

Report On

The adoption and perception of Islamic banking in 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

Brac Business School
Brac University
January,2024

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Declaration

It is hereby declared that

1. The internship report submitted is my 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 have acknowledged all main sources of help.

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Student Full Name: Ashikur Rahman

Student ID: 18104142

Supervisor's Full Name & Signature:

Supervisor Full Name: Dr. Nusrat Hafiz

Lecturer, Brac Business School, Brac University

Letter of Transmittal

Full name of Supervisor: Dr. Nusrat Hafiz

Designation: Lecturer

Department: Brac Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: [**Submission of internship report**]

Dear Madam,

I am delighted to submit my internship report in support of Exim Bank Ltd., as mandated by the BBA program. I thoroughly enjoyed the experience of working under your guidance. My internship report on the Shariah practices of Exim Bank Limited is complete. I had the privilege of serving as an intern at the bank for three months, during which time I gained extensive knowledge of the organization. This internship has significantly expanded my knowledge of the financial industry and its operations. I have diligently endeavored to furnish the report with all requisite information and proposed course of action in the most substantial, succinct, and comprehensive manner feasible.

My utmost effort has been put forth to ensure that the report is succinct and comprehensive, carrying only the necessary information and suggested course of action.

I trust that the report will meet the desires.

Sincerely yours, _____

Student Full Name: Ashikur Rahman

Student ID: 18104142

BRAC Business School

BRAC University

Date: January, 2024

Non-Disclosure Agreement

This agreement is made and entered into by and between [Exim Bank] and the undersigned student at Brac University Ashikur Rahman, [ID :18104142].

Acknowledgement

I am grateful to "Exim Bank" for giving me with all of the information and direction I needed to finish my internship report.

I would like to express my gratitude to Dr. Nusrat Hafiz & Dr. Md. Asadul Islam, my academic supervisor & Co-supervisor, for all of her help and guidance in helping me to create my internship project. They were friendly enough to answer all of my emails and WhatsApp messages.

Executive Summary

This report looks at Exim Bank Limited, a leading financial institution in Bangladesh, and its Shariah-compliant Islamic banking operations. It examines the key principles, products, and performance of Exim Bank's Islamic banking window, offering insights into its contribution to the bank's overall success and the broader Islamic finance landscape in Bangladesh. Exim Bank Limited, a leading Shariah-based Islamic bank in Bangladesh, is well-known for its trade and export-import financing services. Established in 1999, the company has steadily grown to become a major player in Bangladesh's financial sector, employing over 3000 people and operating a nationwide network of branches. Exim Bank Bangladesh's dedicated Islamic Banking Window offers a comprehensive suite of Shariah-compliant Islamic Banking products and services. These products follow Islamic finance principles, resulting in ethical and responsible financial transactions.

Keywords: Customer satisfaction, Customer loyalty, Bank image, Accessibility, Customer relationship management, Shariah based banking.

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List of Acronyms

EXBL: Exim Bank Limited

IBBL: Islami Bank Limited

ROA: Return of Assets

EPS: Earning Per Share

SG: Shariah Governance

BOD: Board Of Directors

SGF: Shariah Governance Framework

CB: Conventional Bank

Chapter 1: Overview of Internship

1.1 Student Information:

Name: Ashikur Rahman

ID: 18104142

Program: Bachelor of Business Administration (BBA)

Major: Human Resource Management (HRM)

Minor: Marketing

1.1.2. Internship Information

Period, Company name, Department, Address:

Period: 90 days.

Company Name: EXIM BANK LIMITED.

Department: Every Department

Address: Mofiz Uddin Super Market, Nayarhat Bazar Nayarhat, Ashulia, Savar 1350, Dhaka,
Bangladesh

1.1.3. Internship Company Supervisors:

Name of my supervisor: Md. Noor-E-Alam

Designation: Principal Officer

1.1.4. Job Scope & Job Responsibilities:

The duties and responsibilities that were given during my internship are described below:

1. Fill out account and deposit forms, verify your NID, and complete a form.
2. Manage client issues and provide guidance.
3. Check and clear cheques and payment orders.
4. Assist all officers and work accordingly. –
5. Make calls to clients. –
6. Follow and assist principal officers and other officers.

1.2 Internship Outcome

1.2.1. Contribution to my bank (Exim Bank Limited):

During my internship, I strongly believe that I made a significant contribution to the bank. I approach my internship as if it were a place where performance is everything. I worked diligently on every task. Mostly, I do not sit idle but work very hard. In general, interns are not assigned particularly difficult tasks in organizations. However, I urged and sought tasks and work that would make me stand out in the bank. First and foremost, I work in the general banking department. I work very hard here, and I can fill out all of the account forms accurately. I complete everything on time and do not leave anything unfinished. I completed 9 forms on my first day, but the number is increasing by the day. I also handled clients. I gave clients their checkbooks and debit cards and registered them with sign. I also rearranged each form in order. Furthermore, I followed all of the officers' instructions and obtained important signatures and files from the manager and deputy manager. I have called over 50 clients to inform them about their dormant accounts. It was a challenge to convince them to make their account active or close and come to branch. Surprisingly, I was successful as many clients responded and I also received impressive feedback from the bank officers. The forms I have filled out are-

1. Mudaraba Savings Account.

2. Mudaraba Term deposit / Mudaraba Scheme Deposit.

3. Al- Wadia Current Deposit.

Here, every tasks was detailed and creative. The majority of the pieces are more conceptual and delicate. Being able to work in the most sensitive clearing department is a privilege. I contributed to the audit in addition. The audit officer gave me high marks for performance and expressed how motivated I was to work. Every workplace is greatly impacted by its surroundings. I tried to uphold all rules and regulations and observed proper work conduct. I was able to get along with everyone who worked at the bank.

1.2.2. Benefits to the student:

My internship at Exim Bank Limited was unique. Since it was my first job, it was an amazing experience I will always remember. Students see internships as workplace demonstrations. It motivates students to work hard and succeed. Students can learn office decorum, which can help them later. Experience will help when we start working for an organization. Internships teach students workplace etiquette. This taught me how to get along with coworkers and avoid certain scenarios. I have customer service experience and have helped many clients. Banking is confidential in every detail. If so, I've learned my work strategy. Cross-checking is necessary for any work because my mistake could spark a bloodbath.

A working person lives differently. Everyone is punctual and excited about their work. No matter how busy they are, people give their all. Everyone arrives on time and works hard at work.

1.2.3. Problems and difficulties faced during the internship

Despite my flexible internship, the organization presented several problems. This is my chance to show my skills and adaptability as a new business graduate. Initial adjustment is tough because interns are not assigned a desk or computer. I requested duties from my supervisor and received

favorable comments. I couldn't visit other bank departments in my first month of general banking. Interns should work in several functions. Due to my performance, the general bank department does not want me to switch. I must face challenges to work in numerous bank departments. I've never worked, so this is hard. The digital banking system is unknown to me. However, I can improve my report by working in every bank department.

1.2.4. Suggestions for my bank on future internship

An internship is an excellent opportunity for any undergraduate student. I have a few recommendations for the upcoming internship program. First and foremost, difficult assignments and tasks should be assigned to students. Everyone should have their own computer and desk. Students at universities are aware of the bank's confidentiality, so there's no need to worry. Bank staff members ought to inspire and guide pupils to pursue new learning opportunities. Interns should get encouragement and assistance from senior officers in all facets of their work. Above all, interns ought to be able to work in every department inside the bank. in order for them to comprehend banking completely and enhance their future.

Chapter 2

Organization Part

2.1. Overview of the Company

One of Bangladesh's most prominent Islamic financial institutions, Exim Bank Limited, operates by Islamic Shariah law. The late Mr. Shahjahan Kabir oversaw its 1999 founding to foster trade and commerce as a means to advance the socio-economic growth of the nation. Corporate, small and medium enterprises, agricultural, foreign trade, and money transfer services are just a few of the many offerings from this bank. Completely following Shariah law.

With more than 200 branches and sub-branches in every major city and town in Bangladesh, Exim Bank is extensively scattered across the country. Additionally, the bank maintains a representative office in the UK. Exim Bank has a solid track record of continuous financial success and has ample capital.

Islamic Banking's Shariah-Compliant Investment Terms and Methods

Riba: Riba, meaning growth or rise in money, is the term used to describe interest in the Quran. According to Islamic law, the only way for loan interest rates to go up is if they are predetermined.

Islam aspires to build a fair and just society by forbidding riba. The lender receives a predetermined return regardless of the borrower's project's success or failure. A more equitable distribution of profits and losses would be desirable.

