABIL vault.

IPO and Private Placement: ABIL furnishes the accountholders, information about forthcoming IPOs and Private Placement through FAX, e-mail and letters upon request.

Statement of Accounts: ABIL sends portfolio information to the account holders every 6 months. Besides, the account holders may also obtain information on their portfolios any time upon request. Investors can access their portfolio any time from any part of the country through SMS and Phone Service.

Phone Service: Clients may dial directly to 9569732 Ext-100/102 to get the portfolio position or place trading orders through Phone Service.

Portfolio Statement through Email: Our clients get portfolio statement through e-mail on daily basis whereas MDA clients receive the same on semiannual basis.

Fees & Charge-

Criteria	IDA	MDA	NRB-IDA
Initial Deposit	BDT 10,00,000	BDT 10,00,000	BDT 10,00,000
Loan Facility (optional)	Upto BDT 10 crore	Upto BDT 10 crore	Nil
Documentation charge	BDT 1000.00	BDT 1000.00	BDT 1000.00
Settlement Fee*	0.35% on transaction value	0.35% on transaction value	0.35% on transaction value
Portfolio Management Fee*	0.75% p.a., on Portfolio value, charged quarterly	2.00% p.a., on Portfolio value, charged quarterly	0.00% p.a., on Portfolio value, charged quarterly
Rate of Interest*	14.75% per annum	14.75% per annum	Nil

Figure 2.4- Fees and Charge

Chapter 3 Project Part

3.1 Situation analysis

Michael Porter provided a framework that models an industry as being influenced by five forces. Banking or Financial sector has been immensely changed its element for last few decade. Many banks started to do business both internally and externally. Banking industry is influenced by the porter framework five forces also.

Figure 3.1- Porter Five Force Model

3.2 Threats of new entrants-

Banking sector is more profitable in our country and there is less barrier to enter. When more organization started to compete for same market share over and over then it started to fall. Threats of new entrants in banking sector is low because to start a banking sector in this country around 400 crore taka is required and also political support is needed.

3.3 Bargaining power of buyers-

Buyer can demand lower product price or higher product quality from the producers when they have more bargaining power. Lower price set is bad for the producers because if price is lower than there will be lower revenue for the producers. From the perspective of our country bargaining power of buyers for banking sector is low in our country. Customers has no power to change the set rules and regulation by the Bangladesh Bank. They can't change the interest rate and charges.

3.4 Threats of substitutes-

This force is dangerous for any organization to face. If buyers can easily find better product price with better quality they might change or switch from one brand to another easily. In case of Bangladesh threats of substitute is kind of low because every bank has their own high demand from the customers.

3.5 Rivalry among existing competitors-

This force determines how an industry is more profitable and competitive than their alternatives. Competitive firms always compete aggressively with their alternatives for more market share and profit. Rivalry among existing competitors is high in our country. Because competitors always strong about catching or keeping customers with suitable areas.

3.6 General banking of AB bank

General banking is the basic function of all banking activities. This is the important department of a branch because many activities occur here. Such as cash transaction, clearing remittance accounting activities etc. general banking is also known as a retail banking. AB bank has following department under general banking section-

1. Account opening section
2. Cash counter section
3. Remittance section

4. Clearing section
5. Collection section
6. Cheque book issue section
7. Pay order section.

3.6.1 Account opening section-

Account opening is the where client enter business with bank itself. It basically maintain the banker and customer relationship. This is the most important section of a branch. By opening account in a branch helps to mobilize the funds for investment. There are various rules and regulation are maintained and many procedures to follow here. There are different types of account through this department. Different types of accounts in AB bank-

1. Current deposit
2. Savings Account
3. Short term deposit
4. Fixed deposit
5. Monthly fixed deposit
6. Monthly income deposit
7. AB Heights

3.6.1.1 Current account

Current account is demand deposit account. There is no restriction on withdrawing money from the account. Basically clients open this account for business purpose. There are some rules and regulation of this account-

1. Minimum account opening deposit needed is TK.10007
2. No withdrawal limit.
3. No interest is given upon the deposited money.
4. Must maintain TK. 1000 Always.

3.6.1.2 Savings Account

The main purpose of this account is for small scale savers. There is a restriction in withdrawals of money. There are some rules to follow to maintain this account-

1. Minimum account opening money is required TK. 5000
2. TK. 1000 must be maintain always
3. Withdrawals amount should not be more than one fourth of the total balance.

3.6.1.3 Fixed Deposit

This is a deposit scheme for the customers. There is a time limit for the the fixed deposits which is given in the receipt. Depositors have to withdraw the money with interest when it is matured. Interest rate on fixed deposit is set by Bangladesh bank. Current Fixed deposit rate is –

FDR (1 month & 2 Year) - 6.00%

FDR (3, 6 Month & 1 Year) – 7.00%

Main products of AB bank-

There are many products AB bank is providing to their clients. Some of the products of AB bank are-

- Savings account
- Max saver
- AB heights
- Smart Saver
- Sampurna
- FDR
- MSDS
- DDS
- MIDS

Recent Interest of AB bank Products

Interest rate of all the AB bank products are set by the Bangladesh Bank itself. Without informing Bangladesh Bank AB bank can’t perform any changes to their products.

Recent interest rate is shown in the figure-

AB BANK LIMITED
Treasury Division

Interest Rate on Scheme Deposit w.e.f. February 10, 2020

Product Name	Monthly Savings Deposit Scheme (MSDS)				
Interest Rate	8.00% with tenor-wise monthly installments are as follows:				
	Monthly Installment	Pre-tax maturity after:			
Returns		3 years	5 years	7 years	10 years
	500	20,363	36,859	56,156	91,419
	1000	40,726	73,718	112,312	182,838
	2000	81,452	147,436	224,624	365,676
	5000	203,630	368,590	561,560	914,190
	10000	407,260	737,180	1,123,120	1,828,380

Product Name	Monthly Income Deposit (MIDS)			
Interest Rate	7.00%, 6.00% and 6.00% for 1, 3 and 5 years respectively are as followes:			
	Principal Amount	Tenor	Interest Rate	Monthly Payment
	50,000.00	1	7.00%	291.67
	50,000.00	3	6.00%	250.00
	50,000.00	5	6.00%	250.00
	Principal Amount	Tenor	Interest Rate	Monthly Payment
	100,000.00	1	7.00%	583.33
	100,000.00	3	6.00%	500.00
	100,000.00	5	6.00%	500.00
Returns				
	Principal Amount	Tenor	Interest Rate	Monthly Payment
	500,000.00	1	7.00%	2,916.67
	500,000.00	3	6.00%	2,500.00
	500,000.00	5	6.00%	2,500.00
	Principal Amount	Tenor	Interest Rate	Monthly Payment
	1,000,000.00	1	7.00%	5,833.33
	1,000,000.00	3	6.00%	5,000.00
	1,000,000.00	5	6.00%	5,000.00

Product Name	Millionaire Scheme Account (MSA)					
Interest Rate	8.00%p.a. and tenor wise installments are as follows:					
	Tenors		3 years	4 years	5 years	6 years
	Without initial investment:		25,000	18,100	13,950	11,200
		50,000	23,400	16,900	12,950	10,350
		75,000	22,700	16,300	12,450	9,920
Installment size		100,000	21,900	15,700	11,980	9,500
	With initial investment:	125,000	21,100	15,150	11,480	9,100
		150,000	20,350	14,500	10,980	8,650
		175,000	19,600	13,900	10,500	8,220
		200,000	18,800	13,350	10,000	7,800

