

Internship Report on
Relationship between macroeconomic indicators and investment
performance of EXIM Bank Ltd.

By

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19104110

An Internship report submitted to the BBS department, in partial fulfillment of the requirement
for the degree of Bachelor of Business Administration (BBA)

BRAC Business School

BRAC University

June,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/We have acknowledged all main sources of help.

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Letter of Transmittal

Abu Saad Md. Masnun Al Mahi, PhD

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66 Mohakhali, Dhaka-1212

Subject: Submission of Internship report on “Relationship between macroeconomic indicators and investment performance of EXIM Bank Ltd.”

Sir,

I have prepared an internship report titled "Investment and the relationship between macroeconomic indicators and EXIM bank investment performance" for my Bachelor of Business Administration (BBA) degree, which I am submitting for your review. The report is a reflection of my work there for 3 months. During the preparation of this report, I studied relevant documents, data, and information, and gained practical knowledge. I tried to find some insights from the company data & identify few improvement segments. Additionally, I tried to suggest few refinements from my research & analysis from the report. It is my pleasure to share this report with you for your kind perusal.

I pray and hope that any error in the report will be politely exuberated. Finally, I would like to ask for your consideration in reviewing this report.

Sincerely yours,

Md. Tasin Afridi

ID No.: 19104110

Program: BBA

Major in Finance School of Business, BRAC University

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 Ltd. and Md.Tasin Afridi at BRAC University.

Acknowledgement

All praise and thanksgiving are owed to Allah., the all-merciful and all-gracious, for granting me the determination and capability that was necessary for me to finish this report. The completion of this report was made possible by the helpful guidance and direction provided by my academic supervisor & co-supervisor, Abu Saad Md. Masnun Al Mahi, PhD. & Dr. Sayla Sowat Siddiqui.

Sincere appreciation goes to Mrs. Monoura Begum, my organization's supervisor, for her direction, ongoing assistance, inspiration, and vital counsel that I relied on extensively while writing this report.

I am grateful to Md. Abu Azad Mohibul Feroz, EXIM Bank's Manager of Elephant Road branch, for allowing me to work as an intern at EXIM Bank Limited.

I convey my special thanks to Mr. MD. Moniruzzaman A.O (Investment), Mr. MD. Mahmuddul Islam Rafat A.O (General Banking), Ms. Fatematuj Zohora Shanta A.0 (General Banking) and Mr. Ikbal Ehsan, The EXIM Bank's S.A.V.P. and Investment Manager, who provided me with a great deal of helpful guidance, direction, and background information during my internship. I am also grateful to the other EXIM Bank Elephant Road branch Dhaka employees for their enthusiastic assistance.

Finally, I would like to express my appreciation to my family, including my mom, my sisters, and my instructor. Without their help, I never would have been able to fulfil my academic potential.

Executive Summary

Export Import Bank Limited is one of the top commercial bank in Bangladesh. On August 3, 1999, it became an established under Bangladesh Bank standards.

Through constant development, the bank achieves excellence at all levels. Strategic planning and networking will help the bank compete in this fast-changing market.

This study evaluates Export Import Bank Limited's investment techniques and the influence macroeconomic factors have on them. In this report, both primary and secondary data have been used to visualize the impact of macroeconomic factors like GDP, unemployment, annual exports and imports, and the inflation rate on EXIM Bank's investment performance. The report illustrates EXIM Bank's performance using various graphs, charts, and tables. Lastly, the identified influences on the bank's performance have been sorted with a few suggestions.

In conclusion, my research sought to demonstrate Export Import Bank of Bangladesh Ltd.'s investment and investment operations and grasp the internship program's key components.

Despite its flaws, this report should help you understand EXIM Bank Ltd.'s investment activity.

Table of Contents

Declaration:.....	2
Letter of Transmittal	3
Non-Disclosure Agreement	4
Acknowledgement	5
Executive Summary	6
List of Tables	11
List of Figures	13
Acronyms	15
Chapter -1.....	16
1.1 Student Information	17
1.2 Introduction.....	17
1.3 Internship information	19
1.3.1 Internship period, company name, division or department, location	19
1.3.2 Field Supervisor’s Information.....	19
1.4 Job Scope: Job Responsibilities	19
1.5 Internship outcomes	20
1.5.1 Contribution to the Company	20
1.5.2 Benefits to Me	21
1.5.3 Challenges/Obstacles.....	22

1.5.4 Recommendations	23
Chapter -2.....	25
Organization Part	25
2.1 Company Overview	26
2.2 HISTORY OF EXIM BANK.....	27
2.3 Capital of EXIM Bank Ltd	27
2.4 Corporate Information (EXIM BANK) At a Glance	28
2.5 Company Analysis	29
2.5.1 Company Vision.....	29
2.5.2 Company Mission.....	29
2.5.3 OBJECTIVES.....	30
2.5.4 CORPORATE CULTURE.....	30
2.5.5 Organizational Structure of EXIM Bank Limited	31
2.5.6 Organism of Head Office	32
2.5.7 Organism of Elephant Road Branch.....	32
2.5.8 Divisions and departments of EXIM Bank Ltd.....	33
2.5.9 PRODUCT & SERVICES.....	33
2.5.10 CAPITAL AND RESERVE FUND.....	36
2.6 Financial Practice & Performance of EXIM Bank Ltd.....	37
2.6.1 Dividend position of the bank	37

2.6.2 Performance of EXIM Bank Ltd.	38
2.6.3 Financial Ratio Analysis of EXIM Bank Ltd	39
2.6.4 CAMELS rating approach	45
2.7 Strategical Test of EXIM Bank Ltd.	50
2.7.1 SWOC ANALYSIS	50
2.7.2 Porter’s 5 forces model of EXIM Bank Ltd.	53
2.7.3 Winning Strategy Test	54
2.8 Marketing Practices and Strategy	55
2.9 Summary & Conclusion.....	57
Chapter -3.....	58
3.1 Introduction.....	59
3.1.1 Literature review.....	61
3.1.2 Research Objectives	Error! Bookmark not defined.
3.1.3 Research questions	Error! Bookmark not defined.
3.1.4 Significance	63
3.2 Research Method	64
3.2.1 Research Design	64
3.2.2 Working & data collection	64
3.2.3 Type of research	64
3.2.4 Data Collection	65

3.2.5 Data sorting or analysis	65
3.3 Findings and Analysis.....	65
3.3.1 Findings	65
3.3.2 Analysis	74
3.4 Recommendation	79
Summary & Conclusions	81
References.....	83

List of Tables

Table 1: Division & Departments of EXIM Bank Ltd.....	33
Table 2: Products of EXIM Bank Ltd.....	34
Table 3: Dividend position of EXIM Bank Ltd. by years.....	38
Table 4: Annual financial performance of EXIM Bank Ltd.....	39
Table 5: Earnings per share Ratios of EXIM Bank.	40
Table 6: Net Interest Margin Ratios of EXIM Bank.....	40
Table 7: Stock Price trend of EXIM Bank.....	41
Table 8: Capital Adequacy ratio of EXIM Bank.	42
Table 9: Return on Asset of EXIM Bank.....	43
Table 10: Return on Equity of EXIM Bank.....	43
Table 11: Non performing loan of EXIM Bank.....	44
Table 12:Capital adequacy of EXIM Bank.....	45
Table 13: Asset quality of EXIM Bank.	46
Table 14: Management of EXIM Bank.....	46
Table 15: Earning of EXIM Bank.....	46
Table 16: Liquidity of EXIM Bank.....	47
Table 17: Sensitivity of EXIM Bank	48
Table 18: CAMELS RATING OF EXIM BANK of EXIM Bank.	48
Table 19: Working timeline & departments of EXIM Bank Ltd.....	64
Table 20: GDP of Bangladesh by Years.	66
Table 21: Inflation Rate of Bangladesh by Years.....	67
Table 22: Unemployment Rate of Bangladesh by Years.....	68

Table 23: Export size of Bangladesh by Years	69
Table 24: Import size of Bangladesh by Years	70
Table 25: Interest rate of Bangladesh by Years	71
Table 26: Investments of EBL by years.....	72

List of Figures

Figure 1: Logo of EXIM Bank Bangladesh Ltd	26
Figure 2 : Paid up capital of EXIM BANK Ltd.....	28
Figure 3: Head Office structure	32
Figure 4: Elephant road branch Office structure.....	32
Figure 5: Earnings per share graph.	40
Figure 6: Net Interest Margin graph.	41
Figure 7 : Stock Price trend graph.	41
Figure 8: Capital Adequacy ratio graph.....	42
Figure 9: Return on Asset graph.	43
Figure 10: Return on Equity graph.	44
Figure 11: Non performing loan graph.	44
Figure 12: SWOC Analysis of EXIM Bank.....	50
Figure 13: Porter's 5 forces model of EXIM Bank Ltd.	53
Figure 14: Market Share of EXIM Bank Ltd.....	55
Figure 15: Magazine & poster of EXIM Bank Ltd.	56
Figure 16: GDP by years graph.	66
Figure 17: Inflation rate by years graph.....	67
Figure 18: Unemployment rate by years graph.....	68
Figure 19 : Export amounts over the years graph.	69
Figure 20: Import amounts bar chart over the years.	70
Figure 21: Interest rate trend over the years graph.	71

Figure 22: Investment size & investment sectors over the years bar graph..... 73

Figure 23: Donut chart of Investment sectors of EBL in the year of 2021..... 73

Acronyms

A/C	Account
ATM	Automated Teller Machine
BDT	Bangladeshi Taka
BOE	Bill of exchange
CRM	Customer Relationship Manager
CSR	Customer Service Representative
EBL	EXIM Bank Ltd.
EXP	Export Form
FDR	Fixed Deposit Receipt Import Form
IMP	Import Form
L/C	Latter of Credit

Chapter -1
Overview of internship

1.1 Student Information

Student name: Md. Tasin Afridi

Student ID: 19104110

Program: Bachelor of Business Administration (BBA)

Major: Finance

1.2 Introduction

The fundamental role of an economy is to distribute limited natural resources to create necessary goods and services that support the community's standard of living. However, due to resource scarcity, it is impossible to fulfill the indefinite demand of people for goods and services without continuous and balanced development across all economic sectors, which largely relies on a sound financial system. The traditional financial system was based on capitalism, which followed the principle of "survival of the fittest", where only the strong could survive while the weak had no place. To cater to the needs of all individuals and provide justice for everyone, an Islamic financial system was required. The emergence of Islamic banking has brought innovation to the banking sector to maintain a proper financial system.

EXIM Bank, or the Export-Import Bank of Bangladesh Limited, is a major financial institution in Bangladesh that helps to facilitate international trade and investment. As part of its efforts to promote economic growth and development, EXIM Bank has been investing in various sectors of the economy, including infrastructure, manufacturing, agriculture, and energy. This internship report aims to analyze the relationship between macroeconomic indicators and EXIM Bank's

investment performance, with a focus on identifying the key factors that influence the bank's investment decisions. By analyzing the

Bank's investment portfolio and the macroeconomic variables that affect it, this report seeks to provide insights into the bank's investment strategy and its implications for the broader economy. This research might help EXIM Bank in making smarter investment choices that strengthen Bangladesh's economy.

My internship at EXIM Bank taught me a great deal about the internal workings of a financial institution. Working in the General Banking and Investment department taught me about the responsibilities and expectations of being an employee. One of the most challenging aspects was managing loans while considering their potential repayment capabilities. Additionally, I learned about sorting bank accounts into different categories, the procedures for opening various types of accounts, investment policies, and calculating returns on investments. I was also responsible for verifying account information and monitoring investments.

Throughout my time as a financial intern at EXIM Bank Bangladesh, I was fortunate to collaborate with a team of supportive and creative professionals. The team members were highly motivated to share their expertise with each other, which allowed me to learn a great deal about commitment firsthand. Despite being inundated with tasks, my supervisor never hesitated to answer any of my questions or provide encouragement. Her guidance was instrumental in shaping my understanding of investment principles and overall banking practices.

In conclusion, my internship experience at EXIM Bank Bangladesh was both fruitful and enriching. Having the opportunity to learn from and contribute to a team of such high calibre has greatly enriched my understanding of the financial and banking sectors. Through the guidance of

a supportive supervisor, I was able to expand my understanding of investment principles and general banking practices. This report serves as a summary of my internship experience at EXIM Bank Bangladesh, including my duties there and the skills I picked up while working there.

1.3 Internship information

1.3.1 Internship period, company name, division or department, location

Total Duration: 3 Months (03/01/2023–03/04/2023)

Name of the Company: Export Impot Bank Bangladesh Ltd. (EXIM BANK).

Department: General Banking and Investment

Location: Holding # 218, Dr. Kudrat-E-Khuda Road (Bata Signal), Elephant Road, Dhaka 1205.

1.3.2 Field Supervisor's Information

Supervisor's Name: Ms. Monoura Akter

Designation: F.A.V.P. General Banking in-charge.

1.4 Job Scope: Job Responsibilities

Several duties and responsibilities were assigned to me as an EXIM Bank intern. To elaborate, some of these obligations are as follows:

- Sorting files according to their various account types
- Numerous types of account opening exist.
- Verifying the customer's information
- Identifying the best possible investment scope among the loan candidates

- Monitoring investment items or goods to maintain Exim Bank's Shariah policies
- Measuring the return on investment.
- Prepare files for different clients and assist them in getting the loan.

1.5 Internship outcomes

1.5.1 Contribution to the Company

As a finance intern at EXIM Bank, I am proud to have made significant contributions to the organization. My internship experience has been incredibly valuable in providing me with practical knowledge and skills in the finance and banking industries.

During my internship, I was involved in various projects and assignments that allowed me to gain first-hand experience in financial analysis, risk management, and customer service. One of my biggest accomplishments during my time here was helping streamline the company's loan application process. This involved working closely with the credit department and other teams to identify bottlenecks and implement solutions. As a result, we were able to reduce the turnaround time for loan approvals, improving overall customer satisfaction.

Moreover, I have a strong educational background in finance, economics, and accounting. This knowledge base enabled me to quickly understand the financial operations of the company and contribute to financial analysis and reporting tasks. Additionally, my coursework has given me a solid foundation in risk management, market analysis, and financial planning, all of which helped the company make informed business decisions.

Lastly, I bring a fresh perspective to the company. As an intern, I am not entrenched in the company's culture and processes, allowing me to offer unique insights and suggestions for

improvement. For example, my supervisor always asks me to review the work and the work environment, and she also takes recommendations from me. This approach can lead to innovation and positive change within the organization.

My overall impact on the company was minimal, but I like to think that I helped boost efficiency and revenue in a small manner. I am grateful for the opportunity to have worked here and will carry the skills and knowledge I gained with me as I continue to pursue a career in finance and banking. I became accustomed to the corporate culture.

