

Internship Report

On

Foreign Exchange Activities of Al Arafah Islami Bank Limited.

A Study at Dakshinkhan Branch.

Supervised by

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Program: MBA

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Date of Submission: 25th December, 2018

Letter of Submission

Date: 25th December, 2018

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Subject: Submission of Internship Report on "Foreign Exchange Activities of Al-Arafah Islami Bank Ltd.

Sir,

It is very pleasure for me to submit this internship report on" Foreign exchange activities of Al Arafah Islami Bank Limited ". This program has started since 1st September, 2018. This is a special opportunity for me to fulfill the partial supplement of the course - The Bachelor of Business Administration I noticed during my internship program the representation and supervision of the organization, whatever.

I really owe to you for your suggestions and recommendations. I would be glad if I please render your valuable comments and observation.

Sincerely yours,

(Jahida Khanom)

MBA Program

ID-172-14-768

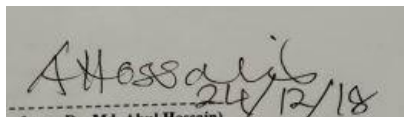
Department of Business Administration

Daffodil International University, Dhaka

Supervisor's Certificate

This is to certify that this internship report on "Foreign exchange activities of Al Arafah Islami Bank Limited" is done by Jahida Khanam ID: 172-14-768 as a partial supplement of MBA program, major in Finance, Daffodil International University.

The report has been prepared under my guidance and is carried out successfully.



.....

(Prof. Dr. Md. Abul Hossain)
Coordinator (MBA Program)
Department of Business and Entrepreneur
Daffodil International University, Uttara Campus

Declaration

I hereby declared that the internship report on “Foreign exchange Activities of Al Arafah Islami Bank, Dakshinkhan branch, submitted by me from Daffodill International University Dhaka, to complete the MBA Degree and this study has not used to any degree or other university or institute .

.....
(Jahida Khanom)

MBA Program

ID-172-14-768

Department of Business Administration

Daffodil International University, Dhaka

Acknowledgment

The completion of this report gives me much pleasure to express my gratitude towards Allah who gave me effort to accomplish such task.

I would like to acknowledge the guidelines and efforts to organize an excellent program related to theoretical education related to the real-life situation of a leading corporate bank of the project report and management committee. As part of the MBA program requirements, I have selected Al Arafah Islami Bank Limited to report my internship.

I would also like to thank Khandaker Monirul Hoque (Manager), Kazi Sazzad Hossain (Deputy Manager) Al Arafah Islami Bank Ltd. (AIBL) Dakshinkhan Branch, LK Plaza (1st floor), Anol Road, Dakshinkhan, Uttara, Dhaka-1230 for your generous cooperation and valuable suggestion in the preparation of this report.

My sincere thanks and welcome to my respected internship supervisor Professor Dr. Md. Abul Hossain, Daffodil International University's Department of Business Administration. Along with his cooperation, the report was not ready and there is a good experience, it is over.

It was not easy to fit in a situation that I had never been in for an orientation; it was enough to get acquainted with all aspects of the banking process. But still, I have successfully completed my work at Al Arafah Islami Bank Limited and without the help of some kind people it will not be possible.

Finally, a silent flow of gratitude is for my most adorned parents whose blessing is always with me in this windy world.

Thank you from the heart of my heart.

Abstract

This report shows the working background of "Foreign Exchange Activities of Al Arafah Islami Bank Limited". As an internship report for the MBA program. It will show that a private owned company can count on the convenient, recognized and modern full-fledged administration premises.

In the first chapter, details about the main, purpose, methodology, limitations of the report about Al Arafah Islami Bank Limited (EIBL) are contained. This report is partly supplemented by the MBA (Professional) program. The objective of the report is to determine the EIBL's foreign currency activities. Two types of information are used to prepare this report. They are primary and secondary.

The second chapter deals with the general description of the organization of Al Arafah Islami Bank Ltd. (AIBL) History of Al Arafah Islami Bank Limited, Dakshinkhan Bank Limited of a Glance, Al Arafah Islami Bank Limited Networks, AIBL Mission, AIBL Vision and Objective of the organization, Strategies of Al Arafah Islami Bank Limited, Deposits products etc.

In Third chapter contains analysis of the report, which is the main part of the report, and "Foreign exchange Activities of Al Arafah Islami Bank Limited", Foreign Exchange, historical overview of exchange rates system of Bangladesh, exchange of foreign exchange activities, documentary credit, credit card, L/C Required documents, export department, import department, remittance department and SWOT analysis. .

In the fourth chapter, the results of analysis like findings, recommendations and conclusions that are mainly obtained from the study of foreign exchange evaluation. I think the recommendation will increase the performance of Al-Arafah Islami Bank Limited as well as increase their customer base

ACRONYMS

AIBL	: Al-Arafah Islami Bank Limited
PO	: Payment Order
LC	: Letter of Credit
CA	: Current Account
CC	: Cash Credit
SB	: Saving Account
GB	: General Banking
FC	: Foreign Currency
DD	: Demand Draft
IBC	: In ward Bill Collection
OBC	: Out ward Bill Collection
P&T	: Postage& Telegraph
CRR	: Cash Reserve Ratio
SLR	: Statutory Liquidity Ratio
BCD	: Branch Control Department
IMF	: International Monetary Fund
IME	: International Monetary Express
FDR	: Foreign Direct Remittance
CC	: Cash Credit
FDR	: Foreign Direct Receive
MD	: Managing Director
DMD	: Deputy Managing Director
EVP	: Executive Vice President
AMD	: Additional Managing Director

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1.1 Introduction

Bangladesh is one of the large Muslim countries in the world. The people of this country are deeply committed to living in Islamic life on the basis of the principles of the holy Qur'an and Sunnah. On June 18, 1995, Al-Arafah Islami Bank was established, a true reflection of this sincere desire of its people that began to come into effect from September 27, 1995. It is committed to conduct banking and investment activities in all financial activities based on the interest free profit and the fate of the loss. In this way the new horizons have been exposed in the light of new negotiations and expecting the dream of long dream of Bangladesh for banking transactions in accordance with Islam's prescribed rules. With active support from the Islamic Development Bank (IDB) and other Islamic banks, financial institutions and government agencies, Al-Arafah Islami Bank Limited has achieved the unique position of a leading private commercial bank in Bangladesh. Al-Arafah Islami Bank has made a positive contribution to the socio-economic development of the country through 46 branches of the country, out of which 16 affiliated traders of the country. Money in the stock market of the bank stands 1690 million to 31 December 2016 Manpower was 912 and the number of shareholders was 4487. During the 3 months of my Arafah Islami Bank Limited experience, my experience has been published in my internship report.

1.2 Origin of the Study

After completing an MBA at Daffodil International University, under the Bachelor of Business Administration curriculum, Jahida Khanom, the maker of this report was placed by the Carrier Services at Al-Arafah Islami Bank Ltd. as part of the internship. The report entitled "Foreign Exchange Activities of Al-Arafah Islami Bank Limited" has made as a partial fulfillment of MBA program authorized by the Prof. Md. Abul Hossain, Faculty of Business & Entrepreneurship, Daffodil International University.

