



Daffodil
International
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Internship Report

On

**An Analysis of the Deposit Scheme Management of Al-Arafah
Islamic Bank Limited: A Study on Sonargaon Janapath Branch**

Submitted to:

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Letter of Transmittal

June 10, 2023

Professor Mohammed Masum Iqbal
Department of Business Administration
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Subject: Submission of the internship report.

Dear Sir,

With due respect, I would like to let you know that it is a matter of great pleasure and privilege for me to present the Internship report titled “An Analysis of the Deposit Scheme Management of Al-Arafah Islamic Bank Limited: A Study on Sonargaon Janapath Branch” which was assigned to me as a requirement for the completion of MBA program by Daffodil International University.

I have made an effort to give accurate and sufficient information throughout the study while also trying to follow the guidelines you have provided. I worked very hard to make my report as thorough as I could. I firmly feel that this report will fulfill my dissertation's objectives and meet the standards.

I want to express my sincere gratitude to you for all of your help and support while I prepared this report. If you could review my report and offer me any more recommendations to improve it, I would be eternally grateful.

Sincerely yours,



Name: Sumya Tabassum

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Declaration

I hereby declare that the internship report titled "An Analysis of the Deposit Scheme Management of Al-Arafah Islamic Bank Limited: A Study on Sonargaon Janapath Branch," submitted to the Department of Business Administration, Daffodil International University, is a result of my three-month internship with Al-Arafah Islami Bank Ltd. Under the supervision of Professor Mohammed Masum Iqbal, the report has been prepared solely for academic purposes and not for any other use. I take full responsibility for the originality, accuracy, and integrity of the content, ensuring that no plagiarism or unethical practices have been employed. I also confirm that, the report is only prepared for my academic requirement not for any other purpose.



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Supervisor Declaration

This is to certify that the internship report entitled An Analysis of the Deposit Scheme Management of Al-Arafah Islamic Bank Limited: A Study on Sonargaon Janapath Branch is prepared by Ms. Sumya Tabassum, ID: 202-14-236, as a requirement of MBA program under the Department of Business Administration and the Faculty of Business and Entrepreneurship at Daffodil International University.

The report is recommended for submission.

Signature  _____

Professor Mohammed Masum Iqbal

Department of Business Administration

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Acknowledgement

I would like to express my sincere gratitude to the Almighty for providing me with the invaluable opportunity to prepare an internship report on "An Analysis of the Deposit Scheme Management of Al-Arafah Islamic Bank Limited." I am deeply indebted to my esteemed internship supervisor, **Professor Dr. Mohammed Masum Iqbal** from DIU, whose impeccable guidance, unwavering support, and invaluable insights have played a pivotal role in shaping the outcome of this report.

I would also like to extend my heartfelt appreciation to all the esteemed officials of Al-Arafah Islami Bank Limited who have contributed significantly to the completion of this report. I am particularly grateful to **Mr. Md. Mainul Islam** (VP & Manager) for graciously granting me the privilege of conducting my internship at his esteemed branch. Moreover, I would like to express my profound gratitude to **Mr. Md. Imam Hossain** (Officer) from the general banking department for his exceptional support, constant encouragement, and unwavering assistance throughout the duration of my internship program. His guidance and cooperation have been instrumental in gathering the essential information necessary for this report.

Executive summary

This study investigates Al-Arafah Islami Bank Limited's (AIBL) Deposit Scheme Management, concentrating on the wide variety of banking products and services provided to its clients. This research, which was carried out as a requirement for the MBA program, is based on an internship at the Sonargaon Janapath Branch of Al-Arafah Islami Bank Limited, a bank that is licensed by the Bangladesh Bank. Since secondary sources made up the majority of the data collection for this research, a thorough and accurate analysis was guaranteed.

There are six chapters in the report. The study's history, justification, aims, methods, and limitations are all described in depth in Chapter 1's introduction. Al-Arafah Islami Bank Limited is thoroughly described in Chapter 2 along with its history, goals, commitments, organizational structure, branches, locations, Economic Value-Added (EVA) statement, and other pertinent firm data.

With an emphasis on deposit analysis, the chapter analysis provides information on AIBL's deposits, growth, and composition. The crucial fourth chapter digs into deposit administration, clarifying the associated goods and services as well as their individual management approaches. The procedures used by the bank to gather money from various deposit sources and distribute it to various investment portfolios in order to make money are also covered in this chapter. Along with prior performance, the report also shows the bank's current deposit and investment status.

The study's results are presented in chapter four, which also provides an update on the bank's investments and deposits. In order to increase the profitability of its deposit and investment activities, AIBL must solve a number of problems identified by the investigation. The study concludes with suggestions for enhancing the performance of the bank's investments and deposits.

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Chapter 1- Introduction

1.1 Origin of the Study

A report relating to the three months of activity and employment after the completion of the Master of Business Administration degree program is called an internship report. This is a report on my internship at Al-Arafah Islami Bank Limited, which I completed under Sumon Kazi's supervision as the Second Manager of the Sonargaon Janapath Branch. Professor Dr. Mohammed Masum Iqbal, who oversees my internship course at Daffodil International University's Department of Business Administration, also spoke on the subject of Al-Arafah Islamic Bank Limited's Deposit Scheme Management. It is a great opportunity for me to write this report since it highlights my responsibility and responsibilities in areas where I have shown respect for seniors and the environment. After finishing their assigned tenure, interns are required to submit an internship report that details their experience as well as a competitive aspect of the Al-Arafah Islami Bank Limited work environment. This paper addresses the Al-Arafah Islamic Bank Limited's Deposit Scheme Management and its Practicing Policies, as well as the gaps found and suggestions provided, in accordance with the subject. The topic's tagline is "An Analysis of the Deposit Scheme Management of Al-Arafah Islamic Bank Limited: A Study of the Sonargaon Janapath Branch." as a consequence.

