

Report On  
Understanding the Procedure of General Banking EXIM Bank,  
Dhanmondi Branch

By

Md. Israfil Hossain  
ID. 21364043

An internship report submitted to the BRAC Business School in partial fulfillment of the  
requirements for the degree of  
Master of Business Administration

BRAC Business School  
BRAC University  
October, 2023

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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.

**Student's Full Name & Signature:**

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**Md. Israfil Hossain**  
ID. 21364043

**Supervisor's Full Name & Signature:**

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**Dr. Mohammad Enamul Hoque**  
Assistant Professor, BRAC Business School  
BRAC University

## **Letter of Transmittal**

Dr. Mohammad Enamul Hoque  
Assistant Professor,  
BRAC Business School  
BRAC University  
66 Mohakhali, Dhaka-1212

Subject: Submission of internship report.

Dear Sir,

Under your esteemed guidance, I hereby present my final academic endeavor, which is my internship report, titled "Understanding the Procedure of General Banking EXIM Bank, Dhanmondi Branch." I am pleased to share this with you.

This internship program helped me to get real hands-on experience of the insight of a bank. To meet your expectations, I have tried my best to gather, analyze, and present the best outcome of my three months of internship under EXIM Bank. This report offers a comprehensive analysis of the various activities of the Bank's Dhanmondi Branch. I am grateful for your mentorship, supervision, cooperation, and advice throughout this journey, which has significantly enriched my understanding.

I sincerely appreciate your attention and time.

Sincerely yours,

---

Md. Israfil Hossain  
Id. 21364043  
BRAC Business School  
BRAC University  
Date: August 27, 2023

## **Non-Disclosure Agreement**

This agreement is made and entered into by and between Export Import Bank of Bangladesh Limited (Dhanmondi Branch) and the undersigned student at BRAC University, Md. Israfil Hossain, Id. 21364043.

## **Acknowledgement**

First and foremost, I would want to thank Almighty Allah for giving me the chance to experience the entire report-writing process.

I would like to take this chance to thank my internship supervisor, Dr. Mohammad Enamul Hoque (Assistant Professor, BRAC Business School, BRAC University), whose direction, guidance, and support were very helpful to me in writing my report.

I also like to express my gratitude to Export Import Bank of Bangladesh Limited officials. I would like to express my sincere appreciation for the cooperation of Md. Monzurul Islam (Vice Principal and Manager), Md. Mosfiqur Rahman (Principal Officer), and Mst. Shohely Sultana (Executive Officer, IT) in this matter. The task could not be completed without their assistance.

I also like to thank all the staff members of the EXIM Bank who helped and supported me.

## **Executive Summary**

Commercial banks are one of the most important contributions to developing-country economies. They function as financial mediators by collecting funds from one party and lending them to another while generating a profit. People and the government rely heavily on the services supplied by the many banks in the financial sector. Export Import Bank of Bangladesh Ltd. is one of the top banks in Bangladesh that play a vital role in the financial sector. EXIM Bank is an Islamic bank based on Shariah. Every bank has a General Banking department to get deposits and use them as investments (loans for conventional banks). So it is important to understand how GB's activities proceed.

This internship report provides a comprehensive exploration of the procedure of general banking activities at EXIM Bank, Dhanmondi Branch, with a primary focus on financial activities. The purpose of the report is to offer a detailed understanding of the operational mechanics underlying general banking practices. In this report, there are three chapters that describe the internee, the organization, and its one part as the intern's project part. The project part describes the procedure of general banking and how it differs conventional banks, and to understand how the bank's financial activities work, in detail.

**Keywords:** EXIM; Bank; General Banking; Export Import.

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## List of Acronyms

EXIM	Export Import
GB	General Banking
MS	Microsoft
PC	Personal Computer (used for individual officers/organizational)
MTO	Management Trainee Officer
TAO	Trainee Assistant Officer
DS	Deposit Scheme
AD	Authorized Dealer (of FOREX)
CSR	Corporate Social Responsibilities
CABD	Corporate Affairs and Branding Division
SWIFT	Society for Worldwide Interbank Financial Telecommunications
CBS	Core Banking Software
BACH	Bangladesh Automated Clearing House
RTGS	Real Time Gross Settlement
BEFTN	Bangladesh Electronic Funds Transfer Network
MTCN	Money Transfer Control Number

# **Chapter 1**

## **Overview of Internship**

### **1.1 Student Information**

Md. Israfil Hossain

Id. 21364043

Major: Finance

### **1.2 Internship Information**

#### ***1.2.1 Period, Company Name, Department/Division, Address***

Period: 12<sup>th</sup> July 2023 to 12<sup>th</sup> October 2023

Company Name: Export Import Bank of Bangladesh Limited

Department/Division: General Banking (GB)

Address: Dhanmondi Tower, House # 4/A, Road # 16 (New) 27 (Old), Dhanmondi Dhaka 1209,  
Bangladesh. (Dhanmondi Branch)

Email: dhanmondi@eximbankbd.com

#### ***1.2.2 Internship Company Supervisor's Information: Name and Position***

Name: Md. Mosfiqur Rahman

Designation: Principal Officer

### ***1.2.3 Job Scope – Job Description/Duties/Responsibilities***

Job Responsibilities:

1. Writing different types of opening account forms.
2. Checking if all the necessary documents are been provided by the customer for an account opening.
3. Help customers by delivering the necessary documents to them when they visit to open an account.
4. Receiving cheque books and properly registering and storing them.
5. Assist other officers with their daily tasks.

## **1.3 Internship Outcomes**

### ***1.3.1 Student's contribution to the company***

I started my internship this summer at the Export Import Bank of Bangladesh from the date of 12<sup>th</sup> July at the Dhanmondi Branch. At first, I had to adapt to their environment and their workflow to adjust myself. During the first two weeks of my internship, I just did some form writing and observed how things were done there. The third week forward, I helped my mentor officer whom I sit beside/in front with to organize the forms in categories as she was overwhelmed by the previously opened forms and current daily work. Most of the forms are from FDR/MTDR schemes. One customer can open more than one of these schemes, so overwhelming with forms is just a daily thing. Other than that, here are some pointer that I contributed to the company afterward (according to the executive officer):

1. Assistance to the customer, making them feel at ease.
2. Data entry, maintaining customer records, and organizing documents.

3. Assistance with account opening (if all the documents and signatures are there or not).
4. Assistance with financial instruments.
5. Assistance with cheque sorting.
6. Assistance with cheque clearance.
7. Assistance with groundwork.

### ***1.3.2 Benefits to the student***

3 Months of experience is not a whole lot of time nor does it small. It is hard to master a skill. But it is enough time to develop a skill and learn some new things. Here are some points I learned and understood while doing my 3 Months of internship at EXIM Bank.

1. Got some real hands-on experience in an organization.
2. Got some communication skills (handling customers and communicating with superiors.)
3. Understand customers and their needs and preferences.
4. Build some relationships with professionals for potential future support.
5. Learned how general banking process.
6. Learned how to be quick on feet.
7. Learned the difference between a conventional and a Shariah-based bank.
8. Different types of accounts and their specialty of a bank.

### ***1.3.3 Problems/Difficulties (faced during the internship period)***

It is great experience while working as intern in EXIM Bank. But there are many problems and difficulties I faced. Nothing is perfect. But every organization tries to be perfect. For that employee satisfaction is must. So here are some points of difficulties I faced while my internship.

1. There is not enough information just in one branch. I collect my data only from the Dhanmondi branch.
2. PCs are very slow and laggy. They should update those PC. These PCs would operate significantly more quickly and smoothly if Solid state drives (SSD) were used in place of Hard disk drives (HDD), increasing the effectiveness of the task.
3. Seating arrangement for interns is not so good. I had to sit on a customer's chair for the entire internship period. During rush hour, I have to switch sits or standing.
4. When other officers are busy, and I cannot bother them, I have to sit idle. Instead, when an officer is absent or a PC is not being used, there should be a minimal access to the PC for interns. So that an intern can access a minimal amount of information to help themselves and the officers.
5. In this summer, it is hard to work without air conditioner in an office. And when a medium-sized office has only one printer, it is hard to work efficiently. Request for these equipment and getting them is a lengthy process. Should be shorter and quick.
6. As an intern, it is hard to rotate through other departments by myself without permission as a temporary employee. So I tried to go through other departments to know how they work.

#### ***1.3.4 Recommendations (to the company on future internships)***

To the company, you should try to solve the problems that I faced during my internship period mentioned previously. Upgrade your PCs, make better seating arrangements for interns, make a minimal system for interns to access minimal information for your benefit, equip branches with efficient machinery, and lastly try to give some focus on interns even if they are temporary. And try to pay an intern.

## **Chapter 2**

### **Organization Part: (Export Import of Bangladesh LTD.)**

#### **2.1 Introduction**

“Experience without theory is blind, but theory without experience is mere intellectual play,” said Immanuel Kant, a German philosopher. As the saying goes, we need both the theoretical and experiencing knowledge. An internship can fill the gap between these two after the successful completion of the theoretical knowledge. Internship is a mandatory part of the MBA program purpose to complete the program and get real-life job experience and familiarize myself with the job environment. I got the opportunity and joined EXIM Bank on 12th July 2023 as an intern for my mandatory requirement. As my title suggested, I work under general banking in the bank’s Dhanmondi Branch to get enough real-life experience and the purpose of this report is to show my audience how general banking works and my experience, in detail.

##### ***2.1.1 Methodology***

Two types of methodology used in this chapter.

1. Primary Data: Information collected by talking to my organizational supervisor, mentors, and other officers.
2. Secondary Data: From EXIM Bank website, professional documents, and other financial websites and journals.

### ***2.1.2 Limitation***

I faced many challenges and limitations while doing this report. The following I encountered as I continued my internship:

1. The time limited to 12 weeks is not sufficient to write a report. Also, the bank has only five working days a week.
2. Since I am not a full-fledged employee, there are some secrecy and there was no accessibility of some resources.
3. There might be some errors in this report due to scarcity of information, as some information were based on assumption.

### ***2.1.3 Significance***

In this report, I am going to showcase some of the details about the EXIM Bank to familiarize with it. And later on, I will showcase my experience gathered while I worked there.

## **2.2 Overview of the Company**

### ***2.2.1 Brief History of EXIM Bank***

Under the leadership of the late Mr. Shahjahan Kabir, the founding chairman, the Export Import Bank of Bangladesh Ltd. (EXIM Bank) was established in 1999. Mr. Kabir had a dream to launch a commercial bank that would support the socioeconomic development of our nation by promoting industrialization, women's empowerment, foreign trade, the development of infrastructure, the generating of income for the marginalized, and most importantly, the creation of jobs. He was a skilled banker with years of expertise. To make the original chairman's goal a reality, he teamed up with a group of highly accomplished and prosperous businesspeople.



