

Investment Procedure of Social Islami Bank Ltd

(Dhanmondi Branch)



Submitted To

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MBA program



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Letter of Transmittal

Date: December, 2018

Md. Arif Hassan
Associate Professor & Associate Head
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Subject: Submission of Internship Report

Dear Sir,

I am here by presenting my Internship Report, which is a piece of the MBA Program educational modules. It is an extraordinary accomplishment to work under your dynamic supervision.

This report depends on Investment Procedure of Social Islami bank Limited. I have the chance to work in Social Islami Bank Limited for Thirteen weeks, under the supervision of Mohammad Amzad Hossain (Assistant Vice-president) in Dhanmondi Branch.

This undertaking gave me both scholarly and functional exposures. Above all else I found out about the authoritative culture of an unmistakable bank of the nation. Furthermore, the task allowed me the chance to build up a system with the professional workplace.

I will be profoundly obliged in the event that you are sufficiently benevolent to get this report and give your significant judgment. It would be my huge joy on the off chance that you discover this report helpful and useful to have an evident point of view on the issue.

Truly Yours

Md. Rubel Gazi

Student ID # 173-14-2506

Daffodil International University



Letter of Approval

This to confirm that Md. Rubel Gazi, ID# 173-14-2506, Program MBA, Major in Finance is a normal understudy of Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University. He has effectively finished his entry level position program at Social Islami Bank Ltd has arranged this temporary job report under my immediate supervision. His relegated entry level position theme was "Speculation Procedure of Social Islami Bank Ltd", I feel that the report is deserving of satisfying the fractional necessities of MBA program.

Md. Arif Hassan

Associate Professor & Associate Head

Academic Supervisor.

Department of Business Administration

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Executive Summary

The report speaks to the Three-month working background on Social Islami Bank Limited (SIBL). I was relegated in the Dhanmondi Branch of SIBL.

This report gives a reasonable thought of the exercises and the task systems of the Bank. SIBL consolidated in fifth July 1995 and being into its business activity on 22nd November with a view to give selective administration offices to its customer and in like manner take care of the demand of keeping money benefit all over Bangladesh. Amid the limited capacity to focus its task the bank had been generally acclaimed by the business network from private company people to mechanical aggregates for forward looking business viewpoint and inventive money related arrangement.

It is contended nonetheless, that any investigation of Islamic Banking in the 21st Century should make impartial translation of history of accomplishment and disappointments of past ages and take awareness of rising desires and indications of re-finding Islam in the contemporary time frame. This will set the phase for top to bottom comprehension of verifiable setting and financial setting for the tasks of Islamic Banking in the 21st century. The entire report depends on the tasks of SIBL and the administrations it gives. My general experience had been exceptionally intriguing and I trust temporary job period at Social Islami Bank Ltd. will help me a ton in building my future vocation.

Acknowledgement

As a matter of first importance, I wish to express my gratitude to the god-like Allah for giving me the solidarity to play out my obligations as an assistant and finish the report inside the stipulated time.

I am profoundly obligated to my Faculty Supervisor Md. Arif Hassan for entire hearted supervision amid my hierarchical connection period. I am additionally appreciative to Mohammad Amzad Hossain, Assistant Vice-president (my authoritative manager) and my partner who helped me by giving enlightening directions. I am additionally thankful to all officers Specially Fatema yeasmin Khan (FAVP), Dalia Labib (AO) and Ummay Salma (AO) for their profitable Co-task, direction, heading, and nonstop help all through the entry level position period.

I was firmly appended with them amid my temporary job residency. Without them this undertaking would have been exceptionally troublesome. I should make reference to the awesome workplace and gathering responsibility of this association that has empowered me to manage a great deal of things.

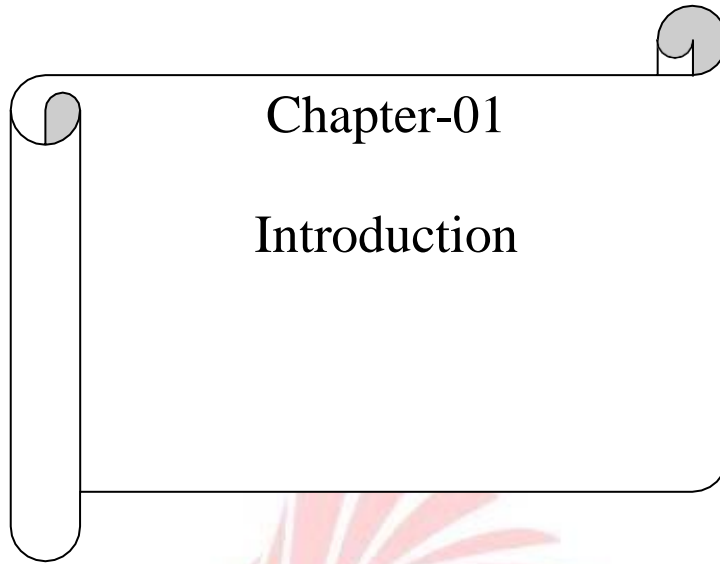
Lastly I offer my true thanks to each one of those took an interest to set up the report. The greater parts of them were occupied representatives of Social Islami Bank Limited.

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Chapter-01

Introduction





1. Introduction

Managing an account framework involves a critical place in a country 's economy due to its mediator job; it guarantees allotment and reallocation of assets and keeps up the energy of financial exercises. A managing an account foundation is imperative in a cutting edge society. It assumes a crucial job in the financial advancement of a nation and structures the center at the currency market of any nation. In a creating nation like Bangladesh, the keeping money framework overall has a fundamental task to carry out in the advancement of monetary improvement. The general reason for keeping money is to gather cash from surplus unit and exchange it to the deficiency unit.

Social Islami Bank Limited (SIBL) is a private claimed bank. SIBL is a second era Islami bank working since 22 November, 1995 dependent on Shariah Principles. Presently SIBL has 150 branches everywhere throughout the nation with two auxiliary organizations SIBL securities ltd. The bank opened 10 branches in 2013 to bring more individuals under the inclusion of saving money benefit. SIBL is a promoted new producing Bank with an approved capital of Taka 10,000 million of every 2017 and paid up capital of Taka 7,031,415,640 in 2017 and furthermore taka 6,393,925,700 separately as of December 2017 (Source: Annual Report 2017, Page - 17). For planning my temporary job I have been put in Social Islami Bank Limited, Dhanmondi branch, Dhaka.

There are 03 areas in Dhanmondi Branch. They are: 1) General Banking .2) Investment Department 3) Foreign Exchange Department. In like manner I will work predominantly on Investment Department segments. I will commit my most extreme exertion and regard for learn Investment capacities. After culmination of the entry level position, I will render my everything learning to show the provide details regarding Evaluation of Loan Processing, Investment Appraisal, Follow-Up and Recovery Procedure of Social Islami Bank Limited

In the hierarchical part will quickly depict diagram of the associations chronicled foundation, capacities, business reasoning, proprietorship design, outside reporters and



Abroad activities and advantages gave to clients by the association. Branch activity part will depict the item and administration gave to the clients by a branch.

