**Social Islamic Bank PL**

# **INTRODUCTION**

# **CHAPTER: 1**

## **1.1 Background of the study**

For my project, I have been assigned to the Social Islami Bank PLC, Barishal Branch, located on Kathpatty Road, Kotwali, Barishal. SIBPLC established on November 22, 1995, second-generation Islamic bank operating under Shariah principles. With a network of 179 branches and 236 sub-branches across the country, the bank also oversees two subsidiaries: SIBPLC Securities PLC and SIBPLC Investment PLC. In 2023, the bank had a paid-up capital of Taka 10858620000. At the Barishal Branch, I will primarily focus on the General Banking section, one of the two key departments, alongside the Investment Department. I will dedicate my time and efforts to understanding the functions of a banker, and upon completing my project I will compile a report on the overall banking system of Social Islami Bank PLC, with a special focus on general banking. The report will provide an overview of the organization's history, functions, business philosophy, ownership structure, foreign correspondents, and overseas operations, as well as the benefits offered to customers. Additionally, it will detail the products and services provided by the Barishal Branch.

## **1.2 Origin of the report**

I accepted an project work with Social Islami Bank PLC, a well-known company in the banking sector. Being an intern at SIBPLC makes me proud, and I know that this experience will be beneficial to me in the future. The preparation of this advance working report is a requirement of the internship program. The biggest obstacle I faced as an intern was applying the theoretical knowledge to practical situations. The following are the goals of the study and the internship program:

* Acquire and arrange specific job-related knowledge.
* Gain exposure to the actual business environment.
* To contrast the real-world situation with the teachings from Barishal University.
* To complete the BBA Program's requirement.

## **1.3 Scope of the Study:**

I worked in the bank's general banking and investment departments during my internship, which covered a wide range of tasks. I made an effort to watch and comprehend all banking activity, particularly general banking activity, as well as other daily tasks carried out in this branch. I also made an effort to comprehend many topics from the bank employee.

**1.4 Objectives of the project:**

* The main goal of this study is to assess the investment management performance of Social Islami Bank PLC (SIBPLC).
* The secondary aims of this report include identifying the fundamental criteria for investment and investment management practices in a bank, examining the investment management practices at SIBPLC, highlighting the findings and challenges SIBPLC faces in managing investments, and offering recommendations to improve their investment management.

**1.5 Sources of Data**

This report based on secondary data. The sources of secondary data areAnnual reports, manuals, and brochures of Social Islami Bank PLC.

The process of collecting data:

• Internet.

• Annual Report of Social Islami Bank PLC

* A large-scale analysis wasn't possible SIBPLC due to constraints and restrictions imposed by the banking authority.

**CHAPTER: 2**

# **OVERVIEW OF SIBPLC**

## **2.1 Background of SIBPLC**

Social Islami Bank PLC was founded on July 5, 1995, by a group of prominent Bangladeshi entrepreneurs and international figures. It began operations on November 22, 1995, with a mission to integrate Islamic principles into economic, banking, and financial activities. SIBPLC aims to address poverty through a participatory banking model, offering modern banking services like various deposit and investment accounts, trade financing, letters of credit, and more. Additionally, SIBPLC focuses on investments in housing, real estate, and various sectors including industrial, agricultural, transport, educational, and health projects. The bank also engages in managing Waqf and Mosque properties and Trust funds in the non-formal sector.

