



B A N K

Shariah Based Islami Bank



**An Internship Report
On
Home Investment Procedure: A Study on EXIM Bank Ltd at
Savar Bazar Branch**

Prepared for

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Program: MBA

Major in Accounting

Date of Submission: 17th September, 2019

LETTER OF TRANSMITTAL

17th September, 2019

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Ashulia Model Town, Savar, Dhaka

Subject: Submission of the Internship Report.

Sir,

I feel honored to present my internship report on Home Investment Procedure: A Study on EXIM Bank Ltd at Savar Bazar Branch. Which I have done one of the main requirements for the completion of MBA degree. I am looking forward to your sincere judgment regarding this report.

I am delighted to get the opportunity to do my internship in a reputed organization like Export Import Bank of Bangladesh Limited, Savar Bazar Branch. I enjoyed preparing this report which enriched my practical knowledge of the theoretical concepts which I have learned from different courses.

I sincerely hope and believe that my Internship report will secure your approval and serve its purpose. During the progression of preparation due to various limitations there may be some mistakes. However, I apologize for those and beg your kind consideration in this regard.

Yours truthfully,

Md. Tarikul Islam

ID: 182-14-072

Program: MBA

Major in Accounting

Daffodil International University

ACKNOWLEDGEMENT

At first I would like to pay my gratitude to the Almighty Allah for giving me abilities to work hard. I am also grateful to my parents who provided me with the necessities of life since my early childhood.

Many people contributed in the making of this report. First of all, I would like to thank my academic supervisor of the internship program Dr. Md. Abdur Rouf for giving me the opportunity of preparing this report & for his effortful supervision. He also provided me some important advice and guidance for preparing such type of new idea-based report. Without his help, this report could not have been a comprehensive one.

My deepest appreciation and special thanks goes to Md. Touhidul Islam Manager of EXIM Bank, Savar Bazar Branch, for extending his support in compiling this report. I would specially like to thanks Osman gani, Kazi Toufiqul Islam officer of EXIM Bank, Savar Bazar Branch who helped me a lot during my Internship days with valuable advices, guidance and necessary information.

Lastly, I would like to thank MBA department at Daffodil International University and for the development of such an important & firm curriculum of report required for MBA.

Supervisor Declaration

This is to certify that Md. Tarikul Islam, Id#182-14-072, Program MBA, Major in accounting, Daffodil International University has completed his internship in Export Import Bank of Bangladesh Limited, under my supervision. He has always maintained communication with me and has followed gives necessary advice. Under my guidance and supervision, he has successfully prepared an internship report on Home Investment Procedure: A Study on EXIM Bank Ltd at Savar Bazar Branch, summer 2019.

I wish him every success in life.

Dr. Md. Abdur Rouf

Associate Professor of Accounting & Associate Head of MBA

Department of Business Administration

Daffodil International University

Executive Summary

I have completed my internship report based on the three months long internship program that I had successfully completed in Export Import Bank of Bangladesh Limited, Savar Bazar Branch as a requirement of my MBA program in Daffodil International University. This report is focus on Home Investment Procedure: A Study on EXIM Bank Ltd at Savar Bazar Branch.

The first chapter is all about introducing the project work like introduction, Research Aim, objective of the study, scope of the study, limitations of the study.

In Second chapter is all about the company overview. In this chapter explain different important data about EXIM Bank Ltd is provided like Background of the organization, corporate information of the organization, corporate governance, mission, vision, Products and services, Porter's five forces.

The Third chapter is all about the project. Definition of home investment, home investment scheme, Range of home credit investment, interest rate, charge document, verifications of customer, repayment method.

In chapter four I mentioned Findings and Recommendations, Conclusion, References.

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CHAPTER 1

INTRODUCTION

1.1: Introduction:

Internship program is a system by which I can accustom my selves with the practical situation through the application of theoretical knowledge into real life. The gap between these two can be bridge up through this internship procedure, as an indispensable part of MBA. Internship provides an opportunity for students to share theory with practice and more provide as a short-term work group for that organization that has true to join in the internship program. The internship program fulfils its mission of capable a student for his or her important professional and executive positions in the public and private sector. This program and final report will make possible the student to balance theoretical ideas taught in the classrooms and share this with the real business environment. I have worked as an interne at Export Import Bank of Bangladesh Limited, Savar Bazar Branch. As a requirement for the completion of the program I need to submit a report, which includes **Home Investment procedure: A study on EXIM Bank Ltd at Savar Bazar Branch.**

Banks play the most important role in the economy of our country. Now a day, banks are offering the widest range of financial services and perform lot of financial functions. Thus, banks have proven that they are the key factor for the business and economy. Export Import Bank of Bangladesh Limited is one of the modern commercial Bank of Bangladesh. The Bank was formally known as Bengal Export Import Bank Limited which started journey on August 3, 1999. From that period of time, it has been expanding its operation with years of experience to serve the clients as well as the country.

1.2.0: Objectives of the Report:

The internship program, designed to provide the student with an opportunity to obtain on the job training and it aims to bring the two facts of learning the theoretical and practical knowledge together.

1.2.1: Broad Objective:

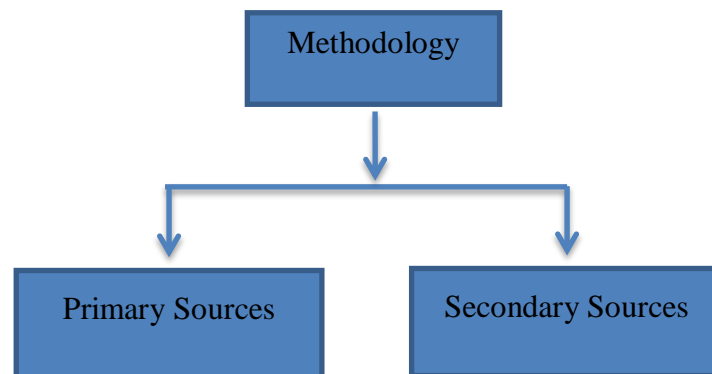
The broad objective of the study was to conduct a Research to evaluate the Home Investment Process of EXIM BANK to find ways to make the Home Investment Process middle class income group friendly.

