



ইসলামী ব্যাংক
বাংলাদেশ লিমিটেড

**”Investment Mechanism of
Islami Bank Bangladesh Limited”**

(A study on Nawabganj Branch, Dhaka)



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Letter of Transmittal

TO:
Sayed Farrukh Ahmed
Assistant professor
Faculty of Business & Entrepreneurship
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Subject: Report on “Investment mechanism of Islami Bank Bangladesh Limited” with special Focus on Nawabganj Branch, Dhaka.

Dear Sir,

This is a great pleasure for me to submit the internship report, which is a partial requirement for the MBA program. I have prepared my internship report on “**Investment Mechanism of Islami Bank Bangladesh Limited**”. I believe that the experience I acquired from this study will be an invaluable asset in my life. I have confidence that the internship program has increased both of my practical experience and theoretical knowledge to a great extent.

It has also to be mentioned that without your experience and cooperation it would not have been possible to complete this report. If you have any further enquiry concerning any additional information I would be very pleased to clarify that. So, I am fervently requesting and hope that you would be kind enough to accept my report and oblige thereby.

Sincerely yours,

Mostafijur

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Mostafijur Rahman

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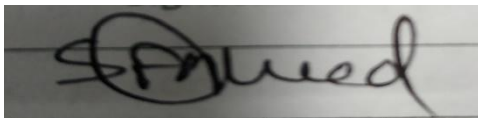
Daffodil International University

Certificate of Approval

This is to certify that Mostafijur Rahman has done the Internship program under my guidance and supervision. He has prepared a report on "**Investment Mechanism of Islami Bank Bangladesh Limited**" with special focus on Nawabganj Branch, Dhaka and submitted it to me by fulfilling the rules and regulation.

Mostafijur Rahman has submitted this report in partial fulfillment of requirement for the degree of MBA program. The report is accepted for presentation.

I wish every success in his future endeavor.



.....
Sayed Farrkuh Ahmed
Assistant professor
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

Acknowledgement

At the beginning, I would like to express my sincere gratitude to Almighty, the most merciful and beneficial for empowering me to prepare the report within the scheduled time. I worked on analyzing their banking software and gathering experience of working in and office environment. I have tried my best to present both hands on experience and study in this paper.

I would like to express my gratefulness and thanks to my respected academic supervisor, Sayed Farrukh Ahmed Assistant professor Faculty of Business & Entrepreneurship of Daffodil international University for giving me the useful instructions on how to work on real life activity. His dynamic guidance at all stages of work encouraged me to accomplish my work successfully.

I am also thankful to course coordinator Dr. saleh Matin, PO, IBTRA; for giving me the opportunity to know about IBBL, support and direction to make this report. I profoundly grateful to Md Mahamudur Rahman, AVP& head of Nawabjanj branch , Dhaka and investment officer Md kayum sikder and other employee of Islami Bank Bangladesh Ltd. For guiding me and sharing enough information with me. I also want to remember Hasna -ara- begum, SPO & Manager Operation of the branch, whose contribution and support inspired me from the beginning to the end of my internship period in Islami Bank Bangladesh Limited (IBBL).

They have been very helpful in showing me the work process and provided relevant information for my report whenever I approached. Although being in extreme business of workloads in office they tried to provide me with necessary information when I asked questions. It was a great opportunity to do internship in such an organization like IBBL. I always felt that I was under guidance of highly qualified and experienced personnel. The experiences I have gathered will be very beneficial in my career.

Executive summary

This report is prepared as requirement of the MBA program of Daffodil International University. This focus on two month working experiences in Nawabganj Branch, Dhaka. I tried my best to provide a clear idea about investment operational strategies of IBBL. The philosophy of Islami Banks is to establish as egalitarian society based on principle of Social justice and equity through CSR (Corporate Social Responsibility) and to fulfill this motive IBBL launch RDS, UPDS. They try to continuously promote these sections and discourage luxurious consumer investment products. As because of IBBL is an Islamic Bank based on ISLAMIC SHARIAH.

In this Report I highlighted my findings through the chapters. First Chapter is introductory part of my study; the second part is focus on IBBL's history and corporate profile that is organizational overview as the study required. Third Chapter describes my job part at IBBL; forth chapter is the short summary about the project.

In this report, I have shown 5 years graphical presentation on number of investment, amount of investment, total recovery, total outstanding and profit. It can properly express the actual situation of IBBL's consumer investment. The percentage of recovery of investment of IBBL is nearly 90 to 95% because bank considers strongly the entrepreneurs efficiency and integrity as well as five C's, which are- capacity, character, capital, condition, and collateral.

Final part of my report shows the future development planning and welfare program of IBBL on RDS and UPDS analysis. At the end of the report is my Findings and Recommendation, I provide my findings and conclusion on overall consumer investment of Islami Bank Bangladesh Ltd. and evaluating performance of my study.

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CHAPTER ONE

Introduction

1.1 Introduction

The special feature of the investment policy of the bank is to invest on the basis of profit and loss sharing system in accordance with the tenets and principles of Islamic Shariah. Earning profit is not the only motive and objective of the Banks investment policy rather emphasis is given is attaining social good and in creating employment opportunities.

According to *OIC*- “Islamic bank is a financial institution whose statutes, rules and procedures expressly state its commitment to the principle of Islamic Shariah and to the banning of the receipt and payment of interest on any of its operations.”

Islami Bank Bangladesh is a financial institution whose status, rules and procedures expressly state its commitment to the principle of Islamic Shariah. Consequently Islamic banks operate on Islamic principles of profit and loss sharing, strictly avoiding interest, which is the root of all exploitation and is responsible for large-scale inflation and unemployment. In this report, I undertake the analysis mainly on different activities of Investment of IBBL.

1.2 Origin of the Report

This Internship Report has been prepared under the Internship program, an obligatory part of the Master of Business Administration (MBA) program. For the internship purpose, I select Islami Bank Bangladesh Limited (IBBL). My internship program started from October, 2019 and the program ended on December, 2019. After ten days theoretical training, I am sent to selected branches of Islami Bank Bangladesh Limited (IBBL) for practical experience. So as per instructions I have prepared this internship report on Investment Activities of Islami Bank Bangladesh Limited (IBBL).

1.3 Significance of the study

I know Islami Bank Bangladesh Ltd. is the largest Bank in Bangladesh in the private sector as well as first interest free bank in Southeast Asia which was established to introduce welfare oriented banking system also ensures equity and justice in the field of all economic activities. I also know

that Islami Bank Bangladesh Limited (IBBL) is playing important role in the economic development of Bangladesh by receiving 26% of the total remittance that Bangladesh earned as well as the role of Islami Bank Bangladesh Limited is really appreciable in rural development, agricultural development & small business investment.

1.4 Objectives of the Study

The main objective of this study is to analyze the investment mechanism of Islami Bank Bangladesh Limited. The other objectives are:

- ✚ To show the investment mechanism and product offerings in different modes of Islami Bank Bangladesh Limited.
- ✚ To evaluate the investment processing of Islami Bank Bangladesh Limited.
- ✚ To evaluate the performance of investment schemes of Islami Bank Bangladesh limited.
- ✚ To provide recommendations on the basis of findings.

1.5 Scope of the Study

In this Internship report I have focused on all the qualitative or descriptive subjects which include profiles of Islami Bank Bangladesh Limited (IBBL), investment modes like **Bai** mode, Profit & loss sharing, **Ijara** mode, Rent sharing mode, different schemes of investment such as household durable schemes, housing investment scheme, transport investment scheme, car investment scheme, investment scheme for doctors, small business investment scheme, rural development scheme etc. after all I can say that this study is related to investment or investment related activities. My study is not the final study. So to know more further study can be practiced on this subject.

1.6 Data collection method

i) Primary sources

The primary sources are

- ✚ Practical work experience in the Branch.
- ✚ Branch Manager & Second Officer.

ii) Secondary sources

The secondary sources are

- ✚ Manuals of Investment of Islami Bank Bangladesh Limited (IBBL).
- ✚ Different text books & materials.
- ✚ Website of the Islami Bank Bangladesh Limited.
- ✚ Annual Report of Islami Bank Bangladesh Limited.
- ✚ Various prescribed forms of investment were analyzed.

1.7 Limitations of the Report

Although we have tried to prepare our report with utmost care and commitment, our work is subject to some limitations. Those limitations are given below:

- ✚ Lack of experiences has acted as constraints.
- ✚ Lack of adequate information.
- ✚ Lack of time for preparing the report in order.
- ✚ The study was conducted based on secondary data.
- ✚ It is the consuming to different & understand interest & profit.

CHAPTER TWO

Profile of Islami Bank Bangladesh Limited

2.1 An Overview of Islami Bank Bangladesh Limited (IBBL).

Bangladesh is one of the largest Muslim countries in the world. The people of this country are deeply committed to Islamic way of life as enshrined in the Holy Qur'an and the Sunnah. Naturally, it remains a deep cry in their hearts to fashion and design their economic lives in accordance with the precepts of Islam. The establishment of Islami Bank Bangladesh Limited on March 13, 1983, is the true reflection of this inner urge of its people, which started functioning with effect from March 30, 1983. This Bank is the first of its kind in Southeast Asia. It is committed to conduct all banking and investment activities on the basis of interest-free profit-loss sharing system. In doing so, it has unveiled a new horizon and ushered in a new silver lining of hope towards materializing a long cherished dream of the people of Bangladesh for doing their banking transactions in line with what is prescribed by Islam. With the active co-operation and participation of Islamic Development Bank (IDB) and some other Islamic banks, financial institutions, government bodies and eminent personalities of the Middle East and the Gulf countries, Islami Bank Bangladesh Limited has by now earned the unique position of a leading private commercial bank in Bangladesh.

2.2 Business Philosophy of Islami Bank Bangladesh Limited (IBBL).

The philosophy of IBBL is to the principles of Islamic Shariah. The organization of Islamic conference (OIC) defines an Islamic bank as “a financial institution whose status, rules and procedures expressly state its commitment to the principles of Islamic Shariah and to the banking of the receipt and payment of interest on any of its operations. The sponsor, perception is that IBBL should be quite different from other privately owned and managed commercial bank operating in Bangladesh, IBBL to grow as a leader in the industry rather than a follower. The leadership will be in the area of service, constant effort being made to add new dimensions so that clients can get “Additional” in the matter of services commensurate with the needs and requirements of the country's growing society and developing economy.

2.3 Aims and Objectives of Islami Bank Bangladesh Limited (IBBL).

Aims means what the Islami Bank Bangladesh Bank doing. The primary objective of establishing Islamic Bank Bangladesh Limited all over the country is to develop as well as the application of Islamic principles in the business sector.

IBBL has basic **three** objectives. These are:-

i) To establish Islamic banking through the introduction of a welfare oriented banking system and also ensure equity and justice in the field of all economic activities, ii) To achieve balanced growth and equitable development through diversified investment operations particularly in the priority sectors and less developed areas of the country, iii) To encourage socio-economic enlistment and financial services to the low-income community particularly in the rural areas. The other objectives are different from conventional banking systems that are as follows:

- ✚ Accepting deposits on profit- loss sharing basis.
- ✚ Establishing welfare oriented banking system.
- ✚ Extending co-operation to the poor, the helpless and the low-income group for their economic enlistment.
- ✚ Playing a pivotal role in human development and employment generation.
- ✚ Conducting interest- free banking.
- ✚ Establishing participatory banking instead of banking on debtor- creditor relationship.
- ✚ Investing through different modes permitted under Islamic Shariah.

