

Report On
The Contribution of Social Islami Bank Limited on the Exports and Imports of Traditional and
Non-Traditional Items of Bangladesh

By
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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
December, 2019

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Declaration

It is hereby declared that

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

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Letter of Transmittal

Date:

Suman Paul Chowdhury, PhD
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Subject: Submission of Internship Report

Dear Sir,

I am hereby submitting my Internship Report as part of the BBA Program curriculum.

It is a great achievement to work under your active supervision.

This report is mainly based on the activities of the Foreign Exchange Department of Social Islami bank Limited and also contains an overall view of the entire banking activities. I have got the opportunity to work in Social Islami Bank Limited (Dhanmondi Branch) for 3 months, under the supervision of Shaheen Mahmood, who is a Senior Executive Officer in the Foreign Exchange Department.

This Internship opportunity has given me a very practical exposure to the financial theories that I have had the opportunity to learn in courses at BRAC University. I had the opportunity to learn about the way their import and export facilities work, how the documents are prepared and how the customer service is provided. I also learned about the works in general banking and investment and had the opportunity to observe the organizational culture of a prominent bank of the country.

It would be an honor if you would be kind enough to receive this report and provide your valuable judgment. It would be an immense pleasure if you find this report fulfilling the requirements and providing a useful and informative perspective on the issue.

Sincerely Yours

Rafia Ferdous
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BRAC BUSINESS SCHOOL
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Non-Disclosure Agreement

[This page is for Non-Disclosure Agreement between the Company and The Student]

This agreement is made and entered into by and between

Company Name: Social Islami Bank Limited

And the undersigned student at BRAC University

Student Name: Rafia Ferdous

Student ID: 15104152

Signature of Student

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Signature and Seal of Supervisor

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Senior Executive Officer
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Acknowledgement

First of all, I wish to express my gratitude to the almighty God for giving me the strength to perform my responsibilities as an intern and complete the report within the specified time. I am extremely grateful to my Faculty Supervisor Suman Paul Chowdhury for his whole-hearted supervision during my organizational attachment period. I am also grateful to Md. Abdus Salam (Branch Manager), Shaheen Mahmood (my organizational supervisor), Mr. Istiak Mahmud (First Assistant Vice President), Md. Enamul Haque (Assistant Vice President), Mr. Showeb Mohammad (Officer), Ms. Fancy Labib (officer) and other officers of the bank for providing me with the necessary information for my report and for their valuable co-operation, guidance, direction, and continuous support throughout the internship period. I was closely attached with them during my internship tenure. They have made my internship easy and enjoyable. This organization has a wonderful working environment and group commitment that has enabled me to polish my professional skills and to complete my internship with ease. And finally I would like to express my sincere gratitude to all the busy employees of Social Islami Bank Limited as they took the time to assist me to prepare the report.

Executive Summary

The report represents the three-month working experience on Social Islami Bank Limited (SIBL), Dhanmondi branch. This report gives an overview of the activities, products, and customer service of all departments of SIBL but mainly concentrates on the activities, structure, analysis of the data of the foreign exchange department of the branch.

SIBL was founded in 1995 and is currently the country's leading value-added financial institution based on Shariah' Principles. During the short span of its operation the bank had been widely acclaimed by the business community from small business persons to industrial conglomerates as they have a policy of working closely with their clients and provide them one-stop services, access to the very latest products using technology especially as they have recently released their mobile app in the market. Islamic banking is mainly based on Shariah's principles which forbid people or institutions to lend money without accepting any risk. Commercial banks have loan policies where the borrower has to return the borrowed amount with interest. On the other hand, Islamic banking has to take risks while lending money and cannot force the borrower to pay if the owner of the business incurs a loss.

The report is meant to give an overview of operations of different departments of SIBL, their products and customer service. My overall experience had been very interesting and this program helped me to enhance my network with the bank officials at Social Islami Bank Ltd. and I believe this will definitely help me to bring forth success in my career.

Table of Contents

Contents

Chapter 1: Introduction	1
Chapter 1.1: Background of the study	1
Chapter 1.2: Origin of the report.....	2
Chapter 1.3: Scope of The Study	2
Chapter 1.4: Objective of The Study	2
Chapter 1.5: Source of Data.....	3
Chapter 1.6: Limitations	3
Chapter 2: Overview of Social Islami Bank Limited (Dhanmondi Branch)	5
Chapter 2.1: Introduction	5
Chapter 2.2: Mission, Vision and Objectives of Social Islami Bank Limited.....	6
Chapter 2.3: Corporate Structure of SIBL (Dhanmondi Branch).....	8
Chapter 3: Overview of the Departments and Services of Social Islami Bank Limited.....	9
Chapter 3.1: General banking of SIBL	9
Chapter: 3.1.1: Front Desk:.....	9
Chapter: 3.1.2: Locker Service:	12
Chapter: 3.1.3: Bills and Clearing section:	13
Chapter: 3.1.4: Remittance section:	13
Chapter 3.2: Investment Department of SIBL	14
Chapter 3.3: Foreign Exchange Department of SIBL.....	16
Chapter 4: Products and Services of SIBL	20
Chapter 4.1: Products of General Banking:	20
Chapter 4.2: Products of Investment Department:.....	30
Chapter 4.3: Services of Foreign Exchange Department.....	31
Chapter 5: Internship Experience at Social Islami Bank Limited.....	32
Chapter 6: Exports and Incentives for Exporters in Bangladesh	33
Chapter 6.1 Export:.....	33
Chapter 6.1.1: Traditional Items:	33
Chapter 6.1.2: Non-Traditional Items:.....	33
Chapter 6.1.3: Government’s Incentives for Exporters:	33

Chapter 6.1.4: The Effects of Government Cash Incentives to Exporters	36
Chapter 7: SIBL’s Contribution in the Exports of Traditional and Non-traditional Products of Bangladesh.....	38
Chapter 7.1: Exports of Social Islami Bank Limited.....	38
Chapter 7.2: Contributions of SIBL on the Total Exports of Bangladesh	38
Chapter 8: Imports of Bangladesh	40
Chapter 9: SIBL’s Contribution in the Imports of Traditional and Non-traditional Products of Bangladesh.....	41
Chapter 9.1: Imports of Traditional Products through SIBL	41
Chapter 9.2: Imports of Non-Traditional Products through SIBL.....	41
Chapter 9.3: Contribution of Social Islami Bank Limited on the total Imports of Bangladesh	43
Chapter: 10: Findings, Recommendation and Conclusion	44
Chapter 10.1: Finding from my Internship at Social Islami Bank Limited	44
Chapter 10.2: Recommendation for Social Islami Bank Limited.....	44
Chapter 10.3: Conclusion:	45
References.....	46

List of Tables

Table 1: Remittance Exchange house and Countries.....	14
Table 2: List Of Common Commodities Imported And The Countries That Export Them.....	16
Table 3: Number of Different Types of Products and Number of accounts in SIBL, Dhanmondi Branch.....	20
Table 4: Number of Deposit Accounts of SIBL, Dhanmondi Branch.....	22
Table 5: Number of MTDR Accounts of SIBL, Dhanmondi Branch.....	23
Table 6: Types of Schemes and Number of Accounts of SIBL, Dhanmondi Branch.....	26
Table 7: Deposits and Other Accounts of SIBL.....	29
Table 8: Products and Percentage of Currency of Investment Department of SIBL, Dhanmondi Branch.....	30
Table 9: Percentage of Export of SIBL compared to total Export of Bangladesh.....	38
Table 10: Import of Traditional Products through SIBL.....	41
Table 11: List of Commonly imported Non-tradition items through SIBL.....	41
Table 12:Percentage of Import of SIBL compared to total Import of Bangladesh.....	43

Table of Figures

Figure 1: Corporate Structure of SIBL (Dhanmondi Branch)	8
Figure 2: Percentage of Imports from Different Countries.....	17
Figure 3: Percentage of Different Types of Account in SIBL, Dhanmondi Branch.....	20
Figure 4: Percentage of Different Types of Deposit Accounts.....	22
Figure 5: Percentage of MTDR Accounts of SIBL, Dhanmondi Branch	25
Figure 6: Percentage of Scheme Accounts of SIBL Dhanmondi Branch.....	28
Figure 7: Percentage of Currency in Deposits and other Accounts of SIBL	29
Figure 8: Percentage of Currency of Investment Department of SIBL, Dhanmondi Branch.....	30
Figure 9: Percentage of Foreign Exchange till October, 2019.....	31
Figure 10: Bangladesh's Total Exports in the last 10 years	36
Figure 11: Cross Section of Total Exports of Bangladesh and SIBL	39
Figure 12: Bangladesh's Total Imports in the last 10 years.....	40
Figure 13: Percentage of Imports from the Countries SIBL Commonly Imports From.....	42
Figure 14: Cross Section of Total Imports of Bangladesh and SIBL	43

List of Acronyms

Acronym	Meaning
BIN	Business Identification Number
SWIFT	Society for the Worldwide Interbank Financial Telecommunication
HS Code	Harmonized Commodity Description and Coding System
PI	Proforma Invoice
AD	Authorized Dealer
CI	Commercial Invoice
BIL	Bill of Lading
GSP	Generalized System Reference
ICC	International Chamber of Commerce

Chapter 1: Introduction

Chapter 1.1: Background of the study

I have had the opportunity to complete my internship program of BRAC Business School from Social Islami Bank Limited (SIBL), where I was assigned in their Dhanmondi Branch, Foreign Exchange Department. Social Islami Bank mainly operates on the basis of Shari'ah rules of Islam. The report consists of SIBL'S products and services which are similar to other Islamic banks and also the illustration of percentage of investment each products of different departments in their Dhanmondi Branch.

The report also gives a brief view as to the reasons why Social Islami Bank is one of the most up-to-date banks when it comes to customer service and new product development. A lot of their services and information is given online and gives a small description of the new app they have developed, which enables their customers to make most of their transaction with just their phones with proper verification.

In my time at SIBL I have observed that they also provide services such as collection of bills and even local school bills are collected in Dhanmondi Branch in cash department, international transfer service is provided in remittance, they purchase and provide installment sale for capital goods in local export sector, leasing of equipment and consumer durables, investment department provides low-cost housing and management of real estates. Their Non-formal non-corporate services include management of WAQF and cash WAQF Certificate.

