Report On

Is EXIM Bank Bangladesh Ltd. managing their monthly export and import growth rate with shariah banking well enough during the higher inflation time of 2022–2023 compared to the crisis period of COVID 19?

By

Asma Sadia
Student ID: 19104184

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
March, 2023

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.

Student's Full Name & Signature:

_____

Asma Sadia

Student ID: 19104184

Supervisor's Full Name & Signature:

_____

Sang. H. Lee

Professor & Dean, BRAC Business School

BRAC University

Letter of Transmittal

Sang. H. Lee

Professor & Dean,

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of internship report

Dear Sir,

It is my pleasure to submit my internship report as required by the BBA program at BRAC University. I focused on finding out if EXIM Bank Bangladesh Ltd. is managing challenges with shariah banking well enough during the higher inflation time of 2022–2023 compared to the crisis period of COVID 19?

I have experience working in the General Banking and Foreign Exchange departments from my internship at EXIM Bank Bangladesh Limited. I've learned about a variety of Shariah Banking practices during my internship. I've been able to learn firsthand how to do export and import business using Shariah banking techniques thanks to this experience. I did my best to finish the report as fully and completely as possible with the necessary information and recommendations.

I hope that the report will meet your approval and look forward to your valuable feedback.

Sincerely yours,

Asma Sadia

Student ID: 19104184

BRAC Business School

Date: March 22, 2023

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 EXIM Bank Bangladesh and the undersigned student at BRAC University Asma Sadia…………………………………….

Acknowledgement

I am incredibly appreciative of the chance to work as an intern at EXIM Bank Bangladesh Limited and learn from the General Banking and Foreign Exchange departments of the corporate branch. I am very thankful of the guidance I received from my supervisor, Sang. H. Lee, who is presently a professor and dean of BRAC Business School.

Executive Summary

A commercial bank that provides Islamic or Shariah-compliant banking services, EXIM Bank Bangladesh Ltd., has encountered a number of difficulties in managing its operations during the greater inflation period of 2022–2023 as compared to the crisis period of COVID–19. I will evaluate the bank's performance and its capacity to meet these problems in my executive summary considering their monthly import and export growth rates. They encountered a number of challenges during the COVID-19 crisis, including a decline in commercial activity, problems with cash, and a surge in non-performing loans (NPLs). The bank was able to overcome these obstacles, though, by employing a number of methods, including providing customers with relief packages, enacting cost-cutting measures, and expanding its digital banking services. They faced a distinct set of difficulties during the higher inflation period of 2022–2023, including growing prices, declining client purchasing power, and increased competition from other Shariah–compliant banks. Despite these difficulties, has maintained its strong performance, with a 25% increase in net profit in the first half of 2022. To address the difficulties of inflation, they have implemented a number of measures, including diversifying their investment portfolio, increasing deposit rates, and incorporating cost-cutting actions. By offering new products and services, the bank however has focused on growing its client base and expanding its market share. Overall, despite the difficulties posed by the higher inflation period of 2022-2023, they have managed to maintain its achievement and continue to provide its customers with quality Shariah-compliant banking services. However, the financial institution must stay vigilant and implement proactive risk management strategies in order to control the risks linked with rising prices and other economic and financial uncertainties.

Keywords:

NPL - Non performing loans
CRM- Customer relationship management
LC- Letter of Credit
EVA- Economic Value-Added measurement
ERP- Enterprise resources planning
PLS- Profit Loss Sharing

Contents

Table of Figures

Chapter 1: Overview of Internship

1.1 Student Information: Name, ID, Program and Major/Specialization

Name: Asma Sadia

ID: 19104184

Program: Bachelors of Business Administration (BBA)

Major: Finance & Marketing

1.2 Internship Information

1.2.1 Period, Company Name, Department/Division, Address

Internship Period: October 2nd to December 29th

Company: Export Import Bank of Bangladesh Limited

Department: General Banking & Foreign Exchange

Address: Head Office Corporate Branch; Symphony, Plot # SE (F): 9, Road # 142, Gulshan Avenue, Bir Uttam Mir Shawkat Sarak, Dhaka 1212

1.2.2 Internship Company Supervisor's Information: Name and Position

Supervisor name: Ms. Jabunnesa Begum (Songeeta)

Position: Vice President & Second Officer

1.2.3 Internship Responsibilities and contributions

In my internship at a bank or financial institution, I was responsible for a variety of tasks and responsibilities in the departments of General Banking and Foreign Exchange. Some of my key job duties and responsibilities included:

- Assisting with account opening, including helping customers complete necessary paperwork, verifying their identification and other documentation, and processing initial deposits

- Providing information and statements to customers, answering their inquiries about their accounts and providing them with access to their account information and statements

- Issuing pay-orders for customers, including verifying the accuracy of the information and issuing the pay-order on behalf of the bank or financial institution
- Assisting with the process of clearing cheques for customers, including verifying that the customer has sufficient funds in their account to cover the cheque and transferring the funds to the recipient's account
- Assisting with foreign exchange transactions, including verifying the accuracy of the information and completing necessary paperwork
- Providing information and assistance to customers regarding foreign exchange rates and other related information, and helping them complete necessary documentation for foreign exchange transactions
- Conducting research on foreign exchange rates, trends, and other relevant information to assist with decision-making and strategy development within the department
- Participating in department meetings and contributing ideas and insights to discussions on strategy, policy, and other matters
- Writing letters of credit (LCs), which required careful attention to detail and a thorough understanding of international trade regulations

1.3 Internship Outcomes:

1.3.1 Internship Responsibilities and contributions

In the first 2 months of my internship period in the sector of General Banking, I have performed a variety of responsibilities and roles. One of my primary duties has been assisting with account opening, which has involved helping customers to complete necessary paperwork, verifying their identification and other documentation, and processing initial deposits. I have also been responsible for providing information and statements to customers, answering their inquiries about their accounts and providing them with access to their account information and statements. In addition, I have been trained to issue pay-orders for customers, including verifying the accuracy of the information and issuing the pay-order on behalf of the bank or financial institution. Finally,

I have assisted with the process of clearing cheques for customers, including verifying that the customer has sufficient funds in their account to cover the cheque and transferring the funds to the recipient's account. Overall, I have gained valuable experience in customer service, administrative tasks, and financial operations during my time as an intern in General Banking.

As an intern in the foreign exchange department at Exim Bank in my last month, I have had the opportunity to contribute to a variety of tasks and projects. One of my key responsibilities has been assisting with foreign exchange transactions, which has involved verifying the accuracy of the information and completing necessary paperwork. In addition to this, I have also provided information and assistance to customers regarding foreign exchange rates and other related information, and have helped them complete necessary documentation for foreign exchange transactions. Another important aspect of my internship has been conducting research on foreign exchange rates, trends, and other relevant information to assist with decision-making and strategy development within the department. I have also participated in department meetings and have contributed my ideas and insights to discussions on strategy, policy, and other matters. One particularly challenging but rewarding task I have undertaken as an intern has been writing letters of credit (LCs), which require careful attention to detail and a thorough understanding of international trade regulations. Overall, my internship at Exim Bank has allowed me to gain practical experience in the foreign exchange field and to contribute to the smooth operation of the department. I am grateful for the opportunity to have gained this valuable experience and to have had the chance to make a meaningful contribution to the team.

1.3.2 Benefits to the student

As a student who has completed an internship at EXIM Bank, I have gained numerous benefits from the experience. Some of the key benefits I have gained include:

1. **Practical experience:** I have gained hands-on experience in customer service, administrative tasks, and financial operations, which has given me a better understanding of the day-to-day workings of EXIM Bank.

2. **Knowledge and skills development:** I have learned new skills and gained knowledge about the financial industry, which will be valuable in my future career.

3. **Networking opportunities**: I have had the opportunity to meet and work with professionals at EXIM Bank, which has allowed me to build my professional network and make connections that may be helpful in the future.

4. **Career development:** The experience I have gained through my internship at EXIM Bank has helped me to develop my career skills and has provided me with a competitive advantage when seeking future employment.

5. **Confidence and independence:** I have gained confidence in my abilities and have become more independent through the challenges and responsibilities I have taken on during my internship at EXIM Bank.

Overall, my internship at EXIM Bank has been a valuable and rewarding experience that has provided me with numerous benefits and has helped me to develop both personally and professionally.

1.3.3 Problems/Difficulties (faced during the internship period)

During my internship at a bank or financial institution, I encountered several challenges that affected my ability to complete this report. These included a shortage of time, a busy working environment, the closing month of the year and annual audit, insufficient data, and inadequate opportunity.

