

Report On
General Banking Activities and Financial Performance Analysis: A Case Of
AL ARAFAH ISLAMIC BANK

By

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An internship report submitted to the BRAC BUSINESS SCHOOL in partial fulfillment
of the requirements for the degree of
Bachelor of Business Administration.

BRAC BUSINESS SCHOOL
Brac University
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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

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Letter of Transmittal

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Subject: submission report based on General Banking Activities and Financial Performance Analysis: A Case of AL ARAFAH ISLAMIC BANK

Dear Sir,

It is with great pleasure, here I present to you the “ General Banking Activities and financial performance analysis as my internship report on Al-Arafah Islami Bank limited (Shantinagar) under your supervision.

It gives me great pleasure to complete my report successfully and submit this report on the study and analysis, which I have conducted during my internship period.

It would be really helpful if you accept my report and I will be happy if to clarify any of your queries and concerns.

Your support in this regard will be highly cherished.

Sincerely yours,

AFSANA SABIHA

Student ID: 18104141

BRAC Business School

BRAC University

Date: 19th October, 2022

Acknowledgement

Completion of this internship report has made me grateful to a number of persons who helped me throughout the journey.

Firstly, I would like to acknowledge my supervisor Mohammad Enamul Hoque, DBA for guiding me to prepare this report. He provided me with all the support needed to complete this report successfully. A special thanks goes to Imtiaz Mohammad Saleh, the internship organization supervisor of mine. He is the Operation manager of Al-Arafah Islami Bank Limited. I want to thank him because she helped me throughout my internship period by giving information about my work and how to complete my work. I also like to extend my gratitude towards Md. Belal Hossain, the senior executive officer of AIBL for helping me by giving valuable information and on behalf of the bank. Lastly, I want to thank each and every person in my life whether they believe in me or not. You made me who I am today. Thank you!

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Executive Summary

Bangladesh's economy is one of the developing sites of this country. Just a few years back Bangladesh's economic growth was at its highest point, but over time it gets affected by the pandemic crisis and it started dealing with a low economic crisis. Bangladesh's most earning sources are from exporting sites, because of the pandemic and lockdown, there was no growth of it. so it gradually fell. This crisis affected this country's banking sites also. This site is battling with interest rating criteria. There are 61 banks under the supervision of Bangladesh Bank. Among all these banks we are trying to analyze SIBL, AIBL, and IBM's financial ratios. SIBL was established in light of the shariah Principles and is the first three-level (Formal, Non-formal, Voluntary) bank in Bangladesh's field. IBL is a joint venture public limited company with 63.09% foreign shareholders. It is recorded with both Dhaka and Chittagong stock exchanges. AIBL is a private limited organization. It offers some products and services which are, "Bai Mujjal ", "Bai Murhaba ", "Bai Salam" etc. It has deposit products like, "Al Wadiah Current deposit". Bangladesh has had extraordinary growth in the Islamic Banking system. Alongside, Bangladesh has no specific law for the Islamic Banking system as well as there is no Human Resources knowledge for the shariah-based banking system. There is a lack of a financial literacy program and government for project financing, which is a very challenging site for these Banks.

CHAPTER 1

1.1 STUDENT INFORMATION:

Name: Afsana Sabiha

ID:18104141

Program: Summer 2022

Department: BBS

Major/specialization: Finance/Accounting

1.2 Internship Information:

1.2.1 Period: I have done my internship session for 12 weeks.

Company Name: Al-Arafah Islami bank LTD, Shantinagar Branch.

Department/Division: I have worked in several departments except loan giving. I have worked in the accounts department, foreign exchange department, and Remittance and pay order issue department.

Address: 24/1, Shan Tower,1st Floor

Chamelibagh, Shantinagar, Dhaka-1217

1.2.2 Internship Company Supervisor's Information:

Name and Position: Imtiaz Mohammed Saleh

Principal officer, Shantinagar Branch

1.2.3 Job Scope – Job Description/Duties/Responsibilities:

After changing into a member of AN intern, my manager gave the American state a short description of roughly every day of sports and merchandise and offerings.

Then I was suggested to look at their well-founded offerings to their shoppers.

I in addition visited all their departments to look at their options for the 1st few days.

I used to:

- offer statistics to shoppers roughly beginning cash owed in AL-ARAFAH BANK LTD Shantinagar Branch

I want to jot down what they'd bring with them to open AN account right here and give them the note.

- I was assigned to put in writing down the total form.

New customers are accustomed to supplying statistics and I will not write them down within the account beginning form.

The Know Your Client (KYC) component should be written rigorously.

I in addition will not be able to calculate dealings Profile (TP) soon. I had to gather all papers that ought to be posted with the account form like National Identification Cards, Photos of the account holder and campaigner, the duplicate of code payments, etc.

Then the officers checked the documents and if the total issue had been okay, signed that.

- I used to affirm shoppers' National Identification Cards for banking purposes and had to call the purchasers to tell them their debit cards/ credit score cards/checkbooks tended to arrive which we had been anticipating them to gather.

- I in addition will not supply statistics to the purchasers roughly their financial organization statements.

Some shoppers are accustomed to being vintage or uneducated.

I was required to jot down their cheques and deposit books.

- I am accustomed to the names of those customers. The United Nations agency suggested financial organizations tell them every time any transactions materialized their cash owed.

I had to want affirmation from them. I was accustomed to building prepared cheques and vouchers that came for clearance.

1.3 Workplace Outcomes:

1.3.1 Student's contribution to the company:

My contribution to my workplace was dedicated to the bank where I used to be creating an effort to contribute to every department or section with my industriousness and my dedication. Here I set my contribution 0.5 in three forms of category that's shown by the diagram below:

Contribution towards

- 1)Credit
- 2)Cash
- 3)Clearing section
- 4)foreign Exchange
- 5) Exchange Section

Contribution towards credit & cash Section:

There wasn't plenty of labor to try to do and then merely receive and supply payment to the shopper where most of the time the work was done by Co-workers. Though I facilitated them, they were ready to jazz further quickly. I had to figure out with my Co-workers of accounts strictly that we tend to sort information superhighway and branch vouchers on a personal basis and eventually matched the credit vouchers with debit vouchers. Moreover, once we tend to get any pretend notes my coworkers gave ME that note to chop into things

Contribution towards Clearing Section:

My responsibility for the clearing of the Cheque was:

- Cheque crossing.
- correct approval and clearing seal of the Cheque.
- Separating cheques from a deposit slip.

Contribution towards foreign exchange:

Helping co-workers to search for a discrepancy in LC documents was a troublesome job and their square measure LC glorious that had a discrepancy and every discrepancy worth 100 BDT

to purchasers. Checking these documents as Associate in Nursing captive ineffective technique had helped co-workers' legions. These works were done efficiently, timely, and professionally, and being a multitasked person. Doing these works in gait helped the department to technique LC works quickly.

Contribution towards accounts gap section:

I have facilitated open accounts for my purchasers. Associate in Nursing creates a case for what documents are required to open an account, the minimum balance, and the advantage of the chosen account. I boot, provide them forms and facilitate them to pay their first balance to their account.

1.3.2 advantages to the student:

As the area of the BBA program At BRAC University (BRACU) enables students to the office. It's an enormous chance on behalf of me to understand the company world and how extremely exhausting that world is. So, it's an enormous probability to assemble data through sensible expertise. It's enormous expertise to understand the banking industry, its overall activities, and the activities of specific departments. I set my learning expertise into 3 classes. These are:

- Learning expertise
- talent development
- Personal development
- Learning Experience:

In my learning expertise, I gather data concerning a completely different sort of half that is incredibly helpful for my future and I learned one thing new in my recent expertise wherever I will simply handle any reasonable scenario. My learning expertise is given below:

- Learning Company Culture
- Gather data
- Enhance the data concerning the Islamic banking industry
- Workplace management
- Team Work

Now I'll discuss my learning expertise concisely that is given below:

Learning Company Culture: each bank has its own culture at the identical time this bank will have its culture. Before starting the office, I didn't have any plans concerning company culture. At intervals for awfully few days, I successfully custom-made their culture. I've got a non-heritable Associate in Nursing of this-world upgrade in my self-assessment criterion, currently, I Optimized my confidence level in a way that offers ME a hidden backup of operating in such a company. I additionally learned to maintain stress and cope with different kinds of individuals.

Gather Knowledge: it's a vast action on behalf of ME to gather data through sensible expertise. Before the office, data is unbroken solely on books. So, this office opens the door to enter at intervals the corporate world. wherever obtaining the 000-life data. Not solely that the method of assorted work done is gained from this office.

Enhance the knowledge about the Islamic banking System: Al-Arafah Islami Bank Ltd. It is a reputed organization that continues its activities by maintaining Islamic rules and other regulations. That's why I have become aware of the "Sariah" based industry that produces an experienced truthful and ethical way of banking activity.

Workplace management: From my internship, I have learned to manage the workplace as it's a large element of my future career. During this internship program, I managed the workplace as per the norms and practices of Al-Arafah Islami Bank Limited.