The main factor this report concentrates on is the contribution of SIBL in the total import and export of Bangladesh. As Bangladesh aims at becoming a more export-oriented country the government has given plenty of opportunities and cash incentives to exporters of the country. In this report tried to explain how SIBL is using those opportunities and also giving their own incentives to exporters along with great customer service to improve the percentage of export.

The report also states how the bank provides lucrative facilities to the importers for which the bank has a higher import rate.

Chapter 1.2: Origin of the report

As a part of the Bachelor of Business Administration (BBA) course requirement at BRAC University, it is a 3-month long internship program to introduce the students with the corporate environment of the business administration of different industries. I was hired for the banking industry specifically Social Islami bank Limited in the Foreign Exchange Department as a student of finance and continued my Internship throughout the course. It has been an honor to work as an intern at a prestigious bank and can gladly say that this experience has enabled me to gather information for this report and had provided me with experience which will come in use in my professional life. One of the main interesting things about being an Intern at the foreign exchange department was how I got to experience the theoretical knowledge I gathered from my courses and having them all work together and see their functions in reality while I observed and assisted the officers with making transactions and providing customer service. The purpose of the internship was to introduce the student to the industrial working environment, understand how the theories that we learned throughout our major and other courses relate to the work field.

Chapter 1.3: Scope of The Study

During my internship at Social Islami Bank Limited I mostly worked at the foreign exchange department but my scope of study was vast as the people working there are highly cooperative and I have had the chance to observe their activities in all departments of the bank starting from Foreign Exchange, Remittance, Clearing, Cash, Front Desk and Investment.

Chapter 1.4: Objective of The Study

The objectives of the Study are listed below:

1. To be able to understand how the theories of finance and accounting work in real banking industry
2. To understand how fiscal laws of government are effect the banking industry
3. To observe the working environment of industry officials
4. To attain information about how SIBL's impact in the entire economy of Bangladesh
5. To create a comprehensible report on the selected topic to complete my Bachelors in Business Administration Degree

Chapter 1.5: Source of Data

I have collected the information for this report from the two different sources:

The source is divided into two parts:

- I. Primary Source
- II. Secondary Source

I. Primary Source:

According to Statistical Definition, Primary data is the data that the researcher collects from sources of the site of where the research is being conducted. Primary data is collected by using methods like surveys, interviews, or experiments. (Stephanie, 2018)

In this case, my primary source was:

- Face-to-face conversation with the current officers and staffs of the Bank.
- Working on given assignments
- Sorting through data for assisting the officers and my supervisor at my designated department.

II. Secondary Source:

Secondary data is data gathered from books, studies, surveys, reports, websites or other sources. (Stephanie, 2018)

In this case, my list of secondary data source is:

1. Annual Reports of Social Islami Bank Limited
2. Quarterly Accounting Statements of Social Islami Bank Limited,2019
3. Social Islami Bank's official Website
4. Different websites

All secondary data are cited using APA citation and references are given at the end of the report.

Chapter 1.6: Limitations

Every study has some limitations. The following are the limitations are the ones which I faced while doing this report:

- i. Data confidentiality of a bank

- ii. Some fiscal rules of the government were implemented in 2001, no financial data of SIBL is available of that year
- iii. Comparing their data with all the banks of Bangladesh including commercial banks

Chapter 2: Overview of Social Islami Bank Limited (Dhanmondi Branch)

Chapter 2.1: Introduction

Social Islami Bank Limited (SIBL) is a Islami bank in Bangladesh which operates on the basis of Shari'ah rules of Islam. The bank begun their journey on 22 November 1995 as Social Investment Bank Limited. SIBL was founded by Prof. Dr. M. A. Mannan, Dr. Hamid Al Gabid, Dr. Abdullah Omar Nasseef and Mr. Ahmed M. Salah Jamjoom. The organization later changed their name to Social Islami Bank Limited. (Social Islami Bank Limited, 2019). Presently, SIBL comprises of SIBL Securities Ltd, SIBL Investment Ltd, SIBL Foundation Hospital.

Social Islami Bank Limited believes in working closely with their clients thus their performance when it comes to customer service has made them one of the top banks in the industry. They have clients who have working with them for several years. They are always ready to serve as the strong conviction to create a caring society is the cornerstone of most of SIBL's activities.

Thus SIBL has made it their objective to achieve global standards in Islamic Banking by attracting, motivating, training and retaining high quality human resources, ensuring best CSR such as trying to innovate ways for Green Banking to take a step toward saving the environment and investing in the priority sector for the overall economic development by empowering underprivileged families and creating local income opportunities. (SIBL Annual Report, 2018)

SIBL has 9 birds feathers in their logo each holding important meaning. 9 of the feathers mean Honesty, Transparency, Efficiency, Accountability, Reliability, Innovation, Flexibility, Security, and Technology flying towards continuous excellence. The color red of the wings symbolizes enthusiasm of youth and the green writing symbolizes love for their country.

As on March, 2019, SIBL has 160 branches all over different districts of Bangladesh, these include 22 AD (Authorized Dealer) branches & 108 agent banking outlets. According to Un-Audited Accounts September-2019, as on September 2019 (Wikipedia, 2019) and they have total assets of 3,31,95,85,08,750 BDT (Un-Audited Accounts September-2019, 2019). For coordinating my internship, I have been placed in Social Islami Bank Limited, Dhanmondi Branch, Dhaka. There are 03 sections in Dhanmondi Branch. They are:

- 1) General Banking
- 2) Investment Department
- 3) Foreign Exchange Department.

Accordingly, I shall work mainly on Foreign Exchange Department. I shall devote my utmost effort and attention to the functions of the officers working in the office. After completion of the internship, I will render my all knowledge to present the report on Overall Banking System of Social Islami Bank Limited- A Special Focus on the activities if Foreign Exchange Department. In the overview part I will briefly talk about the daily activities, transactions, product, services of all the departments of SIBL in different department of SIBL, Dhanmondi Branch.

Chapter 2.2: Mission, Vision and Objectives of Social Islami Bank Limited

Vision of SIBL: “Working together for a caring society” (Social Islami Bank Limited, 2019)

Mission of SIBL:

- Categorizing the banking model in three sectors
- Transforming into a bank which is technology oriented and service driven
- Providing customer fast service which is accurate and satisfactory
- Maintaining a growth strategy which is balanced and sustainable
- To provide shareholders optimum level equity
- Providing the customer with products that are innovative
- To attract, train and retain high quality human resources
- Providing underprivileged families with local income opportunities to empower them
- Through mobilizing of funds and social services the bank has an objective to support organization created for social benefit

(Social Islami Bank Limited, 2019)

Values of SIBL:

- Honesty

SIBL strictly follows stick to their values in all their service provision.

- Transparency

SIBL adheres to maintaining transparency in all acts, as it is a virtue which builds trust

- Efficiency

SIBL renders to provide efficient and satisfactory service to their clients

- Accountability

SIBL always aims at being responsible and reliable to be able to hold accountability for their activities.

- Religiousness

SIBL aims at providing products and services that is based on religious rules to bring forth economic bliss in society.

- Innovation

SIBL always tries to keep themselves updated with the latest technology to innovate further benefits for their clients.

- Flexibility

SIBL always tries to remain Flexible towards their clients' needs as this leads to better understanding and greater satisfaction

- Security

SIBL always ensures that their customer feels secure about the products and service they are offering

- Technology

SIBL keep themselves updated with information about latest development in Technology to provide the best quality of service to our clients

Chapter 2.3: Corporate Structure of SIBL (Dhanmondi Branch)

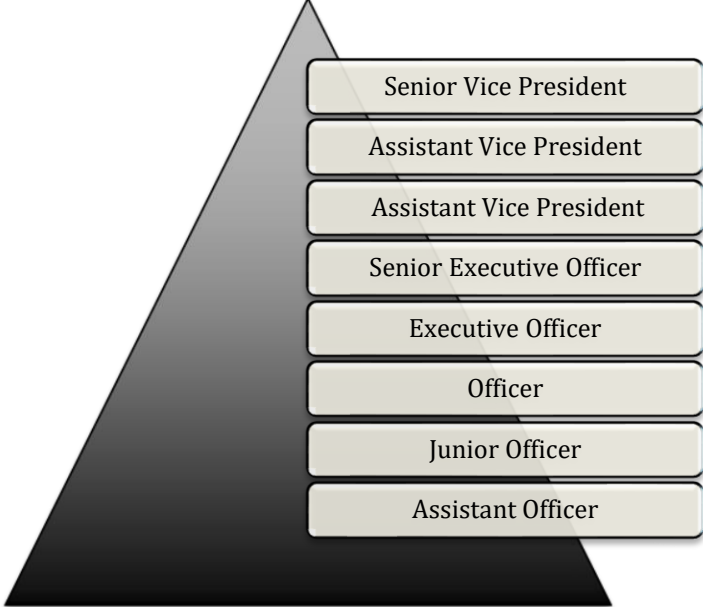


Figure 1: Corporate Structure of SIBL (Dhanmondi Branch)

Chapter 3: Overview of the Departments and Services of Social Islami Bank Limited

Chapter 3.1: General banking of SIBL

The general banking is the department of direct customer service to the account holders of the bank. The general banking department consists of account opening section where the money transfers into the main bank begins. The general banking sector consists of

1. Front Desk
2. Locker Service
3. Cash section
4. Bills and Clearing section
5. Remittance section

Each of these sections of general banking of SIBL have their own individual responsibility. All of the sections deal with all types of customers starting from individual customers who frequently visit the bank for different necessities and business people who are in need of frequent transactions to people who come to the bank one time for temporary transactions or opening accounts of small durations. Providing customers with sincere and quick services is the main goal of the general banking department.

Chapter: 3.1.1: Front Desk:

The front desk is where the relationship between the customer and the bank begins so the job requires more than opening new accounts, issuing loans, issuing cheque books or debit or credit cards or other services, although these are the most important operations of General Banking, the most difficult and crucial work is the identification and the selection of the customers assessing their reliability based government affirmations of their identification, as to avoid fraud and forgery of all kinds through opening of an account by the customer.

