AN INTERNSHIP REPORT
ON
‘‘Performance Appraisal of Exim Bank, A study on Mohammadpur Branch”

Submitted To

Saiful Islam
Assistant Professor
Department of Accounting
Faculty of Business Studies
HSTU, Dinajpur

Submitted By

Md. Masud Rana
MBA (Accounting and information systems)
Student ID: 1505141
Faculty of Postgraduate Studies
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DEPARTMENT OF ACCOUNTING

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

JULY- 2016

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Approved by

(Saiful Islam) Supervisor & Assistant Professor Department of Accounting HSTU, Dinajpur.	(Dr. Shaikh Mostak Ahammad) Co-Supervisor & Associate Professor Department of Accounting HSTU, Dinajpur.

Md. Mamunar Rashid
Associate Professor
Chairman of the Examination Committee and Chairman
Department of Accounting

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

JULY- 2016

Dedicated

To

My Beloved

Mother

&

Honorable Teachers

EXIM BANK
Shariah Based Islami Bank

Export Import Bank of Bangladesh Limited
MOHAMMADPUR BRANCH

EXIM/MDP/Internship-129/2016/

Date: 13.07.2016

To Whom It May Concern

This is to certify that Md. Masud Rana, Student ID: 1505141, Dept. of Accounting, Hajee Mohammad Danesh Science and Technology University (HSTU), Dinajpur has been completed his 90 (Ninety) days from 31.03.2016 to 30.06.2016 internship in EXIM Bank Limited, Mohammadpur Branch, Dhaka satisfactorily. During this period, he was found honest, sincere and responsible.

We wish him every success in life.

13.07.16

Mohammed Ashraful Haque
Senior Assistant Vice President
EXIM Bank Ltd.
Mohammadpur Branch, Dhaka

LETTER OF TRANSMITTAL

To
Saiful Islam
Assistant Professor
Department of Accounting
Faculty of Business Studies
Hajee Mohammad Danesh Science and Technology University
Dinajpur-5200

Subject: Submission of Internship Report based on “Performance Appraisal of Exim Bank, A study on Mohammadpur Branch”.

Dear Sir,

I am submitting my internship report as the part of my internship MBA and would like to take the opportunity to thank you for your guidance and supervision in its completion. I completed my internship at EXIM Bank Limited from the 1st March 2016 to 31st May 2016. My report topic is “Performance Appraisal of Exim Bank, A study on Mohammadpur Branch”.

I hope you will assess my report considering the limitation of the study. Your kind advice will encourage me to do further research in future.

Sincerely yours

____

Md. Masud Rana
MBA (Accounting & information systems)
Student ID: 1505141
Faculty of Business studies
HSTU, Dinajpur

SUPERVIOR’S CERTIFICATION

This is to certify that Md. Masud Rana, student of MBA, Faculty of Postgraduate Studies, has successfully completed his internship from EXIM Bank Ltd., Mohammadpur Branch, Dhaka and he has prepared and presented his draft copy of report to me, based on title ‘Performance Appraisal of Exim Bank, A study on Mohammadpur Branch”.

I wish every success in his life.

Supervisor

Saiful Islam
Assistant Professor
Department of Accounting
Faculty of Business Studies
Hajee Mohammad Danesh Science and Technology University
Dinajpur-5200

CO-SUPERVIOR'S CERTIFICATION

This is to certify that Md. Masud Rana, student of MBA, Faculty of Postgraduate Studies, has successfully completed his internship from EXIM Bank Ltd., Mohammadpur Branch, Dhaka and he has prepared and presented his draft copy of report to me, based on title 'Performance Appraisal of Exim Bank, A study on Mohammadpur Branch".

I wish every success in his life.

Co-Supervisor

Dr. Shaikh Mostak Ahammad
Associate Professor
Department of Accounting
Faculty of Business Studies
HSTU, Dinajpur-5200

STUDENT’S DECLARATION

The report is the terminal formalities of the internship program for the degree of Master of Business Administration (MBA), Faculty of Postgraduate Studies at Hajee Mohammad Danesh Science and Technology University, Dinajpur which is compact professional progress rather than specialized. This report has prepared as per academic requirement after the successfully completing of Forty Five days internship program under the supervision of my honorable supervisor Saiful Islam, Assistant Professor, Department of Accounting. It is my pleasure and great privilege to submit my report titled ‘Performance Appraisal of Exim Bank, A study on Mohammadpur Branch” from Mohammadpur Branch, as the presenter of this report; I have tried my level best to get together as much information as possible to enrich the report I believe that it was a fascinating experience and it has enriched both my knowledge and experience.However, after all this, as a human being, I believe everyone is not beyond of limitation. There might have problems regarding lack and limitation in some aspects and also some minor mistake such as syntax error or typing mistake or lack of information. Please pardon me for that mistake and clarify these at my further information on those matters.

Md. Masud Rana
MBA (Accounting & information systems)
Student ID: 1505141
Faculty of Postgraduate studies
HSTU, Dinajpur

ACKNOWLEDGEMENT

I would like to pay my gratitude to the Almighty Allah for helping me in preparing this internship report successfully. In the preparation and finish this internship report, I acknowledge the encouragement and assistance given by a number of people and institution. I am most grateful to the EXIM Bank management to give me the opportunity to complete my internship in their organization. I would like to express my gratitude to my Supervisor Saiful Islam for providing me detailed feedback and advice on this report. He always gave me his suggestions in making this study as flawless as possible.I also want to render my special thanks to Mohammed Ashraful Haque, Senior Asst. Vice President of Mohammadpur Branch, EXIM Bank Limited for providing all the support in the organization. Furthermore, I want to convey my heartiest thanks to my classmates and friends, without their help this report could not be fulfill.

Finally, Special thanks go to the respondents, who spared their time generously and helped me to complete my study.

EXECUTIVE SUMMERY

The report is prepared on the basis of practical experiences at EXIM Bank Ltd. The internship programs help me a lot to learn about the practical situation of a financial. This program helps me to implement my theoretical knowledge into practical realistic environment. In the age of modern civilization bank is playing its spending role to keep to the economic activity. In fact there is hardly any aspects of development activity whether state inspired or otherwise where bank do not have a major role to play.

Bank provides means and mechanism of transferring command over resources from those who have an excess of income over expenditure to those can make use of the same for adding to the volume of productive capital. There are large numbers of small saver with small amount of saving who are generally reluctant to invest their surplus income because of their lack of adequate knowledge about complicated investment affaires. The bank provide them with the safety, liquidity and profitability by means of different saving media offering varying degrees of mix liquidity, return and safety of saving. Export Import Bank of Bangladesh Limited is schedule commercial Bank is registered by the Bangladesh Bank. EXIM Bank follows the rules and regulations prescribed by the Bangladesh Bank for scheduled commercial banks.

CONTENTS

ABBREVIATION

ATM	:	Automated Teller Machine
BEP	:	Basic Earning Power Ratio
CC	:	Cash Credit
CAR	:	Capital Adequacy Ratio
CRR	:	Cash Reserve Requirement
CR	:	Cash Ratio
DP	:	Demand Payment
EPS	:	Earnings Per Share
EXIM	:	Export Import Bank of Bangladesh Limited
FI	:	Financial intuition
FDBC	:	Foreign Document Bill for Collection
FDBP	:	Foreign Document Bill for Purchase
IC	:	Interest Coverage Ratio
L/C	:	Letter of Credit
LIM	:	Loan against Imported Merchandise
LDPB	:	Local Document Bill for Purchase
LAN	:	Local Area Network
MFI	:	Microfinance institution
MTDR		Mudaraba Term Deposit Receipt
PAD	:	Payment against Document
PTR	:	Payment against Trust Receipt
PC	:	Pacing Credit
RWA	:	Risk Weighted Assets
ROA	:	Return on Asset
ROE	:	Return on Equity
ROI	:	Return on Investment
SOD	:	Secured Overdraft
TC	:	Traveler’s Cheque
TT	:	Telegraphic Transfer

CHAPTER I

INTRODUCTION

In today's world only academic education does not make a student perfect to become competitive with the corporate and global business world. By doing an internship program, a student can get the opportunity to learn facing about real business world. Internship is highly needed to gain idea knowledge and experience. I am going to be an MBA graduate from HSTU, Dinajpur. It has designed its curriculum of the MBA Program such a way that the international standard graduates will be produced. After completing my MBA graduation researcher need to go for further professional experience through internship program in a business organization EXIM Bank Ltd. is a place where researcher have learned the business dealings. This organization has created a positive image to the customer's mind by providing better service specifically I am telling about the Ring Road, Mohammadpur Branch. This branch has introduced an exclusive modern banking system that has got high market sharing and rating in the prominent business and banking avenue in Mohammadpur Bank way.

As a MBA Internee Office I have tried to maintain the pace with the competitive business environment on official Activities Culture Philosophy Norms and styles. It should be reflect the best at any field of my professional life. The Vice President and Manager are my overall guide philosopher and superior. By receiving his all sorts of cordial support I have been availed the opportunity to work with this branch for Three months from 1st March 2016 to 31st May 2016. I acquired idea about real business and corporate world.

The report presents condition of the banking sector of our country and next it gives some ideas about EXIM Bank Ltd. Then it analyzes the performance of the bank based on financial analysis and SWOT analysis. After that, it emphasizes on foreign exchange division and loan & advanced division, by reading this report one can easily have some ideas about the performance and foreign exchange division of EXIM Bank Ltd.

1.1 OBJECTIVE OF THE REPORT

General objective of the report:

i. The report specification based on the overall banking performance evaluation and also focus on foreign exchange division and loan and advanced division of EXIM Bank Ltd.

Specific objective of the report:

i. To apply theoretical knowledge in the practical field.

ii. To make a bridge between the theories and practical procedures of banking day-to-day operations.

iii. To know the different modes of scheme, in EXIM Bank.

iv. To analysis the Trend of the different scheme.

v. To know the financial activity of bank.

vi. To an overview on the major financial activity and practices of EXIM Bank

vii. To analyzing the performance trends of EXIM Bank.

viii. To present and overview of EXIM Bank Ltd.

1.2 METHODOLOGY

I have used various ratios to calculate the performance of mentioned bank. Using both of the two sources – primary and secondary has collected data.

The primary sources of data:

i. Face to face conversation with the Bank officers and staffs.
ii. Direct conversation with the clients.
iii. File study of different sections.
iv. Deskwork: during my practical orientation I worked in Ring Road, Mohammadpur Branch.

The secondary sources of data:

i. Annual Report of EXIM Bank of Bangladesh Ltd., 2010-2014.
ii. Unpublished data received from the head office and branch.

iii. Different text books.

I tried my best to discuss my subject in analytical way. I have used various ratios to calculate the performance of mentioned bank. I also have represented some graphs and tables, which show performance of EXIM Bank Ltd. based on financial data.

1.3 RATIONALE OF THE STUDY

Banks are one of the most important financial institutions in the economy of any country. They are the principal source of credit for millions of individuals and families and for many units of government. Foreign exchange department is a crucial part of any bank because a major portion of revenue comes through this unit. It facilitates the foreign trade and foreign transaction which is arises for international business .specially for the Import Export and Remittance Business. Banks provides various kinds of services for the importer and exporter to make their business easier. It is totally impossible to do these kinds of business without the help of bank. Here, Bank is the middle man between the two parties; Exporter and Importer.

1.4 LIMITATIONS OF THE STUDY

i. The constraint of the study was insufficiency of information, which is highly required for the study. EXIM Bank is a new unable to provide some formatted documents and publications for the study.
ii. Since the bank personnel were very busy, they failed to given me enough time to complete the report.
iii. The clients were very busy, so they were unable to give me much time for interview.
iv. Inexperience is one of the main factors that constituted the limitation of the study.
v. One of the important constraint of the study was shortage of time.

CHAPTER II
OVERVIEW OF EXIM BANK LTD

Generally, the commercial banks and financial companies provide a myriad of banking products/ facilities and service to cater to the needs of their customers. These include 24 hour banking, home banking (Tele Banking) [Via use of modems and phones] and general banking and service products. For customers' convenience, such products are available throughout the banks' branches in Bangladesh. However, the Bangladesh banking industry is characterized by strict banking rules and regulations set by Bangladesh Bank. All banks and Financial Institutions (FIs) are highly governed and controlled under The Bank Companies Act (Act 14 of 1991), which lays many restrictions besides other guidelines. Among the many regulations imposed, Bangladesh

Bank does not allow any FI to go into bankruptcy or insolvency. The range of banking products and financial services is also limited in scope. All local banks are imposed with 4 percent Cash Reserve Requirement (CRR), which is non-profit bearing, and 12 percent Statutory Liquidity Requirement (SLR). This has given rise to higher cost of funds with the liberalization of markets, competition on banking.

