



## GENERAL BANKING

Lecturer, BRAC BUSINESS School.

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Dear Sir,

**Subject: Submission of Internship Report on General BANKING**

Dear Sir,

It's been a pleasure for me to submit here with my Internship report, which has been prepared under the smart and dynamic leadership of a personality like you.

This report is an integral part of our academic courses in completion of the BBA program, which has assigned me "**GENERAL BANKING SYSTEM OF FIRST SECURITY ISLAMI BANK LIMITED**" on MAY-August, 2014.

In completing the report I have tried my best in imparting every available details of the bank avoiding unnecessary amplification of the report. Though I faced some difficulty while doing this report but still I enjoyed doing this I have come up with such a good internship report. I am thankful to you for your guidance, suggestions, and constructive criticisms during the preparation of this report. I hope you will accept this report and if any problem occurs then you will help me with proper guideline.

Sincerely Yours,

Shahida sarder

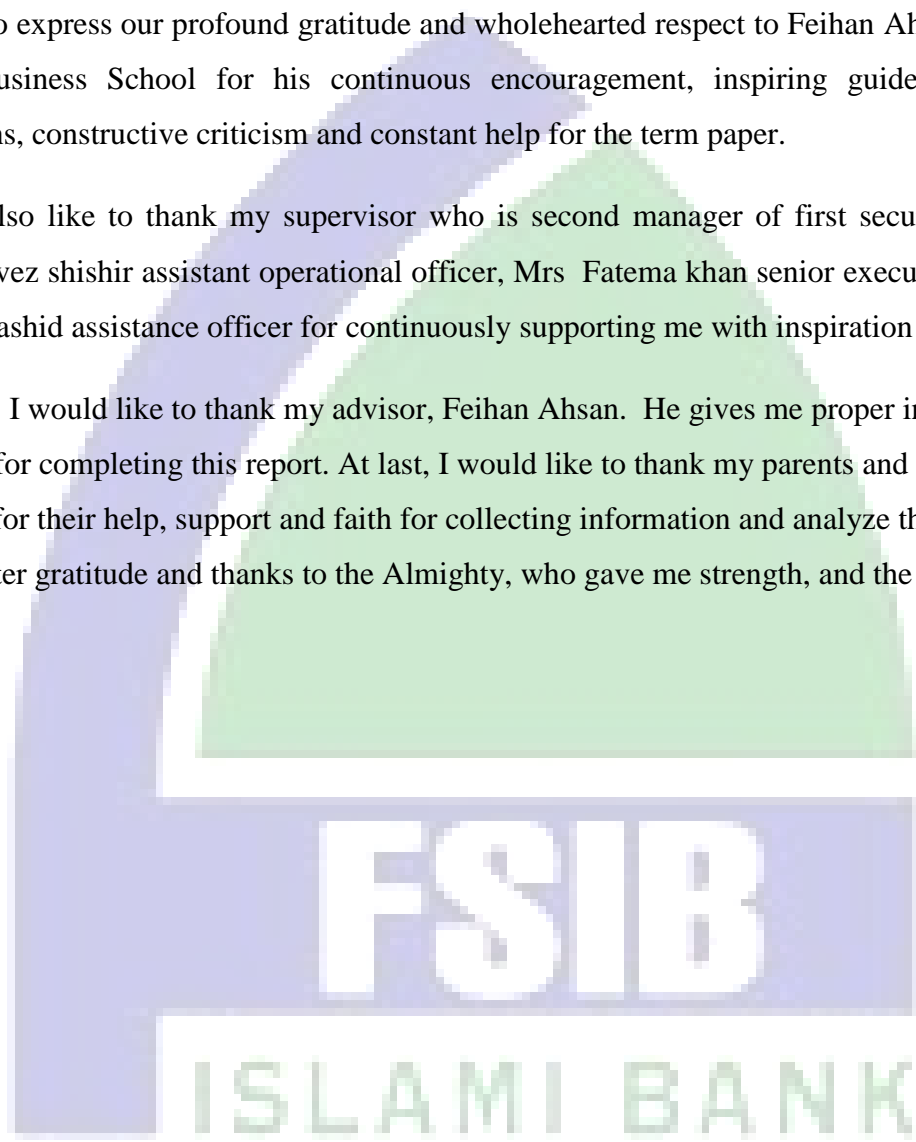
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## Acknowledgment

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## Executive Summary

First Security Islami Bank Limited (FSIBL) was incorporated in Bangladesh on 29 August 1999 as a banking company under Companies Act 1994 to carry on banking business. It obtained permission from Bangladesh Bank on 22 September 1999 to commence its business. The Bank carries banking activities through its one hundred twenty two (122) **Branches** and thirty five (35) **ATM Booths** in the country. The numbers of branches are increasing day by day. The commercial banking activities of the bank encompass a wide range of services including accepting deposits, making loans, discounting bills, conducting money transfer, mobile banking, foreign exchange transactions, and performing other related services such as locker service, safe keeping, collections and issuing guarantees, acceptances and letter of credit.

At the beginning of the report, I explain about the history of first security **Bank** their management team, their service, their objective and vision. I try my best to explain it in a proper way.

In second part of my report, I explain my job responsibilities and duties go on, how I manage and follow up our corporate clients.

In final part of my report, I try to analyze client and employer satisfaction level through general Banking of experience project. I use survey to analyze this report as accurate as possible. I use pie chart, bar chart and histogram for proper understanding my report



## Introduction (chapter: 1)

All over the world the dimension of Banking has been changing rapidly due to Deregulation, Technological innovation and Globalization. Banking in Bangladesh has to keep pace with the global change. Now Banks must compete both as local institution and foreign one.

The declaration of the Government's bold and far-sighted decisions to allow banks in the private sectors to play its due role in the economy of Bangladesh, have started the process of creating new and dynamic financial institutions

My internship report is based on Bank. At first we need to know what is bank. “A bank is any business offering deposits subject to withdrawal on demand and making loans of a commercial or business nature”. There are different types of banks like commercial bank, investment bank, international bank etc. My chosen bank is commercial bank. It is well reputed private bank in Bangladesh named “First Security Islami Bank Limited”(FSIBL). First Security Islami Bank Limited (FSIBL) was incorporated in Bangladesh on 29 August 1999 as a banking company under Companies Act 1994 to carry on banking business. It obtained permission from Bangladesh Bank (BB) on 22 September 1999 to commence its business. Banks provides the opportunity to its clients to deposit and lending money also at the same time attractive services are ensured as per the client's needs wants & demand with the changing environment and competition. Activities of a bank permits to open & close accounts, issuing cheque books, remit funds, issue bank drafts, pay order, mail transfer, demand draft, receive cheque for clearing, FDR (Fixed Deposit Receipts)DBS(Double benefit Scheme) opening with attractive interest rate etc. It also includes the process of communicating, summarizing and explaining the economic events of a bank within a specific period of time.

### Origin of the report

Now days, education is not just limited to books and classrooms. Today's world, education is the tool to understand the real world and apply knowledge for the betterment of the society as well as business. From education the theoretical knowledge is obtained from courses of study, which is only the half way of the subject matter. There is no alternative of practical knowledge. The perfect coordination between theory and practice is of paramount importance in the context of the modern business world in order to resolve the dichotomy between these two areas. Therefore, an opportunity is offered by Department of BBA, BRAC University, for its potential business graduates to get three months practical experience in a business organization, which is known as “Internship Program”. Internship Program brings a student closer to the real life situation and thereby helps to launch a career with some prior experience.

My internship program was conducted at the First Security Islami Bank Ltd., Mirpur Branch,, Dhaka. This report is generated under the academic supervision of Fehian Ahsan, lecturer of Department, of BBA, BRAC University.

### Objectives of the Report

Objective is an important thing for different purpose. Objective helps to go in a good way which is related with the report. The main objectives of this study is to concentrate on the study of the how to use the marketing strategy in Banking sector. However the details of the objective of the study are as follows:

- To know about E-Banking
- To know about new products and services of banking sector.
- To find out some problems and give recommendations for continuous development of the Bank.
- To develop skill on the banking sector.
- To present the overall features of First Security Islami Bank Limited(FSIBL)
- To present an overall view of online banking Structure First Security Islami Bank Limited (FSIBL).
- To present online services provided by FSIBL
- To find out the strength, weakness, opportunity and threat of this bank.
- To apply theoretical knowledge in the practical field.
- To know the tasks of different department of the bank.
- To get understanding about the strategy that the bank undertakes in different situation.
- To get an idea about Various kinds of Deposit at FSIBL.

### Scope of the report

During these 12 weeks internship Program in FSIBL at Mirpur Branch, the internship is intended on “General Banking of First Security Islami Bank Limited”. It is not very easy for me to present all the analysis regarding the performance within this short time. But I am gathering real life working experience. That will help me in developing my future career.

### Methodology of the Study

While I was conducting the study I have collected various types of primary and secondary data. Data has



been collected through different sources like by taking interviews of the responsible officers and from different circular published by this.

### Source of data:

I have collected the data from the following sources, which has helped me to make this report.

The source divided into two parts:

1. Primary source.
2. Secondary source.

### Primary

Interview was the basic technique that was employed to collect primary data from people within the organization. For the procedure of different banking operations, I had observed the operations and worked with the officers at the same time. I had interviewed FSIBL Officials for getting more information. I take survey during my internship time.

### Secondary

Secondary data was collected from the annual report, journal, FSIBL report, FSIBL employee training, lecture sheet & the website of First Security Islami bank limited. Relevant data for this report will be collected primarily by direct investigations of different records, papers, documents, operational process and different personnel. The interviews were administered by formal and informal discussion. Structured questionnaire will be used. Information regarding office activities of the bank has been collected through consulting bank records and discussion with bank personnel.

### Data sources

The information and data for this report have been collected from both the primary and secondary sources. The “Primary sources” are as follows:

- Face-to-face conversation with the respective officers and stuffs of the branch and head office.
- Face-to-face conversation with clients visited the branch.
- Practical work experience in the different desk of the department of the branch covered.
- Questionnaire.

- Annual Report of FSIBL
- Website of the FSIBL.
- Various book articles regarding general banking functions, Foreign exchange operations and credit policies.
- Different procedure manual published by FSIBL

- conducting current accounts for his customers
- paying cheques drawn on him, and
- collecting cheques for his customers.

Banking in the modern sense of the word can be traced to medieval and early Renaissance Italy, to the rich cities in the north like Florence, Venice and Genoa. The Bardi and Peruzzi families dominated banking in 14th century Florence, establishing branches in many other parts of Europe. Perhaps the most famous Italian bank was the Medici bank, set up by Giovanni Medici in 1397. The earliest known state deposit bank, Banco di San Giorgio (Bank of St. George), was founded in 1407 at Genoa, Italy. Banks can be traced back to ancient times even before money when temples were used to store commodities. During the 3rd century AD, banks in Persia and other territories in the Persian Sassanid Empire issued letters of credit known as Şakks. Muslim traders are known to have used the cheque or şakk system since the time of Harun al-Rashid (9th century) of the Abbasid Caliphate. In the 9th century, a Muslim businessman could cash an early form of the cheque in China drawn on sources in Baghdad, a tradition that was significantly strengthened in the 13th and 14th centuries, during the Mongol Empire. Fragments found in the Cairo Geniza indicate that in the 12th century cheques remarkably similar to our own were in use, only smaller to save costs on the paper. They contain a sum to be paid and then the order “May so and so pay the bearer such and such an amount”. The date and name of the issuer are also apparent.

### Origin of the word:

The word bank was borrowed in Middle English from Middle French banque, from Old Italian banca, from Old High German banc, bank “bench, counter”. Benches were used as desks or exchange counters during the Renaissance by Florentine bankers, who used to make their transactions atop desks covered by green tablecloths. The earliest evidence of money-changing activity is depicted on a silver Greek drachm coin from ancient Hellenic colony Trapezus on the Black Sea, modern Trabzon, c. 350–325 BC, presented in the British Museum in London. The coin shows a banker’s table (trapeza) laden with coins, a pun on the name of the city. In fact, even today in Modern Greek the word Trapeza (Τράπεζα) means both a table and a bank.

### Channels

Banks offer many different channels to access their banking and other services:

- **ATM** is a machine that dispenses cash and sometimes takes deposits without the need for a human bank teller. Some ATMs provide additional services.
- A **branch** is a retail location
- **Call center**
- **Mail** most banks accept check deposits via mail and use mail to communicate to their customers, e.g. by sending out statements
- **Mobile banking** is a method of using one’s mobile phone to conduct banking transactions
- **Online banking** is a term used for performing transactions, payments etc. over the Internet
- **Relationship Managers**, mostly for private banking or business banking, often visiting customers at their homes or businesses
- **Telephone banking** is a service which allows its customers to perform transactions over the telephone without speaking to a human

**Video banking** is a term used for performing banking transactions or professional banking consultations via a remote video and audio connection. Video banking can be performed via purpose built banking transaction machines.

### Business model:

A bank can generate revenue in a variety of different ways including interest, transaction fees and financial advice. The main method is via charging interest on the capital it lends out to customers. The bank profits from the differential between the level of interest it pays for deposits and other sources of funds, and the level of interest it charges in its lending activities.