1.1 Origin of the report:

This report is the result of the Three months in length temporary position program embraced with SOCIAL ISLAMIC BANK LIMITED. The arrangement and accommodation of this report is a principal necessity for the satisfaction of the Master of Business Administration (MBA) course Curriculum of Daffodil International University.

The entry level position program and the examination had following purposes:

- To get and arrange detail learning at work obligation.
- To encounter the genuine business world.
- To contrast the genuine situation and the exercises learned at Daffodil International University
- To satisfy the necessity of MBA Program

1.2 Background of the study:

Bangladesh industry in Bangladesh is completely guided by the national Bank, I. e Bangladesh Bank. Be that as it may, distinctive Bank has diverse administration framework, operational procedures and distinctive rules. It makes the diverse perspectives of various Banks on similar subjects and terms. The Central Bank faces issues with respect to controlling banks for their different practices. So Bangladesh Bank chose to outline a one of a kind rule for the majority of the Banks, which would be delegated "INDUSTRY BEST PRACTICE " .A center region of grouping of this examination was Investment Division, so this investigation is worried about the explicit are overseeing of advance handling, Investment Appraisal, Follow-Up and Recovery Procedure of Social Islami Bank Limited .



1.3 Scope of the Study:

The extent of the investigation will be constrained to the venture methodology on Social Islami Bank Limited (SIBL), ponder in face taken inside its canvas of SIBL all in all however the entry level position was done at Social Islami Bank, it was attempted to watch and comprehend the all managing an account exercises particularly speculation keeping money exercises and other everyday capacities perform in this branch.

1.4 Objectives of the Report:

The fundamental goal of the investigation is to break down the exercises of Investment Division alongside its capacities. In accordance with the expansive target, the definite goal of the examination might be illuminated as pursues:

- To break down about the Investment instrument of the bank. To recognize the hazard engaged with Investment procedures.
- To accumulate learning about the capacities and exchanges of branches of the bank.
- The dangers associated with repatriation of Investment procedures.
- To know the direction and deregulation with respect to Investment Procedure in Bangladesh.

1.5 Methodology:

The investigation is performed dependent on the data extricated from various sources gathered by utilizing an explicit system. The point by point is given underneath:

1.5.1 Data Collection:

Wellsprings of information are:

1. Face to confront discussion with the individual officers and staffs.
2. Sharing pragmatic learning of authorities.
3. Annual report of Social Islami Bank Limited.
4. Audit Reports



5. Relevant record think about gave the officers concerned.
6. Website.
7. Relevant books, Research papers, paper and diaries.
8. Internet and different investigation chose reports.

Target Population:

- Respective officers and variable customers of the bank.
- Tem officers and four hundred customers.

Sample Size:

- Five separate officers out of ten officers and twenty clients out Four hundred customers who need to take credit.
- The neighborhood test measure is Twenty Five which were resolved purposively.
- Employee Five.

Data Analysis:

In the wake of gathering every one of the information, it was examined by subjective finished strategy. The escalated inputs of the client were investigated from various point with the desire for the client lastly the report was readied

1.6 Scope of the study:

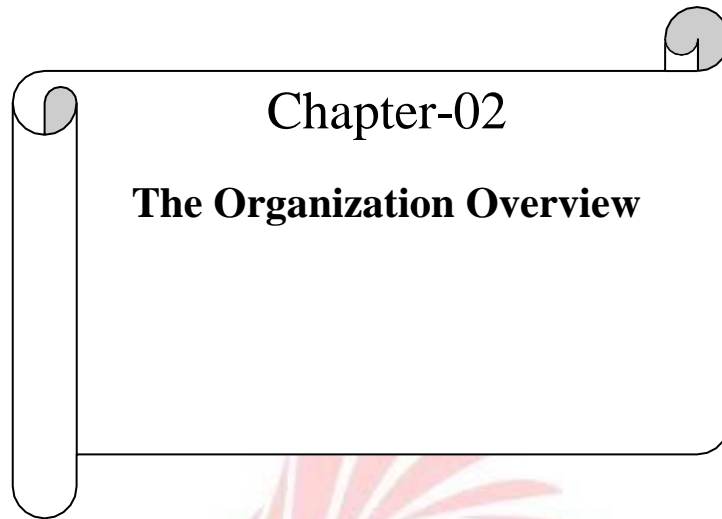
The extent of the investigation will be restricted to the venture system on Social Islami Bank Limited (SIBL), consider in face taken inside its canvas of SIBL all in all however the temporary position was done at Social Islami Bank, it was endeavored to watch and comprehend the all keeping money exercises particularly speculation managing an account exercises and other everyday capacities perform in this branch..



1.7 Limitation:

From the earliest starting point to end, the investigation has been closed with the expectation of making it as a total and honest one. Be that as it may, numerous issues showed up in the method for directing the investigation. Amid the investigation, it was unrealistic to visit the entire zone secured by the bank in spite of the fact that the budget reports and other data in regards to the examination have been considered. The investigation thinks about after constraints.

- This report experiences a thin information run for examination.
- All the concerned faculty of the Bank have not been met.
- Lack of Experience.
- Inadequacy and absence of accessibility of required current information.
- In numerous cases, forward data may not be accessible.
- Large scale investigation is unimaginable because of requirements and confinements posted by managing an account expert.
- The era for this examination was short.
- Lack of adequate books, papers and diaries and so forth.



Chapter-02
The Organization Overview





The Organization Overview

2. Introduction:

Social Islami Bank Limited (SIBL) was consolidated on fifth July, 1995 because of committed exertion of a gathering of built up Bangladeshi business people and universally imperative identities. The bank began business task on 22nd November, 1995 with a reasonable proclamation to show the operational importance of especially economy, saving money and budgetary exercises as an incorporated piece of Islamic code of life. Focusing on neediness, SIBL is for sure an idea of 21st Century participatory a few area managing an account mode. The formal corporate area, this Bank would, among others, offer the most cutting-edge saving money benefits through opening of different kinds of store and venture accounts, financing exchange, giving letters of assurance, opening letters of Investment, accumulation of bills affecting household and universal exchange, renting of gear and buyer durables, enlist buy and portion deal for capital products, interest in minimal effort lodging and the executives of genuine homes, participatory interest in different mechanical, farming , transport, instructive and wellbeing ventures, etc. In the Non-formal non-corporate area, it would, among others, include in real money WAQF Certificate and advancement and the executives of WAQF and MOSQUE properties, and Trust reserves.