2.1 BACKGROUND & HISTORY

EXIM Bank Limited was established in 1999 under the leadership of Late Mr. Shahjahan Kabir, founder chairman who had a long dream of floating a commercial bank that would contribute to the socio-economic development of our country. He had a long experience as a good banker. A group of highly qualified and successful entrepreneurs joined their hands with the founder chairman to materialize his dream. Indeed, all of them proved themselves in their respective business as most successful star with their endeavor, intelligence, hard working and talent entrepreneurship. Among them, Mr. Nazrul Islam Mazumder became the honorable chairman after the demise of the honorable founder chairman.

This bank starts functioning from 3rd August 1999 with Mr. Alamgir Kabir, FCA as the advisor and Mr. Mohammad Lakiotullah as the Managing Director. Both of them have long experience in the financial sector of our country. By their pragmatic decision and management directives in the operational activities, this bank has earned a secured and distinctive position in the banking industry in terms of performance, growth, and excellent management. The authorized capital and paid up capital of the bank are Tk. 20,000.00 million and Tk 12,838.65. million respectively.

2.2 VISION

The gist of our vision is 'Together towards Tomorrow'. Export Import Bank of Bangladesh Limited believes in togetherness with its customers, in its march on the road to growth and progress with service. To achieve the desired goal, there will be pursuit of excellence at all stages with a climate of continuous improvement, because, in EXIM Bank, we believe, the line of excellence is never ending. Bank's strategic plans and networking will strengthen its competitive edge over others in rapidly changing competitive environment. Its personalized quality services to the customers with the trend of constant improvement will be the cornerstone to achieve our operational success.

2.3 MISSION

The bank has chalked out the following corporate objectives in order to ensure smooth achievement of its goals:

i. To be the most caring and customer friendly and service oriented bank
ii. To create a technology based most efficient banking environment for its customers
iii. To ensure ethics and transparency at all levels
iv. To ensure sustainable growth and establish full value to the honorable stakeholders and
v. Above all, to add effective contribution to the national economy

Eventually the bank also emphasizes on:

i. Provide high quality financial services in export and import trade
ii. Providing efficient customer service
iii. Maintaining corporate and business ethics
iv. Being trusted repository of customers' money and their financial adviser
v. Making its products superior and rewarding to the customers
vi. Display team spirit and professionalism
vii. Sound Capital Base
viii. Enhancement of shareholders' wealth
ix. Fulfilling its social commitments by expanding its charitable and humanitarian activities executive officer of the bank.

2.4 SPECIAL FEATURES OF THE BANK

1. All activities of the Bank are conducted under an interest-free system according to Islamic Shariah.
2. It's investment policies under different modes are fully Shariah compliant.
3. During the year 2014, 70% of the investment income has been distributed among the Mudaraba depositors.
4. It believes in providing dedicated services to the clients imbued with Islamic spirit of brotherhood, peace and fraternity.
5. The bank is committed towards establishing a welfare-oriented banking system to meet the needs of low income and underprivileged class of people.
6. The Bank upholds the Islamic values of establishment of a just economic system through social emancipation and equitable distribution of wealth.

CHAPTER III

FINANCIAL PRODUCT AND SERVICE

All business concerns to earn a profit through selling either a product or service. A bank does not produce any tangible product to sell but does offer a variety of financial services to its customers. General banking is the starting point of all the banking operations. It is the development, which provides day to day services to the customers. Every day it receives deposits from the customers and meets their demand for cash by honoring cheques. It opens new accounts, remit funds, issue bank drafts and pay orders etc, since bank is confined to provide the service every day , general banking is also known as "retail banking" . The EXIM bank limited offers various types of general banking components. They are very essential tools for the bank to serve the customers to attract new customers the bank has to launch new components or refurnished their existing products.

3.1 ACCOUNT OPENING SECTION

This section deals with opening of different types of accounts. It is also deals with issuing of checkbooks and different accounts openers. A customer can open different types of accounts through this department such as:

1) AL-Wadiah current deposit
2) Mudaraba saving deposit
3) Mudaraba Short Term Deposit
4) Mudaraba Term Deposit
5) Mudaraba Savings scheme
    i. Mudaraba Super Saving Scheme
    ii. Mudaraba Monthly Saving Scheme
    iii. Mudaraba Multiplus Saving Scheme
    iv. Mudaraba Monthly Income Scheme
    v. EXIM Bank Hajj Account Project

6) Education Saving Scheme
7) Foreign currency Account

1. Al-wadiah current deposit account:

Al-Wadiah Current Account follows the Principle of Islamic Shariah wherein the bank is deemed as a keeper and trustee of funds as Al-Amana (on Trust). This deposit that operates by taking permission from depositors would be taken to use their fund according to Shariah Principle and depositors would not receive any kind of profit. As such the bank is under obligation to return the entire money on demand by the customer. The account is not time barred i.e. Account Holder can withdraw money as many numbers of times as he wishes in a working day.

Main Feature

i. Halal way or without Riba (interest or usury) transaction
ii. Unlimited deposit or withdrawal
iii. No profit will be given
iv. Cheque book facilities
v. ATM Card
vi. Free online transaction
vii. No Over Draft will be allowed in the account
viii. SMS banking service includes balance inquires/Mini-statement by mobile phone

Required Documents

i. Account opening duly filled up and signed by account holder
ii. 02 Copies passport size photographs of every operators duly attested by introducer
iii. Photographs of National ID Card/Passport/Chairman certificates
iv. Introducer signature

2. Mudaraba Saving Deposit:

Mudaraba savings account is opened under the Mudaraba principal of Islami Shariah. Under the above principal the clients is the Shaheb-Al Mal and the Bank is Mudarib. Mudaraba Saving's accounts are mainly meant for Non-Trading customers who have some potential saving with small no. of transactions taking place. More than one person can open and operate a Mudaraba savings account. A guardian on behalf of a minor can open a Mudaraba Savings A/C. In which case a declaration stating the date of birth of the minor should be obtained from the guardian. OD is not allowed for SB account. The account provides expected half-yearly provisional profit.

Main Feature

i. Attractive provisional rate of profit
ii. Minimum initial deposit is Tk.1000.00
iii. Half-Yearly account statement
iv. Debit card Facility with limited withdrawal
v. Free ATM Cash withdrawal from all ATM of EXIM Bank
vi. SMS Banking for statement/Balance checking
vii. Salary crediting facility
viii. Cheque book facility
ix. Fund transfer facility
x. Profit will be calculated on monthly basis

Required Documents

i. Completed account opening form duly signed by account holder
ii. 02 Copies passport size photographs of every operators duly attested by introducer
iii. Photographs of National ID Card/Passport/Chairman certificates
iv. Introducer signature
v. Passport size photographs and signature of Nominee

3. Mudaraba short term deposit

It is known as time liabilities or form deposits. These are deposits, which are made with bank for a fixed period specified in advance. The bank need not maintain cash reserves against these deposits and therefore, the bank offer higher rate of profit on such deposits.

4. Mudaraba Term Deposit:

Mudaraba Term Deposit Receipt (MTDR) account is opened under the Mudaraba (Profit Sharing) principal of Islami Shariah. Under the above principal the clients known as Shaheb-Al Mal provides 100 percent of the capital and the Bank known as Mudarib is the one providing its specialist knowledge to invest the capital and manage the investment project. It is issued by our Bank branches against deposit of certain amount of money by customer(s)/person(s)/organisation, after observing the rules of Anti Money laundering, for a fixed period but not less than one month with a commitment to return his/their deposited money with more or less certain percentage of profit (Tax applicable) after expiry of the period. The minimum amount of MTDR, rate, renewal procedure and premature encashment rules determined & circulate by our Head Office from time to time. These deposits are repayable subject to a period of notice and hence known as time deposit or time liabilities meaning thereby that these are withdraw able subject to a period of notice and not on demand.

Different period of MTDR products

i. MTDR for 01 month
ii. MTDR for 02 months
iii. MTDR for 03 months
iv. MTDR for 06 months
v. MTDR for 12 months
vi. MTDR for 24 months
vii. MTDR for 36 months

Main Features of MTDR

i. Any adult person (individually or jointly) having sound mind or any institution/organization can open MTDR Account with any branch of the Bank.
ii. Minimum depositing amount Tk.10000.00 (ten thousand) and above but multiple of Tk.100.00 (one hundred)
iii. One or more account can be opened in the same name at the same branch of the bank
iv. Deposit of MTDR Account will bear the following weightage:

Table 1: Weightage of MTDR account

Tenure/Period	Weightage
01 Month	0.83
02 Months	0.83
03 Months	0.88
06 Months	0.92
12 Months	0.96
24 Months	0.96
36 Months	0.96

v. Profit will be calculated on daily basis on provisional rate of profit and also applied on due date of maturity

vi. Investment against lien of such receipt may be allowed up to 90% of deposited amount subject to normal terms and conditions of investment of the bank
vii. No profit shall be allowed for premature encashment within 01(one) month
viii. If the account is encashed after completion of any tenure but before maturity, depositors will be entitled to receive the benefit at the provisional rate of profit of Mudaraba Savings Account.
ix. The provisional rate of profit of Mudaraba Savings Account will treat the provisional rate of profit, which was prevailed at the time of opening the MTDR account.

5. Mudaraba saving scheme

i. Super saving scheme:

Objectives of the Scheme

Savings help to build up capital and capital is the principal source of business investment in a country. That is why savings is treated as the very foundation of development. To create more awareness and motivate people to save, EXIM Bank offers super savings scheme.

Table 2: Amount on maturity against Mudaraba Super Savings scheme

Deposit	Payable (approximately) at maturity
5,000.00	10,002.00
10,000.00	20,004.00
20,000.00	40,008.00
50,000.00	1,00,020.00
1,00,000.00	2,00,040.00
2,00,000.00	4,00,081.00
5,00,000.00	10,00,203.00

ii. **Mudaraba Monthly Saving Scheme (Money Grower)**

Savings Period and Monthly Installment Rate:

i. The savings period is for 5, 8, 10 or 12 years.
ii. Monthly installment is Tk. 500/-, 1000/-, 2000/- or 5000/-.
iii. Not less than 65% of investment income shall be distributed among the Mudaraba depositors as per weightage. The deposit will bear weightage 1.16, 1.17, 1.18, 1.19 respectively.
iv. Bank reserves the right to change the weightage of deposit & percentage of distribution of Investment Income.

Monthly Installment Deposit

i. The savings amount is to be deposited within the 10th of every month. In case of holidays the deposit amount is to be made on the following day.
ii. The deposits may also be made in advance.
iii. The depositor can have a separate account in the bank from which a standing instruction can be given to transfer the monthly deposit to the scheme account.
iv. If the depositor fails to make the monthly installment in time, then 5% on overdue installment amount will be charged. The charged amount to be added with the following month(s) installment and the lowest charge will be Tk. 10/- (Taka Ten).

Reasons for disqualification from this scheme

i. If the depositor fails to pay 3 (three) installments in a row, then he/she will be disqualified from this scheme and profit will be applicable as mentioned in withdrawal clause.
ii. If a depositor fails to pay 5 (five) installments in a row after completion of any one of these terms, then the Bank reserves the right to close the account and profit will be paid as mentioned in withdrawal clause.
iii. In case of death of the depositor the scheme will cease to function. The amount will be handed over to the nominee of the deceased depositor. In case of absence of the nominee, the bank will hand over the accumulated amount to the successor of the deceased.

The accumulated amount may be more or less of following table

Table 3: Amount on maturity against Mudaraba Monthly Saving Scheme

Term	**Monthly Installment**			
	500/-	1,000/-	2,000/-	5,000/-
5 yrs.	39,041/-	78,082/-	1,56,164/-	3,90,411/-
8 yrs.	74,202/-	1,48,404/-	2,96,809/-	7,42,024/-
10 yrs.	1,05,095/-	2,10,190/-	4,20,380/-	10,50,952/-
12 yrs.	1,44,461/-	2,88,923/-	5,77,847/-	14,44,618/-

Rules

i. A form has to be filled at the time of opening the account. Attested photographs are advised.

ii. The depositor can select any of the installment amounts which cannot be subsequently changed.

iii. In case of minors, the guardians may open and supervise the account in his favor.

iv. A single person can open more than one account for saving under several installment amounts.

v. The accumulated deposit with profit will be returned within one month of completion of a term.

vi. The depositor should notify the bank immediately on any change of address.

vii. The government tax will be deducted from the profit accumulated in this scheme.

viii. If necessary, at the request of the depositor, the scheme can be transferred to another branch.

ix. The Bank reserves the right to change the rules and regulations of the scheme as and when deemed necessary.

x. Income Tax on profit paid shall be deducted at the time of payment.

iii. Mudaraba Multiplus Saving Scheme

Objectives of the Scheme

To gather public's idle money in exchange of high return within the shortest possible time.