The work of the front desk is listed in the following:

- a) Account Opening
- b) Issuing Cheque Books
- c) Issuing Debit Card
- d) Issuing Credit Card

- e) Account Closing
- f) Registration for SIBL banking application
- g) Other Customer Services as Required

a) Account Opening:

Account opening section is where the money begins to flow into the bank from the social units of economy ranging from families, students, individuals to businesses small or big which are registered under the government.

Some papers and information are required to open an account. The papers may vary based on the client or the type of account but there are some general papers necessary for all account opening, this is why the following procedures are followed when opening any account.

- I. Account opening Form: To be filled in and signed by each account holder.
- II. Introduction of account holder (Mandatory): To be signed by introducer with ID and account number.
- III. A copy of latest passport size photograph for each account holder attested by the introducer.
- IV. A copy of the nominee's photograph (attested by the account holder).
- V. Copy of National identity card/Ward Commissioner Certificate of account holder. (a copy of the birth certificate is necessary along with guardian information if the account holder is a minor, for example: SIBL Young Star Account)
- VI. Copy of E-TIN of account holder (optional)
- VII. Copy of National identity card of nominee. (in case the nominee is a minor, a guardian information and signature is required)

In case the current account is opened in the name of an organization or business, the following information is required:

Documents required to open account for Business:

- I. Trade License (Latest)
- II. National Identification Card
- III. Nominee's National Identification Card

IV. Membership Certificate (latest)

V. TIN or Vat certificate

These are the basic information to open any account for a business or organization. Depending on if the business is proprietorship, partnership, private limited or public limited the required more information may be required.

b) Issuing Cheque Books:

Cheque books are a basic requirement for the clients as they are required to make transactions for the amount of money deposited in the account. Dhanmondi Branch offers cheque books having 10 pages, 25pages, 50 pages, 100 pages. The bank charges 4BDT/page so the price of the book varies depending the number of pages the customer requested for and the amount is automatically deducted from clients account when the cheque book is requisitioned.

The customer only need to fill out a cheque requisition form and the cheque book will be requisitioned against the customer's bank account and will be delivered after 4 working days.

c) Issuing Debit Card:

When a customer has an existing bank account all they need to do is fill out an application and a debit card will be issued against the account of the client.

d) Issuing Credit Card:

The requirements for debit card are given in the following:

- I. MTDR account in the bank
- II. A debit card requisition form needs to be filled out
- III. National Identity Card
- IV. Pass port size photo
- V. Mortgage of one lack BDT

e) Account Closing:

If a client wants to close their account or the bank authorities believe for valid reason that the account has to be closed as they cannot continue transactions with the client any further, then the account is closed and the money which was in the account is given back to the client.

f) Registration for SIBL banking application:

SIBL banking application is basically bringing online banking at the palm of the clients hands. As SIBL constantly looks for new technology to improve the quality of life of their clients, they

have designed an app through which their clients can easily sit at home and complete a lot of their day to day transactions using SIBL's mobile application through online banking. The following is the required procedure to register for the banking application of Social Islami Bank Limited:

- I. Download the application from google play store
- II. Fill in he required information
- III. Visit nearby SIBL branch with the registration number
- IV. The officer at the front desk will send the number to the head office
- V. The client will then receive a verification in the e-mail address he provided to the app
- VI. After verification the client will be a registered user of the app

In the following are the services provided the app:

- i. Intra Bank & Interbank Fund Transfer
- ii. Payment of Utility Bills
- iii. Credit Card Bill Payment
- iv. Mobile Top Up
- v. Account Details, Mini Statement, Balance Inquiry
- vi. Cheque Requisition, Cancellation and Status Tracking
- vii. Investment Account Outstanding
- viii. EMI Calculator
- ix. SIBL Product List
- x. Branch & ATM Locator
- xi. SMS Notification

g) Other Customer Services as Required:

If other services are required by the client such as bank statement requisition, salary being received in the bank account, information about product or service.

[Chapter: 3.1.2: Locker Service:](#)

To register for SIBL's locker service the clients need to fill up a form, provide photocopy of NID Card and passport size photo. More than one person can operate one locker. Though most SIBL

mostly offers lockers of three sizes, Dhanmondi branch only offers medium size locker which requires an initial storage of 10,000BDT, Yearly payment of 4000BDT to bank and 600BDT vat.

1. Cash section:

The following services are provided by the cash section:

- I. Withdrawal of cash
- II. Deposit cash into account
- III. Bill payment of WASA and electricity bill
- IV. Payment of school bill of nearby schools (Dhanmondi Branch)

Chapter: 3.1.3: Bills and Clearing section:

Bills and clearing section is where the clients submit the cheque from other banks and cheque for SIBL for bill payment or cash collection. There are two types of cheques:

- a) Inward clearing cheque
- b) Outward clearing cheque

a) Inward Clearing Cheque:

Inward cheques are those ones drawn the respective branch which have been presented on other banks, the cheques are scanned and sent to the specific bank after acceptance. The officer then waits for the bank to send a scanned soft copy with their acceptance seal. After they receive the banks acceptance the money is then extracted from the client's account and sent to the specified bank account.

b) Outward clearing cheque:

Outward cheques are those ones drawn on other bank branches which are presented on the concerned branch for collection, the officer then prints out the soft copy of the scanned cheque with the acceptance seal on it and puts SIBL's acceptance seal on the cheque and send it for verification. After verification the cash from the specified bank account is collected.

Chapter: 3.1.4: Remittance section:

The remittance fund at SIBL mainly works to withdraw the cash amount sent from banks from other countries to the client through the following cash transfer Remittance Exchange House:

Table 1: Remittance Exchange house and Countries

Sl. Number	Name of Remittance Exchange House	Country
1	Western Union Money Transfer	Global
2	Xpress Money Services	Global
3	Money Gram	Global
4	Placid NK Corporation	USA, Malaysia, Italy, Spain
5	Aussie Forex & Finance Pty. Ltd.	Australia
6	Intel Express Georgia Ltd.	Georgia
7	Paypal/ Zoom Corporation	USA
8	Transfer Remittance LLC	Middle East, Europe, America and some other countries
9	LLC TRAN-SENDING Ltd.	UK, USA
10	Ria Finance Services	Global
11	NEC	Italy
12	FSIE	Italy

Chapter 3.2: Investment Department of SIBL

The products offered in investment banking of SIBL are given below:

- I. Bai-Muazzal
- II. HPSM- Hire Purchase under Shirkatul Melk
- III. Bai-Murabaha
- IV. Musharaka
- V. HPSM- Ijara
- VI. Bill Purchase
- VII. Quard

Bai-Muazzal:

Bai-Muajjal is a contract between buyer and seller under which the seller sells goods which are permissible under Shariah and Legal, to the buyer at an agreed fixed price payable at a certain fixed date in the future in total amount or within a fixed period by fixed installments.

HPSM- Hire Purchase under Shirkatul Melk:

Hire Purchase or participatory ownership made with both the Bank and the client supply equity in equal or unequal proportion of purchase of assets like land, building, machinery, transportation etc.. The portion of the asset owned by the Bank is hired out to the client for a fixed rent per unit of time for a fixed period. Lastly, the Bank sells and transfers the ownership of the bank's portion to the asset against payment of price fixed for that part. The client makes the payment either gradually part by part or in total within the hired period after the expiry of the hire agreement.

Bai-Murabaha:

Bai-Murabaha is a contract between the buyer and seller under which the seller sells goods which are legal and permissible under Islamic Shariah to the Buyer at a cost plus agreed profit payable in cash on any fixed future date in total or by installments.

Musharaka:

Musharaka means partnership business. Here the client and the bank are partners in a business. The bank and the client has to provide more or less equity funds in this partnership business. The profit is divided between the bank and the client as per the ratio in the contract.

HPSM- Ijara:

The contract that states any asset owned by the bank by creation or acquirement, is rented out is called HPSM (Ijara). The bank retains full ownership of specified asset in such a case though at the end of the period of the contract the asset may be sold to the client.

Bill Purchase:

Bill Purchase contract allows a seller to obtain immediate financing in exchange for a sales document which is separate from letter of credit. The bank will send the sales documents to the buyer's bank on behalf of the seller taking liability for the seller.

Quard:

It is a contract to provide financial assistance with the stipulation to return the principal amount to the bank without any increase, in the future.

Chapter 3.3: Foreign Exchange Department of SIBL

The foreign trade of Bangladesh is controlled by Bangladesh Bank under the Import and Export Control Act, 1950. As SIBL Dhanmondi branch is an Authorized Dealer (AD) of Bangladesh and a member of Bangladesh Foreign Exchange Dealers' Association (BAFEDA) they conduct foreign exchange operations. In the foreign exchange department of SIBL, the transaction of cash for imports and exports that are required by the client are handled by making or receiving payment to or from the foreign or local bank which holds liability for the person the client is in contractual agreement with. SIBL like all other bank of the country conduct foreign exchange operations based on the foreign exchange guideline of Bangladesh bank.