### Products:

#### **Retail**

- ❏ Business loan
- ❏ Cheque account
- ❏ Credit card
- ❏ Home loan
- ❏ Insurance advisor
- ❏ Mutual fund
- ❏ Personal loan
- ❏ Savigs account

#### **Wholesale**

- ❏ Capital raising (Equity / Debt / Hybrids)
- ❏ Mezzanine finance
- ❏ Project finance
- ❏ Revolving credit
- ❏ Risk management (FX, interest rates, commodities, derivatives)
- ❏ Term loan

### Size of global banking industry

Assets of the largest 1,000 banks in the world grew by 6.8% in the 2008/2009 financial year to a record \$96.4 trillion while profits declined by 85% to \$115bn. Growth in assets in adverse market conditions was largely a result of recapitalization. EU banks held the largest share of the total, 56% in 2008/2009, down from 61% in the previous year. Asian banks' share increased from 12% to 14% during the year, while the share of US banks increased from 11% to 13%. Fee revenue generated by global investment banking totalled \$66.3bn in 2009, up 12% on the previous year.<sup>[10]</sup>

The United States has the most banks in the world in terms of institutions (7,085 at the end of 2008) and possibly branches (82,000).<sup>[citation needed]</sup> This is an indicator of the geography and regulatory structure of the USA, resulting in a large number of small to medium-sized institutions in its banking system. As of Nov 2009, China's top 4 banks have in excess of 67,000 branches (ICBC:18000+, BOC:12000+, CCB:13000+, ABC:24000+) with an additional 140 smaller banks with an undetermined number of branches. Japan had 129 banks and 12,000 branches. In 2004, Germany, France, and Italy each had more than 30,000 branches—more than double the 15,000 branches in the UK.

### Types of Banks:

Banks' activities can be divided into retail banking, dealing directly with individuals and small businesses; business banking, providing services to mid-market business; corporate banking, directed at large business entities; private banking, providing wealth management services to high net worth individuals and families; and investment banking, relating to activities on the financial markets. Most banks are profit-making, private enterprises. However, some are owned by government, or are non-profit organizations.

### Types of Retail Banks:

**Commercial bank:** The term used for a normal bank to distinguish it from an investment bank. After the Great Depression, the U.S. Congress required that banks only engage in banking activities, whereas investment banks were limited to capital market activities. Since the two no longer have to be under separate ownership, some use the term “commercial bank” to refer to a bank or a division of a bank that mostly deals with deposits and loans from corporations or large businesses.

**Community Banks:** Locally operated financial institutions that empower employees to make local decisions to serve their customers and the partners.

**Community Development Banks:** Regulated banks that provide financial services and credit to undeserved markets or populations.

**Postal Savings Banks:** Savings banks associated with national postal systems.

**Private Banks:** Manage the assets of high net worth individuals.

**Offshore Banks:** Banks located in jurisdictions with low taxation and regulation. Many offshore banks are essentially private banks.

**Savings Bank:** In Europe, savings banks take their roots in the 19th or sometimes even 18th century. Their original objective was to provide easily accessible savings products to all strata of the population. In some countries, savings banks were created on public initiative, while in others socially committed individuals created foundations to put in place the necessary infrastructure.

**Building Societies and Landesbanks:** Conduct retail banking.

**Ethical Banks:** Banks that prioritize the transparency of all operations and make only what they consider to be socially-responsible investments.

**Islamic Banks:** Banks that transact according to Islamic principles.

### Types of Investment Banks:

Investment banks “underwrite” (guarantee the sale of) stock and bond issues, trade for their own accounts, make markets, and advise corporations on capital markets activities such as mergers and acquisitions.

Merchant banks were traditionally banks which engaged in trade financing. The modern definition, however, refers to banks which provide capital to firms in the form of shares rather than loans. Unlike Venture capital firms, they tend not to invest in new companies.

### Both Combined:

Universal banks, more commonly known as a financial services company, engage in several of these activities. For example, First Bank (a very large bank) is involved in commercial and retail lending, and its subsidiaries in tax-havens offer offshore banking services to customers in other countries. Other large financial institutions are similarly diversified and engage in multiple activities. In Europe and Asia, big banks are very diversified groups that, among other services, also distribute insurance, hence the term bancassurance is the term used to describe the sale of insurance products in a bank. The word is a combination of “banque or bank” and “assurance” signifying that both banking and insurance are provided by the same corporate entity.

### Other types of banks:

**Islamic banking:** Islamic banks adhere to the concepts of Islamic law. Islamic banking revolves around several well established concepts which are based on Islamic canons. Since the concept of interest is forbidden in Islam, all banking activities must avoid interest. Instead of interest, the bank earns profit (mark-up) and fees on financing facilities that it extends to the customers.

### Banks in Bangladesh:

The central bank of Bangladesh is named as Bangladesh Bank. The other banks which are operated in Bangladesh are given below:

#### State-owned Commercial Banks of Bangladesh

Three Nationalized Commercial Banks are dominating the Bangladeshi banking system, which together controlled more than 50% of deposits and operated about 3500 branches as of December 31, 2009.

#### The nationalized commercial banks are:

- ☐ Sonali Bank
- ☐ Agrani Bank Limited
- ☐ Janata Bank

### Private Commercial Banks in Bangladesh:

Private Banks are the highest growth sector due to the dismal performances of government banks. They



tend to offer better service and products. Their name and corresponding web addresses are given below

- ☐ AB Bank ltd
- ☐ BRAC Bank Limited:
- ☐ Dutch Bangla Bank Limited
- ☐ Eastern Bank Limited
- ☐ Dhaka Bank Limited
- ☐ Islami Bank Bangladesh Ltd
- ☐ Pubali Bank Limited
- ☐ Uttara Bank Limited
- ☐ IFIC Bank Limited
- ☐ National Bank Limited
- ☐ The City Bank Limited
- ☐ United Commercial Bank Limited
- ☐ NCC Bank Limited
- ☐ Prime Bank Limited
- ☐ SouthEast Bank Limited
- ☐ Al-ArafahIslami Bank Limited
- ☐ Social Islami Bank Limited
- ☐ Standard Bank Limited
- ☐ One Bank Limited
- ☐ Exim Bank Limited
- ☐ Mercantile Bank Limited
- ☐ Bangladesh Commerce Bank Limited
- ☐ Mutual Trust Bank Limited
- ☐ First Security Islami Bank Limited
- ☐ The Premier Bank Limited
- ☐ Bank Asia Limited
- ☐ Trust Bank Limited
- ☐ ShahjalalIslami Bank Limited
- ☐ Jamuna Bank Limited
- ☐ ICB Islamic Bank



### Foreign Commercial Banks in Bangladesh:

In Bangladesh there are many foreign banks. Their name & their corresponding web addresses are given below

- ☐ Citibank
- ☐ HSBC
- ☐ Standard Chartered Bank
- ☐ Commercial Bank of Ceylon
- ☐ State Bank of India
- ☐ Habib Bank
- ☐ National Bank of Pakistan
- ☐ Woori Bank
- ☐ Bank Alfalah

### Specialized Development Banks in Bangladesh:

Out of the specialized banks mentioned above, there are two banks named Bangladesh Krishi Bank and RajshahiKrishiUnnayan Bank were created to meet the credit needs of the agricultural sector while the other two banks named Bangladesh Shilpa Bank (BSB) & Bangladesh ShilpaRinSangtha (BSRS) are for extending term loans to the industrial sector. Their name are given below Grameen Bank, Bangladesh Krishi Bank Bangladesh Shilpa Bank, RajshahiKrishiUnnayan Bank Bangladesh ShilpaRinSangtha, Basic Bank Ltd Ansar VDP Unnoyan Bank etc. All these are the major banks of Bangladesh.

### Limitations of the Report

To complete all of these mentioned above, I face some limitations like:

- ☐ I am not getting enough time to concentrate on all of the investigation.
- ☐ I am not getting all data and information enough to do my study & that's why sometimes I give emphasis on assumptions.
- ☐ The website of FSBL is not that much rich to collect data.
- ☐ Sometimes such kinds of tasks were given in the Bank that was no way related to my topic & really it was responsible to do and so that break my concentration in my major area of investigation.

- I am preparing the report on the activities of all of the branches, but I am not permitted & it is not possible to visit & collect data & information from all of the branches.

## Company Profile(Chapter -2)

### History & Origin of the First Security Islami Bank Ltd:

The First Security is a National Banking sector which was incorporated on the 29<sup>th</sup> August, 1999 as a Banking Company under the companies Act 1994 to carry on the banking Business. It obtained permission from Bangladesh Bank on 22<sup>nd</sup> September, 1999 to commence its Business. It has started its operation as a commercial bank on the 25<sup>th</sup> October, 1999 with a branch at Dilkusha. At present the Bank have 62 branches and 1 branch is in under construction which will be fully operational by 2010 hopefully. It renders all types of commercial banking service to the customers of the society with in the stipulations laid down the banking company act 1991 and rules and regulation are being compromised by Bangladesh Bank time to time. Diversification of products and services and innovation of products suited to the needs of the customers in keeping with relevant rules and laws have made it different from other commercial banks of the country.

Corporate Banking and Personal Banking are the special strength of First Security Islami Bank Ltd (FSIBL). It maintains a strong relationship with all the banks of the country and all the customers of the bank. The First Security Islami Bank Ltd (FSIBL) is a solid, forward looking and modern local bank with a view to ensure sound performance. The effort that First Security Islami Bank Ltd trying to portray the bank as a brand image as very strong and successful. The general image is that it is the “Symbol of Security”. In 1999 the authorized capital of the bank was BDT 1500 billion and paid up capital was BDT 200 million. By the end of 2009 the paid up capital was BDT 2300 million.

### Vision of the FSIBL:

To be a unique modern islami Bank in Bangladesh and to make significant contribution to the national economy and enhance customer's trust and wealth, quality investment, employee's value and rapid growth in shareholder's equity

### .Mission of FSIBL:

The bank has chalked out the following corporate objectives in order to ensure smooth achievement of its goals:

- ❑ To be the most caring and customer friendly and service oriented bank.
- ❑ To create a technology based most efficient banking environment for its customers.
- ❑ To ensure ethics and transparency in all levels.
- ❑ To ensure sustainable growth and establish full value of the honorable shareholders and
- ❑ Above all, to add effective contribution to the national economy. Eventually the bank also emphasize on:
  - ❑ Provide high quality financial services in export and import trade
  - ❑ Providing efficient customer services
  - ❑ Managing corporate and business ethics
  - ❑ Bring trusted depository of customers money
  - ❑ Making its products superior and rewarding to the customers
  - ❑ Display team spirit and professionalism
  - ❑ Sound capital base & Enhancement of shareholders wealth
  - ❑ Fulfilling its social commitments by expanding its charitable and humanitarian activities

### Objectives of the Bank

**The objectives of the FSIBL are given below**

- ❑ To provide efficient computerized banking system.
- ❑ To ensure foreign exchange operations.
- ❑ To accept deposit on profit-loss sharing basis.
- ❑ To establish a welfare-oriented banking system.
- ❑ To play a vital role in human development and employment generation.
- ❑ To contribute toward balanced growth and development of the country through investment operations particularly in the less developed areas.
- ❑ To establish participatory banking instead of banking on debtor-creditor relationship.

## The Strategies of FSIBL

- ☐ To strive customers best satisfaction & win their confidence.
- ☐ To manage & operate the bank in an effective manner.
- ☐ To identify customer's need & monitor their perception towards meeting those requirements.
- ☐ To review & updated policies, procedures & practices to enhance the ability to extend better customer services.
- ☐ To train & develop all employees & provide them adequate resources so that the customer's needs reasonably addressed.
- ☐ To promote organizational efficiency by communicating company plans policies & procedures openly to the employees in a timely fashion.
- ☐ To ensure a congenial working environment.
- ☐ To diversify portfolio in both retail & wholesale markets.

## Functions of FSIBL:

FSIBL performs all types of functions of a modern commercial bank, which generally includes:

-  Mobilization of savings of the people and safe keeping of all types of deposit account.

- ❏ Making advances especially for productive activities and for the other commercial and socio-economic needs
- ❏ Providing banking services to common people through the branches.
- ❏ Introduce modern Banking services in the country.
- ❏ Discounting and purchasing bills.
- ❏ Providing various information, guidance and suggestions for promotion of trade and industry keeping in view of the overall economic development of the country.
- ❏ Industrial finance for both capital machinery and working capital.
- ❏ Finance relating to constructions of both commercial and residential.
- ❏ Finance under small business of self employed clients.
- ❏ Finance of farming and non-farming activities to rural people including purchase of agricultural equipments.
- ❏ Ensuing proper utilization of credit disbursed.
- ❏ Developing new products Market surveys before making any finance
- ❏ Finance for small transport.
- ❏ Monitoring and forecasting.
- ❏ Developing marketing campaigns.
- ❏ Finance for household durables.
- ❏ Work simplification studies.
- ❏ Monitoring diversification of portfolio among different sectors.

#### Values:

Value pillars of FSIBL that are central to our core ideologies and that must always be reflected in everything we do:

- ☐ We are aggressive in business self driven.
- ☐ We empower people, create leaders and drive change.
- ☐ We treat people with respect and dignity.
- ☐ We are personally accountable for delivering on commitments to high built –trust relationship with customers and to ensure customers delight.

#### Board of Directors:

SL. NO.	Name	Designation
1	Mohammed SaifulAlam	Chairman
2	Alhaj Mohammed Abdul Maleque	Vice-Chairman
3	FarzanaParveen	Director
4	RahimaKhatun	Director
5	AtiqurNesa	Director
6	Md. WahidulAlam Seth	Director
7	Shahidul Islam	Director
8	Mohammed OheidulAlam	Director
9	AhsanulAlam	Director
10	Mohammed KutubUddowllah	Independent Director
11	Md. Sharif Hussain	Independent Director
12	KhurshidJahan	Depositor Director
13	A.A.M. Zakaria	MD & CEO

Management:

Senior Management with a highly professional management team headed by the MD Mr. A.A.M. Zakaria. Among other senior executives currently two DMD, one Principal of Training Center, five SEVP, four EVP, eleven SVP, fifteen VP, eleven FVP, thirteen SAVP, thirty four AVP and thirty one FAVP are discharging their services in progression of the banks business.