2.4 Functions of Islami Bank Bangladesh Limited (IBBL).

The Islami Bank Bangladesh Limited tries to operate all types of banking activities like conventional banks but according to the Holy Quran and Sunnah. The functions of IBBL are

- ✦ To maintain all types of deposit accounts based on profit sharing.
- ✦ To make investment according to the three modes
 - i) Bai Modes
 - ii) Share Modes
 - iii) Ijara Modes.
- ✦ To conduct foreign exchange business.
- ✦ To extend other banking services.
- ✦ To conduct social welfare activities through Islami Bank Foundation

2.5 Strategic Objectives of Islami Bank Bangladesh Limited (IBBL).

- ✦ To ensure customers' satisfaction.
- ✦ To ensure welfare oriented banking.
- ✦ To establish a set of managerial succession and adopting technological changes to ensure successful development of an Islamic Bank as a stable financial institution.
- ✦ To prioritize the clients welfare.
- ✦ To emerge as a healthier & stronger bank at the top of the banking sector and continue stable positions in ratings, based on the volume of quality assets.
- ✦ To ensure diversification by Sector, Size, Economic purpose & geographical location wise Investment and expansion need based Retail and SME/Women entrepreneur financing.
- ✦ To pay more importance in human resources as well as financial capital.
- ✦ To ensure lucrative career path, attractive facilities and excellent working environment.
- ✦ To ensure zero tolerance on negligence in compliance issues both Shari'ah and regulatory issues.
- ✦ To train & develop human resources continuously & provide adequate logistics to satisfy customers' need.
- ✦ To be excellent in serving the cause of least developed community and area etc.

2.6 Core Values of Islami Bank Bangladesh Limited (IBBL).

The core values of Islami bank Bangladesh Limited are given below

- ✦ Trust in Almighty Allah
- ✦ Strict observance of Islamic Shari'ah
- ✦ Highest standard of Honesty, Integrity & Morale
- ✦ Welfare Banking
- ✦ Equity and Justice
- ✦ Environmental Consciousness
- ✦ Personalized Service
- ✦ Adoption of Changed Technology
- ✦ Proper Delegation, Transparency & Accountability

2.7 Commitments of Islami Bank Bangladesh Limited (IBBL).

The commitments of Islami Bank Bangladesh (IBBL) are given below

- ✦ To Shariah
- ✦ To the Regulators
- ✦ To the Shareholders
- ✦ To the Community
- ✦ To the Customers
- ✦ To the Employees
- ✦ To other Stakeholders

2.8 Products of Islami Bank Bangladesh Limited (IBBL) . & Services

Islami Bank Bangladesh Limited (IBBL) is committed to conduct all banking activities in line with the shariah principles prescribed in Islam. The Bank has materialized the long cherished dream of the people of Bangladesh doing their banking under Islamic Shari'ah. IBBL accepts deposits under

three major modes through different types of accounts as per Shariah principles. The three modes & different accounts are given below

Modes:

- ✚ Demand deposit is mobilized under Al-Wadiah principles.
- ✚ Saving deposit is mobilized under Mudaraba principles.
- ✚ Term & other deposits are also mobilized under the Mudaraba principles.

Account Products:

- ✚ Al-Wadiah Current Account (AWCA)
- ✚ Mudaraba Savings Account (MSA)
- ✚ Mudaraba Special Notice Account (MSNA)
- ✚ Mudaraba Term Deposit account (MTD)
- ✚ Mudaraba Hajj Savings Account (MHSA)
- ✚ Mudaraba Special Savings (Pension) Account (MSSA)
- ✚ Mudaraba Savings Bond (MSB)
- ✚ Mudaraba NRB Savings Bond (MNSB)
- ✚ Mudaraba Foreign Currency Deposit (savings) Accounts (MFCD)
- ✚ Mudaraba Monthly Profit Deposit Account (MMPDA)
- ✚ Mudaraba Muhor Savings Account (MMSA)
- ✚ Mudaraba Waqf Cash deposit Account (MWCDA)
- ✚ Student's Mudaraba Savings Account (SMSA)
- ✚ Mudaraba Farmers Savings Account (MFSA)

Services:

- ✚ Online Banking
- ✚ M-cash (Mobile Banking)
- ✚ Account Information Through Short Message Service (SMS)
- ✚ ATM facilities
- ✚ iBanking

2.9 At a glance Corporate Information

(as of 31.12.2017)

Date of Incorporation	13th March 1983
Inauguration of 1st Branch (Local office, Dhaka)	30th March 1983
Formal Inauguration	12th August 1983

Share of Capital

Local Shareholders	36.08%
Foreign Shareholders	63.92%
Authorized Capital	Tk.20,000.00 Million
Paid-up Capital	Tk 16,099.91 Million
Deposits	Tk.755,022.25 Million
Investments (including Investment in Shares)	Tk.748,672.54 Million
Foreign Exchange Business (Including Remittance)	Tk.858,272.00 million

Organizational Information

Total Number of Branches	341
Number of ATM Booths	621
Number of AD Branches	59
Number of Shareholders	33,686
Manpower	11,381

Source: Islami Bank Website

CHAPTER THREE

Investment mechanism of Islami Bank Bangladesh Limited

Investment & Its Mechanisms

3.1 About Investment

Generally investment is the action of deploying funds with the intention and expectation that they will earn a positive return for the owner. Funds may be invested in either real assets or financial assets. When resources are used for purchasing fixed and current assets in a production process or for a trading purpose, then it can be termed as real investment.

On the other hand, an asset or item is purchased with the hope, that it will generate income or appreciate in the future. In an economic sense, an investment is the purchase of goods that are not consumed today but are used in the future to create wealth. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or appreciate and be sold at a higher price. In the financial sense investments include the purchase of bonds, stocks or real estate property.

The primary objectives of investment are given below

- ✓ Safety
- ✓ Income
- ✓ Growth of Capital

- ✓ Tax Minimization
- ✓ Marketability / Liquidity

On the other hand it can say that, investor is that person who is ready to take the necessary risk to maximize the capital through investment. I have seen from each of the five objectives discussed above, the advantage of one often comes at the expense of the benefits of another.

If an investor desires growth, for instance, he or she must often sacrifice some income and safety. Therefore, most portfolios will be guided by one pre-eminent objective, with all other potential.

objective occupying less significant weight in the overall scheme.

3.2 Factors related to Investment:

Risk

Time

Rate of return

Security and collateral

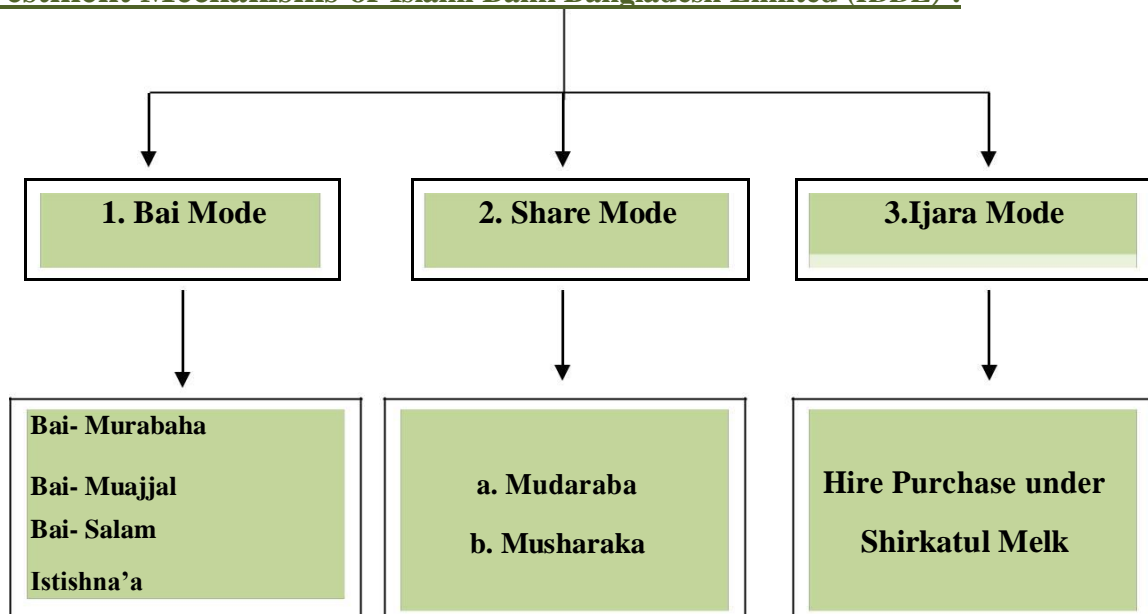
Operating expense

Legal consideration

3.3 Investment Mechanisms of Islami Bank Bangladesh Limited (IBBL) .

Credit department of IBBL actually invests its money in various sectors of the economy through different modes permitted by Shariah and approved by Bangladesh Bank. Islami Bank Bangladesh Ltd. operates its investment activities mainly through 3(three) modes. The modes of investment are as follows

Investment Mechanisms of Islami Bank Bangladesh Limited (IBBL) .



3.3.1 Bai- Mode (Buy/Sale):

Under Bai- Mechanism Islami Bank Bangladesh Ltd. has practiced different kinds of investment modes. These are given below

- **Bai-Murabaha (Contract Sale on Profit)**

“Bai-Murabaha” means sale on agreed upon profit. Bai-Murabaha may be defined as a contract between a Buyer and a Seller under which the Seller sells certain specific goods permissible under Islamic Shariah and the Law of the land to the buyer at a cost plus an agreed profit payable today or on some date in the future in lump-sum or by installments. The profit may be either a fixed sum or based on a percentage of the price of the goods.

Features of Bai- Murabaha:

- ✓ A client can make an offer to purchase particular goods from the bank for a specified agreed upon price, including the cost of the goods plus a profit.
- ✓ A client can make the promise to purchase from the bank, that is, he is either to satisfy the promise or to indemnify any losses incurred from breaking the promise without excuse.
- ✓ It is permissible to take cash/collateral security to guarantee the implementation of the promise or to indemnify any losses that may result.
- ✓ Documentation of the debt resulting from Bai-Murabaha by a Guarantor, or a mortgage, or both like any other debt is permissible. Mortgage/Guarantee/Cash Security may be obtained prior to the signing of the Agreement or at the time of signing the Agreement.
- ✓ The bank must deliver the goods to the client at the date, time, and place specified in the contract.
- ✓ The purchase price of goods sold and profit mark-up shall separately and clearly be mentioned in the agreement.

- **Bai-Muajjal (Deferred Sale)**

“Bai-Muajjal” means sale for which payment is made at future fixed date or within a fixed period. In short, it is

Features of Bai-Muajjal:

- It is permissible and in most cases, the client will approach the bank with an offer to purchase a specific good through a Bai-Muajjal agreement.
- It is permissible to make the promise binding upon the client to purchase the goods from the bank.
- It is permissible to take cash/collateral security to guarantee the implementation of the promise or to indemnify the bank for damages caused by non-payment.
- It is also permissible to document the debt resulting from Bai-Muajjal by a Guarantor, or a mortgage or both, like any other debt. Mortgage/Guarantee/Cash security may be obtained prior to the signing of the Agreement or at the time of signing the Agreement.
- All goods purchased on behalf of a Bai-Muajjal agreement are the responsibility of the bank until they are delivered to the client.
- The bank must deliver the goods to the client at the time and place specified in the contract.
- The bank may sell the goods at a higher price than the purchase price to earn profit.