EXIM Bank began operations on August 3rd, 1999 under the name Bengal Export Import Bank Ltd. On November 16, 1999 it was renamed as Export Import Bank of Bangladesh Ltd. Under the leadership of Mr Mohammad Lakiotullah, as the Founder Managing Director, the Bank migrated all of its conventional banking operation into Shariah Based Islami Banking in July 2004. (EXIM Bank, 2019)

In Chapainawabgang, Rajshahi, EXIM Bank established EXIM Bank Agricultural Institution Bangladesh (EBAUB), a private agricultural institution. Also, they have a 5-storied building having 10,000 square feet of floor space at 840 Kazipara, Rokeya Sarani, Mirpur, Dhaka-1216. (Wikipedia, 2023)

### **2.2.2 Vision**

The company's vision is essentially "Together Towards Tomorrow". Exim Bank, a subsidiary of the Export-Import Bank of Bangladesh Limited, is committed to advancing growth and advancement via a commitment to its clients. There shall be a continuous pursuit of perfection in accordance with Islamic Shariah in order to accomplish the desired result. They think that a technologically advanced modern banking system that follows Islamic principles is the greatest way to bring the benefits of the Islamic economy to the people, and Exim Bank envisions becoming the model of this kind. In a highly competitive climate that is rapidly evolving, the Bank's strategic plans and networking will increase its competitive edge over rivals. The key to their operational success will be their commitment to providing high-quality, individualized services to their clients while also striving for continuous improvement. (EXIM Bank, 2019)

### **2.2.3 Mission**

EXIM Bank's mission comprises:

- 1. Extracting the full benefit of Islamic banking system for its customers.*
  - 2. Providing with quality financial services especially in Foreign Trade.*
  - 3. Maintaining and upgrading a technology-based professional banking environment.*
  - 4. Maintenance of corporate and business ethics and transparency at all levels.*
  - 5. Sound capital Base.*
  - 6. Ensure sustainable growth for the honorable stakeholders.*
  - 7. Fulfillment of corporate social commitments, and above all, to add to the national economy.*
- (EXIM Bank, 2019)

#### ***2.2.4 Corporate Culture***

Organizational culture is seen as a crucial element of business enterprises because it has the power to bring people in a company together. Their bank's culture and values have been demonstrated to be a source of competitive advantage for them and are playing a crucial role in establishing the link between the bank and their workers, who in turn develop the relationship between their employees and their clients. Their culture and principles also motivate people to work for them and stick with them. (EXIM Bank, 2019)

### **2.3 Management Practices**

#### ***2.3.1 Corporate Governance***

It is the method used to guide and manage the business. In addition to overseeing the implementation of ideas, the directors also create organizational goals and objectives, communicate their progress to shareholders, and oversee corporate governance. Corporate Governance is a significant tool for establishing accountability and responsibility and is a set of codes that should be followed throughout each part of an enterprise. Corporate Governance also

incorporates the relationships among all the existing stakeholders and the objectives for which the organization is governed. There is no substitute for effective Corporate Governance for the continuous and steady growth of an organization, especially in the banking industry. Bangladesh Securities and Exchange Commission has formulated Corporate Governance Guidelines for all the enlisted companies of Stock Exchanges. EXIM Bank being a publicly listed company, is strictly committed to the establishment and adherence to norms and regulations of prevailing Corporate Governance Guidelines. (EXIM Bank, 2022)

### ***2.3.2 Responsibilities and Duties of the Board of Directors***

The Board of EXIM Bank consists of 11 Directors including Independent Directors. Board members are of high stature with academic and professional competencies. In line with the directives of the regulatory authorities, the Board oversees the corporate affairs, policy statements, implementation of rules and regulations, fixation of business goals and approaches, etc. The Board of Directors held 18 (eighteen) meetings in 2020 and 20 (twenty) meetings in 2019. The committees of the Board are the Executive Committee, Audit Committee, Risk Management Committee, and Nomination and Remuneration Committee (NRC).

### ***2.3.3 Hierarchy of EXIM Bank***

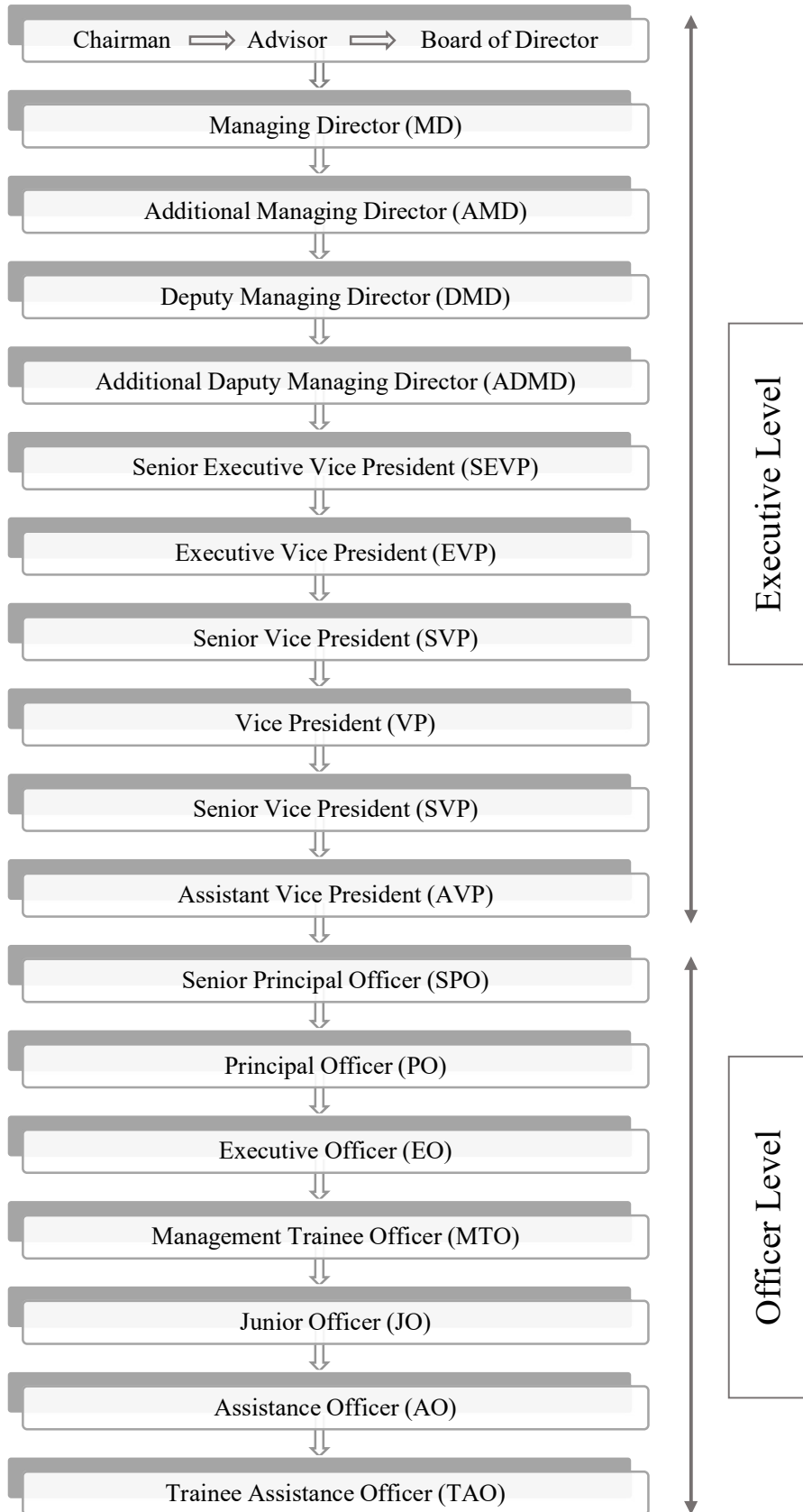
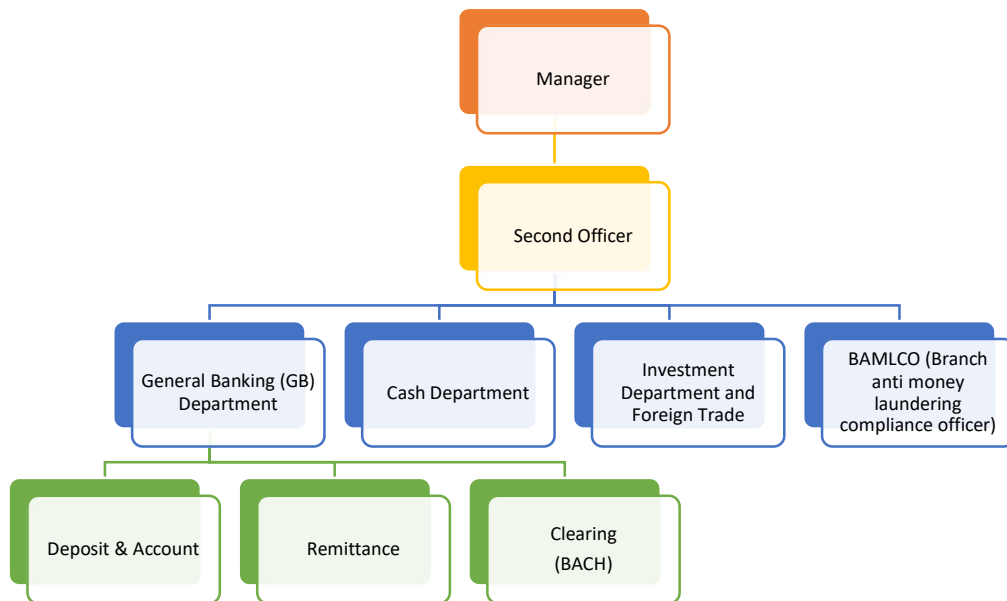


Figure 1 Hierarchy of EXIM Bank

## EXIM Bank (Dhanmondi Branch Hierarchy)



*Figure 2 EXIM Bank, Dhanmondi Branch Hierarchy*

### ***2.3.4 Recruitment and Selection Process***

The process of attracting, selecting, and appointing qualified candidates for employment inside a company, whether permanent or temporary, paid jobs like volunteer positions or training programs, is frequently referred to as "hiring," and it includes all of these steps. Exim Bank Limited urged applicants to submit their applications using an online portal or the bank's official website. There may be a number of steps, such as receiving a confirmation email after logging into the web portal and then filling out a form. Candidates must then submit their resumes after completing the application. They are unable to update the form after submission.