SIBL has three sections in their Foreign Exchange Department:

- a) Import
- b) Export
- c) Back to back

a) Import:

Imports can be from foreign countries or from local industries, from one company to another. SIBL has a good import percentage. In the following are some of the common products which are imported through SIBL and the countries they are imported from

Table 2: List Of Common Commodities Imported And The Countries That Export Them

commodity	Countries
Damar Batu	Indonesia
Medicinal Herbs	Pakistan
Toner Cartridge	China
Hydraulic Crawler	China
Methanol	Saudi Arabia
Antimonial Lead	India
Lead Alloy	India
Lead Ingots	India
Medicinal Herbs	India
Air Conditioner	Malaysia, Japan

Battery Separators	India
Dun Peas	Australia
Spare Parts	Germany
Selenium Metal Powder	Japan
Washing Machine	China
Lentils	Australia
Sewing Machine	China
Air Purifier	China
Refrigerator	China
Shoes	China

From this chart is we look at the percentage of the countries SIBL usually imports from we get the following chart:

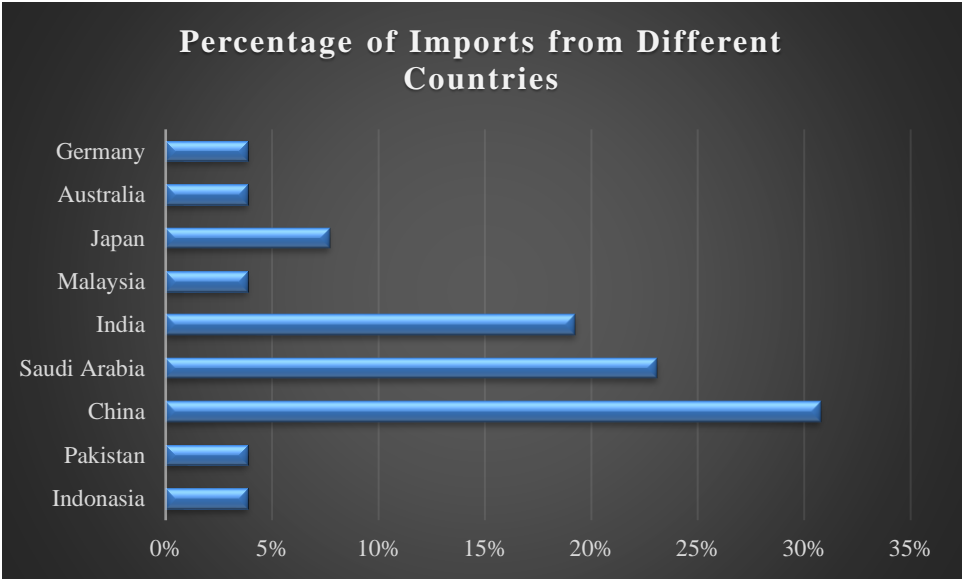


Figure 2: Percentage of Imports from Different Countries

b) Export:

Exports are usually of two categories. Foreign Export and Local Export. In foreign export the banks receive payment on behalf of their clients from the foreign bank who makes payment on behalf of their client who is the importer of their country. The transaction starts through a letter of credit which is usually issued by foreign bank on the basis of letter of credit from the local bank to the foreign bank stating that the local bank takes liability for the exporter. The letter of

credit can be of 90 days, 120 days or 180 days. The letter of credit is sent to the foreign bank through SWIFT after the client and the bank have come to an agreement on the draft.

SIBL deals with clients who are in ownership of capital for the business but often lacks the amount of liquid asset or fund required for the export. SIBL provides a lien for this liquid asset and pays funds required to make the export based on the letter of credit received from the foreign bank. When the export is successfully made and money from the foreign bank is transferred to the exporters account SIBL then extracts the fund given as lien along with the percentage of profit according to their agreement.

There is a similar case when it come to the local exports as well. In case of local exports, the fund is given as lien based on the letter of credit from the local bank.

SIBL currently exports readymade garments and accumulated batteries to different countries of the world.

c) Back to Back:

Back to back stands for the contract that states that the raw materials for the commodities which will be exported are imported from a foreign country and after the commodity is manufactured 100% of the commodities which the raw material were imported for will be exported again.

SIBL mainly deals with back to back letter of credit as most of their export items are readymade garment and readymade garments' raw materials are imported from foreign countries.

SIBL also provides lien to the exporters requesting back to back LC as many of them own the capital but not the liquid funds to complete the export operations.

Documents Required for Export:

For every client who wants to export through SIBL a file is made for their letter of credit after the BIN code of the client is registered. The files contain the following documents:

- I. Shipping Documents
- II. Bills of lading
- III. "Clean" and "Clause" Bill of Lading
- IV. "On Board" and "Received for Shipment" Bill of Lading
- V. "Through" Bills of Lading
- VI. "Straight" and "Order" Bill of Lading

- VII. Charter Party Bills of Lading
- VIII. Invoice
 - IX. The Commercial Invoice
 - X. The Consular Invoice
 - XI. The Certified Invoice
 - XII. The Certificate of Origin
- XIII. The Packing List
- XIV. Inspection Certificate
- XV. Quality Control Certificate
- XVI. GSP Certificate
- XVII. Non-shipping Documents
- XVIII. The Documentary Letter of Credit
- XIX. The Ships Reports
- XX. Post-Shipment Finance

Chapter 4: Products and Services of SIBL

Chapter 4.1: Products of General Banking:

Here are the different types of products offered in all branches SIBL

1. Deposit Accounts
2. MTDR
3. Several Types of Scheme

Table 3: Number of Different Types of Products and Number of accounts in SIBL, Dhanmondi Branch

Different Types Of Account	Number	Of
Deposit Accounts	11205	Account
MTDR	3573	
Several Types of Scheme	4174	

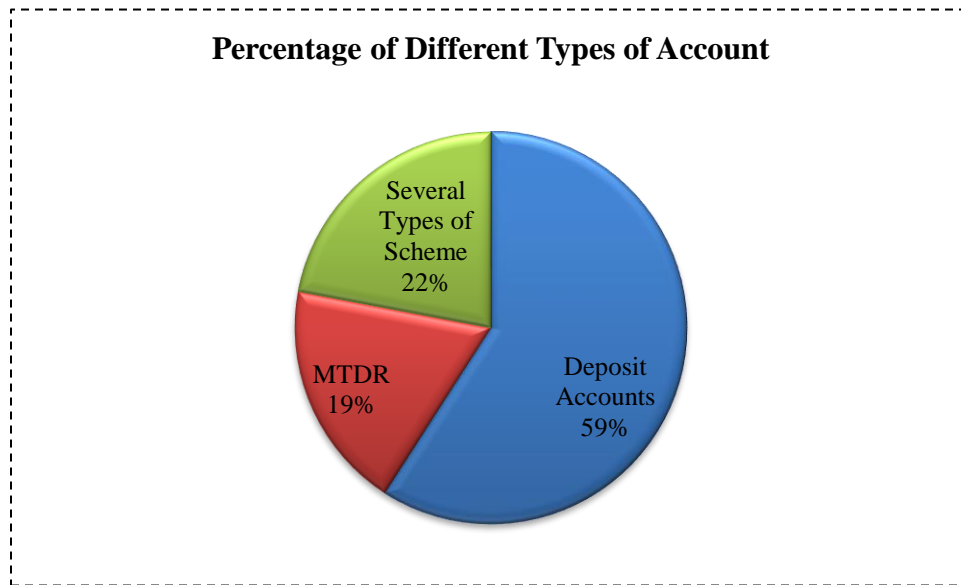


Figure 3: Percentage of Different Types of Account in SIBL, Dhanmondi Branch

1. Deposit Accounts:

- i. Mudaraba Savings Deposit
- ii. No Frill Accounts
- iii. Proshanti (Mudaraba Zakat Saving Deposit Scheme)
- iv. Mudaraba Super Savings Account
- v. Mudaraba Savings Deposit Account- Pay Roll
- vi. SIBL Young Star Account
- vii. Al-Wadia Current Deposit
- viii. Mudaraba Saving Deposit
- ix. Mudaraba Notice Deposit
- x. Mudaraba Cash Waqf Savings A/C

Table 4: Number of Deposit Accounts of SIBL, Dhanmondi Branch

Name Of Deposit Account	Number Of Accounts	Percentage of Each Account
i. Mudaraba Savings Deposit	314	2.80%
ii. No Frill Accounts	2	0.02%
iii. Proshanti (Mudaraba Zakat Saving Deposit Scheme)	3	0.03%
iv. Mudaraba Super Savings Account	3	0.03%
v. Mudaraba Savings Deposit Account- Pay Roll	73	0.65%
vi. SIBL Young Star Account	243	2.17%
vii. Al-Wadia Current Deposit	1447	12.91%
viii. Mudaraba Saving Deposit	8439	75.31%
ix. Mudaraba Notice Deposit	138	1.23%
x. Mudaraba Cash Waqf Savings A/C	543	4.85%
xi.		
xii. total number of Deposit Accounts	11205	

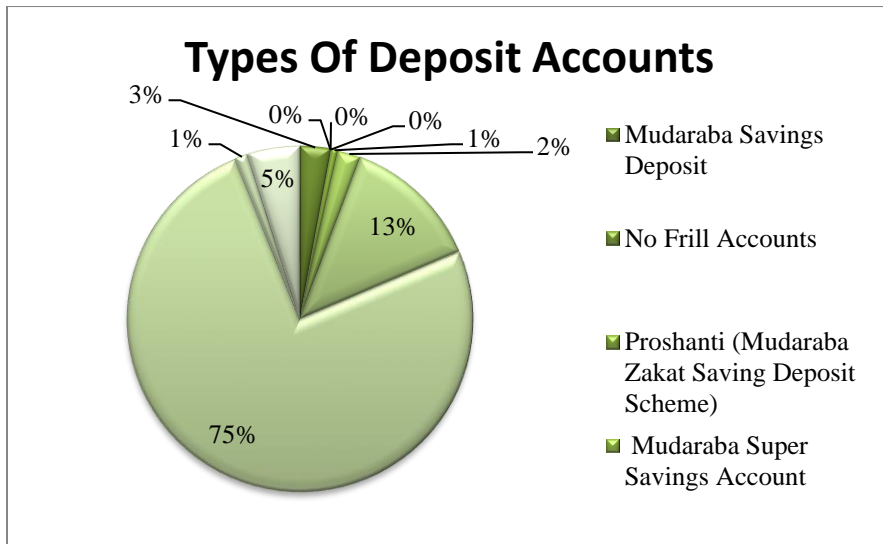


Figure 4: Percentage of Different Types of Deposit Accounts

2. MTDR:

- a) MTDR of Different Time Durations
- b) Mudaraba Education Saving Scheme
- c) Mudaraba Monthly Profit Deposit
- d) Subrnalata Special Scheme (Women)
- e) Sacchandey Protidin Monthly Profit Deposit
- f) Mudaraba Monthly Profit Deposit (1 Year)
- g) SIBL ASTHA
- h) Mudaraba Cash Waqf Scheme Specific (one time)
- i) CASH WAQF- M.PFT
- j) Mudaraba Double Benefit Scheme
- k) Samriddir Sopan Scheme Deposit
- l) SIBL Double Benefit
- m) Samriddir Sopan (Mudaraba Double Benefit Scheme- 66 Month)

