

An Internship Report

On

**“Financial Performance Evaluation of
Social Islami Bank Limited”**



উৎকর্ষ অবিরাম
Journey Towards Excellence



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

An Internship Report

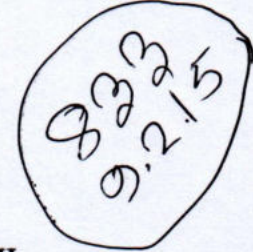
On

“Financial Performance Evaluation of Social Islami Bank Limited”

Submitted By:

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BBA (Major in Finance), Level-4, Semester-II
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Faculty of Business Studies
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This report is submitted to the department of Finance and Banking, faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur for the fulfillment of the degree Bachelor of Business Administration (BBA)

(BBA Program-2013)

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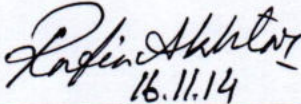
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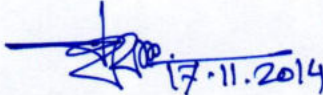
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17.11.2014

Prof. Dr. A.T.M. Rezaul Hoque
Chairman of Internship Report Evaluation Committee
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Faculty of Business Studies
HSTU, Dinajpur

November 2014

Letter of Transmittal

November 19, 2014

Rafia Akhtar

Associate Professor, Chairman & Supervisor

Department of Management

Hajee Mohammad Danesh Science and Technology University, Dinajpur.

Subject: Submission of internship report on “**Financial Performance Evaluation of Social Islami Bank Limited.**”

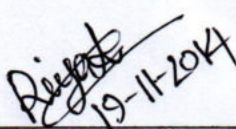
Dear Madam,

It is an immense pleasure for me to submit the internship report on “**Financial Performance Evaluation of Social Islami Bank Limited.**” Which I have prepared by performing 45 days internship at Social Islami Bank Limited, Dinajpur branch to fulfill the requirement of BBA degree in the Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University.

I sincerely believe that this internship program will help me to enrich my adaptability quality in the long run when I will involve myself in practical field. I am grateful for your valuable advices and great cooperation. I tried my best to go deep into the matters and make full use of my capabilities in making the report meaningful, though there may be some mistakes and shortcomings. I shall be pleased to answer any kind of query you think necessary.

Now I have placed this report before you for your kind approval. I hope that my report will satisfy you. For any of your further queries I would be at your disposal at your convenience.

Sincerely yours,


19-11-2014

Md. Farhan Hossain Riyad

BBA (Major in Finance)

Level-4, Semester-II

Student ID: 1003089

Faculty of Business Studies

Hajee Mohammad Danesh Science and Technology University, Dinajpur.

Student's Declaration

I hereby declare that the report of internship namely "**Financial Performance Evaluation of Social Islami Bank Limited**" by me after the completing of 45 days internship program with **Social Islami Bank Limited at Dinajpur branch** and a comprehensive study of the existing activities of **Social Islami Bank Limited** and its implementation.

I also declare that this paper is my original worked and prepared for academic purpose which is a part of BBA degree and the report may not be used in actual market scenario.

Riyad
19-11-2014

Md. Farhan Hossain Riyad

BBA (Major in Finance)

Level-4, Semester-II

Student ID: 1003089

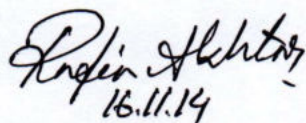
Faculty of Business Studies

Hajee Mohammad Danesh Science and Technology University, Dinajpur.

Supervisor's Declaration

This is to certify that the Internship Report on “**Financial Performance Evaluation of Social Islami Bank Limited**” is the bona fide report and the report is submitted by **Md. Farhan Hossain Riyad**, Student ID 10030889, BBA (Major in Finance), Level-4, Semester-II, completed his internship under my supervision and submitted for the partial fulfillment of the requirement for the degree of Bachelor of Business Administration (BBA) from the Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur.

The report has been prepared under my guidance and is a record of the bona fide work carried out successfully.


16.11.14

Rafia Akhtar

Associate Professor, Chairman & Supervisor

Department of Management

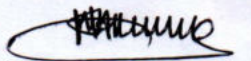
Faculty of Business Studies

Hajee Mohammad Danesh Science and Technology University, Dinajpur.

Co-supervisor's Declaration

This is to certify that the Internship Report on “**Financial Performance Evaluation of Social Islami Bank Limited**” is the bona fide report and the report is submitted by **Md. Farhan Hossain Riyad**, Student ID 10030889, BBA (Major in Finance), Level-4, Semester-II, completed his internship under my supervision and submitted for the partial fulfillment of the requirement for the degree of Bachelor of Business Administration (BBA) from the Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur.

The report has been prepared under my guidance and is a record of the bona fide work carried out successfully.


19-11-14

Md. Jahangir Alam Siddiquee

CO- supervisor

Assistant Professor

Department of Finance and Banking

Faculty of Business Studies

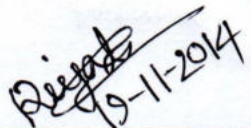
Hajee Mohammad Danesh Science and Technology University, Dinajpur.

Preface

Theoretical and practical knowledge do not always move to the same direction. Theory differs in a great way through its operation and implementation. There is no doubt that, to justify the theoretical knowledge practical orientation has great importance. An Internship program brings the students closer to the practical world. This realization of the universities has introduced the system & provision of Internship program for the students of BBA for better understanding and realization with the practical job environment. The internship program has given me immense opportunity to minimize the gap between theoretical and practical knowledge.

As a BBA student, it was my great pleasure to be in touch with Social Islami Bank Limited, Dinajpur branch which is undoubtedly one of the most efficient and good performing banking institutions in our country. My practical experience through performing different activities of the bank including General Banking activities, Investment, Foreign Exchange, Management etc. has enhanced my view, mission, and acceptability as I have gathered many experiences about to deal in real world phenomenon.

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


19-11-2014

Md. Farhan Hossain Riyad
BBA (Major in Finance)
Level-4, Semester-II
Student ID: 1003089
Faculty of Business Studies
Hajee Mohammad Danesh Science and Technology University, Dinajpur.

Acknowledgement

It is my great privilege to express our gratitude to our creator Allah (SWT) for such great opportunity to be in touch with Social Islami Bank Limited for the 45 days. I have to put my heartened feelings and gratitude for the kindness and assistance that was provided to me to complete my assigned report on the topic "**Financial Performance Evaluation of Social Islami Bank Limited**" For preparing the report I want to express my strong gratitude to my honorable supervisor, Rafia Akhtar, Associate Professor & Chairman, Department of Management and my honorable co-supervisor, Jahangir Alam Siddiqui, Assistant Professor, Department of Finance, Hajee Mohammad Danesh Science and Technology University. I will never forget the kind cooperation I received from my honorable supervisors.

I express my gratitude to all the employees of Social Islami Bank Limited, specially, Chowdhury Adnan Khalid, SEO & Branch Manager, Social Islami Bank Limited, Dinajpur branch. I would also like to thank all other employees of all level for their lovely, kind manner and attitude that they had shown to me during my staying in the branch and their cooperation to prepare and enrich this internship report.

I would like to thank from the deep of my heart to those people who are related with making of this report and make it a success.

At last but not the least, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur for giving me the opportunity to complete my BBA degree and give me a scope to gather practical experience and enrich my knowledge.

May almighty Allah bless all of them.


19-11-2014

Md. Farhan Hossain Riyad

BBA (Major in Finance)

Level-4, Semester-II

Student ID: 1003089

Faculty of Business Studies

Hajee Mohammad Danesh Science and Technology University, Dinajpur.

Executive Summary

As a student Internship is an integrate part to accomplish the BBA degree. This report has been prepared on the basis of 45 days of work experience in Social Islami Bank Limited, Dinajpur branch with the instruction of my supervisors. Social Islami Bank Limited (SIBL) started its operation on 22nd November, 1995 as a Second Generation Islami Bank in close co-operation and assistance of some renowned personalities of Islamic world. Targeting poverty, SIBL is indeed a concept of 21st century participatory three sector banking model: Formal sector, Non formal sector and Voluntary sector. Internship functions have been performed in three departments (General banking, Foreign Exchange and Investment department). During the internship period in General Banking, several functions are performed like, Account opening, Remittance, Cash and clearing section. As a very few time has been spent in foreign exchange department. So the functions were not so vast. Among the three departments of the bank, more emphasize has been given to General Banking activities, in order to prepare this report. Basically report's findings is cover two major areas, first- **"Managing the need of General Banking customer"**, SIBL fulfill General Banking customer need by offering the various types of account like- Al Wadiah current and saving accounts and different deposit schemes like- Lakhopoti deposit scheme, pension saving scheme etc and other functions like, remittance, clearing, cash section function. SIBL also follows some procedures to manage the need of General Banking customer. Another major area of this report is **"Financial Performance Evaluation of SIBL"** and in this part some tools has been used to analyze the performance of the bank like, financial statement analysis. In order to do this analysis, common size Comparative Balance Sheet & Income Statement and Ratio Analysis have been prepared. From the calculation, it is found that the total asset, client deposit, owners equity are increased as both amount and percentage from the last year. The income from investment, income from operating income and net income are also increased from the last year. Ratio analysis in one of the common method to analyze the bank performance, from the calculation it is observed that the Liquidity and Efficiency ratio are not good but the percentage of profitability and capital adequacy ratio are increased from the previous year. The above explanations indicate that the overall performance of the bank is satisfactory.



Ref: SIBL/Dinajpur/Certificate/2014/**1516**

Dated: 10th November 2014

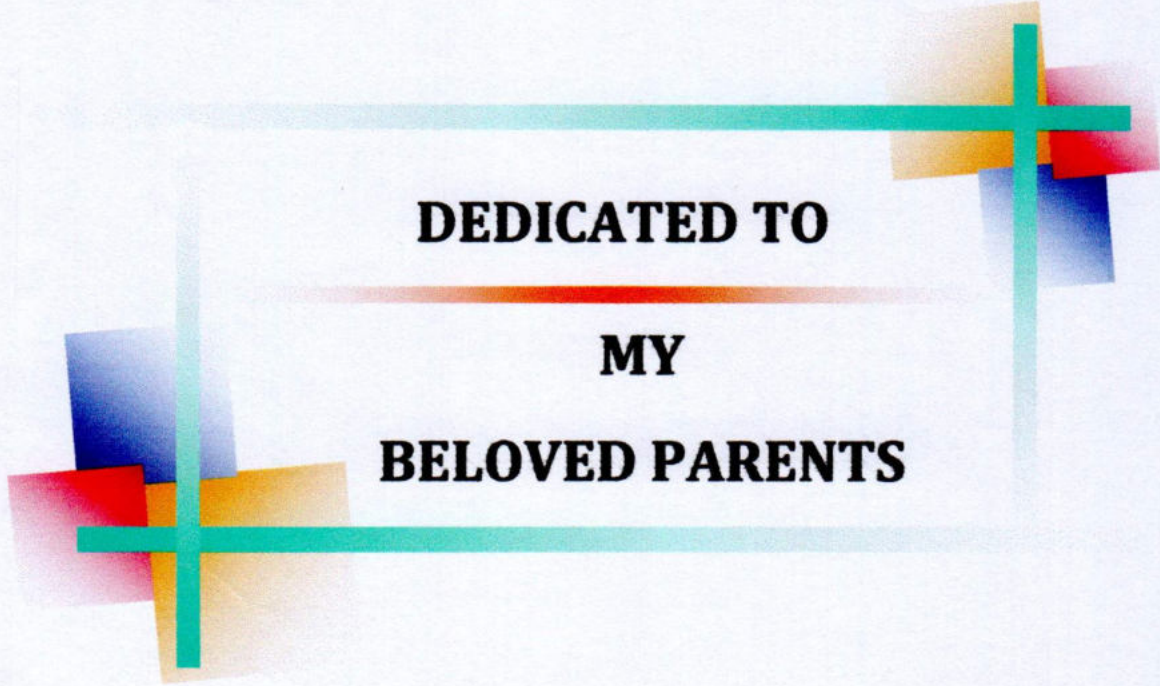
To Whom It May Concern

This is to certify that **Mr. Md. Farhan Hossain Riyad**, Student ID # 1003089, BBA (7th Batch), Hajee Mohammad Danesh Science and Technology University (HSTU), Dinajpur, Son of Mr. Md. Abdur Rashid Mondal & Most. Farida Begum worked with us from 22nd September 2014 to 06th November 2014 as an Internee.

We wish him for his success in life.


Ahmed Selim
OM & Coordinator


Chowdhury Adnan Khalid
Manager



DEDICATED TO
MY
BELOVED PARENTS

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Internship Report

On

**“Financial Performance Evaluation of
Social Islami Bank Limited”**

**Chapter 1
Introduction**



SIBL Social Islami Bank Limited

Chapter 1

Introduction

1.1. Background of the Study:

1.1.a. Rationale of Internship:

Today's business world is dynamic and competitive. Organizations are looking for talent, extrovert graduates who gained high degree of adaptability quality. Today's business graduates will be the core part of business organization. So business graduates need to have both theoretical & practical knowledge to manage the business activity properly.

In order to be familiar with the Islamic bank organizational culture and to gain some practical knowledge about an organization our Business faculty provides 45 days of internship program as a part of the BBA program. This report is a part of my academic program. I believe this study will be beside me in future, especially if I get myself involved in banks and other financial institutions. This program has helped me a lot to understand the organizational atmosphere and corporate culture.

1.1.b. Rationale of Selecting Social Islami Bank Limited (SIBL):

In our economy, there are mainly three types of schedule commercial banks are in operation. They are Nationalized Commercial Banks, Local Private Commercial Banks and Foreign Private Commercial Banks. Islamic Bank has discovered a new horizon in the field of banking area, which offers different General Banking, Investments and Foreign Exchange banking system. So I have decided to study on the topic **"Financial Performance Evaluation of Social Islami Bank Limited."**

I think SIBL being the prime development financing institution continued its effort to make an effective contribution towards expansion of industrialization process of Bangladesh. Social Islami Bank Limited (SIBL) has significantly contributed in flow of national and international transactions..

It seems to me that in SIBL there is a sufficient opportunity to gain practical knowledge about banking activities. The working environment is good and the employees are very much cooperative to provide practical knowledge about different functions of the bank. Here I worked in several departments that helped me a lot to gain some practical knowledge.

1.2. Significance of the Report:

Education will be most effective when theory and practice blends. Theoretical knowledge gets its perfection with practical application. And the internship is designed to bridge the gap between the theoretical knowledge and real application. We all know that there is no alternative of practical knowledge which is more beneficial than theoretical aspects. The prime reason of this study is to become familiar with the practical business world and to attain practical knowledge about the overall Banking and Corporate world, which is so much essential for each and every student to meet the extreme growing challenges in job market.

1.3. Scope of the Report:

In order to maintain the speed of development now Banks must compete in the marketplace both with local institutions as well as foreign ones. The presentation of the organizational structure and policy of Social Islami Bank Limited and investigating the strategies applies by it provide the scope of this report. An infrastructure of the organization has been detailed and looks into the future. The scope of this report is limited to the overall description of the company, its services, its position in the industry, its financial performance analysis the practical progress of its operation. The scope of the study is limited to organizational setup, functions and performances.

1.4. Objectives of the Report:

1.4.a. General Objective:

The prime objective of the report is to **“Financial Performance Evaluation of Social Islami Bank Limited.”**

1.4.b. Specific Objectives:

The following aspects can be listed as the specific objectives for this practical orientation in Social Islami Bank Limited:

- To calculate the financial ratios and identify the areas of concern.
- To identify and assess the present financial performance of Social Islami Bank Limited.
- To understand the implications in analyzing and interpreting the financial ratios.

- To identify the findings and raise possible recommendations for Social Islami Bank Limited.

