General Banking Activities and Market Development Process of Al-Arafah Bank Limited: A hands-on initiative of Notun Bazar Branch

United international university

Internship Report

ON

General Banking Activities and Market Development Process of **Al-Arafah Bank Limited**: A hands-on initiative of Notun Bazar Branch

Submitted to

Sarker Rafij Ahmed Ratan

Assistant Professor

School of Business and Economics

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Submitted by

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Date of submission: 3rd July, 2020

Letter of Transmittal

July 3, 2020

Sarker Rafij Ahmed Ratan

Assistant Professor

School Of Business Economics

UNITED INTERNATIONAL UNIVERSITY

Subject: Submission of the Internship report.

Dear Sir,

This report is based on my internship work and is required to complete my degree. I have tried and worked hard for doing this report and as on your instructions.

I have prepared this report with the necessary information and also worked on your suggestions in covering this topic "**General banking activities and market development process of Al-Arafah Islami Bank Limited, Notun Bazar Branch."** And I am submitting this report along with this letter. It was an amazing experience, preparing this report on my internship experience.

I shall be obliged if you kind enough to approve this effort, and hope that the report will fulfill your expectations. Thank you for your kind consideration and your guidance.

Sincerely,

Farhana Yeasmin

ID: 111 143 201

School of Business Economics

UNITED INTERNATIONAL UNIVERSITY

Certification of completion

This is to certify that the Internship Report on **"General Banking Activities and Market Development Process of Al-Arafah Bank Limited."** in the bona fide record at the report is done by Farhana Yeasmin as a partial fulfillment of the requirement of Bachelor of Business Administration (BBA) degree from the UIU Business School.

The Report has been prepared under my guidance and is a record of the bona fide work carried out successfully.

…………………..

Signature

Sarker Rafij Ahmed Ratan
Assistant Professor
School of Business and Economics
United International University, Dhaka

Declaration of the student

I would like to confirm & declare that the work presented in this Internship report has been carried out by me and has not been previously submitted to any other University/College/Organization for an academic qualification/certificate/diploma or degree.

I am Farhana Yeasmin hereby declare that the internship report entitled "General Banking Activities and Market Development Process of Al-Arafah Bank Limited." Is solely prepared by me after three months of my internship in **Al-Arafah Bank Limited. Notun Bazar** branch.

I also would like to confirm that the report is prepared exclusive for academic purpose not for any other purpose.

………………..

Farhana yeasmin

ID: 111 143 201 {BBA Program}

United International University

Acknowledgement

In the beginning i would like to express my gratefulness to the almighty Allah to give me the opportunity to go the whole procedures for internship and to write a report in this great successful.

I am very much glad to get this opportunity to give special thanks to the persons whose views, ideas and supports have provided fluency to complete this report and also enriched this report. I am grateful to all officials and staffs of Al-Arafah Bank Limited – as they for their large cooperation. And also grateful to the persons whose ideas, books, working papers and related materials give me continuous support to write this report.

I am greatly appreciated and inspired by **Mr. Sarker Rafij Ahmed Ratan**, Assistant Professor, School of Business and Economics, **United International University** to write this internship report on "General Banking Activities and Market Development Process of Al-Arafah Bank Limited". I like to thank **Mr. MD. Mainul Islam**, (VP) Head of the Notun Bazar Branch of AIBL, for giving me the opportunity to work on his General banking department. My special thanks goes to **Mr. Hahsnan**, AVP, and **Mohammed Ibrahim khalil ullah** (SEO) of ABIL Notun Bazar Branch. I would also like to disclose my gratitude to all the employees of Al-Arafah Bank Limited for supervising me at the time of my internship attachment with their best efforts.

Abstract/ Executive summary

This internship report has been prepared as a requirement of the United International University BBA program. The report covers the entire General Banking and Market Development Process of Al-Arafah Islami Bank.

First of all, In this report, I have highlighted the banking sector and general banking of Bangladesh Bank. I also try to highlight the Overview, history growth, customer mix, products, Operations and SWOT analysis of Al-Arafah Islami Bank.

Secondly in the organizational part I have given the details of General Banking and Market development of the organization.

Thirdly, I have discussed about General Banking and Marketing Development Process of Al-Arafah Islami Bank, through which you will get all the information.

Lastly I tried to give some recommendation and solution during with my three months Internship experience.

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Chapter 1: Introduction

1.1 Introduction:

Day by day people are being Modern and digital. People were not educated before. Nowadays people are very educated. Now people want to walk towards improvement. The use of banks is at least necessary to walk this path of improvement. Day by day people are going to depend on banks, to deposit, and for security their money. Banks are depositing their money and giving loans to others. The main job of a bank is to take money from one place and transfer it to another.

1.2 Background of the study:

To deliver well-versed and proactive graduates, **UNITED INTERNATIONAL UNIVERSITY** has been conducting BBA program with great reputation. Each of the professional degree needs a good practical knowledge in their respective field of discipline in their work to be fruitful. Therein BBA-program students need to complete Internship, relating with their Exchange of theoretical knowledge. This internship report is partially significant requirement for BBA Graduates program and it is conducted by, the department of Business Administration, United International University.

In During my Internship-program, I was Under the Assistant professor Sarker Rafij Ratan, school of Business and economics, United International University. By my supervisor I was assigned to prepare a report about practical knowledge within 3 months tenor.

As internship-program is being established to gather practical knowledge and experience regarding various sector of economy. So I have chosen to get practical knowledge regarding banking sector and for such, I selected Al-Arafah Islami Bank as my organization to work and gather my knowledge on real life work and to complete my internship task.

Mu internship time duration is 3 (three) months and on during this period, I have learnt and got experience of many things. I got to see the difference in between theoretical practical knowledge. There learned many terms and functions and got to the nature of banking tasks and activities, mostly got practical knowledge regarding organizational environment.

1.3 Objectives of the report:

The main objective of my report is to have practical experience with working environment from present institution and also fulfill the requirement of BBA theoretical knowledge learnt from the coursework of the BBA program in a specific field.
This report will help me to learn about General Banking (GB), how the institutions other activities are undertaken to attract more customers, identify problem of GB operations, lastly the objective is to fulfill the requirement of the internship program of BBA program and then to provide some recommendations for institutions better performance.

Broad Objectives:

My foremost broad objective of this report is to find out the General-Banking Activities and Market development Process of Al-Arafah Islami Bank ltd. (aibl) Notun bazar branch.

1.4 Motivation of the report:

- To understand and have clear idea about market development and brand development strategy.
- Developing innovative idea about the strategies to construct the market and the brand.
- Establish the findings and provide recommendations
- Develop problem solving capabilities.

1.5 Scopes and limitations of the study:

1.5.1 Scopes

- Increases knowledge by developing various strategic strategies on market and brand.
- Develop knowledge, skill, and experience by analyzing information and produce findings.
- Develop problem solving capabilities by providing recommendations on the basis of the findings.

1.5.2 Limitations

- This report is made in a short time period.
- Unable to cover all the sections of the topic in detail.
- Unable to collect the information's regarding market.
- Lack of skill and on the field experience.

Chapter: 2

Company and Industry preview

2.1 Company Review:

In Bangladesh, Al-Arafah Islamic bank is one of the leading private sector commercial bank which is along with other banks offers a great package of personal to corporate to international, foreign exchange and lease finance and capital market services to their respective customers. AIBL has already been launched their online banking services, credit card service and also has shared ATM network in all over the country.

2.1.1 Overview and history of Al-Arafah Islamic Bank Ltd (aibL):

Al-Arafah Islamic Bank Ltd was registered as a private limited company on 18th June 1995 and their inaugural ceremony was on 27th September 1995. *AibL's* authorized capital is TK. 15000.00 million and their paid up capital is TK. 8343.24 million on 31st December2013. Most of the renowned Islamic scholars and pious businessmen of the Bangladesh are the sponsors of the bank and 100% of paid up capital is being owned by local shareholders. By the December 31st 2016, the equity of the bank is TK.21, 337.48 million and the manpower is approximately 3,070 and the number of shareholders is 36,696. They gain a regular basis profit from their organization. They give more importance to their customer service for achieving customer satisfaction and commits significant role in national economy by impacting positive contribution in socio economic development of the country by 147 branches throughout.

