Islami Bank Bangladesh Limited



Sonargoan University

INTERNSHIP REPORT
ON
"GENERAL BANKING & INVESTMENT MECHANISMS OF ISLAMI BANK BANGLADESH LIMITED"

(A Study on Donia Branch)

Submitted To:

Department of Business Administration
Faculty of Business
Sonargoan University (SU)
147/I, Green Road, Panthapath, Tejgaon, Dhaka-1215

Submitted By:

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ID: BBA1901016106
Program: BBA (Finance)
Department of Business Administration
Faculty of Business

[Submitted for the partial fulfillment of the degree of Bachelor of Business Administration]

Sonargoan University

INTERNSHIP REPORT
ON
"GENERAL BANKING & INVESTMENT MECHANISMS OF ISLAMI BANK BANGLADESH LIMITED"

(A Study on Donia Branch)

Supervised By:

Md. Shahbub Alam
Lecturer, Department of Business Administration
Faculty of Business
Sonargoan University (SU)

Submitted By:

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Program: BBA (Finance)
Department of Business Administration
Faculty of Business

Date of Submission: 14th January, 2023

[Submitted for the partial fulfillment of the degree of Bachelor of Business Administration]

Letter of Transmittal

14 January, 2023
Md. Shahbub Alam
Lecturer,
Department of Business Administration
Sonargoan University (SU)

Subject: Submission of Internship Report

Respected Sir,

I am pleased to submit you my internship report on **"General Banking & Investment Mechanisms of Islami Bank Bangladesh Ltd".- A study on Donia Branch.** I have prepared the report highlighting the different schemes under General Banking & Investment & analyze it from business, financial & prospective point of view. I believe that this internship program has enriched my knowledge and experience.

I appreciate your valuable suggestions and humble cooperation. without the proper guidance of you, it was not possible for me to prepare the report.

I hope you will assess my report considering the limitations and mistakes of the study, and sincerely believe you will find the study very interesting and informative.

Sincerely yours,

_____

Rahat Sharker
ID: BBA1901016106
Program: BBA (Finance)
Department of Business Administration
Faculty of Business
Sonargoan University (SU)

Certification of Supervison

I am pleased to certify that the Internship Report on "The General Banking Activities of Islami Bank Bangladesh Bank Limited – A Study on Donia Branch" prepared by Rahat Sharker bearing ID: BBA1901016106 of the Department of Business Administration is approved for Presentation and Defense. Rahat Sharker worked with "Islami Bank Bangladesh Limited" as an intern under my supervision. He completed the work during the Fall- 2022 semester. I am also pleased to certify that the data and the findings presented in the report seen to be authentic.

Rahat Sharker bears a good moral character and a very pleasing personality. I wish

her all success in life.

……

(Md. Shahbub Alam**)**

Lecturer

Department of Business Administration

Faculty of Business

Sonargaon University (SU)

بِسْمِ اللهِ الرَّحْمٰنِ الرَّحِيْمِ

No. 75398

Islami Bank Training and Research Academy

Dhaka - Bangladesh

This is to certify that *Rahat Sharker* *BBA Student of* *Sonargaon University*

participated in the *Internship Program for the University Students*

Course/Programme conducted by the Academy from *03-10-2022* to *30-11-2022*

and has successfully completed the same.

Dated, Dhaka

The *Thursday, December 01, 2022*

Managing Director

Principal

Director General

Islami Bank Bangladesh Limited

Student's Declaration

I do hereby solemnly declare that the work presented in this internship report named **"General Banking Activities of Islami Bank Bangladesh Limited – A Study on Donia Branch"** has been carried out by me and has not been previously submitted to any university/ college/ organization for an academic qualification/certificate/ degree.

The work I have presented does not breach any existing copyright and no portion of this report is copied from any work done earlier for a degree or otherwise.

I further undertake to indemnify the development against any loss or damage arising from breach of the foregoing obligations.

……...

Rahat Sharker

ID: BBA1901016106

Program: BBA (Finance)

Bachelor of Business Administration

Department of Business Administration

Faculty of Business

Sonargaon University (SU)

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First, I would like to thank to Almighty, for giving me the strength to complete the report within a specific time.

I am deeply blessed with my Academic Supervisor "Md. Shahbub Alam" Sir, who was very kind to supervise, instruct and direct me to complete my Internship report. The suggestions and comments of him were a truly wonderful source of spirit that helped me to complete my internship report.

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I would like to thank the 'S.M. Rabiul Hassan, Principal of Islami Bank Training & Research Academy', 'Mohammad Rokan Uddin, EVP& Head of Research', Course Coordinator 'Hosne Ara, Vice President', and faculty members for giving me the opportunity to know about IBBL, support & direction to make this report.

This report, with all the interpretation on practical orientation in bank with the function and mechanism in the field of banking activity, would not be possible without help and cooperation of the officers engaged in the Mirpur-1 branch of IBBL. They have willingly supplied all the practical knowledge and interpretation for making this report so convenient with the purpose of our BBA program.

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Executive Summary

This report is based on Islami Bank Bangladesh Ltd., and prepared as requirement of the BBA program of Sonargoan University. This focus on two month working experiences in Donia Branch, IBBL. IBBL has strong position in the Banking sector, and it has some unique features as well. In this Report, I've tried to highlight my findings through the chapters.

In Chapter one, I attempted to provide a brief summary of the Organization by outlining its history, objective, and competition.

In chapter two, I began the company's investigation and findings. I used qualitative analysis in this study. I did the external analysis in qualitative analysis. I used the SWOT analysis to do the external analysis. With this analysis I showed the strengths, weakness, threats and opportunities of IBBL.

In chapter three, I tried to describe the operational activities of General Banking and Investment mechanisms of IBBL. Here I've tried to discuss in detail of the activities of GB and Investment modes and the process of Investment of IBBL.

Finally, I tried to present the findings and analysis of IBBL. In this part, I have shown 3 years' graphical presentation on Prospect of IBBL, amount of investment, number of Accounts, deposits, disbursements, total recovery, total outstanding and profit which helps to express the position of IBBL's consumer investment. The total recovery of Investment Dept. of IBBL is almost 95%, because IBBL focuses on the entrepreneurs' integrity and efficiency and 5 Cs which stands for 'capacity, character, capital, condition & collateral'. Then I tried to discuss the present constraints of IBBL in the perspective of Bangladesh.

Lastly I've recommended and concluded all the things regarding my report and overall perspective of IBBL.

List of Acronyms

BB: Bangladesh Bank

IBBL: Islami Bank Bangladesh Ltd.

IBTRA: Islami Bank Training and Research Academy

GB: General Banking

KYC: Know Your Customer

AOF: Account Opening Form

DPS: Deposit Pension Scheme

AIN: Account Identification Number

VAT: Value Added Tax

BEFTN: Bangladesh Electronic Fund Transfer System

OBC: Outward Bill Collection

SME: Small Medium Enterprise

HDS: Household Durable Scheme

RDS: Rural Development Scheme

UPDS: Urban Poor Development Scheme

MTDR: Mudaraba Term Deposit Receipt

HPSM: Higher Purchase Shirkatul Meelk

RR: Rate of Return

MI: Micro-investment

ME: Micro-enterprise



CHAPTER-1

INTRODUCTION

Introduction

Origin of the Report

This report has been prepared as a part of the fulfillment under the BBA program of Sonargoan University. This project work is being assigned as a part of learning objective and completion of the BBA program. The topic of the report is General Banking & Investment Mechanisms of Islami Bank Bangladesh Ltd. It is assigned by honorable faculty "Md. Shahbub Alam, Lecturer", Faculty of Business Administration, Sonargoan University. This report work actually makes a relationship between the test book knowledge and practical knowledge. This report also encompasses how measure risk, which factor consider for identifying risk which I personally worked at a very closed proximity and was my major job responsibility within the organization and how it was able to better facilitate.

Background

Practical activity perfects theoretical knowledge and makes it applicable to actual life. In the present commercial and economic environment, flawless coordination between theory and practice is extremely vital. It brings students closer to real-world situations and allows them to solidify their practical knowledge.

We're assigned to prepare a report on business strategies of an organization. I have selected "General Banking & Investment Mechanisms of Islami Bank Bangladesh Limited" to complete my report. I've tried my level best to bring the relevant facts, figures and practical banking service of IBBL.

Objectives of The Report

Broad Objectives

The prime objective of this report is to learn more about the 'General Banking & Investment Mechanisms of IBBL" that is the part of a BBA curriculum prerequisite.

