Internship Report

On

Investment of Management Process of Islami Bank Bangladesh PLC

Submitted by:

Md. Miraj Hossain

ID No. BBA1803015027

Program: Bachelor of Business Administration

Major: Accounting

Department of Business Administration

Sonargaon University (SU)

Submitted To:

Department of Business Administration

Faculty of Business

Sonargaon University (SU)

Submitted For the partial Fulfillment of the degree of
Bachelor of Business Administration, (BBA).

Sonargaon University (SU)

Dhaka-1215

Date of Submission: 02 May, 2026

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Supervised By:

Md. Mostakin

Lecturer

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Letter of Transmittals

Date:

To,

Md. Mostakin

Lecturer

Department of Business

Administration Sonargaon University (SU)

Subject: Submission of Internship Report on "Investment of Management Process of Islami Bank Bangladesh PLC.".

Dear Sir,

This is my internship report where the topic is on "**Investment of Management Process of Islami Bank Bangladesh PLC.**" as you instructed me to prepare this report as a mandatory part of BBA degree. In writing the report I have tried to my best to follow the instruction that you have directed.

This report will facilitate for knowing the role of Accounting practices of Islami Bank Bangladesh PLC.

I wish that this report will have your approval. I will be blissful to fit out you with any justification if needed.

Sincerely Yours,

Md. Miraj Hossain

ID No. BBA 1803015027

Program: BBA

Major: Accounting

Sonargaon University (SU)

Declaration

I hereby declare that the internship report entitled "Investment of Management Process of Islami Bank Bangladesh PLC." is uniquely prepared by me while I am servicing at Islami Bank Bangladesh PLC. I am assuring that, the report is only forwarded for my academic use not for any other purpose. I also declare that this report is not submitted for any degree or diploma or any other certificate in before.

Md. Miraj Hossain
ID No. BBA 1803015027
Program: BBA
Major: Accounting
Sonargaon University (SU)

Letter of Acceptance

This is to certify that the internship report entitled "**Investment of Management Process of Islami Bank Bangladesh PLC, Prepaired by Md. Miraj Hossain ID:BBA 1803015027** a student of the Department of Business Administration, Sonargaon University. He has successfully closed his internship program at **Islami Bank Bangladesh PLC** and he has prepared this internship report under my superintendence. I am pleased to state that his commitment was very promising in preparing this report. The data and findings presented in the report supposed to be authentic. To the best of my knowledge, he bears a gentle character and good personality.

I wish him for every achievements throughout his life.

Md. Mostakin
Lecturer
Department of Business Administration
Sonargaon University (SU)

Acknowledgement

As a matter of first importance, my thankfulness goes to my creator, Almighty Allah (swt) for introducing me numerous open doors throughout my life and also by giving the best family members. Without them especially my mother, I would not have been able to do so, not even possible to come this far.

I am appreciative to numerous people for the culmination of the report effectively. They are **from** Sonargaon University (SU) who gave me direction and also from **IBBPLC** who provided data for this investigation. I might want to accept open door to express my genuine emotion to **Md. Mostakin** Department of Business Administration, who's Excellency, consistent direction and guidelines have contributed incredibly in the readiness of this report. I am likewise thankful & indebted to my career boss, the most talented & geeky **Md. Mostakin Sir.**

Their earnest welcoming was amazing and fantastically friendly. At last, an exceptional affirmation is thankfully and affectionately offered to my loved ones who had been consistently with me and offered magnanimous help to me, he is non-other my elder brother.

Executive Summary

This report is prepared as a requirement of BBA Program, Department of Business Administration (BBA), Sonargaon University (SU). This report will give a clear idea about the activities and operational strategies of investment Systems of Islami Bank Bangladesh Ltd. This report on “Evaluation of Investment Management of Islami Bank Bangladesh PLC” has been prepared as a part of the assignment for project in IBBPLC.

To cover the broad overview of the various activities of IBBPLC starting from its journey of opening its first branch in 1st April 2001, this chapter handles the ownership pattern, the bank’s vision, mission, different product schemes and its Investment (credit) policy. It also describes the sartorial concentration of Islami Bank Bangladesh Ltd. The financial sector passed a critical year surfing through an anti-business climate both at home and abroad in 2021. The most discussed issue was liquidity crisis and biggest challenge was to manage asset liability issue. Despite sluggish economic scenario, the efficient workforce and the prudent management of the Bank developed a seamless teamwork which pushed the Bank through all the shadows of uncertainty towards the light of success.

Considering the overall scenario, IBBPLC continues to focus on its delivery channel, technology, Human Resource and its brands along with branch network, Business promotion, and Corporate Social Responsibility and product diversification. Strategies are means to achieve goals. Aligned with the vision and mission statements of IBBPLC, strategies have been identified to address the development and changes need. It is envisaged that this strategic plan will cascade effectively the vision-mission into concrete action on priority basis and transform IBBPLC into a dynamic, effective, and forward looking modern Islamic bank in Bangladesh.

List of Abbreviation

A/C	Accounting
IM	Investment Management
KPI	Key Performance Indicator
SOP	Standard Operating Procedure
CSR	Corporate Social Responsibility
OJT	On-the-Job Training
PPE	Personal Protective Equipment
CBA	Collective Bargaining Agreement
GDP	Gross Domestic Product

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Chapter-1

Introduction

1.1 Origin of the Report

An project report prepared as a requirement for the completion of the BBA program. The primary goal of the project was to provide an 'on the job' exposure to the student and an opportunity for translation of theoretical conceptions in real life situation.

To fulfill this purpose I was sent to Islami Bank Bangladesh PLC (IBBPLC), as an project in this regard under the supervision of supervisor. One is internal from the institute and another is from the organization.

This report titled "Investment of Management Process of Islami Bank Bangladesh PLC". On the basis of working experience for this period I have prepared my project report under supervision and guidance of Md Mostakin, Lecturer, BBA program, Department of Business Administration, Sonargaon University (SU).

1.2 Objectives of the Report

There are several objective behind this report which are giving below

Objective:

1. To fulfill my BBA program.
2. To study various investment activities of the Islami Bank Bangladesh PLC.
3. To know the investment policy of the bank.
4. To observe the all terms conditions, rules and regulations of investment management as well as the Government and Bangladesh Bank.
5. To identify the strength and weakness of the investment approval and monitoring process of Islami Bank Bangladesh PLC.
6. To develop the knowledge about Investment management of the bank.

1.3 Scope of the study

Islami Bank Bangladesh PLC (IBBPLC) is now well growing and it's containing 84 Branches in Dhaka and outside of Dhaka. The scope of the study will be limited to the organizational setup, function and operation of IBBPLC in the Bangladesh. This report mainly encompasses the investment modes and performance of Islami Bank Bangladesh PLC. Since I am working in the Islami Bank Bangladesh PLC, Mirpur Branch, I get the opportunity to gain knowledge of different part of banking system. I was assigned in the Investment department at IBBPLC and this paved me the way to get myself familiarized with banking environment for the first time indeed. I have an opportunity to gather experience by working in different department of the branch.

1.4 Methodology of the Study

The study requires a systematic procedure from selection of the topic to final report presentation. To perform the study, a data sources are to be identified and collected, they are to be classified, analyzed, interpreted and presented in a systematic manner and key points are to be found out. This overall process of methodology is given in the following page in the form of flowchart that has been followed in the study.

Collection of data:

Information collected to finish this report is both from primary and secondary sources.

Primary Sources of Data:

- ❖ Internal discussion
- ❖ Conversation with my supervisor and regular employees of the bank.

Secondary Sources of Data:

The secondary data are collected from different conceptual matters and the sources that are used in the study include:

Internal Sources:

- ❖ Annual reports of Islami Bank Bangladesh PLC.
- ❖ Manual provided by the employees.
- ❖ Website of IBBPLC
- ❖ Different circulars sent by Head Office

External Sources:

- ❖ Different publication regarding banking function and investment operation.
- ❖ Several kind of Academic text book and training sheet.
- ❖ Bangladesh Bank Report.

1.5 Limitations of the Study

This project report is my first assignment in my BBA program. I am a student "Masters of Business Administration". So in performing this report our lack of proper knowledge greatly influenced in this performance. Besides above, have to face some other limitations are:

- Three months are not enough for such an extensive study. It is very difficult to collect all required information in such short period.
- Up-to-date information was not available.
- The banker is very busy with their jobs, which lead a little time consult with them.
- Due to some legal obligation and business secrecy banks are reluctant to provide data. For this reason, the study limits only on the available published data and certain degree of formal and informal interview.

Chapter-2

Overview of Islami Bank Bangladesh PLC.

2.1 Background of Islami Bank Bangladesh PLC

In August 1974, Bangladesh signed the charter of Islamic Development Bank and committed itself to reorganize its economic and financial system as per Islamic Shariah. For the favorable attitude of the government of the people's republic of Bangladesh, at present six Islamic Banks operate in Bangladesh Financial market and one of them is Islami Bank Bangladesh PLC. Banking sector is the chief financial intermediaries in a country. It's also true for Bangladesh. Islami Bank Bangladesh PLC. is a very challenging institution. In the age of globalization and free trade, the process and the system of running a bank is changing. IBBPLC is continuously managing itself with this changing environment. The company strategies are clear and concise. They are also able to contribute to our economy in better way. The working environment of the bank is impressive. It was also found that the bank (Branch) is doing better in most of the sectors and their performance is better than average. The investment during 2013 went down in comparison to hat of previous year. From the beginning, the prime objective of the IBBPLC was to increase capitalization, to maintain disciplined growth and high corporate ethics standard and enhance the health of the shareholders.

Islami Bank Bangladesh PLC (IBBPLC) commenced its commercial operation in accordance with principle of Islamic Shariah on the 10th May 2001 under the Bank Companies Act, 1991. During last thirteen years IBBPLC has diversified its service coverage by opening new branches at different strategically important locations across the country offering various service products both investment & deposit. Islamic Banking, in essence, is not only INTEREST-FREE banking business, it carries deal wise business product thereby generating real income and thus boosting GDP of the economy. Board of Directors enjoys high credential in the business arena of the country, Management Team is strong and supportive equipped with excellent professional knowledge.

2.2 Corporate information of Islami Bank Bangladesh PLC.

Table-2.1: Corporate information of IBBPLC.

Name of the Company	**Islami Bank Bangladesh PLC**
Legal Form	A public limited company incorporated in Bangladesh on 1st April 2001 under the companies Act 1994 and listed in Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.
Commencement of Business	10th May 2001
Head Office	Uday Sanz, Plot No. SE (A) 2/B Gulshan South Avenue, Gulshan – 1, Dhaka-1212.
Telephone No.	88-02-8825457,8824736
Fax No.	88-02-8824009
Website	www.shahjalalbank.com.bd
SWIFT	SJBL BD DH
E-mail	sblho@shahjalalbank.com.bd
Chairman	Alhaj Anwer Hossain Khan
Managing Director	Md. Abdur Rahman Sarker
Auditors	M/S. Syful Shamsul Alam & Co. Chartered Accountants Paramount Heights 65/2/1 Box Culvert Road (level-6) Purana Paltan, Dhaka-1000 Phone: 88-02-9555915, 9560332
Tax Advisor	M/S K.M Hasan & Co. Chartered Accountants 87, New Eskaton Road Dhaka. Phone: 88-02-9351457, 9351564
Legal Advisor	Hasan & Associates Chamber of Commerce Building (6th floor), 65-66 Motijheel C/A, Dhaka
No. of Branches	84

No. of ATM Booth	33
No. of SME Centers	06
Off-Shore banking Unit	01
No. of Employees	1881
Stock Summary	
Authorized Capital	Tk. 6,000.00 million
Paid up Capital	Tk. 5,565.82 million
Face Value per Share	Tk. 10.00 Tk.

Source- Annual Report of IBBPLC-2025

2.3 Mission of the Bank

- To provide quality services to customers
- To set high standards of integrity.
- To make quality investment.
- To ensure sustainable growth in business.
- To ensure maximization of Shareholders' wealth.
- To extend our customers innovative services acquiring state-of-the-art technology blended with Islamic principles.
- To ensure human resource development to meet the challenges of the time.

2.4 Vision of the Bank

- To be the unique modern Islami Bank in Bangladesh and to make significant contribution to the national economy and enhance customers' trust & wealth, quality investment, employees' value and rapid growth in shareholders' equity.

