UTTARA UNIVERSITY

Project Report

On

General Banking & Investment Modes

Of

Islamic Bank Bangladesh Ltd.

Submitted to:

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Date of Submission: 30th August, 2020.

Letter of Transmittal

30 August 2020

Dr.Md.Golam Morshed

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Subject: Submission of Project Report on General Banking & Investment of Modes Islamic Bank Bangladesh Limited.

Dear Sir,

I would like to thank you for giving me chance to prepare the project report on this topic**, "General Banking & Investment of Modes Islamic Bank Bangladesh Limited"**. I have prepared the report highlighting the different schemes under General Banking & Investment & analyze it from business, financial & prospective point of view. I have tried my best to make the report excellent and gather relevant information for preparing a complete report. 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,

Taslima Aktar

ID: 2161011225

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Student's Declaration

I Taslima Aktar bearing ID: 2161011225, hereby declare that this project report entitled **"General Banking & Investment of Modes Islamic Bank Bangladesh Limited"**
Has been prepared by me towards the partial fulfilment of the requirement for the award of the Bachelor of Business Administration (BBA) degree under the guidance of Dr.Md.Golam Morshed
Assistance Professor, Uttara University.

I also declare that this project report is my original work and has not been previously submitted.

…………………

Taslima Aktar
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Supervisor's Declaration

This is to certify that Taslima Aktar, ID: 2161011225, Batch: 39(E) Program: BBA, Major in Accounting a student of Uttara University, Department of Business Administration has completed his Project report entitled **"General Banking & Investment of Modes Islamic Bank Bangladesh Limited"** under my supervision. I am pleased to state that he has worked hard in preparing this report. The data and findings are presented in the report seems to be authentic.

I wish his every success.

……………………….

Dr. Md. Golam Morshed
Assistant Professor

Department of Business Administration

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Acknowledgement

At first, I would like to express my profound gratefulness to almighty Allah for giving me strength and mobility to finish the report within time Then, I congratulated and lay my sincerest thankfulness to my honorable supervisor Dr.Md.Golam Morshed Assistant Professor of Accounting, Department of Business Administration School of Business ,Uttara University .For his help, encouragement, guidance, and valuable suggestions throughout the entire period of this study, within which it could not have been feasible to submit this report on time. It was an eminent scope for me to complete this report on **“General Banking & Investment of Modes Islamic Bank Bangladesh Limited**” Uttara Branch. Finally, I am fortunate for the aid and encouragement I have received from all of my teachers and friends and students of Uttara University.

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Executive Summary:

This report will give a clear idea about total activities and its performance. Especially this report focuses on the "Analysis of Different Modes of Investment of Islamic Bank Bangladesh Limited IBBL". After reading this report it will be easy to get idea about establishment of Islamic Bank Bangladesh Limited (IBBL). This report also focuses on performance evaluation of IBBL .This report also explains the general banking, Investment and Foreign Trade of IBBL .This report also contains findings, recommendation and conclusion.

IBBL is an Islamic Bank based on "Islamic Shariah". It follows the alternative concept of Islamic Banking which represents unique human approach to credit and banking based on profit-oriented economy avoid of interest (RIBA). In this regard IBBL has introduced a number of income generating programs for the millions of urban and rural people. With that objective in view IBBL has formulated a profitable investment option for the rich and poor to earn and live in a better society with security and peace.

In this report there is discussion on topics of over all activities and the performance of IBBL. This report also discuss about deposit collection, investment policy, various type of deposit account and their characteristics.

Section-1:

Introduction:

