



Daffodil
International
University

Internship Report
On
Investment Mechanism Of
Shahjalal Islami Bank Limited.

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Date of submission: 21 January 2019

Letter of Transmittal

To
Dr. Mostafa Kamal
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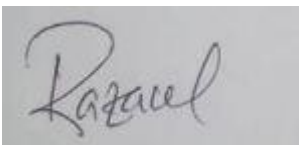
Subject: Submission of Internship Report.

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 titled “**Investment Mechanism of Shahjalal Islami Bank 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,



.....
Md. Razaul Karim

ID: 173-14-2512

Program: MBA

Major: Finance

Daffodil International University

Certificate of Approval

This is to certify that **Md. Razaul Karim** has done the Internship Program under my guidance and supervision. He has prepared a report on "Investment Mechanism of Shahjalal Islami Bank Limited" with special focus on Elephant Road Branch, Dhaka and submitted it to me by fulfilling the rules and regulation.

Md. Razaul Karim has submitted this report in partial fulfilment of requirement for the degree of MBA program. The report is accepted for presentation.

I wish every success in his future endeavour.

16/1/19

.....
Dr. Mostafa Kamal
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 analysing 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, Dr. Mostafa Kamal 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 Mr. Mirza Nurul Alam|Beg Sr. Assistant Vice President at SJIBL for giving me the opportunity to know about SJIBL, support and direction to make this report.

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 SJIBL. 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 Summery

In the age of globalization and free trade, the process and the system of running a bank is changing. Shahjalal Islami Bank Ltd. is continuously managing itself with this changing environment. The company strategies are clear and concise.

I have completed four chapters. First Chapter is the introduction part of the report which is origin, objectives, scope, methodology, limitations.

Second chapter is the history of Shahjalal Islami Bank ltd, mission, vision, Products & services, financial highlights, organogram, and SWOT analysis.

Third chapter is Investment Mechanism &Its Activities of Shahjalal Islami Bank Limited. I have been placed in the investment Department and Year Wise Investment & Growth Rate of Investment of Shahjalal Islami Bank Limited.

Fourth chapter is findings and recommendations. At the end of the report is my Findings and Recommendation, I provide my findings and conclusion on overall consumer investment of Shahjalal Islami Bank Ltd. and evaluating performance of my study. In this report, I have shown the conclusion part. Shahjalal Islami Bank Limited is running successfully taken all in all, it can be safely said that Shahjalal Islami Bank Limited action program is directed towards development of an authentic participatory economy beyond market economy.

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Chapter-01

1.1 Introduction:

Internship is the mandatory course for all BBA students to fulfil the graduation because it gives first-hand experience of the complexities of practical life. As a result it benefits the students to relate our acquired knowledge with practical job life. The prime objective of the internship program is to work under organizational environment so that, we can turn up ourselves as professionals with practical experience and can get an opportunity to reconcile the theoretical knowledge with real life situation. For this reason internship is an indispensable part of MBA program.

1.2 Origin of the Report:

This report has been prepared as a requirement to complete the MBA program at Daffodil International University. The organization attachment started on **November 2018 to January 2019**. This Three months internship period has helped me to match our theoretical knowledge with practical understanding. My report is on the Investment Mechanism of Shahjalal Islami Bank Limited. The knowledge, which has been acquired in my Internship Period, I have tried my level best to show in this report.

1.3 Background of the study:

Bank industry in Bangladesh is fully guided by the central Bank. However, different Bank has different management system, operational techniques and different guidelines. It makes the different views of different Banks on the same topics and terms. The Central Bank faces problems regarding regulating banks for their various practices. So Bangladesh Bank decided to frame a unique guideline for all of the Banks, which would be classified as “**INDUSTRY BEST PRACTICE** “

A core area of concentration of this study was Investment Division, so this study is concerned with the specific are managing of loan processing, Investment Appraisal, Follow-Up & Recovery Procedure of Shahjalal Islami Bank Limited .

1.4 Objectives Of the study:

The main objective of this study is to analyze the investment related activities of the Investment Department of Shahjalal Islami Bank Limited. The other objectives are:

- To be acquainted with how bank perform its operation.
- To show the investment mechanism and product offerings in different modes of SJIBL
- To know about the investment dealing process of SJIBL.
- To find out some deficiency regarding investment modes of SJIBL.
- To provide recommendation on the basis of findings.
- To identify the risk involved in Investment proceedings.

1.5 Scope of the study:

This report has been prepared on the basis of experience gathered during the period of internship. This report will be dealing with the overview of Shahjalal Islami Bank Ltd. & mainly with “**Investment Mechanism Activities**” of this company. But the report will try to cover overview of Shahjalal Islami Bank Limited objectives, functions, management, business policy and other activities.

1.6 Methodology:

The required data for this study were collected from both primary and secondary sources; however, most of the information was collected from secondary sources.

i) Primary sources:

The primary sources are:

- Practical work experience in the Branch.
- Branch operations Manager & Officers.
- Conversation with different clients.

ii) Secondary sources:

The secondary sources are:

- Manuals of Investment of SJIBL.
- Different text books & materials.
- Website of the ShahJalal Islamic Bank Limited.

- Annual Report of ShahJalal Islamic Bank Limited.
- Various prescribed forms of investment were analyzed

Data analysis and report writing:

Collected data were analysed and presented in the form of bar chart and pie chart etc. Various types of software were used to analyse the report such as Ms Word, Excel etc.

1.7 Limitations:

They have restriction to disclose some secret information to other.

Although maximum effort was given to make the study a successful one, but it suffer from some limitation those were apparently unavoidably, the major ones were,

- The authority did not disclose much information for keeping the organization confidential.
- In their website the Investment Mechanism Activities related information was limited.
- There was lacking of books, publication and other related information.

Chapter-02

2.1 Management Aspect

2.1.1 Overview of Shahjalal Islami Bank Ltd:

In August 1974, Bangladesh signed the charter of Islamic Development Bank and committed itself to reorganize its economic and financial system as per Islamic Shariah. For the favourable attitude of the government of the people's republic of Bangladesh, Islamic Banks operate in Bangladesh Financial market and one of them is Shahjalal Islami Bank Ltd. Banking sector is the chief financial intermediaries in a country. It's also true for Bangladesh. Shahjalal Islami Bank Ltd. is a very challenging institution. In the age of globalization and free trade, the process and the system of running a bank is changing. Shahjalal Islami Bank Ltd. is continuously managing itself with this changing environment. The company strategies are clear and concise. The return is pretty good. They are also able to contribute to our economy in better way. The working environment of the bank is impressive. It was also found that the bank (Branch) is doing better in most of the sectors and their performance is better than average. From the beginning, the prime objective of the Shahjalal Islami Bank Ltd was to increase capitalization, to maintain disciplined growth and high corporate ethics standard and enhance the health of the shareholders. Its customer service is very much impressive than of other financial institutions. Their effective strategy, time demand offerings, up to date rules and regulations to cope with international market and their friendship customer services easily impress the clients. So, now The Shahjalal Islami Bank Ltd is in leading position in financial Institutional sectors in Bangladesh.

2.1.2 Vision:

To be the unique modern Islami Bank in Bangladesh and to make significant contribution to the national economy and enhance customers' trust & wealth, quality investment, employees' value and rapid growth in shareholders' equity.

2.1.3 Mission:

- To provide quality services to customers.
- To set high standards of integrity.
- To make quality investment.
- To ensure sustainable growth in business.

- To extend our customer innovation services acquiring state-of the art technology blended with Islamic principles.
- To ensure human resource development to meet the challenges time.

2.1.4 Strategies:

- To strive for customers best satisfaction & earn their confidence.
- To manage & operate the Bank in the most effective manner.
- To identify customer's needs & monitor their perception towards meeting those requirements.

2.1.5 Aims and Objectives of Shahjalal Islami Bank Ltd

Aims means what the SJIBL Bank doing. The primary objective of establishing **Shahjalal Islami Bank Ltd** all over the country is to develop as well as the application of Islamic principles in the business Department. |

SJIBL 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 Departments 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

2.1.6 Business philosophy of Shahjalal Islami Bank Ltd

- The philosophy of SJIBL is to the principles of Islamic Shariah. The organization of Islamic conference (OIC) defines an SJIBL 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 SJIBL should be quite different from other privately owned and managed commercial bank operating in Bangladesh, SJIBL 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’ growing society and developing economy.

2.1.7 Departments of the Shahjalal Islami Bank Ltd:

2.1.7.1 Bank Operational area:

All branches of Shahjalal Islami Bank Limited are divided into three Departments:

- General Banking Department.
- Foreign Exchange Department.
- Investment Department.

1. General Banking Department:

General banking sector is one of the most important sectors of ShahJalal Islami Bank Limited. Basically bank provides the main services to the customer through this sector. In general this section of the Shahjalal Islami Bank Limited is divided into five sections.

