Internship Report on

Investment Risk Management and Performance Evaluation

Of

Export Import Bank of Bangladesh Limited

"This Internship report is submitted the Faculty of Business Administration, Sonargaon University in partial fulfillment of the requirement for the degree of EMBA in Finance."

Submitted To:
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LETTER OF TRANSMITTAL

03 February, 2021

Md. Shahbub Alam
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Dhaka.

Subject: Submission of Internship Report

Dear Sir,

It is my great pleasure to submit the report on **"Investment Risk management and Performance Evaluation of Export Import Bank of Bangladesh Limited"** as a part of my Internship program. I have closely observed different departments operations of Export Import Bank of Bangladesh Limited (Corporate Branch) in my internship period.

I enjoyed preparing this report, which enriched my practical knowledge of the theoretical concept. I tried to reflect the practical operational aspects of the Bank, which is complementary to the theoretical lessons. I am very much glad that you have given me the opportunity to prepare this report for you & hope that this report will meet the standards of your judgment.

Sincerely yours,

……
A. S. M. KAMAL UDDIN
ID#EMBA 1903018013
Executive Master of Business Administration
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Supervisor's Certificate

To Whom It May Concern

This is to certify that the internship report on "Investment Risk Management & Performance Evaluation of Export Import Bank of Bangladesh Limited" has been prepared as a part of completion of the EMBA program from Department of Business Administration, Sonargaon University (SU), carried out by A. S. M. Kamal Uddin, bearing ID: EMBA 1903018013 under my supervision. I have fully monitored his effort in the process of completing this report.

I, hereby, acknowledge his work & wish him all the success.

……

Md. Shahbub Alam
Lecturer
Department of Business Administration
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Student Declaration

I am A. S. M. Kamal Uddin, a student of Executive Master of Business Administration, ID: EMBA 1903018013 from Sonargaon University would like to solemnly declare here that this report on "Investment Risk Management & Performance Evaluation of Export Import Bank of Bangladesh Limited" has been prepared by me. While preparing this report, I didn't breach any copyright act internationally. I am further declaring that, I did not submit this report anywhere forwarding any degree, diploma or certificate.

Sincerely Yours,

A. S. M. Kamal Uddin
ID: EMBA 1903018013
Program: EMBA
Major: Finance

ACKNOWLEDGEMENT

I am pleased to get this opportunity to give special thanks to the persons whose ideas; views and supports have provided fluency to prepare this report and also enriched this report. I am grateful to all officials and staffs of EXIM Bank – as they for their huge cooperation.

I am greatly appreciated and inspired by Md. Shahbub Alam, Lecturer, Department of Business Administration, Sonargaon University to write this internship report on Investment risk management and Bank performance of EXIM Bank. My special thanks go to Mr. Asad Malek, Manager, Corporate Branch, EXIM Bank Limited, Gulshan, Dhaka. I would also like to express my gratitude to all the employees of EXIM Bank for supervising me at the time of my internship attachment with their best efforts.

At all I am greatly thanking to the persons whose enrich books, journals and working papers on international financial management have provided a guideline to me in preparing this report.

Moreover, I am very much grateful to all officials of EXIM Bank Ltd. This report would not be possible without the cooperation of all officials of EXIM Bank. So my heartiest appreciation goes to those officials. Finally, I would like to thank all others whose strong support makes me able to complete this report.

EXECUTIVE SUMMARY

Investment risk is one of the most vital risks for any commercial bank. Investment risk arises from non performance by a borrower. It may arise from either an inability or an unwillingness to perform in the pre-commitment contracted manner. The real risk from Investment is the deviation of portfolio performance from its expected value. The Investment risk of a bank is also effect the book value of a bank. The more Investment of a particular is in risk, the more probability of a bank to be insolvent. Therefore, the status of depositor in the bank is at risk and probability of incurring loss from their deposited value. In other way the risk of a commercial bank is calculated through long term and short term rating by the Investment rating agencies. EXIM Bank Limited is a scheduled commercial bank in Bangladesh. This is one of the leading private commercial banks which is established under the banking companies Act 1991, the bank began its operation on 1999 with a primary objective of offering all types of commercial banking services mostly emphasizing on promoting small and medium entrepreneurs all over the country. This report is the fulfillment of the requirement for the evaluation process of the internship program. The main purpose of the report is to have an overall idea about function and process of Investment risk management, analyzing tools and techniques used to evaluate Investment proposal, analyzing steps taken to recover Bank's bad portfolio of EXIM Bank Limited. Lending is one of the main functions of a bank. The objective of Investment Risk management of EXIM Bank Limited is to minimize the risk and maximize banks risk adjusted rate of return by assuming and maintaining Investment exposure within the acceptable parameters. The Investment Risk Management department is responsible for upholding the integrity of the Bank's risk/return profile. Investment Risk Management Department of EXIM Bank Limited conducted their functions by six wings. Central Collection Unit collects the Investment. Special Asset Management wings help the bank to recover Banks bad portfolio. For Investment approval, the Bank has a team who approve the Investment. Different tools and techniques are being used to evaluate an Investment proposal. Retail Investment, Cards Investment, Authorization and Fraud Control, Central Verification Unit (CVU) are related with retail underwriting. Investment Collection Unit of EXIM Bank Limited collects Investment based on the level of delinquencies of Investment. Special Asset Management wings help the Bank to recover bad portfolio by taking different types of steps. To understand the performance of the present Investment risk management process, the year by year ratio of loans which are grouped on basis of classification rules in the total loan and advances has analyzed. From the performance analysis, it is found that the collection of Standard investment decline in year 2016 because of the national and global economic situation which reflects a low ratio of Standard Loan to total loans and advances. As a result, the balance of SMA, Sub standard, Doubtful and Bad/Loss loan increases in year 2016. Since 2016, national as well as global economy started to fallen in a dangerous phase of slowing growth and rising risk. But with the right initiatives taken by the top management of EXIM Bank Limited i.e. establishment of regional Investment Risk Management Centers, introduction of new wing called Special Asset Management & Investment Inspection, since the following year 2010 the situation has become normal which reflects the economy Bangladesh where economy starts back to upward growth phase from the impact of global recession. Although EXIM Bank Limited is successfully operating Investment risk management, the Bank should improve in some areas which will take help the Bank to become the leader of banking sector.

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CHAPTER-01

INTRODUCTION

In the present, world money is circulated all over the globe. Globalization, technological advances and other factors money is circulating unimaginably. Financial Institutions mainly Banks play a pivotal role in matching a depositor and lenders and channeling money and making the economy more efficient. Although the history of Banking goes back to the 14th century in Europe but Banks are now everywhere. Banks in Bangladesh play a significant role compared to other financial Institutions. Although there are different types of banks specialized for different purposes and with different brands and capital structure, they are regulated by standards such as the BASEL standards (to keep a minimum amount of capital) BASEL III etc.

BACKGROUND OF THE REPORT

A developed banking sector plays a vital role for financial stability of a country. In the EMBA program, the internship is one of the vital parts, which has to be done by every student. The internship program provides an opportunity for the student to minimize the gap between theoretical and practical knowledge and will help in practical life. After completing my Executive Masters of Business Administration (EMBA) as a student I wanted to complete my Internship program from a reputed Bank which would be helpful for my future professional career. I got this great opportunity to perform my internship program in the EXIM Bank Ltd.
I have completed internship program based on theoretical and practical knowledge. I was sent to EXIM Bank, Corporate Branch, Gulshan. It was three months practical orientation program. This report is originated as the requirement of EXIM Bank Ltd. As a Finance student I liked to choose Investment Risk Management as the topic of my internship report. The report on "**Investment risk management and Bank performance evaluation"** of EXIM Bank Limited, Corporate Branch, Gulshan-1, Dhaka has been prepared under the supervision and guidance of Md. Shahbub Alam, Lecturer, Department of Business Administration, Sonargaon University (SU).

SCOPE OF THE REPORT

EXIM Bank Limited is one of the leading banks in Bangladesh. The scope of the study is limited to the Branch level only. The report focuses upon the organizational structure and the financial services offered by EXIM Bank and the performance of the bank. This report covers **Investment risk management** of EXIM which deals with deposit, cash and remittance. This has been prepared through extensive dither customer. While preparing this report, I had a great opportunity to have an in depth knowledge of all the banking activities practices by the "EXIM Bank Ltd". It also helps me to acquire perspective of a leading private banking in Bangladesh.

PROBLEM STATEMENT

In today's world, Investment officers skilled in evaluating the Investment request of business firms rank among the most experienced and highest paid people in the financial services field along with Investment bankers. Well, Investment department of EXIM Bank try their best in maintenance of Investment. My report basically focuses on business Investment management of EXIM Bank by a practical example.

OBJECTIVES OF THE STUDY

The main objectives of the study are follows:

Broad Objectives

- To fulfill the requirement for the completion of EMBA program.
- To observe& learn the Investment process & Risk Management of EXIM Bank Ltd. and its services.

Specific Objectives

The objective of the internship program is to familiarize students with the real business situation, to compare them with the business theories & at the last stage make a report on assigned task.
Specific objectives are as follow:

- To fulfill academic requirement;
- To gather knowledge about banking companies operations in practical field.
- To gather practical knowledge and real life experience in official environment.
- To apply theoretical knowledge in the practical field.
- To have exposure to the functions of foreign exchange section.
- To understand procedures of foreign exchange management of commercial banks in Bangladesh.
- To observe the working environment in commercial banks.
- To identify a link between practical operational aspects of the Bank to complementary the theoretical lessons
- To get an overview of the private Banking in our country.

- To identify the main factors of the Investment risk and computation of Investment risk grading of EXIM Bank Limited.
- To have an overall idea regarding the banking system of commercial Bank.
- To know the Investment risk management system of EXIM Bank.
- To know about the different products offered by the bank.
- Identify products and service quality level.
- To know about the rate and charges.
- To evaluate the customer service of the EXIM Bank Limited.
- To know about the client pattern.
- To study the risk involved during the banking operations.
- To find out how the reasons behind the risks are resolved by the management.

METHODOLOGY OF THE REPORT

Methods followed to perform a job or conducting activities to complete a task is called methodology. In conducting this report the following methodology was adopted in data & information, preparation of reports etc. Both qualitative and quantitative methods were applied for preparing this report. The data were analyzed and presented by Microsoft excel and shows percentage, graphical presentation and different types of charts. Best effort was given to analyze the numerical findings. The main focus is on numerical data in preparing the report. Also theoretical portion of the report has been used as the demand of the report. Analyzing foreign trade management of a bank, both theoretical and technical knowledge are necessary for execution, then everything with accuracy.

Sources of data collection

There are two sources of data have been used and most of the data are collected from the secondary sources. The sources are-

- **Primary data*:*** Collecting data directly from the practical field is called primary sources of data. The method that will be used to collect the primary data is as follows:
- **Interview*:*** Face to face conversation with the respective officers and staffs of the branch helped me to collect information.
- **Practical work experience*:*** Working in different desk of the branch helped me to collect some information that makes the report informative.
- **Group discussion*:*** Group discussion with other internee of the branch and my classmates is another way to make me informative.
- **Secondary data:** The secondary data were collected to clarify different conceptual matters from internet and annual report used. Sources of secondary information can be defined as follows:
- **Internal sources:**
  - ✓ Bank's annual report.
  - ✓ Group business principal manual.
  - ✓ Group instruction manual and business instruction manual prior research report.
  - ✓ Information regarding the banking sector.
- **External sources:**

✓ Different books and periodicals related to banking sector Bangladesh bank report.
✓ Website
✓ Newspapers

Research Design

Nature of Research: The descriptive method is used in this report.
Sampling Unit: Investment processes and risk management procedures of EXIM Bank Ltd.
Sample Size: Only a branch has been taken as sample size.

LIMITATIONS OF THE REPORT

In spite of best efforts there were limitations that acted as barriers to conduct the study.

- The main constraints of the study are insufficiency of information, which was required for the study. There are various information the bank officials cannot provide due to security and other corporate obligations.
- Time constraint.
- Limited access to data.
- All the employees of the bank are very busy. So they do not have much time to share information.
- All customers are not proactive or knowledgeable to share information.
- Due to the limitations of time and to protect the organizational confidentiality many aspects of the report are not in depth.
- Being public limited company, the private commercial banks like EXIM Bank Limited keep some information restricted like the actual amount of classified loans.
- Financial Statements only portray the figures/numbers and their break down but do not clarify the justification in most of the time.
- For the lack of our practical knowledge, some shortcoming may be available in the paper.

RATIONALITY OF THE STUDY

Banking sector is one of the fastest growing sectors in our country. There are 63 banks are operating which includes local and foreign venture. The banking industry is very much lucrative and at the same time very competitive. All banks are offering newer products and facilities to attract the customers and retain them. Appropriate customer selection and retention is vital for bank profitability. In case of sanctioning Investment selection of borrowers, Investment investigation is must. Not only these but also preparation of Investment report Investment approval process & administration following proper Investment risk management is crucial for any bank. Because if there is any lack in Investment management the loan may default this may run a bank in bankruptcy. In time of preparing this report I found it have some lacking in this division of EXIM Bank although it is good in Investment management.

