

AN INTERNSHIP REPORT ON

“Customer Service for General Banking and Foreign Exchange and My Understanding”

This Report is submitted to the Department of Accounting, Faculty of Postgraduate Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur as a partial requirement for the fulfillment of Master of Business Administration (MBA) Program -2016.

PREPARED BY

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DEPARTMENT OF ACCOUNTING

**HAJEE MOHAMMAD DANESH SCIENCE AND TECHNOLOGY
UNIVERSITY (HSTU), DINAJPUR-5200, BANGLADESH**

JUNE- 2016

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HAJEE MOHAMMAD DANESH SCIENCE AND TECHNOLOGY
UNIVERSITY (HSTU), DINAJPUR-5200, BANGLADESH.

JUNE- 2016

Dedicated
To
My Beloved
Parents
&

Honorable Teachers



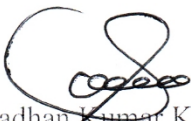
**Export Import Bank
of Bangladesh Limited**
DINAJPUR BRANCH

EXIM/DNJ/Internship-58/2016/2074
Date: 21.07.2016

To Whom It May Concern

This is to certify that **Md. Safiqul Islam**, son of Md. Saifar Ali, is a M.B.A. student of **Hajee Mohammad Danesh Science and Technology University, Dinajpur** has completed Internship in our branch commencing from April 07, 2016 to July 07, 2016.

We wish him every success in life.


21.07.16
Mr. Sadhan Kumar Kundu
AVP & Relationship Manager

LETTER OF TRANSMITAL

26th July, 2016

(Md. Mamunar Rashid)

Supervisor & Associate Professor

Department Accounting

Hajee Mohammad Danesh Science and Technology University (HSTU), Dinajpur- 5200

Subject: Submission of internship report.

Dear Sir,

I am so glad to submit my internship report to you on “**Customer Service for General Banking and Foreign Exchange and My Understanding**”. To prepare this dissertation paper, I have gathered what I believe to be the most complete information available. Reading different books, articles, annual report, and web site etc. related to the banking insurance & manufacturing arena, I have collected adequate information to fulfill my internship report.

The experience, I have gathered during this period will remain as an invaluable asset in my life. I have worked hard preparing this report and I hope it will satisfy my course requirement for MBA Program. I will be always available for answering any query on the report. I request you to excuse me for any mistake that may occur in the report despite of my best effort. I will be grateful if you kindly accept it.

Sincerely yours

Md. Safiqul Islam

Student No. 1505128

MBA major in Accounting and Information Systems (AIS)

Faculty of Postgraduate Studies

HSTU, Dinajpur.

SUPERVISOR'S DECLARATION

This is to certify that Md. Safiqul Islam, a student of MBA major in Accounting and Information Systems, Session 2015, bearing Student No. 1505128 under a internship report entitled on “**Customer Service for General Banking and Foreign Exchange and My Understanding**” under the supervision of me.

I also certify that I have gone through the draft copy of the report. Thoroughly found it satisfactory for submission to the department as a partial fulfillment of MBA program.

Again, I recommend the report to submit for awarding the Master of Business Administration (MBA) Program.

I wish him every success for the days to come.

Md. Mamunar Rashid

Supervisor & Associate Professor

Department of Accounting

Hajee Mohammad Danesh Science and Technology University (HSTU), Dinajpur-5200

CO-SUPERVISOR'S DECLARATION

I hereby declare that the concerned report entitled “**Customer Service for General Banking and Foreign Exchange and My Understanding**” is an original work made by Md. Safiqul Islam, a student of MBA major in Accounting and Information Systems, session 2015, bearing Student No. 1505128, completed his internship report under my supervision and submitted for the partial fulfillment of the requirement of the Master of Business Administration (MBA) at Hajee Mohammad Danesh Science & Technology University, Dinajpur.

I wish him every success for the days to come.

Dr. Shaikh Mostak Ahammed

Co-Supervisor & Associate Professor

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CHAIRMAN'S DECLARATION

I hereby declare that the concerned report entitled “**Customer Service for General Banking and Foreign Exchange and My Understanding**” is an original work made by Md. Safiqul Islam, a student of MBA major in Accounting and Information Systems, session 2015, bearing Student No. 1505128, completed his internship report submitted for the partial fulfillment of the requirement of the Master of Business Administration (MBA) at Hajee Mohammad Danesh Science & Technology University, Dinajpur.

I wish him every success for the days to come.

Md. Mamunar Rashid

Associate Professor & Chairman

Department of Accounting

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STUDENT'S DECLARATION

I hereby declare that the research report entitled embodies the result of my own research works and efforts, prepared under the supervision of Md. Mamunar Rashid, Associate Professor, and Dr. Shaikh Mostak Ahammed, Associate Professor, Department of Accounting, HSTU, Dinajpur.

I further affirm that work and information reported in this report is original and any part or whole has been submitted to, in any form, any other University or Institution for any degree or any other purpose.

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Contents

CHAPTER	TITLE	PAGE NO.
CHAPTER 1		1-3
1.1	Introduction	1
1.2	Objective of the study	1
1.3	Scope of the report	2
1.4	Limitation	2
1.5	Methodology	3
1.5.1	Sampling procedure	3
1.5.2	Data collection procedure	3
CHAPTER 2		4-10
2.1	About Export Import Bank of Bangladesh Ltd.	4
2.1.1	Background	4
2.1.2	Vision and Mission	5
2.1.3	Corporate culture	5
2.1.4	Social commitment	6
2.1.5	Achievement	6
2.1.6	Shariah Board	6
2.1.7	Shariah Auditing	7
2.2	Functional Organogram of EXIM Bank Limited Bangladesh (Head Office)	7
2.3	Banking with Shariah Principles	8
2.4	Banking Operation	8
2.4.1	Bank Operational Area	8
2.4.2	Product and Services	8
2.4.3	Investment / Finance	9
2.4.4	Syndicate Investment Mode of Investment	9
2.4.5	Deposit	9
2.4.6	Mudaraba Term Deposit	9
2.4.7	Mudaraba Savings Scheme	9
2.4.8	E cash/ ATM Service	10
CHAPTER 3		11-21
3.1	Customer Service for General Banking and My Understanding	11
3.2	General Banking	12
3.3	Credit/ Loan and Advance	12
3.4	Foreign Exchange	13
3.5	Export	13
3.6	Import	13
3.7	Letter of Credit (L/C)	13

Contents (Contd.)