- Accounts opening section
- Cash section
- Remittance section
- Bills and clearing section
- Accounts section

2. Foreign Exchange Department:

Banks play a very important role in effecting foreign exchange transaction of a country. Mainly transactions with overseas countries are in respect of imports; exports and foreign remittance come under the purview of foreign exchange sector. Banks are the vital sectors by which such transactions are effected /settled. Central Bank records all sorts of foreign exchange transactions.

The other banks dealing with foreign exchange are to report to Bangladesh Bank regularly (viz. daily, monthly, quarterly, yearly etc.). The foreign exchange sector consists of three sections. They are:

- Import section
- Export section
- Foreign remittance section

3. Investment Department:

Banking business consists of borrowing and lending, Bank act as an intermediary between surplus and deficit economic units. Thus a banker is a dealer in money and credit. Banks accept deposit from large number of customers and then lend a major portion of the accumulated money to those who wish to borrow. In this process banks secure reasonable return to the savers, make funds available to the borrowers at a cost and earn a profit after covering the cost of funds. Banks, besides their role of intermediation between savers and borrowers and providing an effective payment mechanism, have been allowed to diversify into various new areas of better paying business activities.

The operational area or principal activities of the Bank are to provide all kinds of commercial banking products and services to the customers including:

- Deposits taking,
- Cash withdrawal,
- Extending investments to corporate organization,
- Retail and small & medium enterprises,
- Trade financing,
- Project finance,
- Working capital finance,
- Lease and hire purchase financing,
- Issuance of Debit Card.

Its vision is to be the best private commercial bank in Bangladesh in terms of efficiency, capital adequacy, assets quality, sound management and profitability.

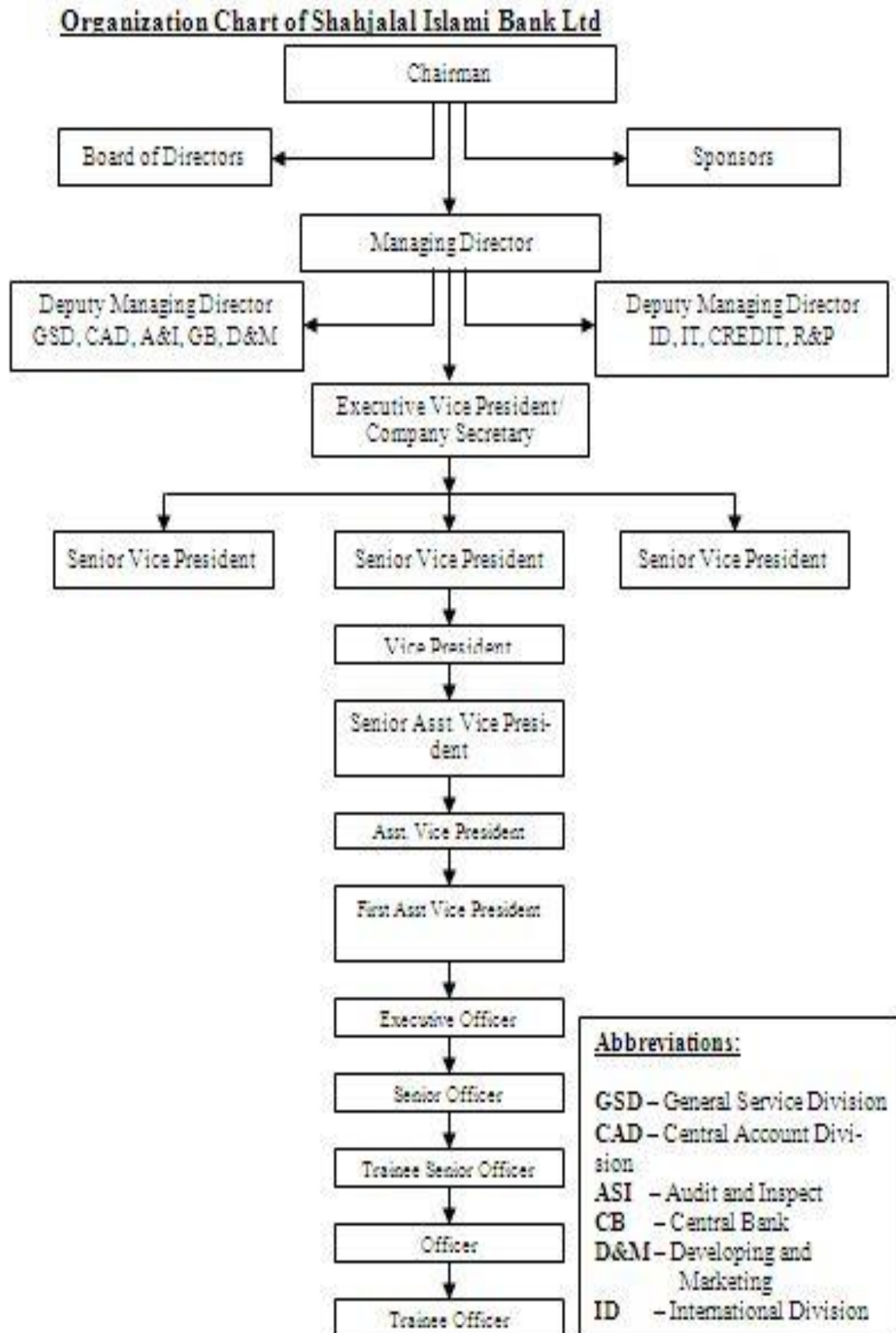
With a view to skill the manpower, Shahjalal Islami Bank Limited established TrainingCenter at Uday Sanz, Plot no, Se (A) 2/B Gulshan South Avenue Gulshan-1, Dhaka-1212. Form the inception of training center various subject are taught like:

- Islamic Banking,
- General Banking,
- Investment Mechanism,
- Foreign Exchange,
- Modern Technology of IT,
- Asset Management,
- Customer Service etc.

Besides this, newly recruited employees are trained through Foundation Course which is arranged by training center.

The bank always laid emphasis on human resource development. To attract and retain qualified and efficient staff, the Bank has formulated a number of well thought policies for the welfare of its employees, in the form of Gratuity fund, Social Security Fund, Employees House Building Investment Scheme, Employees Car Financing Scheme, Benevolent Fund & Employees House Furniture Allowance etc.

2.1.8 Organogram of Shahjalal Islami Bank Limited:



2.2 Products & Services:

Shahjalal Islami Bank Limited accepts deposits on the basis of Mudaraba in the following types of accounts, and pays profit, like that of dividend in these accounts.

Customers' deposit their fund in the following types of Accounts:

1. Mudaraba monthly Scheme.
2. Mudaraba Double Money.
3. Mudaraba Monthly Deposit.
4. Mudaraba Millionaire.
5. Mudaraba Haji Deposit.
6. Mudaraba Housing Deposit.
7. Mudaraba Small Business.
8. Mudaraba Cash waqf Deposit.
9. Mudaraba Lakhpoti Deposit.
10. Mudaraba Bibaho Deposit.
11. Mudaraba Mohor Deposit.
12. Mudaraba Shikka Deposit.
13. Mudaraba Special Term Deposit.
14. SJIBL School Banking.
15. Mudaraba Money Spining

Investment products, Corporate (Mode)

- Bai Murabaha
- Bai-Muajjal
- Hire Purchase under Shirkatul Melk
- Ijara
- Bai-Salam
- Quard
- Musharaka
- Investment against Scheme/Deposit

Investment Products (Retail)

- Household Durable Scheme
- Housing Investment Scheme
- Car Investment Scheme
- Investment for Self-employment
- Investment Scheme for Executives
- Investment Scheme for Doctors
- Investment Scheme for Marriage

- Investment Scheme for CNG Conversion
- Investment Scheme for Overseas Employment
- Investment Scheme for Education

Investment Products (SME)

- Small Business Investment Program
- Small Entrepreneur Investment Program
- Medium Entrepreneur Investment Program
- Rural Investment Program
- Women Entrepreneur Investment Scheme

SJIBL Card

- VISA Debit Card
- VISA Prepaid Card (Local)
- VISA Prepaid Card (International)
- VISA Prepaid Card (Dual)
- VISA Souvenir Card (Gift Card – Local)

Computer services:-

Shahjalal Islami Bank Limited introduced a few schemes, which are very popular:

1. Online services
2. Automated Accounting
3. Integrated System
4. Signature Verification
5. Any Branch Banking
6. ATM Services
7. POS Services
8. SMS Push Pull Services
9. Other Delivery Channel Services (to be implemented)

2.3 Financial highlights of Shahjalal Islami Bank Ltd.

| Financial Highlights | | | |
|------------------------------|-------------------------------------------------|----------------------------------------------|-------------------------------------------------|
| Total capital | 2017=19,376m 2016=14,386m 2015=13,355m | Total Asset | 2017=207,886m 2016=167,245m 2015=137,870m |
| Total deposit | 2017=145,382m 2016=124,410m 2015=109,259m | Total Investment | 2017=158,668m 2016=122,998m 2015=96,835m |
| Import Business | 2017=129,244m 2016=100,419m 2015=85,959m | Export Business | 2017=97,437m 2016=84,769m 2015=82,571m |
| Cost of Fund | 2017=7.83% 2016=8.08% 2015=9.53% | Profit Earnings Ratio | 2017=173,187m 2016=138,949m 2015=108,012m |
| Classified Investment | 2017=3.97% 2016=4.70% 2015=6.47% | Capital to risk weighted Assets ratio | 2017=12.19% 2016=11.54% 2015=13.52% |
| Operating Profit | 2017=3,328m 2016=2,979m 2015=2,377m | Profit Before Tax | 2017=2,079m 2016=2,306m 2015=1,758m |
| EPS | 2017=1.55 tk 2016=2.02 tk 2015=1.76 tk | Net Asset Value Per Share | 2017=17.26 tk 2016=16.67 tk 2015=16.68 tk |

2.4 SWOT analysis:

SWOT is consisted of strengths, weaknesses, opportunities and threats. After carrying out the SWOT analysis of ShahjalalIslami Bank Limited I have got the following result.

