



**Daffodil**  
*International*  
**University**

## **Internship Report on**

**“Performance Evaluation of Deposit of First Security Islami Bank”**

**Ranabhola Branch**

**Submitted To:**

**Dr. Md. Abdur Rouf**

**Associate Professor**

Department of Business Administration

Faculty of Business & Entrepreneurship

**Daffodil International University (DIU)**

**Submitted By:**

**Md Abu Said**

ID: 162-11-347

Major in Finance

Department of Business Administration

**Daffodil International University (DIU)**

## Letter of Transmittal

Date: 04, January, 2020

To  
Dr. Md. Abdur Rouf  
Associate Professor  
Daffodil International University (DIU)  
Dhaka, Bangladesh.  
Subject: Submission of the Internship Report.

Sir,

With due respect, I am submitting my internship report on the topic titled “Performance Evaluation of Deposit Service of First Security Islami Bank Ltd., Ranabhaola Branch” as for the partial fulfillment of my BBA Program.

It’s my pleasure to inform you that I have almost finished my internship in a reputed organization in FSIBL. It was undoubtedly an interesting opportunity for me to work on this assigned topic to enhance my theoretical knowledge into the practical field. While conducting the working report, I have gathered extensive knowledge on banking activities from all the relevant departments of FSIBL, Ranabhola Branch. The internship report has been prepared based on the practical experiences and different ideas obtained during working in First Security Islami Bank Ltd., Ranabhola Branch.

Therefore, I sincerely hope that you will appreciate my effort and I shall be grateful if my report is accepted for the appropriate purpose.

Sincerely yours,

---

Md. Abu Said  
ID# 162-11-347  
Program: BBA

## Acknowledgement

At the very beginning, I would like to express my deepest gratitude to almighty Allah for giving me the strength and the ability to finish the task within the scheduled time.

I am deeply indebted to my Internship supervisor **Dr. Md. Abdur Rouf**, faculty of Business and Entrepreneurship, Daffodil International University (DIU) for his whole-hearted supervision to me during the report period. His golden suggestions and command helped me a lot to prepare the report in a well-organized manner.

I express my deep gratefulness to **Md. Rafiq Ivena Salam**, AVP and Manager of First Security Islami Bank, Ranabhola Branch for his kind permission to allow me for three months practical orientation in this Bank. My special gratitude goes to **Mohammed Monjur-ul Karim**, SPO and Manager Operation of Ranabhola Branch for his modern outlook and meticulous supervision to carry out the job perfectly.

I am very grateful to **Abdullah-al-Mahfuz**, Principal Officer (PO) for his support to collect all the financial data about deposit service of FSIBL, Ranabhola Branch. Moreover, I am very much grateful to **Mohammad Ajimul Hoque**, (Assistant officer) for helping me very much although he was very much busy in that time.

I would also like to thank to all of those who gave me full support and cooperate to understand my responsibility properly.

## Certificate of Approval



This is to certify that Md Abu Said, ID: 162-11-347. Major in Finance, Bachelor of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University (DIU) has successfully completed his internship program under my supervision.

His Internship Report On “**Performance Evaluation of Deposit of First Security Islami Bank**” Ranabhola Branch, is accepted for his consideration.

I wish his total success in life.

.....

**Dr. Md. Abdur Rouf**

Associate Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University (DIU)

Email: rouf.bba@diu.edu.bd

## Student Declaration

I am Md Abu Said student of Bachelor of Business Administration (BBA) at Daffodil International University (DIU). I am declaring that this practicum report on the topic of “Performance Evaluation of Deposit Service of First Security Islami Bank Ltd. Ranabhola Branch.” has solely been ready for the fulfillment of the course of BUS 490 Practicum’s the partial demand of Bachelor of Business Administration (BBA).

It has not been ready for the other purpose except this report. All the money information utilized in this report and Client identity has been unbroken confidential between this report and also the University.

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Md Abu Said  
ID# 162-11-347  
Program: BBA

## Executive Summary

This report is prepared for the requirement of the BBA program of DIU. This focus on three month working experiences in FSIBL, Ranabhola Branch and the report topic is “Performance Evaluation of Deposit Service of First Security Islami Bank Ltd., Ranabhola Branch.” I tried my best to provide a clear idea about deposit performance of First Security Islami Bank Ltd. Ranabhola Branch.

In Chapter 1, I have discussed about the report broad and specific objectives, scopes.

Chapter 2, which means the organizational part, covers all information about the organization. I have discussed about the background of. FSIBL, corporate information and five years financial statements of the organization. I also discussed about the mission and vision of FSIBL.

In the Analysis and Research part I have highlighted the financial performance of deposit of FSIBL, Ranabhola Branch. In this part I have shown Five years financial data of the branch through some tables and graphs. I tried my best to gather all the financial information of deposit of the branch. In the ratio analysis there is some ratio which has been collected from annual report 2018 of FSIBL.

In research part I have found some problem from the analysis of the financial performance of deposit service of FSIBL, Ranabhola Branch. After analyzing the data that I had collected from the branch I have found that a significant number of Mudaraba STD holders are decreasing since its commencement in 2015 while other deposit account is performing well and amount of total deposit is also increasing in other deposit service. So, I have made a sample survey among the existing deposit customer and also discussed with the branch officer about why this is happening. After doing the survey I have found that some of the customers have complained about the provisional rate of profit provided by the branch is less than the other deposit service. Also, I have found that some customers do not get any prior notice about the fluctuations of provisional rates of profit for Mudaraba STD, although most of the customers agreed that they prior notice. So, based on the overall report I have made some recommendations.

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**Chapter: 1**

**Introductory Part**

## Introduction to the report:

First security islami bank is a commercial bank which is under Bangladesh bank. They are provided various services. In this services deposit service is one of them. Deposit is deliberated to be the most important way of a banks fund which plays an important role in running a banking industry. FSIBL have various types of deposit. Every year this bank evaluates their deposit performance. Performance evaluation of deposit is defined as a formal and productive procedure to measure of financial execution based on monthly or yearly financial performance. Bank Performs Evaluate their deposit because of some needs like, to provide information about deposit performance rank. To know their performance lacking. Provide information which helps to council the subordinate. Performance Evaluation is a continuous process of large-scale organization And for Future Development.

### **1.2 Objectives of the Study:**

The specific objectives are given below: -

- To evaluate various deposit service of the bank.
- To identify the problems of deposit services of that branch.
- To make some recommendations to overcome those problems.
- To know the budget and achievements of deposits of the branch.

### **1.3 Scopes of the study:**

The scope of this report is limited to the study of deposit services of FSIBL, Ranabhola Branch. All the data about the deposit were collected from the FSIBL, Ranabhola Branch. So, the scope of the research is limited to the branch. I have completed my internship in that branch so the scope of the study is FSIBL Ranabhola Branch.

## **1.4 Research Methodology:**

### **➤ Research Philosophy:**

When I was working in account opening section in FSIBL I saw all procedure of account opening. Because my research topic is “Performance evaluation of deposit service of FSIBL, Ranabhola Branch.” After collecting all the data related to my topic, I have found that MSTD account in this branch is really low comparing with other type of deposit, so I made a survey regarding the problem.

### **➤ Method of data collection:**

I collected data from both primary and secondary sources, but most data from secondary sources was collected:

### **➤ Primary Sources of Data:**

- Sample survey of deposit account holders of FSIBL, Ranabhola Branch.
- Face to face conversation with the clients and branch officers.

### **➤ Secondary Sources of Data:**

- Annual report of FSIBL 2018
- Website of FSIBL
- Financial data obtained from the branch

## 1.5 Limitations of the Study:

In this study I have noticed some limitations. Because I just learnt from book but practically is so different. But as an internship student it was a great opportunity for me to know the details about the FSIBL. Like: customer's concepts, their opinion, collect some Bank's document and different Sections etc.

But the following limitations were present:

- ✓ Three months' time is not enough for such an extensive study. It is very difficult to collect all the required information in such a short period.
- ✓ Since the bank staff were very busy, very little time could be given to me.
- ✓ Sufficient data and information were not enough for the purpose of study.
- ✓ The Bank's website was not so rich in data collection.
- ✓ Lack of my experience.

**Chapter: 2**

**ORGANIZATION PART**

## 2.1 Background of First Security Islami Bank Ltd.:

First Security Islami Bank Limited (FSIB) started its journey on August 29, 1999 under the leadership of Mr. Mohammad Saiful Alam, Founding Chairman who had a long dream of floating a commercial bank that would contribute to our country's socio-economic development.

