Thesis Report on:

Financial Performance Analysis of AB Bank PLC

Submitted to:

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Submitted for the Partial fulfillment of the degree of Executive Master of Business Administration, Sonargaon University (SU)

Thesis Report

On

Financial Performance Analysis of AB Bank PLC

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Letter of Transmittal

Date: 06/01/2025

To

Dr. Md. Masud Rana
Associate Professor
Head, Department of Business Administration
Sonargaon University (SU), Dhaka.
Subject: Submission of Thesis Report

Dear Sir,

It is a great pleasure to submit my thesis report titled **"Financial Performance Analysis of AB Bank PLC"**, prepared as part of the requirements for my Executive Master of Business Administration program at Sonargaon University (SU).

This report highlights my learning experience during the thesis period at AB Bank PLC, where I gained practical insights into Financial Performance Analysis. The report covers various aspects of Financial Performance Analysis, including the tools and techniques employed, challenges faced and solutions implemented. I am grateful for your guidance throughout the process of preparing this report. Your valuable advice has been instrumental in organizing and presenting my findings.

Thank you for providing me with this opportunity. I hope the report meets your expectations. I would be happy to clarify any queries.

Yours sincerely,

Md. Masud Rana
ID:EMBA2303030026
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Certificate of Supervisor

I, Dr. Md. Masud Rana, Associate Professor, Department of Business Administration, Sonargaon University (SU) hereby certify that the report entitled as **"Financial Performance Analysis of AB Bank PLC"** has been prepared by Md. Masud Rana ID: EMBA 2303030026 Department of Business Administration, Sonargaon University (SU), and submitted as a requirement for the partial fulfillment for the degree of the Executive Master of Business Administration (EMBA) with major in Finance. To the best of my knowledge, the above-mentioned work has been conducted by the student himself. Any option and/or suggestion made in this study are entirely that of the author of this thesis paper. The report is an original work and prepared as a partial requirement of the degree the Executive Master of Business Administration (EMBA).

I wish his every success in future endeavors.

_____

Dr. Md. Masud Rana
Associate Professor
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Declaration of Student

Date: January 06, 2025

This is Md. Masud Rana, a student of Business Administration, ID: EMBA2303030026 from Sonargaon University (SU) would like to solemnly declaration here that this paper on **"Financial Performance Analysis of AB Bank PLC"** has been prepared by me under supervisor of Dr. Md. Masud Rana, Associate Professor, Department of Business Administration, Sonargaon University (SU) as part of my academic requirements. This report is my original work and has not been submitted elsewhere for academic or professional purposes.

I am further declaring that I did not submit this report anywhere for awarding any degree, diploma or certificate.

_____

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Acknowledgment

At first I would thank to Almighty Allah for providing me with the strength to perform my thesis report obligations and responsibilities as well as to complete the study and report within the time frame.

After that, I would like to convey my heartfelt appreciation to my course supervisor, Dr. Md. Masud Rana, Associate Professor, Department of Business Administration, Sonargaon University for his constructive guidance and valuable support. It's true that without his invaluable guidance, assistance, and participation throughout the process, I would not have been able to complete the report on time and accurately. I'm thrilled to be working on my thesis report under his guidance, and I'm grateful for the chance.

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Lastly, I thank my family, friends and colleagues for their motivation and encouragement throughout my academic journey.

Executive Summary

This thesis report titled "Financial Performance Analysis of AB Bank PLC" provides an in-depth study of the banking financial performance of AB Bank PLC (ABBPLC). The report is based on the practical experience gained during this period, along with data gathered from primary and secondary sources.

The report focuses on the core area of The Financial Performance of AB Bank PLC. The report analyzes the financial performance of AB Bank PLC over recent years using key financial ratios, including profitability, liquidity, efficiency and solvency ratios. The analysis identifies trends, strengths, and areas for improvement in the bank's financial stability and growth. Notable findings include ABBPLC's steady profitability and its ability to maintain competitive efficiency in the banking industry.

The experience provided a comprehensive understanding of the operations and financial health of AB Bank PLC. Key observations include the bank's commitment to innovation in banking, its strong customer service and its strategic focus on achieving sustainable financial growth.

The report concludes with recommendations aimed at enhancing AB Bank operational efficiency, service quality and financial performance, ensuring its continued success in the highly competitive banking sector.

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Chapter 01

Introduction

1.1. Background of the study

AB Bank PLC is the first private commercial bank in Bangladesh. ABBPLC is a first generation bank operating since 12 April, 1982. Now AB Bank has 104 branches all over the country with two subsidiary companies-AB Securities Ltd and AB Investment Ltd. The bank opened 56 sub-branches in 2023 to bring more people under the coverage of banking service.

After completion of the report preparing, I will render my all knowledge to present the report on Financial Performance Analysis of AB Bank PLC. In the organizational part will briefly describe overview of the organizations historical background, functions, business philosophy, ownership pattern, foreign correspondents and overseas operations and benefits provided to customers by the organization

. The report aims to accomplish the following:

- To obtain practical and real-life experience.
- To assess the relevance of the information learned in the EMBA program in relation to the real-life scenario.
- To satisfy the EMBA program's requirements

1.2. Rationale of the Study

The banking sector plays a critical role in the economic development of a country by facilitating financial intermediation, supporting trade and promoting investment activities. AB Bank PLC a leading bank in Bangladesh, operates with the vision of fostering economic growth through ethical and inclusive banking practices. Understanding to analyzing the financial performance of this bank is crucial in assessing its contribution to the economy and its operational efficiency. This study is significant for several reasons. First, general banking activities form the core of a bank's operations, encompassing services such as account management, deposits, remittance and loans. By gaining insights into these activities at AB Bank PLC, the study will help identify how effectively the bank meets customer needs and adapts to the changing financial landscape. Second, analyzing the financial performance of AB Bank PLC provides a clearer understanding of its profitability, liquidity, asset management and overall financial stability. This analysis is particularly important as it highlights the bank’s ability to compete in a dynamic market with maintaining financial growth. This study has practical implications for both academic and

professional purposes. For students, it bridges the gap between theoretical knowledge and real-world banking practices, offering an opportunity to gain hands-on experience in understanding the financial analysis. For banking professionals and policymakers, the findings can serve as a reference for improving performance metrics, customer service and financial strategies. It aims to highlight key operational strengths and challenges while providing actionable insights to ensure sustainable growth in the competitive banking sector of Bangladesh.

1.3. Objective of the Study

The primary objective of this study is

- To examine the financial performance of AB Bank PLC.

The specific objectives are as follows:

- To understand the operational framework of banking activities at AB Bank PLC.
- To analyze the financial performance of the bank using key financial indicators such as profitability, liquidity and solvency.
- To identify the strengths and challenges faced by AB Bank PLC.
- To provide insights into the efficiency and effectiveness of the bank's financial management practices.
- To recommend potential strategies for improving both the banking operations and overall financial performance.

1.4. Scope of the Study

The scope of this study focuses on examining the financial performance of AB Bank. This report highlights the various functions and services offered by the bank. Accordingly, it analyzes the financial performance of the bank by evaluating key financial indicators, including profitability, liquidity, and efficiency. The study primarily concentrates on data collected during the report making period, supplemented by annual reports, financial statements and relevant secondary data. The scope also includes understanding the role of AB Bank PLC in the banking sector, identifying operational strengths and weaknesses and assessing how its financial performance aligns with industry standards.

1.5. Limitations of the Study

While conducting this study on the financial performance analysis of several limitations were encountered that may have affected the overall outcome of the research. These limitations are as follows:

- **Limited Timeframe:** Due to time constraints, it was not possible to conduct an in-depth and comprehensive analysis of financial performance aspects of AB Bank PLC.
- **Dependence on Secondary Data:** The financial performance analysis relied heavily on secondary data, such as annual reports, financial statements and other published documents. Any inaccuracies or biases in the data sources may have influenced the findings.
- **Limited Exposure to All Departments:** Although the study focuses on financial structure of the bank, due to operational limitations, exposure to all departments and services, such as foreign trade or credit risk management, was not feasible.
- **Resource Constraints:** The lack of adequate resources, including financial tools, sophisticated software and data analytics techniques, restricted the ability to carry out advanced financial performance evaluations.
- **Time Limitation for Client Interaction:** Interactions with customers and bank officials were limited, as daily operational activities kept the employees occupied. This made it difficult to gather extensive feedback and qualitative insights on customer satisfaction and banking operations.

Chapter 02

Literature review

In this section, several related studies with concepts and results produced by previous researchers will be discussed. The research discrepancy found for the present analysis, and the planned assessment's related goals will also be rationalized. The present study is intended to assess commercial bank financial success in Bangladesh. There are two hierarchical approaches available to quantify bank efficiency and alternative methods, including non-parametric DEA and the parametric Stochastic Frontier Approach. The first is Ncube's accounting strategy, mostly focused on financial ratios, and the second is econometric.

As a metric to assess businesses financial results, Samad and Van Horne & Wachowicz Jr. use the financial link. Likewise, Pandey says it is the best way of comparing the company's current financial ratio with the past to see whether the financial result is strengthened, worsened, or stays stable over time (Pandey, 2004). The interest that the Bank gets from shareholders. If the benefit and the related risks are effectively regulated better, the Bank is profitable.

