



**Internship Report**  
**on**  
**“Green Banking Practices” of Al-Arafah Islami**  
**Bank Ltd.**

**Presented for**

**Professor Dr. Mostafa Kamal**

Faculty of Business and Entrepreneurship

Daffodil International University

**Presented by:**

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ID: 201-14-182

Major: Finance

MBA Program (Regular)

Department of Business Administration

Daffodil International University

**Date of Submission: 01/04/2022**

**Internship Report**  
**on**  
**“Green Banking Practices”**  
**of AIBL**

## Letter of transmittal

01-04- 2022

To

**Professor Dr. Mostafa Kamal**

Faculty of Business and Entrepreneurship

Daffodil International University, Ashulia-1341.

**Subject: Submission of Internship Report on Green Banking Practices of AIBL.**

Dear Sir,

With respect to you informing that, it is my great pleasure that today I am submitting my report for particular named 'Green Banking Practices' of AIBL. The main goal of preparing this particular report is to evaluate the Green Banking Practices and development of the procedures in the Al-Arafah Islamic Bank, future improvement due to proper recording strategy and customer satisfaction on a Green Banking Practices. I have tried my best to complete this report and learned a lot from this field experience.

I thank you wholeheartedly for providing me with this unique opportunity.

Sincerely

Md. Rahmat Ullah



ID- 201-14-182

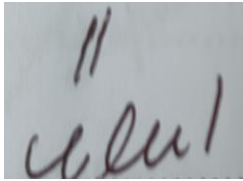
Program: MBA Major in finance

Department of Business Administration

Daffodil International University

## Letter of Endorsement

This letter is to certify that Md. Rahmat Ullah, ID: 201-14-182, Daffodil International University has prepared this report on “**Green Banking Practices of AIBL**” for the purpose of completing MBA internship program. This report has been accepted by me. I wish him success in the future.



.....  
**Professor Dr. Mostafa Kamal**  
Faculty of Business and Entrepreneurship  
Daffodil International University

## Acknowledge

At the first be beginning, I like to show thanks to my Almighty Allah.

Then, I like to pass on my gratitude to AIBL, where I have finished my internship program as needed as a course educational plan to set up this task paper. I have gained insight from AIBL, That Bank genuinely intensified my level of capability during our functioning period.

It would not have been feasible for me to finish this intern effectively which invigorate me set up this report. I need to give unique on account of the whole AIBL.

After that I like to communicate our gratitude to Professor Dr. Mostafa Kamal, faculty of business and Entrepreneurship (MBA Program) who directed me to carry the genuine result into the report, without Sir it was impractical to set up this report such a decent way. All I have appreciation and regard with the utmost sincerity for them.

## Executive Summary

AIBL is a commercial bank. Which is enlisted by the Bangladesh Bank. AIBL bank cover a wide scope of banking and their functioning framework is to people, firms, corporate bodies and other global offices. In this report I will examine about green banking of AIBL. I work in this office. Green banking is a vital unit of AIBL. Under the financial division with the object of the required for banking client. Part of AIBL nearby exchange answer for the corporate, establishment, cash management, securities services, trade service all those things are best marketing network in the country.

Here, they are providing the customer with associated local services.

- Effective transaction processing
- Faithful financial information
- Designs products
- World-class clearing services

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## Chapter 1: Introduction



## 1.0 Introduction

Bangladesh currently has 57 banks, including AIBL and Commercial Bank. AIBL operates in accordance with Islamic law. AIBL started its journey in 1995 with the said principles in mind and to present a cutting-edge financial framework dependent on Al-Qur'an and Sunnah. AIBL enjoys the prestigious position for Cash Management, Trade Activities and etc. AIBL from its very beginning has been assuming a huge part in the country's Capital Market. According to 2018 data, the bank has authorized capital of Tk15,000.00 million and paid-up capital of Tk10,440.22 million. How much settled up capital referenced by the investors is referenced, AIBL has paid. It has made a positive commitment towards the social monetary improvement of the country with 184 branches in the country.

## 1.1 Objectives of study

I made my report dependent on genuine experience. In my intern position, I find out with regards to Green financial area of AIBL. What I comprehend in this position and what is my notice, I applied everything in this report. The use of my hypothetical learning for satisfy my prerequisite of MBA program. It is vital to comprehend the functional financial work. I need to get act and worry with scholarly information that increase for viable working in the bank. In this Green financial area, I need to respect, that functioning review is convey to recognize the demonstration of AIBL. Objective of the Study:

1. To know how can a bank go green.
2. To know effect or impact of green banking environment.
3. To give recommendations on the basis of findings.

## 1.2 Origin of the Report

The MBA internship is the most important thing in our MBA. So, in the internship. Here, I learn so many things. In the internship program I was attached name the of organization AIBL for 3 months. My Subject is Green Banking Practices. During this period, I learn how to work in Green Banking Practices division. Therefore, I can compose a report about Green Banking Practices of AIBL. During this multi month of working involvement in AIBL on this internship report, I was mainly focused in the Green Banking Practices department in the bank. This division is a vital unit of AIBL. As a component of AIBL Green Banking Practices, they give us cash the executives and Securities Services and Trade Services. They have solid market network in country wide.