As a banking company to carry on banking business under the Companies Act 1994. On 22 September 1999, it obtained permission from the Bangladesh Bank to start its business. The Bank carries out banking operations across its country's 67 branches. The bank's commercial banking operations include a wide range of services including taking deposits, making loans, discounting bills, conducting money transfer and foreign exchange transactions, and performing other related services such as safe keeping, obtaining and providing guarantees, acceptance and credit letters. Since January 01, 2009, the bank has turned into a banking system focused on Islamic sharia rather than traditional banking.

## **2.2 FSIBL Corporate Profile:**

Name of the Company:	First Security Islami Bank Limited.
Legal Form:	Public Limited Company
Date of Incorporation:	August 29, 1999
Bangladesh Bank Approval Number:	No. BRPD (P) 744 (73)/99-2931, August 22, 1999.
Name of the Chairman:	Mr. Mohammad Saiful Alam
Vice-Chairman:	Mohammed Abdul Maleque

Name of the Managing Director:	Sayd Waseque Md Ali
Company Secretary:	Mr. Oli Kamal FCS
No. of Employees:	4600+
No. of Branches:	183
Authorized Capital:	Tk.10,000 Million
Paid-up-Capital:	Tk.7,840.99 Million
Registered Office:	23, Dilkusha, Dhaka-1000, Bangladesh.

### 2.3 Five Years Financial Performance of (FSIBL) at a Glance:

SI	Particulars	2014	2015	2016	2017	2018
01	Authorized Capital	10000	10000	10000	10000	10000
02	Paid-up Capital	4114.38	6788.74	6788.74	7128.17	7840.99
03	Shareholders' equity	8375.79	9694.54	10759.84	11770.74	13361.35
04	Total Capital	12557.89	12901.11	14576.62	20081.61	21278.58
05	Statutory Reserve	1609.27	1902.25	2412.13	2950.45	3556.56
06	Total Assets	204876.46	256604.94	301669.25	344486.61	372183.32
07	Total Liabilities	196229.71	246612.43	290608.81	332375.69	358477.74
08	Total Deposits	182503.18	231259.39	274224.78	299106.10	320011.19

<b>09</b>	Total Investments	152370.71	187239.08	225889.89	273352.47	311416.52
<b>10</b>	Total Contingent Liabilities	23664.96	25847.30	33568.78	41263.42	47097.22
<b>11</b>	Total Risk Weighted Assets	105330.30	123756.63	135866.72	164510.61	205717.12
<b>12</b>	Total Fixed assets	3132.83	3261.04	3450.12	3473.09	3426.78
<b>13</b>	Total income	5262.60	6402.67	8137.94	9925.24	11207.96
<b>14</b>	Total Expenditures	2989.70	3851.39	4409.31	5038.14	5777.79
<b>15</b>	Profit Before Provision and Tax	2272.90	2551.27	3728.62	4887.10	5430.18
<b>16</b>	Profit Before Tax	1553.64	1541.95	2555.72	2813.80	3074.04
<b>17</b>	Net Profit after Provision and Tax	694.28	853.54	1410.33	1389.92	1594.66
<b>18</b>	Foreign Exchange Business	60910.00	62390.00	80470.00	102297.00	115764.00
<b>19</b>	Import Business	40310	48860	63720	82257.80	92431.30
<b>20</b>	Export Business	16440	7870	8970	8849.40	10337.70
<b>21</b>	Remittance	4160.00	5660.00	7780.00	11190.20	12995.00
<b>22</b>	No. of Foreign Correspondent	1400	1400	1400	1500	2500
<b>23</b>	Profit earning Assets	177645.17	215821.39	255771.68	303697.02	342308.27
<b>24</b>	Non-Profit earning assets	27231.29	40783.55	45897.57	40789.60	29875.05
<b>25</b>	Investment as a % of total Deposit	83.49%	80.96%	82.37%	87.78%	93.15%
<b>26</b>	Capital Risk Assets Ratio (CRAP)	11.92%	10.42%	10.73%	10%	10%
<b>27</b>	Dividend	10%	10%	10%	10%	10%
<b>28</b>	Cash	-	10%	5%	-	-
<b>29</b>	Bonus	10%	-	5%	10%	12%
<b>30</b>	Rights Share	50%	-	-	-	-
<b>31</b>	Cost of fund	11.76%	10.81%	9.21%	8.62%	9.66%
<b>32</b>	Net Asset Value per share	20.35	14.28	15.85	16.51	17.04
<b>33</b>	Earning per shares (EPS)	1.02	1.26	2.08	1.89	2.03
<b>34</b>	Price earnings ratio (times)	10.69	6.98	6.68	8.33	5.39



<b>35</b>	Return on Assets (ROA) after Tax	0.38	0.31	0.51	0.41%	0.45%
<b>36</b>	No. of Shareholders	82803	72371	61923	56483	52873
<b>37</b>	No. of employees	2673	2820	3224	3640	3898
<b>38</b>	No. of Branches	137	148	158	168	177

## 2.4 Corporate Mission & Vision

### ❖ **Mission of the bank:**

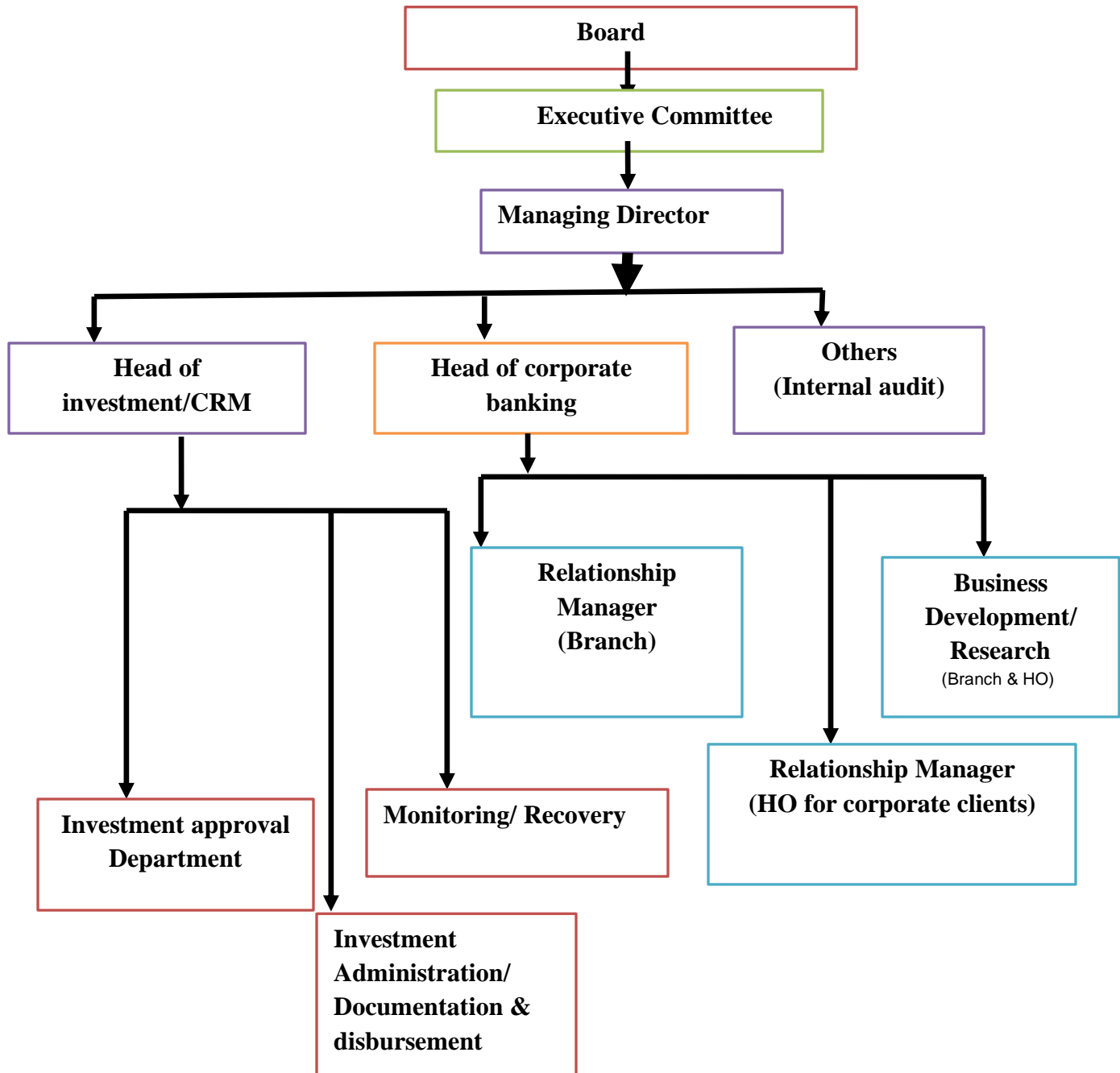
FSBL mission is to provide banking services to our valued clientele with extreme proficiency and sincerity invigorated by an efficient workforce and the latest state of the art technology.