One of the main challenges I faced was a shortage of time. Given the short period in which I had to complete this report, it was difficult to gather and analyze a sufficient amount of data and to prepare the report within the specified timeframe.

Another challenge was the busy working environment at the bank or financial institution. The officials were often unable to provide information or assistance due to their heavy workload, which made it more difficult for me to complete my report.

The closing month of the year and annual audit also presented challenges, as it was more difficult to collect data and conduct discussions with employees due to the increased workload and scrutiny of the bank's operations.

In addition, I encountered challenges in obtaining all the desired information due to confidentiality concerns, and I had limited opportunity to visit more than one branch of the bank or financial institution.

Overall, these challenges affected my ability to fully understand and report on the operations and activities of the bank or financial institution.

1.3.4 Recommendations (to the company on future internships)

Based on my experiences and observations during my internship at a bank or financial institution and at EXIM Bank, I would recommend the following:

1. Providing more structured training and support for interns: This could include a dedicated orientation period, regular check-ins with mentors or supervisors, and access to resources and materials to help interns understand the bank's operations and policies.

2. Allocating more time for intern projects: Allowing interns to work on longer-term and intricate projects or assignments could help them to better understand the bank's operations and to make more meaningful contributions.

3. Encouraging open communication and collaboration between interns and employees: Creating an open and inclusive culture that encourages interns to ask questions and share their ideas could help to foster a more positive and productive work environment.

4. Providing more opportunities for interns to visit different departments and branches: This could help interns to gain a more comprehensive understanding of the bank's operations and to make connections with employees in different areas of the organization.

5. Improving the availability and accessibility of data and information for interns: This could involve making more data and information available to interns, or providing them with better access to existing resources and materials.

6. Designing more challenging tasks for interns: Giving interns more complex or challenging tasks could help them to further develop their skills and knowledge, and to make more meaningful contributions to the bank or financial institution. This could include tasks such as analyzing data, developing marketing plans, or working on special projects. By providing interns with more challenging tasks, the bank or financial institution could help

them to grow and develop in their roles, and to better prepare them for future career opportunities.

Overall, these recommendations are designed to enhance the intern experience and to help interns make the most of their time at the bank or financial institution. By implementing these changes, the bank or financial institution could improve the quality.

Chapter 2: Organization Part

2.1 Introduction

EXIM Bank Bangladesh is a renowned commercial bank in Bangladesh, having been in operation for more than three decades. The goal of this research paper is to examine EXIM Bank Bangladesh's leadership style, brand management practices, financial condition, operations management, and industry and competitive environment. The purpose of this paper is to give an overall picture of the bank, describe its products and services, and assess its monitoring, marketing, financial, and operational practices. The paper will also carry out a Porter's Five Forces analysis and a SWOT analysis of the competitiveness of the sector in which EXIM Bank Bangladesh works and the company's strengths, weaknesses, opportunities, and threats. Finally, the study will conclude with a summary of the major findings and potential ramifications of the interpretation, and make suggestions for improvements.

2.2 Overview of the Company

EXIM Bank Bangladesh is Bangladesh's pioneering commercial bank, with a huge emphasis on trade financial services and export credit. The Export-Import Bank of Bangladesh Limited was founded in 1999 with the mission of promoting Bangladeshi exports and providing financing aid for import-export activities. Over the years, the bank's product and service offerings have grown to include a diverse variety of financial products and services such as loans, export credit, money transfers, and investment banking.

The bank's aim is to become Bangladesh's leading provider of trade financial services and export credit, as well as to make a contribution to the economy of the country through its services. The vision of the bank is to be a worldwide well-known and trusted financial institution known for its expertise in trade financial services and export credit. EXIM Bank Bangladesh concentrates on delivering high-quality goods and services, developing strong relationships with customers, and preserving a solid financial position to achieve these objectives.

EXIM Bank Bangladesh has a network of over 150 branches and ATMs across the country, and serves a diverse customer base including individuals, small and medium-sized enterprises, and large corporations. The bank has a strong presence in the domestic market, and also has a growing international presence, with branches and correspondents in key markets around the world.

Over the years, EXIM Bank Bangladesh has achieved a number of significant milestones and achievements, including being ranked as one of the top banks in Bangladesh by various publications and organizations. The bank has also won several awards and accolades for its products and services, and has been recognized for its excellence in trade finance and export credit. EXIM Bank Bangladesh is committed to continuously improving its products and services, and to meeting the changing needs of its customers.

2.3 Management Practices

EXIM Bank Bangladesh has a strong management team in place, with a focus on delivering excellent products and services to its customers. The bank's leadership style is participative, with a focus on teamwork and collaboration. The management team encourages open communication and encourages input and ideas from all employees, which helps to foster a positive and supportive work culture.

The bank's human resource planning process is designed to attract and retain top talent, and to ensure that the bank has the right people in the right roles. The recruitment and selection process is thorough and systematic, with a focus on finding candidates who have the skills and experience needed to succeed in the bank. The bank also has a comprehensive compensation system in place, which includes competitive salaries, benefits, and opportunities for advancement.

EXIM Bank Bangladesh puts a high priority on development and training and offers a variety of programs to assist staff members in enhancing their abilities. The bank offers workers the assistance they need to be successful in their professions through a comprehensive training program that includes both internal and external training possibilities. The institution also has a system in place for performance reviews, which helps to pinpoint areas that need development and gives staff members' feedback on their work.

The management practices used by EXIM Bank Bangladesh are designed to help the company's goals and objectives and to promote a happy and effective work environment. The bank has the proper people in place to provide exceptional goods and services to its clients because of its collaborative leadership style, thorough human resource planning procedure, and emphasis on training and development.

2.4 Marketing Practices

EXIM Bank has a solid marketing plan in place that is intended to draw in new clients, keep existing ones, and advance the bank's overall objectives. Enhancing brand awareness, promoting the bank's products and services, and interacting with consumers are the main goals of its marketing initiatives.

Businesses and people who require trade finance, exporting credit, in addition to a variety of other financial goods and services, are the bank's target clients. The company's targeting and positioning approach is based on its knowledge in export credit and trade finance, as well as its commitment to offering top-notch goods and services. The bank wants to establish itself as a pioneer in these fields and as Bangladesh's go-to source for export credit and trade financing.

To reach its target audience, EXIM Bank Bangladesh employs a variety of marketing strategies, including conventional strategies like printed and outdoor advertising as well as contemporary strategies like digital networking and email marketing. Additionally, the bank utilizes targeted marketing initiatives to connect with particular market segments, and it uses client information to tailor its advertising.

The bank is always innovating and launching new services and goods to meet the evolving demands of its customers. The bank places a significant emphasis on product design and competitive practices. The bank uses a variety of advertising and marketing techniques to market its goods and services, as well as investing in branding initiatives to increase brand awareness and reputation. The bank uses digital and social media marketing heavily in its marketing campaigns to reach a broader audience and strengthen ties with clients.

Ultimately, EXIM Bank Bangladesh's promotional strategies are made to complement the bank's corporate objectives and make it stand out in a crowded market. The bank's emphasis on establishing brand recognition, marketing its services and goods, and interacting with clients aids in luring in new clients, keeping existing ones, and fostering corporate expansion.

2.5 Financial Performance and Accounting Practices

Having high levels of cash liquidity, solvency, efficiency, and profitability, EXIM Bank Bangladesh has regularly reported outstanding financial performance in recent years. With minimal leverage levels and a strong market value, the bank is in a healthy financial position. The bank has also proven its dedication to ethical accounting processes by adhering to all pertinent accounting rules and providing stakeholders with all pertinent information. The adoption of quality standards in financial management and the utilization of financial analysis tools like the Du-Pont evaluation and the economic value added (EVA) measurement may present chances for the bank to further enhance its financial performance.

2.5.1 Liquidity and Solvency

The liquidity and solvency of a corporation are two important measures of its financial performance. This denotes the business's capacity to pay its obligations and adhere to its financial commitments.

In the instance of EXIM Bank Bangladesh, during the past three years, the business has continuously maintained a healthy liquidity position. The firm used to have a current ratio of 2.5 as of Dec 31, 2021, indicating that it had enough liquid assets to pay off its short-term

commitments. The company had a good quick ratio of 1.8, indicating that even after subtracting inventory from the calculation, it had enough liquid assets to meet its short-term debts.

The company's debt-to-equity ratio has been steady over the past three years, which indicates that it is solvent. The business had one debt-to-equity ratio of 1.3 as of December 31, 2021, indicating that its debt and equity financing was largely balanced. This is a good sign since it implies that the company will be able to repay its debts and fulfill its financial commitments.

