

# **INTERNSHIP REPORT**

**ON**

## **“General Banking Activities in First Security Islami Bank Limited”**

### **SUPERVISED BY**

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M.B.A. (Evening), 3<sup>rd</sup> Batch

Major in Finance

HSTU, Dinajpur

This internship report is submitted to the faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur, in partial fulfillment of the requirements for the degree of M.B.A. (Evening) program.



**Faculty of Business Studies**

**HAJEE MOHAMMAD DANESH SCIENCE AND TECHNOLOGY  
UNIVERSITY, DINAJPUR-5200**

**OCTOBER, 2016**

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**Master of Business Administration (Evening)**



**Faculty of Business Studies**

**HAJEE MOHAMMAD DANESH SCIENCE AND TECHNOLOGY  
UNIVERSITY, DINAJPUR-5200**

**OCTOBER, 2016**

*DEDICATED TO  
MY  
RESPECTABLE  
PARENTS  
AND  
HONOURABLE  
TEACHERS*



## Letter of Transmittal

24 October, 2016

To

**Md. Jahangir AlamSiddikee**

Associate Professor

Department of Finance & Banking,

Faculty of Business Studies.

Hajee Mohammad Danesh Science & Technology University, Dinajpur.

**Subject: Submission of Internship report.**

Dear Sir,

I am pleased to submit the internship report on “**A Study on General Banking Activities in First Security Islami Bank Limited**” intended to fulfill the partial requirement of my Master of Business Administration (Evening).

I would also like to draw your kind attention to the fact that I have tried my level best to present how do they planning for finance and banking, recruit and select employees in different position in First Security Islami Bank Limited.

For your kind consideration, I would like to mention that there might be some errors and mistakes due to limitations of my knowledge. I therefore wish and hope that you would be kind enough to accept my efforts and oblige me thereby.

Sincerely Yours

---

**Md. SahedullahilAlim**

Student ID-E 140503055

Evening MBA (Major in Finance)

Semester-V, Batch: 3<sup>rd</sup> Batch

Hajee Mohammad Danesh Science & Technology University, Dinajpur-5200.

## **Student's Certification**

The discussing report is the terminal formalities of the internship program for the Master of Business Administration (MBA) Evening, Faculty of Business Studies at Hajee Mohammad Danesh Science and Technology University, Dinajpur which is compact professional progress rather than specialized. This report has prepared as per academic requirement after the successfully completing of 45 days internship program under the supervision of my honorable supervisor **Md. Jahangir Alam Siddikee**, Associate Professor, Department of Finance & Banking. It is my pleasure and great privilege to submit my report titled '**A Study on General Banking Activities in First Security Islami Bank Limited**'. Dinajpur Branch, Dinajpur. As the presenter of this report; I have tried my level best to get together as much information as possible to enrich the report I believe that it was a fascinating experience and it has enriched both my knowledge and experience.

However, after all this, as a human being, I believe everyone is not beyond of limitation. There might have problems regarding lack and limitation in some aspects and also some minor mistake such as syntax error or typing mistake or lack of information. Please pardon me for that mistakes and clarify these at my further information on those matters.

---

**Md. Sahedulalim**

Student ID-E 140503055

Evening MBA (Major in Finance)

Semester-V, Batch: 3<sup>rd</sup> Batch

Faculty of Business studies

HSTU, Dinajpur-5200.

## **Supervisor's Certification**

This is to certify that **Md. Sahedulhail Alim**, St. ID-E 140503055, student of Evening MBA (Major in Finance) Semester-V, Batch: 3<sup>rd</sup> Batch, Faculty of business Studies, has successfully completed his internship from **First Security Islami Bank Limited.**, Dinajpur Branch, Dinajpur. And he has prepared and presented his draft copy of report to me, based on title '**A Study on General Banking Activities in First Security Islami Bank Limited**' under my supervision.

I wish every success in his life.

---

**Md. Jahangir Alam Siddikee**

Assistant Professor

Department of Finance & Banking

Faculty of Business Studies

HSTU, Dinajpur-5200.

## **Co- Supervisor Certification**

This is to certify that **Md. Sahedulhail Alim**, St. ID-E 140503055, student of Evening MBA (Major in Finance) Semester-V, Batch: 3<sup>rd</sup> Batch, Faculty of business Studies, has successfully completed his internship from **First Security Islami Bank Limited.**, Dinajpur Branch, Dinajpur. And he has prepared and presented his draft copy of report to me, based on title ‘**A Study on General Banking Activities in First Security Islami Bank Limited**’ under my supervision.

I wish every success in his life.

---

**Sourav Paul Chowdhury**  
Assistant Professor  
Internship Co-Supervisor  
Department of Management  
Faculty of Business Studies  
HSTU, Dinajpur-5200.



## **Acknowledgement**

At first I would like to express my gratitude to Almighty Allah who has given me opportunity to go through the total process of internship and to write a report in this regard.

I would like to express my gratitude to my honorable academic supervisor and instructor **Md. Jahangir Alam Siddiquee**, Associate Professor, Department of Finance & Banking, Faculty of Business Studies HSTU, Dinajpur for his constructive supervision and instructions. Whose direction, guidance and support helped me a lot in writing this report.

I am also thankful to all the personnel of First Security Islami Bank of Dinajpur Branch for the kind support. It was a great opportunity for me to work practically with the corporate personnel of First Security Islami Bank. Specially, I express my gratitude towards Mr. Abdul Wahab Talukder FAVP of First Security Islami Bank Ltd Dinajpur Branch, I also give thanks Mst. Mosfura Begum, ( SPO & Operation Manager, First Security Islami bank Ltd Dinajpur Branch), Md. Nazmul Abedin (Officer) and, Md. Shahanur Rahman (Officer) & Zakir Hossain (Asst. Officer) whose gave me all the support that I needed to prepare my internship report.

At last I must mention the wonderful working environment and group commitment of this bank that has enabled me a lot deal to do and observe the banking activities during my internship period of 45 days. Finally, I convey my sincere thanks to my friends who inspire in different ways to complete the report and the course as well.

## **Executive Summary**

A banking institution is indispensable in a modern society. It plays a pivotal role in the economic development of a country and forms the core of the money market in an advanced country. In recent times the banking sector over the world has been undergoing a lot of changes due to deregulation, technological innovation, globalization etc. Bangladesh banking sector is lagging for behind in adopting these changes. Bank plays an important role in the business sectors and in the industrialization of a country. Basically the banks take deposits from the customers against interest and lend it to the borrowers against interest cessation period. Under these circumstances of bank offers different interest rates and other options to the customers to remit and deposit their money. These options are vary common among all the banks, but only the customer services and other facilities very from bank to bank. In our country there are Govt. Banks, Semi Govt. Banks, and Private Sector Commercial Banks of Bangladesh and also it is the third generation private commercial bank in Bangladesh. It started its crucial moment when Bangladesh economy was undergoing through massive economy reforms and pursuing unilateral and multilateral trade liberalization with the backdrop of the World Bank made International Monetary Fund (IMF) recommendations. The First Security Islami Bank Ltd. (One of the Third generation Bank) with its eighty four (84) branches is providing the best quality services to the customers and client. Head Office of the FSIBL located in Dilkusha, Motijheel.

First Security Islami Bank Limited (FSIB) 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 67 branches in the country. The commercial banking activities of the bank encompass a wide range of services including accepting deposits, making loans, discounting bills, conducting money transfer and foreign exchange transactions, and performing other related services such as safe keeping, collections and issuing guarantees, acceptances and letter of credit. From January 01, 2009 bank has converted into islamishariah based banking system instead of conventional banking system. The bank has constituted a sariah council consisting prominent FSIBL has variety of Asset and Liability products, which can provide it a strong foothold in the current banking world. The financial condition of the bank is also

very progressive and I think it will be able to achieve a great market share in the future. Ulama, bankers, lawyer and Economists to advice and guide on the implementation of islamisariah in business activates. Now a day of modern technology, computer and online leadsevery sphere of lives including banking system, First Security Islami Bank Ltd (FSIBL) have experts in computer and online communication system.

I have done my internship on a new and important bank, the First Security Islami Bank Ltd. (FSIBL). My internship report is based on the General Banking Activities: A Case study on First Security Islami Bank Ltd, to gather knowledge for my future career and to identify the problems regarding this matter and to overcome the problems.

## Table of Content

Contents	Page no.
<b>Chapter 1: Introduction</b>	<b>1-5</b>
1.1 Background of the report	2
1.2 Significance of the Report	3
1.3 Scope of the report	3
1.4 Objectives of the Study	3
1.5 Methodology	4
1.6 Limitations of the study	5
<b>Chapter 2: Organizational Review</b>	<b>6-17</b>
2.1 Background of First Security Islami Bank Limited	7
2.2 Philosophy of FSIBL	7
2.3 Strategy of FSIBL	7
2.4 Vision of FSIBL	8
2.5 Mission of the FSIBL	8
2.6 Goal of FSIBL:	8
2.7 Performances of FSIBL	8
2.8 Profit and operating result	9
2.9 Foreign Exchange	9
2.10 Information Technology (IT) and Automation	9
2.11. Organizational structure of FSIBL	9
2.12. Branch network of FSIBL	12
2.13. Management Structure of FSIBL	13
2.13.1 Planning:	13
2.13.2. Organizing	13
2.13.3. Staffing	14
2.13.4. Directing and controlling	14
2.13.5. Human resource Practices in FSIBL	14
2.13.6. Recruitment	14
2.15 Core values	15
2.15.1 Integrity	15
2.15.2. Open communication	15
2.15.3. Performance driven	15
2.15.4. Continuous self Improvement	15
2.15.5. Quality	15
2.15.6. Teamwork	15
2.16 Division of FSIBL	16
<b>Chapter-03: General Banking System of FSIBL</b>	<b>18-41</b>
3.1 Account Opening Section	19
3.2 Cheque Book Issuing	20
3.3 Clearing section	22
3.4 Cash Section	24

3.5 Account Section	25
3.6 Product & Service of FSIBL:	26
3.7 Deposit Products of First Security Islami Bank Ltd.	27
3.8. Investment Schemes of FSIBL	36
3.9. Other services:	39
<b>Chapter-04:Major Findings, Conclusion &amp; Recommendations</b>	<b>42-45</b>
4.1 Findings	43
4.2 Conclusion	44
4.3 Recommendations	45
<b>Bibliography</b>	<b>46</b>
<b>Appendix</b>	<b>47-48</b>

# **Chapter-01**

## **Introduction**

## Introduction

Generally by the word “Bank” we can easily understand that the financial institutions deal with money. But there are different types of banks like; Central Banks, Commercial Banks, Savings Banks, Investment Banks, industrial Banks, Cooperative Banks etc. But when use the term “Bank” without any prefix, or qualification it refers to the ‘commercial banks’. Commercial banks are the primary contributor to the economy of a country. So we can say commercial banks are a profit making institution that holds the deposit of the individuals & business in checking & savings account and than uses these funds to make loans. For these, people and government are very much dependent on these banks. As banks are profit earning concern; they collect deposit at the lowest possible cost and provide loans and advances at higher cost. The differences between two are the profit for the bank.

