INTERNSHIP REPORT ON

“Performance Evaluation of SME Banking Activities of Pubali Bank PLC”

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Letter of Transmittal

19th November,2025

Md. Kamruzzaman

Assistant Professor and Head

Department of Innovation and Entrepreneurship

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Subject: Application for submitting the Internship Report.

Honorable Sir,

It is a great desire for me to submit the Internship Report entitled **"Performance Evaluation of SME Banking Activities of Pubali Bank PLC"** as per the obligation of the BBA program, I have accomplished my internship in Pubali Bank PLC, Khamarbari Branch. I have strained to apply all the information that I collected through my working experience with this branch along with overall understating of SME activities Pubali Bank PLC to prepare this report.

There are few confines due to nonexistence of stretch and other details, but I have tried my best to make it as correct as conceivable and I have tried my best to gather related info from all obtainable sources.

Thank You

Sincerely Yours,

Mridul

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Md.Muhaiminul Islam Mridul

ID:221-11-1557

B.B.A(Finance)

Department of Business Administration

Faculty of Business and Entrepreneurship

Certificate of Approval

This is to confirm the internship report on **"Performance Evaluation of SME Banking Activities of Pubali Bank PLC"** is a reliable record and the report is finished by **Md. Muhaiminul Islam Mridul** based on reliable information under my direct supervision as per obligation of **Bachelor of Business Administration (BBA)** degree from the **Department of Business Administration, Daffodil International University.**

The report has been accepted and approved and it is the greatest of the bona fide work carried out effectively by **Md. Muhaiminul Islam Mridul.**

I wish him every success in life with the very best of luck.

Md. Kamruzzaman
Assistant Professor and Head
Department of Innovation and Entrepreneurship
Faculty of Business and Entrepreneurship
Daffodil International University

Student's Declaration

I am Md. Muhaiminul Islam Mridul, ID:221-11-1557, hereby declares that this report "Performance Evaluation of SME Banking Activities of Pubali Bank PLC'' is my work. I wrote it after completing my three-month internship at Pubali Bank PLC.The information in this report comes from firsthand experience, organizational data, and secondary research, which guarantees that it is real and new. I am fully responsible for making sure that the information and analysis in this report is correct.

Thank You

Sincerely Yours,

Mridul

Md.Muhaiminul Islam Mridul

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Acknowledgement

At chief I would like to express my truthful appreciation to the almighty Allah for giving me the forte and ability to surface the report in the period. The successful triumph of this internship report is the outcome of the influence and connection of some persons, particularly those who took time to part with their considerate guidance and suggestions to improve the report. It's difficult for me to thank all of those people who have contributed something to this report. There are some special persons who cannot go deprived of mention. At the very first, I would like to extend thanks towards my honorable internship supervisor Md. Kamruzzaman, Assistant Professor and Head,Department of Innovation and Entrepreneurship, Daffodil International University, I am thankful to him for his cordial support, supervision, suggestions and direction that enabled me to complete this report properly. I also convey my sincere appreciation to some resource personnel of Pubali Bank PLC, Khamarbari Branch including Krishibid Badrul Islam AGM & Head of Branch for his cordial support and suggestion.

I also indebted to all of the employees of this branch as without their direct and indirect support it was not possible for me to gather practical knowledge & experience of banking operation.

Mridul

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Executive Summary

You can also reach out to private banks like Pubali Bank PLC is the largest private commercial bank in Bangladesh that actually fund SME financial products (providing short-term working capital loans, women entrepreneurs' loans & asset acquisition scheme for a composition with smaller credit limits without mortgage). Bank’s SME business forms the backbone of a larger commitment to encouraging economic growth and financial inclusion in support of its extensive branch footprint, complemented by continued investment into trade finance and working capital solutions such as its partnership with the International Financial Corporation (IFC).

Here, the report is limited to discuss about the Small & Medium Enterprise (SNE) banking services of Pubali Bank Member Bank and its contribution in general perspective as well as branch oriented. Such evaluation is used to assess the bank’s strategies, products and services provided for SME as well as their impact upon the bank profitability and businesses in local areas.

