



**Daffodil**  
*International*  
**University**

## **Internship Report**

**On**

# **“Investment Activities of EXIM Bank Limited at Uttara Branch”**

**Submitted to:**

**Nusrat Nargis**

Assistant Professor,

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

**Submitted by:**

Amana Akter Neto

ID: 152-11-928

Major: Finance

Program: BBA

Daffodil International University

**Date of Submission: 26 January, 2019**



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**Program: BBA**

**Daffodil International University**

**Submission Date: 26/01/2019**

## Letter of Transmittal

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Date: 26.01.2019

Mis. Nusrat Nargis

**Subject: Submitting the internship report on “Investment Activities of EXIM Bank Limited at Uttara Branch”.**

Dear Madam,

With a great pleasure, I here submit the report titled “Investment Activities of EXIM Bank Limited at Uttara Branch” that I have prepared for as you assigned for a Course of internship in BBA Program, Daffodil International University taken and supervised by you as a course teacher.

You asked me to prepare this report as a voluntary work on Daffodil International University of the above mentioned title of the course. I collected information regarding the topic from the branch and tried to analyze them. Despite many constraints like lack of scope and access to information, I have tried to relate them with my conceptual knowledge and to make something satisfactory.

As you go through the paper you will find my effort. Following the procedure, I tried my level best to make the report resourceful and informative. I left no stone unturned to bring out the highest result about the study.

I am confident that this study will provide fulfill findings. As the student of Business and Economics, I am highly grateful having this type of work because it helps me broaden my knowledge on the banking sector of our country.

I hope this report will attract your kind appreciation.

Sincerely,

*Amana Akter*

Amana Akter Neto

Id: 152-11-928

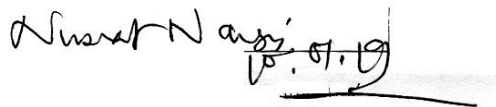
Major: Finance

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## Letter of Acceptance

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This is to confirm that the study entitled “**Investment Activities of EXIM Bank Limited at Uttara Branch**” is prepared by Amana AkterNeto baring ID: 152-11-928 under the department of Business Administration of Daffodil International University for completing BBA degree. The report has been set up under my direction and is a record of the work completed effectively. She is allowed to submit the report. I wish her everything achievement in his future undertakings.



Nusrat Nargis

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

## Declaration

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I do here by solemnly declare that the work presented in this report entitled “Investment Activities of EXIM Bank Limited at Uttara Branch” has been carried out by me and has not been previously submitted to any other University or organization for academic qualification/certificate/diploma or degree.

The work I have presented does not breach any existing copyright act and no portion of this report is copied from any other work done earlier for a degree or otherwise.

I further undertake to indemnify the department as well as the faculty of Daffodil International University against any loss or damage arising from breach of foregoing obligations.

*Amana Akter*

Amana Akter Neto

Id: 152-11-928

Major: Finance

Daffodil International University

## Acknowledgement

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At the very beginning, I would like to express my deepest gratitude to the Almighty for giving me the strength, knowledge, wisdom and ability to carry out this report and the composure to finish the task within the scheduled time.

I would like to pay my gratitude to our honorable Teacher Ms. NusratNargis, Assistant Professor, Faculty of Business and Economics, Daffodil International University who has assigned me this report work and given mentoring, guidance, supervision and at most support to accomplish the study.

I also express my gratitude to my family specially. I am indebted to my parents for all their provision, love, care and prayers.

This report is not free from limitation. There might still be some minor mistakes including typing errors despite utmost care, I apologize for these.

## Executive Summary

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EXIM Bank Ltd. was incorporated as a public Limited company on the 2nd June 1999 under Company Act 1994. The Bank started commercial banking operations effective from 3rd August 1999. It obtained permission from Bangladesh Bank on First July 2004 to commence its business. The Bank carries banking activities through its 83 branches in the country. The commercial banking activities of the bank encompass a wide range of services including mobilizing deposits, providing investment facilities, discounting bills, conducting money transfer and foreign exchange transactions, and performing other related services such as safe keeping, collections and issuing guarantees, acceptances and letter of credit. The report will mainly focus on “Investment Activities of Export Import Bank of Bangladesh LTD.” which consists of Chapter one-Introduction, chapter two-Methodology and bank overview, Chapter three- Investment Activities of EXIM Bank Ltd. Chapter four- Investment Procedure of EXIM Bank Ltd. Chapter Five-Evaluate the investment performance from 2013-2017, Chapter Six-Find out the problems of EXIM Bank and provide some recommendations about the problems, Conclusion and Bibliography. Here I discussed about the “Investment Activities of EXIM Bank LTD.” To discuss this I have also given information about the vision, mission, goal, objectives, core values and all related information of EXIM Bank LTD.” Customers of the bank are moderately satisfied to the service of the bank; employees of the organization try their best to support the customer.

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# **Chapter – 01**

## **Introduction**

## Introduction

Bank is an institution that is contributing toward the development of any economy and is treated as an important service industry in the modern world. Economic history shows that development has started everywhere with the banking system and its contribution towards financial development of a country is the highest in the initial stage. Modern banks play an important part in promoting economic development of a country. Bank provides necessary funds for executing various programs in the process of economic development. They collect savings from large masses of people scattered throughout the country, which in the absence of banks would have remained idle and unproductive, these scattered amounts are collected, pooled together and made available to commerce and industry for meeting the financial requirements. Bank plays a vital role in the economy of providing means of payment and mobilizing resources. Bank is the most important financial institution in the economic development of a country depends on the development of banking sector. Today's modern banks are not only providing traditional banking but also expanding the many financial services. In today's world the life of the people directly are within the arena of banking whether conventional or Islamic banking is not a newer concept in Bangladesh as it has started its operation since 1983 very few people are aware about its operation. But things are changing. Islamic banking is also getting popularity in the country.

## 1.2 Objectives of the Export-Import Bank Limited (EXIM Bank Ltd.) are :

- To analyze the investment activities of the EXIM Bank Limited.
- To analyze the investment procedure of the EXIM Bank Limited.
- To evaluate the investment performance of the EXIM Bank Limited from 2013-2017.
- Find out the problems of the EXIM Bank Limited.
- To provide some recommendations about the problems of the EXIM Bank Limited.

## 1.3 SCOPE OF THE REPORT

This report bounded the overall banking system of EXIM Bank Limited and also includes a relationship with the customers with the bank as well as the principals covered by the bank as a general banking system.

## 1.4 Methodology:

This report has been prepared on the basis of experience gathered during the period of internship from 1<sup>th</sup> October 2018 to 31<sup>th</sup> December, 2018. For preparing this report, I have undergone group discussion and collected data. I also studied different circulars and Investment Manuals of the bank.

I hope these criteria will be enough to find out different pictures of financial performance of the selected bank (EXIM Bank). During my study I followed some methodology to find out the fact and feature of the bank which are given below:

### ➤ Data Collection

I have collected information/data from the following source:

### ➤ Primary Sources

- ✓ Oral interview of the responsible officers.
- ✓ Official Records of EXIM Bank Ltd.

➤ Secondary Source

- ✓ Annual Reports of EXIM Bank Ltd.
- ✓ Relevant papers and different books.
- ✓ Manual of investment department.
- ✓ Prior research reports.

## 1.5 Limitation of the report

Although I have tried my level best to provide the most up to date and accurate information about the bank in this report but there were a few limitations. Because of which I was unable to present the report to the level of accuracy which I wanted to obtain. The limitations were-

- The information that I have used in this report were gathered from secondary source which included financial statements of the bank from 2013 – 2017 and also information provided from the bank's website.
- The time frame for writing this report was restricted to 3 months or a single semester. If I was allowed more time, I would surely be able to present the information more descriptively.
- Part on organizational culture was written from individual's perception.
- In many cases, up to date information were not published.

## **Chapter-02**

### **Organizational Overview**

## 2.1 Historical Background of EXIM Bank Limited:

EXIM Bank Limited was established under the rules & regulations of Bangladesh bank & the Bank companies' Act 1991, on the 3rd August 1999 with the leadership of Late Mr. ShahjahanKabir, founder chairman who had a long dream of floating a commercial bank which would contribute to the social-economic development of our country. As a good banker he had a long experience. The founder chairman to materialize his dream with a group of highly qualified and successful entrepreneurs joined their hands. Certainly, every one of them substantiated themselves in their particular business as best star with their undertaking, knowledge, and persevering and ability enterprise. Among them, Mr. Nazrul Islam Mazumder turned into the respectable administrator after the end of the noteworthy organizer director. Its absolute starting point, EXIM Bank Bangladesh restricted was known as BEXIM Bank, which EXIM for Bangladesh Export Import Bank Limited. In any case, for some lawful limitations the bank renamed as EXIM Bank, which implies Export Import Bank Of Bangladesh Limited. The bank begins its working from third August 1999 with Mr. Alamgir Kabir, FCA as the consultant and Mr. Mohammad Lakiot Ullah as the Managing Director. The two have long involvement in the monetary part of our nation. By their sober minded choice and the board orders in the operational exercises, this bank has earned an anchored and particular position in the saving money industry as far as execution, development, and magnificent administration. By their down to business choice and the board orders in the operational exercises, this bank has earned an anchored and particular position in the saving money industry as far as execution, development, and astounding administration. The approved capital and paid up capital of the bank are BDT 350.00 Crore and BDT 267.75 Crore separately. Thinking about the natural want of the religious Muslims, EXIM Bank has the majority of its traditional saving money into Shariah based Islamic keeping money in July 2004 and at first began Islami Banking practice and in two Branches around the same time. The Islami Banking branches play out their exercises under the direction and supervision of a body called "SHARIAH COUNCIL".