Banking sector is expanding its hand in different events every day. At the same time the banking process is becoming faster, easier and the banking area becoming wider. As the demand for better services increases day by day, they are coming with different innovative ideas and products. In order to survive in the competitive field of the banking sector, all banking organization are looking for better service opportunities to provide their fellow clients. As a result, it has become essential for every person to have some idea on the bank and banking procedure.

First Security Islami Bank Ltd is one among the best and most important bank for the Banking system of Bangladesh. Like other Banks & Financial Intermediaries, they perform a critical function of facilitating the flow of funds from surplus units to deficit units. Commercial banks basically focused on commercial lending. From the end of 19th century they are providing diversified services.

Like other Commercial banks FSIBL also have different sections such as section focusing on lending; a section helps in foreign trade, a section that collects deposits.

### 1.1 Background of the report:

I have tried to prepare the report in such a way that it reflects what I learn during the orientation period. I tried to clarify my experience with practical knowledge on General Banking system.

My course instructor Rony Kumar Datta has authorized me to prepare a report on **“General Banking system” A study on First Security Islami Bank Limited.**

## **1.2 Significance of the Report**

This Internship Report is an important partial requirement of four year BBA graduation program. This is because knowledge and learning become perfect when it is associated with theory and practice. By this Internship program students can establish contacts and networking. Contacts may help to get a job in practical life. That is, students can train and prepare themselves for the job market. A poor country like Bangladesh has an overwhelming number of unemployed educated graduates. As they have no internship experience they have not been able to gain normal professional experience of establish networking system, which is important in getting a job. Therefore, it is obvious that the significance of Internship is clearly justified as the crucial requirement of four year BBA graduation.

## **1.3 Scope of the report**

The First Security Islami Bank Limited is one of the leading Banks in Bangladesh. The scope of the study is quiet wide as this report has covered the overall banking activities. This report has been prepared through extensive discussion with company employees and customer. While preparing this report, I had a great opportunity to have depth knowledge in all the human resources departmental activities practiced by the First Security Islami Bank Limited.

It also includes the organizational structure and policy of First Security Islami Bank Limited. The scope of this report is limited to the overall description of the company, personal asset-products, organizational setup, its services, and remuneration policy & customer satisfaction level.

## **1.4 Objectives of the Study**

The main objective of the report is to fulfill the requirement of the BBA program.

The specific objectives of the study are as follow-

- i. To gather fundamental knowledge about general banking activities of FSIBL.
- ii. .To know about the products and services OF FSIBL.
- iii. To identify the features of deposit products and their performance.
- iv. To identify the problem relating to the general banking activities of FSIBL
- v. To suggest some recommendations based on the findings.



## 1.5 Methodology

### 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:

### 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.

### 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.

- i. Practical work experience in the different desk of the department of the branch covered.

The “Secondary Sources” of data and the information are:

Annual Report of FSIBL

- i. Website of the FSIBL
- ii. Various book articles regarding general banking functions, Foreign exchange operations and credit policies.
- iii. Different procedure manual published by FSIBL
- iv. Different circular sent by head office of FSIBL.

## 1.6 Limitation of the Study

- i. In my internship period I have found some barriers to complete the work in a conductive way within shorter period of time. This is mentioned below:
- ii. The time frame, 3 months is insufficient to know all activities of the branch and prepare the report.
- iii. It was very difficult to collect the information from various personnel for their job constraint.
- iv. As same of the fields of banking one still not covered by our courses, there was difficulty in understanding same activities.
- v. Another limitation of this report is bank's policy of not disclosing same data and information for confidential reason, which could be very much useful.
- vi. Because of the limitation of information same assumptions were made. So there may be some personnel mistake in the report.
- vii. Bankers were so much busy with their work and they did not have enough time to provide information.

# **Chapter-02**

## **Profile of First Security Islami Bank Limited**

### **2.1 Background of First Security Islami Bank Limited**

The First security Islami Bank Limited is the third generation private sector Bank in Bangladesh. FSIBL is fully owned by Bangladeshi entrepreneurs. The bank was opened on August 29, 1999 but the first branch at 23, Dilkusha Commercial Area, Dhaka started commercial operation on August 29, 1999. The 2nd Branch was opened on 11 November 1999 at Khatungonj, Chittagong.

At present, FSIBL has been carrying on business through its 147 branches. FSIBL was the first domestic bank to establish agency arrangement with the world famous Western Union in order to facilitate quick and safe remittance of the valuable foreign exchanges earned by the expatriate Bangladeshi nationals. FSIBL was also the first among domestic banks to introduce international Master Card in Bangladesh. In the meantime, FSIBL has also introduced the Visa Card and Power Card. The Bank has in its use the latest information technology services of SWIFT and REUTERS. FSIBL has been continuing its small credit program for disbursement of collateral free agricultural loans among the poor farmers of Agrabad area in Chittagong district for improving their lot. Alongside banking activities, FSIBL is actively involved in sports and games as well as in various Socio-Cultural activities. Up to September 2006, the total number of workforce of FSIBL stood at 2449, which include 1689 officers and executives and 550 staff.

## **2.2 Philosophy of FSIBL**

At present the bank has as many as 147 branches across the country and it is committed to become equal service providers compatible with the norms of commercial schedule bank. It renders all types of personal, commercial and corporate banking services to its customers within the purview of the Bank Companies Act, 1991 and in line with the directives and policy guidelines laid down by Bangladesh bank.

## **2.3 Strategy of FSIBL**

- i. To achieve our customer's best satisfaction & win their confidence.
- ii. To manage & operate the bank in the most effective manner.
- iii. To identify customer's need & monitor their perception towards meeting those requirements.
- iv. To review & update policies, procedures & practices to enhance the ability to extend better customer services.
- v. To train & develop all employees & provide them adequate resources so that customer's need can reasonably addressed.

- vi. To promote organizational efficiency by disclosing company plans, policies & procedures openly to the employees in a timely fashion.
- vii. To ensure a congenial working environment.
- viii. To diversify portfolio in both retail & wholesale market.

#### **2.4 Vision of FSIBL**

Ensuring highest standard of clientele services through best application of latest information technology, making due contribution to the national economy & establishing ourselves firmly at home & abroad as a front ranking bank of the country are our cherished vision.

#### **2.5 Mission of the FSIBL**

- I. To contribute to the socio-economic development of the country.
- II. To attain the highest level of satisfaction through the extension of services by dedicated and motivated professionals.
- III. To maintain continuous growth of market share by ensuring quality.
- IV. To ensure ethics and transparency in all levels.
- V. To ensure sustainable growth and establish full value of the honorable shareholders and above all, to contribute effectively to the national economy.

#### **2.6 Goal of FSIBL:**

Goal of FSIBL to establish & maintain the modern banking techniques to ensure the soundness & development of the financial system based on Islami principles & to become the strong efficient.

- i. To be most caring & Customer friendly & service oriented bank.
- ii. To create a technology based most efficient banking environment.
- iii. To ensure sustainable growth.
- iv. To add effective contribution of the national economy.

#### **2.7 Performances of FSIBL**

First Security Islami Bank Limited closed the year 2007 recording significant growth in every sector despite volatile economic atmosphere of the country. During the year 2007 Deposit Mobilization, enhancement of loans and effective risk management has placed the bank in sound footings. Besides, Bank has maintained a strong market position by adding value to the shares. It may be said without hesitating that overall performance of the bank.

## **2.8 Profit and operating result**

First Security Islami Bank Ltd generated an operating profit of TK. 421.90 million in 2006 and net profit after tax increased by 126.13 percent to TK. 30.60 million in 2007 after making provision for loans losses and income tax.

## **2.9 Foreign Exchange**

Bank gives paramount importance in its foreign exchange business to ensure profitability. Bank has been continuing to extend special importance on foreign business from the beginning of its establishment which is still prevailing during the year. To look after the business and also to ensure prompt service to the import and export officers having exposure and expertise in foreign exchange, posted both Head Office and Authorized Dealer branches.

## **2.10 Information Technology (IT) and Automation**

All the branches of the FSIBL are fully computerized. New software is now in use to provide faster, accurate and efficient service to the clients. The bank is continuously striving for better services through extensive automation of its branches. They have already launched “One Branch Banking” through on-line connectivity. The bank has set up a full-fledged IT division to keep abreast of the latest development of IT for better service in the days to come.

## **2.11. Organizational structure of FSIBL**

Functional oriented structure Organization structure plays an important role on the profitability of any organization. First Security Islami Bank Limited is a centralized organization. Its activities are designed on the basis of traditional banking business, such as credit, international division, investment, administration, and operation etc. FSIBL has a formal organizational structure that is highly specialized and centralized. Organizational setup of the First Security Islami bank Limited is consisting of three organizational domains. Firstly the central top management, which contains Board of Directors, Managing Director, Additional Managing Director and Deputy Managing director, Major responsibilities of this are to take central decision and transmit it to the second step. Secondly, Central executive level management, which contains executive vice president, senior vice president, vice president and Assistant vice president. Major responsibilities of this part are to supervise and control division/ department. Thirdly, branch operation management, which contains branch manager and other mid/ lower level management. Major responsibilities of this part are to the 147 branches of this bank and report to the Head office from time to time.