CHAPTER-02

ORGANIZATION

BANKING SYSTEM IN BANGLADESH

The Nation can look back with certain justifiable pride at the achievements of the banking sector of Bangladesh. In the wake of liberation struggle, the banking structures of Bangladesh were in shambles in the war ravaged economy of the country. The banking business in the country was performed entirely by the nationalized banks till 1981/82. Thereafter, some banks were allowed to function as private sector banks for the purpose of widening the area of private sector operation. Two nationalized banks, the Uttara Bank and the Pubali Bank were denationalized, and they started operation as private commercial bank. The banking system of Bangladesh has undoubtedly made significant strides during the last years. Banking network now covers the entire country. Commercial banks play a very important role in our economy; in fact, it is difficult to imagine how our economic system could function efficiently without many of their services. They are the heart of our financial structure since they have the ability, in co-operation with Bangladesh bank to add to the money supply of the nation and thus create additional purchasing power. This characteristic sets commercial Banks apart from other financial institutions. In addition to issuing deposits payable in demands, they accept time deposits. By Lending and investing these resources, and by transferring funds throughout the nation and even between countries, they make possible a more complete utilization of the resources of the nation. Although banks create no new wealth, their lending, investing and related activities facilitate the economic processes of production, distribution and consumption. Human resource development through training is most crucial for organization growth. Training is a means to reduce obsolesce among the people in organization in the face of relentless innovation. Training is the process of increasing the skills and knowledge of personnel for the purpose of improving individual and organizational performance. Training is essential for the continued growth and development of both individual employee and the organization.

List of Banks in Bangladesh

The commercial banking system dominates Bangladesh's financial sector. Bangladesh Bank is the Central Bank of Bangladesh and the chief regulatory authority in the sector. The banking system is composed of four state-owned commercial banks, five specialized development banks, thirty private commercial Banks and nine foreign commercial banks. The Nobel-prize winning Grameen Bank is a specialized micro-finance institution, which revolutionized the concept of micro-Investment and contributed greatly towards poverty reduction and the empowerment of women in Bangladesh.

- Central Bank
- State-owned Commercial Banks
- Private Commercial Banks
- Foreign Commercial Banks
- Specialized Development Banks

Central Bank: *Bangladesh Bank*

Pursuant to Bangladesh Bank Order, 1972 the Government of Bangladesh reorganized the Dhaka branch of the State Bank of Pakistan as the central bank of the country, and named it Bangladesh Bank with retrospective effect from 16 December 1971.

State-owned Commercial Banks

The banking system of Bangladesh is dominated by the Nationalized Commercial Banks. The nationalized commercial banks are:

- Sonali Bank Limited
- Rupali Bank Limited
- Janata Bank Limited
- Agrani Bank Limited
- BASIC Bank Limited

Specialized Bank of Bangladesh:

- Karmosangesthan Bank
- Bangladesh Krishi Bank
- Probashi Kollayan Bank
- The Dhaka Mercantile Co-operative Bank ltd
- Bangladesh Development Bank Ltd
- RajshahiKrishiUnnayan Bank
- Bangladesh Somobay Bank Limited (Cooperative Bank)
- Ansar VDP Unnyan Bank

Private Commercial Banks

Private Banks are the highest growth sector due to the dismal performances of government banks (above). They tend to offer better service and products.

- BRAC Bank Limited
- Eastern Bank Limited
- Dutch Bangla Bank Limited
- Dhaka Bank Limited
- Pubali Bank Limited
- Uttara Bank Limited
- IFIC Bank Limited
- National Bank Limited
- The City Bank Limited
- United Commercial Bank Limited
- NCC Bank Limited
- Prime Bank Limited
- Southeast Bank Limited
- Al-Arafah Islami Bank Limited
- Social Islami Bank Limited

- Standard Bank Limited
- One Bank Limited
- Mutual Trust Bank Limited
- First Security Islami Bank Limited
- The Premier Bank Limited
- Bank Asia Limited
- Trust Bank Limited
- ShahjalalIslami Bank Limited
- Jamuna Bank Limited
- ICB Islami Bank
- AB Bank Limited
- South Bangla Agriculture and Commerce Bank
- Union Bank
- Midland Bank
- Meghna Bank
- Modhumati Bank
- NRB Bank
- Global Islami Bank
- NRB Commercial Bank

Foreign Banks

- Citi Bank
- HSBC
- Standard Chartered Bank
- Commercial Bank of Ceylon
- Habib Bank
- State Bank of India
- National Bank of Pakistan
- Woori Bank
- Bank Alfalah

BACKGROUND OF EXIM BANK LIMITED

EXIM Bank Ltd is a fast growing private bank. It focuses on providing high quality customer service at a very competitive price. Bank's efforts are directed at diversification of product and service. Offering customers a wide variety of choices and options have remained cornerstone of their business strategy. EXIM Bank Limited (EXIM Bank Ltd.), "Together Towards Tomorrow", emerged in the Commercial Banking Industry of Bangladesh in 1999. It was incorporated on June 02, 1999 as a public limited organization according to the Companies Act 1994. The commencement of its banking operations occurred on August 03, 1999 by the Principal Branch located at 56-57, Motijheel Commercial Area, Dhaka. The inception of EXIM Bank is the outcome of a successful group of prominent Bangladeshi investors whose vision was to contribute to the country's economy through commercial banking. EXIM Bank Limited began its services with the inaugural Chairman Late Mr. Shajahan Kabir, Vice Chairman Late Mr. Abdul Mannan and the Managing Director Mr. Lakiot Ullah. In 1999, the Bank used to provide services to its clients through only branches situated in different strategic locations and has increased its total number of branches to 131 by 2020. The number of employees in 2020 stood over 3000. Bangladesh Institute of Bank Management (BIBM) and other training institutes are providing regular training and orientation courses to update the skills and knowledge of the officers and staffs of the Bank. Although the Bank is considered as the 3rd generation bank and has been in operation for 21 years, it has begun fierce competition with its other contemporary banks. EXIM Bank Limited was licensed as a scheduled bank. It is engaged in pure commercial banking and providing services to all types of customers ranging from small entrepreneurs to the large business organizations. It is working for the economic welfare by transferring funds from the surplus economic unit to the deficit economic unit.

ORGANIZATION OVERVIEW

The EXIM bank Ltd. has made significant progress within a very short period of its existence. The bank has been graded as a top class bank in the country through internationally accepted CAMEL rating. EXIM Bank Ltd. offers all kinds of Commercial Corporate and Personal Banking services covering all segments of society within the framework of Banking Company Act and rules and regulations laid down by our central bank. Diversification of products and services include Corporate Banking, Retail Banking and Consumer Banking right from industry to agriculture, and real state to software. The present day banking structure has evolved over several decades. The far-triumph program of economic reform is being carried out at present towards efficient deployment of scarce resources and the development of private entrepreneurship. In a fast changing business environment, financial peacekeeping troops are gradually being left to be guided by market forces rather than regulation. Competition is strengthened by the entry of new and groundbreaking providers of financial services through the development of Money Market and Capital Market. Under the enduring financial liberalization program, EXIM Bank Limited emerges as a bank in private sector to operate in the commercial arena of Bangladesh.



Vision

The gist of Exim Bank's vision is "Together Towards Tomorrow". Exim Bank Ltd. 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 a climate of continuous improvement, because, in Exim Bank 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 the trend of constant improvement will be the cornerstone to achieve operational success.



Mission

- To be the most caring and customer friendly and service oriented bank.
- To create a technology based most efficient banking environment for its customers.
- To ensure ethics and transparency at all levels.
- To ensure sustainable growth and establish full value to the honorable stakeholders and
- Above all, to add effective contribution to the national economy.

Objectives

- To mobilize the savings and channeling it out as investment as the company approve.
- To establish, maintain, carry on, transact and undertake all kinds of investment and financial business including underwriting, managing and distributing the issue of stocks, debentures, and other securities.
- To carry on the Foreign Exchange Business, including buying and selling of foreign currency, traveler cheque issuing, international credit card issuance etc.
- To develop the standard of living of the limited income group by providing Consumer Credit.
- To encourage the new entrepreneurs for investment and thus to develop the country's industry sector and contribute to the economic development.

Strategies

The business strategy of the Bank is to strengthen its traditional lending in small retail business, following a conservative lending approach in the areas of large and medium industrial ventures. The management approach of maintaining loan quality is another strategy. Realizing the importance of having a good network for its entry to low cost savings deposits, the Bank has taken a dynamic step for opening additional branches.

Core Values



Integrity	Respect	Fairness	
Team Spirit	Courtesy	Commitment	Harmony Service excellence
Insight and	Enthusiasm for work	Business ethics	



Core Strengths

Transparent and Quick Decision Making	Efficient Team of Performers
Satisfied Customers	Internal Control and Compliance
Skilled Risk Management	Diversification

Core Competencies



Knowledge	Experience and Expertise
Customer Focus	Transparency
Determination	Zeal for Improvement
Reliability	Pursuit of Disciplined Growth Strategy

Commitment to Clients



- Provide service with high degree of professionalism and use of modern technology
- Create long - term relationship based on mutual trust
- Respond to customer needs with speed and accuracy
- Share their values and beliefs
- Grow as our customers grow
- Provide products and service at competitive pricing
- Ensure safety and security of customers' valuables in trust with us.

Corporate Culture

EXIM Bank is one of the most disciplined Banks with a distinctive corporate culture. The people of bank can see and understand events, activities, objects and situation in a distinctive way. They mould their manners and etiquette, character individually to suit the purpose of the Bank and the needs of the customers who are of paramount importance to them. The people in the Bank see themselves as a tight knit team/family that believes in working together for growth. The corporate culture they belong has not been imposed; it has rather been achieved through their corporate culture.

Corporate Slogan Together Towards Tomorrow

Products and Services

Products

Since commencement of banking operation, EXIM Bank Limited has not yet only gained enormous popularity but also been successful in mobilizing deposit and loan products. The bank has made significant progress within a very short time period due to its dynamic management and introduction of various consumer-friendly investment and deposit products. Those are given below:

Deposit

- Mudaraba Savings (SB) Account
- Al - Wadiah Current (CD) Account
- Mudaraba Short Notice Deposit (MSND)
- Mudaraba Term Deposit Receipt (MTDR)
- Mudaraba Double Benefit Scheme
- Mudaraba Monthly Saving Scheme (MMSS)
- Mudaraba Millionaire Deposit
- Mudaraba Hajj Sanchay Prokalpa
- Mudaraba Pension Savings Scheme
- Mudaraba Multimillionaire Gold Deposit Scheme (MMGDS)

Investment



- Retail/Consumers investment
- Micro enterprise investment
- Small and Medium Enterprise investment
- Large and Corporate investment
- Syndicate investment

Services

- **Export Services**

  EXIM Bank Limited offers a wide range of export services. Routing all export related transactions through EXIM Bank Limited could eliminate many of exporting hassles.



- **Import Services**

  EXIM Bank Limited offers comprehensive range of Import services. EXIM Bank Limited is highly respected in the world of international finance and cross border transactions.

❖ **Remittance Business**



Although EXIM Bank has entered into remittance late compared to the other private banks, it has continuously strived to build its remittance business around quality service by making it easy for remitters to remit money through a network of agreements with reputed banks and remittance houses abroad and an extensive network in the country to deliver the money to the beneficiaries at their door in the quickest possible time and without hassles.

❖ **Small & Medium Enterprise (SME) Banking**

Bank provides Investment facilities to the small and medium entrepreneurs to be more productive and stable. There are 3 programs for SME Banking:

1. EXIM Uddog
2. EXIM Shahayak
3. EXIM Abalamban

❖ **Dual Currency VISA Investment Card**

EXIM Visa (Dual) Investment Card has unique feature of allowing limits both for local and international usage in a single card. EXIM Visa (Dual) Investment Card is accepted at any merchant locations or payment counters displaying Visa logo in any part of the world.

❖ **SWIFT Services**

The Society for Worldwide Inter Bank Financial Telecommunication ("SWIFT") operates a worldwide financial messaging network. Messages are securely and reliably exchanged between banks and other financial institutions. EXIM Bank Limited has SWIFT services. The Bank's SWIFT address is EXBKBDDH.

❖ **Locker Services**

EXIM bank offers locker facilities to its clients in various branches. It offers small, medium and large lockers at different service charge.

❖ **ATM Services**

EXIM Bank Limited is a member of the E-cash Shared ATM Network. E-Cash has a network of 137 ATM's located in strategically important locations on five important cities / towns of the country namely: Dhaka, Chittagong, Sylhet, Cox's Bazar and Rajshahi. It is providing ATM service coverage to our 130 branches.

- **BACH and BEFTN**

  EXIM Bank Ltd. is one of the successful banks which have implemented Bangladesh Automated Clearing House (BACH) and Bangladesh Electronic Fund Transfer Network (BEFTN).

- **Internet Banking**

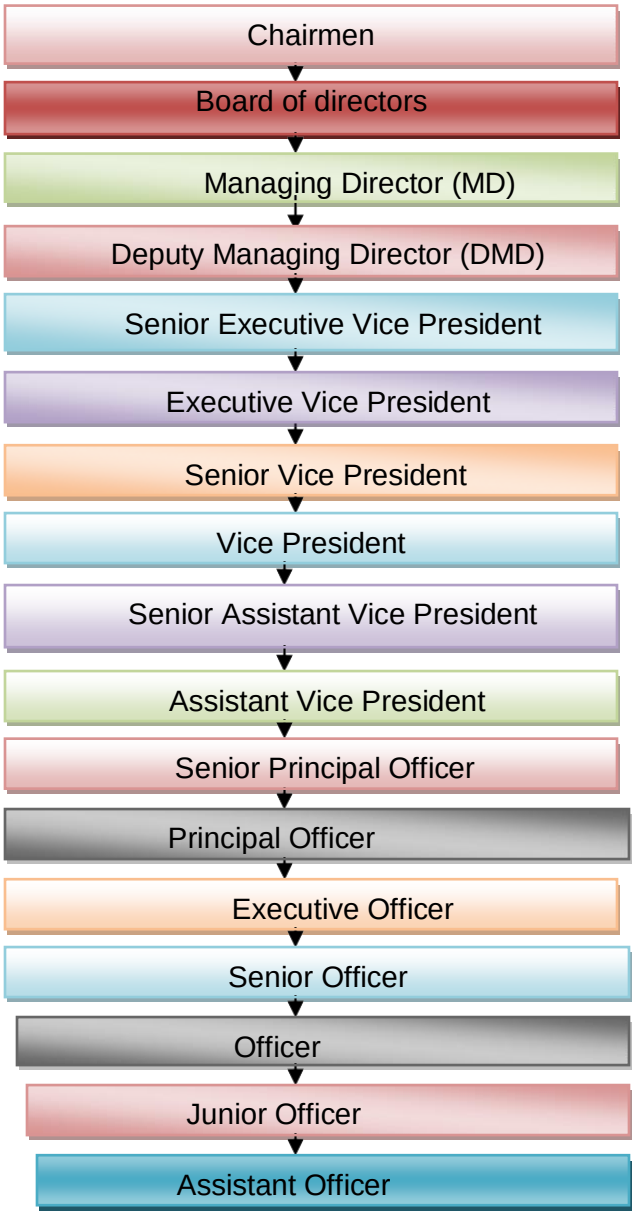
  EXIM bank Ltd has recently implement Internet banking service to its customers so that they can do: Account Balance Inquiry, Account Statement View and Download, Account Information View, Cheque Leaf Stop for payment Request and Cheque Book Issue Request from any remote PC having internet connection.

