

# **“Financial Performance Analysis of First Security Islami Bank Limited” A study on Mohakhali Branch, Dhaka”**

## **Submitted To:**

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## **Submitted By:**

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## Letter of Transmittal

24.11.2018

To

Sayed Farrukh Ahmed  
Assistant Professor  
Department of Business Administration  
Faculty of Business & Economics  
Daffodil International University

**Subject:** Submission of the internship report on „Financial Performance Analysis of First Security Islami Bank Ltd.” (FSIBL): A Study on Mohakhali Branch, Dhaka“.

Dear Sir;

This is a great pleasure for me to submit the internship report, which is a partial requirement for the Internship Program of Daffodil International University for MBA students. I have prepared my internship report on „Analysis of Financial Performance of First Security Islami Bank Ltd.” (FSIBL): A Study on Mohakhali Branch, Dhaka“.

I have tried to explain my learning and experience in this report which I have gathered from practical operations.

For your kind consideration and perusal, I would like to mention that there might be some mistakes due to limitations of my knowledge, wisdom and time constraint. In spite of various shortcomings I have tried to cover all relevant affairs. I am confident that my report will be able to meet up your expectation and you will appreciate my endeavor and the report emphatic.

I will be very glad if the report can serve its actual purpose and I am ready to explain anything to you if necessary.

Sincerely yours,

Md. Anamul Hoque  
ID. No. 173-14-2508  
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## Certificate of Approval

I am pleased to certify that the Internship report on Financial Performance Analysis of First Security Islami Bank Ltd.” (FSIBL): A Study on Mohakhali Branch, Dhaka conducted by Md. Anamul Hoque bearing ID No. 173-14-2508 of MBA Program, and Department of Business Administration has been approved for presentation and defense. Md. Anamul Hoque worked with First Security Islami Bank Limited, Mohakhali Branch, Dhaka as an intern under my supervision.

Md. Anamul Hoque bears a strong moral character and a very pleasing personality. It has indeed been a great pleasure working with him. I wish his all success in life.

.....

**Signature of the Supervisor**

Sayed Farrukh Ahmed

Assistant Professor

Department of Business Administration

Faculty of Business & Economics

Daffodil International University

## Acknowledgement

An internship program is a very important and essential means for acquiring practical knowledge because the knowledge of a student does not get fulfilled until he acquires knowledge theoretically and practically.

For the completion of this study I can't deserve all praise. There were a lot of people who helped me by providing valuable information, advice and guidance for the completion of this report in the scheduled time.

First I want to express my gratitude to Almighty Allah for giving me the strength and the composure to finish the task within the scheduled time.

I would also like to convey my gratitude to my internship supervisor Mr. Sayed Farrukh Ahmed (Assistant Professor) for his continuous support. His guidance helps me to separate the important and necessary details from the unnecessary certainly helped me to stay on the correct track.

I acknowledge my indebtedness to the executives who extended their wholehearted co-operation during my internship period. I would like to extend my gratitude to Md Abul Kashem, (Vice President & Manager), Masud Hossain, (AVP & Manager Operation), Md. Zanemul Haque, (Probationary Officer), First Security Islami Bank, Mohakhali Branch. Finally, I would like to render my gratitude and my heartiness thank to my supervisors and other personnel for their guidance to prepare my internship report. They have been extremely co-operative and willing to help at all time.

## Executive Summary

First Security Islami Bank Limited (FSIBL) was incorporated in Bangladesh on 29 August 1999 as a banking company under Companies Act 1994 to carry on banking business. It obtained permission from Bangladesh Bank on 22 September 1999 to commence its business. The Bank carries banking activities through its One Hundred And Seventy Two (172) branches in the country. The commercial banking activities of the bank encompass a wide range of services including accepting deposits, making loans, discounting bills, conducting money transfer and foreign exchange transactions, and performing other related services such as safe keeping, collections and issuing guarantees, acceptances and letter of credit.

The objectives of the study have been outlined to know the total assets , liabilities and different types of Investment schemes, lending procedure& approval process, credit assessment & risk management process, identify overall financial performance of and make some recommendations to solve those problems of FSIBL.

The report is separated in different chapters. The first chapter contains introduction, background, scope, objectives, methodology and limitations of the study. The second chapter contains the overview of First Security Islami Bank Limited in details.

In the third chapter, the analysis Financial Performance of First Security Islami Bank Limited is described deeply. In those descriptions different types of financial statement, Components of Financial Statements, Classification of Assets and Liabilities, Limitation of Financial Statement , Ratio Analysis of First Security Islami Bank Limited. Chapter four contains findings, recommendations and conclusion. In this whole report discussion about the Financial Performance of First Security Islami Bank Limited are designed in step by step.

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## Abbreviations:

FSIBL- First Security Islami Bank Limited

OD- Overdraft

CC- Cash Credit

SME- Small and Medium Enterprise

RM- Relationship Manager

KYC- Know Your Customer

FSS- Financial Spread Sheet

AD- Authorized Dealer

CL- Consumer Loan

FDR- Fixed Deposit Receipt

LIM- Loan against Imported Merchandise

PAD- Payment against Documents

CIB- Credit Information Bureau

HOM- Head of Marketing

CRM- Credit Risk Management

CRG- Credit Risk Grading

NPL- Non-Performing Loan

RU- Recovery Unit



# **Chapter-One: Introduction**

## **1.1 Introduction**

A bank is an indispensable organization in modern economy. It plays a significant role in the economic development of a country and forms the core of money market in an advanced economy. Globally the banking process and its area of operation are increasing day by day. It is also changing due to technological innovation, deregulation, globalization etc. All these are happening because of its demand. Basically bank take deposits from customers against interest and lend it to the borrowers against interest for certain period of time. For getting loan, both individuals and organizations depend on banks. After detailed analysis banks grant loan to borrowers and disburse it among them. Besides loan banks give various types of services to their customers. First Security Islami Bank limited is one of the largest and oldest private sectors Shariah based commercial bank in Bangladesh, with years of experience. First Security Islami Bank plays a vital role in economic development of our country.

My study topic is analysis on financial performance of First Security Islami Bank Limited; A study on Mohakhali Branch, Dhaka. The main aim of my study is to acquainted knowledge about financial performance measure of First Security Islami Bank Limited.

## **1.2 Background of the Study:**

No knowledge is fully complete unless it is fully supported events on ground. Whatever may be the quality of theoretical knowledge, it is not complete without practical implication on ground. This realization is more pronounced in the study of Business Administration where experience on ground plays a dominant role.

Masters of Business Administration (MBA) is designed with an excellent combination of practical and theoretical aspects. After completing the MBA to fulfill the requirement of this Degree, I was assigned to pursue Internship in First Security Islami Bank Limited, Mahakhali Branch, Dhaka.

## **1.3 Scope of the Study:**

The study covers financial activities of FSIBL. This report gives a narrative overview of all department of Mohakhali branch, Dhaka of FSIBL. It consists of my observation and on the job experience during the internship period. This report incorporates the different aspects of financial performance tools and techniques and its effect on the performance of the bank.

#### **1.4 Objectives of the study:**

The main objective of the report is to analysis the financial performances of First Security Islami Bank Limited (FSIBL): Study on Mohakhali Branch with fulfilling the requirement of MBA program. However, the objective behind this study is something broader. Objectives of the report are summarized in the following manner-

- ❖ To present an overview of First Security Islami Bank Limited.
- ❖ To analyze the financial performances of First Security Islami Bank Limited of different years.
- ❖ To provide recommendations on the basis of the findings of the study.

## 1.5 Methodology of the study:

### Sources of Data:

#### A) Primary Sources

- ✓ Direct Observations.
- ✓ Practical Deskwork.
- ✓ Face-to-Face conversation with the Officers.
- ✓ Direct lectures of honorable teachers of Finance & Banking

### Method of data Collection:

- **Personal Interview:** Face to face conversation and in-depth interview with the respective officers and clients of the branch.
- **Personal Observation:** Observation of the Financial Performance activities.

#### B) Secondary Sources

- Annual reports of First Security Islami Bank Limited.
- Manuals of Financial Performance of FSIBL
- Published materials and office circulars of FSIBL
- Website of the FSIBL.

## 1.6 Limitations of the Study:

From the beginning to end, the study has been conducted with the intention to make it as a complete and truthful one. However, many problems appeared in the way of conducting the study.

The study suffers from the following limitations:

**1. Lack of proper time:**

Time period of this study is really short. I have only 3-month to spend in branch and to complete this report. So I am unable to go in depth of the study. Most of the time the officers were busy and were not able to give me much time.

**2. Insufficient data:**

Some desired information could not be collected due to privacy of the company.

**3. Others limitations:** As a newcomer I have little experience in this regard. And many practical matters have been written from my own observation that may vary from person to person.

**4.** Lack of experience of writing internship report.

## **Chapter- Two: Overview of the Organization**

## **2.1 Organization:**

First Security Islami Bank one of the largest and oldest private sector Shariah based commercial bank in Bangladesh, with years of experience. Adaptation of modern technology both in terms of equipment and banking practice ensures efficient service to clients. 172 branches at home create efficient networking and reach capability. First Security Islami Bank is a bank that serves both clients and country.

### **2.1.1 Historical Background of the Organization**

**Name of the Company: FIRST SECURITY ISLAMIBANK LTD.**

#### **Legal form:**

First Security Islami Bank Limited (FSIBL) was incorporated in Bangladesh on 29 August 1999 as a banking company under Companies Act 1994 to carry on banking business. It obtained permission from Bangladesh Bank on 22 September 1999 to commence its business. The Bank carries banking activities through its One Hundred And Seventy Two (172) branches in the country. The commercial banking activities of the bank encompass a wide range of services including accepting deposits, making loans, discounting bills, conducting money transfer and foreign exchange transactions, and performing other related services such as safe keeping, collections and issuing guarantees, acceptances and letter of credit.

