PROJECT REPORT

ON

AN ANALYSIS OF FOREIGN EXCHANGE OPERATIONS OF AL-ARAFAHISLAMI BANK LIMITED

SUBMITTED TO:

Department of Business Administration
Sonargaon University (SU)
Green Road, Dhaka-1215

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Submitted for the partial fulfillment of the degree of Masters of Business Administration

Date of Submission:September 5th, 2022

LETTER OF TRANSMITTAL

Date: September 5th, 2022

To
Md. ShahbubAlam
Lecturer
Department of Business Administration
Sonargaon University (SU)
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Subject: Submission of the Project Report.

Dear Sir,

With due respect, I would like to inform you that, it is a great pleasure for me to submit the Project Report on "**Analysis of Foreign Exchange Operations of Al-ArafahIslami Bank Limited**", as a requirement for completing my Masters of Business Administration. To prepare this report, I have gathered what I believe to be the most complete information available on "Analysis of Foreign Exchange Operations of Al-ArafahIslami Bank Limited" (AIBL). The experience I have gathered during this period will remain as an invaluable asset of immense useful in my life. I have worked hard preparing this report and I hope that it will fulfill my degree requirement. I will be always available for answering any query on this report.

So, I fervent requesting and hope that you would be kind enough to accept my report and oblige thereby.

Sincerely Yours,

……

GolamRabbyTushar
ID: MBA2103024006
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CERTIFICATE OF SUPERVISOR

This is to certify that, GolamRabbyTushar, ID: MBA2103024006, Program: MBA (Major: Finance), Department of Business Administration, Sonargaon University (SU)Dhaka-1215. He has completed Project Report program on An Analysis of Foreign Exchange Operations, of Al-ArafahIslami Bank Limited, Gazipur Branch under my supervision which is the fulfillment of partial requirement for obtaining MBA degree.

I wish his success in all his future endeavors

……

Md. ShahbubAlam
Lecturer
Department of Business Administration
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STUDENT DECLARATION

I hereby declared that the Project Report entitled **"Analysis of Foreign Exchange Operations of Al-ArafahIslami Bank Limited"** is an original and benefited work done by me submitted in partial fulfillment of the requirement for the degree of Department of Masters of Business Administration, Sonargaon University (SU), Dhaka.

I confirm that this report is uniquely prepared by me and will not be submitted elsewhere for any other purpose.

…….

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ACKNOWLEDGEMENT

First of all, I am expressing my gratitude to the almighty Allah, the most Merciful and the Benevolent, for his special kindness to give me the opportunity to complete the Project Report successfully and prepare Project Report timely.

I would like to express my gratitude to the authority of Sonargaon University and to our honorable **Principal Abdul Hamid** for providing me such an opportunity. I also give my sincere gratitude to my academic supervisor, **Md. ShahbubAlam, Lecturer, Department of Business Administration, Sonargaon University** for his continuous guidance, individual suggestions, continuous encouragement and unfailing enthusiasm throughout the process of completion of this report.

I would like to extend my deepest appreciation to all my faculty members of Department of Business Administration, Sonargaon University (SU), Dhaka for their individual contribution and cooperation in advancing this report and here by completing my MBA program successfully, I would also like to express my special thanks to the staffs of the College for their excellent administrative supports.

I am also thankful to the Head of Foreign Exchange Division of Al-ArafahIslami Bank Limited, Gazipur Branch for giving me the opportunity to do the Project Report in Al-ArafahIslami Bank Limited, for his sincere advice, encouragement and support in my Project Report program as my organization's supervisor, I also thankful my beloved colleague at AIBL, who gave me a sense of belongings which help me to get acquainted with the culture of the Bank and encourage me to complete my Project Report successfully.

Finally, I am very grateful to my entire family members especially to my Father and Mother for their respective support and inspiration to accomplish my study.

EXECUTIVE SUMMARY

A Project Report is a work-related learning experience for individuals who wish to develop hands on work experience in a certain occupational field. Most of the Project Reports are temporary assignments that last approximately few months up to a year.

In the first chapter of my report it reflects the core of the report. As some objectives of this report is to gain knowledge about different functions & procedure of Foreign Exchange operations of Al-ArafahIslami Bank Ltd. and so on. Primary source of data is collected from practical desk work, personal observation and discussion with the officials of AIBL. The secondary data is collected from the annual report, website of AIBL and several web pages.

In the second chapter it gives an overall overview of Al-ArafahIslami Bank Ltd. It covers the Historical Background, vision, mission, objectives, strategy, of AIBL, management structure and future plan of AIBL.

In the third chapter I have discussed the overall Foreign Exchange operations of Al-ArafahIslamiBank Limited. It explains three main functions of Foreign Exchange department in a detailed way. It contains import, import procedure, margin and other charge, mechanism, source of finance, opening of import L/C, documents for L/C, LTR, LIM, import payment, export, export procedure, export policy, mode of payment of export payments, export L/C, foreign remittance, inward remittance, outward remittance etc.

In the Fourth chapter I have discussed the findings and recommendations where I have found that AIBL has provides all kind of valid Foreign Exchange services to its clients. I have also found that lack of promotional initiatives to expand the Foreign Exchange business, insufficient training program for the employees on Foreign Exchange activities. So, I recommend that AIBL should provide some attractive incentive packages for the exporter and importer to increase the Foreign Exchange business. At last we can say that, foreign trade is becoming more and more important in today's competitive business world. It is all important in the context of Bangladesh. Al-ArafahIslami Bank has already shown impressive performance in import, export and remittance business. I hope that AIBL will continue its journey with success and achievements in coming years.

ELABORATIONS OF ABBREVIATED WORDS

- AD : Authorized Dealer.
- BB : Bangladesh Bank.
- L/C : Letter of Credit.
- BB L/C : Back to Back Letter of Credit.
- CCIE : Chief Controller of Import and Export.
- DD : Demand Draft.
- IRC : Import Registration Certificate.
- ERC : Export Registration certificate.
- PRC : Proceeds Realization Certificate.
- FDBP : Foreign Documentary Bill Purchase.
- FDBC : Foreign Documentary Bills for Collection.
- T.C : Travelers Cheque.
- F.D.D : Foreign Demand Draft.
- T.T : Telegraphic Transfer.
- M.T : Mail Transfer.
- I.M.O : International Money Order.
- P.O : Payment Order.
- GDP : Gross Domestic Product.
- HR : Human Resource.

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Chapter One

Introduction

Introduction:

Banking sector is a very curtail part of a country. It plays a very much important role in the economy and always tries to make a sign on the economy. Banking industry is one of the most promising industries of our country. Generally by the word "Bank" we can easily understand that the financial institution deals with money. There are different types of 1banks such as commercial bank, Agriculture, industrial bank, savings bank, and exchange bank. But when we use the term "Bank" without any prefix or qualifications, it refers to the "Al-Arafah Bank Limited". Al-Arafah Bank Limited are the primary contributor to the economy of a country. It helps to flow funds from surplus unit to deficit unit and through this it facilitated the efficient allocation of the resources as well as accelerated economic growth.

1.1 Origin of the Project paper:

This Project paper is a comprehensive study as a requirement for the completion of the MBA program under "Sonargaon University (SU)" The primary goal of Project paper is to provide an opportunity for translation of theoretical conception in real life situation.

The comprehensive study about the Foreign Exchange Department of Al-Arafah Islami Bank prepared under the supervision of my academic supervisor Md. Shahbub Alam, Lecturer, Department of Business Administration, Sonargaon University (SU). As a requirement for the completion of the program we need to submit this Project paper, which would include an overview of the Foreign Exchange Department of the Banks was attached with and elaboration of the Project paper we were supposed to conduct during the study period.

1.2 Objectives of the Project paper :

There are mainly two objectives behind the preparation of this Project paper such as primary objectives and secondary objectives. These are discussed as under:

The Primary Objective: The primary objective of preparing this Project paper is to fulfill the partial requirements of the BBA program and to represent the **"Foreign Exchange Performance of AIBL."**

Secondary Objectives: The secondary objectives of this Project paper are below:

- ✓ To gain or achieve the practical idea of banking system of AIBL.
- ✓ To observe the economic condition of AIBL.
- ✓ To explain the activities of foreign exchange of AIBL.
- ✓ To identify the problems of AIBL prevailing in its banking system.
- ✓ To suggest some possible recommendations to overcome the problems.

Specific Objectives:

- ➢ To observe and study the performance of the foreign department of the Bank.
- ➢ To present how this Bank is operating the foreign exchange activities.
- ➢ To study the financing procedure of import of the client.
- ➢ To study the export financing procedure followed by the Bank.
- ➢ To evaluate the remittance handling procedure followed by the Bank.

1.3 Methodology of the Project paper :

This Project paper is based on exploratory recharge. Because, to make SWOT analysis, Findings, Ratio analysis, Comparative analysis, I required to investigate on foreign exchange department.

In order to make the Project paper more meaningful and presentable two sources of data and information have been used widely.

The primary sources

- ❖ Informal conversation with the client.
- ❖ Practical work exposures from the different desks of the various departments of the Branch covered.
- ❖ Relevant file study as provided by the officer's concerned.

The Secondary Sources

- ❖ Annual Project paper of Al-Arafah Islami Bank Ltd.
- ❖ Periodicals published by Bangladesh Bank.
- ❖ Manuals of AIBL (Bai-muajjal, Bai-murabaha, Bai-salam, Bai-mudarabah)
- ❖ Training Sheets which are provided by AIBL.
- ❖ Official website
- ❖ Research paper

- Banking Journals
- Annual Periodicals
- AIBL Newsletter
- Various books, articles, compilations etc. Regarding general banking functions.

Data processing & Analysis:

Collected information have been processed & complied with the aid MS Word, Excel& other related computer software. Necessary tables have been prepared on the basis of collected data and various statistical techniques have been applied to analyses on the basis of classified information. Detail explanation and analysis have also been incorporated in the Project paper.

1.4 Scope and Limitations of the study

Scope of the study:

The scope of the organizational part covers the organizational structure, background, and objectives, functional, departmental and Business performance of AIBL as a whole and the main part covers foreign exchange department of AIBL.

Limitations:

In preparing this Project paper I faced some limitations. During this Project paper I worked at the foreign exchange department of AIBL, Gazipur Branch. AIBL is one of the large Islami bank, but short time study is too short in an organization like AIBL and this was the main limitation of my Project paper program. After working whole day in the office it was very much difficult, if not impossible to study again the theoretical aspects of banking. On the other hand to prepare my Project paper Project paper I have faced some limitations as follows.

- To collect data and information, it is a common tendency of any departments to keep back their departmental data and information.
- Unavailability to require published documents.
- Lack of my experience and efficiency to prepare the standard Project paper.
- The officials of the organization remain extremely busy throughout the day. So in spite of their keen interest they did not have enough time to supervise and guide me.
- In many cases, up to date information is not published or was not given.
- Getting Relevant papers and document were strictly prohibited

Chapter Two

Company overview

2.1 Status of AIBL:

Al-Arafah Islami Bank Ltd was established in 1995 under the companies Act, 1994 as a banking Company with limited Liability by shares. It is an interest frees Shariah based bank of Bangladesh rendering all types of commercial banking service under the regulation of Bank Companies Act, 1991. The Bank conducts its business on the principles of Musaraka, Bai-Murabaha, Bai-muazzal and For Purchase transactions approved by Bangladesh Bank. Naturally its modes and operations are substantially different from those of other conventional commercial banks. There is a Shariah Council in the bank who maintains constant vigilance to ensure that the activities of the bank are being conducted on the perspective of Islam. The Shariah Council consists of prominent Ulema, reputed Bankers, renowned Lawyers and eminent Economist.

2.2 Historical Background of AIBL:

Still in the year 1900 banking activities were in the basis of capitalistic interest based banking. Somebody felt that it became imbalanced & made a large gap between rich & poor. Which affects thought that interest is strongly prohibited by Islam even all religion also prohibited the same. Leader of the Muslim community named Mohammad (sm) started interest free business which was also at the very beginning of Islam. Business in Islam is implemented through buying and selling / and under shirkat.

As a result Muslim scholar tried together to build a new arrangement as an alternative banking. In 1930 some Islami scholars wrote some books about Islamic banking system. In 1940 the demands for establishing Islamic banking become more stronger in the several Muslim countries.

In 1962 at Malaysia a corporation was established named Pilgrimmed Savings Corporation for helping pilgrims which was recognized as a bank. But the first Islami Bank was established at Mitgamar in Egypt. Dr. Ahmed Al Nazzar established the same named savings bank.

In 1969 the first government Islamic bank was established at Malaysia which was operational successfully.

In 1970 former King Faisal approached to the Muslim countries to form the banking sector with a view to Islamic Shariah. Upon this idea in 1973, 18th December a decision was accepted for establishing a Islamic Development Bank (IDB) involving in Muslim countries. In 1974 resolution was signed in the conference of financial ministers of Islamic countries and on 20th October 1975 the bank (IDB) was established at Jeddah, KSA.

The perception of Islamic banking has been bloomed from the inspiration of building up a society on justice in accordance with basic socio-economic principles of Islam. The difference between Islamic bank and conventional bank is on principles. The functions of this type of bank are completely different. This bank is established on Islamic Shariah and all types of transactions are free from interest. Justified profit is the basis of financial transaction of this bank. This bank is committed to establish socio-economic justice. Al-Arafah Islami Bank Ltd. is the 2nd interest free commercial bank in Bangladesh. The bank has opened 137 branches covering important commercial areas. Al- ArafahIslami Bank Bangladesh is a financial institution whose status, rules and procedures expressly state its commitment to the principle of Islamic Shariah. Consequently Islamic banks operate on Islamic principles of profit and loss sharing, strictly avoiding interest, which is the root of all exploitation and is responsible for large scale inflation and unemployment. In this Project paper , I undertake microscopic analysis mainly on **"Foreign Exchange Performance of Al-Arafah Islami Bank Limited"**

2.3 Corporate Information:

Date of Registration	:	18 June 1995
1st Branch	:	Motijheel Branch, Dhaka.
Opening Ceremony	:	27 September, 1995
Authorized Capital	:	15000.00 million.
Paid- up Capital	:	8343.25 million.
Local Partnership of capital	:	100%
Equity	:	16091.17 million.
Deposit	:	140980.55 million.
Investment	:	125715.39 million.
Numbers of branches	:	119 (08/12/2018)
Number of Employees	:	2650 (08/12/2018)
Number of shareholders	:	58466

2.4 Objectives of AIBL:

- All activities are conducted on interest free system according to Islamic Shariah Principles.
- Investment is made through different modes as per Islamic Shariah.
- Investment income of the Bank is shared with the Mudaraba depositors according to Islamic Shariah
- An agreed upon ratio ensuring a reasonably fair rate of return on their deposits.
- Aims to introduce a well fare oriented banking system and also to establish equity.
- Justice in the field of all economic operations.
- Extend socio-economic and financial services to individuals of all economic activities.
- Backgrounds with strong commitment in rural uplift play a vital role in human resources development and employment-generation. Particularly among the unemployed youths.
- Portfolio of investment policy has been specially tailored to achieve balanced growth and equitable development through diversified investment operations particularly in the priority sector.

2.5 Vision of AIBL:

The vision of Al-Arafah Islami Bank Limited is to be a pioneer in Islami Banking in Bangladesh and contribute significantly to the growth of the national economy**.**

2.6 Mission of AIBL:

- To conduct interest free banking.
- To establish participatory banking instead of banking on debtor creditor relationship.
- To invest through different modes permitted under Islamic Shariah.
- To accept deposits on profit-loss sharing basis.
- To establish a welfare-oriented banking system.
- To fast and efficient customer service.
- To maintain high standard of business ethics.
- To involve more in micro and SME financing.
- To attract and retain quality human resource.

2.7 Goal of the Bank:

The motto of the Al-Arafah Islami Bank Ltd is to explore a new horizon of innovative modern banking creating an automated and computerized environment providing one stop service and prepare itself to face the new challenges of globalization and 12th century.

