

Internship Report On “First Security Islami Bank Ltd”

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Submission date: 24-Sep-2018 07:47PM (UTC-0700)

Submission ID: 1007845329

File name: Internship_Report_2.docx (103.42K)

Word count: 4811

Character count: 25749

Internship Report
On
“First Security Islami Bank Ltd”



Internship Report
on
Fisrt Security Islami Bank Limited

Submitted to:

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Date of Submission: 25th September, 2018

LETTER OF TRANSMITTAL

25th September, 2018

Nusrat Farzana

Assistant Professor

United International University

Subject: Submission of internship report on **First Security Islami Bank Ltd**

Dear Madam,

I am pleased to prepare my internship report and submit to you on “ First Security Islami Bank Ltd”. It was a good opportunity for me to complete the internship from First Security Islami Bank Ltd. It is my pleasure to carry out the internship report under your supervision.

For my internship report, I focused on performance analysis of First Security Islami Bank limited and I tried to explained the difference between conventional and non-conventional banking. I hope that this internship report will be of great value to you.

Thank you.

Sincerely

Tasnia Jenefar

Id: 111 143 033

ACKNOWLEDGEMENT

I am thankful to my honorable academic supervisor and instructor **Nusrat Farzana** for her constructive supervision and instructions. Because of her continuous guidelines and feedbacks. I am able to complete my internship report properly. I am also thankful to all the officers of First Security Islami Bank of Rayer Bazar branch for their continuous support. It was a matter of joy and good opportunity for me to work practically in such an well reputed bank. Specially, I am thankful towards Md.Mizanur Rahman (SAVP & Manager) of First Security Islami Bank Ltd Rayer Bazar Branch, I also give thanks to Md. Jamal Hossain (Senior Principle officer& Manager Opertation) ,S.M Ehatesanul Karim (Senoir officer) , Fancy Akter(Officer) ,Muhammad Shafiqul Islam(Officer),Md. Sohel Rana Khan(Principal Officer) ,Faruque Rabbani(Assistant Officer) for helping me regarding banking issues which I needed to prepare my internship report. I would also like to thank Taniza Islam(Junior Officer), Md.Shoeb Chowdhury (Trainee Junior Officer) , Arifur Rahman (Trainee Assistant officer) for their kind support towards my internship period.

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Executive Summary:

Regression analysis is a process for estimating the relationships among variables. It includes one dependent variable and an independent variable

More specifically, regression analysis helps one understand how the value of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held constant.

During my internship period I started preparing the report on First Security Islami Bank's performance and picked another bank(Prime Bank) to go for an overall financial comparison of conventional and non-conventional banking performance by using regression analysis.

I have organized my report into 6 chapters. Six chapters will be able to give a proper idea about the conventional and non-conventional banking system.

At the end of the regression test I figured out that both the banks are doing great job individually in both their fields.



Chapter-1

Organization Review

1.1 Introduction

Banking sector has always played a vital role in Bangladesh's economy. Bank is such a financial institution whose main purpose is to collect fund from surplus unit and invest in deficit unit. Bank's main source of income is earned by providing loan to various sectors. Bank provides loan against interest. The interest income and profit of Islamic bank is quite different from conventional banks.

Internship is an essential requirement in under graduation program. Here a student gets an opportunity to understand the practical world and get some amazing and brilliant ideas in real life. Since the banking sector is one of the most important sectors of our economy and it has an amazing working environment, I was always excited to get myself an internship in such a renowned financial institution like **FSIBL**.

In 1999(29th August) **FSIBL** was established and it got permission from Bangladesh Bank officially in 1999(22nd September) .**FSIBL** strictly follows "Islamic Shariah" laws.

I feel grateful to have the opportunity to accomplish my practical learning in **First Security Islami Bank Limited (FSIBL)**. This three month internship period has given me the scope to learn as well as gain the practical knowledge about the daily tasks done by the bankers. Here the analysis has been made on the performance of the bank.



1.2. Origin of the report: This report is prepared as per as internship requirement of United International University. I have been working for three months in First Security Islami Bank Limited. In these three months I have been doing various banking activities. This report is a brief overview of those daily activities that I have been doing during the internship period.