The report is started with a brief on the importance of SME financing in the country’s economy and set objectives of this paper. It moves on to discuss the organization structure and background of Pubali Bank PLC, demonstrating its function and standing in local banking industry, and elucidating about its various SME loan products and services. This analysis will also present the activities, problems and successes achieved by this branch (Khamarbari) in SME banking. It measures the performance metrics of the branch including loan disbursement rates, recovery rates and how local SME development has been impacted by it.

The concluding sections of the report present the overall findings, noting areas where Pubali Bank’s SME banking model is strong and those that are weak. It ends with some strategic prescriptive measures that can help the bank beef up performance in the SME sector, recommending product development, risk control and customer services as opening the sluice gate of growth or profitability.

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Chapter:1

Introduction of the Report

1.0 Introduction

Established in the year 1959 ,PUBALI BANK LTD, A state owned Commercial Bank is offering excellent opportunity for perusing career on Banking sector. It is one of the leading players at the country's financial markets, providing a broad range of banking services including retail banking and corporate banking -among them is smaller business (or Small & Medium Enterprise). The bank is intended to create growth by allowing more opportunities for savings to be invested, and thus invest transfer these savings into more dynamic sectors. Branches Branch Network Pubali Bank have executing his operations in all corners of the country through 382 branches for smoother and swift services to rural as well as urban customers. That broad base is crucial for its SME banking business: supporting the local entrepreneurs and businesses that are the lifeblood of the economy.It offers Corporate and retail banking, forex services, treasury services and a leading take on SME banking which is essential to enabling a dynamic and inclusive economy. The structure, function and performance of Pubali Bank PLC will be discussed with the main focus on its contribution in respect to the SMEs.

1.1 Background of the Study

Alrighty! this is a compulsion for us, since I am in BBA and internship was part of our course here, to experience the real corporate world. During the industrial attachment period at Pubali Bank PLC (Khamarbari Branch) of three months I had an opportunity to do practical application what I had studied in my BBA programme. With the ceaseless supervision of my academic supervisor, Md. Kamruzzaman I learned insight into the operational systems and processes of the bank; especially at SME banking division. As a finance major, this experience was critical to bridging the gap between what I learned in the classroom with respect to financial management and credit risk, and how these concepts work on the ground level lending to small businesses. The title of report "SME Banking Activities and Performance of Pubali Bank Limited" indicates that I have studied the contribution in increase, development and sustenance of SME sector by the bank through their strategies and products. These projects gave me the opportunity to observe first-hand how credit decisions are taken, loans are sanctioned and relationships with customers are managed & maintained - giving me a practical exposure of SME banking.

1.2 Statement of the Problem

Pubali Bank PLC is the key player in SME banking but its performance in terms of the quality, efficiency profitability are exposed to some bottlenecks. Despite its strong presence in the market, the bank has challenges which act as obstacles to developing full support for SMEs. There are at least three reasons for this, i.e., a) the expensive and lengthy process of loan approval that can deter potential borrowers from applying; b) fierce competition by other commercial banks and non-bank financial institutions; c) risks in lending to SMEs like a high risk of NPLs. Furthermore the bank might have difficulty in promoting its SME products to an appropriate target and thus satisfy customers, as well. This article will explore these problems to find the causes and offer some solutions.

1.3 Significance of the Study

The findings have certain implications for various related groups including the management of Pubali Bank, SME entrepreneurs and academicians specialising in the field of finance. Such research would be useful to the bank, as the bank would receive an independent perspective of their present SME banking strategy and be able to use this knowledge in identifying where shortfalls still exist in relation to processess, products or risk management. The accumulated knowledge may enable the bank to develop more efficient and customer oriented services that ultimately can enhance its competitive strength in the market. This report might be like a window to the world for SME entrepreneurs, showing what problems people have had when they try to get funding and it would open up some more detailed discussion in the bank as well." This research can also provide an illustration for finance educators and learners in order to learn how financial theories are operated by participating in the SME banking industry of Bangladesh. It provides a touch of the complexity of the large industry and what financial intermediaries due to grow them.