Terms and Conditions of the Scheme:

i. Any individual, company, educational institution, government organization, NGO, trust, society etc. may invest their savings under this scheme.

ii. The deposit can be made in multiples of Tk. 5,000.00.

iii. Any customer can open more than one account in a branch in his/her name or in joint names. A Deposit Receipt will be issued at the time of opening the account.

iv. The period of deposit is 10 (ten) years.

Table 4: Amount on maturity against Mudaraba Multiplus Saving Scheme

Deposited Amount	Amount payable approximately after maturity
5,000.00	15,879.00
10,000.00	31,758.00
50,000.00	1,58,793.00
1,00,000.00	3,17,587.00

v. Payable amount will depend on projection and will be adjusted after the declaration of profit at the end of the year. The weightage of deposit will be 1.17.
vi. Not less than 65% of investment income shall be distributed among Mudaraba depositors as per weightage.

iv. Mudaraba monthly income scheme

It is an alluring and commonly accepted scheme of EXIM Bank as an investment of steady monthly return. Under this scheme, the depositor is allowed to deposit at least tk.25000 or its multiple amounts for 3 years and in return he/she will receive profit on monthly basis at 12.50% rate. This scheme mainly has been drawn up as well as introduced for the benefit of middle-income group, particularly retired personal.

v. EXIM Bank Hajj account project

In view of smooth arrangement for performing Hajj, EXIM bank has introduced this scheme under the tenure of 5, 8, 10, 15 and 20 years with nominal amount of deposit per month with a rate of 11%.

6. Education saving scheme

With a view to assisting the customer for higher education, EXIM Bank has introduced this scheme with convenient terms and conditions. One can deposit tk100 and its multiple amounts at a time. Tenures are 7, 10, 15 and 20 years term with the rate of 11.00%, 11.50%, 11.75% and 12.00% respectively.

7. Foreign currency account

This account provides the customer with safe and lucrative way of saving their foreign currency. All nonresident Bangladeshi are most welcome to save and remit their wages and earnings from abroad through this account.

Other Services

3.2 SMS BANKING

EXIM Bank brings SMS Banking services to provide instant access to your account information at any time. Any mobile phone user having account of EXIM Bank can get the service through the mobile phone upon registration.

What we offer in SMS Banking

i. Balance Enquiry
ii. Mini Statement
iii. Help Service
iv. Account Information

How to Use the Service

To get any SMS Banking service, please follow these steps:

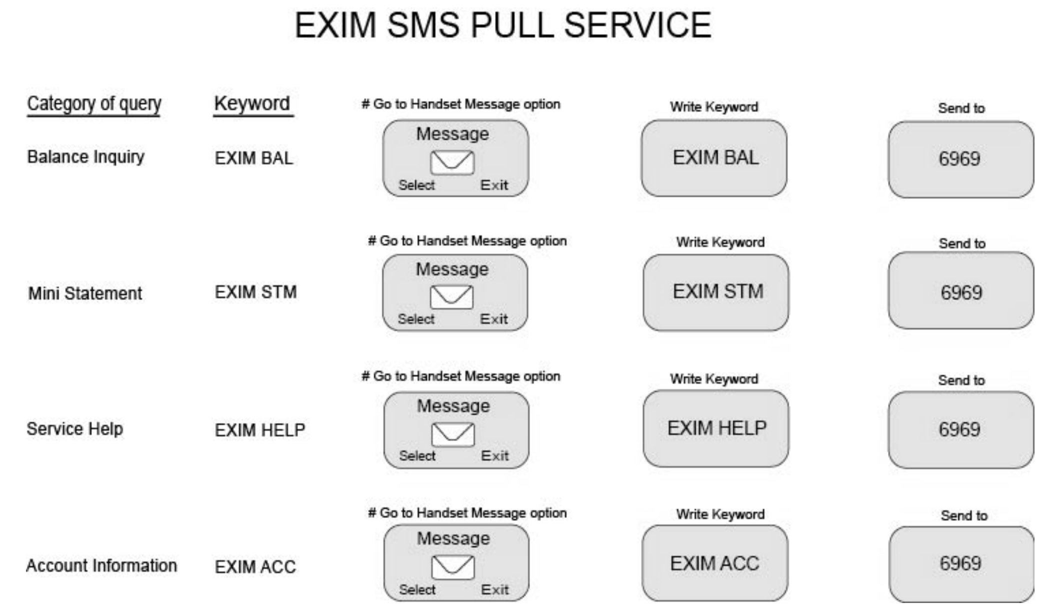


Fig. 1: EXIM SMS Pull Service

3.3 AGRICULTURE & RURAL INVESTMENT AND ITS PRODUCTS

Agricultural sector contributes near about 19.29% of GDP (Source: Ministry of Agriculture) and about 72% people live in rural area in Bangladesh (Source: World Bank report 2012). This sector provides us food security and generates employment opportunity which plays an important role for sustainable development of the economy. EXIM Bank has been providing direct investment to the farmers from the beginning of the bank for sustainable growth of the country. Since 2008-09, Bank has allocated separate target for Agricultural & Rural investment as per instruction of Bangladesh Bank. Mainly crops, fisheries and livestock are 3(three) core sectors for Agricultural investment. Moreover, agricultural support sectors, exceptional and un-tapped agricultural investment, income generating and poverty alleviation in rural area are also included in Agricultural and Rural investment. Agricultural & Rural investments of EXIM Bank are as follows:

i. Crops (Crops norms listed in Bangladesh Bank “Agriculture & Rural Credit Policy & Programme”)
ii. Livestock
iii. Fisheries
iv. Irrigation Equipment
v. Farm Machineries
vi. Crops warehouse

vii. Poverty alleviation programmers in Rural area
viii. Exceptional and un-tapped area of agricultural investment
ix. Other agricultural and Rural investment

It is happy to note that due to strong and continuous supervision and monitoring over agricultural investment from Bank's Head office & Branch level, the recovery rate is still about 100%.

3.4 CSR ACTIVITIES OF EXIM BANK–2014

EXIM Bank was constituted under a unique commitment- "Together Towards Tomorrow" in the year 1999. The fervent commitment, sense of accountability and openness of this unique institution towards all the stakeholders is evermore stronger even after a decade of attainment of appreciation and satisfaction from all the stakeholders like the employees, shareholders, clients, regulatory bodies, communities, etc. EXIM Bank has always been paying respect to social and public welfare rather than orbiting around maximization of profit. EXIM Bank energizes from implementation of every single opportunity of serving the nation regardless of the magnitude of the frame.

EXIM Bank has been into philanthropic activities since its inception in the year 1999. Since then the bank has been engaging fund into the most deserving sectors like education, health, disaster management, environment, art & culture and sports. In the year 2006, the Bank has established EXIM Bank Foundation to carry out the mainstream CSR activities into orderly manner.

CSR fund allocated by EXIM Bank and EXIM Bank Foundation in the year 2014 is mentioned below –

Employment of "Agricultural Field Associates"

Table 5: CSR Initiatives of EXIM Bank

SL. No.	CSR Initiatives of EXIM Bank & EXIM Bank Foundation	Fund Allocated (crore taka)
1.	Education	4.54
2.	Health	3.28
3.	Disaster Management	16.97
4.	Sports	1.61
5.	Art and Culture	1.24
6.	Others	4.82
	Total	**32.46**

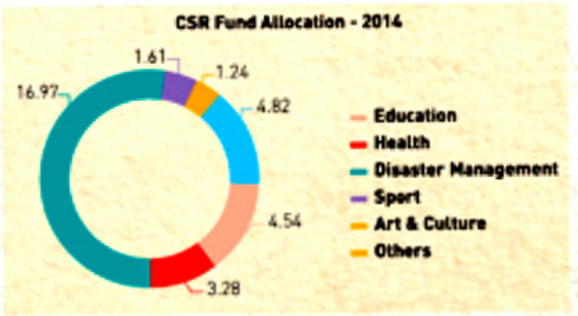


Fig 2: CSR Initiatives of EXIM Bank

EXIM bank has already appointed 26 educated local unemployed youths as “Agricultural Field Associates” which directly promote to the Government Employment Creation Programme of unemployed youth. They are working in 20 branches in rural area in connection with Agri and Rural investment.

“EXIM KISHAN” An agricultural investment product

EXIM Bank has launched “EXIM KISHAN” a Agricultural and Rural investment product on October 31, 2009 to provide client/farm wise investment from Tk.10,000/- to Tk.20,00,000/-only. “EXIM KISHAN” mainly designed for short term Agricultural and Rural investment facility under Agricultural & Rural investment programmer by which farmers specially share cropper and marginal farmers are getting agricultural investment without collateral security.

By this time, this program has become popular in sharecroppers and marginal farmers.

Basic features of the EXIM Kishan product

i. Investment product for genuine farmers and trained farmers.
ii. Amount of investment limit from Tk.10,000.00 to Tk.20,00,000.00
iii. Mode of investment Bai-Muajjal (Agri) facility or limit & IBB (Agri) for 3 years.

iv. Investment covering area 30 km radius of the branch in town & 10 kilometer radius of the branch in rural area from branch.
v. Investment purpose for crops, livestock, fisheries, income generating activity and untapped area of investment.

CHAPTR IV

LOANS AND ADVANCES DEPARTMENT

Introduction

Banking is essentially a business dealing organization with money and credit like all other business activates. Banks are profit-oriented organization. A bank invites its find many ways to earn more and more profit and most of its income is derived from loans and advances. Bank makes loans and advances to traders, Businesspersons, industrialists and many other persons against security of some cautions policy and sound lending principle in the matter of lending. EXIM Bank is a lending bank in loans and advances and it grant loans in various sectors especially in industry, trade and commerce.

Types of loans and advances:

There may be different types of loans and advance given from the commercial banks such as EXIM Bank Ltd. Of our country loans and advances may be in the following types:

1. Cash credit
2. Overdraft
3. House Building loan (General and Staff)
4. Transportation (Car) loan (only for senior staff)

Brief Idea about the different types of loans and advance:

1. Cash Credit (CC):

Cash credit is an arrangement by which the customer is allowed to borrow May up to a creation limit. This permanent arrangement and the customers need not to draw the sanctioned amount of money at a time. The borrower can draw the money when required. The borrower can put back any surplus, amount, which he/she may he affect frequently. Intersect is charged only to the amount withdrawn and not he whore amount sanctioned cash credit arrangement is usually divide into two ways such as:

i. Cash credit pledge

ii. Cash credit hypothecation

i. Cash Credit Pledge:

In case of cash credit pledge possession of the goods dealings to bank and ownership of the goods belongs to borrower and bank the possessions of the goods as primary security. The goods storied in go down under lock and key by direct supervision of the bank. It is therefore regarded as the most secured type of advance.

ii. Cash Credit hypothecation:

In case of cash Credit hypothecation possession of the goods not transferred to the bank and therefore such and advance is no better than a clean loan, such an advance can thus only be granted to a person in whose integrity the barked has full confidence cash credit in the form of Hypothecation is normally accompanied with mortgagee of immovable properties. The pray/ borrower possesses the lock and key of the down.

The Formalities of opening cash Credit:

There intending cash credit holder should submit the following documents and being fill up properly:

i. Stock repot, rend receipt

ii. Trade license

iii. Up to date income tax clearings certificate

iv. Charge documents

v. Letter of Continuity

vi. Letter of arrangement

vii. DP (Demand Promissory) note

viii. Letter of guarantee

ix. Letter lien

x. Limit sanction advice

xi. Non-Encumbrance Certificate

2. Overdraft:

Overdraft is an arrangement between the banker and the customer by which the letter is allowed to withdraw over his/her credit balance in the current account up to an agreed limit. The borrower is permitted for draw and repays any number of times, provided he total amount overdrawn dose not exceeds the agreed limit. Here the interest is charged only for the amount withdrawn over the limit. Not for the whole amount. Overdraft is divided into two categories:

i. Secured overdraft (SOD)

ii. Temporary overdraft (TOD)

i. **Secured overdraft:** It is allowed against the full security (i.e. FDR, ICB unit
Certificates).

ii. **Temporary Overdraft:** It is allowed to the customer for a very short period of time. But EXIM bank deals only secured overdraft.

