

# **General Banking Activities of Exim Bank Limited**

# INTERNSHIP REPORT

ON

## General Banking Activities of Exim Bank Limited

**Submitted to**

Dr. Md. Mamun Habib  
Associate Professor  
BRAC Business School,  
BRAC University.

**Submitted by**

Sanjida Sharmin Koyel  
MBA Program  
ID-13264094  
BRAC Business School  
BRAC University.

**Date of submission**

November 29 , 2016  
BRAC Business School  
BRAC University.

## *Letter of Transmittal*

November 29, 2016

Dr. Md. Mamun Habib

Associate Professor

BRAC Business School,

BRAC University.

**Subject: Submission of Internship report on “General banking activities of Exim Bank Limited.**

Dear Sir,

This is my pleasure to submit my internship report on “General banking activities of Exim Bank Limited Which I was assigned. It is a great opportunity for me to acquire knowledge and experience in respect to practical orientation with Exim Bank Limited.

I have tried my best to prepare this to be as informative and relevant as possible. To prepare this report I have reviewed some books, articles, journals and downloaded some information from internet. I believe that the knowledge and experience I have gathered during my internship period will immensely help me in my future professional life.

I have concentrated my best efforts to achieve the objectives of the internship and hope that my endeavor will serve the purpose. I considered your remarks and instructions very carefully while preparing this report. I tried the best to follow your schedule, format and discipline.

Thank you for your kind consideration.

Sincerely yours,

Sanjida Sharmin Koyel

MBA Program

ID-13264094

BRAC Business School

BRAC University.

## *Supervisor's Certification*

**Student Name** : Sanjida Sharmin Koyel  
**Student ID Number** : 13264094  
**E-mail** : [koyel01bracu@gmail.com](mailto:koyel01bracu@gmail.com)

**Certification:** I certify that the whole of this work is the result of my individual effort and that all quotations from books, websites, periodicals etc. have been acknowledged.

**Student's Signature & Date** :  
**Output** : Final report preparation for MBA program  
**Start of the study** : July 10, 2016  
**End of the study** : October 10, 2016

I certify that the declaration made above by the student is true.

Dr. Md. Mamun Habib  
Associate Professor  
BRAC Business School,  
**BRAC University**

## *Acknowledgement*

Internship is a part of MBA program. This report is based on practical knowledge gathered from three months internship on “General banking activities of Exim Bank Limited”. I have realized that practical knowledge is very much essential for professional life and it is totally different from academic knowledge.

In preparing this report first of all I express my deep gratitude to Dr. Md. Mamun Habib, Associate Professor, BRAC Business School, BRAC University, who guided me properly by giving direction at different times to prepare this report. It is his guided supervision that resulted in successful completion and timely submission of the report.

I am very much grateful to my instructor Md Masudur Rahman, Senior Assistant Vice President & Operation Manager and others staff at Gulshan Branch, Head Office of Exim Bank Limited. He has given me all kinds of official support and guideline to manage the internship and complete the report perfectly.

## *Table of Contents*

<b>SL No.</b>	<b>Contents</b>	<b>Page No.</b>
	<b>Chapter -01: Prefatory Part</b>	
1.1	Title Fly	
1.2	Title Page	i
1.3	Letter of transmittal	ii
1.4	Supervisor's Certification	iii
1.5	Acknowledgement	Iv
1.6	Table of contents	v-vi
1.7	Executive Summary	vii-viii
	<b>Chapter -02: Organization Part</b>	
2.1	Overview of the Company	1-2
2.2	Corporate Slogan	2
2.3	Vision	2-3
2.4	Mission	3
2.5	Objectives	3-4
2.6	Corporate Culture	4
2.7	Head Office and branches	4
2.8	Prime Operational Area	4-5
2.9	Organogram of Exim Bank Ltd	5-6
2.10	Product and Services	6-11
2.11	Financial Performance	11-12

	<i><b>Chapter -03: Project Part</b></i>	
3.1	Introduction	13
3.2	Problem definition	14
3.3	Purpose of the project	14
3.4	Objective of the Study	15
3.5	Timeline of the Project:	16
3.6	Limitation of the project	16-17
3.7	Literature review	17-18
3.8	Methodology	18-19
3.9	General Banking Activities of EXIM Bank Ltd.	19-39
	<i><b>Chapter -04:</b></i>	
4.1	SWOT analysis	40-41
4.2	Findings	42-43
4.3	Recommendation	44
4.4	Conclusion	45
	<i><b>Supplementary Part</b></i>	
	References	46
	List of Abbreviations	47-48

## **Executive Summary**

Banking Industry is one of the most promising industries of our country. The importance of the sector revealed through its contribution in the economic growth of the country. This sector accelerates the economic growth through mobilizing funds from surplus unit to the deficit unit. Banking Industry is moving towards rapid changes due to technological innovation and diversified needs of the customers. Currently this sector is becoming extremely competitive with the arrival of multinational banks as well as emerging and technological infrastructure, effective credit management, higher performance level and utmost customer satisfaction.

The Bank traditionally divides its operation mainly three parts- General Banking, Foreign Exchange and Investment/Loan & Advances. General banking provides the foundation of banker customer relationship through opening account. This is the most busy department and the daily transaction of concerned to the customers for drawing or depository money, selling of the instrument to them for remittance purpose, collection of their instruments providing other service to them and keep customer section busy

Bangladesh is one of the largest Muslim countries in the world. The people of this country are deeply committed to Islamic way of life. EXIM Bank Limited was introduced in Bangladesh as a banking company under the Company Act 1913 & commenced operation on 2<sup>nd</sup> June 1999. The bank provides all types of commercial banking services and it conducts business on the Islamic principles of Musharaka, Murabaha, bai-muazzal and hire purchase transactions. EXIM Bank Limited concludes all types of commercial banking activities. The core business of the bank comprises of working capital finance, project finance, deposit banking, import, export and corporate finance. The bank is also rendering personal (consumer) credit, services related to local and foreign remittances.

The main objective of this internship is to find out different functions and techniques under the general Banking System used by EXIM bank Limited . The report will show how EXIM bank Limited differentiates itself from other private commercial banks in terms of product and service performances, unique and effective marketing strategies to provide better customer satisfaction and loyalty on the bank.

**In the first chapter,** this report shows the prefatory part. which Here, It discusses the preliminary part of forming the formal report like title page, letter of authorization, transmittal, table of contents, executive summary etc.

**In the second chapter,** this report shows the organization part basically overview of the company in details. Here, it describes the background of EXIM bank, their various products and services, organizational structure, , bank's operating performance, mission, vision, values, organ grams, objectives operational areas etc

**In the 3<sup>rd</sup> chapter** the report shows the significance of the study, problem definition, major methodologies on what report is conducted, data collection method, purpose of the project tools used and limitation of the report. The later part of this chapter has been discussed about literature review in relevant study in this sector, main project part as general banking activities, and function of various departments of general banking of Exim bank limited, the major findings, recommendation and conclusion.

**In concluding part,** this report shows the supplementary part like reference of book and journal what helps to structure the project and various banking terminology used to conduct the report

## *CHAPTER -02*

# *Organization Part*

### **2.1 Background of EXIM Bank Limited:**

Export Import Bank of Bangladesh Limited was established in the year 1999 under the leadership of Late Mr. Shahjahan Kabir, Founder Chairman who had a long dream of floating a commercial bank which would contribute to the socio-economic development of our country. He had a long experience as a good banker. A group of highly qualified and successful entrepreneurs joined their hands with the founder chairman to materialize his dream. Indeed, all of them proved themselves in their respective business as most successful star with their endeavor, intelligence, hard working and talent entrepreneurship. Among them, Mr. Nazrul Islam Mazumder who is an illuminated business tycoon in the Garments business in Bangladesh became the Honorable Chairman after the demise of the honorable founder chairman. He is also the chairman of Bangladesh Association of Banks (BAB). Under his leadership, BAB has emerged as an effective forum for exchanging views on problems being faced by the banking sector of Bangladesh and for formulating common policy guidelines in addressing such problems.

