

Report on comparative analysis of Shahjalal Islami Bank's overall performance

By

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An internship report submitted to the Department of BRAC Business School, BRAC University
in partial fulfillment of the requirements for the degree of

BBA PROGRAM

BRAC Business School

BRAC University

13th January, 2022

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Declaration

It is hereby declared that:

- The internship report submitted is my own original work while completing a degree at BRAC University.
- The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
- The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
- I have acknowledged all main sources of help.

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Letter of Transmittal

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66 Mohakhali, Dhaka-1212.

Subject: submission of internship report on the comparative analysis of shahjalal islami banks overall performance

Dear Sir,

With all due respect, I would like to draw your kind attention to the fact that I am submitting my internship report on the comparative analysis of shahjalal islami banks overall performance. It was a remarkable opportunity for me to fulfill my internship from one of the country's best financial institutions, Shahjalal Islami bank. I am truly grateful to have you as my supervisor.

I will be very grateful if you accept my internship report. I have tried my level best to prepare this report with my acquired knowledge. I tried to explore it in this field. If you have any further query, I am always prepared to clarify that.

Sincerely yours,

Md. Majedul Islam Nishad

Id: 20104158

BRAC Business School

BRAC University

13th January, 2022

Non-Disclosure Agreement

i) Parties

This agreement is made and entered into by and between “Shahjalal islami bank” and the undersigned student “Md. Majedul Islam” at BRAC University. This agreement acknowledges that certain information about clients, trades, profits, internal affairs regarding the company is confidential. The provisions set forth in this agreement delimit on which terms the employee can share this information and when he cannot. Furthermore, it also demarcates the limit of the extensiveness of the information shared and also the parties to whom he can share.

ii) Scope of Disclosure

The party can share information on the account of information that has been disclosed previously by the other party publicly. The parties can also disclose information if it has been on the public records.

iii) Duration of Protection

The party is required to withhold information for 5 years from the date of joining. Any information leaked during these five years will be considered as a breach of agreement and will be punished legally for violating the law.

IV) Duty to Protect

It is an utmost duty to protect the information with a reasonable degree of care. The responsibility to protect information is relied upon by the party itself and is expected to protect it to the extent as he would protect his own personal information.

v) Materials to protect

The party needs to protect the software information and the access to the server which the party had admittance to.

Acknowledgement

Firstly, I want to thank the Almighty that I have been able to finish my report within the given timeframe. I would like to spread my gratitude towards my respected advisor- Md. Shamim Ahmed, BRAC University and all the related people for their constant support without whom I would be unable to showcase my report. Since the beginning of this program my advisor, Md. Shamim Ahmed, has been extremely helpful in every possible way. His moral guidance, perpetual supervision and constant counseling has helped me to construct this report

Moreover, I would like to express gratitude wholeheartedly to my workplace supervisor, Mr. Muzaffar Habib (AVP and deputy manager) for all the guidance he gave me during my internship program. He is really an example in the workplace as well as a mentor.

I would also like to thank Ms. Farnaha Ahmed (first executive officer), Ms. Zannatul ferdous (senior officer), Ms. Sabrina Chowdhury (officer), and Mr. Al Mamun (officer) for being there and giving me the opportunity to work with them. They have been very kind and composed while they guided me throughout this internship period.

Executive Summary

Shahjalal islami bank of Bangladesh has earned their recognition and reputation as a successful islami bank. The bank is having tough competition in Bangladesh yet received remarkable progress in every aspect of their activities both nationally and internationally. The title of the current study is comparative analysis of the performance of shahjalal islami bank.

Being a bank in the 21st century, SJIBL has maintained a decent type of technologies at all levels so that the employee efficiency is maximum. These reports consist of data from both primary and secondary sources. Primary sources include information retrieved from manager, supervisor and other employees. On the other hand, secondary sources include 2020, 2019 annual reports of SJIBL.

First of all, I have applied CAMEL ratings and measured different ratios to evaluate the performance of SJIBL. Then evaluating the risk of this bank, i also compare its performance with IBBL by measuring CAMEL rating and composite rating. General performance analysis on deposits, assets, investment etc. have also been done. The ROA, ROE, ROI have been calculated too.

Key words: CAMEL Ratings; ROA; ROE; ROI; composite ratings;

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List of Acronyms

SJIBL - Shahjalal Islami Bank limited

IBBL - Islami bank Bangladesh limited

CAR - Capital Adequacy Ratio

SLR - Statutory liquidity requirement

CRR - Cash Reserve Ratio

ROA - Return on Asset

ROE - Return on Equity

ROI - Return on Investment

EPS - Earnings per Share

Glossary:

CAMEL Ratings:

- It is an international rating system that is used by regulatory banking authorities to rate different financial institutions. Here C stands for capital adequacy, A stands for asset quality, M stands for management efficiency, E stands for earnings ability and L stands for liquidity risk.

Capital adequacy:

- Capital adequacy means the amount of capital a bank has to keep all the time and the minimum requirements is 10% set by Bangladesh Bank.

Statutory liquidity ratio (SLR):

- It is a minimum percentage of deposits a bank has to maintain in the form of liquid cash, gold or securities.