One of the main objectives of the bank is to be a provider of high products and services to cater to the needs of its corporate clients and provides a comprehensive range of financial services to national and multinational companies.

The growing technological revaluation in the bank is not so-distant future. We have already introduced Swift, Online Banking.

2.8 Features of AIBL:

- All activities of the bank are conducted according to Islamic shariah.
- The banks investment policy follows different modes approved by Islamic shareah based on Quaran & Sunnah.
- The bank is committed towards establishing welfare oriented banking system, economic upliftment of the law- income group of people, create employment opportunities.
- According to the needs and demands of the society and the country as a whole the bank invests money to different halal business.
- The bank participates in different activities aiming at creating jobs, implementing development Project paper s taken by the government and developing infrastructure.
- The bank is committed to establish an economic system through social justice and equal distribution of wealth.
- It is also committed to bring about changes in the underdeveloped rural areas for ensuring balanced socio economic development of the country through micro credit program, according to mudaraba system
- The bank is contributing to economic and philanthropic activities side by side. Al-Arafah English Medium Madrasah and AIBL Library are among mention worthy.

2.9 International Trade:

At the year of 2011, the bank experienced satisfactory growth in the International trade. At the end of 2010, the total amount of International Trade (export, import and Remittance) was 13268.83 million taka; which has increased at 35.81% to reach 18020.10 million taka in 2011. The total export of the bank was 3639.34 million taka in 2010, which has increased at 35.54 %

Growth rate to reach 4932.90 million taka in 2011, whereas the national growth was 15.70% during the same period. Similarly the amount of import has increased from 9337.49 million taka of 2010 to 12631.60 million taka in 2011, experiencing a growth rate of 35.27%. Last year the amount of remittance through the bank was 292.00 million taka, which grows to 455.60 million taka in the current year.

2.10 Correspondent Banking Relationship:

The main aim of Al-Arafah Islami Bank Ltd is to increase its foreign exchange business and in this connection we are doing international banking with all major banks of the world. At present we are maintaining correspondent banking relationship with 20 major reputed banks of the world.

2.11 Foreign exchange risk management:

Foreign exchange risk is defined as the potential change in earnings arising due to change in market prices. International Division independently conducts the transactions and passing of their entries in books of accounts. All foreign exchange transactions are revalued at Market-to Market rate as determined by Bangladesh Bank at the month-end. All Nostrum accounts are reconciled on monthly basis and outstanding entry beyond 30 days is reviewed by the Management for its settlement.

2.12 Nature of Business:

All kinds of commercial banking services are provided by the bank to the customers following the provisions of Banking Companies Act, 1991, Bangladesh bank's directives and the principles of Islamic Shariah.

2.13Management of AIBL:

Al-Arafah Islami Bank Limited is being managed by a board of directors comprising foreigners and local. An executive committee is formed by the board of directors for efficient and smooth operation of the Bank. Besides a management committee looks after the affairs of the bank.

2.14 AIBL's Contribution in National Economy:

AIBL highly contributes and develops National Economy in the following way:

- ✓ Creating employment.
- ✓ Facilitating Business, Industry, Manufacturing, etc. through giving investment.
- ✓ Providing security to depositors.
- ✓ Helps Export Import business by facilitating to opening L/C.
- ✓ Encourage savings.
- ✓ Encourage in savings of religious mentality type people in saving, trade, business, manufacturing etc.
- ✓ Provides services in various financial matters.
- ✓ Collect small funds and combine & use them in large development sector.
- ✓ Associate in business, trade, purchase etc. through facilitating easy transfer of money.

Facilitate poor people to participate & contribute in national economy giving financial help & investment to them.

2.15 Products and services of AIBL:

A Bank is essentially an intermediary of short-term investment/funds. It can carry out extensive lending/investment operation only when it can effectively mobilized the savings of the community as well as makes such use of savings by making it available to productive and priority sector of the economy thereby fostering the growth and development of the nations' economy. AIBL offers variety of products and services to the customers which are picked up below:

A. General Banking:

Accounts are opened under the following two modes:

1. **Al-Wadeeah(Current Account)**
2. **Al-Mudaraba (Deposit Account)**

Mudaraba Deposit Products:

- ✓ Mudaraba Short Notice Deposit (SND)
- ✓ Mudaraba savings Deposit (MSD)
- ✓ Mudaraba Term Deposit (MTDR)
- ✓ Mudaraba Monthly Profit Based Term Deposit Scheme (MPTD)
- ✓ Mudaraba Monthly Installment Based Term Deposit (ITD)
- ✓ Mudaraba Monthly Hajj Deposit (MHD)
- ✓ Mudaraba Term Hajj deposit (THD)
- ✓ Mudaraba Monthly Installment Based Marriage Investment Scheme(MIS)
- ✓ Mudaraba Al- Arafah Saving Bond (ASB)
- ✓ Mudaraba Foreign currency Deposit (FCD)
- ✓ Mudaraba Pension Deposit Scheme (PDS)
- ✓ MudarabaLakhopati Deposit Scheme (LDS)
- ✓ Mudaraba Millionaire Deposit Scheme (MMDS)
- ✓ Mudaraba (Special) Pension Deposit Scheme (MSPDS)
- ✓ MudarabaKotipoti Deposit Scheme (MKDS)
- ✓ Mudaraba Double Benefit Deposit (MDBDS)

B. Foreign Exchange:

- ✓ Letter of Credit Issue
- ✓ Letter of Credit Advise
- ✓ Foreign Documentary Bill Purchase (FDBP)
- ✓ Foreign Documentary Bill Collection (FDBC)
- ✓ Bill of Negotiation
- ✓ Foreign Remittance

C. Service of the Bank:

- ✓ ATMCard Service
- ✓ Online Banking
- ✓ Looker Service

D. Products of AIBL:

- ✓ Cash management
- ✓ Wire transfer
- ✓ Automated clearinghouse (ACH) transaction
- ✓ Bill Present and payment
- ✓ Balance inquiry
- ✓ Funds transfer
- ✓ Downloading transaction information
- ✓ Loan applications
- ✓ Investment activity

2.16 Division of AIBL:

- ✓ Dhaka Division : 64 Branches
- ✓ Chittagong Division: 35 Branches
- ✓ Sylhet Division : 7 Branches
- ✓ Khulan Division :10 Branches
- ✓ Rajshahi Division : 8 Branches
- ✓ Barisal Division : 8 Branches
- ✓ Rangpur Division : 5 Branches

2.17 Deposits:

The total deposit of the bank was TK.169887.08 million at 31st December 2021, of which bank deposit was 166851.17 million taka and general deposit was 166739.47 million taka. At the same time in the last year 2018 the amount of total deposits was 3140.61 million taka. In this area the growth rate is 1.82%.

2.18 Organ gram of AIBL:

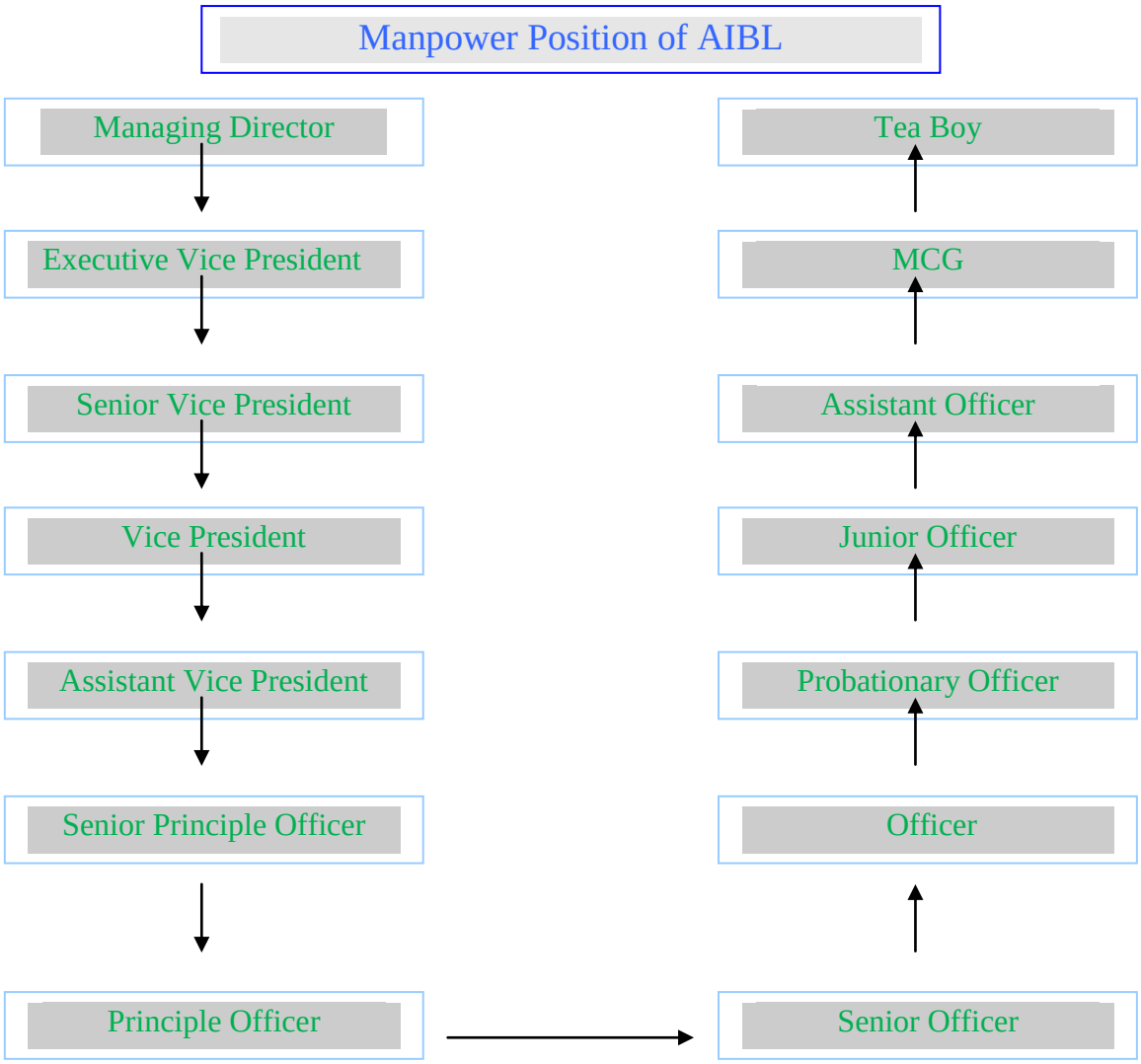


Figure 2.18: Man Power Position of AIBL

Source: Service Rule of AIBL (08/12/2021)

2.19 Financial Highlights of the company at a Galance:

(In million taka)

Particular	2017	2018	2019	2020	2021
Authorized Capital	20,000.00	20,000.00	25,000.00	25,000.00	25,000.00
Paid up Capital	5,893.37	7,130.98	8,343.25	9,469.58	9,469.58
Reserve Funds & Other Reserve	2,437.43	4,079.63	4,827.20	5620.87	6,432.32
Shareholders' Equity (Capital & Reserve)	11,989.11	14,050.69	16,091.17	18159.52	19,236.07
Deposits	82,186.98	118,683.39	140,980.55	166,851.17	169,887.08
Investment	77,714.95	106,650.42	125,715.39	146,740.36	162,503.14
Total Income	11,332.59	16,692.58	19,723.41	22,211.79	21,079.94
Total Expenditure	7,005.81	11,937.04	14,774.85	15,878.34	14,719.79
Profit Before Tax & Provision	4,326.78	4,755.54	4,948.56	6,333.45	6,360.15
Profit Before Tax	3,946.62	3,944.10	4,360.41	4,486.59	4,563.47
Profit After Tax	2,198.75	1,945.41	2,276.68	2,324.95	2,465.88
Fixed Assets	968.13	2,394.62	2,517.22	2,661.11	3057.38
Total Assets (Excluding off-balance sheet items)	106,768.18	149,320.36	173,161.63	210,439.79	229,106.66
Import Business	76,112.10	71,931.70	85,915.00	101,244.70	107,049.80
Export Business	52,202.10	58,476.60	68,980.30	75,843.90	79,362.90
Capital Measures					
Core Capital (Tier-l)	11,924.50	13,073.14	15,113.62	17,181.97	18,244.48
Supplementary Capital (Tier-ll)	1,123.40	1,731.59	1,511.75	1,732.06	4,828.03
Tier-l Capital Ratio	12.31	10.38	13.33	12.74	13.17
Tier-ll Capital Ratio	1.16	1.37	1.33	1.28	3.48
Total Capital	13,047.90	14,804.73	16,625.37	18,914.03	23,072.51
Total Capital Ratio	13.47	11.75	14.66	14.03	16.65
% of NPIs to Total investment	0.95	1.63	2.77	4.50	4.66

Number of Shares Outstanding	589,337,199	713,098,010	834,324,671	946,958,503	946,958,503
Earnings per Share (Taka)	2.79	2.03	2.46	2.20	2.36
Book Value per Share (Taka)	16.69	19.70	19.29	19.18	20.31
Price Earnings Ratio (Times)	13.55	11.97	7.76	6.77	6.23
Price Equity Ratio (Times)	2.26	1.23	0.99	0.78	0.72
Dividend per Share					
a. Cash Dividend (%)				14.00	10.00
b. Bonus Share	21	17	13.50		5.00
Number of Branches	88	100	110	119	129
Number of Employees	1,807	2,110	2,387	2,649	2,810
Number of Shareholders	54,267	52,739	58,466	52,007	44,427

Table 2.19: Financial Highlights of AIBL

Source Annual Project paper of AIBL, 2021

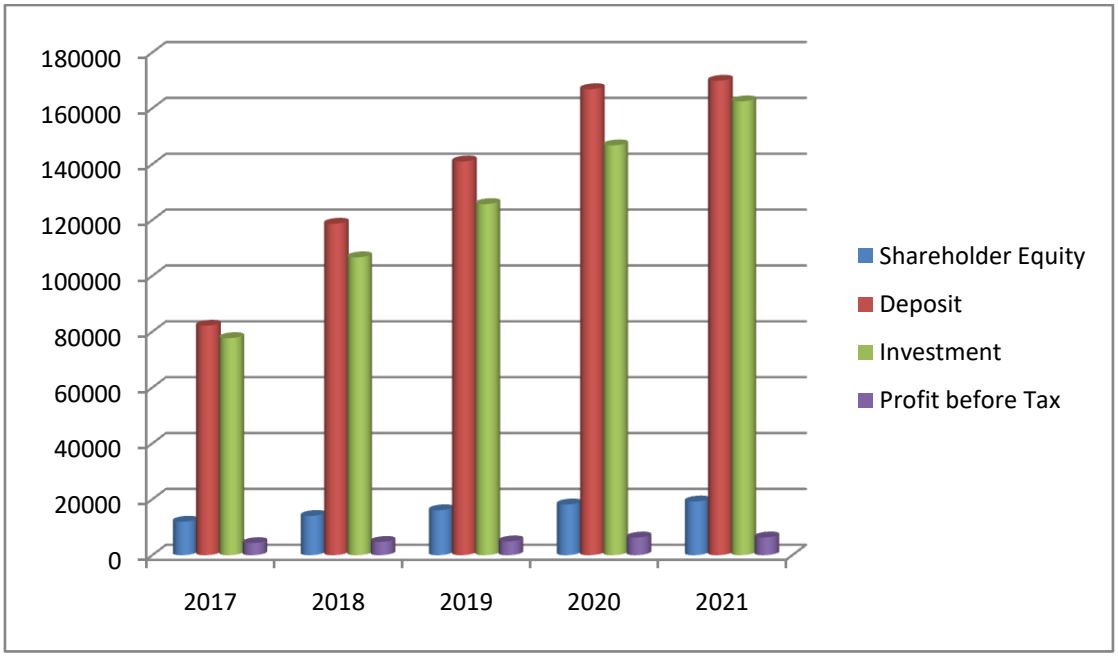


Figure2.19: Financial performance summary

Source: AIBL Annual Project paper 2017 to 2021

At the end of 2018, the number of depositors Stood at 166851.17 and the accumulated deposit was TK. 169887.08 million. The total number of investors stood at 146740.36 and total investment extended to them was TK. 162503.14 million. During the year 2021 the total income was TK. 22211.79 million and total expenditure was TK.15878.34 million. At the end of the year the profit before tax and provision stood TK.6360.15 million

2.20 Mode of liability purchase of AIBL:

Investment:

At the end of the year 2018, the amount of investment of the bank was Tk.125,715.39 million in comparison to tk.106,650.42 million of the last year 2017. The amount of investment has increased 19064.97 million taka within this period, which is around 17.89%. The bank extends investments to the clients under the following modes of investment under Islamic Shariah:

- ✓ Murabaha
- ✓ Bai-Muazzal
- ✓ Bai-Salam
- ✓ Hire Purchase (HPSM)
- ✓ Mudaraba
- ✓ Musharaka
- ✓ Qard
- ✓ Special Investment

Murabaha:

Murabaha mode of finance means purchase of commodities as per request of the client permissible by Sharia and sale thereof with profit to the client i.e. cost plus sale of a commodity to the investment client. The commodity is procured at the instance of the investment client from a third party/firm. Purchase price and profit are disclosed to the client. Goods are kept under bank's custody as security and the client lifts the same gradually or at a time on payment of sale price of the commodity.