This Bank starts functioning from 3rd August, 1999 with its name as Bengal Export Import Bank Limited. On 16th November 1999, it was renamed as Export Import Bank of Bangladesh Limited with Mr. Alamgir Kabir as the Founder Advisor and Mr. Mohammad Lakiotullah as the Founder Managing Director respectively. Both of them have long experience in the financial sector of our country. By their pragmatic decision and management directives in the operational activities, this bank has earned a secured

and distinctive position in the banking industry in terms of performance, growth, and excellent management. Under the leadership of Mr. Lakiotullah, the Bank has migrated all of its conventional banking operation into Shariah Based Islami Banking in the year July 2004.

Mr. Mohammed Lakiotullah left the Bank on 3rd June, 2007, there after Mr. Kazi Masihur Rahman became Managing Director on 4th June, 2007. Mr. Rahman served in the bank for next five years. Under his leadership, the bank has been placed on a state of the art centralized IT platform with two modern data centers where world renowned core banking software TEMENOS T24 is running along with some alternate delivery channels like ATMs and SMS banking. On 25th August, 2011, Mr. Md. Fariduddin Ahmed has joined in the bank as Managing Director. With his long experience in the Shariah Based Islami banking in Bangladesh, EXIM Bank is going to take a new shape where IT-enable banking service will spread in the market.

## **2.2 Corporate Slogan**

Exim Bank's corporate slogan is *Shariah Based Islami Bank*". This bank is operated and governed by the principles of Islamic shariah in which interest is strictly prohibited and bank is doing business with profit -loss sharing basis with client.

## **2.3 VISION:**

Exim Bank Vision is *'Together Towards Tomorrow'*. Export Import Bank of Bangladesh Limited believes in togetherness with its customers, in its march on the road to growth and progress with service. To achieve the desired goal, there will be pursuit of excellence

at all stages with climate of continuous improvement, because, in Exim Bank, they believe, the line of excellence is never ending. Bank's strategic plans and networking will strengthen its competitive edge over others in rapidly changing competitive environment. Its personalized quality services to the customers with trend of constant improvement will be the cornerstone to achieve the operational success.

## **2.4 MISION:**

The Bank's mission gives emphasis to:

1. Provide quality financial services especially in Foreign Trade
2. Continue a contemporary technology based professional banking environment
3. Maintain corporate & business ethics and transparency at all levels
4. Sound Capital Base
5. Ensure sustainable growth and establish full value to the honorable stakeholders
6. Fulfill its social commitments and
7. Above all, to add positive contribution to the national economy

## **2.5 Objectives Of EXIM Bank Ltd.**

- ☞ To carry on, Transact, undertake and conduct the business of Banking in all its branches and to transact and do all matters and things incidental there to in Bangladesh and abroad.
- ☞ To receive, borrow or raise money on deposits, loan or otherwise, upon such terms as the Company may approve and to give guarantees and indemnities in respect of all debts and contracts.
- ☞ To establish welfare oriented Banking systems.
- ☞ To play a vital role in human development and employment generation.

- ⇨ To invest money in such manner as may from time to time be thought proper.
- ⇨ To carry on the business of buying and selling bullion, gold and other valuable assets.

## **2.6 Corporate Culture**

During the last two decades Corporate Culture has become an important theme in business as an intangible concept which clearly plays a meaningful role in corporations, affecting employees and organizational operations. It is not the only determinant of business success or failure, a positive culture can be a significant competitive advantage over organizations with which a firm competes. They, as an amenable bank, believe if the employees identify with the culture, the work environment tends to be more enjoyable, which boosts morale and leads to increased levels of teamwork, sharing of information, and openness to new ideas.

## **2.7 Head Office and Branches**

The corporate head office address is “Export Import Bank of Bangladesh Symphony, Plot#SE(F) 9, Road#142, Gulshan Avenue, Dhaka-1212 & now total branches of Exim Bank Ltd is 112

## **2.8 Prime Operational Areas**

Exim Bank Ltd., as a full-fledged Islamic bank in Bangladesh, extends all Islamic banking services including wide range of saving and investment products, foreign

exchange and ancillary services with the support of sophisticated IT and professional management. The investment portfolio of the bank comprises of diversified areas of business and industry sectors. The sectors include textiles, edible oil, ready-made garments, chemicals, cement, telecom, steel, real-state and other service industry including general trade finance. The bank has given utmost importance to acquire quality assets and is committed to retain good customers through customer relationship management and financial counseling. At the same time efforts have been made to explore/induct new clients having good potentiality to diversify and create a well established structured investment portfolio and to minimize overall portfolio risk.

## 2.9 Organogram of Exim Bank Ltd.





Figure 1.1: Organogram of Exim Bank Ltd

## 2.10 Products and Services

### 2.10.1 Investment products

#### **Bai-Muazzal**

Bai-Muazzal is a contract between Buyer and Seller under which the seller sells certain specific goods (permissible under Shariah and Law of the country ), to the buyer at an agreed fixed price payable at a certain fixed future date in lump sum or within a fixed period by fixed installments. The seller may also sell the goods purchased by him as per order and specification of the buyer. In bank's perspective, Bai- Muazzal is treated as a contract between the Bank and the Client under which the bank sells to the client's certain specified goods, purchased as per order and specification of the client at an agreed price payable within a fixed future date in lump sum or by fixed installments.

### **Bai-Murabaha**

Bai-Murabaha is a contract between a buyer and seller under which the seller sells certain specific goods permissible under Islamic Shariah and Law of the land to the buyer at a cost plus agreed profit payable in cash on any fixed future date in lump sum or by installments. The profit marked-up may be fixed in lump- sum or in percentage of the cost price of the goods. In case of Bai-Murabaha banks procure the goods as per indent of the customer, retain it in its custody and sell the same part by part or at a time to the client who gave indent for the goods.

### **Hire Purchase**

Hire Purchase (participatory ownership) mode both the bank and the client supply equity in equal or unequal proportion for purchase of an asset like land, building, machinery, transport etc. Purchase the asset with that equity money, own the same jointly; share the benefit as per agreement and bear the loss in proportion to their respective equity. The share, part or portion of the asset owned by the bank is hired out to the client partner for a fixed rent per unit of time for a fixed period. Lastly the bank sells and transfers the ownership of its share / part / portion to the client against payment of price fixed for that part either gradually part by part or in lump sum within the hired period after the expiry of the hire agreement.

### **Musharaka**

Musharaka means partnership business. Every partner has to provide more or less equity funds in this partnership business. Both the bank and the investment client reserve the right to share in the management of the business. But the bank may opt to permit the investment client to operate the whole business. In practice, the investment client normally conducts the business. The profit is divided between the bank and the investment client at a predetermined ratio. Loss, if any, is to be borne by the bank and the investment client according to capital ratio.

### **Bill Purchase**

Bill Purchase, in trade finance, allows a seller to obtain financing and receive immediate funds in exchange for a sales document not drawn under a letter of credit. The bank will send the sales documents to the buyer's bank on behalf of the seller.

### **Bai-Salam**

This is export finance. Bai-Salam is a term used to define a sale in which the buyer makes advance payment, but the delivery is delayed until sometime in the future. Usually the seller is an individual or business and the buyer is the bank.

