UTTARA UNIVERSITY

DEPARTMENT OF BUSINESSADMINISTRATIN

Internship Report

On

Development of Investment Product Of Al-Arafah Islami Bank Limited

Internship Report

On

Development of Investment Product of Al-Arafah

Islami Bank Ltd.(Sonargaon janapath Road Branch)

Prepared For:

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Prepared By:

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ID:2173011054

Batch: 44th(A)

Program: BBA

Department of Business Administration

Uttara University, Dhaka

Date of submission: 27th September, 2021

Letter of Transmittal

27th September,2021

Faculty of Finance

Assistant Professor Nusrat Jahan

Uttara University, Dhaka

Subject: Submission of Internship Affiliation Report on **Development of Investment Product**

of Al-Arafah Islami Bank Ltd".

Dear Madam,

This is my great pleasure to submit the internship report of my three month long internship program at Al-Arafah Islami Bank Limited (AIBL). The title of the report is Development of Investment Product of Al- Arafah Islami Bank Limited. This report has been prepared to fulfill the requirement of my internship program at my assign organization. I have put my utmost effort to make this report a successful one. It has been a joyful & enlightening experience for me to work in the organization & prepare this report.

I therefore, request and hope that you would be kind enough to accept my evaluation and oblige

thereby.

Sincerely yours,

Shanaoaz Robin

ID: 2173011054

Batch: 44th (A)

Program: BBA

Uttara University, Dhaka

STUDENT'S DECLARATION

I am **Shanaoaz Robin ID: 2173011054** hereby declare that the presented internship report titled An **Development of Investment Product of Al-Arafah Islami Bank Limited.** A Study on **Sonargaon Janapath Road Branch** is uniquely prepared by me after collecting and analyzing all related valuable data and embodies the results of my own research work pursued under the arrangement of **Al-Arafah Islami Bank Limited**. I prepared this report under the supervision and guidance of **Nusrat Jahan Assistant professor**, Department of Business Administration, Uttara University. I also confirm that, the report is only prepared to fulfill academic requirement not for any other purposes.

So far I know that the work I have presented doesn't breach existing copy right act of the land.

I further affirm that the work reported in this report is original and it is also declared that, this report has not been submitted to any other University/Collage/Institution for any certificate, diploma or degree.

Sincerely Yours

……………………..

Shanaoaz Robin

ID: 2173011054

Program: BBA

Major: Finance, Department of Business Administration

Minor: HRM, Department of Business Administration

School of business administration

Uttara University.

27th September 2021

SUPERVISOR’S DECLARATION

It gives me immense pleasure to certify that the internship report titled **Development of Investment Product of Al-Arafah Islami Bank Limited (Sonargaon Janapath Road Branch)** has been completed by **Shanaoaz Robin, ID: 2173011054**, major subject is Finance and minor Human Resource Management, student of BBA of Department of Business Administration, Uttara University under my supervision and guidance. As far as I know, this is an internship report paper made as part of BBA program which has not been published in any journal or submitted to any institution or department for anydegree or diploma. I have studied the report carefully and remark it to be a well written report. He has completed the report by himself. He has been permitted to submit the report there by.

I do hereby accept it and fully recommend the internship report for evaluation and I wish her every success in life.

……………………..

Nusrat Jahan

Assistant Professor

Department of Business Administration

Faculty of Finance

Uttara University

27th September 2021

Acknowledgment

First Of all, I want to convey my earnest appreciation to the almighty Allah who created me and for giving me opportunity and strength to perform and successfully completing the internship report by working with people. With deeply interest I had started my “Internship Program” is a part of BBA under the Dept. of Bachelor of Business Administration, Uttara University- Dhaka Bangladesh, I am working in Banking Services of Al-Arafah Islami Bank Limited as an intern for three month.

Firstly, I would like to thank my internship supervisor **Nusrat Jahan**, Assistant professor at Uttara University. Who helped and guided me a lot by her suggested, instruction, direction and supporting me in setting up this internship report. I express gratitude toward her for being a consistent wellspring of motivation.

My true appreciation goes to Abdul Hakim (HR In charge), Al-Arafah Islami Bank Limited, Md Abul Kashem, (Manager), to allow me continues my internship at AIBL, Md. Sadik Hossain (spo) (Investment In charge), Rabbina Mustafa(spo) (GB in charge) and MD. Fazlay Morshed Mithun (GB) for providing me an opportunity to work in the bank as an intern to execute my internship program under his supervision of Al-Arafah Islami Bank LTD.

I might want to offer my most profound thanks to the personnel working official staffs and members of Sonargaon Janapath Road branch Uttara from all categories who helped me for learning and gather experience from the work environment throughout the months of my internship period.

Finally, I like to thanks those people who helped me directly and indirectly to collect the necessary data and information to complete the internship report.

TABLE OF CONTENT

Executive Summary

Internship program refers to a joint program which business school and business house co- operate. The prime objective of such program is to provide some experience to the students aboutthe environment of the corporate world and opportunity to translate the bookish concentration in real life situation. Through this program, have a good balance between theory and practice can be gained. The internship report is a partial requirement for the Bachelor of Business Administration. This report is prepared as a requirement of the internship program focused on especially of "**Development of Investment Product** of Al-Arafah Islami Bank Limited". For achieving the specific objectives of the study, data will be gathered most of from primary sources and little from secondary sources. I have segregated this report into six chapters those are given. The **Firstchapter** contains the Introduction, background, origin, objectives of the study, Research methodology and limitations of the study have been presented etc, of the study and the **Second chapter** is overview of profile of Al-Arafa Islami Bank Ltd, mission, vision, Corporate history. On the other hand the **Third chapter** Development of Investment Product of AIBL, Data collection and processing under Islami shariah and the **Fourth chapter** is the analysis of the study, Finding analysis, etc. and **Fifth chapter** is the Internship experience**.** Finally, in this last **six chapter** are recommendations for the Development of Investment Product and then the conclusion has been made. The study finds that there is huge amount of classified deposit product service in our banking sector. As a mandatory requirement to complete Bachelors of Business Administration (BBA) program Uttara University, this report has been written. Throughout my overall study I have mainly tried to critically review the Development of Investment Product of bank limited in Al-Arafah IslamiBank Limited.