Team Work: In AIBL, there was constant pressure from consumers. It had been an arduous situation for workers to handle but they worked as a team. And if any employee were inactive, other employees used to complete the pending works. Teamwork is one of the foremost valuable lessons I have got learned from my internship program

Personal Experience: In corporate life where skill and skill are a mandatory part, Side by side I do know that non-public experience or skill is more important for surviving and knowing a corporation. So, I learned something from my personal experience which is given below: Now I will discuss my learning experience briefly which is given below:

Improved Time Management Skill: One of the great things that I've learned from the experience is time management. I badly needed to be told the time management because I had faced serious problems managing both my work and study. As an example, while working there we had to try to work on a priority basis. We had to form an inventory of labor per week in advance or more on the idea of importance then mark it on the calendar or create notes within the mobile phone or notepads. This provides a transparent idea of the schedule. The good thing

about the method is that the job breaks into small parts with an estimated time. This highly increases efficiency and performance and reduces time wastage. Time management skills helped me a lot to cope with big assignments and important meetings.

Professionalism Skill: Working in a financial institution taught me to be an expert. They emphasize professionalism. It is also one of the requirements to meet requirements. They are formal and simply experts on their jobs. Professionalism will increase performance and decrease the mistakes which make certain popular and first-class carriers as a result most customer pleasure is received. It is all approximately accurate, lower in errors, follows requirements, and performs as conditions demands. For example: When I made errors confirmed anxiety and instead solved the problem commonly which didn't bog down the trustworthiness and pleasure change into ensured.

Good Approach: Good approach is crucial in every workplace. Employees of Al-Arafah Islami Bank Limited, Shantinagar Branch, all-time practice a good approach and their main target is their customers. During my internship at Al-Arafah Islami Bank, I learned how to maintain a good approach to customers.

Grooming: workers in AIBL, all-time maintain neat and clean formal code, they are fluent in speaking each Bengali and West Germanic, and polite with customers. They maintain sensible manners with one another and conjointly with the purchasers all the time. The greetings and telecommunication spoken language manners and also the thanks to accommodating purchasers over phones were unaccustomed to Pine Tree State which I even have learned of those whereas operating in Al-Arafah Islami Bank restricted, Shantinagar branch.

The habit of fantastic practices: As I'm doing in AIBL, there are some required rules and sixteen laws for his or employees that facilitate Pine Tree State to perform some sensible practices in my manner of life. As an example, thanks to operating there I ought to mention my prayer at the proper time and bit by bit this follows becomes a sensible habit.

Skill Development: Ability development is one in each of the foremost and half and heart of the duty market to signify all that I've got the power to prove myself which I will do what u wish from Pine Tree State for your company's profit or whole price, therefore I perpetually conceive to develop myself by my ability and ability. In my place I improve my ability half and essentially, I centered on 2 things that are concisely mentioned below:

Typing Skill: Once I joined as an associate degree prisoner in Al Arafah Islami Bank, on the 1st day they wished to envision my writing ability, once seeing my writing ability they perpetually gave Pine Tree State some work by victimization. I know it appears easy; however, I understand that this is often the simplest half. As a result of once connecting my place and doing this daily, my writing ability improved than before. Ability to work under Pressure: There had been instances once I was required to deal with over one duty in a very speedy length below extreme strain and strict deadlines. These have tutored Pine Tree State to prioritize my paintings and employees effectively and expeditiously.

Communication Skills: As an associate degree prisoner, I even have been effectively confined to humans from various backgrounds and classes. It's an additional advantage to my communication talent to a wonderful extent. I had to speak now not merely with the patron but to boot with my coworkers. all of them are auxiliary and versatile to my work. I discovered right here lots of educational & real-existence expertise.

Interaction with supervisor & co-worker: All of my coworkers and supervisor uphold all of the company values. On the first day, I met with my supervisor and alternative interns. One day I didn't recognize that thanks to communicating with them, whether they were friendly or not. My supervisor, MR. Imtiaz Mohammed Saleh was an auxiliary and was perpetually ready to lend a hand. I am grateful to my supervisor as a result of his helping and tutoring Pine Tree State lots whenever I Janus-faced any style of difficulties throughout my place program. She jointly tutored Pine Tree State on several things concerning the banking system in the People's Republic of Bangladesh.

Interaction with Co-workers: Everybody in AIBL Shantinagar Branch became capable of assisting and training Maine every time I wished to assist and every time, I had confusion regarding any banking method. There became a co-employee of GB decision Md Belal Hossain and Md. emir Hossain sir, they turned in to take little coaching during the banking hour whereby they became acquainted with providing little lectures on varied banking-associated subjects and profession-associated problems.

1.3.3 Problems/Difficulties (if any visage throughout the spot period)

Though I even have not visage any major downside throughout operating time however a smaller range of issues I'm mentioning below:

Files & Documents do not appear to be organized correctly: There is a unit type of task that I had to perform beneath the repose modification department of AIBL. checking out files of a specific party was a troublesome task to manage. Documents and files of varied shoppers weren't consecutively organized per the date. Therefore, persistently spent in transcription and sorting out thousands of files.

No mounted time for varied parties for payments: different business shoppers wish to return at a time to need their payments. As records of all parties were maintained in one reality, thus it had been time overwhelming to hunt out the date of each party.

Writing Mistake: typically writing mistakes happen at the export register, issue pay order, FDD, etc. typically some mistakes in quantity in USD to BDT. Someday mistakes happen to a minimum of one name to a distinct. So, I had to do that once more for his or her mistake and organize it for an in-depth period that is yucky to do and do the work for his or her fault.

No personal table for intern students: Personal table is the foremost important neighborhood of each job holder, intern & each different kind of employee for his or her security & relaxation work. It was motivating our minds to work. However, on the downside, they do not have a personal table for intern students.

No additional laptop-connected task: ought to do solely sensible tasks. someday offer} laptop table to erase some corrections. In this case, they additionally provide text.

No remuneration: They do not have any remuneration facility in the organization. {you're your area unit} utilized during a company however they can't give any moderate remuneration in this time your operating interest decreases. Remuneration actuated to every quiet work for associate degree spot or worker.

The banking system is not progressive: The banking system of AIBL is not modernized in comparison to alternative rivals in the competitive market. The bank doesn't have enough ATM booths thus typically customers face bother when they need to withdraw cash. So, if any shoppers came to Maine to grasp our ATM booth place, I could not provide them correct or glad info wherever they were upset or provide Maine some rude word that wasn't appropriate and granted to Maine.

1.3.4 Recommendations (for and suggestions to the corporate on future internships)

Recommendations:

The restriction of its card is outstanding but the quantity of ATM sales house isn't spare. So, AL-ARAFAH BANK LTD has to be compelled to grow the quantity of ATM sales. AL-ARAFAH BANK LTD. Has up to now tips and policies and brought several new merchandise and services. So, it in addition has to be compelled to set thirty up larger education packages to form larger conversants regarding new or modified services. AL-ARAFAH BANK LTD. has to be compelled to provide flexibility of exertions in branches. an excessive number of centralized contraptions places a burden on the department personnel. It in addition makes banking sports slow. The IT branch of AL-ARAFAH BANK LTD updates the software system of laptop systems of all branches from the top workplace. they need to like remaining client support at four p.m. Otherwise shoppers may also in addition face inconvenience. In AL-ARAFAH BANK LTD, quite a few personnel recruited over a huge number of years within the past and most of them don't seem to be able to apply progressive technologies. So, management has to be compelled to reason with them and create education packages for them. AL-ARAFAH BANK LTD. Has an outstanding and skilled workforce. It has to be compelled to grow larger facilities, bonuses, profit pay, overall performance price determinations then forth to measure personnel satisfaction.

Chapter 2: Organization Overview, Operations, and a Strategic Audit

2.1 Introduction (Objective, Methodology, Scope, Limitation, and Significance):

Objective:

The general objective of the report is to specialize in the key changes conducted in Al-Arafah bank restricted (AIBL) in Bangladesh.

Methodology:

For achieving the precise objective of this study, I have even collected connected knowledge both from primary and secondary sources.

Scope:

As my theme appears to be "General monetary exercises of Al-Arafah Islami bank restricted within the monetary business" I even have composed this report captivated by the examination of the Al-Arafah Islami bank simply not normally monetary trade and that I primarily incorporate the numerous items of the AIBL bank activities like

1. Operations Management and knowledge System Management Practices.
2. selling Practices
3. monetary Performance & Accounting Practices
4. Trade and Competitive Analysis

Limitations:

This file is principally written at the conception of head-to-go communication with the officers and little realistic enjoyment of mine within the bank. Amongst a fast amount, it's robust to settle on the final industrial enterprise system of an agency and to gather the right facts. So, no ideal examination is performed to maintain the viability of the file. All imitations area units are indexed below:

1. Limitations of someday become one of the foremost crucial components that decreased the modern examination. I used to be given little or no time to work out during this file.
2. Confidentiality of facts became another barrier that became confronted for the length of the behavior of the planning. Each company has its secrecy that may not be denoted in

public. As personnel keep busy doing their everyday duties, it's robust to gather complete facts and affirm the abstract to be counted from them.

3. Lack of enjoyment in my element has to boot acted as a constraint within the way of specific exploration of the topic.

As I had larger dependence on the first sources, thus there could also be several degrees of quality and private biasness for the length of this file. There could also be several crucial facts that got neglected via means of suggesting that of the American state accidentally.