CHAPTER	TITLE	PAGE NO.
3.8	The terms Documentary Credit	13
3.9	Other operations	13
3.10	Account Opening Section	14
3.10.1	Al- Wadia (Current) Account)	14
3.10.2	Mudaraba Savings (SB) Account	15
3.10.3	Mudaraba Short Term Deposit (MSTD) Account	15
3.10.4	Account Opening Procedure	15
3.11	Documents required for opening account	16
3.11.1	Individual / Joint Account	16
3.11.2	Partnership account	16
3.11.3	Proprietorship account	16
3.11.4	Limited company	17
3.11.5	Club/Societies account	17
3.12	Deposit Section	18
3.12.1	Accepting deposits	18
3.12.2	Fixed Deposit	18
3.13	Opening of fixed Deposit Account	19
3.14	Payment of interest	19
3.15	FDR	19
3.16	Cash Section	19
3.17	Function of the cash department 7.1.28 3.17.1 Cash Payment	20
3.17.2	Cash Receipt	20
3.17.3	Cash packing	20
3.18	New Product Development	20
3.18.1	Mudaraba	20
3.18.2	Musharaka	20
3.18.3	Murabaha	21
3.18.4	Ijarah	21
3.18.5	Bai-Muajjal	21
3.18.6	Quard	21
CHAPTER 4		22-24
4.1	SWOT Analysis and Recommendations	22
4.1.1	SWOT Analysis	22
4.1.2	Strengths	22
4.1.3	Weakness	22
4.1.4	Opportunities	23
4.1.5	Threats	24

Contents (Contd.)

CHAPTER	TITLE	PAGE NO.
CHAPTER 5		25-26
5.1	Findings of the study	25
5.1.1	Proposed Strategies	25
CHAPTER 6		27-28
6.1	Recommendations	27
CHAPTER 7		29
7.1	Conclusion	29
	REFERENCES	30

List of Figures

FIGURE NO.	TITLE	PAGE NO.
2.1	Functional Chart of EXIM Bank of Bangladesh Limited	7
3.1	Customer Satisfaction Organizational Diagram	11
4.1	SWOT Analysis diagram	23

Executive Summary

Export Import Bank of Bangladesh Limited has started journey as a private commercial bank on August 3, 1999.

EXIM Bank of Bangladesh Limited is divided into 3 sections:

1. General Banking section
2. Credit Section
3. Foreign Exchange Section

This report has been presented based on observation from each section, which is consisted of various departments.

GENERAL BANKING is the starting point of all the banking operations. It is the department, which provides day-to-day services to the customers. It opens new accounts, remit funds, issue bank drafts and pay orders etc. Provide customer through quick and sincere service is the goal of the general banking department.

FOREIGN EXCHANGE department plays significant roles through providing different services for the customers. Letters of Credit (LC) is the key player in the foreign exchange business. With the globalization of economies, international trade has become quite competitive. Timely payment for exports and quicker delivery of goods is, therefore, a pre-requisite for successful international trade operations.

To ensure this purpose EXIM Bank of Bangladesh Limited transmits L/C through SWIFT (Society for Worldwide Inter Bank Financial Telecommunication) to the advising bank.

EXIM Bank of Bangladesh Limited is providing different sorts LC services like L/C opening, lodgment, BLC (bills under letter of credit), Back to back LC etc. Foreign exchange department also provide foreign remittance lie travelers cherub, foreign demand draft, endorsement of US Dollar in passport etc.

BANK CREDIT is an important catalyst for bringing the economic development in a country. Without adequate finance, there can be no growth of a stable economy.

EXIM Bank of Bangladesh Limited being one of the largest private commercial bank of the country, has some prejudice to Finance directly on priority basis to agriculture,

industry and commerce sector for strengthening the economic base of the country.

CHAPTER 1

1.1 Introduction

The report is prepared on the basis of three (03) months practical experience at EXIM Bank of Bangladesh Limited that helps a lot to learn about the practical situation of a financial institution and implement theoretical knowledge in to practical and realistic work environment. EXIM Bank of Bangladesh Limited plays an important role to move the economic wheel of the country. Providing different sorts of credit and schemes like loan against imported merchandise (LIM), Trust Receipt, Bank Guarantee, Industrial Loan, SOD, Consumer Credit scheme, Executives Car Loan, House Finance is the main spring of the credit department.

Generally by the word BANK we can easily understand that the financial institution dealing with money .But there are different types of banks like central banks, commercial banks savings banks, investment banks, and co-operative banks etc. Banking system occupies an important place in a nation's economy because of its intermediary role, it ensures allocation and re allocation of resources and keeps up the momentum of economic activities.

One of the largest businesses carried out by the commercial bank is foreign trading. The trade among various countries falls for close link between the parties dealing in trade. The situation calls for expertise in the field of foreign operations. The bank, which provides such operation, is referred to as rendering international banking operation. Mainly transactions with overseas countries are respects of import; export and foreign remittance come under the preview of foreign exchange transactions. International trade demands a flow of goods from seller to buyer and of payment from buyer to seller. In this case the bank plays a vital role to bridge between the buyer and seller.

1.2 Objective of the study

This study is aimed at providing me invaluable practical knowledge with the consideration of my theoretical knowledge I had gain from MBA degree at the Hajee Mohammad Danesh Science and Technology University, Dinajpur, Department of Accounting. It will also help me to develop my concept of Islamic banking system and it operations.

The objectives are:

- To comply with the entire branch banking procedures.
- To make a bridge between the theories and practical procedures in a real life situation.
- To understand the terms that has been taught during my MBA period at the University in a real life situation.
- To analyze the Customer satisfaction of the branch as well as EXIM Bank Limited as a whole.
- To present my observation and suggestions to the bank and to increase knowledge.
- To analyze and understand the Customer minds towards the EXIM Bank Limited service.

1.3 Scope of the report

EXIM Bank of Bangladesh Limited, Dinajpur Branch, the scope of the study is only limited to this branch. This report covers all areas of banking activities of EXIM Bank of Bangladesh Limited. In the Dinajpur Branch that include Customer Service, Remittance, Cash, Accounts, Investment and Foreign Exchange department. The report limits itself to understanding the activities of various departments rather than aiming for an extensive analysis of the entire banking activities handled by EXIM Bank of Bangladesh Limited. It was beyond the scope of this report to study the entire process of each and every department because of feasibility and time considerations.

1.4 Limitation

To prepare report I face some limitation these are

- Access to data regarding different performance indication of EXIM Bank of Bangladesh Limited.
- The clients are shown very negative approach to give their opinion to the questionnaires. They were very much conservative to respond to the questions and they think that the study is only for nothing, only for time passing; only to fulfill the

requirement. They did not think it is crucial for our business graduate to gain practical knowledge.

