An Internship Report

On

Corporate Social Responsibility Practices in Islamic Banks - A Case Study on Al- Arafah Islami Bank Limited

This internship report submitted to the School of Business and Economics for the partial fulfillment of the requirements for the degree of Bachelor of Business Administration.

Submitted To:

Md. Kaium Hossain

Assistant Professor

School of Business and Economics

Submitted By:

Afia Afzal Shupti

ID: 111 171 100

Major: Marketing (BBA)

Fall 2021

School of Business and Economics

United International University

Date of Submission: April 10, 2022

Corporate Social Responsibility Practices in Islamic Banks - A Case Study on Al- Arafah Islami Bank Limited

Letter of Transmittal

April 10, 2022

Md. Kaium Hossain

Assistant Professor

School of Business and Economics

United International University

Subject: An application for accepting the internship report.

Dear Sir,

With due respect, I am Afia Afzal Shupti, a United International University student. I would like to inform you that, by the grace of Almighty Allah and your assistance, I have finished the internship report under your supervision in order to complete the internship requirement.

It was a pleasure for me to submit the report titled as "**Corporate Social Responsibility Practices in Islamic Banks - A Case Study on Al- Arafah Islami Bank Limited**". In AIBL I had great working experience as it shows the difference between the real and theoretical work.

Therefore, I would like to express my gratitude for all of your advice and directions. I hope you will find the report up to your expectation, since I tried my level best to put the best effort for the preparation of this report.

Sincerely,

Afia Afzal Shupti

ID: 111 171 100

BBA Program

United International University

Declaration of Student

I, Afia Afzal Shupti, hereby declare that the intern report is my original work, except for quotations and citations that have been properly acknowledged. The report on **"Corporate Social Responsibility Practices in Islamic Banks - A Case Study on Al- Arafah Islami Bank Limited"** has been prepared for my internship program. I also declare that this report has not been submitted previously or concurrently for any other degree at United International University or other institutions.

Afia Afzal Shupti
ID- 111 171 100
School of Business and Economics
United International University

Acknowledgement

To begin with, my heartiest thankfulness to the Almighty Allah for giving me the ability and strength to complete this report on "**Corporate Social Responsibility Practices in Islamic Banks - A Case Study on Al- Arafah Islami Bank Limited**.” It is with immense pleasure that I acknowledge my advisor's unconditional support and guidance, Md. Kaium Hossain, Assistant Professor, United International University. It wasn't possible to complete this report without his valuable suggestion and feedback.

My heartfelt gratitude goes to Al- Arafah Islami Bank Limited for allowing me to work as an intern. I would like to thank my supervisor Sahadat Ullah (Officer), and Setara Islam (SEO), in General banking department of AIBL, for guiding and motivating me throughout my internship period.

Executive Summary

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns into their business operations and interactions with their stakeholders. The report titled **"**Corporate Social Responsibility Practices in Islamic Banks - A Case Study on Al- Arafah Islami Bank Limited" has been prepared to fulfill the internship program, which is also a requirement to complete the BBA program. This report consists of six chapters titled introduction, company and industry preview, methodology, analysis and findings, internship experience, and recommendations. The primary purpose of this report is to analyze the CSR practices of Al- Arafah Islami Bank Limited (AIBL). Secondary data has been used in this descriptive study. AIBL is committed to conducting all financial activities based on Islamic practices. AIBL ensure effective and efficient banking operation by following Islamic principles. This report also compared CSR practices between AIBL and other Islamic banks in Bangladesh. According to the analysis, AIBL mainly contributed to the health, education, disaster relief, and social welfare sectors. Like other banks, AIBL should expand its CSR efforts by contributing to sports, arts, and culture. AIBL lacks strong promotional strategies for its Islamic banking services and CSR initiatives. To improve their public image, they should engage in more promotional efforts.

Contents

Chapter- 1

Introduction

1.1 Background of the Report

Corporate Social Responsibility (CSR) is a management concept where companies merge social and environmental concerns in their business operations and interact with their stakeholders. Through CSR practices, a company achieves a balance of economic, environmental, and social imperatives while at the same time addressing the expectations of shareholders and stakeholders. CSR activity makes a significant contribution to the reduction of poverty. It also increases the reputation of a company and makes the brand stronger. This report aims to get the real-life experience of work, which helped build practical knowledge and gather practical life experience on banking. The academic program mainly develops theoretical knowledge, which isn't enough to create a strong background in the practical field. Banks are the key financial institution that plays a vital part in offering cash to businesses that want to invest. These loans and investments in the business are essential for economic growth. The central bank, commercial banks, private banks, foreign banks, and other non-bank financial institutions are the key financial institutions of Bangladesh. As an intern, I have worked in Al-Arafah Islamic Bank at the Dhanmondi branch and gathered much information about banking services. This report is based on the CSR practices of Al- Arafah Islami Bank. From this internship program, I gathered knowledge on the CSR practices of AIBL and other Islamic banks.

1.2 Origin of the Report

This report is a comprehensive study which is required for the completion of the BBA Program of United International University. This internship program requires students to have the chance to adapt the unique environment through their internship period. As a student of BBA, everyone has to conduct a practical adaption in any organization to fulfill the requirement of 3 months internship program. This report covers a 3 months of detailed study about the products and services provided by AIBL. In this report I have mentioned how AIBL follows the path of Islam and the CSR activities of their bank. This intern report has been completed under the guidance of Md. Kaium Hossain, Assistant professor at United International University.

1.3 Objectives of the Report: There are two types of objectives: broad and specific, as mentioned below.

Broad Objective- The broad objective of this report is to find out the Corporate Social Responsibility (CSR) practices of **Al- Arafah Islami Bank Limited (AIBL).**

Specific Objectives-

- To analyze and understand the overall activities of AIBL
- To know about the products & services provided by AIBL
- To provide an overview of CSR practices of AIBL
- To accrue knowledge on CSR activities of Islamic Banks in Bangladesh
- To suggest the possible recommendations to improve CSR services.

