



Internship Report On
Performance Analysis & Agent Banking of Islami Bank
Bangladesh Limited

Supervised By

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Date of Submission: 4th March 2023



Islami Bank Bangladesh Limited

**Islami Bank Bangladesh Limited Ensures
Welfare to People Through Banking Business.**

Letter of Transmittal

4th March 2023

Ishrat Jahan

Assistant Professor – Accounting

School of Business and Economics

United International University

Subject: Submission of Internship Report

Dear Madam,

I am pleased to present an internship report on performance analysis (2019-2021) and agent banking at Islami Bank Bangladesh Limited. Working within the IBBL (Dhanmondi Branch 5-A, Dhaka 1209), I did my best to generate lots of knowledge and experience while working as an intern in the IBBL. It becomes quite a beautiful journey by working physically there because it helps me gather useful information to provide in this report. This internship has taught me a lot about the IBBL's functions and procedures, as well as financial information about how they have performed over the years. I tried my best to give my full effort toward preparing this report, and I followed your guidelines with heart and soul.

I would like to thank you from the bottom of my heart for encouraging and supporting me in every part of this journey and giving me your valuable time and knowledge. I am very thankful that you are my internship supervisor. If anything in the report is not understood clearly, please feel free to contact the following email address and cell phone number. In closing, I would be very grateful if you could please give your concern and valuable advice on my effort.

Sincerely Yours'

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Acknowledgements

In the name of Almighty Allah, the Most Gracious, the Most Merciful, blessed me for allowing me to complete the internship report in its entirety. I would like to express my special thanks towards my respectable supervisor, **Ishrat Jahan** Madam (Assistant Professor-Accounting) at the **United International University** School of Business and Economics, for her guidance in writing the internship report based on "Performance Analysis (2019-2021) and Agent Banking of IBBL.

The theoretical data obtained by educational institutions is thought to be based on practical experiences at the field level. I got selected for my internship at the ISLAMI BANK BANGALDESH LIMITED—Dhanmondi Branch.

My internship In-Charge Sir Mohammad Giasuddin (Principal Officer) and all the other bank officers have helped me marvellously throughout my internship program, and I'd want to show my gratitude towards them as well for guiding me with my report. Almost the entire working hour was spent with them and learning from mostly all the departments, like the account opening desk, foreign exchange remittance desk, update desk, statement desk, investment department desk, and alternative delivery channel (ADC) department.

Finally, I want to express my gratitude to my family, who have supported and encouraged me throughout my internship program.

Table of Contents

1	CHAPTER-1	1
1.1	INTRODUCTION.....	1
1.2	Awards and Accolades	2
2	CHAPTER-2	5
2.1	LITERATURE REVIEW.....	5
2.1.1	Performance Analysis of IBBL.....	5
3	CHAPTER-3	7
3.1	FINDINGS & ANALYSIS	7
3.1.1	Performance of Islami Bank Bangladesh Limited	7
4	CHAPTER- 4	33
4.1	INTERNSHIP EXPERIENCE	33
4.1.1	Position and Duties:	33
4.1.2	Contribution of performance:	33
5	CHAPTER – 5	34
5.1	RECOMMENDATION & CONCLUSION.....	34
6	CHAPTER – 6	35
6.1	REFERENCE	35
6.2	APPENDIX	36

Abstract

This report provides a clear idea of the financial performance analysis and agent banking of ISLAMI BANK BANGLADESH LIMITED.

Islami Bank Bangladesh Limited was established in March 1983 based on "Islamic Shariah" with a clear program of representing the operational meaning of participatory economy, banking, and other financial activities as an internal part of an Islamic code of life. The philosophy of Islami Bank is to establish a democratic society based on the principles of social justice and equity. As an internal part of this process, Islami Bank introduced measures to abolish interest and charge or pay fixed interest on loans or deposits. Instead of predetermined interest on deposits, the depositors participate in the profit of the bank as an agreed ratio. whereas interest-based conventional banks pay a certain fixed interest on savings and time deposits and grant loans with interest for any purpose.

ISLAMI BANK BANGLADESH LIMITED's performance analysis was better than its previous years, such as the fact that its current ratio was 13.12, which shows it was higher in 2021 than its previous years, which means IBBL was more assured of having enough funds to pay its current liabilities than before. On the other hand, the debt ratio decreased to 0.59 in 2021, which indicated that IBBL's liabilities decreased compared to its assets in 2021. We know that the higher the equity ratio of a bank, the more it is financed with stock rather than debt. In 2021, IBBL did very well compared to its previous years. In 2021, IBBL has managed to control its leverage ratio very effectively, which was 1.43, which was higher than its previous year. During the COVID1 pandemic in 2020 and 2021, IBBL's showed a better side in profitability ratios such as ROA and ROE than in 2019. But in 2021, ROI decreased compared to its previous years to 0.77, though we can say that the IBBL is trying its best to make it more efficient for upcoming years. In the end, we can say that IBBL's performance analysis in its efficiency ratio was a little bit lower in 2021 than in its previous years, at 0.23, which shows that its efficiency ratio is below 50%, which indicates that its ability to utilize its assets to generate income was more efficient than before. ISLAMI BANK BANGLADESH LIMITED achieved phenomenal success in the agent banking business. The bank is trying to expand its agent banking business and keep up with other market competitors.

1 CHAPTER-1

1.1 INTRODUCTION

Background of Islami Bank Bangladesh Limited

This report has been prepared to fulfill the requirements of the internship program of School of Business and Economics in United International University of Islami Bank Bangladesh Limited refers to banking Shari'ah-based banking system.

In February 1974, Prime Minister of Bangladesh, Father of the nation Bangabandhu Sheikh Mujibur Rahman attended the 2nd OIC Conference, there it was resolved to establish an International Islamic Bank of the Muslim States. Islami Bank Bangladesh Limited was registered as the first shari'ah-based Bank in South-East Asia and began operation on 30 March of the year 1983 with 10% share of the Government of the people's Republic of Bangladesh with considerable amount of foreign and local shares. Along the path of success of the country's first Islamic bank, several Islamic banks were established in later years. Islami Bank Bangladesh Limited is a sharia compliant bank. It was founded by Saudi and Kuwaiti investors. It is a public limited company registered under the Companies Act of 1913. IBBL is a joint venture of the government of Bangladesh, 22 businessmen of Bangladesh, Islamic Development Bank, and investment firms and banks from Muslim Middle Eastern countries.

As of 2017, Islami Bank Bangladesh commands 90% of Islamic-banking assets and deposits in Bangladesh, is the country's biggest private lender overall, has 12 million depositors and a balance-sheet of \$10 billion. In 2017, the government of Bangladesh used intelligence agencies to remove directors and replace them with people closer to the government. Since then, the bank has seen a decline in its fortunes.

BACKGROUND – AGENT BANKING of IBBL

Brazil is the first nation in the world to introduce agent banking services. In 2014, Bangladesh introduced agent banking services (Sanford, 2014). The Bangladesh Bank published a 10 statement on conducting agent banking operations on December 9, 2013. Bank Asia introduced its first agent banking service in January 2014. At Munshiganj district's Sirajdikhan upazila,

the pilot survey first began. The concept of agent banking has significantly benefited Bangladesh's rural economy over the past few years and is becoming more well-known. Individuals are now paying their utility bills using the foreign remittances they get. Young people are also learning about new opportunities for employment as agents (Hossain & Khan et al., 2021; Khan & Khan, 2016). Agent banking is becoming increasingly important to rural areas. Private commercial banks are making an effort to open branches in areas without traditional banking services. Customers don't need to visit a bank office to make deposits or cash withdrawals at agent-operated locations.

1.2 Awards and Accolades

- IBBL achieved the 'Best Bank in Bangladesh' Award in the South Asian Business Excellent Awards 2022 presented by South Asian Partnership Summit.
- IBBL achieved the top performing banking award in sustaining rating by Bangladesh institute of Bank Management (BIBM) in 2022.
- IBBL was awarded as the highest taxpayer in banking sector by the National Board of Revenue for 2021-2022 and 4 previous sessions.
- UK-Based the Global Islamic Finance Awards (GIFA) awarded IBBL 'Most Outstanding Islamic Bank Award-2021.
- IBBL has been awarded Bangladesh Bank Remittance Award for collecting highest remittance in the year 2022 and every year since 2017 and so many more awards.

Vision

Islami Bank Bangladesh Limited vision is to always strive to achieve superior financial performance, be considered a leading Islami Bank by reputation and performance. IBBL's goal is to exhibit and carry on modern banking techniques, to make sure soundness and growth of the financial system based on Islamic principles and to become a strong and well organized with distinctly motivated professionals specially working for the benefit of people, based on accountability, transparency and integrity to ensure solidity of the financial systems.

Mission

To establish Islamic banking through introduction of a welfare oriented banking system and also ensure equity and justice in all academic economic activities. To inspire the socio-economic expansion and financial services to the low income community particularly in the countryside rural areas of Bangladesh.

