

Internship Report
On
Financial Performance Analysis of Social Islami Bank
Limited





Daffodil *International* **University**

Internship report

On

Financial Performance Analysis of Social Islami Bank Limited

Supervised To

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LETTER OF TRANSMITTAL

10th January, 2020

Mr. Sayed Farrukh Ahmed

Assistant Professor
Department of Business Administration
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Subject: Submission of internship report.

Dear Sir,

I am pleasure to submit my internship report on "Performance analysis of Social Islami Bank Limited". For getting monetary examination I have arranged growth analysis, ratio analysis, margin analysis and financial highlights. I have put forth a fair attempt to finish this section level position report properly. I learned a lot from this intern. In spite of the way that I have very few lacking of data, I think this passage level position report is throughout covered by me. I dismembered the introduction of Social Islami Bank by get-together information from various sources.

So, I would be exceptionally thankful in the event that you sympathetically tolerating this report.

I am consistently prepared to give the data with respect to this report.

Sincerely Yours



Md Habibur Rahman

ID: 171-11-5345

Letter of Authorization

Date: 10/01/2021

Mr. Sayed Farrukh Ahmed

Assistant Professor

Department of Business Administration

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Daffodil International University

Subject: Declaration concerning the validity of the internship Report.

Dear Sir,

This is my unequivocal assertion that the report I have arranged is certifiably not a copy of any Internship report ever constructed by some other understudy.

I likewise express my earnest affirmation to help the way that this report has never been utilized to fulfill some other scholarly related reason and won't be disseminated to some other individual or creator later on.



Sincerely yours,

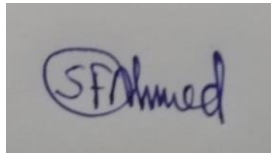
Md Habibur Rahman

ID: 171-11-5345

Letter of Approval

This is to certify that **MD. Habibur Rahman, ID: 171-11-5345, Program BBA** is a regular student of **Department of Business Administration**, Faculty of Business & Entrepreneurship, Daffodil International University. He has completed his internship at Social Islami Bank Limited, and he has prepared his internship report under my supervision. His assigned topic is **Financial Performance Analysis of Social Islami Bank Limited Bank Ltd**". The information presented in this internship report appears to be authentic. Thus, the internship report has been accepted for presentation in the internship defense.

I wish his every success in life



Mr. Sayed Farrukh Ahmed

Assistant Professor

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Acknowledgement

First of all, I would like to thanksgiving to the almighty Allah for giving me the strength to perform my responsibilities as an intern and complete the report within the correct time.

I am deeply indebted to my Faculty supervisor for whole-hearted supervision during my organizational attachment period. I am also grateful to **Md. Rashidul Islam Rana (Assistant vice president)** and my colleague who helped me by informative instructions.

I am additionally appreciative to the entirety of my instructors, guardians and Friends. They help in very manners to finish this report. Without their help Internship report as well as any remaining things are unthinkable for doing by only me. I generally get motivation from them.

I truly appreciated every second in this Internship period. Furthermore, I accept that it will help me especially in my future to be an expert individual. In conclusion I might want to thank the entirety of the individuals who assisted me with finishing this report.

Executive summary

I attempted to examine the financial performances of Social Islami Bank Limited applying proportion investigation method. The primary information gathered from the yearly monetary report of SIBL in 2015-2019.

Proportion examination has been finished zeroing in on five basic measurements of banking activities like: liquidity, profitability, efficiency, solvency and market aspect.

Productivity proportions assign a bank's general proficiency and execution. By investigating we said that return on equity ratio is useful for the SIBL. Management is compelling in creating benefit by utilizing investors' value. Earnings per ratio shows that market trust SIBL will improve later on. So I found that general productivity of SIBL is acceptable.

Investigation from dissolvability shows that SIBL utilizes more influence. We realize that from the obligation to value proportion that SIBL is utilizing an excess of obligation to back is comparative with investors' value store. Dissolvability of SIBL isn't exactly acceptable.

From the price earnings ratio, I found that SIBL's cost profit proportion expanded throughout the long term. So we see that the market believes SIBL will do better in the future.

After analyzing of total asset turnover ratio and inventory turnover ratio found that SIBL is very efficiently managing its internal assets and liabilities.

Liquidity ratio shows how quick SIBL is able to convert its assets into cash. So we clear that liquidity state of SIBL is excellent. We accept that SIBL will have the option to accomplish enough current resources for take care of current liabilities later on too.

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Chapter 1

Introduction

Origin of the report

This report is set up to fulfill the necessity for satisfaction of Bachelor of Business Administration, (BBA) of Daffodil International University. I took the Internship with social Islami Bank Limited which be set up a famous name in financial industry. I am fortunate to function as an understudy inside the Social Islami Bank Limited. Also, I accept that this internship experience helps me particularly in my expert life. In the understudy life we assemble exclusively hypothetical information however this internship period gives me the genuine experience of the exercises of SIBL.

As a prerequisite of the consummation of the internship program, I needed to present this report, which incorporates the diagram of the association and financial performance analysis of SIBL.

1.2 Objective of the study

The main objectives of the statement will be to introduce the financial analysis presentation of Social Islami Bank Limited with satisfying necessity of BBA program. The objectives of the study are as follow

The primary goals of the assertion will be to present the financial analysis presentation of Social Islami Bank Limited with fulfilling need of BBA program. The goals of the examination are as follow-

- 1) To know historical background of Social Islami Bank Limited.
- 2) To evaluate the financial performance of Social Islami Bank Limited of various years.
- 3) To commend action that may be essential to restructure the financial performance analysis of Social Islami Bank Limited.

1.3 Scope of the study

This report encourages me to gain proficiency with the followings ways:

- How ratio analysis is finished.

- The understanding of ratio analysis.
- How to development count is finished.
- The cycle of acquiring benefit of the banking area.
- The technique for correlation between various years' execution.

1.4 Methodology of study

The approach to make this report is the followings,

Primary sources:

- Face to confront discussion with separate officials and staffs of the bank of the branch.
- Formal correspondence with the clients.
- Practical work insight from the various work areas of the branch.

Secondary sources:

- Annual report of Social Islami Bank Limited.
- Website.
- Practical work with audit team.
- Documents and of the branch.

Data analysis tools:

Tools are the followings:

- Microsoft word.
- Microsoft excel.
- Formula of ratio analysis.
- Several diagrams.

1.5 Limitation of the study

Clearly every examination faces for certain restrictions. So I discovered a few impediments when I arranged this report. These impediments are given underneath-

- This concentrate completely relied upon true records and yearly reports.
- There are a bunches of investigation in the yearly report, the examination are sufficiently not to know the better thought regarding the exhibition of the SIBL.
- Term of study was extremely short to have a superior comprehension of the general banking.
- Some data expected to build up this report is exceptionally significant and SIBL didn't permit full revelations of those information.
- Performance investigation of the Bank is certainly not a simple errand.
- Secret report is another issue to set up a quality report.

Chapter 2

An overview of Social Islami Bank Limited

2.1 Company overview

Social Islami Bank Limited (SIBL) was started its journey on Five July, 1995. It was an endeavor of devoted determination of a collection of well-known Bangladeshi financiers and globally significant personalities. In November 22, 1995, the bank has commenced its operation with a vibrant platform to validate the functioning with a view to meaningfully economy thereby banking and economic actions as an incorporated share of Islamic perplexity of life. Being Pursued poverty, SIBL is certainly a perception of twenty first Century participating numerous segment banking style. The bank has been delegated with the accountability of activity innumerable stages that is associated to the expansion of the country's marketable, manufacturing and farming areas. A country's banking division is termed the financial gauge of the country. The Social Islamic Bank is a pioneer marketable bank in the private division in Bangladesh. It offers substantial economic supports to the commercial area that imports manufacturing merchandises and/or ships surplus fabrication out of the country for profit. Through importing the Social Islami Bank delivers LIM (Loan against Import Merchandise) and LTR (Loan against Trust Receipt) capacity and for exports transports both pre consignment and post consignment funds. Therefore bank supports the projections in the commercial area has augmented more than earlier. SIBL propelled some new goods, those are Sonali Din, SommridthirSopan, SonchoyProtidin, and Swopner Shiri, sabujshayanho, ShukherThikana, Subarnorekha, Sanchita and so on, and Zamil ATM debit card. Among others, the authorized corporate area, this Bank would deal the most modern banking facilities through inaugural of several sorts of security and stock accounts, funding trade, providing letters of guarantee, introductory letters of credit, gathering of bills producing national and global transmission, leasing of apparatus and buyer durables, rental buying and episode transaction for investment goods, venture in low-cost accommodation and managing of real lands, participating venture in innumerable manufacturing, farming , carrying, learning and well-being schemes etc. Among others, in the informal non-commercial area, it involves in cash Waqf Certificate and expansion and supervision of WAQF and MOSQUE belongings, and Trust resources.

2.2 Vision

Working together for a caring society.

2.3 Mission

SIBL mission is to set up a 3-area of banking model with changing to an administration situated innovation driven benefit procuring bank. Their plan is too quick, exact and satisfying client

assistance. They have started stable and feasible development methodology with ideal profit for investors' value. Then they acclimated advancement Islamic financial items to welcome and hold top notch HR. SIBL has underscored strengthening genuine helpless families and creation neighborhood pay openings. Besides, they give financing to social bit of leeway associations via preparing assets and social administrations.

2.4 Commitments

SIBL is unequivocally dedicated to Shariah, to the controllers, to their investors, to the country, to their representatives, to different partners and to the climate.