2.2 Summary of the Corporate

Al-Arafah Islami Bank set out on its tour in eighteen Gregorian calendar months in 1995 to produce a fancy economic framework captivated by the Al-Quran and way of life. The preliminary characteristic befell on twenty-seven Sep 1995. An accumulation of support, dedicated and non-secular characters of Bangladesh square measure the draftsmen and executives of the financial organization. Among them, a distinguished monotheistic man of science, essayist, enterprise analyst, and expressional Bangladesh Government Mr. A. Z. M Shamsul Alam is the organizer and government of the financial organization. His never-ending motivation to associate degreed dynamic authority gave a lift to the financial organization in obtaining reliable stability within the money-associated marketplace of Bangladesh. An accumulating of twenty cited and dedicated monotheism Characteristics of Bangladesh square measure the person or girl from the Board of Directors of the financial organization. information of the chiefs, and monotheism agents, and for that reason the need of Almighty God makes Al-Arafah Islami Bank restricted. It's ordinarily gifted day and riding financial organization in Bangladesh. New objects square measure the tool of the financial organization to form progress. The financial organization has numerous showcases of objects and administrations to meet customer wants. The financial organization has died a never-ending advantage and announced a sincere innovation. Presently AIBL is maybe a standout among completely different Rated banks in Bangladesh. It's in the sixth state of affairs in the CAMELS rating. The financial organization is resolved to form a contribution essentially to the standard. It's created a high-quality dedication toward the economic development of the country with 100 branches.

Vision Of AIBL:

Their vision is to be a pioneer in Islami Banking in Bangladesh and contribute significantly to the growth of the national economy.

Mission Of AIBL:

- Expansion of Shariah Based Banking Practices.
- Quality economic offerings adopting ultra-modern technology.
- Fast and green patron service.
- Maintaining excessive general commercial enterprise ethics.
- Balanced boom.
- Steady & aggressive go back on shareholders' equity.
- Innovative banking at an aggressive price.
- Attract and maintain pleasant human resources.
- Extending aggressive repayment programs to the employees.
- Firm dedication to the boom of the country-wide economy.
- Involving greater Micro and SME financing.

2.3 Practices:

The financial institution is dedicated to running all its sports in step with Islamic Shariah, AIBL, its constant development, and persistent fulfillment have earned much popularity that made AIBL one altogether the main Private Banks in the country.

- All the sports of AIBL are performed on interest-unfastened devices in step with Islamic Shariah.
- Investment is created via a unique mode accredited below Islamic Shariah.
- Investment profits of financial institutions are shared with the Mudaraba depositors in step with a fairly truthful charge of going back on their depositors.
- The financial institution is dedicated to setting up welfare-oriented industry, monetary enlistment of the low-profits people, and creating employment opportunities.
- The financial institution's funding coverage observes unique modes which are accredited with the aid of using Islamic Shariah-supported Quran & Sunnah. The financial institution is contributing to Al-Arafah English Medium Madrasah and AIBL Library.

2.4 Management system of AIBL

A fourteen-part Board of administrator area unit in charge of the crucial composition and typically talking methodology policies of the bank. Further, there's an associate degree government Committee of the most frame of discard imperative strategic plans. The legitimate Committee is collected via manner of suggestions of nine people. Plus, there's a tree part Audit Committee within the board to administer consistency of basic body and operational troubles. There are each eight people from the sharia Council to quicken, screen, control, manage and hold the techniques of the monotheism banking system. Key troubles area unit overseen via manner of suggests that of a Management Committee headed via manner of suggests that of the chief operating officer and administrator to inspire fast selections

The board's Role: The ruling and sharia superintendence Board direct the employment of assorted parts of sharia within the bank. It guarantees that everybody in the trades area unit in distressing consistency with the advantage of nullifying (Fatwa) any brushing aside ways, just in case they are found. The Board of administrators is resolved to consent to the fatwas, whether or not or not or currently not a dependable or an even bigger part accord settled on steady with the choice (Clause of the Bank's memorandum and Articles of Association).

Management Structure: A fourteen-part Board of administrator's area unit on high issues of the vital thing composition and typically association regulations of the bank. Further, there's an associate degree government Committee of the most frame of discarding earnest strategic plans. The well-thought-of Committee is collected with the help of victimization nine folks. Plus, there is a unit Board of administrators. There is a unit of fourteen folks on the bank's Board of administrators. Among them, eleven speak because of the fact of the patrons and typical population, one senior well-thought-of as Company Secretary, and each different because of the fact the investor Director. Overseeing Director is the ex-reputable Director of the Board system.

Management Practices: MIS suggests that Management records framework, Use and oversee records frameworks to resume industrial enterprise method, enhance industrial enterprise dynamic with records advancements, growth upper hand out there. Al-Arafah Islami financial organization likewise has created records of the board association on their own. they're utilizing IT as a result of starting their industrial enterprise in the Asian nation. It makes a development whole internationally in each industrial enterprise as an end in the banking framework. Presently

in Al-Arafah Islami financial organization ltd. With the assistance of MIS, daily exchanges area units are recorded in department PCs and people departments area units then related to the essential headquarters servers aboard those traces they preserve each day technique replace on a traditional schedule. As Time is money, and thanks to our stylish sanctioned financial organizations create a giant wide selection of exchanges daily. Truth be told, IS makes the whole technique extensively further snappy, truthful, and dependable. because IS representatives will not have a lot of a stretch interface with totally different

Payroll TPS: Al-Arafah Islami establishment ltd fund TPS is considered to induce records and documents of the utilization and a quick time later to paint his/her once-a-year securing. It gets records around the agent from the specialist's specialized subject material and from trendy documents and ships it to fund TPS from inside that it interfaces those records with the on-the-way aspect document and is based totally on a file that is distributed to the officers. The officers pay regard to the "Ababil" document of the delegate's utility to envision and can broadcast outstanding prizes or fully different inspiration. These reviews are unit checked and insisted via methodology of suggesting that of the department boss then check is given to the jack. Likewise, whereas that check is modified, the twenty-eight document is unwearied inside the popular document in addition because of the particular reality of the skillful fund (HUB).

Employees Record: All delegates in Al-Arafah Islami institution ltd. have to log in once they input the institution and close on departure, by following their thumb effects on the biometric gadget. This tool is related to the HUB faithfully making reports on their hours spent within the institution. Likewise, the institution has its recreation arrangement named "Ababil" that makes a truly stateful size of a wide range of trade created through the laborer. This urges the board to show the running viability of an agent.

ATM Card Purpose: straightforward withdrawal of money.

Input: provide bio information, financial gain outline, and name.

NIC Process: NIC no. and bio information sent to "Ababil" which is directly connected to most branch laptop servers. If the info is correct then it's forwarded to the client service center.

2.5 Marketing Practices

The job of promoting section will be divided into 2 broad categories:

The selling to existing clients: Month-to-month update is unbroken on the introduction of the great existing client. On the off chance that the presentation gets low for a serious client, at that point visits are created by the bank officers to make requests on their necessity for funds. Likewise, persistent labor is created to expand presentation on any client World Health Organization has nice risk thanks to a BMRE or another rationalization.

Marketing to non-existing clients: From the marketplace facts non-current opportunities are likewise outstanding and looked for once. Visits are created to satisfy the business executive or whoever is that distressed person as regards finance topics and to boost the benefits of taking funds from AIBL. AIBL likewise appropriately painting's location schedules, telephone, smartphones record, and slip cushions to deliberate customers. Notices are given in various diaries of skilled bodies. Each morning the senior officers and to boot the administrator (department officeholder) are seated together in an especially large gathering to review their selling and selling arrangements for the afternoon. Their intention customers, in the delicate marketplace facts. On this accumulating it furthermore noticed if all folks have any affiliation within the targeted-on organizations. specific administrators are relegated with specific goal organizations. Sources of marketing are notably Tv, invoice boards, posters, pens, diaries, etc.

2.6 money Performance & Accounting Practices:

This Shantinagar branch is new. AIBL is one the assorted new entrants of the third technology banks having the best forty branches presently. inside the fast-essential amount, AIBL has been formed a photograph as a revolutionary and dynamic economic leader for itself and has earned immense quality within the country's banking sector. Despite stiff opposition in the banking sector, AIBL witnessed an in-depth development in its usual enterprise overall performance within the course of thirty-one Gregorian calendar months, 2019 that contributed to consolidating the position of the institution. At the highest of the recent twelve months, the number of depositors stood at 37900, and to boot the amount deposited has concentrated to Tk.19305.33 million. The entire numbers of traders are 19101 and overall funding prolonged to them become an addition of Bangladesh monetary unit 234599.19 million. The institution has earned Tk.2172.million and incurred a worth of Tk.1202.seventy a meg within the fashionable

twelve months. At the end of the twelve-thirty months, the financial gain before tax stood at Tk.855.forty-seven million, that's 87.97% over Tk.478.00 million.

Performance of Total Deposit: The marketplace statistics obsolescent opportunities are furthermore outstanding and explored for once. Visits are created to fulfill the business executive or whoever is that distressed character with relevant finance topics and consequently the upsides of taking money from AIBL are featured. AIBL likewise flows into painting region schedules, telecalls, smartphone files, and slip cushions to approaching customers. Notices are given in severe diaries of skilled bodies. Each morning the senior officers and consequently the chief (department officeholder) are seated together in complete concentration to look around their marketing arrangement for the afternoon. They purpose customers, in the delicate of marketplace statistics. Their collection is likewise noticed if all and varied have any affiliation within the focused-on organizations. specific officers are assigned with specific goal organizations

Accounting practices of AIBL: Accounting of AIBL will be broadly speaking classified within the following group:

General Accounting: General Accounting includes accounting for the latest and body expense, funding operation, and affixed assets. Activities of the accounting segment embrace the Registration of vouchers.

