

Report On
General Banking Activities
Of
Al-Arafah Islami Bank Limited

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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration (BBA)

BRAC Business School
BRAC University
September 2019

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Declaration

It is hereby declared that

1. This internship report submitted here is my own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by any third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material previously accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

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Letter of Transmittal

Mohammad Atiqul Basher
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Subject: Submission of Internship Report on “General Banking Activities of Al-Arafah Islami Bank Limited.”

Dear Sir,

It is with great pleasure, here I present you the “ General Banking Activities as my internship report on Al-Arafah Islami Bank limited (Mirpur 10, Circle) under your supervision.

It gives me great pleasure to complete my report successfully and submit this report on the study and analysis, which I have conducted during my internship period.

It would be really helpful if you accept my report and I will be happy if to clarify any of your queries and concerns.

Your support in this regard will be highly cherished.

Sincerely Yours

Nishat Sultana
ID: 14304098
BRAC Business School
BRAC University
12th September 2019

Acknowledgement

Completion of this internship report has made me grateful to a number of persons who helped me throughout the journey. Firstly, I would like to acknowledge my supervisor **Mohammad Atiqul Basher** for guiding me to prepare this report. He provided me all the support needed to complete this report successfully.

A special thanks goes to **Munawara Sultana Muna**, the internship organization supervisor of mine. She is the senior executive of Al-Arafah Islami Bank Limited. I want to thank her because she helped me through out my internship period by giving information about my work and how to complete my work.

I also like to extend my gratitude towards **Mishrat Jahan**, the senior principle officer of AIBL for helping me by giving valuable information and on behalf of the bank.

I want to thank **Habiba Yesmin Rimu**, my elder sister and the role model of my life. Without her, it was near impossible to study in a renowned university like BRAC University. She not only played the role of an elder sister, but also as my best friend and mentor in my life.

I also want to thank my family- **my parents** and **Shadman** and neighbor kid namely **Safa**.

Lastly, I want to thank each and every person in my life weather they believe in me or not. You made me who I am today. Thank you!

“ You are too concerned with what was and what will be. There is a saying: yesterday is history, tomorrow is a mystery but today is a gift. That’s why it is called the PRESENT”- Kung Fu Panda. I do believe this theory as it brings positive energy in my life.

Executive Summary

Commercial banks are the main contributors in the economy of developing countries like Bangladesh. They act the most crucial role in this century. They organized funds from party and lend it to others. At the same time, they make profit as well from this process. Al-Arafah Islami Bank Limited is one of the best and renowned Islami Bank in Bangladesh. They have started their journey in 1995. They tried to introduce a modern banking system based on Al-Quran and Sunnah. A renowned Islamic Researcher, Business Analyst, Author and Ex- Administrator of Bangladesh Government Mr. A.Z.M Shamsul Alam is the founder of this bank. His proper guidance and inspiration boosted the bank in getting a foothold in the financial market of Bangladesh. A group of 20 dedicated and Islamic personalities of Bangladesh are the executive council of AIBL. The banking business includes deposit taking, extending credit to corporate organizations, retail and small and medium enterprise, lease and hire purchase financing, trade financing, issuance of both local and international credit cards etc. This report is a result of my three-month internship program. Here, I have learnt so many things that enriched my knowledge about General Banking Activities. Moreover, this report contains a brief summary about AIBL's information, their products, services and their activities.

Keywords: Banking sector; Islami Banking; General Banking; products of AIBL; SWOT analysis; division of General Banking.

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List of Acronyms

AIBL	Al-Arafah Islami Bank Limited
MD	Managing Director
DMD	Deputy Managing Director
EVP	Executive Vice President
SVP	Senior Vice President
VP	Vice President
AVP	Assistance Vice President
FAVP	First Assistance Vice President
BB	Bangladesh Bank
BCD	Bearer Certificate of Deposit
OB	Online Banking
BBLC	Back-to-back Letter of Credit
BL	Bill of Lading
AWCD	Al Wadiah Current Deposit A/C
MTDR	Mudaraba Term Deposit
ITD	Installment Term Deposit
SND	Short Notice Deposit
MSD	Mudaraba Savings Deposit
STD	Short Term Deposit
PTD	Profit Term Deposit
LC	Letter of Credit
PO	Pay Order

Chapter 01

Introduction of AIBL

1.1 Introduction

Bank and other financial institution play the most vital role and contribute to the overall growth of the economy for developing countries. Now, the financial system in Bangladesh consists of central banks, private banks specialized banks, foreign banks and non-financial institution.

This internship report is based on – Al-Arafah Islami Bank Limited. It is one of the most renowned Islami Bank in Bangladesh. They have started their journey in 1995 and pious businessman named A.Z.M Shamsul Alam is the founder of this bank. Renowned Islamic scholars, researchers, businessmen are the sponsors of this bank. Most importantly, indigenous shareholders own 100% of paid capital (AIBL Annual Report-2017.pdf, 2017).