Remember that there are two parts to a fair scenario in this case: first, the money source should get something back, but second, the amount should depend on how well the initiative that got the funding does. Hence, coming back with a plan is strictly forbidden in Islam. Islamic banking is based on profit sharing, which is a valid practice.

MUDARABA: A partnership in which one partner invests capital and the other offers managerial expertise and business acumen. In this case, it's the Mudarib. As per the agreement, both partners would share in the profits, but the capital provider would take the biggest hit in the event of a loss.

The Arabic term "salam" denotes "prepayment" or "payment in advance" for items that will be delivered at a later date. A Bai-Salam agreement is a contract whereby one party promises to supply another with a specified commodity or service in return for an upfront, fully cash payment. You can pay with cash here, albeit products do not arrive right away.

ZAKAT: All Islamic banks are required to set up zakat funds so that they can collect zakat and provide it to the impoverished, either directly or via other religious organizations. A bank's starting capital, reserves, and profits are subject to this tax, as outlined in the Islamic Banking Handbook.

The question of whether Islamic banks are better equipped to serve the public good rather than private interests arises since conventional banks primarily focus on employing public money.

Since interest is forbidden in the Quran, Islamic banking must also be interest-free.

Islamic financial institutions will serve multiple purposes, including commercial and investment banking, and will provide funding for various projects and businesses. Because they can't borrow money for the short term and lend it for long-term investments, Islamic banks will be better prepared to weather economic storms.

An impetus for progress—The capacity of Islamic banks to split the spoils with their customers fortifies the bond between financial institutions and companies.

Traditional Banking Institutions' Islamic Banking Division

Shariah law forbids charging interest on loans. In Islamic banking, borrowers should not receive any benefits from lenders. People think interest-based financing is unfair since it makes things less fair. Islamic financial practices forbid engaging in speculative activities like usury, in contrast to traditional banking. Depositors and banks, as well as borrowers and banks, form the basis of traditional banking's depositor-creditor relationship. Interest is another name for the cost of credit since it stands for the opportunity cost of cash.

Basic financial intermediation services are provided by conventional banks. Aside from lending money, they also take it. Assets and liabilities are both a part of lending. Contrarily, Shariah banking is more open-ended and depends on impromptu developments to fulfill customer needs. Conventional financial institutions often use Islamic windows. According to Shariah, the purpose of making a distinctive window display is to draw in clients. Due to their customers, Islamic banks are doing better, even though they offer a lot of services. The majority of their clients are Muslims and conventional banks still can't meet their demands for interest-free banking. The conventional bank, on the other hand, is primarily concerned with customer acquisition and retention. On the other hand, this works out well since more and more customers are relying on the services offered by conventional banks. Because of this, conventional banks and Islamic financial institutions are now competing fiercely with one another.

For instance, Jamuna Bank features a sizable Shariah-based Islamic window. In addition to its "City Islamic" products, City Bank also launched its Islamic Shariah program for the public good. Additionally, clients have been drawn to and stayed with Bank Asia because of the variety of Shariah-compliant products and services offered.

The Importance of Shariah Law and How It Has Improved Exim Bank LTD's Performance

Exim Bank Limited do business by Shariah law, the code of Islamic law. It has done an excellent job of following Shariah law since it was founded as an Islamic bank. Let's discuss the role and rationale of Shariah in Exim Bank LTD's activities.

Having Own Shariah Board and Strong supervision

Shariah Supervisory Committee

(As on 31 December 2022)

Professor Dr. Abu Noman Md. Rafiqur Rahman	Chairman
Maulana Mohammad Sadequl Islam	Member
Professor Dr. H. M. Shahidul Islam Barakaty	Member
Hafez Maulana Mufti Mohammad Khairullah	Member
Moulana Md. Abdur Razzaque	Member
Mr. Mohammad Abdullah	Member
Mrs. Nasreen Islam	Member
Al-haj Md. Nurul Amin	Member
Mr. A.K.M Nurul Fazal Bulbul	Member
Mr. Mohammad Feroz Hossain	Managing Director (Ex-officio Member)
Mr. Mohammad Julker Nine	Member Secretary

Exim Bank Bangladesh Limited is overseen by a Shariah committee. Creation of an individual's Shariah The lack of qualified Islamic money experts, especially from Bedouin countries, makes it very difficult to establish a board, thus a prominent organization of Islamic banks is not necessary. Experts in Islamic law, Shariah scholars, prominent Islamic investors, lawyers, and financiers make up the Exim Bank-restricted Shariah Administrative Board. Various Shariah-related matters brought up by the Bank's management are discussed during the Shariah Supervisory Committee's quarterly meetings. In 2021, the Trustees' Board convened four times. Starting in the year 2021, Exim Bank Limited(Compliance with Shariah regulations in banking is the responsibility of Exim Bank Limited's management. Increasing adherence to Islamic business principles is one of EXBL's primary goals. There has been encouraging movement in the financial industry as a result of EXBLs' operations and procedures.

In line with Shariah standards, EXBL has established a zero-interest financial framework and is also setting aside installments and speculating in the same way.

- EXBL is working on a financial framework that relies on government support.
- EXBL is trying to make low-income people's lives better financially.
- EXBL is making a difference in people's lives and the creation of jobs.
- EXBL aids the country's practical development and advancement, particularly in less developed areas, through speculation.
- EXBL is trying to come up with a clear reason for the Islamic monetary framework.

In compliance with Islamic Shariah norms and the Bank Organizations Demonstration of 1991, Exim Bank Restricted (EXBL) commenced commercial procedures on August 3, 1999. The governing body of Shariah practice at Exim Bank Limited is unique. The bank's management and reviewers conform rigidly to Shariah law. Clubs, bars, and movies are considered haram transactions, and the bank will not pay interest on them. Consistently, the bank screens speculation by its Shariah constraints whenever it delivers it. Shariah is confident in her halal business operations. When a bank puts money into a financial manager, they buy supplies for the client, which lets him keep the firm running and make money. Consequently, the gain is for the investors who hold on to their money. The screening and monitoring process—EXBL verifies all of the client's essential data and information before making any assumptions. All of the official papers should also be carefully reviewed. Consequently, any type of deal is being considered. The clients' movements are constantly tracked by EXBL. The bank authorities visit the site of the endeavor and collect information about it once they provide funding for any kind of business.

They approach the client with determination if a defect or haram is found during the project.

2.2.1. Key Features of Exim Bank

religiously permissible When it comes to Bangladesh, no other bank has ever gone fully Shariah-compliant like Exim Bank.

Exim Bank offers a wide variety of products and services to its customers, including retail, corporate, small and medium enterprises, agricultural, foreign trade, and money transfer services.

With over 200 branches and sub-branches in all of Bangladesh's main cities and towns, Exim Bank has a strong presence across the country.

Exim Bank has a history of successful financial operations and a healthy capitalization ratio.

2.2.2. Exim Bank's contribution to the Bangladeshi economy:

Promoting trade and commerce is a priority for Exim Bank.

Exim Bank promotes Supporting small and medium enterprises (SMEs).

Exim Bank promotes agriculture in Bangladesh by financing farmers and agricultural businesses.

Exim Bank invests in few joint venture and few infrastructure projects.

Exim Bank's future plans:

Exim Bank's future plan is to open branches in every part of the country to reach more people and get more customers, and it's ultimate goal is to be the finest Bank of Bangladesh with Shariah compliance.

2.2.3. Vision

To be the finest bank in the banking arena of Bangladesh under the Shariah guidelines. To become a trusted repository of customers' money and their financial advisor. "Together Towards Tomorrow" is the vision of Export Import Bank of Bangladesh Limited, also known as Exim Bank, is a company that values working together with its clients as it advances its customer service and grows. The desired outcome will be attained via a persistent pursuit of excellence in accordance with Islamic Shariah. Exim Bank hopes to become a prime example of how a modern, technologically advanced banking system that preserves Islamic principles can best serve the needs of the populace in order to maximize the benefits of the Islamic economy. The Bank will have a stronger competitive advantage over rivals in a market that is changing quickly thanks to its strategic plans and networking.

2.2.4. Mission

The objectives of the Bank include:

- Maximizing the advantages of the Islamic banking system for its clients.
- Delivering high-caliber financial services, particularly in international trade.
- Upholding and modernizing a professional banking environment centered around technology.
- Transparency and upholding of business and corporate ethics at all levels stable capital base.
- Assure the respectable stakeholders of sustained growth.
- Meeting social responsibility obligations of corporations and, most importantly, boosting the country's economy.