2.5 Motto of the Bank

- "Committed to Cordial Service"

2.6 Strategies of Islami Bank Bangladesh PLC.

- To strive for customer's best satisfaction & earn their confidence.
- To manage & operate the Bank in the most effective manner.
- To identify customers' needs & monitor their perception towards meeting those requirements.

- To review & updates policies, procedures & practices to enhance the ability to extend better services to the customers.
- To train & develop all employees & provide them adequate resources so that the customer's needs are reasonably addressed.
- To promote organizational efficiency by communicating company plans, polices & procedures openly to the employees in a timely fashion.
- To cultivate a congenial working environment.
- To diversify portfolio both the retail & wholesale markets.

2.7 Department/Function of Islami Bank Bangladesh PLC.

The operation of IBBPLC can be divided into 4 (Four) major categories. They are:

2.7.1 General Banking

General Banking department performs the majority functions of a bank. It is the core department. In fact, bank operates with the people's money. And this process starts with the General Banking department. The activities of the General Banking Department of IBBPLC mainly divided into following categories:

a) Mobilization of deposits.
b) Receipt and payment of cash
c) Handling transfer transaction
d) Operation of clearing house.
e) Maintenance of accounts with Bangladesh Bank and other banks.
f) Collection of cheques and bills.
g) Issue and payment of Demand Draft and Payment Order.
h) Maintenance of internal accounts of the bank.

IBBPLC offers to open the following account to the depositors:

1. Al-Wadiah Current Account
2. Mudarabah saving Account
3. Mudarabah Term Deposit Account
4. Mudarabah Special Notice Deposit Account
5. Mudarabah Monthly Deposit Scheme
6. Mudarabah Millionaire Scheme
7. Mudarabah Hajj Deposit Scheme

8. Mudarabah Mohor Deposit Scheme

8. Mudarabah Education Scheme.

9. Mudarabah Short Notice Deposit Account

10. Mudarabah Foreign Currency Deposit Scheme

11. Mudarabah Double/Triple Deposit Scheme

12. Mudarabah Cash Waqf Deposit Scheme

13. Mudarabah Housing Deposit Scheme

14. Mudarabah Lakhpati Deposit Scheme

15. Mudarabah Marriage Deposit Scheme

2.7.2 Foreign Exchange

Foreign Exchange Business plays a vital role in providing substantial revenue in the bank income pool. Like all modern banks IBBPLC operates in the area of the foreign exchange business.Mainly transactions with overseas countries are in respect of imports; exports and foreign remittance come under the purview of foreign exchange department. Banks are the vital sectors by which such transactions are effected /settled. Central Bank records all sorts of foreign exchange transactions. The other banks dealing with foreign exchange are to report to Bangladesh Bank regularly (viz. daily, monthly, quarterly, yearly etc.). The foreign exchange department consists of three sections. They are:

- Import section
- Export section
- Foreign remittance section

2.7.3 Investment

Investment is one of the most important activities in banking .Like other banks IBBPLC is investing its funds in different sectors. It’s some important schemes are Small Business Investment Scheme, Household Durable Investment Scheme, Cur Purchase Investment Scheme, Overseas Employment Investment Scheme, Investment Scheme for Executive, Investment Scheme for CNG Conversion, Marriage investment Scheme etc.

Security against the investment facility:

- In case of Monthly Deposit Scheme (MDS) and Millionaire Scheme (MS), the deposit account will be marked lien till full and final adjustment of the liability.
- In case of facility against MBDS/MIS/MPS/MTDR, the deposit account will be pledged till full and final adjustment of the liability.
- Bai-Muajjal Agreement and other charged documents to be executed as per the nature of the investment.

2.7.4 Green Banking

As bankers, waste goes against our grain, and frugality is a natural tendency. So it just makes sense that Green Bank would lead the way in finding ways to blend our customers' financial interests with the interests of the environment. Best of all that environmental sensibility is paying off for our clients – and for the planet. Their visionis to become a preferred provider for business and personal banking products and services, the employer of choice in the markets we serve, the investment preference for investors, and a champion for a cleaner, healthier green environment.

2.8 Organization Stricture of Islami Bank Bangladesh PLC.

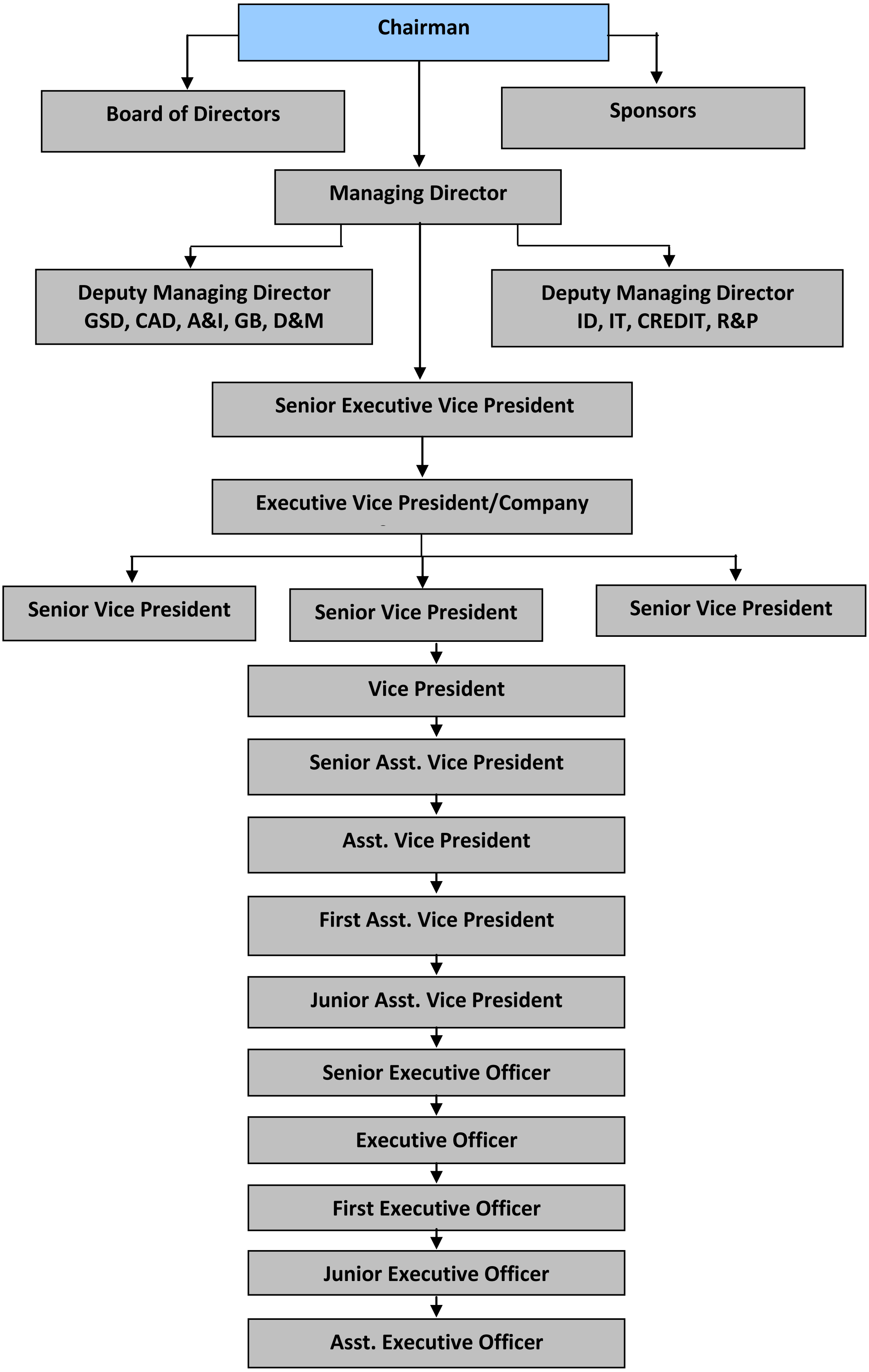

Figure-2.1: Organization Stricture of Islami Bank Bangladesh PLC

2.9 Corporate Social Responsibility (CSR) of Islami Bank Bangladesh PLC.

Corporate social responsibility (CSR) is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. With a view to and also for the welfare of the community, to this perspective, Bank has established "Islami Bank Bangladesh PLC Foundation".

- To provide health-care to poor and distressed peoples.
- To provide education support to meritorious but poor students through scholarship, award.
- To provide financial assistance to flood, cyclone or disaster affected peoples.
- To support humanitarian.
- To provide financial assistance to development of culture, sports of the country
- To participate in social and environmental activities.

The foundation have also drawn up programs to look after the education, health & Medicare requirements of the people of rural areas where the Bank has launched Rural Investment Program (RIP). The Bank has distributed scholarship in the year 2021 to poor but meritorious students with outstanding result in secondary school and higher secondary examination to facilitate them for pursuing their further studies without hindrance. The program of this education award will continue every year. Besides, during 2021 bank distributed Blanket to cold affected peoples throughout the country. This year bank also donates two affected families of BDR tragedy, as part of its commitment. The Bank is conscious the responsibility of the society and people of Bangladesh as and when required institutional Development Program will be gradually undertaken in future. Islami Bank Bangladesh PLC Foundation, has a planning to establish the following projects and programs:

- Islami Bank Bangladesh PLC International School & College.
- Islami Bank Bangladesh PLC Hospital.

Chapter-3

Analysis and Evaluation of Investment Management

3.1 Investment Policy of Islami Bank Bangladesh PLC.

The investment policy should be updated annually to reflect changes in the economic outwork and evolution of bank's investment portfolio. The investment proposal should be forwarded to head office for sanction with recommendation showing justification. Every year at the time of investment budgeting a clear indication of bank's appetite for growth to be reflected approved investment budget shall be strictly followed for the development of the bank. IBBPLC have established investment policy containing:

1. Lending guideline
2. Investment assessment process
3. Approval authority

3.1.1. Lending Guideline

Lending guidelines should clearly outline the senior management view of business development priorities and the term and condition that should be followed for loan to be approved. The lending guideline of IBBPLC should provide the key foundation to formulate recommendations for loan approval and should include the following:

- ❖ Industry and business segment focus
- ❖ Types of investment facilities
- ❖ Single borrower or group exposure limit
- ❖ Lending caps for specific sector
- ❖ Loan facility parameter (e.g. maximum size, maximum tenor, security requirement)

3.1.2. Investment Assessment Process

The bank undertake through investment and risk assessment before taking decision on loan approval. For investment assessment, IBBPLC consider following:

- Amount types of investment proposed
- Proposed of investment
- Investment structure
- Security
- Borrower analysis
- Supplier or buyer analysis

- Financial analysis
- Financial performance
- Account conduct

For the assessment the risk-grading manual of Bangladesh Bank should be followed.

3.1.3. Approval Authority:

The authority to sanction and approve investment must be clearly delegated to senior executives by the Chief Executive or the Board of Directors. Approval authority should preferable be delegated to individual executive and not to committees to ensure accountability in approval process. In IBBPLC the investment approval authority perform the following procedure:

3.1.3.1 Investment Procedure:

IBBPLC has clearly guidelines for procedures to be followed for investment approval. The approval process should provide for the marketing team should recommended segregation of Relationship Management from the Approving Authority and forwarded for the team and be approved team and by the individual executives.

3.1.3.2 Investment Administration:

Investment administration responsibility is to ensure proper documentation and compliance of term and condition of approval before disbursement of investment. For this reason, IBBPLC ensure that the function of investment administration be strictly from Relationship Marketing.

3.1.3.3 Investment Monitoring:

To minimize investment losses, the monitoring procedures and systems of IBBPLC provides an early indication of the deteriorating financial health of a borrower. Strong investment monitoring system helps in identifying potential weakness of material nature requiring closes supervision and attention of the management.

3.1.3.4 Investment Recovery

IBBPLC has a separate investment recover unit and the primary functions of which including the following:

- Determine action plan recovery strategy
- Pursue all option to maximize recovery
- Ensure adequate and timely investment loss provision based on expected losses
- Regular review of classified loans

3.2 Principle of Good Lending

In appraising an investment proposal, every banker of IBBPLC follows a few general principles of good lending, these are below:

Safety- Safety is the first factor during good lending principle. While lending a banker must feel certain that the money will definitely come back. The banker is to ensure that the money advanced by him will be employed in a productive field and repaid with principal amount.

