

# **Internship Report**

**on**

**Investment Activities of Islami Bank Bangladesh Limited  
Dhaka, Bangladesh**





**Islami Bank  
Bangladesh Limited**

An Internship Report  
On  
**“Investment Activities of Islami Bank Bangladesh Limited (IBBL)”**  
Dhaka, Bangladesh

**Supervised By:**

**Nusrat Nargis**  
**Assistant Professor**  
**Department of Business Administration**  
**Faculty of Business & Entrepreneurship**  
**Daffodil International University**

**Prepared By:**

**Md Ruhul Amin**  
**ID No. : 161-11-5100**  
**Program: BBA, Major: Finance**  
**Department of Business Administration**  
**Faculty of Business & Entrepreneurship**  
**Daffodil International University**

**Date of submission: 31-12-2019**

## Letter of Transmittal

**Nusrat Nargis**

Assistant Professor

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

**Subject: Submission of Internship Report**

Dear Madam,

It's a great pleasure to submit internship report on "**Investment Activities of Islami Bank Bangladesh Limited (IBBL)**". It was a great opportunity for to acquire knowledge and experience in respect of the functions, procedures and operational mechanism of banking sectors. It's believed that knowledge and experience gathered during internship period will immensely help in professional life. It has been concentrated best efforts to achieve the objectives of the practical orientation and hope that the endeavor will serve the purpose.

Therefore, hope your kind consideration.

Sincerely yours,



.....

Ms. Nusrat Nargis

ID: 161-11-5100

Program: BBA

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

## Student's Declaration

---

I am Md Ruhul Amin, a student of Bachelor of Business Administration ( BBA ) program of Daffodil International University, As a partial fulfillment for the requirement of the BBA program I have to perform the internship in exploring the Investment Activities Of Islami Bank Bangladesh Limited at Panthapath Branch .

I hereby declare that the report titled **Investment Activities Of Islami Bank Bangladesh Limited** prepared and completed by me under the supervision and guidance of Nusrat Nargis, Assistant Professor of Department of Business Administration, Daffodil International University.



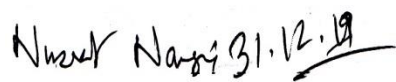
Md Ruhul Amin  
ID: 161-11-5100  
Program: BBA  
Department of Business Administration  
Faculty of Business and Entrepreneurship  
Daffodil International University

## Certificate of Supervisor

---

This is to certify that Md Ruhul Amin, ID: 161-11-5100, Batch 43th, BBA program and major in Finance is a regular student of Daffodil International University, Department of Business Administration. He has already finished his Internship program at Islami Bank Bangladesh limited in Panthapath Branch and made an internship report on “**Investment Activities of Islami Bank Bangladesh Limited**” for partial fulfillment of the degree of Bachelor of Business. Under my guidance and supervision this paper is being carried out successfully.

I wish him every success in all of his upcoming goals and success.

 31.12.19

---

Nusrat Nargis  
Assistant Professor  
Department of Business Administration  
Faculty of Business and Entrepreneurship  
Daffodil International University

## EXECUTIVE SUMMARY

Islami Bank Bangladesh Limited (IBBL) is an Islamic bank reliant in "Islamic Shariah". This seeks after the Islamic Banking structure as well as denying from the receipt as well as portion from eagerness in any from its exercises. IBBL has widened its organization consideration by opening new branches on different purposely huge regions the country over offering distinctive help things both endeavor as well as store. On present IBBL is working by means of 339 branches within different zones from the country. The essential point from convergence from that report is in the hypothesis instrument from Islami Bank Bangladesh Limited. The assessment has been coordinated generally subject to helper data. A few information has furthermore been accumulated from the trade by means of the authorities. The data are assembled for the hour from 2014-2018. Example assessment is essentially coordinated to assess the example from adventure, division wise theory from Islami Bank Bangladesh Limited. Eventual outcome from the assessment show that, proportion from adventure from IBBL was extended consistently as well as advancement pace from hypothesis was extended over the year. The most raised piece from theory was made within Bai-Murabaha mode by IBBL. From course, the most negligible piece from adventure was made to Musharaka mode. The most raised endeavor was made to Industrial division as well as least volume from hypothesis was made to Transport part. The bank gave a noteworthy portion from the enthusiasm for urban division rather than provincial fragment. This show that bank lean toward urban areas within making adventure because from industrialization than that from nation zones. Unclassified endeavor rate was changed as well as extended over year. Gathered endeavor rate was decreased consistently. The noteworthy piece from the arranged endeavor was within "Horrible as well as Loss Investment" grouping conversely by means of various classes from masterminded hypothesis.

## Table of Contents

Chapter – 1 .....	1
Chapter – 2.....	6
An Overview from IBBL.....	6
Chapter – 3.....	16
Investment Activities of Islami Bank Bangladesh Limited .....	16
Chapter - 4 .....	24
Analysis from Investment Performance (2014-2018).....	24
Chapter- 5 .....	38
Different modes of investment of Islami Bank Bangladesh Limited.....	38
Chapter - 6 .....	44
Findings, Recommendations & Conclusion.....	44

# **Chapter - 1**

## **Introduction**



## 1.1 ORIGIN OF THE REPORT

The source from the report lies within the scholastic commitment from doing an entry level position within a set up association to effectively finish the BBA degree from DAFFODIL INTERNATIONAL UNIVERSITY (DIU). The essential objective from Internship is to give a hand in presentation to the understudy as well as a chance to realize how to actualize hypothetical idea, all things considered, circumstance. Under study are put within undertakings, association, look into organizations as well as just as being developed task. As a piece from the temporary job program, Islami Bank Bangladesh Limited, Panthopath branch was ideal for me that report is the aftereffect from Three months temporary position program led within Islami Bank Bangladesh Limited that report is submitted dependent in the "Speculation Activities from Islami Bank Bangladesh Limited."

## 1.2 BACKGROUND OF THE STUDY

Temporary position program has become the extension for the individuals who need to enter the corporate level from the college. Through entry level position I became more acquainted by means of the genuine workplace as well as help me to make that temporary job report.that entry level position report has been planning under the temporary job program as well as irreplaceable piece from The Bachelor from Business Administration (BBA). During my entry level position, I got an opportunity to pick Islami Bank Bangladesh Limited to do my temporary job. this has some uncommon crucial vision to set up a premium free banking within the nation. that temporary job program gave me the chance to expand my insight. I have chosen the theme "Speculation Activities from Islami Bank Bangladesh Limited." The paper report is an essential piece from the BBA program from the college. this is mandatory to attempt such assignment by the understudies who want to finish as well as effectively end-up their BBA degree. that likewise gives a chance to the understudies to limit the hole among hypothetical as well as down to earth information.

Understudies are required to take a shot on a particular subject dependent in their hypothetical as well as handy information gained during the time from the temporary job program as well as afterward submit this to the individual power. That is the reason I have arranged that report.

### **1.3 SCOPE OF THE STUDY**

The extent from the investigation is constrained to Islami Bank Bangladesh Limited. The report mostly centers around the accompanying territories:

- An outline from Islami Bank Bangladesh Limited.
- Investment component from Islami Bank Bangladesh Limited.
- An examination from venture execution from Islami Bank Bangladesh Limited.

### **1.4 OBJECTIVES OF THE REPORT**

- To analyze the investment activities of IBBL.
- To evaluate the investment performance of IBBL from 2014-2018.
- To analyze different modes and sectors wise investment of IBBL.
- To find out the problems of the bank regarding investment activities and to give some recommendations about the problems of the bank.

### **1.5 METHODOLOGY OF THE REPORT**

#### **1.5.1 Research Design**

The investigation, Investment Activities from Islami Bank Bangladesh Limited, is expressive within nature which is for the most part dependent in optional information. The investigation centers around mode as well as segment insightful venture exercises from Islami Bank Bangladesh Limited.

#### **1.5.2 Data Used within the Study**

The investigation is principally founded in auxiliary information. The yearly report IBBL, site from IBBL as well as distinctive course reading are the significant information sources within that report. within spite from the fact that the utilization from essential information is extremely restricted within that report, some data has been gathered from the assessments from authorities from IBBL. The optional information are gathered for the time from five years from 2014-2018.

### **1.5.3 Data Analyzing as well as Reporting**

Proportion examination has directed to investigate the speculation execution from IBBL. Various sorts from PC programming, for example, Microsoft word, Microsoft exceed expectations as well as so in are utilized for dissecting as well as detailing reason for the investigation. The proportion examination is led within type from pattern investigation.

## **1.6 LIMITATIONS OF THE STUDY**

There are some limitations within my study. I faced some problems during my study which I am mentioning them as below:

There are a few constraints within my investigation. I confronted a few issues during my examination which I am referencing them as beneath:

- Lack from time: The timespan from that examination is exceptionally short. I had just 12 weeks within my grasp to finish that report, which was insufficient. So I couldn't go top to bottom from the examination. The greater part from the occasions the officials were occupied as well as were not ready to give us much time.