1.5. Limitations of the Study:

Observing and analyzing the broad performance of a bank and one of its branches are not that easy. Moreover due to obvious reasons of scrutiny and confidentiality, the bank personnel usually don't want to disclose all the statistical information about their organization. Time is another major limitation. The duration of the program was 45 days only and being a temporary member of the organization, it was not possible on my part to notice or express some of the sensitive issues and other aspects. However the some of the limitations I faced while preparing this report are listed as follows:

- **Time Limitation:** To complete the study, time was limited by 45 days. It was really very short time to know details about an organization like Social Islami Bank Limited.
- **Inadequacy of Data:** Lack of available information about export & import business operations of Social Islami Bank Limited. Because of the unwillingness of the busy key persons, necessary data collection became hard. The employees are extremely busy to perform their duty.
- **Lack of Record:** Large-scale research was not possible due to constrains and restrictions posed by the organization. Unavailability of sufficient written documents as required making a comprehensive study. In many cases up-to-date information was not available.
- **Lack of Experiences:** Lack of experiences has acted as constraints in the way of meticulous exploration on the topic.

Internship Report

On

**“Financial Performance Evaluation of
Social Islami Bank Limited”**

**Chapter 2
Methodology**

Chapter 2

Methodology

2.1. Introduction:

This report is a descriptive type of research which briefly reveals the overall financial performance by Social Islami Bank Limited. It has also been administered by collecting secondary data. Annual reports of Social Islami Bank Limited were the major secondary data sources in this regard. Ratio analysis and trend analysis have also been used as major tools for the financial performance analysis. The study is performed based on the information extracted from different sources collected by using a specific methodology. This report is analytical in nature.

The methods of completing the report have included some steps which were followed by one by one. First of all I selected the topic of the report then I had to collect information relating to the topic by primary and secondary sources and through daily conversations with officers. After gathering the information I had to determine the procedure of research and sampling plans. After gathering all the information I required, I have come up with an expected result of the report.

2.2. Population:

All the branches of Social Islami Bank Limited (SIBL) located in everywhere in Bangladesh was taken into consideration as population.

2.3. Sample:

Social Islami Bank Limited, Dinajpur branch was selected for gaining as a better communicational advantage.

2.4. Data Collection:

For carrying out this report I had to study the actual banking operations of SIBL. In order to carry out this study, two sources of data have been used:

- a) Primary data
- b) Secondary data

Sources of data are as follows:

2.4.a. Primary Data Sources:

- Practical desk work
- Face to face conversations with the officers & clients
- Direct observations

2.4.b. Secondary Data Sources:

- Annual reports of SIBL
- Files & folders
- Various reports & articles related to study
- Websites
- Different circulars sent by head office and Bangladesh Bank

For the “Financial Performance Evaluation of Social Islami Bank Limited” I mainly used secondary data. Besides this I also collected some information by taking expert opinion from the officers and direct observations while I was doing the internship program at the bank.

2.5. Size of the Population:

The population is the aggregate of all the elements sharing common set of characteristics that comprise the universe for the purpose of research study. In case of my study the population includes manpower of the bank:

Name of the Post	Number of Sample
Senior Executive Officer (SEO) & Manager	01
Executive Officer (EO)	01
Senior Officer (SO)	02
Officer (OFF)	03
Junior Officer (JO)	01

Assistant Officer (AO)	02
Total Officers	10
Office Attendant (OA)	1
Armed Guard	1
Security Guard	3
Grand Total	15

Table 2.1: Population Size of SIBL, Dinajpur

2.6. Sample Size:

Sample is a subgroup of the elements of the population selected for the study. To accumulate the required data I have contacted with each department of Social Islami Bank Limited (SIBL).

The sample I have taken for the study consists of 15 personnel of SIBL, Dinajpur branch.

2.7. Sampling Technique:

Here I have used **non-probability judgmental sampling** that attempts to obtain a sample of convenient element based on the judgment of the researcher.

2.8. Location of the Study:

The area of my study has been encompassed the operation area of SIBL, Dinajpur branch.

2.9. Statistical Tools Used:

The instruments used to analyze the financial performance of SIBL are:

- a. Ratio Analysis
- b. Trend Analysis

2.9.a. Ratio Analysis:

The quantitative (such as ratio analysis) tools are used to analyze the gathered data & different types of computer software are used for reporting the gathered information from the analysis such as- Microsoft Word, Microsoft Excel etc. Financial statement ratio analysis focuses on three key aspects of a business: liquidity, profitability, and solvency. Ratio can be classified into four broad groups:

- 1) Liquidity Ratio
- 2) Activity Ratio
- 3) Debt Ratio
- 4) Profitability Ratio

Liquidity, activity, and debt ratios primarily measure risk, profitability ratios measure return. In the near term, the important categories are liquidity, activity, and profitability, because these provide the information that is critical to the short-run operation of the firm. Debt ratios are useful primarily when the analyst is sure that the firm will successfully weather the short run.

2.9.b. Trend Analysis:

It is really important to analysis trends in ratios as well as their absolute levels. This analysis informs us whether a company's financial condition improving or deteriorating.

Internship Report

On

**“Financial Performance Evaluation of
Social Islami Bank Limited”**

Chapter 3

**A Brief Overall Study on
Social Islami Bank Limited**

Chapter 3

A Brief Overall Study on Social Islami Bank Limited

3.1. Introduction:

Since the establishment of Social Islami Bank Limited has come forward as a private commercial bank and very encourage has come forward as the stimulator of economic activities in the country. The bank has been entrusted with the responsibility of undertaking various steps related to the development of the country's commercial, industrial and agricultural sectors. The banking sector of a country is called the economic barometer of the country. As a pioneer commercial bank in the private sector in Bangladesh, Social Islami Bank provides considerable financial helps to the business sector that imports industrial goods and/or exports excess production outside the country for profit. Thus for imports the Social Islami Bank provides LIM (Loan against Import Merchandise) and LTR (Loan against Trust Receipt) facility and for exports provides both pre shipment and post shipment finances. Thus with these bank helps the prospects in the business sector has increased more than ever before.

3.2. An Overview of Social Islami Bank Limited:

SIBL started its operation on the 22nd November, 1995 as a Second Generation Islamic Bank in close co-operation and assistance of some renowned personalities of the Islamic world. H.E. Dr. Hamid Al Gabid, Former Secretary General of OIC & Prime Minister of Niger, H.E. Dr. Abdullah Omar Nasseef, Deputy Speaker of Saudi Shura Council & Ex- Secretary General of Rabeta Al-Islami, H.E. Ahmed M. Salah Jamjoom, Former Commerce Minister of Saudi Government, H.E. Prof. Dr. Ahmad El-Naggar (Egypt) participated to this noble endeavor as sponsor shareholders. Targeting poverty, SOCIAL ISLAMIC BANK LTD. is indeed a concept of 21st century participatory three sector banking model in one: in the formal sector, it works as an Islamic participatory Commercial Bank with human face approach to credit and banking on the profit and loss sharing; it is a Non-formal banking with informal finance and credit package that empowers and humanizes real poor family and creates local income opportunities and discourages internal migration; it is a Development Bank intended to monetize the voluntary sector and management of Waqf, Mosque properties and introducing cash Waqf system for the first time in the history. In the formal corporate sector, this Bank Islami Bank has introduced the "Internal Control and Compliance guideline" and also established a separate department called "Internal Control and Compliance Division (ICCD)" at Head Office staffed with some experienced Senior Bankers

wrest with the power and duties to train the employees of the bank, give direction, monitor, audit and establish control on day to day operational procedures and statutory and non-statutory compliances. Still, it is important to recognize the existence of inherent limitations of internal control. would, among others, offer the most up-to date banking services through opening of various types of deposit and investment accounts, financing trade, providing letters of guarantee, opening letters of credit, collection of bills, leasing of equipment and consumers' durable, hire purchase and installment sale for capital goods, investment in low-cost housing and management of real estates, participatory investment in various industrial, agricultural, transport, educational and health projects and so on. To enhance the performance of the bank the management adopted strategic plan that includes increase in efficiency, establishment of transparency, efficiency and accountability in all spheres of banking practices and as a logical consequence, reform. Establishing Central Trade Processing Unit (CTPU), Central Remittance Processing Unit (CRPU), Central Clearing Unit (CCU), ADC (Alternate Delivery Channel), Offshore Banking above all customized Products and Services are the reform processes that we had undertaken from 2010 to 2013 to be the compliant on one hand and to serve our client more efficiently and effectively on the other.

The bank is running its payment system successfully through BACPS, BEFTN under BACH in order to boost up its businesses in multiple dimensions. Adopting BACH System as per guidelines of Bangladesh Bank, SIBL ensures security, safety and hassle free faster transactions from end to end. Moreover, the bank is effectively adopting regulatory guidelines on IT risk management.

SIBL is quite conscious of its social business responsibilities and is always trying to participate in various social programs in the country under its CSR portfolio giving special emphasis on health, habitat & education. The bank ensures to provide better integrated idea of formal, informal & voluntary banking in the same platform. SIBL has its unique feature to mobilize capital through CASH WAQF program.

SIBL lays emphasis on employment generated, environment friendly and green banking based investment keeping an eye on equitable distribution of resources over geographical territory for sustainable growth of macro economy of the country.

The Bank's continuous effort has been to increase the shareholders' value, and be valued as a compliant organization. The Corporate Governance systems in SIBL ensure transparency and accountability at all levels in conducting business. SIBL in its journey towards continuous excellence has changed its brand logo recently.

3.3. Historical Background of SIBL:

Social Islami Bank Limited (SIBL) is a banking company registered under the companies Act 1994 with its head office in 15 Dilkusha C/A, Dhaka-1000. The bank operates as scheduled bank under a banking license issued by the Bangladesh Bank, Central Bank of the country.

The Bank started its operation from 22, November 1995. SIBL is capitalized new generating bank with an authorized capital and paid up capital of Taka 10000.00 million in 2010 and 7031.42 million respectively as of December 2013. Currently the bank has 95 branches of which 38 in Dhaka division, 25 in Chittagong, 4 in Sylhet, 10 in Khulna, 8 in Rajshahi, 1 in Barishal, 3 in Rangpur. The bank undertakes all types of banking transaction to support the development of trade and commerce in the country. SIBL services are also available for the entrepreneurs to set up new venture and BMRE of industrial units. To provide clientele services in respect of international trade it has established wide corresponded banking relationship with local and foreign banks trade and financial interest home and abroad. Since the very inception, Social Islami Bank Ltd. is working with the philosophy of serving the nationals as an ideal and unique financial house. Every organization has some objectives of its own. The prime objective of Social Islami Bank Ltd. is to earn profit throw undertaking the responsibility of providing financial help for the development of the country's commercial and industrial sector.

3.4. Formation of SIBL:

3.4.1. Formation:

The Bank was incorporated in Bangladesh in the year 1995 as a banking company under the companies Act, 1994, all types of commercial banking services as provided by the Bank from time to time besides as a matter of policy the Bank conducts its Business on the principles of Mushataka, Murabaha, Bai-Muazzal and Hire Purchase transaction approved by Bangladesh Bank.

3.4.2. Capital Structure:

Capital structure of Social Islami Bank Limited as of 31st December 2013 is as under:

- Authorized capital: (Taka 10,000,000,000; 1,000,000,000 ordinary shares of Taka 10 each)
- Paid up capital: Taka 703,14,15,640; 703,141,564 cumulative no. of shares of Taka 10 each)

The directors may revise the capital structure from time to time according to the need.

3.5. Objectives of SIBL:

The key objectives are:

- To humanize corporate finance in the formal sector through participatory market mechanism with collateral.
- To socialize non-corporate finance in the non-formal sector through non-market and participatory custom-tailored micro-level credit package without collateral.
- To monetize voluntary sector through participatory financing mainly on joint ownership basis.
- To integrate these three sectors operational activities of the Bank to various well-conceived and well-planned “Social Assignment and Investment Schemes” or “Social Fund” for making them economically and ethically “transparent” and “revealed”.

3.6. Overall Operational goals:

The key thrusts of the operational goals are as follows:

- a. Empowering the family of the poor by creating income opportunities as well as strengthening the family of the rich for a better future generation.
- b. Achieving sustainable participatory economy, Social Security, and peace for a society.

3.7. Brand Value of SIBL:

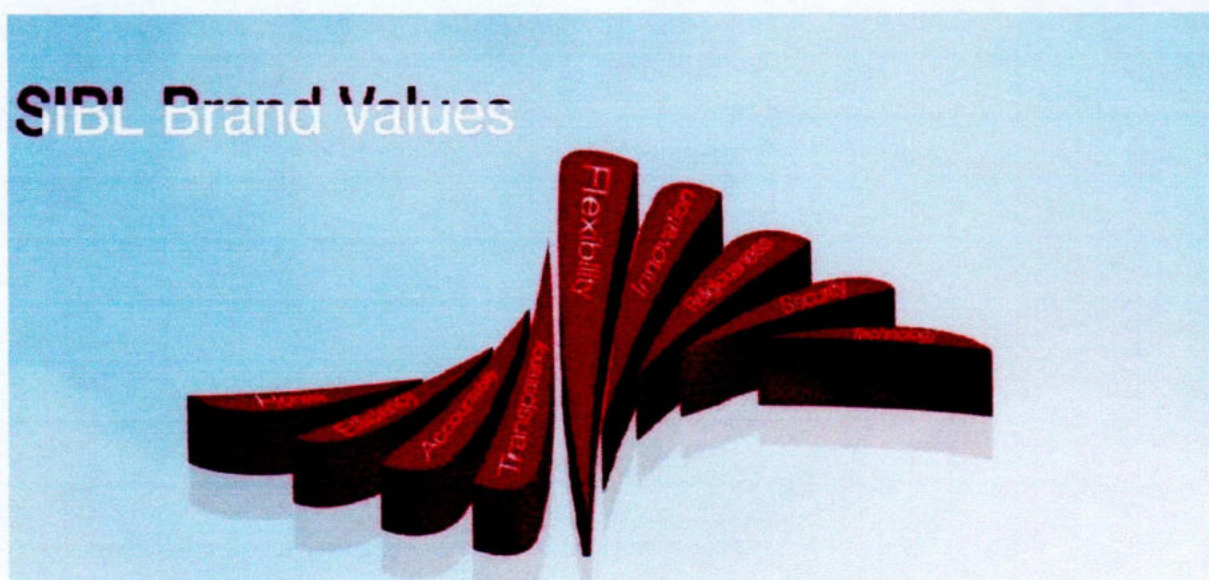


Figure 3.1: Brand Value of SIBL

In the journey towards excellence, SIBL's new logo depicts bird's wings with 9 feathers to represent its core values- comfortable and safe flying in the economic sky of the country connecting it with the global sky by passing the territorial boundary.

Honesty	Efficiency	Accountability	Transparency	Flexibility
Honest to its customers, employees, regulators, shareholders and others.	Gaining efficiency through best use of man and machine.	Accountable to the stakeholders and to the society at large.	Transparent in each and every banking transaction.	Service flexibility is one of the most important features.
Innovation	Religiousness	Security	Technology	
Continuous innovative idea generations and designing of banking products and services.	SIBL enhances economic well being with the bliss of religious ethics.	Protecting of assets and services.	Providing of upgraded technological banking services.	

Table 3.1: Detailed Brand Value of SIBL

3.8. Vision of SIBL:

“Reduction of poverty level” is the vision of SIBL, which is a prime object as stated in Memorandum of Association of the bank with the commitment “Working Together for a Caring Society”.

3.9. Mission of SIBL:

- High quality financial services with the latest technology.
- Fast, accurate and satisfactory customer service.
- Balanced & sustainable growth strategy.
- Optimum return on shareholder's equity.
- Introducing innovative Islamic banking products.
- Attract and retain high quality human resource.

- Empowering real poor families and create local income opportunities.
- For social benefit organizations- by way of mobilizing funds and social services.

3.10. Corporate Profile:

Social Islami Bank Limited (SIBL) was established in the year 1995 as a public limited company which is engaged in Shariah based commercial banking in the country and its modus-operandi are substantially different from other conventional banks. This is the second generation pioneer Islamic Bank in this country to introduce online banking facilities to its customers.