In Bangladesh 80% of people are Muslim and mostly they are concerned about is Islamic Sariah in their daily life. For that reason, the pioneer of the bank created Al-Arafah Islamic bank, here thus bank is here to maintain all type of Islamic rules and regulation for the Muslim people. AibL Bank as converting to Islamic bank is dedicated by maintaining the way which is given by Allah. They maintain some quality to achieve successes which are:

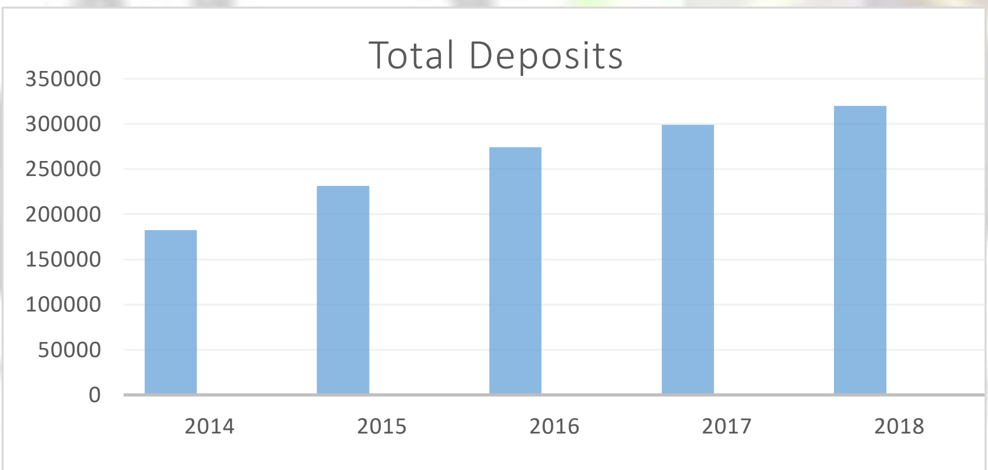
- Honesty
- Dynamic in action
- Creative idea
- Try to make accurate solution for customer satisfaction.

2.1.2 Trend and growth of AIBL:

Last 5 years investment performance analysis of AL-Arafah Islamic Bank Limited.

1. Total Deposit (Amount in Million TK):

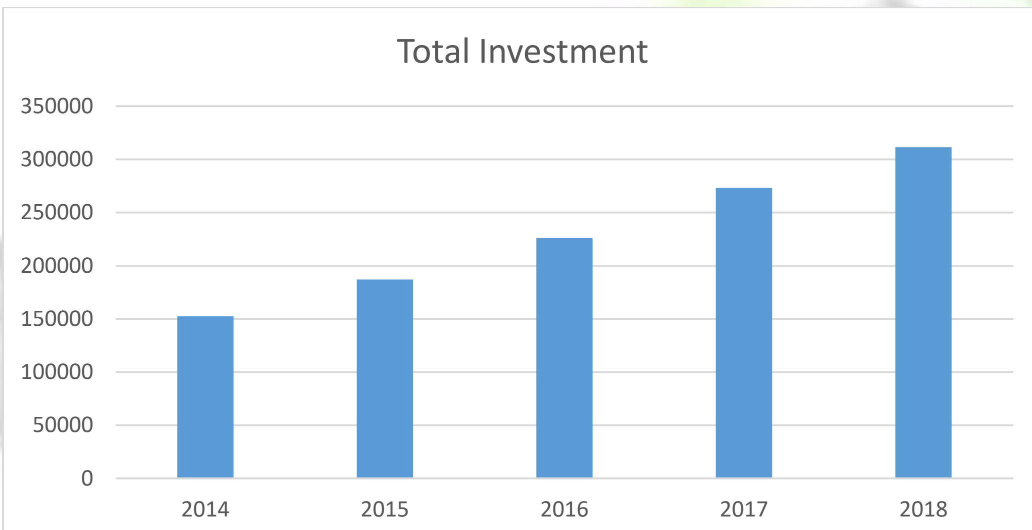
Year	Total
2014	182503.18
2015	231259.39
2016	274224.78
2017	299106.10
2018	320011.19



Interpretation: Bank deposits are kept in banking institutions for safekeeping and these deposits are useful for making savings accounts, checking accounts and money market accounts. Here we can see, AIB's deposit has increased rapidly from 2014 to 2018.

2. Total investment (amount in million TK)

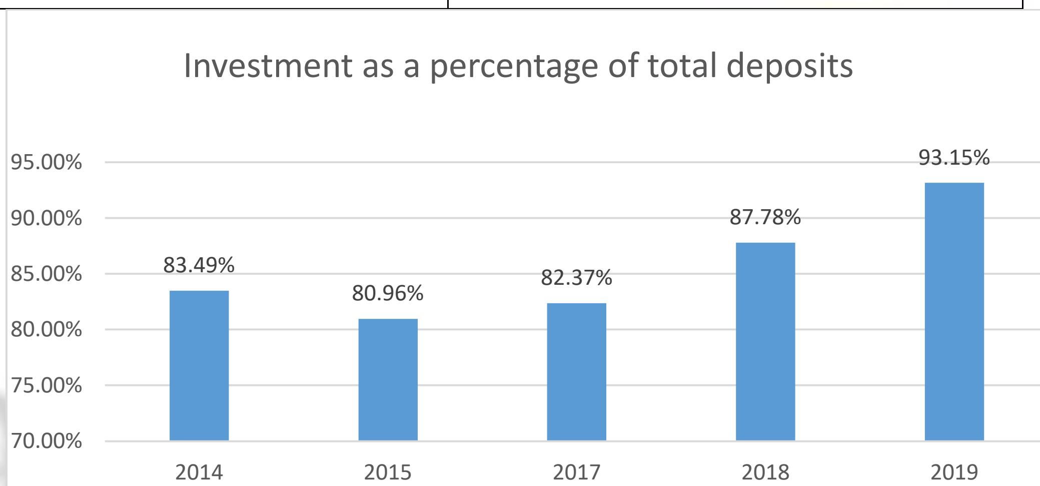
year	Total
2014	152370.71
2015	187239.08
2016	225889.89
2017	273352.47
2018	311416.52



Interpretation: investment is done for profit. Here aibL bank utilizes their deposit and investment consequently increasing from 2014 to 2018.

3. Investment as a percentage of total deposits:

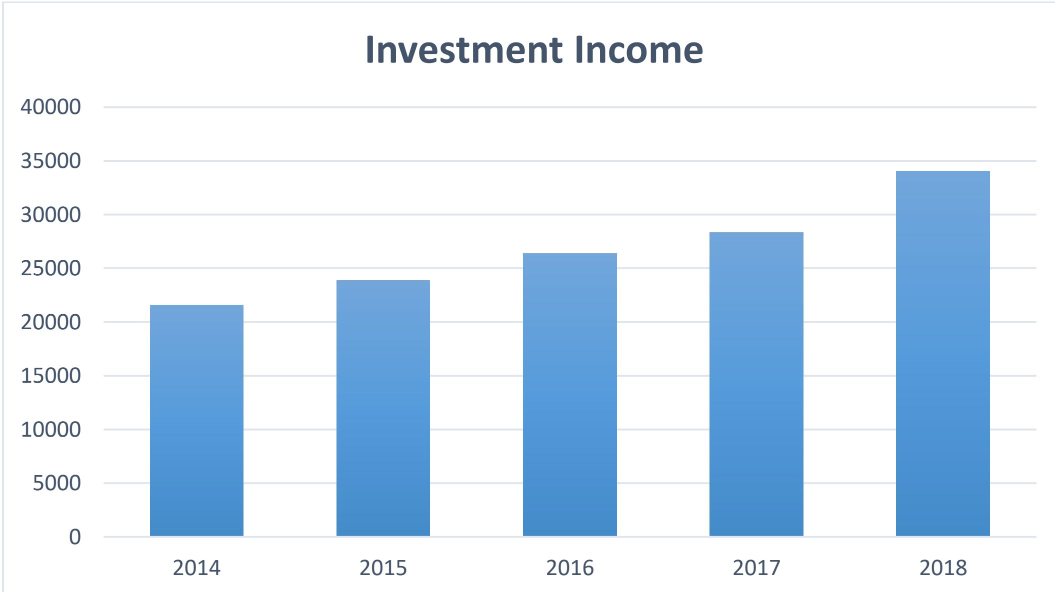
Year	Percentage
2014	83.49%
2015	80.96%
2016	82.37%
2017	87.78%
2018	93.15%



Interpretation: investment of AIBL's dropped in 2015 then 2014 and then rapidly increased in 2016, 2018 and 2019.