Objective

The main objectives of the study are to enhance practical knowledge about the PERFORMANCE ANALYSIS and AGENT BANKING of Islami Bank Bangladesh Limited. There are some board and specific objectives such as:

- Adherence to Shahriah in transaction (maintaining Halal & Haram)
- Access to finance for all
- To conduct interest-free banking
- To established welfare-oriented banking system
- To play a vital role in human development and employment generation.
- To know the performance analysis through the current ratio, quick ratio, debt ratio equity ratio, profitability ratio, return on income (ROI), efficiency ratio and so on.
- The broad objective of this study is to be introduce with the IBBL, familiar with corporate world and know about operational management of this bank.
- To increase knowledge about operational activities of agent banking of Islami Bank Bangladesh Limited;
- To know the present market scenario of agent banking in Bangladesh
- To know about the products and services of agent banking
- To identify the problem and prospects of agent banking in Bangladesh

Scope of The Study

I worked in Islami Bank Bangladesh Limited Dhanmondi Branch as an intern for (2 months) from 16th January to 23rd February 2023 (28 working days). In the branch the employees were so friendly minded and the working environment was very good. The most attractive thing for me was during (NAMAZ) they call for (AZAAN) and give breaks for praying which is the one of the most essential thing in all the branches of IBBL. As well as I got the chance to study online via zoom from 3rd January to 15th January 2023 organized by (Islami Bank Training and Research Academy-IBTRA). After getting the experience working physically at the branch me with other branches interns gave final exam and also we have presented group presentation on Agent banking of Islami Bank Bangladesh Limited. Agent banking extends its reach by providing banking services to the unbanked. Yet agent banking promotes entrepreneurs and allows regular banks to offer banking services to customers in remote areas for a minimal fee without having to setup any branches.

Limitation of Study

- Due to short time duration could not manage to gather much more information about the overall banking system of IBBL.
- Employees were busy during working hours so I had to observed their works how they are doing their duties
- This report is mostly depended on annul reports of IBBL.
- I had to be dependent on secondary data such as: browsing internet, website of IBTRA, website of IBBL, financial reports etc.

2 CHAPTER-2

2.1 LITERATURE REVIEW

2.1.1 Performance Analysis of IBBL

Bangladesh is one of the Muslim countries located in the South Asian region. The popularity of Islamic banking systems has rapidly grown in the country. There are 8 Financial Performance Analysis and the Role of Management Re-organization: The Study of Islami Bank Bangladesh Limited 3 full-fledged Islamic banks operating banking activities based on Islamic Shariah principles⁴ (Bangladesh Bank, 2018). Islami Bank Bangladesh Ltd. (IBBL) is one of the full-fledged Islamic banks in Bangladesh. It is the largest and leading bank among the private conventional and Islamic banks in Bangladesh and its contribution to the country's economic growth and development is significant. The bank has a substantial contribution in different economic sectors such as employment generation, remittance collection, rural economic development, ecology and green environment, small and medium-sized industrialization, foreign trade (import-export), housing sector, entrepreneur development and women empowerment (Rahman and McDonald, 2012; Akhtaruzzaman et al., 2016).

Agent Banking of IBBL

The new idea of agent banking has barely been covered in literature. Spending a lot of money on offering their services is the biggest challenge for commercial banks in this regard. Agent banking operations are carried out very successfully in a number of nations, including those in Latin America, Africa, Australia, and the UK according to Siddique (2014). As a tactic to lower operating costs, the bank intends to increase the number of agent banking agents in these nations. Agent banking may be crucial in boosting the rural economy and addressing the slow growth of individual businesses in rural areas. In fact, as new institutional innovations and technologies are developed to increase access to and use of the financial system, if the nation's citizens can be brought to the same platform and share in the country's economic development, financial self-sufficiency, and financial stability The business enterprise can be strengthened. The lower operating costs of providing services in agent banking, as opposed to the high

operating costs of branch banking, had a favorable effect on the bank's net profit income. According to Kenyan Bureau of Statistics (2011), due to high maintenance costs, about seven million adult rural Kenyans were turned away from existing commercial banks in rural areas (Wawira, 2013). The majority of Kenyan financial services companies did not have locations near their customers. To overcome the current issues in the banking sector, new distribution models must be created in order to quickly transform the rural economy. Identifies Nefa Chiteli (2013) In order to compete, commercial banks run agent banking operations and link up with other commercial banks.

Methodology

Primary Source

The procedure was collecting data via making questionnaires. I asked in-charge sir MOHAMMAD GIASUDDIN-principal officer and different desk officers at Dhanmondi branch about the (performance Analysis & Agent Banking System) of Islami Bank Bangladesh Limited by inquiring and generating random questions.

Secondary Source

The IBBL website, IBTRA website, SLIDES shared by IBTRA Faculties during online class session, google and other websites on the internet were used to gather data. A few articles were also examined to find pertinent information about it.

Financial System

A financial system is a set of institutionalized arrangements which facilitates the flow of fund from surplus units to deficit units at terms agreed and acceptable to both sides.

Key Function of Financial System

- Value Exchange: a way of making payments.
- Intermediation: a way of transferring resources between savers and borrowers.
- Risk Transfer: a means for pricing and allocating certain risks.

- Liquidity: a means of converting assets into cash without undue loss of value.

3 CHAPTER-3

3.1 FINDINGS & ANALYSIS

3.1.1 Performance of Islami Bank Bangladesh Limited

(AS on June 2021)

Number of Branches	374
Number of Sub-Branches	196 (As on August 2021)
Number of Agent Outlets	2591 (As on 28 September 2021)
Deposit	BDT 125550 Crore (8.45%)
Investment	BDT 100413 Crore (8.69%)
IDR	77.37%

* (Market Share)

Deposit Management Procedure (Weightage) of IBBL

Category	Amount BDT	Weightage*
3 Months	3000	0.60
6 Months	4000	0.70
1 year	3000	1.00
Total	10000	

*Weightage means preference of one product in comparison to other product.

Deposit Management Procedure (Profit Sharing)

Deposit BDT (A)	Weightage (B)	Weightage Average (C=A*B)	Profit [D=c*(500/7600)]	Rate [E=D*(100/A)]
3000	0.6	1800	119	3.96%
4000	0.7	2800	184	4.60%
3000	1.00	3000	197	6.56%
Total			500	

Deposit Management Procedure (Loss Sharing)

Category	Amount BDT	Percentage	Loss
3months	3000	30%	150
6 Months	4000	40%	200
1 Year	3000	30%	150
Total	10000	100%	500

Performance Analysis of Islami Bank Bangladesh Limited

In this report I had analyzed the financial performance of IBBL during the years of 2019 to 2021. I used several kinds of ratios to analyze the performance analysis of IBBL such as: current ratio, quick ratio, debt ratio, equity ratio, profitability ratios such as: return on income (ROI), efficiency ratio of the year 2019 to 2021 of IBBL.



Islami Bank Securities Limited
Statement of Financial Position
As at 31 December 2019

	Notes	31.12.2019 Taka	31.12.2018 Taka
Assets:			
Current assets			
Cash and bank balances	3	89,941,139	270,709,318
Investment in MTDR	4	5,208,039,000	5,281,931,250
Receivable from client	5	453,376	2,608,065
Receivable from exchange	6	17,927,791	37,380,198
Investment in securities (Own portfolio)	7	2,610,771,407	2,257,023,615
Receivable from other clients	8	79,951,376	67,582,215
Other assets	9	10,473,000	3,150,116
Advance income tax	10	-	-
Total current assets		8,017,557,089	7,920,384,777
Non-current assets			
Fixed assets	11	10,360,563	1,563,315
Value of investment in exchange (against TREC Holder)	12	298,340,049	298,340,049
Investment in securities (Musharaka & Strategic portfolio)	13	46,565,971	26,294,192
Other long term assets	14	2,403,410	2,404,505
Total non-current assets		357,669,993	328,602,061
Total assets		8,375,227,082	8,248,986,838
EQUITY AND LIABILITIES			
Liabilities			
Current liabilities			
Payable to clients	15	62,352,368	123,760,202
Payable to exchanges	16	2,502,634	241,913
Quard against MTDR	17	130,000,000	90,000,000
Other liabilities and provisions	18	147,096,468	137,839,014
Total current liabilities		341,951,470	351,841,129
Non-current liabilities			
Long term investment (other than current portion amount)	19	4,700,000,000	4,700,000,000
Total Non-current liabilities		4,700,000,000	4,700,000,000
Shareholders' equity			
Share capital	20	2,700,000,000	2,700,000,000
Retained earnings/ (losses)	21	633,275,612	497,145,709
Total equity		3,333,275,612	3,197,145,709
Total equity and liabilities		8,375,227,082	8,248,986,838

The financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 21 January 2020. and

IBBL's Current Ratio in 2019:

Formula of current ratio: Total Current Assets/ Total Current Liabilities.