They participated significantly toward Bangladesh's economy. Moreover, they have contributed towards the socio economic development of this country. Till now they have 172 branches along with 3446 employees in all over the country. AIBL conducts their business on the principles of Al-Quran and Sunnah. There is a council within the bank whose main job is to maintain to make sure that the activities of the bank are conducted on the precepts of Islam (AIBL Annual Report-2017.pdf, 2017).

This council is consisted of renowned Ulema, bankers and economic expert. Basically, they are completely different from other full service bank or financial institutions (AIBL Annual Report-2017.pdf, 2017).

1.1 Origin of the Internship Report

Practical performance is a mandatory part for every student of BBA program of BRAC University after completing all the courses. In this practical session, we have to apply all the theoretical knowledge which we have learned from our university life and apply those in our internship period.

AIBL pursues localized management policies and they tried to give enough work freedom to the employees. As a result the employees felt less pressure. So, that they act as a psychological feature tool for organization.

1.2 Objective of the Study

The main motto is to develop a basic understanding regarding the practical activities of bank. Then, to relate those with the theoretical knowledge gained from the bank.

Besides these, some of the other objectives of this study are given below:

- ❖ First of all, to learn about General Banking Activities of AIBL.
- ❖ Secondly, another objective is to know about the SWOT analysis of AIBL.
- ❖ Finally, to make some recommendation for their policy.

1.3 Methodology of the Study

1.3.1 Data Collection Process

For completing this report, the collection process of data depended on primary data collection process and secondary data collection process. Primary data are originally collected. Secondary data are the collection of work.

Primary Data Collection

To prepare this internship report, I mainly depend on secondary data. As an intern it was very difficult for me to collect primary information.

However, I have tried to make conversation with the officers to collect primary data of AIBL. There they mainly focused on annual report of AIBL, 2017.

The method for primary data collection process I followed are given below:

- ❖ **Face to face conversation with the employees to gather the information:** While gathering information for my internship project, I had to take several interview of the officers to get the proper idea about General Banking sector. After gathering all information, it was easy for me to write this report properly.
- ❖ **Different file study given by my supervisor about the bank:** While I was taking the interview session, the officers/ employers mainly focused on their annual report. Moreover, they had given me different file to study, which were related to my project.
- ❖ **Experience on different desk activities of AIBL:** Furthermore, I had experience on different desk activities such as sometimes I had to do General Banking sectors chores, sometimes I had to sit with Foreign departments to see their work and gather information for my project. This is how I had to collect primary data.

However, this information was not enough for my report. So, I had to collect secondary data for completing my project.

Secondary Data Collection Process

For completing my report, I mainly followed secondary data. It was easy for me to gather all the information from this.

Published data, which I have followed, are given below:

- ❖ **Several publications of journals:** From different journals, which were written on AIBL, I had collected data for my project.
- ❖ **Technical and exchange diaries:** Then I had to follow up with different journals related with AIBL's financial situation, market growth and other factors.
- ❖ **Different publications of the central and local governments:** Time to time, government has published different journals related to banking sectors. I had to follow those to complete my report.
- ❖ **Report and publications of different banking sector, association and industry:** Finally, I had gone through several report and publication based on banking sectors, association, financial institution and industry to come up with better idea for completing my report.

1.3.2 Scope of the Study

In my internship report, I have tried to figure out the different steps of General Banking of AIBL. Here, I also focused on the background of AIBL, market structure, and risk management process.

In the beginning I have given a brief overview of AIBL's historical background, company profile. Moreover, in this report, I have also focused on different activities of AIBL. Rather than this, I have also tried to analyze and evaluate of GB's performance.

Basically, the main scope of this report covers the overall knowledge of AIBL's General Banking Activities.

Though my main focus or objective was to gather information about General Banking sectors, I had experienced other sectors as well such as foreign department, accounts department just to get the basic idea about the organization.

So the future readers will get authentic information of GB section of AIBL where they will get the company's profile, background, goal, vision, mission. Moreover, they will get a proper structure of AIBL's different working sectors, their products,

and activities. So, my internship project will be a complete overview for the readers and it will enhance their knowledge about banking sectors as well.

1.3.3 Limitation

My internship report is based on primary data, secondary data and some interview session with my supervisor, senior principle officer. In my report, I have tried to figure the difference between theoretical knowledge and practical work experience.

It was three-month period internship, so I did not get enough time to finish the report properly. Moreover, various data was incomplete, so it was very difficult for me to fulfill those tasks properly. Most importantly, while taking the interview from different officers, most of the time they were busy with their works and as a result, I faced many difficulties to complete this report.