### ❖ **Vision of the bank:**

The vision of FSBL is to always fight to achieve superior financial performance, be considered a leading Islamic Bank by reputation and perfection. Try to encourage savings in the form of direct investment to pay a vital role in human development to establish a good banking system.

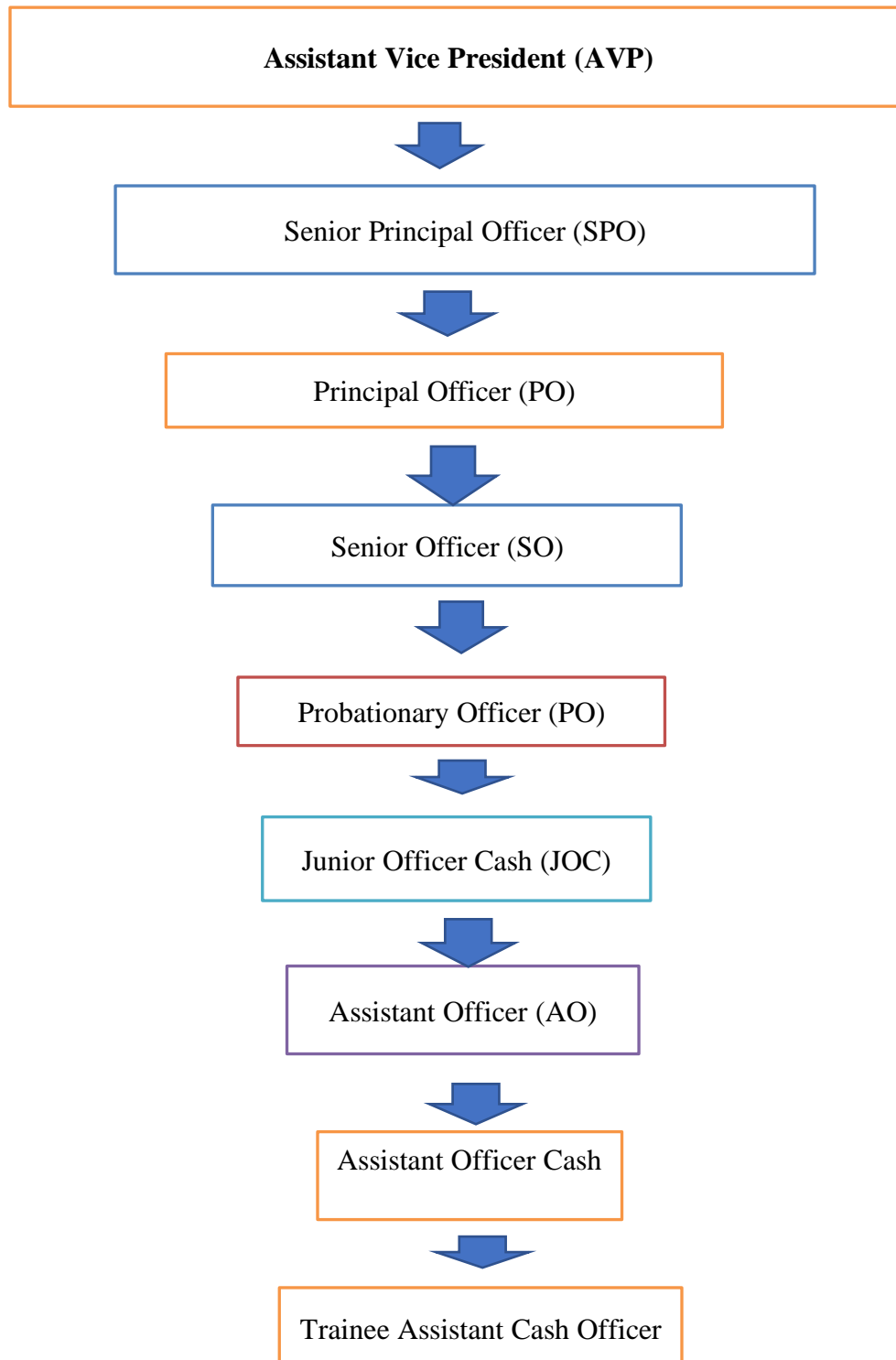
## 2.5 Organizational Structure of FSIBL Bank Ltd:

The Organizational structures are as follows:



[Source: Annual report 2018]

## 2.6 Organizational Structure of Ranabhola Branch:



## 2.7 Products and Services:

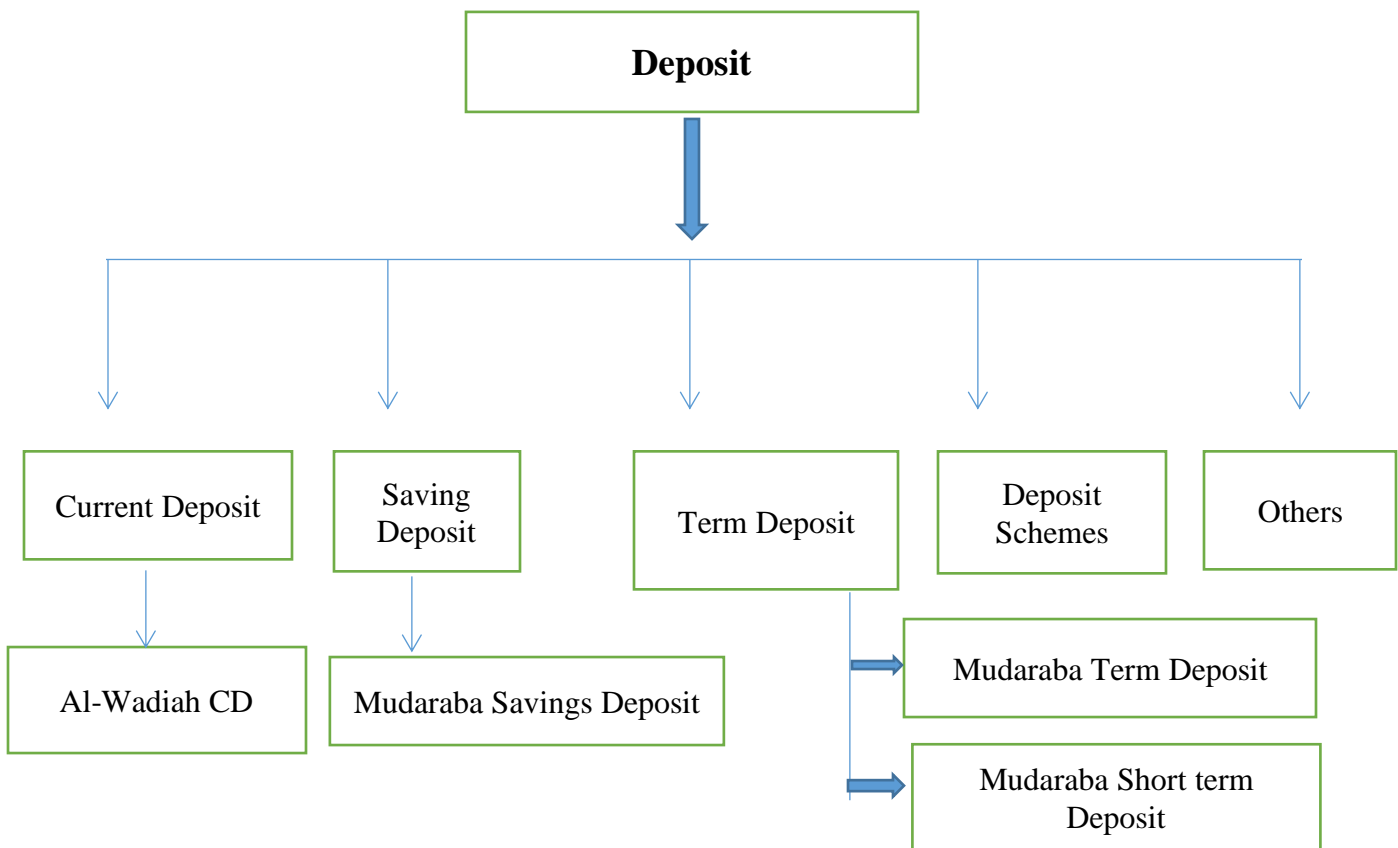
There are so many products and services offered by FSIBL. This has been shown in the following figure:

Figure 2.1  
Products and Services of FSIBL.