Bai-Muazzal:

Bai-Muazzal means cost plus sale of the commodity on deferred payment basis against adequate collateral. The commodity is procured at the instance of the investment client from a third party as per firm agreement between the client and the bank and sale price(bank's dues) is paid by the client within stipulated period of time. After having possession of the goods, the bank delivers the same to the client on credit which is required to be paid at a specified future date (adjust proportionately) with the progress of sale of goods within the given period.

Bai-Salam (Advance Sale):

Under this mode, the bank buys the goods from the producer/supplier on payment in advance after entering a firm contract and the goods are delivered/ supplied to the bank at a future specified date. In the contract of Bai- Salam quantity, quality, shape, size, price and time of delivery of the goods are clearly specified.

Hire Purchase SherkatulMelk (HPSM):

Durable items, like vehicle, machinery, equipment, etc., are purchased on equity participation by both the bank and the client and the same is handed over to the investment client on rental basis entering into an agreement with the client that principal amount shell be paid within a certain period of time by installments. Rent is to be paid on the principal outstanding till the ownership is transferred to the client on payment of the entire principal amount.

Al-Arafah Islami Bank ltd. offers following categories of HPSM:

Entire capital is provided by the bank against firm assurances of the entrepreneur that he will manage the business properly and efficiently. The entrepreneur manages the business as Manager. Profit is shared to the bank and entrepreneur as per agreed ration while the loss, if any, is borne by the bank alone. Bank can supervise such investment if and when desired/ required but cannot participate in the management of the business.

- ✓ Industrial
- ✓ Commercial
- ✓ Transport
- ✓ DDIS
- ✓ SSBI
- ✓ HPSM Real State

Musharaka:

Capital is provided by both bank and investment client on the basis of ShirkatulInnan principal of Islamic Shariah Partnership. Profit is shared as per agreed ratio and equity ratio. The bank supervises the utilization of investment and participates in decision making.

Quard:

The bank also allows Qard in very special cases on obtaining proper security. Service charge equal to cost of fund is recovered on Qard amount.

2.21 Grameen& Small Investment Scheme:

An Investment product "Grameen and Small Investment'' in operation. The objective of this Project paper is to introduce Shariah based banking system in rural and village area, creating employment through financing to low income group build up savings attitude improvement of living standard of rural low income mass people, creating opportunity to carry out Islamic lifestyle by way of alleviating poverty and at the same time to make other financially established by investing in small introduced in two branches of AIBL i.e. Comilla and Ruposhpur, Srimongol. There is a plan to expand this Project paper gradually in other rural branches.

Within the scope of Grameen and Small Investment scheme, investment has been made in the following sectors:

- ✓ Fisheries
- ✓ Poultry Rearing
- ✓ Cattle Rearing
- ✓ Goat Rearing
- ✓ Beef Fattening /Poultry Firm
- ✓ Processing ofMuree
- ✓ Processing of sweets
- ✓ Stationery business
- ✓ Vegetables business
- ✓ Tailoring business
- ✓ Cultivation of Beetle Sheaf
- ✓ Work of Bamboo and Cane
- ✓ Cultivation of Pineapple
- ✓ Cultivation of Lemon

- ✓ Processing of Crockery's
- ✓ Purchasing of Rickshaw
- ✓ Small business i.e. Paddy, Rice, Grocery
- ✓ Medicine shop and Shoe Stores
- ✓ Library business

Leading Products:

- ✓ Consumer Savings Scheme
- ✓ Hire Purchase
- ✓ Rural Credit Scheme
- ✓ Trade Finance
- ✓ Working Capital Program
- ✓ Special Credit Scheme on RMG
- ✓ Project paper Finance
- ✓ Finance For Agro Processing Industry

Chapter Three

Analysis & Evaluation

3.1 Foreign Exchange of AIBL:

Introduction:

One of the largest businesses carried out by the commercial bank is foreign trading. The trade among various countries falls for close link between the parties dealing in trade. The situation calls for expertise in the field of foreign operations. The bank, which provides such operation, is referred to as rending international banking operation. Mainly transactions with overseas countries in respect of import, export and foreign remittance come under the preview of foreign exchange department. International trade demands a flow of goods from seller to buyer and of payment from buyer to seller. In this case the bank plays a vital role to bridge between the buyer and seller.

Foreign exchange department of Al-Arafah Islami Bank is one of the most important departments of all departments. This department handles various types of activities by three separate sections:

a) Import section

b) Export section

c) Foreign remittance section

3.2 Import Financing by Al-Arafah Islami Bank Ltd:

3.2.1 Introduction:

Import means bringing merchandise to country from any place rest of the world. Two things mainly involves with import of merchandise; bringing of commodities physically into the country any making payment towards the cost of the merchandise and services connected with its dispatch to the importer.

3.2.2 Related Acts:

As per Import and export Control Act, 1950 person can indent, import or export any goods into Bangladesh except in case of exemption issued by the Government of the people's Republic of Bangladesh. Violation of this order is punishable with fine under the provisions of Sea customs Act, 1878 as applied by sub section (3) of section 3 of this Act.

3.2.3 Procedure for obtaining IRC (Import Registration Certificate):

To perform the import business registration with the licensing authority of the area is an urgent. Through public notice the chief controller of Imports and Exports invites applications usually for registration of importers. For getting this registration the following papers/ documents are required for submission to CCI&E (Chief Controller of Import and Export) or area office of CCI &E for import registration certificate:

- Application form
- Nationality certificate
- Income tax registration certificate
- Trade License from the municipal or the local authority
- Membership Certificate
- partnership Certificate (for partnership concern)
- Certificate of Registration with the registrar of joint stock Company
- Memorandum of Association in case of limited Company
- Bank Certificate
- Ownership documents or rent receipts of the place of business
- Original Copy of Treasury Challan being payment of registration fees
- Other documents prescribed in the import policy.

The nominated bank of the applicant will examine the papers/ documents and verify the signature of the applicant and forward the same to the concerned office of the CCI&E with a forwarding schedule through Bank's representative. The duplication copy of the same bearing the acknowledgment of CCI&E office of the receipt of the documents is received back by the bank and is preserved.

If the documents are found in order and the CCI&E is satisfied the IRC is issued to the applicant and sent direct to the nominated bank. The pass book is also issued by the CCI & E simultaneously to the importer and sent direct to the nominated bank.

The IRC and pass book are security documents issued under embossing seal of the CCI & E and duly signed by the authorized official of CCI & E.

The IRC is to be renewed every year on payment of usual fees through Bangladesh Bank challis or cash payment in their bank's A/C directly.

Fees shall be paid in Bangladesh Bank or in the Government Treasury or in Shonali Bank under the Head "42 Trade & Commerce fees realized under Import and Export Control Act, 1950".

3.2.4 Classification of Importer:

Importers are those who are authorized by the import Trade Control Authority that is CCI& E for import of goods essential for consumption or for production purposes.

There are mainly three types of Importer:

1. Commercial Importer
2. Industrial Importer
3. Importer under Wage Earner Scheme (WES)

(1) Commercial Importer:

It means an importer registered under the importers, exporters and indenture registration **order 1981** who import goods for sale.

(2) Industrial Importers:

When issued to an industrial consumer, gives the items of import as raw materials and packing materials and spare parts, the value of entitlement and ITC classification.

(3) Importers under WES:

It means registered importers who import only under the WES. WES importers can be importing all permissible items as declared by the import policy and notification. Besides all registered commercial and industrial importer also can import under WES.

Other Importers are as follows:

- ✓ Lease Financing Import.
- ✓ Govt. Sector Importer.
- ✓ Import under Bonded Ware-House System.
- ✓ Import by Actual Users.
- ✓ Import by E.P.Z.

3.2.5 Import Formalities/Procedures:

For conducting world trade documentary credit or letter of credit is an essential implement. It is important for the beneficiary of a documentary credit to know that payment will be made only if the documents are in absolute conformity with the required terms and that the bank has to decide on the basis of the documents alone.

An importer desires to have an import L/C limit must have apply to the designated bank in prescribed forms for sanction of margin, L/C limit etc.

3.2.6 Definition of Letter of Credit:

L/C means Letter of Credit or Documentary credit. As per Uniform Customs and Practice for Documentary Credits (UCPDC) meaning of credit as under:

Article No. 2 of UCPDC, For purpose of these articles the expressions "Documentary Credit" and "stand by Letter of Credit" mean any arrangement however named or described, whereby a bank (the "Issuing Bank") acting at the request and on the instructions of a customer (the "Applicant") or on its own behalf.

i) Is to make a payment to or to the order of a third party (the "Beneficiary") or is to accept and pay bills of exchange [Draft) (s)] drawn by the Beneficiary.

ii) Authorizes another bank to effect such payment or to accept and pay such bills of exchange [Draft (s)]

iii) Authorizes another bank to negotiate, against stipulated document (s) provide that the terms and conditions of the Credit are complied with.

Generally, a Letter of Credit is a conditional Bank undertaking of payment. In other words **L/C** is a letter from the Importer Bankers to the exporter that the bills if drawn as per terms and conditions are complied with will be honored on presentation.

As per UCPDC 500 a credit may be either:

i) Revocable

ii) Irrevocable

3.2.6.1 Classification of L/C:

Various types of Letter of Credit are as follows:

- ✓ Irrevocable L/C
- ✓ Confirmed L/C
- ✓ Transferable L/C
- ✓ Divisible L/C
- ✓ Back to Back L/C
- ✓ Revolving L/C
- ✓ Restricted L/C
- ✓ Red clause L/C
- ✓ Green Clause L/C
- ✓ With Recourse
- ✓ Without Recourse

3.2.6.2 Parties Related to Letter of Credit:

As per terms and conditions of the L/C, the seller is required to be routed through some intermediary banks in order to get his claim. So, we see that there are a number of parties involved in a L/C. The involved parties to a L/C are as under:

Importer / Buyer: Seller who applies for opening an L/C.

Exporter / Seller / Beneficiary: is the bank on which the bill will be drawn(As per condition of the credit). Usually it is the issuing bank.

Opening / issuing Bank: It-is the bank which opens/issues a L/C on behalf of the importer.

Advising / notifying Bank: is the bank through which the L/C is advised to the exporters. This bank is actually situated in exporter's country. It may also assume the role of confirming and / or negotiating bank depending upon the condition of the credit.

Confirming Bank (for Add confirming L/C): It is the bank, which adds its confirmation to the credit and it, is done at the request of issuing bank. Confirming bank may or may not be advising bank.

Exporter's Bank i.e. negotiating Bank: is the bank, which negotiates the bill and pays the amount of the beneficiary. The advising bank and the negotiating bank may or may not be the same. Sometimes it can also be confirming bank.

Reimbursing Bank or paying Bank: is the bank, which would reimburse the negotiating bank after getting payment - instructions from issuing bank.

3.2.7 Position of the A /C:

Import section will see whether there is sufficient fund available in the account to cover the margin to be sanctioned, commission, postage, cable or telex charge etc. If it is found O.K., L/C will be sanctioned.

In all case the sanction must be informed to the importer for acceptance. On receiving confirmation from the client then the terms and conditions of the sanctioned are acceptable, the subsequent documentation / charge document are taken up.

Following papers/documents submitted by the importer before opening of the L/C.

- ✓ Trade License (Valid)
- ✓ Import Registration Certificate (Must be kept in the bank custody)
- ✓ Pass book import
- ✓ Income tax declaration

- ✓ Membership certificate
- ✓ Memorandum of Articles (In case of Ltd. Co.)
- ✓ Registered deed (In case of partnership firm)
- ✓ Resolution
- ✓ Photo one copy.

Bank will supply the following paper/documents before opening of the L/C.

- ✓ L/C application form
- ✓ ICA form
- ✓ IMP from
- ✓ Murabaha Agreement

The above paper must be completed duly filled and signed by the party and verified the signature.

3.2.8 Import procedure under AIBL:

1. Selection of clients on the basis of

- ✓ Credit Project paper
- ✓ Creditability
- ✓ CIB Project paper
- ✓ (To association of liability if any with other bank)

2. Induction of client as importer

3. L/C

3. Thronging of L/C

4. Lodgment

- ✓ Checking of import documents upon receipt from negotiating banks.
- ✓ Entry the bills register.
- ✓ Passing the voucher.
- ✓ Purchase of FC. Fund for payment of bills.

6. Retirement.

7. Post import financing

8. Enlistment of C and F agent

9. Project paper ing

3.2.9 Import related fees:

Four categories of importer registration renewal fees bas below.

Categories	Yearly heights import	Registration fees(TK)	Renewal
A	5.00	500.00	500.00
B	15.00	1500.00	1500.00
C	50.00	3000.00	3000.00
D	Above 50.00	5000.00	5000.00

Table 3.2.9: Import related Fees.

Source Annual Project paper of 2021

3.2.10 Flow Chart for Import:

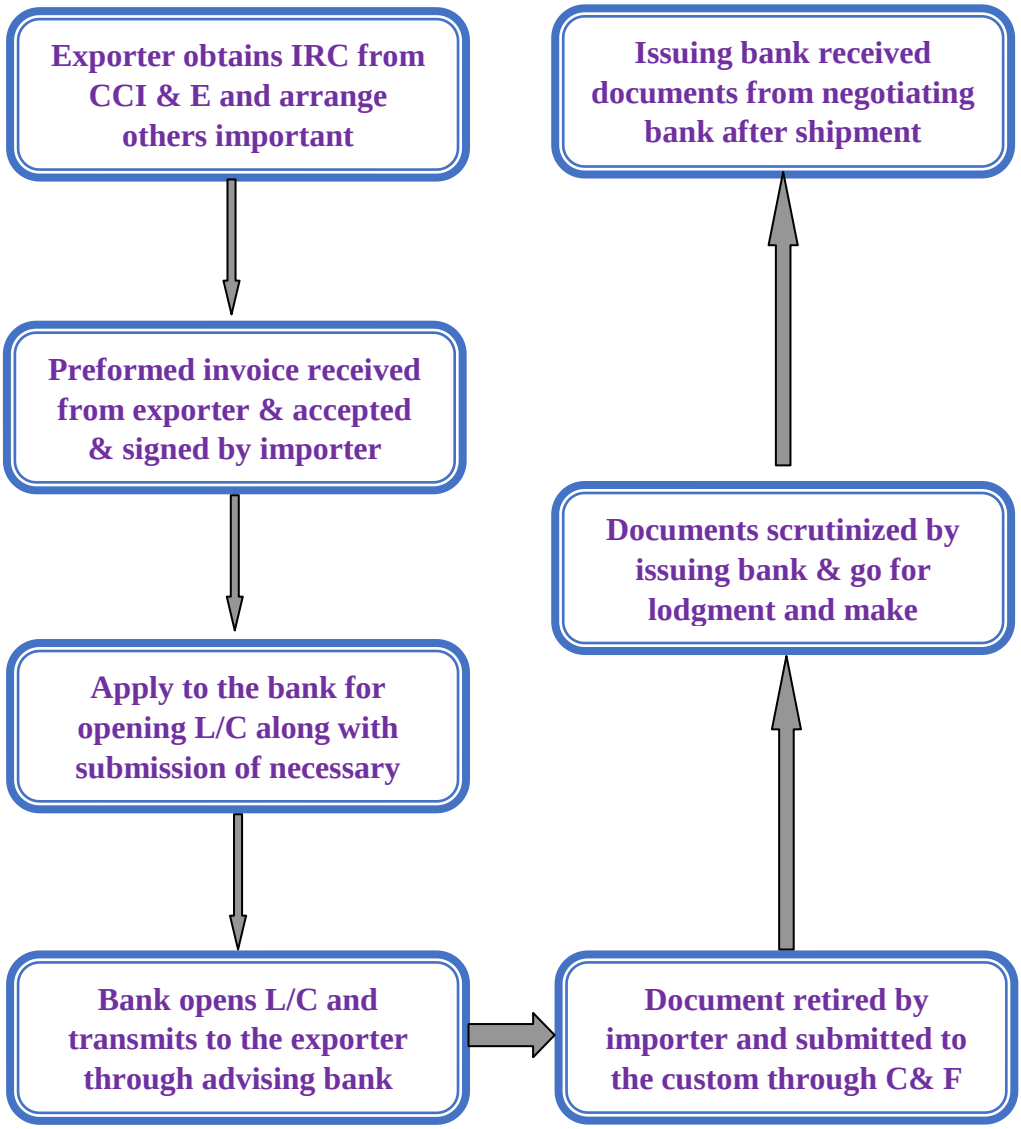


Figure 3.2.10: Import Flowchart.