2.4.1 Strengths:

- Various branches are situated in retail business places and highly commercial areas.
 - The corporate culture of Shahjalal Islami Bank is very much interactive compare to our other local organizations.
 - Employees share a good understanding with each other and it gave them reason to work efficiently and become more dedicated to work.
 - Online banking is one of the main attractions, which gave this bank a better position among private banks.
-
- Insufficient numbers of employee in credit Department
 - Higher interest rate in case of consumer loan
 - Higher service charge in some areas of banking operation than various other banks.

2.4.3 Opportunities:

- The online banking and swift facility will open more scope for Shahjalal Islami Bank to reach the clients not only in Bangladesh but also in the global arena.
- The bank can recruit experienced, efficient and knowledgeable workforce to provide more quality services.
- The credit facility offered by Shahjalal Islami Bank has attracted security and status conscious businessmen and as well as service holders with higher income group.

2.4.4 Threats:

- Competing banks can easily copy the product offering of Shahjalal Islami Bank Limited.
- Because of growing demand in financial Department, it is expected that more financial institutions will be announced in the industry very shortly.
- The worldwide trend of mergers and acquisition in financial foundations is causing concentration the industry and competitors are increasing
- Lack of proper control might bring some unexpected problems in the long run.

CHAPTER 03

Investment & Its Activities

3.1 About Investment

Generally investment is the action of deploying assets with the purpose and prospect that they will earn a constructive return for the owner. Assets may be invested in either real assets or financial assets. When resources are used for purchasing fixed and current assets in a making 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, a venture is the purchase of goods that are not consumed today but are used in the future to make prosperity. In finance, an investment is a monetary asset got with the idea that the asset will provide income in the future or appreciate and be sold at a higher price. In the monetary sense investments embrace the purchase of bonds, stocks or real estate assets.

The primary objectives of investment are given below

- ✓ Safety
- ✓ Income
- ✓ Growth of Capital

And the secondary objectives of investment are given below

- ✓ 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. As I have understood from each of the five aims discoursed above, the benefit of one often arises 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 showed by one pre-eminent objective, with all other potential objectives occupying less significant weight in the overall scheme.

3.2 Factors related to Investment:

Risk

Time

Rate of return

Security and collateral

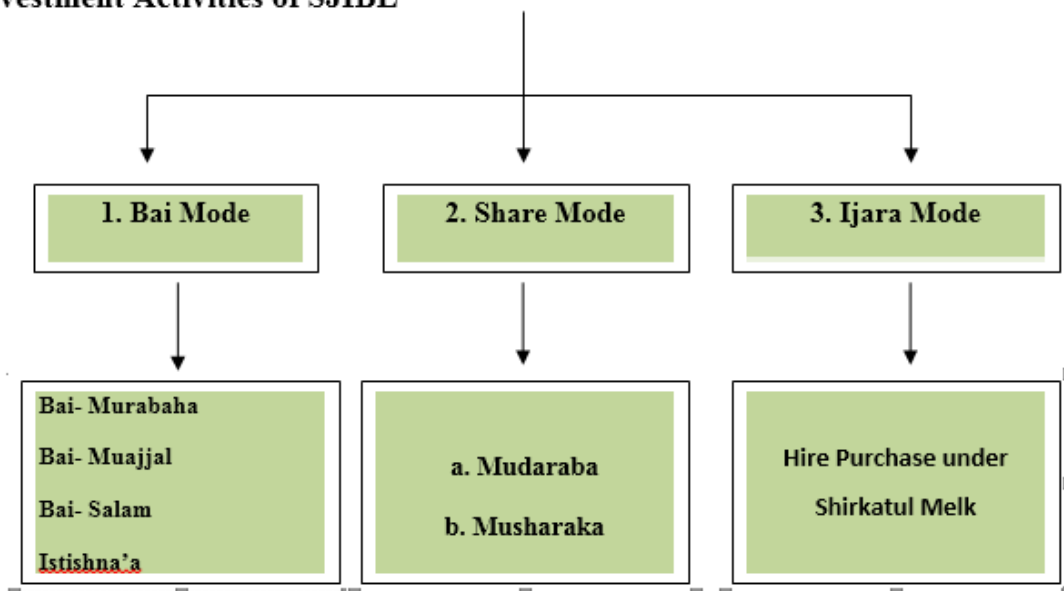
Operating expense

Legal consideration

3.3 Investment Activities of SJIBL

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

Investment Activities of SJIBL



3.3.1 Bai- Mode (Buy/Sale):

Under Bai- Mechanism Shahjalal Islami Bank 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 instalments. 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 sale on Credit. The Bai-Muajjal may be defined as a contract between a buyer and a seller under which the seller sells certain specific goods, permissible under Shariah and law of the country, to the buyer at an agreed fixed price payable at a certain fixed future date in lump sum or in fixed instalments|

- **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 Shariah 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.
- 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 SJIBL 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 ModeSJIBL 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 materials capital as Sahib-Al-Mall and the user invest in the business as Mudarib.
- Management and controlling is maintained by the buyer.
- Profit is divided as per organization.
- 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 advise 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 contracts:

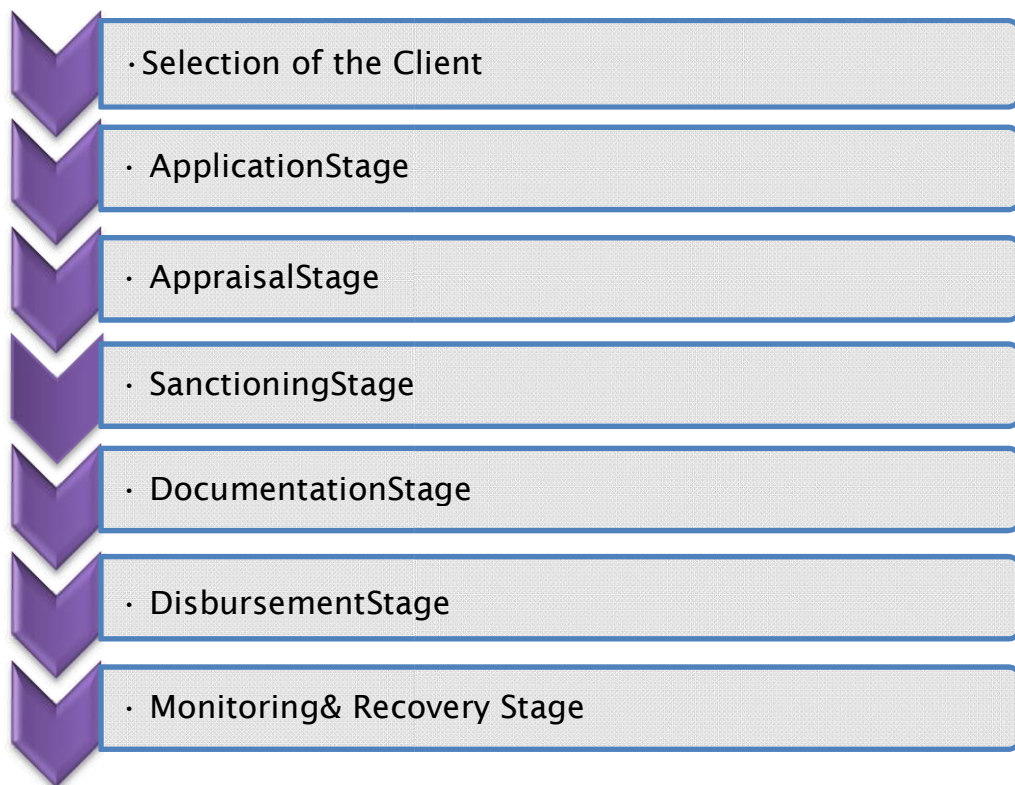
- i) Shirkat
- ii) Ijara and
- iii) Sale

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 Melk, SJIBL purchase assets to be leased out, jointly with client under equity participation, own the same and share benefit jointly till the full ownership is transferred to the client.
- ii) **Lease/Ijara:** The term Ijara has been derived from the Arabic words “Air” and “Ujrat” which means consideration, return, wages or rent. This is really the exchange value or consideration, return, wages, rent of service of an asset. Ijara has been defined as a contract between two parties, the Hiree and Hirer where the Hirer enjoys or reaps a specific service or benefit against a specified consideration or rent from the asset owned by the Hiree. It is a hire agreement under which the Hiree to a Hirer against fixed rent or rentals hires out a certain asset for a specified period.
- iii) **Sale:** This is a sale contract between a buyer and a seller under which the ownership of certain goods or asset is transferred by seller to the buyer against agreed upon price paid to be paid by the buyer.