1.2.2: Specific Objective:

- To explain an overview of house building Investment process operations of EXIM Bank.
- To identify the problem of the home investment which is provided by the bank?
- To find out the way to improve house building Investment process.

1.3:0 Methodologies:

The report has been prepared on the basis of the experience gained during the period of the internship. The important feature of the report is the use of both primary and secondary data. The data is collected from two sources:



1.3.1: Primary Sources:

- ✚ Personal experience by assisting credit in charge of EXIM Bank in Savar Bazar Branch.
- ✚ Personal experience gained by visiting different desks.
- ✚ Personal investigation with bankers.

1.3.2: Secondary Sources:

- ✚ Annual report of EXIM Bank Bangladesh Ltd.
- ✚ Manual of investment department.
- ✚ Official website of the Bank.

1.4: Scope of the Report:

The Exim bank limited provides different types of Investment service to its customer. It provides good service with good behavior to their customer. So the customers feel excellent to their Investment service and behavior. Here we are focusing on finding out the level of home investment and how it could be improve and flexible for everyone.

1.5: Limitations:

There are some limitations during the internship.

- ❖ No remuneration was provided.
- ❖ Lack of records.
- ❖ Lack of time.
- ❖ Lack of my experience
- ❖ Limited information in Bank website

CHAPTER 2

ORGANIZATION PROFILE

2.1: Background of the Organization:

Export Import Bank of Bangladesh Limited was established in the year 1999 under the leadership of Late Mr. Shahjahan Kabir, Founder Chairman who had a long dream of floating a commercial bank which would contribute to the socio-economic development of our country. He had a long experience as a good banker. A group of highly qualified and successful entrepreneurs joined their hands with the founder chairman to materialize his dream. Indeed, all of them proved themselves in their respective business as most successful star with their hardworking, intelligence, endeavor and talent entrepreneurship. Among them, Mr. Nazrul Islam Mazumder who is an exposed business capitalist in the Garments business in Bangladesh became the Honorable Chairman after the demise of the honorable founder chairman. The Bank starts with the name of Bengal Export Import Bank Limited from 3rd August, 1999. It was renamed as Export Import Bank of Bangladesh Limited with Mr. Alamgir Kabir as the Founder Advisor and Mr. Mohammad Liakotullah as the Founder Managing Director respectively in 16th November 1999. Both of them have long experience in the financial sector of our country. This bank has earned a secured and distinctive position in the banking industry in terms of performance, growth, and excellent management, by their pragmatic decision and management directives in the operational activities. The Bank has migrated all of its conventional banking operation into Shariah Based Islami Banking in the year July 2004. Mr. Kazi Masihur Rahman became the Managing Director of the bank in the year 2006, when Mr. Liakotullah lah left the bank after completion of his successful 7 years as Managing Director. The bank has been placed on a state of the art centralized IT platform with two modern data centers where world renowned core banking software TEMENOS T24 is running along with some alternate delivery channels like ATMs and SMS banking, Under Mr. Kazi's leadership. Mr. Md. Farid uddin Ahmed has joined in the bank as Managing Director On 25th August, 2011. EXIM Bank becomes fully compliant Bank with adequate capital and good asset quality with his long banking experience. He has been continuing his

service for EXIM Bank as Advisor after retirement from Managing Director, since 27th July 2012.

2.2: Corporate Information of the Organization:

Registered Name	Export Import Bank of Bangladesh Limited
Status	Public Limited Company
Slogan	Shariah Based Islami Bank
Vision Statement	“Together Towards Tomorrow”.
Date of Incorporation	June 02, 1999.
Inauguration of First Branch	August 03, 1999. (Motijheel Branch)
Registered Head Office Address	“SYMPHONY” Plot No. SE (F) - 9, Road No. 142 Gulshan Avenue, Dhaka-1212, Bangladesh
PABX	880-2-988 9363
Fax	880-2-988 9358
SWIFT	EXBKBDDH
First chairman	Late ShahjahanKabir
Vice Chairman	Mr. Md. Nazrul Islam Mazumder
Authorized Capital	Taka 20,000 million
Paid up Capital	Taka 14,122.51 million
No. Of ATM Both	64
No. Of Branches	124

2.3: Corporate Governance:

Chairman



Mr. Md. Nazrul Islam Mazumder

Vice Chairman



Mr. Md. Abdul Mannan

Directors are:



Mr. Md. Nazrul Islam
Swapan



Mr. Mohammad Abdullah



Mrs. Nasreen Islam



Mr. Mohammed
Shahidullah



Al-haj Md. Nurul Amin



Mr. Anjan Kumar Saha



Major Khandaker Nurul Afser (Retd)

Independent Directors:



Lt. Col. (Retd) Serajul
Islam BP (BAR)