Specific Objectives

- To use academic/bookish knowledge in the practical setting
- To understand the corporate culture and also how everything done in corporate setups
- To know the comparison of IBBL and conventional bank
- To know the general banking and its operation of IBBL
- To know the investment process of IBBL
- To know the current situation of IBBL through trend analysis
- To identify the future prospect of IBBL in consumer investment

Methodology

The following approaches were used to collect data and information for this study, as well as to prepare the report.

Sources of Data

Basically data are collected from two major sources-

i)Primary source &

ii)Secondary source

Primary Sources of Data:

- Work experience at different department and desk of the Bank
- Personal inspection
- Questionnaire to Officers and Clients as well

Secondary Sources of Data:

- Bank Documents
- Financial Report of IBBL
- Books of IBBL
- Internet (Several websites, reports)
- Newspapers

Literature Review

An Islamic bank has several distinctive features as compared to its conventional counterpart. Chapra (1985, PP.154-57) has outlined six essential differences as below:

Abolition of interest *(Riba)*: Since *Riba* is prohibited in the Quran and interest in all its forms is akin to *Riba*, as confirmed by *Fuqaha* and Muslim economists with rare exceptions, the first distinguishing feature of an Islamic bank must be that it is interest-free.

Adherence to public interest: Activity of commercial banks being primarily based on the use of public funds, public interest rather than individual or group interest will be served by Islamic commercial banks. The Islamic banks should use all deposits, which come from the public for serving public interest and realizing the relevant socio-economic goals of Islam. They should play a goal-oriented rather than merely a profit-maximizing role and should adjust themselves to the different needs of the Islamic economy.

Multi-purpose bank: Another substantial distinguishing feature is that Islamic banks will be universal or multi-purpose banks and not purely commercial banks. These banks are conceived to be a crossbreed of commercial and investment banks, investment trusts and investment - management institutions, and would offer a variety of services to their customers. A substantial part of their financing would be for specific projects or ventures. Their equity-oriented investments would not permit them to borrow short-term funds and lend to long-term investments. This should make them less crisis-prone compared to their capitalist counterparts, since they would have to make a greater effort to match the maturity of their liabilities with the maturity of their assets.

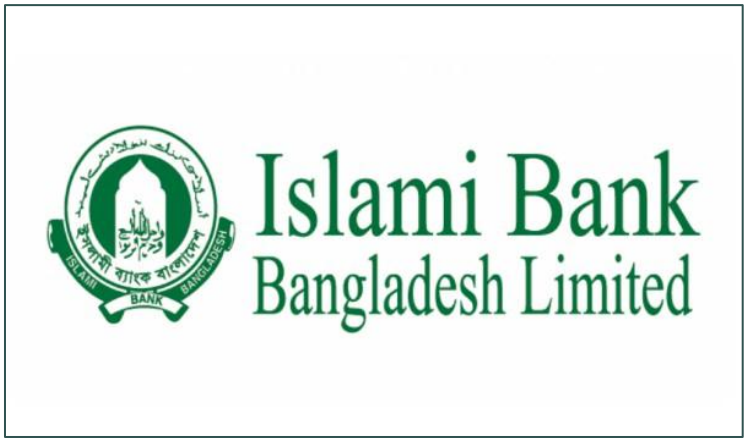
More careful evaluation of investment demand: Another very important feature of an Islamic bank is its very careful attitude towards evaluation of applications for equity oriented financing. It is customary that conventional banks evaluate applications, consider collateral and avoid risk as much as possible. Their main concern does not go beyond ensuring the security of their principal and interest receipts. Since the Islamic bank has a built in mechanism of risk sharing, it would need to be more careful in how it evaluates financing requests. It adds a healthy dimension in the whole lending business and eliminates a whole range of undesirable lending practices.

Work as catalyst of development: Profit-loss sharing being a distinctive characteristic of an Islamic bank fosters closer relations between banks and entrepreneurs. It helps develop financial expertise in non-financial firms and also enables the bank to assume the role of technical consultant and financial adviser, which acts as catalyst in the process of industrialization and development.

Limitations

The sensitivity of the data was a major constraint in the preparation of this report in this competitive galaxy. As a result, in some cases, management was hesitant to provide particular statistics to avoid risks. Every organization has its own secrets that are kept hidden from the public eye. For the purpose of the organization's confidentially, personnel did not share enough information while gathering data on IBBL.

Time constraint is another factor. This brief internship term was insufficient for learning about industry itself.



CHAPTER-2

Company Overview

Company Profile

Islami Bank Bangladesh Limited is the first Islamic banking company based in Bangladesh. The founding of Islami Bank Bangladesh Limited on March 13, 1983, as a public limited company under Companies Act 1913, that is a true manifestation of the people's inner desire, and the bank began operations on March 30, 1983.IBBL was the first bank in Southeast Asia to offer Shariah-compliant banking services when it was founded.

According to **Organization of Islamic Cooperation (OIC)**, "Islamic Bank is a financial institution whose rules and statues expressly states its commitment to the principles of Islamic Shariah & to the principles of Islamic Shariah& to the banning of receipt and payment of interest in any of transaction".

It is owned by 36.91% locals and 63.09% foreign shareholders. IBBL has almost 384 Branches, 208 Sub-branches, and 2648 Agent Banking. In case of Agent Banking, IBBL is in the 3rd position in Bangladesh. It is listed with both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

According to the bank's managerial conference held on Hotel Pan Pacific Sonargaon, Dhaka on January 16, 2022, Islami Bank Bangladesh Limited has become the country's top deposit holder, and secured 1st position as published by the country's leading newspaper, 'The Daily Star'.

Vision

Vision of IBBL is always strived to achieve superior financial performance, be considered a leading Islamic Bank by reputation and performance as well as-

- The goal to IBBL is to establish and maintain the modern banking techniques, to ensure soundness and development of the financial system based on Islamic principles and to become the strong and efficient organization with highly motivated professional, working for the benefit of people, based upon accountability, transparency and integrity in order to ensure stability of financial systems.
- IBBL try to encourage savings in the form of direct investment.

- IBBL try to encourage investment particularly in projects which are more likely to lead to higher employment.

Mission

The mission statement of Islami Bank Bangladesh Ltd. is described in below:

- To establish Islamic Banking through the introduction of a welfare oriented banking system.
- To ensure equity and justice in the field of all economic activities.
- To achieve balanced growth and equitable development in through diversified investment operations particularly in the priority sectors and least developed areas of the country.
- To encourage socio-economic uplift and financial services to the loss-income community particularly in the rural areas." (IBBL at a Glance - Islami Bank, n.d.)

Commitment

IBBL is basically committed to-

- Shariah
- The Regulators
- The Shareholders
- The Community
- The Customers
- The Employees
- Other stakeholders
- Environment

Management Hierarchy

The management teams and the organization of IBBL are pictured in below:

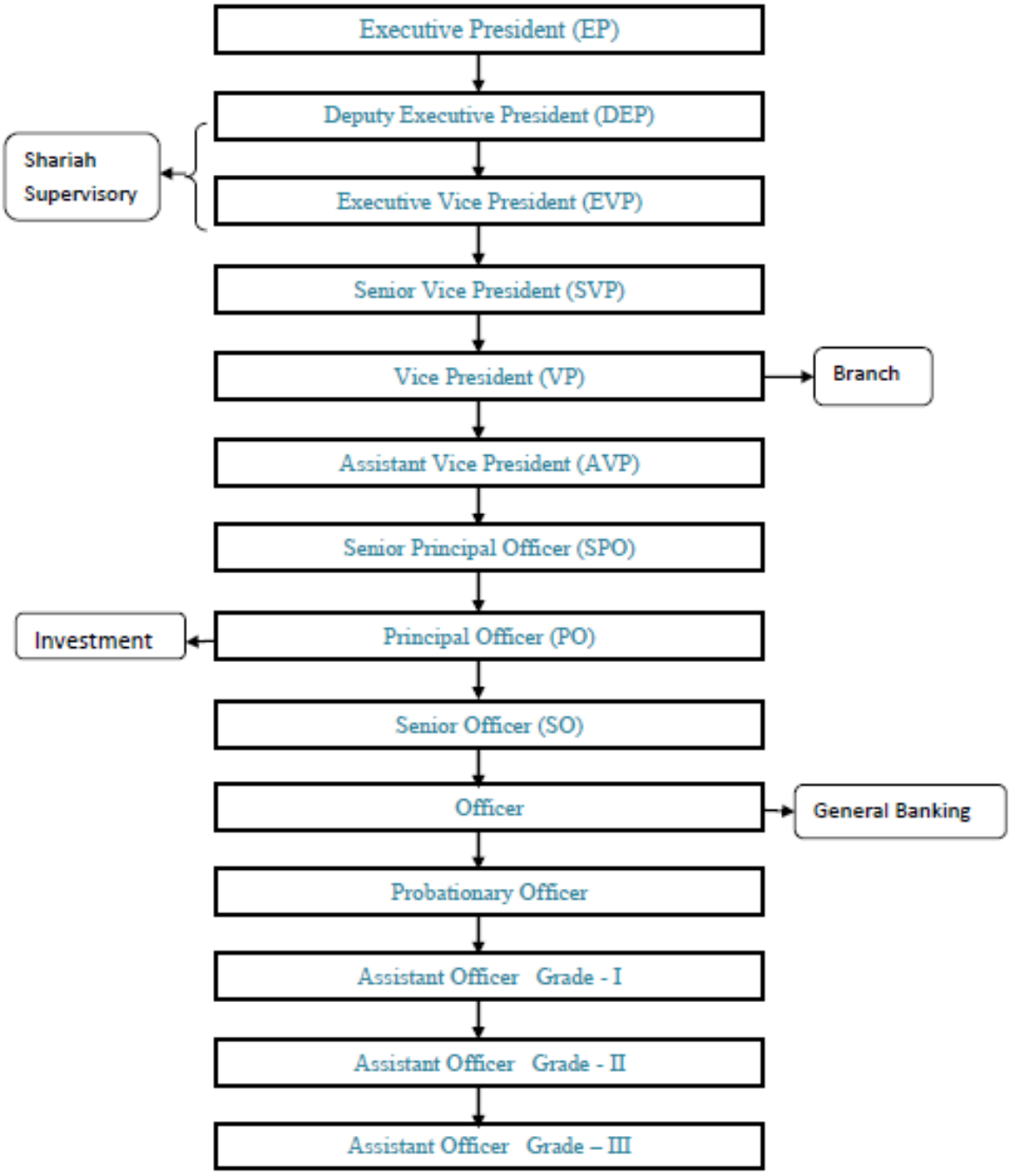
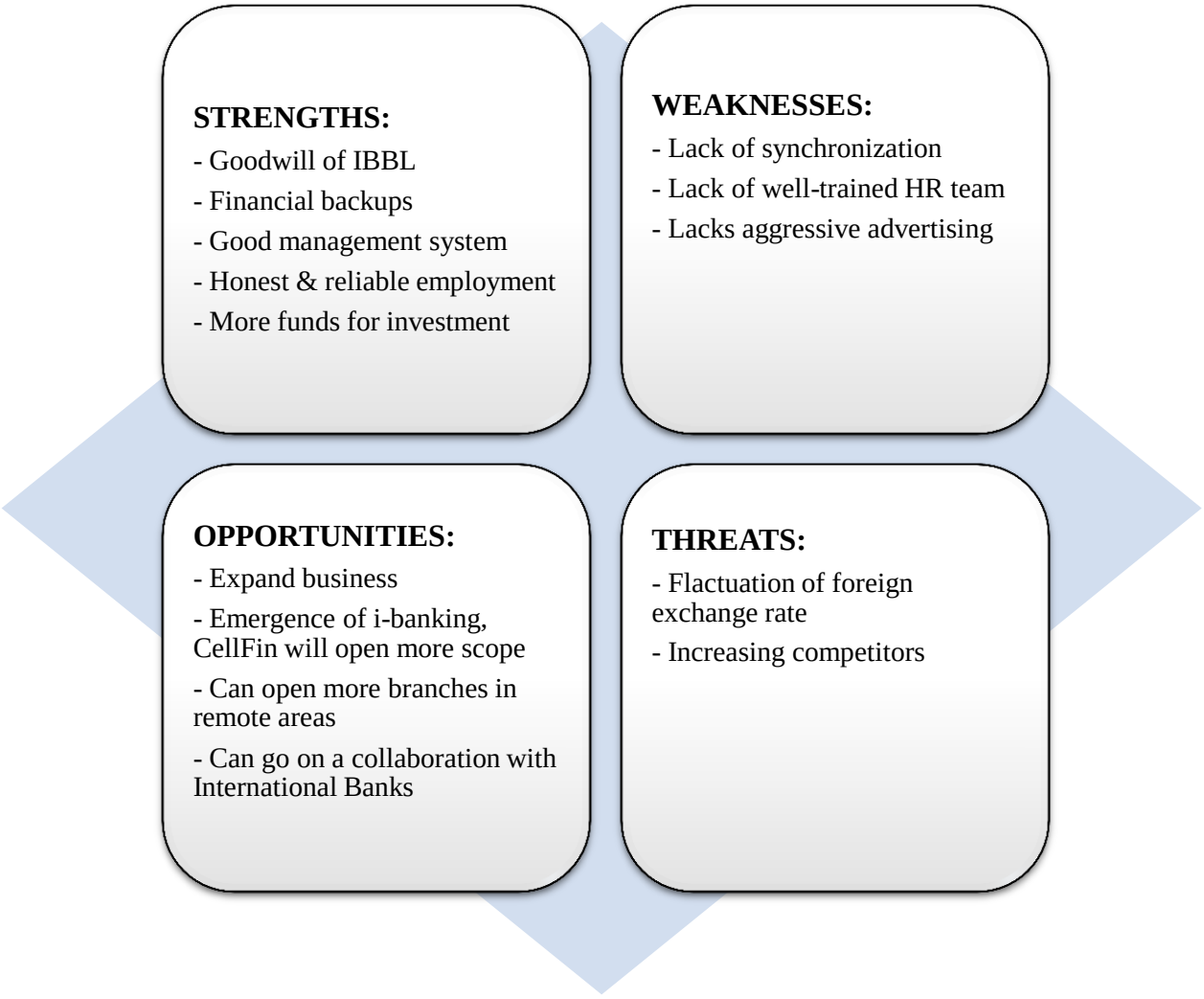


Table: Management Hierarchy of IBBL

SWOT Analysis

SWOT is a framework, which gives an evaluating internal strengths and weaknesses as well as external possibilities and threats.





CHAPTER-3

General Banking & Investment Mechanisms of IBBL

General Banking

It's said that, the core of banking is General Banking. Here, a money collection process takes place. The customers also get other services such as cheque cashing, account transfers, account closing, bills, and remittance from GB. Dispatch (inward-outward), Deposit, A/C opening and closing, transfer, cheque book issue, local remittance (Payment order, DD, TT) collections-transfer delivery, IBC, OBC, Cash, Vault, Packing and handling, and evening banking are just a few of the procedures that are used to carry out the activities.

Therefore, general banking is known as the heart of the banking industry.

Functions of General Banking

- Dispatch Section
- Accounts Opening Section
- Cash section
- Clearing Section
- Remittance
- Token issuance, writing a day book, keeping a subsidiary day book up to date, and balancing the ledger
- Maintenance of deposit ledgers, current account ledgers, MTDR ledgers, and computer operations
- Quick operations (balance enquiry, bank statement, fund transfer, spot cash payment, verify account, search account, deposit, search customer)
- Reconciliations

Dispatch

Inward

- An authorized member of staff may open mail that is not registered, marked confidential, or addressed to a specific official personally. They must enter the mail into the inward mail register, note the mail register's serial number on the letter or paper they receive, stamp it with the "Received" date, and then deliver it to the appropriate officials in exchange for an acknowledgement.

- Only the recipient may open letters sent personally to any authority.
- Authorized officials must receive stop payment instructions and court orders, then note the date and time on them and take the appropriate action.

Outward

- Outward letters must have a serial number and an entry with name and address in the register.
- Each typist will keep a master file specifically for them, and dispatch Clark will keep a separate master file for future records.
- Peon Book can be used to convey local letters. The post office's services may be used if the area is large and there are a lot of letters.
- If a letter is being sent through the post office, it must be recorded in the outgoing mail register and have the appropriate postage attached (postal stamps).
- The dispatch department must keep a file with the postal receipt or courier receipt if the letters are delivered by registered mail or courier service. The file should also contain similar acknowledgements that were given back.
- A copy of every telegraph suitably signed by an authorized officer must be provided by mail to the address as confirmation if it is sent by any branch.
- The bank's manager and other officers must ensure efficient phone use. The STD discussion and trunk call must be brief. Charges must be documented if a consumer uses a phone on their account.