1.5.2 Benefits to Me

As a finance intern, I have the opportunity to gain valuable experience and knowledge that will benefit me in various ways. Here are a few potential benefits of being an intern in this field:

- **Hands-on Experience:** As an intern, I will be able to work on real-world projects and tasks related to finance and banking. This hands-on experience will help you develop practical skills and give me a better understanding of how the industry works.
- **Networking Opportunities:** As an intern, In my field of work, I get to interact with and learn from experts in the banking and financial sectors. I can use these connections to build my network and potentially secure job offers or references in the future.
- **Resume Building:** Having finance and banking experience on my resume can make me stand out to potential employers. It demonstrates that I have relevant skills and knowledge in this field, making me a more attractive candidate for future job opportunities.

- **Skill Development:** The knowledge I gain as a banking and finance intern will be useful in many other fields. For example, I may develop skills in financial analysis, data analysis, communication, and customer service, all of which are highly valued by employers.

Beyond my specific responsibilities, I also made it a point to actively seek out and take advantage of learning opportunities. I attended workshops and training sessions on topics such as financial modeling and banking regulations and applied these learnings to my work.

Overall, being a finance intern provided me with valuable experience, networking opportunities, and skill development, all of which can benefit me in my future career.

1.5.3 Challenges/Obstacles

The internship programme included the following limitations:

- **Complex Financial Products:** As an intern at EXIM Bank, I have to deal with complex financial products that require a deep understanding of banking principles and practices. This was challenging for me as I was new to the industry and did not have the internal resources of the organization.
- **Regulatory Compliance:** EXIM Bank operates under strict regulatory guidelines, and interns need to be familiar with these regulations to ensure compliance. This is time-consuming, and my timeline for work as an intern was only for three months.
- **Time Management:** Working in the finance and banking industries requires interns to juggle multiple tasks concurrently. This was difficult for me because it requires careful prioritization and timely completion of all tasks in hands.

- **High-Pressure Environment:** The finance and banking industries are very demanding, and interns like me are required to work long hours, handle critical situations, and make crucial decisions under pressure.
- **Technology:** EXIM Bank uses advanced technology to manage its financial products and services, and interns must have the ability to use these tools. They have a whole financial software suite that can be used to deal with every type of banking instrument and work. Operating that software requires training and time to do it flawlessly.

1.5.4 Recommendations

These are my recommendations for EXIM Bank Bangladesh after completing the internship program:

- Should have uncomplicated communication between departments.
- It will be kind if the organization arranges more training programs or delivers briefs to their interns.
- Should take initiatives to work more efficiently. To be more specific, the account opening forms are written by hand. They might introduce a computerized way to keep the information. This could be time-efficient as well as helpful for employees.
- There are very few internal access points to the bank, which makes work complicated and time-consuming. More access should be offered to interns.
- Proper and continued feedback should be provided. I feel there is a gap between employees and interns in terms of giving feedback. It is really important for an intern to get some feedback from their employees to grow more.

- The bank must train or show practically how things should be done. Additionally, allocate interns to specific tasks.
- Employees must abstain from giving their individual workloads to interns.
- Should appreciate interns more and assist them to overcome their imperfections.

Chapter -2
Organization Part

2.1 Company Overview

In 1999, under the leadership of its initial chairman, the late Mr. Shahjahan Kabir, the Export Import Bank of Bangladesh Limited (EXIM) was created to assist in the country's socioeconomic development, who made his way up the banking ranks and always envisioned opening their own commercial bank. A group of accomplished entrepreneurs with a track record of success in their respective fields joined forces with the founder's chairman to help him achieve his vision. After the passing of Mr. Kabir, Mr. Mohammad Nazrul Islam Mazumder took over as chairman.

On August 3, 1999, with Mr. Alamgir Kabir, FCA, serving as adviser and Mr. Mohammad Lakiotullah serving as managing director, the Export Import Bank of Bangladesh Limited (EXIM) opened for business. Both individuals have substantial backgrounds in Bangladesh's banking sector. The bank has achieved remarkable success and expansion thanks to the wise choices and careful oversight of its management in its day-to-day operations. The first commercial bank in Bangladesh to switch over entirely to Islamic banking, in accordance with Shariah law, was EXIM Bank Ltd., which made the transition in July 2004. Despite being a newly formed public limited company in Dhaka, Bangladesh, Symphony is a public limited company, and its head office is located at Symphony" Plot# SE(F):09, Road #142, Gulshan Avenue, Dhaka-1212, Bangladesh.



Figure 1: Logo of EXIM Bank Bangladesh Ltd.

2.2 HISTORY OF EXIM BANK

The term "EXIM" is well-known in many countries, notably the export-import banks of the United States and Japan, despite being a new form of bank in Bangladesh. While it is primarily a domestic bank, it has expanded its global operations through foreign banking. Because it believes that excellence is a continuous process, the bank strives for continuous improvement at all stages in order to achieve its goals. . The bank's strategic location and network of corporate contacts also will help it keep pace with the evolving industry. The company's mission is to meet the needs of its customers wherever they may be in the world by acting as their "local bank" and "global network."

2.3 Capital of EXIM Bank Ltd

The bank's initial paid-up capital was TK 225.00 million, and its authorized capital was TK 1000 million when it opened for business in 1999. As of December 31, 2012, the bank's capital and reserves totaled Tk. 18,214.31 million, including Tk. 10,514.86 million in paid-up capital. The bank has established a provision for an unclassified investment of Tk. 118,219.99 million. The authorized capital in 2021 was TK 20,000 million, while the paid-up capital was TK 14,476 million. The bank's Statutory Reserve Fund stands at Tk. 12520 million as of December 31, 2021.

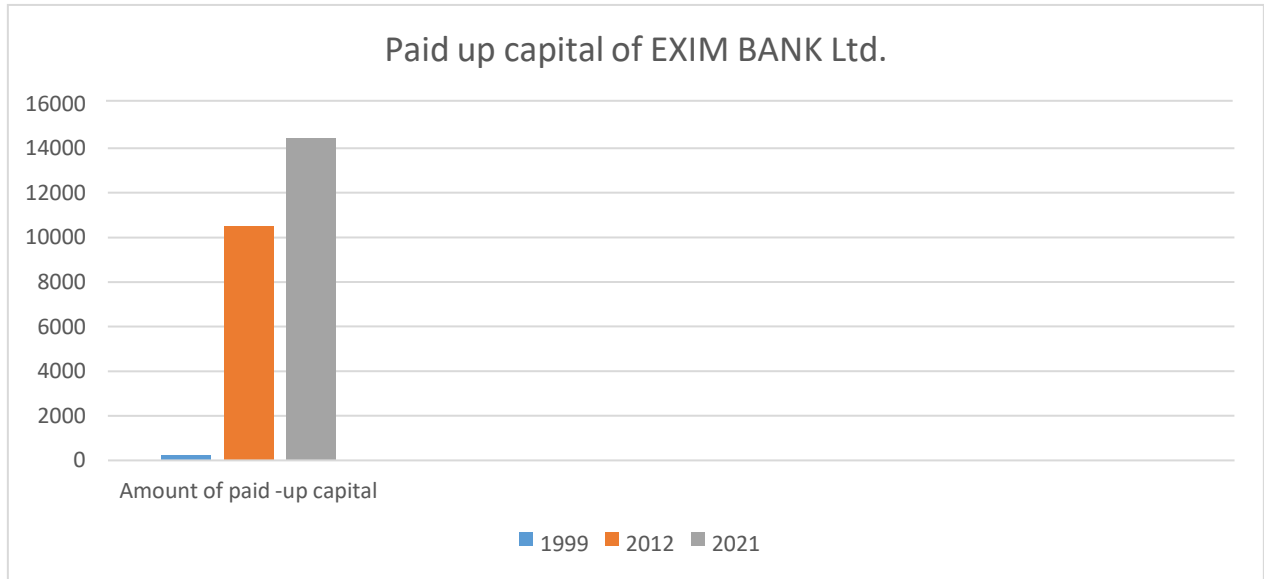


Figure 2 : Paid up capital of EXIM BANK Ltd

2.4 Corporate Information (EXIM BANK) At a Glance

Name of the bank: EXIM Bank of Bangladesh Limited

Status: Private Limited Company

Date of Incorporation: June 2, 1999

Inauguration of the first: August 3, 1999

branch: Tk. 20,000.00 million

Authorized Capital: Tk. 118,219.99 million

Paid-up capital: TK 14,476 million

Investment (General): TK 428,205 million

Deposits: TK.421,706 million

Chairman: Mr. Md. Nazrul Islam Mazumder

Managing Director: 15

Number of branches: 118 (including SME and agriculture).

Number of Employees: 3,242

Head Office: Head Office (Unit-2), SE (H): 02, Road No. 142, Gulshan Avenue, Gulshan-1, Dhaka-1212.

Credit Rating: 'A+' (Adequate Safety)

2.5 Company Analysis

2.5.1 Company Vision

"Together Towards Tomorrow" is the vision of EXIM Bank Limited, and it calls for the company to work closely with its clients to achieve its goals of expansion and prosperity. The bank strives for excellence at all levels through continuous development, recognizing that there is always room for improvement. In a fast-paced and competitive market, the bank's strategic goals and networking will give it an advantage over rivals. The key to operational success lies in providing customers with personalized and high-quality service that consistently improves over time.

2.5.2 Company Mission

The bank's mission emphasizes

- To provide quality financial services, especially in foreign trade.
- To continue a contemporary technology-based professional banking environment.
- To maintain corporate and business ethics and transparency at all levels.

- Sound capital base to ensure sustainable growth and establish full value for the honorable stakeholder.
- To fulfill its social commitments.
- Above all, add a positive contribution to the national economy.

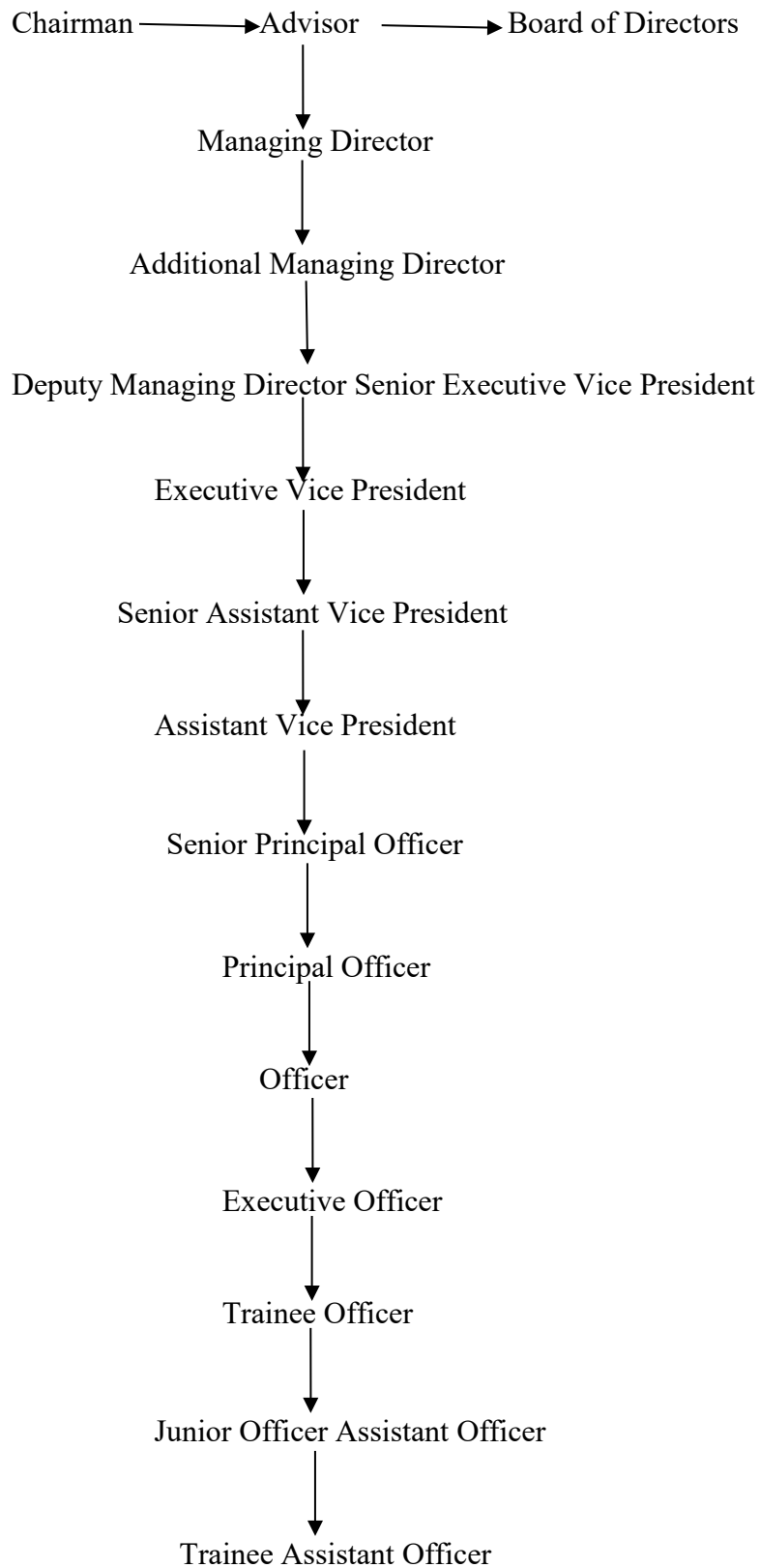
2.5.3 OBJECTIVES

Develop as one of Bangladesh's leading private commercial banks. Achieve a level of customer service excellence that is unmatched by the competition. Satisfy all segments of your retail and wholesale client. Put advanced software to use in all aspects of their banking operations.

2.5.4 CORPORATE CULTURE

This bank has a distinct corporate culture that values discipline and mutual understanding among its personnel. Staff employees are encouraged to perceive various events, actions, circumstances, and things in unique ways that connect with the bank's aims and the requirements of their clients. They modify their behavior and personal characteristics to better serve the bank's clients, who are at the center of its operations. Employees consider themselves a close-knit team or family that works together to achieve success. This corporate culture was not imposed on them but rather evolved as a result of their collective activities and behaviors.