2.5 Objective of Social Islami Bank

The key objectives for which the bank is recognized are as follows-

- To pass on the matter of restricting and overseeing consequently of specie and securities and a wide scope of business banking.
- To proceed, execute, endeavor and through the substance of banking in all branches.
- To ensure ideal utilization of each open resource.
- To gather, determine or to expand store on store, credit or such terms as the association may affirm.
- To remain presumably a best bank in Bangladesh with respect to efficiency and asset quality.
- To go about as experts accessible to be bought and securing of any stock or insurances or for some other transient or business trade.
- To oblige safe – store vaults and the ensured authority of assets of various sorts.
- To make and open workplaces and departments to pass on all or any of the business abroad and inside the nation conveyed past endorsement is accomplished from Bangladesh bank.
- To transport on business as moneylenders, publicists, business visionaries, cash related and financial administrators, and delegates.

2.6 Core values

I saw during my internship period SIBL bank all they keep up their genuineness, Accountability with Transparency and Efficiency. They generally assist their steadfast clients with welling possible clients. They have adaptability with their customers close by they save Security a wide range of contributors with convincing strictness set of accepted rules. Regardless SIBL is assuming an essential job to help up our economy with incorporation of Innovation of on-requesting administrations with modern innovation throughout the year by adding estimation of the manage an account with supportable development to vindicate their probability.

2.7 Code of conduct and ethical principle

- SIBL representatives stick to the shariah standard and disciplinary proportions of the bank.
- SIBL advise their clients about the advantages and dangers of the item and administrations.
- They never confess to the privileged insights of their clients and banks which they come to know by ideals of their positions and bits to anybody separated from those people.
- Not allowed to take any personal benefits both from their own job and their customers by using their positions.
- Employees of SIBL not to behave in the opposite to the principles of Justice, Integrity, Honesty, Reliability and social responsibility.
- The Bank consistently convey severe guideline of objectivity in its everyday financial activities in relations to their clients, investors, representatives, and others associations.
- SIBL is Honest, Impartiality and Equitable to their clients, workers, controllers, partners.
- The Bank always support all kinds of social and cultural activities. In the lead of principle observing aside from the profitability, respect to the environment and social benefit.
- The bank gives the clients full option to get some information about the SIBL frameworks.
- The Bank contains an arrangement to battle against defilement and camouflage and so on.
- SIBL has a solid strategy to forestall the utilization of insider data for the exchanging object.

- The bank keeps an interior guideline its workers look slick and tidy to hold up standing of the Banking callings.

2.8 Corporate structure

Board of Directors of Social Islami Bank	
Name	Designations
Prof. Md. Anwarul Azim Arif	Chairman
Mr. Belal Ahmed	Vice Chairman
Mr. Md. Sayedur Rahman	Vice Chairman
Mrs. Nargis Mannan	Director
Mr. M. Kamal Uddin	Director
Dr. Md. Jahangir Hossain	Director
Mrs. Jebunnessa Akbar	Director
Mr. Ali Hasan Md. Mahmud Ribon	Director
Mr. Arshadul Alam	Director
Mr. Mahmudul Alam	Director
Professor A J M Shafiul Alam Bhuiyan, Ph.D	Independent Director
Professor Mohammed Mizanur Rahman, Ph.D	Independent Director
Mr. Quazi Osman Ali	Managing Director & CEO

2.9 Products and Service

Social Islami Bank Limited has three kinds of items and administration. Deposit product, Investment product and service products.

Deposit Products

In the bellow given shortly different kinds of deposit product of SIBL:

1.Mudaraba Scheme Deposits	<ul style="list-style-type: none"> · Kafela-Mudaraba Hajj Scheme. · Prosanti-Mudara Zakat Savings Scheme. · Sonali kabin-Mudaraba Mohorana Savings scheme is deposit products. · Sharno Sikhor –Mudaraba Kotipoti Scheme. · Suborna Diganto-Mudaraba is a deposit product. · SIBL also has Dipti-Mudaraba Education Saving Scheme. · Student Account. · Subarnolota-Special savings Scheme for women.
2.Al Wadia current Account	
3.Mudaraba Savings Deposit	
4.Mudaraba Term Deposit	
5.Mudaraba Notice Deposit	
6.Super Savings Account	

Investment Products

Here are different types of investment products:

- Bai-Murabaha
- Bai-Muajjal
- Musharaka
- Bai-Salam (PC)
- Quard
- SIBL Islamic Auto Finance
- SIBL Islamic Home Finance
- Islamic Consumer Finance
- HPSM
- HPSM- IJARA
- Bill Purchase

Service products

There are different kinds of service products of SIBL:

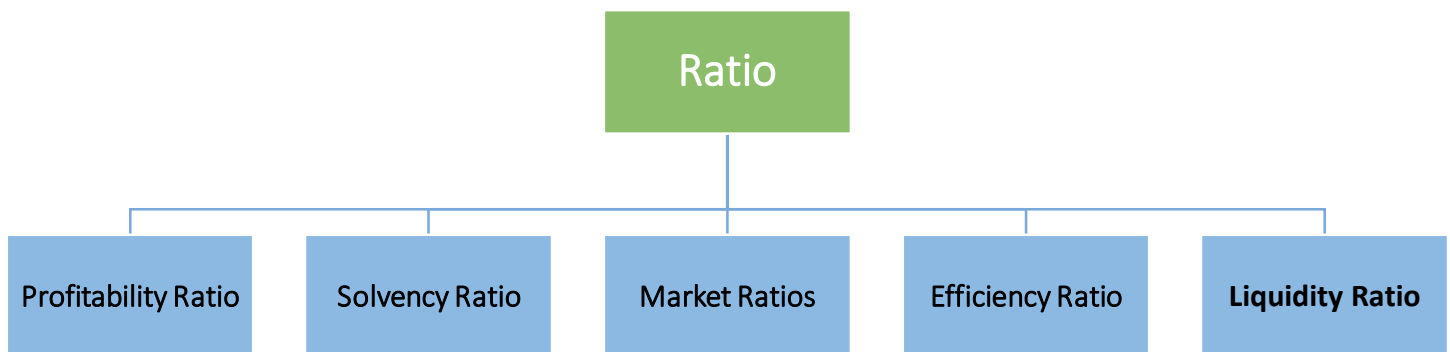
- Online Banking
- ATM (24/7)
- CARDS
 - VISA Islamic Dabit Cards
 - VISA Islamic Credit Cards
- Automated Clearing
- Automated Statement
- Electronic Fund Transfer
- Mobile Banking
- Centralized Trade processing Services
- Remittance
- Locker
- Student file
- School Banking

Chapter 3

PERFORMANCE ANALYSIS

3.1 Ratio Analysis

Main objective of this report is to analyzing financial performance of Social Islami Bank Limited. So here discuss during the period of year 2015 to 2019 financial ratio of Social Islami Bank Limited. Here ratios are classifying into five categories:



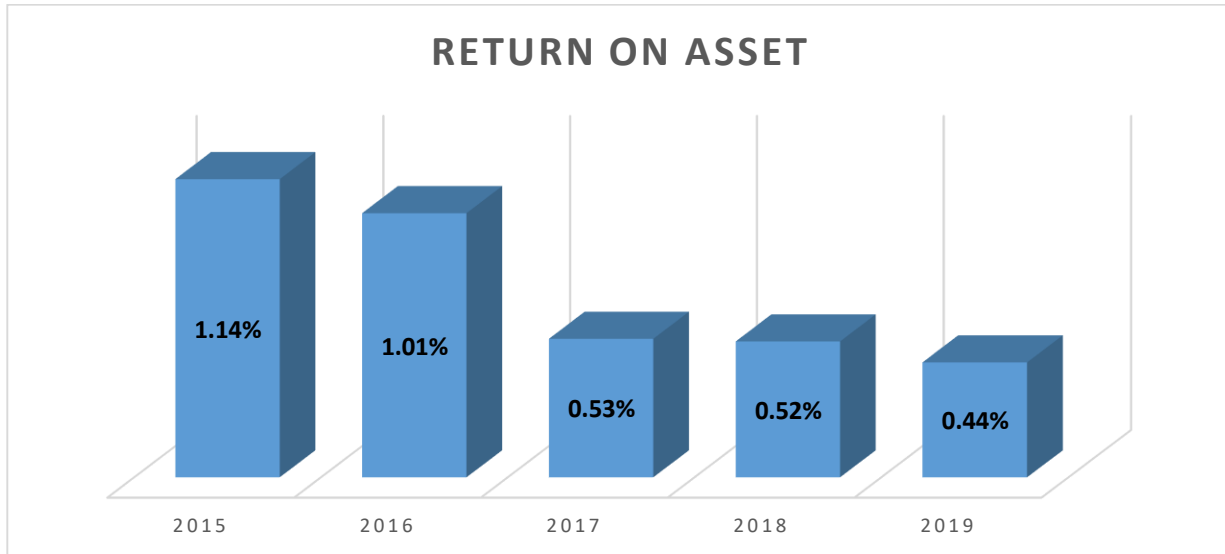
Profitability Ratio:

Benefit proportions assign a banks generally speaking proficiency and execution. Its inspect how well the Bank is working or how well current execution thinks about to past record of bank. To know the benefit of Social Islami Bank here utilizing Return on resource proportion, return on value, procuring per share. Profit for resource quantifies that the generally speaking effectiveness of the executives in producing benefits with its accessible resources.