1.3 Purpose of the Study

Daffodil International University's MBA program student will have to be internship to finish the final semester. As part of the program, I was kept in Al Arafah Islami Bank Limited for three months. From this point of view, after finishing the three-month internship, I prepared

this report. I really appreciate this appointment and hope that it will play an important role in building my future career.

1.4 Objectives of the study

General purpose of study:

- ▣ The main objective of the study is to complete the activities of Al-Arafah Islami Bank Limited and the MBA Program's practical requirements.

Specific purposes as follows:

- ▣ AI analyzes AIBL's foreign currency activities.
- ▣ AI Explore foreign exchange activities of AIBL.
- ▣ Probable Problems Possible Solutions Possible

1.5 Scope of the Study

As I was working at Ali Arafah Islami Bank Limited, Dakkhinkhann branch, I got the opportunity to learn various parts of the banking system. My supervisor divides the whole three sections so that I can get an opportunity to analyze the entire financial activities in divisional department, general banking department, investment department and foreign currency department.

1.6 Research Methods:

When determining the sources of information for research, I use both primary and secondary data to manage my analysis. In addition, I have described my performance and evaluation of banks as valuable and the first source of my own observation.

a. Primary source:

I have collected basic information in the interviews of employees of Al-Arafah Islami Bank Limited and customers. Primary information comes in consultation with company employees. I was very dependent on secondary information for this preparation. I have collected basic information about the opinion of various relevant officials of Al-Arafah Islami Bank Limited in the following ways:

- * Face to face interviews with employees and clients.
- * By telephoning client
- * By practical work.

(b) Secondary source:

I mainly use secondary data to prepare this internship report. Information collected from the bank's annual report for the year under our review. I have collected some formal information from various brochures, papers on the web which helped me a lot in presenting this report. After confirming the accuracy of the information, I used this information in my reports. I have used different types of secondary data in my research. Lower secondary data sources are as follows:

Internal Data:

- * Annual Report of the bank.
- * Information of Al Arafah Islami Bank Ltd.at Dakshinkhan Branch,

External Data:

- * Brochures regarding Al Arafah Islami Bank Ltd.
- * Economic Trend of Bangladesh Bank.
- * Different Book.
- * Web site of the bank.

1.7 Time schedule of the study

SL.No.	Particular	Duration
01	Data collection, analyzing and consolation with the supervisor	45 days
02	Data observation and separation	15 days
03	Data input to computer, processing and preparing the report	15 days
04	Make a output as book and shown the supervisor for correction then submitted to him finally.	15 days
	Total	03 months

1.8 Limitations

Work is basically based on explanation of basic information. Secondary information is inadequate, but the primary data collection, explanation and integrity has been made to improve the present situation of the accounting system of the bank.

There are some limitations when trying to create a well organized and well-organized report.

Communication gap.

Inexperience about practical work.

Department does not want to disclose information about the financial situation. Lack of accessibility to respondents.

The bank authorities are so busy.

Dealing with some ambivalent information.

Clients are not always interested in spending time for interviews.

Const main limitation information was inadequate, which is highly needed for study. It is unable to provide some formatted documents and information for research.

Banks were very busy with bank staff, so they failed to give me enough time to complete the report.

Clients were very busy. So, they could not give me a lot of time for the interview.

Such a study performed by me for the first time. So, one of the main reasons for inexpressiveness is the constraints of research.

Chapter - 2

2.1 Historical Background of AIBL

Islam gives us a complete lifestyle. The main goal of the life of Islam is to succeed both in our mortal and immortal life. Therefore, in order to achieve our highest success in every aspect of our life, we should follow the doctrine and lifestyle of the Prophet (sm) of al-Qur'an. Al-Arafah Islami Bank started its journey in 1995 with the proposed policy and started a modern banking system based on the Qur'an and Sunnah..

Following the guidance given by the Holy Qur'an and subsequently and later, in order to achieve success, and as a public limited company of Rasul (AL) Al-Arafa Islam Islami Bank Limited, June 18, 1995 (registered) is registered. The inauguration ceremony was held on 27 September 1959. On 31.12.2017, the authorized capital of the bank is 10,000 crore and the paid up capital is Tk 5,893.37 million.

A group of established and devoted personalities of Bangladesh, the bank's architects and directors. Among them is a well-known Islamic scholar, economist, writer and former bureau artist of Bangladesh. JM Shamsul Alam, the founding chairman of the bank, helps his progressive leadership and consistent encouragement to strengthen banks in the financial market.

A group of 26 dedicated and well-known Islamic personalities of Bangladesh are members of the Executive Council of the Bank. They are well-known for their business acumen. Al Arafah Islami Bank Limited has 88 branches.

The knowledge and knowledge of Islamic Banker and Almighty Allah al-Arafah Islami Bank are the most advanced and advanced banks of Bangladesh.

2.2 Objectives of AIBL

Al-Arafah Islami Bank Limited is working with Islamic banking institutions to implement Islamic economic and financial policies in the banking sector. The purpose of EIBL is not only profit but also good for the people and good achievement. The main goals of AIBL are listed below-

In order to establish a participating bank instead of banking on credit debtor's creditors relationship.

Invest in different modes approved under Islamic Shariah.

To increase the cooperation of poor, helpless and low-income groups for their economic development.

Human rights play an important role in the human development and employment process.

Operations especially contributing to the growth and development of the country's balance through investment activities in less developed areas.

To contribute to achieving the ultimate goal of Islamic Islamic Economy.

Interest Management of Interest Free Banking.

2.3 Specific features of AIBL

All activities are conducted in accordance with Islamic Shariah and interest-free systems.

Different Sharia allegations of its investment policy under different methods

It is believed to provide dedicated services to clients drawn with the Islamic spirit of the Brotherhood, Peace and Friendship.

Bank is committed to establishing good-based banking system to meet the needs of low income and indigenous needs.

Through social social liberation and equitable distribution of money, the bank only supports the Islamic values of establishment of the financial system.

2.4 Financial Performance of Al- Arafah Islami Bank Ltd

AIBL currently has 88 branches of 32 generation banks. In a short time, EIBL has created an image as a progressive and dynamic financial institution for itself and has achieved a significant reputation in the banking sector of the country. Despite strict competition in the banking sector, by 31 December, AIBL has made significant improvements in overall business performance, contributing to the integrity of the bank. By the end of the year, the number of depositors stood at 508798 and the amount of money deposited was 2.88186.98 million taka. The total number of investors was 67,177 and their total investment was 77,714.95 million rupees.

In 2017, the bank earned Tk 1.13.35 million and spent 7,005.81 million rupees. Before the end of the year, the amount of profit was Tk 4,326.78 million.

2.5 Financial Information about AIBL

In 2017, the total value added by AIBL was Rs 4,914.93 million, which was against 3,634.30 million bid in 2013. The bank's direct contribution to the economy was Tk 1,747.87 million in corporate income tax. In 2017, BD 714.80 million dollars, the bank distributed 1,187.1 million dollars to 1,807 bank officials. By the end of 2017, the bank provided a total of Tk 82,186.98 million in deposits and helped to meet the improvement in the economy by setting up BDT. Tk 77,714.95 million as investment in different sectors of the economy. In addition, the bank manages significant import and export business.