Accounts Opening

Those who are eligible for opening Account-

i)Individual persons whose age18+, except some restricted persons

ii)Association

iii)Agent

iv)Government & Semi- Govt.

v)Organization

vi)Liquidators

vii)Minor

viii)Illiterate persons

Deposit

Objective and Principles-

i)To motivate people to save for their own needs as well as the needs of the nation.

ii)To encourage people to consistently save money.

iii)To raise funds by using the following accounts as described below-

- **Mudaraba Savings Account**: "Mudaraba" is an Arabic term which indicates partnership. Money is provided by the client, and the bank manages it. Profit is distributed according to a pre-agreed ratio. The client bears the loss caused by nature.
- **Al- Wadeeah Current Account**: Depositing with the intent to use.
- **Mudaraba Term Deposit Receipt Account**: The time period of MTDRA is 3 months/ 6 months/ 12 months or 1 year/ 24 months or 2 years/ 36 months or 3 years.
- **Students Mudaraba Savings Account**: There're special facilities for student accounts such as no tax will be deducted from this account, no service charge will be deducted from this account.
- **Mudaraba Hajj Savings Accounts**: A dedicated account to aid fixed income groups in performing their pilgrimage-01 to 25 years' term.
- **Mudaraba Special Savings (Pension) Account**: It's required 5 years & 10-year term
- **Mudaraba Farmers Savings Account**
- **Mudaraba Foreign Currency Deposit Account**
- **Mudaraba Industrial Employee's Savings Account**
- **Mudarba Savings Bond Account**
- **MudarabaMohor Savings Accounts**
- **MudarabaBibaho Savings Account**

- **MudarabaWaqf Cash Deposit Account: collecting deposit from clients for public welfare.**

Account Transfer

Customer must submit an application which is known as 'Sheba Form' stating that they wish to transfer their accounts to the branch of their choice including Bank A/C No. and then an officer will check the signature. Customer must also obtain certification from various Bank departments stating that they've no liability to the Bank. Then, all of the account holder's information will be prepared and sent to the customer's chosen branch.

Accounts Closing

Customers have to submit an application (Sheba Form) with his/her signature and mentioning that he/she wants to close his A/C including his Bank Account Name, A/C No. The signature of customer will be verified by authorized bank officer. The customer must attest that they owe the bank no money (by way of the bank's advance or foreign exchange departments). The customer's account is subsequently debited, and the bank then issues a pay order in the account holder's name.

Cheque Book

After opening an account, the new client receives a cheque book. First they've to issue cheque for their bank A/C, and after 14 days they'll get the cheque book. For current and savings accounts, two distinct cheque books are provided. While the MSA cheque book has 10 leaves, the AWCA cheque book has 20 and 50.

Service Charges

For providing service to the customer, the AWCA account is debited twice a year for Taka 10 or 50 = each. For providing the Bank Statement of A/C to client, Tk. 115 will be debited from the customer's A/C. For presenting him with a solvency certificate, a debit of Tk. 50 each is made from the customer's account.

Profit

Basically Profit is the product's price, which is set by the forces of the market. To entice deposits, every bank provides a competitive price.

The following are the general guidelines that various Islami Banks adhere to when calculating and allocating profits to Mudaraba Depositors:

- Depositors in the Mudaraba fund split profits from investments made with that money.
- Depositors with Mudaraba do not receive a share of the money the bank receives through commissions, exchange fees, service fees, and other costs related to other financial services when the usage of funds is not necessary.
- The accounts for other income and expenditure pertaining to other activities and services provided by the Bank are kept separate from profit and losses resulting from the usage of money.
- In terms of investments, Mudaraba Deposits take precedence over bank stock and other cost-free savings.
- Any profits made through the investment of the bank's equity and other cost-free money are not distributed to Mudaraba Depositors.
- To determine the net balance of the profit sharing deposit, the total balance of Mudaraba Deposits is subtracted from the statutory cash reserve and liquidity reserve amounts that must be kept with Bangladesh Bank.
- According to their share of the overall investment, Mudaraba Depositors and Cost-Free Funds are initially granted the gross income from investments made during the account year. In order to more fairly distribute profits to Mudaraba depositors, the bank's management may decide to increase the 65% share of gross investment income that Mudaraba depositors receive, but it will not be decreased within any accounting year without prior notice.

Local Remittance

IBBL solely sells and buys Pay Orders, Demand Draft, and Telegraphic Transfer to its customers. It does not commonly provide remittance services to others besides its customers.

Pay Order (PO)

Pay orders are a tool used to transfer money within a city via a banking channel. The majority of the instruments are crossed; thus they are generally safe. The payment will be made by the issuing branch. Account pay is required for pay orders.

Demand Draft (DD)

In order to transfer or remitting money across the nation, demand drafts are a common tool. Basically, this tool is utilized for payment and transfer. IBBL does not sell DD to people other than its clients.

There're some advantages of DD-

i)Because of DD, they can avoid the risk.

ii)Can Avoid cash in physical terms.

iii)Money transfer operations are quickly completed or settled.

Telegraphic Transfer (TT)

One of the quickest ways to transfer money from one branch to another or from one location to another is by telegraph. By tested telex communication, the TT issuing bank gives its counterpart instructions for money remittance. No instrument is provided for TT, and since money is being transferred, both parties need to have accounts.

Collections

Clearing

Customers receive crossed Cheques for the transaction, which is safe. Crossed cheques must be collected through a banking channel that is clearing because, as we all know, they cannot be enclosed from the counter. A client of IBBL received a cheque from another bank that is within the clearing range and deposited it there. IBBL did not release the funds until the cheque was fulfilled.

Transfer Delivery

Transfer delivery is the clearing house's internal branch collection process for cheques. When a branch office's cheque is deposited at another branch office, the collecting branch transmits the cheque to their local office, which then sends it to the appropriate branch and takes the appropriate steps to honor the cheque.

If the cheque is dishonored, the authorized branch will send it to the local office, which will subsequently send it to the collecting branch on the day of collection. Because transactions take

place within the clearing house between the same branch of the same bank, the clearing house's function is not necessary in this case.

Outward Bills for Collection

Customers deposit cheques, drafts, and other items with their deposit sleep for future collection. Instruments that fall within the clearing range are collected through the local clearing house, and those that do not are collected by OBC mechanisms.

IBBL's major branch will now carry out the following duties as a collecting bank:

- ✓ Seal obtained on deposit slip.
- ✓ IBBL's local office main branch is marked as a collecting bank at the crossing.
- ✓ On realization, the endorser's account will be credited.
- ✓ A register entry from which a controlling number is provided.

Inward Bill for Collection

In this case, the bank will act as the collecting branch's agent after receiving the bill and a forwarding letter. Here's the following duties-

- ✓ IBC number provided upon entry into the IBC registry.
- ✓ "Our branch endorsement conformed," was supplied as endorsement.
- ✓ For collecting, the instrument is submitted to clearance.

Credit Transactions

When one branch (of the same bank) requests payment from another branch (of the same bank) against any instrument (cheque, DD, etc.) and becomes responsible to that bank, that branch is issued an IBCA, and these transactions are serially recorded in the credit side of the IBG A/C.

Debit Transactions

When a branch receives cheques or another type of financial instrument from another branch and pays the instrument on the authorized branch's behalf, the authorized branch issues an IBDA to the receiving branch, and the transaction is recorded on the debit side of the IBF A/C.

Evening Banking

The cashier's window closes after the end of banking hours. However, occasionally clients show in to draw or deposit money after the service window. However, their money is paid or received and noted in the following daybook. It's known as evening banking.

Alternative Delivery Channel (ADC)

ADC is also an important part of General Banking of IBBL. Basically the traditional banking system has been superseded by the electronic and automated banking system as a result of the development of ICT technologies and processes. Because it has provided banking services to the unbanked through various ADC products, electronic and automated banking is now a global phenomenon. Due to its cutting-edge, affordable benefits and services, electronic banking is widely adopted by developed countries.

Due to the introduction of numerous ADC goods and services in Bangladesh, Islami Bank Bangladesh Limited has gained a lot of popularity. There're various types of ADC products that IBBL offers to its respected customers such as Cards, Khidma Cards (Credit Card), CellFin, M-Cash, i-banking, SMS banking, WhatsApp banking etc.

Cards

*__Instant Deposit Card__: for Instant Deposit Card, only 50 Tk. will be charged as service charge.

*__Instant Classic/ Express Card__: for express card, 460 Tk. will be charged yearly as service charge. For **Student Account**, there's no service charge for using Card. And the limit of withdraw money from ATM booth is 50,000 Tk.

*__Instant Gold Card__: for instant gold card, 690 Tk. will be charged yearly. And the limit of withdraw money from ATM booth is Tk. 1 lac.