2.1 History of Bank:

Social Islami Bank Limited (SIBL) is a saving money organization enlisted under the organizations Act 1994 with its head office in 15 Dilkusha C/A, Dhaka-1000. The bank works as a planned bank under a saving money permit issued by the Bangladesh Bank, Central Bank of the nation. The Bank began its task from 22, November 1995. SIBL is a promoted new producing Bank with an approved capital and paid up capital of Taka 585 million of every 2007 and furthermore 585 million separately as of December 2006. At present the bank has 150 branches in everywhere throughout the Bangladesh. The bank under takes a wide range of saving money exchange to help the improvement of exchange and business in the nation. SIBL .Administrations are likewise accessible for the business people to set up new pursuit and BMRE of modern units. To give customers benefits in regard of universal exchange it has set up wide



compared managing an account association with neighborhood and outside bank walk and money related premium home and abroad. Since the plain initiation, Social Islami Bank Ltd. is working with the Philosophy of serving the nationals as a perfect and one of a kind money related house. Each association has its very own few destinations. The prime target of Social Islami Bank Ltd. is to acquire benefit toss undertaking the duty of giving money related help to the improvement of the nation's business and mechanical segment.

Year 2012 is imagined as a brilliant year of SIBL. Receiving new key Business Policy, SIBL will investigate every possibility to support business in every aspect of activity to accomplish its corporate objectives.

2.3 Overall Operational goals:

The key pushes of the operational objectives are as per the following:

Empowering the group of the poor by making salary open doors and additionally fortifying the group of the rich for a superior future age.

Achieving supportable participatory economy, Social Security, and harmony for a general public.

2.4 Mission of SIBL:

- High quality money related administrations with the most recent innovation.
- Fast, exact and agreeable client benefit.
- Balanced and feasible development procedure.
- Optimum return on investors' value.
- Introducing imaginative Islamic keeping money items.

2.5 Vision of SIBL:

In SIBL venture towards consistent greatness it is endeavoring to end up the Country's driving Islamic Bank offering one-advance administration of an extensive variety of significant worth included items and administrations addressing the necessities of its clients; directing its business morally as per the laws of Shariah while enhancing best use of the most current best in class innovative arrangements through making of an ace dynamic authoritative culture dependent on sound camaraderie, reasonableness, common understanding and down to earth initiative dependably stay open to new



thoughts and versatile to the prescribed procedures in the market guaranteeing acknowledgment and quality managing an account involvement to its clients and convey best an incentive to every one of its partners too.

2.6 Objectives of SIBL:

The destinations of SIBL can be depicted as pursues: The key goals are:

To refine corporate back in the formal segment through participatory market instrument with security.

To adapt intentional area through participatory financing chiefly on joint possession premise.

To coordinate these three areas operational exercises of the Bank to different will-considered and very much arranged "Social Assignment and Investment Schemes" or "Social Fund" for making them financially and morally "straightforward" and "uncovered"

Overall Operational goals the key thrusts of the operational goals are as follows:

- Empowering the group of the poor by making salary open doors and fortifying the group of the rich for a superior future age.
- Achieving economical participatory economy, Social Security, and harmony for a general public.

2.7 Functions of SIBL:

The elements of SIBL are as per the following:

- Mobilization of inactive assets of the nation by tolerating Deposits from the overall population.
- Granting Loans and Advances to the individual firms and organizations for actuating and creating exchange, trade and ventures and other gainful exercises in the nation.
- To offer offices to the customer and investors deliberately.
- Give support to the general population for investment funds.
- To increment venture.
- To make simple exchange of remote cash.



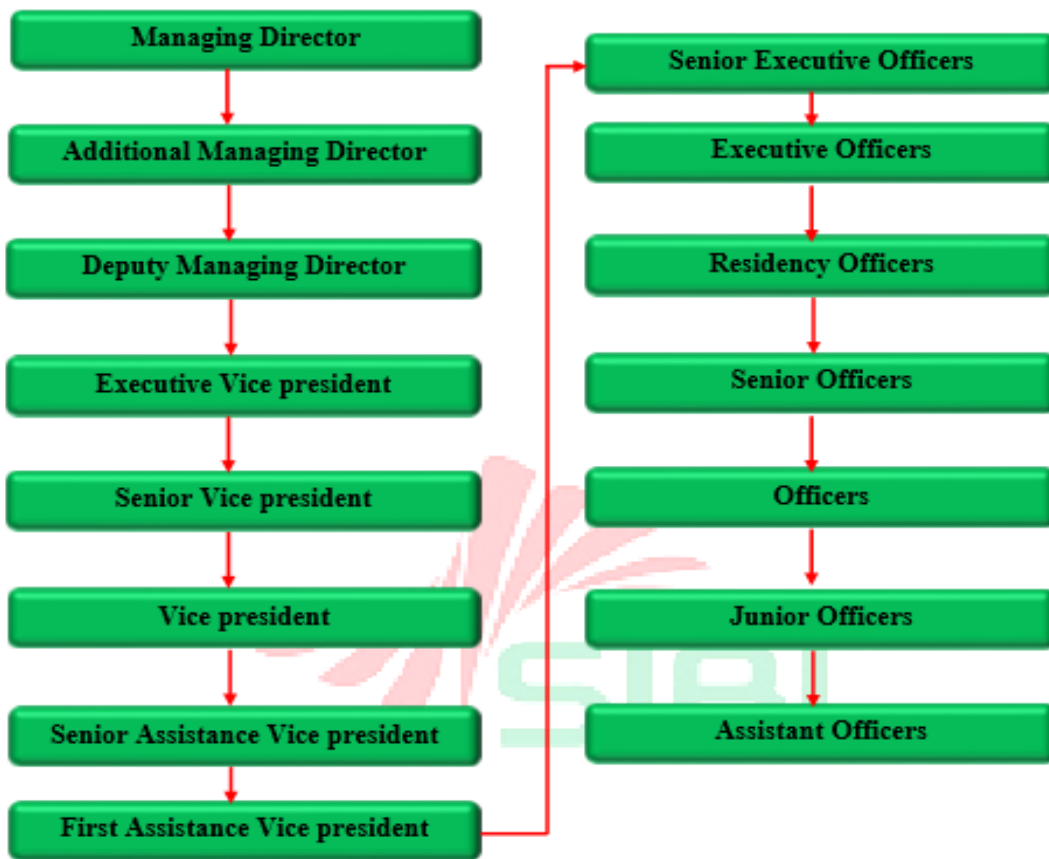
- To recognize shopper's interest and satisfy their interest by providing cash.
- To enhance economy by getting budgetary office.
- To help capital market.

