



UNITED INTERNATIONAL UNIVERSITY UIU

INTERNSHIP REPORT

ON

“Performance Analysis of Shahjalal Islami Bank Ltd.”

Submitted to:

Mrs. Ishrat Jahan

Assistant Professor

United International University UIU

Submitted by:

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BBA in AIS

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Letter of Transmittal

To,
Ishrat Jahan,
Assistant Professor,
United International University.

Subject: Submission of internship report

Ma'am,

With due respect, I would like to inform you that I am submitting my internship report on
“Performance Analysis of Shahjalal Islami Bank Ltd”.

This internship opportunity has given me a way to present myself with a vast experience and knowledge through banking industry. I have tried my best to collect data as much as possible to make this report fruitful. I have enjoyed as well in making this report as my degree requirement.

I will be very ecstatic if you accept my internship report and very grateful to you for your kind gestures from the beginning of my internship. Thank you for your guidance and kind cooperation by giving directions in helping me to prepare this internship report.

Respectfully,

Mohammad Minhazul Hoque

ID: 114 161 004

Acknowledgement

My own effort will never be enough to make this report making. It's a 3 months long journey and finally I am completing it. It will not be complete if I do not appreciate few individuals to make this report successful.

At first, I would like to thank my family because of whom I am in this field of education today. I really thank The Almighty with all my heart for blessing me with such family and everything I have today.

It is true that without a proper guidance a human's condition is just like a ship without its captain. I am really thankful to my honorary faculty and supervisor of my internship report Mrs. Ishrat Jahan ma'am, Assistant professor of UIU. Without her guidance it would be impossible for me to do this properly.

I would also like to thank all the employees of Shahjalal Islami Bank Ltd, Dhanmondi Branch. specially to them to whom I was assigned Mr. Jamal Bhuiya, FEO, Mrs Sajeda Akhter, AEO, Mrs. Jarina Akter, EO.

Last but not the least I am grateful to both UIU and Shahjalal Islami Bank Ltd for their kind support and love that they have showered me with.

Abstract

Shahjalal Islami Bank Ltd. is one of the leading Islamic banks of Bangladesh. It's journey is running for the last 21 years. The summary of the mission and vision of Shahjalal Islami Bank Ltd. is doing banking business with achieving customers' proper satisfaction.

In this report I have tried to cover every single aspect of Shahjalal Islami Bank Ltd. which I have observed during my 3 months long internship program. I have worked on all the three sections such as General Banking, Investment, Foreign trade of Shahjalal Islami Bank Ltd.'s Dhanmondi branch.

The main objective of this report is giving idea about overall performance of all the main activities whether it is banking activities like all the products and services they have, how they provide banking service to their clients/customers, financial Statements analysis and non-banking corporate work like CSR activity of Shahjalal Islami bank Ltd.

In the beginning of this report, I have tried to describe my studies about why and how I have done this. Then I have also tried to discuss about banking, Islamic banking and also banking sector of Bangladesh. In the very next section, I have discussed about Shahjalal Islami Bank Ltd. and its services of all three sections. I have also discussed about their whole CSR activity and lastly, I have tried to show their financial condition of 2020.

I have used both primary and secondary sources of my studies for collecting data. I have also used the link I mentioned on references for my studies.

In the end, I have tried to give an analytical opinion of my own as conclusion about Shahjalal Islami Bank Ltd. and its services and the employees.

Chapter – 1: Introduction

Background Study

We live in a world where we cannot think of our lives without bank and bank related sector. Bank is connected in our life inextricably. Modern world is growing faster and faster with every passing second. In every way we are connected with banking, whether it is through mobile banking, shopping, using ATM card or in general way through house banking. Spending money to do savings, export to import or Salary to billing bank is the only way to transaction in different way with different names. So, for all these we need to have more or less, basic or advanced knowledge about it in banking. It may be conventional or may be special in Islamic finance or govt. development.

Internship has brought an opportunity to work physically in bank and gather lots of knowledge about banking, client, agency in different perspective. Bank is an organization where I got opportunity to gain practical knowledge and have an environment where I learned and saw the scenario of financial organization as well as financial structure broadly. But my interest was specially in Islamic banking, because many times we do not have proper knowledge of Islamic financing how does it work or does this have any major differentiation with conventional banking system or how Islamic banking can be separated comparing with conventional banking and so on. For all those curiosities I have chosen **Shahjalal Islami Bank Ltd**, because it is one of the oldest and experienced banks in our country which is 20 years running. And it is also one of the highly reputed also trustworthy banking and financing organization of Bangladesh.

Purpose of Study

There are two reasons behind my study, major and minor. Major part is why I am doing this studies and minor part is why I have chosen banking sector specially Shahjalal Islami Bank Ltd.

Primary reasons of my studies,

- BBA degree requirement a 3 months internship program.

- making a report on my practical experience of working.
- Being an accounting student fascinated by the financial sector.
- Special interest in Islamic financial organizations.

Secondary reason of my studies,

- Gaining some practical experience over bookish knowledge
- Interest of seeing real visualization of my academic studies.
- Interested in knowing about shariah based banking system.
- Preparing myself for job sector with experience
- Having real life experience which cannot be gained with only observing.
- Observing banking sector from near.
- Observing the difference between conventional bank and shariah based bank.

Topic of My Study:

The Supervisor for my internship report is Mrs. Ishrat Jahan, Assistant Professor of UNITED INTERNATIONAL UNIVERSITY. She has assigned the topic on the “*Performance Analysis of Shahjalal Islami Bank Ltd.*”. So, I made my study research on the mentioned topic which I will carry throughout the study.

Methodology of Studies:

For my studies purpose I need various data and information of Shahjalal Islami bank Ltd. which I have got from different sources.

Sources of Data:

Data have been collected in many ways for my studies. Those are,

- Discussion with employees of bank
- Observing the work of employees
- Seeing customers and clients how they got service
- Clients and customers behaviors.
- Working in different sections of Shahjalal Islami Bank Ltd.
- Asking question to employees based on my curiosity.
- Bank's annual report
- Financial Statement
- Balance sheet
- Bank's rate sheet
- Customer's and service forms book of bank's
- Different proposal letter
- Bank's website
- Different online reports

All those were the way of collecting information for my studies. And I hope I have got enough and fruitful information from all those sources mentioned above.

Lacking Inside Study

During the study, I had lots of lacking in making the report, because employees remain busy most of the time as bank is an overcrowded organization which provides service continuously morning to evening to its every customer. The employees also had some issues, they are not allowed to share everything for avoiding invigilation or ethical issues as well as secrecy of organization. So, it was difficult to find everything properly in a good manner. I tried my best to collect data and information as much as possible through different report or statement or proposal letter Bi Muajjal and Bi Salam, LC to investment and foreign trade section.

Chapter – 2: Basic of Banking

History of Banking

Bank is a financial institution where some people deposit their money and some people take money as loan from bank. In between these two, banks make their profits. In economy, Bank plays an important role. Concept of banking has been invented in ancient era. That time banking was limited within credit and lending. History shows that modern banking concepts was started in Italy. Bank has many service and products like,

- Savings account
- Recurring deposit account
- Fixed deposit account
- Money market account
- Mortgage
- Mutual fund
- Personal loan
- Time deposits
- ATM card
- Current accounts
- Cheque books
- National Electronic Fund Transfer (NEFT)
- Real-time gross settlement (RTGS)

In Bangladesh After independence many abandoned branches of Pakistan's bank was nationalized through 6 banks name Sonali Bank, Rupali Bank, Agrani Bank, Pubali Bank, Janata Bank, Uttara Bank. Currently there has 61 banks in Bangladesh.

Basic of Islami Banking

Islami banking system which run on the basis of shariah law (Laws of Islami jurisdiction which has been bestowed from Allah and Prophet Muhammad (PBUH) through Quran and Hadith) of Islamic economics. Islami banks runs with 5 types of banking services named,

- Mudaraba (profit/Loss sharing)
- Murabaha (Cost Plus)
- AL Wadiyah (Safekeeping)
- Musharaka (Cost plus)
- Ijara (Leasing)

Islami banking was planned during 1970 holding a conference of Foreign ministers of Islamic countries. Officially 1st Islami bank founded in 1975 with the name of Islamic Development Bank to help its member. But commercially first Islami bank is Dubai Islami Bank established in 1976. Islami banking was introduced to encourage the Islamic economics and coming up from crisis of Islamic or Muslim larger countries. In Bangladesh Islami banking was founded in 1983 with the name of Islami Bank of Bangladesh Ltd. IBBL. Saudi and Kuwaiti investors have started IBBL as a public Ltd company.

Up to 2021 there are 10 shariah based bank in Bangladesh with more than 1500 branches. Now a days some conventional banks also has Islami banking section for demand of customers of Bangladesh. As Bangladesh is a Muslim majority country so majority of people has issue with shariah/non shariah rules with economy. So, for this reason demand has been created for Islami banking in Bangladesh. Now a days a vast amount of people is connected with Islami banking for the purpose of their business or for the purpose of their personal banking. As Islami banking offer profit instead of interest (riba), that is the reason many people are willing to do banking with shariah based banking.

