# Internship On

# The Islamic Banking Industry of Bangladesh & Social Islami Bank Limited and its general banking activities: An Internship Experience Perspective

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**Letter of transmittal**

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**Subject: Submission of Internship Report**

Dear Sir,

I am delighted to offer my internship report, which covered a three-month internship at Social Islami Bank Limited (Corporate Branch, Motijheel). Within the restrictions, I did my hardest to prepare this report and to provide a meaningful perspective. The study has allowed me to use a wide range of academic and financial knowledge in the real world. I have acquired a good deal of information and am familiar with the bank's fundamental functions. I have done all my all to compile this report with all of the required facts, numbers, and recommendations. I have used the instructions you've given me in creating this report, and I've also utilized relevant ideas I have acquired during my undergraduate studies.

I would want to express my gratitude for giving me your time, knowledge, and assistance. It would not have been possible without your assistance, and for that reason, I consider myself extremely fortunate to have you as my internship supervisor. I'm grateful for the help you've given me.

Sincerely Yours,

Nahida Motin

ID: 111 163 028

**Acknowledgement**

To begin, I am grateful to Almighty Allah for providing me with the strength to complete the report properly. It would be impossible for me to complete my internship and get valuable professional experience without the help of my Almighty Allah.

Special appreciation and gratitude to Md. Mohan Uddin, Associate Professor, United International University's School of Business and Economics, who assisted me in preparing the internship report. It would have been difficult for me to complete this report without his critical scrutiny and headers.

Now, with great respect, I'd like to express my gratitude to my supervisor Abdullah Al Mamun (Operation Manager), Md. Nazrul Islam (Officer), and other bank officers for their helpful collaboration, guidance, advice, and ongoing support throughout my internship, as well as for supplying me with essential material for my report. I had a lot of interaction with them during my internship. They made my internship both fun and useful. Finally, I must use this time to convey my deepest appreciation to a couple of my friends who have helped me out tremendously.

Lastly, I would like to show gratitude to the Social Islami Bank Limited, Corporate Branch, for selecting me as their intern and allowing me to complete my internship program at their branch, helping me to collect information, and for supporting me in every conceivable way in finishing my internship report.

## Executive summary

An internship program is an important element of gaining real-world job experience. Better collaboration between theory and practice may be established to accomplish this program. A three-month internship at Social Islami Bank Limited culminated in this paper. I learnt numerous banking functions and the step-by-step banking system while finishing an internship.

In the first chapter, I covered the essential portion of the report, which has grown to correctly complete the entire report. The objectives of this report are to show the overall analysis of Islamic banking industry with statistical data, to assess and present Social Islami Bank Ltd's strategic stance and describing my internship experience in SIBL. The significance of the report is to give ideas to policymakers, so that they can create new policies for the organization by looking at the recommendations given in chapter 6. Also this report is significant for the Islamic banking sector since it contains a detailed analysis of the industry's environment, thus participants in the business, can gain a thorough understanding of the sector. The second chapter shows the overall analysis of Islamic Banking Industry in Bangladesh, the barriers to entry and the challenges they face have been extensively discussed. With diagrams and charts the size, trend, maturity, and number of banks in Bangladesh from an industrial standpoint has been analyzed, which reflects the growing nature of Bangladesh's commercial banking sectors. The third chapter provides a detailed analysis of the Social Islami Bank Limited as well as an overview of the industry. In the fourth chapter, shows my internship experience at Social Islami Bank Limited - Corporate Branch, which is the most significant aspect of my report, has been extensively covered. Moreover it carries information about my job position, duties, and contributions to departmental functions, as well as my observations and assessments, which helped me to build recommendations. In Chapter 5 and 6, there are conclusion and recommendations. Where I have given recommendations how SIBL can improve its performance in general banking activities. As to gain competitive advantage and to survive among other established competitors, SIBL can recruit employees, expand general banking department, and use modern technology to give fast service to its customers. They should provide training sessions to their employees for better output. Finally, an evaluation is provided that shows that Social Islami Bank Ltd. delivers better service to its clients, which is critical to the economy of our country.

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# Chapter 1: Introduction

## 1.1. Background

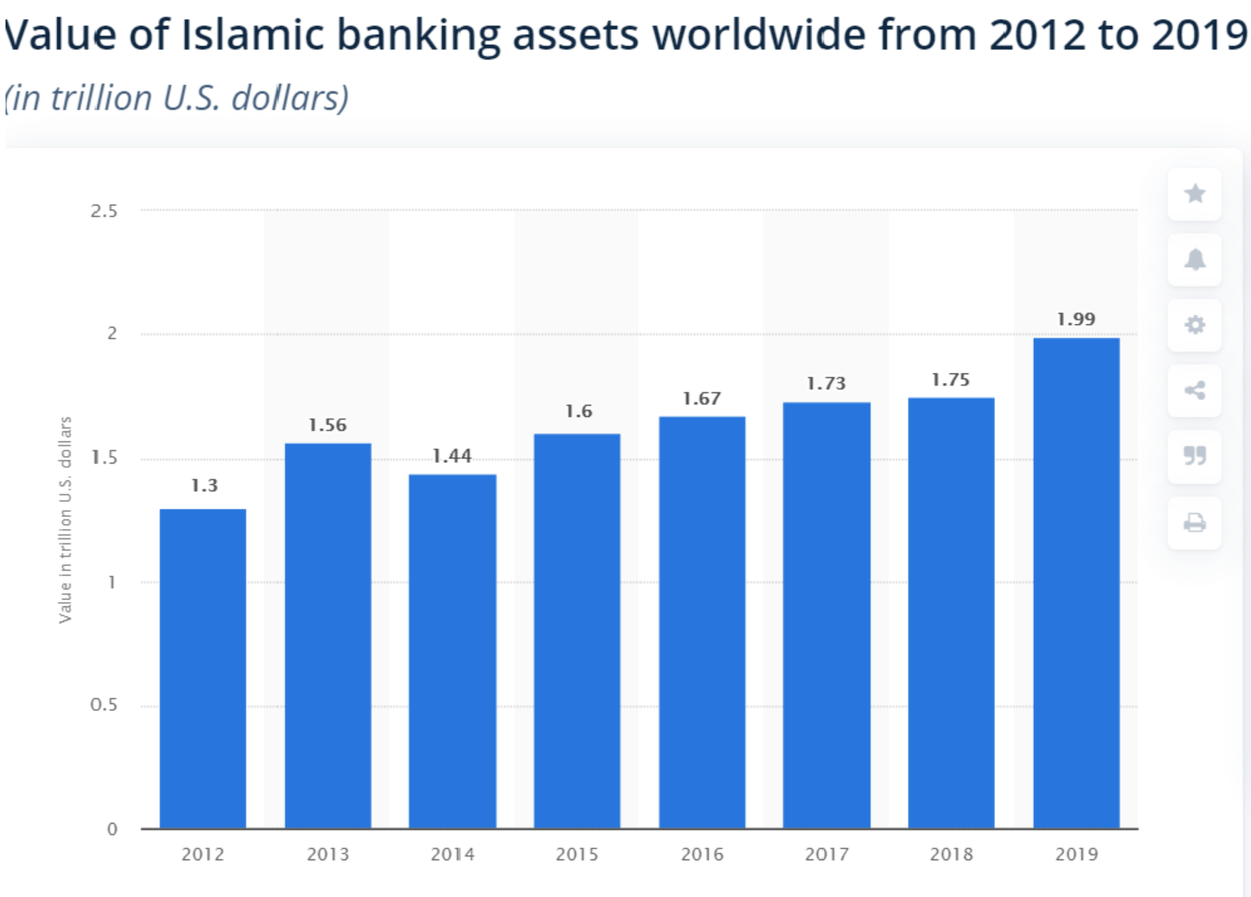
At current times Islamic Banking being considered as the buzzing word for most banking systems and financial concerns. The concept of Islamic Banking is a system that is based on Shariah law principles and allow Muslim to deal with financial affairs along with importance of their faith. Islamic banking has two principle, sharing of profit/ loss and prohibition of collection and payment of interest from lender as well as investor side.  In Islamic banking Riba is prohibited. That means a simple sign of interest will make it haram in Islamic perspective. The first generation Islamic banks were opened in Egypt and Malaysia during early 1960's. Middle-east and Malaysia are considered as a hub of Islamic banking. Non-Muslim and developed countries have adapted to Islamic financing mechanism because they find it very easy and very sustainable in terms of crisis moment and financial turmoil. In international financial system, Islamic banking has become one of the fast-moving segments. Islamic banking does not consider money as commodity whereas conventional banks consider money as commodity. Islamic bank consider time value of money and have higher capitalization and better intermediation ratio. Islamic banking has three modes of financing: Murabaha, Musharak and Mudarabah.

Islamic Banking and finance is emerging together all throughout the world. The recognition of Islamic banking in Bangladesh has come to see a phenomenal growth. In 1983, the first Islamic Banking industry entered in Bangladesh through the Islami Bank Bangladesh Ltd. Since then it had a rapid growth in its operation.

In the financial crisis the seven Muslim countries who was operating Islamic banking were not directly affected by financial crisis of 2007. This crisis had no impact of profitability in Islamic banks.

### 1.1.1 Statistical Data

There are 300 Islamic banks working around the world which is following the shariah law. The Islamic Banking industry has evolved over the years with percentage of 10-12%. It is forecasted that by 2024, the world Islamic financial assets will grow at 3.69 trillion dollar. The global financial assets was 14% at the year 2019 with 1.99 trillion dollar which was the highest record compared to the previous periods. There was 1% growth in 2018. From the period 2015 to 2018, the average annual growth was 5%. In 2012 the growth was 1.3 trillion dollar which was least comparatively. Then it increased in 2014 with value 1.56 trillion dollar. Subsequently, the value of assets decreased to 1.44 in the year 2014. From the year 2015 to 2018 we could see from the below graph, that it has increased positively.




Source: (Value of Islamic banking assets worldwide from 2012 to 2019, 2021)

**Figure 1. 1: Value of Islamic banking asserts all over the word past 8 years**

### 1.1.2 How Islamic banking contributions to the economy?

Islamic Banking or let us restructure the term and say The Islamic Financial System basing on its nature of structure and functions help in stabilizing the global economy, here the financial assets grows along with the economic activities taking place in real time, with Islamic Banking the genuine liquidity stabilizes the financial services in Islamic Banks.

The biggest contribution of Islamic Banking pertains is that it helps with the sustainability of the natural **Economic growth.** Islamic Banking is very much effective in terms of Economic Development worldwide only if it is operated in the right Islamic "Sharia" based banking.

As we already know that the core activity of any Bank is to match "sellers" and "investors" for the purpose of investment which then adds liquidity in the Market, Similarly with the simple, low transaction facilities and easier approach of Islamic Banking the conventional banking activity of adding liquidity to markets which will thereby help in the making financial development more efficient, thereby promote business growth by which the Economy is positively impacted.

Islamic Banking contribute to the Economy in several ways, by the process of Mudaraba, Musharaka and Murabaha, Islamic banking allows business to take appropriate decisions with giving mortgage of their properties and with the equal amount of loss sharing principle, it enables business to cope up against any losses they face by which they can easily regenerate profit which thereby helps in growing the Economy.

### 1.1.3. How Islamic Banking contributes to the business organization?

Islamic Banking activities come in with a range of advantages based on the Islamic Shariah, which again makes the Banking process simple and easy to carry out as it involves fairness, transparency, ethical and it discourages any speculation. Islamic Banking is associated with equal amounts of profit and loss sharing principles which is a major contribution to any business organizations, as any loss/ risk is shared by the bank it helps the business to cope up against the loss easily rather than being succumbed under it. Entrepreneurs can finance their business through Islamic Banking. Eventually, financing entrepreneurs involves a risk exposure. So, Islamic banks give support to entrepreneurs that is needed for their success to avoid certain level of risk. Therefore the joint effort of Islamic banks and entrepreneurs helps to make profit that leads to economic growth. Lastly, entrepreneurs' success is favorable for the whole economy which helps to generate more income, create job opportunities and create value added new products or services.

Through Islamic Banking business operate their financial activities based on “Shariah- Compliant” finance by which the business’s financial processes take place according to their amount of property which is mortgaged for a time being to the bank in order to run their business, it also follows the 50-50 profit/loss sharing principles. Banks ask for a share of profit rather than interests from business owners.

We can conclude saying that the Islamic Banking contributes a business organization by making its financial activities simpler and easier to execute and by not demanding any interest rather they share the losses that is incurred by the businesses.

### 1.1.4 Conventional Banking VS Islamic Banking

Though there are many products of Islamic banking which are similar to conventional bank ones but they are completely different according to the concept. The differences are given below:

1. The main difference is that Islamic bank follow sharia law and do not take any interest rather shares profit and loss with its client, whereas conventional bank charge interest and earns profit through it.

2. In conventional bank investment has guaranteed returns but in Islamic bank when someone deposits money, the returns are not guaranteed. Islamic bank is not liable to pay if it incurs losses rather shares their losses.

3. In conventional bank the relationship of customer and bank is creditor-debtor relationship. Conversely, in Islamic bank the relationship with banks and customers is seller-buyer relationship.

4. Islamic bank does not consider money as commodity and their products are asset based which includes trading of asset or leasing. Conventional Banks considers money as commodity thus lend loan as to gain interest as the form of compensation.

5. There should not be any uncertainty in Islamic banking. They cannot deal with any subject matter which is Haram such as alcohol or gambling. Thus, Islamic banking can possessed the distinct feature of ethical investing. On the other hand, Conventional banks invest on any instrument which are accepted by law except for those which are illegal.

6. Conventional banks does not need to deal with Zakat. In Islamic Banks they have Zakat fund system where they pay out Zakat to the poor.

7. If there is any defaulters, conventional banks charges extra money. Whereas Islamic banks do not charge additional money for such defaulters.

### 1.2. Objectives

This report has three objectives:

1. To analyze the Islamic Banking industry in Bangladesh
2. To analyze and present strategic position of Social Islami Bank Ltd
3. To describe the internship experience of SIBL

### 1.3. Significance

This report will be important for the policy maker, Islamic Banking Industry, Islamic Bank management and for myself.

**Policy maker-** In this report current state of Islamic Banking industry and Social Islami Bank Limited will be shown. The policymakers can use this report and can create new policies for the organization. Based on the report they can get an idea about the present situation and can easily create some ideas or policies which can improve the Islamic banking industry. Also many recommendation will be given in this report. So the policy maker can use this recommendation to make changes. If they try to make policies with the help of this recommendation eventually SIBL can contribute to the economy.

**Islamic Banking Industry-** This report is important for the Islamic banking industry because here we have thoroughly analyzed Islamic banking industry and also have shown the environment of the industry. The participants of the industry such as customers, suppliers they can get in depth knowledge about this industry. Thus it will help them to participate in this industry more easily.

**Islamic Banking Management** - This report will give clear understanding of Islamic banking and its operations. This report will also help the managers of SIBL to identify how SIBL can overcome the challenges and become strategically successful. They can find out the strengths and weakness, they can get ideas for making the decision. This report will help them for improving their performance. In addition, I have provided with some recommendation that will help SIBL management, especially the department where I have worked, to improve the management.

**For Myself:** Lastly, this report has played an important role in my life. This report is a practical experience for me besides my academic study. I was able to identify my strength and weakness. This will be a documentation of my experience. In future this report will work as an outline or plan to overcome my lacking by bringing up the development in me which needed. It will help me to develop myself so that I can further contribute in the industry. While preparing this report I have gained utmost knowledge about Banking Industry and its operation. Furthermore, I have known about Islamic banking industry's development in our country as well as specifically about Social Islami Bank Limited. During my internship period, I have learnt a lot of information about Islamic Banking, the corporate culture and the job sector. This report is prepared according to my understanding about corporate culture while working at Social Islami Bank Limited. Further it will be beneficial for the students by giving them clear understanding about the real corporate world scenario and thus decreasing their misunderstanding. As an intern it was quite difficult to completely understand the banking procedures but I provided my best in this short internship period to have better understanding about corporate environment and thus prepare my report.

# Chapter 2: Analysis of the industry

## 2.1. Specification of the industry

Islamic banking is basically a financial system that operates according to the Islamic laws, rules and regulation which they mention as a Sharia compliant rules and regulations procedure.

