

SOCIAL ISLAMI BANK LIMITED
CONDENSED CONSOLIDATED BALANCE SHEET (UN-AUDITED)
AS AT 31 MARCH 2015

	31.03.2015	31.12.2014
	<u>Taka</u>	<u>Taka</u>
PROPERTY AND ASSETS		
Cash		
Cash in hand (Including Foreign Currencies)	1,112,422,285	976,302,191
Balance with Bangladesh Bank & Sonali Bank as agent bank (Including Foreign Currencies)	8,522,253,667	11,145,075,318
	<u>9,634,675,952</u>	<u>12,121,377,509</u>
Balance with other Banks and Financial Institutions		
Inside Bangladesh	6,614,596,178	2,577,414,418
Outside Bangladesh	172,560,999	332,880,245
	<u>6,787,157,177</u>	<u>2,910,294,663</u>
Placement with other Banks & Financial Institutions		
	10,121,735,764	9,474,249,214
Investments in Shares & Securities		
Government	5,233,000,000	5,116,000,000
Others	1,203,596,969	1,227,727,286
	<u>6,436,596,969</u>	<u>6,343,727,286</u>
Investments		
General Investment etc.	102,041,183,171	98,511,135,398
Bills Purchased and Discounted	10,746,898,109	9,288,823,913
	<u>112,788,081,280</u>	<u>107,799,959,311</u>
Fixed Assets Including Premises		
	2,970,221,840	2,683,691,549
Other Assets		
Non Banking Assets	10,597,816,378	12,252,008,976
	-	-
Total Assets	<u>159,336,285,359</u>	<u>153,585,308,507</u>
LIABILITIES AND CAPITAL		
Liabilities		
Placement from other Banks & Financial Institutions		
	3,000,000,000	6,150,000,000
Deposits and Other Accounts		
Mudaraba Savings Deposits	11,891,663,904	9,818,279,970
Mudaraba Term Deposits	79,475,053,211	75,356,410,289
Other Mudaraba Deposits	24,268,685,912	23,923,887,375
Al-Wadeeah Current & Other Deposit Accounts	12,598,389,011	12,789,580,088
Bills Payable	897,173,123	2,277,639,901
Cash Waqf Fund	137,220,353	99,275,350
	<u>129,268,185,514</u>	<u>124,265,072,973</u>
SIBL Mudaraba Subordinated Bond		
	3,000,000,000	-
Other Liabilities		
	11,511,388,020	10,992,324,637
Deffered Tax Liabilities/ (Assets)	6,987,925	4,924,028
Total Liabilities	<u>146,786,561,459</u>	<u>141,412,321,638</u>
Capital/Shareholders' Equity		
Paid-up Capital	7,031,415,640	7,031,415,640
Statutory Reserve	2,924,627,554	2,784,497,917
General Reserve	2,790,193	2,790,193
Revaluation Reserve	1,055,679,727	1,055,679,727
Retained Earnings	1,535,209,163	1,298,601,774
Total Shareholders' Equity	<u>12,549,722,279</u>	<u>12,172,985,252</u>
Non controlling Interest	<u>1,622</u>	<u>1,617</u>
Total Liabilities & Shareholders' Equity	<u>159,336,285,359</u>	<u>153,585,308,507</u>

SOCIAL ISLAMI BANK LIMITED
CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	31.03.2015	31.03.2014
	<u>Taka</u>	<u>Taka</u>
Investment Income	3,563,899,151	3,153,625,189
Less: Profit paid on Deposits	2,383,513,129	2,286,135,647
Net Investment Income	1,180,386,022	867,489,542
Income from Investment in Shares/securities	28,128,807	46,966,553
Commission, Exchange and Brokerage	306,187,012	300,684,483
Other Operating Income	48,175,759	35,404,300
	382,491,578	383,055,335
Total Operating Income	1,562,877,600	1,250,544,878
Salaries and Allowances	423,497,078	334,788,558
Rent, Taxes, Insurances, Electricity etc.	50,639,485	38,378,384
Legal Expenses	782,968	2,496,900
Postage, Stamps, Telecommunication etc.	9,555,930	8,009,008
Stationery, Printings, Advertisements etc.	27,832,834	24,027,852
Chief Executive's Salary & Fees	2,475,000	1,530,000
Directors' Fees & Expenses	1,819,636	1,108,402
Shariah Supervisory Committee's Fees & Expenses	171,533	92,917
Depreciation & Repairs of Bank's Assets	44,096,212	35,383,955
Other Expenses	131,656,964	107,553,862
Total Operating Expenses	692,527,638	553,369,839
Profit before Provision & Income Tax	870,349,962	697,175,039
Provisions for Investments	161,827,072	31,724,190
Provisions for impairment of Margin loan	-	4,011,636
Provisions for diminution in value of investments	272,175	-
Total Provision	162,099,247	35,735,826
Profit before Taxation	708,250,715	661,439,213
Provision for Income Tax	331,513,684	295,644,414
Net Profit/(Loss) after Tax attributable to equity holders of the group	376,737,032	365,794,799
Non-controlling Interest	5	11
Net Profit/(Loss) after Tax attributable to equity holders of the parent	376,737,027	365,794,788
Statutory Reserve	140,129,637	130,470,261
Retained Earnings	236,607,389	235,324,527
	376,737,027	365,794,788
Earning Per Share (EPS)	0.54	0.52

