



Daffodil
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Internship report

on

Review of Investment Operation of First Security Islami Bank Ltd:
A Study with City University Branch, Savar, Dhaka

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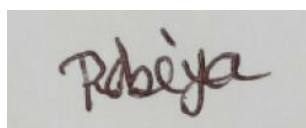
Dear Sir,

Here is the Internship Report on “**Review of Investment Operation of First Security Islami Bank Ltd: A Study with City University Branch, Savar, Dhaka.**” It has been a great contentment for me to have the opportunity to apply my academic knowledge in practical field. Unless theory is not applied in reality the theoretical knowledge is not worth anything. The report is prepare on basis of the theoretical and practical learning from three months internship program from Review of Investment Operation of first Security Islami bank ltd.

I have tried sincerely to comprehend and translate my knowledge in writing this report. I make every endeavor to prepare this dissertation and tried my best level to accumulate relevant and insightful information.

It is a great experience for me to work in this topic. I have tried to make the report vivid and Comprehensive within the scheduled time and limited resource. I enjoyed this project work and gladly attend any of you call to clarify on any point, if necessary.

Sincerely Yours,



Rubiya Akter

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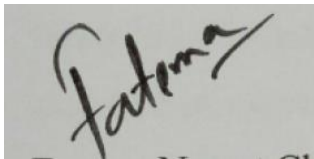
Daffodil International University.

Certificate of Approval

This is to certify that the Internship Report on “**Review of Investment Operation of First Security Islami Bank Ltd: A Study on City University Branch, Savar, Dhaka.**” Submitted for the award of the graduation of Bachelor of Real Estate, Daffodil International University is a record of work carried out by the Rubiya Akter, ID: 092-27-148, under my supervisor. No part of this Internship record has been submitted for any degree.

I recommended the report for submission to the Department of Real Estate, Daffodil International University, by Rubiya Akter the examination committee for viva.

I wish her every success in life.

A rectangular box containing a handwritten signature in black ink that reads "Fatema".

Fatema Nusrat Chowdhury
Senior lecturer,
Department of real estate,
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Preface

This report is based on my internship work with the First Security Islamic Bank Limited (City University, Branch), Successful completion of any course requires support from various person. I am very much fortunate to get the guidance and supervision of honorable teacher and First Security Islami officers.

It give me much pleasure to thank a large of individual for their cordial cooperation and encouragement who have contributed directly or indirectly in preparing this report. First, I would like to express my gratitude to my supervisor Fatema Nusrat Chowdhury madam, Daffodil International University for providing me detailed feedback and support in preparing this report. Without her contribution, it was not possible for me to come-up with this report work.

I do hereby express my sincere gratitude to, Fatema Nusrat Chowdhury madam, Daffodil International University for her administrative support in completing in the report. I would also like to express my gratitude to The Head of the Department Mohammad Zayed for his support and his assistance.

I would like to express grateful thanks to Md. Sayedur Rahman (City University, Branch) for providing all the support in the organization.

Finally, I would like to thank Advisor Md. Mostofa kamal sir (Daffodil International University, Department of Real Estate), for his help. So, lastly my sincerest thanks go to all other who were involved and helped directly and indirectly in preparing this report.

Rubiya Akter

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Program: Bachelor of Real Estate

Faculty of business & entrepreneur

Bachelor of Real Estate

Daffodil International University

Executive Summary

This is about the “**Review of Investment Operation of First Security Islami Bank Ltd: A Study on City University Branch, Savar, Dhaka**”, where the information are provided based upon my experience of three months internship program from this bank. The report attempts to show the summarized picture of Investment Department of First Security Islami bank. The aim of the study was to evaluate the Review of investment operation also to see how First Security Islami Bank contributes to render financial services towards small and rural sector. First Security Islami Bank Limited with rotation on different desks which includes Accounts, Opening, General Banking, Retail Banking, Clearing, Remittance, Lone and Advance etc. In this report “**Review of Investment Operation of First Security Islami Bank Ltd: A Study on City University Branch, Savar, Dhaka.**” This report divided will focus on various aspects of this Bank. Since they are standing at good position among the private bank, their financial position, markets share, marketing mechanisms, overall strengths and weakness, objectives, goals will be cross examined for analysis the fact that how they were and how they will be in future. Various type of analysis will help us to understand the comparative position and a transparent picture of this Bank that will help us to draw any comment at a glance. For that I have divided the whole report five chapters. The Introduction part of the report contains the information about the Scope of the study, objective of the report, methodology of the study, and limitation of the study. The second part is Organizational Description overview. The third part is description and Analysis of Investment department of FSIBL. The next chapter is findings from given statement. The employees of the First Security Islami Bank Limited, Savar Branch have been interviewed for finding the approximate data and to evaluate its effectiveness .Finally, conclusion and recommendations are made in the last chapter then Reference. As I am directly in touch with employee, the report will deal with the impact of Performance Appraisal in overall Job Satisfaction and employee Performance in First Security Islami Bank Limited. A survey will be conducted on the employee of First Security Islami Bank Limited. The objective of this report will be to determine how well First Security Islami Bank Limited is satisfying the employee. Lastly, the finding will be examined to prescribe a set of specifies recommendations to improve the overall service quality according to employee expectation and also to solve the existing problems in the whole organization level.

Abbreviations

<i>Abbreviations</i>	<i>Elaborations</i>
FSIBL:	First Security Islami Bank Limited.
DMD:	Deporting Managing Director.
MMPS:	Mudaraha Monthly Profit Scheme.
SME:	Small Medium Enterprise'
EMI:	Medium Enterprise investment.
EMI:	Equally Monthly Installment.
MMDS:	Mudaraba Monthly Deposit Scheme.
CEO:	Chief Executive Officer.
MD:	Managing Directors.
BRE:	Bachelor of Real Estate.
DIU:	Daffodil International University.

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Chapter-01 Introduction

1.1 Introduction:

Banking sector is uprising and playing a vital role in our modern economy. There have been some diffidence between Islami Banking systems and conventional banking systems in Bangladesh. So in a nut shell, it can be defined as a financial institution which collect deposits from different sources and grant loan to third party, the surplus is the profit of the Bank. In this process banks income is the difference between the landing and deposition rate. This nature of income may have two types, Interest income which is earning of conventional bank. This system of interest income is totally opposite Islami Banking system. Mention that it is the source of exploitation of clients in the conventional system. Profit: it is the earning of “Islamic Bank” following the Islamic systems. Profit generated from buying and selling process which has been made halal in Islam. According to the Islamic sharia’s interest is strictly prohibited. Since Islamic bank is conducted based on profit and loss sharing approach rather than interest basis, it has more acceptability to the Muslim mankind. But basic principle if Islamic banking being PLS (profit loss shearing system) - based sharia’s (Islamic principle) financing and having being exposed to interest rate risk. Because most of the investment of Islamic bank are on Bai -mode. In this mode, bank sell specified goods to the client on cost plus agreed upon profit within the fixed period, the Islamic bank cannot impose or realize additional amount as income but the conventional banks can continue to charge interest or even they can & realize penal interest as income of the bank therefore, conventional banking system which is based prefixed interest rate is exposed to less interest rate risk. So how Islamic banking systems can provide loans & advance profitably and survive with their huge interest rate risk capitalist economy. That’s why the title of thereport focuses on Review investment Operation of FSIBL. Islami Bank try to abide by the rule of Holy Quran where mentioned Interest is strictly prohibited and business make halal for humanity.

1.2 Scope of the Study:

This report is the outcome of my practical knowledge during period of the three month internship at FSIBL. The scope of the report was basically the practice of Review investment Operation in First security Islami Bank city university branch. Providing good loan is very difficult in the highly competitive business arena. When the organization disburse some loan to the clients, it faces a lot of challenges to recover the loan. I feel it is a great scope for study as organization can understand what will be the actual procedure for granting loan. Loan sector is the most critical department in banking that why I am very much interested to study in the relevant field.

1.3 Objectives of the Report:

Broad Objective: The main objective of this internship report is to represent the Review investment operation of First Security Islami Bank.