But regardless of the similar kind of activities, Islamic Banking has some strong restrictions regarding Interest, Islamic Banking has a tight end rules that are regulated where banks are not allowed to accept any forms of interest and not to provide with any sort of interests either.

The two principles Islamic Banking is based on –

1. Equal Distribution of wealth

2. Social Justice.

Islamic banking is also known as a non-interest banking procedure, it is a system that is based on the key principles of Sharia laws that are guided by Islamic economics. Through the process of equity participating, the Islamic banks make profits that require a borrower to provide the bank with a share from their profits rather than paying interest based on rates.

### 2.1.1 Popularity of Islamic Bank in Bangladesh

Islamic Banking and finance is emerging together all throughout the world. The popularity of Islamic banking in Bangladesh has come to see a phenomenal growth, there's a sum of 10 Islamic Shariah based banks in Bangladesh currently where banking activities are being executed accordingly to the Islamic Shariah based principles- profit-loss sharing method.

Bangladesh was introduced to the method of Islamic banking in the year 1983 by foreign investors from Saudi Arabia and Kuwait.

In Bangladesh Islamic bank is growing steadily so many conventional banks want to convert to Islamic bank. They have better execution with regard to recovery of loan and numerous financial metrics in comparison to conventional banks. In the Banking industry around the world, Islamic Bank in Bangladesh is gradually becoming successful. Moreover, foreign investors looking for investment opportunity in this sector. Being aware and having prior exposure to Islamic Banking, cheaper transaction costing and better delivery of service, can be acquired from Islamic Banking principles, non-Muslim customers can consider the Islamic banking services as diverse and suitable in terms of fulfilling their banking needs, these are the prime reasons for the growing interest of non-muslim people in Islamic Banking. Non-Muslim people began to consider it way more reliable because of interest free shariya principles, there is no risk of penalty if they do not pay on time.

But despite of the phenomenal growth of Islamic Banking in the country Bangladesh is unfortunately still lagging behind than that of other Muslim countries due to many countable reasoning's.

Therefore, it is important to bring some improvements in this Islamic banking industry. So that they can provide better services in the future. Some conventional bank has wing of Islamic bank but they do not follow the shahriya compliances properly. Only focusing on full-fledged Islamic banks and stopping those wings can make differences.

### 2.2. Size, trend, and maturity of the industry

Islamic Banking industry further gained accomplishment after 1990 and now it has more than one-fifth share of the whole banking system. There are 56 commercial banks of which 8 full executed Islamic Banks being operated with a number if 1068 branches all over the country currently in Bangladesh according to the latest data from Bangladesh Bank. The Islamic banks are Islamic Bank Bangladesh ltd, EXIM Bank, Social Islami Bank, Shahjalal Islami Bank, Al-Arafah Islami Bank Limited, First Security Islamic Bank, Icb Islamic Bank ltd, and Union Bank. Additionally, 8 conventional banks with 19 branches and 7 conventional banks with 25 windows are also providing Islamic banking services. Recently new three banks got the permission to conduct their operation through Islamic bank. They are NRB Global Bank, Standard Bank and Jamuna Bank. In our country already so many banks have already applied to convert their mechanism from conventional to Islamic Bank. The SLR and CSR rate is half for Islamic bank compared to conventional bank's regulatory requirements. Also in growing industry government giving some extra benefits to conduct Islamic banking. In the global rapid expansion of Islamic banking, Bangladesh has undergone remarkable growth in Islamic banking subsequently with strong customer demand. Moreover, it has gained more than 25% share of the entire banking industry. Though Bangladesh's Islamic Bank industry has captured a good sums of market share, this industry has further opportunity for expansion as our country has majority Muslim customers.

**Table 2. 1: List of Islamic Banks with maturity**

| List of Islamic Bank | Establishment Year |
|---|---|
| Islami Bank Bangladesh Limited | 1983 |
| ICB Islamic Bank Limited | 1987 |
| Al- Arafah Islamic Bank Limited | 1995 |
| Social Islami Bank Limited | 1995 |
| Shahjalal Islami Bank Limited | 2001 |
| Export Import Bank of Bangladesh | 2004 |
| First Security Islami Bank Limited | 2006 |
| Union Bank Bangladesh Limited | 2013 |

### 2.2.1 Islamic Banks' growth in paid-up capital:

From 2013 to 2017, IBBL's average percentage of growth was 2.5%. From 2014 to 2017 the growth was uniform and the value of capital was 16100million BDT. Now, the legitimate capital of Islamic bank Bangladesh is 20000 million BDT. From 2013 to 2017, AIBL's average percentage of growth was 9.25%. Now, the legitimate value of capital is 15000 million BDT. From 2013 to 2017, the average percentage of growth of EXIM bank was 5.25%. In 2016 and 2017 had least growth which was 0%. Now, the legitimate capital of EXIM Bank is 20000 million BDT. From 2013 to 2017, the average percentage of growth of SJIBL bank was 3.75%. Now, the legitimate capital of SJIBL Bank is 10000 million BDT. From 2013 to 2017, FSIBL's average percentage of growth was 20.13%, which is the highest. Now, the legitimate capital of FSIBL is 10000 million BDT. From 2013 to 2017, average percentage of growth of SIBL was 1.25%, which is lowest. Now, the legitimate capital of Social Islami Bank Ltd. is 10000 million BDT. . From 2013 to 2017, average percentage of growth of Union Bank was 5.5%. Now, the legitimate capital of Union Bank is 10000 million BDT. From 2013 to 2017, average percentage of growth of ICBIBL was 0%. Now, the legitimate capital of ICBIBL is 15000 million BDT.

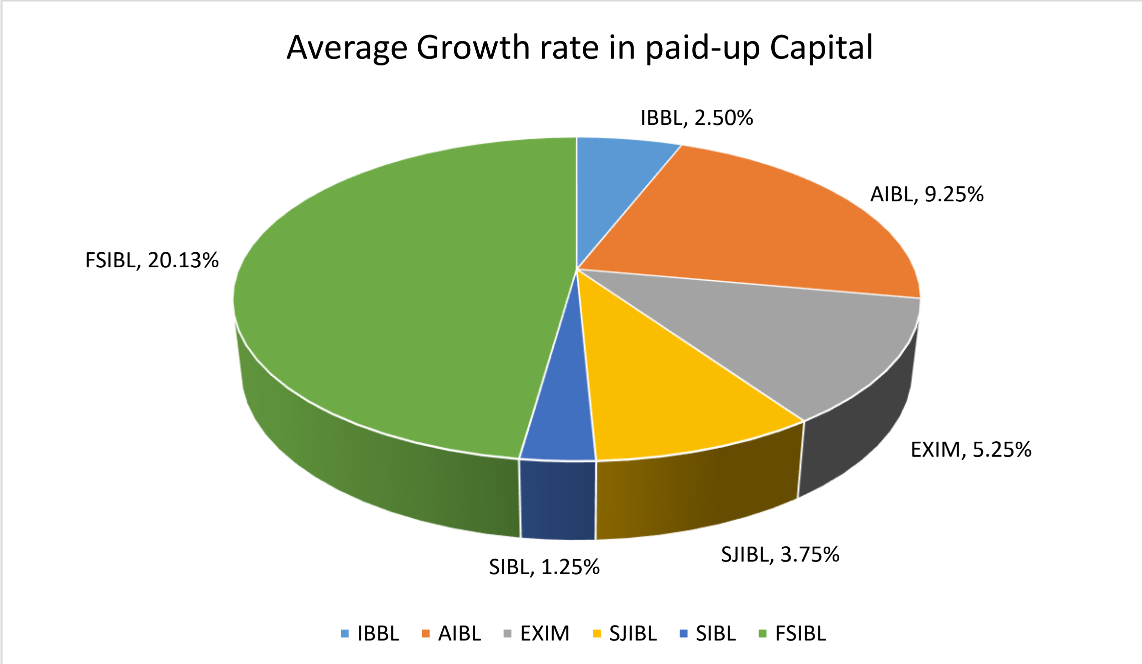



**Figure 2. 1: Average Growth rate in Paid-up Capital**

### 2.2.2 Total Deposit's Growth Rate:

From 2013 to 2017, IBBL's percentage of growth in deposit was 9.86% to 18.55%. In 2014, it had highest growth. In 2013, AIBL growth rate was 18.78% which was highest. It had least growth of 1.82% in collection of deposit in 2014. From 2013 to 2017, EXIM bank's percentage of growth in deposit was between 10.43% and 20.85%. In 2014, it had highest growth rate. In 2013, SJIBL had the least growth which was -4.84%. In 2017, its growth rate increased to 16.87% which was the highest. From 2013 to 2017, percentage of growth in deposit of SIBL was constant through the period and its average growth was 24%. In 2013, the growth rate of FSIBL was 32.47% which was highest. In 2016, it had least percentage of growth which was 18.75%. In 2013 to 2017, the percentage of growth in deposit of UNION bank was 33.26% to 185.80%, which was exceptional growth rate during these periods. In 2014, it had the highest growth rate. Its average growth rate in the collecting of deposit was 78.84%. ICBIBL's average percentage of growth in deposit was -0.09% and it was very adverse condition. Therefore, it can be identified that Union Bank Ltd. had the highest growth rate over these period.

### 2.2.3 Growth Rate of Investment

From 2013 to 2017, IBBL's average percentage of growth in investment was 13.80%. From 2013 to 2017, AIBL's average percentage of growth in investment was 15.54%. From 2013 to 2017, EXIM's average percentage of growth in investment was 16.06%. From 2013 to 2017, SJIBL's average percentage of growth in investment was 11.74%. From 2013 to 2017, SIBL's average percentage of growth in investment was 23.99%. From 2013 to 2017, FSIBL's average percentage of growth in investment was 25.93%. From 2013 to 2017, UBL's average percentage of growth in investment was 97.85%. From 2013 to 2017, ICBIBL's average percentage of growth in investment was -0.77%. This measure helps us to understand the companies are doing well in the management of investment and products selling. They are in favorable position and has the capability to overcome any global economic crisis and change political and economic situation. Therefore, we can conclude the percentage growth in investment of SIBL is most stable, in comparison to other Islamic Banks.

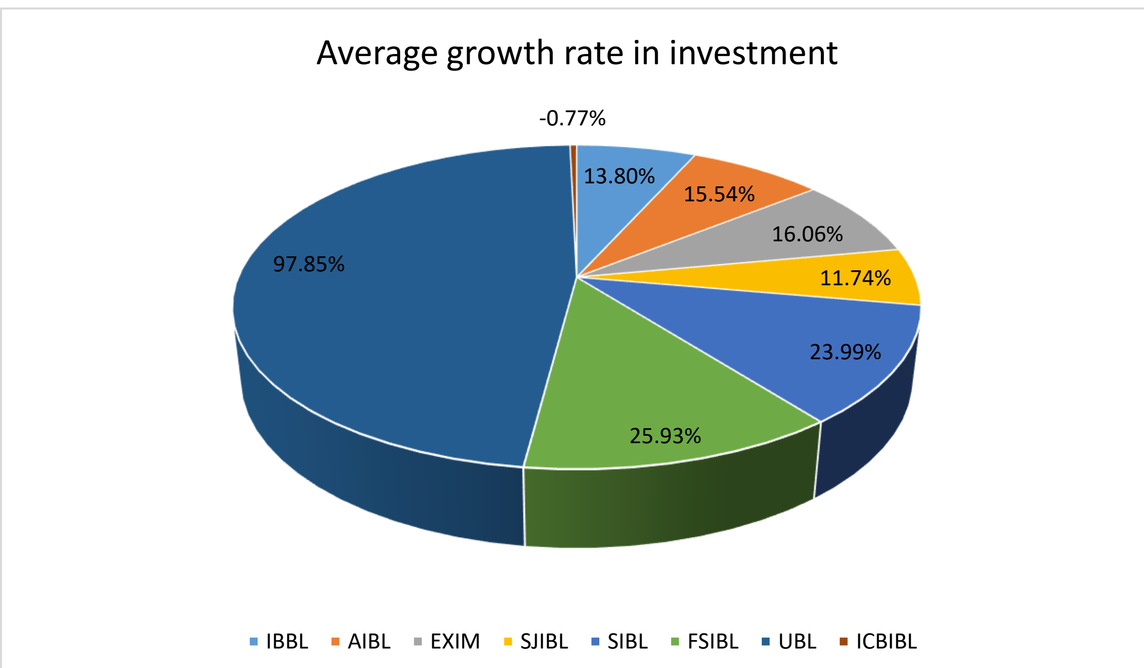



**Figure 2. 2: Average Growth rate in investment**

**Table 2. 2: Share of Deposit, investment and remittance position Islamic banks compared with Total banking sector in Bangladesh (BDT Million)**

| Share of Deposit, investment and remittance position Islamic banks compared with Total banking sector in Bangladesh (BDT Million) | | | | |
|---|---|---|---|---|
| Items | April-June 2020 | | January-March 2020 | |
| | All Banks | Islamic Banks | Shares of Islamic Banks | Shares of Islamic Banks (%) |
| Total Deposits | 11,809,995 | 2,913,039.1 | 24.67% | 25.04% |
| Total Investments | 11,006,389 | 2,754,659.63 | 25.03% | 24.93% |
| Remittances | 376,286.6 | 103,241.23 | 27.44% | 27.12% |

(IFN ISlamic Finance News, 2020)

Islamic bank has 25.04% deposits of total bank, 24.93% investment and 27.2% remittances. Here in the Table we can see that Islamic Banks' general banking activities hold most of the deposits, investment and remittances. Islamic Banks are in a good position in comparison to all the commercial banks.

**Table 2. 3: Share of Deposit, investment and remittance position Islamic banks compared with Total banking sector in Bangladesh (BDT Million)**

| Share of Deposit, investment and remittance position Islamic banks compared with Total banking sector in Bangladesh (BDT Million) | | | | |
|---|---|---|---|---|
| Items | October- December 2020 | | | |
| | All Banks | Islamic Banks | Shares of Islamic Banks among all Banks (%) | Shares of Islamic Banks among all banks (%) |
| | 1 | 2 | 3= (2/1*100) | 4 |
| Total Deposits | 12904724.00 | 3269222.47 | 25.33 | 25.85 |

| | | | | |
|---|---|---|---|---|
| Total Loan & Advances | 11449073.00 | 2940936.38 | 25.69 | 25.44 |
| Remittances | 528441.90 | 214093.53 | 40.51 | 31.53 |
| Total excess liquidity | 2047380.20 | 293175.01 | 14.32 | 10.76 |
| Total number of bank branches | 10752 | 1528 | 14.21 | 13.80 |
| Total agricultural credit | 73936.7 | 9911.5 | 13.41 | 22.88 |

(Bangladesh Bank, n.d.)

### 2.2.4 Mobilization of Deposits

Figure 2.3 illustrates, at the end of period December 2020, the total deposit of this industry amounted to be increased by 2.28% compared to the previous quarter. The total deposit of BDT 3269222.47 is the sum of the demand deposit of BDT 350499.58 and the time deposit of BDT 2918722.89 million. Over the period, the share of total Islamic banking mode stood to be 25.33% among all the banks.At the end of the period December 2020, the 8 fully shariah-based Islamic banking’s deposits amount is BDT 3060002.37 million. This amount holds significantly 93.60% of the industry’s deposit.

At the end of December 2020, Islami Bank Bangladesh Ltd ensure the highest share of deposit (36.13%). Other banks such as Exim Bank Ltd (12.25%), First Security Islami Bank Ltd. (13.11%), Al-Arafah Islami Bank Ltd. (10.61%), EXIM Bank Ltd. (11.66%), Social Islami Bank Ltd. (9.15%), Shahjalal Islami Bank Ltd. (6.69%), Union Bank Limited (5.28%), ICB Islamic Bank (0.38%), Islamic banking branches (3.11%), have a significant contribution on deposits.

