



ANNUAL REPORT 2016

**TOWARDS
SUSTAINABLE
GROWTH
TRAJECTORY**



 **SIBL Social Islami Bank Limited**
উৎকর্ষ মেবিকাশ

www.siblbd.com



ANNUAL REPORT 2016

**TOWARDS
SUSTAINABLE
GROWTH
TRAJECTORY**





উৎকর্ষের
অভিযাত্রার

বছর

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সুদ, Interest বা Usury ইসলাম ধর্মে নিষিদ্ধ (হারাম)। সুদ, Interest বা Usury সবই সমার্থক শব্দ। এই মর্মে পবিত্র কুরআনে যে শব্দ ব্যবহার করা হয়েছে তা হচ্ছে রিবা। রিবা আরবী ভাষার শব্দ। এর অর্থ হলো বৃদ্ধি, আধিক্য, অতিরিক্ত, স্ফীতি, সম্প্রসারণ ইত্যাদি। টাকা বা অর্থের বিপরীতে সময়ের সাথে যে কোন বৃদ্ধিই হচ্ছে ‘রিবা’। কুরআন মজীদে এ অর্থেই ‘রিবা’ শব্দটি ব্যবহার করা হয়েছে। এর পারিভাষিক অর্থ হচ্ছে সুদ।

ইবনুল আরাবী ‘আহকামুল কুরআন’- এর প্রথম খণ্ডে বলেছেন:
“রিবা হচ্ছে সে বাড়তির দাম, যা কোন মালের বিনিময়ে নয়।”

সুদ-ভিত্তিক ব্যাংকের মূল কাজ টাকার কেনা বেচা করা। সুদ-ভিত্তিক ব্যাংক জনগণের কাছ থেকে পূর্ব নির্ধারিত সুদের ভিত্তিতে কম দামে টাকা কিনে অর্থাৎ টাকা জমা গ্রহণ করে পুনরায় পূর্বনির্ধারিত সুদের ভিত্তিতে সেই টাকা ঋণগ্রহীতাদের কাছে বেশী দামে লগ্নি (বিক্রয়) করে।

অন্যদিকে ইসলামী ব্যাংকিং এ টাকাকে কেনা বেচার পণ্য গণ্য করে না। টাকা নিজে কোন পণ্য নয়। টাকার ভূমিকা হলো বিনিময়ের মাধ্যম। ইসলামী ব্যাংকিং জনগণের কাছ থেকে প্রধানত: অংশীদারীত্বের নীতির ভিত্তিতে মুদারাবা পদ্ধতিতে জমা গ্রহণ করে। ইসলামী ব্যাংকিং এ মুনাফার সম্পর্ক ক্রয়-বিক্রয়ের সাথে।

ইসলামী ব্যাংকিং টাকা জমাদানকারীদের ব্যবস্থাপক বা মুদারিব হিসেবে কাজ করে। একদিকে ইসলামী ব্যাংকিং এ ব্যাংক মুদারিব বা ব্যবস্থাপক হিসেবে সাহিব আল মাল (এক্ষেত্রে টাকা জমাদানকারী) হতে ব্যাংকের বিভিন্ন জমা হিসাবে অর্থ জমা গ্রহণ করে এবং সে অর্থ নিজে আবার সাহিব আল মাল (অর্থের যোগান দাতা) হিসেবে ব্যাংকের বিনিয়োগ গ্রহীতাদের কাছে বিভিন্ন পণ্য বা সেবা ক্রয়/বিক্রয় করে। পণ্য বা সেবা ক্রয়-বিক্রয় হতে যে লাভ হয় তা থেকে ব্যাংকের ব্যবস্থাপনা খরচ (Management Fee) বাদ দিয়ে ব্যাংকের বিভিন্ন জমা/সঞ্চয় হিসাবে জমাকারীদের প্রদান করে। জমার উপর লাভ বা মুনাফার যে হার ঘোষণা করা হয় তা প্রাক্কলিত, অর্থাৎ চূড়ান্ত হিসাবে তা লাভ/ক্ষতির অনুপাতে সমন্বয় করা হয়।

ইসলামী ব্যাংকিং এ জমা গ্রহণ বা বিনিয়োগ প্রদান উভয় ক্ষেত্রেই পণ্য বা সেবা ক্রয়-বিক্রয়ের সঙ্গে সম্পর্কযুক্ত। অর্থাৎ ইসলামী ব্যাংকিং এ টাকাকে কখনো পণ্য হিসেবে বিবেচনা করা হয় না। ফলে ইসলামী ব্যাংকিং মূলত: ক্রয়-বিক্রয় ভিত্তিক লেনদেনের মাধ্যমে ব্যাংকিং কার্যক্রম পরিচালনা করে।

কুরআন মজীদে আল্লাহ তা’আলা বলেন:

“যারা সুদ খায়, তারা সেই ব্যক্তিরই মত দাঁড়াবে যাকে শয়তান তার স্পর্শ দ্বারা পাগল করে। এটা এ জন্য যে, তারা বলে: ক্রয়-বিক্রয় তো সুদের মতোই। অথচ আল্লাহ ক্রয়-বিক্রয়কে হালাল ও সুদকে হারাম করেছেন। যার কাছে তার রবের এ নির্দেশ এসেছে এবং সে বিরত হয়েছে, তবে অতীতে যা হয়েছে তা তারই; এবং তার ব্যাপার আল্লাহর এখতিয়ারে। আর যারা আবার আরম্ভ করবে, তারাই জাহান্নামী। সেখানে তারা স্থায়ী হবে।”

সূরা আল বাকারা ২৭৫

“হে মুমিনগণ, তোমরা আল্লাহকে ভয় কর এবং সুদের যা বকেয়া আছে, তা মাফ করে দাও, যদি তোমরা মুমিন হও।”

সূরা আল বাকারা-২৭৮





অবিরাম উৎকর্ষতার প্রয়াসী,
প্রযুক্তি ও মানবিক সেবায় পারদর্শী,
আধুনিক ও ধর্মীয় প্রেরণায় উৎসাহী,
সোস্যাল ইসলামী ব্যাংক লিমিটেড-এর
ভূবনে স্বাগতম

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VERSES FROM THE HOLY QURAN AND HADITH IN THE NAME OF ALLAH, MOST GRACIOUS, MOST MERCIFUL

“..... That is because they say Trade is just like usury whereas,
Allah permitteth trading and forbideth usury.....”

-Surah Al-Baqarah,verse : 275

“.....Allah will destroy Riba (usuary) and will give increase for Sadaqaat and Allah likes not the
disbelievers, sinners.....”

-Surah Al-Baqarah,verse : 276

“..... O you who believe! Be afraid of Allah and give up what remains from Riba, if you are really
believers.....”

-Surah Al-Baqarah,verse : 278

“..... If you do not do it, then take a notice of war from Allah and his messenger; but if repent, you
shall have your capital sums. Deal not unjustly (by asking more than your capital sums), and you
shall not be dealt with unjustly (by receiving less than your capital sums).....”

-Surah Al-Baqarah,verse : 278

“..... Verily never will Allah change the condition of a people until they
change it themselves (with their own souls).....”

-Surah Ar-ra'ad, verse : 11

“A man's work ends upon his death except for three things
(a) contribution to knowledge (b) on-going charity and (c) faithful child”

- Al Hadith Muslim



STANDARD DISCLOSURE CHECKLIST TO THE KEY SECTIONS OF THE ANNUAL REPORT 2016

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Clarity and presentation:	
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Management Report/ Commentary and analysis including Director's Report / Chairman's Review/CEO's Review etc.	
▶ A general review of the performance of the company	58-59, 75-87
▶ Description of the performance of the various activities / products / segments of the company and its group companies during the period under review. (Weightage to be given for pictorial / graphical / tabular presentations used for this purpose)	103-116, 126-137
▶ A brief summary of the Business and other Risks facing the organization and steps taken to effectively manage such risks	165-167, 116-118, 255-257
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Financial Statements (Including Formats)		
▶ Disclosures of all contingencies and commitments	237, 242	236-349
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<ul style="list-style-type: none"> ▶ Distribution of shareholding (Number of shares as well as category wise, e.g Promoter group, FII etc) 	54-55, 281-283
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Graphical/ Pictorial Data:	
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<ul style="list-style-type: none"> ▶ Stock Performance 	
<ul style="list-style-type: none"> ▶ Shareholders' Funds 	
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Statement of Value Added and Its Distribution <ul style="list-style-type: none"> ▶ Government as Taxes ▶ Shareholders as dividend ▶ Employees as bonus/remuneration ▶ Retained by the entity ▶ Market share information of the Company's product/services ▶ Economic value added 	
<ul style="list-style-type: none"> ▶ Government as Taxes 	63
<ul style="list-style-type: none"> ▶ Shareholders as dividend 	63
<ul style="list-style-type: none"> ▶ Employees as bonus/remuneration 	63
<ul style="list-style-type: none"> ▶ Retained by the entity 	63
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LETTER OF TRANSMITTAL

All Shareholders of SIBL
Registrar of Joint Stock Companies & Firms
Bangladesh Bank
Bangladesh Securities & Exchange Commission
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Subject: Annual Report 2016 of Social Islami Bank Limited.

Muhtaram

As-salamu Alikum Wa Rahmatullah

Reference to the above, we enclose herewith the copy of Annual Report 2016 of Social Islami Bank Limited along with audited consolidated and solo Financial Statements as at 31st December 2016. This report includes Income Statements, Balance Sheet, Cash Flow Statements, Liquidity Statements, Statements of Changes in Equity and Notes to the Accounts thereon of Social Islami Bank Limited as well as its subsidiaries namely SIBL Securities Limited and SIBL Investment Limited.

This is for your kind information and record, please.



Md. Humayun Kabir, FCS
Company Secretary



Our Vision

Working together for a caring society

striving towards continuous excellence

Vision and Mission

Our 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
- Attract and retain 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

OUR STRATEGIC OBJECTIVES

Transformation into a service-oriented technology-driven profit earning bank.

Ensure fast, accurate and best-in-class customer services with customers' satisfaction.

Balanced and sustainable growth strategy. Optimum return on shareholders' equity.

Introducing innovative Islamic Banking Products.

Attract, motivate and retain high quality human resources.

Empowering real poor families and create local income opportunities.

Providing support for social benefit organizations-by way of mobilizing funds and social services

To achieve global standards in Islamic Banking

To invest in the priority sector for the overall economic development

Ensure best CSR (Corporate Social Responsibilities) practices

Ensure Green Banking

OUR COMMITMENTS

to the Shariah

to the Regulators

to the Shareholders

to the Nation

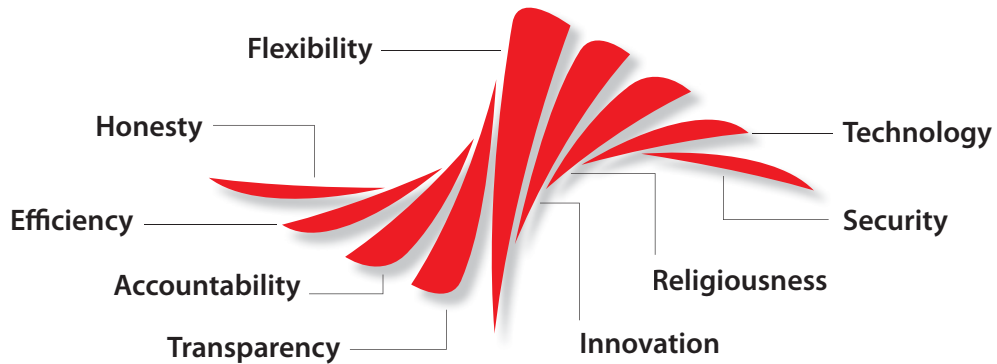
to the Customers

to the Employees

to the other Stakeholders

to the Environment.

SIBL CORE VALUES



Towards the Journey of Excellence, SIBL has changed its brand logo. The new logo depicts bird's wings with 9 feathers to represent its core values- comfortable and safe flying in the economic sky of the country connecting it with the global sky by passing the territorial boundary.

Honesty
Honesty

honest to its customers, employees, regulators, shareholders and others.

Efficiency

gaining efficiency through best use of man and machine.

Accountability

accountable to the stakeholders and to the society at large.

Transparency

transparent in each and every banking transaction.

Flexibility

service flexibility is one of the most important features

Innovation

continuous innovative idea generation and designing of banking products and services.

Religiousness

SIBL enhances economic well being with the bliss of religious ethics

Security

protecting assets and services

Technology

providing upgraded technological banking services.

CODE OF CONDUCT & ETHICAL PRINCIPLES

ETHICAL PRINCIPLES OF SIBL

- **Objectivity**-the bank shall possess strict principle of objectivity in its day to day banking operations in relation to its customers, employees, shareholders, other banks, other organizations by maintaining and protecting the stability and trust in the banking sector.
- **Just and Equitable**-the bank shall have no discrimination and avoid all forms of bias in its attitudes towards employees as well as to its customers.
- **Honesty**-the bank during its operations shall stick to the honesty principle in relation to customers, employees, shareholders, other banks, regulators and the stakeholders.
- **Impartiality**-the bank is impartial towards its customers irrespective of their nationality, religion, financial and social standing, and gender during banking service.
- **Reliability**-the bank shall offer clear, comprehensible and correct information to its customers within the principle of reciprocal trust during services and transactions; and provide the customer services in a timely and complete manner.
- **Transparency**-the bank shall inform its customers in an open, easily understandable and clear way regarding the underlying rights and responsibilities, benefits and risks attached to the products and services offered to them.
- **Observing Social Benefit and Respect to Environment**-the bank shall show due diligence to support all kinds of social and cultural activities in the light of the principle of observing, aside from the profitability, the social benefit and respect to the environment.
- **Fighting against money laundering** -the bank has a policy to fight against corruption and money

laundering etc. as a significant principle as stipulated by international norms and the provisions of national laws and regulations. The bank shall take appropriate measures to discharge duties by the employees with utmost due care and caution to fight against accumulation of crime originated assets.

- **Insider Trading**-the bank has a clear policy and takes all measures in order to prevent the use of insider information for the trading purposes.
- **Relations with public organizations, regulators and other institutions** – the bank, during its relations with the public organizations, regulators and other institutions, should act in observance of the principles of honesty, accountability and transparency, and should show the utmost care for the correct, complete and timely communication of the information, documents and records in accordance with the laws and regulations of the country.
- **Personnel Behaviors** – the bank shall avoid all kinds of practices and applications that may cause unfair competition on the employment of the personnel.
- **Competition** –the bank shall take appropriate measures to take the challenges of industrial competition in compliance with the laws and regulations. During the SIBL's actions to defeat the competitive forces- all of its activities within the free market economy shall avoid any unfair means which may cause indiscipline in the economy or industry or may be termed as immoral or unjustified behavior or is against the principles of integrity. All actions against competition shall rather aim to (i) overall development of the financial sectors (ii) develop public trust on overall banking operations (iii) observe the common interest of banks.
- **Advertisements and Announcements**- SIBL shall act honestly, realistically, and in compliance with legal regulations and with the general moral principles during its announcements, advertisements and notices under the publicity and advertising activities regarding products and services as well as its financial structures. The bank shall avoid all acts and behaviors that may damage the reputation of the banking as a profession. The bank shall also ensure that the announcements, advertisements and notices do not contain any statements or expressions degrading or humiliating other banks, or the products and services of other banks.

- **Customer Complaints-** SIBL shall establish a system in order to respond all and any kinds of questions of their customers stemming from the services offered and shall accordingly inform to customers about this system.
- **Security-** SIBL shall recognize the concept of “Security” that includes all measures towards the protection of all and any service mediums of the bank in banking sector including technical hazards in the services offered to the customers.
- **General Employee Qualities-** the bank shall be aware that it shows due diligence in order to ensure that the employees of the bank possess knowledge, background and a sense of responsibility required by jobs.
- **Employment and Career Development-** the bank shall in line with the principle of managing the human resources in the best possible way, offer trainings, courses, seminars and similar opportunities to their employees in order to ensure that they reach to the level necessitated by the time and by the banking profession.
- **Working Environment-**The bank shall introduce internal regulations requiring that its employees look neat and clean in conformity with the reputation of the banking profession and are also provided with a good congenial working environment.
- **Job Descriptions–** The bank shall maintain and update a detailed job description to distribute its jobs among the employees so that the bank can show due diligence for the employment of sufficient number of personnel required by the workload, organize the employees in a way that they yield maximum productivity during the working hours, and show utmost efforts for preventing overtime work and that the employees use their annual leaves regularly.
- Inform the customers about the benefits and risks of the products and services offered to them,
- Offer unbiased and fair service to the customers receiving the same services,
- Not to disclose the secrets of their customers and the banks which they come to learn by virtue of their positions and titles to anyone other than those persons and authorities who are explicitly authorized under laws,
- Not to cause any loss of reputation of the bank during works and attitudes,
- Not to be engaged in any activity that can be classified as personal business.
- Not to behave in contradiction to the principles of justice, integrity, honesty, reliability and social responsibility,
- To cooperate with other employees for common purposes through building a courteous and diligent communication during their fulfillment of duties,
- Not to use the bank’s assets and resources unproductively and outside the designated purpose,
- Not to derive any personal benefits both from their own job potentials and from potentials of their customers by using their positions and titles,
- To refuse all such benefit offers immediately and to inform such offers to the competent authorities and to their superiors,
- Not to be involved in relations with the customers such as borrowing-lending, being guarantor and opening common accounts with the customers which do not correspond with ethical principles,
- Not to accept presents from the current or potential customers, other than those presents accepted by the bank personnel under the established practices in the bank,
- To be aware of one’s accountability regarding the duties assumed during the performance of the services,
- Not to assume any position in any private and public organization other than associations, foundations, cooperatives, and similar organizations without the approval of the bank.

CODE OF CONDUCT FOR THE EMPLOYEES

- Adhere to the Shariah Principles.
- Adhere to the disciplinary measures of the bank.
- Adhere to applicable laws and regulations during performance of duties,



CORPORATE PROFILE

Social Islami Bank Limited (SIBL) was established in the year 1995 as a public limited company which is engaged in Shariah based commercial banking in the country and its modus-operandi are substantially different from other conventional banks. This is the second-generation pioneer Islamic Bank in this country to introduce online banking facilities to its customers.

Name of the Company	: Social Islami Bank Limited
Legal Form	: Public Limited Company
Company Registration No	: C-28763(44)/95
Authorized Capital	: Taka 10,000,000,000
Paid up Capital	: Taka 7,382,986,420
Registered Office	: City Center, Level 19, 20, 21 & 22, 28, 29 90/1 Motijheel C/A, Dhaka-1000 Phone PABX: +88-09612001122 FAX 88-02-9568098 Email : info@sibl-bd.com Website : www.siblbdd.com SWIFT : SOIVBDDH
Tax Payer Identification No	: 144050147394
VAT Registration No	: 19031074504 Area Code 190103
Credit Rating Agency	: Emerging Credit Rating Ltd.
Auditors	: M/S Syful Shamsul Alam & Co. Chartered Accountants, Paramount Heights, Level-6, 65/2/1 Box Culvert Road, Purana Paltan Dhaka-1000
Chairman	: Major (Retd) Dr. Md. Rezaul Hoque
Managing Director & CEO (cc)	: Ihsanul Aziz
Company Secretary	: Md. Humayun Kabir, FCA
Chief Risk Officer	: Md. Yunus Ali
Chief Financial Officer	: Walid Mahmud Sobhani, FCMA
Chief Compliance Officer	: Abdul Mottaleb, Senior Vice President
Number of Employees	: 2363
Number of Branches	: 125 (one hundred twenty five)
Number of Shares	: 738,298,642
Investors' Enquiry	: Share Division City Center, Level-19,90/1 Motijheel C/A, Dhaka-1000 Phone PABX 88 02 09612001122
For Offshore Banking	: Off Shore Banking Department City Center, Level-19,90/1 Motijheel C/A, Dhaka-1000
For SIBL Securities Limited (a subsidiary of SIBL)	: Chief Executive Officer 3rd floor, 15 Dilkusha C/A ,Dhaka-1000
For SIBL Investment Limited (a subsidiary of SIBL)	: Chief Executive Officer 7th floor, 68 Dilkusha C/A ,Dhaka-1000
Listing Status (Shares)	: DSE (Dhaka Stock Exchange) Symbol SIBL, Listing Date 18.11.2000 CSE (Chittagong Stock Exchange) Symbol SIBL, Listing Date 04.10.2005 Market Price as on 31.12.2016 DSE Taka 18.40 Category A, CSE Taka 18.40 Category A

MILESTONES

Incorporation Date	07/05/1995
Certificate of Commencement of Business	07/05/1995
Formal Inauguration	22/11/1995
Starting of 1st Branch	22/11/1995
Initial Public Offering (IPO)	26/06/2000
Listing with Dhaka Stock Exchange	18/11/2000
Online Banking Facilities Introduced	01/03/2004
Listing with Chittagong Stock Exchange	04/10/2005
1st Right Share	23/07/2007
Launching of remittance service	18/05/2008
2nd Right Share	23/03/2009
Opening of 50th Branch	22/08/2010
Formation of Subsidiary Companies	
a) SIBL Securities Ltd	20/07/ 2010
b) SIBL Investment Ltd.	30/08/2010
Agreement with VISA	19/08/2010
Introducing Core Banking Software	05/01/2010
Introducing Concurrent Audit System	20/01/2011
3rd Right Share	26/05/2011
Opening of 75th branch (Bashundhara)	27/12/2011
Introducing Green Banking Window	24/12/2011
Introduction of School Banking	21/11/2011
Own Corporate Head Office at City Centre	01/01/2012
Launching of Offshore Banking Unit	05/02/2012
Launching of Internet Banking	01/12/2012
6,25,000 nos. of Deposit Accounts	30/12/2014
49,000 nos. of Investment Accounts	30/12/2014
Opening of 100th Branch (Kankirhat)	28/12/2014
Issuance of Mudaraba Sub-Ordinated Bond	31/03/2015
Introduction of Agent Banking	25/10/2015
Opening of 125th Branch (Corporate Branch)	29/12/2016



FOUNDER OF THE BANK



The Architect of 'Three Sector Specialized Banking Model'

Prof. Dr. M.A. Mannan M.A Econ (Michigan), Ph. D. Econ. (Mich. U.S.A)

Former Chief Economist, Islamic Development Bank, (IDB), Jeddah

Former Professor of Economics and Islamic Finance, King Abdul Aziz University, Jeddah, Saudi Arabia.

Founder Chairman of Social Islami Bank Limited.

FOREIGN SPONSORS



H. E. Dr. Hamid Al-Gabid
Ex Secretary General, O.I.C. Jeddah
Former Prime Minister & Finance Minister,
Niger.



H. E. Ahmed M. Salah Jamjoom
Former Commerce Minister
Kingdom of Saudi Arabia



H. E. Dr. Abdullah Omar Nasseef
Deputy Speaker of Consultative Council,
Saudi Arabia, Ex-Secretary
General, World Muslim League, and
Ex-President, King Abdul Aziz University,
Jeddah, K. S. A



**H. E. Ambassador
Nasser Bin Abdullah Hamdan
Al-Zaabi**
Chairman, ISF, OIC, UAE



Dr. Bedri Camel Rodoplu
Turkey



Dr. Adalet Djabiev
Russia



SPONSORS OF SIBL

Sl.	Foreign Sponsors		Local Sponsors
1	H. E. Dr. Hamid Al-Gabid, ExSecretary General,O.I.C. Jeddah,Former Prime Minister & Finance Minister, Niamey, Niger.	1	Prof. Dr. M. A. Mannan, MA (Econ) (Michigan), Ph.D. Michigan) (USA) Certificate in Economic Dev (USA).
2	H. E. Dr. Abdullah Omar Nasseef, Deputy Speaker of Consultative Council, Saudi Arabia, Ex-Secretary General, World Muslim League, and Ex-President, King Abdul Aziz University, Jeddah, K. S. A	2	Major Dr. Md. Rezaul Haque (Retd)
3	H. E. Ahmed M. Salah Jamjoom, Former Commerce Minister, Kingdom of Saudi Arabia.	3	Dr. Md. Jahangir Hossain
4	Islamic Solidarity Fund and its Waqf, O. I.C.	4	Late Mohammad Ibrahim Miyan
5	Dr. Bedri Camel Rodoplu	5	Late Md. Abdul Malek
6	Dr. Abdel Fattah M. Farah	6	FOUNTAIN (Pvt.)Ltd.
7	Dr. Adalet Djabiev	7	Bangladesh Social Peace Foundation
8	Dr. Youssef Shaheed Youseef	8	Dr. J. H. Gazi.
		9	Mr. M. Nurul Amin
		10	Mr. Md. Shah Alam
		11	Alhaj Sultan Mahmood Chowdhury
		12	Alhaj Mohammad Nesaruddin.
		13	Mr. Abdul Awal Patwary
		14	Mr. Md. Anisul Hoque, Representing Hamdard Laboratories (Waqf) Bangladesh
		15	Mrs. Nargis Mannan, B.A.(Hons), M.A.(DU)
		16	Mrs. Fatema Begum
		17	Mrs. Shamsun Nahar Begum
		18	Mrs. Zohra Alam
		19	Islam Import & Export Associate Ltd.
		20	Al-Haj Nasiruddin
		21	Mr. Kamal Uddin Ahmed
		22	Mr. Ahmed Akbar Sobhan
		23	Mrs. Hasina Iqbal
		24	Al-Haj Sk. Mohammad Rabban Ali
		25	Alhaj Mohammad Aynul Haque
		26	Mr. Mohammad Azam
		27	Mr. Md. Aminuddin
		28	Dr. Reshmi Mannan Siddique, B.Sc. (Econ.), (LSE),U. KM.Sc. (Oxon.), M.S. (NY), Ph.D. (Ohio) (U.S.A.)
		29	Dr. Ghalib Mannan, M.B.B.Ch. (Wales) (U.K.),,M.D.(U.S.A.)
		30	Mr. Sadat Sobhan
		31	Alhaj S.N. Haque

BOARD & COMMITTEES

- Board of Directors
- Directors' Profile
- Executive Committee
- Audit Committee
- Risk Management Committee
- Shariah Supervisory Committee





BOARD OF DIRECTORS

Name of the Directors	Designation
Major Dr. Md. Rezaul Haque (Retd.)	Chairman
Mr. Md. Sayedur Rahman	Vice Chairman
Alhaj Sk. Mohammad Rabban Ali	Vice Chairman
Mr. Abdul Awal Patwary	Director
Mr. Md. Anisul Hoque [Representative of Hamdard Laboratories (Waqf) Bangladesh]	Director
Mr. Abdul Jabbar Mollah	Director
Mr. Md. Abdur Razzaque	Director
Mr. Md. Kamal Uddin [Representative of Sifang Securities (Pvt.) Ltd.]	Director
Mr. Mohammad Amin Uddin	Director
Hakim Md. Yousuf Harun Bhuiyan (Representative of Hamdard Foundation, Bangladesh)	Director
Mrs. Afia Begum	Director
Mr. Mohammad Nabi Ullah	Director
Dr. Lily Amin (Representative of SIBL Foundation)	Director
Mr. Md. Abdur Rahman	Independent Director
Mr. Abdul Mohit	Independent Director
Mr. Muinul Hasan	Independent Director
Mr. Ihsanul Aziz	Managing Director & CEO (cc)
Mr. Md. Humayun Kabir, FCS	Company Secretary

The board comprises sixteen members, each having years of experiences in the industry. The board ensures that the company achieves superior financial results and stewards its leadership position in the industry. Moreover, the board is engaged in major activities such as addressing major policy, regulatory and strategic issues and providing proper guidelines, monitoring financial performance, monitoring operations of internal control, approval of annual budget, major capital expenditure. Evaluation of financial performance, approval of audit report, appointment and evaluation of Managing Director and Senior Management team are the key decisions where the board of directors plays a good part to carry on a sound banking system. In addition, the board of directors is the responsible body to make timely reporting to shareholder about the affairs and performance of the company. During the year 2016, total 25 numbers of Board meetings were held compared to 29 meetings in the year 2015.



DIRECTORS' PROFILE



Major Dr. Md. Rezaul Haque (Retd.)
Chairman

Major Dr. Md. Rezaul Haque (Retd.) is a veteran Freedom Fighter of Bangladesh Liberation War-1971. He passed his M.B.B.S from Chittagong Medical College under Dhaka University and has more than 45 years professional experience in his medical career. He actively participated in the liberation war as Medical Officer under Sector Head Quarter No.1, Harina Army Camp, Subroom, India. He also participated in Arab-Israel War-1973 at the Syrian Front as a young Captain of Bangladesh Army. He served different units of Bangladesh Army and Family Planning Directorate under MOH. After that he left for Kingdom of Saudi Arabia and served Ministry of Health of KSA for 22 years and voluntarily retired in the year 2001 as Director of Chest Hospital, Jeddah. In the business arena he is the 2nd Founder Director of Social Islami Bank Limited, Sponsor Director of United Hospital Limited and Director of SIBL Securities Limited. Currently he is the Chairman of Little House (Pvt.) Limited, Active Builders Limited, Probashi Forum Co-operative Limited and SIBL Investment Limited. He is a well known philanthropist and social worker and engage himself in various social activities around the country including his home town. He has established Younus Foundation in the name of his late father at Begumgonj, Noakhali and has undertaken various social activities there also. Mr. Haque was listed in the International WHO's WHO of professional of the world in 1999 in recognition of his academic and civic achievement of life. Mr. Haque was elected Chairman of Social Islami Bank Limited for the 1st term in the year 2006-2007 and 2nd term in the year 2013-2014. He has been elected the Chairman of the Board of Directors of the Bank on 12.01.2015 for the 3rd term. However, he has been further elected as the Chairman of the Board of Directors of the Bank on 07.01.2016 for the 4th term for a period of 3(three) years.



Mr. Md. Sayedur Rahman
Vice Chairman

Mr. Md. Sayedur Rahman is a Director of Social Islami Bank Limited and one of the renowned and successful industrialists and businessmen of high stature of the country. He is a prominent figure in Garments industry. Currently he is the Managing Director of eminent M/S. Lodestar Garments Ltd., M/S. Mid-Asia Fashions Ltd. He has been representing Social Islami Bank Limited to Bangladesh Association of Banks (BAB) since long. He is also a Philanthropist engaged in various social activities in the Country. He is also discharging his responsibilities as a member of Executive Committee (EC) of the Bank.



Alhaj Sk. Mohammad Rabban Ali
Vice Chairman

Alhaj Sk. Mohammad Rabban Ali is a sponsor Director of Social Islami Bank Limited and one of the renowned and successful Industrialists and Businessmen in the country. He has been managing several industries for the last 32 years directly. Mr. Ali has widely traveled in several countries of the world in connection with his business and participated in different trade fairs. Currently he is the Managing Director of M/S. Rabbani Trading Company Ltd., M/S. Shamlon Industries Ltd., M/S. Shama Poly Yarn Industries Ltd. and also proprietor of M/s. S.R. Impex Co. Currently, he is also discharging his responsibilities as a member of the Executive Committee (EC) of the Bank and Director of SIBL Securities Ltd. (a subsidiary company of the Bank).





Mr. Abdul Awal Patwary
Director

Mr. Abdul Awal Patwary is one of the Sponsor Directors of Social Islami Bank Limited since its inception. Mr. Patwary is also a renowned businessman of the Country and has almost 37 years' business experience as an industrialist. He is actively associated with various social welfare organizations. He was the Chairman of the Board of Directors of Social Islami Bank Limited from 27.09.2007 to 15.04.2009. Currently he is the Chairman of M/s. Patwary Cold Storage Ltd., M/s. Patwary Potato Flakes Ltd., M/s. Greentech Greenhouse Bangladesh Ltd. and Managing Director of Faysal Shopping Complex Ltd., Faysal Shipping Lines and also Proprietor of M/s. Faysal Traders. Mr. Abdul Awal Patwary is also the Chairman of SIBL Securities Ltd. (a subsidiary Company of the Bank). He is also discharging his responsibilities as Chairman of the Risk Management Committee and member of the Executive Committee (EC) of the Bank.



Mr. Md. Anisul Hoque
Director

Mr. Md. Anisul Hoque is a graduate in Accounting from Dhaka University and completed CA course from the country's renowned Howladar Yunus & Co., Chartered Accountants, Dhaka. He is the representative Director of Hamdard Laboratories (Waqf) Bangladesh and has been working there as Finance Director for the last 25 years. Mr. Hoque is representing Hamdard Laboratories (Waqf) Bangladesh, one of the Sponsor Directors of Social Islami Bank Limited since inception of the Bank. Being in the senior management position in Hamdard Laboratories (Waqf) Bangladesh, he has a wide range of expertise in Finance, Accounts and Banking. He was the Chairman of Board of Directors of the Bank from 11.12.2011 to 31.05.2012 and 14.11.2012 to 29.06.2013 respectively. He is discharging his responsibilities as Chairman of the Executive Committee (EC) and member of the Risk Management Committee of the Bank. He is also a Director of SIBL Securities Ltd. (a subsidiary Company of the Bank).



Mr. Abdul Jabbar Mollah
Director

Mr. Abdul Jabbar Mollah is a well known businessman and has almost 31 years' business experience in exporting the frozen foods worldwide. He is a Commercially Important Person (CIP) of Bangladesh. Currently he is the Managing Director of M/S. Jahanabad Sea Foods Ltd., M/S. Jalalabad Frozen Foods Ltd. and M/S. Jabbar & Co. Ltd. Mr. Mollah gained National Export Award for the year 1997-1998, 2000-2001, 2008-2009 for his valuable contribution to the national export. Mr. Mollah also gained National Award for Industrial Development for the year 2014 from the Hon'ble President of the Peoples Republic of Bangladesh. He is also discharging his responsibilities as a member of Executive Committee (EC) of the Bank.



Mr. Md. Abdur Razzaque
Director

Mr. Md. Abdur Razzaque is a business individual. He is holding the degree of Bachelor of Arts (B.A). He is a veteran Freedom Fighter of Bangladesh Liberation War-1971. He bears an immense experience of Corporate Management more than a decade as Administrative Director and Business Expansion in the well reputed Malcom Gaskil Inspection Services, Worldwide Loss Adjusters and Marine Survey Consultants Ltd. Jeddah, KSA. He has been appointed Director of the Bank from the General Public Shareholders category on 31st May, 2014. He is also discharging his responsibilities as a member of Board Audit Committee (BAC) of the Bank.



Mr. Md. Kamal Uddin
Director

Mr. M. Kamal Uddin is one of the renowned and successful Industrialists and well experienced international Businessman of the country. He is holding the degree of Bachelor of Commerce (B.com). Currently he is the proprietor of CBM Consortium. He is the Chairman of Mercantile Insurance Company Ltd. He is also the Managing Director of Chittagong Builders & Machinery Ltd., Merchant Securities Limited and Sifang Securities Limited. He is also the Director of Human Resources Development Co. Ltd., Central Hospital (PVT) Ltd., ASM Chemical Industries Ltd. and Universal Health Services & Research Ltd. He is also a Veteran in Stock Market Business. He is a well known Social Organizer and a man of Islamic Personality. Mr. M. Uddin has widely traveled in several countries in connection with business and participated in different trade fairs.



Mr. Mohammad Amin Uddin
Director

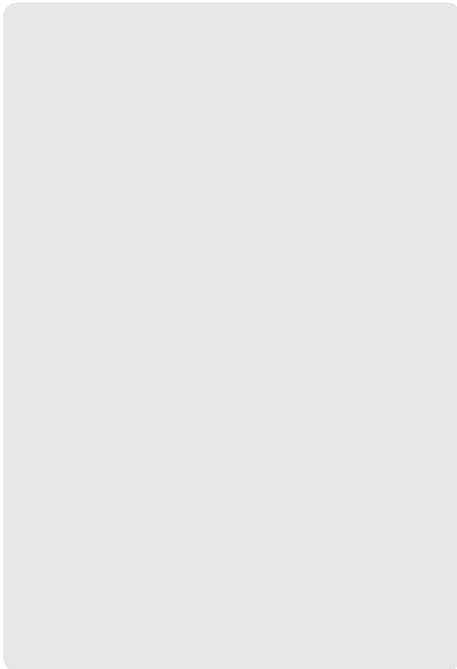
Mr. Md. Aminuddin is a reputed business individual. He is a popular businessman in London. He is holding the degree of Bachelor of Arts (B.A). He is the proprietor of "Sylhet Cash & Carry" 8 Fordham Street, London E-1. He is one of the Sponsors of the Bank and was a member of the Board of Directors of the Bank. He has been re-appointed as Director of the Bank on 25th October, 2014. He is also a British National.



Hakim Md. Yousuf Harun Bhuiyan
Director

Hakim Md. Yousuf Harun Bhuiyan, is the Managing Director and Chief Mutawalli of Hamdard Laboratories (Waqf) Bangladesh and founder of Hamdard University Bangladesh and Hamdard Foundation Bangladesh. He is the architect and innovator of modern Hamdard in Bangladesh made a breakthrough in the history of eastern/unani medical science. He has succeeded to get the official recognition of unani medicine in Bangladesh. He was elected a Director of Social Islami Bank Limited and now, he is the Co-chairman of the Audit Committee of the Bank.

Dr. Hakim Md. Yousuf Harun Bhuiyan was born on 1st March 1953 in a modest family in the Luxmipur district, Bangladesh. He joined Hamdard in 1972. To maintain the highest standards of herbal medicine Dr. Hakim Md. Yousuf Harun Bhuiyan has setup Modern Factory, in Sonargong, Narayangonj, with modern scientific equipment, run by qualified experts. He has established Holistic Quality Management System to check every step of production & marketing, right from the procurement of raw materials, in process quality control, finished goods quality assurance & post delivery customer service.



Mrs. Afia Begum
Director

Afia Begum is a Bangladeshi renowned female business entrepreneur of Middle East based Perfume Company. She bears more than 16 years of experience in the field of perfume business and contributing a lot to earn a huge amount of foreign currency for the country. She is now acting as Director (sales) of the esteemed Hasan Shaheen Ahmed Perfumes LLC, Dera, Dubai, United Arab Emirates. Afia Begum was appointed Director of Social Islami Bank Limited (SIBL) on 16.06.2015 and she is discharging her responsibilities competently in the affairs of the Board of Directors of the Bank.



Mr. Mohammad Nabi Ullah
Director

Mr. Mohammad Nabi Ullah is an accomplished business leader in the country and has been successfully running the Export Oriented business with high dignity and potentiality for the last 31 years. He is holding the certificate of Bachelor of Commerce (B.Com.). He is discharging his responsibilities as the Managing Director of United Leather Industry (Pvt) Ltd, United plastic wood industries (Pvt.) Ltd, United Melamine (Pvt.) Ltd., M. Hossain Spinning Mills (Pvt.) Ltd. and M. Hossain Cotton Spinning Mills (Pvt.). He is also the Director of Mercantile Insurance Company Ltd. a renowned insurance company of the country. Mr. Mohammad Nabi Ullah was appointed Director of Social Islami Bank Limited on 27th October, 2015. He is an active person of different Social works and also a man of Islamic principles. He is a widely traveled person in several countries in connection with business and also has the experience of participating in different trade fairs. Currently, he is discharging his responsibilities as a member of Risk Management Committee (RMC) of the Board of the Bank.



Dr. Mrs. Lily Amin
Director

Dr. Mrs. Lily Amin passed her M.B.B.S from Chittagong Medical College in the year 1974 under Dhaka University and bears more than 42 years of professional experience in her medical career. After passing her MBBS she continued her services under Ministry of Health upto 1979 and left for Kingdom of Saudi Arabia and served under the Ministry of Health of KSA for 22 years and voluntarily retired in the year 2001 as Senior Medical Officer of Chest Hospital, Jeddah. She is a well known philanthropist and social worker engaged in various social activities around the country including her home town. She is now acting as the Managing Director of SIBL Foundation Hospital and Diagnostic Center and discharging her duties and responsibilities very competently. Dr. Mrs. Lily Amin was appointed in the Board of Directors of Social Islami Bank Limited (SIBL) on 21.08.2016 as a Representative Director of SIBL Foundation.



Mr. Md. Abdur Rahman
Independent Director

Mr. Md. Abdur Rahman more than 35 years' work experience in different organizations like State Bank of Pakistan (Karachi), Bangladesh Bank Head Office and various multinational companies at Jeddah, Saudi Arabia. He has obtained the Degree of Bachelor of Arts (Economics) from the University of Karachi, Pakistan. He is also discharging his responsibilities as the Chairman of the Board Audit Committee (BAC) of the Bank since 26.08.2013 and Director in SIBL Securities Ltd. (a subsidiary company of the Bank).



Mr. Abdul Mohit
Independent Director

Mr. Abdul Mohit bears almost 42 years' of Corporate Management Experience in different fields. He is a knowledgeable individual in all aspects of business area. He is holding the degree of Bachelor of Commerce. He also bears a vast business experience in diversified fields including Real Estate business. He was the Director of Star Corporation Ltd. He was also a Member of the Red Cross & Family Planning Council. He is discharging his responsibilities as a member of Board Audit Committee (BAC) of the Bank as well.



Mr. Muinul Hasan
Independent Director

Mr. Muinul Hasan is a development economist by profession and has wide-ranging experience in banking and finance spanning over 30 years. He served as the Lead Evaluation Specialist in the Islamic Development Bank (IDB) in Saudi Arabia. His main areas of expertise include economic and financial analysis, project and trade financing, and development evaluation. Moreover, Mr. Hasan has extensive knowledge of Islamic banking and finance in the area of Islamic modes of finance, resource mobilization, appraisal and evaluation of Ijara and Takaful companies, Awqaf property development, and Islamic micro-finance. He has an MA in Economics (University of Dhaka), an MBA in Finance (University of New Mexico, USA), and a Diploma in Development Evaluation (World Bank and Carleton University, Canada). Prior to joining IDB, he served as Cooperative Specialist for ILO/UNDP in Sudan and Assistant Director in the Bangladesh Academy for Rural Development. During his long professional career, he has travelled extensively to numerous countries. Mr. Hasan was also involved in the formative stages of SIBL's establishment. He is currently working as a freelance consultant in Monitoring and Evaluation (M&E) of development projects. Alongside his role of Independent Director of SIBL, he is also a member of the Audit Committee of the Bank.



Mr. Ihsanul Aziz
Managing Director & CEO (cc)

Mr. Ihsanul Aziz, a prudent banker, has a professional banking career of almost four decades. He started his banking career as a Probationary Officer at Agrani Bank Limited in 1978. During his long tenure in Agrani Bank from 1978 to 2005, Mr. Ihsanul Aziz served in different capacities at Head Office, as Deputy General Manager & Branch Manager of large & corporate Branches and finally as the Head of International Division.

Later he joined NCC Bank Limited as Executive Vice President in 2005. Then in 2008 he joined Al-Arafah Islami Bank Limited as Deputy Managing Director. From there he joined Premier Bank Limited as Deputy Managing Director in 2011. Lastly, on 4th February, 2014, he joined Social Islami Bank Limited (SIBL) as Deputy Managing Director. He was promoted to the rank of Additional Managing Director of SIBL with effect from 1st January, 2015. And from 3rd January, 2016 he has assumed the Office of the Managing Director & CEO (Current Charge) of SIBL.

Having worked in various key positions in different banks during his long professional career, Mr. Ihsanul Aziz has attained specializations in almost all the areas of banking viz. Investment, Foreign Exchange, General Banking, Human Resource, Treasury, Branch Management, etc. A widely travelled person, Mr. Ihsanul Aziz visited different countries viz. the USA, Switzerland, Italy, Singapore, Hong Kong, Thailand, China, Germany, the UAE, Malaysia, India, etc. for enriching professional knowledge. He has also attended several training programmes, seminars and symposiums at home and abroad.

Mr. Ihsanul Aziz is a post Graduate of the University of Dhaka with Honors in Economics and MBA from Southeast University. In his personal life he is happily married to Mrs. Morsheda Aziz and the couple is blessed with a son and a daughter.



Mr. Md. Humayun Kabir, FCS
Company Secretary

Mr. Md. Humayun Kabir, FCS is the Company Secretary of Social Islami Bank Limited (SIBL) since 2013. He is also discharging his duties and responsibilities as Chief Executive Officer (CEO) of SIBL Securities Limited (a subsidiary of the Bank) in addition to his assignment in the Bank. He is a qualified Chartered Secretary from the "Institute of Chartered Secretaries of Bangladesh (ICSB)" and also holds the degree of LL.B. He bears an immense experience of 11 years working as the Head of Share Department of Social Islami Bank Limited (SIBL). He started his career in the Bank in the year 2000. He bears the experience in the field of various Regulatory and Corporate affairs relating to the Bank and Capital Market as well. Apart from his diverse role as Company Secretary, he is also the Secretary of the Executive Committee, Board Audit Committee and the Risk Management Committee of the Bank.

EXECUTIVE COMMITTEE

Mr. Md. Anisul Hoque
[Representative of Hamdard
Laboratories (Waqf) Bangladesh] : Chairman

Mr. Abdul Jabbar Mollah : Co-Chairman

Mr. Md. Kamal Uddin : Co-Chairman

Mr. Abdul Awal Patwary : Member

Alhaj Sk. Mohammad Rabban Ali : Member

Mr. Md. Sayedur Rahman : Member

Major (Retd) Dr. Md. Rezaul Haque : Member

SIBL has constituted a seven member executive committee of the board as per Bangladesh Bank guidelines to ensure good corporate governance in the business. The executive committee of the board is responsible for developing policy and strategy for smooth operation of the business. Moreover, the committee is also responsible for business development of the bank to ensure maximization of shareholders' wealth protecting other stakeholders' interest too in the company. During the year 2016, total 22 nos. of Executive Meetings were held against 14 nos of meeting in the year 2015.

Mr. Md. Anisul Hoque is the Chairman of present Executive Committee. He is a graduate in Accounting from Dhaka University and completed CA course from the country's renowned Howladar Yunus & Co., Chartered Accountants, Dhaka. He is the representative Director of Hamdard Laboratories (Waqf) Bangladesh and has been working there as Finance Director for the last 25 years.



AUDIT COMMITTEE

1. Mr. Md. Abdur Rahman	:	Chairman
2. Mr. Muinul Hasan	:	Co-Chairman
3. Mr. Abdul Mohit	:	Member
4. Hakim Md. Yousuf Harun Bhuiyan	:	Member
5. Mr. Md. Abdur Razzaque	:	Member

SIBL has constituted an audit committee that plays an effective role in devising an efficient and secured banking system. The Audit Committee has been formed comprising

five members of the Board of Directors. As it is guided by corporate governance guidelines, Mr. Md. Abdur Rahman, Independent Director of the bank has been appointed the Chairman of the Audit Committee who possesses sound knowledge of banking experience of more than four decades. SIBL initiates internal audit of the branches and head office divisions on a periodical basis. The internal audit is supervised under Internal Control & Compliance Division (ICCD) and a separate division named 'Board Audit Cell (BAC)' also conducts internal audit supervised by Board Audit Committee. This BAC directly reports to the Chairman of Board Audit Committee. The committee reviews the financial reporting process, the system of Internal Control, Management Information System, Management of Risks, the Bangladesh Bank and Internal Audit reports, Audit process and Compliance with laws and regulations and banks' own code of conduct. During the year 2016, total 12 nos. of Board Audit Committee Meetings were held against 12 nos. of meetings of 2015.



RISK MANAGEMENT COMMITTEE

Mr. Abdul Awal Patwary	:	Chairman
Mr. Mohammad Nabi Ullah	:	Co-Chairman
Major (Retd) Dr. Md. Rezaul Haque	:	Member
Ajhaj S.K. Mohammad Rabban Ali	:	Member
Mr. Md. Anisul Hoque	:	Member

Under the stipulated instructions of Bangladesh Bank, the bank has formed a separate Risk Management Committee (RMC) consisting of 5 (five) members of the Board of Directors. In view of the revised Risk Management Guidelines 2012 and BRPD Circular no 11, functions of the Risk Management Committee shall comprise an effort to ensure proper risk management in bank. The RMC reviewed stress testing as per Bangladesh Bank guideline for examining the bank's capacity of managing future shocks as well as deals with all potential risks that might occur in future. During the year 2016, total 6 (six) Risk Management Committee Meetings were held against 6 meetings in 2015.



SHARIAH SUPERVISORY COMMITTEE

Principal Sayeed Kamaluddin Zafree	Chairman
Professor Dr. A.N.M Rafiqur Rahman	Vice Chairman
A.Q.M Abdul Hakim	Member
Dr. Mohd. Ahsan Ullah Miah	Member
Obaid Ullah Hamzah	Member
Md. Anwar Hosain Molla	Member
Dr. Gazi Md. Zahirul Islam	Member

Professor Muhammad Muzahidul Islam	Member
Mr. Ihsanul Aziz	Member
Barister Faysal Ahmed Patwary	Member
Shah Mohammad Wali Ullah	Member - Secretary

During the year 2016, total 6 (six) Shariah Supervisory Committee Meetings were held against 6 (six) meetings in 2015.



MANAGEMENT & COMMITTEES



- Management Team
- Core Decision Making Committee (CDMC)
- Asset Liability Committee
- Tender Evaluation Committee
- MRS (Management Reporting System) Committee
- Investment Committee
- Senior Management Team
- SIBL Integrity Committee



MANAGEMENT TEAM

Managing Director & CEO (cc)
Mr. Ihsanul Aziz

Additional Managing Director
Mr. A.M.M. Farhad

Deputy Managing Directors
Mr. Md. Yunus Ali
Mr. Tarik Morshed

Senior Executive Vice Presidents

Mr. Md. Shafiqul Islam	Mr. Mohammad Forkanullah
Mr. Muhammad Ghulam Sarwar	Mr. Bhanu Roy Chowdhury
Mr. Walid Mahmud Sobhani, FCMA	Mr. Md. Akbar Ali
Mr. Md. Akhtar Hussain	Mr. Mohammad Iqbal
Mr. Ziauddin Sawlet Ghani	Mr. Md. Zabed Amin
Mr. Md. Jashim Uddin	Mr. Kazi Obaidul Al-Faruk
Mr. Md. Habibur Rahman	

Executive Vice Presidents

Mr. Md. Azizul Hakim
Mr. Gazi Mohammad Hasan
Mr. Md. Nazmus Saadat
Mr. Faruque Ahmed
Mr. Mohammad Shoeb, FCA
Mr. Md. Sultan Badsha
Mr. Abu Rushd Iftekharul Haque

Senior Vice Presidents

Mr. Md. Abdul Hamid	Mr. Mohammad Mosle Uddin	Mr. Mohammed Ziaul Karim
Mr. Tabriz Shahjahan	Mr. Abu Noman Md. Abdul Bashet	Mr. Md. Shamsul Alam
Mr. Md. Sofi Ullah	Mr. Md. Wali Ullah	Mr. Md. Humayun Kabir, FCS
Mr. Mahbub Hossain	Mr. Md. Akmal Hossain	Mr. A.K.M. Rabiul Islam
Mrs. Shireen Akhterunnessa	Ms. Shamima Nargis	Mr. Syed Mahbubur Rahman
Mr. Md. Khurshed Alam	Mr. Md. Shahriar Khan	Mr. Md. Towhid Hossain
Mr. Muhammed Zubair Sadik	Mr. Md. Abdul Mottaleb	Mr. Shawket-UI-Amin
Mr. M. Sayedur Rahman	Mr. Md. Mesbahul Alam	Mr. Md. Mozharul Haque



The strategic management activities and overall business operations of SIBL are supervised and directed by the core management team of the bank. The Managing Director & CEO (CC), Mr. Ihsanul Aziz who has 40 years of extensive and immense experience in banking, leads the core management team, as well as the whole Bank. The core management team of the Bank also consists of one Additional Managing Director and two Deputy Managing Directors and all of whom have vast experience in banking ranging from 25 to 35 years. The members of the team have also attended numerous training and development programs both at home and abroad which enabled them to build enormous knowledge base in banking. The top management team of the bank (Senior Vice President and above), including the core management team, consists of 47 qualified and experienced employees including Managing Director & CEO (cc).

Core Decision Making Committee		
Mr. Ihsanul Aziz	Managing Director & CEO (cc)	Chairman
Mr. A.M.M Farhad	Additional Managing Director	Member
Mr. Md. Yunus Ali	Deputy Managing Director	Member
Mr. Tarik Morshed	Deputy Managing Director	Member



For smooth and effective running of the Bank, major operational decisions are taken through CDMC (Core Decision Making Committee) meeting involving most senior Officials of the Bank. In the year 2016, total 7 nos of meetings were held where 146 nos. of major issues were discussed and discharged whereas in 2015, total 7 Nos. of CDMC meetings were held and 334 nos. of major issues were discussed and discharged.

Asset Liability Committee (ALCO)	
Mr. Ihsanul Aziz, Managing Director & CEO (cc)	Chairman
Mr. AMM Farhad, Additional Managing Director	Member
Mr. Md. Yunus Ali, Deputy Managing Director	Member
Mr. Tarik Morshed, Deputy Managing Director	Member
Mr. Md. Shafiqul Islam, Senior Executive Vice President	Member
Mr. Walid Mahmud Sobhani, FCMA, Senior Executive Vice President & CFO	Member Secretary
Mr. Ziauddin Sawlet Ghani, Senior Executive Vice President	Member
Mr. Mohammad Iqbal, Senior Executive Vice President	Member
Mr. Bhanu Roy Chowdhury, Senior Executive Vice President	Member
Mr. Gazi Md. Hasan, Executive Vice President	Member
Mr. Faruque Ahmed, Executive Vice President	Member
Mr. Mohammad Shoeb FCA, Executive Vice President	Member
Mr. Md. Sultan Badsha, Executive Vice President	Member
Mr. Md. Abdul Mottaleb, Senior Vice President	Member
Mr. Shawket -ul- Amin, Senior Vice President	Member
Mr. Ahsan Habib, Vice President	Member

Asset Liability Committee (ALCO) is one of the most vital ones for smooth and effective treasury operation and Investment planning. To support the Asset Liability Management (ALM) process, the bank has established a committee called Asset Liability Committee (ALCO) headed by the Managing Director. The Bank's Asset Liability Committee (ALCO) is entrusted with the responsibility of managing short-term and long-term liquidity and ensuring adequate liquidity at optimal funding cost. The other responsibilities of the Committee include Balance Sheet structuring and management, measuring Bank's risk capital requirement and the capital cushion available to meet the risk and determination of lending and deposit rates & the pricing strategy. The assessment and control of liquidity is done through Liquidity Reports and Balance Sheet statements.

Now a days, treasury is one of the most risky and sensitive corner for a financial Institution and major liquidity decisions are taken through ALCO meeting involving most of the Senior Officials of the Bank. In 2016, total 13 Nos. of ALCO meetings were held where 40 major decisions were taken on the other hand in the year 2015, 13 meetings were held to resolve 56 issues relating to Assets Liabilities Management of the bank. A comparative picture of ALCO meetings held during the last five years are given as under:

	Yr. 2016	Yr. 2015	Yr. 2014	Yr. 2013	Yr. 2012
No. of meeting held	13	13	12	13	13
No. of major decision taken	40	56	44	38	23

Tender Evaluation Committee	
Mr. Ihsanul Aziz, Managing Director & CEO (cc)	Chairman
Mr. A.M.M. Farhad, Additional Managing Director	Member
Mr. Yunus Ali, Deputy Managing Director	Member
Mr. Md. Kazi Obaidul Al Faruk, Senior Executive Vice President	Member
Mr. Gazi Mohammad Hasan, Executive Vice President	Member
Mr. Akbar Ali, Sr. Executive Vice President	Member
Mr. Abdul Mottaleb, Senior Vice President	Member Secretary

MRS (Management Reporting System) Committee	
Mr. Md. Shafiqul Islam, Senior Executive Vice President	Chairman
Mr. Mohammad Shoeb FCA, Executive Vice President	Member
Mr. Sultan Badsha, Executive Vice President	Member
Mr. Abdul Mottaleb, Senior Vice President	Member
Mr. Shawket-ul-Amin, Senior Vice President	Member
Mr. Shoeb-ul-Islam, Senior Asstt. Vice President	Member
Mr. Anisur Rahman, Senior Assistant Vice President	Member Secretary

Investment Committee	
Mr. A.M.M. Farhad, Additional Managing Director	Chairman
Mr. Md. Yunus Ali, Deputy Managing Director	Member
Mr. Tarik Morshed, Deputy Managing Director	Member
Mr. Mohd. Ghulam Sarwar, Sr. Executive Vice President	Member
Mr. Walid Mahmud Sobhani, FCMA, Sr. Executive Vice President	Member
Mr. Mohammad Iqbal, Sr. Executive Vice President	Member
Mr. Md. Nazmus Saadat, Executive Vice President	Member Secretary

During the year 2016, total 48 nos. Investment committee meetings were held where 1953 nos. of agenda was discussed and resolved whereas in 2015, total 48 Investment committee meetings were held and 1316 nos. of agenda discussed and resolved.

Senior Management Team		
Name	Designation	Position in SMT
Mr. Ihsanul Aziz	Managing Director& CEO (C.C.)	Chairman
Mr. A M M Farhad	Additional Managing Director	Member
Mr. Md. Yunus Ali	Deputy Managing Director	Member
Mr. Md. Tarik Morshed	Deputy Managing Director	Member
Mr. Md. Shafiqul Islam	Senior Executive Vice President	Member
Mr. Mohd. Ghulam Sarwar	Senior Executive Vice President	Member
Mr. Walid Mahmud Sobhani, FCMA	Senior Executive Vice President	Member
Mr. Md. Akhtar Hussain	Senior Executive Vice President	Member
Mr. Ziauddin Sawlet Ghani	Senior Executive Vice President	Member
Mr. Bhanu Roy Chowdhury	Senior Executive Vice President	Member
Mr. Md. Akbar Ali	Senior Executive Vice President	Member
Mr. Mohammad Iqbal	Senior Executive Vice President	Member
Mr. Md. Zabed Amin	Senior Executive Vice President	Member
Mr. Kazi Obaidul Al Faruk	Senior Executive Vice President	Member-Secretary
Mr. Gazi Mohammad Hasan	Executive Vice President	Member
Mr. Mohammad Shoeb, FCA	Executive Vice President	Member
Mr. Md. Sultan Badsha	Executive Vice President	Member
Mr. Humayun Kabir, FCS	Senior Vice President	Member
Mr. Shawket-UI-Amin	Senior Vice President	Member
Mr. Syed Joynul Abedin	Senior Asstt. Vice President	Member

As per ICCD revised guidelines of Bangladesh Bank, a Senior Management Committee has been formed consisting of 20 senior members of the bank by superseding the earlier committee of the bank called – ‘Management Committee’.

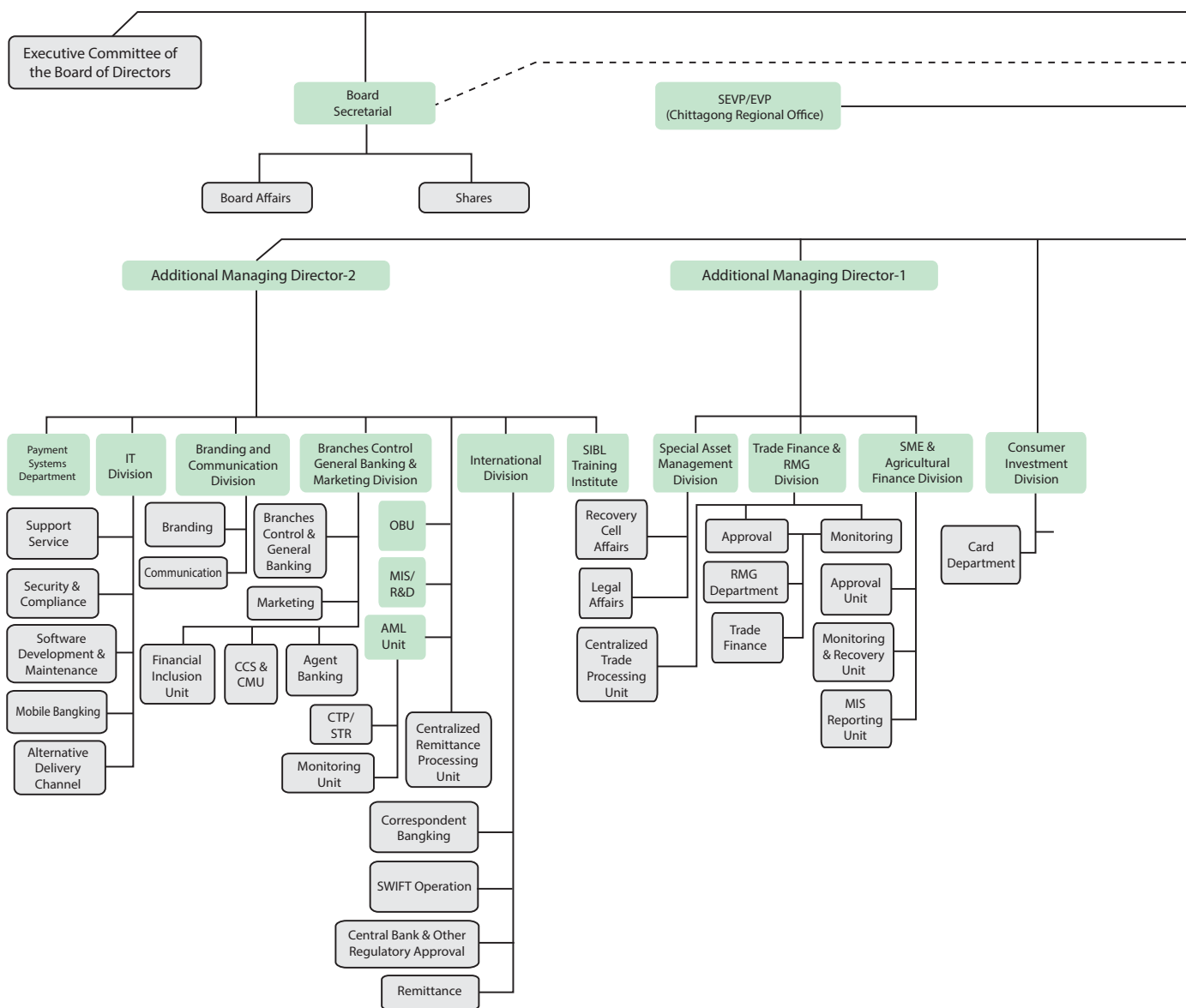
SIBL Integrity Committee	
Mr. Ihsanul Aziz, Managing Director (CC)	Chairman
Mr. Walid Mahmud Sobhani, Sr. Executive Vice President	Member
Mr. Kazi Obaidul Al Faruk, Sr. Executive Vice President	Member
Mr. Mohammad Shoeb FCA	Member Secretary & Focal Point Officer
Mr. Md. Sultan Badsha, Executive Vice President	Member
Mr. Abdul Mottaleb, Senior Vice President	Member
MS. Samia Islam, Asstt. Vice President	Member

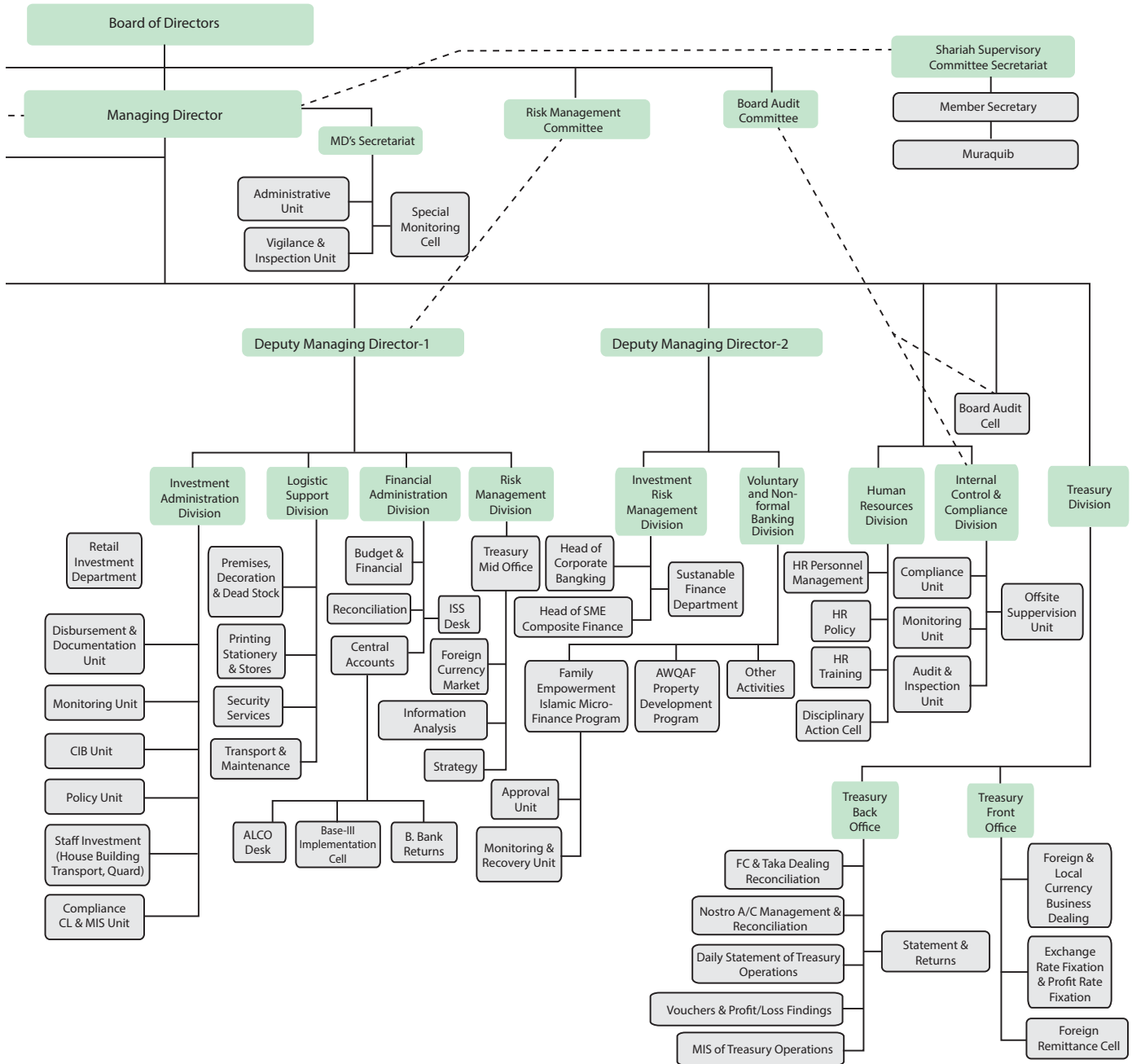


FUNCTION OF SOCIAL ISLAMI BANK LIMITED



ORGANOGRAM OF SOCIAL ISLAMI BANK LIMITED





PRODUCTS & SERVICES

Deposit Products

- Al-Wadeeah Current Account
- Mudaraba Savings Account
- Mudaraba Notice Deposit Account
- Mudaraba Term Deposit Account
 - a. 1 month
 - b. 3 months
 - c. 6 months
 - d. 12 months
- Mudaraba Monthly Profit Deposit Scheme
- Mudaraba Millionaire Savings Scheme
- Mudaraba Education Deposit Scheme
- Sonali Din Special Deposit Scheme
- Mudaraba Special Deposit Pension Scheme
- Mudaraba Bashsthan Savings Scheme
- Mudaraba Hajj Savings Deposit (Kafela)
- Cash Waqf
- Mudaraba Lakhopati Deposit Scheme
- Mudaraba Double Benefit Deposit Scheme
- Shamridhir Shopan Special Deposit Scheme
- Mudaraba Marriage Savings Scheme
- Mudaraba Mohorana Savings A/c (10 Years)
- Mudaraba Mohorana Savings A/c (5 Years)
- Shanchita Special Deposit Scheme
- Subarnalata Special Deposit scheme
- SubarnaRekha Special Deposit Scheme
- Sabuj Chaya Special Deposit scheme
- Sabuj Shayannaya Special Deposit Scheme
- Shukher Thikana Special Deposit Scheme
- Shachanda Protidin Special Deposit Scheme
- SIBL Young Star Account



Investment Products

- Bai-Murabaha
- Bai-Muajjal
- Hire Purchase under Shirkatul Melk
- Mudaraba
- Musharaka
- Bai-Salam
- Documentary Bill Purchase
- Quard
- SIBL Employees' House Building Investment Scheme
- SME & Agricultural Finance
- Women Enterprise Finance
- Retail Finance
- Family Empowerment Islamic Micro Finance

Service Products

- Online Banking
- ATM 24/ 7
- CARD (Local & Foreign)
- Automated Clearing
- Electronic Fund Transfer
- Mobile Banking
- Offshore Banking
- Centralized Trade Processing Services
- Remittance
- Locker
- Student File
- SWIFT
- Capital Market Services through SIBL Subsidiaries
- ADR (Alternate Delivery Channel)
- School Banking
- Agent Banking
- RTGS (Real time gross settlement)



MEDIA ACCOLADE

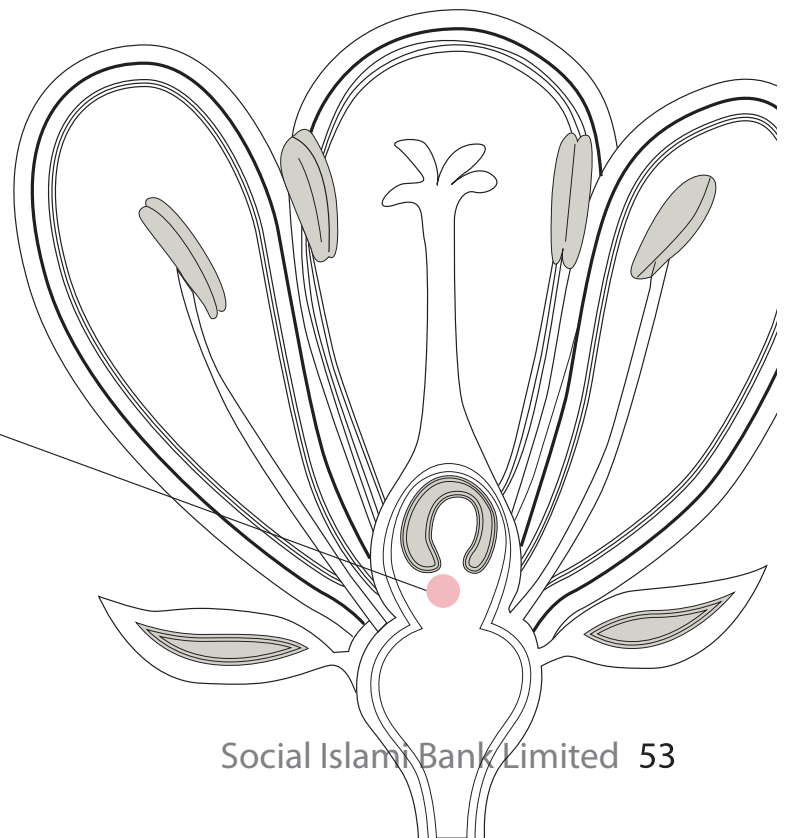


- Capital Pattern of SIBL
- Pattern of Shareholdings
- Pattern of Shareholder by holdings in 2016
- Shares held by the Directors in 2016
- Market Price Information
- Financial Calendar

As the first look of the company, our transparent Corporate Governance is the key position from where our organization is growing stronger day by day. Our practice of corporate governance successfully balances interest between the company and our valuable stakeholders.

Confidence
of the
stakeholders

Shareholders'
Wealth



Capital Pattern of SIBL

Year	Declaration	No. of Shares	Face Value per Share (Taka)	Cumulative no. of Shares	Value of issued Capital for the year (Taka)	Cumulative value of Capital (Taka)
1995	Initial Capital	118,380	1,000	118,380	118,380,000	118,380,000
1996		-	-	118,380	-	118,380,000
1997	6.43% Bonus issue for the year 1996	7,620	1,000	126,000	7,620,000	126,000,000
1998		-	-	126,000	-	126,000,000
1999	Right Share Issued	74,000	1,000	200,000	74,000,000	200,000,000
2000	Placement	50,000	1,000	250,000	50,000,000	250,000,000
	Initial Public Offer	10,000	1,000	260,000	10,000,000	260,000,000
2001	20% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2002	25% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2003	50% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2004	Bonus Issue (For the years 2001, 2002, 2003)	325,000	1,000	585,000	325,000,000	585,000,000
2005		-	-	585,000	-	585,000,000
2006		-	-	585,000	-	585,000,000
2007	1:1 Right Share	5,345,550	100	11,195,550	534,555,000	1,119,555,000
2008	17% Bonus Issue for the year 2007	1,903,243	100	13,098,793	190,324,300	1,309,879,300
2009	10% Bonus Issue for the year 2008	1,309,879	100	14,408,672	130,987,900	1,440,867,200
	1:1 Right Share	12,508,587	100	26,917,259	1,250,858,700	2,691,725,900
2010	1:1% Bonus Issue for the year 2009	2,960,899	100	29,878,158	296,089,850	2,987,815,750
2011	14% Bonus Issue for the year 2010	41,829,420	10	340,610,995	418,294,200	3,406,109,950
	1:1 Right Share	298,781,575	10	39,392,570	2,987,815,750	6,393,925,700
2012	10.50% Cash Dividend for the year 2011	-	-	-	-	6,393,925,700
2013	10% Bonus Issue and 5% Cash for the year 2012	63,748,994	10	-	637,489,940	7,031,415,640
2014	12% Cash Dividend for the year 2013	-	-	-	-	7,031,415,640
2015	18% Cash Dividend for the year 2014	703,141,564	10	-	-	7,031,415,640
2016	15% Cash Dividend & 5% Stock Dividend for the Year 2015	35,157,078	10	738,298,642	351,570,780	7,382,986,420

Pattern of Shareholdings

Sl no	Investor Group	No. of Shareholders as on 31.12.2016	No. of Shares as on 31.12.2016	Percentage as on 31.12.2016	No. of Shareholders as on 31.12.2015	No. of Shares as on 31.12.2015	Percentage as on 31.12.2015
01	Sponsors & Placement	30	170,947,006	23.15	29	175,090,202	24.90%
02.	Sponsor-Foreign	6	923,807	0.13	6	879,819	0.13%
03.	Sponsor & Placement-Company	6	77,406,613	10.48	6	63,396,792	9.01%
04.	General Public	46,738	239,134,930	32.39	55,894	308,930,106	43.94%
05.	Institutions (Bank & Insurance)	54	15,233,315	2.06	52	18,679,911	2.65%
06.	Institutions (Others)	994	225,316,977	0.00	1,081	112,946,961	16.06%
07.	ICB Accounts Holders	37	493,799	0.00	47	605,080	0.09%
08.	ICB	1	2,112,295	30.52	1	13,506,852	1.92%
09.	ICB Unit Fund	2	2403	0.00	2	2,735,025	0.39%
10.	ICB Mutual Fund	1	214,294	0.07	8	124,014	0.02%
11.	Employee	3	2,901,970	0.29	3	2,803,305	0.40%
12.	Non-Resident Bangladeshi	17	3,611,233	0.00	17	3,443,497	0.49%
	Total	47,889	738,298,642	100.00%	57,146	703,141,564	100.00%



Pattern of Shareholder by holdings in 2016

Share holding range	No. of Shareholders as on 31.12.2016	No. of Shares as on 31.12.2016	Percentage as on 31.12.2016	No. of Shareholders as on 31.12.2015	No. of Shares as on 31.12.2015	Percentage as on 31.12.2015
Less than 500 shares	19,638	2,985,334	0.40%	23,309	3,637,503	0.52%
501-5000	23,684	39,974,893	5.41%	28,591	47,690,773	6.78%
5001-10000	2,314	16,232,133	2.21%	2,700	18,967,641	2.70%
10001-20000	1,149	15,516,283	2.10%	1,351	18,265,000	2.60%
20001-50000	613	18,339,859	2.48%	693	20,968,785	2.98%
50001-99999999999	491	645,250,140	87.40%	502	593,611,862	84.42%
Total	47,889	738,298,642	100.00%	57,146	703,141,564	100.00%

Shares Held by the Directors in 2016

Sl no	Name of the Director	Position held in the Bank as on 31.12.2016	Number of Shares held on 31.12.2016	Percentage of total holding	Total number of Shares as on 31.12.2016
1	Major (Retd.) Dr. Md. Rezaul Haque	Chairman	14,771,468	2.00%	738,298,642
2	Mr. Md. Sayedur Rahman	Vice Chairman	14,770,931	2.00%	
3	Alhaj Sk. Mohammad Rabban Ali	Vice Chairman	14,807,097	2.01%	
4	Mr. Abdul Awal Patwary	Director	14,777,398	2.00%	
5	Mr. Md. Anisul Hoque Representative of Hamdard Laboratories (WAQF) Bangladesh	Director	14,770,063	2.00%	
6	Mr. Abdul Jabbar Mollah	Director	14,918,874	2.02%	
7	Mr. Md. Abdur Razzaque	Director	315,354	0.04%	
8	Mr. M. Kamal Uddin Representative of SifangSecurities (Pvt.) Ltd. Own	Director	14,805,000 3,150	2.01% 0.01%	
9	Mr. Md. Aminuddin	Director	14,766,096	2.00%	
10	Hakim Md. Yousuf Harun Bhuiyan Representative of Hamdard Foundation	Director	14,805,000	2.01%	
11	Mrs. Afia Begum	Director	14,805,000	2.01%	
12	Mr. Mohammad Nabi Ullah	Director	14,766,889	2.00%	
13	Dr. Lily Amin Representative of SIBL Foundation Own	Director	25,613,142 305,338	3.51% 0.04%	
	Total		189,000,800	25.60%	

Financial Calendar

Year 2016	
Un-audited Consolidated results for the 1st Quarter announced on	04.05.2016
Un-audited Consolidated results for the 2nd Quarter announced on	30.07.2016
Un-audited Consolidated results for the 3rd Quarter announced on	30.10.2016
Audited Consolidated Financial Statements for the year ended 31st December 2016 approved on	20.02.2017
Dividend for the year 2016 declared on	20.02.2017
Date of declaration of 'Record Date' for holding of 22n Annual General Meeting	14.03.2017
Notice of 22nd Annual General Meeting expected to be served on	15.03.2017
22nd Annual General Meeting to be held on	30.03.2017
Dividend for the year 2016 expected to be paid on	13.04.2017

Year 2017	
Un-audited Consolidated results for the 1st Quarter to be announced on	30.04.2017
Un-audited Consolidated results for the 2nd Quarter to be announced on	31.07.2017
Un-audited Consolidated results for the 3rd Quarter to be announced on	30.10.2017
Audited Consolidated Financial Statements for the year ended 31st December 2017 approved on	28.02.2018
Dividend for the year 2017 expected to be declared on	28.02.2018
Expected date for declaration of 'Record Date' for holding of 23rd Annual General Meeting	29.03.2018
Notice of 23rd Annual General Meeting expected to be served on	12.03.2018
23rd Annual General Meeting expected to be held on	29.03.2018
Dividend for the year 2017 expected to be paid on	10.04.2018



Our service oriented and technology driven operations are fast and accurate, balanced and sustainable. Our analysis shows that SIBL has accomplished much and consistently moving towards Journey of Excellence by creating values for the stakeholder

creating and distributing values

Analysis & Value Added Statements

- Performance of the Bank
- SIBL at a Glance
- Graphical presentation of SIBL
- Statements of Value Addition and its Distributions
- Economic Value Added (EVA) Statements
- Market Value Added (MVA) Statements

PERFORMANCE OF THE BANK

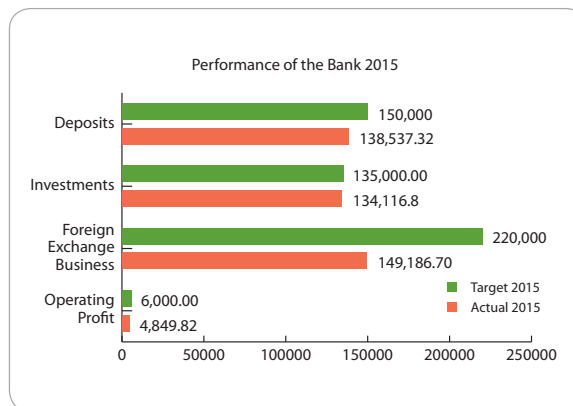
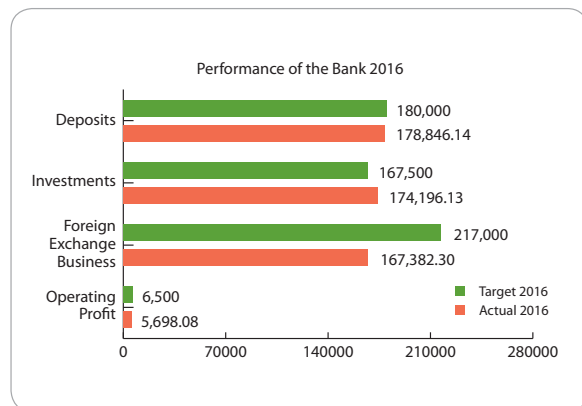
Performance of the year 2016 has been conspicuous with a growth over the previous year recording achievements in different segments of (i) client deposit 29.10% (ii) Investment 29.88% (iii) Foreign Exchange Business 12.20% (iv) Operating Profit 17.49%. The bank has achieved 87.66% operating profit, 97.22% Deposit, 120.06% Investment, 77.13% Foreign Exchange Business towards the target set for the year 2016. Although the operational results for the year 2016 are behind the target, but encouraging towards the journey for the year of 2017.

Although the operational results of the year 2016 was not up to the mark SIBL believes that the efforts of the year 2016 will inspire & stimulate the employees of

the bank to accept the challenge of the year 2017 and accordingly the bank is in the process to explore every potentiality of each individual employee to deploy their sincere endeavor in the days ahead. In the year 2016, the bank has focused specially on the concepts of (i) Service Excellence (ii) Quality & Secured Investment (iii) Non Funded Business (iv) Recovery from both regular and non-performing Investment (iv) Exploration of Low Cost & no Cost deposits, Retail & Stable deposits particularly Scheme based deposit & (v) Maintenance of an Ideal Deposit Mix with a view to constraining the cost on one side and to establish a safe & stable deposit management system on the other. The results of the year 2016 are given as under:

Fig in million Taka

Indicators	Target 2016	Actual- 2016	Actual-2015	Achievement %	Growth %
Deposits	180,000.00	178,846.14	138,537.32	97.22%	29.10%
Investments	167,500.00	174,196.13	134,116.85	120.06%	29.88%
Foreign Exchange Business	217,000.00	167,382.30	149,186.70	77.13%	12.20%
Operating Profit	6,500.00	5,698.08	4,849.82	87.66%	17.49%



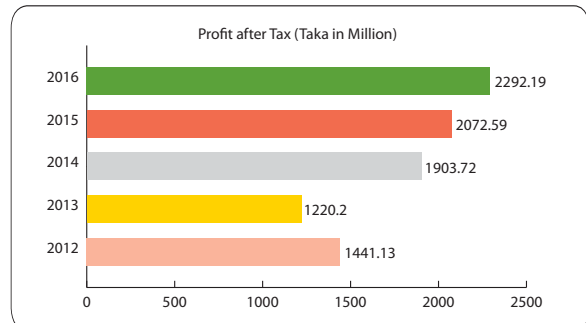
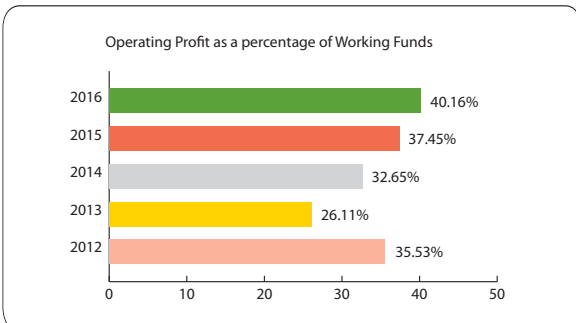
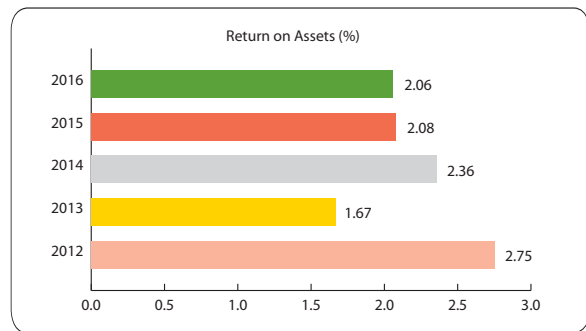
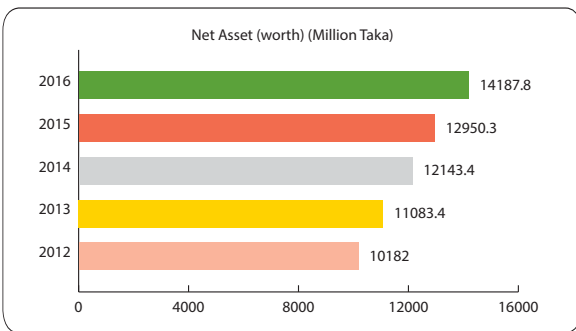
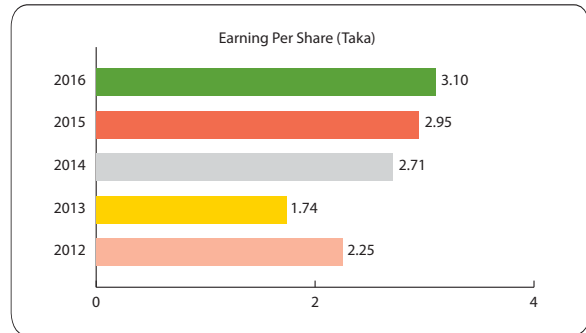
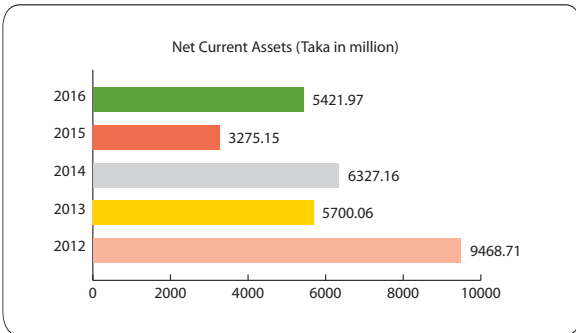
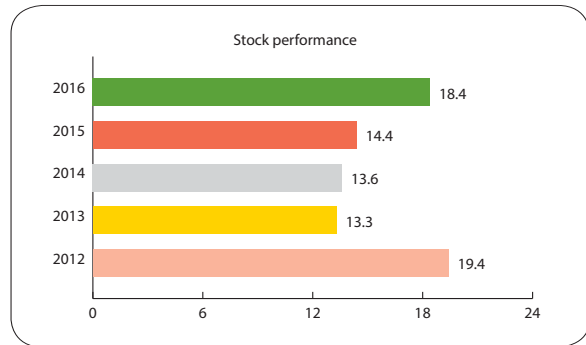
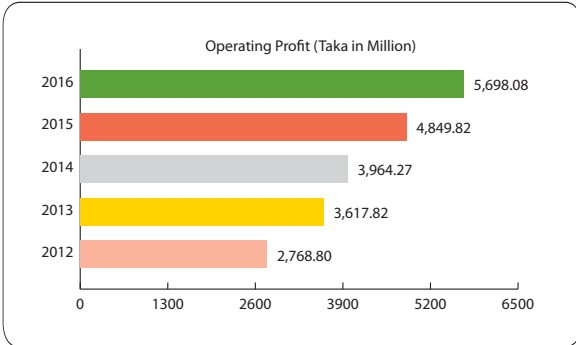
SIBL AT A GLANCE

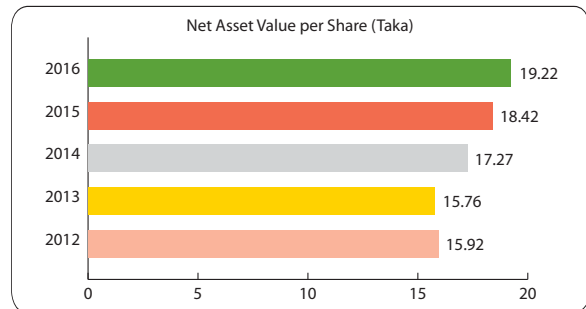
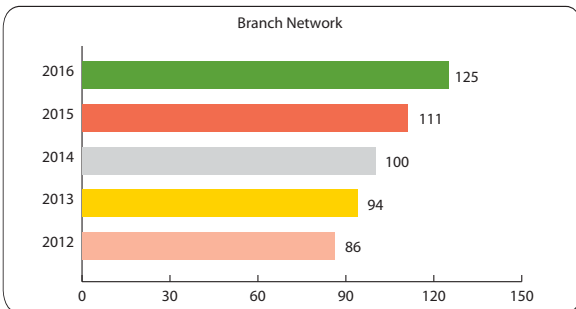
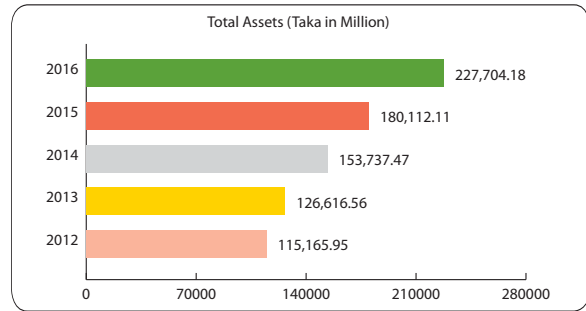
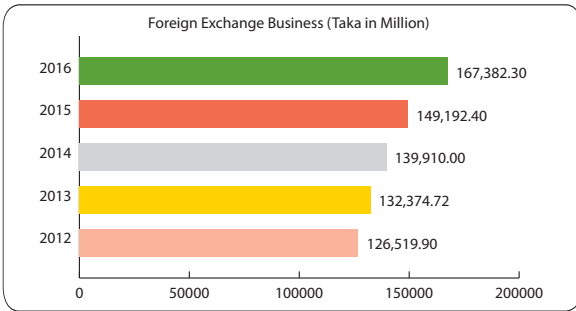
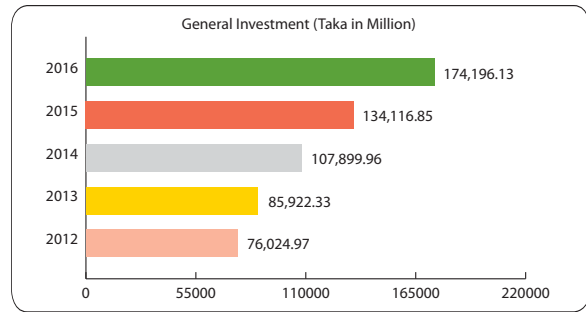
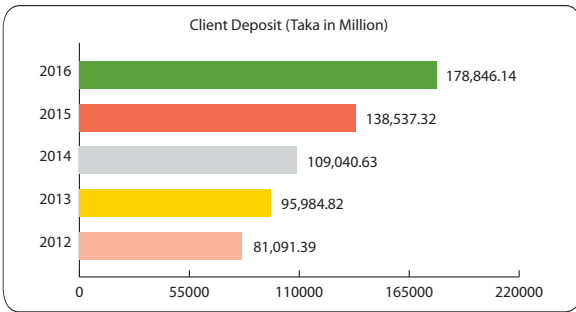
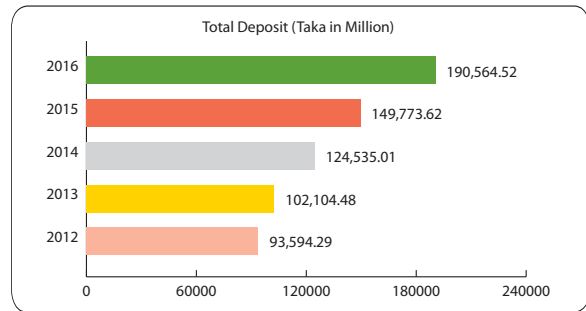
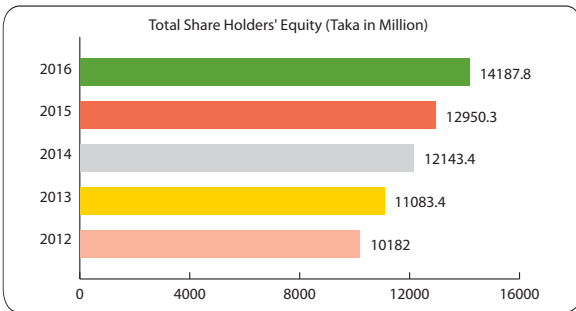
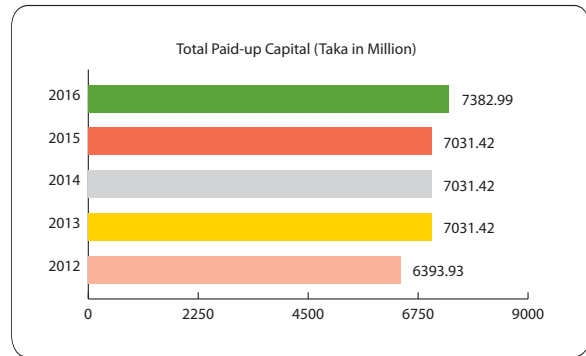
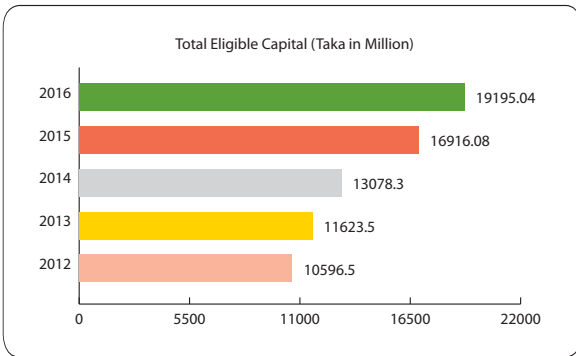
Fig in million Taka

SL	Particulars	2012	2013	2014	2015	2016
01	Authorized Capital	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
02	Paid-up Capital	6393.92	7031.42	7031.42	7031.42	7382.99
03	Total Shareholders Equity	10181.97	11083.43	12143.38	12950.32	14187.80
04	Capital Base (Tier I & II)	10596.51	11623.52	13078.26	16916.08	19195.04
05	Total Deposits	93594.29	102104.48	124535.01	149773.62	190564.52
06	Client Deposits	81091.39	95984.82	109040.63	138537.32	178846.14
07	Investments (General)	76024.97	85922.33	107899.96	134116.85	174196.13
08	Investments (Shares & Securities)	6144.01	8538.18	7823.73	9222.39	12310.58
09	Foreign Exchange Business	126519.90	132374.70	139910.11	149192.40	167382.30
10	Operating Profit	3617.82	2924.55	3964.27	4849.82	5698.08
11	Profit before Tax	2747.89	2024.66	3307.52	3479.17	4192.19
12	Fixed Assets	2249.95	2653.88	2675.86	3072.04	3257.52
13	Total Assets	115165.95	126616.56	1537374.67	180112.11	227704.18
14	Stock Dividend	10.00%	0.00%	0.00%	5.00%	-
	Cash Dividend	5.00%	12.00%	18.00%	15.00%	20.00%
15	Investments as a % of total deposits	81.23%	84.15%	86.64%	89.54%	91.41%
16	Investments as a % of Client deposits	89.19%	86.78%	89.52%	88.52%	89.86%
17	Capital to Risk Weighted Asset Ratio	11.52%	11.58%	11.36%	12.33%	11.55%
18	Ratio of Classified Investments to Total Investments	3.33%	5.35%	4.56%	3.84%	4.44%
19	No. of Foreign Correspondents	505	490	470	443	591
20	Number of Employees	1625	1802	1922	2130	2363
21	Number of Branches	86	94	100	111	125
22	Book Value per Share	10	10	10	10	10
23	Earning per Share (Restated)	2.25	1.74	2.71	2.81	3.10
24	Credit Rating by	*ECRL	ECRL	ECRL	ECRL	ECRL
	Long Term	AA-	AA-	AA-	AA-	AA-
	Short Term	ECRL-2	ECRL-2	ECRL-2	ECRL-2	ST-2

*ECRL-Emerging Credit Rating Limited

GRAPHICAL PRESENTATION OF SIBL





REPORTS & STATEMENTS OF VALUE ADDITION AND ITS DISTRIBUTIONS

Value Added Report indicates exactly how a company accumulates total value from its area of operation during a particular period and accordingly shows how the added value has been distributed to the society in the backdrop of the general economy of a country.

Now a days the most complex and modern business environment does not earn profit for itself only rather it cares to the society and thus is committed to contribute to the economic growth. Such value is being added due to spill over economic impact due to operation of the business houses.

SIBL as a commercial bank, has a large scale of spill over economic impact side by side its financial impact through creating values for distributions to the society year to year.

Value addition is a measure of wealth as created by the bank through its banking activities. The Statement shows how the total wealth has been created and distributed among the stakeholders of the Bank in the year.

Value Added Statement for the year ended 31 December 2016

Fig in million Taka

Particulars	Year 2016	Year 2015
Investment Income	16,883.38	15,288.87
Income from Investment in Shares and Securities	293.82	362.24
Commission, Exchange and Brokerage	1552.39	1,255.97
Other Operating Income	444.75	398.53
	19,174.34	17,305.61
Less Cost of Services & Supplies		
Profit paid on Deposits	9,544.34	9,055.72
Rent, Taxes, Insurances, Electricity etc.	385.49	293.89
Legal Expenses	9.92	8.21
Postage, Stamps, Telecommunication etc.	8.82	8.46
Stationery, Printings, Advertisements etc.	117.42	101.02
Directors' Fees & Expenses	6.97	6.83
Shariah Supervisory Committee's Fees & Expenses	0.75	0.55
Auditors' Fees	1.21	0.46
Repair of Bank's Assets	32.86	36.34
Other Expenses	496.49	364.70
	10,604.27	9,876.18
Value added by Banking Services	8,570.07	7,429.43
Less Provisions related to Investment		
Specific provisions for Investment	609.27	992.38
General Provisions for Investment	706.08	248.92
General Provisions for off-Balance Sheet exposure	167.55	109.35
Provision for other assets	23.00	20.00
Provision for diminution in value of shares	-	-
	1,505.89	1,370.65
Total Value Addition	7,064.18	6058.78



Distributions of Value Addition for the year ended 31st December 2016

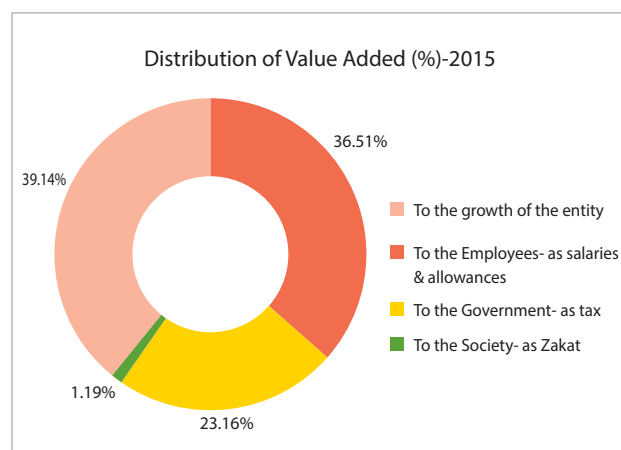
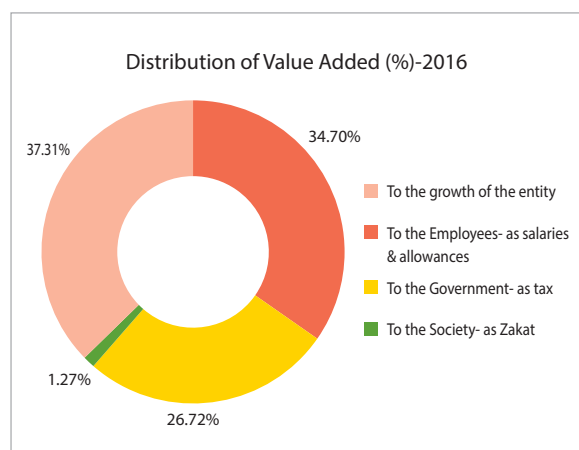
Fig in million Taka

Distribution of Value Addition	Year 2016	Percentage	Year 2015	Percentage
To the Employees- as salaries & allowances	2451.35	34.70%	2212.23	36.51%
To the Government- as tax	1887.66	26.72%	1403.07	23.16%
To the Society- as Zakat	89.79	1.27%	71.84	1.19%
To the growth of the entity-(-)	2635.37	37.31%	2371.64	39.14%
as Statutory Reserve (-)	838.44	11.87%	695.83	11.48%
as Retained Earnings (-)	1,453.75	20.58%	1376.76	22.72%
as Deferred Tax (-)	12.34	0.17%	3.51	0.06%
as Depreciation (-)	225.60	3.19%	192.37	3.18%
as Gratuity Fund	105.24	1.49%	103.17	1.70%
	7064.18	100.00%	6058.78	100.00%

Distribution of Dividend and Retained by the entity

Fig in million Taka

Particulars	Year 2016	Year 2015
Retained earnings (Balance Sheet) for payment as dividend and retain by the entity	1,481.97	1,409.02
Paid as dividend to the share holders	-	1,406.28
Dividend to be paid to the share holders	1,476.60	-
Retained by the entity	5.37	2.74



Economic Value Added (EVA) Statement for the year ended 31 December 2016

EVA indicates the true economic profit of a company. EVA is an estimate of the amount by which earnings exceed or fall short of required minimum return for shareholders at comparable risk. Shareholders are always conscious about their return on capital invested. As a commercial banking company, SIBL is deeply concern for distribution of value to all of its Shareholders. EVA of SIBL has stood at Tk 1,605.31 million as of December 31, 2016 as against Tk 1,435.74 million in 2015.

Fig in million Taka

Particulars	Year-2016	Year-2015
Total Revenue from Banking Services	19,174.34	17,305.61
Less Total expenses related to revenue	13,476.26	(12,455.80)
Operating profit	5,698.08	4,849.81
Less Corporate Tax	(1,900.01)	(1,406.58)
Net operating profit after tax	3,798.07	3,443.23
Shareholders' Equity	14,187.80	12,950.32
Add Accumulated provision for investment (Inclg. Off B/S items)	4,459.31	3,494.40
Sub Total	18,647.11	16,444.72
Average Shareholders' Equity	13,569.06	12,546.85
Return of Equity	16.16%	16.00%
Capital Charges	2192.76	2,007.49
Economic Value Added	1,605.31	1,435.74

Market Value Added (MVA) Statement for the year ended 31 December 2016

Market Value Added (MVA) is the difference between the equity market value of a company and the book value of equity invested in the company. A high MVA indicates that the company has created substantial wealth for the shareholders. MVA is equivalent to the present value of all future expected economic value (EVA). The equity market value of the bank stood at Tk 13,584.70, million whereas the book value of the equity stood at Tk 7382.99 million resulting a MVA of 6,201.70 crore as of December 31, 2016 as against Tk. 3,093.82 million in 2015.