Chapter- 1:

INTRODUCTION

Topic

1.1. Introduction

1.2. Background of the study

1.3. Origin of the report

1.4. Rational of the study

1.5. Objective of the study

1.6. Scope of the study

1.7. Limitation of the study

1.1 Introduction

Bank is an organization chartered by a state or federal government, which provides the following services such as receiving payment, credit, savings, insurance, security brokerage, investment banking, merchant banking, cash management, real estate and community development. It plays an essential role in the growth of an economy of a country. Due to the banking system, countries become more industrialized and developed, because bank collects money from the depositor and provides a loan to others at fixed interest rate. By getting required loan from the bank, people can do business and earn a lot of profit which is facilitating them to become more independent. One of the biggest Muslim nations Bangladeshi individuals is especially careful about the Islamic way of life. The general population here is particularly strict in following the Quran and the Sunnah of prophet. Therefore to lead a Haram free living they follow Islamic Rules in every way possible.

1.2 Background of the study

In today's world, education is the tool to understand the real world and apply knowledge for the betterment of the society as well as economy. From education the theoretical knowledge is obtained from courses of study, which is only the half way of the subject matter. Practical knowledge has no alternative. Students are required to work on a specific topic based on their theoretical and practical knowledge acquired during the period of the internship program and then submit it to respective authority. This is why I have prepared this report. The dissertation report is an integral part of the BBA program of the Uttara University for its potential business graduates to get three months practical experience, which is known, is as "Internship Program". And a report is required to be prepared to summarize the intern's analysis, findings and achieved knowledge from this program. It is obligatory to undertake such task by the students who desire to complete and successfully end -up their BBA.

In this manner we are required to attempt an entry level position program in any working association. For the internship purpose, I have chosen Al-Arafa Islami Bank Ltd, Which has some special mission and vision to establish an interest free banking in the country. Being an intern the main challenge is to translate the theoretical concepts into real life experience. I have selected the topic **"Development of Investment Product of Al-Arafa Islami Bank Limited"**. The establishment of Al-Arafah Islami Bank Limited on 18Th June 1995 is the true reflection of this inner urge of its people, which started functioning with effect from 27th September 1995. This Islamic Banking activity is consistent with the principles of shariah and its practical application by the development of Islamic economics. A more correct term for Islamic Banking is a Shariah compliant finance.

1.3 Origin of the report

This internship report has been preparing under the internship program, an indispensable part of the Bachelor of Business administration (BBA) program. This report is prepared for fulfilling a practical requirement of both BBA and internship program. On this regard I have been posted in Al-Arafa Islami Bank Limited (AIBL) Sonargaon Janapath Road Branch immediately after completion of BBA course for three months duration internship program and have been advised by the honorable management to submit my practical learning in written from at different phases.

Al-Arafah Islami Bank is a financial institution whose status, rules and procedures expressly state its commitment to the principles of Islamic Shariah. Consequently Al-Arafa Islami Bank operates on Islamic principles of profit and loss sharing, strictly avoiding interest, which is the root of all exploitation and is responsible for large scale inflation and unemployment. In this report, I undertake microscopic analysis mainly on “Development of Investment Product of AL-Arafa Islami Bank Limited”. So, after completing this internship program, students can handle the real life circumstance.

1.4 Rational of the study

Due to the Increased competition of the increased number of commercial banks and the growing economy, the expectation of the customers have also increased than even before. The Banks are trying to attract more and more people to use bank as their trusted saving way. So banks are coming more reachable to their customers. Now a present the most difficulty facing the financial sector is the low level of interest rate and high level of inflation rate for political anarchy and syndicating of products.

1.5 Objectives of the study

The general objective of the report has been prepared the internship & main objective of this report is to provide a brief idea about the Development of Investment Product of Al-Arafah Islami Bank Limited.

The specific objectives are:

1. Investment Procedure of AIBL
2. To Discuss the Investment Schemes of AIBL
3. Investment Trend of AIBL

1.6 Scope of the study

This report will concern about the Development of Investment Product of AIBL. In this report overall investment procedure of AIBL will be discussed as well as the effectiveness of investment policy.

1.7 Limitations of the study

During working on this report need to many collection and information, database, literature review and analysis of data etc. and in this moment task has several limitation that I faced some usual constraints during the course of my internship. Even Though I always put my best to avoid the limitations of the study that arises, the following limitation have been faced are as follows-

- Insufficient Data due to authorities could not express to us accurate data easily.
- Lack of enough experience in analyzing data.
- Short of Time because 12 weeks were not sufficient to collect and understand all the activities related to banking.
- Depending on the secondary data because of inadequate primary data and executive of the bank could not give adequate time for their work.
- Bank's policy of not disclosing some sensitive data and information for obvious reason posed an obstacle to prepare more informative report.
- Personal limitations like inability to understand some official terms, office decorum etc. created a few problems.
- Bankers were so much busy with their work and they did not have enough time to provide information.

Chapter- 2:

COMPANY PROFILE

Topic

2.1. Background Al-Arafah Islami Bank Ltd.

2.2. Organizational Structure of AIBL

2.3. Vision of AIBL

2.4. Mission of AIBL

2.5 The Objective of AIBL

2.6 Commitment of AIBL

2.7 Distinguishing Feature of Commercial and AIBL

2.8 Special Features of AIBL.

2.9 AIBL product and service

2.10 Corporate Information

2.11 Department where intern learn

2.1 Background of Al-Arafah Islami Bank Limited

One of the biggest Muslim nations Bangladeshi individuals is especially careful about the Islamic way of life. The general population here is particularly strict in following the Quran and the Sunnah of prophet. Therefore to lead a Haram free living they follow Islamic Rules in every way possible.