1.4 Scope of the Report: The report is based on the CSR practices of Al-Arafah Islami bank. The goal is to gather as much information as possible regarding the overview of AIBL and represent it in the next chapter. The information's are largely gathered from reports. This report is going to be helpful for those individuals who want to get information about the product and services presented by AIBL in their CSR practices.

1.5 Limitations of the Report: I have faced some difficulties during making this report that maybe termed as the limitations of the study.

- There was a lack of secondary information to prepare the report more informative.
- There was a lack of time to get all the information about AIBL.
- Lack of co-operation with supervisor for their busy schedule, which is also constraint for this report.
- They maintain high level of confidentiality which became a barrier for me to collect data from internet.

Chapter-2

Company and Industry Preview

2.1. Company Analysis

2.1.1 Overview and History: The main target of Islamic lifestyle is to be successful both in mortal and immortal life. The main purpose of the bank is to follow the way of Islam and the path shown by Rasul (SM). They want to achieve success both here and hereafter life though following the direction of Allah. AIBL was established in 18th June 1995, as a private bank. The opening ceremony held on 27th September 1995. With some renowned Islamic scholars and pious businessman the bank was sponsored. A group of dedicated, established and pious personality peoples were the architects and directors of AIBL. Among them Mr.A.Z.M Shamsul Alam was the founder chairman of this bank. The founder chairman was an Islamic scholar, economist, writer and ex bureau craft of Bangladesh government. Through his motivation and leadership the bank has got a secure position in the financial market of Bangladesh. AIBL has total 201 branches in Bangladesh. With the hard work of Islamic bankers and Almighty Allah, AIBL has become one of the modern and leading Islamic Bank in Bangladesh.

2.1.2 Vision, Mission and Commitments

Vision

- To be a pioneer in modern Islamic banking in Bangladesh and want to contribute significantly to the growth of national economy.

Mission

- AIBL wants to achieve success through following the way of Allah both here and hereafter.
- AIBL wants to adapt the latest technology to ensure good quality financial services.
- They aim to provide fast customer service.
- AIBL maintains a good standard of business ethics.
- AIBL aims in contributing significant growth in the economy of Bangladesh.
- AIBL represent innovative banking system at a competitive price.

- They are extending competitive compensation packages for their employees.
- They are getting more involved in Micro and SME financing.

Commitments:

- AIBL is a modern Islamic bank, which have a stable growth in both mobilizing deposit and investment to keep its position as a leading Islamic bank in BD.
- AIBL is committed to provide financial services in all the retail, small and medium scale organizations for their corporate clients.
- AIBL commits to match its business initiatives with the changing trade and industrial need of the clients.

2.1.3 Organizational Structure: AIBL is managed by board of directors consisting with 15 members and they have a responsibility to appoint executive committees. The executive committees consist of sponsor director, shareholder director, Ex- officer director and company secretary. The board of trustee has an authority to observe the regular operational functions including investment plans, budgets and venture designs. The board has a responsibility to approve the large investment transaction and major fund procurement.