Fig in million Taka

Particulars	Year-2016	Year-2015
Market Value of Total Equity	13,584.70	10,125.24
Less: Book Value of Total equity	(7,382.99)	(7,031.42)
Market Value Addition	6,201.71	3,093.82
Total number of Share outstanding	738,298,642	703,141,564
Book Value per share	10.00	10.00
Market value per share	18.40	14.40





CHAIRMAN'S FOREWORD

All praises to the Almighty Allah, the Most Gracious and the Most Merciful, and His peace and blessings be upon the Prophet Muhammad (Sallallahu alaihi wasallam) and his descendants and companions.

Honourable Shareholders,
Assalamu-Alaikum Wa Rahmatullah

It is my immense pleasure to take the opportunity on behalf of the Board of Directors of Social Islami Bank Limited to present your bank's achievements and progress of 2016 and cordially welcome you all to this great occasion –the 22nd Annual General Meeting (AGM). I like to recall with great respect the contribution of those honorable shareholders, valued clients, respected directors, regulators, distinguished Patrons and pay debt of sincere gratitude for their relentless support and confidence they have reposed on us. I am also delighted to place before you the Annual Report and the Auditors' Report for the year ended on 31 December 2016.

This year SIBL has completed 21st year of its anniversary. This tremendous journey of two decades

has become possible only by the grace of Allah and because of your continuous support. In two decades, SIBL has grown in a very enduring way. Today this Bank is a renowned and trusted name among the top commercial banks in the private sector of the country. The noble vision with which this Bank was created, our passion for rendering the best possible service to the customers, our eagerness for innovation & value creation and, above all, our trust on Allah Subhanahuwata'la has made SIBL distinguished and the foremost choice of all.

Before saying a few words on this occasion, I want to recall that the Social Islami Bank Limited was incorporated in the year 1995 under the profound leadership of the renowned economist--Professor Dr. M.A. Mannan--the founder chairman of the Bank in close cooperation and assistance from a group of Bangladeshi expatriates including myself with a pioneering role, local entrepreneurs, and foreign dignitaries of the Islamic World. The broad objective of SIBL is somewhat different from other Islamic and contemporary banks. The operation of SIBL has been defined under a unique theme of three-sector banking model (I) Formal Sector, commensurate with Islamic Commercial Banking using modern technology; (II) Non-Formal Sector, based on a concept of empowering family through Micro Credit & Micro Enterprise Program; and (III) Voluntary Sector, inviting Social Capital Mobilization through Cash WAQF- a unique invention of SIBL accredited by many financial institutions in this country and abroad- with a firm conviction to work together for a caring society. Our vision is to minimize the poverty level in Bangladesh. In this regard, the inherent concept and credence of "Working Together for a Caring Society" is always held high. To carry forward this commitment, the personnel of SIBL are imbued with the highest degree of enthusiasm, zeal and vigor to serve the society at large. With a view to uplifting the socio-economic condition of rural and urban poor through family empowerment, SIBL has restructured its micro-finance operations and launched the program in the name & titled "Family Empowerment Islamic Microfinance Program (FEIMP)" on March 12, 2015. The FEIMP is a group based lending

providing to the poor segment of the society who is not able to provide collateral security. Maximum ceiling of investment in micro-finance program ranges from BDT 20,000.00 to BDT 80,000.00 repayable on bi-weekly basis. The objective of the program is to empower 'Family' as a whole, not merely man or woman, individually. Initially, the program was started in four Branches.

Dear Shareholders,

The year of 2016 was, indeed, an eventful year around the world in many respects. Despite scattered signs of improvement, the world as well as national economic situation and prospects continued to be challenging. As per World Economic Outlook October 2016, the global economic growth for 2016 was projected 3.1 percent, before recovering to 3.4 percent in 2017. The forecast, revised down by 0.1 percentage point for 2016 and 2017 relative to April, reflects a more subdued outlook for advanced economies following the June U.K. vote in favor of leaving the European Union (Brexit) and weaker-than-expected growth in the United States. Global economic growth will remain subdued this year following a slowdown in the United States and Britain's vote to leave the European Union, the IMF said in its October 2016 World Economic Outlook. Uncertainty following the "Brexit" referendum in June will take a toll on the confidence of UK investors. In emerging market and developing economies, growth will accelerate for the first time in six years, to 4.2 percent, slightly higher than the July forecast of 4.1 percent. Next year, emerging economies are expected to grow 4.6 percent. However, prospects differ sharply across countries and regions. China's economy, the world's second largest, is forecast to expand 6.6 percent this year and 6.2 percent in 2017, down from growth of 6.9 percent last year. Growth in emerging Asia, and especially India, continues to be resilient. India's gross domestic product is projected to expand 7.6 percent this year and next, the fastest pace among the world's major economies. Sub-Saharan Africa's largest economies continue to struggle with lower commodity revenues, weighing on growth in the region. Nigeria's economy is forecast to shrink 1.7 percent in 2016, and South Africa's will barely expand. Economic activity slowed in Latin America, as



several countries are mired in recession, with recovery expected to take hold in 2017.

Despite slow pace of recovery in global economy, Bangladesh's progress in recent years is notable. For the last seven years Bangladesh has been able to sustain robust GDP growth while ensuring equitable distribution of its benefits. In FY 15 BD achieved a handsome 6.55 percent growth and GDP growth is expected to be 7.05 percent in FY16. Per capita income is expected to increase to USD 1,466. Investment has gathered momentum. Foreign Exchange reserve is now over US \$ 31 billion which is equivalent to over 7.5 months import bill. Average monthly inflation rate in August 2016 was 5.37%.

The banking sector performance of the country was under tremendous pressure because of limited resources, stringent monetary policy, excess liquidity in the money market, less demand for new investment and absence of quality investment opportunity. SIBL, however, accepted the challenge, withstood the adversity successfully and marked the year with steady growth and success and finally your bank is able to declare 20% cash dividend for the year 2016 as against 15% cash dividend and 5% Stock Dividend of 2015, which can be mainly attributed to the strong fundamentals of the bank.

Dear Shareholders,

As you will note from the Annual Report, I want to briefly discuss on some of the bank's important facts and issues step by step which are very fundamental and showing that your bank getting momentum year to year.

1. Performance of the bank

At the end of the year Client Deposit stood at Tk 178,846.14 million compared to Tk. 138,537.32 million in 2015. The Investment Deposit Ratio (ID Ratio) at the end of the year 2016 was 89.86% as against 88.52% in 2015. New 14 branches were opened and state-of-the-art IT services was introduced to offer better banking services to the existing and prospective

clients. Return on Equity (ROE) stood at 16.16% and the Earning per Share (EPS) was Tk. 3.10 as against 16.00 % and Taka 2.81 (restated) respectively in 2015, which may be considered reasonable as against the industry average. In the year under report Capital of the Bank increased and stood at Tk. 19,195.04 million which was Tk. 16,916.08 million in 2015. We have successfully maintained our Capital Adequacy Ratio throughout the year 2016 at 11.55% against 12.33% (consolidated) in 2015. To face the challenges of BASEL-III, your bank is ready to maintain buffer capital considering more risks. In this regard, many procedural changes have already taken place. Stress Testing exercises of the bank reaffirms its position assuming acute to most distressing circumstances. The process also included continuous persuasion of the business houses on the importance of Corporate Rating for a mutual win-win situation. The Bank's Stress-results of last 4 quarters of 2016 indicate that the bank is shock absorbent under minor and moderate shock levels. The Stress test-results after a minor shock at the end of the 4th Quarter of 2016, the CRAR stood at 10.04 % against 10.56 % in 2015. Overall, the Bank has put an all-out effort to maintain and develop its major financial indicators. Total Deposit and total Asset of the Bank stood at Tk. 190,564.52 million and Tk. 227,704.18 million respectively as on 31st December, 2016 compared to Tk. 149,773.62 million and Tk. 180,112.11 million respectively as on 31st December, 2015 indicating growths of 27.24% and 26.42% respectively over the year 2015. The Bank achieved 29.88% growth in investment with a total investment portfolio of Tk. 174,196.13 million in 2016 compared to Tk. 134,116.85 million in 2015. Import business of the Bank stood at Tk. 104,270.60 million in 2016 with 22.81% growth over the previous year of Tk. 84,906.70 million, while Export business of the Bank stood at Tk. 49,766.00 million in 2016 with (8.05%) growth over the previous year of Tk. 54,121.20 million. Total Foreign Remittance was Tk. 13,345.70 million in 2016 with 31.30% growth over the previous year of Tk. 10,164.50 million. Total Foreign Exchange business of the Bank was Tk. 167,382.30 million in 2016 with 12.20% growth over the previous year's 149,192.4 million. Most

importantly, we were undaunted in our efforts to make non-performing assets of the Bank more performing. In 2016 the classified investment of the Bank increased to 4.44% of the total investment. It was 3.84% in the year 2015. To maintain asset quality of the Bank threadbare analysis of investment proposals, post disbursement strong monitoring and adequate securitizations are always given priority. As a result of all such efforts, SIBL registered an operating profit of Tk. 5698.08 million in the year 2016 with remarkable growth of 17.49% compared to Tk. 4849.82 million in 2015.

2. Risk Management

To ensure sustainable and consistent growth, SIBL has developed sound risk management policies and framework as per Bangladesh Bank guidelines. All the risk management policies and frameworks were reviewed by the Board of Directors of SIBL during the year 2016. A Risk Management Committee (RMC) was formed consisting of 5 (five) members of the Board of Directors in 2013. Main objectives of the RMC are to ensure proper and timeliness risk management in every sphere of the bank. The Board has been made responsible for identifying the risks and formulation of appropriate strategies to control inherent banking risks. The Committee submits decisions and recommendations to the Board on quarterly basis for further reviews and guidance in the interest of the stakeholders. To streamline the risk management system of the bank, a separate division called "Risk Management Division" has been formed where a Deputy Managing Director is working as Chief Risk Officer (CRO). The Division is staffed with some brilliant and young professionals for consolidated risk management. Besides that, a Management level Risk Management Committee is actively working to focus the entire risk management system of the bank.

3. Green Banking

The concept of Green Banking has emerged from global warming issue. Social Islami Bank Ltd. has declared to prefer eco-friendly business and energy efficient industries at the time of selecting Investment clients.

Adoption of Green Banking Policy by the bank has been reducing paper-work to a great extent. More and more Green-Banking activities during the year 2016 have successfully been recorded. The bank has disbursed an amount of Tk. 19,824.23 million under green banking finance in 2016 against Tk. 8,977.34 million in 2015.

4. Corporate Governance

Social Islami Bank Limited has given highest priority to develop and ensure corporate governance. SIBL strictly adhere to the compliance requirements of Bangladesh Bank relating to the Directors. Duties and responsibilities along with code of conduct of the Chairman, Director, Managing Director, Company Secretary, Chief Financial Officer and Head of Internal Control & Compliance of Social Islami Bank limited are specifically defined by the Board of Directors of SIBL and all such personnel have signed under their own hand to abide by their code of conduct. SIBL has separate code of conduct for its employees and as you will note from the Directors' Report, also the compliance of the code of conduct set by the Bangladesh Securities & Exchange Commission. During the year under report, SIBL closely observed all compliance issues including Shariah and ensured timely all regulatory compliances.

5. Branding & Team spirit

A division called "Branding & Communication Division" has been formed headed by a Additional Managing Director which is mainly engaged in image building activities using all modern concepts & tools so that the messages of our bank easily reach the grassroots level of the nation and abroad. To support the total activities and efforts of the bank, this division is always planning and generating ideas which have really made us confident in our day to day working schedule. The bank formally declared its Branding & Communication policy in 2010 and since then many ideas have been implemented stimulating us towards building of team spirit with new and visionary zeal. The activities of SIBL Branding have brought many procedural changes in a developed way which is clearly visible. Now, SIBL is undoubtedly gaining momentum in its day to day



activities to implement the slogan “Journey towards continuous excellence” by strengthening the Bank’s financial capability to an international standard, increasing the brand image, and by practicing high degree of planned corporate good governance.

6. Corporate Social Responsibility

I am also pleased to inform you that operations of 2016 were meaningful and memorable for many reasons. Finally, the SIBL Foundation of the bank is in light and a Hospital called ‘SIBL Foundation Hospital and Diagnostic Center’ in short, SIBL FHDC, is established. SIBL FHDC recognizes the importance of a highly qualified healthcare team in accomplishing its mission, and is committed to the employment and continuous development of the highest caliber physicians and staff whose priority will be to exceed the quality and customer service expectations of patients, their families and co-workers through excellence, efficiency and commitment. SIBL FHDC is located at Panthapath, Dhaka initially having 14,750 sft on the Ground Floor to 2nd floor of the building and was formally inaugurated on 22.09. 2015 to offer the best quality health services in the areas of dialysis, pharmacy, ICU and Diagnostics and Consultancy in a very developed and cost effective way. In line with the objectives of SIBL Foundation, SIBL FHDC has declared 30% discount for all and 40% discount to the employees of SIBL including their family members. Meanwhile, SIBL Foundation has also purchased additional Floor spaces of 35,241 sft. from 3rd Floor to 8th Floor in the same Fattah Plaza, 70, Green Road, Dhaka and hope to offer a full fledged hospital (ground floor to 8th floor) to the nation by June 2017 Insha Allah. The extended part of the hospital is under heavy construction. After completion of the hospital, it will enhance its services in the areas of: (i) Emergency medical services, 5 nos. of modern OT (Operation Theaters), Operation of Cleft & Eye patients, In Patient services. The bank sees dreams of extending the health service to the nation through opening hospital/ braches minimum one in every district in next 10 years. For the successful completion of the 1st phase of development, I thank Almighty Allah

for his blessings. SIBL Foundation Hospital is indeed another success story of Social Islami Bank Limited towards its journey of excellence. Corporate Social Responsibility (CSR) activities of the Bank expended Taka 61.44 million against Taka 57.70 million in 2015 under Health, Education, Sports, Disaster Management and Environmental programs—mostly belonging to social utilities and reaffirm our commitment to help many sectors. Operating Expenses, Profit of Cash Waqf Fund, Compensation Fund, Doubtful Income and Zakat Fund are the main source of CSR activities of the bank.

7. Human Resources & Development

To provide developed and quick services to customers with full satisfaction is a very challenging job in the competitive banking era. Keeping this challenge in view, we have focused on the development of human resources and best HR practices in our Bank. To this end, recruitment of fresh blood and retention of competent personnel are our number one priority. SIBL always tries to sort out all possible ways it deems beneficial to promote its employees’ professional skill and efficiency. It has its own Training Institute, which rendered useful training to 1721 employees last year compared to 1270 in 2015 and 402 employees from the Bank obtained training from outside including BIBM in 2016 compared to 431 in 2015. The Training Institute of SIBL conducted 9 foundation training courses for total 340 nos. of fresh employees in 2016 against 4 foundation course for 102 nos. of employees in 2015. 16 workshops were conducted on different burning issues related to banking industries where 658 nos. different Officers and executives had participated against 27 workshops and 839 nos. of participants in 2015. We recognize our personnel by awarding most competitive pay scale and incentives including different types of long-term benefits like Provident Fund, Gratuity, Supper Annuity Fund (the then Social Insurance), Leave Encashment etc. Depending on the market and growth of the Bank, we review the pay structure on a regular interval basis. Performance of the employee is determined on the basis of annual employee rating (Annual Confidential Report—ACR) system along with meeting

key performance indicators. Deserving employees are rewarded under a performance-linked award system with accelerated promotion.

8. Products & Services

SIBL is looking forward to expand its area of operation from urban to rural by introducing new customized products and services that are tailored to different economic class of people of the society in order to bring the un-banked people into banking channels. During the year 2016, many Products and Services were invented by the bank. Enormous emphasis was given to create a technology based banking environment realizing the facts that spending on widespread technology would be an Investment to support our growth and accordingly your bank has been relentlessly pushing to popularize technology driven products and services.

9. Agent Banking

To bring the unbanked people into banking from remote area of Bangladesh, SIBL has successfully launched Agent Banking Operation on 25th October 2015. SIBL is offering (i) Cash Deposit facility (ii) Cash withdrawal facility (iii) Foreign Remittance Disbursement facility (iv) Fund Transfer facility (v) Balance Inquiry (vi) Mini Statement (vii) Opening of MTDR, DPS accounts services etc. to the grassroots and unbanked people through its Agent Banking Operation. As on 31st December, 2016 the number of our Agent Banking outlets was increased to 60 (sixty) and an amount of Taka 6.38 million was procured through 10,047 numbers of accounts. An amount of Tk. 0.79 million was disbursed as remittance and Tk. 0.70 million was earned from Agent Banking activities in the year 2016. We have targeted to open more 200 new outlets of Agent Banking in the year 2017 insha Allah.

10. Challenge 2017

We have taken the year 2017 as a challenge with the promise to increase the stakeholders' value and be valued as a compliant organization. Adopting new strategic business policy, your bank will leave no stone

untuned to boost business in all areas of operation to achieve its corporate goal. SIBL emphasis on employment generation, environment friendly green banking for equitable distribution of resources over geographical territory for sustainable growth of macro economy of the country. The pro-active management team of SIBL with their talent & skill has been working continuously to achieve success in the performance of the bank.

In conclusion, I would like to thank you all for your kind presence in the 22nd Annual General meeting of the Bank. I would further recall and express my deep sense of gratitude on behalf of the Board to Bangladesh Bank, Well-wishers, Shareholders, and Stakeholders, Bangladesh Securities and Exchange Commission and other regulators for their sincere support, cooperation and guidance in our quest for excellence. I also place on record my appreciation to the efforts made by the management of SIBL for their hard work and deep-rooted commitment towards achieving our cherished goals.

Ma-Assalam



Major (Retd) Dr. Md. Rezaul Haque
Chairman





MESSAGE FROM THE DESK OF THE MANAGING DIRECTOR & CEO (C.C)

Bismillahir rahmanir rahim.

All praises be to Allah, the Most Gracious and the Most Merciful, and His peace and blessings be upon the Prophet Muhammad (Sallallahu alaihi wasallam) and his descendants and companions.

Honourable Chairman, Honourable Shareholders, respected Members of the Board of Directors and my beloved Members of Team SIBL - Assalamu alaikum wa rahmatullahi wa barakatuhu.

At the outset I would like to express my humble gratitude to Almighty Allah for helping us to end the year 2016 with overall business success despite all odds and encounters, pitfalls and challenges. This year was the 21st Anniversary of SIBL. This tremendous journey of more than two decades has become possible only by the grace of Allah Subhanahuwata'ala and because of the continuous support of the respected Members of the Board of Directors, honourable Shareholders, valued Clients, distinguished Patrons and Well-wishers. The pragmatic guidance of the esteemed Members of

the Board of Directors and the dedicated hard work of Team SIBL are the other keys to the steady success of this Bank. I sincerely and cordially thank you all from the bottom of my heart for your invaluable support and contribution towards the growth of SIBL.

I would also like to recall with great respect the contribution of those honourable shareholders, valued clients, respected Directors, distinguished Patrons and beloved colleagues who breathed their last and are no more with us. Without their contribution the success of SIBL would not be possible either. I express my deep condolences to their bereaved families. May Allah Subhanahuwata'ala grant them all Jannatul Ferdous.

In our journey towards continuous excellence we are relentlessly striving to become a leading Islamic Bank in Bangladesh. By utilizing the most modern state-of-the-art technological solutions, creating proactive organizational culture and adapting to the best practices, we always try to provide our customers with quality banking experience and deliver the best value to all our stakeholders. Growing in a very enduring way day by day, today SIBL is a renowned and trusted name among the top commercial banks in the private sector of the country. Alhamdulillah.

SIBL is always committed to the grooming of economic and financial growth that would ultimately lead the country to build a caring society through its Three-Sector Banking Model which comprises Formal Sector Banking (i.e. typical banking activities as approved by Islami Shariah), Non-formal Sector Banking (i.e. informal finance in non-corporate sector through Family Empowerment Islamic Microfinance Programme) and Voluntary Sector Banking (i.e. Social Capital mobilization through Cash Waqf and other ways). The very birth of this Bank was, in fact, with the noble aim of "working together for a caring society". This in turn shows our mindset in practicing ethical banking by what Nobel Laureate Amartya Kumar Sen says

"Reduction of manifest injustice". "Manifest injustice", among others, includes:

- Lending too much to too few: It is risky because if large borrowers fail, the bank itself will be threatened. This also contributes to make the rich richer and the poor poorer. Often, such lending results in "relational capitalism" where business conglomerates with the help of financial institutions monopolize the market and dominate the entire economy.
- Lending too little to the poor: This denies the basic rights of the poor and is, therefore, morally unacceptable.
- Taking too much risk: The higher the risk, the higher the return. On the other hand, higher risk is a threat to depositors.
- Participating in business, which knowingly causes environmental degradation.
- Lack of affirmative policies for the weak, deprived and disabled: This involves a change in mind-set. It is not correct to assume that the poor and disadvantaged persons are less responsible than others.

Since its inception SIBL has been operating with focus on alleviating poverty through practicing its Three-Sector Banking Model and putting greater emphasis on micro investment, SME Investment, Export Finance, Women Entrepreneur & Agro Investment as a part of its financial inclusion. In case of investment, SIBL emphasizes the projects which generate employment and environment friendly banking for equitable distribution of resources over geographical territory for sustainable growth of macro economy of the country.

Investment comprises a very large portion of a bank's



total activities and major revenue is generated from it. Therefore, SIBL is very much proactive in managing its investment portfolios in order to minimize possible losses and earn an acceptable level of return for the shareholders. Investment strategy of SIBL mostly focuses on non-funded business rather than funded business. Because, this generates a significant income without channeling any fund. We have also extended our Branch Network further and opened 14 new Branches in 2016 to bring more people under the coverage of our banking services. As such, total number of Branches of the Bank stood at 125 as on 31st December, 2016.

As a result of our all-out effort Capital of the Bank increased in the year under report and stood at Tk. 19,195.04 million which was Tk. 16,916.08 million in 2015. Total Deposit and total Asset of the Bank stood at Tk. 190,564.51 million and Tk. 149,773.62 million respectively as on 31st December, 2016 compared to Tk. 227,704.18 million and Tk. 180,112.11 million respectively as on 31st December, 2015 indicating growths of 27.24% and 26.42% respectively over the year 2015. The Bank achieved 29.88% growth in investment with a total investment portfolio of Tk. 174,196.13 million in 2016 compared to Tk. 134,116.85 million in 2015. Import business of the Bank stood at Tk. 104,270.60 million in 2016 with 22.81% growth over the previous year, while Export business of the Bank stood at Tk. 49,766.00 million in 2016 with -8.05% growth over the previous year. Total Foreign Remittance was Tk. 13,345.70 million in 2016 with 31.30% growth over the previous year. Total Foreign Exchange business of the Bank was Tk. 167,382.30 million in 2016 with 12.20% growth over the previous year. Most importantly, we were undaunted in our efforts to make non-performing assets of the Bank more performing. In 2016 the classified investment of the Bank was 4.44% of the total investment. To maintain asset quality of the Bank threadbare analysis of investment proposals, post disbursement strong monitoring and adequate

securitizations are always given priority. As a result of all such efforts, SIBL registered an operating profit of Tk.5698.08 million in the year 2016 with remarkable growth of 17.49% compared to Tk. 4849.82 million in 2015. Alhamdulillah.

SIBL is a Social Bank as its name clearly indicates. Thus, this Bank is quite conscious of its social responsibilities and is always trying to participate in various social programs in the country under its CSR portfolio by giving special emphasis on health, habitat & education. The Bank is continuously expanding its CSR activities. In the year 2016 SIBL has contributed a sum of total Tk. 109.23 million which was Tk. 57.68 million in the year 2015. SIBL strongly believes that any kind of social & philanthropic activities would improve the quality of the lives of the poor masses of the country. Moreover, as a part of SIBL's social commitment SIBL Foundation Hospital, Diagnostic & Dialysis Center is now offering world class medical facility to the people of Bangladesh. Located at 70 Green Road, Panthapath, Dhaka this Hospital is equipped with state-of-the-art automatic medical equipment, more than 100 beds, 6 Operation Theaters and a team of very experienced medical professionals. The cost of treatment here is very competitive and lesser than any other hospital in the country.

With a view to uplifting the socio-economic condition of rural and urban poor through family empowerment, SIBL has launched "Family Empowerment Islamic Microfinance Programme (FEIMP)" which is a group based lending providing to the poor segment of the society who are not able to provide collateral security. The objective of the programme is to empower 'Family' as a whole, not merely man or woman, individually. Although traditional microfinance programmes targeting the poor, it often fails to reach the people living in poverty. Our microfinance efforts have been geared towards reaching a large number of the poor groups who have not been served earlier by other MFIs/

NGOs. The programme intends to include everyone below the poverty line assuming that the poorest would be provided by the same package of services as in the case of moderately poor. The profit rate of this programme has also been kept comparatively very low. Meanwhile, 83,084 numbers of households/families have been surveyed from 685 villages, among which 16,225 numbers of households have been selected and they are being enrolled gradually in Family Cluster (FC) under the FEIMP of SIBL. At present, total 558 Family Clusters have been formed with 7,505 Members in the programme having a total group savings of BDT 13.80 million. In the meantime, an amount of BDT 156.68 million has been disbursed among 3,895 clients having an outstanding of BDT 108.77 million. The Family Empowerment Islamic Microfinance Programme (FEIMP) has been implemented in 31 of our Branches in full swing. This Programme is at initial stages in 16 other Branches and will be expanded in rest of the Branches of the Bank gradually. FEIMP is now considered as one of the focus areas of operation of SIBL.

In SIBL we are always ready to accept challenges of

the future and we are committed to maintain our momentum in growth of business and profitability in the years ahead. We sincerely hope that in our journey towards excellence our honourable shareholders, respected stakeholders and valued clients will always be with us.

May Allah Subhanahuwata'ala bless us all with peace, progress and prosperity. Aameen.

Ma'a salama.



Ihsanul Aziz
Managing Director & CEO (CC)



MANAGEMENT REPORT & ANALYSIS

Bismillahir Rahmanir Rahim.

I take the opportunity to express my sincere gratitude to all honourable Shareholders, valued Clients, distinguished Patrons and Well-wishers. It is a matter of great honour and privilege to present before you the Management Report & Analysis on the different aspects and activities of Social Islami Bank Ltd. in the year 2016.

Vision

Vision of this Bank is to minimize the poverty level in Bangladesh. In this regard, the inherent concept and credence of "Working Together for a Caring Society" is always held high. To carry forward this commitment, the personnel of SIBL are imbued with the highest degree of enthusiasm, zeal and vigor to serve the society.

Customers Service

The Bank has focused on dignified, prompt and personalized services to the customers. SIBL believes in developing strong interpersonal relationship. As such, the Bank is morally bound to provide high quality banking services supported by the latest technology to obtain optimum return on shareholder's equity ensuring safety of depositor's money and making all out efforts to introduce innovative Islamic Banking products to the existing and prospective customers. We are happy that SIBL could give enough emphasis on empowering poor families by creating income opportunity and providing financial support to make them self-reliant. The Bank considers that services to be of utmost importance to improve the fate of deserving people in our society. Now, SIBL has been able to extend more comfortable services to the valued clients such as any branch banking, 24/7 services ATM services, VISA Debit and Credit Card, SMS Banking, Internet Banking, Agent Banking, Electronic Fund Transfer, Central Clearing facilities, and the like. These services have surely added new dimensions and have offered new and advanced means of banking to the clients.

SIBL is looking forward to expand its area of operation from urban to rural by introducing new customized products and services that are tailored to different

economic class of people of the society in order to bring the un-banked people into banking channels.

Branding

SIBL is undoubtedly gaining momentum in its day-to-day activities to implement the slogan "Journey towards continuous excellence" by strengthening the Bank's financial capability to an international standard, increasing the brand image, and by practicing high degree of planned corporate good governance. Change of "Logo" of the Bank has brought in new team spirit among the members of the SIBL family. During the year under report, 14 new Branches have been opened and state-of-the-art IT services has introduced to offer better banking services to the existing and prospective clients.

Information Technology

The Bank has given due emphasis on the continuous development of Information Technology (IT). In this regard, some young and experienced professionals are working to explore the ideas of the cutting-edge, new IT products and services so that our IT-based banking service can reach to the "banked and un-banked" people around the country.

Green Banking

The Bank has specially focused on green banking to safeguard the mother planet. The concept of Green Banking has been adopted by reducing paper work to a great extent. More and more Green Banking activities have successfully been done in 2016. During the year 2016, a sum total of Taka 19,824.23 million was disbursed under ETP, Solar Plant/ Energy Renewable Plant, HKK and other Green Industry compared to Taka 8977.34 million in 2015. As on 31.12.2016, total outstanding Investment amount was Taka 3,751.61 million in Green Finance Project compared to Taka 1,536.99 million in 2015.

Agent Banking

To provide the unbanked people of remote area with banking facilities (viz. cash deposit, cash withdrawal, foreign remittance disbursement, fund transfer, balance inquiry, mini statement, MTDR, DPS, etc) SIBL started its Agent Banking activities in the year 2015. By signing an agreement with Rural Services Foundation (RSF) initially we started Agent Banking through 7 (seven) outlets. As on 31st December, 2016 the number of our Agent Banking outlets was increased to 60 (sixty). Through these outlets total no. of 10,047 accounts were opened, total amount of Tk. 63,80,446.89 was procured as deposit and total amount of Tk. 7,86,898.20 was disbursed against Remittance as on 31st December, 2016. An amount of Tk. 68,610.00 was earned as profit from Agent Banking activities in the year 2016. We have targeted to open 200 new outlets of Agent Banking in the year 2017 in sha Allah.

Human Resources Development

The Bank has regularly arranged in-house and outside training programs for the professional development (PD) of the employees so that they can acquire the current, advanced level banking knowledge and face the challenges of the modern banking. During the year under review, a total 402 employees were trained from IBM, BBTA other renowned and prestigious Institute of the country, 13 nos. employees were trained in outside the country, and SIBL Training Institute gave a total of 1721 nos. employees extensive in-house training whereas the number was 1270 nos. in 2015. The role of our Human Resources Division (HRD) is praiseworthy and it is truly the core strength of the Bank.

SIBL always recognize its personnel by awarding most competitive pay scale and incentives including different types of long-term benefits. Depending on the market and growth of the Bank, the Bank reviews the pay structure on a regular interval basis. Performance of the employee is determined through annual employee rating i.e. Annual Confidential Report (ACR) and

Key Performance Indicator (KPI) systems. Deserving employees are rewarded under a performance-linked award system with accelerated promotion.

Compliance

Management of the Bank very closely observes the issues related to regulatory compliances including Islamic Shariah. To guide the Shariah matters of the Bank, there is a Shariah Supervisory Committee Secretariat (SSCS). The SSCS members are highly qualified and competent people in Islamic Laws, Islamic Economics, Islamic Banking and Finance. Shariah Supervisory Committee Secretariat is very active and vigilant over the day-to-day activities of the Bank being conducted strictly in line with the Islamic Principles. SIBL is committed to be one of the leading banks with the development and practices of compliance culture in every sphere. During the year, the Bank put its all-out efforts to be compliant in all aspects of banking operation and controlled all the major financial indicators. The Key Financial Indicators Limit and Utilization as on 31st December 2016 are given below:

Financial Indicators Limit and Utilization as on 31/12/2016

Particulars	Limits	Name of the Month	Utilization/ Maintain	Unused/ (Excess)	Remarks
Investment and Deposits Ratio (ID Ratio)	Standard ID ratio for Islami Bank is 90%. (not exceeding 95% in any situation) Social Islami Bank is always optimistic to maintain 90% throughout the year.	Mar	90.97%	-0.97%	Complied
		June	89.15%	0.85%	Complied
		Sep	89.69%	0.31%	Complied
		Dec	89.86%	0.14%	Complied
MTF Ratio (Liability mature > 1 year / Assets mature > 1 year)	On the basis of historical trend analysis and considering the short term liability matching and profitability as well, standard Medium Term Funding (MTF) ratio has set from 50% to 90%	Mar	84.84%	5.16%	Complied
		June	86.42%	3.58%	Complied
		Sep	86.02%	3.98%	Complied
		Dec	85.67%	4.38%	Complied
Maximum Cum. Outflow (Net outflow up to 1 Month bucket)	20% of the Balance Sheet Amounts	Mar	12.76%	7.24%	Complied
		June	12.62%	7.38%	Complied
		Sep	13.23%	6.77%	Complied
		Dec	13.74%	6.26%	Complied
Wholesale Borrowing (highest borrowing)/ Net Placement	80% of bank's eligible capital	Mar	Tk. 453.23 Crore or 26.60%	Tk. 909.94 Crore or 53.40%	Complied
		June	Tk. 517.00 Crore or 30.27%	Tk. 849.32 Crore or 49.73%	Complied
		Sep	Tk. 228.80 Crore or 13.40%	Tk. 1137.53 Crore or 66.60%	Complied
		Dec	Tk. 970.99 Crore or 55.35%	Tk. 432.55 Crore or 24.65%	Complied



Particulars	Limits	Name of the Month	Utilization/ Maintain	Unused/ (Excess)	Remarks
Statutory Liquidity Ratio (SLR)	The Bank is required to maintain 5.50 % SLR on Time and Demand Liabilities.	Mar	Throughout the month, SLR was maintained above 05.50 %. Required SLR was Tk. 773.94 Crore.	Surplus SLR was Tk. 49.43 Crore	Complied
		June	Throughout the month, SLR was maintained above 05.50 %. Required SLR was Tk. 804.52 Crore.	Surplus SLR was Tk. 20.92 Crore	Complied
		Sep	Throughout the month, SLR was maintained above 05.50 %. Required SLR was Tk. 889.92 Crore.	Surplus SLR was Tk. 56.36 Crore	Complied
		Dec	Throughout the month, SLR was maintained above 05.50 %. Required SLR was Tk. 947.43 Crore.	Surplus SLR was Tk. 170.91 Crore	Complied
Cash Reserve Requirement (CRR)	The Bank is required to maintain a minimum credit balance with the Bangladesh Bank (including BB TT in transit) @ 6.50 % on Time and Demand Liability on fortnight basis and 6.00% on daily basis.	Mar	Throughout the month CRR was maintained above 6.50%. Required CRR was Tk. 914.66 Crore.	Surplus CRR was Tk. 277.65 Crore	Complied
		June	Throughout the month CRR was maintained above 6.50%. Required CRR was Tk. 950.79 Crore.	Surplus CRR was Tk. 263.78 Crore	Complied
		Sep	Throughout the month CRR was maintained above 6.50%. Required CRR was Tk. 1051.73 Crore.	Surplus CRR was Tk. 164.52 Crore	Complied
		Dec	Throughout the month CRR was maintained above 6.50%. Required CRR was Tk. 1119.70 Crore.	Surplus CRR was Tk. 397.63 Crore	Complied
Liquidity Coverage Ratio (LCR)	The minimum standard for LCR shall be greater than or equal to 100	Mar	131.33%	31.33%	Complied
		June	138.37%	38.37%	Complied
		Sep	146.33%	46.33%	Complied
		Dec	104.12%	04.12%	Complied
Net Stable Funding Ratio (NSFR)	The minimum standard for NSFR shall be greater than 100.	Mar	121.48%	N/A	Complied
		June	119.67%	N/A	Complied
		Sep	125.16%	N/A	Complied
		Dec	118.41%	N/A	Complied
Leverage ratio	The minimum standard for Leverage ratio shall be greater than 3.00%.	March	5.65%	2.65%	Complied
		June	4.95%	1.95%	Complied
		Sep	4.86%	1.86%	Complied
		Dec	5.20%	2.20%	Complied
Capital to Risk Weighted Asset Ratio (CRAR)	The Bank is required to maintain a minimum Capital of Tk 400 Crore or equivalent to 10.625% of total risk weighted assets (including conservation buffer) whichever is higher	Mar	11.55%	N/A	Complied
		June	11.01%	N/A	Complied
		Sep	10.89%	N/A	Complied
		Dec	11.55%	N/A	Complied

Capital Management

Revised Risk Based Capital Adequacy (RBCA) guideline in line with Basel III implementation phase was started in 2015. During the year under review, Management of the Bank was even more cautious in proper risk management of the Bank. The Bank has successfully maintained the Capital to Risk Weighted Asset Ratio (CRAR) of 11.57% (consolidated) as against the required CRAR of 10.625% including conservation buffer under BASEL-III capital accord.

01. Maintaining minimum capital requirement against major risks under Pillar I of Basel III:
 - a. Credit Risk/ Investment Risk: Credit risk is the potential that a bank borrower or counterparty fails to meet its obligation in accordance with agreed term. Credit risk exposed an amount of Tk. 151,499.12 million as risk weighted assets (RWA) and the capital requirement for the credit risk was Tk. 125,851.78 million in 2015 against which the bank maintained Tk. 19,200.58 million (Consolidated) as capital. In the year of 2016 RWA for credit risk was Tk. 151,499.12 million and the capital requirement for credit risk was Tk. 151,49.91 million and maintained Tk. 19,200.58 million, which means the Bank maintained sufficient capital to absorb the shock arising from credit risk.
 - b. Market Risk: Market risk is defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices. The market risk positions subject to this requirement are: a) The risks pertaining to interest rate related instruments and equities in the trading book; and b) Foreign exchange risk and commodities risk throughout the bank (both in the banking and in the trading book).

In Bangladesh, risk weighted asset on market risk is calculated by considering risks deriving from changes in interest rates and equity prices in the banks' trading book in respect of exposure to risks deriving from changes in foreign exchange rates and commodity price in the overall banking activity. In the year 2015 SIBL had an amount of Tk. 1890.40 million RWA for market risk and the capital requirement for the market risk was Tk. 189.04 million and maintained Tk. 16,920.99 million. In 2016, RWA for market risk was Tk. 3526.00 million and the capital requirement for credit risk was Tk. 352.60 million against which the Bank maintained capital of Tk. 19,200.58 million, which means the Bank maintained sufficient capital to absorb the shock arising from market risk.

- c. Operational Risk: Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Basic indicator Approach is used for calculating capital charge for operational risk as of the reporting date. As per risk based capital adequacy guidelines, capital charge for operational risk is equivalent to 15% of average annual gross income of three previous years where negative figures are excluded. In the year of 2015 RWA for operational risk is Tk. 9647.10 million and the capital requirement for credit risk is Tk. 964.71 million against which the bank maintained Tk. 16920.99 million. In the year of 2016 RWA for operational risk is Tk. 11147.55 million and the capital requirement for credit risk is Tk. 1114.75 million against which the Bank maintained Tk. 19,200.58 million.
2. Maintaining adequate capital requirement against all risks (risk profile) under Pillar II of Basel III:

Adequate capital is needed to be maintained considering the risk profile of the bank under Pillar II of Basel III. In case of Bangladesh, generally the following risks are considered for maintaining additional capital requirement under supervisory review process (SRP):

- Residual Risk
- Concentration Risk
- Liquidity Risk
- Reputation Risk
- Strategic Risk
- Settlement Risk
- Evaluation of Core Risk Management
- Environmental & Climate Change Risk
- Other material risks.

To assess the capital charge for the above risks Bangladesh Bank has given a guideline and instructs the banks to develop and Internal Capital Adequacy Assessment Process (ICAAP). In 2015, the additional capital requirement of SIBL was Tk. 1417.20 million considering the above risks and accordingly the total capital requirement was increased to Tk. 14995.50 million against which the bank maintained Tk. 13078.20 million. In 2014, the additional capital requirement of SIBL was Tk. 1294.00 million considering the above risks and accordingly the total capital requirement was increased to Tk. 12805.89 million against which the Bank maintained Tk. 16920.99 million.



Assets Liability Management

Activities of the Assets Liability Management of the Bank are mostly visible in proper liquidity planning and in matching of assets liability-gap despite the existence of volatile money market. To mitigate the investment risks, the Bank has adopted some massive changes in the investment processing, sanctioning, approval and monitoring system as per core risk guidelines of the Bangladesh Bank. Some well-known corporate business houses and individuals of the country have joined with us as our business partners.

Corporate Social Responsibility

This year, under Corporate Social Responsibility (CSR) activities of the Bank Taka 109.23 million was spent under Health, Education, Sports, Disaster Management and Environmental programs which was Taka 57.68 million in 2015. This is a reaffirmation of the commitment of SIBL towards the society.

SME & Agricultural Investment

Due emphasis was given on SME and Agricultural Financing that stood at Taka 40507.30 million in 2016 as compared to Taka 2,9198.70 million in 2015 which is 38.73% growth compared 36.76% growth in 2015.

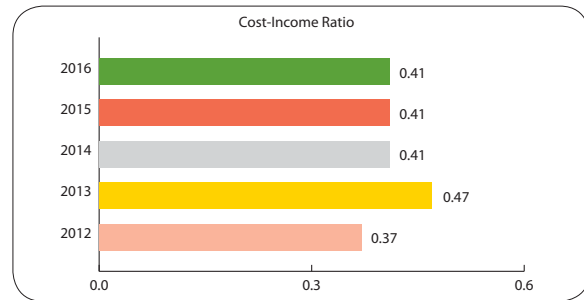
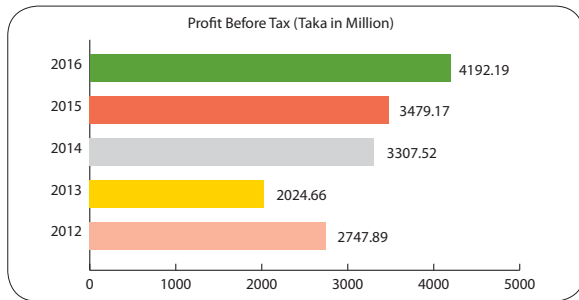
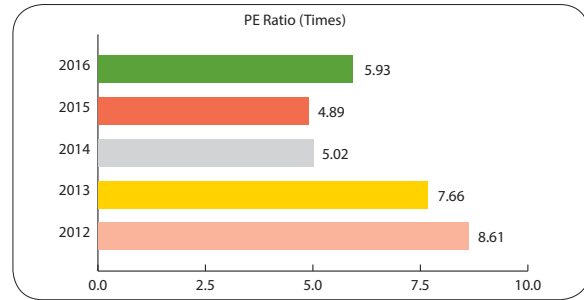
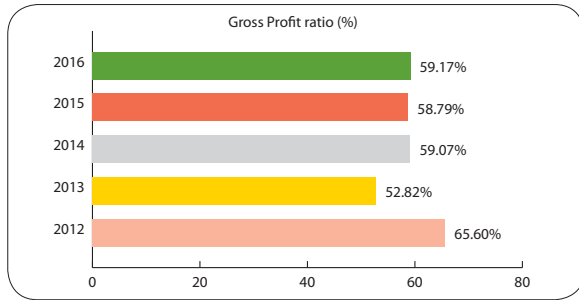
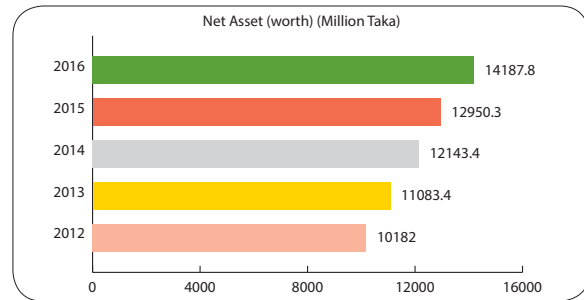
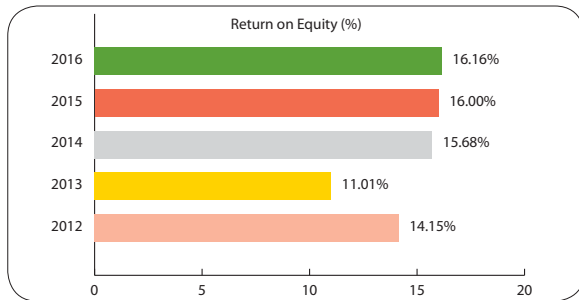
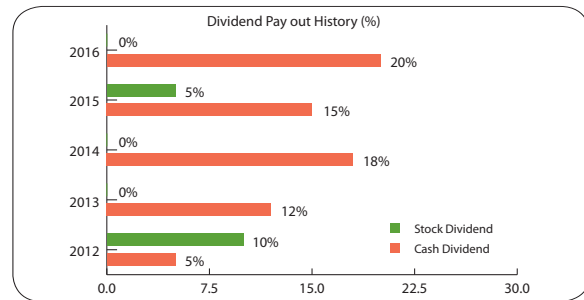
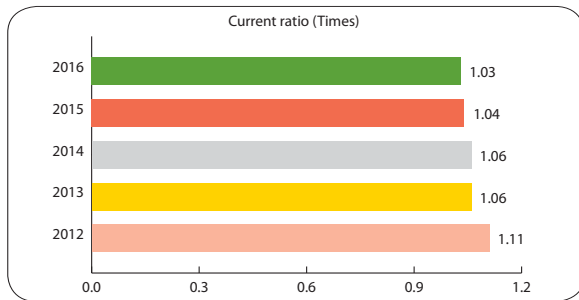
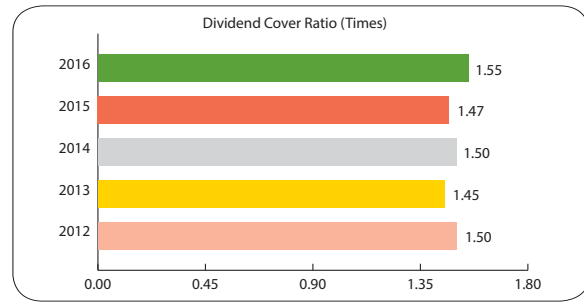
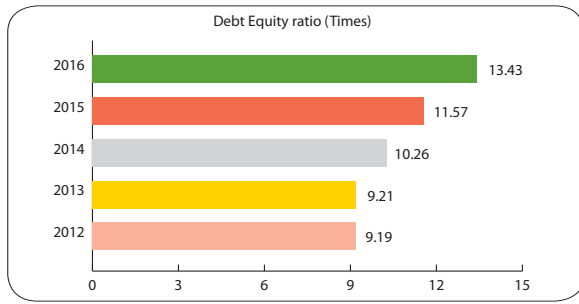
Performance

The Banking sector has achieved a slow growth and was under pressure due to different adverse issues throughout the year 2016. Despite manifold challenges, the year 2016 was quite eventful at home and abroad for SIBL and alhamdulillah our Bank maintained and achieved a stable position in all key areas of its operations. This year SIBL has joined the "125 Branches Club" and one Branch (i.e. SIBL Principal Branch) has earned a three-digit operating profit figure for the consecutive second year in the SIBL's journey towards excellence. Out of the 125 Branches, Operating Performance in 2016 of some Branches may be mentioned as under:

- 33 Branches achieved 100% Deposit Target
- 39 Branches achieved 100% Investment Target
- 30 Branches achieved 100% Foreign Exchange Business Target and
- 33 Branches achieved 100% Profit Target as set out for the year 2016.

16 Branches incurred loss during the year which are

expected to be brought under profit club by June 2017. Capital of the Bank stood at Tk. 19,195.04 million which was Tk. 16,916.08 million in 2015. Total Deposit and total Asset of the Bank stood at Tk. 190,564.51 million and Tk. 149,773.62 million respectively as on 31st December, 2016 compared to Tk. 227,704.18 million and Tk. 180,112.11 million respectively as on 31st December, 2015 indicating growths of 27.24% and 26.42% respectively over the year 2015. The Bank achieved 29.88% growth in investment with a total investment portfolio of Tk. 174,196.13 million in 2016 compared to Tk. 134,116.85 million in 2015. Import business of the Bank stood at Tk. 104,270.60 million in 2015 with 22.81% growth over the previous year, while Export business of the Bank stood at Tk. 49,766.00 million in 2015 with -8.05% growth over the previous year. Total Foreign Remittance was Tk. 13,345.70 million in 2016 with 31.30% growth over the previous year. Total Foreign Exchange business of the Bank was Tk. 167,382.30 million in 2016 with 12.20% growth over the previous year. The classified investment of the Bank was 4.44% and we finally registered an operating profit of Tk. 5,698.08 million in the year 2016 with a remarkable growth of 17.49% compared to Tk. 4,849.21 million in 2015. 14 new Branches were opened and SIBL became Bank of 125 Branches. Total manpower of the bank is 2363. GP Ratio (Gross Profit Ratio) of 2016 was 59.17 % compared to 58.79% in 2015. In the year under review, country's money market was soft and domestic lending rates have fallen. Return on equity was 16.16% in 2016 against 16.00% in 2015. Current ratio for the year 2016 was 1.03 times whereas in 2015 it was 1.11 times. The Bank was more levered in 2016 (Debt-equity ratio 13.43 times) compared to 2015 (11.57 times). Cost of Deposit was 5.57% in 2016 compared to 6.42% in 2015, Return on average assets was 2.06% in 2016 against 2.08% in 2015. At the end of year 2016, EPS (Restated) and PE Ratio was Taka 3.10 and 5.93 times respectively compared to Taka 2.81 and 4.89 times in 2015.



Business Analysis

Cost of Fund of the Bank for the year 2016 was 5.57% while total overhead cost was 2.03%. Earning Yield was 10.38% and finally accumulated a spread was 2.78%. Followings are the branch wise details of cost and yield analysis of SIBL for the year 2016:

Sl. No.	Branch Name	Cost of Fund (%)	Employee Cost (%)	Overhead Cost (%)	Total Overhead Cost (%)	Cost Of Fund With Over-head (%)	Earning Yield (%)	Spread (%)
(1)	(2)	(3)	(4)	(5)	6=(4+5)	7=(3+6)	(8)	9=(8-7)
1	Principal Branch	5.5	0.78	0.18	0.96	6.46	10.85	4.39
2	Agrabad Branch	5.98	1.18	0.46	1.65	7.62	10.39	2.77
3	Khulna Branch	6.45	1.78	0.78	2.56	9.01	13.4	4.39
4	Sylhet Branch	5.73	0.65	0.27	0.92	6.65	10.84	4.19
5	Rajshahi Branch	6.19	1.51	0.58	2.09	8.28	10.73	2.45
6	Gulshan Branch	6.48	0.58	0.22	0.8	7.28	11.64	4.36
7	Babu Bazar Branch	6.25	0.84	0.36	1.21	7.45	4.34	-3.11
8	Moulavibazar Branch (Dhaka)	5.09	1.39	0.46	1.85	6.94	10.28	3.34
9	Bogra Branch	6.15	0.93	0.37	1.3	7.45	7.17	-0.28
10	Sirajgonj Branch	6.34	0.75	0.21	0.96	7.3	11.2	3.9
11	Begum Rokeya Sarani Branch	6.05	0.46	0.16	0.62	6.67	8.37	1.7
12	Khatungonj Branch	5.91	2.6	0.76	3.36	9.27	8.82	-0.45
13	Panthapath Branch	5.45	0.52	0.25	0.76	6.22	11.92	5.7
14	Chandaikona Branch	6.23	1.66	0.79	2.45	8.68	13.39	4.71
15	Sonargaon Branch	5.37	0.52	0.28	0.8	6.17	13.31	7.14
16	Foreign Exchange Branch	5.48	0.89	0.19	1.08	6.56	11.44	4.88
17	Halishahar Branch	5.73	1.11	0.31	1.43	7.15	10.9	3.75
18	Hasnabad Branch	5.12	1.07	0.28	1.35	6.47	12.43	5.96
19	Dhanmondi Branch	6.20	0.7	0.44	1.14	7.34	12	4.66
20	Nawabpur Road Branch	5.20	0.73	0.16	0.89	6.09	13.7	7.61
21	Jubilee Road Branch	6.47	1.36	0.44	1.8	8.27	8.4	0.13
22	Uttara Branch	6.19	0.52	0.14	0.66	6.85	10.26	3.41
23	Fatulla Branch	5.06	0.84	0.25	1.09	6.15	14.18	8.03
24	Mirpur Branch	5.88	0.52	0.23	0.75	6.63	12.67	6.04
25	Banani Branch	5.12	0.84	0.37	1.21	6.33	10.51	4.18
26	Elliotganj Branch	5.21	0.99	0.37	1.36	6.57	11.13	4.56
27	Chowmuhoni Branch	5.5	1.44	0.65	2.09	7.59	10.14	2.55
28	Savar Branch	5.88	1.52	0.42	1.94	7.82	13.62	5.8
29	Mohammadpur Branch	5.12	1.18	0.44	1.62	6.74	12.31	5.57
30	Dania Rasulpur Branch	5.42	0.94	0.42	1.35	6.78	12.11	5.33
31	Lohagara Branch	5.62	2.14	0.97	3.1	8.73	12.09	3.36
32	South Surma Branch	5.46	0.83	0.34	1.17	6.63	12.33	5.7
33	Comilla Branch	5.76	1.2	0.47	1.67	7.43	11.6	4.17
34	Gopaldi Branch	5.95	1.23	0.52	1.74	7.7	11.67	3.97
35	Chandpur Branch	4.62	0.89	0.49	1.38	6	13.37	7.37
36	Patherhat Branch	6.12	0.87	0.38	1.25	7.37	11.6	4.23

Sl. No.	Branch Name	Cost of Fund (%)	Employee Cost (%)	Overhead Cost (%)	Total Overhead Cost (%)	Cost Of Fund With Over-head (%)	Earning Yield (%)	Spread (%)
(1)	(2)	(3)	(4)	(5)	6=(4+5)	7=(3+6)	(8)	9=(8-7)
37	Cox's Bazar Branch	4.96	1.85	1.26	3.1	8.07	8.79	0.72
38	Nanupur Branch	6.01	0.7	0.29	0.99	7	12.2	5.2
39	Rampura Branch	6.34	1.05	0.28	1.32	7.67	11.7	4.03
40	GEC Moor Branch	6.51	1.09	0.63	1.71	8.23	3.99	-4.24
41	Paikgacha Branch	6.44	1.1	0.5	1.6	8.04	11.31	3.27
42	Keranigonj Branch	4.14	1.72	0.88	2.61	6.74	12.9	6.16
43	Madhabdi Branch	5.46	1.93	0.71	2.64	8.1	12.61	4.51
44	Kachua Branch	5.34	1.35	0.52	1.88	7.21	14.36	7.15
45	Monirampur Branch	5.4	1.64	0.65	2.29	7.69	13.2	5.51
46	Noapara Branch	4.73	1.72	0.51	2.23	6.96	9.64	2.68
47	Fakirhat Branch	5.71	2.06	1.12	3.18	8.89	9.39	0.5
48	Hathazari Branch	6.11	1.73	0.72	2.46	8.56	13.68	5.12
49	Baryerhat Branch	5.51	1	0.4	1.4	6.91	11.63	4.72
50	Gobindagonj Branch	6.22	1.6	0.53	2.13	8.35	12.89	4.54
51	Dinajpur Branch	6.34	2.03	0.86	2.89	9.23	12.23	3
52	Islampur Branch	5.74	1.19	0.47	1.66	7.4	12.96	5.56
53	New Eskaton Branch	5.86	0.53	0.25	0.78	6.64	11.56	4.92
54	Bhulta Branch	6.15	0.37	0.14	0.51	6.66	9.17	2.51
55	Hajigonj Branch	5.17	1.53	0.57	2.11	7.27	10.13	2.86
56	Shahjadpur Branch	5.85	1.41	0.46	1.87	7.72	13.34	5.62
57	Galimpur Branch	5.46	1.4	0.5	1.9	7.36	13.19	5.83
58	Bibirhat Branch	5.67	0.63	0.27	0.9	6.57	13.54	6.97
59	Dhamrai Branch	5.17	0.67	0.39	1.06	6.23	13.33	7.1
60	Dupchachia Branch	5.47	1.63	0.57	2.2	7.67	12.92	5.25
61	Chawk Bazar Branch	5.85	1.63	0.69	2.31	8.17	9.34	1.17
62	Jessore Branch	6.42	2.2	0.82	3.01	9.44	9.78	0.34
63	Satkhira Branch	5.93	1.61	0.85	2.46	8.39	12.55	4.16
64	Narayanganj Branch	6	1.22	0.69	1.91	7.91	12.39	4.48
65	Naogaon Branch	6.41	1.69	0.77	2.46	8.87	12.39	3.52
66	Rangpur Branch	6.21	2.73	1.56	4.29	10.5	12.69	2.19
67	Feni Branch	4.83	1.21	0.66	1.88	6.7	13.89	7.19
68	Mohakhali Branch	6.28	0.92	0.54	1.46	7.74	13.48	5.74
69	Bangshal Branch	5.91	1.81	0.94	2.75	8.66	11.34	2.68
70	Banasree Branch	5.09	1.19	0.52	1.71	6.8	14.11	7.31
71	Barisal Branch	6.66	1.72	0.68	2.4	9.06	13.26	4.2
72	Tongi Branch	5.76	0.89	0.48	1.37	7.13	13.27	6.14
73	Pabna Branch	5.45	1.87	0.72	2.59	8.04	13.18	5.14
74	Alanker Moor Branch	5.34	1.55	0.89	2.44	7.78	13.37	5.59
75	Bashudhara Branch	5.25	0.39	0.39	0.78	6.03	12.16	6.13
76	Homna Branch	4.84	0.61	0.35	0.96	5.8	13.9	8.1
77	Shah Mohsen Aowlia Branch	4.99	1.42	0.69	2.11	7.1	14.23	7.13



Sl. No.	Branch Name	Cost of Fund (%)	Employee Cost (%)	Overhead Cost (%)	Total Overhead Cost (%)	Cost Of Fund With Over-head (%)	Earning Yield (%)	Spread (%)
(1)	(2)	(3)	(4)	(5)	6=(4+5)	7=(3+6)	(8)	9=(8-7)
78	Dewanhat Branch	5.4	2.27	0.96	3.23	8.63	14.92	6.29
79	Demra Branch	4.53	1.41	0.64	2.05	6.58	14.4	7.82
80	Moulvibazar Branch (Sylhet)	6.47	1.44	0.71	2.15	8.62	14.05	5.43
81	Fenchuganj Branch	5.44	1.34	0.85	2.19	7.63	12.46	4.83
82	Satarkul Road Branch	4.23	1.47	0.71	2.19	6.41	14.88	8.47
83	Roazarhat Branch	5.35	1.46	0.64	2.1	7.45	13.59	6.14
84	Garib-E-Newaz Avenue Branch	5.34	1.11	0.55	1.66	7	14.18	7.18
85	Kawran Bazar Branch	5.79	1.06	0.78	1.85	7.63	13.09	5.46
86	Bagerhat Branch	5.3	3.35	2.16	5.51	10.81	12.31	1.5
87	Akhaura Branch	5.65	1.81	0.99	2.8	8.45	13.56	5.11
88	Patkelghata Branch	5.9	2.21	1.27	3.48	9.38	13.5	4.12
89	Mouchak Branch	6.09	0.88	0.71	1.59	7.68	12.48	4.8
90	Aturar Depo Branch	5.38	2.73	0.7	3.43	8.81	10.66	1.85
91	Chowgacha Branch	4.48	2.61	1.36	3.97	8.45	12.07	3.62
92	College Road Branch (Debidwar)	4.24	1.06	0.57	1.64	5.87	14.35	8.48
93	Majjdee Branch	5.03	2.02	1.57	3.59	8.62	13.11	4.49
94	Mymensingh Branch	3.9	2.73	1.58	4.32	8.21	13.52	5.31
95	Panchdona Branch	3	2.07	1.78	3.85	6.85	12.89	6.04
96	Gausia Branch (Dhaka)	5.42	1.39	0.84	2.23	7.65	12.07	4.42
97	Sayedpur Branch	5.06	3.82	2.52	6.34	11.4	12.59	1.19
98	Laxmipur Branch	4.01	3.37	1.87	5.24	9.25	13.06	3.81
99	Mawna Branch	4.07	1.9	1.33	3.23	7.3	13.82	6.52
100	Kankirhat Branch	4.14	4.2	2.21	6.42	10.55	13.59	3.04
101	Kakrail Branch	5.17	1.27	1.94	3.21	8.38	13.11	4.73
102	Azadi Bazar Branch	5.24	2.74	1.83	4.57	9.81	12.95	3.14
103	Laksam Road Branch	4.01	3	2.28	5.28	9.29	13.24	3.95
104	Koyrabazar Branch	4.18	5.26	3.24	8.5	12.68	13.34	0.66
105	Kishoregonj Branch	3.41	2.13	1.96	4.09	7.5	9.33	1.83
106	Ashulia Branch	5.65	1.7	1.11	2.81	8.46	13.47	5.01
107	Shariatpur Branch	2.22	3.72	2.42	6.14	8.36	4.97	-3.39
108	Kushtia Branch	4.44	3.37	1.83	5.2	9.64	12.48	2.84
109	Vatara Branch	6.23	1.17	0.7	1.87	8.1	9.69	1.59
110	Bangabandhu Shamadhi Soudho Branch	2.62	8.88	6.87	15.75	18.37	3.49	-14.88
111	Dumuria Branch	2.69	12.05	4.53	16.58	19.27	12.09	-7.18
112	Jamalpur Branch	2.82	5.09	2.55	7.64	10.46	7.25	-3.21
113	Netrokona Branch	1.21	5.26	4.45	9.71	10.92	15.49	4.57
114	Navaran Branch	3.29	15.45	10.35	25.81	29.09	12.09	-17
115	Jamiderhat Branch	3.9	19.15	13.46	32.61	36.51	9.45	-27.06
116	Beanibazar Branch	5.85	3.91	3.35	7.26	13.11	7.59	-5.52

117	Poddar Bazar Branch	3.06	5.17	4.18	9.35	12.41	11.17	-1.24
118	Burichang Branch	4.49	5.45	4.49	9.94	14.43	11.56	-2.87
119	Charfassion Branch	4.22	5.63	5.74	11.36	15.59	11.11	-4.48
120	Safa Bondar Branch	4.21	10.9	7.08	17.98	22.19	13.25	-8.94
121	Joydebpur Chowrasta Branch	5.78	2.64	1.22	3.86	9.64	11.63	1.99
122	Borolekha Branch	1.71	4.44	3.16	7.6	9.31	6.06	-3.25
123	Narsingdi Branch	1.56	8.41	6.45	14.86	16.42		-16.42
124	Sreenagar Branch	0.04	5.78	7.7	13.48	13.52		-13.52
125	Corporate Branch	0.17		0.04	0.04	0.21		-0.21
	SIBL	5.57	1.24	0.79	2.03	7.60	10.38	2.78

Income Statement Analysis

Sl. No.	Particulars	Year 2016		Year 2015	
		Amount	% of total	Amount	% of total
1	Total Revenue / Operating Income:				
i)	Investment Income	16,284.22	84.93%	14,551.24	84.08%
iii)	Profit from Bank Deposit	599.16	3.12%	737.63	4.26%
ii)	Investment Income shares & securities	293.82	1.53%	362.24	2.09%
a)	Sub-total : Funded Income (i+ii)	17,177.20	89.58%	15,651.11	90.44%
iii)	Commission	796.56	4.15%	660.73	3.82%
iv)	Exchange Gain	755.83	3.94%	595.31	3.44%
v)	Other Income	444.75	2.32%	398.53	2.30%
b)	Sub-total: Non-Funded Income (iii+iv+v)	1,997.14	10.42%	1,654.57	9.56%
c)	Total: Operating Income {1(a) + 1(b)}/ Total Revenue	19,174.34	100.00%	17,305.68	100.00%
2	Operating Expenditure:				
i)	Exp. against Customers' Deposit	9,059.26	67.22%	8,239.97	66.15%
ii)	Exp. for Bank Deposit	485.08	3.60%	815.74	6.55%
a)	Sub-total: Profit Expenses (i+ii)	9,544.34	70.82%	9,055.72	72.70%
iii)	Salary & Allowances	2,451.35	18.19%	2,212.23	17.76%
iv)	Other Operating Expenses	1,480.57	10.99%	1,187.85	9.54%
b)	Sub-total: Administrative Expenses (iii+iv)	3,931.92	29.18%	3,400.08	27.30%
c)	Total: Operating Expenditure {2(a) + 2(b)}	13,476.26	100.00%	12,455.80	100.00%
3	Operating Profit/ (Loss) {1(c) - 2 (c)}	5,698.08	-	4,849.88	-
			Growth(%)		Growth(%)
4	Profit before tax	4,192.19	20.49%	3,479.17	5.18%
5	Profit after tax	2,292.19	10.60%	2,072.59	8.87%
6	EPS (Taka) (Restated)	3.10	10.32%	2.81	8.85%

Balance Sheet Analysis

Figure in million Taka

Sl. No.	Particulars	Year 2016	Year 2015	Year 2014	Year 2013
1	Shareholders Fund	14,187.80	12,950.32	12,143.38	11,083.43
2	Property, Plant & Equipment	3,257.52	3,072.04	2,675.86	2,653.88
3	Net Current assets	5,421.97	3,275.15	6,327.16	5,700.06
4	Long Term Liabilities/Current Liabilities	1.423	0.318	0.361	0.286



Some Important Ratio Analysis

To understand the bank's trend, some important ratio analyses are tabulated below:

Analysis	Dec-16	Sep-16	Jun-16	Mar-16	Dec-15
Profitability Ratios:					
Return on Average Assets*(Net Profit before tax/Average Assets)*100	2.06%	1.24%	1.27%	0.86%	2.08%
Return on Average Equity *(Net profit after tax/Average Equity*100	16.16%	7.74%	8.10%	4.42%	16.00%
Earning per share (EPS) (Taka) *Restated	3.10	1.01	0.70	0.20	2.81
Net Profit Income = Total Profit income Minus Total Profit expenses	733.90	445.57	288.08	113.20	623.32
Net Investment Margin (NIM) *(Net Invest. Income/Average Earning Assets)*100	4.21%	3.54%	3.50%	2.86%	4.05%
Efficiency Ratio(Total Overhead cost/ Total operating income)*100	40.83%	46.82%	46.03%	50.38%	41.21%
Overhead Ratio*(Total Overhead cost/Total Assets*100)	1.73%	1.79%	1.78%	1.68%	1.89%
Cost of Fund	7.60%	8.02%	8.22%	8.82%	8.54%
Effective Average Earning Yield	10.38%	9.91%	10.10%	10.16%	11.39%
Liquidity Ratios:					
Investment Deposit(client) Ratio (ID Ratio)(Investment/ Client Depo.*100	89.86%	89.69%	89.15%	90.97%	88.52%
Cash Reserve Ratio/Liquid Assets Ratio	11.53%	11.51%	11.00%	12.12%	13.91%
Medium Term Funding Ratio(Medium Term Funding Lia./M.T.F Assets*100	85.67%	86.02%	86.42%	84.84%	88.73%
Maximum Cumulative Outflow (MCO)	13.74%	13.23%	12.62%	12.76%	14.03%
Stable Fund Ratio(Saving Deposit/Total Client Deposit)*100	7.50%	7.37%	7.24%	9.61%	7.14%
Snap Liquidity Ratio (Liquid Assets/ Total External Liabilities)	12.29%	12.24%	11.72%	13.02%	14.98%
Short Term Borrowings/ Liquid Assets	11.43%	7.21%	4.47%	15.16%	3.99%
Capital Adequacy Ratios:					
Tier I Ratio	7.93%	7.23%	7.28%	8.17%	8.69%
Tier II Ratio	3.62%	3.66%	3.73%	3.38%	3.64%
Risk Weighted Capital Adequacy Ratio (RWCAR)	11.55%	10.89%	11.01%	11.55%	12.33%
Internal Capital Generation Ratio (Net profit afterTax/Equity)*100	16.16%	7.84%	8.28%	4.40%	16.00%
Asset Quality Ratio:					
Ratio of Non-Performing Investment (Classified Investment/Net Investment*100	4.44%	4.18%	4.37%	4.61%	3.84%

Analysis	Dec-16	Sep-16	Jun-16	Mar-16	Dec-15
Ratio of SMA Investment(SMA Investment/ Net Investment)*100	0.16%	0.52%	0.54%	0.68%	0.78%
Net NPI Ratio(Classified Invest.-Profit Suspense-Provision/Investment-Provision-Suspense)*100	1.20%	1.54%	1.48%	1.68%	0.48%
Gross NPI Coverage Ratio(Total Provision/Classified Invest.-P.Suspense)*100	68.88%	65.16%	65.24%	62.31%	84.96%

Profitability/Dividends/ Performance and Liquidity Ratios

Particulars	Year 2016	Year 2015
Gross Profit Ratio (%)	59.17	58.79
Earning before Interest, Depreciation and Tax (Million Taka)	5,956.54	5,078.53
Price earning ratio	5.93	4.89
Current Ratios	1.03	1.04
Return on Capital Employed (%)	16.16	16.00
Debt Equity Ratio	13.43	11.57

Liquidity Position Analysis

During the year under review, SIBL had a net cash inflow (consolidated) of Taka 1282.33 million as stated in the Cash Flow Statements as on 31st December, 2016 which is noted as under:

Figure in million Taka

Particulars	Year 2016	Year 2015
Net Cash flow from Operating activities	751.34	4,631.69
Net Cash flow from Investing activities	(414.30)	(593.32)
Net Cash flow from Financing activities	945.29	(3,415.65)
Net Increase / decrease in Cash & Cash equivalents	1,282.33	622.72
Opening Cash & Cash Equivalents	25,128.64	24,505.92
Closing Cash & Cash Equivalents	26,410.97	25,128.64

The major components of net cash flows from operating activities are operating profit by eliminating the effect of depreciation and provisions. Net cash flow was positive due to increase in Deposit procurement, rescheduling of some major Investments as well as recovery. Due to receipts of BDT 3000 Million from selling of SIBL Mudaraba Subordinated Bond highly impacted the Cash flow from financing activities although 15% cash dividend of 2015 paid in 2016, the Net cash flow from financing activities was positive. Investment growth during the year under report was 29.88% over the year 2015, cash flows under the head Investing activities was negative. However, Positive Cash flows from Operating and Financing

Activities along with Cash in hand, balances with Bangladesh Bank and Agent - supported the cash position effectively to maintain a positive net cash flows at the year end 2016.

We have analyzed the cash flows statements of the Bank for the year ended 31st December, 2016 in comparison with the liquidity statements to test the liquidity position. The liquidity statements of the Bank show that the bank has been maintaining an effective maturity profile of its total assets and liabilities in short term and long term in a structured way. We found positive gap in the liquidity profile for 1 month, 1-3 months, 3-12 months, 1-5 years and more than 5 years. The liquidity gap maintained by the Bank is satisfactory.



Outlook 2017

Operating profit of the 1st quarter of Social Islami Bank Limited is expected to keep growing. To make the year 2017 another success, SIBL is ready to accept the challenges of 2017 with new visionary zeal to achieve the common objectives of the Bank and hence the year 2017 will definitely be a challenge for every individual of SIBL. Considering the stands and commitments towards stakeholders, SIBL has prepared financial budget for the year 2017, which is realistic and challenging. The Business Target for the year 2017 is featured by setting of (i) Client Deposit Tk. 220,000 million (ii) Investment Taka 210,000 million (iii) Foreign Exchange Business Taka 250,000 million & (iv) Operating Profit Taka 7,500 million. To achieve success in the year, SIBL has undertaken the following short-term strategies side by side mid-term and long-term strategies:

- Strengthening the automation procedures of the Bank
- Increasing ATM facilities
- Opening new Branches in important urban/rural areas of Bangladesh
- Increasing new AD Branches
- Enhancing the CSR activities in line with the Bank's CSR policy
- Conducting special recovery drive
- Conducting special programs for business like 'Seba-Mash'
- Exploring business opportunities in SME sector
- Presenting innovative and new deposit & investment products to the customers.

Some factors may cause actual results to differ and some may significantly deviate from the outlook 2017. Some of the factors that may affect the business environment are given below:

- Changes in the general economic condition resulting from natural calamities and political disturbances
- Changes in government policy issues
- Increase in corporate tax rate
- Increase in CRR and SLR of the banks
- Withdrawal of incentive given to some thrust sectors which may make the projects slow moving
- Directives to reduce the lending rates to finance essential items
- Increase in provisioning requirement may reduce the ROA and ROE

- Reduction of the margin ratio for investment accounts
- Volatility in profit rate
- Volatility in capital market arising from speculations
- Compliance issues raised by the international forums which are likely to affect the export growth
- Rise in international prices of essentials which may result to volatility in Foreign Exchange Market
- International embargo/unrest may affect remittances and trade
- Adverse media reporting.

Nevertheless, the successes of SIBL in 2016 clearly affirms that this Bank is ready to accept challenges of the future. In sha Allah, SIBL's momentum of growth of business and profitability will be maintained definitely in 2017 and the years to come.

Ameen.



Ihsanul Aziz
Managing Director & CEO (CC)

Report on Internal Control System

The Board of Directors of Social Islami Bank Limited is very keen to establish and maintain a sound and effective Internal Control System and good governance in every sphere of the bank and accordingly have established broad business strategies, adopted significant policies for internal control and risk management and implemented risk based internal audits as per 'section 15 kha of Bank Company (amended) Act 2013 for ensuring that the Bank is appropriately and effectively managed and controlled.

During the year under review, the Board has reviewed the policies and procedures of various aspects of businesses in order to establish an effective internal control system, which the Board thinks, adequate and appropriate for achieving sustainable growth.

The Board of Directors monitors the adequacy and effectiveness of Internal Control systems through the establishment of Audit Committee and the Committee has regularly reviewed and assessed the arrangement adequacy made by management and corrective measures taken by management relating to fraud-forgery and deficiencies in internal controls. Internal Control & Compliance Division (ICCD) of the bank continuously inspects the operational aspect of the bank and report deviations and all such findings along with compliance status were placed by the Management before the Board of Directors and regulators on a timely basis and have performed all other functions relating to Internal Control Systems of the Bank.

The Board of Directors have established whistle blowing policy and reviewed the control procedures for ensuring – (i) safeguarding the Bank's asset (ii) prevention and detection of fraud and error (iii) adequacy and completeness of accounting records (iv) timely preparation of financial information and (v) the efficient management of core risk.

The Audit Committee has ensured that all the conditions of the Bank Company Act, Bangladesh Bank guidelines, Corporate Governance guidelines by Bangladesh Securities and Exchange Commission have been properly addressed. Internal control system, managing of core risks and Bank's process for monitoring compliance with laws and regulations and codes of business conduct were adequate.

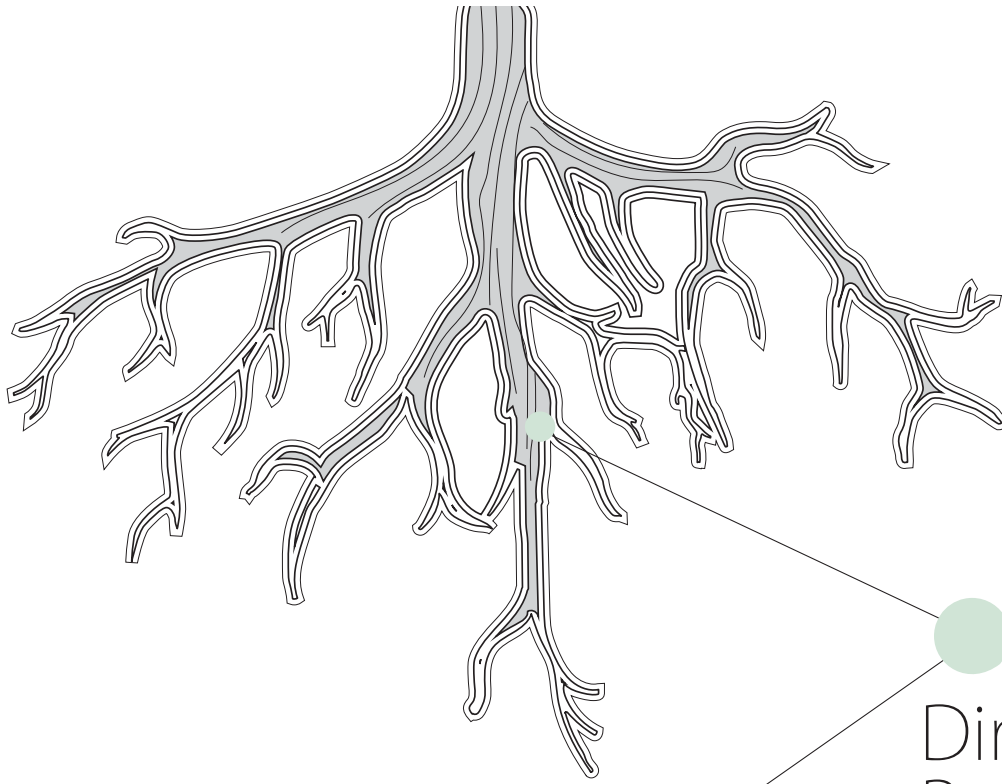
The Board of Directors of the Bank declares that they have actively and diligently discharged their duties and responsibilities to establish a sound internal control system and to ensure good corporate governance.

On behalf of the Board of Directors



Major Dr. Md. Rezaul Haque (Retd.)
Chairman





Directors' Report

Firm
Erection

With a versatile array of expertise, our directors have enriched the board and have been leading our organization from the front in the ever-changing financial market of Bangladesh. They have created a firm base of the organization which has its roots gone far beyond.

"Act good and do good to serve better being the motto, SIBL and those in the operation always strive for their best with the rules of Shariah to achieve as much security and benefit for esteemed Customers."

Dear respected Shareholders,

It is my great pleasure to welcome you all on behalf of the Board of Directors to the 22st Annual General Meeting of Social Islami Bank Limited and to present before you the Directors' Report along with the audited financial statements as on 31st December 2016 for your kind consideration. I put on record my thanks and gratitude to you for your presence on this big shareholders' day. It is worthwhile to place before you the financial position of the bank on the backdrop of global economic scenario- the changes that taken place around the world and how Bangladesh experienced the same and various functional and administrative aspects during the year 2016 including Bangladesh economy.

Global Economic Outlook

World Economy

Global growth is expected to pick up to 3.4 percent in 2017 and 3.6 percent in 2018, according to the IMF World Economic Outlook Update, January 2017. Growth in emerging market and developing economies is expected to rise slightly in 2017 to 4.5 percent. Despite an improving outlook for the advanced economies, growth risks have increased reflecting policy uncertainties and implementation risks, accompanied by the balance sheet weaknesses in the euro area, geopolitical tensions in the Middle East and other parts of the world. In Asia, India's growth forecast for the current fiscal year has been trimmed by one percentage point to 6.6 percent, largely due to the negative spillovers on consumption and investment from the demonetization measures. China's growth forecast has been revised up to 6.5 percent in 2017, due to expectation of continued policy support but the risks of a sharper slowdown from rapid credit growth-related vulnerabilities remain elevated. According to the latest IMF and World Bank projections, global inflation is on an upward trajectory, edging up from their recent lows. Commodity prices are expected to rise in 2017, with oil prices increasing by over 20 percent, following a decline of over 15 percent in 2016. Non-energy prices are also projected to go up, reversing a decline of 3.1 percent in 2016. Inflation in Euro zone picked up in December 2016 on the back of surging oil prices, recording at 1.1 percent, nearly double the rate of 0.6 percent

in November 2016 and the highest in more than three years. A projected fiscal stimulus in the US and narrowing excess capacity has increased the probability of a faster pace of monetary tightening in the US.

Bangladesh Economic Review

Economic growth

Several indicators point to robust economic activity in the first half of FY17, aided by macroeconomic and political stability, and strong domestic demand. Private credit growth at around 15-16 percent is at a three-year high, with strong demand coming from trade, construction, and small and medium enterprise (SME) sector, which helps productivity and job creation. Export growth moderated but has held up relatively well (4.4 percent in December 2016), compared to peers and is expected to pick up. The buoyancy in activity is somewhat softened by the decline in remittance. Based on the recent economic developments, BB's econometric model estimate, and sectoral analysis, growth is projected to be above 7 percent (7-plus) in FY17.

Inflation

CPI inflation has been steadily coming down to 5.03 percent (point-to-point) in December 2016, pulling down annual average to 5.5 percent, benefitting from both favorable food and non- food inflation dynamics. Policy Interest Rates

During June-November 2016, the average (weighted) lending and deposit rates have declined by 45 and 25 basis points to 9.94 and 5.29 percent, respectively, leading to a narrowing of average spread by 20 basis points to 4.65 percent. The decline in interest rates reflects favorable inflation performance, ample liquidity, and an increase in competition in the banking system. Although inflation has steadily declined in recent months, considering the fact that core inflation and inflation expectations remain elevated and inflation risks from higher commodity prices are on the upside, Bangladesh Bank's policy rates will be kept unchanged at the current level, with repo rate at 6.75 percent and reverse repo rate at 4.75 percent.



External Sector Developments

During July-November 2016, the current account balance recorded a deficit of US Dollar 0.7 billion, down from a surplus of US Dollar 1.3 billion during the same period of the preceding fiscal year. Strong import growth (9.5 percent) coupled with a moderate growth in export (6.2 percent during July-November) and a slowdown in remittance inflows (-15.6 percent) contributed to the deficit. But, strong capital and financial account performance underpinned by net foreign direct, portfolio and other investments led to an overall balance surplus of US Dollar 1.9 billion during July-November 2016.

Export is expected to pick up, with improving growth outlook in some advanced economies. But this outlook is subject to substantial geopolitical risks and policy uncertainties in the US, UK, and euro area. Declining remittance would likely receive some support from the higher number of workers going abroad and the better economic prospects in the Middle East, aided by rising oil prices. Import is projected to remain buoyant, reflecting higher domestic demand, driven by both investment and consumption. Bangladesh Bank projects the FY17 overall balance surplus at US Dollar 2.9 billion, which would help the reserve coverage to remain around 7-8 months of prospective imports of goods and services in FY17. Since the adoption of flexible exchange rate regime in May 2003, BB has allowed sufficient flexibility in the exchange rate movements, while smoothing out large day-to-day fluctuations. After a prolonged spell of appreciation pressure on Taka, it is depreciating slowly against USD since October 2016, in line with the gradual erosion of BOP current account surplus.

Capital Market Developments

Capital markets are showing increasing buoyancy. After moving sideways in recent years, the Dhaka Stock Exchange Broad Index (DSEX) has increased by 23 percent and trading volume by 3 times since November 2016. Although stock market capitalization in Bangladesh remains modest at around 15 percent of GDP, it can play an important role in financing long-term investments, as long as valuations reflect fundamentals and do not pose financial stability risks.

To ensure that capital market can finance long-term investment while exuberance remains rational, banks need to upgrade their surveillance of loan usages of their customer borrowings away from the intended purposes. BSEC has already taken some welcome steps with cautionary messages, financial literacy promotion, and so forth. Bangladesh Bank has tightened monitoring to ensure banks abide by statutory limits on their capital market exposures. Bangladesh Bank may also direct banks to prevent diversion of business and consumer loans into stock markets and remains ready to take prompt policy actions.

Sustainable Finance

Bangladesh Bank has taken various initiatives aimed at ingraining a socially responsible financing ethos and mainstreaming financial inclusion initiatives. A strategic focus has been placed on nudging finance toward fostering social cohesion by devising policies to create a stronger base of the pyramid. Furthermore, given our population density and vulnerabilities to weather shocks and climate change, environmental sustainability is a central part of the national growth strategy. Green initiatives can also offer new growth opportunities, which are less subject to the vested interests of the existing sectors.

In line with government's SDG priorities of an inclusive, environmentally sustainable growth, Bangladesh Bank is for quite some years now promoting inclusive, green financing (targeting SME, agriculture and green initiatives), fostering financial sector wide a socially responsible financing ethos. Bangladesh Bank has now taken up a consultative initiative of formulating Guidance Notes on the do's and don'ts of socially responsible financing to better foster social cohesion, with output initiatives that promote entrepreneurship, create more and better jobs, and protect environment. Bangladesh Bank's sustainable finance agenda would benefit from a closer coordination among and monitoring of various initiatives, programs, financial institutions, including MFIs, that are already in place to serve the base of the pyramid.

NBR Tax Revenue

NBR Tax Revenue collection stood at Taka 49874.68 crore during July-October, 2016 which was 17.77 percent higher than the collection of Taka 42350.67 crore of July-October, 2015.

Bangladesh Banking Sector Review

Broad money (M2) grew by 13.77 percent (y-o-y) in October 2016 which was higher than 13.40 percent in the preceding month but the same as the percentage increase in the same month of the previous year. Net foreign assets and net domestic assets registered 21.62 percent and 11.19 percent growth respectively in October 2016. Private sector credit recorded 15.20 percent growth in October 2016 which was lower than 15.34 percent of September 2016 but higher than 13.22 percent in the same month of the previous year.

The spread between the weighted average interest rates on advances and deposits of all banks stood at 4.70 percent in October 2016 from 4.72 percent of the previous month. The weighted average call money rate in the inter-bank money market marginally increased to 3.60 percent up to 26 December 2016, as compared to 3.56 percent in November 2016.

Export proceeds earned USD 13.69 billion during July-November, 2016 which was 6.30 percent higher than USD 12.88 billion during the same period of the previous fiscal year according to EPB data.

Custom based import during July-October, 2016 increased by 7.93 percent and stood at USD 14.39 billion compared to USD 13.34 billion during the same period of the previous fiscal year.

Fresh opening of import LCs during July-October, 2016 increased by 14.45 percent and stood at USD 14.89 billion as compared to July-October, 2015. From the sectoral distribution of LCs opening during the mentioned period, it is revealed that LCs opening for the industrial raw materials is the highest at 35.17 percent of total LCs opening followed by consumer goods of 13.02 percent.

Receipts of workers' remittance in November 2016 decreased by 5.90 percent and stood at USD 0.95 billion as compared to October 2016. It also decreased by 16.73 percent than that of the same month of the previous year. Total receipts of workers' remittances decreased by 15.65 percent during July-November, 2016 and stood at USD 5.21 billion as compared to the same period of the previous fiscal year.

Current account balance recorded a deficit of USD 0.02 billion during July-October, 2016 due mainly to a significant trade deficit and lower income from services and primary income accounts compared to July-October, 2015.

The total foreign aid disbursements during July-October, 2016 increased marginally by USD 0.004 billion or 0.50 percent and stood at USD 0.74 billion. Net receipt of foreign aid also increased by USD 0.01 billion or 2.71 percent and stood at USD 0.45 billion during July-October, 2016 as compared to the same period of the previous fiscal year.

The gross foreign exchange reserves of BB stood at USD 31.37 billion (with ACU liability of USD 0.49 billion) as of end November 2016, as compared to USD 31.90 billion (with ACU liability of USD 0.79 billion) as of end October 2016. As per latest available data, the gross foreign exchange reserves stood at USD 32.02 billion (with ACU liability of USD 0.88 billion) as of 26 December 2016.

The disbursement of agricultural credit and non-farm rural credit increased by 15.45 percent and 0.86 percent respectively during July-October 2016 as compared to July-October 2015.

Outstanding SME loans provided by banks and non-bank financial institutions at the end of September 2016 increased by 16.14 percent compared to the same period of the previous year.

Disbursement of industrial term loans during the first quarter of FY17 increased by



2.72 percent and stood at Taka 13044.95 crore and recovery increased by 12.20 percent as compared to the corresponding period of the previous fiscal year.

The general index of industrial production (medium & large scale manufacturing) stood at 280.42 during July-August 2016 recorded an increase of 9.53 percent from the index of 256.01 during July-August 2015.

Monetary Policy

As on date of report, Monetary Policy Statement (MPS) January-June 2017 (for the second half of FY 2017) has been declared by Bangladesh Bank and the highlights of MPS are:

- Broad money (M2) grew by 13.8 percent in November 2016, remaining within the FY17 ceiling of 15.5 percent to support the GDP growth target of 7.2 percent and the inflation ceiling of 5.8 percent, respectively. In the first half of this fiscal year, private sector credit growth exceeded 15 percent, a three-year high but within the FY17 ceiling of 16.5 percent.
- Both food and non-food CPI inflation moderated, aided by favorable agricultural production, modest rise in global commodity prices, and growth supportive yet cautious monetary policy stance. Average CPI inflation declined to 5.5 percent by December 2016, a five-year low and well within the FY17 ceiling. Bangladesh Bank (BB) projects annual average inflation to be around 5.3-5.6 percent in FY17. Projected rise of global commodity prices in 2017, however, may continue exerting some upward pressure on domestic prices.
- Domestic demand-driven economic activity remains relatively buoyant, as indicated by credit growth, industrial activity, and import trends. Despite some moderation, garment exports growth has held up well relative to peers. The recent decline in remittance reflects a combination of global and local factors, but mainly driven by weaker economic activity in the Middle East. Recovery in remittance growth can be expected over the near to medium

term from oil price stabilization boosting Middle Eastern economies, as also from the recent upsurge in manpower exports from Bangladesh. Based on the recent economic indicators and econometric analysis, BB projects GDP growth to be above 7 percent in FY17.

- Balancing the upside potential and the risks, BB maintains the current policy stance: repo and reverse repo rates will remain unchanged at 6.75 and 4.75 percent, respectively, to support growth while mitigating inflation risks. Broad money and private sector credit growth targets for FY17 are 15.5 and 16.5 percent, respectively.
- Given the pickup in credit growth, BB's supervisory vigilance on lending efficiency and risk management in the financial sector will continue to be strengthened, with particular emphasis on transparent, accountable corporate governance, and substantial reduction in loan defaults.
- While the recent capital market buoyancy may reflect a recovery from its prior depressed state since 2011, caution is warranted in ensuring that exuberance remains rational. Bangladesh Securities and Exchange Commission (BSEC) has already taken welcome steps with cautionary messages, financial literacy promotion, and so forth. Some restrictions on margin loans against sponsors' shares and shares with abnormally high price earning (PE) ratios may also be desirable. BB is also responding with intensive monitoring about banks abiding by statutory limits on their capital market exposures. BB may also direct banks to prevent diversion of business and consumer loans into stock markets and remains ready to take prompt policy actions.
- In line with the government's SDG priorities of an inclusive, environmentally sustainable growth, BB is for quite some year's now promoting inclusive, green financing (targeting SME, agriculture and green initiatives), fostering financial sector wide a socially responsible financing ethos. BB has now taken up a consultative initiative of formulating

Guidance Notes on the do's and don'ts of socially responsible financing to better foster social cohesion, with output initiatives that promote entrepreneurship, create more and better jobs, and protect environment.

Islamic Banking around the world

The twentieth century has witnessed a major shift of thinking in devising banking policy and framework based on Islamic Shariah. This new thought was institutionalized at the end of the third quarter of the century and emerged as a new system of banking called Islamic banking. The establishment of the Islamic Development Bank (IDB) in 1975 gave momentum to the Islamic Banking movement. Since the establishment of IDB, a number of Islamic Banking and financial institutions have been established all over the world irrespective of Muslim and non-Muslim countries. Over the past few decades, the Islamic financial industry has rapidly expanded worldwide. Currently about more than 300 Islamic financial institutions (IFIs) have total combined assets exceeding \$250 billion in more than 57 countries. It is projected that this will be a \$trillion. The Islamic financial market is estimated to grow at annual rates averaging 15% in a year. Their rapid growth has gained considerable attention in international financial circles where various market participants have recognized promising potentials. Kuala Lumpur and Bahrain are the world's leading Islamic capital markets while Dubai and other players in the Middle-East are fast catching up. In the UK, the first Islamic bank has already opened its doors and Singapore has expressed its interest to be a leading Islamic financial centre, while China and India has expressed interest in Islamic banking.

The Islamic finance market has become extremely sophisticated as well as increasingly competitive. Today, virtually all large western financial institutions are involved in Islamic finance whether through Islamic subsidiaries, "Islamic windows", or the marketing of Islamic products. In recent years, a range of new Islamic products have appeared, such as Islamic bonds (or sukuk) and Islamic derivatives. While some

of those products are widely accepted, others are still controversial.

Islamic Banking and its Development in Bangladesh

Genesis of Islamic Banking in Bangladesh

Bangladesh is the third largest Muslim country in the world with around 160 million populations of which 90 percent are Muslim. The hope and aspiration of the people to run banking system because of Islamic principle came into reality after the OIC recommendation at its Foreign Ministers meeting in 1978 at Senegal to develop a separate banking system of their own. After 5 years of that declaration, in 1983, Bangladesh established its first Islamic bank. At present, out of 56 banks in Bangladesh, 8 full edged Islamic Banks and 20 Islamic Banking branches of 10 conventional banks are working in the private sector on the basis of Islamic Shariah. Islamic banks in Bangladesh since their inception have been gaining popularity in spite of some problems in their operation. An important development in Islamic banking in the last few years has been the entry of some conventional banks in the market and their use of Islamic modes of financing through their Islamic branches, windows, or units. It necessitates and encourages the mobilized ion of Islamic banking, which includes some of the giants in the banking and nance industry. Bangladesh was not indifferent to this turning move. Presently, 10 conventional banks have opened 20 Islamic banking branches alongside their interest- based branches. These conventional banks should focus on the safeguards that ensure the Islamic nature of these branches such as separation and compliance with Shariah. Separation of Islamic banking branches includes separation of capital, accounts, staff employed and office. However, the most important thing is compliance with Shariah. There should be strong Shariah supervisory boards in order to prepare the model agreement, to approve the structure of every new operation, and lay down the basic guidelines for each and every mode of financing.

Formation of IBCF

For effective interaction, communication and exchanges the ideas & views of Shariah banking development and its practices in Bangladesh among the Islamic banking



and Islami Banking Branches of the conventional Banks, a forum called "Islamic Bank Consultative forum (IBCF)" was formed in 1995. IBCF may be called first ever organizational development in establishing Islamic Banking in Bangladesh where the member banks discuss together the problems and issues relating to the growth and development of Islamic Banking in Bangladesh and common strategy and policies are formulated for implementation through this common Forum. The immediate goals of the IBCF were to establish Central Shariah Board for all Islamic Banks in Bangladesh, Islamic Money Market, Islamic Insurance Company(s), innovation of new financial products. Among them, Central Shariah Board is now functioning successfully. Bangladesh Government Islamic Investment Bond (BGIIIB) and Islamic Money Market are the development of IBCF and Bangladesh Bank which are being enjoyed by almost all the Member-Banks. At present, 7 (seven) full fledged Islamic Banks like (i) Islami Bank Bangladesh Limited (ii) EXIM Bank Limited (iii) Shahjalal Islami Bank Limited (iv) Social Islami Bank Limited (v) ICB Islamic Bank Limited (vi) Al-Arafah Islami Bank Limited and (vii) First Security Islami Bank and 5 (five) numbers of Conventional banks having Islami Banking Branches like (i) Prime Bank Limited (ii) Dhaka Bank Limited (iii) Southeast Bank Limited and (iv) AB Bank Limited and (v) Pubali Bank Limited are the members of IBCF.

Formation of CSBIBB (Central Shariah Board for Islami Banks of Bangladesh)

CSBIBB was formed in 2001 with the view to observance of uniform policies and practices of Islamic banking among the member banks. Currently 7 (seven) full edged Islamic Banks and 10 (ten) conventional banks of Islamic banking Branches are the member of CSBIB. CSBIBB is manly rest with the functions of (i) collections, translations & publications of Journals and References on Islamic Banking (ii) to arrange and undertake research programs, Training, workshop, seminar, symposiums (iii) gives award for contribution in Islamic Banking.

Bangladesh Government Islamic Investment Bond In principal, the method of treasury functions and its management of an Islami bank are quite different

from other conventional bank. To support the daily treasury functions of Islami banks, Ministry of Finance, Government of the Peoples' Republic of Bangladesh in the year 2004 introduced a very special type of Shariah based bond called "Bangladesh Government Islami Investment Bond." which is treated as a component of Statutory Liquidity Ratio (SLR).

The operation of 6-month, 1-year and 2- year Bangladesh Government Islamic Investment Bond introduced in Financial Year 2005 in accordance with the rules of Islamic Shariah where per unit bond price has been determined Taka 1,00,000/- (Taka one lac). As per the rules, Bangladeshi institutions and individuals, and non-resident Bangladeshi, who agree to share profit or loss in accordance with Islamic Shariah, may buy this bond. As on end December 2014, the total sale value of this bond amounted to Taka 3.10 billion while balance of total amount of financing stood at Taka 10.75 billion and the net outstanding against the bond stood at Taka 7.65 billion. Social Islami Bank Limited has been actively involved in buying this bond and as on 31.12.2015 total outstanding buy amount (principal amount) of this bond stood at Taka 6.15 billion. Re-investment facility featured has been tagged with the bond and any Bangladeshi Institutions and Individuals, and non-resident Bangladeshi, who agrees to share profit or loss in accordance with Islamic Shariah, can accept borrowing from the fund.

Islami Bank's Fund Market

Temporary arrangement of funds through MSD (Mudaraba Savings Deposit) and MND (Mudaraba Notice Deposit) accounts:

In order to day to day liquidity management, Islami banks cannot take part in call money Market operation and other activities like REPO and Reverse REPO which are very common techniques widely used by the conventional banks. Besides that, the Islamic Money Market of Bangladesh is not well structured. To mitigate the immediate/short liquidity crisis and management of surplus funds overnight, Banks running under Shariah principles have an arrangement between themselves to maintain MSD (Mudaraba Savings Deposit) Accounts or MND (Mudaraba Notice

Deposit) Accounts for temporary transactions. Excess funds are placed to others banks and shortage of funds are replenished by calling other Islamic Banks or Islamic Banking Branches to deposit in these accounts. This technique is very popular among the Islamic Banks/ Islamic Banking Branches.

Introduction of Islamic Inter Bank Fund Market (IIFM)
Bangladesh Bank has introduced Islami Inter Bank Fund Market (IIFM) with a view to facilitating liquidity management of the Shariah-based Islamic banks. Islami Banks cannot borrow fund from the conventional call money market due to non-compliance of Shariah. Moreover, absence of a Shariah-based money market refrain the banks to borrow fund from each other. Therefore, Islamic money market is integral to the functioning of the Islamic banking system in providing the Islamic financial institutions with the facility for funding and adjusting portfolios over the short-term. Financial instruments and inter-bank investment would allow surplus banks to channel funds to deficit banks, thereby maintaining the funding and liquidity mechanism necessary to promote stability in the system. Although the Islamic Shariah-based banks have about 20 per cent market share of the total asset and liability in the country's banking industry, they did not have any inter-bank money market (call money market) before. As a result, the banks were facing problems in managing excess liquidity, and on the other hand, if a bank needed fund to overcome sudden liquidity shortage, Islamic Banks had no option to manage fund except internal arrangement in between Shariah banks through MSD and MND accounts operations. At present, Islamic banks are holding more than Tk 4000 crore as excess liquidity, which is now remained idle due to absence of a formal money market for them. Introduction of IIFM has solved the problems of the Islamic banks and from now they are able to collect fund from inter-bank money market. Shariah-based banks transact with each other through a separate fund called IIFM and the central bank is the custodian of this fund. According to the rules, if any bank has excess fund, it will invest the amount in the IIFM for one day. Besides, another Islamic bank requiring fund can borrow funds from it from the IIFM for one day. The rate of profit in the Islamic bank money market is

determined on the basis of the profit rates of the bank gives to its depositors on a three months' deposit. The contract will be based on Mudaraba principle of Islamic banking law and the new system would open a new window of investment for the Islami banks having excess liquidity.

Bangladesh Bank Refinance Scheme

Bangladesh bank vide its letter no-GBCSRD Circular no-01, Dt-18.01.2015 has created an Islamic refinance Fund comprising of Tk-1000.00 million allowing Islamic Banks and Non Bank Financial Institutions (NBFIs) to finance in eco-friendly projects like agro-processor, small enterprises, renewable energy and environment friendly initiatives on the basis of Islamic Shariah.

This is to accelerate the involvement of excess liquidity of Islamic banks And NBFIs in economic activities and add value to the economy of the rural areas across the country.

According to the circular interested Islamic banks and NBFIs have to sign an agreement with 'Green Banking & CSR Department' of Bangladesh Bank. This covenant will empower Participating Financial institutions (PFIs) to disburse fund only in the projects including 47 products selected by Bangladesh Bank.

Under this Refinance Scheme PFIs will lend on a 3 months renewable basis at the rate of their Mudaraba Savings a/c rate or bank rate (5%), whichever is lower. Profit generated from this fund will be distributed among the PFIs according to their investment ratio. Investment in Refinance Scheme will be taken into account to fulfill the Statutory liquidity Requirement (SLR) of Islamic banks and NBFIs.

As on 31 December 2016 total outstanding investment amount was tk. 250.00 million in the Bangladesh Bank Refinance Scheme

An Overview of the Bank

SIBL started its operation on the 22nd November, 1995 as a Second Generation Islamic Bank in close co-operation and assistance of some renowned



personalities of the Islamic world. H.E. Dr. Hamid Al Gabid, Former Secretary General of OIC & Prime Minister of Niger, H.E. Dr. Abdullah Omar Nasseef, Deputy Speaker of Saudi Shura Council & Ex-Secretary General of Rabeta Al-Islami, H.E. Ahmed M. Salah Jamjoom, Former Commerce Minister of Saudi Government, H.E. Prof. Dr. Ahmad El-Naggar (Egypt) participated to this noble endeavor as sponsor shareholders. Targeting poverty, SOCIAL ISLAMI BANK LTD. is indeed a concept of 21st century participatory three sector banking model in one in the formal sector, it works as an Islamic participatory Commercial Bank with human face approach to credit and banking on the profit and loss sharing it is a Non-formal banking with informal finance and credit package that empowers and humanizes real poor family and create local income opportunities and discourages internal migration; it is a Development Bank intended to monetize the voluntary sector and management of Waqf, Mosque properties and introducing cash Waqf system for the first time in the history. In the formal corporate sector, this Bank would, among others, offer the most up-to date banking services through opening of various types of deposit and investment accounts, financing trade, providing letters of guarantee, opening letters of credit, collection of bills, leasing of equipment and consumers' durable, hire purchase and installment sale for capital goods, investment in low-cost housing and management of real estates, participatory investment in various industrial, agricultural, transport, educational and health projects and so on.

To enhance the performance of the bank our management adopted strategic plan that include increase in efficiency, establishment of transparency, efficiency and accountability in all spheres of banking practices and as a logical consequence of reform. Establishing Central Trade Processing Unit (CTPU), Central Remittance Processing Unit (CRPU), Central Clearing Unit (CCU), ADC (Alternate Delivery Channel), Offshore Banking, Agent Banking above all customized Products and Services are the reform processes that we had undertaken from 2010 to 2016 to be the compliant in one hand and to serve our client more efficiently and effectively on the other.

Internal Control and Compliance

The network of activities of banking have so diversified and widened that without proper internal control, smooth functioning of banking cannot even thought of. Effectiveness of the Bank's Internal Control System is being monitored on an ongoing basis. Social Islami Bank to establish and maintain an adequate system of Internal Control, which can effectively control of all the key functions of the Bank, so that objectives of the bank's are achieved and shareholders, depositors & other beneficiaries are sharply benefitted. To protect and safeguard the Bank from any means of fraud and error as well as loss-Social Islami Bank has introduced the "Internal Control and Compliance guideline" and also established a separate department called "Internal Control and Compliance Division (ICCD)" at Head Office staffed with some experienced Senior Banker rest with the power and duties to train the employees of the bank, give direction, monitor, audit and establish control on day by day operational procedures and statutory and non-statutory compliances. Still, it is important to recognize the existence of inherent limitations of internal control.

