



Internship Report On

**ANALYSIS OF CREDIT RISK
MANAGEMENT OF EXIM BANK PLC**

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Subject: **Submission of Internship Report on “An Analysis of Credit Risk Management of Exim Bank Bangladesh PLC”.**

Dear Madam,

Most humbly and respectfully, I like to inform you about the submission of my internship report “**An 1Analysis of credit Risk Management of Exim Bank Bangladesh PLC**” for the BBA program. I have made this paper through the real work experience and information collected through study of the operating process of Exim Bank Bangladesh PLC, Jhenaidah Branch. There may be some default through oversight in the paper and I sincerely apologize for such incidental mistake. It would be much appreciated if you kindly consider my mistakes.

I am grateful for your kind supervision and look forward to your continued support for my internship report.

Your Sincerely,



Jahidul Islam

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BBA 61 Batch

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Student's Declaration

I 'Jahidul Islam' hereby proclaim that a report of internship program titled "An Analysis of Credit Risk Management of Exim Bank Bangladesh PLC" is individually made by me after undergoing a 3-month internship at Exim Bank Bangladesh PLC, Jhenaidah Branch. There is no kind of duplication in this report, and no information used was highly confidential to Exim Bank Bangladesh PLC. The data and information presented in the report do not impose any restriction by the law of the country.

I may like to clarify here also that the work has been done for academic pursuits only and carries no additional status.



Jahidul Islam

ID: 221-11-1457

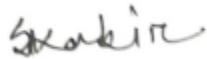
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Certificate of The Supervisor

This is to certify that the internship report titled “**An Analysis of Credit Risk Management of Exim Bank Bangladesh PLC**” has been submitted by **Jahidul Islam**, bearing Student ID **221-11-1457**, a student of the **Department of Business Administration** at **Daffodil International University**, in partial fulfillment of the requirements for the degree of **Bachelor of Business Administration (BBA)**. The report has been prepared under my supervision and guidance. I have found it to be a well-researched and comprehensive study, reflecting the student’s understanding of the subject matter. Therefore, I approve this report for submission and evaluation.



Shahana Kabir

Assistant Professor

Department of Business Administration

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Acknowledgement

My heartfelt appreciation and my first word of thanks is to Almighty Allah who has bestowed on me the capabilities to present this report. I express my warm regards and deepest gratitude to my internship supervisor Shahana Kabir, Assistant Professor, Department of Business Administration, Daffodil International University, for all the guidance and proper support to accomplish this report.

I feel profound appreciation to Md. Kamruzzaman, Senior Vice President and Manager of Jhenaidah Branch, Exim Bank Bangladesh PLC, as well as other officials, for their cooperation in making this report possible. Heartfelt appreciation also goes to the authorities of Exim Bank for creating a conducive environment for the execution of this internship program and providing training facilities.

I would also like to express my earnest gratitude to my family members, who have jointly shared with me all the hardships met within the course of the job.

Your Sincerely,



Jahidul Islam

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Executive Summary

As an Accounting major student, it is a great opportunity to work as an intern in a bank. There is a lot of well-known private commercial bank in Bangladesh. Among them Exim Bank Plc is one of the renowned and progressive Shariah based private commercial bank. Exim Bank Plc vision is to grow and move forward together with its customer as well as contribute to the economy. My internship report preparation process is entirely based on my three months at Exim Bank Plc Jhenaidah Branch. The report concentrates on Credit Management System of Exim Bank Plc.

The main target is to analyze the credit risk management of Exim Bank Plc. Client awareness towards the performance of Exim Bank Plc and analyses the financial performance in terms of credit management. Exim Bank Plc as also all other financial institutions in our country plays a crucial role in organizing idle savings and managing them to productive investment project.

For a developing country, like Bangladesh financial institution's function is much more necessary. Investment is one of the key functions for a bank's asset. Banks are making profit from investment. Exim Bank Plc is one of the country's top-level renewed investment institutions. Exim Bank Plc attract customers by giving various types of investment with a lot of facilities. I collected data from both primary and secondary sources. The internship report was divided into six individual Chapters. Introduction, background of the study, significant of the study, objective of the study, scope of the study, literature review, methodology, data analysis, limitation is all included in the chapter one. The second chapter of this report is about organizational overview of Exim Bank Plc like overview, mission, vision, organizational structure, function. The next chapter is all about internship roles and responsibilities. Chapter four highlighted the Exim Bank's critique and reflection. Next, conclusion chapter delivers implementable suggestions. Lastly implication and recommendation of the study included in the last chapter.

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Chapter-1

Introduction

1.1: Introduction

An internship is an important part of the **Bachelor of Business Administration (BBA)** program at **Daffodil International University** that will expose students to the actual business world. It helps to balance the gap between theoretical academic learning and the real-life professional experience. Internship allows students to practice the knowledge taught in classrooms in the organization practice and this boosts their analytical and managerial skills.

In this academic need, I undertook my internship at the **Exim Bank Bangladesh PLC** which is one of the major Shariah based commercial banks in Bangladesh owned privately. The bank has a broad variety of services including corporate banking, SME lending, retail banking and foreign exchange. I was placed in **Investment (Credit) Department, Jhenaidah Branch** where I got a chance to observe and participate in different credit related processes such as loan processing, investment documentation, disbursement, monitoring and recovery processes.

The internship experience enabled me to gain knowledge of how Exim Bank PLC maintains its credit portfolio, evaluates and regulates credit risks, and observes the rules and regulations of Bangladesh Bank as well as Shariah laws. The experience enabled me to relate my theoretical and practical knowledge on finance and banking courses, which enhanced my analytical and problem-solving skills to a great extent.

The report, titled **An Analysis of Credit Risk Management of Exim Bank Bangladesh PLC**, is an examination of how the bank is coping with its credit risk in terms of its assessment, monitoring and recovery procedures. It brings out the way through which Exim Bank PLC balances profitability and risk without jeopardizing financial stability and compliance with the regulations.

Conclusively, this paper has highlighted the importance of effective credit risk management to financial institutions in the modern banking industry that is competitive. It also underlines the role played by Exim Bank Bangladesh PLC in ensuring sustainable economic development of Bangladesh through responsible lending habits and provision of sound credit climate.

1.2: Background of The Study.

Credit is extremely important in running of businesses, growth of trade and in the development of the economy. Nonetheless, improper management of credit may cause non-performing loans (NPLs) and pose a threat to the stability of the banking sector. Over the last several years, there has been an increase in non-performing loans of both the private and state-owned banks in Bangladesh. This has highlighted the importance of effective credit risk evaluation, control as well as recovery processes.

Exim bank Bangladesh PLC is an Islamic bank that has a high priority on safe and profitable investment practices. Since the bank engages in different investment modes like the Bai-Muazzal, Murabaha, HPSM and Mudaraba, credit assessment and control are a critical factor to maintain the Shariah compliance and financial discipline.

The internship provided the opportunity to have a firsthand experience with various stages of processing a credit, beginning with an inquiry of a client through loan disbursement, and follow-up. This paper was done because it was necessary to relate theoretical understanding with practical banking operations, as well as to learn the process through which Exim Bank recognizes, assesses and mitigates credit risks.

1.3: Significant of The Study.

The research regarding the credit risk management of Exim Bank PLC is of great importance due to a number of reasons. Credit risk management in the banking industry is directly proportional to the profitability, liquidity and sustainability of the bank in the long term. Proper management of credit risk will assist in ensuring that funds are appropriately used, controlling the quality of loans, and there is reduction in default risks- hence protecting the financial stability of the bank.

To students and researchers, this report will provide an applicable insight into the application of theoretical knowledge on credit risk management, Shariah-related principles of banking, and financial analysis to the actual banking operations. It helps to reduce the distance between the classroom and the field level through exposing students to credit appraisal processes, documentation, approval processes, risk grading (CRG), and recovery systems. This improves analytical, professional and decision making.

In the case of Exim Bank PLC, the study can be an invaluable assessment tool to determine the existing strengths and weaknesses of the current credit risk management practices.

The report results can help the management of the bank to enhance the process of screening of loans, collateral assessment techniques, monitoring technology as well as recovery plans to minimize the non-performing investments in order to have sustainable growth.

In the case of the banking industry, the research is applicable to the knowledge of how the commercial Islamic banks of Bangladesh particularly the Exim Bank are able to cope with credit risk in a competitive and regulated banking context. It also emphasizes the significance of adherence to the rules and regulations of the Bangladesh Bank, the Basel standards, and the Shariah principles in risk reduction and transparency or ethical financing.