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| --- | --- |
|  |  |

## **2.2 History of bank**

Established in 1995, Social Islami Bank PLC. (SIBPLC) is the top value-added financial institution in the nation, operating under the principles of Shariah. SIBPLC is made up of SIBPLC Foundation Hospital, SIBPLC Securities PLC, and SIBPLC Investment PLC. With the motto "Working Together for a Caring Society," the three-tier banking model (Formal, Non-formal, and Voluntary), which is a first for Bangladesh's banking industry, injects new energy into welfare banking with the goal of ending the nation's poverty. collaborating together with our stakeholders and esteemed clients to offer them one-stop shopping and technological access to the newest items. Our industry-leading client services have set us apart from the competition. With our clients, we establish enduring business partnerships that support their profitable expansion. With 4000 staff spread among 179 locations and 236 subbranches across the nation, we are always ready to serve you. In order to provide financial services to even the most remote areas of the country, it also operates 375 Agent Banking Outlets. The cornerstone of all of SIBPLC's endeavors is the firm belief that compassionate societies must be created. We have a deep emotional connection to other people. We think that the financial industry alone is unable to move our society toward justice and equity. As a result, we take part in a lot of humanitarian CSR initiatives. We work on areas like family empowerment and the eradication of poverty. Unlike others, the Bank sets milestones to become the nation's most comprehensive and humanitarian bank in addition to its primary goal of turning a profit.

**2.3Vision**

Working together for a caring society

**Mission**

* Establishing Three Sector Banking Model
* Transformation to a service oriented technology driven profit earning Bank
* Fast, accurate and satisfactory customer service
* Balanced & sustainable growth strategy
* Optimum return on shareholders’ equity
* Introducing innovative Islamic Banking Products
* Attracting and retaining high quality human resources
* Empowering real poor families and creating local income opportunities
* Providing support for social benefit organizations by way of mobilizing funds and social services

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## **2.4 Values**

* To be honest is ordained by the scripture – we stick to this value in all our service provision.
* Remaining transparent in all acts is a virtue that's builds trust - we adhere to it.
* Efficiency implies perfection in any job done - we strive to render full satisfaction with it.
* To be accountable is to be responsed SIBPLC and above any suspicion - we are dutifully there.
* SIBPLC enhances economic wellbeing with regard to the bliss of religious ethics.
* Our minds and eyes are open to the evolution in quality of life to innovate further benefits for the service taker.
* Flexibility leads to better understanding and greater satisfaction - we pursue the quality.
* Customers must feel secure with all our products and services - we keep on ensuring it.
* **Products & Services**

There are two types of products. There are deposit products and investment products. SIBPLC provides ATM service, Locker service.

**Deposit products:**

* Al-WasiyahBilWaqf(cash)Account
* Mudaraba Scheme Deposits
* Al Wadiah Current Account
* Mudaraba Savings Deposits
* Mudaraba Term Deposit
* Mudaraba Notice Deposit
* Cash Waqf. Deposit
* SIBPLC Super Savings Account

INVESTMENT PRODUCTS:

* Bai -Muajjal
* HPSM
* HPSM-IJARA
* Murabaha
* Musharaka
* Bill Purchase
* Bai-salam
* Quard
* SIBPLC Islamic Auto Finance
* SIBPLC Islamic Home Finance
* Islamic Consumer Finance
* SIBPLC Retail Investment for
* Mudaraba Special Deposit Pension Scheme (DPS - Deposit Pension Scheme)

CHAPTER:3

## **3.1Cheque Delivery:**

Customers are required to wait for their check book after submitting a check requisition. Typically, it takes a few working days after a check request for the appropriate customers' check books to be delivered. Following that, clients must pick up their checkbook at our branch.

## **3.2 Cheque Issue:**

Customers must sign their checkbook in a register book when they visit our location to pick it up. I then gave them their checkbook and issued it. Following the issuance of their checkbook, clients are free to use it whenever they choose. However, it must occur between 10 a.m. and 4 p.m., which is transaction hour.

## **3.3 Client Account Statement**:

A few clients request to see their bank account statement. I provided our consumers with bank account statements as per their request. No fees were applied for the bank account statement.

## **3.4 Client Data entry or Edit:**

Clients provide the needed information on the account opening form. After I've completed the form, I have to check it. The data must then be entered into my computer using the SIBPLC banking program. I have to complete the banking program on a minimum of two (2) pages. I can use this software to alter the data as well, if needed.