## Organizational structure of Head office

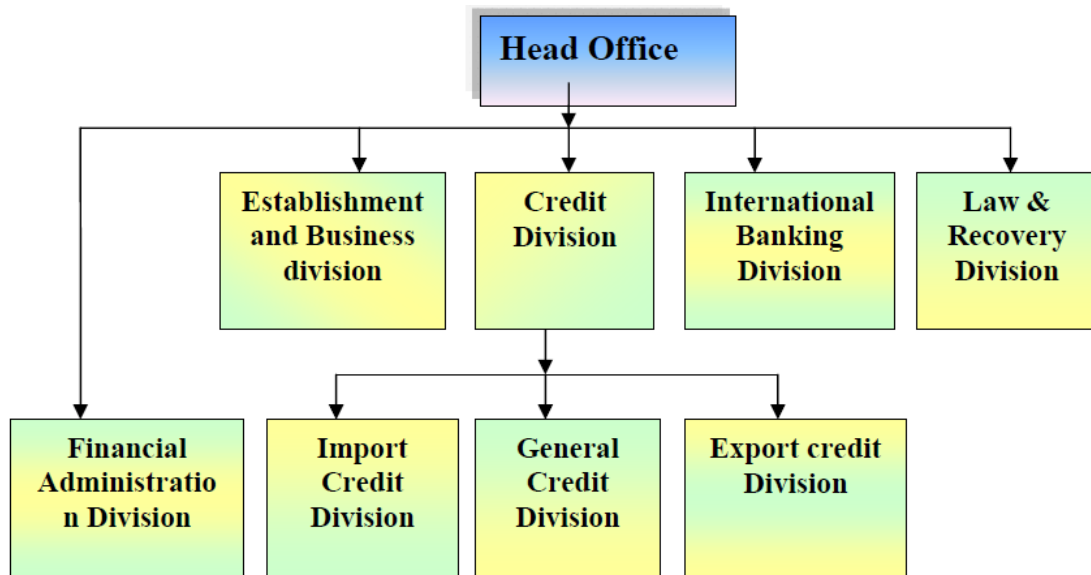


Fig 1: Organizational structure of Head office

## Organism of Dinajpur Branch

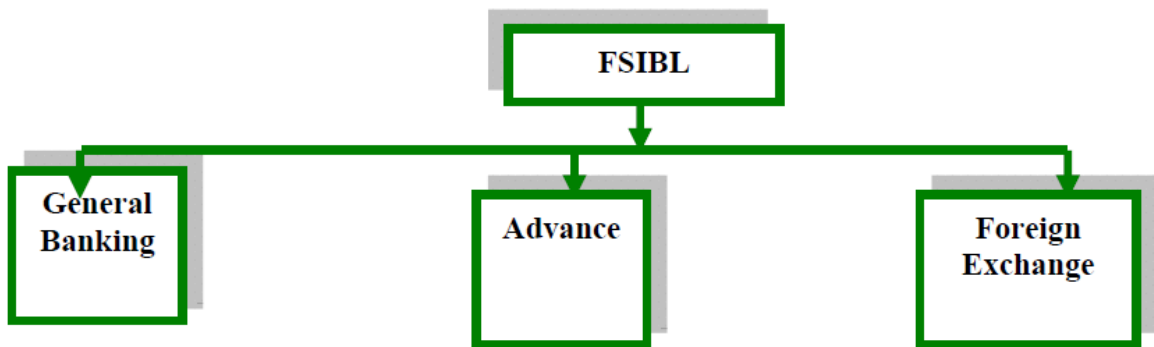
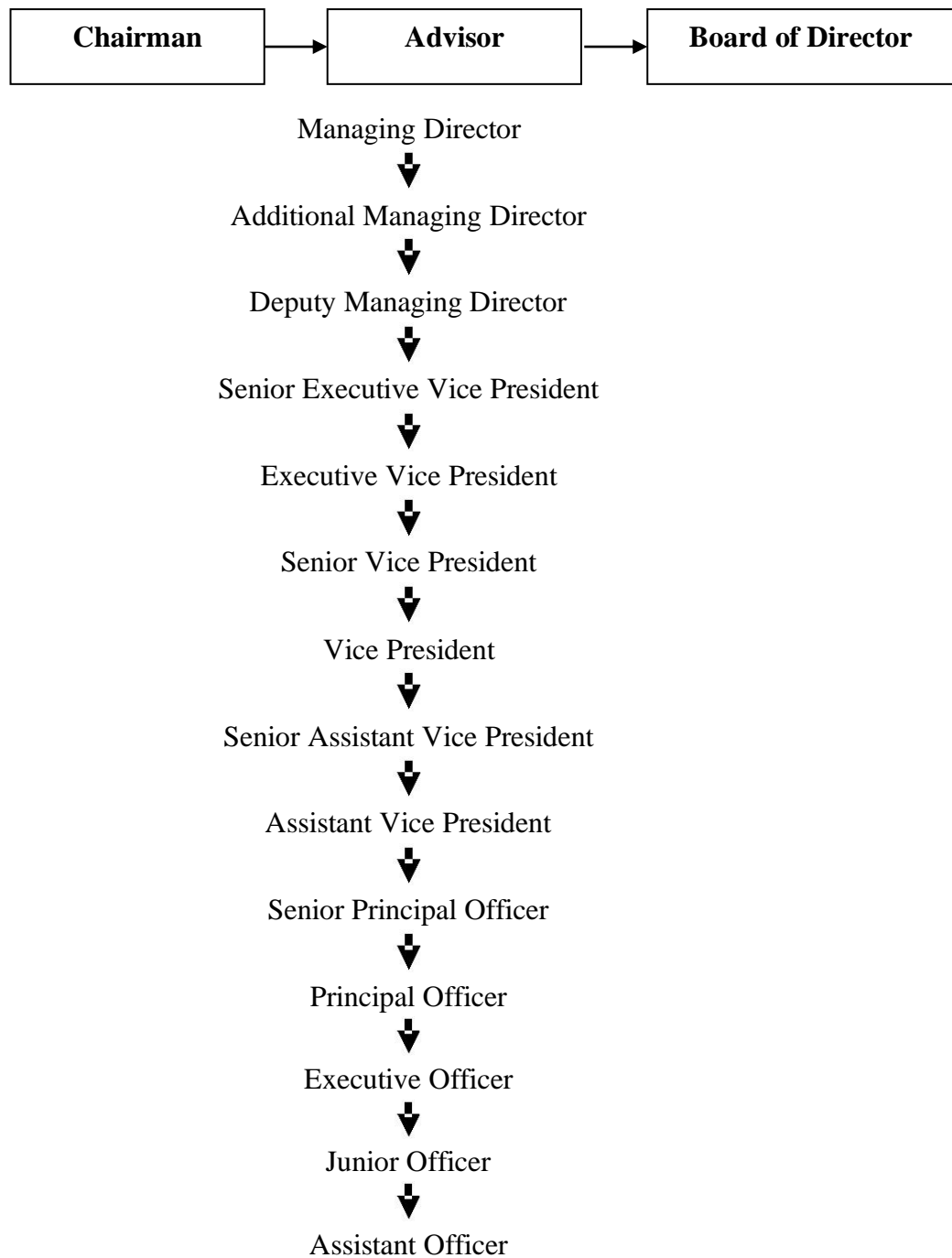


Fig 2: Organism of Dinajpur Branch

## Hierarchy of Position Structure of FSIBL





## 2.12. Branch network of FSIBL

**FSIBL** Bank has one hundred forty eight branches around whole over the Bangladesh.

The names of the branches are following according division wise:

**In Dhaka division they have the branches--**

<b>Sl. No.</b>	<b>Branches</b>
1.	Motijheel Branch
2.	Dilkusha Branch
3.	Mohakhali Branch
4.	Bongshal Branch
5.	Dhanmondi Branch
6.	Gulshan Branch
7.	Mirpur Branch
8.	Banani Branch
9.	Topkhana Road Branch
10.	Bisharoad Branch ,Bashabo
11.	Uttara Branch(Dokhin Khan)
12.	Donia Branch
13.	Shananibas Branch
14.	Moksudpur Branch
15.	College Gate Branch
16.	Shofipur Branch
17.	Kazipare Branch

**In Chittagong division they have some branches:**

<b>Sl. No.</b>	<b>Branches</b>
1.	Agrabad Branch
2.	Khatungonj Branch
3.	Jublee Road Branch
4.	Cox'Bazar Branch
5.	Protrok Mor Branch
6.	Nozumia Hat Branch
7.	Karanir Hat Branch
8.	Bahaddarhat Branch
9.	Dobashi Bazar Branch

**In Sylhet division they have some branches:**

<b>Sl. No.</b>	<b>Branches</b>
1.	Sylhet Branch
2.	Bishawnath Branch
3.	MoulviBazar Branch
4.	Amborkhana Branch

**In Khulna division they have some branches:**

<b>Sl. No.</b>	<b>Branches</b>
1.	Jessore Branch
2.	Khulna Branch

**In Rajshahi division they have some branches:**

<b>Sl. No.</b>	<b>Branches</b>
1.	Bogra Branch
2.	Rangpur Branch
3.	Rajshahi Branch

**In Rangpur division they have two branches:**

<b>Sl. No.</b>	<b>Branches</b>
1.	Rangpur Branch
2.	Dinajpur Branch

### **2.13. Management Structure of FSIBL**

For any financial and non financial organization Management is the most valuable and important resources of any kind of organization. And a well-organize management provides the organization to reach its ultimate goal. Management means planning, organizing, staffing, directing and controlling of all financial and non financial resources of an organization. Different aspects of management practice in **FSIBL** are discussed below.

#### **2.13.1 Planning:**

**FSIBL** has done its planning within the purview of the corporate plan. The overall planning approach of **FSIBL** is Top-down. Each branch can plan according to the goal imposed by the corporate level. It doesn't plan independently. And, **FSIBL** has a planning division. This department is mainly responsible for the overall planning.

#### **2.13.2. Organizing**

Organizing of the First Security Islami Bank Limited is based on Departmentalization. The organization is divided into twelve departments headed by Executive vice President or Senior Vice President. In the First Security Islami Bank Limited the whole operation is centralized and authority is delegated by written guidelines. These guidelines are: Operational manual approved by Head Office, where each aspect or banking operation is elaborately defined.

- I. Advance manual including advances limit for different management level.
- II. Bad and doubtful recovery manual.
- III. Code of conduct.

- IV. Foreign banking guidelines.
- V. Central bank directives.
- VI. Different management position holders in departments and branches practice their authorized power in different cases with administrative loophole.

### **2.13.3. Staffing**

The recruitment of FSIBL is done in three ways. One as a “**probationary officer**” for the management program and it has probation period of one year. Second way of recruitment is to recruit non-probationary officer who joins as an assistant officer. The career path of an assistant officer is lengthier than probationary officer. The third way of recruitment is recruitment of staff and sub-staff such as typist, messenger, driver, guard, attendant, cleaner and other lower level positions. Promotion policy of FSIBL is basically based on seniority basis. Sometimes, employees are promoted to the higher position for their outstanding performance. However, it is found that the average length of a position held by an employee is around five years.

### **2.13.4. Directing and controlling**

The management approach in FSIBL is top-down or authoritative. Information just seeks through lower management layer. Works are designed in such a way that can not leave without clearing the tasks as he is assigned for a day. Sitting Management in all office is done in way that the superior can monitor the subordinate can all time. Budgeting, rewarding, punishing etc. are also practiced as control mechanism.