EXIM Bank usually follows two types of recruitment process. They are:

- External Recruitment
- Internal Recruitment

**External Recruitment:** For junior or entry-level officers, such as an Officer, Probationary Officer, or Management Trainee Officer/First Executive Officer, Exim Bank prefers the external sources recruiting approach. In such cases, there are always a large number of applications that apply for specific positions. They are shortlisted after application screening and are then required to sit a written exam. After passing the written exam, candidates are invited to a viva, where the top candidates are selected.

After selecting the top candidates, they put the rejected in a waiting list. The process for external recruitment is expensive and time-consuming. So, in the future, the committee choose the best candidates from the waiting list.

**Internal Recruitment:** The majority of executive-level positions at Exim Bank are filled internally. Every three years, an employee has the option to take a promotional exam. If they pass, they get promoted. For instance, my internship supervisor was an Executive Officer. During my internship, he passed his promotional test and is now promoted to Principal Officer. This is an example of internal recruiting through promotion.

Exim Bank supports candidates with exceptional talent by providing them with a competitive wage and a pleasant working environment.

They recruit in three positions as External recruitment. Management Trainee Officer (MTO), Trainee Officer (TO), and Trainee Assistance Officer (TAO). There are two types of TO and TAO they recruit. One is in General Banking (GB) and another is in Cash.

## The Recruitment and Selection Process of EXIM Bank

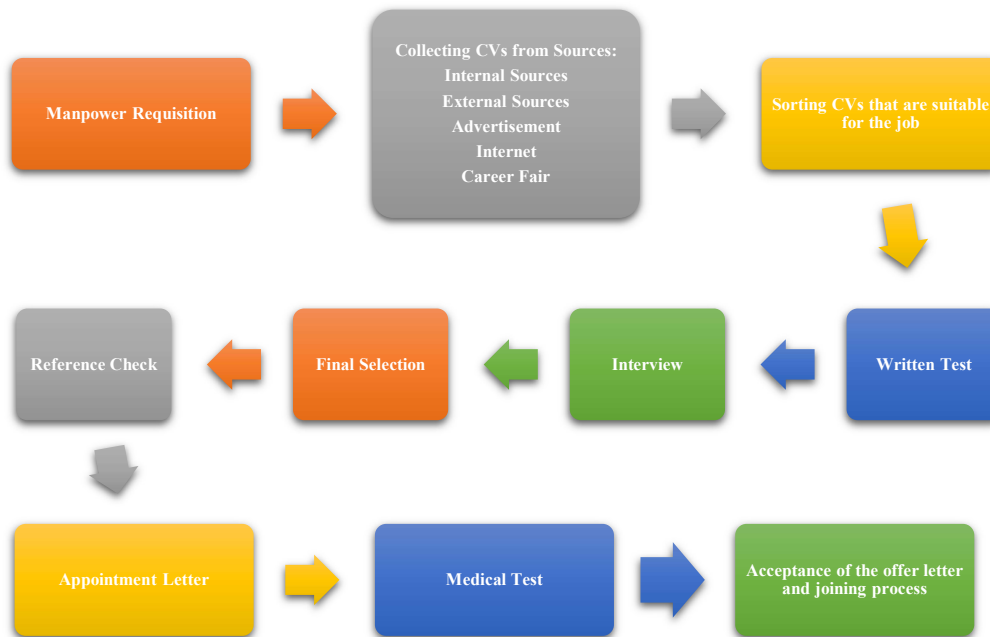


Figure 3 Recruitment & Selection process

### 2.3.5 Organizational Practice during Recruitment and Selection Process

- Age: For MTO, TO, or TAO applications, the applicant should not exceed 30 years old; only if the applicant has relevant experience, might the age limit be raised and for freedom fighters, the age limit is 32.
- Computer Literacy: MS Excel, MS Word, Word Processing Software and basic computer operation must be familiar to newly recruited personnel.
- Health State: No one may be assigned to the Bank's service unless the bank's designated medical authority deems them physically fit.

- Education Qualification: At any academic level, candidates are not allowed to apply to have a third division. For MTO and TAO (GB), a Master's level of education is a must, and for TAO (Cash), a Bachelor in any discipline.

### ***2.3.6 Compensation Systems, Rewards & Benefits***

Compensations offered by EXIM Bank:

- |                      |                                      |
|----------------------|--------------------------------------|
| • Finance            | • Insurance Facilities               |
| • Non-finance        | • Education (Scholarship Facilities) |
| • Basic salary       | • Vacation                           |
| • Medical facilities | • Incentives                         |

Rewards: After three years of joining, an employee gets the chance to sit for a promotion exam. They give a reward to the employee of the year.

Benefits:

- Gratuity: An employee receives a gratuity fund as a bonus if they retire or leave their position. Only regular, verifiable employees who have worked for the business for at least seven years are eligible to get it.
- Provident Fund: To the Employees' Provident Fund of the Exim Bank, all permanent verified employees are obligated to contribute 10% of their base pay. An amount defined by the fund's criteria is paid to a member of the fund when they retire or leave their position. The fund's management and investment are under the control of a board of trustees.
- Profit Bonus: Every year, the company awards incentives to its employees depending on its profits.



#### Other Benefits:

- **Bonus for Festivals:** A bonus is provided by Exim Bank on every Pohela Boishakh, two Eid's, Eid-ul-Fitr and Eid-ul-Azha.
- **Leave Benefits:** After 12 months of employment, the provisional period ends. After that employees are eligible for leave benefits.
- **Medical Facilities:** Exim Bank has expanded its medical assistance program to include full coverage for employee and dependent family members' medical costs.
- **LTA (Leave Travel Allowance):** The LTA provision also allows for travel within Bangladesh for employees.
- **Housing Investment Scheme:** A variety of investments are available to meet housing needs or to acquire a two-wheeler/ four-wheeler.
- **Educational Investment Scheme:** In order to further their education in a field related to their professions, employees are also given an education plan.
- **Car Investment Scheme:** Senior executives are qualified to take up to Tk. 1,600,000 as an investment.
- **Maternity Leaves:** Female workers at Exim Bank receive a 6-month paid maternity leave.
- **Sick Leave:** Employees can get up to 14 days of sick leave.
- **Weekly Basis Holiday:** Friday and Saturday as weekly basis holidays.
- **Annual holiday:** Apart from government holidays, employees are entitled to 10 days off every year.

#### ***2.3.7 Training & Development***

Training is the only alternative available for developing human resources. One of the most important tools for enhancing and preparing staff for future issues is training. EXIM Bank places a high priority on providing training to employees so that they may develop their skills and talents and be better prepared to take on new challenges. Since its founding in 1999, the EXIM Bank Training & Research Academy (EBTRA) has been instrumental in building the capabilities of

Human Resources to meet the challenges of globalization while also completing routine business tasks promptly. Exim bank wants its employees to be the best in the business in terms of professionalism, aptitude, and knowledge. By offering up-to-date information on a number of areas, foreign training may greatly help to the development of a learning environment. EXIM Bank assures the caliber of its trainers by requiring them to be passionate, knowledgeable, approachable, etc. There are two different training approaches EXIM uses.

Cognitive method: This approach emphasizes instruction in theory. Like verbal instruction, learning a skill, or brain training.

Behavioral method: With the use of case studies or role plays, this technique gives employees hands-on instruction so they may better comprehend the experience of working in the real world. The employees' skill development is aided by this strategy.

### ***2.3.8 Performance Appraisal System***

The business may determine the employee's strengths and weaknesses with the use of performance appraisal system.

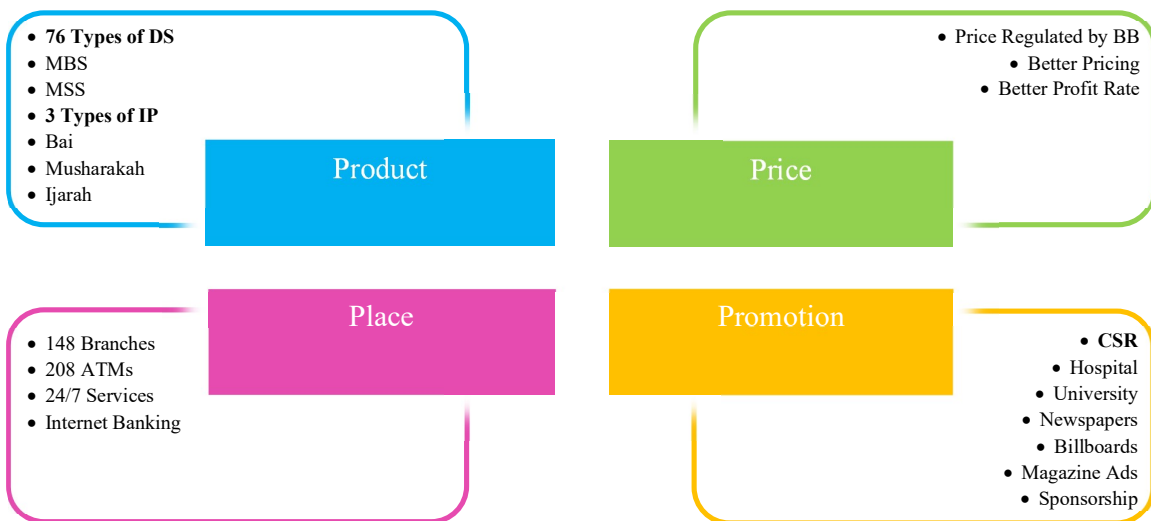
- By using a 360-degree performance evaluation, input is gathered from the co-supervisor, manager, and other coworkers. For an employee's future progress, feedback outcomes are crucial.
- EXIM Bank evaluates each employee's performance annually in order to ensure equity and that everyone gets paid equally. The top performers receive rewards, while those who violate the rules are fired or disciplined.

## 2.4 Marketing Practices

Exim Bank's marketing strategy is created to meet the demands of its clients. This bank places a high priority on providing customers with excellent services and products. Promoting products to customers is done by a marketing team. The bank also lends its support to a number of events for marketing purposes. The image of the company is strongly reflected in this activity. Also considered important marketing tactics are the bank's television and print commercials.

### 2.5.1 Marketing Strategy

I'll be using the 4Ps to discuss Exim Bank's marketing strategy.



**Product:** The Dhanmondi Branch of EXIM Bank offers Shariah-based Islami banking services, including standard general banking and investment products.