## **2.10.2 Deposit Products**

### **Al Wadiah Current Account**

Alwadhiah Current Deposit A/c is opened on proper introduction with minimum initial deposit fixed by the Bank. Alwadhiah deposit is accepted on alwadhiah principles which mean al- amanah with permission to use. According to this principles bank can use the fund of the account along with other funds as per Shariah at banks own risk. Account holder(s) will not share any profit/Loss.

The law and regulation of Bangladesh, usual customs and procedures common to banks in Bangladesh including Islamic Banking Principles shall apply to and govern the conduct of account opened with the bank. Withdrawal can be made only through cheques issued by the bank on the account holder.

### **Mudaraba Savings Deposit**

To open a mudaraba savings deposit account in our bank the following rules and regulations are applied:

- ⇨ Mudaraba i.e. Deposit of one party and on the basis of operation by another party this deposit is taken.
- ⇨ By providing introducer of the account as required by the bank and by depositing a minimum amount any depositor or multiple depositors can open single or joint account. Any educational institute, Club, Association or Social institutes can open this account.
- ⇨ The bank may merge amount collected through this deposit and may invest in any shariah allowed investments.
- ⇨ After determining the annual profit/loss the depositor will get his part of profit.
- ⇨ In case of balance declining below bank stipulated margin in any month profit shall not be provided for that month.
- ⇨ Amount must be withdrawn only by bank issued instruments like cheques.
- ⇨ If an account is closed before the declaration of current year's profit rate then the depositor will have to take profit as per previous years declared profit rate.

### **Cash Waqf. Deposit**

In the voluntary Sector, Exim Bank Ltd has also introduced cash waqf certificate, a new product for the first time in the banking history so that a new beginning can be made for a participatory economy. This scheme has been well received by the public in general for its unique features. Exim Bank as a pioneer of this innovative financial product of social capital mobilization has received both local and international accreditation. By opening a Cash Waqf Deposit A/C someone can get an opportunity to do welfare to the mankind through Sadaka-e-Jariah. Exim Bank urges to all religious and affluent persons of the society to come

forward to mobilize cash waqf. deposit so that the profit may be utilized for the well being of mankind.

### **Mudaraba Term Deposit**

The bank introduced a number of financial products and services since its banking operation.

- ✧ Mudaraba Savings Deposit,
- ✧ Mudaraba Short Term Deposit
- ✧ Mudaraba Term Deposit,
- ✧ Mudaraba Monthly Income Scheme,
- ✧ Mudaraba Monthly Saving Scheme,
- ✧ Mudaraba Super Savings Scheme,
- ✧ Mudaraba Hajj Scheme.

### **2.10.3 Foreign Exchange**

Export & Import play a prominent role to accelerating the country's economy. Exim Bank extends L/C facilities to its importers / exporters through establishment of correspondent relations and Nostro Accounts with leading banks all over the world. They finance and take following areas into consideration.

- ❖ Non Resident Foreign Currency Deposit Account (NFCD)
- ❖ Foreign Currency Deposit Account
- ❖ Letter of Credit (L/C) facilities through establishment of correspondent relations with leading banks all over the world.

- ❖ Pre-Shipment Finance
- ❖ Post shipment finance

#### **2.10.4 IT Based Products & Services**

Exim Bank Ltd has started commercial operation of fully Shariah based VISA debit/credit Islamic Cards (Local, International & Dual Currency) & many other IT Based products under the principle of Bai-Murabaha.

- 🔗 VISA Debit Card
- 🔗 VISA Islamic Investment(Credit) Card
- 🔗 SMS Banking
- 🔗 Internet Banking
- 🔗 Phone Banking

#### **2.11 Financial Performance**

During the year 2015, the bank drew up a series of action plan, both short term and long term to raise the deposit base of the bank in the line with the directives of Bangladesh bank. The short term action plan included launching of special drives like deposit mobilization in months of March-June 2016. As a result of continuous evaluation and monitoring they could significantly improve the liquidity position as well as deposit mix in 2016. Their main challenge is to maintain and manage the tremendous growth of the investment portfolio which is expected deploy by ensuring asset quality and to distribute investment to the target group offering competitive price, including best of the best clients and stopping migration of their existing clients. The need to build their capacity further and develop the overall discipline to cope with the tremendous growth of investment portfolio and to meet the challenges of banking business. The bank is now

focusing sustainable growth over the years. Here the following figure shows the Deposit & investment of Exim Bank Ltd.;

Financial Highlights

Amount in crore BDT

Sl.	Particulars	2011	2012	2013	2014	2015
1	Authorized Capital	2000.00	2000.00	2000.00	2000.00	2000.00
2	Paid-up Capital	922.36	1051.49	1156.63	1283.86	1412.25
3	Reserve Fund	384.98	458.75	523.69	611.83	686.99
4	Deposits	10788.12	14036.97	16573.32	20029.44	22506.45
5	Investment (General)	9969.96	11822.00	14384.74	17793.68	19631.14
6	Investment ( Shares & Securities Exclu. Subsidiaries)	673.40	1034.54	1122.22	1522.17	1719.39
7	Foreign Exchange Business	25440.75	27008.15	26865.27	28498.47	30226.64
	a) Import Business	12844.58	14331.44	13540.99	14679.56	15270.33
	b) Export Business	12221.73	12099.69	13035.33	13441.24	14579.64
	c) Remittance	374.44	577.02	288.95	377.67	376.67
8	Operating Profit	395.58	533.44	492.79	600.38	634.86
9	Investment as % of total Deposit	92.42%	84.22%	86.79%	88.84%	87.22%
10	No. of Foreign Correspondent	336	398	386	398	383
11	Number of Employees	1724	1909	2229	2458	2696
12	Number of Branches	62	72	80	87	103
13	Return on Assets after tax	1.65%	1.45%	1.06%	1.16%	0.88%
14	Return on Equity (ROE)	14.91%	13.86%	10.27%	11.35%	9.06%

Table 2.1: Deposit & Investment mix of Exim Bank Ltd (Annual report 2015)

## *CHAPTER -03*

### *Project Part*

#### **3.1 Introduction**

In the age of modern civilization bank is playing a significant role to keep the economic development wheel moving. The corporation of the bank is needed in every economic activity. In fact there is hardly any aspect of development activity where state inspired or otherwise where bank do not have role to play.

It gives me immense pleasure that during internship period, as part of the MBA program, I have an opportunity of spending a period of three months with a reputed organization where I observed and learned the practice and management. I am very lucky that Exim bank Limited gave me that opportunity to work as an intern. Exim Bank has countrywide branch network thorough, which they provide a comprehensive banking service to their customers, which includes wealthy individuals, corporate clients and financial institutions. Customer's satisfaction is the top priority of the bank. Bank in its goal has mentioned that customer's expectations will be meeting through innovative financial products and services.

As an intern of Exim Bank Limited I was provided with the topic "**General banking system**", involved various rules and regulations, policies and procedures relation to different banking activities have also been enumerated here.

### **3.2 Problem definition**

Knowledge and learning become perfect when it is associated with theory and practice. For any business student only curriculum activity is not enough for handling the real business situation, therefore, it is a requirement after the completion of MBA program to involve with a business organization to prepare a long analytical report. So it is an opportunity for the students to know about the field of business through the internship program.

To fulfill this requirement I worked as an intern in Exim Bank Limited for three months. For the internship my preference is *to know practically the activities associated with general banking system studied on Exim Bank Limited*. My assigned topic is “The General banking activities of Exim Bank Limited” which was assigned by my supervisor Dr. Md Mamun Habib, Associate Professor, Brac Business School, Brac University. On the basis of working experience in the internship period I have tried to prepare the report with my level best to relate the theoretical knowledge with the practical work situation.