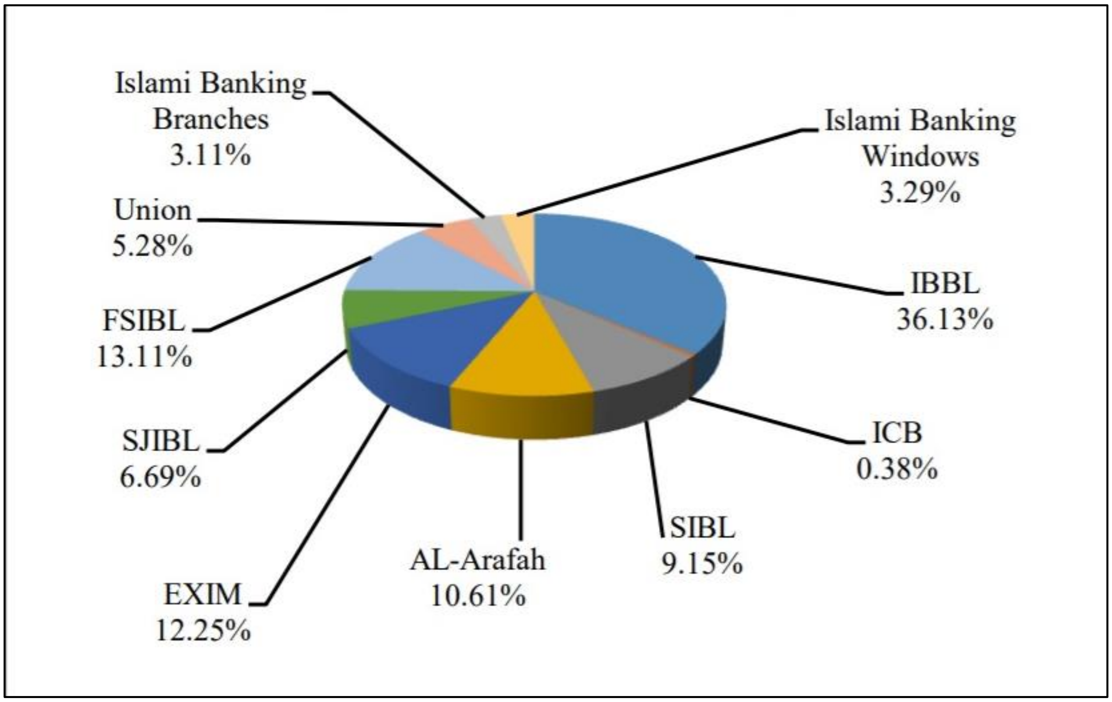



**Figure 2. 3: Mobilization of Deposits**

### 2.2.5 Types of Deposits

Figure 2.44 describes that, Mudaraba Term Deposits tend to be most appreciative compared to all the other types of deposits with 47.04%. Mudaraba Savings Deposits (MSD) (18.77%), Mudaraba Special Savings (pension/profit) Deposits (9.32%), Mudaraba Special Notice Deposits (4.67%), Al- Wadeeah Current Account Deposits (3.91%), Mudaraba Hajj Deposits (0.23%), Mudaraba Savings Bond (0.48%) and Other Deposits (15.58%), etc.

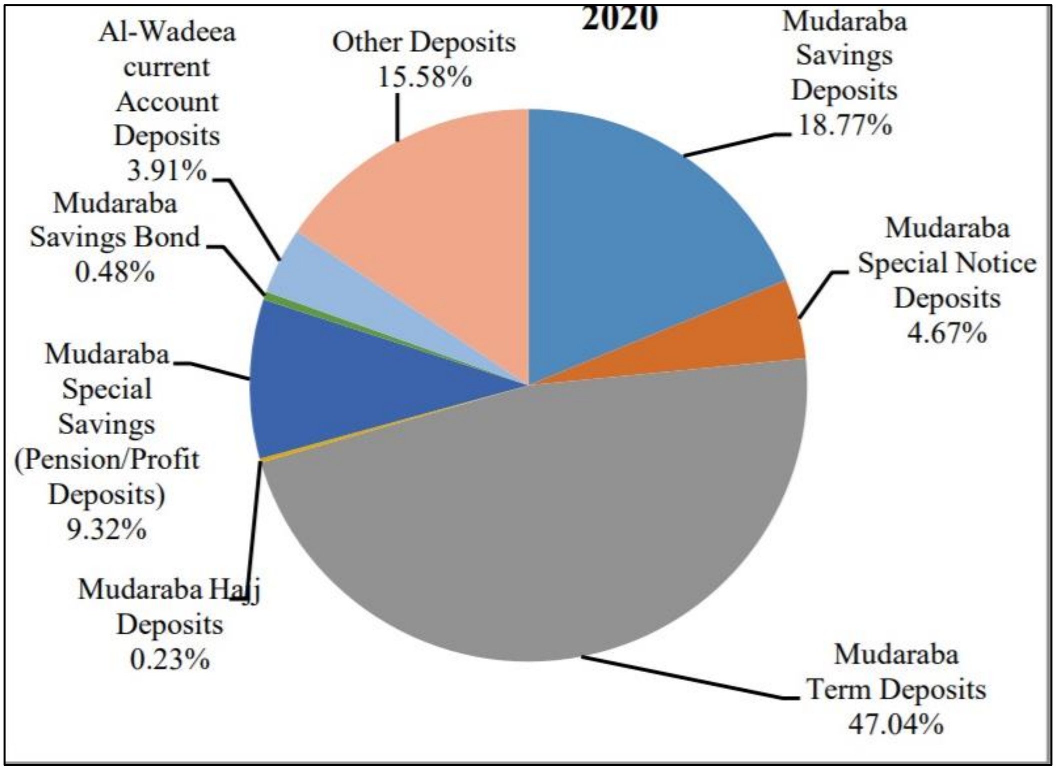



**Figure 2. 4: Types of Deposit**

### 2.2.6 Investment

At the end of December 2020, there was a significant rise by 3.55% and 8.09% compared to the precedent quarter and similar quarter of the previous year respectively. The total investment of this year is BDT 2940936.38 million and its share is 25.69% among all banks. The contribution of completely shariah-based Islamic banking is 94.76%, 2.96% from the conventional banks' Islamic banking branches, and the rest 2.28% from the conventional banks' Islamic banking windows in total investments

In the figure 2.5, we can see that the eight completely shariah based Islamic banks of Bangladesh's total investment percentage was 94.89%, conventional bank's Islamic banking branches (2.64%) and Islamic bank windows (2.47%) out of the total investment of Islamic banks . Islami Bank Bangladesh made the highest investment (34.49%) among all the Islamic banks at the end of this quarter. Other banks, First Security Islami Bank Ltd. (14.09%), EXIM Bank Ltd. (13.07%), Al-Arafah Islami Bank Ltd. (10.53%), Social Islami Bank Ltd. (10.08%), Shahjalal Islami Bank Ltd. (6.68%), Union Bank Ltd. (5.66%), ICB Islamic Bank Ltd (0.29%).

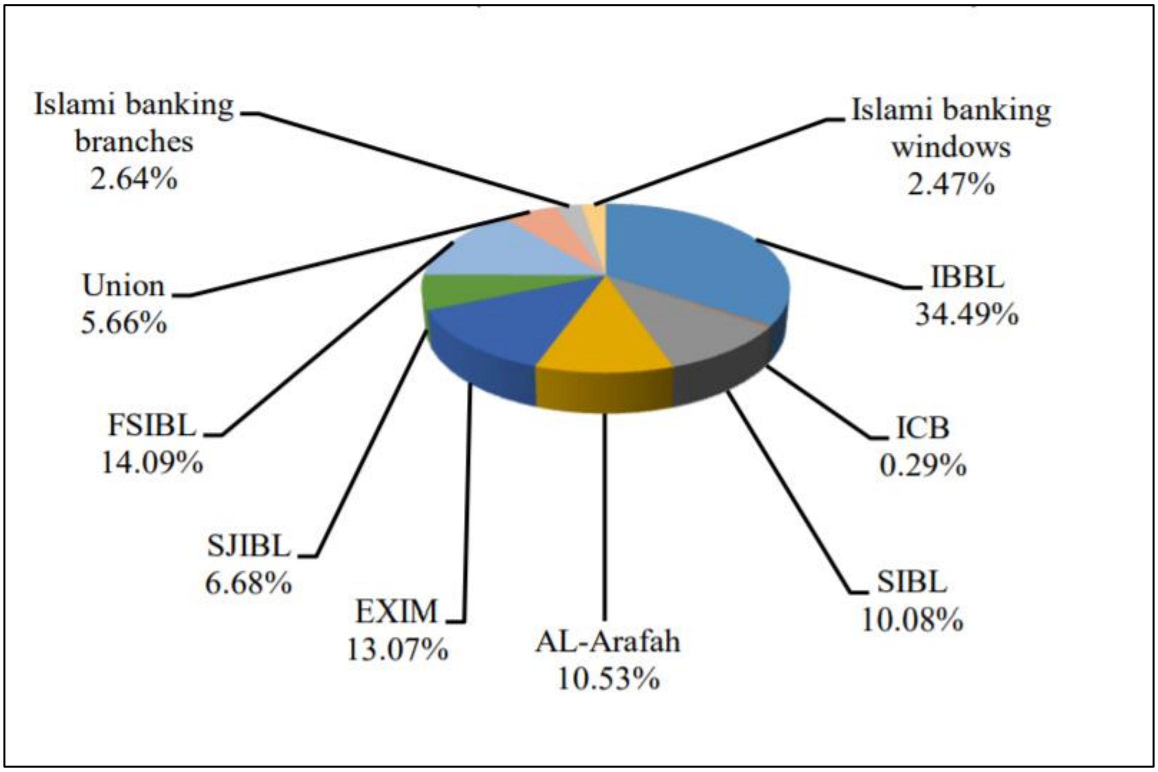



**Figure 2. 5: Investment made by Islamic Banks**

### 2.2.7 Liquidity

Figure 2.6 shows that, at the end of December 2020, the liquidity amount was BDT 59972.52 million of the industry. This figure is higher in contrast to the precedent quarter as well as the same quarter of the last year by 60.61% and 201.23% respectively. Among all Islamic banks, the amount of 255076.42 million, BDT 17481.18 million and BDT 20617.40 million represented by Non-Islamic bank's Islamic branches, Islamic windows of traditional ones, and 8 full-fledged Islamic Bank respectively.

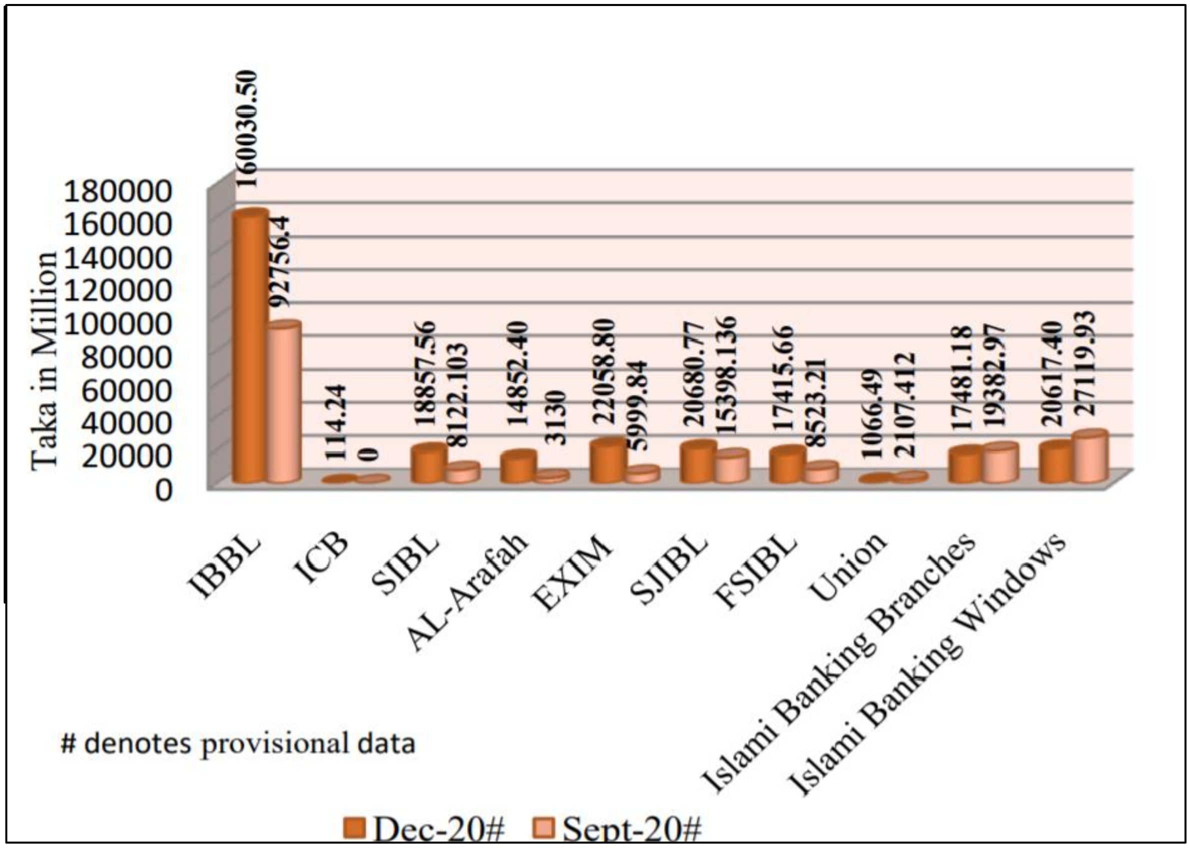



**Figure 2. 6: Excess Liquidity position of Islamic Banks**

### 2.2.8 Remittances Mobilized by the Islamic Banking Sector

At the end of quarter October to December 2020, Islamic banking industry’s total remittances was BDT 214093.53 million. This figure is higher in contrast to the precedent quarter as well as the same quarter of the last year by 19.24% and 46.31% respectively.

In the figure 2.7, we can see that the remittance collection, Islami Bank Bangladesh Ltd. stood in the succeeding position with a percentage 74.96%. The other banks in this industry’s percentage were Al-Arafah Islami Bank Ltd. (13.75%), Social Islami Bank Ltd (6.15%), EXIM Bank Ltd. (0.56%) First Security Islami Bank Ltd (1.53%), , Shahjalal Islami Bank (1.06%), Union Bank Ltd (0.47%), Conventional banks’ Islamic branches (1.33%), Islamic banking windows (0.17%) and ICB Islamic Bank (0.03%).

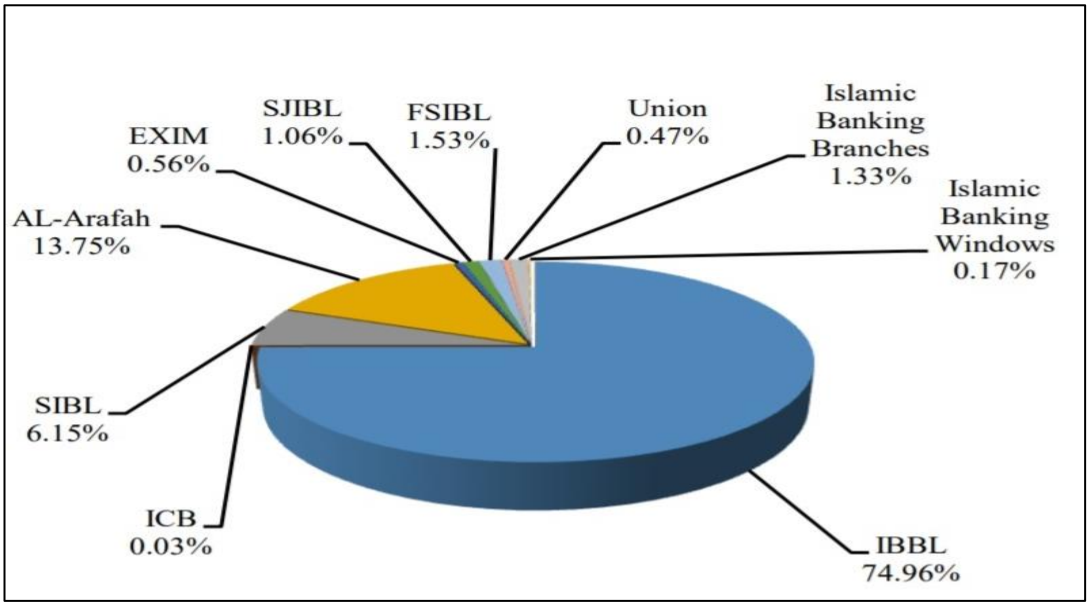



**Figure 2. 7: Share of Remittances made by Islami Banks**

In the figure 2.8, we can see that the Islamic banking industry contributed 40.51% in the share of remittance collection and the rest amount was contributed by conventional banks.