During the year 2016, Internal Control & Compliance Division conducted audit in 112 Branches as per Annual Audit plan 2016 duly approved by Board Audit Committee. The Division conducted surprise Inspection on 12 branches in 2016 compared to 15 branches in 2015. The Division also conducted audit on 13 Division/ Departments of Head Office in 2016. Key/high risk items are being reported to the Management in the form of Executive Summary. Keynotes were also placed before the Board Audit Committee for information.

Capital Management of the Bank

The bank started its journey in the year 1995 with a paid up capital of Taka 118.36 million and thereafter within 20 years, it has built a total Capital of Taka 19,195.04 million using the external and internal sources. Given below table is the last 7 years history of SIBL towards its capital journey efforts :

Fig in million Taka

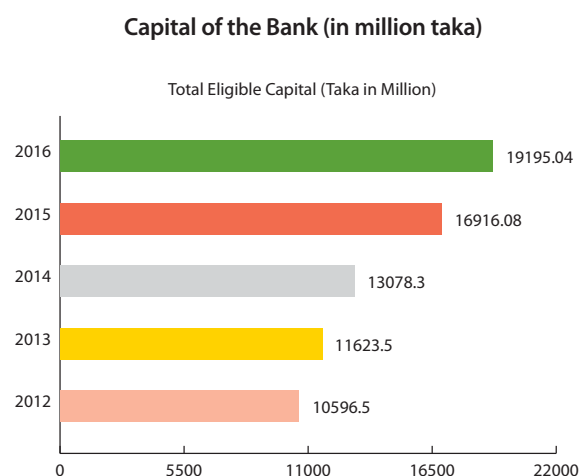
Year	Paid up Capital	Total Capital	Growth (over the previous year)	Source of Capital
2010	2,987.81	4,678.56	19.52%	Internal & external (right issue) generation
2011	6,393.93	9,534.52	103.79%	Internal generation
2012	6,393.93	10,596.51	11.13%	Internal & external (right issue) generation.
2013	7,031.42	11,623.52	9.69%	Internal generation
2014	7,031.42	13,078.26	12.51%	Internal generation
2015	7,031.42	16,916.08	29.34%	Internal generation
2016	7,385.99	19,195.04	13.47%	Internal generation

To comply with the international practices and to make the bank's capital more shock absorbent, Bangladesh Bank has issued new guideline in line with Basel III guideline where two new liquidity ratios has been introduced i.e. Liquidity coverage ratio (LCR) and Net Stable Funding Ratio (NSFR). Capital conservation buffer has to be maintained @ of 0.625% in every year starting from year 2016. Counter. SIBL is the compliant of risk based capital adequacy framework- BASEL-III. As per regulatory requirements, the bank uses standardized approach for assessing, evaluating and calculation

of risk weighted assets w.e.f 2016. SIBL is always concerned about its capital and its due maintenance and accordingly while forecasting the business growth and regulatory capital requirements, internal and external sources of capital are considered in detailed after capital impact study. As per Basel III capital at the year end 2016 stood at (a) paid-up capital Taka 7,382.99 million (b) total capital (as per BASEL-III) Taka 19,915.04 million against Taka 16,916.08 million of 2015.

Capital Base (Tier-I & Tier-II)

As per directives of Bangladesh Bank, all commercial banks are in the process of implementing the new risk based capital adequacy guideline in line with Basel III. From 1st January of the year 2015, implementation of Basel III is initiated. For the year 2016 all bank operating in Bangladesh are required to maintain the minimum capital to risk weighted assets ratio (CRAR) @ 10.625% including conservation buffer. In Basel III guideline, the definition of Capital has been changed from Basel II. Tire-I capital which is also known as going concern capital consisting i) Common Equity Tier I (CET-1) and ii) Additional Tier I (AT-1) capital. At SIBL, CET-1 are composed of (a) paid up capital (b) statutory reserves (c) retained earnings and there is no AT-1 capital in the balance sheet yet.



Tire-II capital which is known as gone concern capital consisting of (a) general provision on unclassified Investments (b) eligible balance of 50% of revaluation surplus on Fixed Assets as per the Basel III phase out program for the year 2016. As per requirements of the guideline, it is mandatory to maintain the CET-1 @ 5.125% including conservation buffer whereas Tier I

capital will be maintained minimum @ 5.50%. Capital base consisting of Tier I & II of the Bank as on 31st December 2016 stood at Tk. 19,195.04 million as against Tk. 16,916.08 million as on 31st December 2015. As per BASEL-III, the Comparative position of Capital Base of the year 2016 and 2015 is given as under:

Fig in million Taka

Particulars	Yr-2016	Yr-2015
Tier-I		
CET-1		
pital	7,382.99	7,031.42
2. Statutory Reserve	4,318.77	3,480.33
3. Retained Earnings	1,481.97	1,409.03
Sub-total	13,183.73	11,920.78
AT-1	0.00	0.00
Total Tier I	13,183.73	11,920.78
Tier-II		
1. 1% provision on unclassified investment	2,694.61	1,573.04
2. 50% of Revaluation surplus on Fixed Assets (as per phaseout program)	316.70	422.27
3. SIBL Mudaraba Subordinated Bond	3,000.00	3,000.00
Sub-total	6,011.31	4,995.31
Total	19,195.04	16,916.08
Capital Adequacy Ratios	Yr-2016	Yr-2015
i.CET-1 Capital Adequacy Ratio	7.93%	8.69%
ii. Tier -I Capital Adequacy Ratio	7.93%	8.69%
iii. Capital to Risk Weighted Asset Ratio (CRAR)	11.55%	12.33%

Stress Testing

To analyze the soundness of capital impact / capital's shock resilient of the bank more elaborately in the backdrop of 5 major risk factors of bank i.e. (a) Profit rates (b) Forced sale value of collateral (c) Non Performing Investment (d) Share price & (e) Foreign exchange rate based on minor, moderate and major levels of shocks consideration, Bangladesh Bank vide its circular no DOS

Circular No 1 dated 21st April 2010 and revised guideline on 23 February 2011 has directed all the commercial banks for stress testing on the basis of 'Simple Sensitivity and Scenario Analysis' w.e.f. June 2010 on half yearly basis and thereafter quarterly basis w.e.f 1st quarter of 2011. Stress testing simply provide information on strengthens of a bank to absorb the level of shocks against all the risk factors.

Stress Testing Result of the Bank

Required CRAR 10.625%

CRAR Maintained 11.55%

	Required CRAR 10.625% (including conservation buffer)		
Individual Shocks	CRAR after Minor Shock (%)	CRAR after Moderate Shock (%)	CRAR after Major Shock (%)
Performing loan directly downgraded to B/L Sectoral Concentration 1	11.53	11.50	11.46
Performing loan directly downgraded to B/L Sectoral Concentration 2	11.39	11.06	10.74
Increase in NPLs due to default of Top large loan borrowers	9.49	7.11	6.55
Negative Shift in NPLs categories	11.28	9.54	9.06
Decrease in the FSV of the Collateral	11.34	11.12	10.68
Increase in NPL	10.67	8.29	3.91
Interest Rate	11.51	11.46	11.41
FEX Currency Appreciation	11.50	11.44	11.38
Equity Shock	11.51	11.48	11.40

	Required CRAR 10.625% (including conservation buffer)		
Combined Shock	Minor	Moderate	Major
	Changes in CRAR	Changes in CRAR	Changes in CRAR
Decrease in the FSV of the Collateral	-0.27	-2.01	-2.49
Increase in NPLs due to default of Top large loan borrowers	-0.22	-0.43	-0.87
Negative Shift in NPLs categories	-0.88	-3.26	-7.64
Interest Rate	-0.05	-0.09	-0.14
FEX Currency Appreciation	-0.06	-0.11	-0.17
Equity Shock	-0.04	-0.08	-0.15
Total Change	-1.51	-5.98	-11.46
CAR after combined shock applied (%)	10.04	5.56	0.09

The bank has a continuous plan on its capital structure to defeat any unforeseen minor or moderate shocks at any time. The shock results of the 4th quarter of 2016 shows that the capital structure of the bank is well defined and also indicative that the bank will be able to maintain the capital adequacy ratio at the standard level as set by the regulator. To strengthen the capital base of the bank

issued 6 years' redeemable Mudaraba Subordinated Bond for Taka 3000 million on 31 March 2015 and a subordinated bond of Tk. 4000 million is in the process to issue. We have already got permission from Bangladesh Securities and Exchange Commission and Bangladesh Bank in this regard.



SIBL Mudaraba Subordinated Bond related information

Bangladesh Securities and Exchange Commission (BSEC) had approved the “SIBL Mudaraba Sub-ordinated bond” for Taka 3000 million on 26 August, 2014. Subscription of the bond was completed on 31.3.2015 by the following 14 nos of subscribers for the full amount of Tk 3,000 million:

Sl.	Name of the Investor	Registered Address of the Investor	Amount (in Taka)
1	Al-Arafah Islami Bank Limited	36 Dilkusha C/A (6th-9th floor) Dhaka-1000	500,000,000
2	Bank Asia Limited	Rangs Tower, 2nd to 6th floor, 68 Purana Paltan, Dhaka-1000	200,000,000
3	Bank Asia Limited Employees' Gratuity Fund	Rangs Tower, 2nd to 6th floor, 68 Purana Paltan, Dhaka-1000	70,000,000
4	Islami Bank Bangladesh Limited	Islami Bank Tower, 40 Dilkusha C/A, Dhaka-1000	500,000,000
5	Padma Islami Life Insurance Limited	Padma Life Tower, 115 kazi Nazrul Islam Avenue. Bangla Motor, Dhaka	50,000,000
6	Prime Islami Life Insurance Limited	Raj Bhaban, 6th floor, 29 Dilkusha C/A, Dhaka-1000	50,000,000
7	Pubali Bank Limited	26 , Dilkusha Commercial Area, Dhaka - 1000,	200,000,000
8	Reliance Insurance Limited	Shanta Western Tower, Level;-5, Space-503 & 504, 186 Tejgaon Industrial Area, Dhaka-1208	50,000,000
9	Rupali Bank Limited	34 Dilkusha C/A, Dhaka-1000	500,000,000
10	Shahjalal Islami Bank Limited	Uday Sanz, Plot No: SE(A), 2/B Gulshan South Avenue, Gulshan-1, Dhaka-1212	100,000,000
11	Sonali Bank Limited	35-44 Motijheel C/A, Dhaka-1000	500,000,000
12	Square Pharmaceuticals Workers Profit Participation Fund	Square Pharmaceuticals Limited, Salgoria, Pabna	50,000,000
13	United Finance Limited	Camellia House, 22 Kazi Nazrul Islam Avenue, Dhaka	130,000,000
14	Uttara Bank Limited	90 Motijheel C/A, Dhaka-1000	100,000,000
Total			3,000,000,000

Disclosure on Rating if SIBL Mudaraba Subordinated Bond

Date of Declaration	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
April 22, 2014	April 21, 2015	Initial	A+ID	-	Stable
April 22, 2016	April 21, 2017	Surveillance	A+ID	-	Stable

Emerging Credit Rating Limited (ECRL) has assigned A+ID (Pronounced as Single A Plus) long term credit rating to the Social Islami Bank Limited's Mudaraba Subordinated Bond (hereinafter referred to as "The Subordinated Bond" or "The Issue") issuance of BDT 3,000 million in face value. The outlook on the rating is Stable. The rating is consistent with ECRL's methodology for this type of financial institutions and bond ratings. ECRL considered financial performance, capital base, asset quality, management experience and prospect of the industry while assigning the standalone rating and the possibility of likely

default of the bond while assigning the bond rating. The Subordinated Bond, which qualifies as Tier-2 Capital for Social Islami Bank Limited is rated lower than SIBL's standalone rating, because of the Subordinated position of the bond relative to the SIBL's depositors and other liabilities (borrowings). The assigned rating reflects the strengths of the company which is backed by the growth in earnings, deposits and investments, adequate capital coverage with high tier 1 capital, and controlled liquidity position. The rating consideration has also included the unsecured position of the bond in discussion.

Liquidity

The bank has been following an approved ALM (Asset Liability Management) guideline, duly approved by the Board of Directors of the bank, in managing the day to day liquidity since 2005. Senior management of the bank is involved in the total process of liquidity management and discharges decision through ALCO (Asset Liability Committee) meeting. Management of the bank puts much stress on the bank's liquidity on regular basis rather than casual. Members of the ALCO sit minimum once in a month and instantly in case of any emergency to determine the strategy to defeat any unusual market liquidity situation. The bank has a clear guideline to face the stress liquidity situation to protect the bank at anytime from any means of liquidity mismatch. During the year under report, the bank conducted 13 numbers of ALCO meetings. To support the ALM and ALCO, the bank has a special desk under the name and style 'ALM Desk' which is (a) primarily responsible for scanning the liquid market place along with national, continental and international economy and economic factors every second (b) secondly, communication-monitoring-follow up of ALCO decision and (c) thirdly, closely monitoring of structured liquidity profile of the bank through in-depth analysis of Asset & Liability position of the balance sheet and tracking the different liquidity parameter whether all these factors are moving within the controlled environment/tolerable limit or nor and report to the CEO. Some young and brilliant professionals are assigned to perform the ALM jobs and highly concerned to assist the bank in proper liquidity management under the close supervision of senior management.

Liquidity in the form of Balance with Bangladesh Bank, Sonali Bank (as the agent of Bangladesh Bank) and cash in hand including Foreign Currency stood at Tk. 17,946.83 million as on 31 December 2016 as against Tk. 14,681.25 million last year to maintain cash & statutory liquidity. The Bank is committed to maintain the CRR and SLR through effective management of assets & liabilities of the Bank in order to maximize the profit. During the year under report, the bank effectively maintained required CRR and SLR throughout the year without fail as per Bangladesh Bank's norm.

Placement & Funding

Style and method of placement & funding of Shariah compliant banks are quite different from conventional banking style. Shariah banks operate their placement & funding under restricted environment and keep them apart from participation in 'Call Money Market Operation' and from 'Treasury Bill' purchasing programs like other contemporary banks- which are the mostly famous and widely used techniques in the banking industry in house and abroad. However, for the Islami banks, borrowing from Bangladesh Govt. Mudaraba Bond –a recognized external fund, provides liquidity to the Islami banks under some restricted environment. Borrowings from Bangladesh Govt. Mudaraba Bond mostly depend on the availability of the fund and availability of securities.

SIBL as a Shariah based bank, surplus funds placement and borrowings are usually initiated in the following way :

- (a) Placement of fund with the other Banks and Financial Institutions in the form of Savings, Notice and Term deposit Since the funding of Shariah banks are restricted to some extent, the bank always keep room in its ID ratios maximum to 89.50% and such the surplus funds keep with other Islami Banks or with the Islami banking branch / windows of conventional banks. Usually, Savings & Notice deposits accounts with other banks are used to manage the temporary or short term surplus for income generation purpose in one side and to withdraw money instantly to support the total liquidity system of the bank on the other side. Total placement with other Banks and Financial Institutions at the year end 2016 was Taka 7,196.67 million compared to Taka 6,586.72 million of 2015.
- (b) Borrowings of fund from Bangladesh Govt. Mudaraba Bond SIBL borrows fund from Bangladesh Govt. Mudaraba Bond against the lien marking of
 - (i) Instruments of Investment in Bangladesh Govt. Mudaraba Bond
 - (ii) IBP Instruments
 - (iii) MTDR receipts with other Bank's Investment

SIBL has a borrowing of Taka. 3,000.00 million as on 31.12.2016 compared to Tk. 1,000.00 million compared to the year 2015. The cost of such borrowings is equivalent to savings deposit rate.

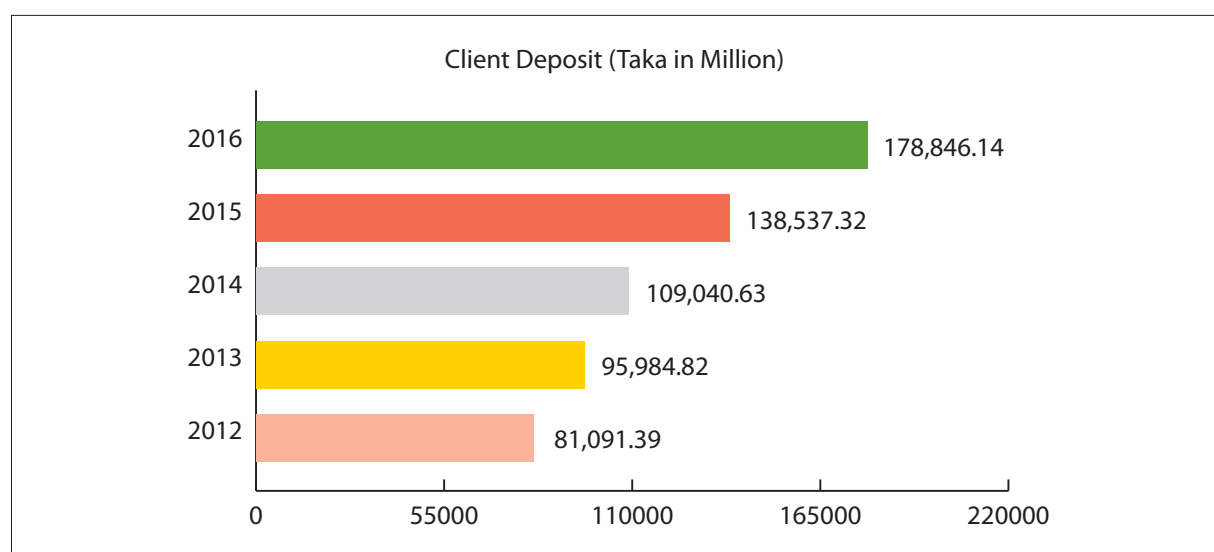


Deposits

During the year 2016, the bank drew-up a series of action plan both short term and long term to raise the deposit base of the Bank in line with the Directives of the Bangladesh Bank. The short-term action plan included launching of special drives like deposit mobilization months during April-June 2016 called 'UTCHAS'. As a result of continuous evaluation and monitoring, we could significantly improve the liquidity position as well as deposit mix in 2016. The following graph shows the deposit trend of the Bank :

division called "Brand & Communication Division- BCD" has also been formed in the year 2010 headed by a Deputy Managing Director which is mainly engaged in image building activities using all modern concepts & tools so that the messages of our bank easily reach the grassroots level of the nation and abroad. BCD has made the MBDD confident in deposit procurement programs of the bank and accordingly trying to introduce new and timeliness deposit product.

The year under review, banking sector faced excess liquidity crisis and as a result of that cost of deposit in the industry decreased significantly. SIBL overcome the excess liquidity situation successfully and posted a remarkable



Comparative Deposit Mix

Fig in million Taka

Deposit mix	Year-2016	Year-2015	Growth
Al-Wadeeah Current & Other Deposit	19,678.06	15,468.71	27.21%
Mudaraba Savings deposit	13,899.50	14,273.5	-2.62%
Mudaraba Term deposit	111,657.94	88,616.74	26.00%
Other Mudaraba deposit	45,092.13	31,235.83	44.36%
Cash Wqf.	236.88	178.83	32.46%
Total	190,564.52	149,773.61	27.24%

The bank has specially focused on liability marketing and accordingly a special division named "Marketing & Business Development Department-MBDD" has been formed to concentrate the deposit products. To support the total efforts and activities of the MBDD, another

growth in the year 2016. Cost of deposit for the year under review is 5.57 % compared to 6.42% of the year 2015 and effective planning and utilization of deposits ensured a growth in revenue earning.

Profit paid to Depositors

The bank has distributed Tk. 9,544.34 million among the Mudaraba Depositors as profit in 2016 as against Tk. 9,055.72 million in 2015. Profit paid in 2016 among the various types of Mudaraba depositors at the following rate:

Sl. No.	Mode of Deposits	Profit rates for the year 2016	Profit rates for the year 2015
1	Mudaraba Savings Account	3.00%	3.00%
2	Mudaraba Notice Deposit Account	3%-4.5%	3%-4.5%
3	Mudaraba Term Deposit Account		
	a. 1 month	3.00%	4.00%
	b.3 months	5.50%	7.50%
	c.6 months	5.75%	7.75%
	d.12 months	6.00%	8.00%
4	Mudaraba Scheme Deposit Accounts:		
	a. Mudaraba Monthly Profit Deposit Scheme	8.00%	9.50%
	b. Mudaraba Millionaire Savings Scheme	8.00%	9.50%
	c. Mudaraba Education Deposit Scheme	8.00%	9.50%
	d. Sonali Din Special Deposit Scheme	8.00%	9.50%
	e. Mudaraba Special Deposit Pension Scheme	8.00%	9.50%
	f. Mudaraba Bashsthan Savings Scheme	8.00%	9.50%
	g. Mudaraba Hajj Savings Deposit (Kafela)	8.25%	9.75%
	h. Cash Waqf	8.25%	9.75%
	i. Mudaraba Lakhopati Deposit Scheme	8.00%	9.50%
	j. Mudaraba Double Benefit Deposit Scheme	8.00%	9.50%
	k. Shamridhir Shopan Special Deposit Scheme	8.00%	9.50%
	l. Mudaraba Marriage Savings Scheme	8.00%	9.50%
	m. Mudaraba Mohorana Savings A/c (10 Years)	8.00%	9.50%
	n. Mudaraba Mohorana Savings A/c (5 Years)	8.00%	9.50%
	o. Shanchita Special Deposit Scheme	3.50%	5.00%
	p. Subarnalata Special Deposit scheme	8.00%	9.50%
	q. SubarnaRekha Special Deposit Scheme	8.00%	9.50%
	r. Sabuj Chaya Special Deposit scheme	8.00%	9.50%
	s. Sabuj Shayannaya Special Deposit Scheme	8.00%	9.50%
	t. Shukher Thikana Special Deposit Scheme	8.00%	9.50%
	u. Shacchanda Protidin Special Deposit Scheme	8.00%	9.50%
	v. SIBL Young Star Account	5.50%	7.00%



Investment

Risk is an integral part of banking business and Social Islami Bank Ltd. (SIBL) aims at delivering superior shareholder value by achieving an appropriate trade-off between risks and returns. Investment risk arises from the potential that a bank's borrower will fail to meet its obligations in accordance with agreed terms, resulting in a negative effect on the profitability and capital of the bank. Generally investments are the largest and most obvious source of investment risk. However, investment risk could stem from both on-balance sheet and off-balance sheet activities such as guarantees. It may arise from either an inability or an unwillingness to perform in the pre-committed contracted manner. Investment risk comes from a bank's dealing with households, small or medium-sized enterprises (SMEs), corporate clients, other banks and financial institutions, or a sovereign.

Success depends on our ability to consistently satisfy the ever-changing choices of customers. We are committed to be innovative and responsive, while offering high quality tailored products and services at competitive prices. We are devoted to be one of the best financial service providers in Bangladesh delivering superior products to our valued customers within a framework of shared integrity. Social Islami Bank Ltd.'s Investment Risk Management Division (IRMD) and Investment Administration Division (IAD) are relentlessly working keeping these values and commitments in mind.

Our main challenge is to maintain and manage the notable growth of the investment portfolio which is expected to achieve a significant growth in 2017 from the current position of Tk. 174195.94 million by ensuring asset quality and to distribute investment to the target group offering competitive price, smooth banking services, inducting best of the best clients and diversification of investment portfolio focusing on retail and SME sector. Our continuous effort is going on to attract new investment customers and cross selling of investment products to our deposit customers in line with the Shariah principles.

The bank has exerted its best efforts towards implementation of Core Risk Management Guidelines in Investment Risk Management. The bank has ensured the disposal of investment proposals and disbursement of the sanctioned investment facility within the quickest possible time and by complying documentation formalities and all related rules and regulations of regulatory bodies.

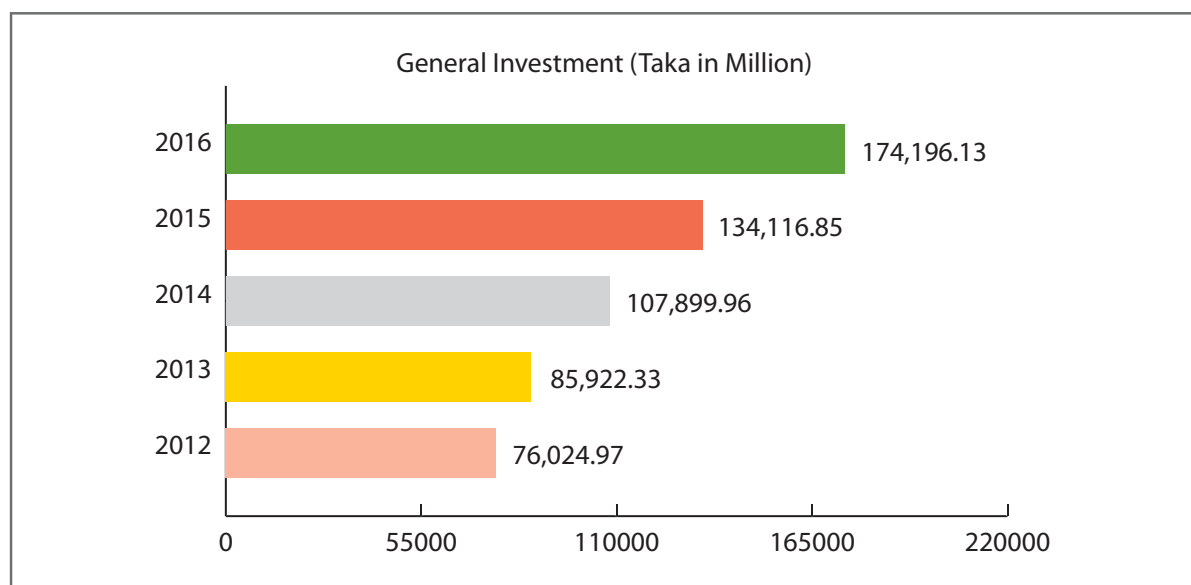
Investment Risk Management Division, Trade Finance & RMG Division are also very much aware about the upcoming risk factors involved in banking industry. As a result, we are now more cautious about implementing various risk mitigating factors in line with the directives of Bangladesh Bank and GoB. We are gradually preparing to implement BASEL-III phase by phase so that regulatory bindings can be implemented. Meanwhile some of our investment clients have been rated by leading rating agencies and many others are in process. We therefore hope that in coming days we would be more successful in mitigating risk factors and presenting quality assets.

Global investment of SIBL in the year 2016 showed a favorable growth. The total investments of the Bank stood at Tk. 174195.94 million in various sectors as at 31st December 2016 against Tk. 134116.85 million as on 31st December 2015 registering a growth 29.88% that is the sign of the confidence of the clients on the Bank. The net increase in investment is Tk. 40079.09 million as compared to 2015. We are now concentrating our efforts to increase quality investments to facilitate the investment earnings. The Bank has extended financial support towards some of the largest business conglomerates like Top Ten, Badsha Textile, Butterfly Marketing Ltd. and sister concerns, Meghna Group, Partex Group, Bashundhara Group, NZ Group, Base Group, ACME, Pran RFL Group, Abul Khair Group, Nitol Motors, AMBAR Group, Shikder Group, Rahimafroz, NASA Group, City Group, ACI, Mir Akhter Ltd., S.A Group, Aman Spinning, Megnum Steel, Bangladesh Development Group, BSRM, KDS Group, Noman Group, United Group etc. We also integrated our collaborative efforts vigorously and successfully during this time for helping various small and medium enterprises for supplying their capitals through our different micro credit investment tools.

SIBL has established Consumer Investment Division to focus more on retail and card investment with a view to diversify investment portfolio to meet investment need for procuring consumable items of a developing society and to take a significant market share of retail and card investment in the industry.

To contribute in the society and serve as a nation SIBL has introduced Islamic micro-financing under Family Empowerment Islamic Micro-Finance Program in the year 2015. At present 47 (Forty Seven) Branches of SIBL are in operation of this program. In the year 2017, SIBL is expecting to make this service available to around 75 (Seventy Five) Branches. Gradually this service would be available in all branches of SIBL based on the demand.

The following chart depicts the year wise position of investment since year 2012:



SIBL played a crucial role for keeping Non-Performing Investment (NPI) at 4.44%, through vigorous drive towards recovery of NPI and quality disbursement for fresh investments taken seriously by the management. Non-performing asset (NPA) of SIBL has increased substantially from 3.84% in the year 2015 to 4.44% in the year 2016. Drive towards recovery of NPA and quality disbursement of fresh investments has been taken seriously by the management. Out of Investment of Tk. 174,195.94 million, Tk. 7,738.20 million has become classified.

Provision composition against investment for the year 2016 and 2015 is furnished hereunder:

Status	Provision Rate	2016		2015	
		Amount	Composition in %	Amount	Composition in %
Unclassified investment	0.25%, 1% & 2%	1,938.18	43.46%	1,372.88	39.29%
Special Mention Account (SMA)		157.92	3.54%	17.14	0.49%
Off Balance Sheet	1%	598.51	13.42%	430.97	12.33%
Sub-Standard investment (SS)	20%	3.87	0.09%	69.01	1.97%
Doubtful Investment (DF)	50%	27.3	0.61%	25.71	0.74%
Bad /Loss Investment (BL)	100%	1,733.52	38.87%	1,578.69	45.18%
Total		4,459.31	100.00%	3,494.40%	100.00%

Investment Plan for 2017

SIBL has planned to reach investment portfolio to Tk. 210000.00 Million starting from Taka 174,195.94 million only. To achieve the target SIBL is looking for the country's top business tiers to boost the growth of the bank. Segment of these groups are Ready Made Garments (RMG), Textiles, Footwear, other wearing apparel & made up Textiles, Pharmaceuticals, NBFI, MNCs. Besides, SIBL is more focusing on investment to Retail, Card & SME Sectors. Investment Risk Management Division (IRMD), Trade Finance & RMG Division, SME & Agricultural Finance Division, Retail Investment Department under IRMD and Investment Administration Division (IAD) are ready to give a big push to boost up to such companies and individuals to support the branches.

The plan has been formulated keeping in view the national economic priorities and aiming at diversification of the investment portfolio by size, sector, geographical area, economic purpose and securities to bring in phases all sectors of the economy and all types of economic activities and different economic strata of the society within the fold of Bank's investment operations.

With high quality resources equipped with both operational and product expertise under a competent management team, Investment Risk Management Division (IRMD), Trade Finance & RMG Division, SME & Agricultural Finance Division, Retail Investment Department under IRMD and Investment Administration Division (IAD) are always ready to take the challenge of expected growth of the investment portfolio. But under any circumstances, quality of the investment portfolio or related risks like market risk, liquidity risk and operational risk will be analyzed and subsequently, mitigated before investment approval.

Sustainable Finance and Green Banking Activities

Sustainable Banking refers to adopting environmentally responsible financing, weighing up environmental risks of projects before making financial decisions, financing spontaneously to various social development activities and supporting & fostering growth of upcoming green initiatives & projects. Sustainable Banking can also promote environmental friendly in-house practices within the Bank to reduce carbon footprint from its banking activities which is an ethical approach in banking practice as well.

Sustainable Development Goals (SDGs) which are declared by United Nations for the period of 2016-2030 refers to a range of social needs including education, health, social protection and job opportunities, while tackling climate change and environmental protection. Bangladesh Bank through its guidelines on Green Banking & CSR and newly introduced Sustainable Banking approach has been supporting the Banks for accelerating sustainable development activities in the country.

The main purpose of Sustainable Banking is to make the earth a safe habitat for the human being, animals, plants and other organisms in the ecosystem by upholding the ethical standards, promoting social welfare activities and taking appropriate measures for environmental protection & action plans on climate change related issues. This is an effort from banks' part to ensure peace & justice in the society, tackle the future incidents which may take place due to climate change and restore the environment on the earth as well.

In order to achieve Sustainable Development Goals (SDGs) and to comply with Bangladesh Bank's instructions vide SFD circular no. 02 dated 1st December, 2016 SIBL has formed a separate Sustainable Finance Department (SFD) headed by Head of Investment Risk Management Division to carry out Sustainable Banking (Green Banking & CSR, among others) activities of the Bank and also formed a Sustainable Finance Committee (SFC) headed by the most senior Deputy Managing Director of the Bank. As per Bangladesh Bank's guideline, the existing Green Banking Unit and CSR Unit of the Bank have been abolished very recently.

The organizational structure of newly formed Sustainable Finance Department (SFD) and Sustainable Finance Committee (SFC) [along with their Terms of References (ToRs)] has been approved by the Board of Directors of the Bank. As per the approved decision of the Board of Directors of the Bank, a new Committee titled Sustainable Finance Committee (SFC) with its 17 members (senior-level Executives) has started functioning to oversee the sustainable finance activities of the Bank. Meanwhile, a separate Department titled Sustainable Finance Department (SFD) has also started its journey as per the set Terms of References (ToRs) of the Department.

Moreover, the overall activities of Sustainable Finance Department (SFD) and Sustainable Finance Committee (SFC) are being supervised by the Risk Management Committee

(RMC) of the Board of Directors of the Bank. Initially, 2 (two) officials have been posted under the newly formed Sustainable Finance Department (SFD) of the Bank (including the In-charge of the Department). More officials shall be deputed/recruited under this Department very soon.

In addition to facilitating training/workshop programs for the employees of the Bank on Sustainable Banking, SIBL

has sponsored a conference titled “Green Development Conference 2016” organized by NeoSTAR Innovation.

SIBL has been responding spontaneously to its social commitment. As part of Corporate Social Responsibility (CSR), Social Islami Bank Limited (SIBL) has been extending financial help to different orphanages, schools, madrasahs, social organizations & individuals who are suffering from fatal diseases like cancer, kidney failure, heart diseases etc.

Strategy Framework of Green Banking

Phase 01	1.1	Policy formulation and governance
	1.2	Incorporation of environmental risk in CRM
	1.3	Initiating in-house environment management
	1.4	Introducing green house finance
	1.5	Creation of climate risk fund
	1.6	Introducing green marketing
	1.7	Online banking
	1.8	Supporting employee training, consumer awareness and green event
	1.9	Disclosure and reporting of green banking activities
Phase 02	2.1	Sector specific environmental policies
	2.2	Green strategic planning
	2.3	Setting up green branches
	2.4	Improved in-house environment management
	2.5	Formation of bank specific environmental risk management plan and guidelines
	2.6	Rigorous programs to educate clients

Green Banking

Green Banking is an emerging issue in the present banking arena. Green Banking is a holistic approach, which encourages environmental protection, sustainability, resource-savings and economic attitude in personal and professional life among others. Bangladesh Bank is emphasizing much on environment and environment-friendly project.

Green Banking issues are properly addressed at SIBL as per guidelines of Bangladesh Bank. Bangladesh Bank vide BRPD Circular no. 02 dated 27.02.2011 advised all banks to start Green Banking activities comprising a set of initiatives in 03 (three) phases with specific time frame.

Green banking is fast gaining momentum in Bangladesh since its official inception in the second-half of 2011. During short span of time, several policy interventions were taken by

Bangladesh Bank (BB) for accelerating green growth of the country. Green Development and Inclusive Growth – are at the focal points in Green Banking.

Recently, Bangladesh Bank has widened the number of green products under several refinance schemes to widen their outreach in green financing. Now, 50 green products are being offered in 11 categories, namely - (i) Renewable Energy (ii) Energy Efficient Technology, (iii) Solid Waste Management, (iv) Liquid Waste Management, (v) Alternative Energy Plant, (vi) Non-Fire Block Brick Manufacturing Project, (vii) Recycling Plant and Recyclable Product Manufacturing Plant, (viii) Improvement of Brick Kiln Efficiency (ix) Green Industry, (x) Factory Work-Environment and Security Ensuring, (xi) Miscellaneous (Vermi-compost, Palm Oil Plant etc).

Green Banking initiatives are multi-stake holder approach and are never ending process, the implementation is possible only when collective efforts of all are being made.



(Figure in Million)

Sl.	Name	Achievement
01.	Formation of Green Banking Unit	Green Banking Unit has been restructured for smooth functioning of Green Banking activities
02.	Circulation of Environment Due Diligence (EDD)	Environment Due Diligence (EDD) checklist is being incorporated in Investment Risk Management vide instruction Circular no. 2011/23 dated May 23, 2011
03.	Circulation of Environment Risk Rating (ERR)	Environment Risk Rating (ERR) is being done as per instruction Circular no. 2011/23 dated May 23, 2011
04.	Circulation of Green Office Guide	Green Office Guide checklist is being monitored as instruction circular no. 2011/29 dated December 29, 2011

Sl.	Name	Achievement
05.	Formation of Green Banking Policy	Green Banking Policy of SIBL has been approved by the Board of Directors of the Bank in its 267th meeting (emergency) held on 29.12.2011
06.	Some Green Event	<ul style="list-style-type: none"> Green Banking has been focused in the Annual Calendar, 2013. Such endeavor has widely been accepted and applauded. SIBL has made donation for Tk.2.00 lac for making a Guava Garden of Public Order Management (POM) Unit of Dhaka Metropolitan Police (DMP) at Mirpur, Dhaka. e-Circular system has been introduced. e-Newsletter has been introduced replacing paper book. Sponsored jointly with other banks to conduct "Green Development Conference 2016" Solar panel installed in some branches.

(Figure in Million)

Particulars	2016		2015	
	Disbursement	Outstanding	Disbursement	Outstanding
ETP				
Finance for installation of ETP	272.14	107.72	180.29	87.87
Projects financed having ETP	17,215.67	2,552.25	5,568.09	495.07
Bio-gas Plant	0.66	0.49	0.40	0.49
Solar Panel/Renewable Energy Plant	35.10	12.85	28.57	0.00
Hybrid Hoffman Klin (HHK)	313.69	73.35	82.42	43.23
Projects financed in Brick fields having Zigzag & Improved technology	653.90	193.99	2,936.75	893.99
Hazardous waste treatment facility	-	-	103.06	9.54
Plastic Waste Recycling Plant (PVC, PP, LDPE, HDPE,PS)	14.14	6.80	77.76	6.80
Others	1,318.93	804.16	0.00	0.00
Total	19,824.23	3,751.61	8,977.34	1,536.99

Green Banking Initiatives	Yr-2016	Yr-2015
ATM (Number)	1,906	1,624
No. of Own ATM	66	36
No. of Shared ATM	1,840	1,588
Online Banking		
No. of Total Branches	125	111
No. of Branches with online coverage	125	111
Internet Banking		
No. of Accounts facilitated with Internet Banking	3,129	2,382
% of Accounts facilitated with Internet Banking	0.32%	0.29%
No. of Accounts facilitated with Mobile Banking/SMS Alert Banking	120,498	68,464
% of Accounts facilitated with Mobile Banking/SMS Alert Banking	12.19%	8.32%
No. of Training Programs/Seminars/ Workshops/Awareness Programs Exclusively conducted for Green Banking	10	5
Employees	508	80
Customer	-	-

Activities towards Green Events	<p>A book titled “সবুজ দেশ - সবুজ অর্থনীতি” Participated in BTV talk has been re-published by ARTHOPROBAHO on February’ 2015, where an article of Mr. Md. Shafiqur Rahman, Managing Director of the Bank has been included titled “পরিবেশবান্ধব সবুজ অর্থনীতি পৃথিবীকে বাঁচানোর জন্যই প্রয়োজন”.</p> <p>And an article titled “বাংলাদেশে গ্রীন ব্যাংকিং-এর শুভ সূচনা : কিছু স্মৃতি ও আমাদের করণীয়” of Mr. Shawket-UI-Amin, Head of GBU, SIBL has been published.</p>	<p>Participated in BTV talk show on Green Banking as part of awareness and capacity building by Mr. Shawket-UI-Amin, Head of SME & Member, SFC, SIBL has been published.</p>
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Our future plan:

SIBL has the plan to focus on the following areas of operation for promoting Green Initiatives:

- To popularize Online Banking
- To increase Internet, SMS & Mobile Banking activities
- To popularize Video Conferencing
- To increase Efforts towards near paperless banking
- To promote Tree Plantation Campaign
- To promote Green Initiatives through advertisement in print/electronic media



- To rationalize use of consumption of paper, water, electricity and utilities
- To reduce Emission of Carbon
- To conserve Environment
- To protect Air/Water Pollution

Saving our 'Mother Planet' has become the crucial issue now-a-days. To save our beloved abode (the earth) from all types of erosion and pollution we, as global citizens, obviously have some responsibilities to keep our mother planet green remaining in the individual position we belong to.

Recovery Performance

Special Asset Management (SAMD) renamed from the previously 'Law and Recovery Division' (LRD). SAMD started its activities from November 2010 for better functioning and for maintaining the continuous process for recovery and regularization of bad/ written-off/ stuck up investments portfolio of the Bank throughout the year. This division also undertakes different recovery drives for recovery of bad/written-off investments of the Bank, works for settlement of bad/written-off investments under the legal framework of the country and settles matters of bad/written-off investments through adopting different measures outside the court. SAMD is also engaged in handling all legal matters of the Bank. On-site, off-site, legal affairs, reporting and execution of decision desks are continuously working for recovery and regularization of bad assets.

Up to the year 2016, recovery from written-off investment was Taka 333.58 million compared to Taka 273.99 million in 2015.

Till 2016, total 814 cases/suits are decreed in favor of the Bank with involvement of Taka 8555.86 million compared to 628 cases for Taka 5124.90 million in 2015. The total such cases/suits of the Bank is 1178 in number with involvement of Taka 22932.79 million, filed by the Bank against different clients under NI Act, Artha Rin Adalat Ain 2003, Criminal Case and Civil Case.

Different management tools like formation of different committees/ teams/ task forces also have been completed to implement the recovery policies of the bank as well as to monitor the recovery of investment. For maintaining continuous and vigorous contact and strong monitoring, committees have been formed at branch level giving particular targets of recovery from bad/ written-off investments. To maintain contacts with clients as well with the engaged officials for recovery, particulars assignments have already been given to Head Office executives/ officials to see the progress of recovery on off-site basis.

SAMD arranges meeting with clients both at Head Office and at branches frequently as and when required. In these meetings, progresses also are being evaluated regarding recovery of the bad/ written-off investments in the light of the previous commitments given by clients to the Bank. Besides, assigned executive/ officials have been brought under accountability to get progress towards recovery.

To improve asset quality and to get good economic health of the Bank, the SAMD is working continuously with different techniques. It is expected that above all measures taken by the SAMD will put effective impact towards recovery of bad/written-off investments and expected to have good result in the 2016 year end.

Investment Income

The bank has registered an income from investment of Taka 16,883.38 million under different mode of investment accounts in the year under review

compared to Taka 15,288.87 million of 2015 which is an increase of 10.43% from the previous year. A comparative position on income received from different mode of investment in the year 2016 and 2015 is given below

Mode	Year 2016	Year 2015	Growth
Mudaraba	119.86	195.23	-38.61%
Bai-Muzzal	10,118.43	8,828.93	14.61%
Hire Purchase Sirkatul Meelk	3,876.45	2,692.87	43.95%
Musharaka	38.94	51.15	-23.87%
Bai-Salam	40.66	13.63	198.32%
Quard against MTDR, Scheme & Others	557.89	766.35	-27.20%
Inland Document Bill Purchased	358.86	288.05	24.58%
Foreign Document Bill Purchased	691.12	1,306.43	-47.10%
Profit on Ijarah	27.31	16.34	67.14%
Other Banks and NBFIs	599.16	737.63	-18.77%
Other Investment (Card, Wakalat Fees etc)	217.78	153.28	42.08%
Profit on Mudaraba	236.94	238.98	-0.86%
Total	16,883.38	15,288.87	10.43%

Capital Expenditure

During the year under review, the total capital expenditure on acquisition of fixed assets was Taka 411.08 million which includes Taka 147.43 million towards Furniture & Fixtures, Taka 256.46 million for Office Equipment & Computers Software and Taka 6.96 million towards purchase of vehicles and Taka 0.23 million towards purchase of Books and References.

Non Funded Investment

The year under review, the bank had a collective effort in non-funded business from the first day of 2016. The Bank undertook a target on foreign exchange business for the year 2016 for Taka 2,17,000.00 million and accordingly achieved 167,382.30 million which is 77.13% of global target. The bank successfully managed to earn a commission & exchange income of Tk.1,552.38

million in 2016 against Tk. 1,255.97 million of 2015. The growth rate of commission and exchange earning is 23.60% over the previous years. Despite the volatility of foreign currency throughout the year 2016, the bank accumulated an exchange gain of Taka 755.83 million against Taka 595.24 million of 2015.

Income from Investment in Shares & Securities
Throughout the year, the country observed the capital market as unsupported, fade and confidence less of the investors irrespective of corporate and individual. SIBL had an investment outstanding of Taka 12,310.58 million in Quoted & Unquoted Shares, Preference Share, Bond & Government Security against 9,222.39 million of 2015. This year earnings from this segment has been recorded Taka 293.82 million against Taka 362.24 million in 2015.



Significant variance in operating results between Quarterly and Annually

Despite political turmoil and overall economic slowdown, SIBL was able to maintain a positive growth in Deposits, Investment and Foreign Exchange. The operating profit of the year 2016 was Taka 5,698.08 million against Taka 4,849.82 million which is a growth of 17.49%. While analyzing the operating results by month to month and quarter to quarter, no significant deviation was found. The operating results for the 4 quarter of the year 2016 are given below with remarks:

fig in Million Tk

SI	Accounting Head	(un-audited & published)		Audited		Remarks
		31.03.16	30.06.16	30.09.16	31.12.16	
1	Investment Income	3,893.56	7,983.48	12,051.23	16,883.38	4 quarters trend of the year 2016 shows no significant deviation in results.
2	Profit Paid on deposits	2,761.57	5,102.58	7,595.45	9,544.34	4 quarters trend of the year 2016 shows no significant deviation in results.
3	Net Investment Income	1,131.99	2,880.89	4,455.78	7,339.04	There is no deviation in the result of operation until 2nd Quarter. In 3rd & 4th Quarter, result is slightly higher due to increase in fresh investment disbursement.
4	Income from Investment in Shares & Securities	33.90	73.53	124.16	293.82	Quarters trend of the year shows deviation in results due to efficient dealing from capital market operation.
5	Commission, Exchange & Brokerage	367.56	767.39	1,200.13	1,552.39	4 quarters trend of the year 2016 shows slightly higher compared to other quarters due to increase in foreign exchange business.
6	Other Operating Income	52.72	203.78	251.57	444.75	The result of 2nd & 4th quarter has been significantly deviated from 1st & 3rd quarter respectively due recovery of service charges from client accounts on June & December. (as per banking practice.
7	Total Operating Income	1,586.18	3,925.60	6,031.64	9,630.00	3rd & 4th Quarter, result is showing a slightly higher trend due to accumulation of investment income & exchange income from the investments that was freshly disbursed in the 2nd quarter.
8	Operating Expenses	799.25	1,859.18	2,823.69	3,931.92	4 quarters trend of the year 2016 shows no significant deviation in results.
9	Salaries & Allowances	477.23	1,090.41	1,741.90	2,451.35	4 quarters trend of the year 2016 shows no significant deviation in results.
10	Other Operating Expenses	322.02	768.77	1,081.79	1,480.57	4 quarters trend of the year 2016 shows no significant deviation in results.
11	Operating Profit before provisions & taxes	786.93	2,066.42	3,207.95	5,698.08	4 quarters trend of the year 2016 shows no significant deviation in results.

SIBL Subsidiaries

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. SIBL Securities Ltd. is corporate TREC holder of Dhaka & Chittagong Stock Exchange Ltd. The company started its commercial operation in the month of January 2012. The principal place of business is the Registered Office at 15 Dilkusha C/A, Dhaka-1000. The principal objectives of the company for which it was established are to carry on the business as stockbroker and stock dealer in relation to shares and securities transactions, other services related to the Capital Market and other activities as mentioned in the Memorandum and Articles of Association of the company. As on 31st December 2016, the company

has made a profit after tax 78.90 million Taka as against Taka 35.29 million in 2015. Total paid up capital of this company is Taka 1230 million.

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 place of business is the Registered Office at 15 Dilkusha C/A, Dhaka-1000. The principal objectives of the company for which it was established are to carry on the business in relation to shares and securities transactions, 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. Total paid up capital of this company is Taka 250 million.

The Bank holds the major shares of the these two subsidiary companies as mentioned below-

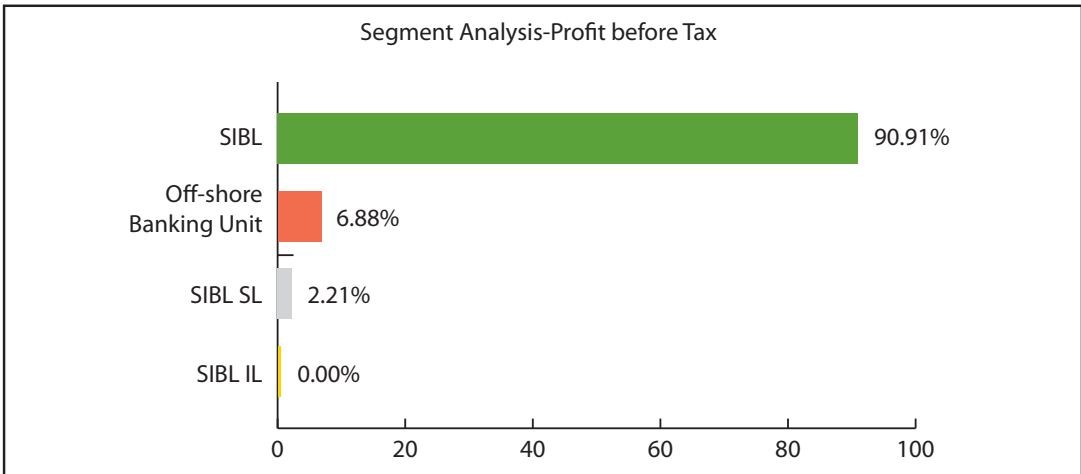
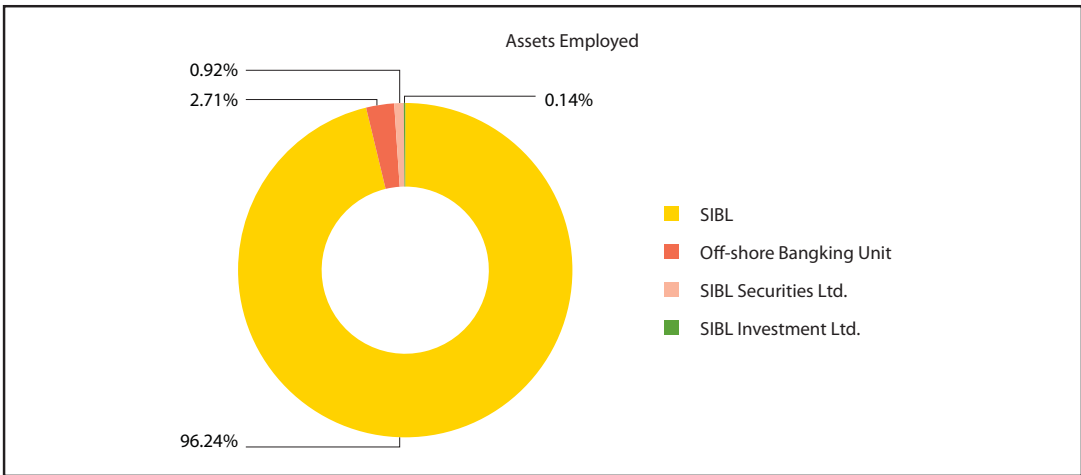
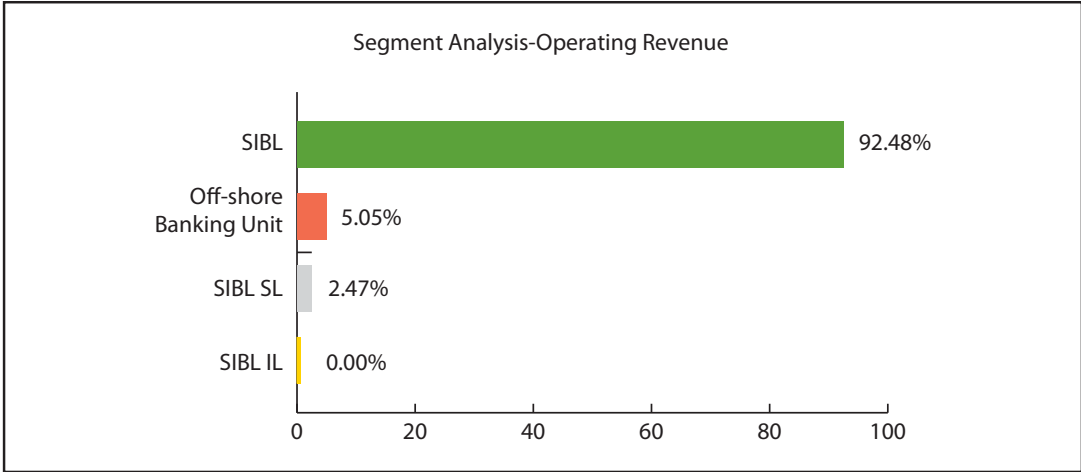
Sl. No.	Name of Subsidiary Companies	% of holding of shares by the Bank
1.	SIBL Securities Ltd.	99.99%
2.	SIBL Investment Ltd.	99.99%

Segment Analysis - Business Segment

Particulars	SIBL	Off-shore Banking Unit	SIBL Securities Ltd.	SIBL Investment Ltd.	Total
Income	5,296.80	289.18	141.63	-	5,727.61
Less: Inter-segmental Income	-	-	-	-	-
Total Income	5,296.80	289.18	141.63	-	5,727.61
Operating profit (Profit before	5,296.80	289.18	141.63	-	5,727.61
Unallocated expenses and tax)	3,896.62	3.23	86.86	0.09	3,986.81
Allocated expenses					
Provision against loans and	1,505.89	-	16.51	-	1,522.40
Profit / (loss) before tax	3,822.88	289.18	93.06	0.09	4,205.21
Income tax including deferred tax	1,900.01	-	14.16	-	1,914.17
Net profit	1,922.88	289.18	78.90	0.09	2,291.05
Segment assets	218,082.04	7,449.20	2,034.16	249.91	227,815.30
Segment liabilities	218,082.04	7,449.20	2,034.16	249.91	227,815.30

* Information of the segments are available in our website www.siblbld.com





Contribution to the National Exchequer

During the year under report, an amount of Taka 3,996.00 million was contributed to the national exchequer against Taka 3,023.39 million in the year 2015 which is an increase of 32.17% over the previous years.

Particulars	Year 2016	Year 2015
Corporate Income Tax	1,900.01	1406.58
VAT Collection at Sources	253.38	184.13
Tax Collection at Source	1,673.73	1305.75
Excise Duty	168.88	126.88
Total	3,996.00	3,023.39

Risk Management

The risk management of the Bank covers a wide spectrum of risk issues and the 6 (six) core risk areas of banking i.e. investment risk, foreign exchange risk, internal control & compliance risk, money laundering risk, ICT risk and asset liability management risks. To ensure sustainable and consistent growth, SIBL has developed sound risk management policies and framework as per Bangladesh Bank guidelines. The Board of Directors of SIBL reviewed all the risk management policies and frameworks during the year 2016. A Risk Management Committee (RMC) was formed consisting of 5 (five) members of the Board of Directors in 2013. Main objectives of the RMC are to ensure proper and timely risk management in every sphere of the bank. The Board has been made responsible for Identifying the risks and formulation of appropriate strategies to control inherent banking risks. The Committee submits decisions and recommendations to the Board on quarterly basis for further reviews and guidance in the interest of the stakeholders. To streamline the risk management system of the bank, a separate division called "Risk Management Division" has been formed where a Deputy Managing Director is working as Chief Risk Officer (CRO). The Division is staffed with some brilliant and young professionals for consolidated risk management. Besides that, a Management level Risk Management Committee is actively working to focus the entire risk management system of the bank. We are much concerned about the business risk and its proper management so that the risk and return could be optimized. Our policy envisages that the management would pay special attention to reduce the risk to an acceptable level apart from prudent controls over the Bank's assets.

Business Risk Analysis

Risk is an integral part of financing business and thus every financial institution is exposed to risk of different types and magnitudes. So, the prime responsibility of every financial institution is to manage its risk so that its return from business can be maximized. As a prudent and responsible financial institution, the bank attaches top priority to ensuring safety and security of the finances that are being extended. Risk Management for SIBL is performed at various levels of the bank. By formulating policy regarding profit rate, market, liquidity, currency, operational as well as investment risk, SIBL manages its business risks and aims to mitigate them.

Credit/Investment Risk

Investment risk is one of the major risks faced by the bank which arises from the potential of failure of a counter party to perform according to contractual agreement with the bank. The factors involved here may be the unwillingness of the counterparty as well as adverse economic condition. To address the risks, SIBL follows a guideline on Investment Risk Management, which has been prepared in the light of broad guidelines provided by Bangladesh Bank for the banking industry. The bank's formulated investment policies in compliance with regulatory requirement covers investment assessment, collateral requirements, risk grading and reporting, documentation and legal formalities and procedures along with up to date clean CIB report of the client.

The bank has incorporated a segregation of duty among the officers/ executives who are involved in investment



activities to mitigate the risk to an acceptable level. A separate Corporate Division has been formed at Head Office, which is entrusted with the duties of maintaining effective relationship with the customer, marketing of investment products, exploring new business opportunities etc. Moreover, investment approval, administration, monitoring and recovery function has been segregated. For this three separate units have been formed within the credit division namely Investment Risk Management unit (IRMU), Investment Administration Division (IAD) and Investment Monitoring & Recovery Unit (IM&RU). IRMU is entrusted with the duties of maintaining assets quality, assessing risk to lending, sanctioning investment, formulating policy and strategy for lending operation etc.

Operational Risk

Bangladesh Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This operational risk also includes legal risks but not strategic and reputational risks. This can also arise from unexpected losses due to physical catastrophe, technical failure and human error in the operation of a bank, including fraud, failure of management, internal process errors and unforeseeable external events.

Internal Control and Compliance

Internal control facilitates systematic and orderly flow of various operational activities within the organization. To confront operational risk, SIBL follows "Internal Control and Compliance guidelines" which is approved by Bangladesh Bank. To ensure that sound monitoring system is placed inside the organization, Audit committee has been formed. Moreover, SIBL has introduced the "Internal Department (ICCD)" at Head Office staffed with some experienced senior Bankers rest with the power and duties to train the employees of the bank, give direction, minor, audit and establish control on day to day operational procedures and statutory and non-statutory compliances.

Money Laundering

Money laundering refers to a financial transaction scheme that aims to conceal the identity, source, and destination of illicitly obtained money. To fight with money laundering SIBL has framed an appropriate Money Laundering Prevention Policy Guideline so that it could be sufficient to protect the bank from tribulations of money laundering. Besides that, a Central Compliance Unit (CCU) has been formed at Head Office in SIBL and a designated

person has been nominated to supply any information if required as per Money Laundering Prevention Act 2002 and Money Laundering Prevention circulars. Chief Anti Money Laundering Compliance Officer (CAMALCO) has been designated at Head Office and Branch Anti Money Laundering Compliance Officers (BAMALCO) has been nominated at branches. The second man of the ninety four branches of SIBL have been complying the responsibility for their respective branches as Branch Anti Money Laundering Compliance Officers (BAMALCO) as per the direction of Bangladesh Bank.

Market Risk

Market risk refers to the risk of losses in on and off-balance sheet positions arising from fluctuations in market prices. It arises due to change in different market variables like profit (interest) rate, exchange rate, availability of liquidity with the lenders/ depositors, prices of securities in the stock exchange. The risk arising from market risk factors such as interest rates, foreign exchange rates, and equity prices have been discussed below:

Risk on Rate of Return

Investment profit rate risk is the potential impact on the bank's earnings and net asset values due to changes in market interest rates. This can arise due to mismatches between maturities of investment and funds, imbalance between supply and demand of fund for investment etc. Besides that, increase in profit rate results in subsequent adjustment on the deposit rates whereas the pricing of investments cannot be done instantaneously giving rise to such risk. Early repayment of investment, early deposit encashment/withdrawals are additional factors of such risk. The Asset Liability Committee (ALCO) of SIBL is the primary body which looks after and monitors investment profit rate structure. The committee also evaluates any market risk that arises from the regulatory pressure thus reducing the profit rate. Moreover, ALCO committee is always watchful to adverse movement of the different market variables.

Equity Financing Risk

Equity financing risk is defined as loss due to change in market price of equity held by the bank. SIBL has significant amount of investment in equity portfolio. To measure, identify and reduce this kind of risk, the bank practicing mark to market valuation of the share investment portfolios which was reflected through the bank's balance sheet as provisions for diminution in value of investment in shares. In

FY 2016 the bank has made no fair value adjustment whereas fair value adjustment had been made for BDT 21.70 million in 2015 on its quoted and unquoted equity investment.

Foreign Exchange Risk

Foreign-exchange risk refers to the potential for loss from exposure to foreign exchange rate fluctuations. This can be the current or prospective risk to earnings and capital resulting from adverse movements in currency exchange rates. Managing foreign exchange risk involves prudently managing foreign currency positions in order to control, within set parameters, the impact of changes in exchange rates on the financial position of the bank. Introduction of market based exchange rate of Taka has resulted in both trading opportunities and associated foreign exchange volatility risk. SIBL adopted foreign exchange risk manual and investment guideline of Bangladesh Bank to identify and combat the foreign exchange risk. International department of the bank independently conducts the transactions relating to foreign exchange and responsible for verification of deals and passing entries. Besides that, the bank's Internal Control and Compliance Division performs internal audit to supervise the activities of the foreign exchange departments which measures the effectiveness and efficiency of the division.

Liquidity Risk

Liquidity risk is the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, thus sale of illiquid assets will yield less than their fair value. This also arises when the cushion provided by the liquid assets are not sufficient enough to meet maturing obligations. Liquidity risk is often triggered by the consequences of other financial risks such as credit risk, interest rate risk, foreign exchange risk, etc. For instance, a large loan default or changes in interest rate can adversely impact a bank's liquidity position. SIBL's Asset Liability Committee (ALCO) is entrusted with the responsibility of managing short-term and long-term liquidity and ensuring adequate liquidity at optimal funding cost. ALCO also reviews liquidity requirement of the bank, the maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan.

Reputation Risk

Reputation risk may arise from the possibility that negative publicity regarding the bank and its business practices, in

the territory or elsewhere through related entities, whether accurate or not, will adversely impact the operations and position of the bank. Reputation risk may also arise from an institution, or an affiliate, being domiciled in a jurisdiction where the legal and organizational framework for the regulation and supervision of financial institutions is generally viewed as failing to meet international standards for the protection of consumers of financial services and for the prevention of sheltering the proceeds of organized crime. Reputation risks are very difficult to measure but significantly important to manage since many new banks have created the market more competitive ever before.

Correspondent Banking Relationship

In order to facilitate the Foreign Exchange (FX), Foreign Trade and Other Foreign Currency (FCY) Business and Transactions, International Division of the bank maintains affluent Correspondent Banking Relationship with almost all the major and renowned banks at home and abroad. International Division comes forward to play its role and not only felicitates foreign trade but also works for the development and enhancement of foreign correspondence relationship. The well experienced and dedicated team of the division has established Standard Settlement Instructions (SSI) including Drawing and Telegraphic Transfer (TT) arrangements in all major currencies in the locations of international business concentration. The bank maintains 22 NOSTRO accounts in major international currencies with reputed international banks for the settlement of all the foreign currency transactions of our customers. As a part of its growth, International Division has been constantly developing and improving the affiliation with foreign correspondent banks on reciprocal basis.

Alternative Delivery Channel (ADC)

Social Islami Bank Limited believes in keeping abreast with latest technology in order to provide our customers with convenient and time saving solutions which ensure banking transactions anytime and anywhere.

The Alternative Delivery Channel (ADC) Department of the bank is relentlessly working hard for the development and integration of all technology based delivery channels for the banking products and services. The department also plans and ensures smooth operation of service delivery through ATM's, CDMs, Web systems, SMS and mobile phones etc. and enhance areas of delivery of customized services through these channels. The Department ensures the operation of



inland remittance service using all delivery channels and also ensures quick and secure delivery of foreign remittance as well using as much delivery channels as necessary to make local and foreign remittance payments attractive, useful and popular.

SIBL Cards

To provide advanced and enhanced banking facilities to our valued customers SIBL has introduced both Debit & Credit cards of VISA brand. At present, we have the following categories of cards

- VISA Ismaic Debit Cards
- VISA Islamic Credit cards (Local Card, Dual Currency Card)
- VISA Islamic Prepaid Cards
- Gift Card, Hajj Card, Travel Card

Our dual credit cards are now accepted worldwide and cardholders have access to all ATMs & POS all over the world having VISA Logo.

We have already setup and installed 50 ATMs of our own in different locations of Bangladesh. Besides, our cardholders also have access to more than 1000 ATMs all over the country as a member bank of Q-cash. We are working to introduce POS at different Merchant Outlets of the country for the satisfaction of our valued customers.

Our continuous endeavor is to enhance service quality and product diversification for ensuring customer satisfaction all the times.

Centralized Trade Processing Unit (CTPU)

SIBL has established Centralized Trade Processing Unit (CTPU) for serving customers in a more effective and efficient way. For the branches around Dhaka Division and Chittagong Division, two base stations have been established at Head Office, Dhaka and Agrabad Branch of Chittagong respectively.

All the branches under CTPU Dhaka and Chittagong are able to serve their clients through these base stations. As a result, processing becomes faster and efficient. It has established the concept of any branch banking.

Centralized Remittance Processing Unit (CRPU)

Social Islami Bank is in continuous effort to encourage expatriate Bangladeshis living abroad for remitting funds

through banking channel. In this regard the bank has established remittance drawing arrangements with reputed exchange houses/ money transfer companies around the world. At present the bank is providing remittance service channeled through Western Union, commonly known as the money transfer giant having its presence in 240 countries with 3,50,000 agents around the world. SIBL has a very dedicated and efficient team to source remittance business as well as to ensure prompt & efficient services to the Customers offering best competitive price for their hard earning Foreign Currencies. Consequences upon different initiatives taken by last one year, SIBL's Foreign Remittance business volume has triggered to Taka 13,345.70 million in 2016 compared to Taka 10,162.70 million in the year 2015.

SIBL handles both inward & outward Remittance products. The outward Remittance includes FC Cash. FDD. FTT & wire Transfer through SWIFT, The Inward Remittance products are Over the Counter Payment (OTC), Account Credit to all bank all branches. FTT. wire Transfer through SWIFT etc. We have a strong Remittance Settlement Network with different associate Banks, BEFTN & NGOs which cover more than 9,000 remote locations besides our 94 strategic Branch locations throughout the Country. We have an admirable Remittance Tie-up with a good number of world's renowned Exchange Houses namely Western Union Money Transfer. Xpress Money Services, MoneyGram. Placid NK Corporation USA. UAE Exchange SDN BHD, NEC Money Transfer, Purushottam Kanji Exchange, KMB International Money Transfer, Aussie Forex. Lotus Forex, Asia Express Exchange, Doha Exchange, United Bank Ltd., Zen) Exchange Co. etc and different Banks throughout the World to facilitate the Remittance services to the beneficiaries. The bank is continuously endeavoring to increase its remittance network and to connect new destinations in places of concentration of expatriate Bangladeshis. In this regard the bank shall give due emphasis to Gulf Cooperation Countries (GCC) in the Middle East and Saudi Arabia. The bank has also established a special arrangement with Bangladesh Post Office in order to increase its delivery channel and for the distribution of foreign remittance taking the advantage of their wide network spread across the country. The devoted and enthusiastic personnel of 125 branches of the bank have ensured a privileged service for its customers. Besides, a Centralized Remittance Processing Unit (CRPU) has been set up to improvise and monitor the remittance service. The centre is equipped with skilled and experienced work team along with modern and sophisticated software.

Off Shore Banking

Social Islami Bank Limited is operating off-shore Banking Units as a separate business unit under the rules and guidelines of Bangladesh Bank. Defying the probability in the global financial market, SIBL OBU has scored a sizeable profit in the first year of its operation. We hope these units will play a vital role in the foreign trade business and facilitate the valued customers by maximizing their benefit. In the year 2016, the OBU has accumulated a Net Profit after Tax Taka 289.18 million against Taka 220.67 million in 2015.

Centralized Clearing Unit (CCU)

Bangladesh Automated Clearing House (BACH) started its LIVE Operation on the 7th October '2010 for Bangladesh Automated Cheques Processing System (BACPS) and 28th February, 2011 for Bangladesh Electronic Fund Transfer Network (BEFTN) in order to make quick remittances in the whole Bangladesh. Since its inception, SIBL participated in BACH successfully with the cooperation of Bangladesh Bank. For more efficient and smooth functioning of the activities of BACH, SIBL formed an independent unit in November 2011 under the control of Head Office named as Centralized Clearing Unit (CCU) where some dedicated, sincere and efficient officers are working with an organizational zeal.

At present, all the 125 branches of SIBL have participated in BACH by which the remote branches now collect their cheques within 1 day and can make payment to the customers very quickly. All branches of SIBL are remitting the funds of customers by originating credit entries to other banks through BEFTN and received inward credit entries from other banks, which are crediting in the accounts of the customers in the same day by the CCU through Online. Constant efforts are continuing by the CCU, SIBL to boost all the financial transactions under BACH.

Related Party Transaction

Related party refers to the controlling entity (either directly or commonly) or controlling individual or close group/ family member of such entity or individuals who have substantial influencing power in management of a particular organization. Whereas related party transactions refer to those transactions with the entity / person as stated by way of transfer of resources, services regardless of whether a price is charged. Disclosure on related party transactions with the Social Islami Bank Limited has been provided in the audited accounts part in note no 47.3. During the year under review, four numbers of Investment accounts were recorded under 'related party transaction' category of whose total outstanding as on 31.12.2016 was Taka 1117.40 million compared to Taka 585.46 million in 2015. Out of 6 (six) transactions, 4 (four) were related to Director's concern of whose value was Taka 124.61 million and rest of the amount of Taka 420.00 million was related to SIBL subsidiary company called SIBL Securities Limited and of Taka 572.79 million was related to SIBL Foundation Hospital & Diagnostic Center.

Credit Rating

Emerging Credit Rating Limited (ECRL) has affirmed AA- (Pronounced as double A minus) long term credit rating and ST- 2 short term credit rating to the Social Islami Bank Limited based on audited financials of 2016 and other available information up to the date of rating declaration. The outlook on the rating is Stable. The ratings are consistent with ECRL's methodology for this type of company. ECRL considered financial performance, capital base, asset quality, liquidity position, management experience and prospect of the industry while assigning the rating. The assigned rating reflects the strengths of the Bank which is backed by significant growth in earnings, deposits and investments, adequate capital coverage with high tier 1 capital, improved asset quality and well controlled liquidity position.

Date of Declaration	Valid till	Rating Action	Long Term Rating	Short Term Rating	Outlook
May 29, 2013	May 28, 2014	Initial	AA-	ECRL-2	Stable
April 22, 2014	April 21, 2015	Surveillance	AA-	ECRL-2	Stable
March 16, 2015	March 15, 2016	Surveillance	AA-	ECRL-2	Stable
March 16, 2016	March 15, 2017	Surveillance	AA-	ECRL-2	Stable
March 08, 2017	March 07, 2018	Surveillance	AA-	ST-2	Stable



Foreign Exchange Business

Foreign Exchange Business stood at Tk. 167,382.30 million in 2016 against Tk. 149,192.40 million in 2015, which is sharp increase of 12.20%. The break-up of this foreign exchange business is as under

(Fig in million Taka)

Particulars	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Import	13,482.30	18,343.80	22,753.30	39,459.50	68,198.50	76,985.60	73,859.40	79,024.20	84,906.70	10,4270.60
Export	9,961.60	12,674.30	14,433.20	21,372.20	34,975.00	42,712.20	51,775.30	53,044.90	54,121.20	4,9766.00
Remittance	459.90	2,341.10	1,923.50	1,099.40	5,134.90	6,822.10	6,740.00	7,839.90	10,164.50	1,3345.70
Total	23,903.80	33,363.20	39,110.00	61,931.00	108,308.30	126,519.90	132,374.70	139,910.00	149,192.40	16,7382.30

International Trade Financing (Export & Import)

One of the core activities of the bank is to facilitate International Trade through export and import financing. Over the last few years, the foreign trade financing of the bank has gained a stable expansion. The bank has been achieving significant growth in both export and import financing despite/since global financial turmoil and worldwide economic slowdown since 2008. During the year, the foreign trade business of the bank has recorded a significant growth of 12.20%. Import business Increased by 22.81% percent of which real value was Taka 104,270.60 million in 2016 from 84,906.70 million in 2015. On the other hand export business grew to Taka 49,766.00 million in 2016 which is -8.05% from Taka 54,121.20 million in 2015. The bank has 21 Authorized Dealer Branches well equipped with highly trained professionals to meet different requirements of import and export based clients. The bank was involved in financing import business in the field of capital machineries, industrial raw materials, food grains (rice, wheat, sugar, dal, garlic, onion, spices), oil (soya bean, palm, lubricant), motor vehicles, spare parts, garment accessories, sports items, perfumery items, chemicals, milk food etc. whereas the export was conspicuous in the field of ready made garments. The bank has been endeavoring to diversify its export financing in other fields like leather, agricultural products, dry fish, PET Flakes, spare parts of ships etc.

In order to facilitate trade finance, establishing of 'Central Trade processing Unit (CTPU)' was a timeliness decision and has changed the total process of foreign exchange business through speed up the service and business potential of SIBL. We have CTPU facilities based in Dhaka and Chittagong.

Human Resource Development

Human Resource is the corner stone for accelerated and sustained development of any organization. The Bank recognizes the importance of skilled Human Resources for overall growth of the Bank. The meritorious and talented human resources team is the key for continuous development of the organization. Superior human resources are an important source of competitive advantage. To attract talented human resources team and to create brand image bank have formulating and executing HR systems—HR policies and activities—that produce the employee competencies and behaviors which the Bank needs to achieve. The Bank has been trying to ensure maximum output with minimum resources. So quality manpower with good academic background is being recruited in all levels of the Bank every year for rendering quality services to its customers.

SIBL has opened 14(fourteen) new branches in the year 2016 and has become the Bank of 125 Branches. For this reason a good time was spent on recruitment of experienced Bankers. Besides that, the recruitment process of Probationary & Trainee Officer for the Bank has been initiated. The total manpower strength of the Bank was 2363 as on 31.12.2016.

SIBL is an employee welfare-oriented organization. For this reason, the management of the Bank always tries to sort out all possible ways it deems beneficial to promote its employees' professional skill and efficiency. It has its own Training Institute, which rendered useful training to 1721 employees last year. Eminent Bankers, scholars, and other resource persons were invited to deliver lectures. Besides, 402nos/ of employees were sent to

Bangladesh Bank Training Academy, Bangladesh Institute of Bank Management, Bangladesh Association of Banks, Bangladesh Foreign Exchange Dealers Association, the Central Shariah Board for Islamic Banks of Bangladesh and many other reputed institutions of the country for training out of 2363 nos of employees in 2016. Subsequently, it is observed that the employees who were trained, render

good performance. Besides that, during the year under review, Social Islami Bank Training Institute itself had conducted 9 (nine) foundation training courses for total 340 nos. of fresh Officers and 33 Training, workshops and Seminar on different contemporary issues related to banking industries where 1381 nos. different Officers and executives had participated.

Training conducted by Social Islami Bank Training Institute from 1st January, 2016 to 31st December, 2016

SI No.	Title	Number	Total Participants
01	SWIFT message creation from ABABIL Software	2	99
02	Foundation Course in Banking	9	340
03	Inward Foreign Remittance Products of SIBL	1	68
05	Upgrading CIB online Software(New Version) and Batch Contribution of Bangladesh Bank at SIBL TI	6	269
06	Operational Procedure of Family Empowerment Islamic Microfinance Program (FEIMP) and its application at Branch level and Core Banking Solution (CBS)	3	102
08	Investment Management	2	75
09	Foreign Trade & Foreign Exchange	2	70
10	Internal Audit & Inspection	1	40
Total			1063

Workshop conducted by Social Islami Bank Training Institute from 1st January, 2016 to 31st December, 2016

SI No.	Title	Number	Total Participants
1	Diversification of the Non-funded Business of the Bank among Head Office Executives(ID, Treasury, TF&RMG) and Foreign Trade Officials of the AD Branches of Dhaka and Suburb area, CTPU-Dhaka and OBU	1	48
2	E-Tendering Procedure of e-GP System & Procedure of Student File and Passport Endorsement	1	41
3	Integrated Supervision System (ISS) reporting Group – I	3	131
4	Recovery of Classified & Written off Investments	2	74
5	Shariah Compliance in Banking Operation	1	41
6	Workshop on “Prevention of Money Laundering, Financing of Terrorism & Financing in proliferation of weapons of Mass Destruction”	2	138
7	Workshop on “Security Awareness of ICT Operations”	2	30
8	Workshop on “ New L/C Module and SWIFT Message Screening”	2	65
9	Investment Classification & Provisioning	2	90
Total			658



Management of the bank has emphasized and specially focused on the development of employees and to bring out the persons' insider instinct into light, SIBL Training Institute (SIBL TI) has restructured aiming to create leaders.

SIBL is sincere to address its employee's health problem. The bank has appointed one full time doctor for the employees of Head Office and Dhaka city branches. SIBL placed First Aid Box in its premises to provide instant medical facility for all employees as and when needed. We have help desk, who are always besides to their ailing colleagues and their family members for proving all

kinds of supports including pecuniary facility under SIBL Employees' Superannuation Fund and CSR.

In order to evaluate the level of efficiency, improve the healthy competition among the employees and in a way to generate motivation for the employees, Employees' Performance Evaluation and Key Performance Indicator (KPI) have been introduced from time to time. Upon the evaluation, the employees are motivated and awarded with promotion, accelerated promotion and other benefits. In addition to that, various types of drives are taken to keep and upgrade the standard of the Bank.

Demographic distribution of manpower of SIBL

Gender breakdown by age group for permanent employees

Age range	Gender	2016	2015	2014	2013	2012
< 30 years	Male	382	413	384	393	328
	Female	115	104	95	97	71
30-50 years	Male	1464	1275	1142	1043	992
	Female	293	251	218	196	173
> 50 years	Male	103	84	81	71	60
	Female	06	03	02	02	01
Total		2363	2130	1922	1802	1625

Gender diversity among permanent employees

Employee Category	Gender	2016	2015	2014	2013	2012
Entry level	Male	984	965	915	901	951
	Female	248	214	189	177	166
Mid level	Male	804	695	581	506	359
	Female	157	138	121	114	77
Senior Management	Male	161	112	111	100	70
	Female	09	06	05	04	02
Total		2363	2130	1922	1802	1625

Human Resource Accounting

Human resource Accounting is the process of identifying and reporting the Investments made in the Human Resources of an organization that are presently not accounted for in the conventional accounting practices. Social Islami Bank Limited formally does not practice Human Resources Accounting but regularly works out and looks into some important areas for mathematical and co-relational understanding on the main business factors. Given below is the considerable index to the management on which human related decisions are taken:

Description	Yr-2016	Yr-2015	Yr-2014	Yr-2013	Yr-2012
Total number of employee	2363	2130	1922	1802	1625
Total number of Branches	125	111	100	94	86
Employee per branch (nos)	19	19	19	19	19
Deposit per employee (million Tk)	80.64	65.70	64.76	56.52	57.60
Investment per employee (million Tk)	73.72	61.36	56.11	47.65	46.78
Operating profit per employee (million Tk)	2.41	2.28	2.10	1.62	2.23
Salaries & Allowances per employee(million Tk)	1.03	1.03	0.87	0.83	0.67
Salaries & Allowances as percentage of Operating profit	42.82%	45.61%	41.27%	51.47%	30.09%

Employee Benefits

Social Islami Bank Limited is very keen to establish and retain a very congenial working atmosphere. The bank has a competitive & unique pay structure for its employees and always keep track on the necessity of revision on the passage of time that matches with the living standards of the employees in one hand and competitive with other banks on the other hand. At present, SIBL offering three types of long term employee benefits of which Provident Fund and Gratuity Fund are approved by the Revenue Board and are funded liability for the bank. As on 31.12.2016, sufficient provisions have been provided in the financial statements of the bank for these two employee benefit funds as per International Accounting Standard 19 Accounting for Employee Benefit. Apart from these two, another welfare fund called "SIBL Employees' Superannuation Fund" has been maintaining solely for the purpose of welfare of the employees of the bank and also approved by NBR. All these funds are governed and maintained by separate trustee board and funds are investing in very safe mode. Given below is the position of the employee's benefit funds:

Fig in million Taka

Particulars	2016	2015
Social Islami Bank Profit Dependent Employee's Provident Fund	962.69	819.17
Social Islami Bank Employee's Gratuity Fund	447.14	364.57
SIBL employees' Superannuation Fund	90.14	74.19
Total	1,499.97	1,257.93

The nature of the Provident fund is 10% contributory from the both side of the employee and employer. The eligibility of such Provident fund is 5 years whereas the eligibility of the gratuity fund to the employee is equivalent to 1 basic pay for 5 years services & equivalent to 2 basic pay for 7 years services..



Safety Measures

Social Islami Bank Limited provides world class office environment to its employees. Every branch of SIBL is homogenously decorated with the provisions of air condition, most modern safety office equipment and machines and well structured office building facilitated by sewerage and electricity connection and security measures like 24/7 close circuit TV camera, well trained security and gunmen, fire extinguishers etc. Design of Office / Branch is considered on the basis of sufficient free space, safe sewerage gas and electricity connections etc. SIBL has the finest corporate Head Office at its own Office premises of 90/1 Motijheel Commercial Area, Dhaka, City Center level 19, 20, 21 , 22 , 28 & 29 measuring areas of 69,765 sft. featured by most modern equipment and facilities. Fire drill programs are organized by the bank at different location time to time. The bank has appointed one full time doctor for the employees of Head Office and Dhaka city area. The Board of Directors has already approved an Insurance policy including hospitalization benefit for the general employees of the bank. 40% discount rates have been allowed to all employees of SIBL including the family members in all type of treatment and diagnostics at SIBL Foundation Hospital & Diagnostic Center. Moreover, SIBL has corporate agreement with United Hospital Limited to allow facilities to the employees of the bank.

Information and Communication Technology

The Bank is pioneer amongst the Islami Banks to introduce online banking facilities for its customers. Now-a-days, ICT plays an important role towards processing and management of bulk amount of data, facts and figures. Upon introduction of Islamic Banking Version of Integrated 'Ababil' software, SIBL has been providing IT oriented finest service to its valued clients. Ababil is a core and centralized banking software to provide the clients easy and readymade service as and when required. This software has enabled the bank to reach our clients at their doorsteps by smooth and easy online banking service like E-Banking. Our customers are able to bank through internet and do their banking activities faster and efficiently. Our accountability to our clients are fair enough to build a relationship of trust.

Any Branch Banking

Online transaction facilitates 'Any Branch Banking' to all customers meaning, customer is able to deposit or

withdraw money from any Branch of SIBL nationwide. Any Branch Banking is a facility for our customers to operate their accounts from any of our network branches.

Internet Banking

Internet banking is a success for Social Islami Bank Limited. Internet banking refers to banking operations carried out between banks and their clients through Internet. Internet banking helps in expediting banking operations, reducing the cost and ensuring that customer can utilize various banking services from their living room or even while traveling thousands of miles away from their home. The process of Internet banking begins with every customer being given a unique user name and password by the bank. The customer can log on to the bank's web site with the user name and password to access his or her bank account sibl@ibank with a view to provide web-based Internet Banking services to its customer from anywhere anytime. Under this service, customers can check their A/c balance, print A/c statement, place cheque book request, inquire cheque status, transfer fund with allied accounts and also pay utility bills. SIBL has stepped forward in boundaryless banking services, any where, any time in which specially valued expatriate Bangladeshi wage earners living and working in different countries can now check their accounts with SIBL and perform various transactions which shall ease their anxieties. SIBL is promising to become the best technology friendly bank in the country and shall use all modern banking channels to deliver most wonderful and satisfying services to its valued customers.

SMS Banking

SMS Banking is a mobile technology that allows customer to request and receive banking information from bank on customer mobile phone via Short Message Service (SMS). Individuals or corporate bodies can manage their Bank Accounts, check their account balances and last few transactions (Mini Statement) using their mobile phones. Customers can also have SMS alert/ notification for any financial transaction done on their account as well as activate their Debit / Credit Card through SMS. The Bank has recently signed Memorandum of Understanding (MOU) with Semicon Private Limited to provide SMS Banking services to its customers.

IP Phone

"Connecting People with a Single Click"

SIBL believes that modern communication devices are the best option to minimize the communication cost and allow the bank to build effective relationship with its clients and staffs. The bank has recently installed

IP PHONE solution which simplifies voice & video communications at branches and at head office level for all. These solutions have minimized the communication cost in one hand and surprisingly enhanced the means of effective communication system of the bank on the other hand.

ATM Network

SIBL's customers have been enjoying 24/7 service through ATMs located around the country. The Bank has undertaken some programs to expand its ATM network through procurement of more proprietary ATMs and joining hands with the common platforms of ATM network.

Online Data Centre (DC) & Disaster recovery (DR)

SIBL has the largest Data centre running with secured AIX operating system. All data are stored in this data centre and branches get uploaded with this data center automatically from remote site. The bank has established a separate Disaster Recovery (DR) Center following the Bangladesh Bank guideline to protect the bank's information properties.

Data Security

A 24 hours dedicated surveillance team is working to ensure the data security of the bank. Maximum security layers are in place while transacting in Core banking System, Internet Banking (IB) transactions, SMS banking etc.

Managing Information Technology Risk

IT risk is the business risk associated with the use, ownership, operation, involvement, influence and adoption of IT within an enterprise. Risks surrounding Information Technology, such as network failure, lack of skills, hacking and viruses and poor system integration have the potential to have a negative impact on an organization. To retrieve data in any crucial moment, the bank has established a Disaster Recovery Center (DR Center) at Uttara, Dhaka as per Bangladesh Bank guidelines. SIBL has the largest Data centre in banking sector running with secured AIX operating system. All the data are stored in this data centre & branches are also able to upload the data automatically. Here another replica of live system, located in distant premises, with same capacity like Production system, is running 365 x 24 continuously without any pause. SIBL, always endeavors to improve the service quality all of its departments and branches to excel the optimum output by ensuring customer satisfaction.

Green Banking Support

SIBL is concerned to implement the concept of Green Banking in its day to day banking business. The bank has introduced e statement which has remarkably reduced the usage of hard copy. This statement is generated by the system and sent to the customer automatically at specified interval with full authentication and security. Launching of E-statement is a process to support the concept of Go-Green to save the natural environment. SIBL is using the most energy efficient IT equipments like IBM Rack Server which consumes less power, less space with maximum capacity. Most of the documents of the banks are converted into softcopy.

SME Program

Social Islami Bank Limited (SIBL) has been operating Small and Medium Enterprise (SME) Investment successfully with a view to unlocking the potentials of the missing middle, who are not properly addressed by the Corporate Banking sector. SME has emerged as the "Engine of Growth" in the economy of Bangladesh. It contributed manifold including industrial growth, resource generation, poverty alleviation, employment generation and value addition. SME & the Nation are now growing together.

SME is considered as one of the focus areas of operation in SIBL. SME's clients are being served in all of SIBL's branches situated both in rural and urban areas. Likely, SME is considered as one of the focus areas of operation in SIBL. SMEs clients are being entertained by all branches situated both in rural and urban areas. Total investment portfolio of the bank has been segregated into 3 major aspects e.g. Corporate, SME & Retail. Such segregation has been made in line with the definition and guidelines of Bangladesh Bank.

SME operation of the Bank is in progress in a structured manner. SME & Agricultural Finance Division has been functioning in three separate Units e.g. Approval Unit, Policy & MIS Unit and Monitoring & Recovery Unit. In line with Bangladesh Bank's guidelines, Women Entrepreneur Development Unit (WEDU) has also been functioning to deal with the affairs of women entrepreneurs. These Units have been performing with specific Terms of Reference (TOR). Administration function (including Disbursement, Documentation, Compliance etc) is performed under separate Investment Administration Division at Head Office. In line with the Prudential Guidelines on SME –Financing



of Bangladesh Bank, SIBL has designed an array of SME products for both small and medium segments. SIBL offers both revolving and term investment facilities to the SME clients. Small entrepreneurs, agricultural clients and women entrepreneurs are properly addressed by SIBL with the diversified products designed for this purpose.

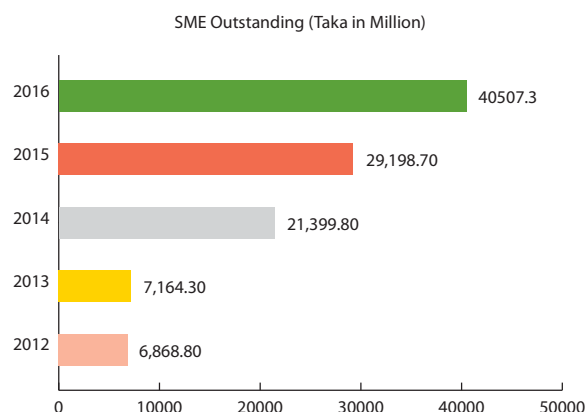
SIBL has been achieving a continuous and upward growth in its SME portfolio. As of December 2016, SME portfolio holds 23.39% share of the total investment portfolio of the Bank amounting to Tk.40,507.30 million against Tk.29,198.70 million in 2015 whereas the outstanding balance in the year 2009 was only Tk.515.40 million. Such tremendous growth has been possible due to proper and timely guidance of prudent members of the Board of Directors of SIBL and initiatives of the Management along with team effort.

SME portfolio of the Bank has been increasing significantly, which is shown in the following table and graph.

Fig in million Taka

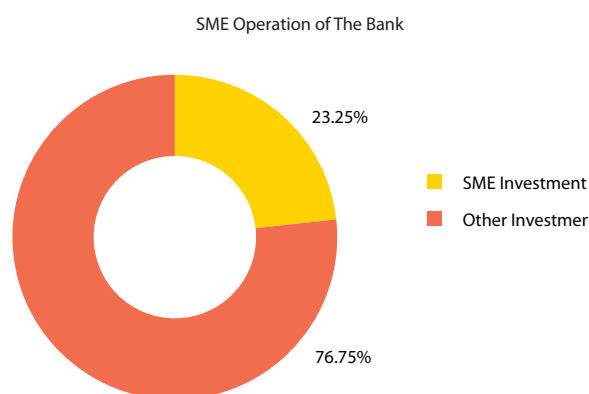
Particulars	SME Outstanding
31/12/2012	6868.80
31/12/2013	7164.30
31/12/2014	21399.80
31/12/2015	29198.70
31/12/2016	40507.30

The trend in SME portfolio of the Bank since December, 2012 is shown in Figure 1 below:



The present SME investment of the Bank is Tk.40507.30 million (23.25%) in comparison with total investment outstanding of the Bank which is BDT.173167.30 million. The composition of Investment portfolio is shown in Figure 2 below:

Figure 2: Composition of Investment Portfolio (December, 2016)



The Bank has been able to create job opportunities among the significant Micro and SME borrowers. Many of them have been able to establish themselves as successful entrepreneurs. Graduate of Micro-Enterprise program and successful SME graduates have opportunity to get investment facilities from formal sector as Corporate clients. It will keep on continuing the efforts of diversification of SME portfolio focusing on clients' need while giving emphasize on green initiatives.

The Bank has been offering both Revolving & Term Investment facilities to the SME clients. Small Entrepreneurs, Agri. clients and Women Entrepreneurs are properly addressed by the diversified products designed for this purpose.

SIBL as part of its social commitment will keep on patronizing the SME clients to fulfill their diversified needs.

Agri Investment

SIBL has been continuously financing in different agricultural businesses and projects in addition to provide financing to the farmers through its entire branch network spread over the country. The Bank has already received Letter of Appreciations from Bangladesh Bank 2 (two) times for achieving agricultural Investment disbursement targets of FY 2011-12 and FY 2014-15. In FY 2016-17, the outstanding of Agri Investment of the Bank has reached at Tk.167,80,14,759/- among 3265 borrowers as on 31.12.2016.

Non-Formal Sector

Family Empowerment Islamic Micro-finance Program (FEIMP)

Over the last several years, SIBL has been successfully contributing to economic and social development of the country through SME finance. SME projects financed by SIBL have traditionally had an element of micro-finance for poverty alleviation. At the same time, the Bank has been taking several initiatives to accelerate the poverty alleviation activities to fulfil its mandate to operate in non-formal and voluntary sectors, in addition to commercial banking activities by introducing a three-tier banking system in the country. This unique banking model brings a new dynamism in welfare banking targeting poverty alleviation of the poor and marginal people of the society with a motto of “Working Together for a Caring Society”.

In line with the decision of the Board of Directors of SIBL, in its 321st meeting held on 29th September 2014, the implementation of Family Empowerment Islamic Micro-finance Program (FEIMP) was approved with an investment of Tk. 8 crores in 5 rural branches initially as a pilot scheme. FEIMP was formally launched on 12th March 2015 in 4 rural branches of SIBL.

“Targeting Poverty” is the main thrust of SIBL, as enshrined in its Memorandum and Articles of Association, focusing on Islamic micro-finance and micro-enterprise programs aimed at uplifting the socio-economic condition of the rural and urban poor through family empowerment. The goal of FEIMP is to empower the family as a basic unit and involve both man and woman in the poverty alleviation program, and to operate along participatory basis on the implicit assumption of social class harmony. With this end in view, the SIBL Islamic Micro-finance Program has been designed with the following specific objectives:

- Provide Islamic micro-finance products to the un-served / under-served population (instead of traditional micro-credit products);
- Extend investment facilities for farm and off-farm income-generating activities;
- Encourage the poor population to save and accumulate capital to invest in productive activities leading to self-sufficiency;

- Upgrade micro-finance graduates to micro-enterprise and SME where successful graduates may have the opportunity to receive investment facilities from formal sector as corporate clients;
- Provide micro-finance facilities to poor people, particularly with disabilities and impairments to meet their specific needs;
- Attempt towards an ‘inclusive growth’ by increasing outreach in rural and semi-urban areas.

Key features of FEIMP which make it distinct from other micro-finance

- Empowers the family as a whole, rather than man or woman individually;
- Group-based lending program for the poor segment of the society who are not able to provide collateral security;
- Investment ceiling ranges from Tk. 20,000 to Tk. 1,20,000;
- Offers investment opportunities at a lower rate of profit (presently 10% for farm and 11% for non-farm activities along with 1% risk fund annually);
- Equal bi-weekly instalment;
- 30 days as grace period.

To implement the program effectively and efficiently, a separate unit has been set up at the Head Office under the Non-Formal and Voluntary Banking Division of SIBL. It is equipped with adequate manpower having expertise in the field. Field level workers (Social Officers) work alongside Investment In-charge of the branches under the overall guidance of Branch Managers.

Since its inception in 2015, 50,647 households/families have been surveyed in 354 villages, among which 1,822 households have been selected and they are being enrolled gradually in family clusters under FEIMP. As of 31st December 2016, 558 family clusters have been formed with 7,505 members having a total savings Tk. 13.84 million. A total of 66 Social Officers were working in 31 branches. An amount of Tk. 15,66,78,000 was disbursed among 3,895 members having a total outstanding amount of Tk. 108.77 million among 3,326 members. The recovery rate for the invested amount was 100% during the year.

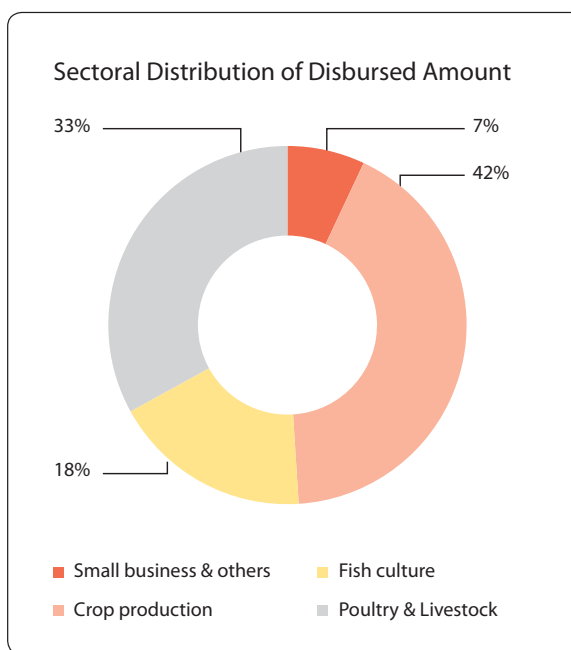
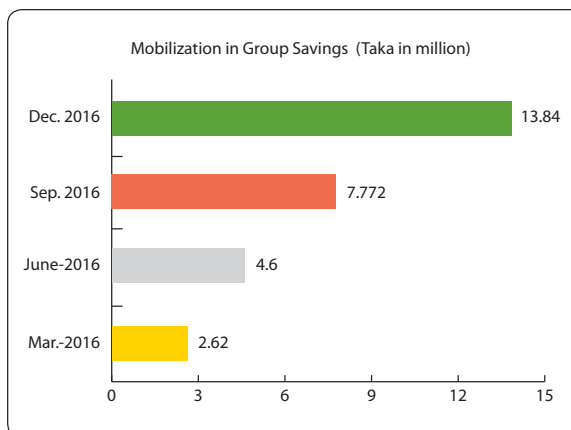


Initially, FEIMP started in four (4) SIBL branches in the northern part of the country (namely, Chandikona, Gobindogonj, Dupchanchia and Shahjadpur). Subsequently, seven (7) more branches were added in 2015. In order to widen its outreach, the program was introduced in another 20 branches in 2016. Thus the total number of branches offering micro-finance facilities reached 31 as of end-2016. SIBL has a strong rural branch network to provide micro-finance products/services to the rural poor. It is in the process of expanding its micro-finance activities through its 75 rural branches and ultimately through all 115 branches (both rural and urban) spread over the country.

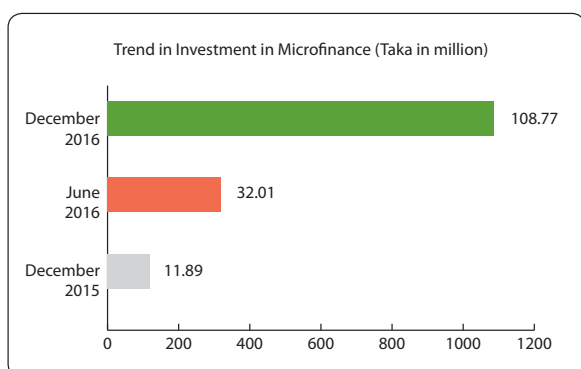
A brief on the performances of FEIMP

Particulars	Number / Amount
1. No. of Branch having FEIMP	31
2. No. of Social Officer (SO)	66
3. No. of Family Cluster (FC) Formed	558
4. No. of Member enrolled in Family Cluster (FC)	7505
5. Amount of group Savings deposited (million)	BDT 13.84
6. No. of DPS	1641
7. Amount of Savings DPS (million)	BDT 2.22
8. No. of Investment disbursed	3895
9. Amount of Investment disbursed (million)	BDT 156.68
10. Average Investment Size	BDT 40,225
11 Total Borrowers	3326
12. Outstanding (million)	BDT 108.77
13. Recovery rate	100%

Trend in collection of Member Savings (2016)



Trend in Microfinance Investment Outstanding (2016)



Recent Developments:

SIBL has made significant strides in channelling micro-finance through its agent banking services, in addition to implementing the program through branches of the Bank. Furthermore, arrangements have already been made with Rahimafrooz Renewable Energy, provider of solar energy solutions to use its 500 windows for extending microfinance facilities among the deserving.

A separate Service Rules for the FEIMP staff has already been formulated and approved by the Board Directors of SIBL. The operational jurisdictions of FEIMP have been divided into seven regions (Bogra, Comilla, Dhaka, Sylhet, Chittagong, Mymensing and Khulna) for smooth coordination of activities. The recruitment of Area Coordinators, who will supervise and monitor the overall activities of the program in the regions, is currently under progress.

SIBL's IT infrastructure has been extended to FEIMP which has MIS for automated accounts and record-keeping. Disbursement of funds for FEIMP clients is now being processed from branches instead of from the Head Office in order to better serve the clients.

In order to reach a wide range of clients and enhance portfolio, investment ceiling of FEIMP has been increased from Tk. 80,000 to Tk. 120,000.

The operational plan for all branches under FEIMP for the year 2017 have been drawn, including investment target of Tk. 100 crores, savings mobilization of Tk. 8.00 crores and membership drive for 30,000.

Outlook

Family Empowerment Islamic Microfinance Program (FEIMP) is being considered as one of the focus areas of operation in SIBL. The Bank intends to extend its Microfinance activity through agent banking channels (with RSF), in addition to implementing the program through all the branches of the Bank, partnering with Islamic Development Bank (IDB).

Voluntary Sector (Cash Waqf Program)

In the Voluntary Sector, SIBL has introduced Cash Waqf Program, a new product for the first time in the history of Banking.

This scheme has been well received by the public in general for its unique features. SIBL as a pioneer of this innovative financial product has received both Local & International accreditation. Meanwhile, the Cash

Waqf Program has been replicated by some local banks including Islami Bank Bangladesh Limited, Jamuna Bank Limited, Shahjalal Islami Bank Limited & EXIM Islami Bank Limited. As a result of successful replication, many people are being benefited by the beauty of Cash Waqf Program. By opening a Cash Waqf Deposit A/C some one can get an opportunity to do welfare to the mankind through Sadake-Jariah. SIBL urges to all religious & affluent persons of the society to come forward to mobilize Cash Waqf Deposit so that the profit may be utilized for the well being of mankind.

Modus Operandi of Cash Waqfs program

- Cash waqfs shall be accepted as endowment in conformity with the Shariah. Bank will manage the waqf on behalf of the waqif.
- Waqfs are done in perpetuity and the account shall be opened in the title given by the waqif.
- The 32 purposes under 4 major fields like (1) Family Rehabilitation (2) Education & Culture (3) Health & Sanitation (4) Social Utility and (5) Others are considered as General Guidelines for distribution of profit of Cash waqf A/Cs. In the case, where only fields(s) for distribution of profit are mentioned without specifying the name of the beneficiary(s) whether individual(s) or institution(s), those Cash Waqf will be treated as General Cash Waqf and the profit of those A/Cs will be spent for welfare of mankind in the field of (1) Family Rehabilitation (2) Education & Culture (3) Health & Sanitation (4) Social Utility and (5) Others. On the other hand, Waqif may choose distribution of the profit to any specific individual(s)/ institution(s). Those A/Cs will be treated as Specific Cash Waqf, the profit of those A/Cs will be sent to the beneficiary(s) as specified by the Waqif.
- The amount deposited in the Cash Waqf A/Cs will be invested as per Bank's own decision in conformity with the Shariah and the Cash Waqf amount will earn profit at the highest rate offered by the Bank from time to time.
- The waqf amount will remain intact and only the profit amount will be spent for the purpose(s) specified by the Waqif. Unspent profit amount will automatically be added to waqf amount and earn profit to be grown over the time. No cheque book will be issued in this account.