2.5.5 Organizational Structure of EXIM Bank Limited



2.5.6 Head Office structure

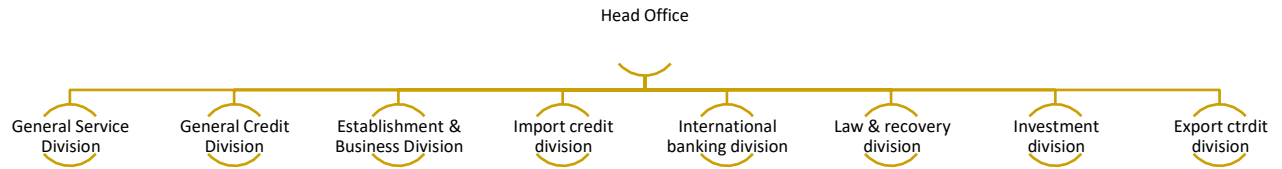


Figure 3: Head Office structure.

2.5.7 Office structure of Elephant Road Branch

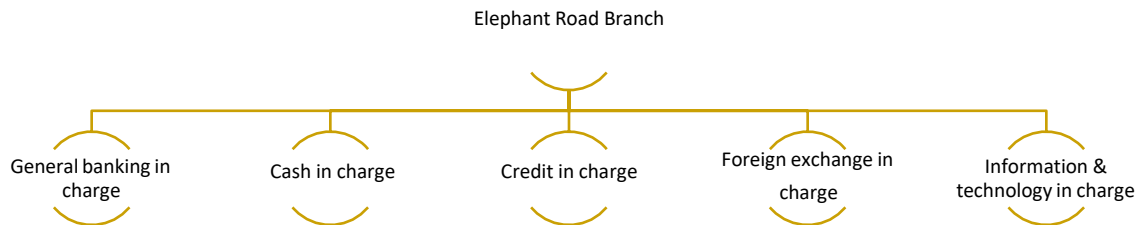


Figure 4: Elephant road branch Office structure.

2.5.8 Divisions and departments of EXIM Bank Ltd.

SL no.	Divisions	Departments
01.	Human Resource	<ul style="list-style-type: none"> • Human resource • Administration
02.	Foreign Exchange	<ul style="list-style-type: none"> • Principle & money laundering • Remittance
03.	Treasury	
04.	Operation	
05.	Information & Technology	
06.	Investment	
07.	Accounts	
08.	Audit & Risk Management	
09.	International	
10.	Agent Banking	
11.	Shariah Secretariat	
12.	Corporate Affairs and Branding	<ul style="list-style-type: none"> • Marketing & Development • Financial Inclusion

Table 1: Division & Departments of EXIM Bank Ltd.

2.5.9 PRODUCT & SERVICES

The products and services that are currently available are given below:

- PRODUCTS

SL. NO.	Product Type	Products
01.	Depository Product	<ul style="list-style-type: none"> ▪ Mudaraba Savings Deposit ▪ Al-Wadia Current Deposit ▪ Mudaraba Short Term Deposit ▪ Mudaraba Term Deposit ▪ One Month

		<ul style="list-style-type: none"> ▪ Three Months ▪ Six Months ▪ Twelve Months ▪ Twenty-Four Months ▪ Thirty-Six Months ▪ Foreign Currency Deposit
02.	Investment/Finance Product	<ul style="list-style-type: none"> ▪ Corporate Finance ▪ Industrial Finance ▪ Project Finance ▪ Syndicate Investment ▪ Mode of Investment: <ul style="list-style-type: none"> ➤ Murabaha ➤ Bai Muazzal ➤ IzaraBilBaia ➤ Wazirat BilWakafa ➤ Quard ➤ Local Documentary Bill Purchased ➤ Foreign Documentary Bill Purchased

Table 2: Products of EXIM Bank Ltd.

- SERVICE
 - E-CASH/ ATM SERVICE

The e-cash and ATM service provided by Exim Bank Bangladesh provides consumers with a quick and safe way to access their money. E-cash allows consumers to make in-store and online transactions without actually handing over any cash. Customers may easily top off their mobile phones, move money between accounts, and pay bills using this convenient service. Customers also like the convenience of the bank's automated teller machine (ATM) service, it means they can access their accounts 24/7 and make transactions or check their balances whenever it is most convenient for them.

When customers of Exim Bank need access to their money, they can quickly and easily locate one of the bank's many ATMs.

Protections against identity theft and financial fraud are standard with both e-cash and ATM services. The bank employs cutting-edge systems to guarantee the safety of customer transactions and a pleasant banking experience.

Last but not least, EXIM Bank's innovative approach to instantly issuing credit and debit cards stands out. As a result, customers can start making purchases within a few short hours following card activation.

- FOREIGN EXCHANGE SERVICES

1. IMPORT BUSINESS

The Bank's entire import business in 2021 was Tk. 28,0093 million, up from Tk. 177,825 million the year before (a 63.49% increase). Consumer products, industrial machinery, raw materials, fabrics, and accessories were the most commonly imported items.

2. EXPORT BUSINESS

The total exports the Bank processed in 2021 were Tk. 211,975 million, up 76% compared to the prior year's total of Tk. 161,290 million. Jute, jute goods, ready-to-wear clothes, and leather were the primary exports.

3. FOREIGN REMITTANCE

The bank's foreign remittances increased to Tk. 5,812 million at the end of 2021 from Tk. 5,314 million in 2020. In addition, the bank has remittance arrangements with a number of the world's most reputable foreign exchange institutions, including Prabhu Money Transfer, Zenj Exchange Co., Ltd., etc.

2.5.10 CAPITAL AND RESERVE FUND

The bank's initial paid-up capital was TK 225.00 million, while its permitted capital was TK 1000 million, both of which were subscribed for by the bank's sponsors in 1999. As of June 30, 2021, the bank's capital and reserve were valued at Tk. 12.63 billion, with Tk. 7.5 billion in paid-up capital. The bank sanctioned a total of TK 15 billion.

2.6 Financial Practice & Performance of EXIM Bank Ltd.

2.6.1 Dividend position of the bank

Year	Cash dividend %	Stock dividend %	Total
1999	Nil	Nil	Nil
2000	14.00%	Nil	14.00%
2001	25.00%	12.50%	37.50%
2002	8.00%	24%	32.00%
2003	40.00%	Nil	40.00%
2004	Nil	40%	40.00%
2005	Nil	30%	30.00%
2006	Nil	25%	25.00%
2007	7%	25%	32.00%
2008	Nil	26%	26%
2009	Nil	35%	35%
2010	Nil	35%	
2011	Nil	14%	14%
2012	Nil	10%	10%
2013	Nil	11%	11%
2014	Nil	10%	10%
2015	12%	Nil	12%
2016	15%	Nil	15%
2017	12.50%	Nil	12.50%

2018	10%	Nil	10%
2019	10%	Nil	10%
2020	7.50%	2.50%	10%
2021	10%	Nil	10%

Table 3: Dividend position of EXIM Bank Ltd. by years.

2.6.2 Performance of EXIM Bank Ltd.

Amount in crore BDT

Sl.	Particulars	2016	2017	2018	2019	2020	2021
1	Authorized Capital	2000.00	2000.00	2000.00	2000.00	2000.00	2000.00
2	Paid-up Capital	1283.86	1412.25	1412.25	1412.25	1412.25	1447.56
3	Statutory Reserve Fund	784.64	888.55	972.09	1070.60	1176.01	1251.95
4	Deposits	24854.04	28402.61	30078.66	35581.65	39530.83	42170.60
5	Investment (General)	22215.53	25380.34	30503.61	34328.74	39291.97	42820.49
6	Investment (Shares & Securities Subsidiaries)	1606.33	2112.42	2353.14	4208.96	3886.85	4132.30
7	Foreign Exchange Business	30546.57	33970.12	36653.34	37791.07	34442.90	49787.93
	a) Import Business	15393.05	17904.03	18953.04	20080.15	17782.52	28009.30
	b) Export Business	14750.87	15558.22	17173.13	17065.26	16129.02	21197.45
	c) Remittance	402.65	507.87	527.17	645.66	531.36	581.18

8	Operating Profit	590.33	585.65	686.39	691.99	631.36	564.36
9	Investment as % of total Deposit	89.38%	89.36%	* 93.78%	* 89.55%	* 91.14%	* 88.02%
10	No. of Foreign Correspondent	390	393	394	396	386	389
11	Number of Employees	2743	2791	2964	2956	2910	3235
12	Number of Branches	113	118	123	130	131	140
13	Return on Assets after tax	1.06%	1.02%	0.65%	0.61%	0.61%	0.37%
14	Return on Equity (ROE)	11.32%	11.80%	8.22%	8.48%	9.33%	6.17%

Table 4: Annual financial performance of EXIM Bank Ltd.

2.6.3 Financial Ratio Analysis of EXIM Bank Ltd.

- (Earnings per share)

	2019	2020	2021
EPS formula	net income / total number of common shares outstanding	net income / total number of common shares outstanding	net income / total number of common shares outstanding
	2,429,899,037/1,412,251,068	2785982668/1447557344	1904244086/1447557344
	1.72%	1.92%	2.34%

Table 5: Earnings per share Ratios of EXIM Bank.

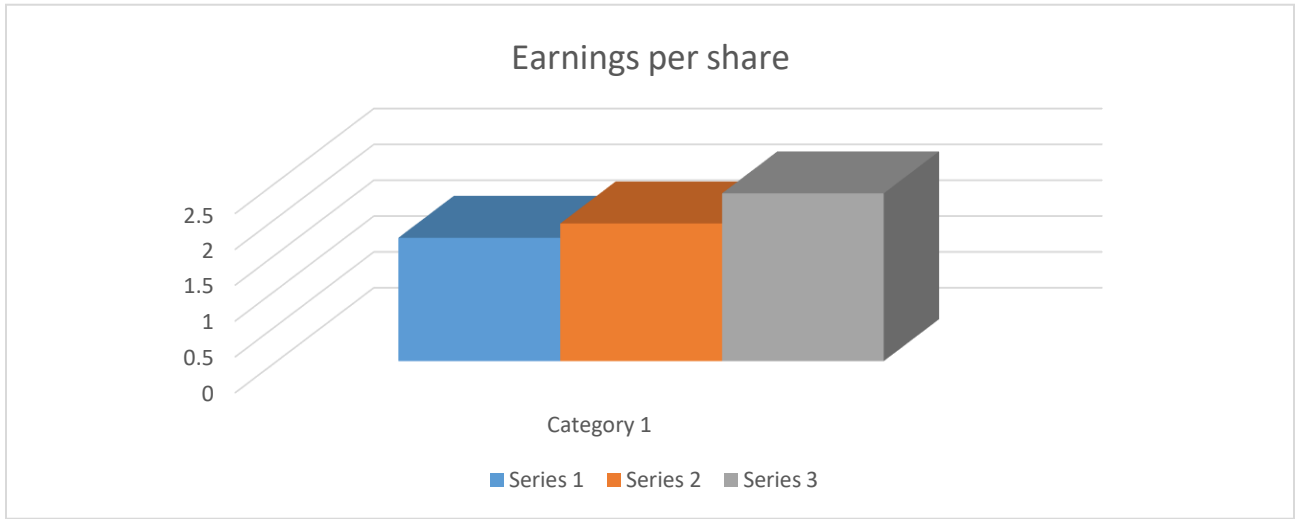


Figure 5: Earnings per share graph.

- Net Interest Margin

	2019	2020	2021
NIM formula	interest revenues - interest expenses / Asset	interest revenues - interest expenses / Asset	interest revenues - interest expenses / Asset
	6,914,630,000/433,017,990,000	6,355,690,000/484,850,870,000	5,936,260,000/541,665,250,000
	2.23%	2.18%	1.86%

Table 6: Net Interest Margin Ratios of EXIM Bank.

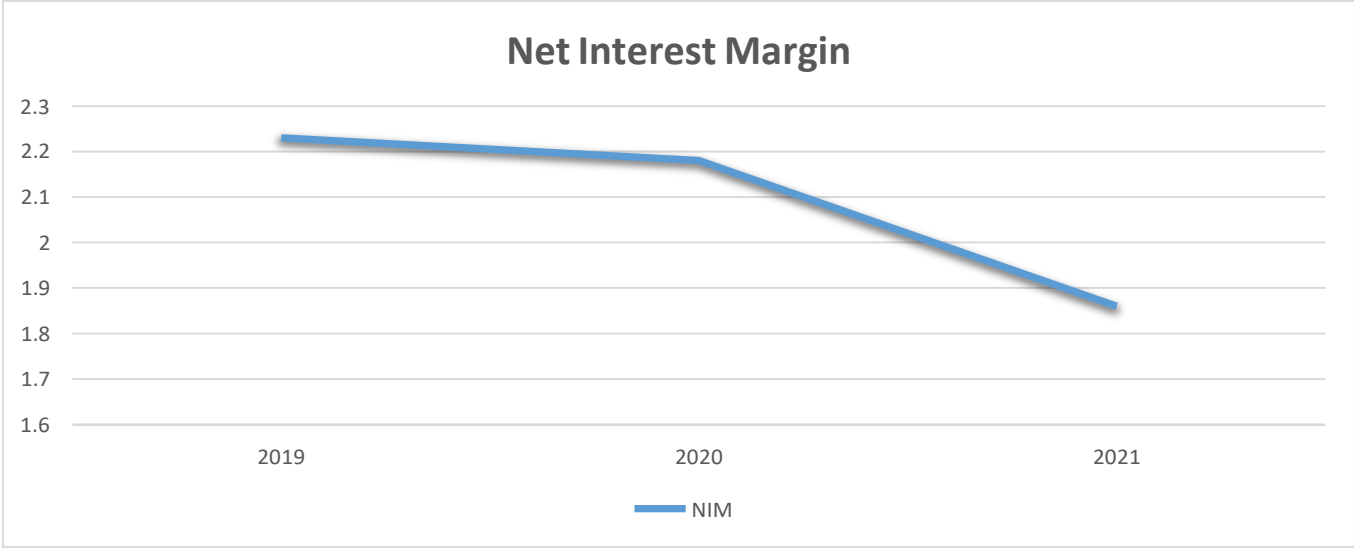


Figure 6: Net Interest Margin graph.

- Stock Price trend

Stock Price trend:

2019	2020	2021
8.39	11.7	11.00

Table 7: Stock Price trend of EXIM Bank.