All in all, the research would be valuable to the academic, professional, organizational, and industry-wide knowledge building due to its contribution to the development of knowledge on credit discipline, risk mitigation, operational efficiency, and regulatory compliance in Islamic banking.

1.4: Objectives of The Study.

The main objective of the report is to analyze the credit management of Exim Bank Plc.

Specific Objectives:

1. To evaluate the credit risk management activities of the Exim Bank Plc.
2. To analyze the credit performance of Exim Bank Plc.
3. To identify the problems related with credit management of Exim Bank Plc.
4. To suggest some possible recommendation to overcome the problem.

1.5: Scope of The Study.

The primary focus of this study is to focus on the different processes used in the credit approval system of Exim Bank Plc with special focus on the tools and methods used in the system to analyze credit worthiness as a vital component of the process.

Moreover, it also discusses the credit risk management strategies that the bank has embraced at the pre-sanction and post-sanction lending stages.

Several elements to the lending process are also evaluated in the report such as the mechanisms used to monitor, identify problems that could arise, and recommendations to improve performance.

It, further, examines the relationship between the profitability of the bank and its credit risk management procedures.

The final, but not the least, the conclusions and recommendations given in the report are supported by assessing the effectiveness of the overall process of managing and mitigating credit risk in the bank.

1.6: Methodology of Data Collection.

Identification of major primary and secondary source data to be used in the study and preparation of the report.

1.6.1: Primary Sources.

- Conduct face-to-face meeting with OICs.
- Practice desk work and work on relevant service records as instructed by the concerned officers.
- Relevant documents provided by the officers.

1.6.2: Secondary Sources.

- Various circulars issued by the head office and Bangladesh Bank
- The annual report of Exim Bank Plc.
- Articles, books, research paper and journals.
- Websites.

1.7: Data Analysis.

This descriptive study mainly aims at demonstrating the process of credit approvals and monitoring that are undertaken by the Exim Bank Plc.

The information gathered, both through primary and secondary sources has been arranged systematically to offer a full picture of the credit management policies that the bank has towards lending and supervision.

The analysis will include both qualitative and quantitative methods to assess the process of sanctioning the loans and the tools that are needed to monitor them effectively.

1.8: Limitations.

- The bank employees were usually in a hurry and I could not always receive the required guidance or feedback.
- Certain meaningful data and publications were inaccessible because of the policy of confidentiality in the organization.
- The privacy and security reasons limited access to the internal operational data. Essential information like the branch balance sheets and income statements were not given.
- The internship was also restricted to 12 weeks and this minimized the study depth.
- The obtained data was not properly structured and the database of the bank was not updated recently.
- There was also the fact that the employees were cooperative though their work load was too much hence they could not help me fully.

Chapter-2

Company Profile

2.1: An Overview of Exim Bank Plc.

The bank was established under the directive of the Bangladesh Bank and the Bank Companies Act of 1991 on August 3, 1999 under the dynamic leadership of its founder and then chairman, Mr. Shahajahan Kabir who actualised his long-time dream of having a commercial bank to help in the socio-economic improvement of our country. His banking qualifications were of huge experience worthy of all success and experience.

To assist him about half a dozen or two of extremely wealthy and renowned businessmen came into his dream fulfilment. In addition to that, they have already proven themselves as rather successful stars in their business with their apex intellect and determination, hard work, and talented entrepreneurship. In fact, following the demise of the highly regarded Founding Chairman, Mr. Nazrul Islam Mazumdar, who was the next highly regarded chairman of Exim Bank (Exim Bank,2020).

Since 1 st July 2004, the approval of the Bangladesh Bank converted the traditional banking operation to the shariah based Islami Banking operation by Exim Bank. Exim Bank (Export Import Bank) is the new name of the bank that was previously referred to as BEXIM Bank (Bengal Export Import Bank).

The bank began its operations on 3 rd August 1999 under Mr. Alamgir Kabir, FCA as the advisor and Mr. Mohammad Takioullah, as the managing director. Both of them have acquired experience that is useful in the admittedly financial market of our country. The bank has to a certain extent asserted a recognized but distinct role in the banking industry with realistic decision making and management direction into the business undertaking.

2.2: Mission, Vision of Exim Bank plc.

2.2.1: Vision

Together Towards Tomorrow- Exim Bank The bank sees tomorrow as the result of development through collaboration using the Islamic Shariah Principles. The bank is dedicated to excellence and it intends to combine the modern technology-driven banking with Islamic values. It has a differentiation strategy of personalized service and innovation and continual improvement to remain competitive in the competitive business world.

2.2.2: Mission

- Getting the maximum value of the Islamic banking out of its customers.
- Provision of quality financial services particularly in Foreign Trade.
- Maintaining and upgrading a technology-based professional banking environment.
- Corporate and business ethics and transparency at all levels.
- Sound capital base.
- Provide sustainable growth to the noble stakeholders.
- And, as well as, realization of corporate social obligations.
- But most importantly to contribute to the national economy.

2.3: Organizational Structure.



Chart-1: Organizational Structure of Exim Bank Plc.

2.4: Banking Function of Exim Bank Plc.

The different divisions of Exim Bank Plc are outlined in Chart-2. Exim Bank primarily performs its banking operations in the following departments namely; general banking, investment and foreign exchange. The various divisions of the Exim Bank have been shown in Chart-2.

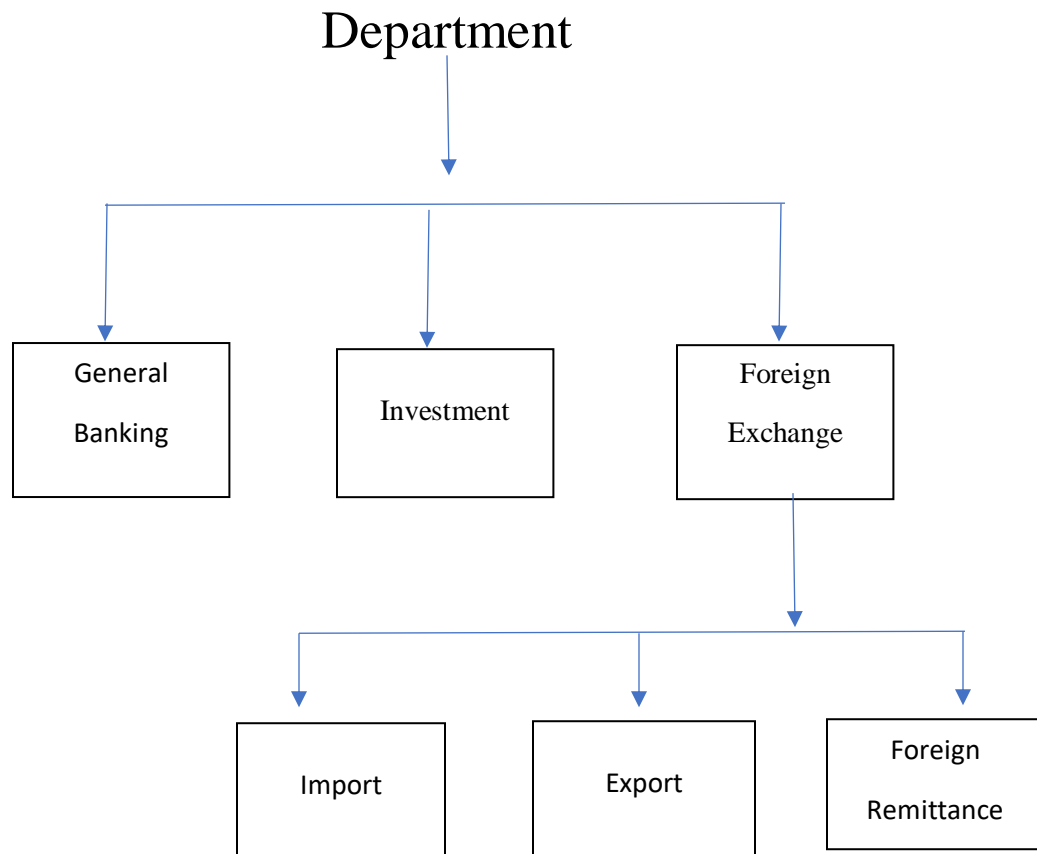


Chart-2: Various Department of Exim Bank Plc.

Chapter-3

Internship Role and Responsibilities

3.1: Role And Responsibilities.

The placement that I had in Exim Bank Bangladesh PLC, Jhenaidah Branch, placed me in the Investment Department which is at the heart of the entire operation of the bank. All the credit related activities, such as the evaluation of investment proposal, evaluation of clients, documentation, payment and recovery within the Islamic Shariah principles are handled under this department.