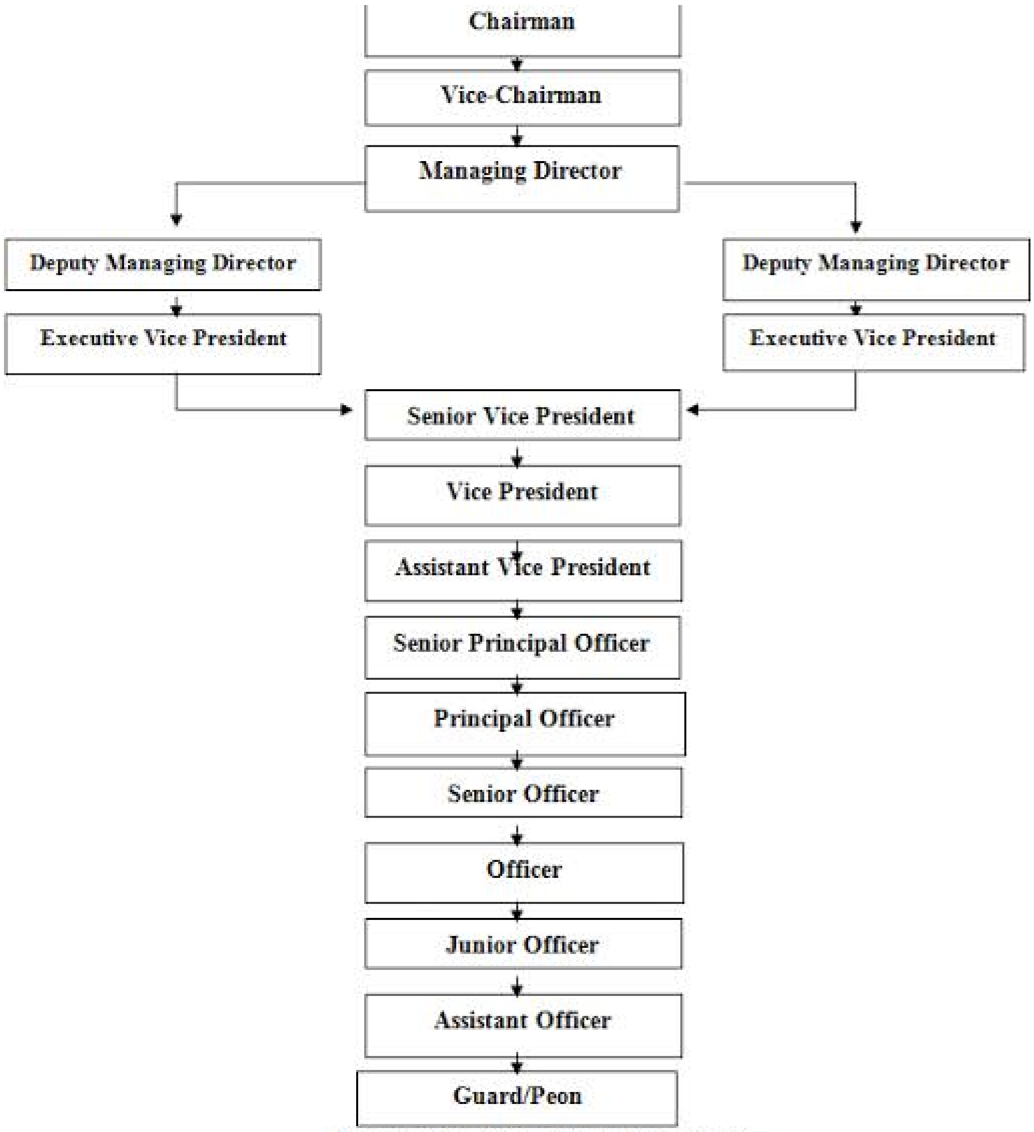

Figure 1: Organizational Flow chart of AIBL.

2.1.4 Departmental Activities:

All the private banks have different categories of departments. AIBL is one of the disciplined banks with a typical corporate culture. They do believe in shared understanding and shared sense making. They can understand the events, activities, objects in a different way. The Bank's achievement has been conceived by all levels of administration and staffs.

General Banking Division: General banking is the starting point of all the banking operations. It is the most important department as it provides regular day to day services to its customers. The customers open new accounts, remit funds, issues bank drafts and pay order etc. There are various sections in general banking division-

1. **Cash Section:** It is the most important section in general banking deviation. It deals with all kind of cash related transactions. Each day customers open accounts with cash and transfer cash to cash officers to deposit money.

2. **A/C Opening Section:** In A/C opening section customers are the main source of banks. Customer selection is another important factor in this section. If customer is fraud then they can create problems in their accounts. That's why we say that, bank's success and failure largely depends on their customers. For this reason, AIBL keeps all the key information of their customers.

Account opening process:

Step-1

I. Customers receive the account opening form with mentioning what type of account they want to open.
II. Applicant must have to fill all the necessary information by himself/herself.
III. Two copies of passport size copy of A/C holder and one copy of nominee is mandatory to be given in the bank.
IV. One copy of NID card photocopy is taken from both A/C holder and nominee.
V. The information of the source of fund is also taken mandatorily from each customer.

Step-2

I. Applicants must have to sign the signature sheets.
II. Account-holders signature and account numbers are verified by the officers.

Step-3

Filling and get a sign in KYC form, which is known as Know your customer form.

Step-4

Authorized officers and manager accepts and sign the application forms.

Step-5

Minimum amount of cash has to be deposited in bank account through A\C holder.

Step-6

Once account has been opened one cheque book and pay in slip book is given to each customers.

3. **Cheque Clearing:** Bank receives all kind of clearing cheques in favour from the clients. Cheque clearing is the process of moving the deposited cash from bank. Cheque of the other branches of AIBL is also accepted within its clearing house area. When cheque is received it is necessary to endorse it. The cheques are directly sent to its respected branches and request them to send it in IBCA (Inter bank credit advice).

4. **Local Remittance:** It is another important service provided by banks. It helps to transfer money from one place to another, any payment of an invoice or bill is called remittance. Remittance is possible through one MOB account to another which have partnered with MOB. This service makes easy transaction for businessman's to transfer fund from one place to another within short time period. There are five techniques for remitting money – i) Demand draft, ii) Telegraphic transfer, iii) Telephone transfer, and iv) Pay order.

2.1.5 SWOT Analysis

SWOT-analysis helps identify an organization's competitive strengths, weaknesses, opportunities, and threats. This framework is used to assess the company's market position. Throughout its entire life-cycle, each organization in the market is controlled by its internal strengths and weaknesses and its external opportunities and threats.

<u>Strengths</u>

- AIBL provides outstanding and stable services to their customers.
- It has a good working environment.
- AIBL is popular and it has goodwill among clients.
- It has strong deposit and investment management capabilities.
- They provide high commitments to their customers.
- HR of this bank is highly qualified and well educated.

Weaknesses

- AIBL has a lack of promotional activity.
- The procedure of credit facility is too long than other banks.
- Limited ATM services, not available everywhere.

Opportunities

- AIBL can offer more creative and latest customer services.
- Many branches can be opened in local remote areas for its high demand.
- It can build good relationship with foreign banks.
- It can expand more its import and export business service.
- It can increase client's finance demand though increasing promotional activity.

Threats

- Lots of new banks are arriving with its modern services
- Other competitors of bank can get huge market share through offering same products and services.
- Customer awareness of Islamic banking is less compared with other banks.

2.2 Industry Analysis

2.2.1 Specification of the Industry

The Bangladesh bank is the central bank of Bangladesh which is fully owned by government. There are four major types of banks operate in banking industry and these are- State owned commercial bank, specialized banks, private commercial banks and foreign commercial banks. There are two types of financial system in Bangladesh Banks and Non-bank financial institutions (NBFI). In 2002, the control of banking system was in the hand of state owned commercial banks, which got declined for the growth in private commercial banks and foreign commercial banks. The PCB's and FCB's gained good market share both in banks loans and deposits. It has reflected high competition in the banking sector at that time. Foreign commercial bank's share has increased by keeping their asset over 10 years. Authorities took some legal and institutional initiatives to create an effective environment. To strengthen the supervision and legal system of central bank financial sector has taken initiatives to improve loan classification, capital adequacy positioning. CAMEL rating system was introduced for scheduled banks to measure the performance of banking sector. If any kind of difficulties has been faced in the operation areas of CAMEL's rating, it has bought under earning weaker section category to monitor closely to improve its performance.