## 2.8 Breakdown of Deposit:

Figure: 2.2  
Flow Chart of Deposit



[Source: Data from branch]

[Footnote: Authors work]

## 2.9 Deposit Rates:

Table: 2.1  
Provisional rate of profit

<b>Deposit Name</b>	<b>Provisional Profit Rate</b>
<b>Al-Wadiah Current Deposit</b>	0%
<b>Mudaraba Savings Deposit (MSD)</b>	3.50%

[Source: FSIBL Website]

[Footnote: Authors work]

Table2.2  
Provisional rate of profit for MTD

<b>Mudaraba Term Deposit</b>	<b>Provisional Rate of Profit</b>
<b>1 (One) Month to below 3 Months</b>	4.00%
<b>3 Monthsto below 6 Months</b>	7.00%
<b>6 Months to below 1 year</b>	9.50%
<b>1 Year to below 3 years</b>	9.90%

[Source: FSIBL Website]

[Footnote: Authors work]

**Table 2.3**

**Mudaraba Monthly benefit Scheme**

<b>Year</b>	<b>Rate of Profit</b>	<b>Specific slabs (may be more or less) and projected payable after maturity.</b>						
		<b>100/-</b>	<b>500/-</b>	<b>1,000/-</b>	<b>2,000/-</b>	<b>5,000/-</b>	<b>10,000/-</b>	<b>20,000/-</b>
<b>03 Years</b>	9.00%	4123/-	20640/-	41228/-	82457/-	206142/-	412285/-	824569/-
<b>05 Years</b>	9.25%	7561/-	37807/-	75613/-	151227/-	378067/-	756134/-	1512268/-
<b>08 Years</b>	9.25%	13910/-	69651/-	139302/-	278603/-	696508/-	1393016/-	2786031/-
<b>10 Years</b>	9.50%	19412/-	97061/-	194122/-	388244/-	970610/-	1941220/-	3882440/-
<b>12 Years</b>	9.50%	25754/-	128771/-	257541/-	515082/-	1287706/-	2575412/-	5150824/-

[Source: FSIBL Website]

[Footnote: Authors work]

## **2.10 Financial highlights of the Branch**

Following are the important statistics of the Branch:

First Security Islami Bank Limited

Date of opening of the branch: 30 September 2014

Name of present in-charge: Md. Rafiq Ivena Salam

**Table 2.4**  
**Year wise deposit mix of the branch:**

(TK. figure in lac)

<b>Particulars of Deposit</b>	<b>31-12-2014</b>	<b>31-12-2015</b>	<b>31-12-2016</b>	<b>31-12-2017</b>	<b>31-12-2018</b>
<b>Al-Wadiah CD</b>	83.89	168.99	423.80	590.55	344.55
<b>Mudaraba SD</b>	50.53	529.88	895.54	1405.51	1250.22
<b>Mudaraba STD</b>	.03	1.46	1.50	1.25	1.68
<b>Mudaraba Term Deposit</b>	1314.60	4562.33	7867.03	9844.85	8930.95
<b>Deposit under schemes</b>	1.08	98.98	255.22	430.33	540.89
<b>Others</b>	25.49	35.00	37.06	45.08	68.25
<b>Total =</b>	1475.62	5396.64	9480.15	12317.57	11136.54

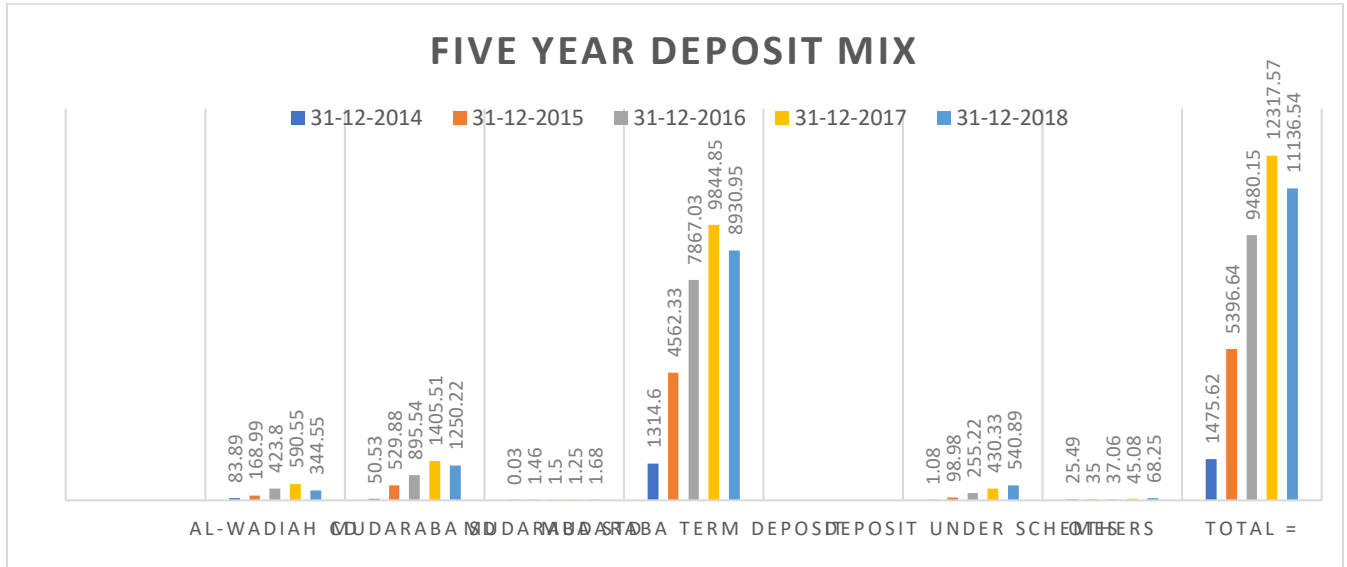
[Source: Data from branch]

[Note: Authors work]



**Figure 2.3**

**Graphical representation of Year wise deposit mix of the branch:**



**2.11 Al-Wadiah Current Deposit:**

Al-Wadiah Current Account follows the Islamic Shariah Law in which the bank is regarded as an Al-Amana (on Trust) guardian and trustee of funds. According to Shariah Principle, this deposit that operates by taking permission from depositors would be taken to use their fund and depositors would not receive any profit. As such, the bank is obligated to refund all the money on customer's request. The account is not barred in time, Account Holder can withdraw money in a working day as many times as he wants.

### ❖ **Main Feature:**

The main features are as follows:

- Halal way or without Riba (interest or usury) transaction
- Unlimited deposit or withdrawal
- No profit will be given
- Cheque book facilities
- ATM Card facilities
- Online transaction free of charge
- No drafting is permitted in the account
- SMS banking involves mobile phone balancing inquiries / mini-statement

### ❖ **Required Documents:**

- Account opening duly filled in and signed by the account holder
- 02 Passport images of each operator duly authorized by the introducer
- Photographs of National ID Card/Passport/Chairman certificates
- Introducer signature

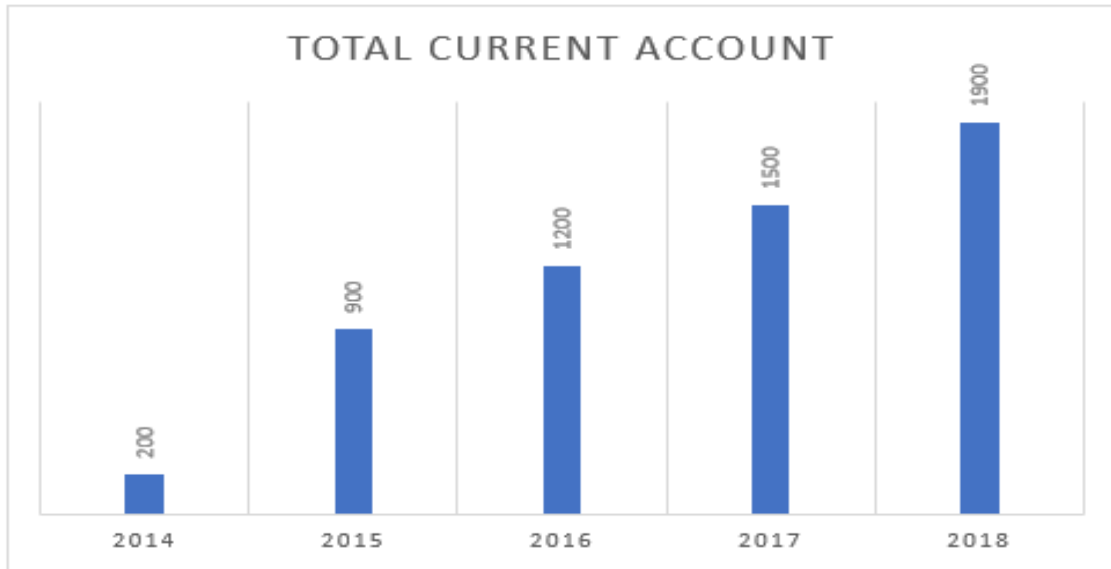
### ❖ **Terms and Condition:**

- With the prior permission of the account holder and without risk to the account holder, Bank may use the fund at its own discretion.
- The customer can withdraw the whole (or part of) fund without notice to the bank.