1.2 Background of the study

Islamic banking has grown in popularity throughout the world, with more individuals looking for financial solutions that correspond to Islamic values. Al-Arafah Islamic Bank Limited, founded in 1995, is one of Bangladesh's prominent Islamic banks. Its principal goal is to provide financial services in conformity with Islamic Shariah standards. The bank is well-known for providing a diverse variety of services such as retail banking, corporate banking, and SME finance.

The Sonargaon Janapath branch is one of several Al-Arafah Islamic Bank Limited branches that serve the local community by providing a variety of deposit programs and financial services. Deposit schemes are an important part of a bank's operations because they allow banks to collect monies from consumers and invest them or lend them to other customers. Deposit plans in Islamic banking adhere to Shariah principles, guaranteeing that monies are invested in ethical and permitted economic activity.

Given the competitive nature of the banking sector, banks must constantly evaluate and improve their deposit scheme management in order to preserve client happiness and expand their market share. The major goal of this research is to examine the deposit scheme management at Al-Arafah Islamic Bank Limited's Sonargaon Janapath branch.

The study's goal is to comprehend the bank's present deposit plans and assess their efficacy in satisfying customer demands and preferences. In addition, the research tries to uncover any current issues or holes in the bank's deposit scheme administration that may impede its development and profitability. The research will provide a full knowledge of the bank's deposit scheme administration by assessing these areas, finally making recommendations to improve its performance and better serve the community.

The setting for this study gives context for understanding the necessity of deposit scheme management in the Islamic banking business and emphasizes the importance of doing this analysis on Al-Arafah Islamic Bank Limited's Sonargaon Janapath branch. This study will provide significant insights that will aid the bank's continued development in deposit scheme administration and overall operations.

1.3 Rational of the study

A business student's theoretical understanding is insufficient. Because there is a significant gap between academic knowledge and real field experience, our internship program was created primarily to bridge this gap. The report provides a wealth of information regarding Al-Arafah Islami Bank Limited's Customer Perception and Prospect of Deposit Scheme. This paper provides an overview of Al-Arafah Islami Bank Limited Sonargaon Janapath Branch Deposit Scheme Management. During the internship term, I observed and gained on-the-job experience. This paper covers the many components of Deposit Scheme Management and their impact on the bank's performance. The scope of the organizational element primarily covers the organizational structure, background, objectives, functional departments, and overall company performance.

1.4 Objectives of the Study

The objectives of the study are following.

- To analyze various deposit schemes of Al-Arafah Islami Bank Limited;
- To show the growth of deposit schemes of Al-Arafah Islami Bank Limited;
- To identify the problems related to the deposit scheme management of Al-Arafah Islami Bank Limited;
- To make some recommendations to solve the problems;

1.5 Methodology of the Study: Data and Methods

Source of Data Collection

- The study's data was gathered from a variety of sources. Essentially, the data is gathered from secondary sources. As an example,
- AIBL's Annual Reports and Financial Statements
- Product Brochures
- Publications by Other Islamic Banks
- Bangladesh Bank Data
- Research Papers and Industry Reports
- News Articles

By collecting primary and secondary data from these sources, you can develop a well-rounded understanding of AIBL's deposit schemes and their performance in comparison to other Islamic banks in Bangladesh. This information will enable you to make informed recommendations for enhancing the bank's offerings and better serving its customers.

1.6 Limitations of the Study

It is not an easy job to compile a report on the acquired practical experience in a short amount of time (just three months). The following issues and restrictions came up during the preparation of this report:

- Inadequate information: There was a scarcity of primary and secondary data. The yearly report's record system is insufficient.
- Inadequate time: The internship study period is too short. I only have three months, including vacation time, to spend at the branch and finish this report. As a result, I am unable to go further into the study. Most of the time, the police were busy and couldn't offer me much time.
- Inaccurate information: All essential information is not available at any one bank branch, and there are also few possibilities to visit more than one branch.
- Poor communication: Bankers are extremely busy. It might be difficult to gain their attention at times.
- Inadequate Experience: As a novice, I have limited experience in this area. There was a dearth of experience in gathering information, conducting analyses, and assessing connected subjects.
- Differences in Practices: Field practice differs from normal practice, which also presented an issue.
- Information secrecy: Each organization has its own secret that is not divulged to others.

Chapter 2- Organizational Overview

2.1 Al-Arafah Islami Bank Limited

Al-Arafah Islami Bank Limited began operations as a scheduled commercial bank on June 18, 1995, in accordance with Bangladesh Bank laws and regulations. It offers all forms of commercial banking services to prospective clients while adhering to the Bank Companies Act of 1991 and the mandates and policy guidelines established by Bangladesh Bank. During 2016, the bank participated in CSR activities by providing financial help in many sectors such as education, training, healthcare, sports, natural disasters, and so on.