The key roles and duties that I performed during the internship were:

- Helped officers in making and arranging investment files on new and renewal cases.
- Authenticated client documents like trade licenses, TIN, bank statements and NID copies.
- Monitored the way in which officers did Credit Risk Grading (CRG) in order to determine the level of risk of a borrower.
- Drafted Investment Proposal Forms (IPF) and Sanction Letters supervised.
- Regular collateral security records and updated the information about repayment kept in the system.
- Assisted the officers in preparation of monthly investment performance reports on behalf of the branch

3.2: Knowledge And Experience Gained.

The purpose was to gain real world banking knowledge and experience and develop professional skills.

- Acquired the knowledge regarding the Shariah-based modes of investments including Bai-Muazzal, Murabaha, and HPSM.
- Acquired knowledge on how to manage credit risks and loan issuance policies.
- Better documentation, data entry, and communicating with clients.
- Gained the value of compliance, transparency, and accuracy in investment operations.
- Trained professional conduct, collaboration, and competence in financial information.

3.3: Examples of Tasks.

Certain illustrations of the projects that were conducted throughout the internship.

- On-hand investment sanction client files and revised repayment files.
- Assisted officers in loan proposal reviewing and collateral checking.
- Assisted customers in completing the forms and assisted them in filing the relevant documents.
- Recalculated monthly investment summary statements and prepared client follow-up lists.

Chapter-4

Critique And Reflection

4.1: Definition of Credit.

Credit is defined as the trust whereby one party will avail money or resource to another party where the second party does not repay or give back the resources to the first party in one sitting, but will give back or repay the resources or money at a later date. The resources supplied by the first party may be any kind of property or promise fulfillment or performances. Elsewhere, credit is a form of formalizing reciprocity, a legally binding and extendable form to a mass of unrelated individuals.

4.2: Objective of Credit Management.

The main goal of credit management is to provide the optimal utilization of the funds without risking the exposure too much. It concentrates on sound decision making on lending, ensuring the financial stability of the bank, as well as the long run growth. These are the major goals as follows:

1. **Enhancing Cash Flow:** Effective credit management also helps the company to maintain its constant supply of funds by keeping the loans repaid on time. This assists the bank to have sufficient liquidity and fulfill its short term and long-term financial obligations.
2. **Reviewing Customer Creditworthiness:** Evaluation of financial ability, repayment behavior, and business stability of the borrower is one of the fundamental goals. Such evaluation reduces the risk of default and improves the quality of the credit portfolio in general.
3. **Customer Relationship Management:** There should be a good and open relationship with clients and this enhances customer trust. It helps the bank to maintain loyal customers and attract potential customers with the help of the reliable and efficient credit services.
4. **Reduced Risk of Bad Debt:** Due to the systematic assessment, monitoring and control, the bank can reduce the incidence of non-performing investments. This minimizes the financial cost of bad debts as well as enhances profits.
5. **Risk Management:** Credit management is important in the process of identification, evaluation and reduction of risks that may be associated with the lending activities. It ensures that the bank complies with regulatory requirements and the bank has a balanced credit exposure.
6. **Credit Approval:** The credit approval is the process that is characterized by critical examination and screening of loan applications. It will make sure that all lending decisions are taken in line with the bank credit policies, with sufficient documentation, and on good financial analysis.

4.3: Eligibility for Credit at Exim Bank Plc.

1. **Age of the Applicant:** 21 years and above; 55 years and below at the time of maturity of the loan.
2. **Residency:** has to be a citizen or a resident of Bangladesh.
3. **Business/ Employment Experience:** To take loans on business: at least 1 to 2 years of business, to take salaried: steady employment and income evidence.
4. **Bank Account:** Current or Existing account of Exim Bank branch may be needed.
5. **Financial Capacity:** Evidence of earnings or cash flow or bank statements in the last 6 to 12 months and must be able to pay back.
6. **Collateral/ Guarantee:** Depending on the amount of loan: in bigger sums, collateral or third-party guarantee may be needed.
7. **Documents:** legit trade license, financial statements, guarantors, NID and other legal documents.

4.4: Responsibilities of the Credit Officers/ Managers.

- Examine and suggest credit proposal that needs to be signed by the head of division, Deputy Managing Director or the Executive Committee of the Board of Directors.
- Make sure that all credit proposals of any authority are assessed in a proper way, web-documented and applicable to the common rules of Exim Bank and regulative provisions of Bangladesh Bank.
- Confirm that the most recent (not more than 60 days old) CIB report of the Bangladesh bank is received and it does not include any negative remarks regarding the client.
- Help Relationship Managers to form credit or investment facilities which answer the lending requirements of the bank and the financial requirements of the customers.
- It should be ensured that the credit worthiness of the customers is evaluated by evaluating their financial performance, credit worthiness, and repayment ability prior to approving any investment proposal.
- Monitor and follow up on disbursed investments to be sure that they are repaying regularly and to identify any accounts that might pose a problem in time.
- Also keep the level of market and business conditions, which might influence the quality of credit performance of the bank in terms of investments.

- Before and after disbursement of investment, ensure that proper documentations and adherence to any legal, shariah or regulation requirements are adhered to.
- Prepare and send periodic reports to the Head office or the concerned authorities in terms of investment performance, overdue accounts as well as classified investments.
- Get the Recovery and Legal Departments involved so that the non performing investments are recouped on time and corrective action is taken where necessary.

4.5: Credit Approval Process.

The credit approval process ensures a clear separation between Relationship Management/ Marketing and the decision-making authority for approval.

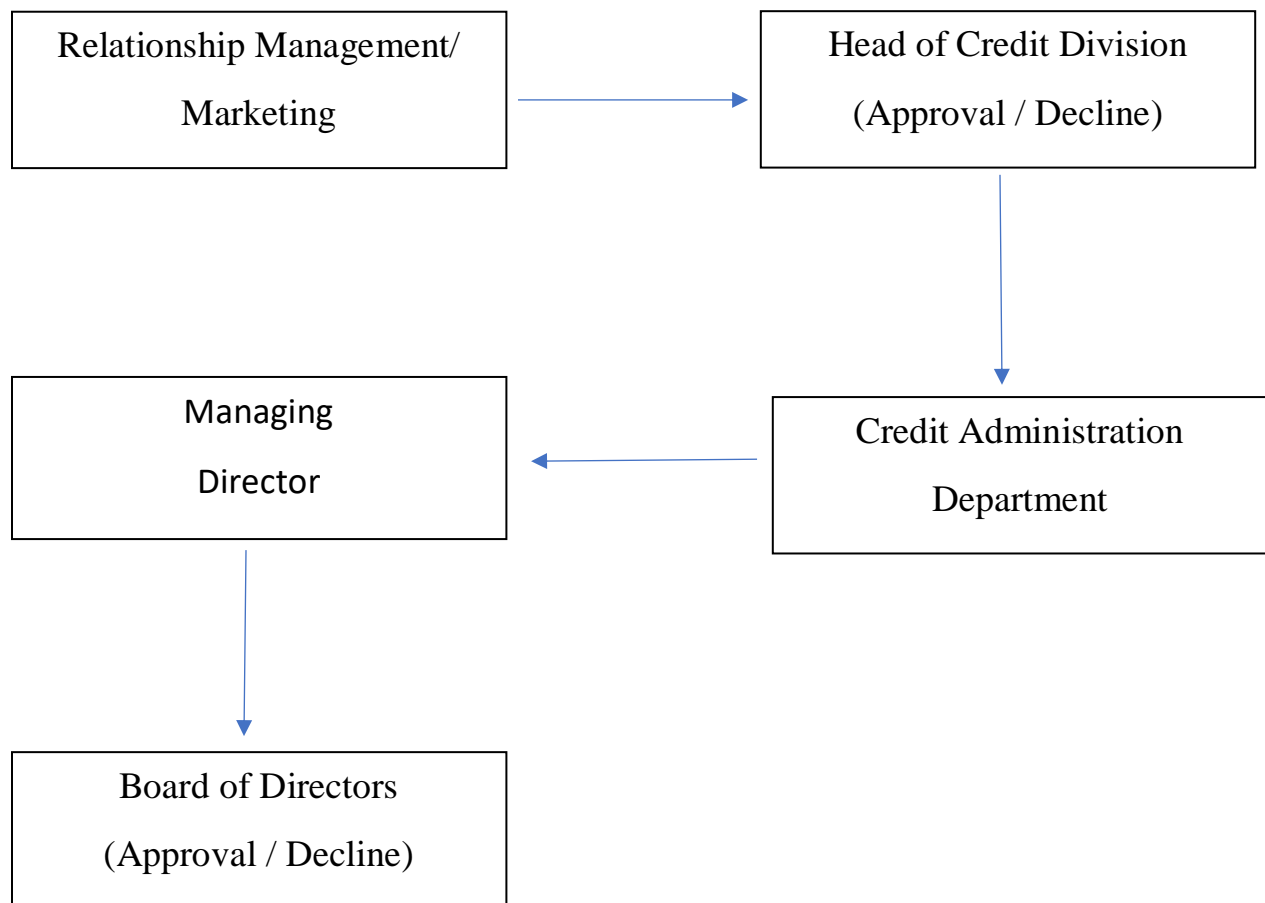


Chart-3: Credit Approval Process

4.6: Credit Proposal Processing.