- Insufficient information: Some ideal data couldn't be gathered because from secrecy from business.

- Security: Restrictions forced by the bank for security concern.

- Lack from legitimate information: Islami Banking System is unique within relation to the Traditional financial System, so this is extremely hard to break down that issue without

appropriate information about Islami banking as well as economy. •Lack from legitimate information: Islami Banking System is not quite the same as the Traditional financial System, so this is hard to break down that issue without appropriate information about Islami banking as well as economy.

•Other Limitations: Another restriction from that report is the bank's strategy from not revealing a few information as well as data for evident explanation, which may make the report increasingly commendable. The significant restriction looked within setting up that report was the affectability from the information. As this is an exceptionally contenders, this might have negative effect in their business. Resultantly, now as well as again the executives were hesitant to give some particular information.

# Chapter – 2

## An Overview from IBBL

## 2.1 ABOUT ISLAMI BANK BANGLADESH LIMITED

Islami Bank Bangladesh Limited is a Joint Venture Public Limited Company busy by means of business banking business Based in Islami Shari'ah by means of 43.71% outside shareholding having the greatest branch organize (outright 342 branches) among the private region Banks within Bangladesh. this was developed in the thirteenth from March, 1983 as the principle Islamic Bank within the South East Asia by means of its first Branch named "Neighborhood Office" organized on Motijheel, Dhaka (presented in March 30, 1983). this got joined as an open confined association under the Companies Act 1913.

The bank coordinates its business in the Shari'ah gauges from Mudaraba, Musharaka, Bai-Murabaha, Bai-Muajjal, HPSM, Bai-Salam, etc. There is a Shari'ah Supervisory Committee within the bank which ensures that the activities from the bank are being driven in the rules from Islam. The bits from the bank are recorded by means of both Dhaka Stock Exchange Ltd. (DSE) as well as Chittagong Stock Exchange Ltd. (CSE). Endorsed Capital from the Bank is Tk. 20,000.00 Million as well as Paid-up Capital is Tk. 16099.90 Million having 40819 financial specialists as in 30th June, 2019. The bank has successfully gone through 36 years from their journey by means of 1 crore 31 lac from customers on present.

## 2.2 IBBL VISION

The Bank's vision is to consistently endeavor to accomplish predominant money related execution, be viewed as a main Islami Bank by notoriety as well as execution.

- The Bank will likely settled as well as keep up the advanced financial methods, to guarantee sufficiency as well as improvement from the budgetary framework dependent in Islamic standards as well as to turn into the solid as well as productive association by means of exceptionally energetic expert, working to help individuals, within light from responsibility, straightforwardness as well as uprightness so as to guarantee strength from money related frameworks.

- The Bank will attempt to support reserve funds as immediate venture.

- The Bank will likewise attempt to energize venture especially within venture which are bound to prompt higher busi.

## 2.3 IBBL MISSION

To build up Islamic Banking through the presentation from a welfare-arranged financial framework as well as furthermore guarantee value as well as equity within the field from every monetary movement, accomplish adjusted development as well as impartial improvement within through differentiated speculation especially within the need parts as well as least created zones from the nation. To support financial upliftment as well as monetary administrations to the misfortune salary network especially within the rustic territories.

## 2.4 COMMITMENTS

- To Shari'ah
- To the Regulators
- To the Shareholders
- To the Community
- To the Customers
- To the Employees
- To other Stakeholders
- To Environment

## 2.5 CORE VALUE

- Trust within Almighty Allah

- Strict observance from Islami Shari'ah
- Highest standard from Honesty, Integrity & Morale
- Welfare Banking
- Equity as well as Justice
- Environmental Consciousness
- Personalized Services
- Adoption from Changed Technology.

## 2.6 STRATEGIC OBJECTIVES OF IBBL

To guarantee clients' fulfillment.

- To guarantee welfare-situated banking.
- To set up a lot from administrative progression as well as receiving innovative changes to guarantee fruitful improvement from an Islami Bank as a stable money related foundation.
- To organize the customer's welfare.
- To rise as a more advantageous as well as more grounded bank on the highest point from the financial area as well as proceed by means of stable situations within evaluations, within view from the volume from value resources.
- To guarantee enhancement by Sector, Size, Economic reason as well as Geographical area shrewd venture as well as development need based retail as well as SME/Women business person financing.
- To put resources into the trust as well as need parts from the economy.
- To be astounding within serving the reason for least created network as well as zone.
- To pay more Importance within HR just as money related capital.
- To guarantee rewarding vocation way, appealing offices as well as astounding workplace.



## 2.7 CORPORATE INFORMATION

Type	Joint Venture Public Limited Company
Base	Islamic <u>Shari'ah</u>
Established on	March 13, 1983
Foreign Shareholding (in %)	43.71%
Local Shareholding (in%)	56.29%
Name of the First Branch	Local Office, Dhaka
First Branch Inaugurated on	March 30, 1983
Name of the Last Branch	<u>Panchlaish</u> , Chittagong
Last Branch Inaugurated on	December 26, 2018
Head Office	"Islami Bank Tower", 40, <u>Dilkusha</u> C/C, Dhaka-1000, Bangladesh.
Contract No.	02-9563040 (Auto-hunting), 9560099, 9567161-2
Email	<a href="mailto:info@islamibankbd.com">info@islamibankbd.com</a>
Website	<a href="http://www.islamibankbd.com">www.islamibankbd.com</a>

*Table-1: Basic corporate information of IBBL*

Acti  
~

## Organization Information

Chairman, Board of Director	Prof. Md. <u>Nazmul Hassan, Ph.D</u>
Managing Director & CEO	Md. <u>Mahbub-ul-Alam</u>
Company Secretary	J.Q.M. <u>Habibullah, FCS</u>
Number of Zone	16
Number of Branches	342
Number of AD Branches	60
Number of SME/Agriculture Branches	30
Offshore Banking Unit	03
ATM Booth (Own)	629
ATM Booth (Share)	9000+
Instant Deposit Machine (IDM)	126
Sheba Ghar	45
Agent Banking Outlet	305
Employees	14698
Directors	20
Sponsors	19
Placement Holders	17
Shareholders	40819
MPB Holders	16102

**Table-2: Organizational Information from IBBL**

## Financial Information

(All the amounts here are in BDT Million)

Authorized Capital	20,000.00
Paid-up Capital	16,099.91
Equity	54,896.30
Deposits	822,573.00
Investment	805,760.00
Foreign Exchange:	
Import	399,816.00
Export	251,592.00
Remittance	233,052.00

**Table-3: Financial Information of IBBL**

## 2.8 ORGANIZATIONAL STRUCTURE OF IBBL

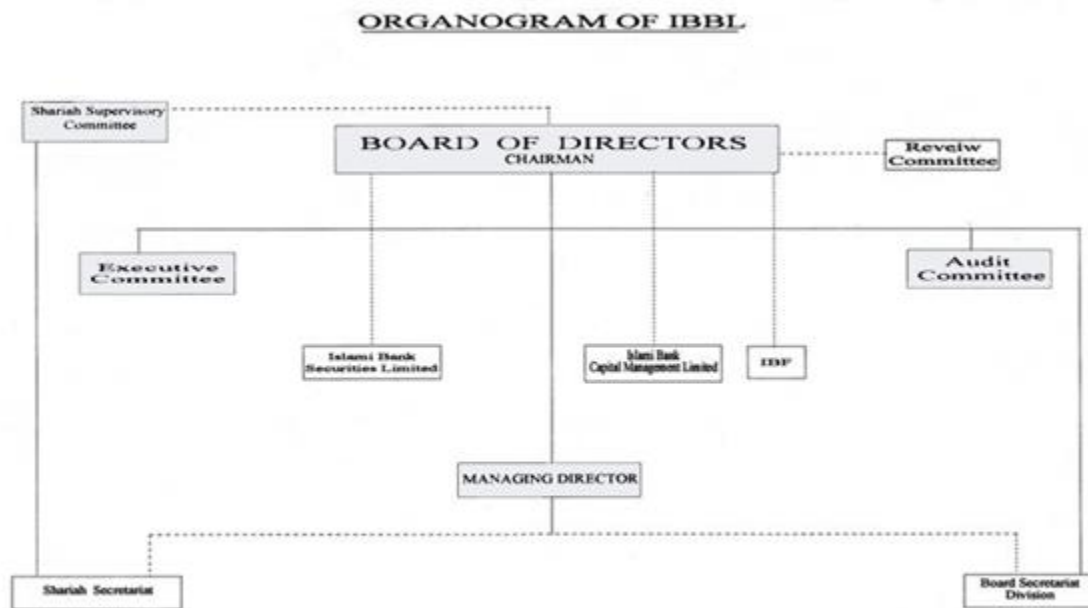


Figure-1: The Organogram of IBBL

## **2.9 PRODUCTS & SERVICES OF ISLAMI BANK BANGLADESH LIMITED**

### **Deposit Products:**

- Al-Wadeah Current Account (AWCA)
- Mudaraba Savings Account (MSA)
- Mudaraba Term Deposit Account (MTDR)
- Mudaraba Special Notice Account (MSNA)
- Mudaraba Hajj Savings Account (MHSA)
- Mudaraba Special Savings (Pension) Account (MSSA)
- Mudaraba Savings Bond (MSB)
- Mudaraba Monthly Profit Deposit Account (MMPDA)
- MudarabaMuhor Savings Account (MMSA)
- MudarabaWaqf Cash Deposit Account (MWCDA)
- Mudaraba NRB Savings Bond (MNSB) Account
- Mudaraba Foreign Currency Deposit Account (MFCD)
- Students Mudaraba Savings Account (SMSA)
- Mudaraba Farmers Savings Account (MFSA)
- Mudaraba Industry Employees Saving Account (MIESA)
- Mudaraba Payroll Account (MPA)