3.3 Export Financing by Al-Arafah Islami Bank Ltd:

3.3.1 Introduction:

Bangladesh exports a large quantity of goods and services to foreign households. Readymade textile garments (both knitted and woven), Jute, Jute-made products, frozen shrimps, tea are the main goods that Bangladeshi exporters exports to foreign countries. Garments sector is the largest sector that exports the lion share of the country's export. Bangladesh exports most of its readymade garments products to U.S.A and European Community (EC) countries. Bangladesh exports about 40% of its readymade garments products to U.S.A. Most of the exporters who export through AIBL Foreign exchange Branch are readymade garment exporters. They open export L/C's here to export their goods, which they open against the import L/C's opened by their foreign importers.

Export means our carrying of anything from one country to another for sale with the stipulated period for to earn foreign exchange; make favorable balance of payment position & stabilize marketability.

Export credit means any credit provided by an institution to an exporter in the form of packing credit or of post shipment credit. In this regard packing credit allowed by the way of loan or advance granted or any other credit provided by and institution to an exporter for financing the purchase, processing or packing of goods on the basis of L/C.

Post shipment credit means any loan or advance granted or another credit provided by an institution to an exporter of goods from Bangladesh from the date of extending the credit after shipment of the goods to the date of realization of the export proceeds and includes any loan of advances granted to an exporter, in consideration of or on the security of any duty drawback of any payment by way of incentive such as Export Finance - (a) interest rate (b) incremented incentive on interest for interest based bank (c) extend of export credit (d) credit to first time applicant (e) back to back L/C.

3.3.2 What Is Export L/ C:

The L/C against which the goods and services are exported is called export L/C. The foreign L/C's are export L/C's.

3.3.3 Procedure for obtaining Export Registration Certificate (ERC):

For obtaining Export Registration certificate (ERC) , intending Bangladesh Exporters are required to apply to the CCI And E authority in the prescribed from along with the following documents:

- ✓ National certificate
- ✓ Copy of valid Trade license
- ✓ Income Tax certificate
- ✓ Bank certificate
- ✓ Copy rent receipt of the business firm
- ✓ Registered partnership Deed in case of partnership concerns
- ✓ Memorandum of Articles and Association and incorporation certificate in case of Limited Company.

On Satisfaction of the CCI and E the potential exporter is advised to deposit export registration fee Tk. 1000.00 through treasury Chelan to Bangladesh Bank/ Sonali Bank for enabling them to issue ERC. The ERC may be renewed every year on payment renewal fee TK. 1000.00 through Chelan as started.

3.3.4 Export procedure Leadership Observed under AIBL:

1. Selection of Clients:

On the basis of

- ✓ Export Registration Certificate (ERC)
- ✓ Membership of an authorized trade association
- ✓ Credit Project paper
- ✓ Export L/C
- ✓ Checking and Advising
- ✓ EXP certification
- ✓ Pre shipment facility
- ✓ Processing for Export
- ✓ Execution

- ✓ Submission of Export documents
- ✓ Checking: preparation of offering sheets for negotiation or collection

2. Negotiation and Collection:

- ✓ Purchasing documents.
- ✓ Sending documents to L/C opening bank or corresponding for collection of proceeds. After collection adjustment of negotiation value.

3. Project paper ing:

- ✓ Duplicate EXP to Bangladesh Bank.
- ✓ Triplicate EXP after relation of proceeds to Bangladesh Bank.
- ✓ Monthly statement to Head office.

4. Export under Back to Back System:

- ✓ Export L/C advising
- ✓ Proposal for BB L/C
- ✓ Checking
- ✓ Process to open BB L/C
- ✓ Formalities time gap between Import and Export credit
- ✓ Project paper Buyer and Supplier

5. Lodgment of BB Bills:

- ✓ Shipping document
- ✓ Evidencing dispatch
- ✓ Goods acceptance of import bills
- ✓ Conveying of due date to negotiating bank
- ✓ Clearance of Raw materials
- ✓ Storing in Bonded Warehouse
- ✓ Manufacturing of the product
- ✓ Pre shipment Extension

6. Negotiation of Export Bill:

- ✓ Execution of Export.
- ✓ Submission of Export Documents
- ✓ Checking
- ✓ Negotiation
- ✓ Disbursement of funds to different heads of A/C including F/C held account for payment of BB Bill.

7. Relation of proceeds and Project paper ing:

- ✓ Crediting NOSTRO A/C
- ✓ Adjustment of negotiation value
- ✓ Payments of BB Bills
- ✓ Export incentives
- ✓ Project paper ing of Export
- ✓ Settlement of any other claims

3.3.5 Disposal of Export Forms:

Original: customs authority Project paper s first copy of EXP to Bangladesh Bank after shipment of the goods.

Duplicate: Negotiating bank Project paper s the Duplicate to Bangladesh Banking or after negotiation date but not later than 14 days from the date of shipment.

Triplicate: On realization of export proceeds the same bank to the same authority Project paper s Triplicate.

Quadruplicate: Finally, the negotiating bank as their office copy retains Quadruplicate.

3.3.6 Mode of Payment of Export Bill under L/C:

As per UCP 500, 1993 revision there are four types of credit. These are as follows:

- ✓ Sight payment
- ✓ Deferred payment
- ✓ By acceptance
- ✓ Negotiation

Sight Payment Credit:

In a Sight Payment Credit, the bank pays the stipulated sum immediately against the exporter's presentation of the documents.

Deferred payment Credit:

In deferred payment, the bank agrees to pay on a specified future date or event, after presentation of the export documents.

Acceptance credit:

In acceptance credit, the exporter presents a bill of exchange payable to him and drawn at the agreed tenor (that is, on a specified future date or event) on the bank that is to accept it. The bank signs its acceptance on the bill and returns it to the exporter. The exporter can then represent it for payment on maturity. Alternatively he can discount, it in order to obtain immediate payment.

Negotiation Credit:

In Negotiation credit, the exporter has to present a bill of exchange payable to him in addition to other documents that the bank negotiates.

3.3.7 Advising L/C:

When export L/C is transmitted to the bank for advising, the bank sends an Advising Letter to the beneficiary depicting that L/C has been issued.

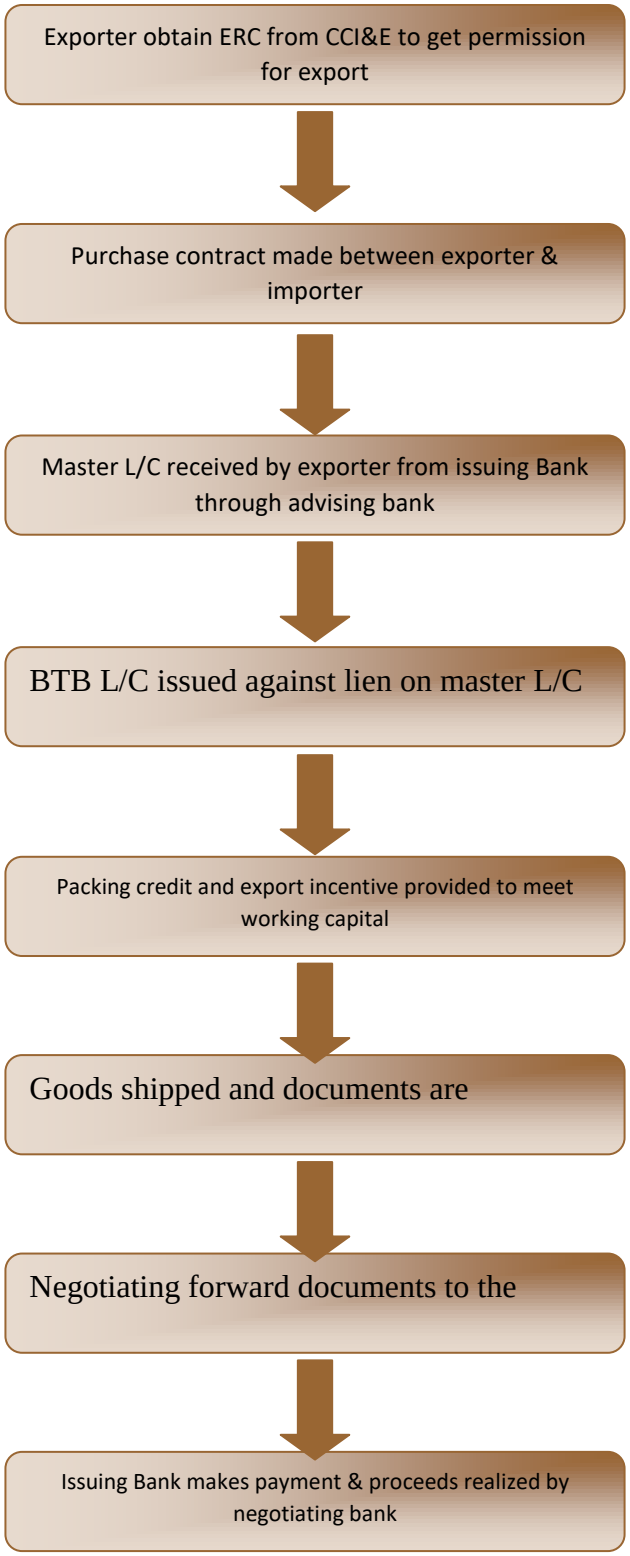
3.3.8 Test key Arrangement:

Test key arrangement is a secret code maintained by the banks for the authentication for their telex messages. It is a systematic procedure by which a test number is given and the person to whom this number is given can easily authenticate the same test number by maintaining that same procedure. AIBL has test key arrangements with so many banks for the authentication of L/C messages and for making payments.

3.3.9 Back-to-back L/C:

A Back-to-Back mechanism involves two separate L/C’s. One is master Export L/C and another is Back-to-Back L/C. On the strength of Master Export L/C bank issues Back-to-Back L/C. Back-to-Back L/C is commonly known as Buying L/C. On the contrary, Master Export L/C is known as Selling L/C.

3.3.10 Flow Chart of Export:



3.3.11 Explanation:

1. Goods ready for shipment.
2. Inspection of the goods from the competent authority as per L/**C.**
3. Prepared invoice and packing list and vessel booking particulars.
4. Papers to be sent to **C & F** agent for shipment.
5. **C & F** agent will do the custom formalities i.e**.** Noting / entry. Checking the goods as per invoice & packing list inspection Project paper etc.
6. **C & F** agent will take permission for shipment / Hanover the goods to shipping co.
7. After completion of all customs formalities the nominating shipping co received the goods for sail/ loads in the ship and issued a receipt which is known as mates receipt.
8. **C & F** Agent hands over the shipping receipt to the exporter or they can take the original **B/L** in payment of freight and other expenditure etc.
9. Exporter may dispatch the shipment advice to the importer directly as per **L/C** terms.
10. **C & F** Agent recipes the original **B/L** from the relative shipping co and dispatches he same to the bank for negation of receives the (exporter) from the shipping co directly.
11. Exporter spits the all original and duplicate sets of document to the bank for negotiation.
12. After negotiation bank should dispatch the documents to the opening bank for delivers of from the part.

3.4 Remittance:

3.4.1 Introduction:

Remittance means transfer of fund. If we pronunciation of the word "Remittance" we understand transfer of fund through a Bank from one place to another place which may be executed the country or between two countries. Remittance which is affected within the country is called Local Remittance and which is affected between two countries is called Foreign Remittance. Remittance plays a vital role in the development of the country. Without effect of remittance no country can develop her. Bangladesh is rich enough in respect of human resources. So Inward Remittance has great importance in our country.

3.4.2 Opening of Foreign Currency A/C:

Accounts are phenomena through which transaction is routed. All banking transactions are settled through Accounts. So A/C. is essential for setting our day transactions Foreign Currency A/C. has a great important on overall Foreign Exchange. Only the Authorized Dealer Branches can open F.C. A/C without prior permission of Bangladesh Bank F.C. A/C. is opened by Bangladeshi nationals serving and earning abroad i.e. having Income from sources other than Bangladesh. To open an FCAD/FCAP A/C the formalities mentioned below are to be observed:

1. Opening forms i.e. Application, Signature Card, nomination form if any, to be duly filled in and signed by the applicant and the nominee.
2. Original passport to be submitted for verification and Photocopy of 1st seven pages to be submitted for preservation.
3. Passport photographs of both A/C holder and the nominee are to be submitted Photo graphs of Nominee to be attested by the A/C holder & A/C holder's photo be attested by the authored by the authorized office of the Band.
4. Service contract in English or Bengali person to be submitted with the A/C Opening form.
5. If the intending person desire to open A/C from abroad the necessary papers are to be sent duly attested by the authorized official of Bangladesh Embassy working there. All signatures are by same as that of Passport.

3.4.3 FCAD (FXP) A/C:

FACD A/C Export is opened by the exports only 7.5% FOB value? Realized amount is deposited in this account and the fund is used for the promotion of business. Establish of business, Payment of credit card bill, Export fair, to attend the seminar and of purchase of Machinery and Spare parts.

3.4.4 Private Foreign Currency (PFC) A/C:

Private Foreign Currency A/C is opened by the Alien who serve in Bangladesh Foreign mission, Foreign NGO and Foreign consultation firm. Photograph, photocopy of passport, work permit, NGO permission etc, are to be submitted to open the A/C.

3.4.5 Convertible Taka (CT) A/C:

The private Foreign Currency Account holders are to open Convertible taka Account. The entire funds of the PFC A/C are to be routed through the related convertible taka Account.

3.4.6 Inward Remittance:

The remittances, which are received from abroad and paid to the beneficiary, are Inward Remittance. In ward remittance are mainly received in US Dollar, pound sterling and Taka Currency. Very few remittances in miscellaneous currencies are also received.

3.4.7 Mode of Inward Remittance:

- ✓ T.T -------- Telegraphic Transfer
- ✓ M.T --------- Mail Transfer
- ✓ D.D --------- Demand Draft
- ✓ P.O ---------- Payment Order
- ✓ I.M.O ------- International Money Order
- ✓ T.C ---------- Traveler's Cheque

3.4.8 Outward Remittance:

The Remittance in Foreign Currency which is effected from our country to abroad is called outward remittance. Form remitter's point of view is called outward Remittance and from payee's point of view is called Inward Remittance.