CHAPTER:4

## 4.1 Analysis of Total Investment and growth rate of the last five year’s (2019-23).

|  |  |  |
| --- | --- | --- |
| Year | Total Investment | Growth Rate |
| 2019 | 264268.59 | 11% |
| 2020 | 300617.94 | 13.75% |
| 2021 | 312773.82 | 4.04% |
| 2022 | 342944.15 | 9.65% |
| 2023 | 360816.97 | 5.21% |
|  |  |  |

Source: Annual Financial Statement (2019-2023)

The figures indicate that the investment amount Tk. 264268.59 million in 2019 to Tk. 300617.94 million in 2020, reflecting an almost 2.75% growth rate. Investment continued to grow, reaching Tk. 312773.82 million in 2021 and Tk. 342944.15 million in 2022, but the growth rate declined by 9.71%. In 2022, the investment amount further increased to Tk. 342944.15 million. Again in 2023 Investment amount decrease 4.44%.

## 4.2.3Analysis of total Deposit and growth rate of the last five year’s (2019-23).

|  |  |  |
| --- | --- | --- |
| Years | Total Deposit | Growth Rate (%) |
| 2019 | 287936.65 | 16% |
| 2020 | 322383.51 | 11.96% |
| 2021 | 341661.06 | 5.98% |
| 2022 | 340950.31 | -20.8% |
| 2023 | 357388.84 | 4.82% |

Source: Annual Financial Statement (2019-2023)

The graphs above highlight that deposits have consistently increased over the years, driven by the expansion of new branches and a growing customer base. However, there have been fluctuations in the deposit growth rate. The highest growth, at 11.96%, was achieved in 2020 with deposits reaching Tk. 322383.51 million. Conversely, the lowest growth rate, at -20.8%, occurred in 2022 when deposits totalled Tk. 340950.31 million. On a positive note, deposit growth rebounded in 2023, showing a healthy increase of 4.82%.

## 4.2 Investment-deposit ratio of the last five year’s (2019-23)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Years | 2019 | 2020 | 2021 | 2022 | 2023 |
| Investment | 264268.59 | 300617.94 | 312773.82 | 342944.15 | 360816.7 |
| Deposit | 287936.65 | 322383.51 | 341661.06 | 340950.31 | 357388.4 |
| Investment/Deposit | 92% | 93.2% | 91.5% | 100.5% | 100.9% |

Source: Annual Financial Statement (2019-2023)

Over the past five years, the investment amount relative to deposits has been consistently strong, with a growth rate exceeding 90%, indicating excellent investment-deposit performance.

Over the past five years, the graphs above highlight that most of the investment inveted in urban area above 90%.Because most of the mills factories, garments ,institution is located in urban area.

## 4.3 Division-wise Investment of the last five year’s (2019-23).

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Division | 2019 | 2020 | 2021 | 2022 | 2023 |
| Amount | Amount | Amount | Amount | Amount |
| Dhaka | 1.94695E+11 | 2.19165E+11 | 2.29706E+11 | 2.54009E+11 | 2.67679E+11 |
| Chittagong | 50488355028 | 62316540044 | 64502642480 | 69266638635 | 72611074775 |
| Sylhet | 596444575 | 559850559 | 536130298 | 790794787 | 1478424918 |
| Rajshahi | 6474479583 | 6443695356 | 6352500803 | 6560741567 | 6317894895 |
| Khulna | 6245768176 | 6429542620 | 6296518408 | 7009059035 | 6906705509 |
| Rangpur | 2267255928 | 2390991771 | 2165276204 | 2060156874 | 1985460307 |
| Barisal | 1403466160 | 1434312616 | 1346655415 | 1290198009 | 1500748571 |
| Mymensingh | 2098141116 | 1878443339 | 1368092627 | 1957184661 | 2337909789 |

Source: Annual Financial Statement (2019-2023)

The graphs above highlight that every year large portion of amount invested in DHAKA division. This rate is above 70%. Above 19% amount invested in Chittagong division. The lowest amount of money invested in Barishal division below 1% of total investment.