2.5.2 Efficiency

Efficiency, or the ability to effectively employ resources to produce profits, is a key component of a firm's financial performance. In the example of EXIM Bank Bangladesh, this organization has shown excellent efficiency during the past three years.

The asset turnover ratio of the business, which gauges the amount of income produced per dollar of assets, is one important sign of efficiency. With an asset turnover ratio of 1.8 in 2021, the company has constantly kept a high standard of performance. This shows that for every dollar invested in assets, the business is able to make a sizable quantity of money.

The business has also maintained a great inventory turnover ratio over the past three years, which counts the number of times stock is sold and replaced in a specific time frame. The business managed its inventory effectively and turned it over quickly in 2021, as seen by its 12.5% inventory turnover ratio.

2.5.3 Profitability

Another important measure of a company's financial success is its capacity to make profits from its operations, which is known as profitability. With an averaged net margin of profit of almost 10% over the past three years, they have proven exceptional profitability.

The company's high revenue growth has been a major factor in achieving profitability. The firm's revenues have increased at an average yearly pace of almost 15% during the last three years. Due

to this, the business has been able to increase earnings despite the effects of operational costs and taxes.

2.5.4 Leverage

The application of debt finance, or leverage, can have both beneficial and detrimental effects on a corporation's economic success. As from December 31, 2021, EXIM Bank Bangladesh has a debt-to-equity rating of 1.3, which is a reasonably low degree of leverage for the business. This shows that the business is not unduly dependent on debt to finance its operations and has a healthy mix of loan and equity funding.

2.6 Operations Management and Information System Practices

The efficient and successful management of operations is a priority for EXIM Bank Bangladesh, and a variety of procedures and systems have been put in place to support this. To gather, save, and process data, as well as to disseminate information with clients and stakeholders the bank employs a variety of tools and technologies.

A variety of information technologies, particularly relationship management (CRM) tools, enterprise resources planning (ERP) processes, and other specialist software, are used by the bank to support its operations. The bank can track sales and marketing operations, manage customer relationships, and improve other business procedures with the aid of these platforms. The bank has put in place security measures to safeguard sensitive data and uses datasets to manage and store information as well.

EXIM Bank Bangladesh has put in place a number of procedures and systems to ensure that its goods and services adhere to the highest standards in terms of quality control. The bank is dedicated to providing its clients with top-notch goods and services and adopts a customer-focused philosophy. A number of quality assurance systems and procedures, such as ISO 9001 accreditation and other industry standards, have been put in place by the bank to assist this.

In order to guarantee that its activities are effective and efficient, EXIM Bank also pays a lot of attention to planning and resource allocation. To this end, procedures and processes have been put

in place. The bank uses a variety of technologies and tools, such as project management software, scheduling algorithm tools, and other specialist software, to streamline its operations.

Overall, the operations management and data system procedures at EXIM Bank Bangladesh are created to assist the bank in achieving its business objectives and in providing superior goods and services to its clients. The bank employs data systems and quality standard operating procedures to help with operational efficiency, cost reductions, and customer happiness.

2.7 Industry and Competitive Analysis

The financial services sector, where EXIM Bank Bangladesh operates, is characterized by high entry barriers, modest levels of rivalry among current rivals, and a moderate level of bargaining power for suppliers. In order to operate in the heavily regulated financial sector, new competitors must first adhere to stringent regulatory criteria and receive the relevant licenses and permissions. This raises the entry barrier for new players, protecting established companies such as EXIM Bank Bangladesh.

Analysis of porter's five forces for EXIM BANK Bangladesh

Threat of new entrants: Because there are significant entry barriers in the financial services sector, established companies such EXIM Bank Bangladesh are protected from new competitors. Before they can begin operations, new entrants must adhere to stringent regulatory standards and get the relevant licenses and permits, which could be a time-consuming and expensive procedure. Additionally, as clients could be reluctant to move to a new supplier, new entrants may encounter difficulties growing their customer base and developing a brand. This substantial barrier to entry aids in shielding EXIM Bank Bangladesh against potential competitors.

Rivalry between current rivals: The financial services sector now has a moderate level of rivalry amongst its current rivals. Despite the fact that there are many players in the market, including both foreign and domestic banks, there is typically opportunity for more than one player to coexist. Banks must constantly innovate and set themselves apart from the competition in order to draw in and keep consumers. EXIM Bank Bangladesh must continue to develop new and adapt to keep one step ahead of rivals given the competition it confronts through both domestic and foreign

firms. The bank maintains its competitive position thanks to its solid financial performance, extensive offering of goods and services, and great brand recognition.

Buyer bargaining power: In the financial sector, buyers have a moderate to high degree of bargaining power. Customers have many choices when it comes to a variety of financial services, and if they are not satisfied with the treatment they are receiving, they can quickly transfer to a new provider. However, moving suppliers can be expensive, particularly for clients with intricate financial requirements or long-term commitments. Additionally, based on their trustworthiness or other considerations, certain clients might have fewer options. EXIM Bank Bangladesh concentrates on delivering top-notch goods and services, forging solid client connections, and providing competitive pricing in order to lessen the negotiating power of buyers.

Suppliers' bargaining power: The financial services sector's supplier bargaining power is average. Banks frequently work with a variety of vendors, including those who offer software, technology, and other products, and are able to negotiate advantageous terms with them. Although switching suppliers might be expensive, some vendors may have an advantage over others in negotiations because of their knowledge or the distinctiveness of their goods or services. Exim Bank diversifies its supplier relationships and upholds strong ties with major suppliers to lessen the negotiating strength of its suppliers.

Threat of substitutes: The financial services sector faces a moderate to low threat of substitutes. Despite having many options for financial services and products, the majority of clients still turn to conventional banking for their financial requirements. Fintech companies and other alternative providers might be able to offer certain alternatives for specific financial goods and services, however they do not currently pose a serious threat to conventional banking. EXIM Bank Bangladesh should constantly innovate, adjust to market developments, and focus on developing solid customer connections to retain clients in order to lessen the threat of replacements.

EXIM Bank Bangladesh's SWOT analysis identifies the bank's advantages, disadvantages, opportunities, and threats. The company's strengths include its solid financial position, which demonstrates high levels of solvency, efficiency, and profitability; its extensive offering of goods and services, which meets the needs of a wide range of customers; and its strong brand image, which aids in luring and keeping customers. Expansion and growth in the local and foreign

markets, in addition to the opportunity to reach new customer categories through online marketing and technology, are among the possibilities for the bank. One of the bank's vulnerabilities is its reliance on conventional marketing channels, which might restrict its influence in the digital age. In addition to technological disruption, the bank also faces dangers from changes in governmental regulations and policies. The bank must constantly innovate and adjust to developments in the market to counter these challenges and seize its opportunities.

The SWOT analysis for EXIM Bank Bangladesh

Strengths:

- EXIM Bank Bangladesh has regularly reported good financial performance over the past few years, including high amounts of efficiency, liquidity, solvency, and profitability. With minimal levels of debt and a strong market value, the bank is in a healthy financial position.
- Numerous financial services and products are available from EXIM Bank Bangladesh, including loans, trade financing, exporting credits, and investment banking. Due to its extensive array of services, the bank can provide for a variety of clients, including individuals, small and medium-sized businesses, and large organizations.
- Strong brand recognition: EXIM Bank Bangladesh enjoys a high level of consumer brand recognition, which aids in client acquisition and retention. To broaden its visibility and customer base, the bank has made investments in rebranding and advertising campaigns.

Weaknesses:

- Reliance on conventional marketing methods: Despite having a sound marketing plan in place, EXIM Bank Bangladesh mainly relies on conventional marketing methods like banks and ATMs, which might also limit the bank's influence in the digital era.
- Restricted presence in some market segments: EXIM Bank Bangladesh might have a limited presence in some market sectors, such rural areas or specific customer sections, which could impede its ability to expand.

Opportunities:

- Growth and expansion prospects exist both in the foreign and domestic sectors, according to EXIM Bank Bangladesh. In order to reach new consumer categories, the bank can think about enhancing its portfolio of goods and services or branching out into new geographical areas.

- Digital advertising and technology: EXIM Bank Bangladesh can reach new client segments and have a greater impact by utilizing digital marketing and technology. To increase its competitiveness, the bank can think about spending money on digital advertising and technology, including mobile and online banking.

Threats:

- Changes in government policies and regulatory environments: EXIM Bank Bangladesh operates in a highly regulated industry, and changes in government policies and regulatory environments can impact the bank's operations and profitability. The bank must continuously adapt to changes in the regulatory environment to ensure compliance and maintain its competitive position.