2.6 Mission of AIBL

Steady& competitive return on shareholders equity.

Innovative banking at a competitive price.

Attract and retain quality human resources.

Extending commitment to the growth of national economy. Involving more in Micro and SME financing.

Achieving the satisfaction of Almighty Allah both here& hereafter.

Proliferation of Shariah Based Banking practices.

Quality financial services adopting the latest technology.

Fast and efficient customer service.

Maintaining high standard of business ethics. Balanced growth.

2.7 Vision of AIBL

To ensure justice and equity in the economy, as well as to work based on Islamic principles of trading.

Keep a significant contribution to the advancement of Islamic banking in Bangladesh and to improve the national economy.

Improve banker customer relationship by improving Customer service.

Develop technology and policy and policy integration now to develop and innovate products / services.

Distribution of Branches:

Division	No. of Branches
Dhaka Division	45
Chittagong Division	22
Rajshahi Division	7
Khulna Division	3
Sylhet Division	7
Barisal Division	4
Total	88

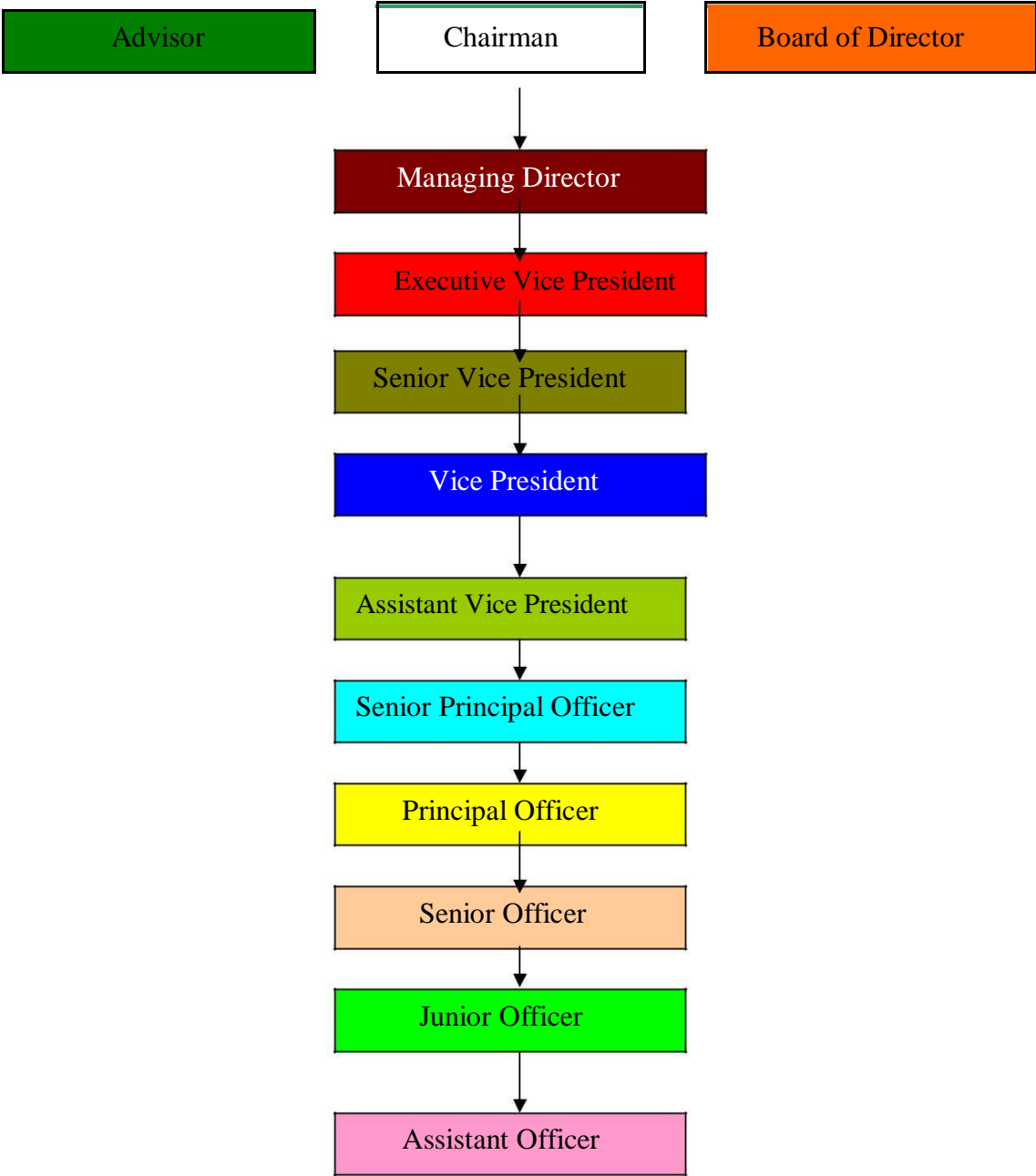
2.8 Five year Financial Statement

5 Year Financial Highlights

(Figure in Million)