Walid Mahmud Sobhani
Chief Financial Officer

Md. Shafiqur Rahman
Managing Director

SOCIAL ISLAMI BANK LIMITED
OFF- BALANCE SHEET ITEMS (UN -AUDITED)
AS AT 31 MARCH 2015

	31.03.2015	31.12.2014
	<u>Taka</u>	<u>Taka</u>
CONTINGENT LIABILITIES		
Acceptances and Endorsements	15,855,583,788	15,302,832,788
Irrevocable Letters of Credit (including Back to Back Bills)	13,750,679,689	11,017,261,193
Letters of Guarantee	4,353,441,924	3,936,013,964
Bills for Collection	2,358,347,668	1,905,746,855
Other Contingent Liabilities	-	-
Total	<u>36,318,053,070</u>	<u>32,161,854,799</u>
OTHER COMMITMENTS		
Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total	-	-
TOTAL OFF BALANCE SHEET ITEMS INCLUDING CONTINGENT LIABILITIES	<u><u>36,318,053,070</u></u>	<u><u>32,161,854,799</u></u>

Walid Mahmud Sobhani
Chief Financial Officer

Md. Shafiqur Rahman
Managing Director

SOCIAL ISLAMI BANK LIMITED
CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	31.03.2015	31.03.2014
	<u>Taka</u>	<u>Taka</u>
Cash Flow from Operating Activities		
Investment Income receipt in cash	3,563,899,151	3,153,625,189
Profit Paid on Deposits	(2,383,513,129)	(2,286,135,647)
Dividend Receipts	28,128,807	46,966,553
Fees & Commission receipt in cash	144,079,907	147,827,178
Cash Payments to Employees	(425,972,078)	(336,318,558)
Cash Payments to Suppliers	(28,615,801)	(26,524,753)
Income Tax Paid	(139,180,971)	(184,733,474)
Receipts from other Operating activities	210,282,865	188,261,605
Payments for other Operating activities	(199,411,041)	(160,690,986)
Operating Profit before changes in Operating Assets	769,697,710	542,277,106
Changes in Operating Assets and Liabilities		
Statutory Deposits	-	-
Net Trading Securities	(92,869,683)	900,824,172
Investments to other Banks	-	-
Investment to Customers	(4,988,121,969)	(3,006,205,049)
Other Assets	1,793,373,569	(368,102,019)
Deposits from other Banks	1,548,576,878	1,343,975,184
Deposits received from Customers	3,454,535,663	1,379,353,999
Other liabilities on account of customers	-	-
Trading Liabilities	-	-
Other Liabilities	27,514,347	110,325,624
Sub Total	1,743,008,805	360,171,911
A) Net Cash flow from Operating Activities	2,512,706,515	902,449,017
Cash flows from Investing Activities		
Proceeds from sale of Securities	-	-
Payment for purchases of securities	-	-
Proceeds from Sale of fixed assets	-	-
Purchases of Property, Plant & Equipments	(325,059,009)	(39,708,430)
B) Net Cash flow from Investing Activities	(325,059,009)	(39,708,430)
Cash flows from Financing Activities		
Receipts from issue of Debt Instruments	(3,150,000,000)	(300,000,000)
SIBL Mudaraba Subordinated Bond	3,000,000,000	-
Receipts from issue of Right shares	-	-
Increasing/(Decrease) in Revaluation Reserve	-	-
Dividend Paid in cash	-	-
C) Net Cash flow from Financing Activities	(150,000,000)	(300,000,000)
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	2,037,647,506	562,740,587
Effect of Exchange rate changes of cash & cash equivalents	-	-
E) Cash and cash equivalents at the beginning of the year	24,505,921,387	21,037,654,933
F) Cash and cash equivalents at the end of the year (D+E)	26,543,568,893	21,600,395,520