1.4 Objectives of the Study

Purpose of the impact study The primary objective of the present study is to carry out a comprehensive research on SME banking activity, its implementation process and perform an assessment of its performance in this core sector by Pubali Bank PLC. To accomplish this broad aim there are a number of specific aims.

Objective: An overall performance evaluation of Pubali Bank Limited, Small and Medium Enterprises (SME) banking unit in terms of economic implications.To study the products, processes (credit appraisal, sanctioning and disbursement), financial performance of SME banking of Pubali Bank PLC and to suggest remedial measures.

1.5 Methodology of the Study

This article draws on primary and secondary sources. The key data of my internship was supplied through first hand observation and direct involvement in the operations of the bank and employees.

Primary Data

Face to Face Interviews: I personally interviewed by having informal discussion with the departmental heads and the loan officers from Khamarbari branch. These talks delivered real-life examples of the issues and wins in SME banking every day.

Direct Observation: I observed the SME division for three months from beginning to end, starting from customer entry to document verification and on till loan application processing and follow-up.

Secondary Data

Official File: I retrieved the bank's annual report, official circulars and product brochures to examine their formal polices and finance achievement.

Online Materials: I referred to the official website of Pubali Bank PLC and have used a number of articles and reports on SME banking in Bangladesh to complement my study.

Chapter:2

Organization Overview

2.0 Historical Background of Pubali Bank PLC

“As one of the foremost names in the banking industry in Bangladesh, Pubali Bank has a full and vibrant past, which mirrors the nation’s own growth. The bank started its journey in the name Eastern Mercantile Bank Limited in June 1959. It was established by several Bihari businessmen to cater to the locals who had businesses but limited access to credit at that time. Post independence of Bangladesh in 1971 the bank was nationalized by new government of Bangladesh, and became Pubali Bank. The nationalization was a tactical approach to restore stability to the country's post-war financial system. Key economic changes In a crucial move towards a liberal market economy, the bank was denationalized in 1983 and became Pubali Bank Limited as a private commercial bank. The shift marked a new dawn for the bank to better compete and revolutionize its services. It mobilized savings and investments and provided credit to the small businessmen to big industrialists entrepreneurs for the provinces’ agriculture and other basic needs.

2.1 Mission of Pubali Bank PLC

Pubali Bank PLC is a progressive and focus-led bank with a strong reputation which extends back over 50 years, and beyond.Text here title oneText here title two Strategic direction As part of our customer focused strategy, we are pushing past the limits of traditional banking model. It aims to achieve this by:

Repute of energetic, innovative and customer oriented bank.

Steady organic growth and sustainability throughout the years that has been truly transparent.

Growing on the basis of its source bases sustainably.

Continuously advancing their IT for today’s compliances and challenges.

Becoming the best-loved and first Bank of choice in Bangladesh.

2.2 Vision of Pubali Bank PLC

Vision Where Vision meets action Pubali Bank PLC The leaders in the banking sector! True to its service excellence and good corporate governance values, the Bank constantly listens to the needs of all its stakeholders and has best practices oriented towards serving them well. The core of its vision is to:

Become the best private commercial bank in Bangladesh.

Follow the regulation and rules with great care.

Demonstrate an unwavering commitment to the CSR.

2.3 Values of the Organization

The organisation values of Pubali Bank PLC like Khamarbari Branch (where you did the internship) become organisation's culture. These beliefs are not stated explicitly, following but reflected in its business practices that characterize a culture of integrity, professionalism and corporate citizenship. Key values include:

Code of Conduct The bank has a policy on anti-bribery and corruption. Employees should be above board when it comes to honesty and integrity - well, clear with their actions and accountable.

Customer Centricity: Everything about the bank screams great service to its customers. This requires knowing what their customers require and then delivering a thoughtful solution along with a response.

Professionalism Professional commitment and diligence: Personal habits. Galleries try to make themselves run better however they can improve their overall level of professionalism by changing their behavior from behavior that serves only as a counterdrawal into genuinely positive, professional behavior.

Social Responsibility: Pubali Bank is conscious of its social and environmental responsibilities. It's involved in CSR activities related to health care, education, disaster management and environmental protection.