Mr. Ranjan Chowdhury



Khandakar Mohammed
Saiful Alam



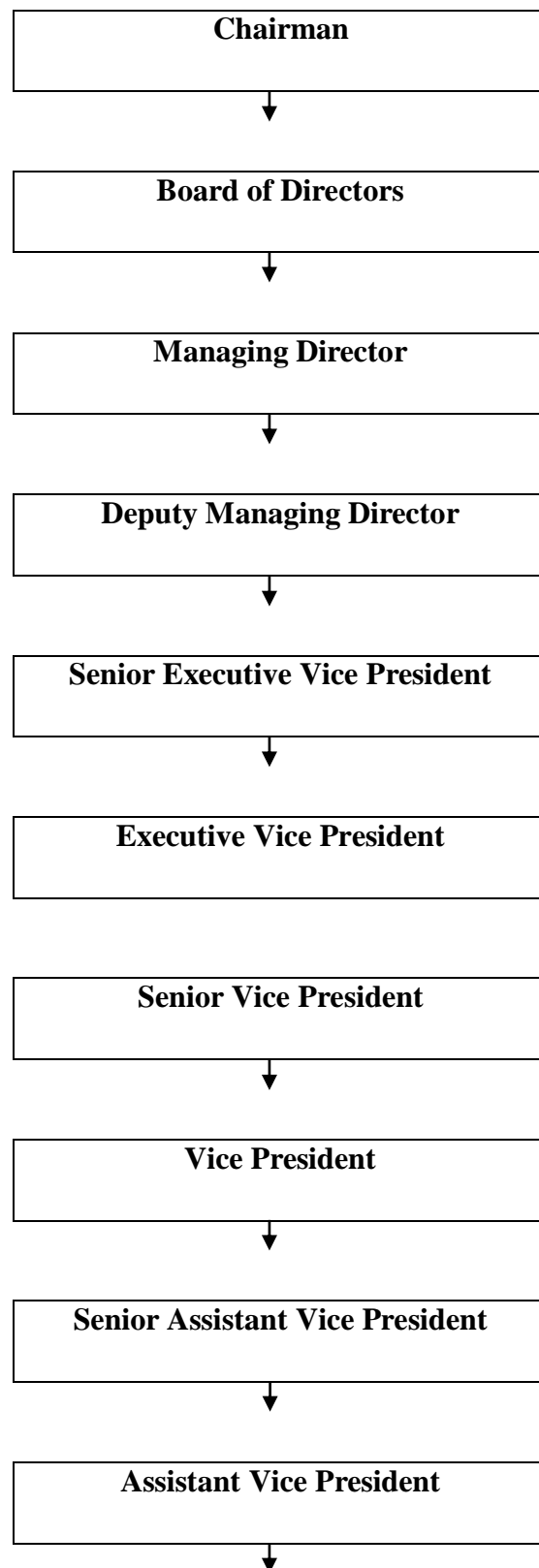
Mr. Muhammad Sekandar Khan

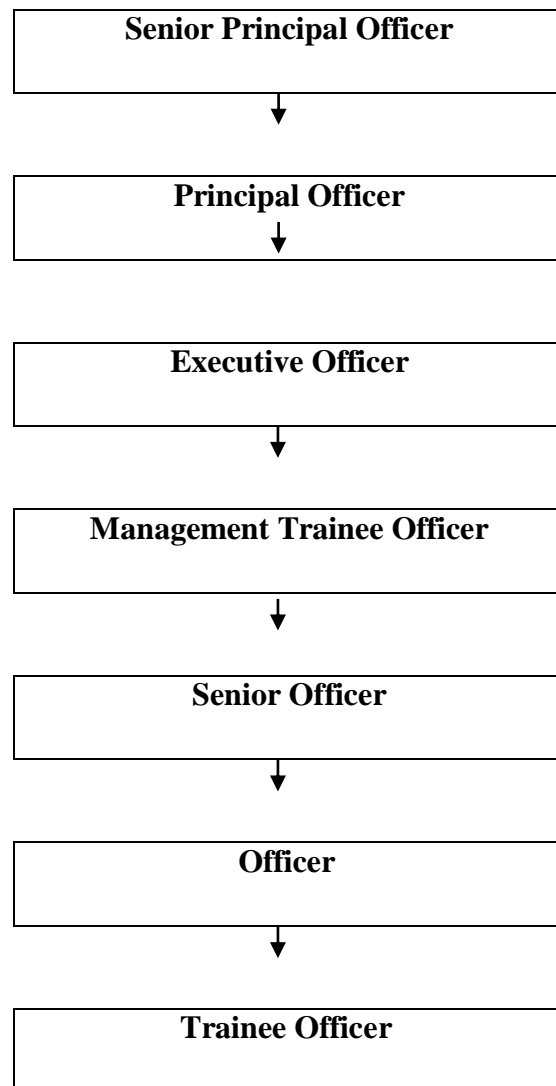
Managing Director and CEO:



Dr. Mohammed Haider Ali Miah

2.4: Organizational Chart of EXIM Bank:





2.5: Mission:

The Bank's mission gives emphasis to:

1. Provide quality financial services especially in Foreign Trade
2. Continue a contemporary technology based professional banking environment
3. Maintain corporate & business ethics and transparency at all levels
4. Sound Capital Base
5. Ensure sustainable growth and establish full value to the honorable stakeholders
6. Fulfill its social commitments and
7. Above all, to add positive contribution to the national economy

2.6: Vision:

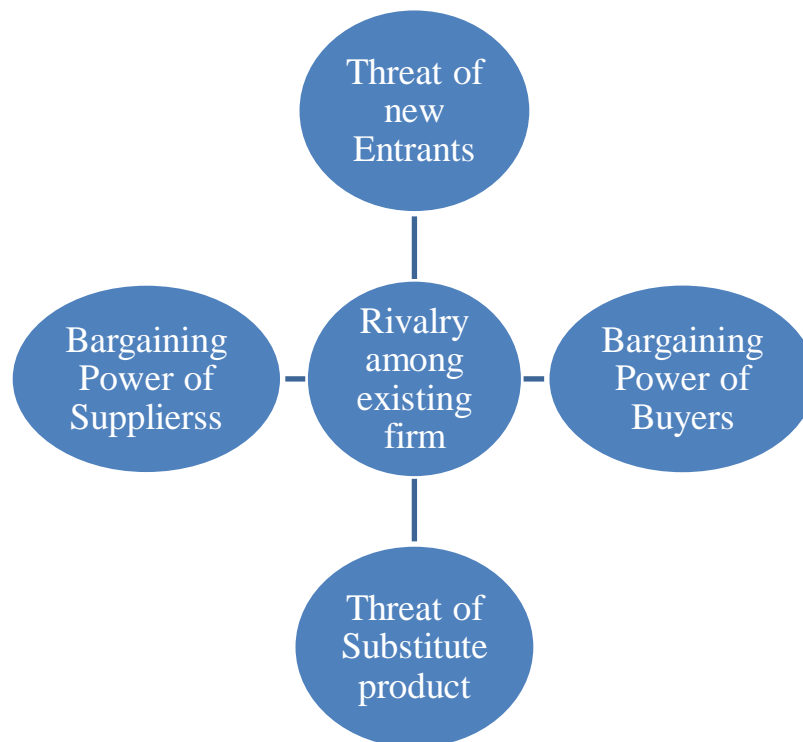
Their vision is “**Together Towards Tomorrow**”. Export Import Bank of Bangladesh Limited believes in togetherness with its customers, in its march on the road to growth and progress with services. To achieve the desired goal, there will be pursuit of excellence at all stages with a climate of continuous improvement, because, in Export Import Bank of Bangladesh Limited, they believe, the line of excellence is never ending. Bank's strategic plans and networking will strengthen its competitive edge over others in rapidly changing competitive environments. Its personalized quality services to the customers with the trend of constant improvement will be cornerstone to achieve their operational success.