Source: Annual Financial Statement (2019-2023)

## 4.4 Amount of profit for different modes from 2019-2023

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Yearly amount of profit | | | | | |
| Mode | 2019 | 2020 | 2021 | 2022 | 2023 |
| Musharaka | 32.44 | 21.53 | 16.06 | 14.46 | 0.9793 |
| Bai-Murabaha | 206.04 | 120.78 | 108.15 | 226.3 | 260.02 |
| Mudaraba | 23.88 | 76.16 | 40.43 | 260.75 | 213.08 |
| Bai-Muajjal | 18263.67 | 18174.06 | 16707.15 | 13744.97 | 16406.37 |
| Bai-Salam | 83.03 | 86.42 | 60.41 | 71.62 | 105.21 |
| HPSM | 6379.69 | 5563.99 | 4410.78 | 4082.74 | 4646.76 |
| Quard | 532.99 | 614.42 | 675.808 | 747.57 | 792.95 |
| Ijara | 79.42 | 62.37 | 43.89 | 29.91 | 33.15 |
| Visa card | 213.65 | 208.44 | 205.76 | 270.8 | 442.38 |
| Others | 1982.61 | 27021.8 | 1692.342 | 2194.67 | 2343.111 |
| Total | 27797.42 | 27036.26 | 23960.78 | 21643.79 | 25244.01 |

Source: Annual Financial Statement (2019-2023)

The trends in investment modes at SIBPLC from 2019 to 2023 reveal varying levels of profitability and performance. The declining investment in Musharaka has led to decreasing profits each year from 2019 to 2023, indicating that this mode has become a negative profit-earning avenue for the bank. The percentage share of profit in Bai-Murabaha has fluctuated over the past five years, mirroring the instability in its investment amounts. This suggests that Bai-Murabaha’s profitability is inconsistent and unpredictable. Despite fluctuations in investment in Mudaraba, the share of profit has shown a sharp decline over the years, suggesting that the profitability of this investment mode is negative and diminishing over time. In contrast, Bai-Muajjal stands out as a highly profitable investment mode for SIBPLC. The amount of profit in Bai-Muajjal has been positive. This indicates that Bai-Muajjal is a high profit-making investment mode for the bank. The profit from HPSM increased from Tk. 6379.69 million in 2019 to Tk. 4646.76million in 2023. Both the amount and share of profit in Quard have decreased over the years, indicating a reduction in profitability despite an increase in investment. This mode appears to be becoming less profitable for the bank. Although the investment in Bai-Salam increased, profits showed a dip in 2023. However, over the last five years, there has been a modest overall increase in the share of profit. This mode of investment can be considered to have relatively stable profitability with some fluctuations. Overall, the bank’s profitability in various investment modes varies significantly, with some modes like Bai-Muajjal showing strong profit growth, while others like Musharaka and Quard reflect decreasing profitability. This suggests the need for a strategic focus on optimizing investment allocations to maximize returns.

The graph indicates that a large portion of classified investments falls into the category of bad or loss investments, suggesting a significant challenge for the bank. The amount of sub-standard investments has been increasing, pointing to growing concerns in this area. Although doubtful investments were at their peak in 2020 and have decreased in 2021 since then, the level of bad or loss investments has remained consistently high without any notable improvement. This substantial increase suggests inefficiencies in investment management, highlighting the need for better strategies and controls to mitigate risks and improve overall investment quality.

**Regression Analysis**

Wooldridge test for autocorrelation in panel data  
H0: no first-order autocorrelation  
 F( 1, 29) = 0.061  
 Prob > F = 0.8070  
Wooldridge test for autocorrelation in panel data  
H0: no first-order autocorrelation  
 F( 1, 29) = 38.193  
 Prob > F = 0.0000 **Linear regression**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| MPPS | Coef. | | St.Err. | t-value | | p-value | [95% Conf | | Interval] | | Sig |
| EPS | 11.18 | | 1.626 | 6.88 | | 0 | 7.931 | | 14.429 | | \*\*\* |
| NAVPS | .539 | | .349 | 1.54 | | .128 | -.159 | | 1.236 | |  |
| DPS | 3.931 | | 1.104 | 3.56 | | .001 | 1.724 | | 6.138 | | \*\*\* |
| ROE | -122.007 | | 75.444 | -1.62 | | .111 | -272.77 | | 28.757 | |  |
| BV | .562 | | .146 | 3.84 | | 0 | .27 | | .854 | | \*\*\* |
| PE | -.008 | | .04 | -0.21 | | .835 | -.089 | | .072 | |  |
| Constant | -2.561 | | 22.931 | -0.11 | | .911 | -48.385 | | 43.263 | |  |
|  | | | | | | | | | | | |
| Mean dependent var | | 146.393 | | | SD dependent var | | | 147.637 | |
| R-squared | | 0.808 | | | Number of obs | | | 70 | |
| F-test | | 44.124 | | | Prob > F | | | 0.000 | |
| Akaike crit. (AIC) | | 795.473 | | | Bayesian crit. (BIC) | | | 811.212 | |
| *\*\*\* p<.01, \*\* p<.05, \* p<.1* | | | | | | | | | | | |
|  | | | | | | | | | | | |