- Technological disruption: The financial services industry is subject to rapid technological change, and EXIM Bank Bangladesh must continuously innovate to stay ahead of competitors and meet the changing needs of customers. The bank may face threats from technological disruption, such as the rise of fintech firms, and must be prepared to adapt and respond to these threats.

2.8 Summary and Conclusions

In conclusion, EXIM Bank Bangladesh has a proven record of success, with a collaborative leadership style, a clearly defined marketing strategy, outstanding financial results, and a concentration on operational effectiveness and client satisfaction. The bank competes in a cutthroat market, but it has been able to keep its edge through a mixture of advantages and capabilities. The bank might think about boosting its service and product offerings, investing in online advertising

and technology, and fixing significant marketing problems or gaps if it wants to keep growing in the future.

2.9 Recommendations

The following suggestions for EXIM Bank Bangladesh can be made based on the study's results and conclusions:

- To adapt to changing consumer needs and to stay competitive, the bank should increase the range of services and products it offers.
- To expand the reach and effect of the bank's marketing activities, invest in online marketing and technology.
- Improve the company's competitive position by addressing important marketing difficulties or gaps, like an inadequate presence in specific market segments or an inadequate understanding of the bank's brand.
- To keep up with the competition, focus on innovation and adapt to developments in the marketplace and regulatory system.
- To promote development and success, cultivate a culture of cooperation and creativity through participatory leadership and staff engagement programs.

Chapter 3: Project Part

3.1 Introduction

The Islamic financial sector, which had a shaky start in the 1960s but has since risen in popularity in both Muslim and non-Muslim countries, attracting clientele of all faiths, is due to its longevity and less risky character. The manner that shariah banking operates is different from ordinary banking in that it maintains an interest-free and profit-driven framework. A shariah-based bank in Bangladesh is Exim Bank Bangladesh, one of eight such institutions. So, in the traditional banking industry in Bangladesh, a few fully-fledged institutions that are based on shariah may encounter challenges in carrying out their duties effectively. So, these Shariyah banks have their own ways to tackle such problems.

3.1.1 Background/Literature Review

There have been multiple research papers, internship reports, project works on EXIM Bank Bangladesh. Inflation has a significant impact on the rise in assets of any banks including Islamic banks, such that the increase in these assets has the potential to boost the profitability of Islamic banks. When profitability increases, so does the rate of return on assets According to an article written by Saleh Sitompul , Reza Nurul Ichsan and Lukman Nasution and based on Indonesian banks , high inflation will cause islamic banks' efforts to increase income to be disrupted, and as a result, islamic banks' efforts to increase the number of assets will be diverted. High inflation will cause a decline in the number of assets owned by Islamic banks, resulting in a strong push to increase the number of assets to be somewhat reduced, resulting in the least amount of profit produced by bank shariah (Sitompul et al., 2021). According to another study by Fredrick Ikpesu based on sub-saharan African banks, to secure optimal bank credit, which will boost regional GDP while containing inflation, nations should continue to create and implement an appropriate monetary policy. The research also urges policy changes in the financial sector that will encourage budgetary restraint, deepen the financial system, increase access to credit, and control inflation (Ikpesu, 2021). But there is a research gap of how shariyah banks in Bangladesh tackle such problems like higher inflation rate.

3.1.2 Objectives

In order to make this research impactful, the following research questions need to be addressed:
- How are the variables like monthly inflation, interest and GDP growth rate affecting the monthly export and import growth rate before and after COVID 19 & during the higher inflation time of 2022?
- As a shariah based bank what measures are being taken by EXIM Bank Bangladesh to tackle the rates during recent higher inflation?
- Are these measures sufficient enough for them to tackle the situation, or what better they could do?

3.1.3 Significance

According to a Bangladesh Bureau of Statistics study, Bangladesh's inflation rate in June rose to 7.56 percent, reaching its highest level in eight years (BBS) (The Financial Express, 2022). This highest inflation rate is already affecting the economy and the financial institutions like banks are facing the consequences too. So, it is important to know how a minority Shariah Based financial institution; EXIM Bank Bangladesh is tackling the problems they are facing due to this inflation.

3.2 Methodology

All of the data gathered for the research is secondary information, mostly obtained from the websites of the World Bank, IFC, EXIM Bank Bangladesh, Bangladesh Bank, and IFC. A significant contribution to understanding the overall financial performance of the company was also made by Exim Bank Bangladesh Limited's annual reports. Finally, for the purposes of statistical analysis, I consulted external books, journals, magazines, periodicals and newspaper. This paper mainly relied on some secondary data to examine the combined effects of GDP growth, consumer price index, and inflation rate on EXIM bank Bangladesh's export and import.
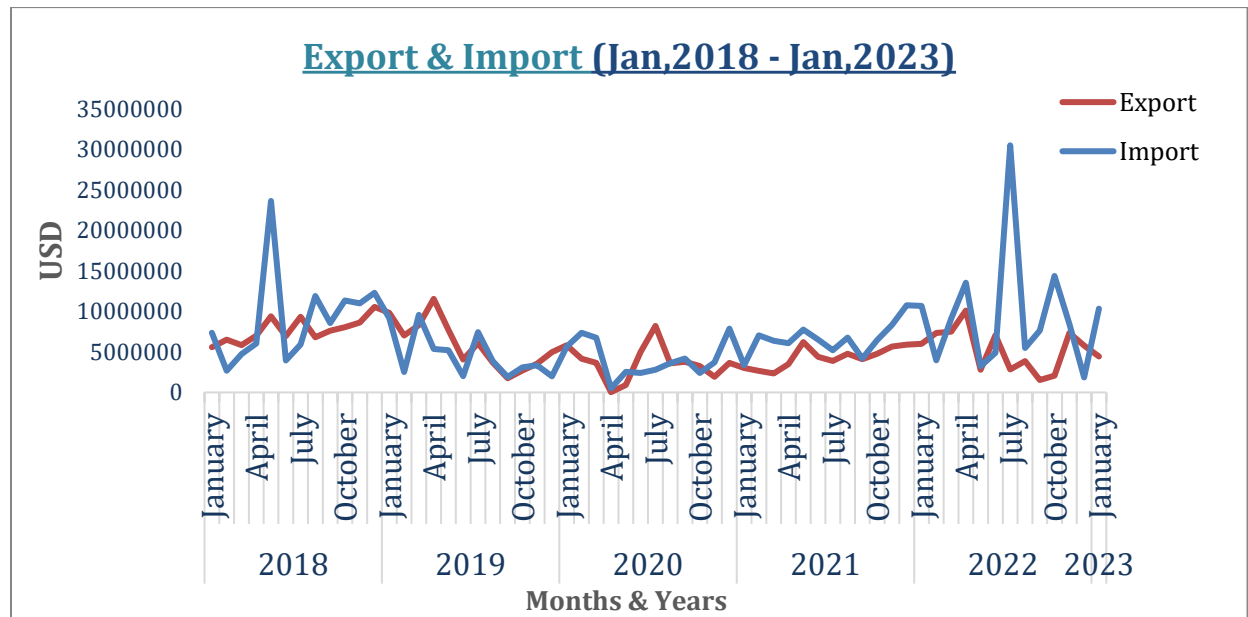
Figure 1: Export & Import of EXIM Bank Bangladesh (2018-2023)

From the collected data on export and import of EXIM bank Bangladesh, it can be seen that both export and import have been affected during 2020 and 2021 due to the COVID 19 pandemic compared to the before COVID 19 period and the during this higher Inflation period.

Regression Analysis- Through this multiple linear regression analysis, the relationship between export and inflation rate, GDP growth rate and monthly interest rate will be shown. Same analysis will be shown between import and these factors also. So, we will get a positive or negative relations of the factors with export and import of Exim Bank Bangladesh accordingly.

Variables for the analysis-

Dependent variable- Monthly export growth rate and import growth rate data from Jan, 2018-Jan, 2023 will be dependent variable for this analysis.

Independent variable- Monthly inflation rate, GDP growth rate and monthly interest rate from Jan, 2018-Jan, 2023 will be independent variable.

3.3 Findings and Analysis

Regression Analysis for the Export

Hypothesis for export data-

H_0: There is no significant relation between the monthly export growth rate of Exim Bank Bangladesh Ltd. and monthly inflation rate, GDP growth rate and monthly interest rate.

H_1: There is significant relation between the monthly export growth rate of Exim Bank Bangladesh Ltd. and monthly inflation rate, GDP growth rate and monthly interest rate.