3. House Building loan (General and Staff):

General house building loan is providing into two sectors:

Generally

Staff

Naturally house building loan is paid for the construction of commercial building, and owners etc.

Procedures for sanctioning house- building loan as follows:-

i. Application for sectioning loan

ii. Application properly filled up for credit facilities supplied by the bank.

iii. Personal net worth statement each director

iv. Enquiry form

Required papers for sanctioning HB loan:

i. Copy of general power of attorney

ii. Copy of material certificate

iii. Copy of engineer's estimate

iv. Copy of projected cash flow

4. Transportation loan

i. Car Loans:

This is a special type of loan, which is only provided for the staff of EXIM Bank. Usually AVP and above level officers get this kind facility. This loan is reimbursed on instrument basis and repayable after each month

ii. Loan (General):

In case of loan the banks sanction some of money for a certain period of time. The enter amount is one time disbursement and paid in cash or credit loan A/C. The interest is charged on full sanctioned amount @16%. The bank generally sanctions loan to establish industry. These types of loan are granted for capital expenditure such as purchase of land, constriction of factory building, purchase of new machinery and modernization of plant. The borrower cannot withdraw this type of loan once repaid in full or in part again.

Categories of Loans-

At first all loans and advances will be grouped into four categories for the purpose of classification, such as- (a) Continuous Loans (b) Demand Loans (c) Fixed Term Loans and (d) Short Term and Agriculture & Micro Credit.

(a) Continuous Loans : The loan A/C in which transaction may be made within a certain limit and have an expiry date for full adjustment will be treated as continuous loan.

(b) Demand Loans: The loan that becomes repayable by the party on demand by his bank will be treated as demand loans. If any contingent or any other liabilities are turned into forced loan will also be treated as demand loan

(c) Fixed Term Loans: The loan which is repayable with in the specific time period under a pacific repayment schedule will be treated as Fixed Term Loans.

(d) Short Term Agriculture & Micro Credit: Short Term Agricultural Credit will be as per list issued by Agricultural Credit and Specialized Programmers Department (ACSPD) of Bangladesh Bank under the Agricultural Credit Programmed. Credit in the Agricultural sector repayable within 1(one) year will also be included herein. Short Term Micro Credit includes any micro credit not exceeding TK. 25,000.00 and repayable within 12 months.

CHAPTER V

FOREIGN DEPARTMENT

5.1 INTRODUCTION

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

Foreign exchange department includes three sections:

1. Import Section

2. Export section

3. Foreign Remittance.

5.2 IMPORT SECTION

The functions are of the section is mainly to deal with various components such as

i. Letter of Credit (L/C)

ii. Payment against Document (PAD)

iii. Payment against Trust Receipt (PTR)

iv. Loan against Imported Merchandise (LIM)

i. Letter of Credit (L/C):

Definition:

A letter of credit can be defined as an arrangement where in a Bank Guarantee on behalf of these customers to make payments to the beneficiary upon presentation of documents specified in the credit.

Parties involved in L/C:

Opener/ Buyer/Importer:

The person who opens the L/C is known as opener/ buyer/importer of the L/C. The buyer and the seller conclude a sales contract providing for payment by documentary credit.

0pening Bank:

The Bank issuing the L/C in favor of exporter is known as opening Bank. The opening bank opens L/C on request of importer according to application of the importer.

Advising Bank:

The Bank through L/C is advised their agent (correspondent Bank) abroad. The duty of the advising Bank is to authenticate the message so that is to the seller can act on it without any fear of forgery etc.

Beneficiary:

Seller and exporter in whose favor the L/C are opened. The beneficiary is normally the seller of good who receive payment under documentary credit. If has compiled with terms and conditions thereof.

Negotiating Bank:

The Bank that is authorized to handle (purchase) the documents under the L/C in the exporting country is known as negotiating Bank. L/C will stipulate either a notified bank to negotiate (restricted L/C) or any bank can negotiate in the seller's country (unrestricted L/C).

Reimbursing Bank:

The Bank that is (by the L/C issuing Bank) to effect reimbursement is known as reimbursing bank. Reimbursing Bank authorized to honor the reimbursement claims in settlement of negotiation/ accepting/ payments lodged with its by the paying/ negotiating/ accepting Bank.

Confirming Bank:

A Confirming Bank is one which adds the guarantee to the credit opened by another bank. Therese undertaking the responsibility of payment/ negotiating/ acceptance under the credit in addition to that of the issuing Bank. A confirming Bank normally does so it requested by the issuing Bank.

Procedures for opening L/C:

Application for opening L/C:

An importer who is desirous to import goods from foreign country will apply Issuing Bank for opening a L/C. The importer will provide an application mentioning the following aspects:

i. Full particulars of applications Bank account.

ii. Types of business

iii. Historical background

iv. Amount of required L/C limit

v. Amount of L/C margin.

vi. Term of payment

vii. Name of imported goods

viii. Repayment schedule and source of fund

Transmitting the L/C:

The L/C is transmitted to the advising Bank for advising the L/C to the beneficiary. L/C is generally transmitted through tested Telex of Fax. It is customary to advice a credit to the beneficiary through advising Bank. Advising Bank after receiving L/C documents informs to the beneficiary for receiving L/C.

ii. Payment against Document (PAD):

The issuing, Bank starts (PAD) procedure after getting all necessary documents from the exporter as evidence of export in goods. Documents required for PAD is mentioned below:

i. Original (non-negotiable) bill of landing

ii. Commercial invoice

iii. Certificate of insurance

iv. Certificate of origin

v. Bill of exchange

vi. Pre-shipment inspection certificate

vii. packing list

iii. Payment against Trust Receipt (PTR):

There may be situation where storage of collateral in an independently controlled filled where house is impractical and improper may require the Goods for further processing of for display the merchandise in order to make the final sale. In such cases a financing institution that as a great degree of trust in the importer may be willing to release the negotiable bill of landing and thereby also the good to the importer against the signing of trust receipt. After the importer has made his/her final sale and received the proceeds, he/her can pay the financing institution that he/ she received as advance.

iv. Loan against imported Merchandise (LIM):

If the importer does not come to negotiate the shipping documents from the issuing Bank then it creates LIM though the Bank clears the goods from the port and holds the goods in its go down. Beside the above as soon as the imported goods come to the port the party may fall into financial crisis and requests the Bank to clear the goods from the port making payment to the exporter. In this case the party late may take the goods partly or fully from the Bank by making require payment (if he/ she takes the goods time to time payment will be adjusted simultaneously).

5.3 EXPORT SECTION

This section negotiates the export documents and collects and purchases the export in relation to export credit.

i. Pre-shipment finance

ii. Post shipment finance

Export finance arises from trade between two traders trading in two different countries. A brief idea of the both categories is given below:

i. Pre-shipment finance:

When an exporter intends to ship the goods to an oversea buyer he/ she need fund for purchasing goods to be exported. He/ she may also depend upon the bank for arranging credit for he supplies of goods.

ii. Post shipment finance:

Post shipment finance is more concerned with Banks than pre-shipment finance. This type of finance starts after the goods have already been shipped.

Function of export section:

Export section performs different types of tasks such as:

i. Back to Back L/C open

ii. Foreign Document Bill for Collection (FDBC)

iii. Foreign Document Bill for purchase (FDBP)

iv. Local Documentary Bill for purchase (LDBP)

v. pacing Credit (PC)

i. Back to Back L/C Open:

It is secondary letter of credit opened by the advising bank in favor of a domestic/ foreign supplier on behalf of the beneficiary originals foreign L/C.

As the original letter of credit of Bank by import letter, it is called back to back L/C. The second L/C is opened on he strength of the original for a smaller amount i.e. maxlmum75% is shipped under lien and 10% under packing credit. There is three of Back L/C opened by EXIM bank of Bangladesh ltd.

Back to Back L/C (Foreign):

When the BTB L/ is opened in a foreign country supplier it is called BTB L/C (Foreign). It is general payable within 120 days at sight.

Back to Back L/C (EDF):

EDF stands for Export development fund that is provided by the ADB to Bangladesh Bank for Export promotion of 3'd world country like Bangladesh. When the Bank is not in a position to support the amount of Back L/C then apply for loans to the Bangladesh Bank for Back L/C (EDF).

Back to Back L/C (Local):

When the Back to Back L/C is opened for local purchase of materials is called Back to Back L/C (Local). It is generally payable within 90 days at sight.

i. Procedures for Back to Back L/C:

ii. Exporter should apply for Back to Back L/C.

iii. Exporter L/C or master V under is lien.

iv. Opening of Back to Back L/C.

v. Terms and conditions for Back to Back L/C.

vi. That the customer has credit lien facility.

vii. That L/C is issued as per UCPAD 500.

viii. That on the export L/C negotiation clause in present.

ix. That payment clause is thereon the L/C issuing Bank ensuring payment.

ii. Foreign Documentary bill for Collection (FDBC):

Exporter cans collection the Bill through negotiating banks on the basis of collection. Exporter in this case will submit all the documents to the negotiating Bank for collection of Bill from inspector, the exporter will get money only when the issuing Bank gives payment. In this connection Bank will scrutinize all the documents as per terms and conditions mentioned in L/C.

iii. Foreign Documentary Bill for purchase (FDBP)

When exporter sale all the export documents to the negotiating Bank it is as FDBP. In this case the exporter will submit all the documents to the Bank. The Bank gives 60%-80% amounts to the exporter against total L/C value.

iv. Local Documentary Bill for purchase (LDBP):

i. Incoming of LIC customer with the L/C to negotiate.

ii. Documents given with L/C.

iii. Scrutinizing documents as per L/C terms and conditions.

iv. Forward the documents to L/C opening Bank.

v. L/C issuing Bank gives acceptance and forward acceptance letter.

vi. Payment given to the party by collection basis or by purchasing documents.

v. Packing Credit (PC):

It is one kind of credit sanctioned by export department to meet the exported goods shipment timely. The Bank will give the facility after decoction of Back to Back L/C from total L/C value.

5.4 FOREIGN REMITTANCE SECTION

Different funds are mobilized form foreign country to our thought the foreign remittance section. Purchase of foreign currencies constitutes inward foreign remittance and sales of foreign currencies constitute outward foreign remittance. EXIM Bank has a rich environment where funds flow from different countries.

The transaction of the authorized dealer in foreign exchange involves either inward or outward remittances of foreign exchange between the two countries.

There are two types of remittance:

i. Inward remittance

ii. Outward remittance.

i. Inward Foreign Remittance:

Inward remittance covers purchase of foreign currency in the form of foreign T.T., D.D, and bills, T.C. etc. sent from abroad favoring a beneficiary in Bangladesh. Purchase of foreign exchange is to be reported to Exchange control Department of Bangladesh bank.

ii. Outward Foreign Remittance

Outward remittance covers sales of foreign currency through issuing foreign T.T. Drafts, Travelers Check etc. as well as sell of foreign exchange under L/C and against import bills retired.

Cash Remittance

Dollar/ Pound Sell Bank sell Dollar / Pound for using in abroad by the purchaser. The maximum amount of such sell is mentioned in the Bangladesh Bank publication of 'Convertibility of Taka for Currency Transactions in Bangladesh'. Purchase Bank can purchase dollar from resident and non – resident Bangladeshi and Foreigner. Most dollars purchased comes from realization of Export Bill of Exchange.

Traveler's Cheque

(TC) Issue of TC is useful to traveler abroad. Customers can encase the TC in abroad from the drawee bank. TC is alternative to holding cash and it provides better security than holding cash in hand..

Telegraphic Transfer (TT):

TT is one of the important tools of transferring foreign currency from one country to another. The persona who wants to send TT to the abroad at first he/ has to submit an application from duly mentioned it TT amount and he /she has to deposit amount mentioned in voucher to the cash department. It is generally performed by the Bank branch through their respective NOSTRO account who is maintaining any foreign Bank account outside the country. The originating Bank sends a message to the paying foreign Bank for making payment against the mentioned TT accounts number. The foreign make payments to the party and also make debit account against respective Bank. At him same time foreign Bank send advice to head office ID division for acknowledging the debited amount. Head officer ID division sends debit advice to the respective branch for acknowledging the payment.