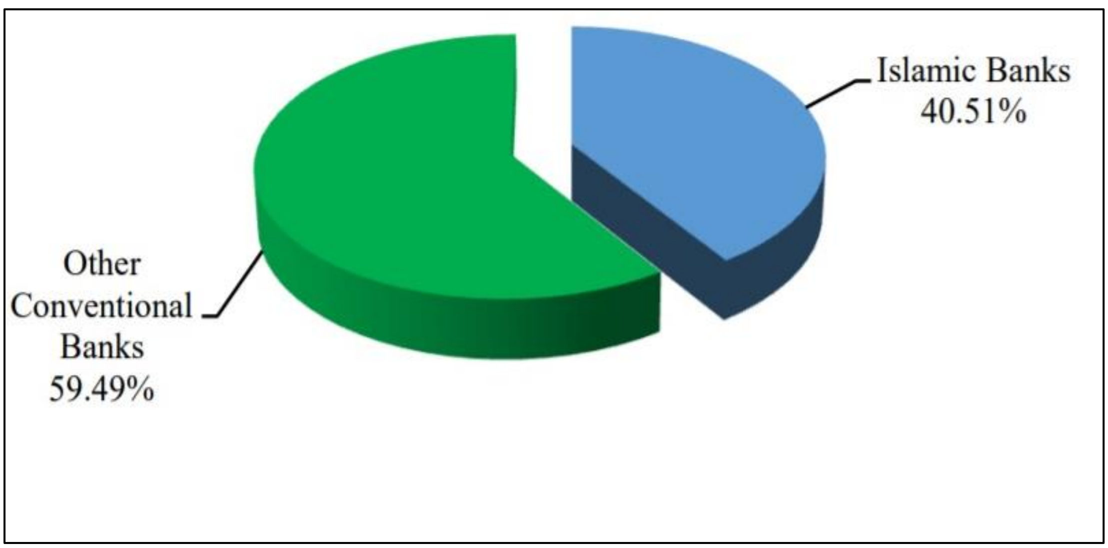



**Figure 2. 8: Share of Remittances made by Islami Banks and Conventional Banks**

### 2.3. Seasonality

Seasonality is a fluctuations of demand and supply of sales. It can be seen that banking industry seasonality is stable through the year but there is significant seasonal changes in the borrowing or funding loans.

The factors that affect or influence the seasonality of a bank:

**1) Interest rate:** There might be a change in interest due to seasons. It depends on the external factors which affect the change in interest rate. There will be increase of loan if there is lower interest rate due to the economic factors. On the other hand, demand for loan decreases when there is increase in interest rate.

**2) Deposit Fluctuations:** A bank's ability to provide or grant loan solely depends on the amount of deposits. Some bank faces seasonal deposit fluctuations where demand for loan is highest.

**3) Demand for Loan:** Demands for loan of individual bank cannot match the overall banking system due to economy. It is seen that in the season spring and summer, the demand is more. The demand decreases steadily during December. Also the main impulse behind the seasonal demand is the change in interest rate. If the interest rate increases, demand will decreases and vice versa.

### 2.4. External economic factors

Like other industry, Islamic banking industry also faces economic factors that affect them directly. The factors are given below:

**1) GDP:** The financial industry is affected by the increase and decrease of GDP. It can affect the demand and supply of banking.

**2) Inflation:** Inflation is macroeconomic variable which define if the country stable or not. Economic growth can be influenced by the changes of inflation. Amount of money flowing and monetary policy by the central bank that is done by government can be impacted if there is inflation. The process of making money can be impacted as money flowing is controlled by government. Inflation may cause instability of a country. Foreign investors do not invest their funds if a country's value of currency appreciates.

**3) Government Activities:** Government has certain rules and regulation for every industry. In the Islamic Banking industry of Bangladesh some rules are indicated by government through

Bangladesh Bank. Government has direct influence on the banking industry by implying the factors such as tax and vat.

Therefore, in this COVID-19 pandemic has affected the banking industry of Bangladesh which led to a lower deposit rates. Since most of the businesses within the country have put off their business activities due to lockdown, the existing borrowers are having trouble repaying loans, which in turn is increasing the credit risk of banks.

### 2.5. Technological factors

Every industry and firm need to keep pace with the changes of technology. Some Islamic banks are offering mobile banking app to deposit their funds or pay bills through mobile phone. Banks are also using technology in their workplace such as communicating with customers through mobile phone or computers. All the banks have their own website where customers can get detailed information about its products. They are is virtual meeting happening where there is no need of in person meeting. All the customers' information are recorded in their particular online portal. They have a specific software where they do all the work. So that can be easily used to identify customer and their account balance. Also debit card is changing where customers do not need to swipe rather they can tap to get the transaction without any pin.

Therefore, the usage of technology can save time and money. It makes reliable for clients, as they can do their daily transaction without visiting the branch of bank.

### 2.6. Political, legal, and regulatory factors

Government plays a vital role in the operation of Islamic Banking Industry. When an entity wants to conduct Islamic banking they need to follow certain guidelines provided by Bangladesh Bank. Government has certain rules for this industry which need to be followed religiously. The laws include trade tariff, restrctions, labour laws etc. Even government can get involved in the banking matters any time. Also government undertaking banks.

### 2.7. Barriers to entry

Islamic banking industry's barrier to entry is high. It will be not easy for a new bank to enter the market and compete. Also large sum of investment and capital is required to establish a bank and also they need to meet up with the government policies and regulation for the operation which is very strict. They need to have financial stability and liquidity. Brand identification is one of the key barrier for the new entrants to enter the market. The other factors that influence the entry of new competitors are:

1. High investment needed for its establishment
2. Existing bank has the cost advantage
3. Customers are loyal to the brand
4. Lack of skilled employees
5. Less accessed to raw materials
6. High switching cost of customers
7. Government regulations

**2.8. Supplier Power**

Depositors are the primary supplier of bank who provides capital to the bank. The bargaining power of individual depositor is less. Another supplier is employees who provide his or her skills. Individual employee has less power compared to labor union. The bargaining power can be controlled if employees are provided with incentives such as lucrative salary, festive bonus and promotions. Thus, it will help the organization to retain skilled workers. Other suppliers of bank includes IT consultants, marketing agents, cleaning services etc.

**2.9. Buyer Power**

In the banking industry, customers are the buyers who has the bargaining power and they take a loan from bank. The factors that influence bargaining power of buyers are:

1. **Few number of loan candidates:**

In the banking industry of Bangladesh, we can see there is not enough business loan applicants. Additionally, banks are providing personal loans by using their indolent cash. Therefore, there is increased competition among banks due to decreasing loan candidates.

2. **Switching Cost:**

As Islamic banking industry has been increasing. Many conventional banks are also converting to Islamic bank, this is leading to a less switching cost for customers. Customers are easily accessing the services from other Islamic banks. Also, most of the banks are providing same interest rates. Customers who wants to take loan can switched to banks who are giving lower interest. Therefore, competition among banks increasing as customers are switching from one bank to another very easily.

### 2.10. Threat of Substitutes

In Bangladesh, there are agent banking, mobile banking which are becoming popular as well convenient for customers. Mobile Banking such as rocket, Bkash, mcash, T-cash, Nagad, Ucash etc. Deposits are being collected mobile banking. Not all the Islamic banks have the mobile banking facility, which can be a threat for them in the near future. Also, it is hard for banks to pursue this mobile banking facility as they have already incurred huge cost in ATM's. Moreover there are many different financial and mutual funds companies which is providing services like bank. Therefore, it can be concluded that Islamic banking industry's threat of substitutes are relatively low than any other financial industry.

### 2.11. Industry rivalry

The Islamic banking industry is emerging day by day, so there is increased competition among banks. As the switching cost is low, customers can open their account in another bank by closing account of existing bank. It had intensified competition among the rivals. As to gain the competitive advantage banks can provide attractive offers to their customers.

The factors that influence industry rivalries are:

1. **Exit Barriers**

Bank has high exit barriers as it associated with high cost. Due to high exist cost, bank has to continue its operation while being on loss. Also some highly operated banks contribute to the economy, so closing them can harm the overall economy.

2. **Market share**

Banks which have high market share has less competitors. Still it needs to maintain its performance so that it can sustain its position. Banks which has low market shares they are surrounded by many rivals. They need to come up with better services and plans to tackle its competitors. They need to monitor the activities of their competitors.

## 2.12. Summary of challenges and opportunities

**Challenges**

- Islamic banking has to deal with short term investment as it is interest free.
- There is a lack of skilled workers, suitable long term assets, mode of financing and project financing by government.
- There a lot lacking in the use of technology in the banking industry of Bangladesh. Bangladesh banking industry is not tech-savvy like other countries. If they can provide facilities such as scanning of cheque by customer and sending to bank so that bank can process it, it would have been easier for customers.
- Some people are not aware of Shariah rules. Thus, they began to compare it with conventional banks. They are not aware of the Islamic principles.
- It gets difficult for Islamic banks to give clear idea about its activities to their clients. Some clients bargain about the profit they earn from deposits, as they do understand interest free system. Due to the lack of Shariah knowledge they fail to understand which will be Halal or Haram.
- Some conventional bank has wing of Islamic bank but they do not follow the shahriya compliances properly.
- Government has direct involvement. Thus any changes in rules can be a challenge for this industry.
- Many conventional banks wants to convert to Islamic banks, thus this might make the industry overcrowded and can loosen its principles.

**Opportunities**

- People has full faith trust on Islamic banking which is opportunity for this industry.
- It ensures equality of rights
- The entry to barrier high. So others cannot afford to enter this market along with a strict guidelines.
- They have better execution with regard to recovery of loan and numerous financial metrics in comparison to conventional banks.
- Islamic Banking has cheaper transaction costing and better delivery of service

- Non-Muslim customers can consider the Islamic banking services as diverse and suitable in terms of fulfilling their banking needs.

# Chapter 3: Analysis of Organization

## 3.1 OVERVIEW AND HISTORY

Since November 22, 1995, Social Islami Bank Limited (SIBL) has been a second-generation financial organization based on the "Shariah" philosophy.

SIBL is made up of two parts:

- SIBL Limited Securities and
- SIBL Limited Investment.

SIBL works closely with its valued customers and stakeholders to provide them with one-stop shopping services and access to cutting-edge technologies. Its unrivaled customer service has set them apart in the market. They like to form long-term business relationships with our customers in order to help them become more lucrative. SIBL employs 3125 people around the nation, who operate in 161 branches and 50 sub-branches. They also have 156 Agent Banking locations that provide services to the country's most remote areas. The financial sector is a country's economic barometer. SIBL, as a pioneer in the industry, has been entrusted with the agricultural, commercial, and industrial development of the county for the purpose of the economy's overall expansion. They offer local economic possibilities while preventing internal migration, as well as empowering and refining low-income households. To boost the country's total productivity, SIBL offers a wide range of monetary services to the import and export industries. This bank would provide Waqf certificates and manage and grow Waqf and Mosque properties and trust reserves in the non-formal corporate domain. In terms of the formal corporate area, the bank provides a wide range of banking services, including financing exchanges, various types of deposits and investment accounts, providing letter of assurance, health projects, opening LOCs, sorting bills that affect foreign and domestic exchanges, and so on. As a result of these bank contributions, business opportunities have increased like never before.

Social Islami Bank Limited has re-energized its efforts to better serve its customers in areas such as SME banking and Argo-money, with a focus on finding alternative distribution platforms for SMS banking and portable settlement installment frameworks, and finally familiarizing them with disseminating SIBL administrations to clients' doorsteps.

SIBL (Social Islami Bank Ltd) was established in 1995 as an open constrained organization engaged in Shariah-based business while retaining money in the country, and its regular operating procedures are fundamentally not identical to those of other conventional banks. This is the country's second-generation Social Islami Bank, which offers clients web-based savings accounts. It is registered under the Companies Act with its registered office at 7-8, Motijheel C/A, Dhaka, Bangladesh. SIBL's authorized capital and paid-up capital at the time of formation were TK 10,000 and 7031.42 million, respectively.

### 3.1.1 Vision of SIBL

- Collaborating towards a more compassionate society.

### 3.1.2 Mission of SIBL

- Establishing a banking model for three industries and providing high-quality financial services utilizing modern technology.
- Customer service that is quick, dependable, and satisfying.
- Introduction of innovative Islamic banking products.
- Adjusted and feasible development procedure.
- Ideal profit for the value of investors.
- Recruiting and maintaining high-quality human capital; empowering genuine impoverished families and creating work for local salaries; and assisting social welfare organizations by accumulating assets and social administrations.

### 3.1.3 Motto/Slogan of SIBL

SIBL Bank's motto is "Utkorsho obiram." These are two Bengali words that describe the organization's "Journey towards Excellence."

**Figure 3. 1: Logo of SIBL**

### 3.1.4 Objective of SIBL

SIBL's principal goal is to maximize profit through customer loyalty. SIBL has shown to make the most money by providing the most effective and increased customer service, as well as the following corporate products:

- Providing customers with the most basic and high-quality services and outcomes.
- To maintain a high standard of corporate and business ethics
- To be the most productive bank in terms of technology application
- To contribute to the capital event
- Aiming for consistent profit and well-adjusted growth
- Valuing and respecting clients and maintaining a positive banker-customer relationship
- Achieving and maintaining the top domestic market position in both client and company finance.

### 3.1.5 Core Values of SIBL

- Customer happiness should be prioritized, and banking goods and services should be improved.
- We can provide value to our partners by achieving brilliance in banking operations.
- Maintain a high moral standard in your dealings and be truthful.
- Adhere to all administrative criteria to become an approved company.

- Make a big contribution to the community's growth.
- Ensure that our human resources are more motivated and work in a more respectable environment, with a good mix of important and enjoyable tasks.
- Dedicated to the preservation of the environment and the practice of environmental awareness.

### 3.1.5 SIBL's person's positions:

**Table 3. 1: SIBL's Team Positions**

| Organogram of SIBL |
|---|
| Managing Director |
| Additional Managing Director |
| Deputy Managing Director |
| Executive Vice Presidents |
| Senior Vice Presidents |
| Vice Presidents |
| Senior Assistant Vice Presidents |
| First Assistant Vice Presidents |
| Senior Executive Officers |
| Executive Officers |
| Residency Officers |
| Senior Officers |
| Officers |
| Junior Officers |
| Assistant Officers |

### 3.2 TREND AND GROWTH

**Table 3. 2: Financial Highlights of SIBL**

| Year | Deposits | Investment | FX_Business | Total Income | Total Expenses | Operating Profit | Profit after Tax |
|---|---|---|---|---|---|---|---|
| 2020 | 322,383.51 | 300,617.94 | 140,824.28 | 29,850.86 | 25,507.65 | 4,343.21 | 1,550.93 |
| 2019 | 287,936.65 | 264,268.58 | 159,583.03 | 30,711.12 | 24,369.01 | 6,342.11 | 1,521.45 |
| 2018 | 248,324.49 | 238,654.17 | 178,590.50 | 27,615.52 | 21,472.40 | 6,143.12 | 1,583.43 |
| 2017 | 228,798.90 | 210,045.51 | 202,037.00 | 21414.39 | 15248.19 | 6,166.21 | 1,455.25 |
| 2016 | 190564.5 | 174196.1 | 167382.3 | 19,174.34 | 13,476.25 | 5698.08 | 2,292.19 |
| 2015 | 149773.6 | 134116.9 | 149192.4 | 17305.61 | 12455.79 | 4849.82 | 2,072.59 |
| 2014 | 124535 | 107900 | 139910.1 | 15718.07 | 11753.8 | 3964.27 | 1903.72 |
| 2013 | 102,104.48 | 85,922.33 | 132,374.70 | 15,186.16 | 12,292.09 | 2,894.06 | 1,220.20 |
| 2012 | 93,276.83 | 76,024.97 | 126,519.90 | 5,549.45 | 1,906.62 | 3,642.83 | 1,465.22 |
| 2011 | 66853.59 | 53908.57 | 105037.00 | 8512.22 | 5914.78 | 2597.43 | 1265.11 |
| 2010 | 44850.77 | 36680.28 | 61931.00 | 5068.10 | 3429.47 | 1638.63 | 643.01 |

(Financial Reports, n.d.)

