

INTERNSHIP REPORT ON

**General Banking of EXPORT IMPORT BANK
BANGLADESH LIMITED (EXIM BANK) And a Comparative
study between Islami Banking and Conventional Banking**



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Subject: Submission of the internship report

Dear Sir,

With great pleasure I want to submit my internship report on “General banking of EXIM Bank and a comparative study between Islami Banking and Conventional banking”.

The report contains about general banking activities of EXIM Bank Ltd, Bashundhara Road Branch, where I worked as an intern for three months. As well as how Islami banks differ from conventional banks.

Due to time constraints, I have tried as much as possible to avoid giving any vague information. If such arises I am prepared to clarify them.

Yours Sincerely

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Acknowledgement

All praise goes to the Almighty for giving me the strength and patience in order to complete my internship.

At the beginning I would like to give thanks to my Academic Supervisor, Mr. Suntu Kumar Ghosh, for assisting and guiding me in writing the internship report.

Secondly to my onsite supervisors Mr. Mostafa Shaukat Imran, Mr. MD. Emdadul Hasnat and Mr. M.M Kamrul Hashan and other Bashundhara Road Branch employees who guided me and taught me about different banking operations and processes.

To the Head of HR of EXIM bank ltd for giving me the opportunity to work as an intern in the bank.

Executive Summary

The banking sector of the country was started after the establishment of the Bangladesh Bank and nationalization of six commercial banks which led the foundation of commercial banking in public sector. Gradually conventional banks spread all over Bangladesh. Though Bangladesh is overwhelmingly populated by Muslims, the idea of Shariah Based banking system developed quite recently. The banking sector of the country is dominated by conventional/commercial banks and there are only a few (eight) Islami Banks. This certain study looks forward about the mode by which an Islami Bank (EXIM Bank Bangladesh ltd) operates and what are the main differences between Islami Banks and conventional banks. The word Shariah attracts to the religious minded people of the country. Due to rising popularity of Islami banks some conventional banks are also trying to offer some Shariah based services (Ullah & Azad Chowdhury, 2013). Eight Islami Banks of the country share 18% of the total assets of the banking sector which is very high compared to rest 82% of the total assets shared among the conventional banks. This internship report was started with an humble attempt to illustrate the nature and character of Islamic Banking vis-à-vis the conventional banking. But at the end the outcome has proved to be by far a short raw and shallow description – an attempt with many short fall, incompetency's, and ignorance's – vast areas remaining unknown and unexplored due to time constraint.

Key words: Islami banks, Conventional banks, Mudaraba, Mudarib.

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Introduction

Introduction:

The Financial System of Bangladesh comprises of

- Formal Sector: consists of Banks, Non-banking financial institutions, insurance companies, Brokerage houses and Micro Finance Institutions.
- Semi-formal sector: are regulated institutions but are not under any sort of control of Central bank, Insurance authority etc. examples Specialized Financial Institutions like House Building Finance Corporation (HBFC), Grameen Bank etc. and Non-Governmental Organizations (NGO's)
- Informal Sector: consists of private brokers and is unregulated. (Bangladesh Bank, n.d.)

Banking sector is vital to maintain a country's financial condition. Taking deposits (from surplus units), giving loans (to individual, businesses etc.), and providing security to one's deposit (financial assets) are only a few to mention. Financial market virtually collapsed and economic activities halted during the war of Liberation. So immediately after the independence, Bangladesh Bank was established as the Central Bank (under President Order number 127, In October 1972) and six commercial banks in public sector viz- Agrani Bank, Janata Bank, Pubali Bank, Rupali Bank., Sonali Bank and Uttara Bank were established under the Bangladesh Bank's (Nationalization Order 1972) taking bank branches of Pakistan functioning in former East Pakistan to revive and rehabilitate financial market.

In order to complete undergraduate, it is mandatory to work as an intern in a selected organization, and in order to do that I had the privilege to work as an intern in EXIM Bank Ltd (Bashundhara Road Branch). Doing major in finance, it was a necessity to work as an intern in an organization to see how the theories are applied practically and banking sector was an ideal choice for doing internship. Working as an intern, over a three months' time period (Sept-1 to Dec-1, 2015) was a unique experience. The time was not enough to understand the overall banking processes and services provided by the bank. Nevertheless a generalized idea could be made about operations related to banking.

Objective of the Report:

To understand different types of banks, that are operating in Bangladesh, and how they differ from one another (focusing on Shariah Based Bank and conventional Banks), in terms of providing services and overall banking services provided by EXIM Bank.

Main objective of the Report:

- Brief understanding about the banking sector.
- Types of banks operating in Bangladesh
- Brief understanding about various departments of bank.
- Shariah Based banking
- Comparative study about the differences between Shariah Based Banking and Conventional Banking
- Customers' expectations and satisfaction levels on services provided by banks.

Methodology:

Both primary and secondary sources of data were used in order to complete the report.

- Primary sources include:
 - o Face to Face Conversation with current bank employees and support staffs
 - o Conversation with customers of the bank
 - o Observing while doing work through job rotation.
 - o Doing surveys
- Secondary Sources Include:
 - o Annual report of EXIM Bank Ltd
 - o Website of EXIM Bank Ltd.
 - o Manuals provided by EXIM Bank for training of its employees.
 - o Website and reports published by the Bangladesh Bank
 - o Related articles and journals published which are available in the internet.

Scope:

I was intern in the Bashundhara Road Branch of EXIM Bank. The findings and analysis from the conducted survey are applicable to this specific branch only. The departments and banking services of EXIM Bank are same, irrespective of the branches, but effectiveness and quality of service provided to the customers and customer satisfaction levels varies from branch to branch.

Limitations of the Report:

- o Three months is not enough to understand and learn about all banking activities
- o The Bank maintains strict confidentiality of data.
- o Some customers are not compatible with questions asked to them, therefore gave vague information.
- o Application of various software, used in banks, eg SWIFT, were not practically shown. Therefore their application and usage remains unclear.

Industry Overview

Industry overview

Bangladesh Bank, as the Central Bank was established with the sole purpose of regulating both the monetary and financial system of the country. Some of the few functions of Bangladesh bank are as follows:

- Creation and execution of monetary and credit policies.
- Monitoring and governing of banks and non-bank financial institutions, promotion and development of domestic financial markets.
- Management of the country's international reserves.
- Issuing notes.
- Regulation and supervision of the payment system.
- Prevention of money laundering.
- Collection and furnishing of credit information.
- Implementation of the Foreign exchange regulation Act.
- Managing a Deposit Insurance Scheme.
- Lender of the last resort
- Advising government on various financial issues.
- Holds and manages foreign currency reserves of the country.

Within a decade after establishment of Bangladesh Bank and nationalization of six commercial banks of the public sector, inspite of large expansion of sizes of public sector banks with increased number of branches and manpower spread all over Bangladesh, banks with improved efficiency and quality services were felt to be inadequate. So since early 1980s steps have been undertaken to promote establishment of banks in the private sector to improve the efficiency and competitiveness in banking industry and to meet the growing demand and needs of expanding trades, businesses and industries in particular and exploding population in general. Initially response was poor due to lack of knowledge and entrepreneurs but gradually investment in banks in the private sector gained momentum and, by enlarge investment in the private banks has become the most popular attractive, lucrative and competitive business among all other businesses in Bangladesh. At present, as per one statistics of Bangladesh Bank there are fifty six scheduled banks (of which thirty nine are private domestic banks and thirty one non-banking financial institutions operating in Bangladesh).

The term Banking, according to section 5.b of the Banking Regulation Act 1949, means “the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdraw able by cheque, draft, order or otherwise.”

The person who is carrying out the process of banking is called banker. According to Sect 3b of Negotiable Instrument Act 1881, ‘A banker is a person transacting the business of accepting, for the purpose of lending or investment, of deposit of money from the public, repayable on demand or otherwise and withdraw able by Cheque, Draft, Order or otherwise”

The Banking sector of the country are of two types:

1. Schedule Bank: are operated under the Bank Company Act 1991.
2. Non-Schedule Bank: these banks are for special purposes and are created for fulfilling those objectives. Examples of these banks are Grameen Bank (providing microcredit loan to the poor), Karmasangsthan Bank (helping unemployed youths).

There are 56 scheduled banks and 4 non-scheduled banks in the country (Bangladesh Bank, n.d.)

Apart from banking institutions there are also Non-Banking Financial Institutions in the country. Non-Banking Financial institutions are regulated under Financial Institution Act, 1993. So far there are 31 FI's in the country.