Specific Objective:

1. To identify the various forms of investment schemes available for its customer.
2. To describe how bank performs its investment operations and functions under investment department.
3. To evaluate the investment performance of the specified branch.

1.4 Methodology of the study:

Basically I have applied in the study in the nature of descriptive. The methodology of the report includes direct observation, oral communication with the employee of different department. I also use survey method to study in this research. To know the in-depth information, the topic was discussed with the expert professionals related to bank for several time of record of FSIBL other related secondary information. I have made questionnaire and collect required information from different officer of the bank.

Data Collection: To prepare this report the data has been collected from two sources, such as primary source and secondary sources.

Primary sources of data:

- Taking face to face interview with structured and unstructured questionnaire
- Conversation with the clients with existing and potential credit holders.
- Asking different investment officers when I have worked in the Bank as an internee.

Secondary sources of data:

- Published Booklet of FSIBL
- Website of FSIBL
- Manuals of Investment of FSIBL
- Research Library
- Annual report of FSIBL
- Information about the organization from their company profile.
- Internet and various study selected report.

1.5 Limitation of study:

I was working in the First security Islami bank limited for three months as an intern and it seems very short time. But it was a great opportunity for me to working under them and the environment of the First security Islami bank limited officer was very busy BelowFollowing the limitation:

1. Inadequate published information about the bank also acted as limiting factor.
2. Lack of knowledge to the client about investment.
3. There have much lacking to do investment process against the all type of clients.
4. Only use secondary data.

Chapter-02

Organizational Overview

2.1 First Security Islami Bank:

The First Security Islami Bank Limited is private sector Bank. It is the Islami Bank because Islami Shariah Rule and Regulation play do it and this bank purpose of modern Islami Bank program in the Bank history. Bank is slowly develop to its goal then starting its operation. Our vision is to be the premier financial institution in the country by providing high quality products and services backed by latest technology and a team of highly motivated personnel to deliver excellence in Banking. There are total 170 branches of First Security Islami Bank Limited situated in 51 districts in Bangladesh.

Profile view First Security Islami Bank.

Registered Name First Security Islami Bank Limited

Legal Status	Public Limited Company
Category:	Commercial Bank
Established:	1999
Logo:	 <p>ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লিমিটেড FIRST SECURITY ISLAMI BANK LTD.</p>
Origin:	Local Bank
Type:	Private Bank
Service	
Deposits	
Investments:	<ul style="list-style-type: none"> • Foreign Remittance • Locker Service • Foreign Exchange • Green Banking • SME Banking

Table 1: Profile view First Security Islami Bank, (Source of First Security Islami Bank).

2.2 Managerial Hierarchy of First Security Islami Bank.

Chairman
Vice Chairman
Managing Director
DMD
Executive Vice president
Senior Vice President
Vice President
Assistant Vice President
Senior principal Officer
Principal Officer
Senior Officer
Officer
Probationary Officer
Assistant Officer
Trainee Assistant Officer

Figure 1: Managerial Hierarchy, Source: (First Security Islam Bank Limited, 2016).

2.3 Activities of the Bank:

Activities of the Bank: Function of FSIBL, may be divided into four categories

- ✚ General banking activities.
- ✚ Investment banking activities.
- ✚ Foreign exchange activities.
- ✚ Other activities.

2.4 Managerial Hierarchy in City University Branch:

Vice president
Senior Principal Officer
Principal Officer
Senior Officer
Probationary Officer
Assistant Officer Grade 1, 2, 3

Figure 2: Managerial Hierarchy in City University Branch, Source: (First Security Islami Bank Bangladesh Limited, 2016).

2.5 Vision of the Bank:

- The bank believes in strong capitalization
- It maintains high standard corporate & business Ethics.
- It also emphasize on a reasonable return from its investment to satisfy the shareholders.

2.6 Mission of the Banking:

- Valued clientele.
- Then Art Technology.

Chapter-3

Description & Analysis of Investment Department of FSIBL

3.1 Modes of Investment:

First Security Islami Bank Limited is following various Investment view or mode. The various mode of investment are follows:

Bai Mechanism	Share Mechanism	Ijara Mechanism
<ul style="list-style-type: none"> Bai-Murabaha Bai-Muajjal Bai-Salam Bai-Istisna . 	<ul style="list-style-type: none"> Mudaraba Musharaka Qard-Hasana 	<ul style="list-style-type: none"> Hire purcjhas Under ShirkatulMel Ijara

Figure 3: Small enterprise investment modes, Source: First Security Islam Bank Limited.

3.1.1 BaiMachanism:

a) Bai Murabaha:

Bai-Machanism first part of mode of investment. In this part of include 1st Bai-Murabaha. Bai-Murabaha come from Arabic words and Bai is purchase and Ribhum is an agreed upon profit. To know that Islamic shariah and the law include of the Bai-Murabaha. Bai-Murabaha may be defined as a contract between a buyer under which the seller sells certain specific goods permissible under Islamic Shari'ah and the law of the land to the buyer at a cost plus an agreed upon profit payable today or on some date in the future in lump-sum or installments. The profit may be either a fixed sum or based on a percentage of the price of the goods. There are various forms of Bai-Murabaha scheme; like- Bai-Murabaha under Small Medium Enterprise (SME), Bai-Murabaha against Equally Monthly Installment (EMI) under Small Medium Enterprise (EMI) investment, HPSM customer's durable investment.

b) Bai-Muajjal:

The terms Bai-Muajjal is a system of investment that is credit sale where a financial instruction. Deals with Islamic finance and will buy the goods according to a party's choice for onward sales. In this type of credit sale the stop delivery will be ensured. The sale price payment is deferred for a fixed period of time or a future fixed date. Bai-Muajjal under Islamic Shariah and Law of the bank.

c) Bai-Salam:

Bai-Salam sale is usually costly rather than a cash sale. Lastly, Bai-Salam confines the purchase to lock in a price, saving him from price ups and down. The term used to define a sale in which the buyer makes advance payment, but the delivery is delayed until sometime in the future. Usually the seller is an individual or business and the buyer of the bank. The seller receives advance payment in exchange for the obligation to deliver the commodity at some later date. He benefits from the Salam sale by locking in a price for this commodity, thereby allowing him to cover his financial needs whether they are personal expenses, family expenses or business expenses. The purchaser benefits because delivery of the commodity when it is needed to fulfill some other agreement, without incurring storage costs. Second, a Bai-Salam sale is usually expensive than a cash sale. Finally, a Bai-Salam agreement allows the purchase to lock in a price, protecting him from price fluctuation.

d) Istisna'a:

Istisna'a is a third step Bai mechanism. Istisna'a is a contract, the price is paid in advance, the purpose of sale is manufactured and delivery later. Sale is a contract between the price is paid in advance and the object of sale is manufactured and delivered later. The majority of the jurists consider Istisna'a as one of the divisions of Salam. Therefore it is subsumed under the definition of Salam. The Hanafi School of jurisprudence classifies Istisna'a as an independent and distinct contract. The jurists of the Hanafi School have given various definitions to Istisna'a some of which are: "That it is a contract with a manufacturer to make something" and "It is a contract of commodity on liability with the provision of work".