Product Name	Deposit Double Scheme (DDS)
Interest Rate	7.00% and Makes money double within 10 years & 3 Months

Product Name	Deposit Double Installment Scheme (DDIS)			
Interest Rate	8.00% and Initial Deposit wise installments are as follows:			
	Principal Amount	Tenor	Interest Rate	Monthly Installment
	50,000.00	3 years	8.00%	990.00
	100,000.00	3 years	8.00%	1,980.00
	500,000.00	3 years	8.00%	9,900.00
	1,000,000.00	3 years	8.00%	19,800.00
	1,500,000.00	3 years	8.00%	29,700.00
	2,000,000.00	3 years	8.00%	39,600.00

Figure 3.2- Scheme deposit interest rate

AB BANK LIMITED
Treasury Division

Interest Rate on Deposit w.e.f. February 10, 2020

Products	Interest Rate
Savings Deposit	3.50%
Max Saver	
Less than 50,000.00	0.00%
Tk. 50,000.00 to less than Tk. 5,00,000.00	3.00%
Tk. 5,00,000.00 to less than Tk. 15,00,000.00	3.50%
Tk. 15,00,000.00 to less than Tk. 30,00,000.00	4.50%
Tk. 30,00,000.00 to less than Tk. 50,00,000.00	5.50%
Tk. 50,00,000.00 & above	6.00%
AB HEIGHT	
Tk. 1,00,000.00 & above	6.00%
Smart Saver	
Less than 5,000.00	0.00%
Tk. 5,000.00 to less than Tk. 2,50,000.00	1.00%
Tk. 2,50,000.00 to less than Tk. 5,00,000.00	1.50%
Tk. 5,00,000.00 to less than Tk. 15,00,000.00	2.50%
Tk. 15,00,000.00 to less than Tk. 25,00,000.00	3.50%
Tk. 25,00,000.00 & above	4.50%
Student Account	6.00%
Shampurna	6.00%
FSP (Family Savings Plan)	4.50%
Payroll Management	3.50%
SND (Special Notice Deposit)	
Less than 1,00,00,000	2.50%
1,00,00,000 to Less than 25,00,00,000	3.25%
25,00,00,000 to Less than 50,00,00,000	4.25%
50,00,00,000 to Less than 100,00,00,000	5.00%
100,00,00,000 and Above	7.00%
SME DEPOSIT- Progati	
Less than Tk 24,999	Nil
Tk. 25,000 to Tk. 4,99,999	1.50%
Tk. 5,00,000 to Tk. 9,99,999	2.50%
Tk. 10,00,000 and above	3.50%
Security Deposit Receipts(SDR)	3.00%
NFCD	Rate as per Daily FX rate
FC & RFCD(Minimum balance USD 1000 or GBP 500 or its equivalent for other currency & minimum tenor one month)	Rate as per Daily FX rate

Fixed Deposit (Time Deposits)	
1 (One) Month:	
Any amount	6.00%
3 (Three) Months:	
Any amount	7.00%
6 (Six) Months:	
Any amount	7.00%
1 (One) Year:	
Any amount	7.00%
2 (Two) Years	
Any amount	6.00%

Figure 3.3- Savings, AB heights, Shampurna, FDR Interest rate

3.7 SWOT Analysis of AB Bank

SWOT ANALYSIS

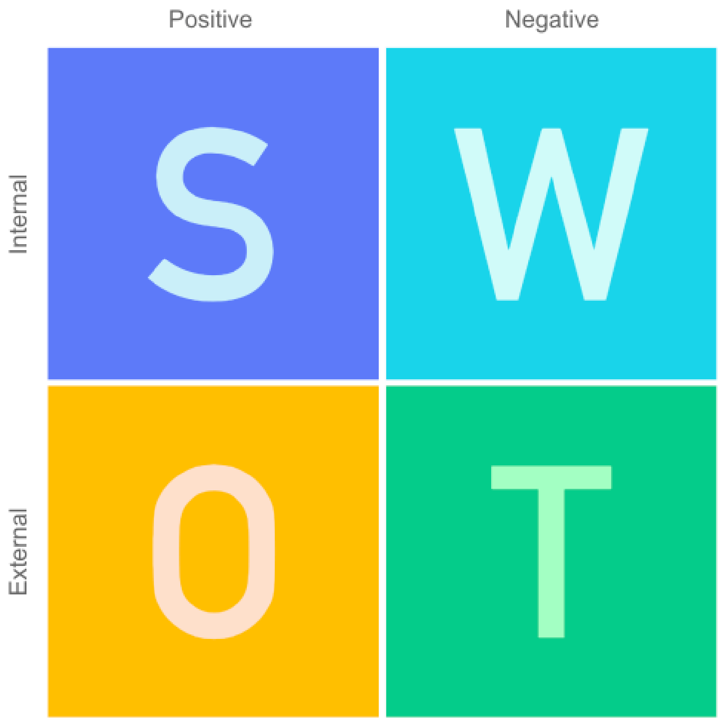

Figure 3.4 – SWOT Analysis of AB BANK

SWOT analysis is a strategic planning technique, which helps a company or an organization to achieve objectives by being aware of internal and external, favorable & unfavorable situation (Andaleeb & Hasan, 2016) . SWOT analysis helps to identify external opportunities & threats as well as internal strengths & weakness (Rahman, 2016). In other word overall evaluation of a company's or an organizations strength, weakness, opportunities & threats is called SWOT analysis (Thompson & Strickland, 2003). A SWOT analysis of AB bank is as follows:

Strength-

- AB Bank is the first private bank in Bangladesh. For that AB Bank has strong brand image in Bangladesh.
- AB bank committed to its customers for their better customer service, innovative & speedy solution to their problems.
- Because AB bank has strong brand value & image in Bangladesh their shares are one of the most actively traded stocks on Dhaka Stock Exchange.
- AB Bank has good resources and personnel training facilities for both middle and lower levels officers. With the speed of technological diffusion AB bank able to cope up with technological changes.
- Because of strong brand image & value AB bank has lots of clients trust and confidence of public in Bangladesh.
- Board of directors & Top level managements are well educated and properly executing all the strategies to gain even higher brand value & image in Bangladesh.
- AB bank do some campaign of their new product or service.

Weakness-

- In AB bank, Some Banking processes are too long to complete & there so many formalities to maintain for it.
- Slow progress in new banking system.
- Bottom level employees & even mid-level managers can’t take part in any decision making processes, which is not effective for the banking improvement.
- AB bank has a big number of employees nowadays. Some of the employees are not sound and loyal as they are supposed to be.
- Because of high brand image AB bank doesn’t promote their brands or products regularly because of their over-confident about their brand value.
- AB bank has high fixed deposits every year, which lead them ending by paying higher interest expense for their deposit mix.

- AB bank employees are not properly introducing about their products to their clients.

Opportunities-

- AB bank can Develop more Innovative products for their clients and communicate overall product information briefly in an understandable way to their clients.
- AB bank can start providing premium service banking facilities to their clients. Such as sending clients account statement to their email.
- AB bank should focus more on online banking service, Because of the technological diffusion.
- AB bank should open more branches except Dhaka & Chittagong. They should concentrate more on rural people of Bangladesh.
- As all the private local commercial banks operate in a same way in Bangladesh, if somehow AB bank can differentiate their financial products & services than others that will boost up their market share and Brand image.