The study results Mujeri & Younus indicate that interest rate spread is driven substantially by classified loans and borrowing costs, inflation, funding costs, deposit market share, and the need for regulatory reserves (Mujeri & Younus, 2019). Chowdhury & Ahmed note a steady growth rate of the branches, staff, deposits, loans, advances, net profits, and EPS during the period 2019-2023 while calculating the banking industry's financial output in Bangladesh. Research by the European Central Bank has contributed to evaluating bank success for its ability to produce sustainable profitability in which the analysis prefers financial factors such as ROA, P / B ratio, and economic efficiency rather than utilizing ROE. The study implies that success forecasting can consider risk and sustainability, using more forward-looking proxies (Chowdhury & Ahmed, 2019). Data from the Duncan & Elliott report indicate that consumer loyalty is strongly associated with financial performance metrics such as net profit, ROA, and capital appropriations. Evaluate Jordanian and Pakistani commercial banks ' financial performance 13 indicators, using ROA as a performance proxy (Duncan & Elliott, 2004). Siddiqui & Shoaib, however, uses Tobinq's model to assess the efficiency of the Bank. The results indicate that the Bank's profitability greatly influences ROE and Tobin's Q. (Shah & Jan 2014). The multiple regression analysis methodologies employed by Tarawneh to analyze Omani commercial banks' financial output metrics can be considered a guideline in the econometric method. ROA and interest income are used in his research as proxies for results. (Tarawneh, 2006). The present

analysis analyzed banks ' financial results with a profitability ratio, market ratio, and value-added metrics. Furthermore, the studies mentioned above have identified these ratios. Furthermore, the study tried to create a connection between EVA and income, a market ratio. As EVA has been paying a little attention, a crucial management instrument in the corps, except Mohammad Jahur & Riyadh and Shill studies, is now being looked at. Their findings indicate that EVA is an essential metric to evaluate a bank's success, given the scenario in which large numbers of shareholders have to fulfill their profits. They find that EVA has statistically essential ties to other success assessment metrics, including ROA, net benefit, and profit per employee and deposit per employee. (Jahur & Riyadh, 2002), (Shil, 2009).

The research conducted by Demirhan and Wassem (2014) categorizes four groups of factors that influence the financial performance of a business, including (1) "liquidity," which is measured by the current ratio and the acid-test ratio, two ratios that provide information about the ability of the business to meet short-term debts; (2) "profitability," which evaluates the profit-generating capability of the business through net profit margin, operating profit margin and return on assets; (3) "asset management efficiency," which is measured by inventory turnover, accounts receivables turnover and total asset turnover; (4) "financial leverage," which is measured by return on equity and debt-to-equity ratio. Financial leverage refers to how much a company utilizes debt to finance its operations. A business's leverage, or return on equity, increases when the company earns more from investments funded by borrowed capital than the interest paid (Brigham & Houston, 2012).

According to the resource-based view, the key to improving a business's performance is to consider its internal characteristics (Barney, 1986; Afrifa & Tauringana, 2015). The contingency theory helps explain how the design of a business will only be practical and applicable in certain specific environments when certain conditions are met (Otley, 1980; Uyar & Kuzey, 2016). Since the conditions and environments of each business vary, the design of that business will also differ. Developing innovation strategies, implementing management accounting information systems, and managing internal business processes can play a role as underlying factors influencing the business's financial operations (Hariyati & Tjahjadi, 2018).

This theory focuses on the resources and capabilities of a business that determine its operational effectiveness. Resources, including assets, skills, and capabilities, determine the process of empowering the business to create its competitive advantage.

Chapter 03

Methodology

3.1 Research Design

An examination of the “Financial Performance Analysis of AB Bank PLC." is presented in this narrative approach report. Collecting secondary data has been the main method of preparation. For this purpose, the primary secondary sources of information were ABBPLC’s annual reports and financial statements. Primary data sources were utilized in addition to secondary data. In order to compile this research, we gathered data from 2019 through 2023.

3.2 Data Collection

For the purpose of assessing the financial performance of AB Bank PLC, primary and secondary data were utilized.

Primary Data Sources:

- Face-to-face discussion with the Officers
- Engaging in direct, personal communication with clients.
- Practical knowledge gained while working in various areas of the Bank.
- Observation of banking operations directly.

Secondary Data Sources:

- AB Bank annual reports
- AB Bank annual financial statement
- The website of the bank.
- ABBPLC documentation
- Through the internet

3.3 Data Analysis

After collecting primary and secondary data I have processed and compiled them with the help of MS word. I have also prepared the necessary tables on the basis of collected data. Subsequently that I have analyzed this data and come up with some explanation which has been incorporated in the report.

Chapter 04

Organizational Profile

4.1 Introduction

AB Bank PLC was established in 1982 as first private bank in Bangladesh. AB Investment Ltd. and AB Securities Ltd. make up ABBPLC. This groundbreaking three-tiered banking concept (formal, non- formal and volunteer) brings fresh life to welfare banking in Bangladesh with the goal of reducing poverty through the implementation of this stated in the mission statement of "Working Together for a Caring Society." For the benefit of our esteemed stakeholders and customers, our goal is to offer customers the most modern services and goods available. Owing to our unparalleled commitment to our customers, we have risen to the top of our industry. As we aid our customers in reaching their full potential, we establish long-term partnerships with them. Across the country, 104 branches and 57 sub branches, 2,300 employees are at the ready to assist consumers at any time. In addition, the country's most remote areas can access banking services through its 192 agent banking facilities. Building a compassionate society is the unwavering goal of all ABBPLC programs. Financial activity cannot bring about a fair and equal society, according to ABBPLC, which has an in-depth connection with other people's emotions. Therefore, for altruistic reasons, it takes part in CSR programs. From empowering families to ending poverty, we cover it everything. In addition to its principal objective of producing a profit, Become the most comprehensive and humanitarian bank in the nation by achieving the milestones set by the Bank. This sets it apart from others.

4.2 Background of ABBPLC

The Bank is committed to promoting ethical and socially responsible banking practices in accordance with banking principles. It serves to individuals, SMEs, and corporations by providing a variety of deposit accounts, loans, internet banking services and financing for international commerce. ABBPLC is well-established in the banking industry of Bangladesh and runs a branch network all across the nation. By assisting the unbanked and underserved and by backing programs that promote entrepreneurship and the expansion of small businesses, the Bank demonstrates its dedication to fostering social and economic development in Bangladesh. It also provides non-conventional banking services, ABBPLC has embraced technological advancement and innovation in order to enhance its business operations and provide superior service to individuals. By providing its customers with the ability to access their accounts and carry out transactions from the comfort of their own homes or while they are on the

go, the Bank has developed online banking services as well as mobile banking services. To sum up, ABBPLC is a respected and trusted commercial financial institutions in the country of Bangladesh that has made a name for itself by promoting for responsible and ethical banking practices. A major player in the country's financial industry, ABBPLC is well-positioned for future growth and success because to its extensive branch network, wide range of financial goods and services, and emphasis on technology and innovation.

4.3 Mission

- Establishing Three Sector Banking Model
- Transformation to a service-oriented technology driven profit earning Bank
- Fast, accurate and satisfactory customer service
- Balanced & sustainable growth strategy
- Optimum return on shareholders' equity
- Attracting and retaining high-quality human resources
- Empowering real low-income families and creating local income opportunities
- Providing support for social benefit organizations by way of mobilizing funds and social service

4.4 Vision

- Working together for a caring society

4.5 Commitments of AB Bank

- To the regulators
- To the shareholders
- To the nation
- To the customer

- To the employees
- To the other stakeholders

4.6 Core Values

AB Bank PLC, the first private sector bank in Bangladesh, emphasizes several core values that guide its operations and interactions with stakeholders:

- **Compliance**: The bank prioritizes adherence to national policies and objectives, aiming to provide customers with the best financial support while maintaining corporate integrity.
- **Customer Focus**: AB Bank places significant emphasis on understanding and meeting customer demands, striving to ensure the highest level of satisfaction through continuous efforts.
- **Shareholder Commitment**: The bank is dedicated to delivering optimal returns to its shareholders through prudent performance and sound financial management.
- **Employee Engagement**: AB Bank offers secure and fulfilling employment, recognizing that each team member's contribution is vital to the bank's success