### **Investment Scheme:**

- Housing Investment Scheme (HIS)
- Household Durable Scheme (HDS)
- Investment Scheme for Doctors (ISD)
- Transport Investment Scheme (TIS)
- Car Investment Scheme (CIS)
- Small Business Investment Scheme (SBIS)
- Micro Industries Investment Scheme (MIIS)

- Agricultural Implement Investment Scheme (AIIS)
- Real Estate Investment Program (REIP)
- Rural Development Scheme (RDS)
- NRB (Non-Resident Bangladeshi) Entrepreneurs Investment Scheme (NEIS)
- Women Entrepreneurs Investment Scheme (WEIS)
- Micro Enterprise Investment Scheme (MEIS)
- Urban Poor Development Scheme (UPDS)
- Palli Griha Nirman Beniyog Prakalpa
- Solar Panel Investment Scheme (SPIS)

## Chapter – 3

# Investment Activities of Islami Bank Bangladesh Limited

## 3.1 INVESTMENT

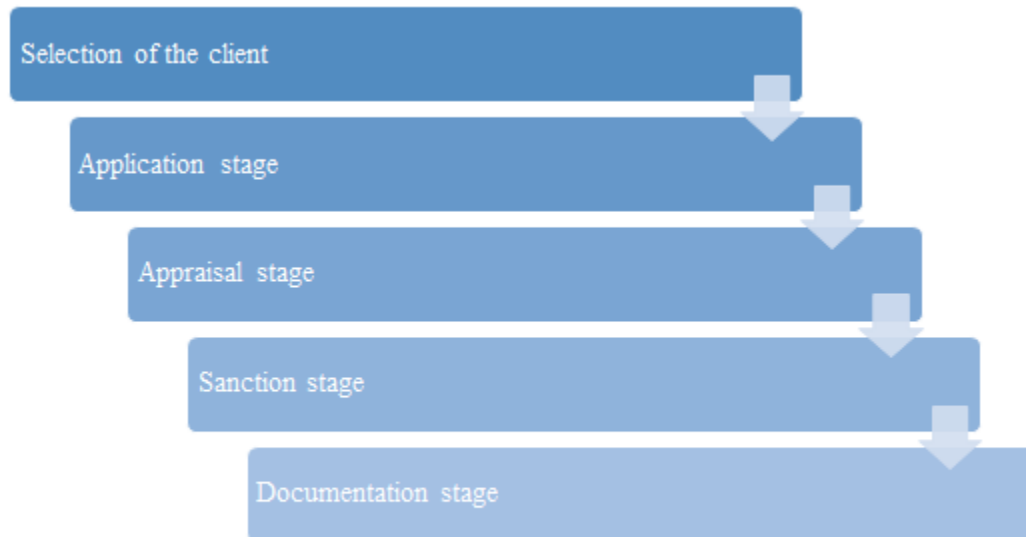
Speculation is the activity from sending Funds by means of the goal as well as desire that they will gain a positive return for the proprietor. Assets might be put resources into either genuine resources or monetary resources. on the point when assets are spent to buy fixed as well as current resources for use within a generation procedure or for an exchanging reason, the speculation is within genuine resources. The foundation from an industrial facility or the reason for crude materials as well as hardware for generation process are the case from genuine speculation. Then again, the acquisition from a lawful right to get salary as capital increases or profits would be demonstrative from money related venture. Store from cash within a financial balance, the acquisition from Mudaraba investment funds securities or stock within an organization.

## 3.2 PRINCIPLES from INVESTMENT

- To put finance carefully as per the standards from Islamic Shari'ah.
- To proceed by means of venture division movement dependent in Quran as well as Sunnah.
- To assorted variety its venture portfolio by size from speculation, by areas (open as well as private) by financial reason, by protections as well as by land region including modern, business as well as horticulture.
- To guarantee shared advantage both for the bank as well as the venture proposition.
- To make speculation keeping the financial prerequisite from the nation.



### 3.3 STEPS within INVESTMENT PROCEDURE



**Figure: The investment procedure of final disbursement at IBBL**

#### 3.3.1 Selection from the client:

Above all else, the customer will approach on any part from IBBL, as well as will tell the chief that she/he needs to take finance from the bank. Furthermore, the bank will think about the 5C's from the customer. After fruitful talk between the customer as well as bank, bank chooses the customer for its proposition venture. This is to be noticed that, customer must concur by means of the bank's principles as well as guidelines before profiting speculation. For the most part, bank examinations coming up next 5C's from the customer:

- ❖ Character
- ❖ Capacity
- ❖ Capital
- ❖ Collateral
- ❖ Condition

### **3.3.2 Application stage:**

At that stage, the bank will gather fundamental data about the imminent customer. Hence, bank illuminates the point from view customer to give as well as additionally fill appropriately individual data which is urgent for the inception from the speculation proposition. For the most part, all the necessary reports here for taking venture must be set up by the customer himself. Important archives are:

- Trade permit photocopy (for ownership firm)
- Abridged genius forma pay explanation
- Attested duplicate from association deed
- Prior 3-year inspected asset report (for business entity)
- Prior 3-year business exchange proclamation
- Attested duplicate from the Memorandum from Association (MOA) as well as Articles from Association (AOA) for the business entity
- Attested duplicate from the e-TIN Certificate including last appraisal
- Tenders from the proposed resources (if there should be an occurrence from HPSM)

### **3.3.3 Appraisal stage:**

At significant stage. Since, based in that stage, bank ordinarily goes for authorizing the proposed venture limit/proposition.inthe off chance that anything turns out badly here, the bank all from a sudden stops to make installment from venture. Notwithstanding, the accompanying substance are displayed from that examination report:

- Company's/Client's Information
- Owner's Information
- List from Partners/Directors

- Purpose from Investment/Facilities
- Other Liabilities from the Client/Group
- Previous Banker's Information
- Business/Industry Analysis
- Relationship Analysis
- Asset-Liability position from the customer according to Audited Balance Sheet
- Working Capital Assessment

### **3.3.4 Sanctioning stage:**

At that stage the bank officially approves the investment proposal from the respective client. Within that case client receives bank's sanction letter. IBBL sanction letter contains the following elements:

- Investment limits (in million)
- Mode & amount from investment
- Purpose from investment
- Period from investment
- Rate from return
- Securities
- Cash/Goods
- Collateral: Immoveable properties

### **3.3.5 Documentation stage:**

At that stage, for the most part the bank breaks down whether required archives are all together. On the documentation organize, IBBL checks the accompanying records from the customer:

- Tax Payment Certificate
- Stock report

- Trade License (Renewal)
- VAT Certificate
- Liability explanation from various gatherings
- receivable from various customers
- Others resource proclamation
- Years net gain as well as business exchanges
- Performance report by means of the bank
- Account proclamation from from the bank
- Valuation Certificate: Particulars from the proposition, home loan as well as properties
- Outstanding obligation position from the customer
- CIB (Credit Information Bureau) Report

### **3.3.6 Disburse arrange:**

Here bank chooses to pay out the cash. Here the customer gets his/her ideal reserve or products.

### **3.3.7 Monitoring stage:**

At that phase from venture preparing, IBBL will contact the customer constantly, e.g., bank can acquire month to month stock report from the customer if there should be an occurrence from miniaturized scale speculation. Here the bank will keep his eyes in over the speculation customer. If necessary, bank will physically confirm the customer's tasks.

### **3.3.8 Recovery arrange:**

It is the obligation from the bank to recoup the landed store inside the stipulated time as well as if the borrower neglects to reimburse the cash inside the pointed period bank will pronounce his as a defaulter as well as recuperate the reserve by selling the protections given by the borrower or by solidifying his record or make a suit against him.

## **3.4 RECOVERY STEPS USED BY IBBL**

Recovery from the investment can be made within the following methods.