[Source: FSIBL website]

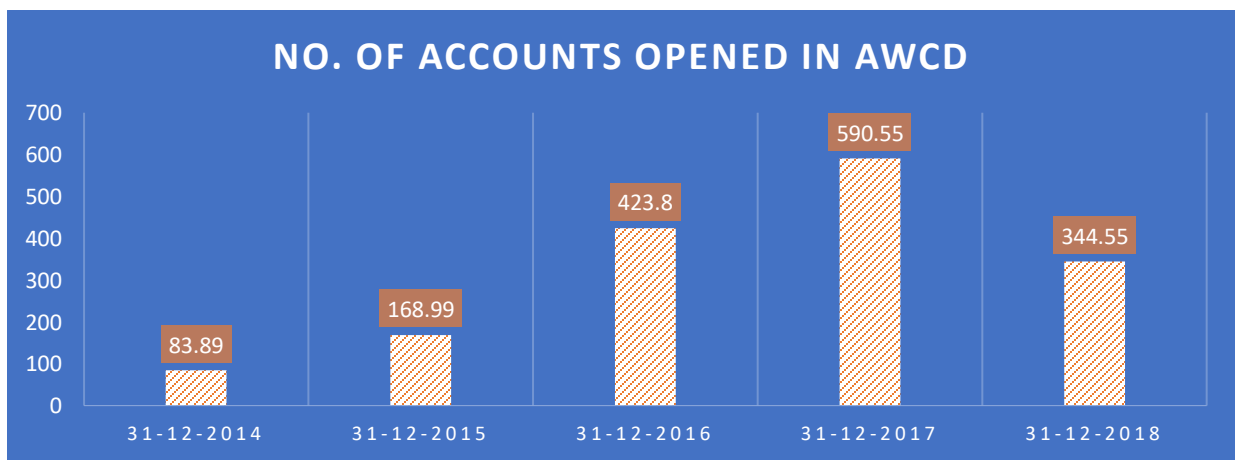
**Figure 2.4**

**Year wise deposit account of Al- wadiah CD**



**Figure 2.5**

**Year wise deposit amount of Al- wadiah CD**



[Source: Data from branch]

➤ **Interpretation:**

- These two graphs show the number of accounts opened and the total amount deposited in the branch per year.
- These two figures are about Al-Wadiah Current Deposit.
- These two figures are showing that the performance of total deposited amount and total number of deposit accounts is good.

## **2.12 Mudaraba Saving Deposit:**

Under Islami Shariah's Mudaraba principal, Mudaraba savings account is opened. The customers are the Shaheb-Al Mal under the same principal and the bank is Mudarib. Mudaraba Saving accounts are primarily intended for Non-Trading customers who have some potential savings with a limited number of transactions. A Mudaraba savings account can be opened and run by more than one user. A guardian on behalf of a minor may open a Mudaraba Savings A / C. In that case, the guardian will obtain a declaration specifying the date of the minor's birth. The budget offers estimated income anticipated for a half-year duration.

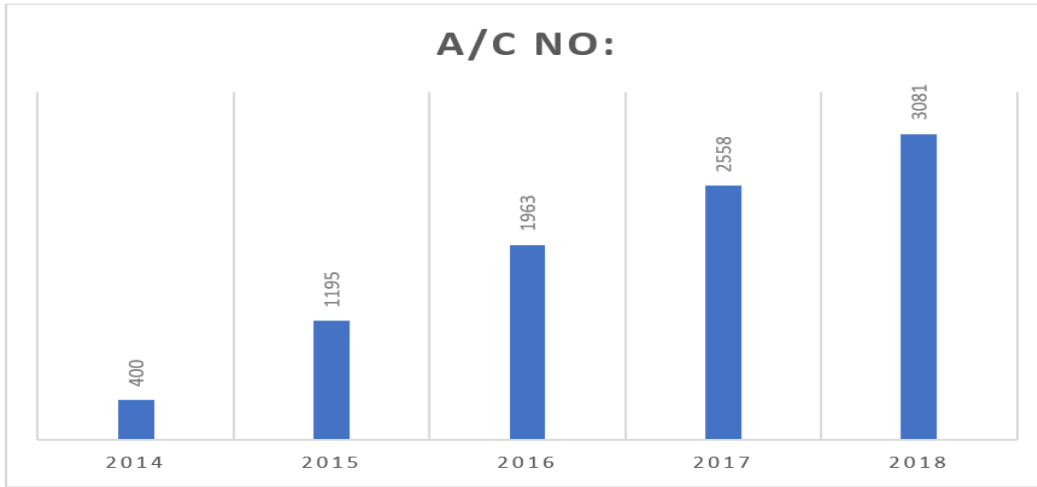
➤ **Main Feature:**

The main features are as follows:

- Attractive short-term profit rate
- Minimum initial deposit is Tk.100.00
- Half-Yearly account statement
- Debit card Limited withdrawal facility
- Free ATM Cash withdrawal from all ATM of FSIBL
- SMS Announcement / Balance Check Banking
- Pay system for salaries
- Cheque book facility

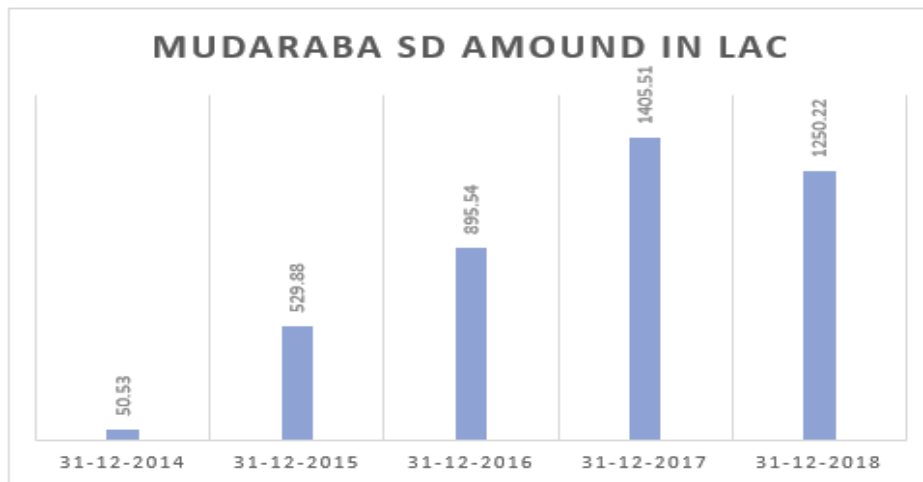
**Figure 2.6**

**Year wise deposit account of Mudaraba SD**



**Figure 2.7**

**Year wise deposit amount of Mudaraba SD**



[Source: Data from the branch]

[Footnote: Authors work]

➤ **Interpretation:**

- These two figures show the total amounts of Mudaraba Saving Deposit per year and the number of accounts opened in Ranabhola branch.
- As the figure shows that gradually the amount of total deposit and number of account holder is increasing in this branch.
- So, it can be said that the performance of MSD is good.

➤ **Documents Required:**

- Account opening form completed by the account holder duly signed
- 02 Copies of all operators ' passport size images correctly approved by the introducer
- Individual ID card photographs / Passport / Chairman certificates
- Signature of the introducer
- Passport size photos and Nominee signature

➤ **Terms and conditions:**

- Account will be run according to the directors of Mudaraba.
- Mudaraba Depositors must distribute at least 65 percent of the investment income as per weight allocated for each account.

[Source: FSIBL website]

## **2.13 Mudaraba Term Deposit:**

Mudaraba Term Deposit (MTD) is opened under Islami Shariah's Mudaraba (Profit Sharing) chief. Under the aforementioned principal, the customers known as Shaheb-Al Mal provide 100 percent of the capital, and the bank known as Mudarib provides its expertise to invest the capital and manage the investment project. It is issued by our bank branches against the deposit of certain amount of money by the customers, persons/organization, following observance of the Anti-

Money Laundering laws, for a fixed period but not less than one month with the obligation to return the deposited money with more or less certain percentage of profit (Tax applicable) after the expiry of the period.