- Extracting the full benefit of Islamic banking system for its customers.
- Providing with quality financial services especially in Foreign Trade.
- Promoting the growth of trade and commerce in Bangladesh.
- Supporting the growth of small and medium enterprises (SMEs) in Bangladesh.
- Promoting agriculture in Bangladesh.
- Investing in infrastructure projects in Bangladesh.
- Expanding its international presence.

2.2.5. Organizational objectives

- To achieve profitable growth through sustainable business practices.
- To provide quality financial products and services to its customers.
- To build a strong brand and reputation as a leading Shariah-compliant bank.

To contribute to the socio-economic development of Bangladesh.

Exim Bank Limited Bangladesh is committed to achieving its vision, mission, and organizational objectives through its strong team of experienced and qualified professionals, its innovative products and services, and its commitment to customer satisfaction.

2.3. Management Practices

2.3.1. Corporate Governance & Board of Directors' Commitments

Openness, accountability, and security are all aspects of corporate governance, which is a body of laws, rules, and processes that govern how a company's board of directors oversees and controls its operations. (CFI, 2022) The board committee's decision is crucial to the Bank's direction and management. The board of directors is fully committed to ensuring that the bank operates at its peak efficiency.

2.3.2. Designation Hierarchy of the Organization

Chairman
Directors
Independent Directors
Managing Director & CEO
Additional Managing Director (AMD)
Deputy Managing Directors(DMD)
Additional Deputy Managing Directors(ADMD)
Executive Vice President (EVP)
Senior Vice President (SVP)
Vice President (VP)
Senior Assistant Vice President (SAVP)
Assistant Vice President (AVP)
First Assistant Vice President (FAVP)
Junior Assistant Vice President (JAVP)
Senior Executive Officer (SEO)
Executive Officer (EO)
First Executive Officer (FEO)
Officer
Probationary Officer (PO)

2.3.3. Leadership style of Exim Bank Bangladesh

Any effective management strategy must include consideration of the leader's personal style.

What makes a leader effective in motivating, directing, and controlling teams is their leadership

style. Inspiring people to develop, innovate, and perform is a fantastic leadership attribute of any individual. Citation: Cherry (2021)

Various leadership styles exist. They can be described as democratic, autocratic, participatory, or laissez-faire. In order to maximize their effectiveness, EXBL also adheres to a specific leadership style.

Democratic or Participative: Under this type of leadership, followers are encouraged to actively participate in making decisions. According to studies, this is one of the most effective ways to learn, which boosts morale, participation, and output. Everyone has a chance to weigh in on important matters and find solutions when managers and workers get together.

Improving the bank is Exim Bank Limited's top priority. At the EXBL bank, you'll find an upbeat and overwhelmingly positive atmosphere. Everyone from the chairman on down to the smallest employee has a voice and can share their thoughts and judgments. Every problem is addressed, and every person's suggestion is carefully considered. Everyone who can contribute to the bank's success is greatly appreciated. An attitude of active participation is not only encouraged, but also rewarded. Exim Bank Bangladesh has been successful on achieving goals and objectives.

2.3.4. Recruitment and selection process

Recruitment, often shortened to "hiring," is the process of finding, interviewing, and ultimately selecting qualified individuals to fill open positions within an organization, whether such positions are paid or unpaid, and range from long-term internships to one-time volunteer work or even training program. Online portals or the bank's official website were suggested as means of application by Exim Bank Limited. Candidates may be required to complete a number of steps,

such as receiving a confirmation email after logging into the online portal and then filling out a form. Submitting resumes is the next step after candidates complete out the form. The form cannot be edited after submission.

When hiring new employees, Exim Bank typically uses one of two methods.

Recruiting from within

Hiring from outside sources

When it comes to executive-level positions at Exim Bank, internal recruiting is the norm. Every three years, an employee has the opportunity to take their promotion test. My internship supervisor, for instance, was a former executive officer who, upon passing a test, was promoted to the position of senior executive officer; this was an example of internal recruitment through promotion.

Instead, when hiring entry-level positions like officers, probationary officers, or MTOs/first executive officers, Exim Bank prefers to use external sources. There will be a deluge of people looking for certain jobs under certain conditions. They are required to take a written exam after being shortlisted from the application screening. After the written test, those who do well are invited to a viva, from which the most qualified candidates are selected.

Applicants with exceptional merit are encouraged to apply to Exim Bank, where they may expect a competitive wage and a pleasant work environment.

Recruitment and selection process of Exim bank



standard operating procedure for the organization's hiring procedure:

In most cases, an applicant for an MTO or TO application cannot be more than 30 years old. However, if the candidate possesses appropriate experience, this age limit can be raised in rare instances.

Computer literacy: It is expected that newly recruited staff members are familiar with Microsoft Word, Excel, and other word processing program.

The bank's authorized medical authority must determine that an individual is physically fit before assigning them to the bank's service.

Academic Requirements: No candidate may hold a third division in any academic level.

Compensation System

The services provided by Exim Bank include financial, non-financial, educational, and insurance options.

Mortgage loan

Facilities for transportation

● Benefits ● Base pay ● Time off ● Additional compensation

Healthcare institutions

Reward:

After working for the company for three years, an employee is eligible to take a promotion exam.

A person who is recognized as the most valuable employee for the year

Bonus money:

Gratuity: An individual receives a gratuity fund in the event that they retire or leave their employment. Regular verified employees with a minimum of 6–13 years of service are the only ones eligible to receive it.

Every year, employees receive incentives from the company that are determined by their profit.

The Employees' Provident Fund of the Exim Bank is to receive 15% of the base salary from all permanent verified personnel. An amount established by the fund's guidelines is paid to members when they retire or resign from service.

The operation and investing of the fund are overseen by a board of trustees. 31

Additionally, Exim Bank offers a bonus for festivals such as Pohela Boushak, Eid-ul-Fitr, and Eid-UI-Azha.

- Health care: Exim Bank has implemented a full-scale health assistance program to pay for the medical bills of employees and their dependents.

Employees who work for eleven months are qualified for leave benefits.

Workers are also allowed to go anywhere in Bangladesh with the LTA (Leave go Allowance) option.

There are different types of housing loans that can be used to cover housing expenses or to buy a motorbike or scooter.

The company also offers its employees a loan program so they can further their education in a way that is relevant to their jobs.

Exim Bank offers its female workers a paid maternity leave of six months.

Senior executives are eligible for car loans of up to Tk.800,000.

Employees are eligible for fifteen days of sick leave.

Every week, employees will be granted a holiday on both Friday and Saturday.

Employees are eligible for ten days of vacation each year, in addition to any official holidays.

2.3.5. Training and Development

When it comes to developing human resources, training is the only game in town. Among the most important tools for bettering and preparing staff for future challenges is training. Providing employees with opportunities to learn and grow is a top priority at EXIM Bank so that they can meet any challenge that comes their way. Established in 2004, the EXIM Bank Training & Research Academy (EBTRA) has played a pivotal role in equipping Human Resources to handle the rigors of globalization and expedite day-to-day business operations. Exim Bank aspires to have the most professional, competent, and knowledgeable employees in the business. By bringing cutting-edge information on a range of topics, international training has the potential to

greatly aid in the development of a learning environment. A trainer at Exim Bank must meet certain criteria, such as being eager, knowledgeable, pleasant, etc.

There are two main approaches to education:

The theoretical instruction is the main focus of the cognitive technique. Things like verbal instructions, cognitive training, etc.

The behavioral technique allows students to gain a practical understanding of real-life job experience through activities such as case studies or role plays. Using this strategy, workers are able to hone their abilities.

2.3.6. Performance Appraisal System

The Bank believes that an effective compensation system benefits performance by instilling a sense of ownership in employees, facilitating long-term focus through continuous development, promoting team spirit, reducing employee dissatisfaction, and improving employee performance.

Given the strategic importance of performance appraisal in rewarding and recognizing employees, the previous appraisal system was updated and replaced with the BARS system and KPIs; recognition is closely related to performance results.

The revised methodology will help transparently evaluate employee skills, and work during the reporting year, and promote the exchange of information on performance feedback and development between the appraiser and the appraisee.

2.4. Marketing Practices

The marketing strategy of Exim Bank is tailored to meet the demands of its clients. This bank is known for its customer-centric goods and services. Promoting products to customers is the job of a marketing team. In addition, the bank uses its endorsements to promote a range of events. The

reputation of the organization is greatly impacted by this action. Advertising on television and in newspapers are also important marketing tools for the bank.