The management of the bank is vested in a 10-member board of director with the managing director as the chief executive. The bank carries out almost all types of Shariah based commercial banking activities. 172 branches covering all major cities of Bangladesh.



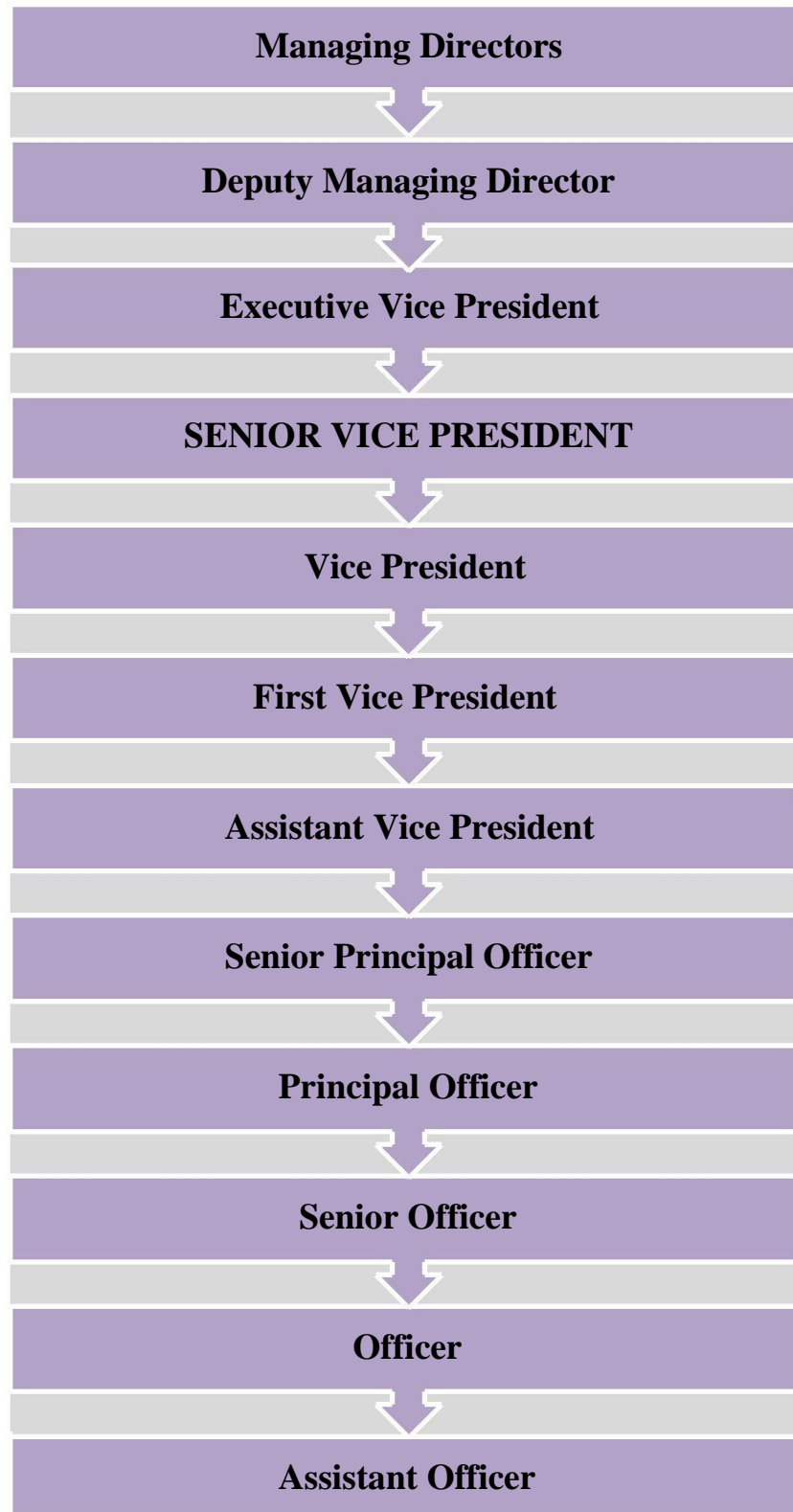
## 2.1.2 Corporate Information

<b>Name of the Company</b>	<b>First Security Islami Bank Ltd.</b>
<b>Chairman</b>	Mr. Mohammad SaifulAlam
<b>Vice Chairman</b>	Mr. Alhaj Mohammad Abdul Maleque
<b>Managing Director</b>	Mr. Syed Waseque Md. Ali
<b>Company Secretary</b>	Mr. JahidulQuddus Mohammad Habibullah
<b>Legal Status</b>	Public Limited Company
<b>Date of Incorporation</b>	August 29, 1999
<b>Date of Commencement of Business</b>	August 29, 1999
<b>Date of getting license from Bangladesh Bank</b>	September 22, 1999
<b>Date of Opening of First Branch</b>	October 25, 1999
<b>Corporate Head Office</b>	House- SW(I) 1/A, Road-8, Gulshan-1, Dhaka-1212, Bangladesh.
<b>Registered Office</b>	23, Dilkusha, Dhaka-1000, Bangladesh
<b>Line of Business</b>	Banking
<b>Authorized Capital</b>	Tk.10,000 Million
<b>Paid up Capital</b>	Tk.6,788.74 Million
<b>Date of consent for IPO</b>	04 June 2008
<b>Phone</b>	88-02-9888446 (Hunting), 8402613-8402625 (ICT Division).
<b>Fax</b>	880-02-9891915
<b>E-mail</b>	<a href="mailto:bc@FSIBLbd.com">bc@FSIBLbd.com</a> , <a href="mailto:info@FSIBLbd.com">info@FSIBLbd.com</a>
<b>SWIFT Code</b>	FSEBDDH
<b>Auditors</b>	ShafiqBasak& Co, Chartered Accountants, Shatabdi Centre (6 Floor), 292, Inner Circular Road, Fakirapool, Motijheel, Dhaka. Phone: 02- 7192098, Tel/ Fax: 02- 7194870, E-mail: <a href="mailto:shafiq_basak@yahoo.com">shafiq_basak@yahoo.com</a>
<b>Legal Advisor</b>	The Law Counsel, Barrister & Advocates, City Heart (7th Floor), Suit No. 8/8, 67, NayaPaltan, Dhaka-1000. Phone: 9349647-8, Fax: 9349866, 9567029, E-mail: <a href="mailto:l.counsel@bdonline.com">l.counsel@bdonline.com</a> .
<b>Tax Consultant</b>	K.M. Hasan FCA, K.M. Hasan& Co. Chartered Accountants, Dhaka Office Home Tower Apartment (8 th& 9 th Floor), 87, NewEskatonRoad , Dhaka – 1000, Phone: 9351457,9351564, Fax: 9345792-112.

## Shariah board: Shariah Members

<b>Name</b>	<b>Position</b>	<b>Address</b>
<b>Sheikh (Moulana) Mohammad Qutubuddin</b>	Chairman	BaitushSharaf Complex, Shah Abdul Jabbar(R) Road Dhanialapara, Chittagong- 4100.
<b>Mufti Sayeed Ahmed</b>	Vice Chairman	Markaz-e- Eshaete Islam 2/2 Darus Salam, Mirpur, Dhak
<b>Moulana M. Shamaun Ali</b>	Member Secretary	491, Wireless Railgate, Bara Moghbazar, Dhaka- 1217

### 2.1.3 Hierarchical Structure of First Security Islami Bank Limited (FSIBL):



### **2.1.4 Vision**

To be the bank of first choice through maximizing value for our clients, shareholders & employees and contributing to the national economy with social commitments.

### **2.1.5 Mission**

To offer financial solutions that create, manage and increase our clients' wealth while improving the quality of life in the communities we serve.

### **2.1.6 Core Values**

- We put our customers first.
- We emphasize on professional ethics.
- We maintain quality at all levels.
- We believe in being a responsible FSIBL corporate citizen.
- We say what we believe in.

### **2.1.7 Organizational Goals**

First Security Islami Bank will be the absolute market leader in the number of loans given to small and medium sized enterprises throughout Bangladesh. It will be a world-class organization in terms of service quality and establishing relationships that help its customers to develop and grow successfully.

- Realistic deposit mobilization plan.
- Appropriate management structure, systems, procedures and approaches.

## **Chapter-Three:**

# **Financial Performance Analysis of First Security Islami Bank Limited**

### **3. Financial Statements:**

Financial Statements are the summary of the financial activities of a firm or an organization. AIS Board define the financial statement, “A financial statement (or financial report) is a formal record of the financial activities of a business, person, or other entity. Relevant financial information is presented in a structured manner and in a form easy to understand.”

#### **3.2 Components of Bank’s Financial Statements**

Since a bank is a financial institution, its financial statements are different from other organization. Bank’s Financial Statements include an additional component which is called Liquidity Statement. The basic components of bank’s financial statements are given below.

- Balance Sheet
- Statement of Profit and Loss Account / Income Statement
- Cash Flow Statement
- Statement of Changes in Equity
- Liquidity Statement
- Notes to these statements

#### **Statement of Profit and Loss Account / Income Statement:**

Income statement is a financial report that shows an entity's results of financial performance over a specific time period. The time period usually covers for a month, quarter, half year or year.

### **Statement of Changes in Equity:**

Statement of changes in equity is a financial statement that presents a summary of the changes in shareholders' equity accounts in a company over an accounting period. It reconciles the opening balances of equity accounts with the closing balances.

### **Financial Statements Analysis:**

Financial Statements Analysis is the process of reviewing and evaluating a company's financial statements (such as the balance sheet or profit and loss account statement), thereby gaining an understanding of the financial health of the company and enabling to make more effective policies.

### **3.3 Techniques to Financial Statements Analysis:**

A bank's financial statements are always different from general companies. So, banks' financial statements analysis is critical. Among the stated techniques the ratio analysis is mostly used for analysis of any organization's financial statements.