Threats-

- AB bank is facing strong competition against fast pacing Private commercial banks. Main competitors of AB bank are Dutch Bangla Bank, Southeast Bank.
- Banking business areas are nowadays going downward, because of its services & products are diversifying in other financial sectors. They are surviving by doing general banking, which is a big threat for them.
- Because of Bangladesh central bank decides all the interest rates, Private commercials banks can’t uniquely differ themselves with each other’s.
- Technological advancement causing every bank employees lack behind with the technological knowledge. Some of the AB bank Employees are also facing lack of the technological knowledge and importance of technology in banking service.

Strength of AB bank (Further Discussion)

AB bank is the first commercial private bank in Bangladesh. Because it is the first bank Bangladesh people had, that's why the brand value of this bank will always stay strong to this culture. AB bank is serving our country more than 30 years. Customer loyalty is so high for this bank in our country. AB bank has their own created personal training facilities for train both middle and lower level officers. AB bank always go beyond their service to give proper quality to their clients. AB bank did not created their place at the top because they were the 1st private bank, but they created their space strongly in our culture by providing best service to their customers. They seek out every best possible service which benefits both the customers and their business. Sometimes they faced during their service such as account opening delay, cheque book delay etc. But they always came up with speedy solution to fix this problems during their service which also helps them to become best commercial bank in our country. AB bank is well known in our country that's why whenever AB bank recruit their Top level Managers they always choose the best or right person for the position. Board of Directors of AB bank are highly educated which helps them to come out with the best solution to provide their service better than competitors. They always execute their marketing strategies properly which helps them to gain more market share. Because of these strengths AB bank has customers always find it trustworthy and reliable. Also AB bank is increasing their service facilities with the speed of technological diffusion. AB bank always manage to cope up with the technological change happen in our country. AB bank needs to train their employees with the knowledge of technology so that in any situation of technological advancement employee can cope up with it. Whenever AB bank launches new product service in our country they always goes out for campaign. For example recently AB bank set a campaign for their newly launched product AB heights. So they went in every College, Medical near there branch to tell about their new product service. Which is great to increase their brand image and loyalty more to their existing customers & also to their new customers. These strength also help AB bank to create their position at the top in our country.

Weaknesses Of AB bank (Further discussion)

As always every organization has their own weaknesses. AB bank has lots of good strengths as an organization. To maintain their position at the top they also lack something which causes them to fall of their position sometimes. As AB bank execute their strategies and plan properly and with high vision, it requires too much formalities to follow. Because of too much formalities the required banking processes take too long to execute which makes a disadvantage for them. Clients always get bored when there is time consuming process going around in the banking process. Bottom level officers or employees always not that much fond of clients time so they delay the normal process such as account opening, remittance clearing etc. which cause AB bank a great disadvantage in their brand value. Bottom level employees & sometimes even mid-level officers can't take part in any decision making process by AB bank. This is another disadvantage or weakness of AB bank. Because when only top level managers take part they don't know that much of what clients are really going through, which is well known to the bottom level employees. So when top level managers make decisions or execute any marketing plan that may not be effective for the clients sometimes. Which sometimes causes brand image fall. AB bank has lots of employees in every branches. Because they are not cared enough or pressured to reach marketing goals or organization goals some of the employees are not loyal or active around. AB banks knows that they are the 1st private commercial bank in our country, because of that they don't go for any promotional activities which is another weakness or disadvantage for the organization. In Bangladesh around 20-25% people are illiterate, they don't know how banks are performed. Also some of the literate people don't know how it is performed. If AB bank don't take steps about promoting their service to these people they might lose potential customers to their competitors. Also Employees must introduce their every product properly to their clients, which creates strong brand loyalty between brand and customers. In case of AB bank some of the branch employees are not familiar with their clients and don't want to share their service properly to the clients, which creates disadvantage for the organization. AB bank has high fixed deposit rate every year which lead them to pay more interest expense. This is another weakness of AB bank. AB bank though has strong brand value and loyalty but these weaknesses demote them from their rank in our country.

Opportunities of AB bank (Further discussion)

As a 1st private commercial bank AB bank can develop more innovative products for their clients. And by promoting the overall product information to their client will help them to get proper result from the product. Recently AB bank launches their new product which is AB height. This sort of initiatives will help to grow better than their competitors in the market. As customers are 1st priority of AB bank they should place an option where customer can put their discussion about what sort of service they want from the bank. By reviewing all the customer discussion AB bank can take initiatives to make better use of their service toward their clients. AB bank also have to launch new products or make their service more suitable to their customer. So that they can easily understand what service or product AB bank is providing or will provide to them. AB bank can start premium service facilities such as sending account statement by email to their clients. In this technological era every people has their own E-mail and smartphone. AB bank can set-up an app where clients can easily get all the necessary information they need about their account or service of AB bank. AB bank can use this advantage and reduce the pressure in branches and greatly increase the use of technology. Clients will also feel great when they can easily sort out problem from home and not waiting in the branches for that. Day by day Bangladesh literacy is growing more. Most of the people is Bangladesh now a days earn decent amount of money and always look out for safety of their money. AB bank can grab this opportunity and open more branches outside of Dhaka & Chittagong. So that more clients can get involve to their business. Clients will get safety assurance also bank will get their business profit. Every bank in Bangladesh operate almost in a same way. Bangladesh bank set the rules & regulation for every bank. Beyond this if somehow AB bank can differentiate their product and Service to their clients then this will boost up their rank and also will boost up their brand image in the country. The more brand image they will get the more profit they will earn of themselves. Customers has to sit down for account opening process and give all the information employee needs. Employee than fill up the form by hand-written procedure, which is time consuming for both of them. After that clients take that form to officer and officer fill the online form in their computer. This is a two way process which takes more time to do. If the account opening process go only one time which is by typing in the computer first to last then it will not that much of time consuming for both the employee and customers. This is a great opportunity also for AB bank if they can do it in technological way. Bangladesh is rapidly growing country, to get most out of this if AB bank must sort out some strategies which will create opportunities for them to regain the best financial banking position in our country.

Threats of AB Bank (Further discussion)

Every organization face threats during their business strategy. AB bank is a financial sector which creates more threats for them. There are many banks in Bangladesh. Some of the banks are really giving good competition to AB bank. Once AB bank was the best bank for their customer loyalty and service. Now people don't only go for AB bank because they have multiple good alternative banking service around them. Most dangerous threats of AB bank is that some banks such as Dutch Bangla Bank, South East Bank are providing the best service and quality to their customers than AB bank. Because of some up's & down AB bank failed to achieve best customer service and product quality than these banks. AB bank faced this threat because of their both internal & external crisis or situation they created. Recently if we see AB bank lost his position in share market Because of these competitors are providing the best service and product quality than AB bank, this is the big threat for AB bank. Another big threat for them is, business areas downward sloping now a days. There are many service & product diversification is happening in the other financial sectors. Because of that many clients are not showing their interest to those activities. Now a day's most of the banks are surviving by only doing general banking activities. Because of the higher interest rate AB bank suffers from higher interest expense. Though they can't do anything about it. Because the interest rate is fixed by the Bangladesh bank itself. Even if AB bank wants to provide more product quality with better interest rate to their customers they can't go for it. Because they can't set the rules & regulation by themselves. They have to follow the rules & regulation which is set by the Bangladesh bank. Another threat AB bank is going through in every branches is lack of technological knowledge. In almost every branch of AB bank around 50% of employees don't have proper technological knowledge. That is why they took more time to execute every banking process. It is not about the literacy it is about the fast technological advancement in our country. Also in account opening form section clients always have to sit down for giving information about themselves while employees fill up the account opening form by hand. Which is also time consuming and customers get bored. The less technological knowledge AB bank has, the more threats they will face in future.