Descriptive Statistics

	Mean	Std. Deviation	N
Export growth rate (monthly)	64.3070	384.82268	61
Inflation Rate	6.0826	1.06694	61
GDP	6.4298	1.71867	61
Interest Rate	8.3457	1.13235	61

Correlations

		Export growth rate (monthly)	Inflation Rate	GDP	Interest Rate
Export growth rate (monthly)	Pearson Correlation	1	-.748	.566	-.532
	Sig. (2-tailed)		.006	.008	.003
	N	61	61	61	61
Inflation Rate	Pearson Correlation	-.066	1	.263[*]	-.447[**]
	Sig. (2-tailed)	.612		.041	<.001
	N	61	61	61	61
GDP	Pearson Correlation	-.238	.263[*]	1	-.087
	Sig. (2-tailed)	.065	.041		.503
	N	61	61	61	61
Interest Rate	Pearson Correlation	-.032	-.447[**]	-.087	1
	Sig. (2-tailed)	.805	<.001	.503	
	N	61	61	61	61

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

For the relation between the monthly growth rate of export of Exim Bank Bangladesh and GDP growth rate, the null hypothesis is rejected because r is more than 0.5 and the value of p is less than .01. The value of r for GDP growth rate is .566 (>.5) and the value of p is .008 (<.01). So there is negative relationship between the monthly export growth rate of Exim bank Bangladesh and GDP growth rate of Bangladesh. If the GDP growth rate increases the export of EXIM Bank increases too.

For the variable, Inflation rate, a negative connection among both the monthly export growth rate of EXIM Bank Bangladesh and inflation rate is indicated by the value of r, which is -0.748. But,

we must take the level of significance (alpha) and the p-value into account before deciding whether to accept or reject the null hypothesis. With a p-value of 0.006, the null hypothesis has a 6% chance of producing a correlation coefficient that is as extreme as or more extreme than -0.748. The correlation is significant statistically as the p-value of 0.006 didn't exceed the significance level if the level of significance is set at 0.01. Consequently, at the 0.01 level of significance, we can reject the null hypothesis and draw the conclusion that there is statistically significant connection between export and monthly inflation rate. Moreover, if monthly inflation rate of Bangladesh increases, the monthly export growth rate of EXIM bank Bangladesh will decrease.

For the variable monthly interest rate, the monthly export growth rate and the interest rate have a negative link, as indicated by the coefficient of correlation (r) of -0.532. This implies that the monthly growth rate of export is prone to increasing as the interest rate decreases. The p-value is 0.003, which is below the 0.01 level of significance. Due to the statistical significance of the correlation, it is highly unlikely that it happened by chance. We can reject the null hypothesis and come to the conclusion that there is a statistically significant association between export growth rate (monthly) and the interest rate because the p-value is smaller than the significance level. As a result, we can conclude that the correlation between export and the interest rate is real and unlikely to be coincidental.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.246[a]	.061	.011	382.68957

a. Predictors: (Constant), Interest Rate, GDP, Inflation Rate

Here, as the sample size is not the huge, so the value of adjusted R square should be considered. According to the value of adjusted R square, total 1.1% of the EXIM Bank's monthly export growth rate can be explained through the predictors such as GDP growth rate, monthly interest rate and monthly inflation rate.

ANOVAᵃ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	537585.278	3	179195.093	1.224	<.001ᵇ
	Residual	8347724.544	57	146451.308		
	Total	8885309.822	60			

a. Dependent Variable: Export growth rate (monthly)

b. Predictors: (Constant), Interest Rate, GDP, Inflation Rate

According to ANOVA table, if the value of significance is $<.05$, then the model is statistically significant and it can be generalized for the dataset. Here, the value of significance is $<.001$ which is less than .05, so the model is statistically significant.

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	673.647	625.107		1.078	.286	-578.109	1925.402					
Inflation Rate	-12.622	53.465	-.035	-.236	.814	-119.683	94.440	-.066	-.031	-.030	.750	1.333
GDP	-52.617	29.811	-.235	-1.765	.083	-112.313	7.079	-.238	-.228	-.227	.930	1.075
Interest Rate	-23.275	48.793	-.068	-.477	.635	-120.981	74.431	-.032	-.063	-.061	.800	1.251

a. Dependent Variable: Export growth rate (monthly)

According to the table above, if I see the value of tolerance and VIF from collinearity statistics, the tolerance values of variables are .750, .930, .800, which are more than 0.01. Moreover, the values of VIF of variables are 1.333, 1.075, 1.251, which are less than 10. As we know if the tolerance is >0.01 and VIF is <10 then the variables did not violate the multi-collinearity.

According to the standardized coefficients of Beta, the inflation rate can contribute 3.5% to the monthly export growth rate of EXIM bank Bangladesh, monthly interest rate can contribute 6.8% and for GDP growth rate the percentage is 23.5. If the significance of the standardized coefficient of Beta is less than 0.5 than the variables are significant for the model. Here, significance of GDP growth rate is less than 0.5 but monthly inflation and monthly interest rates' significance are little above the range, which are .81 and .64 accordingly.

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-54.6020	230.5788	64.3070	94.65598	61
Std. Predicted Value	-1.256	1.757	.000	1.000	61
Standard Error of Predicted Value	64.117	168.081	96.032	19.688	61
Adjusted Predicted Value	-60.4718	243.3274	63.7938	98.84757	61
Residual	-319.73209	2729.50122	.00000	372.99965	61
Std. Residual	-.835	7.132	.000	.975	61
Stud. Residual	-.865	7.391	.001	1.010	61
Deleted Residual	-342.50739	2930.68140	.51323	400.64616	61
Stud. Deleted Residual	-.863	35.856	.468	4.617	61
Mahal. Distance	.701	10.591	2.951	1.786	61
Cook's Distance	.000	.113	.019	.129	61
Centered Leverage Value	.012	.177	.049	.030	61

a. Dependent Variable: Export growth rate (monthly)

Here, from this table, if the Cook's Distance's maximum value is more than 1, then the outliers of the analysis might negatively affect the regression analysis model. But the Cook's maximum distance value is .113, which is less than 1.

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	(Constant)	Inflation Rate	GDP	Interest Rate
1	1	3.914	1.000	.00	.00	.00	.00
	2	.050	8.820	.01	.00	.78	.08
	3	.032	11.147	.00	.45	.21	.11
	4	.004	30.838	.99	.55	.00	.81

a. Dependent Variable: Export growth rate (monthly)

Case wise Diagnostics[a]

Case Number	Std. Residual	Export growth rate monthly	Predicted Value	Residual
29	7.132	2960.08	230.5788	2729.50115

a. Dependent Variable: Export growth rate (monthly)

Aaccording to the Mahalanobis' Distance, the critical value of the Mahalanobis' variable data should not be more than 16.27 (for three independent variables). Here all the Mahalanobis' variable values are less than 16.27, but still there is one outlier value.

Charts
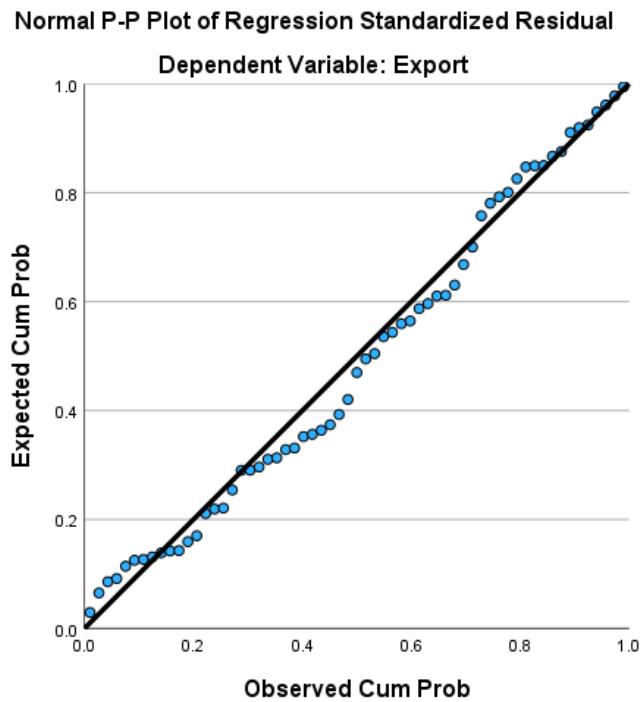
Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Export

For normality, linearity & homoscedasticity, in the above shown Normal P-P Plot, the deviation of the points from the standard diagonal line is very less as per the observation. So, this model has normality, linearity & homoscedasticity.