1. Posting of the voucher inside the ledger.
2. Preparation of unadjusted balance Preparation of changes (accrual of fees and income)
3. Preparation of adjusted balance
4. Maintenance of cash owed with Asian country banks & special bank
5. Investment Accounting: The organization maintains its books of account-based mostly completely on the running approach of accounting in line with typically Accepted Accounting Standards in conformity with one the availability of relevant hints of Asian country Banks.
6. An assortment of receipts i.e. Rental, profit
7. Manage assortment i.e. hold the cheque register.
8. reportage of data concerning the library i.e. money assortment declaration.
9. Acknowledgment to the Account holder i.e.
10. Declaration of accounts
11. Preparation of late declaration i.e.

Chapter 3: General Banking activities

3.1 Various Types of Deposit Accounts: One major aspect of the banking industry is the provision of bank accounts. There are various types of bank accounts which can be opened in any Public or Private sector banks. The deposit accounts are:

S.L NO	Types of deposit
01	Mudaraba Term Deposit (MTDR)
02	Mudaraba Savings Deposit (MSD)
03	Al - Wadiah Current Deposit (CD)
04	Mudaraba Short Notice Deposit (SND)
05	Installment Term Deposit (ITD)
06	Double Benefit deposit scheme (DBD)
07	Triple Benefit deposit scheme(TBD)
08	Pension Deposit Scheme (PDS)
09	Monthly Hajj Deposit (MHD)
10	Lakhpoti Deposit Scheme (LDS)
11	Millionaire Deposit Scheme (MDS)
12	Kotipoti Deposit Scheme (MDS)
13	Marriage Savings Investment Scheme (MIS)
14	Mudaraba (Special) Pension Deposit Scheme (MSPDS).
15	Cash WAQF Deposit Scheme (CWD)

16	Foreign Currency Deposit (FCD),
17	Termed Hajj Deposit (THD)
18	Mudaraba Double Benefit Deposit Scheme (MDBDS)

3.2 Profit Rates of AIBL on Different Deposits:

Sl. No.	Account /Deposit Scheme	Profit Rate in %
01	Al-Wadiah Current Deposit	Nil
02	Mudaraba Saving Deposit	5.00 %
03	Mudaraba Short Notice Deposit (SND)	4.00 %
04	Mudaraba Investment Term Deposit (ITD)	10%
05	Mudaraba PTD	10 %
06	Monthly Hajj Deposit	10%
07	Mudaraba PDS	10%
08	Triple Benefit deposit scheme (TBD)	10%
09	Monthly savings Investment Deposit (SID)	10%
10	Al-Arafah Savings Bond	Nil
11	Cash WAQF	Nil
12	Foreign Currency Deposit (FCD),	Nil
13	Mudaraba Lakhpoti	10%
14	Mudaraba Millionaire	10%
15	Mudaraba Kotipoti	10%

16	Double Benefit Deposit Scheme	10 %
17	Special Savings (Pension) Scheme	10 %
18	Marriage Saving Investment Scheme (MIS)	10 %

3.1.1 Mudaraba Term Deposit Receipt Account (MTDR):

It's a certain period deposited system, which is not repayable before the maturity date of a Fixed Period. Al-Arafah Islami Bank Limited offers higher rates of profit on such deposits. Usually, customers are allowed to open this account for a certain period, and the rate of profit by the terms of the deposit.

- Minimum open balance: TK 20,000

Sl. No	Duration of Mudaraba Term Deposit Receipt Account (MTDR)	Existing Provisional rate	Revised Provisional rate w.e.f 01-01-2015
1	01 month	7.00%	7.00%
2	01 month from Bangladesh bank/other bank/ financial institution	4.00%	4.00%
3	03 months	8.50%- 9.00%	8.50%
4	03 months from Bangladesh bank/other bank/ financial institution	4.00%	4.00%
5	06 months	9.00% - 9.50%	9.00%
6	06 months from Bangladesh bank/other bank/ financial institution	4.00%	4.00%
7	12 months	9.50%	9.50%
8	12 months from Bangladesh	4.00%	4.00%

	bank/other institution	bank/	financial		
9	24 months			9.50% - 10.00%	9.50%
10	24 months bank/other institution	from bank/	Bangladesh financial	4.00%	4.00%
11	36 months			9.50% - 10.00%	9.50%
12	36 months bank/other institution	from bank/	Bangladesh financial	4.00%	4.00%

3.1.2 Mudaraba saving Deposit (MSD):

In a savings deposit account, profit is payable to the customer. Customers can withdraw twice in a week and the maximum limit per transaction is BDT. 5 Lac and withdrawal beyond this limit requires 7(seven) days prior notice. If the total withdrawal without notice is allowed twice in a week up to 25% of the balance in the account is subject to a maximum limit of BDT. 5,00,000 withdrawal beyond the maximum limit will require 7(seven) days prior notice, failing of which profit will not be allowed for the month in which the withdrawal occurs. Profit will be credited to customers' accounts on a half-yearly basis. The bank reserves the right to realize an incidental charge and or/ to close the account without prior notice to the customer(s) if he/she/they fail to maintain the minimum balance.

3.1.3 Al-Wadiah Current Deposit:

No profit is payable in current accounts. Current accounts have many advantages over savings accounts. Besides, there is no withdrawal limit or overdraft facility. The minimum Account opening balance is Tk.2000. The minimum balance must be maintained in the Account. The account maintenance fee is Tk.250 and is paid twice a year. If the balance falls below Tk.2000,

the bank will charge a minimum balance of Tk.250 half-yearly. Finally, a 230-taka service charge has been taken for check purposes.

3.1.4 Short Notice Deposit (SND):

It is a combination of MSD and CD. Here, SND and CD's introducer can be introduced to all accounts. On the other hand, MSD can introduce only SND and CD but others do not have this switching power.

Short Notice Deposit has the following attributes:

- 4% profit rate against SND.
- 5000/- is the minimum balance for opening A/C.
- No restriction over the withdrawal of money

3.1.5 Mudaraba Double Deposit (MDD):

Savings works as the very foundation of development. Savings is the prime source of business investment in a country. So, it helps to build up capital. To create more awareness and motivate people to save, Al-Arafah Islami Bank offers Mudaraba Double Deposit. Here people put their money for double return after 7.5 years.

3.1.6 Mudaraba Lakhpati Scheme:

For the Mudaraba Lakhpati Scheme, 3,5,8,10,12 years monthly installments are 2400, 1335,700, 500, and 375 respectively, and will get 1 lakh.

3.1.7 Mudaraba Millionaire Scheme:

For Mudaraba Millionaire Scheme 3,4,5,6,7,10,12,15,20 year's monthly installments are 23900, 76100, 13300, 10580, 8350, 5000, 3770, 2570 and 1460 respectively and will get 10 million.

3.1.8 Mudaraba Kotipoti Scheme:

One can open for 3, 4, 5,6,7,10,12,15,18,20 years & have to pay (Monthly installment) 238950,170600,132800, 105500, 83800, 50200, 37700, 25620, 14750 and 14600 respectively and will get 1 crore.

3.1.9 Mudaraba Hajj Savings Scheme:

AIBL has introduced a Scheme in the name & style of 'Mudaraba Hajj Savings Scheme' to facilitate the intending Muslims to perform Hajj properly at the appropriate age. This is purely a savings scheme for performing Hajj. Any Muslim intending to perform Hajj by building-up deposit required for meeting Hajj expenses will select one of the 25 choices based on the duration of the period from 5 years to 25 years for building-up savings in monthly installments under this Scheme.

3.1.10 Mudaraba Savings Bond Scheme:

Person(s) aged 18 years and above shall be eligible to purchase Mudaraba Savings Bond(s) in single name or joint names. Educational institutions, Clubs, Associations, and other non-trading and non-profit socio-economic institutions shall also be eligible to purchase Bond(s) in the name of institutions. Guardian(s) shall be allowed to purchase Bond(s) jointly with a minor mentioning the age of the minor.

3.1.11 Mudaraba Monthly Profit Deposit Scheme:

Monthly provisional profit shall be given to the account just after completion of 30 Days from the date of opening of the account. The profit amount will be adjusted on completion of each accounting year after the declaration of the final rate of profit.

3.1.12 Mudaraba Special Savings (pension) Scheme:

The AIBL has introduced the "Mudaraba Special Savings (pension) Scheme," which gives people the chance to accumulate savings by making small monthly installments, in response to the growing demand from people from all walks of life for special & attractive savings schemes

based on the Islamic Shariah to enable and encourage them to save as per their capacity in an Islamic manner for their old age when they will typically retire from their active economic life. The period ranges from five to fifteen years.

3.1.13 Mudaraba WAQF Cash Deposit Account:

The Bank has introduced the `Mudaraba WAQF Cash Deposit Account` through which savings made from earnings for WAQF by the well-off and the rich people of the society can be mobilized and the income to be generated there may be spent for different benevolent persons. Through the Scheme, the Bank will be able to contribute to popularizing the role of WAQF in the country including Cash WAQF which will be instrumental in transferring savings of the rich to the members of the public, in financing various religious, educational, and social services of various social investment projects. Higher profit is given against this Account and is utilized for social and human welfare as per the instruction of the Account holders.