Particulars	2017	2016	2015	2014	2013	Growth%
Income Statement						
Investment Income	2,243.15	3,456.34	4,004.54	4,306.62	9,481.01	120.15
Profit paid on Deposit	1,628.63	2,220.47	2,667.34	3,133.69	5,466.12	74.43
Net Investment Income	614.52	1,235.87	1,337.20	1,172.93	4,014.89	242.30
Non Investment Income	712.46	936.81	1,301.10	3,378.95	1,851.58	(45.20)
Non Investment Expenses	570.80	644.59	908.47	1,328.61	1,539.69	15.89
Net Non Investment Income	141.66	292.22	392.63	2,050.34	311.89	(84.79)
Profit Before Tax & Provision	756.18	1,528.09	1,729.83	3,223.27	4,326.78	34.24
Provision For Investment	173.34	269.20	140.59	370.80	380.16	2.52
Profit Before Tax	582.84	1,258.89	1,589.24	2,852.47	3,946.62	38.36
Provision For Tax (including Deferred Tax)	235.53	590.66	730.25	893.43	1,747.87	95.64
Profit After Tax	47.31	668.23	858.99	1,959.04	2,198.75	12.24
Balance Sheet						
Authorized Capital	2,500.00	2,500.00	5,000.00	5,000.00	10,000.00	100.00
Paid up Capital	1,153.18	1,383.81	1,798.95	4,677.28	5,893.37	26.00
Reserve Funds & Other Reserve	653.00	905.33	1,223.18	1,779.08	2,437.43	37.01
Shareholders' Equity (Capital & Reserve)	2,037.50	2,705.74	3,564.73	9,790.36	11,989.11	22.46
Deposits	23,009.13	29,690.12	38,355.50	53,882.96	82,186.98	52.53
Investment	22,906.37	27,742.57	36,134.08	53,582.96	77,714.95	45.04
Investment in Shares & Securities	868.58	1,090.23	1,502.00	2,078.83	3,771.83	81.44
Fixed Assets	334.48	396.76	466.30	655.39	968.13	47.72
Total Assets (Excluding off-balance sheet items)	30,182.32	37,177.22	48,515.79	74,005.01	106,768.18	44.27
Foreign Exchange Business						
Import Business	27,042.72	32,685.13	34,074.80	55,934.10	76,112.10	36.07
Export Business	12,714.91	20,176.64	23,546.10	32,042.40	52,202.10	62.92
Guarantee Business	601.88	784.49	2,841.32	3,081.15	1,812.38	(41.18)
Inward Foreign Remittance	1,843.94	2,672.04	2,832.28	4,431.90	6,876.20	55.15
Capital Measures						
Core Capital (Tier-I)	1,970.84	2,639.08	3,498.07	9,582.85	11,924.50	24.44
Supplementary Capital (Tier-II)	274.29	410.26	567.89	929.96	1,123.40	20.80
Tier-I Capital Ratio	9.59	9.70	9.68	13.21	12.31	(6.81)
Tier-II Capital Ratio	1.33	1.51	1.57	1.28	1.16	(9.38)
Total Capital	2,245.13	3,049.34	4,065.96	10,512.81	13,047.90	24.11
Total Capital Ratio	10.92	11.21	11.25	14.49	13.47	(7.04)
Investment Quality						
Volume of Non-Performing investment	854.41	817.90	608.14	610.48	751.10	23.03
% of NPLs to Total investment	3.72	2.75	1.68	1.14	0.95	(16.67)
Provision for Unclassified investment	220.48	298.09	409.19	666.95	866.46	29.91
Provision for Classified investment	246.48	329.78	173.13	137.58	105.93	(23.00)
Provision for Off Balance sheet Exposures	19.45	77.80	124.35	230.71	214.48	(7.03)
Share Information						
Number of Shares Outstanding	115,317,540	138,381,040	179,895,360	467,727,936	589,337,199	26.00
Earning per Share (Taka)	2.51	3.72	2.00	4.14	3.73	(9.90)
Book Value per Share (Taka)	19.67	19.55	19.82	16.47	16.69	1.34
Market Price per Share (Taka)	44.00	44.40	53.63	66.88	37.80	(43.48)
Price Earning Ratio (Times)	14.62	9.53	11.23	13.24	10.13	(23.49)
Price Equity Ratio (Times)	2.24	2.27	2.71	4.06	2.26	(44.23)
Dividend per Share						
Cash Dividend (%)	-	-	-	-	-	-
Bonus Share	20	30	30	26	21	(19.23)
Operating Performance Ratio						
Net Profit Margin%	3.69	4.87	4.11	2.22	5.55	149.77
Investment /Deposit Ratio	99.55	93.44	94.21	93.43	89.07	(4.67)
Return on Equity (ROE)%	17.05	24.70	24.10	20.01	18.34	(8.35)
Return on Assets (ROA)%	1.15	1.80	1.77	2.65	2.06	(22.20)
Cost of fund %	10.99	10.46	11.08	9.72	11.08	13.99
Cost /Income ratio in operating business (%)	74.52	65.17	67.40	58.06	61.82	6.47
Other Information						
Number of Branches	46	50	60	78	88	13
Number of Employees	1,033	1,080	1,296	1,711	1,807	5.61
Number of Shareholders	12,013	10,664	11,382	49,386	54,267	9.88

2.9 Organo gram of Al-Arafah Islami Bank Ltd



2.10 SWOT Analysis of AIBL:

SWOT is an opinion and coordination analysis that the existing companies are satisfactory.

A. Strengths:

Fully guided by the quality of the service at all levels of the service to maintain the quality of the service.

Bank has achieved customer loyalty as organizational loyalty.

Efficient people have developed professional relationships with their clients and clients, which are regular business psychological ties

EIBL is always trying to catch new and modern equipment.

AI workers maintain a good environment in AIBL so that it provides the reason for working efficiently and dedicated to banking.

AIBL maintains relationships with many foreign banks so that it is an effective solution for smooth business.

Management top management officials have been known as all banking experience, skills and skills.

B. Weaknesses:

This bank has advertising and promotional activities.

Reference appointment is very effective at EIBL. As a result, many are only getting salary at the end of the month, but the minimum contribution for the organization.

There are some officers who work hard but do not appreciate the authority. EIBL has not established proper network system among AIBL branches. Human is an extraordinary part of total human resources ineffective.

The bank is not a research and development department of the bank.

C. Opportunities:

Bank can introduce more innovative and modern customer service.

Micro tech may also offer micro credit business.

High It is high time that they should be moving towards online banking operations. The Excellent

Bank will be able to combine cognitive, skilled, experienced and

hard-working by offering attractive donations and free benefits along with excellent work environment.

Consumers are very safe in business environment by spending financial policies including credit credit facilities.

D. Threats:

Central Bank (Bangladesh Bank) is always supervising the local and overseas banks of Bangladesh and sometimes it disrupts the normal functioning of the private bank.

Innovation is continuously running in the process of innovation, but other competing banks have copied it in a short time.

Progress of technology technology advances in technology, although efforts to join the ABBL HTV stream, the mission can't be completed due to our country's poor technical infrastructure.

They are running aggressive campaigns to attract profitable corporate clients and big time depositors.

Competitors can share a huge market by providing similar products and services provided by the local competitors.

Chapter - 3

3.1 Foreign exchange department

Foreign currency can easily be defined as the conversion process in other currencies. In general, "foreign currency" means foreign exchange, which is the exchange rate of the exchange rate of foreign currency in terms of another currency. But in whole meaning, foreign currency money is used in the process or media and the exchange rate of this media.

Al-Arafah Islami Bank Ltd. Its foreign currency division is the most important among all divisions. This division is divided into two parts, the first is the second part of the import department and the export department.

3.2 Import Procedure

A person should be able to be an "importer" to import. According to the Import and Export Control Act 1950, the main controller of the import and export office supplies the Importers' Register (IRC). After receiving this person, a letter of credit approval from the Bangladesh Bank has been secured. And then a person became a qualified importer. He is a person who requests to open L / C or directs him as a lender or applicant.

3.2.1 Importer's Application for L/C Limit Margin:

An import L / C limit submits an application to the following information from Al-Arafah Islamic Bank Limited, an importer:

1. Full details of bank account.
2. Business nature.
3. Limit required quantity.
4. Payment terms.
5. Imported goods.
6. Provide security.
7. Payment schedule.

Now, if the officer thinks that the application is not suitable for LC, then written for understanding L/C, charge, postage and L/C margins.

3.3 Salient Features of a Letter of Credit

The salient features of a letter of credit are briefly described below in the light of the provisions in UCPDC.

Operative Instrument: A credit card can be issued (a) airmail, or (b) telecommunications (telex / cable). When established by Airmail, the standard format of the bank (security paper), with relevant details, is signed by the authorized signer of the bank and sent to the consulting bank. Where credit letters are issued by telecommunication, the full details of the credit are limited / durable to the consulting bank. The contact provider is proven by the relevant examination code between the banks and the consulting bank

Instructions relating to Credit: Instruments for the payment of debt, the credit itself, the amendment guidelines and amendments must be completely and specific. Banks will discourage any effort to beware of confusion and misunderstandings:

To include excessive details in the credit or in any amendment thereto.

To give instructions to issue, advise or confirm a credit by reference to a credit previously issued where such credit has been subject to accepted/unaccepted amendments [Article 5(a)].