The clients present investment proposals and all the necessary documents according to the checklist set by Exim Bank PLC. Each of the proposals is thoroughly scrutinized by the respective branch so as to be complete, accurate, and in line with the guidelines of the investment policy of the bank.

4.6.1: Approval Authorities.

Proposals on investment at Exim Bank PLC are processed and approved by:

- Head Office Investment Committee.
- Director (by delegation).
- Board of Directors / Executive Committee.

The Investment Committee reviews the proposals in accordance to the lending policies of the bank, the risk evaluation system, and the Shariah provisions.

Proposals with approved limits within the check of the Head Office Investment Division may be passed by the **Managing Director**. Any proposal that is out of the powers of the MD is submitted to the Executive Committee or Board of Directors to be approved.

4.6.2: Head Office Responsibilities.

- Review investment proposals and determine their compliance with policy, Shariah guidelines and merit.
- Authorize or renew investment procedure.
- Follow-up total investment performance on the branches and non performing portfolios.
- Check proposals of renewal and adjustment.
- Secure efficient implementation of investment policies and risk management policies.

4.6.3: Investment Assessment

A thorough analysis is done prior to giving the approval in order to assess and alleviate risks of every proposal. The results have been summarized in an Investment Appraisal Memo that contains:

- Dollar investment and reason. Investment facility Nature and tenure.
- Payment plan (installment plan, profit rate, covenants)
- Security or deposit arrangements
- Background and sustainability of the client and his business.

Financial statement analysis, business and industry analysis, management capability and Shariah compliance checks are also part of the evaluation. This guarantees proper decision making and proper management of risk.

4.6.4: Documentation and Disbursement

When approved, the investment sanction letter is awarded to the client and all the legal and charge documentation is signed according to policy. The amount of investment is subsequently issued on Shariah compliant modes like: Bai-Muazzal, Murabaha, HPSM or Mudaraba following a thorough documentation and authorization of the Head Office.

4.7: Credit Recovery of Exim Bank Plc.

The Investment recovery is well organized in Exim Bank PLC (Export Import Bank of Bangladesh Limited), with the duties on the Recovery Unit and the events that lead to the action.

4.7.1: Recovery Unit Responsibilities.

- Reorganizing and putting up effective solutions to bad accounts.
- Ascertaining all possible courses of recoveries, such as restructuring, settlement or legal action.
- Having sufficient loss coverage provisions against loan losses.
- Periodically checking and accessing non-performing and high-risk accounts.
- Adequate documentation and coordination of the transfer and recovery process in accordance with the policies of the bank.

4.7.2: Recovery Triggers.

Recovery activities are put into play when the repayment of a borrower is irregular or in cases where there is an early warning of financial difficulties. Widespread causes to take recovery measures are:

- Sponsor or borrower default or demise.
- Closure or liquidation of the company that is borrowing.
- Denial or inability to renew loan/security paperwork.
- Downgrade of security of the borrower or financial status.
- Ascertaining of fraudulent behavior on the part of the borrower.
- Repeated failure to repay loan or default of loan terms.

4.8: Retail Investment of Exim Bank Plc.

Exim Bank PLC (Export Import Bank of Bangladesh Limited) provides a variety of retail investment plans which are aimed at satisfying the different financial requirements of people. A summary of these schemes, their purpose, features, and the eligibility criteria and documents required are shown below:

4.8.1: Exim Sahayak (Consumer Finance).

Purpose:

To enable people to buy household durable appliances like televisions, computers, refrigerators and air conditioners among other important appliances that are needed in their homes.

Features:

- Investment Limit: Up to BDT 3,00,000.
- Repayment Period: Not more than 3 years.
- Profit Rate: 14% per annum.
- Repayment Buyback: equal monthly payments.

Eligibility:

- Confirmed and regular employees who serve in the government organizations, semi-government organization, autonomous bodies, multinational companies, banks, insurance companies, educational and corporate bodies at least 2 years of continuous service.
- Example of professionals include accountants, doctors and engineers.
- Business persons who have at least 5 years of successful record.
- Monthly income of not less than BDT 25000.
- Age between 25 during application and 65 during maturity.

Required Documents:

- Application in prescription form.
- Legal trade license (per business people).
- Revenue Documentation (bank statement, pay slip, etc.).
- National ID card or passport.
- Pictures of applicant and nominee.

4.8.2: Exim Abashan (Home Investment).

Purpose:

To help in buying, building or rebuilding residential homes.

Features:

- Investment Limit: Up to BDT 50,00,000.
- Payback Period: 25 years maximum with the grace period between 6 and 18 months.
- Profit Rate: 13.50% per annum.
- Repayment Buyback: equal monthly payments.

Eligibility:

- Validated and routine employees who have a minimum of 2 years of the continuous service in stated organizations.
- Example of professionals include accountants, doctors and engineers.
- Business persons who have at least 5 years of successful record.
- The Non-Resident Bangladeshis (NRBs), who are employees abroad.
- Age between 25 during application and 65 during maturity.

Required Documents:

- Application in prescription form.
- Proof of income.
- Documents on property (title deed, valuation report, etc.).
- Photographs of the candidate and nominee.

4.8.3: Exim Bahan (Vehicle Financing).

Purpose:

To fund the acquisition of vehicles like cars, jeeps and minibuses among other vehicles to be used on a personal basis.

Features:

- Repayment Period: 12-60 identical monthly payment.
- Profit Rate: 13.50% per annum.
- Repayment Buyback: equal monthly payments.

Eligibility:

- Government, semi-government, autonomous bodies, corporations, NGOs, multinational companies, banks, and financial institutions, and educational institutions employees.
- Example of professionals include accountants, doctors and engineers.
- Reputed businesspersons.
- Monthly income of not less than BDT 25000.
- Between 21 and 65 years at application and maturity respectively.

Required Documents:

- Application in prescription form.
- Proof of income.
- Quotation or proforma invoice of the vehicle.
- National ID card or passport.
- Photographs of the candidate and nominee.

4.8.4: Exim Education (Education Financing).

Purpose:

To assist the children in Bangladesh and outside Bangladesh in their higher education costs.

Features:

- Investment Limit: 95 percent of the amount which is deposited.
- Repayment Period: Doable, depending on the length of education program.
- Profit Rate: 14% per annum.
- Repayment Buyback: equal monthly payments.

Eligibility:

- Any Students or clients with existing scheme or term deposits with Exim Bank.
- Bangladeshi nationals.

Required Documents:

- Use in the form of a prescription.
- Proof of income.
- Admission letter of the learning institution.
- Fee structure or invoice.
- Photographs of the candidate and nominee.

4.8.5: Exim Easy Pay (Installment-based Financing).

Purpose:

To facilitate buying Shariah-permitted products or services in installment payments, use of existing term or scheme deposits.

Features:

- Limit on Investment: 90 per cent of the amount deposited.
- Repayment Period: The maximum repayment period is within the maturity date of the deposit or 5 years.
- Profit Rate: 14% per annum.
- Repayment Buyback: be known when using identical monthly payments.

Eligibility:

- Customers who have term or scheme deposits with Exim Bank.
- Bangladeshi citizens between 18 and 65 years old.

Required Documents:

- Application in prescription form.
- Proof of income.
- Proforma or quotation invoice of the item or service.
- National ID card or passport.
- Photographs of the candidate and nominee.

4.8.6: Bai-Muajjal (FO).

Purpose:

To facilitate the funding of acquisition of commodities on the Bai-Muajjal contract.

Features:

- Shariah compliant financing.
- Fixed profit rate.

Eligibility:

- Bangladeshi nationals.
- Age between 18 to 65 years old.
- Should have scheme or term deposit in Exim Bank.

Required Documents:

- National ID Card or Passport.
- Bank statement in the past 6 months.
- Proof of income or Salary certificate.

4.9: Trend Analysis of Credit Performance.