$$=8,017,557,08 / 341,951,470$$

$$=2.35$$

Formula of Debt Ratio: Total liabilities/ Total Asset

IBBL's Debt Ratio in 2019:

$$=5041952000/8375227082$$

$$=0.60$$

Formula of Equity Ratio: Total Shareholder's Equity/ Total Assets

IBBL's Equity Ratio in 2019:

$$=3,333,275,612/8375227082$$

$$=0.40$$

Formula of Debt-Equity Ratio: Total Liabilities/ Total Shareholders' Equity

IBBL's Debt-Equity Ratio in 2019:

$$=5041952000/3,333,275,612$$

$$=1.51$$

ANNUAL REPORT 2019



Islami Bank Securities Limited

Statement of Cash Flows

For the year ended 31 December 2019

	2019 Taka	2018 Taka
A. Cash flows from operating activities:		
Net profit after tax	136,129,903	218,120,534
Adjustment for non-cash items:		
Depreciation	1,566,978	305,884
Gain on sale of non-current asset	(2,751,112)	-
Provision for unrealized (gain)/loss	239,361,721	163,789,017
	238,177,587	164,094,901
	374,307,490	382,215,435
Cash flow before working capital changes		
Changes in working capital:		
Increase/(decrease) in accounts payable	(58,371,603)	(162,101,318)
Increase/ (decrease) in provision for income tax	3,522,583	45,043,931
Increase/(decrease) in accrued expenses	2,093,234	887,628
Increase/ (decrease) in other current liabilities	2,866,128	2,840,856
Decrease/ (increase) in other assets	(12,341,361)	(1,590,282)
Decrease/(increase) in deferred tax assets	1,095	(255,158)
Decrease/ (increase) in advance, deposit & prepayments	(7,350,684)	3,209,398
Decrease/ (increase) in accounts receivable	21,607,096	19,578,356
	(47,973,512)	(92,386,589)
Net cash flows from operating activities	326,333,978	289,828,846
B. Cash flows from investing activities:		
Acquisition of Non-Current assets	(10,391,114)	(297,122)
Sale of non-current asset	2,777,999	-
Investments in securities	(4,450,954,914)	(3,545,132,367)
Investment in securities from 25% DSE TREC Shares sold	-	(15,233,171)
Sale of investment in securities	3,837,573,622	2,591,004,788
Investments in MTDR	73,892,250	331,205,250
Net cash flows in investment activities	(547,102,157)	(638,452,622)
C. Cash flows from financing activities:		
Investment from IBBL	-	(300,000,000)
Interim dividend	-	(270,000,000)
Sale of 25% DSE TREC shares	-	6,113,350
Quard against MTDR	40,000,000	90,000,000
Net cash flows from financing activities	40,000,000	(473,886,650)
Net increase/(decrease) in cash & cash equivalents (A+B+C)	(180,768,179)	(822,510,426)
Add: Cash & cash equivalents at the beginning of the year	270,709,318	1,093,219,744
Cash and cash equivalents at the end of the year	89,941,139	270,709,318

IBBL's Return on Assets (ROA) in 2019:

Formula of ROA: Net Income/Total Assets

$$=136,129,903/8375227082$$

$$=0.02$$

IBBL's Return Equity (ROE) in 2019:

Formula of ROE: Net Income/ Shareholders Equity

$$=136,129,903/3,333,275,612$$

$$=0.04$$

IBBL's Return on Investment (ROI) in 2019:

Formula of ROI: Net Income/ Total Investment

$$=136,129,903/547,102,157 = 0.25$$



ANNUAL 2019 REPORT

Annexure-B

ISLAMI BANK SECURITIES LIMITED

Ratio Analysis

As at 31 December 2019

		2019	2018
1 Net Asset Value (NAV) per share	Equity	3,333,275,612	1,234.55
	No of Outstanding Shares	2,700,000	1,184.13
2 Earning Per Share (EPS)	Net profit/ (loss) after tax	136,129,903	50.42
	No of Outstanding Shares	2,700,000	80.79
3 Net Operating Cash Flows (NOCF) Per Share	Net cash flows from operating activities	326,333,978	120.86
	No of Outstanding Shares	2,700,000	107.34

IBBL's Net Asset Value Per Share in 2019: 1,234.55

IBBL's Earnings Per Share in 2019: 50.42

IBBL's Net Operating Cash Flows Per Share in 2019: 120.86

ANNUAL REPORT 2019



Islami Bank Securities Limited Statement of Profit or Loss and other Comprehensive Income For the year ended 31 December 2019

	Notes	2019 Taka	2018 Taka
Operating income	22	707,019,224	703,086,771
Less: Operating expenses	23	143,961,198	146,420,991
Gross Profit		563,058,026	556,665,780
Less: Administrative and general expenses	24	41,467,739	37,789,853
Operating profit		521,590,287	518,875,927
Add: Other income		-	-
Profit before provision and income tax		521,590,287	518,875,927
Less: Provision for own portfolio	7.1.1	(234,930,303)	(162,601,799)
Provision for musharaka portfolio	13.1.1	(829,798)	(1,090,382)
Provision for strategic investment	13.2.1	(3,601,620)	(96,836)
Profit before income tax		(239,361,721)	(163,789,017)
Less: Provision for income tax		282,228,566	355,086,910
Current tax	18.3	(146,097,568)	(137,221,534)
Deferred tax		(1,095)	255,158
Net profit after income tax		136,129,903	218,120,534
Add: Other comprehensive income		-	-
Total comprehensive income		136,129,903	218,120,534

The financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 21 January 2020, and were signed on its behalf by:

IBBL's Efficiency Ratio in 2019:

Formula of Efficiency Ratio: Total Operating Expenses/ Total Operating Revenue

$$=143,961,198/521,590,287 = 0.28$$



Islami Bank Securities Limited

Statement of Financial Position

As at 31 December 2020

	Notes	2020 Taka	2019 Taka
ASSETS			
Current assets			
Cash and bank balances	3	450,365,842	89,941,139
Investment in MTDR	4	4,998,161,250	5,208,039,000
Receivable from client	5	612,917	453,376
Receivable from exchange	6	9,651,872	17,927,791
Investment in securities (Own portfolio)	7	2,836,860,985	2,610,771,407
Receivable from other clients	8	98,518,286	79,951,376
Other assets	9	6,852,000	10,473,000
Advance income tax	10	-	-
Total current assets		8,401,023,152	8,017,557,089
Non-current assets			
Fixed assets	11	12,760,443	10,360,563
Intangible Asset	12	655,330	-
Value of investment in exchange (against TREC Holder)	13	298,340,049	298,340,049
Investment in securities (Musharaka & Strategic portfolio)	14	45,315,759	46,565,971
Other long term assets	15	2,733,299	2,403,410
Total non-current assets		359,804,880	357,669,993
Total assets		8,760,828,032	8,375,227,082
EQUITY AND LIABILITIES			
Liabilities			
Current liabilities			
Payable to clients	16	328,028,933	62,352,368
Payable to exchanges	17	14,857,147	2,502,634
Quard against MTDR	18	-	130,000,000
Other liabilities and provisions	19	129,726,147	147,096,468
Total current liabilities		472,612,227	341,951,470
Non-current liabilities			
Long term investment (other than current portion amount)	20	4,700,000,000	4,700,000,000
Total Non-current liabilities		4,700,000,000	4,700,000,000
Shareholders' equity			
Share capital	21	2,700,000,000	2,700,000,000
Retained earnings	22	888,215,805	633,275,612
Total equity		3,588,215,805	3,333,275,612
Total equity and liabilities		8,760,828,032	8,375,227,082

The financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 13 January, 2021. and were signed on its behalf by :

IBBL's Current Ratio in 2020:

Total Current Assets/ Total Current Liabilities.

$$= 8,401,023,152 / 4,726,122,27$$

$$= 1.76$$

IBBL's Debt Ratio in 2020:

Total liabilities/ Total Asset

$$= 5,172,612,227 / 8,760,828,032$$

$$= 0.59$$

IBBL's Equity Ratio in 2020:

Total Shareholder's Equity/ Total Assets

$$=3,333,275,612/ 8760828032$$

$$=0.38$$

IBBL's Debt-Equity Ratio in 2020:

Total Liabilities/ Total Shareholders' Equity

$$=5,172,612,227/3,333,275,612$$

$$=0.16$$

			
Islami Bank Securities Limited Statement of Cash Flows For the year ended 31 December 2020			
		2020 Taka	2019 Taka
A. Cash flows from operating activities:			
Net profit after tax		254,940,193	136,129,903
Adjustment for non-cash items:			
Depreciation		2,299,615	1,566,978
(Gain)/ Loss on sale of non-current asset		39,910	(2,751,112)
Provision for unrealized (gain)/loss		122,436,257	239,361,721
		124,775,782	238,177,587
Cash flow before working capital changes		379,715,975	374,307,490
Changes in working capital:			
Increase/(decrease) in accounts payable		277,255,568	(58,371,603)
Increase/ (decrease) in provision for income tax		(14,074,827)	3,522,583
Increase/(decrease) in accrued expenses		(6,833,216)	2,093,234
Increase/ (decrease) in other current liabilities		4,313,232	2,866,128
Decrease/ (increase) in other assets		(18,566,910)	(12,341,361)
Decrease/(increase) in deferred tax assets		(329,890)	1,095
Decrease/ (increase) in advance, deposit & prepayments		3,621,000	(7,350,684)
Decrease/ (increase) in accounts receivable		8,116,378	21,607,096
		253,501,336	(47,973,512)
Net cash flows from operating activities		633,217,311	326,333,978
B. Cash flows from investing activities:			
Acquisition of Non-Current assets		(5,534,985)	(10,391,114)
Sale of non-current asset		140,250	2,777,999
Investments in securities		(6,749,651,951)	(4,450,954,914)
Sale of investment in securities		6,402,376,328	3,837,573,622
Investments in MTDR		209,877,750	73,892,250
Net cash flows in investment activities		(142,792,608)	(547,102,157)
C. Cash flows from financing activities:			
Investment from IBBL		-	-
Interim dividend		-	-
Quard against MTDR		(130,000,000)	40,000,000
Net cash flows from financing activities		(130,000,000)	40,000,000
Net increase/(decrease) in cash & cash equivalents (A+B+C)		360,424,703	(180,768,179)
Add: Cash & cash equivalents at the beginning of the year		89,941,139	270,709,318
Cash and cash equivalents at the end of the year		450,365,842	89,941,139
Net Operating Cash Flow Per Share (NOCFPS)		234.52	120.86

IBBL's Return on Assets (ROA) in 2020: Net Income/Total Assets

$$=254,940,193/8760828032$$

$$=0.03$$

IBBL's Return Equity (ROE) in 2020: Net Income/ Shareholders Equity

$$=254,940,193/3,333,275,612 = 0.08$$

IBBL's Return on Investment (ROI) in 2020: Net Income/ Total Investment

$$=254,940,193/142,792,608 = 1.79$$



Islami Bank Securities Limited
Ratio Analysis
For the year ended 31 December 2020

Annexure-C
Amount in Taka

			2020	2019
1	Net Asset Value (NAV) per share	Equity	3,588,215,805	1,328.97
		No of Outstanding Shares	2,700,000	1,234.55
2	Earning Per Share (EPS)	Net profit/ (loss) after tax	254,940,193	94.42
		No of Outstanding Shares	2,700,000	50.42
3	Net Operating Cash Flows (NOCF) Per Share	Net cash flows from operating activities	633,217,311	234.52
		No of Outstanding Shares	2,700,000	120.86

IBBL's Net Asset Value Per Share in 2020: 1,328,97

IBBL's Earnings Per Share in 2020: 94.42

IBBL's Net Operating Cash Flows Per Share in 2020: 234.52



Islami Bank Securities Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2020

	Notes	2020 Taka	2019 Taka
Operating income	23	682,933,002	707,019,224
Less: Operating expenses	24	140,027,731	143,961,198
Gross Profit		542,905,271	563,058,026
Less: Administrative and general expenses	25	43,307,628	41,467,739
Operating profit		499,597,643	521,590,287
Add: Other income		-	-
Profit before provision and income tax		499,597,643	521,590,287
Less: Provision for own portfolio	7.1.1	(121,127,847)	(234,930,303)
Provision for musharaka portfolio	14.1.1	791,678	(829,798)
Provision for strategic investment	14.2.1	(2,100,088)	(3,601,620)
		(122,436,257)	(239,361,721)
Profit before income tax		377,161,386	282,228,566
Less: Provision for income tax			
Current tax	19.2	(122,551,082)	(146,097,568)
Deferred tax		329,890	(1,095)
Net profit after income tax		254,940,193	136,129,903
Add: Other comprehensive income		-	-
Total comprehensive income		254,940,193	136,129,903

The financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 13 January, 2021, and were signed on its behalf by :

IBBL's Efficiency Ratio in 2020:

Formula of Efficiency Ratio: Total Operating Expenses/ Total Operating Revenue

$$=140,027,731/499,597,643 = 0.28$$



Islami Bank Securities Limited
Statement of Financial Position
As at 31 December 2021

Particulars	Notes	31.12.2021 Taka	31.12.2020 Taka
ASSETS			
Current assets			
Cash and cash equivalents	3	700,218,899	450,365,842
Investment in MTDR	4	4,813,375,001	4,998,161,250
Receivable from Securities Trading	5	10,115,415	9,651,872
Receivable from margin clients	6	16,786,794	11,165,931
Receivable from other Clients	7	1,082,346	612,917
Investment in securities	8	3,166,673,184	2,876,013,913
Other assets	9	107,395,688	100,367,186
Total current assets		8,815,647,327	8,446,338,910
Non-current assets			
Property, plant and equipment	10	10,941,485	12,760,443
Intangible assets	11	891,568	655,330
Investment in TREC (Membership)	12	298,340,049	298,340,049
Deferred tax assets	13	2,668,080	2,733,299
Total non-current assets		312,841,181	314,489,121
Total assets		9,128,488,508	8,760,828,032
EQUITY AND LIABILITIES			
Liabilities			
Current liabilities			
Payable to clients	14	385,978,785	328,028,933
Payable to exchanges	15	9,814,275	14,857,147
Dividend payable	16	135,000,000	-
Other current liabilities	17	13,315,938	19,868,286
Provision for income tax	18	127,927,144	109,857,861
Total current liabilities		672,036,143	472,612,227
Non-current liabilities			
Investment from IBBL	19	4,700,000,000	4,700,000,000
Total Non-current liabilities		4,700,000,000	4,700,000,000
Shareholders' equity			
Share capital	20	2,700,000,000	2,700,000,000
Capital reserve	21	25,494,019	-
Retained earnings	22	1,030,958,346	888,215,805
Total equity		3,756,452,365	3,588,215,805
Total equity and liabilities		9,128,488,508	8,760,828,032

The financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 02 February 2022

IBBL's Current Ratio in 2021:

Total Current Assets/ Total Current Liabilities.

$$= 8,815,647,327 / 672,036,143$$

$$= 13.12$$

IBBL's Debt Ratio in 2021:

Total liabilities/ Total Asset

$$= 5,372,036,143 / 9,128,488,508$$

$$= 0.59$$

IBBL's Equity Ratio in 2021:

Total Shareholder's Equity/ Total Assets

$$=3,756,452,365 / 9,128,488,508 = 0.41$$

IBBL's Debt-Equity Ratio in 2021:

Total Liabilities/ Total Shareholders' Equity

$$=5,372,036,143 / 3,756,452,365 = 1.43$$



Islami Bank Securities Limited Statement of Cash Flows For the year ended 31 December 2021

Particulars	2021 Taka	2020 Taka
A. Cash flows from operating activities:		
Net profit after tax	303,236,560	254,940,193
Adjustment for non-cash items:		
Depreciation	2,865,055	2,299,615
(Gain)/ Loss on sale of non-current asset	63,745	39,910
Provision for unrealized (gain)/loss	274,797,783	122,436,257
	277,726,583	124,775,782
Cash flow before working capital changes	580,963,143	379,715,975
Changes in working capital:		
Increase/(decrease) in accounts payable	52,906,980	277,255,568
Increase/ (decrease) in provision for income tax	18,069,283	(14,074,827)
Increase/ (decrease) in other current liabilities	(6,552,348)	(2,519,984)
Decrease/ (increase) in other assets	(2,025,402)	(14,945,910)
Decrease/(increase) in deferred tax assets	65,220	(329,890)
Decrease/ (increase) in accounts receivable	(932,972)	8,116,378
	61,530,761	253,501,336
Net cash flows from operating activities	642,493,904	633,217,311
B. Cash flows from investing activities:		
Acquisition of Non-Current assets	(1,357,349)	(5,534,985)
Sale of non-current asset	11,270	140,250
Investments in securities	(16,989,846,732)	(6,749,651,951)
Sale of investment in securities	16,413,765,715	6,402,376,328
Investments in MTDR	184,786,249	209,877,750
Net cash flows in investment activities	(392,640,847)	(142,792,608)
C. Cash flows from financing activities:		
Quard against MTDR	-	(130,000,000)
Net cash flows from financing activities	-	(130,000,000)
Net increase/(decrease) in cash & cash equivalents (A+B+C)	249,853,058	360,424,703
Add: Cash & cash equivalents at the beginning of the year	450,365,842	89,941,139
Cash and cash equivalents at the end of the year	700,218,899	450,365,842
Net Operating Cash Flow Per Share (NOCFPS)	237.96	234.52