Liquidity- Money will come back is not all, it must come back within a responsible time or on demand. Employment of funds for short term requirements and not locked up in long term schemes is desirable. The repayment through definite but slow in coming back does not serve the purpose of liquidity. Recovery of mortgage money much higher value than advance money through court process involving few years is safe but not liquid.

Purpose- The banker should ensure practicably that the borrower applies the money borrowed for a particular purpose accordingly. Advances for personal expense like-marriage, pleasure tour or repayment of a previous outstanding debt are ordinarily refused by banks. Bank also discouraged advance for hording stocks or speculative activities.

Profitability- Bank must make profit to meet up the expense of deposit interest, establishment and staff salary, rent, stationary etc. Then make reserve or pay dividend to shareholders. After considering all these factors a bank decides upon its lending rates. A particular transaction may not appear profitable in itself, but borrowers some ancillary business may be highly remunerative to the lending bank. In this way, the transaction may on the whole be profitable for the bank.

Security- Bank lend out borrowed money against security. Security serves as a safety value for an emergency. Apart from this character, capacity and capital of the borrower are well looked into when an advance in granted.

Spread- Risk is always inherent in every advance. A successful banker is an expert in assessing such risk. He is keen in spreading lending risks over a large number of borrowers, industries, areas and different types of securities. For example- advancing against only one type of security will run if that class of security steeply depreciates.

Nation Interest- An advance satisfying all aforesaid principles may run counter to national interest. In the changing concept of banking, advancing to priority sectors such as agriculture, small industries and export- oriented industries are assuming greater importance than security.

3.3 Investment Process of Islami Bank Bangladesh PLC.

Generally a bank takes certain steps to deliver its proposed investment to the client. But the process takes deep analysis. Because banks invest depositors fund, not banks' own fund. If the bank fails to meet depositors demand, then it must collapse. So, each bank should take strong concentration on investment proposal. However, IBBPLC makes its investment decision through successfully passing the following steps:

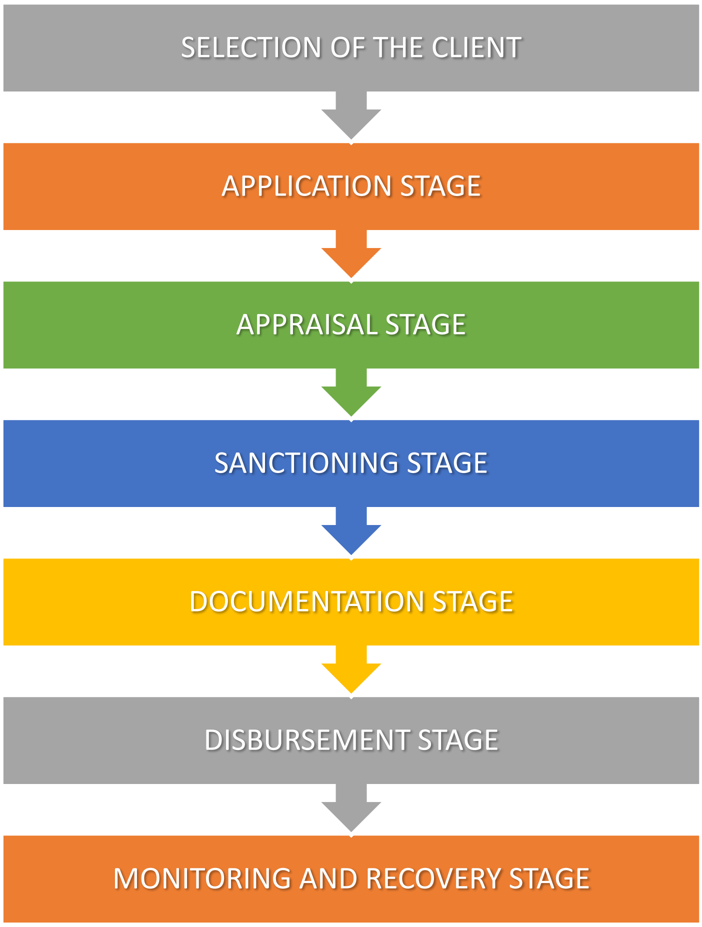

Figure-3.1: Investment process of Islami Bank Bangladesh PLC.

Selection of the Client

Here, client approaches to any of the branch of Islami Bank Bangladesh PLC. Then, individual talks with manager or respective officer (Investment). Secondly, bank considers five C's of the client. After successfully completion of the discussion between the client and the bank, bank select the client for its proposed investment. It is to be noted that client/customer must agree the bank's rule and regulation before availing investment. Generally, bank analyses the following fives C's of the client:

- Character;
- Capacity;
- Capital;
- Collateral; and
- Condition.

Application Stage

At this stage, the bank will collect necessary information about prospective client. For this reason, bank informs the prospective client to provide or fill duly respective information which is crucial for the initiation of investment proposal. Generally, here, all the required documents for taking investment have to prepare by client individually. Documents that are necessary for getting investment of IBBPLC is prescribed below:

I. Trade License photocopy (for proprietorship);
II. Abridged pro forma income statement;
III. Attested copy of partnership deed (for partnership business)
IV. Prior three(03) years' audited balance sheet (for joint stock company)
V. Prior three(03) years' business transaction statement for the muskara/mudaraba investment;
VI. Abridged pro forma income statement for the muskara/mudaraba investment;
VII. Attested copy of the Memorandum of Association (MOA) and Articles of Association (AOA) for the joint stock company;
VIII. Attested copy of the Tax Identification Number (TIN) including final assessment;
IX. Tender of the proposed assets (in case of HPSM)
X. Detailed summary of the sundry debtors and creditors (including both time & schedule)
XI. Summary of the personal movable and immovable assets; and others.

Appraisal Stage

At this stage, the bank evaluates the client and individual business. On the basis of this stage, bank usually goes for sanctioning the proposed investment limit/proposal. If anything goes wrong here, the bank suddenly stops to make payment of investment. In order to appraise the client, IBBPLC provides a standard Form to the client for gathering all the information. The original copy of the appraisal report in enclosed in the appendix chapter. However the following contents are presented from that appraisal report:

A. Company's/Client's Information.
B. Owner's Information.
C. List of Partners/Directors.
D. Purpose of Investment.
E. Details of Proposed Investment.
F. Break up of Present Outstanding.
G. Other Liabilities of the Client/Group.
H. Previous Banker's Information.
I. Detailed of Sister/Allied Concerns.
J. Allied Deposit as on.
K. Business/Industry Analysis.
L. Relationship Analysis.
M. Asset-Liabilities position of the client as per Audited Balance Sheet.
N. Working Capital Assessment.
O. Risk Grade.
P. Particulars of the warehouse/godown for storing MPI/Murabaha goods.
Q. Insurance Coverage.
R. Audit Observation.
S. Security Analysis.

Sanctioning Stage

The bank officially approves the investment proposal of the respective client. In this case client's receives bank's sanction letter. Islami Bank Bangladesh PLC sanction letter contains the following elements:

1. Investment limit in million.
2. Modes and amount of investment.

3. Purpose of investment.
4. Period of investment.
5. Rate of return.
6. Securities:
    a. **Primary:** Stocks of goods in primary security-
        i. *LC/Bills:* Related Documents.
        ii. *Murabaha Post Investment (MPI)/ Bai-Murabaha*- Pledge of MPI/ Bai Murabaha goods.
        iii. *MPI/ Bai Murabaha-TR*- Lien on goods to be released.
    b. **Cash/ Goods:**
        i. Bai-Murabaha: 25% cash security on cost price to be subsequently converted to goods security.
        ii. TR (Trust Receipt): Without cash security.
    c. **Collateral:** Immoveable goods.

Documentation Stage

Usually the bank analyses whether required documents are in order. In the documentation stage, Islami Bank Bangladesh PLC checks the following documents of the client:

I. Tax Payment Certificate.
II. Stock Report.
III. Trade License (renewal).
IV. VAT certificate.
V. Liability statement from different parties.
VI. Receivables from different clients.
VII. Other asset statement.
VIII. Aungykar Nama.
IX. Ghosona Potra
X. Three (03) years' net income and business transaction.
XI. Performance report from the bank.
XII. Account statement from the bank.
XIII. Valuation certificate
    a. Particulars of the Proposal.
    b. Particulars of the Mortgage.

c. Particulars of the Properties.

XIV. Outstanding liabilities position of the bank.

XV. CIB (Credit Information Bureau) Report.

Disbursement Stage

At this stage bank decides to pay out money. Here, the client gets individual desired fund or goods. It is to be noted that before disbursement a "Site Plan" showing the exact location of each mortgage property needs to be physically verified.

Monitoring and Recovery Stage

At this final stage of investment processing of the Islami Bank Bangladesh PLC, bank will contact with the client continually, for example- bank can obtain monthly stock report from the client in case of micro investment. Here, the bank will keep eye on over the investment taker. If needed, bank will physically verify the client's operation. Also if bank feels that anything is going wrong then it tries to recover its investment fund from the client.

3.4 Investment Portfolio of Islami Bank Bangladesh PLC.

Total investment of the Bank stood at Tk. 96,185 million as on 2013 as against Tk. 80,592 million of 2025 registering an increase of Tk. 15,592 million, i.e. 19.35% growth. The Bank is careful in deployment of the fund. Mode wise investment portfolio as on 31.12.2025 are given below:

Sl. No.	Modes of Investment	Taka in Million	Percentage of Total Investment
1	Murabaha	16,596.44	17.25%
2	Bi-Muajjal	41,094.36	42.72%
3	Hire-Purchase & Ijara	18,965.42	19.72%
4	Investment against L/C	29.26	0.03%
5	Bill Purchased / Discounted	13,059.66	13.58%
6	Investment against Scheme Deposits	2,200.03	2.29%
7	Quard	184.77	0.19%
8	Others	4,054.86	4.22%
Total Investment		**96,184.80**	**100.00%**

Table-3.1- Mode-wise Investment (Source-Annual Report of IBBPLC-2025)

The bank has kept the trend of investment portfolio as before. It invest major portion of its deposit in Bai-Muajjal. During the year of 2025 it invest 42.72% of its deposit on Bai-Muajjal. The second major portion invested on hire purchase and Ijra with 19.72%. It also reduces investment in Murabaha because here in Murabaha bank gets the higherbenefit rather than client. So, most of the clients are not interested in Murabaha. It alsoincreases investment on Bill purchase which is 13.58%. Reason behind decreasing investment in Investment against L/C is fluctuation in exchange rate.

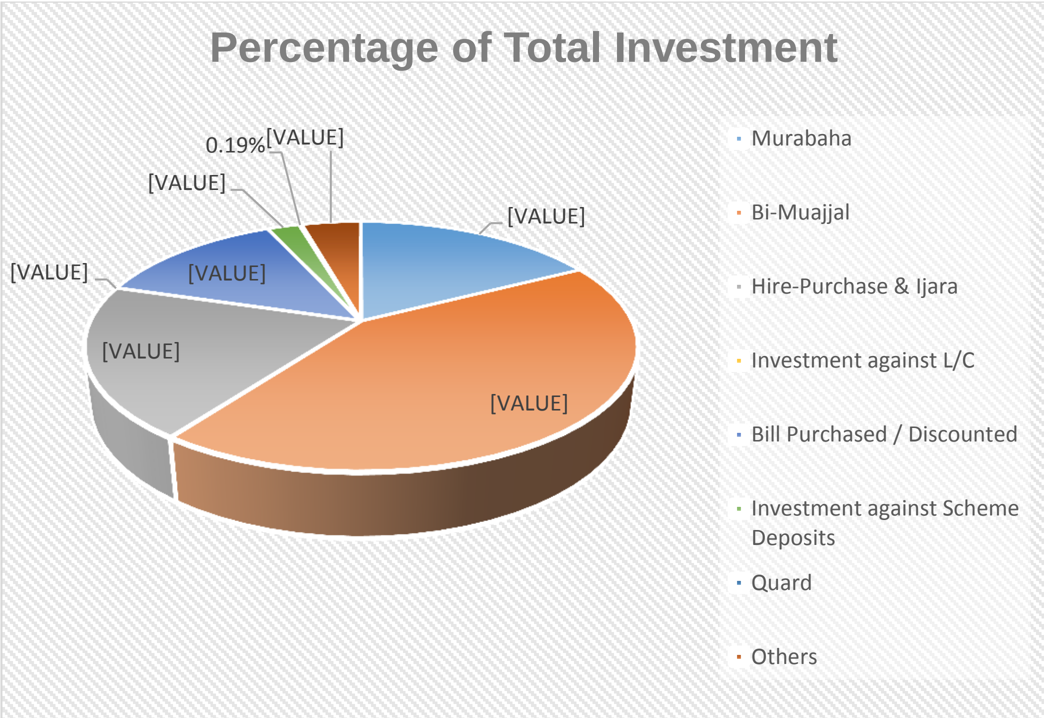

Figure-3.2: Portfolio Investment for 2025

3.5 Investment Modes of Islami Bank Bangladesh PLC

Bai Mechanism: Bai means purchase and sale of goods in cash or on credit or in advance at an agreed upon profit, which may or may not be disclosed to the client. Majority of investments of Islamic banks are extended through this mechanism. A good number of investment products have been designed to facilitate mainly working capital financing which goes as follows:

A. Bai-Murabaha

I. Murabaha LC (Sight/Deferred): Through this mode of indirect facility, the bank facilitates import of goods of the client at fixed rate of service charge (LC commission) on invoice value. LC may be opened at 100% cash or at a different ratio.