3.1.14 Mudaraba Foreign Currency Deposit Scheme:

Mudaraba Foreign Currency Deposit Scheme (savings) has been introduced under the Mudaraba principle and endeavoring to invest the foreign currency funds profitably through its foreign correspondent Banks under the Shariah principle to enable the Bank to pay profit to its FC/PFC depositors, who will intend to open/maintain Mudaraba Foreign Currency Deposit (MFCD) account.

3.3 Requirement for opening Account:

3.3.1 Mudaraba Savings Deposit (MSD):

- Two Copies Photo of the Account Holder.
- One Copy Photo of the Nominee.
- One photocopy of the Account Holder's & Nominee's Passport/Driving License/NID Card is needed.
- Savings Introducer Can Introduce Savings Accounts, Freedom fighters, School Accounts, and Garment workers Accounts.
- The account open minimum fee is 500tk.
- The Checkbook costs 92tk (80+12).
- The Savings Account charges two times In a Year (115*2) or 230 tk only.

- 5% Profit is given on the Existing Amount.
- If the balance falls below Tk.500, the bank will charge a minimum balance of Tk.250 half-yearly. The bank reserves the right to realize an incidental charge and or/ to close the account without prior notice to the customer(s) if he/she/they fail to maintain the minimum balance.
- If there are no transactions around 2 years then it can be considered a dormant account.
- For activation of the dormant account, the account holder writes an application with a penalty of Tk. 230.

3.3.2 Garment worker's Account:

- All documents are the same as Savings Account, But Additionally Needed Garment's worker's ID Card
- No Charge has been taken for the Cheque book.
- Excess Duty Charges.
- Account open Minimum fee is 100tk.

3.3.3 Students (School) Account:

- Two copies of the passport-size photo of the account holder.
- Two Copies of the Passport Size Photo of the guardian.
- One Copy Passport Size Photo of the nominee.
- Student needs birth certificate/Passport/Student Id Card/tuition fee Copy.
- The Guardian needs a National Id Card/Passport/Driving License/Job Id.
- Account open minimum fee is 100tk.
- Minimum age range (6-17) years.
- After 17 years it converted into a Savings Account.
- Withdraw only 2000 tk par cheque. On the other hand, he/she can withdraw a 5000 tk par cheque with the permission of the guardian.
- He/she can withdraw 4 times per month.
- He/she can withdraw 4 times per Week for ATM Card Holder

3.3.4 HAJJ Deposit:

- One copy of a photograph of the account holder nominee.
- One copy of the Id card/passport/driving license of the account holder nominee.

3.3.5 Freedom Fighters Account:

- All documents are the same.
- There is no service charge.
- The account open minimum fee is 10 tk only.
- One copy of the certificate of freedom fighters.

3.3.6 Requirement for the Lakhpoti, Millionaire, and Kotipoti Schemes:

- By filling up a form an account is opened.
- A non-transferable deposit receipt will be provided to the customer after opening the account.
- If the deposit is withdrawn before a 5-year term, then the savings interest rate will be applicable and paid to the depositor. However, no profit is paid if the deposit is withdrawn within 1 year of opening the account and the Monthly Income paid to the customer will be adjusted from the principal amount.

3.3.7 Al-Wadiah Current Deposit:

- All documents are similar to a Savings Account.
- Trade License and Tin Certificate are needed for the business organization.
- The account open minimum fee is 2000 tk only.
- Needed memorandum/regulation for Limited company.
- Needed seal for company.
- One Cheque book costs 230 tk.
- There is no profit given.

- If there are no transactions for around one year then it can be considered a dormant account.
- For activation of the dormant account, the account holder writes an application with a penalty of Tk. 230.

3.3.8 Short Notice Deposit (SND):

- All documents are like a Current Account.
- The account open minimum fee is 5000 tk only.
- 4% Profit has been given.
- CD & SND's Introdncer Can Introduce to All Accounts.
- If there are no transactions for around one year then it can be considered a dormant account.
- For activation of the dormant account, the account holder writes an application with a penalty of Tk. 230.

3.4 ATM CARD:

- No charge has been taken in the first year.
- After completing the first year, Fee 345tk (including with j45tk vat) was charged.
- No charge has been withdrawn 20,000tk per punch.
- Withdrawing 50,000tk and punching 6 Times per day.
- Providing Services (24*7).
- If there occurred any problem with the punch/withdrawal amount, the bank must be informed.

3.4.1 Problems with ATM Cards:

- Electrical Problem
- Card Sketch
- Wrong Pin Number

- After punching the wrong PIN 3 times, the Card becomes automatically locked. So you have to be careful about this.

3.4.2 ATM Card features and charges:

S.L NO.	AIBL ATM card Transaction facilities	Charge(include15% VAT)
01	Insurance fee (1 st year)	Free
02	Renewal fee	345.00
03	Card replacement fee (lost and damage by the card holder)	230.00
04	Pin replacement fee	115.00
05	ATM Transaction at AIBL ATM	Free
06	Balance inquiry at AIBL ATM	Free
07	Mini-statement requests at AIBL ATM's (print last 10 transactions of account)	Free
08	ATM transaction at under NPSP ATM's	As per BB policy
09	Per day total cash withdrawal by default	50,000.00
10	Heights withdrawal at single transaction	20,000.00
11	No. of ATM usages per day (cash withdrawal, fund transfer and balance inquiry etc.)	6 times
12	No. of incorrect PIN entry (card will block by system after enter 3 rd wrong PIN try)	3 times

* Bank reserves all the rights to change any charges at any time without any prior notice.

Note: 15% VAT is applicable. It turns into 10% when he or she has TIN.

3.5 Online Charge for Different Amounts:

Between Different Divisions	Particulars	Charges
Cash Deposit	Up to tk. 1.00 lakh	Free
	100001 – 200000	50+8=58
	200001 – 400000	100+15=115
	400001 – 600000	200+30=230
	600001 – 1000000	300+45=345
	1000001 – 1500000	500+75=575
	1500001 – 2000000	800+120=920
	Above tk. 20 lakh	1000+150=1150
Cash Withdrawal	Up to tk. 50000	Free
	50001 – 200000	50+8=58
	Above tk. 2.00 lakh	100+15=115

N.B. Under the same division, online charges are free.

3.6 Important Code Numbers for Shantinagar Branch:

Account	Branch Code	Account Code
MSD	192	112
MSD(Staff)	192	113
MSD(School)	192	114
MSD (Freedom Fighter)	192	115
MSD (Garments Worker)	192	116
CD	192	102
SND	192	122

MTDR	192	13 (1,2,3,6)
ITD	192	14 (1,2,3,5,6)

3.7 Transactions Code Number:

Transactions Type	Code Number	Transactions Type	Code Number
Huge Business (Wholesale Traders)	903040	Student	915002
Small Business (Retail Traders)	903050	Retired Person	915004
Service Holder	911000	Hospitals and Clinics	902420
Housewife	915001	Importers	903010

3.8 Different Types of Division:

3.8.1 Branch Control Division (BCD):

BCD is the combination of the Account opening, cheque clearing, inward and outward clearing section, etc.

3.8.1.1 Accounts Opening Process:

This format should hold the important document in the same manner and process respectively for different kinds of accounts. The accounts opening process can be as follows:

- Receiving filled-up application in the bank's prescribed form mentioning what type of account is desired to be opened.
- The form is filled up by the applicant himself/ herself
- Applications must sign specimen signature sheet and give a mandate

- Introducer`s signature and account number-verified by the legal officer
- Filling & signing up for KYC or Know Your Customer Form
- Filling & signing up Owner Information Form
- Authorized Officer accepts the application
- Information Collected to Open Account:

Accounts opening information that is collected by the Al-Arafah Islami Bank Ltd. varies for each type of account.

- **Individual**

- Name of the account holder
- Present and Permanent Address of A/C holder
- Sigh of the account holder
- Date of birth and age
- Nationality
- Taxpayer Identification Number (TIN-if available)
- Passport or certificate provided by the employer
- Introducer
- Photograph of the account holder duly attested by the introducer.
- One photograph of the nominee duly attested by the account holder.
- Nominee declaration form
- Nominee Sign
- Money laundering leaflet

- **Partnership Firm**

- all the required information mentioned for Individual Accounts; along with,
- Copy of Partnership Deed
- Mandate from the partners is essential-indicating who will operate the account.

- **Limited Company**

- all the required information mentioned for Individual Accounts; along with,
- Certificate of Incorporation
- Copy of Memorandum and Article of Association
- Certificate of Commencement
- Copy of Resolution of the Board of Directors

3.8.1.2 Cheque clearing:

Firstly, Cheque was received from the clearing house of Al-Arafah Islami Bank Limited. Secondly, if the received cheques are to be from other banks then they must be sent to the Bangladesh Bank clearing house. Thirdly, BB clearing house sends it to the mother bank's main branch office for the analysis of the fairness of the cheques.

