

Internship Report
On
Islami Bank Bangladesh Limited
(IBBL)



**Social Welfare Activities
of
Islami Bank Bangladesh Limited**

Submitted to

Dr. Mohd. Hasanur Raihan Joarder
Professor & Director - Institute of Business & Economic Research
(IBER)
United International University

Submitted by

Tasnuva Numaira
ID: 111 151 497
School of Business & Economics
United International University

Date of Submission: 6th November 2019

Letter of Transmittal

6th November 2019

Dr. Mohd. Hasanur Raihan Joarder
Professor & Director - Institute of Business & Economic Research (IBER)
United International University

Subject: Application for accepting the Internship Report on “Social Welfare Activities of Islami Bank Bangladesh Limited”.

Dear Sir

With due respect, I'm glad to inform you that I've prepared the Internship Report on this topic, “Social Welfare Activities of Islami Bank Bangladesh Limited”. I've completed the report highlighting the different social welfare schemes and corporate social responsibilities & present it. I've given my highest effort to present the report superior and include as much information as possible. Without proper directions of yours, I wouldn't be able complete this report. I hope that the report will be assessed by considering its limitations and errors of the study, and certainly trust that the study would be interesting and informative.

Sincerely yours,

.....
Tasnuva Numaira

ID: 111 151 497

School of Business & Economics

United International University

Acknowledgement

Firstly, I'm grateful to Almighty Allah for bringing me to this stage. At the end of my BBA program, today I'm preparing this report. It's a blessing for me.

I'm fortunate about ending this journey by another great experience. Islami Bank Bangladesh Limited, one of the leading banks in banking sector, gave me a chance to work with their operation team and to gain the practical knowledge I needed most at this stage. Special thanks to Mir Rahmatullah, SVP, Branch Manager and Golam Mostofa, VP, Operations Manager, for giving me this opportunity.

Lastly, without whom I couldn't have completed this report properly, my honorable supervisor Dr. Mohd. Hasanur Raihan Joarder. Sir supported me through the entire report. Starting from the topic to submission, he provided me all the guidelines I needed for this report. His immense amount of support helped me to complete this report within time.

I am grateful to all my well-wishers, seniors, faculties and my parents who made me capable of what I am doing today.

Table of Content

Serial No.	Contents	Page No.
1.0	Introduction of the Report	1-4
1.1	Origin of the Report	2
1.2	Objective of the Report	2
1.3	Methodology of the Report	2
1.4	Limitations of the Report	3
2.0	Organization Profile	5-8
2.1	Islami Bank Bangladesh Limited (IBBL)	6
2.2	Vision, Mission, Objectives	6
2.3	Organization Structure	8
3.0	Job at IBBL	9-14
3.1	Internship Placement	10
3.2	My Responsibilities	10
3.3	Findings and Recommendations	15
4.0	Social Welfare Activities of IBBL	16-22
4.1	Social Welfare Activities of IBBL	17
4.2	Why Social Welfare Activities?	17
4.3	CSR is Built-in Mechanism of IBBL	17
4.4	Different Types of Social Welfare Activities by IBBL	18
4.5	Contributions in CSR Activities (2013-2017)	22
5.0	Conclusion	24

Executive Summary

The topic of this Internship Report is “Social Welfare Activities of Islami Bank Bangladesh Ltd (IBBL)”, hoped to represent a vivid knowledge about the whole banking also the representation of IBBL to the years of its operations. The analysis is started from presenting the root issues of any monetary organization. At first, the basic contents of IBBL are mentioned. After that, spotted the features that are the core variants that indicate successes and failures. The vision, mission, objective and goals of IBBL are also discussed onwards. In the later part of the report, different topics regarding its general banking deposit policy are discussed specifically pointing on its different types of deposit also different types of loans and advances. Onwards, my job at IBBL is discussed in details. In the next part, my main topic which is welfare activities is discussed elaborately. At last, I’ve ended my report with a conclusion.

Chapter – 1

Introduction of the Report

1.1 Origin of the Report

Internship program is a partial requirement for BBA. In order to complete this internship program, I've chosen a bank named "Islami Bank Bangladesh Ltd". In the study period, basically students gain theoretical knowledge. Before entering into corporate world, students should accumulate some real world experience in the major area of study on the career choice that interests him/her.