II. Murabaha Post Import TR: This is post import finance under the principle of “Bai”, extended to retire Shipping Documents under LC opened. We buy the imported goods and sell the same to the importer at a cost plus an agreed upon profit repayable today or on some date in the future in lump sum or by installments. Usually payment is made by lump sum from the sale proceeds of the consignment. Possessionof goods remains with the client. Collateral security is usually obtained to secure the finance

III. Murabaha Post Import Pledge: As like as Murabaha Post Import TR with an exception to security. Goods remain under the control of the Bank. Collateral security may or may not be obtained.

B. Bai-Muajjal:

I. Bai-Muajjal Commercial TR: It is an agreement between bank and client whereby bank delivers goods to the client upon deferred payment, i.e. the client shall pay the price at some future date at a time, by lump sum or by installment. Under this mode of investment, bank is not supposed to disclose cost price and profit separately. Goods are delivered on trust and Trust Receipt is obtained for legal implication.

II. Bai-Muajjal (Real Estate): Mode of operation and principle of this product are alike Bai-Muajjal Commercial TR. Difference is with the purpose, i.e. the facility is only extended against construction or purchase of building, apartment etc.

III. Bai-Muajjal (WES Bill): Investment facility under this Mode is extended to liquidate ABP liability at maturity, when the client cannot liquidate the liability as a result of non-repatriation of the related export proceeds.

IV. Bai-Muajjal (Term): Under this mode of investment, term facility is given to meet client’s requirement, which is repaid by a specific repayment schedule. Purpose is a bit different, such as to meet BG claim, etc.

C. Bai-Salam:

I. Bai-Salam (PC): This is export finance. Bai-Salam is a term used to define a sale in which the buyer makes advance payment, but the delivery is delayed until sometime in the future. Usually the seller is an individual or business and the buyer is the bank.

The Bai-Salam sales serve the interest of both parties:

a. The seller- receives advance payment in exchange for the obligation to deliver the commodity at some later date. He benefits from the Salam sale or buy locking in a price for his commodity, thereby allowing him to cover his financial needs whether they are personal expenses, family expenses or business expenses.

b.The purchaser-benefits because he receives delivery of the commodity when it is needed to fulfill some other agreement, without incurring storage costs. Second, a Bai-Salam sale is usually less expensive than a cash sale. Finally a Bai-Salam agreement allows the purchase to lock in a price, thus protecting him price fluctuation.

D. Hire Purchase under Shirkatul Melk (HPSM): Hire Purchase under Shirkatul Melk is a special type of contract which has been developed through practice. Actually it is a synthesis of three contracts:

1. **Shirkat**
2. **Ijarah**
3. **Sale**

These may be defined as follows:

Shirkit: Shirkat means partnership. Shirkatul Melk means share in ownership. When two or more persons supply equity, purchase an asset, own the same jointly and share the benefit as per agreement and bear the loss in proportion to their respective equity, the contract is called Shirkatul Melk Contract.

Ijarah: The term Ijarah has been derived from the Arabic works which means consideration, return, wages of rent. This is really the exchange value or consideration, return, wages, rent of service of an asset. Ijarah has been defined as a contract between two parties, the Hiree and Hirer where the Hirer enjoys or reaps a specific service or benefit against a specified consideration or rent from the asset owned by the Hiree. It is a hire agreement under which a certain asset is hired out by the Hiree to a Hireer against fixed rent or rental for a specified period.

Sale: This is a sale contract between a buyer and a seller under which the ownership of certain goods or asset is transferred by seller to the buyer against agreed upon price paid/ to be paid by the buyer**.**

3.6 An Analysis on Modes of Investment of Islami Bank Bangladesh PLC

In IBBPLC the word 'Credit' is replaced by the word 'Investment'. IBBPLC is a joint venture of three sector private commercial bank integrating Formal, Non-Formal and Voluntary sector banking, is successfully operating Family Empowerment, Micro-Credit andMicro-Enterprise programs through its 84 branches around the country since its inception in2001.

A. Modes of Investment in Formal Sector:

In formal sector of IBBPLC, investment would be understood from the aforesaid angle. Investment as per definition of IBBPLC may be as per following chart:

I. Murabaha: Murabaha means a mode of finance under which a commodity is purchased at the request of a client as per his specification from the third party with clear understanding and prior contract to sell the same to him at a marked up profit over an above the original price at which the bank purchased it and delivers the same on taking possession at least for one second and thereafter keeping the goods as bailer under pledge of the bank as security to facilities lifting by the client on making cash payment of the price of commodities at a fixed future date either in installment or lump sum.

II. Bai- Muazzal: Bai-Muazzal is defined as a mode of finance under which the goods are sold to the clients at a cost plus price payable in a deferred basis either in lump sum or in installment at a fixed future date on purchasing the same as that of requirement of industry and agriculture as well as on the financing of domestic and import trade and income generating activities.

III. Bai-Salam: It is defined as a mode investment which purchase of commodity is made making advance payment by the bank on execution of a written clearly mentioning the specification size of the commodity and the time of delivery

At the fixed futures date. Generally agriculture and industrial products are purchased in advance under the above mode.

IV. Mudaraba: It is a mode of investment between two parties according to which one of them pays the other a specific amount of money to invest at an agreed ratio of profit and the other shall give labor. Here the bank shall pay capital to the client and the client will conduct by putting his labor and judgment.

V. Musharaka: Musharaka is an investment mode of financing. Under this mode bank shall participate with the client as a partner of an enterprise. The Islamic Shariah principal of Musharaka shall be 'Shirkatul Inan' which means profit is divisible as per agreed ratio irrespective of capital contribution of the parties involved.

Sl. No.	Name of Client	Invested Amount-2025	Invested Amount-2024
01	Makson Spinning Mills Limited	63,955,630	63,955,630
02	Metro Spinning Mills Limited	65,855,505	65,855,505
03	Beacon Pharmaceuticals Limited	39,266,541	39,266,541
04	Eastern Housing Limited	172,040,794	166,063,283
05	Fine Foods Limited	128,883,872	128,856,417
06	Quasem Drycells Limited	118,062,557	94,697,283
07	Goldenson Limited	52,587,644	34,037,668
08	Export Import Bank of Bangladesh Limited	118,355,157	83,736,584
09	RAK Ceramics (Bangladesh) Limited	2,046,451	12,657,026
10	The Dacca Dyeing & Mfg. Co.	177,918,614	125,617,315
11	Jamuna Oil Company Limited	47,584,482	37,401,731
12	Beximco Pharmaceuticals Limited	30,685,664	36,947,126
13	AIBL 1st Islamic Mutual Fund	64,269,660	50,000,000
14	Beximco Limited	40,418,403	17,965,408
15	Al-Arafah Islami Bank Limited	77,660,385	55,810,411
16	Islami Bank Bangladesh PLC	92,929,941	89,815,541
17	Social Islami Bank Limited	62,256,470	43,233,244
18	First Security Islami Bank Ltd.	22,874,559	14,916,315
19	M.I. Cement Factory Ltd.	19,934,910	46,491,938
20	MJL Bangladesh Ltd.	19,934,910	46,491,938
21	Square Pharmaceuticals Ltd.	16,622,934	15,991,829
22	Fareast Islami Life Ins. Co. Ltd.	13,949,128	-
23	Grameenphone Ltd.	51,506,290	-
24	Meghna Petroleum Limited	6672.21	-
25	Lafarge Surma Cement Limited	43,057,994	-
26	Navana CNG Limited	12,554,168	-
27	Confidence Cement Ltd.	1,440,500	-
28	Square Textile Ltd.	3,120,128	-
29	Titas Gas Transmission&Distribution	15,082,354	-
30	GPH Ispat Limited	-	14,552,950
	Total	**1,657,980,842**	**1,322,368,385**

Table-3.2: Investment in share and Securities

Source-Annual report of IBBPLC-2025

VI. Hire Purchase under Musharaka Muanaquasha: It is a mode under which the bank invests to enable purchase of machineries, equipment's transport or other **durable** article by the clients on obtaining initial equity and fixing up rate of rent to be charged on the outstanding balance reduced basis together with an understanding to pay off the principal and accrued rent in installments at a fix period.

VII. Direct Investment: Investment may be made for purchasing land for development and subsequent disposal or for construction of flats and for disposal of the same for gainful purpose. The bank under joint ownership with the client may also develop housing estate, buildup multistoried building and disposal of the same subsequently for gainful purpose.

VIII. Quard against Term Deposit: Quard against term deposit may be allowed by creating loan account and profit upon loan is not to be recovered. Simultaneously profit on term deposit for the like amount is not being paid. The bank may recover an amount of service charge for the job.

IX. Quard-E-Hasana: Quard-E-Hasana by way of temporary overdraft in Current A/C, without charging profit may be allowed keeping securities there against. Apart from above Quard may be allowed to employees against PF and Benevolent Fund. The procedures of Investment in Formal Sector:

a. Each selected client has to open a Mudaraba Saving deposit Account (MSD A/C) or Al Wadiah Current Deposit Account (AWCD A/C) with IBBPLC.
b. Each client/ businessman should obtain trade license from the concerned authority.
c. Each Businessman/ Entrepreneur having experience of at least one year will be given preference to avail of the investment facilities.
d. The equity ratio at and the entrepreneurs are usually 80:20. The entrepreneurs having equity ratio 60:40 will be given preference.
e. The clients, who have performed their micro credit investments satisfactorily, will be given preference to promote their business in micro enterprise program provided they are in a position to fulfill the criteria of this program.
f. Collateral security to be obtained for investment ceiling above Tk.50, 000/=.

B. Mode of Investment in Non-Formal Sectored: The banks special program in directed mainly to up-life the socio-economic conditions of rural and urban poor. In order to achieve this objective, Islami Bank Bangladesh PLC. is involvedin the mobilization and utilization of local resources and the surplus labor mainly from within and provide employment opportunities to the unemployed and the land less besides investing in NGO activities, educational, health expansion activities, Social Fellowship Program for student etc.

Family Empowerment Micro-credit Program: Family Empowerment Micro-Credit Program is designed to develop the Socio-economic condition of the grass-root people committed to build a caring society by reducing poverty through income generation for small and low-income families under which financing is provided without collateral.

C. Mode of Investment in Voluntary Sectors: It is the right item for globalization of Islamic voluntary sectors activates. In this process Islamic Bank in the 21" Century can play a very vital role in reactivation and institutionalizing the role of Islamic Socio-Economic institutions and various voluntary and obligatory tools of redistribution of income through innovative financial instruments and management of fund. This bank has a special program of development of various religious and social service oriented institutions. Within this program, Mosque, Maktab, Waqf, Charitable organizations etc. will be modernized and activated. All properties under this program will be utilized in productive activates on participation basis. Besides, hajj (Pilgrimage) and Kurbani (Sacrifice of animals according to dictates of Islam) schemes are include in the program or Islami Bank Bangladesh PLC. Cash Waqf certificate has already been introduced for the fast time in history various method of compulsory and voluntary Islamic distribution of finance, such as Zakat, Sadakah,Waqf etc. will be institutionalized.

3.7 Categorization of Investment

There are some categories of investment in Islami Bank Bangladesh PLC. According to this category they made their investment. The categories are explain bellow:

I. Hire purchase under shirkatul Melk Commercial: Investment on hire purchase under Shirkatul Melk mode to individual / firm / company / society for commercial purpose shall be termed as hire purchase under Shirkatul Melk Commercial.