Banking plays an important role in the economy of any country. In Bangladesh Muslim holds the majority of the population. Though, no Islamic banking but only traditional banking system was developed here till 1983. However, interest is absolutely prohibited in Islam. The main aim of traditional banking is to earn profit by borrowing and lending money in exchange of interest. As a result there is an unfair competition among the bankers and among the customers. The people of this country are profoundly committed to Islamic way of life as enshrined in the holy Qur"an and the Sunnah. Naturally, it remains deep in their hearts to fashion and design their economic lives in accordance with the precepts of Islam. The establishment of Islamic Bank Bangladesh Limited on March 13, 1983, is the true reflection of this inner urge of its people, which started functioning with erect from March 30, 1983. Now, a question may arise- „what is Islamic Banking?" According to OIC- "Islamic bank is a financial institution whose status, rules and procedures expressly state its commitment to the principle of Islamic Shariah and to the banning of the receipt and payment of interest on any of its operations." This bank is the first of its kind in South-East Asia. It is committed to conduct all banking and investment activities on the basis of interest fee profit-loss sharing system. In doing so, it has unveiled a new horizon and ushered in a new silver lining of hope towards materializing a long cherished dream of the people of Bangladesh for doing their banking transactions in line with what is prescribed by Islam. With the active co-operation and participation of Islamic development bank (IDB) and some other Islamic banks, financial institutions, government bodies and eminent personalities of the Middle East and the gulf countries, Islamic Bank Bangladesh Limited has by now earned the unique position of a leading private commercial bank in Bangladesh.

Justification:

Islamic Bank has evolved from helping customers meet their basic banking needs to meeting their sophisticated needs. In recent years, the Islamic Bank users has been increasing exponentially. As customers get more and more educated, getting insight about Islamic Bank has become a primary area of concern for all leading banks in BD. In this globalization era how technology takes place in banking system is motivated to select this topic. Day by day these Islamic Bank systems become more popular and important for a large amount of bank customers. I want to know why this system becomes more popular to customers. As BBA Program student and my major area is Accounting and my topic is related to bank so in future this study give me more knowledge about Islamic Bank and about its system.

Section – 02

Objectives of the studies:

The primary objective of establishing Islamic Bank all over the world is to promote, foster and develop the application of Islamic principles in the business sector.

- To offer contemporary financial services in conformity with Islamic Shariah;
- To help ensure equitable distribution of income.

  Other specific objective that was expected to be achieved form this study are:
- To learning more about the Role of Bangladesh Bank in Promoting Islamic Banking in Bangladesh.
- To know the Impact Islamic Banking on Economic Development of Bangladesh.
- To explain Shariah Governance of Islamic Banks in Bangladesh.

Section -03

Methodology:

Every work has a methodology. On the way of the formation of this report, it has a methodology. Due to CORONA Pandemic the study is mainly based on secondary data related to Islamic Bank. Secondary data and information have gathered from Books, Journals, research paper etc. This is an exploratory research based on – Data from Secondary Data Sources. Secondary data obtained through the Net, books and related journals including different publications: (i) Bangladesh Institution of Bank Management (ii) Bank for International Standard Working (iii) Papers International and local Publications (iv) Different seminar papers (v) Information from Internet. Here I also collect lots of information through banks journals.

In this report most of the information's are collected various articles. At first I selected some key words such as what are Islamic Bank, features, structures, benefits, customer's satisfaction, problems. I put these key words in Google and Google Scholars. Than found many articles on my report from those articles I selected 7 important articles based on my topic. After collect articles numbering those articles from 1 to 7 which help me to preparing report appendixes. After collecting articles at first I read them very carefully and marked my important paragraph from those articles.

Section-4:

DISCUSSION:

Objectives 01:To learning more about the Role of Bangladesh Bank in Promoting Islamic Banking in Bangladesh.

Though there is no complete Islamic Banking Act for controlling, guiding and supervising the Islamic banks in Bangladesh, some Islamic banking provisions have already been incorporated in the amended Banking Companies Act, 1991 (Act No. 14 of 1991). Bangladesh Bank did not set up any separate Department at its Head Office to control, guide and supervise the operation of the Islamic banks. Inspection and supervision of the Islamic banking operations are conducted by the Bangladesh Bank as per the general guidelines framed for the conventional banks. So, ensuring implementation of Shariah principles in the Islamic banks are being conducted by their own Shariah Councils. The role of Bangladesh Bank in controlling, guiding and supervising the Islamic Banks in Bangladesh in accordance with Islamic Shariah is very minimal. In observing the Shariah implementation status of the Islamic banks, Bangladesh Bank examines only the report of the respective banks' Shariah Councils. However, the inspectors and supervisors of Bangladesh Bank are not equally familiar with the technicalities of the different operational methodologies of the Islamic banking. This is because of the fact that there is no separate Department to look into this important matter. A committee of experts set up by the Governors of Central Banks and Monetary Authorities of the OIC countries examined the whole range of relationships between the Central Banks and the Islamic Banks and submitted a report in 1981 on the "Promotion, Regulation and Supervision of Islamic Banks".The report highlighted the need to provide for central bank assistance to the Islamic banks on a basis compatible with the Shariah. The report also discussed many monetary aspects such as liquidity requirements, reserve requirements, supervision of Islamic banking activities, and fiscal treatment of income from participation, ownership, capital requirements, and the maintenance of sound relationships between capital, reserves and total assets. The report recommended the fostering of interest-free financial instruments to enable the Islamic banks to meet the statutory liquidity requirements of the central banks A study regarding "The Relationship between Central Banks and Islamic Banks" prepared by IAIB was submitted to the third Expert Level Meeting on Islamic Banking Studies (Dhaka, 1989). The recommendations adopted by the meeting include:

i) The provision of financial assistance by the Central Banks in the form of Mudaraba deposits with the Islamic banks and by way of providing refinance to the Islamic banks under Mudaraba/Musharaka or any other Islamic mode of finance;

(ii) Refinance facilities on the basis of PLS;

(iii) Opening of current accounts at the Central Banks with occasional overdrawing facilities free of any charge and participation in the clearing house;

(iv) Regulation and Supervision of Islamic banks as applicable in interest-based banking in respect of permission for establishing banks, appointment of directors and auditors, foreign exchange regulations etc.;

(v) Lower liquidity requirements on deposits accepted by Islamic banks till such time as appropriate Islamic financial instruments which can be counted towards liquidity requirements become available;

(vi) For inspection of the Islamic banks, the Central Bank's personnel may be adequately trained in Shariah based banking operations and the central banking authorities may consider preparing separate guidelines for inspection, keeping in view the special character of Islamic banks. The International Monetary Fund (IMF) in a study named "Islamic Banking: Issues in Prudential Regulations and Supervision" highlighted various techniques for banking supervision in an Islamic framework and for smooth development of Islamic banking recommended that "and appropriate regulatory framework for banking supervision in an Islamic environment should be designed to ensure that:

(a) Legal foundations for the supervision of Islamic bank are in place;

(b) Investment and other risks are adequately dealt with, taking into account that financing through the PLS modes adds an element of complexity to the already difficult task of investment banking and

(c) Adequate information is necessary for supervisory authorities to exercise a more effective prudential supervision and to enable the public to make reasonably informed investment decisions. Greater stress on these issues, particularly during the licensing process is likely to strengthen financial system surveillance in countries where Islamic banking is followed. To implement the above recommendation.

To implement the above recommendations report suggested, among others, the following:

1. In order to provide the legal foundations for the supervision of Islamic banks it is necessary that either the general banking laws or specific laws performing to Islamic banks define in detail the nature of these banks and their specific operating relationship with the central bank and other conventional banks, if applicable.

2. Management of operational risks in Islamic banks could usefully be addressed through an appropriate rating system (CAMEL rating is a measure of the relative soundness of a bank and is calculated on a 1-5 scale, with one being a strong performance.

3. Information disclosure should be designed to reduce information asymmetries due to the unrestricted Mudaraba contract between an Islamic bank and its depositors and incentives for moral hazard due to the fact that capital value of and returns on investment deposits are not guaranteed. 4. An appropriate licensing process is just as necessary in an Islamic banking framework to enable supervisory authorities to ensure that new banks are sound and stable. Some basic elements of an appropriate licensing process are:

(i) Transparency: Laws, regulations, criteria and requirements for a banking license should be published and applied in an even-handed way.

(ii) Set the ground rules: Requirement for a license should set rules for corporate governance; establish "suitability" standards for owners; establish "fit-and-proper" specifications for boards of directors and managers; determine whether commercial and industrial firms can own banks; define the organizational structure of the bank, including internal controls, internal and external audit functions and any provision necessary to present conflict of interests.

(iii) Capital requirements: Minimum levels and composition of initial capital should be set forth.

(iv)Specify activities: The scope of a bank's activities should be indicated, that is whether and to what extent the bank is allowed to take equity positions in non-financial enterprises, engage in securities, underwriting, licensing, factoring and other activities.