4.7 AB Bank's organizational structure

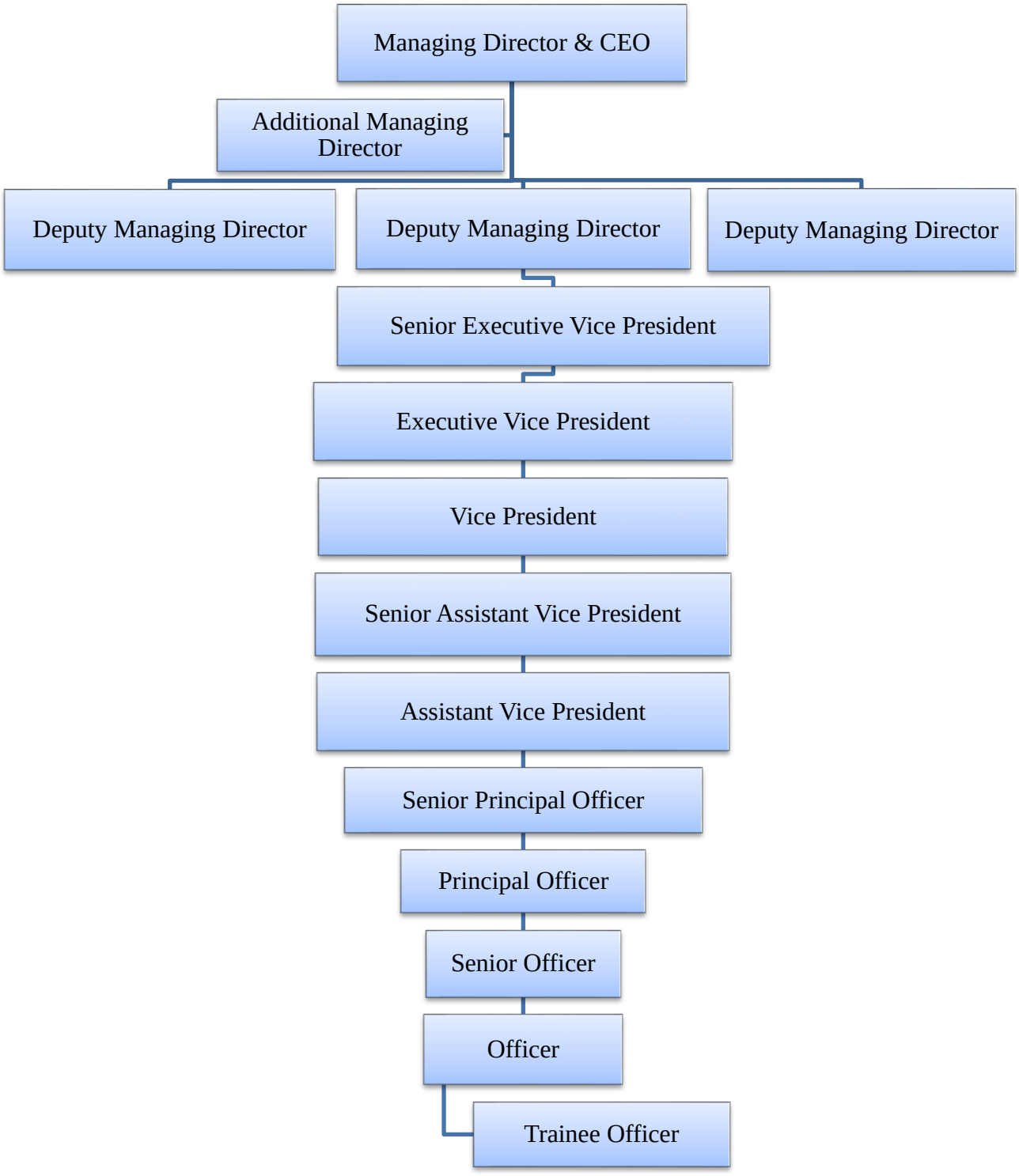


Figure 4.0 1: Corporate Structure

4.8 An Overview of AB Bank PLC (2019–2023)

Vertical Analysis

Comparative Balance Sheet

BDT in crore

Particulars	31.12.23	Mix in %	31.12.22	Mix in %	31.12.21	Mix in %	31.12.20	Mix in %	31.12.19	Mix in %
Cash	2,416	5.56%	2,067	5.05%	2,278	5.55%	2,093	5.42%	1,987	5.44%
Balance with other banks and financial institutions	695	1.60%	483	1.18%	784	1.91%	436	1.13%	525	1.44%
Money at call and on short notice	230	0.53%	193	0.47%	435	1.06%	250	0.65%	478	1.31%
Investments	5,413	12.46%	5,181	12.67%	6,521	15.89%	6,376	16.51%	6,158	16.84%
Loans, advances and lease/investments	31,712	73.02%	31,207	76.28%	29,046	70.79%	27,483	71.18%	25,651	70.17%
Fixed assets incl.premises, furniture & fixtures	286	0.66%	325	0.79%	363	0.89%	449	1.16%	487	1.33%
Other assets	1,411	3.25%	1,419	3.47%	1,571	3.83%	1,488	3.85%	1,237	3.38%
Non-banking assets	1,267	2.92%	33	0.08%	33	0.08%	33	0.09%	34	0.09%
Total Assets	**43,428**	**100.00%**	**40,909**	**100.00%**	**41,032**	**100.00%**	**38,609**	**100.00%**	**36,557**	**100.00%**
Borrowings from other banks, fin. inst. & agents	284	0.65%	1,075	2.63%	2,983	7.27%	1,911	4.95%	1,482	4.05%
AB Bank Subordinated Bond	1,072	2.47%	1,150	2.81%	1,181	2.88%	935	2.42%	740	2.02%
Deposits and other accounts	35,477	81.69%	31,670	77.42%	29,837	72.72%	29,072	75.30%	27,946	76.44%
Other liabilities	4,147	9.55%	4,571	11.17%	4,599	11.21%	4,242	10.99%	4,105	11.23%
Total Liabilities	**40,981**	**94.37%**	**38,466**	**94.03%**	**38,601**	**94.08%**	**36,160**	**93.66%**	**34,273**	**93.75%**
Total Equity	**2,447**	**5.63%**	**2,443**	**5.97%**	**2,431**	**5.92%**	**2,449**	**6.34%**	**2,284**	**6.25%**
Total Liabilities and Shareholders' Equity	**43,428**	**100.00%**	**40,909**	**100.00%**	**41,032**	**100.00%**	**38,609**	**100.00%**	**36,557**	**100.00%**
Off-Balance Sheet Items	**5,278**	**12.15%**	**5,167**	**12.63%**	**4,232**	**10.31%**	**5,919**	**15.33%**	**4,784**	**13.09%**

Comparative Profit & Loss Account

Particulars	2023	Mix in %	2022	Mix in %	2021	Mix in %	2020	Mix in %	2019	Mix in %
Interest income/profit on investments	2,551	80.41%	2,146	75.14%	2,038	73.68%	2,429	75.25%	2,672	84.19%
Interest/profit paid on deposits & borrowings, etc.	(2,062)	-65.01%	(1,707)	-59.79%	(1,582)	-57.19%	(2,013)	-62.37%	(1,885)	-59.40%
Net interest income	**489**	**15.40%**	**438**	**15.35%**	**456**	**16.49%**	**416**	**12.88%**	**787**	**24.80%**
Total non-interest income	622	19.59%	710	24.86%	728	26.32%	799	24.75%	502	15.81%
Total operating income	**1,110**	**34.99%**	**1,148**	**40.21%**	**1,184**	**42.81%**	**1,215**	**37.63%**	**1,288**	**40.60%**
Total operating expenses	**609**	**19.19%**	**600**	**21.01%**	**571**	**20.64%**	**568**	**17.59%**	**643**	**20.28%**
Profit before provision	**501**	**15.80%**	**548**	**19.20%**	**613**	**22.17%**	**647**	**20.03%**	**645**	**20.33%**
Total provision	260	8.20%	273	9.57%	433	15.64%	514	15.94%	514	16.20%
Profit before tax	**241**	**7.60%**	**275**	**9.63%**	**181**	**6.53%**	**132**	**4.10%**	**131**	**4.13%**
Provision for taxation	169	5.32%	207	7.26%	116	4.21%	93	2.88%	114	3.60%
Net profit after tax	**72**	**2.28%**	**68**	**2.37%**	**64**	**2.32%**	**39**	**1.21%**	**17**	**0.53%**

(Profit and Loss Account have been presented based on Gross Income (Interest income + Non-interest income)

Table 4.1: Overview of A B B a n k (2019-2023)

4.9 AB Bank PLC's company profile

NAME	AB BANK PLC
Date of incorporation	December 31, 1981
Date of inauguration of Operation	April 12, 1882
Registered office	The Skymark, 18 Gulshan Avenue, Gulshan-1, Dhaka-1212
Head Office	The Skymark, 18 Gulshan Avenue, Gulshan-1, Dhaka-1212
AB Bank Logo	
Name of Chairman of the Board	Khairul Alam Choudhury
Name of Managing Director	Syed Mizanur Rahman
Number of Branches	104
Number of sub-branches	57
Services provided	Deposit scheme, Credit facility, Investment facility & Foreign Exchange services.
Paid up Capital	8781 BDT in core
Total Capital	43428 BDT in core

Table 4.2: Company Profile

Chapter 05

Financial Performance Analysis of AB Bank PLC

5.1 Operating Profit as a Percentage of Working Funds

Operating profit as a percentage of working funds is a key financial ratio used to measure a bank's operational efficiency.

Year	Percentage (%)
2019	30.72%
2020	24.08%
2021	23.53%
2022	22.80%
2023	21.42%

Table 5.1.: Operating Profit as a Percentage of Working Funds from 2019 to 2023

The provided data reveals a decreasing trend in the Operating Profit as a Percentage of Working Funds for ABBPLC over the years 2019 to 2023.