4. Investment income (amount in million taka)

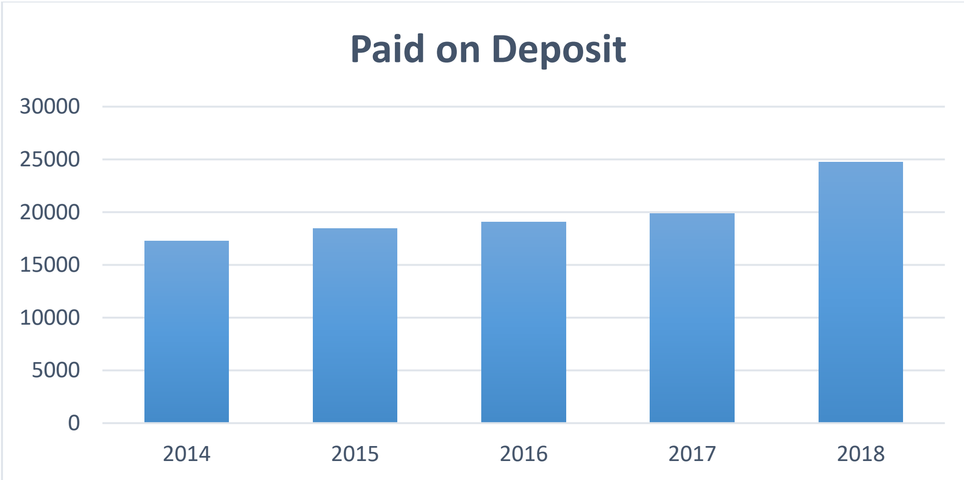
Year	Total
2014	21597.74
2015	23894.53
2016	26395.27
2017	28349.00
2018	34050.06



Interpretation: investment income comes from dividends, capital gain from the sale of a security assets, any other profit that made through an investment. Here we can see investment income is rapidly increased from 2014 to 2018 which is a good sign for bank.

5. Paid on deposit (amount in million taka.)

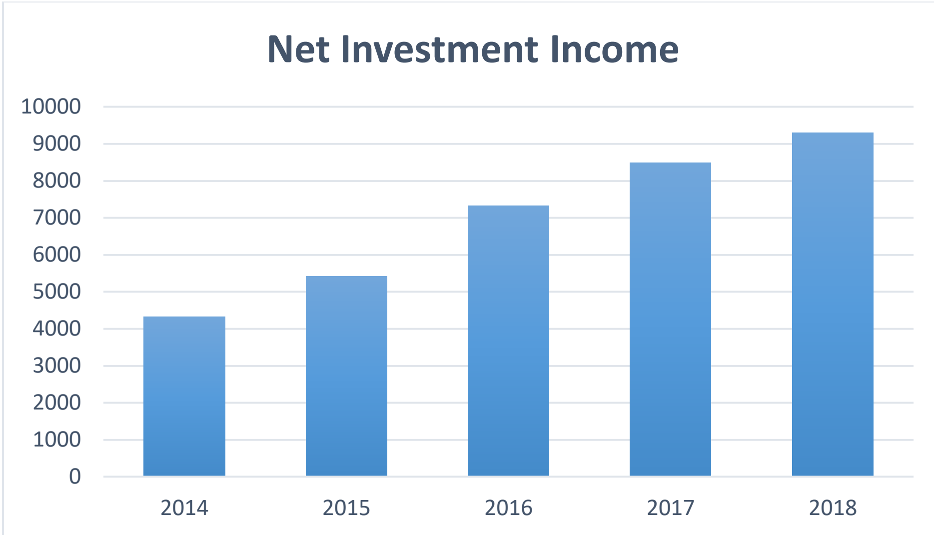
Year	Total
2014	17271.85
2015	18472.88
2016	19070.21
2017	19861.22
2018	24746.47



Interpretation: Banks depositors increased year after year and thus their paid on depositors also increased.

6. Net investment income (amount in million taka.)

Year	Total
2014	4325.89
2015	5421.65
2016	7325.06
2017	8487.78
2018	9303.60



<u>Interpretation:</u> Assets such as bonds, stocks, mutual funds loans and other investments are known as net investment income. AIBL’s net investment income continuously increased from 2014-2018. So it is a good sign for bank. And bank management should maintains it.

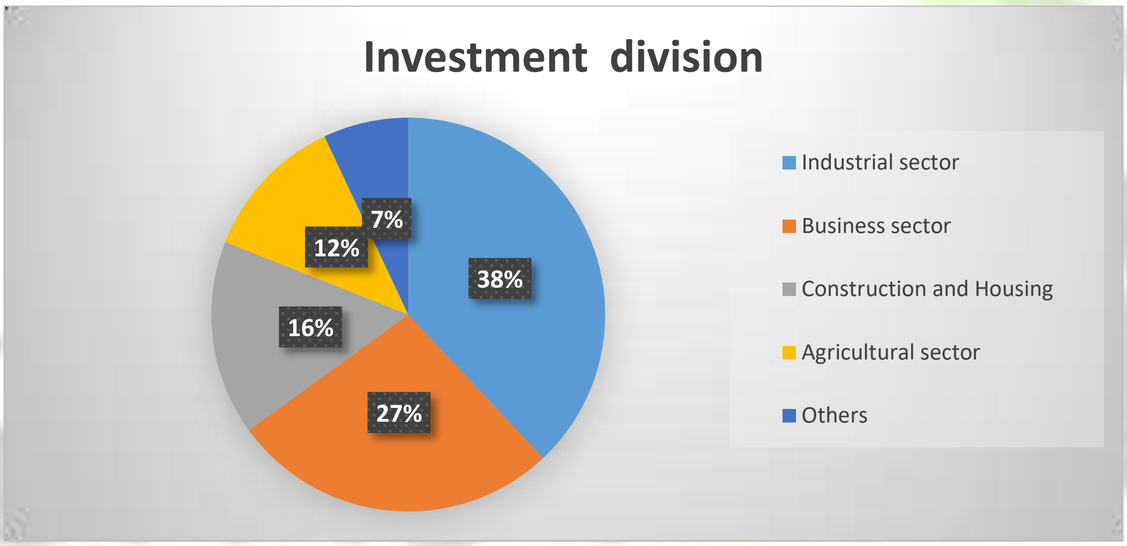
2.1.3 Customer mix:

Al-arafah Islami Bank has varieties of customers.

Since the job of the bank is to receive and disburse money, though here we can divide the customer into two parts. **1)** Investment division **2)** Deposit division.

Investment division: Investment division is a division where customers come and take their demand money from the bank as a borrow (Loan).