## 1.3 Methodology

### Primary Data

Primary Data was a date which is collect from so many corporates product managers .By gather this date I need to posed so many inquiries to directors. In this meetings manager was so mush friendly.He gives use very date what I need.I was start with formal question with instructive, enlightening. After that not just administrator likewise chief, chief, of individual inAIBL.

### Secondary Data

Secondary data collected from journals, internet, Web-site, Annual Report of AIBL-2014. Public article of Bangladesh bank. I'm gather my date from AIBL representative. That is the reason my secondary data was so much right.

## 1.4 Scope of theStudy

My Green Banking Practices report, I was highlight so many important points. In my report I was feature such countless advances. That was back ground, promoting, consumer loyalty, management mentor. After all I understood there was so many opportunities in this bank. I was plate all around the data momentarily. I share so many comprehensive knowledge.

## 1.5 Limitations

On the method of my report, I have centered in the issues that are given -

- Lack of comprehension of the respondents was the serious issue that made such countless disarrays about verification question.
- Limitation of time was so must impotent date shortened for every person. By this brief time frame, I can't examine as expected about mytopic.
- Privacy of information was vital piece of my report. Each company has there on secret.There not shares this information with anyone . But I was not stopping my work. I examine with parcel of representative with regards to this. While gathering information on AIBL, individual didn't uncover for data in the purpose of secrecy of the association.
- Times of heavy traffic and business was other piece of my report. I gather this date



from overview and client basedon.

## Chapter 2: About the AIBL



## 2.0 History of AIBL

AIBL have huge history and philosophy for effective life time. AIBL empower Islamic ideology for in life here and after life. For achieve this goal they follow the holy Quran and rasul (sm). AIBL establish in 18th June 1995. They start their working 27<sup>th</sup> September 1995. They need 15000 million takas to the capital for approved. 100 percent capital is paid for being possessed by investor. 14478.06 million taka is the value in 2013. They have 2387 employee. They have 58466 share holders. They earn continuous profit. They believe high quality customer service. They have lots of diversity for customer & employee. They have great item benefits for client. With Bangladesh govt. they have commitment for contribute in the public economy. This thing made a positive vibe. They have 184 branches. Its located 23 areas in the country. AIBL bank follow the principal of mudaraba & baimuazzal. They work with Bangladesh bank. There high value transaction & purchase endorse by Bangladesh bank.

## 2.1 Vision

Make our bank as a good example in Islamic banking in Bangladesh and To be a trailblazer in Islamic Banking in Bangladesh and contribute essentially to the development of the public economy.

## 2.2 Mission

- Procure fulfillment of all-powerful Allah both here and after life
- Stablish of Sariah based banking practices.
- Make quality monetary assistance taking on the latest technology.
- Quick and effective customer service.
- keeping up with exclusive expectation of business ethics.
- Balance growth.

## 2.3 Commitments

- AIBL customer mainly look in modern Islamic banking market sound. We give them profoundly development store and best show casing venture to keep them position as a high level in the Bangladesh.

- AIBL generally offer best monetary support with our retail, little, medium ventures. Then, at that point, attempt to builds our branch all over thecountry.

## 2.4 Management

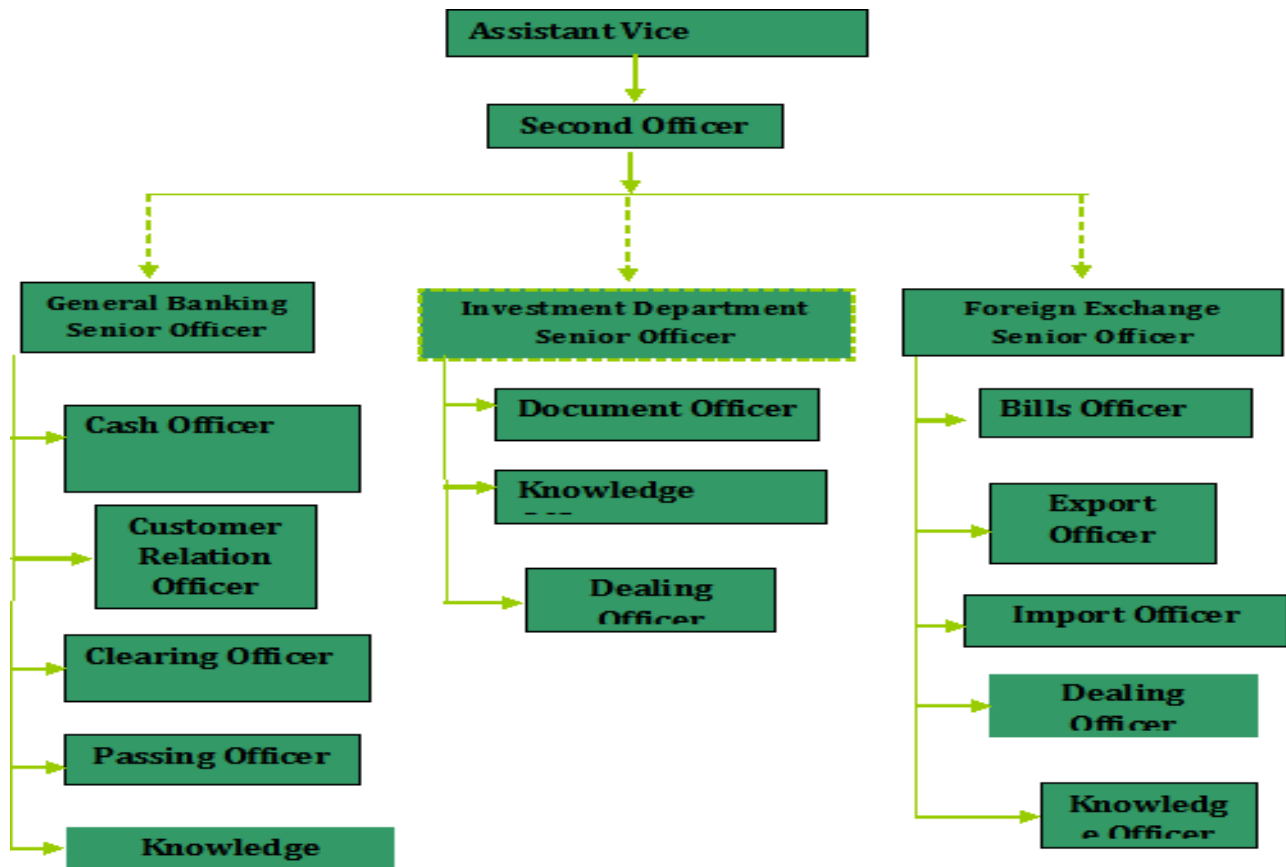
The association is natural by Board of chiefs involving 15 individuals. The Board proxy an instructor of Sponsor Directors (Chainman, Vice Chairman), its individuals, Shareholder Director, Ex Officer Director, Company Secretary. The leading group of legal administrators is acknowledged to respect and review significant everyday functional execution comprehensive investment plans,budgets andother investment activities.The Board is also responsible for building up the organization's strategies and actually taking a look at the functional presentation of the organization. Board is additionally center around venture thought building which area are more useful for the organization so the leading group of legal administrators generally about speculation area. They can make loads of approaches then down to earth what is cordial for their organization that picking privileges likewise have the board of trustee.