1.2 Objective of the Report

Main objective of the report is to discuss about the social welfare activities of Islami Bank Bangladesh Ltd. (IBBL) and its impact on society.

The Specific Objectives:

- To know the contributions in social welfare activities of Islami Bank Bangladesh Limited;
- To identify the features and functions of social welfare activities of Islami Bank Bangladesh Limited;
- To evaluate the impact of these activities helping to improve the society;
- To fulfil the requirement regarding completion of BBA Degree.

1.3 Methodology of the Report

Mainly this report will be descriptive in nature. Both primary and secondary sources will be used to prepare this report. Primary data will be collected from bank officers of New Market branch and from the people who have availed the services by interview method. Internet, different websites, bank website, journals, annual reports, brochures, newspaper will be the sources of secondary data. After collecting all necessary data, I'll make the report by using some statistical tools like percentage, average etc. and the findings will be systematically presented in tables, diagrams, graph and charts.

- **Sources of Data**

For proper and accurate study, there're some rules and regulation which need to be followed. The data were collected from two sources:

- a) Primary Sources
- b) Secondary Source

Primary Sources

- ✓ **Method of Collecting Primary Data**

- Officers
- Clients
- Practical Desk Work
- From Facing Some Practical Situation Related with Day to Day Banking Activities

Secondary Sources

- ✓ **Method of Collecting Secondary Data**

- Annual Report of IBBL
- Analysis and Interpretation of Data.

1.4 Limitation of the Report

Although I've tried to prepare the report with care and commitment, my work is subject to some limitations. Those limitations are given below:

1. Though the officials tried to assist, sometimes their working pressure couldn't give me proper assistance when I needed. Clients are also busy and not always helpful, they hesitate to comment on the bank inside the premises which created problems during conducting survey.
2. Another limitation of this report is that the banking policy is not to disclose any information earlier, which will publish in future. For this reason, I could not collect any data of 2018.

3. The employees of Islami Bank Bangladesh limited remain so much busy with their own work that it is quiet tough to provide time for making the concept clear in a particular area.
4. Every organization has their own secrecy that is not revealed to others. While collecting data i.e. interviewing the employee, they did not disclose much information for the sake of the confidentiality of the organization

Chapter – 2

Organization Profile

2.1 Islami Bank Bangladesh Limited (IBBL)

Islami Bank Bangladesh Limited (IBBL) is a Joint Venture Public Limited Company. It is operating its business activities on the basis of Islamic Shari'ah, following the rules and norms guided in Islam. It has 63.09% foreign shareholders and largest branch network with 341 branches, in the sector of private banking in Bangladesh. IBBL is the first Islami Bank in the South East Asia which was established on 13th March 1983.

IBBL is the listed company with Dhaka Stock Exchange and Chittagong Stock Exchange Ltd. Tk. 20,000 million is the Authorized Capital and Tk. 16,099.91 is the Paid-up Capital of IBBL. It has 33,666 shareholders as on 31st December 2017.

2.2 IBBL's Vision, Mission & Objectives

2.2.1 IBBL's Vision

IBBL always strives to achieve superior financial performance and wants to be considered as a leading Islami Bank by achieving reputation and performance.