### 3.4 Classification of Assets and Liabilities

The first step in the analysis of balance sheet is the scrutiny and examination of different items of assets and liabilities and they are classified into various categories.

#### **Assets:**

In the Balance sheet the assets are divided into three major categories in general when organizations prepare the balance sheets. These are as follows:

- Current Assets
- Fixed/Long-Term Assets
- Other Assets

#### **Current Assets:**

Current assets are those assets, which changes their form in a short period and are exchanged for cash.

#### **Liabilities:**

In the Balance sheet the liabilities are broadly divided into two categories when organizations prepare the balance sheets. These are as follows:

- Current Liabilities
- Long-Term Liabilities



### **3.5 Limitations of Financial Statements:**

Though Balance Sheet and Profit and Loss Account of a company are important sources for the analysis, the financial data contained therein have certain limitations. The financial data depict the state of affairs or the operating results in numerical terms. Sometimes wrong or illogical conclusion may be derived from them if attention is not given to other factors that are not evident from the financial statements. For example, the production of a manufacturing company may fall due to labor strike or non-availability of raw materials due to transport bottlenecks, but it should not be interpreted as decline in the efficiency or profitability of the concern. It is, therefore, essential that the investor should look beyond the financial data and make future enquiries regarding the causes for any variation or abnormal trend noted in analyzing the data. Besides, the financial statements represent the performance of the business concern. Any meaningful analysis of these statements will depend upon the projections of the future trend. Past events are just guides as to what may reasonably be expected to occur in future.

### **3.6 Building Blocks of Financial Statement Analysis:**

Financial statements analysis focuses on one or more elements of a company's financial condition or performance. Our analysis emphasizes some areas of inquiry with varying degrees of importance.

### **3.7 Comparative Statements:**

Comparing amounts for two or more successive periods often helps in analyzing financial statements. Comparative financial statements facilitate this comparison by showing financial amount in side-by-side columns on a single statement, called comparative format. By using comparative financial statements financial changes can be expressed in both dollar amount and percentage.

### **Computation of Dollar Change and Percent Change:**

Computing financial statements over time periods generally two-to-five years is often done by analyzing changes in line items. A change analysis usually includes analyzing absolute dollar amount changes and percent changes. Both analyses are relevant because dollar changes can yield large percentage changes inconsistent their importance. Dollar amount is necessary to retain a proper perspective and to assess the importance of changes. The computation of dollar change for a financial statement item as follows:

Dollar change = Analysis period amount - Base period amount

### **3.8 Comparative Balance Sheets:**

Comparative balance sheets consist of balance sheet amounts from two or more balance sheet dates arranged side by side. Its usefulness is often improved by showing each item's dollar change and percent change to highlight large changes.

### **Trend Analysis:**

Trend analysis is also called trend percent analysis or index number trend analysis. It is a form of horizontal analysis that can reveal patterns in data across successive periods.

- Select a base period and assign each item in the base period a weight of 100%.

### Vertical Analysis:

Vertical analysis is a tool to evaluate individual financial statement items or a group of items in terms of a specific base amount. We usually define a key aggregate figure as the base, which for an income statement is usually revenue and for a balance sheet is usually total assets.

### 3.12 Common-Size Income Statements:

Analysis also benefited from using a common-size income statement. Revenue is usually the base amount, which is assigned a value of 100%. Each common-size income statement items appears as a percent of revenue. If we think of the 100% revenues amount as representing one sales dollar, the remaining items show how each revenue dollar is distributed among costs, expenses and income.

### 3.13 Common-Size Graphics:

Two of the most common tools of common-size analysis are trend analysis of common-size statements and graphical analysis. The trend analysis of common-size statements is similar to that of comparative statements discussed under horizontal analysis. It is not illustrated here because the only difference is the substitution of common-size percent for trend percent. Instead, this section discusses graphical analysis of common-size statements. Pie charts and bars are commonly used for common-size graphics analysis of common-size statement analysis. For common-size income statement analysis, the revenue is considered as the base of the pie chart because revenue affects nearly every item of an income statement.

### 3.14 Summary of Ratios:

Summarizes the major financial statement analysis ratios described in this chapter. This summary includes each ratio's title, its formulas, and the purpose for which it is commonly used.

#### **Activity Ratios**

- 1) Inventory turnover = cost of goods sold ÷ average inventory
- 2) Receivables turnover = net revenue ÷ average receivables
- 3) Payables turnover = purchases\* ÷ average payables

#### **Solvency Ratios**

- 1) Debt-to-assets ratio = total liabilities ÷ total assets
- 2) Debt-to-capital ratio = total debt\* ÷ (total debt\* + total shareholder's equity)
- 3) Debt-to-equity ratio = total debt\* ÷ total shareholder's equity
- 4) Interest coverage ratio = earnings before interest and taxes\* ÷ interest payments

#### **Profitability Ratios**

- 1) Gross profit margin =
- 2) Operating profit margin = gross income ÷ net revenue
- 3) Net profit margin = operating income ÷ net revenue
- 4) Return on assets (ROA) = net income ÷ net revenue
- 5) Return on equity (ROE) = net income ÷ total assets  
= net income ÷ total stockholder's equity

**\*calculated terms:**

- $\text{Purchases} = \text{cost of goods sold} + \text{ending inventory} - \text{beginning inventory}$
- $\text{total debt} = \text{notes payable} + \text{current portion of long-term debt} + \text{long-term debt}$
- $\text{earnings before interest and taxes} = \text{net income} + \text{income taxes} + \text{interest expense}$

### **3.15 Ratio Analysis of First Security Islami Bank Limited:**

The objective of this report is evaluating First Security Islami Bank Limited's financial performance. So that here discuss recent year's financial ratio of FSIBL Ltd.

A bank is a financial institution whose main job is to collect fund from surplus units and invest in deficit units and making profits. Owners, depositors and shareholders of a bank invest to a

### **3.16 Reconstruction of Financial Statements of FSIBL:**

The all core financial statements of FSIBL are obtained. These statements include Balance Sheet, Income Statement, Statement of Cash Flows, Statement of Equity, Statement of Liquidity and their notes for five years. But, these are not in the format which is required for different financial ratio analysis. So, some of these financial statements are reconstructed in various format for the interest of the analysis. The renovated statements are mainly concerned based on the duration of the accounts which is very important for ratio analysis. For preparing these financial statements no fictional data are used, only the real financial data from notes of statements are used according their duration and types.

### **3.17 Ratio Analysis:**

A ratio analysis is a quantitative analysis of information contained in a company's financial statements. Ratio analysis is based on line items in financial statements like the balance sheet, income statement and cash flow statement; the ratios of one item or a combination of items to Another item or combination is then calculated.

### 3.18 Assumption of Ratio Analysis:

The most common mode in which financial statement data are summarized is the ratio form.

Motivations for examining data in ratio form include:

- ❖ To exploit an observed empirical regularity between a financial ratio and the estimation of variable of interest.

bank to get profit or interest as a reward in return. But their profit is depends on the bank's financial performance. It depends on how a bank operates itself, how efficiently management operates the operations of a bank. To understand the financial performance of a bank, the investor should analyze the financial statements of that bank. They may use different financial ratios to analyze the financial performance of a bank. By analyzing the financial performance of a bank investors and management can know the strengths and weakness of the bank, and can take proper policy making decisions for future. To analyze the financial performance of First Security Islami Bank Limited (FSIBL), different financial ratios are used to determine the strengths and weakness of FSIBL. Actually, to understand the overall financial position and performance of FSIBL is the main aim of this chapter.



## CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2017

	Note(s)	2017 Taka	2016 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash in Hand</b>			
Cash in hand (Including Foreign Currencies)	3(a)	2,369,319,898	1,816,338,179
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)	3.1	21,457,534,554	16,131,320,942
		<b>23,826,854,451</b>	<b>17,947,659,121</b>
<b>Balance with other Banks and Financial Institutions</b>			
In Bangladesh	4(a)	532,102,415	842,645,333
Outside Bangladesh		366,064,370	423,996,755
		<b>898,166,785</b>	<b>1,266,642,088</b>
<b>Placement with Banks &amp; other Financial Institutions</b>			
	5	<b>10,736,619,899</b>	<b>7,196,666,624</b>
<b>Investments in Shares &amp; Securities</b>			
Government	6(a)	9,100,000,000	9,150,000,000
Others		2,502,525,517	1,680,581,919
		<b>11,602,525,517</b>	<b>10,830,581,919</b>
<b>Investments</b>			
General Investment etc.	7 (a)	201,932,884,191	166,581,331,180
Bills Purchased and Discounted		7,362,624,894	7,194,802,194
		<b>209,295,509,085</b>	<b>173,776,133,374</b>
<b>Fixed Assets including Premises</b>			
<b>Other Assets</b>	8(a)	3,491,020,793	3,268,326,670
<b>Non-Banking Assets</b>	9(a)	16,439,780,117	13,529,293,052
		-	-
<b>Total Assets</b>		<b>276,290,476,647</b>	<b>227,815,302,848</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Placement from Banks &amp; other Financial Institutions</b>	10	<b>5,000,000,000</b>	<b>3,000,000,000</b>
<b>Deposits and Other Accounts</b>			
Mudaraba Savings Deposits	11	16,876,607,874	13,899,504,009
Mudaraba Term Deposits		138,266,642,919	111,657,941,041
Other Mudaraba Deposits		42,123,348,876	40,060,818,730
Al-Wadeeah Current & Other Deposit Accounts	11.2(a)	25,629,690,923	19,406,875,568
Bills Payable	11.3	5,233,509,848	5,031,314,320
Cash Waqf Fund		277,925,332	236,879,638
		<b>228,407,725,773</b>	<b>190,293,333,306</b>
<b>FSIB Mudaraba Subordinated Bond</b>			
	12	<b>6,400,000,000</b>	<b>3,000,000,000</b>
<b>Other Liabilities</b>	13(a)	<b>22,260,690,365</b>	<b>17,306,863,759</b>
<b>Deferred Tax Liabilities/ (Assets)</b>	14 (a)	<b>38,392,503</b>	<b>21,775,365</b>
<b>Total Liabilities</b>		<b>262,106,808,641</b>	<b>213,621,972,430</b>
<b>Total Liabilities &amp; Shareholders' Equity of the Group</b>	18(b)	<b>276,290,476,647</b>	<b>227,815,302,848</b>