The foundation of Al-Arafah Islami Bank Limited on 18 June 1995 is the genuine result of the demand of individuals for an Islamic shariah in banking. This was the core reason Al-Arafah established its banking from 27 September 1995.It have several branch but head office is located Al-Arafah Tower, 63 puran paltan, Dhaka, Bangladesh. The equity of the bank stood at th.9647.45 million as on 31 December 2010, Tk.16091.17 million as on 31december 2013, manpower was 2387 and shareholders was 58,466, tk. 1923.61 million as on 31 December 2015 and man power was 3683 as on 27 December 2018 and number of the shareholders was 25792 ason 27 December 2018.Con-currently the bank is operating with an Authorized Capital Tk.15,
000.00 Million and Paid-up Capital 9, 943.06 Million.

The Bank is mainly guidance and well balanced control Islamic Scholars and experienced and educated businessmen makes sure that the bank is running according to the Islami Shariah and there is no sign of giving and earning interest at any part of the financing system. The bank’s has its full paid up capital is owned by indigenous shareholders. AIBL has the total equity balance of Tk 21,362,249,730 till the dated 31 December 2017, the Current manpower is 3446 and the number of shareholders was 36695.The bank's business Activities produced consistent profit and declared a decent dividend throughout the years for its shareholders.

2.2 Organizational structure of AIBL

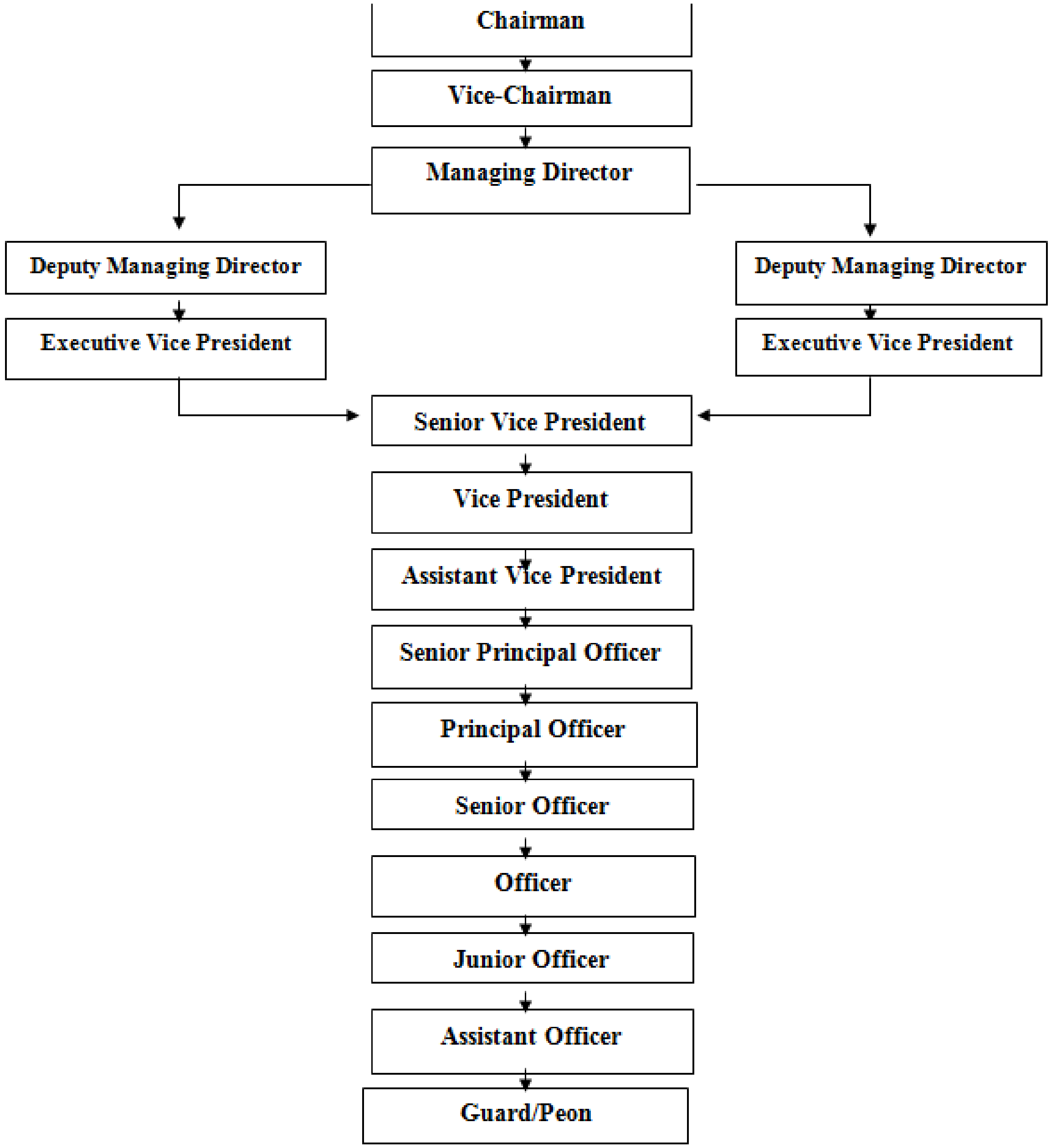


Figure 1: Organizational Flow chart of AIBL.

2.3 Vision of AIBL

To be a pioneer in Islamic Banking in Bangladesh and contribute significantly to the growth ofthe national economy

2.4 Mission of AIBL

- Achieving the satisfaction of Almighty Allah both here and hereafter.
- Proliferation of Shariah Based Banking Practices.
- Rendering quality financial services by leveraging latest technology.
- Fast and efficient customer service.
- Maintaining high standard of business ethics.
- Innovative banking at a competitive price.
- Attract and retain quality human resources.
- Extending competitive compensation packages to the employees.
- Firm commitment to the growth of national economy.