Team Management:

<b>Managing Director (MD)</b>	<b>Senior Assistant Vice President (SAVP)</b>
↓	↓
<b>Deputy Managing Director (DMD)</b>	<b>Assistant Vice President (AVP)</b>
↓	↓
<b>Principal of Training Center (PTC)</b>	<b>First Assistant Vice President (FAVP)</b>
↓	↓
<b>Senior Executive Vice President (SEVP)</b>	<b>Principal Officer (PO)</b>
↓	↓
<b>Executive Vice President (EVP)</b>	<b>Senior Officer (SO)</b>
↓	↓
<b>Senior Vice President (SVP)</b>	<b>Officer</b>
↓	↓
<b>Vice President (VP)</b>	<b>Junior Officer-1</b>
↓	↓
<b>First Vice President (FVP)</b>	<b>Junior Officer-2</b>
↓	

## Corporate Governance and Corporate Social Responsibility:

### Corporate Governance:

It's about how corporation is running its operation to achieve its corporate objectives. Bangladesh Bank give emphasis on implementing corporate governance among the financial institution and to do that, Bangladesh Bank emphasizes implementing the guidelines issued by them for improving corporate governance in Banking Sector. Good corporate governance practices enhance an entity's corporate image and market creditability. That attracts capital and increase borrowing power. These can be reflected in the quality of the financial reporting and disclosure, strength of internal control system and internal audit function. With a view to ensure effective participation and deep interest in the affairs of the company and as per Articles of Association of the Company and as per Bangladesh Bank Circular the bank has setup the two (2) following committees.

- Executive Committee
- Audit Committee

FSIBL has constituted 05 members executive committee of the board as per Bangladesh Bank guideline to ensure corporate governance in the business of which managing director of the bank is Ex-officio Member. The executive member of the board is responsible for the developing policy and strategy for smooth operations of business and business development of the bank to ensure maximization of shareholders wealth's protecting other stakeholder's interest in the company Mr. Alhaj Md. SaifulAlam, Chairman of the Board of Directors is the Chairman of the present Executive Committee of the bank. He is very dynamic person and leading the executive committee of the bank in a very manner.

Name	Position Hold
Mohammed SaifulAlam	Chairman
Alhaj Mohammed Abdul Maleque	Vice-Chairman
Md. Sharif Hussain	Member
Mohammed KutubUddowllah	Member
FarzanaParveen	Member



### Audit Committee:

FSIBL has formulated an audit committee can play an effective role in formulating an efficient and secure banking system. The audit committee has been formed comprising three members of the Board of Directors. As per corporate governance guideline the Chairman of the Audit Committee should have sound knowledge and expertise in finance & accounting or auditing

### Board of Audit Committee:

Name	Position Hold
Alhaj Mohammed Abdul Maleque	Convener
Md. Sharif Hussain	Member
Mohammed KutubUddowllah	Member

### Shari'ah Members:

Name	Position Hold
Sheikh (Moulana) Mohammad Qutubuddin	Chairman
Mufti Sayeed Ahmed	Vice-Chairman
Moulana Md. Shamaun Ali	Members Secretary
MoulanaAbdusShaheedNaseem	Member
Mohammad Azharul Islam	Member

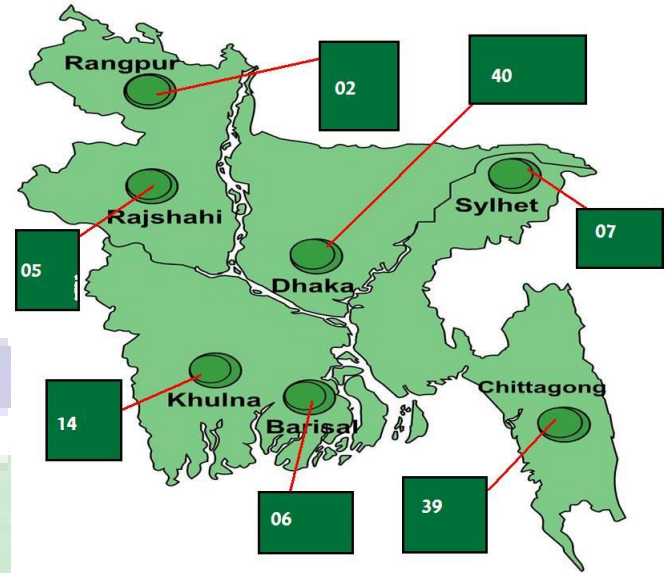
### Corporate Social Responsibility (CSR):

First Security Islami Bank Ltd. keeps on discharging in its corporate social responsibility as per part of social entity for the greater interest of the entire nation and society. We have always extended our support to the development of the community through promotion of sports, culture, educational program, treatment aids of the distressed people of Bangladesh. First Security Islami Bank Ltd actively participates for religious events and culture.

### Branch Network:

At present FSIBL have 117 branches in overall in Bangladesh. All the branches are computerized. Among them 101 Branches are under distributed server environment, other are running with our Core Banking Software (CBS). All the branches will be migrated from distributed server to CBS; FSIBL has already started their on-line, SMS and ATM banking facilities for their clients.

SL. NO.	Division	Branches
1	Dhaka	44
2	Chittagong	39
3	Sylhet	7
4	Khulna	14
5	Rajshahi	5
6	Barisal	6
7	Rangpur	2



**Figure 1: Branch Network**

ATM Booth Location

FSIBL ATM Booths Location		
Sl.	Branch	Address
1	Head Office	House # SW (I) 1/A, Road -8, Gulshan -1, Dhaka-1212.
2	Banasree	House-02, Road-03, Block-D, Banasree, Dhaka-1209.
3	Gulshan	122, Gulshan Avenue, Dhaka-1212.
4	Banani	Plo -80, Block-B, Kamal Ataturk Avenue, Banani, Dhaka-1213.
5	Bashundhara	Plot-12, Block-A, Main Road, Bashundhara R/A, Dhaka.
6	Uttara	Plot-10, Gareeb-E-Newaz Avenue, Sector-13, Uttara, Dhaka-1230
7	Dilkusha	23, Dilkusha C/A, Dhaka-1000
8	Senanibash	234/6, Kachukhet, Kafrul, Dhaka.
9	Dhanmondi	House - 38/1, Road - 02, (Opposite Rifle Square)Dhanmondi R/A, Dhaka-1209.
10	College Gate	College Gate, Auchapara, Tongo, Gazipur, Dhaka.
11	Donia	Plot-454, Nayapara, Donia, Shyampur, Dhaka
12	Narayangonj	123, BB Road, Narayangonj
13	Madhabdi	Madhobdi, Holding # 606, Word # 8, Madhobdi, PS-Norsingdi, Dist- Norsingdi.

14	Comilla	Ayub Mansion, Chawkbazar, Comilla.
15	Ramgonj	287, Arafat Mansion, Kalabagan, Laxmipur.

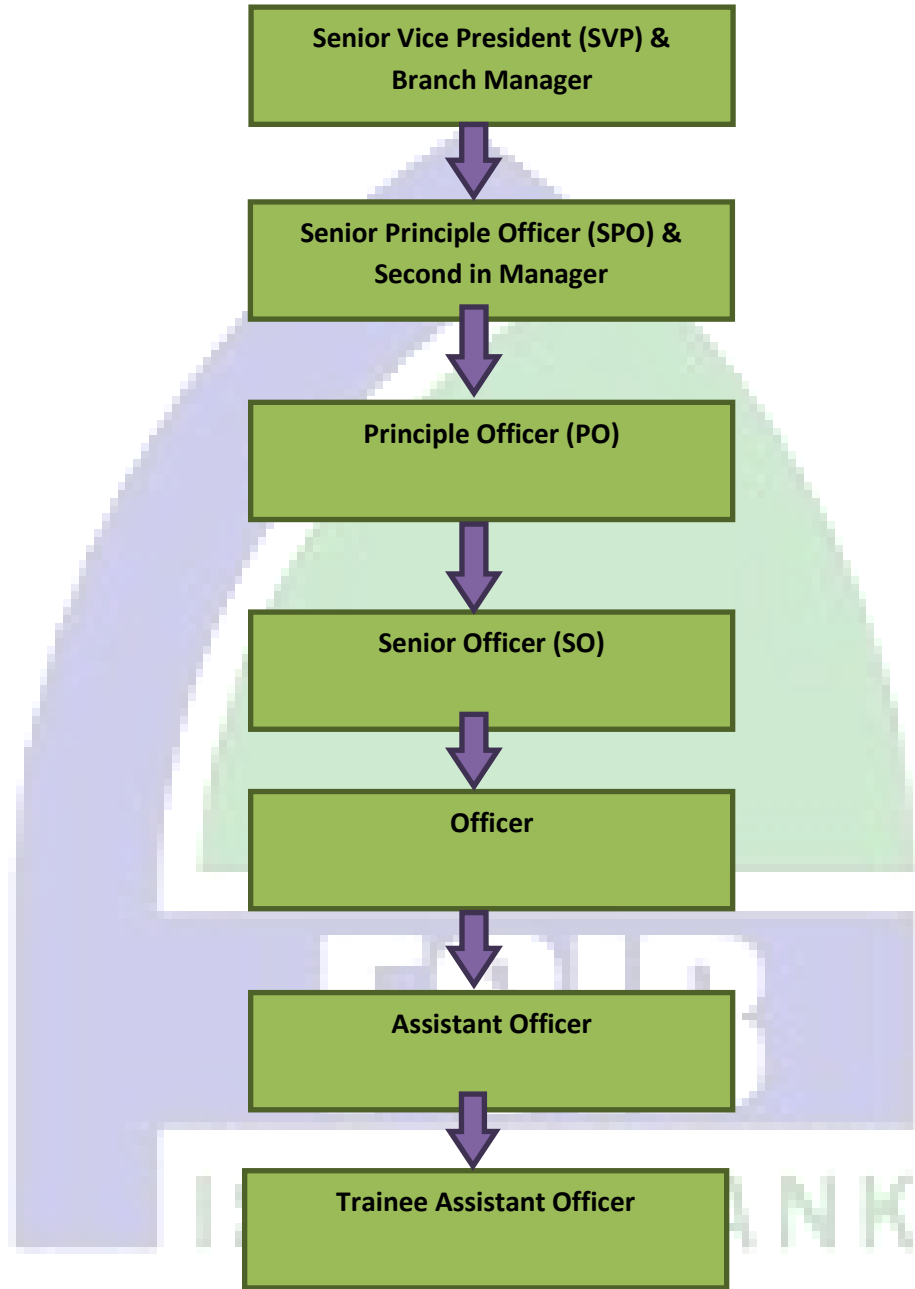


Figure -2: Structure of FSIBL at Mirpur Branch

## Functions of FSIBL at Mirpur Branch

The functions of FSIBL are divided into two divisions these are:

### 1. General Banking

### 2. Investment

FSIBL provides their services under three divisions. Each of this section serves various services for satisfying their clients.

#### 1. General Banking:

General Banking Department is considered as the direct customer service center. It is the starting point of all the banking operation. It opens new accounts, remits funds, honor cheque, takes deposits, issues bank draft and pay order etc. general Banking is also known as retail banking. Following are the major banking:

- ❑ Account opening section
- ❑ Clearing section
- ❑ Cash section
- ❑ Account section
- ❑ Remittance

#### Product of FSIBL:

##### Accounting opening section:

- I. Current Account [CD A/C] or Al-Wadiah Current A/C
- II. Saving Account [SB A/C] or Mudarabah Saving A/C
- III. Short Term Deposit A/C or Special Notice Deposit A/C
- IV. Mudarabah Fixed Deposits Account [FDR A/C]
- V. Mudarabah Monthly Deposit Scheme [MMDS]
- VI. Mudarabah Double Benefit Scheme [MDBS]
- VII. Mudarabah Triple Benefit Scheme
- VIII. Mudarabah Fourth Terms Growth
- IX. Mudarabah Monthly Profit Scheme [MMPS]



## Rules and regulation regarding Current Account maintained by the Bank:

Current accounts are opened with sum of money not less than Tk. 1000 in the name of the parties known to the bank or properly introduced by another account holder.

- a. Service charge for Current Account is yearly Tk. 200/=
- b. The account holder must maintain at minimum balance of Tk. 1000/= all the time in the respected account.
- c. Only the form of Cheque Books supplied by the bank should be used.
- d. Application of cheque book should be made by the cheque requisition paper given in the cheque book from the inserted near the end of each book. Customers are always requested to keep cheque book under lock and keys. The bank will not be responsible in any way for unauthorized payment resulting mishandling of cheque books.
- e. In drawing cheque the amount must be written in words and figure distinctly and the cheque should be drawn in such way to prevent the insertion of any words.
- f. Constituents are requested to observe the same style of signature as the specimen left at the bank.
- g. No receipt will be recognized unless it bears the initial or signature of an officer of the bank.
- h. Cheque book, passbook, pay-in-slip charges Tk. 50/- if it has been replaced by the bank due to lost or damage.
- i. The bank reserves the right to close the account of any client for suspicious transaction or if the client provides misleading information about the client's business profession, source of the transaction to the bank.
- j. The bank basically does not recognize trusts.