2.4 History and Current Operations

After its privatization in 1983, it has been emerged as a Private Commercial Bank aiming to provide services to the country's business and industrial communities through its network with 445 branches (increased up to November ”2008) spread all over the country. It soon became one of the biggest private banks in Bangladesh in terms of total branch networks. Currently, it has one of the largest real-time centralized online banking systems in the country with over hundreds of Branches, Sub-Branches and Islamic Windows.

The bank today engages in a broad array of banking operations which include:

Retail & Corporate Banking: Providing a variety of deposit and lending products for retail and corporate customers.

SME Banking: Tailored banking products and services for small enterprises, a focus of your study here.

Forex and Trade Finance: Providing import, export and remittances services in promoting international trade.

Electronic Banking: It provides modern digital solutions to its customers that include internet banking, electronic crime safe banking apps and a wide network of ATMs and CRMs.

Islamic Banking: Having separate branches which deals in Shariah Complied (approved) products.

Chapter:3

Internship Role and Responsibilities

3.1 Role and Responsibilities

During my internship period of three months in SME Banking division Pubali Bank- Khamarbari Branch I worked as an Assistant to loan officers and executives regarding the normal daily operation and documentation of SME financed. I was there to address an understanding of the procedural flow for SME loan applications beginning with inquiry, through disbursement and post disbursement monitoring.

My key responsibilities included:

ASSISTING CUSTOMERS WITH THEIR ENQUIRIES: In my role, I was often the face of walk-in SME clients, first points of call - reaching them can be so down to earth and deliver basic explanations about loan products and criteria.

Documentation & Paperwork: I supported in collecting, verifying and organizing requisite documents for loan-going customers like trade license, financials and KYC documentation.

System Updates: Utilized the bank's processing software to enter in customer and loan data, thus created new loans as a university intern.

Credit Appraisal Assistance: Took involvement in prelim appraisals by cross checking the clients' representation and documents with internal & external sources.

3.2 Rationale of Roles and Responsibilities

The aim of my internship was to get a complete picture of the SME banking practice. Resposibility Responsibility Pubali Banks SME Products & Service plays a vital role to groom up small entrepreneurs and I have assigned by the bank for duties in what we have to go through closely.

SME Credit Policy view: Not only i was documentation and Data Input but the peek throughs were opportunity, for me to know that how strict my bank follows credit policy and more you are correct in number less is risk in evaluation.

Theory and Practice: I learned the theory of my major (BBA finance), and was able to apply it practically. For instance, having seen the credit reportage process provided a way for me to relate an academic theories of risk-return trade-off and collateral management to operationalization in bank.

Tracking Customer Interaction: When you meet SMEs directly and communicate (small business owners), you see the struggles and needs of a business owner. This was an excellent grounding in banking from the customer perspective and relationship management.

3.3 Hands-On Experience in SME Banking Operations

I interned in the bank and worked for a few departments, which gave me practical picture of how SME banking function. First, I began by gathering information on the bank's organisation and its main divisions as well as how the SME division works with small and medium-sized enterprises. I did get a good understanding of the various kind of SME loan products which are sold to customers as well. I quickly moved on to customer service and loan processing, where I aided in refilling out loan forms for customers, pulling documents needed and experienced first hand how loan officers process daily customer contacts.

I was then working on document verification and I used to see the authenticity and validity of trade licences, TIN certificates, bank statements etc for same. I also worked in inputting client data on the bank's internal system which is digitizing new loan clients. Working in conjunction with the credit assessment team, I was able to gain insight into how our clients' information would be scrutinised and receive credit bureau reports to measure each loan. I also got to observe loan disbursement process – how it prepares disbursement instructions and again observed how a loan is formally approved/recorded.

Another challenging task was their loan monitoring and recovery unit, where they contact clients on payment and update customers data base. I equally dedicated a part of my time to do market research work so that I could benchmark our bank's SME products with those of competitors, and then made me understand better how banks compete against one another in the space," he says. Before I finished for the summer, I helped research and write up reports on lending guidelines (how loans become affected/approved).

I worked under the branch manager and we used to be trained on performance evaluation — how we can get number of new loans, repayment rates, portfolio growth etc. Lastly, I continued wrapping up my internship journey by creating and editing my final report on how well I applied everything which was learnt in the program. Overall, the exposure was decent enough that I got a good feel of what SME banking was both about technically and operationally.