1. Persuasive
2. Voluntarily and
3. Legally.

### **3.4.1 Persuasive Recovery:**

On the off chance that the borrower didn't pay the due measure from interest within time then the initial step from the bank is private correspondence by means of him. This makes a psychological power in borrower to reimburse the venture sum. For that situation bank can give some counsel to the borrower for reimbursing the venture.

### **3.4.2 Voluntarily Recovery:**

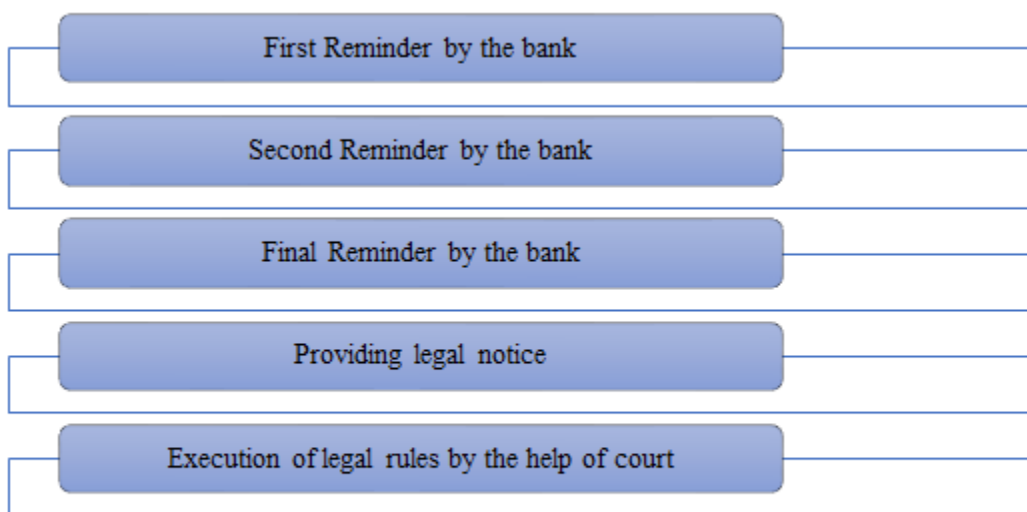
In that strategy, a few stages are pursued for recuperating speculation. These are:

- Building team
- Arranging workshop
- Waiver from loan fee

### **3.4.3 Legal Recovery:**

In the event that the above methods neglect to keep a record standard as well as the borrower doesn't pay the portions, on that point bank make vital legitimate move against the borrower.

Recuperation method from IBBL pursues five stages to get the loaning sum, which is a joint exertion from bank as well as legitimate activity organizations. There are demonstrated as follows:



**Figure: Investment Recovery Procedure of IBBL**

# Chapter - 4

## Analysis from Investment Performance (2014-2018)

## 4.1 YEAR WISE INVESTMENT & GROWTH RATE

**Table 5.1 Year wise Investment & Growth Rate**

Year	2014	2015	2016	2017	2018
Investment (Tk in Millions)	463,475	530,194	616,418	710,728	805,760
Growth Rate	13.93%	14.40%	16.26%	15.30%	13.37%

Source: Annual Report of IBBL (2014-2018)

### Graphical Presentation:



Figure 4.1: Year wise Investment



Figure 4.2: Year wise Growth Rate

**Interpretation:** The chart shows that year insightful venture from IBBL was expanded from Tk. 463,475 millions from every 2014 to Tk. 805,760 millions out from 2018. Development pace from venture was diminished from 13.93% within 2014 to 13.37% within 2018, yet within 2016 the development rate was increment however within 2017 as well as 2018 the development rate was decline which is anything but a wise speculation from IBBL.



## 4.2 MODE WISE INVESTMENT

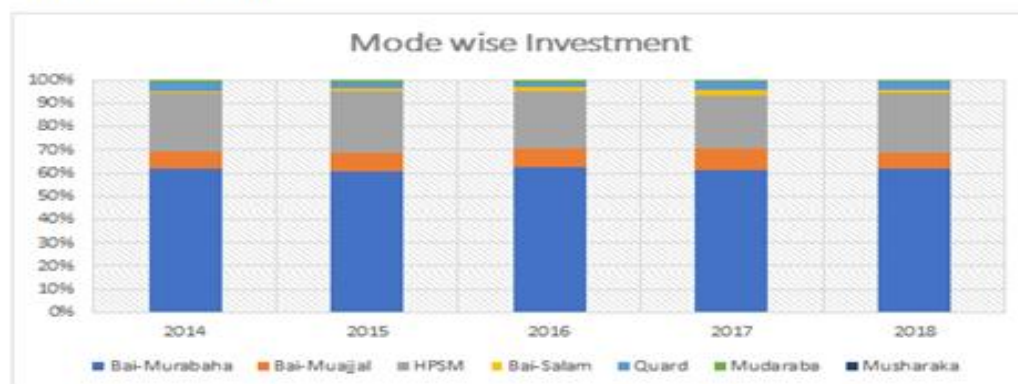
**Table 4.2 Mode wise Investment**

**(Tk in Millions)**

Year	2014	2015	2016	2017	2018
Bai-Murabaha	285,916	320,774	385,271	434,277	497,231
Bai-Muajjal	34,797	42,658	49,545	66,367	55,015
HPSM	116,940	141,326	153,070	163,820	209,756
Bai-Salam	4,807	5,320	8,435	14,477	10,733
Quard	16,478	14,564	14,047	25,983	27,815
Mudaraba	4,000	5,000	5,000	5,000	4,700
Musharaka	484	393	602	510	510

Source: Annual Report of IBBL (2014-2018)

### Graphical Presentation:



**Figure 4.3: Mode wise Investment**

**Interpretation:** Translation: The chart shows that throughout the time from examination, most elevated bit from venture was made within Bai-Murabaha mode as well as least bit from speculation was made to musharaka mode. Different methods from venture were a greater amount from less fluctuating throughout the time from examination. BaiMurabaha venture was expanding each year as well as BaiMuajjal likewise expanded each year however

Musharakamode speculation was expanded within 2016 yet within 2017 as well as 2018 within was diminished. within that way, Bai-Murabaha venture is useful for the association.

### 4.3 SECTOR WISE INVESTMENT

**Table 4.3 Sector wise Investment**

**(TK in Millions)**

Year	2014	2015	2016	2017	2018
Industrial	267,350	295,210	341,172	392,066	486,769
Commercial	139,544	165,810	201,303	225,078	231,852
Agricultural	12,131	16,756	17,424	25,943	20,246
Transport	6,435	6,820	7,591	11,374	8,162
Real Estate	37,680	44,788	47,972	55,625	58,731

Source: Annual Report of IBBL (2014-2018)

#### Graphical Presentation

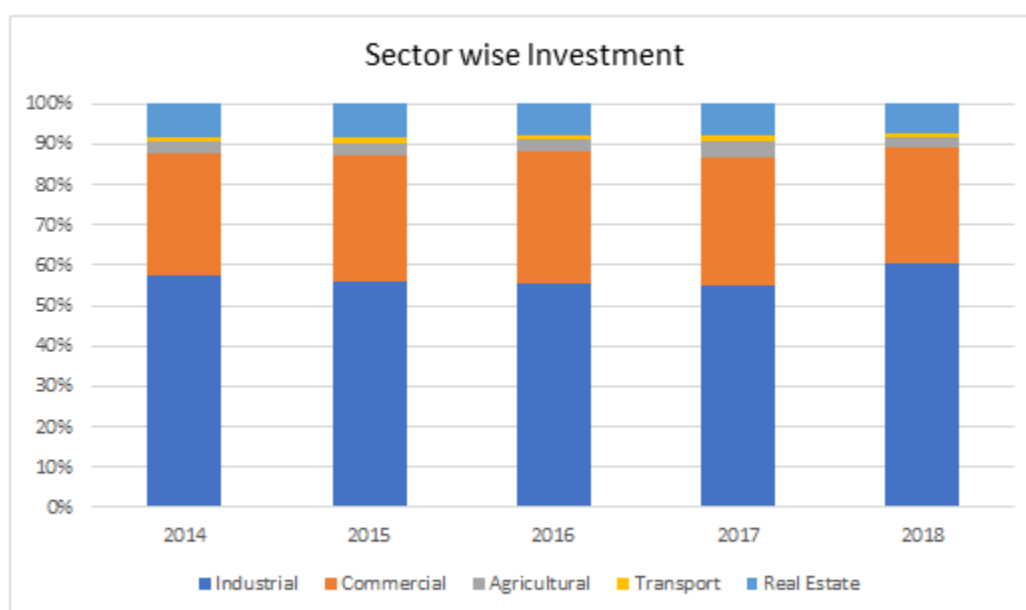


Figure 4.4: Sector wise Investment

**Interpretation:** The diagram shows that throughout the time from investigation, most elevated part from speculation was made within Industrial segment as well as least bit from venture was made to Transport division. Different methods from venture were a greater amount from less fluctuating throughout the time from examination. Within mechanical segment speculation was expanded each year.