Chapter 4- Findings & analysis

During my internship in AB bank mirpur Branch I work closely with every officer and managers closely to learn everything about the organization. The Environment was so eco-friendly in this branch that they all were so helpful. During my internship study I found out some notable findings. Within the organization.

- Every officers and manager come work at time always. Mainly banking service start at 10 A.M., so usually everyday all the officers and manager himself attend the branch by 9-30 everyday, which show the punctuality of the branch.
- Customer relationship officer are so friendly towards their customers, even if they are younger than them. Even senior officer and manager is friendly to their customer.
- Every officer & manager greet their client properly with greetings and offer to seat down and listen attentively to their problem or what they have to say.
- Every employee address their customer as a sir or ma'am always, which is creates beautiful image for the branch as usual for AB bank.
- In account opening there are some time consuming activities because of the account opening form is lengthy process both for employee and customers.
- AB bank is well known commercial bank, they have huge client number indeed. In mirpur branch they have uncounted client come every day. In my daily observation there are lack of seat in the branch to offer all the clients.
- Senior officers and managers handle risky situation with clients with cautions.
- Manager and senior officers friendly with each other, always helps out each other with difficult situation.
- Manager sometimes come out from his room and seek out what service clients need and show them from which desk they will get the service from.
- Senior officers always delay their hand works and later they passed it to low level employees to complete it.
- Interior design quality is not that much attractive.
- No advanced powerful computers are used for operations.
- Branches only do what they have to do, not are taking any promotional activities to improve the brand image.

Overall during my internship in AB bank mirpur branch I greatly appreciate the working environment here at first. Then I will appreciate their proper service providing process. I learned lots of things during my internship as because the employees and managers are so friendlier to me. Even AB bank provided training to all internees in the main branch about what task we internees must fulfill during our internship. In this training senior officers discussed about their bank overall marketing strategies also and showed us the future improvements of this banks. So overall I enjoyed most of the time of my internship here.

Chapter 5- Financial Analysis

AB Bank financial report shown in below figures-

<u>Figure 5.1-</u> overall highlights of AB bank in 2018

AB Bank Limited

Shareholder's Information

Financial Highlights - AB & Consolidated

In Crore Taka

Particulars	AB Bank Limited			Consolidated		
	2018	2017	% Growth	2018	2017	% Growth
At the end year						
Equity	2,265	2,277	-0.53%	2,389	2,399	-0.45%
Total Deposits	23,544	23,595	-0.22%	23,538	23,556	-0.08%
Loans & advances	24,107	22,965	5%	24,919	23,763	5%
Investments	4,359	4,575	-5%	4,435	4,638	-4%
Fixed assets	389	411	-6%	445	470	-5%
Total assets	32,253	31,457	3%	32,515	31,710	3%
Performance during the year						
Interest Income	1,947	1,757	11%	1,981	1,810	9%
Operating Profit	308	448	-31%	344	504	-32%
Provision for loans and others	252	463	-46%	274	496	-45%
Profit before tax	56	(16)	-452%	70	7	857%
Provision for tax	54	(19)	-387%	66	3	1921%
Profit after tax	2	3	-38%	4	4	6%
Statutory Ratios						
Liquid Assets	20.71%	24.23%		20.71%	24.23%	
Capital adequacy ratio	10.03%	10.80%		10.48%	11.25%	
Share information						
Earnings per share (Taka)	0.02	0.04	-38%	0.06	0.05	5%
Net Asset Value per share (Taka)	29.88	30.04	-0.53%	31.51	31.65	0%
Ratios						
Classified Loan	33.07%	7.15%		32.00%	6.91%	
Return on Assets (ROA)	0.01%	0.01%		0.01%	0.01%	
Return on Equity (ROE)	0.08%	0.13%		0.18%	0.17%	

