



Daffodil
International
University

A REPORT OF THE GENERAL BANKING OF AL-ARAFAH
ISLAMI BANK BANGLADESH LIMITED: General Banking
activities on Al-Arafah Islami bank Limited.

Submitted To:

MD. ANHAR SHARIF MOLLAH
Assistant Professor
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

Submitted By:

Sanjida Akter
ID: 173-14-033
Program: MBA
Major in Finance
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Date of Submission:



Letter of Transmittal

MD. ANHAR SHARIF MOLLAH

Assistant Professor

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Subject: Submission of Internship Report on “General Banking activities on Al-Arafah Islami bank Limited”.

Dear Sir,

With due respect, I would like to submit an exclusive **Internship Report on General Banking Activities of Al-Arafah Islami Bank Ltd.** as a part of my MBA program. The report deals with whole activities of General Banking in this Bank. I tried my level best to make the report meaningful and informative.

As the time was limited, the report could not be done more comprehensively and analytical. However, I expect that you would enjoy the report.

Sincerely Yours,

.....

Sanjida Akter

ID: 173-14-033

Program: MBA

Major in Finance

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Students Declaration

I do here by sternly declare that the work presented in this Internship Study entitled is "General Banking activities on Al-Arafah Islami bank Limited" A Study on (Shyamoli Branch, Dhaka). A sincere work done by me under the supervision of MD. ANHAR SHARIF MOLLAH, Assistant Professor, Faculty of Business and Entrepreneurship, Daffodil International University. No part of the Study has been previously submitted to any other University/ College/Institution/Organization for any academic certification/degree/diploma/qualification.

I further undertake to identify the department against any loss or damage arising from breach of the forgoing obligation, if any

.....
Sanjida Akter
ID: 173-14-033
Program: MBA
Major in Finance
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Supervisor's Declaration:

I am pleased to certify that the internship Report entitled “General Banking activities on Al-Arafah Islami bank Limited” Prepared by Sanjida Akter, ID: 173-14-033 the report is recommended for submission as a requirement of MBA program.

I wish her every success in her life.

.....

MD. ANHAR SHARIF MOLLAH
Assistant Professor
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University



Acknowledgement

Education involves not only reading books and doing exercise but also acquiring knowledge through doing something practically. This report has been designed only for considering that objective. In this period of time, I enjoyed warm co-operation from every person in the bank location.

At first, I must show my gratitude to almighty Allah for giving me energy and capability to preparing this report. Then I would like to express my gratitude to the Placement Committee for arranging for me such a program of educational value. I hope, it will help me to move one step further to face the challenges. I must convey my sincere gratitude to my respected supervisor for providing me valuable guidance and suggestion in preparing this report. He gave me the courage and liberty for choosing the topic, which gave me momentum to work spontaneously.

I wish to heartily thank all other employees of AIBL those were frankly, dynamic and helped me seriously and given me their valuable time. They were always very polite to answer my questions and help me understand even in time of work rush. At last, my sincere apology goes to the reader's for my conceptual and printing mistake, if there is any.

Sanjida Akter
ID: 173-14-033
Major: Finance
Daffodil International University



Executive Summary

Bank provides means and mechanisms of transferring command over resources those who have an excess of income over expenditure to those who can make use of the same for adding to the volume of productive capital. The bank provides them with the safety, liquidity and profitability of savings.

Al-Arafah Islami Bank Limited is scheduled commercial bank registered by the Bangladesh Bank. The functions of the bank cover a wide range of banking and functional activities to individuals, firms, corporate bodies and other multinational agencies.

The main objective of the study is to give an overview of AIBL and identify the strength, weakness and critical risk factor of this bank.

Data collected for the study in two different modes namely primary and secondary. Face to face conversation with the respective officer of the branch was the main mode to collect primary data and for secondary data various publications and related body are observed.

The main limitation of the study was short time limit and authenticated data insufficiency.

Officer of the bank are capable. Even though many of them simply know the working procedure of what they are doing but don't know the philosophy behind doing those.

The synergy of dedicated manpower, technology, and market opportunity can lead the organization to achieve the goal; a bank must establish and hold fast to adequate policies, practices and procedures for evaluating the quality of asset and the adequacy of loan provision.

Table of Content

Chapter One: Introduction

1.1 Origin of the report	01
1.2 Rationale of the study	01
1.3 Objective of the study	02
1.4 Methodology of the study	02
1.5 scope of the study	03
1.6 Limitations	03

Chapter Two: Profile of Al-Arafah Islami Bank

2.1 Historical background of Al-Arafah Islami Bank	04
2.2 Islamic Banking Movement in Bangladesh	05
2.3 Vision , Mission, Commitments	06
2.4 Schemes of AIBL	07
2.5 Management	07
2.6 Organization Structure of AIBL	08
2.7 Sections and Their functions	09
2.8 Investment Division	09
2.9 Human Resource Division	11
2.10 Marketing	11
2.11 monitoring	11

Chapter three: Conceptual Framework

3.1 Bank	12
3.2 General Banking	12
3.3 GB Sections	13
3.4 TT	13
3.5 DD	13
3.6 Electronic Funds Transfer	14
3.7 Automated clearing House	14
3.8 Cheques	14
3.9 Fixed Deposits	15

Chapter Four: Job Part

4.1 Actual Task Part	16
4.2 Job responsibilities	16

Chapter Five: Analysis and Findings

5.1 Divisions of General Banking	18
5.2 Accounting opening Procedure	20
5.3 different Scheme	22
5.4 Mudaraba Saving Deposit	23
5.5 Al-wadiah current Account	24
5.6 Fixed Deposit	25
5.7 Cash Department	25
5.8 Local Remittance	25
5.9 Types of Remittance	25
5.10 Clearing Department	28
5.11 Types of Clearing	28
5.12 Online Transaction	29
5.13 Followed Marketing strategies by AIBL	29
5.14 Findings Of the Studies	30
5.15 SWOT Analysis	30
5.16 Strengths	31
5.17 Weakness	31
5.18 Opportunities	32
5.19 Threats	32

Recommendation and Conclusion

6.1 Recommendation	33
6.2 Conclusion	35

BIBLIOGRAPHY	36
---------------------	-----------



Chapter-One

Introduction

1.1 Origin of the Report

Practical Orientation and appreciation of banks performance is a part of the MBA program provided by Daffodil International University. This report is the necessity of that Practical Orientation. Bank is service-oriented organization. So the practical orientation has been made as an integrate part of the MBA degree requirement. AIBL pursues decentralized management policies and gives adequate work freedom to the employees. This results in less pressure for the workers and acts as a motivational tool for them.

1.2 Rationale of the Study

With the rapid growing emulation among nationalized, foreign and private commercial banks as to how the banks manage its banking operation and how customer service can be made more enchanting, the expectation of the customer has extremely increased. Reciprocating the sensibility, commercial/ private banks are trying to increase their traditional banking service to a better honor, to meet the challenging needs, demands. Side by side these banks have now evaporated their attention towards diversification of their products for better performances and existence. For the above condition, it has become necessary for Al-Arafah Islami Bank Limited, one of the leading commercial banks, to focus its attention towards the development of the customer service. That's why it is quite justified to make an in depth study about its functions and appreciate the service provided by this bank and scope for its improvement.