## II. Saving Account [SB A/C] or Mudarabah Saving A/C

Islamic Shariah defines “Al-Mudarabah” as “A contract between two parties”, in which one party is called “Sahib-Al-Maal”, i.e. owner of the fund, and the other party is called “Al-Mudarib”, the investor/entrepreneur. Al-Mudarib runs the business on the condition that, the profit earned by the

business shall be distributed between them at a certain pre-agreed rate. But the entire financial losses, if any, shall be born only by the Sahib-Al-Maal and the Sahib-Al-Maal will have no right to take part in the management of the business.

The Mudarabah Savings Deposit Account (MSDA) is opened according to Shariah Principles of Al-Mudarabah. According to Al-Mudarabah principles the Mudarabah depositor is the Sahib-Al-Maal (owner of the fund) and the bank is the Mudarib (investor/entrepreneur of the fund). The bank is authorized by the depositor to invest the Mudarabah fund at the risk of the Sahib Al-Maal.

The bank normally offers profit on the deposited amount monthly to the savings account. A minimum balance of Tk. 500/= must be maintained all the time in the account. Basically Savings accounts are used as non-business account or in other words it is a personal account. By the instruction of the Bangladesh Bank now-a-days each Bank is providing 5% profit on the deposited amount in the savings accounts. The service charge may differ from one Bank to another. But in case of FSIBL the service charge is only Tk. 200/- per year. Three (3) copy passport size photo of the account holder and one passport size photo of the decedents of the account holder.

### III. Short Term Deposit A/C or Special Notice Deposit A/C

It is also a time deposit account. The formalities for opening this account are same as current account. The only difference is that, frequently withdrawal is discouraged and 5% interest is paid.

#### IV. Mudarabah Fixed Deposits Account [FDR A/C]

Fixed deposit is the one, which is repayable after the expiry of a predetermined period fixed by the client. The period varies from One Month to 12 months. These deposits are not repayable on demand but they can be withdrawing able subject to a period notice. Normally the money on a fixed deposit is not repayable before the expiry of the fixed period.

In case of fixed deposit account the bank needs to maintain a cash reserve. So FSIBL offers a high profit rate in Fixed Deposit Accounts.

- For 1 month and above but less than 3 months —8% .
- Three months –11.5% .
- Six month and above -12% .



## V. Mudarabah Monthly Deposit Scheme (MMDS)

The prime objectives of this scheme are to encourage all class of people for building an important habit of saving. In this scheme, one can save a fixed amount of money every month and get a lucrative lump sum amount of money after five years, eight years and ten years.

MMDS Scheme Chart:

Monthly Deposit	500 Tk.	1000 Tk.	2000 Tk.	2500 Tk.	5000 Tk.	10000 Tk.	15000 Tk.	20000 Tk.	25000 Tk.
3 Years	21600	43100	86200	107700	215400	430800	646200	861550	1076950
5 Years	40850	81700	163350	204200	408350	816700	1225050	1633400	2041750
8 Years	80000	159950	319900	399850	799650	1599300	2398950	3198550	3998200
10 Years	115050	230050	460100	575100	1150200	2300400	3450600	4600800	5751000

### Account Section:

Terms and Condition for MMDS Account

1. To open a MMDS Account the client has to use its specified form. No introducer is required to open this account.
2. The Depositors can select any types of installment system from the chart. But he/she will not be able to change the system installment after opening the account.
3. The Minor can also open the account under the guardian's supervision in this project.
4. One person can open one or more accounts. The time period may be same but the installment amount must be different or the installment amount may be same but the time period must be different.
5. After the maturity the total amount will be paid after one week of the maturity period.



6. 15% source tax will be deducted from the profit portion according to the rules of Bangladesh Bank. If clients have the TIN certificate than 10% tax will be deducted.
7. If the client changes his/her residual address then he/she must notify it to the bank.
8. The client can transfer his/her account to another branch of the same bank. Tk 100 will be charged as transfer cost.
9. If the client want to terminate the account before the maturity period then he/she will be get the profit at the rate of saving accounts.
10. The nominee name and photo must be given in the form.

### Mudarabah Double Benefit Scheme (MDBS)

Under this scheme depositor's money will be kept for a period of five years & nine month and the total amount will be double in the following period. This scheme is one of highest yielding deposit scheme in Bangladesh Banking System. This offer is very attractive for the person who has additional money in hand. By this account people can use their ideal money by which he can't earn or can't able or don't feel secure to invest on business. Under this project his/her money can be fully secured with some benefit after the term period.

A Sample Chart is given below:

5.6 Yrs	50000 Tk	Double	100000 Tk
5.6 Yrs	100000 Tk	Double	200000 Tk
5.6 Yrs	150000 Tk	Double	300000 Tk
5.6 Yrs	500000 Tk	Double	1000000 Tk

**VII. Mudarabah Triple Benefit Scheme** Under this scheme depositor's money will be kept for a period of nine years & six month and the total amount will be triple in the following period. This scheme is also one of highest yielding deposit scheme in Bangladesh Banking System. This offer is very attractive for the person who has additional money in hand. By this account people can use their ideal money by which he can't earn or can't able or don't feel secure to invest on business. Under this project his/her money can be fully secured with some benefit after the term period.

A Sample Chart is given below:

Period	Principal Amount	Profit with Deposit	Payment At the end of the Term Period
8.9 Yrs	50000 Tk	Triple	150000 Tk
8.9 Yrs	100000 Tk	Triple	300000 Tk
8.9 Yrs	150000 Tk	Triple	450000 Tk
8.9Yrs	500000 Tk	Triple	1500000 Tk

### **VIII. Mudarabah Fourth Terms Growth**

Under this scheme depositor's money will be kept for a period of eleven years & nine month and the total amount will be fourth in the following period.

A Sample Chart is given below:

Period	Principal Amount	Profit with Deposit	Payment At the end of the Term Period
11 Yrs	50000 Tk	Quadruple	200000 Tk
11 Yrs	100000 Tk	Quadruple	400000 Tk
11 Yrs	150000 Tk	Quadruple	600000 Tk
11 Yrs	500000 Tk	Quadruple	2000000 Tk

### **XI. Mudarabah Monthly Profit Scheme (MMPS)**

Mudarabah Monthly Profit Scheme is for those people who have some money in their hand and wants to get some income per month with that money. This account is mainly for the people who have retired from the job or the middle class people. In this project depositors have to invest his money for five years, by this time he/she will get some interest or benefit on that amount per month. A Sample Chart is given below:

Deposited Amount (Tk)	Monthly Benefit (Tk)
25000	225
50000	450
75000	675
100000	900
500000	4250

### Cash Section:

At any bank cash department takes more contribution in the general banking procedure.

This section receives cash from depositors of bank and pays cash against cheque, draft, pay order and pay slip over the counter. Under cash section two(2) tasks are performed in FSBL which are described below:

#### 1. Cash receiving procedure:

At the time of depositing cash, checks by a depositor, a responsible cash officer has to follow the below things :

1. Whether depositor's sign is given
2. Whether date is given
3. Whether the title of the account and account's number is given
4. Whether outward(amount in figure) & inward of(amount in words) is written
5. Whether denomination is written correctly

After looking the above things clearly the responsible cash receiving officer gives his/her sign, cash received seal, gives entry in cash received register book. Then he gives scroll number on deposit slip from cash received register book. Then main copy of deposit slip is sent to cash in-charge to give sign and after this customer's copy is given. Then all deposits' information are posted into computer. It is done to find

out the equal situation in 3 sectors- computer, total cash amount in figure, register book's cash amount at the end of the day.

## 2.Cash payment procedure:

Cash payment procedure is done in cash department by cash officer. At this time the responsible officer has to be more careful. Before honoring a check, the paying cash officer has to observe the check in the below way:

1. Whether the check is crossed check or not
2. Whether the bearer word is cut out
3. If the check is crossed check or the bearer word is cut out, it will never in cash
4. Whether the check is drawn on his/her branch, it must be observed. If the check is postdated , then it must not be paid.
5. The officer must compare the signature of the check with the specimen signature card.

## Passing the Check:

After verifying all these documents the officer passes it to the computer section for more verification. By putting 'Cash Payment' seal, the officer gives the cash amount to the holder and record in the paid register.

## Dishonor of Check:

Check can be dishonored by responsible banker at FSBL Bank's in the following situations:

- i. Insufficient fund in Account holder's account.
- ii. Check is post dated.
- iii. Drawer signature differs.
- iv. Crossed check must be presented through a bank.
- v. Check crossed "Accounts pay only".

vi. Payment stopped by drawer.

vii. Effect not clear on the check.

viii. Payee's endorsement irregular.

### Clearing Section:

The main function of clearing section is to operate with safety and security of financial transaction of financial instruments like DD, PO, Cheque etc on behalf of the customers through Bangladesh Bank Clearing House. The banks which are a member of the clearing house are called scheduled banks. The scheduled banks clear the cheques drawn upon one another through the clearing house. This is an arrangement by the central bank where the representatives of the scheduled bank sit every day to clear the checks.

Every day clearing house sits for two times-First house & return house. First house is to deliver cheques and collect cheques from other banks. Returned house is to return the dishonored cheques.

Clearing Section has three (3) main jobs. These are:-

- (1) Outward Bills for Collection (OBC),
- (2) Inward Bills for Collection (IBC), &
- (3) Local Bills for Collection (LBC)

**(1) OBC:** OBC stands for Outward Bill for Collection. When financial instruments like DD, PO, Cheque etc are come from other banks (that means banks except FSIBL) to collect money through clearing house, it is called Outward Bill For Collection. If the paying bank is outside the Dhaka city, it (Cheque, DD, PO) will also be cleared by OBC. The procedures of OBC are as follows :

(a) When Cheques, DD, Pay order etc of a other banks come into FSIBL, then the responsible CLG officer (clearing officer) gives his bank's Special crossing stamp, Clearing seal over the specific financial instrument and Endorsement "Payee's A/C will be credited" backside of the financial instrument.

(b) Then he will entry it in the OBC register book of the branch

(c) After this it is sent to the feeding branch (that means head office) which will send it to the representatives of clearing house of other banks by its representatives. These representative (other bank) will give it to their specific branch CLG officer who will check in account holder's account that whether

he has money. After ensuring he a makes

Debit Advice by writing debit head his feeding branch.

(d)Then it (specific financial instrument) is again sent to the FSIBL specific branch through clearing house.

(e)After getting this Debit Advice making by other bank, CLG officer of FSIBL specific branch will make Credit Advice on behalf of his Head office.

(f) Then cheque is deposited along with deposit slip.

(g) After this Head office of specific FSBL branch will also make credit advice against this Debit advice made by the branch. And the branch will do opposite task.

(h)As soon as the principal branch gets the clearance it sends an Inter Branch Transaction Advice (IBTA) to the branch, who has sent the cheque for collection. Receiving the IBTA is considered as clearance for the payment to the party.

## 2. IBC:

IBC stands for Inward Bills for Collection. When financial instruments like cheques, DD, Pay order etc are gone other banks (banks except FSIBL) to transfer money from specific branch of FSIBL, it is called IBC. IBC is the opposite follow of OBC. When other bank sends the FSIBL's own cheque, for clearing through house, this technique is followed. Here also the head office receives the cheque and sends them to the respective branch for clearance.

## 3. LBC:

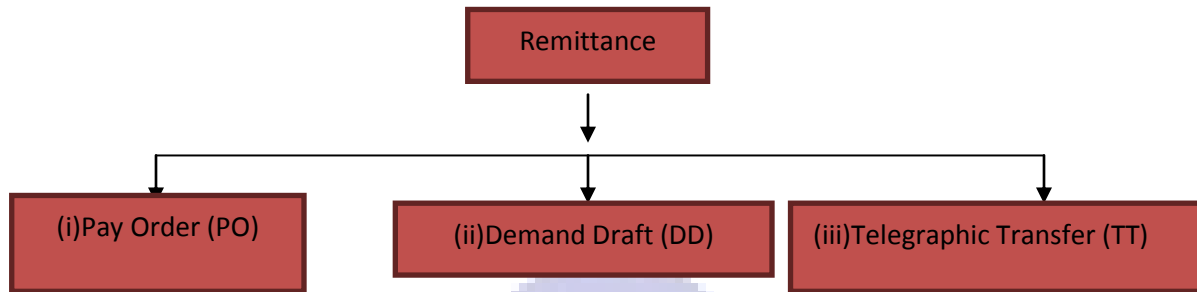
LBC stands for Local Bills for Collection. It is done between the branches of a bank to transfer money by cheque. Here clearinghouse's help is not needed.

## Remittance Section:

The word "Remittance" means sending of money from one place to another place through post and telegraph. Cash remitting from one place to another is risky. So, bank remits funds on behalf of the customers.

By considering the quick transaction and safety, the modes of bank remittance are divided into the three

(3) types. These are as follows:-



### (i) Pay Order (PO):

Pay order means payment of order. It is used as the alternative of cash. There are two parties (one is purchaser/payer & another is payee) for doing transfer of money through pay order. A purchaser should have an account in a branch of a bank from which he/she will purchase a pay order by favoring a payee to whom he will pay. A payee will be able to raise money and can deposit money into his/her bank's account only from Issuing Branch of pay order of a bank. And this payment or collection process of pay order is done through clearing house of Bangladesh bank.

After paying money a purchaser (who has an account) can purchase pay order application from in which he/she can order different modes of payment to payee.