This section presents a detailed analysis of the overall credit performance of Exim Bank Plc over the last five years (2020-2024). The analysis includes trends in financial performance, investment growth, distribution of investment, investment deposit ratio, net profit, ROE and non-performing investment ratio. The data has been collected from Exim Bank's published annual reports and verified through internal branch records.

4.9.1: Exim Bank Plc Financial Performance for Five Years.

Particulars	2020	2021	2022	2023	2024
Authorized Capital	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Paid-Up-Capital	14,122.51	14,475.57	14,475.57	14,475.57	14,475.57
Shareholder's Equity	30,591.52	31,440.42	31,868.08	33,291.37	31,579.57
Total Capital (Tier I + Tier II)	42,921.28	50,363.15	51,947.63	55,721.42	52,148.47
Statutory Reserve	11,760.07	12,519.51	13,743.43	14,475.57	14,475.57
Total Assets	484,850.87	541,665.25	540,408.10	576,139.52	626,267.52
Total Liabilities	454,259.25	510,224.82	508,540.01	542,848.15	594,687.95
Total Deposits	394,462.90	420,673.77	426,015.24	446,873.70	428,346.33
Total Investments (General)	394,174.48	429,033.37	453,449.14	472,825.60	525,396.83
Investment (Shares & Securities)	39,394.90	42,496.61	34,487.25	50,537.06	48,120.97
Total Contingent Liabilities	82,546.59	98,545.63	116,880.62	126,629.49	111,999.65
Total Risk Weighted Assets	323,413.72	350,732.47	374,679.65	381,577.84	533,455.55
Total Fixed Assets	5,546.33	5,542.75	5,856.25	5,831.15	5,779.00
Total Income	36,506.19	32,895.11	36,229.67	41,567.58	53,653.73
Total Expenditure	30,150.50	26,958.85	29,246.74	33,991.99	46,077.52
Profit Before Provision & Tax	6,355.69	5,936.26	6,982.93	7,575.59	7,576.21
Profit Before Tax	5,312.49	4,089.55	6,315.15	5,324.68	1,440.39
Net Profit After Provision & Tax	2,815.32	2,156.60	3,721.41	3,379.96	258.90
Foreign Exchange Business	344,428.99	497,879.30	532,906.78	461,893.82	481,434.22
a. Import Business	177,825.26	280,093.00	250,137.77	219,541.39	229,857.32
b. Export Business	161,290.17	211,974.50	276,498.19	235,318.11	246,249.42
c. Remittance	5,313.56	5,811.80	6,270.82	7,034.32	5,327.48

Chart-4: Exim Bank Plc Financial Performance for Five Years.

Source: Annual Report (2024).

4.9.2: Five Years Investment (general) Growth of Exim Bank Plc.

The total investment of Exim Bank Plc has shown a consistent growth. The figures illustrate this year-on-year growth.

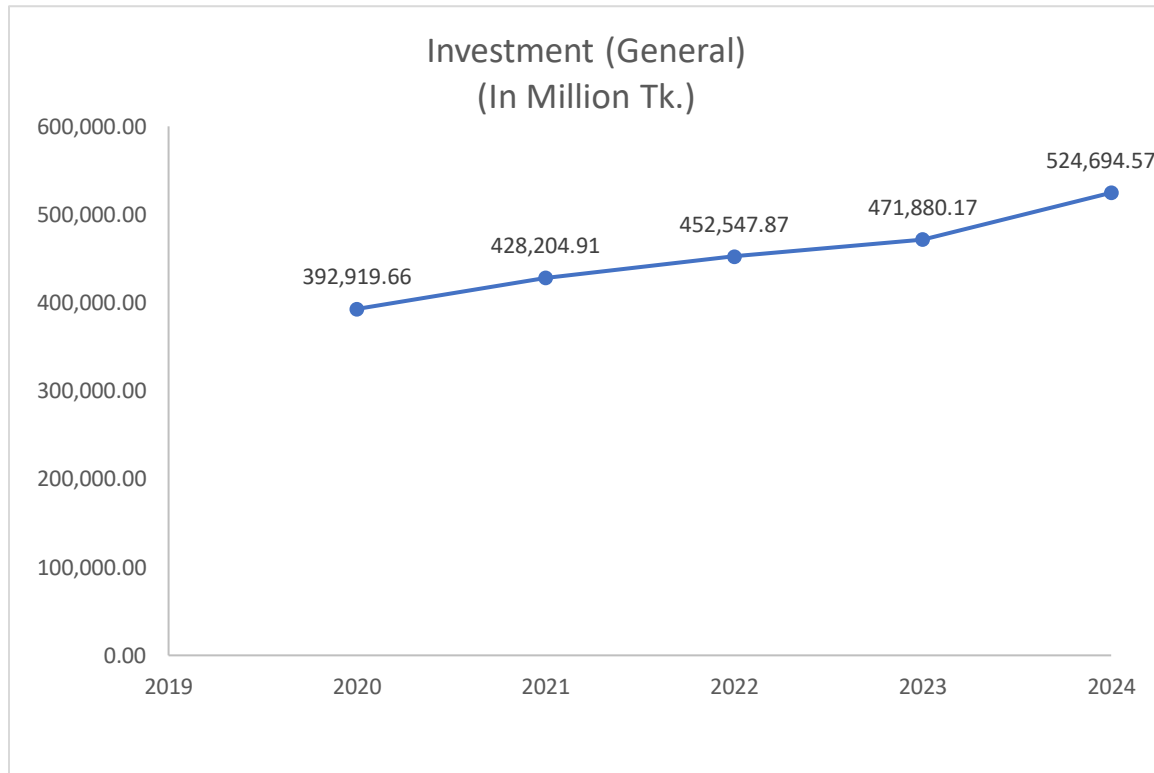


Figure-1: Yearly Total Investments (Million)

Source: Annual Report (2024)

Interpretation: As illustrated in the above figure, total investment (general) of Exim Bank Plc has been in a consistent upward trend in the past five years. The total investment reached tk. 392,919.66 in 2020 that slowly rose to tk. 524, 694.57 million in 2024. This is a steady increase implying good investment performance and good use of funds by the bank. The steady expansion is also evidence of the strategic expansion of the banks, better client confidence and good practices of risk management that have led to its overall financial stability.

4.9.3: Sector Wise Distribution of Investment.

Exim Bank Plc invest in multiple sectors every year. This illustrate shows the investment sectors where the bank invested.

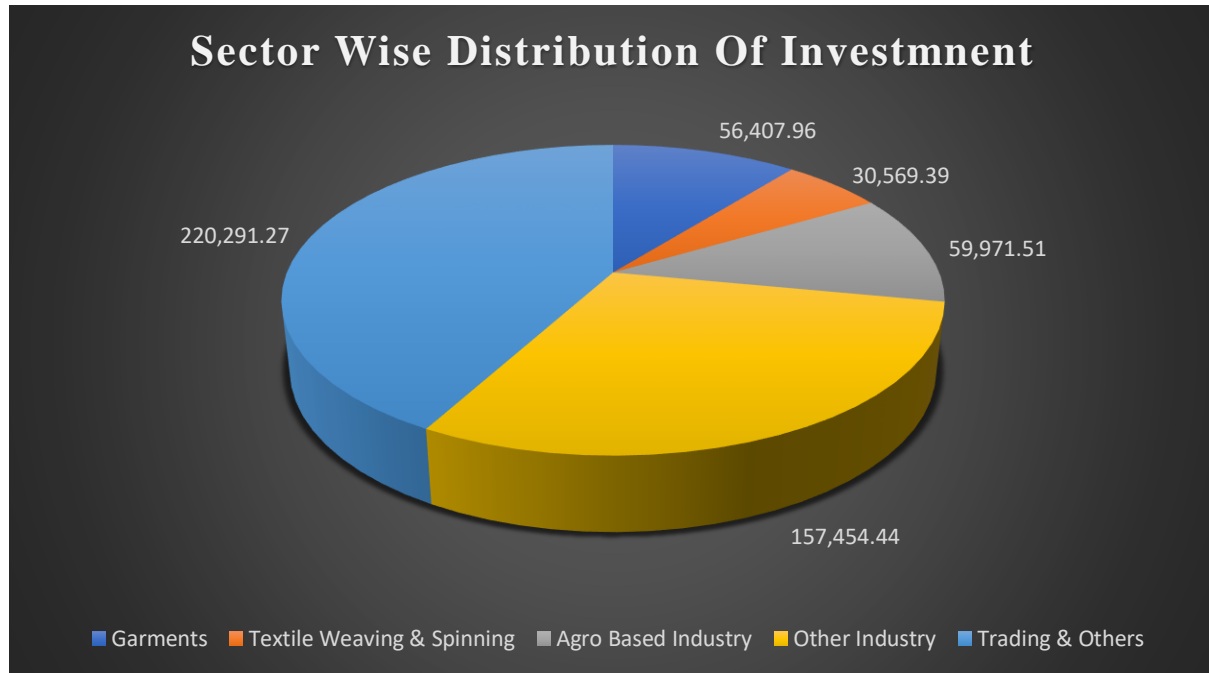


Figure-2: Sector Wise Distribution of Investment

Source: Annual Report (2024)

Interpretation: As indicated in the Pie chart, the investment in the garments sector is the highest (40%), then the agro based industry (11%). The other industry, trading and textile weaving and spinning industries got lesser shares of investment. This implies that the bank primarily aims at financing garments and agro-based sectors to help increase the growth of the economy.