Expiry Dates: Each credit will indicate two dates, shipment deadline and the last date for the discussion. The last date of invoice indicates the date of the product to be sent to the importer's country or before. Generally, the recipient is allowed to be able to create other documents for more time (like invoice).

Value and Quantity of Goods: The quantity of quantities that can be drawn on the draft under credit credit, will be directed to export the total amount of credit. Unit prices can be indicated. The credit should not exceed the amount mentioned in the amount and quantity. UCP has allowed certain tolerance limit.

Documents to be tendered: Credit clearly specifies the number of copies of different documents and the required copies of each document.

Bill of exchange: It indicates to the importer from the exporter that the amount of goods it exports is sent to the bank.

3.3.1 Parties Involved in a Letter of Credit:

The parties involved in a credit operation are:

- (a) Applicant (Importer)
- (b) Beneficiary (Exporter)
- (c) Issuing Bank (Opening Bank)
- (d) Nominated Bank (Intermediary Bank) which may be:
 - i. Advising Bank
 - ii. Confirming Bank
 - iii. Negotiating Bank
 - iv. Accepting Bank
 - v. Paying Bank

3.4 Documents Used in Foreign Trade

The following documents are needed in foreign trade in general:

3.4.1 Bill of exchange:

A bill exporter from the exchange directs to the importer or importers to pay the amount indicated by the bank. A bill of exchange is governed by a negotiating instrument and amenable instrument law. Credit can be drawn in the bank or other drawer bank issuing the bill under a letter but not the importer. If the credit is still called by the applicant for a bill, the bank will consider these types of bills as additional documents. The various types of bills are:

3.4.2 D/A and D/P bills:

A cost bill may be D/A or D/P terms. If it is a D/A post (document against acceptance), then the collecting bank has to provide the documents for acceptance of the bill. Pay by the drawer on the date of payment of the bill. From the date of acceptance of the payment date, the bank remains unsafe for the time being. If it is a D/P bill (documents against payment), the documents will be provided in payment only, unless they are maintained by the bank. Therefore, banks maintain control over the products until payment is received.

3.4.3 Inland and foreign bills:

Any bill of Bangladesh is accepted in Bangladesh and there is no internal bill payable or payable on a resident in Bangladesh. In this way, an internal bill must meet both conditions that (i) it is drawn to Bangladesh and (ii) it is paid even if it is paid in Bangladesh or the person residing in Bangladesh (even if abroad).

Any bill without paying the requirements of a foreign bill Therefore, any bill outside Bangladesh is a bill payable to a person resident outside Bangladesh and a bill drawn in a place outside Bangladesh but the bill is paid abroad.

3.4.4 Marine Insurance Policy:

During the journey or shipment, product loss or damage will affect one or more of the parties involved in the transaction, such as importer, exporter, shipping company and bank, which provides payments against products supplied by the company. Marine insurance provides a custom cover for loss or damage to the product during the transaction.

It absorbs the free flow of international relations to an important uncertainty associated with it. Marine insurance ships (hull insurance) or products (cargo insurance) may be covered. Premium insurance is considered for accepting a marine insurance contract. Insurance may be due to partial loss or total loss.

3.4.5 Invoices:

Different types of shipment are needed in L / C. Below is an overview of this invoice:

3.4.6 Commercial Invoice:

A commercial shipment containing a complete description of the product shipped in a statement. The general content of a commercial invoice used in foreign trade is:

Seller and Buyer Name and Address

Shipped product, quantity, quality, description and standard Packing details and packing marks

Price and quantity paid by the buyer Trade terms - FOB, CFR or CIF etc.

Description of freight charges, insurance premiums and other chargers. Mention the sales agreement in perfection which is made to run shipment. The name of the vessel that has been sent to Vess

The license is the license license that has been imported.

3.4.7 Proforma Invoice:

A Proforma Run contains all the details in a commercial invoice. The word 'profit run' is different from the commercial inventory by appearing. This is not a sales proof. The following operations may be required in the following forms:

It may be the basis of which the contract of sale is concluded later.

When the product is sent on a consignment basis, a profit invoice that is sent to the vendor's agent can be used only; It acts as a guide for the price of the product that the agent sells.

It may be used support a tender a sale contract.

3.4.8 Certificates and Other Documents:

In addition to the above mentioned documents, there are other certificates and documents required for the credit card. These are:

3.4.9 Certificate of Origin:

Origin certification declares place of actual production or product growth. A country can restrict restrictions on import from a particular country or provide professional treatment for import from a particular country. For both purposes, the origin certificate became necessary. Generally this type of certificate is issued by the trade chamber of commerce or trade associations in the export country.

3.4.10 Packing List:

The list will contain the product details containing the individual packages. It helps to identify the contents of a particular package and thus simplifies the evaluation of customs.

3.4.11 Presentation of the Documents:

The seller is satisfied with the buyer's terms and conditions for supplying the necessary products and then the documents presented in the compromised bank should be presented in a proven document. After receiving all the documents the discussion examined documents against the bank credit. If banks receive and accept their payments, Al-Arafah Islami Bank Limited examines the documents and the documents are as follows:

1. Invoice
2. Bill of trade
3. Certificate of deposit.
4. Packing list.
5. Weight list.
6. Shipping advice

7. Unauthorized copy of transaction bill.
8. Exchange bill
9. Pre-shipment inspection report.
10. Invoice certificate.

The following papers are required when opening a new L/C

1. Certificate of Board of Directors.
2. Resolution of Commencement.
3. Resolution of Board of Directors.
4. Confidential report to be obtained from their previous bank.
5. Report/ Inquiry to be obtained from CIB of Bank.
6. Credit Report to be obtained from correspondent bank, internationally reputed agency introspects to the supplier.
7. LRA to be made in case of big liability.
8. Valid Import Registration Certificate (IRC).
9. Trade License.
10. TIN Certificate.
11. VAT Certificate.
12. Three (3) copies declaration by the importer that they have paid/ submitted return of income tax of proceeding last year.
13. Membership Certificate of Chamber of Commerce Industry.
14. Membership Certificate BGMEA (Incase of Garment Ind.)
15. Banded warehouse license (Incase of Export Oriented Industry).
16. LCA From.
17. Insurance cover note.
18. Proforma Invoice/ Indent.
19. Application for opening of L/C duly billed in and signed.
20. IMP form duly signed.
21. Memorandum and Article of Association of the company.
22. Certificate of incorporation with RJSC.

3.5 Risk management

Al-Arafah Islami Bank is defined as reducing the risk of limiting, financial or otherwise risk. The bank's risk management covers six (six) core risk areas of the bank. Establishment of credit risk management, foreign currency risk management, asset liability management, money laundering and internal control and compliance and information and communication technology.

The main objective of risk management is to take advantage of good accounting business while protecting profits from capital, financial resources and various risks. In this context, the Bank has taken steps to implement Bangladesh Bank's guidelines.