- First Security Islami Bank charges different amount of commission and vat on the basis of payment of order. These are as follows:-

Total amount of pay order(PO)	Commission + VAT (Tk)	
Tk 1-1000.....	15	+ 2
Tk 1001-100000.....	25	+ 4
Tk 100001-500000.....	50	+ 8
Tk 500001-10000000.....	100	+ 15

**(ii) Demand Draft (DD):** Demand draft is known as the alternative of cash. It is also an easy method to transfer money between two branches of a definite bank or from one bank to another bank in a country. DD is considered as cash. For transferring cash according to demand by this draft a customer should have

an account in a bank. and on the other side a payee also should have an account in a bank. For transferring money from one bank to another, clearing house of Bangladesh Bank helps to clear the demand draft by using two banks' representatives in house. A customer, who issues an demand draft to payee, has to pay commission & VAT to the his issuing bank. FSIBL charges commission & VAT on the amount of demand draft in below way:-

$$\underline{\text{Commission}} + \underline{\text{VAT}}$$

$$\text{DD} \longrightarrow \text{Tk 1.50 for Tk 1000} + 15\% \text{ on total DD amount}$$

### (iii)Telegraphic Transfer (TT)

Telegraphic Transfer is also an easy method to remit money between two branches of a definite bank or from one bank to another bank in a country. It is most rapid method to transfer money. Suppose if an account holder wants to transfer money through telegraphic transfer method into his account of another branch of the same bank, he has to have accounts in these two branches. For remitting money through this method he has to pay commission, VAT & telex charge. For transferring money into telegraphic way code is used to maintain secrecy.

FSBL charges commission, VAT & telex charge on the amount of telegraphic transfer:-

$$\underline{\text{Commission}} + \underline{\text{VAT}} + \underline{\text{Telex charge}}$$

$$\text{TT} \longrightarrow \text{Tk 1.50 for Tk 1000} + 15\% \text{ vat on total} + \text{Tk 50 amount of TT}$$

### Investment:

The special feature of the investment policy of Islami Banking is to invest on the basis of profit and loss sharing system in accordance with the tenets and principles of Islamic Shariah. Earning of profit is not the only motive and objective of the Islamic Banking investment policy rather emphasis is given in attaining social welfare and creating employment opportunity.



## Investment Product of FSIBL

### 1 Bai-Murabaha ( Deferred Lump Sum/ InstallmentSale)

2	Bai-Muajjal (Deferred Installment / Lump Sum Sale)
3	Ijara (Leasing)
4	Mushakara (Joint-Venture Profit-Sharing )
5	Bari-Salam (Advanced Sale & Purchase)
6	Hire-Purchase
7	Direct Investment
8	Post Import Investment
9	Purchase & Negotiation of Export Bills
10	Inland Bills Purchased
11	Murabaha Import Bills
12	Bai-Muajjal Import Bills
13	Pre Shipment Investment
14	Quard-ul-Hasan (Benevolent Investment)

### The objectives and principles of investment of FSIBL are:

- ❏ To invest fund strictly in accordance with the principles of Islamic Shariah
- ❏ To diversify its investment portfolio by size, by sector, by economic purpose, by securities and by geographical area including industrial, commercial and agricultural involvement
- ❏ To ensure mutual benefit for both the Bank and the investment client
- ❏ To make investment keeping in view of the socio economic requirement of the country
- ❏ To increase the number of potential investors by making participatory and productive investment
- ❏ To finance various development schemes for poverty alleviation, income and employment generation, with view to accelerate sustainable socio-economic growth

- ☐ To invest in the form of goods and commodities rather than give out cash money to the investment clients
- ☐ Though all mode of investment is practiced in the Islami Banks are fully permissible, Musharaka and Mudaraba are the pristine mode of Islamic investment. The objective would be to increase investment through these mode

### Service of FSIBL

#### Online Any Branch:

FSIBL have set up Wide Area Network through Radio, Fiber optics and other available communication media systems to provide any branch banking to our customers. Customer of one branch is now able to deposit and withdraw money at any branches of FSIBL. All branches are included in our Wide Area Network so no TT/DD or cash carrying will be necessary.

#### SMS Banking:

First Security Islami Bank Ltd has officially launched SMS banking services from December 17, 2007.

**Mobile Banking:** FSIBL has introduced obile banking and payment services titled, “First Pay, Sure Cash” for its customers on 27 March, 2012. Through this service, people staying at anywhere of the country would get various banking services, such as

#### ATM Banking:

FSIBL has implemented successfully Automated Teller Machine (ATM) / Debit Card transaction from June 25, 2008. Through ATM/Debit Card customer can avail the facilities like withdrawal money, balance inquiry and purchase goods from Point of Sale (POS) using FSIBL ATM Booth, 24 Member Bank for Q-Cash and POS.

#### Locker Service:

For safekeeping of customer’s valuable like important documents and goods like jewelries and gold ornaments. FSIBL locker service is available in most of the branches in urban areas.

### Locker rent:

Size of the Locker	Service Charge (Tk)	Security Money (Tk)
Small	1500	1000
Medium	2000	1500
Large	2500	2000

### Utility Bills:

The utility bill's received following Branches:

Branch Name	Bill's Type
Mirpur, Dhaka	DESCO, WASA, BTCL
Topkhana, Dhaka	Electric Bill
Mohakhali, Dhaka	DESCO
Gulshan, Dhaka	Titas Gas
Shafipur, Gazipur	Dhaka Pally BiddutShumitty
Keranihat, Chittagong	Pally BiddutShumitty
Biswanath, Sylhet	Pally BiddutShumitty

### Financial Performance at a Glance:

Sl.	Particulars	2010	2011	2012	2013
1	Authorized Capital	4600	4600	10000	12000
2	Paid-up Capital	3036	3400	3740.35	4114.38
3	Shareholders Equity	3920.01	4548.95	5714.1	6124.2
4	Total Capital	4582.21	5449.44	8194.9	9261.23
5	Statutory Reserve	460.16	704.2	1004.57	1102.84
6	Total Asset	63619.79	91012.8	129937.8	161822.97
7	Total Liabilities	59699.78	86463.9	124223.7	135282.25
8	Deposit	56344.95	78145.0	109905.	139520.95
9	Total Investment & Advances	52123.9	69467.3	96304.22	11460.17

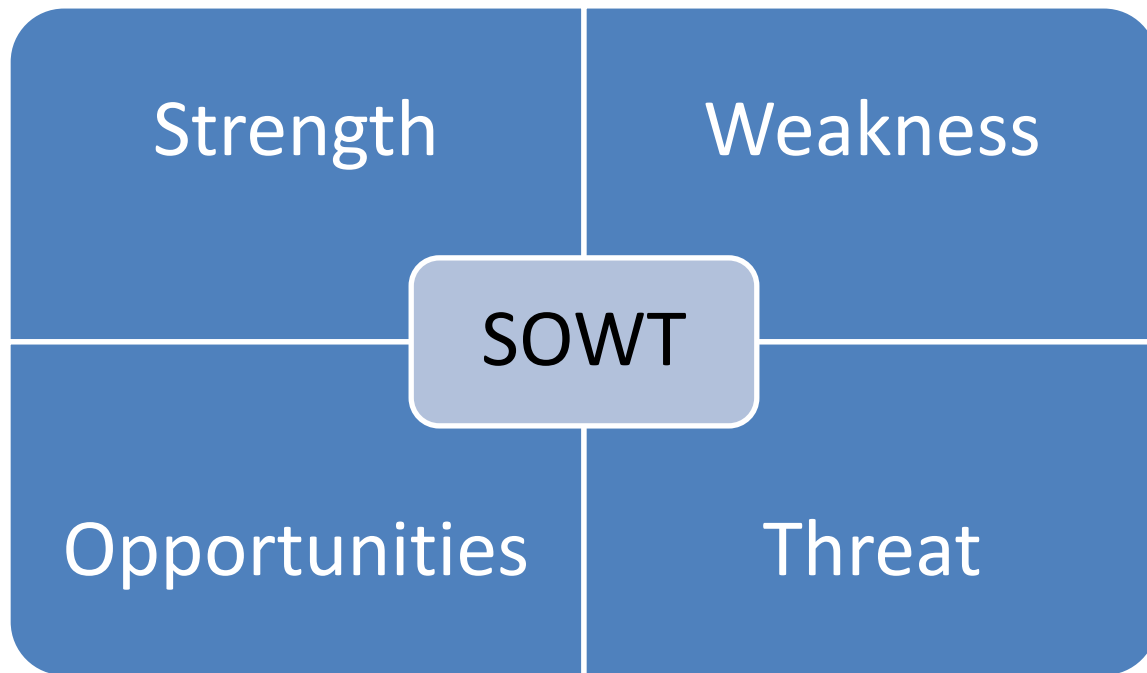
			2		
10	Total Fixed Asset	573.61	979.35	2032.85	2653.58
11	Operating Income	2085.2	2738.25	3783.84	4315.72
12	Operating Expenditure	881.6	1148.66	1831.88	1928.24
13	Profit before Provision & Tax	1203.6	1589.58	1951.95	2312.56
14	Profit before Tax	983.6	1219.95	1503.21	1836.26
15	Net Profit after Provision & Tax	548.6	579.93	761.8	769.7
16	Foreign Exchange Business	35103.57	40807.3	36067.2	41032.12
	a) Import Business	28391.2	29534.9	24056.2	25038.5
	b) Export Business	5868.2	10260.6	7279.4	7185.3
	c) Remittance	843.47	1011.8	4731.6	4329.4
17	Dividend:				
	a) Cash	Nil	Nil	Nil	Nil
	b) Bonus	12%	10%	10%	10.00%
	c) Right Share	20%	Nil	Nil	Nil
18	Cost of Fund	8.90%	10.01%	11.00%	11.64%
19	Net Asset Value Per Share	12.81	13.38	15.28	19.06
20	Earning Per Share (EPS)	1.61	1.71	1.85	1.87
21	Price Earning Ratio (times)	25.21	15.37	9.99	8.08
22	Return on Assets (ROA)	1.89%	1.75%	0.69%	0.53%
23	No. of Shareholders	82230	90954	89994	95754
24	Numbers of Employee	929	1342	2100	2309
25	Number of Branches	66	84	113	117



## Chapter 2

### Analysis and Interpretation

#### SWOT Analysis of FSIBL Ltd.



SWOT analysis is the detailed study of an organization's exposure and potential in perspective of its strengths, weakness, opportunity and threat. This facilitates the organization to make their existing line of performance and also foresee the future to improve their performance in comparison to their competitors. As though this tool, an organization can also study its current position, it can also be considered as an important tool for making changes in the strategic management of the organization.

Organisations often think the way to measure customer satisfaction is to examine the number of customer complaints. The problems with this method is that it is reactive, it only responds (if at all) after the event and it does not really measure satisfaction only dissatisfaction. Monitoring complaint levels does not really tell if the customers are any more or less satisfied with the product or service. In the competitive arena of marketing era SWOT analysis is a must based on Product, Price, marketing policies of a financial institute like private bank. From the SWOT analysis we can figure out ongoing scenario of the bank.

## **1. Strengths:**

### **Bank reputation**

FSIBL Ltd. has already established a favorable reputation in the banking industry of the country. Within a period of 9 years, bank has already established a firm footing in the banking sector having tremendous growth in the profits and deposits. All these have led them to earn a reputation in the banking field.

### **Islamic banking Concept**

As we are an Islamic Nation our major deals want to follow the Islamic rules and regulations. FSIBL always follows the Islamic rules. And it always helps the bank to attract the new and existing clients.

### **Sponsors**

FSIBL Ltd. was founded by a group of well-known entrepreneurs of the country having sufficient financial strength. The sponsor directors belong to prominent resources persons of the country. The Board of Directors headed by its Chairman Alhaj Md. Saiful Alam. Therefore, FSIBL has a strong financial strength and it built upon a strong foundation.

**Top Management:-**The top management of the bank is also major strength. The top management officials have all worked in reputed banks and they are very experienced in the banking sector, skills, expertise will continue to contribute towards further expansion of the bank. At FSIBL Ltd. the top management is the driving force and the planning of the organization where policies are crafted and often cascaded down.

### **Facilities and equipment**

FSIBL Ltd. has adequate physical facilities and equipments to provide better services to the customers. The bank has computerized and online banking operations under a software. Counting machines in the teller counters have been installed for speedy service and the cash counters. Computerized statements for the customers as well as for the internal use of the banks are also available.

### **Modern branches**

This creates a positive image in the minds of the potential customers and many people get attracted to the bank. This is also an indirect marketing campaign for the bank for attracting customers. All branches of the bank are impressive and are compatible to foreign banks.

### Team work at mid-level and lower level

At FSIBL Ltd. have mid level and lower level management, there are often team works. Many jobs are performed in groups of two or three in order to reduce the burden of the workload and enhance the process of completion of the job. People are eager to help each other and people in general are devoted to work.

### Interactive corporate culture

FSIBL Ltd. has an interactive corporate culture. Unlike other local organization, its work environment is very friendly, interactive and informal. There are no hidden barriers or boundaries while interacting among the superior or the subordinate. The environment is also lively and since the nature of the banking job itself is monotonous and routine, FSIBL. is likely work environment boosts up the spirit and motivation of the employees.

## 2. Weaknesses:

### Advertising and promotion of their new product

This is a major setback for FSIBL Ltd. and one of its weakest areas. Banks advertising and promotional activities are satisfactory but it SME loan is not advertised well. It does not expose its SME product to general public and are not in lime light. FSIBL does not have any sign or any advertisement for SME loan in the city. As a result people are not aware of the existence of this bank.

### Low reward package

The reward package for the entry and the mid level management is considerably low. The compensation package for FSIBL. Entry level positions are even lower than the modern banks. Under the existing low payment structure, it will be very difficult to attract and retain higher educated employees in FSIBL.

### Time wastage

More time taking for approving loan that discourages the customer for taking loan.