- The sample size is major limitation of the report because a few number of clients were agreed to ask wit me about the topic and to give answer.
- Finally, I seek some recent data which were needed to enrich the report. But the unwillingness of executives of EXIM Bank of Bangladesh Limited due to confidentiality was made my intention in vain.

1.5 Methodology

For every research, few assumptions will have to be made. The assumptions are made with the respect to the respondent's, organization, market and its conditions hoping that the result will be as that of the presented objectives.

- Collection of data through personal interview with structured questionnaire is easy and correct.
- The research methodology for the study is appropriate.
- The sample size of 50 from several places is adequate to analyze the customers satisfaction of foreign exchange of EXIM Bank of Bangladesh Limited and it represents the population of the study.

1.5.1 Sampling procedure

A total of 50 respondents from several places by mall intercepting are taken as sample for the present study. The sampling procedure used in this study is non probability sampling namely convenience sampling. Convenience sampling technique is used because it is the least expensive and least time consuming of all sampling techniques and sampling units are easily accessible.

1.5.2 Data collection procedure

The study contains both primary and secondary data. Secondary data have been collected from both national and international sources. The research instrument used to collect the response from the respondents is a structured and self-administered questionnaire. Data have been collected through survey with the 50 clients using dichotomous questions, determinant-choice, open ended questions, and multiple choices on a 5 points.

CHAPTER 2

2.1 About Export Import Bank of Bangladesh Ltd.

2.1.1 Background

Export Import Bank of Bangladesh Limited was established in the year 1999 under the leadership of Late Mr. Shah-jahan Kabir, Founder Chairman who had a long dream of floating a commercial bank which would contribute to the socio-economic development of our country. He had a long experience as a good banker. A group of highly qualified and successful entrepreneurs joined their hands with the founder chairman to materialize his dream. Indeed, all of them proved themselves in their respective business as most successful star with their endeavor, intelligence, hard working and talent entrepreneurship. Among them, Mr. Nazrul Islam Mazumder who is an illuminated business tycoon in the Garments business in Bangladesh became the Honorable Chairman after the demise of the honorable founder chairman. He is also the chairman of Bangladesh Association of Banks (BAB). Under his leadership, BAB has emerged as an effective forum for exchanging views on problems being faced by the banking sector of Bangladesh and for formulating common policy guidelines in addressing such problems.

The Bank starts functioning from 3rd August, 1999 with its name as Bengal Export Import Bank Limited. On 16th November 1999, it was renamed as Export Import Bank of Bangladesh Limited with Mr. Alamgir Kabir as the Founder Advisor and Mr. Mohammad Lakiotullah as the Founder Managing Director respectively. Both of them have long experience in the financial sector of our country. By their pragmatic decision and management directives in the operational activities, this bank has earned a secured and distinctive position in the banking industry in terms of performance, growth, and excellent management. Under the leadership of Mr. Lakiotullah, the Bank has migrated all of its conventional banking operation into Shariah Based Islami Banking in the year July 2004.

In the year 2006, Mr. Kazi Masihur Rahman became the Managing Director of the bank when Mr. Lakiotullah left the bank after completion of his successful 7 years as MD. Mr. Kazi served in the bank for next five years. Under his leadership, the bank has been placed on a state of the art centralized IT platform with two modern data centers where world renowned core banking software TEMENOS T24 is running along with some

alternate delivery channels like ATM and SMS banking.

On 25th August, 2011, Mr. Md. Fariduddin Ahmed has joined in the bank as Managing Director. With his long banking experience, EXIM Bank become fully compliant Bank with adequate capital and good asset quality. After retirement from Managing Director, he has been continuing his service for EXIM Bank as Advisor since 27th July 2012.

Dr. Mohammed Haider Ali Miah succeeded Mr. Fariduddin Ahmed on July 25, 2012 and has created a new dimension in EXIM history becoming the first ever in-house Managing director and CEO of the Bank. Under his far-sighted leadership, EXIM Bank has not only achieved uppermost level of performance in almost each arena of its activities but also gained confidence to place itself as one of the dynamic banks through delivering transparent and standard banking services to the customers in a compliant manner.

2.1.2 Vision and Mission

Vision and mission of the Bank are stated in the following:

- To be the finest bank in the banking arena of Bangladesh under the Shariah Guidelines. To maintain Corporate and business ethics.
- To become a trusted repository of customers' money and their financial advisor.
- To make stock superior and rewarding to the customers/share holders.
- To display team spirit and professionalism.
- To have a Sound Capital Base.
- To provide high quality financial services in export and import trade.
- To provide excellent quality Customer service.

2.1.3 Corporate culture

This bank is one of the most disciplined Banks with a distinctive corporate culture. Here we believe in shared meaning, shared understanding and shared sense making. Our people can see and understand events, activities, objects and situation in a distinctive

way. They adapt their manners and etiquette, character individually to suit the purpose of the Bank and the needs of the customers who are of paramount importance to us. The people in the Bank see themselves as a tight knit team/family that believes in working together for growth. The corporate culture we belong has not been imposed; it has rather been achieved through our corporate conduct.

2.1.4 Social commitment

The purpose of our banking business is, obviously, to earn profit, but the promoters and the equity holders are aware of their commitment to the society to which they belong. A chunk of the profit is kept aside and/or spent for socio-economic development through trustee and in patronization of art, culture and sports of the country. We want to make a substantive contribution to the society where we operate, to the extent of our separable resources.

2.1.5 Achievement

It is a great pleasure that by the grace of Almighty Allah, we have migrated at a time all the branches from its conventional banking operation into Shariah based Islami banking Operation without any trouble. Lot of uncertainties and adversities were there into this migration process. The officers and executives of our bank motivated the valued customers by counseling and persuasion in light with the spirit of Islam especially for the non-Muslim customers. Our IT division has done the excellent job of converting and fitting the conventional business processes into the processes based on Shariah.

2.1.6 Shariah Board

The Board of directors has formed a Sharia Supervisory Board for the Bank. Their duty is to monitor the entire Bank's transactional procedures, & assuring its Sharia compliance. This Board consists of the following members headed by its Chairman. The tasks of the Sharia supervisor in summary is replying to queries of the Bank's administration, staff members, shareholders, depositors, & customers, follow up with the Sharia auditors and provide them with guidance, submitting reports & remarks to the Fatwa & Sharia Supervision Board and the administration, participating in the Bank's training programs, participating in the supervision over the Allqisad Allislami magazine, & handling the duty of being the General Secretary of the Board.