Difference Between Conventional & Islami Banking

There are several differences between conventional banks and Islami banks. Those are given below,

Way of run: Conventional banks runs on the basis of the laws and regulations of govt. state banks policy procedure which is based on typical banking as continuing. On the contrary, Islami banks run on the basis of Shariah law and also with Islami banking regulation made from State bank of a country.

Relation with clients: In conventional banking relation between customers/clients and banks is loan provider and loan takers. While in Islami banking relation between clients/customers and banks are Investor (sahib al mal) and mudarib or musharik (partnership in profit or business).

Return: Conventional banks provides interest in return of benefits on different schemes and deposits where Islami banks provides profits on their all schemes and deposits.

Rate of returns: Rate of conventional banks interest is being fixed on up to the maturity period of every schemes or deposits whereas Islami banks rate of profits may fluctuates on amount of profits they made from investment.

Financial support: Conventional bank provides loan to support financially for which loan takers have to provide interest on loan on a fixed rate. Islami banks never provide direct cash for financial support they invest on the business who wants support as musharik. And also, Islami banks do provides cash so that they can buy the products of business.

Period for return benefits: Conventional banks only provide return on the maturity period. If clients withdraw money before maturity banks will not provide any benefit of interest. Islami banks also maintain a matured period but if clients withdraw money before maturity, they provide partial profit of benefits up to the day.

Chapter – 3: Introducing Shahjalal Islami Bank Ltd.

About Shahjalal Islami Bank Ltd.

Shahjalal Islami Bank Ltd. was founded in 10 may 2001, under the Bank company act 1991. Till now it has 132 branches, 113 ATM Booths and 1 off shore banking unit all over the country. Its corporate head office is situated in Kamal Ataturk and Main branch of Dhaka is in Dilkusha, Motijhil. Shahjalal Bank is a Shariah based Islami bank that does not have any conventional section. Till now it is one of the leading and trustworthy banks in both Islamic and conventional banking in Bangladesh. It provides all banking services like

- Customers/client service,
- Foreign trade service,
- Local LC opening
- Masters LC opening,
- Foreign currency endorsement,
- Long Term deposit
- Short Term deposit
- Short Term monthly scheme
- Long term monthly scheme,
- Clearing check,
- Providing investment,
- Scrutinizing
- Providing Guarantee
- Ensuring Guarantee
- Locker service

everything on the base of shariah principle.

It is listed in two stock exchange of Bangladesh,

- Dhaka stock Exchange and

- Chittagong Stoch Exchange.

Shahjalal Islami Bank Ltd.'s capital,

- Authorized capital is 15000 million TK where
- Paid up capital is 9,800 million TK.

In 2021 may it has celebrated 20 years of banking throughout of the year. In 2021 it has been awarded 3 prioritized awards for annual report of 2020, which is

- 1st prize from Institute of Chartered Accountant of Bangladesh (ICAB),
- 1st prize from Institute of Cost Management Accountant of Bangladesh (ICMAB) and
- 3rd prize from Institute of Chartered Secretariat of Bangladesh (ICSB).
- Shahjalal Islami Bank Ltd has also Securities wing named after Shahjalal Islami Bank Ltd. With 8 branches both in Dhaka and Chittagong. This securities wing has
- 5000 million authorized capital and
- 2140 million paid up capital.

Shahjalal Islami Bank Ltd also has training and development center for their employee's development.

Vision of Shahjalal Islami Bank Ltd.

Vision statement of Shahjalal Islami Bank Ltd. is, **“To be the unique modern Islami Bank in Bangladesh and to make significant contribution to the national economy and enhance customers' trust & wealth, quality investment, employees' value and rapid growth in shareholders' equity.”** Now I will explain every point of this statement.

- **Unique modern Islami bank in Bangladesh:** Shahjalal Islami Bank Ltd providing banking service to its clients/customers on the basis of Shariah principles. But it is not being behind comparing with conventional bank of their services. They provide every banking service like savings accounts to credit cards. Customer/client can enjoy every banking service of the modern banking world but strictly in the shadow of shariah

principles. With their structure in Bangladesh Shahjalal Islami Bank Ltd is being a role model to every conventional, non-conventional and Islami bank as well.

- **Significant Contribution to National Economy:** Shahjalal Islami Bank Ltd contributes its share of impact to the national economy in several ways. Every year they contribution large portion of money to the rural development through Corporate Social Responsibility (CSR) project. Every year lot of youth and unemployed people getting job in their organization both Bank and securities. Thus, they have huge contribute to our national economy.
- **Enhance Customer's Trust & Wealth:** Shahjalal Islami Bank Ltd. treats its customer as blessings and assets. The way they provide service to their customers is quite remarkable in many conventional banks. They treat their old customers the way a person is being treated in a family and for new customers they also making open their window of new co-operation in open arms.
- **Quality Investment:** As we know Islami banks take deposit from customers as investment and they are being promised to give proper return and also not to waste their trust. In this matter Shahjalal Bank is very much concern. When a Bi muajjal (mudaraba investment) proposal comes to them they make it proper scrutinized so that the deposit of customers they will use can never be wasted also get a quality return.
- **Employee's Value:** If a building is standing on its foundation then an organization is also standing on the effort of their employees. Shahjalal Islami Bank Ltd take this thing very seriously. Minimum once a year they evaluate their employees for further promotion and quality. They increase their employee's salary based on the need of situation. In the pandemic situation they have provided bonus to their employees and also has given promotion. Even those who do not got promotion organization motivated them with nice consolation.
- **Rapid Growth in Shareholder's Equity:** Every year Shareholder getting handsome amount of profit in their account every year. Top management tries hard to give a satisfactory return to the shareholders.

Mission of Shahjalal Islami Bank Ltd.

Now I am going to have few talks about mission of Shahjalal Islami Bank Ltd. Mission of Shahjalal Islami bank Ltd is quite same as their vision. But there have few more things which distinct the mission from vision. I will discuss only those points in here.

- **Set high standards of integrity:** Shahjalal Islami Bank Ltd always assure the thing that the tag of their trustworthiness has never been broken. In recent times we have faced many cases of not having integrity in banking sector. Despite of all those cases and even in pandemic situation Shahjalal Islami Bank Ltd. never failed to make high standards of their integrity.
- **Ensuring sustainable growth in business:** Shahjalal Bank always guide their mudarib (loan taker whom they treat as partner or sharik in their investment) on their business and trying to be as co-operate as can be so that they may have a good return on business. Because as Islami bank the money they invest it is also a deposit of other clients.
- **Ensuring human resource development to meet the challenges of the time:** Employees are the pillar of the organization. To make employees as resources so that they can work in any challenging situation Shahjalal Bank always try to developed their employees through different training session attending both physically and online session which one becomes convenient.

Strategies of Shahjalal Islami Bank Ltd.

- **Striving for customer's best satisfaction:** Shahjalal Islami Bank Ltd. always focus on the satisfactory of customers. They always compromise and become flexible for their customers to make them satisfy with service.
- **Earning customer's confidence:** Shahjalal Islami Bank Ltd. never make deal with customers they create a relationship, SJBIL not only focus on profit return they also focus on earning customer's confidence.
- **Operate the Bank in the most effective manner:** From office interior to service section of every section Shahjalal Islami Bank Ltd. adopt a unique way of design. Customer will like both interior and service of the employees. Every manager, deputy manager, in chargers always remain aware to provide the service properly.
- **Identifying customer's needs & monitor their perception towards meeting those requirements:** Time to time SJIBL monitor and try to find out the need and want of customers, what they want and how they want. For every single important step to take every branch arranged a meeting with employees for discussion.
- **Reviewing & updating policies, procedures & practices to increase the capability of extending better services:** Shahjalal Islami Bank Ltd. update their service, rate of return, old deal reissue everything. They maintain the policy of as much as they get return, they also provide it to customers and shareholders.
- **Train & develop all employees & provide them adequate resources:** For both experience and new employees Shahjalal Islami Bank Ltd arranged training session on regularly to make them more capable so that they can be able to provide best service to customers.

- **Diversifying portfolio both the retail & wholesale markets:** In both SME banking and big investment Shahjalal Islami Bank Ltd maintains a balanced portfolio in their account.

Motto

Shahjalal Islami Bank Ltd has a unique statement for their clients is, “**COMMITTED TO CORDIAL SERVICE**”. Shahjalal Islami Bank Ltd tries its best to ensure the statement for their clients/customers. Sometimes they considered special case to resolve their customer’s issues. Problem or issue may be far big but they try their best to give proper solution. They do not only make Banking business ribah(interest) free, but also carry business product/service according to deal thereby getting original income and thus making larger growth of GDP in the economy. In both deposits and investment, they have lot of service and products to offer. Customers/clients are not just a service to Shahjalal Islami bank Ltd. They treat their customer with high priority and morality.

Hierarchy of Management of SJIBL:

BOARD OF DIRECTORS: On the level of hierarchy of Shahjalal Islami Bank Ltd. Board of Directors is on the top. They are the source of capital and policy maker as well. Right now, including Chairman and two vice chairman Board of director consist of 21 members. Name of current BOD chairman is MR. Mohammad Younus.

SENIOR MANAGEMENT TEAM: Senior management team is consisting of most senior and experiences employees of the Bank. Managing Director Mr. Muhammad Shahidul Islam is the Chief Executive Officer of senior Management team.