Scheduled Banks may be categorized into different classes, these are:

1. State Owned Commercial Banks (SOCB's): as the name implies, these banks are owned by the Government.
2. Private Commercial Banks (PCB's): there are two types of PCB's
 - Conventional PCB's
 - Islami Shariah base PCB's
3. Foreign Commercial Banks (FCB's)
4. Specialized Banks (SDB's)

Bank types	Return on assets (ROA)									Return on equity (ROE)								
	2006	2007	2008	2009	2010	2011	2012	2013	2014 June	2006	2007	2008	2009	2010	2011	2012	2013	2014 June
SCBs	0.0	0.0	0.7	1.0	1.1	1.3	-0.6	0.6	-0.1	0.0	0.0	22.5	26.2	18.4	19.7	-11.9	10.9	-2.4
DFIs	-0.2	-0.3	-0.6	0.4	0.2	0.1	0.1	-0.4	-0.9	-2.0	-3.4	-6.9	-171.7	-3.2	-0.9	-1.1	5.8	-9.5
PCBs	1.1	1.3	1.4	1.6	2.1	1.6	0.9	1.0	0.8	15.2	16.7	16.4	21.0	20.9	15.7	10.2	9.8	8.4
FCBs	2.2	3.1	2.9	3.2	2.9	3.2	3.3	3.0	3.5	21.5	20.4	17.8	22.4	17.0	16.6	17.3	16.9	20.1
Total	0.8	0.9	1.2	1.4	1.8	1.5	0.6	0.9	0.6	14.1	13.8	15.6	21.7	21.0	17.0	8.2	11.0	8.4

Fig 1. Profitability ratio of types of Bank (till June 2014) (Source Bangladesh Bank Financial Report 2014)

According to the data published Foreign Commercial Banks (FCB) (till June 2014) had the highest ROA and ROE (3.5 and 20.1). Development Financial Institutions underperformed. They had the lowest ROA and ROE (-0.4 and -9.5). Second least underperformed banks were the State Owned Commercial banks whose ROA and ROE were -0.1 and -2.4, the Private Commercial Banks (PCB's) had ROA and ROE of 0.8 and 8.4.

List of Banks

A. STATE OWNED BANKS:

1. Agrani Bank Limited.
2. Janata Bank Limited.
3. Rupali Bank Limited.
4. Sonali Bank Limited.
5. Bank of Small Industries and Commerce Bangladesh Ltd.
6. Bangladesh Development Bank Limited.

B. SPECIALSED BANKS:

1. Bangladesh Krishi Bank.
2. Rajshahi Krishi Unnayan Bank.

C. PRIVATE BANKS:

a) Foreign Banks:

1. Standard Chartered Bank
2. State Bank of India
3. Habib Bank Ltd.

4. Citi Bank, N.A.
5. Commercial Bank of Ceylon Ltd.
6. National Bank of Pakistan
7. Woori Bank
8. The Hong Kong & Shanghai Banking Corporation Ltd.
9. Bank Al-Falah Ltd.

b) *Private Banks (Incorporated in Bangladesh excluding Islamic Banks):*

1. AB Bank Ltd.
2. National Bank Ltd.
3. The City Bank Ltd.
4. International Finance Investment and Commerce Bank Ltd.
5. United Commercial Bank Ltd.
6. Pubali Bank Ltd.
7. Uttara Bank Ltd.
8. Eastern Bank Ltd.
9. National Credit and Commerce Bank Ltd.
10. Prime Bank Ltd.
11. Southeast Bank Ltd.
12. Dhaka Bank Ltd.
13. Dutch Bangla Bank Ltd.
14. Mercantile Bank Ltd.
15. Standard Bank Ltd.
16. One Bank Ltd.
17. Bangladesh Commerce Bank Ltd.
18. Mutual Trust Bank Ltd.
19. Premier Bank Ltd.
20. Bank Asia Ltd.
21. Trust Bank Ltd.
22. Jamuna Bank Ltd.
23. BRAC Bank Ltd.
24. NRB Commercial Bank Ltd.
25. South Bangla Agriculture and Commerce Bank Ltd.

26. Meghna Bank Ltd.
27. Midland Bank Ltd.
28. The Farmers Bank Ltd.
29. NRB Bank Ltd.
30. Modhumoti Bank Ltd.
31. NRB Global Bank Ltd.

c) *Islamic Banks*

1. EXIM Bank Ltd.
2. Islami Bank Bangladesh Ltd.
3. ICB Islamic Bank Ltd.
4. Al-Arafah Islami Bank Ltd.
5. Social Islami Bank Ltd.
6. First Security Islami Bank Ltd.
7. Shahjalal Islami Bank Ltd.
8. Union Bank Ltd.

(Bangladesh Bank, n.d.)

General Banking of Export Import Bank
Bangladesh Ltd.

About EXIM Bank

In 1999, Export Import Bank of Bangladesh (EXIM) was established by (late) Mr. Shahjahan Kabir (founder chairman) with a goal of improving the socio economic condition of the country. Initially named Bengal Export Import Bank Limited, the bank was renamed to EXIM Bank Ltd on 16th November 1999. In July 2004, EXIM Bank converted all of its conventional banking operations into Shariah Based Islamic Banking. In 2006, EXIM Bank was incorporated in the DHAKA STOCK EXCHANGE and CHITTAGONG STOCK EXCHANGE. There are ninety eight branches of EXIM Bank throughout the country.

Vision

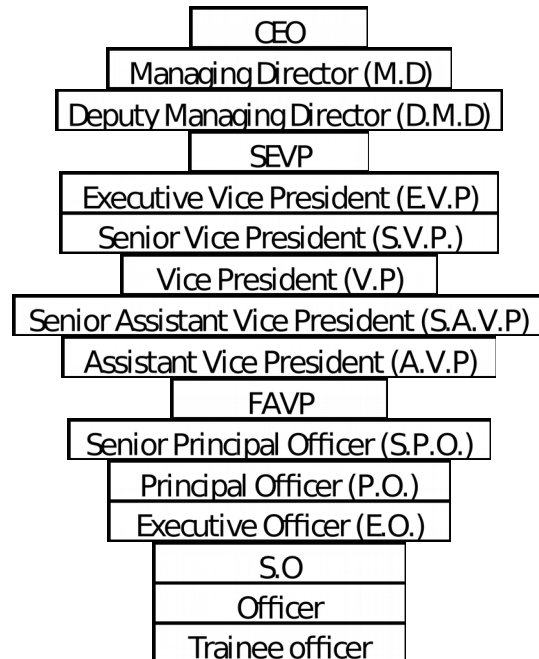
Vision of EXIM bank is ‘Together Towards Tomorrow’. EXIM Bank wants to move forward, along with its customers by providing personalized services, and regularly improving their services.

Mission:

EXIM Bank’s mission are to:

- Providing financial services especially in Foreign Trade
 - Continue a contemporary technology based professional banking environment
 - Maintain corporate & business ethics and transparency at all levels
 - Sound Capital Base
 - Ensure sustainable growth and establish full value to the honorable stakeholders
 - Fulfill its social commitments and
 - Above all, to add positive contribution to the national economy
 - Offering Shariah based banking products in a modernized way
- (Eximbankbd.com, n.d.)

Organizational Structure of EXIM Bank Ltd. (Head office)



Financial Highlights of EXIM Bank:

Financial Highlights

Sl.	Particulars	Amount in crore BDT				
		2010	2011	2012	2013	2014
1	Authorized Capital	1000.00	2000.00	2000.00	2000.00	2000.00
2	Paid-up Capital	683.23	922.36	1051.49	1156.63	1283.86
3	Reserve Fund	315.48	384.98	458.75	523.69	611.83
4	Deposits	9494.94	10788.12	14036.97	16573.32	20029.44
5	Investment (General)	9329.66	9969.96	11822.00	14384.74	17793.68
6	Investment (Shares & Securities Exclu. Subsidiaries)	452.20	673.40	1034.54	1122.22	1522.17
7	Foreign Exchange Business	22796.66	25440.75	27008.15	26865.27	28498.47
	a) Import Business	12957.07	12844.58	14331.44	13540.99	14679.56
	b) Export Business	9535.95	12221.73	12099.69	13035.33	13441.24
	c) Remittance	303.64	374.44	577.02	288.95	377.67
8	Operating Profit	589.38	395.58	533.44	492.79	600.38
9	Investment as % of total Deposit	98.26%	92.42%	84.22%	86.79%	88.84%
10	No. of Foreign Correspondent	354	336	398	386	398
11	Number of Employees	1686	1724	1909	2229	2458
12	Number of Branches	59	62	72	80	87
13	Return on Assets after tax	3.54%	1.65%	1.45%	1.06%	1.16%
14	Return on Equity (ROE)	36.22%	14.91%	13.86%	10.27%	11.35%

Updated on: May 25, 2015

Fig 2. Financial highlights of EXIM Bank Bangladesh Ltd. (source EXIM Bank Annual report)
ROE of the bank has increased in 2014 it was 11.35% compared to previous year's 10.27%. Deposits were also rising. Operating profit was fluctuating throughout four years.