- **Bai- Salam (Advance Purchase or Sale)**

“Bai- Salam” means advance sale and purchase. Bai-Salam may be defined as a contract between a buyer and a seller under which the seller sells in advance the certain commodity/products permissible under Islamic Shari'ah and the law of the land to the buyer at an agreed price payable

on the execution of the said contract and the commodity/products are delivered to the buyer as per specification, size, quality, quantity at a future time in a particular place.

Features of Bai- Salam:

- Bai-Salam is a mode of investment allowed by Islamic Shariah in which commodity(ies)/product(s) can be sold without having the said commodity(ies)/product(s) either in existence or physical /constructive possession of the seller. If the commodity (ies)/product(s) are ready for sale, Bai- Salam is not allowed in Shariah. Then the sale may be done either in Bai-Murabaha or Bai-Muajjal mode of investment.
- Generally, industrial and agricultural products are purchased/sold in advance under Bai-Salam mode of investment to infuse finance so that product is not hankered due to shortage fund/cash.
- It is permissible to obtain collateral security from the seller client to secure the investment from any hazards via non-supply/partial supply of commodity (ies)/product(s), supply of low quality commodity (ies) /product(s).
- It is also permissible to obtain Mortgage and /or Personal Guarantee from a third party as security before the signing of the Agreement or at the time to signing the Agreement
- Bai-Salam on a particular commodity (ies)/product(s) or on a product of a particular field or firm cannot be affected (for Agricultural Product(s) only).
- The seller (manufacturer) client may be made agent of the Bank to sell the goods delivered to the Bank by her provided a separate agency agreement is executed between the bank and the client (agent).

Execution of Bai- Salam:

Salam sales are frequently used to finance the agricultural industry. Banks advance cash to farmers today for delivery of the crop during the harvest season. Thus banks provide farmers with the capital necessary to finance the cost of producing a crop. Salam sale are also used to finance commercial and industrial activities. Once again the bank advances cash to businesses necessary to finance the cost of production, operations and expenses in exchange for future delivery of the end product. In the meantime, the bank is able to market the product to other customers at lucrative prices. In addition, the Salam sale is used by banks to finance craftsmen and small producers, by supplying them with the capital necessary to finance the inputs to production in exchange for the future delivery of products at some future date.

Istishna'a

Istishna'a is a contract between a manufacturer/seller and a buyer under which the manufacturer/seller sells specific product(s) after having manufactured, permissible under Islamic Shariah and Law of the Country after having manufactured at an agreed price payable in advance or by go downs within a fixed period or on/within a fixed future date on the basis of the order placed by the buyer.

Features of Istishna'a:

- Istishna'a is an exceptional mode of investment allowed by Islamic Shariah in which product(s) can be sold without having the same in existence. It facilitates the manufacturer sometimes to get the price of the goods in advance, which he may use as capital for producing the goods.
- It gives the buyer opportunity to pay the price in some future dales or by go downs.
- It is a binding contract and no party or is allowed to cancel the Istishna'a contract after the piece is paid and received in full or in part or the manufacturer starts the work.
- Istishna'a is specially practiced in manufacturing and industrial sectors; however, it can be practiced in agricultural and constructions sectors also.

Execution of Istishna'a:

The Istishna'a contract allows IBBL to finance for the public needs and the vital interests of the society to develop the Islamic economy in accordance with Islamic teachings. For example - Istishna'a contracts are used to finance high technology industries such as the aviation, locomotive and ship building industries.

In addition, this type of business transaction is also used in the production of large machinery and equipment manufactured in factories and workshops. Finally, the Istishna'a contract is also applied in the construction industry such as apartment buildings, hospitals, schools, and universities to whatever that makes the network for modern life.

3.3.2 Share Mode:

In this Mode IBBL invest by two ways. These are

Mudaraba

The word Mudaraba has been derived from Arabic word "Darb/Darbun" which means "Travel". Thus the word Mudaraba means travel for undertaking business.

It is a form of partnership where one party provides the funds while the other provides the expertise and management. The first party is called the "Sahib-Al-Maal" and the latter is referred to as the "Mudarib". Any profits accrued are shared between the two parties on a pre-agreed basis, while capital loss is exclusively borne by the partner providing the capital.

Features of Mudaraba

- Bank supplies capital as Sahib-Al-Mall and the client invest in the business as Mudarib.
- Administration and management is maintained by the client.
- Profit is divided as per management.
- Bank bears the actual loss alone.

Musharaka (Partnership based investment)

The word "Musharaka" has been derived from Arabic word "Sharikat" or "Shirkat". In Arabic Sharikat or Shirkat means partnership or sharing. Musharaka means a partnership established between two or more persons or institutions for purpose of a commercial venture participated both in the capital and management where the amount of profit will be shared between the partners as per agreed ratio and the loss will be shared as per capital/equity ratio.

Features of Musharaka

- Bank and client both supply capital unequally/equally.
- Profit is divided as per agreement and actual loss is divided as per equity.
- Client will maintain all accounts properly bank or its agent may verify or audit it.
- Banks can advice the client in such a business in respect of the business.
- All partners can participate in the management of the business and can work for it.
- The liability of the partner is normally unlimited. Therefore, all the liabilities shall be borne proportionately by all the partners.

3.3.3 Ijara (Lease) Mode

Hire Purchase under Shirkatul Melk is a Special type of contract that has been developed through practice. Actually, it is a synthesis of three contacts:

- i) Shirkat
- ii) Ijara and
- iii) Sale

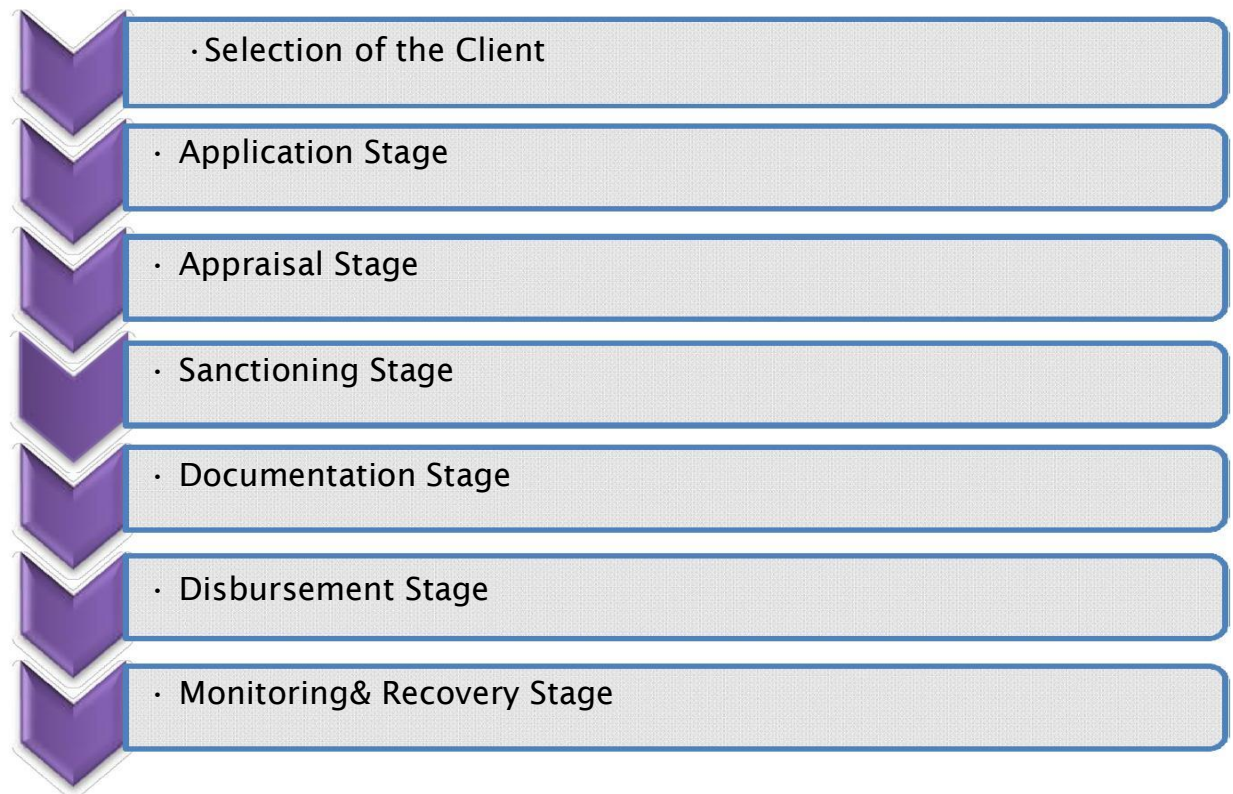
These may be defined as follows:

- i) **Partnership/Shirkatul Melk:** 'Shirkat' means partnership. Shirkatul Melk means share in ownership. When two or more persons supply equity, purchase an asset and own the same jointly and share the benefit as per agreement and loss in proportion to their

respective equity, the contract is called Shirkatul Melk. In the case of Hire Purchase under Shirkatul

3.4 Investment Processing of Islami Bank Bangladesh Limited (IBBL) .

Generally a bank takes certain steps to deliver its proposed investment to the client. But the process takes deep analysis because banks invest depositor's fund. If the bank fails to meet depositors demand, then it must collapse. So, each bank should take strong concentration on investment proposal. However, Islami Bank Bangladesh Limited (IBBL) makes its investment decision through successfully passing the following crucial steps:



1. Selection Stage

Here, investment taker (client) approaches to any of the branch of Islami Bank Bangladesh Limited (IBBL). Then, he talks with the manager or respective officer (Investment). Secondly, bank considers five C's of the client. After successful completion of the discussion between the client and the bank, bank selects the client for its proposed investment. It is to be noted that the client/customer must agree with the bank's rules & regulations before availing investment. Generally, bank analyses the following five C's of the client:

- ❖ **Character;**
- ❖ **Capacity;**
- ❖ **Capital;**
- ❖ **Collateral; and**
- ❖ **Condition.**

2. Application Stage

At this stage, the bank will collect necessary information about the prospective client. For this reason, bank informs the prospective client to provide and/or fill duly respective information which is crucial for the initiation of investment proposal. Generally, here, all the required documents for taking investment have to prepare by the client himself. Documents that are necessary for getting investment of IBBL are prescribed below:

- ✚ Trade License photocopy (for proprietorship);
- ✚ Abridged pro forma income statement;
- ✚ Attested copy of partnership deed (for partnership business);
- ✚ Prior three (03) years' audited balance sheet (for joint stock company);
- ✚ Prior three (03) years' business transactions statement for the Musharaka/Mudaraba investment;
- ✚ Detailed summary of the sundry debtors and creditors (including both time & schedule);
- ✚ Summary of the personal movable & immovable assets; and others.