### **2.13.5. Human resource Practices in FSIBL**

Employees are the core resources of any organization. Without them, one cannot run their organization. And, human resource is concerned with the growth and development of people toward higher level of competency, creativity and fulfillment. It help employees become better more responsible person and then it tries to create a climate in which they contribute to the limits of their improved abilities. It assumes that expanded capabilities and opportunities for people will lead directly to improvements in operating effectiveness. Essentially, the human resource approach means that people achieve better result.

### **2.13.6. Recruitment**

The set-vice rule of FSIBL states the recruitment policy of the bank. In general the board of directors determines the recruitment policy of bank from time to time. The minimum entry level qualification for any official position other than supportive management is a Bachelors degree. However, informally the management prefers a minimum master’s

degree or BBA degree for the appointed of probationary officers in the Executive officer position. The recruitment for entry level positions begins with a formal written test. After successful completion of the written test, a personal interview is conducted for the successful candidates by a panel of experts comprising of renowned and prominent bankers of the country.

## **2.15 Core values**

FSIBL score values consist of 6 key elements. These values bind our people together with an emphasis that our people are essential to everything being done in the bank.

### **2.15.1 Integrity**

- i. FSIBL protects & safeguards all customer information.
- ii. FSIBL treats everyone in an equitable & consistent manner
- iii. FSIBL creates an environment which earns & maintains customer trust.

### **2.15.2. Open communication**

- i. FSIBL builds customer relationships on integrity & respect.
- ii. FSIBL offers a full line of products & excellent service.
- iii. FSIBL is committed to the prosperity of the customers & shareholders.

### **2.15.3. Performance driven**

In FSIBL customers & employees are judged in terms of their performance.

### **2.15.4. Continuous self Improvement**

Continuous learning self –challenge & strive make ways for self improvement of work force at FSIBL.

### **2.15.5. Quality**

FSIBL offers hassle free better service timely. FSIBL builds-up quality assets in the portfolio.

### **2.15.6. Teamwork**

Interaction, open communication, and maintaining a positive attitude reflect FSIBL is commitment to supportive environment based on teamwork.

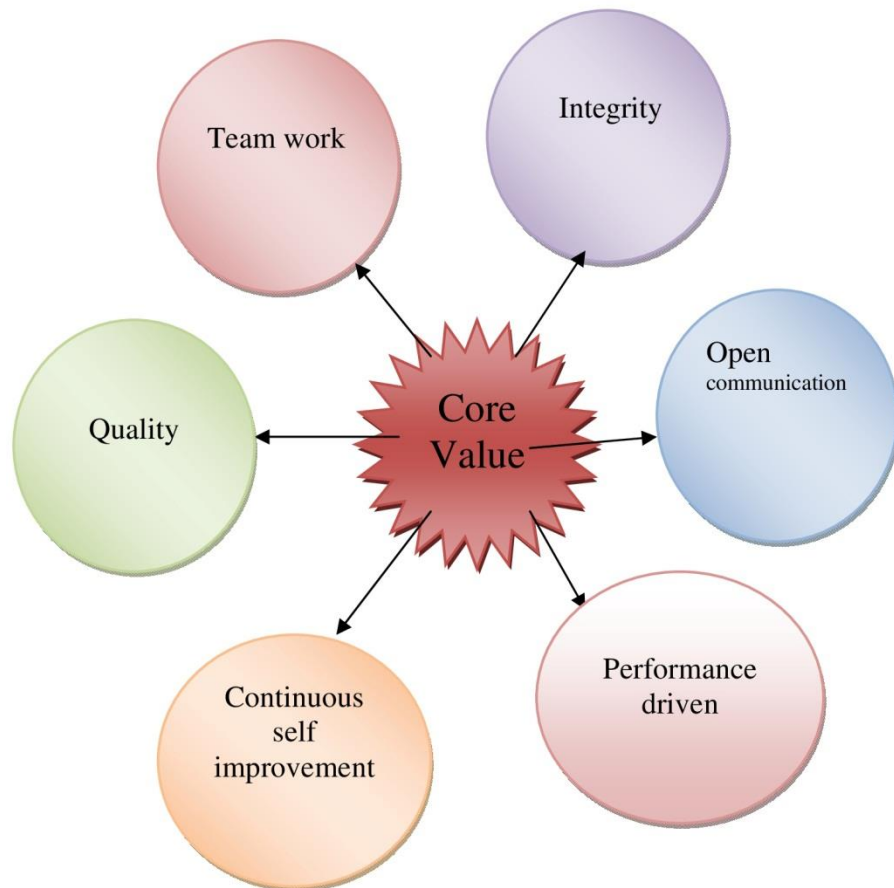


Fig: 3: Core value

### 2.16 Division of FSIBL

- i. Audit & Inspection Division.
- ii. ATM Card Division
- iii. Board Secretariat
- iv. Budget & Monitoring Division.
- v. Credit Division-1.
- vi. Credit Division. -2.
- vii. Credit Card Division.
- viii. Classified Loan Recovery Division.
- ix. Financial Administration Division.
- x. General Banking Division.
- xi. Human Resources Division.
- xii. International Division.
- xiii. Information System & Technology Division.
- xiv. Law & Recovery Division.

- xv. Marketing Division.
- xvi. Merchant Banking Division.
- xvii. Public Relations Division.
- xviii. Protocol Division.
- xix. Reconciliation Division.
- xx. System & Operations

**Chapter-03**  
**General Banking System**  
**of FSIBL**

## General Banking System

General banking department is most important department in banking activities because cash transactions are made; clearing, remittance and accounting activities are done here.

Followings are the departments that involve in general banking at Dinajpur branch:

- i. Account opening Section
- ii. Deposit Section
- iii. Cash Section
- iv. Clearing Section
- v. Account Section

The activities are done by Account Opening Department:

- i. Account Opening
- ii. Cheque Book Issuing
- iii. Processing of cheque book
- iv. Providing Account Statements
- v. Pay Order Issuing
- vi. Profit Disbursement
- vii. Account Closing
- viii. Account Transfer

### 3.1 Account Opening Section

Account opening section begins the relationship between client and Bank. By this way the customer enters in to the banking activities and do their work accordingly. It is the foundation of banker customer relationship. By this way not only bank but also the national economy will be benefited.

#### Account Opening Procedure

- i. Fill up the specific type of form (savings/current/Sdt etc) that the bank has given to the customer.
- ii. The form should fill up by the applicant himself / herself.
- iii. Two copies of passport size photographs, national ID card's/birth certificates photocopy, trade licenses photocopy, passports photocopy have to give to the bank. In case of partnership account, all partners photograph have to submit.
- iv. Documentation procedures must be fulfilled by the applicants.
- v. Applicant must sign specimen signature sheet that provided by bank.
- vi. Introducer is mediatory to open any account.



- vii. Introducer's signature and accounts number will verify by authorized officer.
- viii. Authorized officer will accept the application.
- ix. Minimum balance has to deposit to the bank by applicant (only cash is accepted).
- x. Authorized officer will give entry to the register and open the account.
- xi. After that the officer will give cheque book to the account holder.
- xii. KYC (knowledge about your customer) should maintain.
- xiii. The account should be properly introduced by any one of the following:
- xiv. An existing current account holder of the bank.
- xv. Officials of the bank not below the rank of assistant officer.
- xvi. A respectable person of the locality well known to the Manager/Sub
- xvii. Manager of the Branch concerned.

### **3.2 Cheque Book Issuing**

Clients have to fill up the requisition slip for cheque book collection. For issuance of a cheque book, the account holder shall fill in and put sign in the cheque requisition slip.

The departmental in charge shall verify the signature in each requisition slip in order to ascertain the genuineness. He will put his initials against every entry made in the cheques book issued register.

(a) The cheque issuing officer shall send the requisition slip to computer section in order to ascertain:

- i. The account number.
- ii. The average balance maintained by the customer.
- iii. Previous cheque leafs have been properly consumed.
- iv. The manner in which the account is operated.
- v. Payment of cheques was not frequently stopped.
- vi. Cheques are not frequently returned for insufficiency of funds.
- vii. It is not a dormant account.

## Processing Of Cheque Book

**The cheque book shall be processed in the following way----**

- i. The name and the account number of the customer shall be written in the Cheque Book Issue Register against the particular cheque book series.
- ii. The name of the customer shall be written on the cover page of the cheque book and the requisition slip. The account number should be written on each leaf of the cheque book.
- iii. The account number of the customer shall be entered in the specific Cage of all leaves of the cheque book and its requisition slip. The cheque issuing officer shall sign near the cage.
- iv. After completion of cheque book in all respect shall be sent to the cheque passing officer/officer-in-charge of deposit department for obtaining his initials on the cheque leaves and the requisition slip.
- v. The cheque book shall be delivered to the customer against his/her acknowledgement on the relative column of the cheque book issue register.

## Issuing Account Statements

In case of balance checking of a particular account, profit encashment, cutting of account maintenance charges, cutting of late fees for did not depositing in the account in the right time, account closing etc in different reasons clients have the right to demand for account statement.

## Pay Order

A pay order is a written order, issued by a branch of a bank, to pay a certain sum of money to a particular person or a bank. It is issued by a branch of the bank drawn upon and payable by itself. Basically there are two parts in a pay order. The upper part of the pay order document is defined as 'advice' and the lower part of the document is known as cheque.

For example:

Suppose a customer named Mr. Rahim telling DBBL to transfer his fund into beneficiary named Mr. Karim account. The name of the beneficiary's bank is FSIBL. Now FSIBL will receive the pay order cheque from DBBL through courier service. After receiving the cheque the representative of FSIBL will go to the clearing house of Bangladesh bank and will submit the cheque to the representative of Duch Bangla Bank Ltd. DBBL's representative will debit the pay order suspense account and will send the money to

FSIBL's account by crediting it. Then FSIBL will pay the money to his customer named Mr. Karim by debiting their account. This is how the entire process of pay order is carried on.

### **Account closing**

For a matured account, bank will inform its customer to close the account and closing date also will be informed. And for premature account closing, customers have to fill an application form and a date will be fixed for account close by the banker. On account closing date, account holder has to bring all the deposits slips especially for premature encashment. For mature account closing the procedure is very easy. Banker will provide an account statement to the customer and match with deposit slip. Then encashment amount will be calculated by banker. Account opening form will be brought from the vault and photo will be verified, signature will be verified.