## 2.5 Products offered by AIBL

1. Al Wadish Current Deposit (CD)
2. Mudaraba short notice deposit (SND)
3. Mudaraba saving deposit (MSD)
4. Mudaraba term deposit (MTDR)
5. Monthly profit-based term deposit (PTD)
6. Al-Arafah monthly Hajj deposit (MHD)
7. Al-Arafah termed hajj deposit (THD)
8. Foreign currency deposit (FCD)
9. Pension deposit scheme (PDS)
10. Mudaraba Millionaire deposit scheme (MDS)



## 2.6 Operational Network Organogram of AIBL



## 2.7 General Banking

In the General Banking there are 3 types of working position and they work together for the AIBL.

- Customer service
- Cash service
- Accounts service

2.7.1 There are few Diverse act of customer service are:

- Accounts start
- Check journal
- Paycharge
- T.T
- D.D
- Onlinetransplant

- controlling transplant transaction
- Active clearinghouse
- Execute customer standing command

### 2.7.2 Accounts Department

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

- General Account
- Investment Account

#### (A) General Accounting

General Account is an account where we regularly make a General administrative record, we additionally made a subsidizing activity and fixed resources.

#### (B) Investment Accounting

They getting ready supporting books of records based. Investment account will be account where they acknowledged there working record for the most part.

### 2.7.3 Investment Division

Act of investment divisions

- ✚ are: Preparing the proposition
- ✚ Issuance of sanction letter
- ✚ Disbursing the payment
- ✚ Prepare & posting voucher

## 2.7.4 Human Resource Division

Human resource division is vital part in each organization. They made implement strategy AIBL. They keep up with execution of each worker. They doing each 6 Mouny later

## 2.7.5 Marketing Division

We can have separated our marketing section in 2 diverse types:

### Marketing to existing clients:

They have kept up with month-to-month updates to kept our revelation for the good actual client. Whenever the revelation gets slow for a valuable customer, then, at that point, in our bank high worker visit to the client for increment and make request on the money. Anyway, steady exertion made our disclosure to any customer, who has great aftereffect.

### Marketing to non-existing clients:

We gather market data for no-current possibility are additionally perceived and endeavor later. Client can meet CEO. Assuming that they need any sort of worried for about financing subject. Presently we can feature the advantage of taking money from AIBL.

## 2.7.6 Monitoring

Monitoring activities can be abbreviated follows:

### Pre-execution activities

- Review of documents and information provided by the clientsbe fore financing of L/C or disbursement of check
- Review of security of unexpected projects

### Post-execution activities

- Weekly visit to clients' office or factory to check the end use offund
- Renewal of insurance coverage.
- Balance confirmation

## 2.8 General Banking of AIBL

General banking is the main side of banking. By This division they made assets, cash exchange, clearing, settlement and bookkeeping exercises. Bank perform or bring in cash from stores, contributed to best beneficial spot. Certain individuals called bank is a monetary organization for monetary middle person. Front work area is the most famous piece of General Banking.