CHAPTER VI

PERFORMANCE EVALUATION OF EXIM BANK

Table 6: Five Years Financial Performance at a Glance

Five Years Financial Performance at a Glance

(Amount in Million Taka)

Sl	Particulars	2010	2011	2012	2013	2014
1	Authorized Capital	10,000.00	20,000.00	20,000.00	20,000.00	20,000.00
2	Paid-up Capital	6,832.27	9,223.56	10,514.86	11,566.35	12,838.65
3	Shareholder's Equity	12,474.85	14,484.22	16,641.86	20,624.36	23,105.29
4	Total Capital (Tier I + Tier II)	13,957.40	16,109.56	18,214.31	21,198.70	23,519.59
5	Statutory Reserve	3,154.76	3,849.78	4,587.47	5,236.93	6,118.31
6	Total Assets	113,070.98	129,874.42	167,056.63	195,452.52	232,411.86
7	Total Liabilities	100,596.13	115,390.20	150,414.77	174,828.15	209,306.57
8	Total Deposits	94,949.40	107,881.21	140,369.66	165,733.25	200,294.38
9	Total Investment (General)	93,296.65	99,699.63	118,219.99	143,847.38	177,936.84
10	Investment (Shares & Securities excluding Subs.)	4,522.06	6,734.03	10,345.38	11,222.20	15,221.69
11	Total Contingent Liabilities	55,098.36	54,929.92	63,950.48	60,119.38	65,616.80
12	Total Risk Weighted Assets	140,251.40	148,053.70	166,531.66	159,401.36	199,376.53
13	Total Fixed Assets	463.74	467.98	433.09	3,183.64	3,309.76
14	Total Income	13,723.95	15,801.88	20,357.48	23,614.71	25,736.68
15	Total Expenditure	7,830.16	11,846.06	15,023.14	18,686.81	19,732.93
16	Profit before provision and tax	5,893.79	3,955.82	5,334.35	4,927.89	6,003.76
17	Profit before tax	5,308.95	3,475.06	3,688.45	3,247.33	4,406.92
18	Net profit after provision and tax	3,476.01	2,009.37	2,157.63	1,913.39	2,480.93
19	**Foreign Exchange Business**	**227,966.60**	**254,407.47**	**270,081.50**	**268,652.68**	**284,984.68**
	a) Import Business	129,570.73	128,445.77	143,314.40	135,409.88	146,795.57
	b) Export Business	95,359.45	122,217.36	120,996.90	130,353.32	134,612.44
	c) Remittance	3,036.42	3,744.36	5,770.20	2,889.48	3,776.67
20	No.of Foreign Correspondent	354	336	398	386	398
21	Profit earning assets	97,901.97	109,707.50	131,147.17	159,705.77	190,106.68
22	Non profit earning assets	15,169.01	20,166.92	35,909.46	35,746.74	42,305.18
23	Investment as a % of total Deposit	98.26%	92.42%	84.22%	86.79%	88.84%
24	Capital Adequacy Ratio	9.95%	10.88%	10.94%	13.30%	11.80%
25	**Dividend**	**35%**	**14%**	**10%**	**11%**	**10% (Proposed)**
	Cash	-	-	-	-	-
	Bonus	35%	14%	10%	11%	10% (Proposed)
26	Rights Share	1R:2				
27	Cost of fund	7.10%	9.15%	9.96%	10.21%	8.92%
28	Net Asset Value Per Share	18.26	15.70	15.83	17.83	18.00
29	Earning per share (EPS)	3.77	2.18	2.05	1.65	1.93
30	Price earning ratio (times)	11.34	12.76	10.14	7.80	5.74
31	Return on Equity (ROE)	36.22%	14.91%	13.86%	10.27%	11.35%
32	Return on Assets (ROA) after tax	3.54%	1.65%	1.45%	1.06%	1.16%
33	No. of Shareholders	99,882	124,681	139,482	154,398	140,061
34	Number of Employees	1686	1724	1909	2229	2458
35	Number of Branches	59	62	72	80	87

6.1 CAPITAL AND RESERVE FUND

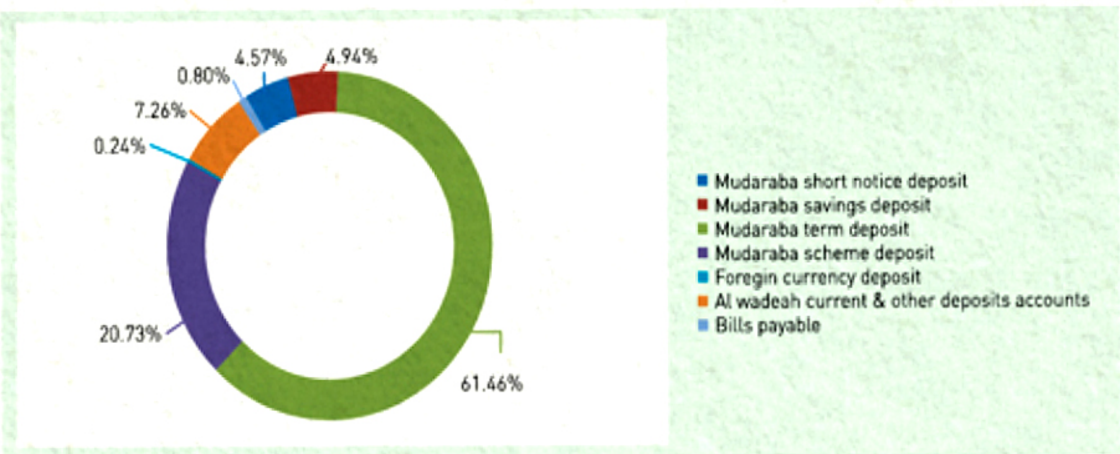
As on 31 December 2014, total capital of the bank stood at Tk. 23,519.59 million, which is10.95% higher than the previous year's total capital of Tk. 21,198.70 million. The maximum part of the total capital as on 31 December 2014 consists of Tier-1 Capital of Tk. 20,660.67 million (87.84%) and the rest part consists of Tier-2 Capital of Tk. 2,858.92 million (12.16%). The incremental capital was generated mainly from the earnings of the bank.

As on 31 December 2014, Bank’s Capital Adequacy Ratio (CAR) was 11.80% which is 1.80% higher than regulatory requirement of 10.00%. The maintenance of the regulator’s minimum capital requirement came through the prudent management of overall assets of the Bank in 2014. As part of capital management, the bank emphasized on increasing rated exposures. As a result, the Risk Weighted Asset (RWA) of the bank increased 199,376.53milion from 159,401.36milionin in 2014 from the year 2013.As the total asset of the bank increased to 232,441.86milion from 195,452.52 in the same period.

It may be mentioned here that the Bank started its operation in the year 1999 with Authorized Capital of Tk.1,000.00 million and Paid-up Capital of Tk. 225.00 million. The Authorized Capital was enhanced to Tk.3,500.00 million, Tk.10,000.00 million and Tk.20,000.00 million in the years 2006, 2009 and 2011 respectively after obtaining approval from proper authority. The Bank went for IPO to raise Tk. 313.88 million as capital in the year 2004 and issued Rights Share for Tk. 571.25 million and Tk. 2,277.42 million @ 1R:2 (i.e. one rights share for every two shares) at par in the years 2006 and 2010 respectively.

6.2 DEPOSITS

Total Deposit of the Bank was Tk.200,294.38 million as on 31 December 2014 against Tk. 165,733.25 million as on 31 December 2013. The growth rate of Deposit was 20.85% in the year 2014. This growth in deposit has enabled the bank to keep Investment Deposit Ratio at 88.84% which is within the regulatory limit of 90%. Bank employees its best efforts to increase the proportion of low/no cost deposit and achieve an ideal deposit mix. With the expansion of branch networks, service quality, competitive profit rate and innovative deposit products, bank continues to accelerate the growth of deposits.



Deposits

(Amount in million Taka)

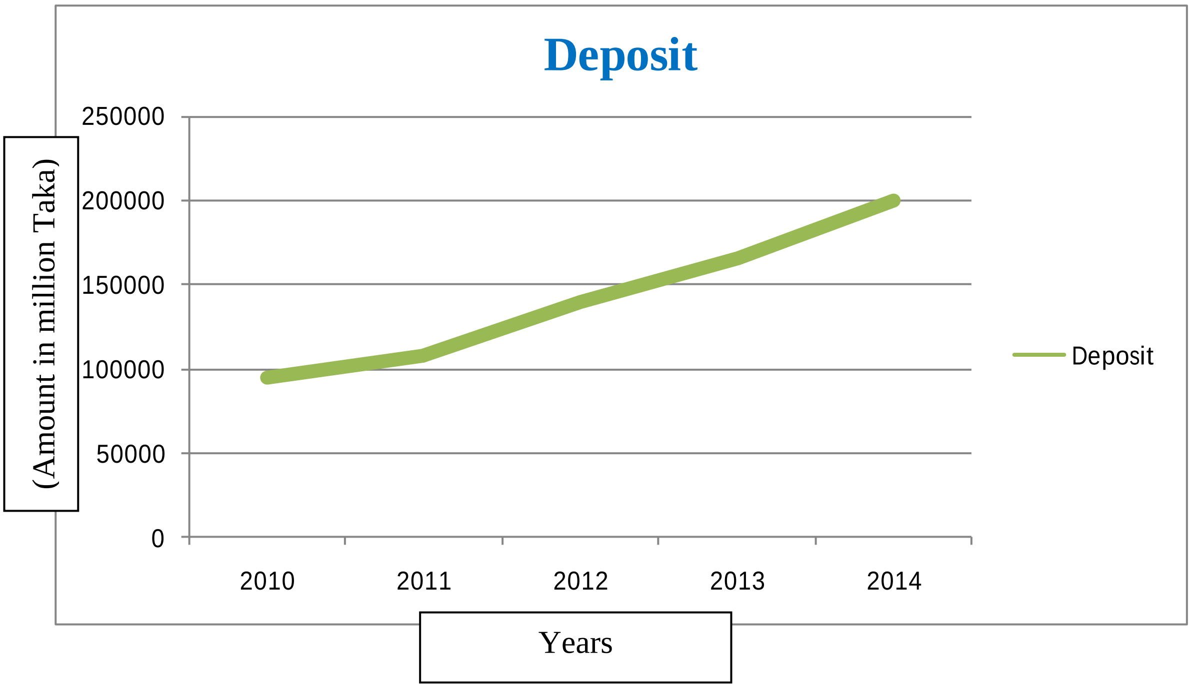
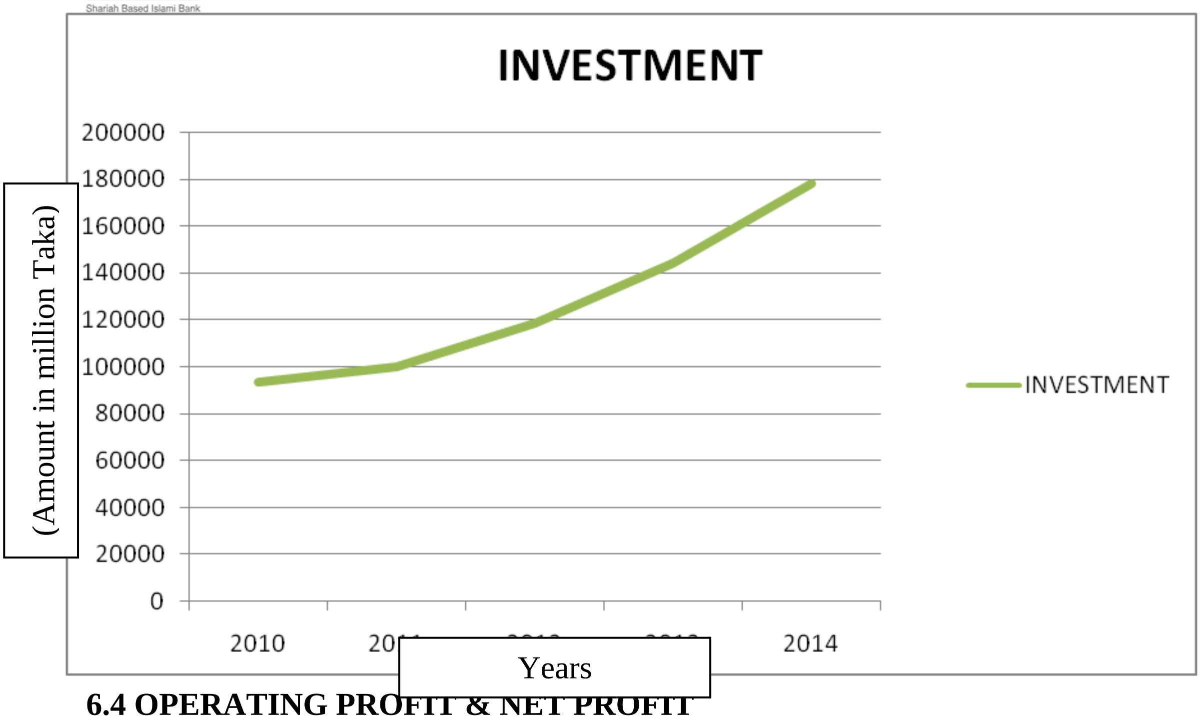


Fig 3: Five years deposits growth of the Bank

6.3 INVESTMENTS (GENERAL)

Total Investment (General) of the Bank stood at Tk.177,936.84 million as on 31 December 2014 against Tk. 143,847.38 million as on 31 December 2013 registering a growth of 21.68%. As on 31 December 2014 Classified Investment to total Investment ratio was 3.67% which was 4.27% as on 31 December 2013. Bank maintained required provision against Investment (General) for the year 2014. Investment (General) has increased significantly over the years due to the existence of innovative Investment products.