2.2 AIBL Profile

Islam means 'peace,' and it denotes a completely clean and risk-free way of life. The main goal of the Islamic way of life is to be successful in both our mortal and eternal lives. To reach utmost achievement, we must follow the concept of Al-Quran and the lifestyle of Hazrat Muhammad (SM) in all aspects of our lives. Al-Arafah Islamic Bank was established on June 18, 1995, with Islamic principles in mind. It is also known as AIBL, and its headquarters are in Dhaka, Dilkusha. The founders and directors of the Bank are well-established, committed, and devout people. The bank's founder and chairman is Mr. A.Z.M. Shamsul Alam, a well-known Islamic scholar, economist, author, and former official of the government of Bangladesh. The bank offers services such as deposit schemes, investments, SME banking, microfinance, foreign trade, and others. In addition to other deposit schemes, it provides the Al Wadiah Current Deposit Scheme, Mudaraba Savings Deposit Scheme, Mudaraba Term Deposit Receipt, and Mudaraba Short Notice Deposit. AIBL makes investments in the following areas: transportation, hire-purchase, mosques and madrasas, modest investments in villages, and so on. SME entrepreneurs, Agro industries, small businesses, and women entrepreneurs are just a few of the groups who can use their SME banking service. The bank also provides other services, such as ATM service, Internet banking, SMS banking, mobile banking, locker service, remittance service, and so on. Currently, the bank has 89 branches, 8 SME units, and 3682 employees, 38 authorized dealers (AD) around the nation, and about 25793 shareholders. AIBL has a paid-up capital of Taka 10440.22 million and an authorized capital of Taka 15,000.00 million. (As of December 2018), there were 2,810 employees, 25793 shareholders, and 197 branches (unit 2020). AIBL serves their clients with contemporary banking systems and cutting-edge technology. Because of the knowledge of the directors,

Islamic bankers, and the assistance of Almighty Allah, Al-Arafah Islamic Bank Ltd has become the most contemporary and leading bank in Bangladesh.

2.3 Vision

To be a pioneer in Islami Banking in Bangladesh and contribute significantly to the growth of the national economy

2.4 Mission

- Achieving the satisfaction of Almighty Allah both here & hereafter.
- Proliferation of Shariah Based Banking Practices.
- Quality financial services adopting the latest technology.

2.5 Value & Commitments

- To deliver financial services with the touch of our heart to retail, small and medium scale enterprises, as well as corporate clients through our branches across the country.
- To always align our business initiatives with the ever changing industrial and business needs of the clients.
- To deliver product and services that creates value for the customers.
- To conduct our business within well-defined risk tolerance level.

2.7 Branches of AIBL

AIBL began operations at 161; Motijheel C/A Dhaka on September 27, 1995, with a branch named Motijheel Branch, and has since expanded throughout the country. Since its inception, the bank's headquarters had been located in the same building as the Motijheel Branch, but as of 11 January 2007, it has relocated to 36, Dilkusha (6th, 7th, 8th, and 9th floors), Dhaka-1000. The bank is just 25 years old, and in that short time, it has created 197 branches around the country and established a seamless network across the country.

3.8 Economic Value-Added statement

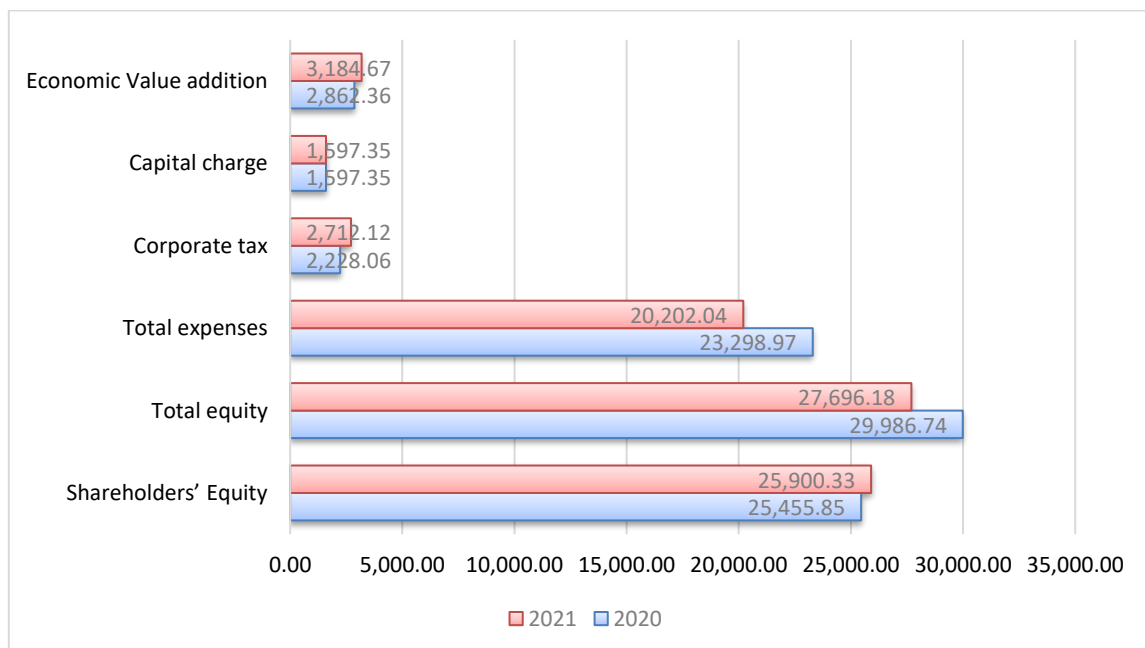
Economic Value Added (EVA) is a measure of a company's actual economic profit. EVA is an estimate of how much profits are over or below the needed minimum return for shareholders at a given level of risk.