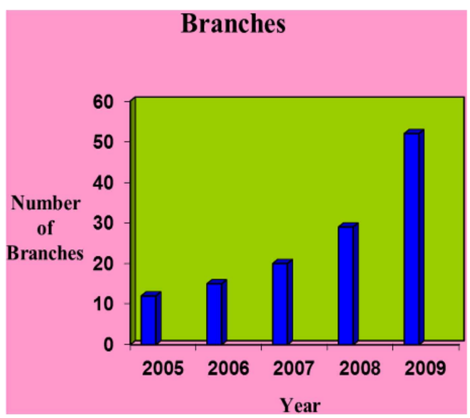
(v) Business plan: The license application should include a feasibility study and a business plan detailing the bank's strategy to attain profitability and maintaining it over the initial period of operation.

Objectives 02:

To know the Impact Islamic Banking on Economic Development of Bangladesh.

Due to global economic recession, time is very much challenging and uncertain. Specially, this calamity become acute with eventual collapse of some major banking institution and massive dips in stock market indices across the globe. As a result, developing economy like Bangladesh economy deteriorated rapidly. Bangladesh represents a underdeveloped financial system which leads a slow economic growth. According to the international monetary fund, Bangladesh ranked as the 48th largest economy in the world in 2009, with a GDP of US$256 billion. Although Bangladeshi economy is based on agriculture, more than half of the GDP is belongs to the service sector such as transport, financial institution, real estate education, public administration, health, social and personal service. From the financial institution, banking industry is the most essential. The banking industry of Bangladesh is now highly competitive and challenging sector rather than previous period of time. Basically banking sector is involved with financial system. To have a healthy and vibrant economy it needs a financial system that moves funds from people who save people who have strong productive investment opportunities. And we know that, a country's economic development means development the economy of a country which concern with trade, industry and wealth of the country. Despite sluggish economic scenario, the FSIBL passed successfully with the help of their efficient and prudent workforce. Thus FSIBL has been able to close the balance sheet with an enormous pre-tax profit of Tk.750 million with an excellent growth rate of 300% while the whole financial sector faced a slowdown. Banking institution can create an impact on the economy through its general activities like deposit collection, giving loan, invest in different economic sector such as agriculture, garments, house building etc. export and remittance business. There is a link between financial system and economy. Without financial sector an economic system cannot draw its growth. Banks are the most financial intermediaries and FSIBL is not different from them. General banking activities are like the flow of bloods of any bank which are practiced and operated to keep a bank alive. So, FSIBL is also having its own general activities like other banks. A/C opening, closing, loan and investment, ATM banking, locker service, SMS banking etc. In the society there live different people and they have different demands and needs. FSIBL is ready to serve them as their choice by offering various types of A/C such as Alwadiah A/C, Mudarabah Special Notice A/C, Mudarabah Savings A/C, Mudarabah Monthly Savings Scheme. FSIBL offers different types loan and opportunity to invest and shares risk with thecustomers. Although, at first FSIBL was started as usual commercial bank in 1999, but after several year it was changed to a Islamic Bank and its principles developed based on Islamic Shariah. There are 90% Muslim people in Bangladesh, they have Islamic mind and culture. So that, FSIBL is giving opportunity the people to invest thus by collecting deposit from them and investing from different sector such as invest in industry developing and thus bank earn profits and share with its customer and shareholders, if failed then also be shared between them. ATM banking of FSIBL is not fully independent. It does an agreement with Dutch Bangla Bank Limited.

The number of branches of the First Security Islamic Bank is increasing by time. It is observed that in the year of 2005, the number of branches was only 12, but in 2007 it became as 20 and thus FSIBL increased the branches to 52 till 31stDecember, 2009. So that, now the number of branches is 59 and two new branches are going to open as soon as possible. This situation is graphically discovered in below:



Source: Annual Report of FSIBL-2009

Figure 3*. Showing the number of branches of FSIBL from 2005 to*

Tk. In Million	
Year	**Paid Up Capital**
2005	600
2006	900
2007	1000
2008	2300
2009	2300

Table:1

Objectives 03:

To explainShari'ah Governance of Islamic Banks in Bangladesh.