Chapter:4

Key Learning and Experiences

4.1 Important Learnings

I was interning in the SME Banking department and got to know with both negative as well as positive side of banking. It was a useful lesson that departments were connected and process efficiency actually mattered. Eg: the lag in documentation section impacts the credit appraisal deptt, leading to deferral of disbursement of loan and customer satisfaction.

Handling the confidential legal and financial documents of business owners also impressed on me the importance of attention to detail and of honesty and transparency in financial services. I also shined up those ever-important soft skills such as communication, problem solving and flexibility the skill set you need to master in order to navigate a quickly evolving job landscape.

4.2 Rationale of Roles and Responsibilities

My job responsibilities had been structured in a way that would allow me to see the entire SME lending through from start to finish. As a pedestrian that learned while acting, those lessons were important for understanding how my role contributed to the success of the bank.

Client Management & Needs Analysis - I have worked in a client facing role and now clearly identify the pain points of SME clients who are enquires that come to my friends and colleagues. I learned how to decide what the right mix of services was for different kinds of businesses, which is a fundamental skill in relationship banking.

Credit Risk and Documentation-It gave me the view of how right process n genuine knowledge is utmost imp in credit risk. I learned a lesson and that lesson was to carry out your due diligence so the bank never loses its money.

Data and Analytics: Uploading loan customers' details and updating profiles taught me how financial information is used in making decisions and monitoring performance. This really was a lightbulb experience – it taught me how critical data is for managing a loan portfolio well.

4.3 Connection with Academia

This internship was a great link between the theories I had studies in Business Administration and how they could be used out in the world.

Financial Management and Credit Analysis: The teachings of credit analysis, risk evaluation, and appraisal of the collateral, which were part in my finance courses came into direct application helping me in the process of credit appraisal. I learned how I could analyze a business's financial statements (previously read in a book during my school days) to ascertain its creditworthiness.

Marketing and customer Relations: I got a real sense of how marketing promotions are implemented in the branch. One whom I engaged also taught me how effective communication and a customer conspirancy are example to trust one naveed with clients.

Organizational Behaviour and Management: I've gotten a chance to monitor & analyse the department structure, working process and again work culture at branch. This gave real life groundings to the theories of Org structure and HRM theory that I learnt.

4.4 Personal and Professional Growth

I developed expertise through various experiences as intern:

Problem Solving: I helped clear inconsistencies in loan applications which were a building block of my problem-solving and critical decision making ability, they complement each other.

Attention to Detail: Scrutinizing financial and legal documents taught me to have an attention for detail, and the importance of ethics and moral responsibility.

Communication: First and foremost, I enhanced my communication skills by communicating with clients as well as top level bank personnel.

Financial awareness: I worked on portfolios of loans, managing profitability and risk in the SME sector; which has laid a solid foundation for finance and asset valuation.

Chapter:5

Critique and Reflections

5.1 Critical Evaluation

My time as an intern at Pubali Bank PLC has been an invaluable lesson in practical side of SME banking. It was a very positive and educational experience in the round. I was assigned a specific responsibility and treated as one amongst my colleagues, that provided me an opportunity to look at real banking. The Working Staff at Khamarbari Branch Co-operated and were helpful to the extent of their knowledge sharing. But I felt that the internship could get better if there would have been more structured and formal training program. Although I picked up quite a bit by watching and learning as I went, a structured course catalog for the bank's in-house systems and policies would have helped me work more effectively from day one.

5.2 Key Challenges Faced

At my internship I faced challenges which had put my adaptability and problem solving skills to the test:

No Formal Training: When I was in, there was no formal educational format so at the end of day one most of my knowledge came from watching and asking questions. While this reached the goal of creating a proactive attitude, this could be slow and confusing to start with.

Coping with Large Amounts of Paperwork: The SME unit processes thousands of loan applications, all supported by mountains of paper documents. At first, I had a hard time keeping us and the long caterpillared load papers straight.