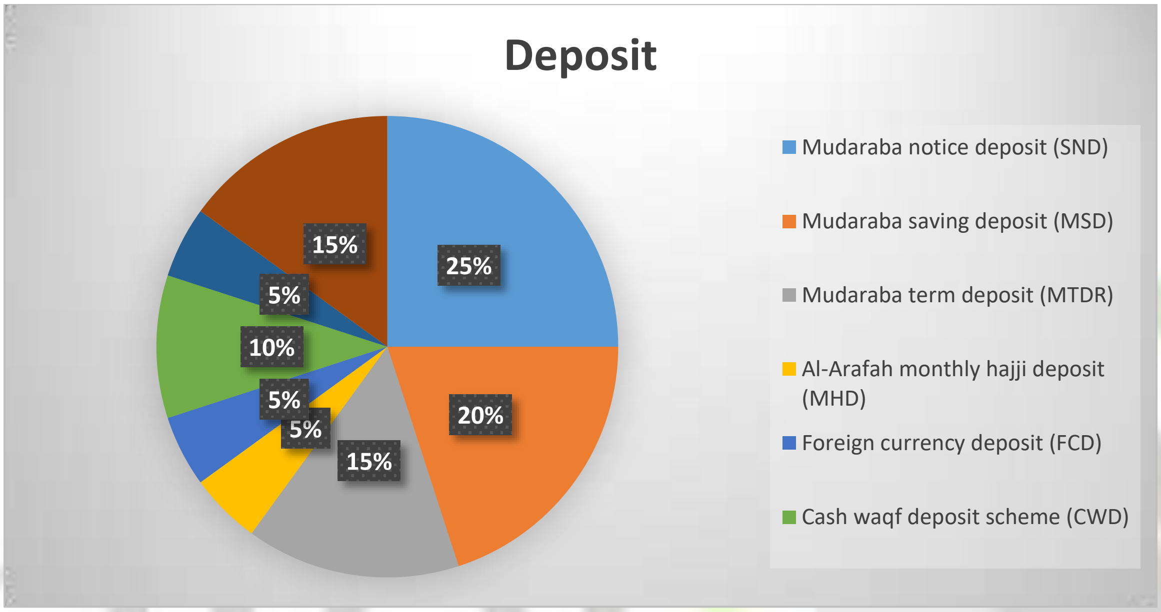
Here I am going to show some investment customer list on pie chart:



Here we can see AIBL invest in sectors like; industrial-38%, in business- 27%, in construction and housing 16%, in agriculture 12% and others 7%.

Deposit division: Division means that many types of customers come to the bank and deposit money and the bank saves their money. All those customers have been divided into different categories

Other services are: Here I am going to show some deposit customer list on pie chart:



Here we can see AIBL Deposit are in MUDARABA Notice deposit (SND) 25%, MUDARABA saving deposit (MSD) 20%, MUDARABA-Term deposit (MTDR) 15%, Al-ARAFAH monthly hajji deposit (MHD) 5%, Cash WAQF DEPSITE SCHEME (CWD) 10%, MUDARABA triple benefit deposit scheme (MTBDS) 5% and Al-ARAFAH saving bonds (ASB) 15%.

2.1.4 Product / Service mix:

Marketing mix is set of controllable elements which is used for companies' brand or product promotion in a market. But is also known as 4ps (product, place, promotion, price).but nowadays marketing mix has extended version with more PS packaging, positioning, people. But most important are first 4PS of marketing mix.

2.1.4.1 Product:

MTDR account opening requires customer must deposit minimum of TK.500/= up to TK 5000/= and an estimated so on profits 4% is given on this scheme.

1. **Al – WALIDIAH current account (A WCD)**
   - This account is not under profit term and is opened by organization or business men for the unlimited facilities of withdrawal. Minimum opening deposit amount 2000/=.

2. **Monthly based term deposit (ITD)**
   - This account is for monthly savings and is created for 2, 3, 5,8,10 or 12 years along with installment either of TK 200 /=, 300 /=, 500 /=, 1000 /=, 2000 /=, 5000 /=, 10000 /=. Daily basis profit calculation is done on this. Age above 18 is required.

3. **Saving investment deposit**
   - Monthly basis deposit given by the customer to the bank and after expiry of period double amount of money is given to the depositor.

4. **Savings bond**
   - Saving bonds for 10,000/=, 25,000/=, 100,000/= taka can be introduced and It may for 3, 5 or 8 years. This accounts profit will be under tax requirement

5. **Monthly based term deposit scheme**

- It is opened for monthly profit gaining and is applicable for resident and non – resident. Amount shall be 1 lack or more than that. Tax will be included in and profit will be given from next month.

6. **Monthly Hajj deposit**

- Hajj account duration is one year to 20 year. Installment amount depend on the deposit amount.

7. **Monthly Installment based investment scheme (MIS)**

- Installment starts from taka 250/=, 500/=or 100/= according to wish and there tax will be applicable.

8. **Mudaraba lakhpoti deposit scheme (LDS)**

- This accounts maturity period This accounts maturity period starts from 3, 5, 8, 10 or 12 years and daily pofit is given, tax included and monthly installment given on working day.

9. **Mudaraba millionaire deposit scheme**

- Monthly installment deposited on working day and installment can be 24,000/=, 17,530/=, 13,500/=, 10,800/=, 8,800/=, 5,400/=, 4,100/=, 2870/=1,700/= taka. Daily basis profit and tax included.

10. **Mudaraba pension deposit scheme**

- Accounts maturity period 5, 10 or 15 years, profit daily basis tax included and monthly deposit amount 500/=, 1000/= or multiple.

11. **Mudaraba kotipoti deposit scheme**

- Above 18 year age people can open it and tax will be included.

2.1.4.2 Investment product of AIBL are:

Investment in

- Industrial-purpose investment
- Business-establishment investment
- Foreign-Trading (EXPORT/sIMPORT) investment
- Construction and housing sectors investment
- Transportation sectors Investments
- Masque and madrasa as Muslims social work as on religious purpose investment.
- Village peoples, and small investors' side establishment investments.
- Consumer and small entrepreneur investment schemes investments.

Services o AIBL

- ATM card
- Online Banking
- Locker Service.

2.1.4.3 Price

Banks service charge and revenue for the cost of capital are treated as product price. Money of the bank taken from the economy as a form of deposit and it's not free. So the charged amount is taken from the banks three key determinate:

1. Demands
2. Competitors
3. Cost structure

On this basis prices options are opened and the cost determines the pricing, break even, and profit impact target pricing value in use pricing, market rate pricing, relationship pricing, penetration pricing etc.

2.1.4.4 Place or branches of AIBL

Main branch of AIBL at 161, motijil C/A with a branched called motijil branch on 27th 1995. It was main branch of AIBL in Bangladesh. And from then it has opened approx. 78 branches over country and made great networking.

2.1.4.5 Promotion

Activities like billboard advertisement, TV commercials or paper adds etc. CSR activities, branding, sponsorship are given occasionally by AIBL all over the country.

At least (2%) of AIBL's annual profit is to put aside for conducting CSR. These includes:

- Health care service
- Scholarship program for needed and bright students
- Interest free loan for education
- Helping slums
- Donation for educational institutions.

2.1.5 Operations

AIBL's all activities operated on according Islamic Sariah, where the gives profit on basis of Sariah to their clients. Their investment policy, economic system is also run on Islamic Sariah based.

2.1.5.1 Line of business of AIBL

- **Investment banking:**

  AIBL invests in various side in Bangladesh locally empowerment.

- **International Foreign Trade Finance:**

  Importing products in Bangladesh and exporting products in abroad this type of business are included.

- **Corporate Finance Banking:**

  Different organizations finance related work is also handled by AIBL

- **Personal purpose banking**:

  It is day to day necessity of local people and this for most task of any bank to AIBL.

- **Transportation investment:**

  Air, train and bus to shipping are the kind of transportation investment done on.

- **Brokers house:**

  House building loan are one of this staff related and commercial all are included in.

- **Merchandise banking:**

  Different types of business investment are on this type of business investment type.