3.1.2 Share Mechanism:

a) Mudaraba:

The term Mudaraba refers to a contract between two parties where one party supplies capital to the party for the purpose of joining in a business activity with the understanding that any benefit will be shared in a mutually agreement. Mudaraba is an Arabic term which is the business product Islmai Banking in Bangladesh. This type of business venture serves the interest of the capital owner and the agent. The capital owner may not have the ability or the experience to run a profitable business in Bangladesh. On the other hand, the agent (the Mudarib) may not have sufficient capital to invest in a project. Therefore, by entering into a contract of Mudaraba each party compliments one another, allowing a business venture to be financed. The following are the steps of the Mudarabacontract.

b) Musharakas:

The word is derived from the Arabic word Sharikah meaning partnership where two or more individuals come together for their mutual interest. Islamic jurists are pointed out that the legality and permissibility of Musharaka is based on the injunctions of the Qura'n, Sunnah, and Ijma (consensus) of the scholars. It may be noted that Islamic banks are inclined to different forms of Shariakt-aI-Inan due to its built-in convenience. In an Islamic bank, a typical Musharaka transaction may be conducted in the following manner. One, two or more entrepreneurs approach an Islamic bank to request the financing required for a project. The bank, along with other partners, provides the necessary capital for the project. All partners, consisting the bank, have the right to join in the project. They can also relies this right. The profits are to be distributed as per an agreed ratio, which need not be the same as the capital ratio. However, losses are shared in exactly the same proportion in which the different partners have provided the finance for the project.

c) Qard Hasana:

Qard-Hasana is a contractbetween two parties or individuals where the individual who provide loan to other party, he will not charge up to the person who tale the loan in one's ability. Ausaf Ahmad (1998, p.49) mentioned that since interest on all kinds of loans is prohibited in Islam, a loan that is to be given in accordance with the Islamic principle, has to be, by definition, a benevolent loan (Qard-Hasana) i.e. a loan without interest. It has to be approved on the grounds of compassion, i.e. to remove the financial distress caused by the absence of sufficient money in the

face of dire need. Since banks are profit making organizations, it would seem that there is not much chance for the application of this technique. However, Islamic banks also play a socially useful role.

3.1.3 Ijara Machanism:

a) Ijarah

Fuqaha (jurists) have been defined Ijarah as ownership of a profit for consideration. This is also known as lease or Hire purchase contract. Al-Ijarah is an Arabic term. This has been derived from the Arabic term “Ujr” or “Ujrat” which means ‘return’ or ‘wages’. According to Islamic Shariah (jurisprudence), Ijarah is a contract between two parties – the lessor and the lessee, where the lessees (Hirer or Mustajir) have the right to enjoy a specific benefit against a specified consideration from the lessor - the owner (Muajjir). It is a lease agreement under which a certain assets are leased out by lessor or to a lessee against specific rent or rental for a specific period.

b) Hire- Purchase under ShirkatulMelk or Ijarah Muntahib FSIBL:

Hire-Purchase under ShirkatulMelk has been developed through their use. Actually, it is a synthesis of three contracts: (a) Shirkat; (b) Ijarah, and (c) Sale. ‘Shrkat’ means partnership. Shirkatul Melk indicates part in ownership. When two or more individual are supply equity, purchase an asset and own the same jointly and share the benefit as per contract and loss in proportion to their own equity, the contract is called Shirkatul Melk. In case of Hire Purchase under ShirkatulMelk, Islamic banks purchased asset 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. There are various types of Sale Contract in HPSM:

1. HPSM is gradual transfer of legal ownership of the Hired property.
2. HPSM, by transfer of legal title through gifts (For no consideration)
3. Hire purchase under ShirkatulMelk is transferred of legal title at the end of hire period for a simple consideration.
4. Hire purchase under ShirkatulMelk transfers of legal title at the end of hire period for payment of a specified amount.
5. Hire under ShirkatulMelk transferring of legal title prior of the hire term for a price that is equivalent to the remaining rental installment.

3.2 Function and operation process of Investment Department:

The functions of Investment Administration are strictly disburged from Relationship Management for the purpose of avoiding the possibility of controls being compromised or issues not being enlighten at the right level. Approval process the bank segregates its Relationship Management / Marketing from the Approving Authority. The existing approval authorities are Branch head, Head Office Investment Committee, Executive committee of the Broad of directors and Broad of directors as per their delegation of business powers. The recommendation or approval executives shall take responsibility for and be held liable for their recommendations or approval. Delegation of approval limits shall be as per policy of guidelines that Managing Director & CEO subject to the limit approval by the Board of Directors. Investment proposals in excess of 25% of the bank's Capital to be approved by the Executive Committee of the Board of Directors or Board of Directors after recommendation of IRM, Corporate Banking and Managing Director & CEO. The Branch Marketing Team consists of Executive and Officers shall market the client and then prepare Investment appraisal documents accordance with the prescribed structure and within the preview of the set rule guideline of the First security Isami Bank. The concerned Executive / Officer at Branch on receipt of the proposal will prepare an Investment appraisal memorandum relevance with the prescribed structure and within the preview of the set rule / policy guidelines and then place it to the Head Office, Corporate Division who will make Judgment (qualitative and quantitative) and if found viable then he will approve the facility, if it is within his business delegated power otherwise he may cancel it or forward it to the Head of Corporation / Commercial Banking at Head Office along with his recommendations. In Head Office Investment Division, separate Investment Officers are designated for looking after the proposal of separate Branches. There is also existence the separate unite for handing Garments related proposal / Export Investment, Project Investment, Syndication and Structured Investment. The Head Office Investment Committee depending upon the delegated business power Directors / Board of Directors.

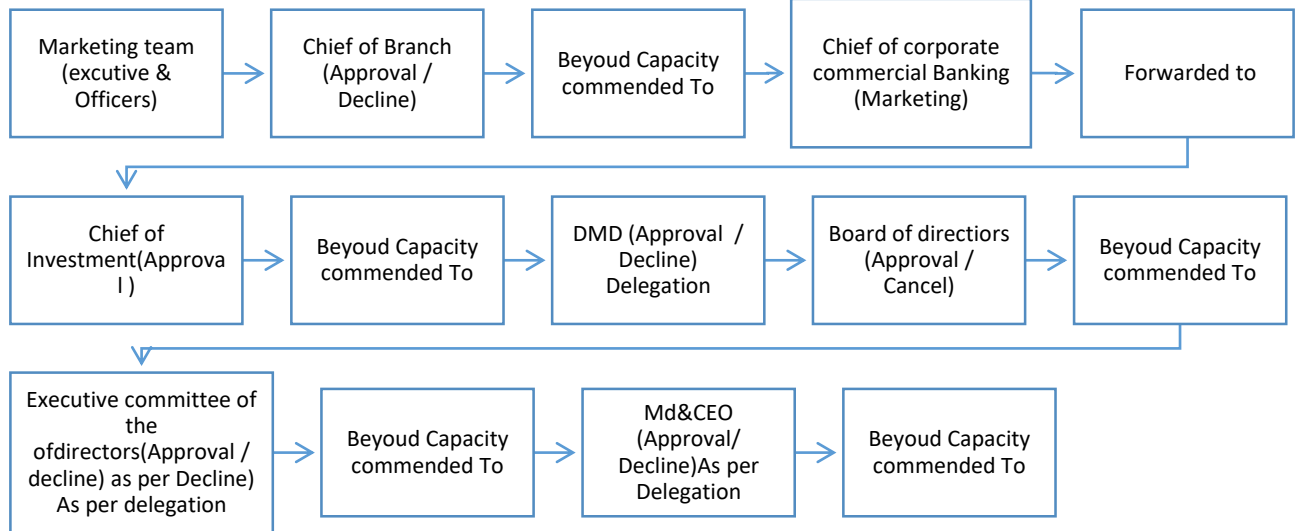


Figure 4: Approval process Flow Chart. Source: First Security Islami Bank.