IBBL's Return on Assets (ROA) in 2021: Net Income/Total Assets

$$=303,236,560 / 9,128,488,508 = 0.03$$

IBBL's Return Equity (ROE) in 2021: Net Income/ Shareholders Equity

$$=303,236,560 / 3,756,452,365$$

$$=0.08$$

IBBL's Return on Investment (ROI) in 2021: Net Income/ Total Investment

$$=303,236,560/392,640,847 = 0.77$$



Islami Bank Securities Limited

Ratio Analysis

For the year ended 31 December 2021

Annexure-C

Amount in Taka

Particulars			2021	2020
1	Net Asset Value (NAV) per share	Equity	3,756,452,365	
		No of Outstanding Shares	2,700,000	
			1,391.28	1,328.97
2	Earning Per Share (EPS)	Net profit/ (loss) after tax	303,236,560	
		No of Outstanding Shares	2,700,000	
			112.31	94.42
3	Net Operating Cash Flows (NOCF) Per Share	Net cash flows from operating activities	642,493,904	
		No of Outstanding Shares	2,700,000	
			237.96	234.52

IBBL's Net Asset Value Per Share in 2021: 1,391.28

IBBL's Earnings Per Share in 2021: 112.31

IBBL's Net Operating Cash Flows Per Share in 2021: 237.96



Islami Bank Securities Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

Particulars	Notes	2021 Taka	2020 Taka
Operating income	23	902,547,063	682,933,002
Less: Operating expenses	24	158,248,976	140,027,731
Gross Profit		744,298,087	542,905,271
Less: Administrative and general expenses	25	47,042,629	43,307,628
Operating profit		697,255,459	499,597,643
Add: Other income		-	-
Profit before provision and income tax		697,255,459	499,597,643
Less: Provision for own portfolio	26.1	(275,928,909)	(121,127,847)
Provision for strategic investment	26.2	(2,091,988)	(2,100,088)
Provision for musharaka portfolio	26.3	3,223,115	791,678
		(274,797,782)	(122,436,257)
General provision (Specific Provision)	17.2	(200,668)	-
Profit before income tax		422,257,009	377,161,386
Less: Provision for income tax		-	-
Current tax		(118,955,228)	(122,551,082)
Deferred tax	13.1	(65,220)	329,890
Net profit after income tax		303,236,560	254,940,193
Add: Other comprehensive income		-	-
Total comprehensive income		303,236,560	254,940,193

The financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 02 February 2022 and were signed on its behalf by :

IBBL's Efficiency Ratio in 2021:

Formula of Efficiency Ratio: Total Operating Expenses/ Total Operating Revenue

$$=158,248,976/697,255,459 = 0.23$$

Current Ratio:

By this ratio analysis we can measure any organization/ bank's ability to pay its short-term obligations within 1 year. An ideal current ratio is 2:1 which means the current assets can cover its current liabilities two times over.

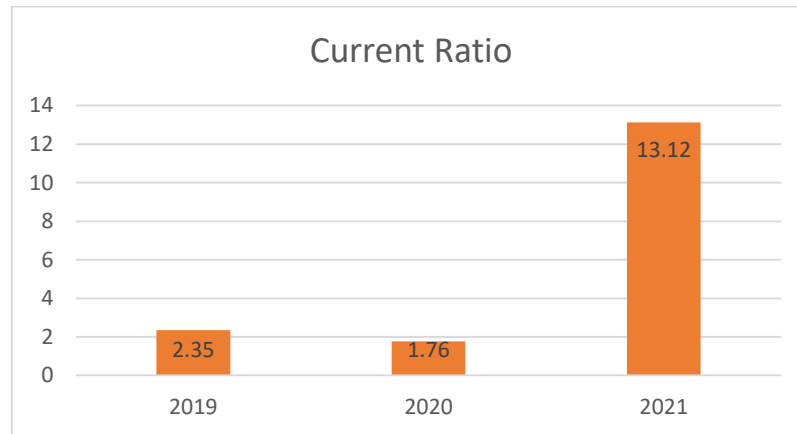


Chart Clarification: We all know that a well-established bank should have current ratio greater than 1. Here, in the chart we can see that all though the years the ratio is greater than 1 but before COVID19 pandemic in 2019 it was 2.35 and in 2020 it goes worse than its previous year which is 1.76. in 2021 I increased to 13.12 which shows that ISLAMI BANK BANGLADESH LIMITED did really well in 2021 which assured that the IBBL had enough funds to pay current liabilities and other payments than it was before.

Debt Ratio:

By this ratio analyze a bank or an organization measures its total debt on its total asset.

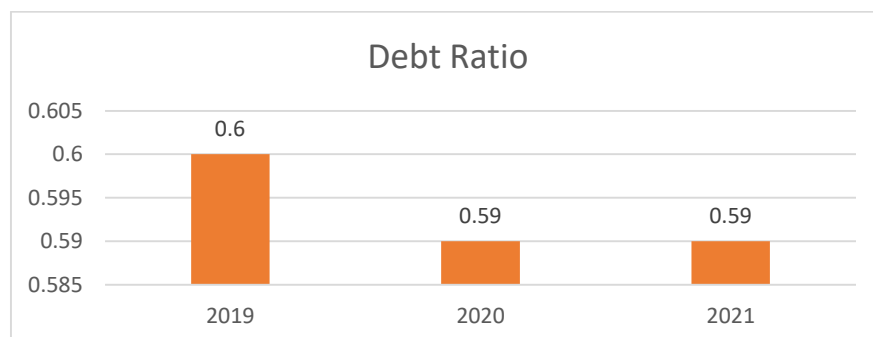


Chart Clarification: Before COVID19 pandemic in 2019 the IBBL's debt ratio was higher which is 0.6 but in 2020 and 2021 IBBL's debt ratio decreased to 0.59 which means it was good for IBBL because it shows that total liabilities decreased compared to its assets in 2021.

Equity Ratio:

By this ratio analyze a bank or an organization can measure the financial metric by the amount of leverage used by a company or an organization. Using this ratio, a bank can know its ability to manage its debt.

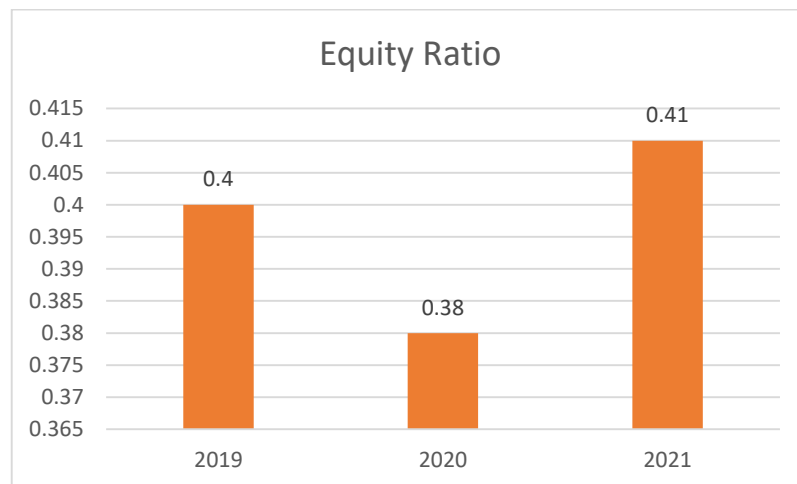


Chart Clarification: Before COVID19 pandemic in 2019 the IBBL's equity ratio was 0.40 but in 2020 it decreased to 0.38. We all know that the more a bank's equity ratio is the more assets the bank has financed with stock rather than debt. Which means in 2021 IBBL did well than its previous two years.

Debt-Equity Ratio:

This ratio analyze can measures a bank's total liabilities to its total equity.

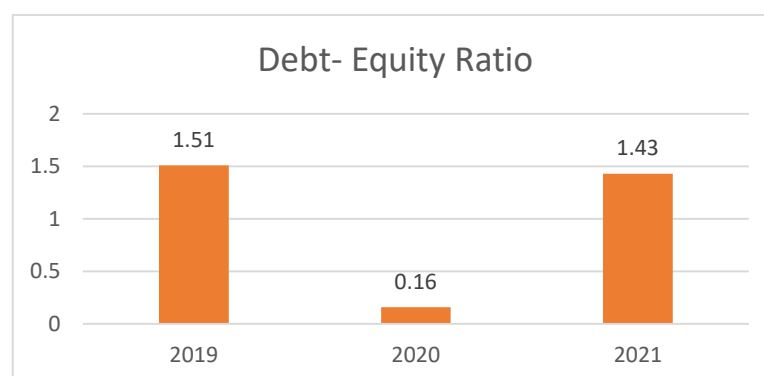


Chart Clarification: Before COVID19 pandemic in 2019 the IBBL's debt- equity ratio was 1.51 but in 2020 it decreased to 0.16 which shows that IBBL has managed to control its leverage ratio very effectively because this indicates that long term financial risk for the year 2020 was 0.16 which was proportionally safe for the IBBL but in 2021 it increases again into 1.43.

Profitability Ratio:

Profitability ratios are a type of accounting ratio that helps in determining the financial performance of business at the end of an accounting period. Profitability ratios contains some ratios such as: return on assets (ROA), return on investment (ROI), return on Equity (ROE) and so on.

Profitability ratios determines the financial performances of how a business, an organization or a bank is doing at the end of an accounting. It is a way to estimate the bank's capability to generate earnings compare to its incomes, costs and so on over the time. By profitability ratios any banks or organization can easily get to know about how effectively, efficiently and productively the bank or organization is doing.