2.5 The Objectives of Al-Arafah Islami Bank

The objectives of Al-Arafah Islami Bank Limited are not only to earn profit but also to do good welfare to the people. The main objectives of AIBL are as follows:

- Investment is made by different mode permitted under Islamic Shariah.
- All the activities of AIBL are conducted on interest free system according to Islamic shariah.
- Its aim is to achieve balanced growth & development of the country through investment operation particularly in the less development areas.
- Investment income of the bank is shared with the mudaraba depositors according toensure a reasonably fair rate of return on their depositors.

2.6 Commitments of AIBL

- AIBL is customer focused modern Islamic bank, sound and steady growth in both mobilizing deposit and making quality investment to keep their position as a leading Islami bank in Bangladesh.
- To deliver financial services to retail, small and medium scale enterprise, as well as corporate client through brunches across the country.
- AIBL's business initiatives are designed to match the changing trade and industrial needsof the clients.

2.7 Distinguishing Features of Conventional & AIBL

Conventional Banks	Al-Arafah Islami Bank Limited
The functions and opening modes of conventional banks are based on manmade principles.	The functions and opening modes of AIBL is based on Islamic Shariah.
The interest is assured of a predetermined rate of interest.	In contrast, it promotes risk sharing between provider of capital (investor) and the user of funds (entrepreneur).
It does not deal with Zakat.	In the modern AIBL system it has become one of the service-oriented functions of the AIBL to collect and distribute **Zakat.**

Table-1: Distinguishing Features of conventional & AIBL

2.8 Special Features of the AIBL

- This bank offers gave contributions to the clients alongside Islamic embodiment see goodness.
- Bank is committed to establishing good-based banking system to meet the needs of income and indigenous needs.
- All activities are conducted in accordance with Islamic Shariah and interest free systems..
- All activities of AIBL are led under profit and loss based framework as per Islamic Shariah.

2.9 AIBL products and Services

Deposits Products	Investment products	Services
Mudaraba short notice deposit (SND)	Investment in Agriculture Sector	ATM Card Service
Mudaraba saving deposit (MSD)	Investment in Industrial Sector	Mcash
Mudaraba term deposit (MTDR)	Investment in Business Sector	Locker Service
Monthly profit based term deposit (PTDR)	Investment in Foreign Trade	Agent banking
Monthly installment based term deposit (ITD)	Investment in Construction and Housing	
Al-Arafah monthly hajji deposit (MHD)	Investment in Transportation Sector	
Al-Arafah termed hajji deposit (THD)	Hire Purchase Shirkatul Melk (HPSM)	
Monthly installment based marriage saving investment scheme (MIS)	Investment Schenes in Masque and Madrasa (MMIS)	
Al-Arafah saving bonds (ASB)	Village and Small Investment Schemes (GSIS)	
Foreign currency deposit (FCD)	Small Enterprise Investment Schemes (SEIS)	
Pension deposit scheme (PSD)	Consumer Investment Schemes (CIS)	
Cash waqf deposit scheme (CWD)		
Mudaraba lakhopoti deposit scheme (LDS)		
Mudaraba special pension deposit scheme (MSPDS)		
Mudaraba kotipoti deposit scheme (MKDS)		
Mudaraba double benefit deposit scheme (MDBDS)		
Mudaraba triple benefit deposit scheme (MTBDS)		

2.10 Department Where Intern Worked

At the General Banking **(GB) Division** of **Al-Arafah Islami Bank -Sonargaon Janapath Road** Branch, I was assigned to **GB (General Banking).** I spent the four (4) weeks here and needed for completing the next 2 month. It was very arduous, but very fruitful.

Chapter- 3:

DATA COLLECTION AND PROCESSING

Topic

3.1. Methodology of the study

3.2. SWOT Analysis of AIBL

3.1 Methodology of the study

3.1.1 Data Description:

This is explanatory type of report that has undertaken insights and understanding about overall "Development of Investment Product of Al-Arafa Islami Bank Limited". I have used both qualitative and quantities research methods for this report need to collect and analyze the information. This report is prepared on the basis of primary and secondary data.

3.1.2 Data Collection Procedure:

Different data and information were collected from various sources, such as, primary and secondary which is showed below:

i) **Primary Sources of Data:** Primary source of data are known as the data which are collected through observation and direct contact. They are not derived from any other sources. The primary data are the information collected during the internship period by the observation and involvement. Most of the primary data are collected through the following sources:

- Information gathered by direct dealing with the customer in the Bank
- Information gathered by daily activities during internship
- Information gathered by Personal observation of the bank activities.
- Information gathered by chatting with bank chiefs, employee, staff of AIBL.
- Information collects from the personal observations of the bank environment.

ii) **Secondary Sources of Data:** The secondary data is one which has already been collected by a source other than present investigator. Secondary data include both raw data and published summaries. These types of data are collected through following ways:

- Information collects from collection data from websites of AIBL.
- Information gathered from Web page.
- Information collects from balance sheet of last from 2016 to 2020 years.
- Information collects from different papers, various files.
- Annual report of AIBL from 2016 to 2020.

3.1.3 Data Processing Methods:

This is very important for any type of report methodology. The optimum outcome of the standard report depends largely on the adopting of the proper methods related to the topics in the field of relevant investigation. To prepare this report the methods, i.e. practical involve to work observation method. The techniques of data collection followed in this report are practical working to the organization, interviewing, user of documents. Data analysis has been done with Microsoft word, Microsoft excel, different tables and figures.

3.2. SWOT Analysis of AIBL

In SWOT analysis two factors act as prime movers:

- Internal factors which are prevailing inside the concern which include Strength and weakness.
- On the other hand another factor is external factors which act as opportunity andthreat.

➢ **Strengths:**

- AIBL feels responsible for providing its customer quality service in manner.
- AIBL has good financial backup and it uses the latest technology to operate daily.
- AIBL has good working environment for both staffs and client
- AIBL holds a good reputation in the banking markets.

➢ **Weaknesses:**

- AIBL doesn’t have enough promotional campaigns like other banks.
- Staffs feels they are paid less compared to other banks.
- Staff management schedule is week.