Cheque Cancellation or Cash Payment Process:

Step 1:

- Receiving Cheque from the employee at the cash counter
- Verification of the following by the cash Officer in the computer section

Step 2:

- Date of the Cheque (present within 6 months from the issue date)
- Issued from this branch
- Amounts in the figure and sentence written do not differ
- Signature of the drawer does not differ
- Cheque is not torn or mutilated

Step 3:

- Gives pay cash seal and sends to the payment counter

Step 4:

- Payment officers make payment

3.8.1.3 Clearing Section:

The main function of the clearing section is to operate with safety and security of financial transactions of financial instruments like DD, PO, check, etc. on behalf of the customers through Bangladesh Bank Clearing House, Outside Bank Clearing (OBC), and Inter Branch Clearing (IBC). This section examines in the following way:

- Whether the paying bank within Dhaka city.
- Whether the paying bank is outside Dhaka city. Then these checks can be cleared by OBC, OBC stands for Outward bill for collection.
- Whether they pay their branch. These checks can be cleared by IBC, IBC stands for Inter Branch Bill for Collection.

The most important clearing systems are given below:

High value:

High value is also known as same-day value. The amount is equal to 5 (Five) lakh and above considered a high value. The amount can be withdrawn within 3.30 pm that day when the transaction has arisen.

Low Value:

The low value is also known as the regular value. The amount is less than 5 lakh considered a low value. If the Account holder has taken an ATM card facility then he or she can withdraw money between 5.30 to 6.30 pm otherwise, can withdraw the next day.

● **Outward Clearing:**

When financial instruments like P.O., D.D., and Cheques are collected by a specific branch within Dhaka city and not from their branch then the Outward clearing will be performed. The procedures of Outward Clearing are followed:

- The instruments with schedules to the main branch of AL-ARAFAH-ISLAMI Bank Ltd. With issuing an Inter Branch Debit Advice (IBDA).
- Clearing stamps are affixed on the instruments.
- Checked for any apparent discrepancy.
- The authorized signature endorses instruments.
- Particulars of the instruments and vouchers are recorded in the 'Outward Clearing' Register.
- The clients receive the duly-signed instruments and also the branch code number affixed on the instruments.

● **Entity of the outward clearing:**

- AIBL Head office.
- Bangladesh Bank
- AIBL Another department
- Client and Investment parties.
- Thanks, letter

● **Inward Clearing:**

When the checks of its customer are received for collection from other banks, the following should be checked very carefully;

- The check must be crossed.
- The check should not carry a date older than the receiving date for more than 6 months.
- The collecting bank must check whether the endorsement is done properly or not.
- The amount both in words and figures on the deposit slip should be the same and also it should conform with the amount mentioned in words and figures in the cheques.

● **Entity of the Inward Clearing:**

- Bangladesh Bank
- AIBL Head office
- AIBL Another department

- AIBL Other Branches
- Other Bank, Client, and Investment parties

● **Essential elements for Clearing:**

There are three essential elements are required for clearing the Instruments:

1. Clearing Seal.
2. Crossing Seal.
3. Endorsement Seal.

3.8.1.4 Pay Order:

The payee has the right to request payment from the issuing bank under a pay order. Only payments made within the issuing branch's clearing house are accepted. The clearing is used to make payments.

- Verify the pay order's courtesy.
- Make a contra entry in the Pay Order register.
- Debit; if there is enough money, the transaction is valid.

3.8.1.5 Charges of Pay order:

Amount of pay order	Charge (tk.)
Up to 1,00,000	23
1,00,001 – 5,00,000	35
5,00,001 – 10,00,000	58
10,00,001 – up to infinity	115
Bank statement	115
Bank Solvency	575

Note: For Bank statements, January and July are considered charge-free months.

3.8.2 Bangladesh Electronic Fund Transfer Network (BEFTN):

BEFTN is used as a media transferring money from one place to another place within the home country. It is just opposite the clearing. Clearing has been used for accumulating money while in the BEFTN, money has gone away from one place to another. Here mandatory sending money, are a specific bank name, branch name, Account holder name, and an account. If a bank issues a check under the BEFTN process, it can be failed and be returned while no this facility issued the branch.

3.8.3 Cash Section:

The branch's Cash Department is its most crucial and significant division. It manages various cash transactions. This department has money in the vault as the day begins. The cash officers receive daily transfers of cash from the cash vault that is part of the opening cash balance. Cash receipts and payments are used to reduce the opening cash balance. The closing balance is the amount in question. The vault is then updated with this balance. This represents the bank's total cash balance at the end of any given day. There is a crucial clause, and the branch must return any principal that exceeds Tk 1 crore to the parent branch of the bank.

3.8.3.1 Books Maintained by This Section:

- Vault Register: It keeps an account of the cash balance in the vault in the bank.
- Cash Receipt Register: Cash receipt for the whole day is recorded here.
- Cash Payment Register: Cash payments are made in a day.
- Rough Vault Register: Cash calculation for the final entry in the vault register is done as any error and correction here is not acceptable.
- Cash Balance Book: Balance here is compared with vault registers.

If no difference is found, indicates no error.

3.8.3.2 Cash payment:

1. Cash payment is made only against a cheque.
2. This is the unique function of the banking system, which is known as “payment on demand”
3. It makes payment only against its printed valid cheque.

3.8.3.3 Cash Receipt:

1. It collects money only from its receipts and forms a Cash Receipt.
2. It receives deposits in the form of cash.

3.8.4 Remittance Section:

The word `Remittance` means sending money from one place to another place through post and telegraph. Commercial banks expose this facility to their customers by receiving money from one branch of the bank and making an easier arrangement for payment to another branch within the country. Some important requirements for the Remittance section are:

- Accounting is not mandatory with a view to taking services from the bank.
- The Head office of the AIBL takes all profit while branches help only.
- AIBL gives Money Gram, Xpress Money, Western Union, Placid Express, Ria, Aftab Currency, and Other facilities for money transfer.
- Frequently, there is no available fund in the above-mentioned methods. Then, take a loan from the suspected fund in addition to matching the general ledger balance and After receiving money from those methods, recover the loan.

3.8.4.1 Demand Draft and Telegraphic Transfer:

DD is one kind of bill of exchange. DD is the most frequently used mode of inland remittance. DD is an unconditional order of the bank from one branch to another branch to pay a certain amount of money to a certain person on demand. It is applicable outside Dhaka City. The DD is generally issued for the party's safety. If there is a huge amount to bear from one place to another, then the customer can do the DD and bear it to his destination instead of cash. Telegraphic Transfer is the most rapid and convenient but expensive method. There are different modes of telegraphic transfer such as Fax, Mobile, Telephone Telex, and Telegram. If an applicant wants to transfer money quickly to pay in another city or district, he /she may request the banker to send it by TT.

3.8.5 Foreign Exchange Section:

Evaluate the performance of the allotted tasks: Tasks that I handle were quite necessary and sensitive. As I was selected to work in the exchange department, I had to take care of all necessary documents together with the L/C gap, FBP, and FBC register books. These tasks ultimately mirrored the bank's accuracy and effectiveness. A minor mistake may result in severe losses. tho' all records were maintained by AIBL's own completely different software, however, these manual entries helped them to cross-check the accuracy of the info at the top of the day. A lot of other things necessary to play during this department was the L/C type examination. Associate in Nursing L/C type checked by ME ensured its accuracy. solely checking L/C type wasn't spare, at an equivalent time I had to inspire and guide a consumer to believe why AIBL is completely different from alternative business banks. shopper loyalty partially depended upon my behavior and therefore the quality of data provided. This ensures whether or not the consumer would come back to avail of the service and create the next deal. Hence, handling this job was quite sensitive.

major findings: (a) the operating atmosphere isn't well organized. pieces of furniture and alternative necessary tools of exchange division aren't properly organized so it becomes tough for the shoppers to share their data. Therefore, tasks become long and time overwhelming.

(b) The structure hierarchy is tall so deciding} process is extremely slow. If there's any demand for repair and replacement then the branch manager must await an extended time to urge support. A lot of over-general shoppers even have to suffer for this long deciding process.

(c) The record-keeping system is manual and backdated. so time is wasted in recording many L/C documents in the register book. Furthermore, like alternative banks, there's no separate recording book for every party. All are recorded in an exceedingly single register book so; one business consumer must await the opposite.

(d) The banking industry of AIBL isn't progressive in comparison to alternative rivals within the competitive market. The bank doesn't have ATM facilities so shoppers don't have the choice of retreating cash anytime from any place. Therefore, an oversized portion of the client is out of reach. (e) It takes longer to open up L/C because of the shortage of licensed dealer (AD) branches.

Chapter 4: Financial Statement Analysis

Analysis of Financial Statement:

The banking sector is treated as the backbone of an economy. In the same way, there are several types of banks (Conventional, Islamic, and Specialized) in Bangladesh. Of these banks, Islamic banks are in a growing position in our country. As most of the people in our country are Muslims, they prefer to deposit and take loans from Islamic banks in the sense of Islam. For this reason, the researcher tries to find out Islamic banks' performance in Bangladesh. To measure the performance, the researcher selects three Islamic banks randomly and chooses the CAMEL Rating Analysis system. CAMEL stands for:

Alphabet Stands for

C: Judgment of Capital Adequacy

A: Judgment of Asset Quality

M: Judgment of Efficiency and Quality of Management

E: Judgment of the Volume and Level of Earnings

L: Judgment of Strength and Level of Liquidity

S: Judgment of Strength sensitivity

Piyu (1992) notes "Currently, financial ratios are often used to measure the overall financial soundness of a bank and the quality of its management. Bank regulators, for example, use financial ratios to help evaluate a bank's performance as part of the CAMEL system". The evaluation factors are as follows:

Components of the CAMEL Rating System

Capital Adequacy:

The dimension of capital adequacy is an important factor to help the bank in understanding the shock attractive capability during risk. In this study, capital adequacy is measured by using the equity to the total-assets ratio (Vong & Chan, 2009). That means capital adequacy enables a bank to meet any financial unexpected condition due to FX risk, credit risk, market risk, and interest rate risk. Capital adequacy protects the interest of depositors of a bank.