Access Restrictions to Information: You will not have access to certain confidential information and internal systems for security reasons. This restriction, for obvious reasons, at times handicapped me from understanding the full process of a loan application.

Communication Lack: Being the intern, sometimes it was challenging to know who to go when I had certain queries this is one place where there are some lack of communications within the team/department.

5.3 Learning from Challenges

The obstacles I encountered turned out to be some of the most valuable lessons from my internship:

Proactiveness and learning on your own: Not having a structured training program, I had to do a lot more on my own in terms of gaining knowledge. What I learned is to ask the right questions, study workflows diligently and take initiative to understand job responsibilities beyond mine.

Attention to detail and accuracy The situation of processing a high volume of documentation has taught me the critical nature of attention to detail. I created a protocol of cross referencing data, which taught me in the financial world if something isn't verified then it might as well not exist.

Flexibility: I was taught how to be productive within the security and information restrictions of the bank. I learned from this experience on how to work around areas about missing information as well as for filling in the gaps, and introduced me more to adaptability.

Professional Communication: Bridges to the profession Bridging the gap improved my communication skills in professional context. I learned how to communicate clearly what I was trying to achieve and approach different team members who could help expose me directly where I needed.

5.4 Overall Reflection

Pubali Bank PLC In Bank it\’s an experience of life time and will remain there for the rest of my academic as well as personal life, that was what I can conclude when I finished off with Pubali bank ltd. In terms of my career, I had on the ground exposure to SME banking and could apply the financial acumen and managerial skill sets I was absorbing in school. But most of all I have learnt a real life trade (lending, risk assessment and client relationship management) which is priceless for my work today.

Personally, the internship made me stronger, and a more assertive person. The challenges I encountered and conquered taught me about resilience, about the importance of perseverance. I developed a strong work ethic, and learned how to be a person in an office. This opportunity has helped me to confirm that finance is really what I want and provided me with a good place from which I want start building.

Chapter:6

Analysis of Performance Evaluation of SME Banking Activities of Pubali Bank PLC

6.1 SME Banking Products:

a) PBL Subarna.

b) PBL Karma Uddog (for Women Entrepreneurs),

c) PBL Sujan

6.2 Definition of SME:

The definition of SME by Pubali Bank follows the guidelines issued by Bangladesh Bank's SME and Special Program Department.

Small Enterprise:

Serial No.	Sector	Fixed Asset other than Land and Building (Tk)	Employed Manpower (Not above)
1	Service	50,000 - 50,00,000	25
2	Business	50,000 - 50,00,000	25
3	Industrial	50,000 - 1,50,00,000	50

Medium Enterprise:

Serial No.	Sector	Fixed Asset other than Land and Building (Tk)	Employed Manpower (Not above)
1	Service	50,00,000 - 10,00,00,000	50
2	Business	50,00,000 - 10,00,00,000	50
3	Industrial	1,50,00,000 - 20,00,00,000	150

6.3 Nature of Business:

Enterprises from the following sectors are generally suitable for availing SME credit from Pubali Bank (aligned with general banking practice and national priority):

a) **Manufacturing Enterprises**: Covering light engineering, agro-processing, and traditional cottage industries.
b) **Trading Enterprises**: Wholesale and retail trade, distribution, etc.
c) **General Service Rendering Enterprises**: Transport, cold storage, equipment renting, printing, etc.
d) **Professional Service Rendering Units**: Medical, engineering, architectural, and other professional units.

6.4 Area of Business:

PBL’s SME loans are designed to cover a broad range of economic activities. Examples include:

a) Agro-processing Industry
b) Light Engineering
c) Small & Cottage Industry
d) Garments Backward Linkage Industry
e) Capital Machinery/Equipment for professional services

6.5 Loan Pricing for SME (PBL):

Based on the publicly available rate sheet the interest/profit rate for most CMSME Loan products (including special schemes) of Pubali Bank is **14.00%**.

6.6 Period for SME Loan (PBL):

The loan tenure varies depending on the nature and purpose of the loan, as with standard banking practices:

- **Project and Term Finance:** Generally up to a maximum of **5 years** or flexible according to the project's nature and cash flow.
- **Working Capital and Trading Finance:** Typically **1 year**, renewable at the end of the period.
- **Special SME Products (e.g., PBL Subarna, Karma Uddog, Sujan):** Tenure is specified as **12/24/36 months** with an EMI refund mode and a grace period (1/2/3 months).