Taking deposits is a part of the general banking service to the customers. There are 76 types of deposit schemes available that EXIM Bank offers to its customers. The most popular ones are:

- Mudaraba Term Deposit (Most popular)
- Mudaraba Monthly Savings/Income DS

- Mudaraba Su-Grehini Monthly Savings/Benefit Scheme
- Mudaraba Femina Monthly Savings/Benefit Scheme
- Mudaraba Senior Monthly Savings/Benefit Scheme, etc.

And there are 3 types of major investment products available. They are Bai Mechanism, Musharakah Mechanism and Ijarah Mechanism.

There are many services EXIM Bank provides to its customers. For example, 24-hour ATM booth service, SMS & Internet banking, Islamic Investment (Credit) Cards, Islamic visa cards, locker service, Agri, SME, Corporate Banking, etc.

**Price:** Exim Bank uses aggressive pricing strategies in its marketing mix. Despite being a commercial bank, Bangladesh Bank has strict regulations regarding it. Exim Bank customizes its value-based services in accordance with its clients' perspectives on a local and international level. It takes into account both recent and upcoming economic developments while changing a policy.

**Place:** Exim Bank operates 148 branches, 66 sub-branches, and 208 ATM booths around the nation (including 26 AD branches and 15 branches with locker facilities/service). It offers its customers a 24-hour ATM booth service across Bangladesh. Additionally, they offer internet banking services so that consumers can transfer money whenever and from wherever they want.

**Promotion:** Exim Bank constantly advertises its company through corporate social responsibility (CSR). For examples, EXIM has its own hospital, Exim Agriculture University, and several foot-over bridges. Newspapers, billboards, magazine ads, sponsorships, and other forms of advertising are also used for promotion. Exim Bank strives to benefit society as a whole, particularly customers, employees, shareholders, communities, and the environment, through a variety of CSR initiatives.

### ***2.5.2 Targeting and Positioning***

Exim banks targeted large segments of our society, from the school system to the corporate world. This bank offers a range of services and aims to attract customers from various social strata. This bank provides educational services funding, and scholarships to the students.

The quality and services provided by Exim Bank are of a better caliber. Thus, they concentrate on three segments when it comes to positioning; bank with a focus on customer care, customer orientation, and a particular location.

### ***2.5.3 Marketing Channels***

- Website
- Social Media
- Online Advertising
- Ebooks & Guides
- Mobile Apps
- Sponsorships
- Prints Media
- Partnership

### ***2.5.4 Branding strategy of Exim bank***

Branding strategy is the process of creating a unique identity that acts as the company's most valuable asset. Aspects like brand positioning, brand sponsorship, brand name choice, and brand development must all be taken into account when choosing a brand strategy. Each of the brands has a unique approach for dominating the competition.

Exim bank has a branding team called The Corporate Affairs and Branding Division (CABD).

The following are some branding strategies this team employs:

- For branding purposes, CABD makes use of flyers, billboards, adverts on social media, newspapers, and magazines.

- The makeover of the bank's ATM booths by CABD was the initial stage in the branding process. They create the ATM booths in a way that draws users in while simultaneously ensuring enhanced security, allowing clients to withdraw money in a secure manner. In contrast, maintenance and the replacement of outdated signboards, involves the installation of new equipment. The signboard has been finished by this division.
- A protocol service is also maintained by this team. In order to facilitate future protocol services, CABD keeps positive relationships with Ministries, High Commissions, Embassies, and other organizations. As a consequence, the bank's management and board of directors were granted visas and received special treatment at airports.

### ***2.5.5 Advertising and Promotion Strategies***

Recently, marketing has entered the banking industry, but as an idea in advertising and promotion rather than marketing. Today, marketing is seen to encompass more than just advertisements and friendliness. In the banking sector, advertising is used. If we look over the last several years, we can see that work has expanded significantly. People once had the impression that banks didn't engage in marketing or advertising. However, circumstances have changed, and today's financial sector is thriving in terms of advertising. They use the following techniques for marketing:

- Set goals for advertising.
- Create a platform.
- Pick an amount for expenditure.
- Make a media strategy.
- Finally, evaluate the effectiveness of advertising.

The promotional plan has four elements. Interactive tools and direct marketing are two examples of supplemental tools. Exim Bank, on the other hand, only uses direct marketing and sales promotion techniques. They make use of direct marketing strategies including print advertisements, social media, online & website, and customer reviews. They engage in personal selling in a similar way by educating customers and emphasizing the importance of their brand.

## 2.5 Financial Performance and Accounting Practices

### 2.5.1 Financial Performance

After the COVID-19 pandemic, many companies went bankrupt, many suffered from it. But surprisingly EXIM Bank's performance was quite stable. Here are some of its performances from 2020 to 2022 (3years)

#### 2.5.1.1 Total Assets

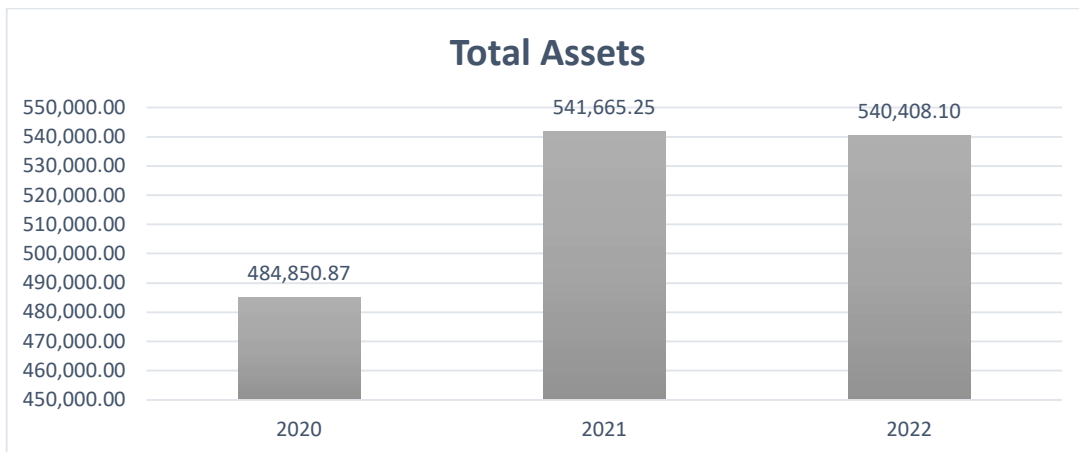


Figure 4 Total Assets (Amount in million Taka)

This graph depicts the total amount of assets gathered by EXIM Bank throughout the course of the year, which includes cash flows, investments, fixed and other assets. As shown in the graph, after the pandemic, the bank recovered quite well. Though the asset of 2022 is a little less than 2021, it is not that much of significant.

### 2.5.1.2 Total Liabilities

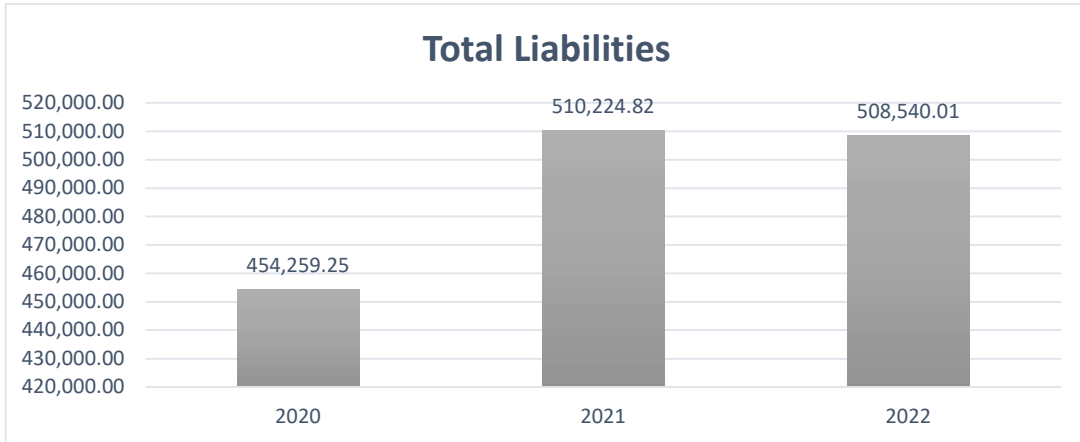


Figure 5 Total Liabilities (Amount in million Taka)

Deposits, borrowings, debts, and other liabilities comprise a bank's liabilities. As their assets grew, so did their obligation, which is limited by their entire assets. The graph shows that as the business was slow due to the pandemic, 2020 transactions were limited and the liability was less than other years.

### 2.5.1.3 Net Profit after Provision and Tax

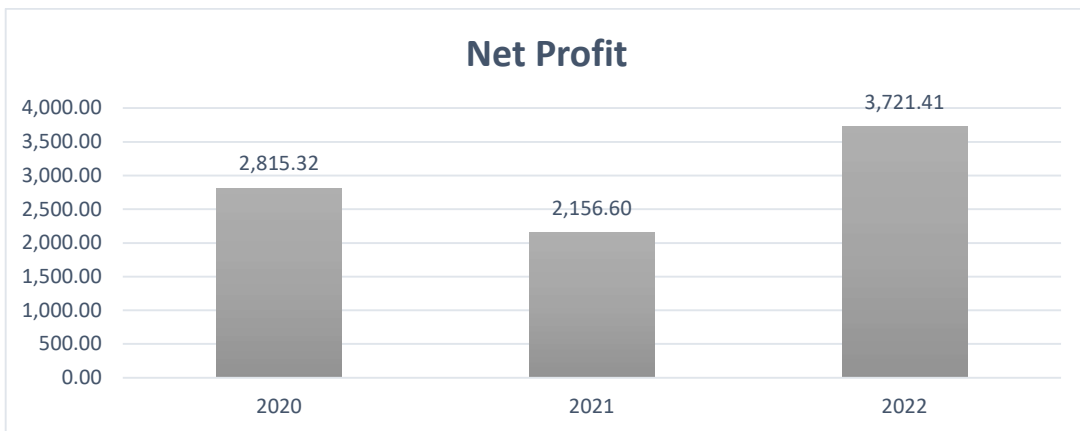


Figure 6 Net Profit after Provision and Tax (Amount in million Taka)

The amount remaining after all costs, liabilities, provisions, and taxes is known as Net Profit after Provision and Tax. The graph shows that the Net profit decreased significantly in 2021 but recovered well in 2022.