1.3. Objective of the Study This study has been conducted as requirement of Bachelor of Business Administration (BBA) .The objectives of the study are: To analyze the daily activities of First Security Islami Bank Ltd.→ To identify the major strengths and weaknesses of First Security Islami Bank Ltd.→ To get an idea about the conventional and non-conventional banking sector-To identify the performance analysis of the bank- To develop communication skill through communicating different employee of bank→ To know about the general activities of organization.

1.4. Scope of the study Being an intern, I got the chance to consult with all the officers of the bank. They helped me in their best possible way. There are some other scopes that help me to learn more about the bank.

- Information availability because of online banking
- Good communication system
- Good working environment

1.5. Methodology This report has been prepared on the basis of experience gained during the period of internship. Two sources have been used to collect the data.

Primary Sources

- Face to face conversation with officers
- Personal observation –
- Working in different departments of the bank- accounts opening, accounts, clearing, foreign exchange & remittance departments.
- Face to face conversation with the client.

Secondary Sources

- Banks financial statement
- Monthly transaction record of the bank
- Annual Reports
- Web Sites
- SIB published documents

1.6. Limitations of the report

Every financial institution is very much concerned with their privacy. According to me, three month period is a very short time to get a clear picture about all the operations of **FSIBL**. So my report will only be able to give a simple idea about Islami bank not the whole picture.

Some limitations are given below. Three months time is very short for such an study. It is very difficult to collect all the required information and prepare a report in such a short period. There are different departments like accounts, cash, general banking, foreign exchange and etc. For this reason, it is difficult to collect information of all the departments within a short period of time.

1.7 SWOT Analysis of FSBL

SWOT analysis means strength, weakness, opportunity and threat analysis of a company. It is very important for a bank to know the strength and opportunities they have. On the other hand, weakness and threats is the area bank need to improve.



SWOT analysis of FSIBL is given below:

Strength:

- Shariah based bank.
- Established an integral, customer friendly relationship with its clients
- Has different types of saving schemes for different types of working people of our society
- Sound profitability growth and high asset.
- Experienced responsible management team.
- Honest, caring sincere employee competency
- Wide market share and stable source of fund.
- High attention on recovery of overdue amount and or pre-overdue situation.
- High attention on individual performance
- High attention on making quality investment and disposal of proposals.

Weakness:

- FSIBL Bank Ltd. has no marketing department.
- They follow limited advertising strategy

Opportunity:

- Huge opportunity for market penetration through investment products
- Clients are being aware about Islami banking system
- Service charges is low comparing to other banks



Threats/ Challenges:

- The other banks conventional and non-conventional both have more geographical coverage than ***FSIBL***
- State law very much different from Islamic Shariah.
- In the money market of Bangladesh there is no call money system of Islamic Shariah.
- Some of the conventional banks have opened their Islamic banking branch



Chapter-2

2.1 Products & Services of FSIBL

1. Deposit& Schemes
2. Investment Schemes
3. Locker Service
4. Foreign Remittance
5. Tasdir
6. Brochure
7. Utility Bill Payment
8. E-Government Procurement
9. Schedule of charges

2.2 Facilities:

- Mobile Banking
- Sms Banking
- ATM Banking
- Scholarship

Chapter-3

3.1 Islami Bank Vs Conventional Bank

I have done my internship report on Islami Bank but to compare the analysis I have chosen a conventional bank which is “Prime Bank”.

3.2 Islami Bank

- Based on Shariah laws
- The actual meaning of Shariah is “the way to the source of life” but it is more often used to refer to the legal system(code of behavior)
- Governing principles:-
 - The absence of interest- based (riba`) transactions
 - Avoidance of speculations (gharar)
 - Avoidance of oppression (zulm)
 - Introduction of Islamic tax (zakat)
 - Discouragement of the production of goods and services which contradict the Islamic value (haram)

3.2.1 GOVERNING PRINCIPLES – RIBA'

Riba means increase. An increase in a loan transaction to the lender without even giving an equivalent value in return.

“Same exchange value” illustrations:-

Exchanging 1kg of milk with 1.5 kg of milk are of same type and quality. Taka 200 exchangeable for Taka 100. If items are same but there is any increment or otherwise in case of value then it is known as *riba*.