## OFF-BALANCE SHEET

AS AT 31 DECEMBER 2017

### CONTINGENT LIABILITIES

Acceptances and Endorsements  
 Irrevocable Letters of Credit (including Back to Back Bills)  
 Letters of Guarantee  
 Bills for Collection  
 Other Contingent Liabilities

**Total**

### OTHER COMMITMENTS

**Total Off Balance Sheet Items including**

**Contingent Liabilities**

	2017	2016
	Taka	Taka
	28,726,126,414	23,002,645,081
	20,910,040,289	21,928,766,660
	14,094,167,946	11,485,872,882
	4,239,277,561	3,434,061,967
	-	-
	<b>67,969,612,210</b>	<b>59,851,346,590</b>
	-	-
	<b>67,969,612,210</b>	<b>59,851,346,590</b>

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	Taka	Taka
Investment Income	18,608,909,537	16,966,286,841
Profit paid on Deposits	10,624,952,149	9,576,406,736
<b>Net Investment Income</b>	<b>7,983,957,388</b>	<b>7,389,880,105</b>
Income from Investment in Shares/securities	379,028,131	237,611,204
Commission, Exchange and Brokerage	2,016,766,460	1,641,246,704
Other Operating Income	604,729,535	445,679,505
	<b>3,000,524,127</b>	<b>2,324,537,414</b>
<b>Total Operating Income</b>	<b>10,984,481,515</b>	<b>9,714,417,519</b>
Zakat Expenses	111,424,295	89,792,573
Other Expenses	780,491,293	623,310,434
<b>Total Operating Expenses</b>	<b>4,757,625,673</b>	<b>3,986,805,828</b>
<b>Profit/(Loss) before Provision</b>	<b>6,226,855,842</b>	<b>5,727,611,690</b>
Provision for Investments	2,569,199,969	1,482,889,673
Other Provisions	95,854,352	39,508,157
<b>Total Provision</b>	<b>2,665,054,321</b>	<b>1,522,397,830</b>
<b>Total Profit/(Loss) before Income Taxes</b>	<b>3,561,801,520</b>	<b>4,205,213,860</b>
<b>Provision for Taxation</b>	<b>2,097,282,797</b>	<b>1,914,165,959</b>
<b>Net Profit/(Loss) after Taxation</b>	<b>1,464,518,723</b>	<b>2,291,047,901</b>
<b>Appropriations</b>		
Statutory Reserve	707,025,310	838,438,842
<b>Retained surplus</b>	<b>757,493,413</b>	<b>1,452,609,059</b>
<b>Attributable to:</b>		
Equity holders' of the Bank	757,493,325	1,452,608,995
Non controlling Interest	87	64
	<b>757,493,413</b>	<b>1,452,609,059</b>
<b>Earning Per Share (EPS)</b>	<b>1.98</b>	<b>3.10</b>

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	Taka	Taka
<b>Cash Flow from operating activities</b>		
Investment Income receipt	18,608,909,537	16,966,286,841
Profit paid on deposits	(9,159,242,171)	(6,944,662,524)
Dividend receipts	379,028,131	237,611,204
Fees & commission receipt	993,792,501	885,417,558
Cash payments to employees	(2,927,582,876)	(2,473,412,961)
Cash payments to suppliers	(141,197,275)	(128,080,666)
Income tax paid	(1,432,091,325)	(1,007,764,289)
Receipts from other operating activities	1,627,703,494	1,201,508,651
Payments for other operating activities	(1,424,746,664)	(1,156,829,476)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>6,524,573,353</b>	<b>7,580,074,338</b>
<b>Increase/Decrease in operating assets and liabilities</b>		
Statutory deposits	-	-
Net trading securities	(771,943,598)	(3,088,186,683)
Investments to other banks	-	-
Investment to customers	(35,519,375,711)	(39,919,283,472)
Other assets	(1,478,395,740)	(2,323,277,367)
Deposits from other banks	13,953,833,871	482,081,512
Deposits received from customers	22,694,848,619	37,667,626,692
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	210,522,856	352,306,146
<b>Sub Total</b>	<b>(910,509,703)</b>	<b>(6,828,733,172)</b>
Purchase/Sale of subsidiaries	-	-
<b>B. Net Cash flow from investing activities</b>	<b>(486,792,982)</b>	<b>(414,301,569)</b>
<b>Cash flows from financing activities</b>		
Receipts from issue of debt instruments	2,000,000,000	2,000,000,000
FSIBLMudaraba Subordinated Bond	3,400,000,000	-
Receipts from issue of right shares/ordinary share	-	-
Dividend paid in cash	(1,476,597,364)	(1,054,712,411)
<b>C. Net Cash flow from financing activities</b>	<b>3,923,402,636</b>	<b>945,287,589</b>
<b>D. Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>9,050,673,303</b>	<b>1,282,327,185</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>26,410,967,833</b>	<b>25,128,640,648</b>
<b>F. Cash and cash equivalents at the end of the year (D+E)</b>	<b>35,461,641,136</b>	<b>26,410,967,833</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 DECEMBER 2017

(amount in Taka)

Particulars	Paid-up Capital	Share Premium Account	General /		Asset Revaluation Reserve	Retained Earnings	Non- Controlling Interest	Total
			Statutory Reserve	Other Reserves				
1	2	3	4	5	6	7	8	9=(2 to 8)
<b>Balance as at 01 January 2017</b>	<b>7,382,986,420</b>	-	<b>4,318,771, 137</b>	<b>6,154,312</b>	<b>1,004,065,009</b>	<b>1,481,351,830</b>	<b>1,710</b>	<b>14,193,330,418</b>
Changes in Accounting Policy	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	1,464,518,556	-	1,464,518,556
Appropriation made during the year	-	-	707,025,310	2,416,229	-	(707,025,310)	-	2,416,229
<b>Dividend:</b>								
Cash Dividend	-	-	-	-	-	(1,476,597,284)	-	(1,476,597,284)
Bonus shares	-	-	-	-	-	-	-	-
Transferred to retained earnings	-	-	-	-	(24,843,666)	24,843,666	-	-
Non-controlling interest	-	-	-	-	-	-	87	87
<b>Total group shareholders' equity</b>			<b>5,025,796, 447</b>	<b>8,570,541</b>	<b>979,221,345</b>	<b>787,091,456</b>	<b>1,797</b>	<b>14,183,668,005</b>
<b>as on 31 December 2017</b>	<b>7,382,986,420</b>	-	<b>5,025,796, 447</b>	<b>8,570,541</b>	<b>211,135,945</b>	<b>787,091,456</b>		<b>13,415,580,810</b>
<b>Eligible Capital Under Basel III:</b>	<b>7,382,986,420</b>		<b>5,025,796, 447</b>	<b>8,570,541</b>	<b>211,135,945</b>	<b>787,091,456</b>		<b>13,415,580,810</b>
Add: General provision for unclassified investment								<b>2,886,715,609</b>
Add: FSIBLMudaraba Subordinated Bond								<b>5,440,000,000</b>
<b>Total eligible capital as on 31 December 2017</b>								<b>21,742,296,419</b>

**BALANCE SHEET**

AS AT 31 DECEMBER 2017

	2017	2016
	Taka	Taka
<b>PROPERTY AND ASSETS</b>		
<b>Cash in Hand</b>		
Cash in hand (Including Foreign Currencies)	2,369,126,018	1,815,513,100
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)	21,457,534,554	16,131,320,942
	<b>23,826,660,571</b>	<b>17,946,834,042</b>
<b>Balance with other Banks and Financial Institutions</b>		
In Bangladesh	531,828,698	675,742,843
Outside Bangladesh	366,064,370	423,996,755
	<b>897,893,068</b>	<b>1,099,739,598</b>
<b>Placement with Banks &amp; other Financial Institutions</b>		
	<b>10,736,619,899</b>	<b>7,196,666,624</b>
<b>Investments in Shares &amp; Securities</b>		
Government	9,100,000,000	9,150,000,000
Others	3,982,523,917	3,160,580,319
	<b>13,082,523,917</b>	<b>12,310,580,319</b>
<b>Investments</b>		
General Investment etc.	202,682,884,191	167,001,331,180
Bills Purchased and Discounted	7,362,624,894	7,194,802,194
	<b>210,045,509,085</b>	<b>174,196,133,374</b>
<b>Fixed Assets including Premises</b>		
Other Assets	3,480,818,155	3,257,521,001
Non Banking Assets	14,278,930,250	11,696,703,613
<b>Total Assets</b>	<b>276,348,954,946</b>	<b>227,704,178,572</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Placement from Banks &amp; other Financial Institutions</b>		
<b>Deposits and Other Accounts</b>		
Mudaraba Savings Deposits	16,876,607,874	13,899,504,009
Mudaraba Term Deposits	138,266,642,919	111,657,941,041
Other Mudaraba Deposits	42,123,348,876	40,060,818,730
Al-Wadeeah Current & Other Deposit Accounts	26,020,865,331	19,678,057,596
Bills Payable	5,233,509,848	5,031,314,320
Cash Waqf Fund	277,925,332	236,879,638
	<b>228,798,900,180</b>	<b>190,564,515,334</b>
<b>FSIBLMudaraba Subordinated Bond</b>		
	<b>6,400,000,000</b>	<b>3,000,000,000</b>
<b>Other Liabilities</b>		
Deferred Tax Liabilities/ (Assets)	21,946,394,909	16,931,081,824
	<b>37,210,816</b>	<b>20,784,787</b>
<b>Total Liabilities</b>	<b>262,182,505,906</b>	<b>213,516,381,945</b>
<b>Capital/Shareholders' Equity</b>		
Paid-up Capital	7,382,986,420	7,382,986,420
Statutory Reserve	5,025,796,447	4,318,771,137
Revaluation reserve on Fixed Assets	979,221,345	1,004,065,009
Retained Earnings	778,444,828	1,481,974,061
	<b>14,166,449,040</b>	<b>14,187,796,627</b>
<b>Total Shareholders' Equity</b>	<b>14,166,449,040</b>	<b>14,187,796,627</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>276,348,954,946</b>	<b>227,704,178,572</b>