## 2.2 EXIM Bank at a Glance:

Legal Status	Public Limited Company
Established	1999
Incorporated	2 <sup>nd</sup> June, 1999
Activity Starts	3 <sup>rd</sup> August, 1999
Inauguration of First Branch	3 <sup>rd</sup> August, 1999
Islamic Banking	1 <sup>st</sup> July, 2004 (with 26 Branches)
Listing with Dhaka Stock Exchange	September 2006
Listing with Chittagong Stock Exchange	September 2006
Founder Chairman	ShahjahanKabir
Present Chairman	Nazrul Islam Mazumder
Managing Director & CEO	Dr. Mohammed Haider Ali Miah
Number of Branch	118
Parent	NASSA Group
Authorized Capital	2000 crore
Revenue	264.05 million USD
Operating Income	106.82 million USD
Net Income	41.99 million USD
Total Asset	195,542,247,545 Taka (2013)
Employees	2747 (2017)

Corporate Address	"Symphony", Plot # SE (F): 9, Road #142, Gulshan Avenue, Dhaka-1212
Website	<a href="http://www.eximbankbd.com">www.eximbankbd.com</a>

**Table-1: Summary of Exim Bank Limited**

## **2.3 Vision & Mission:**

### **2.3.1 Corporate Vision:**

The essence of EXIM Bank Limited's vision is "As one towards Tomorrow". EXIM Bank Limited puts stock in harmony with its client, in its walk headed straight toward development and advancement with administrations. To accomplish the coveted objective, there will be quest for brilliance at all phases with an atmosphere of constant enhancement, on the grounds that, EXIM Bank Limited trusts the line of greatness is endless. Bank's key designs and systems administration will reinforce its focused edge over others in quickly changing aggressive condition. Its customized quality support of the clients with the pattern of consistent enhancement will be foundation to make its operational progress.

### **2.3.2 Corporate Mission:**

The Bank has chalked out the accompanying corporate destinations so as to guarantee smooth accomplishment of its objectives:

- a) To give quality budgetary administrations particularly in outside exchange.
- b) To proceed with a contemporary innovation based proficient keeping money condition.
- c) To keep up corporate and business morals and straightforwardness at all dimensions.
- d) To construct sound capital base.
- e) To guarantee manageable development and to build up full an incentive to noteworthy partners.
- f) To satisfy its social duties.
- g) To show camaraderie and demonstrable skill.
- h) Above all, to add positive and wonderful commitment to the national economy.

## **Chapter-03**

### **Investment Activities of EXIM Bank Limited.**

## Investment Activities of EXIM Bank Limited.

In this report concentrated on main three modes of investment activities of EXIM Bank Bangladesh Limited. These are:

- MUDARABA
- BAI MUAJJAL
- IZARA BIL BIA

### 1.MUDARABA

MUDARABA is an Islamic investment system where the bank buys a property with free and clear title. It is interest free loan which is considered as riba rather it is an acceptable form of credit sale under shariah law.

#### 1.1 Types of MUDARABA:

There are two types of Mudaraba. These are stated below:

- **GENERAL MUDARABA:** This investment is not limited by place, item or any other restriction.
- **SPECIFIC MUDARABA:** This investment is limited by purpose and the mudarib cannot go beyond the specific purpose

### 2. BAI-MUAJJAL:

Bai-Muajjal is a contract between a buyer and a seller where the seller sells a specific goods which has permitted in Islamic shariah, to the buyer at an agreed fixed price payable within a fixed period by fixed instalments.

### **2.1.1 Important Features of BAI-MUAJJAL**

The main important features of BAI-MUAJJAL investment are:

- a) It is permissible and in most cases, the client will approach the bank with an offer to purchase a specific good through a BAI-MUAJJAL agreement.
  
- b) It is permissible to take cash/collateral security to guarantee the implementation of the promise or to indemnify the bank for damages caused by non-payment.
  
- c) All goods purchased on behalf of a BAI-MUAJJAL agreement are the responsibility of the bank until they are delivered to the client.
  
- d) The bank must deliver the goods to the client at the time and place specified in the contract.
  
- e) The bank may sell the goods at a higher price than the purchase price to earn profit.

### **2.1.2 Sanction & Disbursement**

- a. Investment made to the industrial undertakings for supply of raw materials etc., investment made to individual to firms for trading purposes, import goods from abroad and for supply of seeds, fertilizers etc. to agricultural sectors shall be termed as “Commercial”.
  
- b. Proposal of BAI-MUAJJAL investment under different schemes shall be appraised on the formats developed for each type of schemes.

### **3 IZARA BIL BIA:**

IZARA BIL BIA is a mode of investment under which the bank as per contract shall invest purchasing durable assets line machineries equipment, transport, land and building etc. Along with the customer under the rules and regulations of bank.

#### **3.1.1 Rules of IZARA are mentioned below:**

- It is condition that the subject (benefit/service) of the contract and the asset (object) should be known comprehensively.
- It is a condition that the assets to be leased must not be a fungible one (perishable or consumable) which cannot be used more than once, or in other words the asset(s) must be a non-fungible one which can be utilized more than once, or the use/benefit/service of which can be separated from the assets itself.
- The lessor is under obligation to enable the lessee to the benefit from the assets by putting the possession of the asset(s) at his disposal in useable condition at the commencement of the lease period.

#### **3.1.2 Custody and control of the assets:**

- The asset shall remain at the custody and control of the client. It shall however, be seized by the bank if the client violates the terms and conditions of the Hire Purchase Agreement.
- The client will be asked to produce transport/vehicle for physical inspection at least once in a month or more frequently as deemed necessary till full adjustment of Hire Purchase Agreement.
- Asset supplied to any client on Hire Purchase basis and subsequently seized on account of violation of the terms and conditions of Hire Purchase Agreement shall be kept under Bank's own watch.

#### 3.4.4 Follow-up, supervision and recovery:

- Complete the file client-wise with the copies of Application, Appraisal Report, Izara Bill Bia Investment Advice and other documents and papers viz., Trade License, Income Tax Payment Certificate, Partnership Deed/Memorandum of Articles of Association etc. submitted by the client with the original application. Copy of all correspondences made and reply thereto shall be chronologically preserved in this file.
- Maintain a Due Date Diary showing therein, the date of repayment of installment and rent. This diary shall be reviewed by the incumbent-in-charge of the Branch daily at the opening of business hours. If the client defaults in payment of installment & rent, he shall be reminded invariably on the next day of due date to deposit the amount of arrears installment & rent.
- The asset supplied on IZARA BIL BIA basis shall be inspected regularly. If any misuse or improper handling is noticed in course of inspection, the client will be advised to use/handle the same properly.

#### 3.4.5 Investment Activities Mode Wise Performance

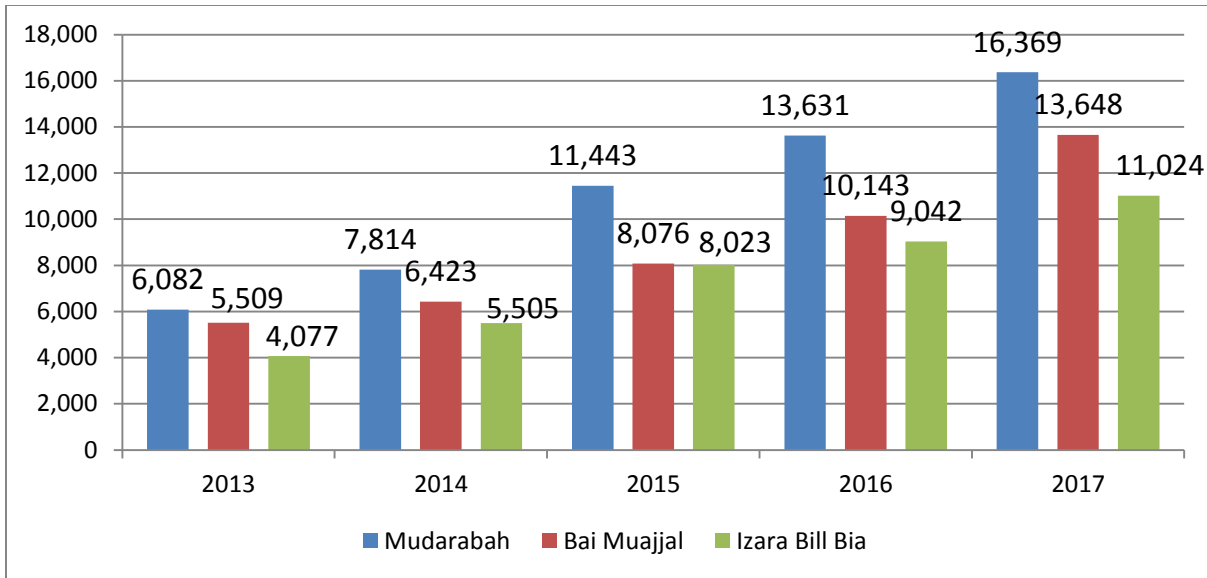
There are available 3 financial activities details of EXIM Bank Limited. MUDARABA, BAI-MUAJJAL, IZARA BIL BIA this three modes investment activities from 2013-2017 is given

below:

(Amount in crore BDT)

Particulars	2013	2014	2015	2016	2017
MUDARABA	6,082	7,814	11,443	13,631	16,369
BAI-MUAJJAL	5,509	6,423	8,076	10,143	13,648
IZARA BIL BIA	4,077	5,505	8,023	9,042	11,024

**Table: 5.2 Three modes of Investment activities of EXIM Bank Ltd.**



**Figure: 2.1 Three modes of Investment Activities of EXIM Bank Ltd.**

**Interpretation:** In the following graph and table of investment activities of EXIM Bank Ltd. From 2013 to 2017 there investment activities growth rate is increasing year by year. Like, MUDARABA in 2013 investment 6,082 crore and BAI MUAJJAL 5,509 crore, and IZARA BIL BIA 4,077 crore and 2014 investment growth of MUDARABA 7,814 crore and BAI-MUJJAL invest 6,423 and IZARA BIL BIA invest 5,505 crore. So can say that these three modes of investment activities growth rate is increasing year by year. And this way is good position for the bank.



## **Chapter-04**

### **Investment Procedure of EXIM Bank Limited.**

## **4.1 Investment Procedure:**

Different types of investment procedure of EXIM Bank Ltd. are:

### **4.1.1 Procedures of Opening MUDARABA**

It is very difficult to successfully operate a MUDARABA business since actual financial position may not be reflected, profit may be manipulated and legal coverage may not be available. As such at the moment Bank may go for specific purpose MUDARABA only on a very selective basis. In this regard the following procedures shall be observed:

### **4.1.2 Selection of MUDARIB (agent):**

The criteria for selection of MUDARIB shall be as under:

- The MUDARIB must be an honest man of active good habits with firm commitment having capability to generate income. His/her integrity and honesty must be unquestionable and shall possess a good moral character.
- He/she must be sufficient experienced in the line of business he/she proposes to undertake. No MUDARIB fund will be available for any experimental initiative.
- He/she must be prudent and man of foresight to predict future market conditions.