Disbursement process is given below in a flow chart:

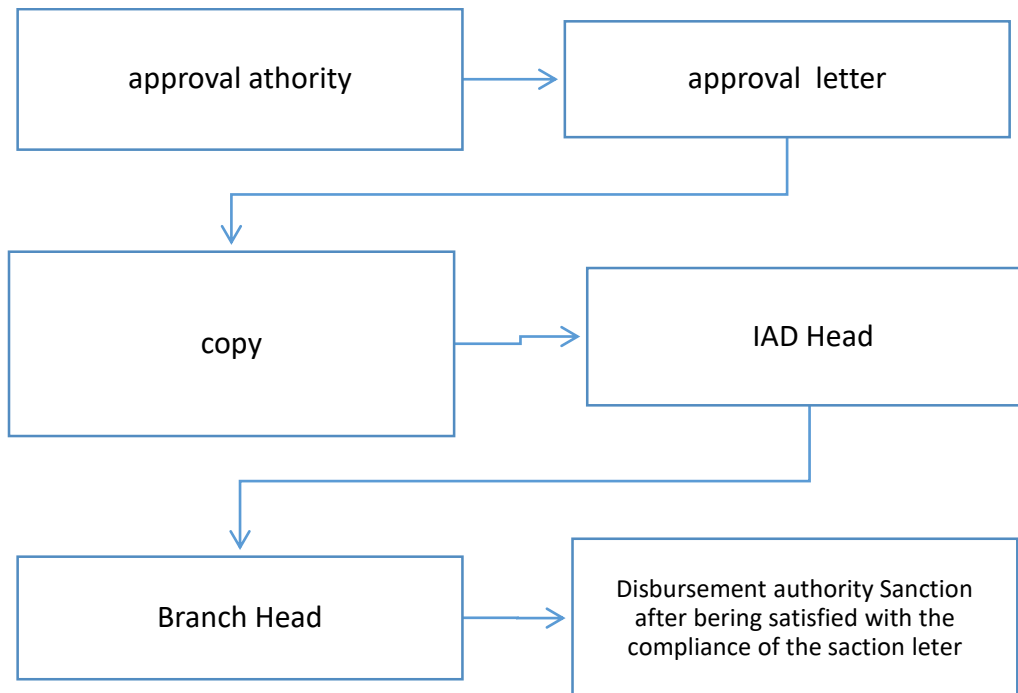


Figure 5: flow chart for disbursement process, Source: First Security Islam Bank.

The function of Investment Administration is critical to ensure that proper documentation and approvals are in place previous disbursement of Investment. The Investment Administration

functions are strictly scattered from Relationship Management/Marketing for sake of avoid the possibility of restrained being compromised or issues not being highlight at the actual level.

3.3 Evaluation of the investment (2016-2017 analysis):

a) Mai-Murabaha against Mudaraba Monthly profit Scheme (MMPS):

Year	Number of client	Capital	Profit rate	Return	Due Amount
2016	69	16205344	13%	170,000	11,000
2017	95	132449927	13%	2,05,000	22,500

Table2: MMPS, Source: Internal document of FSIBL.

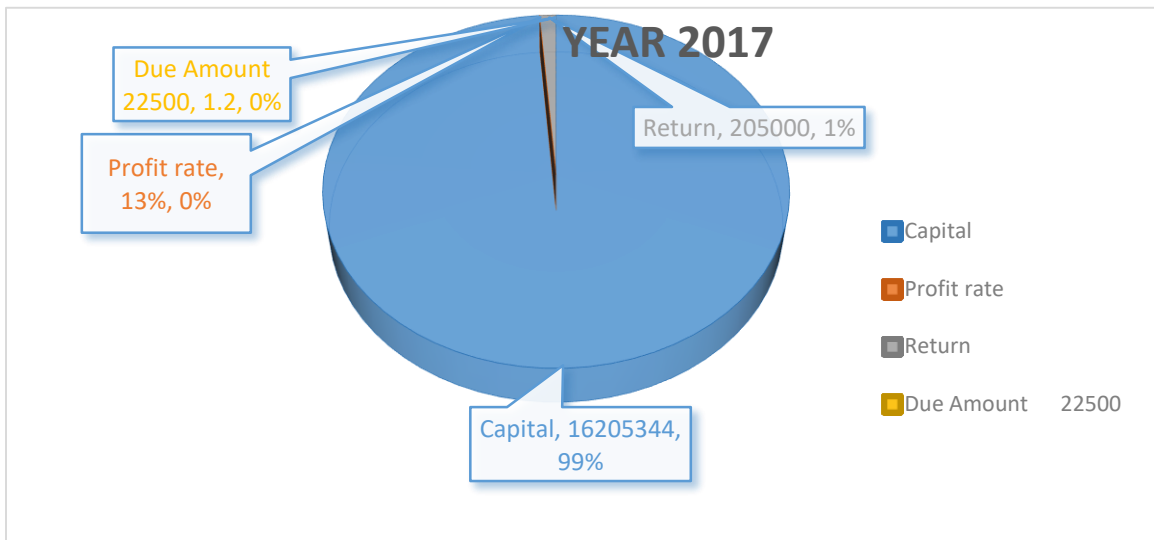


Figure 6: Mai-Murabaha against Mudaraba Monthly profit Scheme, Source: Internal document of FSIBL.

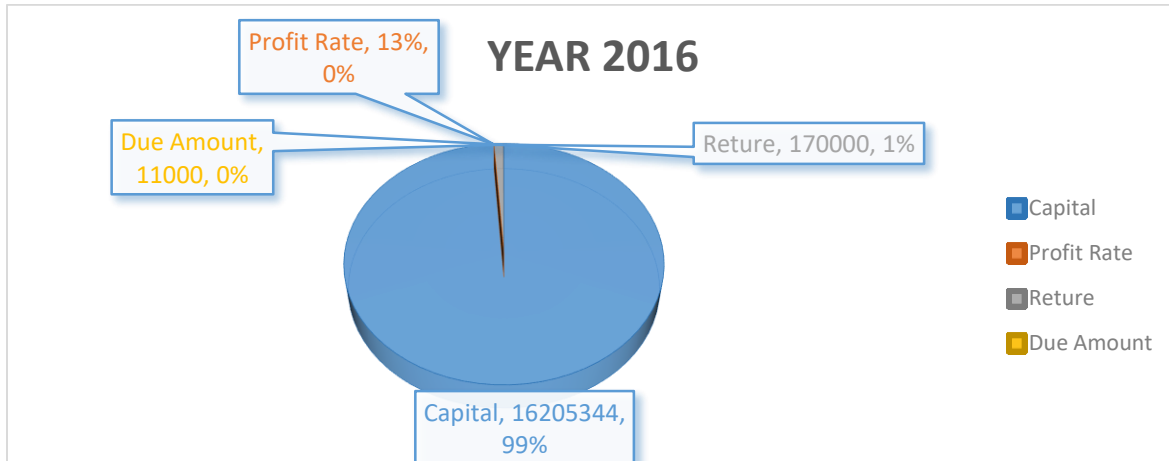


Figure 7: Mai-Murabaha against Mudaraba Monthly profit Scheme, Source: Internal document of FSIBL.

Above these graphs indicate that FSIBL City University Branch invest 16205344 taka and 2016 invest double from 2016. August 2017 invest 13249927 taka and all the profit rate same.

b) Bai-murarabaha against Agriculture:

Year	Number of client	Capital	Profit rate	Return	Due Amount
2016	43	600005437	13%	1,73,000	22,000
2017	58	129621346	13%	4,50,000	16,830

Table 3: Bai-murarabaha against Agriculture, Source: Internal document of FSIBL.

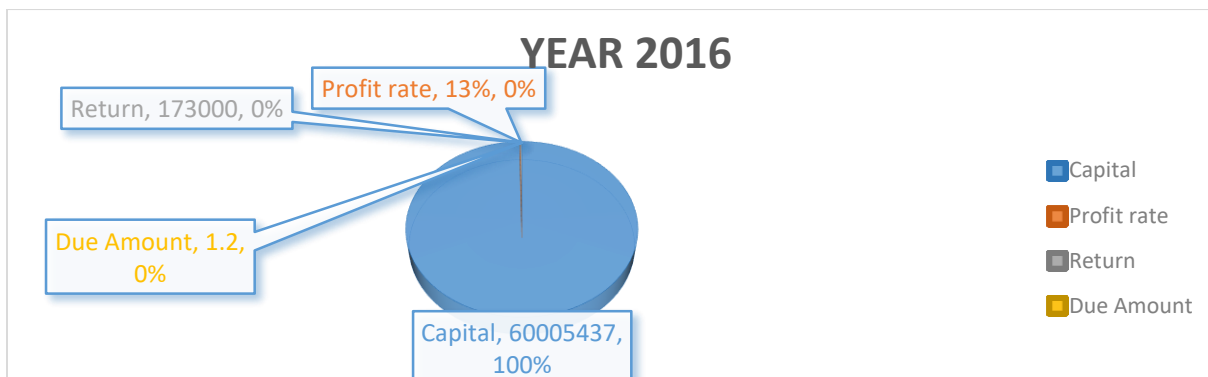


Figure 8: Bai-murarabaha against Agriculture, Sources: Internal document of FSIBL.