3.1.1 Return on Asset:

$$\text{Return on Asset} = \frac{\text{Net income}}{\text{Total asset}} \times 100$$

Year	2015	2016	2017	2018	2019
Return on Assets	1.14%	1.01%	0.53%	0.52%	0.44%



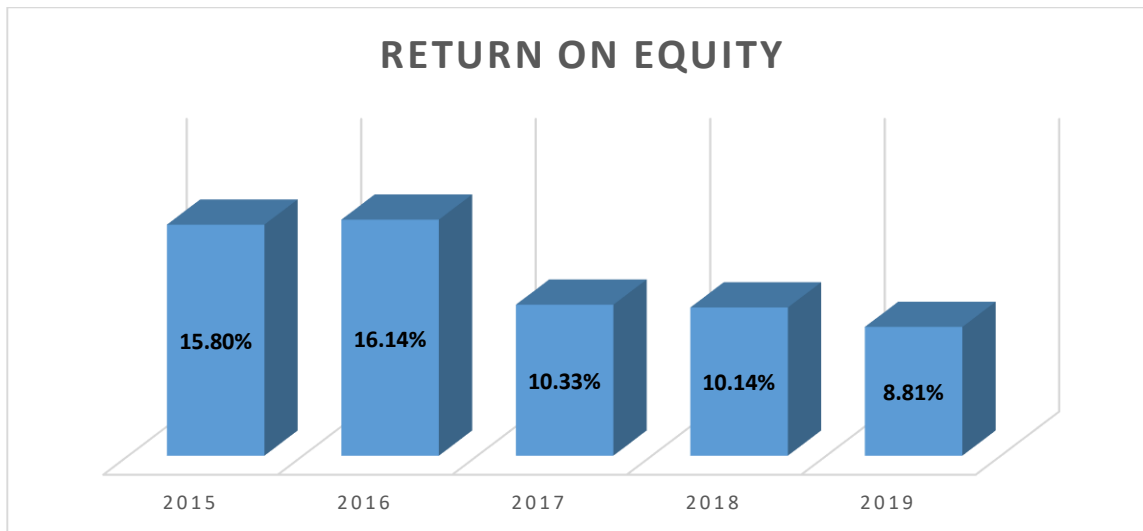
In 2015 the return on asset was 1.14%. In the year 2016, 2017, 2018, 2019 the rates decreased by 1.01%, 0.53%, 0.52% and 0.44%. Here we can see that ROA growth rate is decreasing, so it indicates that the company trend to toward having more investment capital or earning lower profit.

3.1.2 Return on Equity:

$$\text{Return on Equity} = \frac{\text{Net Income}}{\text{Average Shareholders' Equity}} \times 100$$

The return on equity measures the return earn on the owners investment. Higher return is better for the owners.

Year	2015	2016	2017	2018	2019
Return on Equity	15.80%	16.14%	10.33%	10.14%	8.81%

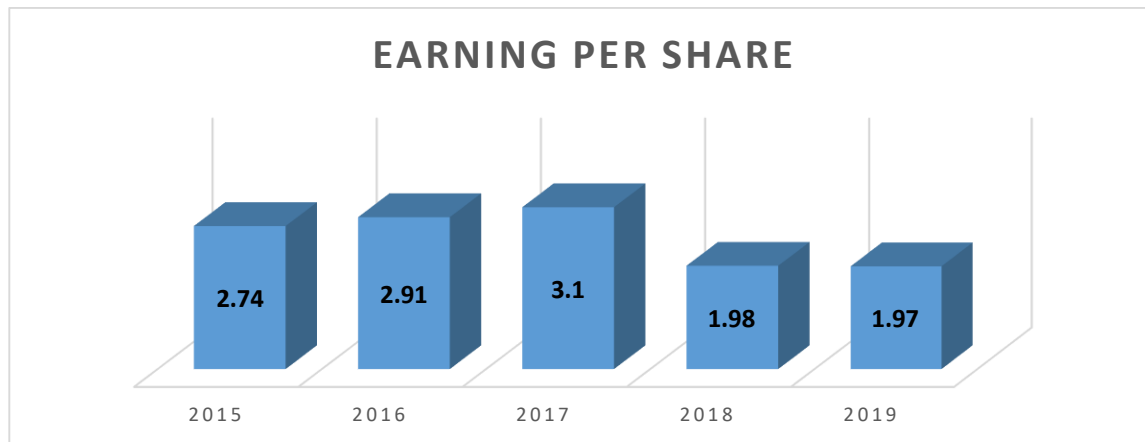


In the year 2015 return equity was 15.80%. In the year 2016 the ratio was increased by 16.14%. But in 2017, 2018, 2019 the rate is decreased by 10.33%, 10.14%, 8.81%. The exhibition of the bank regarding ROE is exceptionally poor. Despite the fact that it was acceptable in 2016, the ROE fell radically from the time of 2016-2019.

3.1.3 Earning Per Share

Earnings per share is portion of a firm total profit allocated to outstanding share of stock. A higher earnings per share is expected for any standard company.

Year	2015	2016	2017	2018	2019
Earnings per share	2.74	2.91	3.1	1.98	1.97

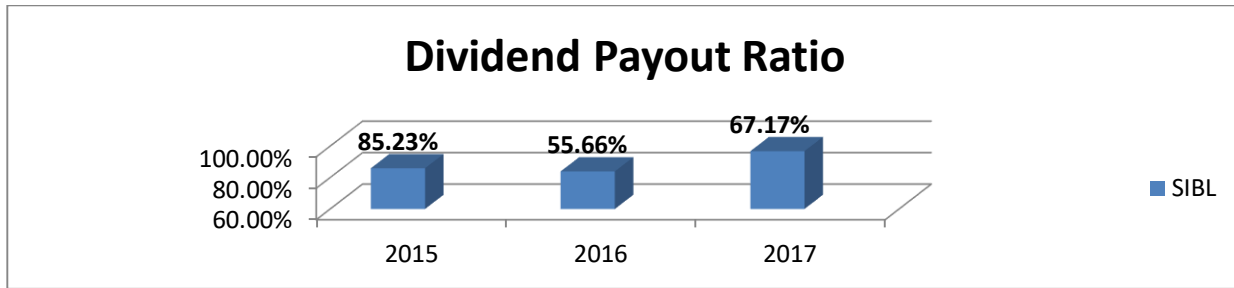


From this table we can say that the earning per share of SIBL in 2015 was TK 2.74. In the year 2016, 2017, 2018, 2019 the rate was 2.91, 3.1, 1.98 and 1.97. So it shows that the market accepts this bank will improve later on.

3.1.4 Dividend payout ratio: Dividend per Share/EPS

The dividend payout ratio measures the percentage of net income that is distributed to shareholders.

Year	2015	2016	2017
Dividend payout ratio	85.23%	55.66%%	67.17%



In 2015 dividend payout ratio of SIBL was 85.23%. In the year 2016 it was decreased by 55.66%. But in 2017 it was increased by 67.17%. The increasing trend of dividend payout ratio indicates that earning is encouraging to payment the dividend. So it clear that it will encourage investors to invest in SIBL.

SOLVENCY RATIO:

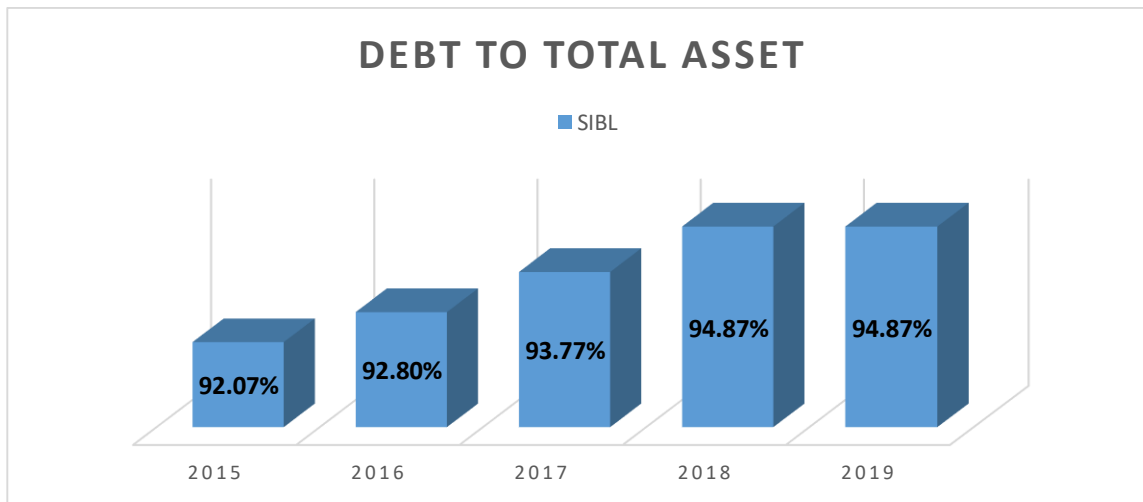
Solvency ratios express the ability of firm to meet its long term obligations. From debt to total asset ratio shows SIBL using more leverage. From this ratio of Debt to total asset, Debt to equity ratio, Capital adequacy and Net interest margin we can know the solvency of SIBL.

3.1.5 Debt to Total Asset Ratio:

$$\text{Debt to Total Asset Ratio} = \frac{\text{Debt}}{\text{Total Asset}} \times 100$$

Debt to total asset ratio tell us the percentage level of total asset that are investment by the creditors.

Year	2015	2016	2017	2018	2019
Debt to total asset	92.07%	92.80%	93.77%	94.87%	94.87%



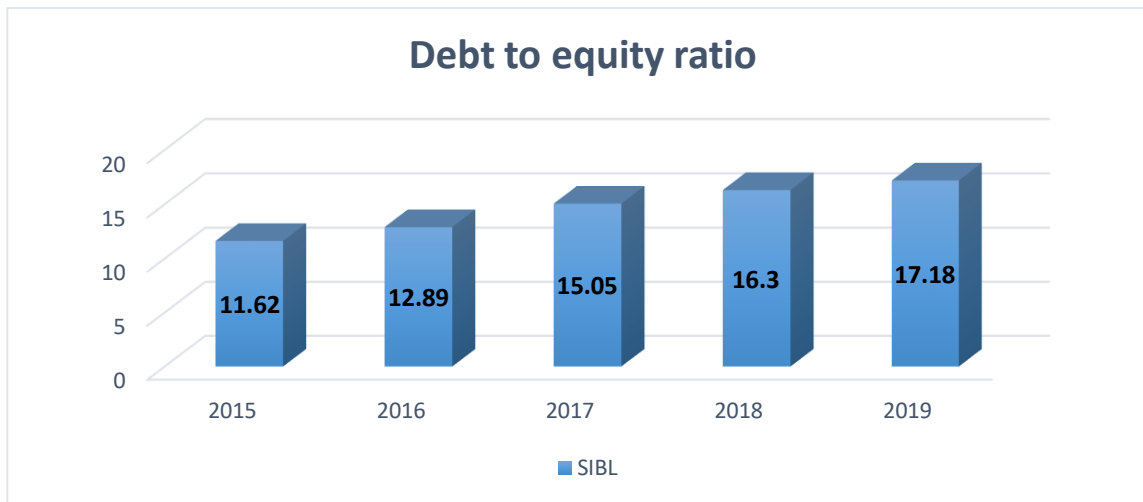
Here we can see that debt to total asset ratio of SIBL in 2015 was 92.07%. In the year 2016, 2017, 2018 and 2019 it was increased by 92.80%, 93.77%, 94.87% and 94.87%. It indicates that SIBL is using more leverage and has a weak equity position.