The company showed an increase in Shareholders' Equity and Economic Value Addition while reducing its Total Expenses. However, there was a decrease in Total Equity and an increase in Corporate Tax paid. The Capital Charge remained the same across the two years

Particulars	2020	2021
Shareholders' Equity	25,455.85	25,900.33
Total equity	29,986.74	27,696.18
Total expenses	23,298.97	20,202.04
Corporate tax	2,228.06	2,712.12
Capital charge	1,597.35	1,597.35
Economic Value addition	2,862.36	3,184.67

Table 1: EVA (2020 and 2021)

The financial data provided indicates that the company experienced some positive changes between 2020 and 2021. Shareholders' Equity increased, showing that the company has become more valuable to its owners. Additionally, Economic Value Addition (EVA) increased, which suggests that the company has created more wealth for its shareholders in 2021 compared to 2020.



Finger 2: Economic Value-Added Statement 2020 and 2021

Chapter 3- Analysis of Deposit Scheme

3.1 Deposits of AIBL

According to its unaudited statistics, Al-Arafah Islamic Bank Limited (AIBL) received total deposits of Tk9,480 crore last year, despite the Covid-19 epidemic. During the same time period, the bank invested Tk30,976 crore, with imports and exports totaling Tk16,960 crore and Tk10,496 crore, respectively.

3.2 Deposit growth

A 9.68% rise from Tk. 297,241.81 million on December 31, 2019, the bank's total deposit was Tk. 326,023.41 million on December 31, 2020, of which Tk. 4,726.57 million was a bank deposit and Tk. 321,296.84 million was a general deposit. In order to improve the spread and provide an average return on investment, the present objective is to increase the deposit base while maintaining competitive profit rates and low cost of capital.

Years	Amount
2016	199,703.92
2017	244,806.26
2018	266,205.48
2019	297,241.81
2020	326,023.41
2021	353,287.97

Table 2: Deposit growth (2016-2021)

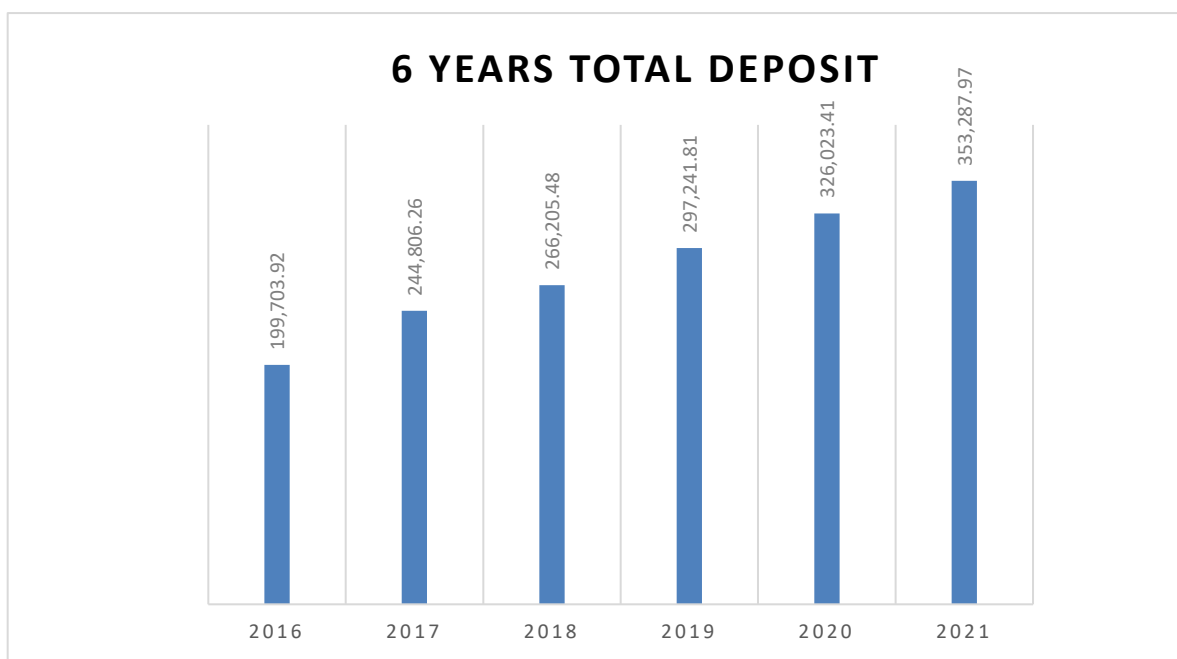


Figure 3: 6 Years Total Deposit (2016- 2021)

The graph depicts AIBL's deposit growth from 2016 to 2021. We can see that AIBL's deposit is rising year after year, and in 2021 the amount of deposit was Tk. 353,287.97 million, which was larger than the previous year's deposit of 1,99,703.92 million takas.