2.7: Corporate Social Responsibilities:

The main activities that are carried out through this foundation are:

- Healthcare service
- Scholarship program for brilliant poor student
- Helping slum areas people
- Helping natural calamities affected people
- Education promotion scheme
- Donation to setup lab to educational institution

2.8: Porter's Five Forces Analysis of EXIM Bank:



2.9.1: Bargaining Power of Buyers (High):

The bargaining power of customers is very high. The factors that affect the bargaining power of buyer are:

- A number of banks as competitors in the market
- Different products offered by different banks
- The fluctuation of interest rate

2.9.2: Bargaining power of Suppliers (Moderate):

The factors that can be considered as the supplying power of EXIM bank are:

- The customers deposits in this bank
- The high switching cost to other bank
- The loan that has made for the customers

2.9.3: Rivalry among existing Firm (High):

The competition between banks is very high now because there are a number of bank in the market. The factors that can affect competitive rivalry are:

- Similar banking strategies of the banks
- Product differentiation is very low
- pricing strategies are also same

2.9.4: Threat of new entrants (Low):

The new entrants of cannot affect this bank. Some factors that can be threats for the new entrants are:

- The government regulation for entering into the market
- Skilled manpower for the banking sector
- High investments

2.9.5: Threat of Substitute Product (High):

As there are so many banks and insurance companies in the market, many banks can fulfill the need of customers. For this reason, the availability of substitute can be great obstacles for EXIM bank. Moreover, insurances companies, mutual funds are also great substitutes for banks.

2.10: Products and Service:

Export Import Bank of Bangladesh Limited is provided some of the products & services as follows:

Deposit Schemes:

- Al Wadia Current deposit
- Mudaraba Savings Deposit
- **Mudaraba Cash Waqf Deposit**
- Mudaraba Term Deposit
- Mudaraba Education Deposit
- Mudaraba Monthly Savings Deposit Scheme
- Mudaraba Su-Grehini Monthly Savings Scheme
- Mudaraba Femina Monthly Savings Scheme

- Mudaraba Multiplus Savings Scheme
- Mudaraba Super Savings Scheme
- Mudaraba Hajj Deposit Scheme
- Mudaraba Denmohor / Marriage Deposit Scheme
- Mudaraba Kotipoti Savings Scheme

Remittance:

- Payment(Pay) Order
- Demand Draft
- Telegraphic Transfer
- Mail Transfer

SME Banking:

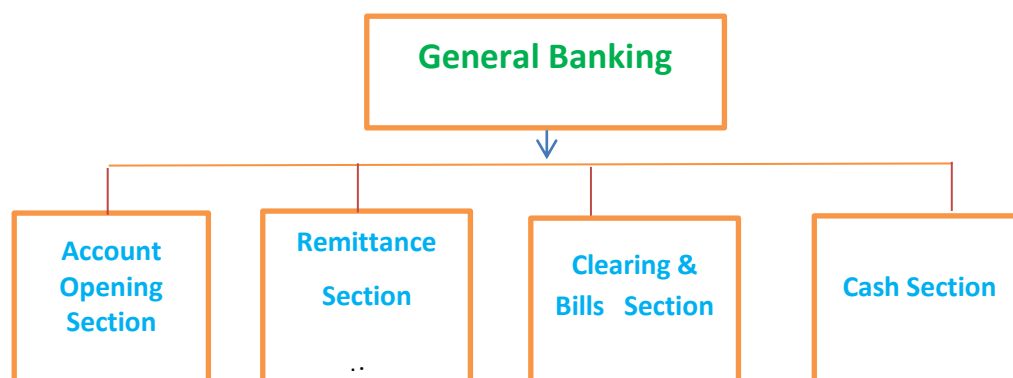
- EXIM UDDYOG
- EXIM ABALAMBAN

Others Financial Product and Service:

- ATM & CDM Services
- Internet Banking (AISER)
- SMS Banking
- Call Center Services
- Different type of EXIM cards

2.11: Sections of General Banking:

The general banking section are:



CHAPTER 3

HOME INVESTMENT PROCEDURE

3.1: Home Investment:

A sum of money borrowed from a financial institution or bank to purchase a house. Home Investments consist of an adjustable or fixed interest rate and payment terms. Home Investments may also be referred to as mortgage.

3.2: Introduction to Home Investment Scheme:

Home Investment schemes for new-built homes or incomplete home are either obtained by the homebuilder or prospective owner.

To get this scheme borrower have valid collateral in exchange of banks money. Bank will charge profit rate and lender have to give that percentage to the bank. This is how construction and housing investment scheme works.

For example:

I have an incomplete house. And I need some financial help from bank (investment). In that case if I want to get construction and Home Investment scheme than at first I have to open a general account (where bank will transfer the money). Then I have to apply with legal documents and collateral for getting the financial help. Then bank will examine my property and verify it. Then my investment scheme will get passed. For the first 6 month paying money is not necessary but after that I have to pay with profit rate and without delaying.

3.3: EXIM Abasan : A product for Home Investment:

Exim Home Investment product has been existent with our Bank to cater mortgage services to the new and existing residential home owners. With the passage of time our customer's need has evolved into multidimensional diversification. For example: This need ranges from New Home Investment to Renovation Investment, My Next Home, Consolidation etc. with different payment options according to their life style.

This home Investment document is basically a solution driven package that covers customer's different category of Mortgaged Investment requirements with flexible payment solution. In other words, this solution offers to our customer multiple home Investment option against different sub products under the existing master product – “Exim Mortgage Investment”. To note that, the greatest advantage of these solutions are:

- ❖ Customers' diversified Investment requirements are brought under a secured line named EXIM Home Investment.
- ❖ Master Home Investment product is divided into eight sub-products and each product relates to different kind of needs of our customer. The prescribed solutions relate to the sub products which are narrated in below table.
- ❖ To note that, above products carries the flexibility of bundling more than one solution under one sub product. The Exim Bank Relationship Manager will finalize the needed solutions for the customers with the most relevant sub product under EXIM Home Investment. For example, Takeover Investment may be bundled with Home Line of Credit and Interest Only Home Investment etc.