Table 5: Number of MTDR Accounts of SIBL, Dhanmondi Branch

Name of MTDR Account	Number of Account	Percentage Of MTDR Accounts
i. MTDR of Different Time Durations	2,748	76.97%
ii. Mudaraba Education Saving Scheme	11	0.31%
iii. Mudaraba Monthly Profit Deposit	16	0.45%
iv. Subrnalata Special Scheme (Women)	1	0.03%
v. Sacchandey Protidin Monthly Profit Deposit	202	5.66%
vi. Mudaraba Monthly Profit Deposit (1 Year)		1.09%

		39	
vii.	SIBL ASTHA	357	10.00%
viii.	Mudaraba Cash Waqf Scheme Specific (one time)	67	1.88%
ix.	CASH WAQF- M.PFT	3	0.08%
x.	Mudaraba Double Benefit Scheme	56	1.57%
xi.	Samriddir Sopan Scheme Deposit	33	0.92%
xii.	SIBL Double Benefit	33	0.92%
xiii.	Samriddir Sopan (Mudaraba Double Benefit Scheme- 66 Month)	4	0.11%

Types Of MTDR Account and Percentage

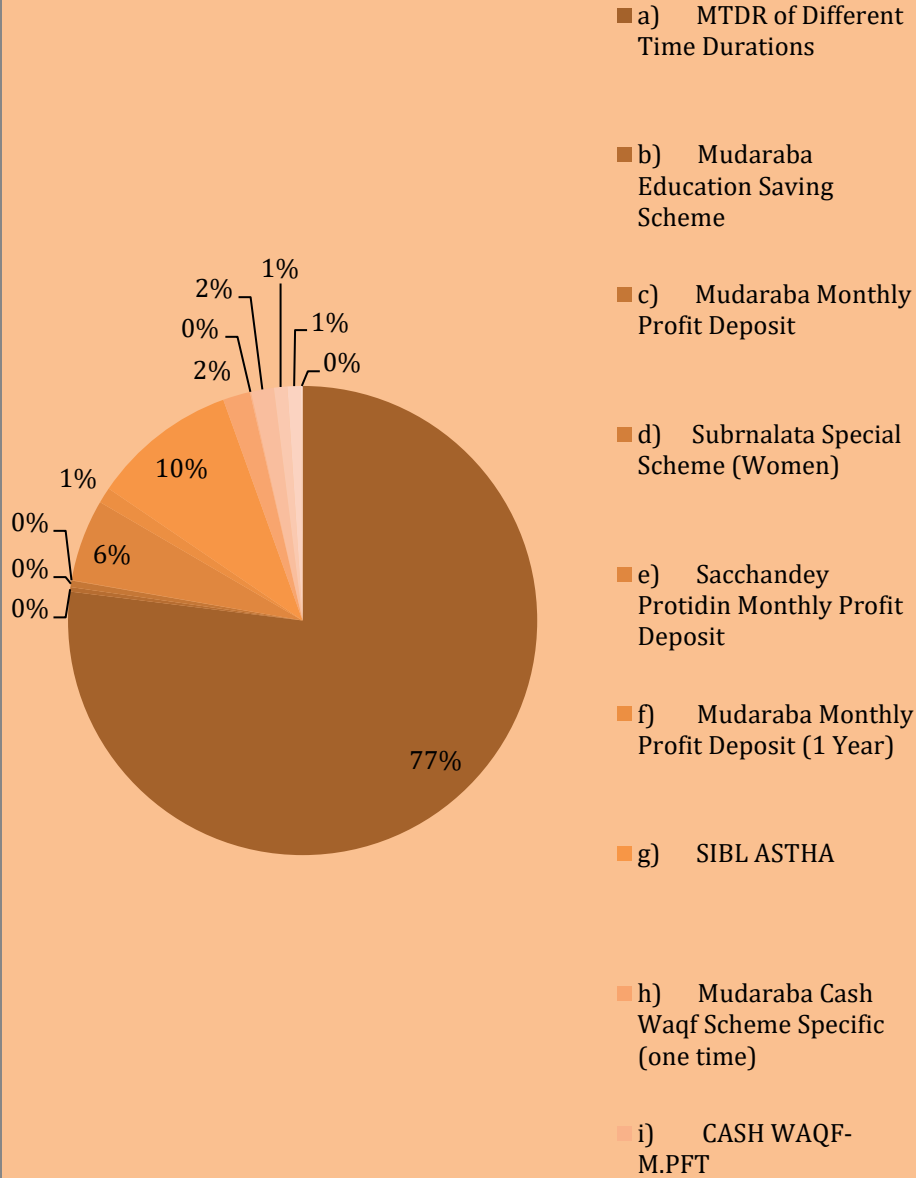


Figure 5: Percentage of MTDR Accounts of SIBL, Dhanmondi Branch

3. Several Types of Scheme:

- i. Kafela (Mudaraba Hajj Umrah Savings)
- ii. Mudaraba Millionaire Scheme
- iii. Mudaraba Pension Savings Scheme
- iv. Sonali Din Pension Deposit Scheme
- v. Mudaraba Termed Savings Scheme
- vi. Mudaraba Hajj/Umrah Savings
- vii. Mudaraba Marriage Deposit Scheme
- viii. Mudaraba Cash Waqf
- ix. Mudaraba Bashastan Deposit Scheme
- x. Subarno Rekha Special Deposit Scheme (Women)
- xi. Shabuj Shayanna (Senior Citizen)
- xii. Mudaraba Lakhpoti Deposit Scheme
- xiii. Sopner Siri Deposit Scheme
- xiv. Sharna Shikhar
- xv. Shapner Siri
- xvi. Subarna Diganta
- xvii. SIBL Super DPS

Table 6: Types of Schemes and Number of Accounts of SIBL, Dhanmondi Branch

Name of Account	Number of Account	Percentage Of MTDR Accounts
Kafela (Mudaraba Hajj Umrah Savings)	19	0.46%
Mudaraba Millionaire Scheme	29	0.69%
Mudaraba Pension Savings Scheme	122	2.92%
Sonali Din Pension Deposit Scheme	789	18.90%

Mudaraba Termed Savings Scheme	7	0.17%
Mudaraba Hajj/Umrah Savings	1	0.02%
Mudaraba Marriage Deposit Scheme	19	0.46%
Mudaraba Cash Waqf	1,883	45.11%
Mudaraba Bashastan Deposit Scheme	51	1.22%
Subarno Rekha Special Deposit Scheme (Women)	704	16.87%
Shabuj Shayanna (Senior Citizen)	6	0.14%
Mudaraba Lakhpoti Deposit Scheme	51	1.22%
Sopner Siri Deposit Scheme	171	4.10%
Sharna Shikhar	12	0.29%
Shapner Siri	46	1.10%
Subarna Diganta	58	1.39%
SIBL Super DPS	206	4.94%

Types of Schemes and Percenatge of Accounts

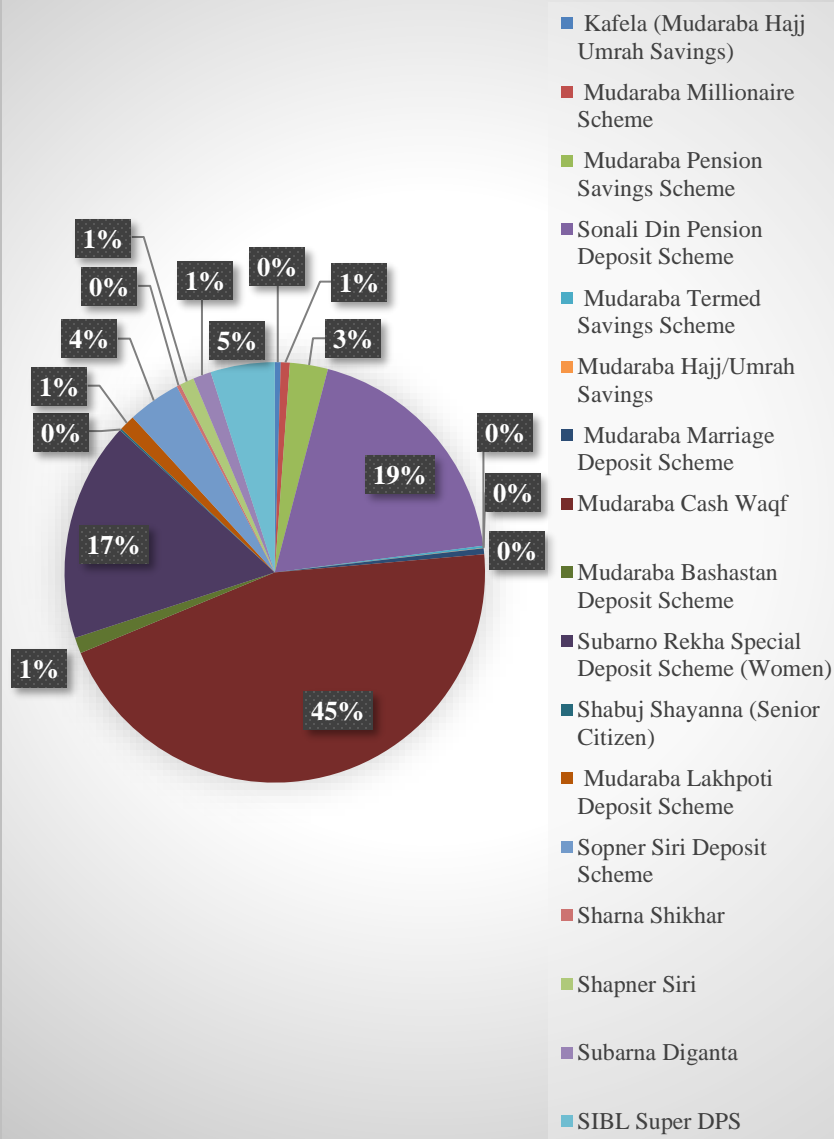


Figure 6: Percentage of Scheme Accounts of SIBL Dhanmondi Branch

According to SOCIAL ISLAMI BANK LIMITED CONDENSED CONSOLIDATED BALANCE SHEET (UN-AUDITED) AS AT 30 SEPTEMBER 2019

Table 7: Deposits and Other Accounts of SIBL

Type of account	Amount in BDT	Ratio Of Accounts
Mudaraba Savings Deposits	24,445,483,361	9.06%
Mudaraba Term Deposits	161,892,643,798	60.00%
Other Mudaraba Deposits	55,381,378,848	20.53%
Al-Wadeeah Current & Other Deposit Accounts	27,765,563,272	10.29%
Cash Waqf Fund	326,231,772	0.12%
total deposits	269,811,301,051	