3.1.6 Debt to Equity Ratio:

$$\text{Debt to Equity Ratio} = \frac{\text{Debt}}{\text{Equity}} \times 100$$

Debt-to-equity ratio is a solvency ratio. It represents the relation between the capital grant by the shareholders and also the capital grant by creditors.

Year	2015	2016	2017	2018	2019
Debt to equity ratio (times) SIBL	11.62	12.89	15.05	16.30	17.18



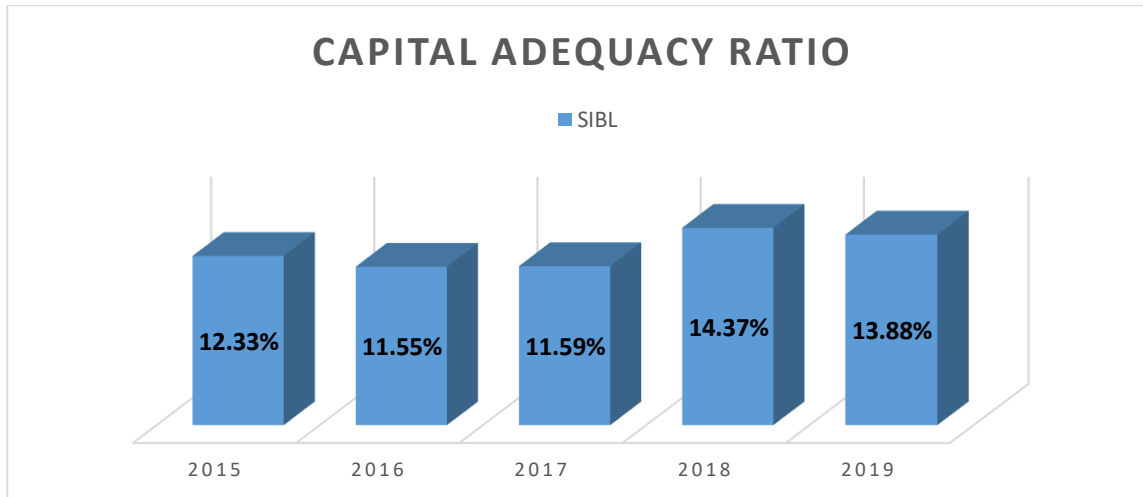
From the table we can say that in 2015 debt to equity ratio was 11.62 times. In the year 2016, 2017, 2018 and 2019 it was grew up at increased by 12.89, 15.05, 16.3, 17.18 times. A higher debt-to-equity ratio be seen that SIBL has been aggressive financing its growth with debt.

3.1.7 Capital Adequacy Ratio:

$$\text{Capital Adequacy Ratio} = \frac{(\text{Total Capital} + \text{Reserves})}{\text{Risk-Weighted Assets}} \times 100$$

Capital adequacy ratio is mostly used solvency ratio. A higher capital adequacy ratio is better for the company. Higher capital adequacy ratio means the bank is able to meet its financial obligation. But here we SIBL is fail to meet its financial obligation.

Year	2015	2016	2017	2018	2019
Capital adequacy ratio	12.33%	11.55%	11.59%	14.37%	13.88%



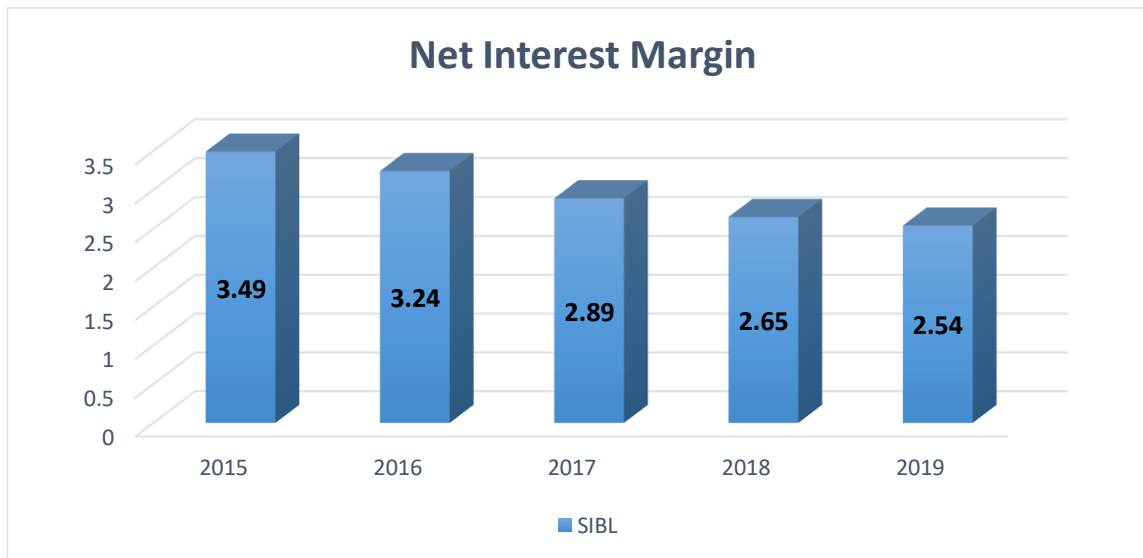
In the year 2015 the capital adequacy ratio of SIBL was 12.33%. But in the year 2016 and 2017 the rate was decreased by 11.55% and 11.59%. But in the year of 2018 and 2019 the rate is increased and decreased by 14.37% and 13.88%. So here we can see that SIBL capital adequacy ratio is decreasing in recent year.

3.1.8 Net Interest Margin:

Net Interest Margin = (Net return on investment – Interest paid) / Average Assets

Net interest margin ratio express how successfully a company making its investment decisions comparing income and expense.

Year	2015	2016	2017	2018	2019
Net Interest Margin	3.49	3.24	2.89	2.65	2.54



From the table and graph we see that in 2015 SIBL net interest margin was 3.49%. In the year 2016, 2017, 2018, 2019 it was decreased by 3.24%, 2.89%, 2.65% and 2.54%. Net interest margin fluctuating every year. The negative figure of the ratio indicates the company cannot make good investment decisions. So it clear that SIBL make good investment decisions and become profitable.

MARKET RATIO

Market ratios refer a company ability to generate positive market expectation. This includes expectation of both company return and risk as market perceives. To identify market value ratios of SIBL here, I used P/E ratio.

3.1.9 P/E Ratio (Times):

$P/E \text{ Ratio (Times)} = \text{Market value per share} / \text{EPS}$

The price/earnings ratio shows how much investors are willing to pay per dollar of reported profits.

Year	2015	2016	2017	2018	2019
P/E ratio (times)	4.96	4.94	5.93	6.12	6.94



In the year 2015 the price earnings ratio of SIBL was 4.96 times. From the year 2016 to 2019 it was grew up increased rate by 4.94 times, 5.93 times, 6.12 times and 6.94 times. Here we can see that P/E ratio of SIBL was better than previous two years, it means that it may create a positive impact on the future investor of SIBL. Higher means that market believes that this bank will do better in the future.

EFFICIENCY RATIO

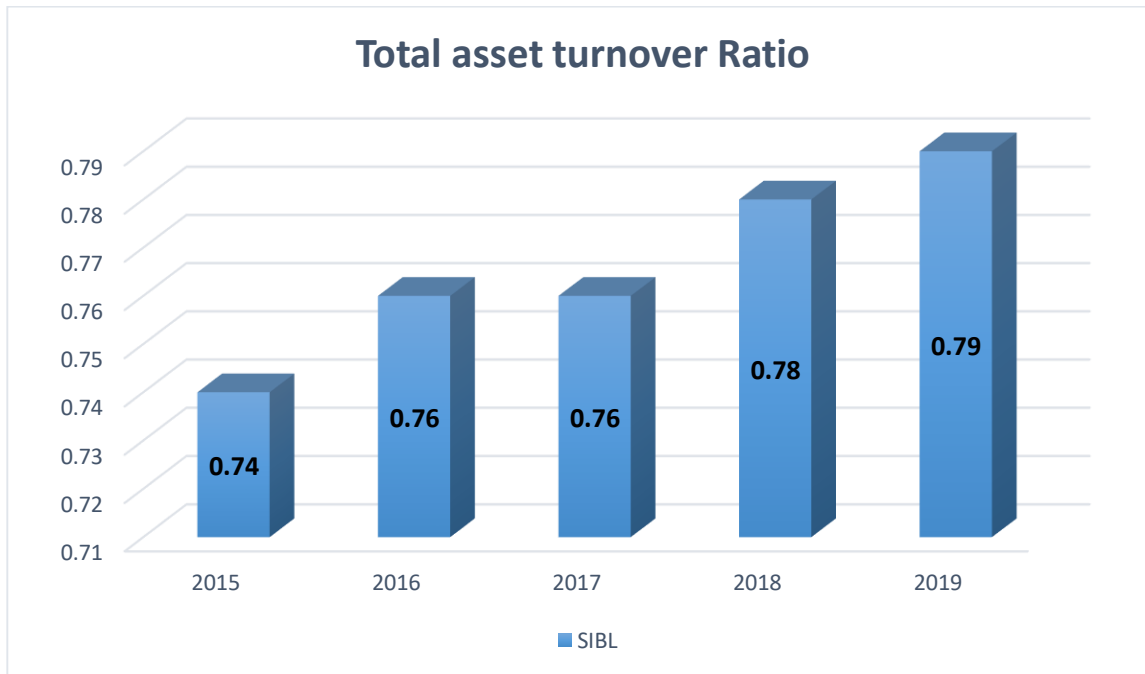
The efficiency ratios, measure how effectively the firm is managing its asset. To measures the efficiency of SIBL here uses total asset turnover ratio and inventory turnover ratio.