2.1.7 Shariah Auditing

This is the civil supervisory aspect that shapes the Bank’s main feature. Its existence is part of the Sharia Supervision procedures. One of its main tasks is to check the Sharia compliance in the Bank’s transactional procedures in accordance to the Fatwas issued in that regard under the guidance of Shariah Supervisor. The Sharia auditor is assigned the task of revising the Bank’s transactional procedures throughout the year to check the extent to which the staff members and the different departments have abided by the regulations, advices, and Fatwas issued by the Fatwa & Sharia Supervision Board, forums, & banking conferences. As well as, assuring that all the contracts that states a right for the Bank or an obligation on the Bank is certified by The Fatwa & Sharia Supervision Board. Moreover, the Sharia Auditing submits periodic reports to the Sharia Supervisor in order to be proposed to the Fatwa & Sharia Supervision Board to state what it finds appropriate in that regard.

2.2 Functional Organogram of EXIM Bank Limited Bangladesh (Head Office)

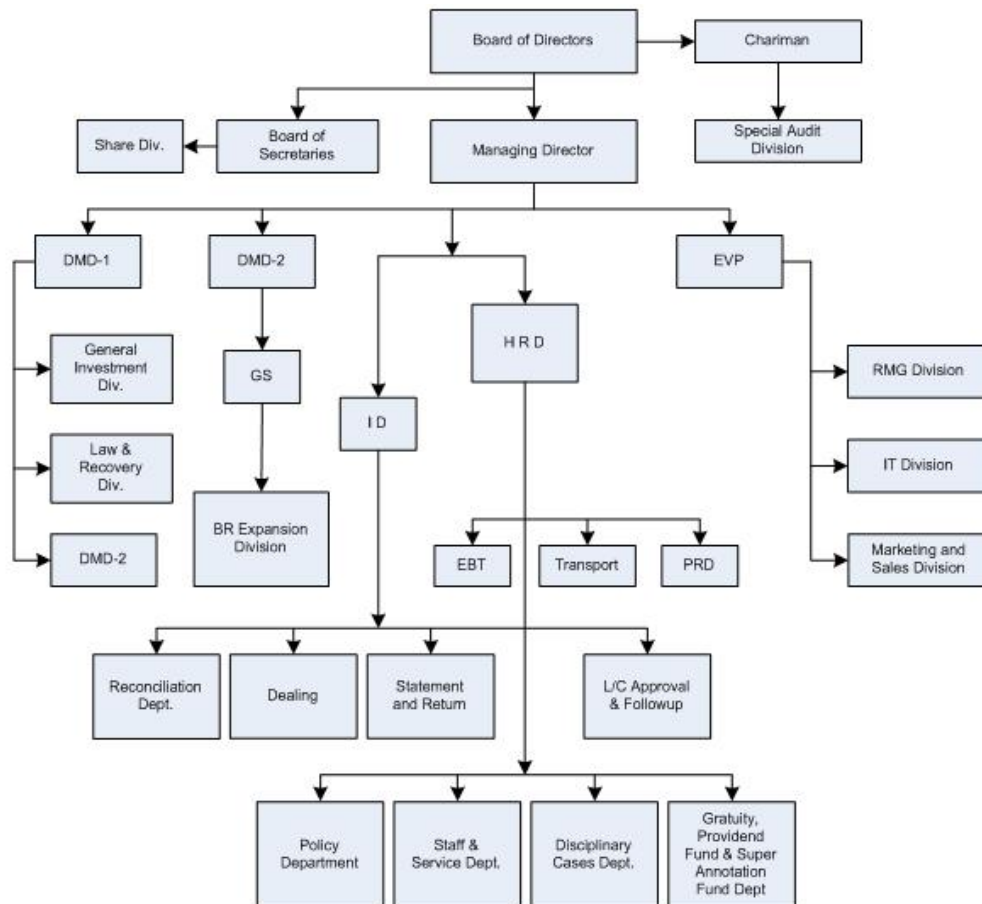


Figure 2.1: Functional Chart of EXIM Bank of Bangladesh Limited

2.3 Banking with Shariah Principles

Export Import Bank of Bangladesh Limited is the 1st bank in Bangladesh who has converted all of its operations of conventional banking into shariah-based banking since July 2004. We offer banking services for Muslims and non-Muslims alike allowing our customers choice and flexibility in their savings and investments. Our products are approved by our Shariah Board comprising of veteran Muslim scholars of our country who are expert in all matters of Islamic finance.

The process by which Noriba's investments are designed and executed allows the Bank to offer a combination of Sharia compliance and capital markets expertise. Noriba is committed to the strict adherence to the requirements of the Sharia as a result of the Bank's sole focus on Sharia-compliant investments and the full supervision of its financial products and transactions by the Noriba Sharia Board. Noriba experts specifically design each of the Bank's investment vehicles with the approval of the Noriba Sharia Board. Once the given product or transaction has been arranged, the Noriba Sharia Board carefully screens it for compliance before giving final approval for its implementation. This control mechanism guarantees that all aspects of Noriba's final products and banking transactions are in adherence with the guidelines of the Sharia.

2.4 Banking Operation

2.4.1 Bank Operational Area

Export and Import Trade Handling and Financing

As a commercial Bank, we do all traditional Banking business including the wide range of savings and credit scheme products, retail banking and ancillary services with the support of modern technology and professional Excellency. But our main focus is, for obvious reason, on export and import trade handling and the development of entrepreneurship and patronization of private sectors.[6]

2.4.2 Product and Services

- Super Savings Scheme Monthly Savings
- Scheme Monthly Income Scheme
- Multi plus Savings Hajj Deposit

2.4.3 Investment / Finance

- Corporate Finance
- Industrial Finance
- Project Finance

2.4.4 Syndicate Investment Mode of Investment

- MurabahaQuard
- BaiMuazzal Local Documentary Bill Purchased
- IzaraBilBaia Foreign Documentary Bill Purchased
- WaziratBilWakala

2.4.5 Deposit

- Al-Wadia Current Deposit
- Mudaraba Savings Deposit
- Mudaraba Short Term Deposit

2.4.6 Mudaraba Term Deposit

- One Month Twelve Months
- Three Months Twenty Four Months
- Six Months Thirty Six Months

2.4.7 Mudaraba Savings Scheme

- Monthly Savings Scheme (Money Grower)
- More than triple the Deposit in 10 years (Multi plus Savings)
- Monthly Income Scheme (Steady Money) Mudaraba Hajj Deposit
- More than double the deposit in 6 years (Super Savings)

The Bank emphasizes on non-fund business and fee based income. Bid bond/ bid security can be issued at customer's request. The Bank is posed to extend L/C facilities to its importers / exporters through establishment of correspondent relations with leading banks all over the world.

