



UNITED INTERNATIONAL UNIVERSITY

Report On-

“General Banking activities of the Al-Arafa Islami Bank Limited”

Course Code: INT 4399

Submitted to

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Date of submission: 25th February, 2019

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Letter of Transmittal

Date: 25-02-2019

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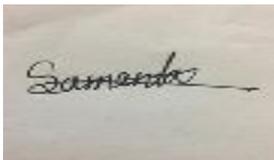
Subject: Submission of Internship Report.

Dear Sir,

With respect I state that, it's a matter of pleasure to me that I am going to submit the report on "**General Banking activities of the Al-Arafah Islami Bank Limited**" which was observed by you.

I have tried my best to follow your rules and guidelines while preparing the report. I tried to collect and gather important information to make the report more specific and valuable. I want to thank you for your help regarding this report. I will be very grateful to you if you accept my report. Your support in this regard will be highly appreciated.

Sincerely yours,



.....
Md Shajidul Islam Shakil

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Acknowledgement

First of all I would like to thank and show my gratitude to almighty Allah to give me the ability to fulfill this report. As an internee, I learned a lot of things from Al-Arafah Islami Bank Limited, Shyamoli Branch; which will be an asset for my lifetime. Though the time was short to gather enough knowledge, it was a great opportunity for my career. I am so grateful to my supervisor, Mohammad A. Ashraf (Associate Professor; Economics, School of business and Economics, United International University) for his incredible suggestions and guidance. I would like to thank all the employees of Al-Arafah Islami Bank Limited, Shyamoli Branch for the unconditional love and support they have shown to me. They always treat me as a member of their team. Besides I have special appreciation towards following resource person for helping me:

1. Md. Kamrul Islam, Manager of Branch.
2. Mohammad Warish, Manager Operation.
3. Sadiya Nowsin, General Banking In charge.
4. Qazi Monirul Islam, Senior Officer.
5. Anawarul Kabir, Executive Officer.
6. Farid Hasan, Cash In charge.

Finally, I am grateful to my parents, family members and my friends who helped me to complete my report even in hard situation.

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Executive Summary

After studying numerous theoretical concepts during the various coursework's of my BBA program at Majoring in Finance, United International University understanding the practical implications and applications is the next step in the learning process. The BBA internship program provides an opportunity for such steps. In due course of completing my internship project and compiling this report I came to learn about the General Banking activities of the Al-Arafah Islami Bank Limited.

This report is an effort to reflect a clear idea about the General Banking activities of Al-Arafah Islami Bank Limited. AIBL is committed to build an Islamic Shoriya business and give their client to profit that rate should be a changeable because AIBL provide their customers profit not interest so that's why profit should be a changeable that brings benefit to the society, environment and the economy of Bangladesh. AIBL always try to develop a green office and creating awareness on green banking activities and providing instruction to all employees on efficient use of energy, water, saving paper etc. AIBL always maintain the honesty, integrity and fairness in all CSR practices. AIBL involved with and supporting local and national communities.

Chapter 1

Introduction

1.1 Background of the study

Bachelor of Business Administration (BBA) program consists of integrated theoretical and practical method of teaching. In fact practical orientation with day-to-day activities of an organization is one of the most important requirement of BBA program. To fulfill this requirement I was go to Al-Arafah Islami Bank Ltd as an intern for three month. This paper deal with actually GENERAL BANKING activities of the Al-Arafah Islami Bank Ltd. This report prepared from my working experience and I have try to cover my best tolerate the theoretical knowledge with the practical work situation.

1.2 Objective of the paper

1.2.1 Broad Objective

The main objective of the study is to develop the practical banking activities and also relate with the theoretical knowledge acquired from the banks. Besides these the specific objectives are the followings:

1.2.2 Specific Objective

- To realize about general banking activities of AIBL.
- To learn about General system of the banking sector.
- To assert the strength and weakness of general baking of AIBL.
- To erection dishonor for policy recommendation.
- To visualize the quality, blaming of general banking of AIBL

1.3 Scope of the study

The report has been ready to cover different steps of General banking of the Al-Arafah Islami Bank (AIBL). I have try to examine about the foundation of segmentation, risk management, advertisement and so forth with the bank work force. I have also endeavored to review and mete of saving money perfection of satisfactory data apprehended in accounts and meetings of managing an account officers. AIBL is an organization where they always habit all the planning and functions of better quality services provide their customer. AIBL always try to focus on their customer how they are satisfying.