Limitation of my report are given below:

- ❖ **Lack of time period:** I got only three months time to work with AIBL and complete the report based on my experience. It was a very short period of time to get proper idea about the organization. So, it was the main limitation I had faced while completing the report.
- ❖ **Lack of records:** Then, while studying different records of AIBL to enhance my report, I found most of them were incomplete. So, as a result I could not attach those in my report.
- ❖ **Incomplete data collection:** While gathering data for my report, I found their data collection process was not well balanced. Most of them were empty, lack of information. So, it was really hard for me to gather that information again from different department.
- ❖ **Unwillingness of the key person:** While I was taking interview of several officers to get to know about the company or their work, I faced problems. They were busy with their work schedule most of the time. They tried to give me enough time but because of their work pressure, they could not focus more and finally gave me suggestion to focus on annual report to get the idea.

Chapter 02

Historical background of AIBL

Islam, the most peaceful religion provides us a complete lifestyle. The main purpose of this lifestyle is to be successful in both mortal and immortal life. In every situation of our life, we should follow the Al-Quran and the lifestyle of Hazrat Muhammad (SM).

AIBL started their journey in 1995 and tried to introduce a modern banking system. The system is based on Al-Quran and Sunnah that showed them the right path to make success. (AIBL Annual Report-2017.pdf, 2017)

A 20 group of people who are established pioneers, businessmen; researchers are the directors of AIBL. They are also known for their business wisdom. This is the reason, why AIBL is the most renowned Islamic Bank in Bangladesh. (AIBL Annual Report-2017.pdf, 2017)

Date of Registration	18 th June, 1995
1st Branch	Motijhil Branch, Dhaka
Opening Ceremony	27 th September, 1995
Authorized Capital	15,000.00 Million
Paid-up Capital	9,943.06 Million
Local Partnership of Capital	100%
Equity	22,520.68 Million
Number of Branches	172
Deposit	244,806.26 Million
Investment	235,905.23 Million
Number of Employees	3446
Number of Shareholders	30,386

Source: Annual Report of AIBL, 2017

AIBL's main focus was always to the welfare of their consumers. So, from the very beginning they tried to give the best service towards them. This is the reason why they have succeeded in the long run and now they have 172 branches in Bangladesh to provide service to the customers along with 3446 employees who are always ready to provide the best service to the customers.

2 Company Profile

2.1 Vision, Mission, Commitments & Values

Vision

To be a pioneer in Islami Banking in Bangladesh and contribute significantly to the growth of the national economy.

Mission

AIBL's mission is very clear and specific. They are given below:

- ❖ Achieving the satisfaction of Almighty Allah both here & hereafter.
- ❖ Proliferation of Shariah Based Banking Practices.
- ❖ Quality financial services adopting the latest technology.
- ❖ Fast and efficient customer service.
- ❖ Maintaining high standard of business ethics.
- ❖ Balanced growth.
- ❖ Steady & competitive return on shareholders' equity.
- ❖ Innovative banking at a competitive price.
- ❖ Attract and retain quality human resources.
- ❖ Extending competitive compensation packages to the employees.
- ❖ Firm commitment to the growth of national economy.
- ❖ Involving more in Micro and SME financing.

Commitments

- ❖ Firstly, AIBL is a customer oriented Islami Bank. They are making a fair growth in mobilizing deposit and making quality investment sector.
- ❖ Secondly, another important commitment of AIBL is to deliver financial services to the small and medium enterprises, retail etc. Moreover, they are trying to help the corporate clients as well.

- ❖ Then, their business initiatives are well designed to match the changing trade of industrial needs for the well being of the customers.

Value

AIBL values are based on the fundamental principles. Values are based upon the fundamental principles. It clearly defines our culture. Moreover, it brought life in our attitude and behavior as well.

Their values make us unique. It can be seen from five basic principles. They are given below:

- **Excellence:** Firstly, AIBL's market is very competitive. Moreover, their customers now have abundance of choice.
- **Integrity:** Then, another important value of AIBL depends on trust of the consumers. Consumers expect high moral principle and profession standard.
- **Customer Focus:** AIBL needs to understand consumer needs. They have to adapt their product and services.
- **Meritocracy:** Giving opportunities and advantage to their employees on the basis of their ability is another core value of AIBL.
- **Progressiveness:** Through appreciation of illuminated working practice, AIBL creates new item and process a sprite of success. AIBL puts stock accomplishment through this as well.

2.2 Corporate Division

AIBL is the most organized bank with a distinctive culture. Here, the people can see and understand different events, objects, activities, situation.

The corporate culture, they have accomplished it through their corporate direct. The achievement of the bank has been conceivable. As a result of the capable initiative devoted and conferred administrations which do all levels of administration and staff.

Corporate Division of AIBL

Board of Directors leads the whole corporate section of AIBL. Alhajj Abdus Samad Labu is the chairman of board of directors. Alhajj Abdus Salam is the vice chairman of board of directors. Alhajj. MD. Enayet Ullah is the chairan of executive committee. Alhajj, Salim Rahman is the vice chairman of the executive committee. Alhajj.MD. Emdadur Rahman is the chairman of risk management committee. MD. Amir Uddin

PPM is the chairman of the audit committee.