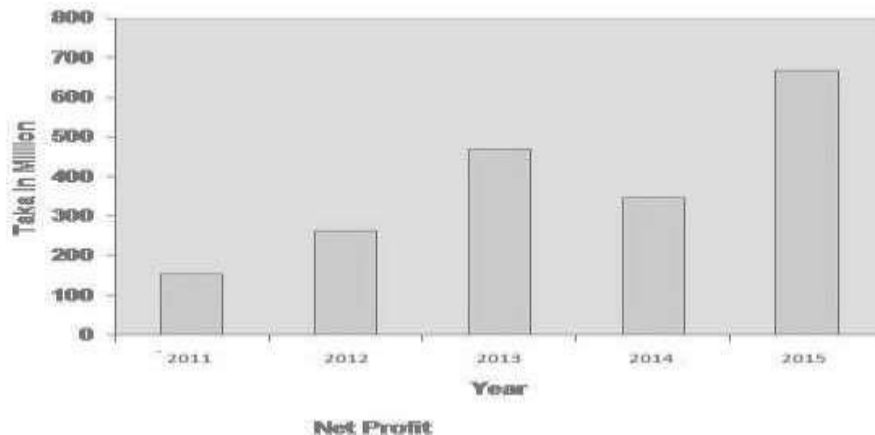
## 2.9 GBSection

There are various sections in this department, which are as follows

- + Cash Section
- + Account Opening Section
- + Check Clearing Section
- + Remittance Section

## 2.10 TT

Telegraphic Transfer or Telex Transfer, often a bridge to TT, is an electronic means of moving assets abroad. An exchange charge is gathered for sending money. A financial term regularly called "T/T," which means a link message a link message starting with one bank then onto the next to influence the exchange of cash.



## 2.11 DD

DD is an encouraged check or interest draft. And furthermore we know story check, check by telephone, fax, E-check, shipper check. Without unique mark check isn't anything. This is a legal copy for with draw money. Signature is very important things for check and it made merchant.

## 2.12 Electronic fundstransfer

Electronic funds transfer (EFT) is the electronic exchange or transfer of money from one record to another, either inside a solitary monetary foundation or across different institutions,through computer-based systems.The term covers a number of diverse ideas

- Card holder-initiated transactions, where a card holder makes use of a payment card
- Direct store finance installments for a business to its workers, perhaps by means of a finance service bureau.
- Direct debit payments, some of the time called electronic checks, for which a business charges the shopper's ledgers for installment for labor and products

### **2.13 Automated ClearingHouse**

Best United States organizing value-based monetary framework is Automated clearing house (ACH). By this framework they made bunches of Visa and seller installments. ACH direct debit provides insurance premiums, mortgage, loans and other kind of bills.

### **2.14 Checks**

Check is most significant record in the bank. By his check we can pull out cash, give saved. By this check we are perceiving initially take a look at holder. While paper cash developed from promissory notes, one more type of debatable instrument, like checks in that they were initially a composed request to pay the given add up to whoever had it in their ownership.

### **2.15 Fixed Deposit**

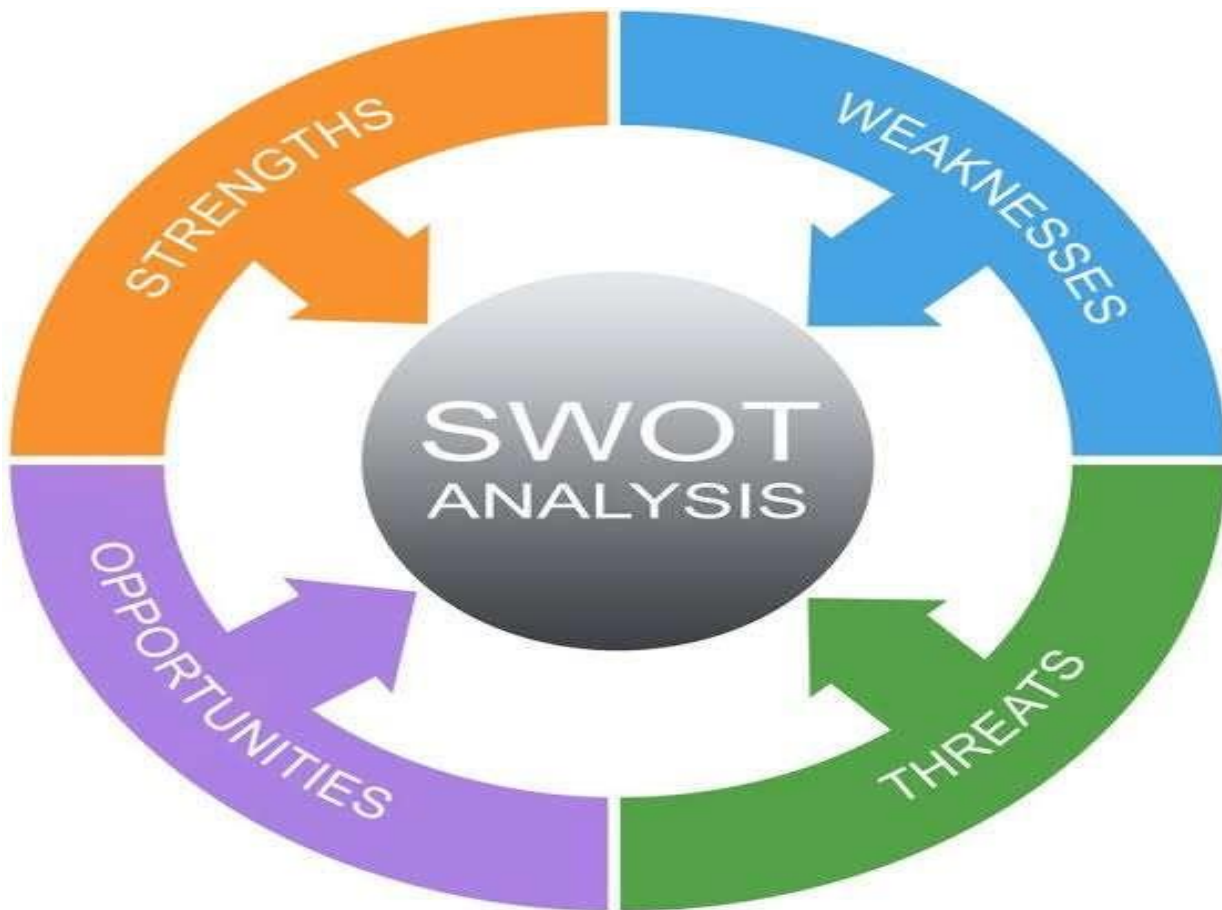
Fixed deposits are very high-level deposit offered by bank. There are so many types of stores have that is fixed store, term store, repeating store. Evert bank officials attempt persuade their client for this store. (The last option is really a blend of Demand store and Fixed deposit)