3. Appraisal stage

At this stage, the bank evaluates the client and his/her business. It is the most important stage. If anything find wrong here, the bank suddenly stops to make payment of investment. However, the following contents are presented from that appraisal report

- Company's/Client's Information.
- Owner's Information.
- List of Partners/Directors.
- Purpose of Investment/Facilities.
- Details of Proposed Facilities/Investment.
- Break up of Present Outstanding.
- Other Liabilities of the Client/Group.
- Previous Banker's Information.
- Details of Sister/Allied Concerns.
- Allied Deposit as on.
- Risk Grade.
- Particulars of the store for storing MPI/Murabaha goods.
- Insurance Coverage.
- Audit Observation.
- Security Analysis.

4. Sanctioning stage

At this stage, the bank officially approves the investment proposal in favor of the respective client. In this case client receives bank's sanction letter. Islami Bank Bangladesh Limited (IBBL)'s sanction letter contains the following elements

1. Investment Limit in million.
2. Mode & amount of investment.
3. Purpose of investment.
4. Period of investment.
5. Rate of return.
6. Securities
7. Cash/Goods security

5. Documentation stage

At this stage, usually the bank analyzes whether required documents are in order. In the documentation stage, Islami Bank Bangladesh Limited (IBBL) checks the following documents of the client:

- Tax Payment Certificate.
- Stock Report.
- Trade License (renewal).
- VAT certificate
- Liability statement from different parties.
- Receivable from different clients.
- Other assets statement.
- And Other documents

6. Disbursement stage

At this stage, bank decides to pay out money. Here, the client gets his/her desired fund or

7. Monitoring & Recovery stage

At this final stage of investment processing of the Islami Bank Bangladesh Limited (IBBL), bank will contact with the client continuously, for example- bank can obtain monthly report from the client in case of micro investment. Here, the bank will keep his eye on over the investment taker. If needed, bank will physically verify the client's operations. Also if bank feels that anything is going wrong then it tries to recover its investment fund from the client.

3.5 Welfare Oriented Investment Special Schemes

- ✚ Household Durable Scheme.
- ✚ Housing investment scheme.
- ✚ Real estate investment scheme.
- ✚ Transport investment scheme.
- ✚ Car investment scheme.
- ✚ Doctor's investment scheme.
- ✚ Small business investment scheme.
- ✚ Agriculture implements investment scheme.
- ✚ Rural development scheme.
- ✚ Micro industries investment scheme.

Details of Special Investment Schemes under Investment Mode

Name of Scheme	Eligibility	Maximum invested money	Client's equity	Period of investment	Mode of investment
Household Durables scheme	Govt., semi govt, autonomous official, teachers, doctors, engineers etc.	500000	25%	2 years	Bai-Muazzal
Housing Investment Scheme	Govt., semi govt, autonomous official, universities teachers, doctors, engineers etc. of City Corporations	3000000	50%/40%	15 years	HPSM
Transport Investment Scheme	Govt, semi-govt, autonomous official, universities teachers, doctors, engineers, business man, etc.	2000000	30%	3 years	HPSM
Car Investment Scheme	Govt, semi-govt, autonomous official, universities teachers, doctors, engineers, business man, etc.	350000	30%	4 years	HPSM
Investment for Doctors	New, experienced, specialized doctors	1000000	20-30%	5 years	HPSM, Bai- muazzal
Small Business	Fishery, livestock, manufacturing. Farmer, half educated	100000	0-20%	1-2 years	HPSM, Bai- muazzal
Agriculture Implements	rural youth	200000	20%	2 years	HPSM
Micro Industries	Diploma, skilled & semi skilled youth	200000	Nil	5 years	HPSM, Bai- muazzal
Real Estate Investment Program	land owners under City Corporation important	50% of cost of construction	50%	10-15 years	HPSM

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CHAPTER FOUR

Analysis of Investment mechanisms

4.1 Year Wise Investment & Growth Rate of Investment of Islami Bank Bangladesh (IBBL) .

Year	2013	2014	2015	2016	2017
Amount (TK in Millions)	263,225	305,841	406,817	403,195	463,475
Growth Rate %	22.65%	16.19%	21.93%	9.09%	13.93%

Table 4.2: Year Wise Investment & Growth Rate (Source: Annual report of IBBL)

Figure 4.2: Year wise Investment of IBBL

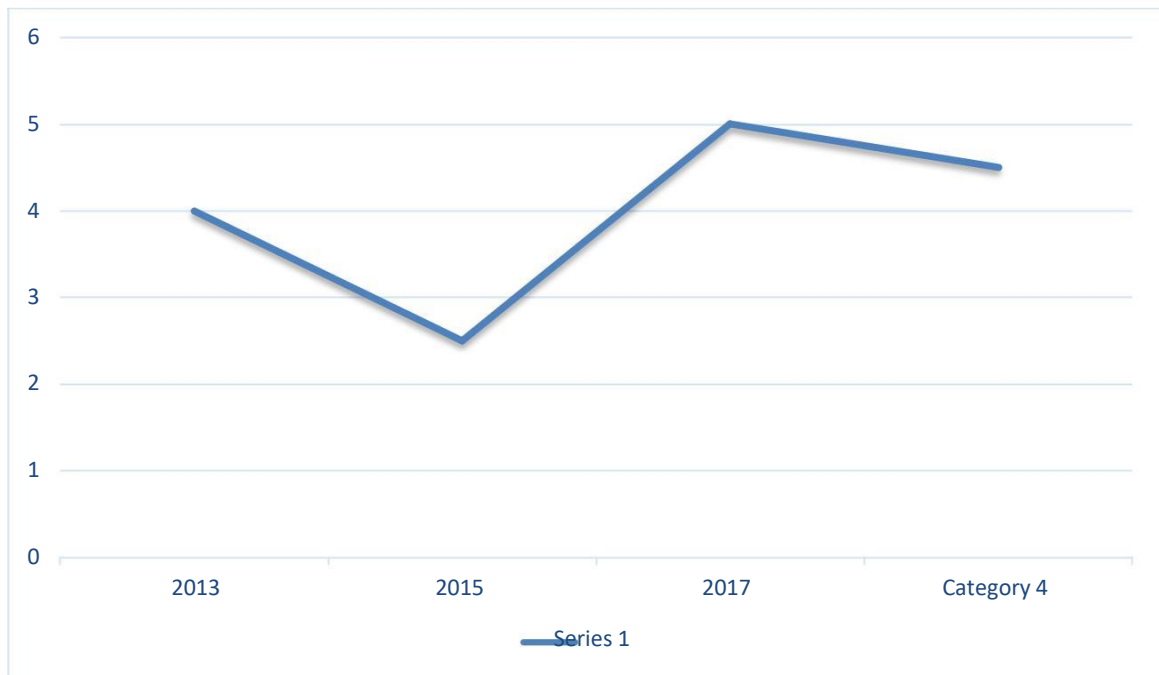


Figure 4.2: Investment Growth Rate of IBBL

Interpretation: There is an increasing trend of investment of IBBL. From the above chart we can see (Figure 5.3) that the lowest investment was TK 263,225 million in 2013 and the highest amount is TK 463,475 million in 2017 which increased the deposit trend line. The reason of

increasing trend of investment was that IBBL invested in diversified portfolio (including microcredit to large investment). The investment decreased from 2015 to 2016 was TK 406,817 to 403,195 million because that time IBBL faced many problems like political instability, economic unrest, lack of proper utility facility etc.

However, we can see from the graph (**Figure 5.4**) that the growth rates of deposit of IBBL were fluctuating. Growth rate of deposit decreased from 22.65% in 2013 to 13.93% in 2017 and this makes trend line fall. We can see that from 2014 to 2015 the growth rate of investment was increased in 16.19% to 21.93% and also increased from 2016 to 2017 which was 9.09% to 13.93%. The reasons of increasing the growth rate investment are that in those years IBBL could properly invest their money because economic condition was good and faced less political problem. The reasons of decreasing in trend in the mentioned year were due to political instability, economic downturn. So this made the investment growth rate decreased and also many financial institutions and banks came in the market so the trend line decreased in the growth of investment.

4.3 Year Wise Investment to Deposit Ratio Analysis

Investment to Deposit Ratio:

Investment to deposit ratio measures the portion of deposit used for investment in loan products. The more the ratio, the more the bank is using its deposit as investment.

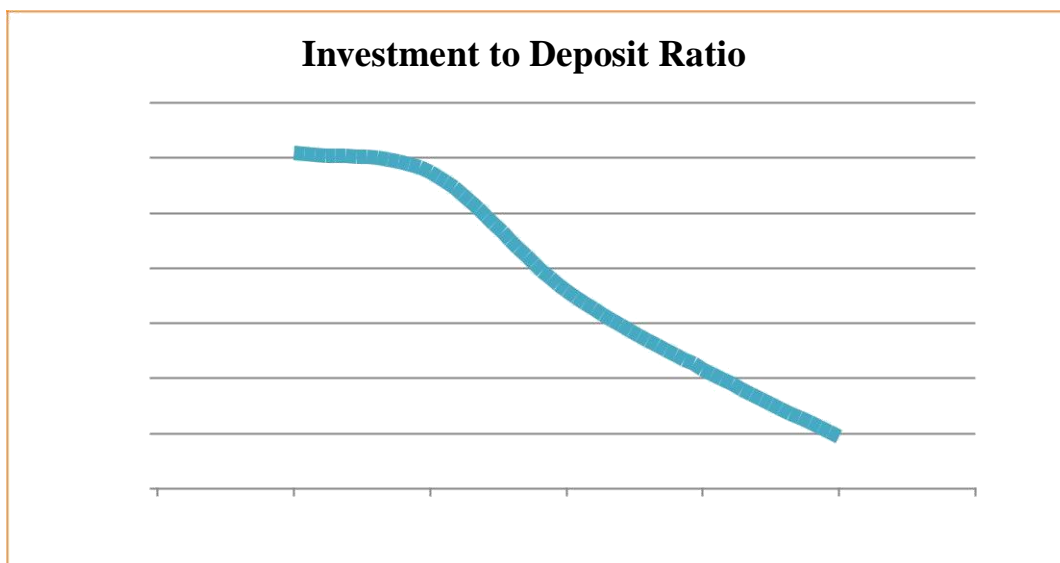


Figure 4.3: Investment to Deposit Ratio of IBBL

Interpretation: The graph shows that investment to deposit ratio has decreased over the years. In the graph (Figure 5.5) we have seen that the ratio has decreased from 90.17% in 2015 to 79.88% in 2017. The reason of decreased the trend line is because IBBL has hold deposits amount year by year and then they have surplus of money but they can't properly invest the money because of some political unrest, economic recession every year. As a result, they could not find the good business holder to invest them. We know if investment is increased and on the other hand total deposit is also increased then ultimately investment to deposit ratio decreased.