2.4.1. Exim Bank Market Segmentation, Targeting and Positioning,

From elementary school students to upper-level executives, export-oriented banks preyed on the masses. With a wide range of services, this bank aims to attract customers from all walks of life. Scholarships and other program are available to students through this bank.

Superior quality and service are hallmarks of Exim Bank. Therefore, there are three areas of emphasis when it comes to positioning. (A location-focused bank that places an emphasis on client care)

Promotional avenues:

Here are the marketing channels that Exim Bank uses:

Banking through web or mobile app

- Verifying current amount
- Transferring funds from one account to another

2. Withdraw ● Make a deposit

- Send money
- Pay for things

3. The branch offers the following services:

- opening an account
- making deposits

- transferring funds
- withdrawing funds
- making payments.

Strategy for the branding of Exim Bank

Branding strategy is the method via which a company's most valuable asset—its unique identity—is developed. Considerations including brand positioning, sponsorship, name choice, and development are essential while establishing a brand strategy. There is a unique tactic that each of the brands uses to beat out the others.

The CABD branding team is part of Exim Bank. Here are a few branding methods that this team employs:

For branding purposes, CABD makes use of pamphlets, signboards, social media ads, newspapers, and magazines. Redesigning the bank's ATM booths was the initial step that CABD performed as part of the branding. To make sure clients can safely withdraw their money, they build the ATM booths in a way that is both visually appealing and very secure. While replacing old signboards and maintaining new equipment are two separate but related tasks. The signboard has been finished by this division. A protocol service is also maintained by this team. CABD keeps in close contact with many government agencies, including ministries, high commissions, and embassies, to facilitate easier protocol service in the future. This allowed the bank's upper management and board of directors to get special treatment at airports and get visas.

2.4.2. Product and services

Deposit Products	Investment Products
EXIM RUHAMA- Three Years' Probable Double Benefit Scheme:	Medium Investment
Mudaraba Saving Deposit	Small individual/business Investment
Mudaraba EXIM student saver	Minimal Investment
Mudaraba super saving scheme	Household Durable
Mudaraba Femina monthly savings scheme	Medium investments(Female employee only)
Mudaraba monthly savings deposit scheme	Small monthly Investment
Mudaraba Hajj deposit scheme	Conversion Investments
Al- Wadiah Current Deposit	Scheme for Doctors, Executives, Marriage, Education

SME Investments Products
Cottage & Micro Enterprise Investment Program
Small Business Investment Program
Medium Enterprise Investment Program
Women Entrepreneur Investment Program
Agriculture Investments Sectors (Through Own Network and NGO Linkage)

Crops
Fisheries
Live Stocks
Poverty Alleviation

Other Banking Facilities

ATM Services
Remittance Services
Locker Services
Online Banking
SMS Push-Pull
Evening Banking Services
Internet Banking Services
Utility Bill Payment Services

2.5. Financial Performance & Accounting Practices

Financial Analysis:

In order for me to evaluate Exim Bank's financial performance, I require a few more details from you. Please select the areas you want me to concentrate on:

Duration: Particular year(s) or recent years (last five years, for example) comparison with particular rivals or industry standards.

Areas of emphasis:

Sales, net income, return on equity (ROE), and return on assets (ROA) are indicators of profitability.

Liquidity: Cash flow, quick, and current ratios

Solvency: Interest coverage ratio and debt-to-equity ratio

Efficiency: capital adequacy ratio, asset turnover, and operating expenses

Additional interest areas, such as market share, growth trends, and risk management

I can examine particular metrics in more detail, look for patterns, and provide analysis and insight into the stability and health of Exim Bank's finances once you give me this information.

2.5.2. Return of Assets (ROA)

2018	0.66%
2019	0.59%
2020	0.61%
2021	0.42%
2022	0.69%

2.5.3. Return on Ratio

2018	8.35%
2019	8.30%
2020	9.42%
2021	6.59%
2022	11.76%

2.5.4. Current Ratio

2018	1.21
2019	1.19
2020	1.21
2021	1.26
2022	1.16

2.5.5. Equity Turnover

2018	0.57
2019	0.52
2020	0.55
2021	0.49
2022	0.71

2.5.6. Gross profit Margin

2018	63.36%
2019	71.19%
2020	58.19%
2021	79.24%
2022	58.29%

2.5.7. Degree of Asset Utilization

2018	3.29%
2019	3.01%
2020	2.71%
2021	2.28%
2022	2.63%

2.5.8. Earnings per share

2018	1.65
2019	1.69
2020	1.99
2021	1.49
2022	2.57

2.5.9. Net Profit Margin

2018	15.44%
2019	17.31%
2020	3.07%
2021	9.85%
2022	3.55%

2.6. Operation Management & Information System

Generally speaking, operations management improves the efficiency of a bank's operations. The procedure in this instance has been supervised by the board of directors and senior management of the organization.

This approach primarily comprises a limited number of policies that are essential for the bank's functioning and the provision of products to all employment segments. This approach will identify the deficiencies of the bank and implement remedial measures to address them. Concerning banking operations, an audit committee is accountable.

In addition, regular visits are made between upper management and auditors to assess the effectiveness of operational management within the organization. The bank's operating operations are assessed and reported to the board of directors annually by the bank's highest administrative body.

Exim Bank is intensely striving to increase its operational efficiency so that it can achieve its objectives and generate a substantial profit. The Bank accomplished nearly all of its declared objectives for the year 2020. The Bank's ongoing progress in performance can be attributed to its steadfast dedication to enhancing operational and financial performance in strict adherence to

regulatory obligations. Furthermore, the Bank upheld its economic well-being through judicious management of security, liquidity, and capital. Temenos T24, a globally renowned CORE (Centralized Online Real-time Electronic) banking application, is utilized by Exim bank. This software enables them to efficiently deliver a variety of services to their clientele in minimal time. SWIFT is also implemented as an interface. Interface bank can offer a range of services, including general banking and investment, with the assistance of SWIFT (46).

At present, Exim Bank operates 155 ATM terminals throughout the nation. The functions of their ATM services include round-the-clock cash withdrawals, account balance inquiries, secure monetary transactions, and more.

RTGS was implemented by EXIM Bank as one of several financial institutions that developed the middleware (software) internally as opposed to procuring it. The BACH-II infrastructure was recently initiated with the support and supervision of the Bangladesh Bank. Branches are now able to process same-day payments via BEFTN. On the same day, branches are able to cash foreign exchange checks written by clients.

The SMS banking service offered by Exim Bank is operated using "SMS Banking System Software."

Customers have the ability to monitor their bank balance, establish reminders for various financial transactions, and more by utilizing these SMS services. They can access clients' National Identity Cards (NIDs) through a network they have with the Election Commission (EC). The bank must verify the NID as it's one of the most crucial documents a client must submit to open a bank account.

2.7. Industry and Competitive Analysis

Industry Overview: Learn about global trade and international finance.

Analyze trends such as shifts in trade policy, trade volume, and market globalization.

Competitive Landscape: Determine which other import-export banks operate in the same country or region as Exim Bank.

Compare their offerings, market share, and competitive advantage.

Exim Banking Services: Exim Bank offers a variety of financial services and products, including export credit, trade finance, and insurance.

Financial Results: Evaluate Exim Bank's financial position, including revenue, assets, and profits.

Compare these measurements to industry standards.

Regulatory environment: Let us examine the regulatory framework and government support for Exim Bank, as these institutions frequently operate with special privileges or government assistance.

Customer Base: Analysis of the main business types that Exim Bank serves.

Understand their requirements and how Exim Bank fulfils them.

Investigate banks' use of technology and innovation in their services to gain a competitive advantage.

2.7.1. SWOT analysis of Exim Bank

Strengths

- In the banking industry of the nation, EXIM Bank Limited has undoubtedly established a solid reputation.
- This is a leading private-sector commercial bank in Bangladesh. Both the bank's revenue and deposits have already experienced significant growth.
- EXIM Bank is well-positioned to lead and manage its banking services.

- The Chairman of the Board of Directors, Mr. Md. Nazrul Islam Mazumder, is a gifted businessman.
- EXIM Bank Limited has already experienced significant growth. Similarly, the quantity of advances, loans, and deposits is rapidly increasing.
- EXIM Bank's corporate culture is vibrant. Both the workers and the office have a very friendly, lively, and informal atmosphere. This business culture is an example.