### Lack of on- line Service

All branches aren't on-line Service. So This is a major setback for FSIBL Ltd. and one of its weakest areas.

### **3. Opportunities:**

#### **Diversification**

FSIBL can pursue a diversification strategy in expanding its current line of business. The management can consider options of starting merchant banking or diversify in to leasing and insurance. By expanding their business portfolio, FSIBL can reduce their business risk.

#### **Promotion of new Products**

In this competitive environment FSIBL must expand its new product promotion to enhance its sustainable competitive advantage.

#### **Market share**

It's very important to FSIBL, to increase market share through growth of loan portfolio.

#### **Other Opportunities**

- ❑ Enhanced business development in all product areas and promotion of those products.
- ❑ More experienced & managerial know-how.
- ❑ Countrywide network.
- ❑ Increased new sector loan facilities.
- ❑ Reduced overdue through strong recovery system.

### **4. Threats:**

- ❑ There are many competitors in the market.
- ❑ The growth rate of competitors in the market.
- ❑ Many of the competitor banks are well equipped & also providing better online services.
- ❑ Regulatory requirements.
- ❑ Govt. pressures to reduce interest rate.
- ❑ Changing customers needs.

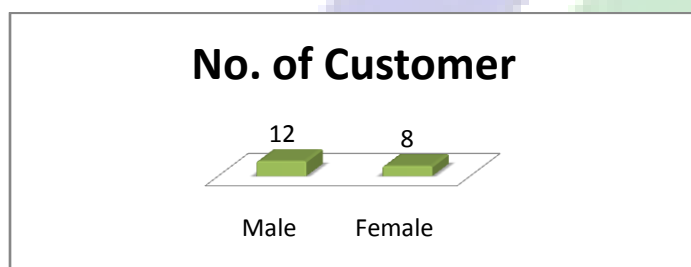


## Questionnaire for Customer

### 1. Male or Female

Criteria	No. of Customer
Male	12
Female	8

\*Sample Size 20

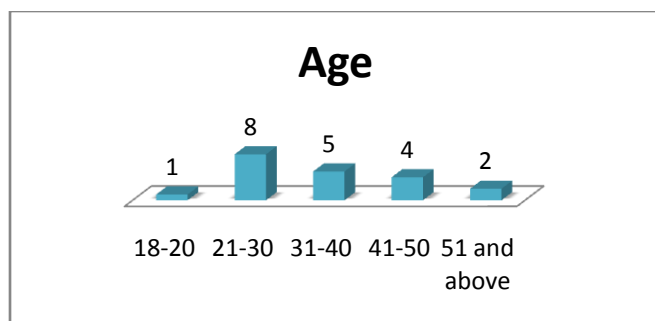


### Interpretation:

Though this chart we can see that my sample size is 20 and between them 12 are male customer and 8 are female customer. Female customer is lower than male customer because most of the female customers are house wife and they do not want to give time to read questionnaire.

### 2. Age

Criteria	No. of Customer
18-20	1
21-30	8
31-40	5
41-50	4
51 and above	2

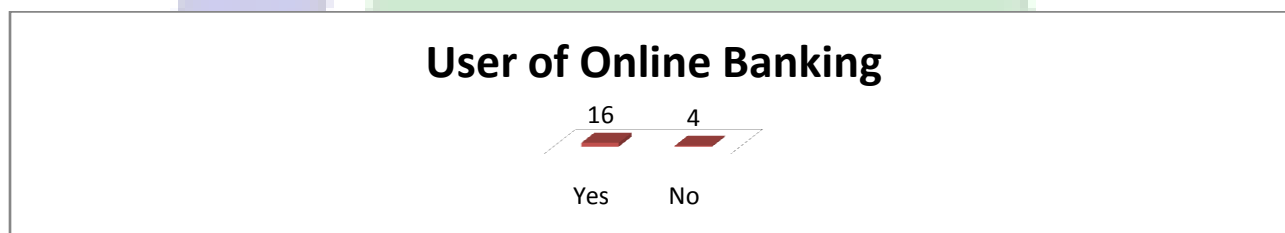


#### Interpretation:

Though this chart we can see that 21-30 age customer are more in FSIBL rather than other age group. The second highest group is 31-40.

#### 3. Do you use online banking?

Criteria	No. of Customer
Yes	16
No	4



#### Interpretation:

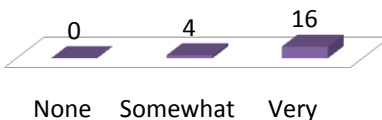
Though this Chart we can see that most of the client of FSIBL are taking online banking service. Those client who do not use online banking, they are may be housewife or student

#### 4. In general, how satisfied are you with the services you receive from your Bank?

Criteria	No. of Customer
None	0
Somewhat	4
Very	16

\*Sample Size is 20

### The service you received from your Bank



#### Interpretation:

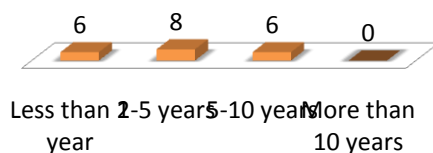
Though this chart we can see that most of clients are very satisfied after taking service from First Security Islami Bank Ltd and few are somewhat satisfied. No one is dissatisfied.

#### 5. How long have you banked with your current bank? (in years)

Criteria	No. of Customer
Less than 1 year	6
2-5 years	8
5-10 years	6
More than 10 years	0

\*Sample Size is 20

### Duration of Service received



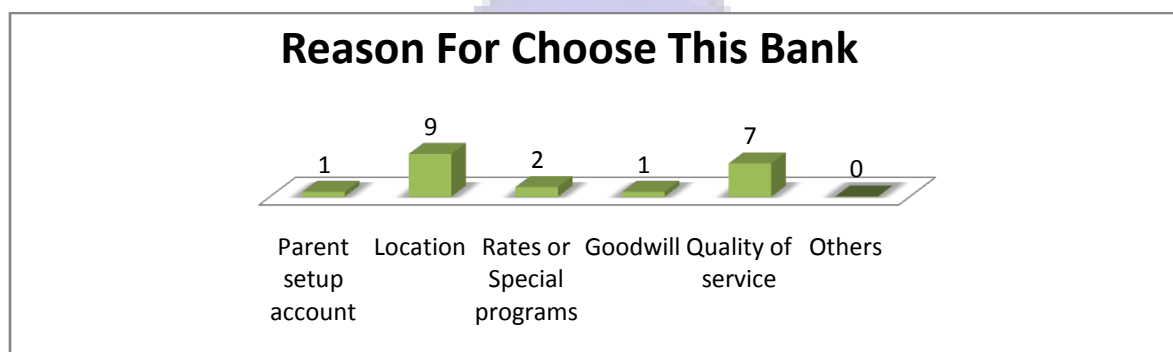
#### Interpretation:

From this chart we can see that 8 clients are receiving service 2-5 years from this bank, 6 clients received service 5-10 years from this bank.

## 6. Why did you choose First Security Islami bank?

Criteria	No. of Customer
Parent setup account	1
Location	9
Rates or Special programs	2
Goodwill	1
Quality of service	7
Others	0

\*Sample Size is 20

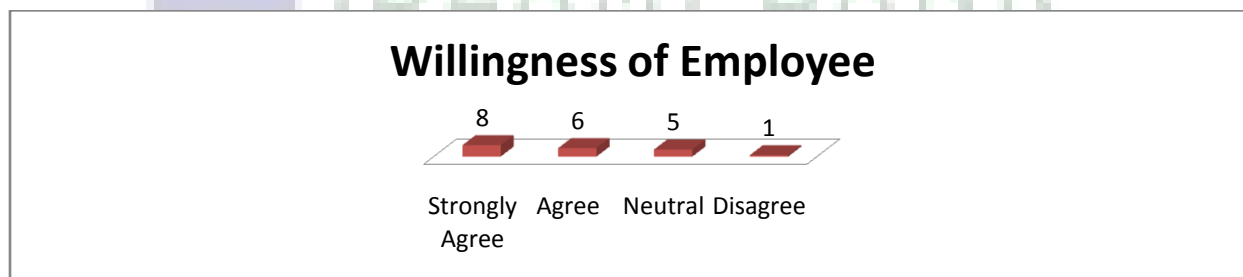


### Interpretation:

From this chart we can see that most of clients choose this bank for location facilities. Quality of service is also a reason for choosing this bank.

## 7. What do you feel about Willingness of the Employee of first Security Islami Bank?

Criteria	No. of Employee
Strongly Agree	8
Agree	6
Neutral	5
Disagree	1



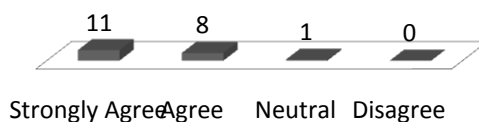
### Interpretation:

First Security Islami Bank Ltd. Clients are strongly agree with that the Employee of first Security Islami Bank are willingly help their clients. Only one client is disagreeing about willingness of the employee.

#### 8. Do you feel your transaction is secured in First Security Islami Bank?

Criteria	No. of Customer
Strongly Agree	11
Agree	8
Neutral	1
Disagree	0

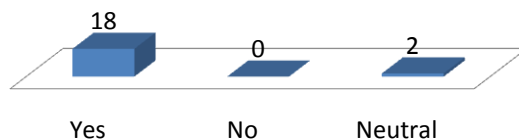
#### Transaction are Secured



#### 9. Do you get Adequate Facilities from First security Islami Bank?

Criteria	No. Of Customer
Yes	18
No	0
Neutral	2

## Adequate Facility



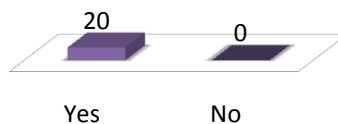
### Interpretation:

From First Security Bank all clients get adequate facilities. Only 2 clients say that they get neutral adequate facilities.

### 10. Is First Security Bank use Modern Equipment to provide their service?

Criteria	No. of Customer
Yes	20
No	0

## Modern Equipment



### Interpretation:

Though this chart we can see that all clients agree that First Security Islami Bank Ltd. use modern equipment to provide the service.

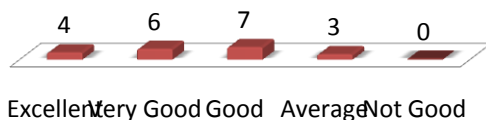
### 11. What do you feel about First Security Islami Bank Environment?

Criteria	No. of Customer
Excellent	4
Very Good	6
Good	7
Average	3

Not Good

0

### Environment of FSIBL



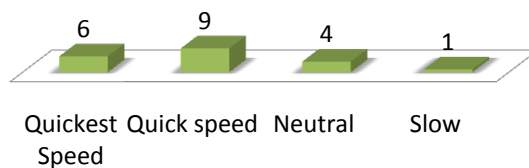
#### Interpretation:

From this chart we can see that 4 client says FSIBL environment is excellent, 6 client says environment is very good 7 client says environment is good and only 3 client says environment is average.

### 12. What do you feel about the Speed of the Service of First Security Islami Bank?

Criteria	No. of Customer
Quickest Speed	6
Quick speed	9
Neutral	4
Slow	1

### Speed Of the Service

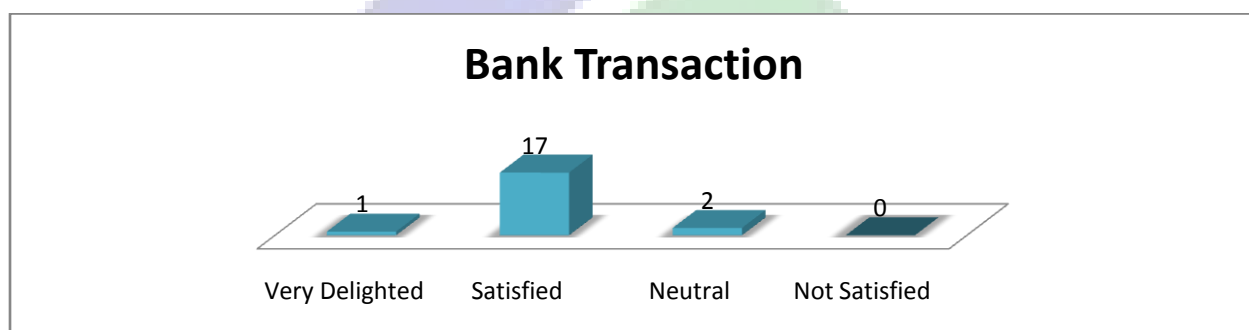


#### Interpretation:

From this chart we can see that most of client said that FSIBL speed of service is quick, 6 clients said that speed of service is quickest and only one client said speed of service is slow.

### 13. Do you satisfied with your banking transaction?

Criteria	No. of Customer
Very Delighted	1
Satisfied	17
Neutral	2
Not Satisfied	0



#### Interpretation:

Though this chart we can see that all most every client are satisfied from their banking transaction even one client is very delighted.

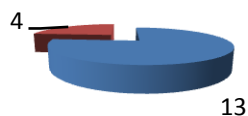
#### Questionnaire for Employee

##### 1. What is your gender?

Criteria	No. of Employee
Male	13
Female	4



## Gender



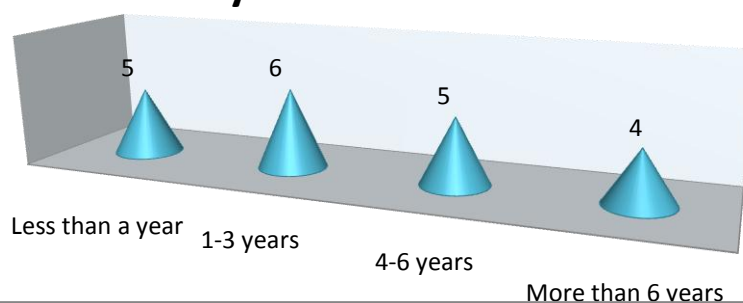
### Interpretation:

From this chart we can see FSIBL has 17 employees among them 13 are employee are male and 4 employee are female.