1.4 Limitations

My Study is based on primary and secondary data supplied by the interview to employees of the company, official website and direct communication with the customers, there by limitation of those primary and secondary data might be the limitation of this study. I have try to find out the relationship between theoretical knowledge and practical implication. I found some difference

between what I learn in the theoretical knowledge and what the practical are. The report was completed under certain constraints which were:

- Difficulty to fill-up the opening form.
- Lack of information collect from the customer.
- Unwillingness of key individual.
- Lack of Accounts, Incomplete and cloud data.
- Inconvenience in presence topical data even with the help of the bank employees.
- Only 3 (Three) months were not lashings to purvey pertinent data from each employee of the branch.

Chapter 2

Profile of the organization

2.1 Historical Background of AIBL

Islamic credence method urges us to persuade in life here and in the future. To make this progression we should take after the route directed by the Holy Quran and the way attendant by Rasul (SM). With this objective in see Al-Arafah Islami Bank Ltd was built up (enlisted) as an open strict organization on 18 June, 1995. The opening function occurred on 27 September 1995. The stated capital of the bank is Tk.2500.00 million and the paid up capital Tk.1500 million. The bank is committed to avail significantly in the national economy. It has composed a positive execution towards the socio economic development of the country by opening 149 (up to July 2017) 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 manage its business on the principles of Mudraba, Bai-muzzal, and hire purchase transactions ordered by Bangladesh Bank. Naturally, its genre and operations are substantially different from those of other accustomed commercial bank. There is a Shariah council in the banks who sustain constant vigilance to ensure that the activities of the bank are being conducted on the precepts of Islam. The Shariah council formation of prominent Ulema, reputed bankers, minted lawyers and prominent economist.

2.2 Islamic Banking Movement in Bangladesh

In August 1974, Bangladesh signed the Charter of Islamic Development Bank and committed itself to confess its pecuniary and financial system of Islamic Shariah.

In January 1981, then the President of People's Republic of Bangladesh while addressing the 3rd Islamic summit conference held at Makka and Taif suggested. "The Islamic countries should exhibit a separate banking system of their own in order to facilitate their trade and commerce". This statement of the president strike begin ant attitude of the Government of the People of Republic of Bangladesh towards constructing Islamic banks and financial institutions in our country. Earlier in November 1980, Bangladesh Bank, the country's Central Bank, sent a delegate to study the working of several Islamic banks in abroad. In November 1982. They cast a lot of work had already been and Islamic bank was in already form for straight introduction. Two professional bodies-Islamic Economics Research Bureau (IERB) and Bangladesh Islamic Bankers Association (BIBA) made significant exploit part of introduction of Islamic banking in our country. Their professional activities were dilapidated by a number of Muslim entrepreneurs working under the aegis of the then Muslim Business Society (now recognized as Industrialist & Businessmen Association).

2.3 Mission & Vision

❖ Mission

- Achieving the fruition of Almighty Allah both here and in the future.
- Proliferation of Shariah based banking practices.
- Constantly to provide Fast and expert customer service.
- Observing high multiplication standard of business ethics.
- Balance growth of the firm.
- Steady and aggressive profit on shareholders' equity.
- Innovative banking at a competitive price for the customer.
- Fascinate and hold quality human resources.
- Extending lucrative compensation bundles to the employees.
- Firm commitment of duty concerning the development of national economy.
- Involving more in Micro and SME financing.
- Providing the financial service at the latest technology that should be more quality full.

❖ Vision

- To make our customers prosper, our staff excel and create value for our stakeholders.
- To be a first mover in Islamic Banking in Bangladesh and avail altogether to the promotion of the national economy in our country.

2.4 Commitments

- To give financial services with the touch of our heart to retail, small and medium scale enterprises, as well as corporate client with the help of our branches across the country.
- We are predominantly focused on customer modern Islamic Banking making sound and steady growth in both mobilizing deposit and making quality Investment to keep our positive as a conduct of the Islamic Bank in Bangladesh.