Walid Mahmud Sobhani
Chief Financial Officer

Md. Shafiqur Rahman
Managing Director

SOCIAL ISLAMI BANK LIMITED
STATEMENT OF CONDENSED CONSOLIDATED CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2015

Particulars	Paid-up capital	Share Money Deposit	Statutory Reserve	General / Other Reserves	Asset Revaluation Reserve	Retained Earnings	Non Controlling Interest	Total
1	2	3	4	5	6	7	8	9=(2 to8)
Balance as at 01 January 2015	7,031,415,640	-	2,784,497,917	2,790,193	1,055,679,727	1,298,601,774	1,617	12,172,986,869
Changes in Accounting Policy	-	-	-	-	-	-	-	-
Resatated Balance	-	-	-	-	-	-	-	-
Surplus / (deficit) on account of Revaluation of Properties	-	-	-	-	-	-	-	-
Surplus / (deficit) on account of Revaluation of Investment	-	-	-	-	-	-	-	-
Currency translation Difference	-	-	-	-	-	-	-	-
Net Gain and losses not recognized in the Income Statement	-	-	-	-	-	-	-	-
Net Profit for the period	-	-	-	-	-	376,737,027	-	376,737,027
Appropriation made during the year	-	-	140,129,637	-	-	(140,129,637)	-	-
Issue of Cash Dividend	-	-	-	-	-	-	-	-
Issue of Share Capital (Bonus share)	-	-	-	-	-	-	-	-
Transferred to retained earnings	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	5	5
Total group Shareholders' Equity as on 31 March 2015	7,031,415,640	-	2,924,627,554	2,790,193	1,055,679,727	1,535,209,163	1,622	12,549,723,901

Walid Mahmud Sobhani
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Md. Shafiqur Rahman
Managing Director

SOCIAL ISLAMI BANK LIMITED
SELECTED NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE FIRST QUARTER ENDED 31 MARCH 2015

1 The Bank and its activities

1.1 Status of the Bank

The Bank was incorporated as a Public Limited Company in Bangladesh in the year 1995 under Companies Act, 1994. The Bank is one of the interest-free Shariah based banks in the country and its modus- operandi are substantially different from other conventional Banks. The Bank within the stipulations laid down by Bank Companies Act, 1991 and directives as received from time to time from Bangladesh Bank, provides all types of commercial Banking services. Besides as a matter of policy the Bank conducts its business on the principles of Mudaraba, Musharaka, Murabaha, Bai-Muazzal & Hire Purchase transaction approved by Bangladesh Bank. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company. The Bank carries its Banking activities through One hundred (100) branches operating as per Islamic Shariah prevailing in the country.

The Registered Office of the bank is located at 'City Center', 90/1 Motijheel Commercial Area.

1.2 Enlistment with the Stock Exchanges

The bank subscribed for IPO (Initial Public Offer) in the year 2000 and initially listed with Dhaka Stock Exchange (DSE) Ltd. and later on in the year 2005 with Chittagong Stock Exchange (CSE) Ltd.

Subsidiaries of SIBL:

1.3 SIBL Securities Limited

SIBL Securities Limited, a wholly owned subsidiary of SIBL, was incorporated as a Public Limited Company under the Companies Act, 1994 vide certification of incorporation no. C - 85876/10 dated 20 July 2010 and obtained its certificate of commencement of business on the same day. The company has already got its license for trading with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). The company started its commercial operation in the month of January 2012.

The principal place of business is the Registered Office at 3rd floor, 15 Dilkusha C/A, Dhaka-1000.

The principal objectives of the company for which it was established are to carry on the business of stock brokers, dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the company.

1.4 SIBL Investment Limited

SIBL Investment Limited, a wholly owned subsidiary of SIBL, was incorporated as a Public Limited Company under the Companies Act, 1994 vide certification of incorporation no. C - 86726/10 dated 30 August 2010 and obtained its certificate of commencement of business on the same day.

The principal objectives of the company for which it was established are to carry on the business of stock brokers, dealers in relation to shares and securities dealings, to underwrite, manage and distribute the issue of stocks etc. and other services as mentioned in the Memorandum and Articles of Association of the company.

Name of the Company	Paid up Capital (Taka)	Percentage of Share Holding	
		SIBL	Others
1 SIBL Securities Limited	1,230,000,000	99.9999187%	0.0000813%
2 SIBL Investment Limited	250,000,000	99.9997600%	0.0002400%
Total Capital		<u>1,480,000,000</u>	

1.5 Off-Shore Banking Unit (OBU)

Bangladesh bank approved operation of Off-Shore Banking Unit (OBU) of Social Islami Bank Limited located at Banani Branch, through their letter no. BRPD(P-3)744(119)/2010-4652, Dated: 11.11.2010. The bank has commenced the operation of its Off-Shore Banking Unit (OBU) from 02.05.2012.