Other considerations: If the value of two or more items of different types are based on contract then that is not *riba* as it is prefixed.

But if the agreed differences is changed post-transaction then the changed amount is *riba*.

3.2.2 GOVERNING PRINCIPLES GOVERNING PRINCIPLES - GHARAR

Gharar generally means unqualified and unqualified uncertainty, hazard, deceit, chance or risk.

Majority Islamic scholars view gharar as ‘both ignorance of the material attributes of the subject matter of a sale and also uncertainty regarding its availability and existence’. Gharar is prevented when transactions are transparent with:

- all details agreed in advance; and
- ownership undisputed.

For gharar to invalidate a contract, it must not be trivial, must be relating to the object of contract and must prove specifically in conflict with (trade) custom. However, non-trivial gharar may be tolerated if there is an overriding *maslahah* or public benefit.

3.2.3 GOVERNING PRINCIPLES - ZULM

Zulm refers to inequity, injustice, exploitation, oppression and wrong doing.

A person who does injustice to the other one or does not fulfill his words towards them.

Zulm also refers to trading in matters which are prohibited (haram)under Shariah such as:-

- Alcohol
- Haram poultry

3.3 A Comparison between Islamic Bank and Conventional Bank

Shariah laws are the tenets of Islamic Banking. As such, the comparison with that of the conventional are not exactly like-to-like.

- Conventional Banking system was build upon the debtor-creditor relationship with interest against loan.
- Non-conventional banking system was build based on Musharakah and Mudarabah.

Islamic Bank	Conventional Bank
1) The fuctions are based on Islamic Shariah principals.	1)The functions are based on man-made pricipals.
2) It promotes risk sharing between provider of capital and the investor.	2) The lender here is guaranteed to maintain privacy regarding the user of the funds rate of interest.
3)It aims at maximizing profit maintain Shariah Laws.	3)Concentrate on profit maximization.
4) In Some banks they deal with ZAKAT.	4) It does not deal with ZAKAT.
5) Participation in partnership business is the fundament function.	5) Profit maximization is the fundamental function.
6) Islamic banks have no provision to charge any extra money from the defaulters.	6) It can charge additional money (penalty and compounded interest) in case of defaulters.
7) Its ultimate concentration is to ensure growth with equity	7) It makes no effort at all to ensure growth with equity.
8) Based on a Shariah approved underlying transaction.	8) Borrowing from the money market is relatively confidential underlying transaction.

9) Pays greater attention to developing project appraisal and evaluations.	9) Gives little importance to developing expertise in project appraisal and evaluations.
10) Huge emphasis on the viability of the projects.	10) Concentrated on creditworthiness of the clients.
11) The status of Islamic bank in relation to its clients is that of partners, investors and trader, buyer and seller.	11) Relationship is often defined as that of creditor-debtor.
12) Islamic bank can only guarantee deposits for deposit account, which is based on the principle of al-wadiah, thus the depositors are guaranteed repayment of their funds, however if the account is based on the mudharabah concept, client have to share in a loss position.	12) A conventional bank has to guarantee all its deposits.

3.4 Challenges

- Shariah interpretation versus the financing commercial viability.
- Legal jurisdictions and governing laws.
- Transparency, accountability and governance for public and private sectors.
- Tax incentives, pervasive government intervention and controls.
- Supervisory and prudential regulatory framework.
- Lack in depth capital markets and liquidity funding.
- Accounting and auditing standards.

3.5 Importance of Performance Measurement

Performance measurement is way of collection of report then analyzing it and at the end reporting the information regarding the performance of a company or individual. Performance measurement gives a qualitative idea about the products/process/ services.

The performance measurement is a continuous process of checking the standards. A manager is always appointed for this work who keeps on supervising all the works and observes the employees then control the subordinates. And if he figure out any sort of problems then he has to solve that immediately and get back to the right track as soon as possible. Thus it is known as a continuous improvement process.

The entire way of performance measurement helps the manager to estimate the difference between actual and expected standard of the variables. It helps the manager to see the actual picture of a company how it is working and all. It helps a manage to keep an eye on financial statements and helps to improve it as well. It helps a manage also to concentrate on exceptional deviations. But a manager should not start controlling everything because by controlling everything he might end up controlling nothing at all. So it is wiser for him to concentrate only on exceptional deviations.