2.5 Schemes or tools of Al-Arafah Islami Bank Ltd.

- **Current Account:** This account basically opening for business transection purposes by organization or company. They are opening that account for business transection purposes.
- **Mudaraba Saving Account:** Individual people can opening this account for their personal using purpose.
- **Mudaraba Term Deposit:** This are the main document of fixed deposit. Which is provide bank to their client. When client will withdrawal that time this document will return to bank and back to their money.
- **Short Term Deposit:** This are the one month deposit system for their client.
- **Hajj Deposit Scheme:** This deposit usually do the hajj purposes. When a client should think that they are go to hajj at that time bank will provide extra facility to their hajji client.
- **Small Investment Scheme:** Client should make a short time purposes scheme like 2 years scheme.
- **Installment Term Deposit.**
 - **Mudaraba Kotipoti Scheme:** This are the 12 years scheme deposit that should be a more than Tk 50,000 per month. Their profit rate is also high compare to other scheme deposit.
 - **Mudaraba Millionaire Scheme:** This are the 10 years scheme deposit procedure that should be a Tk 30,000 per month deposited.
 - **Mudaraba Lukhpoti Scheme:** This are the as usual 3,4,5 years scheme deposit procedure that should be any amount deposit by their client.

"Allah has permitted to trade and prohibited interest" (verse 275 of sura Al-baraka). Such as Al-Arafah Islami Bank Limited operate with the objectives and commitment to performence the economic and financial principles of Islami banking arena blending Islamic values and modern technologies with a view to achieve complete success in this world and hereafter. Therefore we believe:

- To extend our customer innovation services acquiring state-of-the-art technology blended with Islamic principle, and bring total satisfaction to our customer and employees.
- Ascertain justice and equity in economic activities.
- To take steps quality service to our customers.
- To set high standard of unity.
- Achieve balanced growth and reasonable development.
- Prolong financial assistance to proper section of the people
- To expand Islamic banking partition through welfare oriented banking system.

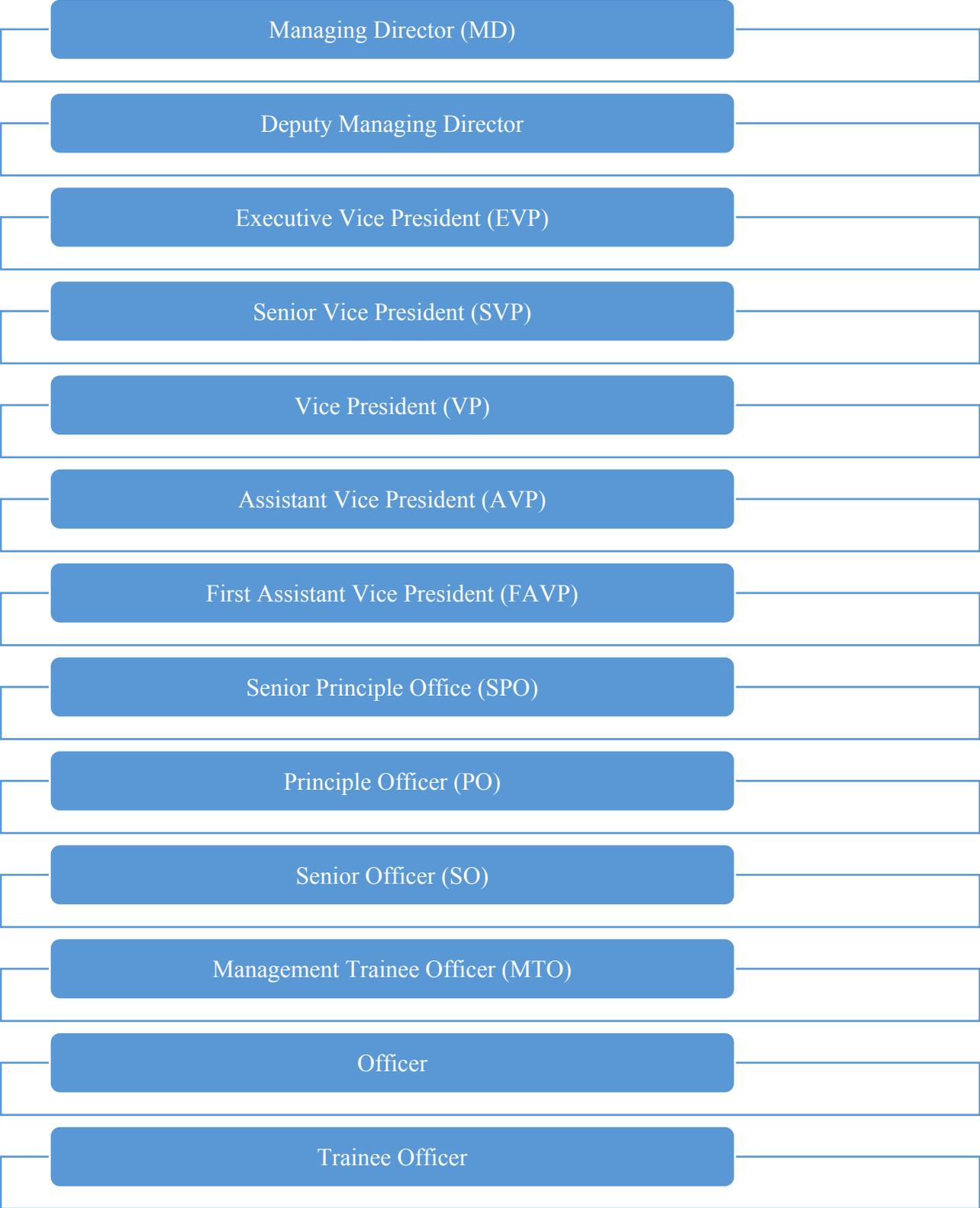
The primary objective of Al-Arafah Islami Ltd is to promote, foster and develop the application of Islamic principles, law and tradition to the transaction of financial, banking and related business affairs and to promote investment companies, enterprises and concerns which shall themselves be engaged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