**Variance inflation factor**

|  |  |  |
| --- | --- | --- |
|  | VIF | 1/VIF |
| EPS | 2.884 | .347 |
| DPS | 2.099 | .476 |
| ROE | 1.884 | .531 |
| BV | 1.325 | .755 |
| NAVPS | 1.305 | .766 |
| PE | 1.075 | .931 |
| Mean VIF | 1.762 | . |

Wooldridge test for autocorrelation in panel data  
H0: no first-order autocorrelation  
 F( 1, 6) = 21.534  
 Prob > F = 0.0035 **Descriptive Statistics**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Variable | Obs | Mean | Std. Dev. | Min | Max |
| Investment | 5 | 3.163e+11 | 3.761e+10 | 2.643e+11 | 3.608e+11 |
| Musharaka | 5 | 2.044e+08 | 74580388 | 92639285 | 2.858e+08 |
| BaiMurabaha | 5 | 6.368e+09 | 3.745e+09 | 1.124e+09 | 9.783e+09 |
| Mudaraba | 5 | 3.011e+09 | 1.580e+09 | 1.452e+09 | 5.071e+09 |
| BaiMuajjal | 5 | 2.059e+11 | 2.139e+10 | 1.752e+11 | 2.316e+11 |
| Baisalam | 5 | 6.087e+10 | 2.395e+09 | 5.691e+10 | 6.288e+10 |
| HPSM | 5 | 1.378e+10 | 4.360e+09 | 8.649e+09 | 1.913e+10 |
| Quard | 5 | 9.446e+08 | 2.437e+08 | 5.699e+08 | 1.205e+09 |
| Staffloan | 5 | 2.177e+09 | 2.032e+08 | 1.904e+09 | 2.431e+09 |
| Ijara | 5 | 3.897e+08 | 2.213e+08 | 33940637 | 6.096e+08 |
| visacard | 5 | 9.281e+08 | 2.171e+08 | 7.279e+08 | 1.239e+09 |
|  | | | | | |

**Linear regression**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Investment | Coef. | | St.Err. | t-value | | p-value | [95% Conf | | Interval] | | Sig |
| o | 0 | | . | . | | . | . | | . | |  |
| BaiMurabaha | 1.128 | | . | . | | . | . | | . | |  |
| Mudaraba | .852 | | . | . | | . | . | | . | |  |
| BaiMuajjal | -.373 | | . | . | | . | . | | . | |  |
| Baisalam | .367 | | . | . | | . | . | | . | |  |
| o | 0 | | . | . | | . | . | | . | |  |
| o | 0 | | . | . | | . | . | | . | |  |
| o | 0 | | . | . | | . | . | | . | |  |
| o | 0 | | . | . | | . | . | | . | |  |
| Constant | .322 | | . | . | | . | . | | . | |  |
|  | | | | | | | | | | | |
| Mean dependent var | | 0.200 | | | SD dependent var | | | 0.024 | |
| R-squared | | 1.000 | | | Number of obs | | | 5 | |
| F-test | | . | | | Prob > F | | | . | |
| *\*\*\* p<.01, \*\* p<.05, \* p<.1* | | | | | | | | | | | |
|  | | | | | | | | | | | |

The provided statistical outputs appear to be from multiple analyses, including Wooldridge tests for autocorrelation in panel data, linear regression results, and descriptive statistics. Here’s a breakdown and interpretation of each section:

### Wooldridge Test for Autocorrelation in Panel Data

The Wooldridge test checks for the presence of first-order autocorrelation in panel data.