The study may help formulating policy pertaining the ideas relating to the feelings of the customers and bankers. Future more, Al-Arafah Islami Bank Limited executives who are actually acting policies undertaken by the top management will have a chance to communicate their feeling and will have the feedback about their dealing from the customer.

1.2 Objectives of the Study

The main objective of the study is to exhibit an understanding about the practical banking activities and to relate them with the theoretical knowledge acquired from the banks.

Besides these the specific objectives are the followings:

1. To know the general banking activities of AIBL
2. To identify the strength, weakness of general banking of AIBL.
3. To make suggestions for policy recommendation.

1.2.1 Data Collection

The collection method of primary and secondary data vary since primary data are to be originally collected, while in case of secondary data the nature of data collection work is absolutely that of compilation. There are various methods of collecting primary data, they are as follows:

- ❖ Face to face confabulation with the respective officer of the branch.
- ❖ Disclosure on different desk of the bank.
- ❖ Pertinent file study as provided by the officers concerned.
- ❖ Secondary data may either be published data or unpublished data. Usually published data are available in several publications of the central, state and local governments.
- ❖ Several publications of foreign governments or of international bodies and their supplementary organization.
- ❖ Technical and trade journals.
- ❖ Report and publications of several associations connected with business and industry, banks, stock exchange

1.4 Methodology of the Study

1.4.2 Data Processing

Collected information is processed by the use of computer system. Detailed analysis, working variables and working definitions are substantial in the report

1.5 Scope of the Study

In my report I have highlighted the several steps of general banking of the AIBL. I have also speculated about the background of the sector, market structure, risk management factor etc. with the bank personnel. Before that, a brief overview of the AIBL has been given to understand its functions and activities. So the scope of the report covers the extensive knowledge on the organization of AIBL. I have tried to analyze and appreciate of general banking performance based on ample information taken in documents and interviews of banking officers.

1.6 Limitations

On the way of my study, I have faced the problems that are given below which could be termed as the limitation / shortcoming of the study-

- ❖ **Short Time Period**
- ❖ **Data Insufficiency**
- ❖ **Lack of Records**
- ❖ **Incomplete and obscure data**
- ❖ **Unwillingness of key person**



Chapter Two

Profile of Al-Arafah Islami Bank Ltd.

2.1 Historical Background of Al-Arafah Islami Bank Limited

(AIBL) Islamic ideology exhorts us to attain in life here & hereafter. To attain this prosperity we must pursue the way dictated by the Holy Quran and the way shown by Rasul (SM). With this goal in view Al-Arafah Islami Bank Ltd was founded (registered) as a public limited company on 18 June, 1995. The inaugural ceremony organize on 27 September 1995. The authorized capital of the bank is Tk.2500.00 million and the paid up capital Tk.1500 million. Some very notable Islamic personalities and righteous businessmen of the country are the sponsors of the bank. The total paid up capital was bestowed locality. The bank is committed to avail significantly in the national economy. It has made a positive achievement towards the socio economic improvement of the country by opening 94 branches on which 31 authorized dealer (AD) throughout the country. The equity of the bank stood at Tk.3415 million as 31 December 2011, the manpower are 1805 and number of shareholders are 12561.

The bank operates its business on the principles of Mudaraba, Bai-muazzal, and hire purchase transactions approved by Bangladesh Bank. Naturally, its genres and functions are substantially several from those of other conventional commercial bank. There is a Shariah assembly in the banks who sustains constant wariness to confirm that the operations of the bank are being guided on the precepts of Islam. The Shariah assembly consists of eminent Ulema, nominal bankers, renowned lawyers and eminent economist.

2.2 Islamic Banking Movement in Bangladesh

In August 1974, Bangladesh signed the Charter of Islamic Development Bank and instituted itself to reorganize its economic and financial method as per Islamic Shariah. In January 1981, the then President of People's Republic of Bangladesh while addressing the 3rd Islamic peak conference held at Makka and Taif exposed, "the Islamic countries should reveal a separate banking method of their own in order to simplify their trade and commerce"

This announcement of the president reported inclinable attitude of the Government of the People's Republic of Bangladesh towards creating Islamic banks and financial institutions in the country.

Earlier in November 1980, Bangladesh Bank, the country's Central Bank, sent a delegate to study the working of different Islamic banks in abroad.

In November 1982, a representation of IDB visited Bangladesh and showed sharpened interest to take part to establishing a joint venture Islamic bank in the private sector. They set a lot of work had already been and Islamic bank was in already form for proximate introduction. Two professional bodies-Islamic Economics Research Bureau (IERB) and Bangladesh Islamic Bankers Association (BIBA) made important achievement towards introduction of Islamic banking in the country.

They came forth to bargain training on Islamic banking to top bankers and economist to fill- up the void of leadership for the future Islamic banks in Bangladesh. They also held seminars, symposia and workshops on Islamic economics and banking wholly the country to mobilize public opinion in assistance of Islamic banking.

Their professional actions were reinforced by a number of Muslim entrepreneurs working under the egis of the then Muslim Business Society (now reorganized as Industrialist and Businessmen Association). The body evaporated mainly in mobilizing equity capital for the emerging Islamic bank.

At last, the long stretched struggle to found an Islamic bank in Bangladesh became a reality and Islami Bank Bangladesh Limited was founded in March 1983 in which 19 Bangladeshi national, 4 Bangladeshi institutions and 11 banks, financial institutions and government bodies of the Middle East and Europe including IDB and two distinguished personalities of the Kingdom of Saudi Arabia joined hands to make the dream a reality.

Later, other five Islamic banks, Islamic Insurance companies and financial institutions were inaugurated in the country. Some traditional banks opened Islamic Banking branches in some main cities.

2.3 Vision, Mission, Commitments

Vision:

- ❖ To be a pioneer in Islamic Banking in Bangladesh and avail significantly to the growth of the national economy.

Mission:

- ❖ Attaining the satisfaction of Almighty Allah both here & hereafter.
- ❖ Proliferation of Shariah Based Banking Practices.
- ❖ Quality financial services accepting the latest technology.
- ❖ Fast and proficient customer service.
- ❖ Obeying high standard of business ethics.
- ❖ Balanced growth.
- ❖ Unshaken & competitive return on shareholders' equity.
- ❖ Innovative banking at a competitive cost
- ❖ Abstract and retain quality human resources.
- ❖ Spreading competitive compensation packages to the employees.
- ❖ Firm commitment to the growth of national economy.
- ❖ Embroiling more in Micro and SME financing.
- ❖

Commitments:

- ❖ ours is a customer focused modern Islamic Banking making sound and unshaken growth in both mobilizing deposit and making quality Investment to keep our position as a leading Islami Bank in Bangladesh.
- ❖ To offer financial services with the touch of our heart to retail, small and medium range enterprises, as well as corporate clients through our branches crosswise the country.
- ❖ Our business implantations are designed to match the changing trade & industrial needs of the clients.

2.4 Schemes of AIBL

1. Current Account
2. Mudaraba Saving Account
3. Mudaraba Term Deposit Receipt Account.
4. Short Term Deposit
5. Installment Term Deposit.

- ❖ Mudaraba Kotipoti Scheme
- ❖ Mudaraba Millionaire Scheme
- ❖ Mudaraba Lckhpoti Scheme

6. Double Deposit Scheme.
7. Hajj Deposit Scheme
8. Small Investment Scheme.

“Allah has permitted trade and forbidden interest” (verse 275 of sura Al-baraka). And as such Al-Arafah Islami Bank Limited manage with the objectives and commitment to implement the economic and financial principles of Islam in banking arena blending Islamic worth and modern technologies with a view to achieve complete success in this world and hereafter.