3.3 Deposit Mix

The mix deposit of the bank on December 31,2021 was follow:

Products	Taka in Million
Al Wadia Current Account	43,639.19
Mudaraba Savings Deposit	62,011.04
Other Mudaraba Deposit	175,485.12
Mudaraba Term Deposit	68,093.14
Bills Payable	4,059.48
Total	353,287.97

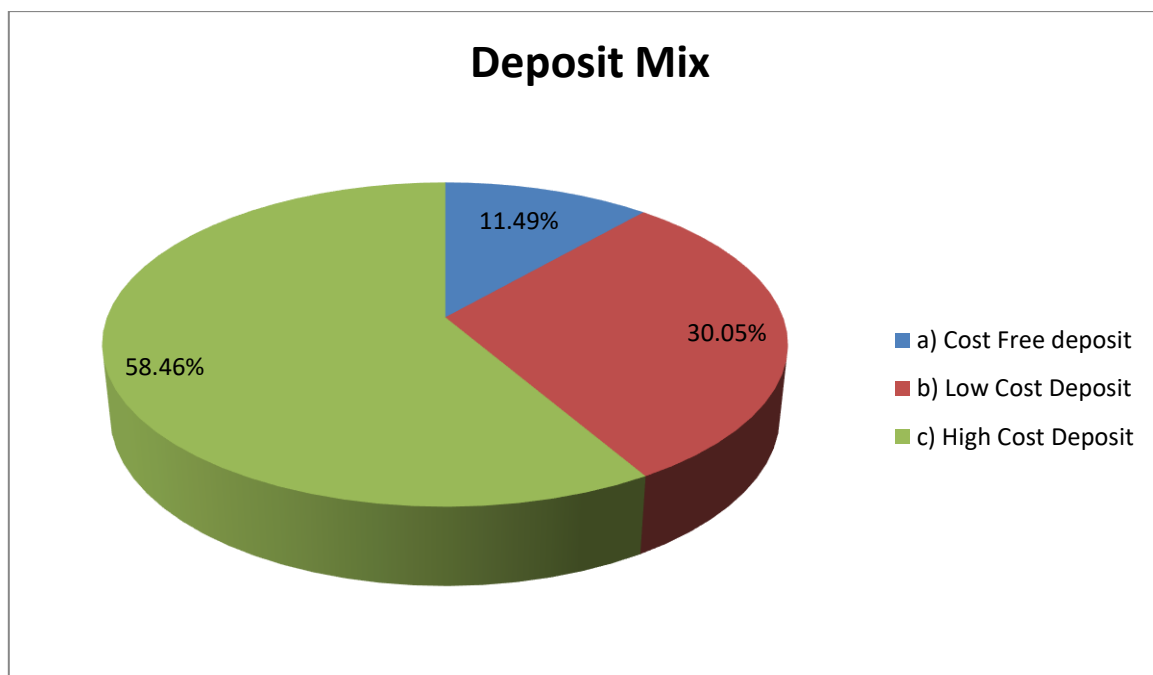
Table 3: Deposit mix 2021

Deposit Mix:

Products	Taka in Million	% of Total
Cost Free deposit	40,592.79	11.49%
Low Cost Deposit	106,163.03	30.05%
High Cost Deposit	206,532.15	58.46%
Total	353,287.97	100.00%

Table 4: Deposit mix of the bank on December 31,2021

Deposit Mix:



Finger 4: Deposit mix of the bank on December 31,2021

3.4 Deposit Management

Accepting deposits is one of the most important duties of a bank. Fixed deposits, current savings, and so forth. Sharia-compliant bank standards will require Islamic institutions to pay clients a profit. Deposits are used for investment purposes, but because banks do business with

other people, they must ensure that they will be able to refund the deposit to the individual consumers when they claim it. All of this is referred to as deposit management.

3.5 Deposit product of AIBL

1. Al wadiah current account (CD).
2. Mudaraba short notice deposit (SND).
3. Mudaraba savings deposit (MSD).
4. Mudaraba term deposit receipt (MTDR).
5. Monthly installment-based term deposit (ITD).
6. Monthly profit-based term deposit (MPTD).
7. Al-Arafah monthly Hajj deposit (MHD).
8. Al-Arafah term Hajj deposit (THD).
9. Monthly installment-based marriage savings investment scheme (MIS).
10. Al-Arafah savings bond (ASB).
11. Foreign currency deposit (FCD).
12. Pension deposit scheme (PDS).
13. Mudaraba WAQF deposit scheme (CWD).
14. Mudaraba lakhpoti deposit scheme (LDS).
15. Mudaraba millionaire deposit scheme (MDS).
16. Mudaraba kotipoti deposit scheme (MKDS).
17. Mudaraba (special) pension deposit scheme (MSPDS).
18. Mudaraba somriddhi (Double Benefit) scheme deposit (MDBDS)
19. Mudaraba Excellent (Triple Benefit) scheme deposit (MTBSD)
20. Farmers, Freedom fighters Account

3.6 Al wadiah current account (CD)

- All documents are seemlier to Savings Account.
- Trade License and Tin Certificate needed to the business organization.
- Account open minimum fee is 2000tk only.
- Needed memorandum/regulation for Limited company.
- Needed seal for company.
- One Cheque book is given that cost is 69tk.
- There has no profit given.

- If there have no transaction around one year then it can be considered as dormant account. For activation of the dormant account, account holder writes application with penalty tk. 230.

3.7 Mudaraba short notice deposit (SND)

Short Notice Deposit has following attributes:

- 2.5% profit rate against SND
- No restriction over withdrawal of money
- 5000/- is the minimum balance.