### **4.1.3 Sanction**

On completion of appraisal if found suitable prepare a MUDARABA Sanction Advice in quadruplicate. If the proposal is within the discretionally power delegated to the branch by head office, send MUDARABA investment Sanction Advice to the client in duplicate and one copy to concerned Department of Head Office relating one copy with the Branch.

#### 4.1.4 Processing and Appraisal of BAI-MUAJJAL

If not secured by first class collateral securities, investment under BAI-MUAJJAL mode is more risky than investment under other modes which may be kept in mind. The following points should receive attention before making any investment decision under BAI-MUAJJAL mode:

- a) Obtain invoice of Goods to be purchased & ensure that, the goods against which investment is made are readily saleable and have constant and effective demand in the market that, the prices of the goods are in conformity with the prevailing wholesale price & are not subject to violent changes.
- b) That, the goods are not subject to rapid deterioration due to storage for long period.
- c) That, the quantity and other specifications of the goods as desired by the client can be ensured.
- d) That, the bank will be in a position to procure the goods in time at a negotiated price.
- e) Sale price of the goods is payable by the client at a specified future date in lump-sum or installments as per agreement.
- f) Goods delivered to the client & also client's own stock of business remains hypothecated to the bank.

#### 4.1.5 Lending Procedure

The acknowledge examination process begins for loaning process, which comprises of different consecutive exercises. The phases of loaning process are done both at the branches and at the head office levels. The system begins when borrowers go to any branch looking for advance and proceeds until the point when the customer modifies the credit. Prior to endorsing of the credit, the borrower's application is evaluated in different stages. To survey the credit examination frameworks of EXIM Bank Ltd., the phases of loaning methods as appeared in the above stream graph are portrayed beneath in successive request.

#### **4.1.5 Application from the credit candidate**

The method of credit evaluation begins when a customer goes to any part of EXIM Bank for taking advance. EXIM Bank underlines on borrower choice and begins at earliest reference point of the technique by essential meeting of the customer. The customer is met by the speculation officer whether the specific sort of credit he needs is accessible in EXIM Bank or in the event that he is qualified for taking that kind of advance. In the event that venture officer happy with the customer, the borrower is to apply in Bank's endorsed arrangement requesting that credit office. In the event that the officer isn't happy with the customer, is screened out from the office.

The underlying screening is particularly vital for credit Appraisal framework since on the off chance that an awful customer called attention to toward the starting; the later exercises for this customer aren't required.

Again the time spent against a terrible client could be used for another great customer. Be that as it may, there is no exact method to gauge a borrower ton be great or terrible. So the speculation officers of EXIM Bank meet the customer cautiously to get however much data as could reasonably be expected and puts accentuation on the accompanying perspectives.

#### **4.1.6 Past reputation: It is considered by the accompanying criteria:**

- Bank record: exchange records of claim bank and other bank given by the customer. It is extremely valuable for quantitative judgment of the borrower.
- Credit report of the customer: this is given by the Bangladesh bank which has a decent legitimacy in estimating customer
- Market Information: the borrower's notoriety in the market is a superior test for the investor. Since in IslamiShariah standard for giving credit office great must be purchased or sold and on the grounds that the most extreme parts of EXIM.
- Financial articulations: these announcements are not constantly considered essentially to choose a client. Be that as it may, in the event that the customer carries with these

announcements, those cause a great deal to choose the business status of the customer.

- **Managerial Ability:** this is the reason for choosing a correct borrower. Both the calculated abilities and human aptitudes are utilized for breaking down the client. The open aptitude is extremely basic for getting the correct data for various sorts of client. EXIM Bank lean towards experienced officers for this reason; for instance, the accountable for speculation division of the branch administrator settles on the fast choice.

#### **4.1.7 Obtaining CIB Report**

EXIM Bank considers CIB (Credit Information Bureau) report given by the national bank as the best need data about the borrower. Subsequently the bank entirely pursues the CIB report according to rules and control of BRPD (Banking Regulatory and Policy Directory) guidelines. In the wake of getting the advance Application from the customer, banks send a letter to Head Office to gather the credit request report of that specific customer from credit data authority of Bangladesh bank. This report is gathered if the credit sum surpasses TK. 50 thousands according to BRPD guidance. The reason for this report is to be educated regardless of whether the borrower not taken advances and advances is i.c., whether those advances are grouped or not.

By and by, Head Office of the bank gathers the CIB report for its branches at the underlying phases of the credit evaluation methods. Concerned officer of speculation division (HO) banks goes to Bangladesh Bank two times per week to present the applications for CIB report for the sake of specific borrower. Bangladesh Bank from its MIS gives the cm reports. For the most part, these reports are not gotten in due time (3 days). Generally it takes 10 to 15 days to give the reports and thus the handling of the credit is deferred. Be that as it may, the concerned branches may get ready proposition and other vital strides of the recommendations (e.g. credit examination, investigation of plausibility, of the undertaking and so on) amid this slack time. However, numerous branches don't rehearse this to maintain a strategic distance from the futile issues of outstanding task at hand, on the off chance that the CIB report is negative for the client. Once more, Head Office could orchestrate to go for gathering CIB report thrice in a

week or in each two days in seven days with the goal that the bank gets visit answers from the national bank.

#### **4.1.8 Collection of records**

In the event that Bangladesh Banks sends positive CIB give an account of that specific borrower, the bank expect the planned borrower to be a decent one and after that the bank begins examining the records, for example,

- In instance of corporate customer, money related records of the organization for the last three to five years. In the event that the organization is another one, anticipated money related information for a similar term is required.
- Personal total assets of the borrower(s)
- In this stage, the bank will guarantee that the reports are legitimately filled in and appropriately marked. Interest accountable for the significant branch is in charge of enquiring about the intricate details of the client's business through examining with him or them.

#### **4.1.9 Scrutinizing Documents**

Bank authority of the speculation office assesses the undertaking for which the advance is connected. Here undertaking presence, its separation from the bank beginning the credit, observing expense and potential outcomes and so forth are inspected. In the event that the proposed sum surpasses TK. 10.00 Lac, a senior officer from head office plays out an on location assessment of the task. In different cases, the officers from the branch go for assessment of the site. Here once more, the judiciousness and shrewdness of the officer are at risk for judgment of giving credit office to a client. While visiting the site, different officers examine the reports of the customer. Some of the time the security reports are additionally assessed and offer go for valuations of security like land, shops or market to realize the genuine market estimation of the security.

#### **4.1.10 Analysis of gathered data:**

Any advances proposition should be assessed based on monetary data given by the credit candidate. Monetary spreadsheet investigation, which comprises of a progression of quantitative procedures, is utilized to dissect the hazard related with a specific credit and to pass judgment on the budgetary soundness and the value of the borrower. Also, loaning chance investigation is likewise embraced by the bank to quantify the borrower's capacity to pay considering different dangers related with credit.

#### **4.1.11 Evaluation of CIB Report:**

EXIM Bank utilizes CIB Report as a major aspect of these credit examination systems. It fills in as a helpful apparatus to evaluate borrower's credit standing and advance reimbursement conduct. Bangladesh Bank gives Credit Information Bureau (CIB) Report to banks and other monetary establishments. This report is about borrowers having exceptional advance equalization of TK. 50 thousand or more with planned banks and non-bank budgetary foundations. This is fundamentally an arranged errand, which is finished by the venture division before EC meeting and notices the borrower's status in the EC notice.

#### **4.1.12 Analysis of Project feasibility:**

So as to get a huge kudos for another venture, the point of view borrower needs to apply through a demand for credit limit from in the arrangement gave EXIM Bank. This frame, essentially, fills in as a task plausibility report. In spite of the fact that, EXIM Bank may request a different venture possibility report, topping off of this recommended shape is required for another task. Be that as it may, for a leaving venture in EXIM Bank this isn't required practically speaking. By and by, EXIM Bank does not break down achievability of the little credits, which are exceptionally normal in EXIM Bank.

The given data is dissected in detail by the bank to quantify the feasibility of the venture. It covers the accompanying parts of the task

1. Specialized viewpoint
2. Promoting viewpoint

3. Money related viewpoint

4. Administrative viewpoint

5. Financial viewpoint

Among the above viewpoints, EXIM Bank underscores on the Financial and Technical angles and cautiously examine the focuses, for example, nitty gritty separation of undertaking costs, settled, variable, semi-variable proposed essential and insurance securities for advance with valuation, proposed reimbursement planned with wanted suspension period, breakeven investigation and money related proportion examination and so forth credit and area of the venture Capacity and item blend, apparatus, hardware, and vehicles prerequisite, crude materials and different information sources necessity and so forth.

#### **4.1.13 Branch exercises and valuation of insurance:**

- The speculation division in the branch incorporates alongside two or four people contingent on the necessity and accessibility of labor of the branch. Director of the branch take all the choice in regards to credit with the assistance of responsible for speculation division. some critical highlights of branch exercises are given underneath:
- Branch assumes enter jobs in venture task. Generally branch speculation division focuses on the potential borrowers, produces the venture relationship and finishes the speculation examination and set up an elegantly composed speculation proposition.
- A Site Plan and Map alongside 3R estimate far off photos if the sold property covering total honesty from 3 points referencing definite specifics on the back to the photos appropriately verified by the approved officer(s) to be acquired by the Branches.
- It ought to be guaranteed that the security is in the physical ownership of the mortgagors(s) and the mortgagors(s)/owner(s) has/have legitimate title over it.
- A letter of fulfillment from the Bank's Lawyer to be gotten that the home loan custom has been legitimately made.



#### 4.1.14 Investment proposition and getting ready MEMO for EC Meeting:

The branches begin handling the credit at this stage. In light of the examination (credit investigation) done by the branch, the branch readies an advance proposition. EXIM Bank stresses on the data of the proposition, for example,

- Name of the borrower(s).
- Nature of venture.
- Purpose of venture.
- Collateral.
- Margin.
- Rate of return.
- Repayment plan.
- Validity.