## OFF-BALANCE SHEET

AS AT 31 DECEMBER 2017

	2017	2016
	Taka	Taka
<b>CONTINGENT LIABILITIES</b>		
Acceptances and Endorsements	28,726,126,414	23,002,645,081
Irrevocable Letters of Credit (including Back to Back Bills)	20,910,040,289	21,928,766,660
Letters of Guarantee	14,094,167,946	11,485,872,882
Bills for Collection	4,239,277,561	3,434,061,967
Other Contingent Liabilities	-	-
<b>Total</b>	<b>67,969,612,210</b>	<b>59,851,346,590</b>
<b>OTHER COMMITMENTS</b>		
<b>Total</b>	-	-
<b>Total Off Balance Sheet Items including Contingent Liabilities</b>	<b>67,969,612,210</b>	<b>59,851,346,590</b>

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	Taka	Taka
Investment Income	18,497,613,423	16,883,378,239
Profit paid on Deposits	10,561,959,067	9,544,341,782
<b>Net Investment Income</b>	<b>7,935,654,356</b>	<b>7,339,036,457</b>
Income from Investment in Shares/securities	443,104,547	293,823,613
Commission, Exchange and Brokerage	1,871,303,027	1,552,385,033
Other Operating Income	602,379,425	444,753,870
	<b>2,916,786,999</b>	<b>2,290,962,516</b>
<b>Profit/(Loss) before Provision</b>	<b>6,166,211,520</b>	<b>5,698,083,884</b>
Provision for Investments	2,569,199,969	1,482,889,673
Other Provisions	61,885,000	23,000,000
<b>Total Provision</b>	<b>2,631,084,969</b>	<b>1,505,889,673</b>
<b>Total Profit/(Loss) before Income Taxes</b>	<b>3,535,126,551</b>	<b>4,192,194,211</b>
<b>Provision for Taxation</b>	<b>2,079,876,855</b>	<b>1,900,007,218</b>
<b>Net Profit/(Loss) after Taxation</b>	<b>1,455,249,695</b>	<b>2,292,186,993</b>
<b>Appropriations</b>		
Statutory Reserve	707,025,310	838,438,842
Retained surplus	748,224,385	1,453,748,151
	<b>1,455,249,695</b>	<b>2,292,186,993</b>
<b>Earning Per Share (EPS)</b>	<b>1.97</b>	<b>3.10</b>



## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	Taka	Taka
<b>Cash Flow from operating activities</b>		
Investment Income receipt	18,497,613,423	16,883,378,239
Profit paid on deposits	(9,096,249,089)	(6,912,597,571)
Dividend receipts	443,104,547	293,823,613
Fees & commission receipt	848,329,068	796,555,887
Cash payments to employees	(2,899,594,762)	(2,451,356,865)
Cash payments to suppliers	(138,873,815)	(126,233,698)
Income tax paid	(1,407,386,534)	(993,085,088)
Receipts from other operating activities	1,625,353,384	1,200,583,016
Payments for other operating activities	(1,385,374,138)	(1,128,725,879)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>6,486,922,085</b>	<b>7,562,341,655</b>
<b>Increase/Decrease in operating assets and liabilities</b>		
Statutory deposits	-	-
Net trading securities	(771,943,598)	(3,088,186,683)
Investments to other banks	-	-
Investment to customers	(35,849,375,711)	(40,079,283,472)
Other assets	(1,174,840,103)	(2,049,678,027)
Deposits from other banks	13,953,833,871	482,081,512
Deposits received from customers	22,814,840,998	37,677,072,385
Other liabilities on account of customers	-	-
Trading liabilities	-	-
Other liabilities	320,777,289	157,800,061
<b>Sub Total</b>	<b>(706,707,253)</b>	<b>(6,900,194,224)</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>26,243,240,264</b>	<b>25,046,888,745</b>
<b>F. Cash and cash equivalents at the end of the year (D+E)</b>	<b>35,461,173,538</b>	<b>26,243,240,263</b>

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

(amount in Taka)

Particulars	Paid-up Capital	Share		General / Asset		Retained Earnings	Total
		Premium Account	Statutory Reserve	Other Reserves	Revaluation Reserve		
1	2	3	4	5	6	7	8=(2 to 7)
<b>Balance as at 01 January 2017</b>	<b>7,382,986,420</b>	-	<b>4,318,771,137</b>	-	<b>1,004,065,009</b>	<b>1,481,974,061</b>	<b>14,187,796,627</b>
Net profit for the year	-	-	-	-	-	1,455,249,695	1,455,249,695
Appropriation made during the year	-	-	707,025,310	-	-	(707,025,310)	-
<b>Dividend:</b>							
Cash Dividend		-	-	-	-	(1,476,597,284)	(1,476,597,284)
Bonus shares		-	-	-	-	-	-
Transferred to retained earnings	-	-	-	-	(24,843,666)	24,843,666	-
<b>Total group shareholders' equity as on 31 December 2017</b>	<b>7,382,986,420</b>	-	<b>5,025,796,447</b>	-	<b>979,221,345</b>	<b>778,444,828</b>	<b>14,166,449,040</b>
<b>Eligible Capital Under Basel III:</b>	<b>7,382,986,420</b>		<b>5,025,796,447</b>	-	<b>211,135,945</b>	<b>778,444,828</b>	<b>13,398,363,641</b>
Add: General provision for unclassified investment							<b>2,886,715,609</b>
Add: FSIBLMudaraba Subordinated Bond							<b>5,440,000,000</b>
<b>Total eligible capital as on 31 December 2017</b>							<b>21,725,079,250</b>

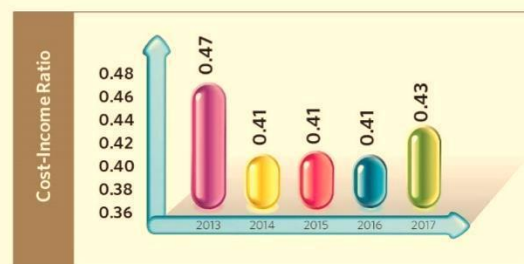
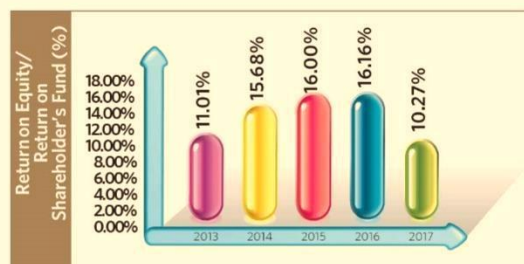
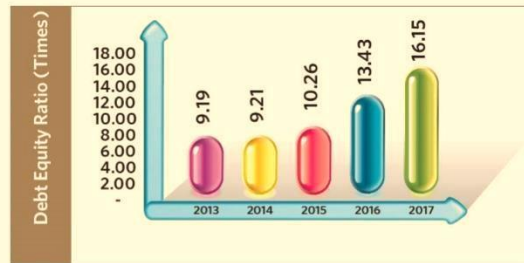
## LIQUIDITY STATEMENT - ASSETS AND LIABILITIES ANALYSIS

### AS AT 31 DECEMBER 2017

(amount in Taka)

Particulars	Up to 01	01-03	03-12	01-05	More than	Total	Total
	Month	Months	Months	Years	05 years	Current Year	Previous Year
1	2	3	4	5	6	7=(2+3+4+5+6)	8
<b>Assets</b>							
Cash in hand	11,328,806,671	-	-	-	12,497,853,900	23,826,660,571	17,946,834,042
Balance with other Banks and							
Financial Institutions	652,979,469	244,913,599	-	-	-	897,893,068	1,099,739,598
Placement with Banks & other Financial Institutions	2,600,000,000	3,350,000,000	4,786,619,899	-	-	10,736,619,899	7,196,666,624
Investment (in Shares & Securities)	3,973,521,275	3,050,000,000	2,903,458,080	1,115,546,162	2,039,998,400	13,082,523,917	12,310,580,319
Investments	30,798,885,904	39,833,906,713	96,331,705,468	38,178,776,000	4,902,235,000	210,045,509,085	174,196,133,375
Fixed Assets including premises, furniture & fixtures etc.	-	-	-	1,740,409,078	1,740,409,078	3,480,818,155	3,257,521,001
Other Assets	-	-	-	7,139,465,125	7,139,465,125	14,278,930,250	11,696,703,613
Non-Banking Assets	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>49,354,193,319</b>	<b>46,478,820,312</b>	<b>104,021,783,447</b>	<b>48,174,174,196,365</b>	<b>28,319,961,502</b>	<b>276,348,954,946</b>	<b>227,704,178,572</b>
<b>Liabilities</b>							
Placement from Banks & other financial institutions	5,000,000,000	-	-	-	-	5,000,000,000	3,000,000,000
Deposits and other accounts	43,177,099,451	45,212,659,906	101,595,007,015	27,678,282,764	11,135,851,043	228,798,900,180	190,564,515,334
Provision and other liabilities	-	-	-	17,595,160,277	10,751,234,632	28,346,394,909	19,931,081,824
Deferred tax liability	-	-	-	37,210,816	-	37,210,816	20,784,787
<b>Total Liabilities</b>	<b>48,177,099,451</b>	<b>45,212,659,906</b>	<b>101,595,007,015</b>	<b>45,310,653,858</b>	<b>21,887,085,675</b>	<b>262,182,505,906</b>	<b>213,516,381,945</b>
<b>Net Liquidity Gap</b>	<b>1,177,093,868</b>	<b>1,266,160,406</b>	<b>2,426,776,432</b>	<b>2,863,542,507</b>	<b>6,432,875,827</b>	<b>14,166,449,040</b>	<b>14,187,796,627</b>