CSR Activities

EXIM bank emphasizes its CSR activities to increase Bank's Bank image. As a result, it is focusing on the fields, given below:

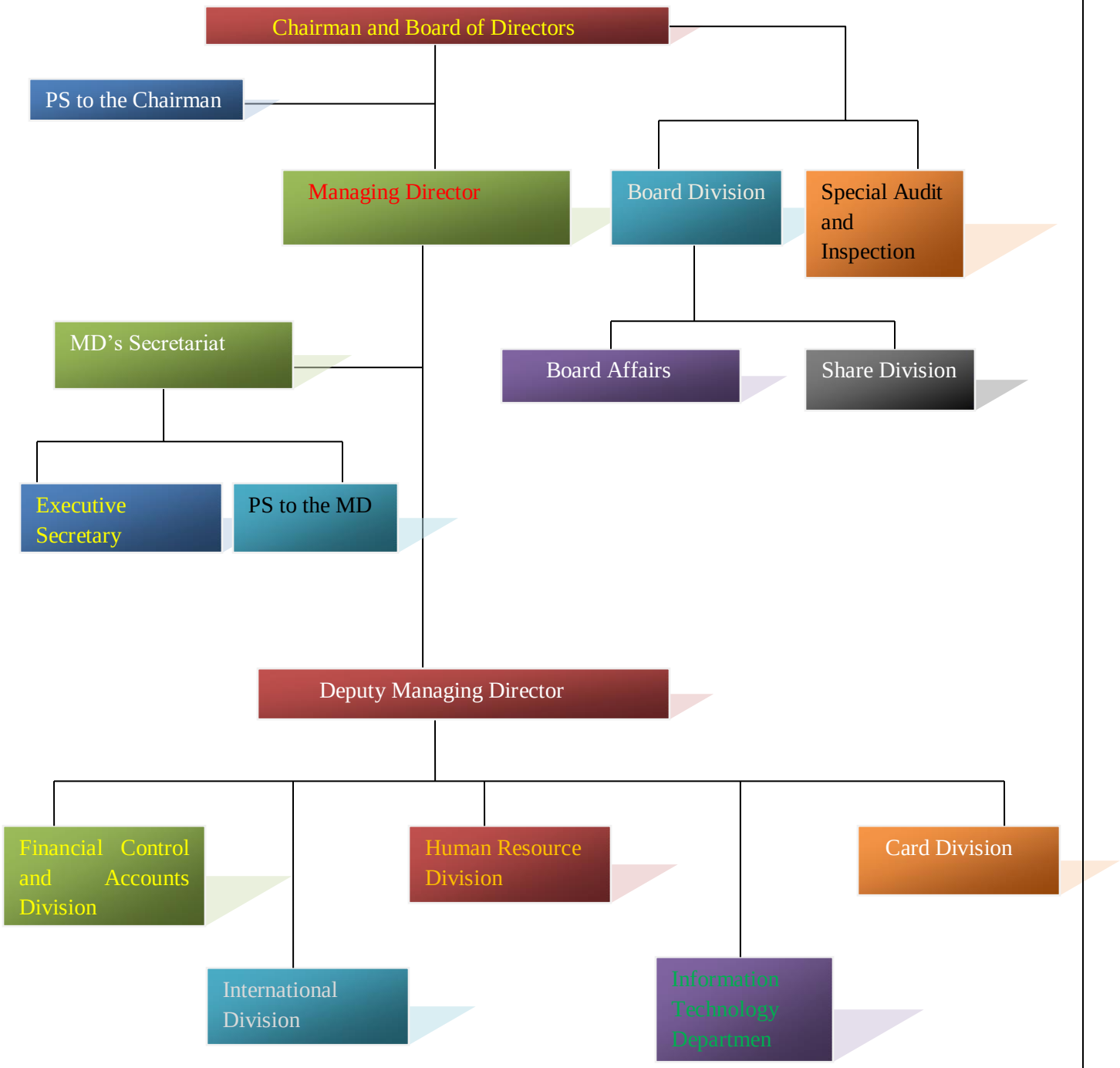
- Donating fund for Building Hospitals
- Providing fund for sporting event
- Establishing school (EXIM Bank Green School)
- Contributing during natural calamities.
- Offering Scholarships for bright students, already 3000 students are under this Scholarship Program.

Structural Management of EXIM Bank Ltd.



The Board of Directors

The Board of Director consists of the Chairman of the Bank, the Vice-Chairman of the Bank, Directors, the President and Managing Director, and the Company Secretary. This is the highest body of the Bank. Here is the organogram of Head office of EXIM Bank Ltd:



Management Team

The team is lead by the Managing Director and CEO of the Bank. The Bank at present has 1 Additional Deputy Managing Director, 02 Deputy Managing Director 5 Senior Executive Vice Presidents & 5 Executive Vice Presidents.

Functional Divisions of EXIM Bank Ltd.

The Bank accomplishes its functions through different functional divisions/ departments. The functions of these divisions/ departments are described below.

- **Financial Control and Accounts Division**

  Main functions of this division are- Budgeting, Payment of salary, Controlling inter-branch transaction, Financial Analysis, Disbursement of bills Preparing financial reports and annual reports, Reconciliation

- **International Division**

  Followings are the major functions of this division: Correspondence banking Compile and circulate the foreign exchange circulars to the branches, Reconciliation of Nostro Accounts, Preparing daily exchange rates, foreign remittance, Consolidation of the overall foreign exchange business handled by the branches

- **Investment Division**

  Major Functions of these divisions are- Loan administration, Loan disbursement, Project evaluation, processing and approving Investment proposals of the branches, arranging different facilities, providing related statements to the Bangladesh Bank and other departments.

- **Human Resource Division**

  Among different functions of the division, some important are as follows: Recruiting, Training and development Compensation and employee benefits, Placement of employees, Preparing related reports, Reporting to the Executive Committee/ Board on related matters, Promotional campaign and press release.

- **Information Technology Department**

  This department mainly does the followings: ATM card and system operation, Software development, Network management, Software and Hardware management, SWIFT operation, Member banks reconciliation, Data entry and processing.

- **Branches Control Division**

  Main functions of this division are- Controlling different functions of the branches, Conducting audit and inspection regularly and suddenly, Ensuring compliance with the Bangladesh Bank.

❖ **Board Division**

Major Functions of the Division are- Maintenance of different Board matters, Preparation of extracts and minutes, Forwarding different memos to the Board of Directors/ Executive Committee, Administration of company's' share related affairs.

Number of Employees

The bank has 2956 employees in banking, and 355 employees in sub staffs. The Bank has plans to join more employees in the current fiscal year to expand.

Total Income and Total Expenditure

Total Income of the Bank stood at Tk 37427.28 in 2019 as against Tk 31670.67 of the previous year 2018 and Total Expenditure of the Bank stood at Tk. 30512.65 in 2019 as against Tk 24748.51 of the previous year 2018. Total Income and Total Expenditure for the last 5 years are given below:

Total Income and Total Expenditure (2015-2019)

(Taka in crore)

Particulars	**2015**	**2016**	**2017**	**2018**	**2019**
Total Income	2716	2595	2685	3167	3742
Total Expenditure	2077	2000	2089	2474	3051

Performance of EXIM Bank at A Glance

(Taka in crore)

Particulars	**2015**	**2016**	**2017**	**2018**	**2019**
Authorized Capital	2000	2000	2000	2000	2000
Paid-up Capital	1412	1412	1412	1412	1412
Shareholder's Equity	2512	2646	2765	2821	2918
Total Capital (Tier I + Tier II)	2819	2966	3485	3512	4084
Statutory Reserve	686	784	888	972	1070
Total Assets	26514	29113	33389	37151	43301
Total Liabilities	24002	26466	30624	34329	40383
Total Deposits	22477	24822	28364	30037	35568
Total Investment (General)	19753	22339	25503	30626	34455
Investment (Shares & Securities.)	1758	1647	2160	2402	4260
Total Contingent liabilities	6985	7060	9070	8677	8890
Total Risk Weighted Assets	23417	25200	28826	32291	32550
Total Fixed Assets	563	567	557	548	565
Total Income	2716	2595	2685	3167	3742
Total Expenditure	2077	2000	2089	2474	3051
Profit before provision and tax	638	594	595	692	691
Profit before tax	366	499	532	423	487
Net profit after provision and tax	208	303	329	233	238
Net Asset Value Per Share	17.79	18.74	19.58	19.98	20.67
Earning per share (EPS)	1.48	2.15	2.34	1.65	1.69
Price earning ratio (times)	5.54	5.63	7.61	7.27	5.87
Return on Equity (ROE) after tax	8.68%	11.78%	12.19%	8.35%	8.48%
Return on Assets (ROA) after tax	0.84%	1.09%	1.06%	0.66%	0.61%

Five years Financial Highlights

Source: EXIM Bank Limited Annual Report 2019

DAILY ACTIVITIES OF EXIM BANK LTD.

Almost in every bank, there are 4 basic departments. They are:

- General Banking (Including account opening, issuance of cheque book, FDR, Clearing, Cash, Pay order, etc)
- Investment
- Foreign exchange
- Accounts and Logistics

Account Opening Section

To establish a banker and customer relationship account opening is the first step. Opening of an account binds the Banker and customer into contractual relationship. But selection of customer for opening an account is very crucial for a Bank. Indeed, fraud and forgery of all kinds start by opening account. So, the Bank takes extremely cautious measure in its selection of customers. The following works are done by this section-

- Accepting of deposit
- Opening of account
- Check book issue
- Closing of account

Accepting Of Deposit

Accepting deposits is one of the main classic functions of banks. The relationship between a banker and his customer begins with the opening of an account by the former in the name of the latter. Initially all the accounts are opened with a deposit of money by the customer and hence these accounts are called deposits accounts. There is two officers performing various functions in this department. The deposits those are accepted by SEBL may be classified in to:

- Demand deposit
- Time deposit

Demand Deposit

There are mainly two types of demand deposit accounts, which are:

Savings A/C

To encourage savings habit amongst the general public, bank allows depositors to open savings account. As the name indicates, these accounts are opened for the purpose of savings. Interest is awarded on the balance of the account.

- The minimum balance requires to be maintained at all times is Tk. 1,000.00. And the bank reserves the right to change the minimum balance requirement and/or to close such accounts without prior notice if the balance falls below this amount.

- The maximum interest bearing amount allowed on any Saving Bank account Tk.50, 00,000.00 interest is payable on collected funds.

- The Bank reserves to itself the right not to pay any Cheque presented that contravenes the rules. In the event of a Cheque being returned for want of funds a penalty change of Tk.50.00 for each presentation will be made.

Term	Revised Rate of Interest
Saving Deposit	4.00% (No restriction on withdrawal)

Current A/C

Current account is an account where the account holder within the funds can make numerous transactions available in its Investments. No interest is paid on those deposits. Requirements to open an account are almost same to that of savings account except the initial deposit and the introducer must be the current account holder. Requirement for different types of current account holder are given below:

- **Limited Company:** A separate account opening form is used for Limited company. The bank should be cautious about opening account for this type of customer. Requirements to open an account are as follows:

  - Articles of association
  - Two copies of attested photograph
  - Letter of commencement
  - Letter of incorporation
  - List of directors, their number of shares and status
  - Memorandum of Association
  - Registration-which the company is registered and certificate relating to this issue, is obtained from the registration office of Joint Stock Company.

- **Partnership Firm:** Same account opening form for partnership firm is used. Instruction of account is given in this form. Documents required to open this type of account are as follows:
  - Two copies attested photograph of those who will operate the account.
  - Partnership deed
  - Resolution of the firm regarding account opening should be given
  - Trade license

- **Personal Current A/c:** Same account opening form for partnership firm is used. Instruction of account is given in this form. Document required to open personal current account are given below:

  - Two copies photograph of who will operate the account
  - The guarantor who is already maintaining an account introduces personal.
  - One copy photograph of nominee
  - One photocopy of national ID of both , Account holder and nominee.

- **Proprietorship A/c:** Requirements for opening this type of account are as follows:

  - The guarantor attests two copies photograph of who will operate the account.
  - Photocopy of trade license.