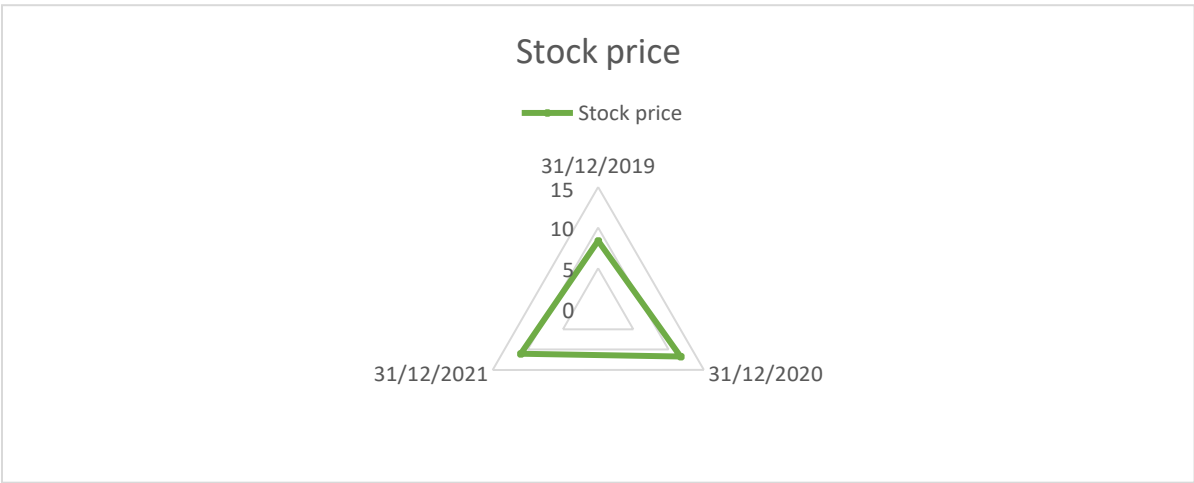


Figure 7 : Stock Price trend graph.

- Capital Adequacy ratio

Exim Bank	2019	2020	2021
Capital Adequacy ratio formula	(Tier 1 capital + Tier 2 capital)/Risk weighted assets	(Tier 1 capital + Tier 2 capital)/Risk weighted assets	(Tier 1 capital + Tier 2 capital)/Risk weighted assets
	40,843,930,000/325,501,680,000	42,921,280,000/323,413,720,000	50,363,150,000/350,732,470,000
	12.55%	10.88%	12.09%

Table 8: Capital Adequacy ratio of EXIM Bank.

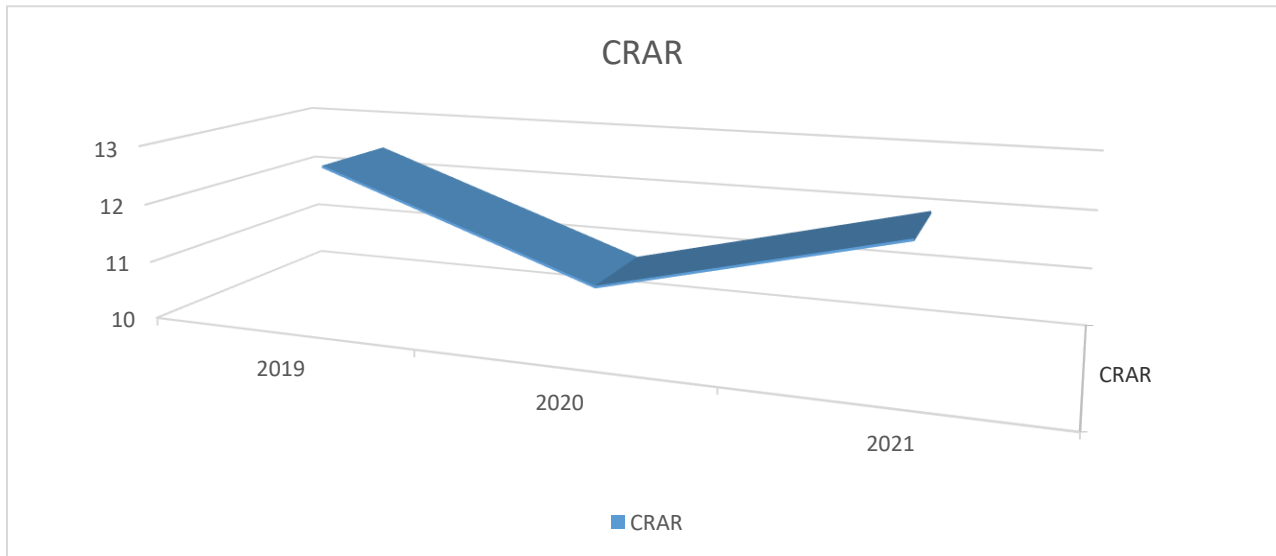


Figure 8: Capital Adequacy ratio graph.

- Return on Asset

Exim Bank	2019	2020	2021
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Return on Asset	Net Income / Total Asset	Net Income / Total Asset	Net Income / Total Asset
	0.59%	0.66%	1.06%

Table 9: Return on Asset of EXIM Bank.

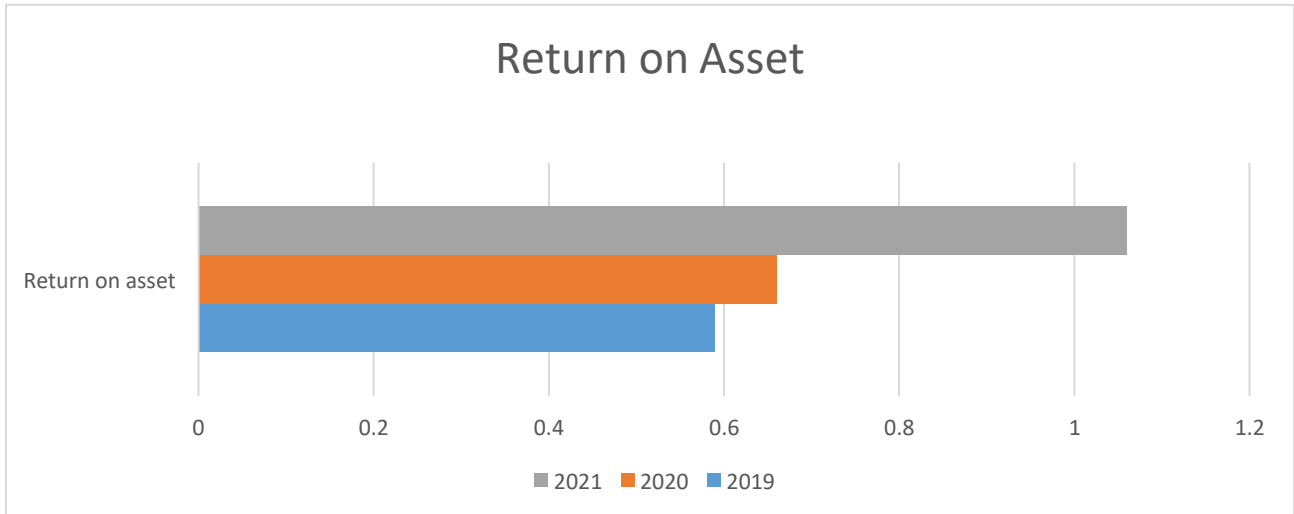


Figure 9: Return on Asset graph.

- Return on Equity

Exim Bank	2019	2020	2021
Return on Equity	Net Income / Share Holder's Equity	Net Income / Share Holder's Equity	Net Income / Share Holder's Equity
	8.30%	8.35%	12.19%

Table 10: Return on Equity of EXIM Bank.

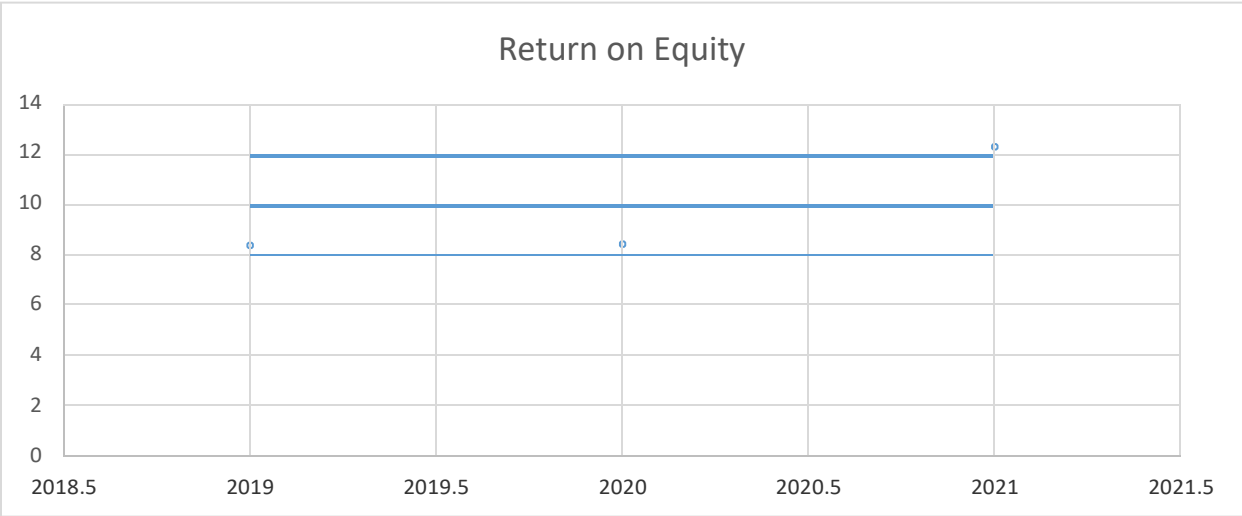


Figure 10: Return on Equity graph.

- Non performing loan

Exim Bank	2019	2020	2021
Non-performing loan	Default loan/Total loan	Default loan/Total loan	Default loan/Total loan
	3.98%	3.82%	4.33%

Table 11: Non performing loan of EXIM Bank.

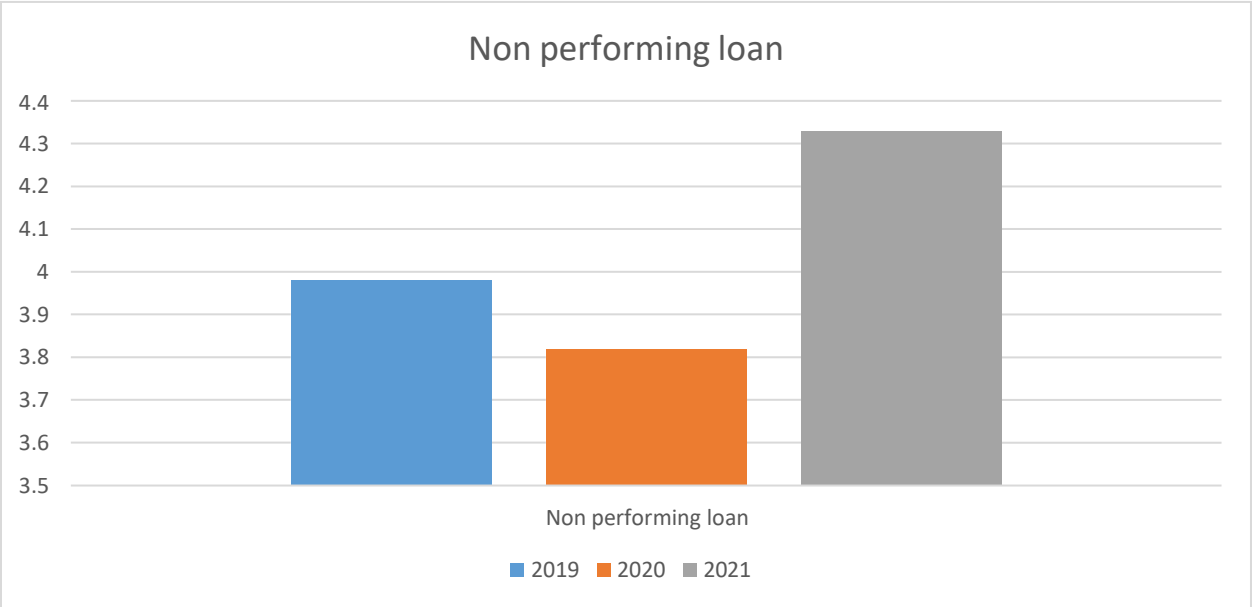


Figure 11: Non performing loan graph.

2.6.4 CAMELS rating approach

- Capital adequacy

Formula: $CAR = \frac{\text{Tier 1} + \text{Tier 2}}{\text{risk-weighted asset}} * 100$

Calculation: $[\frac{552,760,950,000}{386,743,800,000} * 100]$ Year 2021

Bank	2021 %	Rating	2020 %	Rating	2019 %	Rating
EXIM Bank	12.09	1	10.88	2	12.55	1

Table 12: Capital adequacy of EXIM Bank.

The capital adequacy for 2019 to 2021 Exim bank had a rating drop to 2 signaling slight capital risk in 2020 which stabilized at 1 again back in 2021.

- Asset quality

Formula: $\text{Asset Quality} = \frac{(\text{Total non-performing assets} - \text{Provision non-performing assets})}{\text{Advances}} * 100$

Calculation: $[\frac{(17039724875 - 8496442909)}{428204911629} * 100]$ Year of 2021

Bank	2021 %	Rating	2020 %	Rating	2019 %	Rating
EXIM	1.99	2	1.92	2	2.07	1

Bank						
------	--	--	--	--	--	--

Table 13: Asset quality of EXIM Bank.

From 2019 to 2020, the asset quality of Exim had a light risk rating of 2. However, it was slightly higher in 2019.

- Management

Formula: Management = administrative expense/total earning

Calculation: $[(4608088230/32895110000*100)]$ Year of 2021

Bank	2021 %	Rating	2020 %	Rating	2019 %	Rating
EXIM Bank	14	1	13.21	1	13.59	1

Table 14: Management of EXIM Bank.

The management ratio of Exim bank had the best rating of 1.

- Earnings

Formula: Earnings (ROA) = NP/Average Total Asset

Earnings (ROE) = NP/Average Equity Capital

EXIM	2021	Rating	2020	Rating	2019	Rating
ROA	1.06	3	0.66	5	0.59	5
ROE	12.19	3	8.35	4	8.30	4

Table 15: Earning of EXIM Bank.

From 2019 to 2021, the ROA and ROE for EXIM Bank improved from 5 and 4 to 3, signalling that it improved its earnings to moderate

- Liquidity

Formula: $L1 = \text{Advances} / \text{Deposits}$

$L2 = \text{Circulating asset} / \text{Total asset}$.

Calculation: $L1 = [428204911629 / 421705984879 * 100]$ year of 2021

$L2 = [532136124699 / 541]$ year of 2021]

EXIM	2021	Rating	2020	Rating	2019	Rating
L1	101.54	5	99.40	5	96.51	5
L2	98.24	5	98.10	5	97.83	5

Table 16: Liquidity of EXIM Bank.

The liquidity ratio for EXIM Bank had a rating of 5 throughout the three years, signalling high liquidity risk, and the bank may face problems paying due obligations.

- Sensitivity

Formula: $\text{Sensitivity} = \text{total securities} / \text{total assets}$

Calculation: $[117737293394 - 10122342139] / 402481735743 * 100]$ yerar of 2021

EXIM	2021	Rating	2020	Rating	2019	Rating
L1	1.99	2	1.92	2	2.07	2

Table 17: Sensitivity of EXIM Bank

From 2019 to 2021, the sensitivity of EXIM Bank had a rating of 2 throughout the years. This highlights them as a light-risk bank.