4.4 Mode Wise Investment in 2017

Sl No	Mode	2016		2017	
		Amount (MillionTK)	% to Total Investment	Amount (Million TK)	% to Total Investment
1	Bai-Murabaha	225,876	55.52%	281,556	60.75%
2	HPSM	95,481	23.47%	109,941	23.72%
3	Bai-Muajjal	24,053	5.91%	15,443	3.33%

4	Bill Purchased & Negotiation	29,686	7.30%	30,424	6.56%
5	Quard	13,670	3.36%	15,478	3.34%
6	Bai-Salam	4,200	1.03%	4,808	1.04%
7	Mudaraba	-	0%	3,000	0.65%
8	Musharaka	13,838	3.40%	2,825	0.61%
	Total	406,805	100%	463,475	100%

Table 4.4: Mode Wise Investment in 2016 (Source: Annual report of IBBL)

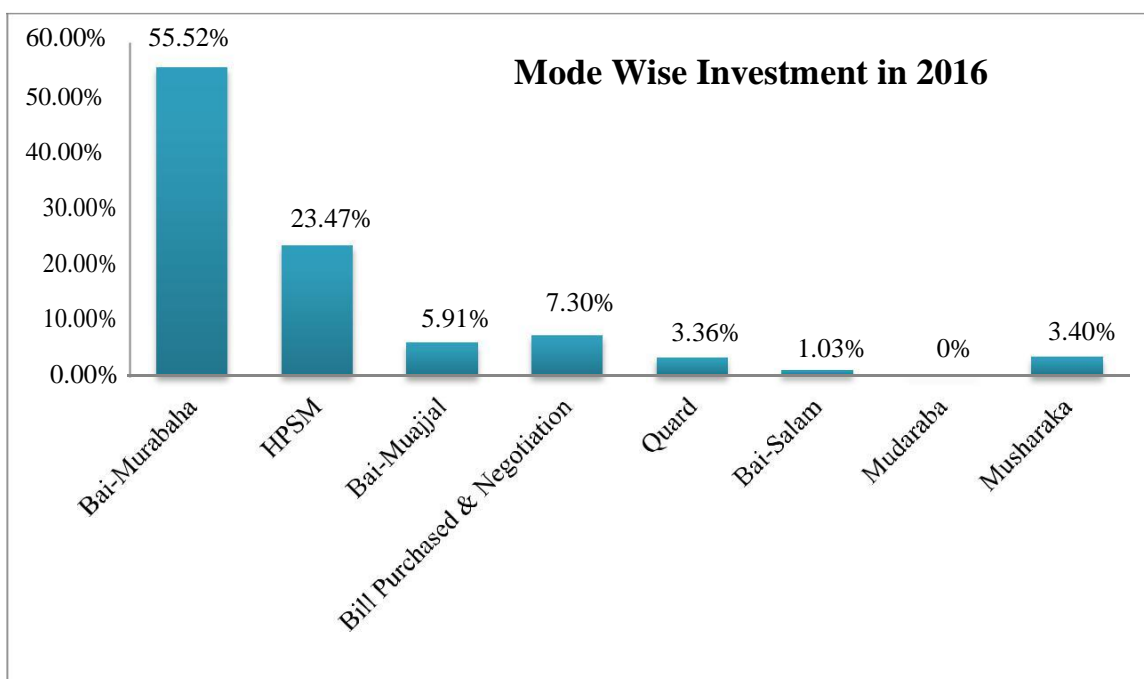


Figure 4.4: Mode Wise Investment in 2017 of IBBL

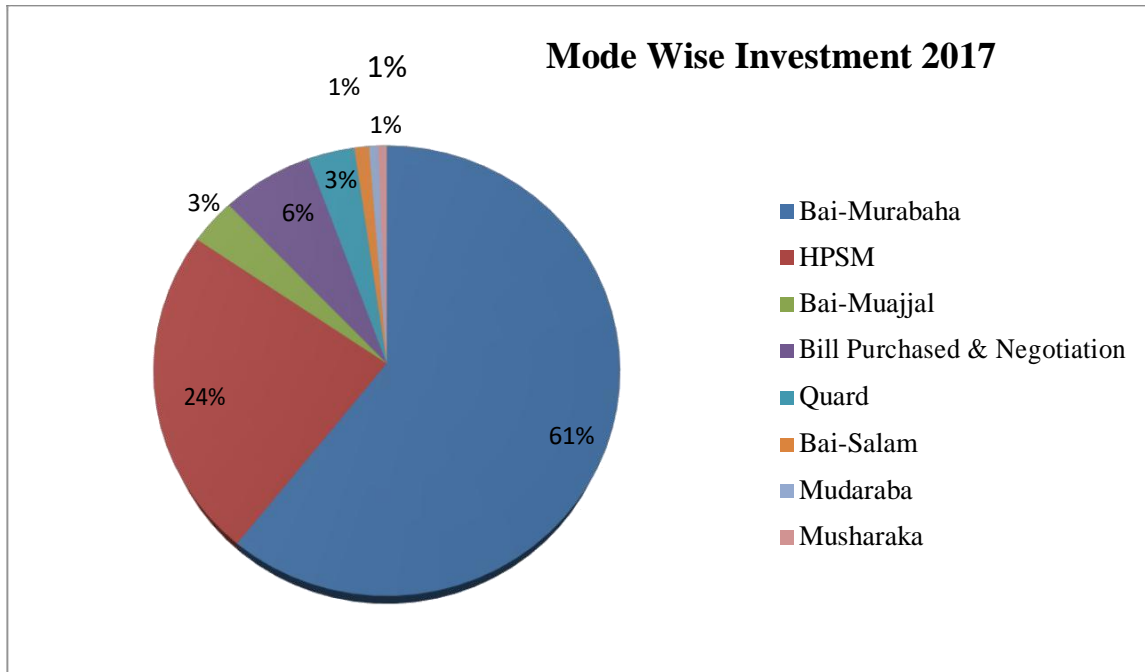


Figure 4.4: Mode Wise Investment in 2015 of IBBL

Interpretation: From the above graph (Figure 5.6 & 5.7) we can see that in the year 2016 and 2017, IBBL invested their maximum portion in Bai-Murabaha mode (56% and 61%) which is TK 225,876 and 281,556 million respectively that means sale for which payment is made at a future fixed date or within a fixed period in short, it is a sale on credit. The main reason is that the clients choose the Bai-Murabaha because they don't need to face many documentation problems so clients freely select the Bai-Murabaha. The second maximum portion of investment is in HPSM mode whose percentages are 24% (approx.) both the year in 2016 and 2017. The HPSM mainly used in Ijara mechanism so clients choose secondly the HPSM. The bank invests in other modes at lower percentage. The lowest portion was invested in Bai-salam at 1%. Bai-salam is not chosen by many clients because it is used to export in outside country so clients face many problems in the documents process.

4.5. Trend of Mode Wise Investment in Bai-Murabaha from 2013 to 2017

Year	2013	2014	2015	2016	2017
Investment in Bai-Murabaha (Million TK)	117,180	177,136	221,632	225,876	281,556
Percentage of Total	54.60%	57.92%	59.43%	55.52%	60.75%

Table 4.5.1: Year Wise Investment in Bai-Murabaha (Source: Annual report of IBBL)

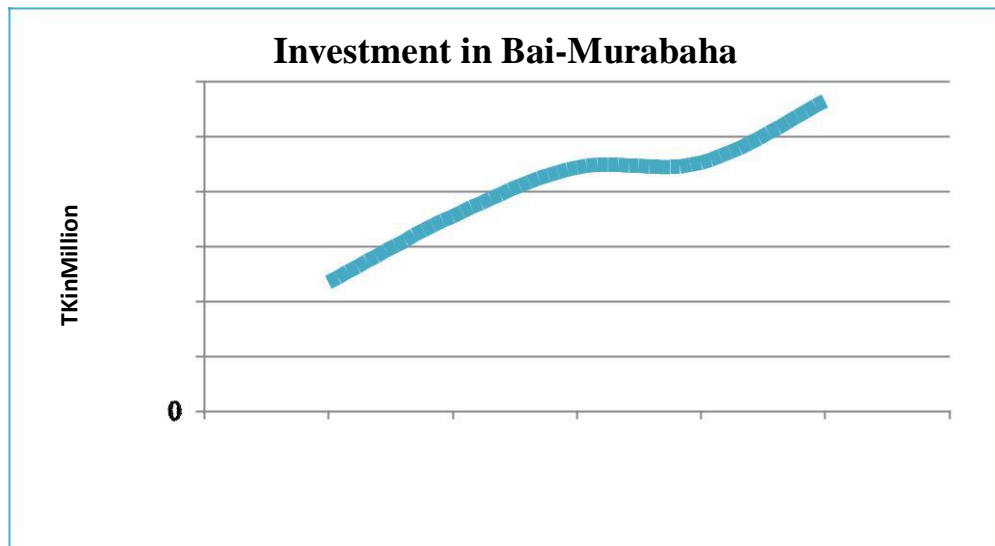


Figure 4.5.2: Year wise Investment in Bai-Murabaha

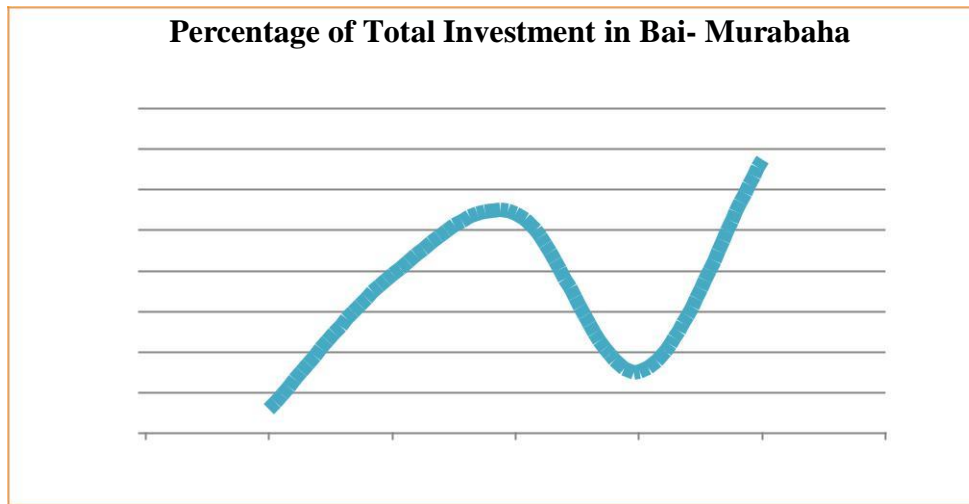


Figure 4.5.3: Percentage of Investment in Bai-Murabaha

Interpretation: There is an increasing trend of investment in Bai-Murabaha of IBBL. From the above we can see the graph (Figure 5.8) that the lowest investment was TK 117,180 million in 2013 and the highest amount is TK 281,556 million in 2015. Because customers are satisfied with the service and they don't face many problems as Bai-Murabaha documentation needs a few papers, it makes them to invest in this mode.

However, we can see from the graph (Figure 5.9) that the percentage rates of total investment in Bai-Murabaha of IBBL were fluctuating. Percentage rate of total investment increased from 54.60% in 2013 to 60.75% in 2015 and but trend line decreased in 2016, the percentage decreased from 59.43% to 55.52%. In all the other years the trend line percentage rates of total investment are increased. So the client's mental satisfaction about this mode of investment was positive which helps to provide better customer service.