Weaknesses:

- Considering how many employees it employs, the human resource management department at Exim Bank is very small.
- EXIM Bank fails to apply critical HR practices, indicating a lack of knowledge about current market trends and probable talent loss.
- EXIM Bank needs to prioritize the promotional sector more. They need to launch a vigorous marketing campaign.
- The bank did not provide a strong quality recruitment program for lower and certain mid-level posts. Consequently, it appears that the bank's services are not available today.

Opportunities

- To reduce business risk, EXIM Bank needs to diversify its business. The management group may look into starting a commercial bank or branching out from the insurance and leasing industries.
- To make sure the wage they are offering is competitive, companies may perform external salary surveys.
- There have been a lot of new private banks joining the market lately. In order to maintain stability in this fiercely competitive business, EXIM Bank ought to expand its range of

products and provide fifty-one distinct services. For example, they can provide credit card services to its most devoted clients.

- For corporate clients or officers who earn more than the service provider, they might introduce a special corporate program. They might offer a loan or a plan to many service users concurrently. In addition, the system ought to be segmented into professional groups like engineers, attorneys, and physicians.

Threats:

- One of the largest threats are competitors.
- With so many rivals, EXIM Bank needs to continuously review its HR strategy and practices to draw in the best candidates. Additionally, prevent current staff from quitting.
- The inadequate compensation package for workers in semi-level and lower roles worker motivation. Because of this, excellent employees left the company, which had a bad effect on the organization as a whole.
- The political climate in our nation is not stable, as everyone knows. Thus, they ought to carefully consider their rules.

2.7.2. Porter's Five Forces analysis of EXIM BANK

1. **Threat of New Entrants:** As a result of technological developments, the obstacle to the current state of modern banking practices has decreased. Online banking has opened up new distribution channels that aren't limited to just connections. Furthermore, new banks will be able to successfully compete in the market by leveraging technology to broaden their product lines and cut costs. This information can be used by customers worldwide to choose the best treatment or interest rates. Low switching costs, such those associated with money transfers between banks,

are another factor that reduces the barrier to entry. Because it is a government-controlled bank, Exim Bank is therefore unaffected by the challenges posed by newcomers.

2. Threat of replacements: In terms of the threat of substitutes, the banking industry is seeing an increase in acquisitions even though globalization has led to significant mergers and acquisitions. For foreign banks without a network of branches in local markets, distance has historically been an obstacle. The main reason for this is the ability of contemporary technology to shorten that distance. But the possibilities are limited. Reducing the danger connected with alternatives to the banking system would seem to be the government's inability to devise any creative savings plans that the public would find attractive. Because of this, Exim Bank provides services that are comparable to those provided by other banks.

3. Buyers' bargaining power: Because the state controls most of the market, buyers' bargaining power is severely constrained. All criteria set forth by the Bangladesh Bank must be adhered to by every bank. Customers can easily obtain financial services from other banks, and switching costs are minimal for those who desire to leave Exim Bank.

4. Suppliers' bargaining power: As a result of technological advancements, suppliers' bargaining power has grown. The expansion of online and telebanking banking has put pressure on suppliers. When suppliers find the bank with the highest interest rate and deposit their money there, they can benefit quickly, clients look for loans based on the lowest interest rate, which is the opposite criterion. As a result, the sector is now more price sensitive, and depositors have access to more substitutes.

5. Rivalry: The competition between foreign and domestic banks is focused on the same customer base. Exim banks face direct competition from these banks as they vie for the same market share and clientele.

Local banks also have an advantage since they have a long history of building trust with their clients. Due of the open nature of the financial system, local banks are quick to imitate, which makes competition amongst them more intense.

Deposit of Islamic Bank in Bank in Bangladesh:

At the end of March 2023, the total deposits held by the Islamic banking system was at BDT 4116.31 billion, indicating a rise of BDT 16.82 billion, or 0.41 percent, from the end of December 2022.

Total Deposit of Exim Bank Limited:

Exim Bank had total deposits of BDT 394,941,096,664 (about USD 4.5 billion) as of June 30, 2023. When compared to other banks in Bangladesh, the bank offers competitive deposit rates.

Summary

A bank's ability to structure financial capital is essential to the economy. Additionally, exports improve the nation's economic standing. Exim Bank Limited has had 23 years of successful operation. Numerous corporate social duties are being carried out by them, including social campaigns, hospitals, agricultural universities, and foot over bridges. Exim uses a range of tactics and initiates new projects to provide new products and services in response to customer requests and market developments. Moreover, the caliber of their offerings is outstanding. They also keep

up a positive workplace culture and have an effective contact system, which facilitates easy communication among staff members at all levels. In a market with fierce competition, Exim Bank is well-positioned. It's among the banks with the quickest growth. Once more, the 52 management committee of the bank provides excellent customer service. The bank has demonstrated very satisfactory financial performance.

Recommendations:

EXBL is a renowned private bank in Bangladesh with good business procedures. Then then, there are some things I believe they could improve. Those are listed below:

- EXBL should expand its human resource management department due to its small size and vast staff base.
- EXBL should update their IT infrastructure since their applications can be sluggish..
- Improve customer service by being more proactive and responsive to difficulties.
- Increase promotional actions to make customers aware of new offerings.
- I recommend EXBL to increase their marketing efforts.

Chapter 3

3.1. Introduction Part

3.1.1. Literature Review

Using ratio analysis, Moin and Chen (2008) looked at how eight Islamic and CB banks in Bangladesh fared between 2007 and 2019. While Islamic banking did experience the fastest rate of expansion, it also faced its fair share of unique obstacles.

Although the Islamic Bank's profit margin was less, it was found to be more solvent. Separate research by Ellahi et al. (2009) found that, from 2001 to 2008, Islamic banks in Bangladesh were less technically efficient and costlier than CBs. To help make sense of these findings, Moin (2013) used ratio analysis to compare and contrast eight CBs in Bangladesh with Islamic banks in the country. He looked at how well the banks did from 2003 to 2007 in terms of efficiency, profitability, liquidity, risk, and solvency. Compared to the average of the eight CBs, he found that IBs was less efficient, solvent, and lucrative. Still, it showed a lot of growth over time, which could mean that it was performing close to the CBs.

According to research, how likely a client is to use Islamic banking services is significantly influenced by how well they understand the differences between conventional and Islamic banks. (According to Abdelghani, 2015). Bashir (2014), Dariyoush (2014), and Khokhar (2014) all agree that customers' knowledge greatly influences their decisions when it comes to banking services. Customers of Islamic banks don't know the difference between expected and actual returns on their investments since Islamic banking principles aren't consistent with fixed rates of return. Customers' impressions of the parallels and differences between the two kinds of banking systems are affected by the lack of information available to them about

Islamic banking products, which is a result of a general lack of knowledge of Islamic banking. Additionally, religious beliefs are said to significantly impact people's attitudes and perceptions at different points in their lives. The rules that control the banking system are based on Islamic law, or Shariah. One of the most common reasons people choose Islamic banking is because they believe it goes against their religious beliefs to keep their money in a traditional bank (Kashif, 2010; Rahman, 2015; Nasir, 2013).

My impression is that it's a modest amount; with our country's inflation rate at record highs, people are putting more stock in the temporal value of money (TVM). People are more likely to respond positively to ads that boast about extremely high interest rates. However, as a result of applying shariah standards, Islamic banks may on occasion provide interest rates that are greater or lower than promised.

3.1.2. Objectives

The aim of the study is why shariah based Islamic banks offer less interest than other commercial banks and how it effects on the customer loyalty and retention. So, the research is to identify the variables influencing the clients' adoption of the banks in order to achieve this. Further, there are many banks now offering Islamic banking window offering higher facilities sometimes which is a challenge for most of the Islamic banks to retain customers and gain customer loyalty. Additionally, measure few areas to pinpoint several elements that affect how customers view Bangladesh's Islamic & Conventional banking sector.

3.1.3. Significance

After reading this report, readers will have a significant understanding of Islamic banking practices. Additionally, this will provide a general understanding of how shariah practices improve any Islamic Bank and increase revenue. Additionally, it will display why people prefer Islamic banks and why not, and the analysis will highlight the importance of the research.

3.2. Methodology

This is an qualitative research and the purpose of this study is to analyze and determine why shariah based Islamic banks offer less interest than other commercial banks and how it effects on the customer loyalty and retention. To obtain the required data I will use both primary data and secondary data. Depending on the goals of my study and the resources at hand, a variety of sampling techniques can be taken into consideration when obtaining feedback from bank customers. The sample size was around 100 clients and these two methods of sampling I have followed during my internship for survey questionnaire to gather information:

1. **Convenience Sampling:** Participants are selected based on their desire to participate. During my internship, I asked few questions to the clients of the Bank who were interested and had time to answer those questions and eager to help with their valuable opinions.
2. **Purposive Sampling:** This is appropriate for the study as the participants will have the require data or experiences that will be helpful for the study. Moreover, this research has purpose to know about few specific things so the participants has been selected in a way that the information will be valid.