- To grant contemporaneous financial services in harmony with Islamic Shariah.
- To simplify efficient division of resources.
- To help achieving durability in the economy.
- To avail towards economic development and wealth.

2.6 Management

The organization is organic by Board of directors comprising of 15 members. The Board surrogate a pedagogue of Sponsor Directors (Chairman, Vice Chairman), its members, Shareholder Director, Ex Officer Director, Company Secretary. The board of trustee is accepted to honor and audit major day to day operational performance inclusive investment plans, budgets and other investment activities. The Board is also responsible for establishing the company's policies and checking the operational performance of the company. Board are also focus on investment consideration building which sector are more helpful for the company so the board of trustee always about investment sector. They can make lots of policies then practical that which is friendly for their company that choosing rights also have the board of trustee.

2.7 Organization structure of AIBL



Chapter 3

Methodology

The methodology of this report is quite different from other conventional reports because that report I followed descriptive information to make this and I also focused on the practical

observation and also some primary and secondary data. But mostly I tried to focus on my practical observation and findings.

Data collection sources: I have collected information from the following sources for preparing the report-

❖ **Primary Sources:**

- Banking activities observation.
- Discussion with the officers of Al-Arafah Islami Bank, Shyamoli Branch.
- Practical working experiences of internship program.
- Sometimes attend their weekly meeting and collect the information from meeting.
- Keep the all kind of instruction which is give the each other in the bank.

❖ **Secondary Sources:**

- Notes of Daily activities maintained by me
- Personal investigation with bankers
- Notes the officers commend.

Different websites related General banking activities (General banking activities reports of selected banks and other local and global articles on General banking).

Chapter 4

Findings of the study

Al-Arafah Islami Bank has two types of division that is General Banking Division and Investment Division for working but I appointed in General Banking sector. I enjoy very much for working this division. I learn many things about general banking sector by my cooperative supervisor in this bank. It's also help me to increase my customer service skill. I realized how to work under the pressure of responsibilities maintaining chain of commands and working in a team. AIBL taught me to work with rules and regulations, where I have gained the understanding on how to reach mutual understanding between different people while working together. This practical orientation is necessary for the development and preparation of a person before entering into the corporate world.