4.9.4: Investment to Deposit Ratio Analysis.

Investment to deposit ratio is a financial indicator which is used to compare the total loans a bank has with the total deposits. Investment or Credit to deposit ratio enables you to easily determine the liquidity and credit risk of the bank within a short period by comparing its loans against its deposits.

Formula:

Investment or Credit Deposit Ratio=Total Investments or Credit/ Total Deposits × 100

The ratio serves as a key indicator of a bank's financial performance and investment capacity.

Year	Investment Deposit Ratio
2020	110.68%
2021	95.85%
2022	95.47%
2023	88.02%
2024	91.14%

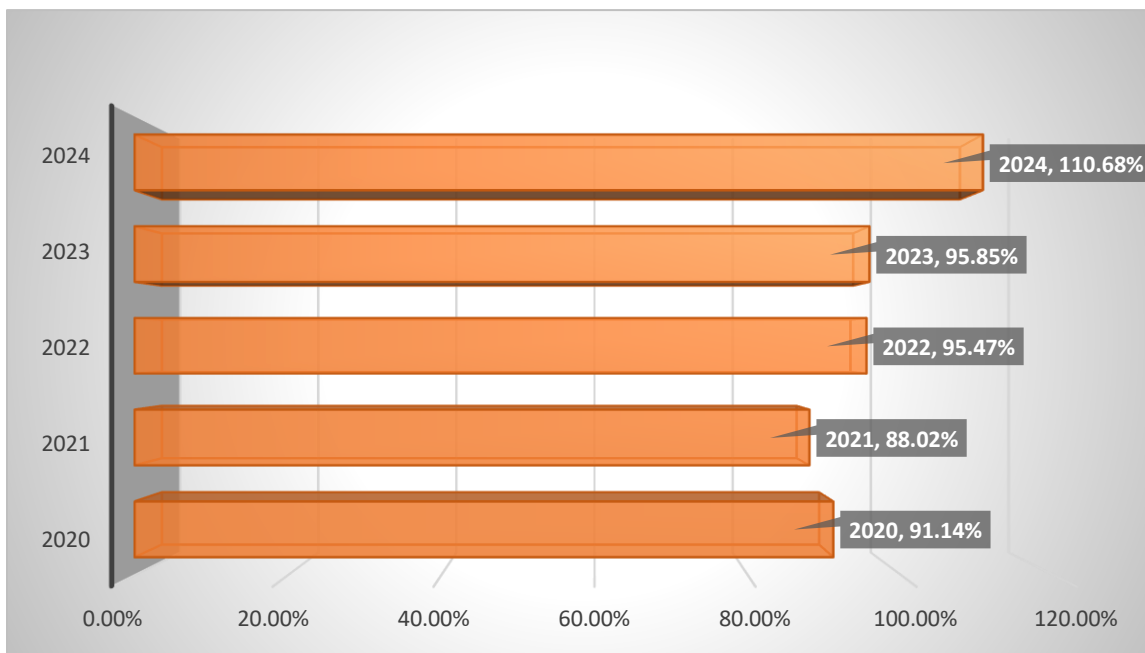


Figure-3: Investment to Deposit Ratio

Source: Annual Report (2024)

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4.9.5: Net Profit for The Last Five Years.

In 2020, net profit after tax & provision was Tk. 2785.98 million and the current year net profit after tax & provision was Tk. 464.83 million. Net profit for last five years is given below:

Year	Amount (In Million Taka)
2020	2,785.98
2021	1,904.24
2022	3,573.82
2023	3,233.25
2024	464.83

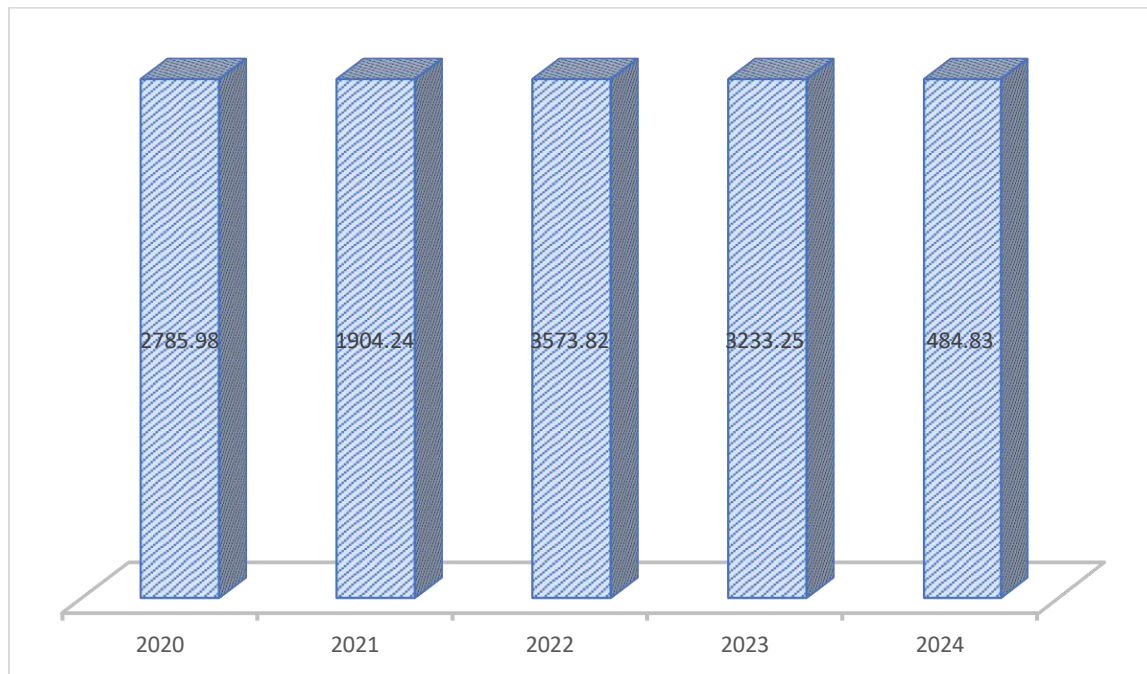


Figure-4: Year Wise Net Profit of Exim Bank Plc

Source: Annual Report (2024)

Interpretation: Exim Bank Plc net profit Tk 3233.25 million in the year 2023 but in the year 2024 net profit fall down (Tk.484.83 million). This may cause the bank to recover the following year through the reduction of Non-Performance investment.

4.9.6: Return on Equity (ROE) for Last Five Years.