## Ratio analysis of First Security Islami Bank Limited from 2014 to 2017:

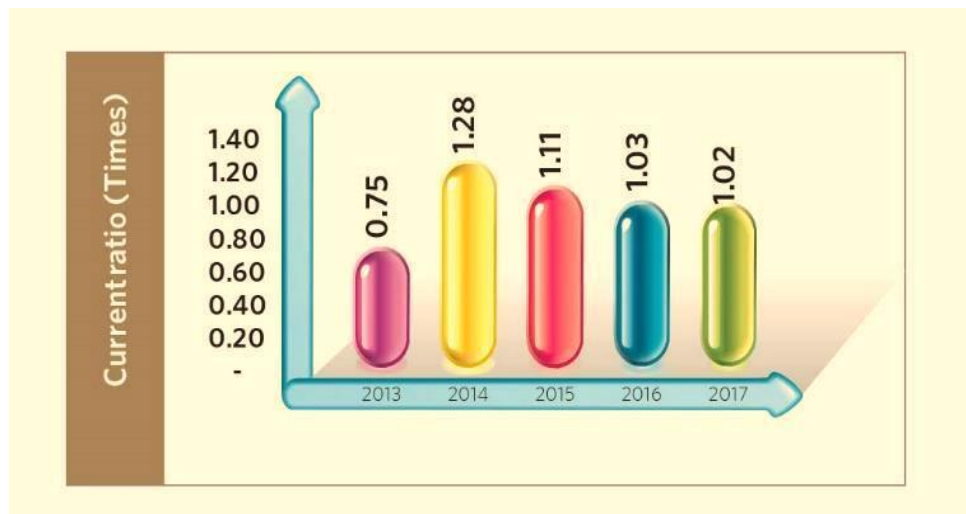


**(A) Current Ratio:**

Current ratio is the ratio of current assets of a business to its current liabilities. It is the most widely used test of liquidity of a business and measures the ability of a business to repay its debts over the period of next 12 months.

**Formula:** Current ratio = current assets ÷ current liabilities

**Graphical Presentation**



**(B) Operating profit as percentage of Working Fund:**

Net working capital is a liquidity calculation that measures a company’s ability to pay off its current liabilities with current assets. This measurement is important to management, vendors, and general creditors because it shows the firm’s short-term liquidity as well as management’s ability to use its assets efficiently.

**Formula:**  $\text{Net working capital} = \text{Current assets} - \text{Current liabilities}$



**Table:** Net working capital of FSIBL

(Taka in million)

**Analysis:**

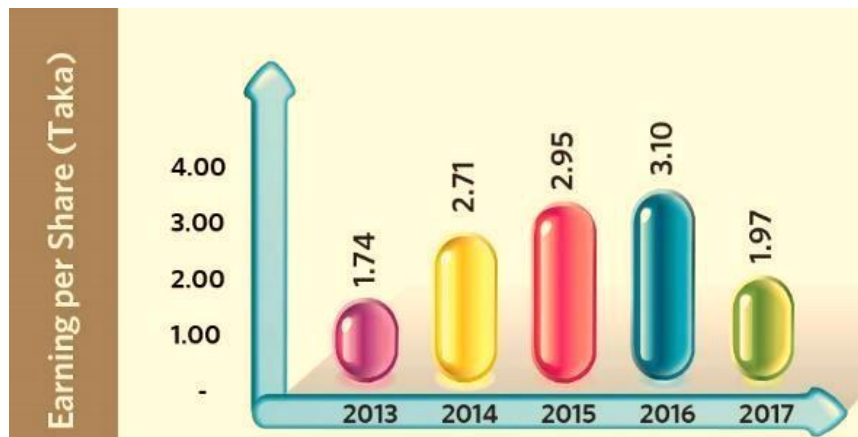
Net working capital measures the liquidity position of the firm. In 2016 the net working capital was 40.16% which was gradually increased to 43.53% in 2017. The graph shows that increase trend of FSIBL’s liquidity position this indicates that FSIBL has increased its ability to pay short term obligation out of its currents assets.

## Profitability Ratio

### (A) Earnings per share (EPS)

Earnings per share (EPS) are the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

**Formula:**  $EPS = \text{net income} / \text{average outstanding common shares}$

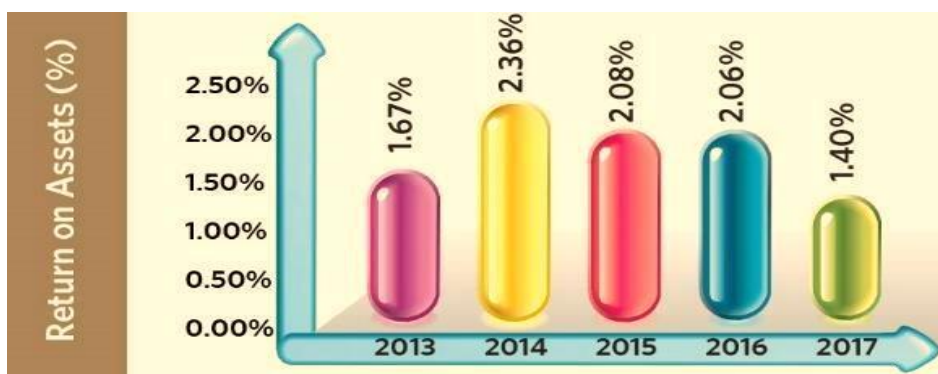


**Table: Earing Per Share (EPS) of FSIBL**

### (B) Return on Asset (ROA)

Return on Assets (ROA) is an indicator of how profitable a company is relative to its total assets.

**Formula: Return on Asset (ROA) = net income ÷ total assets**



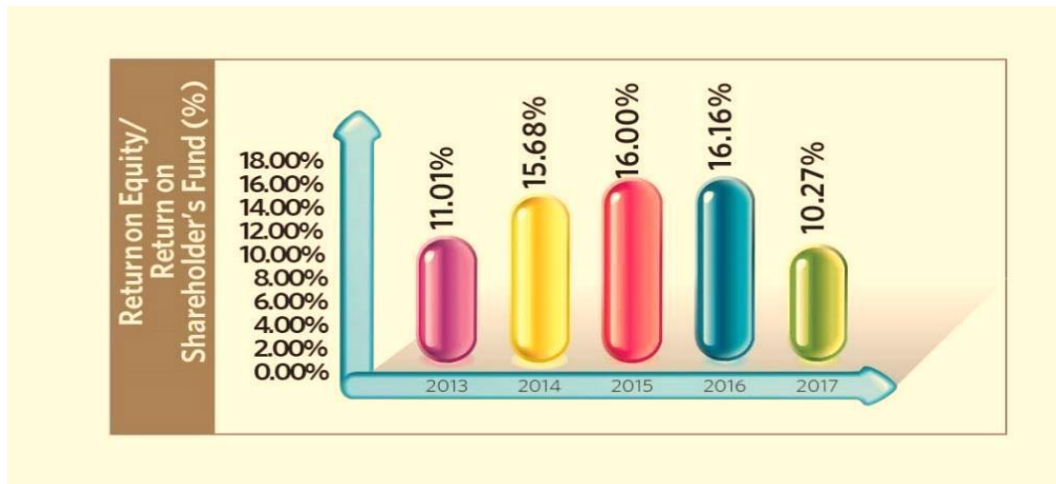
**Table: Return on Asset of FSIBL**



### (C)Return on Equity:

**Formula:** Return on equity (ROE) = net income ÷ total stockholder's equity.

### Graphical Presentation:



**Figure: Return on Equity**

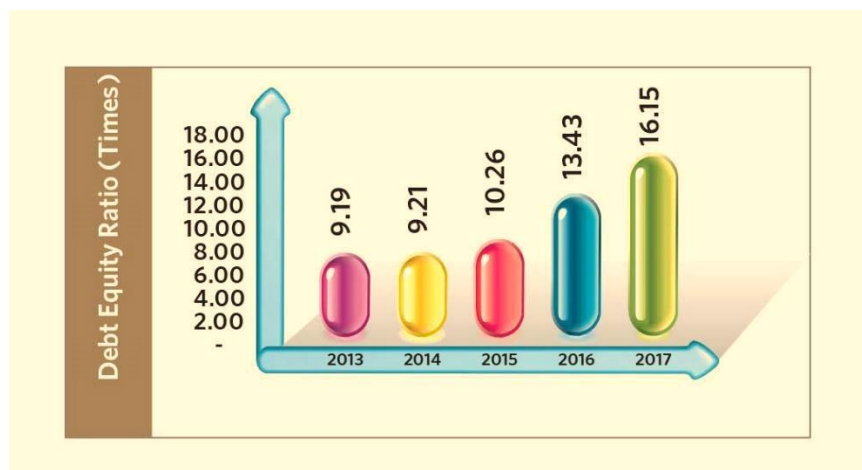
**Analysis:**

The ROE shows fluctuating results over the years. Over this five years period, the value of this ratio ranged from 10.27% to 16.16%. Out of these four years, year 2016 shows the best performance and year 2013 shows the worst performance.

**(D) Debt Equity Ratio:**

A company that finances a relatively large portion of its assets with liabilities is said to have a high degree of financial leverage. Higher financial leverage involves greater risk because liabilities must be repaid and often require regular interest payments. The risk that a company might not be able to meet such required payments is higher if it has more liabilities.