II. Hire Purchase under Shirkatul Melk Industrial: Hire purchase under Shirkatul Melk investment to industrial undertaking the land, building, machineries, equipment, transport, etc shall be termed as Hire Purchase under Shirkatul Melk Industrial.

III. Hire Purchase under Shirkatul Melk Agriculture: Hire Purchase under Shirkatul Melk investment to agriculture sector in the form of Agriculture equipment, machineries, shallow Tube-well, Tractor, trailers, Transport etc. shall be termed as Hire Purchase under Shirkatul Melk Agriculture.

IV. Hire Purchase under Shirkatul Melk Transport: Hire Purchase under Shirkatul Melk Industrial in the form of transport- Bus**,** Truck, Car, Taxi, Lunch, Steamer, Cargo Vessel, Air transport etc. shall be termed as Hire Purchase under Shirkatul Melk Transport.

V. Hire Purchase under Shirkatul Melk Real Estate: Hire Purchase under Shirkatul Melk Industrial in the form of land building, market, apartments, for use / rental shall be termed as Hire Purchase under Shirkatul Melk Real Estate.

3.7.1 Small and Medium Enterprise (SME) Investment Operation of IBBPLC

The SME Sector has been declared by the Government as a priority sector. In our country, Small and Medium Enterprises (SMEs) play the pivotal role for employment generation, poverty alleviation and overall economic growth of the country. It has been observed that fund is the major constraint of this sector. Therefore, we need to inject more funds into this sector in a much planned manner to boost-up this sector for the sake of overall economic development of the country.

Our country is labor abundant and SMEs are typically labor intensive. So, the sector deserves more investment facility for smooth functioning of the existing enterprises and expansion of the same with a view to retain the workforce active as well as creating more employment opportunities. Further, investment in SMEs can be very effective in reducing poverty as well as ensuring long term economic growth.

Islami Bank Bangladesh PLC (IBBPLC) is a modern commercial bank governed by the principles of Islamic Shariah, which is committed to implement and materialize the economic and financial principles of Islam in the banking sector. It has undertaken initiatives for investment in SME sector by introducing a number of SME products in the market gradually with a view to patronizing the trade, commerce and industrial entities with equity & justice and to make effective contribution for creating employment opportunities, which will ultimately help the nation for poverty alleviation from the society. There are some schemes that Islami Bank Bangladesh PLC has maintained for the SME sector especially for the women society. In bellow there present about this SMEs:

A. Prottasha for Small Enterprises:

Islami Bank Bangladesh PLC (IBBPLC) is firmly committed to implement and materialize the economic and financial principles of Islam in the Banking Arena. The very essence of Islamic mode of banking is to remove the disparity through establishing equity justice in trade, commerce and industry sector, creating opportunities for employment, boosting up income generation which ultimately helps alleviation of poverty from the society.

Keeping the view and as an active contributor in the economic growth of Bangladesh, Islami Bank Bangladesh PLC. has initiated SME Investment throughout the country.

B. Prottasha for Women Entrepreneur:

It is well-known that women's empowerment and economic development go hand-in-hand. Now a days Women Entrepreneurs are receiving greater attention from policymakers and experts in developed and developing countries. In our country, Women Entrepreneurs are also encouraged to contribute to the national economy through establishing and expanding small & medium enterprises all over the country. Islami Bank Bangladesh PLC (IBBPLC) is extending investment to Women Entrepreneurs for their business all over the country through its Small & Medium Enterprise (SME) Investment program on easy terms and conditions.

3.7.2 Shariah Compliance of Islami Bank Bangladesh PLC

Shariah council of the IBBPLC plays an important role in connection with the compliance and Implementation of Islamic Shariah principles in every sphere of the bank’s operation. It consists of eight members including five Fakihs (eminent Shariah juries), Board Chairman and Managing Directors. The council is headed by Janab Hazrat Maulana Mufti Abdur Rahman; the Council conducted 04 and 05 meetings respectively. However, the IBBPLC is not adhering to Shariah principles strictly in some of its areas of operation. More particularly, the bank has been collecting deposits under Mudaraba principle at the bargaining rates.

3.7.3 Geographical Location-wise Investments

In geographical location-wise investment shows that among seven division Dhaka and Chittagong in the higher rank because of the industrial area, port facility and others available resources. Every year investment increases all the divisions.

Table-3.3: Geographical Location-wise Investments

Division	As at 31 December 2025		As at 31 December 2024	
	Amount	Composition	Amount	composition
Dhaka	78,842,416,563	81.97%	66,677,392,310	82.73%
Chittagong	11,662,744,496	12.13%	9,718,775,261	12.06%
Sylhet	1,438,510,558	1.50%	1,277,013,034	1.58%
Rajshahi	785,581,969	0.82%	637,746,246	0.79%
Rangpur	787,132,826	0.82%	300,930,779	0.37%
Khulna	2,395,100,404	2.49%	1,768,413,047	2.19%
Barishal	273,432,100	0.28%	212,191,006	0.26%
Total	**96,184,918,916**	**100.00%**	**80,592,461,638**	**100%**

Source-Annual Report of IBBPLC-2025

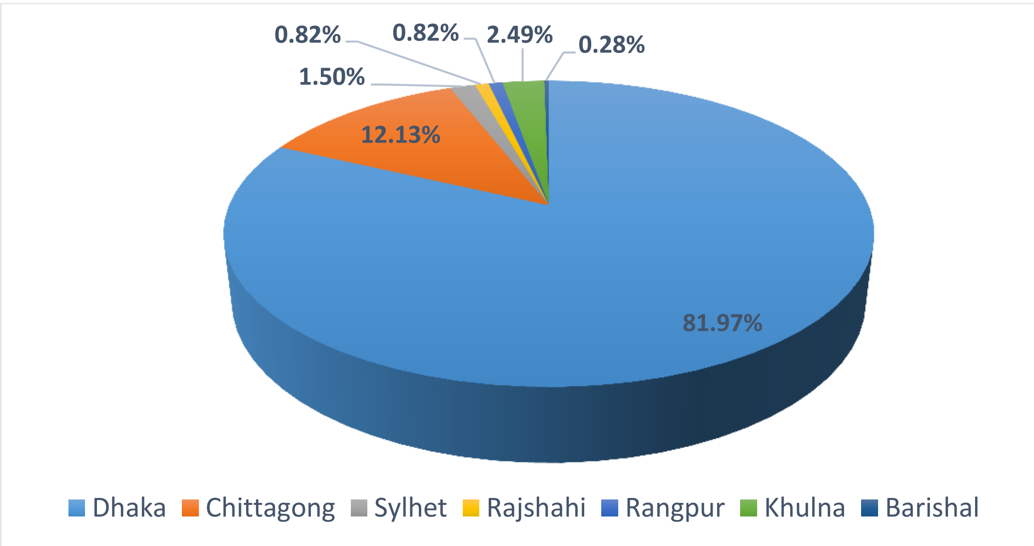

Figure-3.3:Geographical Location-wise Investments

In the year 2025 total investment was Tk. 96,184,918,916 million against 2024 total investment was Tk. 80,592,461,638 million. Here proportion of investment in Dhaka 81.97%, Chittagong 12.13%, Khulna2.49%,Sylhet1.50%.

3.7.4 Sector-wise Classification of Investments-

Islami Bank Bangladesh PLC invested different sector such as Agriculture & Fishing Cotton & Textile, Garments, Real Estate, Transport, Information Technology, Information Technology, Share Business and others.

Table-3.4:Sector-wise Classification of Investments

Sector	**As at 31 December 2025**		**As at 31 December 2024**	
	Amount	**Composition**	**Amount**	**Composition**
Agriculture & Fishing	757,904,123	0.79%	361,812,435	0.45%
Cotton & Textile	10,254,502,468	10.66%	11,839,621,421	14.69%
Garments	14,850,126,903	15.44%	12,298,431,428	15.26%
Cement	752,926,555	0.78%	743,112,131	0.92%
Pharmaceuticals & Chemicals	2,711,628,930	2.82%	1,491,200,982	1.85%
Real Estate	8,816,942,501	9.17%	8,415,900,116	10.44%
Transport	2,265,746,102	2.36%	2,028,021,543	2.52%
Information Technology	185,925,500	0.19%	213,482,132	0.26%
Non-Banking Financial Institution	4,204,787,610	4.37%	2,518,600,000	3.13%
Steel & Engineering	5,436,980,100	5.65%	3,071,042,351	3.81%
Paper & Paper Products	1,751,921,308	1.82%	1,473,211,034	1.83%
Services Industries	3,018,125,602	3.14%	2,751,900,219	3.41%
Information Technology	13,162,645,202	13.68%	9,378,154,231	11.64%
Import Financing	754,545,300	0.78%	9,086,200,241	11.27%
Consumer Financing	179,955,094	0.19%	245,433,000	0.30%
Share Business	3,389,956,302	3.52%	2,527,326,912	3.14%
Stuff Investment	596,492,919	0.62%	494,081,231	0.61%
Others	23,093,806,397	24.01%	11,654,920,277	14.46%
Total	**96,184,918,916**	**100.00%**	**80,592,461,683**	**100%**

Source- Annual Report of IBBPLC-2025

3.8 Trend Analysis of Investment

Total investment of Islami Bank Bangladesh PLC stood at Tk. 96,184.80 million as on 2025 as against Tk. 80,592.46 million on 2024. Registering an increase of Tk. 15592.34 million, i.e. 19.35% growth. Trend for investment for the last five (05) years are as follows:

Table-3.5: Analysis of Investment Trend

Taka in Million

Modes of Investment	**2021**		**2022**		**2023**		**2024**		**2025**	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Murabaha	7353.61	22.34	8261.1	18.09	9569.65	15.58	13912.70	17.26	16596.44	17.25
Bi-Muajjal	13224.94	40.17	19,855	43.47	27335.68	44.49	31165.99	38.67	41094.36	42.72
Hire-Purchase & Ijara	54.63.44	16.60	10520.7	23.04	14343.7	23.35	17011.10	21.11	18965.42	19.72
Investment against L/C	106.13	0.32	1732	3.79	36.50	0.06	1.71	0.002	29.26	0.03
Bill Purchased / Discounted	3721.76	11.31	3588.62	7.86	7145	11.63	11626.69	14.43	13059.66	13.58
Investment against Scheme Deposits	557.61	1.69	810.61	1.77	1424.86	2.32	125.09	0.16	2200.03	2.29
Quard	168.33	0.51	132.55	0.29	159.18	0.26	99.96	0.12	184.77	0.19
Others	2322.95	7.06	771.59	1.69	1425.51	2.32	6649.22	8.25	4054.86	4.22
Total	32918.8	100	45672.2	100	61440.08	100	80592.46	100	96184.80	100