### **3.3 Purpose of the project**

The prime reason of this study is to become familiar with the practical business world and to attain practical knowledge about the Banking and Corporate world, which is so much essential for each and every business student to meet the extreme growing challenges in job market & enhancing the level of Knowledge. It is also known to all of us that there is no alternative of practical knowledge and the practical knowledge is much more durable and useful than the theoretical knowledge. This project will help me to get a true picture of the practical business world, particularly of banking business and also to attain practical knowledge on the various spheres of banking business. So this study is of paramount importance for each and every student regardless of his/her study area or discipline.

### 3.4 Objective of the Study

#### **Broad Objective**

Internship is a process to achieve practical knowledge about some theoretical lesson. It's most important aspect is to acquire knowledge about the real position. As a practical subject, Management needs some practical knowledge which covers by internship. In this regard, the main objective of the study is to know practically the functions of general banking system studied on Exim Bank Limited.

#### **Specific Objectives**

The specific objectives of this study are as follows:

- ⇒ Understanding the differences between Islamic banking system and other commercial banking systems.
- ⇒ Understanding how an Islamic Bank runs its business without interest.
- ⇒ To know how an Islami Bank earns its profits through investment.
- ⇒ To know the key functions of general banking.
- ⇒ To apply theoretical knowledge into practical area.
- ⇒ To be familiar with the banking management system.
- ⇒ To evaluate the performance of General Banking division.
- ⇒ To know the banking operational guideline of a bank.
- ⇒ To measure the customer perception on service quality and satisfaction towards the general banking activities.

### 3.5 Timeline of the Project:

The following table indicates my suggested timeframe for the internship to prepare the report. Preparing the report the following timeline is taken. Besides I am managing communication to inform the instructor showing progress report in the form of personal visit and email contact.

<b>Week</b>	<b>Activity</b>
1-2	Desk Discussion
3	Preparing Topics/proposal for approved
4	Topics/proposal for approved
5-11	Observation,Depth interview,field work and Data collection
11	Data preparation and Project analysis
12	Report preparation & Final report available

### 3.6 Limitation of the project

Objective of the practical orientation program is to have practical exposure for the students. My permanent status is for only three months, which is somehow not sufficient enough to gather adequate experience of such vast banking business. It is not easy task to collect data and information about my requirement. So the study suffers from various limitations, some of these are mentioned below:

- ⇒ In the study areas, the authorities are not willing to express accurate data easily for the reason of their confidentiality.

- ✧ Relevant data and documents collection were difficult due to the organization confidentiality.
- ✧ Gulshan Branch is a part of Head office, is very busy branch. In this branch employees get very little time to teach theoretical knowledge to the trainee.
- ✧ The executives of the bank could not give adequate time because of their work.
- ✧ Only 12 weeks were not sufficient to collect and understand all the activities related to the general Banking activities.

### **3.7 Literature review**

Islamic bank is a financial institution that performs most of the standard banking activities on the basis of profit-loss sharing system confirming the principles of Islami shariah .It operates with the objectives to implement and materialize the economic and financial principles of Islam in the banking arena.

During last 10 years, due to the emerging competition, challenging process, inundated and volatile business environment, modern technology, and improvements in delivery system, banking services have resulted in a regular shift in strategic focus from price to service quality in the retail banking industry (Al-Eisa & Alhemoud, 2009). Constant improvement in service quality is considered a focal point for growth and success in the banking sector. Service quality has become an essential part of an organization sensation, as there is increased customer's expectation, perception and customization of services in many markets (X.Frei, Kalakota, & M.Max, 1997). Perceived service quality determines the level of satisfaction that customer is having by consuming the service (Berndt, 2009). It has positive impact on customer satisfaction, retention, reduction in cost and higher profitability (Zeithaml et al, 2006). It is also helpful for increased productivity, higher market share, attractive convincing methods, lower staff turnover and high morale of employees (Ducan & Elliot, 2004).

**In banks,** service quality has become an important source of differentiation and competitive advantage. High service quality creates customers loyalty and satisfaction, complain reduction, and higher customer retention. At present, service quality has become serious issue in the competitive market for banks for measuring firm performance which starting with introduction of general banking activities of a customer.

**In Bangladesh,** although financial sector has grown rapidly during recent times, still there are a lot of chances for future growth. Banks are having major share in the financial structure of Bangladesh. They are providing employment and contributing for the economic and financial development of the country. The Bangladeshi banking sector comprises a combination of local and foreign commercial banks, microfinance and Islamic banks. A total number of 57 banks are currently operating in Bangladesh (BB Report, 2015). Among them 12 are Islamic banks given below;

**01)** Islami Bank Bangladesh Ltd (IBBL) **02)** ICB Islami Bank Ltd **03)** Al-Arafat Islami Bank Ltd (AIBL) **04)** Social Islami Bank Ltd (SIBL) **05)** EXIM Islami Bank Ltd **06)** First Security Islami Bank Ltd **07)** Bank Al-Falah Ltd (A PAKISTANI BANK) **08)** SAMIL BANK LTD (UAE OWNED) **09)** Shahajalal Islami Bank Ltd (SHJIBL) **10)** FAISAL BANK LTD **11)** AL-RAJI BANK LTD (KSA OWNED). **12.)** Union Bank Limited.

### **3.8 Methodology**

#### **Type of Study**

It is descriptive type of study. The methodology of this project is totally different from conventional Study. I basically emphasize on the practical observation. Almost the entire report has been conducted based on my practical observation and short survey.

### **Method of data collection:**

Basically observation method and direct interview method have been used for the collection of data that are used in this project.

### **Primary sources of data**

Face to face conversation with the bank employees and staffs.

- ↻ Informal conversation with consumers.
- ↻ Practical work exposures from the different desks of the departments of the Branch.

### **Secondary sources of data**

- ↻ Annual report of Exim Bank Ltd(2015)
- ↻ Different manuals of Exim Bank Ltd
- ↻ Different circulars of Exim Bank Ltd
- ↻ Different textbooks.
- ↻ News papers.
- ↻ Different websites.
- ↻ Bangladesh Bank Report.
- ↻ Unpublished data from the branch.

## **3.9 General Banking Activities of EXIM Bank Ltd.**

General banking department is the heart of all banking activities. This is the busiest and important department of a branch, because funds are mobilized, cash transactions are made clearing, remittance and accounting activities are done here. Since the bank is

confined to provide the services every day. General banking is also known as 'retail banking. The EXIM bank limited Gulshan Branch, Head office offers various types of general banking components. They are very essential tools for the bank to serve the customers to attract new customers the bank has to launch new components or refurbished their existing products. For proper functioning and excellent customer service this department is divided into various sections namely as follows:

- Account opening section
- Deposit section
- Cash section
- Remittance section
- Clearing section
- Accounts section
- Dispatch Section