3.4: Purpose of Investment Product:

My First Home:

Purchase dwelling for Residential purpose. Under construction apartments are also applicable for new home (Home Investment) facility. (Not older than 8 years)

Home Construction Investment:

To construct residential building – a customer can avail EXIM Bank House Construction Investment to construct his/her residential building for his own residential purpose only by creating registered mortgage of the said property. Investment facility of Exim Bank House Construction Investment will be 70% of total estimated cost of the construction. Disbursement will be made into different phases, before subsequent disbursement EXIM BANK representative/authorized person will visit the property and evaluate the progress of the building construction, and the subsequent disbursement will be made on the basis of satisfactory progress of the construction stage.

Takeover Investment:

Consolidation of existing housing/any other Investment from any schedule Bank/Financial institution to EXIM BANK subject to DBR & LTV guideline. All Investment consolidation will be new home investment or under existing. Existing home Investment will be top up if necessary for consolidation purpose. (i.e. Consolidation of Personal Investment, Auto Investment, Credit Card etc.). Existing EXIM BANK home investment will also apply for consolidation.

3.5: Range in Home Credit Investments:

House Extension:

Investment facility for extension of house {on freehold / leasehold land (99 years lease)} by mortgaging the said property before disbursement. LTV would be calculated based on current value only (FSV of the property).

Renovation Work / Face uplifting:

Investment facility for renovation, face uplifting work of apartment, house by mortgaging the said property before disbursement. Registered mortgage to be created before disbursement on the property & valuation to be completed based on its current value. Renovation work to be confirmed by submission of valid Price Quotation from Construction Company / Contractor.

Finishing Work for almost completed property:

Investment facility is for finishing work for property. Percentage of work completion will be determined by the value & LTV would be calculated based on the Forced Sale value of the property at the present condition.

3.6: Customer Segment:

Salaried:

Minimum 2 years continuous service of the following organizations:

- Government Organization
- Semi-Government Organizations.
- Multinational Companies
- Banks
- Insurance Companies
- Educational Institutions
- Corporate Bodies

Professionals & self-employment/Businessman:

- Doctor
- Engineer
- Accountant
- Architects

Business & Others:

- Businessman (At least five years of successful track record)

Landlord:

This segment consists of landlords having a stable source of earnings from rented premises(s).

3.7: Nationality:

- Bangladeshi by citizenship or by birth (residents of Bangladesh)

3.8: Age Limit:

Max Age:

- Salaried: 65 years or retirement age, whichever is lower at the end of the Investment tenor
- Self-employed Professional / Businessman and Landlord: 65 years at the end of Investment tenor.

Min Age:

- Primary applicant / Borrower's/ Co-borrower's minimum age should be 23 years
- Co- applicant, whose income is not being considered for the sought facility can be 18 years.

3.9: Income Range:

Total aggregate income must be more than BDT 50,000/- for all segments, whereas one of the applicants must have minimum disposable income of BDT 25,000/-.

In case of multiple applicants, each of the applicants must have a minimum disposable income of BDT 20,000/- for income aggregation.

3.10: Investment Size:

- Minimum – BDT 10.00 Lac
- Maximum – As per Bangladesh Bank Guideline.1.20 lac for commercial Investment.

3.11: EXIM Abasan for Residential Approved Building/Flat:

- 1) Proposal highest facility amount taka 1.20 corer for a Residential building/flat proposal in single/joint name.
- 2) Investment: Equity ratio=70:30
- 3) Clientage + Proposed IBB (HB) facility duration must be within 65 years.
- 4) Approved plan with forwarding letter from competent Authority.
- 5) RM with RIPA of proposed building/flat along with land as security.
- 6) Proposal should be in the name of Approved plan holder(s).

- 7) CIB report, Account(s) statement, EXIM Abasan Form.
- 8) Engineering cost estimation of building/flat.
- 9) No Greenfield but must have one floor for considering the proposal.
- 10) Salary certificate must be crossed checked/salary account statement.

3.12: Security:

1. For all cases ultimate security will be registered mortgage in favor of the bank.
2. Tri-Partite Agreement (TPA) amongst the Bank, the Borrower and the Developer for the stipulated period mentioned in TPA to handover the property documents and to complete necessary permission from concerned authority for Registered Sale Deed in favor of the Borrower and Registered Mortgage in favor of the Bank. Names of the Developer Companies must be approved from EC in advance.
3. Four Party Agreement (FPA) amongst the Bank, the Borrower, the Developer and the Landowner for the stipulated period mentioned in FPA to handover the property documents and to complete necessary permission from concerned authority for Registered Sale Deed in favor of the Borrower and Registered Mortgage in favor of the Bank.

Note: Tri or Four party agreements will be taken only from “A” category developers.

Property Type

- Apartments / Houses on 99 years Lease hold & Private / Freehold properties:
- Residential properties (Fully Completed / Minimum 80% completed)
- Existing residential property (Completed / Minimum 80% completed)
- Second Hand residential property (Completed)

Note: % completed to be obtained from banks acceptable value or surveyor.

3.13: Legal Document for Approval:

To get legal clearance after approved from authorized or panel lawyers.

Standard Documentation: However execution of legal docs will be as per approval or approved guidelines.

For Private/Freehold land:

- ✓ Deed of ownership
- ✓ Bia deed covering at least 25 years (if any)
- ✓ Development agreement/Joint venture agreement with land owner/ developer
- ✓ Power of attorney
- ✓ Recent survey report (i.e. Math Porcha duly attested)
- ✓ CS, SA,RS, Porcha
- ✓ Mutation Porcha with Mutation proposal sheet
- ✓ Duplicate Carbon Receipt (DCR) with mutation order sheet
- ✓ Up to Date Municipality Tax Receipt
- ✓ Up to Date Land Tax Receipt
- ✓ Up to Date Non-Encumbrance Certificate (NEC)
- ✓ Approval Plan
- ✓ Any other document asked by lawyer

3.14: For Government Land:

- Deed of lease/deed of ownership
- Bia deed covering at least 25 years (if any)
- Development agreement/Joint venture agreement with land owner/ developer
- Power of attorney
- Power of attorney acceptance letter from concerned Government Authority
- Sale Permission from RAJUK/CDA/ National Housing Authority/ Ministry of Works Mutation (if any)
- Duplicate Carbon Receipt (DCR) with mutation order sheet
- Up to Date Municipality Tax Receipt.
- Up to Date Land Tax Receipt
- Up to Date Non-Encumbrance Certificate (NEC)
- Any other document asked by lawyer.