2.4.8 E cash/ ATM Service

The bank is currently providing Credit Card Service (MasterCard) to the privileged customers of the bank in collaboration of Prime Bank Limited. Floating VISA card for both Debit and Credit card service is under process.

CHAPTER 3

3.1 Customer Service for General Banking and My Understanding

The most important asset of any organization is its customers. An organization's success depends on how many customers it has, how much they buy, and how often they buy. Customers that are satisfied will increase in number, buy more, and buy more frequently. Satisfied customers also pay their bills promptly, which greatly improves cash flow-the lifeblood of any organization. The organizational diagram in Figure-1 best exemplifies just how important the customer is to any organization

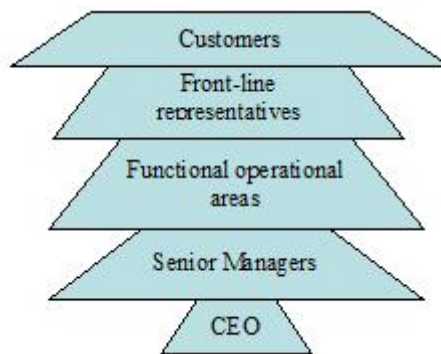


Figure 3.1: Customer Satisfaction Organizational Diagram

A company is a device for transforming inputs into outputs. The simplest measure of efficiency is the quantity of inputs that it takes to produce a given output; that is, $\text{Efficiency} = \text{outputs}/\text{inputs}$.

A company can increase efficiency through a number of steps. These include exploiting economies of scale and learning effects, adopting flexible manufacturing technologies, reducing customer defection rates, getting R&D function to design products that are easy to manufacture, upgrading the skills of employees through training, introducing self-managing teams, linking pay to performance building a companywide commitment to efficiency through strong leadership, and designing structures that facilitate cooperation among different functions in pursuit of efficiency goals.

To achieve superior customer responsiveness often requires that the company achieve superior efficiency, quality, and innovation. To achieve superior customer responsiveness, a company needs to give customers what they want when they want it. It

must ensure a strong customer focus, which can be attained through leadership; training employees to think like customers; bringing customers into the company through superior market research; customizing the product to the unique needs of individual customers or customer groups; and responding quickly to customers demands.

Customer's satisfaction depends on Efficacy of customer service. If customers of the bank are satisfy on the banking service then the efficacy will be positive. On the other hand, if customers are dissatisfy then the efficacy will be negative.

Efficacy of customer service is related with progression of operation. We can identify the efficacy of customer service by studying the progress of EXIM Bank from starting to at present. The progress of EXIM Bank limited is very rapid with the concern of its profit making and growth of its operation within the country towards the country's economy.

3.2 General Banking

The main activities of general banking division are as follows;

- i. Accounts Opening.
- ii. Issuing check books and account closing.
- iii. Remittance.
- iv. Clearing Department.
- v. General Enquiries.
- vi. Customer complaints.
- vii. ITS Department.

3.3 Credit/ Loan and Advance

EXIM bank provides various types of loan to individual and organizations. The main three type's loans are;

- i. Cash credit,
- ii. Consumer credit, and
- iii. Security overcomes.

3.4 Foreign Exchange

The department deals with export and Import activities are called foreign Exchange department. The widely used terms in this division are described briefly following:

3.5 Export

When any organization/company want to sale any goods or services to the buyer in live in another country, is called export the goods/services. In this regard, the seller needs a Letter of Credit (L/C) from the buyer for the confirmation of payment.

3.6 Import

When any organization/company want to buy any goods or services from the seller live on other country, is called import the goods/services. In this regard the buyer needs to open a Letter of Credit (L/C) to the name of seller's company for the confirmation of payment.

3.7 Letter of Credit (L/C)

The documentary credit is a commitment on the bank's part to place an agreement at the seller's disposal on behalf of the buyer under precisely defined conditions.

3.8 The terms Documentary Credit

In actual practice, a number of different expressions have emerged for this type of business, all of which basically mean the same

- i. Buyer (Importer).
- ii. Seller (Exporter).
- iii. L/C Issuing Bank (Buyer's Bank).
- iv. Advising Bank (Issuing bank correspondent at seller's place).
- v. Negotiating Bank (Seller's Bank). (Some time the advising bank and the negotiating bank become the same bank)

3.9 Other operations

The bank does all traditional banking business including Islamic Banking services in selective branches.

- i. Deposits, which are the lifeblood for the bank, among the other modes, are

mobilized through a variety of saving scheme. The bank also handles Traveler checks, Credit cards. Consumer credit facilities, Inland and foreign remittance of the fund and operates in the money market.

- ii. In capital market operations, it engages itself in share and securities business, mutual fund management and brokerage house activities.
- iii. Bank is poised to extend L/C facilities to its importer/exporter.
- iv. Customers through establishment of correspondent relations and Nostro Accounts with leading Banks all over the world.
- v. The bank trades and commerce with added emphasis on foreign exchange. The bank also adopts Micro-credit and Agro-credit schemes.

3.10 Account Opening Section

Account opening is the gateway for clients to enter into business with bank. It is the foundation of banker customer relationship. This is one of the most important sections of a branch, because by opening accounts bank mobilizes funds for investment. Various rules and regulations are maintained and various documents are taken while opening an account. A customer can open different types of accounts through this department. Such as:

3.10.1 Al- Wadia (Current) Account)

Current account is purely a demand deposit account. There is no restriction on withdrawing money from the account. It is basically justified when funds are to be collected and money is to be paid at frequent interval. Some Important Points are as follows

- i. Minimum opening deposit of TK.1000/- is required;
- ii. There is no withdrawal limit.
- iii. No interest is given upon the deposited money;
- iv. Minimum Tk.1000/= balance must always maintain all the time.

3.10.2 Mudaraba Savings (SB) Account

This deposit is primarily for small-scale savers. Hence, there is a restriction on withdrawals in a month. Heavy withdrawals are permitted only against prior notice.

Some Important Points are as follows

- i. Minimum opening deposit of Tk.5000/= is required;
- ii. Minimum Tk. 1000/= balance must always maintain all the time;
- iii. Withdrawal amount should not be more than 1/4th of the total balance at a time and limit twice in a month.
- iv. If withdrawal amount exceed 1/4th of the total balance at a time no interest is given upon the deposited money for that month.