In 2009, BB issued guidelines on the operation and management of Islamic banks. These guidelines are considered the fi rst attempt by BB to provide an operational framework for Islamic banking. The guidelines include the mechanism of shari'ah and corporate governance, product definition and operational framework, alternative investment modes, and conversion procedures for a conventional bank to an Islamic bank. However, these guidelines have shortcomings. A major issue is that, under these guidelines, it is optional for an Islamic bank to have a shari'ah board, which contradicts global practice (BMB Islamic, 2011). The guidelines state that: It will be the responsibility of the board of directors of the respective banks to ensure that the activities of the banks and their products are Shariah compliant. The Board of the Islamic banks/ Subsidiary company/Conventional commercial banks having Islamic branches, therefore, be constituted with directors having requisite knowledge and expertise in Islamic Jurisprudence. The Board may form an independent Shariah Supervisory Committee with experienced and knowledgeable persons in Islamic Jurisprudence. However, the Board shall be responsible for any lapses/irregularities on the part of the Shariah Supervisory Committee (Bangladesh Bank, 2009). Based on this guideline, the boards of Islamic banks, or conventional commercial banks with Islamic branches, must ensure that their banks' activities are based on the principles of shari'ah. In this regard, board members are expected to be knowledgeable in shari'ah. However, the board members may establish a shari'ah supervisory committee to assist them. The above criteria are not considered very stringent in the global perspective; however, in the context of Bangladesh, it is quite diffi cult to fi nd a candidate with these qualities. BB does not have a shari'ah board to supervise Islamic banks in Bangladesh. However, there is a private non-corporate body called the Central Shari'a Board for Islamic Banks of Bangladesh (CSBIB). Almost all Islamic banks in Bangladesh are members of the CSBIB. It consists of a number of prominent scholars from Bangladesh and arranges regular meetings to discuss shari'ah issues related to the country's Islamic banking industry. It also conducts research and publishes books and journals to serve its members (BMB Islamic, 2011). However, shari'ah resolutions issued by CSBIB are not mandatory for IFIs: it only provides advisory services. Nevertheless, no Islamic bank in Bangladesh contravenes the resolutions of the CSBIB due to reputational risks (Uddin, 2014). Every Islamic bank in Bangladesh has a shari'ah supervisory committee which consists of shari'ah scholars. Likewise, every conventional bank with an Islamic banking window also has a shari'ah supervisory committee. Shari'ah scholars hold monthly meetings where they discuss issues raised about the operation of Islamic banks. If an Islamic bank wants to introduce a new product, it brings the matter to the shari'ah supervisory committee for their opinion on the product's shari'ah status.

Shari'ah governance structure of Islamic banks in Bangladesh:

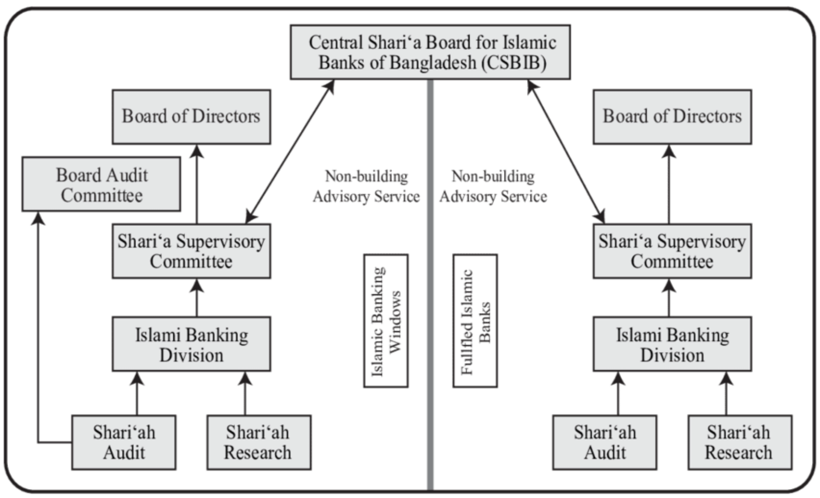


Figure (1): Shari'ah governance structure of Islamic banks in Bangladesh

Table-7 Cost Efficiency Estimates of Each Islamic Banks over Time

Banks	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
IBBL	1.26	1.481	1.225	1.154	1.041	1.043	1.051	1.032	1.048	1.031
Al-Arafah	1.054	1.213	1.139	1.069	1.045	1.073	1.099	1.080	1.053	1.092
Shahjalal	1.372	1.632	2.084	2.229	2.185	1.539	1.775	1.653	1.202	1.443
Social	2.488	2.383	1.904	1.628	1.115	1.100	1.027	1.432	1.161	1.065
ICB	1.291	1.672	1.997	2.592	2.782	2.881	1.968	1.017	1.111	1.054
EXIM	1.569	1.593	1.319	1.250	1.209	1.082	1.033	1.053	1.045	1.038
FSIB	2.425	2.437	1.645	1.541	1.259	1.359	1.228	1.175	1.283	1.132