➤ **Different period of MTD products:**

- 01-Month MTD
- 02-Month MTD
- 03-Month MTD
- 06-Month MTD
- 12-Month MTD
- 24-Month MTD
- 36-Month MTD

➤ **Main Features of MTD:**

- A sound minded adult (individually or jointly) or any institution / organization can open MTDR Account with any branch of the Bank.
- Minimum deposit number Tk.10000.00 (10,000) and above but multiple Tk.100.00 (100)
- It is possible to open one or more accounts in the same branch of the bank.
- MTDR Account deposit will be weighted as follows:

**Table 2.5**  
**Duration sand weights of MTD**

<b>Tenure/Period</b>	<b>Weights/Percentage</b>
<b>01 Month</b>	0.83
<b>02 Months</b>	0.83
<b>03 Months</b>	0.88
<b>06 Months</b>	0.92

<b>12 Months</b>	0.96
<b>24 Months</b>	0.96
<b>36 Months</b>	0.96

[Source: FSIBL Website]

- Profit will be measured on a daily basis on a variable rate of profit and will also be applied on the due date.
- Investment against lien from such receipt may be allowed up to 90% of the deposited sum subject to the bank's usual investment terms and conditions.

➤ **Terms and Conditions:**

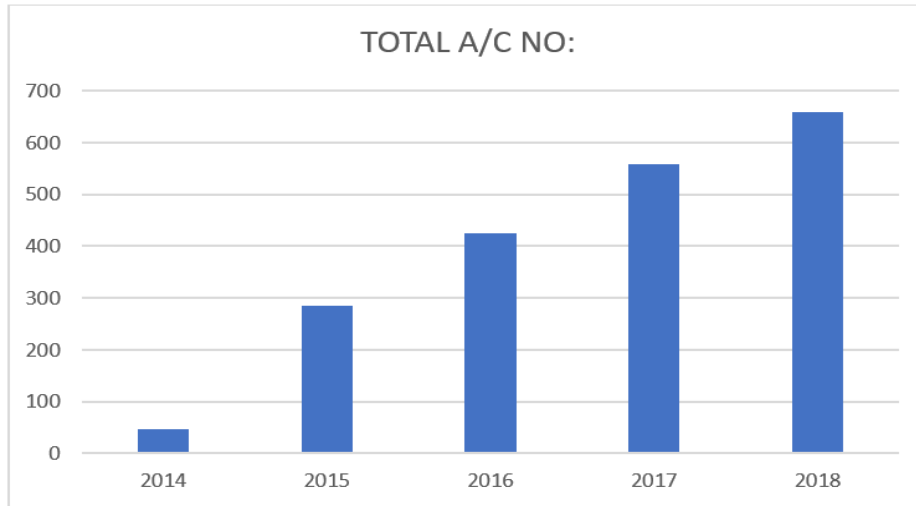
- Normally, deposited amount of MTD is not en-cashable before maturity. If any depositors intend to en-cash his/her MTD Receipt before maturity due to certain unavoidable circumstances, the following terms and conditions will come into force:
  - No profit shall be allowed for premature encashment within 01(one) month
  - If the account is en-cashed after completion of any tenure but before maturity, depositors will be entitled to receive the benefit at the provisional rate of profit of Mudaraba Savings Account.
  - The provisional rate of profit of Mudaraba Savings Account will treat the provisional rate of profit, which was prevailed at the time of opening the MTD account.

[Source: FSIBL website]



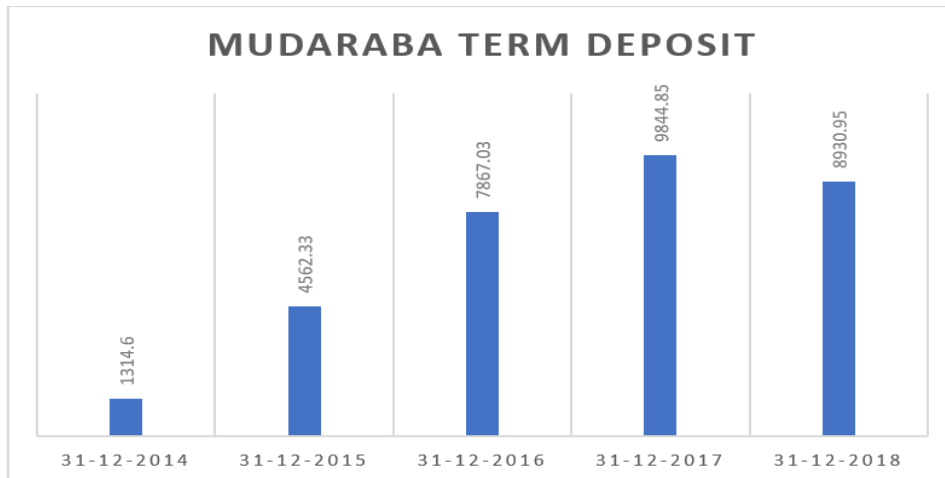
**Figure 2.8**

**Year wise Number of accounts opened for MTD**



**Figure 2.9**

**Year wise total amount of Mudaraba Term Deposit**



[Source: Data from branch]

➤ Interpretation:

- This Two Figure represents the number of deposit account and the amount of total deposit for Mudaraba Term Deposit.

## **2.14 General terms and conditions for opening deposit account:**

The general terms and conditions are as follows:

1. Except for Al-Wadeeah CD Account, the account will be run according to Mudaraba Principles. At least 65% of investment income will be distributed to the Mudaraba Depositors according to the weight age assigned for each account.
2. Bank reserves the right to adjust the principles of weighting and income sharing according to the standard & policy of the Bank.
3. Bangladesh's laws, rules and regulations, customs and procedures applicable to Bangladesh's scheduled bank shall apply to and regulate the conduct of the bank's account opened.
4. Service charge or account maintenance charge shall be charged by the bank from time to time in accordance with the Bank's standard & policy, and the bank reserves the right to recover all costs and expenses (including collection fees and legal expenses) in connection with the account in any way. Income Tax on Benefit, VAT, Excise Duty and any other charges of government will apply as per the circular / instruction of government.
5. While the Bank retains strict confidentiality in all account and business matters, Bank shall always be entitled to report to any of the following information concerning the business of customers and accounts held with the Bank:
6. Any authority with financial, supervisory, legislative or quasi-governmental control over the bank.

7. Any person to whom the bank is required to make disclosure or approved by law or court order.
8. Any alteration in the information provided by the customer must be immediately notified to the bank, otherwise the bank will not be responsible for the consequences.
9. The customer accepts that the bank shall not be responsible for any loss or damage if the bank is unable to provide services in connection with the accounts of any customer due to postal, mail, electrical, electronic, telecommunications or acts of God, accident, conflict, civil or industrial unrest, computer failure or any other cause beyond the control of the bank and cannot be resolved.
10. The Bank reserves the right to close any account without providing prior notice if, in the Bank's view or for any other reason whatsoever, the account's operation is unsatisfactory. The opinion of the bank shall be definitive and conclusive and binding on the consumer in this respect.
11. The bank reserves the right to change the present rules at any time in any way it deems necessary, either individually or to the public, with or without prior notice to the account holder(s).
12. In the case of the death of account holder(s), the account will cease to be active and the entire amount deposited with benefit (if applicable) will be paid to the nominee(s) as stated in the account opening form. If the nominee is a minor, the same will be paid to the minor's legal guardian.
13. If the account is an-cashed before the total final rate of profit is reported, the account holder(s) will be entitled to an interim rate of profit and the bank or accountholder(s) will have no right to claim additional profit if the declared annual final rate of profit differs from the interim rate of profit. But if the reported final rate of profit exceeds the provisional rate of profit and the accountholder(s) states the same in writing, the additional amount of profit may be allowed to the accountholder(s).
14. The additional terms and conditions of each account as stated above shall be considered as an integral part of the terms and conditions.

**Chapter: 3**

**ANALISIS AND RESEARCH  
PART**

**Table 3.1**  
**Five Years Financial performance of First Security Islami Bank,**  
**Ranabhola Branch at a Glance:**

(Amount in Lac)

Sl. No	Particulars	29-12-2014	29-12-2015	29-12-2016	28-12-2017	27-12-2018
1.	Total deposit	1479.36	5497.81	9912.22	12721.37	11532.20
2.	Total investment	0.00	126.86	205.21	304.94	352.69
3.	Average deposit	506.52	864.52	1501.70	2341.58	2756.56
4.	Average investment	0.00	9610.44	2112.10	2549.87	2450.90
5.	Total income	4.78	329.84	699.92	969.62	1169.88
6.	Total expenditure	28.01	389.40	638.13	822.40	1008.63
7.	Profit received from investment	0.00	(59.55)	61.79	147.21	137.70
8.	Profit paid on deposit	280.5	307.77	87.11	1656.32	235.07
9.	Expenditure for manpower	43.54	---	102.28	147.28	13.56
10.	Net Profit	(26.58)	(6.87)	(81.51)	410.58	(37.49)
11.	Total Assets—contra	79.33	229.33	284.46	305.35	271.44
12.	Daily Average voucher	102	210	300	332	338
13.	Number of Employee	13	15	17	15	15

[Source: Data from Branch]

[Footnote: Authors work]