### **2.16 Mobile Banking**

Portable banking is an assistance given by a bank or other monetary establishment that permits its clients to go through with monetary exchanges remotely utilizing a cell phone, for example, a cell phone or tablet.



## 2.17 SWOT ANALYSIS



Not surprisingly, in the competitive area of marketing era SWOT analysis is a must base on Product, Price, Place and Promotion of a monetary foundation like private bank.

From the SWOT examination we can sort out continuous situation of the bank



In SWOT analysis, two major factors are act as movers

- Internal factors which are prevailing inside the concern which include strengths and weakness
- On the other hand, another factor is external factors which act as opportunity and Threat.

## 2.18 Internal Analysis

### 1. 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.

### 2. 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.

## 2.18.1 External Analysis

### 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 product sandwide banking network.
- It has regulatory environment favoring private sector development.

### 2.18.2 Threats:

- High Initial Cost
- High Market Risk
- Current Financial Problems
- Unknown Market Environment

## 2.19 SWIFTCODES

Swift code of AIBL is: **ALAR BD D**

## Chapter 3: My work area



### **3.0 Actual Task Part**


In this multi month's interne program, I have my position which is called interne. Hardly any duties in AIBL. In my observation and duty was in Green Banking. So green banking like it's in excess of a broker and green banking isn't individual work likewise a unit or a group of teams. In this time, I was work in Green Banking side. He assists me with each singling time. I offer support to the client and onlooker there for gather my information. I noticed their standard store segment. I well assist them with keeping the guidelines and deposit schemes.

### **3.1 Job responsibilities**

There were such countless obligations completed by me in Green financial division of AIBL. Consistently I start my position at 10:00am and it finished at 05:00pm. Inside this time different sorts of task were finished byme.

## Green banking activities.

### 3.2 Green Bankingwork

BB's Initiatives  Policy Support, Refinance Line, In-house Green Activities

Bank's Activities 



### 3.3 Bangladesh Bank's GreenInitiatives:





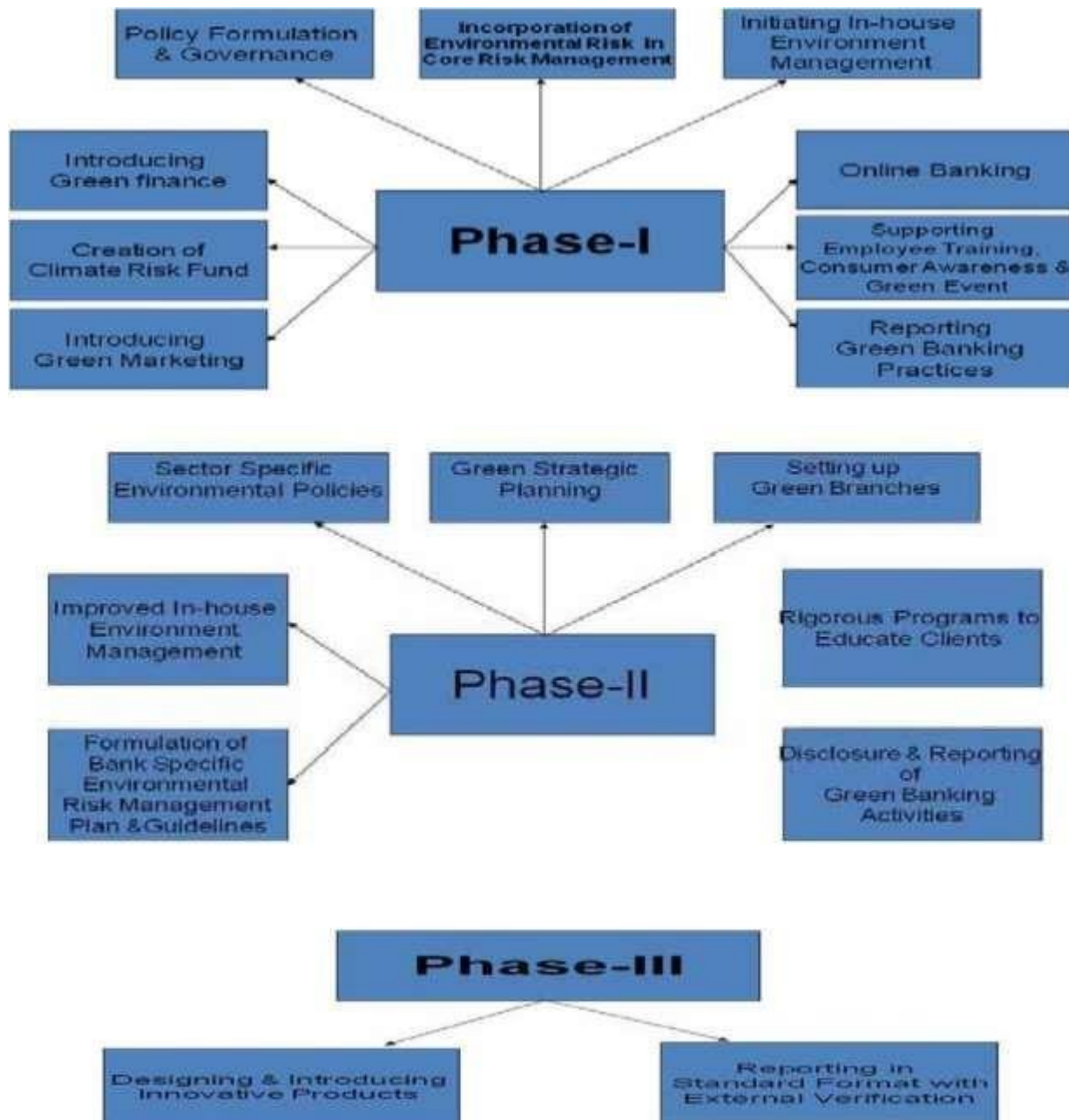
### 3.4 Green Bank & Activities:

Green banking is a financial what implies principled, a green social working, an appropriate bank. Green financial like it's in excess of an investor and green banking isn't individual work likewise a unit or a group of group. All the monetary area, Bangladesh bank make incredible progress for applying this idea of green banking. They apply it all the ordinary banking. Green banking made a green able environment for all the green financial area. They likewise guarantee outrageous application on this area. They additionally made a financial scene in Bangladesh. Climate Risk the board is a piece of green bank. They have likewise rule. Bangladesh bank gives outrageous working with on this area. For green financial we have a rule strategy which is formulated on this premise. In this green financial we have environmentally friendly power such has sun oriented, wind, geothermal, bio-gas, energy component, green banking, green vehicle, clean water the executives, Garbage the board, land the board. By green financial perception they secure climate.



### 3.5 Green advantages of Bangladesh bank:

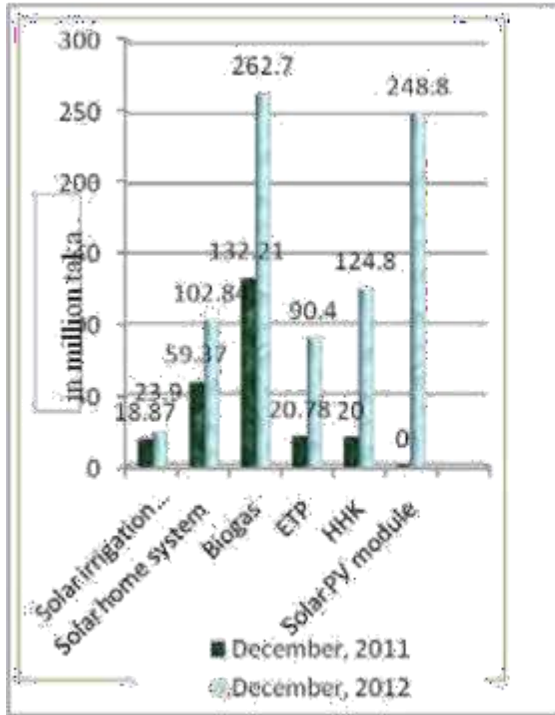
Design of green bank project



### 3.6 Refinance Scheme:

Bangladesh bank give each bank least 5% premium with regards to green banking. They give 2 billion takas to re-finance against financing eco-accommodating. They involved this taka for introduce bio-gas, bio-mass based, sun powered, environmentally friendly power and adoption a new energy source. In December 2012 Bangladesh bank provide 853.54 million takas out of 2 billion in the few areas of green banking. They utilize this taka in solar energy 43.99%, bio-gas 30.08% hybrid Hoffman kiln 14.62%, effluent treatment plant 10.59%

Category	Amount (Taka in million)
Solar irrigation pump	23.90
Solar home system	102.84
Biogas plant	262.70
Effluent Treatment Plant (ETP)	90.40
Hybrid Hoffman Kiln (HHK)	124.80
Solar PV module assembling plant	248.80
Total	<b>853.54</b>



(in million taka)

Category	December, 2011	December, 2012
Solar irrigation pumping station	18.87	23.90
Solar home system	59.37	102.84
Biogas	132.21	262.70
ETP	20.78	90.40
HHK	20.00	124.80