Name of the Company: Social Islami Bank Limited

Legal Form: Public Limited Company

Company Registration No.: C-28763(44)/95

Authorized Capital: Taka 10,000,000,000

Paid up Capital: Taka 703,14,15,640

Registered Office: City Center, Level 19, 20, 21 & 22, 90/1 Motijheel C/A, Dhaka-1000
Phone: PABX 88 02 09612001122 **FAX:** 88 02 9568098 **Email:** info@sibl-bd.com **Web:** www.siblb.com **SWIFT:** SOIVBDDH

Tax Payer Identification No.: 035-200-4971

VAT Registration No.: 9011046380 **Area Code:** 90101

Credit Rating Agency: Emerging Credit Rating Ltd.

Auditors: M/S Kazi Zahir Khan & Co. Chartered Accountants, 67/4, Pioneer Road, Kakrail, Dhaka-1000

Chairman: Major (Retd.) Dr. Md. Rezaul Hoque

Managing Director: Md. Shafiqur Rahman

Company Secretary: Md. Humayun Kabir

Chief Risk Officer: Md. Yunus Ali

Chief Financial Officer: Walid Mahmud Sobhani, FCMA

Number of Employees: 1802

Number of Branches: 95 (Ninety Five)

Number of Shareholders: 82,614

Investors' Enquiry: Share Division City Center, Level-19, 90/1 Motijheel C/A, Dhaka-1000
Phone: PABX 88 02 09612001122

For SIBL Securities Limited: Managing Director (a subsidiary of SIBL) 3rd floor, 15 Dilkusha C/A, Dhaka-1000

For SIBL Investment Limited: Managing Director (a subsidiary of SIBL) 3rd floor, 15 Dilkusha C/A, Dhaka-1000

For Offshore Banking: Off Shore Banking Department 48 Kamal Attaturk Avenues, Banani, Dhaka-1213 Phone: PABX 88 02 09612001122

Listing Status (Shares): DSE (Dhaka Stock Exchange): Symbol: SIBL, Listing Date: 18.11.2000 CSE (Chittagong Stock Exchange): Symbol: SIBL, Listing Date: 04.10.2005
Market Price as on 31.12.2013 DSE: Taka 13.30 Category: A, CSE: Taka 13.20, Category: A

Table 3.2: Corporate Profile of SIBL

3.11. Milestones:

The bank has achieved several achievements throughout the years. Such as:

Achievements	Date
Incorporation Date	05.07.1995
Certificate of Commencement of Business	05.07.1995
Formal Inauguration	22.11.1995
Starting of 1st Branch	22.11.1995
Initial Public Offering (IPO)	26.06.2000
Listing with Dhaka Stock Exchange	18.11.2000
Listing with Chittagong Stock Exchange	04.10.2005

1st Right Share	23.07.2007
2nd Right Share	23.03.2009
3rd Right Share	26.05.2011
Opening of 50th Branch	22.08.2010
Online Banking Facilities Introduced	03.01.2004
Formation of Subsidiary Companies:	
a) SIBL Securities Ltd.	20.07. 2010
b) SIBL Investment Ltd.	30.08.2010
Introducing Core Banking Software	01.05.2010
Own Corporate Head Office at City Centre	01.01.2012
Opening of 75th branch (Bashundhara)	27.12.2011
Agreement with VISA	19.08.2010
Launching of Offshore Banking Unit	02.05.2012
Launching of Internet Banking	12.01.2012
Launching of remittance service	18.05.2008
Introducing Green Banking Window	24.12.2011
Introducing Concurrent Audit System	20.01.2011
5,50,000 nos. of Deposit Accounts	24.12.2013
40,000 nos. of Investment Accounts	26.12.2013

Table 3.3: Milestones of SIBL

3.12. Functions of SIBL:

- Mobilization of idle resources of the country by accepting Deposits from the general public.
- Granting Loans and Advances to the individual firms and companies for activating and developing trade, commerce and industries and other productive activities.
- To give facilities to the client and shareholders in a systematic way.
- Give encouragement to the people for savings.
- To increase investment.
- To make easy transfer of foreign currency.
- To identify consumer's demand and fulfill their demand by supplying money.
- To improve economy by borrowing financial facility.
- To assist capital market.

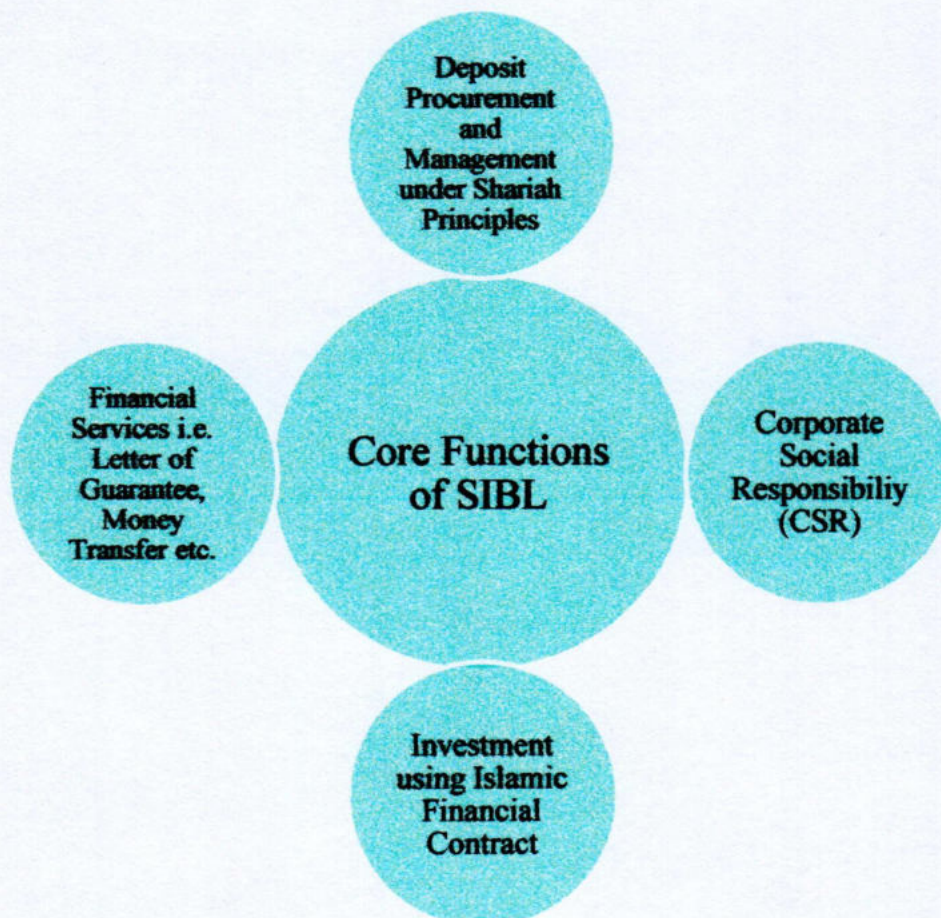


Figure 3.2: Core Functions of SIBL

3.13. Management Hierarchy:

The management hierarchy of SIBL is as follows:

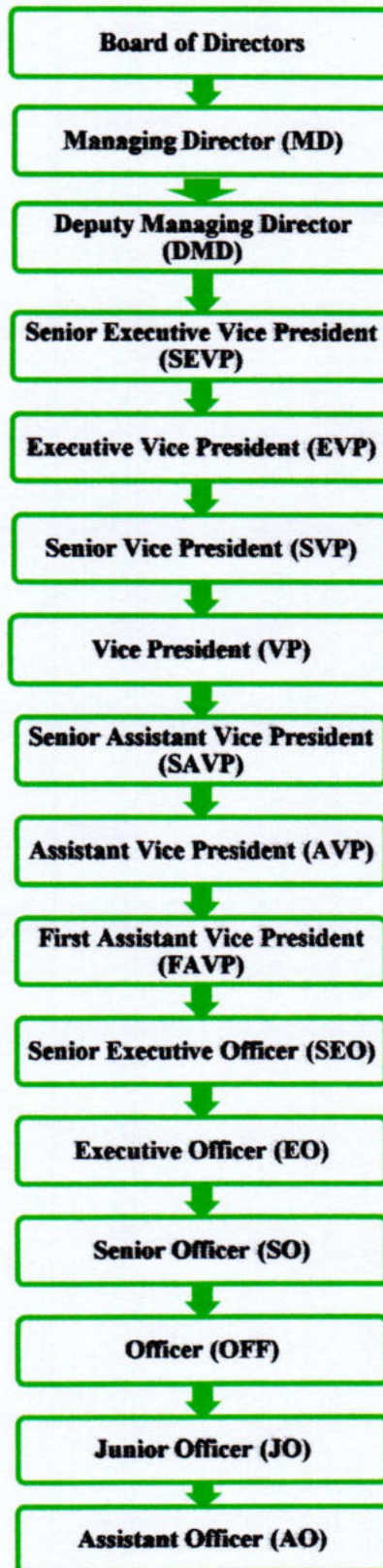


Figure 3.3: Management Hierarchy of SIBL

3.14. The Ownership Pattern:

This is a private sector commercial Bank providing comprehensive range of banking services. The bank is owned as follows:

- Sponsor/Director 26.5%
- Institute 13.48%
- Public 60.02%

3.15. Human Resource:

There is no alternative to skilled and trained manpower in service Industry. Bearing this in mind the well educated, promising and honest workers are being appointed and trained. Bank has given top priority to develop skilled manpower and introduce them with modern technologies with the purpose of developing quality customer services. The Bank has undertaken program to train up its employees of all strata at its own Training Institute. Highly experienced person was appointed as Director (Training) of the Institute in the year 2001 with the task of formulating various training modules. Steps are being taken to shift the Institute to separate premises for facilitating training activities. Side by side, both inland and foreign training also imparted during the year as usual. A highly experienced, well educated and motivated workforce is playing vital role towards the growth of the bank deserves appreciation. The number of employees as on 31st December 2013 was 1802.

3.16. Training Institute:

Well educated peoples are needed to achieve the objectives of a firm. With a view to build enthusiastic and skilled work force, Social Islami Bank Training Institute was established in 24th October, 1996 at Shyamoli, Dhaka which rendered useful training to 974 employees in 2012. Every year the institute trains sufficient number of employees. By the side of the new employee/officer, it is possible to trained SIBL's existing employee/officer. There is a library in SIBL. There is about two thousands books remain in this library. Accounting, Management, Marketing, and Computer related books are in this library. In 2010, 386 employees from the bank got training from BIBM.

3.17. Foreign SIBL Correspondents:

In order to gain maximum advantage from Foreign Exchange related business, the bank has entered into correspondent relationship with almost all major 122 Banks of 109 countries of the world like Standard Chartered Bank, American Express, HSBC, HBZ Finance, Mashreq Bank PSC, Dresdner Bank AG and with local banks in Pakistan, India, Nepal and Bhutan etc. with whom the bank has advising, reimbursing and confirming agreement.

3.18. Overseas Operations of SIBL:

Social Islami Bank Limited (SIBL) has set up joint venture Exchange Company named Gulf Overseas Exchange Co. Ltd, in Oman contributing 25% of its paid up capital. The present paid up capital of the company is Riyal Omani 1, 82,000.00. The Chairman of the company is the minister of the government of Oman. The exchange company, established in 1985, now has three branches in Oman and is being managed fully by officials of SIBL. The company is running in profit. SIBL is also exploring possibilities of opening branches in the Middle East, Switzerland and USA. SIBL has entered into the management contract with Kuwait Exchange company to provide management and technical services. SIBL has acquired equity and management of Nepal Arab Bank Ltd. which is the largest and highly profitable Private Commercial Bank in Nepal.

3.19. Non-Formal and Voluntary Sector Banking Programs:

Since the opening of the Bank on 22nd November 1995, Non-Formal sector has started implementing its programs in various areas. Those are as follows:

- **Environment-friendly program: Tokai (Street Childrens) Project:** The project has a special strategic value. Till December 1995 only one group consisting of six members was formed at Hessian Marker, Utter Badda, Gulshan Thana. Group savings from the members is under process. Formation of more groups of 'Tokai Pannaya Bavshee' (Tokai goods Traders) is under process at different areas including Hossain Market.
- **Real Life Non-formal School of Management:** As a part of environmentally friendly program, the bank is committed to educate the Tokai and this has a worldwide strategic value. Till December 1995 one Tokai Non-formal School has been started at Hossain Market, Uttar Badda, Gulshan, and Dhaka with 30 students with a view to giving them real-life education with Islamic orientation. In the process of learning, the Tokai developed propensity for savings. As a result they are regularly depositing a small portion of their income as savings.
- **Mosque Property Development Program:** Construction of Mini Market at Kazi Bari Mosque, Uttar Khan, Uttara, Dhaka, consisting of 4 shops has been completed where Bank has invested Tk. 1.28 lacs. Recovery rate in this sector is 100 percent.
- **Capital Market Instruments-Securitization of voluntary sector:** In the voluntary sector, the bank is in the process of organizing Voluntary Capital Market Operation for mobilization of necessary fund and in the process of developing the following financial instruments with different sets of rules in con formality with Shariah:
 - Waqf Properties Development Bond (specific and general).
 - Cash Waqf Deposit Certificate (specific and general).
 - Family Waqf Certificate.

- Mosque Properties Development Bond (specific and general).
- Mosque Community Share.
- Quarn-e-Hasana Certificate (specific and general).
- Zakat/Ushar payment Certificate.
- Non-Muslim Trust Properties Development.
- Municipal Properties Development Bond (specific and general). The value of all the bonds and Qurd-e-Hasana Certificate are guaranteed by the Bank against surrender of the instruments on maturity.

3.20. Rural Credit Program:

Agriculture is the main driving force of economy in Bangladesh. And the whole economic growth of the country depends on the development, modernization and investment of money in this connection. As a non-Government financial institution SIBL has been actively participation in rural credit program in the economic activities for large population of the country since 1992. SIBL has been working intensively in collaboration with Barindra Multipurpose Development Authority by conducting the Rural Credit program particularly in Rajshahi, Naogaon, Chapainawabgonj, and the northern part of the country in general. In the last 10 years bank has distributed the credit for Tk.69.85 million. The recovery of loan in this project is 94%. In 2001 bank has distributed the loan for Tk.7.00 million. This is the first program for any private bank. Moreover, SIBL has been Participating in Agro Based Industries and Technology Development project Loan financed by USAID since 1996.

3.21. Corporate Social Responsibility (CSR):

As an Islamic Bank, Social Islami Bank Limited is quite conscious of its social responsibility and always trying to participate in social cause program in the country. The bank is committed to serve the society at large through its family empowerment Micro Investment, Micro Enterprise and SME programs under non-formal sector, social capital mobilization through CASH WAQF and other programs under voluntary sector. The bank has already formed CSR Desk with the aim to serve humanity through different philanthropic activities giving emphasis on health and Education. The bank believes that any kinds of social & philanthropic activities would improve the quality of the lives of the poor masses of the country.

The Board of Directors of the Bank consists of winning personalities in respective area of Trade, Commerce & Industry of the country. Under the proactive guidance, policy and direction of the Board, Management conducts its business operations. The Corporate Governance systems in SIBL ensure transparency and accountability at all levels in conducting business.

The Shariah Supervisory Committee is consisting a group of prominent Islamic Scholars, Economists and Lawyers to advise the Management on Shariah matters relating to the

business operations.

The Board of Directors provides leadership and direction to the Management to attain goals and objectives of the bank. The solid performance of the bank that achieved is due to the divine blessings of Allah Subhanahu Wa Ta'ala and constant guidance, cooperation and support of the Board & Shariah Supervisory Committee as well as committed, dedicated and hard work of the Management Team.