3.10.3 Mudaraba Short Term Deposit (MSTD) Account

Normally various big companies, organizations, Government Departments keep money in MSTD account. Frequent withdrawal is discouraged and requires prior notice. The deposit should be kept for at least seven days to get interest. The interest offered for MSTD is less than that of savings deposit. Interest is calculated based on daily minimum product and paid two times in a year.

3.10.4 Account Opening Procedure

Steps:	Procedures
Step 1	Officials of the Bank not below the rank of an Assistant officer. A respectable person of the locality well known to the Manager or Sub-Manager of the Branch concerned.
Step 2	what type of account is desired to be opened
Step 3	Two copies of passport size photographs from individual are taken, in case of firms photographs of all partners are taken. Applicants must submit required documents Application must sign specimen signature sheet and give mandate

	Introducer's signature and accounts number – verified by legal officer
Step 4	Authorized Officer accepts the application
Step 5	Minimum balance is deposited - only cash is accepted
Step 6	Account is opened and a Cheque book and pay-in-slip book is given

3.11 Documents required for opening account

3.11.1 Individual / Joint Account

- i. Introduction of the account.
- ii. Two photographs of the signatories duly attested by the introducer.
- iii. Identity (copy of passport).
- iv. Joint Declaration Form (For joint a/c only).
- v. Employee's Certificate (in case of service holder).

3.11.2 Partnership account

- i. Introduction of the account.
- ii. Two photographs of the signatories duly attested by the introducer.
- iii. Partnership letter duly signed by all partners (Sign should be similar as stated in Partnership Deed).
- iv. Partnership Deed duly certified by Notary public.
- v. Registration (If any).
- vi. Updated Trade license.

3.11.3 Proprietorship account

- i. Introduction of the account.
- ii. Two photographs of the signatories duly attested by the introducer.

- iii. Valid copy of Trade License.
- iv. Rubber stamp.
- v. TIN number certificate.
- vi. Identity (Copy of passport).
- vii. Permission letter from DC/ Magistrate (in case of newspaper)

3.11.4 Limited company

- i. Introduction of the account.
- ii. Two photographs of the signatories duly attested by the introducer.
- iii. Valid copy of Trade License.
- iv. Board resolution of opening A/C duly certified by the Chairman/Managing Director.
- v. Certificate of Incorporation.
- vi. Certificate of Commencement (In case of Public limited company).
- vii. Certified (joint stock) true copy of the Memorandum and Article of Association of the Company duly attested by Chairman or Managing Director.
- viii. List of directors along with designation & specimen signature.
- ix. Latest certified copy of Form xii (to be certified by register of joint stock companies) (In case of Directorship change).
- x. Rubber Stamp (Seal with designation of each person)
- xi. Certificate of registration (In case of Insurance Company Obtained from department of Insurance from the Peoples Republic of BD).

3.11.5 Club/Societies account

- i. Introduction of the account.
- ii. Two photographs of the signatories duly attested by the introducer.

- iii. Board Resolution for Opening A/C duly certified by President/ Secretary.
- iv. List of Existing Managing Committee.
- v. Registration (if any).
- vi. Rubber Stamp.
- vii. Permission letter from Bureau of N.G.O.(In case of N.G.O. A/C).

3.12 Deposit Section

Deposit is the lifeblood of a bank. From the history and origin of the banking system we know that deposit collection is the main function of a bank.

3.12.1 Accepting deposits

The deposits that are accepted by EXIM Bank of Bangladesh Limited like other banks may be classified in to, Demand Deposits

These deposits are withdrawn able without notice, e.g. current deposits. EXIM Bank of Bangladesh Limited accepts demand deposits from the fellow bankers

- i. Current account
- ii. Savings account
- iii. Call deposits Time Deposits

A deposit which is payable at a fixed date or after a period of notice is a time deposit. EXIM Bank of Bangladesh Limited accepts time deposits through Fixed Deposit Receipt (FDR), Short Term Deposit (STD) and Bearer Certificate Deposit (BCD) etc. While accepting these deposits, a contract is done between the bank and the customer. When the banker opens an account in the name of a customer, there arise contracts between the two. This contract will be valid one only when both the parties are competent to enter into contracts. As account opening initiates the fundamental relationship & since the banker has to deal with different kinds of persons with different legal status, EXIM Bank of Bangladesh Limited officials remain very much careful about the competency of the customers.

3.12.2 Fixed Deposit

The Local Remittance section of EXIM Bank of Bangladesh Limited also issues FDR. They are also known as time deposit or time liabilities. These are deposits, which are made with the bank for a fixed period, specified in advance. The bank need not maintain cash reserves against these deposits and therefore, the bank offers higher of interest on such deposits.

3.13 Opening of fixed Deposit Account

The depositor has to fill an account form where in the mentions the amount of deposit, the period for which deposit is to be made and name/names is which the fixed deposit receipt is to be issued. In case of a Joint name EXIM Bank of Bangladesh Limited also takes the instructions regarding payment of money on maturity of the deposit. The banker also takes specimen signatures of the depositors. A fixed deposit account is then issued to the depositor acknowledging receipt of the sum of money mentioned there. It also contains the rate of interest and the date on which the deposit will fall due for payment.

3.14 Payment of interest

It is usually paid on maturity of the fixed deposit. EXIM Bank of Bangladesh Limited calculates interest at each maturity date and provision is made on that miscellaneous creditor expenditure payable account is debited for the accrued interest.

3.15 FDR

In case of premature FDR EXIM Bank of Bangladesh Limited is not bound to accept surrender of the deposit before its maturity date. In order to deter such a tendency the interest on such a fixed deposit is made cut a certain percentage less the agreed rate. Normally savings bank deposit is allowed. In case of lost of FDR the customer is asked to record a GD (general diary) in the nearest police station. After that the customer has to furnish an Indemnity Bond to EXIM Bank of Bangladesh Limited a duplicate FDR is then issued to the customer by the bank. EXIM Bank of Bangladesh Limited the instrument is automatically renewed within seven days after the date of its maturity if the customer does not come to encase the FDR.

3.16 Cash Section

Banks, as a financial institution, accept surplus money from the people as deposit and give them opportunity to with-draw the same by cheque, etc. But among the banking activities, cash department play an important role. It does the main function of a commercial bank i.e. receiving the deposit and paying the cash on demand. As this department deals directly with the customers, the reputation of the bank depends much on it. The functions of a cash department are described bellow:

3.17 Function of the cash department 7.1.28 3.17.1 Cash Payment

- i. Cash payment is made only against cheque.
- ii. This is the unique function of the banking system which is known as payment on demand
- iii. It makes payment only against its printed valid Cheque.