Chapter 1: Internship overview

1.1 Information of the Student

My name is Md. Majedul Islam Nishad and I am from BRAC Business School. My ID is 20104158. I choose finance as my major and human resource management as my minor. Currently, I am doing my internship at Shahjalal Islami Bank, progati sarani branch.

1.2 Information regarding internship institution

1.2.1 Name of the company, Duration, Department, Address

I have been hired by one of the reputed private bank of Bangladesh named Shahjalal Islami Bank as an intern. The duration of the program is 3 months. I have joined there as an intern on 25th October, 2021 and my internship period will end on 22nd January, 2022. I am doing my internship program in the general banking and information sector. I feel myself a lucky person to be selected and work there. Shahjalal Islami Bank has offices in every city in the country. However, I have been assigned to the pragati sarani branch, badda.

1.2.2 Internship Company Supervisor's Information

My internship company supervisor's name is Mr. Muzaffar Habib. He is the AVP and Deputy Manager of the bank. He is a very good human being with a vast amount of experience in this field. He is such a humble and friendly person. He makes me feel like one of the members of the bank.

1.2.3 Job Scope

At first I was told to work in the general banking and information sector and they suggested me to watch them closely on how they provide service to the customer and also how they handle every client according to their need. They showed me how to open a bank account and what sort of paper and identity checking needed to open the account. They also showed me how to give a bank statement, solvency report etc. to the client. I also learned things like updating information, scanning, and photocopying information etc. are done.

1.3 Outcome of the Internship

1.3.1 My contribution to the Company

With the knowledge I have gathered throughout my university life from my institution, I tried to give all those learnings to the bank's daily work. I worked there with utmost integrity and honesty. And I am sure that they are also happy with the way I worked there.

1.3.2 Benefits to the Student

I am very fortunate to work there as an intern. Throughout my internship I have gathered real life experience of how a corporate life can be and how it feels to be a part of a financial institution. I learned how one should handle a client with a happy face and how to meet their demands. Overall, it was a great achievement for me to work there since this is my first time working in the corporate world.

1.3.3 Problems/Difficulties

I have worked in SJIBL for three months and in these three months I didn't face any major problem. I had difficulties working the whole day at first. However, time heals everything and it heals mine too. Another thing is that, at first I felt a bit sleepy while working for a long time but I managed to adapt to the environment.

1.3.4 Recommendations

Shahjalal islami bank provides unpaid internships. I think in this topic they can make some payment to the intern as it would encourage him. BRAC University can also come to an agreement with some of the financial institutions to provide internships to their students.

Chapter 2- Organization Part: Overview and performance of shahjalal islami bank

Chapter 2.1: Introduction of the project:

Once the late president ziaur Rahman said that we will be an Islamic country in the future and will also implement all Islamic rules in our economic activities. As a result some of the officers from sonali bank decided to give training to people so that the Islamic banking system can be started in near future. As a result the Islamic bank 1983 started its operations. Peoples of Bangladesh has a soft corner for their religion which ultimately gave the Islamic bank a warm welcome. Before that only Arab country has Islamic bank and as a result a revolutionary change occurred in the banking history of Bangladesh. These banks implemented buying and selling and profit and loss sharing concepts. As a result the management took care of their bad loans and set the principle with high recovery rate with regards to other banks.

In the late 1970, the Bangladesh government changed its policy and as result of this the privatization of banking system happened. The activities regarding both Islamic and global point of view has been liberalized and it helped emerge the shahjalal Islami bank that follows the strategy of prosperous south Asian Muslim country. The common philosophy which is sharia based

banking system has been a blessings for them. Shahjalal islami bank was created in 2001 and named after the saint haj rat shahjalal who worked for peace and humanity throughout his life. The purpose of this bank is to help people to attain economic solvency and overall success in their life. Shahjalal islami bank received license from the government as private commercial bank. Under the company act 1994 they got their approval as public limited company in 2001.they set their main branch at dilkusha c/a, Dhaka-1000 when it started its operations in 2001. They also started commercial banking at the same time and gained the reputation as one of the finest bank in the country within this little time. They got acclamation from every sector of business people. From large traders to small entrepreneurs to conglomerates every community is happy with the activities of them like forward looking business outlooks and innovative financing solutions. Since they are one of those banks who got permission in early 2000s and being regarded as the third generation bank along with other banks like first security bank, social investment bank, eastern bank, bank Asia etc. they got rid of the bad loan culture. The capital adequacy requirement was achieved by them within the 5 years of their establishment. Over the years they have established different branches in various busy areas of the country with the intentions to give service products both in investment and deposits. It's not only an interest free bank but also incorporate deal wise business products so that the real income generated boosts our GDP.

The vision:

To be considered as absolute fresh islami bank in Bangladesh contributing significantly to boost national economy and with having customers trust and wealth, investment, employee's values and quick growth in the shareholders equity.