### 2.How many years have you been with The Company?

Criteria	No. of Employee
Less than a year	5
1-3 years	6
4-6 years	5
More than 6 years	4

## Years you have with this bank



### Interpretation:

FSIBL Mirpur Branch is started from 2006 that means this branch is continue from 8 years. From this chart we can see that 5 employee working here less than a year, 6 employee working here 1-3 years, 5 employee working here 4-6 years and more than 6 years working employee are

### 3. Are you satisfied with your job?

Criteria	No. of Employee
Very Satisfied	2
Somewhat Satisfied	13
Neutral	2
Somewhat Dissatisfied	0
Very Dissatisfied	0



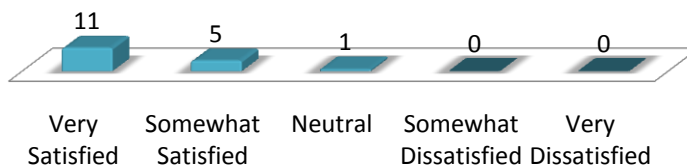
#### Interpretation:

Though this chart we can see that most of FSIBL employees are somewhat satisfied, 2 employees are very satisfied and two employees are neutral.

### 2. Are you satisfied with the Working Environment?

Criteria	No. of Employee
Very Satisfied	11
Somewhat Satisfied	5
Neutral	1
Somewhat Dissatisfied	0
Very Dissatisfied	0

## Working Environment



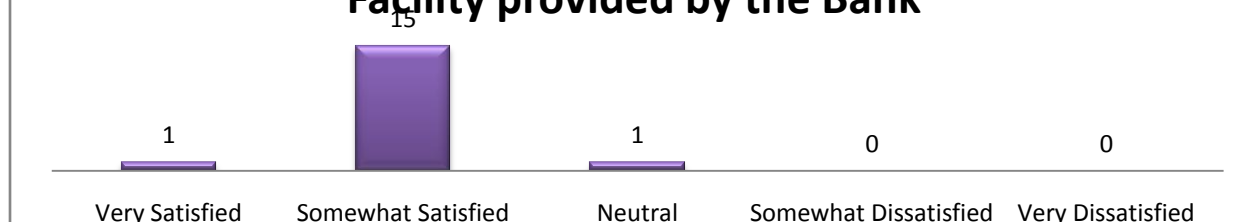
### Interpretation:

Though this chart we can see that maximum employee of FSIBL are satisfied with their Working Environment and five employees are somewhat satisfied.

### 3Are you satisfied with the facilities provided to do your job?

Criteria	No. of Employee
Very Satisfied	1
Somewhat Satisfied	15
Neutral	1
Somewhat Dissatisfied	0
Very Dissatisfied	0

## Facility provided by the Bank

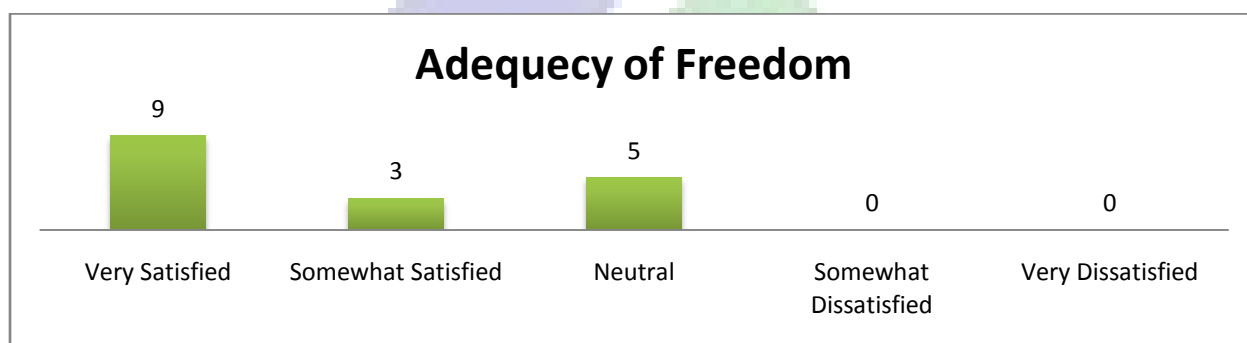


### Interpretation:

Though this chart we can see that maximum employee of FSIBL are somewhat satisfied with the facilities provided by bank and 1 employee is very satisfied and 1 employee is neutral

#### 4.Are you satisfied with the adequacy of freedom to do your job efficiently?

Criteria	No. of Employee
Very Satisfied	9
Somewhat Satisfied	3
Neutral	5
Somewhat Dissatisfied	0
Very Dissatisfied	0



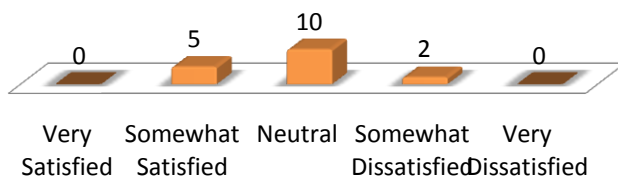
#### Interpretation:

Though this chart we can see that maximum employee of FSIBL are very satisfied with the adequacy of freedom with job efficiently, 3employee is somewhat satisfied and 5 employee said neutral.

#### 5.Are you satisfied that you receive appropriate recognition for your contributions?

Criteria	No. of Employee
Very Satisfied	0
Somewhat Satisfied	5
Neutral	10
Somewhat Dissatisfied	2
Very Dissatisfied	0

## Recognition from Contribution



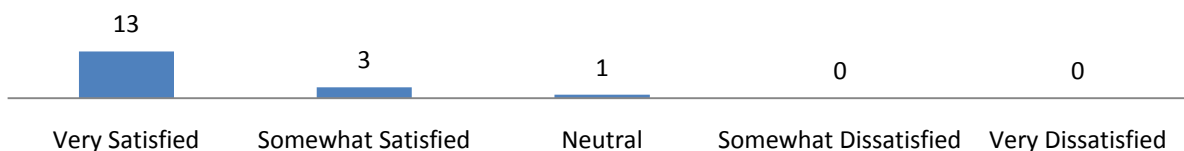
### Interpretation:

Though this chart we can see that maximum employee of FSIBL are neutral with receive appropriate recognition for their contributions, 5 employees are somewhat satisfied and 2 employees said they are somewhat dissatisfied.

### 6.Are you satisfied with the professionalism of the people with whom you work?

Criteria	No. of Employee
Very Satisfied	13
Somewhat Satisfied	3
Neutral	1
Somewhat Dissatisfied	0
Very Dissatisfied	0

## professionalism of the people with whom you work



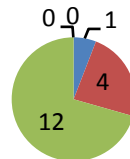
### Interpretation:

Though this chart we can see that maximum employee of FSIBL are very satisfied professionalism of the people with whom they work, 3 employees are somewhat satisfied and 1 employees said dissatisfied.

### 7. Are you satisfied that your compensation matches your responsibilities?

Criteria	No. of Employee
Very Satisfied	1
Somewhat Satisfied	4
Neutral	12
Somewhat Dissatisfied	0
Very Dissatisfied	0

### compensation matches responsibilities



### Interpretation:

Though this chart we can see that maximum employee of FSIBL are neutral about compensation matches their responsibilities professionalism of the people with whom they work, 4 employees are somewhat satisfied and 1 employees said Very satisfied.

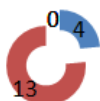
### 8.Are you satisfied with your overall job security?

Criteria	No. of Employee
Very Satisfied	4
Somewhat Satisfied	13
Neutral	0
Somewhat Dissatisfied	0

Very Dissatisfied

0

### Job Security



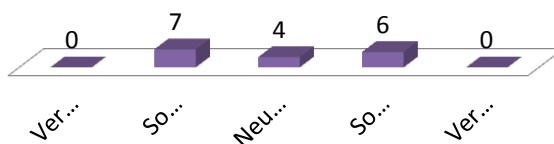
### Interpretation:

Though this chart we can see that maximum employee of FSIBL are somewhat satisfied about with their overall job, 4 employees are very satisfied.

**9.Are you satisfied with your ability to maintain a reasonable balance between family life and work life?**

Criteria	No. of Employee
Very Satisfied	0
Somewhat Satisfied	7
Neutral	4
Somewhat Dissatisfied	6
Very Dissatisfied	0

### Ability to maintain a reasonable balance between family life and work life



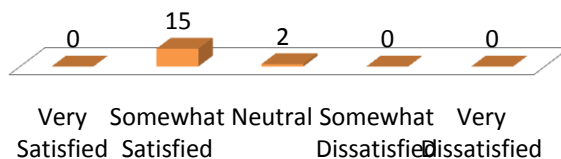
### Interpretation:

Though this chart we can see that 7 employee of FSIBL are somewhat satisfied about their ability to maintain a reasonable balance between family life and work life, 6 employees are somewhat dissatisfied and 1 employees said neutral.

### 10.Are you satisfied that your work gives you a feeling of personal accomplishment?

Criteria	No. of Employee
Very Satisfied	0
Somewhat Satisfied	15
Neutral	2
Somewhat Dissatisfied	0
Very Dissatisfied	0

### your work gives you a feeling of personal accomplishment



### Interpretation:

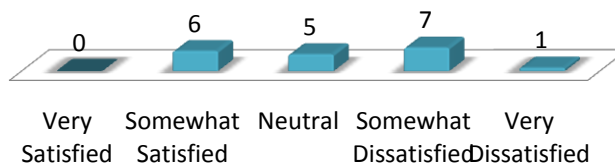
Though this chart we can see that 15 employee of FSIBL are somewhat satisfied about their work gives them a feeling of personal accomplishment and 2 employees said neutral.



### 11.Are you satisfied that the leaders in your work environment are positive role models?

Criteria	No. of Employee
Very Satisfied	0
Somewhat Satisfied	6
Neutral	5
Somewhat Dissatisfied	7
Very Dissatisfied	1

### The leaders in your work environment are positive role models?



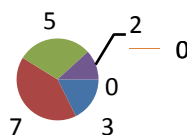
#### Interpretation:

Though this chart we can see that 6 employee of FSIBL are somewhat satisfied about their leaders in their work environment as a positive role model, 7 employees are somewhat dissatisfied, 5 employees said neutral and even 1 employee is very dissatisfied.

### 12.Would you say that your relationship with your direct supervisor is positive or negative?

Criteria	No. of Employee
Very Positive	3
Positive	7
Somewhat Positive	5
Somewhat Negative	2
Negative	0
Very Negative	0

## your relationship with your direct supervisor is positive or negative?



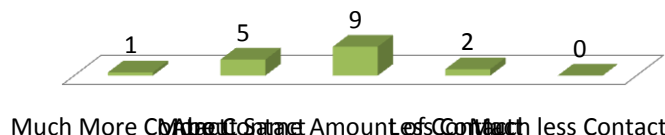
### Interpretation:

Though this chart we can see that 7 employee of FSIBL are positive about their relationship with their direct supervisor, 5 employees are somewhat positive, 3 employees said they have very positive relationship with direct supervisor and even 2 employee have somewhat negative relationship.

### 13. Would you like to have more or less contact with upper management?

Criteria	No. of Employee
Much More Contact	1
More Contact	5
About Same Amount of Contact	9
Less Contact	2
Much less Contact	0

## have more or less contact with upper management?



### Interpretation:

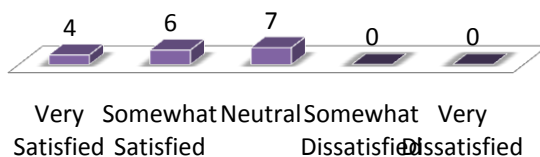
Though this chart we can see that 1 employee of FSIBL have much more contact with upper management, or negative, 5 employees have more contact, 9 employee have about some amount of contact, 2

employees have less contact.

**14 Are you satisfied that your supervisor keeps you well informed about what's going on in the company?**

Criteria	No. of Employee
Very Satisfied	4
Somewhat Satisfied	6
Neutral	7
Somewhat Dissatisfied	0
Very Dissatisfied	0

**your supervisor keeps you well informed about  
 what's going on in the company?**



### Interpretation:

Though this chart we can see that 7 employee of FSIBL said neutral, 6 employees said somewhat satisfied and 4 employee said very satisfied.

- ☐ All activities of FSIBL are conducted under a profit/loss based system according to Islamic Shariah to get the nation rid of Usually.
- ☐ They believe in providing dedicated services to the clients imbued with Islamic spirit of brotherhood, peace and fraternity.
- ☐ The Bank upholds the Islamic values of establishment of a justified economic system through social emancipation and equitable distribution of wealth.
- ☐ The communication of Firstst Security Islami Bank is open and free. Fast Security Islami Bank uses notice board, magazine, newsletters, the suggestion programs etc as a method of communication
- ☐ Legal advisers take so much time before giving their legal opinion.
- ☐ There is positive relationship between performance appraisal and employee commitment to the organization.
- ☐ Managers do not provide any brief/ discussion or guide to communicate the performance appraisal system of the bank. Shortage of skilled man power in the branch.