- **Co-operative Society:** Following documents have to be obtained in case of the account of Co-operative Society: i) Copy of Bye-Law duly certified by the Co-operative Officer. ii) Up to date list of office bearers. iii) Resolution of the Executive Committee as regard of the account. iv) Certified copy of Certificate of Registration issued by the registrar, Co-operative societies

- **Minor Account:** Following documents have to be obtained in case of the account of minor:

  - Putting the word "MINOR" after the title of the account.
  - Recording of the special instruction of operation of the account. The AOF is to be filled in and signed by either the parents or the legal guardian appointed by the court of law and not by the minor. Banks are maintained a signature card and different types of register to open every types of accounts. An account number is given for each account and the description of the account entered in the computer. According to rules of the bank a letter of thank should be given to the account holder and to the introducer but in practice it is not done

Monthly Schemes

- **Mudaraba Monthly Savings Scheme (MMSS):** Duration: 3 (three) Years & 5 (Five) Years Amount of Monthly Installment: TK.500 or Multiple amount up to TK.50, 000 (Fifty Thousand).

  - A Person of 18 years of age and above having a sound mind can open the account
  - A Person can open more than one MMSS account at any branch of the Bank and in such case separate form should be filled
  - A passport size Photograph is required to open the account
  - MMSS account can be opened at any working day of the month.
  - Account opened within first 10th of any month will be treated as account of that particular month. If the account is opened after 10th of any month in that case 1st installment will be due and realized from the next month.
  - MMSS account cannot be opened in the name of any minor, in joint names, or I n the name of institution.

- An account can be transferred from one Islamic Branch to another Islamic Branch of the Bank by a written application of the account holder. In such case a fee of TK. 500 is payable as banks service charge. 8. Installments can be deposited in advance.

❖ **Pensions Savings Scheme (PSS):** Duration:4,6 and 8 Years Terms Amount of Monthly Installment's 500 or multiple up to TK.25, 000 (i.e. Tk.500 or 1000 or 1500)

- A Person of 18 years of age and above having a sound mind can open the account
- A person can open more than one PSS account for different amount at any branch of the Bank and in such case separate form should be filled in.
- A passport size photograph of the account holder and each nominee (attested by the account holder) are required to open the account
- The account can be opened at any working day of the month.
- Account opened within 10th of any month will be treated as account opened on the particular month. If the account is opened after 10th of any month in that case 1st installment will be due from the following month and will be realized in the following month.
- PSS account can be opened in the name of minor .In that case minor's legal guardian can operate the account.
- Account cannot be opened in joint names, or in the name of any institution.

❖ **Double Benefit Scheme (DBS)** Double Benefit Scheme is a time specified deposit scheme for clients where the deposited money will be doubled on maturity.

Features and Benefits:

- Amount to be deposited TK 10,000 or its multiple; No fees and charges.
- Deposited amount will be doubled in 7.5 years;
- Account can be opened at any working day of the month;
- Allowed to open more than one DBS Account at any branch of the Bank;
- Loan facility against lien of DBS Account;
- The Scheme is covered by Insurance and Insurance Premium is borne by the bank;
- Premature closure facility.
- Eligibility
- DBS Account can be opened for Individual, joint account and corporate bodies.
- Only Resident Bangladeshi National is allowed to open Personal DBS Account
- Age bar for opening of Personal DBS Account: 18 years or above.
- Minor account can be opened under the supervision of his / her / their guardian.

❖ **Millionaire Deposit Scheme (MDS)** Millionaire Deposit Scheme is a time specified monthly deposit scheme for clients where the deposited money will become millions on maturity.

Features and Benefits

- Tenor: 4,5,6,7,8,9 and 10 years term;
- Deposit on monthly installment basis;
- Attractive rate of interest;
- Account can be opened at any working day of the month;
- Monthly installment can be deposited through a standing debit instruction from the designated CD/SB Account;
- Monthly installment can be deposited in advance;
- An account can be transferred from one branch to another branch of the bank;
- Investment facility for maximum of 2 years can be availed at any time during the period of the scheme;
- Allowed to open more than one MDS Account for different amount at any branch of the Bank

Eligibility

- MDS Account can be opened for Individual, joint account and Corporate bodies.
- Only Resident Bangladeshi National is allowed to open Personal MDS Account.
- Age bar for opening of Personal MDS Account: 18 years or above. However, Minor account can be opened under the supervision of his / her / their guardian.

Fees & Charges

- Account transfer fee is Taka 500/-;
- Account closure fee is Taka 500/-;
- Penalty of Taka 200/- for failure to pay monthly installment within the stipulated time;
- VAT applicable for all fees & charges @15%.

❖ **Multimillionaire Gold Deposit Scheme (MGDS):** A person of 18 years of age and above can open the account. MDGS account can be opened in joint names and in the name of any institution. Monthly installment can be deposited by cash/cheque or can be deposited through a standing debit instruction from the designated SB or CD account of every month. Monthly installment can be deposited in advance. In that case no interest for the advanced installment will be paid.

Time Deposit

There are mainly two types of time deposit:

❖ **Short Term Deposit (STD):** In short term deposit, the deposit should be kept for at least seven days to get interest. The interest offered for STD is less than that of savings deposit. In PBL, various big companies, organization, Government Departments keep money in STD account. Frequent withdrawal is discouraged and requires prior notice.

❖ **Fixed Deposit Receipt (FDR):** Fixed Deposit Receipt offers the customers the opportunity to invest a fixed amount for a fixed period at a fixed rate of interest. The customers have the option to re - invest their funds both principal amount and interest amount on maturity or principal amount and the interest amount being paid into their SB or CD accounts. In FDR:

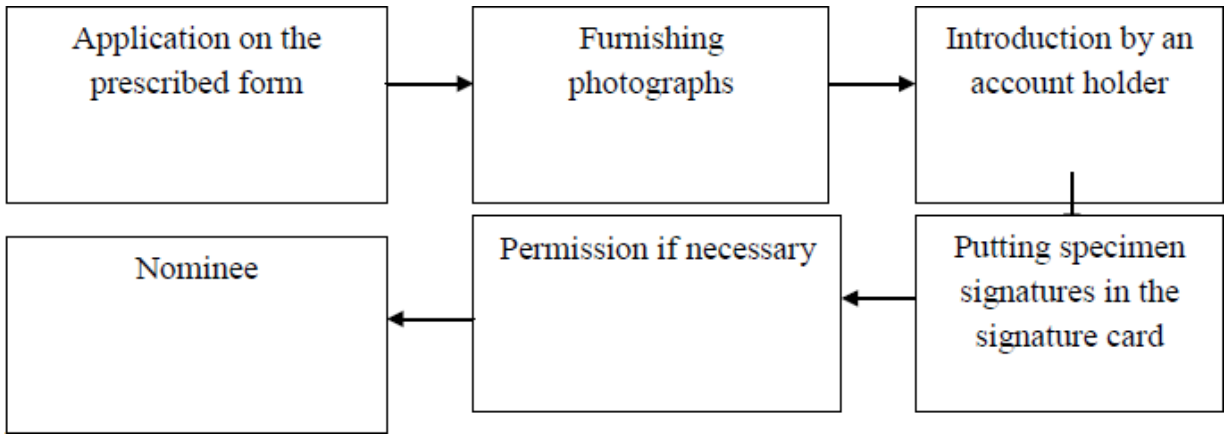
Money can grow with attractive profit rate with flexible tenure.

- Automatic renewal facility at maturity.
- Loan facility against FDR to meet urgent financial needs.
- Premature closure facility at savings rate.
- Eligibility
- FDR Account can be opened for Individual, joint account and corporate bodies.
- Only Resident Bangladeshi National is allowed to open Personal FDR Account.
- Age bar for opening of Personal FDR Account: 18 years or above. However, Minor account can be opened under the supervision of his / her / their guardian.

Term	Revised Rate of Profit
3 months	5.50%
6 months	5.75%
12 months	6.00 %

Procedure for opening of Accounts

Before opening of a current or savings account, the following formalities must be completed by the customer:



Doing the above formalities, customers submit those forms to the bank; then bank generally opens an account against the account user & provides the customer a pay-in-slip book.

- **Issuance of Cheque Book to the Customers:** Fresh cheque book is issued to the account holder only against requisition on the prescribed requisition slip attached with the cheque book issued earlier, after proper verification of the signature of the account holder personally or to his duly authorized representative against proper acknowledgment.

- **Procedure of issuance of a cheque book:** Enter new cheque book no. in the register book including the specific customer's name. There are some rules, both bank and account holder should follow. These are :

  - ✓ A customer who opened a new a/c initially deposits minimum required money in the account. (minimum 500 tk.)
  - ✓ The account opening form is sent for issuance of a cheque book
  - ✓ Respected Officer first draws a cheque book
  - ✓ Officer then sealed it with branch name.
  - ✓ In-charge officer enters the number of the cheque Book in Cheque Issue Register including customer's name and the account number.
  - ✓ Account number and name of the customer are then writing down on the face of the Cheque Book and on every leaf of the Cheque book including Requisition Slip.
  - ✓ Number of Cheque book and date of issuance is also written on the application form.
  - ✓ The customer is asked to sign in the Cheque book issue register.
  - ✓ Then the respected Officer signs on the face of the requisition slip put his initial in the register and hand over the cheque book to the customer.

- **Closing the Account**

Bank can close an account, if the account requests the bank to do so. For that, account holder has to write an application for closing the account. Then, the following procedure is followed by a banker:

- First, the customer should be asked to draw the final cheque for the amount standing to the Investment of his account less the amount of closing and other incidental charges and surrender the unused cheque leaves.
- The account should be debited for the account closing charges etc. and an authorized officer of the Bank should destroy unused cheque leaves.
- In case of joint a/c, the application for closing the a/c should be signed by all the joint holders.

However, A banker can also close the account of his customer or stop the operation of the account under following considerable circumstances:

- Death of customer.
- Customer's insanity and insolvency.
- Order of the court
- Specific charge for fraud forgery.

Remittance

- **Demand Draft (DD):** This is an instrument through which customers money is remitted to another person /firm /organization in outstation from a branch of one bank to another outstation branch of the same bank or to a branch of another bank (with prior arrangement between that bank with the issuing bank).

Issuing procedure of D.D:

- Obtain demand draft application form duly filled in and signed by the purchaser /applicant.
- Receive the amount in case/ transfer with prescribed commission and postage amount.
- Insert test number.
- Enter in the D.D. register.
- Issue advice to the payee branch**.**

Payment procedure of D.D:

- Examine generally of the D.D. viz. Amount, verify signature, test, series, etc.
- Enter in the DD payable register.
- Verify with the ICBA /test etc.
- Pass necessary vouchers.

- **Pay order (PO):** This is an instrument issued by the branch of a bank for enabling the customer/ purchaser to pay certain amount of money to the order of a certain person/ firm/ organization/ department/office within the same clearinghouse area of the pay order-issuing branch. Pay order has different characteristics:

  - The issuing branch and the paying branch are same.
  - Application for payment within the clearing house area of the issuing branch.
  - This may be open or can be crossed.

Procedure of P.O. issue:

- Obtain PO application form duly filled in and signed by the applicant.
- Receive the amount in cash/transfer with commission amount.
- Issues pay order.
- Enter in pay order register.

Procedures of pay order payments:

- Examine genuinely of the pay order.
- Enter in to pay order register and give contra entry.
- Debit if fund ok for payment.

Clearing

Generally speaking, clearing means settlement but from Banker's point of view it refers to the procedure of receipts & payments of proceeds of cheques and other instruments through banks. Clearing House is a place where the representatives of all member banks meet together and settle mutual obligations of banks arising out of cheques & other instruments drawn on one bank and deposited with another bank for collection, under a special arrangement. The characteristic of the clearing house is that at the time of coming to this place the representative of every bank brings with him all cheques etc drawn on other banks along with schedules and delivers the cheques to the clearing house and receives cheques etc drawn on his bank and on the basis of cheques etc. delivered & received the mutual obligations between banks is ascertained and settled through their respective bank accounts maintained with the Central Bank or any other bank which conducts the clearing house.

❖ Types of Clearing

There are two types of Clearing. Such as

- Internal or Inter-branch Clearing ,
- Inter-Bank Clearing.

Under the 1st type all branches of the same bank situated in a particular city settle their mutual obligations through the main branch of the bank. On the other Hand, in one city the obligations between all banks are settled. In this case Bangladesh Bank or Sonali Bank performs the function of the Clearing House in Bangladesh.

❖ Kinds of Clearing

The Clearing House activities may be grouped into two types,

- Outward clearing,
- Inward Clearing.

Outward Clearing Procedure:

- ✓ Receipt of instrument with paying in slip.
- ✓ Checking of instrument & paying in slip.
- ✓ Affixing of seal
- ✓ Special Crossing seal.
- ✓ Clearing Seal (Instrument & Paying in slip)
- ✓ Signing of counterfoil and returning it with seal to the depositor.
- ✓ Separation of instrument from paying in slip.
- ✓ Sorting of instrument bank wise and branch wise.
- ✓ Preparation of schedule- branch wise.
- ✓ Preparation Bank wise schedule.
- ✓ Tallying of totals of paying in slips with the totals of Clearing House sheet.
- ✓ Making of entries in Clearing Register (Outward)

- ✓ Preparation of vouchers.
- ✓ Sending of instruments to main branch with schedule.
- ✓ Collection of Investment advice from Main Branch.

Inward Clearing Procedure:

- Receipt of instruments with schedule
- Checking of instruments.
- Sending of instruments to different Departments/Sections for posting.
- Preparation of Vouchers and sending of Investment advice to main branch.

Clearing Return Procedure:

- ❖ Outward clearing Return
    - Preparation of return memo.
    - Making of entry in clearing return Register.
    - Preparation of schedule.
    - Sending of instruments to main branch before second clear.
- ❖ Inward Clearing Return
    - Receipt of instrument with return memo.
    - Preparation of Party debit Voucher.
    - Making of entry in cheque return Register.
    - Sending of instrument with return memo and party debit advice to party by post or through peon.

Cash

In cash department, Trainee cash officers receive cash and pay cash to the customers.