Return on Assets (ROA):

ROA is basically ratio that shows how an organization or a bank is profitable to its total assets.

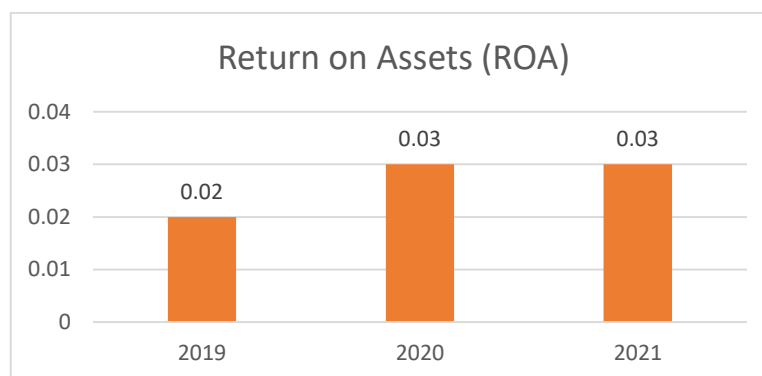


Chart Clarification: Before COVID19 pandemic in 2019 the IBBL's ROA was 0.02 which is lesser than in the 2020 and 2021 which shows a good side of the profitability ratio in 2020 and 2021. It indicates that IBBL has operate effectively and with efficiency of its assets through the year of 2020-2021.

Return on Equity (ROE):

ROE generally shows how well an organization or a bank is generating returns on the investment which is received by its shareholders.

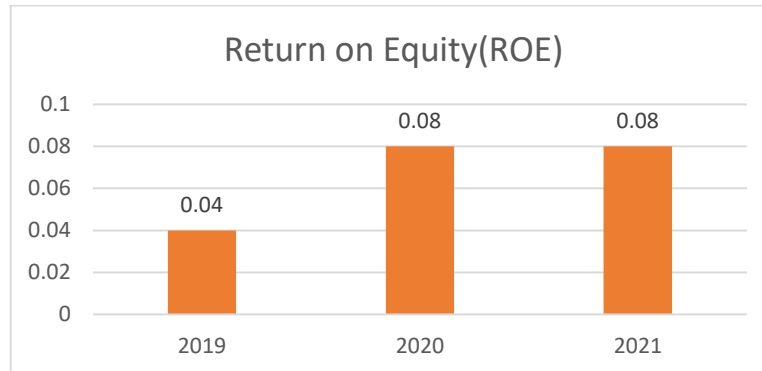


Chart Clarification: Usually an ideal ROE ratio considered within is to 15%-20%. But here we can see that, in all above the years from 2019-2021 is below than its ideal ratio percentage. Though in 2020 and 2021 increased to 8% but it is not a good enough to generate returns on investments from its shareholders.

Return on Investment (ROI):

ROI usually indicates the performance of how a bank or an organization is evaluating efficiency of an investment.

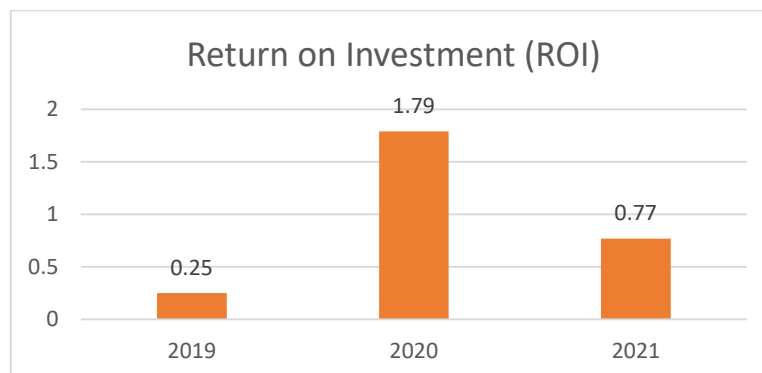


Chart Clarification: After analysing the Statement of Cash Flow) of ISLAMI BANK BANGLADESH LIMITED's ROI, we can clearly see that before the COIVD-19 pandemic, it had a very low rate, which was 0.25, whereas it increased highly in 2020, which was 1.79, but in its next year, 2021, it slightly decreased to 0.77. Lastly, we can say that IBBL is trying to make itself more efficient day by day.

Efficiency Ratio:

This ratio shows basically any organization or any bank's ability to utilize its assets to generate income.

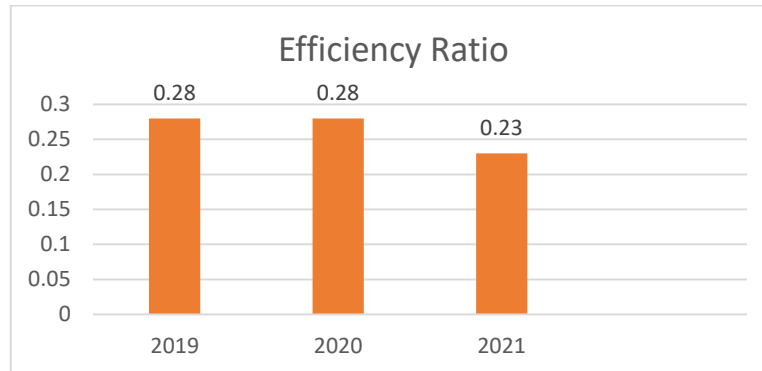


Chart Clarification:

Here, in the chart we can see that in all above the years' efficiency ratio is below than its 50% which is 28% in 2019 as well as in 2020 and in 2021 it was 23% which indicates it is in the moderate rate because we all know that efficiency ratio of 50% or below is considered optimal.

AGENT BANKING FINDINGS

The IBBL's Agent Banking Procedures

- A chosen agent will have an establishment in a specific location known as "Agent Center." With the exception of foreign exchange trading, he will be able to conduct all banking activities just like a branch. Since one agent can open multiple agent centers, it is important to thoroughly test an agent's abilities in order to make it simpler to manage many agent centers with fewer agents, which will reduce the risk and hassles associated with agent management.
- Each agent center will be overseen by a specific branch. A single branch will run numerous agent centers. The operations carried out by the agent centers will be referred to as that branch's operations. Therefore, the branch is responsible for overseeing and running agent centers.
- Agent centers can be opened in both city and village.

- A senior branch officer will keep an eye on the Agent Banking Operation. A designated officer will be chosen to oversee this operation as a result. Additionally, an IT officer who will manage communication between the branch and the agent and provide customer service will be hired by the agent center. The allowance, salary, and other expenses for the officer working at the agent center will be covered by the bank.
- On IT, the agent banking activities will rely. Under the Integrated Agent Banking Platform(IABP), it will be carried out. Each cash transaction will be funded in advance. In other words, the agent will only be able to deposit when he has a current account (settlement account). An agent will deposit Tk. 5,00,000 (five lacs only) into his settlement account at the primary level.

Designing Agent Centre

Agent Bank will supply the materials and components needed to properly design the outlet. The bank will supply the budget for the signboard, cash register, posters, stickers, and other store fixtures. The agent will provide it if the trip is far away and costs more. Every visible agent center will need to display a copy of the bank's permission certificate.

Goal of Agent Banking

Agent Banking sector plays effective and active role in the country since 2013. IBBL involved with the journey from 2017. Bangladesh Government's 'Financial Inclusion' initiatives targeting to achieve sustainable and balanced economic development which is now become a success story. The main focused goal of Agent Banking activities are mentioned below:

- Financial inclusion for unbanked, poor, destitute and deserted people
- To established low cost service delivery channel for Banks
- To ease distribution of public expenditure tor beneficiaries of social safety net program
- To increase customer acquisition and deposits from rural and remote areas.
- To develop balance economic growth through financing poor and underserved people
- Penetration or representation into new geographies through agency
- Contained infrastructure costs by reducing physical channels over time

Organization Structure of Agent Banking Division

There are 8 (eight) department under the Division

S i	Name of the Department	Existing Man power
1	Agent Induction Department	2
2	Agent Onboard and Establishment Department	3
3	Policy, Planning & Development Department	1
4	Operational & IT Support Department	7
S	Investment Operation Department	3
6	Monitoring & Supervision Department	2
7	Compliance & Dispute Resolution Department	1
8	Human Resource and Training Department	1
9	Sub Branch Operation Department (now under BPMD)	3

Agent Banking Activities & Progress Thereof

IBBL launched its Agent Banking activities on 15 July 2017 on pilot basis by opening its 1st Agent Outlet at Birulia, Savar, Dhaka. After successful piloting with 05 (five) outlets, the Bank started its agent banking commercial operation on 13 December 2017. Positive response of the august board of Directors and close supervision of the Management as well as the heartiest effort of all zonal Heads & Branch incumbents total 2692 outlets have opened up to September 2022, which shows a remarkable success in the country agent banking portfolio.