**Table 3. 3: Business Growth of SIBL**

| Year | Paid up Capital | Total Capital | Total Assets | No of Branch | No. of Employee |
|---|---|---|---|---|---|
| 2020 | 9380.08 | 30368.90 | 384,999.71 | 168 | 3100 |
| 2019 | 8933.41 | 27901.80 | 345,056.23 | 161 | 2957 |
| 2018 | 8,121.29 | 26,111.51 | 307305.32 | 155 | 2847 |
| 2017 | 7,382.99 | 21,725.08 | 276348.95 | 138 | 2599 |
| 2016 | 7,382.99 | 19,195.04 | 227704.2 | 125 | 2363 |
| 2015 | 7,031.42 | 16916.08 | 180112.1 | 111 | 2130 |

(Financial Reports, n.d.)

Here, I have discussed about the trend and growth of SIBL using several graphs below:

### 3.2.1 Deposits

SIBL deposits have risen proportionately over time, as seen in figure 3.2. It shows that SIBL was able to recruit and keep consumers throughout those times. SIBL was successful in attracting fresh funds and consumers to its services. As a result, the bank was likely able to lend more money, increasing its profits. Despite the fact that a loan is an asset for the bank, deposits are liabilities since the bank pays its financing cost to borrow money from the client, even if this cost is far smaller than the interest received on the loan. In 2020 bank was only able to increase 12% deposits from the precedent year. In 2019 bank was only able to increase 15.7% deposits from the precedent year. In 2018 bank was only able to increase 8.5% deposits from the precedent year. In 2017 bank was only able to increase 20% deposits from the precedent year. In 2016 bank was only able to increase 27.3% deposits from the precedent year. The average growth over the six years was 16.7%.

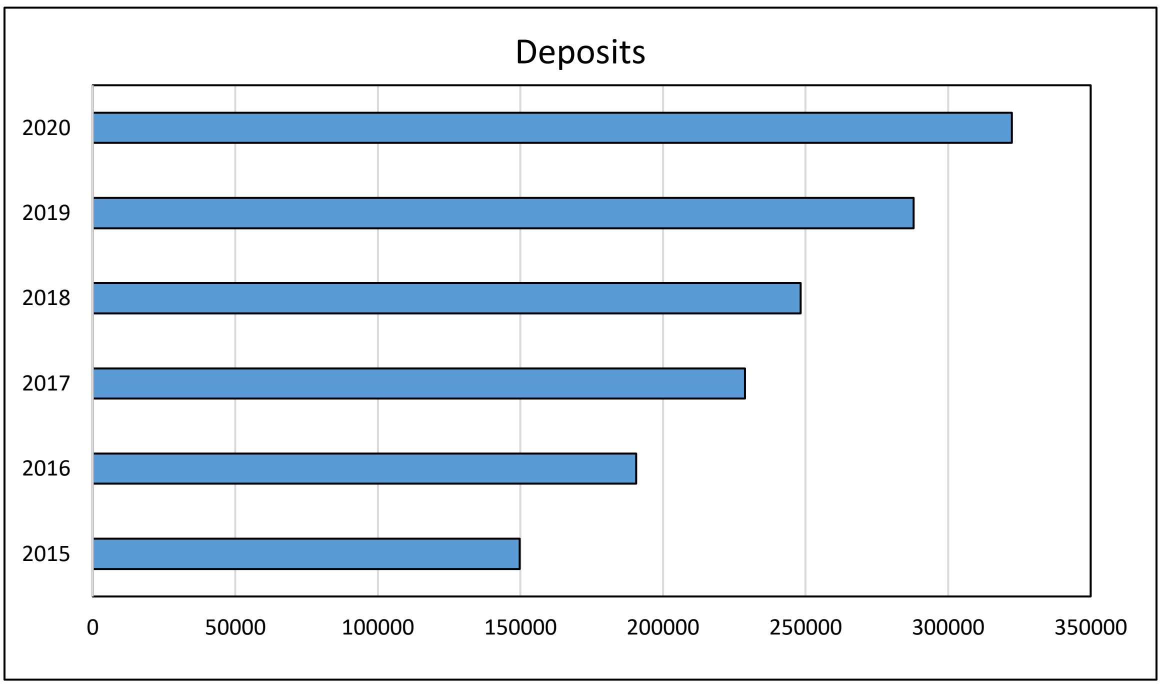



**Figure 3. 2: Trend of Deposit over the years of SIBL**

### 3.2.2 Investments

Investment is the procedure through which banks provide funds to other companies in order to facilitate their transactions. Bank made money as a commission-based agent. As shown in Figure 3.3, the bank's investment activity has increased during the years from 2015 to 2012. As a result, the bank is making more money by acquiring an asset on behalf of others.

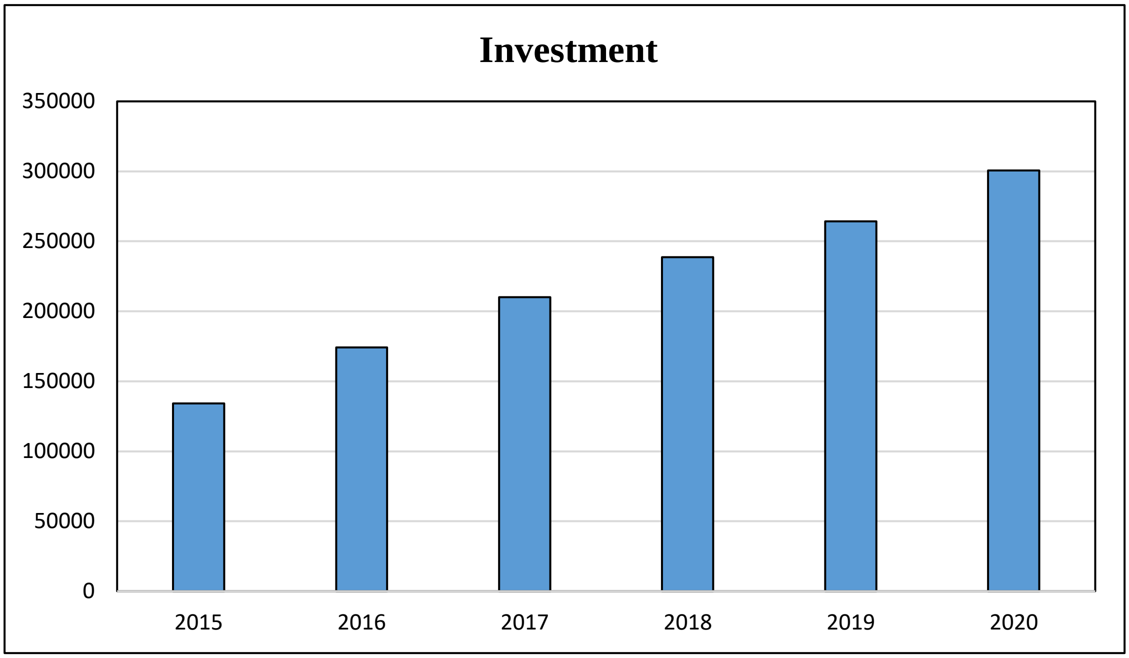



**Figure 3. 3: Investment of SIBL over the years**

### 3.2.3 FX BUSINESS

Figure 3.4 depicts the bank's FX department, which deals with the foreign exchange (commonly known as FX) market, which is a global market for exchanging national currencies against one another. Banks promote customer exchanging and participate in speculative trades through their trading desks. The spread of bids indicates the bank's earnings because banks act as dealers for their clients. Currency sales speculation is done to profit from currency changes. As seen in Figure 3.4, from 2015 to 2020, the Bank's foreign exchange operations have consistently increased.

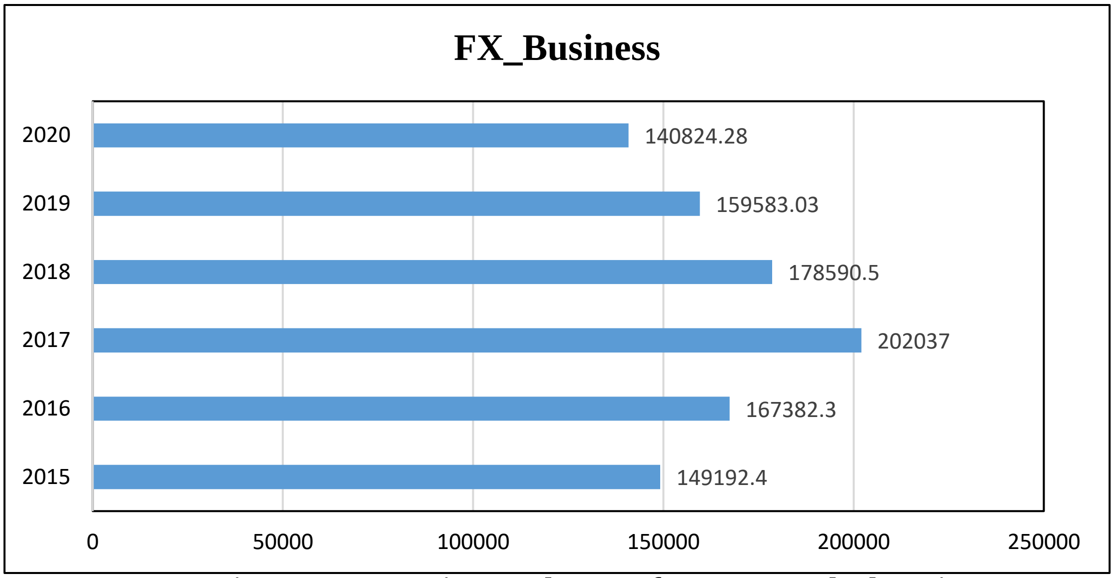



**Figure 3. 4: Foreign Exchange of SIBL over the last six years**

### 3.2.4 Profit after Tax

The net operating profit after tax (NOPAT) is a financial metric that shows how well the bank performed in its main business. As the graph shows, despite the upward trend, NOPAT for SIBL has varied over the years. Figure 3.5 shows that NOPAT for the bank increased by 10.59 percent in 2016 as compared to the previous year 2015. Although, from 2016 and 2017, the bank's NOPAT decreased by 36.5 percent. During the year 2018, the bank was able to effectively manage its resources and increase its NOPAT by about 8.8% over the previous year. On the other hand, in 2019 there is slight drop in percentage increase of NOPAT which is (3.9%). Lastly, in 2020 there is a positive increase in NOPAT compared to previous year which is 2%. Therefore, it can be said that they need to maintain its NOPAT as the trend is inconsistent over the years.

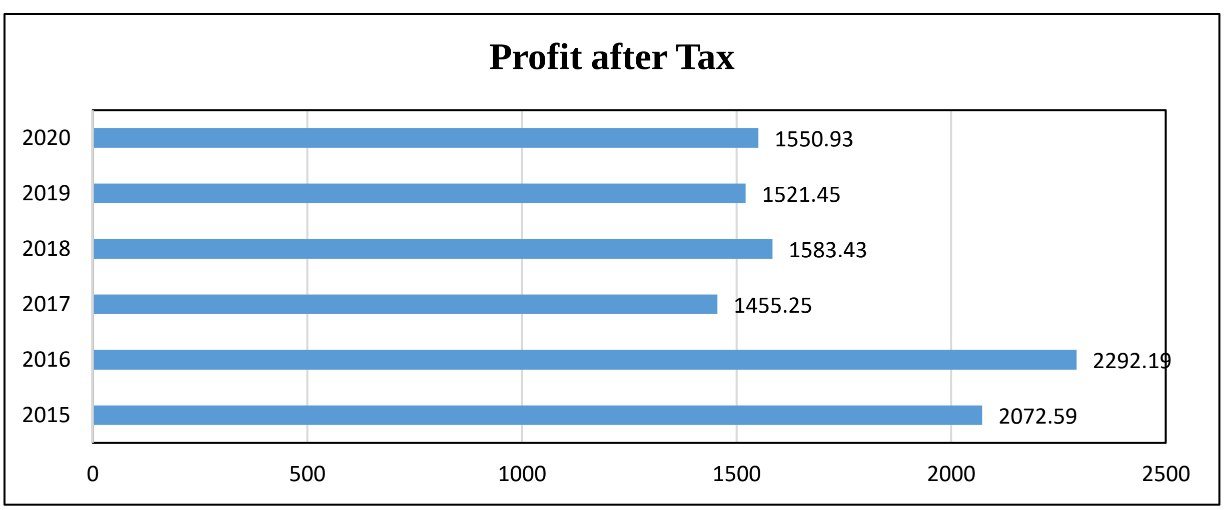


**Figure 3. 5: Profit after Tax over the last years**

### 3.2.5 Paid up Capital

Paid-up capital is a benefit that investors receive from their cash-valued part of the stock. Paid-up capital is obtained when a business investigates the main market for its shares and sells them directly to its investors, usually through an initial public offering (IPO). The degree to which a corporation relies on equity investment to support its operations is measured by its paid-up capital. Figure 3.6 shows that SIBL's Paid-Up Capital has remained constant, with just a 10% and 5% increase in 2019 and 2020, respectively.

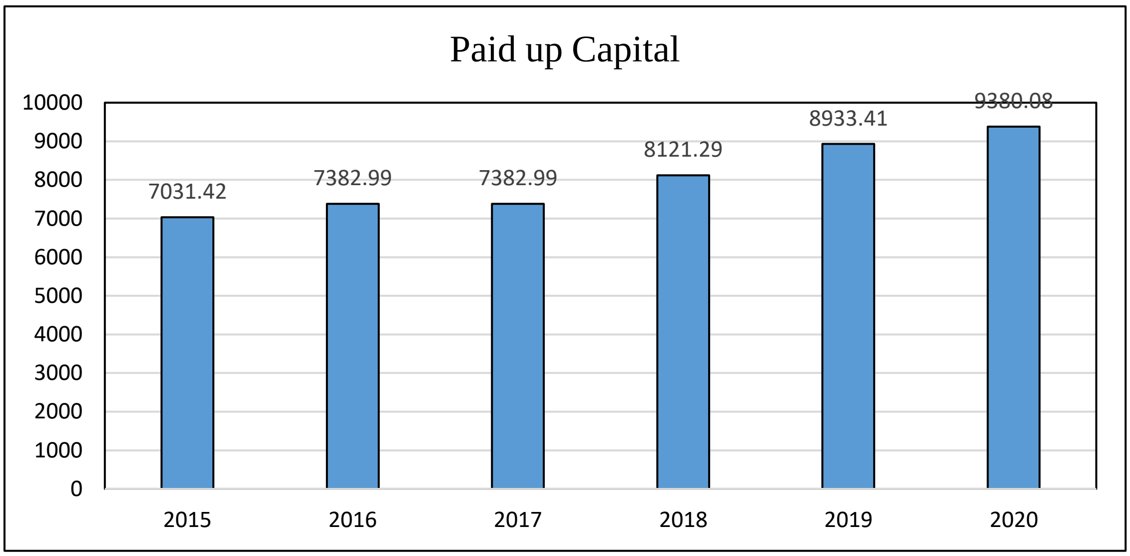



**Figure 3. 6: Paid up Capital over the last 5 years**

### 3.2.6 Total Assets

As shown in Figure 3.7, the bank's total asset rose spontaneously by 26.42 percent, 21.36 percent, 11.20 percent, and 12.28 percent in the years 2016, 2017, 2018, and 2019 compared to the previous years. In contrast, the percentage rise in 2020 was 11.6 percent, which was somewhat lower than in 2019. Typically, increased assets indicate that the bank is expanding, but everyone understands that there is a lot more going on behind the scenes than merely looking at the assets. The goal is to determine how an organization's asset expansion will be financed.