- ❖ To provide quality service to our customers.
- ❖ To set high standard of Integrity.
- ❖ To enhance our customers innovation services acquiring state-of-the-art technology blended with Islamic principles, and bring total satisfaction to our clients and employees.
- ❖ To expand Islamic banking through welfare oriented banking system.
- ❖ Ensure equity and justice in economic activities.
- ❖ Enhance financial assistance to poorer section of the people, and
- ❖ Achieve balanced growth & equitable development.

The primary objective of Al-Arafah Islami Bank Ltd is to develop, foster and raise the application of Islamic principles, law and tradition to the transaction of financial, banking and related business objects and to promote investment companies, enterprise and concerns which shall themselves be devoted in business as are acceptable and consistent with Islamic Principles, law and tradition. But the objectives of Al-Arafah Islami Bank Limited in the context of its role in the economy are as follows:

1. To offer contemporary financial services in conformity with Islamic Shariah.
2. To contribute towards economic development and prosperity within the principles of Islamic justice.
3. To facilitate efficient allocation of resources.
4. To help achieving stability in the economy.

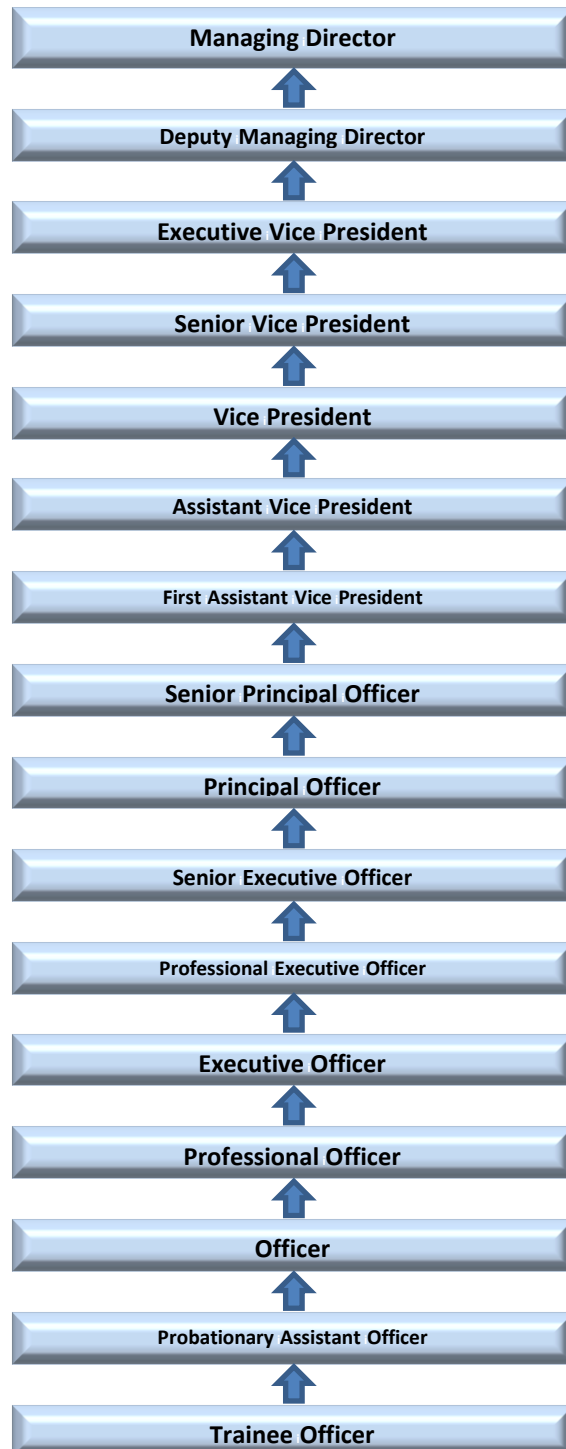
2.5 Management

The company is managed by its Board of Directors consisting of 15 members. The Board appoints an executive committee consisting of Sponsor Director (Chairman, Vice Chairman), Its member, Shareholder Director, Ex officer Director, Company Sectary. The committee is authorized to obey and review major day to day operational operations including investment plans, budgets and other investment acts.

The Board is also responsible for establishing the company’s policies and reviewing the operational representation of the company including grant of large investment transactions

and major fund procurement. The Board appoints, the Managing Director responsible for managing the company's overall activities within the framework of policies of the company. The Board also appoints the Policy assembly of eight directors who formulate the personnel policy.

2.6. Organization Structure of AIBL



2.7 Sections and Their Functions

There are mainly two sections in AIBL, General Banking Division Investment Division and Foreign Exchange Division. These Divisions have small department or units under them. The details of the significant sections and subsections are described under.

2.7.1 General Banking Division

There are certain three sections working together to fulfill the target of the company.

- (a) Customer Service
- (b) Cash Department
- (c) Accounts Department

2.7.1(a) Customer Service

Different functions of customer service are:

- ❖ Accounts opening
- ❖ Issuance of Cheque Book
- ❖ Issuance of Payment Order
- ❖ Issuance of T.T
- ❖ Issuance of D.D
- ❖ Issuance of Online Transfer
- ❖ Handling transfer transaction
- ❖ Operation of clearing house
- ❖ Executing customer standing instructions

2.7.1(b) Cash Department

Different operations of cash department are:

- ❖ Receiving cash from the depositors.
- ❖ Payment of cash to the client as demanded.
- ❖ Checking all circumstances of deposit slip whether it is clearly written or not (name, account no, amount)
- ❖ Verifying the payment cheque when to pay the money to the clients if the information is available or not like date, amount, account no etc.
- ❖ All the received and payment money must be written down in the receipt & payment register along with account no.
- ❖ Cash register must be sustained by the Cash Officer.
- ❖ Protection of daily cash balance.
- ❖ Preparation of monthly cash balance.

2.7.1 (c) Accounts Department

Accounting of AIBL can be broadly classified in the following two groups:

- i) General Accounting
- ii) Investment Accounting

i) General Accounting

General Accounting comprehend accounting for-general and administrative expense, funding operation and fixed assets. Actions of accounting subsection includes

- ❖ Registration of voucher.
- ❖ Posting of voucher in the ledger.
- ❖ Preparation of unadjusted trial balance
- ❖ Preparation of adjustments (accrual of expenses and income)
- ❖ Preparation of adjusted trial balance
- ❖ Advocacy of accounts with Bangladesh bank & other banks

ii) Investment Accounting

The company sustains its books of account based on the operating system of accounting according to Generally Accepted Accounting Standards in conformity with one the dispensation of relevant regulations of Bangladesh Bank.

- ❖ Collection of receipts i.e. rental, profit
- ❖ Control of collection i.e. maintains cheque register.
- ❖ Reporting of information regarding rental collection i.e. cash collection statement.
- ❖ Acknowledgement to the Account holder i.e. –statement of accounts.
- ❖ Formulation of overdue statement i.e-overdue statement for BOD.
- ❖ Functions regarding delinquent charge i.e.-billing.
- ❖ Conduct of irregular investment Account.