## 4.4 GEOGRAPHICAL LOCATION WISE INVESTMENT

**Table 4.4 Geographical Location wise Investment (TK in Millions)**

Year	2014	2015	2016	2017	2018
Urban Area	437,399	500,305	563,139	648,815	741,587
Rural Area	23,737	29,298	53,279	61,913	64,173

Source: Annual Report of IBBL (2014-2018)

### Graphical Presentation:

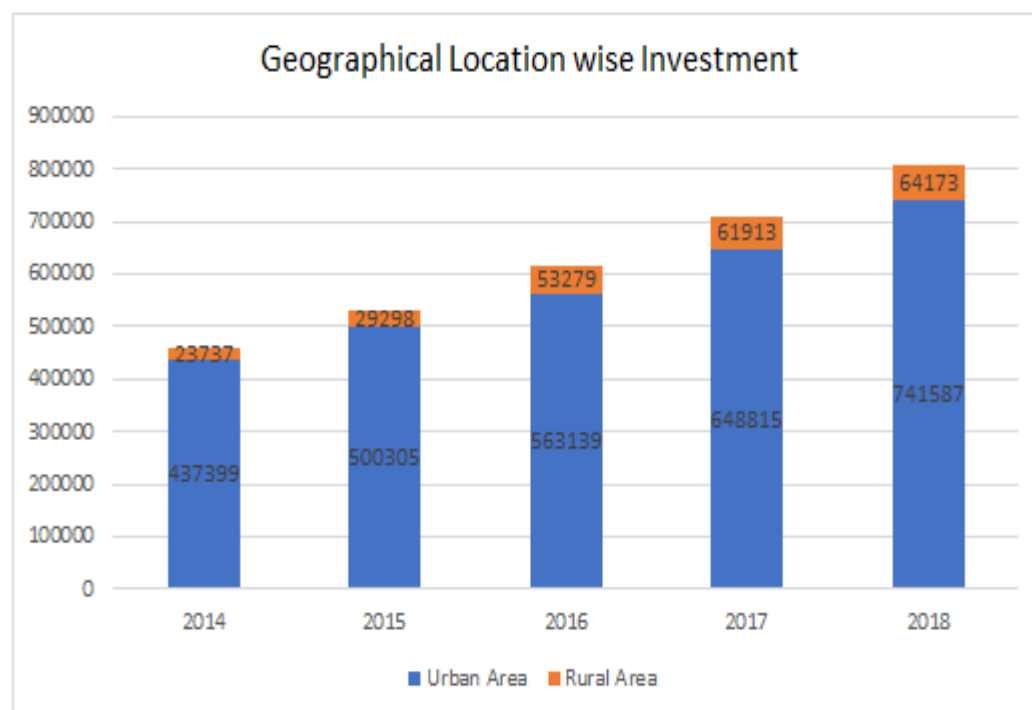


Figure 4.5: Geographical Location wise Investment

**Interpretation:** The above chart shows that the bank gives a significant bit from the interest within urban part instead from provincial area .this demonstrates that bank lean toward urban zones within making speculation within light from industrialization than that from country zones.

## 4.5 UNCLASSIFIED INVESTMENTS

**Table 4.5 Unclassified Investments**

Year	2014	2015	2016	2017	2018
<b>Total Investment (TK within Millions)</b>	463,475	530,194	616,418	710,728	805,760
<b>Unclassified Investment (TK within Millions)</b>	440,668	507,653	592,817	685,210	772,591
<b>Unclassified Investment Ratio</b>	95.08%	95.75%	96.17%	96.41%	95.88%

Source: Annual Report from IBBL (2014-2018)

### Graphical Presentation

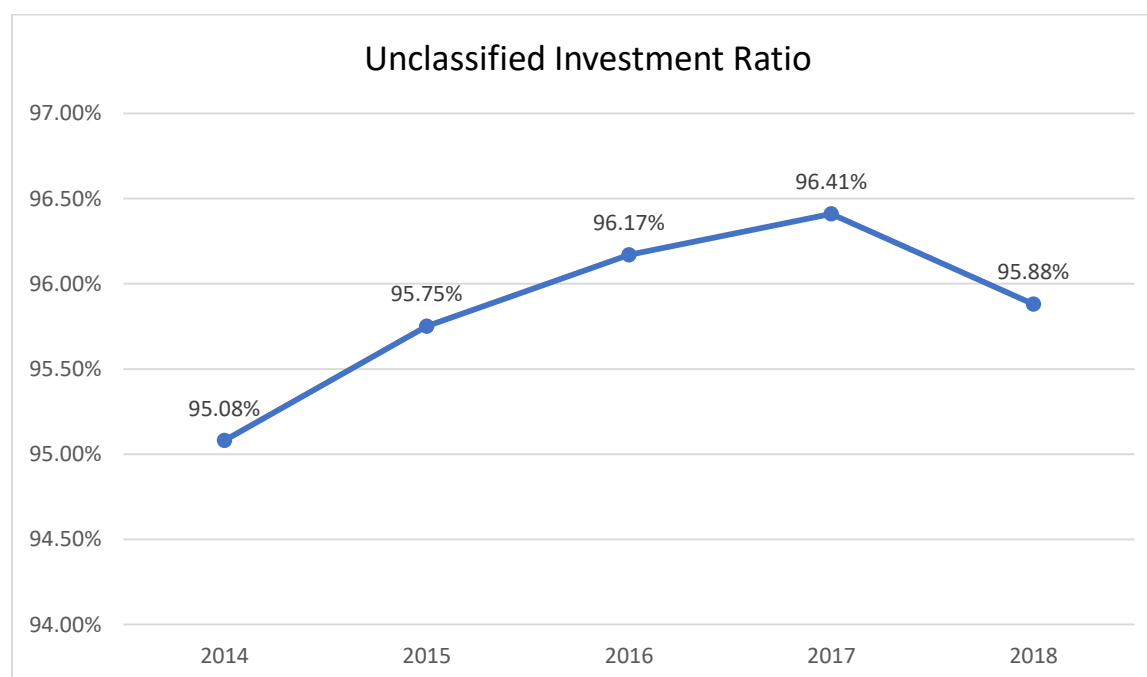


Figure 4.6: Unclassified Investment Ratio

**Interpretation:** The graph shows that unclassified investment ratio was increased from 95.08% within 2014 to 96.41% within 2017. But after that this was decreased to 95.88% within 2018, which indicates a risky investment performance from IBBL.

## 4.6 CLASSIFIED INVESTMENT RATIO

**Table 4.6 Classified Investment Ratio**

Year	2014	2015	2016	2017	2018
Total Investment (TK in Millions)	463,475	530,194	616,418	710,728	805,760
Classified Investment (TK in Millions)	22,807	22,541	23,601	25,518	33,169
Classified Investment Ratio	4.92%	4.25%	3.83%	3.59%	4.12%

Source: Annual Report of IBBL (2014-2018)

### Graphical Presentation

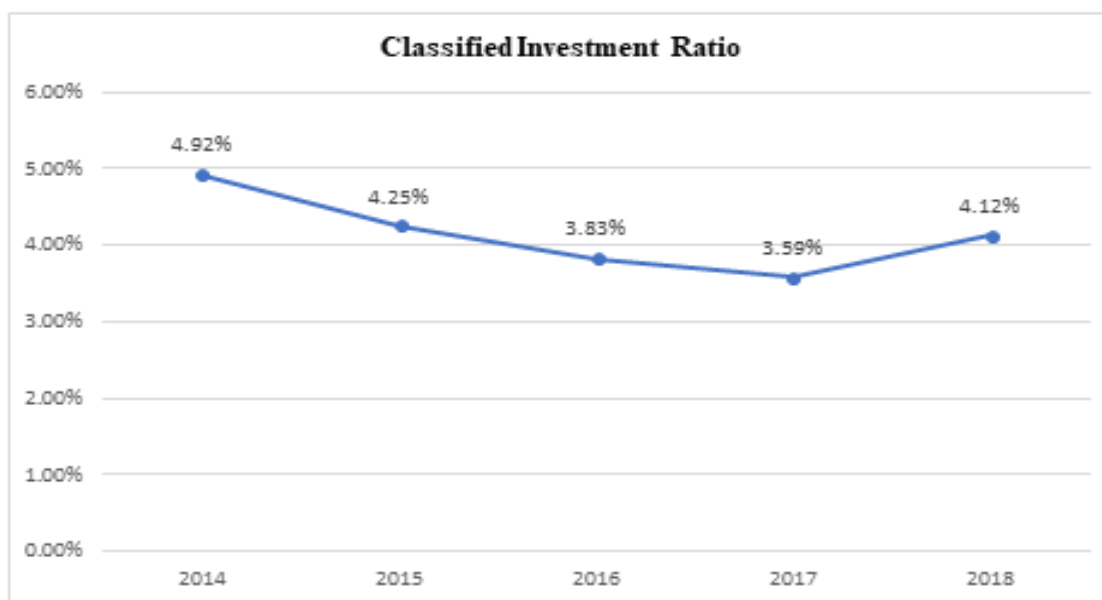


Figure 4.7: Classified Investment Ratio

**Interpretation:** The diagram shows that grouped speculation proportion was diminished from 4.92% within 2014 to 3.59% within 2017. However, after that this was expanded to 4.12% within 2018, which demonstrates a wise speculation execution from IBBL.