- Waqif may also instruct the Bank to spend the entire profit for the purpose specified by him/her.
- Waqif has the opportunity to create cash waqf at a time. Otherwise he/she may declare the amount he/she intends to build up and may start with a minimum deposit of Tk. 1,000/= (one thousand) only (or equivalent foreign currency). The subsequent deposits shall also be made in hundred or in multiple of hundred Takas. However, General Cash Waqf A/Cs (where name of beneficiary whether Individual(s) or Institution(s) are not mentioned) may be opened by depositing a minimum sum of Tk. 1,000/= only. Specific Cash Waqf A/Cs (where name of beneficiary whether Individual(s) or Institution(s) are mentioned) by depositing a minimum sum of Tk. 5,000/= & above.
- Waqif shall also have the right to give standing instruction to the bank for regular realization of cash waqf at a rate specified by him/her from any other A/C maintained with SIBL.
- Cash waqf shall be accepted in specified endowment Receipt Voucher and a Certificate for the entire amount shall be issued as and when the declared amount is built.
- Accounts of Cash Waqfs are maintained in a separate ledger and necessary charges as per rules may be deducted therefrom.
- In case of any change of address of the Waqif or beneficiary, must be informed by the Waqif to the Bank immediately.
- Bank however reserves the right to regret to open any Cash Waqf Account.
- The rules of Cash Waqf Account are subject to amendment in conformity with the Shariah at any time by the Bank.

Mentionable, we have recorded an amount of Tk.236.88 million as on 31st December, 2016 in Cash Waqf Fund which was Tk. 178.83 million in the previous year, registering a growth of 32.46% than the preceding year.

Voluntary Sector: Corporate Social Responsibility

As part of Corporate Social Responsibility (CSR), welfare activities of Social Islami Bank Limited (SIBL) are being carried out mainly from (1) Profit of Cash Waqf Fund (2)

Compensation Fund (3) Doubtful Income and (4) Zakat Fund.

SIBL is a pioneer of Cash Waqf Program which has meanwhile achieved both local & international accreditation for its unique welfare approach. Cash Waqf Program of the Bank paved the way of doing welfare of mankind in various sectors such as (i) Family Rehabilitation, (ii) Education & Culture, (iii) Health & Sanitation and (iv) Social Utility and others in conformity with Shariah. Cash Waqf is broadly categorized as a) General Cash Waqf & b) Specific Cash Waqf. Where the Waqif (Donor) doesn't mention the name of beneficiary (may be individual or organization) for receiving the profit of Cash Waqf fund, we call those General Cash Waqf. In case of Specific Cash Waqf, the Waqif (Donor) specify the name of specific beneficiary (may be individual or organization). Profit of General Cash Waqf A/C are being sent to FAD, HO annually & profit of Specific Cash Waqf A/C are being sent to the specific beneficiary as per instruction of the Waqif once annually.

Social Islami Bank Ltd. is extending financial help to different orphanages, schools, madrasahs, social organizations & individuals who are suffering from fatal diseases like cancer, kidney failure, heart diseases etc. from the fund which are being accumulated from the profit of Cash Waqf Fund, Compensation Fund, Doubtful Income and Zakat Fund.

Bangladesh Bank vide DOS Circular No. 01 dated 1 June, 2008 titled "Mainstreaming Corporate Social Responsibility (CSR) in banks and financial institutions" gave a comprehensive guideline on CSR. We have been submitting quarterly CSR report to Bangladesh Bank as per format provided by them. The format has following dimensions:

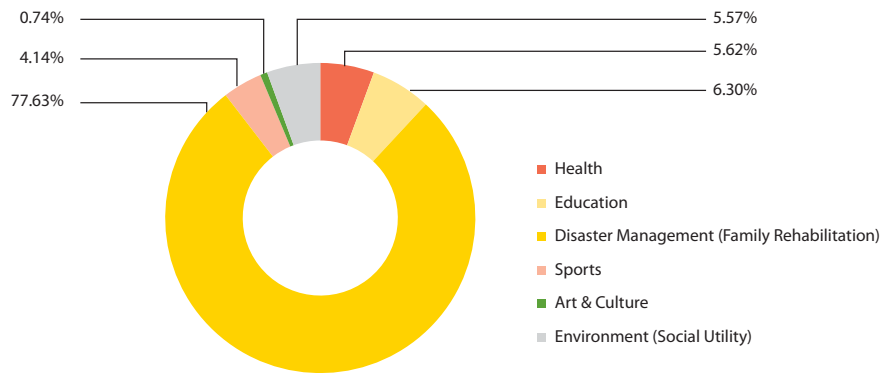
- Financial Inclusion:**
In the form of financing to Agriculture, SME, Women Entrepreneur, Renewable Energy, Solar Irrigation etc.
- Donation to the individuals, covering:**
Education, Health, Disaster Management (Family Rehabilitation), Environment (Social Utility), Sports, Art & Culture, Others etc.
- Donation to NGO's:**
For supporting such welfare activities

CSR activities under-taken during 2016

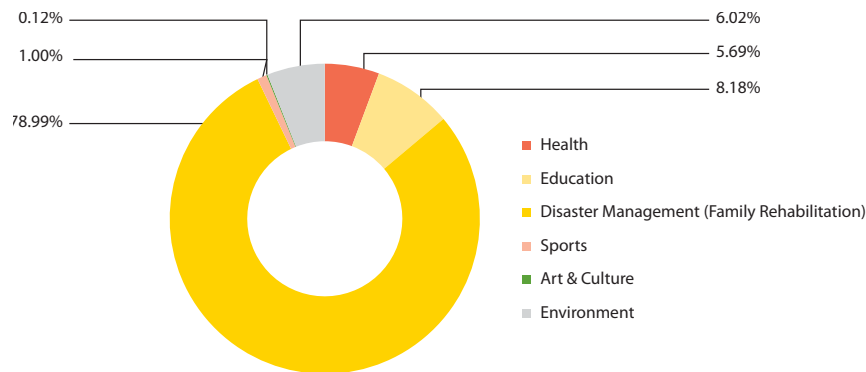
SIBL has contributed a sum of total Tk.1,092.27 lac in the field of Health, Education, Disaster Management (Family Rehabilitation), Sports, Art & Culture, Environment (Social Utility) & Others during year 2016, which are furnished hereunder: (Figure in Taka)

	Sectors	(Jan – Jun'16)	(Jul – Dec'16)	Contribution in 2016	Contribution in 2015
CSR Activities of SIBL	Health	2,195,000	3,942,200	6,137,200	3,280,000
	Education	4,639,550	2,245,980	6,885,530	4,720,073
	Disaster Management (Family Rehabilitation)	52,577,688	32,210,000	84,787,688	45,559,824
	Sports	-	4,520,000	4,520,000	574,200
	Art & Culture	768,300	40,000	808,300	75,798
	Environment (Social Utility)	1,257,739	4,830,748	6,088,487	3,474,920
	Others	-	-	-	-
	Total	61,438,277	47,788,928	109,227,205	57,679,017

Sector-wise CSR Contribution (Year 2016)



Sector-wise CSR Contribution (Year 2015)



CSR activities of the Bank during 2016 at a glance:

Sl. No.	Events	Particulars
1.	Donation to Proyash School, Rangpur	Bank has approved a donation of Tk.20.00 lac (Tk.10.00 lac + Tk.10.00 lac) Proyash School, Rangpur – a school for the autistic children initiated and managed by Bangladesh Army on 27.04.2016 & 02.08.2016.
2.	Monthly Stipend to physically challenged student of Dhaka University	Approved a monthly stipend of Tk.1.00 lac per month favoring 20 poor & meritorious student of Dhaka University @5,000.00 each per month. June'16 to December'16 bank has donated Tk.6.00 lac.
3.	Donation to Bangladesh Chhatra Kalyan Trust, Mirpur, Dhaka	Approved a donation of Tk.2.00 lac for sponsoring of an event titled "Education for World Peace" held on 17.12.2016 at Nabab Nowab Ali Chowdhury Senate Bhaban, Dhaka University.
4.	Donation to Mr. Abul Hossain Bangali, a valiant Freedom Fighter	Donated Tk.25,000/- only favoring Mr. Abul Hossain Bangali, a valiant Freedom Fighter and Commander of Bangladesh Muktiyoddha Sangsad, Begumgonj, Noakhali for bearing medical expenditure of emergency orthopedic surgery in India on 24.05.2016.
5.	Donation to Satkania-Lohagara Samity, Dhaka	Donated Tk.2.00 lac favoring Satkania-Lohagara Samity, Dhaka for rehabilitation of the poor and distressed people distributing rikshaw, rikshaw van, corrugated tin, sewing machine etc. on 06.11.2016.
6.	Donation to Rokeya Akter Rupiya	Allowed a financial assistance of Tk.2.00 lac favoring Rokeya Akter Rupiya, a Fazil 2nd year student of Madinatul Ulum Model Institute Women's Kalim Madrasha, Dhaka for bearing medical expenditure of Endolite Regular Myoelectric System Prosthetic of her below elbow (right side) on 19.10.2016.
7.	Donation to Rahmania Jame Masjid, Chandpur	The Bank has approved a financial assistance of Tk.4.00 lac favoring Rahmania Jame Masjid, Monoharkhandi, Chandpur for continuing construction works of the mosque on 19.09.2016.
8.	Donation to Mrs. Shireen Akhterun Nessa, SVP, SIBL	Approved a financial assistance of Tk.10.00 lac (Tk.5.00 lac + Tk.5.00 lac) favoring Mrs. Shireen Akhterun Nessa, Senior Vice President, SIBL, Trade Finance & RMG Division, Head Office, Dhaka for continuing treatment of Blood Cancer on 29.09.2016 & 18.12.2016.
9.	Donation to Bhuiyanpara Jame Masjid, Baddha, Dhaka	Donated Tk.2.00 lac favoring Bhuiyanpara Jame Masjid, Boro Beraid, Bhuiyanpara, Baddha, Dhaka for renovation work of the Mosque on 05.10.2016.
10.	Donation to Madrasha - E- Khadijatul Kubra (R) Dinajpur Mohila Madrasha, Dinajpur	Approved a donation of Tk.2.00 lac favoring Madrasha-E-Khadijatul Kubra (R) Dinajpur Mohila Madrasha, Puashar Mistripara, Dinajpur for construction work of the Madrasha on 06.12.2016.
11.	Donation to SIBL Foundation Hospital & Diagnostic Centre	Approved a financial assistance of Tk.1,31,098.00 favoring to SIBL Foundation Hospital & Diagnostic Centre for providing free medical services (free Dialysis & Investigations) to the poor patients on the occasion of 21st Founding Anniversary of SIBL held on 22.11.2016.
12.	Donation winter blankets to Center for Zakat Management (CZM), Tejgaon, Dhaka	2,000 pieces of blankets donated to Center for Zakat Management (CZM), Tejgaon, Dhaka to distribute among the poor family in the northern part of the country amounting Tk.5,46,000.00 on 14.12.2016.
13.	Donation to Institute of Hazrat Mohammad (SAW), Banani, Dhaka	The Board of Directors of the Bank has approved a donation of Tk.3.50 lac favoring Institute of Hazrat Mohammad (SAW), (a non-profit organization dedicated to Islamic Research situated at Banani, Dhaka) for bearing its operational expenses including office rent, conducting training for visually impaired students among others on 29.12.2016.

Sl. No.	Events	Particulars
14.	Donation to Dhanaidah Paschimpara Jame Masjid, Natore	Approved a donation of Tk.2.00 lac favoring Dhanaidah Paschimpara Jame Masjid, Natore for bearing expenditure of unfinished construction work of the Mosque on 24.11.2016.
15.	Donation to Khelaghar Noakhali Zilla Committee	Approved a donation of Tk.1.00 lac favoring Khelaghar Noakhali Zilla Committee for sponsoring an event titled "Shishu Ananda Mela - 2016" on 06.11.2016.
16.	Donation to Mr. Md. Ali Osman, Assistant Officer, SIBL, SME Agriculture & Finance Division, Head Office, Dhaka	Approved a financial assistance of Tk.1.50 lac (Tk.1.00 lac + Tk.0.50 lac) favoring Mr. Md. Ali Osman, Assistant Officer, SIBL, SME Agriculture & Finance Division, Head Office, Dhaka for bearing medical expenditure being suffered from Urinary Cancer on 14.08.2016 & 19.09.2016.
17.	Donation to flood affected poor and distressed people of Melandaha, Jamalpur	Approved a donation of Tk.10.00 lac for purchasing of relief goods i.e. dry foods and other essentials to distribute among the flood affected poor and distressed people of Melandaha, Jamalpur and distributed by Mr. Mirza Azam MP, Hon'ble State Minister, Ministry of Textile and Jute on 30.07.2016.
18.	Donation to flood affected poor and distressed people of Madargonj, Jamalpur	Approved a donation of Tk.5.00 lac for purchasing of relief goods i.e. dry foods and other essentials to distribute among the flood affected poor and distressed people of Madargonj, Jamalpur and distributed by Mr. Abdur Rahman, Independent Director, on behalf of the Bank on 30.07.2016.
19.	Donation to flood affected poor and distressed people of Sirajgonj	Donated Tk.10.00 lac for purchasing of relief goods i.e. dry foods and other essentials to distribute among the flood affected poor and distressed people of Sirajgonj and adjacent area on 30.07.2016.
20.	Donation to Valiant Women Freedom Fighters (Bir Mata of 1971)	Donated Tk.3.15 lac for arranging of cheque handing-over ceremony for the Valiant Women Freedom Fighters (Bir Mata of 1971) on 30.08.2016.
21.	Donation to Mr. Md. Abdur Rashid, 2nd Additional Metropolitan Judge, Chittagong	Allowed a financial assistance of Tk.1.00 lac favoring Mr. Md. Abdur Rashid, 2nd Additional Metropolitan Judge, Chittagong for continuing treatment of his Brain Cancer on 24.08.2016.
22.	Donation to Mr. Ziaur Rahman Mazumder, Senior Assistant Vice President SIBL, IC & CD, Head Office, Dhaka	Made a financial assistance of Tk.1.50 lac favoring Mr. Ziaur Rahman Mazumder, Senior Assistant Vice President SIBL, IC & CD, Head Office, Dhaka for bearing medical expenditure being seriously injured by a bus accident on 24.08.2016.
23.	Donation to Mr. Md. Javed Amin, Hazi Osmani Road, 50 Amin Bazar, Dhaka	Made a financial assistance of Tk.2.00 lac favoring Mr. Md. Javed Amin (Hazi Osmani Road, 50 Amin Bazar, Dhaka), who has been suffering from Kidney diseases on 06.09.2016.
24.	Donation to Daridra Durikoron Sangstha (DADUS) Pak Muksudpur, Dohar, Dhaka	Made a donation of Tk.4.00 lac favoring Daridra Durikoron Sangstha (DADUS) Pak Muksudpur, Dohar, Dhaka for development of playground at the locality for the children & youth on 07.09.2016.
25.	Donation to Hazi Major Mosharraf Hossain (Rtd.), Fulbari, Dinajpur	Approved a financial assistance of Tk.1.25 lac (Tk.1.00 lac + Tk.0.25 lac) favoring Hazi Major Mosharraf Hossain (Rtd.), Fulbari, Dinajpur for bearing medical expenditure of his son who has seriously been injured by a road on 26.05.2016 & 19.07.2016.
26.	Donation to Mr. Md. Nurul Huda, Chatkhil, Noakhali	Approved a financial assistance of Tk.1.00 lac favoring Mr. Md. Nurul Huda, Chatkhil, Noakhali for bearing medical expenditure of his elder brother for Kidney replacement on 16.06.2016.



Sl. No.	Events	Particulars
27.	Donation to Bangladesh Chhatra Kalyan Trust, Mirpur, Dhaka	Donated Tk.3.00 lac for establishment of a 'Digital Computer Laboratory' in the academy premises at Mirpur, Dhaka on 30.05.2016.
28.	Multi-media classroom	To accelerate government education policy to compulsory ICT education, the Bank donated Tk.1,78,500.00 only favoring "Mirzakhil High School, Mirzakhil, Satkania, Chittagong for purchasing Laptop & Projector to make a Multi-Media Classroom.
29.	Donation to a Valiant Disable Freedom Fighter	Donated Tk.25,000/- only favoring Mr. Shah Hashem Uddin Ahmed, Injured Disable Freedom Fighter, Freedom Fighters Rehabilitation Center, 257, Tejgaon C/A, Dhaka for bearing on going medical expenses of his treatment on 25.10.2016.
30.	Donation to Mr. Ashraf Khan a Journalist of ENA, Newyork	Donated Tk.3.00 lac only favoring Mr. Ashraf Khan - a Journalist of ENA, Newyork for continuing medical expenditure of his daughter Ms. Antora khan (27 yrs) a patient having kidney transplantation on 27.04.2016.
31.	Donation to Ms. Fatema-Tuz-Zohora, Senior Officer of SIBL, Principal Branch, Dhaka	Donated Tk.3.00 lac only favoring Ms. Fatema-Tuz-Zohora, Senior Officer of SIBL, Principal Branch, Dhaka for bearing medical expenditure of her father Mr. Syed Amir Ali who has seriously been injured by a road accident on 11.02.2016.
32.	Donation to Mr. Abdul Wahab Mollah Faridpur Sadar, Faridpur	Donated Tk.3.00 lac only favoring Mr. Abdul Wahab Mollah for bearing medical expenditure, suffering from Cervical Spondylolysis on 15.02.2016.
33.	Donation to Mrs. Rashida Sultana Senior Teacher, Khan Shaheb Abdul Hakim High School, Chittagong	Donated Tk.3.00 lac only favoring Mrs. Rashida Sultana, Senior Teacher, Khan Shaheb Abdul Hakim High School, Chittagong for bearing cost of a Herceptin Injection for Cancer treatment on 13.01.2016.
34.	Donation to Khalsi Bazar Maddomik Biddaaloy, Chowgacha, Jessore	Donated Tk.3.00 lac only favoring Khalsi Bazar Maddomik Biddaaloy, Chowgacha, Jessore for bearing teacher's salary & other expenses on 27.01.2016.
35.	Donation to Mr. Md. Jahangir Alam, Dhaligour Nagar, Lalmohon, Bhola	Approved a donation of Tk.1.00 lac only favoring Mr. Md. Jahangir Alam, Dhaligour Nagar, Lalmohon, Bhola for bearing medical expenditure of his mother suffering from cancer on 20.01.2016.
36.	Scholarship to meritorious student of Bank Employees	The Bank has paid scholarship to 24 brilliant result holders in SSC & HSC examination among the family members of SIBL employees for Tk.3,60,000/-.
37.	Donation for treatment to poor & distressed people	The bank has donated financial assistance to the poor & distressed people for treatment. In the year 2016, we have donated Tk.27.67 lac favoring 70 (forty seven) poor and distressed around the country.
38.	Distributed Blankets during Winter 2016	Donated 85,000 pieces of Blanket for distribution among the poor and distressed in different places of the country during Winter' 2016 costing Tk.194.18 lac.
39.	Distributed Sharee & Lungi during Holy Ramadan 2016	Donated 51,000 Sharee & 29,220 Lungi for distribution among the poor and distressed in different places of the country during Holy Ramadan' 2016 costing Tk.321.27 lac.
40.	Donation to a family of martyred Army Officer killed in BDR carnage for financial support for the year 2016	Donated check for Tk.4.80 lac favoring Mrs. Shahapar Khan Shampa W/O: Martyred Major Mostofa Mahmood to a family of martyred Army Officer killed in BDR carnage for financial support for the year 2016 at the Prime Minister's Office.

A short list of our stakeholders:

- Muktijuddha Jadughar
- Bangabandu Memorial Trust
- Center for Rehabilitation of the Paralyzed (CRP)
- Bangladesh Association of Banks (BAB)
- Association of Bankers of Bangladesh (ABB)
- Federation of Bangladesh Chamber of Commerce & Industries (FBCCI)
- Dhaka Chamber of Commerce & Industries (DCCI)
- Metropolitan Chamber of Commerce & Industries (MCCI)
- Bangladesh Cricket Board (BCB)
- Sight Savers International
- Kidney Foundation
- Bangladesh Cancer Foundation Hospital
- Jatiya Ando Kalyan Samity, Comilla
- Mosabbir Cancer Care Centre
- Dhaka Community Hospital
- East West Medical College Hospital,

Collectively, we shall achieve Sustainable Development Goals (SDGs) by compliance of Sustainable Development issues (Green Banking & CSR, among others) in the Bank.

This Report also States

The financial statements prepared as on 31.12.2016 by the Bank, presented fairly its state of affairs, the results of its operation, cash flows and changes in equity;

- a) The financial statements prepared as on 31.12.2016 by the Bank, presented fairly its state of affairs, the results of its operation, cash flows and changes in equity;

- b) There is no significant variance occurred between quarterly financial performances and Annual Financial Performances of 2016;
- c) During the year 2016, an amount of Taka 4.38 million has been paid to the Directors of Social Islami Bank Limited as director's remuneration including Independent Director;
- d) The Bank has been maintained proper books of accounts;
- e) Appropriate accounting policies have been consistently applied in preparation and presentation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- f) International Accounting Standards (IAS) Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;
- g) The system of internal control is sound in design and has been effectively implemented and monitored; and
- h) Management has reasonable ground to believe that there are no significant doubts upon the Bank's ability to continue as a going concern.

Operating Result & Profit

Total Operating Income of the Bank as on 31st December 2016 stood at Tk. 9630.00 million against Tk. 8249.90 million of the preceding year. The Bank made an operating profit of Tk. 5698.08 million in 2016 against Tk. 4849.82 million of 2015.

A summary of operating result of the Bank as on 31st December 2016 vis-à-vis the position as on 31st December 2015 is shown below:

(Taka in Million)			
Particulars	2016	2015	Growth Rate
Income on Investment	16,883.38	15,288.87	10.43%
Profit paid to the Depositors	9,544.34	9,055.72	5.40%
Net Investment Income	7,339.04	6,233.16	17.74%
Commission, Exchange, Shares & Securities and Other Income	2,290.95	1,916.74	19.52%
Total Operating Income	9,630.00	8,249.90	16.73%
Operating Expenses	3,931.92	3,400.08	15.64%
Profit before Provision	5,698.08	4,849.82	17.49%
Provision against Investment & Others	1,505.89	1,370.65	9.87%
Profit before Tax	4,192.19	3,479.17	20.49%



Particulars	2016	2015
Net Investment Income Margin (NIIM)	4.21%	4.05%
Return on Assets (ROA)	2.06%	2.08%
Return on Equity (ROE)	16.16%	16.00%
Earning per Share (Restated)	Tk. 3.10	Tk. 2.81

Profitability Ratio

During the year under review- high deposit cost, increase in salary and allowances and depreciation on fixed assets and other operating expenses affected the overall performance of the Bank. Besides that, Classified along with Block (rescheduled) Investment leads the bank in income blocking that resulted investment earnings in the year 2016 not up to the mark. To bring the banking operation in streamline, management paying extra attention in recovery of bad investments and all investments has brought under the close monitoring system. For this purpose, management has undertaken some programs to protect the banks assets / investment from any future deflect.

- During the period under report, there was no extra ordinary gain or loss has recorded.
- The Board of Directors has recommended 20% cash dividend for the year 2016 in its 387 th Board meeting held on 20.02.2017.

Corporate Governance

In recent times, corporate governance has been considered as most essential aspect for efficient management of a business house. It is considered to be a set of internal rules and procedures that ensure the accountability of the Directors and Top Management towards the stakeholders. SIBL gives much emphasis on the corporate governance in promoting a sound management. The objective of the Bank is to comply with all regulatory requirements, ensure equitable treatment of all stakeholders. It confirms full and fair disclosure of financial and other material

information and show respect for norms of business ethics and social responsibility. The Board of Directors, Executive Committee, Audit Committee, Risk Management Committee, MANCOM and other Committees of the management perform their respective tasks with accountability and transparency. Besides, to support and enhance the practice of corporate governance, the Audit Committee of the bank was duly constituted by the Board of Directors with a view to evaluating the activities of the Bank as per guidelines laid down in the BRPD Circular Number 12 dated December 23, 2002 of Bangladesh Bank. As per directives of Bangladesh Securities & Exchange Commission (BSEC) on 7th August 2012, to strengthen the corporate governance practice, one of the most important and interesting part of the corporate governance is inclusion of at least 1/5th Independent Director of the total number of Board of Directors in the listed companies who will be knowledgeable individual with integrity and is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business. SIBL is always keen to comply with and focus highly the corporate governance issues and accordingly included 1/5th number of Independent Directors of its total number of Board of Directors.

Compliance Status of Corporate Governance Guidelines issued by Bangladesh Securities & Exchange Commission (BSEC) under notification no: SEC/CMRRCD/2006 158/134/ Admin/44 dated 7th August 2012 under condition no: 1.5 (xviii), (xx), (xxi a), (xxi b), (xxi c) & (xxi d):

Compliance of condition 1.5 (xviii)

Key operating and financial data for the last five years are summarized in the preface of this report.

Compliance of condition 1.5 (xx)

Board Meeting held during the year 2016 and attended by each Director.

Sl. No.	Name of Directors	Board Meetings in 2016		
		Held	Attended	Fees (BDT)
01.	Major Dr. Md. Rezaul Haque (Retd.), Chairman;	25	25	2,00,000/-
02.	Mr. Md. Sayedur Rahman, Vice Chairman;	25	24	1,92,000/-
03.	Alhaj Sk. Mohammad Rabban Ali, Vice Chairman;	25	22	1,76,000/-
04.	Mr. Abdul Awal Patwary, Director;	25	24	1,92,000/-
05.	Mr. Md. Anisul Hoque, Director; (Representative of Hamdard Laboratories (Waqf) Bangladesh)	25	20	1,60,000/-
06.	Mr. Abdul Jabbar Mollah, Director;	25	23	1,84,000/-
07.	Mr. Md. Abdur Razzaque, Director;	25	25	2,00,000/-
08.	Mr. Md. Kamal Uddin, Director; (Representative of Sifang Securities(Pvt.) Ltd.)	25	25	2,00,000/-
09.	Mr. Mohammad Amin Uddin, Director Mr. Abul Bashar Bhuiyan (Alternate Director of Mr. Mohammad Amin Uddin)	25	25	2,00,000/-
10.	Hakim Md. Yousuf Harun Bhuiyan, Director (Representative of Hamdard Foundation, Bangladesh)	25	24	1,92,000/-
11.	Mrs. Afia Begum Director Dr. Lily Amin (Alternate Director of Mrs. Afia Begum) Barrister Faysal Ahmed Patwary (Alternate Director of Mrs. Afia Begum)	25	22	1,76,000/-
12.	Mr. Mohammad Nabi Ullah, Director	25	20	1,60,000/-
13.	Dr. Lily Amin (Representative of SIBL Foundation) (Appointed as Director on 21.08.2016)	25	10	80,000/-
14.	Mr. Md. Abdur Rahman, Independent Director;	25	23	1,84,000/-
15.	Mr. Abdul Mohit, Independent Director;	25	23	1,84,000/-
16.	Mr. Muinul Hasan, Independent Director.	25	24	1,92,000/-



Compliance of condition 1.5 (xxi): Pattern of shareholding

Statement in compliance with condition 1.5 (xxi a): Parent / Subsidiary/Associated Companies and other related parties: NIL

Statement in compliance with Condition 1.5(xxi)

b (i):Shareholding Position of Directors of SIBL with their Spouse and Minor Children as on 31.12.2016

SL	Name	Position & Relationship	Number of Share	Total Shareholding	Percentage of Shareholding
1	Major (Retd.) Dr. Md. Rezaul Haque Mrs. Dr. Lily Amin	Chairman Wife	14,771,468 305,338	15,076,806	2.1442
2	Mr. Md. Sayedur Rahman	Vice Chairman	14,770,931	14,770,931	2.1007
3	Alhaj Sk. Mohammad Rabban Ali Mrs. Shama Rabbani	Vice Chairman Wife	14,807,097 240,000	15,047,097	2.1400
4	Mr. Abdul Awal Patwary Mrs. Fatema Begum	Director Wife	14,777,398 1,000	14,778,398	2.1018
5	Mr. Md. Anisul Hoque, Representative of Hamdard Laboratories (Waqf) BD.	Director	14,770,063	14,770,063	2.1006
6	Mr. Abdul Jabbar Mollah	Director	14,918,874	149,188,740	2.0207
7	Mr. Md. Abdur Razzaque	Director	315,354	315,354	0.0448
8	Mr. M. Kamal Uddin, Representative of Sifang Securities Ltd. Mr. M. Kamal Uddin (Own)	Director	14,805,000 3,150	14,808,150	2.1060
9	Mr. Md. Aminuddin	Director	14,766,096	14,766,096	2.1000
10	Hakim Md. Yousuf Harun Bhuiyan, Representative of Hamdard Foundation, Bangladesh	Director	14,805,000	14,805,000	2.1056
11	Mrs. Afia Begum	Director	14,805,000	14,805,000	2.1056
12	Mr. Mohammad Nabi Ullah,	Director	14,766,889	14,766,889	2.1001
13	Dr. Lily Amin (Representative of SIBL Foundation) Dr. Lily Amin (Own)	Director	25,613,142 305,338	25,918,480	3.5106
14	Mr. Md. Abdur Rahman	Independent Director	-	-	-
15	Mr. Abdul Mohit	Independent Director	-	-	-
16	Mr. Muinul Hasan	Independent Director	-	-	-

1.5 (xxi b) (ii) Shares held by the Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and other top Executives of the Bank and their spouse and minor children(Name wise Details)

Sl. No.	Name & Designation	Nos. of Share(s) held
01.	Ihsanul Aziz Managing Director and CEO(CC)	NIL
02.	Mr. Walid Mahmud Sobhani, FCMA Chief Financial Officer	NIL
03.	Md. Abdul Mottaleb SVP & Head of Internal Audit	NIL
04.	Mr. Md. Humayun Kabir, FCS Company Secretary	NIL

1.5 (xxi c) Shares held by top five salaried Executive of the Bank and their spouse and minor children

Sl. No.	Name & Designation	Nos. of Share(s) held
01.	Mr. A.M.M. Farhad Additional Managing Director	NIL
02.	Mr. Yunus Ali Deputy Managing Director	NIL
03.	Mr. Tarik Morshed Deputy Managing Director	NIL
04.	Mr. Md. Shafiqul Islam Senior Executive Vice President	NIL
05.	Mr. Md. Akhtar Hussain Senior Executive Vice President	NIL

1.5 (xxi d) Shareholders holding ten percent or more voting interest in the Company : NIL

DECLARATION BY THE CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER

In accordance with the notification of Bangladesh Securities and Exchange Commission (BSEC) no SEC/CMRRCD/2006-158/129/Admin/44 dated 7 August 2012, we declare that for the financial year ended 31st December 2016



Walid Mahmud Sobhani, FCMA
Chief Financial Officer



Ihsanul Aziz
Managing Director & CEO (cc)

- i) We have reviewed the financial statements for the year and that to the best of our knowledge and belief
 - a) These statements do not contain any materially untrue statement or do not omit any material factor contain statements that might be misleading;
 - b) These financial statements together present a true and fair view of the bank's affairs and are in compliance with existing accounting standards and applicable laws;
- ii) There are, to the best of our knowledge and belief, no transactions (carried out or recorded) into by the bank during the year are fraudulent, illegal or violation of the bank's code of conduct.



S. Abdur Rashid FCS

BCom (Hons), MBS (Finance & Banking), MBA (Finance), PGDHRM, LLB, AIPM

Chartered Secretary in Practice

Private Practice Certificate No.: 003

Phone # +880 2 9558796, +88 01726533655

E-mail : sarashid12000@yahoo.com

SARashid & Associates
(Chartered Secretaries)

Noakhali Tower (12th Floor, 13-D)
55/B Purana Paltan, Dhaka-1000, Bangladesh
E-mail : sarashidnasso@gmail.com

Certificate on Compliance of Corporate Governance Guidelines

[Notification No. SEC/CMRRC/2006-158/134/Admin/44 dated 07 August 2012]

I have reviewed the Compliance of Conditions of the Corporate Governance Guidelines by **Social Islami Bank Limited** ("the Company") for the year ended 31 December 2016. Such compliance is the responsibility of the Company as stipulated in the above mentioned notification issued by Bangladesh Securities and Exchange Commission (BSEC).

I have conducted my review in a manner that has provided me a reasonable basis for evaluating the compliances and expressing my opinion thereon. This review has been limited to the measures adopted by the Company in ensuring such compliances and this has not been for expression of opinion on the financial statements or future viability of the Company.

I hereby certify that according to the information and explanations provided to me by the Company, all the conditions of the Corporate Governance Guidelines have been complied with by the Company.



S. Abdur Rashid FCS



Dhaka, 08 March 2017

INFORMATION RELATED TO BOARD & ITS DIRECTORS

Board of Directors

Social Islami Bank Limited does not have its own policy on appointment of Directors rather it follows the directions and guidelines of regulatory authorities like Bangladesh Bank, Bangladesh Securities & Exchange Commission's (BSEC) Notification, Bank Companies Act and Companies Act. All directors of the Board are non-executive directors and at least one-fifth is Independent Directors. There are three independent directors appointed by the Board. The Chairman of the Board Audit Committee has been appointed as the Chairman of the Board Audit Committee of the Bank. At the time of appointment of new directors, the existing Board of Directors frequently assess the size and structure of the Board, evaluate the knowledge, skills, experience and perceptions that may be necessary to allow the Board to perform its functions. The directors are appointed by the shareholders in the Annual General Meeting. Casual vacancy, if any, is filled up by the Board in accordance with the provisions of the Companies Act and Articles of Association of the Company. During the year under report, no casual vacancy was occurred. Total number of Directors of Social Islami Bank Limited is 16 (sixteen) including 3 (three) Independent Directors as on 31.12.2016 which is within the compliance limit of the provision of Bank Companies Act, 1991 (amended upto 2013) and all the Directors have their sufficient shareholdings i.e. minimum 2% of the total paid-up capital of the Bank as per Bangladesh Securities & Exchange Commission's (BSEC's) Notification Dated 22.11.2011 published in the Bangladesh Gazette on December 14, 2011. The Board members of SIBL are highly competent and professional in the arena of

Banking, Business and Industry. The board approves and reviews different policies and business plans in line with six core risk management guidelines with the ultimate objective to achieve the goals whereas the administrative and execution powers lie with the management team of the bank which is headed by the Managing Director & CEO. Managing Director & CEO of the Bank is paid salaries and allowances as per approval of the Board of Directors of the Bank subject to approval of Bangladesh Bank as per Bangladesh Bank's BRPD Circular no 9 dated 19/09/1996. The bank provides only the following facilities/benefits to the members of the Board:

- Chairman of the Board of Directors is provided with a car, telephone, office and private secretary.
- Directors are entitled and paid Meeting Attendance fees including actual travelling, fooding and lodging expenses for attending the Board of Directors Meeting, Executive Committee Meeting, Audit Committee Meeting, Risk Management Committee Meeting and Shariah Supervisory Committee meeting.

As per BRPD Circular No. 11 dated 4th October 2015, the highest slab of Honorarium for the Board member to attend the Board meeting of any bank operating in Bangladesh has been limited to Taka 8,000/- per attendance and accordingly Social Islami Bank Limited has been paying Honorarium to the Hon'ble Director for attending Board Meeting including attending to the Executive Committee Meeting, Board Audit Committee Meeting and Risk Management Committee Meeting @ Taka 8,000/- per attendance.

During the year 2016, the total expenditure related to the Board meeting was Taka 6.97 million against Taka 6.83 million in 2015.

Board Meetings & Minutes

The Board meets to discuss and review business strategy, financial performance, compliance and governance, risk management issues etc. as well as reports on matters deliberated by the respective committees. Meetings of the Board are scheduled in advance for the Directors to plan their schedules. In addition, Special Board meetings are held when necessary, to deliberate on major transactions and ad-hoc matters that require the Board's urgent attention and decisions.



Meeting papers on the proposals and reports are delivered to the Directors prior to the meetings, giving them sufficient time to evaluate the proposals and if necessary, request additional information. This enables the Board to function and discharge their responsibilities effectively. The minimum information required for the Board to make an informed and effective decision includes background, objective, key issues, rationale, financial and non-financial impact of the proposal. Directors who are unable to attend a meeting due to unavoidable circumstances are encouraged to provide feedback to the Chairman on matters to be deliberated for their views to be given due consideration at the meetings. Proceedings and resolutions are taken by the board are recorded as minutes of the meeting signed by the Chairman of the meeting and send to Bangladesh Bank. The decisions taken by the board are disseminated by the Company Secretary to whom such decision relates. Upon request of any member of the Board of Directors, copy of minutes of AGM is provided by the Company Secretary upon receipts of fees as per Articles of Association of the Bank. As per Company Act 1991, every company is required to hold minimum 4 (four) Board of Directors meeting in a year. Since inception total 382 numbers of Board meetings were held all such meeting related papers, documents, memo, attendance & honorarium registers, minutes etc. are being maintained in good condition by the Board Secretariat of the Bank.

Retirement of Directors

At least one third of the total number of Directors retire every year in the Annual General Meeting (AGM) in compliance with the provision of Companies Act, 1994 and Articles of Association of the Bank. However, retiring Directors are also eligible for re-election in the same AGM they retire. In the last 21st Annual General Meeting (AGM) held on 19th May, 2016, the following 6(six) Directors were retired by rotation and they were also re-elected as per provision of the Articles of Association of the Bank:

1. Major Dr. Md. Rezaul Haque (Retd.), Director;
2. Mr. Abdul Awal Patwary, Director;
3. Mr. Md. Anisul Hoque, Director;
4. Alhaj Sk. Mohammad Rabban Ali, Director;
5. Mr. Mohammad Nabi Ullah, Director; and
6. Mrs. Afia Begum, Director.

As per Section 91(2) of the Companies Act, 1994 and as per provision of Articles of Association of the Bank the following 7(seven) Directors will retire from the office in the next 22nd Annual General meeting among which Mrs. Dr. Lily Amin, Mrs. Nargis Mannan and Mr. Abul Basher Bhuiyan will compulsorily retire from the office as per provision of Regulation 86 of Schedule-I of the Companies Act, 1994 as they were appointed as Additional Director. The other 4(four) Directors will retire from the office as they are holding the office for the longest period.

Sl. No.	Name of the Directors
1.	Mr. Md. Abdur Razzaque, Director
2.	Mr. Md. Sayedur Rahman, Director;
3.	Mr. Abdul Jabbar Mollah, Director;
4.	Mr. Md. Kamal Uddin, Director;
5.	Dr. Mrs. Lily Amin, Additional Director; (Representative of SIBL Foundation)
6.	Mrs. Nargis Mannan, Additional Director
7.	Mr. Md. Abul Basher Bhuiyan, Additional Director; (Representative of Fountain Private Limited)

As per provision of Article 84 of the Articles of Association of the Bank the retiring 7 (seven) Directors as mentioned above are eligible for re-election in the same meeting they retire.

Director's Responsibility Statements

The major responsibilities of the Directors of the board are-

- Developing and implementing corporate strategies.
- Exercising of business judgment in good faith using general prudence for the best interest of the bank in line with bank's Articles of Association and complying with the prevailing applicable laws and regulations.
- To set the direction, vision and policies of the bank and to determine objective and strategies to ensure the effective discharge of the bank's functions.
- Most efficient use of the bank's resources.
- Monitoring and reviewing corporate governance framework of BSEC.
- Monitoring and reviewing risk management process of the bank.
- Fixation of Business targets, reviewing business results and monitoring budgetary control.
- To evaluate the key performance indicators of the Top Executives of the bank.
- To establish and maintain effective communication system with the different regulatory bodies.
- Setting up standards and monitoring compliances with the bank's social responsibility policies and practices.
- Recommendation of appointment and re-appointment of statutory auditors of the bank along with their fees.
- To prepare and submit Directors' Report before the shareholders' in Annual General Meeting in accordance with the BSEC notification and Listing Regulations of DSE & CSE.
- Recommending shareholders to approve Financial Statements, dividend and appointment of external auditors.

Code of Conduct for the Board of Directors

Board of Directors of Social Islami Bank Limited has adopted the Code of Conducts for the all members of the Board who shall individually be liable to sign and follow this Code of Conduct including any new members who may assume office as from this date. The Code of conduct includes all instructions /circulars/ guidelines issued by Bangladesh Bank related to the Directors and their interested group/organization. However, followings are the general code of conducts approved and adopted by the Board of Directors.

Fiduciary Duties

The duties imposed on Board Members are fiduciary duties, similar to those that the law imposes on those in similar positions of trust, agents and trustees;

Powers vs Duties

The duties apply to each Board Member separately, while the powers apply to the Board jointly;

Contribution in Meetings/Debates

The Board Members are expected to contribute to the debates in the Board without any personal biases or other prejudices with the conviction and belief that the outcome of every debate would be towards the advancement of the company.

Unfettered discretion

Board Members cannot without the consent of the company, fetter their discretion in relation to the exercise of their powers, and cannot bind themselves to vote in a particular way at future Board Meeting.

Use of corporate property, opportunity or information
A Board Member must not, without the consent of the company, use company's assets, opportunities, or information for his/her own profit.

Confidentiality

Each Board Member must use utmost care and discretion in the handling of confidential information and other information not normally available to the public, generally coming to them by reason of their directorship, office or employment. Such information shall, subject to certain limited circumstances, not be disclosed to third parties and shall not be used for personal benefit or for the benefit of family, friends, or associates.

Transactions with the company

A Board Member shall not enter into a transaction where there is a conflict between his interest and duty without the knowledge of the Board; and
It is a statutory duty of the director(s) to declare interests in relation to any transactions, and to make proper disclosure thereof.

Competing with the company

A Board Member must not compete directly with the company without arising a conflict or interest.
A Board Member should not act as a director of any competing companies, as his/her duties to each company would conflict with each other.



Conflict of duty and interest

As fiduciaries, the Board Members must not put themselves in a position where their interests and duties conflict with the duties that owe to the company;

Each and every Board Member has an obligation of loyalty to the company and should subordinate his/her personal interest when they conflict with or threaten to conflict with the best interests of the company;

Each and every Board Member shall declare all actual or potential material conflicts that may arise between their duty to (i) the company and (ii) their personal obligations, other fiduciary duties or financial interests (direct or indirect) and these conflicts shall be reported to the Chair;

A Board Member should not engage directly or indirectly, as a director, officer, employee, consultant, partner, agent or major shareholder in any business or undertaking that competes with, does business with or seeks to do business with the company;

With respect to restricted party transactions, full disclosure of material transactions shall be recorded in the board's minutes and will be transacted in accordance with legislated restrictions; and

To avoid conflicts of interest, the Board Members must do more than merely act within the law. They must conduct their affairs in such a manner that their performance will at all times bear public security. The appearance of conflict of interest as well as the conflict itself must be avoided.

Accepting Gifts

No Board Member shall accept any gift, hospitality or favour offered or tendered by virtue of the position with the company;

When dealing with public officials whose responsibilities include the business of the company, acts of hospitality should be of such a scale and nature so as to avoid compromising the integrity or reputation of either the public official or the company. Such acts of hospitality should be undertaken in the expectation that they could well become a matter of general knowledge and public record.

Reporting of Questionable or Fraudulent Actions

The Board Member shall report to the Board or to the Audit Committee about their awareness of any situation

which might adversely affect the reputation of the company. This would include any questionable, fraudulent or illegal events or material actions in violation of company policy which comes to their attention.

Cooperation with Auditors

Every Board Member is expected to comply promptly with any request from internal and/or external auditors for assistance and to provide full disclosure of any situation under investigation.

Acceptance of this code

All members of the Board of Directors shall sign this Code of Conduct, including any new members who may assume office as from this date.

These signed copies shall be held by the Company Secretary.

Affirmation & Compliance of the Code

- All Board Members shall read this Code at least annually, and shall certify in writing that they have done so and that they understand the Code;
- Annual compliance of the code by all Board Members shall be recorded in a meeting of the Board of Directors;
- This document is applicable with immediate effect; and
- The Board shall have the authority to make amendment to this document at any time.
- The Company Secretary of the bank has submitted a declaration before the Board of Directors and affirmed that all the member of the Board of Directors have complied with the code of conducts as were determined by the Board.

The following Terms of Reference (TOR) (defining the roles, responsibilities and duties) for the Chairman may be framed in line with the provisions of the Articles of Association of the Bank, BRPD Circular No.11 dated 27.10.2013 and other usual practices:

Terms of Reference (TOR) of the Chairman

The following Terms of Reference (TOR) (defining the roles, responsibilities and duties) for the Chairman may

be framed in line with the provisions of the Articles of Association of the Bank, BRPD Circular No.11 dated 27.10.2013 and other usual practices:

The Chairman as per the Articles of Association

- The Directors shall select a Chairman from amongst themselves;
- If at any meeting of the Board, the Chairman be not present at the time appointed for holding the same, such meeting shall be presided over by Vice-Chairman, if any, and if none be present the Directors present shall elect Chairman to preside over that meeting;
- All meetings of the Board and Shareholders shall be presided over by the Chairman;
- The Chairman may call a meeting of the Board of Directors of the Company;
- The Chairman may call a meeting of the Board of Directors on shorter notice than seven clear days as he may deem fit;
- In case of equality of votes in a Meeting of the Board of Directors, the Chairman shall have a second or casting vote;
- The minutes of a Meeting of the Board of Directors or of the Shareholders shall be signed by the Chairman of the meeting to which it relate or by the Chairman of the succeeding meeting.

Roles & Responsibilities of the Chairman

As per BRPD Circular No.11 dated 27.10.2013

1. As the Chairman of the Board of Directors (or Chairman of any Committee formed by the Board of Directors) does not personally possess the jurisdiction to apply policy making or executive authority, he shall not participate in or interfere into the administration or operational and routine affairs of the bank.
2. The Chairman may conduct on-site inspection of any branch or financing activities under the purview of the oversight responsibilities of the Board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the Board or the Executive Committee and if deemed necessary, with the approval of the Board, he shall take necessary action thereon in accordance with the set rules through the CEO.

However, any complaint against the CEO shall have to be apprised by the Bangladesh Bank through the Board along with the statement of the CEO.

3. Chairman of the Board of Directors may be provided with a car, telephone, office and private secretary.

Roles & Responsibilities of the Chairman as per usual practices

The duties of the Chairman, which is a non-executive role, arise from his senior most position in the Company and his responsibility for presiding over the official business of the Company and the Board.

A. While working with the Board, the Chairman shall

- (i) ensure that the Board has full governance of the Company's business and affairs and that the Board is alert to its obligations to the Company, shareholders, Management and other stakeholders under the law;
- (ii) set the agenda for discussion at Board Meetings and General Meetings and ensure that adequate time is available for discussion of agenda items;
- (iii) set the frequency of the Board meetings and review such frequency from time to time as considered appropriate or as requested by the Board;
- (iv) chair all Board meetings and manage the business of the Board ensuring that the Board adopts a prompt and constructive approach to make decisions;
- (v) provide strong leadership of the Board and assist it in reviewing and monitoring the aims, strategy, policy and directions of the Company;
- (vi) communicate with the Board to keep it up-to-date on all major developments, including avoiding surprises through timely discussion of potential developments and ensuring the Board has sufficient knowledge to permit it to comfortably and properly make major decisions when such decisions are required;
- (vii) recommend the committees of the Board and their composition, review the need for and the performance and suitability of those committees, and make such adjustments as are deemed necessary from time to time;



- (viii) ensure that Board and committee meetings are conducted in an efficient, effective and focused manner;
- (ix) ensure that the corporate governance of the company is maintained in line with appropriate practice policies agreed by the Board;
- (x) annually review Board Governance and performance of the Board (leading the process for the Board's annual performance evaluation and the evaluation of its committees and individual directors and acting on the results of such evaluation by recognizing the strengths and weaknesses of the Board);
- (xi) be the contact person for the expression of individual director concerns;
- (xii) foster a culture of openness and engagement by facilitating the effective contribution of all directors, in particular non-executive directors and ensuring constructive relations between executive and non-executive directors;
- (xiii) ensure that new directors participate in a full, formal and tailored induction program and that the development needs of the directors and the Board as a whole are identified and are met to enhance the effectiveness of the Board; and
- (xiv) be available to assist committee chairs in carrying out their responsibilities and in addressing their concerns.

B. While working with the Management, the Chairman shall

- (i) act as the principal of the board and counselor for the MD/CEO, including helping to define problems, review strategy, maintain accountability, build relationships, and ensure the MD/CEO is aware of concerns of the Board, shareholders and other stakeholders;
- (ii) keep under review with the Board the general progress and long-term development of the company and ensuring that effective strategic planning for the company is undertaken by the MD/CEO and endorsed by the Board after discussion, consistent with creating shareholder value and promoting the long term success of the company for the benefit of its members as a whole;
- (iii) ensure the submission to the Board by the MD/CEO of objectives, policies and strategies for the company, including the company business plan and the annual budget;

- (iv) monitor progress towards timely and effective achievement and implementation of the objectives, policies and strategies set by the Board and ensure that appropriate decisions are taken promptly by or on behalf of the Board;
- (v) lead the Board in
 - (a) formally appraising, monitoring and evaluating the performance of the MD/CEO and make appropriate recommendations to the Remuneration Committee;
 - (b) ensuring accountability of the MD/CEO;
 - (c) ensuring the implementation of the succession and development plans by the MD/CEO; and
 - (d) as appropriate, review with the MD/CEO his recommendations on performance and remuneration of senior executives;
- (vi) work with the MD/CEO and Company Secretary to co-ordinate the agenda, information packages and related events for Board meetings.
- (vii) ensure that there is appropriate delegation of authority from the Board to Executive Management;
- (viii) provide advice to the MD/CEO on the allocation of duties to individual directors and assignment of adhoc responsibilities or special tasks to directors or groups of directors;

C. Recognizing the MD/CEO as the primary spokesperson, the Chairman shall

- (i) chair all meetings of shareholders;
- (ii) undertake public service as agreed with the MD/CEO in connection with the Company's charitable, educational and cultural activities;
- (iii) participate with MD/CEO, as appropriate, in corporate relations, including relations with the shareholders, customers, government, other companies, the media and stakeholders generally; and
 - (i) hold meetings with the non-executive directors.

- ▶ This document is applicable with immediate effect.
- ▶ The Board shall have the authority to make amendment to this document at any time.

Role of the Chairman and CEO are independent

The Chairman of the Board is not the Managing Directors of the Company. The role of Chairman and the Managing Director are independent and detached from each other.

Role, Responsibilities & Power of the Managing Director

Roles, responsibilities and powers conferred of the Managing Director of Social Islami Bank Limited has been conferred by the BRPD Circular No. 18 dated 27.10.2013. Apart from that, Managing Director or CEO of SIBL shall discharge the following roles, responsibilities and duties as per Articles of Association of the Social Islami Bank Limited and usual practices-

The MD/CEO as per the Articles of The Association

- The Managing Director ["MD"] means the Chief Executive Officer ["CEO"] of the company appointed by the Board and approved by Bangladesh Bank;
- The MD/CEO of the Company shall be accountable to the Board and shall discharge his functions and duties subject to supervision of the Board of Directors; and
- The MD will be an Ex-officio Member of the Board without having any voting power and he shall not need to have any qualification share.

General Roles & Responsibilities

The General Roles and Responsibilities of the MD/CEO shall be-

- To act as the Chief Executive Officer reporting to the Board of Directors;
- To remain accountable to the Board for the overall performance of the company and for the day-to-day operation and management of the company's business, under the authority delegated by the Board from time to time;
- To develop and present strategic and annual business plans, rules, regulations and systems for legal functioning of the organization to the Board for approval;
- To implement the Board's policies and strategies and deliver the strategic plan in the most effective and efficient manner;

- To report to the Board on progress against the strategic and annual business plans on a regular basis. Typically, reporting against the annual plan will be monthly, while reporting against the strategic plan will be less frequent, although it should be at least two or three times a year;
- To coordinate the overall management, administration, corporate planning and business development;
- To ensure the compliances of Laws, Rules and Regulations and for Good Corporate Governance;
- To supervise all technical, financial and welfare aspects of the organization, negotiations with sources of credit/fund, and listing in the stock exchange(s);
- To manage the day-to-day operations of the company Manage, motivate, develop and lead members of the Management Team;
- To manage resources efficiently and effectively to achieve the company's
- Objectives;
- To lead the Local Management Team of the Company and chair Management Team meetings;
- To take a leadership role in establishing the company's culture and values;
- To ensure that there is a fit between strategy and culture, and the company's processes and structure;
- To ensure that appropriate internal audit and internal control processes and procedures are in place (in liaison with Head of Internal Audit, External Auditors and Board Audit Committee);
- To develop and implement a risk management plan; and
- To ensure that there is a succession plan in place.

The Board has the authority to make amendment to the above rules, responsibilities and document at any time.

Independent Director

Pursuant to Condition # 1.2 (i) of the Corporate Governance Guidelines issued by Bangladesh Securities and Exchange Commission (BSEC) vide its Notification No. SEC/CMRRCD /2006158/134/ Admin/44 dated 07 August 2012, Social Islami Bank Limited appointed 1/5 Independent Directors to the Board of Directors of the Bank. There are 4 (four) Independent Directors are namely: Mr. Abdur Rahman who was appointed on March 12,



2013 and further re-appointed on 06.03.2016, Mr. Abdul Mohit was appointed on June 20, 2013 and Mr. Muinul Hasan was also appointed on June 16, 2015 and Mr. A.F.M. Asaduzzaman as independent director appointed on 26 January 2017. As per compliance of condition 3.2 (i) of the said Notification Mr. Abdur Rahman discharging his responsibilities as the Chairman of the Audit Committee of the Bank. He also nominated as an Independent Director of the SIBL Securities Limited (a subsidiary company of Social Islami Bank Limited) as per compliance of the condition 5 (ii) of the said Notification. The Independent Directors in the Board exerts independent views on the policy decisions and ensures that all decisions are unbiased and for the best interest of the bank. As per above corporate governance guidelines, no independent director of Social Islami Bank Limited-

- holds more than one percent shares of the total paid-up capital.
- is not a sponsor of SIBL and is connected with the Bank's any sponsor or director or shareholder who holds one percent (1%) or more share of the total paid-up capital on the basis of family relationship.
- does not have any other relationship, whether pecuniary or otherwise, with the Bank or its Subsidiaries namely SIBL Securities Limited and SIBL Investment Limited.
- is not a member, director or officer of any stock exchange.
- is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.
- is not a partner or an executive or was not a partner or an executive during preceding 3 (three) years of the SIBL's statutory audit firm.
- is not an Independent Director more than 3(three) listed companies.
- has not been convicted by a court of competent jurisdiction as defaulter in payment of any loan to a Bank or Non-Bank Financial Institute.
- has not been convicted for a criminal offence involving moral turpitude.

Executive Committee

This is the subordinate committee to the Board. Members of the Executive Committee are elected by the Board of Directors of the Bank. As per Bangladesh

Bank BRPD Circular No. 06 dated February 04, 2010, every bank shall form an Executive Committee. Duties and responsibilities of the Executive Committee are determined by the Board of Directors. The Executive Committee lies with the duties and responsibilities to ensure an efficient, competent, complied and secured structural approving system of Investment proposal and business decision. The number of members of Executive Committee of Social Islami Bank Limited is 7 (seven) during the year under review, total 14 (fourteen) number of Executive Committee meetings were held.

Audit Committee

In order to establish good corporate governance and a culture of adequate internal control system inside the bank and to evaluate the activities of the bank as per guidelines of Bangladesh Bank, the Audit Committee of the Board was duly constituted by the Board of Directors of Social Islami Bank Limited as per BRPD Circular Number 12 dated December 23, 2002. As per BSEC notification no. SEC/ CMRRC/ 2006-158/ 129/ Admin/ 44 dated 7th August 2012 on Corporate Governance; the current Audit Committee is consisted of 4 members. The Audit Committees constituted of 2 Directors and 2 Independent Directors. All members of the Audit Committee are non-executive directors. All members are financially literate and one of the members of the committee is from Finance and Accounting background. The head of internal audit always has direct access to the audit committee as well, and can express his issues in front of the committee. The Audit Committee has a term of reference and is empowered to investigate/question employees and retain external counsel as required. During the year 2016, total 12 nos. of meetings were held. Audit Committee plays the following role in the bank

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor internal control risk management process.
- Oversee hiring and performance of external auditors.
- Review along with the management, the annual financial statements before submission to the board for approval.
- Review along with the management, the quarterly financial statements before submission to the board for approval.
- Review the adequacy of internal audit function.

- Review statement of significant related party transactions submitted by the management.
- Review Management Letters / Letter of Internal control weakness issued by the statutory auditors.

Risk Management Committee

As per revised Bangladesh Bank guidelines 2012 dated 15th February 2012 (DOS Circular No 02) and subsequent BRPD Circular No 11 dated 27/10/2013 under paragraph 5(3), Social Islami Bank Limited has formed a Board Committee under the name and style "Risk Management Committee" by adopting a resolution in 299th Board of Directors Meeting held on 16th November 2013. At present the Risk Management Committee is comprising the following 5 (five) Board members:

Mr. Abdul Awal Patwary	: Chairman
Mr. Mohammad Nabi Ullah	: Co-Chairman
Major (Retd) Dr. Md. Rezaul Haque	: Member
Ajhaj S.K. Mohammad Rabban Ali	: Member
Mr. Md. Anisul Hoque	: Member

In view of the revised Risk Management Guidelines 2012 and BRPD Circular no 11, functions of the Risk Management Committee shall comprise an effort to ensure proper risk management in bank. A brief on the function of the members of the Risk Management Committee may be given as under

- to acquire clear understanding of the type of risk inherent in Business line and to take appropriate steps to ensure different risk management issue of the bank.
- to define the risk appetite.(Risk appetite is generally expressed through both quantitative and qualitative means and should consider extreme conditions, events and outcomes. It should be stated in terms the potential impact on profitability, capital and liquidity)
- to design the organization structure to manage risk within the bank.
- reviewing and approving risk management policies and re-viewing at least annually to limit the risks, consistent with the bank's risk appetite.

- to ensure adequate record keeping and proper reporting system.
- to review and approve risk limits and re-reviewing at least annually.
- to ensure monitoring and compliance with overall risk management policies.
- to be knowledgeable about the methods available to measure risks for various activities.
- Supervising day to day activities of senior managers and head of business line.
- establishing committee and sub-committee to be in charge of ongoing risk management.
- to carefully evaluate all the risks associated with new activities and ensure that proper infrastructure and internal control are in place.
- to provide adequate staffing for activity and designated staff with appropriate credentials to supervise the activity.
- to ensure that all Senior Management including line managers have sufficient knowledge on risk management.

Shariah Supervisory Committee

SIBL is a fully shariah based bank and always adhere to compliance of Shariah principles. The bank has a Shariah Supervisory Committee consisting of prominent Islamic Scholars, Economists and lawyers to advise the Management on Shariah matters relating to business operation. Branches are being regularly audited by the Shariah Inspection Teams; and necessary guidance with required rules and procedures based on shariah principles are being adopted as per Bangladesh Bank guidelines and advice of the Bank's Shariah Supervisory Committee.

As per Article 104 of the Articles of Association of the Bank the board of Directors of the Bank has determined the terms and references as under

Powers and Functions

- a) The function of the Shari'ah Supervisory Committee is to offer views on matters related to the Bank from time to time. The Shari'ah Supervisory Committee



may require any papers from the Bank and examine the same in order to ensure that all activities of the Bank are being carried out in accordance with the Islamic principles.

- b) The SSC will assist the Board of Directors (BOD) by way of advice on matters relating to Shari'ah. Their recommendations on Shari'ah principles must be respected by the BOD as it is committed to run the Bank strictly in accordance with Shari'ah.
- c) The opinions of the majority of the members shall be taken to be the opinion of the SSC provided that the said opinion is supported by the majority of Fakihs/ Muftis/Islamic Scholars present in the meeting.
- d) The SSC shall have a Secretariat. There will be a Member-Secretary, who will see whether the functions of the Bank are being carried out in accordance with the principles of Islamic Shari'ah. The Member-Secretary shall remain responsible to the Shari'ah Supervisory Committee.
- e) Salaried Officer(s) designated as "Mudaqqiq" also called "Muraqib" with sufficient knowledge about all schools of Islamic thoughts may be appointed by the Bank on the recommendation of the SSC to ensure compliance of the Shari'ah principles in each and every case of the Bank and will be responsible to the SSC. He (they) would be employee(s) of the Bank.
- f) The status of the SSC shall be advisory to the BOD and Supervisory in respect of operational activities of the Bank.
- g) The Annual report of the bank should be certified by the Shari'ah SSC

Remuneration Committee

Employees' remuneration along with fringe benefit is reviewed by the Board of Directors of the bank based on inflation, market trend, employee satisfaction etc. Salaries and allowances of Social Islami Bank Limited are very competitive in comparison with other banks operating in the market. There is no provision or instruction for formation of Remuneration Committee

as per Bangladesh Bank, however, Board of Directors of the bank time to time reviews and enhances the remuneration packages of the employees.

Terms of Reference (TOR) for the Company Secretary

1. Appointment, Reporting Relationships and Accountability
 - The Company Secretary is an employee of the Company who;
 - reports administratively to the MD/CEO and operationally to the Chairman of the Board;
 - is also accountable to the Board of Directors;
 - acts in the capacity of Secretary to the Board and its Committees;
 - is responsible for providing strategic and operational support to the Board by providing resources and information links among the Board, Management and the Shareholder, with particular emphasis on facilitating the flow of information;
 - is also responsible for maintaining effective working relationships with the Board Chairman, Committee Chairs, individual Directors and Management;
 - must have a broad understanding of the organization and its operations to effectively carry out his/her responsibilities.

2. Duties and Responsibilities

Regarding Management of Board and Committee Meetings

The Company Secretary shall –

- Initiate the development of agenda for Board and Committee Meetings in consultation with the Board Chair, Committee Chairs and Management;
- Facilitate in consultation with Chairman, Committee Chairs or MD/CEO, Notification of meetings, preparation and distribution of agenda items etc. and ensure that;

- Facilitate the practical arrangements for a Board meeting or Committee meeting, such as meeting room, transports, lunch/dinner/tea etc. as required;
- Attend Board and Committee meetings, and provide advice to the Chairman to support effective functioning of the Board or Committee and adherence to proper meeting procedure;
- Prepare accurate, complete minutes of meetings;
- Where required, prepare and submit to the Directors accurate and complete proposal for written resolutions;
- Arrange for signatures of minutes and written resolutions;
- In conjunction with management, clearly communicate directives from the Board and Committees to the person responsible for carrying out the directives;
- Retain and safeguard the official Minute books and Corporate documents;
- Verify and Authorize Director's expenses for performance of Board-related duties;
- Review all minutes for consistency, appropriateness of recorded decisions and issues with broader implications;
- Ensure that the record of minutes is at all times up to date;
- Act as a Secretary for all Board and Committee meetings.

Corporate Governance Services

The Company Secretary shall –

- Provide expertise and work with the Board Chairman to implement best practices in corporate governance by the Board and its Committees;
- Provide advice and guidance to Directors and management regarding policies, directives and processes regarding corporate governance and tax issues related to the Board and Directors;
- Be responsible for promoting strong corporate governance practices within the organization;
- Draft and maintain all governance documentation including the Governance Manual in collaboration with the Board Chair;
- Work with the Board Chair to ensure continuous improvement of the Board of Directors;
- Keep up to date on evolving corporate governance practices and trends;
- Promote the role and responsibility of the Company

Secretary both within the organization and externally, building networks to share ideas, discussing new trends in corporate governance and best practice;

- Refer issues for legal review and opinions as required and may be directed to obtain advice on behalf of the Board;
- Act as custodian for Company's corporate and historical records, meeting minutes and related Board information;
- Maintain a record of consolidated Board motions.

Board Evaluation & Succession Planning Processes

The Company Secretary shall assist the Board and/or Committees-

- In evaluating and reporting on corporate governance commitments and the mandates of the various Committees;
- In implementing and reporting on the annual processes to assess the performance of the Board, Committees, Chairs and individual Directors;
- In implementing and reporting on the annual performance evaluation of the CEO;
- Facilitating Board appointment and renewal processes, and addressing Committee structures, composition and mandates;
- In identifying and communicating any skill requirements for making recommendations to fill Board vacancies;
- Identifying and communicating the professional development needs of Directors.

Policy Framework

The Company Secretary is responsible for-

- Overseeing the organization's Policy Framework as approved by the Board;
- Providing advice and guidance to the Board, the MD/CEO and management on compliance with that framework.

Duties and Responsibilities : Board Budget

The Company Secretary shall manage the Board budget and review and ensure the effective administration of Board expenditures including compliance with entitlements.



Transparency

The Company Secretary supports the Board's commitment to transparency by-

- Ensuring continuous disclosure of the governance framework;
- Ensuring all external reporting requirements are met including in relation to the disclosure of Board meeting attendance, Board remuneration and expenses;
- Ensuring that the appropriate controls are in place in relation to access to board information;
- Ensuring the preparation of governance related materials for the Service Plan and Annual Service Plan Report in collaboration with the Board Chair.

Communication

The Company Secretary shall –

- Be the liaison between the Board and the MD/CEO and Management and is the main contact for Directors;
- Promote a strong and effective working relationship between the Board and management;
- At the direction of the Board Chair, provide Directors with timely information between Board Meetings;
- Ensure that all Directors have all the necessary information to discharge their responsibilities;
- Ensure that all Directors receive the same information to support the cohesive working relationship of the Board;
- Develop templates and guidelines to support the preparation of appropriate briefing material;
- Ensure that the appropriate tools and mechanisms are in place to manage Board information and communication to ensure that Directors are able to properly discharge their responsibilities;
- Ensure that the appropriate technical support is available to the Board in relation to any online or paperless communication platforms;
- Support the MD/CEO in ensuring that all decisions made by the Board, or the Board Chair, are clearly communicated to management in a timely manner and that all consequential actions are taken by the organization;
- Additionally ensure the confidentiality of Board

materials, records and deliberations as appropriate, or as directed by the Board Chair.

Code of Conduct & Conflict of Interest

- The Company Secretary shall administer the Code of Conduct of the Board Members and advise the Board Chair in respect of any matters where conflict, potential or real, may occur between the Board and its Members;
- If there is a conflict of interest, actual or potential, on any particular matter, between the Company Secretary's administrative or managerial responsibilities within the Company and his/her responsibilities as a secretary to the Board, it is his responsibility to draw it to the attention of the Board.

Statutory & Legal Matters

The Company Secretary shall -

- Keep under close review all legislative, regulatory and corporate governance developments that might affect the Company's operations, and ensure the Board is fully briefed on these and that it has regard to them when taking decisions;
- Ensure proper and timely documentary filings and fulfillment of disclosure requirements to statutory authorities under applicable legislation and policy;
- Ensure that the standards and disclosures required by the different statutes are observed and, where required, reflected in the annual report of the directors;
- Make arrangements for and manage the process of the General Meetings;
- Maintain the Company's books and records and ensure the security and application of the Company's Common Seal;
- Perform such other duties which usually pertain to the Company Secretary or which may be from time to time be prescribed by the Board or be required by law.

Special Projects

As directed and approved by the Board and its committees, the Company Secretary will undertake special projects ensure that the Board have sufficient information on the resources required to complete any proposed special projects.

Terms of Reference (TOR) for the Chief Financial Officer (CFO)

1. Appointment, Reporting Relationships and Accountability

The CFO is a Senior Executive of the Company who

- Reports to the Chief Executive Officer (CEO);
- Is also accountable to the Audit Committee;
- Must have a broad understanding of the organization and its operations to effectively carry out his/her responsibilities.

2. Roles, Responsibilities and Duties of the CFO

The CFO, on behalf of the Board of Directors, is responsible for

- Following applicable Accounting Standards and Financial Reporting Standards like IAS, BAS, IFRS and BFRS, and adequate disclosure for any departure there-from, if any;
- Compliance with application of appropriate accounting policies, and ensuring that accounting estimates are reasonable and prudent;
- Providing close cooperation in establishing effective internal financial control environment.
- As a Senior Executive, the CFO is responsible for leadership and management of the Company's finance and accounting functions and is responsible for
 - (i) The Company's business planning, budgeting and forecasting processes, including coordination and integration of strategic and business plans for business segments, departmental cost centers and capital budgets;
 - (ii) The integrity of the Company's accounting systems, sub-systems, internal controls, fund management, and managing the relationship with the external auditors;
 - (iii) The Company's financial and business reporting, tax planning, estimating and reporting, and regulatory reporting (corporate and securities);
 - (iv) Management relationships with the Company's bankers and investors, and leasing companies. Responsibility for capital planning and structure and the raising of equity or debt to fund the Company's operations, investment analysis/presentations, and tracking of the Company's market valuation;

- (v) The financial analysis function which addresses product contribution and pricing/margins, the vetting of business cases and post reviews of completed/implemented initiatives, business analysis, operational efficiency and organizational and system capacity modeling/utilization;

3 As a member of the senior management of the Company, the CFO shall

- (i) Assist the CEO in
 - (a) Representing the Company in dealings with government and regulatory bodies;
 - (b) Maintaining relationships with outside agencies and strategic partners;
 - (c) Maintaining a policy of on-going communication with investors and representatives of the investment community.
 - (ii) Meet regularly and as required with the CEO to review material issues and to take reasonable steps to ensure that the CEO is provided in a timely manner with all the information he/she requires to fulfill his/her statutory and other obligations;
 - (iii) Carry out analysis of assets and liability and submit recommendations to the management on a quarterly basis;
 - (iv) Recommend to the Management on how to match assets and liabilities according to short term and long term plan.
- The CFO shall have the following Responsibilities towards the Board of Directors
 - (i) To attend the board meetings and be part of the discussion having financial implication on relevant issues
 - (ii) To present to the board of directors information on the following in order to strengthen and formalize corporate decision- making process
 - (a) Annual business plans, cash flow projection, forecasts and long term plans
 - (b) Budget including capital, manpower and overhead budgets along with variance analysis
 - (c) Quarterly operating results of the Company as a whole and in terms of its business segments

4 The CFO shall have Responsibilities towards

Shareholders to provide all the necessary data to be presented in the "Director's Report" and for this purpose CFO must ensure the following



- (a) The financial statement, prepared by the management of Company, present fairly its states of affairs, the result of its operations, cash flows and changes in equities
- (b) Proper books of accounts of the Company have been maintained by the relevant units and that operation & computer controls are in place
- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment
- (d) International accounting standards, as applicable in the country, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed
- (e) There has been no material departure from the best practice of corporate governance as detailed in the listing regulations or applicable guidelines
- (f) Internal and External Reporting

5 As a part of routine work, the CFO shall responsible for overseeing

- (i) Coordination with the internal auditors for statutory auditing
- (ii) Asset Liability Management
- (iii) Treasury division
- (iv) Monitoring Cash Flows
- (v) Consulting with other departments, businesses units and or affiliated companies to improve financial performance
- (vi) Strategic financial planning/ capital budgeting
- (vii) Cash forecasting
- (viii) Financial risk management
- (ix) Cash Management
- (x) Short term investing
- (xi) Short term borrowing
- (xii) Budgeting and Accounting
- (xiii) Designing a proper financial Model for the Business Plan
- (xiv) based on data received from respective departments, carrying out analysis on
 - (a) Cost of fund
 - (b) Interest rates (both for deposits and lending)
- (xv) Identifying major profit and cost centers
- (xvi) Maintenance of Investment in shares and securities
- (xvii) Preparation of Financial Statements

6 The CFO has extensive responsibilities for internal and external reporting, particularly-

- a) All the financial information required for decision-making by the Board of Directors and Chief Executive Officer is processed and furnished by the CFO.
- b) External reporting requirement is fulfilled by CFO, the accounts and financial statements are signed by the CFO before they are sent to concerned authorities.

Terms of Reference (TOR) for the Head of Internal Audit (HOIA)

1. Appointment, Reporting Relationships and Accountability

The HOIA is an employee of the Bank who-
Reports administratively to the Chief Executive Officer (CEO) and operationally to the Chairman of the Audit Committee;

Is also accountable to the Audit Committee;

Is responsible primarily for giving assurance on the internal control arrangements in the Company and playing a key role in promoting good corporate governance;

Must have a broad understanding of the organization and its operations to effectively carry out his/her responsibilities.

2. Roles, Duties and Responsibilities

Roles, Duties and Responsibilities of the HOIA shall include-

(i) Audit Planning/Design

- ▶ To develop an annual audit plan using input from the team and stakeholders to identify priorities and resource requirements for the year to cover audit of all the activities of the Company;
- ▶ To meet with Directors and Managers to discuss needs and propose audits, to build stakeholder requirements into department plans;
- ▶ To ensure plan is developed to meet the Audit Committee's expectations;
- ▶ To schedule and assign audits to team members, ensuring effective and efficient use of resources;

- ▶ To ensure quality control of the team's audit plans on an ongoing basis by reviewing and approving plans as they are developed and communicated to clients;
- ▶ To ensure annual audit plans have contingency built in, to provide unexpected audits to clients as they may surface;
- ▶ To report to the Audit Committee at the required intervals on Internal Audit assignments including planned reviews, investigations, risk advisory work and any other ad-hoc activity as required.

(ii) Conducting Audits

- ▶ To oversee and provide quality control for the internal audits, to ensure departmental mandate and business goals are met and that professional standards are maintained at all times.
- ▶ To ensure completion of audit assignments to provide independent, objective assurance to the Audit Committee.
- ▶ To develop the team's engagement with and support of major business change programs thus ensuring that appropriate consideration of risk and control is given to all change.

(iii) Reporting

- ▶ To ensure that internal audit reports are prepared and finalized in a timely manner and the same are submitted before the Audit Committee;
- ▶ To ensure that internal audit reports are issued with all recommendations agreed and accepted by the audited individual/unit.

(iv) People Management & Development

- ▶ To manage and oversee team performance through performance planning, coaching and performance appraisals;
- ▶ To hold direct reports accountable for managing and developing their assignments to ensure the department's goals are achieved;
- ▶ To provide ongoing feedback to the team to ensure they develop the skills and competencies required for effective planning and individual professional and personal career growth;
- ▶ To motivate and inspire the team by providing them with the information and tools they need to do their jobs well and meet customer expectations;

- ▶ To deal with performance issues, discipline as necessary and address poor standards, ensuring department targets and customer satisfaction is not compromised;
- ▶ To manage the head count, recruiting and deploying resources as required, to ensure the department budget is balanced and the right mix of skills and strengths are being leveraged as effectively as possible.

(v) Improving the Practice of Audits/ Championing Risk Management

- ▶ To build relationships with leaders across the organization to understand issues and identify areas for improvement for the organization as a whole;
- ▶ To support and encourage team members to be proactive in identifying opportunities to share best practice with Directors and Managers to improve the control environment;
- ▶ To develop new methodologies to improve the audit process, making it easier for the organization to request audits and implement recommendations;
- ▶ To provide assistance to the business in meeting regulatory requirements;
- ▶ To keep abreast of developments in Corporate Governance practices and advise the business accordingly.

(vi) General

To perform any other duties as are within the scope, spirit and purpose of the job, the title of the post and its grading as requested by the line manager or Head of Unit/Section/Department/Division.

Appointment of Auditors

M/S Syful Shamsul Alam & Co., Chartered Accountants, Dhaka was appointed as External Auditors of Social Islami Bank Limited by the Shareholders in its 21st Annual General Meeting at a fees of Taka 5,00,000/- for the year 2016. As per Securities and Exchange Commission Rules, M/S Syful Shamsul Alam & Co., Chartered Accountants, Dhaka is eligible to continue as an External Auditors for the year 2017 and has expressed their opinion.



Information availability on website

The full text of the Annual Report 2016 including other financial reports are available in the company's website

www.siblb.com

Investor's Complain Desk

The bank has an Investor's Complain Desk to investigate any matters related to the Investors. Any aggrieved investor may submit his complain or query to the following address

Company Secretary & Head of Investor Complain Desk
City Center, Level-20
90/1 Motijheel C/A, Dhaka-1000
Phone: 88 02 09612001122
Fax: 88 02 9568098
email: info@sibl-bd.com

Gratitude

The member of the Board of Directors of SOCIAL ISLAMI BANK LTD. would like to place on record their gratitude to all the valued Shareholders, Clients, Patrons and Well-Wishers for their continued support and cooperation. We are also indebted to the Government of Bangladesh, Bangladesh Bank, Securities & Exchange Commission (SEC), Stock Exchanges, Other Banks & Financial institutions, Office of the Registrar of Joint Stock Companies & Firms and all other concerned for their continued and kind support. Finally, the Board would like to place on record their deepest appreciation for the dedicated services rendered by all the employees of the Bank.

Ma-assalam
On behalf of the Board of Directors

Major Dr. Md. Rezaul Haque (Retd)
Chairman

COMPLIANCE REPORT UNDER CONDITION NO 7.00 OF BSEC

Notification No SEC/CMRRCD/2006-158/134/Admin/44 dated 07.08.2012

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.	BOARD OF DIRECTORS			
1.1.0	Board's Size			
1.1	(Should not be less than 5 but not more than 20)	√		
1.2	Independent Directors			
1.2 (i)	Independent Directors (At least 1/5th i.e. minimum one)	√		
1.2 (ii) a)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	√		
1.2 (ii) b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members	√		
1.2 (ii) c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	√		
1.2 (ii) d)	who is not a member, director or officer of any stock exchange	√		
1.2 (ii) e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	√		
1.2 (ii) f)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm	√		
1.2 (ii) g)	who shall not be an independent director in more than 3 (three) listed companies	√		
1.2 (ii) h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		
1.2 (ii) i)	who has not been convicted for a criminal offence involving moral turpitude	√		
1.2 (iii)	the independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM)	√		
1.2 (iv)	the post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.2 (v)	the Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	√		
1.2 (vi)	the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		
1.3	Qualification of Independent Director(ID)			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	√		
1.3 (ii)	The person should be a Business Leader/ Corporate Leader / Bureaucrat / University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/ professional experiences	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission	√		
1.4	Chairman of the Board and Chief Executive Officer			
1.5	The Director's Report to Shareholders	√		
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance	√		
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	-		N/A
1.5 (vi)	Basis for related party transactions - a statement of all related party transactions should be disclosed in the annual report	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	-		N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	-		N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	√		
1.5 (x)	Remuneration to directors including independent directors	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	√		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given	-		N/A
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed	√		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	√		
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		
1.5 (xxi) c)	Executives	√		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		
1.5 (xxii)	In Case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders			
1.5 (xxii) a)	a brief resume of the director	√		
1.5 (xxii) b)	nature of his/her expertise in specific functional areas	√		
1.5 (xxii) c)	names of companies in which the person also holds the directorship and the membership of committees of the board	√		
2.0	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECTARY(CS)			
2.1	Appointment: The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
2.2	Requirement to attend the Board Meetings: The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	√		
3.	AUDIT COMMITTEE			
3(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	√		
3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	√		
3.1	Constitute of the Audit Committee			
3.1(i)	Size of the Audit Committee (Should be at least 3 members.)	√		
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director	√		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience	√		
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee	-		N/A
3.1(v)	The company secretary shall act as the secretary of the Committee.	√		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
3.2	Chairman of the Audit Committee			
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director	√		
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	√		
3.3	Role of Audit Committee			
3.3(i)	Oversee the financial reporting process	√		
3.3(ii)	Monitor choice of accounting policies and principles	√		
3.3(iii)	Monitor Internal Control Risk management process	√		
3.3(iv)	Oversee hiring and performance of external auditors	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval	√		
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3(vii)	Review the adequacy of internal audit function	√		
3.3(viii)	Review statement of significant related party transactions submitted by the management	√		
3.3(ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	√		
3.3(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus	√		
3.4	Reporting of the Audit Committee	√		
3.4.1	Reporting to the Board of Directors	√		
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors	√		
3.4.1(ii)a)	The Audit Committee shall immediately report to the Board of Directors on conflicts of interests	-		N/A
3.4.1(ii)b)	suspected or presumed fraud or irregularity or material defect in the internal control system	-		N/A
3.4.1(ii)c)	suspected infringement of laws, including securities related laws, rules and regulations	-		N/A
3.4.1(ii)d)	Any other matter which shall be disclosed to the Board of Directors immediately.	-		N/A
3.4.2	Reporting to the Authority			
3.5	Reporting to the Shareholders and General Investors			
4.	EXTERNAL/STATUTORY AUDITORS			
4.(i)	Appraisal or valuation services or fairness opinions	√		
4.(ii)	Financial information systems design and implementation	√		
4.(iii)	Book-keeping or other services related to the accounting records or financial statements	√		
4.(iv)	Broker-dealer services	√		
4.(v)	Actuarial services	√		
4.(vi)	Internal audit services	√		
4.(vii)	Any other service that the Audit Committee determines	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
4.(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company	√		
5.	SUBSIDIARY COMPANY			
5.(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company	√		
5.(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company	√		
5.(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		
5.(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
5.(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
6.	DUTIES OF CHIEF EXECUTIVE OFFICER(CEO) AND CHIEF FINANCIAL OFFICER(CFO)			
6.(i)a)	The financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
6.(i)b)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
6.(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	√		
7.0	REPORTING AND COMPLAINE PEPORTING OF CORPORATE GOVERNANCE			
7.(i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis	√		
7.(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions	√		

REPORT ON NATIONAL INTEGRITY STRATEGY

Integrity means behavioral excellence influenced by morality and honesty and adherence to time-tested norms, values, customs and principles of a society. At the individual level, it means being duty-bound and honest.

National Integrity Strategy (NIS) is a living document of the Bangladesh Government towards the vision 2020 with the hope that this NIS will play its desired role in building the Bangladesh as "Golden Bengal".

Bangladesh Government has undertaken programs through NIS to establish a system of governance that creates trust among citizens. The NIS recognizes that the state's legal institutions require watchdogs within the general population to keep it accountable. For this reason, the strategy targets a broad audience like State and Non State Organizations with the vision to build this country as "Golden Bengal" where the mission is to establish good governance in the state institutions and society. Followings are the Challenges of NIS in State Organizations.

- ▶ Promulgation of Civil Service Act;
- ▶ Increased functional freedom of public service with stronger accountability;
- ▶ Enhanced efficiency and effectiveness in administrative activities;
- ▶ Establishing links between promotion, transfer, pay and emoluments with appraised performance;
- ▶ Introduction of a competitive pay and incentive structure;
- ▶ Overall reform by ensuring equitable opportunities for different cadre services;
- ▶ Building citizen-friendly enforcement agencies;
- ▶ Fair, neutral and visible decision-making in public administration.

National Integrity Strategy Commercial Organizations in the Private Sector-

The private sector is playing an increasingly important role in the socio-economic and contributing to wealth creation and value addition to meet the demand of the population. Integrity of this sector is of paramount importance. The culture of loan-default needs to be eliminated beside that 'Protection of Consumer Rights Act' has to be implemented properly. The main challenges in this regard are

- ▶ Addressing of the loan-default problem;
- ▶ Promotion of corporate governance;

- ▶ Awarding of performance-based fair salary and wages to the employees;
- ▶ Proper enforcement of the laws on consumer rights and bankruptcy;
- ▶ Prevention of collusive practices in business by enforcing the Competition Act;
- ▶ Promotion of a culture of self-control by Chambers and Associations.

To support the total activities of the Government of Bangladesh in establishing NIS, Social Islami Bank Limited has formed a 7 (seven) members Committee called "SIBL Integrity Committee" as per BRPD Circular No 21 dated 12 November 2013 headed by Additional Managing Director also determined a Focal Point Officer. The committee has undertaken the responsibilities to work closely with the Bangladesh Bank and Bangladesh Government to implement the NIS and in this regard work plans have also been finalized. The Prime objective of this committee is to prevent corruption and to establish integrity in every sphere of the bank as well as in the State and society.

Social Islami Bank Ltd (SIBL), a second-generation bank, operating since 22 November 1995 based on Shariah Principles, has now 125 branches all over the country with two subsidiary companies - SIBL Securities Ltd. & SIBL Investment Ltd. It is a prime goal and responsibility of the SIBL to secure fundamental human rights, and ensure equality of opportunity and dispensation of economic and social justice. SIBL is dedicated to ensuring employee's welfare.

We believe that the issue of integrity should not stop at the top level of institutions. Rather, each institution is expected to find mechanisms to implement institution-specific strategies at different tiers to implement National Integrity Strategy. During the under review, total 4 (four) nos. of SIBL Integrity Committee meeting were held.

Steps should be taken for Promotion of Integrity

- ▶ To ensure the attainment of a just and egalitarian society, free from exploitation of man by man.
- ▶ To guarantee fundamental human rights and freedom.
- ▶ To respect human dignity and worth of the human person.
- ▶ To create equal opportunity for all citizens.
- ▶ To remove social and economic inequality between man and man and ensure equitable distribution of wealth and opportunities among citizens.
- ▶ To ensure participation of women in all spheres of national life.
- ▶ To pay everyone for his work on the basis of the principle "from each according to his abilities to each according to his work".



Mohammad Shoeb, FCA
Focal Point Officer
SIBL Integrity Committee



REPORT ON GOING CONCERN

The board of Directors of the bank has made an annual assessment whether there exists a material uncertainty which may be an indicative of significant doubt about SIBL's ability to continue as going concern. In this regard, the Board of Directors of the bank has made appropriate inquiries, analysis, review and estimation in the backdrop of existing and future financial and operational strength of the bank. The Board of Directors are convinced and provide a reasonable assurance to the stakeholders as to SIBL's continuity as a going concern for the foreseeable future and accordingly the bank has been adopting the 'going concern' basis for preparing financial statements.

The financial performance of the bank was good and improving steadily over the years. While analyzing the 5 years comparative financial position of the bank as depicted in page no 59 of this Annual Report 2016, we find that all the basic indicators of the bank is positive and the bank is moving towards its way of 'Journey towards continuous excellence' leaving a growth curve.

- ▶ Gaining public confidence day by day. Both deposits and investment are maintaining upward trend over the previous years.
- ▶ Built an excellent regulatory compliance culture.
- ▶ Practicing best Corporate Governance.
- ▶ Introducing state-of-the-art Information & Technology.
- ▶ Invented IT-based diversified products and services that are tailored to different economic class of people of the society in order to bring the un-banked people into banking channels.
- ▶ Motivated employees, excellent working work force & team spirit, competitive pay scale & long term benefits.
- ▶ Outstanding Assets Liability Management for proper liquidity planning & management.
- ▶ Expanded area of operation from urban to rural.
- ▶ Effective Risk management system.
- ▶ Outstanding asset quality.
- ▶ Outstanding Credit Rating both in short term and long term.
- ▶ Excellent public communication, branding and media image.
- ▶ Paying dividend consistently.
- ▶ Positive key financial indicators.

Banking business involves a high degree of risk and SIBL is operating in an industry involving both external and internal risk factors having direct as well as indirect effects on the financial position. Here, the Board of Directors of the Bank has carefully analyzed the financial position of the bank and estimated the issue of continuity of the bank as going concern considering some risk factors that may seriously effects. If any of the following risks actually occur, business, results of operations and financial condition could suffer.

(A) Profit Rate & Foreign Currency Risks

Volatility in money market both in local and foreign, increase in Investment demand, Increase Import and decrease exports, slow remittance etc. may raise the rate of profit on deposit & borrowings including foreign currency. The Bank's financing in different sectors is generally structured at fixed and variable rates for specified terms. A change in the Government's monetary policy also tends to increase the rates. Increase in profit rates or non-availability of Foreign Currency could adversely affect the bank's operations.

Perception

Although the consequences of unusual and abrupt increase in the deposit and borrowing rate cannot be avoided, Social Islami Bank Ltd. (SIBL) takes all the appropriate measures to minimize the negative consequences. For profit rate risks, the Bank currently pursues a policy under which profit rates can be revised for any unusual and abrupt change at its own discretion as and when required. Moreover, SIBL foreign exchange risk remains at minimum level as all of its foreign trade & remittance transactions are carried out on behalf of the customers and there is no direct selling or buying of foreign currency i.e. dealing room operation. The demand of foreign currency payment is mostly backed by Exports earnings and remittance. Treasury continuously monitors price movements of foreign exchange and uses various hedging techniques to manage its open position in such a way that minimizes risk and maximizes return.

(B) Non-payment Risk

Non-payment risk can arise if the Bank becomes unable to repay to its depositors over the counter or on time due to the impacts of (i) global financial crisis (ii) pre-matures encashment (iii) economic recession (iv) natural calamity (v) international sanctions (vi) adverse classification of investments (vii) serious liquidity crunch (viii) assets liability mismatch (ix) limit less ID ratio etc. may have a direct negative impact on cash flow and profitability of the bank. The situation would fell the bank into serious trouble.

Perception

The management of SIBL is always concerned about the prevailing and upcoming future changes in the global financial policies and shall response appropriately and timely to safeguard its interest. The Bank has a very strong financial background as well as cash flow along with diversified

business package, that's why the risk is very negligible. Moreover, the bank has a clear policy to maintain its ID Ratio (Investment Deposit Ratio) to 88.52% and an ideal deposit mix. Structured liquidity profile of the bank shows that all assets and liabilities are being well managed and shaped. The bank has specific policy guidelines on 'stress liquidity management'. Besides that, ALCO (Asset Liability Committee) of the bank is a powerful committee entrusted with the overall liquidity management. So the bank believe that if for some unwanted situation excessive premature encashment occurs over the counter, capable to shape up things. In the history of operation, SIBL has not recorded a single case of 'Non-Payment'.

(C) Managements Risk

There may arise Management Risk in the Bank, which associates ineffectiveness, conflict of interest, destructive, or under-performing management that may hamper the smooth operation of the Bank and fell the organization in a question of going concern.

Perception

Social Islami Bank Limited (SIBL) has a very effective and competent management, which consistently makes effective policy decision. Since inception up-to 31.12.2016, the Board of Directors of the Bank has discharged their duties and responsibilities through 353 number of board meeting. The Board of Detectors has formulated code of conducts including role and responsibilities for its Chairman, Board Member, Managing Director, Company Secretary, Chief Financial Officer & Head of Internal Control & Compliance Division of the Bank. The bank is a compliant of corporate governance system imposed by Bangladesh Securities and Exchange Commission (BSEC) and there is no such evidence recorded so far which amounts to-management risk.

(D) Operational Risk

Operational risk is the risk of potential losses from a breakdown in internal processes and systems, deficiencies in people and management or operational failure arising from external events which may seriously shake the entity towards its continuation as going concern.

Perception

The internal control and compliance division of the bank controls the operational procedure of the Bank. Internal Control and compliance division undertakes periodical and special audit of the Branches and departments at the Head Office to review the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the internal control and compliance division. So, the bank is aware about its operational risk and accordingly policies and procedures are regularly been reviewed by the Board of Directors of the bank to ensure risk free operation.

(E) Business Risk

The bank may face business risk while doing their banking business. Business risk implies uncertainty in profit or danger of loss and the events that could pose a risk due to some unforeseen events in future, which causes business of SIBL to fail. Moreover, strong competitor in the industry may compel SIBL to squeeze its operations or may invite hard competitions

Perception

SIBL has a very good profitability record and the management is well aware about business risk. The Bank is operating in a highly competitive market as modern banking industry has brought greater business diversification. The Bank has a dedicated team to find new scope to expand its business. The risk management team is working to identify and manage different types of risk including business risk. SIBL Securities Limited and SIBL Investment Limited are the subsidiaries of SIBL incorporated with the objective 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. Thus, SIBL also reduces the industry risk by making versatile opportunity of business in the financial sector. Moreover, to make the operation competitive, the bank has implemented one of the best world class Information Technology platform in the bank to ensure faster and safer delivery of services to the customers on 24/7 basis. The bank has built up its alternative delivery channel infrastructure to offer the full suite of ATMs, POS, Internet Banking, and SMS banking for its customers. In order to support its growth strategies in future, the bank has made a strategic decision to change its core banking software to a more robust and internationally tested system. As its unique contribution to a truly broad-based and participatory electronic banking system in Bangladesh, SIBL currently has a wide coverage of 125 Branches, as on December 31, 2016. So, the board of directors estimated that there is no sign that the bank fall in trouble on the ground of business risk and hard competitions.

(F) Potential or Existing Government Regulations

The Bank operates under the specific guidelines laid down by Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) and other regulatory authorities. The Bank also operates under Companies Act 1994 and other related regulations, Bank Companies Act 1991, Income Tax Ordinance 1984, Value Added Tax (VAT) Act 1991 and Value Added Tax (VAT) Rules 1991. Any abrupt change of the policies made by the regulatory authorities may adversely affect the business of the Company.

Perception

Unless any policy change negatively and materially affects the industry as a whole, the business of the Bank is expected not to be affected significantly. Like all Scheduled Banks in Bangladesh, SIBL's asset growth and cost of CRR and SLR are adjustable as per requirement.



(G) Potential Changes in Global/National Policies

A financial institution's ability to operate a profitable business is directly related to the monetary and fiscal policy of the country at any given time. Imposition of restrictive monetary and/or fiscal policy by the government at any time may affect a company's profitability. Again, change in the existing global or national policies can have either positive or negative impacts for the Bank.

Perception

The management of SIBL is always concerned about the prevailing and upcoming future changes in the global or national policy and responds appropriately and timely to safeguard its interest.

(H) History of Non-Operation

Is there any history for the Bank to become non-operative from its commercial operation.

Perception

The Social Islami Bank Limited (SIBL), a second-generation bank, was incorporated on November 05, 1995. SIBL started its commercial operation on November 22, 1995 and completed 20 (Twenty) year successful banking operation based on Shariah Principles without having any history of non-operation. SIBL has now 111 branches all over the Country with two subsidiary companies - SIBL Securities Ltd. & SIBL Investment Ltd. Targeting poverty, The Social Islami Bank Limited is indeed a concept of 21st century participatory three sector banking model in one. In the formal sector, it works as an Islamic participatory Commercial Bank with human face approach to credit and banking on the profit and loss sharing. The Bank is an independent body that is operated by its Memorandum & Articles of Association and other applicable laws implemented by the Government of Bangladesh. Besides, the Bank's financial strength is satisfactory. It has highly experienced Directors and Management team which makes the Bank more efficient and stronger for any commercial operations. So, the chance of becoming non-operative for the risk Bank is minimum.

(I) Portfolio Management Risk

Poor quality of project appraisal, slack monitoring of outstanding debts, inadequate/inappropriate documentation and other forms of management efficiencies may affect the quality of SIBL portfolio.

Perception

Under the close supervision of SIBL's prudent shareholders and the Board of Directors, the management of SIBL has developed skills and ability to appraise a project efficiently, ascertain the risk factors, address them and monitor performance closely.

(J) Credit/investment Risk

Some of the customers or obligators may fail to meet the terms of any contract or otherwise fail to perform as agreed

which will in turn reduce the profit of the Bank, decreasing shareholders' earning.

Management Perception

Considering the key elements of credit risk, the Bank has segregated duties of the officers/executives involved in credit related activities. Separate division for Corporate, SME and retail has been formed which are entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities etc. for transparency in the operation during the entire credit period-i) Investment Approval Committee, ii) Investment Administration Department, iii) Recovery Unit and iv) Impaired Asset management have been set up.

Based on the above discussion, Board of Directors of the bank anticipated that it is appropriate to adopt going concern assumptions and there is no material uncertainty in preparing financial statements.

Ma-assalam

On behalf of the Board of Directors

Major Dr. Md. Rezaul Haque (Retd)
Chairman

REPORT OF THE BOARD AUDIT COMMITTEE

Composition of the Audit Committee:

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank and reconstituted in the 337th & 343rd Board of Directors meeting held on 13.04.2015 & 28.06.2015 respectively in compliance with the Bangladesh Bank and Bangladesh Securities Exchange Commission Guidelines. The Audit Committee is responsible for systematic and continuous review, monitoring and

assessment of the performance of the Bank against regulatory requirements, established policies and procedures, management of risks and compliance with laws.

As on 31st December 2016, the following Directors were the members of the Audit Committee:

Name	Status with the Bank	Status with the Committee
Mr. Md. Abdur Rahman	Independent Director	Chairman
Mr. Muinul Hasan	Independent Director	Co-Chairman
Mr. Abdul Mohit	Independent Director	Member
Mr. Hakim Md. Yousuf Harun Bhuiyan	Director	Member
Mr. Md. Abdur Razzaque	Director	Member

Meetings of the Audit Committee:

The Committee had twelve (12) meetings during the year 2016. Attendance of the members was as follows:

Name	Tenure of membership	No. of Meetings Held	No. of Meetings Attended
Mr. Md. Abdur Rahman	26.08.2013 to till date	12	12
Mr. Muinul Hasan	29.06.2015 to till date	12	12
Mr. Abdul Mohit	26.08.2013 to till date	12	10
Mr. Hakim Md. Yousuf Harun Bhuiyan	13.04.2015 to till date	12	12
Mr. Md. Abdur Razzaque	28.06.2014 to till date	12	12

Disclosure by Audit Committee:

- The Committee reviewed the memo on implementation of Bangladesh Bank's Guidelines on Internal Control and Compliance in SIBL as per BRPD Circular No. 03 dated 08.03.2016 and recommended to the Management to place it before the Board for taking appropriate action.
- Pursuant to Condition No. 3.4.1 of the Corporate Governance Guidelines issued by BSEC, the Committee reviewed the Internal Control System and Financial Statements. The Committee observed that there was no conflict of interest or material defect in the internal control system of the Bank.
- The Committee reviewed the report on Management Information System (MIS) and management action in building effective computerized MIS in SIBL and advised the Management to implement all instructions given by the Bangladesh Bank and other regulators for establishing a global standard MIS environment in the whole banking arena.
- The Committee reviewed the financial statements of the 1st Quarter, 2nd Quarter, 3rd Quarter and full year ended on 31st December 2016 of the Bank and subsequently recommended to the Board for consideration and approval.



- The Committee reviewed the integrity of the financial statements of the Bank to ensure that these reflect a true and fair view of the Bank's state of affairs for the year ended on 31st December 2016.
- The Committee while reviewing the financial statements ensured that proper disclosure required under International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable for business.
- The Committee also reviewed the financial statements/ investments of the subsidiaries: SIBL Securities Limited and SIBL Investment Limited.
- The Committee reviewed the proposals of External Auditors towards appointing new Auditor and recommended to the Board for appointment.
- The Committee discussed with the statutory auditors about the nature and scope of audit as well as had post-audit discussions to address areas of concern.
- The Committee reviewed the Management Report submitted by the statutory auditors and suggested corrective measures and fixed time frame for their implementation.
- The Committee approved the internal audit plan and gave direction to the Internal Auditor where appropriate for carrying out in-depth audit to ensure that the Bank or its assets are not exposed to undue risk.
- The Committee reviewed the Internal Auditors Reports and suggested appropriate actions where needed. The Internal Auditors were advised to carry out audit of all the branches of the Bank.

- The Committee also reviewed the activities of the Internal Audit Department and made suggestions for improvement.
- The Committee recognized the observations of the Internal Audit Department regarding internal control and suggestions made to improve operational systems and procedures and their implementation.
- The Committee observed that risk management associated with the banking business was adequately controlled.

On behalf of the Board Audit Committee

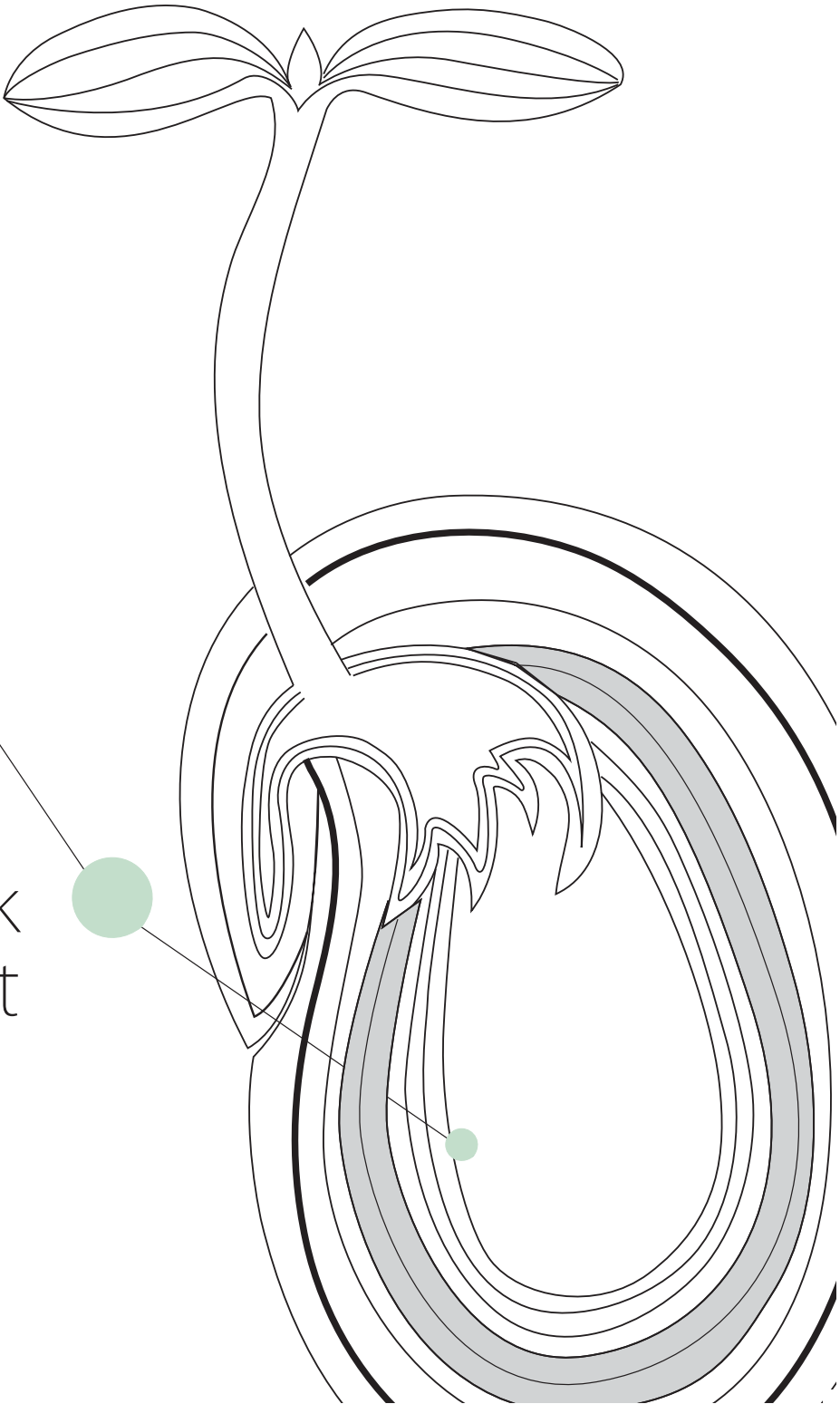


Md. Abdur Rahman
Chairman
Board Audit Committee

With its experienced team of unique expertise, SIBL identifies, analyzes and direct to mitigate the uncertainty in Banking business. The team is vigilant in indentifying and measuring risks that matches the organisation to optimise risk and return.