6.7 Loan Limit for SME (PBL):

The maximum loan limit varies across different products and the size of the enterprise.

a) General SME Loan Limit: PBL offers a wide range, extending up to BDT 50,000,000 (Five Crore Taka) for medium enterprises.
b) Special SME Products (e.g., PBL Subarna, Karma Uddog, Sujan): Loan ceiling is typically Tk. 2 lac to Tk 10 lac.

Repayment:

a) Project/Term Loan: Repayable on a monthly/quarterly basis within the loan period.
b) Working Capital/Trading Loan: Usually daily basis or full repayment within the loan period.

6.8 Current Status of PBL in SME Industry (2020-2024):

Pubali Bank has been consistently working to improve its position and portfolio in the SME sector, aligning with Bangladesh Bank's directives, especially during the COVID-19 pandemic period (2020-2022).

Year	Total Loans and Advances (PBL Consolidated - BDT in Crore)	Notes on SME Performance
2020	31,557.89	The Bank reported growth in its total portfolio despite global economic challenges.
2023	55,540.96	Significant growth in the overall loans and advances portfolio.
2024 (Sep 30, Unaudited)	62,990.82	Continued upward trend in the Bank's total portfolio.

6.9 SWOT Analysis (PBL SME Division):

Category	Factors	Details
Strength	Countrywide Network	PBL's 500+ branch network provides immense, unmatched reach for SME financing, especially in rural, underserved areas.
Weakness	High Interest Rate	The current rate of 14.00% is a key competitive disadvantage against banks with lower, single-digit offers.
Opportunity	Untapped Rural Market	The extensive rural network allows PBL to significantly penetrate and support small businesses that are neglected by city-centric competitors.
Threat	Competitive Market	Intense competition from new private banks, micro-finance institutions, and FinTech platforms is a constant pressure on market share.

Chapter :7

Conclusion & Implications

7.0 Conclusion:

The internship at Pubali Bank PLC in the department of SME Banking provided a clear view on the role and importance of commercial banks in nurturing small and medium enterprises. Pubali Bank, one of the top 10 private commercial banks in Bangladesh, has also been a significant institutional player in this industry for long. But my eyes tell me that, impressively founded as the bank clearly is, the bank is experiencing some SME banking execution and results problems.

An exploration of the SME lending process identified several areas for potential transformation. At the root of many challenges is an over-reliance on manual, paper-based processing and credit scoring that can slow down getting loans in the hands of consumers efficiently and result in a subpar customer experience. It’s clear the bank is already trying to morph into a digital company, but it must transform itself faster or be left behind by rivals. Human error is a huge risk — even though you’ve got all those applications, and you are looking at the minute details down to almost the last comma -at best it's going to affect it’s profits in some way or if not, put off its customers . Due to Pubali Bank’s (due to limited banking exposure, its small business loan product is a big portion of their book I do not have detailed understanding with respect to this offering but from performance wise can see that there is some room for improvement in their credit risk management and asset exactly performance by EB. The advisory firm proposed to add additional layers of advanced data analytics on top of the bank's lending policy, so as to render the bank’s policy even more discriminatory in assessing the creditworthiness of a wide range of SME customers.

On the whole, it was such a rewarding experience being able to understand and get insights into how complex SME banking is–further affirming that there’s definitely a need for a hybrid model– where some form of face-to-face banking is still in our DNA. It has brought home the need for digitalization, lean process and data led risk assessment. This has given me a robust grounding which will further pave the way for me towards my career goal, of revolutionizing and rationalizing the financial sector in Bangladesh. The internship at Pubali Bank PLC, SME Banking division was very educative and one that helped me to understand how theory meets with practice. It highlights the role of SME financing in framework of Bangladesh economy and how traditional banks find hard to operate in such dynamic sector.

7.1 Recommendations

Based on the observation and findings, following strategic recommendations could be proposed for Pubali Bank PLC to reinforce its SME banking actitivities as the potential uses.