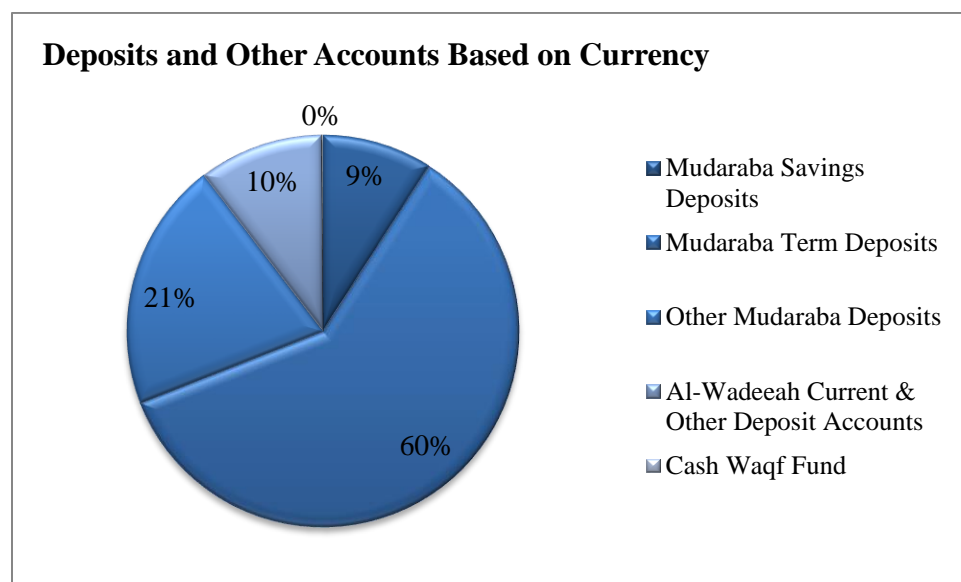


Figure 7: Percentage of Currency in Deposits and other Accounts of SIBL

(Un-Audited Accounts September-2019, 2019, p. 1)

Chapter 4.2: Products of Investment Department:

Table 8: Products and Percentage of Currency of Investment Department of SIBL, Dhanmondi Branch

Products of Investment	Percentage of Currency in Each Product
Bai-Muazzal	98.48%
HPSM- Hire Purchase under Shirkatul Melk	0.79%
Bai- Murabaha	0.00%
Musharaka	0.00%
HPSM- Ijara	0.00%
Bill Purchase	0.00%
Quard	0.73%

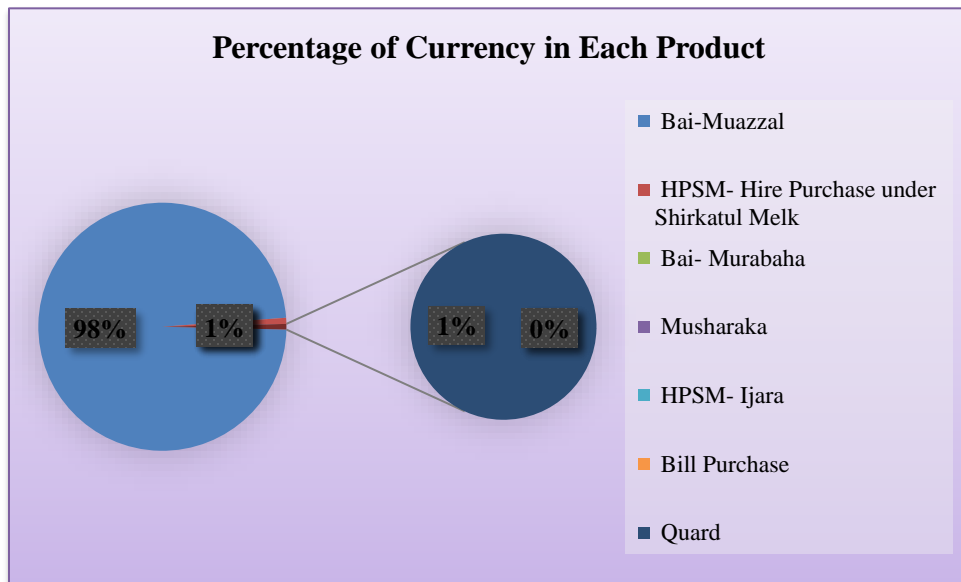


Figure 8: Percentage of Currency of Investment Department of SIBL, Dhanmondi Branch

Chapter 4.3: Services of Foreign Exchange Department

The service of the Foreign Exchange Department is mainly completing currency transaction of the import and export of products on behalf of their client, with the banks that provide the LC for the exporter or importer the client of the bank is in contract with. So the following chart represents the import and export percentage of the year 2019 till October, 2019. The following is a percentage of Foreign Exchange of SIBL based on currency.

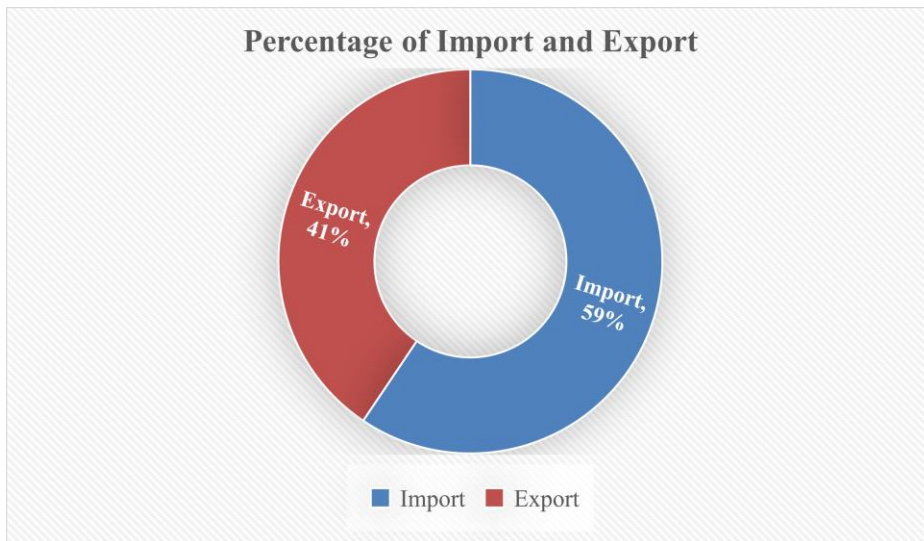


Figure 9: Percentage of Foreign Exchange till October, 2019

Chapter 5: Internship Experience at Social Islami Bank Limited

At Social Islami Bank Limited I worked at Foreign Exchange Department. My job responsibility included:

1. Assisting all the officers with their everyday work
 - i. Assisting clients of General Banking with filling forms
 - ii. Filling up the parts of the forms which are to be filled by the bank based on the formal information given
 - iii. Carrying out other responsibilities given by the officers
2. I went through the IBC (Inland Bill Purchase) file of their local export to create new IBC files when needed
3. Sorted through the files and sequentially sorted out the files so that still the officers still can easily find the files, even using the excel file
4. I updated their manual register on the basis of new clients and new Inland Bill Purchase
5. Created an excel file to record their export transactions:
 - i. It automatically informs the officers about the clients who have crossed their due date
 - ii. When an Inland Bill Purchase contract is purchased the file automatically informs the officers that the file has been closed
 - iii. When a file is in the storage the file automatically updates so that the officers know where to find the files

Chapter 6: Exports and Incentives for Exporters in Bangladesh

Chapter 6.1 Export:

When it comes to export there are usually two types of items. Traditional and non-traditional

Chapter 6.1.1: Traditional Items:

Traditional Items mean the commodities which are either naturally available in the exporting country or the raw materials of which are available in the country.

For example, the traditions export items of Bangladesh are: shrimps, leather, jute, wood etc.

Chapter 6.1.2: Non-Traditional Items:

Non-Traditional Items are the commodities which require their materials to be imported from foreign countries. The raw materials of the commodities are imported from foreign countries and the commodities are then made in the county and exported outside.

If any company is involved in this type of import and export of items and has a contract to export 100% of the commodities made from the foreign items imported, then this contract is called a “Back to Back Letter of Credit”.

Chapter 6.1.3: Government’s Incentives for Exporters:

In order to make the Export led growth strategy of the country the government many cash and other incentives on for the exporters of the country to increase the export rates. Here are the incentives provided by the government according to Dhaka Chamber of Commerce and Industry (DCCI)

1. Concessionary duty as per SRO* is allowed on the import of capital machinery and spare parts for setting up for industries which are export-oriented or BMRE of existing industries. 100% export-oriented industries do not need to pay no import duty do not need to pay import duty.
2. Back-to-Back letters of credit have facilities such as special bonded warehouse against their letter of credit or notional import duty and they do not need to pay Value Added Tax (VAT). These facilities are available as per SRO of the government.

3. System for duty drawback is being simplified and concise for the exporters to understand and abide by easily. the concerned commercial bank Will be able to give the duty drawback directly to the exporters.
4. Bank loans can be given up to 90% if the value against irrevocable and confirmed letters of credit/sales agreement, are available.
5. From time to time the list of export products and the rate of export performance benefit (XPB) are reviewed for granting export performance benefits.
6. Export-oriented industries including export-oriented ready-made garment industries using indigenous raw materials instead of imported materials, are given additional facilities and benefits at prescribed rates, with the intention of encouraging backward linkages. Similar incentives are provided to the importers or suppliers of raw materials to export-oriented industries.
7. Allocation of foreign exchange for publicity campaigns and for opening offices abroad are provided to Export-oriented industries.
8. Entire export earnings from handicrafts and cottage industries do not have to pay income tax. In case of other industries, proportional income tax exemption is given on export earnings between 30% and 100%. Industries which export 100% of their products are given incentives of tax exemption up to 100%.
9. Facilities are given for importing raw materials which are given for manufacturing exportable commodities, under banned/restricted list.
10. Import of specified quantities of samples which are duty-free for manufacturing exportable products is allowed by the government. The quantity and value of samples are determined jointly by the concerned sponsoring agency and the NBR.