2.1.5.2 A brief of AIBL Ltd Notun Bazar Branch

This branch has three main department

1. **Banking Department**

    There normal banking facilities are available for general to all type of customers.

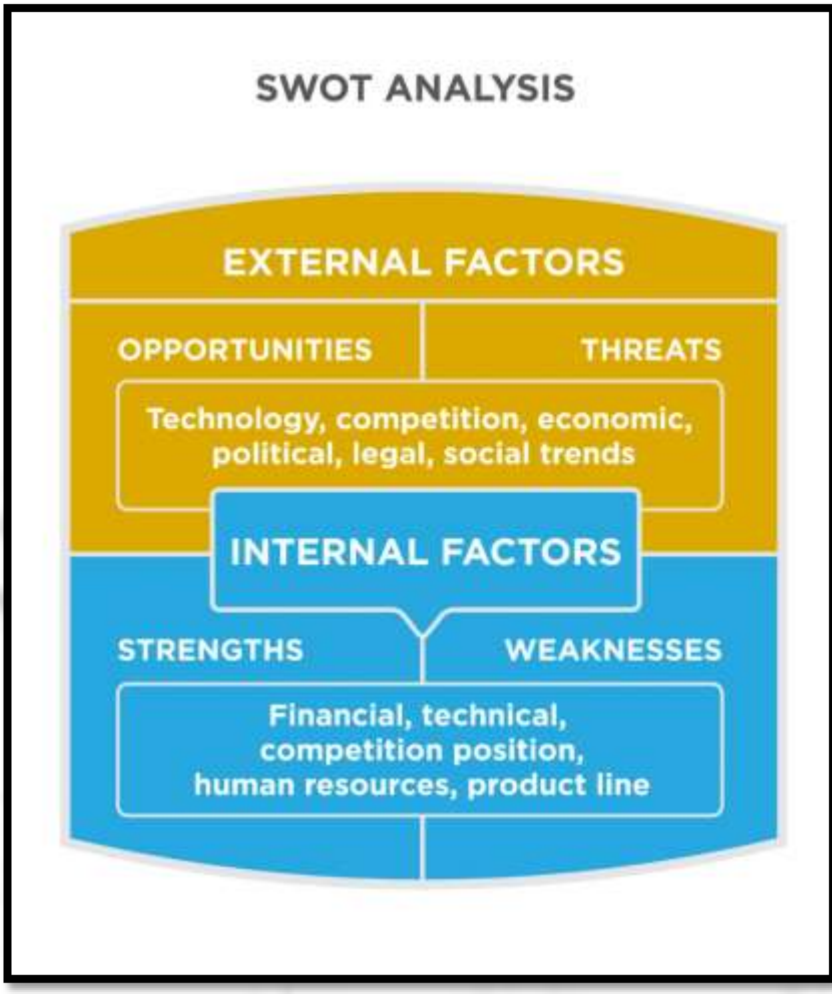
2. **Investment Department**:

    Investors of all sectors small to big investors have this department's facilities and services.

3. **Foreign Exchange Department**:

    People of Bangladesh, who lives abroad and they are the main source of foreign remittance and their family are the medium for exchanging foreign money. Also both big and small business take part in this exchange in bank.

2.1.6 SWOT Analysis:



2.1.6.1 STRENGTHS:

Like every organization AIBL has strength that helps them to achieve a reliable place in their consumer's mind. AIBL's strength are given below:

- AIBL is most consumer oriented
- AIBL has technology based working system for that they have safe past record.
- AIBL financially sound company.

- AIBL has qualitative and unique work service for their consumers
- AIBL follows polite behavior for which they attract their customers
- AIBL is more innovative then other banks
- AIBL follows unique pricing system
- AIBL has online banking service and lots of branches which makes them more strong
- AIBL has good training facilities for their employee’s skill development.

2.1.6.2 WEAKNESSES:

Besides being a leading Bank AIBL in our country, in some sector they have some weakness. They are trying to cope up with their weakness, and those weakness are given below:

- AIBL maintain Islamic banking, for that reason their interest rate is low.
- AIBL don’t use the term of interest, the interest term used by them is MUDARABA which comes from Sariah.so customers sometimes doesn’t get it and feel demotivated to be client.
- AIBL follows Islamic banking policies, so for that reason they face some barriers.

2.1.6.3 OPPRTUNITIES:

AIBL’ opportunities to achieve successes are given below:

- AIBL is trust worthy to their customer
- Emergence of online banking in recent days will open new progress path for AIBL.
- AIBL has a high demand as a Islamic bank ,so it can be opened in local remote areas
- AIBL shall recruit efficient employees.

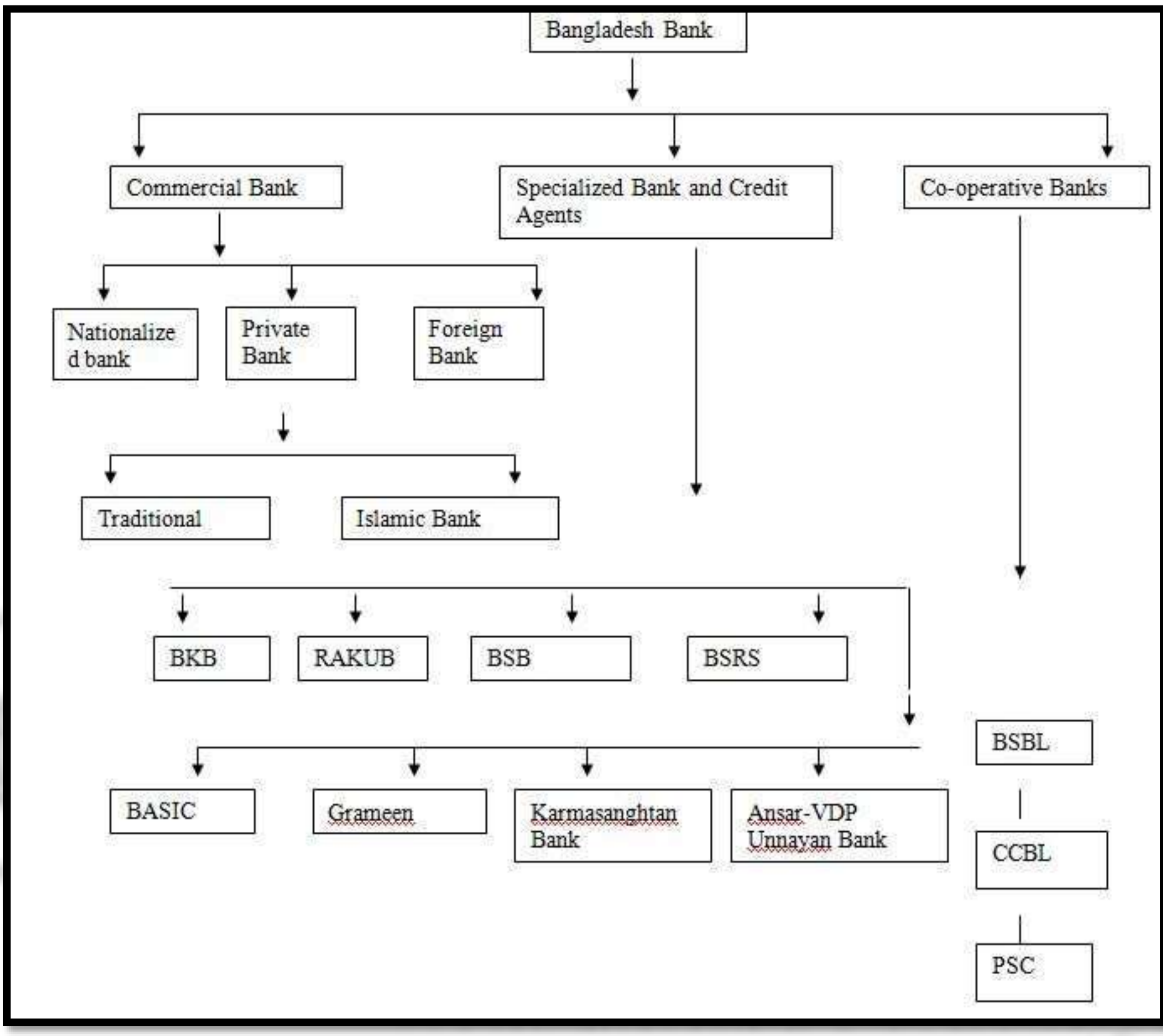
2.1.6.4 THREATS:

Barriers for AIBL in their business, which creates threats are given below:

- Lots of government policies
- Frequency taka devaluation, foreign money exchange rate devaluation.
- Local competitors of private and commercial banks.