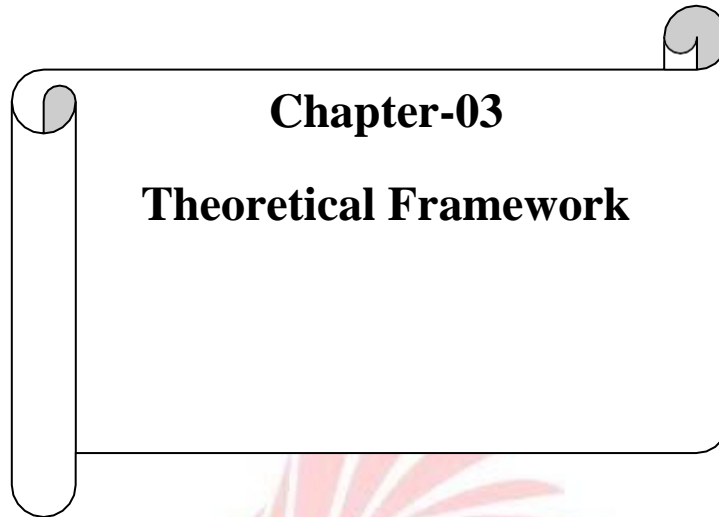
2.8 Products & Services:

- Mudaraba Term Deposit
- Mudaraba Savings Deposit
- Al-Wadia Current Account
- Mudaraba Notice Deposit
- Mudaraba Scheme Deposit
- Mudaraba Hajj Savings Deposit
- Mudaraba Monthly Savings Scheme
- Mudaraba Special Deposit Pension Scheme (5 Years)
- Mudaraba Monthly Profit Deposit Scheme
- Mudaraba Education Deposit Scheme
- Mudaraba Home Saving Scheme
- Mudaraba Millinery Deposit Scheme
- ATM Service
- Locker Service
- Online Banking

2.9 Corporate Management Structure:

Chart - 01: Organogram of SIBL





Chapter-03
Theoretical Framework





3. Introduction

In Bangladesh the quality of the saving money framework is exceptionally essential in light of the fact that the capital market is minimal created here. As the banks are as yet the real wellsprings of Investment and exercise incredible effect on the budgetary framework, it is critical that the nation's managing an account frameworks ought to be healthy in light of a legitimate concern for venture exercises addressing the necessities of a wide range of fund and related issues. Speculation the board is a dynamic field where a specific standard of long-go arranging is expected to apportion the reserve in assorted field and to limit the hazard and boosting the arrival on the contributed store. Industry Analysis incorporate before expanding Investment in a zone, by and large business states of that region or area is basically analyzed, prospects and issues are discovered by the bank authorities.

3.1 Types of advance as per Bangladesh Bank Criteria for Investment Classification:

Loans and Advances have been categorized into four different categories by Bangladesh Bank:

Continuous Loan:

The credit which has no specific reimbursement plan, however contains date of expiry, Investment limit and so forth will be named as Continuous Loan e. g. CC, SOD and so forth.

Demand Loan:

The credit which is viewed as repayable simply after it is asserted by the banks, will be named as Demand Loan. In the event that unforeseen or some other risk is changed over to Compulsory credit or Forced Loan (I. e. the credit without having earlier endorsement as a standard advance) at that point it will be named as Demand Loan e.g. Constrained LIM, PAD, FBP, and IBP and so on.

Fixed Term Loan:

The advance which is repayable inside specific timeframe according to reimbursement calendar will be named as Fixed Term Loan.



Short Term Agricultural and Micro-Investment:

Those Investments which are enrolled as Short Term Investment under the yearly Investment program proclaimed by ACD of Bangladesh Bank will be named as momentary Agricultural Investment. It will likewise incorporate Investment reached out to rural part and repayable inside a period not surpassing a year. The momentary Micro-Investment will be what won't surpass a measure of Tk. 10,000.00 and will be repayable inside a period not surpassing 12 Months. Such advances might be Non-Agricultural Investment, Swanirvor Investment, Weaving Investment or Bank's self-financed Project Loan and at all

3.2 Loan Sanction and Approval Procedure:

Step 1

At first the customer applies for the Investment in an endorsed frame to the branch. It covers the sort of Investment office, individual data, and business data. Branch Manager or the Officer responsible for the credit office directs the underlying meeting with the client.

Step 2

The bank sends a letter to Credit Information Bureau (CIB) of Bangladesh Bank for getting a credit request report of the client from them.

Step 3

In the event that CIB report is certain on that specific borrower and arranged as a planned borrower then the bank will examine the required archives: monetary records of the organization for the last three to five years and individual total assets of the borrower (s).

Step 4

Bank authorities of the credit office will investigate the task for which the Investment is connected.



Step 5

This is the credit investigation stage. Venture proposition is assessed by money related spreadsheet investigation which comprises of a progression of quantitative procedures. Here break down the dangers related with a specific Investment and to pass judgment on the budgetary soundness and value of the borrower.

Step 6

The delivered reports related with the security will be requested to regularize or exceptional by the candidate.

Step 7

At this stage dependent on the investigations the branch readies an Investment proposition. The proposition contains, Name of the borrower (s), Nature of credit, Purpose of the credit, Extent of the credit, Collateral, Margin, Rate of intrigue, Repayment timetable and Validity.

Step 8

The credit line is endorsed by utilizing the administrator's optional power and thinking about loaning criteria. At that point issue an authorize letter to the customer. it is send to head office or zonal office for definite endorsement with nitty gritty data in regards to the customer (s), credit investigation and security papers.

Step 9

Head office forms the credit proposition and thereafter advances for endorsement from the top managerial staff.

Step 10

An endorsement letter is sent to the branch. The branch at that point issues an authorize letter to the borrower with a copy duplicate which is appropriately marked by the borrower and is come back to the part of the bank.



Step 11

In the wake of issuing the authorize guidance, the bank will gather important charge records. Charge reports shift based on kinds of office, sorts of security.

Step 12

At last Investment is dispensed by the branch through an Investment account for the sake of the borrower and checking of the Investment begins formally.

3.3 Investment policy:

Venture arrangement is a set principle, which will oversee the aggregate speculation exercises of the bank. Bank must pursue the approaches while working its capacity. To guarantee a superior venture portfolio and according to Bangladesh Bank necessities SIBL has been figured speculation strategies notable element of which are as under.

- Observation of the lawful venture limit of the Bank.
- Observation of the legitimate speculation limit per Clint.
- Optimum use of investable reserve.
- Profitability of the speculation.
- Safety and security of the speculation
- Investment at least conceivable hazard .
- Default hazard and liquidity chance and so forth.
- Liquidity of Investments.
- Conform to national bank's speculation/driving limitation/need.
- Performance to momentary ventures.
- Performance to the speculations for little/medium sum/measure.