- ❖ **Procedure of Cash Receipts:**

- While receiving cash the receiving cashier should see that the paying in slip has peen properly filled in.
- The paying in slip does not bear the name of another branch or the customer has not mentioned the name of another branch.
- The title and number of account have been mentioned on the paying in slip and the counterfoil.
- The amount in words and figures are the same.
- The particulars and amount on the pay-in slip and the counterfoil are same.
- The Cashier should receive money, count it and mention the denomination of notes on the back of the paying in slip and see that the total tallies with the amount of the paying in slip.

- He should count the notes again and verify the amount from that mentioned on the paying in slip.
- He should enter the particulars as to the name of the party, account number and amount in the Receipt Register.
- He should sign on both the parts of the paying in slip i.e. voucher and the counterfoil.
- He should then hand over the paying in slip and the Receipt Register to the authorized person, Officer in Charge/Head Cashier.
- For the amount received on account of commission, Telegram and postal charges where no separate voucher is passed he should maintain record in a separate book or enter the same in Receipt Register immediately. He should prepare relevant vouchers and hand over the same to the authorized person for affixing the "CASH RECEIVED" stamp and obtain counter signature from the officer.
- After the close of business hours, he should balance the cash receipts from the register, and should keep the cash ready for checking by the authorized person

❖ **Procedure of Cash Payment:**

For Payment of Cheques:

- Payment Cashier should see that the cheque is in order i.e. the amount in words and figures is same. The cheque is neither post dated nor state.
- He should then request the presenter of the cheque to sign on the back of the cheque.
- The paying cashier sees that the signature of the ledger keeper and in case of big amount cheques, the signature of the officer and the Manager are there on the cheque as a token of having posted and supervised the cheque.
- If the cheque is payable to the order of payee, the payee or the endorsee (if endorsed) has been properly identified.
- Then he should take out cash and call out the name of the party and ask him about the amount of the cheque and his token number. If the amount stated by the party differs from the amount of the cheque, he should tally the token number, if the token number is the same and the amount differs, he should report the matter to the Officer in charge/ Manager.
- He should obtain another signature of the party on the back of the cheque. He should now see that the second signature tallies with the first one already on it.
- In case the signatures do not tally, he should not make the payment and report to the Officer in charge.
- Before making the payment he should obtain the token from the party and see that the amount and token number are the same.
- He should, once again, ask the party about the amount of his cheque and count the cash for the second time before making payment. When satisfied in all respects he should make payment.
- He should affix the "CASH PAID" stamp bearing the date of payment.
- He should put his full signature under the cash paid stamp.
- He should enter the particulars of the cash payment in his payment Register.
- He should keep the cheques so paid in his safe custody till the Officer in charge/Manager checks his payment register.

❖ **Cash Payment of other instrument:**

- In case of cash payment of Drafts, Pay Orders and Pay Slips, he should see that the payee has been properly identified, and in case of Pay Slips, the beneficiary has signed on proper revenue stamp.
- he Officer/ Officers has/ have signed under the stamp "PAY CASH"
- In other respects, so far as applicable, the same procedure is to be followed as in payment of cheques.

❖ **Procedure of Cash Handling:** The Cashier should know to differentiate defective, Mutilated, Burnt, Torn etc. notes from good notes. As a matter of rule such notes should not be accepted over the counter as deposits or in exchange of good notes. These notes, under special circumstances, may be accepted only on "collection basis". These notes should immediately be sent to Bangladesh Bank/ Sonali Bank for receiving payment of exchange value.

❖ **Others products:**

❖ ATM / Debit Card: ATM card of EXIM Bank ltd is known as "Exim Bank Debit Card". Features of this card, are:

✓ 24/7 accessibility across the country
✓ Accessibility through DBBL ATM Network
✓ Free for year one
✓ Renewal fee is taka 500 (five hundred) only
✓ PIN reissuance is taka 200 (two Hundred) only.

❖ Virtual Card : Virtual Card will only be used for online payment on internet against the fees as under:
✓ Membership Fees of Foreign Professional and Scientific Institutions
✓ Fees for Application, Registration, Admission, Examination (TOEFL, SAT etc.) in connection with admission into foreign educational institutions.

Product Pricing :

- Card Fee : USD 10.00 as Card Fee + USD 1.50 Vat on Card Fee
- Loading Fee : 1 % of the remittance amount

❖ **Remittance Business**

Our eight million expatriates are a source of pride for Bangladesh. They represent us abroad by building our image. Their contribution is equally important, if not more, in the contribution they make to the economy of the country. The foreign exchange they send home is the second largest source of much needed foreign exchange for our economic development.

Although EXIM Bank Limited has entered into remittance late compared to the other private banks, it has continuously strived to build its remittance business around quality service by making it easy for remitters to remit money through a network under agreements with reputed banks and exchange houses abroad and an extensive network in the country to deliver the money to the beneficiaries at their door in the quickest possible time in safe and without hassle.

Features of our one - stop remittance delivery service are:

- No service Charge
- Confidentiality in Transaction
- Instant Account Investment
- 24/7 cash payment facilities from nationwide 1000 Grameen Phone (GP) outlets
- Direct communication with both Sender and Receiver for solving cash payment / account deposit problem.

EXIM Bank Ltd has adequate Foreign Remittance sending arrangements in the major Bangladeshis Expatriates concentrated countries and territories over the globe through which any Bangladeshi expatriates can easily remit their money.

Global Partners :

- Western Union Money Transfer Services
- Ria Financial Services
- MoneyGram
- Xpress Money Services
- Aftab Currency Exchange

❖ SWIFT Services

The Society for Worldwide Inter Bank Financial Telecommunication ("SWIFT") operates a worldwide financial messaging network. Messages are securely and reliably exchanged between banks and other financial institutions. EXIM Bank Limited has SWIFT services. The Bank's SWIFT address is EXBKBD BD DH.

❖ **Locker Services:**

Eligibility: A client must have a CD or STD or SB or any type of account in the respective branch where they wants to avail the locker service.

Locker Service	Yearly Charge	Security Deposit
Small	Tk. 1,500/=	Tk.2,500/=(Refundable)
Medium	Tk. 2,500/=	Tk.2,500/=(Refundable)
Large	Tk. 4,000/=	Tk.2,500/=(Refundable)

❖ **Internet Banking**

'EXIM Bank Ltd's aim is to provide every customer easy access to his/her account from any branch. Recognizing the need of customers EXIM Bank Ltd has networked all of its branches all over the country to permit its valued customers to carry out transactions from any branch. Cash withdrawal or deposit or any type of personal banking transactions can be performed using the any Branch office.

❖ **Bill Collection Service** EXIM Bank Ltd. Provides following Bill collection service:

- Dhaka WASA Bill

❖ **Western Union Money Transfer Services**

With the signing of the Representation Agreement between Western Union Financial Services, Inc., U.S.A. and EXIM Bank Ltd., Bangladeshi Wage Earners abroad can send their money through Western Union and their families and friends can receive the money in minutes by visiting any of the branches of EXIM Bank Ltd. all over Bangladesh. There is a 3 step process to send money through Western Union Money transfer Service, which are given below:

- First, the sender has to receive a money receipt with a Money Transfer Control Number (MTCN) from any of the Western Union agent location outside Bangladesh after depositing money.
- Then, the sender will inform the money transfer detail (amount of money sent, sender's name, receiver's name, destination country, and MTCN) to the receiver.
- The receiver will receive the money from any of the branches of EXIM Bank Ltd. by showing a valid Identification and filling a form.

CHAPTER-03

CONCEPT OF INVESTMENT RISK MANAGEMENT

DEFINITION OF INVESTMENT

Investment means 'to lay out of money' or fund provided for a legal purpose and for a certain period with a risk of profit or loss. In Islamic Banking Investment means utilization of fund or deployment of fund for a special legal purpose on profit/loss sharing basis for a certain period. Islami Bank as per shariah deals with goods & services, not money. Shariah law prohibits speculative trading that involves risk and uncertainity. Shariah also forbidden investing in haram businesses such as gambling, alcohol etc.

FACTORS RELATED WITH INVESTMENT

- Risk
- Time
- Profit rate
- Security or Collateral
- Operating Expense
- Legal Considerations
- Inflation
- Finance Charge

TYPES OF INVESTMENT RISK MANAGEMENT

Investment risk can be classified in the following way:

Investment default risk- The risk of loss arising from a debtor being unlikely to pay its loan obligations in full or the debtor is more than 90 days past due on any material Investment obligation. Default risk may impact all Investment-sensitive transactions, including loans, securities and derivatives.

Concentration risk - The risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten a bank's core operations. It may arise in the form of single name concentration or industry concentration.

Country risk - The risk of loss arising from sovereign state freezing foreign currency payments (transfer/conversion risk) or when it defaults on its obligations (sovereign risk).

OBJECTIVES OF INVESTMENT RISK MANAGEMENT

There are some objectives behind a written Investment risk management of EXIM Bank that are as follows:

- To provide a guideline for giving loan.
- Quick response to the customer need.
- Shorten the procedure of giving loan.
- Reduce the volume of work from top level management.
- Handing over of authority of work from top level of management.
- To check and balance the operational activities.

DEFINITION OF INVESTMENT RISK GRADING (IRG)

- The Investment Risk Grading (IRG) is a collective definition based on the pre- specified scale and reflects the underlying Investment-risk for a given exposure.
- An Investment Risk Grading deploys a number/ alphabet/ symbol as a primary summary indicator of risks associated with a Investment exposure.
- Investment Risk Grading is the basic module for developing an Investment Risk Management system.

USE OF INVESTMENT RISK GRADING

EXIM Bank Ltd. applies the following Investment risk grading matrix as provided by Bangladesh Bank guidelines.

Risk Rating Grade Definition

- Superior –Low Risk

Facilities are fully secured by cash deposits, government bonds or a counter guarantee from a top tier international bank. All security documentation should be in place.

- Good –Satisfactory Risk

The repayment capacity of the borrower is strong. The borrower should have excellent liquidity and low leverage. The company should demonstrate consistently strong earnings and cash flow and have an enmeshed track record. All security documentation should be in place. Aggregate Score of 95 or greater based on the Risk Grade Scorecard.

- Acceptable –Fair Risk

Adequate financial condition though may not be able to sustain any major or continued setbacks. These borrowers are not as strong as Grade 2 borrowers, but should still demonstrate consistent earnings, cash flow and have a good track record. A borrower should not be graded better than 3 if realistic audited financial statements are not received. These assets would normally be secured by acceptable collateral (1st charge over stocks / debtors / equipment / property). Borrowers should have adequate liquidity, cash flow and earnings. An Aggregate Score of 75-94 based on the Risk Grade Scorecard.

- Marginal -Watch list

Grade 4 assets warrant greater attention due to conditions affecting the borrower, the industry or the economic environment. These borrowers have an above average risk due to strained liquidity, higher than normal leverage, thin cash flow and/or inconsistent earnings. Facilities should be downgraded to 4 if the borrower incurs a loss, loan payments routinely fall past due, account conduct is poor, or other untoward factors are present. An Aggregate Score of 65-74 based on the Risk Grade Scorecard.

- Special Mention

Grade 5 assets have potential weaknesses that deserve management's close attention. Facilities should be downgraded to 5 if sustained deterioration in financial condition is noted (consecutive losses, negative net worth, excessive leverage), if loan payments remain past due for 30-60 days, or if a significant petition or claim is lodged against the borrower. Full repayment of facilities is still expected and interest can still be taken into profits. An Aggregate Score of 55-64 based on the Risk Grade Scorecard.

- Substandard

Financial condition is weak and capacity or inclination to repay is in doubt. Loans should be downgraded to 6 if loan payments remain past due for 60-90 days, if the customer intends to create a lender group for debt restructuring purposes, the operation has ceased trading or any indication suggesting the winding up or closure of the borrower is discovered. An Aggregate Score of 45- 54 based on the Risk Grade Scorecard.

- Doubtful

Full repayment of principal and interest is unlikely and the possibility of loss is extremely high. However, due to specifically identifiable pending factors, such as litigation, liquidation procedures or capital injection, the asset is not yet classified as Loss. Assets should be downgraded to 7 if loan payments remain past due in excess of 90 days, and interest income should be taken into suspense (nonaccrual). Loan loss provisions must be raised against the estimated unrealizable amount of all facilities. The adequacy of provisions must be reviewed at least quarterly on all non-performing loans, and the bank should pursue legal options to enforce security to obtain repayment or negotiate an appropriate loan rescheduling. In all cases, the requirements of Bangladesh Bank in CIB reporting, loan rescheduling and provisioning must be followed. An Aggregate Score of 35-44 based on the Risk Grade Scorecard.

- Loss and Bad (nonperforming)

Assets graded 8 are long outstanding with no progress in obtaining repayment (in excess of 180 days past due) or in the late stages of wind up/liquidation. The prospect of recovery is poor and legal options have been pursued. The proceeds expected from the liquidation or realization of security may be awaited. The continuance of the loan as a bankable asset is not warranted, and the anticipated loss should have been provided for.
Bangladesh Bank guidelines for timely write off of bad loans must be adhered to. An Aggregate Score of 35 or less based on the Risk Grade Scorecard

Source: (Focus Group on Investment Risk Management, (2005), Investment Risk Management: Industry Best Practices, Managing Core Risks of Financial Institutions, Bangladesh Bank)

If any facility is to be downgraded, the RM prepares The Early Alert Report and it is duly forwarded to the higher authority for approval. After approval, the report is forwarded to Investment Administration, who is responsible to ensure the correct facility/borrower Risk Grades are updated on the system.