3.4 Investment Processing of SJIBL

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, Shahjalal Islami Bank Limited (SJIBL) 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 Shahjalal Islami Bank Limited (SJIBL). 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.**
- ❖ **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 SJIBL 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;
- Abridged pro forma income statement for the Musharaka/Mudaraba investment;
- Attested copy of the Memorandum of Association (MOA) & Articles of Association (AOA) for the joint stock company;
- 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.
- Business/Industry Analysis.
- Relationship Analysis.
- Asset-Liability position of the client as per Audited Balance Sheet.
- Working Capital Assessment.
- 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. Shahjalal Islami Bank Limited (SJIBL)'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, Shahjalal Islami Bank Limited (SJIBL) 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 goods. It is to be noted that before disbursement a “site plan” showing the exact location of each mortgage property needs to be physically verified.

7. Monitoring & Recovery stage

At this final stage of investment processing of the Shahjalal Islami Bank Limited (SJIBL), 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.

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. | 100000 | 0-20% | 1-2 years | HPSM, Bai-muazzal |
| Agriculture Implements | Farmer, half educated 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 | For all Kind of land owners under City Corporation important | 50% of cost of construction | 50% | 10-15 years | HPSM |

3.5 Year Wise Investment & Growth Rate of Investment of SJIBL

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------------------|---------|---------|---------|---------|---------|
| Amount (TK in Millions) | 274,425 | 305,841 | 406,817 | 403,195 | 480,595 |
| Growth Rate % | 22.65% | 16.19% | 21.93% | 9.09% | 13.93% |

Table 3.5: Year Wise Investment & Growth Rate (Source: Annual report of SJIBL)

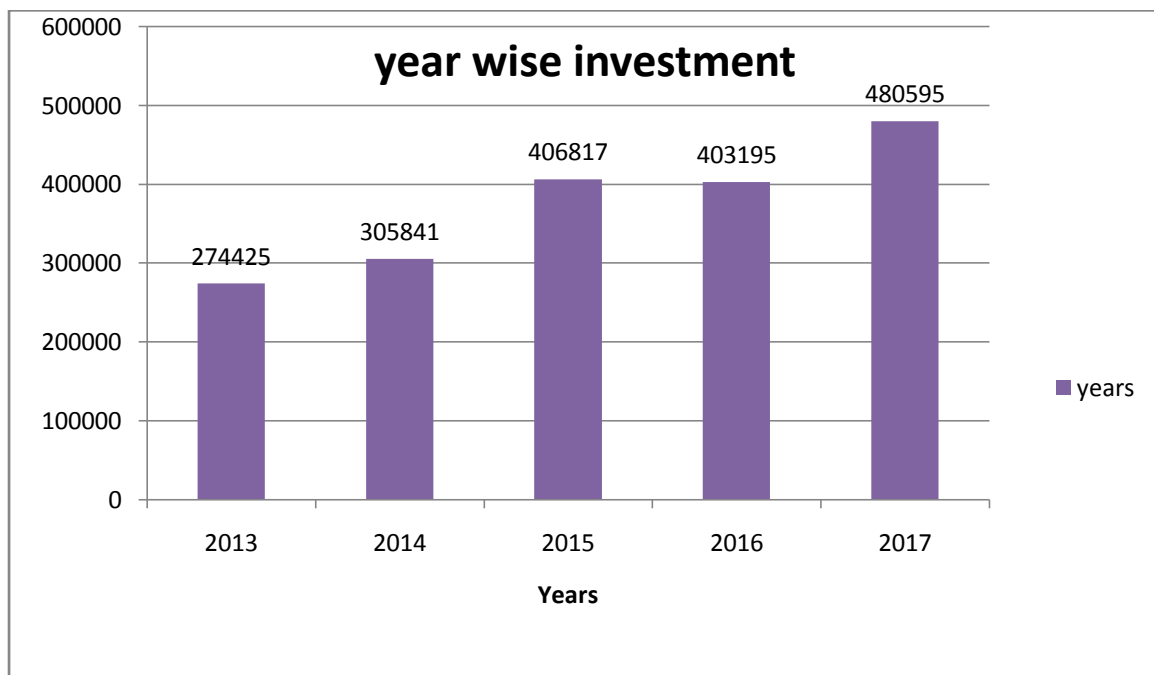


Figure 3.5: Year wise Investment of SJIBL

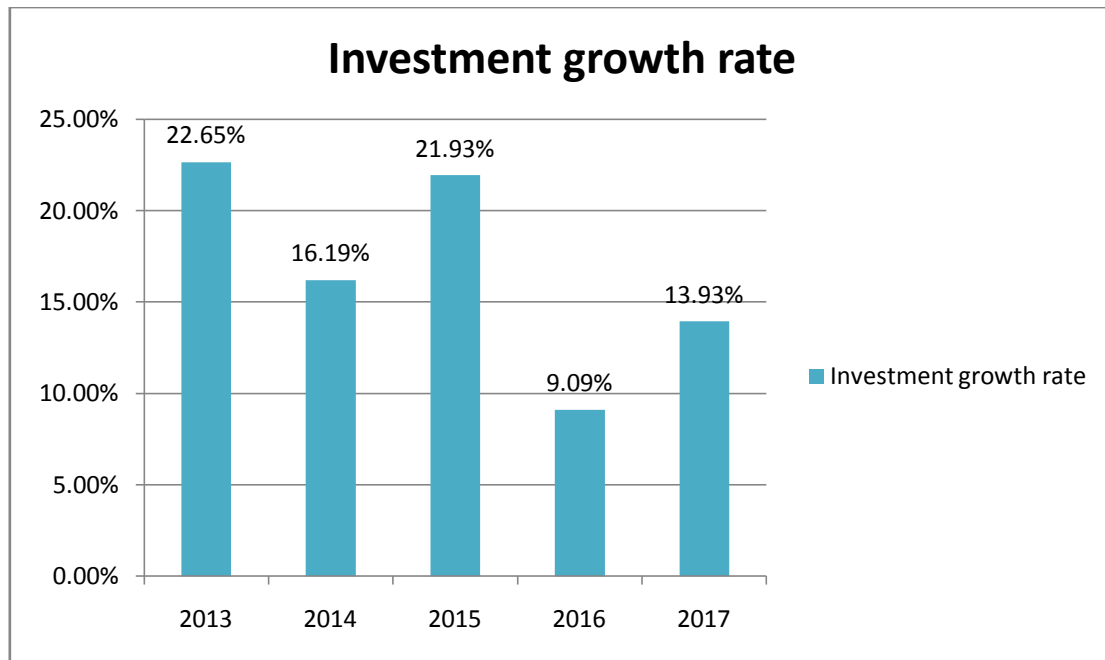


Figure 3.6: Investment Growth Rate of SJIBL

Interpretation: There is an increasing trend of investment of SJIBL. From the above chart we can see (**Figure 3.5**) that the lowest investment was TK 274,425 million in 2013 and the highest amount is TK 480,595 million in 2017 which increased the deposit trend line. The reason of increasing trend of investment was that SJIBL 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 SJIBL faced various problems like political instability, economic unrest, lack of proper utility facility etc.

However, we can see from the graph (**Figure 3.6**) that the growth rates of deposit of SJIBL 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 2013 and 2015 the growth rate of investment was increased in 16.19% to 21.93% and also decreased from 2014 and 2016 to 2017 which was 9.09% to 13.93%. The reasons of increasing the growth rate investment are that in those years SJIBL 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 various financial institutions and banks came in the market so the trend line decreased in the growth of investment.

3.7 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.