### 2.5.1.4 Earnings per Share (EPS)

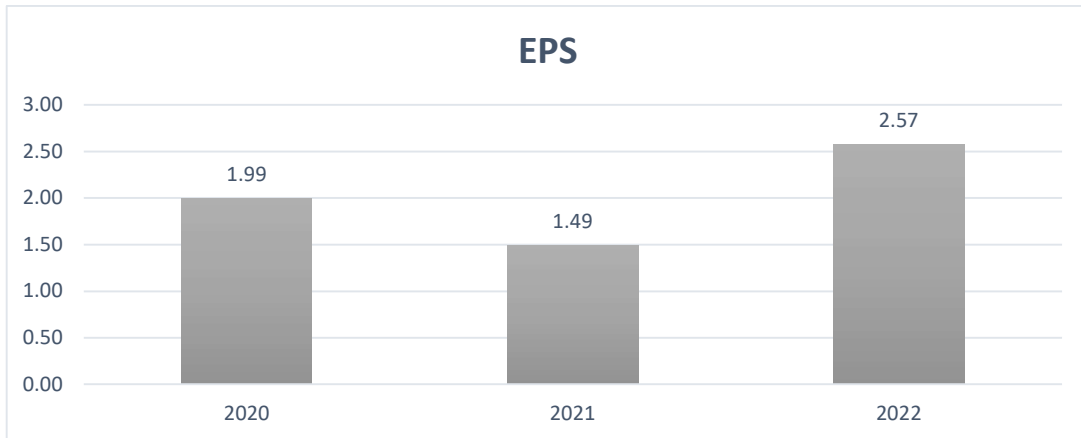


Figure 7 Earnings per Share

Earnings per share is what a corporation earns for each share of stock, and it is more commonly used to evaluate the firm's worth. It seems that as the net profit decreases so does the EPS. In 2021, it decreased TK. 0.59 and increased back again in 2022 by TK. 1.08.

### 2.5.1.5 Return on Equity (ROE) after Tax

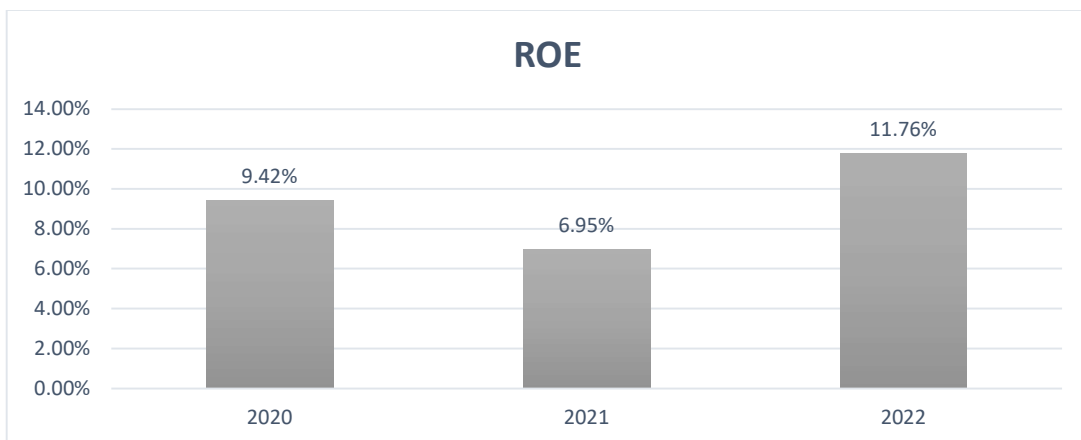


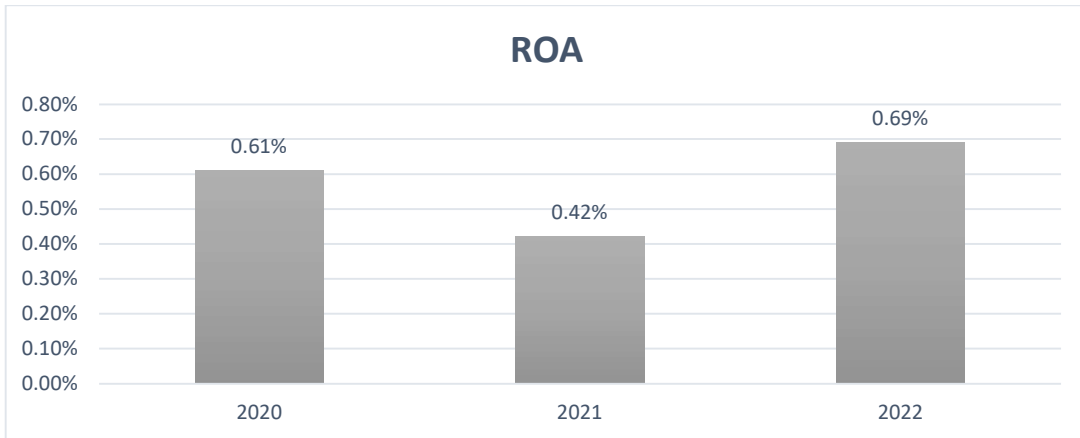
Figure 8 Return on Equity after Tax

$$\text{ROE} = (\text{Net Income} / \text{Average Stockholder's Equity}) * 100$$

ROE is regarded as a measure of a company's profitability and efficiency in producing profits. The greater the ROE, the more effective management is in generating revenue and growth from

equity financing. The above graph shows that EXIM Bank was not effective enough in 2021 compared to 2020 and 2022.

### 2.5.1.6 Return on Assets (ROA) after Tax



*Figure 9 Return on Assets after Tax*

$$\text{ROA} = \text{Net Income} / \text{Average Total Assets}) * 100$$

Return on assets (ROA) is a financial statistic that measures how profitable a firm is in comparison to its total assets. ROA may be used by corporate management, analysts, and investors to measure how effectively a firm uses its assets to make a profit. The graph shows that like ROE, EXIM Bank generated less profit over its assets.

### 2.5.2 Accounting Practices

- EXIM Bank ensures that financial statements are prepared accurately using the accounting principles.
- Each transaction needs to be validated and recorded correctly.
- A report on profit forecasting is produced each month.
- The production of reports occurs annually and quarterly.

- A report on foreign exchange transactions is provided.
- Establishes a cash flow statement.

## **2.6 Operations Management and Information System Practices**

### ***2.6.1 Operations Management***

Operations management generally aids in the more efficient operation of a bank. Here, the board of directors and senior management of the organization have been in charge of monitoring the process. This approach mainly comprises of a few core rules that underpin how the bank operates and provides products to all job sectors. By using this technique, the bank's weaknesses will be found and addressed. The banking activity is overseen by an audit committee. Additionally, higher management often consults with auditors to assess the value of the organization's operational management. The bank's highest administrative level assesses and reports on its operational activities to the board members once a year.

Exim Bank is making a lot of effort to increase its operational effectiveness in order to achieve its objectives and make a sizable profit. The Bank nearly achieved all of its stated goals for the year 2022. Because of the Bank's steadfast dedication to enhancing operational and financial performance while upholding all regulatory requirements, its performance has continued to rise. Additionally, careful security, liquidity, and capital management preserved the Bank's financial stability.

### ***2.6.2 Information System Practices***

- Temenos T24, a highly regarded CORE (Centralized Online Real-time Electronic) banking system, is used by Exim Bank. With the use of this software, they are able to offer a variety

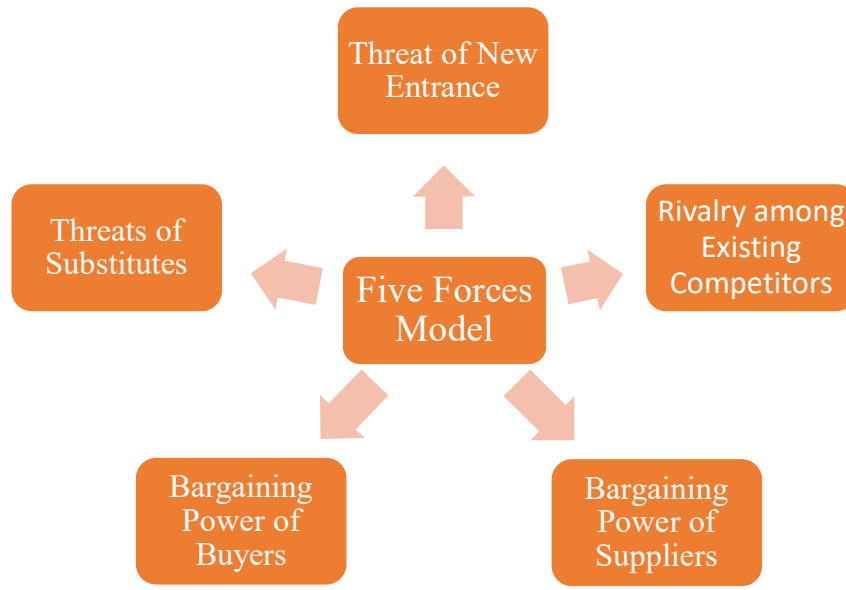
of services to their clients quickly. The SWIFT and CBS interfaces are also used by them. Through the utilization of the Core Banking System (CBS), interface banks can offer a range of services including general banking and investment-related offerings.

- At the moment, Exim bank has 208 ATM booths spread all over the nation. They offer a variety of services through their ATMs, including 24/7 cash out, balance checks, secure financial transactions, and more.
- In EXIM Bank, fund can be transferred through BACH, Cheque, Internet Banking, BEFTN, RTGS, etc.
- The SMS banking service offered by Exim Bank is run on "SMS Banking System Software." Customers may check their bank balance, make reminders for any type of financial activity, and more with these SMS services. They share a network with the Election Commission (EC), which enables them to access client NIDs (National Identity Cards). The bank must confirm the NID number because it is one of the key documents a consumer needs to create a bank account.

## **2.7 Industry and Competitive Analysis**

### ***2.7.1 Porter's Five Forces Analysis of Exim bank***

Porter's Five Forces analysis is the greatest analysis that can be done on any company to determine the firm's market competitive positioning.



*Figure 10 Porter's Five Forces*

**1. Threat of a New Entrance:** The difficulty in carrying out modern banking operations has decreased as a result of technological improvements. Online banking has opened up new distribution channels that aren't only connections. Furthermore, new banks will be able to thrive in the market by utilizing technology to reduce costs and expand product lines. The finest interest rates or services may be chosen by customers from all around the world using this information (sharing profit or loss in the case of Islamic banks). Low switching costs, such as money transfers between banks, are another factor that reduces the entrance barrier. Because it is a government-controlled bank, Exim Bank is thus indifferent to the challenges presented by new competitors. (BRACU, 2008-2023)

**2. Threats of Substitutions:** The banking industry is dealing with an increasing number of acquisitions despite the fact that globalization has led to significant mergers and acquisitions and increased risk from alternatives. The capacity of modern technology to reduce distance, which has historically been a barrier for foreign banks without a network of branches in local markets, is

primarily to blame. There aren't many options, though. In order to reduce the risk of alternatives to the banking system, the government is unable to come up with any innovative savings plans that would appeal to the general public. As a result, Exim Bank offers services that are on par with those of other banks.