2.2.2 IBBL's Mission

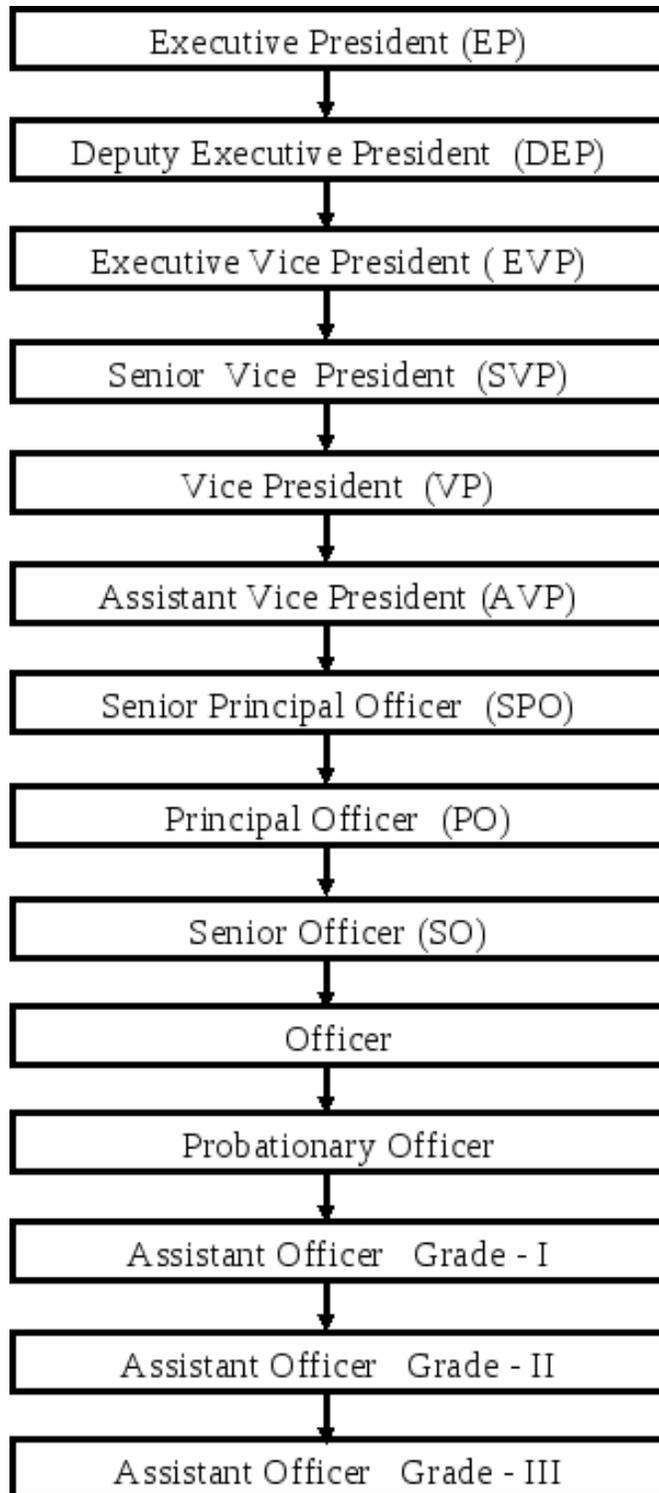
IBBL wants to establish Islami Banking by introducing a welfare oriented banking system. It tends to ensure justice and equality in the fields of all economic activities. It also aims to achieve a balanced growth and make development by diversified investment operations and most importantly to the least developed areas of Bangladesh.

2.2.3 IBBL's Objectives

IBBL's primary objective is to establish Islami Banking all over the world to promote and develop the appropriate application of Islamic principles in the commercial sector. More specifically, according to the role of IBBL in the context of economy is discussed below:

- To provide modern financial services by following the do's and don'ts guided by Islami Shari'ah;
- To contribute in economic prosperity and development according to the principles of Islamic Justice;
- Highest utilization of scarce resources which are necessary to operate business
- To ensure proper equal distribution of earnings.

2.3 Management Hierarchy



Chapter – 3

Job at IBBL

3.1 Internship Placement

My internship program was completed in Islami Bank Bangladesh Ltd. - New Market Branch. The duration of the program was of total 60 days, decided by Islami Bank Training and Research Academy (IBTRA). The first 15 days, theoretical classes were taken in IBTRA, where I learnt about the differences between Profit & Riba (Interest), Islamic Shariah and differences between Islami and Conventional banks. After completing the 15 days training, I was placed to the New Market Branch as exposure to practical experience with 45 days.

New Market Branch

I worked 45 days out of 60 days in this branch according to office order provided by IBTRA. In this branch, 40 employees and six interns were there. As it is located in commercial area, so the office remains busy all the time. I was overwhelmed by the cooperation of the co-workers. Several sections of General Banking, Investment & Foreign Exchange were the areas of my work. My onsite supervisor was Principle Officer Sahidul Rahman Jomadar and branch supervisor was SVP Mir Rahmat Ullah.

3.2 My Responsibilities

After the selection, I had to attend 15 days training session at Islami Bank Training and Research Academy (IBTRA). I was taught about different types of bank account, several alternative channels, difference between profit and riba (interest). This is what mainly differentiate Islami Bank from other conventional banks. After 15 days training, all the interns had to attend an examination based on the training. Then all the interns were divided and assigned into different branches according to their convenience.