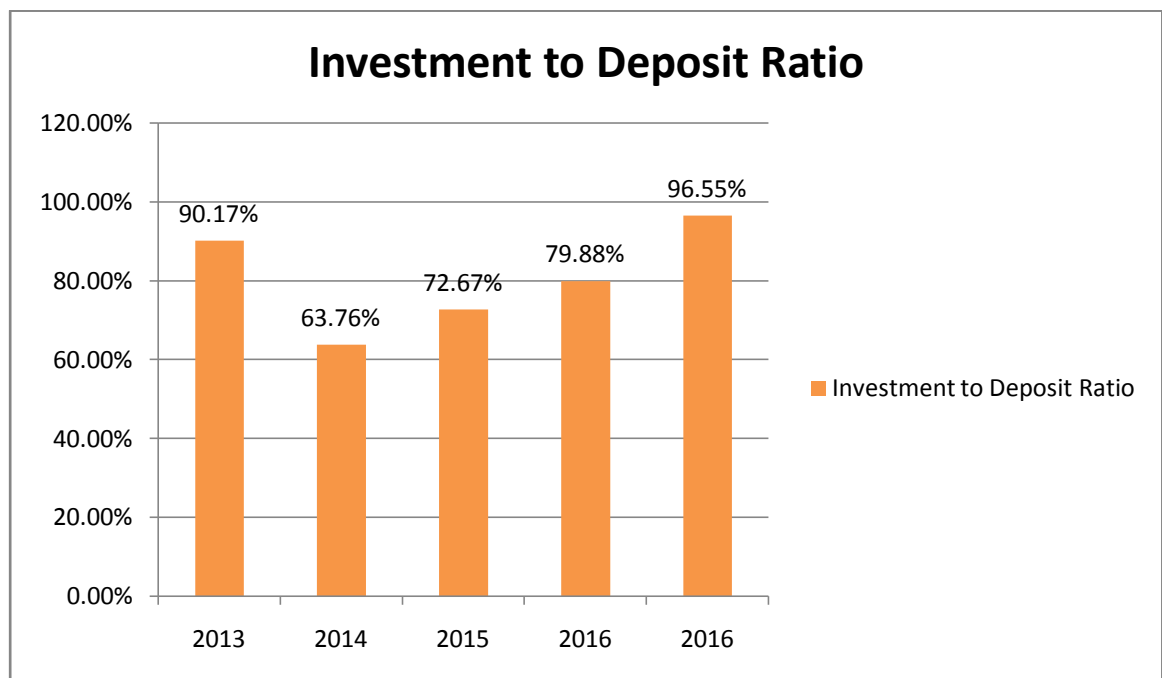


Figure 3.7: Investment to Deposit Ratio of SJIBL

Interpretation: The graph shows that investment to deposit ratio has decreased over the years. In the graph (**Figure 3.7**) we have seen that the ratio has decreased from 90.17% in 2013 to 79.88% in 2016. The reason of decreased the trend line is because SJIBL 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.

3.8 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 3.8: Mode Wise Investment in 2016 (Source: Annual report of SJIBL)

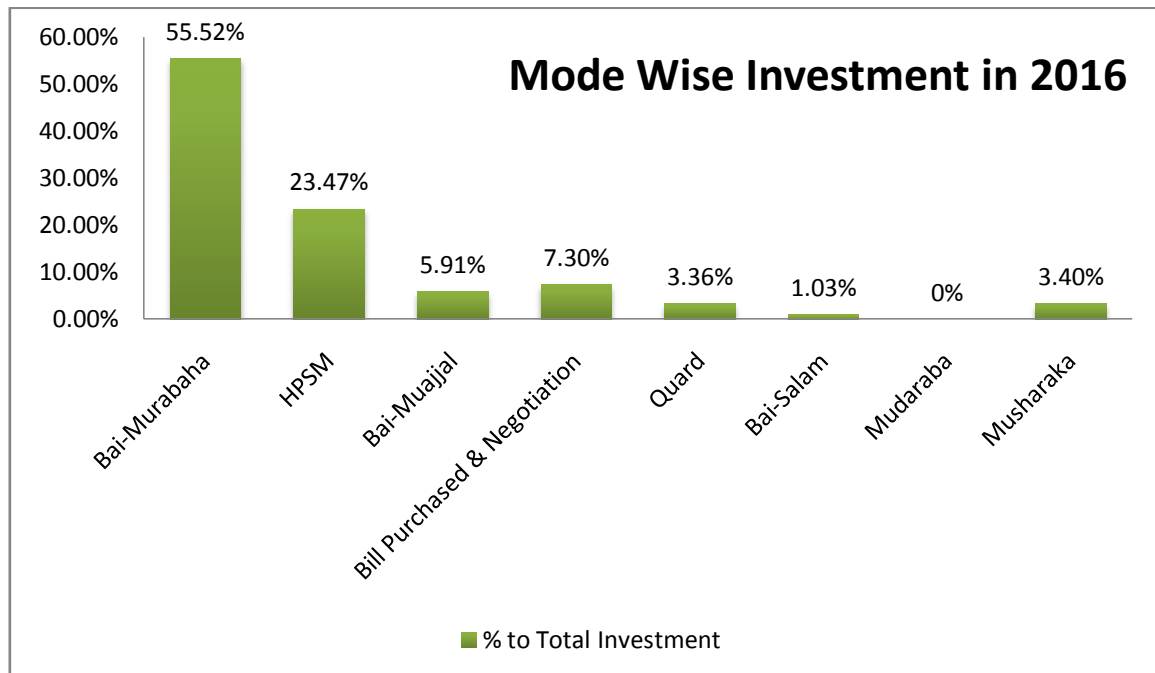


Figure 3.9: Mode Wise Investment in 2016 of SJIBL

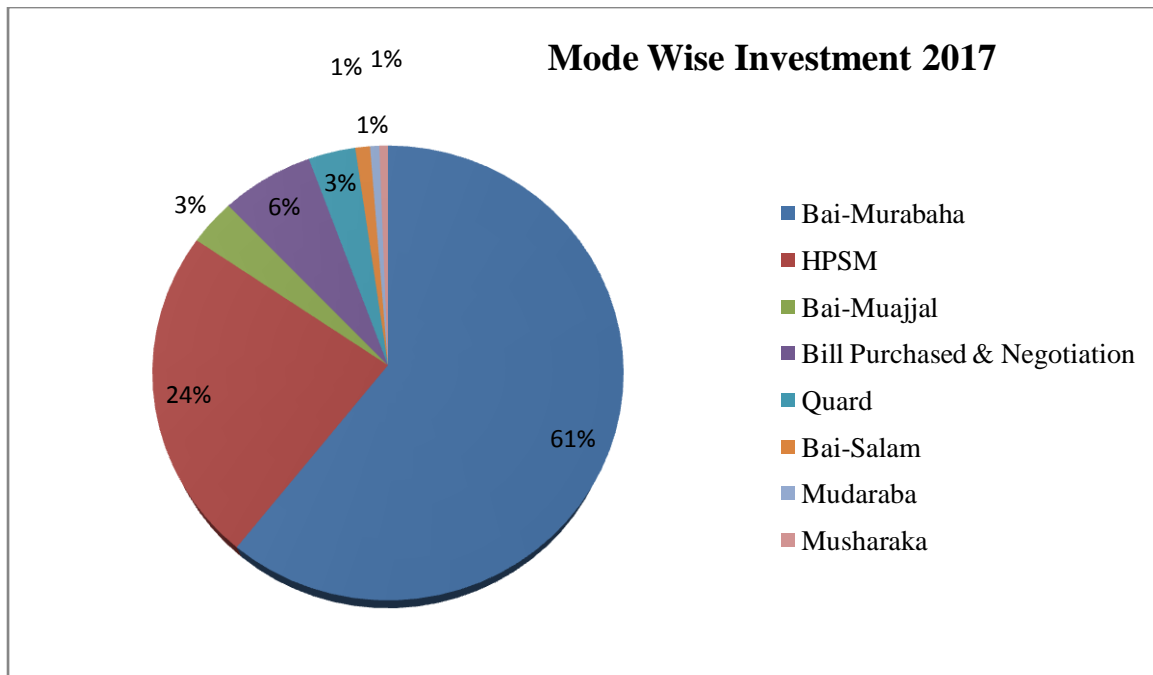


Figure 3.10: Mode Wise Investment in 2017 of SJIBL

Interpretation: From the above graph (Figure 3.9&3.10) we can see that in the year 2016 and 2017, SJIBL 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 various 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 2015 and 2016. 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 various clients because it is used to export in outside country so clients face various problems in the documents process.