3.4.9 Mode of Outward Remittance:

The Remittance may be made by means of T.T, D.D& T.C, etc. Ideation to these the sale of Foreign Currency under letter of credit against retirement of bill is including as outward remittance.

3.4.10 Procedure of Payment:

To make payment the points mentioned below are to be observed

Demand Draft:

- ✓ The D.D must be in original
- ✓ The name of bank, name of Branch, Date, name and A/C number of the payee, amount in word and figures must be mentioned.
- ✓ The D.D must be as per prescribed format or specimen copy supplied earlier.
- ✓ The amount is protecting graphed.
- ✓ Payment is not stopped.
- ✓ Draft is not Project paper ed lost.
- ✓ Verification of drawer's signature.
- ✓ Telex confirmation from the issuing Bank, if the amount exceeds the limit as per agreement made earlier.

Telegraphic Transfer:

The message must be in original. It must be authenticated under test, Test must be decoded and found correct. 3. T.T. must contain the name of Bank, name of Branch, name and A/C number of the beneficiary. It the above points are Okay, payment made to the beneficiary as soon as possible. In case of Express Remittance Scheme with Al –Arafah Islami bank ltd. Gazipur Branch ensures the payment to our Branches within the following time frame as per H.O., ID circular No. d.dt.22.5.95.

- ✓ Capital Area 24 hours.
- ✓ Major Cities 48 hours.
- ✓ Other Towns 72 hours
- ✓ Remote Areas 120 hours.

At present twelve Exchange House / Bank are maintaining their NRD Accounts with us. As per agreement made with them they provide us sufficient fund to honor their drawing.

3.4.11 Settlement of Claims:

As the remittance is received from abroad or remote places, some claim, may occur for non-receipts of fund. These claims may arise by the Beneficiary or remittance through issuing/Remitting Bank. As such the claims are to the settled.

Demand Draft:

If the TT is lost or stolen, remitter will Project paper to the remitting bank. R/B will ask / advise the Beneficiary. Bank to mark stop payment or not to make payment. Beneficiary bank will confirm the stop payment to the Rem. Bank if the DD is not paid earlier. If the DD is paid earlier the mode of payment is to be confirmed to the Ram, Bank. If necessary a duplicate DD is to be issued to make payment to the beneficiary for settlement of the claim.

Telegraphic Transfer:

If the TT contains any wrong information Beneficiary. Bank is to contact with the issuing / Remitting Bank for correct information. On getting the correct information payment is to be made accordingly.

3.5 SWOT Analysis:

SWOT analysis facilitates the organization to make their existing line of performance and also foresees the future to improve their performance to their competitive. As though this tool, an organization can also study its current position, it can also be consider as an important tool for making changes in the strategic management of the organization.



3.5.1 Strengths of AIBL:

- AIBL provides its customer excellent & consistent quality in every service.
- AIBL is a financially sound company.
- AIBL utilize state of the art technology to ensure consistent quality & operation.
- AIBL provides its works force an excellent place to work.
- AIBL has already achieved goodwill among the client.
- AIBL has a research division.

3.5.2 Weaknesses of AIBL:

- ✓ They have a very few number of branches and foreign exchange department. This is a great weakness. If they cannot recover this weakness, they will not increase earnings from foreign exchange sector.
- ✓ They cannot open sufficient number of L/C in a month. Because they have not enough exporter and importer.
- ✓ AIBL is one of a new generation bank. Upon established of these banks total number of bank stands in our more than 50.
- ✓ In another weakness of the new generations banks are branch network which are very smaller in number through they are spreading very sharply.
- ✓ Risk Management system is not strong. The bank has already exposed to a variety of risks the most important of which are credit risk, market risk and liquidity risk.
- ✓ IT Division is not strong because bank put due importance to utilization of technology-based service to the customers.

3.5.3 Opportunities of AIBL:

- ✓ Emergence of E-banking will open more scope for AIBL.
- ✓ AIBL can introduce more innovative and modern customer service.
- ✓ Many branches can be open in remote location.

3.5.4 Threats of AIBL:

- ✓ The worldwide trend of mergers and acquisition in financial institutions is causing problem.
- ✓ Frequent taka devaluation and foreign exchange rate fluctuation is causing problem.
- ✓ Lots of new banks are coming in the scenario with new service.
- ✓ Local competitors can capture huge market share by offering similar products.

3.6 Foreign Exchange Business Position of AIBL:

3.6.1 Import of AIBL:

(Tk. In millions)

Year	2017	2018	2019	2020	2021
Import	85,915.00	101,244.70	107,049.80	118,786.60	156,700.00

Table 3.6.1: Import of AIBL

Source: Annual Report 2017 to 2021 of AIBL

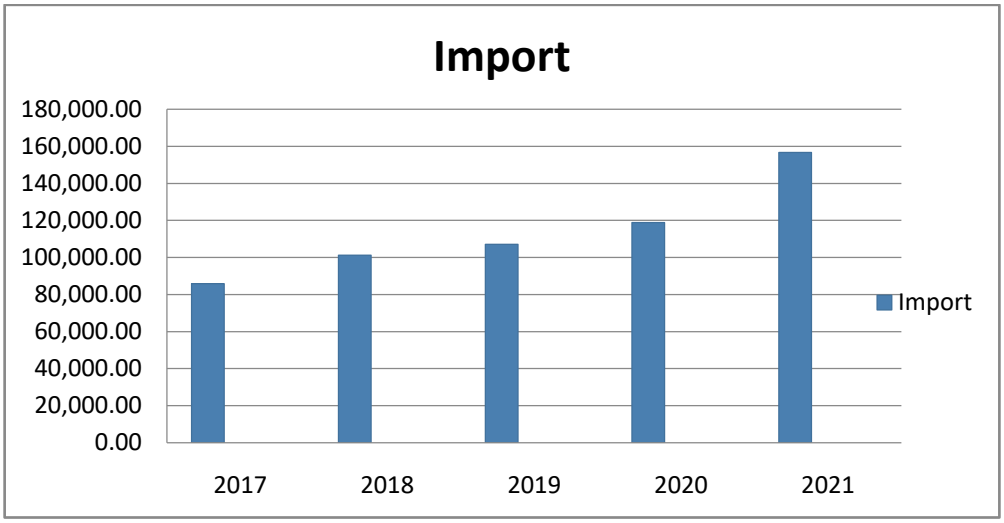


Figure 3.6.1: Trend Analysis of Import of AIBL

Source: Annual Report of AIBL 2021

Interpretation:

The above chart shows the constantly increase of import since their inceptions but in the year 2021 increasing is higher. Import of 2020 was tk 118786.80 and 2021 was tk 156700.00 million. so the growth was 2020 to 2021 was 38072.80 million .finally we can arrive at a conclusion on that every year import is increasing.

3.6.2 Export of AIBL:

(Tk. In millions)

Year	2017	2018	2019	2020	2021
Export	68,980.30	75,843.90	79,362.90	88,152.20	104,540.00

Table 3.6.2: Export of AIBL

Source: Annual Report 2017 to 2021of AIBL

(Tk. In millions)

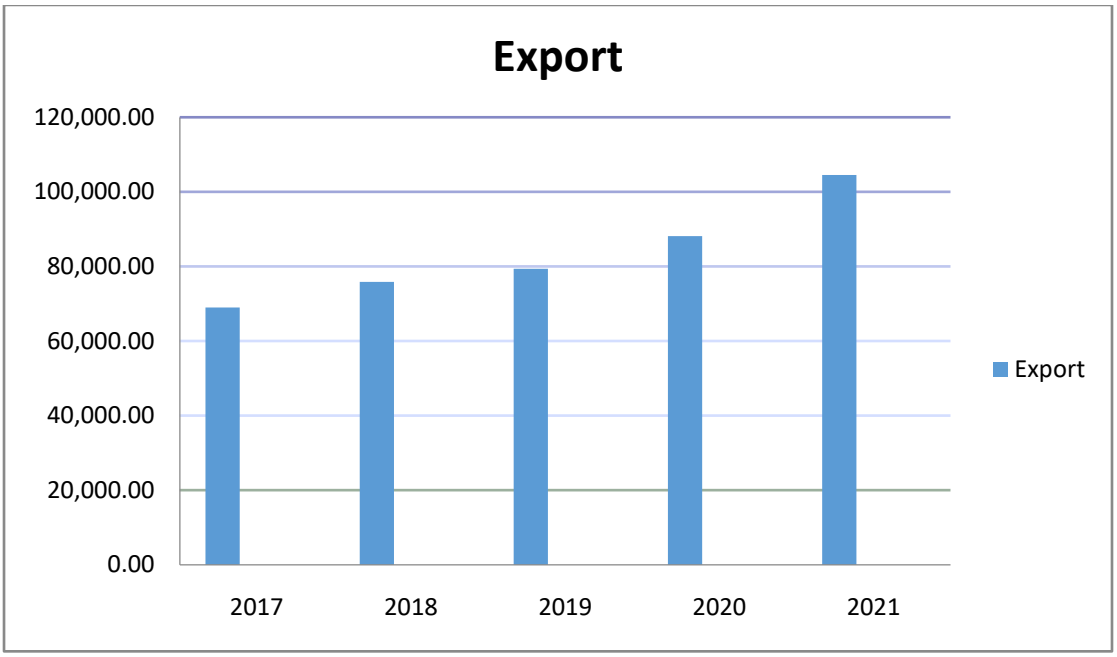


Figure 3.6.2: Trend Analysis of Export of AIBL

Source: Annual Report of AIBL, 2021

Interpretation:

The chart shows gradual increases in the export since their inceptions in the year in 2021 increasing in higher. Export of 2020 was tk 88152.20 and 2021 was 104540.00 million. So the growth was 2020 to 2021 was 16387.80 million. Finally we can arrive at a conclusion that in the last year of 2021 export scenario of AIBL shows a higher growth over the year.

3.6.3 Remittance of AIBL:

(Tk. In millions)

Year	2017	2018	2019	2020	2021
Remittance	7,042.50	8,541.10	9,498.00	11,735.40	20,700.00

Table 3.6.3: Remittance of AIBL

Source: Annual Report 2017 to 2021 of AIBL

(Tk. In millions)

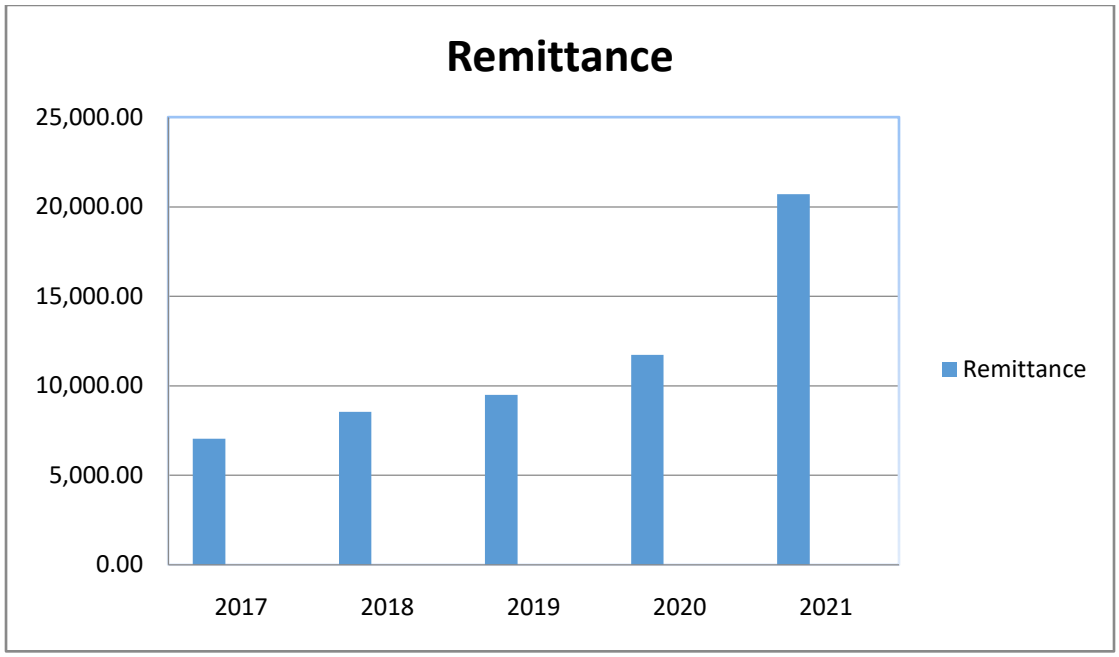


Figure 3.6.3: Trend Analysis of Remittance of AIBL

Source: Annual Report 2017 to 2021 of AIBL

Interpretation:

The chart shows gradual increases in the Remittance since their inceptions in the year in 2021 increasing in higher. Remittance of 2020 was tk11,735.40 and 2021 was 20,700.00 million. So the growth was 2020 to 2021 was 8964.6 million. Finally we can arrive at a conclusion that in the last year of 2021 Remittance scenario of AIBL shows a higher growth over the year.

3.6.4 Total Foreign Exchange of AIBL:

(Tk. In millions)

Year	2017	2018	2019	2020	2021
Total Foreign Exchange	85915.00	101244.70	107049.80	118786.60	156700.00

Table 3.6.4: Total Foreign Exchange of AIBL

Source: Annual Report 2017 to 2021 of AIBL

(Tk. In millions)

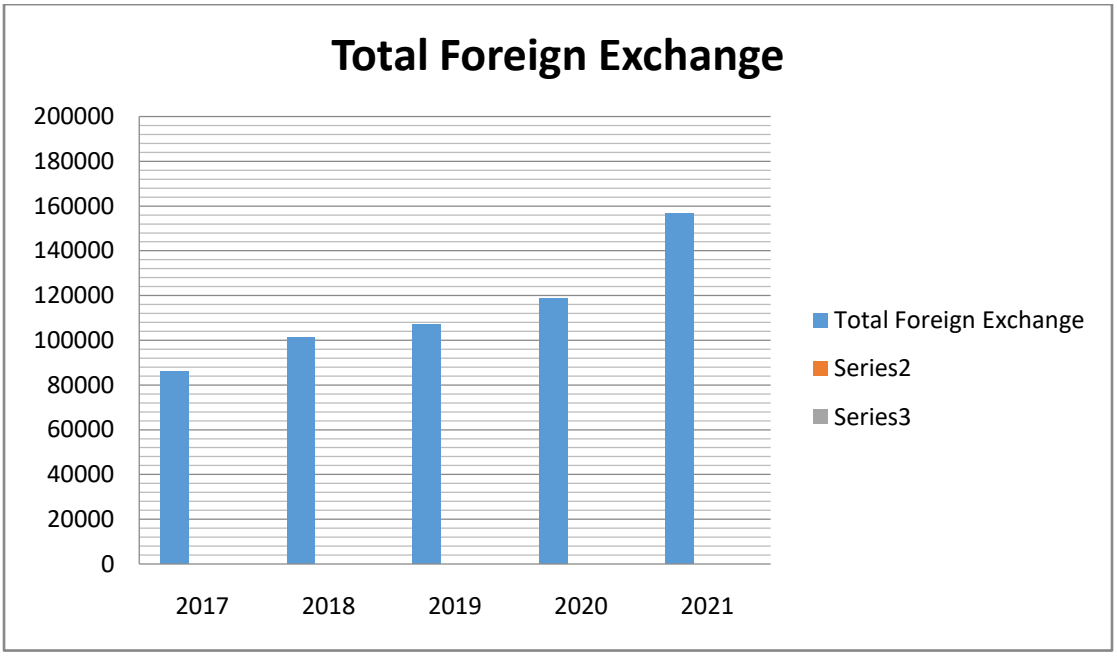


Figure 3.6.4: Trend of total Foreign Exchange of AIBL

Source: Annual Report 2017 to 2021 of AIBL

Interpretation:

The above graphical representation shows that, during the period 2017 to 2021, overall Foreign Exchange Business is respectively higher than the previous year. It is quite good because banks performance is better compare to all most every year respectively.