After joining in New Market Branch, I had to work under 3 departments:

1. General Banking;
2. Investment;
3. Foreign Exchange.

General Banking

The operations of General Banking are:

- Reception & Information Section
- Accounts Opening Section
- Cash Section
- Clearing Section
- Remittance Section
- Maintenance of Internal Accounts of the Bank

During my 45 days in the branch under different sections, my work experiences are summarized here-

Accounts Opening and Information Section

I have worked five days under the account opening and information section. Before starting the work, I was taught about different accounts names as it was an obvious thing to know. There are different accounts services for the customers, for example- Mudaraba Students Savings Account, Mudaraba Savings Account, Mudaraba Special Savings Account, Mudaraba Term Deposit Receipt Account, Al-wadeah Current Account etc. People come to open accounts according to their own purposes. To open any account, clients need to bring 2 copy passport size photo of the account holder, 1 copy passport size photo of the nominee, NID of both and a current bill copy to ensure the address given to open the account. Beside opening account, clients come to change, add or correct their information, according to their problems, the officer gives the solution.

Another desk is attached to this section which is information desk. Clients come to know about their account balance, the profit margin, ask about the benefits of different types of account. I used to help clients filling the forms as it's very lengthy and several information required. I introduced many MSS, MSA and SMSA accounts but I couldn't introduce AWCA (Al-Wadeah Current Account) as it's very complicated and long process to complete.

Cash Section

There are total 10 employees work in cash section. This is the most important section in a bank where deposits are collected and loans are disbursed. I was here and observed the activities for 2 days. As the activities of this section are sensitive and little mistake can make huge difference, interns weren't allowed to do the computer works. We observed that how a deposit is collected and what formalities were needed to fulfil.

Clearing Section

In clearing section, I had worked for four days. I used to receive several cheques from customers, attached seal in the both sides of that particular cheque for clearing. I had to ensure the correct account number, name of the account holder, if the amount written in figures and words are correct or not. Clearing of any over-written cheque was strictly forbidden. After my confirmation of the accuracy, cheques were sent for clearing. As interns weren't allowed to access any computerized tasks, I didn't have to post any clearing entry into the computer. I learned about the Inward Clearing and Outward Clearing etc.

Information Technology (IT) Section

Tasks related to IT is done under this section of general banking. The main tasks of IT section were to take requisitions of cheque book and ATM cards, receiving those and deliver to the clients, solving any problem regarding punching of ATM card, I-banking problems as well. People also come to close their MSS account in this section. I've done each of these tasks and experienced how the things are done in Islami bank. I was responsible for the manual procedures, not for the computer proceedings as IBBL doesn't give interns the access to their server.

Investment Department

My placement in investment section was of 10 days. This Investment Department actually makes the difference between a conventional bank and Islami Shari'ah following Bank. The activities of this department is completely different from the other conventional banks, in conventional banks this department is known as Credit Risk Management Department.

Basically, IBBL has 3 kinds of Investment mechanisms which are Bai, Share and Ijarah. Their way of investment is different than other conventional banks. For example, a client has come for loan to buy a machine for his factory. IBBL will purchase that machine on behalf of that client rather giving him the cash in hand. There'll be an approximate rate of return which the client will give to bank from the profit he'll earn by using that machinery. This way IBBL operates its investment activities.

Another task they do here is closing the QTDR and QMSS account and giving money from clients' MSS and TDR account as Quard-e-Hasana.

Foreign Exchange Department

The activities of foreign exchange department are divided into 3 sections which are as follows-

Import and Export Section

This department mainly deals with letter of credit. The officers basically issue letter of credit for or on behalf of the importer and exporter. There're 3 parties of letter of credit- 1. The Issuing Bank 2. Confirming Bank 3. The Beneficiary.

During 4 days' placement in this section, I basically learnt about the theoretical parts because the procedures were sensitive and the amount of the deals were so huge that interns weren't allowed to intervene in the paper works. I just went through the deals and learnt about the processes and different terms used in foreign exchange department.

Foreign Remittance Section

I've worked for three days in this section. The activities of this section is seen significantly. People rely on Islami Bank in terms of sending foreign remittance. Usually female customers are seen here in maximum time to receive the money sent from abroad. I learnt about money exchange mediums, country codes and PINs. One more thing which is done by this section which is giving the scholarship form and receiving scholarship application forms. IBBL gives scholarship for the education purpose, to the students belong to lower income family.