3.22. Products & Service of SIBL:

As a commercial Bank, the SIBL provide all traditional banking services including a wide range of saving and investment scheme products, foreign exchange and ancillary services with the support of modern technology and professional management. The following table shows overall products and services of SIBL:

Particulars	Products & Services
Investment Products	<ul style="list-style-type: none"> • Bai-Muazzal • Hire Purchase under Shirkatul Melk (HPSM) • Murabaha • Musharaka • Special Investment
Deposit Products	<ul style="list-style-type: none"> • Mudaraba Scheme Deposits • Al Wadiah Current Account • Mudaraba Savings Deposit • Mudaraba Term Deposit • Mudaraba Notice Deposit • Cash Waqf. Deposit
Foreign Exchange Service	<ul style="list-style-type: none"> • Export Finance • Import Finance • Foreign Remittance • SWIFT
Credit/Debit Cards	<ul style="list-style-type: none"> • SIBL Credit Card • Visa Islamic Credit Card (Dual)

	<ul style="list-style-type: none">• Visa Islamic Credit Card (Local)• SIBL Zameel Debit Card
E-banking	<ul style="list-style-type: none">• Internet Banking• Mobile Banking• SMS Banking

Table 3.5: Products & Services of SIBL

Internship Report

On

**“Financial Performance Evaluation of
Social Islami Bank Limited”**

Chapter 4

**A Brief Description of Social
Islami Bank Limited, Dinajpur
Branch**



SIBL Social Islami Bank Limited

Chapter 4

A Brief Description of Social Islami Bank Limited, Dinajpur Branch

Social Islami Bank Limited (SIBL), Dinajpur branch started its banking operation from 23rd August, 2010, which is located at Lilir Moor, Holding No-1191/1150, Mouza Pranonathpur, Ward No-3, P.O & P.S-Dinajpur, Lilir Moor, Dinajpur. The office floor is in 1st floor is spacious that can accommodate good number of customers comfortably. The 2nd floor will be operational soon for investment section which now is used for dining purpose. Branch has efficient human resources that can meet up customers' needs. Though the branch needs few more employees to assist in some sectors during peak period. Workload is distributed properly. Besides, interpersonal relationship is remarkable. Most noted strength is customer service. Prompt, cordial & enthusiastic service satisfies almost all customers. Flexible banking hour attracts more clients doing banking transactions with the branch. In some cases, customers, coming outside the banking hour can honor the cheque & others without delay.

4.1. Major Features of the Branch:

- Fully computerized accounts maintenance.
- Well decorated and air conditioned facilities.
- A fully operational computer network which is currently being implemented. The work of Local Area Network (LAN) and Wide Area Network (WAN) installation having reliable and secured communication between the branches and Head Office is in progress to facilitate Any Branch Banking and ATM Services.
- The branch uses latest communication technology like IP Phones which enables the banks to communicate with other banks internally and securely. All branches have IP Phones and these phones are controlled and monitored centrally from the IT Division of the bank. Besides there are telephone connections too for external communications.
- Teller machines for making cash transactions easy and prompt.
- Well facilities for prayers in jamaat leading by an Imam.

4.2. Population of the Branch:

Currently there are 15 hard working employees working in Social Islami Bank Limited (SIBL), Dinajpur branch. There are few more staffs assist there, such as, Tea Boy for serving, Imam for Johor, Asser & Maghreb prayers.

Internship Report

On

**“Financial Performance Evaluation of
Social Islami Bank Limited”**

Chapter 5

**Financial Performance
Analysis: A Theoretical Aspect**



SIBL Social Islami Bank Limited

Chapter 5

Financial Performance Analysis: A Theoretical Aspect

Financial performance analysis of a company is very important to get an overall view about an organization. It generally consists of interpretation of balance sheet and interpretation of income statement. By using these two sources one can perform the ratio analysis and trend analysis which are the major tools for analyzing the financial performance of a bank.

5.1. Ratio Analysis:

Ratio analysis involves methods of calculating and interpreting financial ratios to assess the bank's performance and status. The basic inputs to ratio analysis are the bank's income statement and balance sheet.

5.2. Types of Ratio Comparisons:

Ratio analysis is not merely the application of a formula to financial data to calculate a given ratio. More important is the interpretation of the ratio value. To answer such questions as is it too high or too low? Is it good or bad? Two types of ratio comparisons can be made: Cross-sectional & Time-series analysis.

❖ Time-series Analysis:

Time-series analysis evaluates performance over time. Comparison of current to past performance, using ratios, allows the firm to determine whether it is progressing as planned. Additionally, time-series analysis is often helpful in checking the reasonableness of a firm's projected financial statements.

❖ Cross-Sectional Analysis:

Cross-Sectional analysis evaluates performance of different firms' financial ratios at the same point in time.

❖ Combined Analysis:

The most informative approach to ratio analysis is one combines cross-sectional and time-series analysis. A combined view permits assessment of the trend in the behavior of ratio in relation to the trend for the industry.

5.3. Cautions about Ratio Analysis:

Before discussing specific ratios, we should consider the following cautions:

- A single ratio does not generally provide sufficient information from which to judge the overall performance of the firm.
- Be sure that the dates of the financial statements being compared are the same.
- It is preferable to use audited financial statements for ratio analysis.
- Be certain that the data being compared have all been developed in the same way.

5.4. Groups of Financial Ratios:

Financial ratios can be divided into four basic groups or categories:

- i. Liquidity Ratios
- ii. Activity Ratios
- iii. Debt Ratios &
- iv. Profitability Ratios

Liquidity, activity, and debt ratios primarily measure risk, profitability ratios measure return. In the near term, the important categories are liquidity, activity, and profitability, because these provide the information that is critical to the short-run operation of the firm. Debt ratios are useful primarily when the analyst is sure that the firm will successfully weather the short run.

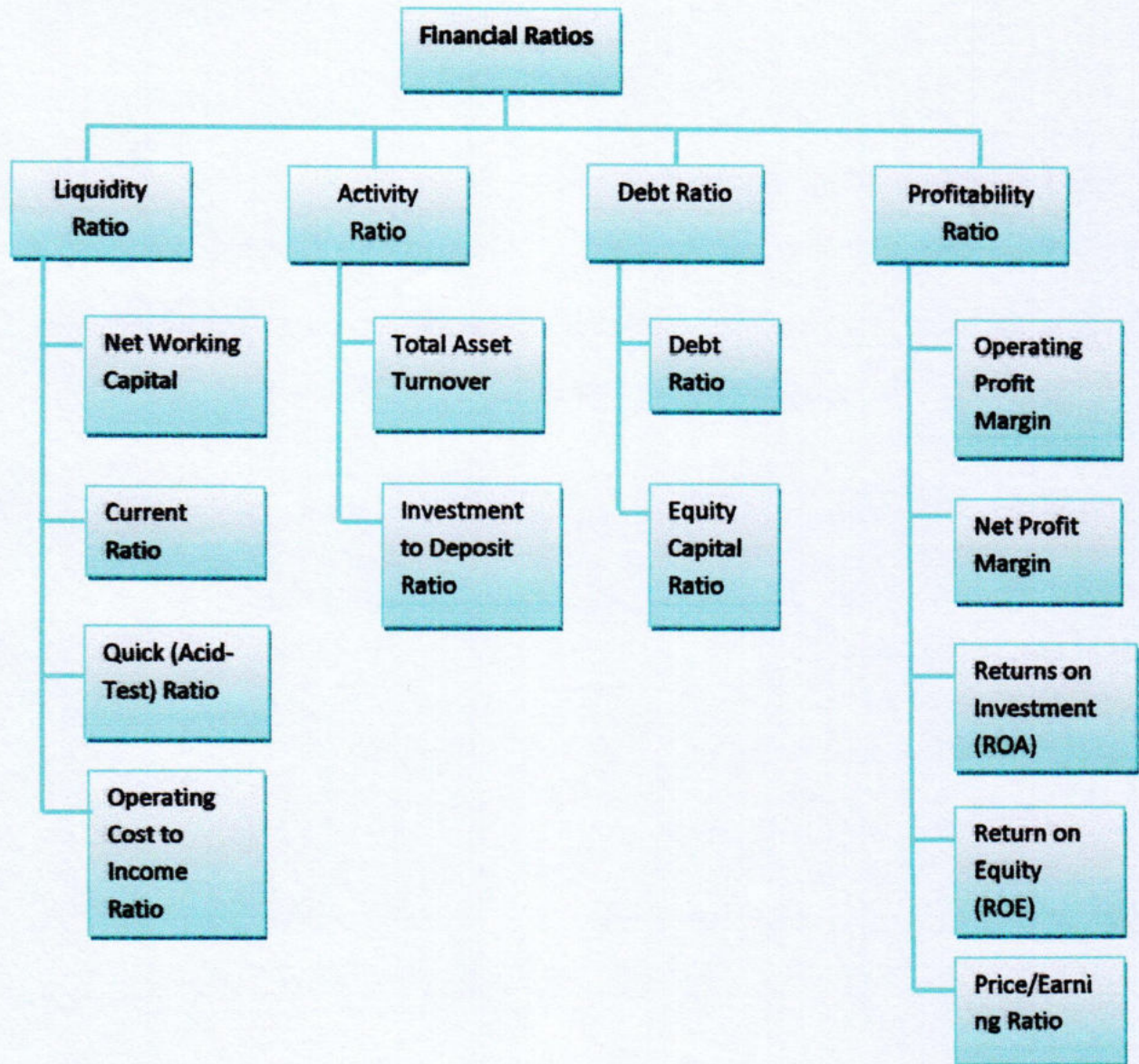


Figure 5.1: Groups of Financial Ratios

5.4.i. Analyzing Liquidity Ratios:

The liquidity of a business firm is measured by its ability to satisfy its short term obligations as they come due. Liquidity refers to the solvency of the firm's overall financial position. The three basic measures of liquidity are:

a. Net Working Capital:

Net Working Capital, although not actually a ratio is a common measure of a firm's overall liquidity. A measure of liquidity is calculated by subtracting total current liabilities from total current assets.

$$\text{Net Working Capital} = \text{Total Current Assets} - \text{Total Current Liabilities}$$

b. Current Ratio:

One of the most general and frequently used of these liquidity ratios is the current ratio. Organizations use current ratio to measure the firm's ability to meet short-term obligations. It shows the banks ability to cover its current liabilities with its current assets.

$$\text{Current Ratio} = \text{Current Asset} / \text{Current Liabilities}$$

c. Quick Ratio:

The quick ratio is a much more exacting measure than current ratio. This ratio shows a firm's ability to meet current liabilities with its most liquid assets. The Quick Ratio is also called the Acid-test Ratio.

$$\text{Quick Ratio} = (\text{Cash} + \text{Government Securities} + \text{Receivable}) / \text{Total Current Liabilities}$$

d. Operating Cost to Income Ratio:

It measures a particular Bank's operating efficiency by measuring the percent of the total operating income that the Bank spends to operate its daily activities. It is calculated as follows:

$$\text{Cost Income Ratio} = \text{Total Operating Expenses} / \text{Total Operating Income}$$

5.4.ii. Analyzing Activity Ratios:

Activity ratios measure the speed with which accounts are converted into sale or cash. With regard to current accounts measures of liquidity are generally inadequate because differences in the composition of a firm's current accounts can significantly affects its true liquidity.

A number of ratios are available for measuring the activity of the important current accounts which includes inventory, accounts receivable, and account payable. The activity (efficiency of utilization) of total assets can also be assessed.

a. Total Asset Turnover:

The total asset turnover indicates the efficiency with which the firm is able to use all its assets to generate sales.

$$\text{Total Asset Turnover} = \text{Sales} / \text{Total Asset}$$

b. Investment to Deposit Ratio:

Investment to Deposit Ratio shows the operating efficiency of a particular Bank in promoting its investment product by measuring the percentage of the total deposit disbursed by the Bank as long & advance or as investment. The ratio is calculated as follows:

$$\text{Investment to Deposit Ratio} = \text{Total Investments} / \text{Total Deposits}$$

5.4.iii. Analyzing Debt Ratios:

The debt position of that indicates the amount of other people's money being used in attempting to generate profits. In general, the more debt a firm uses in relation to its total assets, the greater its financial leverage, a term use to describe the magnification of risk and return introduced through the use of fixed-cost financing such as debt and preferred stock.

a. Debt Ratio:

The debt ratio measures the proportion of total assets provided by the firm's creditors.

$$\text{Debt Ratio} = \text{Total Liabilities} / \text{Total Assets}$$

b. Equity Capital Ratio:

The ratio shows the position of the Bank's owner's equity by measuring the portion of total asset financed by the shareholders invested funds and it is calculated as follows:

$$\text{Equity Capital Ratio} = \text{Total Shareholder's Equity} / \text{Total Assets}$$

5.4.iv. Analyzing Profitability Ratios:

These measures evaluate the bank's earnings with respect to a given level of sales, a certain level of assets, the owner's investment, or share value. Without profits, a firm could not attract outside capital. Moreover, present owners and creditors would become concerned about the company's future and attempt to recover their funds. Owners, creditors, and management pay close attention to boosting profits due to the great importance placed on earnings in the marketplace.

a. Operating Profit Margin:

The Operating Profit Margin represents what are often called the pure profits earned on each sales dollar. A high operating profit margin is preferred. The operating profit margin is calculated as follows:

$$\text{Operating Profit Margin} = \text{Operating Profit} / \text{Sales}$$

b. Net profit Margin:

The net profit margin measures the percentage of each sales dollar remaining after all expenses, including taxes, have deducted. The higher the net profit margin is better. The net profit margin is calculated as follows:

$$\text{Net Profit Margin} = \text{Net Profit after Taxes} / \text{Sales}$$

c. Return on Asset (ROA):

Return on asset (ROA), which is often called the firms return on total assets, measures the overall effectiveness of management in generating profits with its available assets. The higher ratio is better.

$$\text{Return on Asset (ROA)} = \text{Net Profit after Taxes} / \text{Total Assets}$$

d. Return on Equity (ROE):

The Return on Equity (ROE) measures the return earned on the owners (both preferred and common stockholders) investment. Generally, the higher this return, the better off the owners.

$$\text{Return on Equity (ROE)} = \text{Net Profit after Taxes} / \text{Shareholders' Equity}$$

e. Price Earnings Ratio (P/E Ratio):

The Price Earnings ratio (price-to-earnings ratio) of a stock is a measure of the price paid for a share relative to the income or profit earned by the firm per share.

$$\text{P/E Ratio} = \text{Price per Share} / \text{Earnings per Share}$$



Internship Report

On

**“Financial Performance Evaluation of
Social Islami Bank Limited”**

Chapter 6

**Financial Performance of Social
Islami Bank Limited: A
Quantative Analysis**

Chapter 6

Financial Performance of Social Islami Bank Limited: A Quantative Analysis

6.1. Ratio Analysis:

6.1. 1. Calculation of Liquidity Ratios:

The basic measures of liquidity of Social Islami Bank Limited are:

1.a. Net Working Capital:

$$\text{Net Working Capital} = \text{Total Current Assets} - \text{Total Current Liabilities}$$

Year	2011	2012	2013
Total Current Assets	74,731,246,285	104,406,701,735	113,968,171,929
Total Current Liabilities	66,461,721,747	93,276,838,609	101,842,174,601
Net Working Capital	8,269,524,538	11,129,863,126	12,125,997,328

Table 6.1: Calculating Net Working Capital

Graphical Presentation:

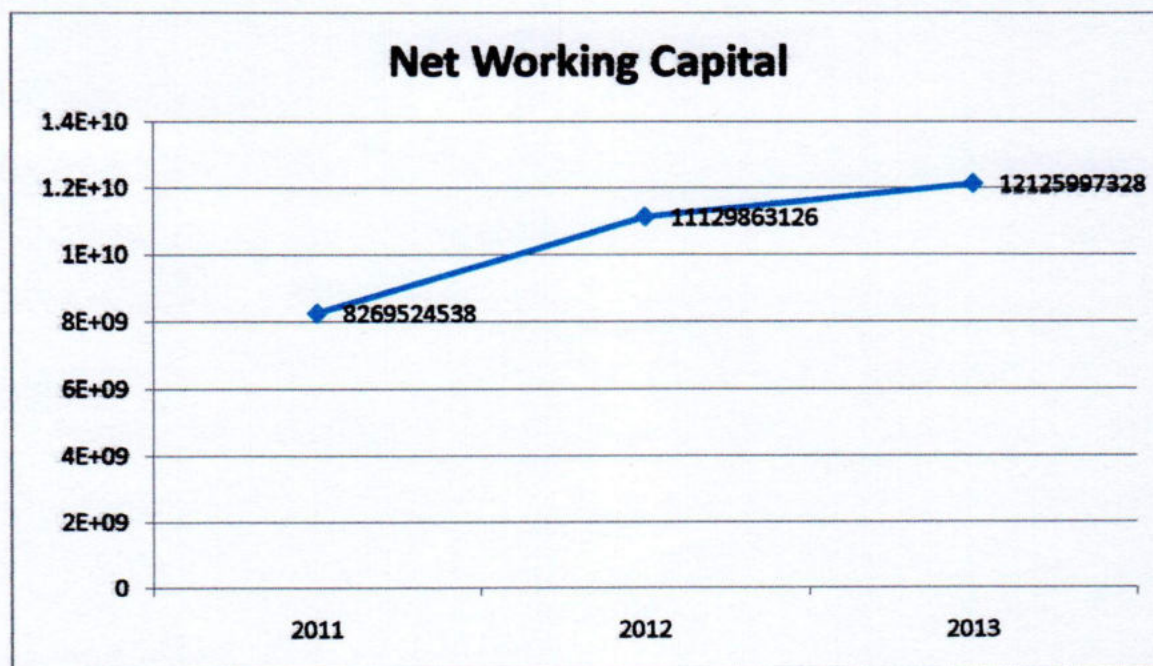


Figure 6.1: Net Working Capital

Interpretation:

Net working capital of SIBL is improving from 2011 to 2013 which is very positive sign for the improvement of the bank. So, the bank is performing very well to meet up its current obligations.