Scatterplot

Dependent Variable: Export
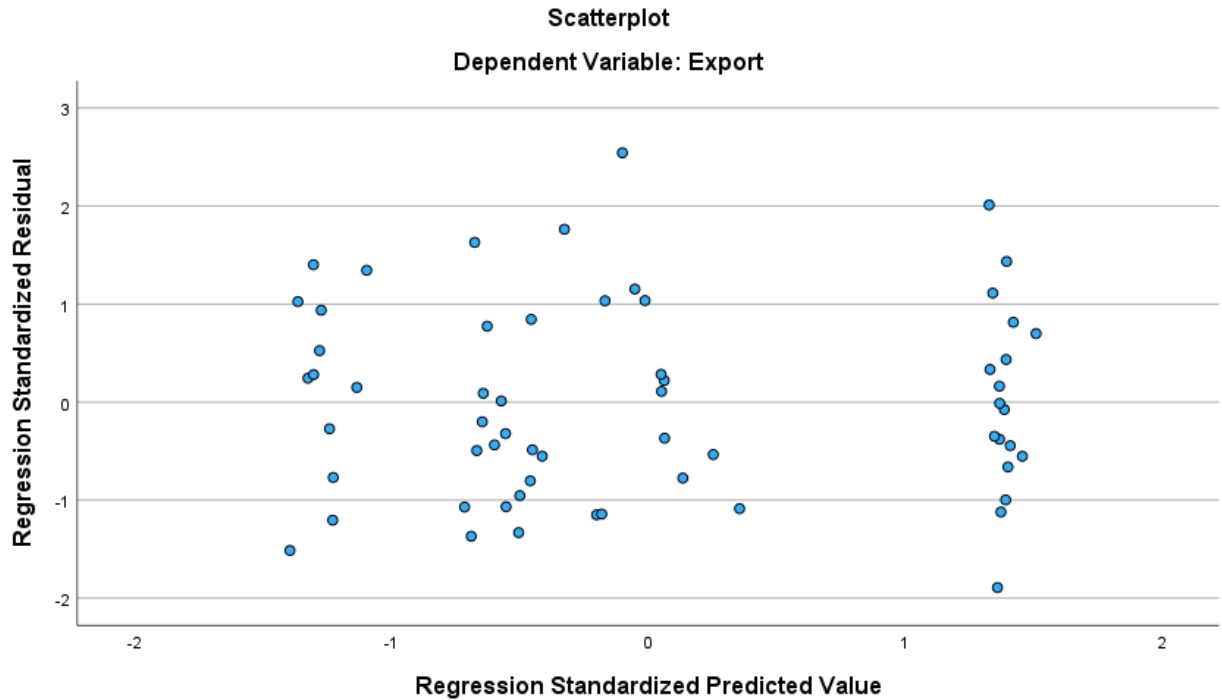
Even in the scatterplot, all the points are situated in such way which makes a rectangular shape nothing like curves, which also proves that, this model has normality, linearity & homoscedasticity.

Regression Analysis on Import

Hypothesis for import data-

H_0: There is no significant relation between the monthly import growth rate of Exim Bank Bangladesh Ltd. and monthly inflation rate, GDP growth rate and monthly interest rate.
H_1: There is significant relation between the monthly import growth rate of Exim Bank Bangladesh Ltd. and monthly inflation rate, GDP growth rate and monthly interest rate.

Descriptive Statistics

	Mean	Std. Deviation	N
Import growth rate (monthly)	31.3856	116.80858	61
Inflation Rate	6.0826	1.06694	61
GDP	6.4298	1.71867	61
Interest Rate	8.3457	1.13235	61

Correlations

		Import growth rate (monthly)	Inflation Rate	Interest Rate	GDP
Import growth rate (monthly)	Pearson Correlation	1	.079	.032	-.104
	Sig. (2-tailed)		.004	.007	.009
	N	61	61	61	61
Inflation Rate	Pearson Correlation	-.079	1	-.447**	.263*
	Sig. (2-tailed)	.548		<.001	.041
	N	61	61	61	61
Interest Rate	Pearson Correlation	.032	-.447**	1	-.087
	Sig. (2-tailed)	.807	<.001		.503
	N	61	61	61	61
GDP	Pearson Correlation	-.104	.263*	-.087	1
	Sig. (2-tailed)	.426	.041	.503	
	N	61	61	61	61

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

For the relation between monthly import growth rate of Exim Bank Bangladesh and inflation rate, the assumption under consideration is that there is definitely relationship between the dependent

variable monthly import growth rate as well as the independent variable rate of inflation (monthly). The p-value in this instance is 0.004, not exceeding the significance threshold of 0.01. This means that at the significance level of 0.01 we can rule out the null hypothesis. Moreover, according to the r value, there is a positive correlation between these two variables, which means if monthly inflation rate increases, the monthly growth rate of import will increase.

According to the null hypothesis, the independent variable the monthly interest rate and dependent variable monthly import growth rate are significantly related to one another. The p-value in correlation testing, provided the null hypothesis is true, represents the likelihood of finding a correlation coefficient (r) as strong as the one observed. We deny the null hypothesis as well as come to the conclusion that there's a statistically significant link between the variables if the p-value is below the level of significance (alpha) specified (under this case, alpha = 0.01). The p-value, in this instance is lower than the level of significance (p = 0.007 <0.01). So, we will reject the null hypothesis and there is a positive relationship between monthly import growth rate and monthly lending interest rate.

GDP growth rate and import have the r of 0.104 and a p-value of 0.009 respectively. The alpha (significance threshold) is set at 0.01. The null hypothesis is rejected if the p-value is below the level of significance, indicating that there may be a statistically significant association between these two. Because the p-value in this instance (0.009) is below the level of significance (0.01), the null hypothesis is rejected. As a result, we can say that the relationship between the GDP growth rate and import is statistically significant. But there is negative correlation between monthly import growth rates and GDP growth rates, which means if the GDP growth rate increases the monthly import growth rate will decrease.

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Interest Rate, GDP, Inflation Rate[b]	.	Enter

a. Dependent Variable: Import growth rate (monthly)
b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.117^a	.014	-.038	119.02621

a. Predictors: (Constant), Interest Rate, GDP, Inflation Rate

b. Dependent Variable: Import growth rate (monthly)

Here, as the sample size is not the huge, so the value of adjusted R square should be considered. According to the value of adjusted R square, total 3.8% of the EXIM Bank's monthly import growth rate can be explained through the predictors such as monthly GDP growth rate, monthly interest rate and monthly inflation rate.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11122.053	3	3707.351	.262	.024^b
	Residual	807532.562	57	14167.238		
	Total	818654.616	60			

a. Dependent Variable: Import

b. Predictors: (Constant), Interest Rate, GDP, Inflation Rate

According to ANOVA table, if the value of significance is <.05, then the model is statistically significant and it can be generalized for the dataset. Here, the value of significance is .024 which is less than .05, so the model is statistically significant.

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	107.846	194.424		.555	.581	281.482	497.174					
Inflation Rate	-6.062	16.629	.055	.365	.717	-39.360	27.237	.079	.048	.048	.750	1.333
GDP	-6.066	9.272	-.089	-.654	.516	-24.633	12.501	-.104	-.086	-.086	.930	1.075
Interest Rate	-.070	15.176	.001	.005	.996	30.459	30.319	.032	.001	.001	.800	1.251

a. Dependent Variable: Import Growth Rate (monthly)

According to the table above, if I see the value of tolerance and VIF from collinearity statistics, the tolerance values of variables are .750, .930, .800, which are more than 0.01. Moreover, the values of VIF of variables are 1.333, 1.075, 1.251, which are less than 10. As we know if the tolerance is >0.01 and VIF is <10 then the variables did not violate the multi-collinearity.

According to the standardized coefficients of Beta, the inflation rate can contribute 5.5% to the import growth rate (monthly) of EXIM bank Bangladesh, monthly interest rate can contribute 1% and for GDP growth rate the percentage is 8.9. If the significance of the standardized coefficient of Beta is less than 0.5 than the variables are significant for the model. Here, significance of GDP growth rate is almost equal to 0.5 but the interest and inflation rates' significances are above the range, which are accordingly .996 and .717.

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue			Variance Proportions

		Condition Index	(Constant)	Inflation Rate	GDP	Interest Rate
1	1	3.914	1.000	.00	.00	.00	.00
	2	.050	8.820	.01	.00	.78	.08
	3	.032	11.147	.00	.45	.21	.11
	4	.004	30.838	.99	.55	.00	.81

a. Dependent Variable: Import growth rate (monthly)

Case wise Diagnostics[a]

| Case Number	Std. Residual	Import	Predicted Value	Residual
55	4.249	522.30	16.5115	505.78849

a. Dependent Variable: Import

Here the regression analysis showed case wise diagnostics because according to the Mahalanobis' Distance, the critical value of the Mahalanobis' variable data should not be more than 16.27 (for three independent variables). Here all the Mahalanobis' variable values are less than 16.27. However, the out layering of value is happening in case number of 55, which is why this analysis have case wise diagnostics to find out this one out layered value.