### 3.7 Sources of Environmental Risks:

Sources of Environmental Risks

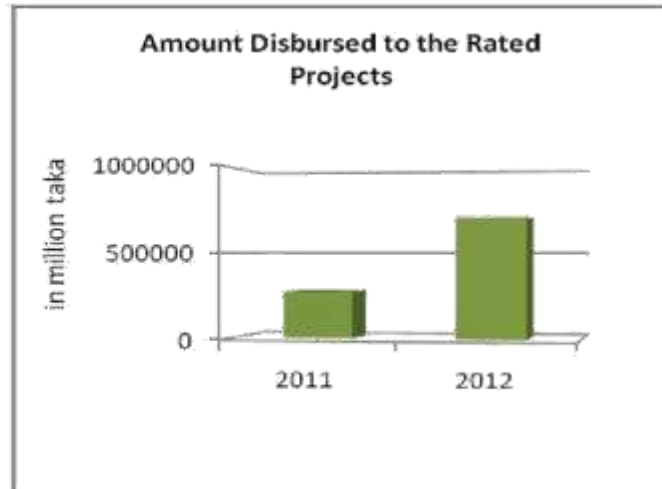
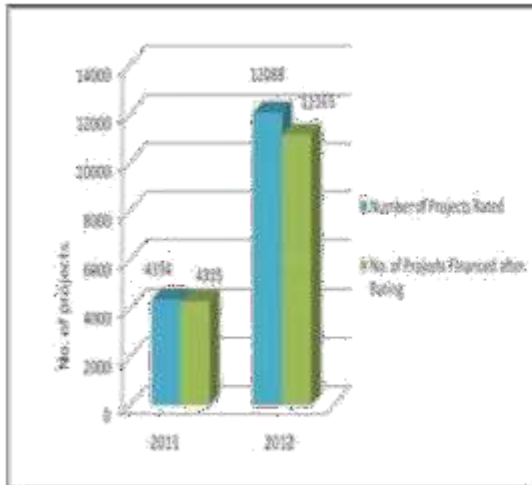


### 3.8 Strategy conception & Privet Bank:

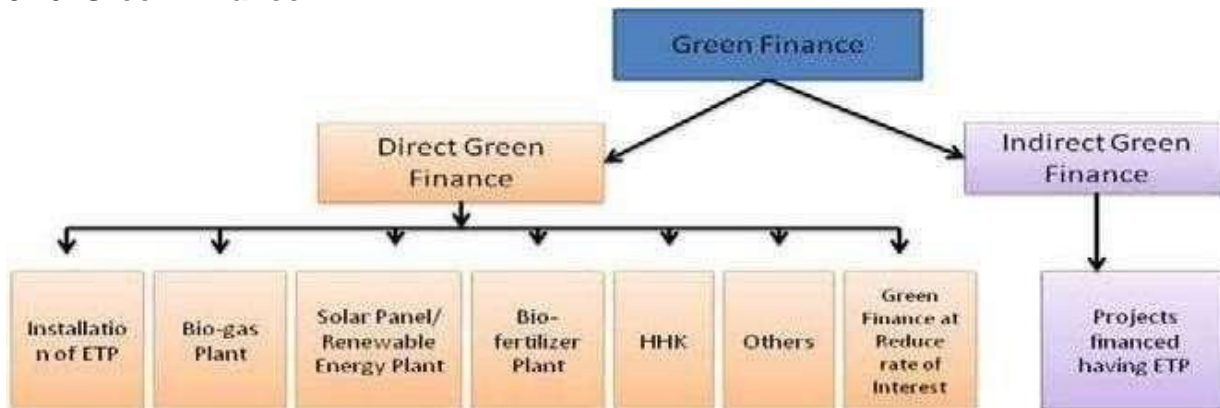
In Bangladesh we have 47 banks. All the bank has his own green financial police. This rule strategy gives by their leading group of chief and GBU for green financial work. In our country we have 44 bank they have in-house green office.

### 3.9 EnvRRR data during 2012:

In our nation's bank began ENVRR in July 2011. Bank has been finished 4394 undertaking. This number of tasks increment 3 time quicker in each year. In 2012 it was 11125 undertaking was completed