3.4 General Policies:

- SIBL will pursue Shariah standards entirely while settling on venture choice as it is a Shariah Based Commercial Bank.
- SIBL will pursue the standards of participatory economy with a human methodology for venture and betting on intrigue free premise with a view to engaging the family as the essential social unit.
- The part/Proposal which has an extent of engaging the family will get inclination.
- To advance new business people SIBL will go for financing under Mudaraba and Musharaka methods of speculation (Venture financing).
- SIBL will go for venture to national need parts.
- Investment to exchange and trade parts.

3.5 Investment pricing:

The evaluating of speculation item will be Judiciously and suitably made taking in view the bank rate, Cost of store, Risk factor included, Current venture cost of the managing an account segment, Demand/Supply connection of the speculation items, Socio-monetary effect of speculation items and national need, Flexibility and competitiveness will likewise be thought about to guarantee that valuing is proper focused for simple showcasing of the items, to yield reasonable rate of rate of return and in addition maintain the social welfare goals of the exceptional venture plans. The cost will be investigated an ovulation every now and then and be balanced according to winning circumstance and experience.

3.6 Investment Assessment:

A through venture chance evaluation ought to be led before the giving of speculation, and at any rate every year from that point for all offices. The aftereffect of this evaluation ought to be exhibited in a speculation suggestion that starts from the relationship supervisor/Investment account officer and is affirmed by the IRM. The RM ought to be the proprietor of the client relationship, and must be considered dependable to guarantee the exactness of the whole venture proposition submitted for endorsement. RMs must be acquainted with SIBL's speculation rules and should direct due



constancy on new customers, Particular and underwriters.

In Investment proposition among other after hazard zones ought to be tended to:

- Borrower Analysis
- Industry Analysis
- Supplier/Buyer Analysis
- Historical Financial Analysis
- Projected Financial Performance
- Account direct
- Adherence to Investment Guidelines
- Mitigating Factors
- Investment Structure
- Security
- Name loaning

3.7 Approval Authority of the investment policies:

All venture offices are to be endorsed by the Head office. In the wake of getting the proposition from RM, Investment Approval unit of Investment Risk Management will find a way to get endorsement of the proposition from Managing chief, Executive Committee of Board and Board of Director relying upon the optional intensity of the concerned expert as set out of Board of Directors of the Bank. While practicing the power the endorsement expert must guarantee among others the accompanying things:

- Bank's venture approach and in addition speculation criteria are fulfilled.
- Investment Norms, Investment Restriction and other administrative necessity are gone along.
- The sum to be authorize is inside optional intensity of the concerned specialist.
- Total presentation under various kinds of offices is considered while applying. Optional forces. The measure of roof is connected under single obligor premise.
- Proper due tirelessness has been led.

- Cross Border presentation hazard ought to be surveyed.

3.8 Investment Performance of SIBL

In the year 2017, the bank drew-up a progression of activity plan both present moment and long haul to raise the store base of the Bank in accordance with the mandates of the Bangladesh Bank. The transient activity plan included propelling of exceptional drives like store preparation months amid March-April 2017. Because of nonstop assessment and checking SIBL could essentially



Provision composition against funded investment for the year 2016 and 2017 is furnished hereunder:

(Figure in million Tk.)

Status	Provision Rate	2017		2016	
		Amount	Composition in %	Amount	Composition in %
Unclassified investment	0.25%, 1% & 2%	2870.27	45.66%	2678.81	60.07%
Special Mention Account (SMA)		16.45	0.34%	15.79	0.35%
Sub-Standard investment (SS)	20%	108.51	2.26%	3.87	0.09%
Doubtful Investment (DF)	50%	160.39	3.34%	27.30	0.61%
Bad /Loss Investment (BL)	100%	3,204.84	48.39%	1733.52	38.87%
Total		6,360.46	100.00%	4459.30	100.00%

Interpretation:

According to the investment sector we have shown the last 6 years fluctuations. How the rate is changed gradually we have noticed there. In 2012 the total investment was 75,821.82. In besides 2013 the total



investment was 85917.35. in 2014 the investment was 107899.95. and, 2015 was 134156.85. in 2016 the investment was increased which was 174195.94 . and now the total investment sector is 210045.51. over the year the amount of invest increasing . and that is positive sign for the Bank.

Moreover we have also included the difference between 2016 and 2017 investment amount and its fluctuations. And we have found the positive changes in recent years.

3.9 Investment Administration Department:

- Disbursement Cell
- Custodian Cell
- Monitoring/Recovery Cell
- Compliance Cell

Disbursement Cell:

Branch's Disbursement Cell will be in charge of dispensing of the endorsement of as far as possible/office. This cell will dispense the sum subsequent to getting endorse from the head office and after fruition documentation methodology. For no situation the dispensing cell will be permitted to dispense the sum without Head office endorsement.

Custodian Cell:

Caretaker Cell at Branch will be absolutely in charge of getting and saving security report against authorized/dispensed limit/office. Some capacity of the Custodian cell will be as under:

- Obtaining security Document according to terms and states of authorize letter issued by the Head Office and in addition the Branch.
- Storage of security report ought to be under double caretaker control.
- Documents ought to be recorded in the Document Execution enroll and safe in safe out recorder.
- To perform intermittent audit of Document as under: Risk Grade Review Frequency > 6 Quarterly 4 - 5 Semi-yearly 1 - 3 every year.



Monitoring/Recovery Cell:

Checking and Recovery cell at Branch will be in charge of Monitoring and Recovery of past due record of the Branch. The elements of Monitoring/Recovery Cell will be as under:

- Conditions and Covenant Branch checking.
- Monitoring of past Due, Limit, Expire and Documents lack.
- Determine the record plan/Recovery Strategy.
- Regular Review of review 6 or more awful records.
- Compliance of Internal Audit/Bangladesh Bank Inspection Report.
- Ensure satisfactory and auspicious speculation misfortune arrangements are made dependent on genuine and expected misfortunes.