Source: Annual Report of AIBL, 2017

2.3 Ex Official Director

Managing director controls the branch and there he provides a guideline. There, he focuses on how to work and all branches abounded to follow that guideline at any cost. Normally, his main focus is on the branch activity and how to complete that activity.

2.4 Risk Management committee

To make money or profit, bank has to take all kinds of risks. AIBL does the same. There are many types of risk they faced while making money.

Some of them are given below:

- ❖ Credit risk
- ❖ Operational risk
- ❖ Market risk
- ❖ Business risk
- ❖ Liquidity risk
- ❖ Reputational risk

Risk management department of AIBL's main duty is to monitor, manage and measure the risk and take action accordingly. Risk management department, helps AIBL's bank management by measuring the risk of its current portfolio of assets or loans, deposits, liabilities.

Board of Directors validates different process to overcome those risks.

They are given below:

- ❖ **Different types of strategies to overcome those risks:** To overcome the risk they are following different strategies. Such as: while opening the account for partnership or properties or while small companies wants to take loan from bank, they are strictly following all the rules and regulation. They tried to

collect all the information about the account holder, taking the photocopy of account holder's NID, trade license, tax paper. This is how they are making strategies to overcome risks.

- ❖ **Different policies to minimize the risks:** AIBL has created different policies to minimize the risk. They have opened a new sector whose main focus is only to look after this issue on a daily basis. Then, they give the final report to the branch manager to have a look and follow his suggestions.
- ❖ **Various procedures to control the management:** To control this risk management committee, they are following various procedures. Such as: this committee has to provide report on a daily basis to the branch manager. Moreover, if the branch manager found any mistake or lacking, he would take action immediately to solve that problem.
- ❖ **Supervise the risk management department on a daily basis:** Branch manager supervise this risk committee on a daily basis.

2.5 Audit committee

The bank achievement has been conceivable in light of the capable administration devoted and conferred administrations given by all levels of administration and staff which all conceivable due to a decent and quality full corporate culture.

Responsibilities of audit committee are given below:

- ❖ **Overseeing the financial reports:** Their main focus is to oversee the financial reports again and again. If they found any mistake, they will take action immediately to solve that problem.
- ❖ **Monitor the internal control process:** Another important job is to monitor the internal control process of AIBL.
- ❖ **Discussing the risk management policies:** Audit committee also discusses the risk management policies with the branch head. If some rules need to change for the betterment of the organization, they write the proposal and send it to the head office. Then, head office will take change for those rules and regulations.
- ❖ **Monitor the accounting policy:** Another important task of this audit committee is to monitor the whole accounting policy while their main focus is on the accounts system and how to run this sector with the help of accounts department.

- ❖ **Control the hiring process:** They also focused on the hiring process. If the candidate is right for the position, he or she has the capabilities to complete the task properly. Basically, they focused on the candidate weather they are right for the position or not.
- ❖ **Evaluate the performance:** Finally, they evaluates the performance of each and every employee weather they make any contribution to the organization or not.

2.5 Executive committee

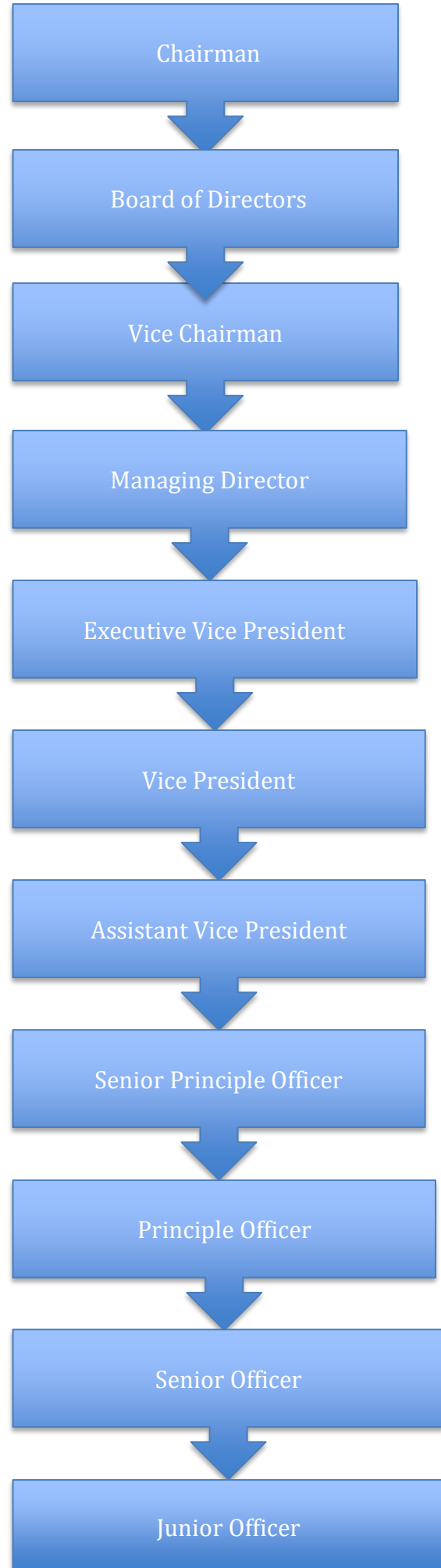
Responsibilities of executive committee are given below:

- ❖ The main duty of executive committee is to coordinate all the bank activities. They supervise the all the banking activities under the branch and then they report to the branch head.
- ❖ Moreover, they make sure that; bank activities are done by within the budget.

2.6 Shariah Supervisory Committee

This committee supervises the application of different aspects by following Shariah in the bank.

2.7 Operational_Details



Source: Annual Report of AIBL, 2017

Here, their operational sector is divided into three sections.
They are given below:

- ❖ **Top-level management:** It includes-chairman, board of directors, vice chairman, managing director.
- ❖ **Mid-level management:** It includes- executive vice president, vice president, assistant vice president, senior principle officer.
- ❖ **Lower-level management:** It includes- principle officer, senior officer and junior officer.

2.8 Sections and their Functions

There are two main sections in AIBL.

They are:

- ✓ General Banking Division
- ✓ Investment Division

General Banking Division

There are three sections that fulfill the target of AIBL.

They are:

- Customer Service
- Cash Department
- Accounts Department

Customer Service

There are different functions of customer service in AIBL.
Some of them are given below:

- ❖ Opening accounts.
- ❖ Cheque book issuance

- ❖ Payment order issuance
- ❖ Online transfer issuance
- ❖ Operating clearing house

Cash Department

Some of the cash department's functions are given below:

- ❖ Preparing monthly cash balance
- ❖ Maintaining daily cash balance
- ❖ Verifying the installment cheque while paying the cash to consumer
- ❖ Taking money from investors
- ❖ Payment of money as per consumer's demand

Accounts Department

There are two sections in accounts department in AIBL.
They are given below:

- General accounting
- Investment accounting

General accounting

General accounting involves:

- ❖ Accounts for general
- ❖ Expense session for administrative
- ❖ Operation funding
- ❖ Fixed assets

Some of the activities of accounting subsection include:

- ❖ Voucher registration
- ❖ Posting of voucher in ledger
- ❖ Preparing the trial balance
- ❖ Preparing the adjustment
- ❖ Maintaining the accounts with Bangladesh Bank and other financial institution

Investment Accounting

AIBL keeps the record of its books for different working strategies.

It includes:

- ❖ Receipt collection process
- ❖ Controlling the collection process
- ❖ Preparing the statement
- ❖ To find the irregular accounts
- ❖ Preparing the over due statement.

2.9 Investment Division

Investment banking division of AIBL provides advisory on transactions, mergers and acquisition.

Functions of investment division are given below:

- ❖ Proposal preparing
- ❖ Preparing the voucher
- ❖ Posting the voucher
- ❖ Foreign trade investment
- ❖ Business sector investment
- ❖ Payment disbursing
- ❖ Industrial sector investment
- ❖ Hire purchase
- ❖ Installment of different consumer scheme

2.10 Human Resources Division

Human Resources division's main duty is to enforce the personnel policy. It evaluates each and every employee twice a year. They maintain the detailed files of employees. Basically, they are core sector of banking sectors.

Other functions of HRD are given below:

- ❖ To create the whole recruitment process. It includes:
 - ✓ Create job vacancy
 - ✓ Prepared job description
 - ✓ Advertisement of vacancies

- ✓ Shortlisting
 - ✓ Taking the interview
 - ✓ Reference check
 - ✓ Giving appointment
-
- ❖ Controlling the administration section
 - ❖ Making promotions of employees
 - ❖ Giving medical facilities to each and every employees
 - ❖ Evaluating the branch office
 - ❖ Activities performed designed by department head.

Chapter 03

Applied Framework

Bank

Bank is a monetary foundation and money related mediator. It operates through loan exercise, capital market. Most bank works under a framework. However, AIBL holds just a tiny amount and loan out the rest for benefit.

3.1 General Banking

General banking sector is the core key of all banking activities. This is the busiest and critical sector for every branch. Here stores are prepared; money exchanges are made on a daily basis, clearing. Bookkeeping exercise is done here as well.

Financial institution that stands between borrowers and lenders is known as banking financial institution.

Bank performs this function in two different ways.
They are given below:

- ❖ Deposit taking from various areas.
- ❖ Leading that amount to investors.

General keeping money is known as the front-side managing account. It is given to both potential consumers who visits often or who come one time in keeping money for getting a charge.

Front desk is one of the main sections for general banking. Here, consumers give their deposits and meet their demand as well.