Investment in Hire Purchase under Shirkatul Melk(HPSM)

Figure 4.5.4: Year Wise Investment in HPSM

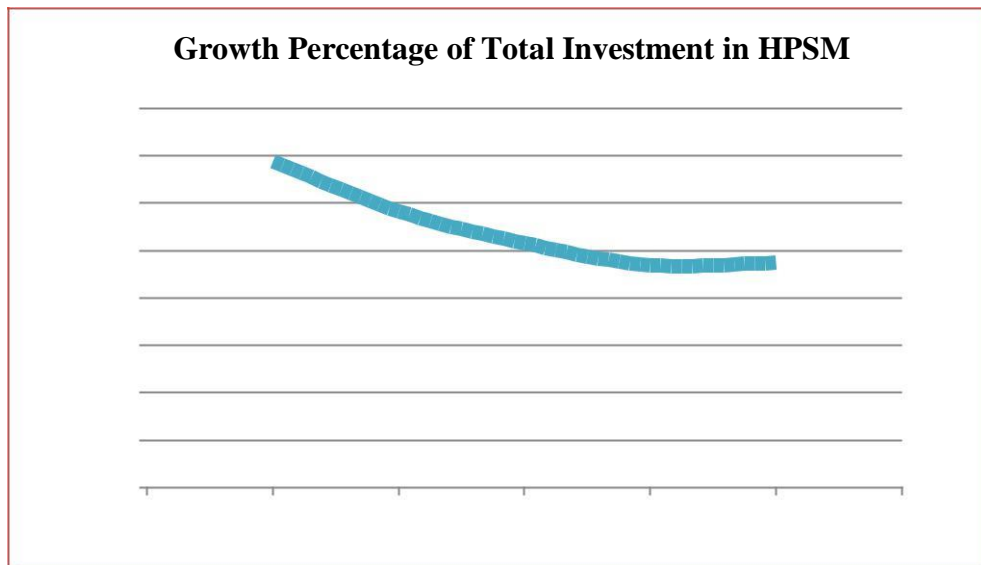
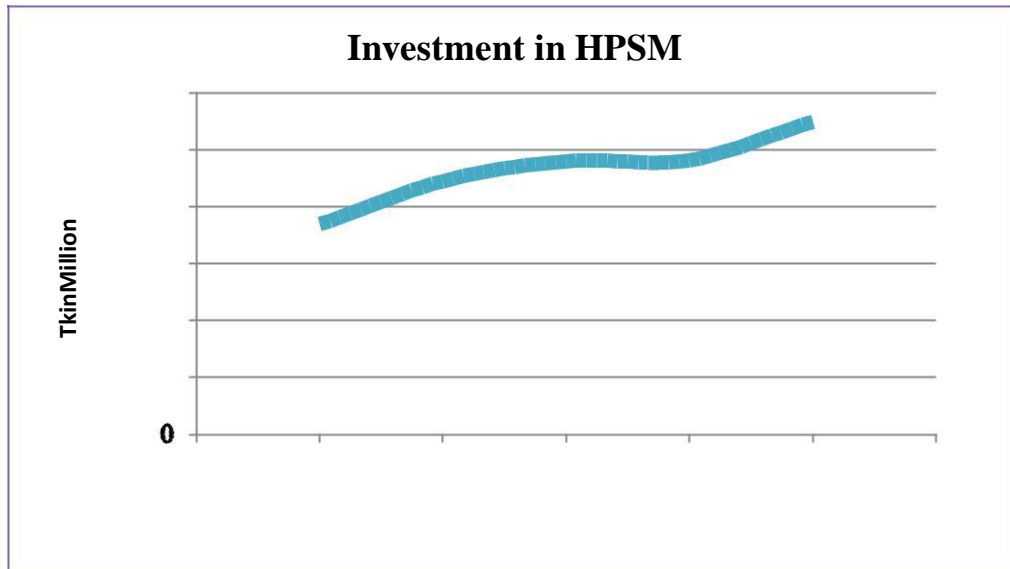


Figure 4.5.5: Growth Percentage of Investment in HPSM

Interpretation: There is an increasing trend of investment in HPSM of IBBL. From the above we can see the graph (Figure 5.10) that the lowest investment was TK 73,871 million in 2013 and the highest amount is TK 109,141 million in 2015. This makes the trend upward.

However, we can see the graph (Figure 5.11) that the percentage rates of total investment in HPSM of IBBL were decreasing. Percentage rate of total investment in HPSM ranges from 34.42% in 2013 to 23.72% in 2015 and this trend line was decreased because in these years due to political instability, economic downturn bank could not properly invest in the HPSM mode.

Investment in Bai-Muajjal

Year	2013	2014	2015	2016	2017
Investment in Bai-Muajjal (Million TK)	7,318	15,912	18,295	24,053	15,443
Percentage of Total Investment	3.41%	5.20%	4.91%	5.91%	3.33%

Table 4.11: Year Wise Investment in Bai-Muajjal (Source: Annual report of IBBL)

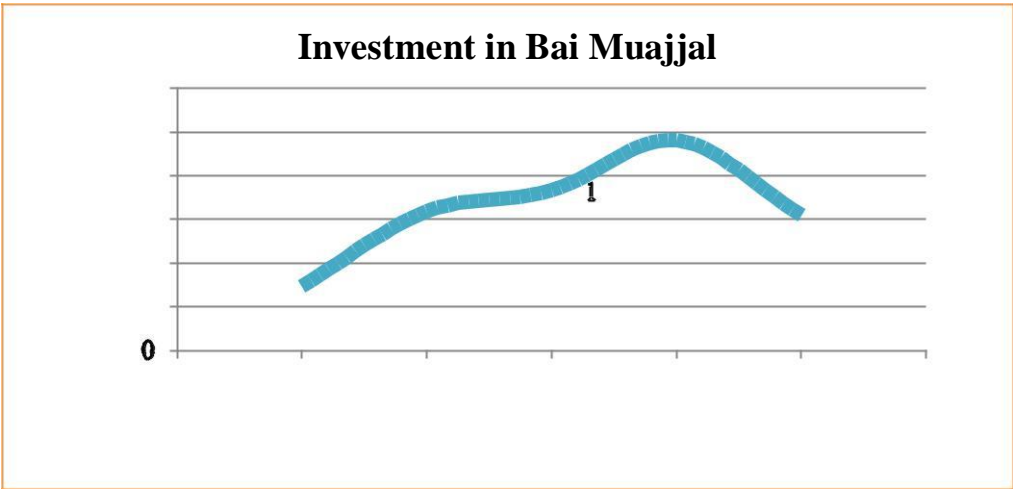


Figure 4.5.6: Year Wise Investment in Bai-Muajjal

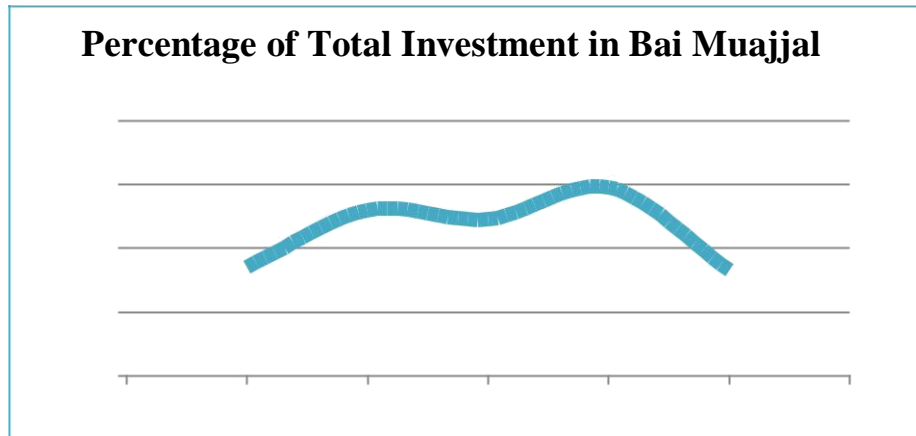


Figure 4.5.7: Percentage of Investment in Bai-Muajjal

Interpretation: There is an increasing trend of investment in Bai-Muajjal of IBBL. From the above graph we can see (Figure 5.12) that the lowest investment was TK 7,318 million in 2013 and the highest amount is TK 15,443 million in 2017. This makes the trend line. From the year 2016 to 2017 the trend line of total investment decreased from TK 24,053 to 15,443 million. Because customers were afraid of political unrest and for this reason client could not run business properly. Clients also made loss project in that year so they withdraw the deposit from the fund and for that reason IBBL couldn't invest. But from 2013 to 2015 the trend line increased because clients are satisfied with the service and also they did not face so many problems. So many customers felt trusted which makes them to deposit in the bank.

However, again we can see from the graph (Figure 5.13) that the percentage rates of total investment in Bai- Muajjal of IBBL were fluctuating. Percentage rate of total investment in Bai-Muajjal increased from 3.41% in 2013 to 3.33% in 2017 and this trend line was fluctuating because of political instability, economic termination and other reasons as well.

Investment in BaiSalam

Year	2013	2014	2015	2016	2017
Investment in Bai Salam (Million TK)	3,624	3,528	4,532	4,200	4,808
Percentage of Total Investment	1.38%	1.15%	1.22%	1.03%	1.04%

Table 4.5.8: Year Wise Investment in Bai Salam (Source: Annual report of IBBL)

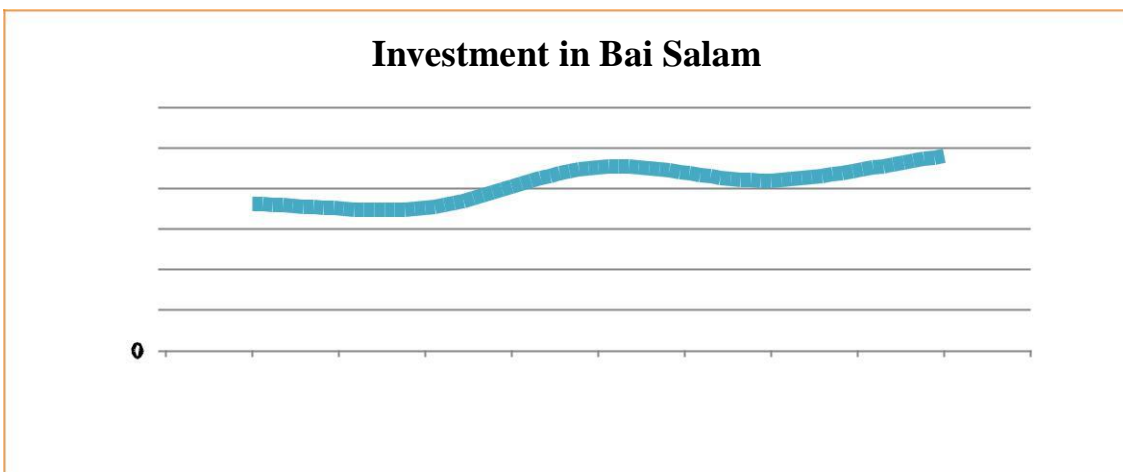


Figure 4.5.9: Year Wise Investment in Bai Salam

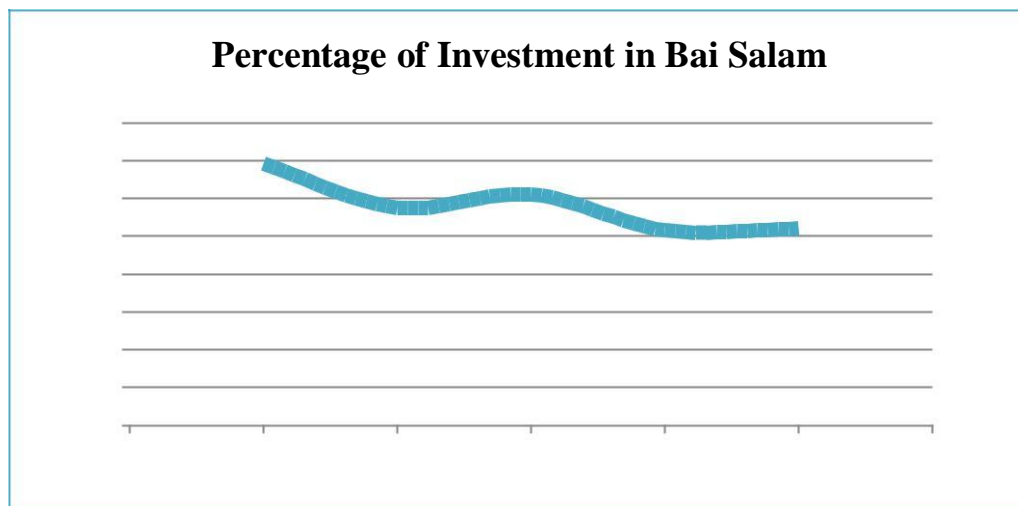


Figure 4.5.10: Percentage of Investment in Bai Salam

Interpretation: There is a fluctuating trend of investment in Bai-Salam of IBBL. From the above graph we can see (**Figure 5.16**) that the lowest amount was TK 3,528 million in 2013 and the highest amount is TK 4,532 million in 2014. From the year 2013 to 2014 the amount decreased from TK 3624 to 3528 million and 2014 to 2015 the trend line of total investment was decreased from TK 4532 to 4200 million. But in the other years the trend line increased because clients found it favorable to do business with conducive political environment.