### **Transfer of an A/C:**

Account holder may transfer his account from one branch to another branch. For this he/she must apply to the manager of the branch where he is maintaining account. Then manager sends a request letter to the manager of the branch where the account holder wants to transfer his account. With his request he sends original copy of account opening application and specimen signature card and photocopy of application for transferring the account with the balance remained account. But now-a-days customer need not transfer their account from one branch to another branch. They can make transaction any FSIBL branch with truly on-line facility.

### **3.3 Clearing section**

Clearing is a system by which a bank can collect customers fund from one bank to another through clearing house. Clearing department plays a vital role in general banking. This department receives cheques, DD, P.O. etc. from depositors attached with a deposit slip. Then instruments are posted to the 'NIKAS' computer. After posting this instruments are segmented bank wise. The Clearing House sits twice daily on all working days. **The first clearing is** held in the morning and the second clearing in the afternoon. Time for both the clearings are pre-determined. Change in timing, if any, is advised from time to time by Bangladesh Bank/Sonali Bank.

In the first clearing representative of each member banks delivers instruments drawn on rest of the banks and receives instruments of other banks drawn on itself. Cheques/instruments returned unpaid are delivered to the respective representative along with returning memo in the second clearing.

### **Same Day Clearing:**

In order to facilities quick clearance of high value cheques/instruments (Tk. 5 lac or above). Bangladesh Bank introduced “Same-Day Clearing” with effect from for some selected branches of all the member banks located within Dhaka City. All branches of the member banks having on-line banking can participate in the “Same-Day Clearing” system irrespective of locations.

**Clearing is of two types:** (a) Outward Clearing (b) Inward Clearing.

### **Outward Clearing:**

In the case of outward clearing a particular branch receives instrument drawn on other banks within the clearing area and the instruments from outstation branches for collection through the clearing arrangement is considered as outward clearing for that particular branch.

### **Inward Clearing:**

When a particular branch receives instruments sent on themselves by other member banks for collection are treated as inward clearing.

### **Procedures for collection:**

- i. “Received” seal is stamped on the cheque.
- ii. Crossing of the cheques are done
- iii. Proper endorsement is given
- iv. “clearing” seal with date is given
- v. Cheques are sorted bank wise and entries are given to the software (provided by
- vi. Bangladesh Bank)

### **Functions in the clearing house:**

- i. The clearinghouse is an assembly of the locally operating scheduled banks for exchange of checks, drafts, and other demand instruments drawn on each other and received from their respective customers for collection.
- ii. The house meets at the appointed hour on all working days under the chairmanship of the central bank. The clearinghouse sits twice in a working day.
- iii. The members submit the claimable checks in the respective desks of the banks and vice-versa.
- iv. Consequently, the debit and credit entries are given.
- v. At the end, the debit summation and the credit summation are calculated. Then the banks clear the balances trough the check of Bangladesh bank.
- vi. The dishonored checks are sorted and returned with return memo.

- vii. If the instruments are dishonored then they are sorted again and sent back to the returning house along with their return memo.
- viii. Later on all the instruments of FSIBL which were claimed by other banks are sorted and delivered to respective branches.

#### **Bill collection:**

Customers do pay and receives bill from their counter party as a result of transaction. FSIBL collects bill on behalf of their customer. Collection mechanisms in FSIBL are clearing, outward bill for collection (OBC), inward bills for collection (IBC).

#### **Outward bills for collection (OBC)**

When a particular branch receives bills from its local parties or Banks and sends those to an outstation branch or bank for collection the bills are considered outward bills for that particular branch

#### **Procedure of outward bill collection:**

- i. Depositing the cheque along with deposit-slip
- ii. Crossing of the cheques are done indicating particular branch as
- iii. Endorsement “payee’s A/C will be credited on realization” is given
- iv. Entries are given in the outward clearing register (OBC)

Collecting bank can collect it either by its branch or by the drawer’s bank. They will be forward the bill then to that particular branch. OBC number will give on the forwarding letter. Now following procedures will take place in case of the following two cases.

#### **Inward Bills for Collection (IBC)**

When the bills are received by a branch either from an outstation branch, Bank or parties direct for collection and remittance of the proceeds, the bills are considered inward bills for the particular branch.

### **3.4 Cash Section**

Cash section is very much important for any bank.

Cash is a liquid asset and holding of excess cash is expensive and causes loss which is also risky to the bank. So management of cash is very important and it is a very sensitive department requiring very careful handling. Internal checking, supervision and monitoring of cash handling is necessary to avoid incidents of thefts, frauds, forgeries, embezzlement and shortfall. Strict compliance of the set rules and procedures is essential. Proper maintenance of record of cash transactions and efficient handling of cash plays a vital role in Cash Management.

### Steps to be taken while receiving cash at counter:

On receipt of pay-in-slip/credit voucher the receiving cash officers shall—

- i. Check the title of account, its number, amount in words and figures.
- ii. Receiving cash duly counted and checked.
- iii. Write denomination of currency on the back side of the pay-in-slip/credit voucher and also write the amount in words and figures in red ink on the face of the same.
- iv. Affix “Received Stamp” on the pay-in-slip/credit voucher and counterfoils and put his signature.
- v. Keep cash in the drawer during business hours.
- vi. Enter particulars of pay-in-slip/credit voucher in receiving cash officer’s book.
- vii. Send the pay-in-slip with the counter foils/credit voucher together with receiving cash officer’s book to cash-in-charge for checking of particulars and second signature.

Following tasks are made in cash section:

- i. Here the customer deposit and withdraw money.
- ii. Customer may receive different type of financial instrument like prize bond.
- iii. Here the customers can pay their utility bills like: electricity bills, telephone bills, water’s bills etc.

### 3.5 Account Section

The Bank accounts are maintained under double entry system of book keeping in which every debit has an equal corresponding credit. Bank transactions are recorded in two ways viz.

- i. **Cash**-Cash receipt and payment are recorded in receiving and paying cashiers register.
- ii. **Transfer**-Transfer receipt and transfer payment vouchers are recorded in Transfer Book.
- iii. **Clearing**-Transfer receipts and transfer payments made through the clearing house. The daily total of cash receipt and cash payments and transfers must agree with the total of the daily Clean Cash Book and General Ledger.

This following department of Dinajpur Branch does following works:

- i. Recording the transactions in general and subsidiary ledger.
- ii. Preparing the daily position of the branch comprising of deposit and cash.
- iii. Making payment of all the expenses f the branch.

- iv. Packing of the correct vouchers according to the debit voucher and the credit voucher.
- v. Recording to the transactions in the cashbook.
- vi. Preparing the monthly salary statements for the employee.
- vii. Make charges of different types of duties.
- viii. Recording of the vouchers in the voucher Register.

**3.6 Product & Service of FSIBL:**

First Security Islami Bank Limited is providing modern banking facilities to the customer. It is committed to fulfill every possible customer need with high efficiency and satisfaction. Its team of dedicated professionals is committed to provide an unparalleled service and to bring maximum benefits for the customers, the shareholders and the society at large. It’s a great pleasure of First Security Islami Bank limited to introduce following services:

**Deposit Product of FSIBL:**

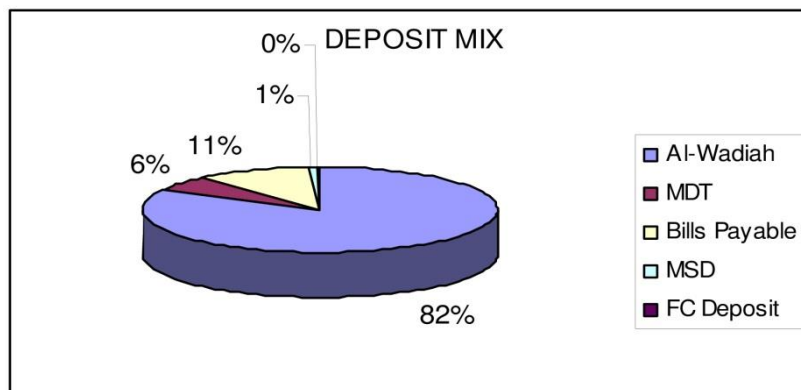
Al-Wadeah Saving Account

Mudaraba Saving Account, Mudaraba Short Term Deposit. Mudaraba Term Deposit-One Month

Three Month, Six Month, One Year, Two Year, Three Year.

- 1. Mudaraba Monthly Income Scheme
- 2. Mudaraba Monthly Savings Scheme
- 3. Mudaraba Savings Scheme
- 4. Mudaraba Haji Scheme
- 5. Mudaraba Education Saving Scheme.
- 6. Mudaraba Special Savings (Pension)
- 7. Mudaraba Muhar Savings

**Deposit mix of FSIBL**



**Fig 4: Deposit mix of FSIBL**

### **3.7 Deposit Products of First Security Islami Bank Ltd.**

#### **Al-Wadiah Current Deposit Account**

- i. Any adult having sound mind can open this account in his/her name singly or jointly with others. Any proprietorship/partnership firm, limited company (private/public), educational institution, club, association, socio-economic organization can also open this account.
- ii. Account opening balance is TK. 1,000 only, which is treated as minimum balance of the account.
- iii. Yearly Account maintenance fees: TK. 1,000 only + 15% VAT
- iv. Internet Banking Service (Yearly Fees: TK. 200 only + 15% VAT)
- v. SMS Banking (Yearly Fees: TK. 200 only + 15% VAT)
- vi. ATM Card / Debit Service (Yearly Fees: TK. 500 only + 15% VAT)

#### **Mudaraba Savings Deposit Account**

- i. Any adult having sound mind can open this account in his/her name singly or jointly with others. Any proprietorship/partnership firm, limited company (private/public), educational institution, club, association, socio-economic organization can also open this account.
- ii. Account opening balance is TK. 500 only, which is treated as minimum balance of the account.
- iii. Provisional Rate of Profit: 5.00%
- iv. Yearly Account maintenance fees: TK. 600 only + 15% VAT
- v. Internet Banking Service (Yearly Fees: TK. 200 only + 15% VAT)
- vi. SMS Banking (Yearly Fees: TK. 200 only + 15% VAT)
- vii. ATM Card / Debit Service (Yearly Fees: TK. 500 only + 15% VAT)

#### **Mudaraba Monthly Income Scheme**

Bangladesh is a developing country. But in our country opportunity of is very low. People of our country always try to save their excess money and they are looking for where they can deposit the money. According to their demand FSIBL started this monthly income scheme.

#### **Highlights of the Scheme:**

- i. Minimum deposit Tk. 25000/
- ii. Higher monthly income for higher deposits.
- iii. The scheme is for a 5 years period.