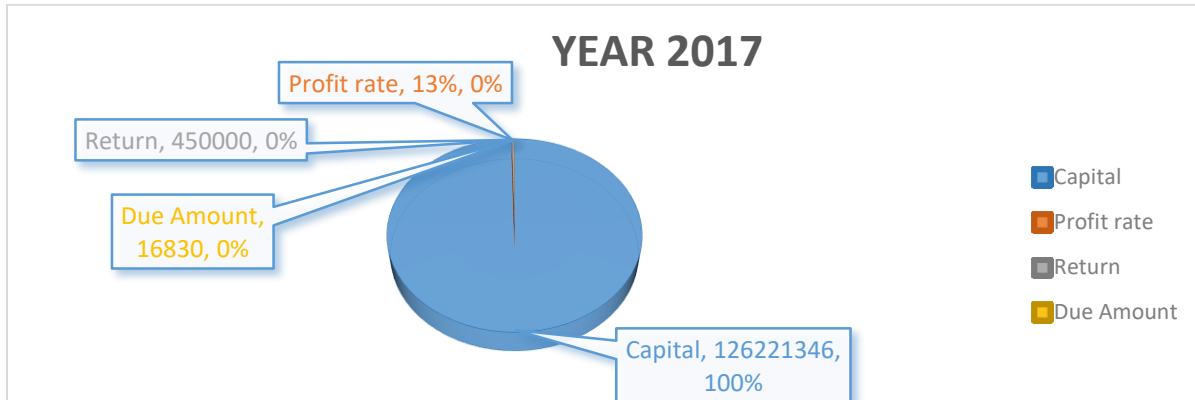


Figure 9: Bai-murabaha against Agriculture, Sources: Internal document of FSIBL.

Above these graphs show that the year 2016 invest 60005437 taka and de amount 22,000. On the other hand year 2017 invest 129621346 which was better than previous year. In Every year profit rate equal.

c) Bai-Murabaha (HYPO) under Small Medium Enterprise (SME):

Year	Number of client	Capital	Profit rate	Return	Due Amount
2016	33	491700111	18%	2,98,000	19,000
2017	26	48088619	18%	3,75,000	16,320

Table 4: Bai-Murabaha (HYPO) under (SME), Sources: Internal document of FSIBL.

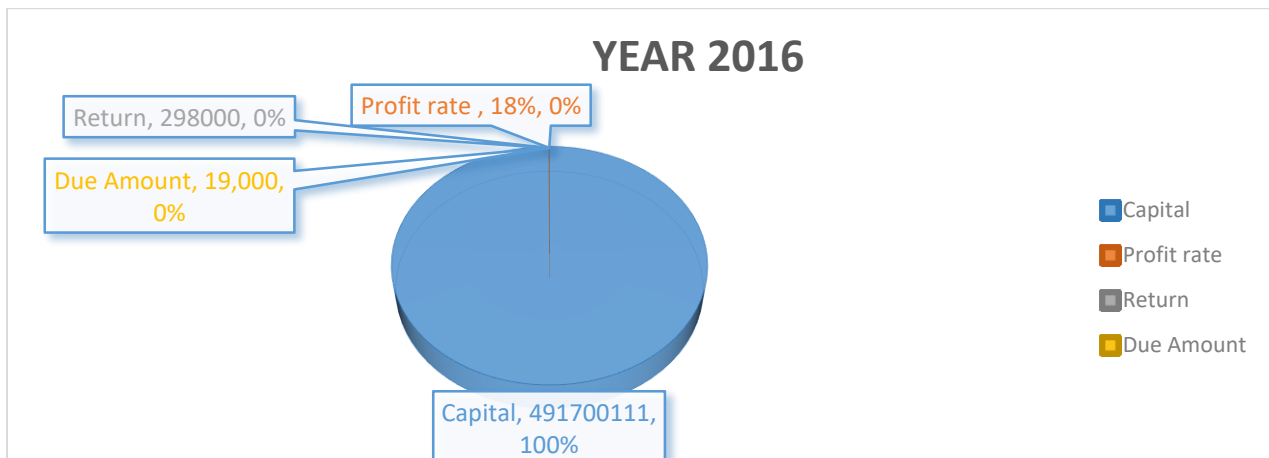


Figure 10: Bai-Murabaha (HYPO) under (SME), Sources: Internal document of FSIBL.

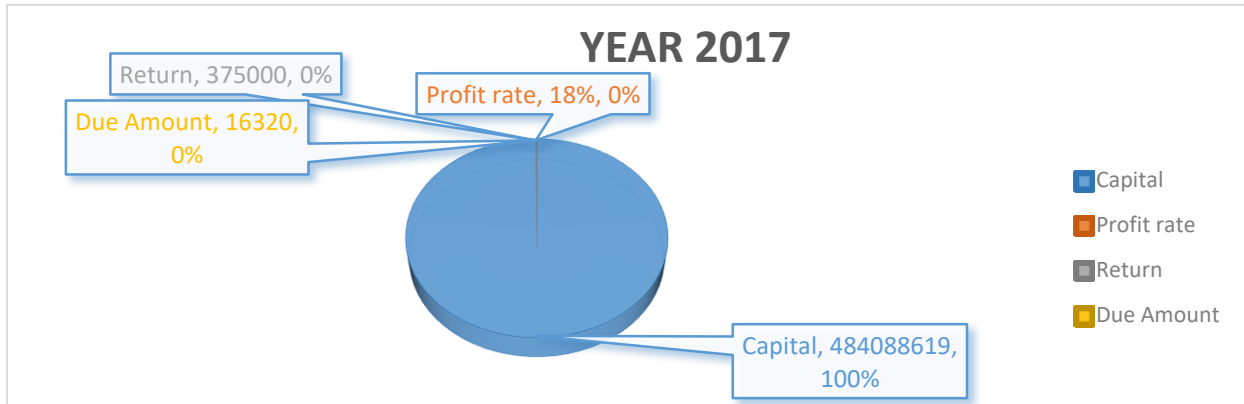


Figure11: Bai-Murabaha (HYPO) under (SME), Sources: Internal document of FSIBL.

Above these graphs indicate that the FSIBL earned profit high in 2017 compare than 2016 by Bai-Murabaha (HYPO) under Small Medium Enterprise (SME).

d) Bai-Murabaha against Equally Monthly Installment (EMI) under Small medium Enterprise (EMI) investment:

Year	Number of client	Capital	Profit rate	Return	DueAmount
2016	13	318186752	12%	15200	19000
2017	8	511079759	19%	50,000	16,936

Table 5: Bai-Murabaha against Equally Monthly Installment (EMI) under Small medium Enterprise (EMI) investment. Source: Internal document of FSIBL.