Asset Quality:

The dimension of asset quality is an important factor to help the bank in understanding the risk of the exposure of the debtors. In this paper, this parameter is measured by the provision for loan loss reserve to total asset ratio (Merchant, 2012). This ratio assures to cover the bad and doubtful loans of the bank. This parameter will benefit the bank in understanding the number of funds that have been reserved by the banks in the event of bad investments.

Management Quality:

Management quality reflects the management soundness of a bank. The management acts as a safeguard to operate the bank smoothly and decently and is called excellence management or skillful management, whenever it controls its cost and increases productivity, ultimately achieving higher profits. Here, this parameter is measured by the total cost-to-total income ratio.

Earnings Quality:

Earning is an important parameter to measure the financial performance of an organization. Earning quality mainly measures the profitability and productivity of the bank and explains the growth and sustainability of future earnings capacity. In the same way, a bank depends on its earnings to perform activities like funding dividends, maintaining adequate capital levels, providing opportunities for investment for banks to grow, strategies for engaging in new activities, and maintaining a competitive outlook. Here two ratios are used to determine the profitability of banks i.e., return on asset and return on equity.

Liquidity Performance:

The liquidity ratio in a bank measures the ability to pay its current obligations (Hazzi & Kilani, 2013). For having sound banking operations, it needs to have liquidity solvency. If any bank faces a liquidity crisis, the bank can't meet its short-term obligations. The liquidity crisis seems to be a curse to the image of banks. So, it is a prime concern for banks. Cash and investments are the most liquid assets of a bank. An adequate liquidity position means a situation, where an institution can obtain sufficient funds, either by rising liabilities or by converting its assets

quickly at a reasonable cost. Here liquidity performance is measured by the net investment to total asset ratio. This ratio can be defined as the number of assets that have been engaged in investment.

Sensitivity:

The sensitivity analysis is based on the variables that affect valuation, which a financial model can depict using the variables' price and EPS. The sensitivity analysis isolates these variables and then records the range of possible outcomes

5 Years Performance Analysis:

Capital Adequacy:

bank name	2017	2018	2019	2020	2021
AIBL	12.59	14.72	14.58	15.74	15.46
IBBL	11.3	11.97	12.95	13.55	18.01
SIBL	11.9	11.3	11.97	12.95	13.55

Fig 1: 5 years Capital adequacy ratio of AIBL, IBBL, SIBL

From the above table, it is found that the capital adequacy ratio is well increasing over the years. The capital adequacy of AIBL was 12.59% in 2017 which was increased to 15.46% in 2021. But it is not the increasing highest point for AIBL; the highest point is 15.74% which is in 2020. Besides, IBBL bank capital adequacy increased from 11.3% to 18.01% and SIBL capital adequacy decreased slightly to 11.9% in 2017 and 11.6% in 2021.

Asset Quality:

bank name	2017	2018	2019	2020	2021
AIBL	4.1	4.79	4.82	3.8	4.81
IBBL	3.59	4.12	3.82	3.41	3.31
SIBL	0	0	0	0	0

Fig 2: 5 years Asset Quality ratio of AIBL, IBBL, SIBL

From the above table, it is found that the Asset Quality ratio has been increasing over the years. The Asset Quality of AIBL was 4.1% in 2017 which was increased to 4.81% in 2021 but it is not the increased one. The increase happened in 2020 which is 4.82%. Besides, IBBL bank capital adequacy increased from 3.59% to 4.12% (2018) but the ratio of 2021 is 3.31 which is indicating the decreasing SIBL capital adequacy is the same because there is no non-performing asset there so it is counted as 0 but AIBL is comparatively good position than IBBL and SIBL in 2021.

Management efficiency:

bank name	2017	2018	2019	2020	2021
AIBL	43.28	49.41	44.82	50.2	48.75
IBBL	25.27	3.18	24.14	29.48	30.33
SIBL	0.43	0.47	0.79	0.64	5.74

Fig 3: 5 years Capital adequacy ratio of AIBL, IBBL, SIBL

From the above table and charts, it is found that the Management efficiency ratio is increasing over the years. The Management efficiency ratio of AIBL was 43.28% in 2017 which increased to 50.2% in 2020. But in 2021 it was 48.75. Besides, IBBL Management efficiency increased from 25.27% to 30.33%, and SIBL capital adequacy a little bit decreased 0.43% in 2017 and 5.74% in 2021. But AIBL is in a comparatively better position than IBBL and SIBL in 2021.

Earning management:

bank name	2017	2018	2019	2020	2021
AIBL	14.07	10.46	10.05	10.1	8.21
IBBL	9.63	11.07	9.08	7.34	7.31
SIBL	10.27	10.05	9.21	8.78	8.91

Fig 4: 5 years Capital adequacy ratio of AIBL, IBBL, SIBL

From the above table, it is found that the Equity management ratio has not been decreasing over the years. The ROE of AIBL was 14.07% in 2017 which decreased to 8.21% in 2020. Besides, IBBL bank's equity management ratio also decreased from 9.63% to 7.31% and the SIBL equity

management ratio slightly decreased from 10.27% to 8.91%. But AIBL is comparatively not that good a position than IBBL and SIBL in 2021.

Liquidity ratio:

bank name	2017	2018	2019	2020	2021
AIBL	1.29	1.27	0.1	0.95	0.95
IBBL	26.68	19.03	17.16	23	23.08
SIBL	2.31	2.03	2.74	2.65	1.94

Fig 5: 5 years liquidity ratio of AIBL, IBBL, SIBL

From the above table and charts, it is found that the liquidity management ratio is not well and decreasing over the years. The liquidity management ratio of AIBL was 1.29% in 2017 which decreased to 0.1% in 2020. But the ratio of 2021 is 0.95. Besides, IBBL bank liquidity management ratio decreased from 26.68% to 17.16%(2019) but in 2021 it was 23.08 and SIBL liquidity management ratio decreased slightly to 2.31% in 2017 and 1.94% in 2021. but AIBL is in a comparatively better position than IBBL and SIBL in 2021.

sensitivity:

bank name	2017	2018	2019	2020	2021
AIBL	3.17	3.61	4.24	5.16	6.52
IBBL	1.08	1.04	4.74	5.25	5.85
SIBL	6.14	5.99	5.54	4.8	7.14

Fig 6: 5 years sensitivity ratio of AIBL, IBBL, SIBL

The sensitivity of AIBL was 3.17% in 2017 which increased to 6.52% in 2017. Besides, IBBL bank sensitivity increased from 1.08% to 5.85%, and SIBL sensitivity increased by 6.14% in 2017 and 7.14% in 2021. but AIBL is in a middle position over IBBL and SIBL in 2021.

Comparison Analysis

RATING	RATING RANGE	RATING ANALYSIS	INTERPRETATION
1	1.0 - 1.4	Strong	Most suitable in all aspect.
2	1.5 - 2.4	Satisfactory	Favorable but has certain weakness
3	2.5 - 3.4	Less Than Satisfactory	Involves financial, operational or managerial weaknesses which needs supervisory concern
4	3.5 - 4.4	Deficient	Involves financial weaknesses up to an alarming stage
5	4.5 - 5.0	Critically Deficient	Involves critical financial weaknesses which may lead to failure of institution

Component	Ratio	Weight	1	2	3	4	5
C	Capital adequacy CAR = Tier I + Tier II / Risk weighted Assets *100	20%	> 11%	8% - 11%	4% - 8%	1% - 4%	< 1%
A	Assets quality Total Non Performing Assets - Provision Non Performing Assets / Advances *100	20%	< 1.5%	1.5% - 3.5%	3.5% - 7%	7% - 9.5%	> 9.5%
M	Management Administrative expenses/total earning *100	25%	≤ 25%	30% - 26%	38% - 31%	45% - 39%	≥ 46%
E	Earnings (ROA) NP / average total assets	15%	> 1.5%	1.25% - 1.5%	1.01% - 1.24%	0.75% - 1%	< 0.75%
	Earnings (ROE) NP / average equity capital		≥ 22%	17% - 21.99 %	10% - 16.99%	7% - 9.99%	≤ 6.99%
L	Liquidity (L1) Advances / Deposits	10%	< 60%	60% - 65%	65% - 70%	70% - 80%	> 80%
	Liquidity (L2) Circulating Assets / Total Assets		< 60%	60% - 65%	65% - 70%	70% - 80%	> 80%
S	Sensitivity Total securities / Total assets	10%	> 80%	71% - 80%	65% - 70%	60% - 64%	< 60%

FIG: RATINGS

5 years rating analysis of AIBL:

2017

Component	Ratio	Weight	rating
Capital adequacy	12.59	20	1
Asset quality	4.1	20	3
Management efficiency	43.28	25	4

Equity	14.07	15	3
Liabilities	1.29	10	1
Sensitivity	3.17	10	5

If capital adequacy ratio rating is 1 that means it's strong and it indicates good because it indicates that the bank is in a better position to deal with unexpected losses due to availability of adequate capital. A rating of 3 is assigned when asset quality or credit administration practices are less than satisfactory. Trends may be stable or indicate deterioration in asset quality or an increase in risk exposure. The level and severity of classified assets, other weaknesses, and risks require an elevated level of supervisory concern. There is generally a need to improve credit administration and risk management practices. Therefore, the management efficiency ratio rate is 4 which indicates that it is deficient. Because the company's management is financially weak up to an alarming stage. If we look at the equity stage, we can see the rate is 3 which indicates less than satisfactory. That means the bank involves financial weakness which needs supervisory concern. Besides liabilities ratio rate is 1 that means strong. The business has the exact amount of cash and cash equivalents to pay off the debts. Here the sensitivity rate is 5 that means the sensitivity rate is critically deficient.