2.8 Investment Division

Activities of investment divisions are:

- ❖ Preparing the proposal
- ❖ Issuance of sanction letter
- ❖ Disbursing the payment
- ❖ Prepare & posting voucher

2.9 Human Resource Division

One of the important responsibilities of the human resource division is to enact the Personnel policy of AIBL. The section assesses the performance of each employee twice a year and sustains detailed file on each employee.

2.10 Marketing

The job of marketing section can be separated into two broad categories:

Marketing to existing clients:

Monthly update is bestowed on the disclosure of the good existing client. If the disclosure gets low for a valuable client then visits are made by the bank executives to make query on their requirement for finance. Also, continuous endeavor is made to increase disclosure on any client who has good prospect as a result of a BMRE or some other contention.

Marketing to non-existing clients:

From the market information non-existing expectations are also identified and searched after. Visits are made to meet the CEO or whoever is the trembling person regarding financing matters and the advantages of taking finance from AIBL is highlighted. AIBL also give out desk calendar, telephone index, and slip pad to expected clients. Advertisements are conferred in various journals of professional bodies. Each morning the senior executives and the manager (branch incumbent) are seat together in a meeting to discuss about their marketing plan for the day. They target clients, based on market knowledge. In that meeting it also found out if any one has any merger in the targeted companies. Specific executives are attributed with specific target companies.

2.11 Monitoring

Monitoring operations can be summarized follows:

Pre-execution activities

- ❖ Review of documents and information bargained by the clients before financing or opening of L/C or disbursement of cheque;
- ❖ Review of security of unexpected projects.

Post-execution activities

- ❖ Weekly visit to clients' office or factory to check the end use of fund
- ❖ Renewal of insurance coverage.
- ❖ Balance imprimatur.



Chapter–Three

Conceptual Framework

3.1 Bank:

A bank is a financial institution and a financial medium that accepts deposits and channels those deposits into lending acts, either directly or through capital markets. A bank engages customers that have capital scarcity to customers with capital surpluses.

Due to their critical status within the financial scheme and the economy generally, banks are highly systematic in most countries. Most banks transact under a scheme known as fractional reserve banking where they hold only a small reserve of the funds deposited and lend out the rest for profit. They are generally subject to minimum capital necessity which is based on an international set of capital standards, known as the Basel Accords.

3.2 General banking

General banking department is the main of all banking activities. This is the impatient and significant department of a branch, because funds are mobilized, cash transactions are made; clearing, remittance and accounting functions are done here. Financial institution/intermediary that arbitrate or stands between decisive borrowers and ultimate lenders is knows as banking financial institution. Banks perform this deed in two ways- taking deposits from varied areas in different forms and lending that accumulated amount of money to the dynamic investors in other several forms. General banking department aims in taking deposits and together provides some ancillaries services.

General banking is the front-side banking worship department. It provides those customers who come repeatedly and those customers who come one time in banking for enjoying auxiliary services. In some general banking functions, there is no relation between banker and customers who will receive only one service form bank. On the other hand, there are various customers with who bank are doing its business repeatedly. It is a significant department for all banks forasmuch as it provides day-to-day worship to the customers.

Front Desk is the significant for general banking. Customers pay their deposits and meet their demand for cash by obeying cheques. Without this a customer opens new accounts, remit funds, issues bank drafts and pay orders etc.

3.3 GB Sections:

There are different sections in this department, which are as follows: -

- ❖ Cash Section
- ❖ Accounts Opening Section
- ❖ Cheque Clearing Section
- ❖ Remittance Section

3.4 TT

Telegraphic Transfer or Telex Transfer, mostly abbreviated to TT, is an electronic means of transferring funds oversea. A transfer charge is collected whilst sending money. . A banking term generally called "T/T," meaning a twist message from one bank to another in order to affect the transfer of money.

3.5 DD

A demand draft, also acquainted as a remotely created check, a tale-check, or check by phone, check by fax or e check, is a check built by a merchant with a buyer's checking account number on it, but except the buyer's original signature.

Check drafting is manufacturing a valid legal copy of the customer's cheque, on the customer's side. Because it is built by the merchant, no signature is required. Instead, a signature disclaimer or imitation is entered in the signature blank a Demand Draft is a cheque that comprise an order of one branch of a bank (Drawer branch) controlling another branch of the same bank (Drawee branch) to pay on demand a particular sum of money to an individualized beneficiary (Payee) . It is an Account payee instrument, purpose it can only be credited to the account of the payee and cannot be obstruct over the counter by the payee.

A Demand Draft is a much secure and assured method of payment than cheques, since in the case of cheques, an unconnected is the drawer and therefor the cheque can be dishonored by the drawee bank due to shortage of funds in the drawer's account. But since in the case of a DD, the drawer is a bank, payment is particular and it cannot be dishonored.

Since it is a cheque issued by a bank (that is, drawer is a bank) it does not carriage the signatures of the customer, unlike the case of general cheques which carriage the signature of the customer (who is the drawer). Instead, a DD carries signatures of one or two bank officials, depending on the DD amount. The name of the Drawee branch is eluded on the bottom left hand corner whilst the name of the Issuing (Drawer) branch is entitled on the top left corner.

3.6 Electronic funds transfer

Electronic funds transfer (EFT) is the electronic exchange or transfer of money from one account to another, either among a single financial institution or crosswise multiple institutions, through computer-based systems. The term covers a number of several concepts:

- ❖ Cardholder-initiated transactions, where a cardholder use of a payment card
- ❖ Direct deposit payroll payments for a business to its employees, possibly via a payroll service bureau
- ❖ Direct debit payments, occasionally called electronic checks, for which a business debits the consumer's bank accounts for payment for goods or services
- ❖ Electronic bill payment in online banking, which may be imparted by EFT or paper check
- ❖ Transactions involving gathered value of electronic money, possibly in a private currency
- ❖ Wire transfer via an international banking network (carriage a higher fee in North America)
- ❖ Electronic Benefit Transfer

3.7 Automated Clearing House

Automated Clearing House (ACH) is an electronic network for financial transactions in the United States. ACH processes massive volumes of credit and debit transactions in batches. ACH credit transfers comprise direct deposit payroll and vendor payments. ACH direct debit transfers comprise consumer payments on insurance premiums, mortgage loans, and other types of bills. Debit transfers also comprise new applications such as the point-of-purchase (POP) check conversion pilot program sponsored by NACHA-The Electronic Payments Association. Both the government and the commercial sectors use ACH payments. Businesses increasingly conduct ACH online to have customers pay, rather than via credit or debit cards.

3.8 Cheques

Cheques are a type of bill of exchange and were exhibited as a way to make payments except the need to carriage large amounts of money. Whilst paper money resulted from promissory notes, another form of exchangeable instrument, similar to cheques in that they

were essentially a written order to pay the given amount to whoever had it in their possession (the "bearer"). Technically, a cheque is an exchangeable instrument instructing a financial institution to pay a tangible amount of a tangible currency from a specified transactional account held in the drawer's name with that institution. Both the drawer and payee may be regular persons or legal entities. Specifically, cheques are order instruments, and are not in common payable simply to the bearer (as bearer instruments are) but must be paid to the payee. In some countries, such as the US, the payee may endorse the cheque, allowing them to individualize a third party to whom it should be paid.

3.9 Fixed deposits

Fixed deposits are a high-interest-yielding Term deposit bestowed by banks. The most exotic form of Term deposits are Fixed Deposits, whilst other forms of term Deposits are Recurring Deposit and Flexi Fixed Deposits (the latter is in reality a summation of Demand deposit and Fixed deposit).