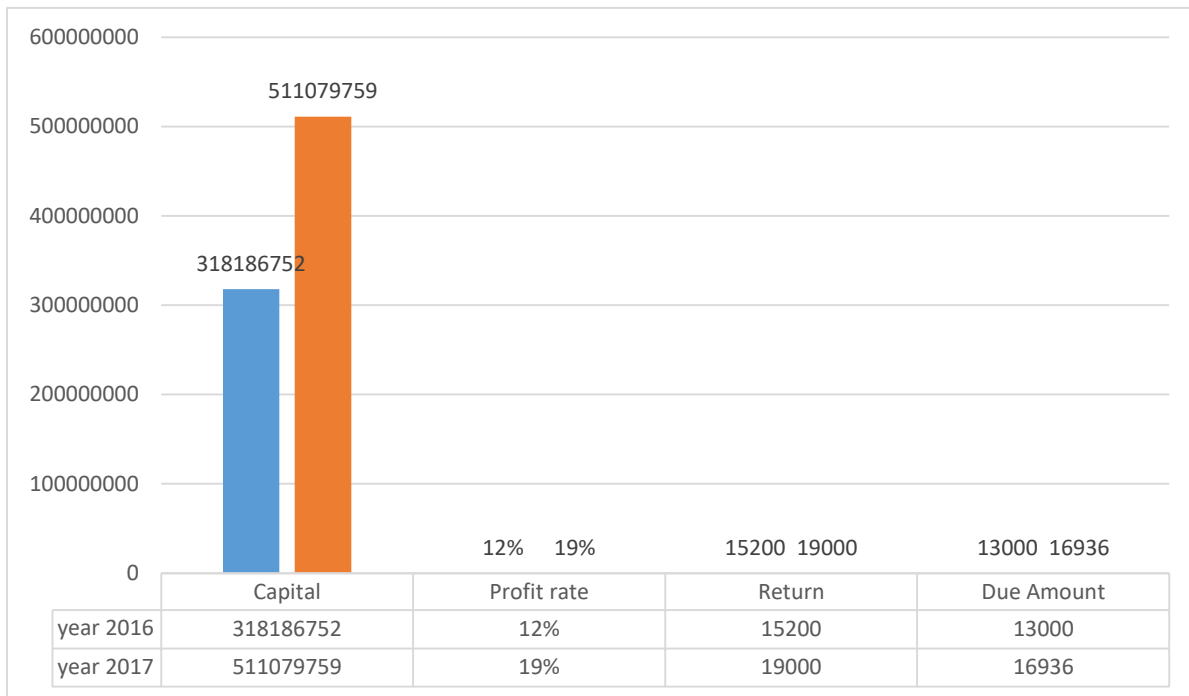


Figure 12: Bai-Murabaha against Equally Monthly Installment (EMI) under Small medium Enterprise (EMI) investment, Source: Internal document of FSIBL.

In these graphs it show 2016 the bank did not practice these type of investment. On the other hand 2017 they invest 511079759 taka and interest rate is 19%.

e)HPSM under- Small Medium Enterprise (SME):

Year	Number of client	Capital	Profit rate	Return	Due Amount
2016	15	31818675	20%	1,67,000	13,000
2017	38	51107975	20%	5,05,000	15,000

Table 6: HPSM under- Small Medium Enterprise (SME), Source: Internal document of FSIBL.

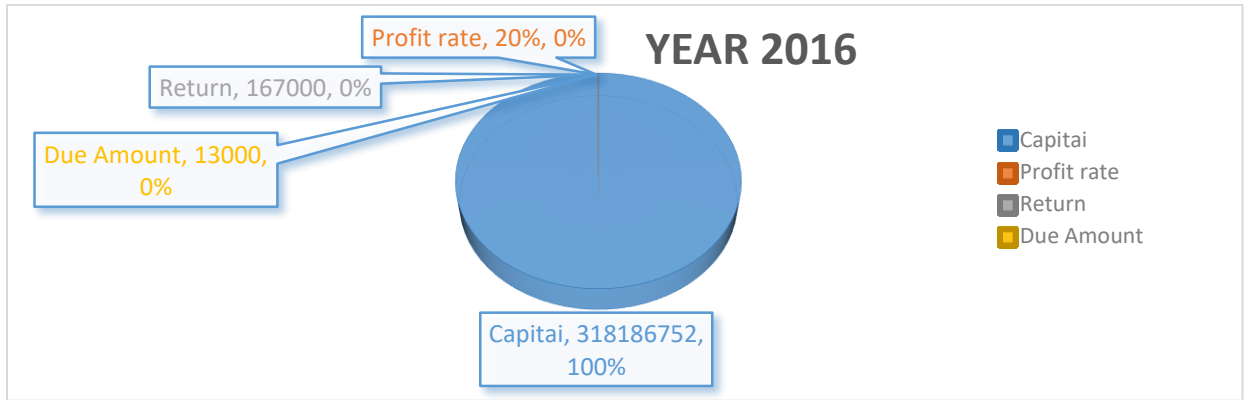


Figure 13: HPSM under- Small Medium Enterprise (SME), Source: Internal document of FSIBL.

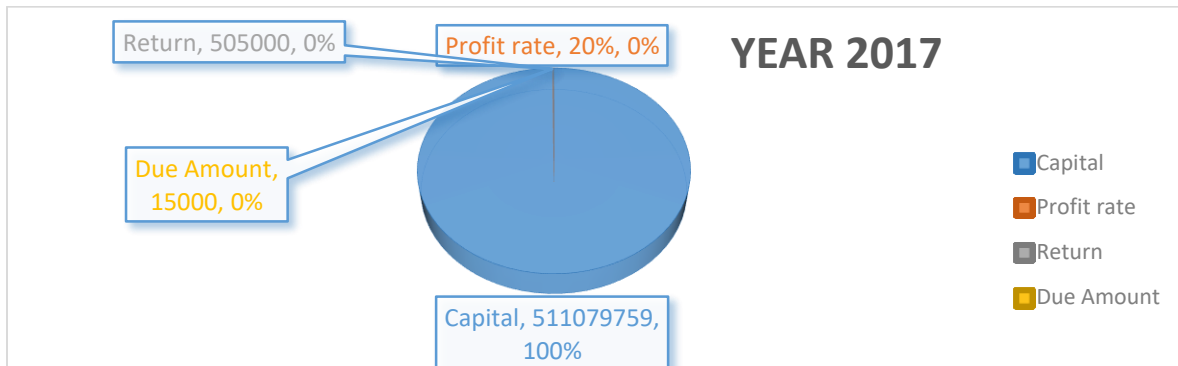


Figure 14: HPSM under- Small Medium Enterprise (SME)Source: Internal document of FSIBL

Above these graphs indicate that the FSIBL earned profit high in 2017 compare than 2016 by HPSM under SME investment provide because this bank provide more investment in 2017 and the amount was 318186752 taka return 1,67,000 taka in August 2017 amount is 5110779759 and year interest and return 5,05,000 both year interest rate is 20%.

f)HPSM customer durable investment:

Year	Number of client	Capital	Profit rate	Return	Due Amount
2016	11	2,00,000	20%	32,000	8,000
2017	16	20,00,000	20%	3,87,000	13,000

Table 7: HPSM customer durable investment Source: Internal document of FSIBL.

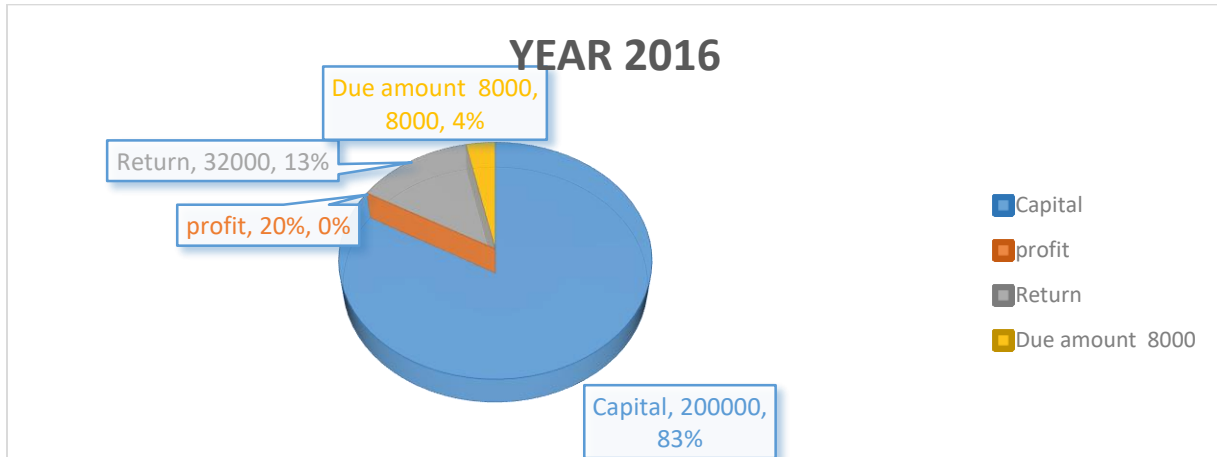


Figure 15: HPSM customer durable investment, Source: Internal document of FSIBL.