6.4 OPERATING PROFIT & NET PROFIT

The bank always strives to achieve meaningful financial performance since its inception. Strong capital base, wide branch network, innovative products, quality services, support from stakeholders are helping the bank to make significant performance. During the year 2014, the bank earned an operating profit of Tk.22,511.74 million despite some downturn in the economy. Net profit after tax stood at Tk.2480.93 million in 2014 after making provision for investment, provision for other assets and provision for tax.

Table 7: Operating Profit & Net Profit

[In millionTk.]

No.	Particulars	2014	2013	Growth
1	Investment income	22,511.74	20,417.50	10.26%
2	Profit paid on deposits, borrowings etc.	(15,517.56)	(15,458.88)	0.38%
3	**Net investment income**	**6,994.18**	**4,958.62**	**41.05%**
4	Commission, exchange and brokerage	2,016.26	2,020.16	-0.19%
5	Other operating income	1,208.69	1,177.05	2.69%
6	**Total operating income**	**10,219.12**	**8,155.83**	**25.30%**
7	Total operating expenses	4,215.37	3,227.94	30.59%
8	**Profit before provisions**	**6,003.76**	**4,927.89**	**21.83%**
9	Total Provision	1,596.84	1,680.57	-4.98%
10	**Profit before taxes**	**4,406.92**	**3,247.33**	**35.71%**
11	Provision for taxation:	1,925.99	1,333.94	44.38%
12	**Profit after tax**	**2,480.93**	**1,913.39**	**29.66%**
13	Earnings per ordinary share	1.93	1.65	

3.5 IMPORT PERFORMANCE

In the year 2014, import business of the bank was BDT 146.80 billion (equivalent USD 1.88 billion) by handling 37,818 number of import letter of credits. Import Business plunged by 8.41% in 2014 than that of 2013.

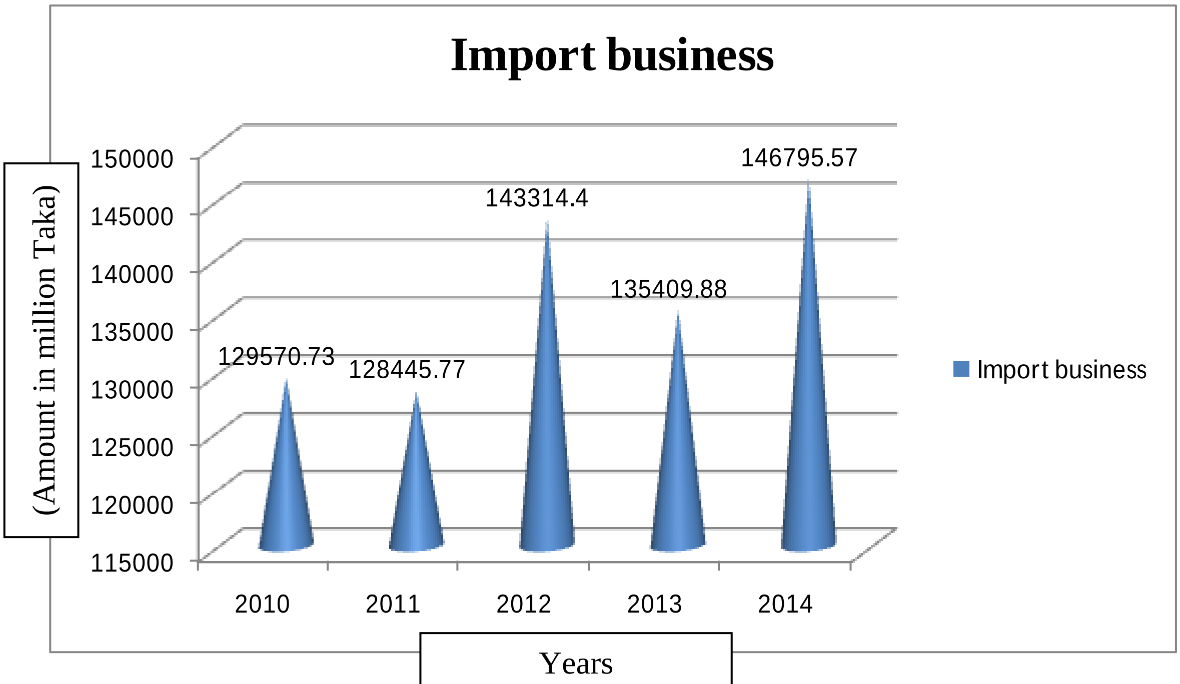


Fig 4: Import Performances

6.6 EXPORT PERFORMANCE

In the year 2013, Export business of the bank was BDT 134.41 billion (equivalent USD 1.73 billion) by handling 39,169 number of export documents. Export business achieved 3.11% growth in 2014 than that of 2013.

Fig 5: Export Performances

6.7 FOREIGN REMITTANCE

In the year 2014, Bank received BDT 3.78 billion (equivalent USD 0.05 billion) by handling 74,433 number of wage earners' remittances. Inward Remittance plunged by 30.70% in the year 2014 than that of 2013.

6.8 RATIO ANALYSIS

Return on Asset

The rate of return on assets (ROA) measures the ability of management to utilize the real and financial resources of the bank to generate returns. ROA is most commonly used to evaluate bank management. ROA is an indicator of managerial efficiency. It indicates how capable the management of the bank has been converting the institution's assets into net earnings.

Table 8: Return on Asset

Year	Ratio
2011	1.65%
2012	1.45%
2013	1.06%
2014	1.16%

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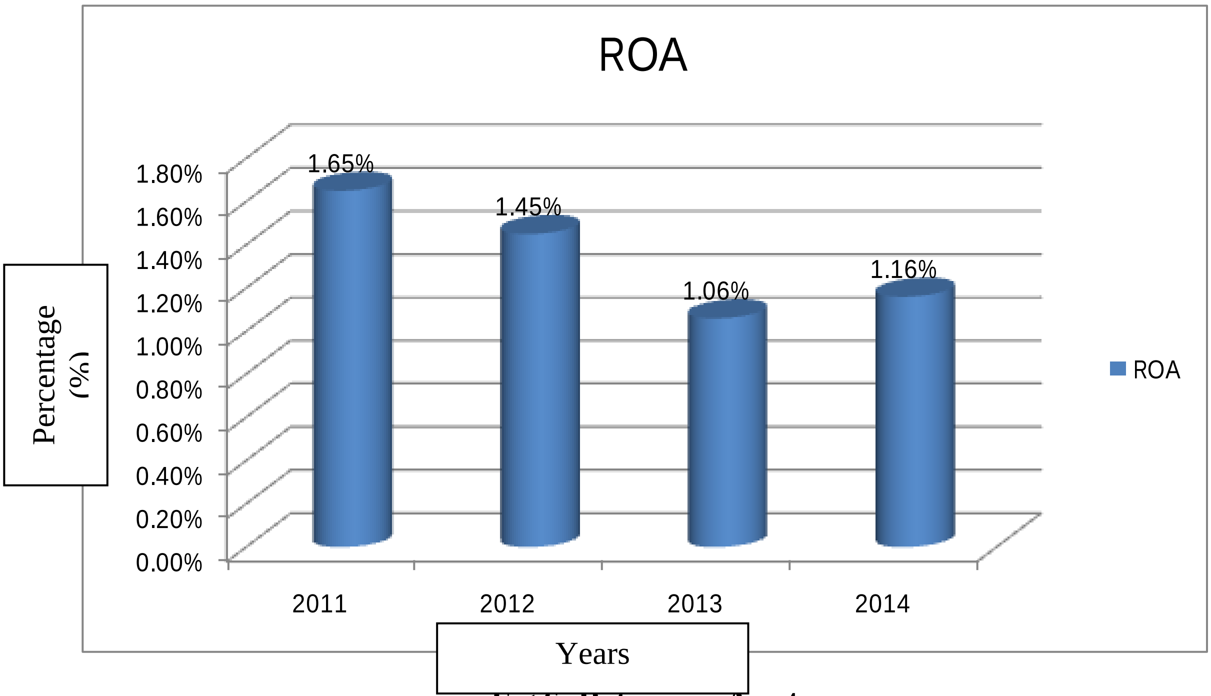

Fig 6: Return on Asset

Comment: ROA is gradually decreasing year to year of this bank so the bank is in profit and a performance is not good.

Return on Equity (ROE)

The rate of return on equity is a good condition last five years. ROE indicates the rate of return on equity capital. Generally bank stockholders prefer ROE to be high. Here, ROE is increased last four years, but last year's ROE indicates lower than previous year. It is possible, however, that an increase in ROE indicates increased bank's risk.

Return on Equity (%) = Net Income /Total Equity Capita

Table 9: Return on Equity

Year	Ratio
2011	14.91%
2012	13.86%
2013	10.27%
2014	11.35%

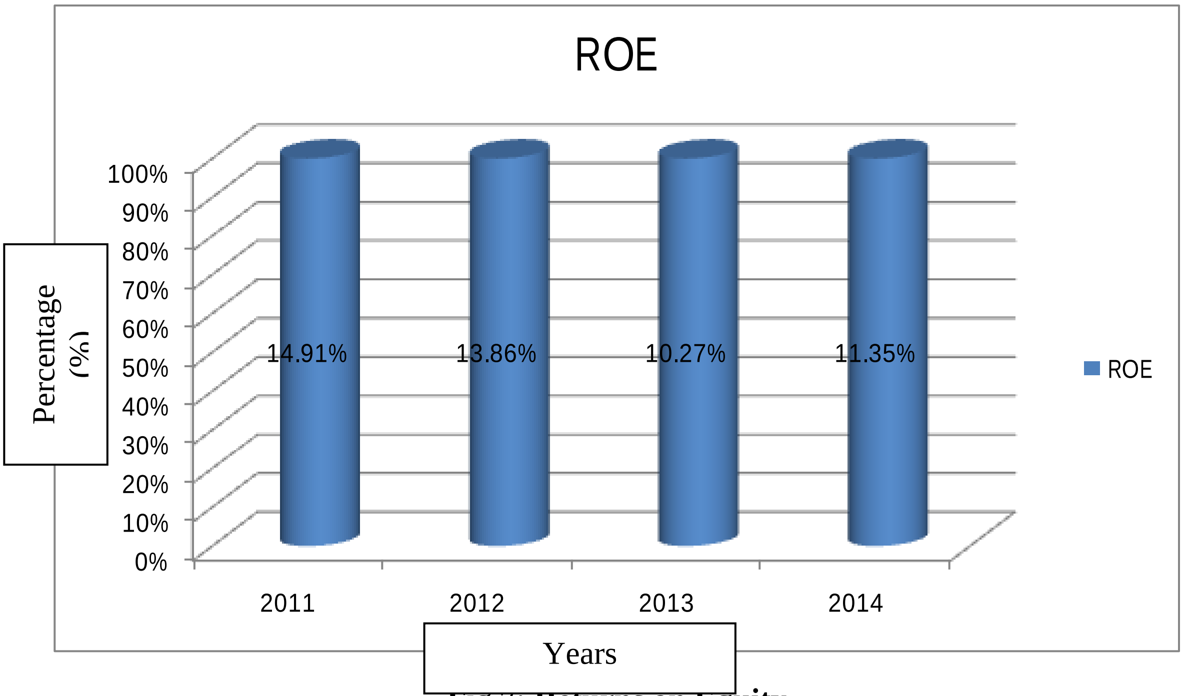

Fig 7: Returns on Equity

Comment: The table shows that return on equity range from 14.91% to 11.35%.The year 2011 the percentage of return on equity is 14.91%,the year 2012 the percentage of return on equity is 13.86% and The year 2013 the percentage of return on equity is 10.27% and The year 2014 the percentage of return on equity is 11.35%. this table shows return on equity investment is decrease proportionately and the performance of Exim Bank is not satisfactorily or efficient for utilized equity investment.