11. Local products supplied to local projects against foreign exchange under international tender are treated as indirect exports and the producer is entitled to avail of all export facilities provided by the government.
12. Export oriented industries like toys, luggage and fashion articles, electronic goods, leather goods, diamond cutting and polishing, jewellery, stationery goods, silk cloth, gift items, cut and artificial flowers and orchid, vegetable processing and engineering consultancy services identified by the government as thrust sectors are provided special facilities in the form of cash incentives, venture capital and other facilities.
13. Export oriented industries do not have to pay local taxes (such as municipal taxes).
14. Leather industries which are exporting at least 80% manufactured products will be treated as 100% export oriented industries.
15. Manufactures of indigenous fabrics (such as woven, knit, hosiery, grey, printed, dyed, garment check, hand loom, silk and specialized fabrics) supplying their products to 100% export oriented garment industries are entitled to avail a cash subsidy equivalent to 25% of the value of the fabrics provided.
16. Other facilities, apart from the above mentioned facilities are provided in the export policy are also applicable for export-oriented and export-linkage industries.
17. Tax exemption is provided on dividend income of non-resident shareholders during tax exemption period of an industry set up in an export processing zone and also after the expiry of tax exemption period provided that the dividend is re-invested in the same project.
18. Exemption of tax is on income from industrial undertakings set up in an export processing zone is provided by the government for ten years from the date of commercial production.

19. Tax is exempted from capital gains from the transfer of shares of public limited companies listed with a stock exchange.

(Dhaka Chamber of Commerce and Industry (DCCI))

Chapter 6.1.4: The Effects of Government Cash Incentives to Exporters

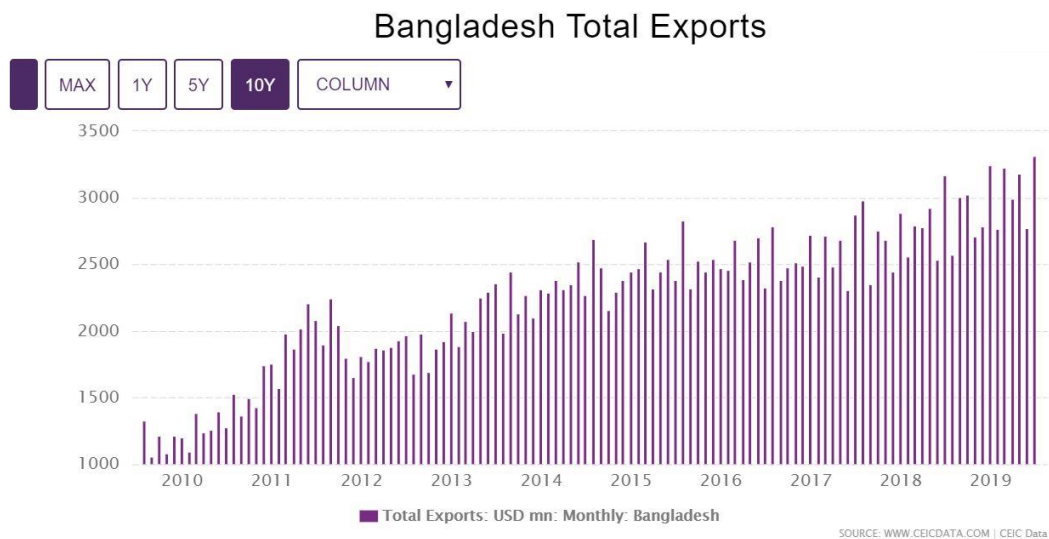


Figure 10: Bangladesh's Total Exports in the last 10 years

(CEIC, 2019)

Bangladesh had exported 2.6 billion USD in August, 2019 which increased to 3.1 billion USD in just a month. In September, 2019 Bangladesh exported commodities worth of 3.1 billion USD and the number increasing.

Due to these incentive we can observe from the graph that the amount from exports have significantly increased in the last ten years. Through observation we can find that the number of industries and export-oriented companies have significantly increased due to these cash and other incentives. Number of back to back letter of credit and 100% export oriented businesses have increased in every bank across the nation as they get incentives such as 100% exemption of VAT, local tax and they do not need to pay duty fee also are provided with special ware houses.

Leather industries have significantly increased as they still can avail the opportunities of being recognized as a 100% exporting company even if they chose to export 80% of their products to foreign markets and sell 20% in local markets.

The sale of traditional items has gone up as they can avail all the facilities of 100% export oriented companies and so handicrafts and cottage industries have grown because they do not have to pay income tax at all on the profit from their exported items can also avail other facilities as well.

Along with other industries these laws have had a significant effect in the garment industry of Bangladesh as most of them are involved in Back-to-Back Letter of Credit with different banks because the raw materials are imported from foreign countries and after the commodities are made in the country they export the commodities to foreign countries. Since government gives them all the facilities of 100% exporting companies along with special warehouse facility and VAT has been completely exempted the number of Back-to-Back Letter of credit has been increased even more than the export of traditional items.

Chapter 7: SIBL's Contribution in the Exports of Traditional and Non-traditional Products of Bangladesh

Chapter 7.1: Exports of Social Islami Bank Limited

When the topic of exports of traditional items and non-traditional items.

1. Exports of traditional items of Social Islami Bank:

Social Islami Bank Limited used to export traditional products which consisted of jute, pet bottles (plastic), leather but the exports of these items stopped from 2018. Currently SIBL does not any clients who export traditional items through the bank.

2. Exports of non-traditional items of Social Islami Bank:

Social Islami Bank's Export section of their foreign exchange branch mainly focuses on exports of non-traditions items which include accumulated batteries and readymade garments.

Most of the clients are of garment industry who take advantage of the government's incentives for Back-to-Back Letter of Credit.

SIBL might not have much export clients but the clients of their export are active and hold close client and officer relationship and make payments in due time and even before their due dates. SIBL offers lien for their clients dealing with Back-to-Back Letter of Credit with the bank thus gets a lot of clients for Back-to-Back Letter of Credit with foreign clients and due to the government incentives for Back-to-Back Letter of Credit who export 100% of their products the exports from garment industries have gone up in all banks including SIBL.

SIBL also has clients for local exports. They sell their local markets through banks thus in this case SIBL gives Letter of Credit to another bank of Bangladesh with whom the client's importer has made an agreement with.

Chapter 7.2: Contributions of SIBL on the Total Exports of Bangladesh

The following table and chart show the representation of SIBL's contribution on the total export of Bangladesh, based on currency:

Table 9: Percentage of Export of SIBL compared to total Export of Bangladesh

Description	Percentage of Export
Export of Bangladesh January, 2019- June,2019	97.7%
Export of SIBL January, 2019- June,2019	2.3%

(Bangladesh Bank, 2019)

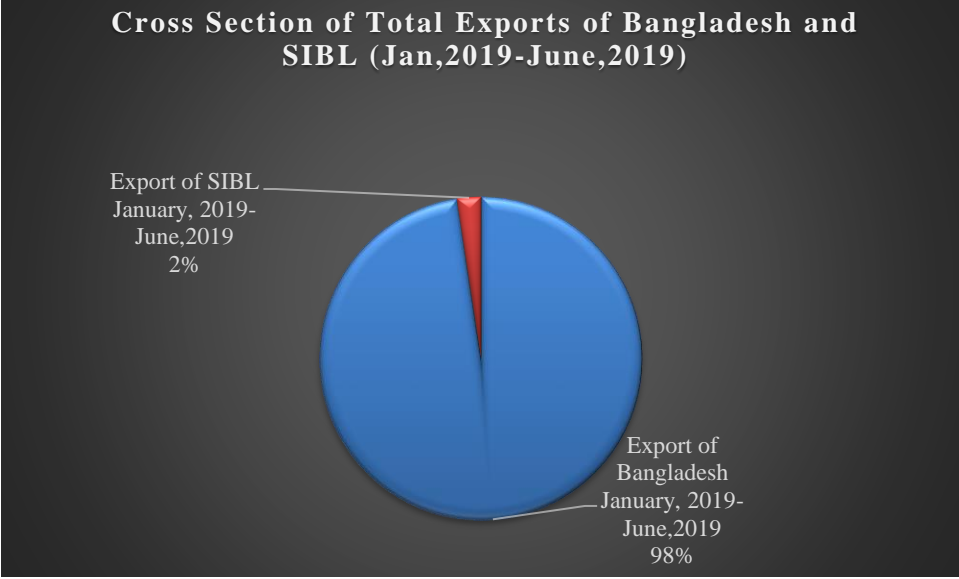


Figure 11: Cross Section of Total Exports of Bangladesh and SIBL

As we can see SIBL has exported 2.3% from the total exports of Bangladesh in 2019. Which might be considered a very good performance as they mostly export ready-made garments on the basis of Back-to-Back Letter of Credit and also the representation here comprises of other commercial banks and government banks. But never the less, with the incentives of the government and the low profit rates of lien that SIBL provides the amount of exports could have been higher. Also since SIBL mainly focuses on the well-being of the country’s economic state they might consider gathering clients who might export traditional products to foreign countries through SIBL.

Chapter 8: Imports of Bangladesh

Bangladesh government does not allow as many incentives to the importers as they do for the exporters despite that a lot of traditional and non-traditional items are imported and they percentage of imports have gone up in the last 10 years. The following charts shows the represents them amount of import in the last 10 years.