Table-2

Section-5

Future Forward:

Working with the general and investment modes of Islamic Bank, I realized that the general and investment limitations in Bangladesh are much higher. In the current Corona situation, the rate of investment has decreased. In addition, the amount of investment of the bank has also decreased. This is reducing the bank's revenue. So in my opinion the interest rate on bank investment should be increased to reduce the limitation of bank investment in future.

1.1 Findings:

To prepare this project, I tried to find out the effect of employees‟ performance, turnover rate as well as number of customers response & satisfaction towards service on investment performance of Islamic Bank Bangladesh Limited, reveals the following majors findings.

1. The deposit collection of IBBL has increased over the year but the growth rate has fluctuated as well due to many customers had closed their accounts.
2. The investment of IBBL has increased over the years in different sectors but the growth rate is low compare to that.
3. Only the number of Muslim customers increasing not other non-Muslim customers of the bank
4. The investment of IBBL is maximum in the industrial sector and minimum in the transport sector. They also invest in other sectors like commercial, real state, agriculture etc.
5. IBBL investments more under Bai mechanism in terms of total investment and got the income from this sector in 2014.
6. Income from Share mechanism is increasing over the year. Though, IBBL invested low amount in share mechanism.
7. NPL ratio of IBBL has increased over the last four years. Yet, NPL ratio of IBBL is lower than industry average.

1.2 Recommendation

Though Islamic Bank Bangladesh Ltd. (IBBL) is performing well but it has some crucial areas to improve which are prescribed below:

1. It is a modern banking era. Each and every commercial bank is properly utilizing technological innovations. So, IBBL needs to utilize more modern technologies to keep pace with the changing time.
2. The bank can consider employing more female employees in the branch, especially in the investment sector to attract more female customers.
3. The bank need to open more ATM booths in different places as it has a huge number of customers.
4. Most of the people of our country have a bad impression about IBBL"s operation regarding indirect generation of interest, which means no difference between conventional banking & IBBL, because people have no proper knowledge about activities of IBBL as well as its mechanism. It should improve through various seminar and Islamic discussion.
5. The bank should diversify their investment into different modes such as Bai- Salam, Bai-Muajjal, SME, instead of concentrating on Bai- Murabaha and HPSM investment mode.
6. To fulfill the vision of mass banking IBBL should grants investment portfolio to new entrepreneurs.
7. IBBL have to promote its distributional efficiency from all dimensions together with profitability.
8. The bank should reduce its classified investment more by maintaining investment carefully in safe sector & choosing most credit worthy borrower.
9. The authority of IBBL should introduce exert pressure on Government bodies to run properly and sufficient application of Islamic banking laws in Bangladesh.
10. IBBL should make its investment schemes more attractive for availing high-return projects.
11. IBBL should consider utilization of rural potentials from both efficiency and equity grounds in the context of the present-day socio-economic conditions of Bangladesh. Strong commitments and stepping up through experiment and implementation of innovative ideas are the appropriate ways to do that.

1.3 Conclusion:

Islam is a complete code of life where the detailed regulation for maintaining a proper economic life is given. Therefore Islamic Bank Bangladesh Ltd. (IBBL) is trying to establish the maximum welfare of the society by maintaining the principles of Islamic Shariah which is based on Quran and Sunnah. Both Islam and Bangladesh bank discouraged luxurious lifestyle. Therefore, in terms of consumer investment IBBL also discourages luxurious lifestyle, and always tries to give investment only to those consumers who really need it. As a result, at a time it reduces the extensive usage of luxurious products and also upgrades the lifestyle of society by serving the deserved people. Islamic Bank Bangladesh Ltd. is the pioneer of the welfare activities in Bangladesh. It is emphasize equally in developing the rural areas of the country. The special feature of the Investment Policy of the Bank is to invest on the basis of profit-loss sharing system in accordance with the tenets and principles of Islamic Shariah. Earning of profit is not the only motive and objective of the Bank's Investment Policy rather emphasis is given in attaining social goal and objective in creating employment opportunities. Having been considered the pro-efficiency character of Islamic banking and its beneficial impacts on the economy, government policy in Muslim countries should be in favor of transforming conventional banking system into Islamic banking.