3.3 Findings and Recommendations

While the period of my internship in the bank, it was noticed that the customers are satisfied with the overall bank's services and facilities. New products and services were also being brought for example- Mudaraba Student Savings account, I-banking, M-cash. As per my overall experience at IBBL, few recommendations are presented below:

- First of all, a strong database system is needed to store information about customers. A stronger backup system is needed to be built up. Being a financial institution, missing of any data can be a bigger issue.
- There should be a proper clarifications of the difference between Riba (interest) and Profit to the clients practicing different religion so that there remains a transparency in the system.
- Relatively easy, common and understandable words can be used instead of different Islamic terms that are being used in the bank currently; especially non-Muslim clients would be benefited by this.
- SME banking service isn't provided in this branch. Customers always remain confused about it. Proper attention of the authority is needed on this matter.
- As an intern of IBBL, I felt that I should've got more opportunity to learn about different software and calculating investment related stuffs, like- Risk analysis. We weren't given the access to their software as it's very confidential. In my opinion, we lagged behind in this fact.

This 60 days' journey at IBBL was a great experience for me. It exposed me to a real life banking experience and especially Islami Shari'ah based system that I came to learn. It'd help me a lot in the later period of my career.

Chapter – 4

Social Welfare Activities of IBBL

4.1 Social Welfare Activities of Islami Bank Bangladesh Limited

As a responsible corporate citizen and one of the biggest Islami Banks of the World, Islami Bank Bangladesh Limited believes that it has a responsibility to its shareholders as well as to the communities in which it works and live. The commitment is built on a deeply ingrained sense of social responsibility among the shareholders, employees, customers alike and that it grows stronger by serving the communities, improving business practices and individual lives in surroundings.

4.2 Why Social Welfare Activities?

Social Welfare Activities is viewed as an idea wherein organizations intentionally incorporate social and ecological ideas into their business tasks and into the collaboration with their partners. Truly, in the course of the most recent couple of decades, associations are following Social Responsibility Approach rather Profit Maximization Approach. Through this, associations concentrating on their shareholders as well as dealing with the earth where they are operating their activities.

4.3 CSR is the Built in Mechanism of IBBL

So as to advance the idea of Islamic Banking, IBBL has begun its charitable exercises since beginning through formation of 'Sadaqah Tahbil'. From that point it was done through Islami Bank Foundation changing over the Sadaqah Tahbil into an undeniable establishment since May 20, 1991. Further to its exercises under IBF, IBBL built up Corporate Social Affairs Department under Operations Wing on sixteenth July 2009 in consistence with the guidance of the Bangladesh Bank.

4.4 Different Types of Social Welfare Activities by IBBL

Islami Bank Foundation has taken up a number of schemes covering the whole of Bangladesh. Such as:

- Income Generating Programs;
- Educational Programs;
- Health and Medicare Programs;
- Humanitarian Help Programs;
- Relief & Rehabilitation Programs;
- Dawah Programs;

1. Income Generating Programs

To prevent youths involving in anti-social activities, IBBL has given them access to financial and capital aid which have helped them to get rid of poverty and so something on their own. The Foundation has, therefore, taken up the following self-employment projects:

- Poultry Keeping
- Rickshaw
- Milch Cow/Goat Rearing
- Small Trade
- Sewing
- Rural Health Work

2. Educational Program

Education is the measurement scale which determines the level of prosperity of a country. Skill development, awareness, exposure to information, everything depends on education. But it is very heartbreaking that the literacy rate is still very low in Bangladesh. Children, specially from rural area are deprived from the proper education facilities.

IBBL was engaged with promoting the Education sector from the beginning. It has spent an amount of Tk. 3627.33 million for 555,488 beneficiaries from 1983-2018 in this education sector. Therefore, Islami Bank Foundation has taken up the following programs to improve the country's educational scenario:

- Scholarship/lump sum amount for poor and meritorious students
- Support to Model Forqania Maktab
- Providing Financial Support to Educational Institutions;

3. Health and Medicare Programs

Though health and medicare facilities are the fundamental and basic rights of each individual but majority of the population are still deprived of it. IBF has taken up the following programs to extend Medicare, health and sanitation facilities to the both urban and rural areas:

- Establishing Medical Centers
- Supporting Charitable Dispensaries
- Lump-sum help for Medical Treatment

4. Installation of Tube-well

Rural Development Scheme is one of the schemes which are taken to provide privilege to the people living in the rural area. It works for the betterment of those people who do not get any advantages which the urban people get. Under the health and medicare program, tube-well is installed in different points of a particular area to ensure proper healthy environment and also prevent several water diseases.