Mitigating
Uncertainty

Risk
Management



REPORT ON RISK MANAGEMENT

In compliance with the Sub-section (3) of Section 15Kha of the Bank Company (Amended) Act, 2013 and the BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank, "Risk Management Committee of the Board" has been formed. The Terms of Reference (ToR) of the Committee is determined as per the guidelines/ circulars of Bangladesh Bank issued and in-force from time to time. As per the Terms of Reference (ToR), six (6) meetings of Risk Management Committee of the Board were held during 2016.

The role of Board of Directors in respect of risk management is as follows:

- a) Defining the risk appetite;
- b) Designing the organizational structure to manage risk within the bank;
- c) Understanding the inherent risks of the bank;
- d) Reviewing and approving risk management policies and re-reviewing at least annually;
- e) Enforcing and using adequate recordkeeping and reporting systems;
- f) Reviewing and approving limits and re-reviewing at least annually; and
- g) Monitoring compliance with overall risk management policies and limits

As per instruction of Bangladesh Bank "Risk Management Unit" of the Bank was restructured as a fully functional division named as "Risk Management Division" duly approved by the board of directors of the bank in 285th board meeting held on 12.03.2013 for smooth operation and management of risk issues. The division has been staffed with some experienced officials headed by an Executive Vice President whereas a Deputy Managing Director (DMD) is acting as Chief Risk Officer (CRO). The division works with the capital management issues and risk management activities of the bank as per the guideline of Bangladesh Bank, Management level Risk Management Committee and Risk Management Committee of the Board.

The risk management of the Bank covers a wide spectrum of risk issues and the 6 (six) core risk areas of banking i.e. investment risk, foreign exchange risk, internal control & compliance risk, money laundering risk, ICT risk and asset liability management risk. SIBL is much concerned about the business risk and its proper management so that the risk and return could be optimized. Our policy envisages that the

management would pay special attention to manage and reduce the risk to an acceptable level apart from prudent controls over the Banks assets. The functions of the Division are summarized as follows:

- Calculating Minimum Capital Requirement (MCR) under Basel III;
- Conducting Supervisory Review Process through Internal Capital Adequacy Assessment Process (ICAAP);
- Disclosing related information as per the instruction of Pillar III of Basel-III framework;
- Conducting Stress Testing
- Preparing Risk Management Paper
- Co-ordination and Monitoring of the 6 core risks issues like:
 - Investment Risk Management including
 - Environmental Risk Management
 - Asset-Liability Risk Management
 - Foreign Exchange Risk Management
 - Anti Money Laundering Risk Management
 - Internal Control & Compliance Risk Management
 - Information and Communication Technology Security Risk Management
- Co-operation with Credit Rating etc.

Risk Management Framework and Risk Mitigation Methodology

For smooth functioning of risk management activities of the Bank, a Board level and a Management level Risk Management Committee are parallel working in the Bank. The Management level Risk Management Committee is headed by the Managing Director & CEO of the Bank and formed as per the TOR of Bangladesh Bank and conduct minimum one monthly meeting to discuss the main agenda of the meeting- 'Monthly Risk Management Paper (MRMP)' which is specially designed by Bangladesh Bank and contains various analysis and information that covers a wide areas of the Bank's credit risk, market risk, operation risk including 'six core risks'. As per regulations of the Bangladesh Bank, this committee analyses all the information contained in MRMP and submit it to RMC for approval to submit the report to Bangladesh Bank and Bangladesh Bank monitors and instructs the bank on any particular risk issue of the report. Apart from MRMP, Comprehensive Risk Management Papers (CRMP) is prepared and placed to this committee on half yearly basis. Both MRMP and CRMP also submit to the board risk management committee for their review and approval before submission.

Functions of the committee are as under:

- Designing bank's overall risk management strategy;
- Establishing risk management policies and procedures;
- Developing and overseeing implementation of stress tests;
- Developing, testing, and observing use of models for measuring and monitoring risk;
- Informing the board about the appetite for risk across the bank;
- Communicating views of the board throughout the bank;
- Independently monitoring limits, in addition to the monitoring that is done by business units;
- Formulating guidelines on the handling of all property and



- liability claims involving the organization;
- Developing and implementing loss prevention/loss retention programs;
- Identifying and quantifying banks exposures to material loss;
- Securing and maintaining adequate loss coverage at the most reasonable cost;
- Adopting proper financial protection measures through risk transfer, risk avoidance, and risk retention programs;
- Determining the most cost-effective way to construct, refurbish, or improve the loss protection system of any facility leased, rented, purchased, or constructed by the bank;
- Managing claims for insured and uninsured losses; and
- Participating on all contract negotiations involving insurance, indemnity, or other pure risk assumptions or provisions prior to the execution of the contracts.

Disclosure of Risk Reporting

Social Islami Bank Limited has complied all regulatory risk reporting during the year 2016 such as

- Monthly Risk Management Papers
- Comprehensive Risk Management Paper
- ICAAP reporting
- Risk Based capital adequacy reporting
- Stress testing

Moreover, to identify, manage and mitigate the risk all internal policy and procedures were followed.

Basel Accord Implementation Status of the Bank

Implementation Status of Pillar I of Basel III

Bank Companies Act, 1991, and Risk Based Capital Adequacy (RBCA) guidelines of Bangladesh Bank require maintaining capital adequacy to operate banks in Bangladesh. From January 2015, capital is maintained as per the RBCA guideline of Bangladesh Bank in line with Basel III capital adequacy framework. As per RBCA guideline of Bangladesh Bank the banks are required to submit the report on capital adequacy on quarterly basis to the Department of Offsite Supervision of Bangladesh Bank.

The comparative position of capital adequacy of Social Islami Bank Limited throughout the year 2016 is as follows:

(Figures in million)

Particulars	31-03-16	30-06-16	30-09-16	31-12-16
A. Total Regulatory Capital :				
1. Tier-1 Capital (Going Concern Capital)	12,048.80	11,396.80	11,626.40	13,183.70
a) Common Equity Tier-1 Capital (CET-1)	12,048.80	11,396.80	11,626.40	13,183.70
b) Additional Tier-1 Capital (AT-1)				
2. Tier-2 Capital (Gone Concern Capital)	4,990.90	5,842.50	5,887.60	6,011.30
3. Total Regulatory Capital (1+2) :	17,039.70	17,239.30	17,514.00	19,195.00
B. Total Risk Weighted Assets (RWA):	147,551.70	156,516.10	160,836.50	166,172.70
C. Capital to Risk Weighted Assets Ratio (CRAR) (A_3 / B)*100	11.55%	11.01%	10.89%	11.55%
D. Common Equity Tier-1 Capital to RWA (A_{1a} / B)*100	8.17%	7.28%	7.23%	7.93%
E. Tier-1 Capital to RWA (A_1 / B)*100	8.17%	7.28%	7.23%	7.93%
F. Tier-2 Capital to RWA (A_2 / B)*100	3.38%	3.73%	3.66%	3.62%
G. Minimum Capital Requirement	14,755.20	15,651.60	16,083.70	16,617.30
H. Capital Maintained	17,039.70	17,239.30	17,514.00	19,195.00
I. Excess /(Shortfall)	2,284.50	1,587.70	1,430.30	2,577.70
J. Minimum Capital to Risk weighted Asset Ratio Requirement (Considering Conservation buffer)	10.625%	10.625%	10.625%	10.625%
K. Minimum Capital Requirement (Considering Conservation buffer)	15,677.37	16,629.84	17,088.88	17,655.85
L. Excess Capital (Considering Conservation buffer)	1,362.33	609.46	425.12	1,539.15
M. Minimum CRAR	10%	10%	10%	10%
N. Maintained CRAR	11.55 %	11.01 %	10.89 %	11.55 %

Implementation Status of Pillar II of Basel III:

Supervisory Review Process (SRP) and Supervisory Review Evaluation Process (SREP) dialogue on ICAAP is the second pillar of Basel II and Basel III. ICAAP report represents the adequate capital requirement in addition to minimum capital requirement considering all risk associated with the Bank. Minimum capital requirement is calculated considering credit risk, market risk and operational risk of the bank whereas residual risk, concentration risk, liquidity risk, strategic risk, reputation risk, appraisal of core risk management, settlement risk, environmental and climate change risk and other material risks are considered to determine the adequate

capital. Accordingly a capital growth plan is also provided to with the ICAAP reporting. In the ICAAP report of the year 2015, it is found that bank needs to maintain the adequate capital against residual risk, concentration risk, liquidity risk, reputation risk and strategic risk of BDT 1417.20 million.

As on 31st December 2015, bank maintained BDT 16920.99 million whereas as per our calculation in ICAAP report, adequate capital requirement is BDT 14995.50 million.

In line with the Basel framework, Bangladesh Bank issued transitional arrangements for Basel III implementation in Bangladesh.

Transitional arrangements for implementing Basel III in Bangladesh

Phase-in arrangements for Basel III implementation in Bangladesh

	2015	2016	2017	2018	2019
Minimum Common Equity Tier-1 (CET-1) Capital Ratio	4.50%	4.50%	4.50%	4.50%	4.50%
Capital Conservation Buffer	-	0.625%	1.25%	1.875%	2.50%
Minimum CET-1 plus Capital Conservation Buffer	4.50%	5.125%	5.75%	6.375%	7.00%
Minimum T-1 Capital Ratio	5.50%	5.50%	6.00%	6.00%	6.00%
Minimum Total Capital Ratio	10.00%	10.00%	10.00%	10.00%	10.00%
Minimum Total Capital plus Capital Conservation Buffer	10.00%	10.625%	11.25%	11.875%	12.50%
Phase-in of deductions from CET1					
Excess Investment over 10% of a bank's equity in the equity of bank, financial and insurance entities	20%	40%	60%	80%	100%
Phase-in of deductions from Tier 2 Revaluation Reserve (RR)					
RR for Fixed Assets, Securities & Equity Securities	20%	40%	60%	80%	100%
Leverage Ratio	3%	3%	3% Readjustment	Migration to Pillar 1	
Liquidity Coverage Ratio	≥100% (From Sep.)	≥100%	≥100%	≥100%	≥100%
Net Stable Funding Ratio	> 100% (From Sep.)	>100%	>100%	>100%	>100%

In line with the implementation phase in program, SIBL have a reasonable capital & risk management policy to cope up with the enhanced capital adequacy.



Mohammad Shoeb FCA
Executive Vice President
Head of Risk Management Division



MARKET DISCLOSURE UNDER PILLAR-III OF BASEL III-2016

A) Scope of Application

Qualitative Disclosure	
(a) The name of the top corporate entity in the group to which this guidelines applies	Social Islami Bank Limited
(b) An outline of difference in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (i) that are fully consolidated;(ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	The quantitative disclosures are made on the basis of both solo & consolidated basis. SIBL has two subsidiaries and an offshore banking unit; i) SIBL Securities Ltd & ii) SIBL Investment Ltd. Both solo & consolidated financial statements have been prepared under applicable financial reporting standard & related instructions/ circulars issued by Bangladesh Bank from time to time. The assets, liabilities, revenues & expenses of the Subsidiaries are combined with the parent company (SIBL) on consolidated basis. So assets of the subsidiaries & offshore banking unit are risk weighted and equities of the subsidiaries are crossed out with the investment of SIBL while consolidating.
(c) Any restrictions, or other major impediment, on transfer of funds or regulatory capital within the group.	Not applicable

Quantitative Disclosures	
(d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and name(s) of such subsidiaries.	Not applicable

B) Capital Structure

Qualitative Disclosures	
a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier I (CET-1, AT-1) and Tier 2.	<p>As per Bangladesh Bank BASEL-III guidelines; Tier I capital is divided into:</p> <p>a) Common Equity Tier I (CET-1) Capital</p> <p>b) Additional Tier I (AT-1) Capital</p> <p>a) Common Equity Tier-I capital of the Bank consist of -</p> <p>Paid up capital: Issued, subscribed and fully paid up share capital of the Bank.</p> <p>Statutory reserve: As per Section 24 of the Bank Company Act, 1991 (Amended upto 2013), an amount equivalent to 20% of the profit before taxes for each year of the Bank has been transferred to the Statutory Reserve Fund.</p> <p>Retained earnings: Amount of profit retained with the banking company after meeting up all expenses, provisions and appropriations.</p> <p>b) Additional Tier-I capital:</p> <p>Instruments issued by the banks that meet the qualifying criteria for AT1: Issued, subscribed and fully paid perpetual subordinated debt/ bond, or other instrument if any which meet the qualifying criteria for AT1 as stipulated in guidelines on Risk Based Capital Adequacy.</p>

	<p>Tier-II capital consists of –</p> <p>General Provisions: As per Bangladesh Bank directive, amount of provision maintained against unclassified loans and off-balance sheet exposures as of the reporting date has been considered.</p> <p>Subordinated debt / Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital: Outstanding amount of subordinated debt as of the reporting date.</p> <p>Assets revaluation reserves: As per Bangladesh Bank's instruction, until 31 December 2014, 50% of incremental value of Bank's assets has been considered. Revaluation Reserve (RR) based on the position as of 31 December 2014 will be deducted @ 20% on yearly basis from 2015 to 2019 under Basel III guideline.</p>
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Quantitative Disclosures		
	As on December 31, 2016 (in million taka)	
	Solo	Consolidated
b) Regulatory Capital		
Regulatory CET-1 Capital:		
Paid up Capital	7,382.99	7,382.99
Statutory Reserve	4,318.77	4,318.77
General Reserve	-	6.15
Retained Earnings	1,481.97	1481.35
Total CET-1	13,183.73	13,189.26
Additional Tier 1 Capital	0	0
Total Tier I Capital	13,183.73	13,189.26
Tier II Capital:		
General Provision		
Mudaraba Subordinated Bond	2,694.61 3,000.00	2,694.61 3,000.00
Revaluation Reserve	316.70	316.70
Total Tier II Capital	6,011.31	6,011.31
Total Capital	19,195.04	19,200.58
c) Regulatory Adjustments/Deductions from capital	0	0
d) Total eligible capital	19,195.04	19,200.58

C) Capital Adequacy

Qualitative Disclosures	
(a) A summary discussion of the bank's approach to assess the adequacy of its capital to support current and future activities.	<p>SIBL has adopted standardized approach for computing capital charge for credit risk & market risk and basic indicator approach for operational risk. Assessment for capital adequacy is carried out in conjunction with the guidelines and regulations by Bangladesh Bank from time to time. Assessing regulatory capital in relation to overall risk exposures of a bank is an integrated and comprehensive process. SIBL, through its SRP team, is taking active measures to identify, quantify, manage and monitor all risks to which the Bank is exposed to. Assessment of Regulatory Capital will be in alignment with the findings of these exercises.</p>



Quantitative Disclosures																					
Particulars		As on December 31, 2016 (in million taka)																			
		Solo	Consolidated																		
b)	Capital requirements for Investment (Credit) Risk	15149.91	15102.63																		
c)	Capital requirements for Market Risk	352.60	352.60																		
d)	Capital requirements for Operational Risk	1114.76	1137.66																		
	Total capital requirement	16,617.27	16,592.89																		
e)	Capital to Risk Weighted Asset Ratio	11.55%	11.57%																		
	CET-1 Capital Ratio	7.93%	7.95%																		
	Tier-I Capital Ratio	7.93%	7.95%																		
	Tier-II Capital Ratio	3.62%	3.62%																		
f)	Capital Conservation Buffer	<p>As per BB roadmap for implementation of Basel III, creation of Capital Conservation Buffer (CCB) has been made effective from January, 2016. As on 31.12.2016 SIBL maintained the capital conservation buffer @0.625%.</p> <p>Particulars</p> <table border="1"> <thead> <tr> <th></th> <th>Solo</th> <th>Consolidated</th> </tr> </thead> <tbody> <tr> <td>Required CCB</td> <td>0.625%</td> <td>0.625%</td> </tr> <tr> <td>Required CET-1 Ratio including CCB</td> <td>5.125%</td> <td>5.125%</td> </tr> <tr> <td>Maintained CET-1 Ratio</td> <td>7.93%</td> <td>7.95%</td> </tr> <tr> <td>Required CRAR Ratio including CCB</td> <td>10.625%</td> <td>10.625%</td> </tr> <tr> <td>Maintained CRAR Ratio</td> <td>11.55%</td> <td>11.57%</td> </tr> </tbody> </table>			Solo	Consolidated	Required CCB	0.625%	0.625%	Required CET-1 Ratio including CCB	5.125%	5.125%	Maintained CET-1 Ratio	7.93%	7.95%	Required CRAR Ratio including CCB	10.625%	10.625%	Maintained CRAR Ratio	11.55%	11.57%
	Solo	Consolidated																			
Required CCB	0.625%	0.625%																			
Required CET-1 Ratio including CCB	5.125%	5.125%																			
Maintained CET-1 Ratio	7.93%	7.95%																			
Required CRAR Ratio including CCB	10.625%	10.625%																			
Maintained CRAR Ratio	11.55%	11.57%																			
g)	Available Capital under Pillar 2 Requirement	Solo	Consolidated																		
	Total Eligible Regulatory Capital [A]	19,195.04	19,200.58																		
	Minimum Capital Requirement under Pillar 1 [B]	16,617.27	16,592.89																		
	Capital Conservation Buffer [C]*	1038.58	1037.06																		
	Minimum Capital Requirement including Capital Conservation Buffer [D=B+C]	17655.85	17629.95																		
	Available Capital for Pillar 2 [E=A-D]	1539.19	1570.63																		

D) Investment Risk

Qualitative Disclosures	
a) The General Qualitative disclosures requirement with respect to credit Risk, including:	<p>As per Bangladesh Bank guidelines, any investment if not paid within the fixed expiry date will be treated as Past due/ Overdue.</p> <p>Bangladesh Bank issued circulars from time to time for strengthening Investment discipline. All Investments are categorized into four for the purpose of classification namely (i) Continuous Investment (ii) Demand Investment (iii) Fixed Term Investment and (iv) Short-term Agriculture & Micro Investment.</p> <p>Classification rules for the above 4 categorized Investments are as under:</p> <p>Continuous and Demand Investments are classified as: 'Sub-Standard'- if it is past due / overdue for 3 months or beyond but less than 6 months. 'Doubtful'- if it is past due / overdue for 6 months or beyond but less than 9 months. 'Bad/Loss'- if it is past due / overdue for 9 months or beyond from the date of expiry or claim by the bank or from the date of creation of forced investment.</p>

	<p>Fixed Term Investments are classified as:</p> <p>(a) In case of any Installment(s) or part of a Fixed Term Investment amounting up-to Taka 10 lac is not repaid within the due date, the amount of unpaid installment(s) will be termed as past due / overdue investment In such a case following classification rules will be applied:</p> <p>'Sub-Standard'- if the amount of past due/overdue installment(s) is equal or more than the amount of installment(s) due within 6 months; the entire Investment amount will be classified as 'Sub-Standard'.</p> <p>'Doubtful'- if the amount of past due/overdue installment(s) is equal or more than the amount of installment(s) due within 9 months, the entire Investment amount will be classified as 'Doubtful'.</p> <p>'Bad/Loss'- if the amount of past due/overdue installment(s) is equal or more than the amount of installment(s) due within 12 months, the entire Investment amount will be classified as 'Bad/loss'.</p> <p>(b) In case of any Installment(s) or part of a Fixed Term Investment amounting more than Taka 10 lac is not repaid within the due date, the amount of unpaid installment(s) will be termed as past due / overdue investment In such a case following classification rules will be applied:</p> <p>'Sub-Standard'- if the amount of past due/overdue installment(s) is equal or more than the amount of installment(s) due within 3 months; the entire Investment amount will be classified as 'Sub-Standard'.</p> <p>'Doubtful'- if the amount of past due/overdue installment(s) is equal or more than the amount of installment(s) due within 6 months; the entire Investment amount will be classified as 'Doubtful'.</p> <p>'Bad/Loss'- if the amount of past due/overdue installment(s) is equal or more than the amount of installment(s) due within 9 months, the entire Investment amount will be classified as 'Bad/Loss'.</p>
	<p>Short-term Agricultural and Micro-Investment are classified as under:</p> <p>'Sub-Standard'-If the investment not repaid within the due date as stipulated in the agreement and if such irregular continues, the investment will be classified as 'Sub-Standard' after a period of 12 month, as 'Doubtful' after the period of 36 months and as "Bad/loss" after a period of 60 months from due date.</p> <p>Continuous Investment, Demand Investment or Term Investment which will remain overdue for a period of 2 month or more will be put into 'Special Mention Account'.</p> <p>The rates of provisions are as under:</p> <p>a) General Provisions-will be maintained:</p> <p>i) @ 0.25% against all unclassified investments of SME (Small and Medium Enterprise) as defined by Bangladesh Bank, @ 1.00% against all unclassified investments except Consumer Financing, Investment to Brokerage House-Merchant Banks-Stock Dealer.</p> <p>ii) @ 1% on the Off Balance Sheet exposure.</p> <p>iii) @5% on unclassified investment amount of consumer financing, @ 2% on unclassified investment amount of House building finance, Investment to professionals under consumer financing for setting up business, Investment to Brokerage House-Merchant Banks-Stock Dealer.</p> <p>iv) @ 5% on the outstanding amount of 'Special Mention Account'.</p> <p>b) Specific Provisions-will be maintained:</p> <p>i) Sub-standard: @ 20%</p> <p>ii) Doubtful: @ 50%</p> <p style="padding-left: 40px;">i) Bad /Loss: @ 100%</p> <p>c) Provision for Short-term Agricultural and Micro Investment:</p> <p>i) All Investment except bad/loss: 5%</p> <p>ii) Bad/Loss: @ 100%</p>



ii) Description of approaches followed for specific and general allowances and statistical method;	<p>Social Islami Bank Limited has a well defined Investment Risk Management Manual duly approved its Board of Directors which is reviewed annually. Investment risk is one of the major risks faced by the bank and such investment risk management of the bank has been designed to address all risks associated with investments.</p>
	<p>The Bank has segregated duties of the Officers / Executives involved in investment related activities. A separate Corporate Division has been formed at Head Office, which is entrusted with the duties of maintaining effective relationship with the customer, marketing of Investment products, exploring new business opportunities etc. Moreover, investment approval, administration, monitoring and recovery functions have been segregated. For this purpose, two separate units have been formed. These are (a) Investment Risk Management Division, (b) Investment Administration Division. Investment Administration Division includes investment monitoring unit. Investment Risk Management Unit is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy / strategy for lending operation etc.</p>
	<p>A thorough assessment is done before sanctioning of investment facility at Investment Risk Management Unit. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed Investment facility etc. The assessment process starts at Corporate Division by the Relationship Manager/Officer and ends at Investment Risk Management Unit. Proposal beyond their delegation are approved / declined by the Executive Committee and / or the Management.</p> <p>In determining single borrower / large investment limit, the Bangladesh Bank instructions are strictly followed. Internal audit is conducted on periodical interval to ensure compliance of Bank's and regulatory policies. Investments are classified as per Bangladesh Bank's guidelines.</p>

Quantitative Disclosures		
b) Total gross Investment/ Credit Risk exposures broken down by major types of Investment exposures.	<u>Mode of Investment</u>	In million Tk. <u>As on 31.12.2016</u>
	Musharaka	394.01
	Murabaha	3923.52
	Mudaraba	6890.92
	Bai-Muazzal	103157.04
	Hire-Purchase Sirkatul Meelk	39236.07
	Installment Investment Scheme	0.00
	Quard	9867.95
	Bai-Salam	499.76
	Staff Loan	2222.86
	Ijarah	327.65
	Visa Card	481.55
	In land Bill Purchase	2659.75
	Foreign Bill Purchased	81.64
	Murabaha Bill of Exchange	1914.90
	Murabaha Wes Bills L/C	32.99
	Baim-Wes bills	2505.52
Total	174196.13	

a) Geographical Distribution of exposures, broken down in significant areas by major types of credit exposure.	In million Tk.
	<u>Name of the Division</u> <u>As on 31.12.2016</u>
	Dhaka 131962.86
	Chittagong 25620.39
	Sylhet 918.37
	Rajshahi 6363.45
	Khulna 6642.47
	Rangpur 1948.77
	Barisal 739.82
Total 174196.13	
d) Industry or counterparty type distribution of exposures, broken down by major types of Investment/credit exposure.	In million Tk.
	<u>Sector</u> <u>As on 31.12.2016</u>
	Commercial lending 38,199.35
	Export Financing 7,441.14
	House Building Investment 2,116.04
	Consumer Investment Scheme 1,213.93
	Small and Medium Enterprises 37,431.77
	Micro Investment 98.59
	Other Investments 372.38
	Off-shore Banking Unit 6,890.92
	Allied concern of Directors of SIBL 123.42
	Executives & Staffs of SIBL 2,401.12
	Agricultural Industries 2,936.12
	Textile Industries 24,919.31
	Food & Allied Industries 4,781.81
	Pharmaceutical Industries 1,018.22
	Leather, Chemical, Cosmetic etc. 992.81
	Construction Industries 6,539.60
	Cement and Ceramic Industries 2,177.31
	Service Industries 6,725.12
Transport and Communication Industries 2,466.80	
Other Industries 25,350.35	
Total 174,196.13	
e) Residual contractual maturity break down of the whole portfolio, broken down by major types of investment/credit exposure.	In million Tk.
	<u>Particulars</u> <u>As on 31.12.2016</u>
	Re-payable on Demand 26,319.59
	Not more than 3 months 24,539.16
	Over 3 months but not more than 1 year 89,911.44
	Over 1 year but not more than 5 years 31,024.29
	Over 5 years 2,401.66
Total 174,196.13	



f) By major industry or counterparty type	Amount of impaired investments and if available, past due investments In million Tk.	
	Particulars	As on 31.12.2016
	Past due	-
	Special Mentioned Account	27.53
	Substandard	314.42
	Doubtful	1,363.48
	Bad or Loss	6,060.30
	Total	7,765.72
	Specific and general provisions: In million Tk	
	Particulars	As on 31.12.2016
Specific Provisions	1,764.70	
General Provision	2,694.61	
Total	4,459.31	
Charges for specific allowances and charge-offs during the period In million Tk.		
Particulars	As on 31.12.2016	
Provision on classified investment	609.27	
Provision on unclassified investment	706.08	
Provision on Off-Balance Sheet items	167.55	
Other provisions	-	
Total	1,482.89	
g) Gross Non Performing Assets (NPAs)	Gross Non Performing Assets of the bank is 7,738.20 Million	
Non Performing assets to outstanding investment	Non Performing assets to outstanding investment is 4.44%	
Movement of non performing assets	Opening balance	5,149.58
	Addition	2,588.62
	Reduction	-
	Closing Balance	7,738.20
Movement of Specific provisions for Non performing assets	Opening Balance	1,673.42
	Add: Provision made during the year	817.59
	Less: Write-off	(726.31)
	Add: Write back of excess provision	-
	Closing balance	1,764.70

E) Equities: Disclosures for Banking Book Positions

Qualitative Disclosures

a) The general Qualitative Disclosures requirement with respect to equity risk, including:

a) Differences between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons ;and	<p>Social Islami Bank limited has two categories of equity investments namely (i) Quoted Shares- traded in the secondary market of DSE & CSE like common stock, mutual fund, bond etc. and (ii) Unquoted Shares- currently not tradable in the secondary market.</p> <p>Unquoted shares include shares and securities which are characterized and categorized as (i) Held to maturity (ii) long term investment i.e. the Bank does not have any intention to sell securities immediately or in the near future (iii) Securities acquired under private placement which will be traded in the secondary market only after completion of required legal formalities with the BSEC (Bangladesh Securities & Exchange Commission), DSE, CSE as per prevailing laws etc.</p>
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<p>b) Discussion of important policies covering the valuation and accounting of equity holdings in the banking book, This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.</p>	<p>Investment in Shares and Securities are for gaining dividend income or capital gain. Dividend income are recognized in the books of accounts of the bank as and when such dividend is received or right to receive such dividend is established.</p> <p>Both Quoted shares and unquoted shares are valued at cost and necessary provisions are maintained if the price falls below the cost. At the time of calculation of unrealized gain or loss of quoted shares, sufficient provisions on shares & securities are made in the books of accounts after netting off the values of the portfolios but however unrealized gains are not accounted for. As per Bangladesh bank guidelines, HTF (Held for Trading) securities are revalued once in a week using marking to market concept and all such securities are revalued once in a year according to the Bangladesh bank guidelines.</p>
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Quantitative Disclosures

As on December 31, 2016 (In million Taka)

	Particulars	Solo	Consolidated
a)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments, for quoted securities a comparison to publicly quoted share values where the share price is materially different from fair value.	709.97	709.97
b)	The cumulative realized gains (losses) arising from sales & liquidations in the reporting period.	-	-
c)	Total unrealized gains (losses)	13.03	13.03
d)	Total latent revaluation gains (losses)	-	-
	Any amounts of the above included in tier-2 capital	-	-
e)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.		
	Specific Market Risk	70.99	70.99
	General Market Risk	70.99	70.99

F) Profit Rate Risk in the Banking Book

Qualitative Disclosure	
a) The general qualitative disclosure requirement including the nature of Profit Rate Risk in the Banking Book (PRRBB) and key assumptions, including assumptions regarding Investment prepayments and behavior of non-maturity deposits, and frequency of PRRBB measurement	Profit rate risks in the banking book are taken into account as one of the most potential risk. Sources and types of profit rate risks in banking book are (i) Gap or mismatch risk (ii) basic risk (iii) Net position risk (iv) embedded option risk etc. Changes in Profit rate in the market may adversely affect the financial matters of a bank such as Current Earnings, Net Investment Income, Net Worth etc. In the long run, impact on cash flows of the earning assets is mostly visible which may lead to asset liability mismatch.
Quantitative Disclosure	
(b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant)	

Figure in Million

Particulars	1-90 Days	Over 3 Month-Up to 6 Months	Over 6 Months - Up to 1 Year
RSA	68,163.60	20,880.10	38,325.30
RSL	78,726.80	16,822.80	39,445.70



Gap	(10,563.20)	4,057.30	(1,120.40)
Cumulative Gap	(10,563.20)	(6,505.90)	(7,626.30)
Adjusted Profit Rate Change (PRC)	1.00%	1.00%	1.00%
Earnings Impact (Cum. Gap*PRC)	(105.63)	(65.06)	(76.26)
Accumulated Earnings Impact to Date	(105.63)	(170.69)	(246.95)

G) Market Risk

Qualitative Disclosure	
a) i) Views of BOD on trading / investment activities	The board of Directors of Social Islami bank Limited approves policies related to market risks by setting up limits and reviews of compliance status regularly.
ii) Method used to measure market risk	Standardized approach is being used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for "specific risk" and "general market risk".
iii) Market risk management system	The Treasury Division manages market risk covering liquidity, profit rate and foreign exchange risks with oversight from asset-liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once a month.
iv) Policies and processes for mitigating market risk	There are approved limits for Investment deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items and borrowing from money market and foreign exchange position. The limits are monitored and enforced regularly to protect the market risks. The exchange rate of the Bank is monitored regularly and the prevailing market condition, exchange rate, foreign exchange position and transactions are reviewed to mitigate foreign exchange risks.

Quantitative Disclosure	Figure in Million	
	As on December 31, 2016	
b) The capital requirements for	Solo	Consolidated
Profit rate risk	-	-
Equity position risk	141.99	141.99
Foreign exchange risk	210.65	210.65
Commodity risk	-	-
Total Capital Requirement	352.64	352.64

H) Operational Risk

Qualitative Disclosures	
i) Views of BOD on system to reduce operational risk	<p>Operational risk implies the risk of loss of harm resulting from inadequate or failure of internal processes, people and systems or from external events. Capability to carry out a large number of transactions effectively and accurately while complying with applicable laws and rules constitutes operational risk management activities of the bank.</p> <p>The policy for operational risks including internal control & compliance risk is approved by the board taking into account relevant guidelines of Bangladesh Bank. Audit Committee of the Board directly oversees the activities of internal control & Compliance to protect against all operational risk.</p>
ii) Performance gap of executive and staffs	SIBL has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. SIBL's strong brand image plays an important role in employee motivation. As a result, there is no significant performance gap.

iii) Potential external events	No potential external events are expected to expose the Bank to significant operational risk.
iv) Policies and process for mitigating operational risk	The policy for operational risks including internal control & compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. Policy guidelines on Risk Based Internal Audit (RBIA) system is in operation. As per RBIA branches are rated according to their risk grading/ scoring audit procedure and required frequent audit to the Branches are operated by the Audit Division. In addition, there is a Vigilance Cell established in the Bank to reinforce operational risk management of the Bank and to minimize the same. Bank's anti-money laundering activities are headed by (Chief Anti Money Laundering Compliance Officer) CAMLCO and their activities are devoted to protect against all money laundering and terrorist finance related activities. Apart from that, there is adequate check & balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.
v) Approach to calculating capital charges for operational risk	Basic indicator Approach is used for calculating capital charge for operational risk as of the reporting date.

Quantitative Disclosures

As per risk based capital adequacy guidelines, capital charge for operational risk is equivalent to 15% of average annual gross income of three previous years where negative figures are excluded.

As per risk based capital adequacy guidelines Social Islami bank Limited follows the Basic Indicator Approach for computing capital charge for operational risk.

As on 31.12.2016

Amount in million Taka

Capital Requirement	Solo	Consolidated
Operational Risk	1,114.76	1,137.66

I) Liquidity ratio

In line with the provisions of liquidity risk management under Basel III, Bangladesh Bank on the basis of the relevant guideline of Bank for International Settlements (BIS) has identified the (i) Liquidity Coverage Ratio (LCR); (ii) Net Stable Funding Ratio (NSFR); and (iii) Leverage under the purview of 'Liquidity' ratio vide BRPD Circular No. 18 dated 21 December 2014 and DOS Circular No. 1 dated 1 January 2015.

Qualitative Disclosures

a)	i) Views of Board of Directors (BOD) on system to reduce Liquidity Risk	<p>The Board of Directors reviews the liquidity risk of the Bank on quarterly rest while reviewing the Quarterly Financial Statements, Stress Testing Report etc. Besides, the EC of the Board also reviews the liquidity position while reviewing the management information system (MIS) report on monthly basis.</p> <p>Upon reviewing the overall liquidity position along with the outlook of SIBL funding need, investment opportunity, market/industry trend, the Board takes its strategic decision regarding deposits, funding, investments, loans as well as interest rates policies etc.</p> <p>The Board of SIBL always strives to maintain adequate liquidity to meet up Bank's overall funding need for the huge retail depositors, borrowers' requirements as well as maintain regulatory requirements comfortably.</p>
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<p>ii) Methods used to measure Liquidity Risk</p>	<p>The maintenance of Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) are considered as the fundamental methods/tools to measure the liquidity position/risk of SIBL.</p> <p>However, under Basel III, the following methods and tools are mandated for measuring the liquidity risk.</p> <p>a) Liquidity coverage ratio (LCR): Liquidity Coverage Ratio ensures to maintain an adequate level of stock of high quality liquid assets that can be converted into cash to meet its liquidity needs (i.e. total net cash outflows) over the next 30 calendar days.</p> <p>b) Net Stable Funding ratio (NSFR): Net Stable Funding Ratio aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on- and off-balance sheet items. The minimum acceptable value of this ratio is 100 percent, indicating that, available stable funding (ASF) should be at least equal to required stable funding (RSF).</p> <p>ASF consists of various kinds of liabilities and capital with percentage weights attached given their perceived stability.</p> <p>RSF consists of assets and off-balance sheet items, also with percentage weights attached given the degree to which they are illiquid or "long-term" and therefore requires stable funding.</p> <p>In addition to the above, the following measures have been put in place to monitor the liquidity risk management position of the Bank on a continued manner:</p> <p>a) Asset-Liability Maturity Analysis (Liquidity profile); b) Whole sale borrowing capacity; c) Maximum Cumulative Outflow (MCO);</p> <p>Besides the above, the following tools are also used for measuring liquidity risk:</p> <p>a) Stress Testing (Liquidity Stress); b) Net open position limit - to monitor the FX funding liquidity risk;</p>
<p>iii) Liquidity risk management system</p>	<p>In SIBL, at the management level, the liquidity risk is primarily managed by the Treasury Division (Front Office) under oversight of ALCO which is headed by the Managing Director & CEO along with other senior management.</p> <p>Treasury Division (Front Office) upon reviewing the overall funding requirements on daily basis sets their strategy to maintain a comfortable/adequate liquidity position taking into consideration of Bank's approved credit deposit ratio, liquid assets to total assets ratio, asset-liability maturity profile, Bank's earning/ profitability as well as overall market behavior and sentiment etc.</p> <p>Apart from the above, Risk Management Division also monitors & measures the liquidity risk in line with the Basel III liquidity measurement tools, namely, LCR, NSFR, Leverage Ratio. RMD addresses the key issues and strategies to maintain the Basel III liquidity ratios to the respective division(s) on regular interval.</p>
<p>iv) Policies and processes for mitigating Liquidity Risk</p>	<p>The Asset-Liability (ALCO) policy leads the process & procedures for mitigation of liquidity risk of SIBL.</p> <p>ALCO works under specific Terms of References (functions) approved by the Board. Treasury Division (Front Office) and ALM desk under regular supervision of Top Management reviews the overall liquidity position of SIBL and takes appropriate strategy, process in line with the industry position for managing liquidity risk of the Bank.</p>

Quantitative Disclosures			
i) Liquidity Coverage Ratio (LCR)	The Liquidity Coverage Ratio (LCR) under Liquidity Ratios of Basel III of Social Islami Bank Limited as of 31 December 2016 was as under: Liquidity Coverage Ratio (LCR) = Stock of High quality liquid assets / Net cash outflows over the next 30 calendar days		
	particulars	Ratio (%)	
		BB requirement	SIBL's position
	Liquidity Coverage Ratio (LCR)	≥ 100%	104.12%
ii) Net Stable Funding Ratio (NSFR)	The Net Stable Funding Ratio (NSFR) under Liquidity Ratios of Basel III of Social Islami Bank Limited as of 31 December 2016 was as under: Net Stable Funding Ratio (NSFR) = Available amount of stable funding (ASF) / Required amount of stable funding (RSF)		
	particulars	Ratio (%)	
		BB requirement	SIBL's position
	Net Stable Funding Ratio (NSFR)	≥ 100%	118.41%
iii) Stock of High Quality Liquid Assets (SHQLA)	As stipulated by BB vide DOS Circular Letter No.1 dated 1 January 2015, the Stock of High Quality Liquid Assets (SHQLA) of Social Islami Bank Limited as of 31 December 2016 is Tk. 27096.92 million.		
iv) Total net cash outflows over the next 30 calendar days	As stipulated by BB vide DOS Circular Letter No.1 dated 1 January 2015, total net cash outflows over the next 30 calendar days of Social Islami Bank Limited based on the position as of 31 December 2016 is Tk. 26024.70 million.		
v) Available amount of stable funding	As stipulated by BB vide DOS Circular Letter No.1 dated 1 January 2015, the available amount of stable funding (ASF) of Social Islami Bank Limited as of 31 December 2016 was as under:		
	Particulars	Amount (in million)	
	Available amount of Stable Funding (ASF)	190493.63	
	Total	190493.63	
vi) Required amount of stable funding	As stipulated by BB vide DOS Circular Letter No.1 dated 1 January 2015, the required amount of stable funding (RSF) of Social Islami Bank Limited as of 31 December 2016 was as under:		
	Particulars	Amount (in million)	
	Required amount of Stable Funding (RSF)	160873.30	
	Total	160873.30	

J) Leverage Ratio

Qualitative Disclosures	
i) Views of BOD on system to reduce excessive leverage	<p>The Board of Directors of SIBL primarily views on the growth of On and Off balance sheet exposures commensurate with its expected capital growth so that the excessive leverage is reduced. Within the On-balance components, again, the Board emphasizes on the growth of the prime component i.e. the loans and advances and maintaining good asset quality so as to maximize the revenue as well as the capacity to generate capital internally (in the form of retained earnings) to trade-off the excessive leverage supposed to be caused by asset growth.</p> <p>At the outset of asset growth, the Board also views the growth of its sources of fund i.e. deposit growth taking into consideration of projected business growth so that the credit-deposit ratio is maintained at a sustainable basis as well as to reduce the mismatches of asset-liability gap within the tolerable limit to manage the liquidity risk.</p>



	ii) Policies and processes for managing excessive on and off-balance sheet leverage	<p>First and foremost, Bank's policy is to maintain the Leverage Ratio (Tier 1 capital as proportion to total adjusted On and Off balance sheet asset) well above the regulatory requirement. To this end, the striking components of balance sheet, namely, the deposits & borrowing, loans & advances, other liquid assets (treasury bills, bonds, fund placements) are analyzed on monthly basis.</p> <p>Measures are taken to contain the growth of overall size of balance sheet (On and Off balance sheet exposures aggregately) considering short term outlook of the industry indicators as well as possible growth of equity (Tier 1 capital) of the Bank on quarterly rest.</p> <p>With regard to managing the excessive leverage, the regulatory stance through the monetary policy initiatives i.e. the scope of expected business potential (growth), estimated money supply, inflation, resulting the estimated overall liquidity of the industry as well as the Bank in particular is also considered.</p>
	iii) Approach for calculating exposure/Leverage	<p>The exposures of balance sheet representing the overall position of the Bank as of the reporting date are calculated and presented in terms of applicable relevant accounting standards, i.e., IASs (BASs), IFRSs (BFRSs), etc.</p> <p>The accounting values of assets and liabilities are also presented and measured at gross. Netting of assets and liabilities are also made where permitted in compliance with the respective accounting standards and the regulatory instruction.</p> <p>For calculating "leverage", SIBL follows the 'Leverage Ratio' approach/method as suggested by Bangladesh Bank</p>

Quantitative Disclosures

	i) Leverage Ratio	<p>Leverage Ratio (LR) under Basel III of Social Islami Bank Limited as of 31 December 2016 was as under: Leverage Ratio (LR) = Tier 1 Capital (after related adjustment) / Total Exposure (after related deductions)</p> <table border="1" data-bbox="711 1092 1412 1234"> <thead> <tr> <th data-bbox="711 1092 1027 1129">Particulars</th> <th colspan="2" data-bbox="1027 1092 1412 1129">Ratio (%)</th> </tr> <tr> <td data-bbox="711 1129 1027 1192"></td> <th data-bbox="1027 1129 1177 1192">BB requirement</th> <th data-bbox="1177 1129 1412 1192">SIBL's position</th> </tr> </thead> <tbody> <tr> <td data-bbox="711 1192 1027 1234">Leverage Ratio (LR)</td> <td data-bbox="1027 1192 1177 1234">> 3%</td> <td data-bbox="1177 1192 1412 1234">5.20%</td> </tr> </tbody> </table>	Particulars	Ratio (%)			BB requirement	SIBL's position	Leverage Ratio (LR)	> 3%	5.20%
Particulars	Ratio (%)										
	BB requirement	SIBL's position									
Leverage Ratio (LR)	> 3%	5.20%									
	ii) On balance sheet exposure	Total On-balance Sheet exposure for calculating Leverage Ratio under Basel III of Social Islami Bank Limited as of 31 December 2016 is Tk. 225940.42 million.									
	iii) Off balance sheet exposure	Total Off-balance Sheet exposure for calculating Leverage Ratio under Basel III of Social Islami Bank Limited as of 31 December 2016 is Tk. 27440.81 million.									
	iv) Total exposure	Total Exposures for calculating Leverage Ratio under Basel III of Social Islami Bank Limited as of 31 December 2016 is Tk. 253381.23 million.									

K) Remuneration

Qualitative Disclosures		
a	Information relating to the bodies that oversee remuneration	
	i) Name of the bodies that oversee remuneration	At the management level, primarily the Human Resources Division oversees the 'remuneration' in line with its HR management strategy/policy under direct supervision and guidance of Core Decision Making Committee (CDMC) of the Bank.

	ii) Composition of the main body overseeing remuneration	The CDMC is headed and chaired by the Managing Director & CEO of the Bank; along with other members of top executive management (Deputy Managing Directors) and the Heads of different functional divisions of Head Office.
	iii) Mandate of the main body overseeing remuneration	The mandate of CDMC as the main body for overseeing the Bank's remuneration is to review the position of remuneration and associated matters and recommend to the Board of Directors for approval of its restructuring, rearrangement and modification commensurate with the industry best practices as per requirement.
	iv) External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.	The Bank has no External Consultant permanently regarding 'remuneration' and its process. However, experts' opinion may have been sought in case to case basis regarding income tax matter, lawyers' opinion for settlement of employees' dues in case of death, penalty etc. if required, by the management.
	v) A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.	The Bank does not differentiate the 'Pay Structure' and 'employee benefits' by regions.
	vi) A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.	We consider the members of the senior management, branch managers and the employees engaged in different functional divisions at Head Office (except the employees involved in internal control, risk management and compliance) as the material risk takers.
b	b) Information relating to the design and structure of remuneration processes.	
	i) An overview of the key features and objectives of remuneration policy.	Remuneration and other associated matters are guided by the Bank's Service Rule as well as instruction, guidance from the Board from time to time in line with the industry practice with the objectives of retention/hiring of experienced, talented workforce focusing on sustainable growth of the Bank.
	ii) Whether the remuneration committee reviewed the bank's remuneration policy during the past year, and if so, an overview of any changes that were made.	Yes. A five members committee was formed to review the bank's remuneration policy under supervision of board of directors to revise the pay scale in line with the industry practice and accordingly bank allowed a revised pay scale to the employee of SIBL with effect from 01.01.2015.
	iii) A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.	The risk and compliance employees are carrying out the activities independently as per specific terms of references, job allocated to them. Regarding remuneration of the risk and compliance employees, Human Resources Division does not make any difference with other mainstream/regular employees and sets the remuneration as per the prevailing rule of the Bank primarily governed by the employees' service rule of the Bank.
c	c) Description of the ways in which current and future risks are taken into account in the remuneration processes.	
	i) An overview of the key risks that the bank takes into account when implementing remuneration measures.	The business risk including credit/default risk, compliance & reputational risk are mostly considered when implementing the remuneration measures for each employee/group of employee. Financial and liquidity risk are also considered.
	ii) An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure.	Different set of measures are in practice based on the nature & type of business lines/segments etc. These measures are primarily focused on the business target/goals set for each area of operation, branch vis-à-vis the actual results achieved as of the reporting date. The most vital tools & indicators used for measuring the risks are the asset quality (NPL ratio), Net Interest Margin (NIM), provision coverage ratio, credit-deposit ratio, cost-income ratio, growth of net profit, as well the non-financial indicators, namely, the compliance status with the regulatory norms, instructions has been brought to all concerned of the Bank from time to time. While evaluating the performance of each employee annually, all the financial and non-financial indicators as per pre-determined set criteria are considered; and accordingly the result of the performance varies from one to another and thus affect the remuneration as well. No material change has been made during the year 2016 that could affect the remuneration.



	<p>iii) A discussion of the ways in which these measures affect remuneration.</p>	<p>While evaluating the performance of each employee annually, all the financial and non-financial indicators as per pre-determined set criteria are considered; and accordingly the result of the performance varies from one to another and thus affect the remuneration as well.</p>
	<p>iv) A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration</p>	<p>No material change has been made during the year 2016 that could affect the remuneration.</p>
d	<p>d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.</p>	
	<p>i) An overview of main performance metrics for bank, top-level business lines and individuals.</p>	<p>The Board sets the Key Performance Indicators (KPIs) while approving the business target/budget for each year for the Bank and business lines/ segments. The management sets the appropriate tools, techniques and strategic planning (with due concurrence/approval of the Board) towards achieving those targets. The most common KPIs are the achievement of loan, deposit and profit target with the threshold of NPL ratio, cost-income ratio, cost of fund, yield on loans, provision coverage ratio, capital to risk weighted asset ratio (CRAR), ROE, ROA, liquidity position (maintenance of CRR and SLR) etc.</p>
	<p>ii) A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.</p>	<p>The remuneration of each employee is paid based on her/his individual performance evaluated as per set criteria. And, accordingly, the aggregate amount of remuneration of the Bank as a whole is linked/ impacted to the same extent.</p>
	<p>iii) A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak. This should include the bank's criteria for determining "weak" performance metrics.</p>	<p>The Bank follows remuneration process as per set criteria with no in general adjustment in the event of weak performance metrics/scorecard.</p>
e	<p>Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance.</p>	
	<p>i) A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.</p>	<p>The Bank pays variable remuneration i.e. annual increment based on the yearly performance rating on cash basis with the monthly pay. While the value of longer term variable part of remuneration i.e. the amount of provident fund, gratuity fund are made provision on aggregate/individual employee basis; actual payment is made upon retirement, resignation etc. as the case may be, as per rule.</p>
	<p>ii) A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements.</p>	<p>Not Applicable</p>
f	<p>Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms.</p>	

	i) An overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked instruments and other forms. A description of the elements corresponding to other forms of variable remuneration (if any) should be provided.	The Bank pays variable remuneration on cash basis (i.e. direct credit to the employee Bank account and/or Payment Order/ Cheque), as the case may be, as per rule/practice.						
	ii) A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees, a description the factors that determine the mix and their relative importance.	The following variable remuneration has been offered by SIBL to its employees: Annual Increment Bank provides annual increments based on performance to the employees with the view of medium to long term strategy and adherence to SIBL values.						
Quantitative Disclosures								
g	Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	There were 7 (Seven) meetings of the CDMC held during the year 2016. All the members of CDMC are from the core banking area/operation of the Bank. No additional remuneration was paid to the members of the CDMC for attending the meeting except their regular remuneration						
h	i) Number of employees having received a variable remuneration award during the financial year.	The following Number of Employees were received a variable remuneration during the year 2016:						
		particulars	number					
		Number of employees having received a variable remuneration award during the year 2016	Not Applicable					
	ii) Number and total amount of guaranteed bonuses awarded during the financial year.	The following number and total amount of Guaranteed bonuses awarded during the year 2016: All employee of SIBL get two festival bonuses every year.						
	iii) Number and total amount of sign-on awards made during the financial year.	There was no sign-on awards made in 2016.						
	iv) Number and total amount of severance payments made during the financial year.	There was no severance payment made during the year 2016.						
i	i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Not Applicable						
	ii) Total amount of deferred remuneration paid out in the financial year.	Total amount of deferred remuneration paid in cash during the year 2016 was Taka 20.60 million						
J	Breakdown of amount of remuneration awards for the financial year to show:	i) Fixed and variable remuneration paid in 2016 are as follows: Amount in Million Taka <table border="1" style="width: 100%; margin-top: 5px;"> <tr> <td>Fixed pay</td> <td style="text-align: right;">2439.72</td> </tr> <tr> <td>Variable pay</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Total fixed and variable pay</td> <td style="text-align: right;">2439.72</td> </tr> </table>	Fixed pay	2439.72	Variable pay	-	Total fixed and variable pay	2439.72
Fixed pay	2439.72							
Variable pay	-							
Total fixed and variable pay	2439.72							



		<p>ii) Deferred and non-deferred (paid during the year). Amount in Million Taka</p> <table border="1"> <tr> <td colspan="2">Deferred</td> </tr> <tr> <td>particulars</td> <td>Amount (in million)</td> </tr> <tr> <td>Deferred</td> <td>20.60</td> </tr> <tr> <td>Non-deferred</td> <td>-</td> </tr> </table>	Deferred		particulars	Amount (in million)	Deferred	20.60	Non-deferred	-
Deferred										
particulars	Amount (in million)									
Deferred	20.60									
Non-deferred	-									
		<p>iii) Different forms used (cash, shares and share linked instruments, other forms). Remuneration is paid on cash basis (i.e. direct credit to the employee Bank account and/or Payment Order/Cheque), as the case may be, as per rule/practice.</p>								
k	<p>Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:</p>									
	<p>i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.</p>	Not Applicable								
	<p>ii) Total amount of reductions during the financial year due to ex post explicit adjustments.</p>	Not Applicable								
	<p>iii) Total amount of reductions during the financial year due to ex post implicit adjustments.</p>	Not Applicable								

SUSTAINABILITY PERFORMANCE

“With our diverse portfolio of products, we practically touch every life in the country some way or the other and this is a responsibility we take very seriously. Sustainability is therefore woven into our culture, practices, processes and the products we offer. The Sustainability Report covers our sustainability strategy, Key Performance Indicators, our annual and long-term targets and the work we have done so far.”

About the Report

We began voluntary reporting on sustainability for the first time in 2015 with the first report published along with the Annual Report covering the period 1 January 2015 to 31 December 2015. Now it starts as a regular effort on presenting a Sustainability Report and we have used the G4 Reporting Framework issued by the Global Reporting Initiative (GRI).

Report Boundary

This report covers only banking operation run by Social Islami Bank office, its branches, SME service centers and other direct networks in Bangladesh.

Employee data includes management and non-management staff. All monetary amounts in this Report are in BDT, unless otherwise indicated.

Reporting Period

The report for 2016 has been prepared for a year basis for the period of January to December 2016. Text and statistics in the Report cover sites owned and operated wholly by Social Islami Bank during the period 1 January 2016 to 31 December 2016.

Data has mainly been obtained from our financial management reporting systems, corporate HR information management system etc.

Report Content

The content of this report has been decided upon by the Sustainability Council and has been developed in accordance with our Sustainability framework based on the line of economic, social and environmental parameters.

Data Collection

All our data is derived from our central database. A quarterly reporting cycle is in practice and all related information is gathered and entered by respective businesses and functions

while the top level management reviews and manages the data for Social Islami Bank as a whole. Data pertaining to integrity management, employment practices, sourcing and community investment is compiled and monitored by the Sustainability Council members responsible for each area.

Contact Us

We encourage feedback on our Sustainability Report. If you would like to comment on the report or find out more about our Sustainability strategy and program, please e-mail us at: sustainability@sibl-bd.com

A soft copy of this report and additional information on our business units and products is available on our website at www.sibl-bd.com. If you are unable to access these resources or need further information, please contact: 90/1 Motijheel C/A, City Center Dhaka-1000.

Strategic Focus for Sustainability



Corporate Profile

Social Islami Bank Limited (SIBL) was established in the year 1995 as a public limited company which is engaged in Shariah based commercial banking in the country and its modus-operandi are substantially different from other conventional banks. This is the second-generation pioneer Islamic Bank in this country to introduce online banking facilities to its customers.

Name of the Company	: Social Islami Bank Limited
Legal Form	: Public Limited Company
Company Registration No	: C-28763(44)/95
Authorized Capital	: Taka 10,000,000,000
Paid up Capital	: Taka 7,382,986,420
Registered Office	: City Center, Level 19, 20, 21 & 22,28,29 90/1 Motijheel C/A, Dhaka-1000 Phone PABX: +88-09612001122 FAX 88-02-9568098 Email : info@sibl-bd.com Website : www.siblbdd.com SWIFT : SOIVBDDH
Tax Payer Identification No	: 144050147394
VAT Registration No	: 19031074504 Area Code 190103
Credit Rating Agency	: Emerging Credit Rating Ltd.
Auditors	: M/S Syful Shamsul Alam & Co. Chartered Accountants Paramount Heights, Level-6, 65/2/1 Box Culvert Road, Purana Paltan Dhaka-1000
Chairman	: Major (Retd) Dr. Md. Rezaul Hoque
Managing Director & CEO (cc)	: Ihsanul Aziz
Company Secretary	: Md. Humayun Kabir
Chief Risk Officer	: Md. Yunus Ali
Chief Financial Officer	: Walid Mahmud Sobhani, FCMA
Chief Compliance Officer	: Abdul Mottaleb, Senior Vice President
Number of Employees	: 2363
Number of Branches	: 125 (one hundred twenty five)
Number of Shares	: 738,298,642
Investors' Enquiry	: Share Division City Center, Level-19,90/1 Motijheel C/A, Dhaka-1000 Phone PABX 88 02 09612001122
For Offshore Banking	: Off Shore Banking Department City Center, Level-19,90/1 Motijheel C/A, Dhaka-1000
For SIBL Securities Limited (a subsidiary of SIBL)	: Chief Executive Officer 3 rd floor, 15 Dilkusha C/A ,Dhaka-1000
For SIBL Investment Limited (a subsidiary of SIBL)	: Chief Executive Officer 7 th floor, 68 Dilkusha C/A ,Dhaka-1000
Listing Status (Shares)	: <u>DSE (Dhaka Stock Exchange)</u> Symbol SIBL, Listing Date 18.11.2000 <u>CSE (Chittagong Stock Exchange)</u> Symbol SIBL, Listing Date 04.10.2005 <u>Market Price as on 31.12.2016</u> DSE Taka 18.40 Category A, CSE Taka 18.40 Category A

Primary Brands, Products and Services

Deposit Products

- ▶ Al-Wadeeah Current Account
- ▶ Mudaraba Savings Account
- ▶ Mudaraba Notice Deposit Account
- ▶ Mudaraba Term Deposit Account
 - ▶ 1 month
 - ▶ 3 months
 - ▶ 6 months
 - ▶ 12 months

Mudaraba Deposit Scheme

- ▶ Mudaraba Monthly Profit Deposit Scheme
- ▶ Mudaraba Millionaire Savings Scheme
- ▶ Mudaraba Education Deposit Scheme
- ▶ Sonali Din Special Deposit Scheme
- ▶ Mudaraba Special Deposit Pension Scheme
- ▶ Mudaraba Bashsthan Savings Scheme
- ▶ Mudaraba Hajj Savings Deposit (Kafela)
- ▶ Mudaraba Lakhopati Deposit Scheme
- ▶ Mudaraba Double Benefit Deposit Scheme
- ▶ Shamridhir Shopan Special Deposit Scheme
- ▶ Mudaraba Marriage Savings Scheme
- ▶ Mudaraba Mohorana Savings A/c (10 Years)
- ▶ Mudaraba Mohorana Savings A/c (5 Years)
- ▶ Shanchita Special Deposit Scheme
- ▶ Subarnalata Special Deposit scheme
- ▶ SubarnaRekha Special Deposit Scheme
- ▶ Sabuj Chaya Special Deposit scheme
- ▶ Sabuj Shayannaya Special Deposit Scheme
- ▶ Shukher Thikana Special Deposit Scheme
- ▶ Shachanda Protidin Special Deposit Scheme
- ▶ SIBL Young Star Account
- ▶ Cash Waqf

Investment Products

- ▶ Bai-Murabaha
- ▶ Bai-Muajjal
- ▶ Hire Purchase under Shirkatul Melk
- ▶ Mudaraba
- ▶ Musharaka
- ▶ Bai-Salam
- ▶ Documentary Bill Purchase
- ▶ Quard
- ▶ SIBL Employees' House Building Investment Scheme
- ▶ SME & Agricultural Finance

Service Products

- ▶ Online Banking
- ▶ ATM 24/ 7
- ▶ CARD (Local & Foreign)
- ▶ Automated Clearing
- ▶ Electronic Fund Transfer
- ▶ Mobile Banking
- ▶ Offshore Banking
- ▶ Centralized Trade Processing Services
- ▶ Remittance
- ▶ Locker
- ▶ Student File
- ▶ SWIFT
- ▶ Capital Market Services through SIBL Subsidiaries
- ▶ ADR (Alternate Delivery Channel)
- ▶ School Banking



Stakeholders' Engagement

"Proactive engagement with our stakeholders is an essential part of being a responsible company. Sustainability is a shared journey and to move forward we need to involve our stakeholders in every step of the way."

We try to engage our key stakeholders such as our shareholders, regulators, suppliers, customers, employees and the community on a regular basis by listening to their ideas, concerns and advice.

Engaging Our Stakeholders

We intend to form tangible relations with our stakeholders. This is why our reporting perception has transitioned from an operation- oriented approach to a stakeholder-focused one. Such a focus is one of the purposes why we have mapped the possible effect that we have on various stakeholder groups before conclusions are made.

We engage with our stakeholders in many ways and at many levels, from the queries that reach us via our website to face-to-face meetings with government officials and regulators, customers, employees, community groups and others. Whilst focus on certain issues such as access to finance and customer satisfaction have increased over the years, most of the topics that stakeholders view as significant have remained consistent.

Moving forward, we expect to have better coordinated discussions with our stakeholders. While the concerns of our various stakeholder groups do not always overlap with each other or with the business objectives of the company, dealing with such dilemmas is an everyday part of doing business.

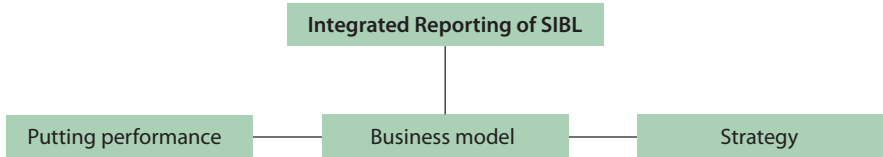
Stakeholder Group	Their Concern	Our Responsibilities
Shareholders and Analysts	<ul style="list-style-type: none"> Dividends and share value Performance and integrity of the Board and management Public goodwill and reputation of the Bank 	<ul style="list-style-type: none"> Generate profits and ensure optimal return on investment Proper oversight and control of the Board and management Bank's Code of Conduct, management oversight and response Public affairs management
Bangladesh Bank and other regulators	<ul style="list-style-type: none"> Good corporate governance and business ethics Legal compliance Support for government policy 	<ul style="list-style-type: none"> Develop and communicate a framework that promotes good governance and ethical behaviour at all levels Ensure compliance at all times Providing timely and accurate information
		<ul style="list-style-type: none"> Immediate response to queries made by authorities Comply with rules and regulations
Customers	<ul style="list-style-type: none"> Dealing with SIBL is a positive experience Information provided by the Bank is accurate and reliable Customers' privacy is assured Promises to customers are kept 	<ul style="list-style-type: none"> Protect the privacy of our customers, including data protection and confidentiality Provide a positive customer experience Comply with company values and Code of Conduct

Employees	<ul style="list-style-type: none"> Health, safety and well being 	<ul style="list-style-type: none"> Ensure that we properly safeguard those who work for us and those who may be affected by our operations Promoting and maintaining an amicable relationship with all employees Shape future leaders Recognize exceptional performers Ensuring all employees have a proper work life balance Investment on Human Resource Information Systems
Society	<ul style="list-style-type: none"> Social Investment 	<ul style="list-style-type: none"> Do our part to improve the quality of life for all members of society Investment on citizens Investing in entrepreneurs Addressing rural youth Empowering women Encourage people for saving
Suppliers	<ul style="list-style-type: none"> Supply chain functions well Supply chain is sustainable 	<ul style="list-style-type: none"> Work with suppliers to address issues in the supply chain

Integrated Reporting

Integrated reporting of Social Islami bank limited aims to clearly and concisely tell the story of the SIBL, how it creates value, its strategy, opportunities and risks, its business model and governance, and the performance against its strategic objectives in a way that gives stakeholders a holistic view of the company and its future.

Financial reporting tells only a part of the story of any organisation. Integrated reporting aims to give a holistic view of the organisation by –



Integrated reporting of SIBL also includes forward-looking information to allow stakeholders to make a more informed assessment of the future value creation ability of the SIBL.

Environmental Performance

Green Banking

Green Banking is an emerging issue in the present banking arena. Green Banking is a holistic approach, which encourages environmental protection, sustainability, resource-savings and economic attitude in personal and professional life among others. Bangladesh Bank is emphasizing much on environment and environment-friendly project.

Green Banking issues are properly addressed at SIBL as per guidelines of Bangladesh Bank. Bangladesh Bank vide BRPD Circular no. 02 dated 27.02.2011 advised all banks to start Green Banking activities comprising a set of initiatives in 03 (three) phases with specific time frame.



Strategy Framework of Green Banking

Phase 01	1.1	Policy formulation and governance
	1.2	Incorporation of environmental risk in CRM
	1.3	Initiating in-house environment management
	1.4	Introducing green house finance
	1.5	Creation of climate risk fund
	1.6	Introducing green marketing
	1.7	Online banking
	1.8	Supporting employee training, consumer awareness and green event
	1.9	Disclosure and reporting of green banking activities
Phase 02	2.1	Sector specific environmental policies
	2.2	Green strategic planning
	2.3	Setting up green branches
	2.4	Improved in-house environment management
	2.5	Formation of bank specific environmental risk management plan and guidelines
	2.6	Rigorous programs to educate clients
	2.7	Disclosure and reporting of green banking activities
Phase 03	3.1	Designing and introducing innovative products
	3.2	Reporting in standard format with external verification

Green banking is fast gaining momentum in Bangladesh since its official inception in the second-half of 2011. During short span of time, several policy interventions were taken by Bangladesh Bank (BB) for accelerating green growth of the country. *Green Development* and *Inclusive Growth* – are at the focal points in Green Banking.

Recently, Bangladesh Bank has widened the number of green products under several refinance schemes to widen their outreach in green financing. Now, 50 green products are being offered in 11 categories, namely - (i) Renewable Energy (ii) Energy Efficient Technology, (iii) Solid Waste Management, (iv) Liquid Waste Management, (v) Alternative Energy Plant, (vi) Non-Fire Block Brick Manufacturing Project, (vii) Recycling Plant and Recyclable Product Manufacturing Plant, (viii) Improvement of Brick Kiln Efficiency (ix) Green Industry, (x) Factory Work-Environment and Security Ensuring, (xi) Miscellaneous (Vermi-compost, Palm Oil Plant etc).

Green Banking initiatives are multi-stake holder approach and are never ending process, the implementation is possible only when collective efforts of all are being made.

(Figure in Million)

Sl. No.	Name	Achievement
01.	Formation of Green Banking Unit	Green Banking Unit has been restructured for smooth functioning of Green Banking activities
02.	Circulation of Environment Due Diligence (EDD)	Environment Due Diligence (EDD) checklist is being incorporated in Investment Risk Management vide instruction Circular no. 2011/23 dated May 23, 2011
03.	Circulation of Environment Risk Rating (ERR)	Environment Risk Rating (ERR) is being done as per instruction Circular no. 2011/23 dated May 23, 2011
04.	Circulation of Green Office Guide	Green Office Guide checklist is being monitored as instruction circular no. 2011/29 dated December 29, 2011
05.	Formation of Green Banking Policy	Green Banking Policy of SIBL has been approved by the Board of Directors of the Bank in its 267 th meeting (emergency) held on 29.12.2011
06.	Some Green Event	<ul style="list-style-type: none"> Green Banking has been focused in the Annual Calendar, 2013. Such endeavor has widely been accepted and applauded. SIBL has made donation for Tk.2.00 lac for making a Guava Garden of Public Order Management (POM) Unit of Dhaka Metropolitan Police (DMP) at Mirpur, Dhaka. e-Circular system has been introduced. e-Newsletter has been introduced replacing paper book. Solar panel installed in some branches.

(Figure in Million)

Particulars	Yr-2016		Yr-2015	
	Disbursement	Outstanding	Disbursement	Outstanding
ETP				
Finance for installation of ETP	272.14	107.72	180.29	87.87
Projects financed having ETP	17,215.67	2,552.25	5,568.09	495.07
Bio-gas Plant	0.66	0.49	0.40	0.49
Solar Panel/Renewable Energy Plant	35.10	12.85	28.57	0.00
Hybrid Hoffman Klin (HHK)	313.69	73.35	82.42	43.23
Projects financed in Brick fields having Zigzag & Improved technology	653.90	193.99	2,936.75	893.99
Hazardous waste treatment facility	-	-	103.06	9.54
Plastic Waste Recycling Plant (PVC, PP, LDPE, HDPE,PS)	14.14	6.80	77.76	6.80
Others	1,318.93	804.16	0.00	0.00
Total	19,824.23	3,751.61	8,977.34	1,536.99

Green Banking Initiatives	Yr-2016	Yr-2015
ATM (Number)	1,906	1,624
No. of Own ATM	66	36
No. of Shared ATM	1,840	1,588
Online Banking		
No. of Total Branches	125	111
No. of Branches with online coverage	125	111
Internet Banking		
No. of Accounts facilitated with Internet Banking	3,129	2,382
% of Accounts facilitated with Internet Banking	0.32%	0.29%
No. of Accounts facilitated with Mobile Banking/SMS Alert Banking	120,498	68,464
% of Accounts facilitated with Mobile Banking/SMS Alert Banking	12.19%	8.32%
No. of Training Programs/Seminars/ Workshops/Awareness Programs Exclusively conducted for Green Banking	10	5
Employees	508	80
Customer	-	-

Activities towards Green Events

Activities towards Green Events	A book titled "সবুজ দেশ - সবুজ অর্থনীতি" has been re-published by ARTHOPROBAHO on February' 2015, where an article of Mr. Md. Shafiqur Rahman, Ex-Managing Director of the Bank has been included titled "পরিবেশবান্ধব সবুজ অর্থনীতি পৃথিবীকে বাঁচানোর জন্যই প্রয়োজন". And an article titled "বাংলাদেশে গ্রীন ব্যাংকিং-এর শুভ সূচনা : কিছু স্মৃতি ও আমাদের করণীয়" of Mr. Shawket-UI-Amin, Head of SME & Member, SFC, SIBL has been published.	Participated in BTV talk show on Green Banking as part of awareness and capacity building by Mr. Shawket-UI-Amin, Head of SME & Member, SFC, SIBL has been published.
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Our future plan:

SIBL has the plan to focus on the following areas of operation for promoting Green Initiatives:

- To popularize Online Banking
- To increase Internet, SMS & Mobile Banking activities
- To popularize Video Conferencing
- To increase Efforts towards near paperless banking
- To promote Tree Plantation Campaign
- To promote Green Initiatives through advertisement in print/electronic media
- To rationalize use of consumption of paper, water, electricity and utilities
- To reduce Emission of Carbon
- To conserve Environment
- To protect Air/Water Pollution

Saving our 'Mother Planet' has become the crucial issue now-a-days. To save our beloved abode (the earth) from all types of erosion and pollution we, as global citizens, obviously have some responsibilities to keep our mother planet green remaining in our individual position we belong to.

Economic Performance

Management Approach

We are very clear that only through a strict focus on ethics and responsible care, can we deliver long-term business value

and be the partner of choice for our customers and suppliers. Integrity and responsibility in our actions is one of our core values and defines how we operate as a business.

We aim for the highest standards of performance and behavior in all our operations and aim to do business with partners who also endorse our ethical values and our social and environmental standards. Our clients are integral to our operations and we choose to work with those whose actual working practices should meet our requirements.

Integrity Management

We believe in widely propagating our values and the ethics for strict adherence by all the employees, clients, suppliers and others while doing business for the Company. Our business principles and ethical standards are enshrined in the SIBL Code of Conduct.

Economic Value Added (EVA) Statement

for the year ended 31 December 2016

EVA indicates the true economic profit of a company. EVA is an estimate of the amount by which earnings exceed or fall short of required minimum return for shareholders at comparable risk. Shareholders are always conscious about their return on capital invested. As a commercial banking company, SIBL is deeply concerned for distribution of value to all of its Shareholders. EVA of SIBL has stood at Tk 1,605.31 million as of December 31, 2016 as against Tk 1,435.74 million in 2015.

Particulars	Fig in Million Taka	
	Year-2016	Year-2015
Total Revenue from Banking Services	19,174.34	17,305.61
Less Total expenses related to revenue	13,476.26	(12,455.80)
Operating profit	5,698.08	4,849.81
Less Corporate Tax	(1,900.01)	(1,406.58)
Net operating profit after tax	3,798.07	3,443.23
Shareholders' Equity	14,187.80	12,950.32
Add Accumulated provision for investment (Inclg. Off B/S items)	4,459.31	3,494.40
Sub Total	18,647.11	16,444.72
Average Shareholders' Equity	13,569.06	12,546.85
Return of Equity	16.16%	16.00%
Capital Charges	2192.76	2,007.49
Economic Value Added	1,605.31	1,435.74

Sustainable HR Development

Human Resource is the corner stone for accelerated and sustained development of any organization. The Bank recognizes the importance of skilled Human Resources for overall growth of the Bank. The meritorious and talented human resources team is the key for continuous development of the organization. Superior human resources are an important source of competitive advantage. To attract talented human resources team and to create brand image bank have formulating and executing HR systems—HR policies and activities—that produce the employee competencies and behaviors which the Bank needs to achieve. The Bank has been trying to ensure maximum output with minimum resources. So quality manpower with good academic background is being recruited in all levels of the Bank every year for rendering quality services to its customers.

SIBL has opened 14(fourteen) new branches in the year 2016 and become the Bank of 125 Branches. For this reason a good time was spent on recruitment of experienced Bankers. Besides that, the recruitment process of Probationary & Trainee Officer for the Bank has been initiated. The total manpower strength of the Bank was 2363 as on 31.12.2016.

SIBL is an employee welfare-oriented organization. For this reason, the management of the Bank always tries to sort out all possible ways it deems beneficial to promote its employees' professional skill and efficiency. It has its own Training Institute, which rendered useful training to 1721 employees last year. Eminent Bankers, scholars, and other resource persons were invited to deliver lectures. Besides, 402nos/ of employees were sent to Bangladesh Bank Training Academy, Bangladesh Institute of Bank Management, Bangladesh Association of Banks, Bangladesh Foreign Exchange Dealers Association, the Central Shariah Board for Islamic Banks of Bangladesh and many other reputed institutions of the country for training out of 2363 nos of employees in 2016. Subsequently, it is observed that the employees who were trained, render good performance. Besides that, during the year under review, Social Islam Bank Training Institute itself had conducted 9 (nine) foundation training courses for total 340 nos. of fresh Officers and 33 Training, workshops and Seminar on different contemporary issues related to banking industries where 1381 nos. different Officers and executives had participated.

Training/Workshop of Staff conducted by Social Islami Bank Training Institute from 1st January, 2016 to 31st December, 2016

SI	Name of the Training	Number	Total Participants
01	SWIFT message creation from ABABIL Software	2	99
02	Foundation Course in Banking	9	340
03	Inward Foreign Remittance Products of SIBL	1	68
05	Upgrading CIB online Software(New Version) and Batch Contribution of Bangladesh Bank at SIBL TI	6	269
06	Operational Procedure of Family Empowerment Islamic Microfinance Program (FEIMP) and its application at Branch level and Core Banking Solution (CBS)	3	102
08	Investment Management	2	75
09	Foreign Trade & Foreign Exchange	2	70
10	Internal Audit & Inspection	1	40
Total			1063
1	Diversification of the Non-funded Business of the Bank among Head Office Executives(ID, Treasury, TF&RMG) and Foreign Trade Officials of the AD Branches of Dhaka and Suburb area, CTPU-Dhaka and OBU	1	48
2	E-Tendering Procedure of e-GP System & Procedure of Student File and Passport Endorsement	1	41
3	Integrated Supervision System (ISS) reporting Group – I	3	131
4	Recovery of Classified & Written off Investments	2	74
5	Shariah Compliance in Banking Operation	1	41
6	Workshop on "Prevention of Money Laundering, Financing of Terrorism & Financing in proliferation of weapons of Mass Destruction"	2	138
7	Workshop on "Security Awareness of ICT Operations"	2	30
8	Workshop on " New L/C Module and SWIFT Message Screening"	2	65
9	Investment Classification & Provisioning	2	90
Total			658



Management of the bank has emphasized and specially focused on the development of employees and to bring out the persons' insider instinct into light, SIBL Training Institute (SIBL TI) has restructured aiming to create leaders.

SIBL is sincere to address its employee's health problem. The bank has appointed one full time doctor for the employees of Head Office and Dhaka city branches. SIBL placed First Aid Box in its premises to provide instant medical facility for all employees as and when needed. We have help desk, who are always besides to their ailing colleagues and their family

members for proving all kinds of supports including pecuniary facility under SIBL Employees' Superannuation Fund and CSR.

In order to evaluate the level of efficiency, improve the healthy competition among the employees and in a way to generate motivation for the employees, Employees' Performance Evaluation and Key Performance Indicator (KPI) have been introduced from time to time. Upon the evaluation, the employees are motivated and awarded with promotion, accelerated promotion and other benefits. In addition to that, various types of drives are taken to keep and upgrade the standard of the Bank.

Demographic distribution of manpower of SIBL :

Gender breakdown by age group for permanent employees:

Age range	Gender	2016	2015	2014	2013	2012
< 30 years	Male	382	413	384	393	328
	Female	115	104	95	97	71
30-50 years	Male	1464	1275	1142	1043	992
	Female	293	251	218	196	173
> 50 years	Male	103	84	81	71	60
	Female	06	03	02	02	01
Total		2363	2130	1922	1802	1625

Gender diversity among permanent employees:

Employee Category	Gender	2016	2015	2014	2013	2012
Entry level	Male	984	965	915	901	951
	Female	248	214	189	177	166
Mid level	Male	804	695	581	506	359
	Female	157	138	121	114	77
Senior Management	Male	161	112	111	100	70
	Female	09	06	05	04	02
Total		2363	2130	1922	1802	1625

Human Resource Accounting

Human resource accounting is the process of identifying and reporting the Investments made in the Human Resources of an organization that are presently not accounted for in the conventional accounting practices. Social Islami Bank Limited

formally does not practice Human Resources Accounting but regularly works out and looks into some important areas for mathematical and co-relational understanding on the main business factors. Given below is the considerable index to the management on which human related decisions are taken:

Description	2016	2015	2014	2013	2012
Total number of employee	2363	2130	1922	1802	1625
Total number of Branches	125	111	100	94	86
Employee per branch (nos)	19	19	19	19	19
Deposit per employee (million Tk)	80.64	65.70	64.76	56.52	57.60
Investment per employee (million Tk)	73.72	61.36	56.11	47.65	46.78
Operating profit per employee (million Tk)	2.41	2.28	2.10	1.62	2.23
Salaries & Allowances per employee(million Tk)	1.03	1.03	0.87	0.83	0.67
Salaries & Allowances as percentage of Operating profit	42.82%	45.61%	41.27%	51.47%	30.09%

Employee Benefits

Social Islami Bank Limited is very keen to establish and retain a very congenial working atmosphere. The bank has a competitive & unique pay structure for its employees and always keep track on the necessity of revision on the passage of time that matches with the living standards of the employees in one hand and competitive with other banks on the other hand. At present, SIBL is offering three types of long term employee benefits of which Provident Fund and Gratuity Fund are approved by the Revenue Board and are funded liability for the bank. As

on 31.12.2016, sufficient provisions have been provided in the financial statements of the bank for these two employee benefit funds as per International Accounting Standard 19 Accounting for Employee Benefit. Apart from these two, another welfare fund called "SIBL Employees' Superannuation Fund" has been maintaining solely for the purpose of welfare of the employees of the bank and also approved by NBR. All these funds are governed and maintained by separate trustee board and funds are investing in very safe mode. Given below is the position of the employee's benefit funds:

Fig in million Taka

Particulars	2016	2015	2014
Social Islami Bank Profit Dependent Employee's Provident Fund	962.69	819.17	646.88
Social Islami Bank Employee's Gratuity Fund	447.14	364.57	281.58
SIBL employees' Superannuation Fund	90.14	74.19	60.59
Total	1,499.97	1,257.93	989.05

The nature of the Provident fund is 10% contributory from the both side of the employee and employer. The eligibility of such Provident fund is 5 years whereas the eligibility of the gratuity fund to the employee is equivalent to 1 basic pay for 5 years services & equivalent to 2 basic pay for 7 years services.

Building the Community

Social Performance

For us, the safety and health of our employees and communities is both a business and personal value and we therefore have systems and practices in place that help us work towards our ultimate goal of zero harm.

As a responsible company, we seek to develop and empower our employees and people from the communities that surround us. We embrace diversity and are committed to fair and equitable treatment of all, irrespective of origin, race or gender in an environment that fosters performance and personal growth for employees. We practice and endorse equal opportunity employment and ensure adherence to all labor legislations. We encourage our communities and support them through economic development and corporate social investment initiatives.

For the People, by our People

Corporate Social Responsibility

This year, Corporate Social Responsibility (CSR) activities of the Bank expended Taka 109.23 million under Health, Education, Sports, Disaster Management and Environmental programs as against Taka 57.68 million in 2015 to reaffirm the commitments of the Bank towards society.

SME & Agricultural Investment

Due emphasis was given on SME and Agricultural Financing that stood at Taka 40507.30 million in 2016 as compared to Taka 2,9198.70 million in 2015 which is 38.73% growth compared 36.76% growth in 2015.

Performance

The Banking sector has achieved a slow growth and was under pressure due to political unrest throughout the year 2016. Despite manifold challenges, the year 2016 was quite eventful at home and abroad for SIBL and alhamdulillah our Bank maintained and achieved a stable position in all key areas of its operations. This year SIBL has joined to "125 Branches Club" and one branch (SIBL Principal Branch) has earned a three-digit operating profit figure for the consecutive second year in the SIBL's development journey. Out of 125 branches, Operating Performance of 2016 of some branches may be mentioned as under:

- ❖ 33 Branches achieved 100% Deposit Target
- ❖ 39 Branches achieved 100% Investment Target
- ❖ 30 Branches achieved 100% Foreign Exchange Business Target and
- ❖ 33 Branches achieved 100% Profit Target as set out for the year 2016

16 branches incurred loss during the year which are expected to be brought under profit club by June 2017. Capital of the Bank stood at Tk. 19,195.04 million which was Tk. 16,916.08 million in 2015. Total Deposit and total Asset of the Bank stood at Tk. 190,564.51 million and Tk. 149,773.62 million respectively



as on 31st December, 2016 compared to Tk. 227,704.18 million and Tk. 180,112.11 million respectively as on 31st December, 2015 indicating growths of 27.24% and 26.42% respectively over the year 2015. The Bank achieved 29.88% growth in investment with a total investment portfolio of Tk. 174,196.13 million in 2016 compared to Tk. 134,116.85 million in 2015. Import business of the Bank stood at Tk. 104,270.60 million in 2015 with 22.81% growth over the previous year, while Export business of the Bank stood at Tk. 49,766.00 million in 2015 with 8.05% growth over the previous year. Total Foreign Remittance was Tk. 13,345.70 million in 2016 with 31.30% growth over the previous year. Total Foreign Exchange business of the Bank was Tk. 167,382.30 million in 2016 with 12.20% growth over the previous year. The classified investment of the Bank decreased to 4.44% from 3.84% in 2015 and finally registered an operating profit of Tk. 5,698.08 million in the year 2016 with remarkable growth of 17.49% compared to Tk. 4,849.21 million in 2015. 14 new branches were opened and become the Bank of 125 Branches. Total manpower of the bank is 2363. GP Ratio (Gross Profit Ratio) of 2016 was 59.17% compared to 58.79% in 2015. In the year under review, country's money market was soft and domestic lending rates have fallen. Return on equity was 16.16% in 2016 against 16.00% in 2015. Current ratio for the year 2016 was 1.03 times whereas in 2015 it was 1.11 times. The bank was more levered in 2016 (Debt equity ratio 13.43 times) compared to 2015 (11.57 times). Cost of Deposit was 5.57% in 2016 compared to 6.42% in 2015, Return on average assets was 2.06% in 2016 against 2.08% in 2015. At the end of year 2016, EPS (Restated) and PE Ratio was Taka 3.10 and 5.93 times respectively compared to Taka 2.81 and 4.89 times in 2015.

Customer Satisfaction

Social Islami Bank Limited believes in keeping abreast with latest technology in order to provide our customers with convenient and time saving solutions which ensure banking transactions anytime and anywhere.

SIBL is relentlessly working hard for the development and integration of all technology based delivery channels for the banking products and services. SIBL also plans and ensures smooth operation of service delivery through ATM's, Web systems, SMS and mobile phones etc. and enhance areas of delivery of customized services.

SIBL ensures the operation of inland remittance service using all delivery channels and also ensures quick and secure delivery of foreign remittance as well using as much delivery channels as necessary to make local and foreign remittance payments attractive, useful and popular.

SIBL Cards

To provide advanced and enhanced banking facilities to our valued customers SIBL has introduced both Debit & Credit cards of VISA brand. At present, we have the following categories of cards

VISA Ismaic Debit Cards

VISA Islamic Credit cards (Local Card, Dual Currency Card)

VISA Islamic Prepaid Cards

Gift Card, Hajj Card, Travel Card

Our dual credit cards are now accepted worldwide and cardholders have access to all ATMs & POS all over the world having VISA Logo.

We have already setup and installed 50 ATMs of our own in different locations of Bangladesh. Besides, our cardholders also have access to more than 1000 ATMs all over the country as a member bank of Q-cash. We are working to introduce POS at different Merchant Outlets of the country for the satisfaction of our valued customers. Our continuous endeavor is to enhance service quality and product diversification for ensuring customer satisfaction all the times.

Business Performance

Performance of the year 2016 has been conspicuous with a growth over the previous year recording achievements in different segments of (i) client deposit 29.10% (ii) Investment 29.88% (iii) Foreign Exchange Business 12.20% (iv) Operating Profit 17.49%. The bank has achieved 88.66% operating profit, 97.22% Deposit, 120.06% Investment, 77.13% Foreign Exchange Business towards the target set for the year 2016. Although the operational results for the year 2016 are behind the target, but encouraging towards the journey for the year of 2017.

Although the operational results of the year 2016 was not up to the mark SIBL believes that the efforts of the year 2016 will inspire & stimulate the employees of the bank to accept the challenge of the year 2017 and accordingly the bank is in the process to explore every potentiality of each individual employee to deploy their sincere endeavor in the days ahead. In the year 2016, the bank has focused specially on the concepts of (i) Service Excellence (ii) Quality & Secured Investment (iii) Non Funded Business (iv) Recovery from both regular and non-performing Investment (iv) Exploration of Low Cost

& no Cost deposits, Retail & Stable deposits particularly Scheme based deposit & (v) Maintenance of an Ideal Deposit Mix with a view to constraining the cost on one side and to establish a safe & stable deposit management system on the other. The results of the year 2016 are given as under:

Month	Deposit	Investment	Foreign Exchange	Operating Profit	ID Ratio
January	139,817.00	131,909.40	12,179.58	251.80	90.33%
February	143,073.00	135,432.10	22,943.20	532.70	91.03%
March	144,672.10	144,144.76	37,943.50	786.93	90.97%
April	144,006.10	141,997.10	50,123.89	1,199.20	92.28%
May	152,006.20	145,856.80	67,446.59	1,614.70	89.71%
June	161,177.71	156,995.04	86,209.66	2,066.42	89.15%
July	162,052.10	150,134.70	96,708.59	2,534.10	88.27%
August	167,969.70	151,846.10	110,400.00	2,914.60	89.02%
September	171,145.20	161,970.13	121,308.60	3,281.38	89.69%
October	170,196.40	157,083.80	134,032.11	3,975.97	90.69%
November	172,723.40	159,759.80	149,976.20	4,607.86	90.59%
December	178,846.14	174,196.13	167,382.29	5,698.08	89.86%

Market Performance

Un-audited Consolidated results for the 1 st Quarter to be announced on	:	02.05.2016
Un-audited Consolidated results for the 2 nd Quarter to be announced on	:	28.07.2016
Un-audited Consolidated results for the 3 rd Quarter to be announced on	:	27.10.2016
Audited Consolidated Financial Statements for the year ended 31 st December 2015 approved on	:	20.02.2017
Dividend for the year 2016 expected to be declared on	:	20.02.2017
Date of declaration of 'Record Date' for holding of 22 ⁿ Annual General Meeting	:	14.03.2017
Notice of 22 nd Annual General Meeting expected to be served on	:	15.03.2017
22 nd Annual General Meeting to be held on	:	30.03.2017
Dividend for the year 2016 expected to be paid on	:	16.04.2017

Market Value Added (MVA) Statements for the year ended 31 December 2016

Market Value Added (MVA) is the difference between the equity market value of a company and the book value of equity invested in the company. A high MVA indicates that the company has created substantial wealth for the shareholders. MVA is equivalent to the present value of all future expected

economic value (EVA). The equity market value of the bank stood at Tk 13,584.70 million whereas the book value of the equity stood at Tk 7382.99 million resulting a MVA of 6,201.71 crore as of December 31, 2016 as against Tk. 3,093.82 million in 2015.

fig in Million Tk

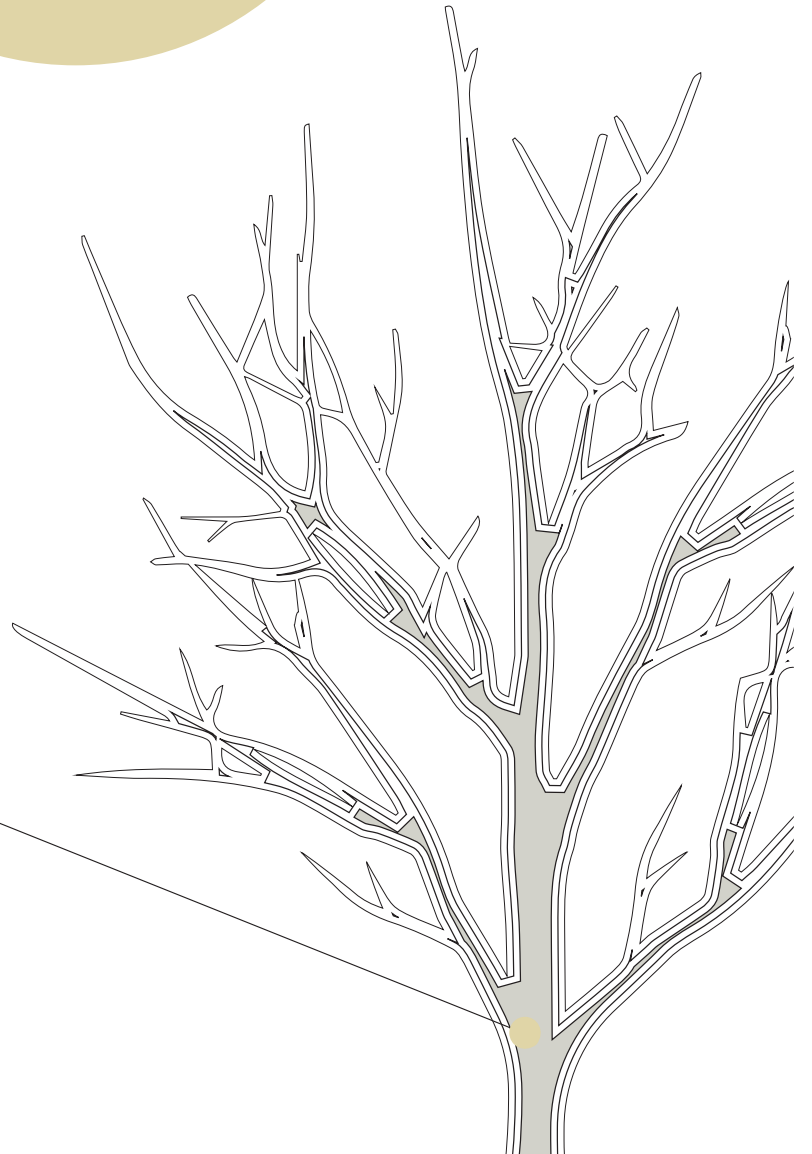
Particulars	Year-2016	Year-2015
Market Value of Total Equity	13,584.70	10,125.24
Less: Book Value of Total Equity	(7,382.99)	(7,031.42)
Market Value Addition	6,201.71	3,093.82
Total number of Share outstanding	738,298,642	703,141,564
Book Value per share	10.00	10.00
Market value per share	18.40	14.40



SIBL had a numerous colorful events in 2016 that include CSR activities, AGM, celebration of anniversary, business conferences, healthcare program, corporate affiliations, seminars and training sessions, product launching, agreement signing and expansion of the bank.

Celebrating Progression

SIBL Events



21ST ANNUAL GENERAL MEETING

The 21st Annual General Meeting of Social Islami Bank Limited (SIBL) was held on 19 May, 2016 at Savar Golf Club at Savar, Dhaka attended by large number of shareholders. In the AGM, the shareholders approved 15% cash and 5% stock dividend for the financial year 2015. The meeting was presided over by the Chairman of the Board of Directors of the bank, Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.).





SIBL Events

CELEBRATION OF 21ST ANNIVERSARY

Social Islami Bank Limited (SIBL) celebrated its 21st Anniversary by arranging blood donation program at SIBL Foundation Hospital and Diagnostic Centre. Hon'ble Deputy Governor of Bangladesh Bank, Mr. S. K. Sur Chowdhury inaugurated the blood donation program as chief guest. Chairman of Social Islami Bank and Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.) was present as special guest. Hon'ble Directors of the bank were also present in the program as Hon'ble guests.





SIBL Events

ANNUAL BUSINESS CONFERENCE 2016

Social Islami Bank Limited arranged Annual Business Meet for the year 2016 at Hotel Pan Pacific Sonargaon. Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.), Hon'ble Chairman of the bank inaugurated the Business Meet as chief guest. Mr. Md. Sayedur Rahman and Alhaj Sk. Mohammad Rabban Ali, Hon'ble Vice Chairmen of SIBL were also present in the program as special guests while Hon'ble Directors of the Bank were present as Guests of Honor. The Conference reviewed overall progress of the bank during January-December 2016 and chalked out various policy measures for achieving yearly target for the year 2016.



HALF-YEARLY BUSINESS CONFERENCE 2016

Social Islami Bank Limited arranged Half-Yearly Business Conference for the year 2016 at the Palace Luxury Resort, Habiganj. Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.), Hon'ble Chairman of the bank inaugurated the conference as Chief Guest. Hon'ble Directors of the bank were present as Special Guests in the program. Managing Director & CEO, Additional Managing Directors, Deputy Managing Directors, Divisional Heads, Senior Executives and all Managers of branches of the bank attended the program. The Conference reviewed overall progress of the bank during January-June 2016 and chalked out various policy measures for achieving yearly target for the year 2016 of the bank.



CORPORATE SOCIAL RESPONSIBILITY (CSR)



Donation to the Prime Minister's Relief Fund

Social Islami Bank Limited (SIBL) donated Taka One Crore and Fifty Lac to the Prime Minister's Relief Fund. Hon'ble Chairman of Social Islami Bank Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.) handed over the donation cheque to the Hon'ble Prime Minister Sheikh Hasina at her office. Among others, Mr. Md. Sayedur Rahman, Hon'ble Vice Chairman of SIBL was present in the program.



Donation to the Prime Minister's Relief Fund

Social Islami Bank Limited (SIBL) donated Taka Seventy Five Lac to the Prime Minister's Relief Fund to stand besides the distressed flood affected people of the country. Chairman of Social Islami Bank and Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.) handed over the donation cheque to the Hon'ble Prime Minister Sheikh Hasina at her office.



Hand over of blankets to Prime Minister's Relief Fund

Social Islami Bank Limited (SIBL) handed over blankets to the Prime Minister's Relief and Welfare Fund for cold-stricken people of the country as a part of Corporate Social Responsibilities of the Bank. Hon'ble Chairman of Social Islami Bank and Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.) handed over the blankets to the Hon'ble Prime Minister Sheikh Hasina at Gonobhaban. Mr. Md. Sayedur Rahman, Hon'ble Vice Chairman and Mr. Md. Kamal Uddin, Hon'ble Director of the Bank were also present in the program.



Reception to the veteran heroines of Bangladesh Liberation War

Social Islami Bank Limited (SIBL) accorded reception to veteran heroines of Bangladesh Liberation War in a meeting at Sirajgonj, where Mr. Mohammed Nasim, Minister for Health and Family Welfare of the Government of the People's Republic of Bangladesh attended as chief guest. On behalf of the bank, the Minister handed over cash and other gifts to the heroine mothers. Additional Managing Director Mr. A M M Farhad was also present in the program.



Distribution of scholarship among financially challenged students of University of Dhaka

Social Islami Bank Limited (SIBL) distributed scholarship among 20 meritorious but financially challenged students of the Faculty of Business Studies, University of Dhaka. In presence of the Chairman of Social Islami Bank and Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.), Hon'ble Speaker of the National Parliament of Bangladesh Dr. Shirin Sharmin Chaudhury handed over the scholarship letters among the financially challenged students in a program arranged by the Faculty of Business Studies of University of Dhaka. Among others, Vice Chancellor of University of Dhaka Professor Dr. A A M S Arefin Siddique, Deputy Governor of Bangladesh Bank Mr. S. K. Sur Chowdhury and Dean of Faculty of Business Studies of University of Dhaka were present in the program.



Donation for renovation of Bhuiyanpara Jame Masjid at Badda, Dhaka

Social Islami Bank Limited (SIBL) donated a cheque for the renovation of Bhuiyanpara Jame Masjid at Badda, Dhaka. Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.), Chairman of Social Islami Bank handed over the donation cheque. Among others, Mr. Md. Sayedur Rahman, Vice Chairman of Social Islami Bank was present in the program.



Donation to Sonaimuri Andha Kalyan Samity Eye Hospital

Social Islami Bank Limited (SIBL) donated a cheque to Sonaimuri Andha Kalyan Samity Eye Hospital, Noakhali as a part of its corporate social responsibility. Mr. Md. Shafiqur Rahman, Immediate Past Managing Director & CEO of Social Islami Bank handed over the donation cheque to Mr. Golam Mustofa, General Secretary of Sonaimuri Andha Kalyan Samity. Managing Director & CEO (C.C) of the bank Mr. Ihsanul Aziz and Additional Managing Director Mr. A M M Farhad were also present in the program.



Donation to Baitus Salam Jame Masjid at Duphail, Paitarpara, Natore

Mr. S K Sur Chowdhury, Deputy Governor of Bangladesh Bank attended a function at Duphail, Paitarpara in Natore District as Chief Guest on the occasion of inauguration of a New Building of Baitus Salam Jame Masjid financed by Social Islami Bank Limited as a part of its Corporate Social Responsibilities. Among others, Mr. A.M.M Farhad, Additional Managing Director, Mr. Md. Shafiqul Islam, Senior Executive Vice President and Mr. Md. Akbar Ali, Senior Executive Vice President attended the function.



Donation to Dhaka North City Corporation for installation of CC Camera

Social Islami Bank Limited handed over a cheque of donation to Dhaka North City Corporation for installation of CC Camera at different location of Dhaka City. Additional Managing Director of Social Islami Bank Mr. A.M.M. Farhad handed over the cheque of donation to the Mayor of Dhaka North City Corporation Mr. Annisul Haque. Head of Branches Control, General Banking and Marketing Division and SEVP of the bank Mr. Md. Shafiqul Islam was also present during the time.



Financial assistance to a freedom fighter

Social Islami Bank Limited (SIBL) extended financial assistance to a freedom fighter and client of SIBL Mr. Md. Mahfuz Alam for his treatment. Mr. Mahfuz Alam is injured by road accident. Managing Director & CEO (C.C) of Social Islami Bank Mr. Ihsanul Aziz handed over the donation to Hazi Md. Shahid Ullah, Chairman of Bangladesh Bir Juddhahato and Bir Muktijoddha Kalyan Parishad.



Opening of Healthcare Service at Bishaw Istema Premises

Social Islami Bank Limited and SIBL Foundation Hospital & Diagnostic Center opened a Healthcare Center at Bishaw Istema Premises at Tongi. Chairman of Social Islami Bank and Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.) launched the Healthcare Center as chief guest. Additional Managing Director Mr. A.M.M. Farhad, Head of Logistic Support Division Mr. Md. Akbar Ali and Manager of Tongi Branch Mr. Mirza Quadrat-E-Khoda Beg and other officials of the Bank were present in the program.

AGREEMENT SIGNING CEREMONY

Signing of agreement with Global Money Exchange Co. LLC, Oman



Social Islami Bank Limited (SIBL) signed an agreement with a Middle East based company Global Money Exchange Co. LLC, Oman to provide remittance service throughout the country. Immediate Past Managing Director & CEO of Social Islami Bank Mr. Md. Shafiqur Rahman and Managing Director of Global Money Exchange Co. LLC, Oman Mr. K.S Subromoniyar signed the agreement on behalf of the respective organizations at a ceremony held at the corporate office of the bank.

Signing of payroll banking agreement with Bhuiyan Fabrics Ltd.



Social Islami Bank Limited (SIBL) signed a payroll banking agreement with Bhuiyan Fabrics Ltd. Immediate Past Managing Director and CEO of SIBL Mr. Md. Shafiqur Rahman and Managing Director of Bhuiyan Fabrics Md. Mostofa Monwar Bhuiyan signed the agreement on behalf of the respective organizations.

Signing of agreement with DPDC



Social Islami Bank Limited (SIBL) and Dhaka Power Distribution Company Limited (DPDC) signed an agreement to collect electricity bills of DPDC through the Bank's online system. Mr. Md. Shafiqur Rahman, Immediate Past Managing Director & CEO of Social Islami Bank and Mr. Muhammad Munir Chowdhury, Secretary of DPDC signed the agreement on behalf of the respective organizations. Among others, Brig. General (Retd.) Md. Nazrul Hasan, Managing Director of DPDC and Senior Officials of both the organizations were also present in the program.

Signing of agreement with Oman and UAE Exchange Centre



Social Islami Bank Limited (SIBL) signed an agreement with a Middle East based company Oman and UAE Exchange Centre & Co LLC to provide remittance service throughout the country. Immediate Past Managing Director & CEO of Social Islami Bank Mr. Md. Shafiqur Rahman and CEO of Oman and UAE Exchange Centre Mr. Boban Madamana Pailo signed the agreement on behalf of the respective organizations.

Signing of payroll banking agreement with Bashundhara Group



Social Islami Bank Limited (SIBL) signed a payroll banking agreement with Bashundhara Group. Managing Director & CEO (C.C) of Social Islami Bank Mr. Ihsanul Aziz and Senior Deputy Managing Director of Bashundhara Group Mr. Md. Belayet Hossain signed the agreement on behalf of the respective organizations.

Agreement on 0%-I pay services with Butterfly



Social Islami Bank Limited (SIBL) signed an agreement with Butterfly Marketing Limited on 0%-i pay services of the bank. Under this agreement, SIBL credit cardholders can purchase products of Butterfly Marketing Limited in 6 months equal installment without paying any profit. Immediate Past Managing Director of Social Islami Bank Mr. Md. Shafiqur Rahman and Managing Director of Butterfly Marketing Limited Mr. M.A. Mannan signed the agreement on behalf of the respective organizations.

Signing of payroll banking agreement with Monno Group of Industries



Social Islami Bank Limited (SIBL) and Monno Group of Industries signed an agreement on Payroll Banking. Mr. Tarik Morshed, Deputy Managing Director of SIBL and Mr. Rasheed Mymunul Islam, Deputy Managing Director of Monno Group of Industries signed the agreement on behalf of the respective organizations.

Signing of payroll banking agreement with Rupali Life Insurance



Social Islami Bank Limited (SIBL) and Rupali Life Insurance Limited signed an agreement on Payroll Banking recently. Mr. Ihsanul Aziz, Managing Director & CEO (C.C) of SIBL and Mr. Md. Golem Kibria, Managing Director CEO (C.C) of Rupali Life Insurance signed the agreement on behalf of the respective organizations.

