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Then the source of income is asked and evidence is verified by checking all related documents. The customer is graded for risk as whether there is high, medium or low risk to open the account of the customer. Housewives, contractors, money changers, landlords etc. are considered as highly risky customers. Limited companies are in medium risk. Government employees are low risk customers for the banks according to the rules.

Another most important rule for account opening is that the business of the customer should be legal and not involved in illegal and non-Shariah activities.

3.3 Remittance Department

Remittance means a sum of money sent in payment for something. This department deals with either the transfer of money from one bank to other bank or from one branch to another branch for their customers. BOK offers the following forms of remittances:

1) Demand Draft  2) Pay Order 3) SDR/CDR

3.3.1 Demand Draft

Demand draft is a popular mode of transfer. The customer fills the application form. Application form includes the beneficiary name, account number and a sender’s name. The customer deposits the amount of DD in the branch. After the payment the DD is prepared and given to the customer. BOK officials note the transaction in issuance register on the page of that branch of BOK on which DD is drawn and will prepare the advice to send to that branch. The account of the customer is credited when the DD advice from originating branch comes to the responding branch and the account is debited when DD comes for clearance. DD are of two types.
The Other income is increasing because the Bank has introduced other facilities to generate income for recession period, furthermore as the Bank has increased the branch network, dealing in foreign currencies and ATMs.

The total income is increasing due to the good performance of the bank in all the departments.

The other expense shares is increased due to the increase in administrative expenses increment.

The Profit-before-Taxation has decreased in 2011 and 2012 due to increase in number of branches and ATMs which has increased the cost/expenses, increase in Net Profit Loss and relative increase in other expenses as compared to other income.

4.7 Common Size Analysis

In this type of analysis, we divide all items of a financial statement by a base figure: all Balance Sheet items are divided by Total Assets or Liabilities + Owner’s Equity and Profit and Loss Account items are divided by Net Revenues.
4.7.3 Opportunities

Opportunities are always present in the external environment whoever grabs it first, will be the market leader.

1. As the situation in Afghanistan is getting better slowly and gradually, multinational companies and other Rehabilitation Agencies are opening their offices in Afghanistan. To facilitate the rehabilitation process and the trade between Afghanistan and Pakistan.

2. Islamic banking is a complete solution to economic and to some extent social needs of Muslims from House building to education in addition to conventional help in commerce, business and industry. Which is an opportunity for the BoK.

3. Traditional interest based banking will have to defend through heavy marketing and advertising in which of course reduce their profitability.

4. More opportunities with creation of big sukuk and Islamic deposits.

5. Conversion of existing branches to Islamic Banking.

6. As the Bank is planning to step in to the Islamic Banking System totally so they should capture this market before any competitors come in.

7. Strong promotional strategies can attract more and huge deposits for the Bank.

8. The Bank can expand their branches to other industrial cities in the country.

9. The bank has opportunity to invest in the new market segments like IT business, software business, etc

10. Offering of credit facilities to middle and lower income groups can reduce the default risk and can enhance the Bank’s goodwill and profitability.

11. New services should be introduced like Telephonic Banking, which will guide the customers in step-by-step transactions for checking their account balance.
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