Organizational Structure of EXIM Bank, Bashundhara Road Branch

Senior Vice President and Relationship Manager

(Mr.Tariqul Islam Choudhury)

Assistant Vice President

(Mr.M.M. Kamrul Hashan)

Senior Principal Officer

(Mr. Mohammad Atuar Hossian, Mr.Md. Nazrul karim)

Principal Officer

(Ms. Shirin Sultana, Mr.Mohammad Abdul Mazed, Mr.Aminur Rahman Shawon)

Executive Officer

(Mr.Md. Mahbubur Rahman Majumder, Mr. Mostafa Shaukat Imran, Mr.Md.Shohidujjaman, Ms. Shalina Akter, Mr.Mohammad Asraful Hafiz)

Officer

(Ms.Arifa Sultana Sathi, Mr.Md. Zahirul Islam, Mr.Md. Monjurul Islam, Mr.Md.Kamruzzaman, Mr.Md. Al-Amin, Mr.Md.Musafeque Us Salehin, Mr.Md. Emdadul Hasnat, ms.Gouri Rani Karmakar, Mr.Md.Monsur Rahman, Mr.Md. Imam Hassan)

Training Officer

(Mr.Mohammad Rashed us Salam)

Services Provided by EXIM bank are:

Retail Banking

Deposits

- Current Deposit
 - Al- Wadia Current Deposit
- Mudaraba Special Notice Deposit
- Savings Account
 - Mudaraba Saving Deposit
- Mudaraba Cash Waqf Deposit
- Term Deposits
 - Mudaraba Term Deposit
 - Mudaraba Education Deposit
- Deposit Schemes

- o Mudaraba Monthly Savings Deposit Scheme
- o Mudaraba Su-Grehini Monthly Savings Scheme
- o Mudaraba Femina Monthly Savings Scheme
- o Mudaraba Senior Monthly Savings Scheme
- o Mudaraba Monthly Income Deposit Scheme
- o Mudaraba Su-Grehini Monthly Benefit Scheme
- o Mudaraba Femina Monthly Benefit Scheme
- o Mudaraba Senior Monthly Benefit Scheme
- o Mudaraba Multiplus Saving Scheme
- o Mudaraba Super Saving Scheme
- o Mudaraba Hajj Deposit Scheme
- o Mudaraba Denmohor / Marriage Deposit Scheme
- o Mudaraba EXIM Student Saver
- o Mudaraba Millionaire Deposit Scheme
- o Mudaraba Kotipoti Saving Scheme
- o EXIM RUHAMA- (Three Years' Probable Double Benefit Scheme)
- o EXIM ZIADAH - (Five Years' Probable Triple Benefit Scheme)
- o EXIM KRISHI - (Mudaraba Krishi Monthly Deposit Scheme)
- o EXIM SHWAPNO - (Mudaraba Housing / Entrepreneurship Development Scheme)

Corporate banking

- Investments
- Foreign Exchange & Trade Finance
- Correspondent Banking
- Import Finance
- Export Finance

SME Banking

- EXIM Uddyog
- EXIM Abalamban

Agri Banking

- EXIM Kishan

Remittance

Foreign Remittance

- EXIM Exchange Company (UK) Ltd.
- EXIM Exchange Company (Canada) Ltd.
- SWIFT
- International Operation

Departments of EXIM Bank, Bashundhara Road Branch

Bashundhara Branch has the following departments;

1. General Banking
 - a. Accounts Opening/closing
 - b. Cheque book issue/Demand Draft/pay order
 - c. Cash deposits/collection/receipts/utility bills
 - d. Bill and clearing department.
 - e. E-corner
 - f. Remittance
2. Investment Department
 - a. General Investment
 - b. Women Entrepreneur and SME
3. Foreign exchange/trade department.
 - a. Export
 - b. Import

Account opening/closing and cheque book issue

As the name implies this section deals with opening (and closing) of various sorts of account, as per client wish and demand. Cheque books are also issued through this department. A client can choose what type of account he/she wants to open. Some of the most common account types are

- Alwadia Current deposit
- Mudaraba Savings deposit
- Mudaraba Short term deposit
- Mudaraba term deposit
- Mudaraba Savings Scheme

Documents needed to open accounts vary from types of accounts, eg. Individual account or proprietorship. Necessary documents needed to open an account are printed at the back of respective forms.

In order to open an individual account/joint account the documents required are:

- Two copies passport size photo of the account holder, one copy passport size photo of the nominee.
- Photocopy of the national ID card of both account holder and nominee.
- An introducer (current account holder of the bank) who will attach the photographs.
- Photocopy of any utility bills.
- Joint declaration form (only for joint accounts)

Proprietorship

- In addition of passport size photos, photocopy of national id card, and introducer a valid Trade License is required.
- A Tax Paying Identification Number (TIN) certificate.
- Proprietorship declaration form.

Partnership

- National ID
- Valid trade license
- Partnership Declaration form
- Partnership Deed
- Tin Certificate
- List of partners
- Resolution for account opening

Limited Company

- Registration Certificate from the Registrar of Joint Stock of Companies
- Certificate of Incorporation
- Certificate of Commencement of Business
- Memorandum of Association
- Articles of Association

- Tin Certificate
- List of the Directors

NGO's, clubs and societies can also open account, and documents vary accordingly.

In order to close an account:

- A form is given to fill up
- Issued cheque is returned
- That specific account is debited and remaining amount is paid back to the customer.

Issuance of cheque book

A check requisition slip is available to all the customers who are willing to do transactions through cheque. The cheque requisition slip a customer has to provide following information:

1. Account holder name
2. Account name
3. Number of pages in the cheque book.
4. The slip will be submitted and signed by the officer in charge.
5. It takes around 6-7 working days to get the check.

If a check is lost, person losing the cheque will have to:

1. A GD has to be filed
2. A copy of the GD have to be submitted to the bank
3. Bank will then cross check and then issue a new cheque book.

Cash Section

This section does the following tasks:

- Cheque maintenance
- Record day to day transactions
- Provide and collect money to and fro depositors
- Record closing monthly transactions of the branch.

Cash receipt: Cash received from the customers, depositors need to fill up deposit slip. The deposits can be made through cash, demand draft, pay order or cheque. Teller present in the cash section must make sure:

- Deposit slip has been properly filled up
- Title and account number
- Amount deposited in both figures and words
- Signature of the depositor

After scrutinizing, teller will accept the financial instrument and sign it, place seal and record it.

Cash payment: Before a cheque is honored the designated officer will check the followings:

- Whether the cheque is crossed or open
- Where the cheque is drawn from the specific branch
- Whether the cheque is pre/post dated
- Compare the signature on cheque and signature card of the account holder and then verify it
- Confirmation of the account holder if the payee is other than the account holder.

After working hour is over, teller counts the notes and records over all transactions of the bank.

Foreign exchange department:

This department deals with both local and foreign remittance. The main purpose of this department is to open L.C's. Mainly there are two parties – Applicant/issuing bank and Beneficiary

In order to open a LC the following parties are present:

- Importer (Buyer).
- The Issuing Bank
- The Advising Bank
- Exporter/Beneficiary
- Confirming Bank
- Accepting Bank.

a) Importer:

Person who requests the bank to issue a L.C. The bank, on behalf of the importer/applicant opens the L.C after there is an agreement between the exporter and the importer.

b) Issuing bank:

In other words, it's the importers bank. Its purpose is to make payment to the exporters and bank and carry transactions on behalf of the importer.

c) Advising bank:

Bank that advises the exporter's bank to do business with the importer's bank. This bank only acts as an adviser but is not liable in the importer's bank defaults or breach's any agreement.

d) Beneficiary:

In other words the exporter or seller.

e) Confirming bank:

The bank, which under instruction in the under letter of credit, add conformation of making payment in addition to the issuing Bank. It is done at the request of the issuing Bank having arrangement with them.

g) Reimbursing / Paying Bank:

The Bank nominated in the credit by the issuing Bank to make payment stipulated in the document, complying with the reimbursement Bank.

IMPORT SECTION

This section deals with L/C opening and post import financing i.e. LIM & LTR. Now the procedure from opening L/C to disbursement against L/C is given below:

Application for opening L/C:

At first, an importer will request banker to open L/C along with the following documents.

- An application.
- Indent or Proforma Invoice.
- Import Registration Certificate (IRC).
- Taxpayer's Identification Certificate (TIN)
- Insurance cover note with money receipt.
- Membership of chamber of commerce.

This department also deals with remitting funds. In order to remit funds or transfer funds, EXIM Bank uses the following modes:

- Foreign Telegraphic transfer (FTT): a way through which account holders as well as non-account holders can send funds/cash to branches of EXIM Bank which are on other cities (eg Dhaka-Chittagong). Beneficiary must have an account and a test number is given before the transfer is made in order to make the transfer secure payee and the drawer must know the number.
- Foreign Demand Draft (FDD): A demand note that is used to transfer cash within various branches of EXIM Bank.
- Online: doing transactions, paying bills by using the internet.

Foreign Remittance

EXIM Bank also deals with foreign exchanges, inward and outward of remittance in and out of the country. In order to provide the designated services the bank buys and sells foreign currencies. Currencies are converted according to the exchange rate. The exchange rates for buying and selling of foreign currencies are different.

There are two types of remittance:

A) Inward remittance

B) Outward remittance

Bill and Clearing Department

Designated officers of the bank accept cheques from the clients, apart from cheques other instruments are also accepted. The bank collects funds, of clients, from other banks through clearing house.

Clearing house is where officials of various banks receive and deliver cheques with different banks. As per Article 37(2) of Bangladesh Bank Order, banks who are members of the clearing house are Scheduled Banks, and it's a job of the scheduled banks to accept and clear cheques of various banks.