3.1.10 Total Asset Turnover Ratio:

Total Asset Turnover Ratio = Net sales/ Average Total Asset

The asset turnover ratio is an efficiency ratio that measures a company's ability to generate sales from its assets by comparing net sales with average total assets. (Hint: For this bank loans are sales)

Year	2015	2016	2017	2018	2019
Total asset turnover	0.74	0.76	0.76	0.79	0.82



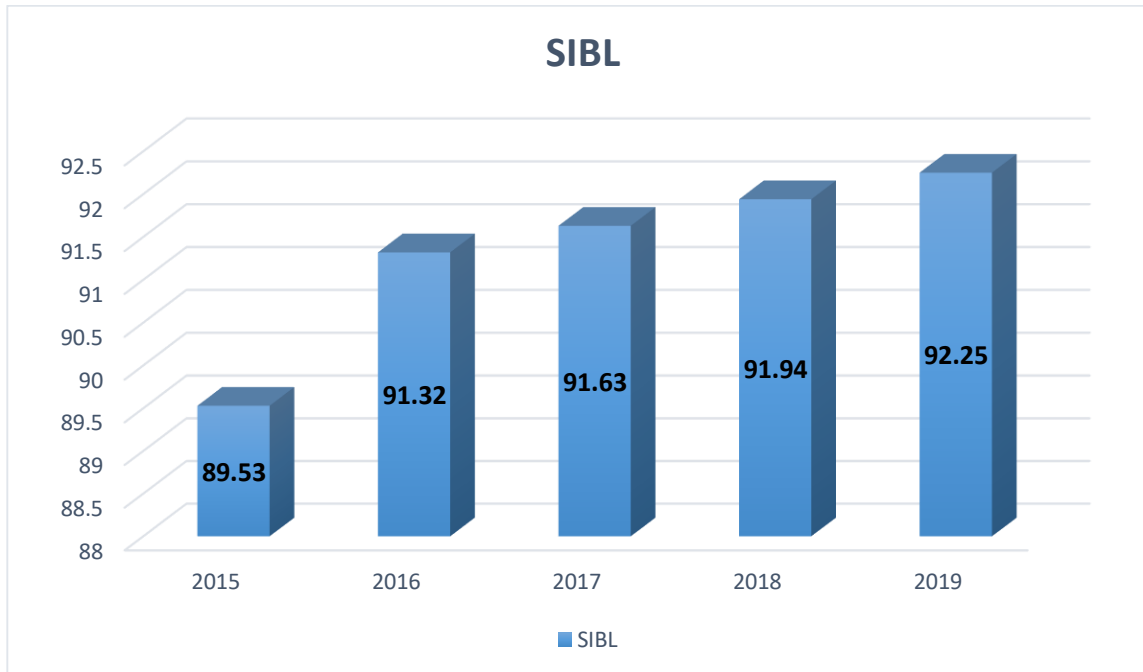
In the year 2015 total asset turnover ratio of SIBL was 0.74 times. From the year 2016 it was increase gradually. In 2016, 2017, 2018, 2019 the rate was 0.76, 0.76, 0.78, 0.79 times. It implies that providing loan amount is well for this bank.

3.1.11 Inventory Turnover Ratio:

Inventory Turnover Ratio = Sales/Inventories

Inventory ratios show how many times the selective asset is turned over during the year. This ratio express how skillfully inventory is managed

Year	2015	2016	2017	2018	2019
Inventory turnover ratio(times)	89.53	91.32	91.63	91.94	92.25



From the table we see that the inventory turnover ratio of SIBL in 2015 was 89.53 times. From the year 2016 to 2019 it were grew up at increasing rate by 91.32, 91.63, 91.94 and 92.25 times. Higher the ratio is better for the company. So it good indicates for the bank.

LIQUIDITY RATIO

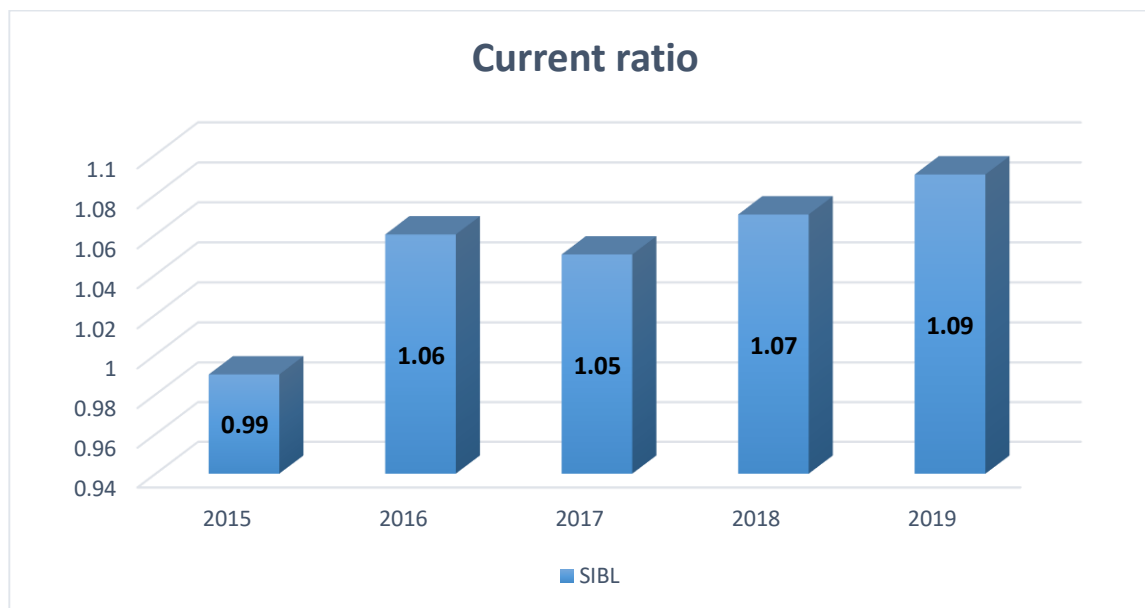
It refers the ability of a company to meet short term obligations. This ratio shows how quick SIBL is able to convert its asset into cash. Current ratio represent that liquidity positions of Social Islami Bank Limited is quite good.

3.1.12 Current Ratio:

Current Ratio = Current Asset /Current Liabilities

Current ratio is most commonly used financial ratio that express the firm liquidity position. It represent the company short-term obligations. Higher the current ratio is better for the liquidity position.

Year	2015	2016	2017	2018	2019
Current ratio	0.99	1.06	1.05	1.07	1.09



Basically current ratio measures the ability of a firm to pay the current liabilities. From the table I found that SIBL current ratio was 0.99 in 2015. In the year 2016 it was 1.06. It means that in the time SIBL had current asset of 1.06 taka current liabilities of 1 taka. In 2017, 2018, 2019 the ratio was 1.05, 1.07, and 1.09. So it can be said that current asset is enough to repay the current liability. Higher ratio is better for the bank because its helps to prevent default.

3.2 Growth analysis

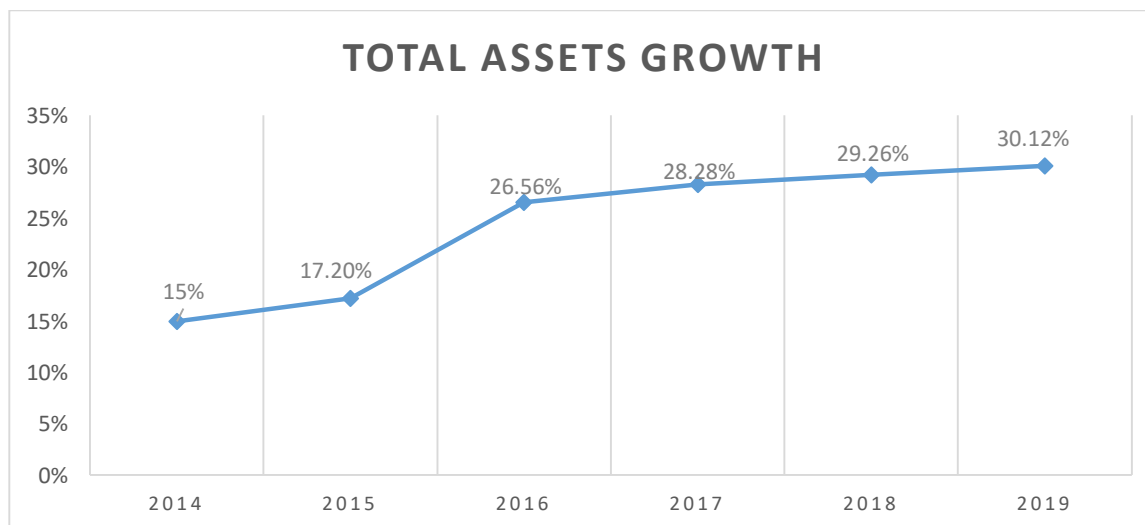
Through growth analysis it can be known that the financial performance and operational performance of last five years of Social Islami Bank Limited.