However, we can see from the graph (**Figure 5.17**) that the percentage rates of total investment in Bai-Salam of IBBL were fluctuating as well. Percentage rate of total investment in Bai-Salam ranges from 1.38% to 1.04% in the year 2013 to 2017 respectively and this trend line was decreased. It follows the up-down trends.

Investment in Musharaka

Year	2013	2014	2015	2016	2017
Investment in Musharaka (Million TK)	12,24	9,571	13,719	13,838	2825
Percentage of Total Investment	4.65%	3.13%	3.68%	3.40%	.61%

Table 4.5.11: Year Wise Investment in Musharaka (Source: Annual report of IBBL)

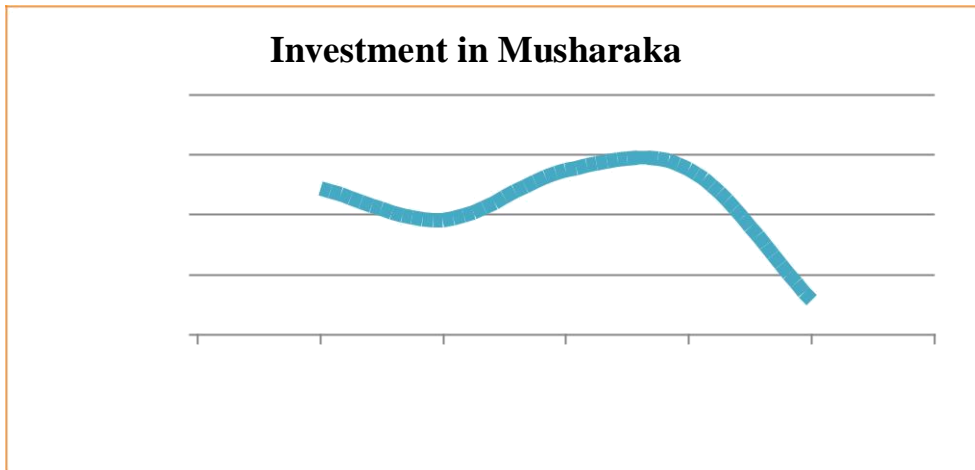


Figure 4.5.12: Year Wise Investment in Musharaka

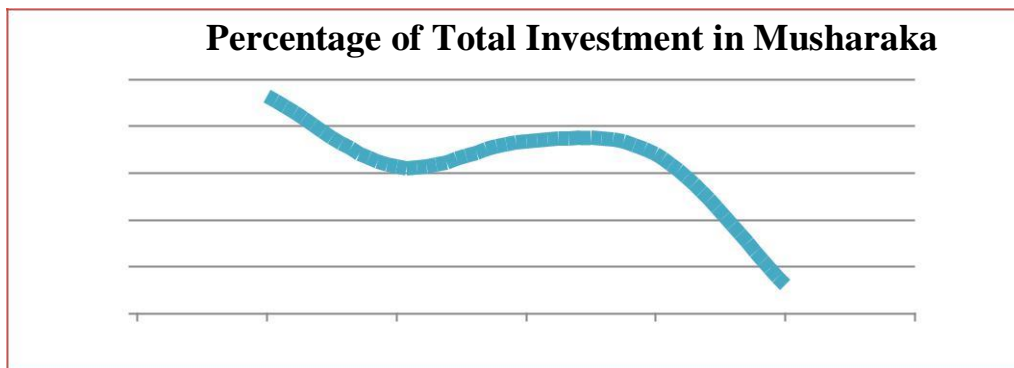


Figure 4.5.13: Percentage of Investment in Musharaka

Interpretation: The graph (Figure 5.18 & 5.19) shows a volatile trend in investment under Musharaka. The graph shows the Musharaka investment as a percentage of total investment has fluctuated from 2013 to 2016. Investment in Musharaka mode was 3.13% in 2013 but in 2017 it was decreased to 0.61%. The reason of decreased trend line was because in 2014 and 2015 bank has many problems like political unrest, economic recession, inflation and businessmen withdrew their deposit. For all the reasons the trend line decreased.

4.6 Sector Wise Investment in 2015

Sector	Industry	Commerce	Real Estate	Agriculture	Transport	SME	Others
Amount (TK in millions)	247,350.99	129,544.05	37,680.39	11,131.09	6,435.45	201,127	31,333.50
In Percentage	34%	9%	8%	2%	1%	42%	4%

Table 4.6.1: Sector Wise Investment (Source: Annual report of IBBL)

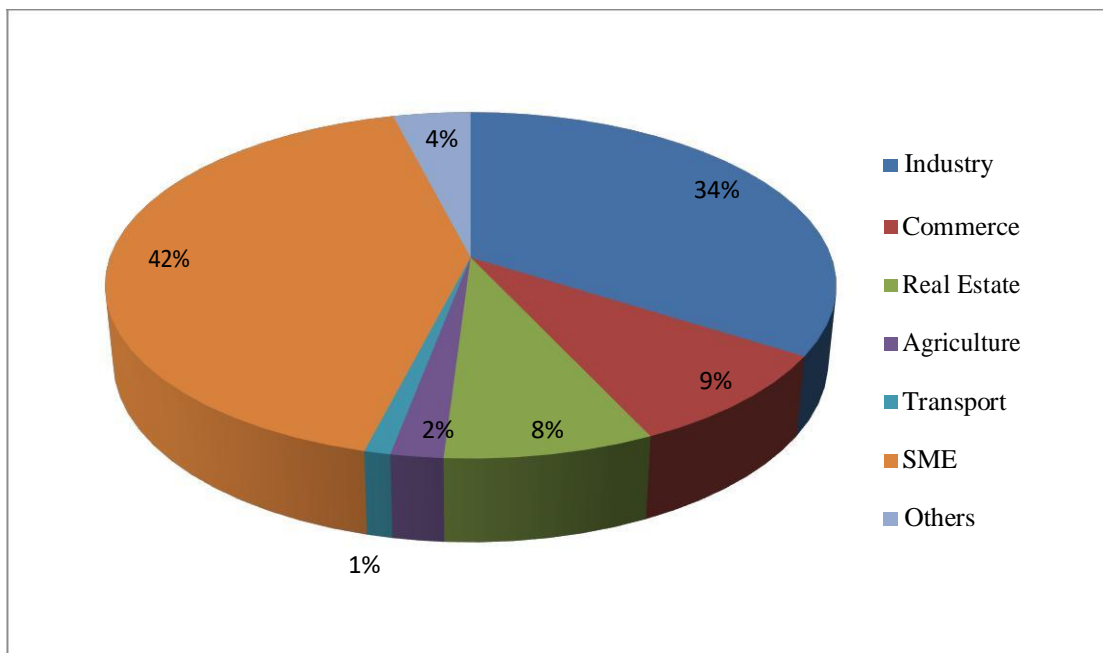


Figure 5.20: Sector Wise Investment of IBBL in 2017

Interpretation: From above graph (**Figure 5.20**) we can see that in 2017, IBBL invested their maximum amount in the sector of SME TK 201,127 million which is 42% of total investment, TK 247,350.99 million in Industry sector which is 34% of total investment and comparatively very poor investment in Real Estate 8%, Agriculture 2% than Transport 1% and Others 4% respectively.

4.7 Geographical Location Wise Investment

Geographical Location	2016	2017
In Rural Areas	13%	5%
In Urban Areas	87%	95%

Table 4.7.1: Geographical Location Wise Investment (Source: Annual report of IBBL)

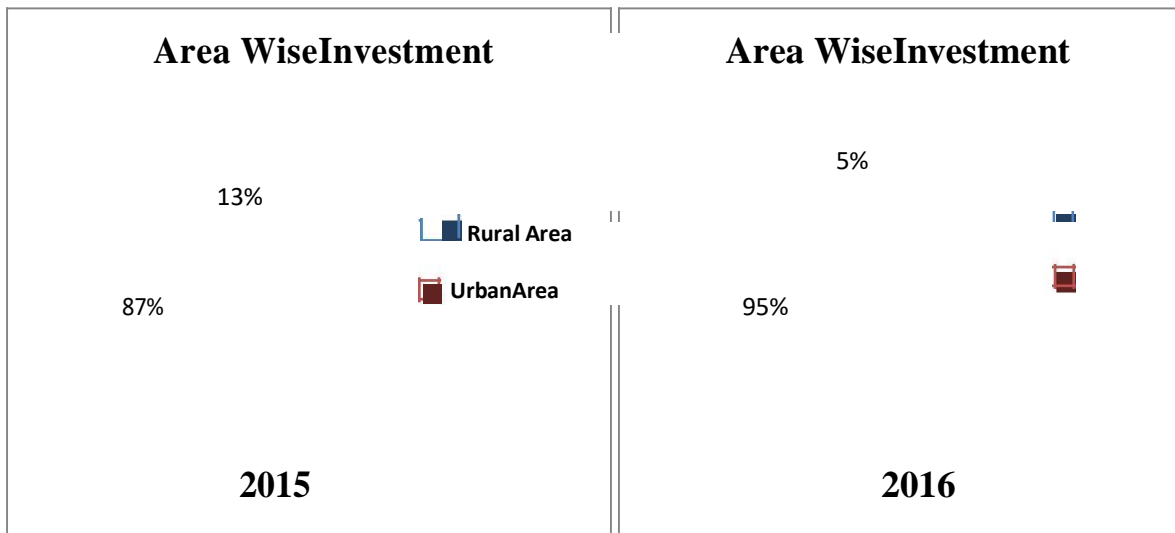


Figure 4.7.1: Geographical Wise Investment

Interpretation: The above diagram shows that IBBL distributes large portion of investment in urban areas both in the year 2015 & 2016. But the bank does not concern in rural areas to distribute the investment.