- iv. Monthly income will be credited to the depositor's account on 5<sup>th</sup> of

Each month. Deposit Account	Income
Tk. 25,000	Tk. 250
Tk. 50, 000	Tk. 500
Tk. 1,00,000	Tk. 1000
Tk. 2,00,000	Tk. 2000
Tk. 5,00,000	Tk. 5000
Tk. 10,00,000	Tk. 10,000

Fig: Monthly income to deposit amount

#### Objective of the scheme:

- i. An account is to be opened by filling up a form.
- ii. The bank will provide to the customer a deposit receipt after opening the account. This receipt is non-transferable.
- iii. If the deposit is withdrawn before a 5 years term, the saving interest rate will be applicable and paid to the depositor, however, no interest will be paid if the deposit withdrawn within 1 years of paid to the customer will be adjusted from the principal amount.
- iv. A depositor can avail loan up to 80% of the deposit amount under this scheme. In this case, interest will be charge against the loan as per bank's prevailing rate. During the tenure of the loan, the monthly account until liquidation of the loan amount inclusive of profit.
- v. The Government taxes will be paid, if necessary taxes will be paid, if necessary, by the client.

#### Mudaraba Savings Scheme

Saving helps to build up capital and is the prime source of business investment in a country. Investment takes the country towards industrialization, which eventually creates wealth. That is why savings is treated as the very foundation of development. To save, FSIBL offers Super Saving Scheme.

#### Terms and Conditions of the scheme:

- i. Any individual, company, educational institution, government organization, NGO, trust, society etc may invest their savings under this scheme.
- ii. The period of deposit is for six years.
- iii. Any customer can open more than one account in a branch in his name or in joint names. A deposit receipt will be issued at the name of opening the account.

- iv. If the deposit is withdrawn before six years terms, then savings interest rate +6.5% will be applied before payment is made. However, no interest will be paid if the deposit is withdrawn within 1<sup>st</sup> year.
- v. A depositor can avail loan up to 80% of the deposited amount under this scheme.
- vi. Incase of death of the depositor, before the term, the deposit (with saving rate +1%) will be given to the nominee. In the absence of nominee, the legal heirs/successors will be paid on production of succession certificate.
- vii. Incase of issuing a duplicate deposit receipt the rules of issuing duplicate receipt of term deposit will be applicable.
- viii. The client will pay the Government taxes if necessary, in future.

Some examples are given in the table below. Any amount can be deposited in multiples of Tk. 10,000/=

Deposit	Terms	Payable maturity	at Payable Amount
10,000/=	7 Years	Double	20,000/=
20,000/=	7 Years	Double	40,000/=
50,000/=	7 Years	Double	1,00,000/=
1,00,000/=	7 Years	Double	2,00,000/=
2,00,000/=	7 Years	Double	4,00,000/=
5,00,000/=	7 Years	Double	10,00,000/=

### **Mudaraba Savings Scheme**

Saving helps to built up capital and capital is the prime source of business investment in a country. Investment takes the country towards industrialization that eventually crates wealth. That is why savings is treated as the very foundation of development. To create, more awareness and motivate people to save, FSIBL offers Multi Plus Savings Scheme.

### **Terms and Conditions of the Scheme**

- I. Any individual, company, educational institution, government organization, NGO, trust, society etc may invest their savings under this scheme.
- II. The deposit can be made in multiples of Tk. 10,000/=
- III. The period of deposit is for 10 years. But he deposit can be withdrawn at any year with profit. As an example of 1 year but before 2 years then deposit with interest with paid for 1 year only. The same rule will apply for other years. If deposit is withdrawn before 1<sup>st</sup> year then no interest will be paid.
- IV. Any customer can open more than one account in a branch in his name or in joint names. A deposit receipt will be issued at the name of opening the account.

- V. The depositor can avail loan up to 80% of the deposit under this scheme.
- VI. Incase of issuing a duplicate receipt the rules of issuing a duplicate receipt of terms deposit will be applicable.
- VII. Incase of death of the depositor, before the term, the depositor (with saving rate) will given to the nominee. In the absence of nominee, the legal heirs/successors will be paid on production of succession certificate.

The government taxes will be paid, if necessary, by the client, in future. Some examples are given in the table below. Any amount can be deposited in

Multiples of Tk. 10,000/=				
Amount	10,000/=	20,000/=	50,000/=	1,00,000/=
Year	Year wise payable to customer			
01	10,910/=	21,820/=	54,550/=	1,09,100/=
02	12,012/=	24,024/=	60,061/=	120,122/=
03	13,346/=	26,693/=	66,731/=	1,33,463/=
04	14,952/=	29,904/=	74,761/=	1,49,522/=
05	16,714/=	33,429/=	83,572/=	1,67,144/=
06	18,765/=	37,530/=	93,824/=	1,87,649/=
07	21,499/=	42,998/=	1,07,496/=	2,14,992/=
08	25,116/=	50,231/=	1,25,578/=	2,51,156/=
09	28,270/=	56,540/=	1,41,351/=	2,82,702/=
10	31,782/=	63,744/=	1,59,361/=	3,18,721/=

### Mudaraba Monthly Savings Scheme

The savings amount is to be deposited within the 10<sup>th</sup> of every month. Incase of holidays the deposit amount is to be on the following day. The deposit may also be made in advance.

The depositor can have a separate account in the bank from which a standing instruction can be given to transfer the deposit in the scheme's account. Incase the depositor fail to make the monthly installment in time, then 5% on overdue installment amount will be charged. The charge will be added with the following month(s) installment and the lowest charge will be Tk. 10/=.

### Rules

A form has to be filled at the time of opening the account. No introduction is attested photographs are advised.

- The depositor can select any of the installment amounts, which cannot be subsequently changed.
- Incuse of minors the guardians may open and supervise the account in this favor.

- iii. A single person can open more than one account for saving under several interest rates.
- iv. The depositor should notify the bank immediately on any change of address.
- v. The government tax will be deducted from the interest accumulated in this scheme.
- vi. If necessary, at the request of the depositor, the scheme can be transferred to a different branch of the same bank.
- vii. The bank reserves the right to change the rules and regulations of the scheme as and when deemed necessary.

Term	Monthly Installment (Tk.)	Monthly Installment (Tk.)	Monthly Installment (Tk.)	Monthly Installment (Tk.)
	500	1000	2000	5000
<b>Total Benefit</b>				
5 years	39041	78082	156164	390411
8 Years	74202	148808	2946809	742024
10 Years	105095	210190	420380	1050952
12 Years	144461	288923	577847	1444618

### **Mudaraba Hajj Scheme**

Ninety percent of people in our country are Muslim. Hajj is mandatory of every rich and physically fit Muslim people. As a Islami Bank FSIBL offer Hajj Scheme to the customer to fulfill the desire of religious minded people.

One can open this type of scheme in different maturity by paying monthly installment.

### **Education Saving Scheme**

The most gratifying experience for parents are proper education of their children. Educational expense is rapidly increasing and therefore appropriate planning needs to be done by all parents. FSIBL offers you “Education Saving Scheme” to assist in financial planning well ahead in for there children’s higher education.

### **Terms and Conditions of the Scheme:**

- i. Deposit of Tk. 25000/= and multiples thereof at a time will be accepted under the scheme.
- ii. The instrument shall be issued for 7 years, 10 years, 15 years or 20 years term.
- iii. The deposit payable at maturity with benefit either in lump sum or on monthly basis as education allowance for 6 years starting after the completion of respective term.

- iv. To avail the education allowance, the depositor is required to deposit the receipt to pay the amount to his/her nominated person on monthly installment basis as or instrument with the bank duly discharged by him with the written instruction stipulated in the scheme.
  - v. Normally no withdrawn will be allowed before maturity. But, if any depositor intends to withdrawn his deposit before maturity, the following rules will be applicable: If withdrawn is made before seven years, interest will be calculated and paid as per prevailing saving rate.
- (b) If withdrawn is made at any time after seven years, the total amount payable at maturity of the immediate preceding terms will be paid along with interest for the fractional period at prevailing saving rate.
- i. The depositor can avail loan up to 80% loan under the scheme.
  - ii. Incase of issuing duplicate receipt the rules of issuing duplicate receipt of terms deposit will be applicable.

Example Table			
Term	Initial (Tk)	Deposit Amount payable at maturity	Education Allowance P/M
7 Years	25,000/=	55,000/=	1,000/=
10 Years	25,000/=	77,000/=	1,500/=
15 Years	25,000/=	1,36,000/=	2,500/=
20 Years	25,000/=	2,40,000/=	4,500/=

FSIBL card provides cash withdrawal facility up to 50% of your credit limit; this may be availed from ATM or from any branches of FSIBL Ltd. With a nominal cash withdrawal charge.

### **Mudaraba Term Deposit Account**

- i. Any adult having sound mind can open this account in his/her name singly or jointly with others. Any proprietorship/partnership firm, limited company (private/public), educational institution, club, association, socio-economic organization can also open this account.
- ii. Account opening balance is TK. 10,000 only

SL	Period	Provisional Profit Rate
1	1 Month	6.00%
2	3 Months	8.25%
3	6 Months	8.50%
4	1 Year and Above	8.75%

### **Onkur Account – Mudaraba Students Savings A/C (School Banking):**

- i. Students up to X (below 18) can open Onkur A/C.
- ii. Account opening balance: TK.100 only.
- iii. Free ATM Card\*\* & Cheque Book.
- iv. Any Amount Can be Deposited & Withdrawal.
- v. 8% (Provisional) Profit on deposit.
- vi. No Account Maintenance Fees.

\*\* Free ATM Card for 1st Year, 50% Waiver from 2nd Year.

### **Projonmo – Mudaraba New Generation Savings A/C**

- i. College & University going students can open A/C
- ii. Account Opening @ 200 Taka
- iii. Free ATM Card\*\* & Cheque Book
- iv. Any Amount above 100 Taka Can be Deposited & Withdrawal
- v. 8% (Provisional) Profit on deposit.
- vi. No Account Maintenance Fees.