Source-Annual Report of IBBPLC: 2021-2025

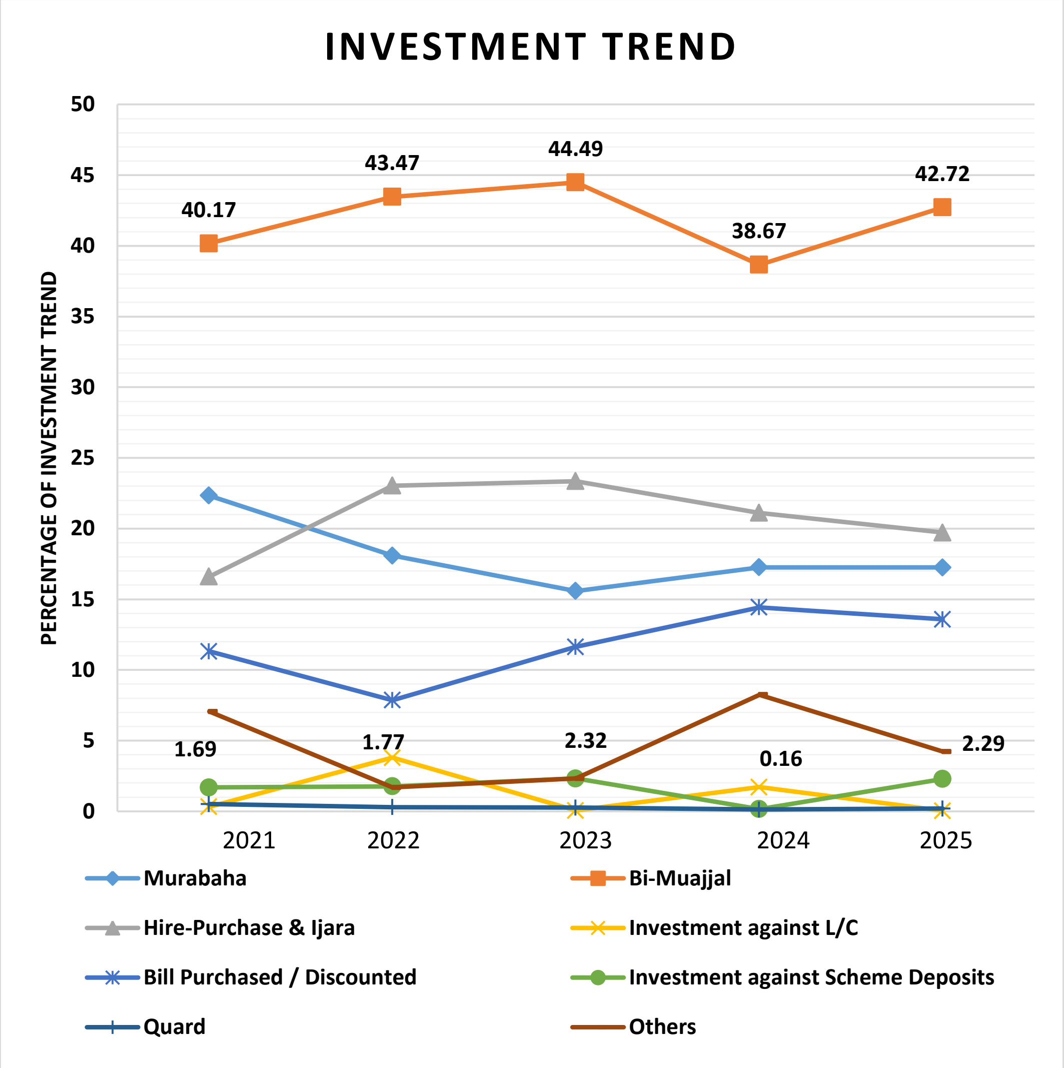

Figure- 3.4: Trend of Investment from 2021 to 2025

Clients are more interested in Bai-Muajjal and Investment against Scheme Deposits where the client get the opportunity of minimizing the risk. So far IBBPLC increased its position of total investment on both Bai-Muajjal and Investment against Scheme Deposits. Here, IBBPLC increased its Investment in Bai-Muajjal with 4.05% and in Investment against Scheme with 2.13%.

The Bank is reducing its investment on Murabaha every year because of less interest of clients on Muraba schemes as for greater risk and lower benefits.

IBBPLC also reduces its investment on L/C because of frequently change exchange rate. So that bank is reducing its investment on this mode because of greater risk. Here, IBBPLC reduces its investment from 0.002% to 0.03%

3.9 Investment Income and Non-investment Income

Total Investment Income of the Bank as at 31st December 2025 was TK. 15,242.21 million as against TK. 10,107.77 million of the preceding year registering 50.80% growth over last year, which was 87.39% of the total income against 84.18% of 2024.

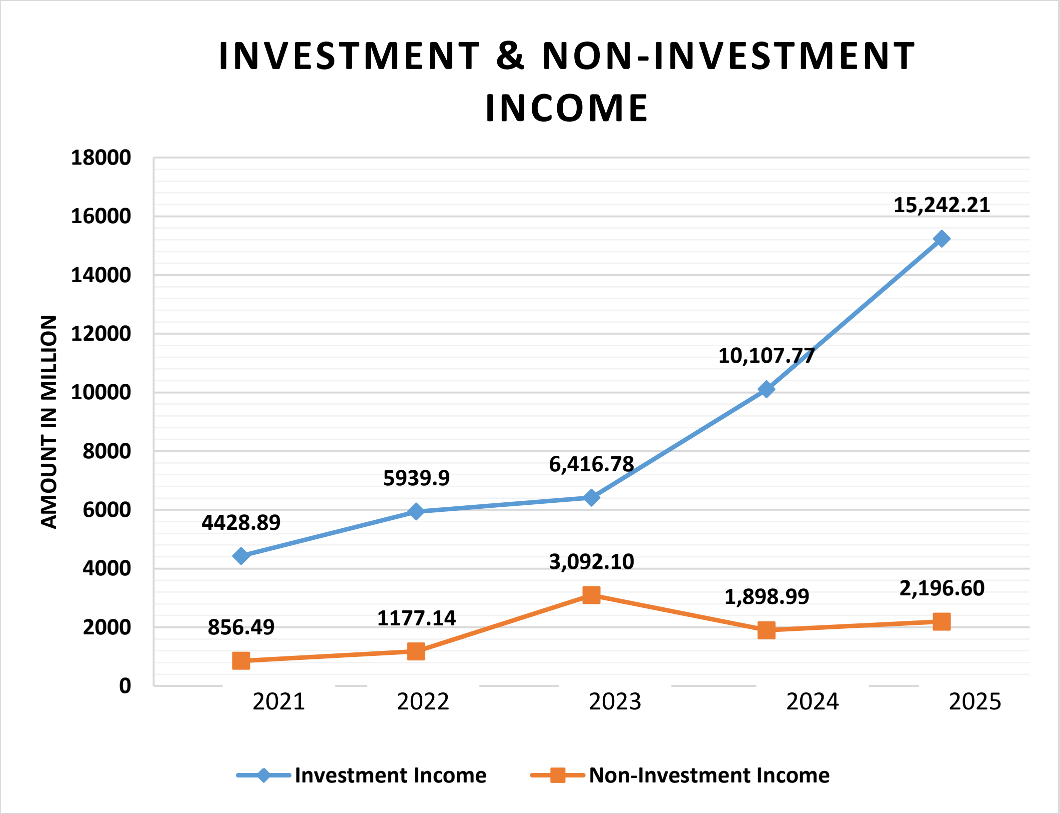

Figure-3.5: Trend of Investment Income from 2021 to 2025

Total Non-Investment Income of the Bank as at 31st December 2025 was TK. 2,196.60 million as against TK. 1,898.99 million of the preceding year, Which was 15.67% of the total income compared to 15.82% of 2024.

3.10 Investment to Total Deposit Ratio

Table-3.8: Trend of Investment to Total Deposit Ratio from 2021 to 2025

Year	Investment to Total Deposit
2021	96.03%
2022	92.62%
2023	96.34%
2024	93.00%
2025	89.64%

In the year of 2024, percentage of total investment was 96.69% for efficient portfolio design of investment. But percentage of total investment decreased to 93.00% from 89.64S% of 2025 because of inefficient portfolio design.

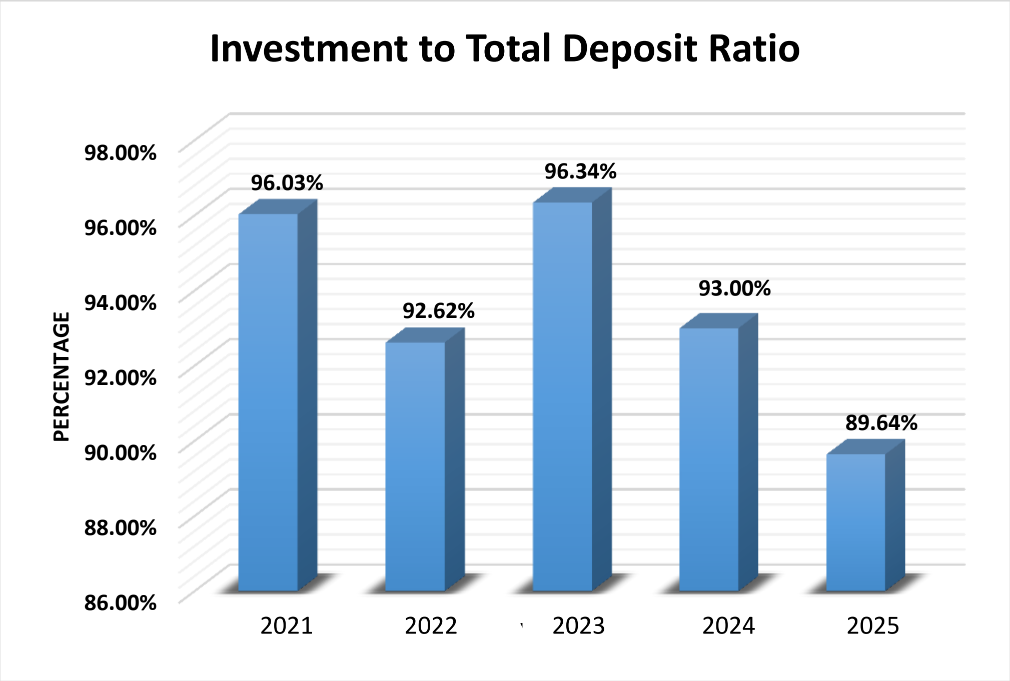

Figure-3.6: Trend of Investment to Total Deposit Ratio of IBBPLC from 2021 to 2025

3.11 Economic Value Added

Economic Value Addition (EVA) indicates internal management performance measure that compares net operating profit to total cost of capital. Economic Value Addition (EVA) measure the true economic profit of the company. EVA is an estimate of the amount by which earnings exceed or fall short of required minimum return for shareholders at comparable risks.

Table-3.12: EVA statement of IBBPLC

Taka in Million

Particulars	2022	2023	2024	2025
Total Revenue	7,117.04	9,508.89	12,006.82	17,438.81
Expense	5,075.88	5,980.18	9,008.93	12,991.73
Corporate Tax	724.60	887.87	1,218.95	1,805.05
Capital Charges	601.10	786.30	1,008.32	1,313.37
Economic Value Added	**715.47**	**1,854.54**	**770.62**	**1,328.66**

Total EVA of the Bank as at 31st December 2025 was TK. 1328.66 million as against TK. 770.62 million of the preceding year increased by TK. 558.04 million over last year.

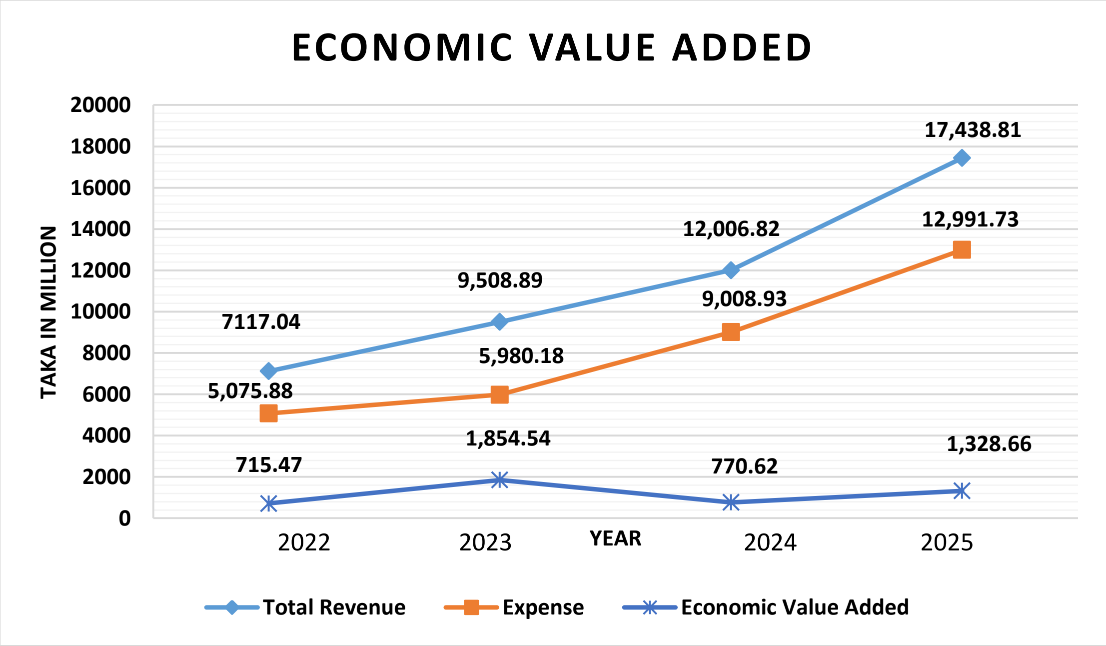

Figure-3.7: Trend of EVA of IBBPLC from 2022 to 2025

3.12 Market Value Added

Market Value Added external management performance measure to compare the market value of the company's debt and equity with the total capital invested in the firm. It show the difference betweenthe equity market value of a company and the book value of equity invested in the company. A high MVA indicates that the company has created substantial wealth for the shareholders.