*__Platinum Debit Card__: for Platinum Card, 900 Tk. will be charged yearly but the limit of withdraw money is more than Tk. 5 lac.

Customers can also apply for Classic Card, Gold Debit Card, Platinum Card with Name. It's mentioned that, Gold Debit Card and Platinum Debit Card are endorsable, they provide Duel-Currency service that means international.

Khidma Card

Silver Card- limit Tk. 1 lac.

Gold Card- limit Tk. 2 lac.

Platinum Card- limit Tk. 5 lac.

Investment Mechanisms

The act of investment is the deployment of money with the hope and expectation that the owner would get a profit. An Islamic investment fund is often one where several persons combine their funds and the funds are then invested in accordance with Islamic law.

According to **Accounting and Auditing Organization of Islamic Financial Institutions (AAOIFI)**- "Funds are investment vehicles, which are financially independent of the institutions that establish them. Funds take the form of equal participating shares/units, which represent the shareholders‟/unit holders‟ share of the assets, and entitlement to profits or losses. The funds are managed on the basis of either Mudaraba or agency contract."

Basically real investment occurs when resources are utilized to purchase current and fixed assets for use in a manufacturing process or for trading purposes.

Objectives and Principles of Investment

The objectives and principles of investment operations of IBBL are:

- To invest money strictly in accordance with Islamic Shariah's rules.
- To diversify its investment holdings in terms of size, sectors (public and private), economic purpose, securities, and geographic area, including industrial, commercial, and agricultural sectors.

- To secure mutual advantage for the bank and the investment client by carefully evaluating investment proposals, wisely approving investments, and closely and continuously monitoring such investments.
- To invest while keeping in mind the nation's socio-economic needs.
- To attract more potential investors by making active and beneficial investments.
- To support various initiatives aimed at reducing poverty and creating income and jobs in order to further social advancement and sustainable socioeconomic growth.

Investment Mechanism & Modes of IBBL

There're basically three mechanisms of Investment of IBBL.

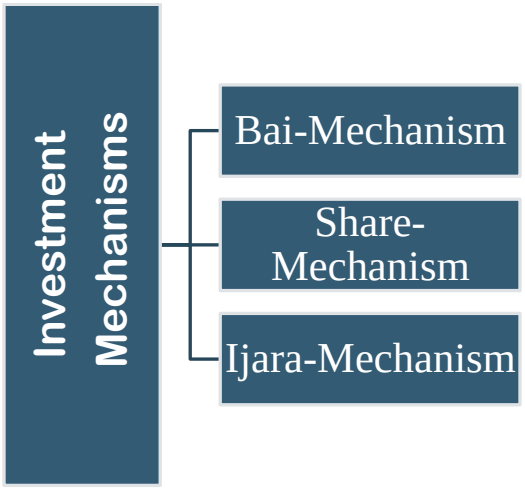


Figure: Investment Mechanisms

Bai-Mechanism

The term 'Bai' indicates Buy & Sell. There're basically five modes of investment under Bai-mechanism.

(i)Bai- Murabaha

The term ‘Bai-Murabaha’ stands for ‘Sale on Profit’. Basically Bai-Murabaha deprived from the Arabic words Bai & Ribhun.

Basically, Bai-Murabaha is a contract between a buyer and a seller in which the seller sells to the buyer certain specific goods that are allowed by Islamic law and local law for cost plus an agreed-upon profit, which is payable in one lump sum or in several installments today or at some point in the future. In this case, clients have the right to choose the product, then IBBL will purchase this for the client and bank will pay to the supplier.

In case of Bai-Murabaha, it is acceptable to require cash or assets as security to ensure that the promise is carried out or to cover any potential damages. To make a profit, the bank sells the items for more than they cost. In the Bai-Murabaha, the sale price charged by the bank is stipulated. A fixed dollar number or a percentage of the purchase price might be used to express the profit. If a percentage is utilized, it must never be described in terms of time to avoid any misunderstandings about whether the price is a prohibited form of interest (Riba).The bank may make a deal with a third party to purchase and receive the items on its behalf. This agreement should be a separate contract.

Process of Bai-Murabaha Practiced by Islami Bank Bangladesh Litd:

- Submission of Proposal from the client
- Client's signature on a purchase commitment
- First Sale contract
- Sign of Murabaha Sale contract
- Delivery of the good and receipt of it

(ii)Bai- Muajjal

The term ‘Bai- Muajjal’ indicates ‘Sale on Credit’.Bai-Muajjal refers to a contract between a buyer and a seller whereby the seller sells to the buyer certain specific commodities (allowed by Shariah and local law) for an agreed-upon fixed price that is due in full or in fixed installments at a specific future date.

It's a legal agreement between a bank and a customer under which the bank sells to the customer particular goods that it has purchased in accordance with the customer's specifications and order for a set price that is due in full or in fixed installments on a specific date in the future.

In case of Bai- Muajjal, it is acceptable that the customer will typically approach the bank with an offer to buy a certain item through a Bai-Muajjal arrangement and make the promise of the client's agreement to buy the products from the bank.

The items or goods must be delivered to the customer by the bank at the time and location agreed upon in the contract.

In order to make profit, the bank may sell the products for more than the purchase price. And when the agreement is signed, the price is fixed and cannot be changed. The bank is not compelled to reveal the transaction's profit.

(iii)Bai- Salam

The term 'Bai' indicates 'Purchase & Sale' and 'Salam' means 'Advance'. So 'Bai- Salam' stands for 'Advance Purchase & Sale'

It is an agreement in which the buyer makes an advance payment; however, delivery is postponed until a mutually convenient time. In the Bai-Salam, a financial transaction takes place in cash up front as the price of a good whose delivery is scheduled for a later time.

There're some following important features of Bai-Salam mode-

- Basically Bai-Salam is preferable for agriculture. In order to provide finance and prevent product hankering because to a lack of funds or cash, industrial and agricultural products are typically bought and sold in advance under the Bai-Salam style of investing.
- To protect the investment from risks such as the non-supply, partial supply, or supply of low-quality commodities or products, it is acceptable to get collateral security from the selling client.
- Additionally, it is acceptable to secure a mortgage and/or personal guarantee from a third party as security either before or at the time the agreement is signed.
- If a separate agency agreement is signed between the bank and the client, the seller client may be appointed as the bank's agent to sell the products she delivered to the bank.

There're some following steps of Bai- Salam mode sale-

- **Sales on Credit or Cash Sales**
- **Delivery and Receipt of the goods by the Due Date**: in this case the commodity may be acquired by the bank, who may then resell it to a third party for cash or credit. In fact, the seller may be permitted by the bank to locate a different buyer for the product. Moreover, the seller may be instructed by the bank to deliver the product immediately to a third party with whom it has another contract.
- **The sale contract between IBBL and Client**

(iv)Bai- Istishna

Bai- Istishna is a contract between a manufacturer/seller and a buyer under which the manufacturer/seller sells specific products after having manufactured, permissible under Islamic Shariah and Law of the country after buying manufactured at an agreed price payable in advance or by go downs within a fixed period or on/within a fixed future date on the basis of the order placed by the buyer.

There're some following features of Bai- Istishna mode-

- It allows the manufacturer to get the price of the items in advance, which the manufacturer may use as capital for manufacturing the goods.
- It offers the buyer the choice of paying the price now or in future dales or go-downs.
- Although it is mostly used in the manufacturing and industrial sectors, Istishna is also used in the construction and agriculture industries as well.

(v)Bai-As-Sarf

The term ‘Bai-As-Sarf’ stands for ‘Currency Exchange’. Basically Bai- as-Sarf is a contract of exchange of money for money. Shari'ah places strict restrictions on this contract since it can be easily used to produce an interest-bearing debt, which is against the law of Islam.

In terms of the Bank, a Bai-as-Sarf is a contract or agreement wherein the Bank agrees to buy foreign currency from the Client in exchange for a foreign documentary bill in advance at a predetermined or agreed-upon exchange rate.

Basically it’s part of Foreign Exchange department, so that it’s not included in Investment mode.

Ijarah Mechanism

The term ‘Ijarah’ indicates ‘Hire Purchase’. Actually, this is the asset's exchange value, consideration, return, wage, rent, or cost of service. Ijarah is described as a contract between the Hiree and the Hirer under which the Hirer receives a specific service or benefit in exchange for a specific payment or rent from the Hiree's property.