Section-6

APPENDICES:

Appendix I
Introducing Consulted Articles

Si	Article Title	Author(s)	Journal Name	Volume & Issue	Year	Publisher
1	Regulation of Islamic c banking in Bangladesh: role of Bangladesh bank	Abdul Awwal Sarker	International Journal of Islamic Financial Services	Volume-2 Issue-1	2000	Iaif.ir
2	An Impact of Banking Activities of Private Commercial Islamic Bank to Economic Development in Bangladesh	Md. Nazirul Islam Sarker Md. Harun Rashid	Journal of Investment and Management	Volume-4 Issue-5	2015	Citeseer.com
3	Shari'ah Governance of Islamic Banks in Bangladesh Issues and Challenges	Md. Faruk Abdullah Asmak Ab Rahman	Journal of Islamic Economics, Banking and Finance	Volume-13 Issue-3	2017	researchgate.net
4	Compliance of AAOIFI Guidelines in General Presentation and Disclosure in the Financial Statements of Islamic Banks in Bangladesh	Md. Hafij Ullah	International Journal of Social Science Research	Volume-1 Issue-2	2013	academia.edu

5	Financial Performance Analysis of Islamic Banks in Bangladesh: A Case Study on Islamic Bank Bangladesh Limited (IBBL)	Jaba Chakraborty Farjana Salam Md. Ghulam Rabbany	International Journal of Economics, Finance and Management Sciences	Volume-3 Issue-2	2015	academia.edu
6	Towards an Islamic Social (Waqf) Bank	Mohammad Tahir Sabit Haji Mohammad	International Journal of Trade, Economics and Finance	Volume-5 Issue-2	2011	researchgate.net
7	Financial Distress– Detection Model for Islamic Banks	H. Nurul Husna R. Abdul Rahman	International Journal of Trade, Economics and Finance,	Volume-3 Issue-3	2012	ijtef.org

Appendix II

Compilation of Objectives/ Purposes/ Questions/Hypotheses Addressed by the Articles

Article	Objectives/ Purposes/ Questions/Hypotheses
1	is research paper will introduce you to Islamic banking, giving the meaning, functions, types, advantages and issues
2	To determine the extent of impact of Islamic Banking Activities of FSIBLon economic development in Bangladesh. To determine the major problems in banking sector. To recommend for the better and more efficient strategy to solve the problems in banking sector
3	Present the current scenario of Islamic banking in Bangladesh. Identify the problems as well as prospects of Islamic banking in Bangladesh. Suggest measures for growth Islamic banking in Bangladesh.
4	The study concluded that in the near future Islamic banking is preferred mode of banking and undeniably overcome traditional banking.
5	To measure the growth rate of IBBL. To measure the profitability ratio of IBBL. To measure the productivity of IBBL. To know the financial performance of IBB

6	To shed light on the concept of Islamic banking To know the economic prospects of Islamic banking in Bangladesh context
7	To measure the growth rate of IBBL. To Present the current scenario of Islamic banking in Bangladesh.