ACTIVITIES ON AGENT BANKING

Social Islami Bank Limited (SIBL) opened several agent banking outlets at different areas of the country throughout the year.



Inauguration of agent banking outlet at Baidder Bazar, Narayanganj



Inauguration of agent banking outlet at Ashtagram, Bagerhat of Kishorganj



Inauguration of agent banking outlet at Nazipur of Naogaon.



Inauguration of agent banking outlet at Shiberhat of Sandwip



Inauguration of agent banking outlet at Singair of Manikganj



Inauguration of agent banking outlet at Ullapara of Sirajgonj



SEMINAR, TRAINING AND PRODUCT LAUNCHING

Training on Agent Banking



Social Islami Bank Limited (SIBL) organized a training program on Agent Banking at the SIBL Centre for Learning, Development and Research of the bank. The officials of Rural Services Foundation (RSF), the agent banking partner of the bank, attended the training session. Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.), Chairman of Social Islami Bank was present as Chief Guest at the inaugural ceremony of the training program.

BAMLCO Conference 2016



Social Islami Bank Limited (SIBL) organized a day-long program on "Branch Anti Money Laundering Compliance Officers' (BAMLCO) Conference-2016" at Mozzaffar Ahmed Auditorium at Dhaka University. Mr. Abu Hena Mohd. Razeed Hasan, Hon'ble Deputy Governor and Head of BFIU, Bangladesh Bank was present as chief guest. Chairman of Social Islami Bank Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.) was present as special guest.

Product promotional campaign at Dhaka University



Social Islami Bank Limited (SIBL) kicked off a product promotional campaign at Dhaka University. Immediate Past Managing Director & CEO of the Bank Mr. Md. Shafiqur Rahman launched the campaign by handing over a SIBL Islami Credit Card to the Vice Chancellor of Dhaka University Professor Dr. A A M S Arefin Siddique at his office.

Launching of “এসআইবিএল উচ্ছ্বাস” campaign



Immediate Past Managing Director and CEO of Social Islami Bank Mr. Md. Shafiqur Rahman inaugurated “এসআইবিএল উচ্ছ্বাস” campaign at the corporate office of the bank. Among others, Managing Director & CEO (C.C) Mr. Ihsanul Aziz, Additional Managing Director Mr. A.M.M. Farhad, Deputy Managing Directors Md. Yunus Ali and Tarik Morshed and other Senior Executives and Branch Manager of the bank were present.

Opening of Ez Banking booth at Banosree Branch



Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.), Chairman of Social Islami Bank Limited opened an Ez Banking booth at Banosree Branch of the bank recently. Among others, Mr. A.M.M Farhad, Additional Managing Director and other Senior Executives of the bank were present during the time.

Launching of remittance service with Instant Cash FZE



Social Islami Bank Limited (SIBL) launched remittance service with Instant Cash FZE, a subsidiary of UAE based global remittance company Wall Street Exchange Centre LLC. Chairman of Social Islami Bank Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.) inaugurated the service in a program by handing over the remitted money to its customer. Chairman of Board Audit Committee of the Bank Mr. Md. Abdur Rahman was also present in the program.

Opening of Ez Banking booth at PRAN Industrial Park at Narsingdi



Social Islami Bank Limited (SIBL) launched SIBL Ez Banking service at the PRAN Industrial Park, Narsingdi for convenient banking of the customers of the bank. Chairman of Social Islami Bank and Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.) formally opened the Ez Banking Booth in presence of the Director of PRAN-RFL Group Uzma Chowdhury.

Award giving ceremony to recognize the employees of SIBL



Social Islami Bank Limited (SIBL) organized an award giving ceremony to recognize the long-time relationship of its employees with the Bank. The Bank awarded the employees who served more than two decades with the Bank. Chairman of Social Islami Bank Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.) handed over letter of appreciation to Mr. Tarik Morshed, Deputy Managing Director of the Bank as a part of the program.



Launching of Home financing facility for the Freedom Fighters of the country

Social Islami Bank Limited (SIBL) launched special home financing facility for the Freedom Fighters of the country in the month of independence. Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.), Chairman of Social Islami Bank Limited (SIBL) inaugurated the Investment scheme by handing over an investment sanction letter to Freedom Fighter Mr. Md. Motiur Rahman, Bir Protik.



Training Course on Islamic Banking and Finance at SIBL



Central Shariah Board for Islamic Banks of Bangladesh organized a three-day long training course on Islamic Banking and Finance at the Training Institute of Social Islami Bank Limited (SIBI). Chairman of Social Islami Bank Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.) inaugurated the training course as chief guest. The program was presided over by the Secretary General of Central Shariah Board for Islamic Banks of Bangladesh Mr. AQM Safiullah Arif.

Training on Family Empowerment Islamic Micro Finance

Mr. Muinul Hasan, Director Social Islami Bank Limited (SIBL) inaugurated a training program on Operational Procedure of Family Empowerment Islamic Microfinance Program and its Application in core Banking Solution at SIBL Training Institute.



CORPORATE IFTAR MAHFIL 2016

Social Islami Bank Limited (SIBL) organized a discussion program on “Importance of Mudaraba Savings and Role of Cash Waqf in Islami Banking” along with an Iftar Mahfil at the hotel Pan Pacific Sonargaon, Dhaka. Chairman of the Board of Directors of the bank Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (retd.) was present in the program as chief guest. Directors of the bank were present as special guests. The program was presided over by Immediate Past Managing Director & CEO of the bank Md. Shafiqur Rahman. Chairman of SIBL Shariah Supervisory Committee Principal Sayeed Kamal Uddin Zafree was present in the program as main discussant. Among others, Additional Managing Director, Deputy Managing Directors, Managers of Dhaka City branches, other Senior Executives of SIBL, valued customers and elites of the society were present in the program.



RELATIONSHIP BETWEEN SIBL & IDB GROUP



SIBL Chairman Met IDB Group Chairman



The Chairman of the Board of Directors of Social Islami Bank Limited (SIBL) and Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.) had a meeting with Immediate Past Group Chairman of IDB H.E. Dr. Ahmad Mohamed Ali, at IDB Headquarters in Jeddah. They discussed, among others, issues relating to development of Islamic Banking in the world and ways to reducing poverty from the society through use of Islamic microfinance. They had also dealt in details on how to develop waqf properties in Bangladesh towards contributing in societal development more effectively.

ICD Delegation Visited SIBL Corporate Office and Met the Board of Directors



Mr. Khaled Mohammed Al Aboodi, CEO of ICD and Mr. Mohammed Ataur Rahman Chowdhury, Team Leader, Banking Equity, ICD visited the Corporate Head Office of Social Islami Bank Ltd. at City Center, Motijheel, Dhaka. Hon'ble Chairman of SIBL Valiant Freedom Fighter Major, Dr. Md. Rezaul Haque (Retd.) welcomed Mr. Aboodi and presented him a flower bouquet. Hon'ble Directors of the Board of SIBL were also present during the time.

RECOGNITION OF COMPETENCE



Chairman of Social Islami Bank Ltd. Valiant Freedom Fighter Major Dr. Md. Rezaul Haque (Retd.) attended as special guest on the occasion of International Mother Language Day in front of United Nations head quarter in New York. Hon'ble Minister for Finance Mr. A M A Muhith, M.P graced the occasion as chief guest in the program.



Certificate of Honor from Red Crescent Society

Social Islami Bank Limited (SIBL) received Certificate of Honor from Bangladesh Red Crescent Society and International Federation of Red Cross and Red Crescent Societies in recognition of Bank's contribution for upholding voluntary and non-remunerated blood donation movement. Deputy Managing Director of SIBL Mr. Tarik Morshed received the certificate from Bangladesh Red Crescent Society in a program arranged World Blood Donor Day.



ICMAB Best Corporate Award-2015

Social Islami Bank Limited (SIBL) won the 2nd Prize in 'Best Corporate Award 2015' under the Private Commercial Bank (Islamic Operation) Category. The Bank received the accolade from the Institute of Cost and Management Accountants of Bangladesh (ICMAB). Hon'ble Finance Minister Mr. Abul Maal Abdul Muhith handed over the award to Immediate Past Managing Director & CEO of Social Islami Bank Md. Shafiqur Rahman. Among others, Chairman of Bangladesh Securities and Exchange Commission Prof. Dr. M. Khairul Hossain, President of ICMAB Mr. Arif Khan FCMA and distinguished Director, CEO and high officials of the Financial Institutes of the Country were present in the program.



SIBL BRANCHES OPENED IN THE YEAR 2016



112

Jamalpur branch
27.03.2016



113

Netrokona Branch
21.04.2016



114

Navaran Branch
05.05.2016



115

Zamiderhat Branch
12.05.2016



116

Beanibazar Branch
24.05.2016



117

Poddar Bazar Branch
30.05.2016



118

Burichang Branch
31.05.2016

SIBL Events



119

Charfassion Branch
02.06.2016



120

Safa Bondar Branch
02.06.2016



121

Joydebpur Chowrasta Branch
26.06.2016



122

Baralekha Branch
20.11.2016



123

Narsingdi Branch
01.12.2016



124

Sreenagar Branch
08.12.2016



125

Corporate Branch
29.12.2016



CORPORATE FINANCE



Project Name:
Dada Engineering Ltd.

Financed by:
Principal Branch
Social Islami Bank Ltd.



Project Name:
Amber-Denim Limited

Financed by:
Principal Branch
Social Islami Bank Ltd.

Project Name:
BBS Cables Ltd.

Financed by:
Gulshan Branch
Social Islami Bank Ltd.



Project Name:
PRAN-RFL Group

Financed by:
Rampura Branch
Social Islami Bank Ltd.



SME FINANCE



Project Name:
Aristo Corporation Ltd.

Financed by:
Principal Branch
Social Islami Bank Ltd.



Project Name:
Nabil Sizing Mill

Financed by:
Madhabdi Branch
Social Islami Bank Ltd.

Project Name:
Ifad Textile

Financed by:
Gopaldi Branch
Social Islami Bank Ltd.



Project Name:
IR Creative Print & Craft Ltd.

Financed by:
Demra Branch
Social Islami Bank Ltd.

AGRI FINANCE



Project Name:
Meser Ali Krishi Khamar

Financed by:
Galimpur Branch
Social Islami Bank Ltd.



Project Name:
Panbo Bangla Mushroom Ltd.

Financed by:
Principal Branch
Social Islami Bank Ltd.

Project Name:
Al-In Am Motso Khamar

Financed by:
Demra Branch
Social Islami Bank Ltd.



Financing to:
Md. Abdur Rahman (Azahar)

Financed by:
Dupchachia Branch
Social Islami Bank Ltd.

FAMILY EMPOWERMENT ISLAMIC MICRO FINANCE



Financing to:
Md. Sakander Ali

Financed by:
Gobindogonj Branch
Social Islami Bank Ltd.



Financing to:
Mst. Helena

Financed by:
Dupchanchia Branch
Social Islami Bank Ltd.

Financing to:
Md. Bodiuzzaman

Financed by:
Dupchanchia Branch
Social Islami Bank Ltd.



Financing to:
Sondha Rani

Financed by:
Chandaikona Branch
Social Islami Bank Ltd.



REPORT ON SIBL FOUNDATION

SIBL is committed to involve with different types of social activities for the development of our country and accordingly the bank has established SIBL foundation on 27/10/2005 under companies act 1994 of whose incorporation no. C-627(15)/05



with the principal objectives to provide different types of social services like to set up, build, assist, manage and run schools, colleges, madrasahs, mosques and other educational institutions, research centers, manage & run hospital, clinics, dispensaries, centres and places for medical aid and relief, convalescent home for children, orphans and for old people, maternity homes etc. as a part of Corporate Social Responsibility. In line with Corporate Social Responsibility statement of the bank, SIBL has also established a Hospital Cum Diagnostic Centre in the name and style "SIBL Foundation Hospital & Diagnostic Centre [SIBL FHDC]" to provide the most updated medical services to our people. The main objectives of SIBL FHDC are as follows:

- To provide the nation updated medical services.
- Better service at comparatively lowest price.
- Treatment of the poor people of the country



- To involve the bank itself for the development of the country.
- To reduce untimely death of helpless people of the country.
- To increase the treatment facilities of the country.
- To create employment facilities

SIBL Hospital & Diagnostic Centre [SIBL FHDC] is committed to the provision of world class healthcare services in Bangladesh and strives to be the healthcare provider and employer of choice, by offering uncompromising quality, efficiency and customer service to all of its patients and their families. SIBL FHDC recognizes the importance of a highly qualified healthcare team in accomplishing its mission, and is committed to the employment and continuous development of the highest caliber physicians and staff whose priority will be to exceed the quality and customer service expectations of patients, their families and co-workers through excellence, efficiency and commitment. SIBL FHDC is located at Panthapath, Dhaka initially having 14,750 sft on the Ground Floor to 2nd floor of the building and was inaugurated on (22/11/2015) by Mr. S.K. Sur, the hon'ble Deputy Governor, Bangladesh Bank. To offer the best quality health services in the areas of dialysis, pharmacy, ICU and Diagnostics and Consultancy in a very developed and cost effective way. In line with the objectives of SIBL Foundation, SIBL FHDC has declared 30% discount for all and 40% discount to the employees of SIBL including their family members. Meanwhile, SIBL Foundation has also purchased additional Floor spaces of 35,241 sft. from 3rd Floor to 8th Floor in the same Fattah Plaza, 70, Green Road, Dhaka and hope to offer a full fledged hospital

Floor	Department/unit	
	East side	West side
Ground Floor	<ul style="list-style-type: none"> ▪ X-ray, CT Scan ▪ Ultra Sound, Echo, ECG ▪ Emergency ▪ Out Patient Department 	<ul style="list-style-type: none"> ▪ Customer Care ▪ Information Desk ▪ Pharmacy ▪ Bill Counter Booth
1 st Floor	<ul style="list-style-type: none"> ▪ Accounts ▪ Sever room ▪ Pathological Lab ▪ Cafeteria 	<ul style="list-style-type: none"> ▪ MD's Chamber ▪ BOD room ▪ Admin Office ▪ Sample collection
2 nd Floor	<ul style="list-style-type: none"> ▪ Intensive Care Unit (ICU) ▪ Nephrologist & Urologist Chambers 	<ul style="list-style-type: none"> ▪ Dialysis units
3 rd Floor	<ul style="list-style-type: none"> ▪ OPD/consultant chamber, ▪ ECG, Echo, ETT ▪ Gastro logy 	<ul style="list-style-type: none"> ▪ Dental Chamber ▪ ENT
4 th Floor	<ul style="list-style-type: none"> ▪ Gynee OT ▪ Post operative , ▪ Labour room 	<ul style="list-style-type: none"> ▪ NICU/PICU ▪ Nursery bed ▪ Female Cabin ▪ Female ward
5 th Floor	<ul style="list-style-type: none"> ▪ General OT ▪ Post operative 	<ul style="list-style-type: none"> ▪ Male Ward ▪ Female
6 th Floor	<ul style="list-style-type: none"> ▪ General Cabin ▪ VIP cabin-1 	<ul style="list-style-type: none"> ▪ General Cabin ▪ VIP cabin-2&3
7 th Floor	<ul style="list-style-type: none"> ▪ General Cabin 	<ul style="list-style-type: none"> ▪ General Cabin
8 th Floor	<ul style="list-style-type: none"> ▪ Cafeteria, Prayer Room 	<ul style="list-style-type: none"> ▪ Admin Office

(ground floor to 8th floor) to the nation by June 2017 Insha Allah. The extended part of the hospital is under heavy construction. After completion of the 2nd phase, the hospital will enhance its services in the areas of: (i) Emergency medical services, 6 nos. of modern OT (Operation Theaters), Operation of Cleft & Eye patients, In patient services. The bank sees dream to extend the health service to the nation through opening hospital/ branches minimum one in every district in next 10 years. As on date of this report, an investment of Taka 250.00 million has been made under three major heads in purchasing of machineries and equipment, Furniture & Fixtures and to decorate from ground floor to 2nd floor.



The Original plan for Services of SIBL FHDC

The original plan of this Institution is to offer services primarily through two major departments: (i) Outpatient department including diagnostics and (ii) Inpatient Department, which will provide accommodation facilities for patients fully, equipped with nurse's stations, staffed round-the-clock for patients' safety and security. The inpatient department will include inpatient Cabins and Wards for patients of Clefts Lip and Clefts palate & Eye patients [cataract]. The outpatient department will comprise emergency, consultation services comprising Gastroenterology, Urology and Nephrology, Gynecology & Obstetrics, Cardiology, Imaging, pathology, physical medicine, oncology etc. There will also be retail pharmacy for revenue generating. At present, dialysis unit-1 is going on full swing with 15 nos. of most modern machine and 35 patients are given dialysis per day. Management expects to start the Dialysis Unit-2 within July 2016.

The outpatient department has an air-conditioned waiting area for 150 people. At present, there are 21 consulting rooms with fully equipped nurse's stations. After completion of the entire project, it will have dedicated clinics with extensive facilities to house the physicians and medical specialists.

The management of SIBL FHDC is aware that a significant number of the Bangladeshi population is deprived of treatment

have a provision of approximately 10 to 15% free treatment of poor patients at various levels of services. This percentage also coincides with government policy to make health services better available to the poor people of the country. A proper policy for the treatment of the poor will be developed during the pre operation stage of the hospital. The hospital management is truly committed to implement that policy in strict compliance.

Focusing areas

This hospital will focus in the areas of cardiology, internal medicine, ophthalmology, urology & nephrology, plastic surgery, endocrinology & diabetology, obstetrics & gynecology, pediatrics, respiratory medicine, gastroenterology, orthopedics, dermatology, ENT, neuron-medicine, oncology, dentistry & maxillofacial surgery

The Accident and Emergency Department

In the second phase of development, there will be a set up for "Accident and Emergency Department" which will incorporate a minor operation theatre, treatment rooms and plaster facilities, and will be open 24 hours a day. An ambulance service is vital in the field of emergency care and evacuation. SIBL FHDC will add several modern, fully equipped life saving vehicles with the following facilities:

- Portable Respirators
- Oxygen Supply
- Suction System
- Sphygmomanometer
- Interventional Equipment
- Medication



The ambulance service will be used for transferring patients in Dhaka, its surrounding areas and if required other distant areas in Bangladesh. All ambulances will be fitted with modern communication equipment for on-line contact with SIBL HDC emergency monitoring station throughout the journey. The highest level of medical care will be provided during the entire transportation period at a minimum cost.



Diagnostic, Imaging, and Pathological Laboratory

The SIBL FHDC has extensive diagnostic facilities and the center is fully loaded with modern equipments to ensure all investigations generally required. Equipments have been procured for cardiac, neurology, nephrology, and orthopedic patients along with histology and pathological investigations. The Imaging centre is equipped with 128-slice CT scan, 1000 MA X-Ray, ECO, Color Doppler Machine etc. to meet the current demands of the people.

Blood Bank

In the second phase of development, SIBL- HDC will have a fullfledged operating blood bank in which collecting, blood typing, storing of whole blood will be undertaken. Temperature and quality of the blood will be maintained in accordance with international standards.

Pathology

SIBL FHDC has already established a diagnostic laboratory of the highest quality required and expects that it will endeavor to be the leader in this field in Dhaka through its uniqueness in offering diverse tests, reliability, and prompt services. It is ready to provide consistent diagnostic service for patients (in patient service in the 2nd phase), general practitioners and other hospitals in the region. SIBL believes that a quality diagnostic laboratory is the backbone off all treatment and quality is always ensured though the combination of man and machine. A renowned pathologist (Professor) is appointed as the Chief



of SIBL FHDC Lab and some experienced Lab staff having vast knowledge, have also been recruited.

Radiology

Radiology is the branch of medicine that deals with diagnostic images of anatomic structures. Radiologic imaging techniques to be used will include x-rays, CAT scans, MRIs, and ultrasound techniques. This department is just ready to serve in the following types of imaging services:

1. General x-Ray
2. Fluoroscopic X-ray
3. Ultra Sound
4. Mammography
5. MRI
6. CT scan/ PET Scan

There are various facilities in Dhaka providing such services. However, the quality of service provided is often not up to an acceptable standard. Initially SIBL HDC plans to offer General X-Ray, Fluoroscopic X-ray, Ultra Sound and in the second phase of development expects to provide Mammography, MRI & CT Scan/ PET Scan services to their clients through this department.

Pharmacy

An appropriately equipped pharmacy, inhabited by qualified staff has been set up on the ground floor of the hospital, which offers a wide range of services covering medicine, surgery and trauma.

Staff

As on date of report, SIBL FHDC has recruited and deputed 55 nos. of Executives, Officers, Doctors, Nurses, Paramedics and Staffs and three wings of medical services are in operation like diagnostic center, dialysis unit-1 and pharmacy whereas OPD consultation service is partially operational.

In conclusion, SIBL Foundation is the dream of the Bank and activities of the foundation will definitely be increasing the image of the bank, and side-by-side bondage with the society from the grassroots level will be stronger. SIBL believes that SIBL Foundation will be expanding its area of operations for the wellbeing of the society in the future ahead.



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

শরী'আহ সুপারভাইজরী কমিটির বার্ষিক প্রতিবেদন-২০১৬

الحمد لله القائل في محكم التنزيل (وَإَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا) والصلاة والسلام على النبي الأمين الذي قال (لعن الله أكل الربا ومؤكله وكتابه وشاهديه، وقال هم سواء) وعلى آله وأصحابه أجمعين. أما بعد:

ব্যাংকের শরী'আহ সুপারভাইজরী কমিটি ২০১৬ইং সালে ০৬টি সভায় মিলিত হয়ে পরিচালনা পর্ষদ ও ব্যবস্থাপনা কর্তৃপক্ষের প্রেরিত বিষয়াদি ও ব্যাংকের সার্বিক কার্যক্রম পর্যালোচনা পূর্বক শরী'আহ বিষয়ক মতামত ও সিদ্ধান্ত প্রদান করে। ব্যাংকিং কার্যক্রমে শরী'আহ পরিপালনে সম্মানিত গ্রাহকবৃন্দের সচেতনতা ও আন্তরিকতা বৃদ্ধির লক্ষ্যে চলতি বছরে ব্যাংকের সকল শাখায় গ্রাহক সমাবেশ ও ইফতার মাহফিল অনুষ্ঠিত হয়। উক্ত সমাবেশসমূহে শরী'আহ সুপারভাইজরী কমিটির সদস্যবৃন্দ ইসলামী ব্যাংকিং ও বিনিয়োগ পদ্ধতিসহ শরী'আহর বিভিন্ন বিষয়ের ওপর বক্তব্য প্রদান করেন। ২০১৬ইং সালের বার্ষিক পরিকল্পনার আলোকে ব্যাংকের সকল শাখায় মুরাকীবদের মাধ্যমে শরী'আহ অডিট এন্ড ইন্সপেকশন সম্পন্ন করা হয়েছে, আল-হামদুলিল্লাহ। শরী'আহ অডিট এন্ড ইন্সপেকশন রিপোর্ট পর্যালোচনা করে ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষকে প্রয়োজনীয় দিক নির্দেশনা প্রদান করা হয়েছে। শরী'আহ সুপারভাইজরী কমিটির পরামর্শের প্রেক্ষিতে ব্যবস্থাপনা কর্তৃপক্ষ ব্যাংকে কর্মরত কর্মকর্তাদের শরী'আহ পরিপালনের কমিটমেন্ট ও আন্তরিকতা বৃদ্ধির লক্ষ্যে স্পেশাল ট্রেনিং ও ওয়ার্কশপ প্রদান করা হয়েছে, যার ফলশ্রুতিতে ব্যাংকিং কার্যক্রমে শরী'আহ সংক্রান্ত অনিয়ম অনেকাংশে কমেছে। উল্লেখ্য, শরী'আহ সুপারভাইজরী কমিটির দায়িত্ব হলো ব্যাংকের সামগ্রিক কার্যাবলী পর্যবেক্ষণ ও মূল্যায়ন করে তার ভিত্তিতে স্বাধীন মতামত এবং প্রয়োজনীয় দিক নির্দেশনা প্রদান করা। অপরদিকে ব্যাংকের দৈনন্দিন যাবতীয় কার্যক্রমে ইসলামী শরী'আহ পরিপালন নিশ্চিত করা ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষের দায়িত্ব।

ব্যাংকের ২০১৬ইং সালের শরী'আহ অডিট এন্ড ইন্সপেকশন রিপোর্ট এবং আর্থিক প্রতিবেদন তথা ব্যালান্স শীট, লাভ-ক্ষতি হিসাব ও অন্যান্য আয়-ব্যয় হিসাব (নিরীক্ষিত) পর্যালোচনা পূর্বক শরী'আহ সুপারভাইজরী কমিটি নিম্নরূপ অভিমত ও পরামর্শ প্রদান করছে:

অভিমতঃ

- ২০১৬ইং সালের শরী'আহ অডিট এন্ড ইন্সপেকশন রিপোর্ট পর্যালোচনায় প্রতীয়মান হয়েছে যে, শরী'আহ সুপারভাইজরী কমিটি, ব্যাংকের পরিচালনা পর্ষদ ও ব্যবস্থাপনা কর্তৃপক্ষের গৃহীত বিভিন্ন পদক্ষেপের কারণে ব্যাংকিং কার্যক্রমে শরী'আহ সংক্রান্ত অনিয়ম ও ত্রুটি-বিচ্যুতির পরিমাণ পূর্বের তুলনায় কমেছে।
- মুদারাবা ডিপোজিটের বিপরীতে যে মুনাফা বন্টন করা হয়েছে, তা ইসলামী শরী'আহর মুদারাবা নীতিমালা ও সাহিবুল মাল তথা ডিপোজিটরদের সাথে ব্যাংকের চুক্তি অনুযায়ী করা হয়েছে।
- সোস্যাল ইসলামী ব্যাংক লিমিটেড এর আলোচ্য বছরের আর্থিক লেনদেন ও বিনিয়োগের ক্ষেত্রে সম্পাদিত চুক্তিপত্রসমূহ ইসলামী শরী'আহ অনুযায়ী সম্পন্ন করেছে বলে প্রতীয়মান হয়েছে।
- ব্যাংকের যাকাতযোগ্য সম্পদের ওপর প্রদেয় যাকাতের হিসাব ইসলামী শরী'আহর নির্ধারিত বিধি-বিধান অনুযায়ী সম্পাদন করা হয়েছে। উল্লেখ্য, ডিপোজিটর ও শেয়ার হোল্ডারদের হিসাব থেকে ব্যাংক যাকাত বাবদ কোন অর্থ কর্তন করে না। ডিপোজিট ও শেয়ারের বিপরীতে যাকাত প্রদান করা যথাক্রমে ডিপোজিটর ও শেয়ার হোল্ডারদের স্ব-স্ব দায়িত্ব।
- ব্যাংকের শরী'আহ অডিট এন্ড ইন্সপেকশন রিপোর্টে চিহ্নিত সন্দেহজনক আয় বন্টনযোগ্য আয় থেকে পৃথক করা হয়েছে।



শাহ ওয়ালী উল্লাহ
সদস্য-সচিব
শরী'আহ সুপারভাইজরী কমিটি।

৬. আর্তমানবতার সেবায় “সোস্যাল ইসলামী ব্যাংক ফাউন্ডেশন হাসপাতাল এন্ড ডায়গনস্টিক সেন্টার” এ তুলনামূলকভাবে কম খরচে চিকিৎসা সেবা প্রদান ব্যাংক-কে আরো একধাপ এগিয়ে নিয়েছে বলে কমিটি মনে করে।
৭. নিম্ন আয়ের মানুষের জীবনযাত্রার মান উন্নয়নে গ্রামাঞ্চলের শাখাসমূহে এ বছর পুনরায় চালুকৃত “পারিবারিক ক্ষমতায়নে ইসলামী মাইক্রো-ফিন্যান্স কর্মসূচী” নিঃসন্দেহে একটি প্রসংশনীয় উদ্যোগ বলে কমিটি মনে করে, যা দেশের আর্থ-সামাজিক উন্নয়নে ইতিবাচক ভূমিকা রাখবে।

পরামর্শঃ

১. বাই' বা ক্রয়-বিক্রয় পদ্ধতির বিনিয়োগের ক্ষেত্রে ব্যাংক কর্তৃক সরাসরি পণ্য ক্রয়পূর্বক পণ্যের ওপর ব্যাংকের মালিকানা ও দখল নিশ্চিত করে গ্রাহকের নিকট হস্তান্তরে আরো সতর্কতা অবলম্বন করতে হবে। সরাসরি পণ্য ক্রয়ে একান্ত অপারগতার ক্ষেত্রে ব্যাংক তৃতীয়পক্ষ বা বিনিয়োগ গ্রাহককে ক্রয় প্রতিনিধি নিয়োগ করতে পারে, সেক্ষেত্রে ক্রয় প্রতিনিধি কর্তৃক ক্রয়কৃত পণ্যের ওপর ব্যাংকের মালিকানা ও দখল নিশ্চিতকরণে অধিক সতর্ক হওয়া জরুরী।
২. ব্যাংক ও গ্রাহকদের সামগ্রিক কল্যাণ ও যুগোপযোগী চাহিদা পূরণের লক্ষ্যে লাভ-লোকসানের অংশীদারিত্বমূলক মুদারাবা ও মুশারাকা বিনিয়োগ চালু করার বাস্তব পদক্ষেপ গ্রহণ করা প্রয়োজন।
৩. ব্যাংকের সর্বস্তরের জনশক্তিকে ইসলামী ব্যাংকিং বিষয়ক জ্ঞানে সমৃদ্ধ করা, দক্ষ জনশক্তি তৈরী এবং সকলের মধ্যে তাকুওয়া ও জবাবদিহিতার অনুভূতি বৃদ্ধির লক্ষ্যে ইসলামী ব্যাংকিং ও শরী'আহ বিষয়ে নিয়মিত প্রশিক্ষণ আরো বৃদ্ধি করা জরুরী।
৪. ইসলামী ব্যাংক ব্যবস্থার শ্রেষ্ঠত্ব ও কল্যাণকারিতা সম্পর্কে সর্বসাধারণকে অবহিত করা, বিশেষ করে ব্যাংকের সম্মানিত গ্রাহকদের মধ্যে শরী'আহ বিষয়ে সচেতনতা ও আন্তরিকতা সৃষ্টি করার লক্ষ্যে প্রধান কার্যালয়, জোন ও শাখা পর্যায়ে অধিক হারে গ্রাহক সমাবেশ, সেমিনার ও সিম্পোজিয়ামের আয়োজন করা দরকার।
৫. ‘মাকাসিদে শরী'আহ’ বা শরী'আহর উদ্দেশ্য ও লক্ষ্য বাস্তবায়নের লক্ষ্যে ব্যাংকের বিনিয়োগ খাতকে এমনভাবে বিন্যাস করতে হবে যাতে সমাজের মৌলিক চাহিদাগুলো অগ্রাধিকার ভিত্তিতে পূরণ হতে পারে।
৬. নিম্ন আয়ের মানুষের জীবনযাত্রার মান উন্নয়নে ব্যাংকের বিনিয়োগ খাতকে বহুমুখীকরণের লক্ষ্যে এসএমই ও কৃষি বিনিয়োগ এর পাশাপাশি বিদ্যমান “পারিবারিক ক্ষমতায়নে ইসলামী মাইক্রো-ফিন্যান্স কর্মসূচী” সকল শাখায় চালু করা প্রয়োজন।
৭. সিএসআর কার্যক্রমের আওতায় সোস্যাল ইসলামী ব্যাংক ফাউন্ডেশন এর অধীনে স্কুল, কলেজ, মাদ্রাসা ও মেডিকেল কলেজ প্রতিষ্ঠার মাধ্যমে অপেক্ষাকৃত গরীব, মেধাবী, দুঃস্থ ও রোগগ্রস্তদের বিনামূল্যে বা কম খরচে শিক্ষা ও চিকিৎসা সেবা প্রদান এবং অসহায় ও বেকার মানুষদের কর্মসংস্থান সৃষ্টি করার কর্মসূচি প্রণয়ন ও বাস্তবায়ন করা প্রয়োজন বলে শরী'আহ সুপারভাইজরী কমিটি মনে করে।

আল্লাহ রাক্বুল আলামীন আমাদের জীবনের সর্বক্ষেত্রে ইসলামী শরী'আহ পরিপালনের মাধ্যমে তাঁর সন্তুষ্টি অর্জনে সচেষ্ট হওয়ার তাওফীক দান করুন। আমীন।



অধ্যক্ষ সাইয়্যেদ কামালুদ্দীন জাফরী
চেয়ারম্যান
শরী'আহ সুপারভাইজরী কমিটি।



Our all-round, year-long performance has yielded us some financial figures that exhibit our healthy and sustainable status in the banking industry of Bangladesh. Our income statement, balance sheet and cash flow statement has earned higher summit and promises consistent progression.

Strategic Growth

Financial Report



Independent Auditors' Report

to the Shareholders of Social Islami Bank Limited

We have audited the accompanying consolidated financial statements of Social Islami Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Social Islami Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2016, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

The consolidated financial statements of Social Islami Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of the Bank for the year ended 31 December 2015 were audited by Kazi Zahir Khan & Co., Chartered Accountants who expressed an unmodified opinion on those statements on 09 April 2016.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also the separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 as amended in 2013 and the Bangladesh Bank regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and the separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and the separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion of the effectiveness of the entities internal control systems. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also the separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and also the separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2016, and of its consolidated and separate financial performance, consolidated and separate statements of changes in equity and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in note 2.



Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company Act, 1991 as amended in 2013 and the rules and regulations issued by Bangladesh Bank, we also report the following:

(a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(b) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the management to the Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:

(i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 2.18 appeared to be adequate;

(ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in note 2.18.h;

(c) financial statements of all subsidiary companies of the Bank have been audited by us and have been properly reflected in the consolidated financial statements;

(d) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;

(e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;

(f) the expenditure incurred was for the purposes of the Bank's business;

(g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards as explained in note 2 as well as with related guidance, circulars issued by Bangladesh Bank and decision taken in tripartite meeting amongst Inspection Team of Bangladesh Bank, External Auditors and the Management of Social Islami Bank Limited held on 19 February 2017 and subsequent letter no. DBI-4/42(2)/2017-348 dated 20 February 2017 issued by Bangladesh Bank.

(h) provisions have been made for the investments, other assets and off-Balance Sheet items which are, in our opinion, doubtful of recovery;

(i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(j) the information and explanation required by us have been received and found satisfactory; and

(k) we have reviewed over 80% of risk weighted assets of the Bank and we have spent around 4,032 person hours for the audit of the books and accounts of the Bank.

Date: 26 February, 2017

Place: Dhaka



Syful Shamsul Alam & Co.
Chartered Accountants

Consolidated Balance sheet

As at 31 December 2016

	Note(s)	2016 Taka	2015 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including Foreign Currencies)	3(a)	1,816,338,179	1,145,970,455
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)	3.1	16,131,320,942	13,535,893,678
		17,947,659,121	14,681,864,133
Balance with other Banks and Financial Institutions			
In Bangladesh	4(a)	842,645,333	3,504,739,496
Outside Bangladesh		423,996,755	355,321,944
		1,266,642,088	3,860,061,440
Placement with Banks & other Financial Institutions			
	5	7,196,666,624	6,586,715,074
Investments in Shares & Securities			
Government	6(a)	9,150,000,000	6,040,000,000
Others		1,680,581,919	1,702,395,236
		10,830,581,919	7,742,395,236
Investments			
General Investment etc.	7(a)	166,581,331,180	123,370,222,992
Bills Purchased and Discounted		7,194,802,194	10,486,626,911
		173,776,133,374	133,856,849,903
Fixed Assets including Premises, Furnitures and Fixtures			
Other Assets	8(a)	3,268,326,670	3,082,507,826
Non Banking Assets	9(a)	13,529,293,052	10,198,251,397
		-	-
Total Assets		227,815,302,848	180,008,645,008
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions			
Deposits and Other Accounts			
Mudaraba Savings Deposits	10	3,000,000,000	1,000,000,000
Mudaraba Term Deposits	11	13,899,504,009	14,273,504,098
Other Mudaraba Deposits		111,657,941,041	88,616,744,207
Al-Wadeeah Current & Other Deposit Accounts	11.2(a)	40,060,818,730	29,983,914,560
Bills Payable	11.3	19,406,875,568	15,206,974,110
Cash Waqf Fund		5,031,314,320	1,251,915,364
		236,879,638	178,828,552
		190,293,333,306	149,511,880,891
SIBL Mudaraba Subordinated Bond			
	12	3,000,000,000	3,000,000,000
Other Liabilities			
Deffered Tax Liabilities/ (Assets)	13(a)	17,306,863,759	13,531,999,349
	14 (a)	21,775,365	9,648,241
Total Liabilities		213,621,972,430	167,053,528,481
Shareholders' Equity			
Paid-up Capital	15.2	7,382,986,420	7,031,415,640
Statutory Reserve	16	4,318,771,137	3,480,332,295
General reserve	16(a)	6,154,312	4,275,913
Revaluation reserve on Fixed Assets	17	1,004,065,009	1,029,545,693
Retained Earnings	18(a)	1,481,351,830	1,409,545,341
Total Shareholders' Equity of Parent Company, SIBL		14,193,328,708	12,955,114,882
Non controlling Interest	18(b)	1,710	1,645
Total Liabilities & Shareholders' Equity of the Group		227,815,302,848	180,008,645,008



Off-Balance Sheet Items As at 31 December 2016

	Note(s)	2016 Taka	2015 Taka
CONTINGENT LIABILITIES			
Acceptances and Endorsements	19.1	23,002,645,081	18,431,674,020
Irrevocable Letters of Credit (including Back to Back Bills)	19.2	21,928,766,660	14,467,256,620
Letters of Guarantee	19.3	11,485,872,882	7,379,609,632
Bills for Collection	19.4	3,434,061,967	2,818,276,011
Other Contingent Liabilities	19.5	-	-
Total		59,851,346,590	43,096,816,283
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		59,851,346,590	43,096,816,283

Annexed notes (1 to 49) form an integral part of these financial statements



Chairman



Director



Director



Managing Director & CEO (CC)

Signed as per our report of same date

Dhaka, Bangladesh
Date: 26 February, 2017



Syful Shamsul Alam & Co.
Chartered Accountants

Social Islami Bank Limited
Consolidated Profit And Loss Account
For the year ended 31 December 2016

	Note(s)	2016	2015
		Taka	Taka
Investment Income	20(a)	16,966,286,841	15,346,595,154
Less: Profit paid on Deposits	21	9,576,406,736	9,067,760,966
Net Investment Income		7,389,880,105	6,278,834,188
Income from Investment in Shares/securities	22(a)	237,611,204	301,153,885
Commission, Exchange and Brokerage	23(a)	1,641,246,704	1,300,540,403
Other Operating Income	24(a)	445,679,505	399,346,519
Total Operating Income		2,324,537,414	2,001,040,807
		9,714,417,519	8,279,874,995
Salaries and Allowances	25(a)	2,461,778,605	2,218,639,509
Rent, Taxes, Insurances, Electricity etc.	26(a)	390,701,451	297,293,202
Legal Expenses	27	9,915,955	8,210,584
Postage, Stamps, Telecommunication etc.	28(a)	10,361,856	9,603,439
Stationery, Printings, Advertisements etc.	29(a)	117,718,811	101,872,850
Managing Director's Salary and Allowances	30	11,634,356	9,320,000
Directors' Fees & Expenses	31(a)	7,637,982	7,380,684
Shariah Supervisory Committee's Fees & Expenses	32	746,775	549,512
Auditors' Fees		1,235,500	494,500
Charges on Investment Losses		-	-
Depreciation & Repair of Bank's Assets	33(a)	261,971,531	230,838,766
Zakat Expenses		89,792,573	71,840,046
Other Expenses	34(a)	623,310,434	479,207,800
Total Operating Expenses		3,986,805,828	3,435,250,892
Profit/(Loss) before Provision		5,727,611,690	4,844,624,103
Provisions for Investments		1,482,889,673	1,350,649,113
Other Provisions	35(a)	39,508,157	34,815,046
Total Provision	36(a)	1,522,397,830	1,385,464,159
Total Profit/(Loss) before Tax		4,205,213,860	3,459,159,944
Provision for Income Tax	37(a)	1,914,165,959	1,412,861,138
Net Profit/(Loss) after Tax attributable to equity holders of the group		2,291,047,901	2,046,298,804
Non-controlling Interest		64	28
Net Profit/(Loss) after Tax attributable to equity holders of the parent		2,291,047,837	2,046,298,776
Appropriation			
Statutory Reserve		838,438,842	695,834,378
Retained Earnings		1,452,608,995	1,350,464,398
		2,291,047,837	2,046,298,776
Earning Per Share (CEPS) (Restated)	38(a)	3.10	2.77
Net Asset Value Per Share (NAV/Share)		19.22	18.42
Net Operating Cash Flow Per Share (NOCFPS)		1.02	6.59


Chairman


Director


Director


Managing Director & CEO (CC)

Dhaka, Bangladesh
Date: 26 February, 2017


Syful Shamsul Alam & Co.
Chartered Accountants



Social Islami Bank Limited

Consolidated Cash Flow Statement

For the year ended 31 December 2016

	Note(s)	2016 Taka	2015 Taka
Cash Flow from operating activities			
Investment Income receipt	39(a)	16,966,286,841	15,346,595,154
Profit paid on deposits		(6,944,662,524)	(7,398,708,019)
Dividend receipts		237,611,204	301,153,885
Fees & commission receipt		885,417,558	705,299,642
Cash payments to employees		(2,473,412,961)	(2,227,959,509)
Cash payments to suppliers		(128,080,666)	(111,476,289)
Income tax paid		(1,007,764,289)	(1,170,469,382)
Receipts from other operating activities	40(a)	1,201,508,651	994,587,279
Payments for other operating activities	41(a)	(1,156,829,476)	(913,362,103)
Operating profit before changes in operating assets and liabilities		7,580,074,338	5,525,660,657
Changes in operating assets and liabilities			
Statutory deposits		-	-
Net trading securities		(3,088,186,683)	(1,398,667,950)
Investments to other banks		-	-
Investment to customers		(39,919,283,472)	(26,056,890,592)
Other assets	42(a)	(2,323,277,367)	3,224,226,961
Deposits from other banks		482,081,512	(4,258,078,568)
Deposits received auditors report and		37,667,626,692	27,847,879,405
Other liabilities on account of customers		-	-
Trading liabilities		-	-
Other liabilities	43(a)	352,306,146	(252,440,657)
Sub Total		(6,828,733,172)	(893,971,401)
A. Net Cash flow from operating activities		751,341,165	4,631,689,256
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		(414,301,569)	(593,315,131)
Purchase/Sale of subsidiaries		-	-
B. Net Cash flows from investing activities		(414,301,569)	(593,315,131)
Cash flows from financing activities			
Receipts from issue of debt instruments		2,000,000,000	(5,150,000,000)
SIBL Mudaraba Subordinated Bond		-	3,000,000,000
Receipts from issue of right shares/ordinary share		-	-
Dividend paid in cash		(1,054,712,411)	(1,265,654,865)
C. Net Cash flow from financing activities		945,287,589	(3,415,654,865)
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)		1,282,327,185	622,719,260
E. Cash and cash equivalents at the beginning of the year		25,128,640,648	24,505,921,387
F. Cash and cash equivalents at the end of the year (D+E)	44(a)	26,410,967,833	25,128,640,647

Annexed notes (1 to 49) form an integral part of these financial statements


Chairman


Director


Director


Managing Director & CEO (CC)


Syful Shamsul Alam & Co.
Chartered Accountants

Dhaka, Bangladesh
Date: 26 February, 2017



Social Islami Bank Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

Particulars	(amount in Taka)							
	2	3	4	5	6	7	8	9=(2 to 8)
	Paid-up Capital	Share Premium Account	Statutory Reserve	General / Other Reserves	Asset Revaluation Reserve	Retained Earnings	Non-Controlling Interest	Total
1	2	3	4	5	6	7	8	9=(2 to 8)
Balance as at 01 January 2016	7,031,415,640	-	3,480,332,295	4,275,913	1,029,545,693	1,409,545,341	1,645	12,955,116,527
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 year	-	-	-	-	-	2,291,047,773	-	2,291,047,773
Appropriation made during the year	-	-	838,438,842	1,878,399	-	(838,438,842)	-	1,878,399
Dividend:	-	-	-	-	-	-	-	-
Cash Dividend	-	-	-	-	-	(1,054,712,346)	-	(1,054,712,346)
Bonus shares	351,570,780	-	-	-	-	(351,570,780)	-	-
Transferred to retained earnings	-	-	-	-	(25,480,685)	25,480,685	-	-
Non-controlling interest	-	-	-	-	-	-	64	64
Total group shareholders' equity as on 31 December 2016	7,382,986,420	-	4,318,771,137	6,154,312	1,004,065,009	1,481,351,830	1,710	14,193,330,418
Elegible Capital Under Basel III:	7,382,986,420	-	4,318,771,137	6,154,312	316,703,918	1,481,351,830	-	13,505,967,618
Add: General provision for unclassified investment	-	-	-	-	-	-	-	2,694,608,903
Add: SIBL Mudaraba Subordinated Bond	-	-	-	-	-	-	-	3,000,000,000
Total eligible capital as on 31 December 2016	-	-	-	-	-	-	-	19,200,576,520

Annexed notes (1 to 49) form an integral part of these financial statements

Chairman

Dhaka, Bangladesh
Date: 26 February, 2017

Director

Director

Managing Director & CEO (CC)

Social Islami Bank Limited

Balance Sheet

As at 31 December 2016

	Note(s)	2016 Taka	2015 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including Foreign Currencies)	3	1,815,513,100	1,145,358,436
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)	3.1	16,131,320,942	13,535,893,678
		17,946,834,042	14,681,252,114
Balance with other Banks and Financial Institutions			
In Bangladesh	4	675,742,843	3,423,599,612
Outside Bangladesh		423,996,755	355,321,944
		1,099,739,598	3,778,921,556
Placement with Banks & other Financial Institutions			
Investments in Shares & Securities	5	7,196,666,624	6,586,715,074
Government	6	9,150,000,000	6,040,000,000
Others		3,160,580,319	3,182,393,636
		12,310,580,319	9,222,393,636
Investments			
General Investment etc.	7	167,001,331,180	123,630,222,992
Bills Purchased and Discounted		7,194,802,194	10,486,626,911
		174,196,133,374	134,116,849,903
Fixed Assets including Premises, Furnitures and Fixtures			
Other Assets	8	3,257,521,001	3,072,036,083
Non Banking Assets	9	11,696,703,613	8,653,940,498
		-	-
Total Assets		227,704,178,572	180,112,108,864
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions			
Deposits and Other Accounts	10	3,000,000,000	1,000,000,000
Mudaraba Savings Deposits	11	13,899,504,009	14,273,504,098
Mudaraba Term Deposits		111,657,941,041	88,616,744,207
Other Mudaraba Deposits		40,060,818,730	29,983,914,560
Al-Wadeeah Current & Other Deposit Accounts	11.2	19,678,057,596	15,468,710,445
Bills Payable	11.3	5,031,314,320	1,251,915,364
Cash Waqf Fund		236,879,638	178,828,552
		190,564,515,334	149,773,617,225
SIBL Mudaraba Subordinated Bond			
Other Liabilities	12	3,000,000,000	3,000,000,000
Deffered Tax Liabilities/ (Assets)	13	16,931,081,824	13,379,727,523
	14	20,784,787	8,442,137
Total Liabilities		213,516,381,945	167,161,786,885
Capital/Shareholders' Equity			
Paid-up Capital	15.2	7,382,986,420	7,031,415,640
Statutory Reserve	16	4,318,771,137	3,480,332,295
Revaluation reserve on Fixed Assets	17	1,004,065,009	1,029,545,693
Retained Earnings	18	1,481,974,061	1,409,028,351
Total Shareholders' Equity		14,187,796,627	12,950,321,979
Total Liabilities & Shareholders' Equity		227,704,178,572	180,112,108,864

Off-Balance Sheet Items

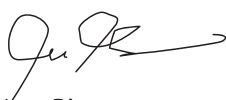
As at 31 December 2016

	Note(s)	2016 Taka	2015 Taka
CONTINGENT LIABILITIES			
Acceptances and Endorsements	19.1	23,002,645,081	18,431,674,020
Irrevocable Letters of Credit (including Back to Back Bills)	19.2	21,928,766,660	14,467,256,620
Letters of Guarantee	19.3	11,485,872,882	7,379,609,632
Bills for Collection	19.4	3,434,061,967	2,818,276,011
Other Contingent Liabilities	19.5	-	-
Total		59,851,346,590	43,096,816,283
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		59,851,346,590	43,096,816,283

Annexed notes (1 to 49) form an integral part of these financial statements



Chairman



Director



Director



Managing Director & CEO (CC)

Signed as per our report of same date

Dhaka, Bangladesh
Date: 26 February, 2017



Syful Shamsul Alam & Co.
Chartered Accountants



Social Islami Bank Limited

Profit And Loss Account

For the year ended 31 December 2016

	Note(s)	2016 Taka	2015 Taka
Investment Income	20	16,883,378,239	15,288,872,420
Less: Profit paid on Deposits	21	9,544,341,782	9,055,715,100
Net Investment Income		7,339,036,457	6,233,157,320
Income from Investment in Shares and Securities	22	293,823,613	362,240,663
Commission, Exchange and Brokerage	23	1,552,385,033	1,255,969,372
Other Operating Income	24	444,753,870	398,528,816
		2,290,962,516	2,016,738,851
Total Operating Income		9,629,998,973	8,249,896,171
Salaries and Allowances	25	2,439,722,509	2,202,912,214
Rent, Taxes, Insurances, Electricity etc.	26	385,494,529	293,890,908
Legal Expenses	27	9,915,955	8,210,584
Postage, Stamps, Telecommunication etc.	28	8,818,186	8,458,439
Stationery, Printings, Advertisements etc.	29	117,415,513	101,021,087
Managing Director's Salary and Allowances	30	11,634,356	9,320,000
Directors' Fees & Expenses	31	6,970,982	6,828,684
Shariah Supervisory Committee's Fees & Expenses	32	746,775	549,512
Auditors' Fees		1,212,500	460,000
Charges on Investment Losses		-	-
Depreciation & Repair of Bank's Assets	33	258,459,532	228,709,954
Zakat Expenses		89,792,573	71,840,046
Other Expenses	34	601,731,679	467,873,738
Total Operating Expenses		3,931,915,088	3,400,075,166
Profit/(Loss) before Provision		5,698,083,884	4,849,821,003
Provisions for Investments		1,482,889,673	1,350,649,113
Other Provisions	35	23,000,000	20,000,000
Total Provision	36	1,505,889,673	1,370,649,113
Total Profit/(Loss) before Tax		4,192,194,211	3,479,171,890
Provision for Income Tax	37	1,900,007,218	1,406,578,491
Net Profit/(Loss) after Tax		2,292,186,993	2,072,593,400
Appropriation			
Statutory Reserve		838,438,842	695,834,378
Retained Earnings		1,453,748,151	1,376,759,022
		2,292,186,993	2,072,593,400
Earning Per Share (EPS, Restated)	38	3.10	2.81
Net Asset Value Per Share (NAV/Share)		19.22	18.42
Net Operating Cash Flow Per Share (NOCFPS)		0.90	6.56

Annexed notes (1 to 49) form an integral part of these financial statements


Chairman



Director


Director



Managing Director & CEO (CC)

Signed as per our report of same date


Syful Shamsul Alam & Co.
Chartered Accountants

Dhaka, Bangladesh
Date: 26 February, 2017

Social Islami Bank Limited

Cash Flow Statement

For the year ended 31 December 2016

	Note(s)	2016 Taka	2015 Taka
Cash Flow from operating activities			
Investment Income receipt	39	16,883,378,239	15,288,872,420
Profit paid on deposits		(6,912,597,571)	(7,398,708,019)
Dividend receipts		293,823,613	362,240,663
Fees & commission receipt		796,555,887	660,728,611
Cash payments to employees		(2,451,356,865)	(2,212,232,214)
Cash payments to suppliers		(126,233,698)	(109,479,526)
Income tax paid		(993,085,088)	(1,162,412,143)
Receipts from other operating activities	40	1,200,583,016	993,769,576
Payments for other operating activities	41	(1,128,725,879)	(885,993,382)
Operating profit before changes in operating assets and liabilities		7,562,341,655	5,536,785,986
Changes in operating assets and liabilities			
Statutory deposits		-	-
Net trading securities		(3,088,186,683)	(1,398,667,950)
Investments to other banks		-	-
Investment to customers		(40,079,283,472)	(26,216,890,592)
Other assets	42	(2,049,678,027)	3,407,271,842
Deposits from other banks		482,081,512	(4,258,078,568)
Deposits received from customers		37,677,072,385	27,839,679,198
Other liabilities on account of customers		-	-
Trading liabilities		-	-
Other liabilities	43	157,800,061	(298,132,360)
Sub Total		(6,900,194,224)	(924,818,431)
A. Net Cash flow from operating activities		662,147,431	4,611,967,555
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		(411,083,566)	(588,547,329)
Purchase/Sale of subsidiaries		-	-
B. Net Cash flows from investing activities		(411,083,566)	(588,547,329)
Cash flows from financing activities			
Receipts from issue of debt instruments		2,000,000,000	(5,150,000,000)
SIBL Mudaraba Subordinated Bond		-	3,000,000,000
Receipts from issue of right shares/ordinary share		-	-
Dividend paid in cash		(1,054,712,346)	(1,265,654,815)
C. Net Cash flow from financing activities		945,287,654	(3,415,654,815)
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)		1,196,351,518	607,765,411
E. Cash and cash equivalents at the beginning of the year		25,046,888,745	24,439,123,334
F. Cash and cash equivalents at the end of the year (D+E)	44	26,243,240,263	25,046,888,745

Annexed notes (1 to 49) form an integral part of these financial statements


Chairman


Director


Director


Managing Director & CEO (CC)

Dhaka, Bangladesh
Date: 26 February, 2017



Social Islami Bank Limited
Statement of Changes In Equity
For the year ended 31 December 2016

Particulars	(amount in Taka)							
	1	2	3	4	5	6	7	
Balance as at 01 January 2016		7,031,415,640	-	3,480,332,295	-	1,029,545,693	1,409,028,351	8=(2+3+4+5+6+ 7) 12,950,321,979
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 year		-	-	-	-	-	-	-
Appropriation made during the year		-	-	838,438,842	-	-	(838,438,842)	2,292,186,993
Dividend:								
Cash dividend		-	-	-	-	-	(1,054,712,346)	(1,054,712,346)
Bonus Shares		351,570,780	-	-	-	-	(351,570,780)	-
Transferred to retained earnings		-	-	-	-	(25,480,685)	25,480,685	-
Total shareholders' equity as on 31 December 2016		7,382,986,420	-	4,318,771,137	-	1,004,065,009	1,481,974,061	14,187,796,627
Eligible Capital Under Basel III:		7,382,986,420		4,318,771,137		316,703,918	1,481,974,061	13,500,435,536
Add: General provision for unclassified investment								2,694,608,903
Add: SIBL Mudaraba Subordinated Bond								3,000,000,000
Total eligible capital as on 31 December 2016								19,195,044,439

Annexed notes (1 to 49) form an integral part of these financial statements


Chairman


Director


Director



Managing Director & CEO (CC)

Dhaka, Bangladesh
Date: 26 February, 2017



Social Islami Bank Limited
Liquidity Statement
Assets And Liabilities Analysis
 As at 31 December 2016

Particulars	(amount in Taka)						
	Upto 01 Month 2	01-03 Months 3	03-12 Months 4	01-05 Years 5	More than 05 years 6	Total Current Year 7(2+3+4+5+6)	Total Previous Year 8
Assets							
Cash in hand	7,611,157,422	-	-	-	10,335,676,620	17,946,834,042	14,681,252,114
Balance with other Banks and Financial Institutions	540,413,787	559,325,810	-	-	-	1,099,739,598	3,778,921,557
Placement with Banks & other Financial Institutions	100,000,000	4,100,000,000	2,996,666,624	-	-	7,196,666,624	6,586,715,074
Investment (in Shares & Securities)	3,446,935,757	2,750,000,000	3,650,000,000	893,646,162	1,569,998,400	12,310,580,319	9,222,393,636
Investments	26,319,589,650	24,539,160,066	89,911,437,658	31,024,290,000	2,401,656,000	174,196,133,375	134,116,849,902
Fixed Assets including premises, furniture & fixtures etc.	-	-	-	1,628,760,501	1,628,760,501	3,257,521,001	3,072,036,083
Other Assets	-	-	-	5,848,351,806	5,848,351,806	11,696,703,613	8,653,940,498
Non-Banking Assets	-	-	-	-	-	-	-
Total Assets	38,018,096,616	31,948,485,877	96,558,104,282	39,395,048,469	21,784,443,327	227,704,178,572	180,112,108,864
Liabilities							
Placement from Banks & other financial institutions	3,000,000,000	-	-	-	-	3,000,000,000	1,000,000,000
Deposits and other accounts	33,870,141,008	30,724,996,409	93,507,580,404	24,443,541,795	8,018,255,717	190,564,515,334	149,773,617,226
Provision and other liabilities	-	-	-	12,231,427,093	7,699,654,732	19,931,081,824	16,379,727,522
Deferred tax liability	-	-	-	20,784,787	-	20,784,787	8,442,137
Total Liabilities	36,870,141,008	30,724,996,409	93,507,580,404	36,695,753,674	15,717,910,449	213,516,381,945	167,161,786,885
Net Liquidity Gap	1,147,955,608	1,223,489,468	3,050,523,878	2,699,294,795	6,066,532,878	14,187,796,627	12,950,321,979

Chairman

Director

Director

Managing Director & CEO (CC)

Social Islami Bank Limited

Notes To The Financial Statements

As at and For the year ended 31 December 2016

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 twenty five (125) branches operating as per Islamic Shariah prevailing in the country.

The Registered Office of the bank is located at its own premises at 'City Center', 90/1 Motijheel Commercial Area, Dhaka-1000.

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	1,480,000,000		

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.

1.6 Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting standards (BFRS):

In compliance with	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events After the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Consolidated and Separate Financial Statements	27	Applied
Investments in Associates	28	N/A
Interests In Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied to the context of compliance with BRPD circular no. 15, Dated: 09.11.2009, DOS circular no. 5, Dated: 28.01.2009.
Earnings Per Share	33	Applied
Interim Financial Reporting*	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied to the context of compliance with BRPD circular no. 5, Dated: 05.06.2006 and BRPD circular no. 14, Dated: 14.09.2012.
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied to the context of compliance with BRPD circular no. 15, Dated: 09.11.2009, DOS circular no. 5, Dated: 26.05.2008 and DOS circular no. 5, Dated: 28.01.2009.
Investment Property	40	N/A
Agriculture	41	N/A

In compliance with	BFRS No.	Status
First-time Adoption of International Financial Reporting Standards	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	Applied
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Assets	6	N/A
Financial Instruments: Disclosures	7	Applied to the extent of compliance with core risk management guideline of Bangladesh Bank.
Operating Segments	8	N/A
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	Applied
Fair Value Measurement	13	Applied

(*) Complied While the quarterly and half-yearly interim financial reports were prepared during the year as per regulations of Bangladesh Securities and Exchange Commission (BSEC)



2 Basis of Presentation of Financial Statements and Significant Accounting Policies

2.1 Basis of Preparation of the Financial Statements

Going Concern Estimation

The Financial Statements, namely, Balance Sheet, Profit and Loss Account, Cash Flow Statements, Statement of Changes in Equity, Statement of Liquidity Analysis and relevant notes to the financial statements and disclosures thereto, of the Bank are prepared under historical cost convention on a going concern basis. Management of the bank has made an estimation that there are no possibility to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

2.1.1 Statement of Compliance

The financial statements of the bank have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), and the requirements of Bank Companies Act 1991 (as amended in 2013), BRPD circular no: 15 dated 09.11.2009 along with other rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirement of the Bank Companies Act 1991 (as amended in 2013), and provisions and circulars issued by Bangladesh Bank shall prevail. Material and partial departures from the requirements of BFRS as well as the compliance with the Bangladesh Bank circulars are as follows:

i) Investment in Shares and Securities

The Bank investment in different securities has been valued on 31.12.2016 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 accredited.

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.

Derivatives

Typical examples of derivatives are futures and forward, swap and option contracts. As a shariah based Islami bank, SIBL can not take part in issuing or purchasing any derivatives.

ii) 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.

iii) Investments and Provisions

As per BAS-39 impairment assessment should be done by considering whether any objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

However, Provision for classified and unclassified investment is made on the basis of year end review by the management and of instructions contained in Bangladesh Bank BCD Circular No.34 dated 16 November 1989, BCD Circular No.20 (27 December 1994), BCD Circular No. 12 (04 September 1995), BRPD Circular No. 16 (06 December 1998), BRPD Circular No. 9 (14 May 2001), BRPD Circular Letter No. 10 (20 August 2005), BRPD Circular Letter No. 10 (18 September 2007), BRPD Circular No. 5 (29 April 2008), BRPD circular Letter no: 32 (10 October 2010), BRPD Circular no: 14 (23 September 2012), BRPD circular no:19 (27 December 2012), and BRPD circular no: 05 (29 May 2013) at the following rates:

Particulars	Rate
General Provision on Contingent Liability/ Non Funded Business	1%
General Provision on Unclassified Investment	1%
General Provision on Investment for Small and Medium Enterprise	0.25%
General Provision on Investment for Professionals	2%
General Provision on Investment for House Financing	2%
General Provision on Investment for Consumer Financing	5%
General Provision on Investment for Short term Agri/ Micro credit	5%
General Provision on Special Mention Account	5%
Specific Provision on Substandard Investment	20%
Specific Provision on Doubtful Investment	50%
Specific Provision on Bad / Loss Investment	100%

As per BRPD Circular no: 14 (23 September 2012), BRPD circular no: 19 (27 December 2012), and BRPD circular no: 05 (29 May 2013) a general provision at 0.25% to 5% under different categories of unclassified investments (good/standard investments) has to be maintained regardless of objective evidence of impairment.

As per same circulars mentioned above SIBL has to maintain provision @ 20%, 50% and 100% for investments classified as sub-standard, doubtful and bad & loss category respectively depending on the duration of overdue.

As per BRPD circular no. 10 (18 September 2007) and BRPD Circular no: 14 (23 September 2012), a general provision at 1% is required to be provided for all off-balance sheet risk exposures.

However, such general provision on general investment & off-balance sheet exposures and specific provisions on classified investments cannot satisfy the conditions of provision as per Bangladesh Accounting Standard (BAS)-39.

iv) Recognition of profit in 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.

v) Other comprehensive income

As per BAS-1 (Presentation of Financial Statements), other comprehensive income (OCI) or components of OCI, as a part of financial statements are to be included in a single Other Comprehensive Income Statement.

However, as per BRPD circular no. 15 (09 November 2009), there are no statement of OCI and we follow the template for reporting as per the circular. If there is any component of OCI, it is shown in Statement of Changes in Equity.

vi) 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.

vii) Financial guarantees

Financial guarantees such as letter of credit, letter of guarantee etc. are treated as off-balance sheet items as per relevant Bangladesh Bank Circular, BRPD 15 (09 November 2009) whereas as per BAS 39, these should be treated as 'Other Liability'. No liability is recognised for the guarantee except the cash margin.

SIBL accounts for the financial guarantees as per BRPD 15 (09 November 2009) and liability for financial guarantees are not recognised initially at their fair value and the fair value amortisation of the same liability is not done either as per BAS 39. So that the financial guarantees are not also carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable.



viii) 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 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.

ix) Non-banking asset

In accordance with BRPD 15, non-banking asset should be presented in the face of Balance sheet if there is any. But, no BFRS indicates for accounting of non-banking assets. However, there is no non-banking assets of SIBL.

x) 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.

xi) Balance with Bangladesh Bank (Cash Reserve Requirement, CRR)

BAS 7 requires balance with Bangladesh Bank to be treated as other assets. However, as per BRPD circular 15, SIBL treats balance with Bangladesh Bank as cash and cash equivalent though the amount is restricted for CRR purpose and can not be used in our day to day operation requirement.

xii) Presentation of intangible asset

As per BAS 38, intangible assets are accounted for and amortized. Related necessary disclosures for the intangible asset; i.e computer software is given in note 8.1.

There is no restriction or recommendation for accounting for the intangible assets as per any Bangladesh Bank circular.

xiii) 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.

xiv) 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.

2.2 Consolidation Procedures (BAS-27)

The consolidated financial statements include the financial statements of Social Islami Bank Limited and its two (2) 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 December 2016.

2.3 Subsidiary

Subsidiary is that enterprise which is controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise from the date that control commences until the date that control ceases. The financial statements of subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that the control effectively ceases. Subsidiary company is consolidated using the purchase method of accounting.

2.4 Functional and Presentation Currency

These financial statements are presented in Bangladesh Taka (Tk) which is the Bank's functional currency. Except as indicated, figures have been rounded off to the nearest Taka.

2.5 Accounting policies, changes in Accounting estimates and errors: (BAS-8)

The preparation of the consolidated financial statements in conformity with BFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.6 Foreign Currency Transactions /Translation

Foreign currency transactions are converted into equivalent Taka currency using the ruling exchange rates on the dates of such transaction(s).

Assets and liabilities in foreign currencies as on 31 December 2016 have been converted into Taka currency at the weighted average of the prevailing buying and selling rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US dollar are translated into equivalent US dollar at buying rates of New York closing of the previous day. Differences arising through buying and selling transactions of foreign currencies on different dates during the period from January to December 2016 have been adjusted by debiting or crediting to the Profit and Loss Account.

2.7 Reporting Period

These financial statements cover twelve months from 01 January to 31 December 2016.

2.8 Statement of Changes in Equity

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

2.9 Liquidity Statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term which has been given in the statement.

2.10 Fixed Assets, Depreciation and Revaluation (BAS-16)

Assets have been shown at cost less depreciation as per paragraph 43 of Bangladesh Accounting Standard (BAS)-16 "Property, Plant & Equipments". Depreciation has been charged on reducing balance method except motor vehicle; which has been charged on straight-line method. Depreciation on addition of assets has been charged from the date of purchase. Rate of depreciation are as under:



Particulars	Rate (%)	Estimated life(Years)
Building	2.5	40
Furniture & Fixtures	10	10
Office Equipment	20	5
Software	10	10
Vehicles	20	5
Books	10	10

Revaluation

Land and building are revalued as per Bangladesh Accounting Standard (BAS)-16, 'Property, Plant and Equipment' as well as Bangladesh Bank BCD circular letter no. 12 & 18, dated: 20 April 1993 & 15 June 1993, respectively and BRPD circular no. 10 and 09, Dated: 25 November 2002 and 31 December 2008.

The Bank revalued its fixed assets on 20.03.2011 by two separate valuers, namely- 'Commodity Inspection Services (BD) Ltd.' and 'Royal Inspection International Ltd.' But the effects on assets have been accounted for as on 30.03.2011.

Reserve is created by the sum of revaluation surplus and depreciation is charged on the revalued assets except land as per the respective rate of depreciation.

Leases (BAS-17)

No assets of Social Islami Bank Ltd. Has been identified/classified as Operating or Finance lease as per BAS-17.

2.11 Impairment of Assets (BAS-36)

The policy for all assets or cash-generating units for the purpose of assessing such assets for impairment is as follows:

The Bank assesses at the end of each reporting period or more frequently if events or changes in circumstances indicate that the carrying value of an asset may be impaired, whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the bank makes an estimate of the assets recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount by debiting to profit & loss account. Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired.

2.12 Capital/Shareholders' Equity

Authorised capital

Authorised capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association.

Paid up Capital

Paid up capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. Details are shown in Note-15.2.

Statutory Reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Companies Act, 1991 (as amended upto June 2016) until such reserve equal to its paid up capital together with the share premium.

2.13 Revenue Recognition (BAS-18)

(i) Investment income & Revenue Recognition

Profit on investments and deposits are recognized against the investment of fund under Mudaraba, Musharaka, Murabaha, Bai-Muazzal and Hire Purchase etc. in line with related approved policy of the Board. Profit on investment ceases to be taken into income when such investment accounts are classified. It is then kept in compensation/rent suspense account and the same is accounted for on cash basis as and when recovered or de-classified as per related BRPD circular.

Fees and commission income are recognized when it is earned.

Income from investment in shares and securities is recognized on actual basis except Bangladesh Govt. Mudaraba Bond income which is recognized on accrual basis.

Sharing of Investment Income

In case of Investment, Mudaraba fund gets preference over cost free fund. The investment income earned through deployment of Mudaraba Fund is shared by Bank and the Mudaraba Depositors at the predetermined ratio fixed by the Bank.

(ii) Profit Paid on Deposits and Other Expenses

Profit paid on deposits and other expenses are recognized on accrual basis.

As per Mudaraba principle of Islamic Shari'ah, the Mudaraba Depositors are entitled to get minimum 75% of the investment income earned through deployment of Mudaraba Fund as per weightage assigned to each type of Mudaraba Deposit. Moreover, in some Mudaraba deposits, additional rate was allowed over the rate as per weightage. Mudaraba Depositors do not share any income derived from various banking services where the use of fund is not involved and any income derived from Investing Bank's Equity and other Cost Free Fund. Al-Wadeeah Depositors do not share any income of the Bank.

Profit is paid/provided to Mudaraba Deposit accounts at provisional rate on half yearly/anniversary basis considering overall growth, performance, and profitability of the Bank during the year. Final rates of profit of any accounting year are declared after finalization of Shari'ah Inspection Report and certifying the Investment Income of the Bank by the Statutory Auditors.

2.14 Provision for Taxation (BAS-12)

(a) Current Tax

Provision for income tax has been calculated as per Income Tax Ordinance, 1984 as amended by the Finance Act 2016 considering all applicable allowances and disallowances.

(b) Deferred Tax

The Bank has accounted for deferred tax as per **Bangladesh Accounting Standard (BAS)-12, "Income Taxes"**.

2.15 Zakat Fund

The Bank has created a Zakat Fund @ 2.58% for the period ended 31 December 2016 on reserve retained through out the year. Hizri Calendar has been considered to calculate 2.5% of Zakat Fund. Since Hizri Calendar counts 11 days less than the English Calendar, the percentage 2.5% represents equivalent to 2.58% of English Calendar. It is to be noted here that shareholders should pay their individual Zakat based on face value (Taka- 10.00 per share) of their individual shareholding along with their other zakatable assets.

2.16 Retirement Benefits (BAS-19)

Defined contribution plans:

(a) Provident Fund

The Bank operates a contributory provident fund duly approved by the Income Tax Authority. Both the employer and all eligible employees contribute @ 10% of basic salary to this fund. Trustee board administers this fund.

b) Superannuation fund

The fund under the caption "Social Islami Bank Limited (SIBL) Employees' Superannuation Fund" came into force from 01 July 1999. It was established to benefit the employees in several ways which includes death benefit, scholarship etc. All employees contribute @1% of basic salary every month along with the same amount contribution by the bank.

Defined benefit plans:

(a) Gratuity

As per service rules of the Bank, employee who has completed five years regular service, are eligible for yearly gratuity @ 1



(one) month basic salary for every full year of regular service and employee who has completed seven years regular service are eligible for yearly gratuity @ 2 months basic salary for full year regular service. The Bank has complied with Bangladesh Accounting Standard (BAS) -19, "Employee Benefits" and necessary provision i.e @ 11.20% of basic salary of the regular employees have been made as per actuary valuation of Z. Halim & Associates, Actuarial & Pension Consultants for the period ended 31 December 2016.

2.17 Reconciliation of Inter Bank / Branch Transactions

Books of accounts with regard to inter bank/branch transactions (In Bangladesh and outside Bangladesh) are reconciled and there are no material differences that may affect the financial statements significantly.

2.18 Risk Management

Today's most risky nature of Banking business has caused the Central Banks of every country much concerned about the risk factors affecting the financial position of the banks. In this connection every Central Banks have come forwarded to establish a general framework to defeat the risk factors considering the laws of the land. Bangladesh Bank has also undertaken an overall core-risk management project under which every bank shall be bounded to the authoritative covenants to install risk management system. Social Islami Bank Ltd. has established approved policies covering major areas such as (a) Investment Risk Management, (b) Foreign Exchange Risk Management, (c) Asset Liability Management Risk (d) Money Laundering Risk (e) Internal Control & Compliance Risk and (f) Information & Communication Technology Security Risk (g) Internal Audit (h) Fraud and Forgeries to the DOS circular no: 02 (15 February 2012) regarding 'Risk Management Guidelines' for Banks, Bank Companies Act 1991 (as amended upto 2013) and other guidelines. of Bangladesh Bank.

In addition, the bank is also following relevant Bangladesh Bank guidelines on risk based capital adequacy, stress testing and managing the banking risks in other core risk areas.

The bank has established an independent Risk Management Unit (RMU) as per DOS circular no:02 (15 February 2012). The RMU conducts stress testing as per DOS circular no: 01 (23 February 2011), for examining the Bank's capacity of handling futur shocks, as well as deals with all potential risks that might occur in future.

The prime objective of the risk management is that the bank takes well calculative business risks while safeguarding the bank's capital, its financial resources and profitability from various risks. In this context, the bank took steps to implement the guidelines of Bangladesh Bank as under:

(a) Investment Risk Management

Investment risk is one of the major risks faced by the bank. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the bank. The failure may results from unwillingness of the counter party or decline of financial condition. Therefore, the Bank's investment risk management activities have been designed to address all these issues.

The Bank has segregated duties of the Officers / Executives involved in investment related activities. A separate Corporate Division has been formed at Head Office, which is entrusted with the duties of maintaining effective relationship with the customer, marketing of credit products, exploring new business opportunities etc. Moreover, investment approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed within the Credit Division. These are (a) Investment Risk Management Unit, (b) Investment Administration Unit and (c) Investment Monitoring & Recovery Unit. Investment Risk Management Unit is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy / strategy for lending operation etc.

A thorough assessment is done before sanctioning of investment facility at Investment Risk Management Unit. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facility etc. The assessment process starts at Corporate Division by the Relationship Manager/ Officer and ends at Investment Risk Management Unit when individual executives. Proposal beyond their delegation are approved / declined by the Executive Committee and / or the Management.

In determining single borrower / large investment limit, the Bangladesh Bank instructions are strictly followed. Internal audit is conducted on periodical interval to ensure compliance of Bank's and regulatory policies. Investments are classified as per Bangladesh Bank's guidelines.

(b) Foreign Exchange Risk Management

Foreign Exchange risk is defined as the potential change in earnings arising due to change in market prices. The foreign exchange risk of the bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance of single borrower limit shown in note.

International Department independently conducts the transactions relating to foreign exchange and is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-market rate as determined by Bangladesh Bank at the month end. All NOSTRO Accounts are reconciled on monthly basis and the management for its settlement reviews outstanding entry beyond 30 days.

(c) Asset Liability Management Risk

Asset Liability Management (ALM) has been defined as a planned, structured and systematic process of managing the asset and liability with a view to lead the Bank to a balanced and sustainable growth through minimizing various business risk factors - market risk and liquidity risk. According to the Bangladesh Bank guidelines and considering the most practical aspects of the Bank, an approved policy manual on ALM has been prepared so that it could be followed consistently every sphere of the management. To support the ALM process, the Bank has established a committee called "Asset Liability Committee (ALCO)" headed by the Managing Director and holds meeting at least one in every month. ALM Desk, an exclusive functional and operational desk for the asset liability management, is embodied herewith the ALCO to function under the direct control of Financial Administration Division (FAD).

ALCO reviews the liquidity requirement of the Bank, the maturity of assets and liabilities, deposit and lending, pricing strategy and the liquidity contingency plan at the threshold of stress liquidity situation. Besides that monitoring and analyzing of significant volatility in net investment income, investment value and exchange earnings etc. are the common and regular job of the ALM desk.

(d) Money Laundering Risk

Social Islami Bank Limited (SIBL) has framed an approved Money Laundering Prevention Policy Guideline so that it could be sufficient enough to protect the bank from tribulations of money laundering.

As per Money Laundering Prevention Act, 2002 and Money Laundering Prevention circular, a Central Compliance Unit (CCU) has been formed at Head Office in SIBL and a designated person has been nominated to supply any information if required and report any abnormal and suspicious transactions to Bangladesh Bank through CCU. Chief Anti Money Laundering Compliance Officer (CAMALCO) has been designated at head office and Branch Anti Money Laundering Compliance Officers (BAMALCO) has been nominated at branches. The second man of the sixty-four branches of SIBL has been complying the responsibility for their respective branches as Branch Anti Money Laundering Compliance Officers (BAMALCO) as per the direction of Bangladesh Bank.

Know Your Customer (KYC) profile, Risk Rating and Assessment (RRA) profile and Transaction Profile (TP) have been introduced as per the direction of Bangladesh Bank. These profiles facilitate and ease the KYC procedures, risk categorization, transaction monitoring process, suspicious activity reporting process, self-assessment process, independent procedures testing system etc. Proper record keeping procedure has been established also.

The action plan regarding the KYC procedures of those accounts, which opened before 30-04-2002 already has been sent to the Bangladesh Bank. The branches, which are liable to act in accordance with this action plan, has been complying it properly and vigorously.

Various types of statements such as Quarterly STR, Quarterly KYC statement for legacy accounts, Bi-monthly statements etc has been sent to the Bangladesh Bank properly. " FIU Reporting System " Version-1.0.3 Software has been installed all of the branches as per the direction of central bank. As a result, the soft copy of Cash Transaction Report (CTR) and Suspicious Transaction Report (STR) has been sent to Bangladesh Bank properly in due time.

The training procedure has been conforming as per the action plan, which was given to Bangladesh Bank. It provides significant role to develop and to aware the staffs of SIBL about Anti Money Laundering. The management of the Bank is committed to train all of its workforces regarding anti money laundering.



(e) **Internal Control and Compliance Risk**

Internal controls ensure systematic and orderly flow of various operational activities within the organization. Now a day in the biggest and complex business environment, compliance becomes one of the major concern to the corporate being major risk involved in non-compliance of statutory requirements and operational procedures. To protect and safeguard the Bank from any means of fraud and error as well as loss - Social Islami Bank has introduced the "Internal control and Compliance guideline and also established a separate department called "Internal Control and Compliance Department (ICCD)" at Head Office staffed with some experienced senior Banker rest with the power and duties to train the employees of the bank, give direction, monitor, audit and establish control on day to day operational procedures and statutory and non-statutory compliances.

ICCD collects different periodical reports, departmental control function check list etc. for documentation and also undertakes periodical and special audit of the branches and departments at Head Office for review of the operation and compliance of statutory requirements and the Board Audit Committee reviews the reports.

(f) **Information and Communication Technology Security Risk**

According to the latest requirement of the Bangladesh Bank on Core Risk Management, ICT policy guideline has been newly introduced at Social Islami Bank. The prime objective of such guideline is to protect data properties of the Banks from any means of loss, unauthorized use, forgery and destruction as well as documentation of all ICT related tasks to reduce man dependency and increase process dependency. According to this guideline, ICT department responses, monitors, trains and co-ordinates the total IT matter with other departments and branches so that man and machine could effectively co-opt on timely fashion. The ICT department ensures necessary guidelines / instructions to the Departments / Branches and monitors status of implementation strictly.

(g) **Internal Audit**

The bank initiates internal audit of the branches and head office divisions on a periodical basis, concurrent basis and surprise inspection is also done to check the compliance status of the cost centers of the bank. The internal audit is supervised under ICCD and a separate division named 'Board Audit Cell (BAC)' also conducts internal audit under supervision and direct authority of Board Audit Committee. This BAC directly reports to the Chairman of Board Audit Committee. This way a strong internal audit of the cost centers as well as of Head Office Divisions are conducted to ensure all related compliance.

(h) **Fraud and Forgeries**

Fraud and Forgeries are a critical dimension, the banking industry is facing now a days. In order to safeguard the bank from all probable fraud and forgeries that may occur in any respect, the bank has taken all possible safety security measures that are undertaken under direct supervision of ICCD. Concurrent audit, internal audit, Board audit etc. are done periodically along with surprise audit from time to time. Moreover, there are a lot of safety measures initiated at the branch level also. The core banking solution Ababil is designed to prevent IT related fraud and forgeries.

2.19 Earnings 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.

		2016	2015
		Taka	Taka
3 Cash			
<i>In hand:</i>			
In local currency		1,550,016,878	1,098,051,421
In foreign currencies		7,487,038	6,613,015
ATM balance		258,009,185	40,694,000
		1,815,513,100	1,145,358,436
In Foreign Currencies			
	Foreign Currency	Amount in FC	Exchange Rate
	USD	78,954	78.70
	EURO	15,000	82.17
	S. Rial	1,940	20.99
		6,213,841	6,571,888
		1,232,476	-
		40,720	41,128
		7,487,038	6,613,015
3(a) Consolidated balance of cash in hand			
Social Islami Bank Limited		1,815,513,100	1,145,358,436
Cash in hand of Subsidiary companies		825,079	612,019
SIBL Securities Limited		819,878	606,818
SIBL Investment Limited		5,201	5,201
		1,816,338,179	1,145,970,455
3.1 Balance with Bangladesh Bank and its agent bank (Sonali Bank)			
Balance with Bangladesh Bank (Note-3.1.1)		15,976,826,908	13,384,301,943
Balance with Sonali Bank (as agent of BB) (Note-3.1.2)		154,494,034	151,591,735
		16,131,320,942	13,535,893,678
3.1.1 Balance with Bangladesh Bank (Including foreign currencies)			
In local currency		15,173,299,981	13,091,917,706
In foreign currencies		803,526,927	292,384,237
		15,976,826,908	13,384,301,943
3.1.2 Balance with Sonali Bank (as agent of Bangladesh Bank)			
In local currency		154,494,034	151,591,735

3.2 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the clause (1) of Article 36 of Bangladesh Bank Order, 1972 (as amended upto 2003) and clause (1) of Section 33 of the Bank Companies Act, 1991 (as amended upto 2013) respectively and subsequent DOS circular no: 05/2008, DOS circular letter no.05/2009, DOS circular letter no.21/2009, DOS circular letter no.01/2014 and MPD Circular no. 01, dated 23/06/2014.

According to latest DOS circular no.01/2014, dated:19/01/2014, i.e from 01 February 2014, the statutory cash reserve requirement (CRR) on bank's time and demand liabilities @6.00% on daily basis and @6.50% on Bi-weekly basis has been calculated and maintained with Bangladesh Bank (BB) in current account and @5.5% statutory liquidity ratio (SLR) on the same liabilities has also been maintained in the form of BD Govt. Islamic Bond including FC (Foreign Currency) balances with Bangladesh Bank used in BDT, Cash in vault and transit, balance with Sonali Bank as agent of BB, balance with Islamic Refinance Fund A/C and daily excess reserve of CRR maintained on a Bi-weekly average requirement. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:



	2016	2015
	Taka	Taka
3.3 Cash Reserve Requirement (CRR): 6.00% of average Demand and Time Liabilities		
Required Reserve	10,335,676,620	7,721,626,030
Actual Reserve held (in local currency)	15,173,299,981	13,091,917,706
Surplus	4,837,623,361	5,370,291,676
3.4 Statutory Liquidity Ratio (SLR):		
Required Reserve	9,474,370,240	7,078,157,200
Actual Reserve held (Note- 3.5)	15,957,630,495	12,707,241,847
Surplus	6,483,260,255	5,629,084,647
3.5 Held for Statutory Liquidity Ratio		
Cash in hand (Note- 3)	1,815,513,100	1,145,358,436
Balance with Bangladesh Bank and its agent banks (Note-3.1)	-	-
Balance with Sonali Bank as agent of BB (Note-3.1)	154,494,034	151,591,735
Excess reserve of CRR (Note-3.3)	4,837,623,361	5,370,291,676
Balance with Islamic Refinance Fund (Note-6)	250,000,000	250,000,000
Bangladesh Govt. Islamic Bond (Note- 6.4)	8,900,000,000	5,790,000,000
	15,957,630,495	12,707,241,847
4 Balance with Other Banks and Financial Institutions (Other than Mudaraba Term Deposit)		
In Bangladesh (Note - 4.1)	675,742,843	3,423,599,612
Outside Bangladesh (Note- 4.2)	423,996,755	355,321,944
	1,099,739,598	3,778,921,556
4(a) Consolidated balance of other Banks and Financial Institutions		
In Bangladesh		
Social Islami Bank Limited	675,742,843	3,423,599,612
Add: Account Balance of subsidiaries of SIBL with SIBL Principal Branch	271,182,028	261,736,335
SIBL Securities Limited (Current account and MTDR)	21,280,791	11,818,947
SIBL Investment Limited	249,901,237	249,917,387
	946,924,871	3,685,335,947
Less: Inter company balance eliminated	271,182,028	261,736,335
SIBL Securities Limited (Current account and MTDR)	21,280,791	11,818,947
SIBL Investment Limited	249,901,237	249,917,387
Add: Account Balance of subsidiaries of SIBL with other banks and financial institutions	166,902,490	81,139,884
SIBL Securities Limited	166,902,490	81,139,884
SIBL Investment Limited	-	-
Consolidated balance with Banks and Financial Institutions	842,645,333	3,504,739,496

The balances are held with the 'Principal Branch' of SIBL bearing current account no: 0002-13300056882 and 0002-13300057058 respectively.

	2016	2015
	Taka	Taka
4.1 Inside Bangladesh		
Current Account		
Islami Bank Bangladesh Limited	20,268	1,508,324
Sonali Bank Limited	69,781,883	52,305,461
Agrani Bank Limited	9,000,000	9,004,425
Pubali Bank Limited	7,279	3,611
Brac Bank Limited (Remittance settlement Account)	8,169,402	5,716,690
Trust Bank Limited (ATM settlement Account)	17,706,988	8,519,805
Standard Chartered Bank (ATM settlement Account)	11,731,212	4,390,142
	116,417,033	81,448,457
4.2 Mudaraba Short Notice Deposits		
Al- Arafah Islami Bank Limited	380,428,382	593,417
ICB Islami Bank Limited	10,682	10,912
Shahjalal Islami Bank Limited	16,235,329	3,786,779
Prime Bank Limited (Islami Banking Branch)	6,747	6,659
Bank Asia Limited (Islami Banking Branch)	539,628	528,779
Islami Bank Bangladesh Limited	27,805,015	85,577,342
Jamuna Bank Limited (Islami Banking Branch)	4,400,661	5,390,362
Pubali Bank Limited (Islami Banking Branch)	46,958,256	96,547,609
Exim Bank Ltd.	62,051,176	270,626,625
Janata Bank Limited	16,040,619	5,071,320
Southeast Bank Ltd.	3,165,642	-
AB Bank Ltd.	1,671,595	-
The City Bank Ltd.	12,078	-
	559,325,810	468,139,805
4.3 Mudaraba Saving Deposit		
Al- Arafah Islami Bank Limited	-	1,907,078,154
ICB Islami Bank Limited	-	80,039
Dhaka Bank Limited (Islami Banking Branch)	-	713,978,656
AB Bank Limited (Islami Banking Branch)	-	614,553
Exim Bank Limited	-	3,072,321
Prime Bank Limited (Islami Banking Branch)	-	10,054
Shahjalal Islami Bank Limited	-	10,402,507
The City Bank Limited (Islami Banking Branch)	-	5,494
Southeast Bank Limited (Islami Banking Branch)	-	238,752,198
First Security Islami Bank Limited	-	17,375
	-	2,874,011,350
Total	675,742,843	3,423,599,612



2016

4.4 Outside Bangladesh (NOSTRO Account)

	Current Account with	Currency	F.C. Amount	Rate	Taka
1	SCB, MUMBAI	ACUD	(37,090.71)	78.70	(2,919,120)
2	SUMMIT BANK, KARACHI	ACUD	618.86	78.70	48,706
3	SONALI BANK, KOLKATA	ACUD	3,843.26	78.70	302,473
4	MASHREQ BANK, MUMBAI	ACUD	23,942.42	78.70	1,884,321
5	NEPAL BANGLADESH BANK	ACUD	826.36	78.70	65,036
6	BANK OF BHUTAN, PHUENTSHOLING	ACUD	1,366.83	78.70	107,573
7	UNITED BANK OF INDIA	ACUD	35,028.00	78.70	2,756,781
8	AB BANK, MUMBAI	ACUD	97,859.36	78.70	7,701,747
9	HABIB BANK LIMITED, KARACHI	ACUD	76,556.26	78.70	6,025,146
10	MASHREQ BANK , NEW YORK, (OBU)	USD	3,386,214.78	78.70	266,502,553
11	MASHREQ BANK PSC, NEW YORK, USA	USD	1,422,635.29	78.70	111,964,527
12	SONALI BANK (UK) LTD. UK	USD	781.03	78.70	61,469
13	KOREA EXCH. BANK, KOREA	USD	920.62	78.70	72,455
14	MASHREQ BANK , NEW YORK, (ACTUAL)	USD	331,813.41	78.70	26,114,445
15	COMMERZ BANK AG, FRANKFURT	EURO	5,128.80	82.17	421,408
16	MASHREQ BANK, PSC MUMBAI	ACU EURO	427.92	82.17	35,160
17	SCB, FRANKFURT	EURO	2,625.55	82.17	215,729
18	SONALI BANK (UK) LTD. UK	EURO	271.07	82.17	22,272
19	SCB, LONDON, UK	GBP	7,174.01	96.36	691,309
20	UNITED NATIONAL BANK, LONDON, UK	GBP	4,230.62	96.36	407,675
21	SONALI BANK (UK) LTD. UK	GBP	122.14	96.36	11,770
22	SCB, TOKYO	JPY	687,565.00	0.67	463,692
23	SAUDI HOLLANDI BANK RIYADH SA	RIYAL	49,530.00	20.99	1,039,629
Total					423,996,755

Currency wise Distribution:**Foreign Currency**

	2016 Composition	2015 Composition	2016 Taka	2015 Taka
USD/ACU	99.22%	99.53%	420,688,111	353,643,056
GBP	0.26%	0.12%	1,110,754	426,871
EUR	0.16%	0.22%	694,570	797,176
YEN	0.11%	0.07%	463,692	246,109
RIYAL	0.25%	0.06%	1,039,629	208,732
	100%	100%	423,996,755	355,321,944

Please see 'Annexure-C' for details comparative statement of 31.12.2016 & 2015 of foreign currency amount and rate.

	2016	2015
	Taka	Taka
4.5 Maturity-wise groupings of balance with other Banks and Financial Institutions (Both in Bangladesh and outside Bangladesh)		
On Demand	540,413,787	1,192,311,342
Not more than 3 months	559,325,810	1,293,305,107
Over 3 months but not more than 1 year		1,293,305,107
Over 1 year but not more than 5 years	-	-
More than 5 years	-	-
	1,099,739,598	3,778,921,557
5 Placement with Banks & other Financial Institutions		
Placement with Banks (Note-5.1)	196,666,624	216,715,074
Placement with other Financial Institutions (Note-5.2)	7,000,000,000	6,370,000,000
	7,196,666,624	6,586,715,074
5.1 Mudaraba Term Deposits with Banks		
ICB Islamic Bank Limited	196,666,624	216,715,074
	196,666,624	216,715,074
5.2 Mudaraba Term Deposits with Other Financial Institutions		
IIDFC	900,000,000	820,000,000
Bangladesh Finance & Investment Limited	200,000,000	-
IPDC	400,000,000	-
MIDAS Financing Limited	400,000,000	-
Prime Finance & Investment Limited	300,000,000	900,000,000
IDLC Finance Limited	900,000,000	1,200,000,000
Union Capital Limited	1,100,000,000	600,000,000
Lanka Bangla Finance Limited	950,000,000	650,000,000
Fareast Finance and Investment Limited	150,000,000	150,000,000
Haji Finance Company Limited	400,000,000	200,000,000
Fas Finance and Investment Limited	800,000,000	300,000,000
First Finance Limited	100,000,000	500,000,000
Premier Leasing & Finance Limited	100,000,000	300,000,000
United Finance Limited	-	750,000,000
GSP Finance Company Ltd.	200,000,000	-
Meridian Finance & Investment Ltd.	100,000,000	-
	7,000,000,000	6,370,000,000
5.3 Maturity-wise groupings of placement with Banks and other Financial Institutions		
On Demand	100,000,000	1,200,000,000
Not more than 3 months	4,100,000,000	3,650,000,000
More than 3 months but less than 1 year	2,800,000,000	1,520,000,000
More than 1 year but less than 5 years	196,666,624	216,715,074
More than 5 years	-	-
	7,196,666,624	6,586,715,074



	2016	2015
	Taka	Taka
6 Investment in Shares & Securities		
Government		
Government Bond (Islamic Investment Bond) (Note 6.1)	8,900,000,000	5,790,000,000
BD Government Islamic Refinance Fund	250,000,000	250,000,000
	9,150,000,000	6,040,000,000
Others		
Investment in Shares, Quoted (Note 6.2)	696,935,757	710,453,712
Investment in Shares, Unquoted (Note 6.3)	2,463,644,562	2,493,644,562
	3,160,580,319	3,204,098,274
Fair value adjustment through profit or loss (FVTPL) (note: 6.5)	-	(21,704,638)
Value of Investment in Shares and securities, Others	3,160,580,319	3,182,393,636
Grand Total	12,310,580,319	9,222,393,636
Maturity-wise Grouping of Investment in Securities:		
Upto one month	3,446,935,757	2,438,749,074
Not more than 3 months	2,750,000,000	2,140,000,000
Over 3 months but not more than 1 year	3,650,000,000	2,150,000,000
Over 1 year but not more than 5 years	893,646,162	893,646,162
More than 5 years	1,569,998,400	1,599,998,400
	12,310,580,319	9,222,393,636
6(a) Consolidated Investment in Shares and Securities		
Social Islami Bank Limited		
Government		
Investment in Government Islamic Bond	8,900,000,000	5,790,000,000
BD Government Islamic Refinance Fund	250,000,000	250,000,000
	9,150,000,000	6,040,000,000
Others sectors	3,160,580,319	3,182,393,636
Less: Intercompany balance eliminated		
Investments in Subsidiaries	1,479,998,400	1,479,998,400
Investment in SIBL Securities Limited	1,229,999,000	1,229,999,000
Investment in SIBL Investment Limited	249,999,400	249,999,400
Consolidated Investment in others sectors	1,680,581,919	1,702,395,236
Total consolidated balance of Investment in shares and securities	10,830,581,919	7,742,395,236

- 6.1 Bangladesh Bank introduced a new type of investment opportunity solely for the purpose of Shariah Banks in the year 2005 being inherent limitation on the part of Shariah Compliant Banks to take part in buying and selling of treasury bill etc as a very common form of treasury management. The fund has been operated under Mudaraba Principle and are being used as a part of SLR (Statutory Liquidity Requirement) vide Bangladesh Bank Circular Letter ref. no: AMA/AUSOBI/SANCHAY/S-03/2004/262 dated September 2, 2004.

The mobilized fund from Islamic Bond is invested by Bangladesh Bank and a portion of realized profit is distributed amongst the bond holders as per mudaraba principle of Islamic Shariah on the basis of the tenure of the bond. So, the rate of return from Islamic Bond is not prefixed rather dependent on fund deployment by Bangladesh Bank.

6.2 Investment (Cost) in Shares (Quoted)

	2016	2015
	Taka	Taka
ICB 1st Mutual Fund	4,438,695	4,285,291
ICB 3rd Mutual Fund	6,159,588	5,562,371
ICB 4th Mutual Fund	16,657,062	11,371,726
ICB 5th Mutual Fund	5,472,152	5,040,979
ICB 7th Mutual Fund	9,898,510	9,083,340
ICB 8th Mutual Fund	4,837,839	21,082,281
National Life Insurance 1st Mutual Fund	13,095,000	12,103,284
Popular 1st Mutual Fund	1,990,104	3,250,000
ICB Sonali Mutual Fund	2,350,484	1,379,200
NCC Bank Mutual Fund	3,278,868	-
ICB AMCL 2nd Mutual Fund	3,053,317	-
ICB 3rd NRB Mutual Fund	2,703,678	-
SEBL 1st Mutual Fund	9,189,509	7,823,059
IFIL Islamic Mutual Fund	3,150,000	3,460,093
AB 1st Mutual Fund	3,417,947	5,023,187
KPCL	-	5,157,418
Al-Arafah Islami Bank Limited	54,647,434	43,947,029
AB Bank Limited	-	29,911,571
Exim Bank Limited	18,487,988	20,524,544
Bank Asia Limited	-	14,441,759
Dhaka Bank Limited	24,271,671	20,571,359
Titas Gas Limited	76,903,225	81,053,986
City Bank Limited	-	4,360,000
Beximco Limited	9,088,511	-
GSP Finance	-	8,443,521
DESCO	11,633,114	11,106,264
Lafarge Surma Cement	-	3,313,833
BSRM Steel	-	9,698,520
Appollo Ispat	1,606,075	9,171,896
Jamuna Oil	19,606,628	13,566,925
Shahjalal Islami Bank Limited	31,072,306	25,942,850
Orion Pharma Limited	273,000,000	273,000,000
Square Pharmaceuticals	13,146,268	11,530,946
Linde Bangladesh Ltd.	22,672,269	-
Square Textile	-	4,485,014
Heidelberg Cement Ltd.	8,713,660	-
BSRM Ltd.	30,179,636	-
Beximco Pharmaceutical	12,214,219	-
Orion Pharma Limited	-	30,761,467
	696,935,757	710,453,712

6.3 Investment (Cost) in Shares (Unquoted)

CDBL Share	1,569,450	1,569,450
Orion Infrastructure Ltd.	500,000,000	500,000,000
Orion Infrastructure Ltd.	392,076,712	392,076,712
Investment in subsidiary: SIBL Securities Limited	1,229,999,000	1,229,999,000
Investment in subsidiary: SIBL Investment Limited	249,999,400	249,999,400
FSIBL Mudaraba Subordinate Bond	90,000,000	120,000,000
	2,463,644,562	2,493,644,562



Investment in Subsidiaries represents the amount invested in 'SIBL Securities Limited' and 'SIBL Investment Limited' that were incorporated on 20 July 2010 and 30 August 2010 respectively vide certificate of incorporation no: C-85876/10 and C-86726/10. SIBL holds 12,299,990 and 2,499,994 nos. shares of 'SIBL Securities Limited' and 'SIBL Investment Limited' respectively with a face value of Tk. 100 each and also representing holding of 99.99% shares in both the subsidiaries.

6.4 Government Bond (BD Govt. Islamic Bond)

8,900,000,000 5,790,000,000

6.5 Details of Shares & Securities in quoted and unquoted other than in subsidiaries

Particulars	No. of Shares/ Securities	Market price per Shares	Fair value/ Market value as on 31-12-2016	2016		
				Cost price as on 31-12-2016	Fair value adjustment	
				Taka		
Quoted Shares/ Mutual Funds						
ICB 1st Mutual Fund	558,106	10.00	5,581,060	4,438,695	1,142,365	
ICB 3rd Mutual Fund	760,477	10.00	7,604,770	6,159,588	1,445,182	
ICB 4th Mutual Fund	2,185,007	10.00	21,850,070	16,657,062	5,193,008	
ICB 5th Mutual Fund	783,304	10.00	7,833,040	5,472,152	2,360,888	
ICB 7th Mutual Fund	1,183,844	10.00	11,838,440	9,898,510	1,939,930	
ICB 8th Mutual Fund	80,986	60.00	4,859,160	4,837,839	21,321	
National Life Insurance 1st Mutual Fund	1,350,000	13.10	17,685,000	13,095,000	4,590,000	
Popular 1st Mutual Fund	500,000	5.40	2,700,000	1,990,104	709,896	
ICB Sonali Mutual Fund	399,300	6.40	2,555,520	2,350,484	205,036	
NCC Bank Mutual Fund	500,000	7.30	3,650,000	3,278,868	371,132	
ICB AMCL 2nd Mutual Fund	620,000	6.00	3,720,000	3,053,317	666,683	
ICB 3rd NRB Mutual Fund	600,000	5.60	3,360,000	2,703,678	656,322	
SEBL 1st Mutual Fund	1,000,000	12.20	12,200,000	9,189,509	3,010,491	
IFIL Islamic Mutual Fund	500,000	7.10	3,550,000	3,150,000	400,000	
AB 1st Mutual Fund	800,000	5.90	4,720,000	3,417,947	1,302,053	
Al-Arafah Islami Bank Limited	3,800,000	15.90	60,420,000	54,647,434	5,772,566	
Exim Bank Limited	2,068,532	11.70	24,201,824	18,487,988	5,713,836	
Dhaka Bank Limited	1,360,181	17.90	24,347,240	24,271,671	75,569	
Titas Gas Limited	1,600,000	49.40	79,040,000	76,903,225	2,136,775	
Beximco Limited	348,450	26.00	9,059,700	9,088,511	(28,811)	
Shahjalal Islami Bank Limited	2,307,178	15.00	34,607,670	31,072,306	3,535,364	
Square Pharmaceuticals	53,500	249.10	13,326,850	13,146,268	180,582	
Beximco Pharmaceutical	150,000	80.80	12,120,000	12,214,219	(94,219)	
DESCO	220,000	46.30	10,186,000	11,633,114	(1,447,114)	
Appollo Ispat	100,000	20.50	2,050,000	1,606,075	443,925	
Jamuna Oil	110,000	181.60	19,976,000	19,606,628	369,372	
BSRM Ltd.	194,000	127.60	24,754,400	30,179,636	(5,425,236)	
Orion Pharma Limited	6,000,000	42.10	252,600,000	273,000,000	(20,400,000)	
Linde Bangladesh Ltd.	16,000	1,296.00	20,736,000	22,672,269	(1,936,269)	
Heidelberg Cement Ltd.	16,000	552.30	8,836,800	8,713,660	123,140	
Orion Pharma Limited	837,978	36.80	30,837,590	30,761,467	76,123	
				709,969,544	696,935,757	13,033,787
Preference Shares						
Orion Infrastructure Ltd.	50,000,000	-	500,000,000	500,000,000	-	
Orion Infrastructure Ltd.	-	-	392,076,712	392,076,712	-	
				892,076,712	892,076,712.33	-
Unquoted Shares/ Bond						
CDBL Share	456,945	-	1,569,450	1,569,450	-	
FSIBL Mudaraba Subordinate Bond	180	-	90,000,000	90,000,000	-	
				91,569,450	91,569,450	-
Grand Total				1,693,615,707	1,680,581,919	13,033,787

	2016	2015
	Taka	Taka
6.6 Industry wise classification of shares at market price		
Quoted shares		
Banks	128,479,399	159,164,755
Mutual Funds	89,692,753	96,336,729
Others	478,763,605	433,247,590
	696,935,757	688,749,074
6.7 Cost of shares and securities under the head quoted and unquoted other than investment in subsidiaries	1,680,581,919	1,724,099,874
Fair value adjustment {Profit/(Loss)} to be made through profit and loss account	-	(21,704,638)
Value of shares and securities, Quoted and Unquoted other than investment in subsidiaries	1,680,581,919	1,702,395,236

Investments in Shares and Securities' other than investments in subsidiaries under the category 'Financial Assets at fair value through profit or loss (FVTPL)' has been recognised at fair value and the unrealized profit or loss i.e. difference between fair value and cost has been charged to profit and loss account and value of the investment has been reduced by the same amount as per requirements of Bangladesh Accounting Standard (BAS)-39, Financial Instruments: Recognition and Measurement.