The mission:

- Providing best possible services to the customers
- Setting integrity with high standards
- Making quality investment
- Maintaining sustainable growth in the business
- Maximization of shareholders' equity
- Providing innovative services to the customers following Islamic principles
- To make sure the human resource development to face the challenge of time

Strategies of Shahjalal Islami bank:

- To always hungry for customers satisfaction and earning confidence
- Effectively maintaining the banking activities
- Realizing customers' needs acting accordingly
- Regularly updating policies and procedures of the banks
- To regularly give training to employee so that they can meet customer's need
- Promoting organizational plans, policies and procedures on a constant basis
- To ensure proper work environment

Shahjalal Islami banks Motto:

They are always ready to give sincere customer service

2.2 My Personal experience working there as an intern:

During undergraduate, internship can be considered as one of the key experiences one can achieve. Gaining real work experience before graduation will boost one's employability, especially when I am a business graduate. As a result, while doing my last semester I applied for an internship at a bank which is shahjalal islami bank at progati sarani branch. There I worked for 12 week to complete my mandatory internship program. After joining there I was told to work in general banking and also assigned a supervisor to me so that I can get back to my supervisor with a weekly report about what I have learnt over the week. When I joined the general banking I was given instructions on how to do particular work like account opening, bank statement check, pay order fill up etc. during these weeks as an intern I had to reach my work within 9.55 a.m. dressed up professionally ready to give my best to the clients even if i feel unwell. I have made connections and bonding with my superior, co-workers and other staff throughout these weeks which helped me to spend quality and comfortable time during my work there. I understand the difference between being a student and a professional worker. I have learnt from my colleagues that you can always keep your calm and happy face no matter how many troubled clients you have to deal with. Throughout these 12 weeks I have acquired skills like customer relationship, communication skills and quite a few things about the banking industry. I have also made up connections that will help me in future for recommendations. It made me understand the professional world closely and what it meant to be a part of it. To conclude my experience as an intern I would suggest everyone to register themselves for an internship even if it's not related to one's subject because it gives us a proper picture of what a professional world can be.

Chapter 3: Shahjalal islami banks performance measurement:

3.1 Different Ratios:

A bank's performance can be measured in various ways. For instance we can measure some ratios to understand how well the bank is performing. Ratios like ROI, ROA, EPS, EVA etc. can tell us what is going on with the bank's performance.

ROI calculation:

ROI of a bank can be calculated dividing net profit by the cost of investment. This is a very common and consistent term for measuring performance.

Table 1 showing ratio of ROI

2018	2019	2020
ROI	ROI	ROI
0.0079%	0.0087%	0.0097%

Return on equity (ROE): the return on equity is another important measure that tells us the performance of the bank. And it can be measured dividing net income by shareholders equity.

Table 2 showing ROE

2018	2019	2020
ROE	ROE	ROE
10.08%	10.40%	10.63%

Earnings per share: A company earnings can be obtain when we divide the total number of share and get the earnings per share of a given bank. If they issue common stock at a large premium, the eps will rise because it only takes account of the no. of shares and not premium.

Table 3 showing EPS:

EPS	EPS	EPS
2018	2019	2020
Tk. 1.58	Tk. 1.75	Tk. 1.95

3.2 CAMEL ratings:

CAMEL Rating is one of the main things to identify a bank's performance and Bangladesh bank is doing this work from the very beginning. Here in CAMEL rating, C means Capital adequacy, A means Asset quality, M means Management capacity, E means Earnings available and lastly, L means Liquidity.

Table 4: CAMEL Rating and its ratios

Capital Adequacy	Asset Quality	Management Capacity	Earnings Available	Liquidity
1.Capital Adequacy Ratio 2. Leverage Ratio 3. Return on Equity	1.Non Performing Loan To Total Loan	1. Cost per Employee 2. Earnings per Employee	1.Retun On Asset 2. Investment margin Net 3.Ratio of Diversification	1.Ratio of Investment Deposit 2.Liquid Asset to Total Deposit

Capital adequacy: Capital Adequacy is the minimum amount of capital that is needed so that when the bank incur losses, the shareholders won't get shocked. Otherwise they will panic when they hear any losses. This requirement is set by the Bangladesh bank and it helps the bank to absorb risk to credit, risk to interest, risk to foreign exchange etc.

Table 5 showing CAR

types	CAR 2020	CAR 2019
Total regulatory capital	Tk. 27828000000	Tk. 29277000000

Total risk weighted assets	Tk. 196154000000	Tk. 182775000000
CAR percentage	14.18%	16.01%

Here we can see that the CAR is 14.18% and 16.01% in 2020 and 2019 respectively which is good since they have to maintain at least 10% to be on the safe side.

Leverage ratio: How much a business is dependent on debt financing can be determined by defining debt/ worth or Leverage ratio. Leverage ratio can be measured by dividing total equity/total exposure.

Table 6 showing leverage ratio

Type	2020	2019
Leverage ratio	5.29%	5.38%

Asset quality: how much loans and advances covered from the total assets dictates us the quality of that particular asset. If the percentage loans and advances is high then it indicates the asset is prone to credit risk as non-performing asset is more. This ratio is better to keep as low as possible. The standard is below 2%. If one bank exceeds this point that bank should be concerned about the future losses. The asset quality can be obtained by gross percentage and net non -performing loans to amount of total advances. It can also be measured by calculating investment loss reserves. The investment loss reserves for SJIBL in 2019 and 2020 are 1.85% and 0.36%

Management efficiency: management should be sound for a bank to perform better. They are the strength and growth factor for a bank. A good management shows qualitative character in nature rather than showing on the basis of monetary indicators. The management capacity and soundness can be determined by the amount of expenditure to the amount of income, operational expenses to total expenses etc. The management of SJIBL shows that they have the capacity to expend money on their employees. Sometimes they give extra expenditure to their employees so that they can earn extra dedication from their employees.