The banking regulatory should focus on the reduction in risk and in the measurement of the impropriety in culture drivers. They must input an effective credit risk management system to ensure secure loans. Now Bangladesh bank is facing difficulties as government runs some private banks also. Now private banks are trying to follow the banking structure of developed countries. For COVID-19 pandemic, the worldwide economy has been greatly affected. COVID-19 has slowdown the business activities such as high volume of non-performing loan, lack of corporate governance, increasing capital short-fall and slow loan recovery. According to statistics of Bangladesh bank, 27,237 bankers of commercial banks have been affected by COVID. For COVID-19, new challenges are coming ahead for the whole nation as well as for banking industry also.

2.2.2 Size, Trend and Maturity of the Industry

Bangladesh is the developing country and it has encouraged its economic growth in banking industry. It has gone s step further through the promotion on financial inclusion. The number of outlet has increased from 3,224 in 2017 to 5,351 in 2018. The number of account holders is also increased from 0.87 million to 1.78 million. In 2018, the total number of accounts has increased from 6.51 billion to 20.12 billion. The products and interest of the banks is almost same in Bangladesh as there is a parameter which Bangladesh bank imposes on all the other banks. The majority of clients are concerned about interest rates. As there are so many banks which indicates that customers have so many alternatives. So customers can easily switch to many alternative banks. The bank has four key sources for working pay- interest pay, investment, commission and trade financier. Banks got connected with the capital market after 2007. Until 2011, banks got aggressively profited from the capital market. With dealing in banking permits and financier permits the banks have expanded their capital market. Through the measure of inflow and exchange in finance department the charges of payment were expanding. In 2010, all the banks have seen its minimal rate in inter-bank repo rate.

Bangladesh has been instructed to maintain its minimum capital requirement at 10% of the risk weighted assets, which is already in higher rate. The amount of capital has increased of the banking sector in 2020 with 1267.09 billion. The increased cash supply has made the capital market blast and added higher value in the economy development. In 2020, out of 59 scheduled banks, 8 PCB's has operated as Islamic banks and 18 conventional banks operated with the branches of Islamic banks. Around 21.8% deposits has been made from these Islamic banks and along with their branches of the conventional banks in the banking sector of our country. For the COVID-19 pandemic in March 2020, default credit of financial area saw a fall at 18.2 billion. For that, the government has suspended the default advances from January to help the organization for COVID-19.

2.2.3 Barriers to Entry

In the financial Industry, barriers to entry include- license laws, capital requirements, regulatory compliance, IT framework and security concerns etc. Brand loyalty, Absolute cost advantage, economies of scale and government regulations are the common barriers to entry. Peoples who are loyal customers of local or government owned banks usually doesn't open account in other banks, whatever benefits are provided by other banks. Due to fragmented nature of the industry no banks enjoys an absolute cost advantage. A fragmented industry contains large number of medium and small sized companies, and none of them has a position to dominate the banking industry. Most of the government banks and local banks are enjoying the scale of economy, as they are doing this business from a very long time period and have got many branches all over the country. Government regulation is quite supportive in the formation and operation for the opening of new banks.

2.2.4 Threat of Substitutes

Banks mainly provides services like depositing, collecting and provide loans. Now mobile financial services are the main threat as substitute for banks. As a threat deposit collection is substituted by mobile banking financial services. Utility and remittance services are also being phased out in mobile financial services. The card sector through internet is an alternative distribution method. In Bangladesh virtual payment method has also increased which is undoubtedly a threat in terms of deposit transfer and collection. Non-banking financial service has become very important in lending services. NBFI's are financing on the large projects at the same rate offered by commercial banks. NBFI's provide variety of lending services like- house loans, car loans and other personal loans. They are also providing leasing services like- insurance service, mutual fund, deposit plans and many other services. The majority of mobile banking transactions started in the middle of 2020. For that peoples are getting more and more dependent on mobile banking. The COVID-19 has increased the number of usage of mobile banking. Bkash, Nagad, Upay, M-cash are the popular mobile banking companies in Bangladesh which are the substitutes of banks. Bkash is the market leader in providing mobile banking services with 90% share. From these mobile banking services peoples of our country can deposit, withdraw and transfer money at any time from any place just with their handset. Given all of this, the dynamics driving the threat of substitution are high.

2.2.5 Industry Rivalry

Rivalry is the competition between one industry with another to gain the market share from each other. To have a good position in the market banks can use different tactics like price competition, advertising competition, product introduction, quality competition and increase customer service. The number of increase in enterprises, market growth, product diversification and exit obstacles all influence the high competition of rivalry. The microfinance institutions and Non-banking financial institutions are also increasing which is replacing the banks and giving better services to the customers. AIBL bank also knows that customers are the indicator to make the rivalry very intense. It is also not easy for any bank including AIBL to exit the market easily and the diversification the products of banks, which increase the rivalry even further.

Chapter-3

Methodology

3.1 Introduction: Methodology is the study of research method and a logical view, belief and values that guide the choices of researchers. It contains theoretical analysis of the body of methods into a branch of knowledge. It helps to understand how the knowledge and reality is understood. Methodology includes collecting data from different sources to get the required information of the problem.

3.2 Research Design: The term "Research design" refers to the overall strategy for conducting data in a brief and logical method. We can conduct a research through data collection, interpretation and discussion. The research design is classified into two categories, Quantitative and Qualitative research design. There are five types of research design- Descriptive, Correlational, Experimental, Diagnostic and Explanatory. In this report, I have done descriptive research. In descriptive research design the researcher goes into deep detailed information in the research. It is purely theoretical study in which I have collected data, analyzed it and prepared it in an understandable manner.

3.3 Data Collection: For data collection, I have used both primary and secondary sources to complete this report. The data sources are given below-

Primary source: In office, i have worked practically into real life. As an intern throughout direct observation of the clients and working with my supervisor I have collected primary data. I had to confront separate clients to take their detailed information to fill the account forms.

Secondary Sources-

- The AIBL's Annual report.
- AIBL's official website.
- AIBL intern reports.