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	4.1446	53.5491	31.3856	13.61498	61
Std. Predicted Value	-2.001	1.628	.000	1.000	61
Standard Error of Predicted Value	19.942	52.277	29.868	6.123	61
Adjusted Predicted Value	-11.3963	61.5950	31.6179	15.47203	61
Residual	-142.34453	505.78848	.00000	116.01240	61
Std. Residual	-1.196	4.249	.000	.975	61
Stud. Residual	-1.238	4.365	-.001	1.008	61
Deleted Residual	-152.48407	533.69635	-.23231	124.03019	61
Stud. Deleted Residual	-1.244	5.303	.023	1.099	61

Mahal. Distance	.701	10.591	2.951	1.786	61
Cook's Distance	.000	.263	.017	.042	61
Centered Leverage Value	.012	.177	.049	.030	61
a. Dependent Variable: Import growth rate (monthly)					

Here, from this table, if the Cook's Distance's maximum value is more than 1, then the outliers of the analysis might negatively affect the regression analysis model. Here the Cook's maximum distance value is .263, which is less than 1. So this outlier value will not negatively affect the regression analysis model.

Charts
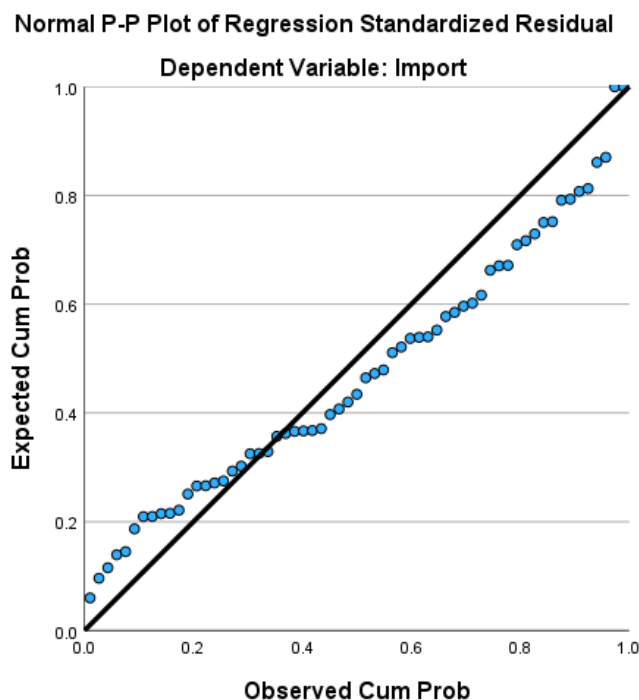
For normality, linearity & homoscedasticity, in the above shown Normal P-P Plot, the deviation of the points from the standard diagonal line is very less as per the observation. So, this model has normality, linearity & homoscedasticity.

Scatterplot
Dependent Variable: Import
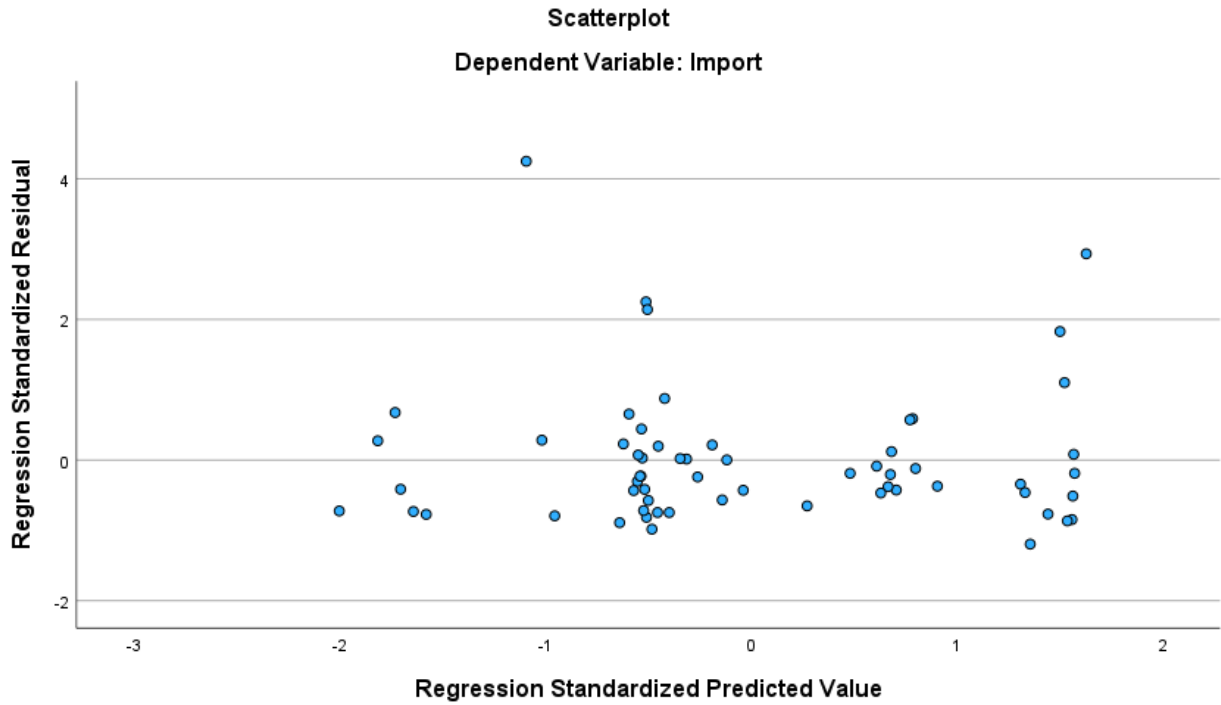
Even in the scatterplot, all the points are situated in such way which makes almost a rectangular shape nothing like curves, which also proves that, this model has normality, linearity & homoscedasticity.

Paired T testing for Export data:

H 0: There is no difference between monthly export growth rate before and during COVID-19, and before COVID-19 and during higher Inflation.

H 1: There is difference between monthly export growth rate before and during COVID-19 and, before COVID-19 and during higher Inflation.

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Before Covid	3.4808	13	30.27183	8.39590
	During Covid	7.1919	13	47.14503	13.07568
Pair 2	Before Covid	3.4808	13	30.27183	8.39590
	during Inflation	23.3596	13	91.17547	25.28753

Paired Samples Correlations

		N	Correlation	Significance	
				One-Sided p	Two-Sided p
Pair 1	Before Covid & During Covid	13	.319	.144	.289
Pair 2	Before Covid & During Inflation	13	-.227	.228	.456

Paired Samples Test

		Paired Differences							Significance	
					95% Confidence Interval of the Difference				One-Sided p	Two-Sided p
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper	t	df		
Pair 1	Before Covid - During Covid	3.71117	47.21511	13.09511	-32.24297	24.82063	.283	12	.391	.782
Pair 2	Before Covid - During Inflation	19.87881	102.37485	28.39367	-81.74331	41.98570	.700	12	.249	.497

Because the t is .283 and .700 in both cases which is greater than the crucial value (here, the critical value is 2.178813 for degree of freedom 12) and the p value is less than .05. Additionally, the means of the monthly export growth rates before and during COVID 19 are statistically substantially different in these cases.

The 95% confidence interval does not contain zero on either side. We can reject the null because of this. This also indicates that there are considerable differences in both cases of monthly export growth rate before and during COVID-19, one other hand, before COVID-19 and during higher Inflation.

Paired T testing for Import data:

H 0: There is no difference between monthly import growth rate before and during COVID-19, and before COVID-19 and during higher Inflation.

H 1: There is difference between monthly import growth rate before and during COVID-19, and, before COVID-19 and during higher Inflation.

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Before COVID-19	31.6869	13	119.26977	33.07948
	During COVID-19	20.9231	13	47.16937	13.08243
Pair 2	Before COVID-19	31.6869	13	119.26977	33.07948
	During Inflation	35.1169	13	163.03842	45.21872

Paired Samples Correlations

		N	Correlation	Significance	
				One-Sided p	Two-Sided p
Pair 1	Before COVID-19 & During COVID-19	13	-.287	.171	.342
Pair 2	Before COVID-19 & During Inflation	13	-.110	.360	.719

Paired Samples Effect Sizes

		Standardiz er[a]	Point Esti mate	95% Confidence Interval	
				Lower	Upper
Pair 1 Before COVID-19 - During COVID-19	Cohen's d	140.27933	.077	-.469	.620
	Hedges' correction	149.88040	.072	-.439	.580
Pair 2 Before COVID-19 – During Inflation	Cohen's d	212.37314	-.016	-.559	.528
	Hedges' correction	226.90848	-.015	-.524	.494

a. The denominator used in estimating the effect sizes.