There are two types of Clearing:

1. Outward clearing
2. Inward Clearing

Bills are also collected from the customers. There are two types of bill:

1. Outward bills for collection
2. Inward Bills for collection

Performance of EXIM Bank Bashundhara Road

Performance Statistics as on 31-08-15			
Particulars			Amount
D i s i v s d r s i			(figure in crore)
Total Deposit (including Bills Payable)			291.18
Bills payable			0.3
Total Investment (without ar up ro t)			122.45
Total Income			27.69
Total Expenditure			21.1
Net Profit			6.59
Cost of Fund			8.04%
s d w i s l i s s			9.06%
Yield on investment			12.96%
R r s s r r i l i y			0.32%
Net Profit Income			11.59
Net Profit Margin			6.53%
l y s s s l s s			7.44%
Foreign Exchange Business			
Export			
number of Export documents handled			195
Total Amount			
	In Taka		32.59
	In USD		\$0.42
Import			
Number of L/C opened			111
Total amount			
	In Taka		62.11
	In USD		\$0.79
Total Number of Account			
Al Wadia Current Deposit			622
Mudaraba Savings Deposit			5248
Foreign Currency Deposit			
Mudaraba STD			101
Mudaraba Term Deposit			5493
Mudaraba Sundry Deposit			
Scheme Deposit			2613
Marginal Deposit Against BTB L/C			35
Mudaraba Cash Waqf Deposit			7
Murabaha Deposit (CCP)			
Investment			407
Total			14526

Fig 3. Performance statistics of Bashundhara Road Branch, August -2015

Performance Statistics as on 30-09-15				
Particulars				Amount
D i , l Pr fi P i i			(figure in crore)	
Total Deposit (including Bills Payable)				238.79
Bills payable				0.58
otal In estment (without ar up rofit)				122.41
Total Income				30.66
Total Expenditure				23.16
Net Profit				7.498
Cost of Fund				8.11%
wi li				9.70%
Yield on investment				13.44%
R r r Pr fi ili y				0.25%
Net Profit Income				11.23
Net Profit Margin				7.45%
l y l				12.56%
Foreign Exchange Business				
Export				
number of Export documents handled				223
Total Amount				
	In Taka			34.88
	In USD			\$0.45
Import				
Number of L/C opened				119
Total amount				
	In Taka			68.32
	In USD			\$0.87
Total Number of Account				
Al Wadia Current Deposit				624
Mudaraba Savings Deposit				5277
Foreign Currency Deposit				
Mudaraba STD				101
Mudaraba Term Deposit				5549
Mudaraba Sundry Deposit				
Scheme Deposit				2643
Marginal Deposit Against BTB L/C				4
Mudaraba Cash Waqf Deposit				7
Murabaha Deposit (CCP)				
Investment				480
Total				14685

Fig 4. Performance statistics of Bashundhara Road Branch, September-2015

Performance Statistics as on 31-10-15				
Particulars			Amount	
D i , I Pr fi P i i			(figure in crore)	
Total Deposit (including Bills Payable)			213.76	
Bills payable			0.65	
Total Investment (without ar up rofit)			111.57	
Total Income			33.75	
Total Expenditure			24.35	
Net Profit			9.4	
Cost of Fund			4.90%	
wi li			6.24%	
Yield on investment			20.97%	
R r r Pr fi ili y			0.46%	
Net Profit Income			25.84	
Net Profit Margin			21.65%	
I y I			14.04%	
Foreign Exchange Business				
Export				
number of Export documents handled			234	
Total Amount				
In Taka			35.57	
In USD			\$0.46	
Import				
Number of L/C opened			122	
Total amount				
In Taka			72.53	
In USD			\$0.93	
Total Number of Account				
Al Wadia Current Deposit			628	
Mudaraba Savings Deposit			5328	
Foreign Currency Deposit				
Mudaraba STD			102	
Mudaraba Term Deposit			5631	
Mudaraba Sundry Deposit				
Scheme Deposit			2675	
Marginal Deposit Against BTB L/C			4	
Mudaraba Cash Waqf Deposit			7	
Murabaha Deposit (CCP)				
Investment			474	
Total			14849	

Fig.5. Performance Statistics of Bashundhara Road Branch, October -2015

Performance Analysis

Total Deposits

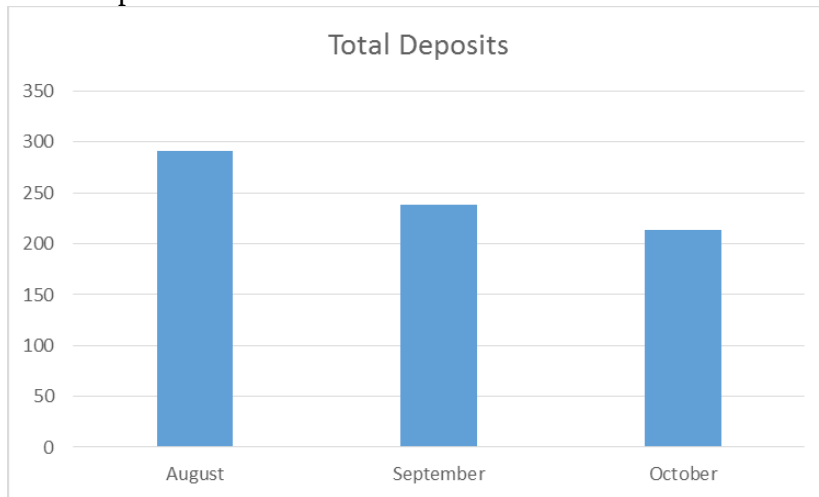


Fig.6. Total Deposits

Total deposit amount fell each month. In the month of August total deposit was 291.18 crore, in September it was 238.79 crore and in October it was 213.76 crore.

Yield on Investment

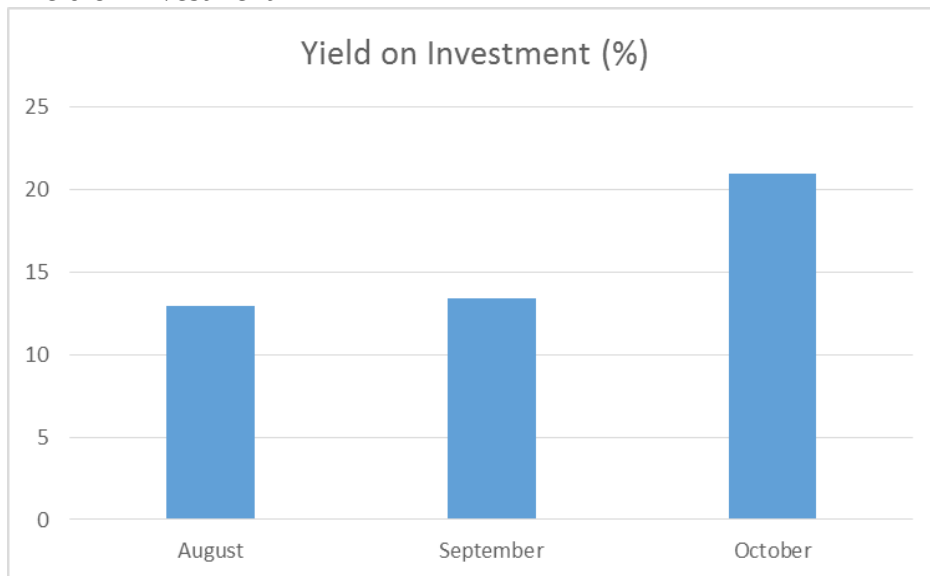


Fig 7. Yield on investment

Yield on investment increased every month. On august 12.96%, September it rose to 13.44% and in October it was 20.97%.

Return on Assets (ROA)

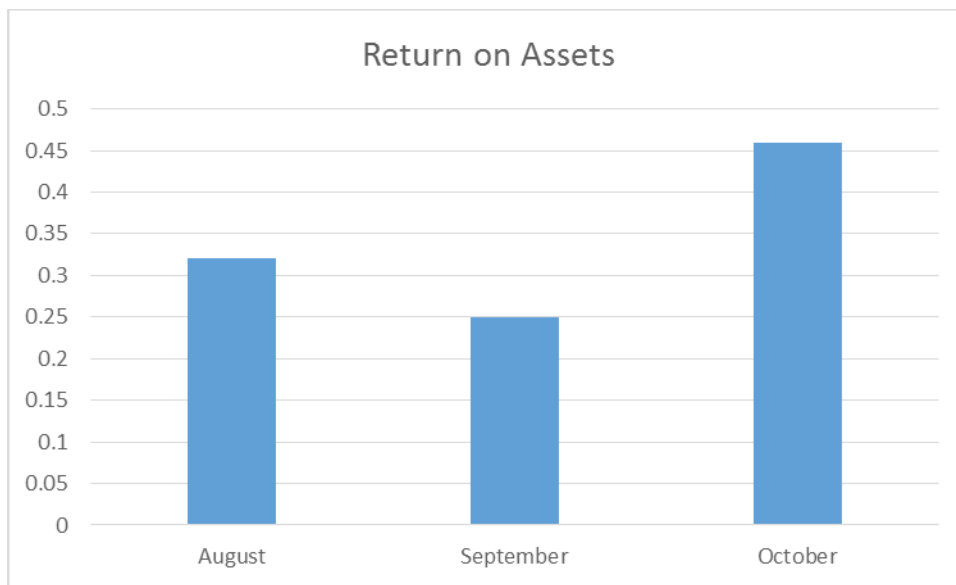


Fig.8. ROA

The ROA in August was 0.32, it fell to 0.25 in September and in October it rose to 0.46%.