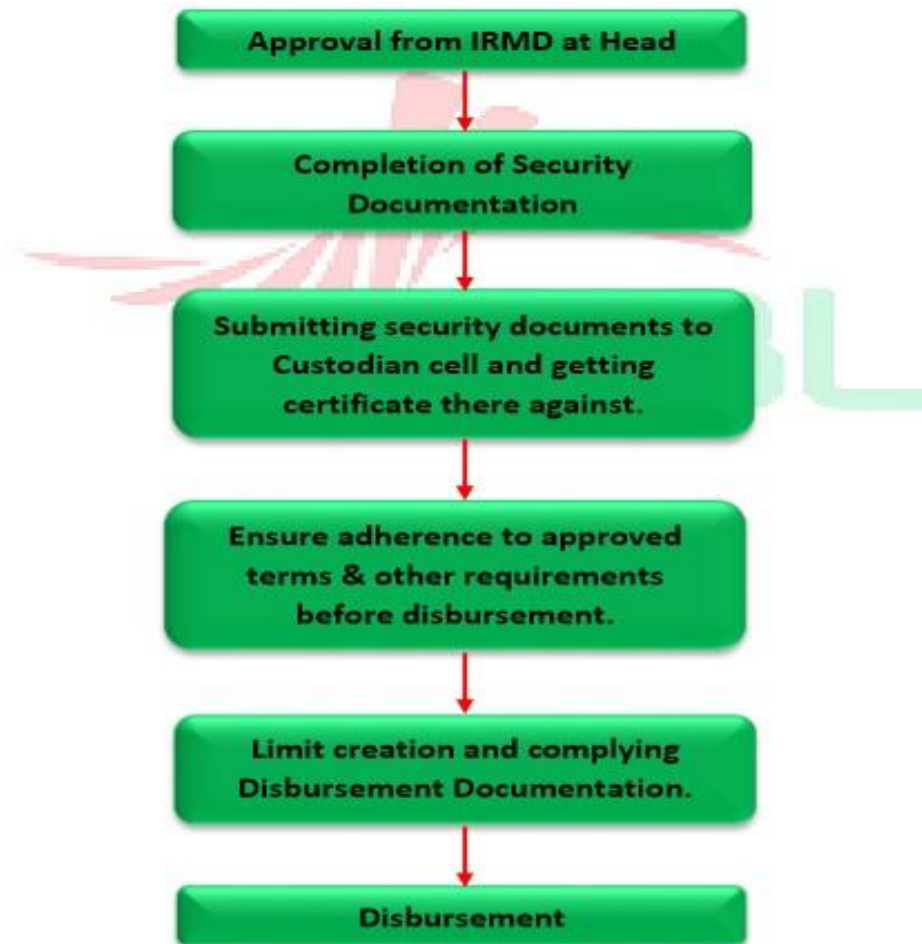
Compliance Cell:

Consistence Cell of the Bank will perform obligations as under:

- Submitting returns for forward accommodation to Bangladesh Bank.
- Submitting CIB request from for forward Submission Bangladesh Bank.
- CIB announcing for forward accommodation to Bangladesh Bank.
- Maintaining Bangladesh Bank Circular and guarantee consistence.
- Ensure all velour's, legal counselors, Insurance are affirmed, Enlisted and execution are assessed occasionally

3.10 Disbursement process:

Chart - 02: Investment Disbursement procedure



In dispensing process these means must be pursued. Without keeping up these guidelines and directions the venture specialist can't permit the specific speculation areas. So this factor is must be followed in agreement.



Chapter-04
Financial Analysis



FINANCIAL ANALYSIS

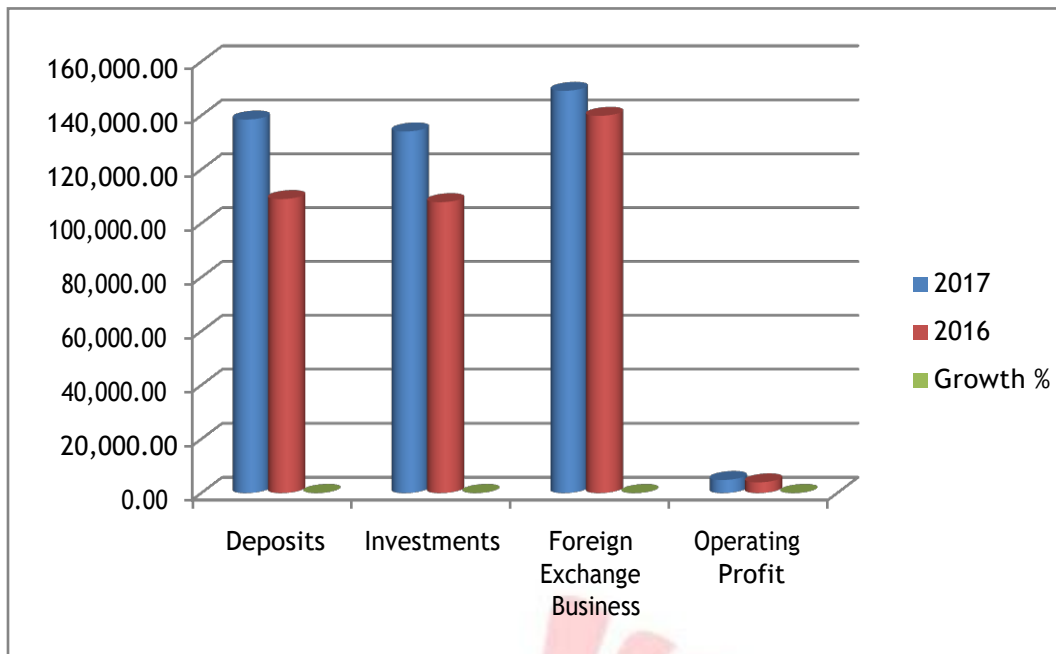
4. Introduction:

Budget report investigation (or money related examination) is the way toward inspecting and dissecting an organization's fiscal summaries to settle on better financial choices. These announcements incorporate the salary explanation, monetary record, articulation of money streams, and an announcement of changes in value. Budget summary examination is a strategy or process including explicit procedures for assessing dangers, execution, money related wellbeing, and future prospects of an association.

4.1 Annual report of Social Islami Bank Limited for the year 2016- 2017:

We are satisfied to encase a duplicate of Annual Report together with the examined fiscal summaries including solidified and separate monetary record, benefit and misfortune account, income articulation, proclamation of progress in value, liquidity explanation for the year finished December 2017 alongside notes.

Indicators	Target 2017	Actual- 2017	Actual-2016	Achievement percentage	Growth %
Deposits	150,000.00	138,537.32	109,040.63	72.01%	27.05%
Investments	135,000.00	134,116.85	107,899.96	96.74%	24.30%
Foreign Exchange Business	220,000.00	149,186.70	139,910.00	67.81%	6.63%
Operating Profit	6,000.00	4,849.82	3,964.27	80.83%	22.34%



Interpretation:

From this table we have seen that the rate change for store which is 72.01% and the development rate is 27.05%. In speculation part we have discovered that the rate change for venture which is 96.74% and development rate is 24.30%. What's more outside trade changes which is 67.81% and the development rate is 6.63%. What's more, the last one is working benefit which is changes in rate 80.83% and the development rate is 22.34%.