The performance measurement process does not only improves performance but also improves and increases the productivity of a company. It keeps on providing necessary feedbacks and guidelines to each and every single department of an organization. It is a way of understanding, maning and improving an overall business organization.

3.6 Ways of Measuring Performance:

The performance of any bank is measured basing upon different parameters:

1. Business – The size of a bank mat times helps to measure its business quality.
2. Capital adequacy ratio-By maintaining at least 9 percent of this ratio a bank can be judged by its performance.
3. Asset quality – Asset means the outstanding loan portfolio. Bank maintains non performing asset. But a bank having little or no non performing asset tends to be having better asset quality.
4. Management – The management team plays vital role in a bank. The effective and efficient management is good for a bank.
5. Liquidity –The bank must maintain a standard amount of liquidity. A liquidity ratio should not be that high.
6. Systems and procedures-The internal system and confidential procedures are must in a bank. If documentations are done properly there would be less number of frauds .
7. Profit per employee - Profit earned by the bank divided by number of employees denotes this ratio
8. Productivity per employee - Total business of the bank divided by number of employees denotes this ratio
9. There are still many more ratios and calculations and there are certain agencies which are involved in studying the performance of the bank and they do publish the the details for the information of the public. A bank can be considered as a better performing bank basing upon several parameters and the net score gained by them in all parameters. Mere total business will not define a bank as a better performing bank

Chapter 4

4.1 Explanation of Variables:

ROA: It helps manager to get an idea about how efficient their company is and how a company is generating its earnings using the assets.

ROE: It helps one understand how much profit a company is generating using the investment by its shareholders.

LTD: Here the ratio is quite sensitive. If the ratio is too high then it means bank is not holding enough liquidity to meet any unforeseen situation. And if by any chance the liquidity is too low that means the bank is not earning as much as it could be.

DTE: It shows how much debt a company is in relative to the value of shareholders equity.

CTR: The amount of cash required to generate the sales.

CR: It shows the ability of a company to pay its short term and long term obligations.

Chapter-5

FSIBL

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	DEBT TO EQUITY, CASH TURNOVER RATIO ^b		Enter

a. Dependent Variable: RETURN ON EQUITY

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.812 ^a	.659	.317	.01716

a. Predictors: (Constant), DEBT TO EQUITY, CASH TURNOVER RATIO

b. Dependent Variable: RETURN ON EQUITY

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.001	2	.001	1.930	.341 ^b
	Residual	.001	2	.000		
	Total	.002	4			

a. Dependent Variable: RETURN ON EQUITY

b. Predictors: (Constant), DEBT TO EQUITY, CASH TURNOVER RATIO

Coefficients^a					
<i>Model</i>	<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>t</i>	<i>Sig.</i>
	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
1 (Constant)	.331	.092		3.581	.070
CASH TURNOVER RATIO	-.677	.413	-.967	-1.640	.243
DEBT TO EQUITY	-.002	.001	-1.138	-1.928	.194

a. Dependent Variable: RETURN ON EQUITY

Residuals Statistics^a					
	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Std. Deviation</i>	<i>N</i>
<i>Predicted Value</i>	.1424	.1845	.1655	.01686	5
<i>Residual</i>	-.01533	.01810	.00000	.01213	5
<i>Std. Predicted Value</i>	-1.368	1.124	.000	1.000	5
<i>Std. Residual</i>	-.893	1.055	.000	.707	5

a. Dependent Variable: RETURN ON EQUITY

Explanation for ROE:

As from the regression test it can be seen that the F is greater than the significance level so it can be said that the R-squared value is not significantly different from zero.

From Anova Table:

Here we can see that that the p value is .341 which is definitely larger than 0.05. So we can confidently say that the overall test is insignificant. Insignificance may occur for smaller sample size.

From Coefficient Table:

For every additional degree of CTR the expected number of ROE decreases by .677 on average holding all other variables constant.

And for every additional degree of DTE the expected number of ROE decreases by .002 on average holding all other variables constant.

The slope for DTE&CTR is very small and close to zero. And the significant level for both the variables is not different from zero so in this case we can say that ROE is a bad protector of CTR&DTE.