3.7 Ratio Analysis:

Ratio analysis is an analytical tool that can be applied to a bank's financial statements so that management and the public can identify the most critical problems inside each bank and develop ways to deal with those problems. Some selected ratios are analyzed here to give an insight about Al-Arafah Islami Bank Ltd. For limited information some are analyzed very briefly.

3.7.1 Import Ratio of AIBL:

Import Ratio: Import/ Total Foreign Exchange(Amount in %)

Year	2017	2018	2019	2020	2021
Import Ratio	**0.562999**	0.468583	0.530543	0.5454121	0.54621

Table 3.7.1: Import Ratio of AIBL

Source: Annual Report 2017 to 2021 of AIBL

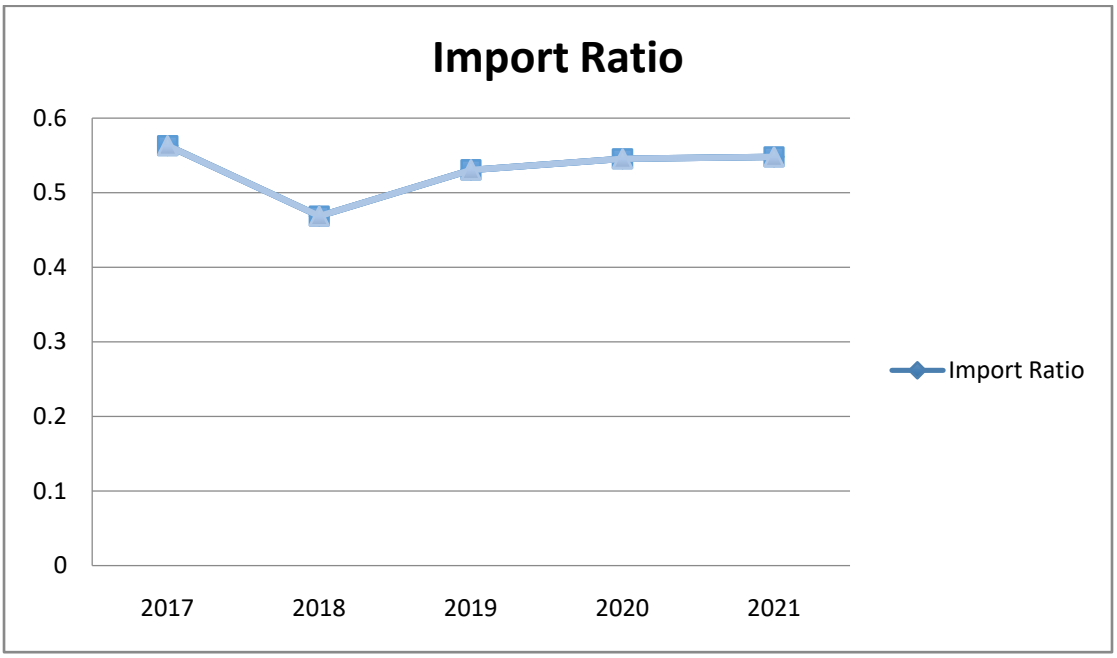


Figure 3.7.1: Import Ratio of AIBL

Source: Annual Report 2017 to 2021of AIBL

3.7.2 Export Ratio of AIBL:

Export Ratio: Export/ Total Foreign Exchange

(Amount in %)

Year	2017	2018	2019	2020	2021
Export Ratio	0.386138	0.380883	0.425968	0.4085763	0.405097

Table 3.7.2: Export Ratio of AIBL

Source: Annual Report 2017 to 2021 of AIBL

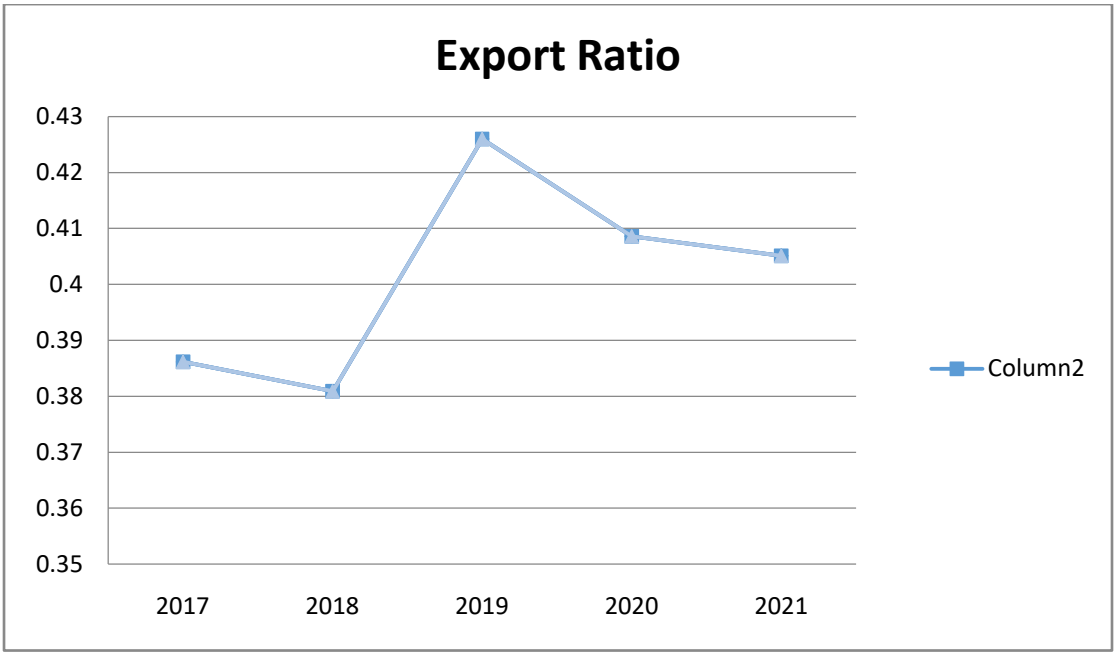


Figure 3.7.2: Export Ratio of AIBL

Source: Annual Report 2017 to 2021 of AIBL

From the above figure, we can say that during the time period between the years 2017 to 2021 the Export ratio of AIBL is not stable, because in 2017 Export ratio is 38.6138% which is decrease in 2018, is 38.088% but in 2019 it was again increase 42.596% which was little decrease in 2020 at 40.85763%. In 2021 the ratio was 40.5097%, which was a good sign.

3.7.3 Remittance Ratio of AIBL:

Remittance Ratio: Remittance/ Total Foreign Exchange

(Amount in %)

Year	2017	2018	2019	2020	2021
Remittance Ratio	**0.050863**	0.150593	0.043489	0.046011	0.0484812

Table 3.7.3: Remittance Ratio of AIBL

Source: Annual Report 2017 to 2021 of AIBL

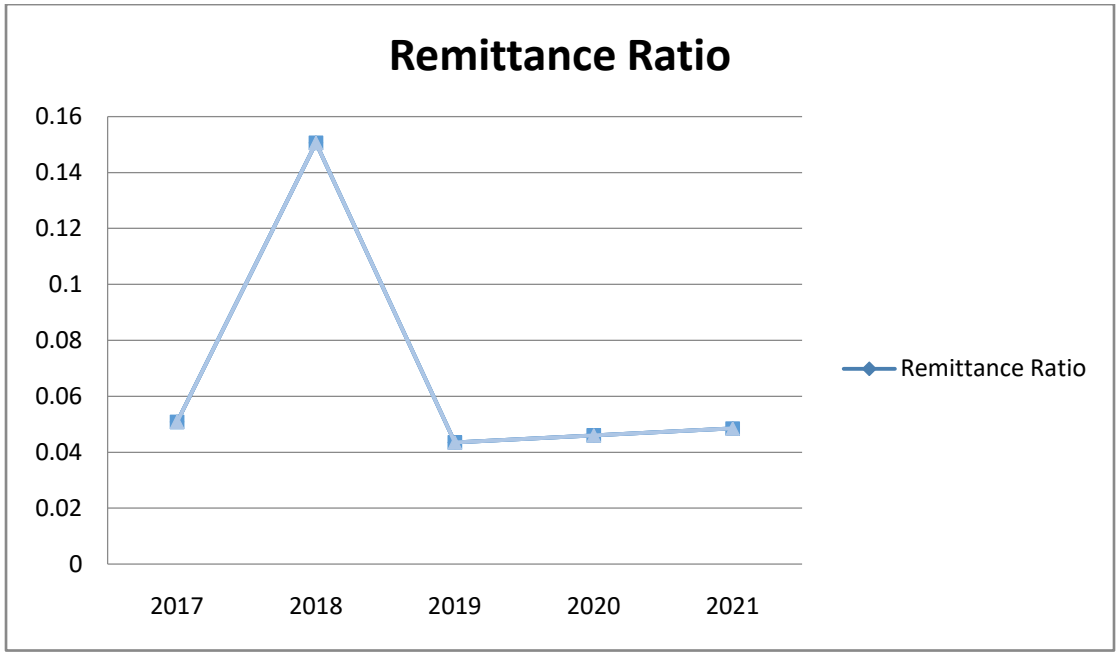


Table 3.7.3: Remittance Ratio of AIBL

Source: Annual Report 2017 to 2021 of AIBL

Interpretation:

From the above figure, we can say that during the time period between the years 2017 to 2021 the Remittance ratio of AIBL is not stable, because in 2017 Remittance ratio is 5.0863% which is increase in 2018, is 15.0593% and in 2019 it was again Decrease4.3489% which was increase in 2020 was at 4.6011%. In 2021 the ratio was 4.84812%, we hope that AIBL can increase its remittance in near future.

3.8.1 Growth of Foreign Exchange Business of AIBL:

(Tk. In millions)

Particulars/year	2017	2018	2019	2020	2021
Import	76,112.10	71,931.70	85,915.00	101,244.70	107,049.80
Export	52,202.10	58,476.60	86,980.30	75,843.90	79,362.90
Remittance	6876.2	23120.40	7042.50	8541.10	9498.00

Table3.8.1: Growth of Foreign Exchange Business of AIBL

Source: Annual Report 2017 to 2021 of AIBL

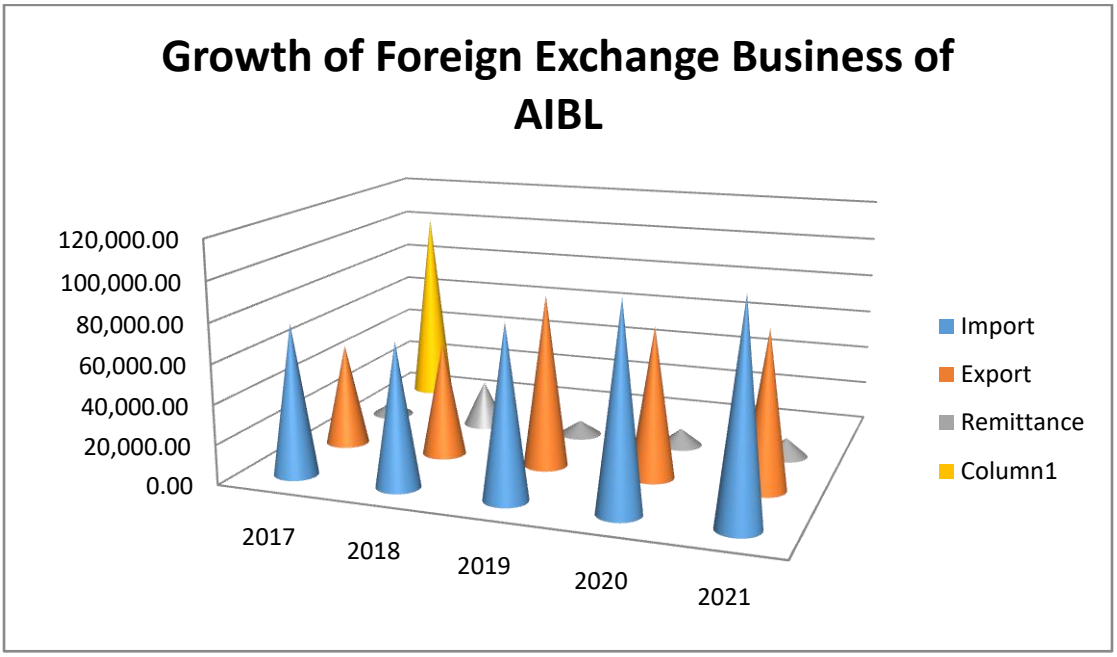


Figure 3.8.1: Growth of Foreign Exchange Business of AIBL

Source: Annual Report 2017 to 2021 of AIBL

Here we see that, the Foreign Exchange Business of AIBL has increasing all the years gradually. In the year 2018 the import was little low than previous years but later its' again in upward trend. And remittance was abnormally high in the year 2021 and later its again back in normal growing rate.

3.8.2 Growth Rate of Foreign Exchange business of AIBL:

(Amount in %)

Year	2017	2018	2019	2020	2021
Growth	**46.30**	13.56	5.48	49.071	21.57

Table 3.8.2: Growth Rate of Foreign Exchange business of AIBL

Source: Annual Report 2017 to 2021 of AIBL

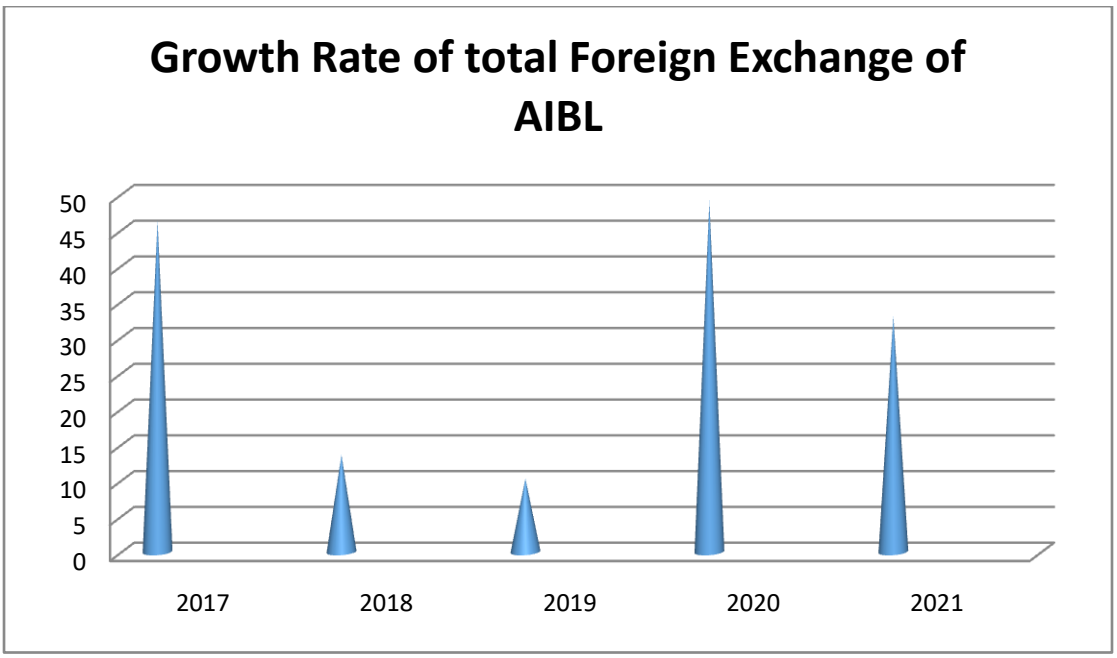


Figure 3.8.2: Growth Rate of Foreign Exchange business of AIBL

Source: Annual Report 2017 to 2021 of AIBL

Interpretation:

Here we see that, the Foreign Exchange Business of AIBL has some ups and downs. In the year 2017 the growth rate is 46.30% which is the highest rate in previous years. In year 2018 the growth rate of Foreign Exchange Business of AIBL was the Highest and in the year 2019 the foreign business was 21.57%.