2018

Component	Ratio	Weight	rating
Capital adequacy	14.72	20	1
Asset quality	4.79	20	3

Management efficiency	49.41	25	5
Equity	10.46	15	3
Liabilities	1.27	10	1
Sensitivity	3.61	10	5

If capital adequacy ratio rating is 1 that means it's strong and it indicates good because it indicates that the bank is in a better position to deal with unexpected losses due to availability of adequate capital. A rating of 3 is assigned when asset quality or credit administration practices are less than satisfactory. Trends may be stable or indicate deterioration in asset quality or an increase in risk exposure. The level and severity of classified assets, other weaknesses, and risks require an elevated level of supervisory concern. There is generally a need to improve credit administration and risk management practices. Therefore, the management efficiency ratio rate is 5 which indicates that it is critically deficient. Because of the company's critical financial weakness which may lead the management to failure. If we look at the equity stage, we can see the rate is 3 which indicates less than satisfactory. That means the bank involves financial weakness which needs supervisory concern. Besides liabilities ratio rate is 1 that means strong. The business has the exact amount of cash and cash equivalents to pay off the debts. Here the sensitivity rate is 5 that means the sensitivity rate is critically deficient.

Component	Ratio	Weight	rating
Capital adequacy	14.58	20	1
Asset quality	4.82	20	3
Management efficiency	44.82	25	4
Equity	10.05	15	3
Liabilities	0.1	10	1
Sensitivity	4.24	10	5

If capital adequacy ratio rating is 1 that means it's strong and it indicates good because it indicates that the bank is in a better position to deal with unexpected losses due to availability of adequate capital. A rating of 3 is assigned when asset quality or credit administration practices are less than satisfactory. Trends may be stable or indicate deterioration in asset quality or an increase in risk exposure. The level and severity of classified assets, other weaknesses, and risks require an elevated level of supervisory concern. There is generally a need to improve credit administration and risk management practices. Therefore, the management efficiency ratio rate is 4 which indicates that it is deficient. Because the company's management is financially weak up to an alarming stage. If we look at the equity stage, we can see the rate is 3 which indicates less than satisfactory. That means the bank involves financial weakness which needs supervisory concern. Besides liabilities ratio rate is 1 that means strong. The business has the exact amount of cash and cash equivalents to pay off the debts. Here the sensitivity rate is 5 that means the sensitivity rate is critically deficient

2020

Component	Ratio	Weight	rating
Capital adequacy	15.74	20	1
Asset quality	3.8	20	3
Management efficiency	50.2	25	5
Equity	10.1	15	3
Liabilities	0.95	10	1
Sensitivity	5.16	10	5

If capital adequacy ratio rating is 1 that means it's strong and it indicates good because it indicates that the bank is in a better position to deal with unexpected losses due to availability of adequate capital. A rating of 3 is assigned when asset quality or credit administration practices are less than satisfactory. Trends may be stable or indicate deterioration in asset quality or an increase in risk exposure. The level and severity of classified assets, other weaknesses, and risks require an elevated level of supervisory concern. There is generally a need to improve credit administration and risk management practices. Therefore, the management efficiency ratio rate is 5 which indicates that it is critically deficient. Because of the company's critical financial weakness which may lead the management to failure. If we look at the equity stage, we can see the rate is 3 which indicates less than satisfactory. That means the bank involves financial weakness which needs supervisory concern. Besides liabilities ratio rate is 1 that means strong. The business has the exact amount of cash and cash equivalents to pay off the debts. Here the sensitivity rate is 5 that means the sensitivity rate is critically deficient.

2021

Component	Ratio	Weight	rating
Capital adequacy	15.46	20	1
Asset quality	4.81	20	3
Management efficiency	48.75	25	5
Equity	8.21	15	3
Liabilities	0.95	10	1
Sensitivity	6.52	10	5

If capital adequacy ratio rating is 1 that means it's strong and it indicates good because it indicates that the bank is in a better position to deal with unexpected losses due to availability of adequate capital. A rating of 3 is assigned when asset quality or credit administration practices are less than satisfactory. Trends may be stable or indicate deterioration in asset quality or an increase in risk exposure. The level and severity of classified assets, other weaknesses, and risks require an elevated level of supervisory concern. There is generally a need to improve credit administration and risk management practices. Therefore, the management efficiency ratio rate is 5 which indicates that it is critically deficient. Because of the company's critical financial weakness which may lead the management to failure. If we look at the equity stage, we can see the rate is 3 which indicates less than satisfactory. That means the bank involves financial weakness which needs supervisory concern. Besides liabilities ratio rate is 1 that means strong. The business has the exact amount of cash and cash equivalents to pay off the debts. Here the sensitivity rate is 5 that means the sensitivity rate is critically deficient.

Regulations and problems:

Bangladesh has seen extraordinary growth in Islamic banking as a result of the high public demand for the system, which has coincided with the rapid global expansion of Islamic banking. Since its foundation in 1983, the Islamic banking sector has had strong growth, and it today holds a market share of more than 20% of the overall banking sector in Bangladesh. But as of Now, these financial institutions face several issues.

Challenges faced by Islamic Banks in Bangladesh:

– No Separate Law: In Bangladesh, there is no specific law that governs the Islamic banking sector. According to various provisions included in the Bank Company Act of 1991, Bangladesh Bank, acting as the country’s central bank has authority over Islamic banks. In addition, the operations of Islamic banks based on the profit-and-loss sharing principles do not truly fall entirely under the purview of the current civil laws. As a result, civil courts in Bangladesh lack the necessary arguments to manage the conflicts brought about by Islamic banking operations.

– The predominance of Murabaha, Bai-muajjal, and Ijara financing: Islamic banks heavily favor marked-up and rental-based forms of financing in their investment strategies.

(murabaha, bai-muajjal and ijara) which accounts for above 90% of the total investment.

The Group Assignment: Banks of Bangladesh Islamic ideal PLS-based financial instruments like mudarabah and musharakah cover only a small number of total investments made by an Islamic bank

1. Money Market Instrument Shortage: A functional money market is essential for managing the banks; short-term tradable financial products. In Bangladesh, there aren’t many sources of money that abide by Shariah. Islamic banks may borrow money from either the 2012-established

Islamic interbank money market or the & quote; Islamic Investment Bonds Fund & quote; provided by the Bangladesh government. The management of liquidity has been problematic due to a lack of sufficient interest-free securities. Islamic banks cannot invest as a result of having too much money and cannot access cash in times of need.

2. Human Resources with Shariah knowledge: Due to a severe lack of qualified human resources who have a better understanding of the fundamental principles of Shariah-based financial services, Bangladesh's Islamic banking sector suffers greatly. Islamic bankers face more difficulties than their counterparts in conventional banks because they must learn about banking practices as well as Islamic Shariah regulations about financial transactions.

3. Lack of Financial Literacy Program: Despite the expansion of Islamic banks over the previous 30 years, many people, including long-term clients, are unfamiliar with the deposit and investment products that are based on Shariah. Most Islamic banks lack financial literacy programs that would help their clients understand the fundamental ideas behind Islamic financing.

4. Financing Shares in Social Sectors: Large firms largely dominate the Bangladeshi Islamic banking business, according to an examination of the investments made by Islamic banks. MSMEs (micro, small, and medium-sized firms) and programs using microfinance to reduce poverty do not receive their fair share.

5. Government in Project Financing: To finance numerous development initiatives that would lead to more inclusive growth and the creation of jobs, the Bangladeshi government borrows money from traditional banks through treasury bills and bonds. Despite consistently paying substantial sums of money to the government treasury in the corporation and other taxes, Islamic banks are unable to participate in public projects as financiers due to a lack of Shariah-based knowledge and regulatory framework.

Conclusion

To analyze the performance of the bank, financial reports must be prepared, which typically include a balance sheet, income statement, and cash flow statement.

Salhuteru's income statement, cash flow statement, statement of changes in equity, and financial statement notes (Wattimena and Wattimena, 2015). Some ratios can reveal the state of an organization in society and industry. There are some ratings available. The mechanism for demonstrating position and certain unique features to managers and other stakeholders CAMELS is a rating model. The model must admit that an organization has both strengths and faults. The CAMELS rating approach is utilized in this study to choose significant and effective indicators in each category, and consequently, estimated ratios are compared to the banking sector average. The "CAMELS" approach can assist managers in controlling and analyzing financial data as well as organizational standing in the industry.

Banks can use this strategy to compute and debate ratios, focus on a crisis, identify the best answer when there is a competitive difficulty, and strive to challenge and get a new and better position among competitors. In reality, the most significant part of CAMELS is comparing a company to others in the internal and external industries.

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