Management efficiency can be measured by total operational cost to total operational earnings ratio. Thus, in 2020,

The ratio is =total operational cost /total operational earnings=4711000000/4095000000=1.15%. This is because of the COVID19 outbreak. Whereas the ratio in 2019 was, Total operational cost/total operational earnings=4640000000/5865000000=79.11%

Earnings: how much a bank can earn and how much it can generate profit will ultimately decide its future endeavor. It defines a bank to gain losses by creating sufficient capital base, financing for its future growth and paying dividends to its shareholders. By measuring ROA and ROE we can define a bank's earnings and profitability.

Table 7 is showing ROA AND ROE:

	2020	2019	2018
ROA	0.65%	0.645%	0.603%
ROE	10.63%	10.40%	10.08%

Liquidity:

This is a parameter that shows us how much a bank handles when unavoidable things occur and the bank incur losses that will ultimately make the bank go insolvent. According to Islamic Shariah the SLR need to be 10% whereas the special kind of bank are given exemption from maintaining SLR percentage. Percentage of demand defines the liquidity indicators whereas the time liabilities shows us that all the bank had excess liquidity.

Table 8 shows the liquidity ratio

Liquidity ratio	2020		2019	
	Standard	Maintained	Standard	Maintained
Cash Reserve Requirements	≥4.005	4.74%	5.5%	5.94%
Statutory Liquidity Ratio (SLR)	≥5.50%	11.50%	5.5%	7.43%

3.3 General overview on the progress of SJIBL:

Equity of the bank: shahjalal islami banks equity consists of two types of capital. Tier 1 is statutory reserve, paid up capital and retained earnings. Tier 2 is contra assets, asset revaluation reserves etc.

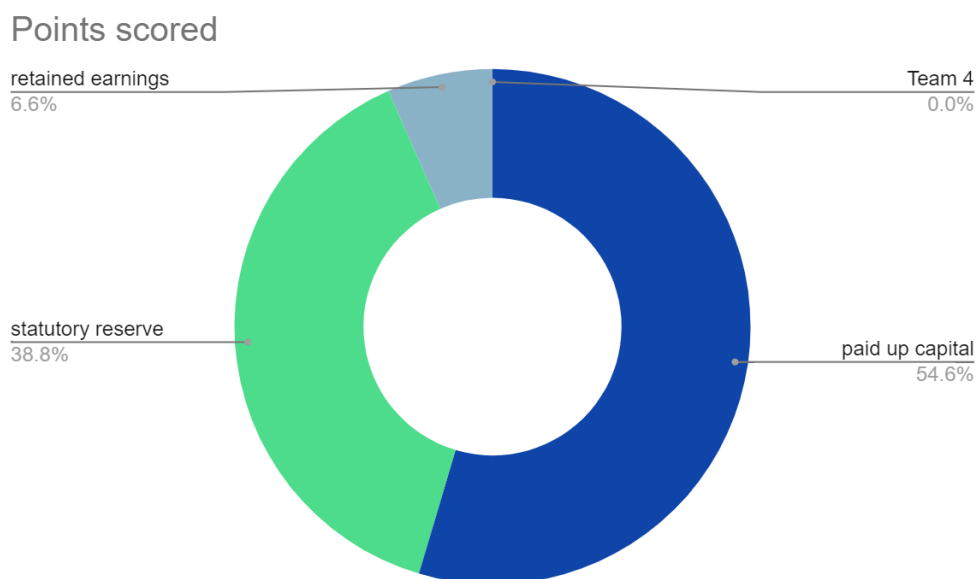


Figure 1: Equity of the Bank

With the end of 2020 the shareholders equity became tk. 17948.76 million whereas it was tk. 16507.27 million in 2019. The shareholders equity increased by 8.73% from 2019. Shareholders' equity increased because of the paid up capital and statutory reserve increased.

Deposit of the bank:

The total deposit of the shahjalal islami bank increased from tk. 203,272.98 million in 2019 to tk. 218,442.95 million in 2020, which is an increase of tk. 15,169.97 million. Because of the overall financial strength of shahjalal islami bank the deposits increased even when the deposit rate decreased in 2020. during this time customers confidence also increased by putting the deposit in different innovative and new products. The growth of deposit is shown below:

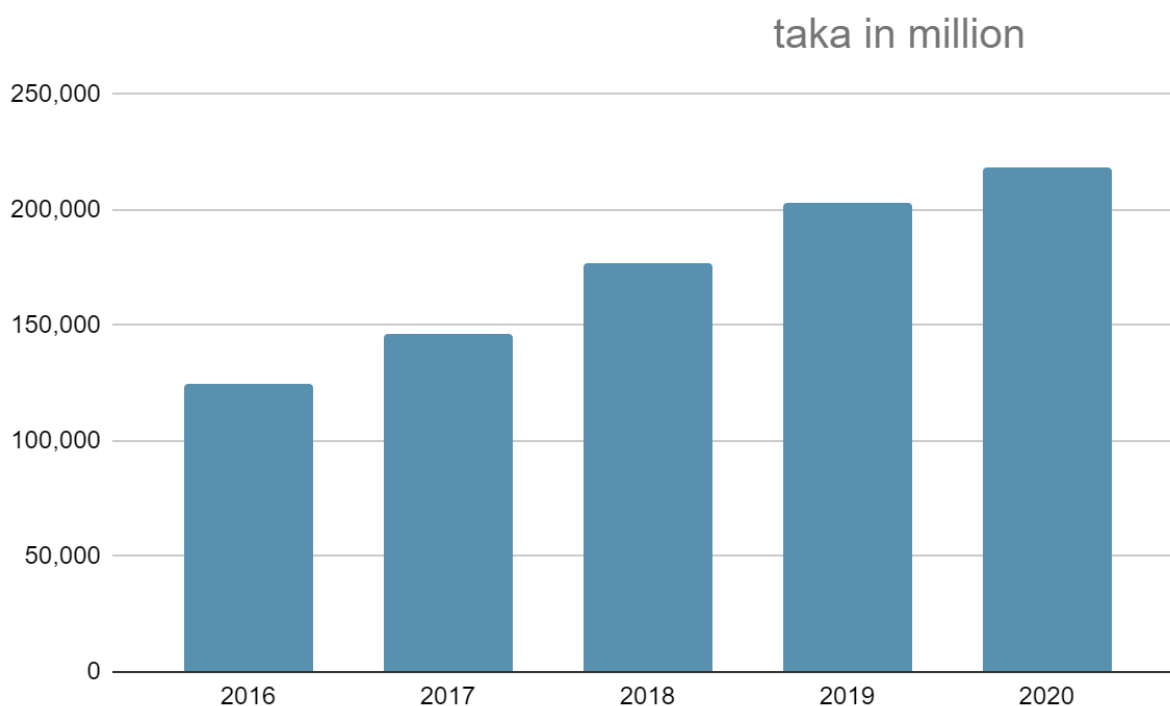


Figure 2: bar chart showing amount of deposits every year.

Deposit mix:

SJIBL decided to give more importance on optimum deposit mix as a result the low cost no cost became tk. 82,280.57 million in 2020 whereas it was tk. 67,974.15 million in 2020. Thus, we can see that the growth rate is 21.05% in that particular year. During 2020 the percentage of low cost no cost deposit reached at 37.67% which was 33.44% in 2019 of the total deposit.

Table 9 shows the amount of deposits in the bank

Nature of deposit	Taka in million	Percentage of total deposit
Al wadia current deposit	34,433.46	15.76%
Mudaraba savings deposit	30,316.57	13.88%
Mudaraba short notice deposit	13,641.48	6.24%
Mudaraba term deposit	81,508.51	37.31%
Mudaraba scheme deposit	54,653.87	25.02%
Other deposits	3889.06	1.78%

Total	218,442.95	100%
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Investment:

The total investment in 2020 is 196512.65 million whereas the amount was 197285.68 in 2019. There has been a reduction in the amount because of the COVID-19 outbreak. Since there was a bit less urge for investment the bank decided to take more caution while disbursing the investment. Thus, the growth happened to be negative. However, the government decided to give some stimulus package to stabilize the growth.