3.9 Comparative Trend Analysis of Foreign Exchange Business of AIBL with Different Banks:

3.9.1 Trend Analysis of Import:

(Tk. In millions)

Banks/year	2017	2018	2019	2020	2021
AIBL	76112.10	71931.70	85915.00	1013244.70	107049.80
SIBL	73859.40	79024.20	84906.70	104270.60	121809.50
IBBL	301207.00	284588.00	285890.00	316975.00	343668.00

Table 3.9.1: Import of AIBL with SIBL & IBBL

Source: Annual Report 2017 to 2021 of AIBL, SIBL & IBBL

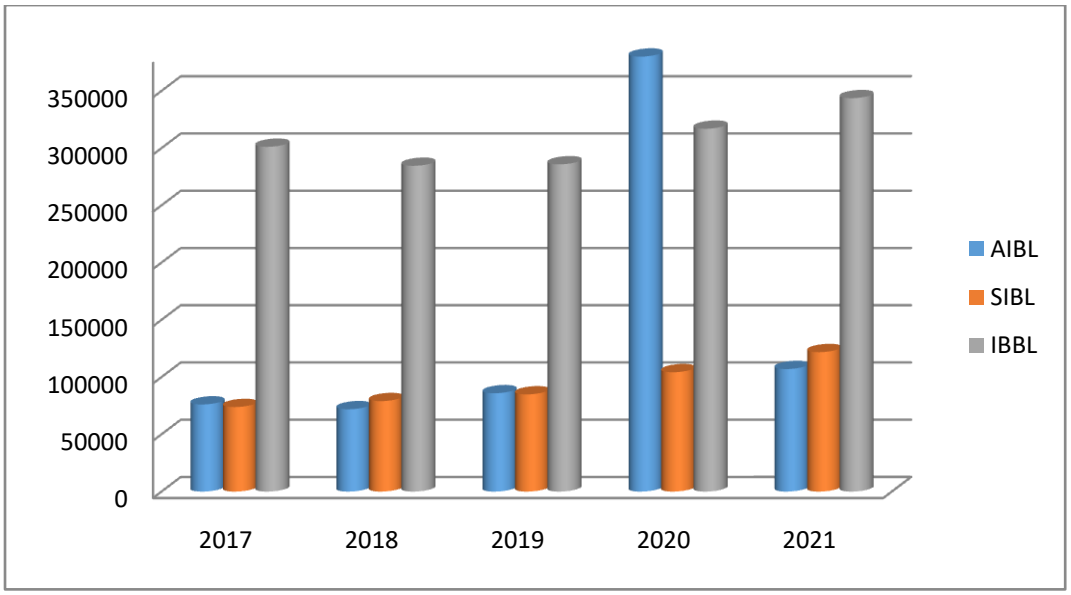


Figure 3.9.1: Trend Analysis of Import business of AIBL with SIBL & IBBL

Source: Annual Report 2017 to 2021 of AIBL, SIBL & IBBL

From above figure we can see that the Import business of AIBL is lower than the SIBL and IBBL.

3.9.2 Trend Analysis of Export:

(Tk. In millions)

Banks/Year	2017	2018	2019	2020	2021
AIBL	52202.10	58476.60	68980.30	75843.90	79362.90
SIBL	51775.30	53044.90	54121.20	49766.00	58315.90
IBBL	178244.00	197095.00	205269.00	222753.00	224236.00

Table 3.9.2: Export of AIBL with SIBL & IBBL

Source: Annual Report 2017 to 2021 of AIBL, SIBL & IBBL

(Tk. In millions)

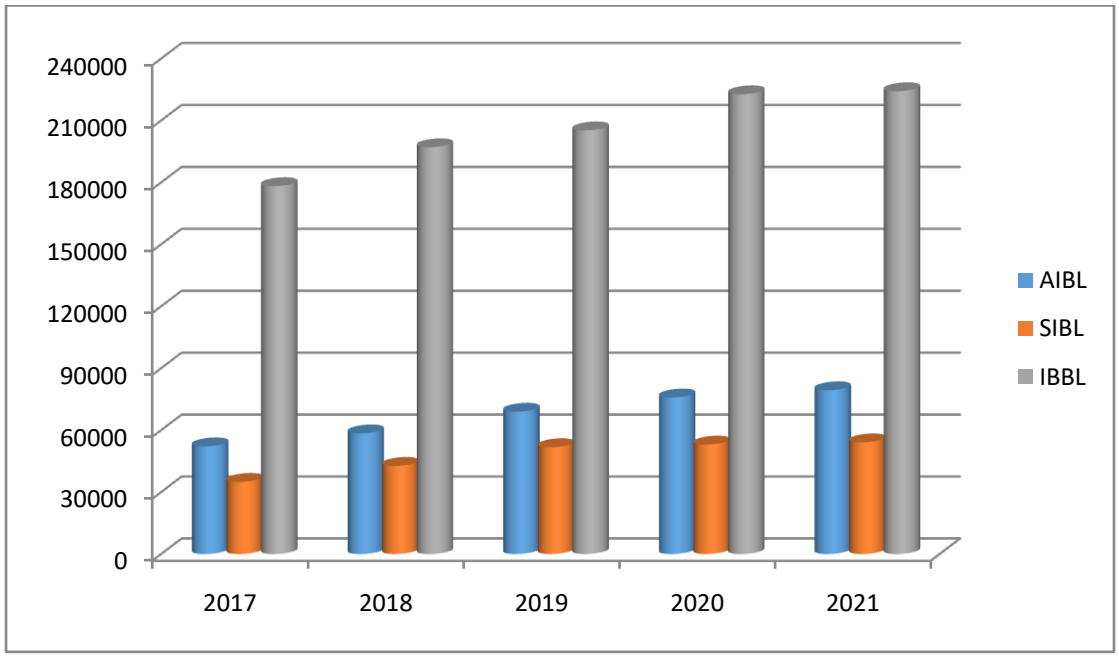


Figure 3.9.2: Trend Analysis of Export business of AIBL with SIBL, IBBL

Source: Annual Report 2017 to 2021 of AIBL, SIBL & IBBL

From above figure we can see that the Import business of AIBL is higher than the SIBL and lower than IBBL.

3.9.3 Trend Analysis of Remittance:

(Tk. In millions)

Banks/Year	2017	2018	2019	2020	2021
AIBL	6876.20	23120.40	7042.50	8541.10	9498.00
SIBL	6740	7839.90	10164.50	13345.70	21911.60
IBBL	236607.00	300915.00	286956.00	307961.00	321066.00

Table 3.9.3: Remittance of AIBL with SIBL & IBBL

Source: Annual Report 2017 to 2021 of AIBL, SIBL & IBBL

(Tk. In millions)

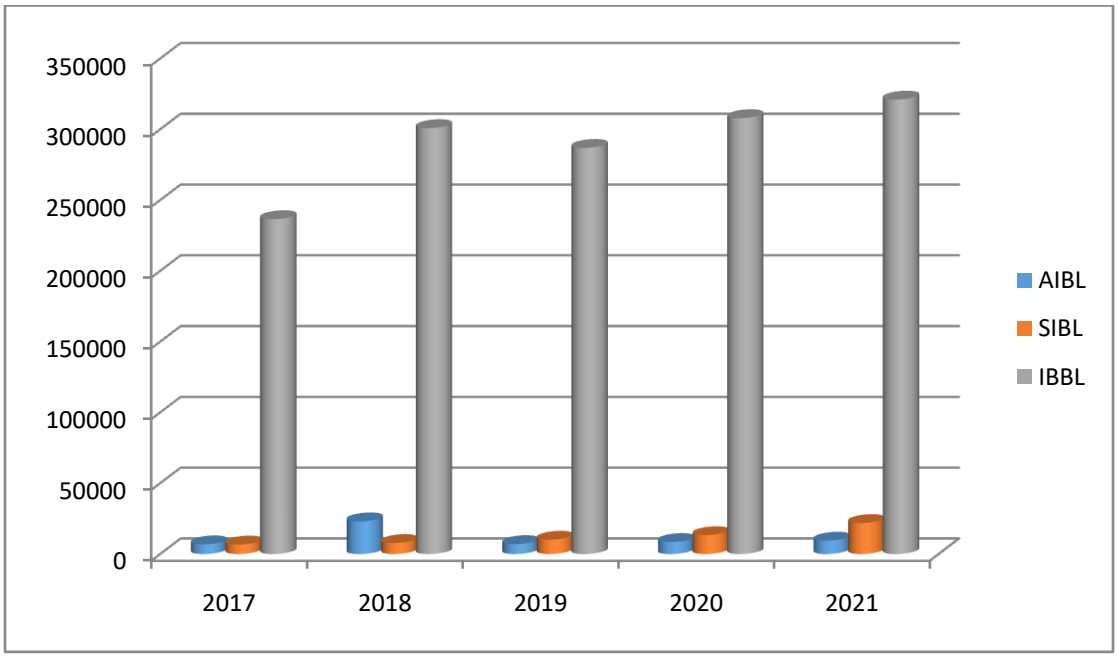


Figure 3.9.3: Trend Analysis of Remittance of AIBL with SIBL &IBBL

Source: Annual Report 2017 to 2021 of AIBL, SIBL & IBBL

From above figure we can see that the Import business of AIBL is lower than the SIBL and IBBL.

3.9.4 Overall Trend Comparison:

(Tk. In millions)

Banks/Year	2017	2018	2019	2020	2021
AIBL	135190.40	153528.70	161937.80	185629.70	195910.70
SIBL	51775.30	53044.90	54121.20	49766.00	58315.90
IBBL	178244.00	197095	205269	222753	22437

Table 3.9.4: Overall Trend Comparison of AIBL with SIBL & IBBL

Source: Annual Report 2017 to 2021 of AIBL, SIBL & IBBL

(Tk. In millions)

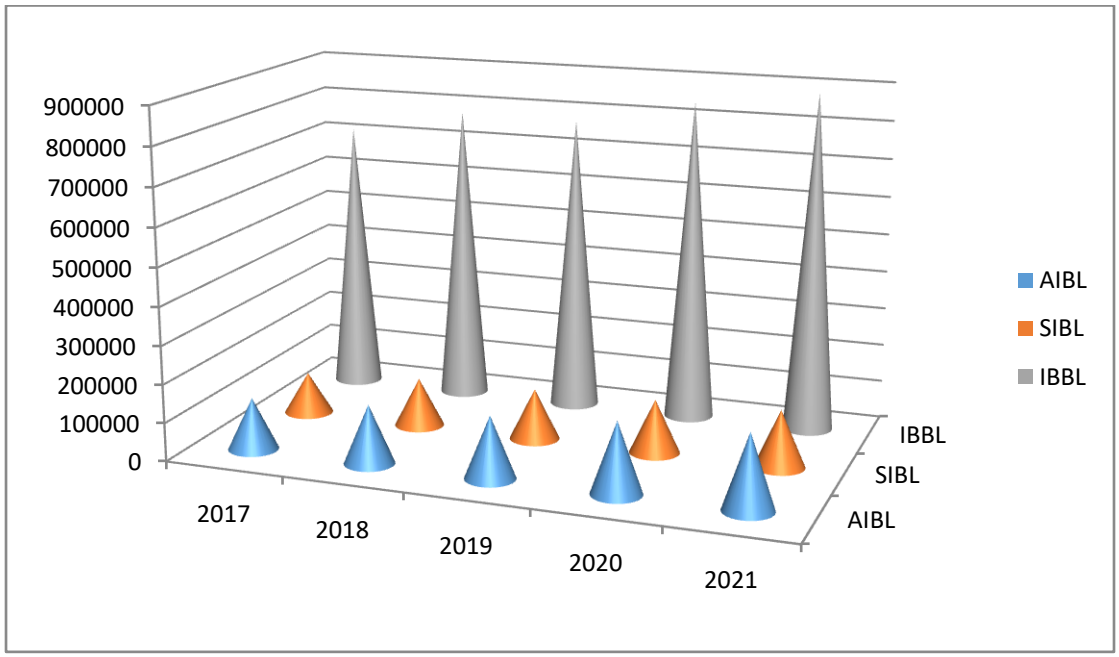


Figure 3.9.4: Overall Trend Analysis of AIBL with SIBL, IBBL

Source: Annual Report 2017 to 2021of AIBL, SIBL & IBBL

In overall Foreign Exchange Business, as we see the above trend we can say that AIBL total Foreign Exchange is much higher than SIBL and lower than IBBL.

3.10 Comparative Ratio Analysis of Foreign Business of AIBL with SIBL & IBBL

3.10.1 Comparative Import Ratio:

Import Ratio: Import/ Total Foreign Exchange (Amount in % million)

Banks/Year	2017	2018	2019	2020	2021
AIBL	56.299	46.858	53.051	54.541	54.621
SIBL	62.967	49.185	55.795	56.482	56.910
IBBL	46.064	36.364	36.741	37.392	38.659

Table 3.10.1: Comparative Import Ratio of AIBL with SIBL & IBBL.

Source: Annual Report 2017 to 2021 of AIBL, SIBL & IBBL

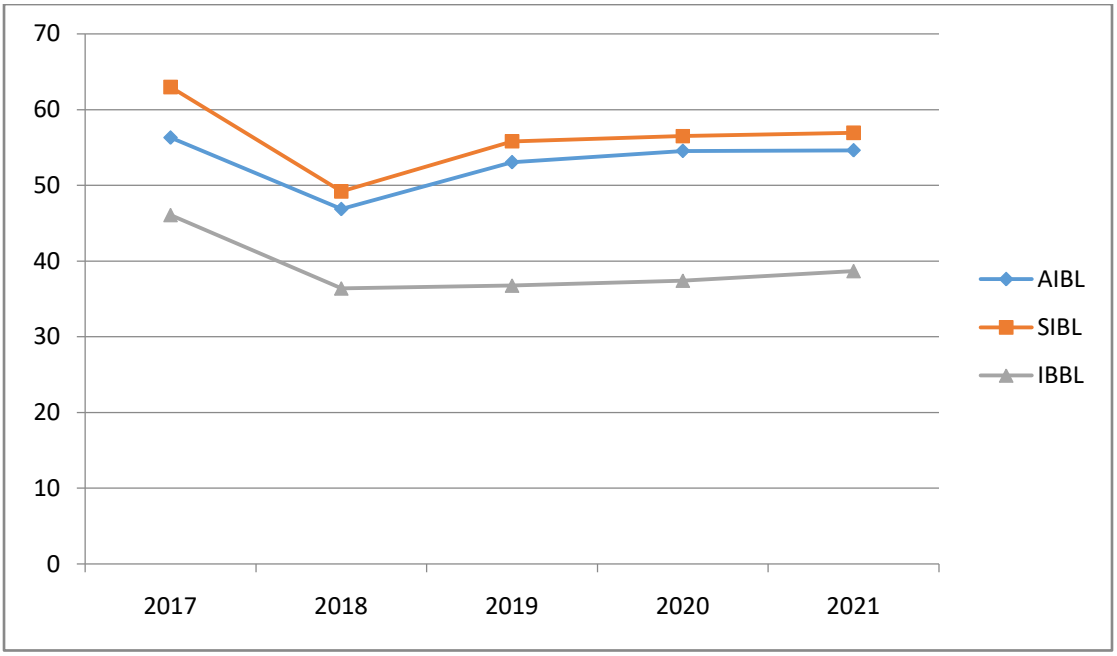


Figure 3.10.1: Comparative Ratio Analysis of Import Business of AIBL with SIBL & IBBL

Source: Annual Report 2017 to 2021 of AIBL, SIBL & IBBL

In Import business, as we see the above trend we can say that the SIBL import business is much higher than AIBL and IBBL.AIBL Import performance is lower than SIBL, We hope that AIBL import performance is increase in near future.