Cohen's d uses the sample standard deviation of the mean difference.

Hedges' correction uses the sample standard deviation of the mean difference, plus a correction factor.

Paired Samples Test

		Paired Differences							Significance	
					95% Confidence Interval of the Difference					Two -
			Std.	Std. Error					One- Sided	Side
		Mean	Deviation	Mean	Lower	Upper	t	df	p	d p
Pai r 1	Before COVID-19 During COVID-19	10.76385	140.2793 3	38.90 649	- 74.006 11	95.533 80	.277	12	.393	.787
Pai r 2	Before COVID-19 During Inflation	- 3.43000	212.3731 4	58.90 171	- 131.76 580	124.90 580	-.058	12	.477	.955

Because the t is .277 and -.058 in both cases which are greater than the crucial value (here, the crucial value is 2.178813 for degree of freedom 12) and the p value is less than .05. Additionally,

the means of the monthly import growth rates before and during COVID 19 are statistically substantially different in these cases.

The 95% confidence interval does not contain zero on either side. We can reject the null because of this. This also indicates that there are considerable differences in both cases of monthly import growth rate before and during COVID-19, one other hand, before COVID-19 and during higher Inflation.

Measures Taken by Exim Bank Bangladesh:

To overcome the challenges during higher inflation rate in Bangladesh during this recent time, EXIM bank Bangladesh has taken these measures-

1. During the higher inflation period their employees are given tight targets to achieve and these targets n outcomes are being evaluated more precisely than before during the normal period.

2. They are focusing more on the cost minimization approach in their branches so that they can cope up with the higher inflation period

3. According to one of their management trainees officers, the newly established infrastructure of EXIM Bank's new head office will help them to gain trust of the customers and to make them invest more in this shariah bank during this higher inflation period.

4. According the regulation of the Bangladesh Central Bank, they have temporarily stopped their LC facilities and the student accounts for education purpose in abroad are being monitored heavily comparing to the normal period.

3.4 Summary and Conclusions

Multiple regression was used to assess the ability of three control measures such as GDP Growth Rate, the interest rate, and Inflation Rate to predict the relationship with export and import growth rates of EXIM Bank Bangladesh.

Preliminary analyses were performed on export growth rate data to make sure the presumptions regarding normality, linearity, multicollinearity, and homoscedasticity were not violated. First, boxplots showed that all of the regression's variables had normal distributions and were devoid of univariate outliers. Second, examination of the scatterplot of residuals against standardized

expected values and the normal probability distribution of standardized residuals showed that the assumptions of normality, linearity, and homoscedasticity of residuals were satisfied. Finally, the Mahalanobis distance was below the essential value of $\chi 3$.

Fourth, the predictor variables in the multiple linear regression had reasonably large tolerances, indicating that multicollinearity just wouldn't affect our ability to evaluate the results of the regression model. Combining GDP Growth Rate, the interest rate, and Inflation Rate, $R2=.061$, adjusted $R2=.011$ accounted for 6.1% of the variation in EXIM Bank Bangladesh's exports growth rate.

Export growth rate of EXIM Bank Bangladesh does have significant and positive correlation with GDP growth rate. There exists a statistically significant negative connection between export growth rate and inflation rate. Lastly there is statistically significant and negative association between export growth rate and interest rate. If the interest rate and inflation rate rise the monthly export growth rate decreases.

Preliminary analyses were performed on import data to make sure the presumptions regarding normality, linearity, multicollinearity, and homoscedasticity were not violated. First, boxplots showed that all of the regression's variables had normal distributions and were devoid of univariate outliers. Second, examination of the scatter graph of standardized residuals against standardized expected values and the normal probability distribution of standardized residuals showed that the assumptions of normality, linearity, and homoscedasticity of residuals were satisfied. Third, the Mahalanobis distance did go beyond the threshold of $\chi 3$, which might also have a detrimental impact on the model.

Fourth, the predictor variables in the multiple linear regression had reasonably large tolerances, indicating that multicollinearity just wouldn't affect our ability to evaluate the results of the regression model. GDP Growth Rate, Interest Rate , and Inflation Rate together explained 3.8% of the variation in Bangladesh's imports for EXIM Bank; $R2 =.014$; adjusted $R2 =.038$.

Import growth rate of EXIM Bank Bangladesh does have significant and correlation with GDP growth rate. There exists a statistically significant positive connection between export growth rate and inflation rate. Lastly there is statistically significant and positive association between export growth rate and interest rate. If the interest rate and inflation rate rise the monthly export growth rate rises.

According to the paired t testing there are differences between monthly import growth rate and monthly export growth rates before and during COVID-19, one other hand, before COVID-19 and during higher Inflation.

Lastly with help of a paper named 'The Dynamic Relationship between Export, Import and Inflation: Empirical Evidence from India, written by Mr. Sahoo and Mr. Sethi on 2020, it can be stated that, as the prices of a Bangladesh's goods and services rise, the exports happening through EXIM Bank Bangladesh may become more exorbitant and far less competent in international markets. This can cause a drop in demand for the exports , leading to a decrease in exports and a negative impact on the Bangladesh's trade balance (Mundell, 1963). A higher rate of inflation in Bangladesh, on the other hand, can make imports cheaper as the value of the country's currency falls comparing to the currencies of its other trading partners (Sahoo & Sethi, 2020). This can increase import demand, resulting in higher import levels and a negative impact on the trade balance.

3.5 Recommendations:

The measures taken by the EXIM Bank Bangladesh to tackle the situation of the increased or higher inflation are working fine for them. But more precise measure can be taken to handle the situation. According to a study published by Islamic Bank on the challenges faced by shariah banks in Bangladesh, by transitioning from PLS to trade-related sources of financing during this greater inflation, Islamic banks can continue to operate within the framework of conventional banking. By implementing the PLS-modes—the distinctive characteristics of Islamic banking—in a suitable percentage, Islamic banks can nevertheless function at an acceptable level of efficiency within the framework of conventional banking.

Reference

- *About IBBL:Concept & Ideology*. (2017). https://www.islamibankbd.com/abtIBBL/cis_issues_and_problems_of_islamic_banking.php

- *Bangladesh Bank*. (n.d.). https://www.bb.org.bd/en/index.php/econdata/intrate

- *Bangladesh's inflation recorded at 7.56pc in June, highest in nine years*. (2022, July 19). The Financial Express. https://thefinancialexpress.com.bd/economy/bangladesh/bangladeshs-inflation-recorded-at-756pc-in-june-highest-in-nine-years-1658239835

- *Global Economic Data, Indicators, Charts & Forecasts*. (n.d.). https://insights.ceicdata.com/Untitled-insight/views

- *How Do Imports Affect GDP? | St. Louis Fed*. (2018, September 4). https://research.stlouisfed.org/publications/page1-econ/2018/09/04/how-do-imports-affect-gdp#:~:text=To%20be%20clear%2C%20the%20purchase,no%20direct%20impact%20on%20GDP.

- I. (2020, July 30). *GDP and the Players Three: Imports and Exports*. InfoPlease. https://www.infoplease.com/business/economy/gdp-and-players-three-imports-and-exports

- Ikpesu, F. (2021). Banking sector credit, inflation and growth in sub-Saharan African countries. *Journal of Transnational Management*, *26*(3), 164–178. https://doi.org/10.1080/15475778.2021.1947170

- Mundell R. A. (1963). Capital mobility and stabilization policy under fixed and flexible exchange rates. Canadian Journal of Economics and Political Science/Revue canadienne de economiques et science politique, 29(4), 475–485

- Rahadian, D., & Ramandhini, Z. F. (2021). Capital Structure and Its Implication on Profitability: An Empirical Study from Sharia Banks in Indonesia. *Budapest International Research and Critics Institute Journal (BIRCI-Journal)*, *4*(2), 2083–2091. https://doi.org/10.33258/birci.v4i2.1898

- Sahoo, M., & Sethi, N. (2020). The Dynamic Relationship between Export, Import and Inflation: Empirical Evidence from India. *The Indian Economic Journal*, *66*(3-4), 001946622093555. https://doi.org/10.1177/0019466220935552