Note:

Criteria may be relaxed based on the Company's business volume & turn-over on case to case basis.

3.15: Interest Rate:

- 13.50% p.a. with quarterly rest (Variable) for new home, home construction

Penal Interest:

If the account becomes overdue and/or there is excess over limit, penalty @ 2.00% p.a. over the prescribed rate shall be charged on the Excess Over Limit/overdue amount and to be paid by the customer covering the period of such Bank/ALCO decision from time to time. Waiver or revision proposal is to be placed before EC.

If any customer brings in Life Insurance covering full Investment amount and assigns to EXIM BANK, he/she will get price discount of 0.5% over prescribed rates.

3.16: Processing Fee:

1. Survey bill-Tk.4000 - Tk.5000
2. Lawyer bill-Tk.10000 - Tk.15000 per schedule.
3. Document Checks fee-Tk.500 per schedule.
4. Investment proposal processing fee 1% of sanctioned amount with 15% vat.

Note: All fees/Charges may be changed from time to time as per schedule of charges.

3.17: Repayment Methods:

Methods of Payments

1. Through Equal Monthly Installments (EMI) to be realized by MICR cheques/BEFTN and SI (standing instruction) system will auto debit installment from customer's deposit account.
2. MICR cheques/ BEFTN shall be obtained for all the monthly installments.

* If the client having any salary/CASA account with EXIM BANK then Standing Instruction may be considered for Auto debit.

First Re payment Date

- EMI starts within 30 days from the date of disbursement
- EMI will be based on disbursement amount in case of partial disbursements.

Moratorium/ Grace period

- No grace period / moratorium period will be allowed.

Installment Failure Charge

- Penal charge 2% p.a. extra of usual rate on the arrear amount.

Partial pre-payments

- Allowed under the following conditions:
- At least 25% of outstanding Investment is allowed to re pay at any point of time

Early final settlement

- Early full and final settlement is allowed with predetermined penalty

3.18: Disbursement Mode:

- 1. New Home:** Pay Order / EXIM BANK Account Transfer in favor of Seller/ Developer.
- 2. Home Equity:** Pay Order / EXIM BANK Account transfer in favor of the Vendor, Construction Company / Contractor / Home Décor Firm/Full credit to customer A/C.

Disbursement Pre Conditions

- Registered Mortgage of the financed property must be completed before disbursement for Home Equity Investment.
- Aggregate Investment shall not exceed 70% of the Forced sale value of the property as surveyed by valuation Surveyor.
- Investment may be disbursed partially based on construction stage in case of Home Extension/Home Renovation. Expenses should be validated by customer declaration and price quotations from various contractors / vendors.
- Cost Estimation / Price quotation of expenses should be provided by customers.
- Customer's declaration regarding end use of fund to be taken before disbursement.

3.19: Income Assessment:

Salaried

- Based on salary certificates/pay slips/Bank statement

Businessman & Self-employed professionals (except Landlords & Doctors):

- Analysis of Average Monthly Credit Turn Over/Balance of last 12 months as reflected in the Bank Statement
- For Rental income: Supporting Documents Required Must.

- For **Landlords** income to be reflected in the rental agreement or rent receipt and Bank Statement. Supporting Rental Documents Required Must. No cash receipt will be treated as rental income. Minimum 12 months reflection of rental income is mandatory.

Salaried Executive:

- Based on salary certificate/slips and bank statement (last 6 months)
- 30% of last 3 months average variable allowances like overtime are considered if reflected in the bank statement.

Self-employed Doctors:

- Based on the bank statement. 100% of monthly average credit turnover will be considered as income.

Calculation of Credit Turnover (for all categories): Summation of all credits for last 6-12 months. Calculation of Average Balance for all segments except salaried executives

Debt- Burden Ratio (DBR):

A. For all segments: Income Range	Ratio
50,000 - 74,999	40%
75,000 - 99,999	45%
100,000-149,999	50%
150,000	55%
200,000+	65%

3.20: Computation of Income for Non-Salaried Applicant:

- ❖ For non-salaried applicants, the business credit turnover with any of the banks may be used to compute his income based on the average Industry Net Profit Margin (as per assessment & practice).
- ❖ For applicant(s) who are directors of a limited company or partners of business concerns - to compute his income based on his shareholdings only. All Bank statements/Financial Statements of the concern meeting such criteria will be considered for income assessment.

- ❖ If the applicant resides in his own/family owned house then DBR slab may be extend up to 5% in all category upon submission of supporting documents & justification from respective scouring channels.
- ❖ DBR 65% - Aggregated net income/Take Home Pay of customers must be BDT 200,000/- or above where at least one of the customers must earn BDT 50,000 or above.

Doctors

Doctors having no significant account reflections has to provide declaration of income in their official letter head or company letter head and will be assessed based on the declared amount. In such case, Investment will be provided only in case of RGM. Third party verification agency has to conduct comprehensive CPV in respect of the followings:

- ✓ No. of working day the doctor attends chamber or office
- ✓ Average number of patients attended per day
- ✓ Minimum fees charged per patient

Limited (Privet & Public)/ Partnership/ Proprietorship Company A/C:

If the concern the having multiple Bank A/C then one of the accounts existent must be at least 12 months. Multiple Bank A/C Statements in the name of same business entity may be considered subject to the fact that there are no interbank transactions.

NOTE: Apart from the mentioned account statements, Multiple Bank A/C statements in the name of individuals/different business entity will also be considered subject to submission of relevant supporting documents. Interbank transactions will be checked for this case.

Primary Applicant:

Owner(s) of the property must be primary applicant, if the property owner & the main financially eligible person happen to be different.

Investment tenure will be decided based on the age of the property owner and/or the financially solvent person, whichever is lower.

Provision for LIP (Life Insurance Policy):

Generally second applicant is mandatory for all the proposals except for the cases where the primary applicant happens to be both (the property owner and financially eligible person) and agrees to assign his / her Life Insurance Policy (LIP) in favor of the Bank for the entire tenor of the facility to mitigate the death and disability risk that may be caused to the borrower.