There’re four important elements of Ijarah-

i)The Hire: The entity that leases or rents the asset or service is referred to as the Hire.

ii)The Hirer: The person or business that hires/accepts the rental of a piece of property or a service in exchange for payment is referred to as the hirer.

iii)The Rent: Basically rent is the compensation, expressed either in monetary terms or in sorts, determining the quantity of products or money to be paid in exchange for an asset's benefits or services.

iv)The Benefit / Asset: The benefit is referred to as the thing that is rented or hired.

Hire Purchase under Shirkatul Meelk

The term 'Shirkarul Meelk' indicates 'Share in Ownership'. Basically it's a part of Ijarah. The contract is known as a Shirkatul Melk contract when two or more people contribute equity, buy an asset together, own it jointly, enjoy the benefits in accordance with the agreement, and bear the loss in proportion to their individual equity.

For the acquisition of an asset like as land, a building, machinery, a vehicle, etc., Hire Purchase under Shirkatul Meelk required both the bank and the client to give equity in an equal or unequal amount. With that equity money, buy the asset, own it collectively, distribute the benefits in accordance with the agreement, and share the loss in proportion to their individual equity. The client partner rents out the share part or portion of the asset controlled by the bank for a predetermined rent per unit of time for a given period. Finally, the bank sells and transfers ownership of its share, part, or chunk to the customer in exchange for payment of the price established for that component either progressively over the course of the hiring period or in one lump sum after the hire agreement has expired.

There're three stages of Hire Purchase under Shirkatul Meelk-

i)Purchase under joint ownership

ii)Hire

iii)Sale and transfer of ownership to the other partner hirer

Rules of Hire Purchase under Shirkatul Meelk

There're some following important rules of HPSM that IBBL following-

- According to the terms of the HPSM contract, the Hire and the Hirer are each required to contribute the agreed-upon amount of equity toward the joint purchase of the resold asset.
- The fact that the object of the contract must be truly and legitimately attainable is a requirement. The Hirer is responsible for making sure that he uses the asset in accordance with the terms of the Agreement.

- Only when the asset and the benefit derived from it are within the categories permitted by Islamic Shariah is the hire contract legal.
- The contract does not end if the hired asset is harmed or destroyed by an act of Allah and the hiree provides a replacement with the same requirements outlined in the hire contract.
- It is acceptable to advance, defer, or install the rental in accordance with the agreement and to require the Hirer to pay for routine, everyday maintenance because this expense is typically understood and can be viewed as a component of the rental.

Share Mechanism

In Share Mechanism, there're two modes that IBBL following –

i)Mudaraba

ii)Musharaka

Mudaraba

Mudaraba is a profit-sharing partnership in which one side contributes capital and the other contributes labor and skill. In Mudaraba contract, "Shahib al-maal" is the name of the financier or capital provider & "Mudarib" is the name of the supplier of labor and skill.

Basically, Mudaraba can be described as a partnership agreement where the Shahib al-maal gives the Mudarib money to invest in a business by using his labor and effort.

And both parties share the profits in accordance with the agreed-upon ratio, and any losses are paid for by Shahib al-maal, the party who provided the funds, unless they result from misbehavior, negligence, or a violation of the terms set forth by the Mudarib, which constitutes a

breach of trust. The Mudarib is responsible for any loss that results from the aforementioned factors.

There're some important following steps of Mudaraba mode that IBBL follows-

i)The results of Mudaraba

ii)Payment of Mudaraba Capital

iii)Distribution of wealth resulting from Mudaraba

In Mudaraba mode, it is a requirement that the capital be distinctive. In other words, the capital need must be met at the start of the contract. This rule's goal is to eliminate any doubt regarding the amount of capital and, consequently, any doubt regarding the distribution of earnings. However, provided both parties to the commercial agreement agree on its value, goods may be supplied. Delivering the Mudarib with the Mudaraba's capital is required. The Mudarib may employ an assistance to carry out challenging tasks that he is unable to complete alone.

Musharaka

The term 'Musharaka' stands for 'Partnership or Sharing'. Basically Musharaka is a contract of partnership between two or more people or entities that stipulates that all partners must contribute capital, participate in management, share profits in proportion to their capital or according to a pre-determined ratio, and bear losses, if any, in proportion to their capital/equity ratio is known as a musharaka.

The Bank may engage in business with its Clients at Islami Bank Bangladesh Limited (IBBL), provided that the clients and the Bank each contribute capital in fixed proportions, participate in the management of the business, share the profit in accordance with their respective capital ratios or at a pre-agreed ratio, and bear the loss, if any, in accordance with their respective capital/equity ratios.

Given that multiple partners contributed to the project's financing, the agreed-upon distribution ratio for the profits need not be the same. There are following two varieties of Musharakah:

i)Permanent Musharaka: the capital contributions of the partners under this mode may be in equal or unequal ratios, with the result that each partner owns a share in the capital structure permanently and is entitled to his share of the profit income. Participants may establish new income-generating projects or participate in existing ones.

In this instance, the bank owns stock in the company and receives an annual profit share on a pre-rate basis. There is no mention of the contract's termination period. Continued Musharakah is another name for this financing strategy.

ii)Diminishing Partnership: Diminishing partnership is a goal that has been set from the outset and will remain till the partnership is dissolved.

According to an agreement between the partners, the IBBL may grant the other partner the right to purchase a portion of the bank on an ownership basis in either full payment at once or in installments.

❖ How to Handle Clients of Investment?

It's important to know about how to handle the clients of investment. That means how IBBL handle its clients. There're some important steps to handle the clients of investment of IBBL.

Investment Process of IBBL

Typically, a bank follows particular procedures to deliver the client's suggested investment. But it demands careful examination. Because banks invest depositor money rather than their own.

However, IBBL decides to make an investment after passing the following important steps:

- **Induction/Introduction**

  Basically it's an introductory step and the first step of investment process of IBBL. Clients should first approach any of Islami Bank Bangladesh Limited's branches (IBBL). Then he speaks with the officer or management in question (Investment).

  The client is chosen by the bank for its proposed investment after a successful conclusion of the client and bank's conversation. It should be mentioned that before making an investment,

the client or customer must consent to the bank's laws and regulations. The following five C's of the client are typically examined by banks:

- ✓ **C**haracter of the client
- ✓ **C**apacity of the client
- ✓ **C**apital of the client
- ✓ **C**ollateral
- ✓ **C**ondition

➢ Application & Processing

In this stage, IBBL will gather the essential data regarding the potential customer. For this, the bank advises the potential customer to give and/or fill out all necessary information prior to the start of an investment proposal.

Basically, the client must prepare all of the necessary documentation for taking an investment themselves. The following documents must be submitted in order to obtain an investment from IBBL:

- ✓ Trade License
- ✓ Attested copy of partnership deed (In case of partnership business)
- ✓ Prior 03 years' Financial Report that's certified by both External & Internal Auditors
- ✓ Other liabilities of Client
- ✓ Attested copy of MOA and AOA
- ✓ TIN certificate
- ✓ Tenders of the proposed assets
- ✓ Detailed summary of the sundry debtors and sundry creditors
- ✓ Security Analysis
- ✓ Risk analysis and Insurance coverage
- ✓ Industry analysis

➢ Approval & Sanction

In this step, IBBL formally gives approval and accepts the client's investment proposal. Client of Investment here receives letter of sanction from IBBL.

The sanction letter for Islami Bank Bangladesh Limited (IBBL) includes the following details:

- Limit of Investment based on the business type and size
- Mode of investment
- Amount of Investment
- Investment Purpose
- Investment Period
- Rate of Return
- Securities:

  i)Primary: stock of goods is the primary security that includes L/C bills, Murabaha Post Investment (MPI), Lien.

  ii)Cash/Goods: In case of Bai-Murabaha, 25% cash security on the cost price that will eventually become a goods security. And need to collect Trust Receipt.

➢ Documentation

At this point, the bank often determines whether the necessary documentation are in order. The following client documents are examined by Islami Bank Bangladesh Limited (IBBL) at the documentation stage:

- Trade License
- TIN certificate
- Stock Report
- Liability statement
- Other Asset statement
- Financial Report
- Performance report
- Bank Account Statement
- Valuation certificate which includes particulars of proposal, properties and mortgagor.
- Credit Information Bureau report

➢ Disbursement

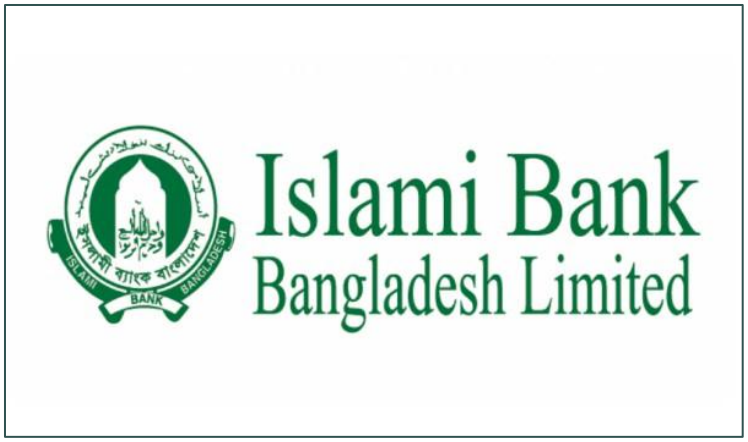
In this step, Bank decides to disburse funds. Here, the client receives the money or things that they wanted. It should be emphasized that a "site plan" displaying the precise location of each mortgage property must be physically confirmed prior to payout.