## Recommendation

- ❑ Banking is a service-oriented marketing. Its business profit depends on its service quality. That's why the authority always should be aware about their service quality.
- ❑ The management of FSIBL may invest more in interest sensitive asset by taking deposit of short term and lend for long to reduce gap between its interest rate sensitive assets and interest rate sensitive liabilities.
- ❑ Proper communication regarding the products and services of the bank should be enforced. As a result confusions will be minimized and customer satisfaction will enhance.
- ❑ Focus On Relationship Strategies: The bank should focus more on existing customers in order to build strong and loyal relationship with them as most satisfied customers recommends the bank to friends and relatives. Thus the power of relationship will foster positive Word of Mouth Communication and will attract new customers at a lower cost.
- ❑ More products of varied interests should be introduced for the diversified client group.
- ❑ The bank should take new marketing strategy which will responds and take effective steps to increase faith on them.
- ❑ It should improve in file management system to faster the dealings with the client's proposal.
- ❑ Interest rate should be made more moderate.
- ❑ The HRD should look into the matter that the branches are well staffed with the right people in the right position.
- ❑ Complaint Management: FSIBL should actively manage the complaints of various customers and encourage customers to give feedback about the services. The management should collect, document complaints, use that information to identify dissatisfied customers, correct individual problems where possible and identify common service failure points. Research showed that this strategy will radically improve the overall customer satisfaction.

## Conclusion

First Security Islami bank Ltd. has established goodwill through innovative products and services. This report had shown that part of activities of FSIBL. For the future planning and the successful operation for achieving its prime goal in this current competitive environment this report can be a helpful guideline. So it is not an easy job to find out the drawbacks of this branch. I would rather feel like producing my personal opinion about the practices in Mirpur Branch.

I have tried to present the strategy of First Security Islami Bank Limited and its products and services, and some suggestion for the improvement of First Security Bank Limited throughout the report. The required data about the interview procedure are collected from face to face conversation with the manager employee and customer of First Security Bank Limited.

Overall, the bank must make a positive attempt to be more outward looking in their goals and aware of what is happening. They must also emphasize on the domestic scenario more closely and analyze any certain trends and strategies of their competitors. The bank must accept any failures and think of them as an objective to pursue future goals instead of blaming such failures on other factors.



## *APPENDED PARTS*

### *APPENDIX -I*

#### *List of Abbreviations Used*

*FSIBL=FIRST SECURITY ISLAMI BANK LIMITED*

*ATM= Automated Teller Machine*

*CRR=Corporate social Responsibility.*

*BB= Bangladesh Bank*

*BIBM=Bangladesh Institute of Bank Management.*

*CC=Cash Credit.*

*CPB=Credit per Branch.*

*CPE=Credit per Employee.*

*CR = Current Ratio.*

*KYS=Know Your Customer.*

*DCCI=Dhaka Chamber of Commerce & Industry.*

*STD=Short Term Deposit.*

*DSE=Dhaka Stock Exchange.*

*POS=Point of Sales.*

*DPB=Deposit per Branch.*

*DPE=Deposit per Employee.*

*EPS = Earnings per Share*

*G.R=Growth Rate.*

*SME=Small and Medium Enterprise.*

*SMS=Short Message Service.*

*SEC=Securities and Exchange Commission.*

*PR = Proprietary Ratio.*

*ROA=Return on Asset.*

**FSIB**

**ISLAMI BANK**

*ROCE = Return on Capital Employed.*

*ROE=Return on Equity.*

*ROPC = Return on Paid-up Capital.*

*SIM=Subscriber identity module*

*SST=Systems & Services Technologies*

## APPENDIX -II

### *Reference*

- ✓ General Banking Manual published by **First Security Islami Bank Ltd**, which is only designed for insiders.
- ✓ Annual Report of **First Security Islami Bank Ltd**.2013
- ✓ Report Submitted by Internship Students.
- ✓ "Banking Theory & Practice" -T.T. Shetti
- ✓ Corporate Social Responsibility Practices and Challenges in Bangladesh , roundtable by Bangladesh Enterprise Institute (BEI),Dhaka
- ✓ Business of Banking, Dr. R M Debnath.
- ✓ Kothari, C.R (1996) Research Methodology, Methods and Techniques,Wishwa Prakashan, New Delhi, India.

### Web References:

- i. <http://www.bangladesh-bank.org>
- ii. <http://www.fsibl.bd>
- iii. [www.google.com](http://www.google.com)
- iv. <http://en.wikipedia.org>
- v. [www.greenbank.com](http://www.greenbank.com)

## APPENDIX -III



- i. Business Ethics (Ethical Decision making and cases, O.C Ferrell, John Fraedrich, Linda Ferrell) Six Edition
- ii. Annual Report of First Security Islami Bank Ltd 2013-2014
- iii. [www.greenbank.com](http://www.greenbank.com)
- iv. Kothari, C.R (1996) Research Methodology, Methods and Techniques, Wishwa Prakashan, New Delhi, India.  
<http://www.fsibl.bd>
- v. Carroll, A. B. (1979), "A three dimensional model of corporate performance," *Academy of Management Review*, Vol. 4

### Questionnaire for Customer

1. Male or Female
2. Age
3. Do you use online banking?
4. In general, how satisfied are you with the services you receive from your Bank?
5. How long have you banked with your current bank?(in years)
6. Why did you choose First Security Islami bank?
7. What do you feel about Willingness of the Employee of first Security Islami Bank?
8. Do you feel your transaction is secured in First Security Islami Bank?
9. Do you get Adequate Facilities from First security Islami Bank?
10. Is First Security Bank use Modern Equipment to provide their service?
11. What do you feel about First Security Islami Bank Environment?
12. What do you feel about the Speed of the Service of First Security Islami Bank?
13. Do you satisfied with your banking transaction?

### Questionnaire for Employee

- 1.How many years have you been with The Company?
2. What is your gender?
3. Are you satisfied with your job?
4. Are you satisfied with the Working Environment?
5. Are you satisfied with the facilities provided to do your job?
6. Are you satisfied with the adequacy of freedom to do your job efficiently?
7. Are you satisfied that you receive appropriate recognition for your contributions?
8. Are you satisfied with the professionalism of the people with whom you work?

9. Are you satisfied that your compensation matches your responsibilities?
10. Are you satisfied with your overall job security?
11. Are you satisfied with your ability to maintain a reasonable balance between family life and work life?
12. Are you satisfied that your work gives you a feeling of personal accomplishment?
13. Are you satisfied that the leaders in your work environment are positive role models?
14. Would you say that your relationship with your direct supervisor is positive or negative?
15. Would you like to have more or less contact with upper management?
16. Would you like to have Positive or Negative contact with upper management?
17. Are you satisfied that your supervisor keeps you well informed about what's going on in the company?



**FIRST SECURITY ISLAMI BANK LIMITED**

## BALANCE SHEET

**AS AT 31 DECEMBER 2013 31.12.2013**

**31.12.2012**

## Notes

## BDT

## BDT

## OFF- BALANCE SHEET ITEMS

## Contingent Liabilities

Acceptances and Endorsements	2,378,051,173	5,348,635,526
Letters of Guarantee	17	4,547,711,472
Irrevocable Letters of Credit	18	3,740,407,481
Bills for Collection	19	1,199,385,180
Other Contingent Liabilities	-	-
<b>Total</b>	<b>11,865,555,306</b>	<b>9,248,235,939</b>
<b>Other Commitments</b>		
Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Claims against the bank not acknowledged as debt	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Total Off -Balance Sheet Items Including Contingent Liabilities</b>		
<b>11,865,555,306</b>	<b>9,248,235,939</b>	

**FSIB**  
ISLAMIC BANK

**FIRST SECURITY ISLAMI BANK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 31.12.2012**  
**DECEMBER 2013 31.12.2013**

Notes	BDT	BDT
Investments Income	20	
18,277,686,531	13,339,668,730	
Profit Paid on 21	(14,597,553,390)	(10,309,755,493)
Deposits		
<b>Net Investment Income</b>	<b>3,680,133,141</b>	<b>3,029,913,237</b>
Income from 22	235,670,968	98,997,129
Investment in shares and securities		
Commission, 23	326,776,987	404,240,245
Exchange and Brokerage		
Other Operating 24	167,015,629	201,533,344
Income		
<b>Total Operating Income</b>	<b>729,463,584</b>	<b>704,770,718</b>
<b>4,409,596,725</b>	<b>3,734,683,955</b>	
<b>Less: Operating Expenses</b>		
Salary and 25	1,163,686,638	847,429,497
Allowances		
Rent, Taxes, 26	311,789,001	266,100,292
Insurances, Electricity etc.		
Legal Expenses 27	2,585,433	5,099,135
Postage, Stamps, 28	16,390,307	15,379,156
Telecommunication etc.		
Stationery, 29	104,350,252	83,807,741
Printings, Advertisements etc.		
Managing Director's 30	15,350,304	13,593,405
Salary and Fees		
Auditors' Fees 730,250	575,000	
Directors' Fees 32	1,753,954	1,918,560
Shariah 33	115,000	132,250
Committee's Fees & Expenses		
Depreciation and 34	250,409,783	175,807,881
Repair of Bank's Assets		
Zakat Expenses 28,085,234		18,800,000
Other Expenses 35	488,630,787	364,082,435
<b>Total Operating Expenses</b>	<b>2,383,876,943</b>	<b>1,792,725,352</b>
<b>Profit before Provision and Tax</b>	<b>2,025,719,782</b>	<b>1,941,958,603</b>
Provisions for Classified Investments	215,100,000	177,076,701
Provisions for Unclassified	220,000,000	203,018,403

Investments including off-  
B/S items

Provisions for diminution in value of Investment in Shares	61,500,000	60,000,000
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<b>Total Provisions</b>	<b>496,600,000</b>	<b>440,095,104</b>
<b>Total Profit before Taxes</b>	<b>1,529,119,782</b>	<b>1,501,863,499</b>
Provision for Taxation	(760,000,000)	(740,000,000)
Deferred Tax 2.8.1.2	-	-

Income		
<b>(760,000,000)</b>	<b>(740,000,000)</b>	

<b>Net Profit after tax for the period</b>	<b>769,119,782</b>	<b>761,863,499</b>
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Retained Earnings Brought Forward from Previous Year	433,109,918	371,651,119
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<b>Appropriations:</b>	<b>1,202,229,700</b>	<b>1,133,514,618</b>
Statutory Reserve	305,823,956	300,372,700
Other Reserve	20,000,000	60,000,000
Bonus Share Issued	374,035,200	340,032,000
Retained Earnings Carried Forward	<b>699,859,156</b>	<b>700,404,700</b>

<b>502,370,544</b>	<b>433,109,918</b>	
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<b>Earnings</b>	<b>Per 36</b>	<b>1.87</b>	<b>1.85</b>
<b>Share (EPS)</b>			

**FSIB**

ISLAMI BANK

**FIRST SECURITY ISLAMI BANK LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 31.12.2012**  
**2013 31.12.2013**

<b>A. Cash Flow from Notes</b>	<b>BDT</b>	<b>BDT</b>
<b>Operating Activities</b>		
Profit received	18,285,602,963	12,732,666,148
Profit paid	(13,592,616,259)	(9,603,755,782)
Commission, exchange & brokerage received	326,776,987	404,240,245
Payment to employees	(1,179,036,942)	(861,022,902)
Payment to suppliers	(142,692,824)	(155,346,279)
Income tax paid	(561,102,413)	(710,802,087)
Received from other operating activities 37	167,015,629	201,533,344
Payment for other operating activities 38	(821,264,482)	(653,286,828)
<b>Operating Profit before changes in Operating Assets &amp; Liabilities</b>	<b>2,482,682,660</b>	<b>1,354,225,859</b>
<b>Increase / Decrease in Operating Assets &amp; Liabilities</b>		
Investments to Customers	(18,069,815,054)	(26,836,900,304)
Other Assets 39	(5,885,349,535)	(982,259,562)
Deposits from Customers	27,993,074,157	31,760,523,863
Other Liabilities 40	1,055,400,498	1,502,738,936
<b>5,093,310,066</b>	<b>5,444,102,933</b>	
<b>Net Cash Inflow from Operating Activities</b>	<b>7,575,992,726</b>	<b>6,798,328,792</b>
<b>B. Cash Flow from Investing Activities</b>		
Investment in Shares and Securities	(2,082,105,216)	(1,117,031,781)
Purchase of Property, Plant and Equipment	(690,783,060)	(769,739,231)
Sale of Property, Plant and Equipment	-	-
<b>Net Cash Inflow from Investing Activities</b>	<b>(2,772,888,276)</b>	<b>(1,886,771,012)</b>
<b>C. Cash Flow from Financing Activities</b>		
Increase/(Decrease) in Share Capital	-	-
Receipt from issuance of Mudaraba Subordinated Bond	280,000,000	2,220,000,000
Increase/(Decrease) in Placement from Banks & FI	(468,786,125)	1,367,460,967
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>(188,786,125)</b>	<b>3,587,460,967</b>
<b>D. Net Increase/Decrease of Cash &amp; Cash Equivalent (A+B+C)</b>	<b>4,614,318,325</b>	<b>8,499,018,747</b>
Effect of Exchange Rate on Cash & Cash Equivalent	-	-



E. Opening Cash & Cash 21,314,515,328 12,815,496,581  
Equivalent

F. Closing Cash & Cash 25,928,833,653 21,314,515,328  
Equivalent (D+E)

The above closing Cash and Cash Equivalents include:

Cash in hand (Including 1,294,881,463 1,183,461,824  
Foreign Currencies)

Balance with Bangladesh 24,633,593,590 20,130,399,204  
Bank, other banks & FI

Prize Bond 358,600 654,300

21,314,515,328

25,928,833,653