4.8 Income from Investment

Year	2013	2014	2015	2016	2017
Amount (in Million TK)	24,766.26	32,019.53	43,672.23	48,145.46	49,109.96

Table 4.8.1: Year Wise Income from Investment (Source: Annual report of IBBL)

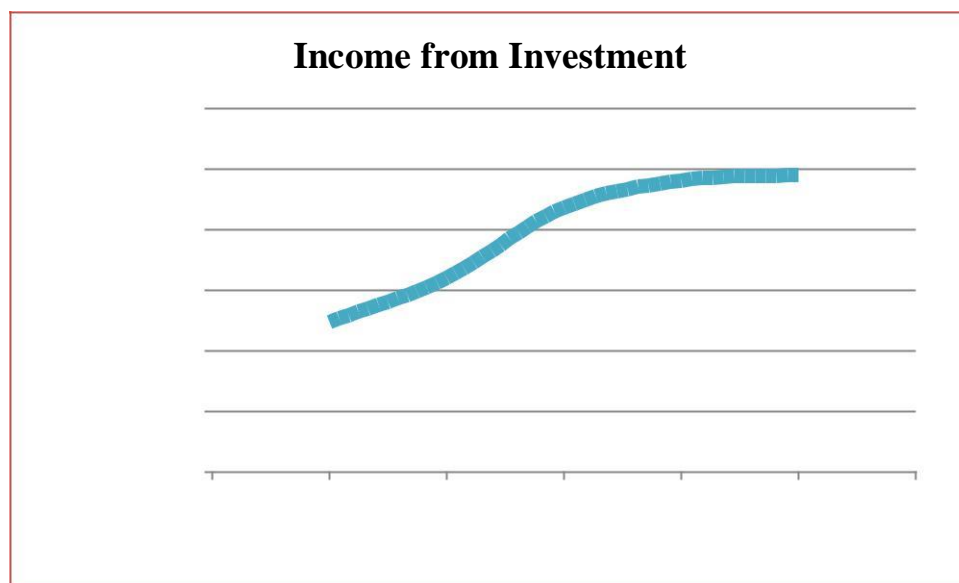


Figure 4.8.1: Amount of Income from Investment

Interpretation: The graph shows that the income from Investment has upward trend over the years. The income from investment has increased from 24,766.26 in 2010 to 49,109.96 in 2017. This indicates the efficiency of the investment of IBBL. The reason of increased the trend line was because IBBL has many client's who believe in Islamic rules and regulations. So, they deposited huge amount of money in the bank and IBBL used their assets to invest and got handsome amount of profit. For this reason amount of income from investment was increased day by day.

4.9 Return on Investment (ROI) of IBBL

ROI primarily is an indicator of managerial efficiency; it indicates how capable management has been in converting assets into net earnings. The higher the firm's return on total assets, the better the ROI of a firm is. The ROI of IBBL has given below:

Year	2013	2014	2015	2016	2017
Percentage	10.08%	10.87%	12.21%	11.49%	9.86%

Table 4.9: Return on Investment (ROI) of IBBL(Source: Annual report of IBBL)

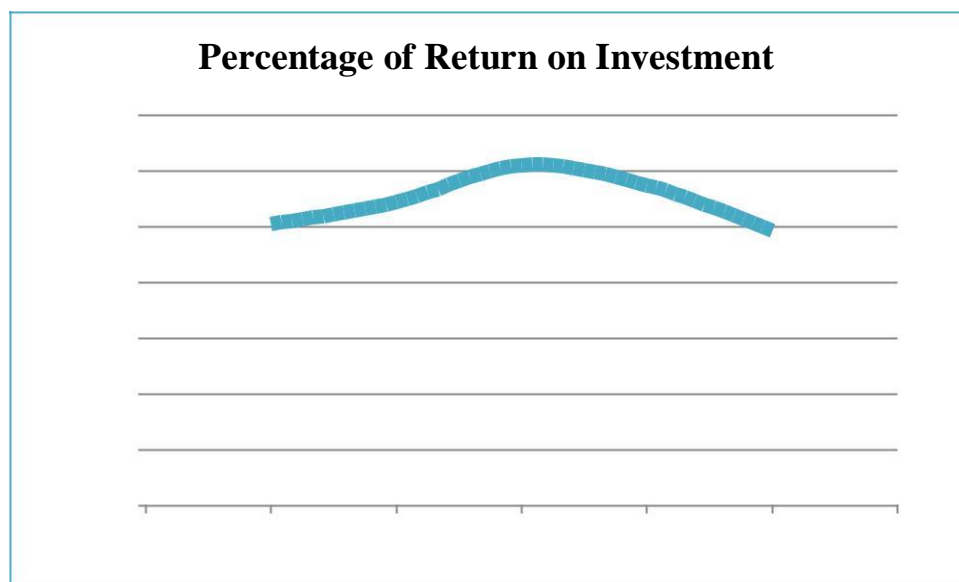


Figure 4.9: Percentage of Return on Investment

Interpretation: The above graph shows The ROI of IBBL has decreased from 2014 to 2017. However, ROI has decreased over the last three years. So this is a bad sign for the bank. The reason of decrease of the trend line was because last three years IBBL faced some unavoidable problems like political unrest, economic termination and many businessmen were afraid of some reasons, so this makes the percentage of ROI to decrease.

CHAPTER FIVE

Findings & Recommendations

5.1 Findings

The main objective of the report is to analyze the investment activities of Islami Bank Bangladesh Limited (IBBL). The study of investment activities of Islami Bank Bangladesh Limited reveals the following major findings:

- ✓ There are three mechanisms of investment such as Bai mode (buy& sales basis), Share mode, and Ijarah mode (Lease).
- ✓ Islami Bank Bangladesh Limited (IBBL) invested their major portion in Bai-Murabaha that was 56% in 2016 and 63% in 2017.
- ✓ In 2017, investment to deposit ratio of Islami Bank Bangladesh Limited (IBBL) was 79.88% and industry average was 90.17%.
- ✓ There is an increasing trend of investment in SME from 2013 to 2017.
- ✓ Islami Bank Bangladesh Limited (IBBL) invested their maximum portion in Dhaka division (59%). The second maximum portion of investment is in Chittagong division (20%).
- ✓ Islami Bank Bangladesh Limited (IBBL) has its own Risk Management Committee which guides the bank to calculate Risk Weighted Assets properly.
- ✓ Major portion of the investment is made in the industrial sector.
- ✓ Islami Bank Bangladesh Limited (IBBL) investment recovery was 85% to 95%.

5.2 Recommendations

Putting recommendations is very complex for me with my short internship experience & knowledge but with my petty knowledge I am sharing some of my views on some areas where bank can take measures. Though Islami Bank Bangladesh Ltd. (IBBL) is performing well, it has some crucial areas to improve which are prescribed below:

- ✚ Islami Bank Bangladesh Limited (IBBL) can diffuse its scope of investment through focusing shariah concept regarding investment among the bank officers; employer and the clients by strong training, workshops.
- ✚ The growth rate of deposit of Islami Bank Bangladesh Limited has increased over the years. Bank should give more effort to maintain and improve its growth of deposit by increasing their branches, providing more customer services like-prompt service, developing new savings scheme.
- ✚ Islami Banks in Bangladesh may expand their network in other divisions of the by expanding branches.
- ✚ Islami Bank Bangladesh Limited investment processing should become easier than other conventional banks.

- ✦ It is a modern banking era. Each and every commercial bank is properly utilizing technological innovations. So, IBBL needs to utilize these modern technologies to keep pace with the modern time.
- ✦ Islami Bank Bangladesh Limited should consider utilization of rural potentials from both efficiency and equity grounds in the context of the present-day socio-economic conditions of Bangladesh. Strong commitments and stepping up through experiment and implementation of innovative ideas are the appropriate ways to do that.
- ✦ Islami Bank Bangladesh Limited should deserve immediate attention in the promotion of the image of Shariah based banks as PLS (profit-loss-sharing) banks.
- ✦ Islami Bank Bangladesh Limited should initiate different investment modes according to changing diverse needs of clients by conducting huge research & study.

CHAPTER SIX

Conclusions

6.1 Conclusion

Islam is a religion of peace and also a complete code of life. Allah's guidance extends into all areas of our lives. Islam has given detail guidelines for our economic life. Therefore, Islami Bank Bangladesh Limited (IBBL) is trying to set up the maximum happiness of the society by maintaining the morality of Islamic Shariah which is based on "Quran" and "Sunnah". Since 1983, IBBL is the pioneer in welfare banking in this subcontinent and it is trying to do all its activities for the betterment of its depositors. For the greater interest of the depositors the investment policy of IBBL is to invest on the basis of profit and loss sharing in accordance with the tenets and principles of Islamic Shariah. Profit earning is not the only motive and objective of the bank's investment policy rather emphasis is given in attaining social good and in creation employment opportunities.

Islami Bank Bangladesh Limited is not secular in its orientation. IBBL does not finance any project which conflicts with the moral value system of Islam. IBBL does not strictly consider the credit worthiness of the entrepreneur. IBBL receives a return only if the project succeeds and produces profit. IBBL considers the soundness of the project and business acumen and managerial competency of the entrepreneur. Therefore, the rate of return of investment of IBBL is greater compared to that of conventional banks.

Everyday IBBL does their banking work with other conventional bank. In Bangladesh there is no Islamic environment. It is one kind of problem to maintain Shari'ah based banking activity for IBBL. Although IBBL facing some problems. It has bright future day by day. It is enhancing its financial modes all over the country.

Finally it can be said that, Islami Bank Bangladesh Limited (IBBL) has been established with a view to conduct interest free banking to establish participatory banking instead of debtor-creditor relationship. And I believe Islami Bank Bangladesh Limited (IBBL) will continue their operations successfully.

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Appendix: List of Abbreviation

A/C	Account
AGM	Annual General Meeting
ATM	Automated Teller Machine
AWCA	Al-Wadeah Current Account
BG	Bank Guarantee
CD	Current Deposit
CIB	Credit Information Bureau
CRISL	Credit Rating Information and Service
DD	Demand Draft
E Banking	Electronic Banking
EIBC	Electronic Integrate Banking System
EMR	Equity Multiplier Ratio
FCA	Foreign Currency Account
I Banking	Internet Banking
IBBL	Islami Bank Bangladesh Limited
IBCA	Inter Branch Credit Advice
IBCT	Inter Branch Credit Transaction
IBDA	Inter Branch Debit Advice
IBG	Inter Bank General
I Recharge	Internet Recharge
IBTRA	Islami Bank Training and Research Academy
I Transfer	Internet Transfer
E Banking	Electronic Banking
MBA	Masters of Business Administration

MFCDA	Mudaraba Foreign Currency Deposit Account
MHSS	Mudaraba Hajj Savings Scheme
MMPDS	Mudaraba Monthly Profit Deposit Scheme
MMSS	Mudaraba Muhor Savings Scheme
MSA	Mudaraba Savings Account
MSB	Mudaraba Savings Bond
MSNA	Mudaraba Special Notice Account
MSSA	Mudaraba Special Savings Account
MTD	Mudaraba Trm Deposit
MTDRA	Mudaraba Term Deposit Receipt Account
MWCDA	Mudaraba Waqf Cash Deposit Account
PO	Pay Order
SD	Savings Bank Deposit
SIBL	Shahjalal Islami Bank Limited
SMS	Short Message Service
SWOT	Strengths, Weakness, Opportunities, Threats
TD	Term Deposit
TDR	Term Deposit Receipt
TT	Telegraphic Transfer