Table-3.13: MVA statement of IBBPLC

Taka in Million

Particulars	2022	2023	2024	2025
Market value of Total Equity	10,480.87	27,161.20	14,471.13	15,862.58
Less- Book value of Total Equity	5,429.97	7,746.83	9183.27	11,055.30
Market Value Added	**5,050.89**	**19,414.37**	**5,287.86**	**4807.28**

Total MVA of the Bank as at 31st December 2025 was TK. 4807.28 million as against TK. 5287.86 million of the preceding year decreased by TK. 477.58 million over last year.

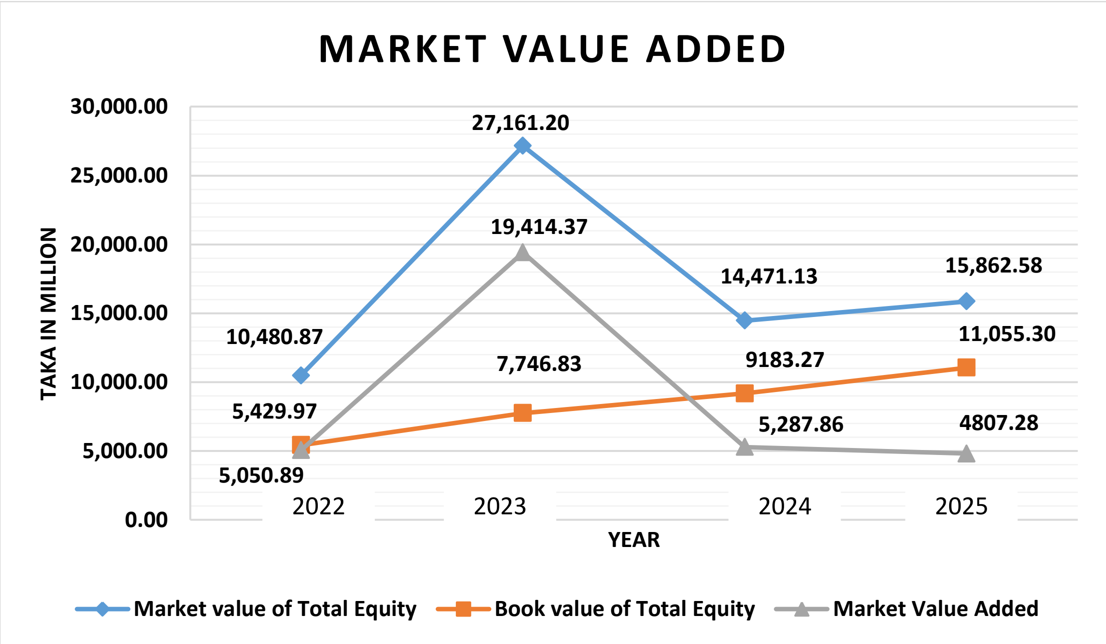

Figure-3.8: Trend of MVA of IBBPLC from 2022 to 2025

3.13 Comparative analysis with other prominent Islamic Bank

Comparative analyses with other banks financial statements provide information about their position at a point time as well as its operation over some past period. However the real value of financial statements lies in the fact that they can be used to help predict firms financial position in the future and to determine expected earnings and dividend. I shall select the other three banks are in below:

- ❖ Islami Bank Bangladesh PLC
- ❖ First Security Islami Bank Limited
- ❖ Social Islami Bank Limited
- ❖ Al-Arafah Islami Bank Limited

3.13.1 Return on Equity (ROE)

Table-3.14: Comparative analysis of ROE with other Islami Bank

Name of the Bank	ROE
IBBPLC	17.09%
IBBPLC	12.21%
FSIBL	2.46%
SIBL	14.15%
AIBL.	13.51%

Source: Annual Report-2025 of IBBPLC, IBBPLC, FSIBL, SIBL, AIBL.

Here IBBPLC shows higher ROE rather than other bank.

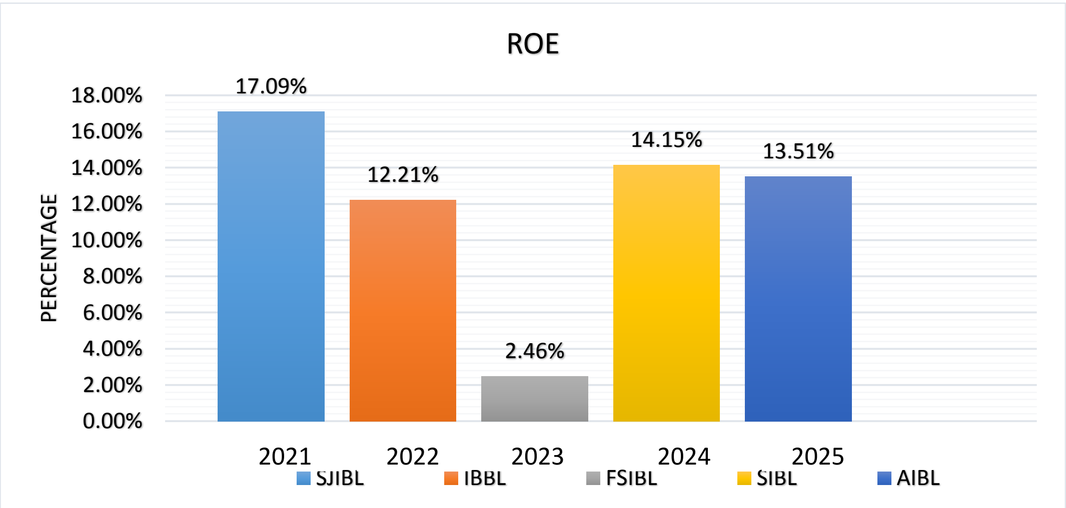

Figure-3.9: Comparative analysis of ROE with other Islami Bank

3.13.2 Return on Equity (ROA)

Table-3.15: Comparative analysis of ROA with other Islami Bank

Name of the Bank	ROA
IBBPLC	1.44%
IBBPLC	1.27%
FSIBL	1.50%
SIBL	2.75%
AIBL.	1.30%

Source: Annual Report-2025 of IBBPLC, IBBPLC, FSIBL, SIBL, AIBL.

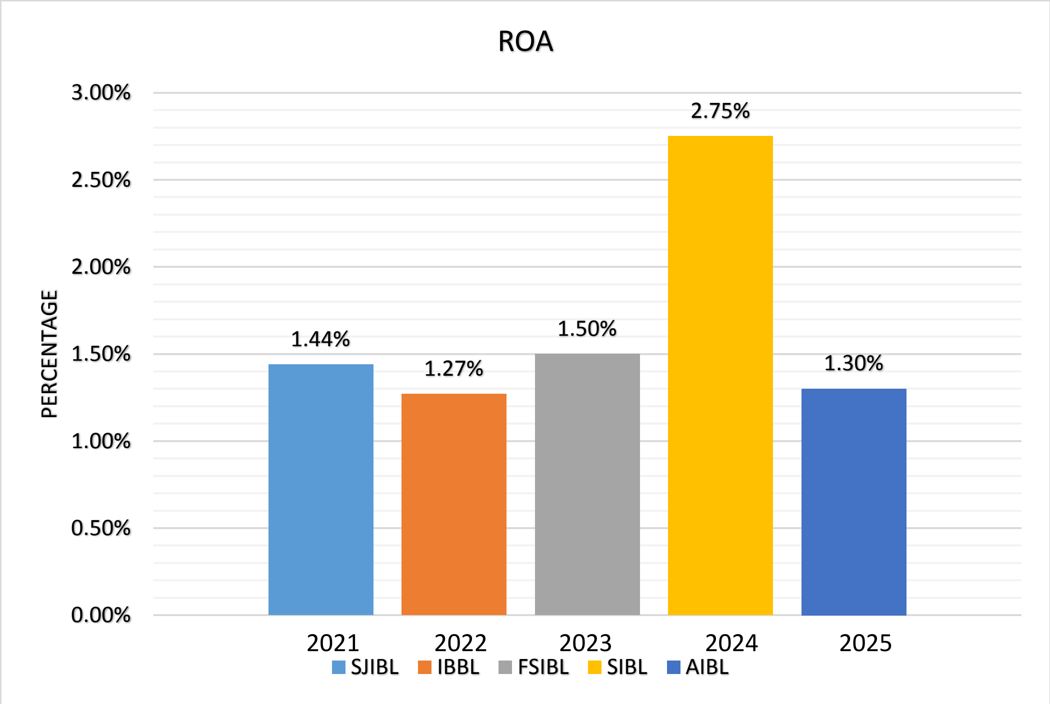

Figure-3.10: Comparative analysis of ROA with other Islami Bank

In the figure, SIBL shows the higher ROA rather than other bank.

3.13.3 Investment to Total Deposit

Table-3.16: Comparative analysis of Invest. to *Total Deposit with other Islami Bank*

Name of the Bank	Investment to Total Deposit
IBBPLC	89.64%
IBBPLC	89.25%
FSIBL	89.62%
SIBL	89.19%
AIBL.	89.86%

Source: Annual Report-2025 of IBBPLC, IBBPLC, FSIBL, SIBL, AIBL.

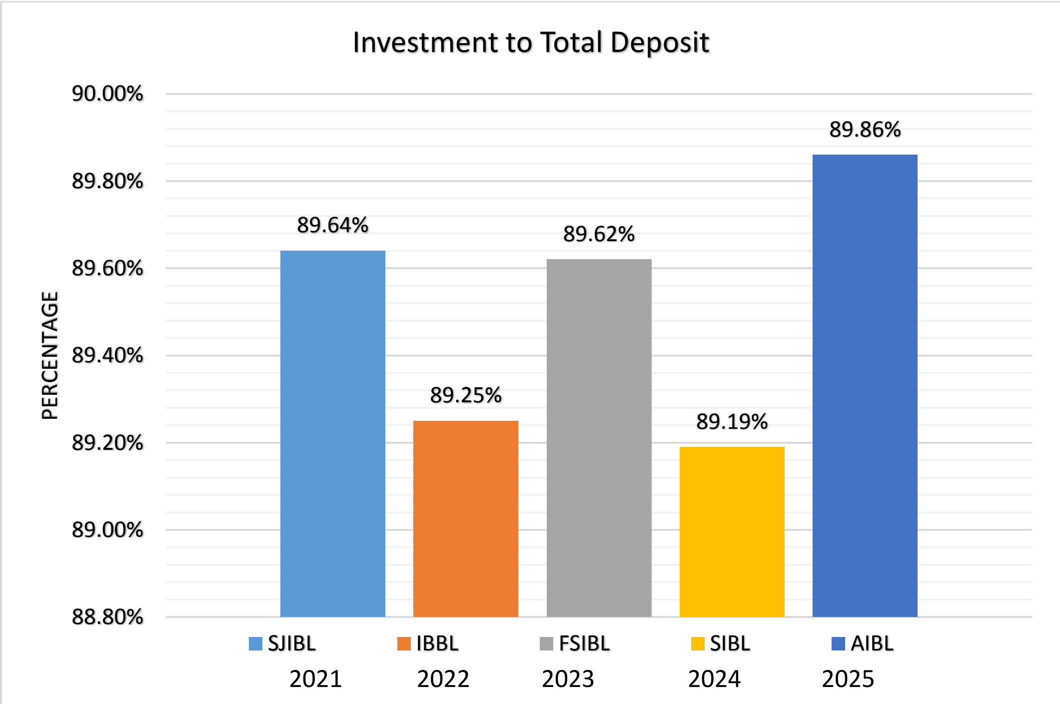

Figure-3.11: Comparative analysis of Investment to Total deposit with other Islami Bank

3.14 SWOT Analysis

SWOT analysis is a strategic planning method used to evaluate the Strengths Weaknesses, Opportunities, and Threats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective. The technique is credited to Albert Humphrey, who led a convention at Stanford University in the 1960s and 1970s using data from Fortune 500 companies.

A SWOT analysis must first start with defining a desired end state or objective. A SWOT analysis may be incorporated into the strategic planning model. Strategic Planning has been the subject of much research.