**3. Rivalry among Existing Competitors:** For the same group of customers, local and foreign banks are in direct competition with one another. Commercial banks compete with Exim banks for the same market share and clientele, making them direct competitors. Local banks also benefit from a long history of client trust, which gives them an advantage. Because the financial system is so open, copying is simple and local banks quickly imitate their rivals, fostering greater competition.

**4. Bargaining Power of Buyers:** Because the government controls the majority of the market, customers have very little room for negotiation. All of the regulations set forth by the Bangladesh Bank must be followed by every bank. Additionally, there aren't any high switching costs for consumers who choose to leave Exim Bank, and they may easily get banking services from other banks.

**5. Bargaining Power of Sellers:** Technical advancements have increased the bargaining power of suppliers. Suppliers have been pushed by the expansion of telebanking and online banking. While customers look for loans based on the opposite criterion, the lowest interest rate, providers may quickly make money by knowing which bank has the highest rate of interest and depositing their money there. As a result, both the sector's price sensitivity and the number of replacements that are available to depositors have increased.

## 2.7.2 SWOT Analysis

Every bank must do a SWOT analysis to determine the strengths, weaknesses, opportunities, and threats of each of their company. Below is the SWOT analysis of Exim Bank:



Figure 11 SWOT Analysis

### Strengths:

- In the nation's banking industry, EXIM Bank Limited has in fact established a solid reputation. One of the leading commercial banks in Bangladesh's private sector is this one. Deposits and income at the bank have already grown significantly.
- In terms of its financial service, EXIM Bank occupies a strong leadership and managerial position. The chairman of the board of directors, Mr. Md. Nazrul Islam Mazumder, is a successful businessman.
- A vibrant corporate culture exists at EXIM Bank. The working environment is warm, lively, and friendly for both the personnel and the customers. This company's culture is an example.
- EXIM Bank Limited has already experienced significant growth. Deposits, investments, and foreign trade advances are all rapidly growing in bulk.

- EXIM Bank is known for offering its customers first-rate services and offers. They have a working atmosphere that strongly encourages employees.
- The Exim Bank is renowned for its training programs. Employees benefit from their training by developing skills that are useful for the company.

**Weakness:**

- There are too many positions in the hierarchy to climb by promotion.
- EXIM Bank has to prioritize the promotional industry more. They must put in place a forceful marketing plan.
- The bank failed to provide a strong, high-quality recruitment program for entry-level and certain mid-level positions. As a result, it appears that the bank's services are not operational right now.

**Opportunities:**

- Private Banks have lately made significant market entry. EXIM Bank needs to diversify its services and product offerings to stay afloat in this cutthroat market. For instance, they are able to provide credit card services to their top clients.
- To lower business risk, EXIM Bank must broaden its business portfolio. The management group may look at starting up commercial banking or branching out from the leasing and insurance industries.
- For corporate clients or executives earning more money than the service holder, they could develop a special corporate plan. They could simultaneously provide a plan or a loan for different service users. The system should also be divided up according to profession, such as engineers, lawyers, and doctors.



- In order to make sure that the compensation they are giving is competitive, outside wage surveys can be carried out.

**Threats:**

- One of the major concerns is competition. As there are so many rivals, EXIM Bank must continually review their HR plan and policies in order to draw in the best candidates. Moreover, prevent present workers from quitting.
- Employee motivation is threatened by the subpar compensation packages for employees in semi- and lower-level roles. High-caliber employees left the company as a result, which had a detrimental effect on the organization as a whole.
- We are all aware of how unstable the political climate is in our nation. So they should be careful while creating rules. (BRACU, 2008-2023)

## **2.8 Summary and Conclusions**

Economic prosperity depends on the bank's role in organizing financial capital. EXIM Bank also aids in improving the nation's economic standing. EXIM Bank Limited has been in operation effectively for the last 24 years. They are doing many corporate social responsibilities like a foot over bridge, Exim agricultural university, hospital, social campaign, and so on. By introducing fresh products and services, EXIM Bank keeps up with market changes and customer requests by utilizing a range of techniques and new initiatives. Additionally, their services are of exceptional quality. They also maintain a positive workplace culture and a strong network of contacts, allowing for simple communication among all personnel. In a market that is competitive, EXIM Bank has a strong position. It is one of the banks with the quickest expansion. Once more, the

bank's management committee provides excellent customer service. The financial performance of the bank is excellent.

## **2.9 Recommendations/Implications**

One of the major private banks in Bangladesh, Exim Bank, is successfully managing its operations. However, there are several things I believe they should alter. Here are some examples:

- Exim Bank's IT system needs to be upgraded since occasionally their software performs slowly.
- To promptly address consumers' issues, customer care services should be more proactive.
- I would suggest that Exim Bank step up its marketing initiatives.
- They ought to plan additional marketing initiatives so that people may learn about their new offerings.
- Update your website with more and latest information.

## **Chapter 3**

### **Project Part: (Understanding the Procedure of General Banking EXIM Bank, Dhanmondi Branch)**

#### **3.1 Introduction**

##### *3.1.1 Background/Literature Review*

A nation's economy is mostly supported by its banks. Therefore, a commercial bank may be described as a profit-making organization that holds the deposits of individuals and businesses in savings and current accounts before using this money to create investments/loans. EXIM Bank's current primary means of conducting its financial operations include general banking, investment, export, and import activities. A bank is one of the safest places to protect a customer's valuables. If a customer wants to transact, deposit, need a loan, keep safe their valuables, transfer money, or bring money from a foreign country, s/he needs to go through the GB. So General banking is the head of all transactions. In GB, a customer can open an account, transfer funds, receive funds, deposit in their account, close an account if necessary, and many more. Every activity needs to go through a specific procedure. Understanding the procedures of general banking is important because when an employee wants to perform his/her best service to the customers, s/he needs to know how things are done. An employee needs to know the procedures in order to give the best customer services, help the organization grow, for risk management, to understand a customer's need, to resolve any problem, for operational efficiency, etc. A customer/audience needs to know because knowledge can empower them, free them from any risk and confusion about general banking activities, help them with financial planning and effective communication with officers and other employees. EXIM Bank is very customer-friendly and customer-focused. So, their general banking practice is very fascinating.

### **3.1.2 Objectives**

The primary goal of this study is to learn about EXIM Bank's financial activities in the General Banking department and its procedures.

#### **The specific goal of the study:**

- To learn about the difference between conventional and Shariah-based bank.
- To learn about various procedures of GB activities in details.
- To provide some recommendations for the improvements.

### **3.1.3 Significance**

This study will provide a clear picture of GB activities of EXIM Bank, Dhanmondi branch. There will also be a few ideas and recommendations, which will add to the study's relevance.

## **3.2 Methodology**

### Source of Information

#### 1. Primary Source/Data:

Information collected by talking to my organizational supervisor, manager, mentors, and other officers.

#### 2. Secondary Source/Data:

From EXIM Bank website, professional documents, and other financial websites and journals.

### 3.3 Findings and Analysis

#### 3.3.1 *Difference between Conventional and Shariah-based Bank*

As all Muslims know that Interest (Riba) is Haram and our country, Bangladesh has over 90% of its people are Muslims. Why? The Arabic term "Riba," which meaning "to increase" or "to exceed," is frequently used to allude to unfair trades or borrowing fees and penalties. Interest is considered Riba, or an exploitation, unfair gain, and is thus against Islamic law. That's why there are more and more of the Shariah Based banks are rising.

The difference between Conventional and Shariah-based Bank are given below:

(CB Stand for Conventional Banks and SBB stand for Shariah-Based Banks)

Interest vs PLS	<ul style="list-style-type: none"><li>• Interest Based (CB)</li><li>• Profit-and-Lose Based (SBB)</li></ul>
Risk and Profit Sharing	<ul style="list-style-type: none"><li>• No Risk Bearing (CB)</li><li>• Bear Risk of Customer (SBB)</li></ul>
Ethical and Moral Guideline	<ul style="list-style-type: none"><li>• No Ethical or Moral Standard (CB)</li><li>• Does have Ethical and Moral Std (SBB)</li></ul>
Asset-Backed Financing	<ul style="list-style-type: none"><li>• Provide Unsecure Loan (CB)</li><li>• Minimizes Risk by Collateral (SBB)</li></ul>

*Figure 12 Difference between Conventional and Shariah-based Bank*

### **1. Interest (Riba) vs. Profit-and-Loss Sharing (PLS):**

CB: Typical operations of conventional banks involve the charging and payment of interest on loans and deposits under an interest-based system. Interest is a fixed return that is predefined.

SBB: Since it is against Islamic financial law to charge or pay interest (Riba), Shariah-based banks refrain from engaging in interest-based transactions. They instead use a profit-and-loss sharing (PLS) business model. Based on a pre-determined profit-sharing ratio, the bank and the consumer split the profit.

### **2. Risk and Profit-Sharing:**

CB: In conventional banking, the risk of the loan is bear by the borrower, and interest is paid to the bank whether the borrower is successful or unsuccessful.

SBB: Shariah-based banks share their clients' risks and earnings with them. The bank and the client split any losses that result from a financed project or investment.

### **3. Ethical and Moral Guidelines:**

CB: Beyond legal compliance, conventional banks do not have any explicit ethical or moral standards.

SBB: Shariah-compliant banks conduct business in accordance with strict moral and ethical standards inherited from Islamic law. They refrain from supporting businesses associated with gambling, alcohol, and pork/pig-related products, all of which are viewed as prohibited in Islam.

### **4. Asset-Backed Financing:**

CB: Conventional banks frequently make loans available without requesting any underlying assets as security or collateral. The possibility of unsecured lending exists.

SBB: Shariah-based banks frequently demand assets or collateral as security for loans. Islamic finance places a strong emphasis on asset-backed lending to minimize risk and make sure that funds are invested in real estate or productive business ventures.

### ***3.3.2 Elements of General Banking***

Dhanmondi Branch's general banking activities consist of the following departments.