\*\* Free ATM Card for 1st Year, 50% Waiver from 2nd Year

### **Uddipon- Mudaraba New Generation Deposit Scheme**

- i. Scheme for College & University going students
- ii. Monthly Installment: Any amount between TK. 200 to 20,000
- iii. Maturity 1, 2, 3, 4, 5, 6,7 & 8 Years
- iv. Attractive Profit Rate.
- v. TK. 1,00,000/- Free Life Insurance Facility

### **Alo – Mudaraba Education Deposit Scheme**

- i. Special Deposit Scheme for the Parents of Students
- ii. Monthly Installment: 500/- to 25,000/-
- iii. Tenure: 3, 5, 8, 10, 12 & 15 Years
- iv. TK.1,00,000/- Free Life Insurance Facility
- v. Monthly Installment can be paid in any working day of the month in any Branch/li>

### **Shuversa Mudaraba Gift Cheque**

- i. Gift Cheque Valuing Tk. 500/-, 1000/-, 2000/- & 5000/-
- ii. Profit on daily basis
- iii. Encash at our any Branch

### **Mudaraba Monthly Profit Scheme**

- i. Minimum TK. 850/- profit against TK. 1,00,000/- deposit\*
- ii. Tenure: 3 years
- iii. Minimum Deposit: TK.25,000/-
- iv. TK. 1,00,000/- Free Life Insurance Facility

### **Mudaraba Cash Wakf Deposit Scheme**

- i. It is a Perpetual Donation
- ii. Minimum Waqfa amount Tk. 5000/-
- iii. Attractive Profit Rate
- iv. TK. 1,00,000/- Free Life Insurance Facility

### **Agroshor – Mudaraba Millionaire Deposit Scheme**

- i. After maturity Tk. 1 million (app) with profit
- ii. Monthly Installment Tk. 23925, Tk. 12865, Tk. 6800, Tk. 4830, Tk. 3570, Tk. 2375, Tk. 1630, Tk.1285
- iii. Tenure: 3, 5, 8 ,10, 12, 15, 18 & 20 Years
- iv. TK. 1,00,000/- Free Life Insurance Facility

### **Unnoti – Mudaraba Crorepoti Deposit Scheme**

- i. After maturity Tk. 1 Crore (app) with profit
- ii. Monthly Installment TK. 1,25,425/-, Tk. 65,125/-, Tk. 45,420/- Tk. 33,090/-, Tk. 21,485/-, Tk. 14,415/-, tk. 11,176/-, Tk. 8,725/-
- iii. Tenure: 5, 8 ,10, 12, 15, 18, 20, 22 & 25 Years
- iv. TK. 1,00,000/- Free Life Insurance Facility

### **Mehnoti- Mudaraba Sromojibi Savings Account**

- i. For all low income people like Garment workers, Farmer, Workers producing leather product
- ii. Account opening @ Tk. 100
- iii. Attractive profit rate

### **Gharoni – Mudaraba Housewife Deposit Scheme**

- i. Monthly Installment: Any amount from TK. 500/- to TK. 25,000/-
- ii. Tenure: 3, 5, 8 & 10 Years
- iii. Attractive Profit Rate
- iv. TK. 1,00,000/- Free Life Insurance Facility

### Bondhon – Mudaraba Marriage Deposit Scheme

- i. Monthly Installment from TK. 500/- to TK.25,000/-
- ii. Tenure: 3, 5, 8, 10, 12, 15 & 20 Years
- iii. Attractive Profit Rate
- iv. TK. 1,00,000/- Free Life Insurance Facility

### Niramoy – Mudaraba Health Care Deposit Scheme

- i. Monthly Installment from TK. 500/- to TK.25,000/-
- ii. Tenure: 3, 5, 8 & 10 Years
- iii. Attractive Profit Rate
- iv. TK. 1,00,000/- Free Life Insurance Facility

### Mudaraba Monthly Deposit Scheme

- i. Monthly Installment from TK. 500/- to TK.25,000/-
- ii. Tenure: 3, 5, 8 & 10 Years
- iii. Attractive Profit Rate
- iv. TK. 1,00,000/- Free Life Insurance Facility

### Shadesh – Mudaraba Emigrant Deposit Scheme

- i. Monthly Installment from TK. 2,000/- to TK.30,000/-
- ii. Tenure: 3, 5, 8, 10, 12, 15 & 20 Years
- iii. Attractive Profit Rate
- iv. TK. 1,00,000/- Free Life Insurance Facility

Years / Monthly Installment	3 Years	5 Years	8 Years	10 Years	12 Years	15 Years	20 Years	
<b>100</b>	4,197	7,878	15,048	21,388	29,157	44,422	83,755	<b>Mehonoti</b>
<b>250</b>	10,493	19,695	37,621	53,470	72,892	111,055	209,388	
<b>500</b>	20,986	39,391	75,241	106,940	145,785	222,109	418,776	
<b>1000</b>	41,973	78,782	150,483	213,879	291,570	444,218	837,552	
<b>1500</b>	62,959	118,173	225,724	320,819	<b>Only for Monthly Deposit Scheme</b>			
<b>2000</b>	83,946	157,564	300,966	427,759	583,140	888,436	1,675,103	
<b>2500</b>	104,932	196,955	376,207	534,698	728,925	1,110,545	2,093,879	
<b>5000</b>	209,865	393,909	752,415	1,069,396	1,457,849	2,221,090	4,187,758	
<b>10000</b>	419,729	787,818	1,504,829	2,138,793	2,915,699	4,442,181	8,375,517	
<b>15000</b>	629,594	1,181,727	2,257,244	3,208,189	4,373,548	6,663,271	12,563,275	
<b>20000</b>	839,458	1,575,637	3,009,659	4,277,586	5,831,398	8,884,362	16,751,033	
<b>25000</b>	1,049,323	1,969,546	3,762,074	5,346,982	7,289,247	11,105,452	20,938,792	
<b>30000</b>	1,259,188	2,363,455	4,514,488	6,416,378	8,747,096	13,326,543	25,126,550	<b>Shawdesh</b>



### 3.8. Investment Schemes of FSIBL

#### Investment / Utilization of the funds.

- i. Bai-Murabaha (Deferred Lump Sum/ Installment Sale)
- ii. Bai-Muajjal (Deferred Installment / Lump Sum Sale)
- iii. Ijara (Leasing)
- iv. Musharaka (Joint-Venture, Profit-Sharing)
- v. Mudaraba (Trustee Profit-Sharing)
- vi. Bai-Salam (Advance Sale and Purchase)
- vii. Hire-Purchase
- viii. Direct Investments
- ix. Ijara (Leasing)
- x. Post Import Investment
- xi. Purchase and Negotiation of Export Bills
- xii. Inland Bills Purchased
- xiii. Murabaha Import Bills
- xiv. Bai-Muajjal Import Bills
- xv. Pre-Shipment Investment
- xvi. Quard-ul-Hasan (Benevolent Investment)

#### Letter of Guarantee

- i. Tender Guarantee
- ii. Performance Guarantee
- iii. Guarantee for Sub-Contracts
- iv. Shipping Guarantee
- v. Advance Payment Guarantee
- vi. Guarantee in lieu of Security Deposits
- vii. Guarantee for exemption of Customs Duties
- viii. Others

## Letter of Credit (L/C) / Back to Back Letter of Credit (L/C)

### Specialized Schemes

- i. Tender Guarantee
- ii. Consumer Investment Scheme
- iii. SME Investment Scheme,
- iv. Lease Investment Scheme,
- v. Hire Purchase,
- vi. Earnest Money Investment Scheme,
- vii. Mortgage Investment,
- viii. Employees House Building Scheme,
- ix. ATM, VISA Investment Card, EEF, etc.

### Foreign Remittance

- i. **Western Union** a fast, reliable and convenient way to send a money transfer.
- ii. Western Union Financial Services Inc. USA is the number one and reliable money transfer company in the world. This modern Electronic Technology based money transfer company has earned worldwide reputation in transferring money from one country to another country within the shortest possible time.
- iii. Millions of people have confidence on Western Union for sending money to their friends and family. Through Western Union Money Transfer Service, Bangladeshi Wage Earners can send money quickly from over 280,000 Western Union Agent locations in over 200 countries and territories worldwide the world's largest network of its kind.
- iv. First Security Islami Bank has remittance drawing arrangement with the Western Union, largest global money transfer service provider. Under the agreement Bangladeshi expatriates living in different parts of the world can send their money safely and quickly to the beneficiaries in Bangladesh. First Security Islami Bank has the arrangement for their Products: Instant Cash
- v. **Zenj Exchange** has grown from one single outlet manned by 3 staff into a firm of 12 branches spread all over Bahrain. It remains as a goal to continue expanding product base and providing quality service, while meeting the needs of all the communities under cover of their service.

- vi. Thousands of people/expatriate in Baharain chooses Zenj Exchange to handle their hard-earned money. They know the time-tested network of Zenj Exchange has the safety reliability and speed that never lets them down. More people rely on Zenj Exchange than any other foreign exchange service provider to support families back home, rescue travelers in emergencies, aid students in foreign countries, monthly mortgage payments to a cross-border bank and keep businesses operation smoothly.
- vii. First Security Islami Bank has remittance drawing arrangement with the Zenj Exchange Co., Bahrain under this agreement Bangladeshi expatriates living in Bahrain can send their money safely and quickly to the beneficiaries in Bangladesh. First Security Bank has the arrangement for the Products: Turbo Cash, TT (Bank Transfer)
- viii. **The MoneyGram brand** is recognized throughout the world as a leading global payment services company. The diverse array of products and services we offer enables consumer and businesses to make payments and transfer money around the world. From New York to Russia or London to India – in more than 192 countries – MoneyGram’s money transfer service moves money quickly and easily around the world.
- ix. First Security Islami Bank has remittance drawing arrangement with the MoneyGram, one of the global leaders in money transfer service. Under the agreement Bangladeshi expatriates living in different parts of the world now send their money safely and quickly to the beneficiaries in Bangladesh. First Security Islami Bank has the arrangement for the Products: Instant Cash
- x. **The Xpress Money** is recognized throughout the world as a leading global money transfer service provider. Xpress Money’s agent network is spread across 125 countries in 5 different continents with over 135,000 agent locations. Xpress Money is also one of the few non-banking entities with a SWIFT membership which gives them the credibility and reach that is unparalleled across the globe.
- xi. First Security Islami Bank has remittance drawing arrangement with the Xpress Money, one of the global leaders in money transfer service. Under the agreement Bangladeshi expatriates living in different parts of the world now send their

money safely and quickly to the beneficiaries in Bangladesh. First Security Islami Bank has the arrangement for the Products: Instant Cash.

### Utility Bill Payment

Branch	Bill Type	Branch	Bill Type
Mohakhali, Dhaka	DESCO	Shafipur , Gazipur	Dhaka Pally Biddut Shumitty
Topkhana, Dhaka	Under process (Electric bill)	Keranihat, Chittagong	Pally Biddut Shumitty
Gulshan, Dhaka	Titas Gas	Biswanath, Sylhet	Pally Biddut Shumitty

### 3.9. Other services:

#### Online Banking

FSIBL has set up Wide Area Network through Radio, Fibre-Optics & other available communication modes to provide any branch banking to our customers.

Customer of one Branch is now able to deposit and withdraw money at any of our Branches. All Branches are included in our Wide Area Network.