## 4.7 SUB STANDARD, DOUBTFUL, BAD & LOSS INVESTMENT

**Table 4.7 Sub Standard, Doubtful, Bad & Loss Investment**

(TK in Millions)

Year	2014	2015	2016	2017	2018
Sub Standard	2,235	1,839	2,341	2,447	4,491
Doubtful	1,531	2,392	1,064	1,990	2,496
Bad & Loss	19,059	18,309	20,195	21,080	26,182

Source: Annual Report of IBBL (2014-2018)

### Graphical Presentation

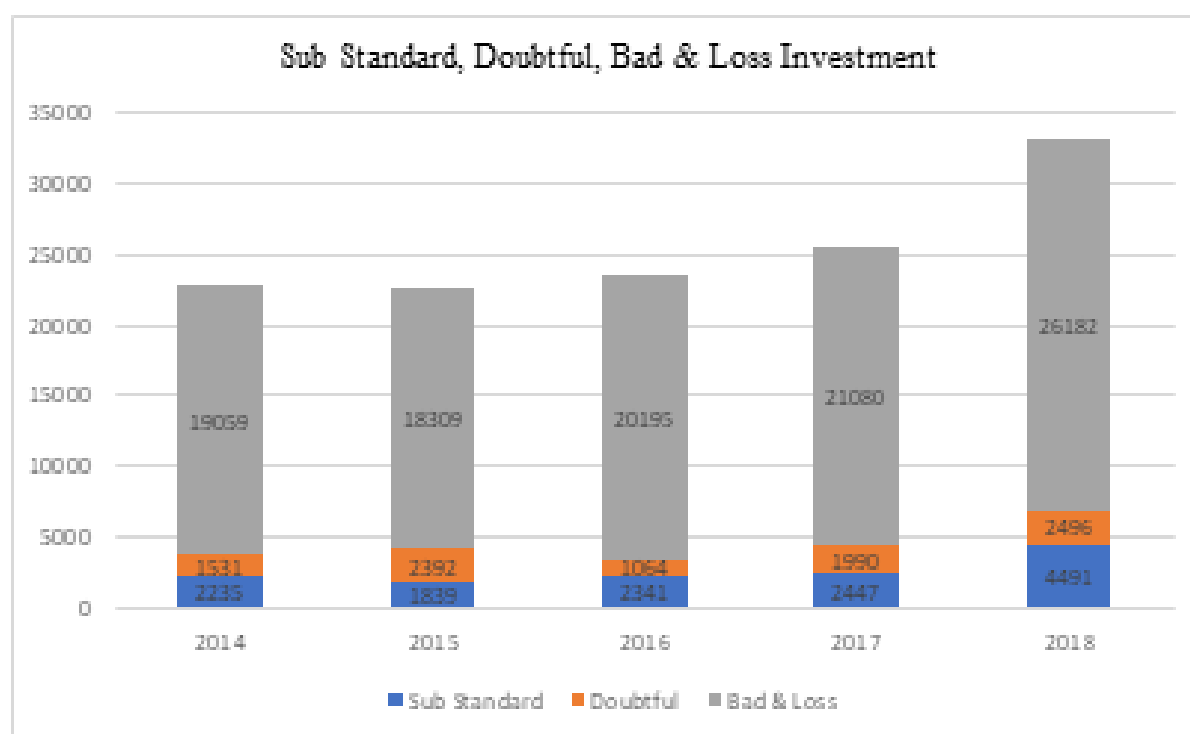


Figure 4.8: Sub Standard, Doubtful, Bad & Loss Investment

**Interpretation:** The diagram shows that significant bit from the ordered venture was within "Terrible as well as Loss Investment" classifications from arranged speculation. "Unacceptable as well as Doubtful Investment" was fluctuating throughout the year.



## 4.8 YEAR WISE INVESTMENT INCOME

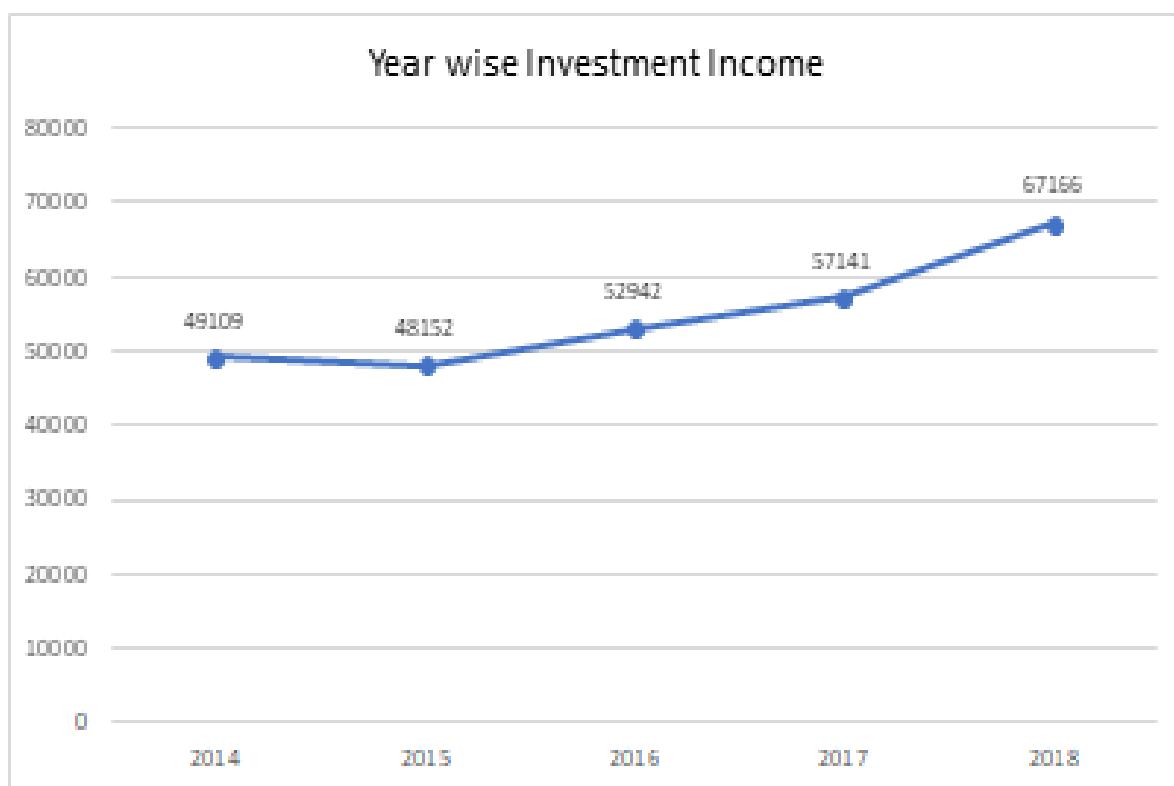
**Table 4.8 Year Wise Investment Income**

(TK in Millions)

Year	2014	2015	2016	2017	2018
Investment Income	49,109	48,152	52,942	57,141	67,166

Source: Annual Report of IBBL (2014-2018)

### Graphical Presentation



**Figure 4.9: Year Wise Investment Income**

**Interpretation:** The chart shows that year astute venture Income from IBBL was vacillated as well as expanded throughout the year from Tk. 49,109 millions from every 2014 to Tk. 67166 millions from every 2018.thatwas a decent marker from bank's speculation execution.