To recoup for the low liquidity, FDs offer higher market of interest than saving accounts. The longest admissible term for FDs is 10 years. Usually, the longer the term of deposit, higher is the market of interest but a bank may grant lower rate of interest for a longer period if it expects interest market will dip in the future.



Chapter-Four

Job Part

4.1 Actual Task Part:

In the period of my three months internship program, I got a position and some duties in Al Arafah Islami Bank Limited, Shyamoli Branch. My observation and responsibilities were in General Banking Department like opening & different types of DPS or FDR opening (Deposit Schemes). From “”, I worked “”, Executive Officer of Al Arafah Islami Bank Limited, Shyamoli Branch who manages the front desk. On that time I mainly worked in Customer Service Department & observed the rules and regulations of Deposit Scheme and the procedure which they followed in the Deposit Section.

4.2 Job responsibilities:

There were several responsibilities carried out by me in general banking division of Al Arafah Islami Bank Limited (Shyamoli Branch). Every day I used to start my job at 10:00am and it ended at 05:00pm. Within this time different types of jobs were done by me and those are given below.

Accounts Opening:

Account opening is the most important part in general banking. It is the first step of customers who are going to get services from the bank. Before opening of any account it's very important to know the target customers of the bank. The targeted customers may be individual, partner, joint stock companies, trustee/clubs/associates and different types of institutions. It is also important to know why the customer wants to open account at this branch. To reveal customer's purpose of opening account is pretty tricky. If account

opening officer is experienced and intelligent he can easily expose the purpose for opening account from customer himself.

Al Arafah Islami Bank Limited offer many different types of their target groups. These are as follows:

- Current Account
- Savings Account
- Fixed Term Deposit Account(FDR)
- Short Term Deposit (STD/DPS)

Opening an account is the first steps to be a customer of the Bank and enjoying different services of it. For depositing and withdrawing money from the Bank and having other services, an account is mandatory for every individual and institutional customer. SO my responsibility was to give best quality services and attempt to sustain our customer for a long time with standard.

Closing Accounts:

Customer accounts are closed for many reasons. So, I closed accounts with best attention to think customer so that next time when they will think about opening a bank account. Al Arafah Bank Limited will come to the first choice to prefer of their mind.

Receive Cheque Requisition:

A cheque requisition is received from the customer for giving a new cheque book containing specific number of pages mentioned by customer. I received the cheque requisitions throughout the day and sent list to the head office at the end of the day.

Pay Order Issue:

Pay order has been issued to serve the customer who wants send money not in cash rather in cheque. It reduces the cash carrying risk. I filled up the pay order slip to help the customers.



Chapter-Five

Analysis and Finding

5.1 Divisions of General Banking

General banking section is the interval of all banking operation. This is the busiest and important section of a branch, because funds are integrated, cash transactions are created; clearing, remittance and accounting operations are done here.

Out of bank is confined to give the services each day, general banking is also aware of as 'retail banking'. In AIBL Principal Branch, the following divisions are under general banking section:

- ❖ Account Opening Section
- ❖ Deposit Section
- ❖ Cash Section
- ❖ Remittance Section
- ❖ Clearing Section
- ❖ Accounts Section

5.1. a. Account Opening Section

Account opening is the gateway for clients to enter into business with bank. It is the base of banker and customer relationship this is one of the biggest important segments of a branch, because by opening accounts bank mobilizes funds for deposit. Different rules and laws are hold down and several documents are taken when opening an account. A customer can open many types of accounts through this division. Such as:

- 1. Al-Wadeeah Current Deposit**
- 2. Mudaraba Savings Account**
- 3. Short Term Deposit**

Al-Wadeeah Current Deposit

Current account is absolutely a demand deposit account. There is no limitation on pick off money from the account. It is originally justified when funds are to be collected and money is to be paid at solid inside. Some Necessary Points are as follows-

- ❖ Minimum deposit of opening TK. 2000/- is required.
- ❖ There is no withdrawal limit.
- ❖ No interest is given above the deposited amount.
- ❖ Minimum Tk. 2000 balances must constantly maintain all the time.

Mudaraba Savings Account

This deposit is initially for little-scale savers. Therefore, there is a limitation on withdrawals in a month. Heavy withdrawals are authorization only in opposition to anterior notice; Some Necessary Points are given bellow-

- ❖ Minimum deposit of opening Tk.500 is required;
- ❖ Minimum Tk. 500 balance must constantly maintain all the time;
- ❖ Withdrawal or pick off amount should not be more than 1/4th of the in total balance at a time and restrict twofold in a month;
- ❖ If withdrawal amount overcome 1/4th of the in total balance at a time no interest is given above the deposited money for that month;

Short Notice Deposit

Normally many big companies, organizations, Government Divisions placement money in STD-account. Fast pick off is dejected. The deposit should be funded for at least seven days to get interest. The interest offering for STD is less than that of savings deposit Interest is counted based on daily minimul product and paid two times in a year.

5.2 Account Opening Procedure

Step 1	An subsist Current holder of the bank. Officials of the bank not down the rank of an Assistant officer. A respectable person of the regional well known to the Manager/Sub-Manager of the Branch thoughtful.
Step 2	Receiving filled up application in bank's formal from written above what type of account is will to be opened
Step 3	<ul style="list-style-type: none"> ✓ The form is filled up by the account holder him/her self ✓ One copy stamp size and two copies of passport size photographs from separately are taken and also taken nominee photograph (1 copy), in case of forms photographs of all partners are taken. ✓ Application must bring up require documents.
Step 4	Authorized officer receives the application.
Step 5	Minimum amount is credited in balance - only cash is acceptable.
Step 6	Account is opened and a cheques book and pay in slip book is hand over to account holder.

Table: Account Opening Procedure

5.2. (a) Necessary Documents for Opening An Account Individual/ Joint Account

- ❖ Introduction of the account.
- ❖ Two photographs of the signatories duly attested by the introducer.
- ❖ Identity (copy of passport or NID card).
- ❖ Joint Declaration Form (For joint A/C only).
- ❖ Employee's history.

Proprietorship Account

- ❖ Index of the account.
- ❖ Two photographs of the signatories properly attested by the introducer.
- ❖ Valid copy of Trade License.
- ❖ Rubber stamp.
- ❖ TIN number certificate.
- ❖ Identity (Copy of passport or NID card).
- ❖ Permission letter from DC/ Magistrate (in case of newspaper)

Limited Company

- ❖ Start of the account.
- ❖ Two photographs of the signatories properly attested by the Account holder.
- ❖ Valid copy of Trade License.
- ❖ Board/Committee authorization of opening A/C properly certified by the Chairman/Managing Director.
- ❖ Certificate of chamber of commerce.
- ❖ Certificate of Beginning (In case of Public limited company).
- ❖ Certified (joint stock) true copy of the jotting and Article of Organization of the Company properly attested by Chairman or Managing Director.
- ❖ List of directors along with designation & swatch signature.
- ❖ Latest certified copy of Form - xii (to be certified by register of joint stock companies) (In case of Directorship change).
- ❖ Rubber Stamp (Seal with designation of each person)
- ❖ Certificate of registration (In case of Insurance Company - Achieved from division of Insurance from the People's Republic of Bangladesh).