CAMELS RATING OF EXIM BANK

		Weighth	(Weighth x Rating)	Rating (2021)	(Weighth x Rating)	Rating (2020)	(Weighth x Rating)	Rating (2019)	
C	Capital adequacy	20%	$20\% \times 1 = 0.2$	2	$20\% \times 2 = 0.4$	1	$20\% \times 1 = 0.2$	1	
A	Asset quality	20%	$20\% \times 2 = 0.4$	1	$20\% \times 1 = 0.2$	2	$20\% \times 2 = 0.4$	2	
M	Management	25%	$25\% \times 1 = 0.25$	1	$25\% \times 1 = 0.25$	1	$25\% \times 1 = 0.25$	1	
E	Earnings	15%	$15\% \times 3 = 0.45$	4.5	$15\% \times 4.5 = 0.675$	4.5	$15\% \times 4.5 = 0.675$	4.5	
L	Liquidity	10%	$10\% \times 5 = 0.5$	5	$10\% \times 5 = 0.5$	5	$10\% \times 5 = 0.5$	5	
S	Sensitivity	10%	$10\% \times 2 = 0.2$	2	$10\% \times 2 = 0.2$	2	$10\% \times 2 = 0.2$	2	
	TOTAL		2		2.25		2.225		
	AVERAGE								4.91

Table 18: CAMELS RATING OF EXIM BANK of EXIM Bank.

The CAMELS score of 4.91 for EXIM Bank indicates that the bank is solvent and well-managed.

Bank supervisors utilise a framework called CAMELS (which stands for capital adequacy, asset

quality, management, earnings, liquidity, and sensitivity to market risk) to evaluate institutions' health as a whole.

A 4.91 score indicates a solid capital position and adequate reserves to cover losses for the bank. It has a low rate of non-performing loans and a diverse loan portfolio, both of which contribute to its strong asset quality. The bank's management team has been evaluated as professional and effective, and the institution has been found to employ sound risk management procedures.

The consistent income generated by EXIM Bank ensures the safety of its assets and its capacity for growth. Their financial institution has sufficient cash on hand and liquid assets to meet its current and future obligations.

Finally, they've taken the necessary precautions in the form of hedging and risk management to mitigate the impact of losses brought on by changes in interest rates and other market factors.

With a CAMELS score of 4.91, EXIM Bank is widely regarded as a secure and trustworthy financial institution because of its solid capitalization and well-developed risk management procedures.

2.7 Strategical Test of EXIM Bank Ltd.

2.7.1 SWOC ANALYSIS

SWOT Analysis

S trengths ✓ <ul style="list-style-type: none">• Strong in exchange business.• Reasonable banking charges.• Strong documentation in export & import	W eaknesses ✓ <ul style="list-style-type: none">• Focusing on import financing.• Lack of international banking networking.
O pportunities ✓ <ul style="list-style-type: none">• Rise of potential growth export & import sector.• Finance SMEs more to get untapped potential advantage.	T hreats ✓ <ul style="list-style-type: none">• Rapid expansion of Exim Bank's competitors.• Extensive branch networking from competitors.

SWOT

Figure 12: SWOC Analysis of EXIM Bank

○ STRENGTHS

EXIM Bank Limited enjoys an excellent track record in the local banking sector. Among Bangladesh's commercial banks, it ranks among the country's best. This bank has previously proven its competence in the exchange market.

- Its foreign exchange business is very successful, and its rates for related services—commissions, shipping fees, and so on—are competitive with those of other major private commercial banks.
- Since imports are so important to our economy, EXIM bank focuses on facilitating import commerce for its customers, with a focus on export finance and international money

transfers. These actions contribute significantly to the healthy economic and social development of our nation.

- Foreign exchange and international trade operations are supervised and monitored in a way that is both sophisticated and impressive.
- For the sake of this EXEM bank and its client, be sure to maintain thorough documentation of all foreign exchange transactions.
- Given the bank's "clients are the partners" philosophy, the institution welcomes any and all feedback from its customer base. The bank is able to provide consumers with high-quality services thanks to the strengths of its management, teamwork, and lack of bureaucracy.

○ **WEAKNESSES**

- There is a risk of losing customers since the fees associated with the Foreign Exchange business service are slightly more than those charged by certain other commercial private bank.
- When compared to financing exports or sending money abroad, import financing is where EXIM Bank shines. This could cause it to lose the trust of some of its consumers in the international trade sector.
- When compared to other banks, EXIM Bank's strictness in the areas of document production, lodgment, and retirement can irritate customers.
- There is not a huge amount of the vital in international trade corresponding network.

○ **OPPORTUNITIES**

EXIM Bank Limited can grow more rapidly if it focuses not only on one aspect of the international trade sector but on all of them at the same time.

- Exim Bank Bangladesh is able to provide specialized financing options for Bangladesh's small and medium-sized businesses (SMEs), which have a great deal of unexplored potential. This has the potential to encourage business creation and fuel economic expansion.
- The current situation of our country's foreign exchange (export, import, and remittance) economy is not going accordingly. This is due to the decrease of reserve. Basically, government has took initiatives to low down import. On the otherhand ,export is encouraged most by the government. The EXIM bank must assume this risk by developing a modern strategy plan.
- The future of our country's foreign exchange (export, import, and remittance) economy is promising. Bangladesh's exports, imports, and remittances are all on the rise, which bodes well for the country's foreign exchange market. The EXIM bank must assume this risk by developing a modern strategy plan. The success of the foreign exchange market is highly dependent on a country's level of political stability.
- If EXIM Bank wants to increase its share of the foreign exchange market, it must improve the quality and speed of its customer service.
- **Threats**

EXIM Bank Limited faces serious danger from the growth of both international and private commercial banks. If that happens, competition will heat up even further, necessitating new tactics from banks to beat off their international rivals.

- EXIM Bank faces serious competition from Islamic Bank Bangladesh Limited (IBBL), one of the world's largest Shariah-based financial institutions. IBBL's network, both domestic and international, enables it to serve customers quickly and efficiently.
- To improve management and worker productivity, the government has chosen to turn some government banks into public limited companies. The international reach and extensive branch network of these banks pose a serious challenge to domestically focused commercial lenders like EXIM Bank.

2.7.2 Porter's 5 forces model of EXIM Bank Ltd.

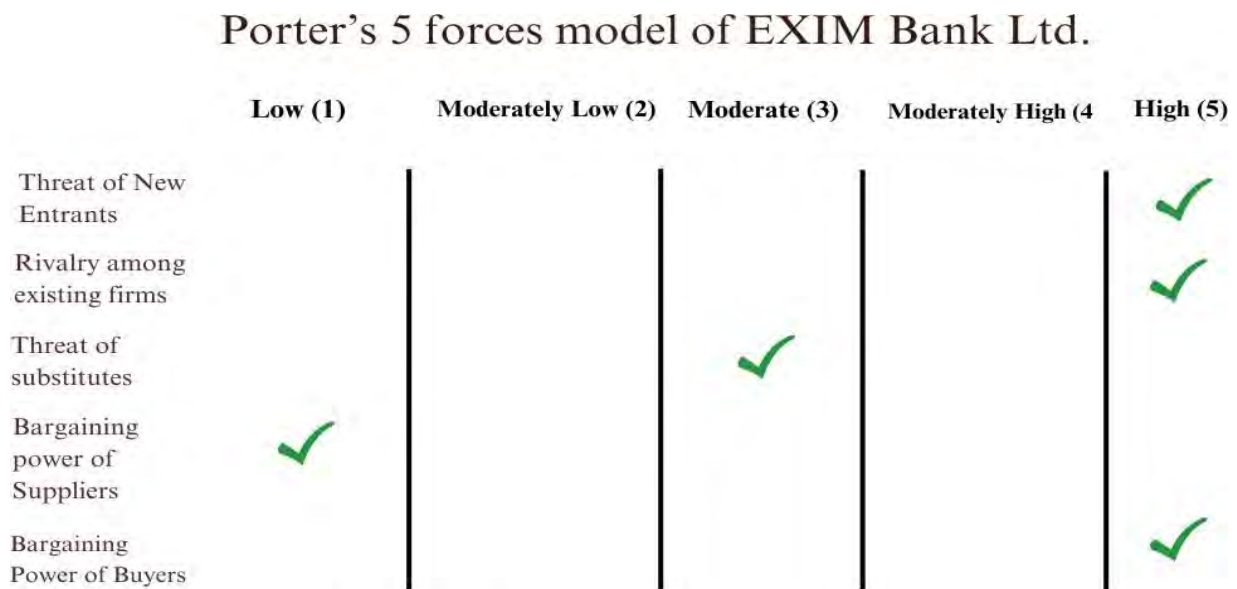


Figure 13: Porter's 5 forces model of EXIM Bank Ltd.

The market competitiveness is $(5+5+3+1+5)/25*100\%$.

= 76%

At 76%, market competition is rather intense. The fact that profitability is moderately high follows as well. The total growth of EXIM Bank Ltd. is relatively modest when compared to other businesses, despite the fact that its profitability is moderately high.

2.7.3 Winning Strategy Test

To achieve success, EXIM Bank Ltd. needs to implement a winning strategy that involves three distinct tests. Each of these areas is crucial and must be successfully navigated if the bank wishes to succeed. Even if the bank performs well in two out of the three areas, failure in even one area will prevent them from achieving overall success. These tests are as follows:

1. **The strategic fit test:** The success of a company in capitalizing on possibilities in its external environment is usually measured by this indicator. Alignment occurs when an organization's resources and skills are in line with what's needed to carry out its strategic plan. This is due to the fact that strategic matching is what actually produces results.
2. **The Sustainable Competitive Advantage Test:** A company passes the competitive advantage test if it provides products or services that are superior to those offered by its competitors. In terms of output, EXIM Bank Ltd., for instance, currently has a good number of rivals. In contrast, EXIM Bank Ltd. is working to differentiate itself from the competition by expanding the scope and quality of its output. However, this strategy may not work in the long run if rival banks are able to imitate it and increase their own productivity. This suggests that EXIM Bank Ltd. may not have a competitive advantage that can last into the foreseeable future.
3. **The Performance Test:** Every business starts the year with a certain goal in mind, and that goal is monitored and adjusted as needed. At the conclusion, the achieved results are

contrasted with the ideal ones. It's safe to assume that the company has passed the performance test if its objectives have been reached. EXIM Bank Ltd., for one, has passed the performance test since it has consistently reached or exceeded its annual financial goal.

Since EXIM Bank Ltd. has failed to achieve the sustainable competitive advantage test, their strategy is not a winning strategy.

2.8 Marketing Practices and Strategy

EXIM Bank Ltd. is a bank that has adopted a particular marketing approach that centres around customer-driven strategies.

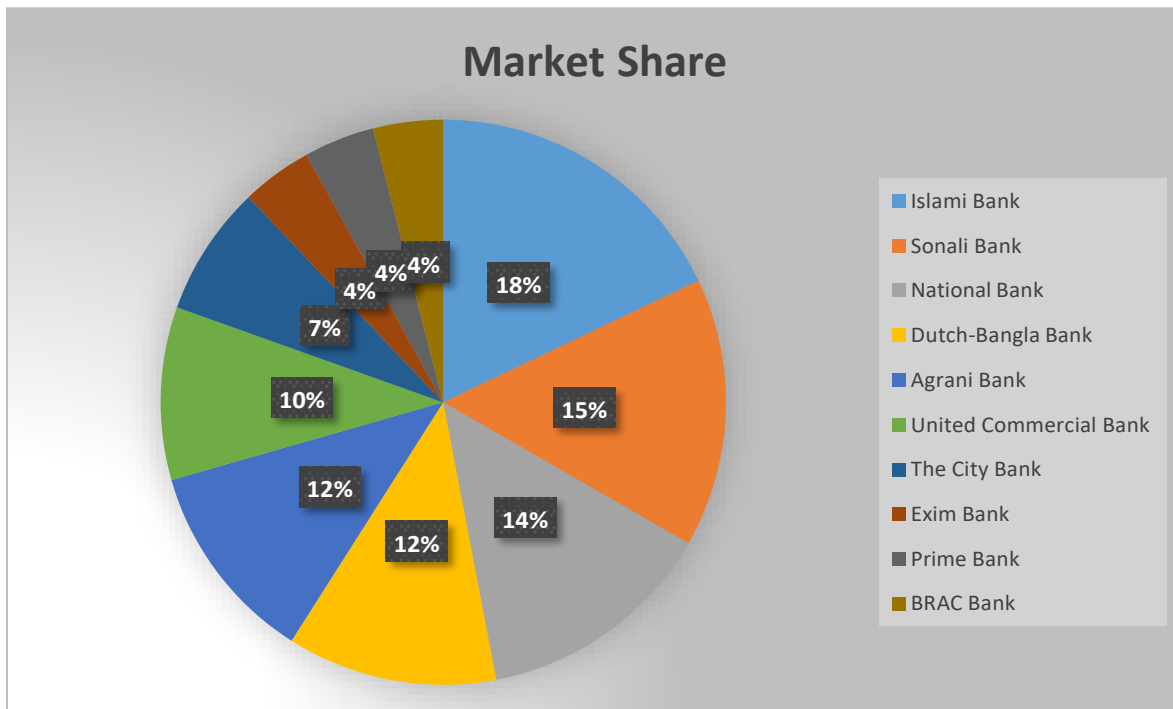


Figure 14: Market Share of EXIM Bank Ltd.

The attached bar chart compares EXIM Bank Ltd. and Islami Bank Bangladesh's respective 148 billion-dollar market shares. Currently accounting for 4% of the market, the vast majority of EXIM

Bank's clients are involved in international trade of some kind. However, Islami Bank Bangladesh is currently in first place when taking into account the market as a whole and the various types of customers it serves. The major objective of EXIM Bank is to assist export-oriented businesses in Bangladesh by means of financing and other services. The bank provides loans to industries including agriculture, industry, and the delivery of services.

The commercial banking approach used by Exim Bank Bangladesh helps the country expand its economy by lending money to businesses that focus on exports. Their main source of income is interest on loans and advances, along with fees and commissions for various banking services. While most financial institutions use tried-and-true marketing methods like cross-channel advertising, customer-centricity, incentive and loyalty programmes, annual reports, magazines, posters, and stellar service, some may take a unique tack.



Figure 15: Magazine & poster of EXIM Bank Ltd.

In terms of, marketing and selling its products, EXIM Bank never employs a third party. A bank's revenue comes from the processing fees it charges for loans and trade finance transactions, as well

as the fees it charges for providing guarantees and letters of credit, as well as the fees and commissions it receives on these and other services. While EXIM Bank always works to offer reasonable rates, unexpected circumstances may force them to temporarily raise their prices.