## 3.2 Ratio analysis

**Table 3.2**

### **Ratio Analysis of First Security Islami Bank Ltd. (Based on Annual Report)**

<b>Particulars</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Return on asset (ROA)</b>	1.65%	1.45%	1.06%	1.16%	0.88%
<b>Return on equity (ROE)</b>	14.91%	13.86%	10.27%	11.35%	9.06%

#### ❖ Profitability Ratio:

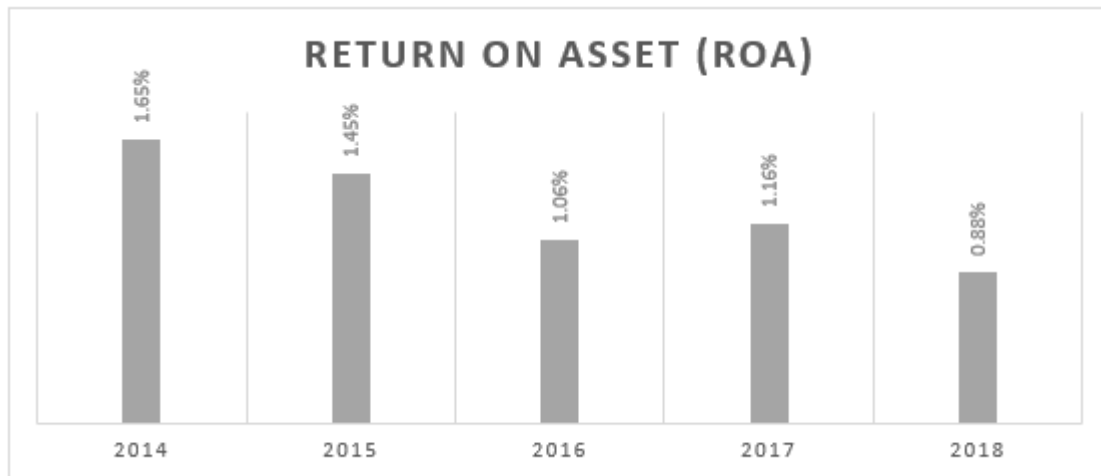
##### ➤ Return on asset (ROA):

ROA is a measure of how profitable a company is in comparison to its total assets. ROA offers an indication of how effective management is to use its assets to generate profits. ROA is shown as a percentage, calculated by dividing the annual earnings of a corporation by its total assets. This is sometimes referred to as "investment return."

- The formula for return on assets is:

$$\text{Return On Assets(ROA)} = \frac{\text{Net profit after tax}}{\text{Total assets}} * 100$$

**Figure 3.1**  
**Return on Asset Ratio of FSIBL**



[Source: Annual Report 2018]

**Interpretation:**

- This Figure represents the return on assets of the overall FSIBL.
- The graph presents that the ROA was 1.65% in 2014 and decreasing gradually in 2015 & 2016, it became 1.45% & 1.06% respectively.
- But it has been increased in 2017 and become 1.16%.

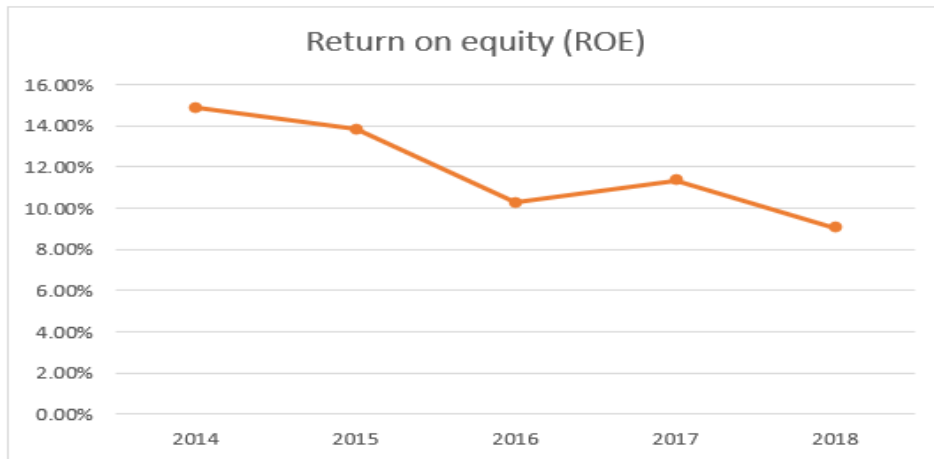
➤ Return on Equity (ROE):

ROE is the amount of net income returned as a shareholder equity ratio. Return on equity measures the profitability of a corporation by revealing how much profit a corporation generates with the investment of money shareholders.

The ROE is calculated as a percentage and as follows:

$$\text{Return on Equity} = \text{Net Income} / \text{Shareholder's Equity}$$

**Figure 3.2**  
**Return on Equity Ratio of FSIBL.**



[Source: Annual Report 2018]

### Interpretation:

In the graph mentioned above we can see that the ROE of FSIBL is decreasing gradually per income year. It was 14.91% in 2014 and 9.06% in 2018. It is bad for bank.

## 3.3 Ratio analysis of the branch:

### 3.3.1 Cost of Fund Ratio

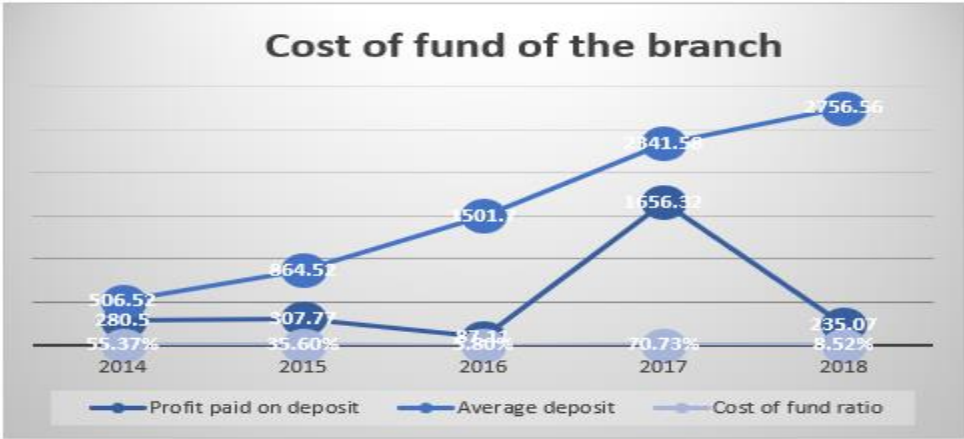
The formula for finding out cost of fund ratio is given below:

$$\text{Cost of Fund} = \frac{\text{Profit paid on deposit}}{\text{Average deposit}} * 100$$



Year	2014	2015	2016	2017	2018
<b>Profit paid on deposit</b>	280.5	307.77	87.11	1656.32	235.07
<b>Average deposit</b>	506.52	864.52	1501.70	2341.58	2756.56
<b>Cost of fund ratio</b>	55.37%	35.60%	5.80%	70.73%	8.52%

**Figure 3.3**  
**Cost of fund of the branch**



[Source: Data from branch]

[Footnote: Authors work]

➤ **Advance Deposit Ratio:**

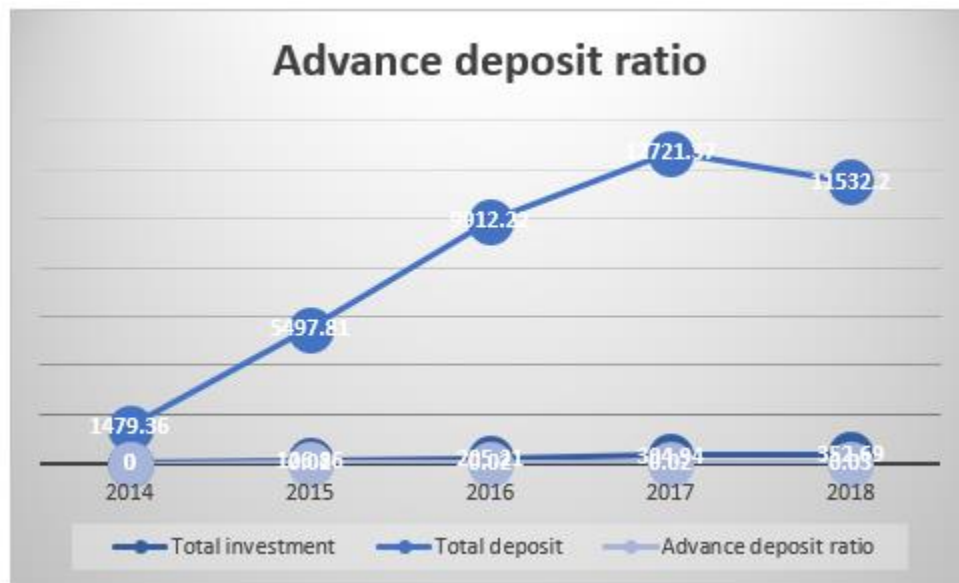
The formula is given below:

$$\text{Advance deposit ratio} = \frac{\text{Total Investment}}{\text{Total deposit}}$$

Year	2014	2015	2016	2017	2018
<b>Total investment</b>	0.00	126.86	205.21	304.94	352.69
<b>Total deposit</b>	1479.36	5497.81	9912.22	12721.37	11532.20
<b>Advance deposit ratio</b>	0.00	0.02	0.02	0.02	0.03

**Figure 3.4**

**Advance deposit ratio of the branch**



[Source: Data from branch]

### 3.4 SWOT Analysis of First Security Islami Bank Ltd:

SWOT is a term used to identify the different strengths, weaknesses, opportunities and challenges that are competitive factors for a particular business. A SWOT will reflect the core competencies of a company when recognizing opportunities that it is currently unable to take advantage of due to a resource gap.s

Thanks to its simplicity and effectiveness in designing strategy, the SWOT analytical approach has gained widespread acceptance. A SWOT analysis is just as useful as the information that makes it up, just like any planning tool. To recognize key issues in an organization's climate, analysis and accurate data are vital.