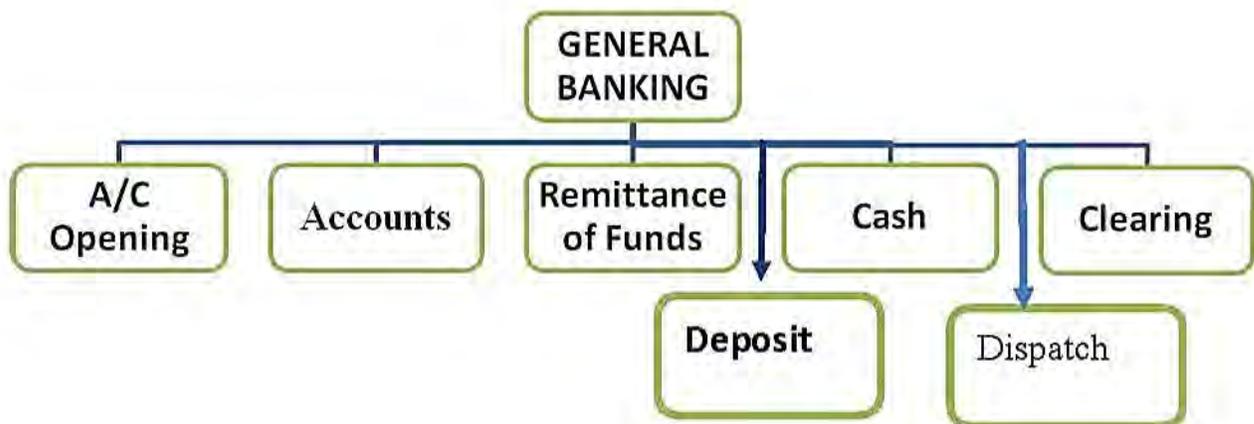


Figure 3.1 : Section of General Banking of EXIM Bank Ltd

### 3.9.1 Account opening section:

This section deals with opening of different types of accounts .it is also deals with issuing of checkbooks and different accounts openers. A customer can open different types of accounts through this department such as:

- 1) AL-Wadiah current deposit
- 2) Mudaraba saving deposit
- 3) Mudaraba Short Term Deposit
- 4) Mudaraba Term Deposit
- 5) Mudaraba Savings scheme
- 6) Mudaraba Super Saving Scheme
- 7) Mudaraba Monthly Saving Scheme
- 8) Mudaraba Multiplus Saving Scheme
- 9) Mudaraba Monthly Income Scheme
- 10) EXIM Bank Hajj Account Project
- 11) Education Saving Scheme
- 12) Foreign currency Account

#### **Al-wadiah current deposit account:**

Al-Wadiah Current Account follows the Principle of Islami Shariah wherein the bank is deemed as a keeper and trustee of funds as Al-Amana (on Trust). This deposit that operates by taking permission from depositors would be taken to use their fund according to Shariah Principle and depositors would not receive any kind of profit. As such the bank is under obligation to return the entire money on demand by the customer. The account is not time barred i.e. Account Holder can withdraw money as many numbers of times as he wishes in a working day.

### **Main Feature**

- ⇨ Halal way or without Riba (interest or usury) transaction
- ⇨ Unlimited deposit or withdrawal
- ⇨ No profit will be given
- ⇨ Cheque book facilities
- ⇨ ATM Card
- ⇨ Free online transaction
- ⇨ No Over Draft will be allowed in the account
- ⇨ SMS banking service includes balance inquires/Mini-statement by mobile phone

### **Terms and Condition**

- ⇨ Bank may use the fund at its own discretion with prior permission of the account holder and without any risk to the account holder
- ⇨ Customer may be withdraw the entire (or part of) fund without any notice to the bank
- ⇨ Minimum Deposit taka 1000/-

### **Mudaraba Saving Deposit:**

Mudaraba savings account is opened under the Mudaraba principal of Islami Shariah. Under the above principal the clients is the Shaheb-Al Mal and the Bank is Mudarib. Mudaraba Savings accounts are mainly meant for Non-Trading customers who have some potential saving with small no. of transactions taking place. More than one person can open and operate a Mudaraba savings account. A guardian on behalf of a minor can open a Mudaraba Savings A/C

### **Main Feature**

- ✧ Attractive provisional rate of profit
- ✧ Minimum initial deposit is Tk.1000.00
- ✧ Half-Yearly account statement
- ✧ Debit card Facility with limited withdrawal
- ✧ Free ATM Cash withdrawal from all ATM of EXIM Bank
- ✧ SMS Banking for statement/Balance checking
- ✧ Salary crediting facility
- ✧ Cheque Book Facilities.

### **Terms and conditions:**

- ✧ Account will be operated as per Mudaraba principals.
- ✧ At least 65% of investment income will be distributed among the Mudaraba Depositors as per weightage allocated for each accounts.
- ✧ Mudaraba Savings Deposit will bear 0.75 weightage

### **Mudaraba Term Deposit:**

Mudaraba Term Deposit Receipt (MTDR) account is opened under the Mudaraba (Profit Sharing) principal of Islami Shariah. Under the above principal the clients known as Shaheb-Al Mal provides 100 percent of the capital and the Bank known as Mudarib is the one providing its specialist knowledge to invest the capital and manage the investment project. It is issued by our Bank branches against deposit of certain amount of money by customer(s)/person(s)/organisation, after observing the rules of Anti Money laundering, for a fixed period but not less than one month with a commitment to return his/their

deposited money with more or less certain percentage of profit (Tax applicable) after expiry of the period. The minimum amount of MTDR, rate, renewal procedure and premature encashment rules determined & circulate by our Head Office from time to time.

### **Different period of MTDR products**

- MTDR for 01 month
- MTDR for 02 months
- MTDR for 03 months
- MTDR for 06 months
- MTDR for 12 months
- MTDR for 24 months
- MTDR for 36 months

### **Main Features of MTDR**

- ✎ Any adult person (individually or jointly) having sound mind or any institution/organization can open MTDR Account with any branch of the Bank.
- ✎ Minimum depositing amount Tk.10000.00 (ten thousand) and above but multiple of Tk.100.00 (one hundred)
- ✎ One or more account can be opened in the same name at the same branch of the bank
- ✎ Deposit of MTDR Account will bear the following weightage:
- ✎ Profit will be calculated on daily basis on provisional rate of profit and also applied on due date of maturity
- ✎ Investment against lien of such receipt may be allowed up to 90% of deposited amount subject to normal terms and conditions of investment of the bank

## **Terms and Conditions**

Normally, deposited amount of MTDR is not encashable before maturity. If any depositors intends to encash his/her MTDR Receipt before maturity due to certain unavoidable circumstances, the following terms and conditions will come into force:

- ⇨ No profit shall be allowed for premature encashment within 01(one) month
- ⇨ If the account is encashed after completion of any tenure but before maturity, depositors will be entitled to receive the benefit at the provisional rate of profit of Mudaraba Savings Account.
- ⇨ The provisional rate of profit of Mudaraba Savings Account will treat the provisional rate of profit, which was prevailed at the time of opening the MTDR account.

## **Mudaraba Monthly Saving Scheme (Money Grower)**

### **Savings Period and Monthly Installment Rate:**

- ⇨ The savings period is for 5, 8, 10 or 12 years.
- ⇨ Monthly installment is Tk. 500/-, 1000/-, 2000/- or 5000/-.
- ⇨ Not less than 65% of investment income shall be distributed among the Murabaha Depositors as per weightage. The deposit will bear weightage 1.16, 1.17, 1.18, 1.19 respectively.
- ⇨ Bank reserves the right to change the weightage of deposit & percentage of distribution of Investment Income.

### **Monthly Installment Deposit**

- ↻ The savings amount is to be deposited within the 10<sup>th</sup> of every month. In case of holidays the deposit amount is to be made on the following day.
- ↻ The deposits may also be made in advance.
- ↻ The depositor can have a separate account in the bank from which a standing instruction can be given to transfer the monthly deposit to the scheme account.
- ↻ If the depositor fails to make the monthly installment in time, then 5% on overdue installment amount will be charged. The charged amount to be added with the following month(s) installment and the lowest charge will be Tk. 10/- (Taka Ten).
- ↻ Generally, withdrawal is not advised before a 5 (five)-year term, but if it is withdrawn before the above term, profit will be paid at savings rate. However, no profit will be paid if the deposit is withdrawn within 1 (one) year of opening the account.
- ↻ In case the depositor wishes to withdraw between the 5, 8, 10 or 12 years period then full profit will be paid for a completed term and savings rate will be applicable for the fractional period.