➢ **Opportunities:**

- Demand for Islami bank is increasing day by day.
- Increasing new products and services.
- Modern technologies are getting handy.

➢ **Threats:**

- Other banks have far better technology to service their customers.
- Other commercial banks are also opening Islami branches.
- The rates of profit reduced due use of 9% profit quota.

Chapter- 4:

Findings & Analysis of Development of Investment Product

Topic

4.1 Investment procedure of AIBL

4.2 To discuss the investment schemes of AIBL

4.3 Investment trend of AIBL

4.4 Finding Report

4.1 Investment Procedure of Al-Arafah Islami Bank Limited:

Investment process of Al-Arafah Islami bank takes different stage to complete. In general bank takes deposit from customers than use the amount of deposit for investment so if banks fail to recover the investment bank will fail to meet depositors demand and ultimately it will collapse. So investment process takes time and need an in-depth analysis for investment approval.

In Al-Arafah Islami Bank if a desire customer who wants takes investment form bank, first he will approach to the Head of investment department with his/her proposal. The head of investment will check the eligibility of the desire customer and then there will be a discussion about the investment proposal. If the head of investment liked the proposal then he/she will discuss it to the second man of the branch the second man will send the proposal to the head of the branch. After successfully complete the discussion bank take the client proposal and the process Began with eligibility checking

Eligibility checking of the desire Customer:

- First customer age must have to be 21to 68 years.
- Customer must have to be a Bangladeshi Resident.
- Customer must have to open a saving account or current account with respective branch of AIBL.
- Customer must have to a permanent income source, For Example: If the customer is a service holder he/she must have 3 years of experience and if the customer is businessman he/she must have to show the income source of last 3 year. But in terms of banks official they must have to be permanent and 2 years of service experience.
- Customer must have a valid Tin Number.
- Customer must have to agree with the banks rules-regulation and terms of the investment.
- Customer must have to the owner of a valuable mortgage asset against his taken investment.

After eligibility checking bank will check the 5’c of the customer

5c’s of the customer include:

- Character

- Capacity
- Capital
- Collateral

Application Stage:

After checking the 5cs of a customer bank will collect all the necessary information to approve the investment proposal. This is to be noted that this information are crucial for approval. Documents that are needed are given below

National ID	For joint stock company Memorandum (MOA) & Articles of association (AOA)
Photo 4 copies passport size.	Tin certificate photocopy
Trade License Photocopy	Details of personal assets
Vat Certificate Photocopy	Detailed summary of the sundry Debtors and creditors.
Attested photocopy of partnership deed Form	IRC (For importer)
3 years of income statement for Musharaka and Mudaraba Investment.	ERC (Exporter)

Appraisal Stage:

After collecting the entire necessary information bank will evaluate them. Bank will check whether the customer is doing business with Shariah permissibility. Bank will also visit customer business in order to check honesty by talking to the locality. In this stage bank will check the credit restriction form Bangladesh bank current investment policy.

If the head of investment department found anything wrong and which is against the bank policy bank can cancel the proposal. But if the bank found everything all right bank will provide an appraisal form (F-167B) to the customer to gather all the information. The appraisal from contains

Owners Information	Assets and Liability position of the customer.
Company’s information with list of partners.	Lawyer’s opinion.
Purpose of the investment.	Previous Bank information.

Details of investment facilities.	Risk analysis.
Insurance coverage.	Audit observation.
Business analysis.	

Sanction Stage:

In this stage bank will approve the investment proposal of the desire customer and the customer will receive a sanction letter from Bank which contains

- Investment Amount (Limit in Millions)
- Purpose of Investment
- Mode and period of investment
- Rate of return

Security:

In allowing investment bank generally bank takes security as per the bank policy and it varies from mode to modes for example in Bai-Murabaha if the cash security is fixed 25% bank investment stand 75%. And bank always takes securities that are immovable.

Documentation stage:

In this stage bank will check the require documents if necessary bank might ask for more information such as

Stock report	Particulars of the proposal
Liability position of customer	Particulars of mortgage
Ongikarnama	Particulars of the properties
Ghosonapotro	CIB report
Business performance report	Trade license
Current situation of assets	

Before disbursement Bank also visit to the mortgage property of the customer in order to clarify the physical position of the property.

Disbursement Stage:

In this stage the desire customer and the Branch manager will sign the disbursement paper and after that customer will get his/her desire fund form the bank.

Recovery Stage:

This is the last stage of investment procedure .To recover the investment bank will continuously contract with the customer. Bank also goes for a site visit of the customer physical property. In some cases bank might ask customer to submit the monthly report of the business performance. In order to be fair bank will check whether the customer is doing business ethically or not and if bank find anything wrong the invest agreement will be cancel and bank will take every necessary steps to recover the investment.

4.2 Discuss the investment schemes

Consumer investment scheme (CIS)

In order to increase the living standard of people this schemes is running in the bank. The main purpose of this scheme is giving investment facility to people for purchasing household articles.

Collateral: If the investment is cross 3lack to 10 lacks, Taka sufficient collateral will be obtained as per bank policy.

Other security: Personal guarantee, Post dated cheques for monthly installment, Personal guarantee of relatives, Hypothecation of purchased asset.

Investment parameter: Consumer products such as TV, AC, Furniture etc.

Mode of investment: Bai-Muajjal (CIS).

Investment amount: Without collateral 3lack with collateral up to 10lack.

Rate of return: 15% (For employers who have 3years of unexpired service the rate is

Personal Investment schemes (PIS)

In order to secure future needs of the people this scheme is running in the bank. This investment schemes is only for the people who are self employed or service holder living in the area where bank operates.

Collateral: without collateral.

Other security: Personal guarantee, Post dated cheques for monthly installment, Personal guarantee of relatives, Hypothecation of purchased asset.

Investment parameter: For marriage expenses, Hospitalization, Educational expenses

Mode of investment: Bai-Muajjal (PIS).

Investment amount: Without collateral 3lack with collateral up to 10lack.