Club/Societies Account

- ❖ Start of the account.
- ❖ Two photographs of the Signatories properly attested by the account holder
- ❖ Committee authorization for Opening A/C properly certified by President/ Secretary. List of Existing Managing Committee.
- ❖ Registration (if any).
- ❖ Rubber Stamp.
- ❖ Permission letter from Bureau of N.G.O. (In case of N.G.O. A/C).

Closing of an Account

The closing of an account will happen,

- ❖ If the customer is wishful to close the account.
- ❖ If the Al- Arafah Islami Bank finds that the account is inactive for a long duration.
- ❖ If the court of Arafah Islami Bank issues garnishee order.

A customer will close his/her account any time by presenting an application to the branch. The customer should be asked to trace the final check for the amount standing to the credit of his/her account cut the amount of closing an other relevant charge and capitulation the unutilized check leaves. The account should be debited for the account closing charge etc.

and the authorized officer of the bank should shutter unutilized check. In case of joint account the application for closing the account should be signed by the joint account holder. The fee for closing of an account is Tk.100.

5.3 Different Scheme

5.3.(a). Monthly Installment Deposit

The savings amount is to be deposited within the 10th of every month. In case of day off the deposit amount is to be made on the following day. The deposits may also be made in advance. The depositor can have a separate account in the bank from which a standing order can be given to transfer the monthly deposit in the scheme's account. In case the depositor fails to do the monthly installment in the time, then 5% delayed installment amount will be charged. The charge will be added with the following month(s) installment and the lowest charge will be Tk. 10.

5.3 (b). Withdrawal

Usually, withdrawal is not instructed before a 5 year term, but if it is withdrawn before the over term, then interest will be paid at savings rate. However, no interest will be paid if the deposit is picked off within 1 year of opening the account. In case the depositor wishes to pick off between the 5, 8, 10 or 12 year period then full interest will be paid for a complete term and savings rate will applicable for the fractional period.

5.3(c) Loan Advantage

After three years of savings in this plan the depositor (if an adult) is compatible for a loan up to 80% of his deposited amount. In that case, interest rates on the loan will be applicable as per restrictive rate at that time. Reasons for unsuitability from this plan:

- ❖ If the depositor fails to pay 3 installments in a row, then he will be unsuited from this plan and interest will be applicable as mentioned in withdrawal point.
- ❖ If a depositor fails to pay 5 installments in a row after fulfillment of 5 year term, then the Bank stays the right to close the account and interest will be paid as, mentioned in withdrawal point.
- ❖ In case of death of the depositor the plan will cease to function. The amount will be delegated to the nominee of the deceased depositor.
- ❖ In case of absence of the nominee the bank will delegate the saved up amount to the successor of the deceased.

Rules

A form has to be filled at the time of opening the account. No introduction is needed but attested photographs are mentioned. The depositor can select any of the installment amounts which cannot be approximately changed. In case of fractions the guardians may open and take care of the account in his support. A single person can open exceeding one account for saving under different installment rates. The government tax will be eliminating from the interest accumulated in this plan. If necessary, at the request of the depositor, the plan can be transferred to a different branch of the same Bank. The Bank stays the right to change the rules and regulations of the plan as and when deemed necessary.

OBJECTIVES OF THE SCHEME

An account is to be opened by filling up a form. The bank will give to the customer a deposit receipt after opening the account. This receipt is non-transferable. If the deposit is picked off before a 5 (five) years term, then savings rate of profit will be applicable and paid to the depositor. Though, no profit will be paid if the deposit is withdrawn within 1 (one) year of opening the account and monthly income paid to the customer will be adjusted from the main amount.

A depositor can avail loan / quard up to 80% of the deposit amount under this plan. In this case profit, will be charged in opposition to the loan/ quard as per banks restrictive rate. During the occupancy of the loan, the monthly income will be added to the loan account till repayment of the loan amount including of profit. The government taxes will be paid to the debit of monthly income.

5.4 Mudaraba Saving Deposit

Saving Accounts are planned particularly for the group who have trend to save. They have been paid a fixed interest on their savings. There are two types of savings account AIBL bank.

- ❖ **Individual Savings Account**
- ❖ **Joint Savings Account**

The depositor is forced to maintain a balance of at least Tk. 2,000 for the cause of earning interest. One limitation considering the savings deposit account is depositors can draw only double bond a week if they want to get interest on the deposited money. If a depositor make up more than double bond a week he/she will not receive any interest for that month. The interest rate for this account is 5.5%.

5.5 Al-Wadiah Current Account The features of the savings accounts and current accounts are more or less same without little exclusion. In case of savings account, around 7% interest is given to the depositors on the contrary in case of current account no interest is given. Some categories of freedom are payoffs to the current account maintaining depositors that are mentioned here in after.

- ❖ Depositors can withdraw their deposits any time in the bank working days; that is there is no time limitation.
- ❖ No limitation in maintaining deposits.

Types of current account that are provided by the AIBL are as follows:

- ❖ **Current Account for Individual.**
- ❖ **Joint Current Account.**
- ❖ **Proprietorship Current Account.**

In case of opening a ownership current account, a copy of the valid trade license must be presented.

Partnership current Account

In case of opening a partnership current account, a copy of the trade license and partnership formula must be presented.

Limited Company current Account

To open a limited company current account, the requirements are the followings:

- ❖ A certified copy of memorandum and articles of federation.
- ❖ Certificate of corporation.
- ❖ Certificate of commencement of business (mandatory if public limited).
- ❖ List of directors.
- ❖ Board authorization.
- ❖ List of names and sample signature of those persons authorized to open the account properly certified by the chainman /managing directors.

5.6 Fixed Deposit

Fixed deposit is the amount deposited by the customer for a fixed period of time; the time limit is given in fixed deposit receipt. Depositors have to pick off the profit after maturity date, if the depositors contemplate to withdraw the profit earning before finish of the maturity date the bank is not tied to pay the profit.

5.7 Cash Department

All categories of transaction considering cash are taken in to care in the cash department. Cash is deposited in the name of thinking in the Bank and fulfilled to the client by the department.

The operations of a cash department are described below:

Cash Payment	Cash payment is made only against cheque. 2. This is the incomparable operation of the banking system which is known as “payment on demand” 3. It makes payment only against its printed valid cheque.
Cash Receipt	1. It receives deposits from the depositors in form of cash. 2. So it is the mobilization Unit” of the banking system. 3. It collects money only its receipts forms.

Table: Functions of cash department

5.8. Local Remittance

Local Remittance is another great part of the general Banking. The bank receives and transfers different types of bills through the remittance within the country. The bank charges commission on the basis of bill amount.

5.9. Types of Remittance

- ❖ In banks and non-banks customer.
- ❖ In banks in the same country.
- ❖ In banks in the different centers.
- ❖ In banks and central bank in the same country.
- ❖ In central bank of different customers.

The main instruments used by AIBL of remittance of funds are:

1. **PO (pay Order).**
2. **DD (Demand Draft).**
3. **TT (Telegraphic Transfer)**

P.O (pay Order)

Pay orders are the safest way of making payments, as they are drawn on the bank expresses them. So there is no scope of imitation. A pay order is issued only within the members of the Bangladesh bank clearing house (Dhaka Metro). It can be issued in support of a customer holding an account, by debiting his account and crediting bills payable liability A/C. The account payees submit the pay order in their specific banks. The banks then send the pay order to the clearing house where these are received by the respecting issuing banks. The issuing banks verify the pay order, which are then send back to the respecting banks and payment made by debiting the payable account.