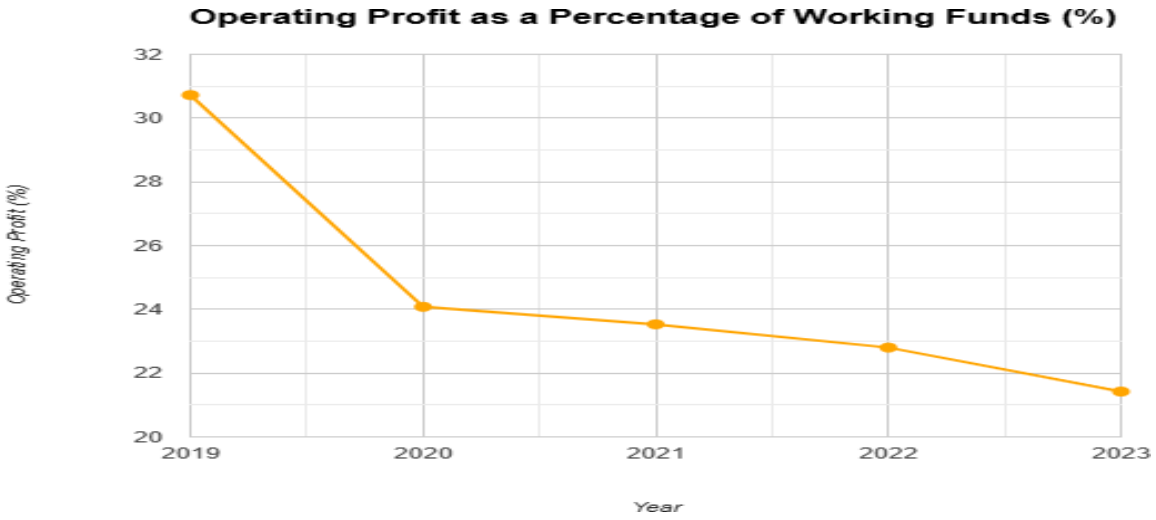


Figure 5.0.1.: Operating Profit as a Percentage of Working Funds from 2019 to 2023

This indicates that while the company's operating profit has been increasing, the efficiency in utilizing its working funds has been declining. This could be due to various factors such as increased operational costs, less efficient use of resources, or changes in the industry dynamics. It's crucial for AB Bank PLC to analyze the underlying reasons for this trend and implement strategies to improve its operational efficiency and optimize the utilization of its working funds.

5.2 Operating Profit (Taka in Million)

Operating profit in a bank refers to the profit generated from its core business activities, excluding expenses like taxes and loan provisions.

Year	Operating Profit (Taka in Million)
2019	6450
2020	6467
2021	6133
2022	5482
2023	5011

Table 5.2.: Operating Profit from 2019 to 2023

The data shows a significant decline in Operating Profit from 2019 to 2023.

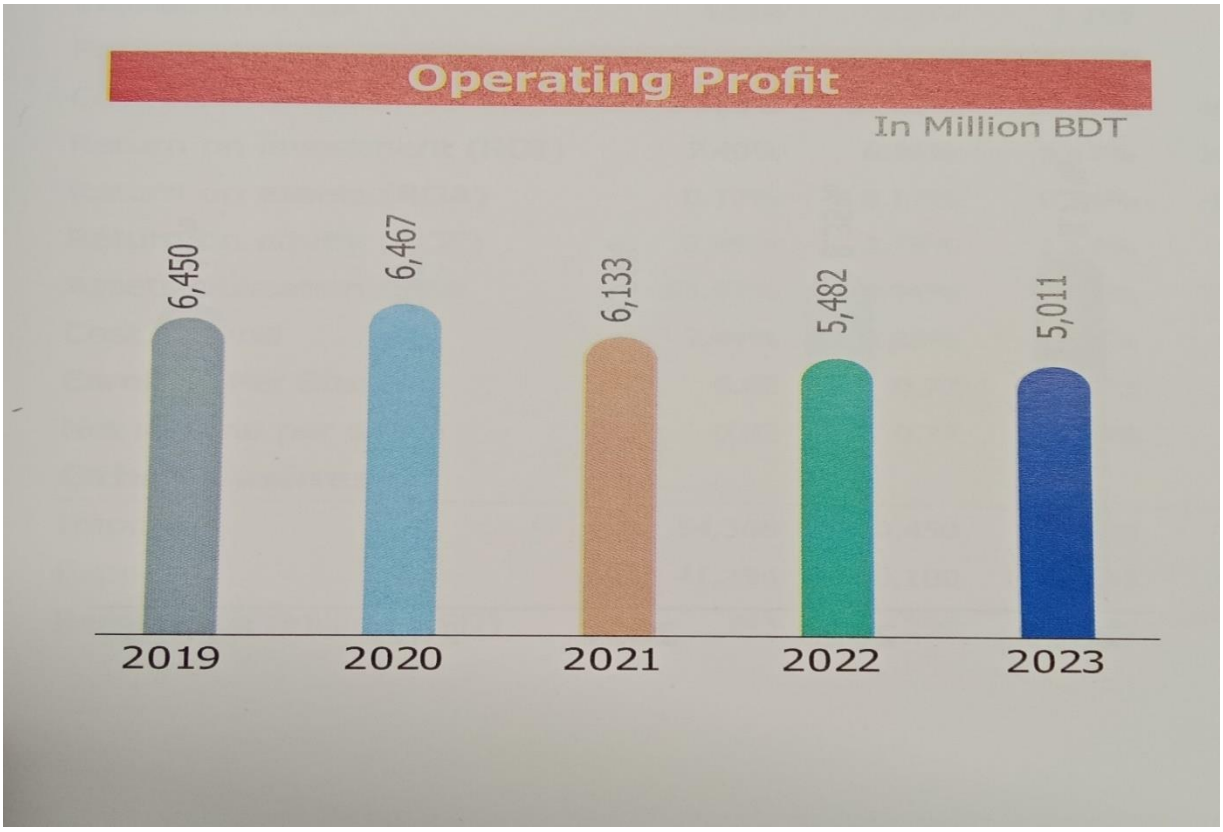


Figure 5.0.2.: Operating Profit from 2019 to 2023

While there was a slight recovery in the following years, the overall trend indicates a downward trajectory. This could be attributed to various factors such as economic downturns, increased

operational costs, or changes in market dynamics. To improve the situation, the company mayneed to focus on cost reduction strategies, explore new revenue streams, or enhance its operational efficiency. A deeper analysis of the underlying causes for the decline in operating profit is necessary to implement targeted solutions.

5.3 Return on Assets (ROA)

Return on Assets (ROA) is a key profitability metric used by banks to evaluate how effectively they utilize their assets to generate profit.

Year	Return on Assets (%)
2019	0.47%
2020	0.42%
2021	0.42%
2022	0.57%
2023	0.45%

Table 5.3.: Return on Assets from 2019 to 2023

The Return on Assets (ROA) for AB Bank has fluctuated over the years 2019 to 2023.

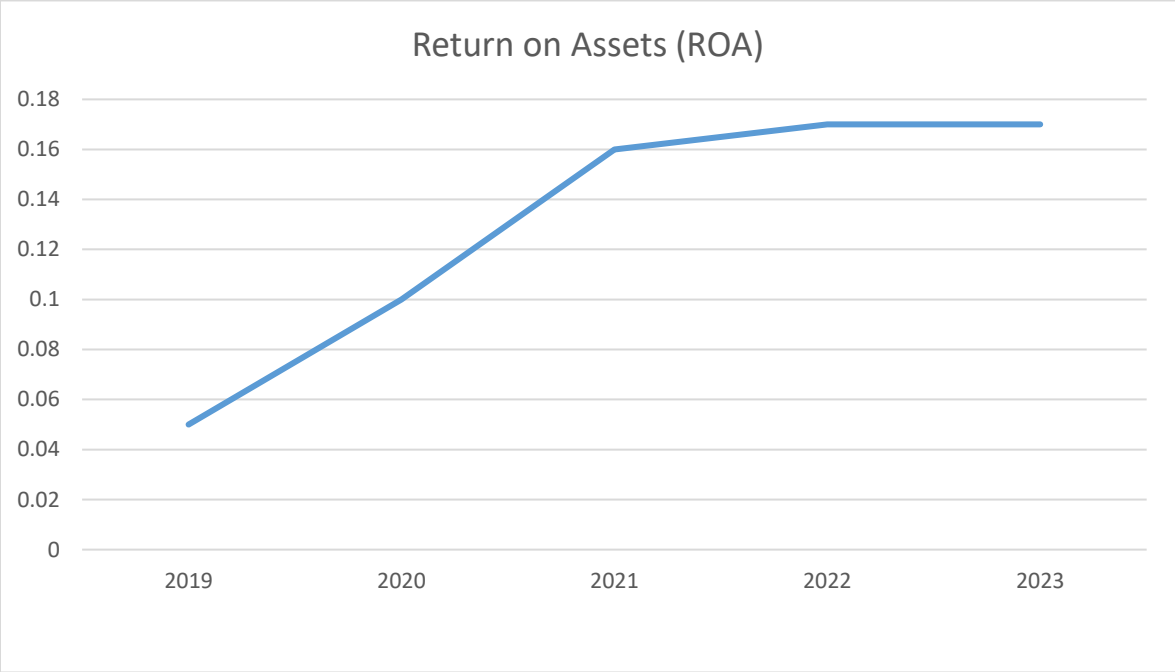


Figure 5.0.3.: Return on Assets from 2019 to 2023

While there was a slight increase in 2022, the overall trend suggests a relatively low and

inconsistent ROA. This indicates that the company's efficiency in utilizing its assets to generate profits has been limited. Factors such as inefficient asset management, high operational costs, or industry-specific challenges could be contributing to this. It's essential for AB Bank to analyze the underlying reasons for the low ROA and implement strategies to improve asset utilization and profitability. The Return on Assets (ROA) for AB Bank PLC has fluctuated over the years 2019 to 2023. While there was a slight improvement in 2022, the overall trend suggests a relatively consistent performance. A low ROA can indicate that the company is not efficiently utilizing its assets to generate profits.