Bangladesh Agent Banking Scenario with ISLAMI BANK BANGLADESH LIMITED
Achievement

S I	Banks	Starte d	No. of Outlet	No. of Accoun t	Depos it (crore)	Investment (crore)	Rem itt an ce (c ro re)
1	Bank Asia	2014	5231	53,31,380	3,793.70	955.88	10,566.61
2	DBBL	2015	5927	49,31,600	4,306.60	451.59	23,910.61
3	Al-Arafah	2015	625	6,17,468	3,447.32	277.95	5,158.30
4	IBBL	2017	2688	29,86,110	10,995.05	147.83	51,254.13
5	BRAC Bank	2017	765	1,88,109	738.44	4,787.67	194.72
6	The City Bank	2017	817	2,72,381	467.67	974.70	1,218.35
7	Other 24 Bank		3684	17,47,330	4,336.53	50.01	4,745.46
	Total		19,737	1,60,74,378	28,085	7,645.63	97,048.18

The detailed business performance (Agent, Account and Deposit) up to September 2022 is shown hereunder:

Sl.	Particular	As on 31.12.20	As on 31.12.21	Growth in 2021	As on 30.09.22	Increase in the year (2022)	Increas e in reportin g Month
1	No. of Agent Outlet	2273	2676	403	2692	16	2
2	No. of Controlling Branches	310	319	9		0	0

3	Account			0			
4	AWCA	34,718	66,329	31,611	81,353	15,024	1291
5	MSA	7,42,920	13,47,081	604,161	18,22,427	4,75,346	53,744
6	Other Mudarabah	5,24,636	9,55,537	430,901	13,10,697	3,55,160	18,578
7	Total	13,02,274	23,68,947	1,066,673	32,14,477	8,45,530	73,613
8	Deposit (Million TIN)			0			
9	AWCA & cost free	3,492.85	5,310.91	1,818.06	6,100.57	789.66	361.79
10	MSA	21,089.61	39,444.95	18,355.34	56,396.00	16,951.05	1,671.18
11	Other Mudarabah	24,871.90	43,738.92	20,867.02	62,391.60	16,652.68	2,139.90
12	Total	49,454.36	90,494.78	41,040.42	1,24,888.17	34,393.39	4,172.87

Customer Acquisition

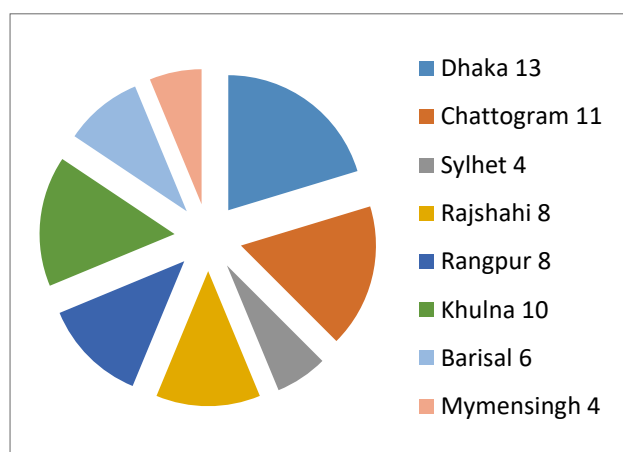
In most of the outlets, huge response from the locality were observed which reflects in the enrollment of 32,14,477 customers within very short span of time. Out of the client, male account holders were 67% and female were 33%. It indicates that more women are involving into traditional banking services through agent banking. Among the total accounts, 2,19,574 (7%) were in urban category and **29,94,433** (93%) were in rural category. Average number of account per outlet was **1194** in September 2022 which was 885 in 2021. Last two years' account inclusion (category wise) comparison are shown below:

1	Current Account	34718	66329	91%	81,353	15,024
2	Mudaraba Saving Account	742920	1347081	81%	18,22,427	4,75,346
3	Term Deposits	524636	955537	82%	13,10,697	3,55,160
	Total	1302274	2368947	82%	32,14,477	8,45,530

Geographic Expansion of Agents

At present out of total 2692 outlets, 2512 (94 %) are opened in the rural areas under all the 64 districts. By this time, IBBL could extend its network to 469 upazilias of the country out of total 495 through establishing agent outlets. Division-wise appointment of agent is shown in the following table:

S I .	Division	District	Outlet
1	Dhaka	13	644
2	Chattogram	11	717
3	Sylhet	4	151
4	Rajshahi	8	308
5	Rangpur	8	188
6	Khulna	10	372
7	Barisal	6	186
8	Mymensingh	4	110
9	Total	64	2676



A huge application for agency arrangement from every walk of the dispersed locality was received round the year. Emphasis was given to expand almost all the suitable & potential places of all the districts harmoniously.

Sl.	Particulars	Dec-2020	Dec-2021	Growth	Sept-2022	Increase
1	Current Account	349	531	52%	6,100.57	789.66
2	Mudaraba Savings Account	2109	3944	87%	56,396.00	16,951.05
3	Term Deposits	2487	4574	84%	62,391.60	16,652.68
4	Total	4945	9049	83%	1,24,888.17	34,393.39

Foreign Remittance Performance

Foreign Remittance	2020	2021	Only Sept-22	Jan-Sept-22	Per Month Achievement			Cumulative since inception
					2020	2021	2022	
Number	22,82,869	27,95,310	1,92,588	18,39,687	1,90,239	2,32,943	2,04,410	75,47,762
Amount	222,248	191,127	12,106	1,13,728	18,521.00	15,927.00	12,636.00	5,55,385

In 2021 number of remittance beneficiaries were 27,95,310 as against 22,82,869 in 2020 scoring the growth rate 22 %. But the amount of inward remittance payment through agent banking were Tk.19,112 crore in 2021 as against TO. 22,224 crores in 2020 scoring a negative growth 14%. This negative phenomenon is common in 2022 but since August 2022 it shows increase trends in remittance inflow through agent outlets. This increase trends are the direct impacts of marketing drive in Middle East and Europe by senior IBBL team led by Hon'ble Managing Director and CEO.

Investment Position

SI No	No of Agent Outlet	No of Member	No of Inv Client	Dist. A Amt	Recovery Amt	Outstanding
1 (RDS)	113	42378	29322	2009.89	757.04	1252.85
2 (Quard)			194	145.29	-	145.29
		Total	29516	2155.18	757.04	1398.14

Summary of Agent RDS Investment Position as on September 2022

S I N O .	Particular	TOTAL (RDS*UPDS)				Increase/ Decrease Per Month
		December-21	September-22	Increase/Decrease Dec-21	August-22	
a	No. of Agent	75	114	39	113	1
b	Member	14370	37050	22680	36520	530
c	Client	8688	28602	19914	26698	1904
d	Outstanding	414.28	1224.50	810.2	1050.00	174.50

Problems and Challenges in Agent Banking Operation

Problems:

- Frequent Problems related to Network, server, user accessibility reduced customers' reliability and increased opportunities of fraudulent attempts.
- Inadequate Supporting officials of Agent Banking Division.
- Correspondence/communication with 2676 Agents and their employees.
- Branch unable to provide required manpower for monitoring and supervision of agent outlets as per decision of the bank.
- Inadequate investment portfolio in contrast of targeted investment of 1BBL as well as instruction from Bangladesh Bank due to lack of required manpower.
- Delaying of development/modification of Agent Banking System as per recommended/ suggested in different Conferences and committed to develop/ update by ICTW (office note of 19 prioritized requirements out of 95 recommendations are enclosed as Attachment-1).

Challenges

- Unethical practice by a few agents' hampers IBBL goodwill and reputation
- Continuous Surveillance to mitigate Risk factors regarding agent banking operation (Identified Risk and mitigation process enclosed as Attachment.
- Business related Challenges occurred due to other bank's branch and sub-branch.
- Business Continuity process for the reason of death, replacement, inefficiency etc.
- Lack of confidence and uncertainty of forecasted business recession among the agents and their employees.

Role of Agent Banking in IBBL

Agent Banking Contribution in ISLAMI BANK BANGLADESH LIMITED

S L	Particular s	Figure in Million	Position in IECL
1	Account Opening (number)	0.61	45% of IBBL
2	Income from SMS Charge	89.5	25% of IBBL
3	Income from ATM Commission	87.1	15% of IBBL
4	A/C Maintenance Commission	31 .7	14% of IBBL
5	Foreign Remittance Spot Cash	50,790	56% of JBBL
6	Total Foreign Remittance Payment	72,854	42% of IBBL
7	Deposit raised	20204	23% of IBBL

Cost of Fund Comparison

Particulars	IBBL			IBBL Agent		
	2020	2021	2022 (.Jan-Jun)	2020	2021	2022 (Jan-Jun)
Cost of Deposit	4.08%	3.51%	3.41%	3.72%	2.87%	2.66%•
Cost of Admin	2.58%	2.67%	2.59*%	2.78%	1.64%	1.04%
Cost of Fund	6.66%	6.18%	6.00%	6.50%	4.51%	3.70%

Risk Management Under Agent Banking

We have determined the risk areas under Agent Banking operations and taken necessary measures which are mentioned in the following table. However, we have to remain careful & alert for any type of risk issues to be faced in future.