In the event that the branch could begin to set up the venture proposition before getting the lawful feeling and amid CIB report accumulation period, at that point the aggregate strategy would take lesser time.

Speculation Division readies an update which is called EC reminder by breaking down the proposition sent by the branch. The update abridges the proposition sent by the branch and some essential data with respect to the customer for instance if the customer has any past advance, the status of the past credit, current execution.

EC meeting is held twice in a week and is by and large direct over by the noteworthy Chairman of the Bank. The Executive Committee takes choice whether to endorse the advance or not, accordingly in EXIM Bank each and the Executive Committee authorize each credit, there is no expert for authorizing any advance notwithstanding for the little ones aside from the Guard against MTDR (SOD against Financial Obligation).

EC notice is essential for fast checking of the credit status of the borrower. In spite of the fact that the EC update is highly arranged errand, it ought to be arranged cautiously.

#### **4.1.15 Collection of Charges Documents**

In the wake of issuing the authorize counsel, the bank gathers fundamental charges charge reports. Charge archives are by and large printed records given by the Bank to execution by the customers. Charge archives change based on sorts of office, kinds of guarantee and so forth. The credit is dispensed just when the client presents all the required charge archives thus the customers generally present the reports as ahead of schedule as could be expected under the circumstances. Here and there a borrower with a decent reputation can't present some specific charge reports however needs the advance critically. In these cases, EXIM Bank, contingent upon the other guarantee, Securities, dispenses the credit however gather the charge records later.

#### **4.1.16 Recovery of unpredictable/stuck-up/past due speculation**

The strategies of recuperation of unpredictable/stuck-up/late venture are as per the following:

a) Contracting the venture customer in composing and meeting by and by:

So as to guarantee opportune recuperation of speculation, supervision at all stage will be guaranteed. This will incorporate supervision from the date of dispensing to add up to reimbursement. On the off chance that reimbursement according to plan doesn't come the Manager will by and by enquire about the reason for non-reimbursement. In the event that he is persuaded that the trouble is impermanent in nature and is probably going to defeat without further ado he ought to talk about the circumstance with the venture customers and get sensible clear reimbursement plan under insinuation to Head Office.

b) Sending Resume of Investment to Head Office:

Branch supervisor will send the Resume of Investment referencing in that the most recent position of venture, security, inconsistencies happened and the endeavors made, meanwhile for regularization/recuperation of the speculation and in addition recommending future activity.

c) Issuance of Registered Notice:

On the off chance that the speculation customer doesn't approach to reimburse inside a sensible period, legitimate notice is to be served through board legal advisor of the Bank with duplicate supported to Head Office. The response of legitimate notice is likewise to be conveyed to the learning of Head Office with remarks of the Branch Manager for further directions.

d) Suit to be documented:

In the event that recording of suit is permitted by Head Office the equivalent ought to be documented against the customer concerned and the Guarantor if any under common Procedure Code 9 for explicit execution to be regarded as rupture of agreement. On the off chance that the venture isn't secured by guarantee security suit is to be documented with connection of advantages before judgment. Then again if the venture is anchored by Mortgage of Property Title Suit is to be documented.

e) Disposal of MUDARABA/MUDARABA Stock:

In the event that where the speculation is anchored by promise of stock it ought to be referenced in the enrolled Notice that in the event that the gathering neglects to lift MUDARABA products on making reimbursement, the bank will discard the equivalent by welcoming open delicate through National/nearby day by day.

f) Inviting Tender for Disposal of Stock:

Notwithstanding the abovementioned if the customer doesn't approach to lift the products, delicate notice will be distributed in One National/Local day by day on getting Head Office endorsement.

## **CHAPTER: 05**

### **Investment Performance of EXIM Bank Limited.**

## 5.1 Financial Position

As a commercial Bank, EXIM bank does all traditional Banking business including the wide range of savings and credit scheme products, retail banking and ancillary services with the support of modern technology and professional Excellency. But main focus of EXIM Bank is, for obvious reason, on export and import trade handling and the development of entrepreneurship and patronization of private sectors.

Following table depicts the financial conditions of EXIM Bank Limited:

**Figures in Crore**

Sl.	Particulars	2013	2014	2015	2016	2017
1	Authorized Capital	2000	2000	2000	2000	2000
2	Paid-up Capital	1156.63	1283.86	1412.25	1412.25	1412.25
3	Reserve Fund	523.69	611.83	686.99	784.64	888.55
4	Deposits	16573.32	20029.44	22506.45	24854.04	28402.61
5	Investment (General)	14384.74	17793.68	19631.14	22215.53	25380.34
6	Investment(Shares & Securities Exclu. Subsidiaries)	1122.22	1522.17	1719.39	1606.33	2112.42
7	Foreign Exchange Business	26865.27	28498.47	30226.64	30546.57	33970.12
	a) Import Business	13540.99	14679.56	15270.33	15393.05	17904.03
	b) Export Business	13035.33	13441.24	14579.64	14750.87	15558.22
	c) Remittance	288.95	377.67	376.67	402.65	507.87
8	Operating Profit	492.79	600.38	634.86	590.33	585.65
9	Investment as % of total Deposit	86.79%	88.84%	87.22%	89.38%	89.36%

10	No. of Foreign Correspondent	386	398	383	390	393
11	Number of Employees	2229	2458	2696	2743	2791
12	Number of Branches	80	87	103	113	118
13	Return on Assets after tax	1.06%	1.16%	0.88%	1.06%	1.02%
14	ROE	9.20%	10.73%	8.31%	7.34%	7.25%
15	Current Ratio					

**Table: 5.1 Financial Condition of EXIM Bank Ltd.**

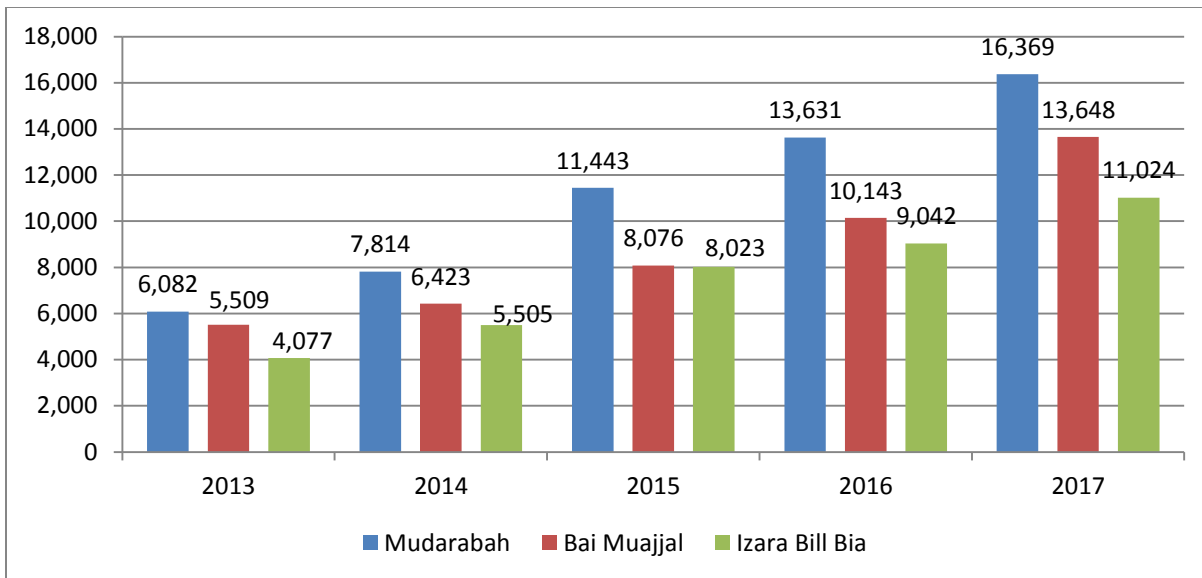
## 5.2 All Financial Activities:

- There are available 3 financial activities details of EXIM Bank Limited. Mudaraba, Bai-Muajjal, Ijarah Bill Bia this three modes investment activities from 2013-2017 is given below:

(Amount in crore BDT)

Particulars	2013	2014	2015	2016	2017
Mudarabah	6,082	7,814	11,443	13,631	16,369
Bai Muazzal	5,509	6,423	8,076	10,143	13,648
Izara Bill Bia	4,077	5,505	8,023	9,042	11,024

**Table: 5.2 Three modes of Investment activities of EXIM Bank Ltd.**



**Figure: 5.1 Three modes of Investment Activities of EXIM Bank Ltd.**

**Interpretation:** In the following graph and table of investment activities of EXIM Bank Ltd. From 2013 to 2017 there investment activities growth rate is increasing year by year. Like, mudarabah in 2013 investment 6,082 crore and bai muajjal 5,509 crore, and izara bill bia 4,077 crore and 2014 investment growth of mudarabah 7,814 crore and bai muajjal invest 6,423 and izara bil baia invest 5,505 crore. In mudarabah investment more than other modes like bai muajjal and izara bil bia. So can say that these three modes of investment activities growth rate is increasing year by year. And this way is good position for the bank.