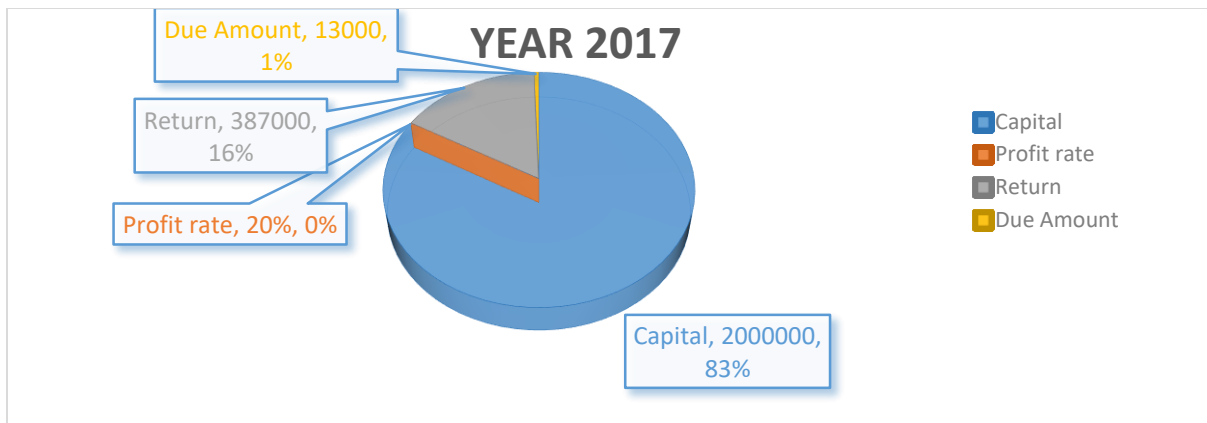


Figure 16: HPSM customer durable investment, Source: Internal document of FSIBL.

Above these graphs indicate that the FSIBL earned profit high in 2017 compare than 2016 by HPSM under SME investment because this bank provide more investment.

g) Quard against car leasing scheme:

Year	Number of client	Capital	Profit rate	Return	Due Amount
2016	12	140000000	5%	53,850	11,650
2017	31	340000000	5%	1,62,500	9,853

Table8: Quard against car leasing scheme, Source: Internal document of FSIBL.

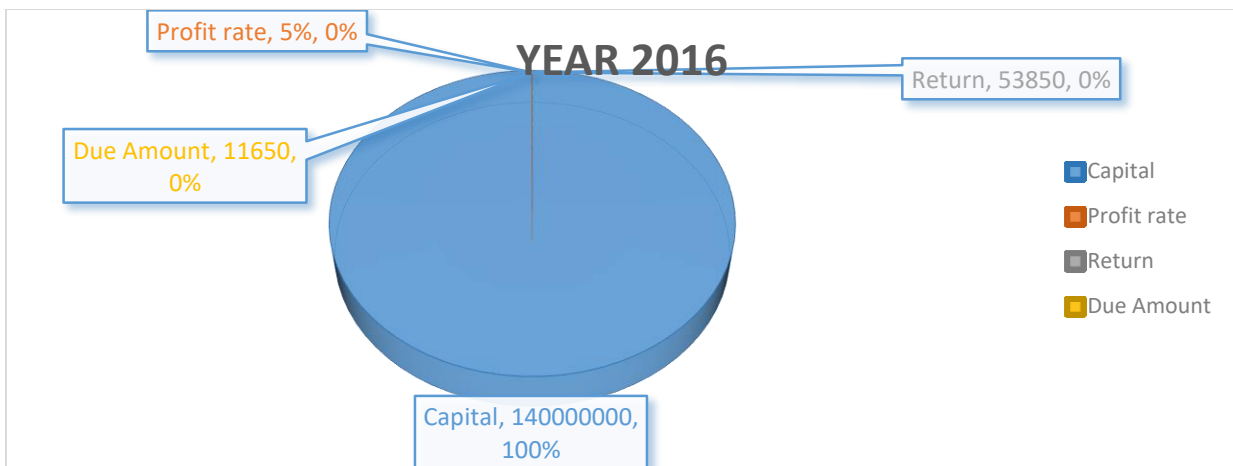


Figure 17: Quard against car leasing schemeSource: Internal document of FSIBL.

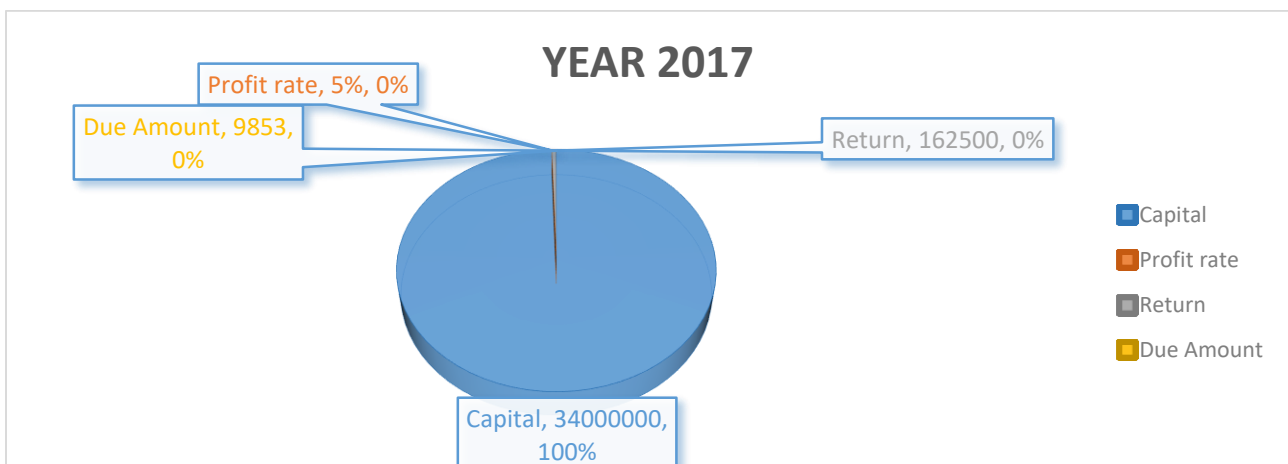


Figure 18: Quard against car leasing scheme Source: Internal document of FSIBL

Above these graphs indicate that the FSIBL earned profit high in 2017 compare than 2016 by Quart against car leasing scheme investment because this bank provide more investment in 2017 and the both year interest rate 5%.

h) Bai-Murabaha against MMDS:

year	Number of client	Capital	Profit rate	Return	Due Amount
2016	15	202573482	15%	59850	11,650
2017	33	375499042	15%	1,62,500	9,853

Table 9: Bai-Murabaha against MMDS, Source: Internal document of FSIBL.