3.3. Finding and Analysis

Different Preference on interest rates

Regarding Islamic banks, people generally get the idea that they are interest-free. The products and methods of operation of Islamic banks and conventional banks differ greatly. But there are different preferences in term of choosing a bank. Many Participants expressed:

“We have other accounts of Fixed Deposit Receipt & Double scheme in other conventional banks because of the higher interest rate they are offering, we only have our savings account here because if we need money in urgent we can do transaction from here as it near to our office.”

Lack of individual support to the customer

Most of the participants claim that there are not enough officers in a branch so that they have to wait for any financial advice. They calim:

“We have to wait to take any kind of individual supports or financial advice as the numbers of officers in a branch in not enough”

Doubtful Shariah Compliance Quality

Many of the participants claim that they are very much concern about religious stand point so they prefer shariah based banking but the bank deal with NGO’s which provide loan with higher percentage of interest.

They expressed:

“We are religiously concern and we do not prefer to deal with any haram deed so, Islamic Baking is our only preference but we hear that here are few NGO’s who are proving loan with very higher interest have daily transactions with this bank which make us doubtful whether our money has been invested in the right way or not”

It was the most common answer I could get from the participants.

The Bank Location issue

Most common reaction I could get from the participants is which bank is near to their residence they prefer to deal there. So, because of new branches from other banks are opening near to their residence and they come up with good offers so the participants prefer to deal there.

They expressed:

“The location of the bank is very important to us because it is more comfortable to do transaction if the bank is near to our house”

Lacking in Product Offerings compare to conventional Bank

Conventional banks are free to provide a wide range of services, programs, goods, lending options, etc. However, Islamic banks don't offer a wide range of goods and services. Islamic banks are prohibited by Shariah from providing any goods or services that are categorically forbidden or restricted. Many participants expressed:

“Conventional Banks have more physical branches and ATM booth compare to Islamic Banks and they are providing more wide range of services and lending options.”

Lacking of Qualified Experts and Trained Manpower:

It is challenging to hold on to highly qualified individuals. The right policies, assessments, and audits can help a bank achieve its objectives. Most of the participants claim:

“We know people from this branch who were qualified officers but when they got offers from other banks with more facilities they joined there.”

Bank employees play a vital role in providing customers with accurate information and an explanation of the advantages of Islamic banks. During my internship I found two officers joining on other Banks from that particular banks because of the better offerings.

Technological Issue

The financial sector needs to continuously invest in and innovate in order to keep up with the rapidly changing technologies. Some of the customers claim that the application sometimes does not working properly or taking too much time. They said:

“Sometimes we need to do urgent transactions and the application does not work properly at type of moment, we are facing this type of technical issue in a regular basis.”

3.4. Summary and Conclusions

This research paper is divided into chapters that cover the organization section, the project section, and an overview of the internship. The topic of the project is “The Adoption and Perception of Islamic Banking in Bangladesh”. A big number of people select a bank based on convenience rather than shariah-based banking sometimes they find the bank's location

convenient and sometimes find the offers lucrative. However, very few people are concerned from a religious standpoint; as a result, they don't care where Islamic banking is located and value it above all else and those people are very concerned on if the Shariah rules are following properly or not.

3.5. Recommendations

Developing a loyal and satisfied clientele is essential for any bank, and Shariah-based banks are no exception. The following are some tactics they could use:

Enhancing transparency and adherence to Shariah:

Most of the participants expressed:

“We want the Bank to make sure all goods and services are clear and transparent. Provide a thorough explanation of how the products adhere to Shariah principles and answer any questions or concerns that the customer may have. Invest in a strong governance framework for Shariah. To guarantee continuous compliance, this entails having an accredited Shariah board and independent Shariah auditing procedures.”

Improving the relationships and experience of customers:

Most number of participants expressed:

“We want the Bank to provide individualized support and financial advice. Recognize the unique requirements and preferences of each client in order to suggest Shariah-compliant goods and services.”

Improve online banking platforms

Participants want to do transactions smoothly. They recommend:

“We want safe and easy access to banking services. The application should be smooth so that we can operate it properly.”

Increase morality and value of Islamic Banking:

The participants said:

“We want to get a fair return on their investments. As we do Mudarabah(invest) account and get Riba (interest in the language of conventional bank) so the promised profit percentages from the investment can be decrease or increase, we want the bank to emphasize morality and values”

Increase Products Offerings:

The offers from an Islamic Bank in Bangladesh are very limited. Very few participants expressed:

“They can come up with innovative idea of a digital platform that integrates Shariah-compliant financial tools and it can also provide individual financial guideline.”

Open More Branch in the Rural Areas

There are less competitions in the rural areas and people are not really concerned about Shariah rules. Some of the participants said:

“We are from rural areas and our only preference is Islamic Banking as we are concerned about Shariah rules but still there are many people in our area who are religious but do not really know about Shariah rules, they think both Islamic Bank and Conventional Bank operate in the same way if the Bank focuses on the rural area and do campaign to make them aware of the Islamic Banking system they will prefer to do transactions on Islamic Bank more than conventional Bank.”

Training arrangements to improve Banking service quality:

Many participants claim that the new hire officers are not really expert about shariah rules and other perspective of Banking. They claim:

“When we go for any advice from any newly joined officers they ask their colleagues about then clarify the matter to us, It is time consuming because sometimes their colleague get busy with other clients and they take time to give their opinion, Bank should arrange training sessions for them to learn more about all kind of Banking issue so that they can help us whenever we need it”

Shariah-based banks can develop strong client relationships, encourage loyalty and trust, and eventually obtain a competitive edge in the banking industry by putting these strategies into practice. Finally, A central shariah board is also required, with the power to supervise and keep an eye on the shariah supervisory committees of all Islamic banks and their general implementation of shariah principles. All Islamic banks must abide by the resolutions that the central shariah board promulgates on shariah-related issues.

3.5. Research Limitations and Recommendation for future researcher

Despite the fact that this study produced a number of important findings that will be very beneficial to various people and organizations as well as upcoming researchers, it was not without limitations. First off, there was a three-month time limit because this research was completed for an internship report. I was only able to interview few participants for this study because most of the clients of the Bank do not have enough time on their hand. The data for this qualitative study was manually processed using the thematic analysis method.

Additionally, if the future researcher can include more people into their sample size, the data gathered will be more precise. Although a qualitative approach was used in this study, researchers are free to use a quantitative approach instead.

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Citation

[Hassan, M.K.](#), [Islam, M.T.](#), [Ahmed, Z.](#) and [Sarker, J.I.](#) (2023), "Islamic banking in Bangladesh: a literature review and future research agenda", *International Journal of Islamic and Middle Eastern Finance and Management*, Vol. 16 No. 5, pp. 1030-1054. <https://doi.org/10.1108/IMEFM-05-2022-0185>

Appendix A.



Export Import Bank of Bangladesh Limited Consolidated Balance Sheet as at 31 December 2022