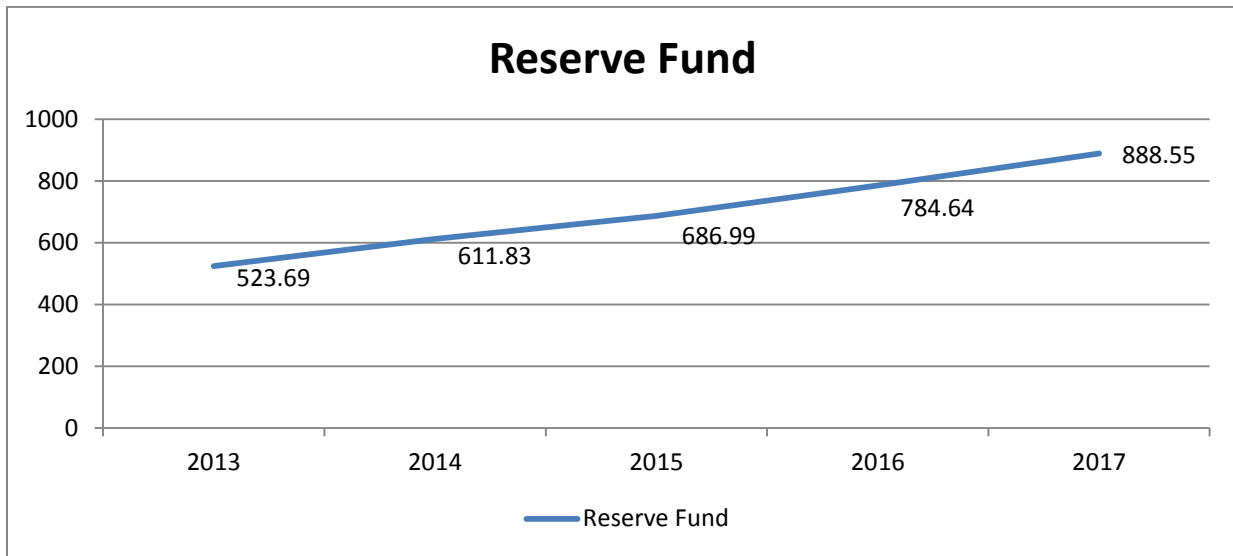
### 5.2 Reserve Fund

In the following graph and chart there is given the 5 years revenue fund which are getting from the annual report of EXIM Bank Ltd. From 2013 the reserve funds getting increase day by day. In 2013 the reserve fund was 523.69 crore. It getting increase little bit in 2016 and the fund was BDT 611.83 crore. The fund was getting its highest point which is BDT888.55 crore in 2017. By this chart we can say that EXIM Bank Ltd. make good funding in reserve fund.

(Amount in crore BDT)

Particulars	2013	2014	2015	2016	2017
Reserve Fund	523.69	611.83	686.99	784.64	888.55

**Table: 5.2 Reserve fund of EXIM Bank Ltd.**



**Figure: 5.1 Reserve fund of EXIM Bank Ltd.**

### 5.3 Investment (General)

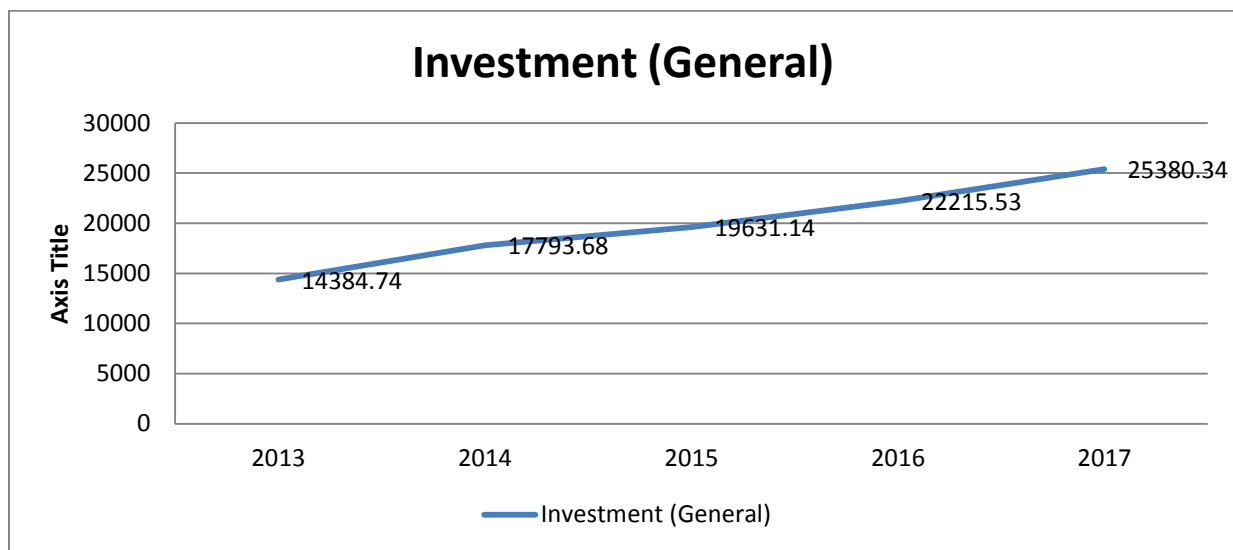
In the following graph and chart, there are available the total of general investment which is contribute by the EXIM Bank Ltd. It seems to be rapidly increased of investment from 2013 to 2014. In 2013 the general investment seen BDT 14384.74 crore and in 2014 it getting increase to BDT17793.7 crore. After that the investment is getting increased every year. At last in 2017 the general investment of EXIM Bank Ltd. was BDT25380.3 Crore.



(Amount in crore BDT)

Particulars	2013	2014	2015	2016	2017
Investment (General)	14384.7	17793.7	19631.1	22215.5	25380.3

**Table: 5.3 General Investment of EXIM Bank Ltd.**



**Figure: 5.2 General Investment of EXIM Bank Ltd.**

#### 5.4 Financial Performance Analysis of EXIM Bank Ltd.

Analyzing the financial performance (also called financial analysis) is so much essential for each and every business institution as well as the Banking institutions. Financial analysis typically is associated with ratio analysis. Ratio analysis involves the methods of calculating and interpreting the financial ratios to analyze the firm's relative financial performance. The main purpose of this analysis is to analyze and monitor the firm's financial performance, so, that the interested parties (both the external and internal) can realize the firm's actual performance easily, which is so much essential for the parties. There are several ratios that help a particular analyst to analyze the past performance of a particular firm and to diagnose the various

relevant variables, which are important for improving the future operation of that firm. The financial ratios, those are useful for analyzing the past financial performance of a financial institution, such as – Bank, can be divided into five broad categories for convenience and they are enumerated below :

#### 5.4.1 Net profit margin:

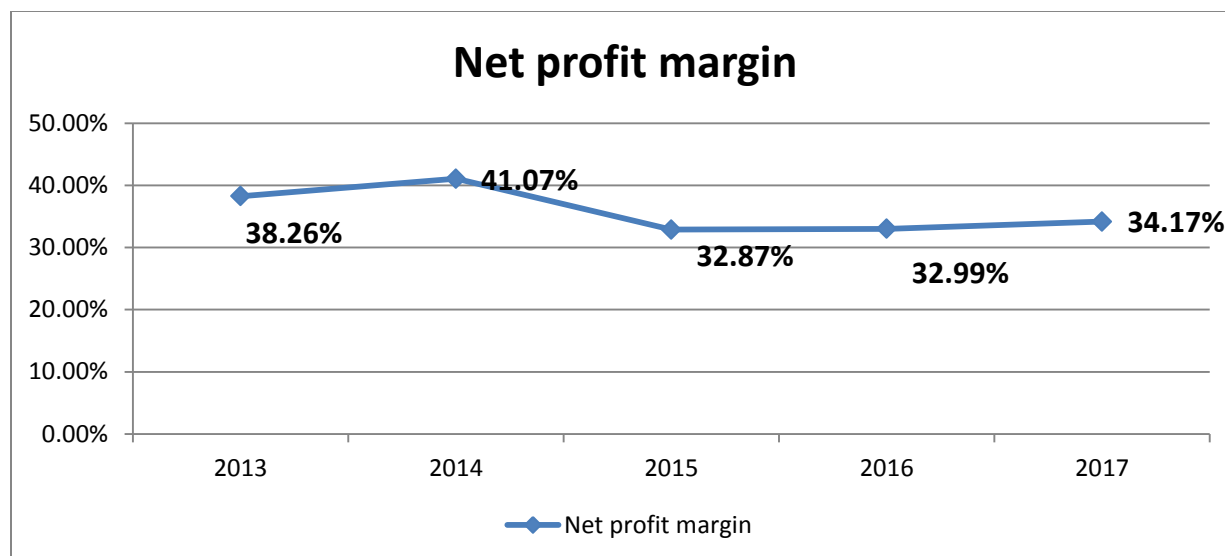
Net profit margin is a key financial pointer used to assess the profitability of a company. The method of getting net profit margin is given below:

$$\text{Net Profit Margin} = \frac{\text{Net Profit After Tax}}{\text{Operating Profit}} * 100$$

(Amount in crore BDT)

Particulars	2013	2014	2015	2016	2017
Net profit after tax	188.56	246.57	208.66	194.76	200.13
Operating Profit	492.79	600.38	634.86	590.33	585.65
Net profit margin	38.26%	41.07%	32.87%	32.99%	34.17%

**Table: 5.4 Calculating the Net Profit Margin of EXIM Bank Ltd.**



**Figure: 5.3 Calculating the Net Profit Margin of EXIM Bank Ltd.**

**Interpretation:** In the following graph and chart, the EXIM Bank Ltd. net profit margin gets calculated. It's seen that in 2014 the net profit margin gets increase after 2013, and it seen that the net profit margin in 2014 is 41.07%. On the other hand after 2014 the net profit margin rapidly getting decrease in 2015 and the figure is 32.87% after that year in 2016 it getting increase a little bit. In 2017 it also not increase much it was 34.17%.