Earnings per share Ratio

When a growing firm rely on cash flow projections to assess performance at least as much attention is paid to accounting measures, especially earnings per share. Earnings per share are calculated by net income available to common dividend by the number of share of common stock outstanding.

Table 10: Earnings Per share Ratio

Year	Ratio
2011	2.18%
2012	2.05%
2013	1.65%
2014	1.93%

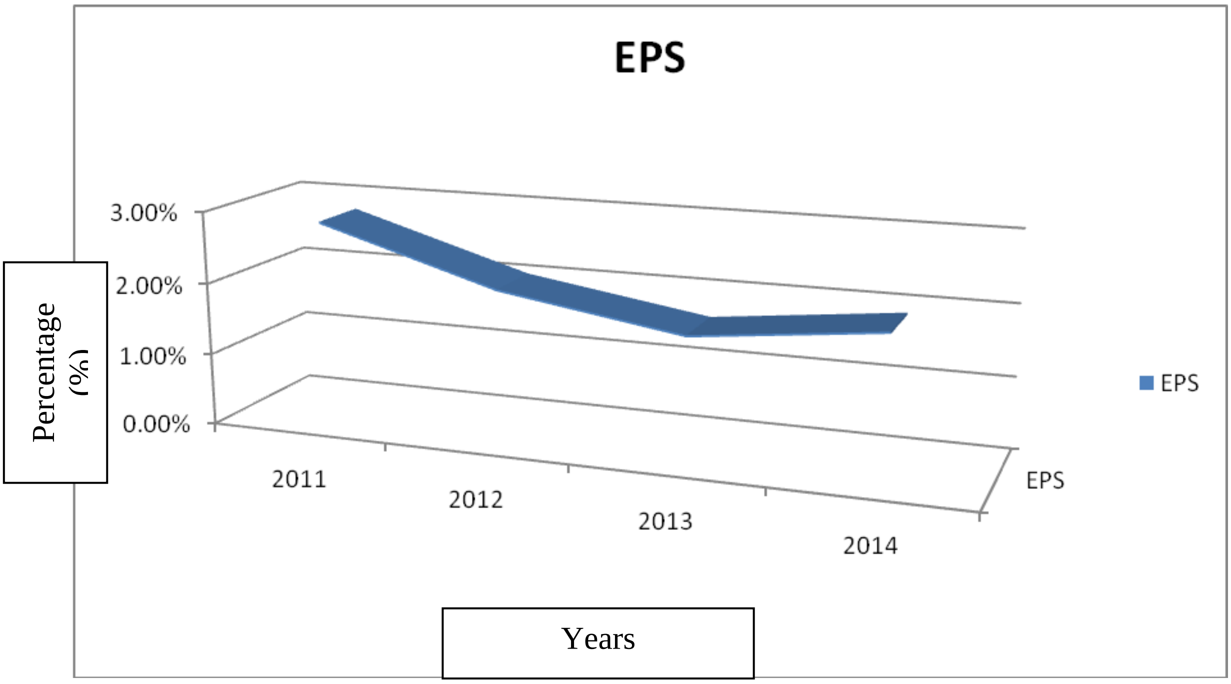

Fig 8: Earnings Per share Ratio

Comments: In 2011 and 2012 EPS is 2.18 &2.05.But in 2013 EPS is 1.65 it is low than before years and EPS in 2014 is 1.93 it is increasing.

Deposit to capital Ratio:

This ratio measures Taka of deposit of per Taka capital.

Table 11: Deposit to capital ratio

Year	Total deposit	Total shareholder equity	Ratio
2011	107881205901	14484224847	744.82%
2012	140369657157	16641856132	848.14%
2013	165733245253	20624363759	808.49%
2014	200294380000	23105290000	866.87%

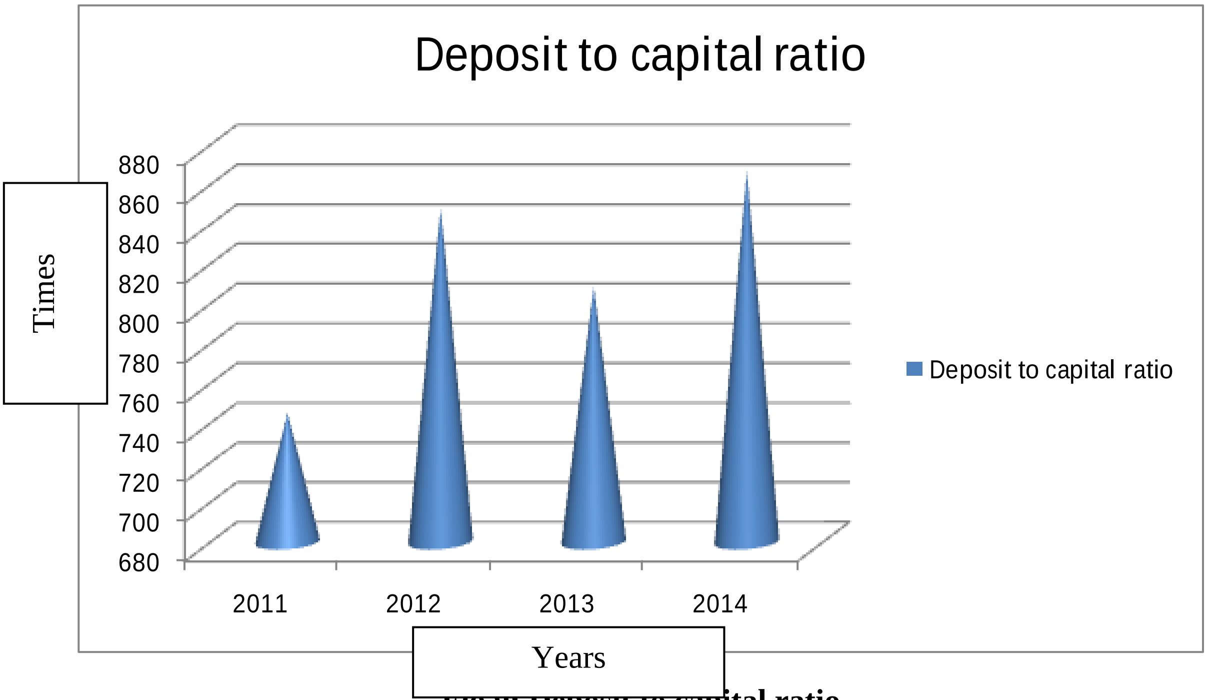

Fig 9: Deposit to capital ratio

Comment: Deposit to capital ratio of EXIM bank has been increasing over the years. It was 744.82 times in the year 2010 and 808.49 times in the year 2013. That means the deposit of the bank has been increasing much more than its equity capital.

Deposit to employee ratio:

This ratio indicates how much taka is deposited by each employee in the bank high the ratio indicates the better the position of the banks.

Table 12: Deposit to employee ratio

Year	Total deposit	No. of employee	Ratio
2011	107881205901	1724	62576105.51
2012	140369657157	1909	7353046472.34
2013	165733245253	2229	7435318315.52
2014	200294380000	2458	81486729.05

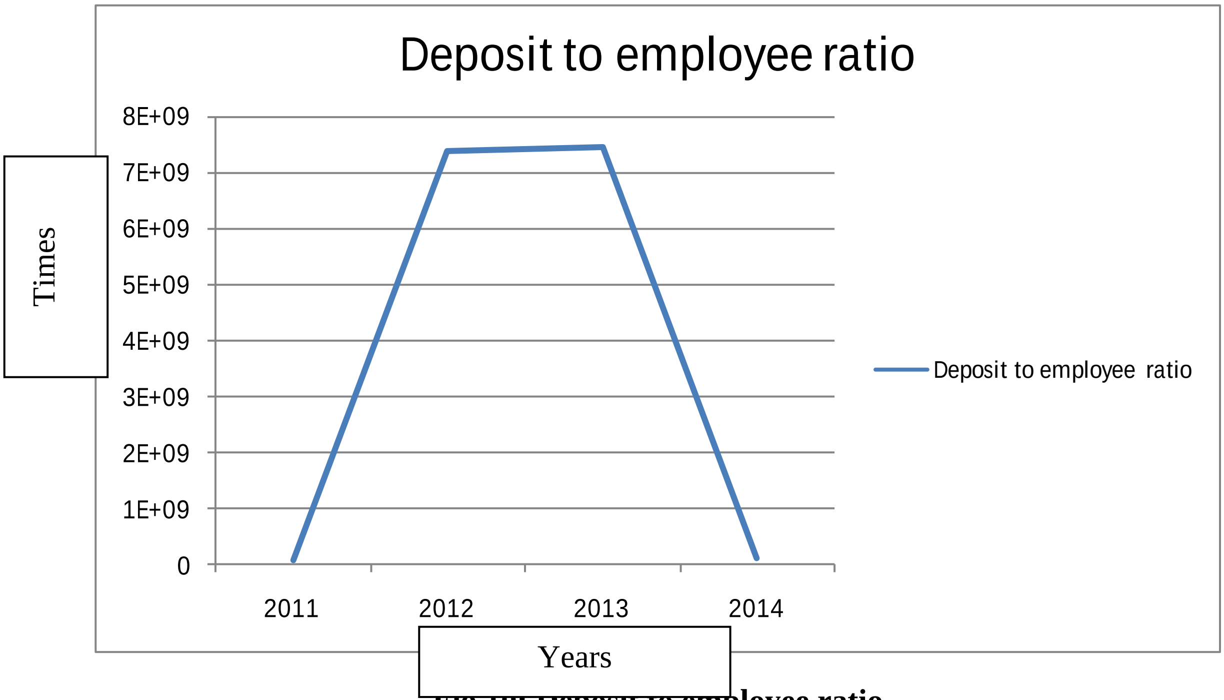

Fig 10: Deposit to employee ratio

Comment: The table reveals that each employee of EXIM bank mobilized deposit of TK. 62576105.51 in the year 2010 and it has been increased to TK. 7435318315.52 in the year 2013 and it has been increased to TK 81486729.0552 in the year 2014.This indicates the better performance of the bank.

Return on investment (ROI)

This ratio measures the profitability of enterprise on total investment. The Planning Commission, the Government of Bangladesh, has declared that the entire existing project in the public sector would have to guarantee a fixed return of 7.5% of the investment but in case of Islamic Sharia based private sector their return provisional. Return on Investment is calculated by

Return on Investment =Net profit /Total Asset

Table 13: Return on investment (ROI)

Year	Ratio
2011	1.55%
2012	1.29%
2013	0.98%
2014	1.06%

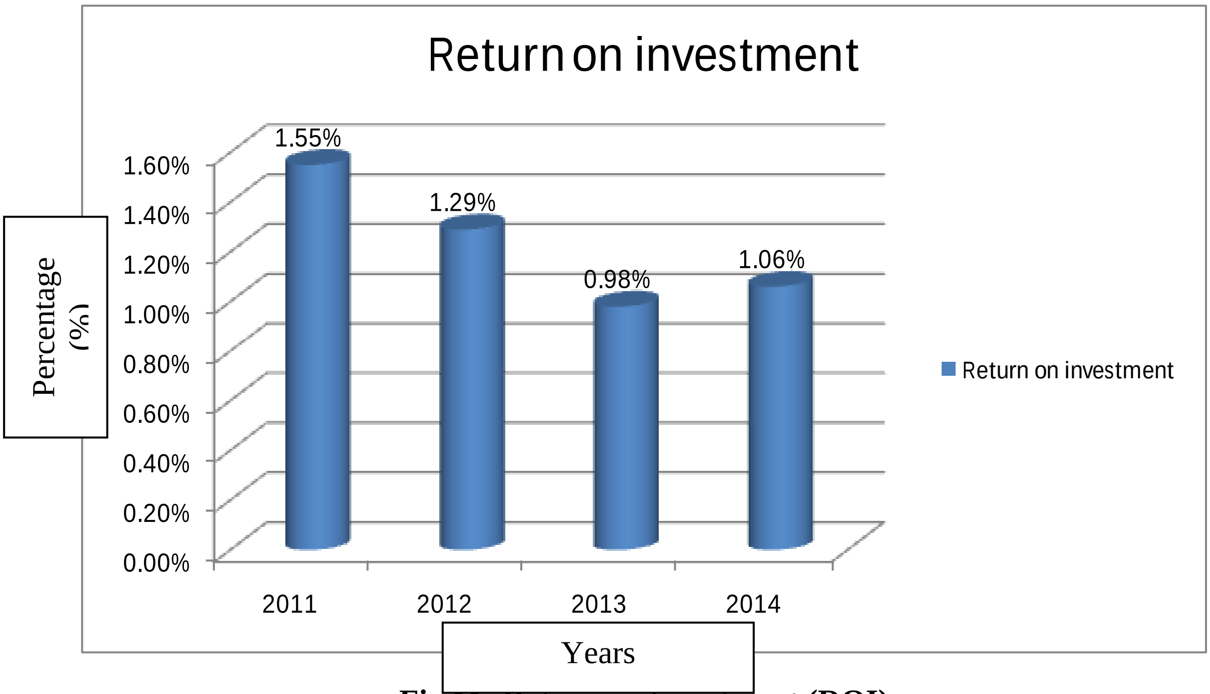

Fig 11: Return on investment (ROI)

Comment: The table- shows that the return on investment on an average for the period under study varies from maximum 1.55% to minimum 0.98 % .In this case year 2011 to 2013 the ratio Return on Investment is continuously decrease But in 2014 ROI is increase. This is indicative of poor earning in terms of investment of Exim Bank Limited.