3.7 Mudaraba saving Deposit (MSD)

1. Profit Rate: The profit rate for the Savings Deposit Account is 5%.
2. Profit Calculation: Profits are calculated monthly based on the lowest balance in the account during the month.
3. Withdrawal Limit: Customers can withdraw funds twice a week, with a maximum limit of BDT 5,00,000 per transaction. Withdrawals beyond this limit require seven days prior notice.
4. Withdrawal without Notice: Withdrawals without notice are allowed up to 25% of the account balance or a maximum of BDT 5,00,000, twice a week. If a withdrawal exceeds the limit, no profit will be earned for the month in which the withdrawal occurs.
5. Profit Rate Changes: The profit rate is subject to change without prior notice to customers.
6. Profit Payout: Profits are credited to the customer's account on a half-yearly basis.
7. Minimum Account Opening Balance: The minimum balance required to open a Savings Deposit Account is Tk. 500, which must be maintained at all times.
8. Cheque Book: A cheque book is provided to account holders at a cost of Tk. 69.
9. Account Maintenance Fee: An annual account maintenance fee of Tk. 230 (Tk. 115 charged twice a year) is applicable.
10. Minimum Balance Requirement: The minimum initial deposit is also the minimum balance required for account maintenance.

3.8 Mudaraba term deposit receipt (MTDR)

Al-Arafah Islami Bank Limited (AIBL) offers a fixed deposit system called the "Certain Period Deposit System." This type of deposit is designed to be held for a specified term and is not repayable before the maturity date. AIBL provides higher profit rates on such deposits, which are determined based on the length of the term.

Customers can open this account with a minimum balance of TK 10,000.00, choosing from various fixed periods as mentioned below. The profit rates corresponding to each term are also provided:

Month:	1	3	6	12	24	36	6Yrs
Profit:	3.00	4.75	5.00	5.00	5.00	5.00	Double

The Certain Period Deposit System offered by AIBL presents investors with a secure and stable investment opportunity. By locking in their funds for a fixed term, customers can earn a competitive profit rate, enabling them to grow their wealth over time. This type of deposit is especially attractive for investors seeking a low-risk savings option with guaranteed returns.

3.9 Monthly installment-based term deposit (ITD)

It's a safe bet for a consistent return. It can be opened for 2, 3, 5, 8, 10, or 12 years for Tk.200, Tk.300, Tk.500, Tk1000, Tk1500, and Tk2000, Tk3000, Tk4000, and Tk5000. The savings must be placed on any day of the month. If the depositor has a separate bank account, a standing instruction can be issued to move the monthly deposit into the scheme's account. After three years of saving in this program, the depositor is entitled for a loan of up to 80% of the amount saved.

3.10 Monthly profit-based term deposit (MPTD)

Deposits of TK.1.00 Lac, 1.10 Lac, 1.20 Lac, 1.25 Lac, and multiples thereof are accepted for a length of 5(five) years under the aforesaid plan, and the bank made a profit of Tk.969 per month per Lac and proportionally on the remainder of the deposit under the category during the year under review. The aforementioned rate, however, shall be adjustable at the conclusion of the fiscal year upon finalization of accounts.

3.11 Al-Arafah monthly Hajj deposit (MHD)

AIBL has established a program called the "Mudaraba Hajj Savings Scheme" to make it easier for Muslims who want to undertake the Hajj at the right age. This plan is just intended to help you save money for the Hajj. Any Muslim who plans to make the Hajj by saving up the deposit needed to cover the costs will choose one of the 25 possible options based on the length of the time from 5 to 25 years for doing so under this Scheme.

3.12 Al-Arafah term Hajj deposit (THD)

Al-Arafah Islami Bank Limited (AIBL) has recognized the importance of making the sacred pilgrimage of Hajj more accessible to the middle-class Muslim community. In response to this need, the bank has introduced a monthly installment-based Hajj Deposit Scheme, specifically tailored to help devout Muslims fulfill their religious obligation with ease.

This innovative scheme operates under the principles of Mudaraba, an Islamic finance concept where the bank and the customer share profits based on a predetermined ratio. Each individual can open only one Hajj account in their name, ensuring adherence to the religious requirements of the pilgrimage.

One of the main attractions of the Hajj Deposit Scheme is the profit calculation method. Profits are determined based on the daily balance of the deposit, and the plan carries a 0.06 higher weightage compared to a standard 3-year deposit. This feature ensures that the depositor's funds grow at a more competitive rate, helping them achieve their Hajj-related financial goals sooner.

In 2012, the estimated cost of performing Hajj was Taka 2,55,500. To account for the evolving financial landscape, the scheme anticipates an annual increase of 5% in the pilgrimage expenses for the upcoming years. This consideration ensures that the depositors' funds remain relevant and sufficient for their intended purpose.

The AIBL Hajj Deposit Scheme offers a diverse range of maturity periods and installment sizes, giving customers the flexibility to choose a plan that suits their financial capabilities and timeframes. This adaptability allows more members of the Muslim community to participate in the scheme and work towards fulfilling their sacred aspiration of performing Hajj.

Al-Arafah Islami Bank Limited's Hajj Deposit Scheme presents a valuable opportunity for middle-class Muslims to achieve their religious objectives through affordable and manageable

monthly installments. By offering various investment terms and options, AIBL ensures that a wider demographic can benefit from this rewarding and spiritually significant opportunity.

3.13 Al-Arafah savings bond (ASB)

AIBL has introduced savings bonds under the Pensioners Pension Deposit Scheme, with two bond denominations available for investment: Tk. 10,000 and Tk. 100,000. These bonds offer three distinct tenures: 3, 5, and 8 years. Upon completion of the chosen term, the invested amount is expected to increase significantly, potentially by 1.5 or even two times the initial investment, Insha'Allah.