2.9 Summary & Conclusion

This chapter ends with a brief overview of EXIM Bank's internal organization. It also included the organization's vision, mission, and objectives for EXIM Banks. The organizational structure of the bank focuses on maximizing productivity, responsibility, and transparency. Senior management is responsible for putting the bank's strategic plans into effect, while the Board of Directors is responsible for overseeing the bank's mission. All of the bank's departments collaborate to provide each customer with the best service possible. The corporate finance, trade finance, and project finance teams all fall under this category. Risk management, compliance, internal audit, and human resource management are all handled by their own departments at the bank.

This section of the report also provides an overview of the EXIM Banks' success as measured by tests like the SWOC Analysis, the Analysis of Competitive Advantage, and the Analysis of a Winning Strategy.

Overall, the report provides a thorough analysis of EXIM BANK Ltd., showcasing the company's strongest features and outlining potential for future expansion. The company is well-positioned for future success thanks to its dedication to sustainability and emphasis on serving a vast customer base.

Chapter -3
Project Part

3.1 Introduction

Bangladesh's economy is growing rapidly. In this region, every industry is flourishing. Perhaps more remarkable is the fact that Bangladesh is demonstrating how low-cost industrialization can flourish in a democratic system. The global economy is growing at a very slow rate, and this flight is happening at the worst possible time. There is no question that the current trend of industrialization in Bangladesh has to be accelerated so that two million additional people may be hired each year. As a result of investments in technology and rising productivity, Bangladesh's agricultural industry is contributing significantly to the overall economic revival. More than half of all new jobs in the country are created by this industry. These dramatic shifts in the macroeconomics of Bangladesh may be attributed to the timely liberalization of trade and industrial policy, as well as the modernization and inclusion of the banking sector. Particularly impressive is the impact of young female entrepreneurs and young workers on the development of the apparel sector. Bangladesh's macroeconomic situation has been bolstered and made more inclusive as a result of steps taken by the banking industry, notably the creation of rural branches, the simplification of account opening, and the meteoric rise of mobile financial services. Because of this, there has been a noticeable rise in the level of economic security. The introduction of several far-reaching programmes, such as Digital Bangladesh and financial inclusion, has given the economy a fresh start since the beginning of 2009. As a direct consequence of this, the banking and finance industries are seeing growth at the same time as new entrepreneurs.

The term "investment" refers to the practice of allocating resources with the intention of acquiring assets with the intention of generating future income or profits. When making an investment in a company, it is common practice to allocate funds for research and development, marketing, and human resources, in addition to the purchase of tangible assets such as buildings, machinery, and

computers. Investing can also involve the purchase of stocks, bonds, and many other financial instruments for corporations and financial institutions such as EXIM Bank.

The profitability of an investment portfolio is susceptible to being affected by a variety of factors, such as, but not limited to, existing market circumstances, recent advancements in a particular industry, and indicators of the macroeconomic environment. The gross domestic product (GDP), inflation, interest rates, and unemployment rates are all examples of macroeconomic indicators. Investors use these statistics to evaluate the performance of the economy as a whole and determine how to most effectively deploy their capital.

The investment performance of EXIM Bank may suffer if the levels of macroeconomic factors that affect the industries and markets in which the bank invests changed.. Returns on investments at the bank might be significantly harmed, for instance, if the rate of development of the GDP slows and, as a result, there is less demand for the products and services that are provided by the companies that are held in the bank's investment portfolio.

Interest rate fluctuations can have an effect on a bank's profitability and asset value because they affect the cost of borrowing money for the companies in the bank's portfolio.. Through diligent monitoring of macroeconomic factors and an understanding of how those factors relate to the bank's investment strategy, EXIM Bank may be able to enhance its investment performance over the course of time.

3.1.1 Literature review

Banking, investment, and historical macroeconomic

Ingrao and Sardoni (2019) analyze banks and finance in today's macroeconomics in their study "Banks and Finance in Modern Macroeconomics: A Historical Perspective," which traces the development of economic theory from the 1930s to the present. The authors argue that the 2008 financial crisis was the first time the world truly understood the significance of banks and other financial institutions to the economy. Additionally, the authors also consider the intellectual climate in which current ideas about banking and finance have emerged, discussing the impact of Keynes and Schumpeter, among others. It can be argued that new macroeconomic models that account for the intricacies of the financial sector are needed if policymakers are to have a better understanding of banks and finance with which to govern the economy.

Overall, this report lights on the development of economic thought about banking and finance, highlighting the importance of gaining a more thorough understanding of these sectors in order to improve economic outcomes.

Economic performance of Bangladesh

The article "Economic Growth in Bangladesh and the Role of the Banking Sector," published on The Financial Express provides a summary of how the banking industry in Bangladesh has contributed to economic expansion. Indicators of economic growth, poverty reduction, and human development have all improved dramatically in recent years in Bangladesh, and these improvements are highlighted in the article.

The importance of the banking sector in boosting economic growth in Bangladesh is highlighted (Barkat-E-Khuda, 2019) by highlighting the industry's provision of essential financial services,

infrastructure, and expertise to help enterprises and entrepreneurs. The banking industry, the article argues, has been crucial in encouraging private investment, generating new employment possibilities, and boosting overall economic output. In addition, the author draws attention to problems such as regulatory concerns, loan defaults, and the insufficient financial inclusion of disadvantaged populations in Bangladesh's banking system. The article states, however, that these problems may be solved by strategic government actions and modifications.

The article as a whole is insightful due to the comprehensive view it provides on the function of banks in fostering economic growth in Bangladesh. It highlights some of the most notable accomplishments and offers suggestions for how the industry may continue to aid in the expansion of the national economy.

Banking investment factors

It provides a convincing case for financing long-term transformation companies. The author argues that investors should promote long-term, sustainable development rather than short-term profits. The author then discusses value investing and growth investing, highlighting their past effectiveness but accepting that they may not fit with the present economic situation or investor preferences. He also discusses long-term transformation and investment. He claims that firms that prioritize environmental sustainability, social responsibility, and corporate governance are more likely to succeed in the long run than those that prioritize short-term profitability. He cites several firms that have effectively executed long-term transformation strategies to support his claim. These include environmentalist Patagonia and corporate governance reformer Unilever. (McGee, 2015)

Overall, it emphasizes non-financial variables in investing decisions. Investors typically ignore a company's social and environmental effects in favor of financial indicators like profits per share and price-to-earnings ratios.

3.1.2 Significance

It is essential to do research on the macroeconomic variables that have an impact on the investment performance of EXIM BANK Ltd. given the potential influence these elements have on the bank's bottom line and success. For instance, alterations in interest rates, inflation, rates of foreign currencies, government restrictions, and the conditions of the global economy may all have an influence on the investment choices made by the bank, which will eventually determine the bank's level of financial performance.

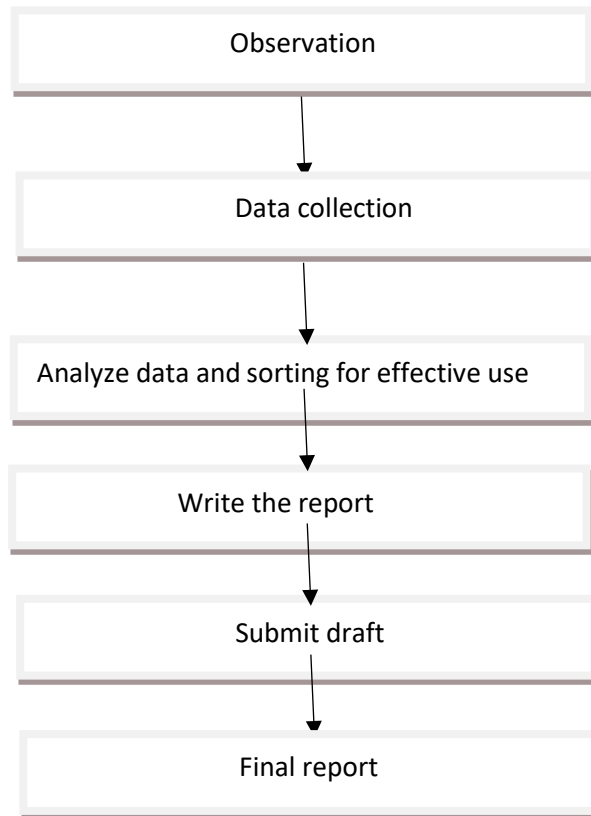
If EXIM BANK Ltd. fails to take these factors into consideration, the company faces the danger of acquiring assets that do not provide the expected profits and may even sustain losses. On the contrary, the bank may be able to maximize its profitability by keeping a close watch on these aspects and modifying its investment plans properly if prospects for expansion present themselves.

Therefore, more intense investment performance for EXIM BANK Ltd. may be accomplished through improved risk management and allocation of capital as a direct result of research conducted on macroeconomic activities.

3.2 Research Method

3.2.1 Research Design

I assemble this research in the following manner.



3.2.2 Working & data collection

Department/Work	Working Timeline
General banking	3/1/2023 -2/2/2023
Investment	3/2/2023 – 2/3/2023
Account opening	3/3/2023 – 3/4/2023

Table 19: Working timeline & departments of EXIM Bank Ltd.

The knowledge has been acquired from the experience I have received through three distinct departments while working from 3/1/23 to 3/4/2023.

3.2.3 Type of research

Quantitative research.

3.2.4 Data Collection

Secondary data

Information provided by EBL officials: The investment executive, the branch manager, the general banking executives, and the principal manager of EBL's Elephant Road Branch all gave speeches in order to provide me with direction on the overall activities of EBL.

Figures from brochures of EBL: The EBL Elephant Road Branch personnel gave a number of brochures to have knowledge on the operations of EBL, and those brochures are the sources of information about the organization as well as the technique of EBL investment and deposit.

Numerical data from internet; EXIM Bank's website has their annual report and magazines. I took numerical data from there to use it on my report.

3.2.5 Data sorting or analysis

Starting with selecting the research questions is critical since it leads me to the most relevant data that I need and is efficient in terms of time management. Next, verify the accuracy of the information gathered. Furthermore, data is evaluated using various graphs, pie charts, diagonals, and lots of different numerical ratios. Finally, evaluate the researched data and emphasize the analysis's findings.

3.3 Findings and Analysis

3.3.1 Findings

3.3.1A Macro-Economic Findings

In terms of macroeconomic indicators, I have made a few observations. Here, I take historical data from the internet to create a scenario of Bangladesh's economic statistics.

- **GDP**

It shows the GDP of Bangladesh and its growth. This is one of the major indicators of macroeconomics.

Years	GDP in billion \$	GDP Growth
2012	\$133.36B	6.52%
2013	\$149.99B	6.01%
2014	\$172.89B	6.06%
2015	\$195.08B	6.55%
2016	\$265.24B	7.11%
2017	\$293.75B	6.59%
2018	\$321.38B	7.32%
2019	\$351.24B	7.88%
2020	\$373.90B	3.45%
2021	\$416.26B	6.94%
2022	\$460.20B	7.25%

Table 20: GDP of Bangladesh by Years.

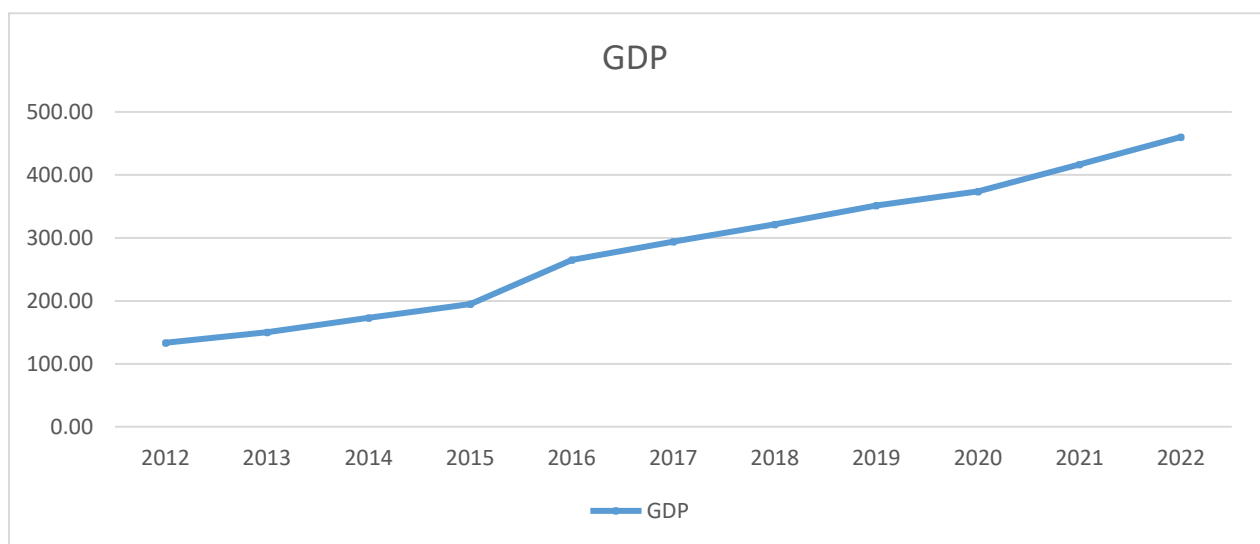


Figure 16: GDP by years graph.

○ **Inflation**

The term "inflation" is used to describe a sustained increase in prices across an economy. Since consumers must now pay more for the same set of goods and services they once paid less for, this trend is indicative of a decline in their purchasing power.

Inflation is measured by the CPI index and monitored by the changing prices of purchases.

Years	Inflation rate (%)
2012	6.2
2013	7.5
2014	7
2015	6.2
2016	5.5
2017	5.7
2018	5.5
2019	5.6
2020	5.7
2021	5.5
2022	6.15

Table 21: Inflation Rate of Bangladesh by Years.