	Risk Area	Measures Taken
(1)	Selection of Agent (Observing IBBL Agent Banking a profitable one, huge applications are being submitted along with vigorous persuasion & pressure from different comers)	1. Branch Management try to select as per guidelines. 2. Police clearance is obtained to avoid legal hazards. 3. Recommendation from 02 local public representatives or dignitaries is obtained to understand applicants' social status. 4. CIB & Bank certificate obtained to evaluate financial behavior. 5. To avoid concentration risk, distance between outlets is maintained as 5 & 3 km in rural & urban areas respectively.
(2)	Technology/system security 1. Malware & virus 2. Access to/from unauthorized sites 3. Unauthorized access in the system	1. In house developed system taken <i>proper</i> security Measures. 2. Branded PC, Laptop & TAB with encrypted image, licensed antivirus installed in the outlets which protect malwares & viruses and control access to/from unauthorized sites. 3. 2FA (Two factors authentication) system enabled. 4. <i>User</i> administration controlled by ABSD, HO 5. Biometric fingerprint enrollment secured by server based system instead of open web platform.

Customers' Safety & Satisfaction 1. Employees honesty & efficiency. (3) 2. Pocket Banking [taking deposits without making entry in customers' account]. 3. Risk in Fingerprint enrollment.	1. Policy for Training under Agent Banking adopted - i) Agent: 1-day orientation at the inception. ii) Agent employee: 5-day Foundation Training and branch-based 'Quarterly Workshop'. 2. No printed deposit slips at outlets. 3. Balance of Settlement A/c monitored. 4. 'Zero' balance A/Cs are monitored. 5. ICTW will bring solution on 'fingerprint fraud' shortly. 6. Agency is cancelled for major irregularities.
Control & Compliance 1. Huge number of outlets under a branch. 2. CBA type unexpected (4) pressure from agents' part. 3. Non-compliant/non-banking activities in the outlets.	1. Supervision & monitoring is done by branch. One Officer is engaged for 4 outlets. 2. Maximum no. of outlet per Branch & Agent is fixed at 20 & 5. 3. In order to have close interaction with the agents, Bi-monthly Agent meeting is held in every branch. 4. Annual conference conducts for evaluate performance & exchange views with the Agents. 5. Quarterly physical inspection conducts by HOB/MO. 6. Regular audit into the outlets is done by Branch and Zone

4 CHAPTER- 4

4.1 INTERNSHIP EXPERIENCE

4.1.1 Position and Duties:

As a selected candidate by IBTRA (Islami Bank Training Research and Academy) they gave me full flexibility to choose my own choice of branch nearby my resident. As an intern of IBBL Dhanmondi Branch it was quite beautiful journey for me because I manage to go there easily on time. I had to work there for (sharp 10am – 5pm) as an internee. My duties were to do various tasks like:

- helping and asking the clients what kind of help they need?
- Helping IBBL's employees to check necessary documents whether the clients bring it or not
- Form fill up of account opening.
- Messaging and calling clients to receive their cheque books, cards etc.
- Learning how to organize the different kind of desk?
- Learning what documents need in different desk and so on.

4.1.2 Contribution of performance:

For performance evaluation among other interns ours in-charge took examination on the basis of Islamic Shahrjah and Islamic banking system and different kind of questions. Even IBTRA took final exam as well as we had to create group for presentation on different kind of topics which help us to know abbot more of ISLAMI BANK BANGLADESH LIMITED.

5 CHAPTER – 5

5.1 RECOMMENDATION & CONCLUSION

Recommendation

- To make Bangladesh into (Digital Bangladesh) effectively IBBL should focus on more IT sector such as: to give employees more training about IT related skills.
- Encourage clients to open account in an electronic system in IBBL there is (Cell fin) technology to open, close or other works to do quickly and easier and even in home.
- Improve computer operating system.
- To make all the technologies up-to-date and so on.

Conclusion

Bangladesh's banks are contributing tremendously to the economic system all over the country. As a developing country, Bangladesh has so many problems to solve system all over the country. As a developing country, Bangladesh has so many problems to solve. There are so many illiterate people in our country who are unbanked to the economic system. ISLAMI BANK BANGLADESH LIMITED is taking steps day by day. It has been viewed as a way of increasing the penetration of banks in the rural and remote areas of Bangladesh because such an approach could help render bank services more accessible to customers. The agent banking report of IBBL reveals that the bank has a strong credit focus and continues to offer competitive loans with no hidden fees. It has a good reputation among its customers and with the regulators. The bank's asset quality remains stable despite a turbulent economic environment, and its profitability is expected to improve over the medium term due to increased market share gains and cost savings from recent business restructuring. The report shows that the agent banking of IBBL has been satisfactory. Many people are suffering from natural disasters such as cyclones, floods, poverty, and so on. IBBL is trying its best to reach those people via agent banking and try to help them in their critical situation. Many people in rural areas are getting benefited by the help of IBBL. IBBL's main aim is to make it a more sustainable and manageable banking system all over Bangladesh. Finally, we can say that IBBL is one of the best financial performers in the Bangladesh banking sector. As this report analysis is based on the 2019–2021 annual report of IBBL, after analyzing it, we can easily find out that the financial performance of Islami Bank Bangladesh Limited is up to the mark.

6 CHAPTER – 6

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6.2 APPENDIX





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ইসলামী ব্যাংক ট্রেনিং এন্ড রিসার্চ একাডেমী

أكاديمية البنك الإسلامي للتدريب والبحث

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Name of Students with entitled Branch names:

(Total Branch 49)

Sl No	Applicants' Name	Roll	University Name	Preferred Branch Name
1	Anwarul Bari Yarid	153155	International Islamic University Chittagong	Anderkilla Branch, Chattogram
2	Sumaiya Noor	153146	International Islamic University, Chittagong	Bahaddarhat Branch, Chattogram
3	Abdullah Shatib Fayz	153141	Brac University	Banani Branch, Dhaka
4	Amena khatun oishi	153171	Independent University, Bangladesh	Banani Branch, Dhaka
5	Amina Anjum	153191	North South University	Banani Branch, Dhaka
6	Maharup Sarker Monisha	153160	Mawlana Bhashani Science & Technology University	Baridhara Branch, Dhaka
7	Fahim Sakil	153242	North South University	Baridhara Branch, Dhaka
8	Nazmun Nahar	153156	Eden Mohila College	Basabo Branch, Dhaka
9	Tamanna Afroz	153233	Daffodil International University	Board Bazar Branch
10	Md. Rakibul Hasan	153231	Bangladesh Army University of Science and Technology	Bogura Branch
11	Nazia Fahmi	153194	Bangladesh University of Professionals	Cantonment Branch, Dhaka
12	Sarmine Sultana Munni	153115	Jagannath University	Cantonment Branch, Dhaka
13	Shiab Hossen Gaddafe	153107	Jashore University of Science and Technology	Chawk Mugaltully Branch, Dhaka
14	Rashed Hossain	153157	International Islamic University, Chittagong	Chawkbazar Branch Chittagong
15	Tohen Ahmed	153216	International Islamic University Chittagong	Dagonbhuiyan Branch, Feni
16	Munira Anjum Mukta	153207	Islamic university, Bangladesh	Daulatpur Branch, Khulna
17	Susmita Dutta	153205	Islamic University, Bangladesh	Daulatpur Branch, Khulna
18	Sumya Akter	153172	National University, Bangladesh	Dhaka EPZ Branch
19	Fazilatul Lamia Akter	153102	Jagannath University	Dhanmondi Branch, Dhaka
20	Rabeya Siddika	153195	Govt. Titumir College	Dhanmondi Branch, Dhaka
21	Farzana Chowdhury Bithy	153237	Independent University, Bangladesh	Dhanmondi Branch, Dhaka
22	Sumayia Sharif Titile	153131	United International University	Dhanmondi Branch, Dhaka
23	Ommi Abiha Tabassum	153196	University of Development Alternative	Dhanmondi Branch, Dhaka
24	Md Kamrul Islam Musa	153225	Jagannath University	Donia Branch, Dhaka
25	Md. Kamrul Hassan	153122	University of Dhaka	Donia Branch, Dhaka
26	Sadia Akter Mohua	153124	University of Dhaka	Donia Branch, Dhaka
27	Md. Yasir Arafat Rafi	153168	Bangladesh University of Professionals.	Donia Branch, Dhaka
28	Nahida Tajmin Wafa	153145	National University, Bangladesh	Eidgah Branch, Chittagong
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30	Fayjun Nessa Haider	153158	National University, Bangladesh	Farmgate Branch, Dhaka
31	Maria Sultana	153214	Jahangirnagar University	Farmgate Branch, Dhaka
32	Rehana Akter kobita	153221	National University, Bangladesh	Farmgate Branch, Dhaka
33	Shahriar Rahman	153192	UCSI University	Head Office, Dhaka