- **Strengths:** attributes of the person or company that is helpful to achieving the objective.
- **Weaknesses:** attributes of the person or company that is harmful to achieving the objective.
- **Opportunities:** external conditions that is helpful to achieving the objective.
- **Threats:** external conditions which could do damage to the objective.

The Strengths (**S**), Weakness (**W**), Opportunities (**O**) and Threats (**T**) analysis of IBBPLC is described in the following table

Table-3.19: SWOT Analysis of IBBPLC

S	• Experienced and efficient management team and human resource. • Large corporate client base. • Quality product and service. • Better infrastructure facility. • Company reputation and goodwill. • Offer attractive and benefited deposit and investment schemes to the clients.
W	• A limited number of own ATM booth. • Only a few number of SME service centers. • Cannot apply all categories of investment schemes in all branches all over the country.

	• High concentration on fixed deposits and large scale loan.
O	• The bank can increase the number of own ATM booth. • Have an opportunity to increase SME service centers all over the country. • Government’s policy of encouraging heavy inflow of foreign investment • Regulatory environment favoring private sector development • Scope of market penetration through diversified products
T	• ATM access charges is high if the clients used others operated ATM booths. • Frequent changes of banking rules by the central bank. • Market pressure lowering the lending rate. • National and global political unrest. • Default culture of credit.

Chapter-4

Internship Position and Duties

4.1 Internship Duties and Responsibilities

My placement of internship was in the Training and Development of Islami Bank Bangladesh PLC. The tenure of my internship was three months. I started my internship from 01/01/2026 – 31/03/2026.

The Branches, Islami Bank Bangladesh PLC. was a Non-AD branch. Which means it doesn't directly deal with the foreign exchange transactions.

At the branch, I was appointed only for general banking but also the bank's management allowed me to learn the basic about investment division.

My day to day assignment was to receive cheques of customers, filing-up the cheques, filling the pay order forms and filling & verifying the accounts opening forms.

Besides this, I spend a certain time in each of the general banking desks accept cash counters. A table is representing the desks of HRM Department on General Banking Process done by me along with its related numbers of day at following.

Desk/ Section	**Time of existance**
Cheque Issue	I week
Account Opening	2 weeks
Cheque Receiving & Clearing	2 weeks
HRM Department	4 weeks
Foreign Remittance	1 week
Pay Order, Demand Draft	2 weeks

4.2 Learning Outcomes form Internship

Human Resource Management

Human Resource Management (HRM) is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. It is the process of procuring, developing, maintaining and compensating a given workforce.

HRM is the set of organizational activities directed at attracting, developing, maintaining an effective workforce to achieve the organizational objective effectively and efficiently.

Human Resource Planning

Human resource planning has traditionally been used by organizations to ensure that the right person is in the right job at the right time. Under past conditions of relative environmental certainty and stability, human resource planning focused on the short term and was dictated largely by line management concerns. As human resource planners involve themselves in more programs to serve the needs of the business, and even influence the direction of the business, they face new and increased responsibilities and challenges.

Human Resource Function

The role of human resource management is to plan, develop, and administer policies and programs designed to make expeditious use of an organization's human resources. It is that part of management which is concerned with the people at work and with their relationship within an enterprise. Its objectives are:

- the effective utilization of human resources;
- desirable working relationships among all members of the organization; and
- Maximum individual development.

The major functional areas in human resource management are:

- planning,
- staffing,
- employee development, and
- Employee maintenance.

Training and Development:

Training

It is the learning process that involves the acquisition of knowledge, sharpening of skill, concept rules or changing of attitudes and behaviors to enhance to performance of employees Training is activity leading to skilled behavior.

- It's not what you want in life, but it's knowing how to reach it.
- It's not where you want to go, but it's knowing how to gate there.
- It's not how high you want to rise, but it's knowing how to take off.
- It may not be quite the outcome you were aiming for, but it will be an outcome.
- It's not what you dream of doing bat it's having the knowledge to do it.
- It's not a sat of goals, but it's more like a vision.

Training is about knowing where you sand (no matter how good or bad the current situation looks) at present and where you will be after some point of time, training is about acquisition of knowledge, skill and abilities (KSA) through professional development.

Learning has been described as a relatively permanent change in behavior that occurs as a result of practice or experience. It may be simply a sustain (unlearning a bad habit) or it may be a modification (adjusting new knowledge to old). What is learning is gradually change. The learning behavior differs from one another that is selective. There are some principles of learning can be found which are:

- Learning is individual
- Motivation is the key
- Relevance of learning experience should be clear to the learner
- “Feedback” to learner is important.

Employee Orientation:

New employee orientation is the process that is used for welcoming a new employee into an organization. New employee orientation, often spearheaded by a meeting with the Human Resources department, generally contains information about safety, the work environment, the new job description, benefits and eligibility, company culture, company history, the organization chart and anything else relevant to working in the new company.

Employee Socialization:

Organizational socialization is the process through which organizational culture is perpetuated; by which newcomers learn the appropriate roles and behaviors to become effective and participating members.

Traditional and Modern Approaches of Training and Development:

- **Traditional Approach** – In the past, most of the organizations never used to believe in training. They were holding the traditional view that managers are born and not made. There were also some views that training is a very costly program and it doesn’t bring any benefit which is worthless. Organizations used to believe more in executives pinching. But now the scenario seems to be changing.
- **The Modern approach-** The modern approach of Training and Development is that Bangladeshi Organizations have realized the importance of corporate training.

Training is now considered as more of retention tool than a cost. The training system has been changed to create a smarter workforce and yield the best results

4.3 Training of IBTRA

The principles and working procedures of Islamic Banks are completely new and different from the conventional banks. There is an inevitable need for training of the employees of the banks to orient and attune them to the new system of Islami banking. To cater to this need, Islami Bank Training and Research Academy (IBTRA) was established in 1984, soon after the inception of the Islami Bank Bangladesh Limited (IBBL).

Role of training

- **Development of skills of employees** – Training and Development helps in increasing the job knowledge and skills of employees at each level. It helps to expand the horizons of human intellect and an overall personality of the employees.
- **Optimum Utilization of Human Resources** – Training and Development helps in optimizing the utilization of human resource that further helps the employee to achieve the organizational goals as well as their individual goals.
- **Development of Human Resources** – Training and Development helps to provide an opportunity and broad structure for the development of human resources' technical and behavioral skills in an organization.
- **Productivity** – Training and Development helps in increasing the productivity of the employees that helps the organization further to achieve its long-term goal.
- **Team spirit** – Training and Development helps in inculcating the sense of team work, team spirit, and inter-team collaborations. It helps in inculcating the zeal to learn within the employees
- **Organization Culture** – Training and Development helps to develop and improve the organizational health culture and effectiveness. It helps in creating the learning culture within the organization.
- **Organization Climate** – Training and Development helps building the positive perception and feeling about the organization. The employees get these feelings from leaders, subordinates, and peers.
- **Obsolescence Prevention-** "Training and Development programmers foster the initiative and creativity of employees and help to prevent manpower obsolescence,

which may be due to age, temperament or motivation, or the inability of a person to adapt him to technological changes

- **Quality** – Training and Development helps in improving upon the quality of work and work-life.
- **Healthy work-environment** – Training and Development helps in creating the healthy working environment. It helps to build good employee, relationship so that individual goals aligns with organizational goal.

Other Roles

- For an employers' organization to raise awareness among employers of the need for increased investment in the development of human capital as an essential condition for achieving competiveness.
- In the training of personnel or human resource managers, given the fact that their role still tends to be downgraded relative to other management functions such as finance, marketing and production.
- An employers' organization should be able to influence the provision of training incentives to be offered to employers, through the tax system or training levies.
- An employers' organization could develop training material to be used by enterprises for in-house training

Inputs of Training and Development

Any Training and Development program must contain inputs, which enable the participants to gain skills, learn theoretical concepts and help acquire vision to look into distant future. In addition to these there is a need to impart ethical orientation, emphasis on attitudinal changes and stress upon decision making and problem solving capabilities.

Skills-Training is imparting skills to employees. A worker needs skills to use machine and other equipment with least damage or scrap; this is basic without which a worker is not able to work on machines. Same way employees like supervisors, executives needs interpersonal skills, popularly known as people skills. Interpersonal skills are necessary to understand oneself and others too and act accordingly.

- **Education-** The purpose of education is to teach theoretical concept and to develop a sense of reasoning and judgment. HR specialists understand the importance of education in any Training and Development program. Many times organizations encourage employees to do course on a part time basis.

- **Development-**Another component of a Training and Development, which is less skill oriented but stressed on knowledge. Knowledge about business environment, management principles and techniques, human relations, specific industry analysis and the like is useful for better management of the company.
- **Ethics-**There is a need for imparting ethical orientation to a Training and Development program. There is on denial of the fact that ethics are largely ignored in business. Unethical practices abound in marketing, finance and production function in an organization. This does not mean that the HR manager is absolved of the responsibility. If the production, finance or marketing personnel indulge in unethical practices the fault rests on the HR manager. It is his/her duty to enlighten all the employees in the organization about the need for the ethical behavior.

Chapter-5

Findings, Recommendations and Conclusion

5.1 Findings

As a pioneer of welfare banking, Islami Bank Bangladesh PLC has contributed a lot to the national economy as well as to social welfare through financial structure under Islamic banking. During the project period in Islami Bank Bangladesh PLC (IBBPLC) I have found some positive as well as negative things which are as follows:

1. There are limited scopes to deal women entrepreneurs and professionals for making investment by women interpreters.
2. Sometime investment operations of IBBPLC are hampered due to increase, dishonest, indiscreet, hypocritical nature of people.
3. IBBPLC, which is committed to avoid interest, can't invest the permissible part assets and short term liquidity surplus in interest bearing securities.
4. This Bank can't invest in all economic sectors, which are prohibited by the law of Islam.
5. Although Islami Bank Bangladesh PLC has a series of investment schemes but it cannot spread all over the country in all branches and in all classes of people.
6. The bank has started to diversify its business into different areas of the country.
7. The role of Investment Committee is restricted to only review of proposal.

Adverse credit and capital market conditions may significantly affect the ability to meet liquidity needs and increase cost of funding. Declining asset markets could adversely affect the operations or profitability.

5.2 Recommendations

The report on “Investment of Management Process of Islami Bank Bangladesh PLC” is a work for the BBA program. To improve risk management culture further, Islami Bank Bangladesh PLC should adopt some of the practices as follows:

1. The new entrepreneurs should be encouraged in disbursing loans and those who have the records of regular repayment should be given preference.
2. A new provision may be included in the loan agreement that the defaulters will be declared "Bankrupt" by the court at the instance of Islami Bank Bangladesh PLC if the outstanding loan exceeds a given percentage of loans taken or maximum period for loan repayment.
3. More products of varied interests should be introduced for the diversified client group.
4. The bank should take new marketing strategy which will responds and take effective steps to increase faith on them.
5. Steps should be taken that the guarantors cannot avoid their responsibilities.
6. Aged old laws to bank recovery should be changed.

By adhering to the Shariah and implementing its principles. Maintain honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships. Any violations of this code are strictly dealt with proper administrative action.

5.3 Conclusion

Notwithstanding some limitations The Islami Bank Bangladesh PLC. is doing better and holding good percentages of market share in banking sector. IBBPLC, the 3rd generation bank in Bangladesh in the country. Established with the objective of bringing about a qualitative change in the sphere of banking and financial management based on Islami Shariah, the bank today serves its customers spread across 84 branches within Bangladesh and 300 overseas connections. IBBPLC provides services tailored to the specific needs of the customers in the area of trade, comers and industry, besides the domestic network. While services like Debit Cards, ATMs and SWIFT payment systems are already in place, the bank plans to introduce Real Time Online Integrated Banking System with all modern delivery channels in the future. IBBPLC has earned recognition at the national and international level. It was one of the 12 banks in Bangladesh to be evaluated by ASIA WEEK for Asset, Deposit and Profit and was ranked among the top 500 banks in Asia.

So far Islami Bank Bangladesh PLC has been able to manage it credit portfolio skillfully and kept the classified loan at a very lower rate. IBBPLC is one of the potential bank Islami banks in the islami banking sector. The bank's drive towards market leadership as well as quality in choosing business will continue in the coming year although competition is intensified with the opening of more financial institution. .The bank shall continue to explore new fields of investment and take steps to open new Branches for Banking. Bank shall endeavor to adopt customer oriented policies and introduce new techniques that will help to earn profit and increase greater confidence of the existing and prospective customers.

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