### **EXIM Bank Hajj Account project**

In view of smooth arrangement for performing Hajj, EXIM bank has introduced this scheme under the tenure of 5, 8, 10, 15 and 20 years with nominal amount of deposit per month with a rate of 11%.

### **Education saving scheme**

With a view to assisting the customer for higher education, EXIM Bank has introduced this scheme with convenient terms and conditions. One can deposit tk100 and its multiple amounts at a time. Tenures are 7, 10, 15 and 20 years term with the rate of 11.00%, 11.50%, 11.75% and 12.00% respectively.

### **Foreign currency account**

This account provides the customer with safe and lucrative way of saving their foreign currency. All nonresident Bangladeshi are most welcome to save and remit their wages and earnings from abroad through this account.

### **Documents required for opening account**

#### **Individual / Joint Account**

- ✎ Account opening duly filled up and signed by account holder
- ✎ 02 Copies passport size photographs of every operators duly attested by introducer
- ✎ Photographs of National ID Card/Passport/Chairman certificates/Driving Licence
- ✎ Introducer signature
- ✎ Nominee's ID/Passport/Birth Certificate along with one Passport Photo.
- ✎ Joint Declaration Form (Facer joint a/c only).
- ✎ Employee's certificate (in case of service holder)

#### **Partnership account**

- ✎ Introduction of the account
- ✎ Two photographs of the signatories duly attested by the introducer.
- ✎ Partnership letter duly signed by all partners (Sign should be similar as stated
- ✎ In Partnership Deed).

- ✎ Partnership Deed duly certified by Notary public.
- ✎ Registration (If any).
- ✎ Updated Trade license.
- ✎ Photographs of National ID Card/Passport/Chairman certificates/Driving Licence
- ✎ Rubber stamp

### **Proprietorship account**

- ✎ Introduction of the account.
- ✎ Two photographs of the signatories duly attested by the introducer,
- ✎ Valid copy of Trade License.
- ✎ TIN number certificate.
- ✎ Photographs of National ID Card/Passport/Chairman certificates/Driving Licence
- ✎ Permission letter from DC/ Magistrate (in case of newspaper)
- ✎ Proprietorship Seal/Rubber stamp

### **Limited company**

- ✎ Introduction of the account
- ✎ Two photographs of the signatories duly attested by the Introducer
- ✎ Valid copy of Trade License.
- ✎ Board resolution of opening A/C duly certified by the Chairman/Managing Director.
- ✎ Certificate of Incorporation.
- ✎ Certificate of Commencement (In case of Public limited company).
- ✎ Certified (joint stock) true copy of the Memorandum and Article of Association of the company duly attested by chairman or Managing Director.
- ✎ List of directors along with designation & specimen signature.

- ↪ Latest certified copy of Form - xii (to be certified by register of joint stock Companies (In case of Directorship change)
- ↪ Rubber Stamp (Seal with designation of each person)
- ↪ Certificate of registration on case of Insurance Company obtained from Department of Insurance from the Peoples Republic of Bangladesh

### **Club / Societies account**

- ↪ Introduction of the account.
- ↪ Two photographs of the signatories duly attested by the introducer,
- ↪ Board Resolution for opening A/C duly certified by President; Secretary.
- ↪ List of Existing Managing Committee.
- ↪ Registration (if any)
- ↪ Rubber Stamp.
- ↪ Permission letter from Bureau of N.G.O.

### **3.9.2 Account Section**

Accounts Department is called as the nerve Centre of the bank. In banking business, transactions are done every day and these transactions are to be recorded properly and systematically as the banks deal with the depositors' money. Improper recording of transactions will lead to the mismatch in the debit side and in the credit side .To avoid these mishaps, the bank provides a separate department: whose function is to check the mistakes in passing vouchers or wrong entries or fraud or forgery.

This department is called as Accounts Department. If any discrepancy arisen regarding any transaction this department report to the concerned department. Besides these, the branch has to prepare some internal statements as well as some statutory statements, which are to be submitted to the Central Bank and the Head Office. This department prepares all these statements.

### **Workings of this department:**

- ✎ Recording the transactions in the cashbook
- ✎ Recording the transactions in general and subsidiary ledger.
- ✎ Preparing the daily position of the branch comprising of deposit and cash,
- ✎ Preparing the daily Statement of Affairs showing all the assets and liability of the branch as per General Ledger and Subsidiary Ledger separately.
- ✎ Making payment of all the expenses of the branch.
- ✎ Recording inters branch fund transfer and providing accounting treatment in this regard.
- ✎ Preparing the monthly salary statements for the employees.
- ✎ Preparing the weekly position for the branch which is sent to the Head Office to maintain Cash Reserve Requirement (C.R.R)

### **3.9.3 Remittance Section**

Carrying cash money is troublesome and risky. That's why money can be transferred from one place to another through banking channel .This is called remittance.

Remittances of funds are one of the most important aspects of the Commercial Banks in rendering services to its customers.

**Types of remittance:**

- ↪ Between banks and non banks customer
- ↪ Between banks in the same country
- ↪ Between banks in the different centers.
- ↪ Between banks and central bank in the same country
- ↪ Between central bank of different customers.

**The main instruments used by Exim Bank Ltd of Remittance of funds are:**

- ↪ Payment order ( PO)
- ↪ Demand Draft ( DD)
- ↪ Telegraphic Transfer (TT)

**So the basic three types of local remittances are discussed below:**

Points	Pay Order	Demand Draft	TT
<b>Explanation</b>	Pay Order gives the payee the right to claim payment from the issuing bank	Demand Draft is an order of issuing bank on another branch of the same bank to pay specified sum of money to payee on	Issuing branch requests another branch to pay specified money to the specific payee on demand by Telegraph

		demand.	/Telephone
<b>Payment from</b>	Payment from issuing branch only	Payment from ordered branch	Payment from ordered branch
<b>Generally used to Remit fund</b>	Within the clearinghouse area of issuing branch.	Outside the clearing house area of issuing branch. Payee can also be the purchaser.	Anywhere in the country
<b>Payment Process of the paying bank</b>	Payment is made through clearing	1. Confirm that the DD is not forged one. 2. Confirm with sent advice 3. Check the 'Test Code' 4. Make payment	1. Confirm issuing branch 2. Confirm Payee A/C 3. Confirm amount 4. Make payment 5. Receive advice.
<b>Charge</b>	Commission+ VAT	Commission + VAT	Commission + telephone

### 3.9.4 Deposit section

Deposit is the lifeblood of a bank. From the history and origin of the banking system we know that deposit collection is the main function of a bank is accepting deposit. The deposits that are accepted by Exim Bank like other banks may be classified in two parts.

1. Demand Deposit.
2. Time Deposit.

#### 1. Demand Deposit

These deposits are withdrawn able without notice, e.g. Current Deposits. Exim Bank accepts demand deposits through the opening of-

- a) Current Account.
- b) Savings Account.
- c) Call deposits from the fellow bankers.

## **2. Time Deposit**

A deposit which is payable at a fixed date or after a period of notice is a time deposit. Exim Bank accepts time deposits through Fixed Deposit Receipt (FDR), Short Term Deposit (STD) and Bearer Certificate Deposit (BCD) etc. While accepting these deposits, a contract is done between the banker opens an account in the name of a customer; there arises a contract between the two parties. This contract will be valid only when both the parties are competent to enter into contracts. As account opening initiates the fundamental relationship & since the banker has to deal with different kinds of persons with different legal status, Exim Bank officials remain very much careful about the competency of the customers.