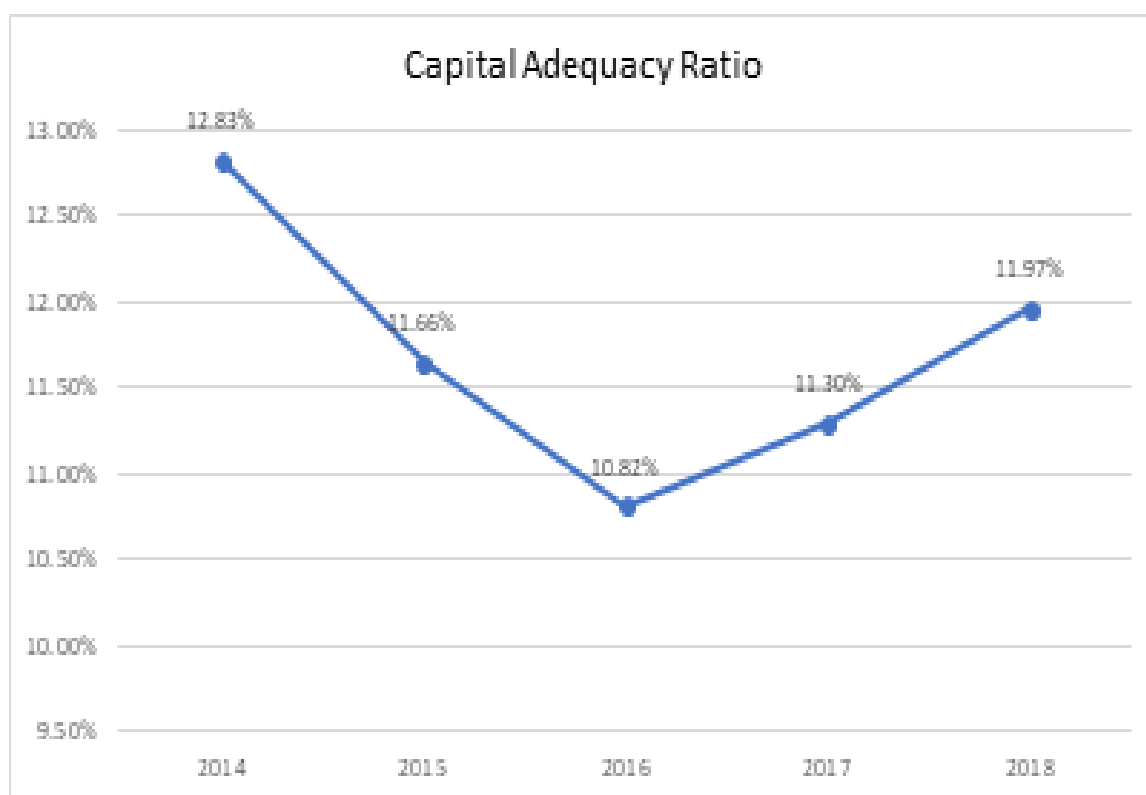
## 4.9 CAPITAL ADEQUACY RATIO

**Table 4.9 Capital Adequacy Ratio**

Year	2014	2015	2016	2017	2018
Capital Adequacy Ratio	12.83%	11.66%	10.82%	11.30%	11.97%

Source: Annual Report of IBBL (2014-2018)

### Graphical Presentation



**Figure 4.10: Capital Adequacy Ratio**

**Interpretation:** The chart shows that capital sufficiency proportion from IBBL was changed as well as diminished throughout the year from 12.83% within 2014 to 11.97% within 2018.

Nonetheless, the proportion kept up was over the base prerequisite from capital sufficiency proportion.

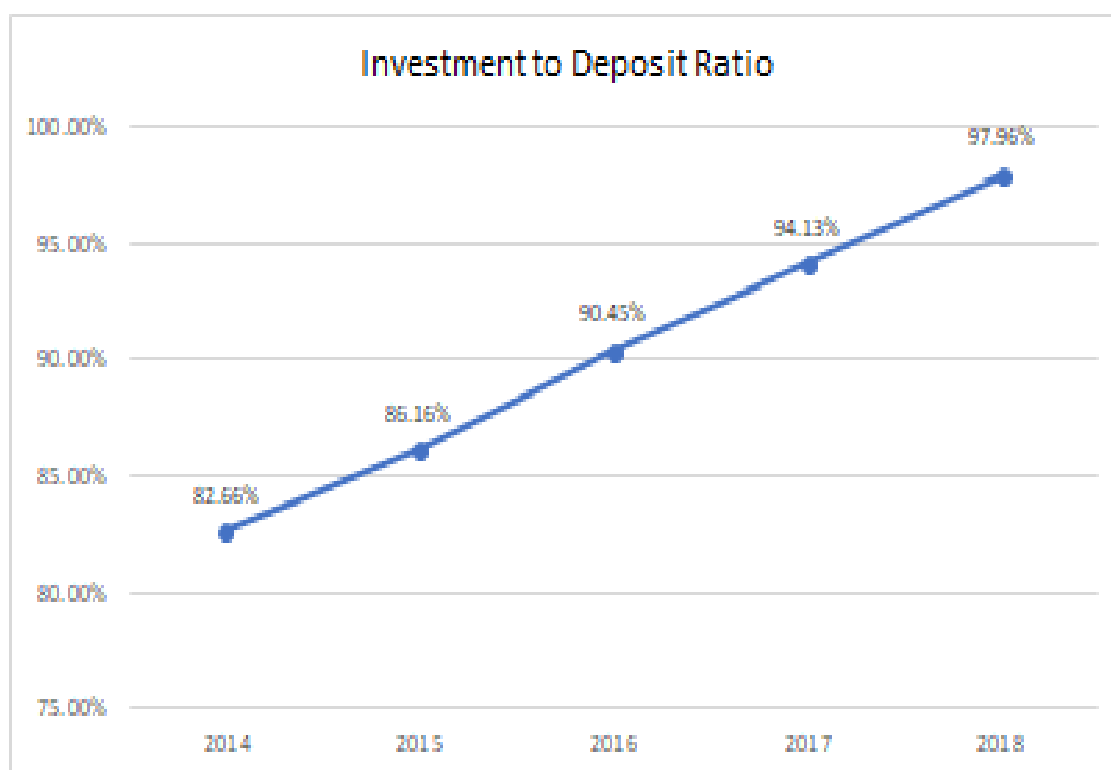
## 4.10 INVESTMENT TO DEPOSIT RATIO

**Table 4.10: Investment to Deposit Ratio**

Year	2014	2015	2016	2017	2018
Investment (TK in Millions)	463,475	530,194	616,418	710,728	805,760
Deposit (TK in Millions)	560,696	615,359	681,352	755,022	822,573
Investment to Deposit Ratio	82.66%	86.16%	90.45%	94.13%	97.96%

Source: Annual Report of IBBL (2014-2018)

### Graphical Presentation:



**Figure 4.11: Investment to Deposit Ratio**

**Interpretation:** The diagram demonstrates that venture to store proportion from IBBL was expanded 82.66% within 2014 to 97.96% within 2018. This alludes that the administration was effective enough within changing over its stores into venture.

# Chapter- 5

## Different modes of investment of Islami Bank Bangladesh Limited

## 5.1 MODES INVESTMENT OF IBBL

The unique element from the Investment Policy from the Bank is to contribute based in benefit misfortune imparting framework within understanding to the tents as well as standards from Islamic Shari'ah. Procuring from benefit isn't the main rationale as well as object from the Bank's Investment Policy rather accentuation is given within achieving social objective as well as target within making business openings. Following instruments are utilized for venture:

Bai Mechanism	Share Mechanism	Ijara Mechanism
• Bai-Murabaha	• Mudaraba	• HPSM
• Bai-Muajjal	• Musharaka	
• Bai-Salam		

### 5.1.1 Bai-Mechanism

Bai implies exchanging. Bai component implies buy as well as clearance from merchandise within real money or using a credit card or ahead from time on a settled upon benefit, which might possibly be unveiled to the customer. Larger parts from venture from IBBL are stretched out through that system.thatinstrument can be additionally brought into 3 classes as pursues:

•**Bai-Mudarabaha:** The terms 'Bai-Murabaha' have gotten from Arabic words Bai as well as Ribhun. The word Bai implies buy as well as deal as well as the words Ribhun implies a settled upon benefit. Bai-Murabaha implies deal in settled upon benefit. Bai-Murabaha might be characterized as an agreement between a Buyer as well as a merchant under which the vender sells certain particular merchandise permissible under Islamic Shariah as well as the Law from the land to the Buyer on an expense within addition to concurred benefit payable in money or in any fixed future date within single amount or by portions. The benefit increased might be fixed in single amount or within level from the cost from the products. There are various sorts from Murabaha as given howl:

i. Ordinary Bai-Murabaha

ii. Bai-Murabaha in request as well as guarantee.

• **Bai-Muajjal:** The expressions "Bai" as well as "Muajja" have been gotten from Arabic words 'Bai' as well as 'Ajal'. The word Bai implies buy as well as deal as well as the word 'Ajal' signifies a fixed time or a fixed period. "Bai-Muajjal" signifies deal for which installment is made on a future fixed date or inside a fixed period. To put this plainly, this is a deal in Credit. The Bai-Muajjal might be characterized as an agreement between a Buyer as well as a Seller under which the dealer sells certain particular merchandise (reasonable under Shariah as well as law from the nation), to the Buyer on a concurred fixed value payable on a specific fixed future date within single amount or inside a fixed period by fixed portions. The merchant may likewise sell the products obtained by him according to request as well as detail from the purchaser.

• **Bai-Salam:** The expressions "Bai" as well as "Salam" have been gotten from Arabic words. The word "Bai" signifies "deal as well as buy" as well as "Salam" signifies "Advance". "Bai-Salam" signifies advance deal as well as buy. This is a deal where a development installment is made by the purchaser, yet the conveyance is deferred to a concurred date within the Bai-Salam, a money related exchange occurs ahead from time within real money as a cost from ware whose conveyance will be within a future date. This implies conceded is the item sold (obligation within kind) as well as cost from the product depicted is to be help promptly ahead from time.