The Exim Bank Plc Return on Equity for last five years are given below:

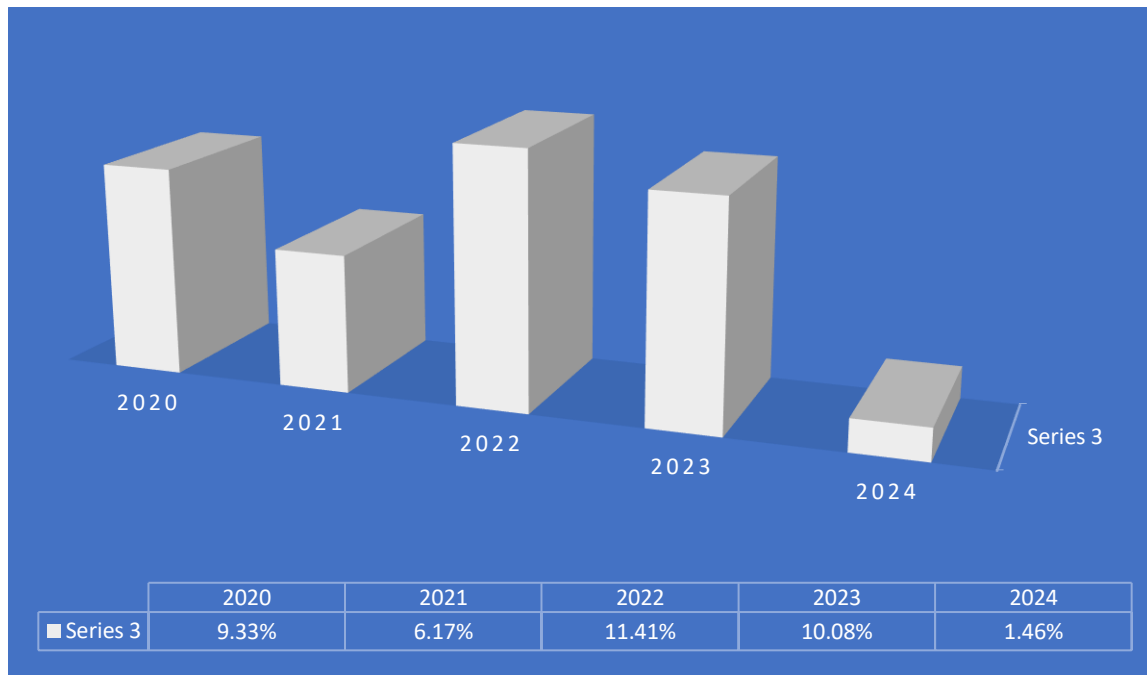


Figure-5: Return on Equity for Last Five Years.

Source: Annual Report (2024)

Interpretation: ROE grew to as high as 11.41% in 2022 after recording a high of 6.17% in 2021, which shows high profitability in this year. Nevertheless, it over time fell to 10.08% in 2023 and drastically fell to 1.46% in 2024 indicated lower efficiency in making profits out of the equity of shareholders in the last one year.

4.9.7: Non-Performing Investment Ratio for Last Five Years.

Year	Non-Performing Investment
2020	3.82%
2021	3.98%
2022	3.86%
2023	3.64%
2024	28.40%

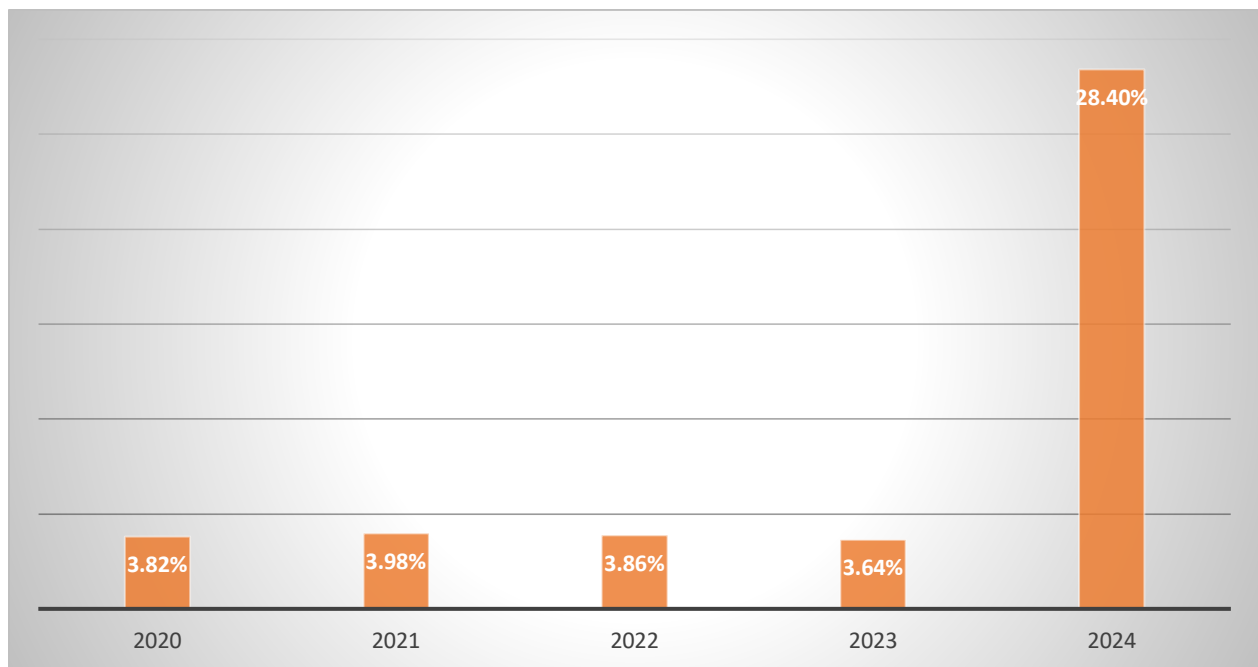


Figure-6: Non-Performing Investment Ratio for Last Five Years.

Source: Basel-III (2020-2024)

Interpretation: The figure depicts Non-Performing Investment Ratio of Exim Bank Plc between the 2020-2024 period. The information is delighted to learn that the NPI ratio is relatively stable with a slight variation between 3.64 to 3.98. Though in 2024, it has increased strongly, at that point, it has 28.40 NPI ratio indicating an excellent volume of loans going to default.

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4.10: Findings.

As an intern in Exim Bank Plc, I took time to test its credit risk management system, investment and recovery. Among the most important findings, I would like to mention that, according to my observation and data analysis, the following ones can be outlined:

- **Conformity to Bangladesh bank regulations:** In an endeavor to keep up with the financial discipline and maintain compliance with Bangladesh Bank, Exim Bank adheres to the majority of the credit risk management guidelines and circulars that the Bangladesh Bank offers.
- **Lack of Completeness in the Marketing of Loan Documentation:** Loan documentation was in some cases partially complete which can prove very problematic in recovery of the loans in legal or financial issues.
- **Issues related to Collateral Verification:** Certain credit officers fail to adequately conduct collateral revaluation prior to giving loans, and this will put the bank at risk of incurring losses in case of default by the borrowers.
- **Delay in Loan Recovery:** Case delays and non-cooperative borrowers have been some of the challenges the bank encounters in the recovery of classified loans on time.
- **Inadequate Staff Training:** Other officers are not well trained in the high techs of credit risk assessment and the current beauty of banking software, which influences the effectiveness of risk analysis.
- **Political Influence:** In some instances, external sources may indirectly affect the decision of the bank to grant loans to its customers and this may expose the bank to risks.
- **Poor Diversification of Credit Portfolio:** The bank is also highly concentrated in some sections of the credit portfolio as in trade, SME and has little exposure to new or emerging sectors.
- **Weak Follow-up Mechanism:** Monitoring after disbursement and chasing up customers are at times not satisfactory, and this is a delaying aspect of detecting the signals of possible default.
- **Customer Service Limitation:** It was reported by some credit clients that there were communication delays and lack of access to loan information online which influences customer satisfaction and transparency.

Chapter-5

Conclusion

5.1: Conclusion.

The analysis of the **Credit Risk Management of Exim Bank PLC** shows that the bank has been registering steady growth in the expansion of its investment activities and sustaining profitability between the years 2020 and 2024. The sustained increment in deposits, total assets, and investments volume indicates a consistent presence of the stable market, confidence of the customers, and adherence to sustainable Islamic banking policies at Exim Bank. The compliance of the institution with the Shariah principles and sound financial policies has been critical in enhancing its performance effectiveness and reputation in the market.

Nevertheless, the analysis also reveals numerous points of concern, especially the recent increase in **Non-Performing Investments (NPI)** and percentage of **overdue/classified accounts**. These problems show that there is need to have better risk monitoring systems, prompt recovery plans and thorough borrower evaluations to ensure credit quality and minimize the risk of defaults.

Nevertheless, Exim Bank PLC has been able to demonstrate **good financial fundamentals** that is backed by a good credit approval procedure, well-established internal controls, and adherence to the Bangladesh Bank Credit Risk Grading (CRG) framework. Transparency, Shariah-compliant financing, and customer relationship management have made the bank have a solid foundation on how to grow steadily and sustainably in the competitive banking environment.

To sum up, **Exim Bank PLC** is on a good development path. The bank should keep on emphasizing on reducing **non-performing investments**, **diversifying its investment portfolio**, and **improving the practice of credit risk management** to remain financially stable and profitable in the long term. Constant growth on these fronts, both in digital transformation, ability to build capacity within its employees and effective recovery operations will help Exim Bank PLC to reinforce its resiliency and cement its reputation as a trustworthy and progressive Islamic financial institution in Bangladesh.