**Formula: Debt-to-equity ratio = total debt\* ÷ total shareholder’s equity**



**Figure: Debt Equity Ratio of FSIBL**

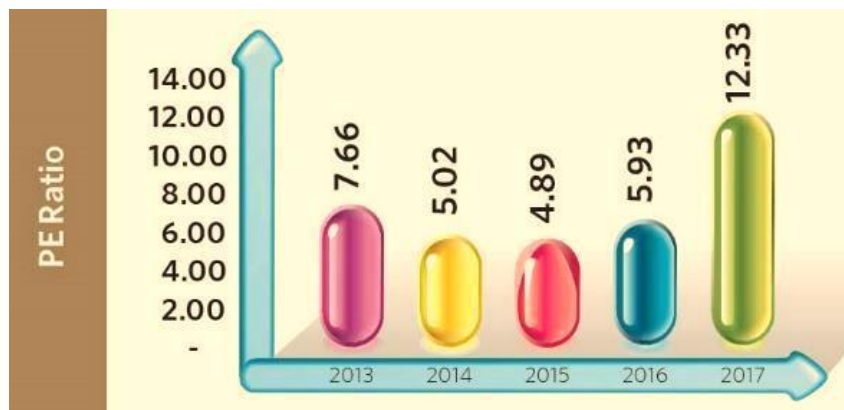
**Analysis:**

The debt position of that indicates the amount of other people’s money being used in attempting to generate profits. In this salutation FSIBL 2016Debt Equity Ratio was 13.43%and in 2017 was the best performance and it was 16.17%. So this organization should give more emphasize on equity capital than debt capital.

## Price-Earnings Ratio:

A stock's market value is determined by its expected future cash flows. A comparison of a company's EPS and its market value per share reveals information about market expectations.

**Formula:** PE ratio= Price per share ÷ Earning per share.



### **Analysis:**

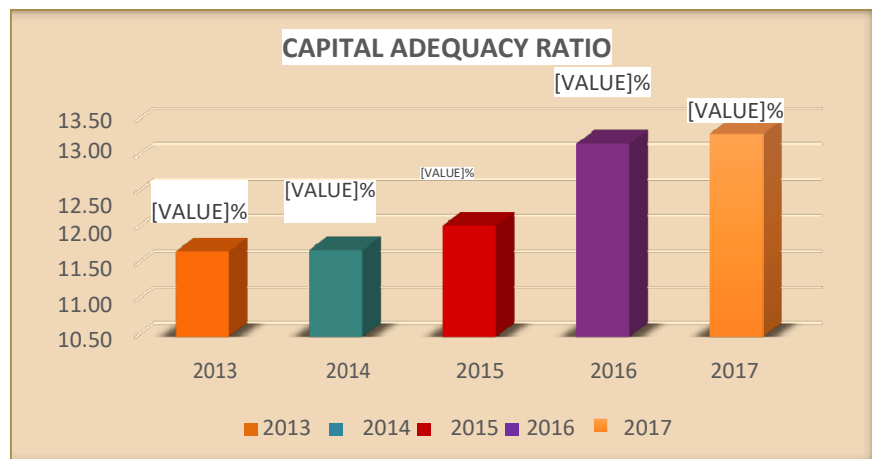
In FSIBL2016 PE Ratio was 5.93and in 2017 was the best performance and it was 12.33. This high PE ratio can prove to be a good investment if its earnings continue to increase beyond current expectations.

## Capital Adequacy Ratio (CAR):

### Formula:

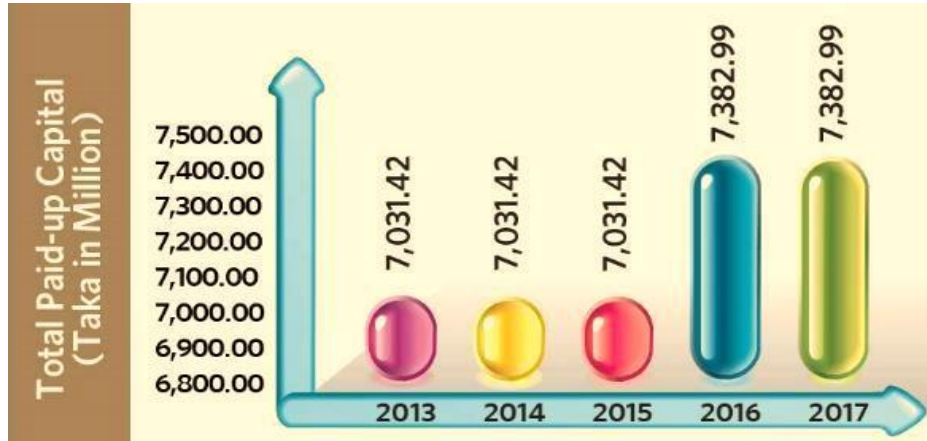
$$\frac{\text{Tier One Capital} + \text{Tier Two Capital}}{\text{Risk Weighted Assets}} \times 100$$

### Graphical Presentation:

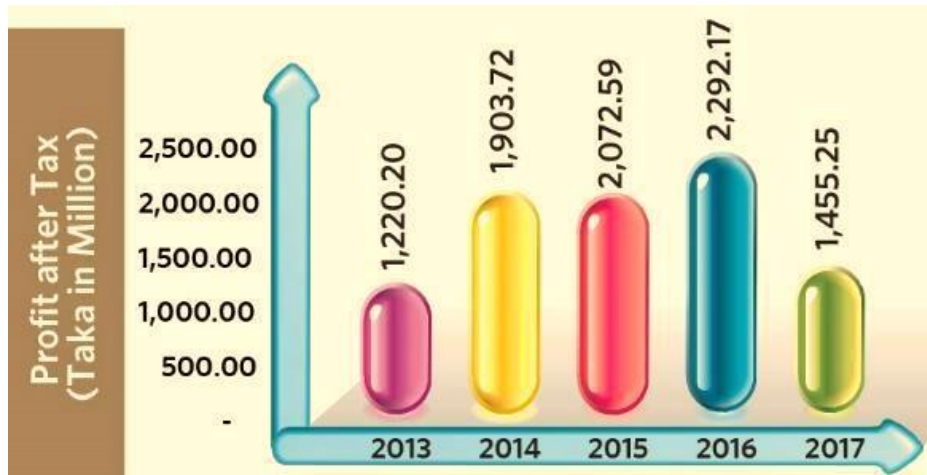


**Figure:** Capital Adequacy Ratio

Total Paid-up Capital:



Profit after Tax:



## PROFITABILITY/DIVIDENDS/ PERFORMANCE AND LIQUIDITY RATIOS

Particulars	Year 2017	Year 2016
Gross Profit Ratio (%)	76.61	67.88
Earnings before Interest, Depreciation and Tax (Million Taka)	6,463.93	4,956.54
Price earnings Ratio (%)	12.33	5.93
Current Ratios (%)	1.02	1.03
Return on Capital Employed (%)	10.27	16.16
Debt Equity Ratio (%)	16.15	13.43



## **Chapter-Four:**

# **Findings, Recommendations and Conclusion**

## 4.1 Findings:

Findings regarding various aspects of financial statement analysis of First Security Islami Bank Limited are presented below:

- Current Ratio of FSIBL in 1.03:1 (2017) was lower than 2016, 2015, 2014.
- Operating Profit percentage against working Funds was 40.16% 2016 which was gradually increased to 43.53% in 2017, so the growth seems to be positive.
- Earnings per Share in Tk.1.97 (2017) was lower than 2016, 2015 and 2014.
- Return on Asset ratio in 1.40% (2017) was lower than 2016, 2015 and 2014.
- In 2016, PE Ratio of FSIBL was 5.93 and in 2017 was the best performance and it was 12.33.
- Capital Adequacy Ratio in 2017 (13.33%) was higher than 2016, 2015 and 2014.
- Return on Equity in 2017 was higher (15.96%) than 2016 (12.74%) and 2014 (9.14%).
- In 2017 (16.15) Debt Equity Ratio of FSIBL was High. But In 2013 it was the worst performance which is (9.19).



## 4.2 Recommendations:

FSIBL has been achieving success for almost thirty one years, but competition is being increased simultaneously in banking sector of our economy. Lots of banks have been established and they are expanded with the passage of time. To survive as a top banking organization FSIBL has to do lots of things, some of those are given below:

- FSIBL should increase current asset and decrease current liabilities for smoothly operate their business.
- FSIBL should take necessary steps to increase their Net Income.
- In 2014 First Security Islami Bank Ltd Debt Equity Ratio was 13.43% and in 2017 was the best performance and it was 16.17%. So this organization should give more emphasize on equity capital than debt capital.
- FSIBL should decrease long term liability.
- Bank should make proper and exhaustive documentation before disbursement and to ensure proper supervision, monitoring and follow up of each credit.
- The Bank should provide training to the employees so that they can achieve more expertise in Credit Management.
- It should follow the guidelines provided by Bangladesh Bank.
- The bank should speed up its loan processing time, to ensure better services for its clients. The branch manager should be given more authority to sanction loan for reducing loan processing time.
- The terms and conditions regarding credit should be moderate for the clients. Also, the bank should arrange seminars to clarify the terms and conditions of all service to its clients.
- To maintain a good portfolio of Financial Statement, the bank should diversify its loan services. Lending for agriculture and medium enterprise purpose should be increased.
- For increasing the market share the bank should increase its consumer loan facilities.

- The level of lending in corporate (large) enterprise financing should be increased by the bank to increase potentiality of more revenue.
  
- Skilled manpower should be employed to ensure professionalism for performing financial activities more efficiently.
  
- For reducing loan loss and maximizing revenue the supervision and monitoring activities should be performed effectively and efficiently.
  
- The introduction of specific credit recovery unit can be a unique tool to realize credit from the borrowers.
  