NOTE: LIP amount should cover at least the entire Investment amount. In absence of LIP, co-applicant/co-borrower is mandatory.

Secondary Applicant

All criteria applicable for primary applicant will also be applicable for co-borrowers only, i.e. career length, location etc.

Co-borrower

A secondary applicant whose income is considered to derive the final Investment eligibility

Co-applicant

A secondary applicant whose income is not consider in deriving eligibility & has been associated with the facility only because of title ownership.

NOTE:

- Co-borrower / co-applicant can only be part of the immediate family member viz. Spouse, Parents, Siblings (Brothers & Sisters), and Children only.
- For proposals, where co-applicant is someone other than spouse while the incumbent is married, a No-Objection-Declaration from spouse to be obtains.

Maximum number of applicants:

In total 4 (four) applicants including 2 (two) borrowers are allowed in a single facility application.

3.21: Additional Second Home Investment:

Second investment facility is to be entertained only after completion of satisfactory repayment of the first facility for at least for 12 months and no over dues at the time of applying.

Conditions: (For Borrower)

1. Not more than one 2 EMI past due in the existing HBL in last one year
2. No 3 EMI past due in the existing HBL in last 12 months

3. No past due Investment with EXIM BANK at the time of applying
4. 0.50% discount from the prevailing home Investment rate.

3.22: Verification of Customers:

1. Contact Point Verification:

- As per current practice of the Bank (That is manager or his designated)

Collateral

Officer will verify the CPV

LTV = Investment Amount / Value of Mortgaged Asset

Note: Value of property against which Investment will be allowed must be surveyed by an approved valuation Surveyor of the Bank.

Major	LTV
Dhaka, Chattogram, Gazipur, Narayanganj, Savar, Rajshahi, Bogura, Cumilla, Khulna & Sylhet)	70%
Pouroshova & Union Parishad (in the outskirts of/ adjacent to Dhaka and Chittagong)	70%
Pouroshova (Others)	65%
Union Parishad (Others)	60%

3.23: Acquisition Channel:

- The Bank Branches.

3.24: Acquisition Process:

Sales staffs can solicit prospective customers by many different means. But the most common ones are as follows:

1. Cold Calls
2. References from existing customers
3. Customers with existing relationships

4. Targeting a specific geographical area, customer segment, or industry database In addition to the above, a customer can be solicited from many other sources.

Through the above solicitation process, the sales staff shall arrange a meeting with the prospective customer. The meeting may take place in person or by telephony. In this meeting the sales staff shall inform the customer about the bank's products and shall identify the customer need. When the need is identified and the customer matches the banks profile, the sales staff shall go through the following detailed product presentation.

3.25: Documentation:

To Apply for Investment:

- Bank statement of last 12 months
- Copy of National ID/Voter ID/Driving license/Passport/ Nationality Certificate
- Copy of Latest Tax Clearance certificate
- Letter of Introduction as per EXIM BANK preferred format (if salaried)
- Photocopy/ Original pay slip (if salaried)
- Copy of Trade License (for businessman)
- Copy of existing Investment sanction letter (if applicable)
- Letter of allotment (issued by the developer) or Copy of Registered Deed of Agreement for sale (between the buyer and the developer).

If the customer is a director of any limited company then the total shareholding of the applicant singly or along with the joint applicant / guarantor should be not less than 15% share in the company.

- For limited company customer, the company should undertake a prior intimation from EXIM BANK for any change or dilute of shareholding of the applicant.
- For application where the Investment is required for renovation, the applicant must furnish the project cost / renovation quotation at the time of submission of the Investment application. EXIM BANK has to verify that the cost is reasonable/not.

3.26: Charge Document:

Prior to disbursement of the facility, the following documents are to be signed by the applicants and the customer signs must be verified by bank official (permanent).

List of Documents:

1. Mortgage documents
2. Banking Agreement Letter
3. Demand Promissory Note
4. Letter of Continuation
5. Irrevocable Letter of Authority
6. Undertaking
7. Disbursement Advice
8. Insurance Coverage Letter
9. Letter of Set-Off
10. Letter of Encashment
11. Memorandum of Deposit, Title deeds and other Securities
12. Personal Guarantee
13. Debit Authority
14. Debit Authority for insurance premium deduction/Insurance premium Cheques.
15. Other relevant charge documents as per EXIM BANK policy or as advised by Bank's

Mandatory Documents in addition to the standard documents at the time of application submission:

- All required fields & pages of the application form properly completed in BLACK/BLUE INK only.
- Photographs of all the applicants.
- Most Important Document (MID) duly signed.
- Forwarded by source /Relationship officer and recommendation by permanent employee of EXIM BANK (preferably line managers).

To be submitted prior to disbursement:

- Insurance Policy with Money Receipt
- Legal Clearance
- Available latest Tax Clearance Certificate (not older than previous assessment year in case of current year's tax assessment is under process)
- Builders Letter and Money receipt in case of financing under TPA / FPA.
- Deed of Agreement / Allotment Letter in case of financing under TPA / FPA.
- Disbursement Advice.

- Board Resolution for facilities of directors of Limited Companies where the facility amount was assessed based on the Limited Company statements & PDC will be drawn on the same account.

For TPA/FPA all original legal documents to be seen & must be marked as “**ORIGINAL SEEN**”/**Reported** by the concerned official i.e. Retail Credit Admin. /Legal Team.

3.27: Restrictions / Exclusions:

Exclusions

- Manpower Business, Land developers/ Land Selling Business
- Film Actors/ Actresses, Free Lancers, Transport businessmen
- Cable TV, local broadband providers/operator
- Multipurpose cooperative firms
- Student Counseling

Restrictions

- Journalists
- Lawyers
- Officials of law enforcing agencies
- Money Changer/exchange business
- Marriage Counseling
- Astrologer
- Arms Dealer, traders in military equipment
- Any business prohibited as per Country Law
- EXIM BANK Negative listed customers

3.28: Guarantors Eligibility:

Personal Guarantee from spouse (if available)

Required guarantor’s Documents:

- Personal Guarantee for Foreigner duly executed
- Photographs
- National ID/Voter ID/Nationality
- Business Card (if available)
- Copy of valid Trade License (if the guarantor is a businessman)

***Guarantors signature must be obtained in the required papers/documents and be witnessed.**

Currency

Local Currency (i.e. BDT only)

3.29: Location of Clients and Mortgaged Property:

Main borrower for the savar branch of Dhaka, Gazipur, Savar, if the following condition(s) will be met:

1. Has minimum income of Tk.50, 000/- or more.
2. Having Salary Accounts with the Banks (within the clearing zone) from where PDCs may be cleared in single day.
3. Salaried employee of Multinational Companies & other organizations as per ECBs (Enlisted Corporate Bodies).