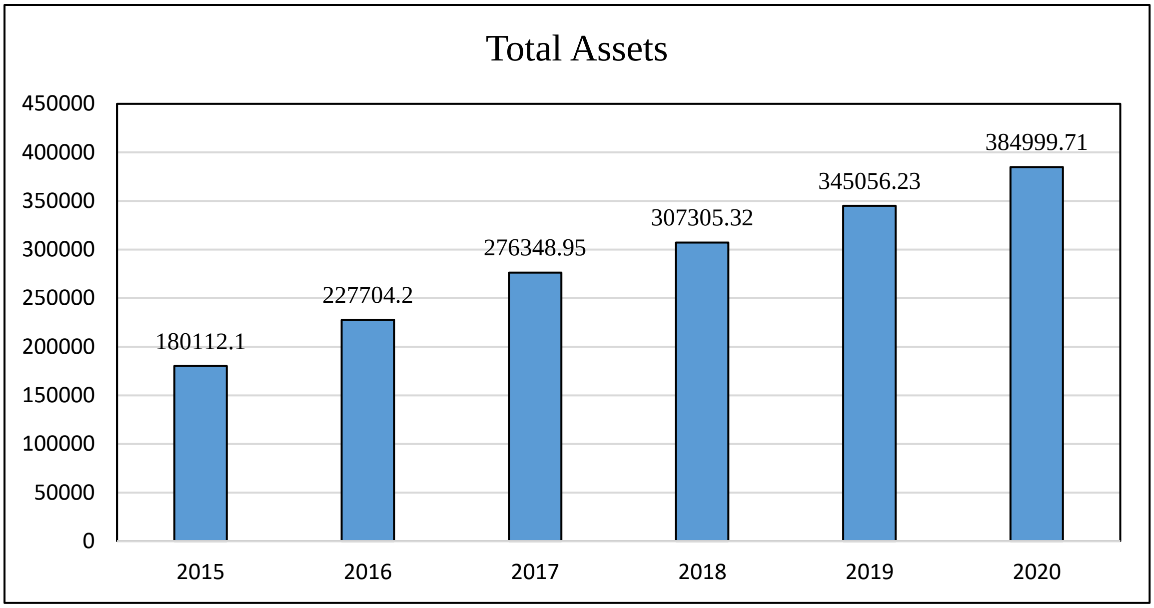



**Figure 3. 7: Total Assets over the last years**

### 3.2.7 Total Capital

Bank capital is a major expression of its asset and liability, as well as an incentive to its investors. The objective of the reserve capital is to deal with a specified level of distress before the company becomes bankrupt. Because the above figure 3.8 is favorably skewed, it suggests that banks always retain an asset-to-liability ratio in the event of unforeseen circumstances.

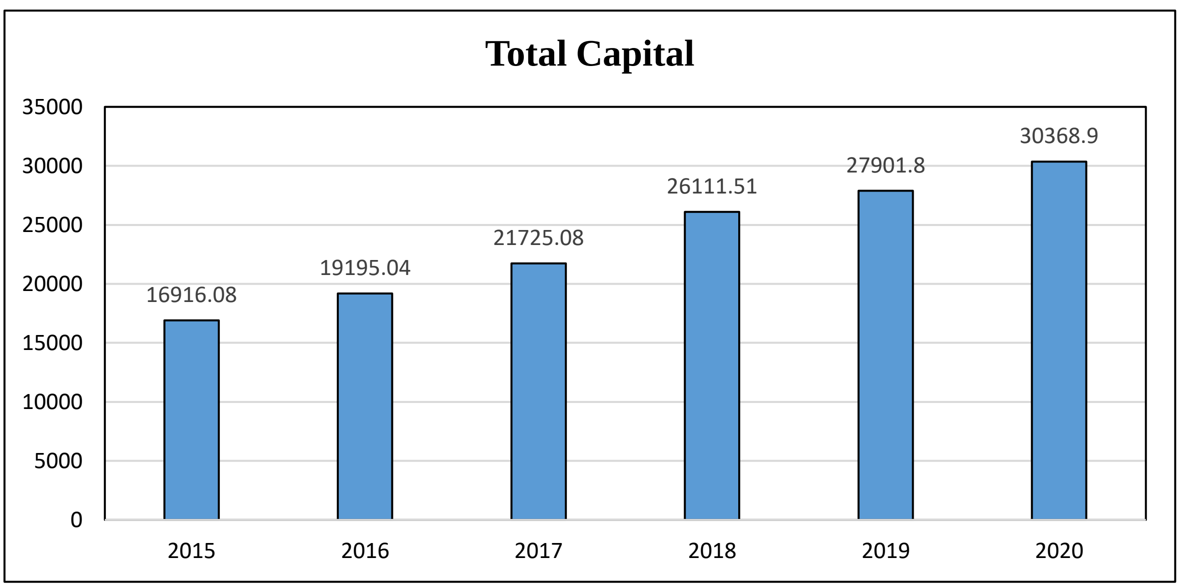



**Figure 3. 8: Total Capital over the last six years**

### 3.2.8 Number of Branches

In the figure 3.9, we can see that SIBL had great expansion of branches over the years. That means they have expand its business throughout the years to reach more customers.

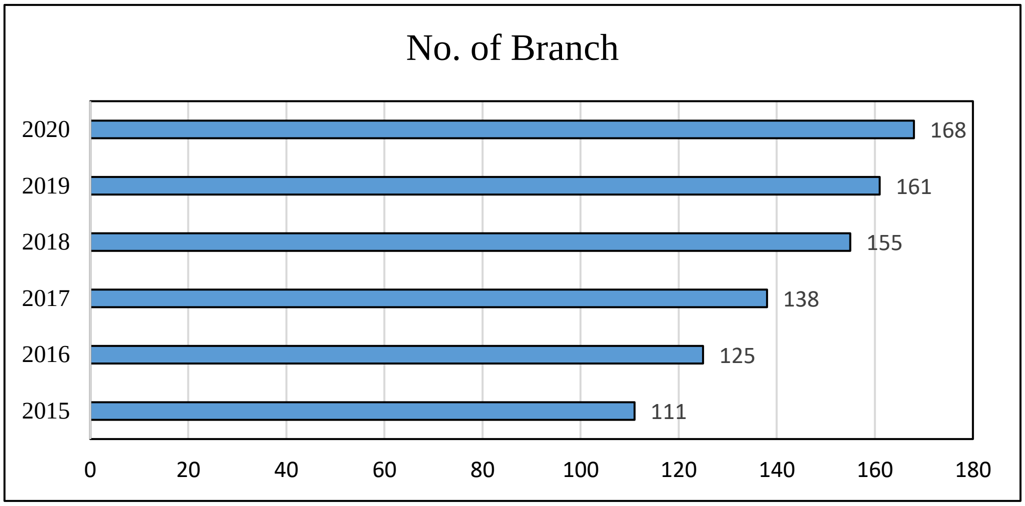



**Figure 3. 9: Number of branches over the last six years**

### 3.2.9 Number of Employees

Here, figure 3.10 shows that over the years SIBL tried to increase its manpower. They have hired skilled workers so that their operation becomes smooth and they can give fast service to customers.

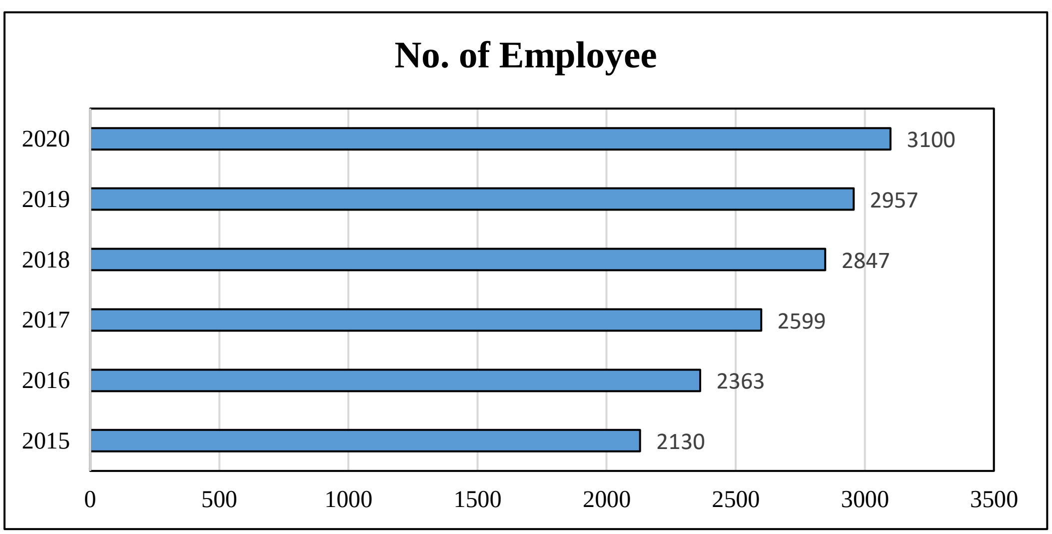



**Figure 3. 10: No. of employees over the last six years**

### 3.2.10 Growth of SIBL in this pandemic

SIBL has succeeded admirably in 2020, despite regulatory pressure on net profit margin, flexible repayment arrangements imposed by the authorities, and a negative business trend during Covid-19. Even in this difficult environment, SIBL has achieved considerable growth in the year 2020. The bank's assets increased from 34,505 to 38,499 crores. The deposit has risen to 32,238 crores from 28,793 crores. The investment has also grown from 26,426 crore to 30,061 crore, in addition to the deposit. It demonstrates that, despite the difficult circumstances, we continue to strive for the bank's growth. The profit (after tax and provision) climbed to 155 crore last year, up from 152 crore the previous year.

## 3.3 CUSTOMER MIX

Customers are segmented in SIBL based on their purchases. Because SIBL is a financial instruction, no defined client category exists. To become a SIBL customer, you must have a valid NID or passport, be at least 18 years old, and have a source of income. There are several common occupational classifications, which are as follows:

I. Student: A student can create a SIBL account. However, a guardian who is over the age of 18 should be a requirement of the running account. However, a minor student can withdraw money using a debit card up to a certain amount.

II. Housewife: The housewife likes to create a savings account. She may rely on her spouse or family as a source of income because she has none.

III. Service holder: persons who work in the service industry like to open a savings account so that they may save money and quickly transact money anytime they wish.

IV. Business: People who own a business prefer to keep their money in a current account. Because they must trade large sums of money multiple times every day. In addition, a businessperson might create a savings account to save money while conducting business.

V. Company: Some businesses have a pay-roll account with SIBL. They pay their employees' salaries using a payroll account.

VI. Other: SIBL has a large number of customers who do not fall under this group.

## 3.4 PRODUCTS AND SERVICES

SIBL, a business bank, will be responsible for all traditional financial administrations, including a wide range of savings and investment schemes products, foreign exchange, and auxiliary services, all while utilizing cutting-edge technology and professional management. The results of the separate SIBL offices are summarized in the table:

**Table 3. 4: Products of the respective SIBL departments**

| Department | Product & Service |
|---|---|
| General Banking Product | Deposit:<br>• Al wadia current deposit<br>• Bills payable<br>• Mudaraba saving deposit<br>• Mudaraba Term deposit<br>• Mudaraba Scheme deposit |
| Foreign Exchange Service | • Export and Import Finance<br>• Foreign Remittance<br>• SWIFT |
| Investment products | • Commercial lending<br>• Export Financing<br>• Consumer and House building investment<br>• Micro investment<br>• Modes of Investment:<br>• Mudaraba<br>• Murabaha<br>• Bai muazzal<br>• Hire purcahse sirkatul Meelk<br>• Quard |

Customers can choose from a variety of deposit and other accounts to suit their needs-

### 3.4.1 Mudaraba Saving Deposit:

The money in the account can be moved by the institution from one client to another. One introducer is required to open the account. This account can be opened by a single person or a group of individuals. Only twice a week or four times a month the depositor may withdraw their money.

### 3.4.2 Mudaraba Term Deposit:

The profit from an investment is agreed upon to be shared with the bank, and the credit terms of this account are 1, 3, 6, 12, and 24 months.

### 3.4.3 Al Wadiah Current Deposit:

The bank has authorization to invest money from the account, but only at its own risk. The account's owner bears no risk and receives no profit from the account's investments. It's a current account that can only be opened if the depositor follows the bank's instructions and deposits the required minimum amount.

### 3.4.4 Mudaraba Deposit Scheme:

The bank offers numerous programs to meet some of them, including the following:

- **Mudaraba Pension Saving Deposit:** This store plan can be opened by anybody over the age of 18 years of age and whose state of mind is sound. There are a few month to month investment funds rates, e.g., Tk. 100, Tk. 400, Tk. 500 and Tk. 1000. In this record, cash can be saved by the proprietor at a decent rate each month until it arrives at its development. After arriving at its development the contributor gets a considerable measure of cash back including benefit. Either the investor can pull out the entire sum at a time or take it out month to month until it arrives at the assigned time.
- **Mudaraba Hajj Saving Deposit:** In this plan, the record holder is known as Sahib-e-mal and the bank will be a Mudarib. The hour of this kind of plan goes from 1 to 20 years. To open this record a speaker should be available. While opening the record any amount of portion can be picked. Albeit the proprietor of the record can work with the benefit prior to arriving at development according to the standard of Al-Wadiah's present record. Nonetheless, except if the record is no less than a half year old, no benefit will be given all things considered.
- **Mudaraba Lakhopoti Deposit Scheme:** A kind of record where the proprietor by picking any of the accompanying month to month reserve funds' sum; Tk. 470, Tk. 1280, Tk. 2380, Tk. 3830 can open the record. This current plan's term can go from 2, 3, 5 or 10 years. Except if the record is shut inside a half year, the proprietor can devour the benefit even before the development according to the standard of the Mudraba Saving Account. In the

event that the contributor proceeds with the plan for 1 year, they have the advantage to take advance up to 80% of the kept sum from the bank

### 3.4.5 Services:

The following are some of the other services they offer:

- Online Banking
- ATM Service
- Online Banking

## 3.5 OPERATION

There is a distinct department for SIBL. General banking, cash, investment, remittance, foreign exchange, cheque clearing, Human resource department, IT department and Finance and accounts department are the categories. SIBL runs their service from a certain department based on client need.

**1. General Banking (GB):** General Banking is a department that works from the start. Account opening, data input, debit card and cheque book-related tasks, account closing, pay-order, and so on are examples of tasks.

**2. Cash:** This falls under the category of general banking. The cash section's job is to handle all types of cash transactions. Make a deposit or a withdrawal.

**3. Investment:** This investment department is responsible for investing money in various areas in accordance with Islamic shariah. To invest anywhere, you must first conduct research about the client, business, or industry in which you intend to invest. Information is gathered, verified, risk is calculated, and if a match is found, money is invested to maximize shareholder returns.

**4. Remittance:** When a person transfers money in their own currency from a distant country to their family or relatives in their own country. The entire procedure takes place at the remittance department.

**5. Foreign exchange**: Work for a different currency in this foreign exchange (FX) department. They exchange currency from one nation to another based on the value of the currency; it might be two or more currencies. Arbitrage is a term used to describe when someone invest or acquire currency in order to profit from future sales.

**6. Cheque clearing:** When a customer walks in with a check from another bank that he or she wants to deposit into another bank account, the entire procedure is handled by the cheque clearing or bank clearing division.

**7. HR Department:** SIBL's HR section is led by a talented group of administrators who are in charge of all HR-related matters. Because of their hard effort, they are able to find qualified candidates for reasonable positions. An HR’s job description in a bank covers a variety of duties and responsibilities. It entails hiring, selecting, training, and developing workers, as well as evaluating their performance and maintaining employee database information as well as deciding their compensation and benefits.

Employee Selection, according to SIBL, is the process of matching the appropriate personnel to the right jobs. It's the process of aligning organizational needs to people's abilities and credentials. For choosing and hiring people for a position, HR relies on the usage of modern methods.