Particulars	Notes	Taka	
		2022	2021
PROPERTY AND ASSETS			
Cash in Hand	3 (a)	31,249,316,597	55,151,133,970
Cash in Hand (including foreign currencies)	3 (a.1)	4,383,888,742	3,327,940,830
Balance with Bangladesh Bank & it's Agent Bank (including foreign currencies)	3 (a.2)	26,865,427,855	51,823,193,140
Balance with other banks and financial institutions	4 (a)	12,039,487,685	5,310,482,637
In Bangladesh		4,764,313,764	1,518,226,977
Outside Bangladesh		7,275,173,921	3,792,255,660
Placement with other banks & financial institutions	5	-	-
Investments in shares and securities	6 (a)	34,487,246,043	42,496,612,834
Government		19,627,101,038	26,190,201,038
Others		14,860,145,005	16,306,411,796
Investments	7(a)	453,449,143,803	429,033,366,960
General investments etc.		439,710,654,324	411,886,928,438
Bills purchased and discounted		13,738,489,479	17,146,438,522
Fixed assets including premises	8 (a)	5,856,251,946	5,542,752,172
Other assets	9 (a)	3,326,649,812	4,130,899,014
Non-banking assets	10	-	-
Total Property and Assets		540,408,095,886	541,665,247,587
LIABILITIES AND CAPITAL			
Liabilities			
Placement from other banks & financial institutions	11(a)	39,723,084,014	47,816,166,976
Deposits and Other Accounts	12(a)	426,015,240,491	420,673,769,005
Mudaraba savings deposits	12.1(a)	38,036,122,410	37,015,329,099
Mudaraba term deposits	12.2(a)	181,525,844,478	195,998,738,415
Other Mudaraba deposits	12.3(a)	142,415,354,152	143,040,685,070
Al wadeeah current and other deposit accounts	12.4(a)	60,418,734,385	42,157,401,674
Bills payable	12.5(a)	3,619,185,066	2,461,614,747
Mudaraba Subordinated Bond	12.8	11,400,000,000	13,900,000,000
Mudaraba Perpetual Bond	12.9	6,000,000,000	4,550,000,000
Other liabilities	13 (a)	25,401,688,157	23,284,887,887
Total liabilities		508,540,012,662	510,224,823,868
Capital/shareholders' equity			
Paid up capital	14.2	14,475,573,440	14,475,573,440
Statutory reserve	15	13,743,429,533	12,519,512,696
Other reserves	16	1,677,857,708	2,630,546,666
Foreign currency translation adjustment	17 (a)	30,304,850	1,753,569
Retained earnings	18(a)	1,940,798,192	1,812,921,774
EXIM Bank shareholders' equity		31,867,963,723	31,440,308,145
Non-controlling Interest	19	119,501	115,574
Total shareholders' equity		31,868,083,224	31,440,423,719
Total liabilities and shareholders' equity		540,408,095,886	541,665,247,587

Five Years Financial Performance at a Glance

(Amount in million Taka)

Sl. No.	Particulars	2018	2019	2020	2021	2022
1	Authorized Capital	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
2	Paid-up Capital	14,122.51	14,122.51	14,122.51	14,475.57	14,475.57
3	Shareholder's Equity	28,216.19	29,187.94	30,591.52	31,440.42	31,868.08
4	Total Capital (Tier I + Tier II)	35,126.59	40,843.93	42,921.28	50,363.15	51,947.63
5	Statutory Reserve	9,720.95	10,705.99	11,760.07	12,519.51	13,743.43
6	Total Assets	371,510.07	433,017.99	484,850.87	541,665.25	540,408.10
7	Total Liabilities	343,293.77	403,830.04	454,259.25	510,224.82	508,540.01
8	Total Deposits	300,378.01	355,689.16	394,462.90	420,673.77	426,015.24
9	Total Investment (General)	306,264.57	344,557.65	394,174.48	429,033.37	453,449.14
10	Investment (Shares & Securities)	24,024.14	42,602.06	39,394.90	42,496.61	34,487.25
11	Total Contingent liabilities	86,773.10	88,906.00	82,546.59	98,545.63	116,880.62
12	Total Risk Weighted Assets	322,914.26	325,501.68	323,413.72	350,732.47	374,679.65
13	Total Fixed Assets	5,488.29	5,650.43	5,546.33	5,542.75	5,856.25
14	Total Income	31,670.67	37,427.28	36,506.19	32,895.11	36,229.67
15	Total Expenditure	24,748.51	30,512.65	30,150.50	26,958.85	29,246.74
16	Profit before provision and tax	6,922.16	6,914.63	6,355.69	5,936.26	6,982.93
17	Profit before tax	4,235.74	4,875.85	5,312.49	4,089.55	6,315.15
18	Net profit after provision and tax	2,332.52	2,382.08	2,815.32	2,156.60	3,721.41
19	Foreign Exchange Business	366,533.40	377,910.70	344,428.99	497,879.30	532,906.78
	a) Import Business	189,530.40	200,801.50	177,825.26	280,093.00	250,137.77
	b) Export Business	171,731.30	170,652.60	161,290.17	211,974.50	276,498.19
	c) Remittance	5,271.70	6,456.60	5,313.56	5,811.80	6,270.82
20	No. of Foreign Correspondent	394	396	386	389	392
21	Profit earning assets	317,890.61	372,671.35	418,621.61	455,719.85	473,521.45
22	Non profit earning assets	53,619.46	60,346.64	66,229.26	85,945.40	66,886.65
23	Investment as a % of total Deposit	*93.78%	*89.55%	*91.14%	*88.02%	*95.47%
24	Capital Adequacy Ratio	10.88%	12.55%	13.27%	14.36%	13.86%
25	Dividend	10.00%	10.00%	10.00%	10.00%	10.00% (Proposed)
	Cash	10.00%	10.00%	7.50%	10.00%	10.00%
	Bonus	-	-	2.50%	-	-
26	Rights Share	-	-	-	-	-
27	Net Asset Value Per Share	19.98	20.67	21.66	21.72	22.02
28	Earning per share (EPS)	1.65	1.69	1.99	1.49	2.57
29	Price earning ratio (times)	7.15	5.98	5.93	8.52	4.05
30	Return on Equity (ROE) after tax	8.35%	8.30%	9.42%	6.95%	11.76%
31	Return on Assets (ROA) after tax	0.66%	0.59%	0.61%	0.42%	0.69%
32	Net Operating Cash Flow per Share (NOCFPS)	(4.37)	11.37	3.44	9.37	(13.20)
33	No. of Shareholders	74,154	68,657	61,848	58,969	55,362
34	Number of Employees	2,969	2,962	2,917	3,242	3,357
35	Number of Branches	123	130	131	140	147
36	Number of Sub-branches	-	-	3	39	64

* As per regulatory adjustments.

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31 December 2022

No.	Particulars	Taka	
		2022	2021
3	Cash in hand		
	i) Local currency	4,373,770,322	3,290,779,937
	ii) Foreign currencies (note 3.1)	6,823,545	14,977,783
	Sub total (a)	4,380,593,867	3,305,757,720
	iii) Balance with Bangladesh Bank and its agent (Sonali Bank) (Note 3.2)		
	Balance with Bangladesh Bank	26,452,969,458	51,559,858,410
	Balance with Sonali Bank (as agent of Bangladesh Bank)	412,458,397	263,334,730
	Sub Total (b)	26,865,427,855	51,823,193,140
	Grand total (a+b)	31,246,021,722	55,128,950,860
3.1	In Foreign Currency		
	US Dollar (USD)	5,608,795	9,178,884
	Great Britain Pound (GBP)	466,743	2,621,408
	Saudi Arabian Riyal (SAR)	748,007	3,177,491
	Total	6,823,545	14,977,783
3.2	Balance with Bangladesh Bank and its agent (Sonali Bank)		
	Balance with Bangladesh Bank:		
	i) Local currency	21,675,417,683	47,974,321,891
	ii) Foreign currencies	4,777,551,775	3,585,536,519
	Sub total (a)	26,452,969,458	51,559,858,410
	Balance with Sonali Bank:		
	i) Local currency (b)	412,458,397	263,334,730
	Grand Total (a+b)	26,865,427,855	51,823,193,140



Five years deposits growth of the Bank

Deposit (in million Tk.)



SL. No.	Particulars	2022	2021	Growth
1	Mudaraba savings deposits	38,036.12	37,015.33	2.76%
2	Mudaraba Short Notice Deposits	39,400.82	34,063.76	15.67%
3	Mudaraba term deposits	182,144.36	196,577.41	-7.34%
4	Mudaraba Scheme Deposits	103,421.96	109,429.87	-5.49%
5	Foreign Currency Deposits	3329.01	2891.84	15.12%
6	Al Wadeeah current and other deposit accounts	57,092.60	39,266.16	45.40%
7	Bills payable	3,619.18	2,461.61	47.02%
	Total	427,044.05	421,705.98	1.27%

Five years Investment (General) growth of the Bank



Mode-wise Investment

Bank has a number of shariah based Investment products under different modes of Investment to fulfill the demand of wide range of customers. Major categories of products are Bai-Muazzal, Bai-Murabaha, Bai-Salam, Bai-as-Sarf, Musharaka and Mudaraba Import Bill. Major product-wise investment is shown below:

(In million Taka)

SL. No.	Particulars	2022	2021	Growth
1	Bai-Muazzal	217,760.19	191,751.62	13.56%
2	Bai – Murabaha	32,727.72	45,997.78	-28.85%
3	Bai-Salam	22,363.06	18,343.97	21.91%
4	Izara bill baia (Commercial)	160,590.64	147,329.89	9.00%
5	Izara bill baia (Staff)	2,509.91	2,317.65	8.30%
6	Quard	5,390.59	7,114.50	-24.23%
7	Bai - as - Sarf (FDBP)	5.86	8.12	-27.83%
8	Musharaka Documentary Bill (MDB)	2,624.17	2,196.22	19.49%
9	Mudaraba Import Bill (UPAS)	8,537.42	12,775.38	-33.17%
10	Murabaha Import Bill (MIB)	38.31	369.78	-89.64%
	Total	452,547.87	428,204.91	5.68%