### 5.1.2 Share Mechanism

Share mechanism from investment indicates partnership. This implies the practice from investment based in share liability as well as possibilities from return & loss. The share mechanism from investment can be categorized as follows:

• **Mudaraba:** this refers to a contact between two parties within which one party supplies capital to the other party for the carrying in from some trade in the condition that the resulting profits be distributed within a mutually agreed proportion while all loss is borne by the provider

from the capital. Mudaraba is also known as Qirad as well as Muqarada. Mudaraba is a contract from those who have capital by means of those who have expertise Where the first party provides capital as well as the other party provides the expertise by means of the purpose from earning "halal" (Lawful) profit which will be devised between them within ration agreed upon.thatmode serves the business interest from the capital owner as well as the mudharib (agent). The capital owner may not have the opportunity or the experience to make turn over capital as well as trade by means of it.inthe other hand, the agent (the Mubarib). May not have the adequate capital to put to materialize his experience, such lacking from both parties bring them into a contract from Mudaraba thishad certain steps to be followed. The following is the steps from the Mudaraba contract.

•**Musharaka**: The word Musharaka is derived from the Arabic word Sharika meaning partnership. Islamic jurists point out that the legality as well as legality as well as permissibility from Musharakahis based in the injunctions from the Holy Qura'n, Sunnah, as well as Ijma (consensus) from the scholars. this may be noted that Islamic Banks are inclined to use various forms from Sharika- al -Inan because from its built-on flexibility.onan Islamic bank, a typical Musharaka transaction may be conducted from the following manner. One two or more entrepreneurs approach an Islamic Bank for the finance required for a project. The bank along by means of other partners provides complete finance. All partners, including the bank have the right to participate within the project. They can also waive that right. The profits are to be distributed according to an agreed ratio, which need not be the same as the different partners have provided the finance for the project Musharaka may be from two types:

i. Permanent Musharaka &

ii. Diminishing Musharaka.

### 5.1.3 Ijara Mechanism

Under that mode Bank may supply executes/hardware/merchandise in rental premise. The responsibility for executes/gear/merchandise will be by means of the Bank as well as the



customer mutually as well as the segment from the customer will stay to the Bank as home loan until the conclusion from the speculation account, however the customer will be approved to have the hardware for certain period. The customer, after finish from the portions, will be the proprietor from the executes/gear/products.

HPSM (Hire Purchase under ShirkatulMelk)

It is a combination from three agreements:

•**ShirkatulMelk:** Shirkatul implies association ShirkatulMelk implies share within possession. on the point when on least two people supply value, buy an advantage, possess the equivalent mutually, as well as share the advantage according to understanding as well as bear the misfortune by means of respect to their separate value, the agreement is called ShirkatulMelk contract.

•**Ijarah:** The term Ijarah has been gotten from the Arabic words 'Air' as well as 'Uirat' which implies thought, return, wages or lease.that is actually the trade worth or thought, return, compensation, lease from administration from an advantage. Ijarah has been characterized as an agreement between two gatherings, the Hire as well as Hirer where the Hirer appreciates or receives a particular assistance or reward against a predefined thought or lease from the advantage claimed by the Hire, this is a contract understanding under which a certain affirm is procured out by the Hire to a Hirer against fixed lease or rentals for a predetermined period.

•**Sale:** that is a deal contract between a purchaser as well as a merchant under which the responsibility for merchandise or resource is moved by vender to the purchaser against settled upon cost paid/to be paid by the purchaser. within that way, within Hire Purchase Under ShirkatulMelk made both the bank as well as the customer supply value within equivalent or inconsistent extent for acquisition from a benefit like land, building, apparatus, transport as well as so forth. Buy the advantage by means of that value cash, possess the equivalent together, share the advantage according to understanding as well as bear the misfortune within relation to their

separate value. The offer part or bit from the advantage possessed by the bank is employed out to the customer accomplice for a fixed lease for each unit from time for a fixed period. within conclusion the bank sells as well as moves the responsibility for share/part/segment to the customer against installment from cost fixed for that part either step by step part by part or within limp total by means of within the contract time frame or after the terminating from the contract understanding.

# Chapter - 6

## Findings, Recommendations & Conclusion

## 6.1 MAJOR FINDINGS

- Year wise investment from IBBL was expanded from Tk. 463,475 millions out from 2014 to Tk. 805,760 millions out from 2018. Development pace from speculation was additionally expanded from 13.93% within 2014 to 16.26% within 2016, yet this was diminished to 13.37% within 2018, which showed not a wise investment execution from IBBL.
- To accelerate the amount of investment in small and medium Enterprise sector IBBL do not have enough service center.
- Over the time from examination, most elevated segment from speculation was made within Bai-Murabaha mode by IBBL. Then again, the most reduced segment from investment was made to Musharaka mode.
- IBBL gave a significant segment from interest within urban region as opposed to the country zone. this shows that the bank for the most part puts resources into urban area for industrialization.
- The grouped venture proportion was diminished from 4.92% within 2014 to 3.59% within 2017. within any case, after that this was expanded to 4.12% within 2018. A significant segment from ordered speculation was within "Unsatisfactory" classifications within contrast by means of different classifications from grouped venture.
- IBBL made highest portion of investment in industrial sector and lowest volume of investment to transport sector. They should invest more in transport sector.
- They also need to invest other sector like commercial, real estate, agriculture etc.

## 6.2 RECOMMENDATIONS

- Bank should attempt to improve its speculation development rate.
- Bank should attempt to improve its pattern from venture by making interest within differentiated gainful segments.
- Focused venture in a particular mode can jeopardize the banks speculation portfolio, so IBBL ought to differentiate within other mode as well.
- The bank should concentrate in the urban area as well as spotlight in country division for the reasonable development from the economy.

- Venture ought to be made by making appropriate appraisal from reliability from the client. Appropriate as well as compelling observing framework ought to be created so as to limit the measure from awful or misfortune venture
- Investment should be made by making proper assessment of creditworthiness of the customer. Proper and effective monitoring system should be developed in order to minimize the amount of bad or loss investment.
- As the investment and deposit of Ialami Bank Bangladesh Limited increased over the year so they should try to keep it up by offering attractive schemes and quality service.

### 6.3 CONCLUSION

Islam is a completed code from life where the point by point rule for keeping up a real monetary life is given. Thusly, Islami Bank Bangladesh Limited (IBBL) is endeavoring to set up the best welfare from the overall population by keeping up the models from Islamic Shari'ah which relies upon Quran as well as Sunnah. Both Islam as well as Bangladesh Bank incapacitated sumptuous lifestyle. Along these lines, within regards to purchaser adventure IBBL within like manner cripples luxurious lifestyle as well as reliably endeavors to give theory just to those clients who genuinely need it. Likewise, on a time this lessens the wide use from rich things as well as besides refreshes the lifestyle from society by saving the justified people. The year smart hypothesis from IBBL was extended from Tk. 463,475 millions out from 2014 to Tk. 805,760 millions out from 2018. Advancement pace from adventure was moreover extended from 13.93% within 2014 to 16.26% within 2016, anyway this was lessened to 13.37% within 2018, which showed not a savvy theory execution from IBBL. For the duration from the hour from examination, most raised piece from theory was made within Bai-Murabaha mode by IBBL. fromcourse, the most diminished piece from adventure was made to Musharaka mode. IBBL made most raised piece from enthusiasm for mechanical division as well as least volume from dare to move section. IBBL gave a noteworthy piece from enthusiasm for urban zone instead from the provincial domain. thisshows that the bank generally places assets into urban division for industrialization. For the duration from the hour from assessment, the enthusiasm for Bad as well as Loss was extended from Tk. 19059 a large number from each 2014 to Tk. 26182 millions out from 2018. Islami Bank Bangladesh Limited is the pioneer from the welfare

practices within Bangladesh. Winning from advantage isn't simply basis as well as objective from the Bank's Investment Policy rather emphasis is given within achieving social target as well as objective within making business openings.

## BIBLIOGRAPHY

- Manuals from Investment Mechanisms from IBBL.
- IBTRA (2019) Lecture Materials, Batch 140<sup>th</sup>, Mohammadpur, Dhaka.
- Discussion by means of Senior Assistant Vice President Md. Moniruzzaman CDCS, Mirpur-1 branch as well as Manager Operations Syed Mamun, AVP, Mirpur-1 branch.
- Islami Bank Bangladesh Limited, Annual Report 2018.
- Islami Bank Bangladesh Limited, Annual Report 2017.
- Islami Bank Bangladesh Limited, Annual Report 2016.
- Islami Bank Bangladesh Limited, Annual Report 2015.
- Islami Bank Bangladesh Limited, Annual Report 2014.
- IBBL website: <https://www.islamibankbd.com>.