- **Monitoring, Supervision & Follow-up**

  In this stage, IBBL will keep in touch with the client; for instance, if the client made a little investment, the bank could ask for a monthly stock report from them. The bank will keep watch over the investor in this situation. The bank will, if necessary, physically check the operations of the client. Additionally, the bank tries to reclaim its investment capital from the client if it believes something is improper.

- **Recovery & Settlement**

  After the construction time is over, the client will be required to pay the bank's obligations in equal monthly installments. The client must deposit post-dated checks to the bank for the amount of each monthly installment spanning the whole period of investment in order to assure payment as per the terms of the sanction. The Bank must deposit the appropriate month's check on the first week of each month in order to realize the monthly instalment amount.



CHAPTER 4

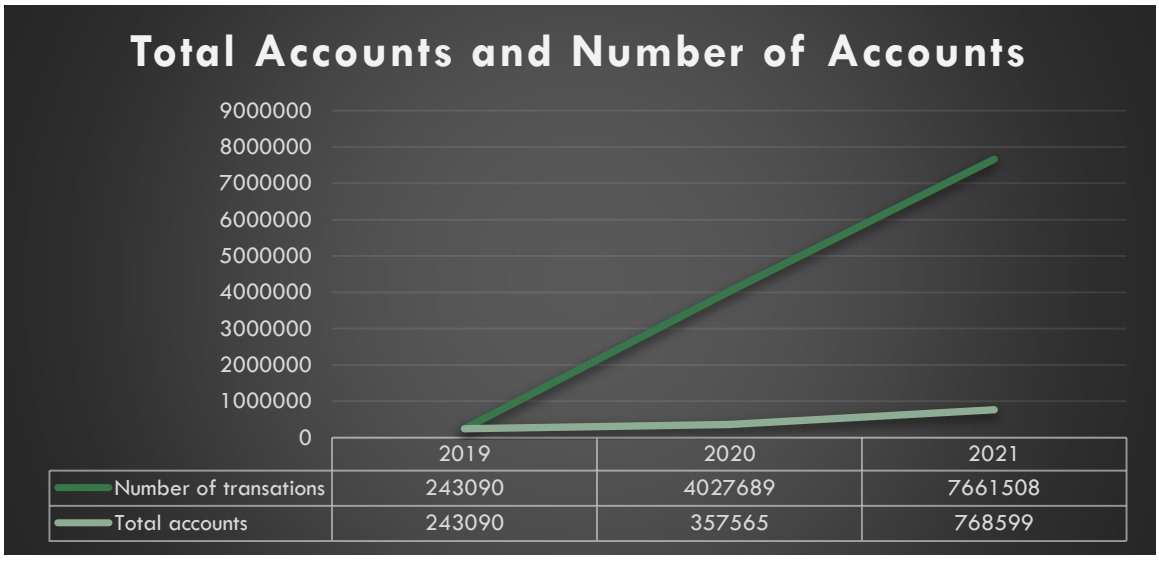
Findings & Analysis

Prospect of Islami Bank Bangladesh Ltd.

IBBL has very good prospect not only for the bank itself but also for the whole country's economy. As we can see, the bank now has more cash available for loans and can provide a good percentage of profit to depositors. IBBL is the leading private bank in Bangladesh. The researcher tried to provide more specific information regarding the potential of IBBL in the section below.

				Yearly Change (2021-2020)	Year to year change(2021-2019)
	2019	2020	2021		
Total accounts	243090	357565	768599	214.95%	316.18%
Deposits (Crore)	329	5251.3	10788.2	205.44%	3279.09%
Number of transactions	243090	4027689	7661508	190.22%	3151.72%
Loan disbursement (Crore)	5.7	29.7	94.9	319.53%	1664.91%
Utility bill payments (Crore)	55.8	75.9	93.7	123.45%	167.92%
Remittance (Crore)	230.1	637.1	3327.9	522.35%	1446.28%

Total Accounts and Number of Accounts



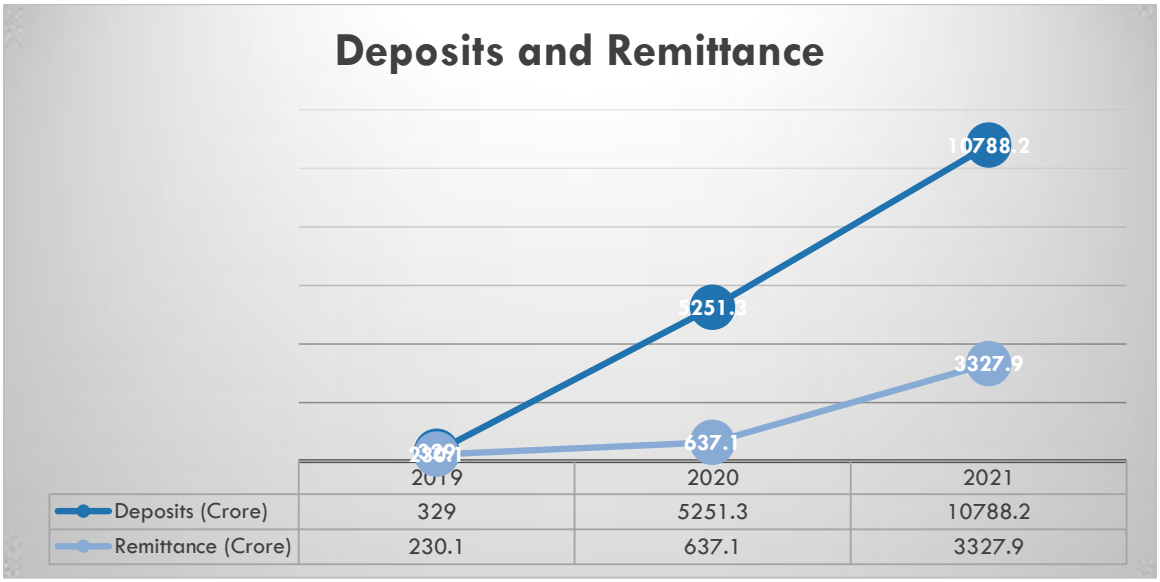
This graph basically shows the total number of transactions and total number of A/C yearly basis 2019, 2020 and 2021. Additionally, it is apparent from the year-over-year graph that a record number of accounts are being opened and transactions are taking place. When compared to 2019,

when there were 243,090 accounts, there are now 768,599 accounts, which means that the number has climbed by 316.18%. It basically gives a high prospect of IBBL.

Additionally, if we pay attention to the overall volume of transactions, we will see a dramatic increase over the past three years. In the year 2020 there were 402,7689 transactions, but in the year 2021 there were 7,661,508 transactions, which means that the number climbed by more than 190%.

Therefore, it can be concluded that the higher margin was observed in both circumstances (Number of transactions and Total accounts), and as a result, we can say that IBBL has promising future prospects.