### **3.9.5 Cash Section**

Banks, as a financial institution, accept surplus money from the people as deposit and give them opportunity to withdraw the same by cheque, etc. But among the banking activities, cash department play an important role. It deals the main function of a commercial bank i.e. receiving the deposit and paying the cash on demand. As this department deals directly with the customers, the reputation of the bank depends much on it. The functions of a cash department are described below:

## Functions of Cash Department

### Cash Payment

- ↪ Cash payment is made only against cheque.
- ↪ This is the unique function of the banking system which *is known* as "payment on demand"
- ↪ It makes payment only against its printed valid Cheque.

### Cash Receipt

- ↪ It receives deposits from the depositors in form of cash
- ↪ So it is the "mobilization unit" of the banking system
- ↪ It collects money only its receipts forms

### Cash packing:

After the banking hour, cash is packed according to the denomination. Notes are counted and packed in bundles and stamped with initial.

## 3.9.6 Dispatch Section

Dispatch section mainly operates the function of dispatching the intimidation letter to the client, Inter Bank Credit Advice (IBCA), Inter Bank Debit Advice (IBDA), outward bill collection (OBC) to the other banks for internal transaction with the banks. Dispatch division receives the letter and documents coming form Head Office, another branches, another bank, negotiating bank (in case of Import), and opening bank (in case of Export). The officer engaged in the dispatch division maintains two types of register books to keep entries of those documents' particulars.

**These two types of books are-**

1. Inward mail.
2. Outward mail.

**Outward mail is also such types**

1. By hand
2. Local courier

When the officer receives papers form outside the branch, he puts seat on that paper "Received" and writes date and time on that paper. When it is needed to dispatch any document outside the branch, it is required to give a dispatch no. on the paper. The officer puts number on that paper and on the basis of nature of document he takes, decision how it has to be dispatched. Some time he gives the document by hand to other party. At the beginning of the month, he withdraws. Money from bank by issuing a debit voucher for the payment of dispatching bills. He writes all the expenses of dispatching in the register and payment. At the end of the month, he calculates his total expenses. If the debited amount is surplus of the actual expenses, he refunds it to the bank by creating it credit voucher.

**3.9.7 Bills and Clearing Section:**

Cheque, Pay Order (P O), Demand Draft (D.D.) Collection of amount of other banks on behalf of its customer are a basic function of a clearing department.

## **Clearing**

Clearing is system by which a bank can collect customers fund from one bank to another through clearing house.

## **Clearing House**

Clearing house is a place where the representatives of different banks got together to receive and deliver cheque with another banks. Normally, Bangladesh Bank performs the clearing house in Dhaka, Chiltagong, Rajshahi, and Khulna & Bogra. Where there is no branch of Bangladesh Bank, Sonali bank arranges this function.

## **Member of Clearing House**

EXIM Bank Ltd.is a scheduled Bank. According to the Article 31(2) of Bangladesh Bank Order, 1972, the banks, which are the member of the clearing house, are called as Scheduled Banks .The scheduled banks clear the cheque drawn upon one another through the clearing house.

## **Types of Clearing:**

### **(1)Outward Clearing:**

When the branches of a Bank receive cheque from its customers drawn on the other Banks within the local clearing zone for collection through Clearing House, it is Outward Clearing.

## **(2) Inward Clearing:**

When the Banks receive cheque drawn on them from other banks in the Clearing House, it is Inward Clearing.

### **Precaution at the time of cheque receiving for Clearing, Collection of LBC, OBC& Transfer:**

- a) Name of the account holder same in the cheque and deposit slip,
- b) Amount in the cheque and deposit slip must be same in words & in figure
- c) Bank and branch name of the cheque, its number and date in the deposit slip.
- d) Cheque must be signed.
- e) Signature for confirmation of date, amount in words / in figure Cutting and Mutilation of cheque,
- f) Cheque should be crossed (not for bearer cheque).
- g) Account number in the deposit slip must be clear.
- h) Depositor's signature in the deposit slip.
- i) Date in the cheque may be on or before (but not more than six months back clearing house date).

### **Return house**

Return House means second house where the representatives of the bank meet after 3 p.m. to receive and deliver dishonored cheque, which placed in the Clearing House.

### **Cheque may be dishonored for any one of the following reasons:**

- ✓ Insufficient fund.
- ✓ Amount in figure and word differs

- ✓ Cheque out of date/post-dated.
- ✓ Payment stopped by the drawer.
- ✓ Payee's endorsement irregular /illegible/ required.
- ✓ Drawer's signature differed / required
- ✓ Crossed cheque to be presented through a bank.
- ✓ Other specific reasons not mentioned above.

### **Bills Collection:**

In modern banking the mechanism has become complex as far as smooth transaction and safety is concerned. Customer does pay and receive bill from their counterpart as a result of transaction. Commercial bank's duty is to collect bills on behalf of their customer.

### **Types of Bills for Collection**

- ⇨ Outward Bills for Collection (OBC).
- ⇨ Inward Bills for Collection (IBC),

### **Outward Bills for Collection (OBC)**

OBC means Outward Bills for Collection .OBC exists with different branches of different banks outside the local clearinghouse. Normally two types of OBC:

- ✓ OBC with different branches of other banks
- ✓ OBC with different branches of the same bank

### **Inward Bills for collection (IBC)**

When the banks collect bills as an agent of the collecting branch, the system is known as IBC. In this case, the bank will work as an agent of the collection bank. The branch receives a forwarding letter and the bill.

## Chapter 04

### 4.1 SWOT Analysis

SWOT is an important matter to know the present condition of strengths, weaknesses, opportunities and threats of EXIM Bank Ltd. This analysis also helps to better decide the company management to take relevant measure to make up its weakness and face the competitors. The term SWOT includes the following:

**S=Strength**

**W=Weakness**

**O=Opportunity**

**T=Threat**

#### Strengths

- A highly motivated team
- 112 branches
- Good management
- Cooperation with each other
- Financial strength
- Membership with swift
- Online banking services
- ATM Network

#### Weakness:

- ↗ Distributed database systems
- ↗ Lack of proper motivation, training and job rotation

- ⇨ Limited ATM booths
- ⇨ Lack of specialization
- ⇨ Facilities only for city dwellers
- ⇨ Lack of experienced employees in junior level management

### **Opportunities**

- ⇨ Modern banking services
- ⇨ Services for the rural people
- ⇨ Good banker customer relationship
- ⇨ Since EXIM Bank Ltd does interest-free banking business based on Islami shariah and here 85% Muslim communities so the consciousness about Islami Banking is increasing day by day.
- ⇨ Good Public image.

### **Threats**

- ⇨ To take mandatory provision against loan followed by Bangladesh Bank
- ⇨ Modern tecno-based banking services of other banks
- ⇨ Anti- Islamic propaganda
- ⇨ Extensive Comptetion

## 4.2 Findings

I have observed various positive as well as some negative aspects of the Gulshan Branch, Head Office Dhaka at EXIM Bank Ltd., but I have mentioned most of the negative findings rather than positive findings as well as believe the negative or poor activities need to be considered management for their betterment.