4.1 General Banking Division

General banking department is the heart of all banking activities. This is the important department of a branch, because funds are mobilized, cash transactions are made clearing, remittance and accounting activities are done by 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

4.2 Work related

In internship, I appoint AIBL Shyamoli branch. There, I mainly work with Sadiya Nowsin mam, officer of AIBL, Shyamoli branch. She is so cooperative and helpful, So, I feel interested for learning work or acquiring any kind work related knowledge about this bank from her. There I mainly work in account opening, pay-order issue, card requisition and closing this dispatch desk. This service oriented work. Some activities are given below which I mainly work in bank-

- ❖ **Account opening:** Any kind of bank account opening is very important task. There come different type customers for opening any kind of account. Every day I help them and some customer are also illiterate that's time I help to fill up the account opening form.
- ❖ **Account closing:** I also involve in account closing. For many causes employee want to close their account.
- ❖ **Give information:** I also many information to customer about services. Some people don't know which things are needed for account opening like National Id card photocopy of account holder and Nominee, Two copy passport size picture of account holder and

One copy passport size picture of Nominee must needed that's type information I give them about AIBL customers.

- ❖ **Attach different kind sill:** I give many kinds sill in account opening form, cheque book, and pay order book. This types of work I really enjoy.
- ❖ **Serial account opening form:** Sometimes I also keep account form according to their serial number in the register book.
- ❖ **Call center service:** Many times I work in as a call center service worker in the bank. Because most of the customer give new cheque order but they don't come to take that in time that's causes many cheque book bather. This time I call them in phone and they come to collect their cheque book.
- ❖ **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 te pay order slip to help out the customer. Sometimes I also writing the pay order block.
- ❖ **Take cheque requisition:** Many time I take cheque order from customer. I written their cheque number our office note and give a date that's time they can got their cheque book from us.
- ❖ **Attach thanks letter in account form:** I attach many thanks letter in new account form bank document and also keep in another thanks letter for customer.
- ❖ **Other relevant task:**
 - Signature.
 - Document delivery.
 - Photocopy.
 - Giving cheque book.
 - Document delivery.
 - Maintain account form serial number.
 - Operation of clearing house.
 - Handling transfer transaction.
 - Executing customer transaction.
 - Executing customer standing instructions.

4.3 Challenges and Constraint

There are different types of responsibility carried by me in general banking division (Shyamoli Branch). Every day I used to start my job at 10 am and finished it 6 pm. In this time I did different types of task and also I faces different type new environment in this bank which make me sometimes disappoint. When I start my work I don't understand how my time gone or how my that day gone firstly because this division busiest division in bank sector. But I also face many challenges in during time. Every organization has some strength and weakness we all know about this. For this causes AIBL also has some Strength and Weakness which affect

mostly in employee and other customer regularly. By doing this internship I faces more challenges that I given below:

- ❖ This bank (Shyamoli branch) don't have enough place to sit internship employee in distinct place. That means I don't get perfect table or place where sit regularly for complete my task. I can sit more without any problem. This make me more challenges for completing this internship period.
- ❖ Here don't have more time to teach intern employee about their topic. Because more time officers are busy their own task. I learn most of the time individually from my skills. Lacking of guideline it's make me more challenges during internship period. It's simply happen a new freshman employee can't improve their skill without teaching or supervisor.
- ❖ Some officers are not cooperative me because they ignore me most time because I learn task and that time they was very busy with their customer. That things hurt me very much.
- ❖ This bank I work continuously not get enough break time to rest. Since I was student some days ago I don't have practice they have to understand it. This make me more challenges to complete this intern period.
- ❖ Some task not related about my BBA course that also make me more challenges to complete my intern period. Because without any knowledge it's not possible to complete any task properly.
- ❖ Most of the time I have observed that, majority of complaints were regarding their ATM booth service and Foreign exchange. Those two service of them were poor considering a modern bank.

This type of problem I faces mostly in during internship this AIBL. Most are organization related problem I think. If that bank concern about this I don't feel changes to complete my task. This also I can say weakness for AIBL. It losses their reputation and quality also. So AIBL should take care internship and they also give something for their organization.