5.4 Stock Performance (Stock Price)

Stock performance in banks is typically assessed by examining stock price trends, price-to-earnings (P/E) ratios, dividends, and market capitalization.

Year	Stock Price
2019	13.70
2020	13
2021	14.80
2022	12.30
2023	11.70

Table 5.4.: Stock Performance from 2019 to 2023

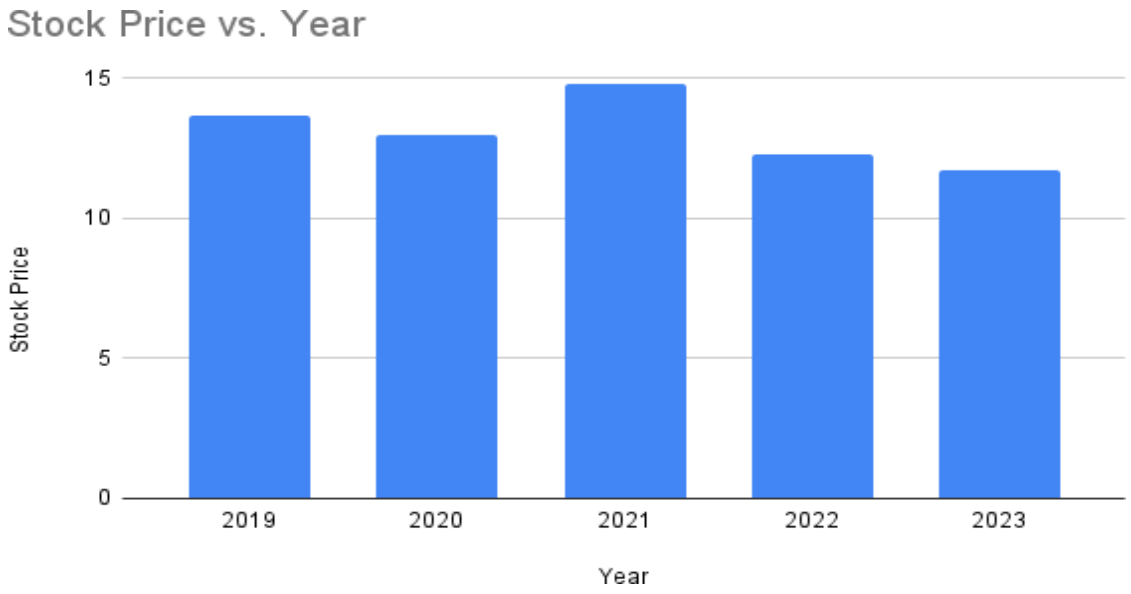


Figure 5.0.4.: Stock Performance from 2019 to 2023

The stock price of AB Bank has shown a fluctuating trend over the years 2019 to 2023. There was an initial increase from 2019 to 2021, followed by a decline in 2022 and 2023. This fluctuation could be attributed to various factors such as overall market conditions, company performance, investor sentiment, and industry-specific events. It's important to analyze these factors in conjunction with the company's financial performance and strategic initiatives to understand the underlying causes of the stock price movement.

5.5 Profit after Tax (Taka in Million)

Profit after Tax (PAT) in a bank refers to the net income the bank retains after deducting all expenses, taxes, and provisions.

Year	Profit After Tax (BDT in Core)
2019	17
2020	39
2021	64
2022	68
2023	72

Table 5.5.: Profit after Tax from 2019 to 2023

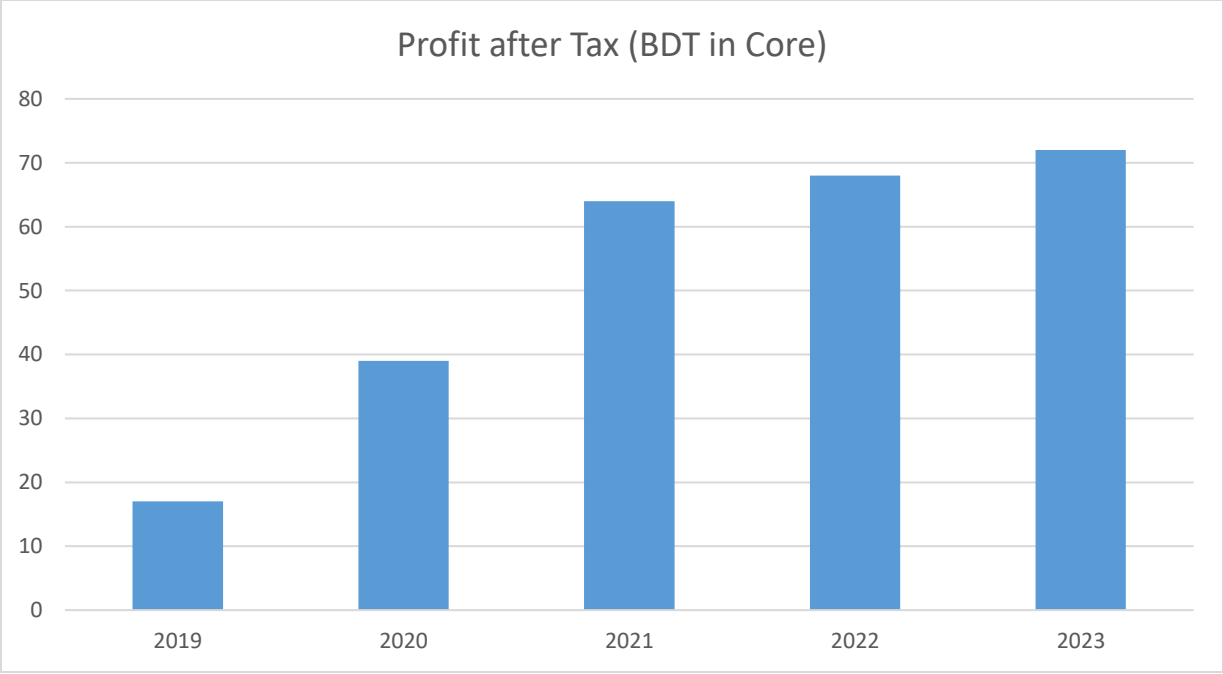


Figure 5.0.5: Profit after Tax from 2019 to 2023

The provided data indicates a positive trend in the Profit after Tax for AB Bank over the years 2019 to 2023. There is a steady increase in the profit after tax, with a significant jump in 2022. This suggests that the company's profitability has been improving over time. Several factors could contribute to this positive trend, such as increased revenue, cost reduction measures, or favorable market conditions. However, it's important to note that, this is a table of the data. A more comprehensive analysis would require considering other factors like economic conditions, industry trends, and specific company strategies.

5.6 Earnings per Share (Taka)

The graph illustrates the Earning per Share (EPS) of AB Bank PLC over the years 2019 to 2023. EPS is a financial metric that represents the portion of a company's profit allocated to each outstanding share of common stock.

Year	Earnings Per Share (Taka)
2019	.19
2020	.45
2021	.73
2022	.77
2023	.82

Table 5.6.: Earnings per Share from 2019 to 2023

The table shows a relatively stable EPS trend for AB Bank during the specified period.