GB Sections

There are some sections in this department. They are given below:

- ❖ Opening account section
- ❖ Clearing cheque section
- ❖ Remittance section
- ❖ Cash section

3.2 Electronic Funds Transfer

Electronic funds transfer is basically known as EFT. It means electronic exchange. Here one can transfer money from one account to another very easily. It covers a number of different perceptions.

They are given below:

- ❖ **Cardholder initiated transactions:** A cardholder makes use of a payment card here.
- ❖ **Direct deposit payroll payments:** Through payroll service unit, direct deposit payroll payments can be done for a business to its employees.
- ❖ **Writing transfer:** Through an international banking network, one can write transfer.
- ❖ Electronic benefit transfer.

3.3 Automated Clearing House

Automated clearing house is known as ACH. It means an electronic network for financial transactions.

Direct store finance and installments can be exchanged by ACH credits. It also coordinates charge exchanges. Charge exchanges incorporate new applications as well.

Basically, government uses this on a daily basis. Rather than government, business sectors are trying to use ACH. It is suitable rather than using debit card or credit card.

3.4 Cheques

Cheque means one can make payments very easily without carrying a large amount of money. It is an open gadget. It instructs a financial institution or bank to pay a particular amount from a specific account to another.

3.5 Products of AIBL

3.5.1 Deposit products of AIBL

- ❖ Mudaraba Savings Deposit
- ❖ Mudaraba Short Notice Deposit
- ❖ Al-Wadiah Current Account

3.5.2 Fixed deposits

In AIBL consumer can save their money through fixed deposits. AIBL offers 6 types of fixed deposits. It starts with:

- ❖ One month fixed deposit
- ❖ Three months fixed deposits
- ❖ Six months fixed deposits
- ❖ Twelve month fixed deposits
- ❖ Twenty four months fixed deposits
- ❖ Thirty six months fixed deposits

The profit amount will be different for particular deposits.

3.5.3 Mudaraba Term Deposit

- ❖ Different hajj schemes
- ❖ Different hajj deposits
- ❖ Profit based deposits- monthly
- ❖ Saving investment- monthly
- ❖ Saving investment scheme for marriage
- ❖ Deposit scheme for pensioners
- ❖ Kotipoti deposit scheme
- ❖ Double benefit scheme
- ❖ Triple benefit scheme

3.5.4 Electronic Products

- ❖ ATM-for 24 hours
- ❖ Debit card
- ❖ Credit card
- ❖ MSMS banking
- ❖ Telephone banking
- ❖ Internet banking
- ❖ Agent banking
- ❖ RTGS
- ❖ SMS banking
- ❖ Real time on-line any branch banking

Chapter 04

Job Part

4.1 Actual Task Part

In my internship period, I got a position and several tasks to do. My observation and main responsibilities were in GB sections. Here, I had to open different types of account, fill up the forms.

From May 21 to August 21, 2019 I had to work with Mrs. Munawara Sultana Muna. She is the senior executive officer of AIBL, Mirpur 10 Circle. In that period my main job was to help her.

4.2 Job Responsibilities

There were several responsibilities to perform in AIBL. I used to start my job at 10 a.m. and finished at 5 p.m. Within this time, I had to complete different tasks.

The tasks I had been performed are given below:

Opening different accounts

- Gathering all the information from consumers
- After gathering all the information from customers, I had to fill up those FDR forms, which consists of 14 pages. It includes customer's information, nominees information, tax information. Then I had to collect their passport size picture along with NID and had to attach them with the form.
- Then, I had to take sign of consumer and nominee to those papers as a proof.
- Next, I had to put seals in that form. It includes Manager of the branch's seal, Second officer's seal and the existing officer's seal. Then, I had to put seal on pictures of the consumers and nominees.
- Sometimes, I had to write some information if that was needed for that particular form because sometimes consumer didn't give all the information

Dealing with Customers

- Sometimes, I had to deal with customers while opening their account. I tried to provide all the information's which they needed to open an account i.e. NID copy, passport size pictures, nominees information and signature where to put.
- Then, if they had to clarify something for the forms, I had to explain them properly. **For example-** a garments worker named Nasima wanted to open a FDR account. She was nervous and did not know how to do it, where to talk and most importantly, she did not know for how many months she wanted to do the FDR and how much profit she will get. Then I had to clarify everything to her and finally, she opened her account in that branch for 06 months.

Coordination

- Apart from these, after completing two months working there, I had to coordinate with new interns. I had to teach them about filling the new forms, how to collect the information from consumers, how to put seals and where to put.
- Then, I had to update my supervisor about their work on a daily basis.

Rather than these, I had to work sometimes with Senior Principle officer- Mishrat Jahan. I had to fill up different forms for her, took print out for her, put customer's information in computer.

Chapter 05

Analysis and Findings

5.1 Divisions of General Banking

General Banking plays the most crucial role in every bank. All the activities are done by this sector.