FINANCIAL PERFORMANCE

To identifies financial growth of last five years here using total asset, long-term liabilities and term deposit balance.

3.2.1 Total Asset

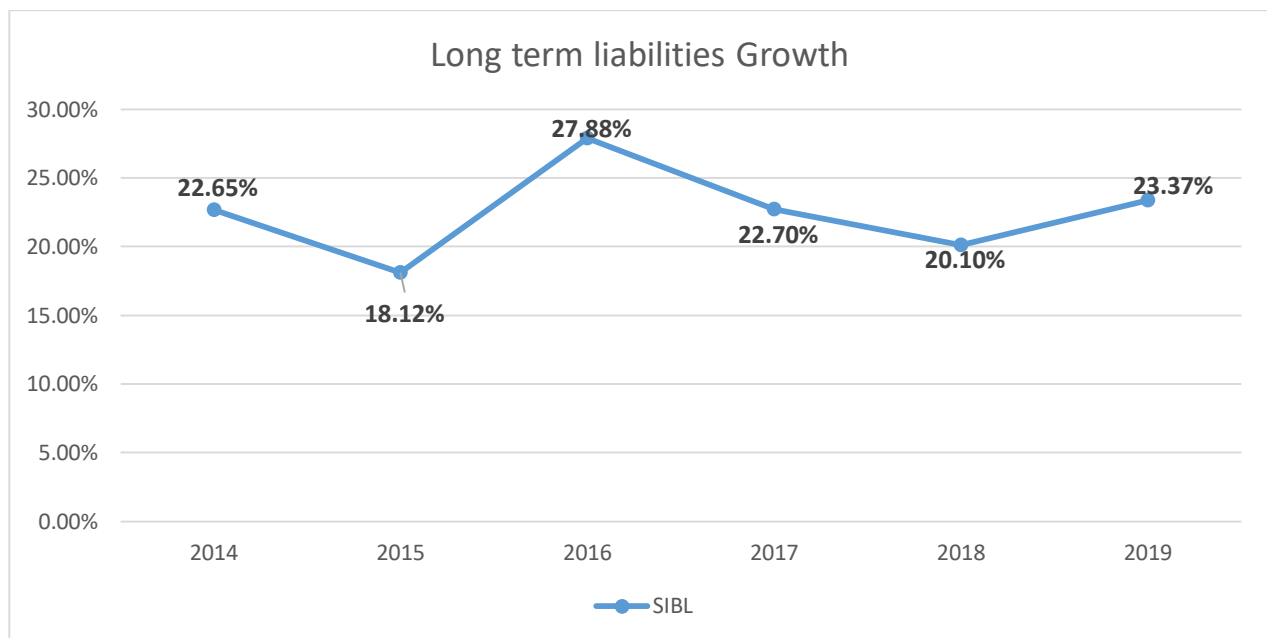
Year	2014	2015	2016	2017	2018	2019
Total assets(taka in million)	153,585	180,008	227,815	276,296	307,402	345,185
Growth rate	15%	17.20%	26.56%	28.28%	29.26%	30.12%



From the table we can see that in 2014 the total asset was TK 153,585 million. In 2015 it was increased to TK 180,008 million which was about 17.20% greater than from 2014. In the year 2016 it was also increased by 26.56%. In the year 2017 total asset of SIBL also goes up by 28.28%. In the year 2018, 2019 the amount of total asset grew at decreased rate. So we can say that SIBL will generate more cash flow in future which will increase the confidence of new investor.

3.2.2 Long term liabilities

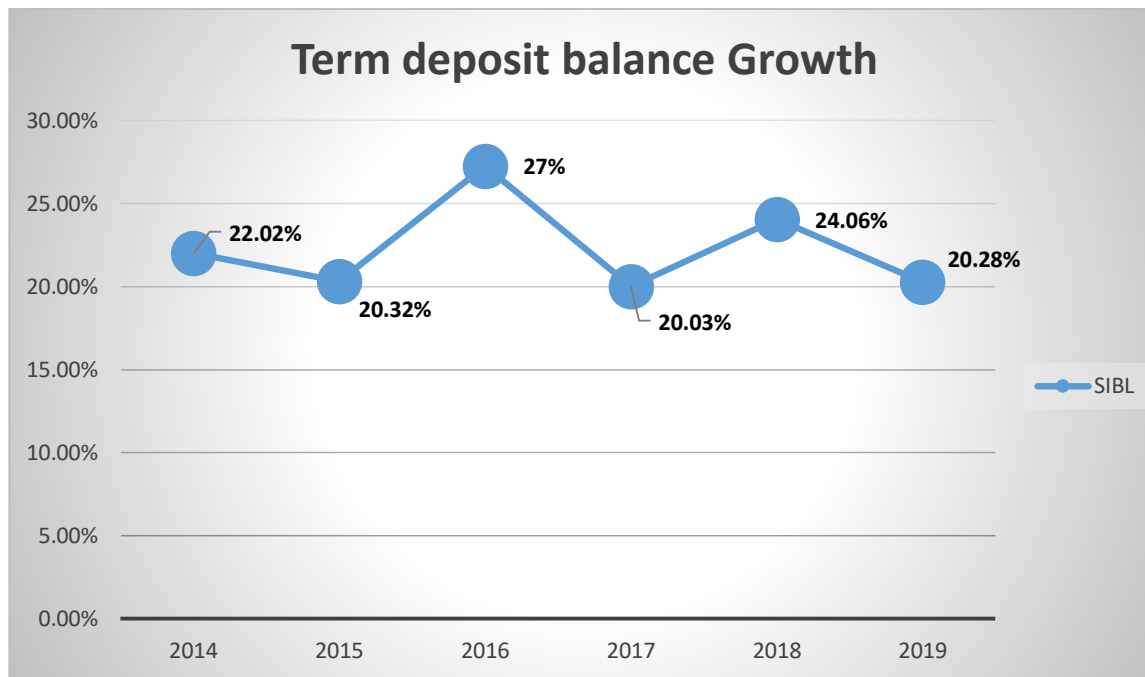
Year	2014	2015	2016	2017	2018	2019
Long term liabilities (taka in million)	14,142	16,705	21,362	26,210	30,131	35,226
Growth rate	22.65%	18.12%	27.88%	22.70%	20.10%	23.37%



In 2013 the long term liabilities of SIBL was TK 11,530 million. In the year 2014 the growth rate was 22.65%. In the year 2015 the amount of total long term liabilities grew at decreased rate, so that the growth rate was 18.12%. But in the year 2016 long term liabilities grew up by 27.88%. In 2017 the long term liabilities of SIBL grew at decreased rate, so the growth rate was 22.70%. So it is indicate that capital structure of SIBL may preferred more debt in future.

3.2.3 Term Deposit Balance

Year	2014	2015	2016	2017	2018	2019
Term deposit balance (taka in million)	12,426	14,951	19,029	22,840	24,210	26,709
Growth rate	22.02%	20.32%	27.28%	20.03%	24.06%	20.28%



From the table we can say that term deposit balance was TK12, 426 million in the year 2014. In the year 2015 it was decreased by 22.02%. In the year 2016 it was grew up by 27.28%. But in the year 2017 term deposit balance growth of SIBL was very high and it was increased by 20.03%. In the year 2018 and 2019 it was increased and decreased by 24.06% and 20.28%. So from this scenario we can see that SIBL has more money or funds to new investment.

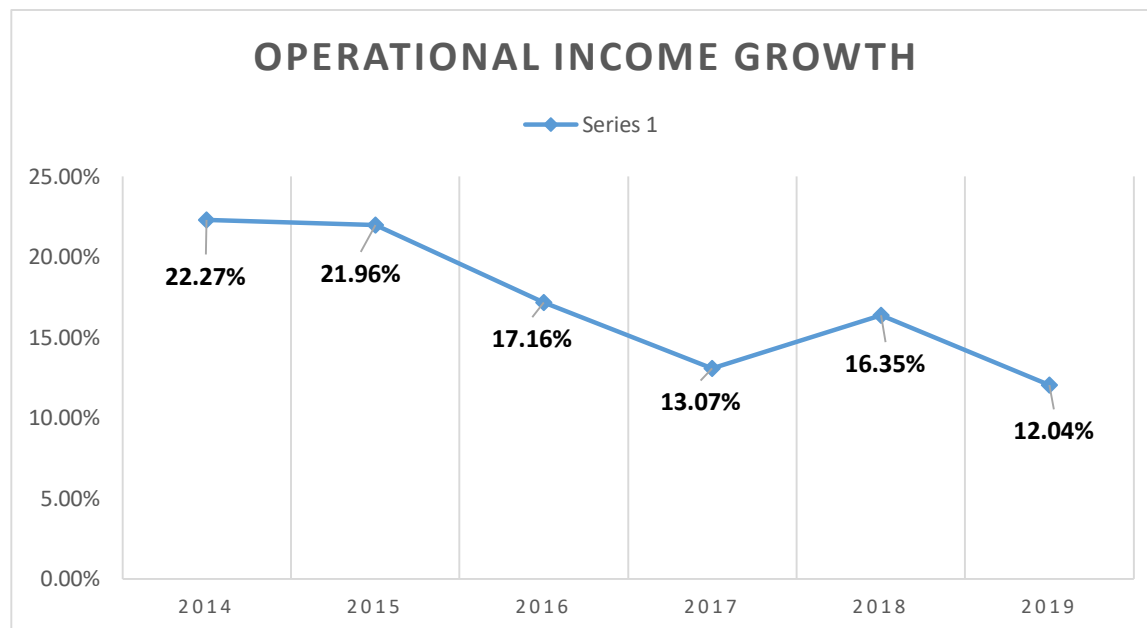
Operational Performance

To know the operational growth of SIBL last five years used by operational income, operational expense, net profit after tax, number of share, net asset value per share, market value addition and shareholders' equity.