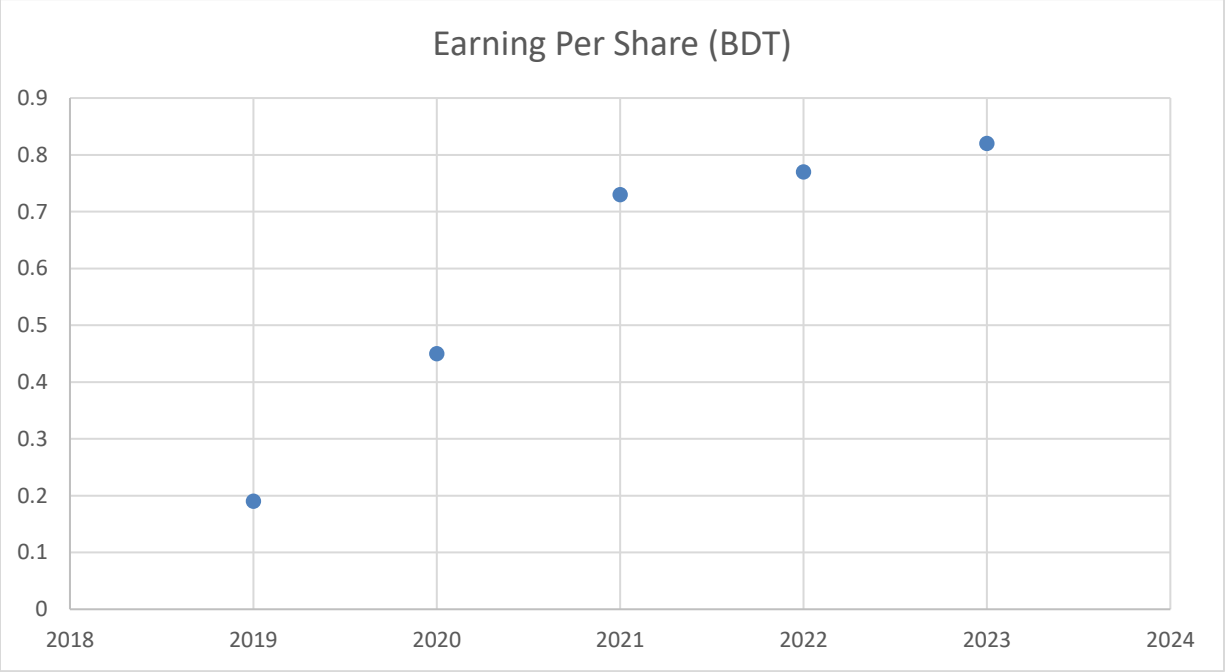


Figure 5.0.6.: Earnings per Share from 2019 to 2023

While there are slight fluctuations, the overall trajectory indicates consistent performance. This suggests that the bank has maintained a steady level of profitability and has been able to distribute a consistent amount of earnings to its shareholders. However, without specific numerical values, it's difficult to draw definitive conclusions about the magnitude of the fluctuations or the overall growth rate of EPS.

5.7 Total Eligible Capital (Taka in Million)

The graph depicts the trend in Total Eligible Capital (Taka in Million) of AB Bank from 2019 to 2023.

Year	Total Eligible Capital (Taka in Million)
2019	33548
2020	36966
2021	35395
2022	36195
2023	38063

Table 5.7.: Total Eligible Capital from 2019 to 2023

Total Eligible Capital represents the sum of a bank's capital and reserves, which serves as a measure of its financial strength and stability.

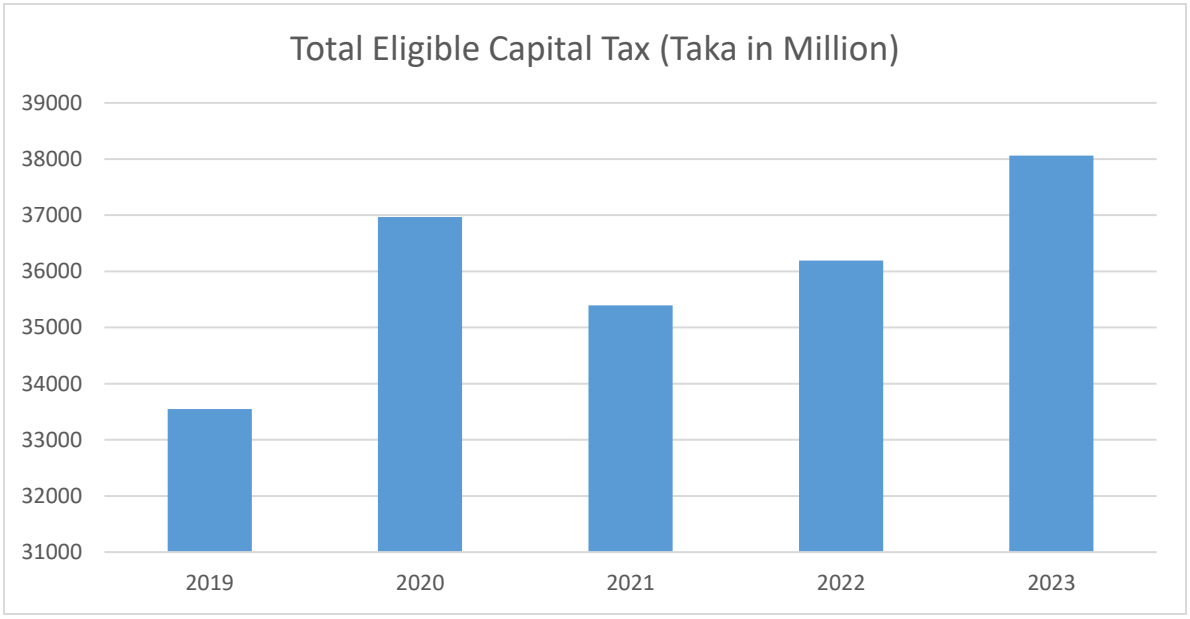


Figure 5.0.7.: Total Eligible Capital from 2019 to 2023

The graph shows a clear upward trend in ABBPLC's Total Eligible Capital over the years. This indicates that the bank has been consistently increasing its capital base, which is a positive sign for its long-term financial health. A stronger capital base allows a bank to absorb potential losses, invest in growth opportunities, and maintain confidence among depositors and investors. To provide a more comprehensive interpretation, it is essential to consider other factors such as the bank's profitability, asset quality, and overall risk profile. By analyzing these factors in conjunction with the trend in Total Eligible Capital, a more nuanced understanding of SIBL's financial performance can be gained.

5.8 Total Paid-up Capital (Taka in Million)

The graph depicts the trend in Total Paid-up Capital (Taka in Million) of AB Bank from 2019 to 2023.

Year	Total Paid-up Capital (Taka in Million)
2019	8833.41
2020	9380.08
2021	9849.09
2022	10341.54
2023	10859.52

Table 5.8.: Total Paid-up Capital from 2019 to 2023

Total Paid-up Capital represents the amount of capital that shareholders have invested in the bank.

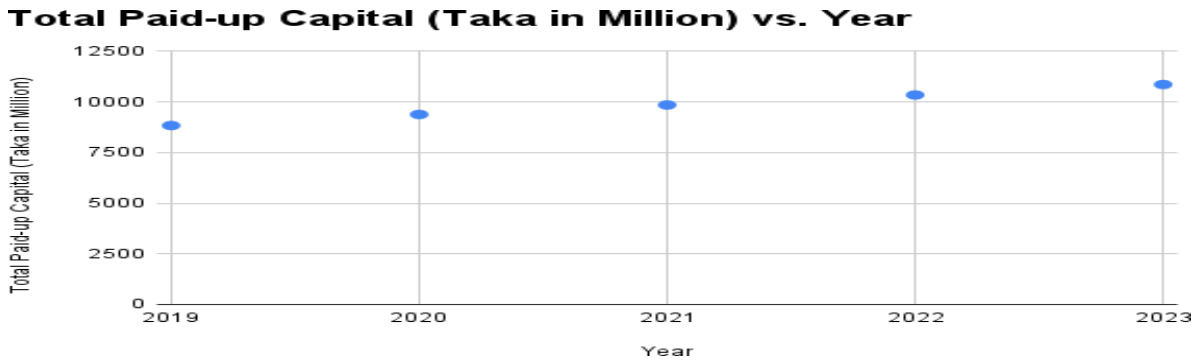


Figure 5.0.8.: Total Paid-up Capital from 2019 to 2023

It's a crucial component of a bank's financial strength as it acts as a buffer against potential losses. The graph shows a steady upward trend in AB Bank. Total Paid-up Capital over the years. This indicates that the bank has been consistently raising capital from its shareholders. Increasing the paid-up capital allows the bank to expand its operations, invest in new projects, and enhance its overall financial position. It's important to note that while a higher paid-up capital is generally

positive, it's essential to consider other factors like the bank's profitability, asset quality, and overall financial performance. A well-capitalized bank can withstand economic shocks and maintain its stability, but it's also important to ensure that the capital is utilized effectively to generate returns for shareholders.

5.9 Total Liabilities and Shareholder's Equity

The graph illustrates the trend in Total Liabilities and Shareholder's Equity (Taka in Million) of AB Bank from 2019 to 2023.