Level of Designations of the Employees are given below,

- Managing Director

- Additional Managing Director
- Deputy Managing Director
- Senior Executive Vice President
- Executive Vice President
- Senior Vice President
- Vice President
- Senior Assistant Vice President
- Assistant Vice President
- First Assistant Vice President
- Junior Assistant Vice President
- Senior Executive Officer
- Executive Office
- First Executive office
- Junior Executive office
- Assistant Executive Officer
- Senior Office
- Officer
- Trainee Office

Chapter – 4: Service of Shahjalal Islami Bank Ltd.

Sections of Service:

Shahjalal Islami Bank Ltd has three main sectors of its every service branches. Those are,

- **General Banking**
 1. Front Desk
 2. Despatch
 3. Account opening
 4. Clearing desk
 5. Cash Service
- **Investment**
 1. Services
 2. Admin
 3. Bi Muajjal
- **Foreign Trade**
 1. LC opening
 2. Bi Salam (PC)
 3. Foreign Currency Endorse
 4. Others services

I will now try to brief about every Sections and its department part by part.

General Banking

General banking is root and base of every banking services. It provides basic services to all types of customers. In these section at first, I will tell about products/services of general banking of Shahjalal Islami Bank Ltd.

▪ **Deposit Accounts**

Among all services most basic and common service is deposit account opening based on customers choice and need. For opening bank accounts essential documents are 2 copies of passport size photo, NID card/Passport/Birth Registration, E-TIN for enjoying tax reduce on profit, nominees NID/Passport/Birth Registration, one copy passport size photo. If the account names after institution then documents of institution will be needed. Accounts can be both single and joint. There are many types of Bank account in Shahjalal Bank I am going to describe and will brief shortly about all types of deposit accounts.

- ❖ **AL Wadiah Current Account:** This account is similar as conventional bank's current account where account holder can deposit or withdraw money at any time any amount. Shariah based bank is called the current account AL Wadiah Current account. Most of the time this type of account is opened by institutions, so sometimes it is also treated as institutional account informally.
- ❖ **Mudaraba Savings Account:** Mudaraba savings account is a general savings account of Shahjalal Islami Bank Ltd. with minimum 100 TK need a Mudaraba savings accounts can be opened. On the average of depositing money account holder got 2% profits. In Mudaraba Savings accounts one can withdraw a limited amount of money in a month.
- ❖ **Mudaraba Special Notice Account:** This account is like a general savings account. Just there need to deposit little big amount like 10,000 BDT on it and for drawing money there required a short notice. This can be called premium of Savings account
- ❖ **Mudaraba Term Deposit Receipt:** This a term deposit for certain years or months. 3 months to 5 years remain duration for MTDR. Profit Rate of MTDR is 4% now and for special case it can be 5.5%.
- ❖ **Mudaraba SJIBL School Banking:** This is also a savings accounts for those who are school students and age below 18 years old. This is for encouraging students' community to being

used to save money. After the account's holder turns 18 years, the accounts will automatically be converted into Mudaraba Savings Account.

▪ **Deposit Schemes**

Based on time and installment Shahjalal Islami Bank Ltd. offers several schemes for depositing money. Customers choose according to their convenient. Further below I will discuss about all the schemes Shahjalal Islami Bank Ltd. offers.

- ❖ **Mudaraba Monthly Schemes:** This scheme is a monthly based for certain year. Monthly based an amount of installment will deposit in every month. On maturity date, Schemes will provide certain percentages of profit. Right Now, profit rate is 5.79% to 6.11% for monthly scheme deposit and minimum amount of installment is 500 TK per month.

- ❖ **Mudaraba Hajj Scheme:** This is a saving scheme for hajj. Those who are planning for performing hajj can take the advantages of hajj schemes for bearing hajj expense in near future. This is similar to Monthly Schemes but minimum installment for the hajj scheme is 3120 TK per month up to 1-10 years.

- ❖ **Mudaraba Monthly Income scheme:** A certain amount of will be deposited in Bank and then customers will have monthly profits against his/her deposited money until customer withdraws the money.

- ❖ **Mudaraba Education Deposit scheme:** This is a parent's concern scheme. For the future of children. Parents may deposit scheme for a long time for education. Profit rate for these schemes is 6.04% to 6.25% up to 3 years to 8 years.

▪ **SJIBL Cards**

SJBIL offers several card services for making banking easy for customers. Those are discussing below.

- ❖ **VISA Debit Card:** Visa debit card is for savings and current accounts holder so that they can use or withdraw money wherever bank's ATM service is available.
- ❖ **VISA Prepaid Card (Local):** This kind of visa card is allowed to use only in the country where bank situated.
- ❖ **VISA Prepaid Card (International):** This Kind of card is only usable in overseas by converting local currency into foreign currency.
- ❖ **VISA Prepaid Card (Duel Currency):** This card is usable in both home and abroad. The currency will be both TAKA and US Dollars.

- **Clearing Desk**

Clearing desk is one of the important services of bank. When clients need to check the cash of one bank to another then it is called clearing check.

- **Cash Service**

Cash transaction is one of the important and vital part of general banking sections. There has a certain time which is called banking hours. Most of the time these hours remain from 10.00 am to 4.00 pm from Sunday to Thursday except special situation. Both depositing cash and withdrawing cash are done in this section. Except cash transections, cash section also scrutinized money if there is any false currency. Before providing cash to someone cash officer also checks if the clients are real or fraud.

- **Others Service**

- ❖ ATM Services
- ❖ Remittance services

- ❖ Online services
- ❖ Locker services
- ❖ SMS push pull
- ❖ Student File
- ❖ Evening Banking
- ❖ Internet Banking
- ❖ SWIFT
- ❖ Return
- ❖ Priority Banking
- ❖ Utility Bill Banking
- ❖ Pay Order Received

Investment Section

As shariah based bank does not provide the loan in return for the interest we know. So that following Islamic shariah they have made a section of investment. Bank invests money as a partner on the activity with profit/loss bearing agreement. Shahjalal Islami Bank Ltd claims profit on investment 9% to 13%. Shahjalal Islami Bank Ltd. offers several kinds of investment. All of the investment and sub investment are discussing below.

▪ Corporate Investment

- ❖ **Mudaraba:** Mudaraba is a type of investment where one will invest money, he will be called sahib al mal and another will work as a partner who is called mudarib on basis of profit return as per agreement.
- ❖ **Bai – muajjal:** It is a kind of selling and purchase investment. Where bank will not directly invest money but bank will buy product then ask for a selling price to clients. Thus, bank will have its profit and clients will have his/her investment from bank.
- ❖ **Shirkatul – Meelk:** This is an equal right investment.

❖ **Ijara:** Ijara is a leasing for acquiring assets. Where bank will invest as lease until clients return the investment with profits.

❖ **Quard e Hasana:** Quard hasan is an interest free or loan without any return. For special and secured client for a short period or in special case this type of loan provided from Islami bank.

▪ **Retail Investment:**

❖ **Housing Investment:** Bank invests in buying and building household properties. Bank invests money as an equity holder. When client will be able to repay the money, he will acquire the property as buyer of assets with the asking price according to the agreement. Bank invests money for this investment up to 70% money.

❖ **Household Durable:** Clients ask for investment for repairing household

❖ **Car Investment:** This scheme is for those who wants to buy car with loan. It is same as housing investment like bank will invest as an equity holder. Bank also do some agent works in here like offering car, making insurance etc.

❖ **Investment for Self-employment:** To encourage self-employment Shahjalal Islami Bank Ltd. offers Investment for self-employment. Thus, they try to make an influence on reducing unemployment.

❖ **Others type of Retail Investment:** Shahjalal Islami Bank Ltd offers investment for different professional people like doctors, executives, students etc.

▪ **SME Investment:** Shahjalal Islami Bank Ltd is always try to make a better influence in every sector which other banks cannot even think. In every sector they focused properly to investment for expanding bank's business and also making economic development. Thus, the offers several SME industry related investments. Which are,

- ❖ Cottage & Micro Enterprise Investment
- ❖ Small Business Investment
- ❖ Medium Enterprise Investment
- ❖ Women Entrepreneur Investment Program