Accelerate Digital Transformation: A large portion of the existing loan application process and collateral document processing is manual and paper-driven, creating waste that clogs up the workflow funnel. I would recommend an automated digital solution for processing SME loans that can result into a decrease in turnaround time, human error and improved customer experiences.

‘For better risk management, the bank among others may consider switching to alternative credit scoring models that go beyond collateralised lending. Adding certain non-financial information of a business such as transaction history data and market reputation etc. could potentially make the risk prediction more accurate.

Tailor Made Products: Here PB can launch more tailor made SME products. For example, woman-entrepreneur tailored loans or tech start-up specific financing offerings or green energy project focused loan products could be the type of loam products lenders need to attract new clients and service the changing needs of this group.

Improve the quality of training: I noted that staff have a wealth of experience, but they lack professional trainings in contemporary risk management software application, as well as data analytic procedures which could affect efficiency. Regular training programmes on these subjects would not only improve employee performance, but will also ensure the bank continued to stay competitive.

Enhance Communication Client: The bank needs to have a better communication strategy in place to provide all the necessary information about loan application status and repayment schedules for clients. This may be done in the form of automated SMS and email alerts that will help build trust leading to a stronger customer bank relationship.

7.2 Applicability of Academic Learning

My background in BA (finance) was particularly helpful to comprehend the slightly complex processes of SME banking department. To analyze the lending of the bank I took into consideration parameters like credit scoring, profitability analysis and diversity among counterparties. I got to work directly with loan files and pore over financial statements of real businesses — just to see how theoretical models can fit in the real world. The programme waas ass ideal bridge from my education to the financial services world.

7.3 Organizational Impact

I was an intern, so what I did on data management, document checking and client file organization had some effect (even though fairly small). I facilitated the loan process by ensuring that client data points were both accurate and complete. We will move toward what you read in terms of my personal best practice particularly in the adoption as digital tools of reporting and communication. They are all steps to continue on a long journey towards modernising our bank.

7.4 Industry Relevance

Pubali Bank is at the inflexion point of the traditional banking system being forced to move or perish by FinTech companies and the private banks and which are far nimbler than government owned ones. The significance of digital integration and innovation cannot be overemphasised." It has reaffirmed that trust of the depositors is everything in a maturing financial market as ours and also compliance to regulation and client at the centre. Appreciate that bank performance and relevance are contingent on their capability to act quickly in response to changes within market dynamics.

7.5 Lessons Learned

This internship taught me that institutional momentum and resistance to adopting digital technology can lead to inefficiency and stifle creativity. And it also helped me learn that a bank's performance is not just an issue of market conditions or necessarily merely about a function of its strategic and operational agility. One of the things I was able to learn is that in banking, a sound balance sheet is not sufficient; proactive strategy and continuous development are just as important.

7.6 Skill Development

This internship iffered me so much knowledge after technically and non-technically stages. I learned hard skills such as how to read financial documents, compute data and some very basic credit analysis. most of all I learned real life soft skills on business conversation and time management and problem solving. I also learned how to handle hierarchy levels in an organisation and keep focus, professionalism has I worked along side experienced banking professionals.

7.7 Challenges Faced

I faced challenges including limited access to confidential data and operational systems that were not entirely digital yet. Having said that, these challenges gave a glimpse into the security arrangements and operational restrictions within traditional financial services. They taught me as well the ways in which manual processes can be bottlenecks that drag a bank down and cause it to lose its agility and competitiveness.

7.8 Networking and Relationships

Networking was important in the internship as I had to deal with top-rank officers, department heads and supervisors at Khamarbari branch. These interactions gave me a full-circle perspective of the banking industry and improved my soft skills. I am now more confident in the workplace, and have understanding of different jobs that are within a successful company.

7.9 Future Directions

In conclusion, Pubali Bank, to maintain its position as a leader in the SME banking segment, will have to completely convert to digital, train employees to operate FinTech and data analytics, as well as create new innovative products that will be interesting and convenient for a new generation of entrepreneurs. An agile approach to decision-making and a policy of constantly improving its processes will help to remain the locomotive of economic development of the small business segment of Bangladesh.

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