Chapter-4

Analysis and Findings

4.1 Corporate Social Responsibility (CSR): CSR refers to the tactics that businesses use to ensure that their activities are both ethical and beneficial to society. Companies have to be socially accountable to customers, stakeholders, environment, and the world at large. Through CSR practices companies can achieve a balance in economic, environmental and social imperatives. It also helps to reduce the poverty in a country which directly increase the reputation of a company and strengthen the brand. If a company can implement a proper CSR concept then it can bring varieties of competitive advantages. It can increase sales and profits, operational cost savings, improve in productivity and quality, improve brand image and strengthen its reputation, bring customer loyalty, risk management process and many others. There are four categories of CSR- Environmental responsibility, human rights responsibility, philanthropic responsibility, and Economic responsibility. CSR is very important for banks since it doesn't only improve their own standards but also influences the socially responsible behavior of other firms.

CSR activities may include:

- It is required by businesses to select partners who support ethical business standards.
- Profits are re-invested in health and safety programs.
- Contributing in philanthropic activities
- Allow equal opportunities to both man and women for any senior designation in the company.

4.2 The Benefits of Corporate Social Responsibility in Businesses:

CSR initiatives provide benefit both for the company as well as for the environment and society also. There are many benefits of companies for to get engaged in CSR activities. Companies can earn a good reputation, can save money through operational efficiency, minimize environmental impacts, attract top talent and inspire innovation.

- Improve brand value: Being socially responsible it brings good recognition for the brand. For being engaged in CSR practices people can know more about the company for its good work. Customer trust in those companies which build an overall positive image for the brand of the company.
- Builds customer loyalty: From research, about 55% of customers are willing to pay more for those companies who are doing something good for the society. Socially responsible companies can build customer loyalty even if they are not directly connected into the contribution.
- Helps attract and retain talent: Employees like to be a part and get stick with such organization, which doesn't only think about the profit but more than it. A lot of companies are now directly including their employees in

the CSR activities to inspire them more with their work. About 78% of peoples think CSR directly influence them to join an organization.

- Increase employee engagement: An organization need employee assistance in developing their CSR programs for volunteering. So when employees get include in these important events, they feel themselves valuable and appreciated. These CSR programs helps to build team stronger, improve the relationship with employees and increase the employee's involvement more in the workforce.

4.3 CSR Practices in Banking Sector of Bangladesh

Banking industry is the most important sector in Bangladesh compared with other sectors. The banking industry growth rate is growing faster than other industry in the country. For the growth is economic and financial activities CSR practices is getting more attention due to environmental and other reasons. Now CSR is getting worldwide attention and it has built strong presence in the developing countries including Bangladesh. Bangladesh bank has made CSR expenditure mandatory in 2002. The Bangladesh Bank has encouraged commercial banks to play a significant role in CSR activities that provide benefit for the well-being of individuals. But reporting says that it is not perfectly considered from banks, banks disclose qualitative information rather than quantitative CSR initiatives. The periodic trend of current GDP growth and the growth of CSR activities are positive. Any direct or indirect benefits encourage banks CSR practices. As a part of corporate citizenship banks and other financial sectors should perform different CSR responsibilities for the society. From these CSR practices, banks are getting fiscal and promotional benefits in their business. New banks need small funding and isn't in a position to access formal banking sector. If these banks perform CSR practices from the beginning, they will be directly benefitted in their day to day livelihood. The major for the contribution in CSR activities include education, humanitarian, disaster relief, arts& culture, sports, society, environment and health etc.

4.4 CSR Practices of AIBL

CSR is an integral part of AIBL's corporate culture and ethics. AIBL do respond in the every area of social activities also deliver innovative solution to their valued customers. CSR is an essential part of AIBL's culture and ethics. The bank follows the different mode of investment policy which is approved by Islamic Shariah. The bank holds their all CSR regarding decision from their board of directors. The bank commits to establish welfare oriented banking system, make employment opportunities, Implement development in projects and many more. AIBL has also taken steps to implement socially and environmentally responsible practices from their own operations. They have Al-Arafah Islamic banking foundation to serve the humanity through performing philanthropic activities. Here I have described some of their CSR practices-

a) Education: AIBL has a huge contribution in education sector under its CSR practices. Some of them are mentioned below-

- Al-Arafah Islamic International School & College has been established at Dhanmondi in 1998, by the AIBL foundation to see the improvement in next generation with peace and equality of Islam. The main goal of this Islamic school & collage is to spread the education of Islam to all the children for their better future.
- AIBL has established a library at Chittagong in a healthy sound surrounding. It has 23000 of exceptional collection of books for researchers, students, professionals, bankers, physicians, engineers, politicians, writers or journalists, even for the kids. This library was opened from 2000 and located in good accessible place for everyone.
- AIBL has provided 100 computer sets to Jamia Islamia Ubaidia Nanupur Madrasa authority in Fatikchhari Chittagong under its CSR program. The computer sets was handed by the chairman of the bank at Hotel Radisson Blue Hall of Chittagong. Now madrassa students will be able to participate actively to strengthen the formation of digital Bangladesh through use of modern computers.

b) Health: AIBL has established an international standard kidney dialysis center to deliver the therapy of kidney patient in Bangladesh at low price. This center is situated in both in Dhaka and Chittagong. AIBL foundation is committed to provide medical support to all the poor peoples of our country in future.

c) Disaster Management: Al-Arafah Islamic Bank has distributed food and health safety equipment among helpless and distressed people of Patiya in Chittagong under its CSR program. AIBL has donated 75,000 blankets for cold-stricken people of the country as part of its CSR practice.

d) Humanitarian Welfare Activities of AIBL: AIBL has donated a Freezing van under its Corporate Social Responsibility (CSR) practices to Naya Paltan Jame Masjid to facilitate the transportation of dead bodies.

e) Environment: AIBL has donated 200 vans to Chittagong for door to door garbage collection and disposal in Chittagong city.

f) Green Banking Policy: AIBL has arranged a green banking section which is supervised by the senior executive and board audit committee. The bank has taken following in-house initiatives for the green banking activities-
   - Both side papers are being used.
   - Energy saving bulbs is being used in the banks.