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 | 225876 | 281,556 |
| Percentage of Total | 54.60% | 57.92% | 59.43% | 55.52% | 60.75% |

Table 3.11: Year Wise Investment in Bai-Murabaha (Source: Annual report of SJIBL)

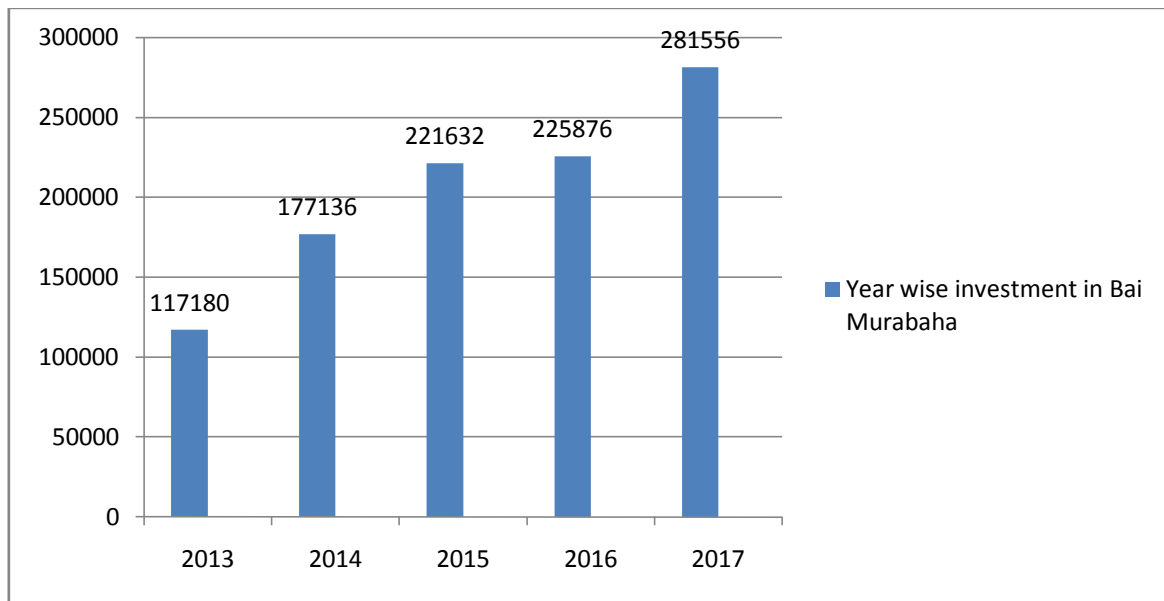


Figure 3.11: Year wise Investment in Bai-Murabaha

Interpretation: There is an increasing trend of investment in Bai-Murabaha of SJIBL. From the above we can see the graph (**Figure 3.11**) that the lowest investment was TK 117,180 million in 2013 and the highest amount is TK 281,556 million in 2016. Because customers are satisfied with the service and they don't face various problems as Bai-Murabaha documentation needs a few papers, it makes them to invest in this mode.

3.12 Investment in Hire Purchase under Shirkatul Melk(HPSM)

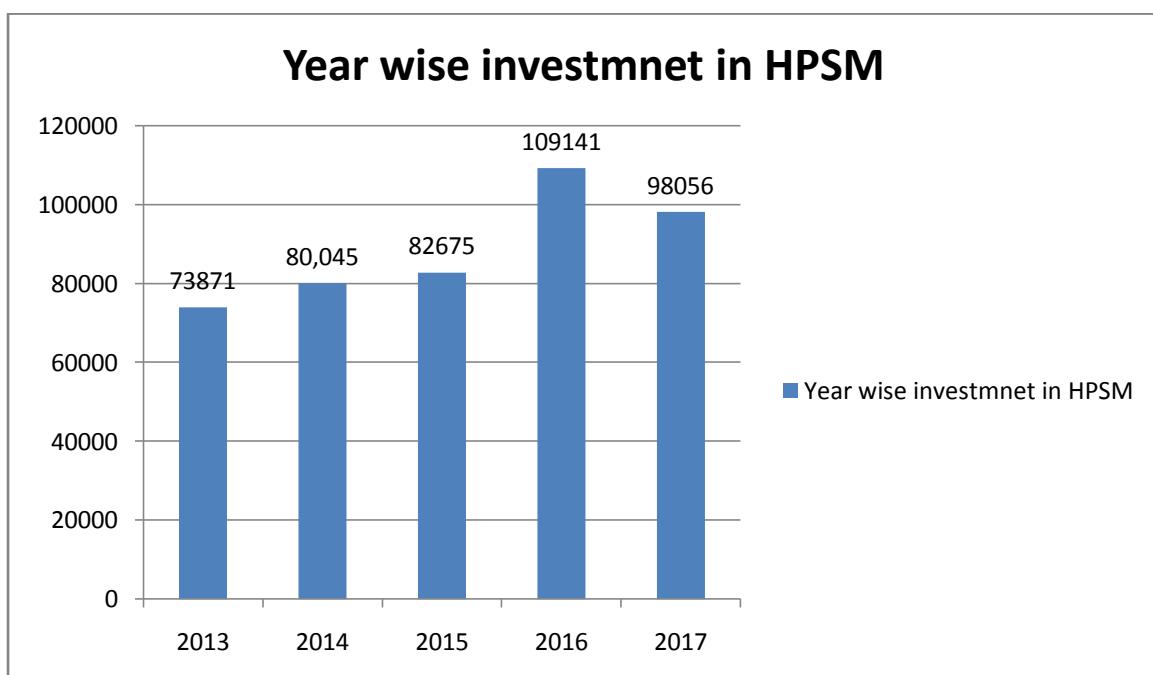


Figure: 3.12 Year wise investmnet in HPSM

Interpretation: There is an increasing trend of investment in HPSM of SJIBL. From the above we can see the graph (**Figure 3.12**) that the lowest investment was TK 73,871 million in 2013 and the highest amount is TK 109,141 million in 2016. This makes the trend upward.

3.13 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 3.13: Year Wise Investment in Bai-Muajjal (Source: Annual report of SJIBL)

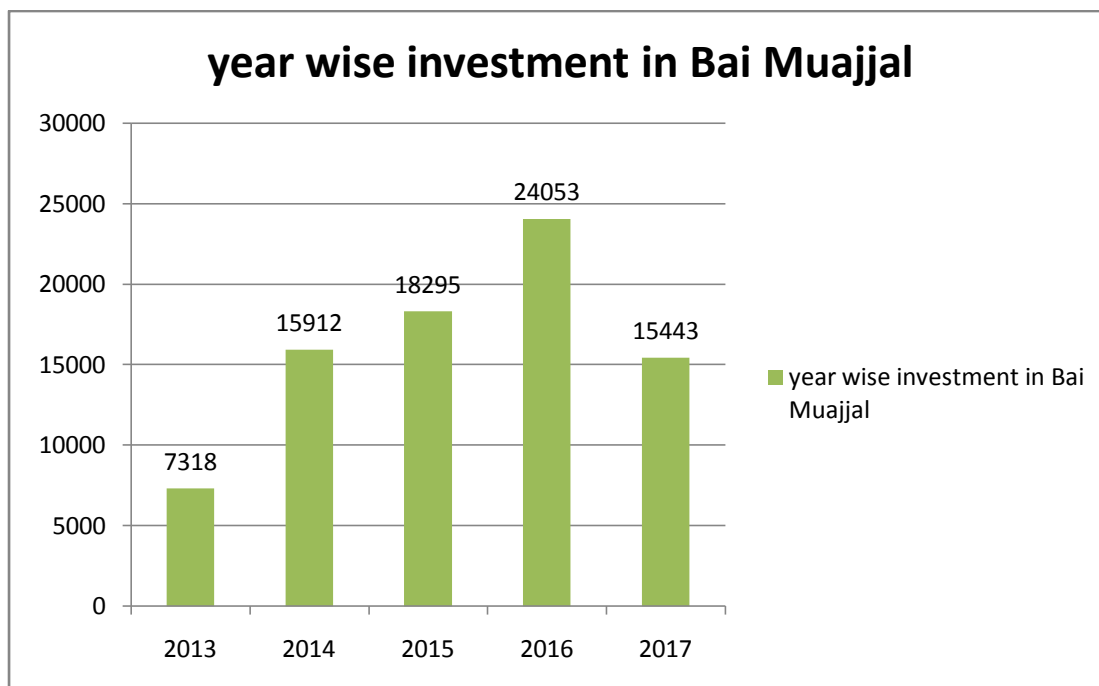


Figure: 3.13 year wise investment in Bai Muajjal

Interpretation: There is an increasing trend of investment in Bai-Muajjal of SJIBL. From the above graph we can see (**Figure 3.13**) 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 should not run business properly. Clients also made loss project in that year so they withdraw the deposit from the

fund and for that reason SJIBL couldn't invest. But from 2013 to 2014 the trend line increased because clients are satisfied with the service and also they did not face so various problems. So various customers felt trusted which makes them to deposit in the bank.