2 Basis of Presentation of Financial Statements and Significant Accounting Policies

2.1 Investment in Shares and Securities

The Bank investment in different securities has been valued on 31.03.2015 as under:

Quoted Bond & Shares	At cost or Market Value whichever is lower
Unquoted Shares	At cost
Bangladesh Govt. Islamic Bond	At cost
CDBL Share & Preference Share	At cost

All investment in securities are initially recognized at cost, including acquisition charges associated with the investment. Premiums are amortised and discounts are accreted.

As per BRPD circular no. 15 (09 November 2009), investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment. As such the company measures and recognizes investment in quoted and unquoted shares at cost if the year-end market value (for quoted shares) and book value (for unquoted shares) are higher than the cost. However as per requirements of **Bangladesh Accounting Standard (BAS)- 39**, investment in shares falls either under “**at fair value through profit and loss account**” or under “available for sale” where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively. SIBL recognises its 'Investment in Shares and Securities' as per BAS-39 and accounted for the required profit/(loss) after adjustment of the value of shares and securities through profit and loss account.

2.2 Revaluation gains/losses on Government securities

SIBL is a bank running on Islamic Shariah principle. Hence, we do not participate in buying interest bearing Government securities.

2.3 Recognition of profit suspense

Profit / Rent / Compensation Suspense account and Doubtful Income

Profit / Rent / compensation accrued on classified investments are suspended and accounted for as per BRPD Circular no: 15 (09 November 2009) issued by the Bangladesh Bank. Moreover, incomes that are irregular (doubtful) as per Shariah are also not included in the distributable income of the Bank.

Income on unclassified overdue investment of Murabaha and Bai-Muazzal is charged under compensation account instead of showing as income of the Bank.

Interest received from NOSTRO accounts are not credited to the income as per Islamic Shariah.

2.4 Financial instruments-presentation and disclosure

Financial instruments-presentation and disclosures are made in several cases as per guidelines and instructions of Bangladesh Bank in particular and respective cases. Requirements of BAS-32 and BFRS-7 can not be followed due to the presentation and disclosure obligations of Bangladesh Bank.

2.5 Cash and cash equivalent

As per BRPD circular no 15 (09 November 2009), cash and cash equivalents include notes and coins in hand, balances lying with ATM, unrestricted balances held with Bangladesh Bank and its agent Bank, balance with other Banks and financial institutions, placement with Banks and other financial institutions.

As per BAS 7, cash and cash and cash equivalents should be reported as cash item and reconciliation of the amounts of the items in its cash flow statement should be presented also. However, presentation and reconciliation is done in line with BRPD circular 15 and BAS 7.

2.6 Cash Flow Statement

Bangladesh Accounting Standard (BAS)-7 " Cash Flow Statement" requires SIBL to prepare cash flow statement under direct method. However, Cash Flow Statement has been prepared under a adopted method of direct and indirect in accordance with the BRPD Circular No. 15, (09 November 2009) issued by the Banking Regulation and Policy Department of Bangladesh Bank.

2.7 Off-balance sheet items

Contingent Liabilities

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

Any present obligation that arises from past events but is not recognised because:

- * it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- * the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of

resources embodying economic benefits is reliably estimated. Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised. However, the amount of cash margin is recognised as liability.

As per BRPD circular 15, contingent liabilities are recognised as off balance sheet items in absence of any recommendation in BFRS.

2.8 Investments net off provisions

Investments are presented at its actual value without netting off as per BRPD circular 15 though it is to be presented at net off value as per related BFRS.

2.9 Consolidation Procedures (BAS-27)

The consolidated financial statements include the financial statements of Social Islami Bank Limited and its subsidiaries SIBL Securities Limited and SIBL Investment Limited, made up to the end of the financial year.

The consolidated financial statements have been prepared in accordance with **Bangladesh Accounting Standard (BAS) 27: Consolidated and Separate Financial Statements**, Bangladesh Financial Reporting Standards (BFRS):3- Business Combinations and Bangladesh Financial Reporting Standards (BFRS):10- Consolidated Financial Statements. The consolidated financial statements are prepared to a common financial period ended 31 March 2015.

2.10 Reporting Period

These financial statements cover three months from 01 January to 31 March 2015.

2.11 Statement of Changes in Equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth.

2.12 Earning Per Share (BAS-33)

Basic Earnings Per Share has been calculated in accordance with **Bangladesh Accounting Standard (BAS)-33: Earnings Per Share (EPS)**, which has been shown on the face of profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period. Prior year EPS has been restated as and when required.