Debt ratio:

The ratio analysis of a firm's debt position which indicates the amount of other people being used in the firm to generate profits by measuring the total asset financed by the firm's management.

Table 14: Debt ratio

Year	Total liabilities	Total assets	Ratio
2011	115390199316	129874424163	88.85%
2012	150424769987	167056626119	90.04%
2013	174828152481	195452516240	89.45%
2014	209306570000	232411860000	90.05%

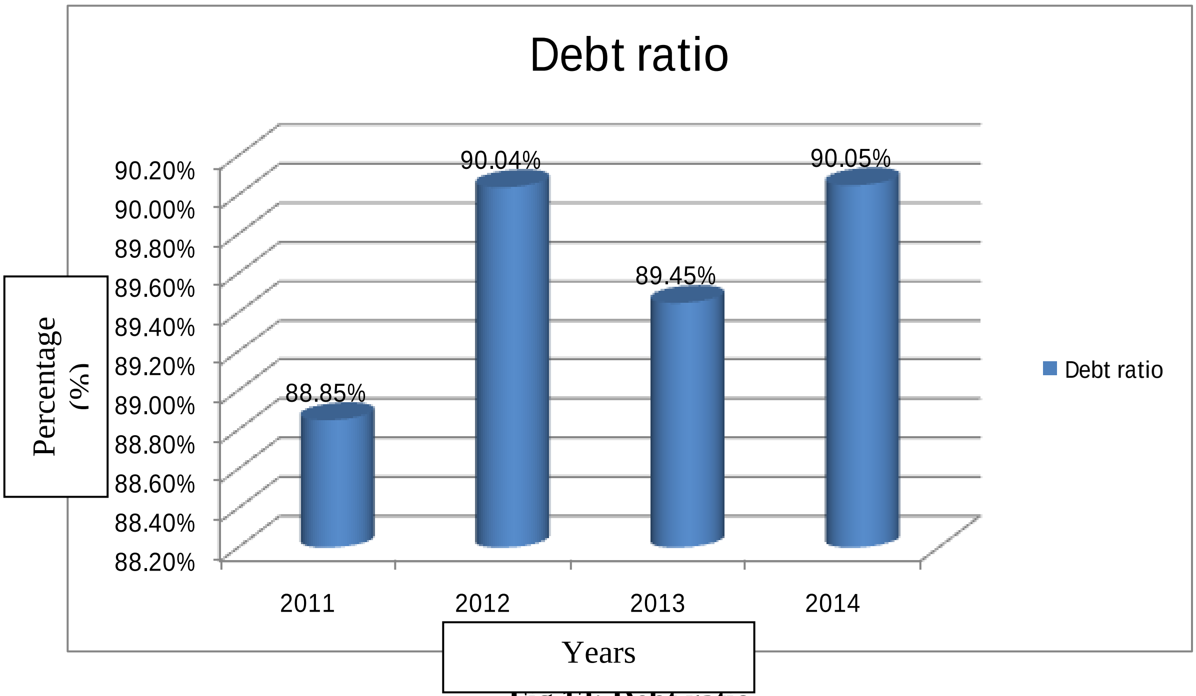

Fig 12: Debt ratio

Comment: Bank debt position 2012 is 90.04. But in 2013 bank debt position is started fall. So the bank is now emphasizing on equity capital financing and bank has lowest level of debt ratio in year 2013 and bank increased its paid up capital TK 1234568 and 2014 bank increased its paid up capital TK 232411860000.

Basic earning power ratio:

This ratio indicates the ability of the firm assets to generate operating income calculated by divining EBIT to total assets. It is calculated by dividing earnings before income and taxes (EBIT) by total asset.

Basic earning power ratio =EBIT/ total asset

Table 15: Basic earning power ratio

Year	EBIT	Total assets	Ratio
2011	3475061338	129874424163	2.68%
2012	3688449279	167056626119	2.21%
2013	3247326398	195452516240	1.66%
2014	4406920000	232411860000	1.89%

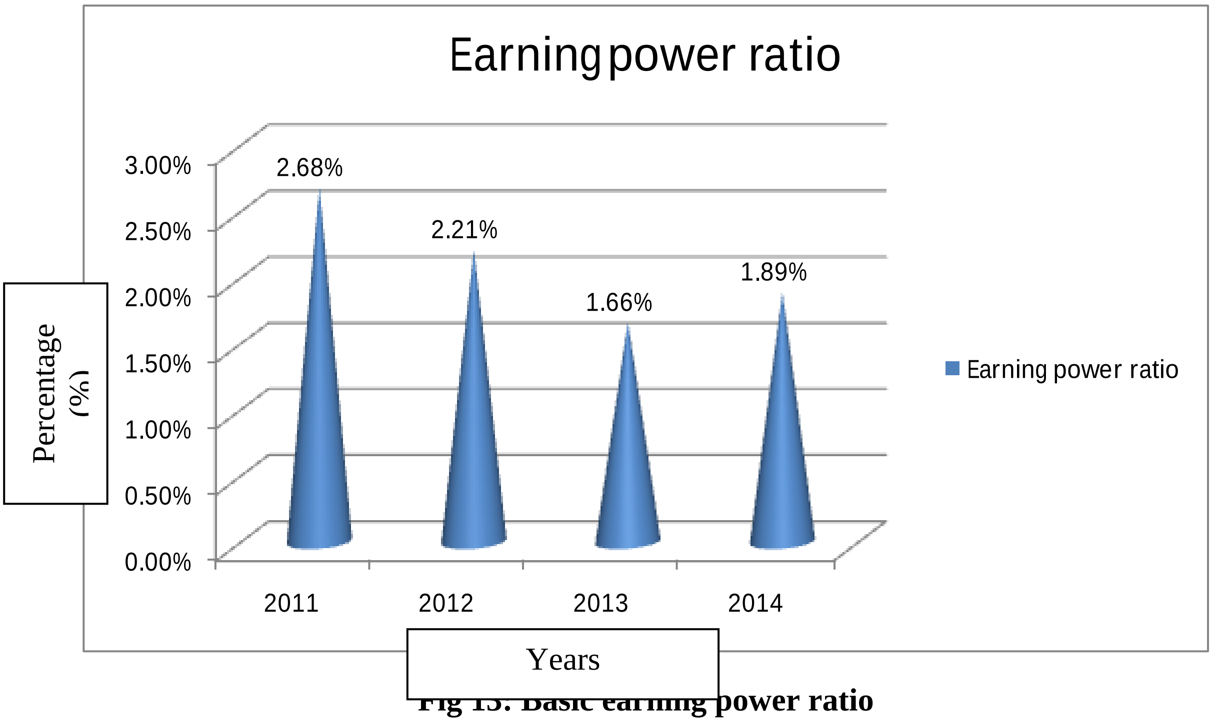

Fig 15: Basic earning power ratio

Comment: Table indicates basic earning power ratio is decreasing year to year. It indicates the bank performance is good.

Table 16: Manpower Position on 31st December 2014

SL No.	Designation Category	Number of employees
1	Executive	210
2	Officer	1718
3	Contractual Employee	70
4	Sub-staff	518
	Total	2516

CHAPTER VII

SWOT ANALYSIS

By analyzing the performance of the bank, we get the following Strengths, Weaknesses, Opportunities and Threats (SWOT).

Strengths:

1. It has well reputation in the market.
2. Not engaged in unfair business practice.
3. Executives are highly educated and experienced.
4. Bank has many attractive deposit schemes.
5. Well-furnished and air-conditioned Bank.
6. Efficient management practice in the Bank.

Weaknesses:

1. Officers in the junior level are not highly qualified.
2. Short time experience of the Bank.
3. Absence of long-term credit.
4. Small market shares in banking business.
5. Lack of training facility.
6. Lack of promotional activities.

Opportunities:

1. Can increase the credit scheme.
2. Private Banks becomes more reliable to local public.
3. Have opportunity to increase market share.
4. Private Banks can contribute more in the economic development of our country.
5. By doing social welfare activities it can create a good impact on public mind.

Threats:

1. There are many competitors in the market.
2. Govt. pressures to reduce interest rate.
3. Banking technologies are changed.
4. Govt. imposes tax & VAT on profit.
5. Govt. restricted Banking activities.

CHAPTER VIII

FINDINGS AND RECOMMENDATIONS

FINDINGS

i. Form the analysis I can say, the financial performance of EXIM Bank is better than previous years and it is increasing day by day but it has need proper management team.

ii. Form the analysis I can say, the financial performance of EXIM Bank is better other any kinds of commercial bank.

iii. Data analysis shows that majority of the person support that they should modernize their equipment for banking service. Very few customers are satisfied with their technical supports.

iv. There has computer-networking system between the branches of EXIM Bank.

v. There is no training institute of EXIM Bank which is very much essential for employees for betterment for the job.

vi. Encoding and decoding process of test number consume most of time of the officer who works in that desk. But a simple computer program could do the same if the system computerized.

vii. Officer of the bank are competent even through many of them simply know the working procedure but they lack of the depth of knowledge about of that particular job that they are doing.

viii. The bank may give more to its customer better service if all of its departments are computerized and incorporated under local area network (LAN).

ix. Bank should provide advances towards the true entrepreneur with considering conventional system of security collateral; moreover the whole process should be completed within an expected time.

RECOMMENDATION

i. From the Findings as financial performance increasing each year so it should be kept up near future.

ii. I think technical support is sufficient that I have mentioned findings season but it should be upgraded according to the demand of time.

iii. Credit card and automated teller Machines (ATM) should be introduces as soon as possible.

iv. EXIM Bank should develop E-Banking system.

v. EXIM Bank should develop its own networking system between braces so that they can exchange their information pastier and efficiently.

vi. EXIM Bank Ltd. Should focuses on their promotional activities & bank marketing.

vii. Separate officers may be allotted for their special parties in the import and export division will maintain every work of then form L/C opening payment.

viii. The branch Manager Officers and executives who achieved target in all respect may be rewarded.

ix. Now days, Many well established banks give emphasis in advertisement of their existing products like Prime Bank, EBL etc. EXIM Bank should concentrate on this matter seriously.

CHAPTER IX

CONCLUSION

Export Import Bank of Bangladesh Limited is a third generation private commercial bank in the country with commendable operating performance Directed by the mission to provide prompt and efficient services to clients. EXIM Bank has successfully celebrated its 12th years of operation. It provides a wide range of commercial banking services EXIM Bank has achieved success among its peer group within a short span of time with its professional and dedicated team of management having long modern banking. With all its resources, the management of the bank firmly believes that the bank would be able to encounter problem that may arise both at micro macroeconomic levels. The management of the bank is maintaining an efficient portfolio in order to have a healthy growth and retain customer satisfaction. EXIM Bank is engaged in modern banking. It is expected that EXIM Bank by its efficient Asset and liability management will be able to maintain its trend of growth and thus overcome the treat. Neither EXIM Bank having small and targeting niche markets is likely to be less affected by restrictive monetary and or fiscal policy. The Management of the Bank is planning to meet the required capital adequacy withering the stipulated time frame, and a loan and advance policy that expected the loan loss provisioning in future will be within tolerable limit having little material impact on future profitability as well as net worth. A although EXIM Bank is yet to be fully automated the bank has an adequate modern technology to meet its present requirement and it proceeding aggressively to enhance its technology level. As EXIM Bank is perforating good in traditional general banking and there is a good demand for Islamic Banking and the opinion of then (The Management) that the performance of the bank is getting much better than past. I wish and hope that in future EXIM Bank will be number one commercial bank in Bangladesh.

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