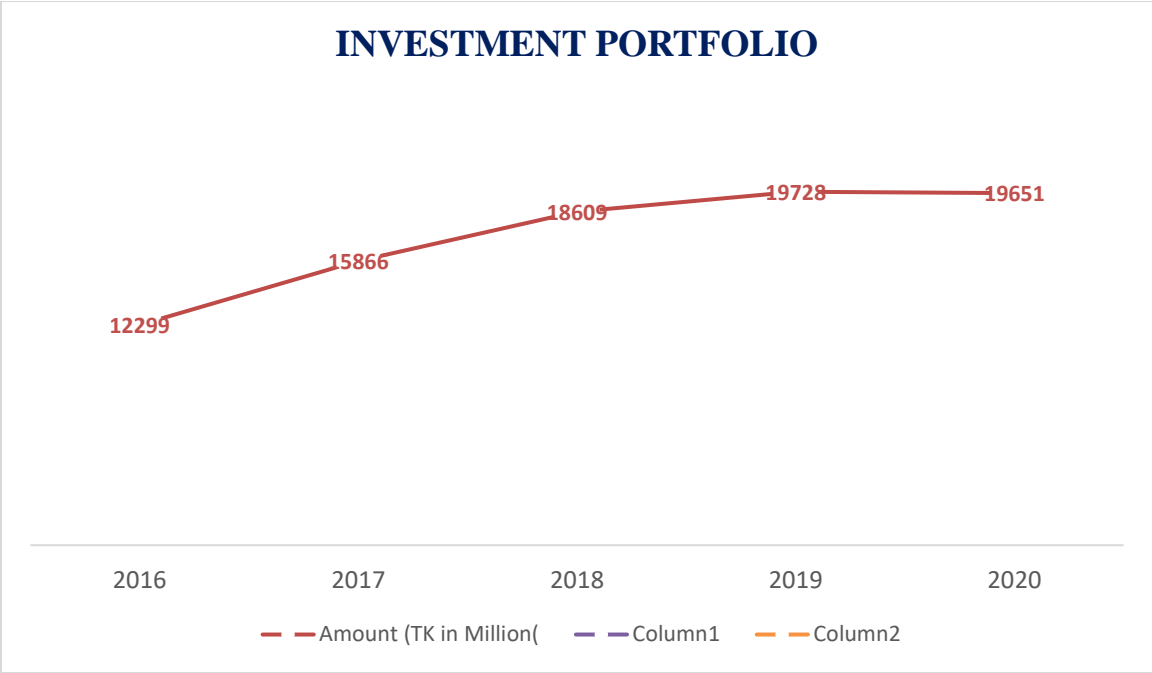


Fig: Investment Portfolio of Last 5 years.

Invest scenario is quite satisfying for last 5 years. But in 2020 it was a little below comparing 2019 because of pandemic issue.

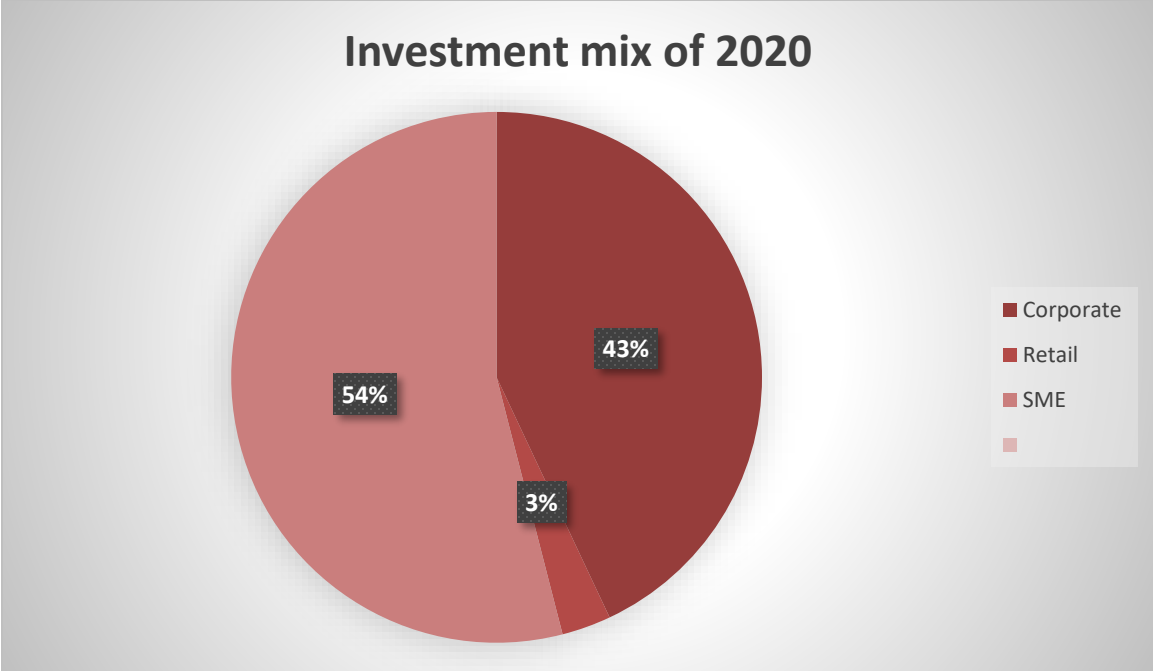


Fig: Product Wise Investment mix of 2020

Highest investment of Shahjalal Islami Bank Ltd. always goes to the corporate sector. As the corporate sector has huge business and needs a vast amount of support.

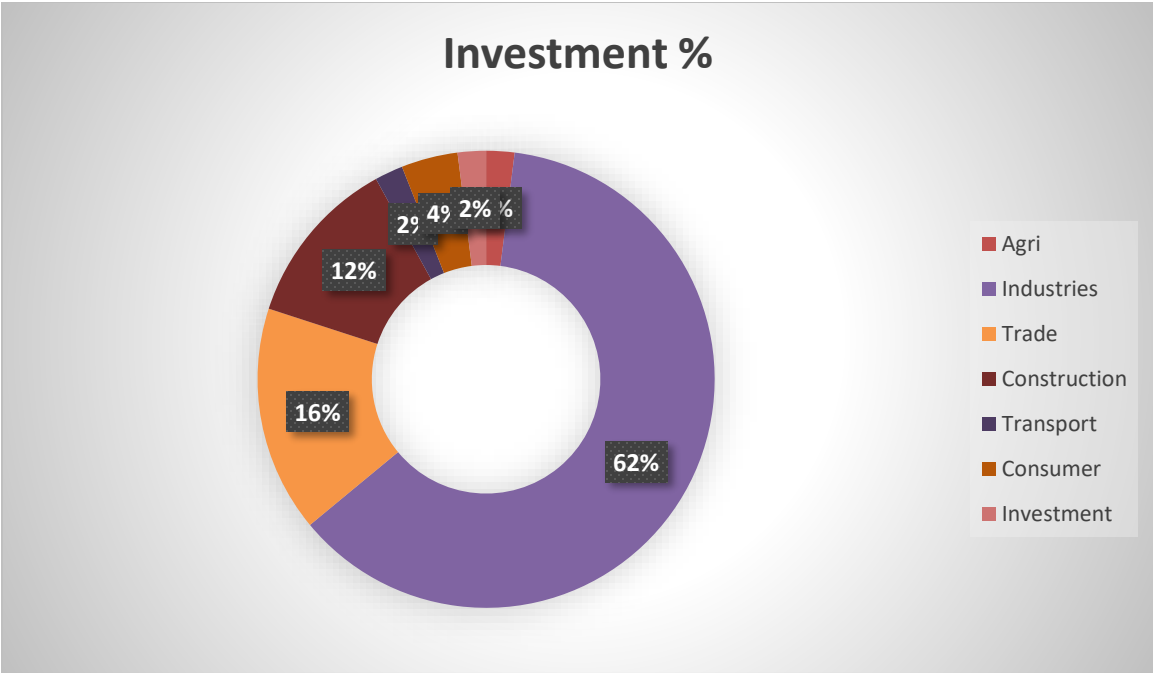


Fig: Sector wise Investment in 2020

Foreign Trade Section

Foreign Trade is one of the important sections of Shahjalal Islami Bank Ltd. This section is like investment section but the fact is there trading is more like export, import trading is done on a foreign currency like US Dollars, Euro. Through Letter of credit (LC), Cash Credit (CC), Bai – Salam. Activities of Foreign currency is describing below:

- ❖ **Letter of Credit (LC):** Letter of credit is a proposal letter for exporting business. It is done through Bangladesh Bank and two banks are related through this transaction. On the day of shipment exporting company will have his payment through the client bank of exporter from the importer's client bank.
- ❖ **Cash Credit (CC):** Cash credit is a short-term financing from a bank to importer so that he could use credit on an urgent basis.
- ❖ **Bai – salam:** Bai – salam is a term where a product will be bought before it is produced. In banking sector this term is taken as for product manufacturing to delivery there need cost of production, packaging, shipment delivery etc. For all those cost bearing bai salam system is being adopted in bank.
- ❖ **Remittance:** Bank is one of the important factors and way for transferring remittance which is transferring foreign money from overseas on a legal basis. Bank is the third party the third party of getting remittance in a country. Developing country like Bangladesh largely depend on remittance.
- ❖ **Endorsement of Foreign currency:** Those who need to go to the abroad for any reason they need to endorse foreign currency (US Dollar basically) on a certain limit. Without endorsing foreign currency, it is illegal to bear foreign currency with one individual. Endorsing dollars on passport only can be done by the bank.
- ❖ **Currency Exchange:** One of the important activities of Shahjalal Islami Bank Ltd. is exchanging foreign currency. SJIBL buy and sell foreign currency on a certain price.

❖ **Offshore Banking:** Offshore Banking is an international banking through foreign currency for borrowing, depositing, discounting.