2.2 Banking Industry Analysis:

2.2.1 Specification of the Industry:

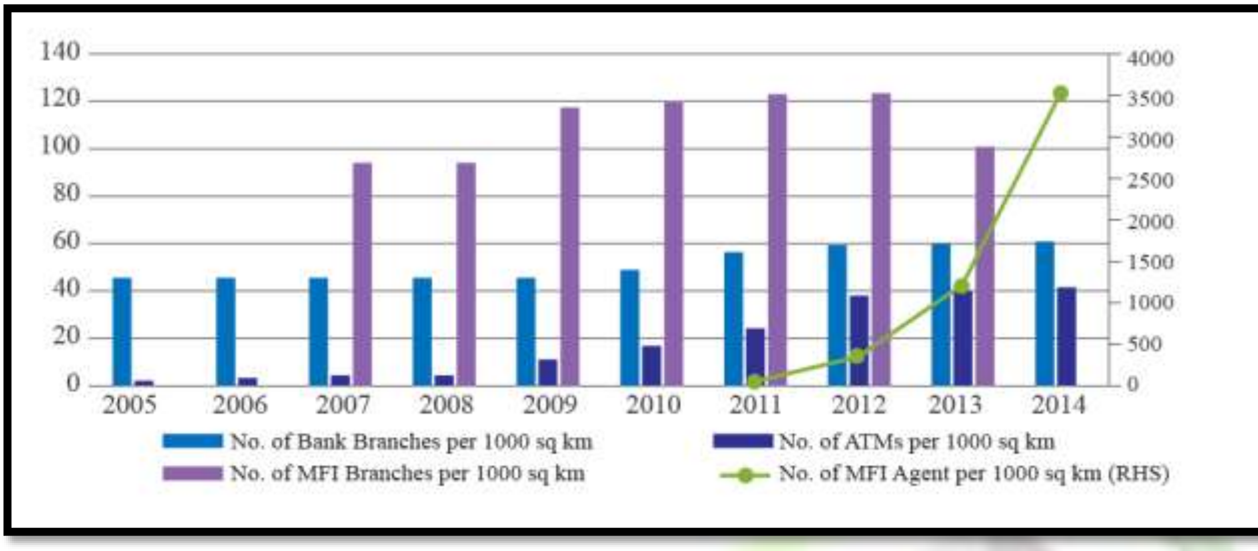


The Bangladesh bank industry is operated by 'Bangladesh Bank'. And this industry is categorized in three parts 1) Commercial bank, 2) Specialized bank and credit agents, 3) Co - operative banks.

Commercial bank is categorized in three parts 1) nationalize banks, 2) Private bank, 3) Foreign Bank

The private bank is categorized in 2 parts 1) Traditional Bank, 2) Islamic Bank.

2.2.2 Size, Trend and maturity of the industry:



Bangladesh bank industry is growing in every year. Here is a demo of growth of demographic banking industry. There we can see till 2014 there is a growth of bank branches, mobile financial investment, ATM's per 1000 square km. so we can say there is much growth in all of sector in banking industry of Bangladesh much richer to the upward side.

2.2.3 External economic Factors:

External economic factors that influences Bangladesh bank industry are political environment, socio cultural environment, macro - economic environment, demographic environment. These altogether effects the overall industry.

2.2.4 Technological factors:

Technological factors as mobile banking, credit card, debit cart etc. facilities have huge impact on Bangladesh banking industry. Bkash has create a small impact in the Banking industry of Bangladesh. Foreign exchange is lot more easily than previous time.

2.2.5 Berries to entry

Government licensing and RBI regulation is threat for new entrants. There also some other barriers like: - skilled manpower, high investment, the entry of foreign banks etc. the political issues sometime makes barriers for entry.

2.2.6 Supplier power:

Depositors are the supplier (service holder, teacher, students, farmer, business, doctors, police, politicians etc.) of Bangladesh bank industry. Big amount depositors of the banking industry has bargaining power on interest rate. So that effects the industry of Bangladesh banking.

Countries like japan, India, USA can also play supplier role in this banking industry of Bangladesh.

2.2.7 Buyer power:

Buyer are all type of incomes people, they can be high-low incoming people. Peoples buying power effects the banking industry of Bangladesh. Business of import export plays big role in buying power in Bangladesh banking industry.

2.2.8 Threat of substitute:

Development companies, leasing companies, e-cash companies are the substitute of the banking industry. So they can play threat in banking industry of Bangladesh. Ex: Bkash. Recent day’s substitute of money is not available, but if exchange trade is done, it can be substitute threat of this industry.

2.2.9 Industry rivalry:

Exim banks competitor is standard charter and also HSBL. Thus city banks competitor is one bank. AIBL banks competitor is Islamic bank limited. So as the industry of banking in Bangladesh big so there is much competition. So there is also competition in among private, commercial and Islamic banks. They are also competitor of each other.

CHAPTER 3: General Banking:

3.1 Introduction:

Banks are a medium of exchange. People keep money in the bank on one hand and give the money deposited in the bank to others as a loan. The role of a bank is unparalleled in stabilizing the economic condition of a country. General banking is a big sector in which many types of work are done in a bank. General-Banking is one of the main and most important sector of all banking activities. Through General Banking, the bank completes the transaction of its initial deposit. We will say a lot about General Banking of Al Arafah Islami Bank here.

3.2 General banking:

The main role of a bank is played by the General Banking Department. This is called the heart of the bank. The busiest sector of the banking sector is General Banking. Because it completes cash transaction, clearing, remittance accounting activities.

A bank collects money from many places and invests money in many places. General banking only does the job of saving money.

The function of General Banking is Front Side Banking Service. Its main function is to distribute evenly with the customers. This department is found all banks, as it is important. As they have to provide services to the client of day-to-day basic. Front Desk given for this purpose as is the important for general banking. Customers get their deposits and meet their demand for cash by honouring cheques. Besides this, a customer opens their new accounts, remit funds, issues bank drafts and pay orders etc. The customer should be attracted to the bank. Those who are in General Banking are trained in such a way that they get along well with the customer.

3.3 Product and Services:

Retail banking:

- Al – Walediah current account (A WCD)
- MUDARABA millionaire deposit scheme
- Pyramid saving
- Elegent saving
- Savings bond
- Monthly based term deposit scheme
- Deposit product
- Monthly Hajj Deposit
- MUDARABA pension deposit scheme
- MUDARABA kotipoti deposit scheme

Investment banking:

- House loan
- Car loan
- Doctors loan
- Student loan

Corporate banking:

- Deposit
- Finance – trade finance, project finance, infrastructure

SME banking:

- Working capital
- Project finance

Other services:

- WASA Bill collection
- DPDC bill collection
- BTCL bill collection

3.4 GB Sections:

There are various sections in General banking department, there are:

✓ Accounts Opening Section
✓ Account Closing section
✓ Cheque Clearing Section
✓ Cash Section
✓ Remittance Section
✓ Locker service

- **Account Opening Section:** The staff helps the new customer to come here and open their bank account. To open a bank account, the customer has to bring some information like: Receiving filled up application in bank's prescribed form mentioning what types of account is desired to be opened, The form is filled up by the applicant himself or herself, Three copies of passport size photographs from individual, One copy of passport size photographs from the nominee, Income statement like job id/ trade license copy, (utility bill for landlord), National ID card copy

- **Account closing section:** To close, the customer has to come to the bank and close the account by filling the specific form. The bank closed after a few days of monitoring.