4.5 CSR Practices of Islami Bank Bangladesh Limited (IBBL)

IBBL is a public limited company engaged in commercial banking business. It was established in 13th March 1983 as the first Islamic bank. They have started their social welfare activities through its charitable activities from the creation of “Sadaqah Tahbil”. They has established their Corporate social affairs department on 16th July 2009 with the instruction of central bank. Among othe private banks IBBL has the largest branch network with total 384 branches, 219 sub-branches and 2306 agent outlets. IBBL has focused their CSR program on three bottom line- people, plant and profit to achieve sustainable development.

a) Humanitarian and Disaster Relief: IBBL always helps the people who directly suffer from disasters by offering special deposit and investment scheme. As the market leader of banking business, IBBL made the lead. IBBL has donated 5 crore on Rana plaza's disaster accident to support contribution.

b) Education: IBBL's contribution in educational sector is significant since its inception. Every year IBBL is providing scholarship to poor 800 students (400 in HSC and 400 in graduation level students) to secure their GPA-5 in SSC and HSC exams under direct scholarship programs.

c) Health: IBBL established 7 fully owned hospitals and 7 community hospitals of total 1032 beds creating employment of 353 doctors, 582 nurses and 2932 other employees. A number of charitable dispensaries, Arsenic mitigation program, mobile eye camp and many other health programs are operated by IBBL.

d) Sports: During cricket world cup, IBBL has provided 100 million to beautify Dhaka city in 2011. In that year IBBL has contributed the highest amount among the other banks by providing BDT248.75 million in sports sector.

e) Art and Culture: IBBL has established 'Bangladesh cultural center' in 1997 which have 32 centers all over the country. In this sector the bank has contributed BDT 5.86 million in 2012.

f) Environment: To provide better environment, IBBL is very concerned in order to reduce wastages, recycle and re-use of materials. IBBL encourages employees to use both page of a paper, use of power saving utilities, minimal wastage in electricity, water etc. IBBL has contributed BDT 22.94 million for environmental purpose. IBBL also encourage their employees to be sensitive both inside and outside of the office.

4.6 CSR Practices of Social Islami Bank Limited (SIBL)

Social Islamic bank is a private bank which was established in 22 November, 1995 based on Shariah principles. Now, SIBL has 100 branches all over the country with two subsidiaries company- SIBL securities limited and SIBL investment limited. From fund they financially help poor peoples, orphanages, madrasas and many more. Their welfare activities is being carried out from-

i) Profit of cash Waqf fund
ii) Compensation fund
iii) Doubtful income
iv) Zakat fund.

a) Education: They really want to increase the number of educated people in our country through improving the quality of education.
   - They have donated 50,000 Taka at Ummul Mumineen Ayesha (R) Mohila Aleem madrasa to purchase laptops. For compulsory ICT education they have donated some amount in this madrasa.
   - To make a multi-media classroom the bank has donated 72,713 Taka to purchase laptop and projector at Jirtola Union high school, Begumgonj, Noakhali.
   - The bank has donated 180000Taka at Anjuman Protibondhi Shishu kolyan School for abnormal children.
   - The bank has donated 50000Taka only to purchase books at Birshreshta Mostafa Kamal library.

b) Health: Health sector is another important sector of CSR practices. All the commercial banks try their best to provide medical services to the helpless poor people .Here, I am describing some of the contribution in health sector by SIBL -

- SIBL has established a hospital named ‘SIBL foundation hospital and diagnostic center’. General people will get 30% discount and the employees of SIBL foundation will get 40% discount for treatment from this hospital. SIBL has donated 1 lac taka for the treatment of poor and distressed people in this hospital.
- The board of director has donated over 3.70 lac taka to purchase an infant incubator for the child unit of Dhaka medical college hospital.
- The board of director has donated around 4.50 lac taka for 45 emergency beds in Dhaka medical college hospital.

c) Contribution to Sports and Culture:

- SIBL has contributed 35000 taka as a sponsor to promote youth football favouring patway and associates to conduct FPL.
- SIBL has contributed taka 5 lac and participated as a prime sponsor of the ‘Annual fellowship Night’ organized by Dhaka university club.
- SIBL has participated as a prime sponsor of the ‘Annual fellowship Night’ organized by Dhaka University club at a cost of Tk.5 lac.

d) Contribution in Disaster Management: All the commercial banks came forward to help the poor and affected people during natural calamities. SIBL has also donated 45000 pieces of blankets to distribute among poor and distressed people during winter 2015.

e) Contribution to Social Utility:

- SIBL has donated 45,000 sharees and 22,000 lungis to distribute among the poor and distressed people during Holy Ramadan in 2015.
- To install surveillance camera for security purpose in the road side of Gulshan area, Dhaka. SIBL donated 1000000 Taka to Dhaka north city Corporation.