3.5.1 Credit risk management

Credit risk is one of the main risks faced by banks. It can be a potential harm because of the failure of hundreds of parties on contractual basis with the bank. Failure can be from the unwillingness of the falling counter party to its financial condition. Therefore, banks were designed to solve credit risk management activities. Bank separates the head office of investment risk management committee. Committee on monthly risk risk risk review. Bank investment, investment administration, investment restitution and legal authority separately. The responsibility of the officials / officers involved in loan related activities is different from the bank. A separate business development department has been set up at Head Office, which is responsible for maintaining effective relationships, credit product marketing, business opportunities etc. to the customer. The branches of the bank are associated with separate official Relation Manager, Documentation Officer, Verification Officer, Distribution Officer and Recovery Officer. Their work has been allocated and the responsibility has been defined.

3.5.2 Foreign exchange risk Management

The risk of foreign currency is defined as possible change of income caused by market value change. According to the Foreign Exchange Risk Management Guidelines, a separate Treasury Department has been established in the head office of the bank physically. Under the Treasury Department, the foreign currency front office, the back office of the foreign currency and the local standard market has been restricted physically. Their duties and responsibilities have been defined. At the end of the month, all foreign currency transactions are marketed at market rate from the market determined by the Bangladesh Bank. All nostro accounts are reconsidered on a monthly basis and more than 30 days of review.

3.5.3 Exchange Instrument

Cheque: A written order signed by the indicator depositor to pay a certain amount of money to a specified recipient. Check is a negotiating instrument which can be transferred to another party by authorization.

There are three parties to a cheque:

1. The maker or drawer who issues the cheque.
2. The bank or payer on which the check is drawn.
3. The payee to whom the cheque is payable.

Accommodation Bills:

An accommodation bill has been signed by a person who has been signed as a drawer, acceptant or an approved person, if a person is signed to claim it to someone else without any regard to claiming it.

Fictitious Bills:





When a drawer is a name or a moneylender or both, or a fantastic name, a bill is called an imaginary bill. A fictitious bill payable for the drawer's order and the actual person is accepted by a holder in the hands of a holder.

Documentary bill:

Documentary bills are those which are attached to documents like title bills. Bills are accepted or paid, title documents are handed out. This is the usual practice of foreign trade transactions.

3.6 Payment Procedure

This is the most sensitive act of import division. Officials will be very careful while making payments. This work constitutes the following:

-  Payment date: Usually payment is made within seven days of receipt of the documents. Once the payment is delayed, the compromise can claim interest for a delay in the bank.
 -  Preparation of sales memo: A sales memo is made at the currency rate to the customer. TT and ODD rates are given in the International Department (ID). Difference between these two rates in exchange trading. Finally, the International International Exchange Trading Credit Advice was sent to the International Division (ID).
 -  Request for Foreign Currency: A International Directorate is sent to arrange necessary funding for payments.
 -  Telelex Transmission: A Talekox representative is sent to Bangkok to ensure payment is made.
- Import Financing
- a) Letter of Credit (L/C) Facility
 - b) Loan against Import Merchandise (LIM)
 - c) Loan against Trust Receipt (LTR)

3.6.1 Letter of Credit (L/C) Facility:

Bank on behalf of the importers' issue L / C. L / C is issued to import and market the products for the production process.

3.6.2 Loan against Import Merchandise (LIM):

Import imports of imported commodities (LIMs) are imposed on the importer for importers to import imports. It is usually paid within 30 days.

3.6.3 Loan against Trust Receipt (LTR):

Imports of imports importers import imports of imported goods (LIM) are imported. It is usually paid within 30 days.

3.6.4 Rate of Exchange:

This is the value of a currency, expressed in terms of another currency. The exchange rate is the rate of the relation between different foreign currency in terms of the local currency of that country. Price which can be converted into another currency in another country currency.

3.7 Export Procedure

3.7.1 Entering into an Export contract:

To avoid disputes, the foreign buyer must enter into an export agreement. For this purpose, it is important to include all relevant and important terms of the trade agreement on a broad but detailed basis of the export agreement.

There should be no ambiguity about the accuracy of the products, including the export price, the payment mode, the storage and distribution method, the type of packaging, the shipping port, the delivery schedule, and the terms and conditions of the sale. Various aspects of the export agreement are as follows:

- Products, standards and specifications
- Quantity
- Inspection
- Contract Total Value
- Distribution rules
- Taxes, duties and charges
- Delivery / Shipment Period
- Packing, labeling and marking
- Payment terms - amount / mode and currency
- Discount and commission
- License and permit
- Insurance
- Documentary requirements
- Guarantee
- Freedom fighters

Arbitration it is noteworthy that the importance of the arbitration department in an export agreement does not offer courtesy procedures to settle commercial disputes, as it involves inevitable delays, costs and technical issues. On the other hand, the arbitrator provides an economic, swift and informal remedy for settlement of commercial disputes. Arbitration activities are managed privately and the prizes are kept confidential. The arbitrator is usually a subject of debate issues. The date for the arbitration meeting is amended with all relevant facilities. Therefore, the arbitration is the most appropriate way to settle commercial disputes and it can be used commercially by traders in their commercial transactions.

3.7.2 Export Pricing and Costing:

Export prices should be different from the export cost. The price is what we offer to the customer. We pay for the price we pay for the price / product. The price includes our profit margin, the cost includes the only costs that we have spent. The most important tool for selling export prices and facing international competition The price has been practically worked out considering all export facilities and costs. However, there are no specific sources for successful export prices. Based on the exported exporters or exporter exporters or through a renting agency, it is different from exporters to exporters. You should expect to evaluate your competitor's strengths and rival move in the market. The assessment strategy will depend on the situation in different situations. You can still be competitive with high prices but with better delivery packages or other advantages.

Your prices will be determined by the following factors:

- o Product range offered.
- o Prompt supply and supply continuity.
- o After-sales service in products like machine tools, consumer durable products
- o Product disparity and brand image.
- o Purchase frequency.
- o Presumed relationship between quality and value.
- o Quality product and gift items.
- o Give credit
- o Preferences or bias for products originating from special sources.
- o Aggressive marketing and sales promotion.
- o Acceptance and settlement settlement on top.

- o Unique quality products and gift items.

By the Prime Minister of the Exporters and Importers (CCI and E) the Ministry of Commerce constitutes Bangladesh in the expenditure of the export trade control. No exporter is allowed to export from Bangladesh unless it is registered with CCI and E and has a valid Export Registration Certificate (ERC). Export Registration Certificate needs to be renewed every year. Export registration certificate is included in XP form and other documents attached with the export.

3.7.3 Formalities and Procedure:

1. Export Receipt L / C: Obtain export L / C form export issued by the importer.
2. Submission of export documents: After supplying the product to the exporter, all the documents required by the collecting bank will be submitted.
3. Checking the export documents: After checking the document near the banker to verify the documents according to the lock / C terms.
4. Discussion of export documents: If the bank accepts the document and gives the exporters a standard draft and forward documents to provide bank called a compromise bank. If the bank does not buy L / C, the bank generally acts as a collecting bank.
5. Revenue earning: This time the issuing bank payment is realized.
6. Report to Bangladesh Bank: According to the instructions of the Bangladesh Bank, the bank should report the latest payment to the respective division of Bangladesh Bank.
7. PROGRESS PROJECT CERTIFICATE (PRC) Issue: To get cash assistant to the bank, the supplier / exporter will have to issue the export certificate of export L / C.