7 Investments		
In Bangladesh		
General Investments etc. (Note-7.1)	167,001,331,180	123,630,222,992
Bills purchased and discounted-net (Note- 7.2)	2,659,746,787	2,301,419,620
Outside Bangladesh		
Bills purchased and discounted-net (Note- 7.2)	4,535,055,408	8,185,207,291
	174,196,133,374	134,116,849,903
7 (a) Consolidated Investment		
General Investments etc.	167,001,331,180	123,630,222,992
Less: Intercompany balance eliminated		
SIBL Securities Limited		
Quard Investment with SIBL- Principal branch	420,000,000	260,000,000
SIBL Investment Limited	-	-
Total consolidated general investment	166,581,331,180	123,370,222,992
Bills purchased and discounted-net	7,194,802,194	10,486,626,911
Grand total	173,776,133,374	133,856,849,903
Maturity wise Classification of Investments:		
With a residual maturity of		
Re-payable on Demand	26,319,589,650	17,036,716,747
Not more than 3 months	24,539,160,066	25,610,279,934
Over 3 months but not more than 1 year	89,911,437,658	71,138,983,242
Over 1 year but not more than 5 years	31,024,290,000	18,678,334,180
Over 5 years	2,401,656,000	1,652,535,800
	174,196,133,374	134,116,849,903



	2016	2015
	Taka	Taka
7.1 Mode-Wise Investment (General)		
a) In Bangladesh		
Musharaka	394,014,125	493,698,920
Murabaha	3,923,518,808	3,929,937,139
Mudaraba	6,890,919,882	4,525,723,316
Bai-Muazzal	103,157,036,645	77,429,002,878
Hire-Purchase Sirkatul Meelk	39,236,072,051	28,685,850,999
Installment Investment Scheme	-	94,841
Quard	9,867,948,969	6,044,230,063
Bai-Salam	499,755,394	340,927,788
Staff Loan	2,222,858,996	1,758,314,744
Ijarah	327,654,954	146,666,764
Visa Card	481,551,356	275,775,541
	167,001,331,180	123,630,222,992
Mode-Wise Investment (General)		
b) Outside Bangladesh		
Musharaka	-	-
Murabaha	-	-
Bai-Muazzal	-	-
Hire-Purchase Sirkatul Meelk	-	-
Installment Investment Scheme	-	-
Quard	-	-
Bai-Salam	-	-
Others	-	-
	-	-
7.2 Bills Purchased and discounted		
Inside Bangladesh		
In land Bill Purchase	2,659,746,787	2,301,419,620
Bills Purchased and discounted		
Outside Bangladesh		
Foreign Bill Purchased	81,641,978	104,750,392
Murabaha Bill of Exchange	1,914,903,128	1,431,888,015
Murabaha Wes Bills L/C	32,988,623	1,898,604,644
Baim-Wes bills	2,505,521,678	4,749,964,240
	4,535,055,407	8,185,207,291
Grand total of net Bills Purchased and Discounted	7,194,802,194	10,486,626,911
7.2.1 Bills Purchased and Discounted		
Payable inside Bangladesh	2,659,746,787	2,301,419,620
Payable outside Bangladesh	4,845,060,193	8,609,612,877
Gross Bills Purchased and Discounted	7,504,806,979	10,911,032,497
Less: Profit receivable on Bills Purchased and Discounted	310,004,785	424,405,586
Net Bills Purchased and Discounted	7,194,802,194	10,486,626,911
Maturity wise Classification of Bills Purchased and Discounted:		
On demand	1,582,856,483	2,307,057,920
Over 1 month but less than 3 months	3,453,505,053	5,033,580,917
Over 3 months but less than 1 year	2,158,440,658	3,145,988,073
1 year or more	-	-
	7,194,802,194	10,486,626,911

7.3 Investments on the basis of significant concentration	2016	2015	2016	2015
			Taka	Taka
Investments to allied concern of Directors	0.07%	0.10%	123,421,372	133,602,553
Investments to Executives & Staffs	1.38%	1.47%	2,401,124,910	1,976,804,627
Investments to Customer Groups	53.83%	49.66%	93,764,133,294	66,608,242,724
Industrial Investment	44.72%	48.76%	77,907,453,799	65,398,200,000
Others	0.00%	0.00%	-	-
	100.00%	100.00%	174,196,133,374	134,116,849,903

Investments allowed to individual customer exceeding 15% of Bank's total capital:

Number of Client with amount of outstanding Investment to whom Investments sanctioned exceeds 15% of total capital of the bank is reported hereunder. Total capital of the Bank was Tk. 1,919.50 Crore as on 31.12.2016 and was used as base figure to calculate the single party exposure limit-funded liability; and such limit was fixed at Tk. 287.93 crore (1,919.50 crore x 15%) till 31.12.2016. It is mentioned here that as per Bank Companies Act, 1991, single party exposure limit has been fixed at 15% for funded and 20% non-funded investment based on capital maintained for non export oriented clients whereas 15% funded and 35% non-fundend limit for 100% export oriented clients.

Total outstanding amount to such customers at end of the year (Funded)	Nil	Nil
Number of such types of customers	Nil	Nil
Amount of Classified Investments thereon	Nil	Nil
Measures taken for recovery	Not applicable	Not applicable

Details information of Investment more than 10% of Bank's total capital

(Figure in Crore Taka)

Sl no.	Name of client	Outstanding as on 31 December 2016	Outstanding as on 31 December 2015
		Total (Funded and Non funded)	Total (Funded and Non funded)
1	M/s. Nuruzzaman Khan, NZ Fabrics Ltd. & NZ. Ltd.	358.83	203.47
2	Dong Bang Textile Limited	242.85	241.75
3	Mars Textile Limited	239.23	-
4	Cross Line Factory Ltd. & Cross Line Knit Fabrics	-	142.44
5	Dong Bang Dyeing Limited	293.65	277.17
6	Badsha Textile	282.71	125.16
7	Nitol Motors	-	117.24
8	Rabiul Islam, M/s Rhythm Trading, AR Center	287.15	209.31
9	Bashundhara Group	387.75	300.13
10	M/s. Western Dresses Ltd. MNC Apparels Ltd.	220.73	217.39
11	M/s. Agrani Traders & its sister concern M/s. OVI	337.27	-
12	M/s. Partex Denim Mills Ltd. & Partex Denim Limited.	-	199.54
13	Abul Khair Steal, Abul Khair Consumer, Shah Cement.	194.39	-
14	M/S. Islam Brothers & Co, Anwara Mannan Textile	240.89	-
15	Orion Group	296.50	-
16	Thermax Group	286.79	-
17	Base Textiles Ltd., Base Fashion Limited, Zayantex	285.72	-
18	Ibrahim Consortium Ltd. & Opal Trading House	239.01	-
19	Mahbub Brothers(Pvt.) Ltd.	184.73	-
20	1. Mascotex Ltd., 2. Masco Coottons & Industries	180.70	-



7.4 Customer group and industry wise classification of Investment

Sector	2016		2015	
	Amount	Composition	Amount	Composition
Commercial lending	38,199,348,556	21.93%	27,708,185,927	20.66%
Export Financing	7,441,142,312	4.27%	3,516,624,793	2.62%
House Building Investment	2,116,043,046	1.21%	948,563,905	0.71%
Consumer Investment Scheme	1,213,929,535	0.70%	514,686,476	0.38%
Small and Medium Enterprises	37,431,770,874	21.49%	27,193,887,455	20.28%
Micro Investment	98,594,753	0.06%	14,044,166	0.01%
Other Investments	372,384,336	0.21%	2,186,526,686	1.63%
Off-shore Banking Unit	6,890,919,882	3.96%	4,525,723,316	3.37%
Allied concern of Directors of SIBL	123,421,372	0.07%	133,602,553	0.10%
Executives & Staffs of SIBL	2,401,124,910	1.38%	1,976,804,627	1.47%
Agricultural Industries	2,936,124,363	1.69%	3,053,500,000	2.28%
Textile Industries	24,919,308,115	14.31%	20,840,623,176	15.54%
Food & Allied Industries	4,781,810,393	2.75%	2,324,406,566	1.73%
Pharmaceutical Industries	1,018,224,915	0.58%	617,533,527	0.46%
Leather, Chemical, Cosmetic etc.	992,810,153	0.57%	755,402,745	0.56%
Construction Industries	6,539,599,879	3.75%	4,380,308,097	3.27%
Cement and Ceramic Industries	2,177,310,897	1.25%	2,531,782,388	1.89%
Service Industries	6,725,117,979	3.86%	4,265,627,203	3.18%
Transport and Communication Industries	2,466,795,441	1.42%	2,036,271,404	1.52%
Other Industries	25,350,351,664	14.55%	24,592,744,894	18.34%
Total	174,196,133,374	100.00%	134,116,849,903	100.00%

7.5 Geographical Location-wise Classification of Investments

(Amount in Taka)

Sector	2016		2015	
	Amount	Composition	Amount	Composition
i) Within Bangladesh				
a) In Rural Areas	20,915,582,300	12.01%	15,189,005,149	11.33%
b) In Urban Areas	153,280,551,075	87.99%	118,927,844,754	88.67%
Sub-total (a+b)	174,196,133,374	100.00%	134,116,849,903	100.00%
ii) Outside Bangladesh	-	-	-	-
Total (i+ii)	174,196,133,374	100.00%	134,116,849,903	100.00%

7.6 Division-wise Classification of Investments

(Amount in Taka)

Division	As at 31 December 2016		As at 31 December 2015	
	Amount	Composition	Amount	Composition
Dhaka	131,962,858,270	75.76%	98,746,174,100	73.63%
Chittagong	25,620,387,616	14.71%	23,476,912,735	17.50%
Sylhet	918,373,983	0.53%	891,940,422	0.67%
Rajshahi	6,363,450,180	3.65%	4,891,145,996	3.65%
Khulna	6,642,465,602	3.81%	4,286,886,661	3.20%
Rangpur	1,948,774,929	1.12%	1,437,498,461	1.07%
Barisal	739,822,795	0.42%	386,291,528	0.29%
Total	174,196,133,374	100.00%	134,116,849,903	100.00%

		2016	2015
		Taka	Taka
7.7	Investments (Classification wise)		
	<u>Unclassified</u>		
	Standard	162,372,638,187	125,789,167,319
	Special Mentioned Account	272,640,642	1,040,979,789
	<u>Classified</u>		
	Substandard	313,868,973	640,782,370
	Doubtful	1,354,330,130	92,800,278
	Bad or Loss	6,016,169,119	4,415,162,975
		170,329,647,051	131,978,892,732
	Standard (short term agri / micro inv.)	1,408,886,277	160,285,580
	Special Mentioned Account (short term agri/ micro inv.)	2,647,358	35,166
	Substandard (short term agri / micro inv.)	555,027	-
	Doubtful (short term agri / micro inv.)	9,146,870	-
	Bad or Loss (short term agri/micro inv.)	44,125,881	831,798
		1,465,361,413	161,152,544
	Staff Investment	2,401,124,910	1,976,804,627
		174,196,133,374	134,116,849,903

7.8 Particulars of provision required for investments

Unclassified (Excluding Off-balance sheet exposures)	2,096,095,437	1,390,018,709
Classified	1,764,697,631	1,673,417,498
Unclassified- Off-balance sheet exposures	598,513,466	430,968,163
	4,459,306,534	3,494,404,370

7.8.1 Detail Particulars of Provision for Investment

	Rate	Base for Provision 2016	Provision Required	
			2016	2015
<u>Unclassified</u>				
Standard	1%	119,857,030,581	1,807,392,460	1,253,440,066
Staff Investment	0%	-	-	-
Consumer Finance (Other than HF and LP)	5%	1,206,707,131	60,335,357	25,330,504
Small and Medium Enterprise	0.25%	36,559,904,596	91,399,761	65,997,662
Housing Finance (HF)	2%	2,105,642,221	42,112,844	18,891,457
Loan for Professionals (LP)	2%	616,206	12,324	10,103
Share	2%	2,191,415,556	43,828,311	5,200,000
SMA Investment	5%	315,844,436	15,792,222	17,141,777
Unclassified Off Balance Sheet Items	1%	59,851,346,590	598,513,466	430,968,163
<u>Classified</u>				
Substandard	20%	19,371,987	3,874,397	69,010,308
Doubtful	50%	54,604,557	27,302,278	25,712,619
Bad or Loss	100%	1,733,520,955	1,733,520,955	1,578,694,571
			4,424,084,377	3,490,397,231



	Rate	Base for Provision	Provision Required	
			2016	2015
			Taka	Taka
Provision Required (Short term Agricultural & Micro Credit)				
Unclassified				
Standard (short term agri /micro credit)	2.5%	1,408,886,277	35,222,157	4,007,139
Classified				
Substandard (short term agri /micro credit)	5%		-	-
Doubtful (short term agri /micro credit)	5%		-	-
Bad or Loss (Short term agri /micro credit)	100%		-	-
			35,222,157	4,007,139
Required provision for Investments (Grand Total)			4,459,306,534	3,494,404,370
Total provision maintained			4,459,306,534	3,494,404,370
Provision Surplus/(Shortfall)			-	-
Provision Made for funded exposures only: (Other than Short term Agricultural & Micro Credit)				
Unclassified				
Standard			2,643,594,524	1,799,837,955
SMA			15,792,222	17,141,777
Classified				
Substandard			3,874,397	69,010,308
Doubtful			27,302,278	25,712,619
Bad or Loss			1,733,520,955	1,578,694,571
			4,424,084,377	3,490,397,231
Provision Made: (Short term Agricultural & Micro Credit)				
Standard (short term agri credit)			35,222,157	4,007,139
Substandard (short term agri credit)			-	-
Doubtful (short term agri credit)			-	-
Bad or Loss (Short term agri credit)			-	-
			35,222,157	4,007,139
Grand Total			4,459,306,534	3,494,404,370

7.8.2 Particulars of provision for Off-Balance Sheet items

Status	Rate	Basis for Provision		
			2016	2015
Off-Balance Sheet Items	1%	59,851,346,590	598,513,466	430,968,163
Required provision for Investments			598,513,466	430,968,163
Provision maintained {note # 13.1 (c)}			598,513,466	430,968,163
Surplus Provision			-	-

	2016	2015
	Taka	Taka
7.9 Particulars of Investments:		
(i) Investment considered good in respect of which the banking company is fully secured	157,071,592,963	118,299,118,218
(ii) Investment considered good for which the banking company holds no other security other than the debtor's personal security	11,350,287,133	10,318,442,848
(iii) Investment considered good and secured by personal security of one or more parties in addition to the personal security of the debtors	5,774,253,278	5,499,288,836
(iv) Investment considered bad or doubtful not provided for	-	-
Total	174,196,133,374	134,116,849,903
(v) Investment due by directors or officers of the banking company or any of them either severally or jointly with any other person	2,524,546,282	2,110,407,180
(vi) Investment due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies as members.	123,421,372	134,789,553
(vii) Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.	12,958,061	13,291,825
(viii) Maximum total amount of Investments including temporary Investment granted during the period to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies as members	Nil	Nil
(ix) Investment due from other Banks	Nil	Nil
(x) Classified Investment on which profit has not been charged	7,738,196,000	5,149,577,421
(xi) Particulars of written off investments		
a) Cumulative amount of written off Investments since inception to 31 December last year	4,131,373,382	2,940,386,182
b) Amount of written off / waiver of Investment during the year	885,880,485	1,190,987,200
Total amount of written off (a+b)	5,017,253,868	4,131,373,382
c) Amount recovered against debts which are previously written off (cumulative balance)	333,575,397	273,993,000
d) Amount of Investments written off against which cases have been filed for recovery	5,017,253,868	4,131,373,382
xii) Amount of compensation suspense as at year end.	1,264,313,910	1,036,673,381

7.10 Large Investment Restructuring

Large Investment Restructuring is made as per BRPD Circular no: 04, Dated: 29 January 2015, of the investments having minimum outstanding amount of Taka-500 crore and above in aggregate. The Eligibility criteria as per the circular are:

a) Investments of a particular borrower or group in a bank, singly or in clubbed together form, shall be eligible for restructuring. Borrower having exposure in multiple banks may also approach by forming a consortium.

b) Minimum outstanding investment amount for restructuring shall be Taka-500.00 crore or above in aggregate.

c) Restructuring facility will be provided to a particular investment only once.

Total outstanding amount of such restructured investment for the year 2016 amounts to Taka- 48.80 crore.

8 Fixed Assets including Premises, Furnitures and Fixtures (Including Intangible Assets)

A. Cost

Land	12,330,000	12,330,000
Building	2,320,220,714	2,320,220,714
Furniture & Fixtures	776,701,478	629,266,434
Office Equipment	1,044,156,902	814,572,284
Software	139,559,446	112,685,685
Vehicles	100,991,337	94,031,299
Books	1,394,499	1,164,395
	4,395,354,376	3,984,270,810



	2016	2015
	Taka	Taka
B. Accumulated Depreciation		
Land	-	-
Building	252,941,996	199,897,128
Furniture & Fixtures	261,357,250	213,542,305
Office Equipment	524,392,171	421,655,297
Software	25,706,660	14,330,136
Vehicles	72,622,045	62,050,371
Books	813,253	759,491
	1,137,833,375	912,234,727
Carrying value	3,257,521,001	3,072,036,083

8.1 Intangible assets

Core banking solution 'ABABIL' is used in SIBL which was incorporated in the year 2010. The value of all the softwares under the head 'Intangible Assets' is Taka-139,559,446.10 and being amortized @ 10% following the same method of reducing balancing method as applied for fixed assets. Written down value of the software as on 31.12.2016 is Taka -113,852,785.89.

For details please refer to Annexure-A

8 (a) Consolidated written down value of Fixed Assets including intangible assets

Social Islami Bank Ltd.	3,257,521,001	3,072,036,083
<i>Fixed assets of subsidiaries</i>	10,805,668	10,471,743
SIBL Securities Ltd.	10,805,668	10,471,743
SIBL Investment Ltd.	-	-
Carrying value of Fixed assets of the Group	3,268,326,670	3,082,507,826

9 Others Assets

Stock of stationery, stamps and printing materials etc. (valued at cost)	28,343,402	16,951,714
Advance rent and advertisement	189,109,289	173,045,137
Security Deposit	2,998,351	2,979,571
Branch Adjustments (SIBG) (Note: 9.1)	1,977,063,521	355,465,788
Suspense Accounts (Note: 9.2)	293,646,443	243,428,671
Other Repayments	64,209,171	256,280
Receivable from M/S. Stock & Bond and SIBL Securities Ltd.	53,881,354	12,245,968
Advance Income Tax	6,695,398,826	5,702,313,738
Receivable from SIBL Securities Limited	-	1,377,245
Receivable from SIBL Investment Limited	1,758,805	1,689,510
Protested Bills against Investment	313,407,280	357,148,000
Profit Receivable from Banks, NBF1 and BD Govt.	242,508,711	273,429,060
Investment with Off-shore Banking Unit	1,936,578,574	3,899,276,819
Receivable from Off-shore Banking Unit	103,309,420	54,791,819
Others (Note: 9.3)	1,731,069,040	1,386,827,019
	13,633,282,187	12,481,226,340
Less: Balance with OBU for elimination		
Investment with Off-shore Banking Unit	1,936,578,574	3,827,285,842
Grand total after elimination of balance with OBU	11,696,703,613	8,653,940,498

	2016	2015
	Taka	Taka
9(a) Consolidated other Assets		
Social Islami Bank Limited	11,696,703,613	8,653,940,498
Add: Other assets of subsidiary companies		
SIBL Securities Limited	1,834,348,245	1,547,377,654
Membership of Chittagong Stock Exchange	307,000,000	307,000,000
Membership of Dhaka Stock Exchange	720,650,000	720,650,000
Advance Income Tax	34,836,700	20,157,498
Advance Office Rent	735,826	268,279
Advance to interior decorator	-	1,700,000
Advance to IT Service provider	200,000	-
Advance for floor space at nikunjo, DSE Tower	850,000	850,000
Investment in stock dealer activities	54,980,369	28,523,108
Receivable from Regulators	31,991,934	2,174,023
Receivable from client	615,431,298	428,311,409
Receivable from others	67,467,118	37,538,337
Security Deposit to CDBL, DSE	200,000	200,000
Security Deposit to BTCL	5,000	5,000
Less: Inter Company transactions eliminated:	1,758,805	3,066,755
Receivable from SIBL Securities Limited	-	1,377,245
Receivable from SIBL Investment Limited	1,758,805	1,689,510
	13,529,293,052	10,198,251,397

9.1 The balance of Branch adjustment (SIBG) represents unresponded Inter branch and head office transactions at balance sheet date. The balance of Debit and Credit unrespondent entries as on 23 February 2017 were Taka-164,309,792.00 Details of which are as follows:

	Number of		Amount (in Tk) of	
	Unrespondent entries		Unrespondent entries	
	2016	2015	2016	2015
Upto 3 months	147	20	160,138,973	30,000,129
Over 3 months but within 6 months	6	-	4,170,819	-
Over 6 months but within 9 months	-	1	-	16,000
Over 9 months	-	1	-	4,194,296
	153	22	164,309,792	34,210,425

9.2 Suspense Account represents advance against TA/DA, Entertainment Expenses, Advertisement Expenses, Branch Decoration Expenses, Legal Charges and suspense -others. Necessary provision on others assets has been made in the accounts according to the BRPD Circular no: 14 dated June 25, 2001 para Kha (1) & (2).

9.3 Others

Wes fund purchased	1,089	1,089
Adjusting A/c debit balance (Note: 9.3.1)	227,248,410	125,013,088
Advance VAT paid	3,815,178	3,815,178
BEFTN adjustment A/c	33,323	64,195
Balance with Principal Branch (PF)	962,694,479	819,174,479
Balance with Principal Branch (SIBL Employees' Superannuation Fund)	90,138,442	74,188,442
Balance with Principal Branch (SIBL/ Gratuity Fund)	447,138,118	364,570,548
	1,731,069,040	1,386,827,019



	2016	2015
	Taka	Taka
9.3.1 Adjusting A/c debit balance	227,248,410	125,013,088
Adjusting account debit balance represents Income Receivable from Bangladesh Govt. Islamic Bond on Tk. 300.00 crore, MTDR's with Other Banks as on 31.12.2016 and profit from preference shares etc.		
10 Placement from Banks & Other Financial Institutions		
Bangladesh Govt. Islamic Bond.	3,000,000,000	1,000,000,000
The Bank has an outstanding balance of borrowing Tk. 300.00 crore as on 31.12.2016 taken from Bangladesh Govt. Islamic Bond Fund having different maturity dates. Profit rate of such borrowings is determined under Mudaraba Principle. Term Deposit Receipts allowed favouring different Banks and Financial Institutions for Tk 300.00 crore have been pledged as security to Bangladesh Bank against the borrowings.		
Maturity Grouping of Borrowings		
Up to 1 month	3,000,000,000	1,000,000,000
More than 1 month but less than 3 months	-	-
More than 3 months but less than 6 months	-	-
6 months and above	-	-
	3,000,000,000	1,000,000,000
11 Deposits and Other Accounts		
Mudaraba Savings Deposits (MSD)	13,899,504,009	14,273,504,098
Mudaraba Term Deposits (MTDR)	111,657,941,041	88,616,744,207
Other Mudaraba Deposit	40,060,818,730	29,983,914,560
Mudaraba Short Notice Deposits (MSND)	12,968,519,770	6,337,768,745
Mudaraba Scheme Deposits (Note-11.1)	27,092,298,960	23,646,145,815
Al- Wadeeah Current Deposit and other accounts (AWCD) (Note- 11.2)	19,678,057,596	15,468,710,445
Bills payable (Note-11.3)	5,031,314,320	1,251,915,364
Cash Waqf Fund	236,879,638	178,828,552
	190,564,515,334	149,773,617,225
11.1 Mudaraba Scheme Deposits		
Mudaraba Hajj Savings Deposit	48,597,151	40,811,767
Mudaraba Pension Savings Deposit	2,665,656,550	3,130,604,190
Mudaraba Education Deposit	39,387,149	39,995,965
Mudaraba Monthly Savings Deposit	88,652,462	119,500,713
Mudaraba Monthly Profit Deposit	2,527,024,777	2,053,902,196
Mudaraba Bashanstan Savings Deposit	632,305,189	565,048,531
Mudaraba Millionaire Savings Deposit	847,968,938	694,210,270
Mudaraba Lakhpoti Deposit Scheme	119,875,823	341,727,595
Mudaraba Double Benefit Deposit	2,761,006,839	2,536,313,806
Mudaraba Marriage Savings Deposit	156,601,557	149,339,900
Mudaraba Moharana Savings Deposit	31,705,198	27,939,635
Subarnalata Special Deposit (Women)	37,388,111	49,108,857
balance carried forward	9,956,169,744	9,748,503,425

	2016	2015
	Taka	Taka
balance brought forward	9,956,169,744	9,748,503,425
Subarnalata Rekha Special Deposit (Women)	1,181,162,198	1,005,473,880
Sabuj Chayanna Special Deposit	524,402,501	507,140,533
Sabuj Chaya Pension Deposit	106,223,946	200,173,820
Sanchita Special Deposit	235,338,350	153,683,608
Shonali Din Pension Deposit	7,129,018,123	4,798,004,240
Shukher Thikana Savings Deposit	8,895,713	6,893,993
Sachchandey Protidin Monthly Profit Deposit	2,188,637,421	2,054,364,343
Shamriddhir Shopan Deposit	4,983,186,961	4,605,545,840
Shopner Shiri Deposit	155,814,764	156,201,494
Sharner Shikhar	622,266,062	409,440,645
Proshanti (Mudaraba Zakat savings scheme)	1,183,178	719,996
	27,092,298,960	23,646,145,815

Amount of Mudaraba Scheme Deposit mentioned above are inclusive of Profit payable on the scheme deposits.

11.2 Al-Wadeeah Current Deposit & other A/c		
Al Wadeeah current deposit	8,956,153,751	7,287,961,620
Sundry deposit	4,658,259,805	2,800,452,441
Social fund deposit	23,575	23,575
Supervision charge	1,027,563	987,753
Risk fund deposit	1,906,409	474,084
FC deposit	3,278,028,193	2,783,520,490
Convertible Taka A/c	160,689,257	65,377,921
F. C. held against B.B. L/C	1,564,331,046	1,424,004,345
Profit payable A/c	1,037,092,160	1,065,862,476
Compensation Realized	20,545,837	40,045,738
	19,678,057,596	15,468,710,445

*Balance of Convertible Taka A/c represents the portion of unsettled balance.

11.2(a) Consolidated balance of Al-Wadeeah Current Deposit & Other A/c Social Islami Bank Limited	19,678,057,596	15,468,710,445
Less: Intercompany balance eliminated	271,182,028	261,736,335
SIBL Securities Limited	21,280,791	11,818,947
SIBL Investment Limited	249,901,237	249,917,387
Consolidated balance of Current deposit and other accounts	19,406,875,568	15,206,974,110

The balances are held with the 'Principal Branch' of SIBL bearing current account no: 0002-13300056882 and 0002-13300057058 respectively. For consolidation purpose the balances have been eliminated.

11.3 Bills Payable		
Payment Order (PO)	4,536,765,039	1,178,972,580
Demand Draft (DD)	2,577,202	3,498,391
B/P awaiting remittance	491,972,078	69,444,394
	5,031,314,320	1,251,915,364
11.4 Maturity wise classification of Deposits		
Payable on demand	5,441,785,728	9,560,536,025
Up to 1 month	28,428,355,280	16,792,584,705
More than 1 month but up to 6 months	38,406,245,511	44,239,874,517
More than 6 months but up to 1 year	85,826,331,302	61,181,957,438
More than 1 year but up to 5 years	24,443,541,795	10,664,112,039
More than 5 years but up to 10 years	8,018,255,717	7,334,552,501
	190,564,515,334	149,773,617,225



	2016	2015
	Taka	Taka
11.5 Segregation of deposits & other accounts		
i) Client Deposit		
Al-Wadeeah Current deposit & other accounts	19,674,154,336	15,468,710,445
Bills Payable	5,031,314,320	1,251,915,364
Mudaraba Savings Deposits	13,416,060,717	9,898,009,163
Mudaraba Short Notice Deposits	8,137,488,855	6,326,967,726
Mudaraba Term Deposit	105,257,941,041	81,766,744,207
Mudaraba Scheme Deposits	27,092,298,960	23,646,145,815
Cash Waqf Fund	236,879,638	178,828,552
	178,846,137,869	138,537,321,272
ii) Bank Deposit		
Mudaraba Term Deposit Receipt (MTDR)	6,400,000,000	6,850,000,000
Mudaraba Short Notice Deposit (MSND)	4,831,030,914	10,801,019
Al-Wadeeah Current deposit (AWCD)	3,903,260	-
Mudaraba Savings Deposit (MSD)	483,443,291	4,375,494,935
	11,718,377,466	11,236,295,954
Grand Total of deposits and other accounts	190,564,515,334	149,773,617,225

12 SIBL Mudaraba Subordinated Bond	3,000,000,000	3,000,000,000
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SIBL issued Taka-300.00 crore sub-ordinated bond under the caption "SIBL Mudaraba Sub-ordinated Bond". The bond was mainly issued to support and strengthen the capital base of the bank under Tier-II, supplementary capital of Basel-3. Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank (BB) vide their letter ref no. BSEC/CI/DS-13/2014/598 & BRPD (BFIS) 661/14 B(P)/2014-6027, Dated: 26 August 2014 & 16 September 2014 respectively gave consent to issue the said bond. The features of the bond is enumerated below:

Features of SIBL Mudaraba Sub-Ordinated Bond

Name of the Instrument	SIBL Mudaraba Sub-Ordinated Bond			
Issuer	Social Islami Bank Limited (SIBL)			
Issue Manager	AAA Finance & Investment Limited			
Trustee	Shandhani Life Insurance Co. Ltd (SLICL)			
Issued on	March 31, 2015			
Purpose	To Consider as Supplementary Capital (Tier II)			
Amount of Issue	BDT. 3000,000,000 (Three Hundred Crore)			
Subscription Status	Fully Subscribed by 14 No. of Corporate Parties.			
Nature of the Debt Instrument	Mudaraba Sub-Ordinated Debt			
Tenure of Bond	6 (Six) Years			
Value Per Unit	BDT. 500,000 (Five Lac)			
Number of Issuing Unit	6,000 (Six Thousand) Units			
Market Lot	20 (Twenty) Units			
Minimum Application	BDT.10,000,000 (One Crore)			
Rate of Return/Profit Rate	120% of 1 (One) year of Mudaraba Term Deposit Profit Rate for the Preceding 180 Days			
Calculation of Profit	Total Profit is calculated in two stages. First is the Basic Profit which is further enhanced to determine Total Profit considering the contribution from the Bank's "Profit before tax"			
Profit Payment Schedule	Semi Annually not later than 60 Days from Expiry of 6 (Six) Months and 12 (Twelve) Months of each year from Issuance			
Repayment Schedule / Redemption Policy	20% of the Total Bond Value to be Redeemed at the end of each year Starting from year 2 (Two) at Face Value. Repayment Schedule of the Mudaraba Sub-Ordinated Bond is as under:			
	Issue Size (BDT)	3,000,000,000		
		Repayment (BDT)	Balance (BDT)	
	Repayment	End of 2nd Year	600,000,000	2,400,000,000
		End of 3rd Year	600,000,000	1,800,000,000
End of 4th Year		600,000,000	1,200,000,000	
End of 5th Year		600,000,000	600,000,000	
End of 6th Year		600,000,000	-	

Redeemable Option	Redeemable on Maturity of Face Value	
Late Redemption	2% more than existing rate	
Offering Style	Private Placement	
Principal Payment	Bullet Payment on Maturity	
Transferability	Easily Transferable	
Listing Status	Non-Listed	
Convertibility	Non-Convertible	
Prepayment, Call of Refunding	The option of Prepayment, Call of Refunding may be at Discretion of the Issuer	
Rating Agency	Emerging Credit Rating Limited (ECRL)	
Rating Status of the Issue	Entity Rating	: AA-
	Issue Rating	: A+

List of Investors

	2016	2015
	Taka	Taka
Al-Arafah Islami Bank Limited	500,000,000	500,000,000
Bank Asia Limited	200,000,000	200,000,000
Bank Asia Limited Employees' Gratuity Fund	70,000,000	70,000,000
Islami Bank Bangladesh Limited	500,000,000	500,000,000
Padma Islami Life Insurance Limited	50,000,000	50,000,000
Prime Islami Life Insurance Limited	50,000,000	50,000,000
Pubali Bank Limited	200,000,000	200,000,000
Reliance Insurance Limited	50,000,000	50,000,000
Rupali Bank Limited	500,000,000	500,000,000
Shahjalal Islami Bank Limited	100,000,000	100,000,000
Sonali Bank Limited	500,000,000	500,000,000
Square Pharmaceuticals Workers Profit Participation Fund	50,000,000	50,000,000
United Finance Limited	130,000,000	130,000,000
Uttara Bank Limited	100,000,000	100,000,000
	3,000,000,000	3,000,000,000

13 Other Liabilities

Adjusting A/C (Cr.) Balance	9,562,781	11,095,197
Other Payable	3,275,077	2,496,220
SIBL Employees' PF	962,694,479	819,174,479
SIBL Employees' Gratuity fund (note: 13.1)	553,123,795	467,946,041
SIBL Employees' Superannuation Fund	90,138,442	74,188,442
BEFTN Adjustment Account	30,504,326	13,707,722
ATM Settlement for Q-Cash	246,022,822	25,778,386
Provision for Investments (note: 13.2)	4,459,306,534	3,494,404,370
Provision for other Assets (note: 13.3)	370,077,572	405,818,292
Compensation and Rent Suspense (note: 13.4)	1,264,313,910	1,036,673,381
Provision for Taxation (note: 13.5)	8,837,269,513	6,949,604,945
Zakat Fund (note: 13.6)	89,792,573	71,840,046
Mudaraba Profit Distribution (note: 13.7)	-	7,000,000
Provision for good borrower (note: 13.8)	15,000,000	-
	16,931,081,824	13,379,727,523



	2016	2015
	Taka	Taka
13(a) Consolidated Other Liabilities		
Social Islami Bank Limited	16,931,081,824	13,379,727,523
Add: Other Liabilities of subsidiaries		
SIBL Securities Limited	795,758,934	412,254,576
Payable to SIBL-Term loan	420,000,000	260,000,000
Payable to regulators	7,440,840	23,216,037
Payable to clients	171,228,792	54,579,276
Other provisions	154,764,376	46,508,604
Provision for Income Tax	42,324,926	27,950,660
SIBL Investment Limited	23,000	17,250
Accrued Expenses	23,000	17,250
Provision for Income Tax	-	-
	17,726,863,759	13,791,999,349
Less: Intercompany balance eliminated		
SIBL Securities Limited		
Payable to SIBL-Term loan	420,000,000	260,000,000
Grand total	17,306,863,759	13,531,999,349
13.1 SIBL Employees' Gratuity fund (balance with principal branch) (note:9.3)	447,138,118	364,570,548
Opening balance (current year balance of gratuity provision account at year end)	103,375,493	82,714,607
Current year required expenditure for gratuity fund	105,236,824	103,167,570
Add: Profit charged and other transfers made during the year	-	-
	208,612,317	185,882,178
Less: Paid during the year to the employees	(20,059,070)	(10,823,049)
Add: Transferred from gratuity fund account to provision, during the year	20,600,000	10,800,000
Less: Transferred to gratuity fund during the year	(103,167,570)	(82,483,635)
	105,985,677	103,375,493
Grand total of gratuity fund balance	553,123,795	467,946,041
13.2 Provision for Investments		
(a) Specific Provision on Investment		
Provision held at the beginning of the year	1,673,417,498	1,578,585,257
Fully provided Investment written off	(726,310,626)	(1,059,907,213)
Transferred from doubtful income/compensation realized/recovery	164,582,397	162,358,258
Transferred from provision for protested bills	43,740,720	-
Provision made during this year	609,267,642	992,381,197
Provision held at the end of the year	1,764,697,631	1,673,417,498
(b) General Provision on Investments		
Provision held at the beginning of the year	1,390,018,709	1,141,100,364
Addition during the year	706,076,728	248,918,344
Balance at the end of the year	2,096,095,437	1,390,018,709
Total Provision on Investments	3,860,793,068	3,063,436,207
(c) General Provision on Off-Balance Sheet items		
Provision held at the beginning of the year	430,968,163	321,618,591
Addition during the year	167,545,303	109,349,572
Balance at the end of the year	598,513,466	430,968,163
Total Provision for Investments & Off-Balance Sheet items (a+b+c)	4,459,306,534	3,494,404,370

Total provision includes Taka-33.00 crore provided as additional provision as instructed by Bangladesh Bank vide its letter: DBI-4/42(2)/2016-645, dated: 03.04.2016.

	2016	2015
	Taka	Taka
13.3 Provision for other Assets		
Provision held at the beginning of the year	405,818,292	386,655,792
Provision written back during the year (due to recovery)	(43,740,720)	-
Adjustment regarding payment	-	(837,500)
Addition during the year	8,000,000	20,000,000
Balance at the end of the year	370,077,572	405,818,292
13.3.1 Provision for protested bills		
Provision held at the beginning of the year	357,148,000	357,148,000
Provision written back during the year (due to recovery)	(43,740,720)	-
Waiver/written off during the year	-	-
	313,407,280	357,148,000
13.3.2 Provision for suspense account		
Provision held at the beginning of the year	48,670,292	29,507,792
Adjustment during the year	-	(837,500)
Addition during the year	8,000,000	20,000,000
	56,670,292	48,670,292
13.4 Compensation & Rent Suspense A/C		
Compensation Receivable A/C		
Murabaha (General)	46,875,697	32,728,215
Murabaha (Post Import)	928,493	2,080,254
Musharaka (Preshipment)	1,366,611	1,879,201
Bai-Muazzal	227,521,689	139,730,058
Bai-Muazzal Trust Receipt	91,144,406	54,839,158
Baim Wes bills	27,123,422	17,879,171
Bai-Muazzal (ME)	73,340,965	29,439,365
	468,301,283	278,575,422
Compensation Suspense A/C		
Murabaha (General)	15,362,509	16,229,379
Murabaha (Post Import)	19,489,872	20,346,395
Bai-Muazzal	154,349,041	154,424,462
Bai-Muazzal- House hold	14,611	14,611
Bai-Muazzal Trust Receipt	57,091,298	43,840,257
Musharaka (Preshipment)	-	7,442,971
Others	33,361,526	22,493,678
	279,668,858	264,791,755
Rent Suspense A/C	516,343,768	493,306,204
Total Compensation & Rent Suspense	1,264,313,910	1,036,673,381
13.4.1 Movement of Compensation and Rent Suspense A/C		
Balance at the beginning of the year	1,036,673,381	751,102,267
Add: Amount transferred to suspense account during the year	443,503,229	427,412,349
Less: Amount recovered from suspense account during the year	(60,424,696)	(10,761,248)
Less: Amount written off/ waived during the year	(155,438,004)	(131,079,987)
Balance at the end of the year	1,264,313,910	1,036,673,381
13.5 Provision for Taxation		
Provision for Current tax		
Balance at the beginning of the year	6,949,604,945	5,546,544,564
Add: Provision made during the year (Note:13.5.1)	1,887,664,569	1,403,060,382
	8,837,269,513	6,949,604,945



	2016	2015
	Taka	Taka
Advance tax		
Balance at the beginning of the year	5,702,313,738	4,539,901,595
Paid during the year	993,085,088	1,162,412,143
	6,695,398,826	5,702,313,738
Balance at the end of the year	2,141,870,688	1,247,291,208
13.5.1 Provision made during the year		
Operating Profit before provision & tax	5,698,083,884	4,849,821,004
Add: amount to be deducted for separate consideration	370,391,220	319,210,089
Less: amount to be deducted for separate consideration	1,488,767,625	1,826,158,832
Total Taxable Income	4,579,707,479	3,342,872,262
Total Tax liability for current year		
Business Tax @ 40.00%	1,831,882,992	1,337,148,905
Dividend Tax @ 20%	52,798,431	59,374,821
Tax on gain on shares & securities @ 10%	2,983,146	6,536,656
Provision required	1,887,664,569	1,403,060,382
Provision made	1,887,664,569	1,403,060,382
13.6 Zakat fund		
Opening Balance	71,840,046	63,582,948
Addition this year	89,792,573	71,840,046
Less: Paid during the year	(84,897,438)	(43,883,925)
Less: Transferred to Sadaka fund (Balance of Zakat Fund)	13,057,392	(19,699,023)
Closing Balance at the end of the year	89,792,573	71,840,046
13.7 Mudaraba Profit Distribution		
Opening Balance	7,000,000	10,000,000
Addition this year	-	7,000,000
Less: Paid during the year	(7,000,000)	(10,000,000)
Closing Balance at the end of the year	-	7,000,000
13.8 Provision for good borrower		
Opening balance	-	-
Addition during the year	15,000,000	-
Paid during the year	-	-
	15,000,000	-
Provision for good borrower has been maintained to pay the good borrowers as defined and instructed by the BRPD Circular letters 06, 16 and 03 dated respectively 19.03.2015, 30.12.2015 and 16.02.2016.		
14 Deferred Tax Liability/(Asset)		
Balance at the beginning of the year	8,442,137	4,924,028
Add: Provision made during the year	12,342,649	3,518,109
Closing balance at the end of the year	20,784,787	8,442,137
14(a) Consolidated Deferred Tax Liability/(Asset)		
Social Islami Bank Limited	20,784,787	8,442,137
SIBL Securities Limited		
Balance at the beginning of the year	1,206,103	1,071,351
Add: Provision made during the year	(215,525)	134,752
Closing balance at the end of the year	990,578	1,206,103
Grand total	21,775,365	9,648,241
15 Capital		
15.1 Authorized Capital		
1,000,000,000 ordinary shares of Tk. 10 each	10,000,000,000	10,000,000,000

	2016	2015
	Taka	Taka
15.2 Issued, Subscribed and Paid up Capital		
The Paid-up Capital of the Bank is currently Tk. 7,382,986,420 divided into 738,298,642 Ordinary Shares of Tk 10 each	7,382,986,420	7,031,415,640
Break up of paid up capital is as follows		
26,000,000 no. Ordinary shares of Tk.10 issued for cash	260,000,000	260,000,000
477,322,945 no. Ordinary shares of Tk. 10 each for cash as right share	4,773,229,450	4,773,229,450
234,975,697 no.ordinary shares of Tk 10 each issued as bonus shares	2,349,756,970	1,998,186,190
	7,382,986,420	7,031,415,640
Sponsor Shareholders Group	2,492,774,260	2,393,668,130
General Shareholders Group	4,890,212,160	4,637,747,510
	7,382,986,420	7,031,415,640

	Year 2016		
	No. of Shareholders	No. of shares	Percentage of holding of shares
15.3 Classification of Shareholders by holding of Shares			
Half Year 2016			
Less than 500 shares	19,638	2,985,334	0.40%
501 to 5,000 shares	23,684	39,974,893	5.41%
5,001 to 10,000 shares	2,314	16,232,133	2.20%
10,001 to 20,000 shares	1,149	15,516,283	2.10%
20,001 to 50,000 shares	613	18,339,859	2.48%
50,001 to 99,999 shares	491	645,250,140	87.40%
Total	47,889	738,298,642	100.00%
	Year 2015		
Year 2015	No. of Shareholders	No. of shares	Percentage of holding of shares
Shareholding range			
Less than 500 shares	23,309	3,637,503	0.52%
501 to 5,000 shares	28,591	47,690,773	6.78%
5,001 to 10,000 shares	2,700	18,967,641	2.70%
10,001 to 20,000 shares	1,351	18,265,000	2.60%
20,001 to 50,000 shares	693	20,968,785	2.98%
50,001 to 99,999 shares	502	593,611,862	84.42%
Total	57,146	703,141,564	100.00%

15.4 Particulars of shareholding and Percentage Analysis

Particulars of shareholding:	Year 2016		2016	2015
	Number of Share holders	Number of Shares	Taka	Taka
Sponsors & Placement	30	170,947,006	1,709,470,060	1,750,902,020
Sponsors Foreign	6	923,807	9,238,070	8,798,190
Sponsors & Placement Company	6	77,406,613	774,066,130	633,967,920
General Public	46,738	239,134,930	2,391,349,300	3,089,301,060
Institutions (Bank & Insurance)	54	15,233,315	152,333,150	186,799,110
Institution (Others)	994	225,316,977	2,253,169,770	1,129,469,610
ICB Account Holders	37	493,799	4,937,990	6,050,800
ICB	1	2,112,295	21,122,950	135,068,520
ICB Unit Fund	2	2,403	24,030	27,350,250
ICB Mutual Fund	1	214,294	2,142,940	1,240,140
Employee	3	2,901,970	29,019,700	28,033,050
Non-Resident Bangladeshi	17	3,611,233	36,112,330	34,434,970
	47,889	738,298,642	7,382,986,420	7,031,415,640



Percentage of shareholding Analysis:

	2016	2015
	Percentage	Percentage
Sponsors & Placement	23.15%	24.90%
Sponsors Foreign	0.13%	0.13%
Sponsors & Placement Company	10.48%	9.02%
General Public	32.39%	43.94%
Institutions (Bank & Insurance)	2.06%	2.66%
Institution (Others)	30.52%	16.06%
ICB Account Holders	0.07%	0.09%
ICB	0.29%	1.92%
ICB Unit Fund	0.00%	0.39%
ICB Mutual Fund	0.03%	0.02%
Employee	0.39%	0.40%
Non-Resident Bangladeshi	0.49%	0.49%
	100%	100%

15.5 Capital Adequacy (Solo Basis)

Position of capital adequacy are given below:-

**a) Going Concern Capital (Tier -I)
Common Equity Tier I (CET-1) Capital**

i) Paid-up Capital	7,382,986,420	7,031,415,640
ii) Statutory Reserve (Note: 16)	4,318,771,137	3,480,332,295
iii) Retained Earnings (Note: 17)	1,481,974,061	1,409,028,351
	13,183,731,618	11,920,776,286
Additional Tier I (AT-1) Capital)	-	-
	13,183,731,618	11,920,776,286

b) Going Concern Capital (Tier-II)

i) General Provision {Note 13.1 (b+c)}	2,694,608,903	1,573,036,125
ii) Assets Revaluation Reserve (eligible)	316,703,918	422,271,891
(As per Basel-III Guideline of Bangladesh Bank 40% Revaluation Reserve is Adjusted in 2016)		
iii) SIBLMudaraba Subordinated Bond	3,000,000,000	3,000,000,000
	6,011,312,821	4,995,308,016

c) Total eligible capital (a +b)

	19,195,044,439	16,916,084,302
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d) Total Risk Weighted Assets

	166,172,670,000	137,155,240,000
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e) Minimum Required Capital (10% of Risk Weighted Assets)

	16,617,267,000	13,715,524,000
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f) Minimum Required Capital (10.625% of Risk Weighted Assets) including conservation buffer

	17,655,846,188	13,715,524,000
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g) Total Capital Surplus (c-e)

	2,577,777,439	3,200,560,302
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h) Total Capital Surplus considering conservation buffer(c-f)

	1,539,198,251	3,200,560,302
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Capital Adequacy (Consolidated basis)

Position of capital adequacy are given below:-

**a) Going Concern Capital (Tier -I)
Common Equity Tier I (CET-1) Capital**

i) Paid-up Capital	7,382,986,420	7,031,415,640
ii) Statutory Reserve (Note: 16)	4,318,771,137	3,480,332,295

	2016	2015
	Taka	Taka
iii) General Reserve	6,154,312	4,275,913
iv) Retained Earnings {Note: 18(a)}	1,481,351,830	1,409,545,341
	13,189,263,700	11,925,569,189
Additional Tier I (AT-1) Capital	-	-
	13,189,263,700	11,925,569,189
b) Going Concern Capital (Tier-II)		
i) General Provision {Note 13.1 (b+c)}	2,694,608,903	1,573,147,313
ii) Assets Revaluation Reserve (eligible)	316,703,918	422,271,891
(As per Basel-III Guideline of Bangladesh Bank 40% Revaluation Reserve is Adjusted in 2016)		
iii) SIBL Mudaraba Subordinated Bond	3,000,000,000	3,000,000,000
	6,011,312,821	4,995,419,203
c) Total eligible capital (a +b)	19,200,576,520	16,920,988,392
d) Total Risk Weighted Assets	165,928,850,000	137,389,285,000
e) Minimum Required Capital (10% of Risk Weighted Assets)	16,592,885,000	13,738,928,500
f) Minimum Required Capital (10.625% of Risk Weighted Assets) including conservation buffer	17,629,940,313	13,738,928,500
g) Total Capital Surplus (c-e)	2,607,691,520	3,182,059,892
h) Total Capital Surplus considering conservation buffer(c-f)	1,570,636,208	3,182,059,892

Capital Adequacy Ratio (Solo basis)

Particulars	2016		2015	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	5.50%	7.93%	5.50%	8.69%
Common Equity Tier I Capital: (CET-1)	4.50%	7.93%	4.50%	8.69%
CET-1 Plus Conservation Buffer	5.125%	7.93%	4.50%	8.69%
Going Concern Capital: (Tier-II)	-	3.62%	-	3.64%
Minimum CRAR	10.00%	11.55%	10.00%	12.33%
Minimum CRAR including Conservation Buffer	10.625%	11.55%	10.00%	12.33%

Capital Adequacy Ratio (Consolidated basis)

Particulars	2016		2015	
	Requirement	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	5.50%	7.95%	5.50%	8.68%
Common Equity Tier I Capital: (CET-1)	4.50%	7.95%	4.50%	8.68%
CET-1 Plus Conservation Buffer	5.125%	7.95%	4.50%	8.68%
Going Concern Capital: (Tier-II)	-	3.62%	-	3.64%
Minimum CRAR	10.00%	11.57%	10.00%	12.32%
Minimum CRAR including Conservation Buffer	10.625%	11.57%	10.00%	12.32%



15.6 Breakdown of gross Risk-Weighted Assets (RWA) in the various categories of risk-weights

Solo Basis

a) Risk Weights for Credit Risk

(amount in Taka)

Risk Weights (Both B/S & Off-B/S)	2016		2015	
	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	33,792,300,000	-	20,721,300,000	-
20%	20,740,900,000	4,148,180,000	23,547,700,000	4,709,540,000
40%	1,079,000,000	431,600,000	795,200,000	318,080,000
50%	40,594,200,000	20,297,100,000	36,693,400,000	18,346,700,000
60%	11,450,400,000	6,870,240,000	4,312,300,000	2,587,380,000
75%	27,844,000,000	20,883,000,000	20,181,000,000	15,135,750,000
80%	9,327,000,000	7,461,600,000	4,986,300,000	3,989,040,000
100%	66,498,100,000	66,498,100,000	61,849,000,000	61,849,000,000
120%	-	-	-	-
125%	16,675,400,000	18,448,050,000	13,903,900,000	16,759,100,000
150%	4,307,500,000	6,461,250,000	1,432,200,000	2,148,300,000
Total	232,308,800,000	151,499,120,000	188,422,300,000	125,842,890,000
b) Risk Weights for Operational Risk	1,114,755,000	11,147,550,000	942,195,000	9,421,950,000
c) Risk Weights for Market Risk	352,600,000	3,526,000,000	189,040,000	1,890,400,000
Total Risk Weighted Assets		166,172,670,000		137,155,240,000

Consolidate basis

a) Risk Weights for Credit Risk

(amount in Taka)

Risk Weights (Both B/S & Off-B/S)	2016		2015	
	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	33,827,900,000	-	20,721,900,000	-
20%	20,907,800,000	4,181,560,000	23,628,800,000	4,725,760,000
40%	1,079,000,000	431,600,000	795,200,000	318,080,000
50%	40,594,200,000	20,297,100,000	36,693,400,000	18,346,700,000
60%	11,450,400,000	6,870,240,000	4,312,300,000	2,587,380,000
75%	27,844,000,000	20,883,000,000	20,181,000,000	15,135,750,000
80%	9,327,000,000	7,461,600,000	4,986,300,000	3,989,040,000
100%	66,564,100,000	66,564,100,000	61,871,800,000	61,871,800,000
120%	-	-	-	-
125%	16,217,600,000	17,875,800,000	13,879,800,000	16,728,975,000
150%	4,307,500,000	6,461,250,000	1,432,200,000	2,148,300,000
Total	232,119,500,000	151,026,250,000	188,502,700,000	125,851,785,000
b) Risk Weights for Operational Risk	1,137,660,000	11,376,600,000	964,710,000	9,647,100,000
c) Risk Weights for Market Risk	352,600,000	3,526,000,000	189,040,000	1,890,400,000
Total Risk Weighted Assets		165,928,850,000		137,389,285,000

A) Credit Risk

1. Balance Sheet Exposure

(amounts in crore Taka)

		Solo		Consolidated			
Sl.	Exposure Type	BB's Rating	Risk Weight	Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
1	2	3	4	5	6 = (4×5)	7	8 = (4×7)
a)	Cash and Cash Equivalents		0%	181.56	-	181.64	-
b)	Claims on Bangladesh Government (other than PSEs) and Bangladesh Bank (denominated in domestic and foreign currency)		0%	2,528.13	-	2,528.13	-
c)	Claims on other Sovereigns & Central Banks		0%	-	-	-	-
d)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank		0%	-	-	-	-
e)	Claims on Multilateral Development Banks (MDBs):						
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB		0%	-	-	-	-
	ii) Other MDBs	1	20%	-	-	-	-
		2,3	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
Unrated		50%	-	-	-	-	
f)	Claims on Public Sector Entities (excluding equity exposure) in Bangladesh	1	20%	-	-	-	-
		2,3	50%	-	-	-	-
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	50%	-	-	-	-
g)	Claims on Banks and NBFIs:						
	i) Original maturity over 3 months	1	20%	317.04	63.41	317.04	63.41
		2,3	50%	214.78	107.39	214.78	107.39
		4,5	100%	-	-	-	-
		6	150%	-	-	-	-
		Unrated	100%	19.67	19.67	19.67	19.67
ii) Original maturity less than 3 months		20%	718.16	143.63	734.85	146.97	
h)	Claims on Corporate (excluding equity exposure)	1	20%	655.05	131.01	655.05	131.01
		2	50%	2,653.79	1,326.90	2,653.79	1,326.90
		3,4	100%	4,245.38	4,245.38	4,245.38	4,245.38
		5,6	150%	-	-	-	-



A) Credit Risk

1. Balance Sheet Exposure

(amounts in crore Taka)

				Solo		Consolidated	
		Unrated	125%	475.00	593.75	475.00	593.75
h.1		SME-1	20%	-	-	-	-
		SME-2	40%	49.75	19.90	49.75	19.90
		SME-3	60%	1,076.12	645.67	1,076.12	645.67
		SME-4	80%	898.74	718.99	898.74	718.99
		SME-5	120%	-	-	-	-
		SME-6	150%	-	-	-	-
		Unrated (small enterprise & <BDT 3.00 m)	75%	1,676.30	1,257.23	1,676.30	1,257.23
		Unrated (small enterprise having ≥BDT 3.00 m & Medium enterprise)	100%	564.95	564.95	564.95	564.95
i)	Claims under investment risk mitigation						
	a) Corporate	Corporate	-	548.99	454.00	548.99	454.00
	b) Retail & Small	Retail and Small	-	34.89	36.23	34.89	36.23
j)	Claims categorized as retail portfolio		75%	364.98	273.74	364.98	273.74
k)	Consumer Loan		100%	78.15	78.15	78.15	78.15
l)	Claims fully secured by residential property		50%	526.29	263.15	526.29	263.15
m)	Claims fully secured by commercial real estate		100%	370.40	370.40	370.40	370.40
n)	1. Past Due Claims						
	- Where specific provisions are less than 20 per cent of the outstanding amount of the past due claim ;		150%	430.75	646.13	430.75	646.13
	- Where specific provisions are no less than 20 per cent of the outstanding amount of the past due claim.		100%	36.67	36.67	36.67	36.67
	- Where specific provisions are more than 50 per cent of the outstanding amount of the past due claim.		50%	23.45	11.73	23.45	11.73
	2. Claims fully secured against residential property that are past due for more than 60 days and/or impaired specific provision held there-against is less than 20% of outstanding amount		100%	57.27	57.27	57.27	57.27
	3. Loans and claims fully secured against residential property that are past due by 60 days and /or impaired and specific provision held there-against is more than 20% of outstanding amount		75%	49.12	36.84	49.12	36.84

2016

A) Credit Risk

1. Balance Sheet Exposure

(amounts in crore Taka)

			Solo		Consolidated		
o)	Capital Market Exposure		125%	50.00	62.50	152.22	190.28
p)	Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book		125%	246.36	307.95	98.36	122.95
q)	Investments in venture capital		150%	-	-	-	326.92
r)	Investments in premises, plant and equipment and all other fixed assets		100%	325.84	325.84	326.92	-
s)	Claims on all fixed assets under operating lease		100%	-	-	-	
t)	All other assets						
	i) Claims on GOB & BB		0%	669.54	-	673.02	-
	ii) Staff loan/Investment		20%	240.11	48.02	240.11	48.02
	iii) Cash items in process for collection		20%	-	-	-	-
	iv) Claims on Off-shore Banking Units (OBU)		100%	193.52	193.52	193.52	193.52
	iv) Other assets (net off specific provisions)		100%	0.38	0.38	5.90	5.90
Total				20,521.13	13,040.40	20,502.23	12,993.11

2. Off-Balance Sheet Exposure

Sl.	Exposure Type	BB's Rating	Risk Weight	Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
1	2	3	4	5	6 = (4x5)	7	8 = (4x7)
a)	Claims on Bangladesh Government and Bangladesh Bank		0%				
b)	Claims on other Sovereigns & Central Banks		0%				
c)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank		0%				
d)	Claims on Multilateral Development Banks (MDBs):						
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB		0%				
	ii) Other MDBs	1	20%				
		2,3	50%				
		4,5	100%				
		6	150%				
		Unrated	50%				
e)	Claims on Public Sector Entities (other than Government) in Bangladesh	1	20%				
		2,3	50%				
		4,5	100%				
		6	150%				
		Unrated	50%				



2016

A) Credit Risk

1. Off-Balance Sheet Exposure

(amounts in crore Taka)

		Solo		Consolidated					
f)	Claims on Banks and FIs:								
	i) Maturity over 3 months	1	20%	-	-	-			
		2,3	50%	-	-	-			
		4,5	100%	-	-	-			
		6	150%	-	-	-			
		Unrated	100%	-	-	-			
		ii) Maturity less than 3 months		20%	-	-	-		
		g)	Claims on Corporate (excluding equity exposure)	1	20%	140.94	28.19	140.94	28.19
				2	50%	641.11	320.56	641.11	320.56
	3,4			100%	375.88	375.88	375.88	375.88	
5,6	150%			-	-	-	-		
Unrated	125%			312.30	390.38	312.30	390.38		
h)	Against retail portfolio & Small Enterprise (excluding consumer loan)		75%	360.88	270.66	360.88	270.66		
h.1		SME-1	20%	2.79	0.56	2.79	0.56		
		SME-2	40%	58.15	23.26	58.15	23.26		
		SME-3	60%	68.92	41.35	68.92	41.35		
		SME-4	80%	33.96	27.17	33.96	27.17		
		SME-5	120%	-	-	-	-		
		SME-6	150%	-	-	-	-		
		Unrated (small enterprise & <BDT 3.00 m)	75%	333.12	249.84	333.12	249.84		
		Unrated (small enterprise having ≥BDT 3.00 m & Medium enterprise)	100%	381.70	381.70	381.70	381.70		
i)	Consumer Loan		100%	-	-	-	-		
j)	Claims fully secured by residential property		50%	-	-	-	-		
k)	Claims fully secured by commercial real estate		100%	-	-	-	-		
l)	Investment in venture capital		150%	-	-	-	-		
m)	All other assets		100%	-	-	-	-		
				2,709.74	2,109.53	2,709.74	2,109.53		

B) Capital charge for Market Risk

		2016 (amounts in crore Taka)			
		Solo		Consolidated	
SI no.	Details	Capital Charge for General Market Risk	Total Capital Charge for Specific Market Risk	Total Capital Charge for General & Specific Market Risk	Total Capital Charge for General & Specific Market Risk
A.	Interest Rate Related instruments	-	-	-	-
B.	Equities	7.10	7.10	14.20	14.20
C.	Foreign Exchange Position	-	21.06	21.06	21.06
	Total (A+B+C):	7.10	28.16	35.26	35.26

C) Capital Charge for Operational Risk (Basic Indicator Approach)

		Solo		Consolidated	
Year	Average Gross Income	Capital Charge (15% of Average Gross Income)	Average Gross Income	Capital Charge (15% of Average Gross Income)	
2015					
2014	743.17	111.48	758.44	113.77	
2013					

		2016 Taka	2015 Taka
16	Statutory Reserve		
	Opening balance	3,480,332,295	2,784,497,917
	Add: Addition during the year	838,438,842	695,834,378
		4,318,771,137	3,480,332,295
16(a)	General Reserve		
	Opening balance	4,275,913	2,790,194
	Add: Addition during the year	1,878,399	1,485,719
		6,154,312	4,275,913

The Board of SIBL Securities Ltd. has decided to create a general reserve @1% on total receivable from clients at the end of each year and add or adjustment with general reserve will depend on size of unrealized loss against outstanding margin loan and realization for the respective year. During the year, the adjustment made for creating provisions separately for impairment of margin loan and diminution in value of investment in shares.

17	Revaluation Reserve on fixed assets		
	Revalued amount of fixed assets	1,549,038,275	1,588,438,486
	Book Value of fixed assets	519,492,581	532,758,759
	Balance of revaluation reserve	1,029,545,694	1,055,679,727
	Less: Adjustment made based on difference amount of depreciation	25,480,685	26,134,034
	Remaining balance of revaluation reserve	1,004,065,009	1,029,545,693

Property class under the head 'Land and Building' have been revalued in the year 2011, in accordance with the applicable rules and regulations as per BAS-16, 'Property, Plant and Equipment' and as per Bangladesh Bank BCD circular letter no: 12 & 18, dated: 20 April 1993 & 15 June 1993 and BRPD circular no: 10, dated: 25 November 2002. The valuation firms have used the fair value model to revalue the class of property. The valuation was not reviewed in the year 2016.

a. The effective date of revaluation:

The revaluation was completed by the valuers on 20.03.2011. And The revaluation effect on the assets have been accounted for on 31.03.2011.



b. Valuer:

Two separate independent valuer firm 'Commodity Inspection Services (BD) Ltd.' and 'Royal Inspection International Ltd.' have been assigned to carry on the valuation job.

c. Method used for determination of fair value:

The valuer firms have used the market-based evidence to appraise the class of property 'Land and Building'. They have used current market prices as reference that has recently been observed for selling the land and buildings of same class of the same locality for appraising the fair value. Using the appraisal they have determined the amount of revaluation of the assets.

(amounts in Taka)

Location	Class of property	Book Value	Revaluation Surplus	Depreciation on book value	Depreciation on revalued amount	Amount of adjustment
City Center, Head Office	Building	354,413,567	846,406,902	8,860,339	30,020,512	21,160,173
Chandaikona Branch	Land	2,111,623	10,218,377	-	-	-
	Building	1,043,925	1,165,978	26,098	55,248	29,150
Savar Branch	Building	28,455,454	25,793,701	711,386	1,353,729	642,343
Panthapath Branch	Building	23,675,711	47,810,567	591,893	1,787,157	1,195,264
Rampura Branch	Building	35,240,607	33,532,281	881,015	1,719,322	838,307
Khulna Branch	Building	16,603,179	13,082,012	415,079	742,130	327,051
Nawabpur Road Branch	Building	57,948,514	51,535,877	1,448,713	2,737,110	1,288,397
		519,492,581	1,029,545,693	12,934,523	38,415,208	25,480,685

2016	2015
Taka	Taka

18 Retained Earnings

Opening balance	1,409,028,351	1,271,790,110
Less: Issue of cash dividend 15%	(1,054,712,346)	(1,265,654,815)
Less: Issue of Stock dividend 5%	(351,570,780)	-
Add: Transferred from Profit & Loss Account	1,453,748,151	1,376,759,022
Add: Transferred from Revaluation Reserve for Fixed Assets	25,480,685	26,134,034
	1,481,974,061	1,409,028,351

18(a) Consolidated retained earnings

Opening Balance	1,409,545,341	1,298,601,774
Less: Issue of cash dividend for SIBL shareholders	(1,054,712,346)	(1,265,654,815)
Less: Issue of Stock dividend 5%	(351,570,780)	-
Add: Transferred from current year retained earnings of SIBL & its subsidiaries {note 18.1(a)}	1,452,608,995	1,350,464,398
Add: Transferred from Revaluation Reserve for Fixed Assets of SIBL	25,480,685	26,134,034
	1,481,351,895	1,409,545,391

Less: Dividend paid to other shareholders

SIBL Securities Limited	65	50
	1,481,351,830	1,409,545,341

SIBL has invested amount of Taka- 1,229,999,000 and Taka- 249,999,400 in two of its subsidiaries 'SIBL Securities Ltd. (SIBL SL)' and 'SIBL Investment Ltd. (SIBL IL)' respectively. SIBL holds 99.9999187% and 99.99976% of total shares of its subsidiaries 'SIBL SL' and 'SIBL IL' respectively while the other shareholders of the subsidiaries hold 0.00008130081% and 0.00024% of total shares respectively.

Details of the shareholding position is as under:

Sl no.	Shareholders	No. Shares		Value of shares		Percentage of holding of shares	
		SIBL SL	SIBL IL	SIBL SL	SIBL IL	SIBL SL	SIBL IL
1	Social Islami Bank Limited	12,299,990	2,499,994	1,229,999,000	249,999,400	99.999919%	99.99976%
2	Alhaj Nasiruddin	1	1	100	100	0.000008%	0.00004%
3	Mr. Md. Sayedur Rahman	1	-	100	-	0.000008%	-
4	Major (Retd.) Dr. Md. Rezaul Haque	1	1	100	100	0.000008%	0.00004%
5	Alhaj Sultan Mahmood Chowdhury	1	1	100	100	0.000008%	0.00004%
6	Mr. Abdul Awal Patwary	1	1	100	100	0.000008%	0.00004%
7	Hamdard Laboratories (Waqf) Bangladesh, Represented by: Mr. Anisul Hoque	1	-	100	-	0.000008%	-
8	Mrs. Nargis Mannan	1	-	100	-	0.000008%	-
9	Mr. Kamaluddin Ahmed	1	1	100	100	0.000008%	0.00004%
10	Alhaj Sk. Mohammad Rabban Ali	1	1	100	100	0.000008%	0.00004%
11	Mr. A. Jabbar Mollah	1	-	100	-	0.000008%	-
		12,300,000	2,500,000	1,230,000,000	250,000,000	100.00%	100.00%

	2016 Taka	2015 Taka
18.1 Current year retained earnings		
Social Islami Bank Limited		
Profit after tax	2,292,186,993	2,072,593,400
Less : Statutory Reserve	838,438,842	695,834,378
	1,453,748,151	1,376,759,022
18.1.(a) Consolidated Current year retained earnings		
Profit after tax of SIBL	2,292,186,993	2,072,593,400
Less :Statutory Reserve	838,438,842	695,834,378
Profit/(Loss) attributable to Group	1,453,748,151	1,376,759,022
Add: Profit/(loss) of subsidiaries		
Add: Current year profit/(loss) of subsidiaries		
SIBL Securities Limited	78,902,038	35,285,482
SIBL Investment Limited	(91,195)	(80,127)
	78,810,843	35,205,355
Less: Non controlling interests of profit/(loss) attributable for current year		
SIBL Securities Limited	64	28
SIBL Investment Limited	-	-
	64	28
Less: Common income (Dividend) for elimination		
SIBL Securities Limited	79,949,935	61,499,950
Profit/(Loss) attributable to parent	1,452,608,995	1,350,464,398



		2016	2015
		Taka	Taka
18(b)	Non-controlling interest		
	SIBL Securities Limited		
	Paid up capital	1,230,000,000	1,230,000,000
	Retained earnings	1,253,248	2,301,210
	Net Assets	1,231,253,248	1,232,301,210
	SIBL Investment Limited		
	Paid up capital	250,000,000	250,000,000
	Retained earnings	(1,875,367)	(1,784,172)
	Net Assets	248,124,633	248,215,828
	Non-controlling interests		
	SIBL Securities Limited, @ 0.00008% of net assets	1,113	1,048
	SIBL Investment Limited, @0.00024% of net assets	596	596
	Total non-controlling interest	1,710	1,645
19	Contingent liabilities		
19.1	Acceptances and Endorsements		
	Bill bankers' liabilities (DP)	18,157,167,303	12,863,608,360
	Bill bankers' liabilities (BB/FO)	829,993,999	1,614,565,278
	Bill bankers' liabilities (BB/LO)	3,544,305,579	3,517,756,382
	Bill bankers' liabilities (EPZ)	204,609,000	241,914,000
	Bill bankers' liabilities Others	266,569,200	193,830,000
		23,002,645,081	18,431,674,020
19.2	Letter of Credit		
	L/C bankers' liabilities (DP)	8,083,188,139	4,981,899,800
	L/C bankers' liabilities (BB/FO)	1,832,416,000	939,531,000
	L/C bankers' liabilities (BB/LO)	1,886,541,660	1,596,159,000
	L/C bankers' liabilities (Cash)	9,113,943,561	6,069,537,146
	L/C bankers' liabilities (EPZ)	182,384,000	99,224,000
	L/C bankers' liabilities (Others)	830,293,300	780,905,674
		21,928,766,660	14,467,256,620
19.3	Letters of guarantees		
	Letters of guarantee	11,485,872,882	7,379,609,632

	2016	2015
	Taka	Taka
19.4 Bills for collection		
In-ward bills for collection	264,095,000	77,961,010
Out-ward Bills for Collection	3,169,966,967	2,740,315,001
	3,434,061,967	2,818,276,011
19.5 Other Contingent Liabilities	-	-
19.6 Other Commitments	-	-
Total Off-balance sheet items	59,851,346,590	43,096,816,283
Income Statement (Note-20 to Note-39)		
Income:		
Income from Investment (Note-20)	16,883,378,239	15,288,872,420
Income from Investment in Shares & Securities (Note-22)	293,823,613	362,240,663
Commission, Exchange and Brokerage Income (Note-23)	1,552,385,033	1,255,969,372
Other operating income (Note-24)	444,753,870	398,528,816
	19,174,340,755	17,305,611,271
Expenses:		
Profit paid on Deposits (Note-21)	9,544,341,782	9,055,715,100
Administrative expenses	2,451,356,865	2,212,232,214
Other operating expenses	1,222,098,691	959,133,000
Depreciation on Banking assets	258,459,532	228,709,954
	13,476,256,871	12,455,790,266
Income over expenditure	5,698,083,884	4,849,821,003
20 Income from Investment		
Profit on Murabaha	119,856,776	195,234,022
Profit on Bai-Muazzal	10,118,432,978	8,828,927,980
Profit on Hire-Purchase	3,876,454,757	2,692,872,981
Profit on Musharka	38,936,919	51,146,151
Profit on Bai-Salam	40,656,117	13,628,479
Profit on Quard against MTDR, Scheme and others	557,890,653	766,351,758
Profit on Inland Document Bill Purchased	358,855,646	288,049,240
Profit on Foreign Document Bill Purchased	691,117,400	1,306,432,948
Profit on Ijarah	27,307,606	16,338,353
Profit on Investment against Mudaraba Deposit with other banks and NBFIs	599,157,616	737,628,173
Profit on other investments (Card, Wakalat fee etc.)	217,775,075	153,281,291
Profit on Mudaraba	236,936,696	238,981,045
	16,883,378,239	15,288,872,420



	2016	2015
	Taka	Taka
20(a) Consolidated income from investment		
Social Islami Bank Ltd.	16,883,378,239	15,288,872,420
Add: Income from investment of subsidiaries of SIBL	82,908,601	57,722,734
SIBL Securities Ltd.	82,908,601	57,722,734
SIBL Investment Ltd.	-	-
Grand total of consolidated investment income	16,966,286,841	15,346,595,154
21 Profit paid on Deposits		
<i>Profit paid on deposits</i>		
Mudaraba Savings Deposits (MSD)	327,415,900	377,469,747
Mudaraba short notice deposit (MSND)	91,880,450	72,655,090
Mudaraba term deposit (MTDR)	6,703,446,067	6,166,425,984
Cash waqf fund deposit	20,647,456	14,190,968
Profit paid on Scheme Deposits & others	2,073,397,664	2,058,806,201
	9,216,787,536	8,689,547,989
<i>Profit paid on borrowings & SIBL Mudaraba Subordinate Bond</i>	327,554,247	366,167,111
Total profit paid on deposits and borrowings	9,544,341,782	9,055,715,100
21(a) Consolidated Profit paid on Deposits		
Social Islami Bank Ltd.	9,544,341,782	9,055,715,100
Add: Income from investment of subsidiaries of SIBL	32,064,954	12,045,866
SIBL Securities Ltd.	32,064,954	12,045,866
SIBL Investment Ltd.	-	-
Grand total of consolidated Profit paid on Deposits	9,576,406,736	9,067,760,966
22 Income from Investment in Shares & Securities		
Income from Investment in Islamic Bond	42,890,379	12,556,008
Income from Investment in Shares	29,831,458	65,366,556
Belhasha Preference share	107,406,070	172,836,301
Dividend Income	113,695,705	111,481,798
	293,823,613	362,240,663
Social Islami Bank Ltd. has investment of Tk. 915.00 crore in Bangladesh Govt. Islamic Investment Bond for which 3.00% average rate of income has been provided for January-December 2016. The nature of the Fund is to generate profit according to Mudaraba Principle.		
22(a) Consolidated income from Investment in Shares & Securities		
Social Islami Bank Ltd.	293,823,613	362,240,663
Add: Income from Investment in Shares & Securities of subsidiaries of SIBL	23,737,526	413,172
SIBL Securities Ltd.	23,737,526	413,172
SIBL Investment Ltd.	-	-
Less: Common income for elimination		
SIBL Securities Ltd.	79,949,935	61,499,950
Grand total of consolidated income from Investment in Shares & Securities	237,611,204	301,153,885

	2016	2015
	Taka	Taka
23 Commission, Exchange & Brokerage		
Commission	796,555,887	660,728,611
Exchange income	755,829,146	595,240,760
	1,552,385,033	1,255,969,372
23(a) Consolidated income from commission, exchange & brokerage		
Social Islami Bank Ltd.	1,552,385,033	1,255,969,372
Add: Income from commission, exchange & brokerage of subsidiaries of SIBL	88,861,672	44,571,031
SIBL Securities Ltd.	88,861,672	44,571,031
SIBL Investment Ltd.	-	-
Grand total of consolidated income from commission, exchange & brokerage	1,641,246,704	1,300,540,403
24 Other Operating Income		
P & T charge recovered	1,650,969	2,321,824
Courier Charges Recovery & Others	2,622,760	5,430,747
Services & charges	298,805,949	251,464,939
SWIFT/ Return charge recovered	48,011,758	58,445,698
Other charges (Note: 24.1)	93,662,433	80,865,608
	444,753,870	398,528,816
24(a) Consolidated other operating income		
Social Islami Bank Ltd.	444,753,870	398,528,816
Add: Other operating Income of subsidiaries of SIBL	925,635	817,703
SIBL Securities Ltd.	925,635	817,703
SIBL Investment Ltd.	-	-
Grand total of consolidated income from commission, exchange & brokerage	445,679,505	399,346,519
24.1 Other Charges		
Rent receipts	1,794,066	1,703,750
Income from sale of forms	345,700	839,357
Service charge on SIBL Cards	38,938,190	22,398,048
Notice pay earnings	1,828,012	920,976
Miscellaneous income	50,756,465	55,003,477
	93,662,433	80,865,608



	2016	2015
	Taka	Taka
25 Salary & Allowances		
Basic Salary	939,614,497	827,163,370
Allowances	928,965,808	826,171,866
Bonus	460,636,141	452,454,314
L/E Salary & Allowances	14,728,894	10,351,490
Bank's Contribution to Provident fund	86,448,701	78,538,486
Bank's Contribution to Social Insurance fund	9,328,467	8,232,688
	2,439,722,509	2,202,912,214
25(a) Consolidated expenses for Salary and Allowance Social Islami Bank Ltd.	2,439,722,509	2,202,912,214
Add: Salary and Allowance for subsidiaries	22,056,096	15,727,295
SIBL Securities Ltd.	22,056,096	15,727,295
SIBL Investment Ltd.	-	-
	2,461,778,605	2,218,639,509
26 Rent, Taxes, Insurance & Electricity etc.		
Rent, Rates & Taxes (note: 26.1)	221,213,035	163,672,143
Insurance (note: 26.2)	93,031,592	72,539,582
Electricity, Lighting & Water (note: 26.3)	71,249,903	57,679,183
	385,494,529	293,890,908
26(a) Consolidated expenses for rent, taxes, insurance & electricity Social Islami Bank Ltd.	385,494,529	293,890,908
Add: Rent, Taxes, Insurance & Electricity etc. of subsidiaries	5,206,922	3,402,294
SIBL Securities Ltd.	5,206,922	3,402,294
SIBL Investment Ltd.	-	-
	390,701,451	297,293,202
26.1 Rents, Rates, Taxes, Insurance & Lighting etc.		
Rents		
Rent (Office)	216,622,355	159,158,551
Rent (Garage)	392,048	389,328
Rent (Godown & others)	2,976,285	2,317,338
	219,990,688	161,865,217
Rates and Taxes	1,222,347	1,806,926
Total Rents, Rates & Taxes	221,213,035	163,672,143
26.2 Insurances		
Insurance Premium in Counter	583,280	562,371
Insurance Premium in Transit	5,361,469	4,778,597
Insurance Premium Safe/Vault	3,978,010	3,810,544
Insurance Premium on deposit	80,504,592	61,335,899
Insurance Premium on Vehicle	1,626,252	1,423,753
Other Insurance	977,989	628,418
	93,031,592	72,539,582

	2016	2015
	Taka	Taka
26.3 Lighting & Electricity		
Lighting & Electricity Bill (Office)	61,586,636	50,400,369
Lighting & Electricity Charges (Office)	5,733,312	4,197,495
Sub Total	67,319,948	54,597,854
Water & Sewerage	3,929,955	3,081,319
	71,249,903	57,679,183
27 Legal Expenses		
Legal Fees & Charge	7,901,229	6,709,756
Stamp Duties	59,061	230
Other Legal Expenses	1,955,666	1,500,598
	9,915,955	8,210,584
28 Postage, Stamps, Telecommunication etc.		
Cable Network rent	218,660	221,548
Telegram, Fax, Telex & other charges	278,310	6,300
Telephone charges	4,701,733	4,828,862
Mobile phone charges	3,619,483	3,401,729
	8,818,186	8,458,439
28(a) Consolidated expenses for Postage, Stamps, Telecommunication etc.		
Social Islami Bank Limited	8,818,186	8,458,439
Add: Postage, Stamps, Telecommunication etc. expenses for subsidiaries	1,543,670	1,145,000
SIBL Securities Ltd.	1,543,670	1,145,000
SIBL Investment Ltd.	-	-
	10,361,856	9,603,439
29 Stationery, Printing, Advertisements etc.		
Table Stationery	12,973,944	9,818,312
Printing Stationery	38,114,111	39,812,375
News Paper & Magazine	33,965,130	26,387,808
Television & Radio	16,246,100	16,943,250
Neon Sign, Banner etc.	564,518	416,281
Other Publicity	15,551,710	7,643,060
	117,415,513	101,021,087
29(a) Consolidated expense of Stationery, Printing, Advertisement etc.		
Social Islami Bank Ltd.	117,415,513	101,021,087
Stationery, Printing, Advertisement expense of Subsidiaries of SIBL	303,298	851,763
SIBL Securities Limited.	303,298	851,763
SIBL Investment Limited.	-	-
	117,718,811	101,872,850



	2016	2015
	Taka	Taka
30 Managing Director's Salary and Allowances		
Basic Salary	5,694,194	4,550,000
Allowances	3,895,162	3,000,000
Festival & other Bonus	2,045,000	1,770,000
	11,634,356	9,320,000
31 Directors' Fees & Meeting Expenses		
Directors Fee	4,385,200	2,979,650
Meeting Expenses	2,585,782	3,849,034
	6,970,982	6,828,684
31(a) Consolidated Directors' fees & Meeting Expenses:		
Social Islami Bank Limited	6,970,982	6,828,684
Directors' Fees & Meeting Expenses of Subsidiaries of SIBL	667,000	552,000
SIBL Securities Limited	667,000	552,000
SIBL Investment Limited	-	-
	7,637,982	7,380,684
32 Shariah Supervisory Committee's Fees & Expenses		
Shariah Council Meeting Expenses	746,775	549,512
	746,775	549,512
33 Depreciation and Repair of Bank's Assets		
a) Depreciation of Bank's Assets (Annexure A)		
Land	-	-
Building	53,044,868	51,525,979
Furniture & Fixtures	47,814,945	41,470,191
Office Appliance & Equipment	102,736,874	79,252,987
Computer Software	11,376,524	9,224,515
Vehicles	10,571,674	10,851,503
Books	53,762	44,869
	225,598,647	192,370,043
b) Repair on Bank's Assets		
Building	456,065	2,753,207
Motor Car/ Vehicle	3,998,022	3,030,420
Furniture Fixture	1,975,078	1,107,207
Mechanical Appliances	13,370,537	10,421,766
Software Maintenance fee	8,875,160	16,346,681
Hardware Maintenance fee	1,764,730	2,680,629
IT Enable Service Charges	2,421,293	-
	32,860,885	36,339,910
Total of Depreciation and repair of Bank's Assets	258,459,532	228,709,954

	2016	2015
	Taka	Taka
33(a) Consolidated balance of Depreciation		
Social Islami Bank Ltd.	258,459,532	228,709,954
Add: Depreciation on assets of subsidiaries	2,884,078	2,128,812
SIBL Securities Ltd.	2,884,078	2,128,812
SIBL Securities Ltd.	-	-
Add: Repairs & Maintainance on assets of subsidiaries	627,921	-
SIBL Securities Ltd.	627,921	-
SIBL Investment Ltd.	-	-
	261,971,531	230,838,766
34 Other Expenses		
Local conveyance	15,685,954	13,461,136
Petroleum, oil & lubricants	14,163,358	11,629,389
Entertainment expenses	75,140,427	51,480,552
Traveling allowances	16,611,323	11,521,724
Travelling Foreign	2,497,868	1,000,996
Bank charges	2,086,748	2,419,395
Uniform charges	809,790	974,670
Subscriptions to Institutions	3,202,182	5,329,743
Banks' clearing house charges	78,419	119,719
CIB Charges	1,993,560	1,362,074
Transportation charges	5,605,933	3,155,306
News paper, Journal & periodicals	624,027	331,894
Washing charges	479,891	349,198
Training expenses Academy/ Internal	42,827	720,499
Training expenses at outside Banks	3,660,729	2,298,849
Meeting expenses	76,465	949,333
Direct expenses on investment	214,978	6,788
Up keep of branches/office premises	6,218,728	5,223,439
Excise duty	2,180,950	1,217,905
Computer charges	15,388,437	13,138,646
Security Services	128,228,370	96,821,447
Cleaner Services	4,684,240	3,562,065
Others wages	88,844,602	59,989,724
Photocopy expenses	1,352,871	1,269,046
Photography expenses	96,687	59,524
Cash & Bank remittance charges	4,004,995	1,865,066
Honorarium	3,591,250	2,412,918
On-Line Expenses	24,215,710	21,419,809
ATM Rent Hardware	2,594,550	1,633,238
Credit Rating Fees	6,212,029	3,971,867
Other Utility	1,812,968	1,953,814
Bond issue related Expense	2,616,000	5,481,890
Fair value adjustment for shares and securities	-	21,704,638
Gratuity expense	105,236,824	103,167,570
Miscellaneous expenses	61,477,991	15,869,866
	601,731,679	467,873,738



	2016	2015
	Taka	Taka
34(a) Consolidated Other Expenses		
Social Islami Bank Limited	601,731,679	467,873,738
Add: Other Expenses for SIBL Securities Limited	21,510,560	11,271,185
License, fees, renewals and incorporation expenses	10,595,772	5,827,768
Entertainment	1,118,686	746,606
Bank charge and Excise duty	-	74,914
Others	9,796,102	4,621,897
Other Expenses for SIBL Investment Limited	68,195	62,877
Incorporation and Other Regulatory expenses	29,453	43,377
Bank charge and Excise duty	16,000	16,000
Others	22,742	3,500
	623,310,434	479,207,800
35 Other Provision		
Provision for other assets (note: 13.3)	8,000,000	20,000,000
Provision for good borrower (note: 13.8)	15,000,000	-
	23,000,000	20,000,000
35(a) Consolidated other provision		
Social Islami Bank Ltd.	23,000,000	20,000,000
Add: Provision for subsidiaries		
SIBL Securities Ltd.		
Provision for general reserve	1,878,399	1,485,719
Provision for impairment of margin loan	15,744,321	10,979,184
Provision for diminution in value of investment	(1,114,563)	2,350,143
	16,508,157	14,815,046
SIBL Investment Ltd.	-	-
	39,508,157	34,815,046
36 Provision against Investment, Off-Balance Sheet items & Others		
Provision on classified investment	609,267,642	992,381,197
Provision on unclassified investment	706,076,728	248,918,344
Provision on Off-Balance Sheet items	167,545,303	109,349,572
Other provisions (note: 35)	23,000,000	20,000,000
	1,505,889,673	1,370,649,113
36(a) Consolidated Provision against Investment, Off-Balance Sheet items & Others		
Social Islami Bank Ltd.	1,505,889,673	1,370,649,113
Add: Provision for subsidiaries	16,508,157	14,815,046
SIBL Securities Ltd.	16,508,157	14,815,046
SIBL Investment Ltd.	-	-
	1,522,397,830	1,385,464,159

	2016	2015
	Taka	Taka
37 Provision for Income Tax		
Current tax provision (Note: 37.1)	1,887,664,569	1,403,060,382
Deferred Tax provision (Note: 37.2)	12,342,649	3,518,109
	1,900,007,218	1,406,578,491
37(a) Consolidated Provision for Income Tax		
Social Islami Bank Limited	1,900,007,218	1,406,578,491
SIBL Securities Limited	14,158,741	6,282,648
Current tax provision	14,374,266	6,147,896
Deferred Tax provision	(215,525)	134,752
SIBL Investment Limited	-	-
	1,914,165,959	1,412,861,138
37.1 Current Tax Provision		
Provision on tax has been calculated based on Income Tax Ordinance, 1984 as amended upto 2016 by the Finance Act, considering the allowances and disallowances.		
37.2 Deferred Tax Provision		
Deferred tax expense/(income) for liability/(asset) has been calculated as per Bangladesh Accounting Standard 12.		
38 Earning Per Share (EPS)		
SIBL has issued 1:1 right share for an amount of Taka- 2,987,815,750 as approved in its 242nd Board Meeting held on 02 March 2011 by the Directors of the Board. Before right issue SIBL had a total capital of Taka- 2,987,815,750 as on 31.12.2010. The paid up capital was further enhanced by an amount of Taka- 418,294,200, Taka-637,489,940 and Taka-351,570,780 issued as bonus share for the years ended 31 December 2010, 2012 and 2015. Now the total paid up capital after right issue and issue of bonus shares amounts to Taka- 7,382,986,420 with a total no. of 738,298,642 shares having face value @ Taka- 10/share.		
Net Profit after Tax	2,292,186,993	2,072,593,400
Number of ordinary shares outstanding	738,298,642	738,298,642
Earning Per Share (EPS) (Previous year's EPS restated)	3.10	2.81
38(a) Consolidated Earning Per Share (CEPS)		
Net Profit after Tax	2,291,047,837	2,046,298,776
Number of ordinary shares outstanding	738,298,642	738,298,642
Consolidated Earning Per Share (CEPS) (Previous year's CEPS restated)	3.10	2.77
Notes for Cash Flow Statement (Note-39 to Note-44)		
39 Income from Investment		
Investment profit receipt	16,883,378,239	15,288,872,420
Add: Opening profit receivable	-	-
Less: Closing profit receivable	-	-
	16,883,378,239	15,288,872,420
39(a) Consolidated income from investment		
Income from investment of SIBL	16,883,378,239	15,288,872,420
Income from investment of Subsidiaries of SIBL	82,908,601	57,722,734
SIBL Securities Ltd.	82,908,601	57,722,734
SIBL Investment Ltd.	-	-
Grand total	16,966,286,841	15,346,595,154



	2016	2015
	Taka	Taka
40 Receipts from Other Operating Activities (Other than profit on sale of fixed assets)		
Exchange income	755,829,146	595,240,760
Rent receipts	1,794,066	1,703,750
P & T charge recovered	1,650,969	2,321,824
Courier Charges Recovery & Others	2,622,760	5,430,747
Notice pay earnings	1,828,012	920,976
Miscellaneous income	50,756,465	55,003,477
Services & charges	298,805,949	251,464,939
SWIFT/ Return charge recovered	48,011,758	58,445,698
Service charge on SIBL Cards	38,938,190	22,398,048
Income from sale of forms	345,700	839,357
	1,200,583,016	993,769,576
40(a) Consolidated receipts from Other Operating Activities (Other than profit on sale of fixed assets)		
Receipts from Other Operating Activities of SIBL	1,200,583,016	993,769,576
Receipts from other operating activities of Subsidiaries of SIBL	925,635	817,703
SIBL Securities Ltd.	925,635	817,703
SIBL Investment Ltd.	-	-
	1,201,508,651	994,587,279
41 Payment to others		
Rent (Office)	216,622,355	159,158,551
Rent (Garage)	392,048	389,328
Rent (Godown)	2,976,285	2,317,338
Rates and Taxes	1,222,347	1,806,926
Insurance Premium for cash in counter	583,280	562,371
Insurance Premium for cash in transit	5,361,469	4,778,597
Insurance Premium for cash in safe/ vault	3,978,010	3,810,544
Insurance Premium on deposit	80,504,592	61,335,899
Insurance Premium for vehicle	1,626,252	1,423,753
Other Insurance	977,989	628,418
Lighting and Electricity Bill (Office)	61,586,636	50,400,369
Lighting and Electricity Charges (Office)	5,733,312	4,197,495
Water and Sewerage	3,929,955	3,081,319
Legal Expenses	9,915,955	8,210,584
Directors Fees and Meeting Expenses	6,970,982	6,828,684
Shariah Supervisory Fees & Expenses	746,775	549,512
Audit Fees	1,212,500	460,000
Repairs and Maintenance	32,860,885	36,339,910
Zakat Expenses	89,792,573	71,840,046
Other Expenses (note: 34)	601,731,679	467,873,738
	1,128,725,879	885,993,382

	2016	2015
	Taka	Taka
41(a) Consolidated payment to others		
Social Islami Bank Limited	1,128,725,879	885,993,382
Payment to others- Subsidiaries	28,103,597	27,368,721
SIBL Securities Limited	28,012,402	27,288,594
SIBL Investment Limited	91,195	80,127
	1,156,829,476	913,362,103
42 Cash Increase/ Decrease in Other Assets		
Stock of stationery, stamps and printing materials etc. (valued at cost)	28,343,402	16,951,714
Advance rent and advertisement	189,109,289	173,045,137
Security Deposit	2,998,351	2,979,571
Branch Adjustments (SIBG) (Note: 9.1)	1,977,063,521	355,465,788
Suspense Accounts (Note: 9.2)	293,646,443	243,428,671
Other Prepayments	64,209,171	256,280
Receivable from M/S. Stock & Bond and SIBL Securities Ltd.	53,881,354	12,245,968
Advance Income Tax	6,695,398,826	5,702,313,738
Receivable from SIBL Securities Limited	-	1,377,245
Receivable from SIBL Investment Limited	1,758,805	1,689,510
Protested Bills against Investment	313,407,280	357,148,000
Profit Receivable from Banks, NBFi and BD Govt.	242,508,711	273,429,060
Receivable from Off-shore Banking Unit	103,309,420	54,791,819
Others (Note: 9.3)	1,731,069,040	1,458,817,996
	11,696,703,613	8,653,940,498
Difference between (2016, 2015)	(3,042,763,115)	2,244,859,699
Advance Income Tax	993,085,088	1,162,412,143
Net change in Other Assets	(2,049,678,027)	3,407,271,842
42(a) Consolidated cash increase/decrease in other assets		
Social Islami Bank Limited	11,696,703,613	8,653,940,498
Cash Increase/ Decrease in Other Assets of subsidiaries	1,832,589,440	1,544,310,899
	13,529,293,053	10,198,251,397
Difference between (2016, 2015)	(3,331,041,656)	2,053,757,579
Advance Income Tax	1,007,764,289	1,170,469,382
Consolidated net change in Other Assets	(2,323,277,367)	3,224,226,961
43 Cash Increase/ Decrease in Other Liabilities		
Adjusting A/C (Cr.) Balance	9,562,781	11,095,197
Other Payable	3,275,077	2,496,220
SIBL Employees' PF	962,694,479	819,174,479
SIBL Employees' Superannuation Fund	90,138,442	74,188,442
Compensation and Rent Suspense (note: 13.4)	1,264,313,910	1,036,673,381
Gratuity Fund Balance with SIBL Principal Br.	552,374,941	467,738,117
BEFTN Adjustment Account	30,504,326	13,707,722
ATM Settlement for Q-Cash	246,022,822	25,778,386
Mudaraba Profit Distribution (note: 13.7)	-	7,000,000
	3,158,886,778	2,457,851,945
Cash Increase/ (Decrease) in Other Liabilities	701,034,833	592,020,047



	2016	2015
	Taka	Taka
Difference between (2016 & 2015)	701,034,833	592,020,047
Add: Transfer to Provision for Investment from Compensation (In Yrs. 2016 & 2015)	164,582,397	162,358,258
Add: Zakat expense transferred to Sadaka Fund	89,792,573	71,840,046
Less: Zakat distributed during the year	71,840,046	63,582,948
Less: Gratuity transferred & Paid during the year	(540,930)	23,049
Less: Adjustment of other provision made during the year	-	837,500
Less: Written off/ Waiver of investment during the year	726,310,626	1,059,907,213
	157,800,061	(298,132,359)

43(a) Consolidated cash increase/decrease in other liabilities

Cash Increase/ Decrease in other liabilities of Social Islami Bank Limited	3,158,886,778	2,457,851,945
Cash Increase/ Decrease in Other Liabilities of subsidiaries	287,737,301	93,231,216
	3,446,624,079	2,551,083,161
Difference between (2016, 2015)	895,540,918	637,711,752
Other changes in other liabilities of Social Islami Bank Limited	(543,234,772)	(890,152,407)
Net change in Other Liabilities-Social Islami Bank Limited	352,306,146	(252,440,655)

44 Cash and Cash Equivalent

Cash in Hand	1,815,513,100	1,145,358,436
Balance with Bangladesh Bank & Sonali Bank Limited (as agent of Bangladesh Bank)	16,131,320,942	13,535,893,678
Balance with Other Banks & Financial Institutions-in Bangladesh	7,872,409,467	10,010,314,686
Balance with Other Banks & Financial Institutions-outside Bangladesh	423,996,755	355,321,944
	26,243,240,264	25,046,888,745

44(a) Consolidated Cash and Cash Equivalent

Social Islami Bank Limited.	26,243,240,264	25,046,888,745
Cash and Cash Equivalent of subsidiaries	167,727,569	81,751,903
SIBL Securities Limited.	167,722,368	81,746,702
SIBL Investment Limited.	5,201	5,201
	26,410,967,833	25,128,640,648

45 Number of Employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk. 36,000 p.a or above were 2363.

46 Audit Committee

The Board of Directors in its 343rd meeting (Emergency) held on 28.06.2015 reconstituted the Board Audit Committee comprising with the following:

Sl. No.	Name	Status with the Bank	Status with the Committee
1	Mr. Md. Abdur Rahman	Independent Director	Chairman
2	Mr. Muinul Hasan	Independent Director	Co-Chairman
3	Mr. Abdul Mohit	Independent Director	Member
4	Hakim Md. Yousuf Harun Bhuiyan	Director	Member
5	Md. Abdur Razzaque	Director	Member

The Board Audit Committee conducted 119 (One hundred nineteen) meetings in the previous years since inception in the year 2003 out of which 12 (twelve) meetings were held in the year ended 31 December 2016.

The Board Audit Committee evaluates the activities of the Bank as per guidelines laid down in the Bangladesh Bank BRPD Circular # 11 dated 27.10.2013. The Audit Committee reviews the internal control system, compliance of audit activities, developing adequate risk management & information technology.

The Audit Committee makes recommendation on the control, compliance and reporting aspects to achieve excellence in the areas, enhancing the effectiveness and reducing the risk of the business.

The Committee examines the Annual Financial Statements before submission in the meeting of Board of Directors. The Committee extends all necessary cooperation in implementing the decisions of the Board of Directors and initiates steps to strengthen the audit activities as per working plan set out under section 7.3.a of Internal Control & Compliance Manual.

The Audit Committee also reviews the inspection reports submitted by the officials of Board Audit Cell on the assets position of the branches considered to be risky in nature in the meeting of the Board Audit Committee and advises the management to take necessary action and adhere to compliance position with a view to the interest of the Bank.

47 Related Party Disclosures

47.1 Name of the Firms / Business Organizations where the Directors of the Social Islami Bank Limited have got interest:

SL No	Name	Name of Firms/ Business Organizations Where the Directors of SIBL have got interest
1	Major Dr. Md. Rezaul Haque (Retd.) Chairman	Chairman Little House Limited Active Builders Limited Sponsor Director United Hospital Limited
2	Mr. Md. Sayedur Rahman Vice Chairman	Managing Director M/s Lodestar Fashions Limited M/s Mid Asia Fashions Limited
3	Alhaj Sk. Mohammad Rabban Ali Vice Chairman	Managing Director Rabbani Trading Company Limited Shamlon Industries Limited Shama Poly Yarn Industries Limited Proprietor S.R. Impex Co.
4	Mr. Abdul Awal Patwary Director	Chairman Patwary Cold Storage Ltd. Patwary Potato Flakes Ltd. Greentech Greenhouse Bangladesh Ltd. Managing Director Faysal Shopping Complex Ltd. Proprietor Faysal Traders
5	Md. Anisul Haque Director Representative of: Hamdard Laboratories (WAQF) Bangladesh. 291/1, Sonargaon Road, Dhaka	Director, Finance & Accounts Hamdard Laboratories (WAQF) Bangladesh Limited
6	Abdul Jabbar Mollah Director	Managing Director Jahanabad Sea Foods Limited Jalalabad Frozen Foods Limited Jabbar & Co. Limited



7	Md. Abdur Razzaque Director	<i>Nil</i>
8	Mr. Mohammad Amin Uddin Director	<i>Nil</i>
9	Md. Kamal Uddin Director (Representative of Sifang Securities Limited)	Managing Director Chittagong Builders & Machinery Ltd. Merchant securities Limited Sifang securities Limited Director Human Resources Development Co., Ltd. Central Hospital (Pvt.) Ltd. ASM Chemical Industries Ltd. Universal Health Services & Research Ltd. Chairman Mercantile Insurance Company Ltd. Proprietor CBM Consortium
10	Hakim Md. Yousuf Harun Bhuiyan Director (Representative of Hamdard Foundation Bangladesh)	Managing Director Hamdard Laboratoies (WAQF), Bangladesh Secretary General Hamdard Foundation, Bangladesh
11	Mrs. Afa Begum Director	<i>Nil</i>
12	Mr. Mohammad Nabi Ullah Director	Managing Director United Leather Industries (Pvt.) Ltd. United Melamine Industries (Pvt.) Ltd. United Plastic Wood Industries (Pvt.) Ltd. M. Hossain Spining Mills (Pvt.) Ltd. M. Hossain Cotton Spining Mills (Pvt.) Ltd. Director Mercantile Insurance Co. Ltd.
13	Mrs. Dr. Lily Amin (Representative of SIBL Foundation)	SIBL Foundation
14	Mr. Md. Abdur Rahman Independent Director	<i>Nil</i>
15	Mr. Abdul Mohit Independent Director	<i>Nil</i>
16	Mr. Muinul Hasan Independent Director	<i>Nil</i>

47.2 Significant contracts where Bank is a party and where in Directors have interest: **Nil**

47.3 Lending Policies to Related Parties:

Lending to related parties is effected as per requirements of Section 27(1) of the Bank Companies Act, 1991.

A Related Party Transaction

Name of Party	Name of the Director	Relationship	Nature of Investment	Outstanding Amount (Taka)	Status
Funded Liability					
Active Builders Ltd	Md. Rezaul Haque	Chairman	WC (Bai Muazzel)	475.72 lac	UC

Hakim Golzar Ahmed Bhuiyan	Mr. Hakim Md. Yousuf Harun	Director's Son	HPSM (Consumer Finance) Auto Finance	18.49 lac	UC
M/S Jalalabad Frozen Food Ltd	Md. Abdul Jabbar Mollah	Chairman & Managing Director	WC (Bai Muazzel)	740.00 lac	UC
SIBL Securities Ltd.	N/A	Subsidiary	Quard	4200.00 lac	UC
SIBL Foundation Hospital & Diagnostic Center	N/A	A concern of SIBL Foundation	Quard- E- Hasana	5727.94 lac	UC

Non-Funded Liability

M/S Foysal Traders	Mr. Abdul Awal Patwary	Father's Firm	Bank Guarantee	11.87 lac	-
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B Investment Policies to Related Parties

Lending to related parties is effected as per requirements of section 27 (1) of Bank Companies Act,1991

C Business other than Banking business with any related concern of the Directors as per Section 18 (2) of the Bank Companies Act, 1991: **Nil**

D Investments in the securities of Directors and their related concern: **Nil**

E Shares issued to Directors and Executives without consideration or exercisable at discount: **Nil**

48 Post Balance Sheet events (BAS-10)

No material events occurring after balance sheet date came to our notice, which could affect the values reported in the financial statements significantly.

The Board of Directors has authorized the financial statement for issue on 20.02.2017 and recommended cash dividend @ 20% for the year ended 31 December 2016.