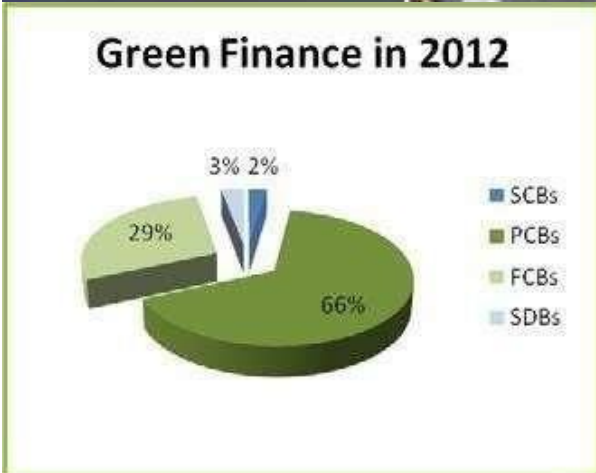


### 3.10 Green Finance:



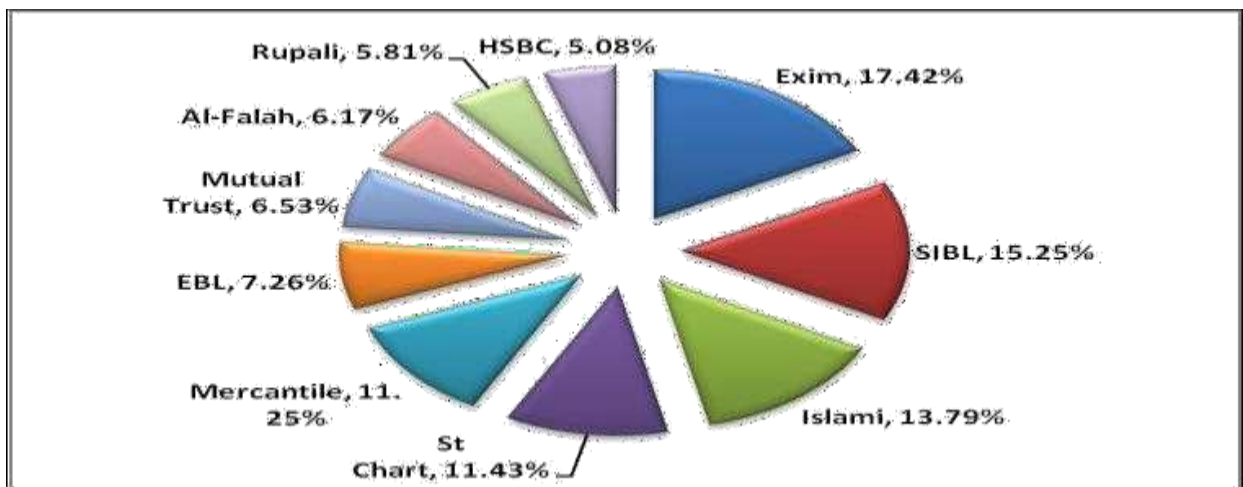


### 3.11 Bank's Activities-Direct Green Finance:



Bank Category	Direct Green Finance	Indirect Green Finance	Total
SCBs	3513.10	2994.15	6507.25
PCBs	5623.74	173187.17	178810.91
FCBs	881.28	76517.03	77398.31
SDBs	1803.36	6401.70	8205.06
<b>Total</b>	<b>11821.48</b>	<b>259100.05</b>	<b>270921.53</b>

### 3.11.1 CSR activities for green event /project.



IBBL, AIBL and HSB Care most top bank which playing a major part in apply 51% total risk compere to the otherbank.

### 3.12 Success Stories of Banks:



AIBL began a venture in bio-gas. They give 320 million takas in Gazipur, Manikganj, Barisal, Savar, Tangail and so many place. They used this project with cow toilet. By using this gas, they make cook, lighting. By use this energy they made milk, chess for sell. This gas is one of the most grounded non-renewable energy sources. On the off chance that we can have made it by bigger venture, we can involve it for water pump.



## Chapter 4: Findings, Recommendations & Conclusion





## 4.0 Findings:

# Add this stage

### Findings

Here, this is one of the most significant part of the report that I have arranged. By this part of my report, I deciphering my entire review about Al Arafah Islami Bank Ltd. Now the result of this study is stated below :

- Online banking & ATM facilities are regarded as the first step in implementing green banking but in this branch practicing of their online banking at poor level and also ATM facilities are not satisfactory.
- The credit assessment and management framework prescribed by Bangladesh Bank and currently followed by all the scheduled commercial banks i.e. Credit risk management (CRM) doesn't include any risk criteria for considering environmental & social issues of a particular loan project.
- AIBL have launched their own environmental risk assessment framework but there is no clear direction is provided regarding quantification & additional environmental risk in CRM.
- Bangladesh green banking practices get less priority as they're not consider as mandatory.

### 4.1 Conclusion:

From the practical implementation of customer dealing procedure during the whole period of my practical orientation in AIBL, I have reached a firm and concrete conclusion in a very confident way. Performance of AIBL during the last five years has proved that with strong desire and will power one can achieve whatever target he may have. The bank has succeeded in achieving more customer than many other competitors. In my study I have found that AIBL Branch has reached this position by its excellent customer's service, commitment, people's love and dedicated human resources. AIBL has shown its supremacy in all kinds of banking operations in our country. Bank is the largest organization of mobilizing surplus domestic savings. Plays vital role Green Banking Activities & Environmental Risk Management systems for saving environment from different hazards & pollution. Attractive Savings Schemes are offered by AIBL like MSS, MSD, MTDR, MSTD etc. Schemes are designed concentrating in different purposes to help the fixed income group people to help in

need. Branch-Officials are also whole-hearted and dedicated to serve their customer with utmost care. The officials follow the policy very strictly. They are choosing and conservative in sanctioning loan. The proposal is thoroughly scrutinized by the loan sanctioning authority. The total function of the investment division is monitored periodically AIBL always tries to increase foreign exchange through import, export and remittance. This bank always conceive same cable behavior with exporter and help them in their business activities as a trustee friend. It encourages importer to import goods in legal procedure and provide financial assistance for doing business smoothly. AIBL is going well. Though there are some drawbacks in implementing the different tasks manually, it can be overcome through the involvement of more expert's indecision making process and utilizing the tools to judge integrity of the customers. Finally, it can be argued that through the results achieved so far are not satisfactory, why not the bank using a modern scientific technique for enhancing its strength and the relies the opportunities to make it more effective in the future for their own benefits.

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