1. Opening of Account Section (closing included)
2. Foreign Remittance Section
3. Clearing Section

#### **3.3.2.1 Opening of Account Section:**

The primary entry point for a bank & a client into a business is the opening of an account. Customer connections with bankers are mostly built on this foundation. This is one of a branch's most important components since it allows the bank to mobilize investment capital by creating accounts. At this moment an account is opened, and different criteria, rules, and reports are received. By using this sector, a customer can open several types of accounts. Such as:

1. Current Account
2. Savings Account
3. Fixed Deposit Schemes (FDR)
4. Monthly Income Schemes (MIS)
5. Monthly Benefit Schemes (MBS)
6. Monthly Savings Schemes (MSS), and so on.

In this report, I am going to describe the procedure of savings account.

**Savings Account: Mudaraba Savings Deposit (MSD)**

Under the Mudaraba guidelines of Islamic Shariah, Mudaraba savings accounts (MSD) are available. Mudaraba saving accounts are created especially for non-trading clients who may have some savings due to a low volume of transactions. More than one individual may create and manage a Mudaraba savings account. A guardian may open a Mudaraba savings account on behalf of a minor. The account generates an expected temporary profit every half-year.

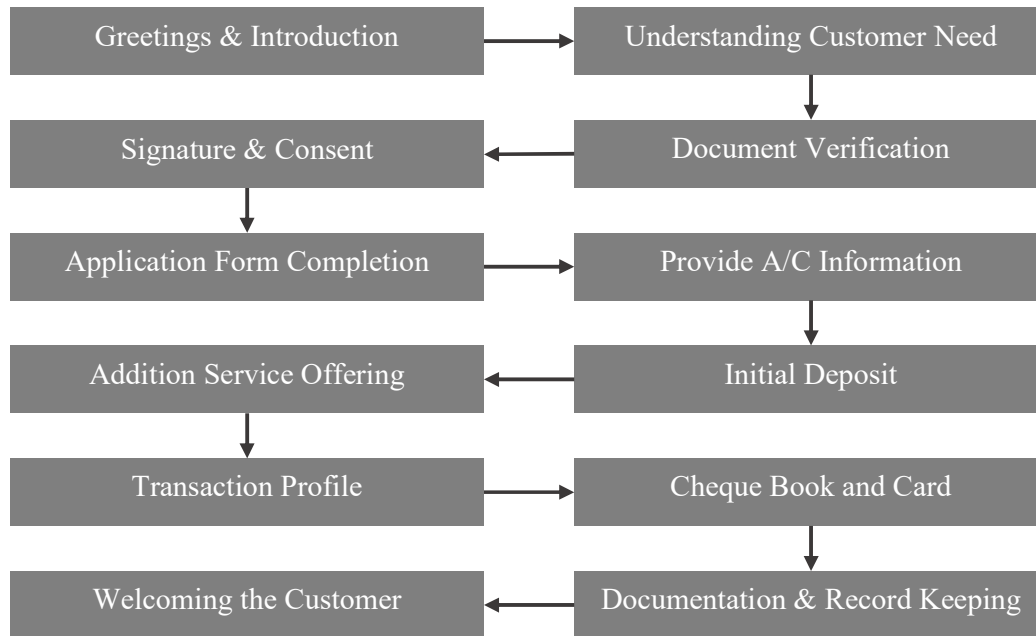
**Main Features:**

- |   |   |
|---|---|
| 1. Attractive provisional rate of profit              | 2. Minimum initial deposit is Tk.1000.00      |
| 3. Half-Yearly account statement                      | 4. Cheque book facility                       |
| 5. Debit card Facility with limited withdrawal        | 6. Salary crediting facility                  |
| 7. Free ATM Cash withdrawal from all ATM of EXIM Bank | 8. SMS Banking for statement/Balance checking |
| 9. Profit will be calculated on monthly basis         | 10. Fund transfer facility                    |

**Required Documents:**

1. Completed account opening form duly signed by account holder. (EXIM Bank, 2019)
2. 02 copies of passport size photographs of every operator and 01 copy of Nominee/s duly attested/signed by operator/s.
3. Photographs of National ID Card/Passport/Chairman certificates/Birth Certificate of operator/s and nominee/s.
4. Recent utility bill/card copy with address (Electricity/Water/Gas/Telephone bill)
5. Proof of Employment or Income (employment/student card or employment letter/certificate)
6. Optional: TIN/Tax return copy, BIN (for organizations)





*Figure 13 Process of Opening Account*

**Complete Procedure:**

1. Greeting and Introduction: When a customer enters the bank and approaches to the officer, for open a savings account, officers greet them warmly and introduce themselves as who will assist them.

2. Understanding Customer Needs: One of the officers engage in a conversation with the customer to understand their financial goals and needs. Officer then asks questions to determine the need of a customer for opening the account.

3. Document Verification: Request the customer for their 02 copy of passport-sized photo and identification documents (such as birth certificate, NID, passport) and proof of address (utility bill, rental agreement). Then the officer verifies the documents according to the bank’s KYC (Know Your Customer) procedures through e-KYC. The customer also asked to provide his/her nominee/s 01 copy of each photo and documents (such as birth certificate, NID, passport)

3.1 Procedure of e-KYC:

Step 1. On the portal, enter NID number, Date of Birth (DOB) and collect fingerprint form the customer. If all matches, goes to the next steps.

Step 2. Fill up all the customer's personal information. Next

Step 3. Capture or upload customer's photograph. Next

Step 4. Take customer's signature (either wet or electronic or digital signature). Next

Step 5. After completion of all the processes, the customer will get a PIN code to their number. Upon entering the code into the system, the process completes and the customer gets a notification of the completion.

(Features of e-KYC: E-KYC is a combination of paperless customer onboarding, promptly identifying and verifying customer identity, maintaining KYC profile in a digital form and determining customer risk grading through digital means. It is a faster process of doing KYC of customer verifying his/her identity document or bio-metric data. E-KYC also help verifying the customer with money laundering and OFAC & UN sanction. So, no need to verify NID and anti-money laundering.)

4. Signature and Consent: For assurance, officers take signature while completing the application form. There is a signature card included in the form for customer's sign verification in the future. So, officer ask the customer for their sign on various places on the form while filling up the form.

5. Completing the Application Form: There are many types of customers come in to open account (such as literate and illiterate). Officer provides the customer with the savings account application form, assist them in filling out the form, ensuring accuracy and completeness.

6. Providing Account Information: After completion, officer generates a customer number for the bank's use and data entry all the information according to the form and generate an account number for both customer and bank's use. This account number is used for all the transactions. So, customers are asked to use their correct name and the account number for all the transactions.

7. Initial Deposit: After the providing the account number, the customer is asked to fill-up the deposit form to deposit the initial for opening the account. The minimum initial amount is Tk.1000.00. Then the customer deposit the amount with the payslip at the cash department.

8. Offer Additional Services: Depending on the customer's requirements, the officer discuss additional services such as online banking, SMS banking, debit cards, mobile app access, and e-statements and explain the benefits of these services.

9. Transaction Profile: After that the officer ask the customer for their transaction over a month. According to that, officer fill-up the Transaction Profile (TP). A customer cannot exceed the Transaction Profile's limit unless s/he ask the bank to increase it. There are two categorized 3 profiles in TP. Deposit and withdraw with the maximum number of transactions, monthly total maximum amount of transaction and one-time maximum transaction.

10. Cheque Book, Card and AISER: After the opening process is done, one cheque book is issued for the customer with 20 pages. The ATM card is optional for the customer, if s/he wishes not to take it. AISER also optional. It stands for "Access IBanking with Secured and Easy Rationale", normally it is the internet banking service that is accessed by their mobile app.

11. Welcoming the Customer: The officer then thanked the client for choosing to create an account with the bank. Offer support for any future questions or banking requirements.

12. Documentation and Record-Keeping: Ensure that all required paperwork, forms, and signatures are correctly documented and filed in accordance with bank regulations.

The above procedure of opening Savings Account is maintained by the EXIM Bank, Dhanmondi Branch.

### 3.3.2.2 Foreign Remittance Section:

A remittance is a transfer of funds from one party to another. A remittance is broadly defined as any payment of an invoice or bill. However, the phrase is most commonly used nowadays to refer to a quantity of money sent home by someone working overseas to their family. (MURPHY, 2022)

EXIM Bank now bring remittance from UK and Canada directly without any third-party media. Exim Exchange Company (UK) Ltd has received clearance from the central bank to issue an overdraft credit in the amount of five lakh pounds to Export Import (Exim) Bank of Bangladesh Limited. (The Daily Star, 2023)

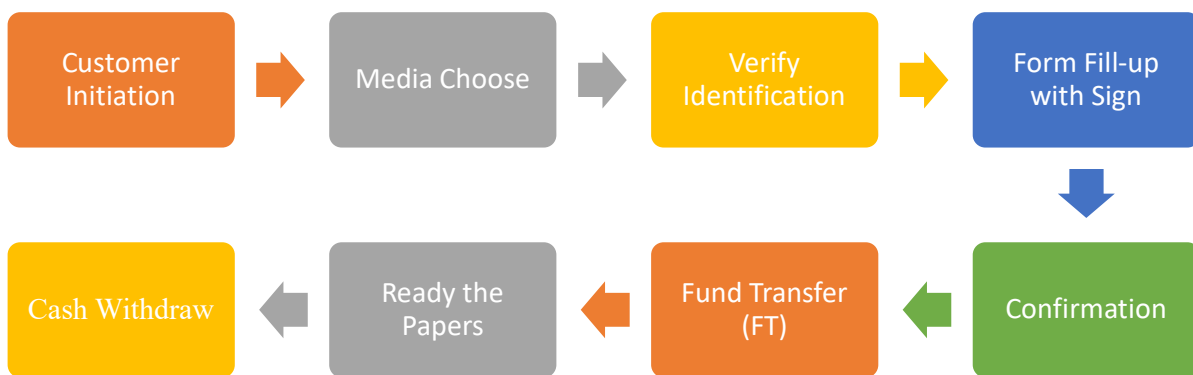


Figure 14 Remittance Process

#### Foreign Remittance procedure

1. Customer Initiation: The process begins when a customer visits the bank with a foreign remittance request.
2. Chosen Media: The customer is asked for the media the remittance is came with. EXIM Bank, Dhanmondi branch receives only from Western Union, Money Gram, and RIA Money Transfer.
3. Identification and Verification: Request valid identification documents, such as a passport or national ID card, to verify the recipient's identity. This step is required for anti-money laundering (AML) and Know Your Customer (KYC) requirements compliance.

After verification, print the NID verification and UN Sanction for anti-money laundering verification.