1.b. Current Ratio:

$$\text{Current Ratio} = \text{Total Current Assets} / \text{Total Current Liabilities}$$

Year	2011	2012	2013
Total Current Assets	74,731,246,285	104,406,701,735	113,968,171,929
Total Current Liabilities	66,461,721,747	93,276,838,609	101,842,174,601
Current Ratio	1.124	1.119	1.119

Table 6.2: Calculating Current Ratio

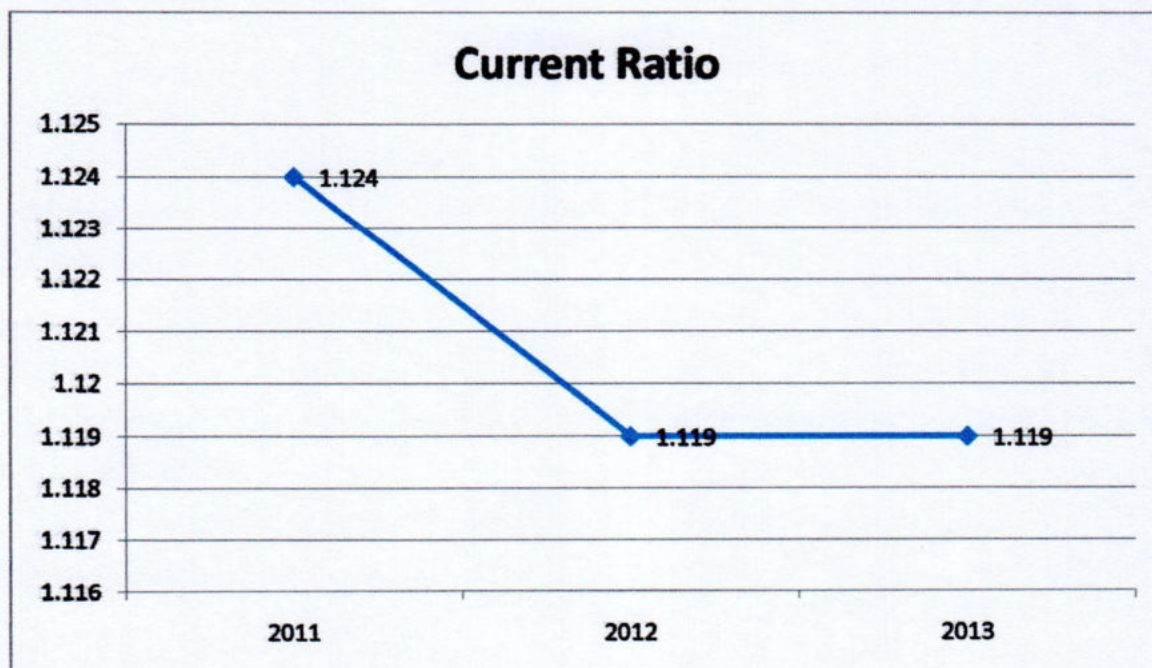
Graphical Presentation:

Figure 6.2: Current Ratio

Interpretation:

In this analysis it has seen that in 2011 SIBL's current ratio was highest and 2012 and 2013 it was stable. Normally banks maintain current ratio 1:1 and we have seen that SIBL maintains current ratio more than 1:1 ratios. It indicates that SIBL's liquidity position is good.

1.c. Quick Ratio or Acid-test Ratio:

$$\text{Quick Ratio} = (\text{Cash} + \text{Government Securities} + \text{Receivable}) / \text{Total Current Liabilities}$$

N.B: SIBL is a bank running on Islamic Shariah Principle. Hence, they do not participate in buying interest bearing Government Securities.

Calculation of Receivables:

Year	2011	2012	2013
Prot receivable on Bills Purchased and Discounted	753,509,320	801,884,905	372,929,951
Receivable from M/S. Stock & Bond and SIBL Securities Ltd.	43,243	955,088	17,976,725
Receivable from SIBL Securities Limited	1,377,245	1,875,347	5,516,584
Receivable from SIBL Investment Limited	1,340,205	1,401,205	1,522,805
Prot Receivable from Banks, NBFIs and BD Govt.	-	-	372,918,333
Receivable from Regulators	-	5,973,754	30,732,610
Receivable from Client	-	74,243,154	186,408,076

Receivable from Others	-	3,213,356	7,397,224
Compensation Receivable A/C	34,080,915	50,346,667	126,727,354
Total	790,350,928	939,893,476	1,122,129,662

Table 6.3: Calculating Receivables

Calculation of Quick Ratio or Acid-test Ratio:

Year	2011	2012	2013
Cash	5,667,499,359	11,125,083,056	8,894,752,593
Government Securities	-	-	-
Receivable	790,350,928	939,893,476	1,122,129,662
Total Current Liabilities	66,461,721,747	93,276,838,609	101,842,174,601
Quick Ratio	9.717%	12.935%	9.836%

Table 6.4: Calculating Quick Ratio

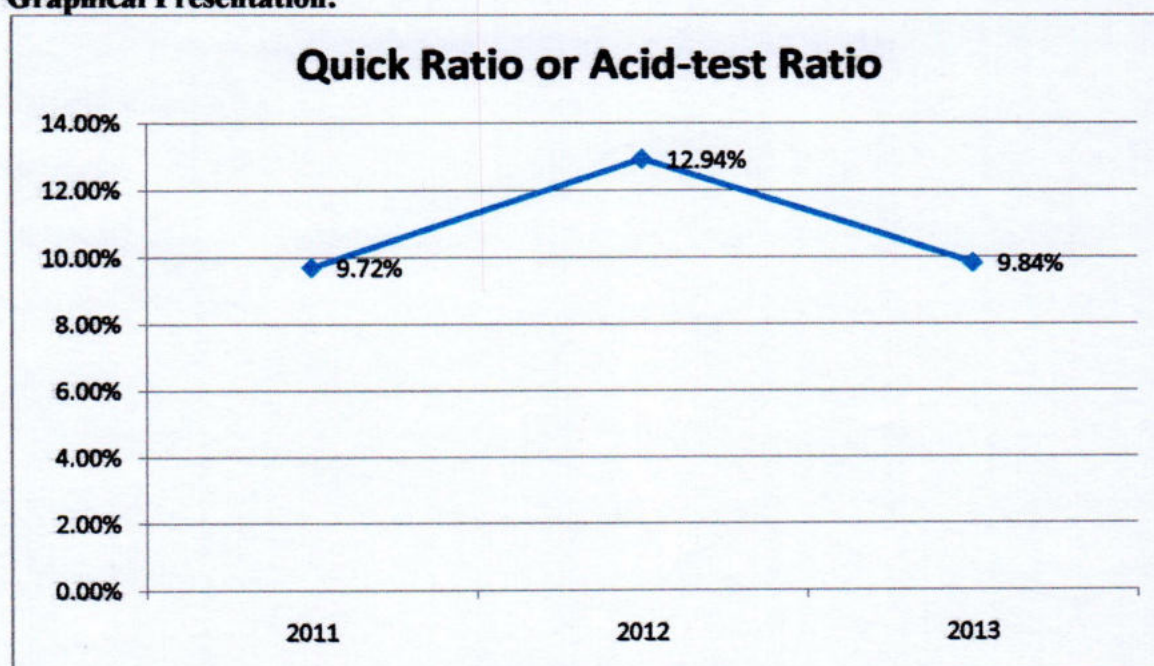
Graphical Presentation:

Figure 6.3: Quick Ratio

Interpretation:

The Quick Ratio or Acid-test Ratio of SIBL increased from 2011 to 2012 but decreased in 2013. The ratios are not bad.

1.d. Operating Cost to Income Ratio:

$$\text{Cost Income Ratio} = \text{Total Operating Expenses} / \text{Total Operating Income}$$

Year	2011	2012	2013
Total Operating Expenses	1,428,413,609	1,906,621,541	2,595,704,395
Total Operating Income	4,146,254,649	5,549,451,771	5,560,461,585
Cost Income Ratio	34.45%	34.36%	46.68%

Table 6.5: Calculating Operating Cost to Income Ratio

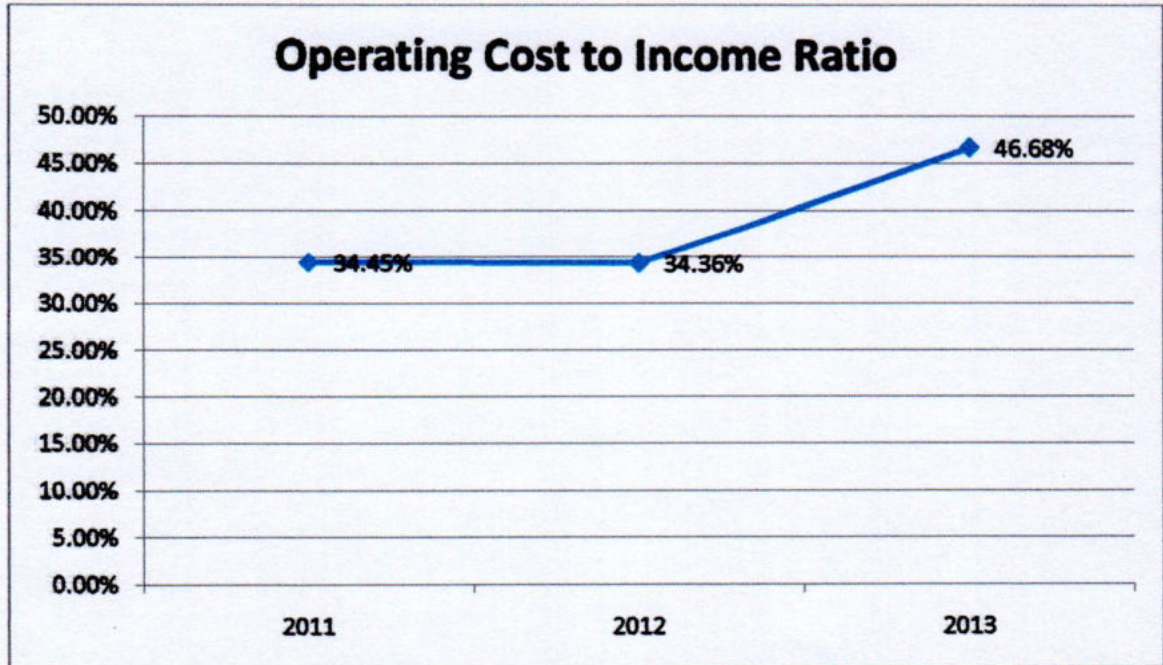
Graphical Presentation:

Figure 6.4: Operating Cost to Income Ratio

Interpretation:

We know that this ratio measures the operating efficiency of the bank by measuring the portion of the total operating costs relative to the total operating income of that bank and the

higher the ratio, the lower the operating efficiency. In 2011 the operating cost of SIBL was 34.45% but in 2012 it decreases to 34.36%. So it can be said that the efficiency of the SIBL was able to minimize its operating cost during this time period. But in year 2013 Cost Income Ratios of SIBL is highest than previous years which indicates poor sign.

6.1. 2. Calculation of Activity Ratios:

2.a. Total Asset Turnover Ratio:

$$\text{Total Asset Turnover} = \text{Sales} / \text{Total Asset}$$

Year	2011	2012	2013
Sales	8,687,400,000	13,056,800,000	15,209,500,000
Total Asset	83,961,647,464	114,829,110,780	126,401,393,912
Total Asset Turnover	0.1035	0.1137	0.1203

Table 6.6: Calculating Total Asset Turnover Ratio

Graphical Presentation:

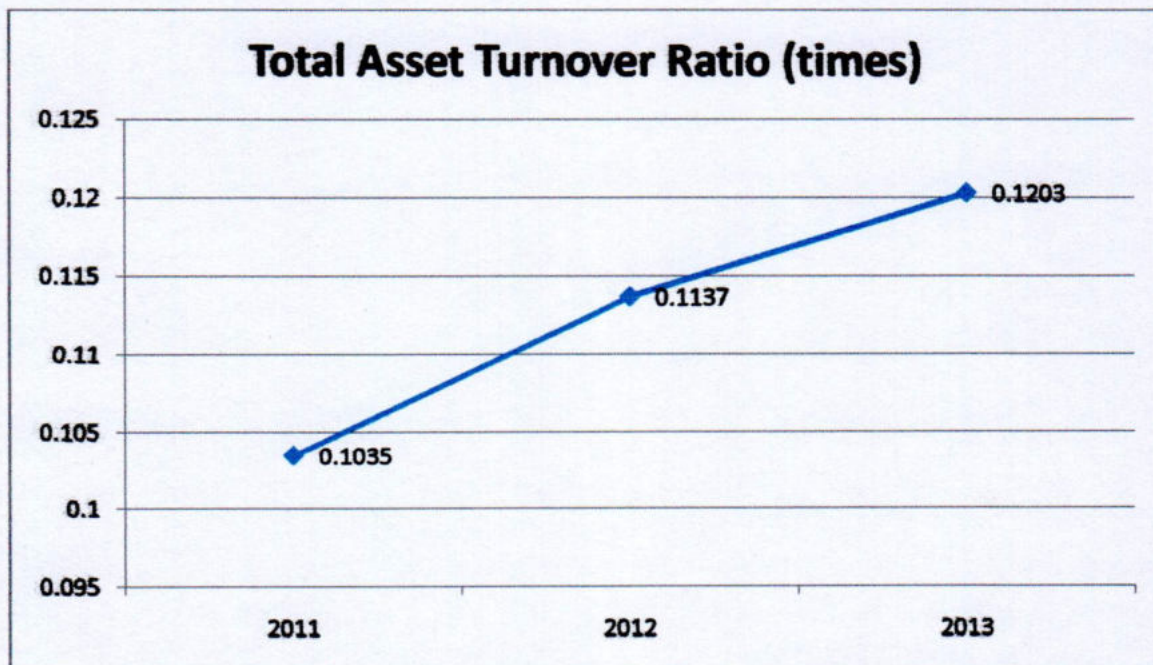


Figure 6.5: Total Asset Turnover Ratio

Interpretation:

The bank's total asset turnover continuously increases from 0.1035 in 2011 to 0.1203 times in 2013. We know the greater the total asset turnover, it is more efficient. So it can be said that SIBL is performing very well in Asset Turnover.