UNDER INVESTMENT RISK MANAGEMENT THE FOLLOWING TASKS ARE ALSO DONE

- Collect all relevant data from different models and information systems for analyzing risk.
- Assess the quality, completeness and correctness of all relevant data needed to analyze risks.
- Highlight risky portfolios and deficiencies of the bank on timely manner with recommendations and suggestions.
- Analyze data through preparation of paper named risk management paper.
- Identify, evaluate, control and monitor major risks in line with the standard set in the policy guideline to avoid necessary loss and ensure the banks in pricing all risk correctly
- Review market conditions and take precautionary measures towards facing abnormal market situation.
- Ensure through independent oversight that different risks are identified, evaluated, monitored and reported within the established risk management frame work.

CHAPTER-04

JOB RESPONSIBILITIES

Investment is the front-side banking service department. It provides those customers who come regularly. In some Investment risk management, there is no relation between banker and customers who will take only one service from bank. On the other hand, there are some customers with whom banks are doing its business frequently. I worked mainly in the Investment department and then other department for last 3 months under Principal Officer Md. Monirul Islam and Md. Feroz, who are looking after the Investment section. Here, first I learnt about audit where I checked regular transaction of the branch.

Audit: In Audit Section, we are working on 3 types of transactions. They are:
1. General ledger Transactions,
2. Customer Ledger Transactions,
3. Cash Transactions.

- **General ledger Transactions:** In general ledger transaction area, I worked on the regular trisections which are done inside the branch and for the branch. There are four parts having Debit and Investment. Under Code 901, I collected and organized the transactions occurred under Bank's Assets. Under Code 902, I collected and organized the transactions occurred under Bank's Income sector. Under Code 903, I collected and organized the transactions occurred under Bank's Liabilities. Under Code 904, I collected and organized the transactions occurred under Bank's Expenditure sector.

- **Customer Ledger Transactions:** In Customer ledger transaction area, I worked on the regular trisections which are happened between customer and bank/branch. There are different code number for different accounts and schemes having Debit and Investment. For example,
  Code 111 for – Current accounts
  Code 121 for – Savings accounts for clients and customers
  Code 122 for - Savings accounts for Staffs
  Code 241 for –FDR for 3 months
  Code 243 for- FDR for 6 months
  Code 244 for- FDR for 1 year

- **Cash Transactions:** In cash transaction, I checked the cash transaction happened between bank and customer. We can also say that, here cash payment and collections are checked. Bank does this auditing to check whether all transactions recorded properly or not.

MY AREA OF CONCENTRATION

In my report, I decided to concentrate on the Investment risk management of EXIM Bank Ltd.

There are mainly three types or principles or modes of investment in Islami Banking.

(i) Mudaraba
(ii) Musharaka
} Partnership (Aswk`vix) mode

(iii) Bai-muazzal
(iv) Bai-murabaha
(v) Bai-salam
(vi) Parallel Salam
} Bai (‡Kbv-‡ePv) mode
(vii) Istisna
(viii) Parallel Istisna
(ix) Hire purchase (Ijara Muntahia Bittamleek)
(x) Hire purchase Musharaka Mutanaqasa(HPMM)
(xi) Ijara
} Ijara (fvov) mode

BAI Muazzal(Hypo)

This investment is given for specific period of time, highest for 1 year.

Ijara Investment

In case of Ijara, security is obtained as a line of defense to fall back upon. It is meant to be an insurance against emergency. But taking security, bank acquires a claim upon the assets of the borrower if repayment is not made as planned. But what should be the significant securities of loans depends in the guidelines prescribed by the Bangladesh Bank through BCD circular no. 17/1977 and also the negotiation of the respective branch to its borrowers. The most significant categories of security lodged are as Asset pledge for Investment approval: A no. of asset can be pledged for sanctioning investment. EXIM Bank accept the following asset for sanctioning investment:

- Collateral of land & building
- Share certificate
- Local bank & financial institution guarantee
- Fixed deposit receipt
- Export documents
- FDR of other bank
- Govt. bond
- Personal guarantee
- Others securities There are

Over Draft

Over Draft is also a kind of investment. Over Draft are mainly two types .They are:

- **Cash Back:** This type is given to the individual against that customer's FDR or Schemes for highest 1 year. In every three months, interest is charged. Interest is based on scheme/FDR rate. 3% extra interest is added over the interest rate is decided on the FDR/scheme. A customer can get highest 90% of his/her FDR's amount. A customer can get highest 80% of his/her deposited amount of money for that scheme, because if the scheme is pre-mature on the time ,when he breaks the scheme ,then customer can only get what he deposited ,when he take the loan.

Investment Management Procedure of EXIM Bank Ltd.

The Bank has an exhaustive Investment policy which is periodically reviewed and updated under which all the functions of Investment operations and management are carried out. The Investment policy broadly includes and provides the Bank with the guidelines on the following aspects of Investment:

- The Application Process
- Analysis of Investment risk
- Loan structure and terms
- Documentation / Communication
- Managing risk after loan approval
- Monitoring on-going Investment risk
- Loan review function
- Loan modification
- Loan restructuring
- Problem loan identification and mitigation techniques
- Loan account closing In addition to the above, to cater to the needs of the financing requirement in specific sectors, separate schemes like
    - ✓ Consumer Investment Scheme
    - ✓ SME Investment Scheme
    - ✓ Agricultural Loan Scheme
    - ✓ Scheme for financing in Leather Sector etc. have been devised as per policy and guideline of Bangladesh Bank from time to time.

Documents to Be Required To Avail the Investment

- Three copies of Passport size photographs.
- Last 3 months bank's statement
- Last pay certificate from the employer/profit/Income Statement of last 3 months for self employed persons.
- Proof of ID/Citizenship certificate from the competent authority e.g. Net worth statement, Quotation Certificate
- Proof of employment of minimum 2/4 years regular service as applicable in the category
- Copy of Employment Letter.
- Salary Certificate from the Employer/ authorization from the employer
- Personal Guarantee acceptable to the Bank (possessing equivalent status/Financial capacity)
- Spouse guarantee

Investment Sanction Procedure of EXIM Bank Ltd.

Step 1: After the arrival of the client, the bank tries to understand what type of loan is needed. The bank observes his account maintaining, other transactions like L/C etc.

Step 2: Then the client has to fill up the INVESTMENT REQUEST FORM (IRF).
Step 3: Then the bank evaluates client's property (Present market value and Distress value).

Step 4: Then the bank prepares the Investment proposal. Investment proposal includes the following information:

- Clients name, background & business position
- Guarantors name & business position (if any)
- Net asset
- Account turnover
- Import turnover etc. Branch sends Investment proposal, Investment request form & one set of valuation form for approval of the Head Office.

Step 5: C.I.B. report (Investment Investigation Bureau: Bank seeks information about the client from Bangladesh Bank through the Head Office. Branch provides CIB report to head Office with the proposal.

- CIB Form 1- Company profile
- CIB Form 2- Owners profile
- CIB Form3- Others company profile

Step 6: After few days branch gets approval from the Head Office.

Step 7: Then they collect all original copies of property documents from client and send those to the legal advisors**.**

Step 8: EXIM Bank Ltd. gets the following documents from the legal advisors:

- Deed of Mortgage [Type the contents on 03 stamps cost 300 Taka each]
- General power of attorney to sell the mortgage property [Type on Tk.300 stamp]

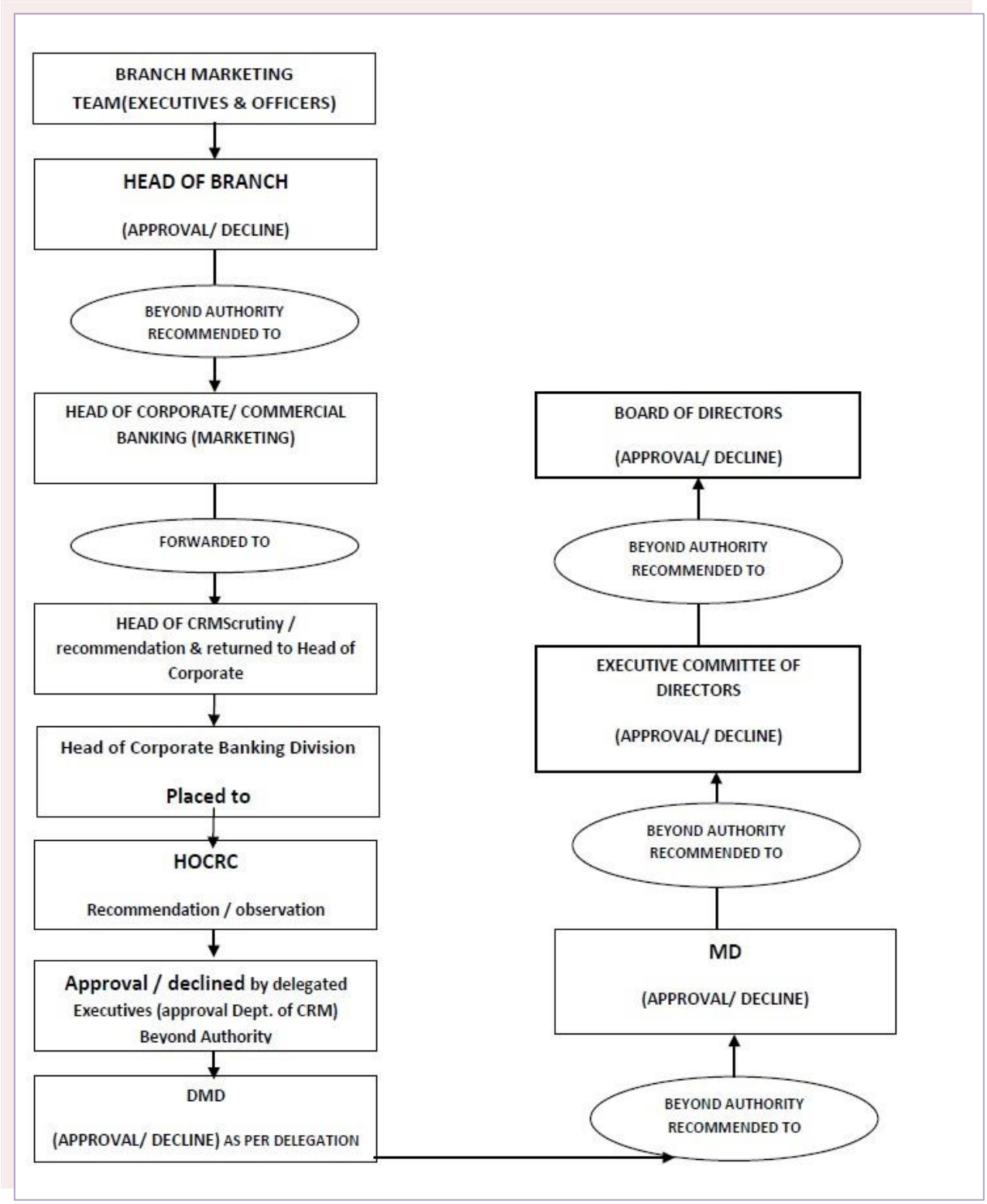
Step 9: Registered the documents in the registry office. The bank preserves the client sign on the backside of the registry receipt.

Step 10: Then EXIM Bank Ltd Server branch fills up investment account input form**.**

Step 11: EXIM Bank Ltd. disburse investment to the client**.**

Step 12: Review the investment regularly.

FLOW CHART OF APPROVAL PROCESS



For the Investment, different Banks have different criteria. Some bank offers this Investment to each level of income group with every profession where others have some limited area for disbursement of this Investment. Usually the Investment is given to following employees:

- Permanent employees of Government Bodies.
- Permanent employees of Semi-Government Bodies and Autonomous bodies.
- Permanent employees of Banks, Insurance Companies and other financial institutions.
- Permanent employees of Universities, Colleges and Schools.
- Employees of Armed forces, BDR, Police and Ansar.

After that, I worked in the account opening section and here my supervisor was Marina Jahan (Officer), who gave me an introduction on the account opening process. She also told me account opening is under SEBL General banking which is divided into 7 sections. These seven sections are:

- Account opening section.
- FDR.
- Clearing section.
- Remittance section.
- Cash section.
- Accounts Section.

Now I would like to elaborate my activity which was done by me.

Account Opening Section

In account opening section, Ms. Nasrin Akhter first introduced me with the Application Form for Current/ Savings Account. For current or saving account, I have to tell the client to fulfill the procedure by giving necessary documents. Before that, I have to ask the customer that if he/she wants to continue the account. As, he/she must accept the conditions to keep open the account like,

- First, minimum Balance to be maintained in current account Tk 10,000.00 and for Savings account Tk. 500/- .

- Recent photographs of the Account openers duly attested by the Introducer must be produced.

- When cheque deposited are payable by other banks or outstation they are available after clearing or collection only, Service charge will be charged @ Tk.100 /- in Current account and Tk.50 /- in Savings account yearly or as charged by the Bank from time to time as and when required Interest rate for Savings Account (SB) at 5 % (Half years compounding).

These documents are the main contents of the application form for opening Savings or Current account in SEBL: For individual:

- Name of the Applicant(s)
- Father's/ husband's Name
- Present Address
- Permanent Address
- Number, Date of issue, Date of Expiry & Place of Issue of Passport (if any)
- Date of Birth
- Photocopy of Voter ID Card (Both the Party and Nominee)
- Occupation
- Nominee (s)
- Special Instruction of Operation of the Account (if any)
- Initial Deposit
- Specimen Signature (s) of the Applicant (s)
- Introducer's Information (Name, Account Number, Specimen Signature)
- Two copies of photographs of the Account Holder (s) duly attested by the Introducer
- One copies of photograph of the Nominee duly attested by the Account Holder

In case of Join Account, bank needs these two contents too:

- Operation instruction of the account.
- Signature.

Then, in Partnership Account

- Partner's Signature.
- Partner's Name.

Again, In case of Minor's Account,

- Putting the word "MINOR" after the title of the account.
- Recording special instruction of operation of the account.
- The account opening form is to be filled in and signed by either of the parents or the legal guardian appointed by the Court of Law & not by the Minor.