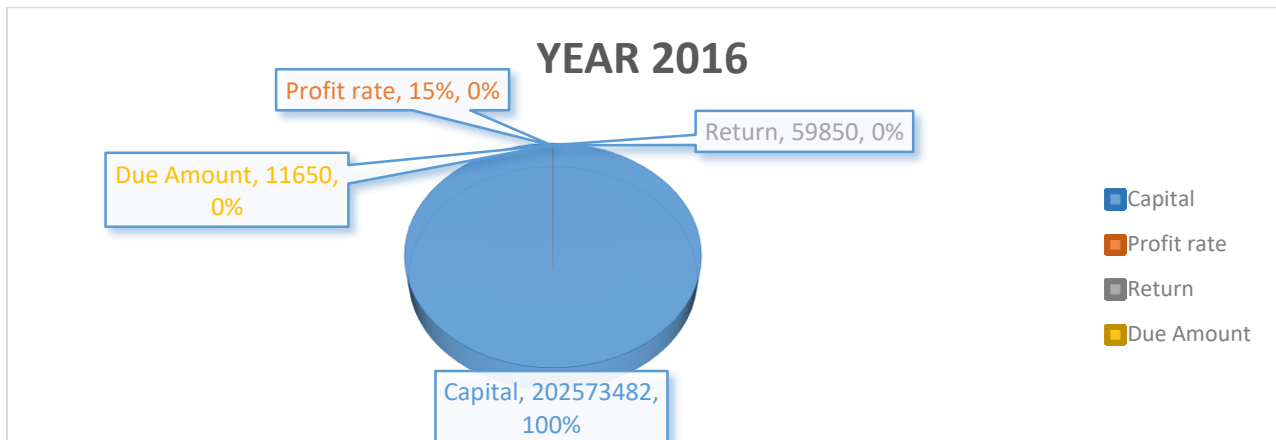


Figure 19: Bai-Murabaha against MMDS Source: Internal document of FSIBL

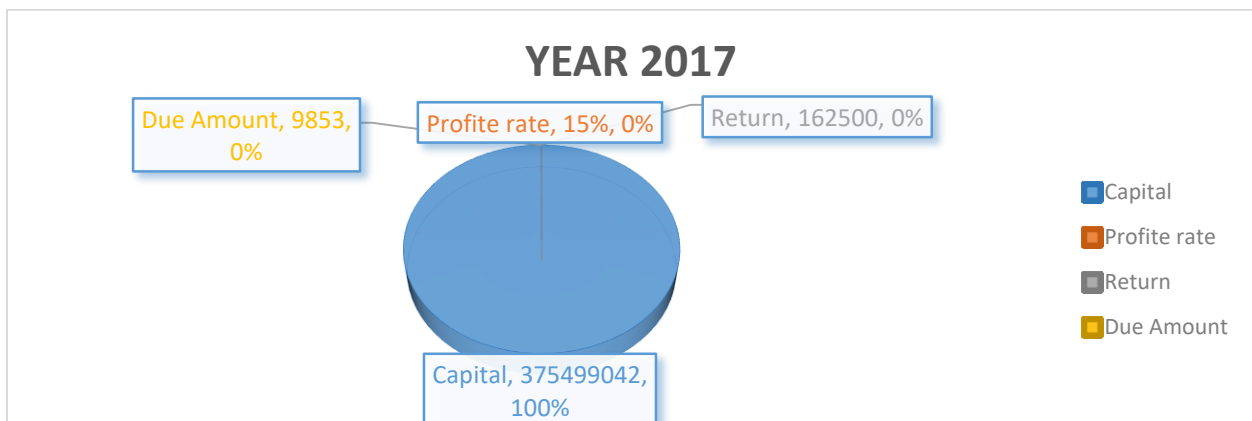


Figure 20: Bai-Murabaha against MMDS Source: Internal document of FSIBL.

Above these graphs indicate that the FSIBL earned profit high in 2017 compare than 2016 by Bai-Murabaha Against Scheme investment because this bank provide more investment in 2017 and the both interest rate 15%.

Chapter-4

Findings

4.1 Review of Investment operation Department:

1. Bank does not use all type of investment schemes of Islami Banking.
2. Customer has to wait long time. It may cause losing competitiveness and opportunities of opening most possible account.
3. Bai-Murabaha (Hypo) under small Medium Enterprise (SME) is the most popular investment because of invest more from another type.
4. Guard against car leasing scheme is not popular because this type of investment is not suitable for this rural area.
5. Bai-Mechanism type of Investment are used basically Murabaha type in First Security Islami Bank of City University Branch.
6. Recovery system has lacking.
7. Bai-Murabaha means sale for an agreed upon profit.
8. Bai-Muajjal” is a sale for which payment is made at a future fixed date or within a fixed period.
9. Bai-salam the seller is an individual or business and the buyer is the bank.
10. The Istisnas sale is a contract where the price is paid in advance at the end the object of sale is manufactured and delivered later.
11. Mudaraba is also known aqirad and Muqaradah.
12. Ijarah is a contract between the lessor and the lessee, where the lessees. Actually, it is a synthesis of three contracts: (a) Shirkat; (b) Ijarah, and (c) Sale.

4.2 Investment Function and Operational Process:

The approval of executives shall take responsibility for and be held accountable for their recommendations. Delegation of approval shall be as per policy guideline that Director and CEO subject to the approval by the Board of Directors shall approve all proposals where facilities are up to 15% of the Bank's capital shall be approved at the IRM level, facilities up to 25% of the capital. At present the Bank has business delegation powers approved by the Board of Directors in its special meeting. Investment proposals in excess of 25% of the bank's Capital to be approved by the Executive Committee of the Board of Directors or Board of Directors after recommendation of IRM, Corporate Banking and Managing Director & CEO. The Branch Marketing Team

comprising of Executives and Officers shall market the client and then prepare Investment appraisal memo as per the prescribed format and within the purview of the set rule/policy guideline of the Bank. The Investment Administration function is critical to ensure that proper documentation and approvals are in place prior to the disbursement of Investment facilities.

4.3 Investment Performance:

Year 2016: Bai-Murabaha against (MMPS) FSIBL City University Branch invest 16205344 taka and 2016 invest double from 2017. Internal document of FSIBL & the year 2016 invest 60005437 taka and 2016 invest lower from 2017. Bai-Murabaha (HYPO) under Small Medium Enterprise (SME). The FSIBL earned profit high in 2017 compare than 2016. BaiMurabaha against (EMI) under investment. 2016 invest lower from 2107. The FSIBL earned profit lower in 2016 compare than 2017 by HPSM under SME investment HPSM customer's durable investment The FSIBL earned profit lower in 2017 compare than 2016 by HPSM under SME investment. Quard against car leasing scheme The FSIBL earned profit high in 2017 compare than 2016 by Quart against car leasing scheme investment. Bai-Murabaha against MMDS: The FSIBL earned profit high in 2017 compare than 2016 by Bai-Murabaha against Scheme investment

Year 2017: Bai-Murabaha against (MMPS) FSIBL City University Branch invest 13249927 taka and 2017 invest lower from 2016. Internal document of FSIBL year 2017 invest 129621346 & higher from 2016. Bai-Murabaha (HYPO) under Small Medium Enterprise (SME), earned profit high in 2017. 2017 they invest 511079759 taka and higher from 2016. HPSM under SME that the FSIBL earned profit high in 2017. FSIBL earned profit high in 2017 by HPSM under SME investment. This bank provide more investment in 2017 by Quard against car leasing scheme. Bai-Murabaha against MMDS this bank provide more investment in 2017.

Chapter-5

Recommendation & Conclusion

5.1 Recommendation:

Every organization has some problems. For this reasons already I found many problems of FSIBL. To these problem I can suggest following recommendation for solving problems.

1. FSIBL focuses on shariah based investment which is not clear to the clients so the client and employees should train simultaneously.
2. FSIBL may change their investment system to elicit its total investment.
3. Maximum client do not know about shariah Investment system. They should carry out more promotional activities to make client aware about it.
4. They should try to make easy their investment process so that customer can understand easily.
5. They should try to find out lacking and increase customer motivation.
6. They should try make a survey so that they can find out the cause of customer knowledge about them.
7. They should increase recovery system so that they can decrease due amount of different type of investment.
8. They should increase recovery their target is coming customer.

5.2 Conclusion:

In the history of Islami Banking in Bangladesh, First Security Islami Bank starts new tradition for the purpose of modern Islami Banking program. The bank has enough opportunities to get more improvement in its investment, service and decoration sectors. First security islami bank, at city university branch investment process is not enough and satisfy able to the organizer. The practice of Investment in 2016 & 2017 by FSIBL which is included in this report identified many problem their activities like recovery system has more lacking. Though the bank has too much clients but it has not enough employee who are skilled with modern technology and most of the technology are not faster with modern life. So those customer and clients are very dissatisfied with the banks internal performance and environment. It can be conclude that yet the bank has many opportunities to develop in investment sectors, employee's recruit, training, posting, decoration sectors. The bank should take important steps to improve their investment modes and need to modify so that general customer understand easily.

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