3.14 Investment in Bai Salam

| 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 3.14: Year Wise Investment in Bai Salam (Source: Annual report of SJIBL)

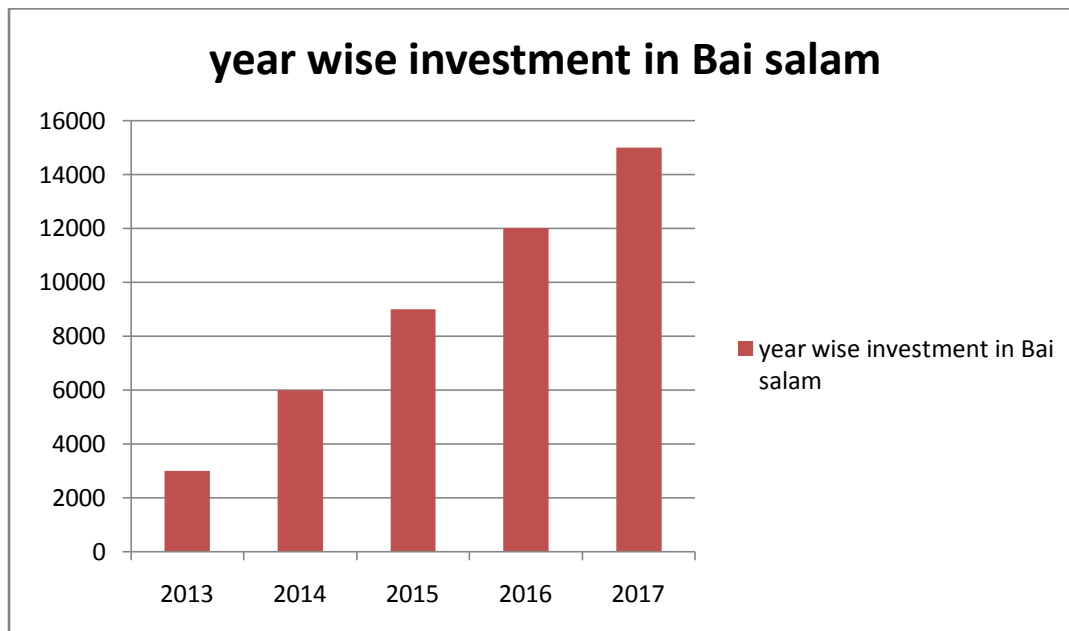


Figure 3.14 Year Wise Investment in Bai Salam

Interpretation: There is a fluctuating trend of investment in Bai-Salam of SJIBL. From the above graph we can see (Figure 3.14) that the lowest amount was TK 3,528 million in 2014 and the highest amount is TK 4,532 million in 2015. From the year 2013 to 2016 the amount decreased from TK 3624 to 3528 million and 2013 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 favourable to do business with conducive political environment.

3.15 Investment in Musharaka

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------------------|--------|-------|--------|--------|-------|
| Investment in Musharaka (Million TK) | 12,240 | 9,571 | 13,719 | 13,838 | 2,825 |
| Percentage of Total Investment | 4.65% | 3.13% | 3.68% | 3.40% | .61% |

Table 3.15: Year Wise Investment in Musharaka (Source: Annual report of SJIBL)

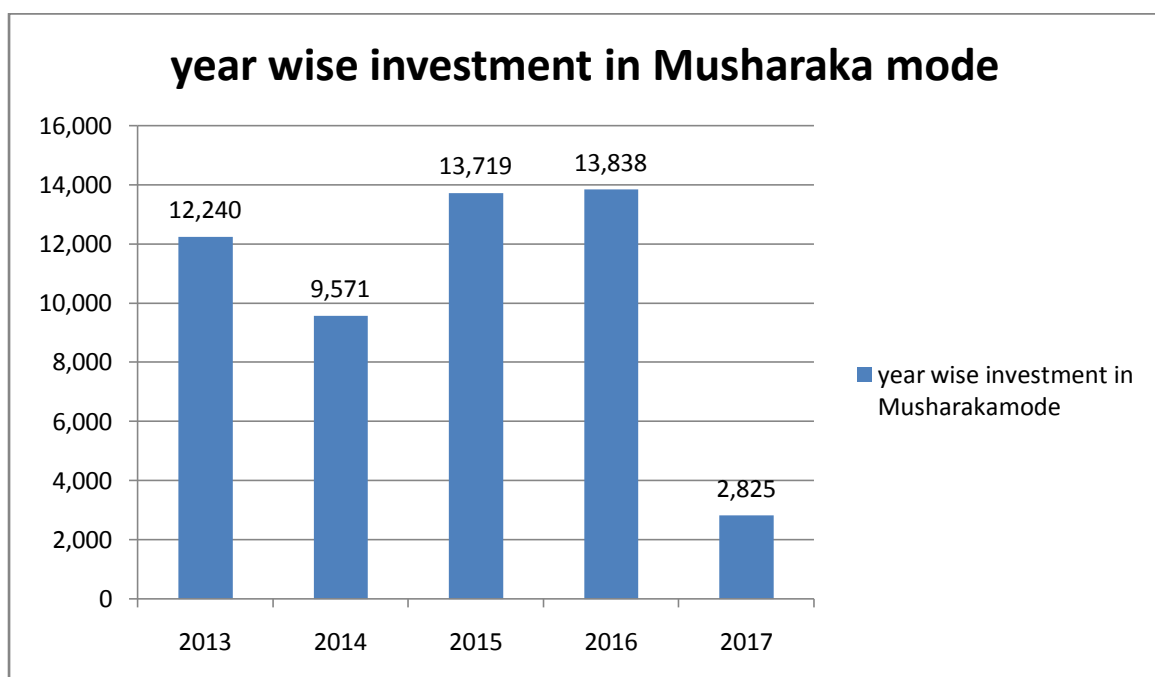


Figure 3.15 Year Wise Investment in Musharaka

Interpretation: The graph (Figure 3.15) shows a volatile trend in investment under Musharaka. The graph shows fluctuating trend in investment under Musharaka, The investment under Musharaka was Tk million 12,240 in 2013. However, the Musharaka investment as amount of total investment has fluctuated from 2014 to 2017.

3.16 Department Wise Investment in 2017

| Department | 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 3.16: Department Wise Investment (Source: Annual report of SJIBL)

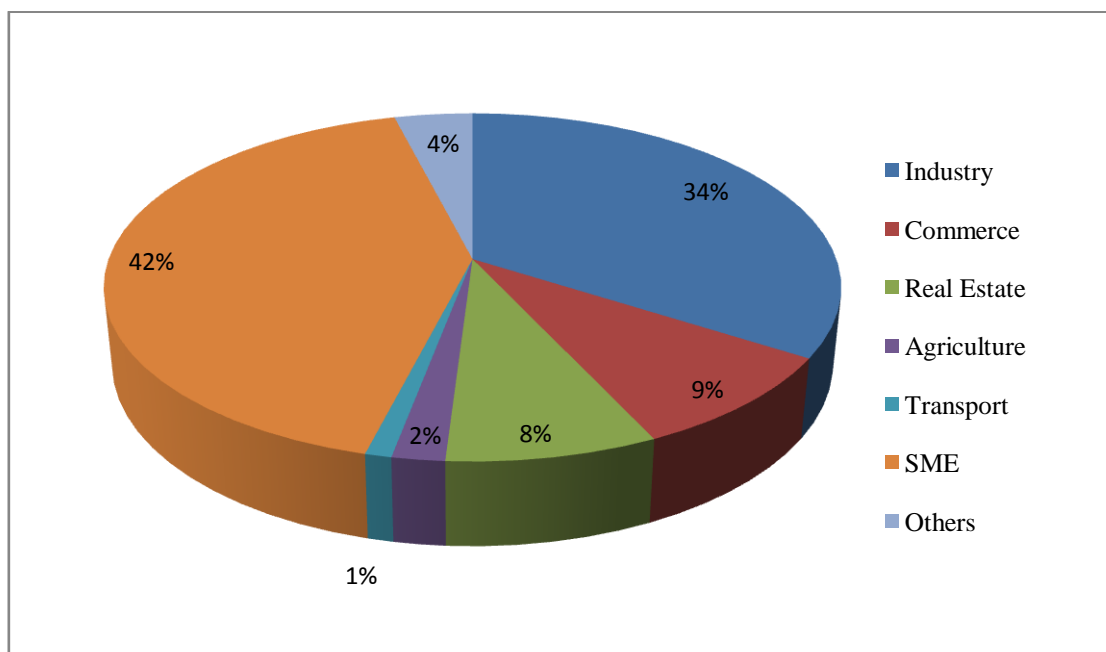


Figure 3.16 Department Wise Investment of SJIBL in 2017

Interpretation: From above graph (**Figure 3.16**) we can see that in 2017, SJIBL invested their maximum amount in the Department of SME TK 201,127 million which is 42% of total investment, TK 247,350.99 million in Industry Department which is 34% of total investment and comparatively very poor investment in Real Estate 8%, Agriculture 2% than Transport 1% and Others 4% respectively.

3.17 Geographical Location Wise Investment

| Geographical Location | 2015 | 2017 |
|-----------------------|------|------|
| In Rural Areas | 13% | 5% |
| In Urban Areas | 87% | 95% |

Table 3.17: Geographical Location Wise Investment (Source: Annual report of SJIBL)

Interpretation: The above table shows that SJIBL distributes large portion of investment in urban areas both in the year 2016 & 2017. But the bank does not concern in rural areas to distribute the investment.