Year	Total Liabilities and Shareholder's Equity (Taka in Core)
2019	36557
2020	38609
2021	41032
2022	40909
2023	43428

Table 5.9.: Total Liabilities and Shareholder's Equity from 2019 to 2023

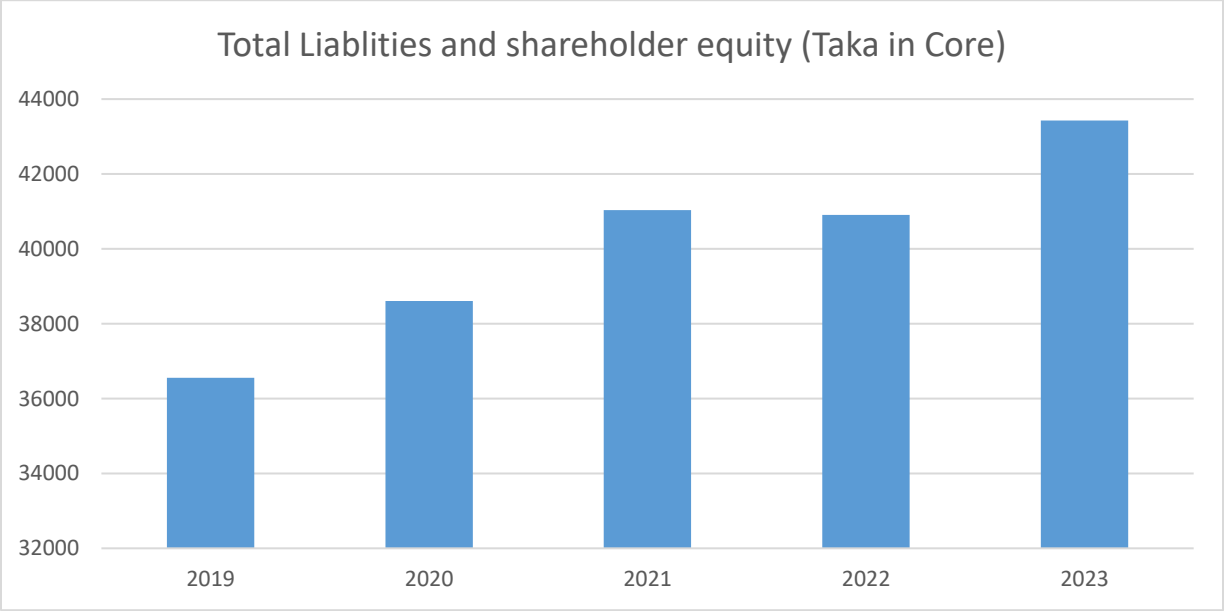


Figure 5.0.9.: Total Liabilities and Shareholder's Equity from 2019 to 2023

Total Liabilities and Shareholder's Equity represents the total value of a company's ownership. It's calculated by subtracting a company's total liabilities from its total assets. A higher shareholder's equity indicates a stronger financial position for the company. The graph shows a steady upward trend in AB Bank's Total Liabilities and Shareholder's Equity over the years. This positive trend indicates a growing financial strength and stability of the bank. A higher shareholder's equity

allows the bank to absorb potential losses, invest in growth opportunities, and maintain confidence among depositors and investors. However, it's important to note that a higher shareholder's equity alone does not guarantee strong financial performance. Other factors such as profitability, asset quality, and efficient management also play a crucial role in determining a bank's overall financial health.

5.10 Cost-Income Ratio (%)

The graph illustrates the trend in the Cost-Income Ratio of AB Bank PLC from 2019 to 2023.

Year	Cost-Income Ratio (%)
2019	41.35
2020	46.76
2021	48.22
2022	52.25
2023	54.86

Table 5.10.: Cost-Income Ratio (%) from 2019 to 2023

The Cost-Income Ratio is a financial metric that measures a company's operating efficiency by comparing its operating expenses to its operating income. A lower ratio indicates better operational efficiency, as it means the company is able to generate more income relative to its expenses.

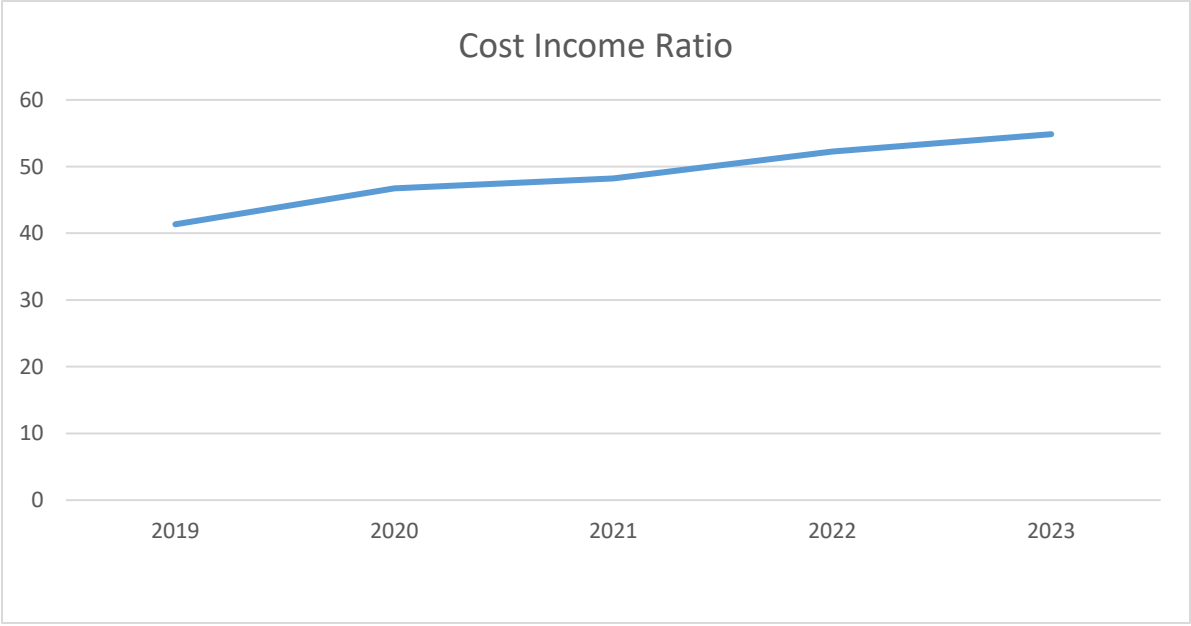


Figure 5.0.10.: Cost-Income Ratio (%) from 2019 to 2023

The graph shows a slight upward trend in AB Bank's Cost-Income Ratio over the years. This indicates a marginal decline in the bank's operational efficiency. While the increase is relatively small, it suggests that the bank might be facing challenges in controlling its operating costs or increasing its revenue. It's important to note that a higher Cost-Income Ratio can impact a bank's profitability. By closely monitoring this metric and taking proactive measures to improve operational efficiency, AB Bank can enhance its overall financial performance.

5.11 Debt Equity Ratio (Times)

The Debt-Equity Ratio is a financial metric that measures a company's financial leverage. It compares a company's total debt to its total equity. A higher debt-equity ratio indicates that a company is financing its operations more with debt than with equity.

Year	Debt Equity Ratio (Times)
2019	16.67
2020	17.57
2021	17.76
2022	16.42
2023	15.97

Table 5.11.: Debt Equity Ratio (Times) from 2019 to 2023

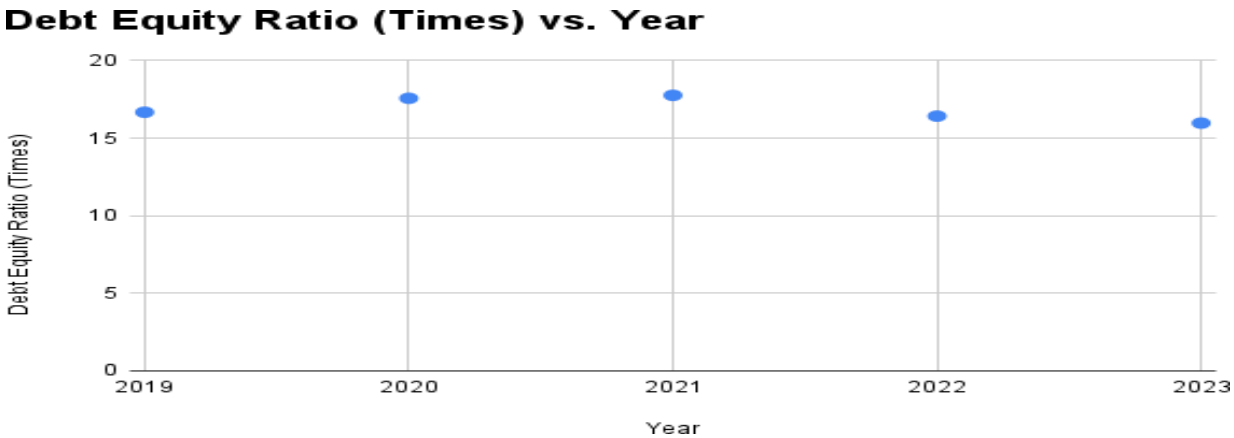


Figure 5.0.11.: Debt Equity Ratio (Times) from 2019 to 2023

The graph shows a relatively stable Debt-Equity Ratio for AB Bank over the years. This suggests that the bank has maintained a balanced approach to financing its operations, avoiding excessive

debt accumulation. A stable debt-equity ratio can be beneficial for a bank's financial health as it reduces the risk of financial distress. However, it's important to note that a low debt-equity ratio doesn't necessarily mean that the bank is not utilizing its capital efficiently. A certain level of debt can be used to fuel growth and increase returns. Therefore, it's essential to consider other factors such as the cost of debt, the bank's profitability, and the overall economic environment to assess the impact of the debt-equity ratio on the bank's financial performance.

5.12 Current Ratio

The Current Ratio is a financial liquidity ratio that measures a company's ability to pay its short-term obligations with its current assets. A higher current ratio generally indicates better liquidity.