These savings bonds provide a valuable opportunity for investors to grow their wealth over time while also contributing to their long-term financial security. By offering various bond denominations and investment tenures, AIBL ensures that a wide array of investors can benefit from this attractive savings vehicle.

3.14 Foreign currency deposit (FCD)

Under the Mudaraba principle, the Mudaraba Foreign Currency Deposit Scheme (savings) has been established. It aims to invest foreign currency funds profitably through its foreign correspondent banks in accordance with Shariah law, allowing the bank to pay profits to its FC/PFC depositors who will be planning to open or maintain Mudaraba Foreign Currency Deposit (MFCD) accounts.

3.15 Pensioners deposit scheme (PDS)

In response to growing demand from its clientele, Al-Arafah Islami Bank Limited (AIBL) has introduced the "Pensioners Pension Deposit Scheme." This innovative savings plan enables individuals to accumulate savings by making small, manageable monthly contributions. Upon the completion of a specified term, investors will receive an attractive lump sum payout or a fixed monthly amount for a predetermined period.

The Pensioners Pension Deposit Scheme offers a range of terms, starting from 5 years and extending up to 15 years. This flexibility allows investors to select a plan that aligns with their long-term financial goals and retirement planning. By offering a variety of term options, AIBL ensures that a diverse group of investors can benefit from this appealing savings opportunity, paving the way for a more secure and comfortable financial future.

3.16 Mudaraba WAQF deposit scheme (CWD)

The Bank has created the "Mudaraba WAQF Cash Deposit Account" through which the wealthy and well-off members of society can mobilize their savings for WAQF and use the money so produced to support various charitable causes. Through the Scheme, the Bank will be able to help raise awareness of the importance of WAQF in the nation, particularly Cash WAQF, which will play a crucial role in transferring wealthy individuals' savings to the general public and in funding a range of religious, educational, and social services as well as various social investment projects.

3.17 Mudaraba Lakhpoti Scheme

The Mudaraba Lakhpoti Scheme is an attractive investment opportunity designed to accommodate investors with varying financial goals and investment durations. This scheme offers flexible monthly installment options for periods of 3, 5, 8, 10, and 12 years, with a final payout of 1 lakh upon completion.

Here is a comprehensive summary of the monthly installment amounts for each investment term:

3-year plan: Monthly installment of 2,400

5-year plan: Monthly installment of 1,335

8-year plan: Monthly installment of 700

10-year plan: Monthly installment of 500

12-year plan: Monthly installment of 375

These diverse investment options provide investors the flexibility to choose a plan that best aligns with their financial capacity and long-term objectives. By offering a range of investment terms, the Mudaraba Lakhpoti Scheme ensures that a wide variety of investors can take advantage of this rewarding opportunity.

3.18 Mudaraba Millionaire Scheme

The Mudaraba Millionaire Scheme is a unique investment opportunity designed to cater to investors with various financial goals and investment horizons. The scheme offers flexible

monthly installment options for a period of 3, 4, 5, 6, 7, 10, 12, 15, and 20 years, ultimately rewarding investors with a lump sum payout of 10 million.

Below is a detailed summary of the monthly installment amounts for each investment term:

1. 3-year plan: Monthly installment of 23,900
2. 4-year plan: Monthly installment of 16,100
3. 5-year plan: Monthly installment of 13,300
4. 6-year plan: Monthly installment of 10,580
5. 7-year plan: Monthly installment of 8,350
6. 10-year plan: Monthly installment of 5,000
7. 12-year plan: Monthly installment of 3,770
8. 15-year plan: Monthly installment of 2,570
9. 20-year plan: Monthly installment of 1,460

These varying investment options provide investors with the flexibility to select a plan that suits their financial capabilities and long-term objectives. By offering a wide range of investment terms, the Mudaraba Millionaire Scheme ensures that a diverse group of investors can benefit from this lucrative opportunity.

3.19 Mudaraba (special) pension deposit scheme (MSPDS)

The AIBL responded to the growing demand from people from all walks of life for unique & alluring savings schemes based on the Islamic Shariah by introducing the "Mudaraba Special Savings (pension) Scheme," which allows people to accumulate savings by paying small monthly installments. This will provide them the ability and motivation to save as much as they can for their senior years in an Islamic way. The time span is between five and fifteen years.

3.20 Farmers, Freedom Fighters Account

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

4.21 Revised Provisional Profit Rate for All Mudaraba Deposit

S. N	Particular	Existing Provisional Rates	Revised Provisional Rate	With Effect From	
Provisional Profit Rate					
1	Mudaraba Term Deposit				
	a	01 Month MTDR	4.00%	3.00%	01-12-2021
	b	03 Month MTDR	5.00%	4.75%	01-12-2021
	c	06 Month MTDR	5.50%	5.00%	01-12-2021
	d	12 Month MTDR	5.50%	5.00%	01-12-2021
	e	24 Month MTDR	5.50%	5.00%	01-12-2021
	f	36 Month MTDR	5.50%	5.00%	01-12-2021
2	Mudaraba Savings Deposit	2.00%	2.00%	01-12-2021	
3	Instalment Term Deposit (ITD)	5.50%	5.50%	01-12-2021	
4	Monthly Savings Investment Deposit (SID)	5.50%	5.50%	01-12-2021	
5	Profit Payable Term Deposit (PTD)	5.50%	5.50%	01-12-2021	
6	Pension Deposit Scheme (PDS)	6.50%	6.50%	01-12-2021	
7	Mudaraba Aman Deposit Scheme (Probable Lakhpoti)	5.50%	5.50%	01-12-2021	
8	Mudaraba Ahsan Deposit Scheme (Probable Millionaire)	5.50%	5.50%	01-12-2021	
9	Ahsan Plus Deposit Scheme (Probable kotipoti)	5.50%	5.50%	01-12-2021	
10	Somriddhi Deposit Scheme (Probable Double)	5.50%	5.50%	01-12-2021	
11	Excellent Benefit Deposit Scheme (Probable Triple)	5.50%	5.50%	01-12-2021	