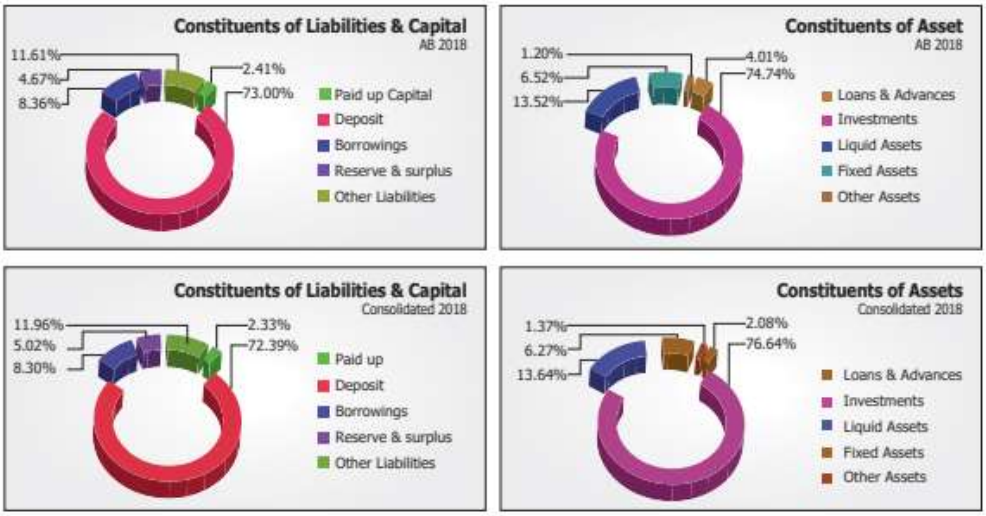

Figure 5.2– Shareholder Information

AB Bank Limited & Its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2018

	Notes	31 Dec 2018 BDT	31 Dec 2017 BDT
PROPERTY AND ASSETS			
Cash	3(a)	**16,433,155,519**	**17,780,902,708**
In hand (including foreign currencies)	3.1(a)	1,960,489,318	1,572,393,188
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	14,472,666,202	16,208,509,520
Balance with other banks and financial institutions	4(a)	**3,378,419,653**	**4,241,335,582**
In Bangladesh	4.1(a)	1,823,369,874	2,490,976,583
Outside Bangladesh	4.2(a)	1,555,049,778	1,750,358,999
Money at call and on short notice	5(a)	**589,822,961**	**496,384,436**
Investments	6(a)	**44,351,747,141**	**46,382,136,275**
Government	6.1(a)	33,523,320,645	39,732,017,188
Others	6.2(a)	10,828,426,496	6,650,119,087
Loans, advances and lease/investments		**249,185,305,270**	**237,634,491,780**
Loans, cash credits, overdrafts, etc./Investments	7(a)	246,986,421,356	235,801,195,989
Bills purchased and discounted	8(a)	2,198,883,913	1,833,295,791
Fixed assets including premises, furniture and fixtures	9(a)	**4,453,456,276**	**4,699,245,091**
Other assets	10(a)	**6,761,916,852**	**5,863,914,006**
Non-banking assets		-	-
Total Assets		**325,153,823,673**	**317,098,409,881**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	**18,272,449,759**	**21,872,486,519**
AB Bank Subordinated Bond	12	**8,700,000,000**	**6,000,000,000**
Deposits and other accounts	13(a)	**235,383,290,846**	**235,562,075,504**
Current account and other accounts		22,819,200,149	21,821,895,346
Bills payable		2,994,339,125	2,251,301,559
Savings bank deposits		28,685,663,090	29,869,956,989
Fixed deposits		128,219,725,045	129,606,179,136
Other deposits		52,664,363,438	52,012,742,474
Other liabilities	14(a)	**38,902,322,164**	**29,660,121,941**
Total Liabilities		**301,258,062,768**	**293,094,683,964**
Capital/Shareholders' Equity			
Equity attributable to equity holders of the parent company		**23,885,346,764**	**23,993,619,305**
Paid-up capital	15	7,581,303,150	7,581,303,150
Statutory reserve	16	6,623,362,740	6,549,242,999
Other reserve	17(a)	2,713,091,416	2,811,305,460
Retained earnings	18(a)	6,967,589,458	7,051,767,695
Non- controlling interest	18(b)	10,414,140	10,106,613
Total Equity		**23,895,760,904**	**24,003,725,917**
Total Liabilities and Shareholders' Equity		**325,153,823,673**	**317,098,409,881**

AB Bank Limited & Its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2018

	Notes	31 Dec 2018 BDT	31 Dec 2017 BDT
Off-Balance Sheet Items			
Contingent liabilities	19	**57,209,035,486**	**65,450,616,147**
Acceptances and endorsements		21,728,577,752	24,089,423,485
Letters of guarantee	19.1	14,569,014,333	13,525,351,128
Irrevocable letters of credit		12,060,360,225	15,836,913,326
Bills for collection		7,389,781,311	9,392,397,842
Other contingent liabilities		1,461,301,865	2,606,530,367
Other commitments		**-**	**-**
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		**57,209,035,486**	**65,450,616,147**

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal
President & Managing Director (CC)

Syed Afzal Hasan Uddin
Director

Kaiser A. Chowdhury
Independent Director

Muhammad A. (Rumee) Ali
Chairman

See annexed report of the date

Dhaka, Bangladesh
Dated, 30 April 2019

S. F. Ahmed & Co
Chartered Accountants

Figure 5.3- Consolidated Balance sheet 2018

AB Bank Limited and its Subsidiaries

Consolidated Profit and Loss Account

For the year ended 31 December 2018

	Notes	2018 BDT	2017 BDT
OPERATING INCOME			
Interest income/profit on investments	21(a)	19,810,850,595	18,095,388,527
Interest/profit paid on deposits and borrowings, etc.	22(a)	(17,580,405,167)	(14,937,382,065)
Net interest income		**2,230,445,428**	**3,158,006,462**
Investment income	23(a)	4,247,045,852	4,726,135,143
Commission, exchange and brokerage	24(a)	2,478,088,129	2,994,211,871
Other operating income	25(a)	197,808,332	178,404,749
		6,922,942,313	**7,898,751,763**
Total operating income (a)		**9,153,387,741**	**11,056,758,225**
OPERATING EXPENSES			
Salary and allowances	26(a)	2,895,883,578	2,990,025,060
Rent, taxes, insurance, electricity, etc.	27(a)	763,029,339	747,204,508
Legal expenses	28(a)	3,387,229	8,406,763
Postage, stamps, telecommunication, etc.	29(a)	127,410,823	136,794,287
Stationery, printing, advertisement, etc.	30(a)	152,615,016	199,948,266
Chief executive's salary and fees	26.1	9,932,258	9,940,551
Directors' fees	31(a)	4,760,439	8,653,653
Auditors' fees	32(a)	3,311,405	3,781,823
Depreciation and repairs of Bank's assets	33(a)	486,259,551	537,590,602
Other expenses	34(a)	1,267,436,388	1,378,563,037
Total operating expenses (b)		**5,714,026,026**	**6,020,908,551**
Profit before provision (c = (a-b))		**3,439,361,715**	**5,035,849,674**
Provision against loans and advances	35(a)	2,090,710,683	4,950,134,798
Provision for investments	36(a)	578,186,075	12,050,000
Other provisions	37(a)	67,408,023	171,752
Total provision (d)		**2,736,304,781**	**4,962,356,549**
Profit before tax (c-d)		**703,056,934**	**73,493,124**
Provision for taxation		**659,868,356**	**32,658,543**
Current tax		1,140,140,836	1,594,023,822
Deferred tax		(480,272,480)	(1,561,365,279)
Net profit after tax		**43,188,578**	**40,834,581**
Appropriations			
Statutory reserve		95,281,616	26,124,722
General reserve		-	-
Dividends, etc.		-	-
		95,281,616	**26,124,722**
Retained surplus		**(52,093,038)**	**14,709,859**
Non- controlling interest		**321,715**	**190,013**
Net Profit attributable to the shareholders of parent company		**(52,414,754)**	**14,519,847**
Consolidated Earnings Per Share (EPS)	39(a)	**0.06**	**0.05**

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal	**Syed Afzal Hasan Uddin**	**Kaiser A. Chowdhury**	**Muhammad A. (Rumee) Ali**
President & Managing Director (CC)	Director	Independent Director	Chairman

See annexed report of the date

Dhaka, Bangladesh
Dated, 30 April 2019

S. F. Ahmed & Co
Chartered Accountants

Figure 5.4- Consolidated Profit & Loss Account 2018

AB Bank Limited & Its Subsidiaries

Consolidated Cash Flow Statement

For the year ended 31 December 2018

	2018 BDT	2017 BDT
Cash Flows from Operating Activities		
Interest receipts	16,243,063,341	15,019,781,262
Interest payments	(16,680,179,937)	(15,277,464,801)
Dividend receipts	117,278,867	128,909,211
Fee and commission receipts	1,644,180,688	1,895,002,924
Recoveries on loans previously written off	8,725,518	6,286,093
Payments to employees	(2,905,815,836)	(2,999,965,611)
Payments to suppliers	(152,615,016)	(199,948,266)
Income taxes paid	(580,417,332)	(797,656,950)
Receipts from other operating activities	5,152,757,240	5,868,553,536
Payments for other operating activities	(2,348,505,250)	(2,501,464,992)
Operating profit before changes in operating assets & liabilities	**498,472,282**	**1,142,032,405**
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(8,683,801,244)	(11,290,321,149)
Other assets	(875,546,698)	(362,260,459)
Deposits from other banks	(324,430,192)	(2,356,427,434)
Deposits from customers	(754,579,697)	(7,135,818,746)
Trading liabilities (short-term borrowings)	(3,549,314,585)	6,230,544,019
Other liabilities	6,780,686,111	4,505,177,704
	(7,406,986,304)	**(10,409,106,066)**
Net cash used in operating activities (a)	**(6,908,514,022)**	**(9,267,073,662)**
Cash Flows from Investing Activities		
(Sale)/Purchase of government securities	6,122,045,589	1,732,969,841
(Purchase)/Sale of trading securities, shares, bonds, etc.	(3,921,120,204)	527,860,194
Purchase of property, plant and equipment	(59,473,930)	(335,210,688)
Net cash flow from investing activities (b)	**2,141,451,455**	**1,925,619,347**
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	2,649,277,825	(615,812,976)
Dividend paid	(317,554)	(302,045)
Net cash flow from/(used in) financing activities (c)	**2,648,960,271**	**(616,115,021)**
Net (decrease)/increase in cash (a+b+c)	(2,118,102,296)	(7,957,569,335)
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	22,521,816,127	30,479,385,462
Cash and cash equivalents at end of the period (*)	**20,403,713,833**	**22,521,816,127**
(*) Cash and cash equivalents:		
Cash	1,960,489,318	1,572,393,188
Prize bonds	2,315,700	3,193,400
Money at call and on short notice	589,822,961	496,384,436
Balance with Bangladesh Bank and its agent bank(s)	14,472,666,202	16,208,509,520
Balance with other banks and financial institutions	3,378,419,653	4,241,335,582
	20,403,713,833	**22,521,816,127**
Net Operating Cash Flow Per Share (NOCFPS)	**(9.11)**	**(12.22)**