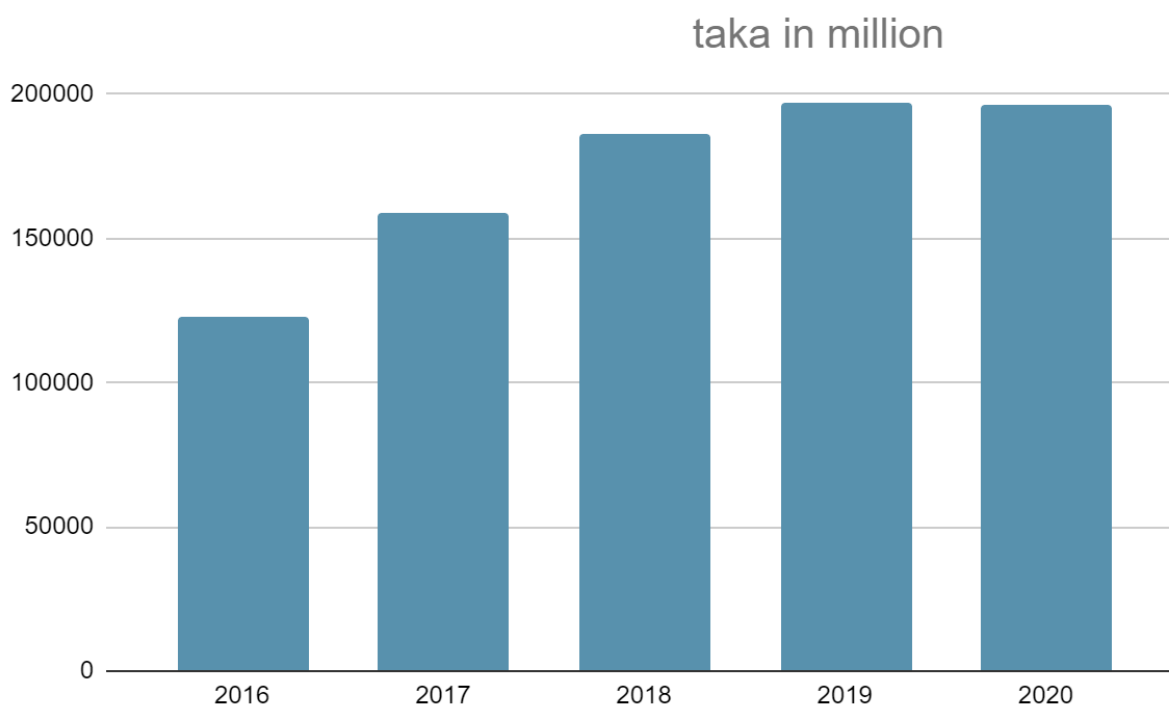


Figure 3: bar chart showing amount of investment

Profit and operating outcome:

Income:

- Investing earnings: Total investment earnings in 2020 is 17033.75 whereas the income was 20290.69 in 2019. The investment decreases as the Bangladesh bank declared that there should be 9% profit rate cap.

Expenditure:

- Deposits profit paid SJIBL gave profit of tk. 11,418.43 million to their depositors in 2020 whereas this amount was tk. 13,112.33 million in 2019
- Operating expenses: in 2020 the total operating expense became tk. 4710.68 million on the other hand it was tk. 4640.85 million in 2019.
- Operating profit: due to covid19 outbreak the operating profit of the bank decreased in 2020. Operating profit decreased by 30.18%. the income was 5865.13 million in 2019 but it reduced to 4094.81 million in 2020

Table 10: Net Profit for SJIBL

All figures in million(taka)		
Particulars	2020	2019
Income in total	20,223.92	23,618.31
Less: total expenditure	16,129.11	17,753.18
Net profit before provision and taxation	4094.81	5865.13
Less: provisions for investment, off balance sheets items, shares and others	451.39	1970.98
Net profit before taxation	3643.42	3894.15
Less: provision for taxation	1735.22	2175.85
Net profit after tax	1908.20	1718.30

3.4 Risk Analysis of SJIBL:

Credit Risk:

Credit risk is something when the borrower fails to ensure the obligations that were set during the agreement which ultimately hampers the bank's profitability and capital. Most of the time these sort of risk arises when they invest in corporate, SMEs transport, construction etc. As like other banks SJIBLs main credit risk is in investment

Steps to mitigate credit risk are given below:

- Properly maintaining investment offers that has been received from applicant through the relationship officer and performing the initial checking with the recommendations.
- Testing the investment offers through CIB report, risk grading score.
- setting out the terms of the investment based on the merit and also after the screening process is done
- ensuring all sorts facilities related to investment are given to the customers
- investment information need to be updated regularly on a timely basis

Market risk:

When market prices of different financial assets, liabilities, off balance sheet activities fluctuate then the market risk happens as it shakes the position of the bank. Receiving deposits from depositors and granting investment opens up a path to market risk. The market risk management make sure optimum return are received from those vulnerable banks activities and controlling the downside risk too while also keeping it at limited range.

Steps to Mitigate market risk:

- Maintaining assent and fairness of the market risk policies and procedures
- Need to manage profit rate position, equity price position foreign exchange position effectively.
- Calculation of rate sensitive asset, rate sensitive liabilities duration gap analysis etc. should be done.
- The verification of the adequacy and accuracy of the management report should be done.
- Testing all aspects of market risk management activities randomly

Liquidity risk:

Banks inability to meet the short term financial demands give rise to liquidity risk. Inability to convert a security and asset to cash when there is no income in process then this risk occurs. This risk should be well managed since it is important for a bank. This is equally important for profit and sustainable growth of the balance sheet.

Steps to mitigate liquidity risk:

The operational level market risk of SJIBL are done by using the following tools and programs:

- Wholesale borrowing and funding guidelines
- Liquidity contingency plan

- Management action trigger

Chapter 4: Competitors analysis:

There are a number of Islamic banks in Bangladesh. For example there are Islamic bank, Islami bank Bangladesh, Exim bank, First security Islami bank. However, I am going to compare the performance of shahjalal islami with islami bank Bangladesh ltd through CAMEL Rating. CAMEL rating was first introduced by the USA in the early 1970s so that the bank examination process could be structured. An overall composite CAMEL rating ranges from 1 to 5.

Table 11 showing marking in CAMEL rating

Rating	Description
1	Excellent in every aspect
2	Overall good however has little weakness
3	Need to supervise in financial, operational weaknesses.
4	Have strong financial weaknesses leading to impairing viability
5	Probability is rendered due to critical financial weaknesses.

4.1 CAMEL Rating:

Capital adequacy:

Table 12 showing capital adequacy ratio of SJIBL and IBBL

	2019	2020
SJIBL	16.01%	14.18%
IBBL	12.95%	13.84%

In table 12, it shows that the capital adequacy ratio of shahjalal islami bank was 16.01% and 14.18% in 2019 and 2020 respectively whereas the IBBL had 12.95% and 13.84% which is less

than SJIBL. The standard set by Bangladesh bank is 10% and it is measured against shareholders equity to asset ratio.