In AIBL, general keeping money segments are clarified by following five ways:

- Account opening section
- Deposit section
- Clearing section
- Remittance section
- Cash section

Account Opening Section

Account opening system is the first step to open an account. A customer can open different types of accounts through this section.

Such as:

- ❖ Al-Wadiah current deposit
- ❖ Mudaraba savings deposit
- ❖ Short notice deposit

Al-Wadiah Current Deposit

It is based on current account. There is no policy regarding withdrawing the money. It is acceptable when funds have been collected and money is to be paid.

Some important points for this deposit are given below:

- Minimum 20000 taka is needed for opening this account
- No withdrawal limit if this account
- 20000 taka needs to be there to run the account
- Profit will not be given here.

Mudaraba Savings Account

This section is basically for small-scale savers. Here, there is a limit on withdrawals. One can withdraw once a month.

Short Notice Deposit

Different corporations, government departments keep cash in SND-account. Here, the deposit should be kept for seven days at least. Otherwise, no profit will be given.

Account Opening Procedures

- ❖ Firstly, need to gather all the information about customer.
- ❖ Fill up the form
- ❖ Attach two copies of passport size picture.
- ❖ Attach NID
- ❖ Authorized officer need to check all the information
- ❖ Then, the officer will take signature of consumer
- ❖ Minimum balance needs to be deposited
- ❖ Finally, account will be opened.

Documents Required for Opening Account (Individual/Joint)

- ❖ Record of the introduction
- ❖ Two passport size pictures
- ❖ NID photocopy
- ❖ Nominee's photo
- ❖ Any type of bill (electricity/water)

Proprietorship Account

- ❖ Introduction of account
- ❖ Two copy of passport size pictures
- ❖ Trade license photocopy
- ❖ TIN number

Limited Company

- ❖ Introduction of record
- ❖ Two copy of passport size picture
- ❖ NID photocopy
- ❖ TIN number
- ❖ Trade license photocopy
- ❖ Fuse certificate

Closing of an Account

It can happen when:

- ❖ When the customer wants to close the account
- ❖ Client can close account by writing an application to the branch head. Then he or she can close the account. If it's a joint account, both partners have to come to close the account.
- ❖ By showing the last cheque, they can easily find out the accurate amount.

This is how they can close the account anytime from the bank from any branch.

Cash Department

All functions of cash is performed in cash department. The functions of cash department are given below:

- ❖ Cash payment: It is made against cheque.
- ❖ Cash receipt: It receives deposits from depositors in the form of cash.

Local Remittance

It is another significant part of general banking division. Bank gets and exchanges all sorts of bills inside the nation through this.

Types of Remittance

- ❖ Between banks and non banks client
- ❖ Among all the banks in the similar nation
- ❖ Between banks and national banks in a similar nation

Clearing Department

Amount of cheques, PO, collection from others on behalf of clients is another basic function, which is known as clearing department.

It is a framework by which any bank can gather clients. It will start with one bank then onto the next by clearing house.

Clearing House

It is the place where agents of different bank gather round. Here, they receive and deliver cheques with another banks. In our country, Bangladesh Bank performs the clearing house in all the districts.

Types of Clearing

- ❖ Outward clearing: Other customer of same bank can receive the cheques from any local bank.
- ❖ Inward clearing: If banks receives other banks cheque in the clearing house, then it will be known as inward clearing.

Types of Clearing House

- ❖ **Same day clearing house:** For inward clearing, here the value starts from 500000 and more and the time is 10 a.m. to 1.45 p.m. and for outward clearing, the amount is same but the time is 10 a.m. to 11.40 a.m.
- ❖ **Normal clearing house:** it can occur any time from 10 a.m. to 2 p.m.

Online transactions

It is computer-based work. Clients can draw money from any local branch of the bank. However, here they have to pay charge for this.

5.2 Findings

Some of the findings are given below:

- ❖ Employees of this bank are not well prepared. They know the working process but they don't have any idea how to compete that. Sometimes, it causes damages to the banks.
- ❖ Cash counters are really congested here. Sometimes, consumers get angry and upset about this.
- ❖ Internet facility does not work very well here. Most of the time, consumer needs to wait for a long time to do their chores.

- ❖ Facilities for lower level workers are less rather than higher level workers.
- ❖ Due to poor network system ATM booth does not work properly.
- ❖ Coordination between employees are not that much healthy which creates lots of problems.
- ❖ Sometimes, because of working pressure, employees got nervous and did several mistakes.
- ❖ AIBL arranges different type of training session for the employees but it is not that much helpful for the lower level employees as they got very little chance to attend those training session.
- ❖ Like other private banks, in AIBL employees has to fulfill the target in every month by new consumers. Besides handling desk job, it is very hard to fulfill the target in every month.

5.3 SWOT Analysis

Every organization consists of some strengths and weakness. Additionally, they have some external opportunities and threats as well.