5. Humanitarian Programs

These programs aim at providing help to distressed people who are unable to meet their right, basic needs like food, shelter, clothing and medicine. The old widow women and children without guardians get more preference. Besides, this program extends assistance to orphanages, provide funds for the marriage of poor girls, help distressed wayfarers, assist indebted people etc.

6. Rehabilitation and Relief Programs

IBBL always contributes during the natural disasters that occur in the country like tornado, cyclone etc. People become homeless, scarcity of food is found everywhere. IBBL tries to help those distressed people and also help the people of other countries to extend the kindness of brotherhood all over the world.

7. Dawah Programs

Behind the Dawah Programs, the main objective of IBF is to disseminate the light of knowledge and the purity of Islam throughout the nation. It's working to do so. They are providing education to the rural people about the beautiful messages of Islam and also distributing Islamic books, brochures, journals to the academicians, journalists, lawyers etc. For the moral reform of the prisoners, IBF is working among them.

8. Islami Bank Hospital

Islami Bank Bangladesh Limited is committed to contribute and work for social welfare. It has many special projects, such as- educational projects, medical care projects, and cultural projects and so on to serve the society. With the objective of giving modest, minimal effort corrective administrations to the less wealthy period of the general public, the foundation has to this point found Hospitals at 3 Divisional Headquarters in Dhaka, Rajshahi and Khulna. Administrations of famous general experts and masters in various fields of treatment like medications, Surgery, Gynae, Pediatric, E.N.T., Urology, Nero-medical procedure, Skin, orthopedical and so forth are controlled in these emergency clinics. standard analytic, medicinal and careful types of gear are in utilized in these emergency clinics. Islami Bank Foundation intends to assemble medical clinics at each Divisional Headquarters of the country.

9. Monoram: Islami Bank Crafts & Fashion

Monoram is a project that has been taken up as an outlet of homemade pieces of clothing, handcrafts and different kinds of things created by the poor and distressed women. The aim of such attempt is to provide those distressed women a favorable and financial security where females can contribute to the family spending by staying inside the points of confinement of Shari'ah.

The other goal of this project is to create designs of ladies' wear, which will accommodate, to the standards of decency and modesty as set somewhere around Islam and at same time contrast well with the modern day-designs.