Foreign Trade of SJIBL at a glance on 2020:

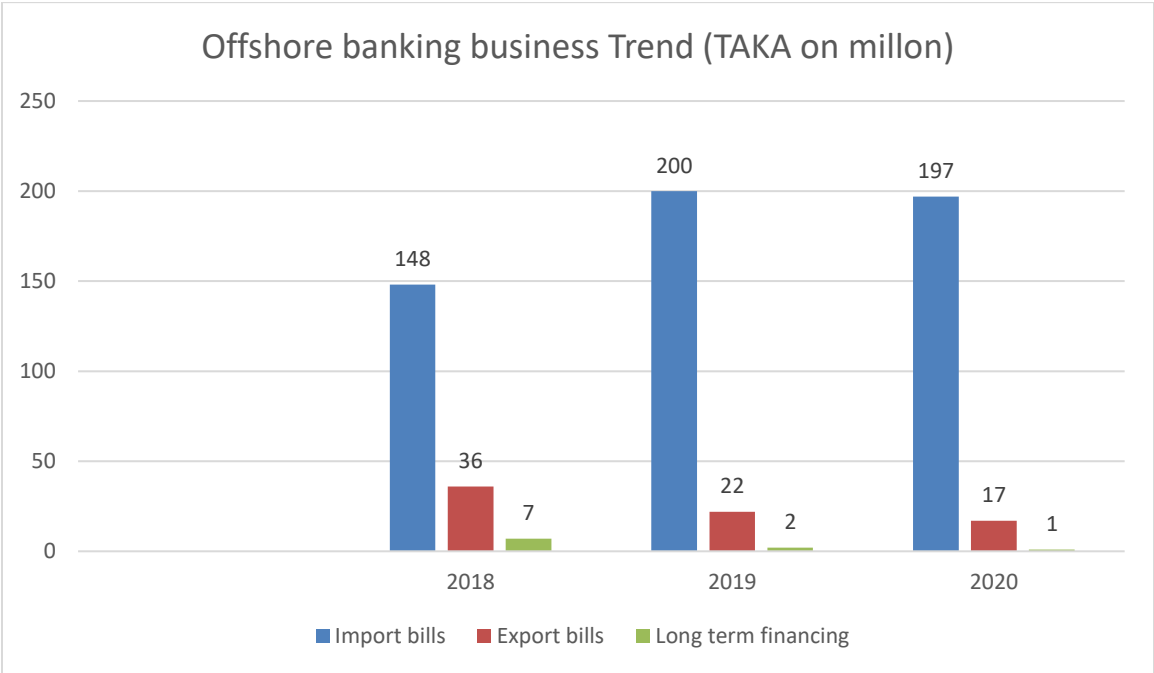


FIG: Offshore Banking Trend

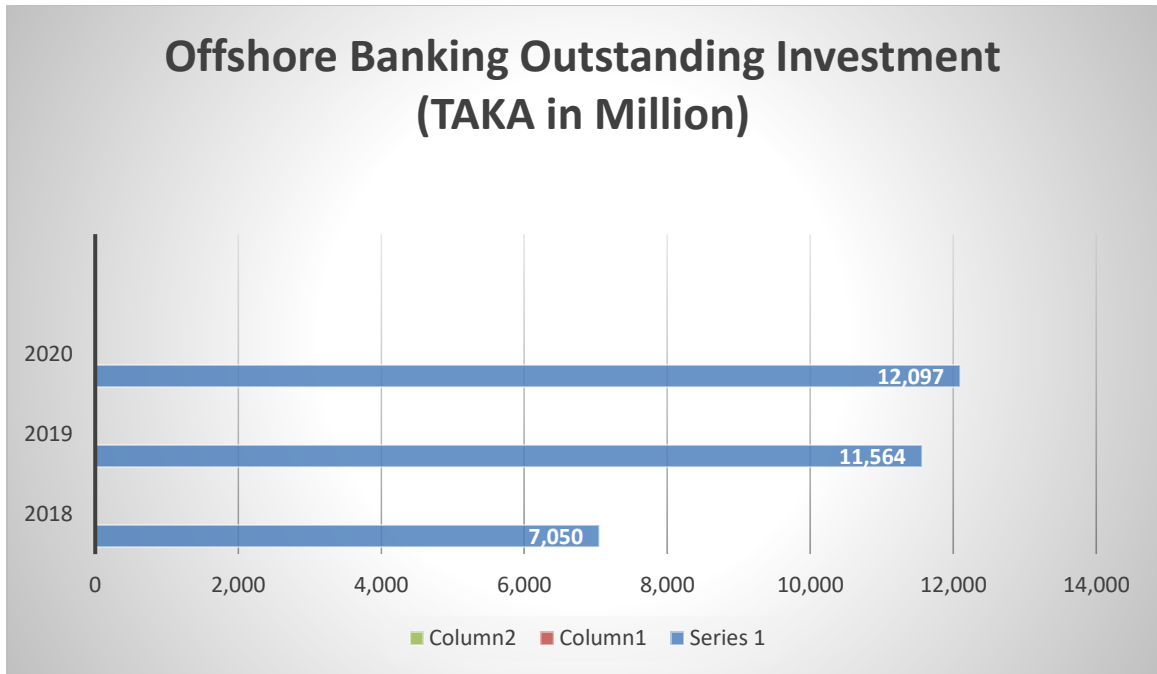


FIG: Outstanding Investment of Offshore Banking

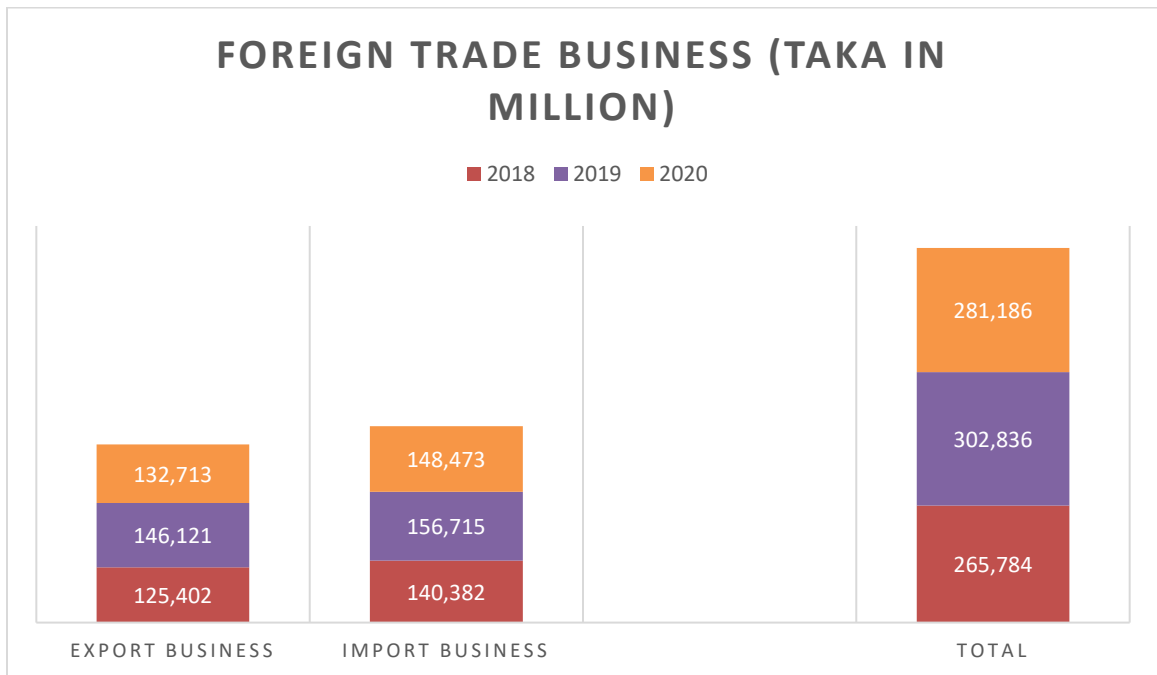


FIG: Amount of business from foreign trade section

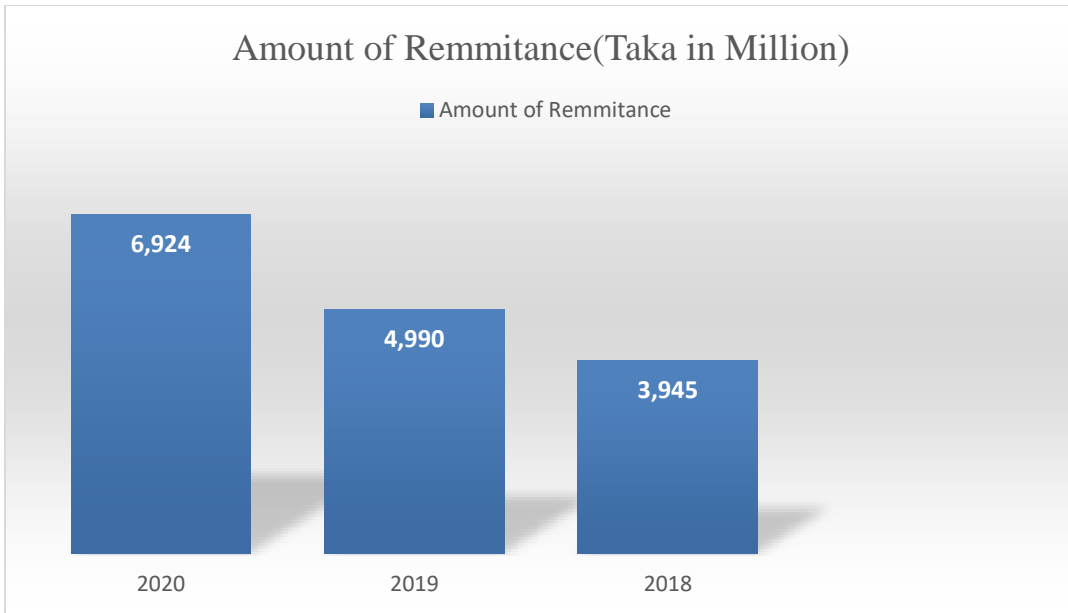


FIG: Remittance of Shahjalal Islami Bank Ltd.