Net Profit income

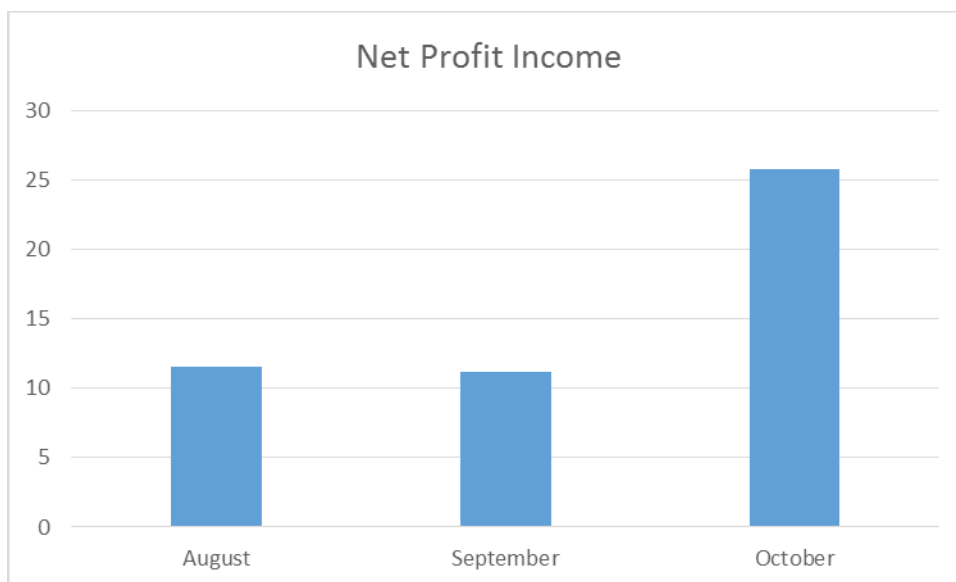


Fig 9. Net profit Income

Net profit income was more or less same in the month of August and September (11.59 and 11.23) in the month of October it rose exponentially to 25.84.

	August	September	October	Percentage % (October)
Al wadia Current Deposit	622	624	628	4.37
Mudaraba Savings deposit	5248	5277	5328	37.06
Mudaraba STD	101	101	102	0.71
Mudaraba Term Deposit	5493	5549	5631	39.17
Scheme Deposit	2613	2643	2675	18.61
Marginal Deposit Against BTB/LC	35	4	4	0.03
Mudaraba Waqf Deposit	7	7	7	0.05
Total	14119	14205	14375	100.00

Fig.

10. Proportion of various types of accounts opened.

According to the data, most common amount opened by the depositors was under Mudaraba Principle.

Out of that Mudaraba Term Deposit had the highest percentage of 39.17% (as of Oct-2015) of the total 14,849 accounts opened. 37.06% of the accounts were Mudaraba Savings Deposits (MSD). 18.61% were Mudaraba Scheme Deposit. Al Wadiah Current account consisted of 4.37% of the coverall accounts opened.

Islami Banking history and how it differs from Conventional Banking

About Islamic banking

According to the General Secretariat of the Organization of Islamic Conference (OIC) Islami Bank is “A Financial institution whose statutes, rules and procedures expressly state its commitment to the principles of Islamic Shariah and to the banning of the receipt and payment of interest on any of its operation”.

Islami banks are operated under Shariah principle (Islamic law), the main reasons why Islami banking system was established are:

- To control inflation
- Increase investment amount
- Be fair to depositors
- Reduce discrimination in income
- Utilize foreign currency
- Improve standard of living of the poor
- Effective distribution of wealth

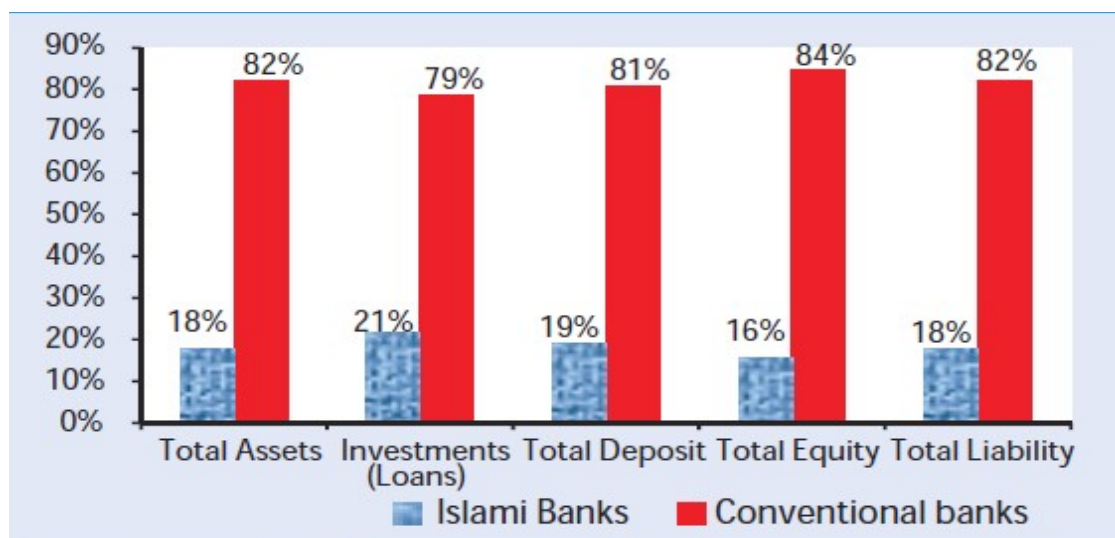
The first Islami Bank was established in 1963 in Egypt, named Mit Ghamr Local Savings Bank, and was established by Dr. Ahmed Al-Naggar. In 1975 the Islamic Development Bank (IDB) was established. So far there are around three hundred Islami Banks and financial institutions all over the world.

Islami banking in Bangladesh:First Islamic Banking System started in 1983 in 1983 with the incorporation of Islami Bank Bangladesh Limited (IBBL). Now there are eight Islami Banks in the country, they are:

1. EXIM Bank Ltd.
2. Islami Bank Bangladesh Ltd.
3. ICB Islamic Bank Ltd.
4. Al-Arafah Islami Bank Ltd.
5. Social Islami Bank Ltd.
6. First Security Islami Bank Ltd.
7. Shahjalal Islami Bank Ltd.
8. Union Bank Ltd

Name Of Bank	Year of Incorporation	Listing Status	Year Of Listing
Islamic Bank bangladesh Limited (IBBL)	1983	Listed	1985
ICB Islamic Bank Limited (ICBIBL)	1987	Listed	1990
Al-Arafah Islami Bank Limited (AAIBL)	1995	Listed	1998
Social Islami Bank Limited (SIBL)	1995	Listed	2000
Export Import Bank of Bangladesh Limited (EXIM)	1999	Listed	2004
First Security Islami Bank Ltd. (FSIB)	1999	Listed	2008
Shahjalal Islami Bank Limited (SIBL)	2001	Listed	2007
Union Bank Limited (UBL)	2013	Not Listed	Not Listed

Fig 11. List of Islami banks and year of Incorporation. (Source journal of Islamic Banking and Finance, Vol 2, No-1, March 2014)



Source: Data: DOS, BB; Computation: FSD, BB

Fig 12. Market share of Islami banks and Conventional banks as of 2014.

18% of the total assets of the overall banking sector belonged to Islami Banks, rest 82% belonged to conventional banks, 21% of investment belonged to Islami Banks and rest 79% to conventional banks, of the total deposits 19% were made in Islami Banks and the rest 81% belonged to conventional banks. 16% of the total equity belonged to Islami Banks and the rest 84% to conventional banks. Islami banks had 18% of the total liability and conventional banks had the rest 82%.

Three conditions have to be fulfilled to make the transaction Shariah based:

- The transaction should be free of interest (Riba)
- Should be free from Gharar (less uncertainty)
- Transaction should be free of gambling (maysir)

People have a misconception about interest. The excess amount paid is said to be Interest only when

- The rate of the amount
- The time of the payment
- And the total amount

Are fixed or remains unchanged.

As per Shariah based banking deposits are of two types:

1. Al-Wadeeah principle
2. Mudaraba principle

Some of the most common terms used in Islamic Banking are:

- Shariah : rules and regulations which are mentioned in the Holy Quran and are reshaped in order to guide human being in conducting day to day activities.
- Islamic bank: a banking company which operates under Shariah/Islamic law, strictly avoids payment and receipts through interest.
- Riba: Return on the money that was promised.
- Profit Mark-up: the difference between the amounts purchased and sold.
- Weightage: a formula used to distribute profit among the depositors of various accounts.
- Depositor: account holder of the branch, who has opened account in either Al-Wadia principle or Mudaraba principles.
- Investment: a way by which Islami Banks finance a business which is deemed 'Halal' or permissible in Islam.
- Compensation: monetary penalty charged by the bank from a client who defaults to pay installment as per the agreement with the bank on due date

Al-Wadeeah principle

Islamic banks receive funds on current account by using this principle. The bank goes with a contract with the depositor stating that the funds deposited will be invested according to Shariah based law. The depositor won't be liable for any loss or profit incurred or earned by the bank from using of the deposited funds. The bank is liable to return the deposited money on demand of the account holders. Bank has all the right to terminate any sort of transaction with the account if there is presence of any

dishonesty or fraud. If the account remains un-used for one year or more, the account will be deemed as a Dormant Account.