3.7.4 Papers Requirement for new Export:

- 1) Export Realization Certificate (ERC).
- 2) Trade License.
- 3) Membership Certificate Form Chamber/ EPB.
- 4) Account To Be Maintained With Bank.
- 5) Export L/C Contract.
- 6) EXP Form To Be Certified.
- 7) TIN Certificate.
- 8) VAT Certificate.
- 9) Memorandum and Article of Association of the Company.

10) Confident Credit Report to Be Obtained of the Importer.

11) Registered Partnership Deed In Case of Partnership Concern.

3.7.5 Shipments Documents:

1. EXP form.
2. Photocopy of registration certificate.
3. Photocopy of the contract.
4. customs copy of ERP form for running jute products and EPC from jute jute.
5. In relation to delivery of goods to the port of transactions in the bank's freight certificate.
6. railway receipts, barrage receipts or truck receipts
7. shipping instructions.
8. insurance policies

3.7.6 Export Department:

1. Exporters Registration Process
2. books and registration / laser needs for export.
3. Export L / C checking and consulting. Formatting
4. Back-to-back L / C Formula
5. Back-to-back L / C Accounting
6. BB Checking / loading of bills.
7. acceptance mechanisms.
8. Pre-run Financing.
9. Based on Export Document Checking and Discussion / Collection Shire Offer Count
for
10. Fund distribution systems.
11. Income Recovery Corporation.
12. Formulas of back-to-back payment system
13. Option Benefit Implementation / Collection System.
14. XP from Bangladesh Bank Report
15. Expose Form Disposal
16. Disputes and export claims settlement.

3.7.7 Preparation of Exports Documents:

Exchange or draft

bill Bill of lading

Invoice

Insurance policies / certificates.

Tin certificate.

Inspection certificates.

Consumer invoice.

Packing list.

Quality Control Certificate. GSP

certificates.

Photocopy-sanitary certificates.

3.7.8 Export Financing:

a) Export Cash Credit (ECC).

b) Packing Credit (PC)

c) Back-to-Back Credit Facility (BTB).

d) Foreign Documentary Bills Purchased (FDBP).

3.7.9 Advising a L/C:

A consultant is advising the seller to credit the seller through a consulting bank. Advice from banks is a proof of proving the authentic credibility of the beneficiary. Prior to credit forwarding / advising of customers under appropriate forwarding coverage, the bank should verify the signature of the opening bank officer in the advisory bank and ensure that the terms of the credit are not in violation of existing exchange control regulations and others. Often banks are receiving requests for sanctions to add their confirmation when giving credit to the facilitator. If the advisory and issuing bank have pre-arranged arrangements or advice, it is sufficient for a promising organization and its liability to be sufficient if the consulting bank can do this. It is also seen that sometimes the credits of the banks are available to the creditors who have the beneficiary name in their body. In this case, the consulting bank creates new credits for the original credit and signature and the signature bearing the signature.

3.7.10 Amendment of L/C:

Buyers and dealers fulfill the terms and conditions of mutual credit before opening the same and the parties involved are in compliance with the permanent terms and conditions for their respective role in credit management. But the actual conditions involved in an L / C, especially the vendors and buyers, are always clear and genuinely due to conditions without the settlement of the conditions can not be completely filled. The goal of establishing a credit may be frustrating. So credit should be corrected to avoid this situation. In the case of a revocable credit, it can be amended or canceled from the issuing bank at any time and without prior notice to the beneficiary. But the bank issuing the case of the issuing bank (if any) and the beneficiary. Partial recognition of the amendment is not in conformity with the parties' agreement. If any other bank service issues a credit to the beneficiary in a bank, it also uses the services of the same bank, and any correction must be fully and specific. If there is unclear or incomplete instructions for credit modification, the bank requests to work in such guidelines, which will give preliminary notice to the recipient.

3.7.11 Back to Back Letter of Credit:

A back-to-back letter of credit is different from the original credit, on the basis of which the bank is risky under back-to-back credit. In this case the chief principal of the bank / security chief credits. Major credit and back-to-back credits (credit purchases) are not separate and legally connected, though they are both part of the same business activity. Supplier (back-to-back credit receiver) provides products to the importer and provides products to the exporter and presents documents to the bank as credit specification. This means that the ship will hand over the goods to its documents and the importers in the export vessel and if they return the current documents for discussion under the original credit, they will be adjusted according to their refunds under their refund. The exported L / C mark is available and no margin is taken.

3.7.12 Processing and Opening of Back-to-Back Letter of Credit:

An exporter wanted an imported L / C limitations under the back-to-back management. In that case the following documents and documents are required:

1. Full bank account details.
2. Balance sheet.
3. Resources and Accountability statements.
4. Trade license.
5. Valid bond warehouse license 5 membership certificates. 6 declaration of income tax.

6. Article memorabilia.
7. Partnership Agreement.
8. Photograph
9. Directors.

The back-to-back letter of the credit opening section will prepare credit reports on the above documents and receipt of papers. For approval from the head office, return to branch C / C. Credit-back-credit credits are open, without worrying at the head office due to the valuable clients of the bank. In that case an officer of the Foreign Exchange Department will send a post to the head office for the back-to-back letter of credit opening.

3.7.13 Export Cash Credit (ECC):

Export cash credit products and services extended to companies involved in the export.

Export cash credit is provided for raw materials, packing lists, wages, salaries, utilities etc.

Export Cash Credit Quotation L / C Exports 75%.

3.7.14 Parties to a Letter of Credit (L/C):

- A) Import / buyer / applicant.
- B) Export / Seller / Supplier
- C) Issuing bank / operating bank
- D) Advising Bank / Notifying Bank
- E) Bank confirmation.
- F) Discuss with the bank.
- G) Banks / Repayment banks.

To import goods and services the buyer approaches his/ her bank to open a Letter of Credit (L/C) through its branches and correspondents abroad.

Importer: The person who requests the issuing bank to open an L/C.

Exporter: The party in whose favor L/C is established.

Issuing Bank: The Bank which opens issue L/C.

Advising Bank: The Bank advised For L/C.

Confirming Bank: The Bank, which adds confirmation to the credit.

Negotiating Bank: The Bank, which negotiates the bills.

3.7.15 The International Trade:

AIBL is very active in conducting international trade operations through import, export and financing of overseas remittance business. Currently there is a network of 88 branches.

Export:

Exports of \$ 22,924 million in 2011, which increased 41.5 percent in the last fiscal year. The export earns 23.5 percent US \$ 18,500 million targets, ready-made garments and supply jute and jute goods. The country has earned \$ 16,717 million by registering 43.9% increase in the fourth quarter of the 2011-2011 fiscal year in the same quarter of 2013-11. In 2011, \$ 22,924 million exports, which increased 41.5 percent in the last fiscal year. Export 23.5 percent US \$ 18,500 million targets, ready-made garments and supplies to achieve jute and jute goods. The country earned \$ 16,717 million by registering 43.9% increase in the fourth quarter of the 2011-11 fiscal year in the same quarter of the year 2013-2011.