Chapter – 5: CSR Activity of Shahjalal Islami Bank Ltd.

CSR (Corporate Social Responsibility) is such a concept that business world belongs to some responsibility toward unprivileged society. It means that the corporate world is not only for calculating their selfish revenue number, it also has some responsibility to the world to the society to the underprivileged. Through this concept every corporate firm does its duties at its convenience or where it is needed. Shahjalal Islami Bank Ltd. is one of them. From the beginning of the banking SJIBL is doing CSR work on a regular basis every year. They are increasing their goodwill on a regular basis. In 2020, SJIBL has spent BDT 323.48 Million for a different sector.

Shahjalal Islami Bank Ltd. believes that CSR is a social activity which integrate economic, environment and social aspect. It is a willing process by the business world that shows the one's absolute values and commitment to the society.

The guiding principle of SJIBL'S CSR activity,

Quote “The income divide is deep and further deepening in the world. In some countries, the collective wealth of the billionaires is more than the country's budget. In Bangladesh too, the income divide is stark and the national per capita GDP does not truly reflective the living standards of the vast swathes of the poor in the country. To address this discrimination, SJIBL run its CSR activities with special emphasis upon poverty-stricken rural areas.” Unquote.

SJIBL doing their CSR activity with great priority. They give priority on,

- Educational Development
- Poverty
- Healthcare
- National Environment
- International Environment
- Friendly Initiatives for greater interest

Objective of SJIBL CSR: Basic objective of every CSR activity is social development. Focusing on this issue SJIBL has set some objectives for its CSR activity. Those are,

- ❖ Zero Poverty

- ❖ No Hunger
- ❖ Healthy and being wealthy
- ❖ Quality of Education
- ❖ Action in Climate change

Reason Behind SJIBL invest in CSR:

- ❖ Developing Loyalty of the Customer
- ❖ Making Corporate Culture Healthy
- ❖ Increasing Coverage on the Media
- ❖ Adding Brand Image value
- ❖ Improving relation with the stakeholder

In House CSR Activities: According to Bangladesh Bank Circular Letter No. 6 on 31st December, there should have certain activities for in house CSR activity. Which means welfare activities for employees and their family (Parents, Spouse, Children) from the sanctioned portion of CSR. Those areas are,

- Scholarship for employees' children
- Medical facilities for employees' dependents
- Safety measures in the workplace/office.

Significant CSR Activities: CSR activity is being done in different sector and portion. Here is discussing some special CSR activity of SJIBL in below,

- Healthcare for poor
- Educational Support
- Financial aid to the people victim of natural calamities
- Winter Cloth and Blanket distribution to street and poor people
- Promoting Green economy