AIBL charges different amount of commission on the basis of Payment Order amount. The bank charges for pay order are given in the following chart:

Total amount of PO	Commission	Vat
Up-to Tk. 10,000.00	Tk. 15.00	Tk3.00
Tk. 1 0,001. 00-Tk. 1,00,000.00	Tk.25.00	Tk. 4.00
Tk. 1,00,001. 00-Tk. 5,00,000.00	Tk. 50.00	Tk. 8.00
Tk. 5, 00, 001 . 00 and Above	Tk. 100.00	Tk. 15.00

Table: Charges for Pay Order

DD (Demand Draft)

A Demand Draft (DD) is an instrument containing an order by the issuing branch over another branch known as drawee branch, to pay a particular sum of money to the payee. Commission for Demand Draft (DD) is 0.1% of the principal amount and Vat .15% of the commission amount and telex charge is Tk. 50.00.

TT (Telegraphic Transfer)

Issuing branches request another branch to pay differentiate money to the specific payee on demand by Telegraphic/ Telephone. The basic three types of local remittances are considered below:

Points	Pay Order	Demand Draft	TT
Explanation	Pay order gives the payee the right to claim payment from the issuing bank.	Demand draft is an order of issuing bank on another branch of the same bank to pay specified sum of money to payee on demand.	Issuing branch requests another branch to pay specified money to the specified payee on demand by telegraph/ telephone.
Payment From	Payment from issuing branch only.	Payment from ordered branch.	Payment from ordered branch.
Generally Used to Remit Fund	Within the clearing house area of issuing branch.	Outside clearing area of issuing branch. Payee can also be the purchase.	Anywhere in the country
Payment Process of the Paying Bank	Payment is made through clearing.	1. Confirm that the DD is not forged one. 2. Confirm with sent advice. 3. Check the "Test Code" 4. Make payment	1. Confirm issuing branch. 2. Confirm payee A/C 3. Confirm amount 4. Make payment 5. Receive advice
Charge	Only commission	Commission +Telex charge	Commission +Telephone.

Table: Basic Three Types of Local Remittance

5.10 Clearing Department

The amount of Cheques, Pay Order (P O), and Demand Draft (DD) Collection from other banks on behalf of its customer is a basic function of a Clearing Department.

Clearing:

Clearing is a system by which a bank can collect customers fund from one bank to another through clearing house.

Clearing House:

Clearing House is a place where the representatives of different banks get together to receive and deliver Cheques with another banks. Normally, Bangladesh Bank performs the Clearing House in Dhaka, Chittagong, Rajshahi, Khulna & Bogra. Where there is no branch of Bangladesh Bank, Sonali bank arranges this function.

5.11 Types of Clearing

Outward Clearing: When the branches of a bank receive cheques from its customers drawn on the other banks within the local clearing zone for collection through clearing house, it is Outward Clearing.

Inward Clearing: When the banks receive cheque drawn on them from other banks in the clearing house, it is Inward Clearing.

Types of clearing house: There are two types of clearing house. Those are:

1. Normal Clearing House.
2. Same Day Clearing House.

1. Normal Clearing House:

Normal means the cheque value is less than 5lac. In case of inward the time is 10 am to 3.30 pm and for outward the time is 10 am to 12.30 pm.

2. Same Day Clearing House:

Same day clearing is for the high value cheques which amount is 5lac and more. The time of same day clearing for inward is 10 am to 1 pm and for outward the time is 10 am to 11.30 am.

- ❖ Who will deposit cheque for Clearing: Only the regular customers i.e. who have Savings, Current, STD & Loan Account in the bank can deposit cheque for collection of fund by clearing house.
- ❖ Warning all the time of cheque receiving for Clearing, Collection of LBC, OBC & Transfer.
- ❖ Name of the account holder same in the cheque & deposit slip.
- ❖ Amount in The cheque must be same in words & in figure.
- ❖ Date of the cheque may be on or before (but not more than six months back) clearing house date.
- ❖ Bank & Branch name of the cheque, number & date on the slip.
- ❖ Cheque must be signed.
- ❖ Signature for confirmation of date, amount in words / in figure Cutting.
- ❖ Deduction of cheque.
- ❖ Cheque should be crossed (not for bearer cheque).
- ❖ Account number in the deposit slip must be clear.
- ❖ Depositor's signature in the deposit slip.

Return house: Return House means 2nd house where the delegates of the Bank meet after 3 p.m. to receive and deliver affronted house which placed in the 1st Clearing House.

5.12 Online Transaction

Clients of any branch of AIBL can draw money from any branch of AIBL. This is a greatest service for the customers of AIBL than others. The online charge is Tk.50 from Tk.50001 to 200,000 and less than that is free. Customers have to pay VAT @15% on online commission/charge. From 200,000 to above the fee is 100. In case of deposit, less than Tk. 100,000 is free. Above Tk.100,001 charge applicable.

5.13 Followed Marketing Strategies by AIBL

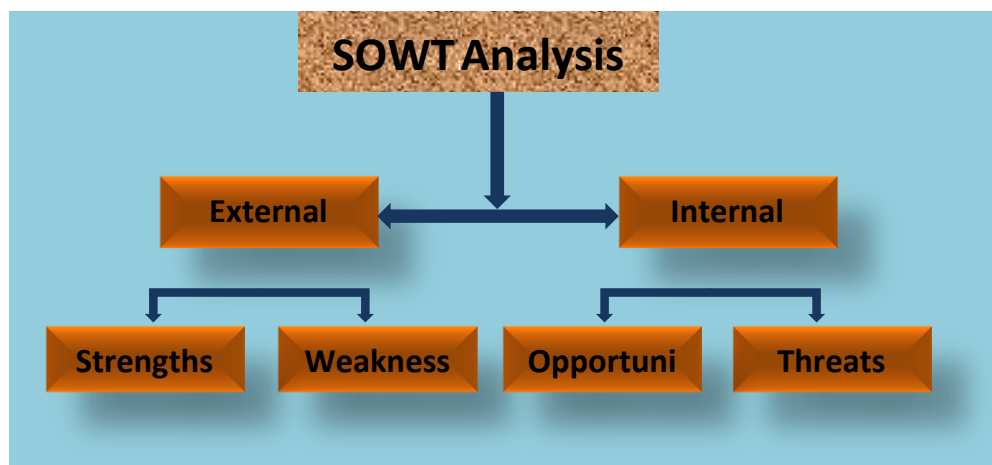
- ❖ The main technique of the bank is using Islami Banking System to attract its market.
- ❖ Providing skilled customer service.
- ❖ Maintaining corporate and business ethics.
- ❖ Being trusted reservoir of customers and their financial advices.
- ❖ Making its products superior and rewarding to the customers.
- ❖ Display team spirit and professionalism.
- ❖ Sound capital base.
- ❖ Enhancement of shareholders wealth.
- ❖ Fulfilling its social commitments by expanding its charitable and humanitarian activities.
- ❖ Providing high quality financial services in export and import trade.
- ❖ Building tight personal relationships with customers and clients.
- ❖ Taking less promotional activities and strengthen on relationship marketing.