#### 5.4.2 Return on Assets (ROA):

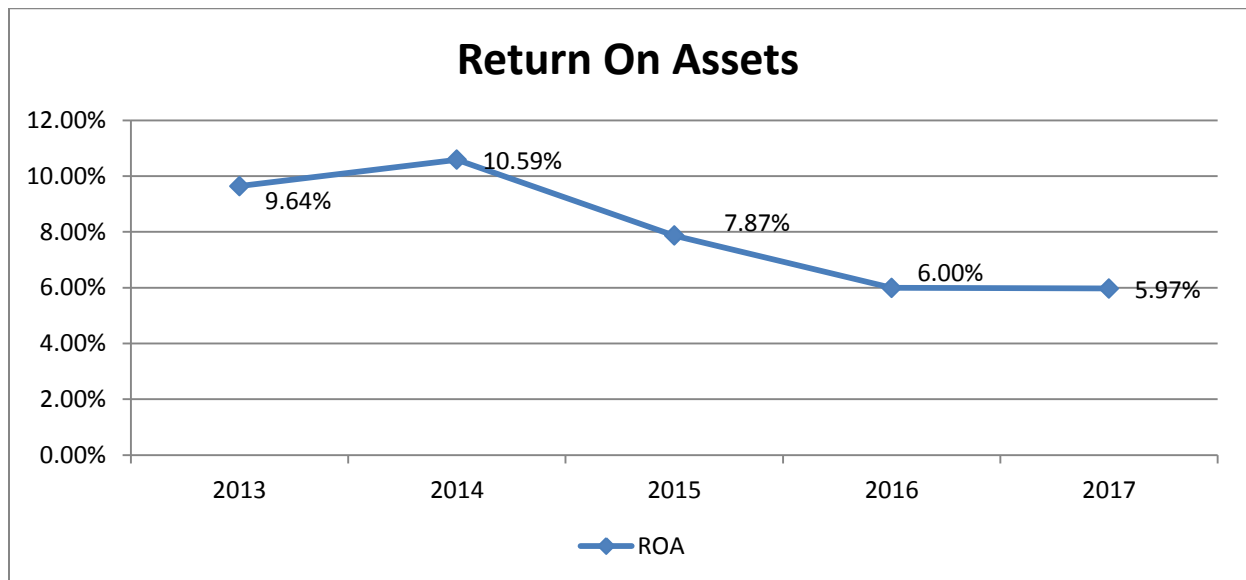
Return on assets is a key financial pointer used to assess the return comes from assets of a company. The method of getting return on assets is given below:

$$\text{Return on Assets (ROA)} = \frac{\text{Net Profit After Tax}}{\text{Total Assets}} * 100$$

(Amount in crore BDT)

Particulars	2013	2014	2015	2016	2017
Net profit after tax	188.56	246.57	208.66	194.76	200.13
Total Assets	1955.42	2328.33	2651.48	3247.93	3352.87
Return On Assets	9.64%	10.59%	7.87%	6.00%	5.97%

**Table: 5.5 Calculating the Return on Assets of EXIM Bank Ltd.**



**Figure: 5.4 Calculating the Return on Assets of EXIM Bank Ltd.**

**Interpretation:** From the following graph it is seen that the ROA of EXIM bank limited is getting its highest mark in 2014 which is 10.59%. After that, the ROA is getting decreased rapidly year by year. In the previous year, the ROA was 5.97%.

#### 5.4.3 Return on Equity (ROE):

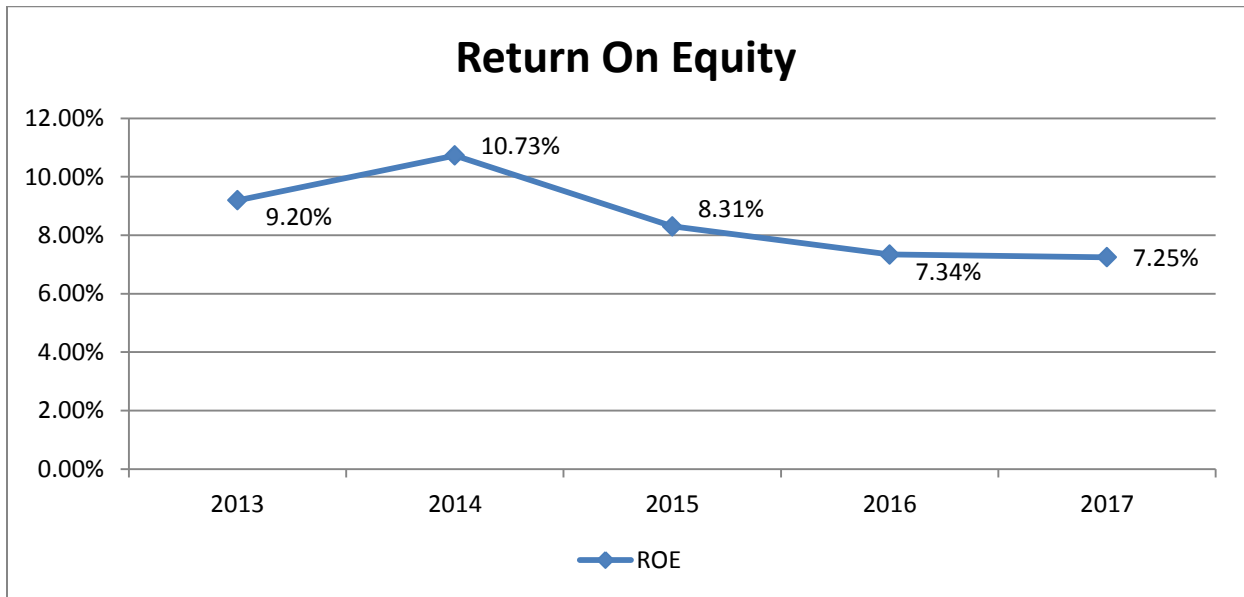
Return on assets is a key financial pointer used to assess the return comes from equity of a company. The method of getting return on assets is given below:

$$\text{Return on Equity (ROE)} = \frac{\text{Net Profit After Tax}}{\text{Total Equity}} * 100$$

(Amount in crore BDT)

Particulars	2013	2014	2015	2016	2017
Net profit after tax	188.56	246.57	208.66	194.76	200.13
Total Equity	2049.91	2297.71	2512.24	2653.82	2761.38
Return On Equity	9.20%	10.73%	8.31%	7.34%	7.25%

**Table: 5.6 Calculating the Return on Equity of EXIM Bank Ltd.**



**Figure: 5.5 Calculating the Return on Equity of EXIM Bank Ltd.**

**Interpretation:** From the graph we can see that, in 2014 the ROE of EXIM Bank Ltd. was getting the highest point which was 10.73%. After that it gets rapidly decrease year by year. At last in 2017 the ROE is seen 7.25%.

#### 5.4.4 Current Ratio:

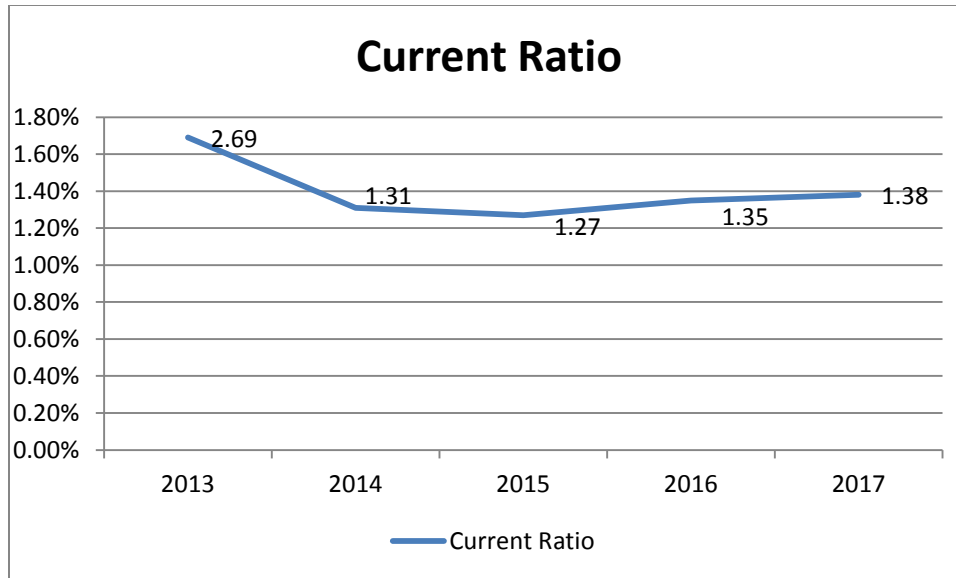
Current ratio is key financial pointer to show whether the bank has ability to pay its current liabilities. The method of getting current ratio is given below:

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

(Amount in Crore BDT)

Particulars	2013	2014	2015	2016	2017
Current assets	1876294790	1951754620	1931625189	1930494163	1936069143
Current liabilities	1108757339	1396068396	1516201429	1433196112	1404686655
Current ratio	2.69	1.31	1.27	1.35	1.38

**Table: 5.7 Calculating the Current Ratio of EXIM Bank Ltd.**



**Figure: 5.8 Current Ratio of EXIM Bank Ltd.**

**Interpretation:** From the graph we can see that, in 2013 the current ratio of EXIM Bank Ltd. is getting the highest point which is 2.69. After that it gets rapidly decrease year by year. At last in 2017 the current ratio is seen 1.38.

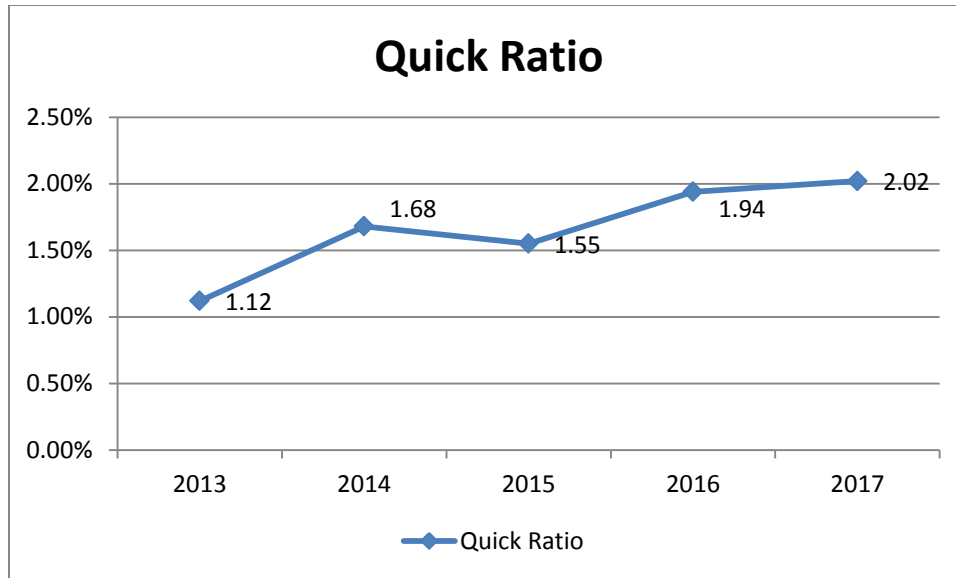
**5.4.5 Quick Ratio:** The quick ratio is an indicator of a company's short term liquidity position, and measures a company's ability to meet its short-term obligations with its most liquid assets. It indicates company's financial positions.

$$\text{Quick Ratio} = \frac{\text{liquid Asset/Current assets}}{\text{Current Liabilities}}$$

(Amount in crore BDT)

Particulars	2013	2014	2015	2016	2017
Liquid Assets	1245734321	2342629042	2354742248	2786592556	2843672462
current liabilities	1108757339	1396068396	1516201429	1433196112	1404686655
Quick Ratio	1.12	1.68	1.55	1.94	2.02

**Table: 5.8 Calculating the Quick Ratio of EXIM Bank Ltd.**



**Figure: 5.8 Quick Ratio of EXIM Bank Ltd.**

**Interpretation:** From the graph we can see that, in 2013 the quick ratio of EXIM Bank Ltd. is getting the lowest point which is 1.12. After that it increase year by year. At last in 2017 the quick ratio is seen highest point which is 2.02.