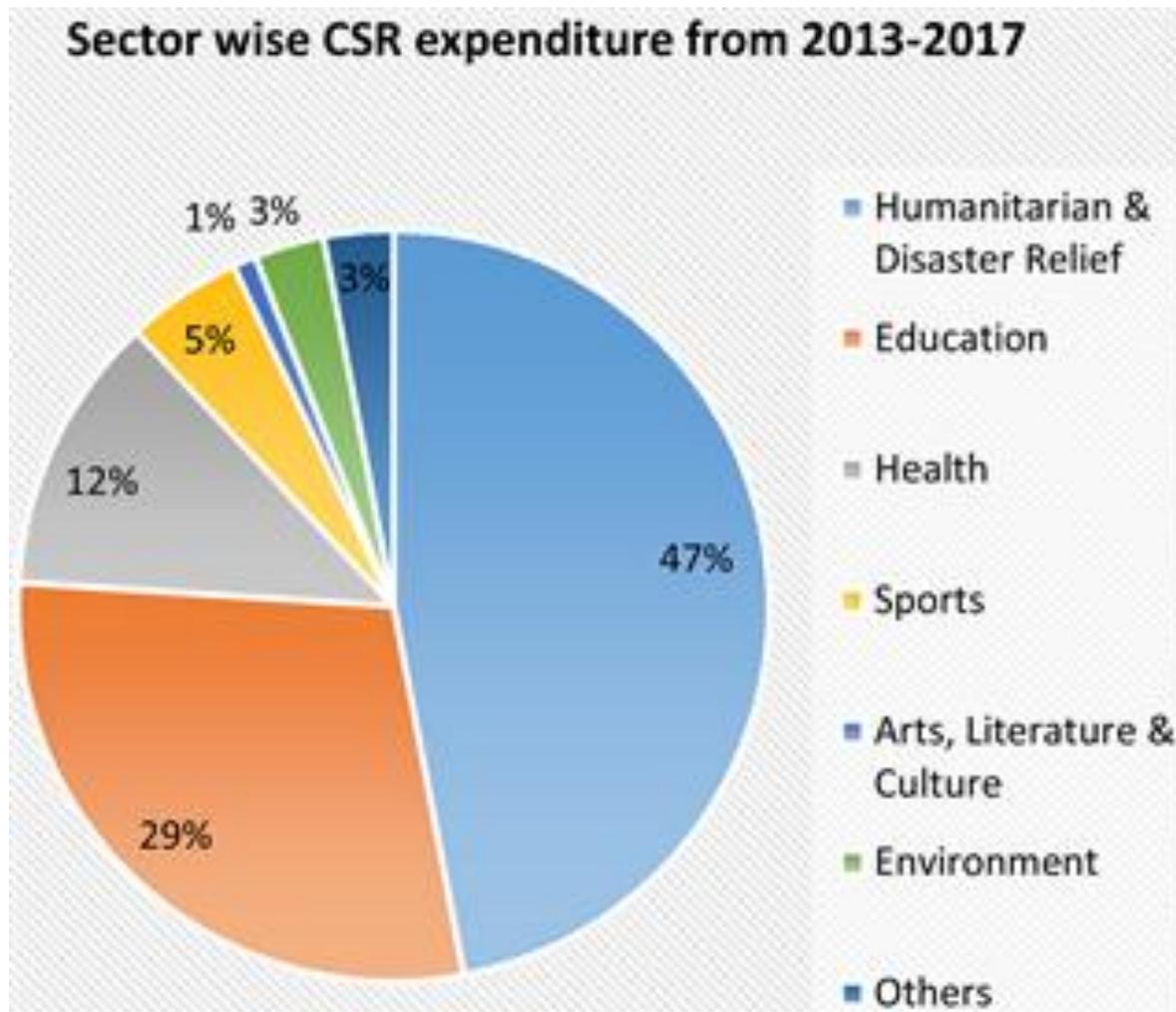
10. Service Centre

To protect the individuals of seaside and stream belt from catastrophic event, disintegration and so on, a unique project has been taken in the name and style of "Service Centre". Under this program pucca structure built in beach front regions, stream belts and seaward islands would be utilized for incorporated social improvement of the individuals just as give safe sanctuaries during natural calamities. Two such service centers (Noakhali and Manikgonj) have just been built up.

11. Islami Bank International School and College

As Dhaka, the capital of Bangladesh, is going to be a Mega City, countless English Medium Schools are growing up which pursues educational program not adjusting completely to the need of the nation. In order to join present day training (which are common) with religious instruction for an all-out improvement of the youngsters, IBF has set up an English medium Model School and College in Dhaka. Establishment of a Bangla medium school reasonable by lower and working class monetary strata of the general public is additionally being imagined.

4.5 Contribution of CSR Activities of IBBL for the Year of 2013-2017:



From the chart given above, it's clearly understandable that IBBL is rendering services mostly to the unprivileged people and people who're suffering from the natural disasters. Mainly rural people are the victims of such disasters and thus they help them through their project of Rural Development scheme. After that, the chart shows that IBBL's contribution in education is 29% of the whole, in health sector the contribution is 12%, sports, arts, literature and culture, environment and others are respectively 5%, 1%, 3%, 3%.

Chapter – 5

Conclusion

5.0 Conclusion

This 2 months Internship experience at IBBL helps me to get a crystal clear understanding about the real banking which is based on Islami Shariah. Being the 1st Islami Shariah based banking system, IBBL has earned reputation and gained trust from their valuable clients and also increasing their client base day by day. From the beginning, IBBL has been contributing in social welfare activities by name or in disguise. It has helped them to reach the root people of the society both in urban and rural areas. Sometimes IBBL contributes in CSR in disguise, by not mentioning the name. The only reason of this is to earn something for the life after death. As there's no class banking at IBBL, it has reached to the heart of the people, no matter it's urban or rural area. If IBBL keeps serving each classes of people, no wonder, they'll become the top operating bank in the banking industry of Bangladesh.

Bibliography

<http://ibtra.com/>

<https://www.islamibankbd.com/>

<https://www.islamibankbd.com/abtIBBL/abtIBBLAtaGlance.php>

<https://www.islamibankbd.com/prodServices/depositScheme.php>