4.2 Financial Statement of 2012 and 2016 of SIBL

SL	Particulars	2012	2013	2014	2015	2016
01.	Authorized Capital	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
02.	Paid-up Capital	6393.92	7031.42	7031.42	7031.42	7382.99
03.	Total Shareholders Equity	10181.97	11083.43	12143.38	12950.32	14187.80
04.	Capital Base (Tier I & II)	10596.51	11623.52	13078.26	16916.08	19195.04
05.	Total Deposits	93594.29	102104.48	124535.01	149773.62	190564.52
06.	Client Deposits	81091.39	95984.82	109040.63	138537.32	178846.14
07.	Investments (General)	76024.97	85922.33	107899.96	134116.85	174196.13
08.	Investments (Shares & Securities)	6144.01	8538.18	7823.73	9222.39	12310.58
09.	Foreign Exchange Business	126519.90	132374.70	139910.11	149192.40	167382.30
10.	Operating Profit	3617.82	2924.55	3964.27	4849.82	5698.08
11.	Profit before Tax	2747.89	2024.66	3307.52	3479.17	4192.19
12.	Fixed Assets	2249.95	2653.88	2675.86	3072.04	3257.52
13.	Total Assets	115165.95	126616.56	1537374.67	180112.11	227704.18
14.	Stock Dividend	10.00%	0.00%	0.00%	5.00%	
	Cash Dividend	5.00%	12.00%	18.00%	15.00%	20.00%
15.	Investments as a % of total deposits	81.23%	84.15%	86.64%	89.54%	91.41%
16.	Investments as a % of Client deposits	89.19%	86.78%	89.52%	88.52%	89.86%
17.	Capital to Risk Weighted Asset Ratio	11.52%	11.58%	11.36%	12.33%	11.55%
18.	Ratio of Classified Investments to Total Investments	3.33%	5.35%	4.56%	3.84%	4.44%
19.	No. of Foreign Correspondents	505	490	470	443	591
20.	Number of Employees	1625	1802	1922	2130	2363

4.3 Investment and ratio analysis:

Particulars	Limits	Name of the Month	Utilization/Maintained	Unused/ (Excess)	Remarks
Investment and Deposits Ratio (ID Ratio)	Standard ID ratio for Islami Bank is 90%. (Not exceeding 95% in any	Oct	89.97%	0.03%	Complied
		Nov	88.69%	1.31%	Complied

	situation). Social Islami Bank is always optimistic to maintain 90% throughout the year.	Dec	88.52%	1.48%	Complied
MTF Ratio (Liability mature > 1 year / Assets mature > 1 year)	On the basis of historical tend analysis and considering the short term liability matching and portability as well, standard Medium Term Funding (MTF) ratio has been set from 50% to 90%	Oct	84.86%	5.40%	Complied
		Nov	85.30%	4.70%	Complied
		Dec	88.73%	1.27%	Complied
Cash Reserve Requirement (CRR)	The Bank is required to maintain a minimum credit balance with the Bangladesh Bank (including BB TT in transit) @ 6.50 % on Time and Demand Liability on fortnight basis and 6.00% on daily basis.	Oct	Throughout the month CRR was maintained above 6.50%. Required CRR was Tk. 804.48 Crore.	Surplus CRR was Tk. 18.18 Crore	Complied
		Nov	Throughout the month CRR was maintained above 6.50%. Required CRR was Tk. 826.12 Crore.	Surplus CRR was Tk. 74.69 Crore	Complied
		Dec	Throughout the month CRR was maintained above 6.50%. Required CRR was Tk. 836.51 Crore.	Surplus CRR was Tk. 72.68 Crore	Complied
Capital to Risk Weighted Asset Ratio (CRAR)	The Bank is required to maintain a minimum Capital of Tk	Oct	11.90%	N/A	Complied
		Nov	11.90%	N/A	Complied



	400 Core or equivalent to 10% of total risk weighted assets whichever is higher	Dec	12.33%	N/A	Complied
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Interpretation:

The Bank has effectively kept up the Capital Adequacy Ratio (CAR) of 12.32% (united) as against the required CAR of 10% under BASEL-II capital accord. To confront the difficulties of BASEL-III, the Bank is getting readied. In such manner, numerous procedural changes have officially occurred.

Credit Risk/ Investment Risk:

Credit Risk/Investment Risk: Credit chance is the potential that a bank borrower or counterparty neglects to meet its commitment as per concurred term. Credit hazard uncovered a measure of Tk. 10,553.01 million as hazard weighted resources (RWA) and the capital necessity for the credit chance was Tk. 10553.10 million out of 2014 against which the Bank kept up at Tk. 13,078.26 million (united) as capital. In the time of 2015 RWA for credit chance was Tk. 125,851.78 million.



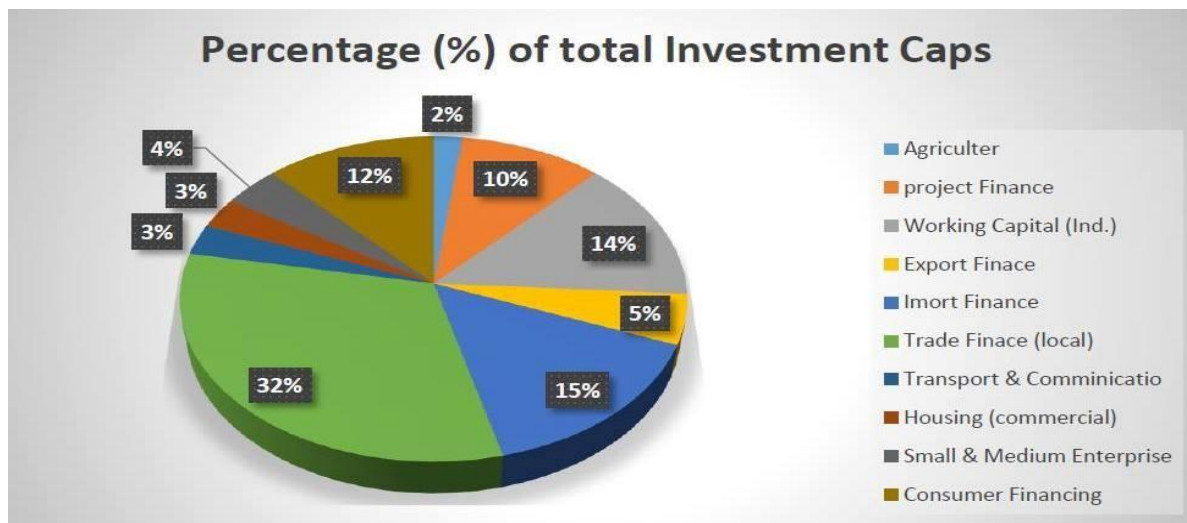
4.4 Capital Management of the Bank:

The bank began its voyage in the year 1995 with a paid up capital of Taka 118.36 million and from that point inside 20 years, it has fabricated an aggregate Capital of Taka 16916.08 million utilizing the outer and interior sources. Given underneath the table is the most recent 6 years history of SIBL towards its capital adventure endeavors:

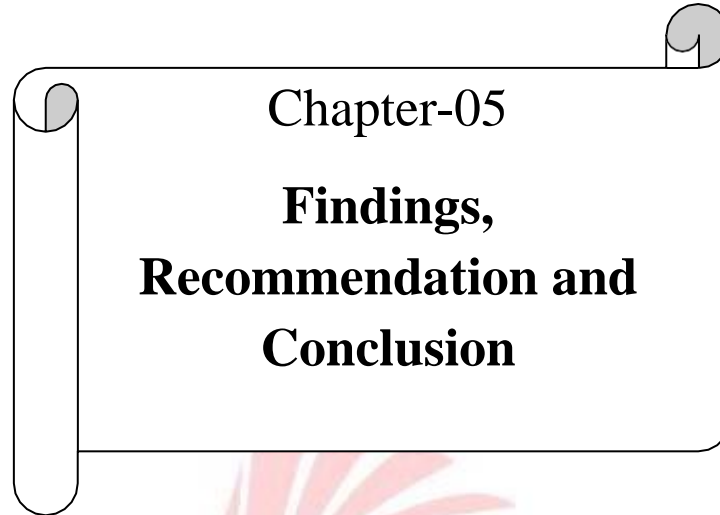
Year	Paid up Capital	Total Capital	Growth(over the previous year)
2012	2,987.87	4,678.56	19.52%
2013	6,393.93	9,534.52	10.79%
2014	6,393.42	10,596.51	11.13%
2015	7,031.42	11,623.52	9.69%
2016	7,031.42	13,078.26	12.51%
2017	7,031.42	16,916.08	29.34%

Capital administration of SIBL is essentially fluctuating throughout the year. We have see that in 2012 the development rate was 19.52% yet in 2017 we have seen that the development rate is expanding with a substantial sum which is 29.34%.it is a positive sign for the bank and its speculation activity

4.5 Investment Caps:



To differentiate the danger of venture SIBL won't think its speculation to a specific division however it is productive. SIBL will go for speculation broadening for utilizing reserve in various division to limit hazard. Bank will set up an explicit industry segment open top to stay away from over fixation in any one-industry division by checking on segment shrewd execution and economic situations every once in a while.



Chapter-05
Findings,
Recommendation and
Conclusion





5. Major Findings

- Political impact is one of the real issues in Bangladesh. Because of political association the bank ends up bound to give credits in a portion of the cases, which are once in a while recouped. Bank needs to confront this in comfort circumstance consistently and the level of such credits is about 20%
- The credits and advance division sets aside a short opportunity to process an advance on the grounds that the way toward endorsing advance is finished by mechanized framework. In the event that is in normal 10 working days.
- CIB report isn't promptly accessible from Bangladesh Bank.
- Most of the borrower does not pay their installment auspicious.
- Heavily reliant on head office choices deferred the incite transfer of choices or administration conveyance.
- Efficiency of client benefit is connected with movement of activity.
- Social Islami Bank Ltd activities are expanding steadily. Every year venture development demonstrates SIBL better development in the managing an account field, which is fulfilling customers. Therefore, customers are expanding and at last value is expanding. Step by step bank's activity is expanding.
- Investment is rising quickly and a decent reaction is getting from the customers is distinctive speculation plot. SIBL rising development is creating expanding benefit.
- SIBL Follows the general credit evaluation and hazard reviewing process as per Bangladesh bank.
- Credit handling and payment methodology is nearly deferred due to non-use of present day innovation which is trailed by global bank.



6. Recommendations

- To enhance Investment the board arrangement of bank Investment the board strategy gives directional rules to every concerned gathering in Investment activities.
- The executives of the bank should survey their frameworks, arrangements, procedures and item costs in accordance with the changing business sector reality.
- Investment modes should be produced further.
- Bank should concentrate more on agrarian and modern Investment and dishearten buyer strong back.
- SME is the pushed area of Bangladesh economy and Government likewise put worry to money related parts to give more back to SME division for microeconomic advancement. The Bank ought to plan separate SME financing rules and upgrade Investment office to this division.
- Bank should make appropriate and comprehensive documentation before dispensing and to guarantee legitimate supervision, observing and follow up of every Investment.
- As one of driving Banks in Bangladesh, SIBL Bank ought to give square with accentuation in every division of keeping money benefit.
- For observing and assessment of the present status of all the division for precluding there lacking.
- SIBL ought to delegate client benefit officers in all branches. They take care of clients' concern, answer request of clients and so on.
- SIBL ought to separate its administrations embracing the advanced offices and broaden items.
- SIBL should seek after a forceful showcasing to come up into spotlight. Battle so as to develop a solid picture notoriety among the potential clients. Crusade, for example, promotion in the paper and magazine, board, neon signs, attention message.



7. Conclusion

Like some other portion of the monetary strategy, Investment is imperative for any budgetary foundation as it creates benefit and apparatus up financial exercises of the nation. At the end of the day, Investment is a business element and it is contribution to the creation procedure of the nation. Since Investment has an inalienable hazard, consequently legitimate usage of the advances are basic to meet the necessities of the borrower.

The advance connected for by the borrower must not be utilized for useless reason. In such manner, the bank should nearly pursue the advancement of the advance and the manner in which the borrower is using the assets. In the appraisal forms the bank will decide any false exercises with respect to the borrower.

The bank continually endeavoring to enhance their Investment arrangement for limiting misfortune and expanding benefit and different measures are attempted to build up the Investment the executives framework. The investigation dependent on the examination of speculation position and development rate of the SIBL. In light of their effective administration and collaboration they have the likelihood of development. The investigation uncovers that speculation of SIBL is sound and it is enhancing every day. Venture Mechanism of SIBL and ordinary bank is unique yet system is all most the equivalent. Customary banks manage credits and advance however SIBL manages moving and purchasing the merchandise. SIBL resembles a moving and purchasing specialist. The venture Mechanism of SIBL contrasts from that of Conventional banks. At last, it might be said that the banks in Bangladesh, an equivalent treatment is being pursued for all banks including the Islamic ones by the Bangladesh Bank. Now and again, Bangladesh Bank has given some exceptional arrangement for the Islamic banks.



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Notations / Abbreviations	
SIBL	Social Islami Bank Limited
CIB	Investment Information Bureau
IRM	Investment Risk Management
CPV	Contact Point Verification
RID	Retail Investment Department
PDC	Post Date Cheques
UDC	Undate Cheques
EMI	Equal Monthly Instalments
FI	Financial Institutions
DSE	Direct Sales Executives
AWCD	Al-Wadiah Current Deposit
CASA	Current Account Saving Account
BB	Bangladesh Bank
EC	Executive Committee
BOD	Board of directors
CF	Consumer Finance
ICF	Islami Consumer Finance
DBR	Debt-burden ratio
PPG	Product Program Guideline
MSD	Mudaraba Saving Deposit
AF	Auto Finance
HF	Home Finance
RO	Relationship Officer
ARM	Assistant/Associate Relationship officer