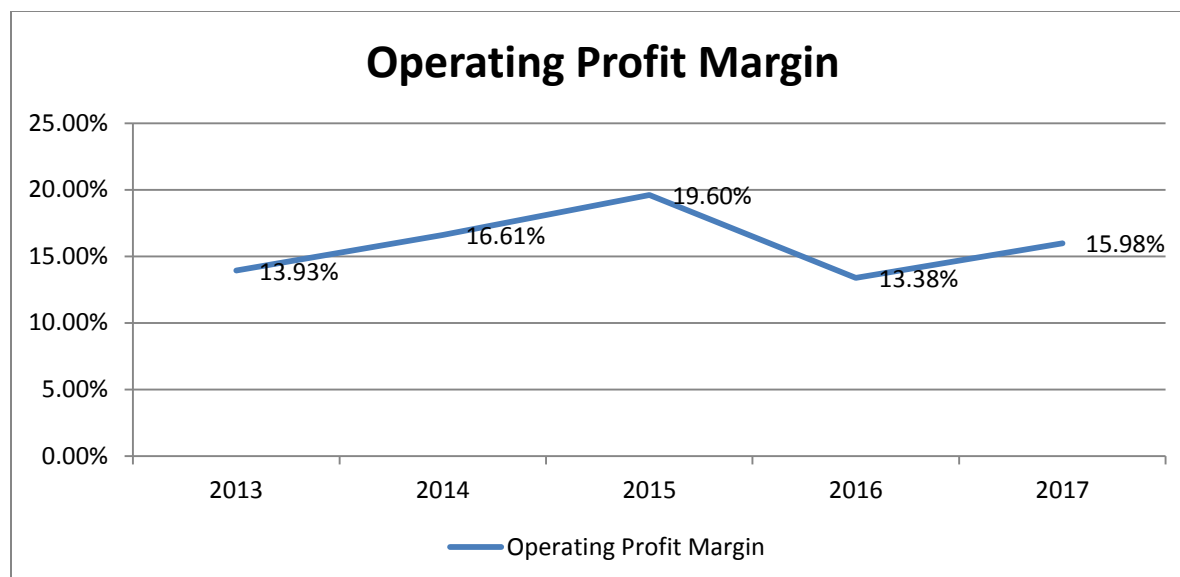
#### 5.4.6 Operating Profit Margin:

$$\text{Operating Profit Margin} = \frac{\text{Operating Profit}}{\text{Sales}} * 100$$

(Amount in crore BDT)

Particulars	2013	2014	2015	2016	2017
Operating Profit	492.79	600.38	634.86	590.33	585.65
Sales	3538.52	3613.9	3238.75	4410.91	3664.31
Operating Profit	13.93%	16.61%	19.60%	13.38%	15.98%

**Table: 5.8 Calculating the Operating Profit Margin of EXIM Bank Ltd.**



**Figure: 5.8 Operating Profit Margin of EXIM Bank Ltd.**

**Interpretation:** From the graph we can see that, in 2013 the Operating Profit Margin of EXIM Bank Ltd. is getting the lowest point which is 13.93%. After that it increase year by year again getting the lowest point which is 13.38% in 2016 in 2015 the Operating Profit Margin is seen highest point which is 19.60%. At last in 2017 the Operating Profit Margin is seen lowest point which is 15.98%.

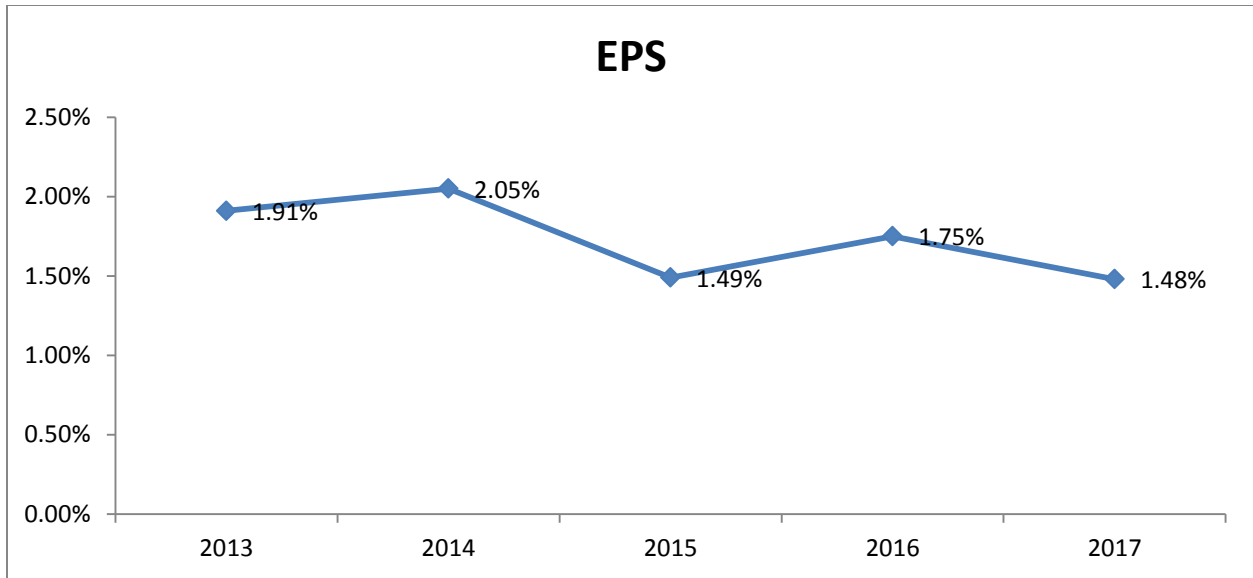
#### 5.4.7 Earnings per Share (EPS):

(Amount in crore BDT)

Particulars	2013	2014	2015	2016	2017
Net profit after tax	2009372842	2157631285	1913390101	2480927888	2192739809
Number of Ordinary Shares	1051486166	1051486166	1283864608	1412251068	1412251068
EPS	1.91%	2.05%	1.49%	1.75%	1.48%

**Table: 5.8 Calculating the Earning Per Share of EXIM Bank Ltd.**





**Figure: 5.8 Earning Per Share of EXIM Bank Ltd.**

**Interpretation:** From the graph we can see that, in 2016 the Earning Per Share of EXIM Bank Ltd. is getting the highest point which is 2.05%. After that in 2017 the Earning Per Share is seen lowest point which is 1.48%.

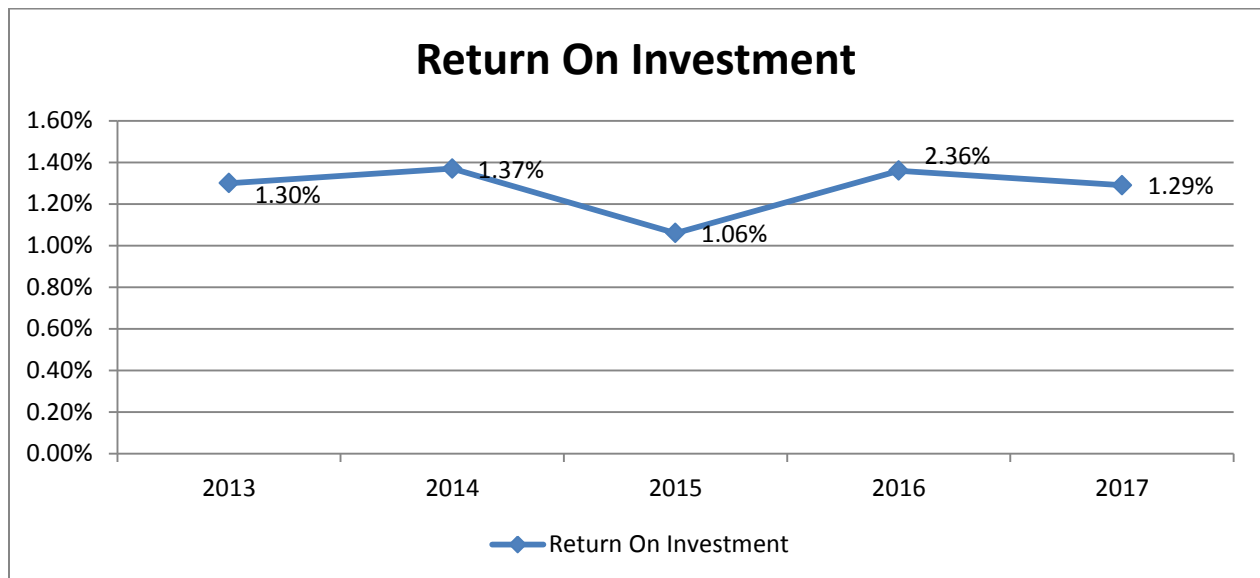
#### 5.4.8 Return On Investment:

$$ROI = \frac{\text{Net Profit}}{\text{Total Investment}} * 100$$

(Amount in crore BDT)

Particulars	2013	2014	2015	2016	2017
Net Profit	1885.61	2465.68	2086.55	3039.76	3298.43
Total investment	145002	179165.57	197536.57	223396.92	255033.17
ROI	1.30%	1.37%	1.06%	1.36%	1.29%

**Table: 5.8 Calculating the Return On Investment of EXIM Bank Ltd.**



**Figure: 5.8 Return On Investment of EXIM Bank Ltd.**

**Interpretation:** From the graph we can see that, in 2016 the Return on Investment of EXIM Bank Ltd. is getting the highest point which is 2.36%. At last in 2017 the Return on Investment is seen lowest point which is 1.29%.