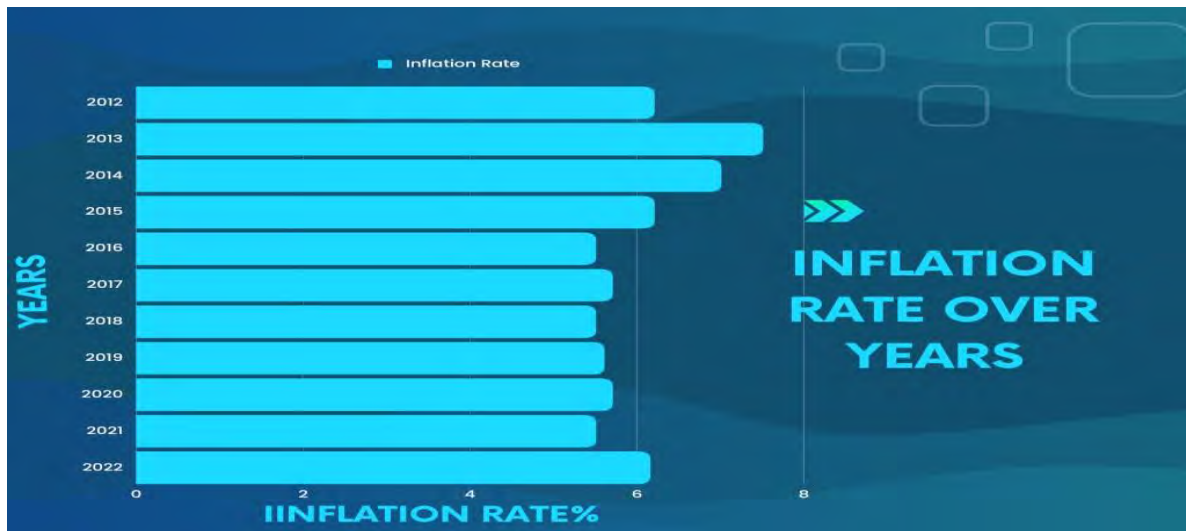


Figure 17: Inflation rate by years graph

- **Unemployment**

The number of people who are struggling to find work is one of the most significant challenges faced by an economy. The activities of investment or loan processing that are carried out by banks are also impacted by unemployment.

Year	Unemployment Rate (%)	Annual Change
2021	5.23%	-0.18%
2020	5.41%	0.98%
2019	4.44%	0.02%
2018	4.41%	0.04%
2017	4.37%	0.02%
2016	4.35%	-0.02%
2015	4.37%	-0.02%
2014	4.38%	-0.05%
2013	4.43%	0.31%
2012	4.12%	0.35%

Table 22: Unemployment Rate of Bangladesh by Years.

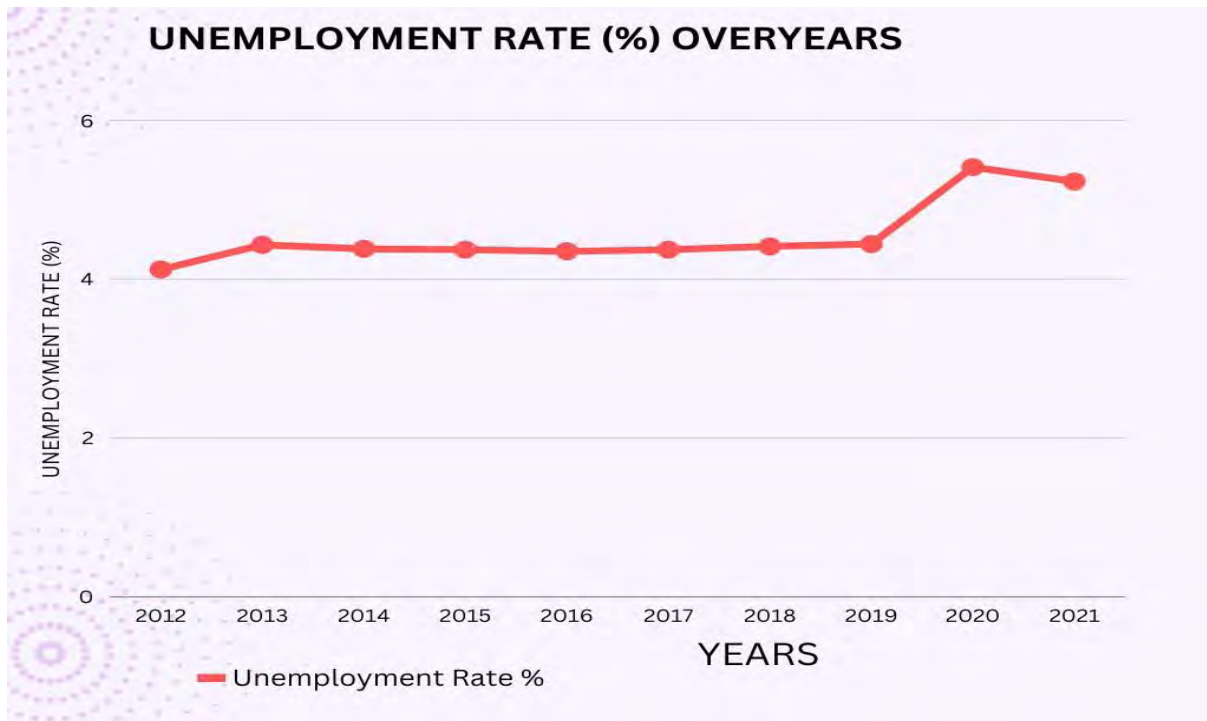


Figure 18: Unemployment rate by years graph.

- **Export**

Exports are the backbone of an economy, and institutions like EXIM Bank rely heavily on them.

Furthermore, it is intimately linked to banking investment and loan choices.

Year	Export in Billions of US \$	% of GDP
2021	\$44.39B	10.66%
2020	\$39.05B	10.44%
2019	\$45.99B	13.09%
2018	\$40.73B	12.67%
2017	\$37.66B	12.82%
2016	\$36.92B	13.92%
2015	\$33.82B	17.34%
2014	\$32.83B	18.99%
2013	\$29.30B	19.54%
2012	\$26.89B	20.16%

Table 23: Export size of Bangladesh by Years

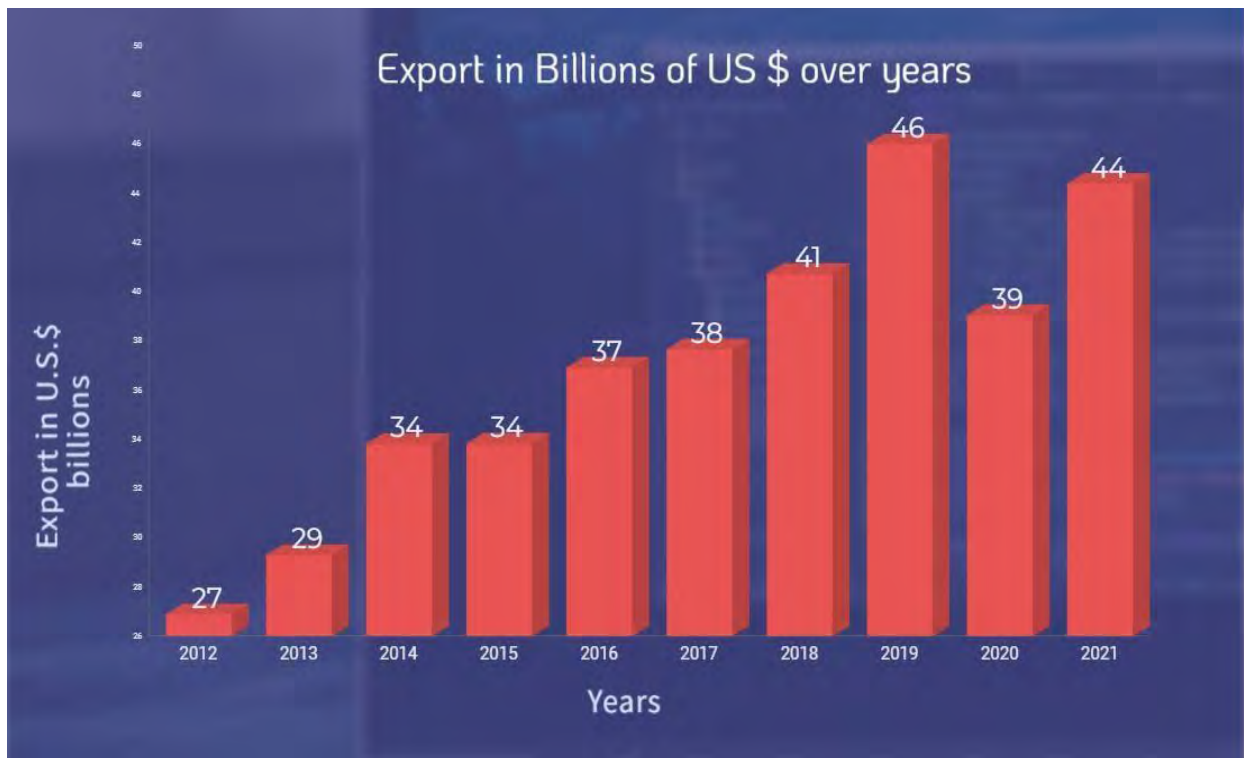


Figure 19 : Export amounts over the years graph.

- **Import**

As Bangladesh progresses towards becoming a developing country from a least developed country, we are largely dependent on imports. However, dependence on imports does not necessarily improve a country’s economic balance. For instance, Bangladesh is now focusing on its infrastructural development, which requires raw materials from abroad. This will lead Bangladesh towards the peak of development and create a balance between export and import.

Year	Import in Billions of US \$	% of GDP
2021	\$71.02B	17.06%
2020	\$59.18B	15.83%
2019	\$64.92B	18.48%
2018	\$63.76B	19.84%
2017	\$50.47B	17.18%
2016	\$46.19B	17.41%
2015	\$48.28B	24.75%
2014	\$44.13B	25.52%
2013	\$40.14B	26.76%
2012	\$37.27B	27.95%

Table 24: Import size of Bangladesh by Years

Import over the years

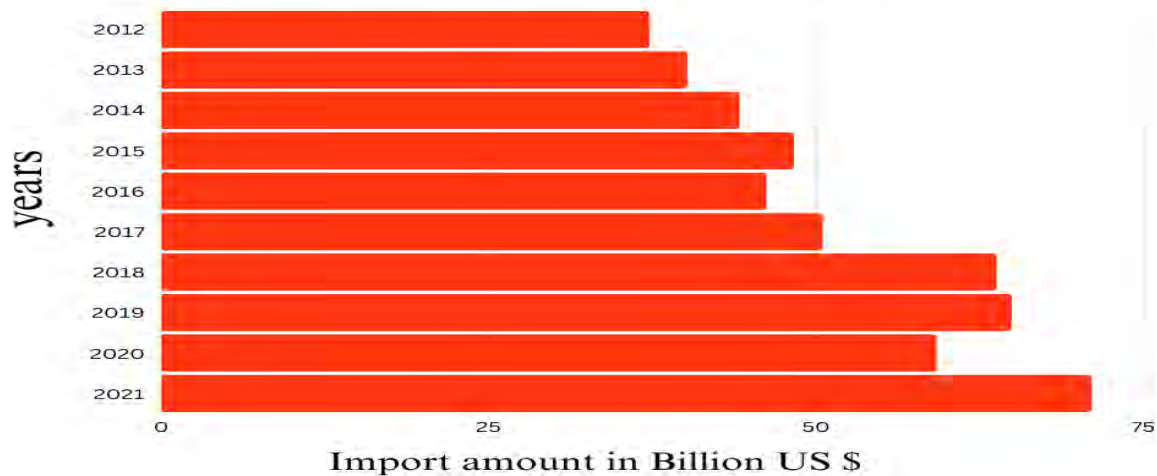


Figure 20: Import amounts bar chart over the years.

- **Interest rate**

In terms of investment, investors always tend to invest more if there is an upgrade in interest rates. However, lenders always try to avoid lending money if there is a high interest rate. By upgrading and downgrading interest rates, policymakers balance the economy and conduct its activities.

Year	Interest Rate%
2021	3.08%
2020	4.29%
2019	5.69%
2018	3.63%
2017	4.28%
2016	-13.64%
2015	5.51%
2014	6.89%
2013	5.99%
2012	5.34%

Table 25: Interest rate of Bangladesh by Years

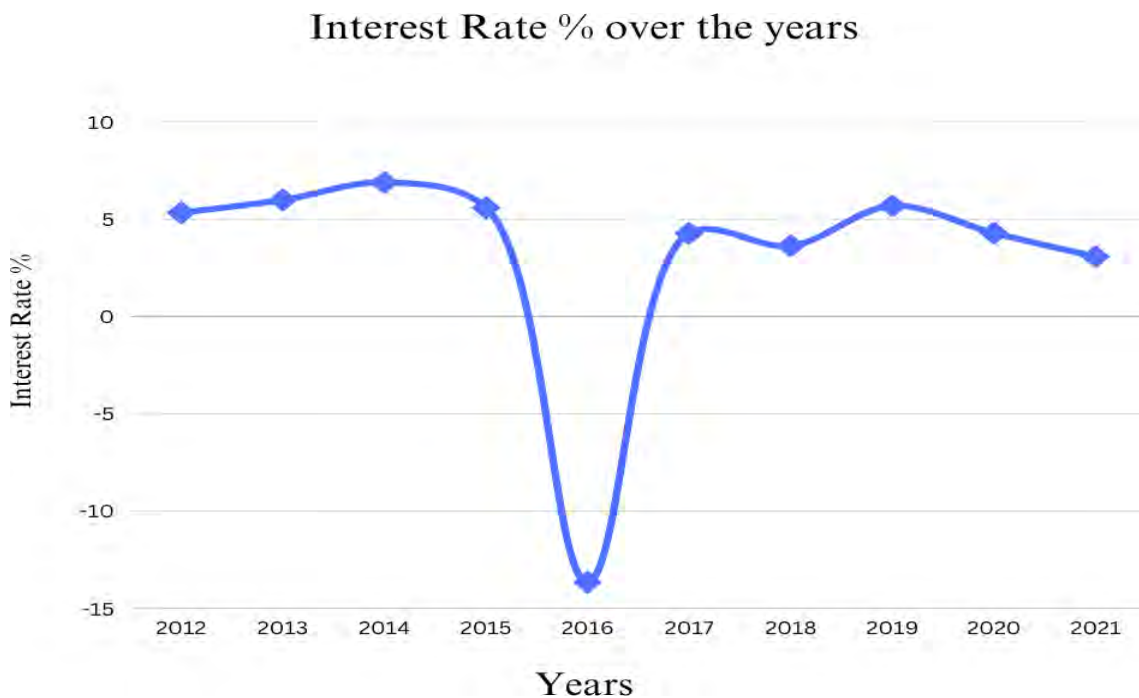


Figure 21: Interest rate trend over the years graph.

3.3.1 B Investment Findings of EXIM Bank

There are a variety of sectors in which EBL invests its capital. The investment always fluctuates according to its timeline.