12	Term Hajj Deposit (THD)	5.50%	5.50%	01-12-2021
13	Monthly Hajj Deposit (MHD)	5.50%	5.50%	01-12-2021
14	Special Pension Deposit Scheme (SPDS)	5.50%	5.50%	01-12-2021
15	Cash Waqf Deposit Scheme (CWD)	5.50%	5.50%	01-12-2021
16	Probashi Kallyan Deposit Pension Scheme	5.50%	5.50%	01-12-2021
17	Marriage Savings and Investment Scheme	5.50%	5.50%	01-12-2021
18	Saving Bond	5.50%	5.50%	01-12-2021
19	All Other Scheme	5.50%	5.50%	01-12-2021

1. ICCW will verify the Rates time to time.
2. The premature encashment saving rate 2.00% will be applicable for premature encashment of any Deposit scheme account.
3. TDS for TIN Holder 10% and within TIN Holder 15%. Excise duty will be applicable as per government rules.

The table above shows the deposit schemes offered by Al-Arafah Islamic Bank Limited and the corresponding profit rates as of December 1, 2021. The bank offers a range of deposit schemes such as Mudaraba Term Deposits, Instalment Term Deposits, and Monthly Savings Investment Deposits, among others. The Mudaraba Term Deposit scheme offers varying profit rates for different tenures ranging from 1 to 36 months. The Pension Deposit Scheme and Cash Deposit Scheme offer higher profit rates of 6.50% for customers who are interested in long-term savings. The bank also offers several deposit schemes with a probable pay out, such as the Mudaraba Ahsan Deposit Scheme and Ahsan Plus Deposit Scheme, where customers have the chance to become millionaires or billionaires. Overall, the bank offers a variety of deposit schemes with competitive profit rates to cater to the diverse needs of its customers.

Chapter 4 Problems Identification, Recommendations and Conclusion

4.1 Problems Identified

1. Over the past six years (2016-2021), AIBL's profit margin has decreased. So deposit scheme is falling down.
2. Due to market competition, AIBL must pay more for deposits since it has more long-term deposits than short-term deposits.
3. AIBL lacks the workforce to meet the escalating client demand. Therefore, they are unable to serve the consumer in an effective manner.
4. The AIBL lacks an efficient training policy. Despite having a training institute, they are not effectively utilizing it.
5. To get consumer credit, customers must provide the bank with several documentation.
6. The Bank charges too many paperwork and papers to its customers, giving them the impression that the concerned official is harassing them.
7. In a few cases, the proper person has not been placed in the appropriate position. So that deposit information can't deliver properly

4.2 Recommendations

1. In order to stay competitive and better fulfill client needs, new investment schemes should be launched to match customer requests.
2. The appropriate individual should be assigned to the appropriate position.
3. The bank's accounting system has to be software-based.
4. In the event of credit or investment prospects, accurate future forecasting is considerably more necessary.
5. The bank needs to update their deposit policy. The bank should diversify its deposits more.
6. In order to boost recovery rates and lower risks, large investment risk must be reduced, with a focus on SME and consumer credit schemes.
7. Employees, particularly those in the credit department, deal with many risk dimensions, therefore they must have the appropriate training.
8. Building internal capability is crucial for the strategy's successful implementation. The personnel will receive ongoing training to do this.
9. Increase the product offerings for current customers and expand the network into rural regions to expand into new markets.
10. The bank must make sure that sufficient and prompt loan loss provisions are made in accordance with actual and anticipated losses.
11. MBL should focus on streamlining services and cutting down on time requirements. MBL should thus increase staff recruitment at its branches.
12. To meet consumer demand, ensure that the most recent technology is used in banking operations.

4.3 Conclusion

This study has provided a comprehensive analysis of the Deposit Scheme at Al-Arafah Islamic Bank Limited, specifically focusing on the Sonargaon Janapath Branch. The findings indicate that while the bank is making efforts to improve its services and adapt to the changing industry landscape, there are opportunities to further enhance customer satisfaction and streamline the Deposit pension scheme management.

During the internship, interactions with employees and customers revealed instances of customer dissatisfaction, underscoring the need for the bank to address these concerns and implement strategies to improve its service quality. Accelerating the bank's adaptation to the evolving market conditions will be crucial in establishing a leadership position within the industry.

This report has contributed to a better understanding of the practical aspects of Business Administration, particularly in the context of Deposit Scheme management in an Islamic banking setting. The insights gleaned from this study will be invaluable in informing future strategies and initiatives aimed at bolstering the bank's performance and customer satisfaction levels.

Al-Arafah Islamic Bank Limited has the potential to excel in the competitive banking landscape by focusing on enhancing its Deposit Scheme offerings and addressing customer concerns. The experience gained through this internship has not only enriched the practical application of Business Administration principles but has also underscored the significance of continuous improvement and adaptation in a dynamic industry.

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