2.b. Investment to Deposit Ratio:

$$\text{Investment to Deposit Ratio} = \text{Total Investments} / \text{Total Deposits}$$

Year	2011	2012	2013
Total Investments	53,908,575,772	76,024,973,908	85,922,331,926
Total Deposits	66,852,551,081	93,594,292,471	102,104,479,583
Investment to Deposit Ratio	80.64%	81.23%	84.15%

Table 6.7: Calculating Investment to Deposit Ratio

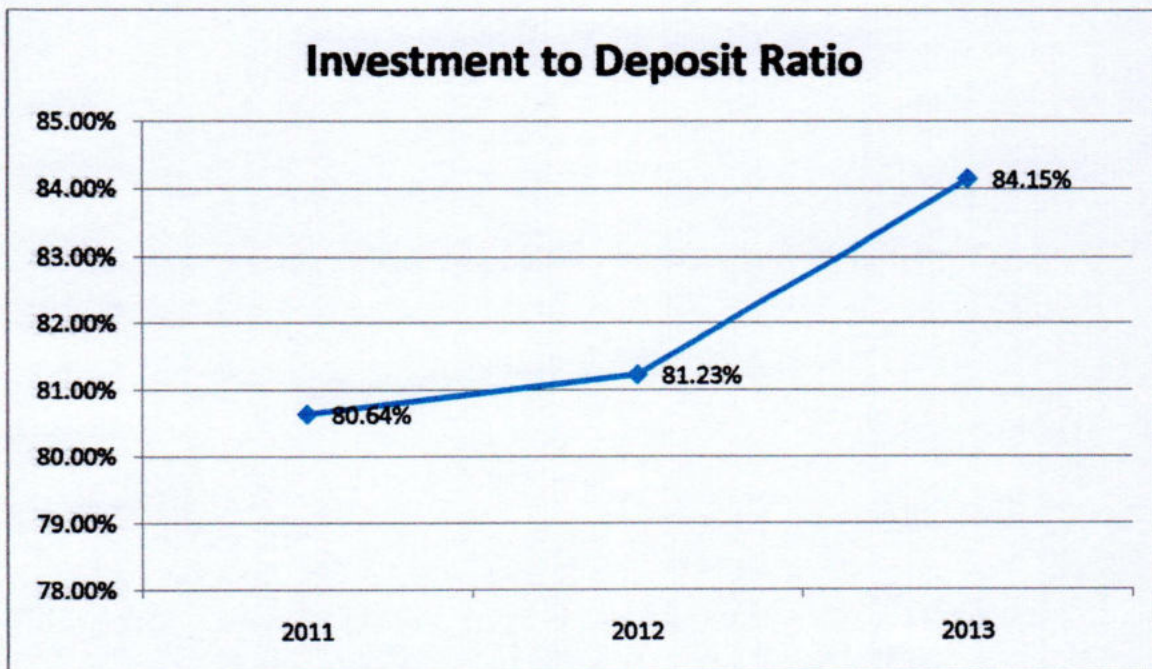
Graphical Presentation:

Figure 6.6: Investment to Deposit Ratio

Interpretation:

Investment to deposit ratio shows that which amount of deposit is used as investment. SIBL's investment to deposit ratio is continuously increasing during the period which conveys positive signal for the bank.

6.1. 3. Calculation of Debt Ratios:

3.a. Debt Ratio:

$$\text{Debt Ratio} = \text{Total Liabilities} / \text{Total Assets}$$

Year	2011	2012	2013
Total Liabilities	74,603,311,561	104,676,176,587	115,533,136,400
Total Assets	83,961,647,464	114,829,110,780	126,401,393,912
Debt Ratio	88.85%	91.16%	91.40%

Table 6.8: Calculating Debt Ratio

Graphical Presentation:

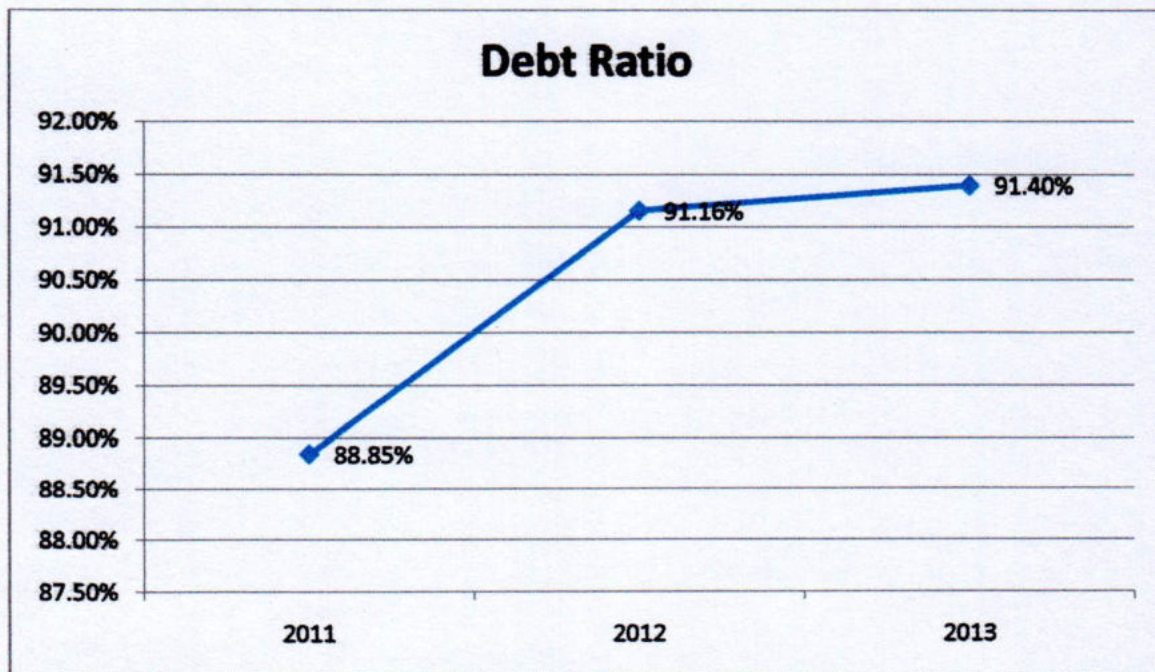


Figure 6.7: Debt Ratio

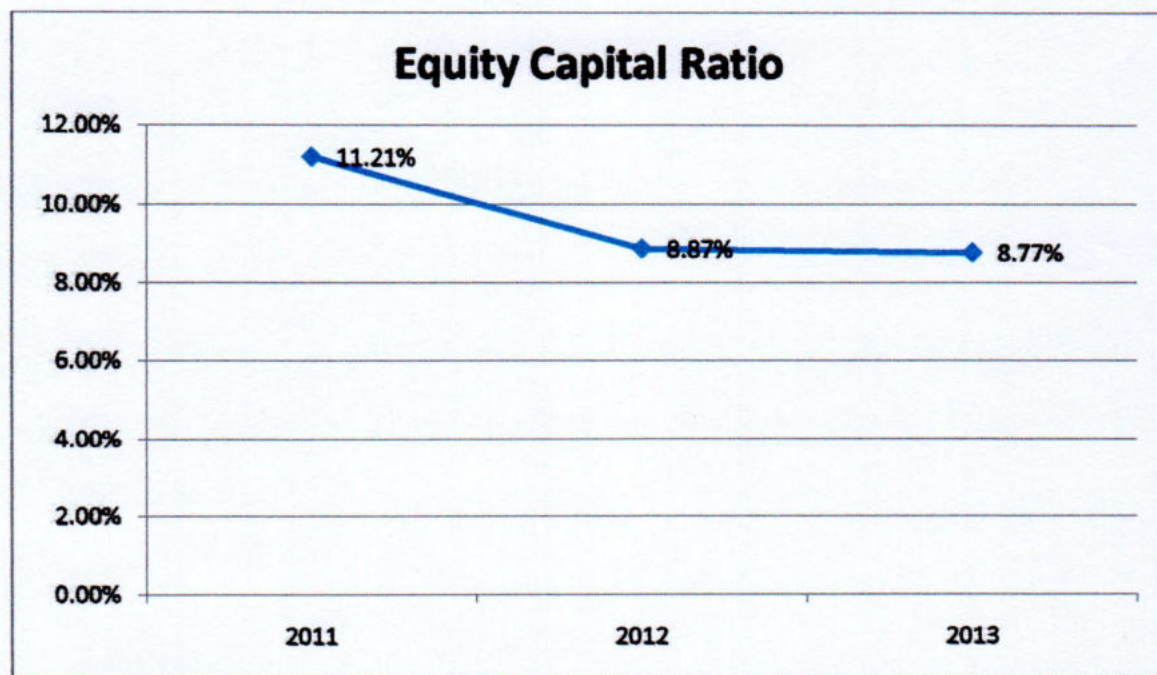
Interpretation:

Debt ratio indicates how much portion of total assets is financed by the debt. When debt capital increases the cost of capital also increases and which decreases the firm's value. In case of decreasing debt capital the situation is vice versa. So every organization should give more emphasize on equity capital than debt capital. So lower the ratio, it is less risky. The debt ratio of SIBL is increasing from 0.889 to 0.914.

3.b. Equity Capital Ratio:

$$\text{Equity Capital Ratio} = \text{Total Shareholders' Equity} / \text{Total Assets}$$

Year	2011	2012	2013
Total Shareholders' Equity	9,412,206,799	10,181,971,877	11,083,428,345
Total Assets	83,961,647,464	114,829,110,780	126,401,393,912
Equity Capital Ratio	11.21%	8.87%	8.77%

Table 6.9: Calculating Equity Capital Ratio**Graphical Presentation:****Figure 6.8: Equity Capital Ratio****Interpretation:**

We know this ratio shows the position of the bank's owner's equity by measuring the portion of total asset financed by the shareholders invested funds. We see that Equity Capital Ratio of SIBL is decreasing continuously from the year 2011 to the year 2013.

6.1. 4. Calculation of Profitability Ratios:

4.a. Operating Profit Margin:

$$\text{Operating Profit Margin} = \text{Operating Profit} / \text{Sales}$$

Year	2011	2012	2013
Operating Profit	1,850,322,894	2,772,153,541	2,058,942,530
Sales	8,687,400,000	13,056,800,000	15,209,500,000
Operating Profit Margin	21.30%	21.23%	13.54%

Table 6.10: Calculating Operating Profit Margin

Graphical Presentation:

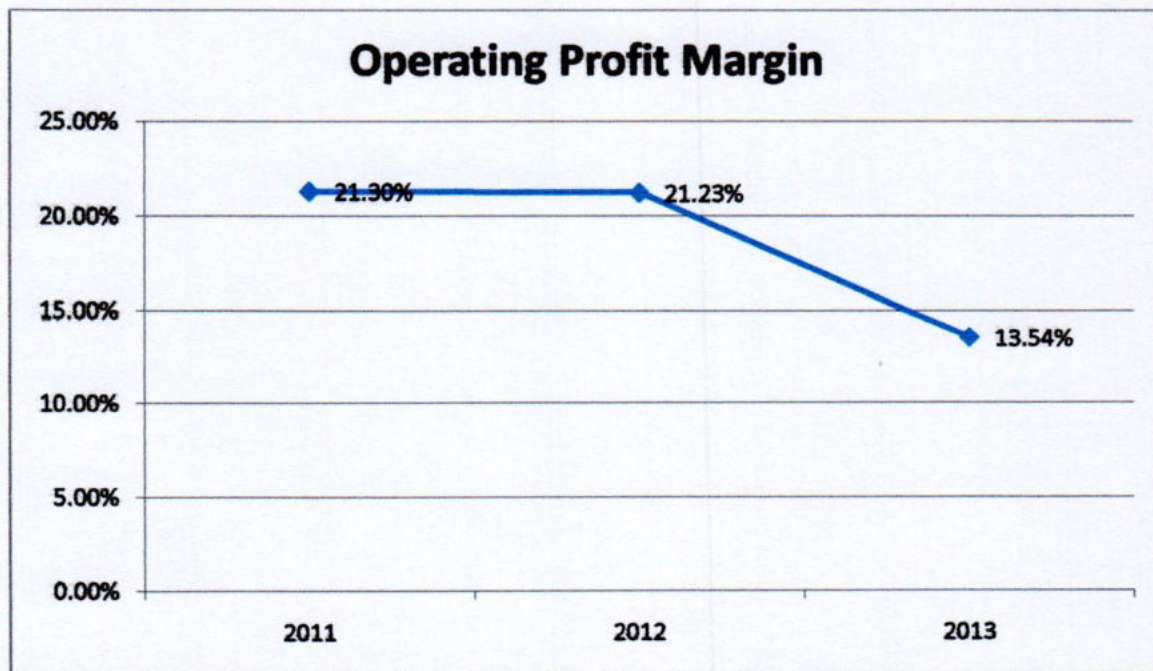


Figure 6.9: Operating Profit Margin

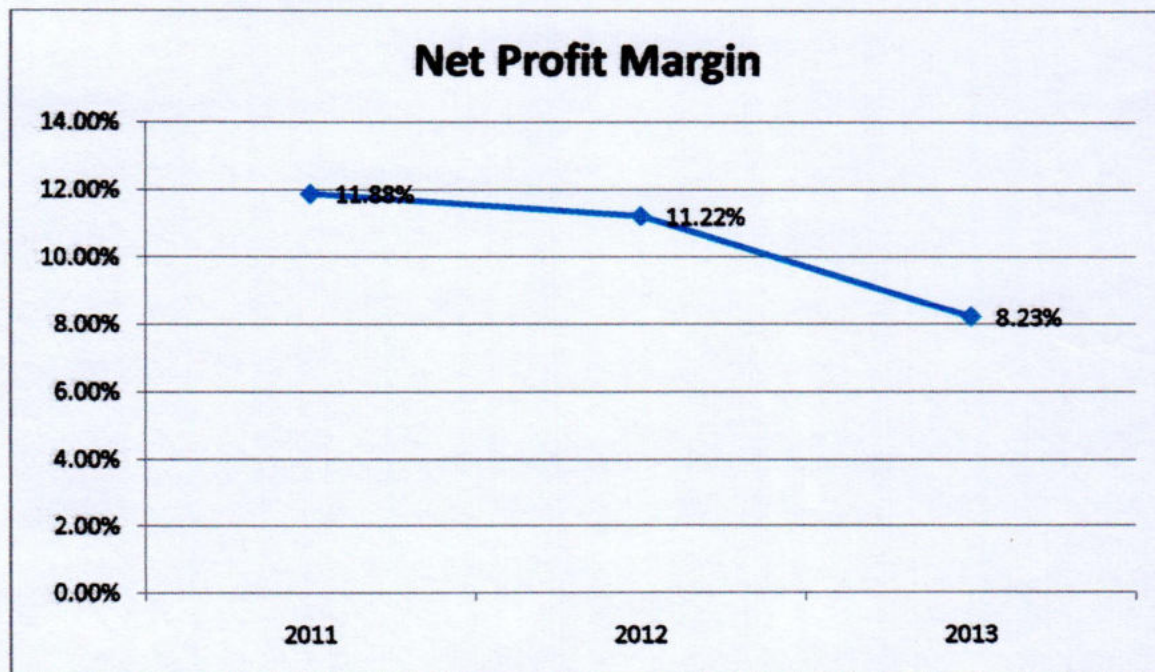
Interpretation:

In the year 2011 to 2013 SIBL's Operating Profit Margin is decreasing year by year which indicates that the bank's operating result is not good.