To know the operational development of SIBL most recent five years utilized by operational pay, operational cost, net benefit after expense, number of offer, net resource esteem per share, market esteem expansion and investors' value.

3.2.4 Operational Income

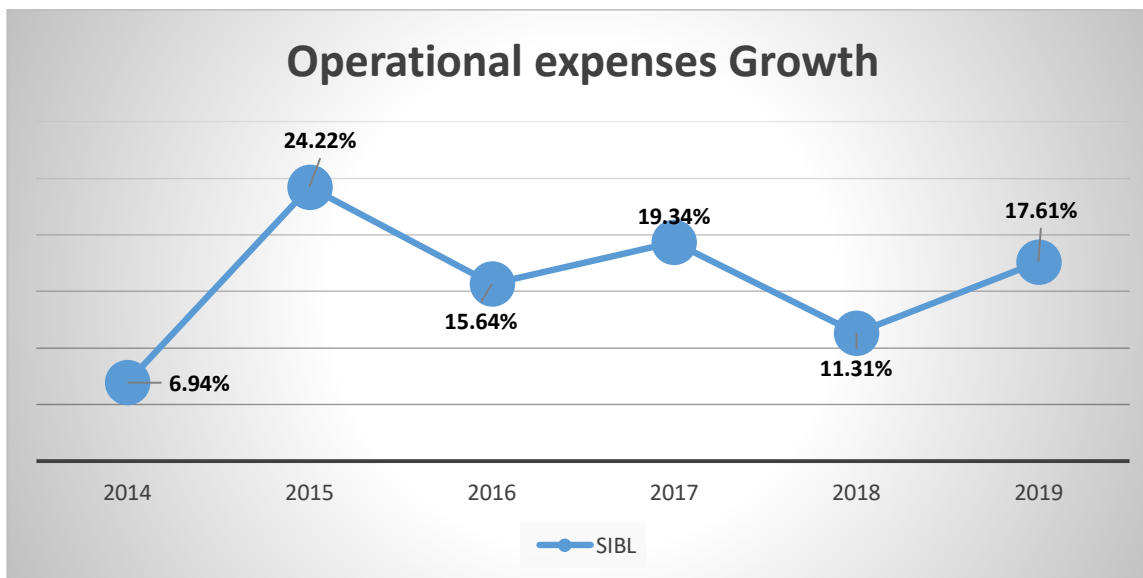
Year	2014	2015	2016	2017	2018	2019
Operational income (taka in million)	6,798	8,291	9,714	10,984	11,697	12,360
Growth rate	22.27%	21.96%	17.16%	13.07%	16.35%	12.04%



From the table we can say that operational income of the year 2014 was TK 6,798 million. In the year 2015, 2016 and 2017 the growth rate of operational income decreased by 21.96%, 17.16%, 13.07%. But in the year 2018 and 2019 growth rate of operational income increased by 16.35% and 12.04%. It indicated that SIBL has not enough good earning power from the operation.

3.2.5 Operational Expense

Year	2014	2015	2016	2017	2018	2019
Operational expense (taka in million)	2,775	3,447	3,986	4,757	5,470	5,993
Growth	6.94%	24.22%	15.64%	19.34%	11.31%	17.61%

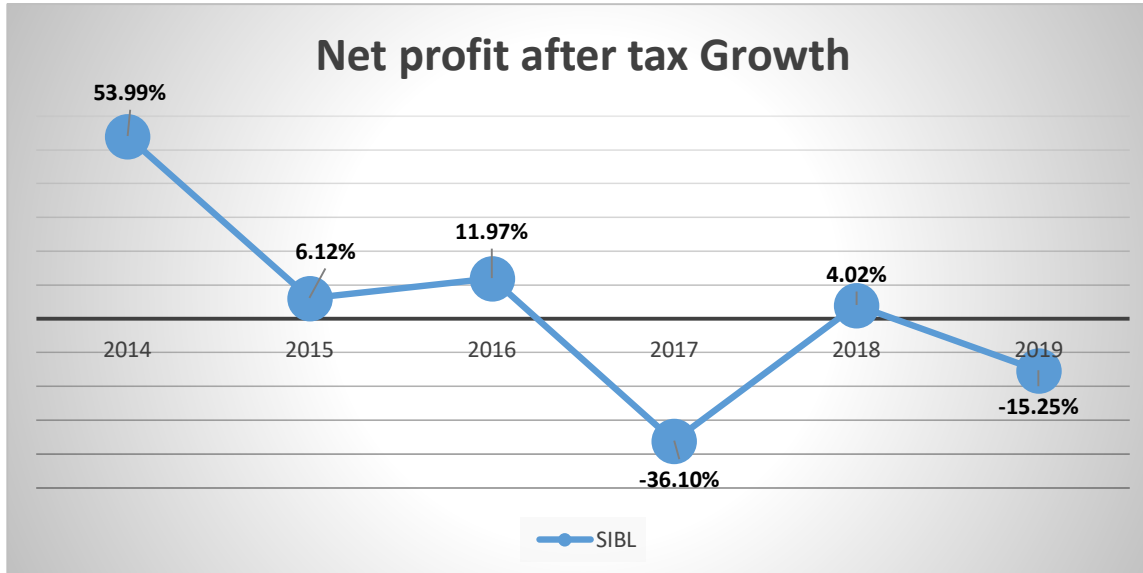


From the table we see that the operating expense of SIBL in 2014 the amount was TK 2,775. In the year 2015 the operational expense increased by 24.22%. From the year 2016 the operating expense

increased gradually. In the year 2016, 2017, 2018 and 2019 the amount grew up at increasing and decreasing 15.64%, 19.34%, 11.31%, 17.61%. Here we can see that operating expense increased at a regular basis except the year 2016 and 2018. It is bad for SIBL because increasing operational expense reduce the profitability of SIBL.

3.2.6 Net profit after tax

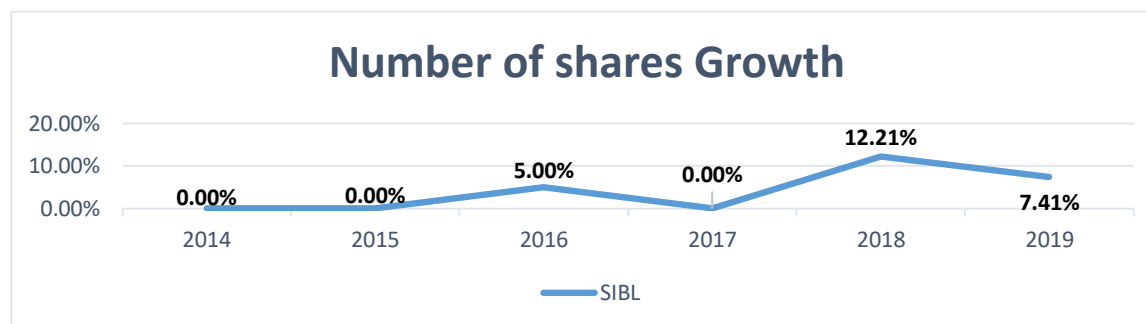
Year	2014	2015	2016	2017	2018	2019
Net profit after tax (taka in million)	1,928	2,046	2,291	1,464	1,601	1,525
Growth rate	53.99%	6.12%	11.97%	-36.10%	4.02%	-15.25%



We can see that in the year 2014 the net profit after tax was TK 1,928 million. In the year 2015 it was increased by 6.12% In the year 2016 it was grew at increasing rate of 11.97% and 2017, 2018 and 2019 the net profit is decreasing -36.10%, 4.02% and -15,25%. Increasing the net profit indicated that shows good appearance of SIBL. It gives negative signal to the.

3.2.7 Numbers of shares

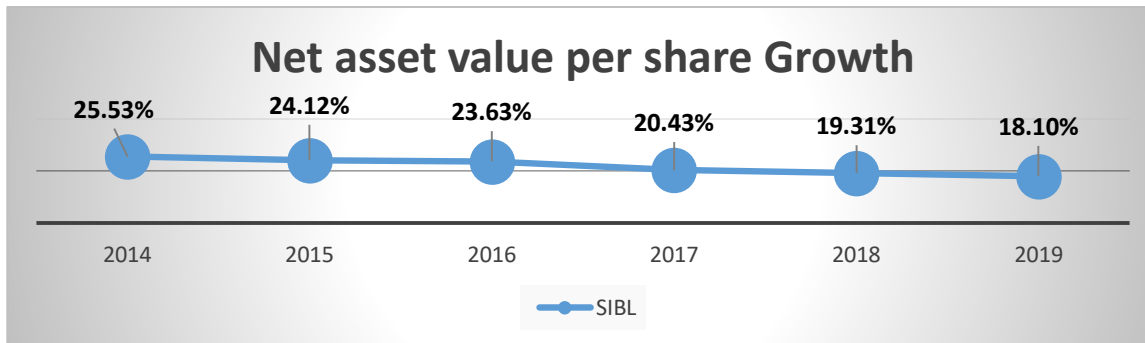
Year	2014	2015	2016	2017	2018	2019
Numbers of shares	7,031,415,640	7,031,415,640	7,382,986,420	7,382,986,420	8,121,285,060	8,933,413,560
Growth rate	0.00%	0.00%	5.00%	0.00%	12.21%	7.41%



In the year 2014 SIBL numbers of shares was 7,031,415,640. In the year 2015 numbers of shares was the same, so that there was no change in growth rate. But in the year 2016 it was increased by 5%. In 2017 numbers of shares was the same. But in the year 2018 and 2019 it was increased and decreased by 12.21% and 7.41%. So we can say that the number of shares of SIBL will keep increasing.