Mudaraba principle:

In this principle there are two parties. One is the owner of the capital, the Sahib-Al-Maal, and the other is the one managing the business/funds/investment, the Mudarib. In other word the depositors of the Islami Banks are Sahib-Al-Maal, and the bank is Mudarib. According to this principle the Mudarib is going to use the money of the Sahib-Al-Maal to conduct businesses which are permissible as per Shariah law. When there is profit, it will be shared between both the parties at a preset ratio. If there is loss, then the loss will be borne by Sahib-Al-Maal, and the Mudarib won't seek for any sort of compensation for conducting the business.

The Mudaraba deposits are:

- Mudaraba Savings Deposit (MSD): it's a type of deposit account, where the account holder can deposit money according to his/her convenience, but can withdraw only under specific conditions. Government tax is applicable to this sort of account.
- Mudraba Short Notice Deposits (MSND): in this account, the bank gives the customer privilege to withdraw money from the account, but the bank has to be notified seven days before the day of the withdrawal. Customer earns profit on a daily basis.
- Mudaraba Term Deposits (MTD): it is a non-transactional account where profit along with a principal amount is paid to the account holder at the end of the maturity. The weightage of the profit varies with the maturity date of the account. If an account holder dies, the nominee has the right to carry on the account till the date of maturity.

Whenever an Islami bank invests by using funds from the Mudaraba principle, if there is profit from the investment the amount of profit is shared with the depositors according to predetermined ratio. For EXIM Bank the ratio is 65%:35%. That is the bank (Mudarib) will keep 35% of the profit and the depositor (Shaib-Al-Maal) will keep 65% of the profit.

There are two types of Mudaraba:

- Mudaraba Mutlak: Here the Mudarib (bank) has complete freedom over the business, but the type, time and the nature of the business is not specific.

- Mudaraba Muqqayada: it is the complete opposite of Mutlak. Mudarib (the bank) has no complete freedom over the business and the nature, time and type of the business are specified.

Islami Bank deals with services and goods, money is not a product for Islamic Banks. The bank uses the funds from the depositors and funds businesses which are permissible in Islam.

Mainly there are three types of investment in Islami banking:

1. Partnership (Mudaraba) Mode:

- a. Mudaraba: partnership between two partners Sahib-Al-Maal (depositor) and Mudarib (bank)
- b. Musharaka: there can be two or more partners. Capital invested by the partners may be same or vary. All partners have the right to interfere in the business. Profit will be shared in the predetermined ratio and the loss will be distributed as per invested amount.

Musharaka are also of four types:

- i. Shirkat-Al-Inan: Capital investment and profit of partners vary.
- ii. Shirkat-Al-Mufawada: Both profit and loss are equally distributed. Social status, educational back ground of all the partners must be same.
- iii. Shirkat-Al-Shanai: The partners are of same profession or trade and should have the same experience. However the profit and loss distribution may vary.
- iv. Shirkat-Al-Wazuh: partners purchase goods and sales them in cash. Partners can walk out from the business whenever he/she wants. A partner's death will automatically remove him/her from the business.

2. 'Bai' (purchase and sale) Mode:

- a. Bai-muazzal : means sale on credit
- b. Bai-murabaha: The word Bai means selling and buying and Ribhum means pre-determined profit. Therefore Bai-Murabaha means sales on agreed upon profit. The Bank purchases
- c. Bai-salam
- d. Parallel Salam
- e. Istisna
- f. Parallel Istisna

3. Ijara mode: Commonly known as leasing. The bank can lease the property or assets to its client and the client pays rent at a fixed rate.

In Islami banking types of import can be categorized into three categories:

1. Import of commercial goods
2. Import of raw materials
3. Import of Capital Machineries

For the import of commercial goods and raw materials, investment is made under Bai-Murabaha and Bai-Muajjal mode whereas for the import of machineries investment is made Shirkatul Mulk mode. Features of Bai-Murabaha: It is a contract between the seller and the buyer, the buyer pays cash for the goods or pays by installment.

Comparative study between Islami banking and Conventional banking

The main and most important difference between Islami banking and Conventional Banking is – interest rate. In Surah-Al-Baqarah (Ayat 275) it is stated ‘Allah has permitted trading and prohibited Riba (interest)’. Conventional banks give depositors some return at a fixed rate, on a fixed time and a fixed amount of money. Whereas Islami Banks provide profit or share the profit (earned from investing the funds) with the depositors, in other words the Bank shares the return it gets from investment. Islami Banks and conventional banks don’t have that much of differences in their mode of operations and other banking service. They differ in principle, mission, goals, processes and mode of investment.

Conventional Banks	Islamic Banks
Objective of conventional banks is to maximize profit of the business	Main objective of Islamic Banks is to bring equity and fairness in the human society
Conventional Banks look forward in earning of profit	Islamic Bank provides Interest free mode of transaction
Conventional Banks act as a channel for exchange	Islamic Bank looks forward maintaining equity and fairness between depositor of the fund (Shaib-Al-Maal) and the manager of the fund (Mudarib).
Conventional banks look forward to help an industry to grow.	Islamic Bank promotes trade and entrepreneurship.
Conventional Banks look to keep the money market steady.	Islamic banks tend to decrease income discrimination and improve financial position of the less fortunate, by sharing of profit.
The relationship between their clients is simply a creditor and a debtor. Bank is not liable to its customers if there is profit or loss (Alfatak, 2015)	The depositors (account holders) are considered as partners and shares profit with the depositors. (Alfatak, 2015)
Greater importance is given on finding out whether the clients are creditworthy or not	Emphasis is given on project viability rather than customer's worthiness
Bank puts forward its own interest first rather than interest of the clients.	Public interest, growth and equity are the ultimate goal
Follows man made rules	Follows rules of the Holy Quran
All activities are interest based	Interest (Riba) is forbidden
Deposits are collected based on interest	Deposits are shared based on profit
Depositors are not subjected to loss since interest rate is fixed	Loss is borne by the depositors
Does not follow such principles	Investment are done according to Mudaraba or Musharaka principle
Main motive is to earn interest, does not consider whether the business is ethical or not	Does not invest which are strictly prohibited under the Sharia Law

Provide loans to individuals/firms	Provide financing to individuals and invest the money permissible by Shariah law
In mortgage, customer will have to repay extra on the amount borrowed	In Islami Bank, customer and the bank share the ownership of the property. Customer pays back the rent to the bank over time and later on becomes the owner of the property.
In Conventional mortgage finance the bank charges rent as soon as the lease is granted. (Mib.com.mv, 2015)	In Islamic mortgage finance, the lessee will be charged as soon as he/she has received the delivery of the leased property, not from the day of purchase.(Mib.com.mv, 2015)
Interest will be charged from the clients even though the client has incurred loss.	Bank will share the losses (depending on which principle was followed) if the client has incurred loss.
Customers, who have taken loan, bear the risk.	Bank shares risk with the customers to some extent.
Contract can be cancelled by the bank, if the customer becomes defaulter or is risky for the bank to bear	Bank cannot cancel the contract until and unless there is breach of contract.
Bank can change terms and conditions and also lets the customer know about the changes. (Alfatak, 2015)	Bank can change the terms and conditions, only if the new rule benefits the customers. There is requirement of customers consent. (Alfatak, 2015)
Lending is most common mode of investment	Invests through 'Bai' (sale and purchase) or Ijara (leasing)
Money is treated as a 'Product' by conventional bank. It is bought and sold and can be rented.	Money is not a product for Islami banks. It is used for medium of exchange.
Can charge extra money (as penalty) if a borrower defaults.	Does not charge extra, but charges compensation, which in turn is given back as charity.
Do not offer this sort of funds	Provides fund for Hajj pilgrims.
Does not have the concept of Zakat	Pays Zakat, looks to improve life style of the society and less fortunate by distribution of income through Zakat.
Charge compound interest	Charges one time profit

Responsibility as an INTERN

Responsibility as an intern

As an intern I worked in the Bashundhara Road Branch for a span of three months. Used to stay in the Bank on an average four hours, from 10 Am to 2 pm. I did not work on a specific department, it was more of a job rotation, worked in all the departments.

Account opening

In this department I worked the most. Main job for me was to fill up the forms of the account holders. This department deals with opening and closing of accounts. I have learned what types of accounts are there and what are the necessary documents required to open an account. Different types of account include Al wadia, Mudaraba Savings Deposit, Mudaraba term Deposit receipts etc. Certain aspects of the form, for instance the name of the account holder, the account number has to be filled up. Each form comes with a Know Your Customer (KYC) form where elaborate information of the account holders are written. Later on I used to put various seals on the forms, the seals included the name of account opening officer, name of the assistant relationship manager, relationship manager, seal of the branch etc. After each month, number of accounts opened are recorded, these include the name of the account holder, account number, opening date. These are all recorded in the account opening register book as per the type of account opened.