Chapter-6

Implication

6.1: Implication

The Exim Bank PLC, Jhenaidah Branch, internship was an interesting experience that assisted me in the endeavors of aligning theory with the practical operations of a bank. My assignment in the Credit Risk Management Department gave me an actual experience in credit appraisal, documentation, risk grading, monitoring of a loan and recovering a loan. This experience enhanced my professional, analytical and interpersonal skills to a great extent.

6.1.1: Personal and Academic Learning

- Practical banking knowledge Applied academic knowledge of banking, finance, credit analysis, and risk management in a practical banking setting.
- Gained knowledge on theoretical basis of credit assessment such as Credit Risk Grading (CRG), 5Cs of credit and financial ratio analysis.
- Better expertise in excel, data management and report writing.
- Acquired practical knowledge of Shariah-compliant and financing practices and the understanding of Islamic banking credit principles.
- Trained discipline, responsibility, and professional work ethics in day-to-day office work.

6.1.2: Organizational Impact and Industry Relevance

- Noticed how the Exim Bank balances its profitability, Shariah compliance and credit risk management.
- Knowledge on the need to adhere to Bangladesh bank guidelines, prudential regulations, and internal credit policy manuals.
- Obtained experience with the loan processing processes: application, application, appraisal, approval, documentation, disbursement, monitoring.
- Understood the importance of internal control and audit, adequate documentation and due diligence to ensure quality of assets.

6.1.3: Skill Development and Challenges Experienced

- Acquired knowledge in data management, credit file record keeping and report writing.
- Learned to use Excel and banking software in credit analysis and report preparation.
- Experienced difficulties in learning complicated financial statements, Islamic financing concepts such as Murabaha, Musharaka and Ijara which enhanced learning.
- Improved decision making as well as problem solving by reviewing the credit files of the customers.
- Better time management in case of working on various tasks under the control and time-line.

6.1.4: Networking and Relationships

- Developed working relationships with bank officers and acquired some practical experience with veteran credit officers.
- Acquired the confidence in communicating with clients and performance of corporate dialogues.
- Gained new information about the value of team work, confidentiality, professionalism and compliance in banking industry.

6.1.5: Future Direction.

- The internship experience has prompted me to pursue a career in the banking, Islamic finance, and credit risk management.
- I intend to use the lifelong learning and advanced education to develop my analytical skills and professional knowledge.
- In the future, I would strive to acquire special qualifications in credit risk, financial analysis, and Islamic banking.
- My professional development will still be focused on ethical practices, constant improvement, as well as practical exposure.

6.2: Recommendations.

In order to enhance the credit risk management as well as overall operational efficiency of Exim Bank PLC, it is proposed that the following recommendations be done:

- **Ensure Continuous Compliance with Bangladesh Bank Guidelines:** Exim bank needs to revise and update its internal policies on a regular basis to reflect the recent regulations of Bangladesh bank.
- **Digitalize Loan Documentation:** The bank should adopt a system of automation of loan documentation to minimize manual errors and delays.
- **Enhancement of Collateral Checks:** The Bank should be formed a dedicated collateral management unit to assess the authenticity and fair value of pledged assets before loan disbursement
- **Optimize Recovery Process:** The bank should be introduced a dedicated loan recovery cell, which has performance-based incentives, to manage non-performing loans.
- **Enhance Employee capacity and Training:** The bank should organize frequent workshops and trainings on the new credit risk management instruments, credit rating models, and online surveillance.
- **Reduce Political and External Pressure:** Exim Bank must ensure that there is a clear credit approval procedure that has not been influenced by politics or other external forces to ensure that the bank is not involved on the wrong side.
- **Loan Portfolio Diversity:** Exim bank should increase lending to new industries like technology, agriculture and renewable energy to diversify the risk and to achieve a balanced growth.
- **Improve Post-Disbursement Monitoring:** The bank should come up with a system of constant monitoring that follows up on the performance of the borrowers and the way they repay.
- **Improve Customer Communication:** Exim Bank needs to enhance its relationship with customers by providing dedicated online loan portal. The delivery of real-time updates, query service, and the visibility of loans would increase customer loyalty and satisfaction.

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Appendix

EXPORT IMPORT BANK OF BANGLADESH PLC.
Balance Sheet
as at 31 December 2024

Particulars	Notes	Taka	
		2024	2023
PROPERTY AND ASSETS			
Cash in Hand	3	23,979,946,869	36,636,608,007
Cash in Hand (including foreign currencies)		3,667,733,727	4,336,790,816
Balance with Bangladesh Bank & its Agent Bank (including foreign currencies)		20,312,213,142	32,299,817,191
Balance with other banks and financial institutions	4	16,642,691,957	4,155,148,819
In Bangladesh		2,325,317,198	5,049,891,174
Outside Bangladesh		14,317,374,759	(894,742,355)
Placement with other banks & financial institutions	5	-	-
Investments in shares and securities	6	49,029,374,494	51,373,149,093
Government		34,086,834,038	35,127,101,038
Others		14,942,540,456	16,246,048,055
Investments	7	524,694,574,902	471,880,172,113
General investments etc.		516,428,126,974	463,356,540,152
Bills purchased and discounted		8,266,447,928	8,523,631,961
Fixed assets including premises	8	5,773,360,406	5,824,403,766
Other assets	9	6,003,028,904	5,749,434,826
Non-banking assets	10	-	-
Total Property and Assets		626,122,977,532	575,618,916,624
LIABILITIES AND CAPITAL			
Liabilities			
Placement from other banks & financial institutions	11	111,263,457,267	50,391,228,562
Deposits and Other Accounts	12	429,931,460,720	447,950,993,744
Mudaraba savings deposits	12.1	31,582,301,548	40,327,527,435
Mudaraba term deposits	12.2	198,884,741,806	218,705,875,382
Other Mudaraba Deposits	12.3	137,866,968,812	127,089,570,053
Al wadeeah current and other deposit accounts	12.4	58,537,574,138	57,685,683,448
Bills payable	12.5	3,059,874,416	4,142,337,426
Mudaraba Subordinated Bond	12.8	13,650,000,000	13,400,000,000
Mudaraba Perpetual Bond	12.9	6,000,000,000	6,000,000,000
Other liabilities	13	34,113,037,961	25,120,603,136
Deferred Tax Liabilities/(Assets)	13.4	(1,984,358)	55,512,073
Total liabilities		594,955,971,590	542,918,337,515

EXPORT IMPORT BANK OF BANGLADESH PLC.
Profit and Loss Account
for the year ended 31 December 2024

Particulars	Notes	Taka	
		2024	2023
Investment income	23.1	47,203,752,998	36,406,950,919
Profit paid on deposits, borrowings etc.	24	(37,248,771,591)	(26,372,634,493)
Net investment income		9,954,981,407	10,034,316,426
Income from investment in shares/securities	25	3,122,026,232	2,188,078,552
Commission, exchange & brokerage	26	1,255,162,685	645,356,597
Gain on sale of investment in shares		234,586,375	11,192,139
Other operating income	27	1,420,440,370	2,009,670,779
Total operating income (A)		15,987,197,069	14,888,614,493
Operating expenses			
Salary & allowances	28	3,852,622,011	3,726,364,065
Rent, taxes, insurance, electricity etc.	29	1,180,614,189	857,681,998
Legal expenses	30	15,608,266	24,490,199
Postage, stamps and telecommunication etc.	31	117,481,540	107,894,099
Auditors' fees	32	1,100,500	1,219,250
Stationery, printing and advertisement etc.	33	193,551,483	191,453,009
Chief Executive's salary and fees		18,549,150	17,146,500
Directors' fees & expenses	34	3,023,124	1,656,000
Shariah Supervisory Committee's fees & expenses	35	503,100	624,600
Charges on investment losses		-	-
Depreciation and repairs to Bank's assets	36	635,701,244	582,064,123
Zakat expenses		394,725,691	346,949,425
Other expenses	37	2,194,767,420	1,663,819,615
Total operating expenses (B)		8,608,247,718	7,521,362,883
Profit/(loss) before provision (C=A-B)		7,378,949,351	7,367,251,610
Provision for investments	38	4,435,476,602	1,932,387,613
Provision for Off-Shore Banking Units (OBU)	39	(3,322,290)	(22,615,582)
Provision for Off balance sheet exposures	40	(71,963,545)	(102,481,543)
Provision for other assets	9.3.1	452,202,936	92,556,630
Provision for diminution in value of Investments in Shares	13.5	973,465,703	153,720,255
Provision for CSR	13.8	-	147,345,032
Provision for climate risk fund	13.9	-	50,000,000
Total Provision (D)		5,785,859,406	2,250,912,405
Total profit/(loss) before taxes (C-D)		1,593,089,945	5,116,339,205

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