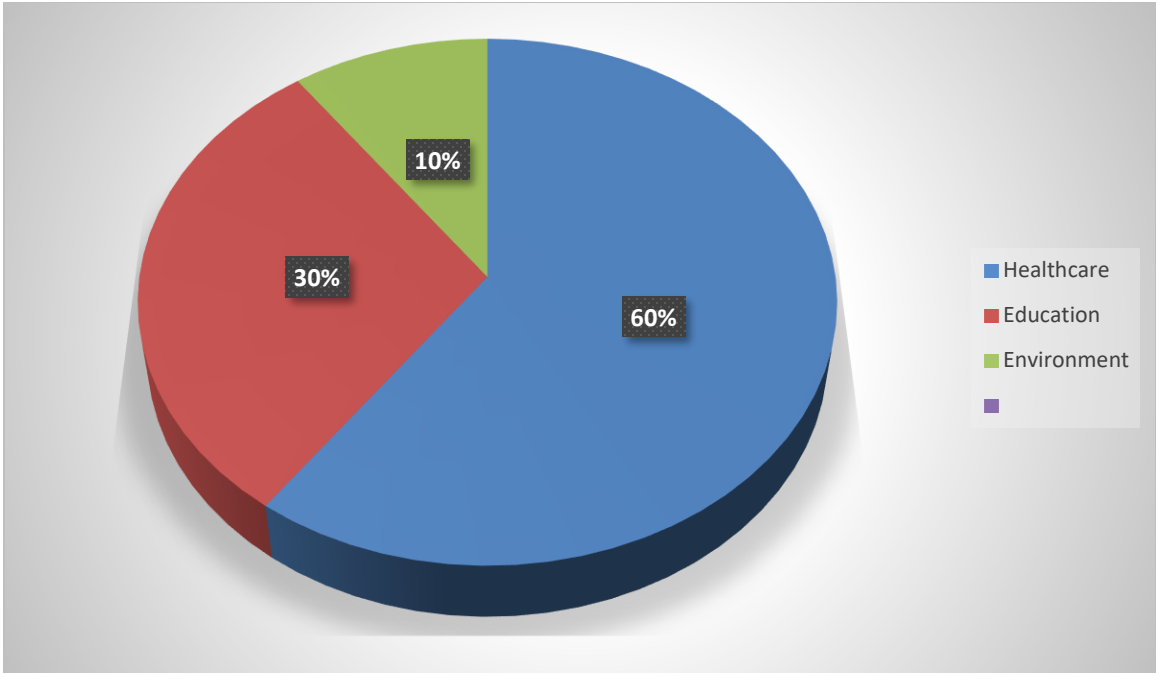


FIG: CSR Instruction from Bangladesh Bank

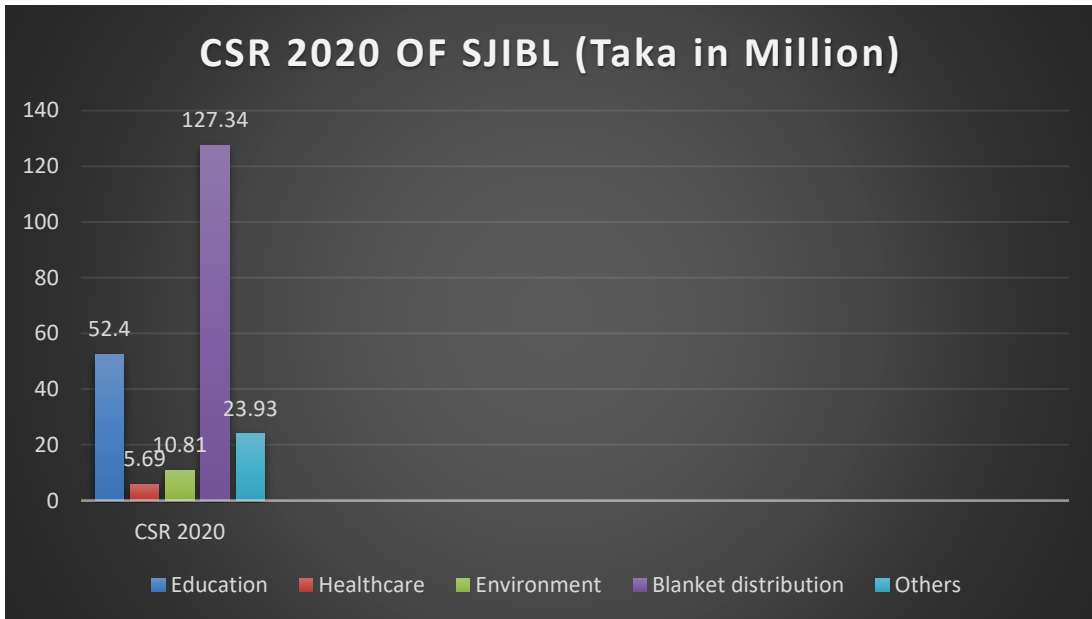


FIG: CSR activity of SJIBL 2020

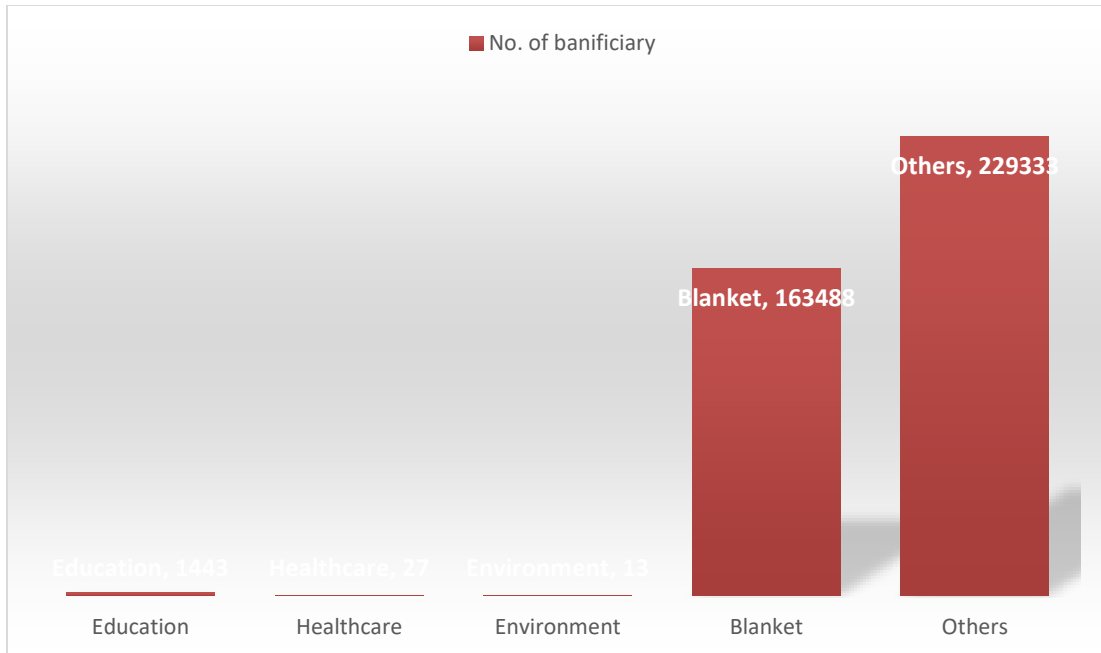


FIG: No of Individual Beneficiary from SJIBL CSR Activity 2020

Chapter - 6: Financial Statement Analysis

Quarterly Evaluation

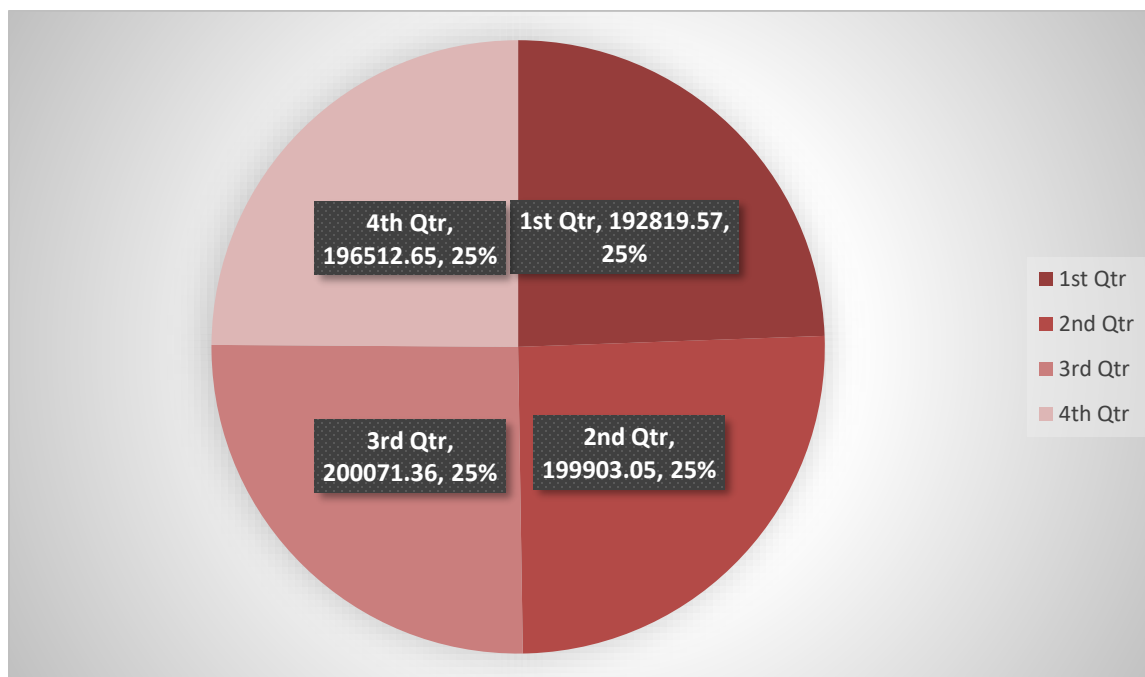


FIG: INVESTMENT on Balance Sheet of 2020(Amount in Million)

Shahjalal Islami Bank Ltd. Prepared their Financial Statement on a quarterly basis of a year. In 1st three phase investment was increasing but suddenly their investment had reduced on last quarter as 2020 was a time off covid. In 1st phase situation was normal. And somehow in 2nd phase they survived because of 1st phase, but covid influence was been shown after it already affect the whole year. Then lot of people return the investment they took.

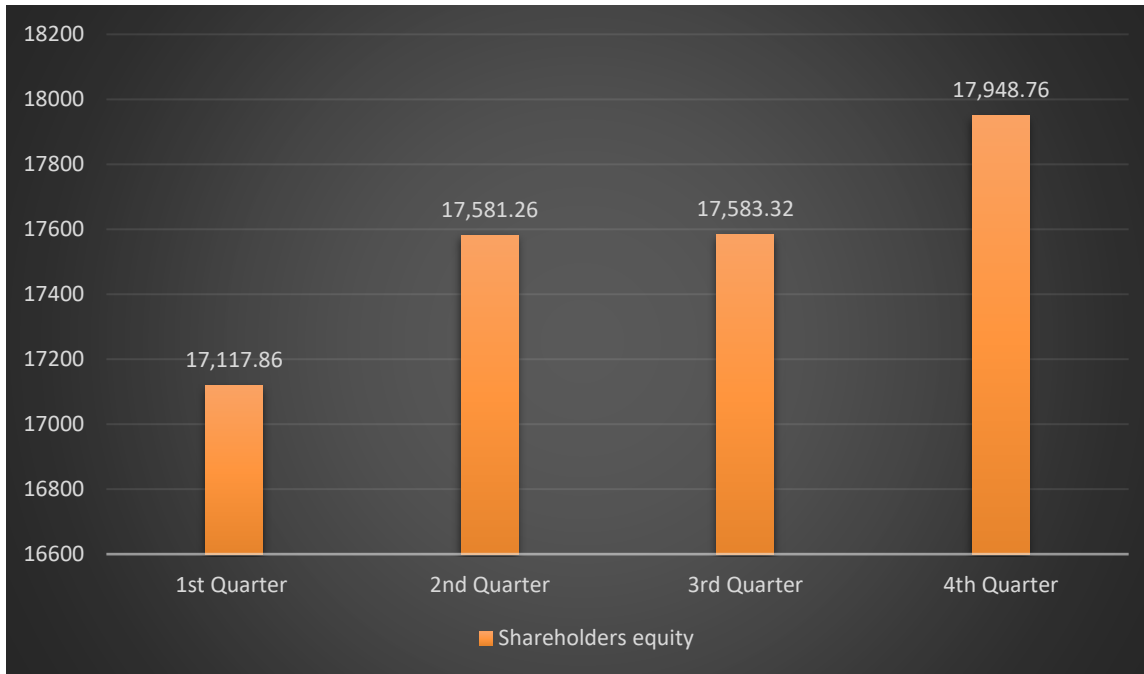


FIG: Shareholders Equity on 2020 (Amount on Million)

It is quite satisfying that despite covid influence without any proper preparation SJBIL did not lay down the number of rights of their shareholders. This indicates an organization’s trustworthiness.

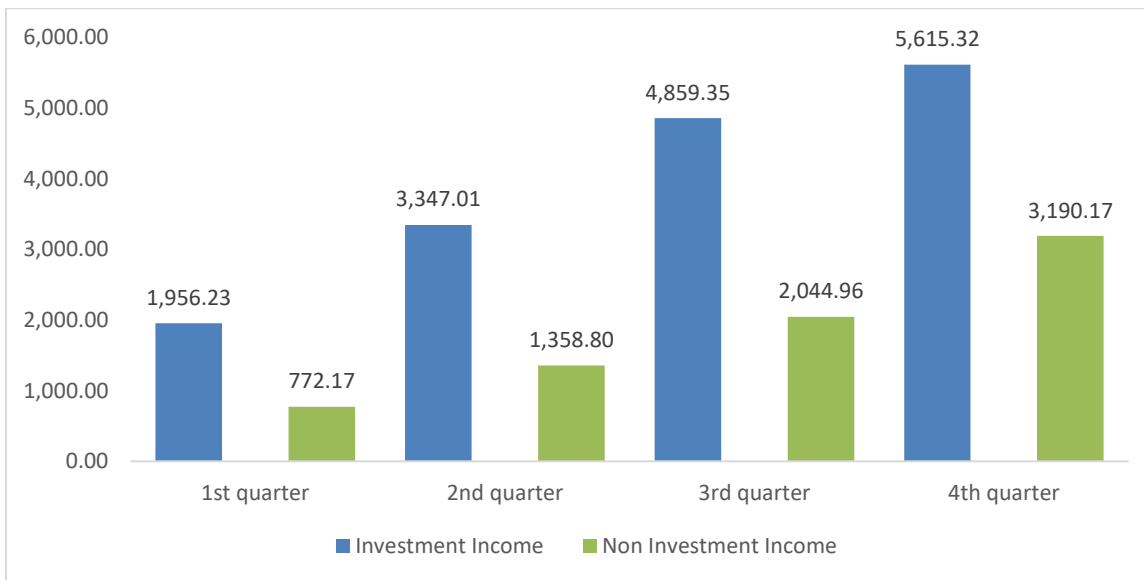


FIG: Investment and NON- Investment Income (Amount in Million)

Investment income was more than the non-investment income. It is Quite usual because bank's majority of income comes from the investment and bank run with investment. Rest of the service income is very little comparing the investment income.