Repayment duration & system: Minimum 1month maximum 48 months (: Monthly Installment basis)

Auto/Car investment scheme

This investment scheme is only applicable for a Bangladeshi resident who is a self employed person or a service holder and who has the ability to repay bank investment.

Collateral: without collateral.

Other security: Personal guarantee, Post dated cheques for monthly installment, Personal guarantee of relatives, Hypothecation of purchased asset.

Investment parameter: For purchasing new reconditioned car.

Mode of investment: HPSM (CIS).

Investment amount: Maximum 20 lack

Repayment system: Minimum 24 months maximum 78 months (Monthly Installment basis)

- **House finance investment Scheme**

This scheme is only for the Bangladeshi resident. In order apply for this investment customer must have to submit his/her nationality versification. The customer must have the ability to repay bank investment.

Collateral & Other security: Registered mortgage, Verified site plan, Power of attorney of land, Personal guarantee, Post dated cheques for monthly installment, Personal guarantee of relatives, Hypothecation of purchased asset.

Investment parameter: To construct new building or rebuild old structure.

Mode of investment: HPSM (CIS). **Investment**

amount: Maximum 70 lack. (Stipulated by the bank)

Repayment system: Maximum 240 months (Monthly Installment basis)

Consumer financial scheme

This scheme is only for professional like Doctor, Lawyer, and Engineers. The main purpose of this scheme is to support them for purchasing different equipment based on their profession. To apply for this scheme customer must have to 3 years unexpired of service and for self employed minimum 2 years business record.

Collateral & Other security: Personal guarantee, Post dated cheques for monthly installment, Personal guarantee of relatives, Hypothecation of purchased asset, ICB certificates, Insurance over bank assets, Collateral security will obtained as per bank policy.

Investment parameter: To construct new building or rebuild old structure.

Mode of investment: HPSM (CIS).

Investment amount: Maximum 2 lack.

Repayment system: Maximum 60 months (Monthly Installment basis)

Small enterprise investment scheme (SEIS)

In order to speed country's small trade bank introduce this scheme. Skilled employees are recruiting for expansion of this scheme.

Collateral: Free

Other security: Personal guarantee, Post dated cheques for monthly installment, Personal guarantee of relatives, Hypothecation of purchased asset,

Investment parameter: Manufacturing, service, Trade **Mode of investment**: HPSM (SEIS) & Bai-Muajjal (SEIS) . **Investment amount:** Maximum 5 lack.

Rate of return: As Stipulated by the bank

Repayment system: Maximum 36 months (Monthly Installment basis)

Grameen small investment small scheme (GSIS)

In order to socio-economic development of rural poor this scheme is introduce in 2001.Mainly rural branches are working for this scheme. The specialty of this scheme is group based investment scheme

Collateral: Free

Other security: Personal guarantee, Post dated cheques for monthly installment, Personal guarantee of relatives, Hypothecation of purchased asset,

Investment parameter: Manufacturing, service, Trade (Micro-level)

Mode of investment: HPSM (GSIS) & Bai-Muajjal (GSIS).

Investment amount: Maximum 50,000

Rate of return: As Stipulated by the bank

Repayment system: Maximum 50 weeks (weekly Installment basis)

Micro enterprise investment scheme (MEIS)

In order to give priority for the client who need money more than the cottage industry but lower than small enterprise the bank has introduced this scheme.
Collateral: Free
Other security: Personal guarantee, Post dated cheques for monthly installment, Personal guarantee of relatives, Hypothecation of purchased asset,
Investment parameter: Manufacturing, service, Trade

Mode of investment: HPSM (MEIS) & Bai-Muajjal (MEIS).

. Investment amount: Maximum 10 lack

Rate of return: As Stipulated by the bank

Repayment system: Maximum 24months (Monthly Installment basis).

Rural agriculture investment scheme (RAIS)

In order to boost up countries agriculture sector and encourage the marginal farmers banks has introduce this scheme.

Collateral: Free as per bank decision.

Other security: Personal guarantee, Post dated cheques for monthly installment, Personal guarantee of relatives, Hypothecation of purchased asset,

Investment parameter: Agriculture product like crop fishers, livestock poverty alleviation

Mode of investment: HPSM (MEIS) & Bai-Muajjal (MEIS). .

Investment amount: Maximum 10 lack

Rate of return: As Stipulated by the bank

Repayment system: Maximum 24 months or post harvest single payment basis (Monthly Installment basis).

4.3 Investment Trend of AIBL

In order to see how AIBL performed in terms of their investment policy in comparison with Islami Bank Bangladesh Limited (IBBL) in 2020 this report analyze the invest trend of AIBL and IBBL to measure the effectiveness of investment policy.

Sector wise investment:

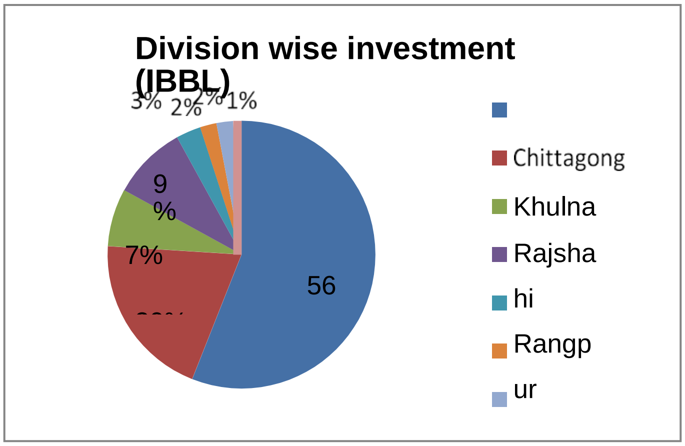
	2020 (Amount in millions)			
Sector	**AIBL**	**%To total investment**	**IBBL**	**%To total investment**
Agriculture	2519	1.3	15425	2.50
Industry	97344	49.10	219377	35.59
Construction/Real state	9052	4.56	47972	7.78
Transportation	6223	3.13	7592	1.23
Storage	8773	4.42	0	0
Commercial/SME	53891	27.18	244713	39.70
Miscellaneous	20448	10.31	37464	6.08
Total	198250	100%	616419	100%