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal	**Syed Afzal Hasan Uddin**	**Kaiser A. Chowdhury**	**Muhammad A. (Rumee) Ali**
President & Managing Director (CC)	Director	Independent Director	Chairman

Dhaka, Bangladesh
Dated, 30 April 2019

S. F. Ahmed & Co
Chartered Accountants

Figure 5.5- Consolidated Cash Flow Statement 2018

AB Bank Limited & Its Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Foreign exchange revaluation reserve on investment in foreign operation	Investment revaluation reserve	Non-Controlling interest	Retained earnings	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Restated balance at 01 January 2018	**7,581,303,150**	**6,549,242,999**	**1,302,259,888**	**1,300,480,316**	**603,726**	**207,961,529**	**10,106,613**	**7,051,767,695**	**24,003,725,917**
Net profit after taxation for the year	-	-	-	-	-	-	321,715	42,866,863	43,188,578
Addition/(Adjustment) made during the year	-	95,281,616	-	(2,270,683)	-	(101,796,835)	(14,187)	(93,010,933)	(101,811,022)
Foreign exchange rate fluctuation	-	(21,161,876)	939,791	-	4,913,683	-	-	(34,034,167)	(49,342,568)
Balance at 31 December 2018	**7,581,303,150**	**6,623,362,740**	**1,303,199,679**	**1,298,209,633**	**5,517,410**	**106,164,694**	**10,414,141**	**6,967,589,458**	**23,895,760,904**
Balance at 31 December 2017	**7,581,303,150**	**6,549,242,999**	**1,302,259,888**	**1,300,480,316**	**603,726**	**207,961,529**	**10,106,613**	**7,051,767,695**	**24,003,725,917**

For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal
President & Managing Director (CC)

Syed Afzal Hasan Uddin
Director

Kaiser A. Chowdhury
Independent Director

Muhammad A. (Rumee) Ali
Chairman

S. F. Ahmed & Co
Chartered Accountants

Dhaka, Bangladesh
Dated, 30 April 2019

Figure 5.6- Consolidated Statement of Changes in Equity 2018

AB Bank Limited
Balance Sheet
As at 31 December 2018

	Notes	31 Dec 2018 BDT	31 Dec 2017 BDT
PROPERTY AND ASSETS			
Cash	3	**16,433,059,322**	**17,780,769,152**
In hand (including foreign currencies)	3.1	1,960,393,120	1,572,259,632
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	14,472,666,202	16,208,509,520
Balance with other banks and financial institutions	4	**3,178,371,232**	**3,987,238,222**
In Bangladesh		1,625,277,794	2,295,067,692
Outside Bangladesh		1,553,093,439	1,692,170,531
Money at call and on short notice	5	**1,428,822,961**	**1,170,389,436**
Investments	6	**43,593,782,292**	**45,749,363,948**
Government	6.1	33,523,320,645	39,732,017,188
Others	6.2	10,070,461,647	6,017,346,761
Loans, advances and lease/investments	7	**241,070,141,407**	**229,647,286,231**
Loans, cash credits, overdrafts, etc./Investments		239,945,454,388	228,624,340,946
Bills purchased and discounted	8	1,124,687,019	1,022,945,284
Fixed assets including premises, furniture and fixtures	9	**3,886,208,770**	**4,113,341,268**
Other assets	10	**12,935,585,637**	**12,116,611,208**
Non-banking assets		-	-
Total Assets		**322,525,971,620**	**314,564,999,466**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	**18,272,449,759**	**21,871,443,363**
AB Bank Subordinated Bond	12	**8,700,000,000**	**6,000,000,000**
Deposits and other accounts	13	**235,444,849,491**	**235,954,308,453**
Current accounts and other accounts		22,820,201,543	21,822,803,753
Bills payable		2,994,339,125	2,251,301,559
Savings bank deposits		28,685,663,090	29,869,956,989
Fixed deposits		128,219,725,045	129,606,179,136
Other deposits		52,724,920,690	52,404,067,016
Other liabilities	14	**37,458,190,496**	**27,968,002,561**
Total Liabilities		**299,875,489,746**	**291,793,754,377**
Capital/Shareholders' Equity			
Total Shareholders' Equity		**22,650,481,875**	**22,771,245,089**
Paid-up capital	15	7,581,303,150	7,581,303,150
Statutory reserve	16	6,623,362,740	6,549,242,999
Other reserve	17	2,540,663,004	2,628,706,941
Retained earnings	18	5,905,152,980	6,011,991,999
Total Liabilities and Shareholders' Equity		**322,525,971,620**	**314,564,999,466**

AB Bank Limited
Balance Sheet
As at 31 December 2018

Off-Balance Sheet Items	Notes	31 Dec 2018 BDT	31 Dec 2017 BDT
Contingent liabilities	19	**57,209,035,486**	**65,450,616,147**
Acceptances and endorsements		21,728,577,752	24,089,423,485
Letters of guarantee	19.1	14,569,014,333	13,525,351,128
Irrevocable letters of credit		12,060,360,225	15,836,913,326
Bills for collection		7,389,781,311	9,392,397,842
Other contingent liabilities		1,461,301,865	2,606,530,367
Other commitments		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		**57,209,035,486**	**65,450,616,147**

These financial statements should be read in conjunction with the annexed notes.
For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal	Syed Afzal Hasan Uddin	Kaiser A. Chowdhury	Muhammad A. (Rumee) Ali
President & Managing Director (CC)	Director	Independent Director	Chairman

See annexed report of the date

Dhaka, Bangladesh
Dated, 30 April 2019

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Figure 5.7- Balance sheet 2018