4.b. Net Profit Margin:

$$\text{Net Profit Margin} = \text{Net Profit after Taxes} / \text{Sales}$$

Year	2011	2012	2013
Net Profit after Taxes	1,032,461,861	1,465,218,037	1,252,134,320
Sales	8,687,400,000	13,056,800,000	15,209,500,000
Net Profit Margin	11.88%	11.22%	8.23%

Table 6.11: Calculating Net Profit Margin**Graphical Presentation:****Figure 6.10: Net Profit Margin****Interpretation:**

In the year 2011 to 2013 SIBL's Net profit Margin is decreasing year by year which indicates that the bank's operating result is not good.

4.c. Return on Asset (ROA):

Return on Asset (ROA) = Net Profit after Taxes / Total Assets

Year	2011	2012	2013
Net Profit after Taxes	1,032,461,861	1,465,218,037	1,252,134,320
Total Assets	83,961,647,464	114,829,110,780	126,401,393,912
Return on Asset (ROA)	0.123	0.128	0.0099

Table 6.12: Calculating Return on Asset (ROA)

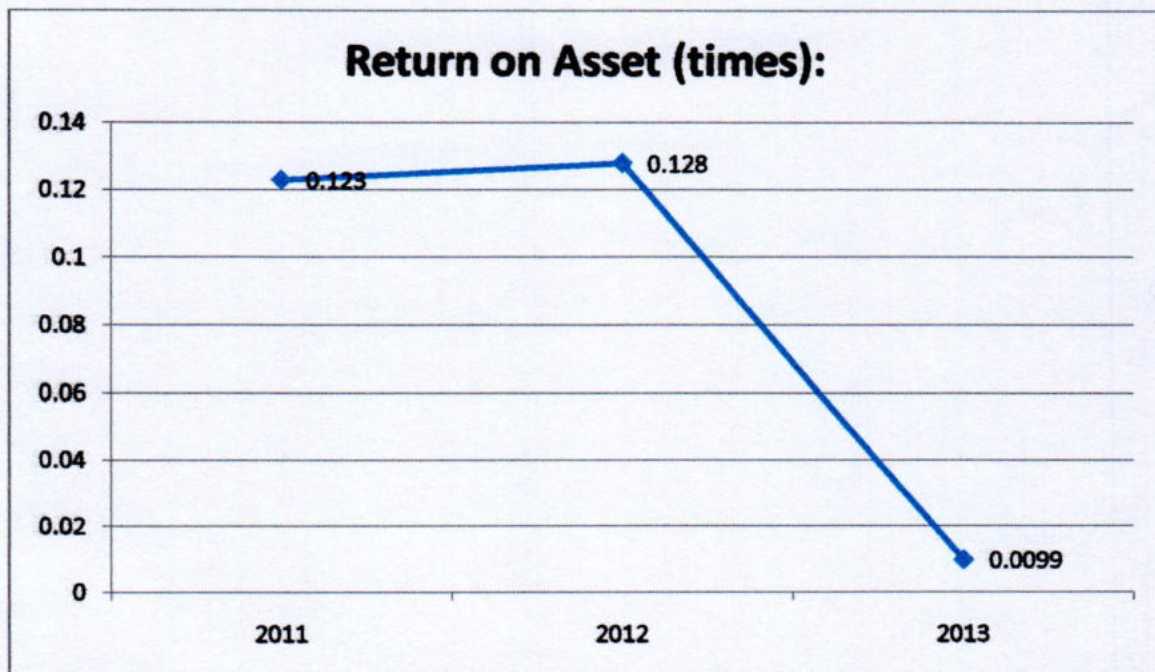
Graphical Presentation:

Figure 6.11: Return on Asset (ROA)

Interpretation:

From the analysis it has seen that SIBL's Return on Asset increased from the year 2011 to 2012 but in 2013 it decreased to 0.0099 times. That means that during year 2011 to 2012 the bank utilized their assets properly compared to the year 2013.

4.d. Return on Equity (ROE):

Return on Equity (ROE) = Net Profit after Taxes / Shareholders' Equity

Year	2011	2012	2013
Net profit after Taxes	1,032,461,861	1,465,218,037	1,252,134,320
Shareholders' Equity	9,412,206,799	10,181,971,877	11,083,428,345
Return on Equity (ROE)	10.97%	14.39%	11.30%

Table 6.13: Calculating Return on Equity (ROE)

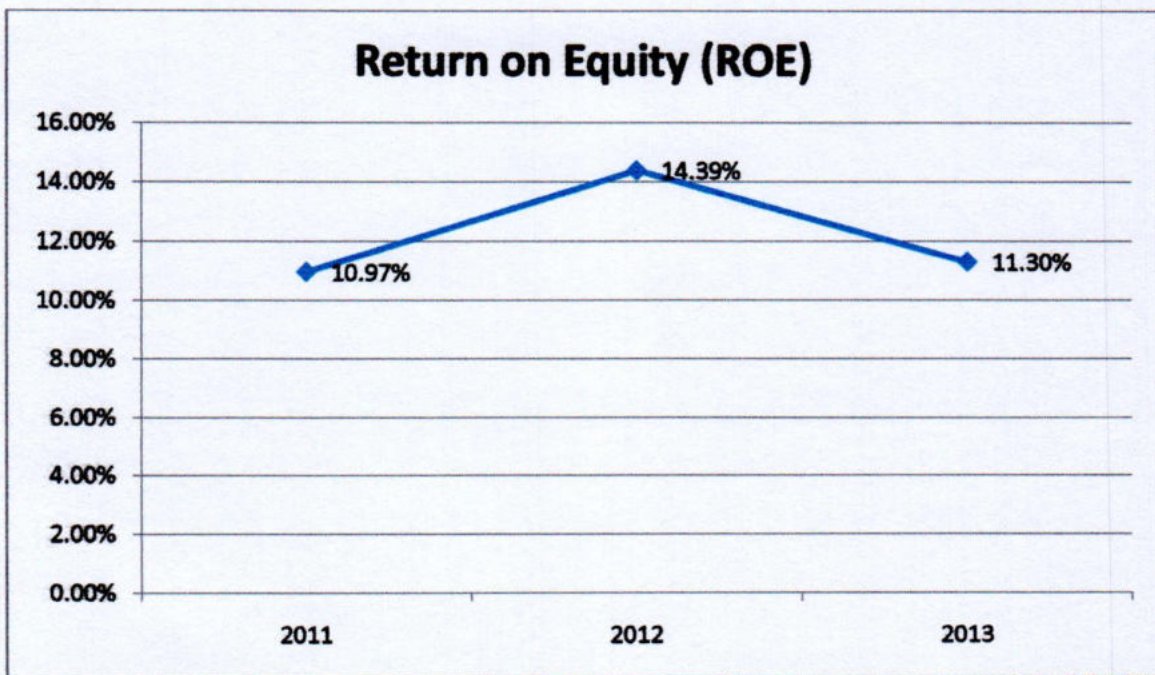
Graphical Presentation:

Figure 6.12: Return on Equity (ROE)

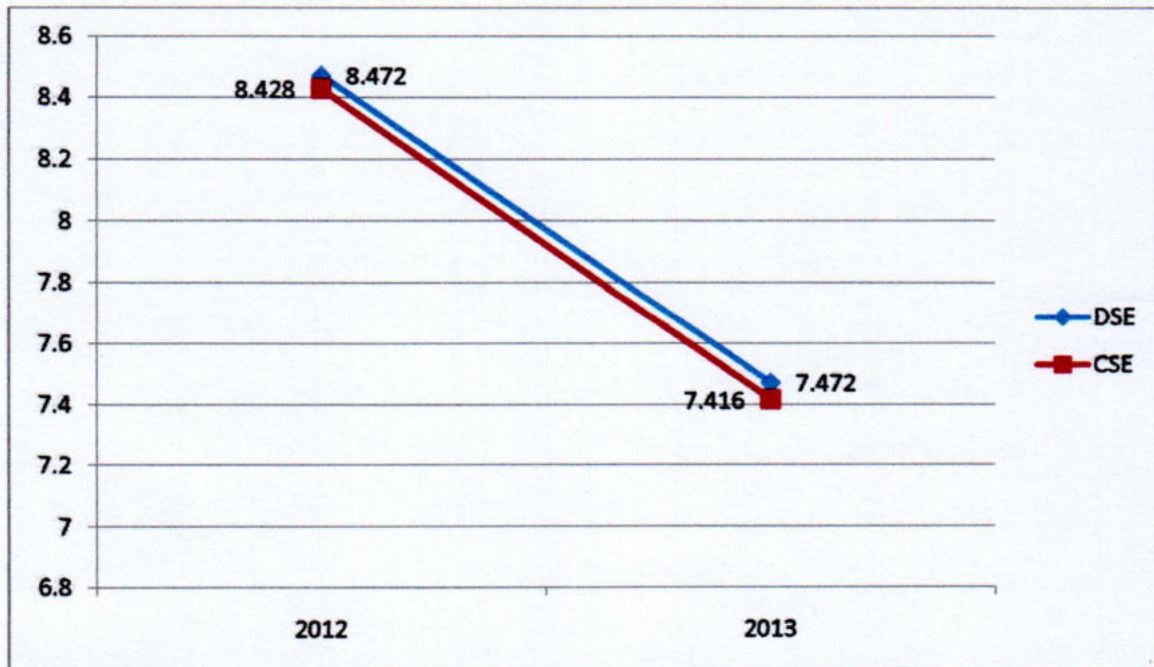
Interpretation:

From the above graph, it is seen that the ROE of SIBL increased from year 2011 to year 2012 which is good sign but then decreased to 11.30% in year 2013.

4.e. Price Earnings Ratio (P/E Ratio):

$$\text{P/E Ratio} = \text{Price per Share} / \text{Earnings per Share}$$

Year	2012		2013		
	Stock Exchange	DSE	CSE	DSE	CSE
Price per Share		19.40	19.30	13.30	13.20
Earnings per Share (consolidated)		2.29		1.78	
P/E Ratio		8.472	8.428	7.472	7.416

Table 6.14: Calculating Price Earnings Ratio (P/E Ratio)**Graphical Presentation:****Price Earnings Ratio or P/E Ratio (times)****Figure 6.13: Price Earnings Ratio (P/E Ratio)****Interpretation:**

In the above figure we can see that the P/E Ratio of SIBL both for DSE and CSE falls. It is a negative sign. Though there may exist other reasons behind this.

6. 2. Trend Analysis:

This analysis informs us whether a company's financial condition improving or deteriorating. The followings show the trend of SIBL:

6.2. 1. Business Growth of SIBL (Figures in million Taka):

Year	Deposits	Investment	FX_Business	Total Income	Total Expenses	Operating Profit	Profit after Tax
1995	124.73	0.21	0	1.73	6.15	(4.42)	(4.42)
1996	417.81	211.50	342.95	19.3	38.23	(18.93)	(18.93)
1997	645.51	368.31	699.48	51.37	56.84	(5.46)	(5.47)
1998	2068.85	1171.40	1442.25	173.97	134.73	50.50	35.07
1999	3899.72	2192.03	1914.10	440.63	378.98	74.02	36.99
2000	4863.21	3522.25	3547.40	641.38	405.39	105.71	38.16
2001	10569.67	5499.25	6195.30	1214.25	613.29	302.00	144.39
2002	15141.34	7504.03	13520.07	1775.43	953.12	420.02	203.52
2003	19709.31	10059.11	19065.10	2385.84	1470.67	500.54	193.67
2004	19704.20	12887.30	18088.12	2458.25	1620.89	414.99	83.85
2005	16862.58	15096.83	17438.07	2199.65	1708.69	213.57	13.94
2006	16170.51	15312.90	23280.00	2530.90	1932.95	295.89	57.63
2007	19753.94	16440.26	23903.80	2995.45	2126.77	480.78	150.04
2008	24099.82	19951.30	33363.20	3363.08	2575.72	787.37	202.07
2009	31588.16	26580.58	39110.00	3781.26	2716.96	1064.31	431.52
2010	44850.77	36680.28	61931.00	5068.10	3429.47	1638.63	643.01
2011	66853.59	53908.57	105037.00	8512.22	5914.78	2597.43	1265.11

Figures in USD million

2011	815.29	657.42	1,280.94	103.81	72.13	31.68	15.43
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1 USD = 82 BDT

Table 6.15: Business Growth of SIBL

6.2. 2. Entity Growth of SIBL (Figures in million Taka):

Year	Paid up Capital	Total Capital	Total Assets	No of Branch	No. of Employee
1995	118.36	118.36	247.81	1	
1996	118.36	118.36	625.23	5	166
1997	126.00	126.00	969.82	5	167
1998	126.00	155.74	2239.12	10	207
1999	200.00	216.75	4217.16	12	258
2000	260.00	291.91	5672.00	14	273
2001	260.00	487.05	11300.22	15	356
2002	260.00	696.42	16223.56	19	472
2003	260.00	891.01	21193.68	24	597
2004	585.00	915.50	21546.96	24	651
2005	585.00	923.07	20358.81	24	686
2006	585.00	980.70	19691.53	24	674
2007	1119.55	1665.29	24546.55	24	674
2008	1309.88	1867.36	29808.88	28	750
2009	2691.72	3555.75	39980.82	52	950
2010	2987.81	4198.77	55168.54	64	1252
2011	6393.92	9590.19	84365.74	76	1375

Figures in USD million

2011	77.97	116.95	1028.85		
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1 USD = 82 BDT

Table 6.16: Entity Growth of SIBL

Capital growth of the Bank (fig in BDT million)

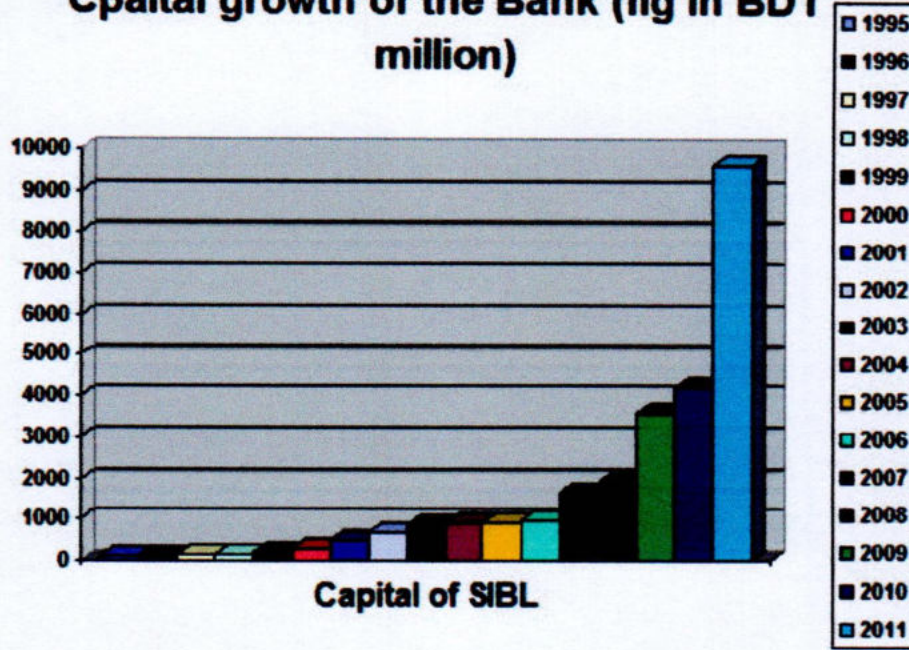


Figure 6.14: Capital Growth of SIBL

6. 3. Financials of SIBL at a Glance (Figures in BDT Crore):

Financials	As on 30.09.2013
Total Capital	1,074.35
Core Capital(Tier-I)	907.65
Supplementary Capital(Tier-II)	166.70
Paid-up-Capital	703.14
Total Deposit	10,130.09
Total Investment	8,461.24
Total Assets	12,585.25
Import	7,385.94
Export	5,177.53
Remittance	674.00
Total Foreign Exchange Business	13,237.47
CAR Required	10%
CAR Maintained	11.05%
CRR(Required)	554.59
CRR (Maintained)	585.39

SLR (Required)	1062.96
SLR (Maintained)	1068.75
Credit Rating: Long Term	AA-
Short Term	ECRL-2
Branches	95

Table 6.17: Financials of SIBL

6. 4. Credit Rating of SIBL:

Year	Long Term	Short Term	Outlook	Rated by
2009	A+	ST-2	Stable	CRISL (Credit Rating Information Services Ltd.)
2010	A+	ST-2	Stable	CRISL (Credit Rating Information Services Ltd.)
2011	A+	ST-2	Positive	CRISL (Credit Rating Information Services Ltd.)
2012	AA-	ECRL-2	Stable	Emerging Credit Rating Limited
2013	AA-	ECRL-2	Stable	Emerging Credit Rating Limited

Table 6.18: Credit Rating of SIBL

Internship Report

On

**“Financial Performance Evaluation of
Social Islami Bank Limited”**

**Chapter 7
SWOT Analysis**

Chapter 7

SWOT Analysis

7.1. Introduction:

SWOT Analysis is an important tool for evaluating the company's Strengths (S), Weaknesses (W), Opportunities (O) and Threats (T). It helps the organization to identify how to evaluate its performance and scan the macro environment, which in turn would help the organization to navigate in the turbulent ocean of competition. Every organization is composed of some internal strengths and weaknesses and also has some external opportunities and threats in its whole life cycle. The SOWT analyses of SIBL are as follows:

7.2. Strengths:

- The banking services are easily accessible and feasible.
- The advances growth of the bank is increasing rapidly.
- The bank is a member of ATM network along with other ten banks which enabled the bank to extend modern banking facility to the customer.
- Pioneer amongst the Islamic banks to introduce online banking.
- Fast, accurate and satisfactory customer service.
- Large number of Deposit mix.
- It has Debit card facilities for the client of the bank.
- With the approved policy and guidelines of the management of SIBL is able to provide quality service to its client and society.
- SIBL has diversified product to penetrate the potential Islamic minded customer.
- SIBL has established approved policies covering major risk areas.
- SIBL already achieved a good will among the clients.
- SIBL has research and training division.