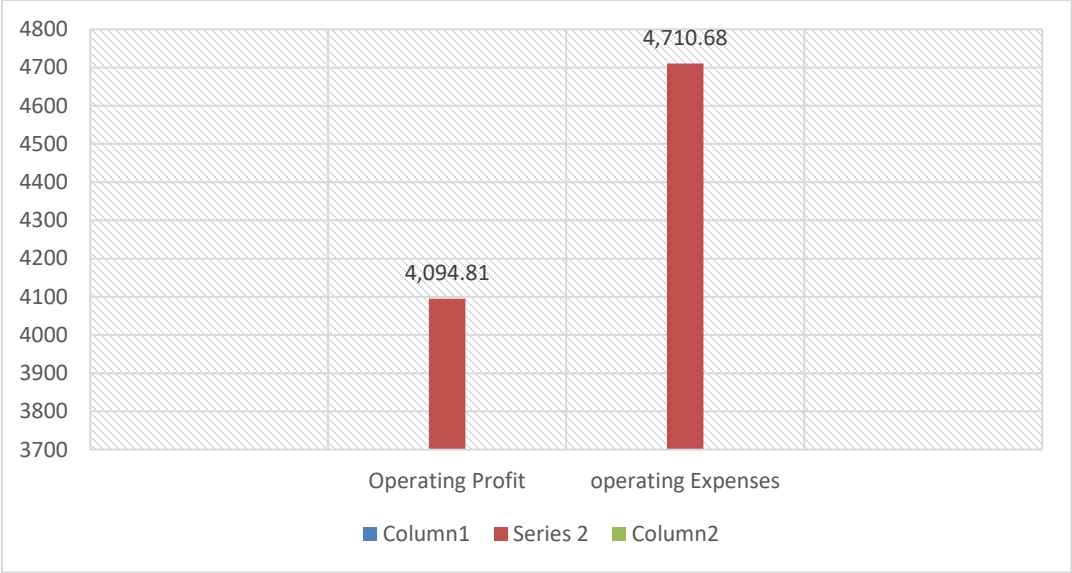


FIG: OP & OE comparing (TK in Million)

Operating expenses are greater than operating profit. It is not good sign. Bank should focus on this issue by reducing unnecessary cost where it can.

Last Five Year's Financial Evaluation

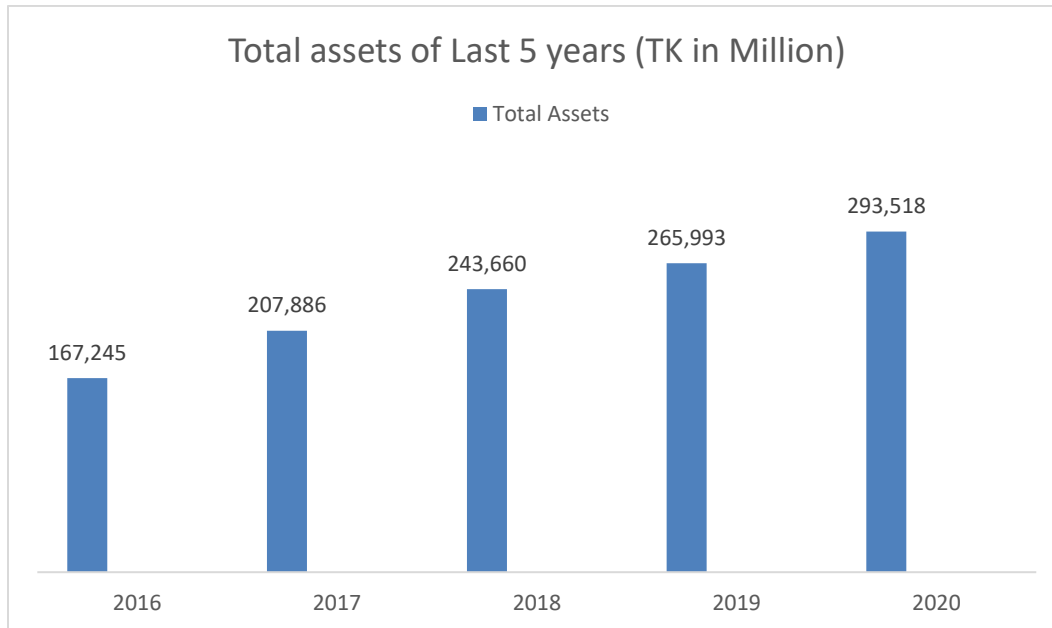


FIG: Total assets of Last 5 years

It is satisfying for bank that every year they are making their size of assets bigger.

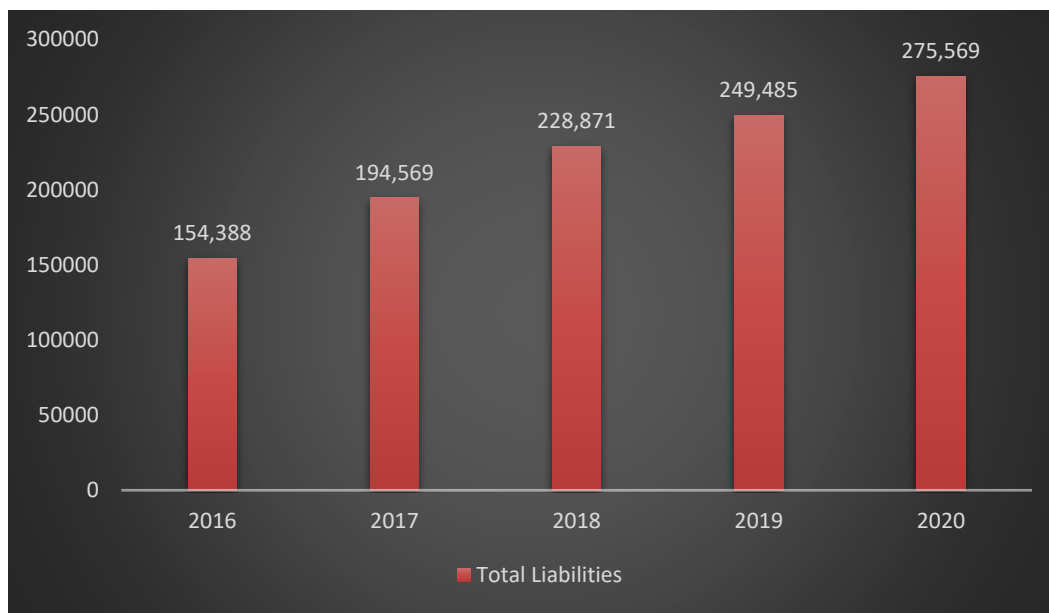


FIG: Total Liabilities of Last 5 years

Along with assets, liabilities are also growing every year. Bank should consider to this issue. So that they can have more equity.

Profitability Analysis

Net Income Ratio	9.44%
Net Profit (Interest) Income Ratio	2.42%
Cost/Income ratio	53.50%
Return on Equity	11.08%
Debt Equity Ratio	15.35 Times
Investment to Total Deposit Ratio	79.62%
Return on Assets (ROA)	0.68%

In profitability analysis **Debt Equity & Cost/Income** these two ratios are not satisfying. Specially debt equity ratio. We have seen that total liabilities are almost same as total assets which are alarming for Bank.

CONCLUSION

Overall, it was quite an amazing opportunity for me to work at a bank like Shahjalal Islami Bank Ltd. 13 weeks of my life was one of the best experiences of my life. I tried to learn from every single event by observing from employees and clients. It was way beyond bookish knowledge.

The Good thing about Shahjalal Islami Bank is I have noticed that at any cost they never compromise with the service and are honest to the clients/customers. They are very much aware of their motto of committed to cordial service. For any unsought issue clients or any customer, the door of the branch manager always remains open.

Another thing is that, the employees are friendly in between them. Everyone is busy to provide service but still, they are to making their job enjoy full together. There are busy rush hours every moment, definitely sometimes works demand to stay more after working hours, lunch time may pass but still they are honest with their work.

Lots of Islamic banks are in Bangladesh. But Shahjalal Islami Bank trying hard to make it better from top to bottom, from Managing Director to Trainee Officer everyone is focused to bring the goodwill of Shahjalal Islami Bank Ltd all over the country to on the top both in Islamic and conventional bank.

THE END

References

1. ALL data of financial statement analysis has been collected from Annual report 2020 of Shahjalal Islami Bank Ltd.
2. Service's Data Has been found from website of Shahjalal Islami Bank Ltd.
<https://www.sjibld.com/>
3. Data about banking history, Banking of Bangladesh, Islamic Banking has been found from Wikipedia sources,
 - https://en.wikipedia.org/wiki/Islamic_banking_and_finance
 - https://en.wikipedia.org/wiki/Banking_in_Bangladesh
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