From the model it can be seen that the adjusted R-Square is less than the R-square which is pretty normal.

Adjusted R-square is .317 which means 31% of the variance in DTE&CRT can be explained by ROE.

R-square is .659 which indicates that 65% of the data can be explained.

Variables Entered/Removed^a			
<i>Model</i>	<i>Variables Entered</i>	<i>Variables Removed</i>	<i>Method</i>
1	LOAN TO ASSET RATIO, LOAN TO DEPOSIT, CURRENT RATIO ^b		Enter

a. Dependent Variable: RETURN ON ASSET

b. All requested variables entered.

Model Summary^b				
<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	.975 ^a	.951	.804	.00118

a. Predictors: (Constant), LOAN TO ASSET RATIO, LOAN TO DEPOSIT, CURRENT RATIO

b. Dependent Variable: RETURN ON ASSET

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.000	3	.000	6.457	.280 ^b
Residual	.000	1	.000		
Total	.000	4			

a. Dependent Variable: RETURN ON ASSET

b. Predictors: (Constant), LOAN TO ASSET RATIO, LOAN TO DEPOSIT, CURRENT RATIO

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.046	.011		4.066	.154
CURRENT RATIO	-.005	.001	-5.453	-3.361	.184
LOAN TO DEPOSIT	-.101	.025	-6.085	-4.014	.155
LOAN TO ASSET RATIO	.001	.003	.190	.319	.803

a. Dependent Variable: RETURN ON ASSET

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.0015	.0082	.0058	.00259	5
Residual	-.00073	.00088	.00000	.00059	5
Std. Predicted Value	-1.656	.933	.000	1.000	5
Std. Residual	-.622	.752	.000	.500	5

a. Dependent Variable: RETURN ON ASSET

Explanation for ROA:

From the test it can be seen that the F is greater than the significance level so it can be said that the R-squared value is not significantly different from zero.

From Anova Table:

The p value here is .280 which is definitely larger than 0.05. The overall test is insignificant.

From Coefficient Table:

For every additional degree of current ratio the expected number of ROA decreases by .005 on average holding all other variables constant.

And for every additional degree of loan to deposit the expected number of ROA decreases by .101 on average holding all other variables constant.

And for every additional degree of loan to asset ratio the expected number of ROA increases by .001.

The slope for current ratio & loan to deposit is very small and close to zero. And the significant level for both the variables is not different from zero so in this case we can say that ROA is a bad protector of CR<D.

On the other hand- the slope for loan to asset ratio is positive which indicates that ROA is not a bad protector of LTA.

From the model it can be seen that the adjusted R-Square is less than the R-square which is pretty normal.

Adjusted R-square is .804, which means 80% of the variance in current ratio, loan to deposit & loan to asset ratio can be explain by ROE.

R-square is .951 which indicates that 95% of the data can be explai

PRIME BANK

Descriptive Statistics

	Mean	Std. Deviation	N
ROE	.0870	.01684	5
CTR	.8464	1.27324	5
DTE	9.5414	.66481	5

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	DTE, CTR ^b		Enter

a. Dependent Variable: ROE

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.666 ^a	.443	-.114	.01777

a. Predictors: (Constant), DTE, CTR

b. Dependent Variable: ROE

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.001	2	.000	.796	.557 ^b
	Residual	.001	2	.000		
	Total	.001	4			

a. Dependent Variable: ROE

b. Predictors: (Constant), DTE, CTR

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.218	.129		1.686	.234
CTR	.004	.007	.309	.582	.620
DTE	-.014	.013	-.557	-1.048	.404

a. Dependent Variable: ROE

Residuals Statistics ^a					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.0733	.0991	.0870	.01121	5
Residual	-.01495	.01767	.00000	.01256	5
Std. Predicted Value	-1.229	1.072	.000	1.000	5
Std. Residual	-.841	.995	.000	.707	5

a. Dependent Variable: ROE

Explanation for ROE:

As from the regression test it can be seen that the F is greater than the significance level so it can be said that the R-squared value is not significantly different from zero.

From Anova Table:

The p value is .557 which is definitely larger than 0.05. So we can say that the overall test is insignificant. It might happen because of less number of observations.