Asset quality:

This is a fund reserved by the bank and will be used in the event of bad investment. The investment loss reserves for SJIBL in 2019 and 2020 are 1.85% and 0.36% respectively. On the other hand IBBL had 1.03% in 2019 and 0.75% in 2020. The investment loss reserves is less than 2% for both the banks which is a good sign because this is something that needs to be kept as low as possible.

Management efficiency:

Table 13: management efficiency ratio

	2019	2020
SJIBL	79.11%	1.15%
IBBL	49.26%	62.73%

The management efficiency is calculated by total operating expense to total operating income.

Earnings ability:

Table 14: return on asset (ROA)

	2019	2020
SJIBL	0.645%	0.65%
IBBL	0.50%	0.35%

In table 14 we see that in both the years SJIBL has managed to keep their ROA at a constant level and it is more than IBBL in both the years. The return on assets is measured by net profit to total asset ratio.

Table 15: return on equity (ROE):

	2019	2020
SJIBL	10.40%	10.63%

IBBL	9.39%	7.38%
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In this table we see the ROE of both the banks and this is calculated by net profit to shareholders equity ratio. The ROE of IBBL is 9.39% and 7.38% in 2019 and 2020 which is quite less than SJIBLs ROE in both 2019 and 2020 which is 10.40% and 10.63%. The lesser the ROE the better the performance of the bank.

Liquidity:

Table 16: CRR of SJIBL and IBBL

Cash reserve ratio	2019		2020	
	standard	maintained	standard	maintained
SJIBL	5.5%	5.94%	≥4.00%	4.74%
IBBL	5.50%	6.17%	4%	17.05%

In this table we can see that the CRR of SJIBL is quite good because they have more money to lend to the customer. On the other hand the IBBLs, CRR is okay in 2019 but it went up in 2020 and they had less money to lend to the borrower.

Table 17: SLR of SJIBL and IBBL

Statutory liquidity ratio	2019		2020	
	standard	maintained	standard	maintained
SJIBL	5.5%	7.43%	≥5.50%	11.50%
IBBL	5.50%	6.88%	5.50%	19.86%

In this table we can see that the SLR of IBBL in 2020 is more than that of SJIBLs SLR which is 19.86% for IBBL and 11.50% for SJIBL. However, SJIBLs SLR was better in 2019 than IBBLs. As we all know, a higher SLR rate is good for the bank. Liquidity ratio can also be done by net investment to total assets. SJIBLs liquidity risk in 2019 and 2020 was 74.16% and 66.95% whereas the IBBLs liquidity risk was 83.50% and 78.30% in 2019 and 2020 respectively.

4.2 Composite rating:

Table 18: composite ratings for SJIBL and IBBL

	2020		2019	
	SJIBL	IBBL	SJIBL	IBBL
Capital adequacy	2	2	1	2
Asset quality	1	1	2	1
Management efficiency	1	5	5	5
Earnings ability (ROA)	3	3	3	3
Earnings ability (ROE)	3	4	3	4
Liquidity	1	1	1	1
Total	11	16	15	16

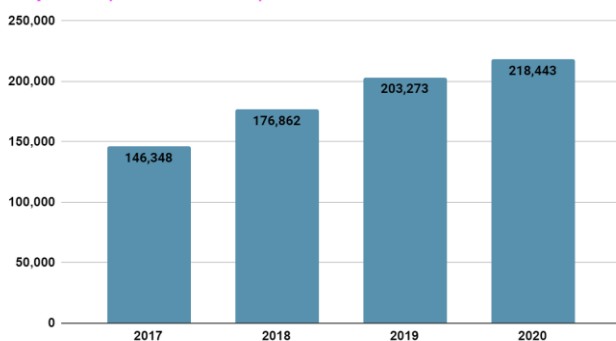
Here we can see the CAMEL rating of SJIBL is lower than IBBL in 2020 and 2019. SJIBLs total composite rating is 11 in 2020 and 15 in 2019. On the contrary, the IBBLs composite rating is 16 in both the year. As we all know that the bank whose composite rating is lower compared to the other bank, that bank is considered to be the better performer overall. Thus, shahjalal islami bank has better performance in both 2019 and 2020 over IBBL.

Chapter 5: Overall evaluation:

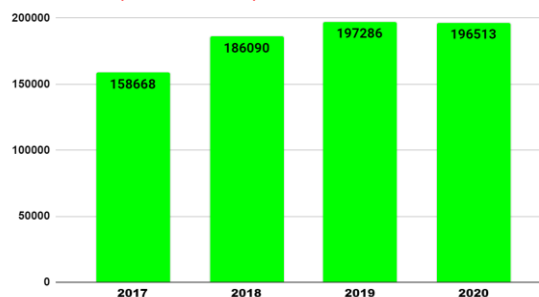
Despite the economic downturn in 2020 because of the COVID19 outbreak, shahjalal islami bank still managed to perform decently in fact they have achieved higher ratings almost in all the aspects like deposits, investment, paid up capital, total assets, earnings per share, net profit after taxation etc. up to 31st December 2020, the total deposits of shahjalal islami bank stood at 218,443 million taka which was 203,273 million taka at 31st December 2019. On the other hand, the import value decreased to 148,469 million taka which was 157,060 million taka in 2019. However, the export value decreased too and the value stood at 133,580 million taka from 147,052 million taka in 2019. The investment of shahjalal islami bank became a bit low as the situation was tough in 2020. The