But it is to be reported here that:

The Board of Directors of SIBL in its 368th meeting held on 12 June 2016 approved issuance of 6(Six) years redeemable Mudaraba Sub-ordinated Bond in the name and style "SIBL 2nd Mudaraba Sub-ordinated Bond" for a total amount of Taka-400.00 crore through private placement subject to approval of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) under the following features:

Features of SIBL Mudaraba Sub-ordinated Bond

Name of the Instrument	SIBL 2nd Mudaraba Sub-Ordinated Bond
Issuer	Social Islami Bank Limited (SIBL)
Purpose	To Consider as Supplementary Capital (Tier II)
Amount of Issue	BDT. 4,000,000,000 (Four Hundred Crore)
Nature of the Debt Instrument	Mudaraba Sub-Ordinated Debt
Tenure of Bond	6 (Six) Years

49 General

- Figures appearing in these financial statements have been rounded off to the nearest Taka.
- The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the Bank.
- Figures of previous year have been rearranged wherever necessary to conform the current year's presentation.
- All types of financing made to the clients have been shown under the head 'Investment' whereas investment made in different shares and securities of Government and others companies are shown as investment shares and securities.
- The bank incurs expenditure in relation to its Corporate Social Responsibility (CSR) throughout the year. The budget for the CSR expenditures are met up from various source including zakat and other sources. The Climate Risk Fund is also a part of this CSR expenditures. This year the bank provided Tk. 8.98 crore for CSR activities through zakat.
- As per Bangladesh Labour Act, 2006 as amended in 2013 all companies which fall within the scope of WPPF (which includes Bank) are required to provide 5% of its profit to the fund. The Bank has not made any provision for WPPF in line with letter no. 53.00.0000.311.22.002.17.130 dated 14 February 2017 issued by The Ministry of Finance, Bank & Financial Institution Division.



Social Islami Bank Limited

For the year ended 31 December 2016

SCHEDULE OF FIXED ASSETS

(amounts in Taka)

Particulars	C O S T / R E V A L U E D *			Rate of Depreciation	D E P R E C I A T I O N				Written down value as at 31 December 2016
	Balance as on 01 January 2016	Additions during the year	Disposal/ Transfer during the year		Balance at 31 December 2016	Transfer/ Adjustment during the year	Charged during the year	Balance at 31 December 2016	
Land	12,330,000	-	-	12,330,000	-	-	-	-	12,330,000
Building	2,320,220,714	-	-	2,320,220,714	2.50%	53,044,868	252,941,996	206,727,871	2,067,278,718
Furniture & Fixtures	629,266,434	147,435,044	-	776,701,478	10%	47,814,945	261,357,250	515,344,228	515,344,228
Office Equipment	814,572,284	229,584,618	-	1,044,156,902	20%	102,736,874	524,392,171	519,764,731	519,764,731
Software	112,685,685	26,873,761	-	139,559,446	10%	11,376,524	25,706,660	113,852,786	113,852,786
Vehicles	94,031,299	6,960,039	1	100,991,337	20%	10,571,674	72,622,045	28,369,291	28,369,291
Books	1,164,395	230,105	-	1,394,499	10%	53,762	813,253	581,246	581,246
31 December 2016	3,984,270,810	411,083,567	1	4,395,354,376		225,598,647	1,137,833,375	3,257,521,002	
31 December 2015	3,395,723,481	589,894,880	1,347,551	3,984,270,810		192,370,043	912,234,727	3,072,036,084	

* Details of revaluation of Fixed assets is shown in note:17.

Social Islami Bank Limited
For the year ended 31 December 2016
 CONSOLIDATED SCHEDULE OF FIXED ASSETS

(amounts in Taka)

Particulars	C O S T / R E V A L U E D				Rate of Depreciation	D E P R E C I A T I O N				Written Down Value at 31 December 2016
	Balance as on 01 January 2016	Additions during the year	Disposal/ Transfer during the year	Balance at 31 December 2016		Balance as on 01 January 2016	Transfer/ Adjustment during the year	Charged during the year	Balance at 31 December 2016	
Land	12,330,000	-	-	12,330,000		-	-	-	-	12,330,000
Building	2,320,220,714	-	-	2,320,220,714	2.50%	199,897,128	-	53,044,868	252,941,996	2,067,278,718
Furniture & Fixtures	633,102,158	150,167,198	-	783,269,356	10%	214,137,274	-	48,383,828	262,521,102	520,748,255
Office Equipment	824,365,486	230,025,467	-	1,054,390,953	20%	426,248,732	-	104,737,955	530,986,687	523,404,266
Software	115,814,325	26,918,761	-	142,733,086	10%	15,427,555	-	11,690,638	27,118,193	115,614,893
Vehicles	94,031,299	6,960,039	1	100,991,337	20%	62,050,371	-	10,571,674	72,622,045	28,369,292
Books	1,164,395	230,105	-	1,394,500	10%	759,492	-	53,762	813,254	581,246
31 December 2016	4,001,028,377	414,301,570	1	4,415,329,946		918,520,552	-	228,482,724	1,147,003,276	3,268,326,670
31 December 2015	3,407,713,245	594,662,682	1,347,551	4,001,028,376		724,021,696	-	194,498,855	918,520,551	3,082,507,826



Social Islami Bank Limited

BALANCE WITH OTHER BANKS IN FOREIGN CURRENCIES

[Referred to Note 4.2 of these financial statements]

SL No.	Name of the Banks	Currency Name	2016			2015		
			Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.	Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.
1	SCB, MUMBAI	ACUD	(37,090.71)	78.70	(2,919,120)	6,726.66	78.50	528,045
2	SUMMIT BANK, KARACHI	ACUD	618.86	78.70	48,706	1,448.77	78.50	113,729
3	SONALI BANK, KOLKATA	ACUD	3,843.26	78.70	302,473	640.68	78.50	50,294
4	MASHREQ BANK, MUMBAI	ACUD	23,942.42	78.70	1,884,321	4,305.09	78.50	337,951
5	NEPAL BANGLADESH BANK	ACUD	826.36	78.70	65,036	10,741.36	78.50	843,200
6	BANK OF BHUTAN, PHUENTSOLING	ACUD	1,366.83	78.70	107,573	486.05	78.50	38,155
7	HABIB BANK LIMITED, KARACHI	ACUD	76,556.26	78.70	6,025,146	829.18	78.50	65,091
8	UNITED BANK OF INDIA	ACUD	35,028.00	78.70	2,756,781	740.28	78.50	58,112
9	AB BANK, MUMBAI	ACUD	97,859.36	78.70	7,701,747	122,127.41	78.50	9,587,038
10	SONALI BANK (UK) LTD. UK	USD	781.03	78.70	61,469	34,920.17	78.50	2,741,244
11	MASHREQ BANK, NEW YORK, (OBU)	USD	3,386,214.78	78.70	266,502,553	765,050.50	78.50	60,056,698
12	MASHREQ BANK PSC, NEW YORK, USA	USD	1,422,635.29	78.70	111,964,527	3,543,873.99	78.50	278,195,171
13	KOREA EXCH. BANK, KOREA	USD	920.62	78.70	72,455	13,099.67	78.50	1,028,328
14	MASHREQ BANK, NEW YORK, (ACTUAL)	USD	331,813.41	78.70	26,114,445	-	-	-
15	COMMERZ BANK AG, FRANKFURT	EURO	5,128.80	82.17	421,408	7,685.52	85.79	659,364
16	MASHREQ BANK, PSC MUMBAI	ACU EURO	427.92	82.17	35,160	62.92	85.79	5,398
17	SCB, FRANKFURT	EURO	2,625.55	82.17	215,729	1,103.09	85.79	94,637
18	SONALI BANK (UK) LTD. UK	EURO	271.07	82.17	22,272	440.33	85.79	37,777
19	SCB, LONDON, UK	GBP	7,174.01	96.36	691,309	943.37	116.38	109,786
20	UNITED NATIONAL BANK, LONDON, UK	GBP	4,230.62	96.36	407,675	2,623.16	116.38	305,275
21	SONALI BANK (UK) LTD. UK	GBP	122.14	96.36	11,770	101.48	116.38	11,810
22	SCB, TOKYO	JPY	687,565.00	0.67	463,692	377,470.00	0.65	246,109
23	SAUDI HOLLANDI BANK RIYADH SA	ACU	49,530.00	20.99	1,039,629	10,000.00	20.87	208,732
	Total				423,996,755			355,321,944

Social Islami Bank Limited

Details information of Investment more than 10% of Bank's total capital

Sl no.	Name of client	Outstanding as on 31 December 2016			Outstanding as on 31 December 2015		
		Funded	Non-funded	Total	Funded	Non-funded	Total
		(Funded & Non-funded) (amounts in crore Taka)					
1	M/s. Nuruzzaman Khan, NZ Fabrics Ltd. & NZ. Ltd.	215.77	143.06	358.83	126.46	77.01	203.47
2	Dong Bang Textile Limited	240.57	2.28	242.85	221.32	20.43	241.75
3	Mars Textile Limited	171.18	68.05	239.23	-	-	-
4	Cross Line Factory Ltd. & Cross Line Knit Fabrics	-	-	-	59.02	83.42	142.44
5	Dong Bang Dyeing Limited	251.92	41.73	293.65	222.89	54.28	277.17
6	Badsha Textile	118.99	163.72	282.71	40.61	84.55	125.16
7	Nitol Motors	-	-	-	117.24	-	117.24
8	Rabiul Islam, M/s Rhythm Trading, AR Center	195.82	91.33	287.15	165.52	43.79	209.31
9	Bashundhara Group	226.52	161.23	387.75	176.43	123.70	300.13
10	M/s. Western Dresses Ltd. MNC Apparels Ltd.	124.04	96.69	220.73	124.43	92.96	217.39
11	M/s. Agrani Traders & its sister concern M/s. OVI Traders, M/s. A M Trading & M/s. Md. Aynul Haque	119.41	217.86	337.27	-	-	-
12	M/s. Partex Denim Mills Ltd. & Partex Denim Limited.	-	-	-	92.59	106.95	199.54
13	Abul Khair Steel, Abul Khair Consumer, Shah Cement Industries Ltd., Abul Khair Ceramic Industries Ltd., Abul Khair Steel Melting Ltd., Abul Khair Strip Processing Ltd.	62.02	132.37	194.39	-	-	-
14	M/S. Islam Brothers & Co, Anwara Mannan Textile Mills Ltd., Aman Poultry & Hatchery Ltd.	196.37	44.52	240.89	-	-	-
15	Orion Group	224.25	72.25	296.50	-	-	-
16	Thermax Group	248.97	37.82	286.79	-	-	-
17	Base Textiles Ltd., Base Fashion Limited, Zyantex Limited, Base Technologies Limited, Base Paper Ltd.	211.40	74.32	285.72	-	-	-
18	Ibrahim Consortium Ltd. & Opal Trading House	237.25	1.76	239.01	-	-	-
19	Mahbub Brothers(Pvt.) Ltd.	155.54	29.19	184.73	-	-	-
20	1. Mascotex Ltd., 2. Masco Coottons & Industries Limited. 3. Masco Exports 4. Masco Overseas Limited.	92.41	88.29	180.70	-	-	-
	Grand Total	3,092.43	1,466.47	4,558.90	1,346.51	687.09	2,033.60



Social Islami Bank Limited

History of Paid-Up Capital

Years	Declaration	No. of Share	Face Value per Share (Taka)	Cumulative no. of Shares	Value of issued Capital for the year (Taka)	Cumulative value of Capital (Taka)
1995	Initial Capital	118,380	1,000	118,380	118,380,000	118,380,000
1996	No Dividend	-	-	118,380	-	118,380,000
1997	6.43% Bonus issue for the year 1996	7,620	1,000	126,000	7,620,000	126,000,000
1998	No Dividend	-	-	126,000	-	126,000,000
1999	Right Share Issued	74,000	1,000	200,000	74,000,000	200,000,000
2000	Placement	50,000	1,000	250,000	50,000,000	250,000,000
	Initial Public Offer	10,000	1,000	260,000	10,000,000	260,000,000
2001	20% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2002	25% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2003	50% Bonus Issue (Declared in the year 2004)	-	-	260,000	-	260,000,000
2004	Bonus issue (For the years 2001, 2002, 2003)	325,000	1,000	585,000	325,000,000	585,000,000
2005	No dividend	-	-	585,000	-	585,000,000
2006	No dividend	-	-	585,000	-	585,000,000
2007	1:1 Right Share	5,345,550	100	11,195,550	534,555,000	1,119,555,000
2008	17% Bonus Issue for the year 2007	1,903,243	100	13,098,793	190,324,300	1,309,879,300
2009	10% Bonus Issue for the year 2008	1,309,879	100	14,408,672	130,987,900	1,440,867,200
	1:1 Right Share	12,508,587	100	26,917,259	1,250,858,700	2,691,725,900
2010	11% Bonus Issue for the year 2009	2,960,899	100	29,878,158	296,089,850	2,987,815,750
2011	14% Bonus Issue for the year 2010	41,829,420	10	340,610,995	418,294,200	3,406,109,950
	1:1 Right Share	298,781,575	10	639,392,570	2,987,815,750	6,393,925,700
2012	10.50% Cash dividend for the year 2011	-	10	639,392,570	-	6,393,925,700
2013	10% Bonus Issue for the year 2012	63,748,994	10	703,141,564	637,489,940	7,031,415,640
2014	12% Cash dividend for the year 2013	-	10	703,141,564	-	7,031,415,640
2015	18% Cash dividend for the year 2014	-	10	703,141,564	-	7,031,415,640
	5% Bonus Issue for the year 2015	35,157,078	10	738,298,642	351,570,780	7,382,986,420
2016	15% Cash dividend for the year 2015	-	10	738,298,642	-	7,382,986,420

Social Islami Bank Limited
STATEMENT OF CORPORATE INCOME TAX STATUS
 As at 31 December 2016

(amount in Taka)

Accounting Year	Assessment Year	Tax Provision as per accounts	Advance Tax/TDS / Settlement fee/Appeal fee	Tax as per assessment Order	Present Status
2004	2005-2006	68,610,851	81,410,851	139,584,498	Pending at High Court Division of Supreme Court
2005	2006-2007	24,391,126	42,284,321	42,101,314	Completed
2006	2007-2008	59,825,178	85,135,927	85,135,927	Completed
2007	2008-2009	128,000,000	134,490,189	168,503,748	Pending at High Court Division of Supreme Court
2008	2009-2010	150,300,000	157,333,015	175,548,021	Pending at High Court Division of Supreme Court
2009	2010-2011	278,914,968	281,454,389	298,644,511	Pending at High Court Division of Supreme Court
2010	2011-2012	515,149,014	523,404,506	498,853,789	Pending at High Court Division of Supreme Court
2011	2012-2013	816,364,597	820,951,354	819,889,378	Pending at High Court Division of Supreme Court
2012	2013-2014	1,301,591,387	1,322,274,194	1,487,341,480	Pending at High Court Division of Supreme Court
2013	2014-2015	802,951,284	799,591,025	1,223,045,189	Pending at High Court Division of Supreme Court
2014	2015-2016	1,400,446,160	1,033,328,218	-	Assessment under process
2015	2016-2017	1,403,060,382	948,891,465	-	Return Submitted



Social Islami Bank Limited

OFF-SHORE BANKING UNIT (OBU)

BALANCE SHEET

As at 31 December 2016

	Note(s)	2016		2015	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash					
Cash in hand (Including Foreign Currencies)		-	-	-	-
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)		-	-	-	-
		-	-	-	-
Balance with other Banks and Financial Institutions	3				
In Bangladesh		-	-	-	-
Outside Bangladesh		5,780,291	454,921,648	3,728,679	292,702,412
		5,780,291	454,921,648	3,728,679	292,702,412
Placement with Banks & other Financial Institutions		-	-	-	-
Investments in Shares & Securities		-	-	-	-
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
Investments					
General Investment etc.	4	87,556,890	6,890,919,882	57,652,306	4,525,723,316
Bills Purchased and Discounted		-	-	-	-
		87,556,890	6,890,919,882	57,652,306	4,525,723,316
Fixed Assets including Premises, Furnitures and Fixtures	5	586	46,090	734	57,612
Other Assets	6	1,312,662	103,309,420	697,982	54,791,819
Non Banking Assets		-	-	-	-
Total Assets		94,650,430	7,449,197,040	62,079,701	4,873,275,159
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from Banks & other Financial Institutions	7	24,606,410	1,936,578,574	49,672,126	3,899,276,819
Deposits and Other Accounts	8	66,328,848	5,220,226,285	8,897,259	698,437,474
Mudaraba Savings Deposits		-	-	-	-
Mudaraba Term Deposits	8.1	65,464,785	5,152,222,626	8,000,000	628,002,400
Other Mudaraba Deposits		-	-	-	-
Al-Wadeeah Current & Other Deposit Accounts	8.2	864,063	68,003,659	897,259	70,435,074
Bills Payable		-	-	-	-
Other Liabilities		3,715,172	292,392,181	3,510,316	275,560,866
Deferred Tax Liabilities/ (Assets)		-	-	-	-
Total Liabilities		94,650,430	7,449,197,040	62,079,701	4,873,275,159

Note(s)	2016		2015	
	USD	Taka	USD	Taka
Capital/Shareholders' Equity				
Paid-up Capital	-	-	-	-
Statutory Reserve	-	-	-	-
Foreign currency translation gain/(Loss)	-	-	-	-
Retained Earnings	-	-	-	-
Total Shareholders' Equity	-	-	-	-
Total Liabilities & Shareholders' Equity	94,650,430	7,449,197,040	62,079,701	4,873,275,159
Off-Balance Sheet Items				
CONTINGENT LIABILITIES				
Acceptances and Endorsements	-	-	-	-
Irrevocable Letters of Credit (Including Back to Back Bills)	-	-	-	-
Letters of Guarantee	-	-	-	-
Bills for Collection	-	-	-	-
Other Contingent Liabilities	-	-	-	-
Total	-	-	-	-
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	-	-	-	-



Social Islami Bank Limited
OFF-SHORE BANKING UNIT (OBU)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016		2015	
	USD	Taka	USD	Taka
Investment Income	4,433,061	348,891,634	2,887,203	226,646,272
Less: Profit paid on Deposits	(1,045,980)	(82,320,901)	(329,243)	(25,845,657)
Net Investment Income	3,387,081	266,570,733	2,557,960	200,800,615
Commission, Exchange and Brokerage	192	15,111	-	-
Other Operating Income	328,138	25,825,177	289,247	22,705,976
Total Operating Income	3,715,411	292,411,020	2,847,207	223,506,591
Salary & allowances	40,107	3,156,514	35,253	2,767,359
Rent & Utilities	825	64,929	701	55,000
Depreciation on fixed assets	146	11,522	183	14,403
Others	-	-	-	-
Total Operating Expenses	41,078	3,232,966	36,137	2,836,762
Profit/(Loss) before Provision				
Specific provisions for Investment	-	-	-	-
General Provisions for Investment	-	-	-	-
General Provisions for off-Balance Sheet exposure	-	-	-	-
Total Provision	-	-	-	-
Total Profit/(Loss) before Tax	3,674,333	289,178,054	2,811,070	220,669,829
Provision for Income Tax	-	-	-	-
Net Profit/(Loss) after Tax	3,674,333	289,178,054	2,811,070	220,669,829

Social Islami Bank Limited
OFF-SHORE BANKING UNIT (OBU)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016		2015
	USD	Taka	Taka
Cash Flow from operating activities			
Investment Income receipt	4,433,061	348,891,634	226,646,272
Profit paid on deposits	(1,045,980)	(82,320,901)	(25,845,657)
Dividend receipts	-	-	-
Fees & commission receipt	192	15,111	-
Cash payments to employees	(40,107)	(3,156,514)	(2,767,359)
Cash payments to suppliers	-	-	-
Income tax paid	-	-	-
Receipts from other operating activities	328,138	25,825,177	22,705,976
Payments for other operating activities	(825)	(64,929)	(55,000)
Operating profit before changes in operating assets and liabilities	3,674,479	289,189,577	220,684,232
Changes in operating assets and liabilities			
Statutory deposits	-	-	-
Net trading securities	-	-	-
Investments to other banks	-	-	-
Investment to customers	(29,904,584)	(2,365,196,566)	(320,362,990)
Other assets	(614,680)	(48,517,601)	(166,474,404)
Deposits from other banks	(25,065,716)	(1,962,698,245)	(306,081,947)
Deposits received from customers	57,431,589	4,521,788,811	521,677,160
Other liabilities on account of customers	-	-	-
Trading liabilities	-	-	-
Other liabilities	(3,469,623)	(272,358,262)	(2,379,585,310)
Sub Total	(1,623,015)	(126,981,863)	(2,650,827,492)
A. Net Cash flow from operating activities	2,051,466	162,207,714	(2,430,143,260)
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	146	11,522	14,403
Purchase/Sale of subsidiaries	-	-	-
B. Net Cash flows from investing activities	146	11,522	14,403
Cash flows from financing activities			
Receipts from issue of debt instruments	-	-	-
Payments for redemption of debt instruments	-	-	-
Receipts from issue of right shares/ordinary share	-	-	-
Dividend paid in cash	-	-	-
C. Net Cash flow from financing activities	-	-	-
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)	2,051,612	162,219,236	(2,430,128,857)
E. Cash and cash equivalents at the beginning of the year	3,728,679	292,702,412	2,722,831,269
F. Cash and cash equivalents at the end of the year (D+E)	5,780,291	454,921,648	292,702,412



Social Islami Bank Limited
OFF-SHORE BANKING UNIT (OBU)
Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2016

1 Status of the unit

The Bank obtained the Off-shore Banking Unit ("the Unit") permission vide letter No. BRPD(P-3)744(119)/2010-4652, dated: 11 November, 2010. The Bank commenced operation of this unit from 02 May 2012. The Off-shore Banking Unit is governed under the rules and guidelines of the Bangladesh Bank. Its office is located at SIBL, Head Office, 90/1 Motijheel C/A, Dhaka-1000.

1.1 Principal activities

The principal activities of the unit are to provide all kinds of commercial banking services to its customers through its off-shore Banking Units in Bangladesh.

2 Significant accounting policies and basis of preparation of financial statements**2.1 Basis of accounting**

The Off-shore Banking Unit maintains its accounting records in USD from which accounts are prepared according to the Bank Companies Act, 1991, Bangladesh Accounting Standards, Bangladesh Financial Reporting Standard (BFRS) and other applicable directives issued by The Bangladesh Bank, in particular, Banking Regulations and Policy Department (BRPD) Circular No. 15 (09 November 2009).

2.2 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.3 Foreign currency transaction**a) Foreign currencies translation**

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into Taka equivalent.

b) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

c) Translation gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account, except those arising on the translation of net investment in foreign subsidiary.

Cash flow statement

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

2.4 Reporting period

These financial statements cover from January 01 to December 31, 2016.

2.5 A provision is recognised in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".**2.6 Profit income**

In terms of the provisions of the BAS-18 "Revenue", the profit income is recognized on accrual basis.

Fees and commission income

Fees and commission income arises on services provided by the units are recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

2.7 Profit paid and other expenses

In terms of the provisions of the BAS - 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

2.8 Allocation of common expenses

Operating expenses in the nature of salary, rent, rates and taxes, management expenses, printing stationery, etc. are allocated as common expense rather separately accounted for in the financial statements.

3 Balance with other Banks and Financial Institutions

Balance with other Banks and Financial Institutions consists nostro account balance of OBU unit of SIBL which is held with Mashreq Bnak, New York.

4 General Investments

- a) General investments of Off-shore Banking Units are stated in the balance sheet on net basis.
- b) Profit is calculated on a daily product basis but charged and accounted for on accrual basis. Profit is not charged on bad and loss investments as per guidelines of the Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

5 Fixed Assets

Fixed assets includes Furnitures and office equipments used by the employees of OBU unit.

6 Other Assets

Other assets include profit receivable from investment clients which are accounted for on accrual basis as per relative accounting standards.

7 Borrowing from Banks & other Financial Institutions

Borrowing from Banks & other Financial Institutions includes amount received from SIBL as part of fund which will be returned/adjusted in due course, balance of which is eliminated in the consolidated balance sheet of SIBL to avoid improper double reflection of fund.

8 Deposits and Other Accounts

8.1 Mudaraba Term Deposits

Mudaraba Term Deposits includes deposits procured from various local and foreign banks/institutions which includes:

among the local banks/institutions:

1. South East Bank Ltd., 2. Dutch Bangla Bank Ltd., 3. Bank Asia Ltd., 4. Dhaka Bank Ltd., 5. National Bank Ltd., and 6. Bangladesh Commerce Bank Ltd.

among the foreign banks/institutions:

1. Islamic Corporation for the Development of the Private Sector (ICD), 2. UBL, Dubai, 3. United Bank, USA, 4. EBL, HK

The significant amount is procured from **Islamic Corporation for the Development of the Private Sector (ICD)** that amounts to USD 30.00 million .

8.2 Al-Wadeeah Current & Other Deposit Accounts

Al-Wadeeah Current & Other Deposit Accounts includes profit payable account and sundry deposits.

9 General

- a) These financial statements are presented in BDT, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest BDT.
- b) Assets and liabilities & income and expenses have been converted into Taka currency @ US \$1 = Taka 78.7022 closing rate as at 31st December 2016.
- c) Fixed assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit & loss Accounts of the main operation of the bank.



Social Islami Bank Limited

HIGHLIGHTS OF PERFORMANCE (Only Bank-Solo basis)

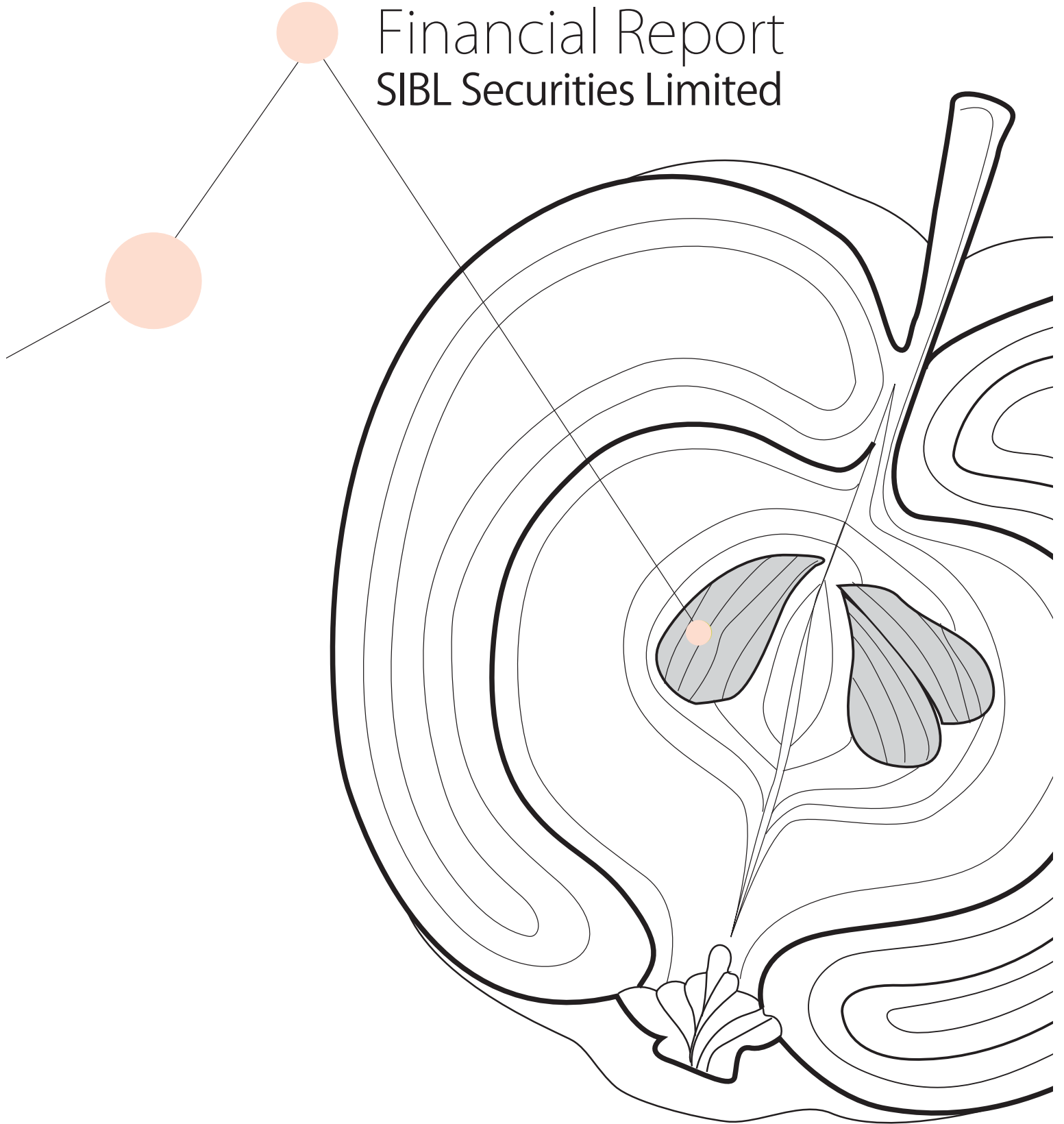
(Amount in Taka)

SL no.	Particulars	2016	2015
1	Paid up Capital	7,382,986,420	7,031,415,640
2	Total Capital (Core + Supplementary)	19,195,044,439	16,916,084,302
3	Capital Surplus/(Deficit)	2,577,777,439	3,200,560,302
4	Capital to Risk-weighted Asset Ratio (CRAR)	11.55%	12.33%
5	Total Assets	227,704,178,572	180,112,108,864
6	Total Deposit	190,564,515,334	149,773,617,226
7	General Investment	174,196,133,375	134,116,849,903
8	Total Contingent Liabilities and Commitments	59,851,346,590	43,096,816,283
9	Investment-Deposit (ID) Ratio (%)	89.86%	88.52%
10	Percentage of classified investment against total investments	4.44%	3.84%
11	Profit before Tax and Provision	5,698,083,884	4,849,821,004
12	Profit after Tax and Provision	2,292,186,993	2,072,593,400
13	Amount of classified investment	7,738,196,000	5,149,577,421
14	Provisions kept against classified investment	1,764,697,631	1,673,417,498
15	Provisions surplus	-	-
16	Cost of Deposits	5.57%	6.42%
17	Profit Earning Assets	194,803,119,916	153,704,880,169
18	Non-Profit Earning Assets	32,901,058,656	26,407,228,695
19	Return on Investment in Securities	2.39%	3.93%
20	Return on average Assets (ROA)	2.06%	2.08%
21	Return on equity (ROE)	16.16%	16.00%
22	Income from Investment in Securities	293,823,613	362,240,663
23	Earning Per Share (EPS Restated)	3.10	2.81
24	Consolidated Earning Per Share (CEPS Restated)	3.10	2.77
25	Net Income Per Share (Restated)	3.10	2.81
26	Price Earning Ratio (Times)	5.93	4.89

Our all-round, year-long performance has yielded us some financial figures that exhibit our healthy and sustainable status in the banking industry of Bangladesh. Our income statement, balance sheet and cash flow statement has earned higher summit and promises consistent progression.

Strategic
Growth

Financial Report SIBL Securities Limited



Auditors' Report

to the Shareholders of SIBL Securities Limited

We have audited the accompanying Financial Statements of SIBL Securities Limited, which comprise the Statement of Financial Position as of 31 December, 2016 and the related Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

The financial statements of SIBL Securities Limited for the year ended 31 December 2015 were audited by Kazi Zahir Khan & Co., Chartered Accountants who expressed an unmodified opinion on those statements on 09 April 2016.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act, 1994, the Securities & Exchange Rules, 1987 and other applicable laws and regulations. The responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of Company's affairs as of 31 December, 2016 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act, 1994, the Securities & Exchange Rules, 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by SIBL Securities Limited, so far as it appeared from our examination of those books;
- c) The Company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account; and
- d) The expenditure incurred was for the purposes of the Company's business.

Dated: Dhaka
26 February, 2017

Syful Shamsul Alam

Syful Shamsul Alam & Co.
Chartered Accountants.



SIBL Securities Limited

Statement of Financial Position

as at 31 December, 2016

Particulars	Note	Amount in Taka	
		2016	2015
ASSETS			
Non-current assets			
Property, plant & equipment less acc. depreciation	3	9,043,561	8,440,522
Intangible assets	4	1,762,107	2,031,221
Other assets	5	-	-
Investment in Equity of Strategic Company	6	1,027,650,000	1,027,650,000
		1,038,455,668	1,038,121,743
Current Assets			
Advances, deposits & pre-payments	7	36,827,526	23,180,777
Receivable from client		615,431,298	428,311,409
Receivables from regulators	8	31,991,934	2,174,023
Other receivables	9	67,467,118	37,538,337
Investment in stock dealer activities		54,980,369	28,523,108
Cash & cash equivalents	10	189,003,159	93,565,649
		995,701,403	613,293,303
Total Assets		2,034,157,072	1,651,415,046
EQUITY AND LIABILITIES			
Capital & reserve			
Share capital	11	1,230,000,000	1,230,000,000
General reserve	12	6,154,312	4,275,913
Retained earnings	13	1,253,249	2,301,210
		1,237,407,561	1,236,577,123
Non-current liabilities			
HPSM investment loan from SIBL	14	420,000,000	260,000,000
Deferred Tax Liability/(Asset)	15	990,578	1,206,103
		420,990,578	261,206,103
Current liabilities			
Payable to Social Islami Bank Limited		-	1,377,243
Payable to regulators	16	7,440,840	23,216,048
Payable to client		171,228,791	54,579,276
Other provisions	17	154,764,376	46,508,593
Profit payable on investment Loan		-	-
Provision for tax	18	42,324,926	27,950,660
		375,758,933	153,631,820
Total Equity & Liabilities		2,034,157,072	1,651,415,046

The annexed notes 1 to 25 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Director

This is the Statement of Financial Position referred to in our report of even date.


Syful Shamsul Alam & Co.
Chartered Accountants

Dated: Dhaka
26 February, 2017

SIBL Securities Limited

Statement of Comprehensive Income

for the year ended 31 December, 2016

Particulars	Note	Amount in Taka	
		2016	2015
Operating Income:			
Brokerage commission	19	88,861,672	44,571,031
Profit earned on MTDR & bank account	20	1,747,244	3,350,313
Profit on margin loan		81,161,357	54,372,421
Profit / (Loss) on sale of share		13,364,022	(68,877)
Cash dividend from investment in share		351,000	482,049
Income from investment in DSE & CSE Share		10,022,504	-
Other income	21	925,635	817,703
Total operating income		196,433,434	103,524,640
Less: Expenses			
Operating expenses	22	54,799,544	35,095,599
Operating profit/(loss) before Provisions & Reserve		141,633,890	68,429,041
Less: Other Provisions & Reserve			
Provision for impairment of margin loan		15,744,321	10,979,184
Provision for diminution in value of investment		(1,114,563)	2,350,143
General Reserve		1,878,399	1,485,719
Total Provisions & Reserve		16,508,157	14,815,046
Operating profit/(loss) before tax		125,125,733	53,613,996
Less: Financial Expenses	23	32,064,954	12,045,866
Profit/(loss) before tax		93,060,780	41,568,130
Current tax		14,374,266	6,147,896
Deferred Tax Expenses / (Income)		(215,525)	134,752
Operating Profit/(loss) after tax		78,902,039	35,285,482

The annexed notes 1 to 25 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Director

This is the Statement of Comprehensive Income referred to in our report of even date.


Syful Shamsul Alam & Co.
Chartered Accountants

Dated: Dhaka
26 February, 2017



SIBL Securities Limited
Statement of Changes in Equity
for the year ended 31 December, 2016

Particulars	Share capital	General reserve	Retained earnings	Total
Opening balance at 01 January, 2016	1,230,000,000	4,275,913	2,301,210	1,236,577,123
Add: Net Profit/Loss during the year	-	-	78,902,039	78,902,039
Add: General reserve addition	-	1,878,399	-	1,878,399
Less: Interim cash Dividend paid	-	-	(79,950,000)	(79,950,000)
Balance as at 31st December, 2016	1,230,000,000	6,154,312	1,253,249	1,237,407,561

Particulars	Share capital	General reserve	Retained earnings	Total
Opening balance at 01 January, 2015	1,230,000,000	2,790,194	28,515,728	1,261,305,922
Add: Net Profit/Loss during the year	-	-	35,285,482	35,285,482
Add: General reserve addition	-	1,485,719	-	1,485,719
	-	-	(61,500,000)	(61,500,000)
Balance as at 31st December, 2015	1,230,000,000	4,275,913	2,301,210	1,236,577,123

The accounting policies and other notes form an integral part of the financial statements.


Chief Executive Officer


Director


Director


Director

This is the Statement of Changes in Equity referred to in our report of even date.


Syful Shamsul Alam & Co.
Chartered Accountants

Dated: Dhaka
26 February, 2017

SIBL Securities Limited

Statement of Cash Flows

for the year ended 31 December, 2016

	2016	2015
	BDT	BDT
Cash flows from operating activities:		
Net profit before tax	93,060,780	41,568,130
Increase/(decrease) in current liabilities	-	-
Increase in investment borrowing-SIBL	160,000,000	160,000,000
Payable to Social Islami Bank Limited	(1,377,243)	(4,139,341)
Increase/(decrease) in payables	100,874,308	31,800,836
Increase/(decrease) in other provisions	108,255,783	27,238,697
Increase/(decrease) in others payables	-	-
Income Tax Paid of preceeding years	-	-
Depreciation	2,569,964	1,826,769
Amortization	314,114	302,043
General reserve	1,878,399	1,485,719
Net cash inflow/(outflow) from operating activities (A)	465,576,104	260,082,854
Cash flows from investing activities:		
Increase in fixed assets	(3,173,003)	(4,459,546)
Increase in intangible assets	(45,000)	(308,256)
Increase in other assets	-	4,139,339
Increase in advances & pre-payments	(13,646,748)	(10,026,519)
Increase in receivables	(246,866,580)	(168,166,486)
Increase in suspense account	-	-
Increase in investment	(26,457,262)	(12,975,822)
Net cash used in investing activities (B)	(290,188,594)	(191,797,290)
Cash flows from financing activities:		
Issue of share capital	-	-
Interim cash dividend paid	(79,950,000)	(61,500,000)
Net cash from financing activities (C)	(79,950,000)	(61,500,000)
Net cash inflow for the year D=(A+B+C)	95,437,511	6,785,564
Opening cash & cash equivalents (E)	93,565,649	86,780,085
Closing cash & cash equivalents (D+E)	189,003,159	93,565,649

The accounting policies and other notes form an integral part of the financial statements.


Chief Executive Officer


Director


Director


Director

This is the Statement of Cash Flows referred to in our report of even date.


Syful Shamsul Alam & Co.
Chartered Accountants

Dated: Dhaka
26 February, 2017



SIBL Securities Limited

Notes to the Financial Statements

for the year ended 31 December, 2016

1 Significant accounting policies and other material information:

1.1 Legal status of the company:

SIBL Securities Limited 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 started its operation both under DSE and CSE membership on 04 January, 2012 and 05 January, 2012 respectively.

1.2 Address of registered office and principal place of business:

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

1.3 Nature of business activities:

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.

2 Significant accounting policies:

2.1 Basis of preparation of financial statements:

The Financial Statements have been prepared on a going concern basis under historical cost convention in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994 and other applicable laws and regulations.

2.2 Components of financial statements:

According to International Accounting Standard (IAS)-1, as adopted by ICAB as BAS-1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components:

- i) Statement of Financial Position;
- ii) Statement of Comprehensive Income;
- iii) Statement of Cash Flows;
- iv) Statement of Changes in Equity; and
- v) Notes to the Financial Statements.

2.3 Revenue income:

Revenue Income comprises of Brokerage Commission earned and others as stated in accounts.

2.4 Revenue recognition:

Revenues are generated and recognized upon raising invoices against services rendered as broker, commission receipts from clients at the time when services are completed.

2.5 Fixed assets, depreciation and amortization:

Assets have been shown at cost less depreciation as per BAS-16 "Property, Plant & Equipments". Depreciation has been charged on reducing balance method. Depreciation on addition of assets has been charged from the date of purchase. Rate of depreciation are as under:

<u>Particulars</u>	<u>Rate (%)</u>
Office Equipment	20
Office Decoration	10
Furniture & fixture	10

Intangible assets have been shown at cost less amortization as per BAS-38 "Intangible Asset". Amortization has been charged on straight-line method and on addition of assets from the date of purchase. Amortization period is 10 years.

2.6 Reporting currency:

The figures in the Financial Statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest BDT.

2.7 General:

Previous years figures have been rearranged wherever necessary to confirm to the current years presentation.

		Amount in Taka	
		2016	2015
3	Property, plant & equipment:		
	Opening balance	13,628,926	9,169,380
	Add: Addition during the year (annexure-A)	3,173,003	4,459,546
	Less: Disposal during the year	-	-
	Closing balance (A)	16,801,929	13,628,926
	Less: Accumulated depreciation:		
	Opening balance	5,188,404	3,361,635
	Depreciation charged during the year (annexure-A)	2,569,964	1,826,769
	Disposal/adjustment during the year	-	-
	Closing balance (B)	7,758,368	5,188,404
	Written down value (A-B)	9,043,561	8,440,522
4	Intangible assets:		
	Opening balance	3,128,640	2,820,384
	Add: Addition during the year (annexure-A)	45,000	308,256
	Less: Disposal during the year	-	-
	Closing balance (A)	3,173,640	3,128,640
	Less: Accumulated depreciation:		
	Opening balance	1,097,419	795,376
	Depreciation charged during the year (annexure-A)	314,114	302,043
	Disposal/adjustment during the year	-	-
	Closing balance (B)	1,411,533	1,097,419
	Written down value (A-B)	1,762,107	2,031,221
5	Capital expenditure-in-progress:		
	This is arrived at as follows:		
	Opening balance	4,139,339	4,139,339
	Add: Addition during the year	-	-
		4,139,339	4,139,339
	Less: Adjustment made during the year	4,139,339	4,139,339
	Closing balance	-	-
6	Investment in Equity of Strategic Company		
	Chittagong Stock Exchange Ltd. (CSE)	307,000,000	307,000,000
	Dhaka Stock Exchange Ltd. (DSE)	720,650,000	720,650,000
		1,027,650,000	1,027,650,000



Amount in Taka

2016	2015
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The company acquired a Membership of Chittagong Stock Exchange Ltd., Membership no: 142 dated 26 July, 2010 at a cost of Tk. 307,000,000 from Social Islami Bank Limited on 30 December, 2010 which was subscribed by Social Islami Bank Limited earlier in the name of SIBL Securities Ltd. Further, on 13-04-2011 the company purchased a membership of Dhaka Stock Exchange Ltd. (Membership No. 94) from Arafat Securities Ltd. at a cost of Tk.710,000,000. A transfer fees of Tk.10,650,000 was also paid to RJSC for the said membership. Later on, after demutualization of the both Stock Exchanges, the Company obtained TREC Certificates of DSE & CSE against their Membership and received 2,886,042 Shares out of total allotted 7,215,106 Shares of DSE and also received 1,714,932 Shares of CSE out of total allotted 4,287,330 Shares of CSE.

7 Advances:

Advance income tax (Note - 7.1)	34,836,700	20,157,498
Advance office rent	735,826	268,279
Advance to interior decorator	-	1,700,000
Advance Howla & Laga charges to CSE	-	
Advance to IT Service provider	200,000	
Advance Incentive Bonus	-	
Advance for floor space at Nikunja, DSE Tower	850,000	850,000
Security deposit (Note - 7.2)	205,000	205,000
	36,827,526	23,180,777

7.1 Advance income tax:

Advance income tax-DSE	26,216,432	14,676,614
Advance income tax-CSE	1,529,473	1,181,241
Advance income tax-CSE dealer	5,512	2,200
Advance income tax-DSE dealer	184,710	51,971
Advance income tax on profit of MTDR A/c.	1,719,174	1,715,799
Advance income tax on profit of other bank A/c.	845,957	573,868
Advance income tax on cash dividend-dealer	2,258,010	183,309
Income tax paid	2,077,431	1,772,496
	34,836,700	20,157,498

7.2 Security deposit:

Security deposit with CDBL	200,000	200,000
Security deposit with DSE	-	-
Security deposit with BTCL	5,000	5,000
Total	205,000	205,000

8 Receivables from regulators:

Receivable from DSE	26,025,589	700,684
Receivable from DSE for dealer activities	1,003,869	1,423,201
Receivable from CSE	4,962,476	50,138
	31,991,934	2,174,023

9 Other receivables:

Profit receivable Bai-Muajjel (unrealized)	67,467,118	36,411,619
Other receivable Income	-	1,106,649
Profit accrued on MTDR	-	20,069
	67,467,118	37,538,337

		Amount in Taka	
		2016	2015
10	Cash & bank balances:		
	Cash in hand	704,308	479,808
	Petty cash account	56,570	68,010
	Cheque collection in transit	-	-
	Prime Bank Ltd. A/c. -10831030026313	57,187	57,979
	Consolidated customer A/c. with AIBL -0021220003332	164,252,477	80,186,928
	SIBLSL operational Bank A/c (Exp) with SIBL-02-1330056882	1,892,063	4,588,644
	SIBLSL dealer operational Bank A/c . with OBL-001300000569	2,592,827	894,977
	SIBLSL -Public Issue ApplicationA/c. with SIBL - 02-1360001846	16,201,376	347,604
	SIBL Securities Employees PF Bank A/c. SIBL - 02-1360001993	3,187,352	1,882,700
	Cash of under processed BO Form	59,000	59,000
	MTDR-50.00lac no. 10178294/5311282556	-	5,000,000
		189,003,159	93,565,649
11	Share capital:		
	Authorized capital:		
	25,000,000 shares of Tk. 100 each	2,500,000,000	2,500,000,000
	Issued, subscribed and paid-up capital:		
	12,300,000 shares of Tk. 100 each	1,230,000,000	1,230,000,000
11.1	Shareholding position:		
	Shareholders	% of shareholdings	No. Shares
1	Social Islami Bank Limited	99.999919%	12,299,990
2	Alhaj Nasiruddin	0.000008%	1
3	Mr. Md. Sayedur Rahman	0.000008%	1
4	Major (Retd.) Dr. Md. Rezaul Haque	0.000008%	1
5	Alhaj Sultan Mahmood Chowdhury	0.000008%	1
6	Mr. Abdul Awal Patwary	0.000008%	1
7	Hamdard Laboratories (Waqf) Bangladesh Represented by: Mr. Anisul Hoque	0.000008%	1
8	Mrs. Nargis Mannan	0.000008%	1
9	Mr. Kamaluddin Ahmed	0.000008%	1
10	Alhaj Sk. Mohammad Rabban Ali	0.000008%	1
11	Mr. A. Jabbar Mollah	0.000008%	1
		100.000%	12,300,000
		12,300,000	12,300,000
12	General reserve	6,154,312	4,275,913
	Opening balance	4,275,913	2,790,194
	Add: Addition during the year	1,878,399	1,485,719
		6,154,312	4,275,913
	Less: Adjustment during the year	-	-
	Closing balance	6,154,312	4,275,913

The Board of SIBL Securities Ltd. has decided to create a general reserve @1% on total receivable from clients at the end of each year and Add or adjustment with general reserve will depend on size of unrealized loss against outstanding margin loan, receivables and realization for the respective year.

		Amount in Taka	
		2016	2015
13	Retained Earnings	1,253,249	2,301,210
	Opening balance	2,301,210	28,515,728
	Add: Profit/(loss) during the year	78,902,039	35,285,482
		81,203,249	63,801,210
	Less: interim dividend-2016	79,950,000	61,500,000
	Closing balance	1,253,249	2,301,210
14	HPSM investment loan from SIBL:		
	Opening balance		
	Principal amount	260,000,000	100,000,000
	Payable Profit amount	-	-
		260,000,000	100,000,000
	Add: Addition during the year		
	Principal amount	160,000,000	160,000,000
	Payable Profit amount	32,015,386	11,970,952
		192,015,386	171,970,952
	Less: Adjustment made during the year		
	Principal amount	-	-
	Payable Profit amount	32,015,386	11,970,952
		32,015,386	11,970,952
	Closing balance		
	Principal amount	420,000,000	260,000,000
	Payable Profit amount	-	-
	Total	420,000,000	260,000,000
15	Deferred Tax Liability / (Assets)		
	Opening Balance	1,206,103	1,071,351
	Add: Addition during the year	(215,525)	134,752
		990,578	1,206,103
16	Payable to regulators:		
	Payable to DSE	5,318,962	20,382,729
	Payable to CSE	151,492	286,528
	Payable to CSE for Dealer activities	-	611,200
	Payable to DSE for Dealer activities	-	1,384
	Payable to CDBL	1,970,386	1,934,208
	Total	7,440,840	23,216,048
17	Others provisions:		
	Provision for impairment of margin loan	43,889,495	28,145,174
		(Note 17.1)	

		Amount in Taka	
		2016	2015
Provision for diminution in value of investment in shares	(Note 17.2)	1,825,214	2,939,777
Accrued expenses	(Note 17.3)	19,544,617	15,085,276
Payable to service providers		95,464	277,627
Payable to suppliers		22,500	-
Liabilities for Cheque clearing in transit		73,223,163	-
Liabilities for BO under process		59,000	59,000
Liabilities for payment to the issuer		16,045,001	-
Liabilities for EMP. PF Bank A/c. profit income		59,924	1,740
Total		154,764,376	46,508,593

17.1 Provision for Impairment of Margin loan

Opening Balance	28,145,174	17,165,990
Add: Addition / (Adjustment) during the year	15,744,321	10,979,184
Closing Balance	43,889,495	28,145,174

17.2 Provision for diminution in value of investment in shares

Opening Balance	2,939,777	589,634
Add: Addition / (Adjustment) during the year	(1,114,563)	2,350,143
Closing Balance	1,825,214	2,939,777

In compliance with the guidelines of the BSEC vide Circular No. SEC/CMRRCD/2009-193/196 dated 28 December, 2016 the management of the Company has decided to create provisions @40% for impairment of margin loan on negative equity balance and @ 100% for diminution in value of investment in shares through dealer account separately.

17.3 Accrued expenses:

Audit fees	23,000	17,250
Provision for office rent	245,277	694,324
Provision for utility bill	3,038	-
Provision for Telephone bill	8,415	11,175
Provision for business promotional expenses	-	-
Provision for PF contribution by company	1,563,571	940,483
Provision for PF contribution by employee	1,563,571	940,483
Adjustment A/c. to forfeit PF contribution by Company	12,547	12,547
Provision for SMS bill	703	1,204
Payable to DSE for non trading activities	1,000	-
VAT payable on Directors meeting attendance fees	36,000	36,000
VAT payable on suppliers	750	39,433
VAT payable on office rent	59,774	74,172
VAT payable on Business Promotional Exp.	-	-
VAT payable on legal & professional fees	-	-
Tax payable on Business Promotional Exp.	-	-
Tax payable on office rent	27,434	6,490
Tax payable on suppliers	-	3,925
Tax payable on salary	9,550	7,800
Tax payable on legal & professional fees	-	-
Tax payable on Dividend amount	15,989,988	12,299,991
Total	19,544,617	15,085,276

18 Provision for tax:

		Amount in Taka	
		2016	2015
	Opening balance	27,950,660	21,802,764
	Add: Current year tax	14,374,266	12,957,137
	Short / (excess) Provision of preceeding years Tax	-	(6,809,241)
		14,374,266	6,147,896
	Less: Tax Paid / Adjust of preceeding years Tax	-	-
		14,374,266	6,147,896
	Closing balance	42,324,926	27,950,660
19	Brokerage commission:		
	Brokerage commission-DSE	86,307,443	42,797,234
	Brokerage commission-CSE	2,554,228	1,773,797
	Total	88,861,672	44,571,031
20	Profit earned on MTDR & bank account:		
	Profit on MTDR with SIBL	13,681	1,138,912
	Profit on A/c.10831030026313 (Prime Bank)	1,203	1,700
	Profit on A/c.0021220003332 (Al Arafah)	1,700,616	2,167,224
	Profit on A/c. 13000000569 (One Bank)	30,582	42,204
	Profit on A/c. 0021360001846 (SIBL)	1,162	273
	Total	1,747,244	3,350,313
21	Other income:		
	Income from CDBL services	-	-
	Loan processing fees	60,000	27,000
	B.O. opening charges	259,700	277,500
	B.O. maintenance charges	-	254,800
	Income from IPO application process	96,200	86,007
	Management fees	-	-
	Other income	509,735	172,396
	Total	925,635	817,703
22	Operating expenses:		
	Salary & allowances (Note 22.1)	22,056,096	15,727,295
	License, fees & renewals (Note 22.2)	10,595,771	5,827,768
	Directors Board meeting attendance fees (Note 22.3)	667,000	552,000
	Rent, rates & taxes (Note 22.4)	5,206,922	3,402,294
	Communications expenses (Note 22.5)	1,543,670	1,145,000
	Printing & stationery (Note 22.6)	303,298	851,763
	Entertainment & public relation	1,118,686	746,606
	Repair & maintenances (Note 22.7)	627,921	820,985
	Office expenses (Note 22.8)	559,669	350,715
	Legal & professional fees (Note 22.9)	73,000	17,250
	Business promotional expenses	7,128,926	3,351,111
	Branding and business development exp.	2,020,507	155,000
	Training Expenses	14,000	19,000

	Amount in Taka	
	2016	2015
Depreciation	2,569,964	1,826,769
Amortization	314,114	302,043
Total	54,799,544	35,095,599

22.1 Salary & allowances:

Salary & allowances	19,523,835	13,801,792
Festival bonus	1,592,261	1,025,503
Compensation on death	-	-
Special allowance to deputation executives:	940,000	900,000
Total	22,056,096	15,727,295

22.2 License, fees & renewal:

Stock broker licence renewal fees	20,000	20,000
Stock dealer licence renewal fees	20,000	20,000
Renewal fees	4,000	4,000
TREC licence renewal fees-DSE	50,000	50,000
TREC licence renewal fees-CSE	50,000	50,000
Regulatory expenses with RJSC	-	-
Other Regulatory exp.	41,600	-
Non-Judicial stamp	32,010	7,700
Trade license fees & expenses	13,210	20,010
VAT on Registration & Renewal fees	40,155	-
Tax on Registration & Renewal fees	500	-
TWS fees to DSE	20,000	85,000
Authorized representative license and renewal fees	213,500	175,200
Annual subscription fees to CSE	-	-
Annual subscription fees to DSE	-	-
CDBL connection Fees	6,500	5,000
CDBL demat fees	-	266
CDBL settlement transfer fees	3,944,314	2,349,043
CDBL bulk transfer fees	-	53,265
CDBL corporate action	-	15,074
CDBL pledging charges	-	43,890
Howla charges-DSE	-	1,900
Howla charges-CSE	34,354	22,594
Laga charges-DSE	5,756,832	2,793,938
Laga charges-CSE	264,263	73,558
Howla charges-CSE dealer	190	84
Laga charges-CSE dealer	1,190	169
Howla charges-DSE dealer	1,135	450
Laga charges-DSE dealer	65,235	14,809
Investor protection fund DSE	16,316	8,194
Investor protection fund-CSE	468	1,028
CSE charges for share distribution to TREC	-	12,596
Total	10,595,771	5,827,768

22.3 Directors Board Meeting attendance fees:

Directors Board meeting attendance fees	580,000	480,000
VAT on Directors meeting attendance fees	87,000	72,000



		Amount in Taka	
		2016	2015
	Total	667,000	552,000
22.4	Rent, rates & taxes:		
	Office rent	3,230,108	2,082,972
	Office rent- Extension of HO	1,557,600	1,038,400
	VAT on office rent	419,214	280,922
	Total	5,206,922	3,402,294
22.5	Communications expenses:		
	Telephone & mobile bill	98,112	76,652
	Internet expenses	244,068	110,252
	Courier & postage	4,745	1,615
	Conveyance & travel expenses	111,496	159,240
	Expenses incurred for telephone line	-	9,000
	Connectivity charges	-	12,000
	Network connectivity & installation charges	1,080,825	776,241
	SMS bill	4,424	-
	Total	1,543,670	1,145,000
22.6	Printing & stationery:		
	Printing	68,250	202,167
	stationery	167,198	571,096
	Toner/cartridge	67,850	78,500
	Total	303,298	851,763
22.7	Repair & maintenances:		
	Repair & maintenances	129,123	165,060
	VAT on Repair & maintenances	700	900
	Computer maintenances	109,880	52,252
	Labour bill	-	3,576
	Software maintenances	288,562	537,440
	Office maintenances	99,656	61,757
	Total	627,921	820,985
22.8	Office expenses:		
	Croceries	-	16,670
	VAT	-	-
	Advertisement	106,000	9,775
	Drinking water bill	-	23,815
	Water & Sewerage bill	53,691	29,150
	Newspaper & periodicals	25,205	15,668
	Electrical goods	14,784	50,460
	Misc. Expenses	-	-
	Plant Bill	12,400	-
	Electricity & generator bill	347,589	205,177
	Total	559,669	350,715

		Amount in Taka	
		2016	2015
22.9	Legal & professional fees:		
	Advisory & Consultancy	50,000	
	Audit Fees	20,000	15,000
	VAT on Audit Fees	3,000	2,250
	Total	73,000	17,250
23	Financial expenses:		
	Profit paid on loan	32,015,386	11,970,952
	Bank charges	49,568	74,914
	Total	32,064,954	12,045,866

24 Post balance sheet event:

The company has started its operation both under DSE and CSE membership on 04 January 2012 and 05 January 2012 respectively. No material event had occurred after the Balance Sheet date, which could substantially effect the values reported in the Financial Statements.

25 Related party disclosure:

As per BAS 24 there is no related party transaction other than those with SIBL as mentioned in note no.14.

SIBL Securities Limited

Fixed assets schedule for the year ended 31 December, 2016

Particulars	Cost					Accumulated Depreciation				Written Down Value as on 31-12-2016
	Opening balance as on 01-01-2016	Addition during the period	Disposal/ adjustment during the period	Balance as on 31-12-2016	Rate of Dep. (%)	Opening balance as on 01-01-2016	Charged during the period	Disposal/ adjustment during the period	Balance as on 31-12-2016	
1	2	3	4	5 = 2+3-4	6	7	8	9	10 = 7+8-9	11 = 5-10
Property, plant & equipment										
Office equipment	9,793,202	440,849	-	10,234,051	20	4,308,757	2,001,081	-	6,309,838	3,924,213
Office decoration	2,846,770	2,600,767	-	5,447,537	10	816,847	460,541	-	1,277,388	4,170,149
Furniture & fixture	988,954	131,387	-	1,120,341	10	62,800	108,342	-	171,142	949,199
Total	13,628,926	3,173,003	-	16,801,929		5,188,404	2,569,964	-	7,758,368	9,043,561
Intangible assets										
Software	3,128,640	45,000	-	3,173,640	10	1,097,419	314,114	-	1,411,533	1,762,107
Total	3,128,640	45,000	-	3,173,640		1,097,419	314,114	-	1,411,533	1,762,107

Our all-round, year-long performance has yielded us some financial figures that exhibit our healthy and sustainable status in the banking industry of Bangladesh. Our income statement, balance sheet and cash flow statement has earned higher summit and promises consistent progression.

Strategic Growth

Financial Report

SIBL Investment Ltd.



Auditors' Report

to the Shareholders of SIBL Investment Limited

We have audited the accompanying Financial Statements of SIBL Investment Limited, which comprise the Statement of Financial Position as of 31 December, 2016 and the related Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

The financial statements of SIBL Investment Limited for the year ended 31 December 2015 were audited by Kazi Zahir Khan & Co., Chartered Accountants who expressed an unmodified opinion on those statements on 09 April 2016.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act, 1994, the Securities & Exchange Rules, 1987 and other applicable laws and regulations. The responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of Company's affairs as of 31 December, 2016 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act, 1994, the Securities & Exchange Rules, 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- In our opinion, proper books of account as required by law have been kept by SIBL Investment Limited, so far as it appeared from our examination of those books;
- The Company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account; and
- The expenditure incurred was for the purposes of the Company's business.

Dated: Dhaka
26 February, 2017


Syful Shamsul Alam & Co.
Chartered Accountants.

SIBL Investment Limited

Statement of Financial Position

as at 31 December, 2016

Particulars	Note	Taka	Taka
		2016	2015
ASSETS			
Non-current assets			
		-	-
		-	-
Current assets			
Cash & cash equivalents	3	249,906,438	249,922,588
		249,906,438	249,922,588
Total assets		249,906,438	249,922,588
EQUITY AND LIABILITIES			
Capital & reserve			
Share capital	4	250,000,000	250,000,000
Retained earnings		(1,875,367)	(1,784,172)
		248,124,633	248,215,828
Current liabilities			
Payable to Social Islami Bank Limited		1,758,805	1,689,510
Accrued expenses	5	23,000	17,250
Provision for tax	6	-	-
		1,781,805	1,706,760
Total equity & liabilities		249,906,438	249,922,588

The annexed notes 1 to 8 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Director

This is the Statement of Financial Position referred to in our report of even date.


Syful Shamsul Alam & Co.
Chartered Accountants

Dated: Dhaka
26 February, 2017

SIBL Investment Limited
Statement of Comprehensive Income
for the year ended 31 December, 2016

Particulars	Note	Taka	Taka
		2016	2015
Operating Income			
Brokerage commission less howla & laga charges		-	-
Interest income		-	-
Other income		-	-
Less: Expenses	7	91,195	76,627
Profit/(loss) before tax		(91,195)	(76,627)
Provision for taxation:			
Provision for tax		-	3,500
Deferred tax		-	-
		-	3,500
Profit/(Loss) after tax		(91,195)	(80,127)

The annexed notes 1 to 8 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Director

This is the Statement of Comprehensive Income referred to in our report of even date.

Dated: Dhaka
26 February, 2017


Syful Shamsul Alam & Co.
Chartered Accountants

SIBL Investment Limited

Statement of changes in Equity

as at 31 December, 2016

Particulars	Share capital	Retained earnings	Total
Opening Balance at 01 January, 2016	250,000,000	(1,784,172)	248,215,828
Add: Net profit/(loss) during the year	-	(91,195)	(91,195)
Balance as at 31 December, 2016	250,000,000	(1,875,367)	248,124,633

Particulars	Share capital	Retained earnings	Total
Opening Balance at 01 January, 2015	250,000,000	(1,704,045)	248,295,955
Add: Net profit/(loss) during the year	-	(80,127)	(80,127)
Balance as at 31 December, 2015	250,000,000	(1,784,172)	248,215,828

The accounting policies and other notes form an integral part of the financial statements.


Chief Executive Officer


Director


Director


Director

This is the Statement of Changes in Equity referred to in our report of even date.

Dated: Dhaka
26 February, 2017


Syful Shamsul Alam & Co.
Chartered Accountants



SIBL Investment Limited

Statement of Cash Flows

for the year ended 31 December, 2016

	Taka	Taka
	2016	2015
Cash flows from operating activities:		
Collection from operation	-	-
Payment to regulators, employees & others	(17,250)	(98,627)
Net cash inflow/(outflow) from operating activities (A)	(17,250)	(98,627)
Cash flows from investing activities:		
Net cash used in investing activities (B)	(68,195)	-
Cash flows from financing activities:		
Received from Social Islami Bank Ltd.	69,295	66,705
Net cash from financing activities (C)	69,295	66,705
Net cash inflow for the year D=(A+B+C)	(16,150)	(31,922)
Opening cash & cash equivalents (E)	249,922,588	249,954,510
Closing cash & cash equivalents (D+E)	249,906,438	249,922,588

The accounting policies and other notes form an integral part of the financial statements.


Chief Executive Officer


Director


Director


Director

This is the Statement of Cash Flows referred to in our report of even date.


Syful Shamsul Alam & Co.
Chartered Accountants

Dated: Dhaka
26 February, 2017

SIBL Investment Limited

Notes to the Financial Statements

for the year ended 31 December, 2016

1 Significant accounting policies and other material information:

1.1 Legal status of the company:

SIBL Investment Limited 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.

1.2 Address of registered office and principal place of business:

The principal place of business is the Registered Office at (7th Floor), 68 Dilkusha C/A, Dhaka-1000.

1.3 Nature of business activities:

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.

2 Significant accounting policies:

2.01 Basis of preparation of financial statements:

The Financial Statements have been prepared on a going concern basis under historical cost convention in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), Companies Act, 1994 and other applicable laws and regulations.

2.02 Accounting Convention and Assumption:

The financial statements are prepared under the historical cost convention.

2.03 Accounting Records:

The entity has been maintaining all the required books of accounts as are necessary for the accounts.

2.04 Legal Compliance:

The financial statements have been prepared and the disclosures of information were made in accordance with the requirements of the Companies Act, 1994 and IASs adopted by the ICAB. On the basis of these regulations, Bangladesh Accounting Standards (BAS) & Bangladesh Financial Reporting Standards (BFRS) were applied with the applicable standards at the Statement of Financial Position date.

2.05 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of the financial statements in conformity with BFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

2.06 Going Concern:

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the Company provide sufficient fund to meet the present requirements of existing business.

2.07 Cash & Cash Equivalents:

Cash and cash equivalents include cash in hand, cash at banks, term deposits which are available for use by the Company without any restrictions. There is an insignificant risk of change in value of the same.



2.08 Cash Flow Statement:

Statement of Cash Flow is prepared principally in accordance with BSA-7: Cash Flow Statements and the cash flows from operating activities have been presented under direct method.

2.09 Comparative:

Financial statements are presented as BAS-1 "Presentation of Financial Statements" and previous year's figures have been restated due to changes in some accounting polices as per BAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2.10 Components of financial statements:

According to International Accounting Standard (IAS)-1, as adopted by ICAB as BAS-1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components:

- i) Statement of Financial Position;
- ii) Statement of Comprehensive Income;
- iii) Statement of Cash Flows;
- iv) Statement of Changes in Equity; and
- v) Notes to the Financial Statements.

2.11 Reporting currency:

The figures in the Financial Statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka.

2.12 General:

Previous years figures have been rearranged wherever necessary to confirm to the current years presentation.

3 Cash & cash equivalents:

Cash in hand
Cash at bank

	Taka	Taka
	2016	2015
Cash in hand	5,201	5,201
Cash at bank	249,901,237	249,917,387
	249,906,438	249,922,588

SIBL Investment Limited has been maintaining a bank account no. 0002-1330057058 with Social Islami Bank Limited, Principal Branch, Dilkusha, Dhaka.

4 Share capital:

Authorized capital:

25,000,000 shares of Tk. 100 each

2,500,000,000	2,500,000,000
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Issued, subscribed & paid-up capital:

2,500,000 shares of Tk. 100 each

250,000,000	250,000,000
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		Taka	Taka
		2016	2015
4.1	Shareholding position:		
	Shareholders	% of shareholdings	No. Shares
1	Social Islami Bank Limited	99.9998%	2,499,994
2	Alhaj Nasiruddin	0.00004%	1
3	Major (Retd.) Dr. Md. Rezaul Haque	0.00004%	1
4	Alhaj Sultan Mahmood Chowdhury	0.00004%	1
5	Mr. Abdul Awal Patwary	0.00004%	1
6	Mr. Kamaluddin Ahmed	0.00004%	1
7	Alhaj Sk. Mohammad Rabban Ali	0.00004%	1
		100.00%	2,500,000
			2,500,000
5	Accrued expenses:		
	Audit fees	23,000	17,250
	VAT on directors Meeting Attendance fees	-	-
		23,000	17,250
6	Provision for tax		
	Opening balance	-	5,000
	Less: Paid during the year	-	8,500
		-	(3,500)
	Add: Current year tax provision	-	3,500
	Closing balance	-	-
7	Expenses		
	Registration & renewals	29,453	22,332
	Entertainment	21,792	14,050
	Conveyance & other expenses	800	600
	Stationery	-	-
	Photocopy	-	-
	Business Development exp.	-	-
	Bank charges & excise duty	16,000	16,000
	VAT on bank service charges	150	150
	VAT on Stationery purchase	-	780
	VAT on Entertainment	-	2,967
	VAT on Business Development exp.	-	2,498
	Audit fees	20,000	15,000
	VAT on Audit fees	3,000	2,250
		91,195	76,627



Taka	Taka
2016	2015

7.1 Registration & renewals:

RJSC fees	3,290	1,672
Trade license fees & Exp.	11,210	20,660
VAT on license fees	14,453	
Tax on license fees	500	
Expenses for licenses formalities	-	-
	29,453	22,332

8 Post balance sheet event:

No material event had occurred after the Balance Sheet date, which could substantially effect the values reported in the Financial Statements.

SIBL 125 NETWORK

DHAKA DIVISION

1. Principal Branch

(Opening Date- 22-11-1995)
15, Dilkusha C/A, Dhaka-1000.
Phone-02-9550195, 9559241, 9572303, 9564764
Fax-02-9562002
IP Phone-70201, 70202

2. Gulshan Branch

(Opening Date-22-04-1998)
80, Gulshan Avenue, Gulshan-1, Dhaka.
Phone-02-8829137, 8813793, Fax: 02-9888857
IP Phone-70801, 70802

3. Babu Bazar Branch

(Opening Date-26-04-1998)
31, Nawab Yousuf Road, Naya Bazar, Dhaka.
Phone-02-57395118, 57395119, Fax: 02-7395119
IP Phone-70901, 70902

4. Moulvi Bazar Branch

(Opening Date-30-09-1998)
77/7, Wahid Center (1st Floor), Moulvi Bazar, Dhaka.
Phone-02-7316225, 7315323, 7312911, Fax: 7312911
IP Phone-71001, 71002

5. Begum Rokeya Sarani Branch

(Opening Date-23-09- 1999)
Bangladesh Lions Foundation Bhaban,
3/C, West Agargaon, Begum Rokeya Sarani, Dhaka.
Phone-02-8115789, 8141671, Fax-02-8115789
IP Phone-71301, 71302, 71303

6. Panthapath Branch

(Opening Date-07-12-2000)
Level-2, Block-A, Bashundhara City
13/Ka/1, Panthapath, Dhaka.
Phone-02-9136819, 9135229, Fax-02-9135229
IP Phone-71501, 71502

7. Sonargaon Branch

(Opening Date-09-06-2001)
Haji Jalal Tower (1st Floor), Mogra Para
Sonargaon, Narayangonj.
IP Phone-71701, 71702

8. Foreign Exchange Branch

(Opening Date-04-02-2002)
141-143, Motijheel C/A, BIWTA Bhaban, Dhaka.
Phone-02-9571254, 9571100, Fax: 02-9571100
IP Phone-71801, 71802

9. Hasnabad Branch

(Opening Date-17-04-2002)
Hasnabad Super Market, Suvadda, South Keranigonj
PO: Dhaka Jute Mill. 1311 Dhaka.
Phone-02-7761723, Fax-02-7761723
IP Phone-72001, 72002

10. Dhanmondi Branch

(Opening Date- 14-05-2002)
House # 84, (Old-176), Road # 7/A (Old-14)
Satmasjid Road, Dhanmondi R/A, Dhaka.
Phone-02-9144682, Fax: 02-9120088
IP Phone-72101, 72102

11. Nawabpur Road Branch

(Opening Date-26-07-03)
82, Nawabpur Road (1st Floor)
Nawabpur Road, Dhaka.
Phone-02-9591192, 9576950, Fax: 02-7174922
IP Phone-72201, 72202

12. Uttara Branch

(Opening Date-07-12-2003)
Latif Emporium, 27 Uttara C/A
Road # 7, Sector-3, Uttara, Dhaka.
Phone-02-8959731, 8959732, 8959733
IP Phone-72401, 72402

13. Fatulla Branch

(Opening Date-23-12-2003)
Fatullah Bazar, Fatullah, Narayangonj.
Phone-02-7602144, 7670393, Fax-02-7672144
IP Phone-72501, 72502

14. **Mirpur Branch**
(Opening Date-29-12-2003)
Rabeya Complex, Plot No-33, Block-Kha
Main Road, (Goal Chakkar-10), Mirpur, Dhaka-1216
Phone- 02-8055323, 9013584, Fax-02-9013584
IP Phone-72601, 72602, 72603

15. **Banani Branch**
(Opening Date-16-10-2008)
48 Kamal Attaturk Avenue, (Ground & 1st Floor)
Banani, Dhaka-1213.
Phone-02-89820996, 9820997, 9820998
Fax-02-9820995
IP Phone-72701, 72702

16. **Savar Branch**
(Opening Date-27-11-2008)
Yousuf Tower (2nd Floor), 35 Tatti, Dilkusha Bagh
Savar Bus Stand, Savar, Dhaka.
Phone-02-7743707, 7745585
IP Phone-73001, 73002.

17. **Mohammadpur Branch**
(Opening Date-18-05-2009)
Holding # 20/15, Block-C, Tazmohol Road
Thana-Mohammadpur, Dhaka-1207.
Phone-02-8142572, 9132398, Fax-02-9132253
IP Phone-73101, 73102

18. **Dania Rasulpur Branch**
(Opening Date-28-05-2009)
308, Dania Rasulpur (1st Floor), Jatrabari, Dhaka.
Phone-02-7541659, 7541650
IP Phone-73201, 73202

19. **Gopaldi Branch**
(Opening Date-11-08-2009)
Gopaldi Bazar, P.S- Araihasar, District-Narayangonj
Phone-02-7651016, 7651017
IP Phone-73601, 73602.

20. **Rampura Branch**
(Opening Date-24-11-2009)
Modina Tower (Opposite TV Centre)
464/1, West Rampura, DIT Road, Rampura, Dhaka.
Phone-02-55128353, 55128640
IP Phone-74101, 74102

21. **Keranigonj Branch**
(Opening Date-13.12.2009)
East Aganogor Masjid market, Shuvadda
Thana- Keranigonj, Keranigonj, Dhaka
Phone-02-7763253, 7763765
IP Phone-74401, 74402

22. **Madhobdi Branch**
(Opening Date-15-07-2010)
Madhabdi Plaza, P.O & Porosoba- Madhabdi
P.S & Upazilla - Narsingdi, Zilla- Narsingdi.
Phone-9446883, 9446882, Fax-9446884
IP Phone-74501, 74502

23. **Islampur Branch**
(Opening Date-26-08-2010)
Lions Tower (2nd Floor) 108, Islampur Road, Dhaka.
Email: islampur@sibl-bd.com
Phone-7392332, 7393208, Fax-7393208
IP Phone-75401, 75402

24. **New Eskaton Branch**
(Opening Date-31-08-2010)
27, New Eskaton Road, P.S & P.O- Ramna, Dhaka-1000.
Phone-9359620, 8311592, Fax-8311591
IP Phone-75501, 75502

25. **Bhulta Branch**
(Opening Date-05-09-2010)
Mir Market, Salam Mansion (1st Floor)
P.O- Bhulta, P.S- Ruppogonj, Zilla- Narayangonj.
IP Phone-75601, 75602

26. **Galimpur Branch**
(Opening Date-10-10-2010)
Khan Super Market (1st Floor), Galimpur Bazar,
Nobabgonj, Dhaka.
IP Phone-75901, 75902

27. **Dhamrai Branch**
(Opening Date-09-11-2010)
Dhamrai Bazar, Porosoba- Dhamrai,
P.S & P.O- Dhamrai, Zilla- Dhaka.
Phone-06222-71908, 06222-71909
IP Phone-76101, 76102

28. **Narayangonj Branch**
(Opening Date-27-12-2010)
3, No. S. M. Maleh Road (Rupsi Height)
Tanbazar, P.O. & P.S.- Narayangonj, Dist.- Narayangonj.
Phone-7641621-7641623
IP Phone-76601, 76602

29. **Mohakhali Branch**
(Opening date-20-09-2011)
16 (Sixteen) Storied Building
99 Mohakhali C/A, Gulshan, Dhaka.
Phone: 9888943, 9888367
IP Phone-77001, 77002

30. **Tongi Branch**
(Opening date-03-10-2011)
24, Anarkoli Road (1st Floor, North Side), Tongi, Gazipur
Phone-9817710, 9817711
IP Phone-77401, 77402

31. **Bangshal Branch**
(Opening date-21-09-2011)
Bangshal Road, 70, Shahid Nazrul Islam Sarani
North-South Road, Ward No-35, Bangshal, Dhaka 1100.
Phone-57317175, 57317396
IP Phone-77101, 77102

32. **Banasree Branch**
(Opening date-22-09-2011)
Plot No-2, Road-13, Block-L
South Bonosree, Khilgaon, Dhaka.
Phone: 7811611, 7811612, 7811613
IP Phone-77201, 77202

33. **Basundhara Branch**
(Opening Date-27-12-2011)
House # 16, Block-A, Basundhara Avenue,
Basundhara R/A, Dhaka-1229.
Phone-8432501, 8432502
IP Phone-77701, 77702

34. **Demra Branch**
(Opening Date-07-10-2012)
Haji Hossain Plaza, Staff Quarter
P.O & P.S.-Demra, Dhaka.
Phone-7502915, 7502916
IP Phone-78101, 78102

35. **Satarkul Road Branch**
(Opening Date-16-10-2012)
North Badda, Alir Moar, Satarkul Road
Badda Union, Dhaka.
Phone-9858072, 9858073
IP Phone-78401,78402

36. **Garib-E-Newaz Branch**
(Opening date-26-11-2012)
50, Garib-E-Neawaz Avenue Road
(Rosewood Areebah), Sector-13, Uttara, Dhaka
Phone-8955884, 8955886
IP Phone-78601, 78602

37. **Kawran Bazar Branch**
(Opening date-27.11.2012)
37, Kawran Bazar, Khansons Centre, Dhaka,
Phone- 8180206, 8180207
IP Phone-78701, 78702

38. **Mouchak Branch**
(Opening date-18-06-2013)
Advanced Melinda Tower (1st Floor)
72, Malibagh (Opposite Fortune Shopping Mall)
Mouchak More, Dhaka-1217
Phone- 9858072, 9858073
IP- 79101, 79102

39. **Gausia Branch**
(Opening date-12-11-2014)
Yakub Market, 2-B, Elephant Road
New Market, Dhaka
IP Phone-79801,79802

40. **Panchdona Branch**
(Opening date-30-09-2014)
Isfar Tower, Panchdona
Narsingdi Sadar, Narsingdi
IP Phone-79701, 79702

41. **Maona Branch**
(Opening date-24.12.2014)
Razzak Plaza, Maona Chowrasta,
P.O.-Maona, P.S-Sreepur, Gazipur
IP Phone-79901, 79902

42. **Kishoregonj Branch**

(Opening Date- 10-06-2015)
661, Mohammadi Mansion
Shahabuddin Masjid Road, Borobazar
P.O & P.S- Kishoregonj, Kishoregonj.
IP-80701, 80702

43. **Kakrail Branch**

(Opening Date-02.06.2015)
89/3, kakrail, Isha Khan Shopping Complex
PS-Ramna, Dhaka-1000.
IP Phone-80301, 80302

44. **Ashulia Branch**

(Opening Date 11-06-2015)
Habib Plaza (1st Floor), Plot no-82, 99, Bashundhara
Bogabari Bazar, Baipail, Ashulia Road, Savar, Dhaka.
IP-80801, 80802

45. **Angaria Bazar Branch**

(Opening Date- 14-06-2015)
Angaria Bazar, Main Road
PO-Angaria, Shariatpur
IP Phone-80901

46. **Vatara branch**

(Opening Date - 12-11-2015)
10/1, Madani Avenue, Natun Bazar
PS- Vatara, Dhaka-1212
IP Phone-81101, 81102

47. **Bangabandhu Shamadhi Soudha Branch**

(Opening Date -15/12/15)
Bishah Plaza, Holding No-159, Ward # 7
Bangabandhu Samadhi Soudho Sarak
Tungipara, Gopalganj
IP Phone-81201, 81202

48. **Joydebpur Chowrasta Branch**

(Opening Date - 26-06-2016)
Rafeja Bhaban, Holding No, 23/3, Block-C, Word No-17
Thana- Joydebpur, Gazipur City Corporation, Gazipur.
IP Phone-82301, 82302

49. **Narsingdi Branch**

(Opening Date: 01-12-2016)
360, Rajlaxmi Plaza, Patilbari Road, Genjipotty,
PO & PS- Narsingdi, Ward-04, Narsingdi Paurasova
Dist- Narsingdi
IP Phone-82501, 82502

50. **Sreenagar Branch**

(Opening Date: 08/12/2016)
Sreenagar Bazar, Ward No.-04, Sreenagar Union
Parishad, PS- Sreenagar, Dist.- Munshigonj
IP Phone-82601, 82602

51. **Corporate Branch**

(Opening Date: 29/12/2016)
City Centre, 90/1 Motijheel C/A, Dhaka
IP Phone-82701, 82702

CHITTAGONG DIVISION

***Regional Office**

103, Agrabad C/A, Chittagong
IP Phone-70405

52. **Agrabad Branch**

(Opening Date-10-04-1996)
World Trade Centre (2nd Floor)
102/103 Agrabad C/A, Chittagong.
Phone-031-728342, 713947, 714041, 714504
Fax-031-710084
IP Phone-70401, 70402, 70403

53. **Halishahar Branch**

(Opening Date-09-02-2002)
VIP Plaza, Plot # 5/4, Road # 2, Block-G
Halishahar Housing Estate, Halishahar, Chittagong.
Phone-031-717201, 2525702, 815702, Fax-031-2519284
IP Phone-71901, 71902

54. **Chowmuhoni Branch**

(Opening Date-12-11-2008)
Hossain Market, 276-284 D.B. Road,
Chowmuhani Powrosova, Begumgonj, Noakhali.
Phone-0321-56122, 0321-53622
IP Phone-72901, 72902

55. **Elliotgonj Branch**

(Opening Date-30-10-2008)
Elliotgonj Bazar, P.O-Elliotgonj
P.S-Dawudkandi, Dist-Comilla.
IP Phone-72801, 72802

56. **Chandpur Branch**

(Opening Date-16-08-2009)
Faisal Shopping Complex (1st & 2nd Floor)
Bishnudi, Chandpur Bus Stand
Thana- Chandpur, Dist- Chandpur.
Phone-0841-67932, 0841-67931
IP Phone-73701, 73702

57. **Hathazari Branch**

(Opening Date-16-08-2010)
Hazi M. Siddik Market, Block-B (2nd Floor)
Hathazari Bus Stand, Ward No-03, P.O & P.S. Hathazari
Upazilla- Hathazari, Zilla-Chittagong
Phone-031-2601914, 031-2601915
IP Phone-75001, 75002

58. **Baryerhat Branch**

(Opening Date-17-08-2010)
Al-Amin Shopping Complex (2nd Floor)
Mouza-Jamalpur, Baryerhat Porosoba
Upazilla & P.S- Mirsorai, Zilla-Chittagong
IP Phone-75101, 75102

59. **Khatungonj Branch**

(Opening Date-12-12-1999)
Holding 276-277, Ward # 35, Main Road
Khatungonj, Chittagong.
Phone-031-636358, 624682, 624683, Fax: 031-639014
IP Phone-71401, 71402

60. **Roazarhat Branch**

(Opening date-24.11.2012)
A. Farida Shopping Complex, Kaptai Road, Roazarhat
P.O & P.S-Rangunia Chittagong.
Phone-030-2556244, 2556245
IP Phone-78501, 78502

61. **Lohagara Branch**

(Opening Date-18-06-2009)
Ice Park (1st Floor), (Near Lohagara Central Masjid)
P.O & P.S- Lohagara, Chittagong.
Phone-0303456518, 0303456517, 01815-065948
IP Phone-73301

62. **GEC Moor Branch**

(Opening Date-25.11.2009)
1692, Golden Plaza, CDA Avenue (1st Floor)
East Nasirabad, GEC Mour, Chittagong
Phone-0312555891, 0312555892, Fax-2555893
IP Phone-74201, 74202

63. **Nanupur Branch**

(Opening Date-08.10.2009)
Nanupur Bazar, P.O-Nanupur
P.S- Fatikchari, Dist- Chittagong
Phone-044-37151939, 044-37151949
IP Phone-74001, 74002

64. **Hajigonj Branch**

(Opening Date-19-09-2010)
Chittagong Mansion Building
Hajigonj Modho Bazar, Main Road
Hajigonj, Dist-Chandpur
Phone-08424-75129, 08424-75130
IP Phone-75701, 75702

65. **Jubilee Road Branch**

(Opening Date-30-07-2003)
Haque Tower(1st Floor)
610/11, Jubilee Road, Chittagong
Phone-031-628288, 627155, 840897, Fax-031-628288
IP Phone-72301, 72302, 72303

66. **Comilla Branch**

(Opening Date-30-07-2009)
95/96 Chawk Bazar (2nd Floor)
PO- Chawk Bazar, P.S- Kotowali, Comilla.
Phone-081-61363, 081-61364
IP Phone-73501, 73502

67. **Bibirhat Branch**

(Opening Date-21-10-2010)
Fatikchari Collage Market, P.O+P.S - Fatikchari
Upazilla- Fatikchari, Zilla- Chittagong.
Phone-03022-56321, 03022-56318
IP Phone-76001, 76002

68. **Kachua Branch**

(Opening Date-18-07-2010)
Talukder Super Market, Holding No-111
Ward No-08, Kachua, Chandpur.
Phone- 08425-56275
IP Phone-74601, 74602

69. **Alankar Moor Branch**
(Opening date-27.10.2011)
PC Road, Holding No-68(A) Chittagong City Corporation
P.O- Custom Academy, P.S- Pahartoly, Chittagong.
Phone-031-2773380, 031-2773379, 031-2773378
IP Phone-77601, 77602

70. **Chawk Bazar Branch**
(Opening Date-15-12-2010)
174/A, Chatteshawri Road, Mannan Tower
(1st & 2nd Floor), P.O-Chawk Bazar
P.S.- Kotowali, Dist.-Chittagong
Phone-031-2867367, 2867368, 2867369
IP Phone-76301, 76302

71. **Patherhat Branch**
(Opening Date-19-08-2009)
Khayez Ahmed Shopping Center, (1st Floor)
Patherhat Raozan, Chittagong.
Phone-031-2572315, 031-2572316
IP Phone-73801, 73802
Manager: 01819-941441 (Mob)

72. **Cox's Bazar Branch**
(Opening Date-20-08-2009)
Evan Plaza (in front of Cox's Bazar Pourashava)
Thana Road, Cox's Bazar.
Phone- 0341-51822, 0341-51968
IP Phone-73901, 73902

73. **Feni Branch**
(Opening Date-18-09-2011)
Grand Huq Tower (2nd Floor), Mizan Road
P.S.-Kotwali, Dist.-Feni.
Phone-0331-74104, 74103, Fax-0331-74117
IP Phone-76901, 76902

74. **Dewanhat Branch**
(Opening date-04-10-2012)
700/B, DT Road (1st Floor), Dewanhat
P.O.+P.S.-Double Mooring, Chittagong.
Phone-031-2515260, 2515261, 2515262
IP Phone-78001, 78002

75. **Homna Branch**
(Opening Date-29-12-2011)
Popy Tower, Homna Bazar, Homna, Comilla.
Phone-08025-54640, 54641
IP Phone-77801, 77802

76. **Shah Mohsen Aulia Branch**
(Opening date-03.10.2012)
Hajee Imam Shopping Complex
Battali, Anowara, Chittagong
Phone-01849-842400, 01967-786765
IP Phone-77901, 77902

77. **Aturar Depo Branch**
(Opening date-26-06-2013)
H S Tower, Holding No-1006 (Beside CNG Petrol Pump)
Hathazari Road, P.S -Panchlaish, Chittagong
IP Phone- 79201, 79202

78. **Akhaura Branch**
(Opening date-18-05-2013)
Sarker Plaza (Opposite to Akhaura Poura Bhaban)
Holding No-3, Ward No-4, P.O. & P.S- Akhaura,
Brahmanbaria
IP Phone-78901, 78902

79. **College Road Branch**
(Debidwar) (Opening date-04-07-2013)
Haque Plaza, College Road, Debidwar New Market
P.O & P.S- Debidwar, Comilla
IP Phone- 79401, 79402

80. **Maijdee Branch**
(Opening Date-18-08-2013)
Bismillah Tower, Holding No-428/B
Main Road, Maijdee Bazar
P.S- Sudharam (Sadar), Noakhali
Phone-0321-71814, 71815
IP- 79501, 79502

81. **Laxmipur Branch**
(Opening Date-13-12-2014)
R.K.Plaza (1st Floor), Holding No-1366, Word # 6
Old Municipality Road, P.O+P.S-Laxmipur, Laxmipur.
IP Phone-80001, 80002

82. **Kankirhat Branch**
(Opening Date- 27-12-2014)
R.S.Tower, (1st & 2nd Floor), East Namar Bazar
Vill & P.O - Kankirhat , P.S-Senbag, Dist-Noakhali.
IP Phone-80201, 80202

83. **Azadi Bazar Branch**
(Opening Date-07-06-2015)
Jamia Complex (1st Floor)
Dharmapur, Azadi Bazar, Fatickchari, Chittagong.
IP Phone-80401, 80402

84. **Laksam Road Branch**
(Opening Date- 08-06-2015)
Biswa Road, PO-Ahmed Nagar, P.S-Sadar (South)
Laksam Road, Poduar Bazar, Comilla.
IP Phone-80501, 80502

85. **Poddar Bazar Branch**
(Opening Date-30-05-2016)
Bhai Bhai Shopping Complex (1st Floor)
07 # Boshikpur Union Parishad, Poddar Bazar, Laxmipur

86. **Zamiderhat Branch**
(Opening Date- 12-05-2016)
Haque Mansion, Latifpur, 13 No Rasulpur Union,
PO-Zamiderhat,,Thana- Begumgonj, Zilla –Noakhali.
IP Phone-81701, 81702

87. **Burichang Branch**
(Opening Date-31-05-2016)
Mirpur Road, PO+PS:- Burichang, Dist-Comilla
IP Phone-82001, 82002

BARISAL DIVISION

88. **Barisal Branch**
(Opening Date-25-09-2011)
Makka Bhaban, 1# Katpatty Road
Kotwali Model Thana
Holding No-1, Ward No-9, Barisal Sadar, Barisal
Phone: 0431-61659, 0431-2177480
IP Phone-77301, 77302

89. **Charfassion Branch**
(Opening Date-02.06.2016)
952 DC Road,Word No -5, Sharif Para
Charfassion Paurasova, Charfassion, Bhola
IP Phone-82101

90. **Safa Bondar Branch**
(Opening Date-02-06-2016)
02 # Ward, M.A. Sayeed Bhaban, Safa Bazar
Safa Bandar Bus Stand, Union- Dhanisafa
PO: Safa Bondor, Thana-Mothbaria, Dist-Pirojpur
IP Phone-82201

RAJSHAHI DIVISION

91. **Rajshahi Branch**
(Opening Date-10-08-1996)
AH Tower, Holding No-328-331, 333-336
Aloker More, Station Road, Rajshahi.
Phone-0721-812317, 812452, Fax-0721-812317
IP Phone-70701, 70702

92. **Bogra Branch**
(Opening Date-25-10-1998)
Bhandary Monjil, 776, Rangpur Raod, Borogola, Bogra.
Phone-051-65833, 63943, 61458, Fax- 051-63943
IP Phone-71101, 71102

93. **Sirajgonj Branch**
(Opening Date- 26-10-1998)
Zaman Complex, S.S. Road, Sirajgonj.
Phone-0751-63203, 64360, 63203
IP Phone-71201, 71202

94. **Chandaikona Branch**
(Opening Date-19-12-2000)
Pabna Bazar, Raigonj, Sirajgonj.
Phone-07526-56122, 01715-805435, Fax-07526-56122
IP Phone-71601, 71602

95. **Shahjadpur SME/Krishi Branch**
(Opening Date-03-10-2010)
Alhaj Rajjak Plaza (1st Floor), Monirampur Bazar
P.S & P.O- Shahjadpur, Zilla-Sirajgonj
Phone- 07527-64049, 07527-64050
IP Phone-75801, 75802

96. **Dupchanchia Branch**
(Opening Date-25-11-2010)
Jobeda Shopping Complex (2nd Floor)
C.O. Office Bus Stand, Dupchanchia, Bogra.
Phone- 05024-51250, 51251
IP Phone-76201, 76202

97. **Naogaon Branch**
(Opening Date-12.09.2011)
Mufuza Plaza, Naogaon Pourashava(Sonali Bank Road)
Ward No- 4, Vill- Qazipara, Naogaon.
Phone-0741-81112, 81113
IP Phone-76701, 76702

98. **Pabna Branch**
(Opening Date-05-10-2011)
Abdul Hamid Road, P.O & P.S- Pabna
Holding No-0118-000, Ward No-02, Pabna.
Phone- 0731-51980, 0731-52080
IP Phone-77501, 77502

SYLHET DIVISION

99. **Sylhet Branch**
(Opening Date-27-06-1996)
781, Karima Mansion, Dargah Gate, Sylhet-3100.
Phone-0821-711282, 0821-710485, Fax-0821-711282
IP Phone-70601, 70602

100. **South Surma Branch**
(Opening Date-23-07-2009)
Chandipool Baipass Road
(Opposite of South Surma Thana)
P.O-Sylhet Sadar, P.S- South Surma, Sylhet.
Phone- 0821-2833431, 0821-2833432
IP Phone-73401, 73402

101. **Moulvibazar Branch**
(Opening date-10.10.2012)
183 Shamsher Nagar Road
Chowmohana, Moulvibazar
Phone- 0861-63906, 63907
IP Phone-78201, 78202

102. **Fenchugonj Branch**
(Opening date-11.10.2012)
Akul Shah Shopping City, General Osmani Sharak
(Thana road point) P.O. & P.S.- Fenchugonj, Sylhet
Mobile: 01711-040403
IP Phone-78301, 78302

103. **Beanibazar Branch**
(Opening Date- 24.05.2016)
Azir Market (1st Floor), Main Road
Holding No-612, Word no-07,
PO+PS-Beani Bazar, Sylhet
IP Phone-81801, 818022

104. **Baralekha Branch**
(Opening Date-20-11-2016)
Hazi Karim Mansion, Holding no.-249 (1st Floor),
Ward no. 04
Paurasava – Baralekha, PS- Baralekha,
Dist.: Moulvibazar, Sylhet.

RANGPUR DIVISION

105. **Gobindagonj SME/Krishi Branch**
(Opening Date-22-08-2010)
Goleza Super Market (High way Road), Holding No-318,
Ward No-6
Porosoba- Gobindagonj, P.O & P.S -Gobindagonj, Zilla-
Gaibandha
Phone-05423-75396, 05423-75397
IP Phone-75201, 75202

106. **Dinajpur Branch**
(Opening Date-23-08-2010)
Lilir Moor, Holding No-1191/1150, Mouza-Pranonathpur
Ward No-3, P.O & P.S -Dinajpur. Dist.- Dinajpur.
Phone-0531-63692, 0531-61588,
IP Phone-75301, 75302

107. **Rangpur Branch**
(Opening date-13.09.2011)
286, Shah Bari Tower, Station Road (Guptapara), Ward
No-9
P.O-Rangpur, P.S- Kotwali, Rangpur.
Phone-0521- 55183, 55184 (Fax)
IP Phone-76801, 76802

108. **Sayedpur Branch**
(Opening Date-27-11-2014)
Holding No-07, Altaf Tower, Shahid Dr. Zikrul Haque
Road,
Saidpur, Nilphamari
IP Phone-79901, 79902

KHULNA DIVISION

109. **Khulna Branch**

(Opening Date-20-06-1996)
22, Sir Iqbal Road, G.M. Baksh Tower
(Ground, 1st & 2nd floor) Khulna City Corporation
Khulna. Phone- & Fax-041-722133, 730533
IP Phone-70501,70502

110. **Paikgacha Branch**

(Opening Date-06.12.2009)
Main Road, Paik Gacha, Khulna. Phone- 04027-56678,
IP Phone-74301, 74302

111. **Monirampur SME/Krishi Branch**

(Opening Date-08-08-2010)
Main Road, Monirampur Bazar, Holding No-2145,
Ward No-03, Monirampur, Zilla- Jessore.
Phone-0422778400
IP Phone-74701, 74702

112. **Noapara Branch**

(Opening Date-08-08-2010)
Noorbag Moor, P.O- Noapara
P.S.-Abhoynagar, Dist.-Jessore.
Phone-04222-72300
IP Phone-74801, 74802

113. **Fakirhat SME/Krishi Branch**

(Opening Date-09-08-2010)
Mohammad Ali Market, Kathal Tolar More
Fakirhat Bagerhat.
Phone-04655-56150
IP Phone-74901, 74902

114. **Jessore Branch**

(Opening Date-19-12-2010)
36, Rail Road (Chowrasta) 2nd Floor
P.O.-Jessore, P.S.- Kotowali, Dist.-Jessore
Phone-0421-64404
IP Phone-76401, 76402

115. **Satkhira Branch**

(Opening Date-20-12-2010)
London Plaza, (1st Floor) Boro Bazar Road
P.S. & P.O- Satkhira, Dist.- Satkhira.
Phone-0471-65078, 0471-65444, Fax- 0471-65444
IP Phone-76501, 76502

116. **Bagerhat Branch**

(Opening date-29.11.2012)
13, Khan Jahan Ali Road
Bagerhat Pourashava, Bagerhat.
Phone- 0468-64347, 0468-64348
IP Phone-78801, 78802

117. **Patkelghata Branch**

(Opening date-22-05-2013)
Patkelghata Bazar, Ward No-05
P.O & P.S.- Patkelghata, Satkhira.
IP Phone-79001, 79002

118. **Chougacha Branch**

(Opening date-30-06-2013)
Chougacha Bus stand (Dhoni Plaza), Ward No-01
P.O & P.S.- Chougacha, Jessore
IP Phone- 79301, 79302

119. **Dumuria Branch**

(Opening Date - 15-12-2015)
Zakaria Super Market, Dumuria Bazar
Dumuria, Khulna
IP Phone-81301

120. **Kushtia Branch**

(Opening Date - 15-06-2015)
Holding # 297/1, N.S. Road, Ward # 3, P.S- Kushtia Sadar
PO-Kushtia, Pourosova-Kushtia, Kushtia.
IP Phone-81001

121. **Navaran Branch**

(Opening Date-05-05-2016)
Afzal Supper Market (1st Floor)
Navaran Rail Bazar, PO-Zadabpur
P.S -Sharsha, Dist- Jessore.
IP Phone-81601, 81602

MYMENSINGH DIVISION

122. **Mymensingh Branch**

(Opening date-09-10-2013)

Ali Plaza (2nd Floor), Muktijodda Sarani Road
64, Choto Bazar, P.S- Kotwali (Sadar), Mymensingh
IP Phone- 79601, 79602

123. **Koyra Bazar Branch**

(Opening Date- 09-06-2015)

Haji Market, (1st Floor) Koyra Bazar
PO-Patadaha, P.S-Madargonj, Jamalpur.
IP Phone-80601

124. **Jamalpur Branch**

(Opening Date -27.03.2016)

A. K Tower, 285, Medical Road (Tomal Tola Moor)
Jamalpur Sadar, Jamalpur
IP Phone-81401

125. **Netrokona Branch**

(Opening Date- 21.04.2016)

Aleya Plaza, Netrokona Paurasava
College Road, Satpai, Dist- Netrokona.



Corporate Office: City Center, 90/1, Motijheel C/A, Dhaka-1000

NOTICE OF THE 22nd ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd ANNUAL GENERAL MEETING (AGM) of the Shareholders of SOCIAL ISLAMI BANK LIMITED will be held on **Thursday the 30th March, 2017 at 10.00 a.m.** at “**Rajdarshan Hall-3, International Convention City Bashundhara, Kuril Bishwa Road, 300ft. Purbachal Express Highway, Dhaka**” to transact the following business:

A G E N D A

(A) Ordinary Business:

1. To receive, consider and adopt the Directors' Report and Audited Financial Statements of the Bank for the year ended December 31, 2016 together with the reports of the Auditors' thereon;
2. To declare dividend for the year 2016 as recommended by the Board of Directors;
3. Appointment & Re-appointment of Directors ; and
4. To appoint Auditors and fix their remuneration for the term until the next AGM.

(B) Other Business:

1. To approve the appointment of Independent Directors.

By order of the Board

(Md. Humayun Kabir, FCS)
Company Secretary

Date: 15th March, 2017

Notes:

- (a) The 'Record Date' was on Tuesday the 14th March, 2017;
- (b) Shareholders whose names appeared in the Members Register of the Company or in the Depository on the 'Record Date' (i.e on 14th March, 2017) will be eligible to attend, vote in the 22nd AGM and receive entitled dividend;
- (c) A Member who is entitled to attend and Vote at the Annual General Meeting (AGM) can appoint a Proxy to attend and vote on his/her behalf. Forms of Proxy, duly stamped of Tk. 20/- (Taka twenty) only must be submitted at the Registered Office of the Company at least 48 hours before the time fixed for the meeting;
- (d) Admission into the venue of the AGM will be allowed on production of the Attendance Slip sent with the Notice as well as verification of signature of Member(s) and/or Proxy holder(s);
- (e) The registration for attending the AGM shall be started at 9:00 a.m; and
- (f) Annual Report along with Directors Report, Balance sheet, Audited Financial Statements and Proxy Forms are available at the Bank's website (www.siblbdc.com).

(N.B.: No gift or benefit in cash or kind other than in the form of Cash or Stock dividend shall be paid /offered to the holders of equity securities at the time of AGM as per BSEC Circular No.SEC/CMMRCD/2009-193/154 dated 24.10.2013).



SIBL Social Islami Bank Limited
Corporate Office: City Center, 90/1, Motijheel C/A, Dhaka-1000

PROXY FORM

I/We
of (Address)
..... being a member of
SOCIAL ISLAMI BANK LIMITED and entitled to vote hereby appoint Mr./Mrs./Miss
as my proxy to attend and vote for me and on my behalf at the **22nd Annual General Meeting (AGM)** of the Bank to be held on
Thursday, 30th March, 2017 at 10:00 a.m. and at any adjournment thereof.
As witness my hand this day of 2017.

(Signature of the Proxy)

Date :

Folio No:

Revenue
Stamp
Tk. 20.00

Signature of the Member

Authorized Signature

BO ID No:

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No. of Shares held:

Notes:

1. A Member entitled to attend and vote at the General Meeting may appoint a Proxy who will also be a Member of the company to attend and vote in his/her behalf. **The Proxy Form, duly stamped, must be submitted at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.**
2. Signature of the Member must be in accordance with the specimen signature registered with the Company or with the Depository.



SIBL Social Islami Bank Limited
Corporate Office: City Center, 90/1, Motijheel C/A, Dhaka-1000

ATTENDANCE SLIP

I/We hereby record my/our presence at the **22nd Annual General Meeting (AGM)** of Social Islami Bank Ltd. at “**Rajdarshan Hall-3, International Convention City Bashundhara, Kuril Bishwa Road, 300ft. Purbachal Express Highway, Dhaka**” on **Thursday, the 30th March, 2017 at 10:00 a.m.**

Name of Member/Proxy:

Registered Folio/BO No:holding of Ordinary Shares of

Social Islami Bank Ltd.

Signature of Member/Proxy

(Members are requested to handover the Attendance Slip at the entrance of the meeting hall)

Corporate Office: City Center
90/1, Motijheel Commercial Area
Dhaka-1000, Bangladesh
Phone: 09612001122
Email: info@sibl-bd.com

web: www.siblbld.com