AB Bank Limited

Profit and Loss Account

For the year ended 31 December 2018

	Notes	2018 BDT	2017 BDT
OPERATING INCOME			
Interest income/profit on investments	21	19,467,459,807	17,566,941,274
Interest paid/profit on deposits and borrowings, etc.	22	(17,557,309,639)	(14,896,849,195)
Net interest income		**1,910,150,168**	**2,670,092,078**
Investment income	23	4,277,547,629	4,781,859,929
Commission, exchange and brokerage	24	2,332,595,175	2,784,725,871
Other operating income	25	127,566,812	110,356,902
		6,737,709,616	**7,676,942,702**
Total operating income (a)		**8,647,859,784**	**10,347,034,780**
OPERATING EXPENSES			
Salary and allowances	26	2,825,003,440	2,914,079,909
Rent, taxes, insurance, electricity, etc.	27	748,748,069	734,026,531
Legal expenses	28	2,826,348	7,587,144
Postage, stamps, telecommunication, etc.	29	114,789,243	125,681,567
Stationery, printing, advertisement, etc.	30	151,418,300	198,728,972
Chief executive's salary and fees	26.1	9,932,258	9,940,551
Directors' fees	31	4,009,591	7,984,642
Auditors' fees	32	2,646,052	3,164,822
Depreciation and repairs of Bank's assets	33	465,467,337	516,842,435
Other expenses	34	1,247,892,797	1,352,875,569
Total operating expenses (b)		**5,572,733,435**	**5,870,912,144**
Profit before provision (c = (a-b))		**3,075,126,349**	**4,476,122,637**
Provision against loans and advances	35	1,938,210,683	4,623,884,798
Provision for investments	36	513,513,018	10,000,000
Other provisions	37	67,408,023	171,752
Total provision (d)		**2,519,131,724**	**4,634,056,549**
Profit before taxation (c-d)		**555,994,625**	**(157,933,912)**
Provision for taxation		537,671,047	(187,534,877)
Current tax		1,003,412,961	1,377,814,079
Deferred tax		(465,741,914)	(1,565,348,957)
Net profit after taxation		**18,323,578**	**29,600,965**
Appropriations			
Statutory reserve		95,281,616	26,124,722
General reserve		-	-
Dividends, etc.		-	-
		95,281,616	**26,124,722**
Retained surplus		**(76,958,038)**	**3,476,243**
Earnings Per Share (EPS)	39	**0.02**	**0.04**

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal	**Syed Afzal Hasan Uddin**	**Kaiser A. Chowdhury**	**Muhammad A. (Rumee) Ali**
President & Managing Director (CC)	Director	Independent Director	Chairman

See annexed report of the date

Dhaka, Bangladesh
Dated, 30 April 2019

S. F. Ahmed & Co
Chartered Accountants

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Figure 5.8- Profit & Loss Account 2018

AB Bank Limited

Cash Flow Statement

For the year ended 31 December 2018

	Notes	2018 BDT	2017 BDT
Cash flows from Operating Activities			
Interest receipts		15,899,672,553	14,491,334,008
Interest payments		(16,657,084,409)	(15,236,931,931)
Dividend receipts		198,357,616	187,773,760
Fees and commission receipts		1,505,554,954	1,690,166,432
Recoveries on loans previously written off		8,725,518	6,286,093
Payments to employees		(2,834,935,698)	(2,924,020,460)
Payments to suppliers		(151,418,300)	(198,728,972)
Income taxes paid		(396,705,898)	(587,953,908)
Receipts from other operating activities	40	4,999,566,689	5,779,382,812
Payments for other operating activities	41	(2,298,516,163)	(2,447,719,622)
Operating profit before changes in operating assets & liabilities		**273,216,861**	**759,588,210**
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(8,555,842,931)	(11,080,165,586)
Other assets	42	(796,687,496)	(270,659,557)
Deposits from other banks		(324,430,192)	(2,356,427,434)
Deposits from customers		(1,085,254,000)	(6,989,964,285)
Trading liabilities (short-term borrowings)		(3,548,271,429)	6,532,834,196
Other liabilities	43	7,224,614,281	4,221,168,415
		(7,085,871,766)	**(9,943,214,250)**
Net cash used in operating activities (a)		**(6,812,654,906)**	**(9,183,626,040)**
Cash Flows from Investing Activities			
Purchase of government securities		6,122,045,589	1,732,969,841
(Purchase)/Sale of trading securities, shares, bonds, etc.		(3,795,927,682)	266,079,840
Purchase of property, plant and equipment		(61,444,269)	(332,118,804)
Net cash flow from investing activities (b)		**2,264,673,638**	**1,666,930,877**
Cash Flows from Financing Activities			
Increase/(decrease) of long-term borrowings		2,649,277,825	(615,812,976)
Dividend paid		(317,554)	(302,045)
Net cash flow from/(used in) financing activities (c)		**2,648,960,271**	**(616,115,021)**
Net Increase/(decrease) in cash (a+b+c)		**(1,899,020,997)**	**(8,132,810,183)**
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		22,941,590,211	31,074,400,393
Cash and cash equivalents at end of the period (*)		**21,042,569,215**	**22,941,590,211**
(*) Cash and cash equivalents:			
Cash		1,960,393,120	1,572,259,632
Prize bonds		2,315,700	3,193,400
Money at call and on short notice		1,428,822,961	1,170,389,436
Balance with Bangladesh Bank and its agent bank(s)		14,472,666,202	16,208,509,520
Balance with other banks and financial institutions		3,178,371,232	3,987,238,222
		21,042,569,215	**22,941,590,211**
Net Operating Cash Flow Per Share (NOCFPS)	44	**(8.99)**	**(12.11)**

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal	**Syed Afzal Hasan Uddin**	**Kaiser A. Chowdhury**	**Muhammad A. (Rumee) Ali**
President & Managing Director (CC)	Director	Independent Director	Chairman

Dhaka, Bangladesh
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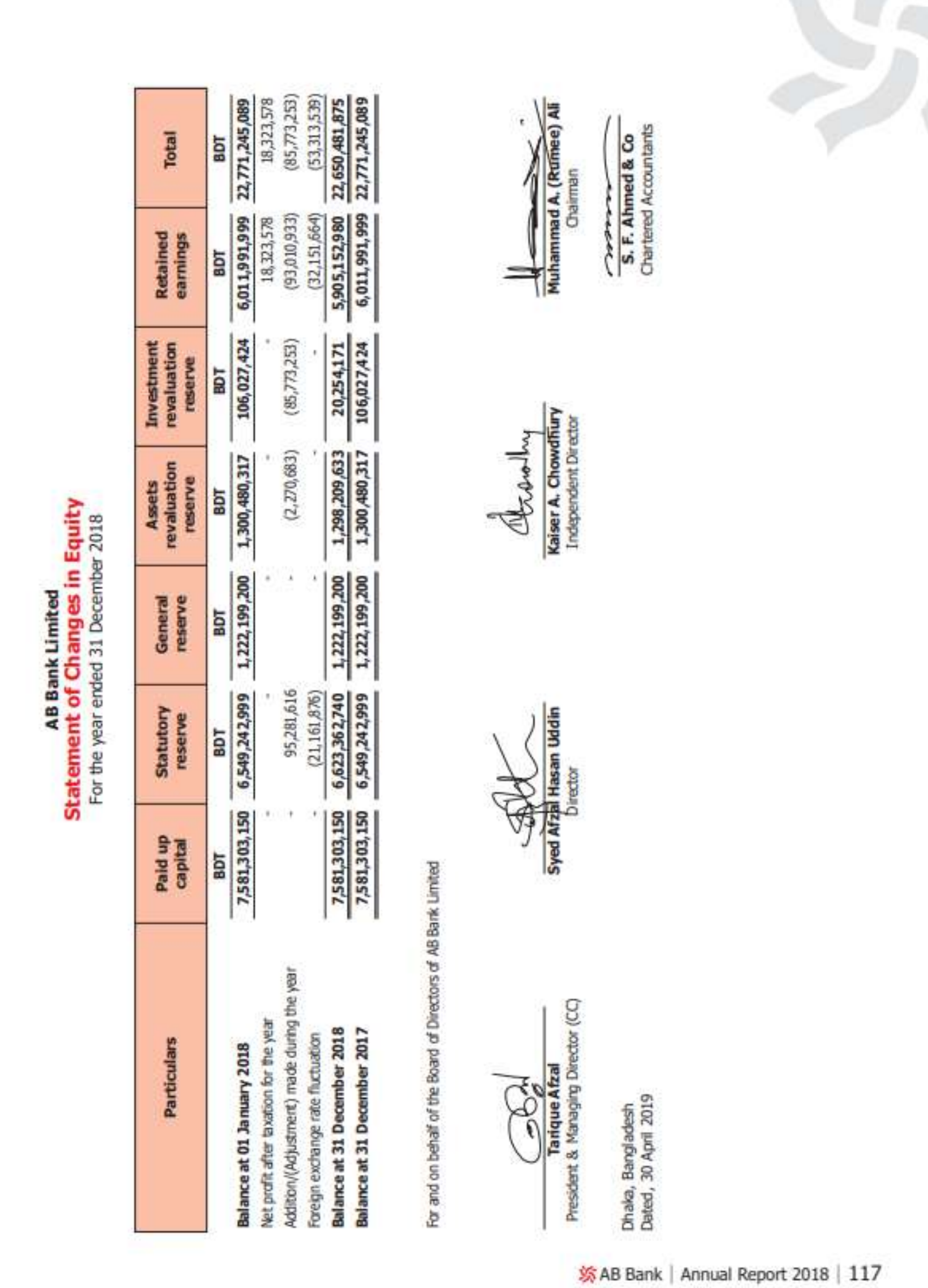
Figure 5.9- Cash Flow Statement 2018