From Coefficient Table:

For every additional degree of CTR the expected number of ROE increases by .004 on average holding all other variables constant.

And for every additional degree of DTE the expected number of ROE decreases by .014 on average holding all other variables constant.

The slope for CTR is positive and the significant level is different from zero as well which shows it ROE is a good protector of CTR.

But on the other hand- DTE is negative and the significance level is not different from zero so in this case we can say that ROE is a bad protector of DTE.

From the model it can be seen that the adjusted R-Square is negative.

Adjusted R-square is -.114 which means nothing in the variance can be explained which is quite dissapointing.

R-square is .443 which indicates that only 44% of the data can be explained.

Descriptive Statistics

	Mean	Std. Deviation	N
ROA	.0080	.00304	5
CR	.2262	.16005	5
LTD	2.1265	2.89388	5
LTR	.6270	.05705	5

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	LTR, LTD, CR ^b	.	Enter

a. Dependent Variable: ROA

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.827 ^a	.684	-.264	.00342

a. Predictors: (Constant), LTR, LTD, CR

b. Dependent Variable: ROA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.000	3	.000	.722	.676 ^b
	Residual	.000	1	.000		
	Total	.000	4			

a. Dependent Variable: ROA

b. Predictors: (Constant), LTR, LTD, CR

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.047	.029		1.610	.354
	CR	-.010	.017	-.547	-.613	.650
	LTD	.000	.001	.096	.147	.907
	LTR	-.059	.043	-1.109	-1.381	.399

a. Dependent Variable: ROA

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.0043	.0107	.0080	.00251	5
Residual	-.00158	.00274	.00000	.00171	5
Std. Predicted Value	-1.498	1.064	.000	1.000	5
Std. Residual	-.463	.802	.000	.500	5

a. Dependent Variable: ROA

Explanation for ROA:

From the test it can be seen that the F is greater than the significance level so it can be said that the R-squared value is not significantly different from zero.

From Anova Table:

The p value here is .676 which is definitely larger than 0.05. So we can say that the overall test is insignificant.

From Coefficient Table:

For every additional degree of current ratio the expected number of ROA decreases by .010 on average holding all other variables constant.

And for every additional degree of loan to deposit the expected number of ROA increases by .0001 on average holding all other variables constant.

And for every additional degree of loan to asset ratio the expected number of ROA decreases by-.059

The slope for current ratio & loan to asset is very small and close to zero. And the significant level for both the variables is not different from zero so in this case we can say that ROA is a bad protector of CR<A.

On the other hand- the slope for loan to deposit ratio is positive which indicates that ROA is not a bad protector of LTA.

From the model it can be seen that the adjusted R-Square is negative.

Adjusted R-square is -.264, which means nothing of the variance in current ratio, loan to deposit & loan to asset ratio can be explain by ROE.

R-square is .684 which indicates that 68% of the data can be explained.

Probable reason for insignificant result:

- Small sample size

Chapter-6

Conclusion:

The banks that I have chosen are totally different. One is conventional bank and the other one is non conventional bank.

The result that I found by running the regression analysis test is quite interesting. Both the banks are doing good at their own field.

The result showed that First Security Islami Bank's R-square is quite higher than Prime Bank. More data have been explained in First Security Islami Bank.

On the other hand the overall significance level of Prime Bank is higher than First Security Islami Bank. But both result came out insignificant due to smaller sample size. But the adjusted R-square of theirs is quite depressing. Negative Adjusted R-square is never expected from a bank.

Whereas both the adjusted and non-adjusted R-square of First Security Islami Bank is very impressive.

Moreover, First Security Islami Bank Limited one of the growing banks which successfully implement the effective HR practices for recruitment, selection, and performance appraisal. First Security Islami Bank Limited can easily grab opportunity in the banking sector as it is the pioneer in introducing many new products and services in the banking industry. FSIBL provides its wide spread branch networking all over the country. From my little experience, bank may achieve the loyalty of the customers, by providing them all the required services, credit facilities and updating the customers with user friendly modern technologies.

As an emerging bank First Security Islami Bank limited is doing a great and I feel proud to get chance and work with this bank and its personnels'. I hope that FSIBL will be one of the leading private banks within few years.

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GENERAL COMMENTS

Instructor

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