5.14 Findings of the study:

Findings from the above discussions are given below:

- When a joint stock company comes to open an account if the company occurs to be an existing one, the banker should need copies of the balance sheet and profit & loss account, which will gleam the financial growth of the company and its soundness. But in practice companies and the bankers as well don't even chagrin.
- Officer of the bank are material. Even when many of them simply know the working procedure of what they are doing but don't know the vision behind doing those. It requires placing of both the fields marketing and banking. But the bank has hardly any person with this kind of efficiency.
- Like most of the private banks, AIBL also load a target deposit for collection over its employees. Every employee has to go out for the purpose of deposit collection, which they call "development purpose". It is a useful method no question about it, since many banks of our country count on this method. But sometime affect negatively and cause job dissatisfaction. Officers of the desk, where workload is very high, hardly get the chance to go out for development purpose and always feel that their duties for the organization would not be evaluated unless they can show a good amount of deposit collection in opposition to their name.
- AIBL provide training but the facility isn't sufficient particularly for the lower level officers.
- The cash counters are piled which hamper day to day teller activities and action become delayed.

5.15 SWOT ANALYSIS



Not wondering, in the competitive sphere of marketing era SWOT analysis is a must base on Product, Price, Place and Promotion of a financial institute like private bank. From the SWOT analysis we show in figure to continuous scenario of the bank is given above:

In SWOT analysis two factors act as prime movers.

- ❖ Internal measurers which are restrictive inside the concern which include strengths and weakness.
- ❖ On the other hand another factor is external factors which act as opportunity and impendence.

5.16 STRENGTHS

- Wide Image.
- Enthusiastic employee.
- High deposit.
- Higher profit rate to client.
- Excellent Management.
- High commitment of customer.
- AIBL banks has strong non-interest earning base.
- Wide Branch network among the 3rd generation banks.
- Qualified & experienced human resource.
- Satisfactory Environment.
- Wide product line.
- Low infection in loan exposure.

5.17 WEAKNESS

- It has high cost fund.
- It has highly exposed to volatile garment business.
- It has highly exposed dependency on term of deposit.
- Inadequate IT infrastructure.
- Inadequate delegation of power.
- The bank has limited ATM service.
- Officers have limited experience and not enough trained.
- Marketing policy is not well setup.

5.18 OPPORTUNITIES

- Increasing demand of client finance.
- Investment potential of Bangladesh.
- Good prospect of more export import business at Uttara turning to commercial area.
- Relationship management.
- Complacency among rival firms.
- It has credit card business.
- It has scope of market penetration through diversified products and wide banking network.
- It has regulatory environment favoring private sector development.
- Develop relations and correspondence with foreign banks.
- More concentrated Banking based on Islamic Banking.

5.19 THREATS

- Lacking of customers awareness regarding Islamic banking.
- Some other banks also follow the Islamic banking policy.
- Similar types of retail banking products.
- Certain Bangladesh Bank's rules and regulations.
- It has increased competition for the market for public deposit.
- Market share for lowering interest rate.
- Deteriorated export, import and guarantee business due to indecent competition as well as economic slump.
- Bangladesh Bank has no well-established Islami Banking rules
- Entrance of new private commercial banks.
- Young, energetic, dynamic, talent and smart work force of competitors.
- Govt. imposes high rate of taxes and vat.



Chapter-Six

Recommendations and Conclusions

6.1 RECOMMENDATIONS

In order to get competitive advantage and to deliver quality service, top management should try to modify the service.

- Consequent to open a new account in AIBL must require many valuable documents from new account holder. It would be very helpful both Bank and the account holder.
- It seems to me that every day customer's co-operation is rising. Individual employee has to handle many types of job. But that is lues a back for an employee. As a result it might be fall out any big mistake by the employee and service is also timed spending and customer has to suffer for this situation. May be it would be the cause for employee's de-motivation as well as the customer's lack of satisfaction.
- They should also focus on the marketing aspects to let customers know about their products and offerings and more promotion should be given to attract new customer.
- AIBL Bank should offer some additional facilities to the customer's such as credit visa card.
- AIBL must develop e-banking system to endure the service. Technology advantage of a bank ensures its competitive edge in the market place can only be achieved by skilled manpower. It is market share to cut down its operating cost and to generate new revenue. E-banking system also allows rising access to the financial system by its customer's.

- As soon as possible the bank should more branches in Dhaka city as well as the various cities of the country.
- Now a day's world is going very fast. Now most of the banks open online customer service system. So in order to compete in the world market they should adopt online banking system.
- One of the business strategies is promotion. Successful business depends how they can promote their products or service to the customer. AIBL should concentrate on their upliftment activities. In this connection to develop the biz status bank should bring in more advance program.
- In general banking department it is essential to implement neoteric banking process alternative of traditional system. And be more computerized.
- In addition with the present service they should include more services. It is badly needed to provide more service to the customer in order to complete in the market.
- Database networking is the most modern technology to transfer data from branch to branch head opposes and vice versa. So they must use this technology in IT department of the bank.
- As the clients are not in favor of introducing system, if possible the rule of introducing to open an account should be changed. Because many people face in problem to arrange an introducer in the time of opening account.
- The bank can offer to its customer better service if all of its department are computerized and incorporated under local area network.
- At the entry passion the bank should enroll more expertise people to augment quality service.
- They need to provide more training facilities, more computerized system and strong network connection.
- They need systematic process in cash counter to give customer well and fast facilities.

Some other Important Factor that should be focused on the Development Process:

- Time consumed at service level should be minimized at optimum level.
- Evaluate customer's needs from their perspective and explain logically the shortcomings.
- Customer's expectation and employee's perception

6.2 CONCLUSIONS

Though the concept of Islamic Banking is no longer new thing in the world. Observing its operational success more than 300 Islamic banking and financial institutions in about 50 countries have been established globally. At present there are six Islamic Banks operating in our country and they are making notable contribution through performing their activities with better efforts. However, AIBL is not free from restriction. So, there may be a spread to make some adjurations.

- There is no formal framework to govern the AIBL on Islamic morality. The traditional regulatory frameworks are nor suitable or sufficient to ensure the enhancement and gain of the AIBL. So, up to date Islamic banking laws sare very important.
- Some financing charter supported by Islamic Shariah should be established so that investors may satisfy put their funds into that financial charter other than the usury based debentures etc.
- Islamic financial federation should be set up country-wide. If it is made possible, it will boost of Islamic banks in Bangladesh by possible exchange of Co-operation in many ways.
- If AIBL take up professionalism within the appearance of Shariah, they will be able to earn gracious "halal" profit and pay higher return to the account holders and shareholders. Ultimately, public will get more confidence on this type of banking.
- Islamic economic system is necessary for the growth of Islamic banking institutions.

At last we say step by step and successful globalization of Islamic banking pair with rising awareness of the people about its financial and social benefits makes it clear that the next century is going to be the century of AIBL banking.

BIBLIOGRAPHY

- AIBL, Working Manual for different departments.
- Annual Report of Al-Arafah Islami Bank Limited (2011)
- Annual Report of Al-Arafah Islami Bank Limited (2012)
- Al-Arafah Islami Bank web site, www.al-arafahbank.com
- Credit Operational Manual of Al-Arafah Islami Bank Ltd.
- “SHARIAH MANUEL” published by Al-Arafah Islami Bank Limited.
- Several booklets from Al-Arafah Islami Bank Ltd.
- Several newsletter’s from Al-Arafah Islami Bank Ltd.
- WEB: www.aibl.com