AB Bank Limited

Statement of Changes in Equity

For the year ended 31 December 2018

Particulars	Paid up capital	Statutory reserve	General reserve	Assets revaluation reserve	Investment revaluation reserve	Retained earnings	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Balance at 01 January 2018	7,581,303,150	6,549,242,999	1,222,199,200	1,300,480,317	106,027,424	6,011,991,999	22,771,245,089
Net profit after taxation for the year	-	-	-	-	-	18,323,578	18,323,578
Addition/(Adjustment) made during the year	-	95,281,616	-	(2,270,683)	(85,773,253)	(93,010,933)	(85,773,253)
Foreign exchange rate fluctuation	-	(21,161,876)	-	-	-	(32,151,664)	(53,313,539)
Balance at 31 December 2018	7,581,303,150	6,623,362,740	1,222,199,200	1,298,209,633	20,254,171	5,905,152,980	22,650,481,875
Balance at 31 December 2017	7,581,303,150	6,549,242,999	1,222,199,200	1,300,480,317	106,027,424	6,011,991,999	22,771,245,089

For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal
President & Managing Director (CC)

Syed Afzal Hasan Uddin
Director

Kaiser A. Chowdhury
Independent Director

Muhammad A. (Rumee) Ali
Chairman

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Figure 5.10- Statement of Changes in equity 2018

AB Bank Limited

Liquidity Statement

Analysis of Maturity of Assets and Liabilities
As at 31 December 2018

Particulars	Up to 1 month's maturity	1-3 months' maturity	3-12 months' maturity	1-5 years' maturity	More than 5 years' maturity	Total
	BDT	BDT	BDT	BDT	BDT	BDT
Assets						
Cash in hand and with banks	3,138,643,179	-	-	-	13,294,416,143	16,433,059,322
Balance with other banks and financial institutions	1,948,371,232	1,230,000,000	-	-	-	3,178,371,232
Money at call and on short notice	680,635,007	723,355,000	24,832,954	-	-	1,428,822,961
Investments	152,315,700	4,140,381,813	369,077,692	17,962,067,895	20,969,939,192	43,593,782,292
Loans, advances and lease/investments	36,884,322,364	65,073,796,056	100,234,083,171	30,865,614,576	8,012,325,240	241,070,141,407
Fixed assets including premises, furniture and fixtures	-	-	-	-	3,886,208,770	3,886,208,770
Other assets	342,807,796	2,836,592,571	2,754,603,885	1,404,515,225	5,597,066,160	12,935,585,637
Non-banking assets	-	-	-	-	-	-
Total Assets	**43,147,095,277**	**74,004,125,440**	**103,382,597,701**	**50,232,197,696**	**51,759,955,505**	**322,525,971,619**
Liabilities						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	8,870,606,325	2,355,063,500	7,959,435,982	5,548,367,584	2,238,976,368	26,972,449,758
Deposit and other accounts	33,108,099,730	70,454,513,428	85,516,435,835	44,737,062,747	1,628,737,751	235,444,849,491
Provision and other liabilities	843,751,724	1,122,267,723	8,539,277,232	26,848,916,031	103,977,787	37,458,190,496
Total Liabilities	**42,822,457,779**	**73,931,844,650**	**102,015,149,050**	**77,134,346,362**	**3,971,691,905**	**299,875,489,746**
Net liquidity excess/(shortage)	**324,637,498**	**72,280,790**	**1,367,448,652**	**(26,902,148,666)**	**47,788,263,600**	**22,650,481,874**

For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal
President & Managing Director (CC)

Syed Afzal Hasan Uddin
Director

Kaiser A. Chowdhury
Independent Director

Muhammad A. (Rumee) Ali
Chairman

S. F. Ahmed & Co
Chartered Accountants

Dhaka, Bangladesh
Dated, 30 April 2019

Figure 5.11- Liquidity Statement 2018

Chapter 6- Recommendation

Based on the overall study I can make these recommendation with a view towards improving the Service qualities and improved product capacity service of AB bank. Following Recommendation I made –

- Less the time consumption of account opening. When client come to open an account officer must take a one way attempt to open the account with the use of computer technology.
- Every clients should get all account related information through an app with an individual client account.
- AB bank must look out for more seat arrangement in every branch so that customer can wait with ease while they can have a seat.
- Every officer must get a training about technology such as how to complete task in computer fast, how to run a program for banking procedure etc.
- Every branch should be provided with advanced powerful computer so that every officer can easily get every work done fast.
- Every branch should have great exterior and interior design according their brand logo and symbol, so that customer can feel positive about the branch.
- Every customer must get proper attention, not only the premium customer.
- Every branch must practice promotional activities within their existing and new customers to improve the brand image.

Chapter 7- Conclusion

Now a days banking sectors or institutions play major role in country's economy. In today's culture of Bangladesh, Bank outfit have different contribution for singular and other restrictive firms and also other sector for development criteria. AB bank is the 1st Bank in Bangladesh also the ubiquity of best banking service in Bangladesh. AB banks takes every initiatives which is needed for both providing the best customer service and quality. Also AB bank is organized in a way which creates the most value of itself from our nation. AB bank went through lots of problem internally and externally but they always come up with possible solution every time because of their well-organized board of directors. AB bank now a days operating well both inside and outside of capital of Bangladesh. AB bank suffers from some weaknesses & threats but after study closely and work with this organization I can say they can overcome every threats in a matter of time. AB bank is grabbing every possible opportunity in our country. Which helps them to achieve more brand image. AB bank share market position is not that much great recently but with the implementation of every possible opportunity they might regain the share market also. During my internship and after all the studies I made I can say most of the banking service of AB bank is much better than other banks even from their competitors.

Chapter 8- References

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