Then, in Partnership Account

- Partner's Signature.
- Partner's Name.

Again, In case of Minor's Account,

- Putting the word "MINOR" after the title of the account.
- Recording special instruction of operation of the account.
- The account opening form is to be filled in and signed by either of the parents or the legal guardian appointed by the Court of Law & not by the Minor.

After fulfilling the above formalities, I submit those forms to the bank; then bank generally opens an account against the account user & provides the customer a pay-in-slip book. Then Bank sends Letter of thanks to Account Holder(s) and Introducer to be sent under registered post to verify the address of the account holder.

Risk areas in Account opening are

- Account holder's identification: If account holders provide fake national identification number (NID) or fake passport. It might be risk for bank.
- Source of income: Legal income source must. If account holder's source of income illegal then money laundering must.

When clients came to know about any kind of account opening like SB, CD, SND and schemes then I gave them a form and help them to fill the form with proper information. I also gave cheque book to client and took their sign to the register copy and the in charge officer verified their sign in computer is the sign is right then I let them go.

FDR Opening

Before opening of a FDR account, the following formalities must be completed by the customer:

- Application on the prescribed form
- Furnishing photographs both a/c holder and nominee
- Introduction by an account holder
- Putting specimen signatures in the signature card
- Nominee

After fulfilling the above formalities, I submit those forms to the bank; then bank generally opens an FDR account against the account user (if the customers have any other a/c in the same bank like SB or schemes then bank provide the same user id but different a/c holding number. Like, someone open 3 months FDR then his or her FDR a/c holder number starts with 243...&

same user id) & provides the customer a cheque slip. The contents of the application form for FDR are same as account opening.

Risk Areas in Account Opening: Like,

- Account holder's identification: If account holders provide fake national identification number (NID) or fake passport. It might be risk for bank.
- Source of income: Legal income source must. If account holder's source of income illegal then money laundering must.

Here are actually the same risk areas like a/c opening.

Monthly Savings Scheme (MSS) Account and Pension Savings Scheme (PSS) Account

A person having a sound mind can open the account. He or she can open more than one Monthly Savings Scheme (MSS) Account, Pension Savings Scheme (PSS) Account, MSS account at any branch of the bank but in separate form should be filled in. The applicant must open have a SB or CD account with the branch from where monthly installment will be realized automatically.

Super Double Benefit Scheme (SDBS) Account

A person of 18 years of age and above can open the account. SDBS account can be opened in joint names and in the name of any institution. No benefit including interest shall be allowed for pre-mature encashment within 1 year. Interest rate will be 3% higher than the scheme rate.

Islami Banking

Al - Wadiah Current Deposit (CD) Account is a transactional account where there are no restriction - Wadiah CD Account can be opened both for Individual and Corporate bodies. Al - Wadiah CD Account can be opened both for resident and non - resident Bangladeshi Nationals. Age bar for Personal Al - Wadiah CD Account: 18 years or above. Joint account can be opened. Account can be opened in the name of Trust / Club / Association / Societies / Non - Trading Concerns.ons on number of transactions in the account. It is an easy - to - use cash account. Mudaraba Savings Bank (SB) Account is designed for savers who want to save a small part of their income to be used in the near future and also intend to have some income on such savings. They can deposit a small amount and can withdraw whenever they desire but the total numbers of withdrawals over a period of time are limited. Joint account can be opened.

I worked also in clearing section and here my supervisor was Ruhana in charge of clearing. Here my supervisor gave me a outline about clearing section and its activities.

Clearing section is an important section of general banking. This is the section through which branch has to clear it's inter branch & inter branch transaction. Customers do pay & receive the collecting branch. For example, a client from EXIM Bank received a cheque of another bank, which is located in the clearing range deposit the cheque in his account at SEBL. Now EXIM Bank will Investment his account & collected it. Though the amount is Investmented in the customer's account but he will not get the money until the cheque is honored.

Types of clearing

- Inward clearing Cheque
- Outward clearing Cheque

Inward Clearing Cheque

When a particular branch receives a cheque for them and send by other member bank for collections are treated as inward clearing Cheque. For example, if any cheque drawn on SEBL Rupnagar branch then AB Bank Ltd. , Mirpur branch is called Inward clearing Cheque.

Outward Clearing Cheque

Outward cheques are drawn on other bank branches which are presented on the concerned branch for collection through clearing house of Bangladesh Bank. **For example,** the cheque drawn on Mercantile Bank Ltd, Kawran Bazaar Branch has been presented on SEBL Rupnagar Branch. This cheque is called the outward cheque of SEBL Rupnagar Office. Hence it is said that the cheque which is the inward cheque of one bank is the outward cheque of another bank.

Whenever a cheque is brought to the collection the concerned Officer does two functions

- Giving the special crossing.
- Endorsed by the collecting bank.

In this case I conducted to check that the concerned officer did the function properly or not. Risk areas in Clearing are fake/false cheque, for this reason it is very important to verify the genuineness of clearing chequeafter collecting the cheque.

After giving the special crossing I wrote down the cheque number and other details in the cheque clearing book and count the total value in two different sections. There are two types of cheque:

- High value cheque: five lac taka and above
- Regular value cheque: Below five lac taka.

Reissue of Pin

Sometimes clients lost their pin number so they cannot access their card. For this kind of problem EXIM Bank Ltd. give them a reissue of pin request form the customers fill up the information and we send it to the head office Card Division. My job was to write down the information (customers' name, ATM card no. etc) in specific record book.

Remittance & Its Operations

Remittance of funds is ancillary services of EXIM Bank Ltd. It aids to remit fund from one place to another place on behalf of its customers as well as non- customers of Bank. SEBL has its branches in the major cities of the country and therefore, it serves as one of the best mediums for remittance of funds from one place to another. With international correspondent relationship in combination with Operation Center and branch network covering almost all provinces and cities, is fully able to process remittance orders quickly, precisely and safely with simple procedure and the most attractive fee.

CHAPTER-05

BANK PERFORMANCE AND EVALUATIONS

For bank performance and evaluation of EXIM bank limited we will analyze the ratio analysis. The ratio analysis will consist of

- Return on Equity (ROE)
- Return on Asset (ROA)
- Net Interest Margin (NIM)
- Earning Per Share (EPS)
- Net Profit Margin (NPM)
- Asset Utilization Ratio (AUR)
- Operating Efficiency Ratio (OER)

RETURN ON EQUITY (ROE)

The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

ROE is expressed as a percentage and calculated as:

Return on Equity = Net Income/Shareholder's Equity

Returns on equities of EXIM Bank from Year 2015 to Year 2019 are given below:

YEAR	ROE (%)
2015	8.68
2016	11.78
2017	12.19
2018	8.35
2019	8.48

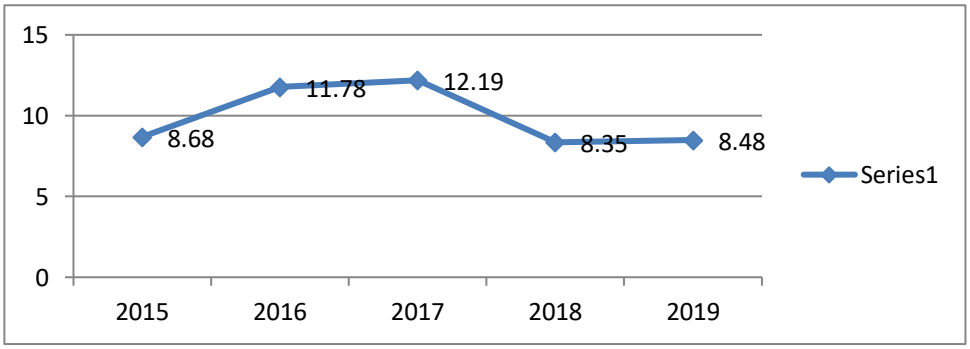


Fig: ROE

From the above diagram we see that ROEs of EXIM Bank from year 2018 to year 2019 are fluctuating.

RETURN ON ASSET (ROA)

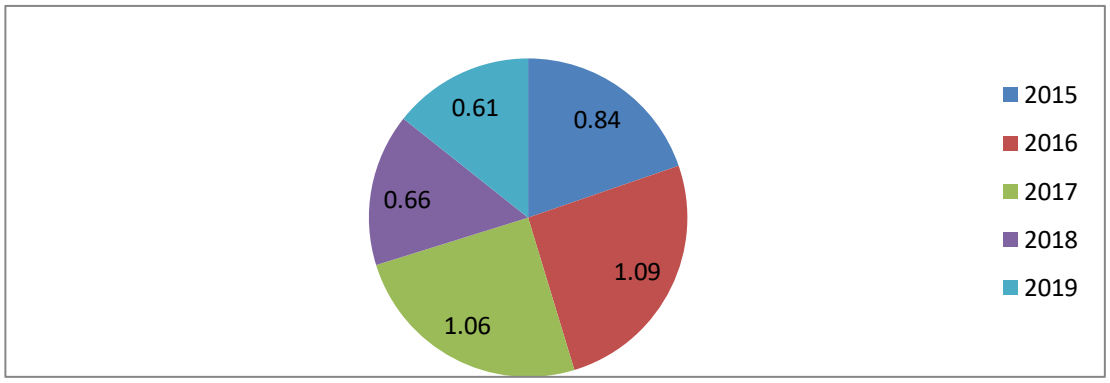
An indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. Calculated by dividing a company's annual earnings by its total assets, ROA is displayed as a percentage. Sometimes this is referred to as "return on Investment".

The formula for return on assets is:

$$= \frac{\text{Net Income}}{\text{Total Assets}}$$

Returns on assets of EXIM Bank from Year 2015 to Year 2019 are given below:

YEAR	ROA (%)
2015	0.84
2016	1.09
2017	1.06
2018	0.66
2019	0.61



From the above diagram we see that ROAs of EXIM Bank from year 2015 to year 2019 are fluctuating.

NET INTEREST MARGIN (NIM)

A performance metric that examines how successful a firm's Investment decisions are compared to its debt situations. A negative value denotes that the firm did not make an optimal decision, because interest expenses were greater than the amount of returns generated by Investments.

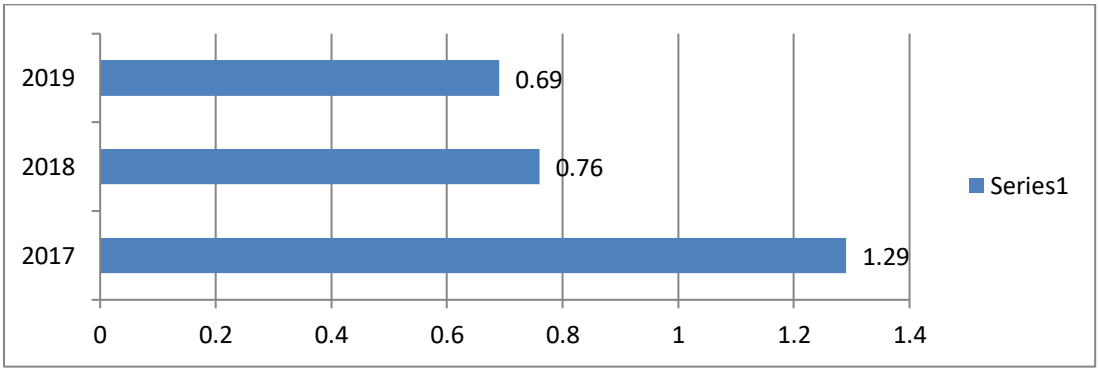
Calculated as:

$$\text{Net Interest Margin} = \frac{\text{(Investment Returns - Interest Expenses)}}{\text{Average Earning Assets}}$$

Net Interest Margin of EXIM Bank from Year 2015 to Year 2019 are given below:

YEAR	NIM (%)
2017	1.29
2018	0.76
2019	0.69

From the above diagram we see that NIMs of EXIM Bank from year 2017 to year 2019 are down warding.

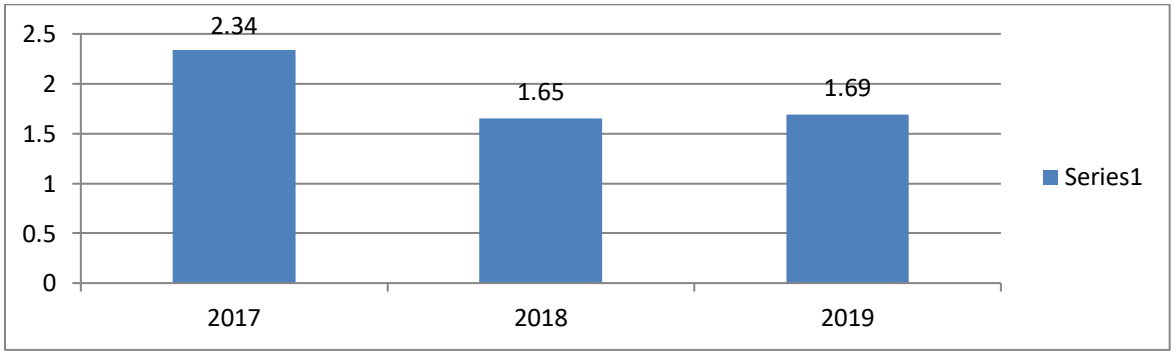


EARNING PER SHARE (EPS)

The formula for calculating earnings per share is = Net Income/Common Equity Share Outstanding

Earnings Per Share of EXIM Bank from Year 2017 to Year 2019 are given below:

YEAR	EPS (of 10/-)
2017	2.34
2018	1.65
2019	1.69



From the above diagram we see that EPSs of EXIM Bank from year 2017 to year 2019 are fluctuating.