- ✎ It is a brand to all types of customers
- ✎ Gulshan Branch has some active and well-organized human resources who maintain the daily activities more smoothly.
- ✎ Sponsorship and public relation specially in mass media can obviously increase the brand image and brand equity of a bank
- ✎ Services marketing are very much volatile and challenging one for retaining existing customers and attracting new customers.
- ✎ The few customers are more likely to search better one in this area like profit rate, modern facilities etc that creates big challenges to the bankers to retain such customers.
- ✎ Now a day's customers are technology-savvy. They don't have time to take counter service. In that case banking services is shifting or customizing rapidly.
- ✎ The general banking department now performs relatively better than previous
- ✎ There are improving online banking facilities, they have ATM services, Debit card and Credit card system day by day.
- ✎ Reputation, Security of deposit, Liquidity of the bank are very important parameters to attract new customers.
- ✎ Customer Service and behavior of the employees are very necessary in any service industries especially bank
- ✎ The bank is not still technologically updated. There is a great problem of their online system and their server and also their software which they use for their daily transaction and for their working purpose, for that reason sometimes people may face problem to get their services.

- ✎ For opening an account the customer must need reference. But sometimes customer may fail to manage reference for opening an account. So in that case they may sometime lose their fervor to open an account in that bank.
- ✎ Some customers do not understand account opening, closing and cash deposit
- ✎ Some customers are not interested or not able to write D.D., Check, pay order voucher.
- ✎ Exim bank ltd mainly focuses on class banking rather than mass banking. But it is very important to all types of customers
- ✎ According to some clients opinion introducer is one of the problems to open an account. If a person who is new of the city wants to open account, it is a problem for him/her to arrange an introducer of mudaraba accounts holder.
- ✎ Gulshan Branch is congested branch where modern technical equipment such as computer and manpower are not sufficient.
- ✎ There cash payment procedure is traditional, like withdrawing money by using cheque because their ATM card facility is very poor to compete with other banks.
- ✎ In case of opening an account, some big parties come to open account with reference of high officials of the bank. They do not submit all papers that is required for opening an account & in future they do not feel any urge to submit there papers but already they become accounts holders. I think in this case the authority is violating the rule.
- ✎ Majority of customer cannot understand the Islamic banking principles (Madaraba, Musharaka, Murabaha, bai muajjal etc) and rule, terms and condition. That is a big challenge for the islami bankers like EXIM bank ltd.
- ✎ Individual target and performance increase the risk in policy implementation and fraud forgery of the bank.

### **4.3 Recommendations**

The banks are actually service organizations. The recommendations given below are not decisions; rather they are only suggestions to improve the performance in order to fulfill the customer satisfaction so that clients give more preference to EXIM bank. Here in below some recommendations are mentioned:

- ⇨ The Bank should technologically update then they satisfy the customer by provide fast service.
- ⇨ If they cancel the introducer system then they can collect more deposit through new account and it also satisfied the customer.
- ⇨ It is recommended to introduce more ATM booth instead of manual banking system. It will save huge amount establishment and other costs.
- ⇨ To try to understand those carefully who do not know how to open a bank account.
- ⇨ To make the process easy and quick the whole system should be computerized and take modern communication media for example e-mail, fax, Internet should be used.
- ⇨ Customers who failed to give reference for opening an account for them the bank should be flexible.
- ⇨ EXIM bank should appoint customer service officer in all branches so that customer can get information easily.
- ⇨ EXIM bank should open more branches in Dhaka city as well as all prime locations of Bangladesh and improve its service quality too
- ⇨ The authority should arrange extensive training & development for their employees so that they can successfully perform their arranged tasks and duties.
- ⇨ EXIM bank should go for aggressive advertising and promotional activities to get good brand image.

## **4.4 Conclusion**

From the practical implementation of customer dealing procedure during the whole period of my practical orientation in EXIM bank limited I have reached a firm and concrete conclusion in a very confident way. I believe that my realization will be in harmony with most of the banking thinkers. It is quite evident that to build up an effective and efficient banking system to the highest desired level of customer satisfaction.

EXIM Bank Ltd. is such a commercial bank which is rendering all commercial banking services to the customers based on Islami shariah. In addition to that they make available micro credit and SME finance to the millions of needy people of the country. As part of a Corporate Social Responsibility (CSR), it is playing a remarkable role to help the distressed people of the society in different welfare related activities. They focus on dignified, prompt and personalized services being rendered to their customers. They believe in developing strong interpersonal relationship with each stakeholder. As such, they are morally bound to provide high quality banking services with the latest technology to obtain optimum return on shareholder's equity ensuring safety of depositor's money and making all efforts to introduce their innovative Islamic banking products and services to their existing and prospective customers. Besides they should try the best for improving their general banking services mentioned. Then EXIM Bank Ltd will be the leading commercial bank in Bangladesh.

## Supplementary Part

### References

1. Malhotra Naresh K, "Marketing Research" 3<sup>rd</sup> edition Prentice Hall, Inc. Upper Saddle River, New Jersey 07458 (2003), pp 102-103, 690-700
2. Kotler Philip & Keller Kevin Lane *Marketing Management*. 12<sup>th</sup> Edition Prentice-Hall of India Private Limited, 2006, pp
3. Parasuraman, A., Zeithaml, V.A., & Berry L.L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64,
4. Parasuraman, A., Zeithaml & et al (2003) *Service Marketing*. 4<sup>th</sup> edition Prentice Hall, Inc.
5. *Customers' Perception about the Determinants of Service Quality of Foreign and Domestic Banks: An Empirical Study on Bangladesh* electronically accessed on available at <http://www.bdresearch.org.bd/home/attachments/article/884/BUSINESS.pdf>
6. *Adopting and measuring customer service quality (SQ) in Islamic banks: a case study in Kuwait finance* electronically accessed on available at <http://search.conduit.com/ResultsExt.aspx?>
7. *Islami Banking in Bangladesh*. electronically accessed on available at <http://www.janaojana.com/q-332>
8. [www.eximbankbd.com](http://www.eximbankbd.com)
9. Annual Report of Exim Bank Ltd 2015
10. Bangladesh Bank Report
11. Different types of brochures of EXIM bank limited
12. EXIM Bank Limited, General banking booklets, 4<sup>th</sup> edition- 2014
13. The Daily Newspapers

## *APPENDIX*

### *List of Abbreviations*

- ↪ **ATM:** Automated Teller Machine
- ↪ **ICTD:** Information & Communication Technology Division
- ↪ **HRD:** Human Resources Division
- ↪ **AVP:** Assistant Vice President
- ↪ **VP:** Vice President
- ↪ **IRMD:** Investment Risk Management Division
- ↪ **HPSM:** Hire Purchase under Shirkatul Melk
- ↪ **MTDR:** Mudaraba Term Deposit Receipt
- ↪ **SME:** Small & Medium Enterprise
- ↪ **RJSCF:** Registrar of Joint Stock Companies and Firms
- ↪ **NEC:** Non-Encumbrance Certificate
- ↪ **RO:** Relationship Officer
- ↪ **RM:** Relationship Management
- ↪ **IRM:** Investment Relationship Management
- ↪ **EC:** Executive Committee
- ↪ **BOD:** Board of Director
- ↪ **CL:** Classified Loan
- ↪ **IRM:** Investment Risk Management

- ↪ **MSD:** Mudaraba Saving Deposit
- ↪ **MPS:** Mudaraba Pension Scheme
- ↪ **MND:** Mudaraba Short Notice Deposit
- ↪ **ESS:** Education Saving Scheme
- ↪ **BB:** Bangladesh Bank
- ↪ **BDT:** Bangladesh Taka
- ↪ **CSR:** Corporate Social Responsibility
- ↪ **TIN:** Tax Identification Number
- ↪ **CH:** Clearing House
- ↪ **OBC:** Outward Bills for Collection
- ↪ **IBC:** Inward Bills for Collection
- ↪ **RR:** Return Register
- ↪ **CRR:** Cash Reserve Ratio
- ↪ **SLR:** Statutory Liquidity Ratio.