3.18 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 3.18: Year Wise Income from Investment (Source: Annual report of SJIBL)

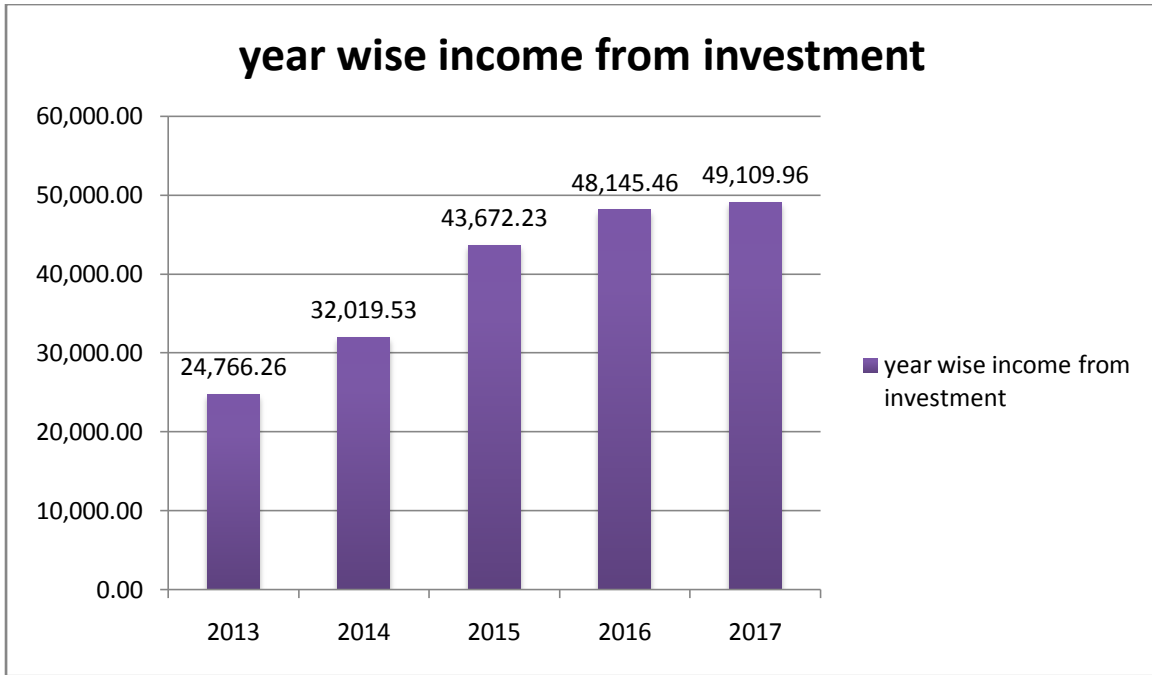


Figure 3.18 Amount of Income from Investment

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 2013 to 49,109.96 in 2017. This indicates the efficiency of the investment of SJIBL. The reason of increased the trend line was because SJIBL has various clients who believe in Islamic rules and regulations. So, they deposited huge amount of money in the bank and SJIBL used their assets to invest and got handsome amount of profit. For this reason amount of income from investment was increased day by day.

3.19 Return on Investment (ROI) of SJIBL

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 SJIBL has given below:

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|------------|--------|--------|-------|--------|-------|
| Percentage | 10.08% | 10.87% | 9.21% | 11.49% | 9.86% |

Table 3.19: Return on Investment (ROI) of SJIBL (Source: Annual report of SJIBL)

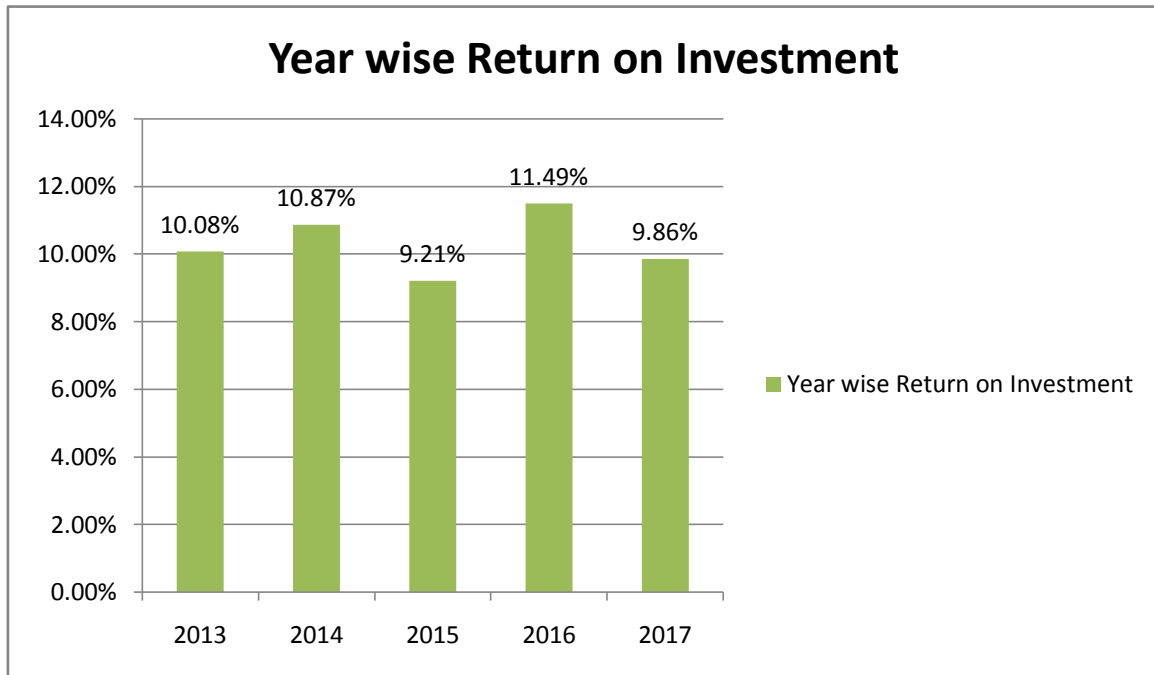


Figure 3.19 Percentage of Return on Investment

Interpretation: The above graph shows the return on investment of the total investment from the year 2013 to 2016. The ROI of SJIBL has decreased from 2014 to 2016. 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 SJIBL faced some unavoidable problems like political unrest, economic termination and various businessmen were afraid of some reasons, so this makes the percentage of ROI to decrease.

CHAPTER 04

4.1 Findings

The main objective of the report is to analyse the investment activities of Shahjalal Islami Bank Limited (SJIBL). The study of investment activities of Shahjalal Islami Bank Limited reveals the following major findings:

- There are three mechanisms of investment practice such as Bai mode (buy& sales basis), Share mode, and Ijarah mode (Lease).
- SJIBL invested their major portion in Bai-Murabaha that is 55% in 2015 and 66% in 2016.

Most of the people in our country have a bad impression of SJIBL operations regarding indirect generation of interest, meaning no difference between investment of SJIBL & loans/advance of conventional banks. For this reason, they are not too much interested to make investment with SJIBL. This bank can't invest in all economic sectors, which are prohibited by the law of Islam.

- Most of people don't understand about Islamic terms such as Mudarabah, Murabaha, Musharaka, HPSM etc.
- SJIBL invested their maximum portion in Dhaka division which is 59%. The second supreme percentage of investment is in Chittagong division which is 20%.
- Major portion of the investment is made in the industrial Department.

4.2 Recommendations

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

- SJIBL should focus on shariah perception concerning investment among the bank officers; employer and the clients by strong working out, everything.
- In 2013, investment to deposit ratio of SJIBL is 79.88% and industry average is 90.17%. So, the bank should increase its investment from its deposit.
- They may concentrate to make investment easier to other compared.
- It is a modern banking era. Each and every commercial bank is properly utilizing technological inventions. So, SJIBL needs to utilize modern technologies to keep pace with the modern time.
- SJIBL must recruit different speculation modes according to varying diverse needs of clients by conducting huge research & study.

4.3 Conclusion

The performance of a Banks today competitive business is important. Just few years ago the number of bank was very small. So the competition was not a strong as its today. Things have changed with the emergence of various new banks now the Customers have option to take the one that the best so the current banking business scenario is simply highly competitive. The performance of Shahjalal Islami Bank Limited during the Last five years has proved that with strong desire and will power one achieve whatever target they may have. Almost all the leading banks in our country have various Extra facilities in offer for the customers in comparison with other Banks but Shahjalal Islami Bank Limited has succeed in achieving more customer than other competitors. This has been possible only because of strong customer relation and excellent customer service.

It is thus felt that the linking credit to social goals and assignments will have far- reaching theoretical implications for development of an alternative concept of new theories of income, output and employment. This bank expresses its sincere thanks to the government of the People's Republic of Bangladesh and Bangladesh Bank for their co-operation and valuable guidance to the bank. Shahjalal Islami Bank Limited also takes this opportunity to their valued clients, patrons, well-wishers, correspondents and the shareholders for their support and patronization extended during the year under review. Shahjalal Islami Bank Limited also records its appreciation for the services rendered by the executives and the members of the staff for the stability and growth of the bank.

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