Cheque Requisition form

When a client opens an account, the account opening form comes with a cheque requisition slip. In the slip, the customer has to write the name of the account and account number as well as the number of pages he/she wants in the cheque book. After a new cheque book is recieved in the branch, I used to put seal of the branch on every page of all new cheque books. After putting the seal the in charge officer would put his/her sign on the seal. After that, I used to write the account number, account name and number of pages included in the cheque books in the cheque book issue register.

Bill Clearing section

In this section I used to put seals such as, seal of the Branch, endorsement seals on the cheques received. I used to check whether the account number, account holders name were correctly written, as well as the amount written correctly in both numbers and words.

Filling up pay order, demand draft

Issuing pay order/demand draft part of day to day activities of the bank. In the Pay order slip there are spaces where the customer writes his/her account name, as well as account number, amount of money to be deposited. The customer pays the amount in cash or cheque. After that officer in charge issues the pay order.

Helping customers

EXIM bank is well known for its customer service, helping the customers whenever they require it and provide them with relevant information. As an intern I had to make sure that this is not jeopardized. Whenever any client/customer/depositor wanted help I tried my best to help them. There were customers who were not educated enough to write their names. So when they came to deposit money, I used to fill up deposit slip/pay order for them. Also I used to write application letters on behalf of the customers. Sometimes I used to photocopy documents for them.

Problems faced as an intern

This is the first time I have worked in an organization. Office etiquettes and norms had to be maintained, which I had some time to understand and get used to. Other problems faced are:

- Adjusting with the environment
- Knowing the people in charge and hierarchy of the organization
- Knowing my boundaries, what I could or could not do as an intern
- Writing names/numbers. Initially I was over cautious while filling out the forms, since there is no or minimal scope of overwriting and mistake, after writing name/account number I used to check number of times which took a lot of time.
- I was tensed of making mistakes in the beginning.
- In some organizations interns are miss treated and put under excess pressure and workload. Luckily this was not true for EXIM Bank. Although the internship is non-paid, but the work environment outweighs the payment issue.

- The tasks were monotonous.
- The tasks were not challenging
- Software used by the bank was not shown to the interns, only theoretical knowledge was given, which was not sufficient enough to understand the overall process.

The bank employees, were courteous and friendly. These helped me to adjust quickly with the bank environment. Doing internship in the Bank has given me insights and learned a lot.

- At the beginning I was tensed about making mistakes, but later on I became cautious and careful and did not make careless mistakes.
- I now have a clear idea about the documents required to open a bank account
- There are customers who are naïve and crude, and they have to be treated with politeness, make them understand by not hurting their sentiment. I have seen how the bank employees deal with them.
- The internship was non paid, therefore the bank authority did not force me to do work. But whenever I wanted any information I got it instantly.
- Learned the process of issuing pay order, demand draft, cheques what to write in deposit slips.
- Verifying signature
- How to maintain office etiquette, how to behave with superiors and subordinates.
- Last but not the least to be responsible and liable for my own actions.

Customer Satisfaction Survey

Each and every organization has both strength and weaknesses. EXIM Bank Bashundhara Branch has also strength and weaknesses. In order to find the potential strength, weaknesses of the branch, customer survey was conducted.

Objective of the survey: Finding out customer satisfaction level.

Method: Primary source, questionnaire as well as face to face interviews. The questionnaire included both multiple choice questions and open ended questions.

Sample size = 25

Target sample = account holders of EXIM Bank Bashundhara branch

Limitations

While conducting the survey some problems were faced. For instance choosing the suitable customers or finding customers who are compatible with the questions asked. There are clients who are not that much educated does not know how to read or write, so they are not compatible with the questions asked. Other limitation was the number of people surveyed. Sample size was only twenty five. People don't like to be asked questions, they consider this as botheration. There were times when clients refused to fill up the questionnaire or bothered with questions.

Findings and analysis

1. Respondents Gender

XGender		
	Frequency	Percentage %
Male	19	76
Female	6	24
Total	25	100

Out of 25 respondents, six were female (24%) and nineteen were male (74%).

2. Profession of the clients

Profession of the clients		
	Frequency	Percentage %
Student	8	32
Businessman	6	24
Housewife	5	20
Service holder	6	24
Total	25	100

32% of the clients were students, 24% were businessman, 20% were housewife and the rest 24% were service holder.

3. Respondents age limit

age		
	Frequency	Percentage %
Less than 25	8	32
25-35	6	24
35-45	5	20
more than 45	6	24
total	25	100

Clients aged less than 25 years were 32% of the total, most of the clients were ageing between 35-45 years 20%, clients aging between 25-35 and people older than 45 years shared equal percentage of 24%.

4. Does the Bank do anything to maintain relationship with the customers

Does the Bank do anything to maintain relationship with the customers		
	frequency	percentage (%)
Yes	15	60
No	10	40
Total	25	100

Bank invites clients during Ramadan to do Iftar, or other occasions. 60% of the customers said that they got invitations during iftar, or Branch opening from the Bank. 40% did not get any sort of invitations.

5. Most important factor that is considered for effective banking services

eFactors considered for effective banking service		
	Frequency	Percentage %
Behavior of bank staff	5	20
Time taken for service delivery	12	48
Interior of the bank	1	4
Transaction time	2	8
Reliability	2	8
Confidentiality	2	8
Service Charge	1	4
Total	25	100

48% of the respondents said time taken for service delivery ensured effective banking service, whereas 20 % said behavior of bank staff was important. 4% said Service charge and other 4% interior of the bank were important. 8% said transaction time was an indicator for effective banking service. 8% considered reliability was a factor and the rest 8% said confidentiality of customer information was an indicator for effective banking service.

6. Customer perception on EXIM Bank

XCustomer perception on EXIM Bank		
	Frequency	Percentage %
Wide Branch network	2	8
Customer Service	5	20
Online banking	1	4
Sms banking	2	8
Shariah based Banking	15	60
Total	25	100

Clients were asked what came in their mind when they were asked about EXIM Bank. 60% of the customers said, Shariah based banking came to their mind whenever they heard about EXIM Bank, 20% said about customer service, 8% said about wide branch, 8% about sms banking and the rest 4% said about online banking.

7. Rating of bank Staffs (on a Scale of 5)

)XHow cordial are the bank employees (on a scale of 5)		
	Frequency	Percentage %
Very Poor (1)	0	0
Poor (2)	0	0
Average (3)	2	8
Good (4)	6	24
very Good (5)	17	68
Total	25	100

Clients of the bank were asked how cordial the bank employees were and to rate their behavior on a scale of 5. 68% of the customers rated as Very good, 24% rated as good, 8% rated as average and the rest 4% rated as poor.

8. Customer awareness of other services of EXIM Bank

Awareness of other services		
	Frequency	Percentage %
Not At all	0	0
Least Aware	3	12
Moderately Aware	7	28
Aware	8	32
Well Aware	7	28
Total	25	100

Customers were asked whether they were aware of other services provided by the EXIM Bank. 12% said they were least aware about other services, 28% were moderately aware, 32% were aware about the services and rest 28% were well aware about all the services provided by the bank.

9. Customer satisfaction with the service delivery process provided by the Bank

Satisfied with the service delivery process provided by EXIM Bank		
	frequency	percentage (%)
Yes	20	80
No	5	20
Total	25	100

80% of the customers said that they were satisfied with the service delivery process of the bank, the rest 20% were not satisfied. It can be said that EXIM Bank Bashundhara Road Branch, can satisfy 80% of its customer through efficient service delivery.

10. Customer Satisfaction on the profit rate provided by the bank

Satisfied with the profit rate		
	frequency	percentage (%)
Yes	20	80
No		
No Comments	5	20
Total	25	100

80% of the customers said that they were satisfied with the profit rate provided by the bank the rest 20% did not want to comment on this issue.

The conducted survey showed that the customers were satisfied while availing services from the Bashundhara Road Branch. 80% of the surveyed customers said that they were satisfied with the banks service delivery process. 70% of the customers said that they did not lodge any complain regarding service or miss management the rest 30% who had lodged complain said that they had the issues solved instantly. 90% of the customers said that they haven't been miss treated by any of the bank employees (rest 10% did avoided the question). 92% of the surveyed customers said the focus given on customer relationship by EXIM Bank is the reason that they are satisfied.

Recommendations

There were open ended questions where customers were asked what they wanted from the branch. Some of them were my observations as an intern.

- EXIM Bank does not have premium banking. 4% of the customers said that they would like premium banking to be introduced in EXIM Bank.
- 5-6 % of the customers said that they would want the bank to provide more Card banking facilities.
- Bashundhara Road Branch, deals with a lot of customers mainly from Cambrian College, North South University and IUB. Some of the clients said that it would be better if there was a different department/counter in the bank to deal with students.
- Some clients said that, they would want extra care (people who are depositing big amount of money), wanted more importance as a client.
- 28% of the customers said that they would want some sort of entertainment (TV) which would make their wait more bearable.
- 24% of the customers said that EXIM Bank should give importance on SME Loans.
- 4% customers said that the branch has a history of changing employees quite often. They suggested not change bank staff.
- 8% of the customers said that the employees needed to be trained on a regular basis.
- The time required to open an account has to be reduced. As an intern I have seen that it takes on an average 25minutes to open an account. The time taken to open has to be reduced in order to increase customer satisfaction level.
- The Branch should do customer survey in order to find out what customer wants and what areas the Bank need to improve.