3.2.8 Net Asset Value per Share

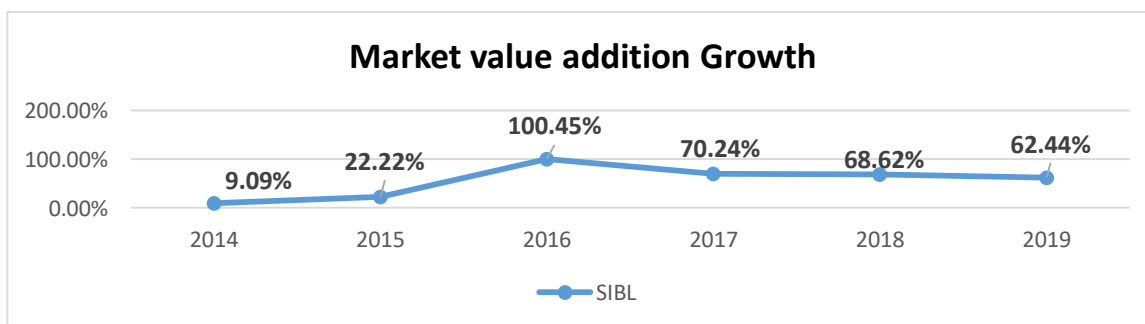
Year	2014	2015	2016	2017	2018	2019
Net asset value per share	15.39	19.04	23.54	28.35	31.87	35.52
Growth rate	25.53%	24.12%	23.63%	20.43%	19.31%	18.17%



From the table we can say that in the year 2014 net asset value per share was TK 15.39. From the year 2015 to 2019 net asset value per share was grew up at decreasing rate by 24.12%, 23.63%, 20.43%, 19.31% and 18.17%. .By observing the growth rate we can say that the net asset value per share of SIBL is slow. Increasing net asset value per share indicates that asset of the company will increase day by day.

3.2.9 Market Value Addition

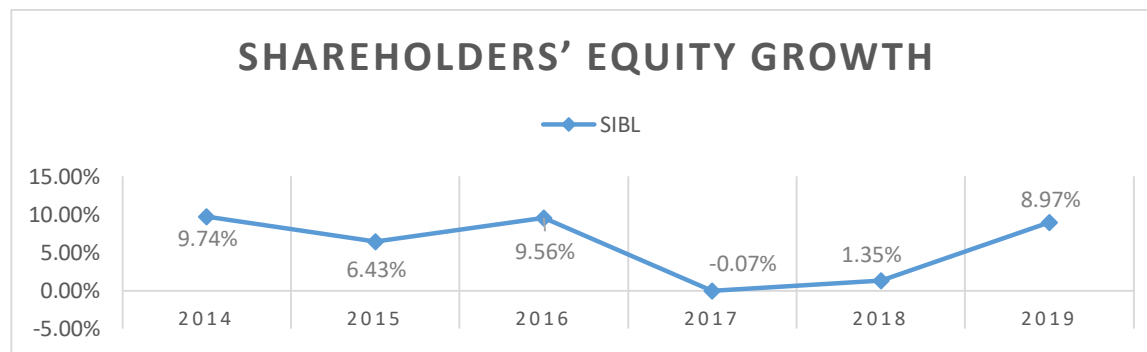
Year	2014	2015	2016	2017	2018	2019
Market value addition (taka in million)	2,531.31	3,093.82	6,201.71	10,557.67	14,446.57%	17,915%
Growth rate	9.09%	22.22%	100.45%	70.24%	68.62%	62.44%



From the table we seen that in the year 2014 market value addition was taka 2,531.31 million. In the year 2015 and 2016 increase rate was 22.22% and 100.45%. But in the year 2017, 2018 and 2019 it was grew up at decreasing by 70.24%, 86.62% and 62.44%. So here we can say that SIBL may create substantial wealth for the shareholder in the year 2016. Higher market value addition is the better for the company.

3.2.10 Shareholders' Equity

Year	2014	2015	2016	2017	2018	2019
Shareholders' equity (taka in million)	12,172	12,955	14,193	14,183	15,787	17,312
Growth rate	9.74%	6.43%	9.56%	-0.07%	1.35%	8.97%



In the year 2014 SIBL total shareholders' equity was TK 12,172 million. In the year 2015 it was decreased by 6.43%. In 2016 shareholders' equity increased to 6.56%. But in the year 2017 growth rate became negative that was -0.07%. And 2018 and 2019 equity was increased by 1.35% and 8.39%. So actually management should more focus on this issue .The increasing trend of shareholders' equity indicates that SIBL is substantially maximizing wealth of its shareholder.

Chapter 4

Findings and Conclusions

4.1 Findings

After analyzing the financial performance analysis of Social Islami bank Limited and during the organizational attachment of internship program the following findings have been found out

In the wake of examining the financial performance analysis of Social Islami bank Limited and during the hierarchical connection of internship program the accompanying discoveries have been discovered -

- After analyzing through a few factors, it tends to be assumed that the year 2018 was not so decent enough for Social Islami Bank Limited as the greater part of the ratio showed a few unfortunate performances.
- In the wake of separating through several factors, it will by and large be normal that the year 2018 was not all that good enough for Social Islami Bank Limited as the vast majority of the extent demonstrated a few horrendous shows.
- Current Ratio in 2019 was 1.09 which was Higher than the other years, 2018 and 2017 was 1.07 and 1.05. and 2014-2015 was 1.06 and 0.99.
- Earnings per share(EPS) in 2019 was downward than other years' ratio which was 1.97 and in 2017 EPS was 3.01 which was enough good.
- The debt ratio of 2019 was not respectable than other years and it is found that the bank might not be done well in terms of its long term insolvency.
- The presentation in the bank's capacity to create benefits from its investors ventures was poor since 2015 to 2019.
- In the comparison of five years' analysis Return on Assets (ROA) and Return on Equity (ROE) in 2018 was downward (ROA- 0.44% and ROE- 8.81%).

4.2 Recommendation:

- Social Islami Bank Limited ought to give a short-range plot as Micro Credit for denied individuals.
- Social Islami Bank Limited ought to amass separate development recovery parcel on the off chance that it happens, at that point their sorted credit amount will diminish.
- SIBL should give the genuine lone fee, with the objective that the clients stay not moving their records to other bank.
- The proportion of non performing credit should be lessened by examination genuine appraisal
- Consistently the business condition is fluctuating. In this manner the bank should be made as a remarkable relationship to change through the moving circumstance.
- As the EPS isn't at acceptable level, the organization should focus on keeping up the advancement example of EPS to guarantee generosity and sound monetary condition of the bank.
- Handling the banks net gain created that by its bassets and advantages from its financial specialists' hypotheses were astoundingly poor. The bank needs to give high noteworthiness toward handle the condition.

4.3 Conclusions

Taking everything into account it tends to be said that the presentation of Social Islami Bank Limited is alright. In this report generally execution of SIBL during the period 2015 to 2019 has been dissected and assessed. By examining its general exhibition, different positive and negative sides of the bank have come into light. The general exhibition of SIBL is well.

Investors who need to purchase portion of SIBL bank can definitely purchase the portions of this bank. The proportion shows that the benefit will be expanded in the long for SIBL. In 2017 the benefit is higher than the others years. I discovered a few issues for SIBL and attempt to give not many vital arrangements about those issues with the goal that they can improve their future presentation.

In the wake of finishing this report I might want to state financial performance of SIBL is awesome. The effectiveness and liquidity ratio shows that this bank is all around ok in this part moreover.

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Appendix

FINANCIALS AT A GLANCE

SL	Particulars	2012	2013	2014	2015	2016
01.	Authorized Capital	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
02.	Paid-up Capital	6393.92	7031.42	7031.42	7031.42	7382.99
03.	Total Shareholders Equity	10181.97	11083.43	12143.38	12950.32	14187.80
04.	Capital Base (Tier I & II)	10596.51	11623.52	13078.26	16916.08	19195.04
05.	Total Deposits	93594.29	102104.48	124535.01	149773.62	190564.52
06.	Client Deposits	81091.39	95964.82	109040.63	138537.32	178846.14
07.	Investments (General)	76024.97	85922.33	107899.96	134116.85	174196.13
08.	Investments (Shares & Securities)	6144.01	8538.18	7823.73	9222.39	12310.58
09.	Foreign Exchange Business	126519.90	132374.70	139910.11	149192.40	167382.30
10.	Operating Profit	3617.82	2924.55	3964.27	4849.82	5898.08
11.	Profit before Tax	2747.89	2024.68	3307.52	3479.17	4192.19
12.	Fixed Assets	2249.95	2653.88	2675.86	3072.04	3257.52
13.	Total Assets	115165.95	126616.56	1537374.67	180112.11	227704.18
14.	Stock Dividend	10.00%	0.00%	0.00%	5.00%	
	Cash Dividend	5.00%	12.00%	18.00%	15.00%	20.00%
15.	Investments as a % of total deposits	81.23%	84.15%	86.64%	89.54%	91.41%
16.	Investments as a % of Client deposits	89.19%	86.78%	89.52%	88.52%	89.86%
17.	Capital to Risk Weighted Asset Ratio	11.52%	11.58%	11.36%	12.33%	11.55%
18.	Ratio of Classified Investments to Total Investments	3.33%	5.35%	4.56%	3.84%	4.44%
19.	No. of Foreign Correspondents	505	490	470	443	591
20.	Number of Employees	1625	1802	1922	2130	2363
21.	Number of Branches	86	94	100	111	125
22.	Book Value per Share	10	10	10	10	10
23.	Earning per Share (Restated)	2.25	1.74	2.71	2.81	3.10
24.	Credit Rating by	*ECRL	ECRL	ECRL	ECRL	ECRL
	Long Term	AA-	AA-	AA-	AA-	AA-
	Short Term	ECRL-2	ECRL-2	ECRL-2	ECRL-2	ST-2