4.7 CSR Practices of EXIM Bank LTD

EXIM bank was established on 3rd August, 1999 under the leadership of founder chairman Late Mr. Shahjahan Kabir. In the starting the name of bank was Bengal Export Import bank then it has changed as Export Import bank on 16th November 1999. The bank has gained different and secured position in the banking industry. It has gained a good growth through providing good performance in their banking services. In 2004, the bank has transferred its conventional banking operation into Shariah banking system. They have a belief that strong CSR program is needed to achieve a good business reputation and strengthening its brand. They also have a foundation to perform the CSR activities in accordance with their plan.

a) Health: EXIM bank has started providing medical services to poor peoples from 8 May 2010. EXIM bank contributed good amount of money to help poor and helpless patients to provide them modern medical services at low cost.
b) Education:
    - EXIM bank has launched scholarship program in 2006, to 61 meritorious students selected from different well reputed institutions of Dhaka city.
      The bank has donated BDT.19.3 million for scholarship program for students.
    - On the other hand, the bank provides interest free loan to poor and meritorious students to help them to bear their monthly educational cost. Under this program students are required to repay the principle amount in monthly installment after they get a permanent job.
    - EXIM bank has donated some amount in educational institutions to set up computer labs in Dhaka University and Chittagong University to develop ICT knowledge of the students.

c) Contribution in Disaster Management: EXIM bank provides cash for poor and affected peoples during natural calamities like flood, fire or cyclone. The aim is to help the targeted poor peoples to overcome their sufferings by performing CSR activities. Besides natural calamities, other accidents also occur in slum areas for that poor peoples have to suffer. In that situation, to fight against for the victims EXIM bank come forward to help them to get back them into their normal life.

d) Others:

I. EXIM Bank has donated one formalin de-hydrate machine to Gulshan-2, Kacha bazar, allowing traders to sell formalin-free fruits, vegetables, fish, meat, and other food items to clients.

II. EXIM bank has contributed a significant amount for the beautification of Dhaka. EXIM bank works together with the government to create a modern city with suitable urban facilities.

4.8 CSR Practices of First Security Islami Bank

First Security Islamic Bank Limited was established on 25 October, 1999 as a Shariah compliant bank, which follows Islamic rules and regulations. FSIBL maintains dynamic growth, by making required changes in the service for their customers. The bank carries its banking activities through its 196 branches and 142 sub-branches. The bank contributes almost 5% of its operational profit in CSR project. FSIBL is dedicated itself toward to the welfare of the society. Although, FSIBL doesn’t have any separate foundation but it does many more social welfare activities. Since then, First Security Islamic Bank is carrying the social welfare, education, health programs, sponsorship activities and so on.

a) Education:

- FSIBL has provided scholarship to the poor and autistic students. They want continue this scholarship program in every year to continue the study of poor students.

- FSIBL has provided computers in different school and colleges.
- FSIB has provided scholarship to financially challenged students in Dhaka University.

b) Health:

- FSIBL has sponsored 1000 pieces of t-shirt for Vitamin-A campaign as a volunteer of country wide.
- FSIBL has also supported in Dristy daan project, about 207 patients had free spectacles without any cost.
- The bank has contributed in the construction of Rangpur Diabetic association.

c) Contribution to Disaster Management: FSIBL has donated 30,00,000 TK in relief & welfare fund to prime minister for Nimtoly and begunbari tragedy victims. FSIB always come forward to help the distressed and affected poor people in various natural calamities.

d) Social Welfare Programs: This program is aimed to provide help to distressed and poor people who are unable to meet the basic needs like shelter, food, cloth and medicine. This program is also for old widow, children without guardian, unmarried poor girls etc. FSIBL has donated Tk.5 lac for opening new orphanage for the orphan madrasa.

e) Others:

- FSIBL has donated 50,00,000 taka for the construction of permanent liberation War Museum.
- The bank has donated Tk.25 lac to martyred army killed officers, as a financial assistance for their family members.

4.9 Comparison in CSR Practices of Islamic Banks

From the above discussion it represent that above mentioned banks are actively engaged in education, health, disaster management, sports, arts, environment and others human welfare activities. Islamic Bank Bangladesh Ltd expends more on CSR activities than other Islamic banks. IBBL is giving good performance through contributing in all the CSR sectors and keeping a significant contribution in completion among other Islamic banks. SIBL always seek new areas where it can serve necessary assistance. They always reach toward to help in any humanitarian crisis either in flood, cyclone or earthquake. They have expended almost in all the sectors but they should contribute more on Arts sector to become more involved in CSR practices. EXIM Bank believes that a strong CSR program is an essential element in achieving good business practices and effective leadership. They haven't expended much in Arts, sports & culture sector like other banks. So they should contribute more in these sectors also to be more competitive. First Security Islamic bank doesn't have separate foundation like above mentioned banks but still it does much social-welfare activities. The Bank is carrying the social welfare, health, education, disaster management programs for its CSR activities. I think FSIBL should increase their contribution in sports and Art & culture sectors to improve their CSR involvement. In last, AIBL use their CSR fund more in education and human welfare activities rather than other sectors. AIBL has done more or little expenditure in all the sectors but haven't contributed much in sports, art & culture sector. So they should start expending in these sectors also. They should come up with new activities which will brag of being corporate social responsible bank. To become the best service provider in the Banking sector, AIBL should increase more their CSR activities. As there are lots of competition in this field with other banks that AIBL has to compete.

4.10 Findings of the Report: After analyzing the performances of AIBL, several facts are highlighted and these are given here-

- AIBL’s CSR practices are mainly focused on education, health, disaster reliefs and social welfare activities.
- AIBL helps governments through direct contribution to the society to help poor distressed peoples.
- AIBL contribute more of its CSR in education & human welfare sector than other sectors.
- They haven’t contributed much in Sports, Arts & culture sector.
- AIBL fully follows Shariah based policy in assisting the economic progress of their bank.
- The bank doesn’t have effective marketing strategy for promoting their Islamic banking services.

Chapter-5

Internship Experience

5.1 Duties and Responsibilities

- I used to give the information to customers about the account opening related inquiry. Which documents were mandatory to provide to open an account in bank like NID card photocopies and passport size photocopies of both (Account holder and Nominee) are the mandatory documents.
- I used to fill up the account opening form with all the detailed information provided from their documents. The detailed information's are Account number, Address, TIN number, NID card number. My main task was to complete these forms.
- For personal and business risk assessment, I used to fill out a Know Your customer (KYC) form. My task was to determine the risk level and risk rating of personal and corporate risks in order to assess overall risk.
- If there were any missing information I used to make call for collecting the required detailed information.