Source: From Internet

SWOT Analysis for AIBL

Strengths

- ❖ Providing best customer service is their biggest strength. AIBL's main motive is to provide the best service towards their customers.

- ❖ AIBL is financially a reputed company so it creates a positive impression towards their customers.
- ❖ They provide a beautiful work environment to the employees so that they can be motivated towards their work and give their best work.
- ❖ They do provide positive attitude towards consumer so consumer get loyal towards their organization.
- ❖ Wide image is another strength for them.
- ❖ They have passionate employees who give positive impact towards the organization.
- ❖ They have exceptional management who runs the organization. This is the result why they became successful within this short period.

Weakness

- ❖ Lack of human resource in certain area is their one of the biggest weakness.
- ❖ Inadequate IT infrastructure is another weakness for AIBL, which hampers this organization very badly.
- ❖ Lack of marketing policy is another weakness for them. They don't have any proper policy, which can target their audience.
- ❖ Limited experienced officers, sometimes creates problem for the organization.
- ❖ High cost fund can hamper their business very badly.

Opportunities

- ❖ Relationship management can increase the opportunities for the betterment of this organization.
- ❖ Hiring / recruiting knowledgeable officers can give positive output to this organization. .
- ❖ Can introduce new customer service
- ❖ Increasing demand of financial service can be another opportunity for them.
- ❖ Developing relations with foreign banks can improve their organization.

Threats

- ❖ New banks are coming with new facilities. So, it will hamper their organization very badly.
- ❖ Same Islamic banking policy is followed by other Islami bank, which can hamper their organization.
- ❖ Same types of retail products can hamper them very easily.

- ❖ Lack of customer awareness regarding Islamic bank is hampering their business very badly.
- ❖ Certain rules and regulations from government can hamper them very badly. Time to time government changing rules and regulations. So, it creates loss to the organization.
- ❖ Higher rate of taxation is the biggest threat for them.

Chapter 06

Recommendation, Conclusion and Bibliography

6.1 Recommendation

On the basis of observation, SWOT analysis, Ratio analysis, and employee's comments I have some recommendations for Al-Arafah Bank Limited to capture more market share and to make the inward condition more dynamic. I trust these suggestions would assist them with competing with their rivals.

- Al-Arafah Bank Limited has the Islamic rules and regulations. So I think they should maintain those rules and regulations for their future betterment.
- They does not have sufficient advertisements for their products, so Al-Arafah Islami Bank Limited needs greater commercial to advance their items.
- AL-Arafah Islami Bank Limited sets aside more opportunity for CIB report and provoke benefit than alternate banks. So AIBL ought to do this sort of employment inside a brief timeframe.

After completing my three months here, I want to provide some suggestions for the betterment of AIBL. They are given below:

- ❖ General working condition ought to be moved forward.
- ❖ The frame ought to be exact with quality data to the purposes of the customer.
- ❖ To recruit skilled manpower.
- ❖ While the customer came to the bank for opening bank account, officers need to check all the information properly.
- ❖ Customer service needs to very impressive.
- ❖ Officers need to be helpful towards each other.
- ❖ Officers should maintain a healthy relationship within the organization.

- ❖ ATM booth services can be improved.
- ❖ They need to arrange more training session for both higher-level employees and lower-level employees.
- ❖ Moreover, now they became one of the most successful Islamic organizations. So, now they should focus on their quality not quantity. By giving proper service, they can easily gain the trust of their customers.

6.2 Conclusion

Islam is the most peaceful religion all over the country. In our country, there are six Islamic Banks. I have completed my internship under Al-Arafah Islami Bank Limited. According to me, it is one the most renowned financial organization. They have made huge progress within last couple of years. They followed the path of Al-Quran. Moreover, they contributed for the social well being of our country as well. They have different kinds of products and services. Their main motive is to satisfy customer needs. They believe, if customer is satisfied with their service, it will be their achievement. Rather than customer service, they tried to provide the best working environment for the employees. They consider that, if they can provide a beautiful and healthy working environment, employees will be motivated towards their work and as a result they can provide the best facilities to consumers.

Along with all of these positive facts, they have some lacking's in different section where they can improve their service. If they can overcome those factors, they will progress a lot in this sectors within a very short period.

AIBL gives opportunities for some to invest and some to borrow to make better future for others. At the end, all are benefitted by their service. They have build their position by gaining trust and now their responsibility is to give joy of doing good.

To conclude, I can say, my internship period in AIBL was really interesting. I have learned so many things from this bank and I found two wonderful supervisors here who helped me each and every session of my working period. In this report I have provided the overall general banking session of AIBL. I tried to focus on their daily activity, their products, their working environment, and their customer value. In future it will help me to utilize those in my working life. To summarize, I can say that this report contains the GB section of AIBL and how it has affected my life throughout this three-month.

6.3 Bibliography

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