No TT/DD or cash carrying will be necessary.

#### Internet Banking

- i. Features
- ii. Registration
- iii. Transfer
- iv. Awareness
- v. Information

#### Features of FSIBL Online Banking

- i. Balance Inquiry
- ii. Limit Inquiry
- iii. Profit Details
- iv. Term Deposit Details
- v. Investment Repayment Schedule
- vi. Cheque Book Details
- vii. Clearing Cheque Status
- viii. Transaction Details
- ix. Customer Information
- x. Statement Request

- xi. Stop Cheque Request
- xii. Address Change Request
- xiii. Cheque Book Requisition
- xiv. Password Change
- xv. EMI Calculator

### **Mobile Banking**

- i. Features
- ii. Services
- iii. Requirements
- iv. Form Download

#### **Features of FSIBL Sure Cash**

- i. Convenient
- ii. Faster Electronic Fund Transfer
- iii. Safe Payment System
- iv. Cash Withdrawal
- v. Fund Transfer Facilities
- vi. Widely Available Throughout the Country
- vii. Simple Account Opening

### **SMS Banking**

First Security Islami Bank welcomes you to access your banking needs from anywhere anytime. It is indeed a fast, secure, convenient and quickest way of banking. The service is available round the clock 24×7 a week.

Get real-time banking information and be in touch any time with FSIBL from your mobile. You can check your balance, account information, or even get your mini account statements through FSIBL SMS Banking Service.

### **Account Service**

- i. Balance Inquiry
- ii. Mini Statement
- iii. Transaction Alert- Cash/Transfer/Clearing Withdrawal Amount (ATM, POS & CBS)
- iv. Transaction Alert- Cash/Transfer/Clearing Deposit Amount (ATM, POS & CBS)
- v. Pin Number Change

### **How to send SMS**

Go to message option of your cell phone and type the designated Hotkey/Service Code & PIN Number and send the SMS to 6969.

### **ATM Banking**

First Security Islami Bank Ltd. has implemented successfully Automated Teller Machine (ATM) /DEBIT card transaction from June 25, 2008. Through Automated Teller Machine (ATM) /Debit card, customer can avail the facilities like withdrawal money, balance inquiry and purchase goods from Point of sale (POS) using our own ATM Booth, Q-Cash Network and POS.

### **ATM Service**

- i.Cash Withdraw
- ii.Mini Account Statement
- iii.Balance Inquiry

# **Chapter-04**

## **Major Findings, Conclusion & Recommendations**

If they are aware of some simple setback, that might be better for HRD. The setbacks are as follows as under:

- i. There is no recording system of highly favorable and unfavorable employee's actions.
- ii. A single performance appraisal format exists for all levels of employee.
- iii. There is positive relationship between performance appraisal and employee commitment to the organization.
- iv. Subordinates' developmental needs totally depend on Manager Cooperation, Leadership and attitude, which is absent in First Security Islami bank Limited.
- v. Managers do not provide any brief/ discussion or guide to communicate the performance appraisal system of the bank.
- vi. Rating scale is very high level for Understanding to Employee.
- vii. Annual performance Appraisal systems are very wide-ranging.
- viii. Before Evaluation HRD/Manager doesn't notice, informed or guide to the employee.
- ix. Employees are not addressed to understand their progress in the job or there is no formal mechanism of counseling system to improve performance.
- x. HRD did not undertake any research/query/survey on every employee performance, behavior, work attitude, and job satisfaction.
- xi. Regular performance appraisal helps to develop employee morale and performance.



## 4.2 Conclusion

First Security Islami bank Ltd. has established goodwill through innovative products and services. It has many problems but is followed very sincerely the rules, regulations and advice of Bangladesh bank during the last nine years. From the practical implementation of customer dealing procedure during the whole period of the practical orientation in FSIBL .I have reached a firm and concrete conclusion in a very confident way. The realization will be in synchronization with most of the banking thinking. It is quite evident that to build up an effective and efficient banking system to the highest desire level computerized transaction is a must.

Success in the banking business largely depends on effective lending. Less the amount of loan losses, the more the income will be from credit operation. The more the income from the credit operation the more will be the profit of the FSIBL and here lays the success of credit financing.

Through there are some drawbacks in implementing credit facilities in FSIBL as per manual, it can be further developed in light of the recommendations being discussed above. During the 03 month internship program at almost all the desk have been observed more or less. Gaining knowledge of practical banking and to compare this practical knowledge with theoretical knowledge. Though all departments and sections are covered in the internship program, it is not possible to go to the depth or each activities of division because of time limitation.

So, objectives of this internship program have not been fulfilled with complete satisfaction. However, highest effort has been given to achieve the objectives the internship program.

### 4.3 Recommendations:

Here is some recommendation for First security Islami Bank Ltd. (Dinajpur branch), considering the problems and issues identified on part 4 of this report.

- i. Bank authority can use more advanced software for the bank.
- ii. They should label the file cabinet of the front desk.
- iii. There should be always enough officers on front desk to handle the customers.
- iv. There should be at least two officers to handle the accounts department.
- v. They should improve their electricity backup system.
- vi. Needs to extent the branch network throughout the country and new branches in the other towns and remote areas.
- vii. Adequate measure needs to be takes to reduce the system failure.
- viii. Working environment should be enriched.
- ix. Charges should be decrease as like as nationalize bank.
- x. Proper training and technology should be used to reduce the risk at the root level.
- xi. Improvement in the customer service is needed.
- xii. Incorporate more financial product for the clients.
- xiii. Take proper marketing and product promotion policy to let the general people know about this bank and its services.
- xiv. Website of FSIBL is not rich enough to know about different things in detail. So the website need to be enriched and need to update time to time.
- xv. Behaviors with the clients made by the employees sometimes are not enough to satisfy the clients and hence the bank should increase customer satisfaction level with the smiling face and other facility.
- xvi. Management should carefully handle the different departments of general banking in regard to provide better service in terms of accounts opening, cash receive and cash payment
- xvii. In respect of cash receive and cash payments, service should be very prompt.
- xviii. In regard to provide better service to the customers the general banking departments of FSBL should use modern technology. Use of modern technology can increase cost but it will increase productivity highly.

## Bibliography

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- From Book called Text BOOK ON Islamic Banking by Mr. KabirHasan
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- Prospectus of FSIBL
- Annual Report-2015
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## Appendix

### FIRST SECURITY ISLAMI BANK LIMITED BALANCE SHEET AS AT 31 DECEMBER 2014

	Notes	31.12.2014 BDT	31.12.2013 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3	<b>16,290,251,915</b>	<b>11,549,381,970</b>
In hand (Including foreign currencies)		1,269,384,425	1,294,881,463
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		15,020,867,490	10,254,500,507
<b>Balance with other Banks and Financial Institutions</b>	4.1	<b>597,163,123</b>	<b>275,093,084</b>
In Bangladesh		124,239,998	102,467,884
Outside Bangladesh		472,923,125	172,625,200
<b>Placement with Banks &amp; other Financial Institutions</b>	4.2	<b>14,094,000,000</b>	<b>14,104,000,000</b>
<b>Investments in Shares &amp; Securities</b>	5	<b>10,327,474,814</b>	<b>6,995,202,236</b>
Government		9,830,006,400	6,030,358,600
Others		497,468,414	964,843,636
<b>Investments</b>	6	<b>152,792,319,038</b>	<b>114,601,798,177</b>
General Investment etc.	6.A	152,490,920,155	113,936,099,071
Bills Purchased and Negotiated	6.B	301,398,883	665,699,106
<b>Fixed Assets Including Premises, Furniture &amp; Intangible Assets</b>	7	<b>3,102,485,519</b>	<b>2,476,432,062</b>
<b>Other Assets</b>	8	<b>7,308,958,621</b>	<b>11,821,069,316</b>
<b>Non Banking Assets</b>		-	-
<b>Total Assets</b>		<b>204,512,653,030</b>	<b>161,822,976,845</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Placement from Banks &amp; other Financial Institutions</b>	9	<b>397,378,570</b>	<b>4,129,788,842</b>
<b>Deposits and Other Accounts</b>	10	<b>182,511,812,854</b>	<b>139,520,955,783</b>
Al-Wadia Current Deposits and Other Deposit Accounts	10.1	9,598,174,364	7,519,138,807
Bills Payable	10.2	954,717,747	1,176,111,458
Mudaraba Savings Deposits	10.3	9,525,501,444	6,433,026,364
Mudaraba Term Deposits	10.4	122,347,027,420	99,476,837,371
Other Mudaraba Deposits	10.5	40,086,391,879	24,915,841,783
<b>Mudaraba Subordinated Bond</b>	11	<b>2,382,000,000</b>	<b>2,500,000,000</b>
<b>Other Liabilities</b>	12	<b>10,872,690,690</b>	<b>9,238,632,656</b>
<b>Total Liabilities</b>		<b>196,163,882,114</b>	<b>155,389,377,281</b>
<b>Capital/Shareholders' equity</b>			
Paid-up Capital	13.1	4,114,387,200	4,114,387,200
Right Share Money Deposit	13(a)	1,564,966,255	-
Statutory Reserve	14	1,609,267,996	1,310,398,870
Other Reserve	15	35,495,817	114,061,074
Assets Revaluation Reserve	15(a)	382,320,802	392,381,876
Retained Earnings	16	642,332,846	502,370,544
<b>Total Shareholders' Equity</b>		<b>8,348,770,916</b>	<b>6,433,599,564</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>204,512,653,030</b>	<b>161,822,976,845</b>

**FIRST SECURITY ISLAMI BANK LIMITED**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

	Notes	31.12.2014 BDT	31.12.2013 BDT
<b>OFF- BALANCE SHEET ITEMS</b>			
<b>Contingent Liabilities</b>			
Acceptances and Endorsements		11,433,615,498	2,378,051,173
Letters of Guarantee	17	6,381,276,624	4,547,711,472
Irrevocable Letters of Credit	18	4,910,289,756	3,740,407,481
Bills for Collection	19	939,777,561	1,199,385,180
Other Contingent Liabilities		-	-
<b>Total</b>		<b>23,664,959,439</b>	<b>11,865,555,306</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		-	-
<b>Total</b>		-	-
<b>Total Off -Balance Sheet Items Including Contingent Liabilities</b>		<b>23,664,959,439</b>	<b>11,865,555,306</b>

The annexed notes form an integral part of these financial statements

  
**Managing Director**

  
**Director**

  
**Director**

  
**Chairman**

Signed as per annexed report of even date

Dhaka, 11 March 2015

  
**Chartered Accountants**