5.2 Contribution to Departmental Function

Due to my internship, I have joined Al-Arafah Islamic bank limited at Dhanmondi branch as an Intern. I have completed my three month internship program in this bank. I have founded myself very lucky to be able for being associated with such a renowned bank of our country. In the bank, my supervisor was Sahadat Ullah (officer) and Setara Islam (SEO). I was in general banking department under my supervisor guidance. I have also completed the duties assigned to me by other officers as their helping hand.

5.3 New Skills Developed

For me, it was a very enjoyable and educational experience. I have learned a lot about the corporate world. The most important skill that I've learned in my internship is how to complete tasks on time and under pressure. This real-world experience is critical for the advancement and preparation before entering the corporate world.

5.4 Application of Academic Knowledge

Indeed, I could not fully apply my academic knowledge to my job. My major was in marketing while studying BBA, but I worked in the general banking department.

Chapter-6

Recommendations and Conclusion

6.1 Recommendations

After analyzing the data, I have discovered some major issues that I would like to recommend. I have listed some points in below which can be useful for AIBL.

- AIBL should give more attention to its CSR practices as there is so much competition with other banks that are gaining a significant position by actively engaging in CSR practices.
- AIBL has contributed to the environmental, educational, and health sectors. They should expand more on their CSR's other sectors like sports, arts, and culture. Now, Bangladesh is doing well in the sports sector, so AIBL should start contributing to this sector.
- They should increase the number of online services for non-resident Bangladeshis and corporate clients of AIBL.
- AIBL should give more concern to its promotional activities by increasing TV advertisements, print media, sponsorships, etc. They should advertise their CSR activities and offers more to attract more customers toward them.
- They should organize special events to attract the public's attention with their CSR activities to create a good impression in general people's eyes.

6.2 Conclusion

AIBL is one of the leading private Islamic Bank in Bangladesh with its modern facilities. The bank follows a unique combination of Al-Quran and Sahriah based banking system. Many people of our country have a misunderstanding about Islamic banking services. Peoples in our country can't find out the difference between commercial banks and Islamic banks. As people doesn't have a clear idea about the activities and investment policies of Islamic banking. In Islamic banks like AIBL, interest in not charged and there isn't any possibility to convert interest into their principles. AIBL is fully committed to operate its activities according to shariah based that's why they have different investment modes, different repayment schedule and different markup system. The bank is committed toward establishing welfare orientated banking system through creating employment opportunities, implementing development projects of the government and creating infrastructure. AIBL do respond in every sphere of activities to deliver positive impact on both society and environment. AIBL beliefs Islamic path encourages us to have a successful life here and hereafter.

References

dailyasianage.com/news/155954/aibl-provided-100--computers-as-csr

tbsnews.net/economy/banking/al-arafah-islami-bank-donates-blankets-pms-relief-fund-322957

daily-sun.com/printversion/details/580425/AIBL-distributes-food-items-among-the-distressed

al-arafahbank.com/news.php?id=887

researchgate.net/publication/322114856_CORPORATE_SOCIAL_RESPONSIBILITIES_CSR_OF_ISLAMI_BANK_BANGLADESH_LIMITED_IBBL_A_COMPARATIVE_STUDY_WITH_BANKING_INDUSTRY

jesoc.com/wp-content/uploads/2017/04/JESOC-11.pdf

bankinfobd.com/blog/exim-bank-foundation-for-csr-activities

assignmentpoint.com/business/organizational-behavior/corporate-social-responsibility-of-first-security-islami-bank-

al-arafahbank.com/Annual%20Report%202012.pdf?fbclid=IwAR2U-hWFESqBlqDrghyaCDw-dDKO4O1r9AcX5sPQqGKWI4r5rLN1CV7mEug

repository.library.du.ac.bd:8080/handle/123456789/574?fbclid=IwAR3IF4pYiSoHUmStEdhBvy5fC09wZ8su3SZTxasYZifXZfE2YmIFc-2Uh5s

blog.vantagecircle.com/foster-your-business-with-corporate-social-responsibility/?fbclid=IwAR1LhZcZWdMTpRTwdm4F6iXUbWT2RNba2H2uncIkFQe55ipHvzOZQGEDJgI

assignmentpoint.com/business/banking/a-brief-overview-of-the-banking-and-finance-sector-of-bangladesh.html?fbclid=IwAR1U8XDg4bvpozivBmJQMr0w39NBMBeYoQv-8n2C6DPSCqeCBqi8jdRy4HE

bb.org.bd/pub/annual/anreport/ar1920/full_2019_2020.pdf?fbclid=IwAR2v2wPRXyBxssg9nWwa4sBdNqu3LypsZbvLbPwaXXs2XGYUbAmPulkCW6k

leverageedu.com/blog/research-design

Internship Completion Letter

aibl
Al-Arafah Islami Bank Limited
shariah based always

Dhanmondi Branch
S.A, H#54/1, R#4/A, Dhanmondi, Dhaka-1209
Phone: 02-58610913, 58652930
SWIFT code: ALARBDDH084
Email: mgr.dhanmondi@al-arafahbank.com
Website: www.al-arafahbank.com

+88 02-44850005
info@al-arafahbank.com
www.al-arafahbank.com
ALARBDDH
FATCA: GIIN: S2WRLR.99999.SL.050

Ref: AIBL/DMB/2022/ 170 *Date: 01.03. 2022*

To Whom It May Concern

*This is to certify that **AFIA AFZAL SHUPTY, D/O: HAZI AFZAL HOSSAIN & MST RUMA AKTER** studied **BBA** at **UIU** has completed the internship program in our **Al-Arafah Islami Bank Limited**, Dhanmondi Branch during the period from 01.12.2021 to 01.03.2022 successfully.*

We wish her every success in life & career.

(Authorized Officer)
A.K.M Ariful Islam
SAVP & Operation Manager
Al-Arafah Islami Bank Ltd.
Dhanmondi Branch, Dhaka
AS-469