Major Industry-wise Investment

Investment diversification is one of the major ways of minimizing the overall risks. To minimize the risk, Bank is continuing its efforts to diversify its product in various industries. Major industry-wise investment of the Bank is presented in the table below:

SL. No.	Particulars	2022	2021	Growth
1	Garments	52,625.06	52,839.56	-0.41%
2	Textile	23,396.25	22,731.92	2.92%
3	Agrobased Industry	41,950.20	27,162.93	54.44%
4	Other Industry	128,411.37	130,069.72	-1.27%
5	Trading and others	206,164.99	195,400.78	5.51%
	Total	452,547.87	428,204.91	5.68%

Export Import Bank of Bangladesh Limited

Statement of Financial Position (Balance Sheet)-Horizontal Analysis



Items	2022	2022	2021	2021	2020	2020	2019	2019	2018	2018
Cash in Hand (a)	31,246,021,722	-43.32%	55,128,950,860	49.29%	36,926,647,953	14.84%	32,154,155,231	13.57%	28,312,629,718	-15.56%
Balance with other banks and financial institutions (b)	12,025,655,415	126.76%	5,303,260,428	8.70%	4,878,692,159	13.39%	4,302,451,719	-12.00%	4,888,954,638	-14.89%
Cash and Cash Equivalents (c=a+b)	43,271,677,137	-28.40%	60,432,211,288	44.56%	41,805,340,112	14.67%	36,456,606,950	9.80%	33,201,584,356	-15.46%
Investments in shares and securities (d)	35,342,237,235	-18.75%	43,499,001,782	6.22%	40,951,382,881	-5.14%	43,172,530,624	76.00%	24,530,322,794	10.88%
Investments (e)	452,547,871,381	5.68%	428,204,911,629	8.98%	392,919,662,531	14.46%	343,287,398,739	12.54%	305,036,075,119	19.95%
Fixed assets including premises (f)	5,853,807,878	5.69%	5,538,414,081	-0.04%	5,540,649,767	-1.81%	5,643,033,289	2.87%	5,485,809,411	-1.58%
Other assets (g)	3,018,936,021	-20.62%	3,803,373,822	7.85%	3,526,474,392	4.29%	3,381,268,944	23.24%	2,743,600,905	-77.37%
Total Property and Assets (c:g)	540,034,529,652		541,477,912,602		484,743,509,683		431,940,838,546		370,997,392,585	
Placement from other banks & financial institutions	39,723,084,014	-16.93%	47,816,166,976	71.17%	27,934,546,559	68.18%	16,610,353,506	-9.65%	18,383,739,831	1815.50%
Deposits and Other Accounts	427,044,050,216	1.27%	421,705,984,879	6.68%	395,308,335,825	11.10%	355,816,519,689	18.30%	300,786,624,650	5.90%
Mudaraba Bond (Perpetual & Subordinated)	17,400,000,000	-5.69%	18,450,000,000	80.88%	10,200,000,000	-11.30%	11,500,000,000	91.67%	6,000,000,000	-7.69%
Other liabilities	24,426,975,877	9.61%	22,284,544,364	7.30%	20,768,582,535	10.15%	18,855,652,187	6.61%	17,686,362,909	23.70%
Total shareholders' equity	31,440,419,545	0.70%	31,221,216,383	2.26%	30,532,044,764	4.71%	29,158,313,164	3.62%	28,140,665,195	1.91%
Total liabilities and shareholders' equity	540,034,529,652		541,477,912,602		484,743,509,683		431,940,838,546		370,997,392,585	

Export Import Bank of Bangladesh Limited
Statement of Financial Position (Balance Sheet)-Vertical Analysis

Items	2022	2022	2021	2021	2020	2020	2019	2019	2018	2018
Cash in Hand (a)	31,246,021,722	5.79%	55,128,950,860	10.18%	36,926,647,953	7.62%	32,154,155,231	7.44%	28,312,629,718	7.63%
Balance with other banks and financial institutions (b)	12,025,655,415	2.23%	5,303,260,428	0.98%	4,878,692,159	1.01%	4,302,451,719	1.00%	4,888,954,638	1.32%
Cash and Cash Equivalents (c=a+b)	43,271,677,137	8.01%	60,432,211,288	11.16%	41,805,340,112	8.62%	36,456,606,950	8.44%	33,201,584,356	8.95%
Investments in shares and securities (d)	35,342,237,235	6.54%	43,499,001,782	8.03%	40,951,382,881	8.45%	43,172,530,624	10.00%	24,530,322,794	6.61%
Investments (e)	452,547,871,381	83.80%	428,204,911,629	79.08%	392,919,662,531	81.06%	343,287,398,739	79.48%	305,036,075,119	82.22%
Fixed assets including premises (f)	5,853,807,878	1.08%	5,538,414,081	1.02%	5,540,649,767	1.14%	5,643,033,289	1.31%	5,485,809,411	1.48%
Other assets (g)	3,018,936,021	0.56%	3,803,373,822	0.70%	3,526,474,392	0.73%	3,381,268,944	0.78%	2,743,600,905	0.74%
Total Property and Assets (c.g)	540,034,529,652	100%	541,477,912,602	100%	484,743,509,683	100%	431,940,838,546	100%	370,997,392,585	100%
Placement from other banks & financial institutions	39,723,084,014	7.36%	47,816,166,976	8.83%	27,934,546,559	5.76%	16,610,353,506	3.85%	18,383,739,831	4.96%
Deposits and Other Accounts	427,044,050,216	79.08%	421,705,984,879	77.88%	395,308,335,825	81.55%	355,816,519,689	82.38%	300,786,624,650	81.08%
Mudaraba Bond (Perpetual & Subordinated)	17,400,000,000	3.22%	18,450,000,000	3.41%	10,200,000,000	2.10%	11,500,000,000	2.66%	6,000,000,000	1.62%
Other liabilities	24,426,975,877	4.52%	22,284,544,364	4.12%	20,768,582,535	4.28%	18,855,652,187	4.37%	17,686,362,909	4.77%
Total shareholders' equity	31,440,419,545	5.82%	31,221,216,383	5.77%	30,532,044,764	6.30%	29,158,313,164	6.75%	28,140,665,195	7.59%
Total liabilities and shareholders' equity	540,034,529,652	100%	541,477,912,602	100%	484,743,509,683	100%	431,940,838,546	100%	370,997,392,585	100%

Export Import Bank of Bangladesh Limited
Horizontal & Vertical Analysis

Operating Performance (Income Statement)-Horizontal Analysis

(Amount in Taka)

Items	2022	2022	2021	2021	2020	2020	2019	2019	2018	2018
Total Revenue	35,946,507,323	10.39%	32,563,867,242	-10.60%	36,425,778,675	-2.60%	37,399,810,901	18.33%	31,605,527,621	18.20%
Operating profit	6,761,263,726	19.80%	5,643,632,986	-10.61%	6,313,610,523	-8.76%	6,919,965,365	0.82%	6,863,863,670	17.20%
Profit before tax	6,119,584,185	61.16%	3,797,216,220	-27.95%	5,270,409,180	7.01%	4,925,180,614	17.90%	4,177,439,934	-19.59%
Profit after tax	3,573,817,740	87.68%	1,904,244,086	-31.65%	2,785,982,668	14.65%	2,429,899,037	6.01%	2,292,210,338	-28.23%

Operating Performance (Income Statement)-Vertical Analysis

(Amount in Taka)

Items	2022	2022	2021	2021	2020	2020	2019	2019	2018	2018
Total Revenue	35,946,507,323	100%	32,563,867,242	100%	36,425,778,675	100%	37,399,810,901	100%	31,605,527,621	100%
Operating profit	6,761,263,726	19%	5,643,632,986	17%	6,313,610,523	17%	6,919,965,365	19%	6,863,863,670	22%
Profit before tax	6,119,584,185	17%	3,797,216,220	12%	5,270,409,180	14%	4,925,180,614	13%	4,177,439,934	13%
Profit after tax	3,573,817,740	10%	1,904,244,086	6%	2,785,982,668	8%	2,429,899,037	6%	2,292,210,338	7%