Import:

In the 2011-2013 fiscal year, the US Dollar increased to US \$ 9.91 billion or 41.8 percent US \$ 33,657 million in comparison to US \$ 29.97 million. For the total import of 2011-2011 fiscal year, the amount of cash and EPZ import was 32,133 million dollars, imported under debt and 46 million US dollars, direct investment between US \$ 32 million and BPC US \$ 1,348 million short-term debt. Credits liter (LC) exports in the year 2011-2013 increased by US \$ 8.899 million or \$ 31.15 million to \$ 16.13 million or 38.6 percent. Due to overall imports, the amount of imports mainly increases mainly due to high imported rice and wheat import. Importers have been encouraged to open LCs for import of food grains to ensure country's food security. Commercial banks provide foreign currency support for the import bill settlement. Import of petroleum products, other raw items including industrial raw materials and capital equipment, also significantly increased during the period.

3.7.16 Income & Expenditure:

Investment income:

Investment income in 2011 was 9,481.01 million, which was 120.15% higher than last year.

Total income is 83.66%. 11,332.59 million.

Income from other than investment :

The bank has earned money. The current income is \$ 1,851.58 million from other sources of income, exchange income, locker rent etc. Apart from the investment, the total income is 16.34%. It indicates that increase in growth (2016 - 45.20%) compared to 2016.

Expenditure

Profit paid to depositors: The bank has deposited 5,466.12 million taka to the depositors, which is 57.65% of investment income and 78.02% of total expenditure in 2017. This hint increased 74.43% in 2016.

Performance at a glance:

According to the condition, the shareholder's report of ten percent (10%) or more voting shareholders of the company on December 31, 2017: NIL

Investment receipts increased to 111.46% compared to the previous year and 19,850.85 million in 2017 and the best use of surplus funds increased. On the other hand, the amount of deposits and loans increased by 76.90% compared to the previous year, the amount of deposits and loans increased. Net profits decreased 7.70% compared to last year in comparison to the tax year after 28,353.84 million years in 2016 of 2017:-

i) In the year 2016, the bank earned 503.24 million additional general income from the sale of DSE and CSE licenses, but in 2017 there was no additional general income ii) Extra ordinary income from the profit of DSE and CSE transaction earning 15% As a result, after dividends, total profit has been significantly added, but in 2017 there is no such facility.

Particular	2017	2016	Growth %
Investment income	8,974.09	4,243.93	111.46%
Profit paid to depositors	5,543.45	3,133.69	76.90%
Net Investment Income	3,430.64	1,110.24	209.00%
Commission, Exchange & Brokerage and other Income	1,693.32	2,875.71	(41.12%)
Income from extra ordinary item (Gain on Sale of DSE & CSE License) -		503.24	(100.00%)
Total Operating Income	5,123.96	4,489.19	14.14%
Total Operating Expense	1,468.75	1,328.55	10.55%
Profit before Tax and provision	3,655.21	3,160.64	15.65%
Provision on Investment and others	363.47	370.80	(1.98%)
Profit Before Tax	3,291.74	2,789.84	17.99%
Provision for Taxation	1,519.68	869.94	74.69%
Net Profit after Tax	1,772.06	1,919.90	(7.70%)
EPS	3.01	3.26	(7.67%)

Comment:

From the financial statement I found that in year 2017, there were 1772.06 million total profits in 2017, less than 1919.90 million dollars a year. As a result, profit after tax has decreased by 7.70% compared to last year. The amount of money due to the bank is 503.24 million additional general income of selling DSE and CSE licenses in 2013 but there is no extra ordinary income in 2017. Eventually, the Ips decreased by 7.67% in 2017 compared to the previous year.

3.7.17 Budget for 2017-2018

At the budget has proposed to increase the budget of 1,635.89 billion rupees (increase of 25.8 percent in the last fiscal year) and 460 million ADP (28 percent revised ADP for last year) in the budget for 2012-13 fiscal year. The revised income of 2011-2011 fiscal year is 24.41.87 billion rupees, from 24.4 percent to 1,183.85 billion rupees. Total expenditure targets are 18.2 percent and total revenue targets are 13.2 percent of GDP. To increase the GDP in fiscal year 2011-12 (2014-15), work on social issues for poverty alleviation, physical infrastructure development, solving problems of electricity and energy sector, creating employment opportunities and increasing insufficiency. Social security for education and health implementation of net programs and improve the economic condition of the people. Increasing the threshold income of individual taxpayers, withdrawal of tax benefits benefitted by ministers, high court judges and government officials, deduction of tax on interest income from savings certificates, vacation allowances, such as certain tax proposals, concession for CSR, tax increase in cigarettes, Chewing tobacco and motor vehicles, imposing 10 percent surcharge on income tax, if the property of the taxpayer If the limit is exceeded by 0.4 percent 0.6 percent for RMG products and 0.5 percent to 0.7 percent for other goods, imports of cotton waste and brick exportation, import duty on poultry feed, LPG cylinders, and public transport and some utility related uses, such as withdrawal of VAT in LPG , Introduction of accreditation certificates for the top VAT payment business, and short term In order to create a separate 'return account' for returning business tax in possible time, are commendable.

Chapter-4

4.1 Findings

The following topics have been found after reading as a beginner for Al-Arafah Islami Bank Limited.

- a) In Foreign Business of Al-Arafah Islami Bank Limited. I found individual section for every department like L/C opening section, Back to Back L/C section, and document accepts section, Payment of Document Section, Foreign Remittance. Export & also Import.
- b) At the theoretical framework chapter, it is reviewed that foreign exchange business is highly dependent on the world economic situation. Any change in the world economic situation will affect the business.
- c) Al-Arafah Islami Bank Limited Private Sector is the pioneer of banking business.
- d) If the decisions taken in the management are self-centered, such as market competition often ignores the priorities of their own power and resources.
- e) The management rarely defeated the country - "Bank of Armed Forces in Cantonment" means that the banking concept can not be made public.
- f) Top management guides to its subordinates when needed but the specialization of the personnel on a particular task is not ensured. It has been found that executives are transferred from one branch to another to without ensuring other executives being acquainted with the task.

4.2 Recommendations

- a) The Bank must improve its research center and training center to enrich the knowledge on Customs and Uniform Practice for Certification of Documentation.
- b) The administration should place more emphasis on the bank's advertising in various electronic and print media. The main objective of advertising should be, above all, to make people know and understand that the bank is universal and that anyone can access it.
- c) To eliminate the risk of foreign currency, the bank must be an expert expert who understands the future economic situation and can take initiative based on forecasting. Again the bank can be successful in the economy if it can handle the situation effectively.
- d) I recommend that the bank will improve the management of the international department, which is responsible for managing the risks related to the exchange rate. Banks will have to maintain a correspondence with banking, which will deal with currency transactions and settle their payments.
- e) The interior decoration must be introduced for the comfort of the client.

4.3 Conclusion

AIBL is one of the new banks in Bangladesh. In this case, this bank does not have much experience in banking sector in this country. EBL has already dealt with this changing environment. The company's strategy is clear and concise. The strategies they are planning for and the new strategies they offer are appealing to the bank. If the bank follows this route in the near future, then Al Arafah Limited. One might be the best. Through negotiation, we can say that Al Arafah Bank Limited plays an important role in the country's economic growth and will remain very well in the banking sector in the future. Meanwhile, EIBL will have to actively promote promotion to reach the public easily. The research is available with the understanding of the activities of bank managers, which can improve the financial performance of their banks and overseas exchange activities.

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