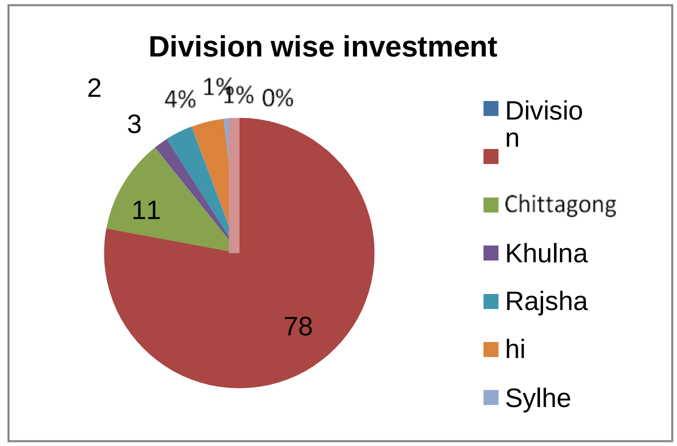
Source: Annual reports 2020 (AIBL, IBBL)

Discussion:

Form the Above table it demonstrate that both AIBL and IBBL distributes its investment in different sectors. But the industrial development of the country falls under the priority of both the banks. In 2020 among different sector both AIBL and IBBL invested heavily in industrial sector. Around 49.10% and 35.59% of their total investment was made under this sector respectively to AIBL and IBBL. But IBBL highly preferred in commercial and SME sector where AIBL lack investment in this sector. Around 39.70% of IBBL investment was made under this sector while AIBL invest only 27.18%. After analyzing the table it can be said that both the banks encourage investment in productive sector but IBBL heavily encourage women entrepreneurs and SME investment but AIBL still lack it. Which indicate that AIBL did not implement its investment policy while investing in diffract sectors. In order to boost countries economy AIBL should change this trend.

Division wise investment:





Source: Annual reports 2020 (AIBL, IBBL)

Discussion:

Form the above table it can be said that both AIBL and IBBL provide most of their investment in Dhaka division. But AIBL heavily invested in Dhaka compare to IBBL that is because around 49% of their investment was made in industrial sector. IBBL invest in all over Bangladesh while AIBL lacks it, AIBL didn't invest all the 8 division in Bangladesh. AIBL investment its fund depending on the economic activities while IBBL spread their investment all over Bangladesh. Which indicate that both the bank have their own investment strategy and policy to gain the market share.

Investment Growth:

Year	**2018**		**2019**		**2020**	
	Investment	Growth rate	Investment	Growth rate	Investment	Growth rate
AIBL(Amount in millions)	155026	19.1%	165698	6.8%	198250	19.6%
IBBL (Amount in millions**)**	463475	14.9%	530195	14.3%	616419	16.2%

Source: Annual reports AIBL & IBL (2018-2020)

From the above table it can be said that investment was increased over the year for both AIBL and IBBL. But in contrast with the growth rate of investment it varies year to year. In 2020 AIBL and IBBL investment was stood 198250TK and 616419TK million respectively which was the highest among three years for both the bank and shows tremendous growth from 2018 to 2019. From 2018 to 2019 growth rate of investment for AIBL and IBBL stood 19.6% and 16.2% respectively. But compare to IBBL investment amount it outperformed AIBL over the year which shows weakness in AIBL investment policy. So AIBL should improve this situation.

Form the above table the data exhibits that the income from investment was fluctuated over the year for both AIBL and IBBL. But AIBL investment income was low compare to IBBL as their investment is also low, it was stood 19725 million in 2018 which was the highest among three years after that it decrease 5.8% from 2018 to 2019 and then it was increased 1.8% from 2019 to 2020 and stood 18830 million. On the other hand IBBL investment income slightly decreased in 2019 but it was increased 9.9% from 2019 to 2020 ant stood 52943 million. Which indicate that AIBL investment strategies and policy is not effective compare to IBBL

4.1 Findings of Report

AIBL is one of the most popular Ismail bank in Bangladesh, who focused on modern Islamic banking system. AIBL always want make sure about its position in the industry by mobilizing its deposit and making quality investment. During my internship I got some findings about the bank which are given below:-

- AIBL lack quality human resources in investment department, as a result their disbursement process takes time.
- AIBL lacks different modes of investment at all the branch because not all the branches are allowed to give investment under Mudaraba and Musharaka mode.
- Among different modes AIBL heavily preferred Bai-Muajjal mode of investment, about 38.60% of their total investment are made under this mode in 2020.
- At Sonargaon Janapath branch AIBL investment decrease over the year from 2017 to 2020 due to the of Covid19.
- At Sonargoan Janapath Road branch AIBL heavily invest in Bai-Muajjal mode under consumer investment scheme.
- AIBL investment recovery rate fluctuated over the year.
- In 2020 AIBL lacks Quard, Mudaraba, Musharaka mode of investment compare to IBBL which shows weakness in AIBL investment strategies & policy

Chapter- 5:

CONCLUSION & RECOMMENDATION

Topic

5.1. Conclusion.
5.2. Recommendation.

5.1 Conclusion:

Al-Arafah Islamic bank is a leading private Islami bank in Bangladesh with superior customer bases that are loyal, faithful, worthy towards the bank. As an Islamic bank AIBL has to followthe rules of Bangladesh bank despite the fact that these rules sometimes restricted the foreign business to some extent.

Banks and financial institutions play an important role in the process of economic growth of a country. Given their considerable economic potential, these institutions have a far-reaching impact on the development and welfare process of the surrounding societies. In order to survive and achieve success, these banks endeavor to attract clients in search of loans to finance their different activities according to the banks established terms and conditions.

For a greater achievement and attains more priority among the customers and clients AIBL can walk through the way under some precision direction. It is clear that the AIBL general banking, foreign banking department has ensured both quality and services which helps to improve the overall status of the Bank. For this reason AIBL has able to achieve good position among banks in deposit management sector for high growth in 2019.