#### First Test:

* **0.8070 H0 (Null Hypothesis):** No first-order autocorrelation.
* **F(1, 29) = 0.061**
* **Prob > F =**

The p-value is 0.8070, which is much higher than 0.05, so we fail to reject the null hypothesis, indicating no significant autocorrelation.

#### Second Test:

* **H0 (Null Hypothesis):** No first-order autocorrelation.
* **F(1, 29) = 38.193**
* **Prob > F = 0.0000**

The p-value is 0.0000, which is less than 0.05, so we reject the null hypothesis, indicating significant first-order autocorrelation.

#### Third Test:

* **H0 (Null Hypothesis):** No first-order autocorrelation.
* **F(1, 6) = 21.534**
* **Prob > F = 0.0035**

The p-value is 0.0035, which is less than 0.05, so we reject the null hypothesis, indicating significant first-order autocorrelation.

### Linear Regression Results

This output represents two linear regression models with different sets of predictors.

#### First Model:

Dependent variable: Likely some measure of financial performance (MPPS).

* **EPS (Earnings Per Share):** Coefficient = 11.18, significant at 1% level (p < 0.01).
* **NAVPS (Net Asset Value Per Share):** Coefficient = 0.539, not significant (p > 0.1).
* **DPS (Dividends Per Share):** Coefficient = 3.931, significant at 1% level (p < 0.01).
* **ROE (Return on Equity):** Coefficient = -122.007, not significant (p > 0.1).
* **BV (Book Value):** Coefficient = 0.562, significant at 1% level (p < 0.01).
* **PE (Price-to-Earnings Ratio):** Coefficient = -0.008, not significant (p > 0.1).

The model explains approximately 80.8% of the variability in the dependent variable (R-squared = 0.808). The F-test indicates the overall model is significant (Prob > F = 0.000).

#### Second Model:

#### Dependent variable: Investment.

* **BaiMurabaha:** Coefficient = 1.128
* **Mudaraba:** Coefficient = 0.852
* **BaiMuajjal:** Coefficient = -0.373
* **Baisalam:** Coefficient = 0.367
* **Constant:** Coefficient = 0.322

The R-squared value is 1.000, indicating a perfect fit, which is unusual and suggests overfitting given the very small sample size (N=5). The F-test and p-values are not provided, making it difficult to assess the statistical significance.

### Variance Inflation Factor (VIF)

VIF assesses multicollinearity among the predictors.

* **EPS:** VIF = 2.884
* **DPS:** VIF = 2.099
* **ROE:** VIF = 1.884
* **BV:** VIF = 1.325
* **NAVPS:** VIF = 1.305
* **PE:** VIF = 1.075

Mean VIF = 1.762, indicating no severe multicollinearity (a common rule of thumb is that VIFs above 10 indicate problematic multicollinearity).

### Descriptive Statistics

Descriptive statistics for different variables:

* **Investment:** Mean = 3.163e+11, Std. Dev. = 3.761e+10
* **Musharaka:** Mean = 2.044e+08, Std. Dev. = 74580388
* **BaiMurabaha:** Mean = 6.368e+09, Std. Dev. = 3.745e+09
* **Mudaraba:** Mean = 3.011e+09, Std. Dev. = 1.580e+09
* **BaiMuajjal:** Mean = 2.059e+11, Std. Dev. = 2.139e+10
* **Baisalam:** Mean = 6.087e+10, Std. Dev. = 2.395e+09
* **HPSM:** Mean = 1.378e+10, Std. Dev. = 4.360e+09
* **Quard:** Mean = 9.446e+08, Std. Dev. = 2.437e+08
* **Staffloan:** Mean = 2.177e+09, Std. Dev. = 2.032e+08
* **Ijara:** Mean = 3.897e+08, Std. Dev. = 2.213e+08
* **Visacard:** Mean = 9.281e+08, Std. Dev. = 2.171e+08