4.4 Lessons from the internship

When a person start his/her internship firstly he feel uneasy how he learn his new task, how he cooperate this new environment, how he maintain timing accurately but after some weeks it becomes easy for an intern person. They learns many things, they can improve their practical knowledge and skills and also more concern about their future job benefits. Because in this period they face many challenges and these challenges they learn how overcome this challenges in different situation. During this period most important is that intern people can understand what's quality they have to get good job this completive job market. It also learn about a career field from the inside and decide if this is the right career field for them. As an internship person I learn many things from this AIBL. Some importance lesson I describe below:

- ❖ **Improve skill level:** One person in internship period must be improve their skill level. In university I read many things in book but now practically use it and also get feedback. So internship is very important in my career I can say that.
- ❖ **Learn time management:** During this period person can learn time management because employee cannot enter office any time. They must be start their office accurate time. I enter office 10 am and finished 6 am. It's make me how to maintain the time in real life.
- ❖ **Improve career knowledge:** I came to know which job sector is perfect for me by this internship. It's also be easy for me to choice in my career path by this internship period. Beside I can understand which quality I have to gain which job. It's very important learning for an intern person I think.
- ❖ **Gain confidence:** I don't get any confidence what's practical skill I acquire before the joining. Internship but now I get confidence internship improve one person confidence level which is very essential for an employee.
- ❖ **Improve team work experience:** This AIBL appoint 3 internship member together. By this causes improve my tram work experience. Every time we work together and divide our work. It's really a good experience for me.
- ❖ **Get opportunity to learn myself:** By this internship I know myself nearly. I can select my goal and try to be achieve it. So I want to say its goof achievement during internship period.
- ❖ **Develop professional network:** Doing this internship its must be improve my professional network because it's help me to communicate many employee and organizations in this short time.
- ❖ **New system checking attendance:** There also have a new experience. I entered the office firstly sign my attendance note book than sit my desk. This the new procedure for me checking my attendance I think, I learn it.

Internship is key to building experience as a student or recent graduate employers are much more likely to hire someone with internship. Its help a new employee to gather new knowledge and skill. It's also help a people to remove is lacking in any type work. Before going to permanent job sector a person should complete the internship with an organization so that he/she can get this type learning in their life. A person can observe a work place and see if it match his expectation. If it don't match his expectation he recover it and think new path for his career. Besides in this period I got a position in this bank and get many responsibilities which make me punctual for future. So I want to say internship is most important for our bright future and help it people more skills acquiring.

Chapter 5

Conclusion & Recommendation

5.1 Conclusion

AIBL is one of the largest first creation Islamic commercial banks in our country. Over the last few years, AIBL day by day making highly customer's confidence, it has avail unto the socio economic development in our country. It has attained satisfactory business growth, largest network and good performance of branches. The bank contribute significantly to yield in the national economy. I think bank cover a wide range of banking and functional activities to individuals, firms, corporate bodies and other multinational agencies. We also perceive that Al-Arafah Islami Bank Limited is a major ground in General banking combining deep local knowledge might to offer the full scope of innovative and customized resolution for customers. They are always focus on their customer how to solve their problem and how they are improve their life and future.

5.2 Recommendation

AIBL always facing some challenges situation which is make me more disappoint to complete my internship period I already discussed it. But this problem must be remove so I want to give some suggestion recover this type challenges it's given below:

- Firstly I can say that this organization should collaborate to sitting internship employees. So that intern people don't faces any challenges for their any specific working places in their office. This are worst thing in AIBL.
- They should improve their ATM booths because most of the time client should complain for booth.
- As per my observation, some respected officers need to change their attitudes toward the interns. They are not co-operate to intern's people. Interns are new to corporate world so usually they will make many mistakes.
- Lower number of ATM booth in the city so many customer facing a disaster situation at that time they are using the cheque instead of ATM card.
- During the office time, I don't get any break time or launch time so I want to say they should be concern about timing.
- They concern about General Department and make a separate area for feel free to them can work because this department are most important area in the bank.

- They can provide proper knowledge to their employees and make them experienced about Green Banking by give them training.

References:

- AIBL website www.AIBL.com
- “SHARIAH MANUEL” published by Al-Arafah Islami Bank Limited
- Several booklets from Al-Arafah Islami Bank Ltd.