- Investment sales and marketing wing should be introduced to attract and retain a large number of clients.

### **4.3 Conclusion:**

First Security Islami Bank Limited is a leading commercial bank in our country for its goodwill, huge number of branch, interactive corporate culture and team work among employees. The Mohakhali Branch of FSIBL offers various types of loans and advances to customers according to Investment banking rules and regulations of our country. The main source of income of the Bank is it's sanctioned to various parties. The focus of the bank lies on its large clientele base and their expectation from the bank.

The performance of the Branch is satisfactory but not enough to be a top banking company. From the Branch position as on recent year ended, it can say that more emphasize is given to finance for the trade and commerce sector but consumer loan, corporate (large) enterprise financing is not prioritized by the Bank. Skilled manpower and professionalism of employees are necessary for the Bank to provide better services, increase customers and retain them. Introduction of more facilities, SMS banking, credit sales and marketing may bring positive result and increase profit of the Bank, which may help the Bank to hold a top position in banking sector. Moreover, proper monitoring, supervision and recovery activities can reduce loan loss and increase Investment realization for the bank.

FSIBL has opportunity to proliferate product line to enhance its sustainable competitive advantage and ensure earning more profit. Business innovation and improvement and removal of present problems may strong the Bank's position in banking sector and thus the Bank will be able to reach its ultimate goal.

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## Appendix



**মেহনতি**  
মুদারাবা হস্তশিল্পী সঞ্চয়ী হিসাব\*

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- ১০০/- (একশত) টাকা শির্য হিসাব খোলা যায়
- আকর্ষণীয় মুদাফা



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- প্রারম্ভিক জমা ৫,০০০ টাকা
- ছি এটিএম কার্ড ও ডেক বই
- লকার সার্ভিসের উপর ২০% ছাড়



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- মেয়াদ কাল: ০, ৫, ৮, ১০, ১২, ১৫ ও ২০ বছর
- ১ লাখ টাকার ছি জীবন বীমা সুবিধা

নিম্নোক্ত ছক অনুযায়ী আমানতসহ সম্ভাব্য মুদাফা প্রদান করা হবে।

মাসিক কিস্তি	০ বছর	৫ বছর	৮ বছর	১০ বছর	১২ বছর	১৫ বছর	২০ বছর
১০০	৪,৩০৪	৭,৬৭২	১৪,০৯০	২০,১৯৪	২৭,১৬৫	৩৫,৪০৭	৪৫,৬৫০
২৫০	১০,০০০	১৯,১৬৩	৩৫,৯০২	৫০,৪৯৪	৬৭,৩০১	৮৭,২৭১	১১০,৫০০
৫০০	২০,৩৬০	৩৯,৫২২	৭২,৯৬৪	১০০,৯৯৬	১৩৫,৫০০	১৭৫,৫০০	২২৫,৫০০
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৩০০০	১২৫,৩৬০	২৩৫,৬৪২	৪৫১,৯২৮	৬৩৫,৯৯৬	৭৬৫,৫০০	৯১৫,৫০০	১০৬৫,৫০০
৩৫০০	১৪৬,৩৬০	২৭১,৬৪২	৫২১,৯২৮	৭৬৫,৯৯৬	৯১৫,৫০০	১০৬৫,৫০০	১২৬৫,৫০০
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৫০০০	২০৯,৩৬০	৩৭৯,৬৪২	৭৩১,৯২৮	১২৬৫,৯৯৬	১৪৬৫,৫০০	১৬৬৫,৫০০	১৮৬৫,৫০০

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ফোন: ০২-৯৮৮৮৩৩৬৬, ফ্যাক্স: ৯৮৯১৯১৫

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স্বপ্নের সুরভাসিনী

## ইসলামী শরীয়াহর আলোকে আমাদের সেবা ও প্রকল্পসমূহ

আলো  
প্রজন্ম  
আব্দুল  
বহুমন  
মর্যাদা সন্তোষ  
নিরাময় সন্ধান

উন্নতি আরব প্রয়াস  
যবণী সহজ প্রবীণ যাকাত ফাউ  
মেহনতি মুদারাবা হস্ত সঞ্চয়ী হিসাব  
অগ্রসর মুদারাবা আমানত উদ্দীপন  
আবসর মুদারাবা আমানত  
মুদারাবা কাসম ওয়াকফ ডিপোজিট স্কিম  
মুদারাবা মাসিক মুদাফা প্রকল্প  
মুদারাবা মাসিক জমা প্রকল্প

ট্রিপল বেনিফিট  
প্রাপ্তি  
সুদশ

ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লি.  
FIRST SECURITY ISLAMIC BANK LTD.

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# ইসলামী শরীয়াহর আলোকে অনেকগুলো নতুন সেবা প্রকল্প একসাথে

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## আলো

মুদারাবা শিক্ষা  
আমানত প্রকল্প

যে যে সন্তানের উচ্চ শিক্ষার পথ মসৃণ  
করে সে তার কৃত্যে বিশেষ সন্মান  
লাভ পাবে\*



## বক্ষন

মুদারাবা বিবাহ  
আমানত প্রকল্প

যে যে সন্তানের বিবাহে ব্যয়  
করেন তাই তার কৃত্যে বিশেষ সন্মান  
লাভ পাবে\*



## নিরাময়

মুদারাবা চিকিৎসা  
আমানত প্রকল্প

যে যে নিরাময়ে চিকিৎসার ব্যয়  
করেন তাই তার কৃত্যে বিশেষ সন্মান  
লাভ পাবে\*



## অবসর

মুদারাবা পেনশন  
আমানত প্রকল্প

অবসরে সন্তান হোক  
সহযোগী



## অংকুর

মুদারাবা শিক্ষার্থী  
সঞ্চয়ী হিসাব

শুধুমাত্র এগুণের মধ্যে আমরা  
হাটুয়ে দিতে চাই সন্তানের  
ভবিষ্যৎ



## প্রাণ্ডি

মুদারাবা বেতন সঞ্চয়ী হিসাব

যে কোন প্রতিষ্ঠানের মাসিক  
বেতন প্রদানের হিসাব  
স্বয়ংক্রিয়ভাবে তাই লম্বাং কর্তৃক  
আমরা তাই আপনাকে পাবে



## সম্মান

আল-ওয়াদিয়াহ  
প্রিমিয়াম একাউন্ট

আপনার সন্তানের মূল্যটি আমরা  
যোগ করে তাই শতক শতক  
লাভ পাবে\*



## প্রবীণ

মুদারাবা সিনিয়র সিটিজেন  
সঞ্চয়ী হিসাব

৬০ বা তদুর্ধ্ব বয়স  
নাগরিকদের অর্থনৈতিক  
সুস্থির নিশ্চয়তা



## মর্যাদা

আল-ওয়াদিয়াহ  
ক্রেডিট প্রাস একাউন্ট

আপনার সৈনিকদের প্রয়োজনে  
অর্থনৈতিক কলমেদের সুবিধা



## যাকাত ফান্ড

আপনার যাকাতের অর্থের  
পরিচালনা ও ব্যবস্থাপনা  
স্বয়ংক্রিয়ভাবে আমরা



## হজ্ব

মুদারাবা হজ্ব  
সঞ্চয়ী হিসাব

আপনার হজ্ব পালনে  
অর্থনৈতিক ভাবে মসৃণ করতে  
আমরা হাটুয়ে লিখাই  
সহযোগিতার হাত

## আমাদের পূর্বের তিনটি সেবা এলো নতুন রূপে, বর্ধিত সুবিধা নিয়ে



### মুদারাবা মাসিক মুনাফা প্রকল্প

২৫,০০০ টাকার  
মাসিগল ভিপোজিট  
সুবিধা

ইম সুবিধা\*



### মুদারাবা আমানত দ্বিগুণ বৃদ্ধি প্রকল্প

ছয় বছরে আপনার  
আমানত প্রায় দ্বিগুণ বৃদ্ধি

ইম সুবিধা\*



### মুদারাবা মাসিক জমা প্রকল্প

৫০০ - ২৫,০০০ টাকা  
পর্বত মাসিক জমার সুবিধা

ইম সুবিধা\*

**ৱেলথ**  
টাকার জীবন বীমা সুবিধা

বিস্তারিত জানতে নিকটস্থ শাখায় যোগাযোগ করুন অথবা ফোন করুন: ০১৭৩০ ৩১৬ ১৬৮



## ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লি:

FIRST SECURITY ISLAMI BANK LTD. فارست سیکيوریتی اسلامی بنک لیمیتد

প্রধান কার্যালয়: ২৩, দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ। ফোন: ৯৫৬০২২৯, ফ্যাক্স: ৯৫৬১৬৩৭

<p>www.fsibbd.com</p> <p>সবার জীবন সবসময়</p>  <p><b>প্রজন্ম</b></p>	<h2 style="text-align: center;">Special Schemes for the College &amp; University going Students</h2>	<p>সবার জীবন সবসময়</p>  <p><b>উদ্দীপন</b></p>
<p>মুদারাবা নিউ জেনারেশন সঞ্চয়ী হিসাব স্বাক্ষর করেই শুরু হয় এটিতে কাজ</p>		<p>মুদারাবা নিউ জেনারেশন ডিপোজিট স্কীম উদ্দীপন করে আয়শুরীকরণ</p>
<ol style="list-style-type: none"> <li>1. Account Opening: 200 Taka</li> <li>2. Free ATM Card</li> <li>3. Free Cheque Book</li> <li>4. 8% (Provisional) Profit on monthly average balance</li> <li>5. No Account Maintenance Fees</li> </ol>	<ol style="list-style-type: none"> <li>1. Monthly Installment: Any Amount from 200/- to 20,000/-</li> <li>2. Tenure: 1 to 8 Years</li> <li>3. Attractive Profit</li> <li>4. 1 Lac Taka Free Life Insurance Facility</li> </ol>	