Special consideration will be given to the following customer segments that may either reside or work outside Dhaka Metropolitan area:

- Govt. Officials
- Registered MBBS Doctors having more than 5 years of experience
- Employees in the position of „Manager“ or above of MNCs and reputed large local company having Head Office in Dhaka.

Location of property

Property must be located within the metropolitan areas of Dhaka, Gazipur & Savar. Other location will require approval of EC.

Conditions:

- Property documents must be verified physically by our enlisted law firms.
- Physical title search must be carried out.

All other requirements for proper mortgage must be complied.

3.30: Type work Stage Property:

Property Verification & Valuation must be done by Bank’s approved valuation Surveyor. The valuation report, amongst other things must contain certifications on the followings:

- Date of site visit
- Completion date (if not completed)

- Status of construction
- Market rate
- Forced Sale Value
- Market Value/Present Value of the property
- Current cost of construction per square feet with the amenities suggested in the apartment / house.
- Photographs of the property inspected
- Tentative date of hand over
- % of work completion at the time of evaluation
- Cost breakdown in terms of value of land & the structure
- If any deviation as per approved plan by concerned authority i.e. RAJUK/CDA/DCC.
- Location map with nearest Landmarks.

Other information required as per agreement between the bank & the Surveyor.

Developer Categorization

Registered Sale Deed & Registered Mortgage of the Property must be completed within a maximum period of 12 months from the date of disbursement.

Developer Companies will be enlisted by Retail Banking Division & approval shall be obtained from EC by providing full information on the Developer.

3.31: Terms and Conditions after Taking Scheme:

These conditions were given when we take this Investment scheme in 2015. These information does not show in their website. Only the lender can see this information while taking the scheme. These information are quiet confidential.

- You must ensure full utilization of client's equity before disbursement of investment amount.
- Before disbursement, all formalities, terms and conditions, instructions circulars issued by the bank/Bangladesh bank shall have to be complied/observed.
- The installment of principal per month shall be deposited in account and rent so deposited shall be transferred to income account..

- In case of clients fails to pay the bank investment with the rent as per the installment period, the bank has the rights to charge rent at the fixed rate until the losses recover.
- You shall have to ensure the timely recovery of all the dues on account.
- Besides the above, the investment client shall have to abide by the following terms and conditions:
 - The building/material have to be used very carefully and if any damage occur to the building then the client have to pay the unpaid portion of the principal amount and the rent immediately.
 - The building/materials have to be in sole control.
 - Defaults in payment of 03 consecutive installments the client have to pay compensation to the bank as the bank decide.
 - The client has to keep building/materials available for inspection by any authorized officer.
- The bank has to verify the building value, title etc.
- Before disbursement the bank have to ensure that the client has no due.
- Borrowers signature on all charge documents to be obtained
- Witness's signature on the charge documents have to be obtained
- Permission/license should be obtained from authority as applicable.

3.32: SWOT Analysis:

Strengths:

- ✚ Strong Management Team of EXIM Bank Ltd.
- ✚ Product diversity
- ✚ Better working environment
- ✚ Bank gets security on their mortgage loan

Weakness:

- ✚ Limited Promotional Activities
- ✚ Lack of full automation
- ✚ Bank can't create pressure to clients for installment

Opportunities:

- ✚ New Customers
- ✚ Bank will be well secured in future
- ✚ Switching tendency of customers
- ✚ Decreasing interest rate for getting customers

Threats:

- ✚ High Competition
- ✚ Lower Rate of return
- ✚ Clients can take over the loan in other in other financial institution

CHAPTER 4

FINDINGS AND RECOMMENDATIONS

4.1: Findings:

- ✓ There are three experienced credit officers for handling any kind of situation to face during the process of home loan.
- ✓ The credit officers depend on the income statement and balance sheet records of the customers.
- ✓ Some borrowers are irregular in giving their installments.
- ✓ The loan borrower did not aware about their hidden cost from the account.
- ✓ From the study it is found that most of the people are not satisfied with their interest rate.

4.2: Recommendations:

EXIM BANK is a well establish bank. From my research I found some issues with customers and employees. So, I come up with some recommendations after conducting this research. Those are given below:

- ✓ I recommend that EXIM BANK should give importance on decreasing the interest rate to make it more attractive to the middle class people.
- ✓ The processing fee of EXIM BANK should be decreasing for more comfortable to the middle class income group people.
- ✓ Monthly payment range for salaried should decrease from 50,000 to 20,000 to make it friendly for middle class income group.
- ✓ Rent basis monthly payment should introduce as security, it will make the EXIM BANK Home loan friendly for the middle class income group.
- ✓ EXIM BANK should introduce new Home loan scheme to create new market as well as to capture middle class income people.

4.3: Conclusion:

The popularity of banks is increasing day by day which leads to increase competition as well. All the Commercial Banks are offering almost the same products and services and almost same their operation system. But the ways they provide the services are different from each other. So people choose their bank according to their satisfaction and need. And they will prefer the bank of which service is easily accessible and understandable.

This report is an outcome of a three months internship at Export Import Bank of Bangladesh Ltd. The actual part of this report is the home loan procedure of credit department of bank. This report helps me to know about the home loan procedure as well as credit department related activities. I think this experience will also help me to develop my career. Although EXIM Bank Ltd is one of the most promising banks in Bangladesh, since a very long time Exim Bank Ltd has been trying to run the business successfully.

Appendix

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Reports:

- Annual Report of EXIM BANK 2018
- Annual Report of EXIM BANK 2017
- Annual Report of EXIM BANK 2016
- Home loan policy of EXIM BANK

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