3.17.2 Cash Receipt

- i. It receives deposits from the depositors in form of cash.
- ii. So it is the mobilization unit of the banking system.
- iii. It collects money only its receipts forms.

3.17.3 Cash packing

After the banking hour cash is packed according to the denomination. Notes are counted and packed in bundles and stamped with initial.

3.18 New Product Development

The new product can be developed in new market or existing market. New product can also be launched in improved market or in the new market. Innovation a product essentially means developing a product resulting in an increase in the product line. These enable diversifying business risks, continuing life cycle of a product and also ensures profits.

3.18.1 Mudaraba

Mudaraba means the hiring of capital. It is a contract in a profit sharing where one party provides capital/funds and the other labor/work. Under this system, banks provide the capital and clients provide expertise and profit is shared according to agreed ratio.

3.18.2 Musharaka

This mode of finance is represented by two or more financiers in contributions of equal or unequal ratios of capital to establish a new project or to participate in an established one and all partners are entitled to share the total profits of the venture according to ratio as mutually agreed upon allowing for managerial skills to be remunerated.

3.18.3 Murabaha

About 70 to 80 percent of financial operations of most of the Islamic banks belong to this segment. It enables the investor to obtain finished goods, raw materials, machinery or equipment from the local market or through import by opening letter of credit (L/C). Under this technique, bank buys the goods upon the request of the client and then the customer from the bank purchases these goods with a fixed period of time or by installment with a cost, which includes cost of goods plus mark-up profit.

3.18.4 Ijarah

Ijarah financing under Islamic Shariah is same as the western concept of leasing. In Ijarah financing, the bank finances capital goods to industrial project against payment of a rent by installment.

3.18.5 Bai-Muajjal

Bai-Muajjal means sale for which payment is made at a future fixed date or within a fixed period. Bai-Muajjal is treated as a contract between the bank and the client under which the bank sells to the client certain specified goods at an agreed price payable within a fixed future date in lump sum or by installments. By this credit sell bank possession of the goods also.

3.18.6 Quard

Quard is interest free loan to the holder of investment accounts of the bank on compassionate ground.

CHAPTER 4

4.1 SWOT Analysis and Recommendations

4.1.1 SWOT Analysis

SWOT analysis is the detailed study of an organization's exposure and potential in perspective of its strength, weak-ness, opportunity and threat. This facilitates the organization to make their existing line of performance and also foresee the future to improve their performance in comparison to their competitors. As though this tool, an organi-zation can also study its current position, it can also be considered as an important tool for making changes in the strategic management of the organization.[10]

4.1.2 Strengths

- EXIM Bank of Bangladesh Limited has already established a favorable reputation in the banking industry of the country. It is one of the leading private sector commercial banks in Bangladesh. The bank has already shown a tremendous growth in the profits and deposits sector.
- EXIM Bank of Bangladesh Limited has provided its banking service with a top leadership and management position. The top management officials have all worked in reputed banks and their years of banking experience, skill, and expertise will continue to contribute towards further expansion of the bank.
- EXIM Bank of Bangladesh Limited has already achieved a high growth rate accompanied by an impressive profit growth rate in 2001. The number of deposits and the loans and advances are also increasing rapidly.
- EXIM Bank of Bangladesh Limited has the reputation of being the provider of good quality services to its potential customers.

4.1.3 Weakness

- The main important thing is that the bank has no clear mission statement and strategic plan. The banks not have any long-term strategies of whether it wants to focus on retail banking or become a corporate bank. The path of the future should

be determined now with a strong feasible strategic plan.

- The bank failed to provide a strong quality-recruitment policy in the lower and some mid level position. As a result the services of the bank seem to be Deus in the present days.
- The poor service quality has become a major problem for the bank. The quality of the service at EXIM Bank of Bangladesh Limited is higher than the Dhaka Bank, Prime Bank or Dutch Bangle Bank etc. But the bank has to compete with the Multinational Bank located here.

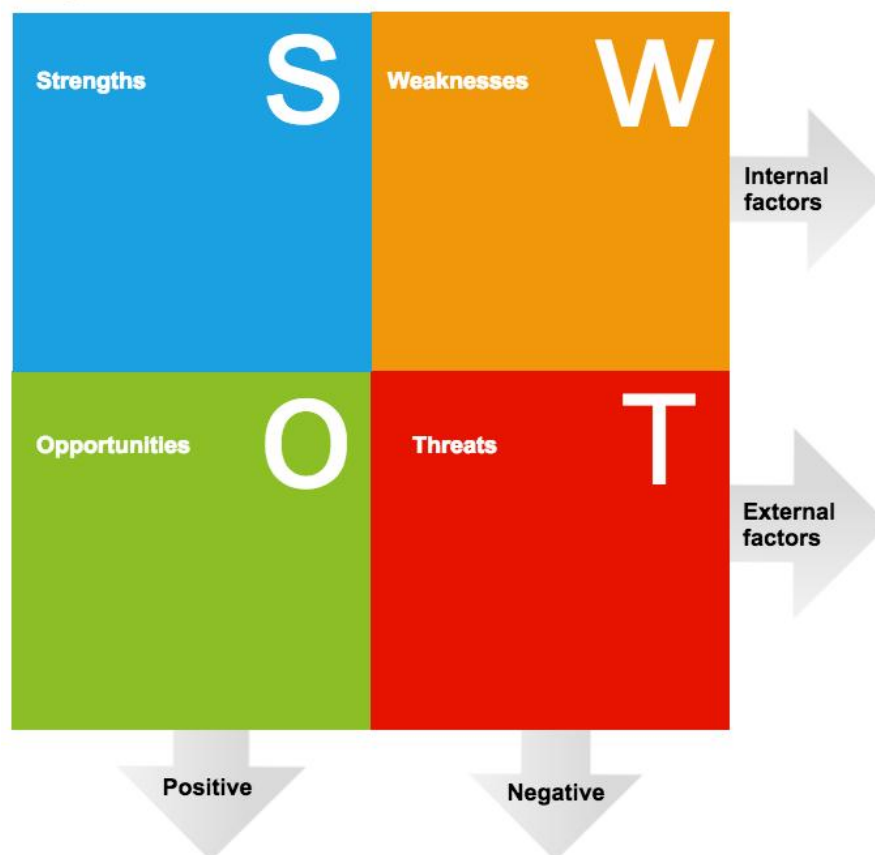


Figure 4.1 SWOT Analysis diagram

4.1.4 Opportunities

- In order to reduce the business risk, EXIM Bank of Bangladesh Limited has to expand their business portfolio. The management can consider options of starting merchant banking or diversify into leasing and insurance sector.
- The activity in the secondary financial market has direct impact on the primary

financial market. Banks operate in the primary financial market. Investment in the secondary market governs the national economic activity. Activity in the national economy controls the business of the bank.