**Table 3.3**  
**SWOT Analysis of FSIBL**

<b>Internal environment</b>	<b>External Environment</b>
<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>❖ Reputation of FSIBL</li> <li>❖ Team work</li> <li>❖ Financial stability</li> </ul>	<p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>❖ Shariah based Islamic bank</li> <li>❖ Consumer Banking</li> <li>❖ ATM Banking</li> <li>❖ New Products</li> </ul>
<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>❖ Advertising and promotion</li> <li>❖ Remuneration</li> <li>❖ Lack of information</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>❖ Political condition</li> <li>❖ High competition</li> <li>❖ Government regulation</li> <li>❖ Profit Declining</li> </ul>

[Footnote: Authors work]

## Strength:

### 1. Reputation of FSIBL:

FSIBL is one of Bangladesh's leading industry. The bank has a good reputation for providing customers with the highest quality of service. The bank has managed its business with its own images to serve its customers since the inauguration. They have been successful in providing services and goodwill among the banks based on Shariah. With its success and credibility, the Bank is opening up.

### 2. Team work:

FSIBL's management team has been established. There has been a combination of different ideas and expertise in the bank management, which is very important for success in today's competitive market.

### 3. Financial stability:

Financial stability is one of FSIBL's main strengths. Since the bank provides the customers with a wide range of products and services, most of the funds come from deposit. The bank then invests in the investors / borrowers this deposited money.

## Weakness:

### 1. Advertising & promotion:

No formal promotional activity is carried out by the bank. They don't advertise or have any marketing activity whatsoever. They do not even have too many boards of bills. That's why they're far behind the private banking market. Even some people don't know the Shariah runs FSIBL.

## 2. Remuneration:

FSIBL officers ' remuneration is lower than other private banks. Nothing is given even to the internship graduates. Highly qualified human resources are therefore prohibited from entering here.

## 3. Lack of Information:

One of the weaknesses of FSIBL is that most of the information's are not available in the website. Like when I was preparing this report, I had face lots of problems in finding the information about deposit service offered by the bank and I had collected most of the information from the branch about the branch performance of deposit.

## Opportunity:

### 1. Shariah based banking:

FSIBL works on the basis of Islamic Shariah. The Shariah banking has been able to attract customers as Bangladesh is a Muslim country and has achieved great success in the private banking sector.

### 2. Consumer banking:

FSIBL is a corporate banking company. There is a huge opportunity for consumer banking in our country. FSIBL is therefore able to reposition its branding and integrate consumer banking with corporate banking.

### 3. ATM Banking:

The country's banking sector is modernizing in the country. People like drawing money from anywhere at any time. So, the country's ATM card is becoming famous. FSIBL will implement their bank's ATM network. More Over, banks focused on Shariah do not provide ATM cards. So

those who want an ATM card but don't like interest can be drawn by a Shariah-based bank's ATM card.

#### 4. New Products:

The people's goal has changed. They'd like to save more now. We also want some benefit in saving them. So, more goods and schemes can be implemented by FSIBL.

### **Threats:**

#### 1. Political condition:

The current political condition can damage FSIBL's environment. Customers may be confused due to political instability.

#### 2. High competition:

Following economic reform in Bangladesh, more private banks have begun operating in the region. We come with different types of products that attract them. This has improved the private banks' completion.

#### 3. Government regulation:

Change in the govt. rules can be a big threat for damaging the banking industry.

#### 4. Profit declining:

Various foreign and private banks nowadays often offer similar types of products with a nearly identical profit margin. Therefore, if the same weapon is battled by all rivals, the natural result is decreasing income.

[Footnote: Authors work]

## **Chapter: 4**

### **Findings Recommendations and Conclusion**

## **4.1 Findings and Recommendations**

### **➤ Findings:**

To prepare this report, I tried my best to find out the effect of financial performance on deposit, turnover rate as well as number of customers response & propections towards the service of deposit of FSIBL. The major findings after analyzing all financial data and response from the clients & branch employees are as follows:

1. Location is not suitable for this branch. For This Reason, The Deposit holders are very poor.
2. Some Types of Deposit Information Is not available in their website.
3. Big Investor is very poor because of their Promotional work.
4. Customers don't get quick service to open deposit account in FSIBL, Ranabhola branch, Because of Shortage of employees at account Opening desk.

### **➤ Recommendation:**

I still want to do a job as a financial student in a financial company. So, banks obviously give me the first priority. Similar to FSIBL, an internship in a bank is a great way for me to learn more about the actual job I would do regularly. FSIBL employees have been very helpful during the internship and have always helped me to understand.

First Security Islami Bank is well-established bank and its Ranabhola Branch is also an established branch. Therefore, it is really very tough for me to recommend on any aspect of the Bank. However, as it is the requirement of the report so I have come up with few recommendations, after conducting the research and analyzing the financial performance of the branch. The recommendations are as follows:



- 1) FSIBL has some lucrative deposit schemes, but it can be compared to other Shariah-based Islamic Bank schemes. FSIBL is giving equal focus on all schemes; so, they should try to update all types of deposit schemes. The deposit schemes of the bank should be more diversified.
  
- 2) As I have found by conducting the survey that some of the customer do not understand the terms and conditions of Mudraba STD, but there is no information about the terms and conditions of MSTD in the bank's website. So, the bank could make some notice and give it to the website so that the depositors can gather some idea about the terms and conditions of the MSTD.
  
- 3) Because of Shortage of employees, Customer's don't get quick service to open deposit account in FSIBL, Ranabhola branch. So, management should recruit more employees in this department.
  
- 4) Sometimes customers are unable to understand the types of deposit schemes that should be opened up by employees in this situation.

## Conclusion

It was a great pleasure for me to do my internship program through my practical exposure in FSIBL, Ranabhola Branch, in a respected organization such as First Security Islami Bank Limiter. It gives me a wide range of scope for observing the function of the bank through its members cordial assistance. I had the opportunity to study the General Banking (deposit) functional system.

This report focused and analyzed on empirical study on the performance of deposit of FSIBL, Ranabhola Branch. I have done my research on Performance Evaluation of Deposit of FSIBL, Ranabhola Branch. As I have collected most of the financial data about the deposit account from the branch, so I have analyzed and represent some graph in my report to show the actual growth of deposit in the branch & found that all the deposits are gradually growing from the commencement of the branch except Mudaraba Short-Term Deposit. So, I have pointed out some assumption in my report regarding the decreasing number of account holders. As a bank, FSIBL has to do a lot to improve the economy. It will develop more public services and set up working teams to provide its loyal consumers with the best services. It must be performed in an organized way and its success must be ensured in all areas of discipline.

## Appendices

### **Abbreviation used in this report:**

MSD- Mudaraba Savings Deposit  
CD- Current Deposit  
MSTD- Mudarba Short-Term Deposit  
MTDR-Mudaraba Term Deposit Receipt  
CSR-Corporate Social Responsibility  
FSIBL-First Security Islami Bank  
ATM-Automated Teller Machine

## References

### ➤ Primary Sources:

- Survey with the customers
- Conversation and interviews with the officers
- Observation of practical desk works

### ➤ Secondary Sources:

- <https://www.fsiblbd.com>
- **FSIBL**, Ranabhola Branch Information: <https://www.fsiblbd.com/ranabhola-branch-of-first-security-islami-bank-limited-inaugurated/>

### ➤ Magazines/Books:

- Fundamental of Corporate Finance (Rose, Westerfield, Jordan)
- Annual Report 2018, First Security Islami Bank Limited.