- **Cheque Clearing Section:** When a check from one bank arrives at another bank it will be sent to the check clearing section. The clearing section scans the check and sends it to Bangladesh Bank. Bangladesh Bank then checks and selects the ticket and allows the payment.

- **Cash section:** Here basically the customer comes to withdraw his money. Those who deposit money in the bank can withdraw money from the bank. He has to carry a check to withdraw money from the bank. The check contains the customer's name, his signature and the amount of money.
- **Remittance Section:** The remittance section is a medium for exchanging foreign currency. When someone sends money from abroad, the money has to be withdrawn through remittance. When someone wants to send money abroad from the country, he has to send money through remittance.

- **Locker service:** Local service is a service where the customer has to rent a locker to keep his necessities in the bank locker.

How to an Open a bank account in AIBL

1. Receiving filled up application in bank's prescribed form mentioning what types of account is desired to be opened.
2. The form is filled up by the applicant himself or herself.
3. Three copies of passport size photographs from individual
4. One copy of passport size photographs from nominee.
5. Income statement like job id/ trade license copy .(utility bill for land lord)
6. National ID card copy.

3.5 Types of account

Types of Current account:

1. **Al – Walediah current account (A WCD) :**

   - This type of accounts are not under profit term and is opened by organization or business men for the unlimited facilities of withdrawal. Minimum opening deposit amount 2000/=.

Types of Deposit account:

1. **Monthly based term deposit (ITD) :**
   - This account is for monthly savings and is created for 2,3,5,8,10 or 12 years along with installment either of TK 200/=, 300/=, 500/=, 1000/=, 2000/=, 5000/=, 10000/=. Daily basis profit calculation is done on this. Age above 18 is required.

2. **Saving investment deposit**
   - Monthly basis deposit given by the customer to the bank and after expiry of period double amount of money is given to the depositor.
3. **Monthly based term deposit scheme**
   - It is opened for monthly profit gaining and is applicable for resident and non – resident. Amount shall be 1 lack or more than that. Tax will be included in and profit will be given from next month.
4. **Monthly Hajj deposit**
   - Hajj account duration is one year to 20 year. Installment amount depend on the deposit amount.
5. **Mudaraba lakhpoti deposit scheme (LDS)**
   - This accounts maturity period this accounts maturity period starts from 3, 5, 8, 10 or 12 years and daily pofit is given, tax included and monthly installment given on working day.

6. **Mudaraba millionaire deposit scheme**
    - Monthly installment deposited on working day and installment can be 24,000/=, 17,530/=, 13,500/=, 10,800/=, 8,800/=, 5,400/=, 4,100/=, 2870/=1,700/= taka. Daily basis profit and tax included.
7. **Mudaraba pension deposit scheme**
    - Accounts maturity period 5, 10 or 15 years, profit daily basis tax included and monthly deposit amount 500/=, 1000/= or multiple.

8. **Mudaraba kotipoti deposit scheme**
    - Above 18 year age people can open it and tax will be included.

<u>Other types of Account:</u>

1. **Monthly Installment based investment scheme (MIS)**
    - Installment starts from taka 250/=, 500/=or 100/= according to wish and there tax will be applicable.
2. **Savings bond**
    - Saving bonds for 10,000/=, 25,000/=, 100,000/= taka can be introduced and It may for 3, 5 or 8 years. This accounts profit will be under tax requirement

3.6 Investment product and services

Investment product of AIBL are:

- Industrial/corporate sector
- Business sector
- Foreign (export/import) trade
- Construction (commercial small to big) and housing(private or public)
- Transportation sector
- Masque and madrasa (Muslim)
- Rural (village) /urban and small investment
- Consumer and small entrepreneur investment schemes.

Services o AIBL

- ATM card
- Online Banking
- Locker Service.

Telegraphic Transfer TT:

Telex transfer means the transfer of foreign funds. Accept transfer charges when sending money. In bank terms, everyone knows it as TT. It is possible to transfer from one bank to another.

Demand Draft (DD):

DD, is remote check, tail check or check by phone or check by fax. If the customer is out of the country, he can withdraw money from someone else through this check. Without signature.

Electronic funds transfer (EFT):

EFT, is one type of transfer of money in online from to one account to another. The customer cannot do the work himself, he has to do it through the bank.

Chapter 4: Market development process

Market Development strategy of Bank AL - Arafah Islami Bank Limited:

We all as market development activators knows that every organization has to develop their market if they want to provide service for long term. In banking sector, as financial institution their market is different from any FMCG or corporate. They have to follow different strategies. Ansoff Matrix is very highly popular for Market Development strategy.

Most of oraganization follow this four criteria when they want to develop their market. In year of 2009 every financial organization faced fall recition and fall of their market share.

Bank Al Arafah Islami Bank Limited crate their strategy on following that four sector which is Market Development, Market Penetration, and Product Development & Diversification. But as a financial oraganization they have to more focus on how to increase their deposits. So that they follow Ansoff model, but as a intern I find out seven sub point they wants to develop, by this development they are increasing their market share and they develop their market.

1. Modern Banking Behavior

The average Bangladeshis Banking behavior is very different. In Gov't Bank we can enjoy different service. In private Bank we can enjoy different service. But each sector have to have good participation. We know that some Banks are already closed for their bad participation. Some Banks are not able to provide Modern Banking service. Bank Al Aarfah Islamic Bank follow Modern Islami Banking Shariah system. They are able to engage their consumers. All retail branches are provide modern service. The depositors can use online service, for this service consumers can use their banking activist from their home buy using phone or computer internet. When depositors need to withdraw their money they can use Booth. Day by day Al Arafah Islami Bank ATM booth is increased for better experience. So by providing Modern Banking Behavior they can develop their market.

2. Search Engine Optimization:

In this modern era, search Engine optimization is very important part of banking system. For this optimization any peoples can find out the Banking service easily. Al Arafah Bank can create this, easily any people or any depositor can find out where they have available ATM booth service, where the branch are available, Which schemes are availabe for depositors etc. In research 65% consumers said this thing that for their better service experience it's very helpful. Now most of the organizations and financial institutes expend million dollars for their SEO. Many elements play a role in creating a comprehensive local SEO strategy, here some essential strategies of Al Arafah Islami Bank Limited:

1. Local Map Listing
2. City – Specific content
3. Business Review Sites
4. Content Marketing

3. Use Multiple Marketing Channels to Reach Their Desired Depositors:

In present every market is competitive, this is much unpredictable to assume when any single channel will take their prospects. But the Bank Marketing plan should be to identify the consumers and business personas who can impact fully for helping to grow their depositors then develop their multi channels to reach them. If depositors can find out easily his or her bank then the depositors will be interested for more transaction. The management of Al Arafah Bank doing tremendous work on it. Day by day their marketing channel is spread all over the country. In this way Al Arafah Islami Bank developing their marketing strategy.

4. Leverage Social Advertising to Target Prospects and Existing Customers:

Only favorability isn't work for capture all the potential Depositors. Advertisement is a modern media for this era, by this organizations can engage the consumers. For that reason, most of the organization provide paid advertisement in TV, Facebook, YouTube, Instagram etc. Many financial organizations designed their products to assist people throughout several of their lives. Marketers can provide his or her message by this platform. Social media platform offers powerful targeting tools and focus only specific audience based on their lifestyle. Al Arafah Bank provides this of ads for their target audience. Existing customers get this ad in that time they were more involved with this organization.