Steps of recruitment in SIBL include:

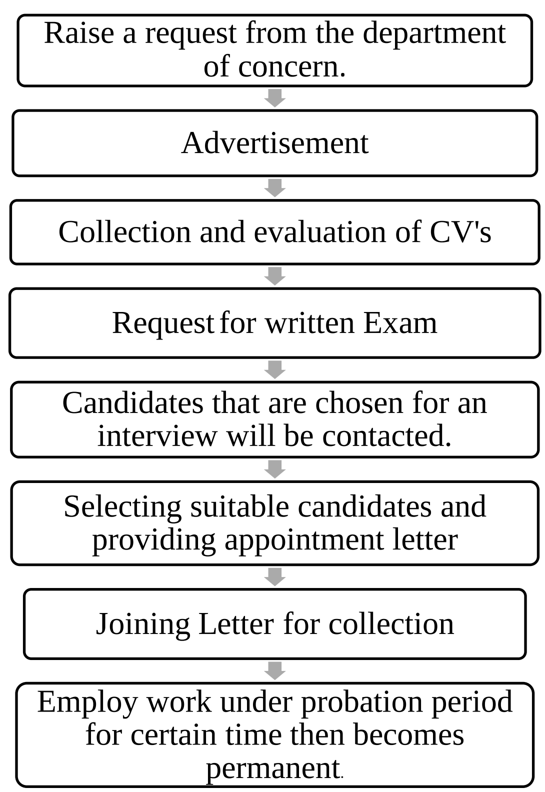


**Figure 3. 11: Steps of recruitment in SIBL**

**8. Information Technology Department:** Giving hardware and software support, as well as network assistance, are the primary tasks or functions of the IT department of Social Islami Bank Limited. Social Islami bank's IT department has its own software called ABABIL software, which is used by all SIBL employees and provides all services.

**9. Finance and accounts department:**

The accounting department is the division of a company that is responsible for financial statement production, general ledger management, bill payment, customer bill preparation, payroll, and other tasks. In other words, they are in charge of the company's entire financial management. The accounting department is in charge of documenting and reporting a company's financial flows, both in and out. Within the department, there are five fundamental roles or functions:

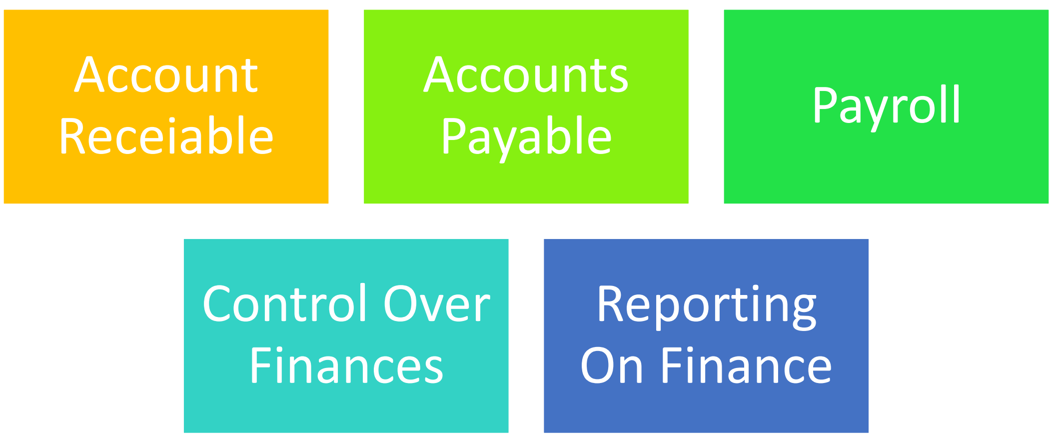



**Figure 3.11: Functions of Accounting Department**

The functional operations of maintaining books of accounts at SIBL are directed in two ways, Tally software and Payroll sheet. The primary duties of the Finance & Accounts department are mostly the uploading of different transactions to Tally software and keeping the company's compensation data up to date and processing monthly payments.

Therefore, at the end of period bank has to generate financial reports such as annual financial statement and quarterly statement so that they can share it with their shareholders and customers to show how are they operating.

## 3.6 SWOT ANALYSIS

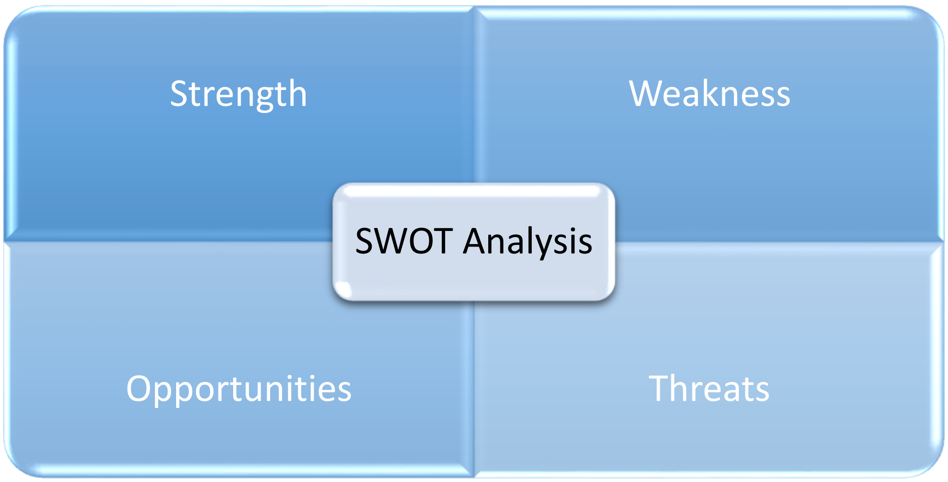



**Figure 3. 12: SWOT Analysis of Social Islami Bank BD**

### 3.6.1 STRENGTH

**Personnel who are honest and dependable:** All SIBL employees are dependable and trustworthy. They have consistently pledged themselves to the consumers in order to provide superior customer service. As a result they are less turnover of employees leaving the organization. As a result, SIBL will not have to look for trustworthy personnel, and consumers will be able to rely on them. As a result, it serves as a source of strength for them to provide superior service to clients through honest employees.

**Fairness:** Bangladesh is a Muslim country, and the majority of the population considers interest to be Haram. They consider Islamic banking to be fair source of banking. As a result, they would rather use an Islamic bank than a regular one. SIBL, being one of the structure's top banks, constantly provides service while adhering to Shariah-based principles as well as central bank rules and regulations. So, this act as their competitive advantage as most of the customers prefer Islamic banking compared to conventional ones. SIBL already has gained the trust of their customers with fair means.

**Customer focused team:** Customer-focused team is critical for every company that wants to provide a positive client experience. Social Islami Bank Limited has a solid management team that is primarily concerned with the needs of its customers. The management here is constantly striving to provide the finest service to its customers, which has resulted in a rise in deposits in the company's early years. Furthermore, SIBL has a customer-focused management team, and it is this management's handling that leads to client loyalty. The most important aim is to meet the needs of the customers, which is a great strength for this organization in the long run to sustain in the banking sector.

**Sufficient capital:** Social Islami Bank Ltd. has adequate capital. That is why they do not need to go outside and borrow money from external sources such as the central bank or a variety of other businesses. Working capital that is high indicates that a firm is managed well and has the potential for rapid expansion. Capital serves as a financial safety net in the event of a loss. When numerous borrowers are unexpectedly unable to repay their debts, or when some of the bank's investments lose value, the bank will lose money and may even go bankrupt if it does not have enough capital. If it has a strong capital foundation, however, it will be able to withstand the loss and keep operating and serving its consumers. Banks must be able to withstand such losses and continue to operate in both good and bad times in order to be safe and preserve people's money. That is the purpose of bank capital. Further, it helped them to position themselves with strong capital base and be able to sustain in the market even if they were in crisis.

**Availability of investment funding:** SIBL always keeps sufficient cash on hand to provide investment financing. SIBL maintains a high level of productivity in their investment services in order to obtain a competitive advantage over other banks in the sector.

**Strong Brand Position:** In the banking industry, it holds a strong position. SIBL has made a name for itself. It is one of the most well-known Islamic banks. In this competitive industry, they provide financial services to customers and have established themselves as one of the most recognizable Islamic banking institutions.

**Strong Information Technology:** SIBL has adopted one of the greatest world-class Information Technology platforms in the bank to provide quicker and safer delivery of services to clients on a

24/7 basis, in order to make the operation competitive. Customers can use ATMs, POS, Internet Banking, and SMS banking since the bank has set up its alternative delivery channel infrastructure.

**Skilled Workforce:** SIBL's management staff is capable of dealing with any type of difficulty or uncertainty, and they are constantly ready to do so. They are opt fight to any challenges with their knowledge and skills. As part of a financial institution, they are always up to speed on economic variables both internal and foreign. They are also conscious of their workers. Employees are in direct contact with customers. As a result, they think that in order to become the finest service company, the most essential factor is customer happiness, as well as improving staff satisfaction. Therefore, the skilled management staff works efficiently which will ultimately serve the organization’s goal while also giving a competitive advantage over their competitors.

**Banking Services are being extended: Customers** may use any SIBL location to access internet banking, which includes deposit/withdrawal capabilities and no transaction fees. Sub-branches are formed to provide branch service in remote regions around the country, and they are cost-effectively administered by Bank personnel under the supervision of the controlling branches. SIBL offers Agent Banking to help unbanked persons in rural regions have access to banking services. SIBL now has 119 agent banking shops, with plans to establish many more in the future around the country.

**Internet banking:** Banking through the internet SIBL was one of the first banks to provide online banking. SIBL is the first Islami bank to provide online banking to its customers, which is available at all of the bank's 168 branches and 115 ATMs. Clients can now use Internet and Mobile Banking to access their accounts. The use of an online banking system helps to decrease paper waste.

**Profitability:** SIBL has a strong track record of profitability, and its management is well-versed in business risk. Because the modern banking sector has introduced increased company diversity, the Bank operates in a highly competitive market.

### 3.6.2 WEAKNESS

**Insufficient number of personnel:** SIBL employs a small number of people in comparison to its business. Due to a shortage of employees, they are unable to provide effective service to their clients. As a result, there is a delay in providing services to clients. Clients must wait for their turn before receiving services. It irritates the client at times and distorts SIBL pictures. Nowadays, most banks have better customer service and they have adequate employees, so this weakness be hinder for SIBL’s success in this competitive market.

**Shortage of innovations tools**: SIBL is still behind the times in terms of technical progress. There is a constant flow of technical innovation nowadays, but SIBL does not want to move with it. As a result, they are frequently referred to as back-dated, which not only annoys customers but also limits employee productivity. When a result of their aversion to technological advancement, they may suffer in the near future as other banks adopt contemporary technologies. This might be a hindrance to SIBL's success.

**Lack of promoting strategy**: In every industry, advertising plays a vital role. In comparison to other banks, SIBL lacks a promotional effort. SIBL does not have a lot of exposure in the media, billboards, or television to market their brand. They solely concentrate on social media and their website, which is insufficient to attract a diverse audience. Nowadays, marketing is responsible for all sales. Some people may be unaware of their product, services or Islamic banking options. Brand building is aided by effective marketing or advertising.

### 3.6.3 OPPORTUNITY

**Products Variations:** SIBL caters to a wide range of customers, including businesses and businesspeople, ordinary people, workers and employees, and day laborers. For all types of individuals, they set the product portfolio. As a consequence, consumers may readily understand their sort of goods and pick it, resulting in an increase in investment. In a competitive market, there is an opportunity to boost consumer numbers.

**Expansion:** SIBL plans to expand its service area from urban to rural by offering new customized goods and services that are suited to different economic classes of people in order to attract the unbanked into the banking system which can be an opportunity to be successful player compared to other banks**.**

**Advanced and efficient service**: To keep up with the competition, banks must use technology advancements to better match and execute their customers' needs. This can help them to survive for long run. Following Covid-19, banks will be able to make the shift to digitization in order to meet their customers' genuine demands.

**Retaining massive consumers**: SIBL has a huge opportunity to capture the majority of customers by improving its banking services across the country, given the majority of Bangladeshis are religious.

**Reduction of poverty**: SIBL has enormous potential, and it has the ability to spare the country's most disadvantaged communities from having to borrow cash at higher interest rates. SIBL seeks to inspire young entrepreneurs to create their own businesses, resulting in job creation and a reduction in poverty. SIBL is heavily involved in humanitarian CSR initiatives. They operate in a variety of areas, ranging from poverty alleviation to family empowerment. Unlike others, the Bank's success criteria include not only the primary goal of profit, but also milestones toward becoming the country's most humanitarian and comprehensive bank. This can be an opportunity for them to contribute to the economic growth.

**Distinctive Image**: SIBL has already established a reputation as a reliable bank. SIBL can attract additional clients by leveraging that value, as consumers already think their money is safe in SIBL's hands. Thus, this is an opportunity for them to reach more potential customers.

### 3.6.4 THREATS

**Competitors:** SIBL may also be threatened by its rivals. They need to be aware of their rival's strategies. Moreover, as Bangladesh has so many financial institutions, a mistake might be so costly that the institution may not be able to compete in the competitive market. Because other businesses are selling the identical items at a large profit margin. To thrive in a competitive market, one must always be aware of and consider the perspective of the consumer.

**Lower Rate:** SIBL's profit-sharing rate is lower than that of other financial institutions in the current market. As a result, in the viewpoint of customers, this is not very lucrative. As a result, customers may be transferred to a bank that offers a higher interest rate than SIBL. Therefore, this lower rate may be a threat for them as switching cost of customers is lower.

**Governmental regulation and policies:** With changing government rules and regulations it is becoming tough for banks to operate. Especially when Islamic banks needs to follow rules according to Shariah compliance.

**Rules and Regulations**: Some of the central bank's standard laws and regulations vary from the framework of Islamic banks' Islamic principles. As a result, they must deal with a variety of difficulties in order to complete their activities in accordance with Islamic Shariah. Therefore, it is a threat for SIBL to compete with others with the same pitch.

**Low pay structure**: SIBL could not afford to hire a competent staff due to the low pay structure, thus numerous banks are now hiring fresh-faced knowledge and talents individuals with fantastic compensation. Thus, not being able to hire skilled manpower can be a great threat for SIBL's success. The addition of talented individuals can help the bank run efficiently with better ideas. As a result, the organization's plans and management may improve. That may lead to an enhancement of organization's strategies and management.

**Islamic banking system implemented by conventional banking**: Because of the increased demand for Islamic banking, some traditional banks have already adopted the structure. There are a few more to come. As a result, SIBL will face more competition which is a threat for them.

### 3.7 STRATEGIES TO MEET THE CHALLENGES AND OPPORTUNITIES

Despite the fact that Social Islami Bank Ltd. (SIBL) is doing well, it faces certain critical problems, which are listed below:

- It's the age of contemporary banking. Every financial institution has made good use of cutting-edge technology. SIBL should take use of these technical advancements in order to keep up with the changing times.
- SIBL should look for qualified executives who can help the bank move forward.
- SIBL should be able to process investment applications faster than any other traditional bank.
- SIBL might want to think about making its investment programs more appealing to high-return ventures.
- SIBL should plan for the utilization of rural resources, both in terms of productivity and investment, in light of Bangladesh's current socioeconomic position. The most successful ways to achieve this are through powerful duties, strengthening through experimenting, and the introduction of effective concepts.
- SIBL should be given public attention in order to promote Shariah-based banks' image as profit-loss-sharing (PLS) institutions.

- By focusing on the Shariah investment framework among bank officials, employers, and clients through strong training and seminars, SIBL can expand its variety of financing options.
- SIBL should do comprehensive research and analysis before implementing various financial options to meet the changing needs of customers.

# Chapter 4: Internship experience

## 4.1. Position, duties, and responsibilities

### 4.1.1 Position

I worked as an intern in the General Banking Department of Social Islamic Bank Limited (SIBL), Corporate Branch. I have done different type of tasks related to general banking activities such as account opening, account closing, all types of activity that is involved with clients handling as well. However, systemic tasks were not done by me, for that there were expert officers. The working hours were 10:00 a.m. to 4:00 p.m., with a two-day weekly holiday on Friday and Saturday.

### 4.1.2 Duties

As I was an intern of general banking department, I had done most of the work related to it. I had communicated with clients who have come to open accounts such as fixed deposit, deposit, and special accounts. I also gave them information regarding deposit schemes and helped them to fill up their forms. I had to update the forms as well as give data entry. In addition, I did listing in cheque book and debit card listing in a register according to the date. I have also delivered the cheque books and debit cards to the customers by verifying their signatures and updating the register. Lastly, I have also updated the pay order book and payment order.