figure stood at 196,513 million taka from 197,286 million from last year. The paid up capital was 205 million taka in 2001 and year by year it increased. In 2020 the paid up capital increased from 9334 million taka to 9801 million taka. The capital adequacy ratio was maintained at 14.18% where the minimum requirement is 10%. The total assets increased to 293,518 million taka at the end of 2020, which was 265,993 million taka at 2019. The earnings per share and net income after tax also increased in 2020 which is a huge feat for the banks financial performance since the whole economy of the world collapsed during 2020 because of the covid19 situation. The earnings per share was 1.95 taka per share and the net earnings were 1908 million taka at 2020. The capital management system which was regularly checked by the bank's senior officer is designed to maintain enough capital considering the bank's risk profile. The board members reviews it and implement right decisions while looking at the situation they are in. We hope to continue our business while contributing to the society and keeping the environment safe.

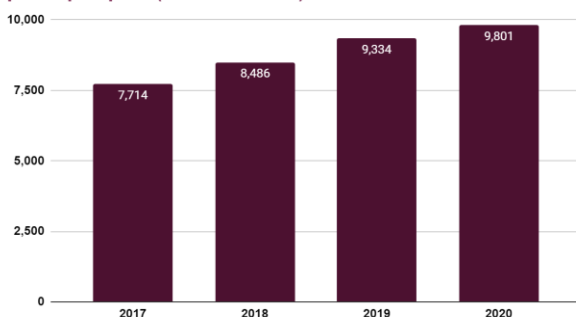
Deposits (taka in million)



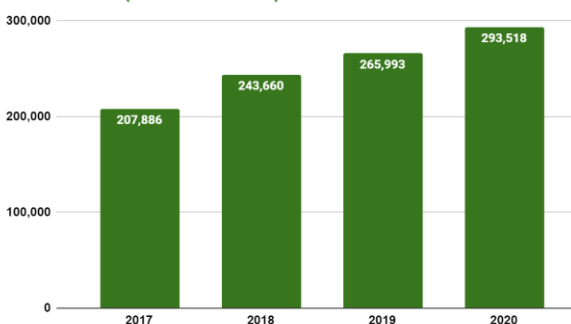
Investment (taka in million)



paid up capital (taka in million)



Total assets(taka in million)



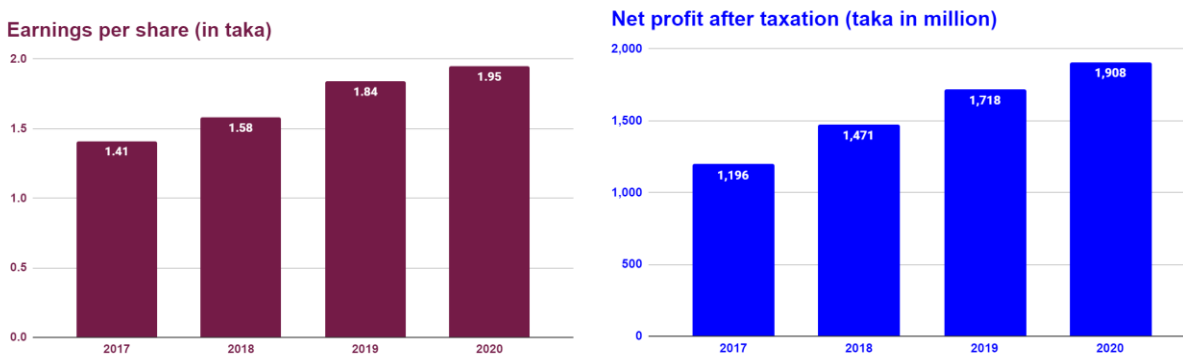


Figure 4: showing the amount of deposit, investment, paid up capital, total assets, earnings per share and net profit after tax in every year

Chapter 6: Recommendations:

There are some recommendations that Shahjalal Islami Bank needs to adopt to better their employees' performances and effectiveness. While working there I noticed that the computers they are using are quite old and sometimes they just get hanged. Due to the low configuration system these computers get hung up sometimes. As a result the employees have to wait for the computer to be okay again. Thus, the client has to wait too long to get the service. Moreover, the operating system needs to be updated as well. Secondly, they might implement the token option so that the client can get service in an organized manner. Lastly, they should introduce digital printing of the pay order slip rather than just putting a sign on it.

Chapter 7: Conclusion: In the preceding analysis, the performance of shahjalal islami bank has been pointed out by using CAMEL rating system and by measuring some ratios. There has been a comparative analysis of the overall performance of the shahjalal islami bank with islami bank Bangladesh with CAMEL rating. From those discussions we can see that shahjalal islami bank is in a good situation as their performance in 2020 was remarkable. They have seen a rise in their paid up capital, earnings per share, total assets, deposits and net profit.

Chapter 8:

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