The Bank should endeavor to adopt customer-oriented policies and introduce new techniques that will help to earn profits and increase greater confidence of the existing prospective customer. It was an honors for me that I have worked as an intern in a reputed organization like AL-Arafah Islami Bank Limited. It is a bank that offers the best Islami banking services to its customer and also a fast growing bank. Through working in AIBL bank I gather the knowledge practically and its will helpful to sustain with the real organization environment.

5.2 Recommendation for the Organization:

Based on the observance and internship experience some suggestions have also been given to cope up with the challenges and constraints. Al- Arafah Islami Bank Limited is one of the potential banks in the banking sector. As it is Uttara Sonargaon Janapath Branch has to maintain that bulk amount of customer it faces some obstacles like customer gets annoyed for waiting and maintaining a large queue for cash counter and also customer service. So, Al- Arafah Islami Bank Limited canimprove its customer service quality by providing a better and faster service. Although company has problem, there must be some solution. Al- Arafah Islami Bank Limited should take the following steps to overcome the problems:

- The branch should give more emphasis on proper recording keeping.
- They should give more attention in Development of Banking Product in different ways.
- Bank should offer more facilities to the customers such as credit cards, master cardetc.
- The branch needs large office space for its vast banking operation. The size of the branchis not well enough.
- AIBL should provide effective training programs to increase for the junior level officers. So that they can provide quality services to the customers at a faster rate. Because of banking is servicing oriented marketing.
- The service in Sonargaon Janapath road branch has real good prospect, thus the bank should work actively so that it can attract more clients.
- Ensure Proper Division of Labor and man power. The human resource departments of AIBL have to ensure proper division of labor in desk for handling the rush of customer in an efficient way. Moreover by increasing the numbers of personnel they can try to maintain their premium banking objective.

Chapter- 6:

INTERNSHIP EXPERIENCE

Topic

6.1. My Internship Experience.

6.2. Internship is related to educational program of the student.

6.3. How gather Practical working Experience (Job Description).

6.4. Influence of Internship in my Career Plan.

6.1 My Internship Experience:

Sonargaon Janapath Road branch is one of the established branches of Al-Arafah Islamic Bank Limited. It has built up a very best customer base and performing well and in this year 2021 this branch gave the best performance more than another 185 branch of AIBL and for that reason they celebrate their success. Basically, I got this opportunity for starting my internship from June to August. Through this period I had many responsibilities and job roles. All of Branches of AIBL deals with the tree parts of activities, these are: general banking, investment and foreign exchange. As I was an intern, my task was mostly related to general banking. During my intern time I learned a lot of things about branch banking. Also I got familiar with the work environment, I understood to know how all the branches are centralized and about the process flow.

6.2 Internship is related to educational program of the student:

During my BBA program I have learned a lot of things from different courses but there are lots of learning gap between academic knowledge and organization work. I have strongly felt these gaps while working at bank. Some of the learning gaps that I have noticed are as follow:

- In our major courses we solved so many cases on different situation but practically it's too difficult to solve the problem.
- Most of the works of the banks are done using software such as Excel, remittance, verified Birth certificates and scanner the signature with photo of account holder. But real life we can't learn how to use this and why needed use this and where also. We should learn using software to solve those problems and need to know technology system.

6.3. How Gather practical working Experience (Job Description):

Although in my internship period, I have been placed in the General Banking Department and also Investment department I have worked under general banking basically remittance. General Banking department performs the majority functions of a bank. It is the core department. In fact, bank operates with the people's money. And this process starts with the General Banking department. Though I was not assigned for specific responsibilities, but I did basically customer management related jobs. It's a great experience for me because I have learnt a lot of practical and professional knowledge. Some of My job descriptions experience is given below which I gathered:

- Assisting the officers in Accounts opening
- Learn to account opening process
- How to deal with customers.
- How to work under pressure in rush hours.
- How to manage an office.
- How to fill up the account books of account holder.
- Gather official's manner
- Preparing cheque book and issue the book.

6.4: Influence of Internship in my Career Plan:

After completion my internship in Al-Arafah Islami Bank Limited, I was also able to get a brief idea about career in banking sector and also any financial sector of any organization. Previously Iused think that the best job for a fresher graduate can only be working in Multinational company.But now I grasp that the fresher graduate has an opportunity to banking and non-banking financial institutions are also better place. **The arguments in favor of my claim are as follow:**

- This is most valuable and prestigious respective job in Bangladesh.
- Banks are very secure places to work and the chance of the de-recruitment is very low.
- This sector offers handsome salary and basic allowances.
- Job growth is fast subject to excellent performance.

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Appendix:

Investment in Bai Muajjal (General)

Years	2017	2018	2019	2020
Disbursement	932,740,000	24,340,000	45,000,00	0
Recovery	1,133,657,650	149,705,000	6,249,000	428,606

Investment in Bai-Muajjal (GEN) MEF

Years	2017	2018	2019	2020
Disbursement	323,100,000	979,180,000	636,190,000	332,420,500
Recovery	32,944,075	813,637,916	630,554,000	659,180,429

Investment in Bai-Muajjal PIS (STAFF)

Years	2017	2018	2019	2020
Disbursement	0	2,533,000	2,094,000	1,674,000
Recovery	0	608,990	2,136,603	1,477,272

Investment in Bai-Murbaha (GENERAL)

Years	2017	2018	2019	2020
Disbursement	0	75,490,000	69,619,000	25,331,000
Recovery	0	10,000,000	109,268,800	71,888,900

Investment in Bai-Istisna

Years	2017	2018	2019	2020
Disbursement	5,300,000	6,805,000	4,205,000	0
Recovery	2,102,282	2,895,000	1,600,000	0

Investment in Musharaka

Years	2017	2018	2019	2020
Disbursement	2,300,000	4,005,000	4,805,000	6,005,000
Recovery	2,102,282	2,895,000	2,900,000	4,905,000