### 4.13 Responsibilities

My responsibilities included the general banking department work. I did all the types of work related to it. I had to update the account opening forms and enter the data in PC. I had written all the information of account holder in the form. Firstly, I used to collect information of clients such as his or her NID, Birth certificate, TIN paper, BIN number, passport sized photos and nominee’s details. Then, I used to fill up the form for them and took their signature where it is needed. The information which I had to collect from them verbally such as their present and permanent address, phone number, his/her occupation, salary, relation with nominee, and nominee’s phone number. Then, after the completion of forms I had to give it to the officers for further completion with their signatures. They used to docudex the forms and then I was given to keep them serially in order so that it can be found easily.

Moreover, I was responsible in the data entry of debit card and cheque book updating in a register. I used to maintain the date and update the data chronologically. I had to deliver the cheque book and debit card to the client, which was really important task as I had to verify their signatures.

### 4.2. Training

There was no particular training session for the interns. However, my whole internship period was a learning experience for me. My supervisor of the bank as well as other officers were really helpful. They tried to assign me tasks as well as gave me briefing about it. That's how I used to learn every day. Each day was a new experience for me as I was able to learn work related information. The officers of the bank were kind enough, they used to brief me about my task. Also, they used to correct my mistakes and answered my all queries without any hesitation. The whole department was friendly and helpful. I have learned so many thing in my internship period. It trained me to be punctual and submit my task on time. I learned to work with a team by following supervisor's instructions. I have learnt about the corporate culture and I have successfully adopted it. Thus, it helped to understand the Bangladesh's job market and its recruitment system, interviews. The overall internship training session was really helpful. Therefore, I will be able to construct my career with the help of my internship experience and training.

### 4.3. Contribution to departmental functions

During my internship at SIBL, I participated in several events. I gained a lot of experience by participating in various activities and attempting to help our respected executives, such as working as a general banking employee and performing various tasks such as opening various types of accounts, issuing checkbooks, preparing supplementary, sending thank you notes, and preparing vouchers, Accounts closing, phoning customers for various reasons, identifying a mistake in the account opening form, getting ready to checkbooks, files rearranged, and so on.

Firstly, the consumer first inquires about creating an account via the account opening section. I was given the task of directing clients by my supervisor. As an intern, I instructed customer to complete required fields such as signature, phone number, designation, address, and nomination information. Clients are not obliged to complete the whole form for better customer service. I was given the task of entering the client's personal data. After going through all of these manual procedures, I hand the form over to the account opening department, who will use the Bank ABABIL Software to enter the information. I was given the task of verifying if the signature was properly inserted. I needed to maintain a suitable communication procedure and etiquette with the clients along the communication phases. After I have completed the above steps, need to upload a signature to the server. For the form to be completed, three signatures were necessary (account opening officer, senior officer, and branch manager), as well as a designated seals was needed. The paperwork was available for filling after their signing. Lastly, task of organizing the forms was given to me.

I attempted to help consumers who came to terminate their accounts by providing various information. To close an account, one must first fill out the application for account closure form. I was given the task of sorting the unorganized forms. Then officer marked the form as closed accounts. After completing all of these procedures, I reorganized the form in the account closure area.

In addition, I have assisted the offices in other departments such as the loan department, the letter of credit department, and the cash department, among others. Conversations with clients, NID and other document verification, recording different transactions to the registered book, reading through the transaction, and sending it to the branch manager are only a few of the operations.

Moreover, I did several clearance-related duties. In addition, general banking's account division is in charge of issuing pay orders. Since all of this was done by a branch officer. My supervisor required to amend the pay order in order for it to be cleared. She gave me the task of to write the positive pay order in the register and to check if anything was wrong. I also receive checks from other branches, seal them, and submit them to the clearing department for processing.

### 4.4. Evaluation of internship performance

It was a great pleasure to work at SIBL. Everyone was extremely kind and helpful to me. I learnt a lot during my internship at Social Islamic Bank Limited (SIBL), which lasted three months. My supervisor was continually trying to educate me how to do general banking tasks. He was always there to guide me and teach me with information which was needed. Also he used to give me more information about other departments. It was a fun to learn new things from them. He was friendly and if I ever did any mistake he used to correct me nicely. As this was my learning session, he tried to be cooperative as much as possible. The employees of SIBL were friendly and they never pointed out my mistake loudly. Rather they tried to give a clear detailed information and thus this has led to do my tasks more accurately. They were really happy with my performance. As I was the only intern working over there, they were my seniors and I have listened to all their instructions carefully. Therefore, according to me my overall performance was good and I believe they were also happy with my performance.

**4.5. Skills applied**

In my internship, I had to apply various skills and it helped me to gain other skills too. Working at this bank as an intern is a pleasure for me. I did my best to complete all tasks as effectively and efficiently as possible by utilizing my general abilities such as:

**1. Communication Skills**- I am good at communicating with others. I was in constant touch with employees as well as customers. This ability enabled me to convey accurate messages to and from others, either verbally or in writing, without misunderstandings. I knew I was good at this ability, it definitely helped me connect with everyone in the workplace and get to know them quickly. This skills I have adopted during university life while communicating with my teachers and giving presentation. However, handling customers and updating my supervisors had helped me to enrich my communication skills. Thus, now I have better communication skills.

**2. Team Work Skills**- As I have already done group work in my university. I worked both group leader and member, so I had good team work skills. It helped to apply this skills, I was able to work with other employees. When there was work load, I had to assist them by following multiple instructions.

**4.6. New skills developed**

Working at SIBL has allowed me to acquire a variety of skills, including gaining real-world experience underperforming our branch, gaining a better understanding of corporate life, improving my communication skills, and learning about the banking software system, obtained a fundamental understanding of the banking industry, gained the capacity to work under pressure, learned how to deal with clients in a variety of scenarios, and learned how to provide products or services to consumer. During this time, I had to handle a variety of assigned workers and division personnel, as well as a variety of clients. I dealt with a variety of situations; some were pleasant, some were unpleasant, and so on. Throughout these good and terrible moments, I've been more aware of the workplace atmosphere and how to balance it with other talents and abilities that will be acquired for working in this branch, and these talents have undoubtedly prepared me for my future commercial period.

### 4.7. Application of academic knowledge

I have gained experience in the banking, management, finance, accounting, and other sectors during my academic career, which helped me with my practical training during the internship. Accounting knowledge helped me to figure out rates and comprehend banking processes. I had gained problem-solving skills from my academic life after solving a lot of real situations and producing a lot of papers and projects, which helped me a lot during my internship term. In university, I worked in a group or team, which prepared me for working with a group of people in mu internship. During my internship, I also put my newly acquired organizational skills to use. Every work I completed during my internship was an application of BBA program's knowledge. My major in finance program taught me how to invest and achieve the highest return possible by evaluating prior or accessible data.

# Chapter 5: Recommendations

## 5.1. Recommendations for improving departmental operations

In our financial industry, Social Islami Bank LTD. is a well-known and well-respected institution. Based on my internship experience, I have proposed suggestions for SIBL to consider in order to improve their general banking activities performance and, in turn, assist them become a top performer at this bank. Following are some recommendations for addressing Social Islami Bank Ltd.'s shortcomings based on my observations and perceptions:

- Computer Operating Proficiency: As we can see, banks these days rely heavily on computers, thus the bank should give suitable training to improve staff' computer abilities. They may have adequate computer expertise, but it is insufficient. As a result, banks should give adequate training and support to their workers in order for them to be successful and efficient on the computer.
- Updating machines: The department's machinery, particularly the printer and copying machine, should be improved. Clients may have to wait an excessive amount of time due to a machine malfunction, yet they do not want to squander their time. The Corporate branch, on the other hand, needs to deliver more pay orders every day. They must print all of the pay orders before proceeding to the next job.
- Expansion of general banking department: The general banking department should be expanded. General banking department has gotten congested due to client pressure. As a result, the staff cannot manage all of the customers at once, and the consumers do not have to wait long. As a result, they should expand their general banking services, as this branch has a large number of customers.
- Ensure more safety for employees: As Covid-19 has affected our lives. It is high time to ensure safety and taking precautions for the employees. Many employees had to deal with customers face to face. There is a high chance they might get infected. It is difficult to understand if there is any covid patient. This department can arrange weekly test for the employees. Also they need to check every customer's body temperature with a sensor machine.

- Customer Service Redecorating: SIBL needs to put up modern technology to improve their service faster and easier for their consumers. Adding additional amenities and services will also attract more clients.
- Branches should be well-decorated: It has been noted that established commercial banks have better facilities. However, in today's world, a well-decorated workplace is required to attract the attention of newer customers.
- IT should be used to carry out banking activities: To achieve a high level of performance from staff and to meet the needs of customers, new technologies must be used to sustain banking activities.
- Recruiting more employees- As they are only four employees working in customer handling and remittance and clearing, recruitng more employees make the job easier and quick. Customers did not need to wait for their turn. Also it lessen the pressure of employees.

### 5.2. Recommendations for improving self-performance

While working in SIBL, I have identified some weakness that I need to improve as to boost my performance. They are:

- I am very poor at multi-tasking. When I was working as an intern, at first it was quite difficult for me to follow up instructions and do multitasking. Later on, I had a slight improvement in that sector. Still I need to do more multitasking.
- During my internship, I am confronted with the issue of improving my handwriting, since while updating the form is vital for my task, if no people understand it would be meaningless.
- I did not get enough opportunities to work with software, therefore I needed to put in more effort to learn about pc-related tasks.

## Chapter 6: Conclusion

Islamic finance was unfamiliar to the rest of the world at first. Previously, only the interest-based capitalism system had been comprehended. The Islamic industry began to take shape with the features of a free interest system. Bangladesh slowly adopted an interest-free banking system. These modified-system components are already in place, and with the government's assistance in the form of legal regulation, they have the potential to contribute much more to the country's economy. In Bangladesh, the conversion of certain regular banking branches to Islamic branches demonstrates the interest-free rate structure's enormous potential.

Despite the spectacular expansion of Islamic banking in Bangladesh, the country is still trailing behind other Muslim countries for a variety of reasons. As a result, it is critical to make some changes in the Islamic banking business. In order for them to be able to give greater services in the future. Some conventional banks have an Islamic banking division, although they do not adhere to the Shariah's requirements. Concentrating solely on full-fledged Islamic banks and shutting down those wings can make a difference.

Social Islami Bank Limited is continuously striving to provide excellent service to its clients. They are always mindful of their clients. They prefer the preferences of the consumer. They strive to provide the finest goods at the best price to consumers in accordance with Islamic law. Because SIBL aspires to create a more sustainable financial system by offering Islamic goods. Even yet, the Islamic banking sector is expanding. Despite high entrance obstacles like as capital requirements, regulatory compliance, and security concerns, the Islamic banking sector is developing. It would be difficult to maintain this trend if the company does not deliver outstanding services. They should put in greater effort than their competitors. To ensure a growing customer base, products should be promoted and advertised more often. Also by following up the recommendations mentioned in chapter 5, they can do better performance in future.

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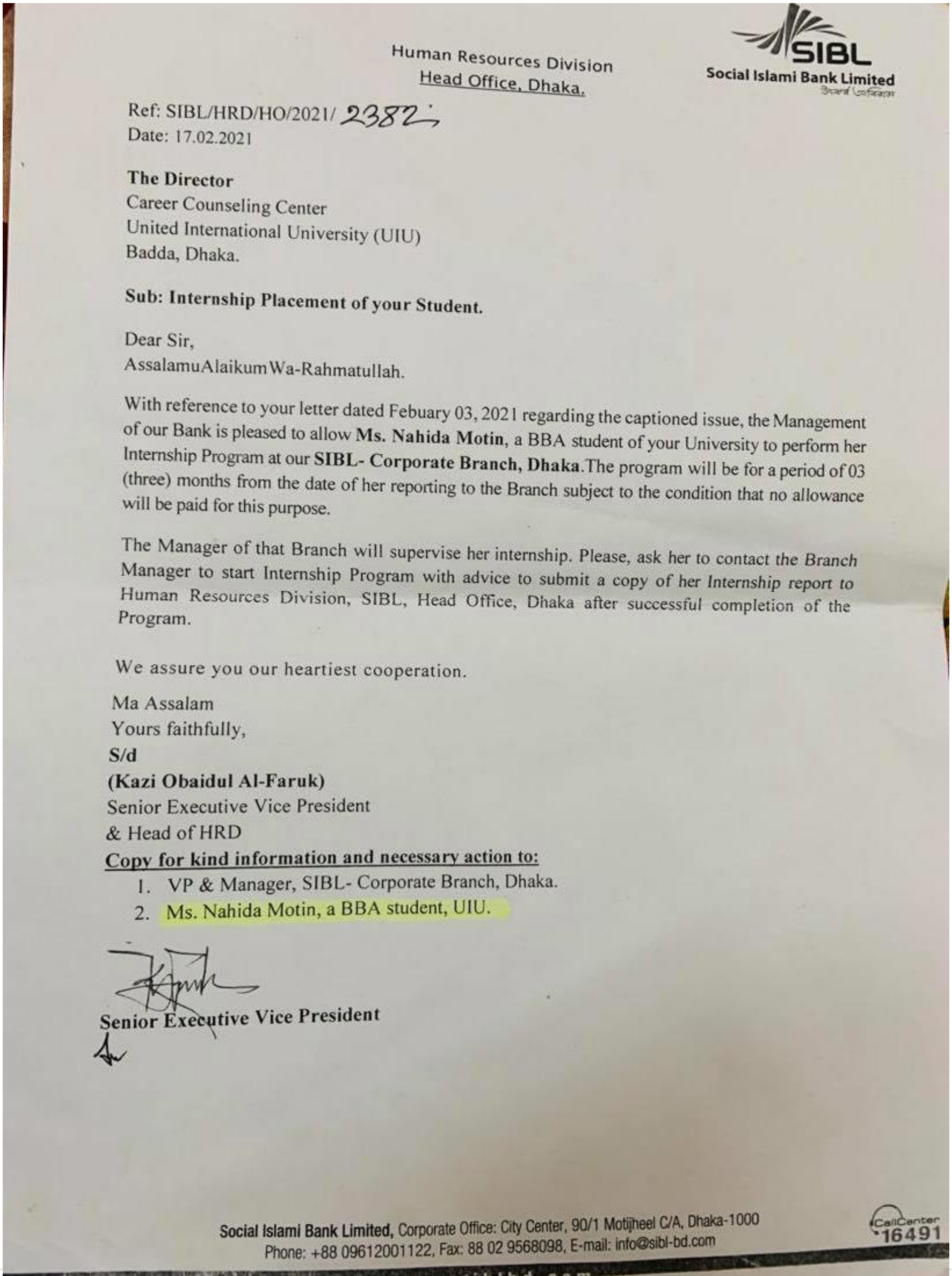
# Appendices:



Human Resources Division
Head Office, Dhaka.

Social Islami Bank Limited

Ref: SIBL/HRD/HO/2021/ 2382
Date: 17.02.2021

**The Director**
Career Counseling Center
United International University (UIU)
Badda, Dhaka.

**Sub: Internship Placement of your Student.**

Dear Sir,
AssalamuAlaikum Wa-Rahmatullah.

With reference to your letter dated Febuary 03, 2021 regarding the captioned issue, the Management of our Bank is pleased to allow **Ms. Nahida Motin**, a BBA student of your University to perform her Internship Program at our **SIBL- Corporate Branch, Dhaka**.The program will be for a period of 03 (three) months from the date of her reporting to the Branch subject to the condition that no allowance will be paid for this purpose.

The Manager of that Branch will supervise her internship. Please, ask her to contact the Branch Manager to start Internship Program with advice to submit a copy of her Internship report to Human Resources Division, SIBL, Head Office, Dhaka after successful completion of the Program.

We assure you our heartiest cooperation.

Ma Assalam
Yours faithfully,
**S/d**
**(Kazi Obaidul Al-Faruk)**
Senior Executive Vice President
& Head of HRD

**Copy for kind information and necessary action to:**

1. VP & Manager, SIBL- Corporate Branch, Dhaka.
2. Ms. Nahida Motin, a BBA student, UIU.

**Senior Executive Vice President**

**Social Islami Bank Limited,** Corporate Office: City Center, 90/1 Motijheel C/A, Dhaka-1000
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