5. Create an Effective Mobile app for Depositors:

Every financial organization create Mobile apps for their depositors. By this Mobile app depositors can do their banking activities easily & smoothly. Al Arafah bank always try to optimize this app for depositor's better experience. This aps provides verity of service to the depositors, for this service consumers can save their time & feel better experience. By this service Al Arafah Islami Bank can develop their market.

6. Deliver Better customer Service & User-Friendly Environment:

AIBL tries to maintain better customer service and to provide user friendly environment. If any organization can do great service by providing user- Friendly environment. Because when a customer feel that this organization provide best service for them in that time, they will not switch to the other organization. Al Arafah Bank's every branch provides this service. Every branch is neat and clean and their employees are very humble to their depositors.

7. Creating new product:

Al Arafah Islami Bank always provide new scheme for their depositors. Depositors enjoys lots of scheme which is great/ right for them.

8. Sariah Practice on their all Transactions:

Al Arafah Bank practice Sariah based Banking system. In our country many people wants Islamic banking system. As a Muslim country in our religion, Interest systems are not allowed. Our Prophet Muhammad said to us directly we can enjoy profit, we cannot enjoy any interest. So, we can easily do transaction with this bank because this bank follow our Sariah based banking.

Al Arafah Bank can develops their market by follow these strategies. Day by day they are opening their new branches all over the country and developing their market by following these process.

Chapter: 5

Internship Experience

5.1 Position, Duties and Responsibilities:

As a BBA student of United International University I have fulfill internship or project in my final term as to be graduated. So for this circumstances I was assigned in a position of internee in AIBL Bank Notun Bazar Branch.

My duties mostly about to be work in general banking department of the bank.

My responsibility on this matter was to complete my internship in 3 (three) months period of time. So I have started my internship in 2020, 6st January. So my internship period ended in 2020, 6th march.

I have learnt various procedure about general banking activities of AIBL, there was a cooperative and friendly environment. They helped me through the entire period of my internship period.

5.2 Training:

As an intern my activities were:-

1. Account opening
2. Filling up pay Orders
3. Cheque requisition form
4. Bill clearing section
5. Checking bank balance of the customers
6. Sending emails and printing necessary documents.

5.2.1 Accounts opening:

I worked most of the time in general banking in AIBL Notun Bazar Branch. There I have dealt with opening and closing bank accounts, I have learnt about various types of accounts along with their necessary features and about necessary documents to open the bank account.

AIBL follows different types of deposit accounts:

- ✓ MUDARABA SAVINGS DEPOSIT ACCOUNTS (MSD)
- ✓ MUDARABA CURRENT DEPOSIT ACCOUNT (CD)
- ✓ MUDARABA TERM DEPOSIT RECEIPT ACCOUNT (MTDR)
- ✓ SHORT NOTICE DEPOSIT ACCOUNT (SND)
- ✓ INSTALLMENT TERM DEPOSIT (ITD)
- ✓ MUDARABA HAZZ ACCOUNT
- ✓ MUDARABA PENSION SCHEME
- ✓ MUDARABA LAKHPOTI SCHEME
- ✓ MUDARABA MILLINER SCHEME
- ✓ MUDARABA KOTIPOTI SCHEME
- ✓ MUDARABA DOUBLE DEPOSIT SCHEME

More over my supervisor helped me with how to deal with versatile customer question answering and helped to open accounts.

5.2.2 Filling up pay orders:

I filled pay orders of the customers, as they were supplied with a pay order form. So in the pay order slip there were paces where the customer needed to write his/ her accounts details I fill them up and then help them to pay their cheque or cash by directing them to the in charge officer counter.

5.2.3 Cheque Requisition Form:

When the customer opens their account, they get a cheque slip with a pay order. So after filling it there I used to put seal on it and pass it to the in charge the officer. Then I used to record the register and give the customer their account name and number also.

5.2.4 Bill clearing section:

I used to give seal of notun bazar branch, endorsement seals on the received cheques. I also rechecked whether the accounts were written correct or not.

5.2.5 Checking bank balance of the customers:

If any customer wants to know their bank balance, I helped them to find out their quarries by directing them to the in charge officer.

5.2.6 Sending emails and printing necessary documents and receiving calls:

I have also worked on sending emails for notice to the customers and have printed customer documents, like: NID card copy etc. and also called customers for emergency requirements.

5.3 contribution to departmental functions:

I have contributed in general banking department and foreign remittance department functions.

5.4 Evaluation:

Throughout this internship journey I have understand how to take responsibilities of work load and though it was a monotonous job but also challenging so it was good experience with lots of practical knowledge.

5.5 Skills Applied:

There I have applied:

- my communication skill with the customers
- writing skill in filling forms
- Technological skill in printing and using computers.

5.6 Application of Academic Knowledge:

As it was a bank where I have done my internship, so there I have applied my principle of finance and accounting Knowledge while computing and filling the documents. And I have applied consumer behavior and service marketing subject's concept while communicating with the customers for helping them gathering their information's.

CHAPTER 6: CONCLUSIONS AND KEY FACTS

6.1 Recommendation for solution:

1. The Bank personnel shall help and sometime fill the form for customers to understand those form.
2. AIBL employees should be more diplomatic while acquiring information of their customers.
3. AIBL shall train their employees of how to have patience and solve the misbehavior of their customers.
4. AIBL bank shall have a counter or help service for educating their customer's knowledge of general banking service and other services as well.
5. AIBL should consult or have taken proper step for their for their electricity supply for their fluent work service.
6. AIBL should develop their management information system.
7. AIBL shall work on how to have adequate knowledge for the development of having decent banking culture in all over the country.
8. AIBL Can established call center for receiving complaints and suggestions of their customers.
9. Telephone network should be more developed.
10. Equal distribution of AIBLS's employees work should be well maintained.
11. The charge of (PO), (DD), and (TT) etc. can be exempted or reduced in AIBL.

Internet billing of customers fund transfer, balance inquiry, payment of the utility bill etc. can be done through AIBL internet service.

6.2 Key Understanding

The findings I found on AIBL Bank are given below:

- **Few number of Exporter and importer in AIBL:**

  AIBL bank has not have the enough number of exporter and importer, through which they cannot achieve their goal. So for increasing their total foreign business the AIBL Bank needs to increase their exporter and importers.

- **Lack of efficient employees in AIBL:**

  AIBL bank doesn't have sufficient employees to operate their foreign ase efficient exchange department in their bank, for that they should increase efficient employees on that department.

- **Number of Branch level meeting in AIBL:**

  The bank has less number of branch, so they need to expand their branches. So that they can do well in foreign business. And in branches they should take their employees opinion, and should listen and solve their problem. Use their employees in market expansion will be impactful for the brand.

- **Lack of modern PC and comprehensive banking software:**

  AIBL banks computer are not latest and much old, so they need to provide their employees latest version of computer for achieving greater productivity.

If AIBL can overcome from the above problem they will be one of first graded bank in very near future.

6.3 Conclusion

Al-Arafah is a non-government commercial private bank in Bangladesh, which is a unique combination of sharia and Islamic banking. Among non-government organization AIBL has reached milestone in economic development. AIBL is playing a great role in reducing unemployment problem in Bangladesh as there is over 3682 of manpower and shareholder over 25793 are getting benefit from this organization. But in reality as Islamic Bank Al-Arafah and Islamic Banks faces problem for their tag as a difficult in term, as peoples thought. And some people doesn't find difference in between other bank and Islamic bank.

But as a new generation Islamic Bank Al-Arafah bank contributes to Bangladesh GDP, and also provides huge benefits and greater services to their Muslim customers as well. It worked on education, removing poverty, unemployment problem, corporate social responsibility etc.

We know success of banking business lies on effective landing, so less amount of loan loss causes of more income from the credit. And thus Al-Arafah bank Limited the more profit is gathered through following this, that is their reason of success in credit financing.

It can be said the position or the result of the AIBL is not satisfactory so far, But working on scientific credit financing has a greater opportunity and may bring greater effectiveness in AL-ARAFAH ISLAMIC BANK LIMITED.

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