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# **FINDINGS, RECOMMENDATION & CONCLUSION**

## 

## FINDINGS

The bank has seen a steady increase in deposits over the years, but the growth rate has been inconsistent. In 2019 and 2020, deposit growth was strong at 16%% and 11.96%, respectively. However, it declined significantly to -20.8% by 2022. The total investments have also risen over time, but the growth rates have been erratic. After a strong start with 11% and 13.75% growth in 2019 and 2020, the growth rate began to decline from 2021 but next year also increase. Bai-Muajjal and Bai-Salam have proven to be more effective investment modes compared to Bai-Murabaha. Although the return rates for Bai-Muajjal and Bai-Salam have fluctuated, these modes generally performed better Despite increasing investments in the Mudaraba mode, This suggests good management of this particular investment mode. The bank slightly reduced its investment in the Musharaka mode over the years, but returns also declined, though at a slower rate. This has led to a lack of confidence among clients and companies, indicating inefficiencies in managing this investment type. Investments in the HPSM mode have increased consistently that is better for development. The Ijarah mode has been another positive performer, with profits increasing in line with investment amounts, making it a profitable investment option. Murabaha and Visa Card Performance: Although the Murabaha mode has shown a general increase in profit despite fluctuations in investment amounts, the Visa card mode has yielded lower profits despite higher investment, indicating inefficiencies in this area. SIBPLC's investment portfolio generated an average annual return of 9.3% from 2019 to 2023, outperforming several industry benchmarks during the same period" (Ahmed & Karim, 2023). The ratio of classified investments increased from 1753 million Tk in 2019 to 17163.72 million Tk in 2023 due to a rise in sub-standard and loss investments. However, after 2020, this ratio began to decline, reaching 4.75% in 2023, as the amount of sub-standard and loss investments decreased.

## **CONCLUSION**

As a second-generation commercial bank, Social Islami Bank Limited (SIBPLC) operates based on Shariah principles, delivering top-notch customer service, effective deposit management, and secure investment options. The bank's strategies and policies are designed to not only maximize shareholder wealth but also protect the interests of all stakeholders. SIBPLC is committed to upholding corporate governance, maintaining a robust internal control system, and fulfilling its corporate social responsibilities (CSR), all while adhering to the regulations set by Bangladesh Bank and the corporate governance code established by the Bangladesh Securities and Exchange Commission (BSEC). As a response SIBPLC financial institution, SIBPLC plays a significant role in the country's economic growth and development. Over the years, SIBPLC's success has been evident in its improved asset quality, consistent profit growth, and effective management of classified investments. The bank maintained a capital adequacy ratio well above the regulatory requirement, reflecting its robust financial health and prudent investment decisions" (Khan, 2021). The bank is dedicated to including underprivileged segments of society in the financial mainstream through SME financing. SIBPLC has always aimed to maintain a true, fair, and strong financial position. Social Islami Bank PLC has increasingly diversified its investment portfolio, focusing on high-growth sectors such as information technology and pharmaceuticals, which resulted in a more balanced risk-return profile" (Rahman & Hossain, 2022). From 2019 to 2023, the bank proved to be profitable, largely due to efficient management and adherence to sound investment principles. When compared to its peers, SIBPLC has consistently ranked among the top performers in terms of investment returns and risk management" (Hossain, 2023). When compared to its peers, SIBPLC has consistently ranked among the top performers in terms of investment returns and risk management" (Hossain, 2023). However, the bank's investment management has faced some volatility over the last five years. Starting with a 11% growth in 2019, SIBPLC saw its highest investment growth in 2020 at 13.75%. Following that peak, investment growth slowed in 2021 (4.04%%), 2023 (5.21%), and 2022 (9.65%). This indicates that while SIBPLC has been able to increase its investment volume, it has struggled with consistency and efficiency in investment management. In conclusion, SIBPLC is on a path toward sustainable growth, driven by a wealth of knowledge and a commitment to long-term goals.

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