- Opportunity in retail banking lies in the fact that the country's increased population is gradually learning to adopt consumer finance. The bulk of our population is middle class. Different types of retail lending products have great appeal to this class. So, a wide variety of retail lending products has a very large and easily predictable market.
- A large number of private banks coming into the market in the recent time. In this competitive environment EXIM Bank of Bangladesh Limited must expand its product line to enhance its sustainable competitive advantage.

4.1.5 Threats

- All sustain multinational banks and upcoming foreign, private banks possess enormous threats to EXIM Bank of Bangladesh Limited. If that happens the intensity of competition will rise further and banks will have to develop strategies to compete against an onslaught of foreign banks.
- The default risks of all terms of loan have to be minimizing in order to sustain in the financial market. EXIM Bank of Bangladesh Limited has to remain vigilant about this problem so that proactive strategies are taken to minimize this problem if not elimination.

CHAPTER 5

5.1 Findings of the study

EXIM Bank of Bangladesh Limited General Banking & Foreign Exchange Department missions are to actively participate in the growth and expansion of our national economy by providing credit & foreign exchange facility to viable borrowers, efficiently delivered and competitively priced. The following general policy guidelines govern the implementation of the business strategy of EXIM Bank of Bangladesh Limited with respect to credit & foreign exchange risk. EXIM Bank of Bangladesh Limited has a well established HR department, consisting lots of talented personnel.

5.1.1 Proposed Strategies

- HR department of EXIM Bank of Bangladesh Limited Provides a better planning and compensation package to their employees which well enough compare to its peer group.
- Personnel Research and Information system is created and updated based on branch information.
- How tasks, authority and systems will be organized and integrated across organization units and in individual jobs. All of these are well designed in this organization.
- This Bank helps that customer who is engage in export and import business.
- Credit facilities of EXIM Bank of Bangladesh Limited are more dynamic and less time consuming than other banks.
- It is does not extend any credit facility against cheque or pledge of goods.
- General banking side provides different types of deposit and credit department extended loan facilities to the general customer.
- It is follows the Islamic rules in every part of general banking.
- Most of the Loan products of EXIM Bank of Bangladesh Limited of similar types. This Bank makes loan only to reputable clients who are involved in legitimate business activities and whose income and wealth are derived from legitimate

sources.

- This Bank does not extend credit where it does not have the industry knowledge or highly specialized skills needed to properly evaluate the proposal.
- Bank requires that borrowers have a source of repayment established at the inception of the credit, and that any exception must be specifically addressed in the approval of credit.
- It is engaged primarily in the extension of credit in Bangladesh Taka or in the same currency as the collateral.
- This Bank unsecured lending practices favor extensions of credit for short term, self-liquidating transactions. This Bank extends venture capital to start up business or to businesses, which are entirely dependent on new technologies, but is considered with extreme caution and also secured by first class or other acceptable collateral.

The EXIM Bank of Bangladesh Limited foreign exchange service should be improved and the employees of EXIM Bank of Bangladesh Limited should be friendlier and try to solve client problem as early as possible.

CHAPTER 6

6.1 Recommendations

EXIM Bank of Bangladesh Limited should try to develop the process of providing services. To get a perfect process of delivering services, the customers should be asked. In the recent study customer put emphasis mostly on one-stop customer services. An exploratory research should be conducted to find out the other elements that have impact over the efficacy of customer services.

- If the enter general Banking system is fully computerized then they satisfy the customer by provide fast service.
- If they establish networking system with their branches then it can easily transfer data within short time.
- Customer satisfied with the price charge by EXIM, but they have not too much awareness about the price charged. Customer's awareness should be build over pricing strategy.
- Local office should take more bills that will develop the awareness of customer.
- The office layout should be designed in a way so that, there is no chance of confusing customer. The cash receive section will be totally separated from the cash paying section.
- Some offices are decorated in a much-unstructured way. All the offices should be decorated with the help of Interior Design Company. So that maximum efficacy of services can be provided.
- Customer is the hearts of the organization. They should provide more space in the office and if possible, they should have some entertainment facility. For example: a television with some dynamic channels like discovery, animal planet, national geography etc. as a result they will be more patient while the services has been processed.
- The employees of the different branch should be trained continuously.
- As because bank is a financial institution, the EXIM should recruit more persons,

having commerce back-grounds.

- Each branch should be decorated with electronic display board, which will show that which table is performing what function and now that is serving. The branches should be decorated with proper sound system facility, which will be helpful to communicate with the customer more easily. This system will decrease the confusion of the customer, which ultimately will increase the efficiency of customer services.
- The employees of the cash counter are the persons who are having direct contact with the customer. So, these employees should be more smart and active.
- Foreign exchange is the most profitable department of each branch.

So, EXIM Bank of Bangladesh limited should think about opening more branches internationally, mostly where they have enough operations. It will facilitate the foreign trade. As a result, efficacy at the foreign trade will be increased.

CHAPTER 7

7.1 Conclusion

As an internee of EXIM Bank of Bangladesh Limited. I have truly enjoying my internship from the learning and experience viewpoint. I am confident that this three months internship program at EXIM Bank will definitely help me to realize my further carrier in the job market. EXIM bank has converted all of their system and policy of traditional banking to Islami Banking. I think which a very practical and bold decision is. As there are lots of local and foreign banks in Bangladesh the EXIM Bank Ltd. is promising commercial Bank among them. In this competitive market Exim Bank has to compete not only the others commercial banks but also with the public Bank. EXIM Bank Ltd. is more capable of contributing towards economic development as compared with other bank. Exim Bank Ltd. invested more funds in export and import business. It is obvious that the right thinking of this bank including establishing a successful network over the country and increasing resources will be able to play a considerable role in the portfolio of development. Success in the banking business largely depends on effective lending.

During the course of my practical orientation I have tried to learn the practical banking activities to realize it with my theoretical knowledge, which I have greathearted and going to acquire from various courses of my MBA Degree.

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