Deposits and Remittance

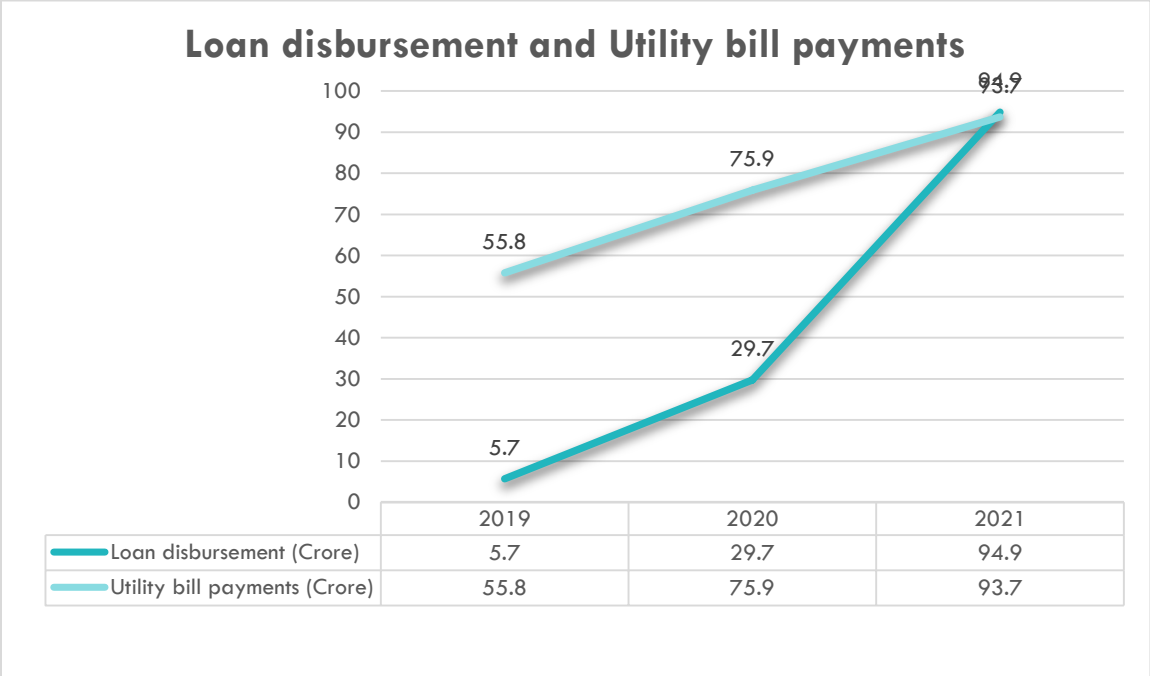


When we focus on the entire number of deposits, we discover that in 2019, there were 329 Crore deposits, and in 2020, there are 5,252.3 Crore deposits. When we compare the total number with the percentage, we discover that there was a rise of 1596% which indicates a higher margin of IBBL. In 2021, the total number of deposits was 10,788.2 crores. When comparing the two years, we discovered that the proportion climbed and remained at 205.44%.

Therefore, it can be said that when we concentrate on the total amount of deposits made by IBBL, we will discover that the future of IBBL is very bright because all of its clients and potential clients view.

On the other hand, if we concentrate on the remittance of IBBL, we discover that in 2019, the entire collection of remittance was 230.1 Crore and that it climbed significantly, reaching 3327.9 Crore in 2021. The rise from 2021 to 2019 was 1446 percent, expressed as a percentage. That will give IBBL very great hopes for the future.

Loan disbursement and Utility bill payments



	2019	2020	2021
Loan disbursement (Crore)	5.7	29.7	94.9
Utility bill payments (Crore)	55.8	75.9	93.7

This graph shows that they disbursed a loan of 5.7 crore in 2019. And in 2020, the sum climbed and remained at 29,7 crores, an increase of more than 19%. And in 2021, the total loan amount remained same at 94.9 crore, an increase of 319%. In other words, consumers are now more eager to borrow money from IBBL give the bank their money so it can invest it and earn profits. Therefore, it can be claimed that people are more willing to take loans and demonstrate their trust by depositing their funds in IBBL.

Similar results were obtained when we focused on utility bill payments. In the year 2019, the total was 55.8 crore, and in the following year, 2021, the total climbed by 167% and remained at the figure of 93.7 crore. And when consumers use the CellFin, Online Banking of IBBL to pay their utility bills, it shows that they believe in banks and put their money in them.

In conclusion, it can be mentioned that when we focus on the year-by-year performance of IBBL, the researcher discovered that the department was moving toward stronger positions and gaining more consumer trust every year that ensures a great future prospect for IBBL.

Constraints Faced by IBBL in Bangladesh

Problem with legal reserve requirement

In Bangladesh, Islamic banks are required to reserve 10% of their total deposits for liquidity. Five percent of this must be retained in cash with Bangladesh Bank, and the remaining five percent must be kept with Bangladesh Bank in approved securities or in cash.

For conventional banks, the legal reserve requirement is 20%. The remaining 15% must be invested in securities that have been approved by Bangladesh Bank, with the remaining 5% being kept in cash with Bangladesh Bank. Islamic banks cannot earn interest because they are prohibited from receiving interest as a form of compensation, although traditional banks can earn interest on their deposits with Bangladesh Bank. Islamic banks in this situation are at a disadvantage compared to interest-based traditional banking. Nevertheless, since 1993, Islami Bank Bangladesh Limited has been crediting interest against its deposits with the Bangladesh Bank to its Sadaqa fund. It should be highlighted that interest income is added to profit and is not regarded as bank revenue. The money is used for charitable endeavors.

Lack of opportunities for profitable use of surplus funds

Conventional banks may invest their excess liquid funds in approved securities or in other banks that are experiencing financial difficulties. Due to the presence of an interest component in the transaction process, Islamic banks are unable to take advantage of this opportunity.

Apprehension of Liquidity Crisis and possibility of Liquidity Surplus

Since they cannot use call money provision in times of financial shortages or crisis, Islamic banks must be more cautious and vigilant while managing their funds. As a result, it's possible that Islamic banks have always had a sizable cash liquidity surplus. Even at outrageous interest rates, conventional banks can borrow from one another in the form of call money.

Problems in Capital Market Investment

Traditional banks are permitted to invest up to 30% of their total deposits in stocks and other securities. Due to their avoidance of interest-based transactions, Islamic banks face difficulties in this situation. For instance, the examples below may be used-

i)Islamic banks do not buy stock in companies that engage in interest-based business

ii) Islamic banks do not buy stock in companies that take out loans from commercial banks at interest

iii) Islamic banks are not allowed to buy stock in companies that engage in activities that are against Shariah.

The above-mentioned restricted environment in Bangladesh's capital market has significantly reduced the investment prospects for Islamic banks and, as a result, the avenues for making money legally. These banks are unable to access capital market funding during times of need if there is no Islamic money or capital market.

Absence of Islamic Insurance Company

To safeguard bank investments against unforeseen risks and disasters, banking and insurance must work in tandem with other aspects of commerce and business. In the lack of Islamic insurance firms, Islamic banks must regrettably rely on interest-based insurance companies.



CHAPTER 5

Conclusion

Conclusion

By upholding the fundamentals of Islamic Shariah, which are founded on the Quran and Sunnah, Islami Bank Bangladesh Ltd. (IBBL) seeks to provide the greatest benefit of society. Both Islam and Bangladesh's central bank forbade living in luxury. As a consequence, IBBL opposes living a luxury lifestyle when it comes to consumer investment and always seeks to grant investments to only those customers who truly need them. As a result, it simultaneously decreases the widespread use of opulent goods and improves society's standard of living by helping the deserving.

The first welfare initiatives in Bangladesh were started by Islami Bank Bangladesh Ltd. Equal emphasis is placed on developing the nation's rural areas. The Bank's Investment Policy has the unique attribute of basing investments on a profit-loss sharing mechanism that complies with Islamic Shariah's doctrines and principles. The Bank's Investment Policy places more of an emphasis on achieving social goals and objectives, such as creating employment opportunities, than on making a profit.

Recommendation

Despite its strong performance, Islami Bank Bangladesh Ltd. (IBBL) still has to make the following significant improvements:

- Because most people in our nation are ignorant about IBBL's operations and its workings, they tend to believe that there is no difference between traditional banking and IBBL when it comes to the indirect generating of interest. Through many seminars and Islamic discussion, it should get better.
- To entice more female consumers, the bank may think about hiring more female workers, particularly in the investment department. Because in the Investment department of Mirpur-1 branch, there's only one female officer.
- It is the modern era of banking. Every single commercial bank is effectively implementing new technology. In order to stay up with the times, IBBL must employ more cutting-edge technologies.
- Due to its large customer base, IBBL should focus to build more ATM booths in various locations.
- The authority of IBBL should exert pressure on government agencies to implement Islami banking regulations in Bangladesh in a proper and sufficient manner.
- IBBL needs to improve the appeal of its investment plans to attract high-yield projects.
- In the context of the current socioeconomic circumstances in Bangladesh, IBBL should take both efficiency and equity considerations into account when utilizing rural potential. The best ways to do it are by making firm commitments and stepping up through experimentation and the application of creative ideas.
- IBBL bank needs to focus more on marketing and engage in promotional efforts to reach a wide geographic area.
- By designating a customer relationship officer at the branch level, the authority of IBBL should implement more innovation and cutting-edge customer care.
- Finally, Government regulations and the legal framework should be more lenient with regard to Islamic banking.

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