Year	Current Ratio (Taka in Million)
2019	1.03
2020	1.02
2021	1.02
2022	0.81
2023	1.02

Table 5.12.: Current Ratio from 2019 to 2023

The graph illustrates the trend in the Current Ratio of AB Bank PLC from 2019 to 2023.

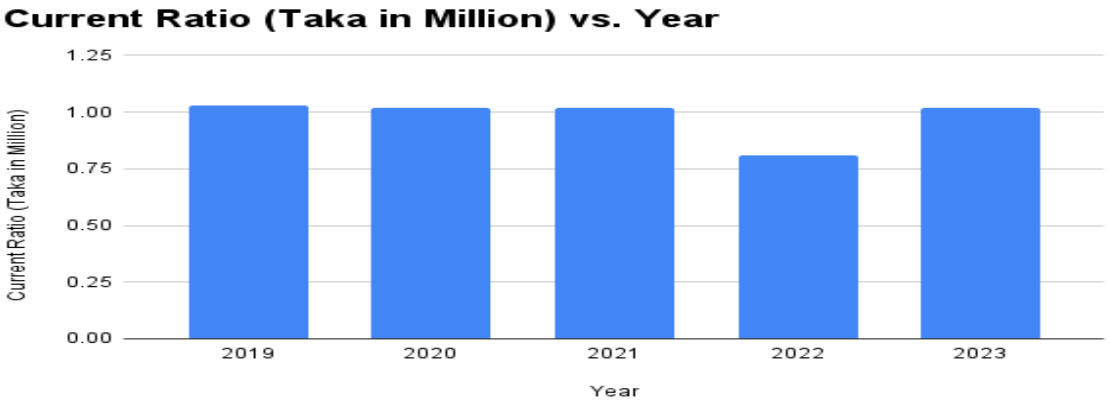


Figure 5.0.12.: Current Ratio from 2019 to 2023

The graph shows a relatively stable current ratio for AB Bank over the years, with a slight dip in 2022. This suggests that the bank has maintained a healthy liquidity position, with sufficient

current assets to cover its short-term liabilities. A stable current ratio is important for a bank's financial health as it helps to mitigate liquidity risks and ensures that the bank can meet its obligations on time. However, it's important to note that a very high current ratio may also indicate inefficient use of funds. Therefore, maintaining a balanced current ratio is crucial for a bank's overall financial performance.

5.13 PE Ratio

This is a valuation ratio that compares a company's current share price to its earnings per share. It gives an idea of how much investors are willing to pay for each unit of earnings. A higher PE ratio often indicates that investors expect higher future growth.

Year	PE Ratio (Taka in Million)
2019	8.1
2020	7.86
2021	8.78
2022	6.25
2023	5.91

Table 5.13.: PE Ratio from 2019 to 2023

The graph shows the PE Ratio for a company over the years 2019 to 2023.

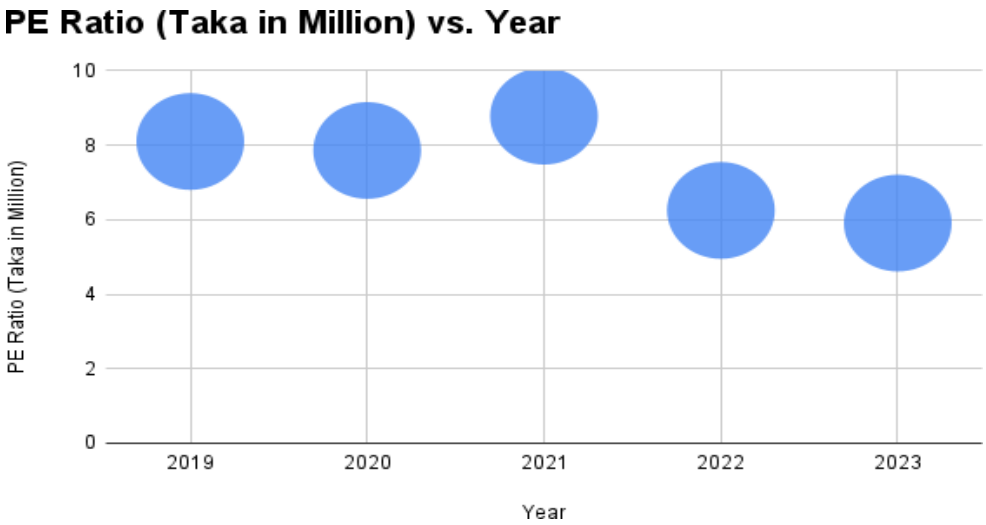


Figure 5.0.13.: PE Ratio from 2019 to 2023

Initial Period (2019-2020), The PE Ratio was relatively stable during this period. This could suggest a period of consistent performance and investor confidence. Upward Trend (2021). The PE Ratio increased significantly in 2021. This indicates that investors were more optimistic about the company's future earnings potential, leading to a higher valuation. It could be due to factors such as strong financial performance, positive market sentiment, or anticipated growth. The PE Ratio decreased in both 2022 and 2023.This suggests a decline in investor confidence, potentially due to factors like decreased earnings, increased competition, or overall market conditions. The graph indicates a period of high investor optimism followed by a decline in confidence. It's important to note that the PE Ratio is just one metric and should be analyzed in conjunction with other financial indicators to get a comprehensive picture of a company's performance and valuation.

Chapter 06

Analysis & Findings

6.1 Financial Performance Analysis:

A detailed analysis of ABBPLC's financial performance reveals a mixed bag of results. While the bank has shown growth in certain areas, challenges persist in others.

- **Profitability:** The bank's profitability, as measured by metrics like Operating Profit and Net Profit after Tax, has shown mixed results. While there have been periods of growth, overall, the profitability has been relatively stable. The Cost-Income Ratio has been increasing, indicating a decline in operational efficiency. The bank needs to focus on cost control and revenue enhancement to improve its profitability.
- **Asset Quality:** The bank's asset quality, as reflected by its Non-Performing Loan (NPL) ratio, needs to be closely monitored. While the NPL ratio has been relatively low, it's essential to maintain stringent credit underwriting standards and effective loan recovery mechanisms.
- **Liquidity:** The bank's liquidity position, as indicated by the Current Ratio, has been relatively stable. This suggests that the bank has sufficient liquidity to meet its short-term obligations.
- **Capital Adequacy:** The bank's capital adequacy ratio has been satisfactory, indicating a strong capital base. This provides a cushion against potential losses and supports future growth.
- **Investor Confidence:** The stock price and PE ratio have shown fluctuations, indicating varying levels of investor confidence. The bank needs to focus on delivering consistent financial performance and implementing strategies to enhance shareholder value.

6.2 Opportunities for Improvement

AB Bank has demonstrated a reasonable level of financial performance. However, to sustain growth and improve profitability, the bank should focus on the following areas:

- Operational Efficiency: Continuously strive to improve operational efficiency and reduce costs.
- Asset Quality: Maintain stringent credit underwriting standards and effective loan recovery mechanisms.
- Risk Management: Implement robust risk management practices to mitigate potential risks.
- Customer Focus: Prioritize customer satisfaction and offer innovative products and services.

Chapter 07

Recommendations and Conclusion

Recommendations:

Based on the analysis of Financial Performance of AB Bank PLC, several recommendations can be made to enhance the bank's operations and performance:

- **Improving Digital Banking Services:** AB Bank should invest in strengthening its digital banking platforms to cater to the growing demand for online and mobile banking services. Enhancing user experience through initiative interfaces and faster transaction processing will improve customer satisfaction and increase the bank's competitiveness in the market.
- **Risk Management Strategies:** Strengthening risk management frameworks to mitigate financial risks is essential. The bank should focus on enhancing its credit risk assessment systems and employ advanced analytics to identify potential defaults early. It should also diversify its risk portfolio by exploring investment options in stable, high-performing sectors.
- **Cost Optimization:** While AB Bank has made strides in managing its operational costs, it could further optimize its costs by automating routine processes, reducing manual interventions, and consolidating resources to eliminate inefficiencies. This can improve the bank's overall profitability.
- **Employee Training and Development:** Regular training programs for employees in customer service, financial products, and regulatory compliance are crucial for enhancing employee productivity and maintaining service quality. Up skilling the workforce will also help in adapting to changing financial trends and customer needs.

Conclusion:

AB Bank PLC has demonstrated a strong commitment to offering a variety of banking services while maintaining solid financial performance. The bank's general banking activities, including deposit management, loan disbursement, and customer service, have contributed significantly to its growth. However, as the banking sector continues to evolve, AB Bank must focus on leveraging technology, improving risk management, and exploring new growth avenues to stay competitive. By implementing the recommendations outlined in this report, AB Bank can further enhance its operational efficiency, profitability, and customer satisfaction, ensuring long-term success in a highly competitive financial landscape.

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Appendices

Appendix 1: List of Abbreviations	
Abbreviation	**Description**
ABBPLC	AB Bank PLC
BSEC	Bangladesh Securities and Exchange Commission
ROA	Return on Asset
ROE	Return on Equity
NIM	Net Income Margin
ROI	Return on Investment
CSR	Corporate Social Responsibility
CEO	Chief Executive Officer
SDGs	Sustainable Development Goals
CI	Classified Investment
TI	Total Investment

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