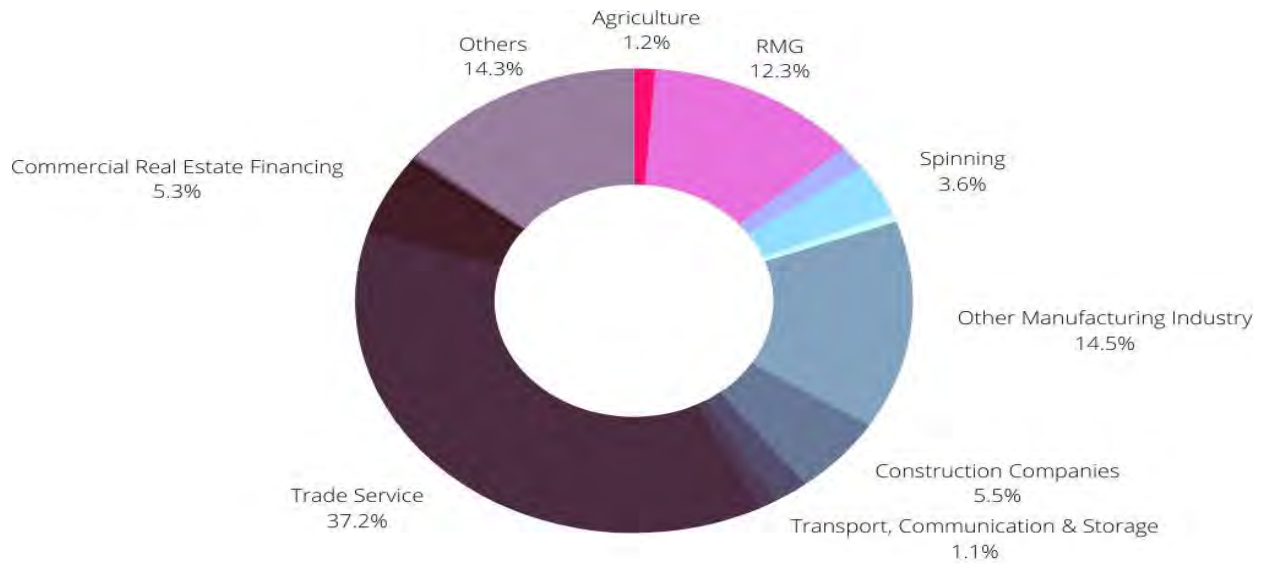
Investment Sectors	2017	2018	2019	2020	2021
Agriculture	296.86	333.54	373.56	433.54	520.22
RMG	3159.5	3525.26	4102.81	5096.42	5283.96
Textile & Weaving	641.99	633.43	615.21	711.18	727.35
Spinning	1231	1464.63	1583.16	1797.89	1545.84
Ship Building	0	3.82	111.17	245.95	263.83
Ship Breaking	0	0	3.45	0	0
Other Manufacturing Industry	3821.53	4869.34	5259.73	5960.97	6218.7
Construction Companies	1307.22	1724.81	2032.4	2290.76	2337
Power & Gas	468.99	554.63	747.76	847.2	863.24
Transport, Communication & Storage	460.9	579.35	849.74	693.39	462.6
Trade Service	8271.81	10855.76	11825.38	13819.73	15936.37
Commercial Real Estate Financing	1613.47	1635.01	2061.99	2092.66	2274.33
Residential Real Estate Financing	327.85	108.21	104.23	100.21	106.55
Consumer Investment	94.35	84.55	84.25	89.68	96.72
Non-bank financial institutions	37.39	79.76	105.93	52.87	79.03
Others	3647.49	4051.51	4467.97	5059.52	6104.75
Total	25380.35	30503.61	34328.74	39291.97	42820.49
Operating Profit	585.65	686.39	691.99	631.36	564.36

Table 26: Investments of EBL by years.

EBL INVESTMENT BY YEARS



Figure 22: Investment size & investment sectors over the years bar graph.



Investment sectors of EBL

Figure 23: Donut chart of Investment sectors of EBL in the year of 2021.

3.3.2 Analysis

1. As the scale of the GDP increased over the years, EBL's investment also gradually grew in different sectors.
2. The company's return varies over time in tandem with the rate of inflation, as investments and profits made by EBLs improve as inflation falls.
3. The relationship between unemployment rates and investment is complex and depends on different components, which contains the overall health of the economy.
4. Due to EBL's emphasis on exports and imports, EBL's investments in EBL are directly related to exports and imports. The scope of export and import grows along with the growth of investment in EBL, but ROI was not up to the mark.
5. The declining interest rate of recent years affects EBLs' return on investment in a negative direction.
6. The rising trend of GDP is deepening the range of EBL imports.

Here, I discovered these previously mentioned findings. This finding is depicted both descriptively and numerically. Before making investment decisions, it is crucial that banks such as EBL consider the aforementioned factors. Otherwise, this could become problematic for the bank in the long term, as they will be unable to achieve their desired rate of return. However, it is essential to verify the validity of all of the above, so I conducted a logical analysis:

- Investments have a significant impact on a country's GDP and are thus strongly tied to GDP. As demonstrated by the results, GDP has been rising steadily over time. Bangladesh's GDP increased at a rate of over 7% during 2018 and 2019. However, because of COVID, the expansion rate dropped drastically to 3.45%. In 2021, the year after COVID, growth resumed at a healthy 6.94%. That is to say, when Bangladesh's GDP rises, so does EBL's investment in the country. In 2019, EBL's investments returned 20.18%, but due to COVID, that number dropped to 12.53% in 2020. In the most current tally, for the year 2021, it was up 14.46%. It is clear that higher GDP growth stimulates investment growth in EBL, while lower GDP growth results in insufficient investment growth. This correlation between GDP and EBLs' investment serves to fortify Bangladesh's economic system. New equipment, buildings, and other capital projects are known to increase output and productivity, both of which contribute to GDP growth. Similarly, when people put their money into stocks, bonds, or real estate, it can stimulate the economy and encourage more people to spend money. In addition, a rise in GDP encourages companies to grow and invest in new infrastructure. Because of this, increased bank borrowing has been observed. This means there will be more interest in funding from EBLs.
- The value of an investment might decrease significantly over time due to the effects of inflation. As a result of inflation, the purchasing power of an amount of money will decrease relative to its purchasing power in the past as compared to the future. Inflation in Bangladesh has consistently outpaced the Federal Open Market Committee's (FOMC) target rate of 2% annually. The inflation rate was very stable between 2018 and 2021, ranging from about 5% to about 6%. Inflation in Bangladesh, however, was at an unsustainable 6.15 percent in 2021. For two years beginning in 2018, EBLs generated a

positive return on investment, but that rate of return plummeted in 2020 due to rising inflation. In general, the inflation rate is closely related to EBL's return on investment, despite the fact that the two variables tend to move in opposite directions. The reason for this is that inflation lowers an investment's real rate of return. For example, if a bank has an investment that is earning a 5% return but inflation is running at 3%, then its real rate of return will be only 2%. This means that banks' investments are worth less now than they did before. When deciding how to allocate their funds, banks frequently take inflation into account. There are some types of investments that perform better under inflationary conditions than others. For instance, stock prices and property values can rise in tandem with inflation, making them attractive investments in inflationary economies. Therefore, it's clear that the investment amount has been growing, but the return on investment has been shrinking over time. Therefore, investors need to take inflation into account when making investment choices and consider assets that can provide protection against inflation.

- There is a fragile knot between unemployment rates and investment. In Bangladesh, unemployment always creates an economic barrier always. From these findings, it's clear that the growth of unemployment is really promising as it gradually grows from 2018 to 2021, namely 4.41% and 5.43%. According to Business Insider, for a healthy economy, the unemployment rate should stay between 3% and 5%. However, the unemployment rate in Bangladesh will exceed 5.53% in 2021. On the other hand, the investment scale of EBL has increased gradually over the last five years, and recently, in 2021, it outpaced all of the previous investment records with 42820.49 crore BDT. To be more precise, it's important to remember that a number of factors—including the economy as a whole, trends within

certain industries, and the goals of individual businesses—influence the correlation between unemployment and investment. As a result, we saw a subsequent growth in EBLs' investment despite the rising number of unemployed people in Bangladesh.

- The importance of exports and imports to a country's economy has grown in recent decades due to globalization. Bangladesh, like many other countries, has diversified its economy by setting new records for exports and imports in recent years. The projected export and import growth rates for 2021 are 10.66% and 17.45%, respectively. Both are shown to have seen favorable growth rates throughout time. Investment in EBL expanded at the same time that exports and imports did. While exports and imports grew, investment growth among EBLs was very modest. Despite making the investment, the return was disappointing. The expansion of exports and imports is not the only element that affects EBL's investment; there are several other indicators to consider. For instance, in recent years, due to a lack of reserves, the government has enacted significant excess duties and unique import restrictions. This causes importers to import less, which slows the expansion of import-based businesses. However, countries like Bangladesh always look favourably on export-based businesses, and so the lenders in these industries can provide cheaper credit rates to their clients. While EBL's investment grew by over 9% in 2021, the company's return on investment fell from 631.36 to 564.36 crore BDT.

- Investments and interest rates are interconnected in the economic system. Policymakers always make the most economically sound choice possible, and the interest rate is a key part of that. Bangladesh lowered its interest rate to 3.08% in 2021 to stimulate its economy in the same way that other countries did in the year after the COVID pandemic. In the 2019

non-COVID year, this amounted to 5.69%. But EBL's investment scale expanded over that time, growing by about 9%. As a whole, the information appears to be beneficial for EBL investments. EBL's ROI, however, went in the opposite direction and increased by a negative 10.62%. This is due to the fact that interest rates have been very low in recent years. As a means of reviving its economy after the devastation caused by the COVID outbreak, Bangladesh cut its interest rate. More people will borrow money from banks to invest in their businesses if the interest rate is lower. Additionally, the borrowers feel less exposed to loss with a reduced interest rate. In spite of this, the records reflect the same thing when it comes to EBL, since in 2021 EBL made their largest ever investment and their return on investment made the lowest or negative growth it had ever made. In addition, EBL spent more money on investments since consumers were eager to take out loans at the low interest rate of the period, but the company's return on investment (ROI) suffered as a result.

- The size of a country's economy increases as its GDP expands. High exports relative to imports are indicative of a prosperous economy and help maintain economic equilibrium. Bangladesh's GDP is expanding steadily, which is encouraging for the country's economic outlook. But the fact that our imports exceed our exports is seen as a sign of economic downfall. In particular, our transportation, agricultural, infrastructural, etc. systems are all undertaking tremendous expansion as a result of our increasing reliance on imported goods in a country like Bangladesh. As a result, Bangladesh has to increase its imports. However, the outcomes of that work will be visible in the years to come, and they will have a positive effect on our economy and make it stronger. Furthermore, in the most recent year of 2021, its showing in EBLs' investment sector as a construction company that likes to lend more

was 2337 crore BDT. Across the board, industries like transportation, construction, and real estate saw increases in EBL funding.

3.4 Recommendation

Understanding the elements of investment, limiting risk, making accurate predictions, and taking the right step at the right moment are some of the most critical components of any successful investment performance. It is an essential element in ensuring that the company stays dedicated to its goals and objectives, which is a need for reaping the benefits of a successful investment, and it is also a crucial part in ensuring that the company stays committed to its aims and objectives.

I have tried to provide the following recommendation for the finding and analysis section of the report:

1. Conduct a correlation analysis to determine the strength and direction in terms of the bond between the performance of EXIM Bank's investments and each macroeconomic indicator by analyzing the correlation between the two. To better illustrate the connection, use graphical representations such as scatter plots.
2. To establish the importance of the relationship between each macroeconomic indicator and investment performance, a regression analysis should be run. Regression analysis can show all other significant factors that may be affecting investment performance, in addition to determining the nature and magnitude of the link between the two independent variables. This allows EBL to make smarter choices about where to put their money.

3. Consider carrying out a time-series analysis to investigate the shifts that have occurred in macroeconomic indicators over a period of time and the influence that these shifts have had on investment performance. It is possible that a single-period analysis might not reveal certain trends and patterns, but a multi-period analysis might be able to reveal them.
4. Bangladesh's GDP growth in recent years has been below expectations. Subdued domestic demand and slower export expansion are reflected in the low growth projections. Bank forecasts an increase in inflation from 6.2 percent in FY2022 to 8.7 percent in FY2023 and a decrease in the current account deficit from 4.1 percent of GDP in FY2022 to 1.6 percent of GDP in FY2023 (Bank, 2023). This will likewise lead to a steady growth in EBLs' investment, yet a high inflation rate will lead to a reduced return on investment. EXIM Bank should create new investment alternatives such as retirement funds, angel investing, and other forms of investment so that they can continue to thrive as a financial institution and boost their bottom line.
5. In addition to their focus on their financial activities, EBL ought to place a higher priority on their marketing efforts. My opinion is that in terms of their "Shariah-based banking," they have not accomplished anything that is particularly significant. EBL's prospective clients have a limited understanding of the 'Shariah' function that is available on their platform. Advertisements on television, brochures, and even printed advertisements on paper could alleviate this problem. They will find that advertisements on television and in newspapers are effective in educating potential clients about the distinctive feature of their product or service. In addition, brochures have the ability to direct new customers to EBL.

Proactively follow the recommendations made above, the findings and analysis portion of the report will be a comprehensive and insightful dive into the way multiple macroeconomic indicators affect the investment returns of EXIM Bank . Last but not least, it will show EXIM Bank how they can manage their investments to effectively intercept these indicators.

Summary & Conclusions

In this report, I have made an effort to conduct an analysis of how investments made by EXIM Bank behave in relation to macroeconomic indicators. Based on my research, it appears that the company is actively working to progress the financial services business by providing its clients with access to a diverse suite of products and services and by making lucrative investments in the market. While achieving remarkable success in the banking industry, EXIM Bank made it a point to keep their organizational goals and objectives in the top of their minds. The most essential part of the report is the one that comes at the very end. The results of this study have a number of significant implications, one of which is for banks invest in the different sector. The findings, combined with the macroeconomic factors, serve as the basis for the development of the entire investment perspective for the banks. According to the findings of the study, important aspects of successful investment are likely to include investment factors the ability to accurately predict future growth, and swift and suitable implementation of their decisions. This underlines how important it is to invest in these areas so that total business performance may be improved, which will ultimately result in more customers being attracted and better profits being generated.

In addition, I made an effort to provide constructive criticism of the investment choices made by EBL in order to make some adjustments. For instance, EBL have to pay close attention to the strategies and activities being carried out by the government and economists from across the world

in order to enhance the performance of their investments. In addition to this, banks need to take into account the potential risks that are connected with investments that lack a focus on these elements. If EBL places an emphasis on research about investments and makes precise forecasts regarding such investments, I have no doubt that they will beat their competitors throughout the course of years.

In overall, this research emphasis the significance of prevailing macroeconomic conditions for assessing the success of EBLs' investment portfolios. As a result of this, it is essential that policymakers take into consideration these aspects whenever they make decisions on the investing activities.

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