Conclusion

The popularity and performance of Islami Banks have been on the rise. Islam, being a major Religion, the word Shariah internalizes with the Muslim community. Therefore Islami banks should educate the mass people more about relating religious beliefs with Islami banking. Customer service, providing desired service at the right time, giving satisfactory profit to the customers are a few reasons that EXIM Bank is doing well so far. Currently there are eight Islami banks operating in the country. But as time passes on and as popularity of islami banking increases there are possibility that the number of Islami banks will increase, which will increase competition among Islami Banks as such EXIM bank has to be prepared and should try to focus on understanding the needs and wants of the customers in order to know the changing trends of the customer taste and perception. EXIM bank might try to bring concepts of Customized services, providing exactly what individual customer wants.

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Appendix

The image shows three overlapping EXIM account opening forms. The forms are for MISD, MSD, and Proprietorship/Partnership accounts. They include fields for Date, Branch, Title of Applicant, Full Name of the Signatory, Specimen Signature, Stamp Size Photograph, and various checkboxes for account types and services. The forms are from the Export Import Bank of Bangladesh Limited.

Account opening forms for MISD account, MSD account and proprietorship/partnership account.

The image shows a completed Bashundhara Road Branch Account Opening Application Form for a Personal Account. The form includes the following details:

- Branch:** Bashundhara Road Branch
- Account Type:** Personal Account
- Date:** 11/8/2015
- Customer ID No.:** 1000647115
- Account No.:** 02912100170
- Sector Code:** SBS-2, CIB
- Signature of Applicant:** Dr. Fauzia Khan
- Signature of Relationship Manager:** M.M. Kamrul Hashan
- Signature of Account Opening Officer:** Md. Emdadul Hasnat

The form also includes a 'For Bank Use Only' section with fields for Name, Account No., Branch, and Date. The form is from the Export Import Bank of Bangladesh Limited.

Picture Different types of seals on the form

EXIM Bangladesh Road Branch Export Import Bank of Bangladesh Limited

PAY ORDER APPLICATION FORM

Kindly issue Pay Order as under in favor of the amount under provided in Currency

Cheque No. _____ Date _____

Kindly debit my/our A/c No. _____ Customer's Signature _____

Name _____ Address _____

Pay Order No.	Particulars	Ts	Rs

Take (in words)

CHARGES	Ts	Rs
Commission		
Stamp		
Total		

RECEIVED THE ABOVE PAY ORDER

Authorized Officer _____ Customer's Signature _____

CB-45

picture a payorder form

The Manager Export Import Bank of Bangladesh Limited

EXIM Bangladesh Road Branch

Date _____

Mutawarrif Asatimul-Akbar A/C No. _____

With reference to my/our above A/C, opened with you I am request you to please issue me/our a Cheque Book containing _____ leaves.

Yours faithfully _____

Verified by _____ (Signature)

Name _____ Address _____

Cheque No. _____ in _____ issued and noted in Ledger.

Authorized Officer _____

I received the cheque Book, counted the leaves and found in order.

Date _____ (Signature)

CB : 13

a cheque requisition form

Sl. No.	Particulars	Debit	Credit	Balance
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4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
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picture cheque issue register

PARTNERSHIP LETTER

The Manager EXPORT IMPORT BANK OF BANGLADESH LIMITED

Branch _____ Date _____ 200__

Dear Sirs,

As the firm M/s. _____ have dealings with your Bank, we have to inform that we the undersigned are the partners of the said firm. We are jointly and severally responsible to the Bank for the liabilities of the firm with your Bank. Your Bank may remove its claims from the Estate of any or all of the partners of the firm.

Whenever any change occurs in our partnership we undertake to inform the Bank of the same in writing and our individual responsibility to the Bank will continue, until we receive from the Bank an acknowledgment of the letter and until all our liabilities with the Bank are discharged.

Yours faithfully

Name	Address	Signature
Partner's Name		
Partner's Name		
Partner's Name		
Partner's Name		
Partner's Name		
Partner's Name		
Partner's Name		
Partner's Name		

CB-65

picture: Details of partners in a partnership account.

No. _____	EXIM Export Import Bank of Bangladesh Limited (Incorporated in Bangladesh)	Date: <u>03</u> <u>12</u> <u>2015</u>	Y <u>15</u> M <u>12</u> D <u>03</u>
Title of Account: <u>AKRANE KNIT FASHION</u>		Branch: _____	
Deposit Mode: ☐ Instrument		Account No: <u>02911100166566</u>	
Particulars of Instruments		☐ Cash	
<u>CNR# 1402052</u> <u>DT: 14-11-2015</u> <u>PRIME BANK LTD.</u>	Drawee Bank, Branch & Account No. _____	Denominations	Taka <u>11000/-</u>
CLEARING 03 DEC 2015 Export Import Bank of Bangladesh Ltd. Dhaka Branch Head Office		1000 X _____	Rs. _____
		500 X _____	
		100 X _____	
		50 X _____	
		20 X _____	
		10 X _____	
		5 X _____	
Total Amount in words: <u>ELEVEN THOUSAND ONLY</u>		Total Amount: <u>11,000/-</u>	
Depositor's Signature: _____		Receiving Officer: _____	
		Authorised Officer: _____	

picture a KYC form, a cheque with endorsement seal and a deposit slip with seal

Survey Questionnaire

(Research Questionnaire)

This certain questionnaire is prepared in order to collect data for internship report and to make it more authentic. The objective of this questionnaire is to find out the strengths and opportunities aregarding the Banking Services provided by the EXIM Bank (Bashundhara Road) and satisfaction level of the customers.

1. What type of account do you have in EXIM Bank?

- € MSD (Savings deposit)
- € AWCD/MSND
- € Mudaraba Term Deposit (MTD)
- € MMSS
- € others

2. Are you a---

- € Male
- € Female

3. How old are you?

- € Less than 25
- € 25-35
- € 35-45
- € More than 45

4. What is your profession?

- € Businessman
- € Service holder
- € Housewife
- € Student
- € Others

5. From which source did you get to know about EXIM Bank?

- € Family
- € Friends
- € Colleagues
- € Online

6. Which factor influence you the most to open an account in EXIM Bank?

- € Location facility
- € Profit
- € Focus on maintaining customer relationship
- € Recommendation from others
- € Religious Beliefs

7. How much time did it take you for opening an account in EXIM Bank?

- € 5-10 mins
- € 10- 15 mins
- € 15-20 mins
- € 30+ mins

9. Did you face any difficulties when opening an account in EXIM Bank?

- € Yes
- € No

10. Did you get proper assistance from the banking authority when you faced difficulties?

- € Yes
- € No

11. What is the most important factor that you consider for effective banking service?

- € Behavior of the bank stuffs
- € Time taken to deliver a service
- € Interior of the bank
- € Transaction time
- € Reliability
- € Confidentiality
- € Service charge

12. When you think of EXIM Bank what comes first in your mind?

- € Wide branch network
- € Customer Service
- € Online Banking
- € SMS Banking
- € Shariah Based Bank
- € others

13. Are you happy with the profit rate that is provided by the Bank?

- € Yes
- € No
- € No comment

14. Has EXIM Bank done anything to maintain its relationship with you?

15. Which service feature offered by EXIM Bank has more influence in determining your satisfaction level as a customer?

- € Online banking facility
- € Increment in profit rate for senior citizens
- € Focus on customer relationship
- € For others reason please mention-----

16. Which disadvantage you face the most while taking service from EXIM Bank?

- € Waiting in the queue
- € Long distance from home
- € Longer time to open an account
- € Poor service quality
- € Profit rates
- € Lack of help from bank staffs
- € No disadvantages

17. Have you ever been mistreated by any of the employees of EXIM Bank?

- € Yes
- € No
- € No comments

18. How cordial are the bank employees to you?

1	2	3	4	5
I-----I	I-----I	I-----I	I-----I	I-----I
Very poor	Poor	Average	Good	Very good
☐	☐	☐	☐	☐

19. Have you ever lodged any complain to the authority of EXIM Bank regarding poor service quality? (e.g. long queue in the bank, long process to open the account, abused by employees)

20. In your perception, what attributes make EXIM bank successful, please mention the traits.

21. What attributes make you dissatisfied towards EXIM bank, please mention (If any).

22. Are you satisfied with the current service delivery procedure of EXIM Bank?

€ Yes

€ No

23. What new services would you like to enjoy from EXIM Bank in their service delivery process, please mention some features.

24. Are you well aware about other services that EXIM Bank provides?

1

2

3

4

5

I-----I-----I-----I-----I				
Not at all	least aware	moderately aware	Aware	Well aware

25. Have ever thought of leaving/switching EXIM bank? If yes then why?

26. Would you recommend others to open an account in EXIM Bank?

€ Yes

€ No

27. Whenever you hear the word BANK what first comes to your mind

28. What is your suggestion for the branch that should be done to improve their service quality (if any).

I am highly obliged for your great support through the entire process.

Thank You so much