NET PROFIT MARGIN (NPM)

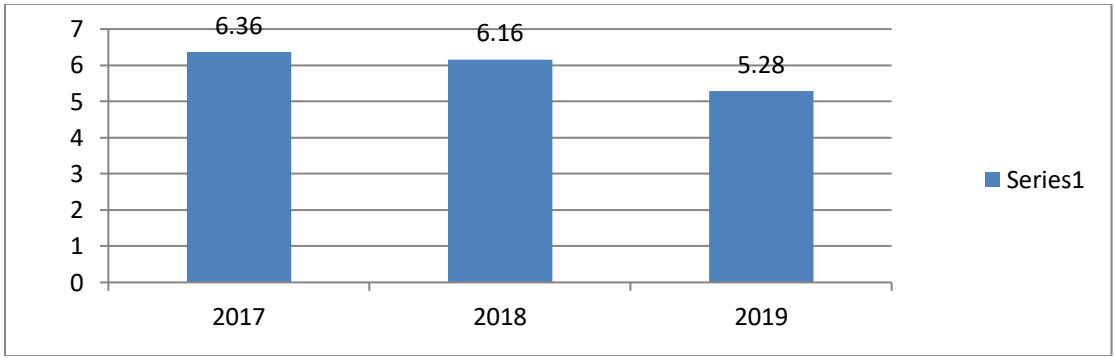
The ratio of net profits to revenues for a company or business segment - typically expressed as a percentage – that shows how much of each dollar earned by the company is translated into profits. Net margins can generally be calculated as:

$$\text{Net Margins} = \frac{\text{Net Profit}}{\text{Revenue}}$$

, where Net Profit = Revenue - COGS - Operating Expenses - Interest and Taxes

Net Profit Margin of EXIM Bank Ltd. from Year 2017 to Year 2019 are given below:

YEAR	NPM (%)
2017	6.36
2018	6.16
2019	5.28



From the above diagram we see that NPMs of EXIM Bank Ltd from year 2017 to year 2019 are decreasing.

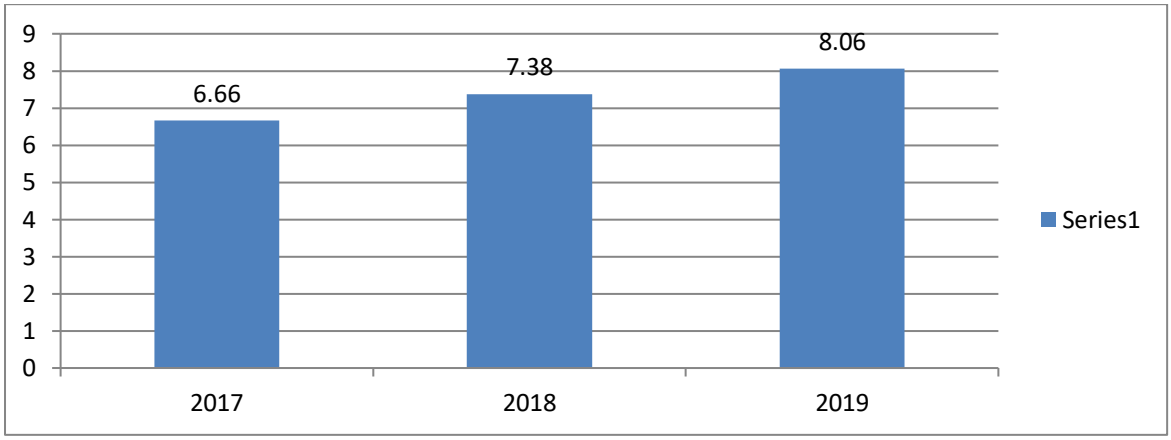
ASSET TURNOVER RATIO (ATR)

The formula for calculating asset utilization ratio is

= Total operating revenue/ Total asset

Asset turnover ratios of EXIM Bank from Year 2017 to Year 2019 are given below:

YEAR	AUR (%)
2017	6.66
2018	7.38
2019	8.06



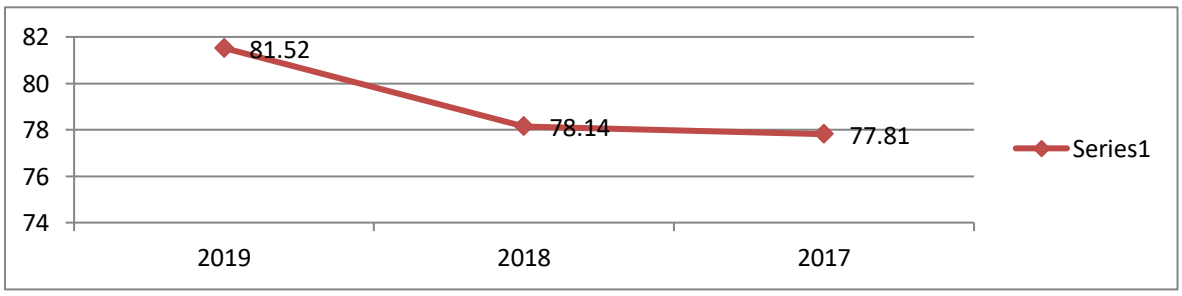
From the above diagram we see that ATRs of EXIM Bank from year 2017 to year 2019 are quite stable.

OPERATING EFFICIENCY RATIO (OER)

The formula for calculating operating efficiency ratio is = **Expense/ Revenue**

Operating Efficiency Ratio of EXIM Bank from Year 2017 to Year 2019 are given below:

YEAR	OER (%)
2019	81.52
2018	78.14
2017	77.81



From the above diagram we see that OERs of EXIM Bank from year 2017 to year 2019 are up wards.

CHAPTER-06

FINDINGS, LEARNINGS AND IMPLICATIONS

FINDINGS…….

Risk areas in Account opening

- Account holder's identification: If account holders provide fake national identification number (NID) or fake passport. It might be risk for bank.
- Source of income: Legal income source must. If account holder's source of income illegal then money laundering must. Verification of source of fund is required.
- Ensuring proper introduction before opening any account which will help to trace out the customer for any kind of mishaps due to his conducts.
- Verifying the documents provided by the client such as NID, Passport, Driving license, Trade license, Certificate of Incorporation, Board Regulation which will protect the fraudulent activities of the client.
- Compliance of Bangladesh Bank guideline money laundering. Proper KYC (know your customer) should be done at the time of opening of the account and subsequent follow up is required.

Risk areas in Clearing

- To ensure that the cheque has been received for clearing in the proper beneficiaries account.
- Proper endorsement on cheque must be ensured.
- To verify Fake/False/Post dated cheque.

Risk areas in Remittance

- To ensure that actual beneficiary receives the remitted amount.
- In case of remittance through TT, TT controlling number & test code must match.
- Verity the genuineness of remittance.

Others

- **Lack of effective advertising and promotion:** Advertising and promotion is one of the weak point of EXIM Bank Limited, EXIM Bank Limited does not have any effective Promotional activities through advertisement, but other banks have better promotional strategy. Therefore most customers are not known about their Islamic banking branch.

- **Lack of Computer Knowledge:** All the organizations including banks are now mostly depends on computer but employees do not have much knowledge on computer.

- **Unsatisfactory software performance**: EXIM bank use Temonus T24 software for performing their banking activities. But the software often hanged as because of slower upgrade of data by vender. Therefore it delays to performing banking activities at time.

LESSONS LEARNED FROM THE INTERNSHIP PROGRAM

Implication to organization

- I have learnt how to open different types of accounts. Like SB, CD.
- I have learnt how to open different types of schemes.
- I have learnt how to input the name of the client, issuing date &pg no in the inward register of pc.
- How to write customer name, A/C no, deposited money in inward & outward register copy.
- I learnt how to communicate with client, how to talk and how to deal with customer.
- I learnt how to work with my colleagues in one office, how to communicate with my senior officer.
- I learnt how to maintain organization discipline.
- How to verify the sign.
- Proper use of different types of seal.
- How to issue an ATM card.
- Be confidential.

Implication of university's internship program

- The main point I have learnt from internship is that the difference between academic knowledge and professional work.
- I learnt how to follow my supervisor instruction and his valuable suggestion.
- University helps me to improve my presentation a skill during different semester which is actually helps me a lot when I am face to face a customer in the organization.
- Co education in the university helps me to be communicative and friendly.

SOWT ANALYSIS OF EXIM Bank Ltd.

STRENGTHS	OPPORTUNITIES
❖ **EXIM Bank Limited is newly established Commercial Bank in the Banking Sector but it builds strong reputation in short time.** ❖ **The Financial Condition of EXIM Bank is very strong. It's Loan and Deposit Quality is better than most other Private Commercial Banks in Bangladesh.** ❖ **EXIM Bank has strong network throughout the country and provide quality services to every level of Customers** ❖ **EXIM Bank's Correspondents Relationship with more than 200 International and Local Banks created Global Accessibility and Relationship with People.** ❖ **Installation and use of highly sophisticated, automated System (For example, TEMONUS T24) enables EXIM Bank Limited to have on time communication with all Branches reduces excessive paper-works waste of time for Valued Customer Transaction** ❖ **ATM Cards, Investment Cards and Phone Banking of EXIM Bank give the Customers 24- hours Banking Facilities from his/her Accounts.**	❖ **The greatest Opportunity for EXIM Bank Limited lies in the increase of standard of living of a certain mass of the Population as well as their acceptance of the Nation of Consumer Financing and Short Term Lending** ❖ **The Investment Facility offered by EXIM Bank Limited attracted Security and Status conscious Businessmen and as well as Service holders with Higher**
WEAKNESSES	**THREATS**
❖ **The Shortage of Manpower in every Division. During the Working Hours of the Bank, the Employees have to be fatigued and cannot provide proper attention that type of Services, which create dissatisfaction of the Customers.**	❖ The emergence of several Private and Foreign Banks within the past few years offering similar Service with less or free charge for the facilities can be a major Threat of EXIM Bank Limited .

❖ **Higher Service Charge in some areas of Banking Operations discourages the Customers for opening and maintaining Accounts with EXIM Bank.** ❖ **In the Deposit side EXIM Bank is facing some problems from its Competitors. Because the Competitors are giving a Higher Interest Rate in Deposits without any reason, Because of this a lot of Depositors are leaving the Bank.** ❖ **There is a very little practice for increasing Motivation in the Employees by the Management of EXIM Bank Limited, which discourages them to provide the best Service to the Customers.**	❖ The Central Bank exercise strict control over all Banking Activities in Local Banks like EXIM Bank Limited .Sometimes the restrictions impose barrier in the Normal Operations and Policies of the Bank. ❖ Revival Banks easily copy the Product offering of EXIM Bank Limited. Therefore the Bank is in continuous of Product Innovation to gain Temporary Advantage over its Competitors

Fig: SWOT Analysis

CHAPTER-07

CONCLUTION

Banking is the backbone of national economy. Banking sector no more depends on only on a traditional method of banking. Banking industry has been treated as a prospective financial sector in Bangladesh. Bangladesh's banking system is heavily affected by bad loans. This is not only makes conservative, contracts the lending system, it discourages Investment. As a result the growth of the economy is impeded. One major reason for default loan is banks ineffectiveness of assessing Investment risk of a proposed Investment. With time Bangladesh bank has set rules and general guidelines to help banks asses risk and mitigate their Investment risk. In spite of that many banks fail to attract good Investment and run profitably. Thus it is not only the guidance provided by the Bangladesh bank that a commercial lending institution need to follow own lending policies should be in place to ensure maximum effectiveness of Investment assessment.
Investment risk management is becoming more and more important in today's competitive business world. It is all the more important in the context of Bangladesh. The tools for improving management of consumer Investment risk have advanced considerably in recent years. Therefore, as a responsible and reputed commercial bank, EXIM Bank has instituted a contemporary Investment risk management system. From the study, it is evident that the bank is quite sincere in their approach to managing the consumer Investment risk though there are rooms for improvement. They have to be more cautious in the recovery sector and preferential treatments to some big clients should also be stopped. However, they follow an in-depth procedure in assessing the Investment risk by using the Investment risk grading techniques which provides them a solid ground in the time of any settlement. From the discussion in this report, it has become clear that Investment risk management is a complex and ongoing process and therefore financial institutions must take a serious approach in addressing these issues. They have to be up to date in complying with all the required procedures and must employ competent people who have the ability to deal with these complex matters.
Utmost importance should be given to the improvement of the networking system which is essential for modern banking environment and obviously for efficient and effective Investment risk management process.

EXIM Bank is well prepared to and capable of meeting the demand for a broad range of banking services. It has got adequate resources, both human and physical, to provide the customers with the best possible services. EXIM Bank has already developed goodwill among its client by offering its excellent services. This success has resulted from the dedication, commitment and dynamic leadership of its management over the periods. But they must concentrate more on customer oriented services and provide better technological advancement relating to banking activities.

RECOMMENDATIONS

EXIM Bank Ltd. is one of the potential banks in the banking sector in Bangladesh. The Investment Risk Management Division of EXIM Bank is an important division of Bank. It was a wonderful experience working at EXIM Bank Limited. The employees of the bank were very helpful and nice to me. In spite it was not an easy job to find so many things during the very short period of practical orientation program. The recommendations given below are not decisions; rather they are only suggestions to improve the customer's service in order to fulfill the customer's satisfaction so that customers give more preference to EXIM Bank. The recommendations are given below:

- Develop more customized parameters for Investment approval process under the general guideline of BB to increase its market.
- ATM booths should be increased
- More research and innovative ideas should be made.
- EXIM Bank should give more emphasize on liquidity management in a balanced way.
- Emphasize on more advertisements should be made.
- Website of EXIM Bank Ltd. needs to be enriched.
- Continuous improvement should be made in the lending procedure which would reduce the default risk of the bank and increase profitability.
- Employees should be given training for better customer service.
- More Gifts, Discounts as well as differentiated profit rates on several investment and deposit schemes for the Premium Customers.

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