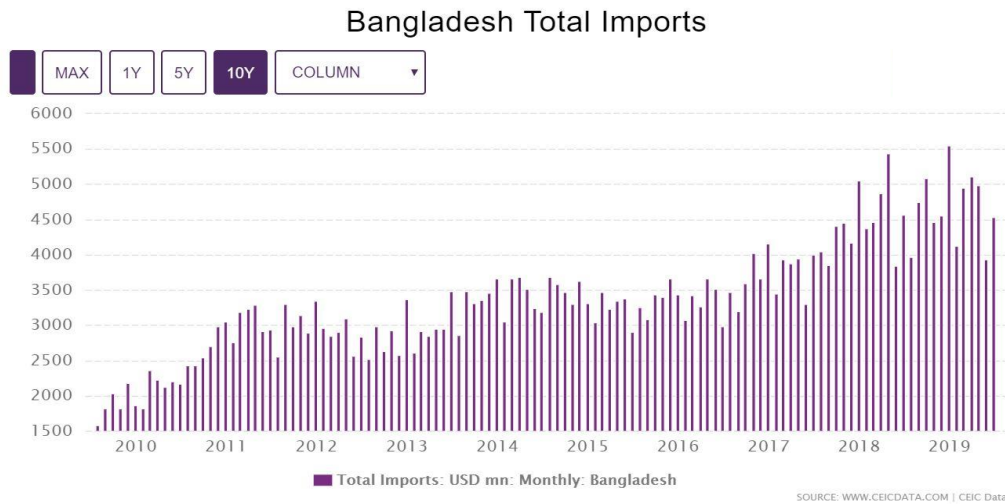


Figure 12: Bangladesh's Total Imports in the last 10 years

(CEIC, 2019)

According to CEIC, Bangladesh has imported items 4.2 billion USD in 2019. Even though that represents good economic condition of the country and good relationships between Bangladesh nevertheless, the self-sufficiency of the country is on its way to being upgraded as the government is proving more and more incentives for exporters for their goal to make Bangladesh an export oriented country and the export rates are going up while we can see from the charts that the import have gone down a little at the end of 2019 which indicates increase of self-sufficiency of Bangladesh.

Chapter 9: SIBL’s Contribution in the Imports of Traditional and Non-traditional Products of Bangladesh

Chapter 9.1: Imports of Traditional Products through SIBL

As we can see from table 2, there are clients who import traditional items through SIBL such as medicinal herbs, shoes and dun peas but their imports of their traditional items are low similar to most banks as business people do not usually import traditional products as this action just increases the manufacturing price of their products when they could find the products easily available in their own country. Thus, most of the items they import are non- traditional.

Table 10: Import of Traditional Products through SIBL

Commodity	Countries
Dun Peas	Australia
Medicinal Herbs	Pakistan
Shoes	China

Chapter 9.2: Imports of Non-Traditional Products through SIBL

When it comes to import of non-traditional products of SIBL there is a long list of common products they usually import and due to their low profit rate from their clients they have a lot of clients who are renown brands importing through SIBL.

Table 11: List of Commonly imported Non-tradition items through SIBL

Commodity	Countries
Damar Batu	Indonesia
Toner Cartridge	China
Hydraulic Crawler	China
Methanol	Saudi Arabia
Antimonial Lead	India
Lead Alloy	India
Lead Ingots	India

Medicinal Herbs	India
Air Conditioner	Malaysia, Japan
Battery Separators	India
Spare Parts	Germany
Selenium Metal Powder	Japan
Washing Machine	China
Lentils	Australia
Sewing Machine	China
Air Purifier	China
Refrigerator	China

As we can see SIBL’s clients commonly imports from about eight countries and the following chart represents what percentage they import from each country on an average.

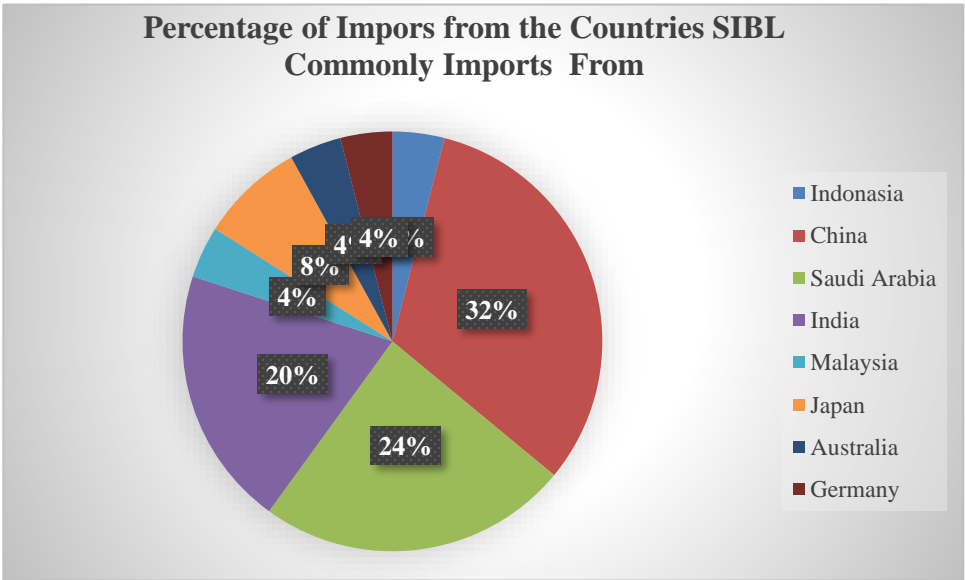


Figure 13: Percentage of Imports from the Countries SIBL Commonly Imports From

As we can see SIBL has clients who mainly imports from China and Saudi Arabia through SIBL and according to the foreign exchange department they are quite satisfied with their rate of imports.

Chapter 9.3: Contribution of Social Islami Bank Limited on the total Imports of Bangladesh

The following table and chart show the representation of SIBL's contribution on the total import of Bangladesh, based on currency:

Table 12: Percentage of Import of SIBL compared to total Import of Bangladesh

Description	Percentage of Import
Import of Bangladesh January, 2019- June,2019	98.17%
Import of SIBL January, 2019- June,2019	1.83%

(Bangladesh Bank, 2019)

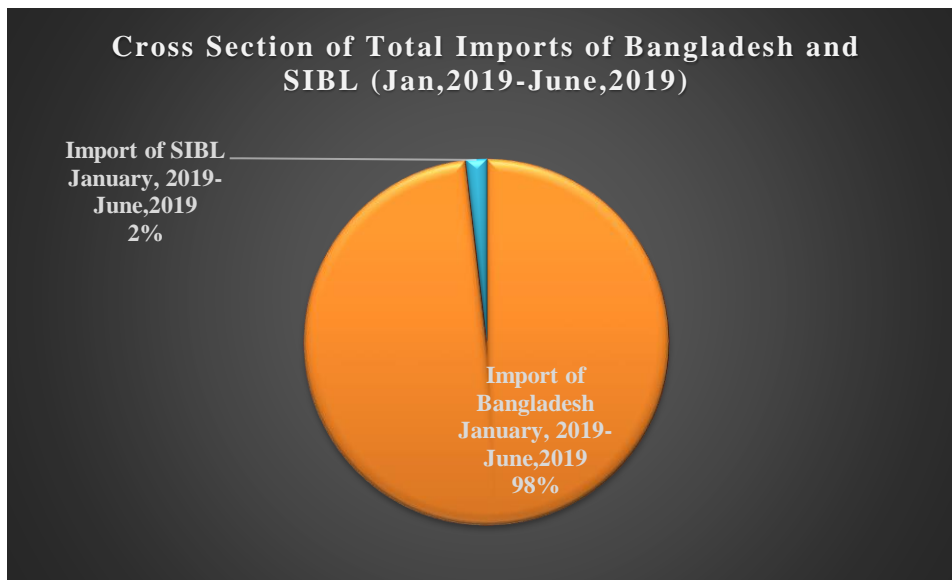


Figure 14: Cross Section of Total Imports of Bangladesh and SIBL

As we can see from the chart, SIBL has a 1.83% contribution on the total amount that Bangladesh has imported in 2019. Their performance can be categorized as good as the chart compares the bank with all the banks of Bangladesh government bank and private commercial banks. Having a low profit rate for imports SIBL has a large number of clients who import from foreign countries through them and thus their contribution to the total import of the country is exceptionally well.

Chapter: 10: Findings, Recommendation and Conclusion

Chapter 10.1: Finding from my Internship at Social Islami Bank Limited

- SIBL is reaching high grounds in general banking. They have lots of clients and are constantly performing well when it comes to the goals that have been set for them.
- SIBL has a lot of cash transactions in their remittance department as they provide cash that are sent to the clients from a lot of different countries. Thus expanding outsourcing businesses and other businesses which require people to receive cash from different countries.
- The cash section is busy all day as the clients rush for transactions with the bank starting from opening new accounts to paying bills and exchanging foreign currency.
- The clearing and bills section have a lot transaction mostly high value checks for inward and outward remittance. The bank has connections with wide variety of banks across Bangladesh.
- The investment department is busy with new clients and new investment as they are constantly trying reach and cross the goals set for them every year.
- The foreign exchange department is a busy place as they are constantly giving out lien and Letter of credit against the client's letter of credit from foreign banks.
- The import section and the local export section is always reaching the goals set by the main branch of SIBL
- SIBL can improve on their foreign exports though they currently have a lot of clients for Back-to-Back Letter of Credit.
- The organizational structure is highly maintained and the working environment is friendly and interactive.

Chapter 10.2: Recommendation for Social Islami Bank Limited

Though the has exceptionally good performance there are always some more things which may be improved. Here are some recommendations for Social Islami Bank Limited:

- They can try to attain more clients who export traditional products to foreign countries to improve their foreign export performance.

- They might consider making the registration process for online banking through mobile application simpler by verifying through the e-mail address and phone number given while opening the account with the bank.
- They might consider lowering the rates on credit card.

Chapter 10.3: Conclusion:

Banks are the center of economy of a country and it has been an honor to work with SIBL which is a very renowned and high performing bank of the country. The work environment there is very friendly and interactive as the branch manager observes the activities of different departments and attends to the need of each client based on their own specific necessities as far as possible by the bank.

The bank has gained 3rd place in the number of branches operating throughout the country. (Developments of Islamic Banking in Bangladesh1, 2019)

Social Islami Bank Limited constantly working for the betterment of their clients and they are working for more CSR to improve the economic state of the country.

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