4. Remittance Form Fill-up with Signature: Customer is asked to fill-up the remittance form correctly with signature.

5. Confirmation of Remittance & Work in Remittance Portal: Check the notification supplied by the sender or their bank to confirm the specifics of the incoming transfer. Check that the information corresponds to the bank's records and the beneficiary's account information. The officer collects the MTCN number from the receiver that is sent by the sender. In the remittance portal, the number is checked, whether the remittance has arrived or not. If it arrives, the officer prints the money receipt with the details of both parties.

6. Fund Transfer (FT): If all the details are valid and correct, the receiver will get two FTs. One is the main Amount and another is an incentive of 2.5%. As the remittance is a foreign currency, the customer will get the current exchange rate.

7. Ready the Papers: Write a debit voucher, with the signature of the customer at the back and attach the verification papers (point 3) with the voucher and give it to the customer. Then s/he will submit the papers to the cash, and receive his/her cash.

The above procedure of Foreign Remittance is maintained by the EXIM Bank, Dhanmondi Branch.

### **3.3.2.3 Clearing Section:**

Clearing is a mechanism through which a bank may gather cash from one bank to another via a clearing house. The clearing house is essentially a site where various bank personnel collect and deliver checks to other banks. Scheduled Banks are banks that are members of the clearing house, and it is their responsibility to identify and clear the various banks' checks, according to Article

37(2) of the Bangladesh Bank Order. Bangladesh Bank primarily operates the clearing house in Dhaka, Chittagong, Khulna, Rajshahi, and Bogra, among other places. If there are no Bangladesh Bank branches, Sonali Bank will oversee the responsibilities and operations. Furthermore, the primary goal of the clearing sector is to run financial instruments such as Payment Order, Demand Draft, Cheques, and so on with safety and security of monetary transactions for the benefit of customers through Bangladesh Bank Clearing House, OBS, and IBC. (Assignment Point, 2023)

Types of Clearing: Outward Clearing and Inward Clearing

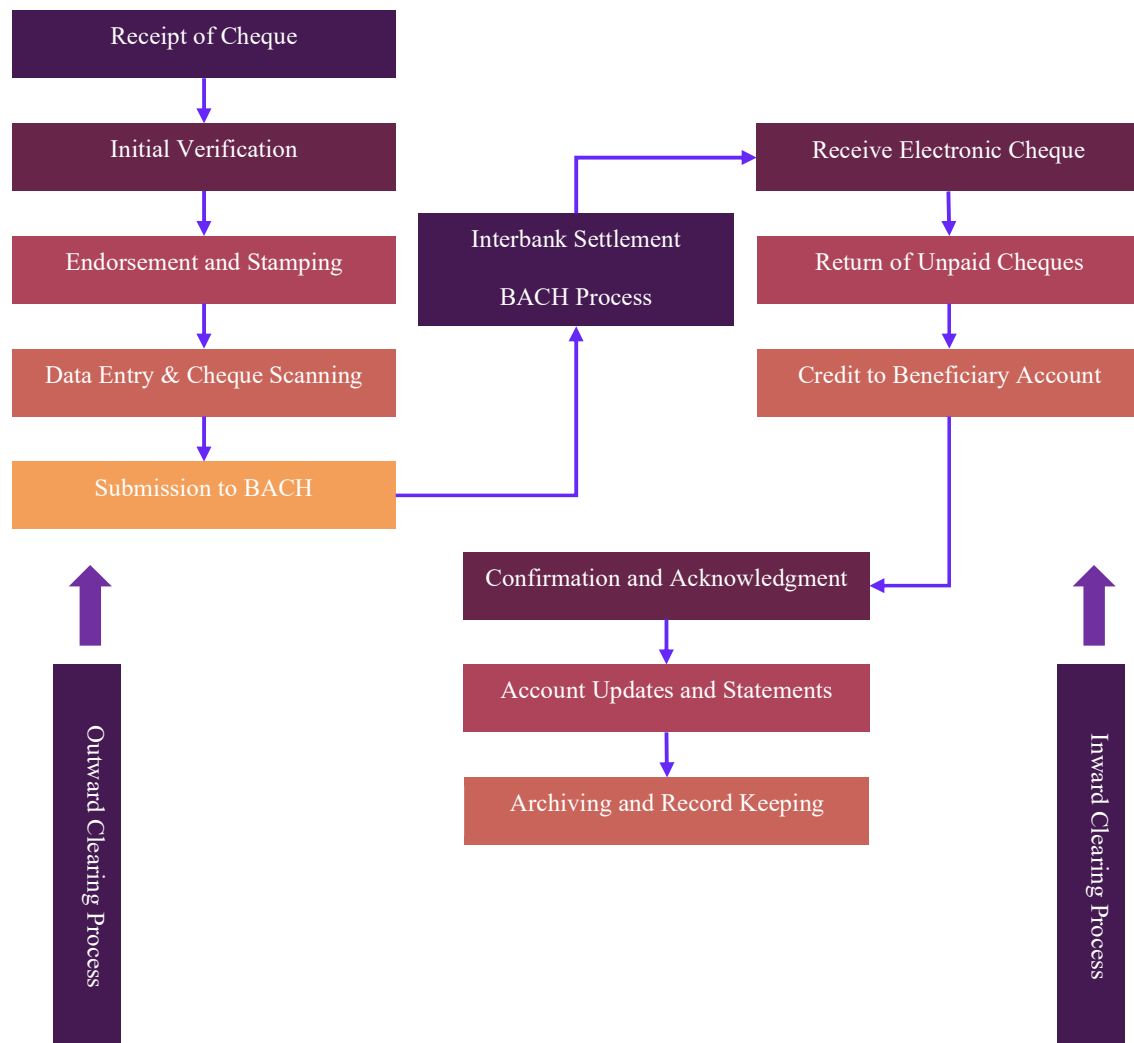


Figure 15 Process of Clearing

**Process:**

1. Receipt of Cheque: The process begins when a customer drops/gives a cheque to an officer from clearing section.
2. Initial Verification: The cheque must be crossed cheque and “A/C Payee Only”. After receiving it, the officer will perform an initial verification. This includes checking whether the date is post-dated or out-dated (180 day’s validity of a cheque), whether the signature is present, whether the numeric and word amount match, whether the cheque is torn, and other essential details on the cheque to ensure it is properly filled out.
3. Endorsement and Stamping: If everything goes well, the officer stamps the back of the cheque with endorsement, to indicate the cheque has been received and accepted by the bank for clearing.
4. Data Entry & Cheque Scanning: The account numbers, cheque numbers, and transaction amounts of the check are entered into the bank's computer system. The actual cheque is converted into an electronic picture by scanning it. This digital picture will be processed and archived further.
5. Submission to BACH: After scan, the scanned copy is sent to the Head Office (HO) and the HO sorts the scanned cheques into batches based on the bank on which they are drawn and prepares these batches for submission to the Bangladesh Automated Clearing House (BACH). The bank sends batches of cheques to BACH electronically. In Bangladesh, BACH operates as a centralized clearinghouse for electronic cheque clearing and settlement.

**BACH:** Bangladesh Automated Clearing House (BACH) is a computer network-based clearing and settlement system that allows Participating Banks to trade electronic bank instruments. (Sultana, 2023)

Four types of operations. (a) Bangladesh Automated Cheque Processing Systems (BACPS); (b) Bangladesh Electronic Funds Transfer Network (BEFTN); (c) National Payment Switch

Bangladesh (NPSB); and (d) Real Time Gross Settlement System (RTGS). (Bangladesh Bank, 2023)

6. Interbank Settlement: Based on the cheques submitted, BACH calculates the net amount owing to each bank and clears the settlement between banks' accounts at the central bank. After that, the scanned cheque is sent to the designated bank for further verification.

7. Return of Unpaid Cheques: If a cheque is dishonored due to insufficient funds, a stop payment request, an invalid cheque number, a closed account, irregular signature, duplicate cheque, or other reasons, it is marked as "unpaid" in the system, and the presenting bank is notified electronically.

**Items** collecting bank officers' check after getting the scanned cheque: special crossing by presenting bank, cheque number, branch routing number, account number, transaction code, date, signature, amount figure and word, account balance, and many more.

8. Credit to Beneficiary Account: Once the clearing process is completed successfully, the beneficiary's account at the presenting bank is debited, and the beneficiary's account at the paying bank is credited with the cheque amount.

9. Confirmation and Acknowledgment: BACH sends electronic confirmation and acknowledgment of the clearing and settlement to the banks, ensuring that the transaction has been completed successfully.

10. Account Updates and Statements: The presenting bank updates the account holder's transaction records, and the cleared cheque appears in the account statement.

11. Archiving and Record Keeping: For audit, compliance, and reference purposes, both the presenting bank, BACH, and the collecting bank keep records of all cleared cheques.

The above process of clearing section is maintained by the EXIM Bank (and other banks also).

This process also rotated or vice versa for another bank.



### **3.4 Summary and Conclusions**

There are not a whole lot of Islamic banks out there in Bangladesh. Nonetheless, Islamic or conventional, all the banks compete for one thing, to be at the top and get the most profit with their business. EXIM Bank is no exception. It is one of the tops, not on the top. There are always new entries in the banking sector. The competition also getting tougher. As a result, while the main product is the same for all banks, they must stress their supplementary product, pricing, as well as the physical manner and operations. Finally, it can be stated that Islamic banking has a bright future in Bangladesh, and a bank like EXIM Bank has the potential to become an icon in the country's financial industry.

The internship program's major goal is to absorb information through real-world experience and to compare this practical understanding with academic knowledge. My internship has barely lasted one month. Due to personal challenges, I recently joined Exim Bank. As a result of the short time available during the internship term, I was unable to get deeply into each activity of the Exim Bank department. As a result, the fundamental motto and objectives of the internship term have not yet been fully satisfied. However, I have given my all and made every attempt to achieve the main goal and aim of the internship program.

### **3.5 Recommendations/Implications**

One of the major private banks in Bangladesh, Exim Bank, is successfully managing its operations. However, there are several things I believe they should alter. Here are some examples:

- Exim Bank's IT system needs to be upgraded since occasionally their software performs slowly.
- To promptly address consumers' issues, customer care services should be more proactive.

- I would suggest that Exim Bank step up its marketing initiatives.
- They ought to plan additional marketing initiatives so that people may learn about their new offerings.
- Update your website with more and latest information.
- Increase the effectiveness of the employee and efficiency of work by upgrading office computers and increasing other equipment, like printers.
- Decrease the time for a requisition for an equipment.

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