#### 5.4.9 Sector wise Investment of EXIM Bank Limited. (2013-2017)

As a 3rd generation leading commercial bank operating under Islamic Shariah, EXIM bank provides/deals in a variety of banking services including wide range of deposit and investment products, foreign exchange, remittance and other ancillary services with the support of most sophisticated/modern IT and professional management. The investment portfolio of the bank comprises of diversified areas with all nationally identified thirist sectors/areas of business and industry. The bank has given utmost importance/efforts to park and maintain quality assets and is committed to retain good customers through congenial customer relationship management and financial counseling considering the customers as a real business partners. At the same time efforts have been made to induct new customers having vast potentiality, to diversify existing portfolio and explore new potential business area adjustable with the change in business growth of national

economy and global trend as well. By adapting the aforesaid technique/process bank has attained a great success in building a well-established and structured investment port-folio and minimizing overall portfolio risk.

(Amount in crore BDT)

SL.NO	Particulars	2017	2016	Growth
1.	Garments	28,316.17	20,093.59	40.92%
2.	Textile	16,178.80	12,736.39	27.03%
3.	Agro-based Industry	15,150.03	17,593.40	-13.89%
4.	Other industry	58,698.97	15,732.52	273.11%
5.	Trading and others	103,811.37	130,155.52	-20.24%
	total	222,155.35	196,311.42	13.16%

**Table: 1.1**

(Amount in crore BDT)

SL.NO	Particulars	2015	2014	Growth
1.	Garments	17,827.79	17,853.66	-0.14%
2.	Textile	11,761.37	8,843.25	33.00%
3.	Agro-based Industry	12,638.80	11,480.30	10.09%
4.	Other industry	17,497.00	2,747.29	536.88%
5.	Trading and others	118,211.87	102,922.89	-14.85%
	total	177,936.84	143,847.38	23.70%

**Table: 1.2**

(Amount in crore BDT)

SL.NO	Particulars	2014	2013	Growth
1.	Garments	17,853.66	11,920.00	49.78%
2.	Textile	8,843.25	6,622.01	33.54%
3.	Agro-based Industry	11,480.30	5,710.50	101.04%
4.	Other industry	2,747.29	9,576.79	-71.31%
5.	Trading and others	102,922.89	84,390.69	21.96%
	Total	143,847.38	118,219.99	21.68%

Table: 1.3

**Interpretation:** In those tables 1.1, 1.2, 1.3 we can see, Exim bank concentrate on trading and others sector then garments sector and agro-based industry for financing and the growth rate is increasing. In 2013-2014 total growth rate is 21.68% and than 2014-2015 growth rate is 23.70% after that 2016-2017 growth rate is 13.16%. So this interpretation can say that the Exim Bank mostly focus on argo-based and trading and others to increase growth rate then the bank will be better position in future.

#### Agriculture Sector

(in crore Tk)

Sector	2013	2014	2015	2016	2017
Agriculture	1330	1351	16838	15985	14118
Growth of Agriculture industry	1.23%	1.58%	1146.34%	-5.07%	-11.68%

Table 1.4

**Interpretation:** Here it can be said that the investment growth of agricultural industry was good in the year 2015 but after 2015 the bank didn't invest much money in this sector. In 2017 investment less than 2015. In

2015 agriculture investment growth was 1146.34% and 2017 agriculture investment growth -11.68%. EXIM Bank should invest in this sector to increase the agricultural growth rate.

### Transport and Communication Sector

(in cror Tk)

Sector	2013	2014	2015	2016	2017
Transport & Communication	4004	5467	6987	10414	13721
Growth	23.29%	36.54%	27.80%	31.76%	49.05%

**Table: 1.5**

**Interpretation:** From, this table it can said that in sector investment growth was good. In 2016 transport and communication investment was 10414 and growth was 31.76% than 2017 investment 13721 growth was 49.05%. Transport & communication growth increase year by year this is a positive side for the bank.

## **Chapter-06**

# **Findings, Recommendation and Conclusion**

## 6.1 Findings

- EXIM Bank Ltd. of MUDARABA, BAI-MUAJJAL, IZARA BIL BIA these three modes of investment activities. MUDARABA is increasing more from other modes. MUDARABA in 2013 investment 6,082 crore and BAI MUAJJAL 5,509 crore, and IZARA BIL BIA 4,077 crore and 2014 investment growth of MUDARABA 7,814 crore and BAI-MUAJJAL invest 6,423 and IZARA BIL BIA invest 5,505 crore. In MUDARABA investment more than other modes like BAI-MUJJAL and IZARA BIL BIA.
- Sector wise investment of Exim bank Ltd. EXIM Bank should focus on those sector, like agricultural sector because in 2015 growth was 114.34% and 2016 growth rate decreased which was (-5.07%) and 2017 growth rate was decreased which was (-11.68%), agro-based industry sector in 2013-2014 growth rate was 101.04% then 2014-2015 growth rate was 10.09% next 2016-2017 growth rate was decreased which was (-13.89%). Trading and other sector growth rate was decreased which was (-20.24%) in 2016-2017. And other sector investment growth rate is better like, transport & communication sector, garments sector, textile sector.
- From the financial analysis Net Profit Margin of EXIM Bank Ltd. in 2014 was 41.07%. On the other hand after 2014 the net profit margin rapidly decreased in 2015 and the figure was 32.87%.
- Return on assets of EXIM Bank Ltd. in 2014 ROA had gotten the highest point which was 10.59%. After that it gets rapidly decrease year by year. At last in 2017 the ROA is seen 7.87%.
- From the analysis of return on equity there shown that between 2013 to 2014 the percentage was satisfied which was 9.20% - 10.73% but year to year it decreased which came down 7.25%. So it bear very dissatisfied on EXIM Bank Ltd.
- In EXIM Bank, there shown from the analysis that current ratio increased in 2014 which was 2.69 and then next year 2015 current ratio decreased 1.31. This is not good for the EXIM bank.

- Quick ratio of EXIM Bank Ltd. in 2016 decreased which was 1.94. After that 2017 quick ratio increased which was 2.02. This is better for EXIM Bank Ltd.
- Operating profit margin of EXIM Bank Ltd. increased in 2015 which was 19.60% then it decreased in 2016 which was 13.38% after that 2017 operating profit margin lowest point which was 15.98%. This fluctuating of operating profit margin is not good for the bank about earning more profit so bank should focus on this and maintain the level.
- Earnings per share of EXIM Bank Ltd. in 2014 EPS increased 2.05% then EPS decreased year by year in 2015 growth was 1.49%. EXIM Bank should invest to increase earnings per share.
- Return on investment of EXIM Bank Ltd. in 2016 increased which was 3.12% and then return on investment decreased in 2017 which was 1.29%. Return on Investment growth was fluctuated. If EXIM Bank invest carefully on those sector which sector are safety and help to earn more profit. Then return on investment will increase year by year.



## 6.2 Recommendation

- EXIM Bank Ltd. of MUDARABA, BAI-MUAJJAL, IZARA BIL BIA this three modes of investment activities. MUDARABA investment activities more increasing from other modes like BAI-MUJJAL, IZARA BIL BIA so, EXIM Bank should focus on these modes to increase investment activities and from this activities bank earn more profit.
- Major industry wise investment of Exim bank should concentrate on agriculture sector, trading and others sector and agro-based industry for financing and then the growth rate will be increase year by year. If this method is issued than the bank will be able to get a good position in future.
- EXIM Bank Ltd. needs to increase their net profit margin. If EXIM Bank Ltd. decrease costs the net profit margin will increase.
- EXIM Bank Ltd. needs to increase their return on assets about increase profitability by using leverage and profit.
- EXIM Bank Ltd. needs to increase return on equity. So, bank should focus on enhance operating performance, reduce financing costs.
- EXIM Bank Ltd. to improve current ratio so firstly, raising more share capital, increasing long term borrowing.
- EXIM Bank Ltd. needs to higher the quick ratio. Bank need to pay its short term bills then the quick ratio will increase.
- EXIM Bank Ltd. needs to increase sales and decrease the costs then the EXIM Bank Ltd. gain more operating profit margin. After that bank will in better position.
- EXIM Bank Ltd. should follow some new strategy for increase their profit for much return on investment. So the bank can improve ROI to manage finances and handle assets.
- EXIM Bank Ltd. has needed to focus on increasing their net profit form banking activity for increase their earning per share.

## 6.3 CONCLUSION

Islam is a whole way of life and Allah's guidance extends into all areas of our lives. Islam has given detail rules for our economic life. Therefore, Export Import Bank of Bangladesh Limited is trying to establish the greatest welfare of the society by maintaining the principles of Islamic Shariah which is based on "Quran " and " Sunnah". Since 1999, EXIM is the guide the way in welfare banking in this subcontinent and it is trying to do all its activities for the betterment of its depositors. For the bigger profit of the depositors the investment activities of EXIM Bank Ltd. is to invest on the basis of profit and loss sharing in accordance with the tents and principles of Islamic Shariah. Profit earning is not the only motive and objective of the bank's investment activities is important to attaining social good and in creation employment opportunities.

EXIM Bank Ltd. is not secular in its orientation. EXIM Bank Ltd. does not finance any project which conflicts with the moral values system of Islam. EXIM Bank Ltd. does not harsh the credit worthiness of the entrepreneur. EXIM Bank Ltd. receives a return only if the project succeeds and produces a profit. EXIM Bank Ltd. considers the reliability of the project and business intelligence and managerial ability of the entrepreneur. Therefore, the rate of profit of investment of EXIM Bank Ltd. is greater comparing to the conventional banks.

Finally, Export Import Bank of Bangladesh Limited has been established with a view to conduct interest free banking to establish participatory banking instead of debtor-creditor relationship and finally to establish welfare oriented banking through its investment operations that would lead to a just society.

## 6.4 Bibliography

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