7.3. Weaknesses:

- Numbers of branches are very limited.
- Numbers of ATM Booth are also very limited.
- Number of manpower is fewer than the volume of works that create problem for providing efficient service to the client.

- SIBL lacks aggressive advertising.
- The procedure of credit facility is too long compared to other banks.

7.4. Opportunities:

- Scope to increase number of branches.
- Scope to establish ATM booths.
- SIBL can introduce more innovative and modern customer service.
- Many branches can be opened in local remote areas as of high demand.
- SIBL can recruit experienced, efficient and knowledgeable officers and staffs as it offers a good working environment.

7.5. Threats:

- Increasing competition from other banks (Government owned, Local & Foreign banks).
- Change of Government rules and regulation.
- SIBL might face the challenges of local currency devaluation and inflationary pressure of the economy.
- Inadequate political stability.
- The worldwide trend of mergers and acquisition in financial institutions is causing problems.
- Frequent taka devaluation and foreign exchange rate fluctuation are causing problems.
- Lots of new banks are coming in the scenario with new services.
- Local competitors can capture huge market share by offering similar products.

Internship Report

On

**“Financial Performance Evaluation of
Social Islami Bank Limited”**

Chapter 8

**Findings, Recommendations
& Conclusion**



SIBL Social Islami Bank Limited

Chapter 8

Findings, Recommendations & Conclusion

8.1. Findings:

Some major findings are:

- During analyzing the Net Working Capital of SIBL we have seen that the Net Working Capital increased from the year 2011 to 2013 which indicates the bank is expanding its business.
- In the analysis we have seen that in 2011 SIBL's Current Ratio was highest and 2012 and 2013 it was stable. Normally banks maintain current ratio 1:1 and we have seen that SIBL maintains current ratio more than 1:1 ratios. It indicates that SIBL's liquidity position is good.
- During the year 2011 to 2012 Operating Cost to Income Ratio of SIBL decreases which indicates positive sign. However, in 2013 it increases. We know that the lowest the ratio, the higher the operating efficiency.
- The greater the Total Asset Turnover Ratio, it is considered for more efficiency. From the analysis it has seen that the Total Asset Turnover Ratio of SIBL is continuously increasing which indicates SIBL's good efficiency.
- SIBL's Investment to Deposit Ratios were continuously increasing in years 2011 to 2013 which conveys positive signal for the bank.
- From the analysis it has also seen that SIBL's Debt Ratios were continuously increasing which is good sign for the bank.
- The Equity Capital Ratio which shows the position of the bank's owner's equity by measuring the portion of total asset financed by the shareholders invested funds. We see that Equity Capital Ratio of SIBL is decreasing continuously from the year 2011 to the year 2013 which the bank should investigate further.
- During the year 2011 to 2013 SIBL's Net profit Margin is decreasing year by year which indicates that the bank's operating result is negative.
- From the analysis it has seen that SIBL's Returns on Asset Ratios (ROA) were gradually increasing from 2010 to 2012 that means that year bank utilize their assets properly but in the year 2013 it decreases to .0099 times which is a warning to the bank.

- The bank's Return on Equity (ROE) first increases during the year 2011 to 2012 and then decreased to 11.30% in year 2013.
- It has also seen that SIBL's Price Earnings Ratios (P/E Ratios) were decreasing trend. It indicates bank's market price of share was not too high, and it is less risky. Investor confidence is low.
- From the trend analysis we can see the Profit after Tax of SIBL is increasing since 1998 though decreased in 2003, 2004 & 2005. The current growth is excellent.

8.2. Recommendations:

It is not unexpected to have problems in any organization. There must be problems to operate an organization. But there must be remedies to follow. The following commendations can be suggested to solve the above mentioned problems:

- As we have seen that Current Ratios of SIBL from 2011 to 2013 were satisfactory range so our first recommendation is, SIBL should maintain this for smooth operations.
- SIBL's Operating Cost to Income Ratio increased from 2012 to 2013 which shows the operating cost is increasing more than the income. So the bank should find a way to minimize their operating costs efficiently for earning profits.
- As, Total Asset Turnover Ratios show the efficiency of the organization, SIBL should maintain their current progress.
- As Investment to Deposit Ratio shows that which amount of deposit is used as investment SIBL should maintain the growth for greater profit.
- Debt ratio indicates how much portion of total assets is financed by the debt. When debt capital increases the cost of capital also increases and which decreases the firm's value. In case of decreasing debt capital the situation is vice versa. So every organization should give more emphasize on equity capital than debt capital. So lower the ratio, it is less risky. The debt ratio of SIBL is increasing from 0.889 to 0.914. So the bank needs to emphasize more on equity capital.
- We know Equity Capital Ratio shows the position of the bank's owner's equity by measuring the portion of total asset financed by the shareholders invested funds. We see that Equity Capital Ratio of SIBL is decreasing continuously from the year 2011 to the year 2013 which bank should pay attention.
- The Operating Profit Margin and The Net Profit Margin of SIBL both are decreasing trend and this is alarming. The bank should take many steps to increase their operating efficiency.

- From the analysis we have seen that the ROA & ROE of SIBL first increased from 2011 to 2012 but then decreased in 2013. They should try improving these.
- The P/E Ratio of SIBL both for DSE and CSE falls from 2012 to 2013. It is a negative sign. The bank should take initiatives to increase their P/E Ratio.
- From the trend analysis we can see the Profit after Tax of SIBL is increasing since 1998 though decreased in 2003, 2004 & 2005. SIBL should focus on reducing and minimizing operating cost otherwise it will adversely affect the profitability.

8.3. Conclusion:

Social Islami Bank Limited (SIBL) action program is directed towards development of an authentic participatory Economy beyond Market Economy. The family empowerment credit program of SIBL is gaining ground at the grass root level in Bangladesh. Family empowerment micro credit and micro enterprises programs have been designed in a manner so as to make finance, production, marketing, trading, local specific survey and research as well as moral suasion in one package. In SIBL credit conveys the totality in life and clearly linked to social context and cultural setting in conformity with Shariah. There is a built in provision vertical social mobility with provisioning for social subsidy. It is thus felt that the linking credit to social goals and assignments will have far-reaching implications for development of an alternative concept of new participatory economics in the 21st century and thereby laying the foundation of new theories of income, output and employment.

This bank begins from the understanding that 120 million people are Bangladesh's most precious resource. It is rooted in the confidence that cultural heritage and legacy of Bangladesh can be reactivated for motivating people to work that earn Bangladesh a living coupled with necessary finance, training and the backing of a government that is committed to encouraging new initiatives, enterprise, innovation and change.

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- Annual Reports of Social Islami Bank Limited of 2011, 2012 & 2013.
- Bank’s various files and folders.
- Different circulars sent by head office and Bangladesh Bank.

Internet:

- Website: www.siblbd.com
- Website: www.en.wikipedia.org
- Website: www.investopedia.org
- Website: www.google.com.bd

APPENDIX- 1

Social Islami Bank Limited

Social Islami Bank Limited Consolidated balance sheet As at 31 December 2013

	Note(s)	2013 Taka	2012 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including Foreign Currencies)	3(a)	1,267,213,967	1,104,657,620
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)	3.1	7,627,790,250	10,020,554,834
		<u>8,895,004,217</u>	<u>11,125,212,454</u>
Balance with other Banks and Financial Institutions			
In Bangladesh	4(a)	1,899,243,196	2,726,839,850
Outside Bangladesh		1,178,527,956	849,779,375
		<u>3,077,771,152</u>	<u>3,576,619,225</u>
Placement with Banks & other Financial Institutions			
Investments in Shares & Securities	5	9,064,879,564	9,015,879,564
Government	6(a)	5,500,000,000	2,900,000,000
Others		1,558,185,070	1,764,016,584
		<u>7,058,185,070</u>	<u>4,664,016,584</u>
Investments			
General Investment etc.	7 (a)	76,348,581,962	66,459,100,077
Bills Purchased and Discounted		9,523,749,964	9,565,873,831
		<u>85,872,331,926</u>	<u>76,024,973,908</u>
Fixed Assets including Premises, Furnitures and Fixtures			
Other Assets	8(a)	2,662,680,343	2,256,597,940
Non Banking Assets	9(a)	9,770,561,641	8,165,811,105
		-	-
Total Assets		<u>126,401,393,912</u>	<u>114,829,110,780</u>
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions			
Deposits and Other Accounts	10	4,700,000,000	4,700,000,000
Mudaraba Savings Deposits	11	6,468,729,754	4,905,319,144
Mudaraba Term Deposits		62,746,867,195	62,267,653,508
Other Mudaraba Deposits		19,288,768,828	13,984,000,422
A/Wadeeah Current & Other Deposit Accounts	11.2(a)	11,936,321,181	10,585,704,537
Bills Payable	11.3	1,316,909,958	1,465,257,228
Cash Waqf Fund		84,577,685	68,903,770
		<u>101,842,174,601</u>	<u>93,276,838,609</u>
Other Liabilities			
Deferred Tax Liabilities/ (Assets)	12(a)	8,765,394,391	6,699,267,451
	13	1,577,248	70,528
Total Liabilities		<u>115,309,146,240</u>	<u>104,676,176,587</u>
Shareholders' Equity			
Paid-up Capital	14.2	7,031,415,640	6,393,925,700
Statutory Reserve	15	2,122,994,344	1,718,062,455
General reserve		6,666,534	742,432
Revaluation reserve on Fixed Assets	16	1,082,485,102	1,109,979,121
Retained Earnings	17(a)	848,684,454	930,222,915
Total Shareholders' Equity of Parent Company, SIBL		<u>11,092,246,074</u>	<u>10,152,932,622</u>
Non controlling interest	17(b)	1,597	1,570
Total Liabilities & Shareholders' Equity of the Group		<u>126,401,393,912</u>	<u>114,829,110,780</u>

Social Islami Bank Limited
Consolidated balance sheet
 As at 31 December 2013

	Note(s)	2013 Taka	2012 Taka
CONTINGENT LIABILITIES			
Acceptances and Endorsements	18.1	14,986,882,397	12,634,753,997
Irrevocable Letters of Credit (including Back to Back Bills)	18.2	9,854,239,886	7,395,594,893
Letters of Guarantee	18.3	3,246,076,013	4,949,826,296
Bills for Collection	18.4	2,363,031,491	2,784,274,732
Other Contingent Liabilities	18.5	-	-
Total		30,470,229,787	27,764,449,918
OTHER COMMITMENTS			
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		-	-
Total		-	-
Total Off Balance Sheet Items including Contingent Liabilities		30,470,229,787	27,764,449,918

APPENDIX- 2

SOCIAL ISLAMI BANK LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note(s)	2012	2011
		Taka	Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including Foreign Currencies)	3(a)	1,104,657,620	1,065,645,367
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)	3.1	10,020,554,834	4,601,857,225
		11,125,212,454	5,667,502,592
Balance with other Banks and Financial Institutions			
In Bangladesh	4(a)	2,726,839,850	3,317,446,597
Outside Bangladesh		849,779,375	618,982,002
		3,576,619,225	3,936,428,599
Placement with Banks & other Financial Institutions			
Investments in Shares & Securities	5	9,015,879,564	7,457,379,564
Government	6(a)	2,900,000,000	2,050,000,000
Others		1,764,016,584	1,711,359,758
		4,664,016,584	3,761,359,758
Investments			
General Investment etc.	7	66,459,100,077	48,926,507,517
Bills Purchased and Discounted		9,565,873,831	4,982,068,255
		76,024,973,908	53,908,575,772
Fixed Assets including Premises, Furnitures and Fixtures			
Other Assets	8(a)	2,256,597,940	2,135,203,543
Non Banking Assets	9(a)	8,165,811,105	7,095,197,636
		-	-
Total Assets		114,829,110,780	83,961,647,464
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions			
	10	4,700,000,000	3,700,000,000
Deposits and Other Accounts			
Mudaraba Savings Deposits	11	4,905,319,144	3,925,740,731
Mudaraba Term Deposits		62,267,653,508	42,699,279,530
Other Mudaraba Deposits		13,984,000,422	10,498,361,467
Al-Wadeeah Current & Other Deposit Accounts	11.2 (a)	10,585,704,537	8,379,160,525
Bills Payable	11.3	1,465,257,228	905,702,290
Cash Waqf Fund		68,903,770	53,477,204
		93,276,838,609	66,461,721,747
Other Liabilities			
Deferred Tax Liabilities/(Assets)	12(a)	6,699,267,451	4,446,691,591
	13	70,528	(5,101,777)
Total Liabilities		104,676,176,587	74,603,311,561
Shareholders' Equity			
Paid-up Capital	14.2	6,393,925,700	6,393,925,700
Statutory Reserve	15	1,718,062,455	1,168,484,261
General reserve		742,431	-
Revaluation reserve on Fixed Assets	16	1,109,979,121	1,138,496,825
Retained Earnings	17(a)	930,222,915	657,427,567
Total Shareholders' Equity of Parent Company, SIBL		10,152,932,622	9,358,334,353
Non controlling interest	17.2	1,570	1,550
Total Liabilities & Shareholders' Equity of the Group		114,829,110,780	83,961,647,464

SOCIAL ISLAMI BANK LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note(s)	2012 Taka	2011 Taka
CONTINGENT LIABILITIES			
Acceptances and Endorsements	18.1	12,634,753,997	8,405,119,002
Irrevocable Letters of Credit (including Back to Back Bills)	18.2	7,395,594,893	6,784,252,876
Letters of Guarantee	18.3	4,949,826,296	3,277,969,675
Bills for Collection	18.4	2,784,274,732	1,784,609,018
Other Contingent Liabilities	18.5	-	-
Total		27,764,449,918	20,251,950,570
OTHER COMMITMENTS			
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		-	-
Total		-	-
Total Off Balance Sheet Items including Contingent Liabilities		27,764,449,918	20,251,950,570