3.10.2 Comparative Export Ratio:

Export Ratio: Export/ Total Foreign Exchange (Amount %)

Banks	2017	2018	2019	2020	2021
AIBL	39.112	37.913	36.276	29.73	28.36
SIBL	32.292	33.759	39.112	37.913	36.276
IBBL	24.892	25.184	26.380	26.277	25.224

Table 3.10.2: Comparative Export Ratio of AIBL with SIBL & IBBL

Source: Annual Report 2017 to 2021 of AIBL, SIBL & IBBL

(Amount in %)

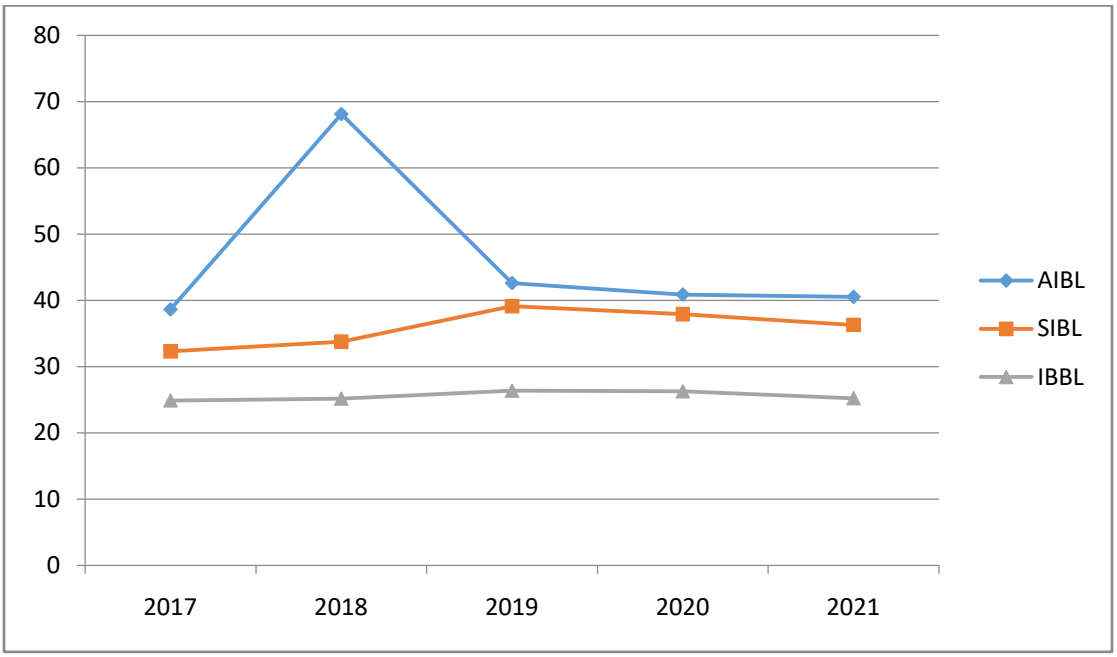


Figure 3.10.2: Comparative Ratio Analysis of Export Business of AIBL with SIBL & IBBL

Source: Annual Report 2017 to 2021 of AIBL, SIBL & IBBL

Interpretation:

In export performance, as we see the above Ratio we can say that the AIBL Export performance is much higher than SIBL and IBBL Export performance. Again, SIBL Export performance is better than IBBL.

3.10.3 Comparative Remittance Ratio:

Remittance Ratio: Remittance/ Total Foreign Exchange (Amount in %)

Banks/Year	2017	2018	2019	2020	2021
AIBL	5.086	15.059	4.346	4.601	4.848
SIBL	5.091	5.603	6.813	7.97	10.88
IBBL	33.042	38.450	36.878	36.329	36.116

Table 3.10.3: Comparative Remittance Ratio of AIBL with SIBL & IBBL

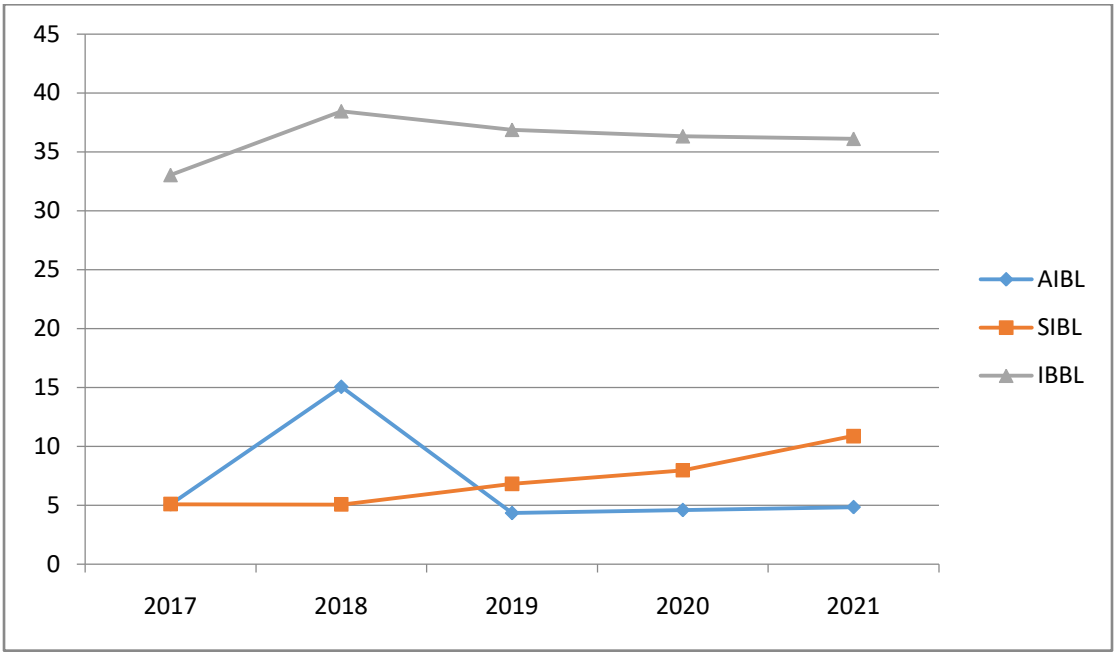


Figure 3.10.3: Comparative Ratio Analysis of Remittance Business of AIBL with SIBL and IBBL.

Source: Annual Report 2017 to 2021 of AIBL, SIBL & IBBL

Interpretation:

In Remittance performance, as we see the above trend we can say that the AIBL's Remittance performance is higher than the SIBL. Again SIBL's Remittance is lower than IBBL. IBBL's Remittance performance is satisfactory.

3.11 Comparative Growth Rate of AIBL Foreign Exchange performance with SIBL and IBBL

(Amount %)

Banks/Year	2017	2018	2019	2020	2021
AIBL	46.30	13.56	5.48	49.071	21.57
SIBL	4.63	5.692	6.634	21.16	25.55
IBBL	5.725	9.292	0.572	8.941	4.869

Table 3.11: Comparative Growth Rate of AIBL Foreign Exchange performance with SIBL and IBBL

(Amount in %)

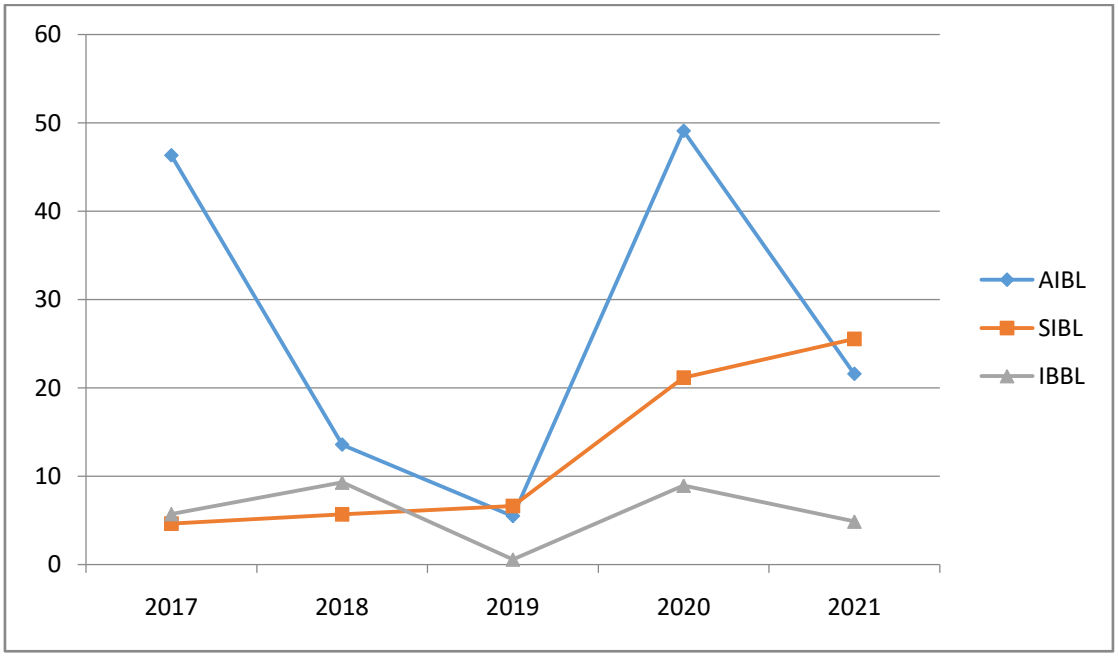


Figure 3.11: Comparative Growth Rate of AIBL Foreign Exchange performance with SIBL and IBBL

Source: Annual Report 2017 to 2021 of AIBL, SIBL & IBBL

In overall Foreign Exchange performance, as we see above growth rate we can say that AIBL's total Foreign Exchange is higher than SIBL and IBBL. In year 2017and 2019 AIBL's growth rate is lower than SIBL. So AIBL's Foreign Exchange performance is Fluctuating trend, we hope that AIBL can increase their Foreign Exchange performance in near future.

Chapter Four

Findings, Recommendations & Conclusion

4.1 Findings of the Project paper :

On the basis of my practical experience during Project paper program I have found some findings in preparing the Project paper that the bank faces in operating Foreign Exchange related activities. Major findings of the Foreign Exchange business are stated below: -

1. The number of exporter and importer who operates through this bank is enough to achieve the goal.
2. Al-Arafah Islami Bank Ltd operates foreign business through 25 branches that are not sufficient to competition in the market. So they should take necessary steps to increase foreign exchange department in other branch.
3. They have sufficient efficient employees to operate foreign exchange department in the bank. So they should not increase efficient employees in this department.
4. The bank is operated through 46 numbers of branches that are very few. So few number of branches are a barrier to improve foreign business.
5. Staff meetings and departmental meetings at the branch level held or very few which is very essential to develop service quality as well as problem solving.
6. AIBL always customer oriented, they always try to render Utmost service to their Clients.
7. AIBL always pays the back to back L/C s Payment on time and has reputations in Payment settlement behaviors.
8. Every Exports based organization financed by AIBL has representatives (Commercial) to perform various day to day activities on behalf of their organization

4.2 Recommendations:

It is clear that the Al-Arafah Islami Bank Ltd Foreign Exchange Branch has ensured productive utilization. The branch success has been made possible due to dynamic leadership of the Branch Management, proper guidelines, good counsel and devotion and sincerity of all categories of officers and the employees of the Branch. Modern banking technology and equipment should be used to ease the work of bank and error free quick customer services. My recommendations of foreign business related are given bellow:

1. The number of exporter and importer who operates through this bank is not enough to achieve the bank goal. So AIBL offer more facilities to attract them to be their client.
2. In addition with the present services they include more services. It is badly needed to provide more services to the customer in order to compete in the market.
3. Foreign exchange department is fully computerized that the exchange process would be convenient for both the bankers and the clients.
4. The Bank increases their number of branches and foreign exchange department in other branch. Because they cannot compete in the market for their few number foreign exchange department.
5. Proper Banking software uses to get best benefit from this department.
6. On-line banking is introduced for better customer services and to eliminate risk of sending document via post and risk of loss. It also increases quick fund transfer and better satisfaction from customer.
7. Staff meetings and departmental meetings at the branch level must be increased to develop service quality as well as problem solving
8. The bank gives an aggressive advertisement campaign to build up a strong image and reputation the potential customers.

4.3 Conclusion

From the learning and experience point of view I can say that I really enjoyed my Project paper period in Al-Arafah Islami Bank Ltd. at Gazipur Branch Branch from the very first day. I am confident that this few months Project paper program will definitely help me to realize my further career in the job market.

AIBL has already developed an image of goodwill among its clientele by offering its excellence services. This success has resulted from dedicated commitment and dynamic leadership of its management over the period. During this short span of time of its operation, the bank has successfully grabbed a position as a progressive dynamic financial institution in the country if the bank goes this way, it is expected that in the near future AIBL may become one of the top performers in the banking sector. Overall, the bank must make a positive attempt to the more outward looking in their goals and aware of what is happening. They must also emphasize on the domestic scenario more closely and analyze any certain trend and strategies of their competitors. They have taken 2021 as a challenge with the promise to increase the stakeholders' value and be valued as a compliant organization. Adopting new strategic business policy, the bank will boost up its business in all areas of operation to achieve its corporate goal. The pro-active management terms of AIBL win their talent and skills have been working for continuous success in the performance of the bank.

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Appendix :

5 years Financial Highlights

(In million taka)

Particular	2017	2018	2019	2020	2021
Authorized Capital	20,000.00	20,000.00	25,000.00	25,000.00	25,000.00
Paid up Capital	5,893.37	7,130.98	8,343.25	9,469.58	9,469.58
Reserve Funds & Other Reserve	2,437.43	4,079.63	4,827.20	5620.87	6,432.32
Shareholders' Equity (Capital & Reserve)	11,989.11	14,050.69	16,091.17	18159.52	19,236.07
Deposits	82,186.98	118,683.39	140,980.55	166,851.17	169,887.08
Investment	77,714.95	106,650.42	125,715.39	146,740.36	162,503.14
Total Income	11,332.59	16,692.58	19,723.41	22,211.79	21,079.94
Total Expenditure	7,005.81	11,937.04	14,774.85	15,878.34	14,719.79
Profit Before Tax & Provision	4,326.78	4,755.54	4,948.56	6,333.45	6,360.15
Profit Before Tax	3,946.62	3,944.10	4,360.41	4,486.59	4,563.47
Profit After Tax	2,198.75	1,945.41	2,276.68	2,324.95	2,465.88
Fixed Assets	968.13	2,394.62	2,517.22	2,661.11	3057.38
Total Assets (Excluding off-balance sheet items)	106,768.18	149,320.36	173,161.63	210,439.79	229,106.66
Import Business	76,112.10	71,931.70	85,915.00	101,244.70	107,049.80
Export Business	52,202.10	58,476.60	68,980.30	75,843.90	79,362.90
Capital Measures					
Core Capital (Tier-l)	11,924.50	13,073.14	15,113.62	17,181.97	18,244.48
Supplementary Capital (Tier-ll)	1,123.40	1,731.59	1,511.75	1,732.06	4,828.03
Tier-l Capital Ratio	12.31	10.38	13.33	12.74	13.17
Tier-ll Capital Ratio	1.16	1.37	1.33	1.28	3.48
Total Capital	13,047.90	14,804.73	16,625.37	18,914.03	23,072.51
Total Capital Ratio	13.47	11.75	14.66	14.03	16.65
% of NPIs to Total investment	0.95	1.63	2.77	4.50	4.66
Number of Shares Outstanding	589,337,199	713,098,010	834,324,671	946,958,503	946,958,503
Earning per Share (Taka)	2.79	2.03	2.46	2.20	2.36
Book Value per Share (Taka)	16.69	19.70	19.29	19.18	20.31
Price Earning Ratio (Times)	13.55	11.97	7.76	6.77	6.23
Price Equity Ratio (Times)	2.26	1.23	0.99	0.78	0.72
Dividend per Share					
a. Cash Dividend (%)				14.00	10.00
b. Bonus Share	21	17	13.50		5.00
Number of Branches	88	100	110	119	129
Number of Employees	1,807	2,110	2,387	2,649	2,810
Number of Shareholders	54,267	52,739	58,466	52,007	44,427

✓ **Questionnaire:**

SL		Yes	No	Remark
1	Foreign Exchange Department Project paper s all past dues to senior.			
2	Whether the bank has developed Remittance system in line with BB's prescription?			
3	Whether all types of Import & Export facilities clearly mentioned in policy?			
4	Whether Approval Authority has been clearly defined in the terms?			
5	Whether the bank has a clearly established process in place for approving new L/C's as well as the extension of existing clients?			
6	Whether Import & Export disbursement effected only after execution of charge documents & completion of covenants & creating charge on goods and services?			