Appendix III
Compilation of Methods

Article	Methods
1	The primary source of the information in this research study is the secondary data. The available information on internet regarding the Islamic Banking has been extensively used to complete this paper. Beside this the study also completed by making the use of various sources related to the subject of study like research articles, scientific journals, websites, and some banking and Islamic banking books.
2	Both the primary and secondary sources have been used. We have used some quantitative or factual information too. Simply, the information sources from which we have collected the information that are needed in the report can be divided into two categories. These are Primary sources & Secondary sources. Primary Sources: Face to face conversation and Personal interview. Secondary Sources: Annual Reports and Web Sites of FSIBL. For determining the extent of Impact of Islamic banking on economic development of Bangladesh, we have used data in successive five years from 2005 to 2009.
3	Qualitative semi-structured interviews were conducted with Islamic banking practitioners, the sharia's officers of Islamic banks, and shariahs committee members of IFIs to acquire First -hand information on shari'ah governance practices.
4	Data for the study collected both from the secondary and primary sources. Primary data has been collected from 16 selected banks located in Dhaka, Chittagong, Rajshahi, and Khulna Division those offer e-banking facilities to their customers. Sample were selected from State Owned Com Samples of a total 120 respondents were randomly chosen. Secondary data has been collected from different books, journals, seminar paper, research reports, official reports
5	The study has been done mainly based on primary and secondary sources of data or information. The first is an exploratory research based on secondary data obtained through the Net, books and related journals. Secondly, survey questionnaire was administered to empirically assess the level of adoption of Islamic banking in Bangladesh including different publications
6	This research paper is mostly based on secondary data in analytical in nature. Data is collected from report of annual reports, published articles, and internet is used extensively as a source of information.
7	Both quantitative and qualitative analysis has been done in this study. All the information has been collected from secondary sources like journal article, annual report, brochures, magazines and various articles.

Appendix IV

Complication of Conclusions

Article	Conclusions
1	Finally, it may be said that as regards the supervision and inspection of the banks in Bangladesh, an equal treatment is being followed for all banks including the Islamic ones by the Bangladesh Bank. In some cases, Bangladesh Bank has given some special provision for the Islamic banks. Yet, for the smooth development and operation of the Islamic banking, Bangladesh Bank should devise the separate regulatory and supervisory guidelines for the Islamic banks and non-bank Islamic financial institutions.
2	FSIBL is one of the fastest growing and best performing banks in Bangladesh. Because of its excellent teamwork among the top management, staff, borrowers, depositors and other stakeholders as well as outstanding banking performance, this bank has secured a very strong position in Bangladesh banking sector. FSIBL has invested in a wide range of areas that not only reduced the risk of investment, but also providing services to a large number of Bangladeshis in home and abroad. This study has portrayed clear a picture of FSIBL's role in the economic development of Bangladesh. If this trend remains continued, FSIBL's contribution will make significant impact on the social and environmental issues in the near future in addition to the economic betterment of the country.
3	In conclusion, the shari'ah governance system in Bangladesh is generally based on voluntary initiatives by Islamic banks. The system can be further improved by the government passing laws for the operation of Islamic banks. Moreover, BB can play a significant role through empowering CSBIB as the authority that oversees and monitors shari'ah supervisory committees and audit operations in Islamic banks. The shari'ah secretariat section can be developed through enhancing shari'ah review, shari'ah risk management, and research activities. Finally, several mechanisms, as suggested above, can be implemented to provide qualified shari'ah scholars for Islamic banks.
4	Islamic banking has been rapidly growing in Bangladesh. For this reason, compliance with the regulatory requirements like AAOIFI is important to know that they are doing all of their activities according to the provision of Shari'ah. This paper tried to evaluate the level of compliance of the Islamic banks in Bangladesh with general presentation and disclosure in the financial statements which are required by AAOIFI. Islamic Banks should follow the disclosure requirements of AAOIFI though it is not mandatory for Islamic banks in Bangladesh but important for informing their related parties about their activities.
5	In fine we can conclude that, the profit of IBBL is free of traditional interest. The result of various ratio analysis shows that financial performance of IBBL is holding a better position. For economic development of Bangladesh it is playing a crucial role. For making sustainable profitability this bank should minimizes its risks. We hope this bank will increase its financial performance in future for earning a worldwide reputation and establishing profitable image.

6	The bank will be subject to the supervision of the Sharia Advisory Board, shareholders, and the Central Bank. All these bodies will scrutinize the performance of the bank and therefore the dismissal of negligent and incompetent individuals will be easy when proved the bank has suffered losses due to their malicious intentions or negligence. It will be easy to hire and fire fund managers when they do not deliver what are expected of them.
7	There are financial ratios specifically meant for IBs due to the nature of the Shari'ah inherent in the Islamic operation. The Shari'ah prohibits interest (riba), uncertainty (gharar) and gambling (may sir). Thus, the IBs are strictly required to comply with the SAB as to ensure that the trustworthiness of the customers is properly taken care of. Hence, all the Islamic Financial Products have unique risk profile. This gives rise to a number of regulatory issues pertaining to capital adequacy and liquidity requirements

Section-7

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