

RESILIENCE
& SUSTAINABILITY



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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 আরবি 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 আরাবি '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: অংশীদারিত্বের 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, তাহাই 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
ভুবনে স্বাগতম



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 (usury) 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

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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 2018 of Social Islami Bank Limited.

Muhtaram

As-salamuAlikumWaRahmatullah

Reference to the above, we enclose herewith the copy of Annual Report 2018 of Social Islami Bank Limited along with audited consolidated and solo Financial Statements as at 31st December 2018. 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.



Abdul Hannan Khan
Company Secretary



OUR VISION

Working together for a caring society.

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 innovation 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 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.

OUR STRATEGIC OBJECTIVES



SIBL CORE VALUES



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 behaviours 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.
- 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 fulfilment 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, 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.



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

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

Chairman

Prof. Md. Anwarul Azim Arif

Managing Director & CEO

Mr. Quazi Osman Ali

Company Secretary

Mr. Abdul Hannan Khan

Chief Financial Officer

Mr. Walid Mahmud Sobhani, FCMA

Chief Risk Officer

Mr. Kazi Obaidul Al-Faruk

Chief Compliance Officer

Mr. Giash Uddin Bhuiyan

Auditors

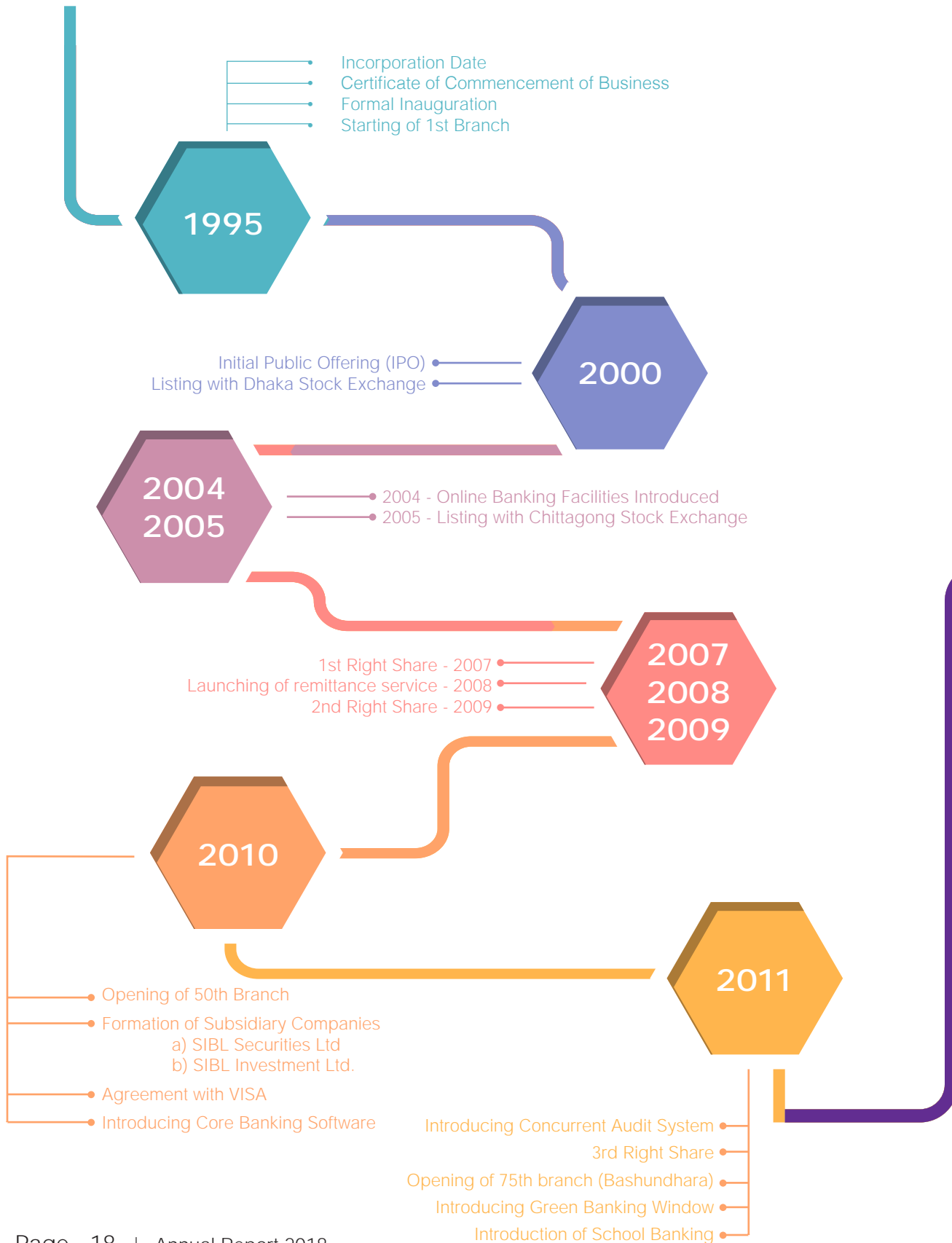
M/S Syful Shamsul Alam & Co.

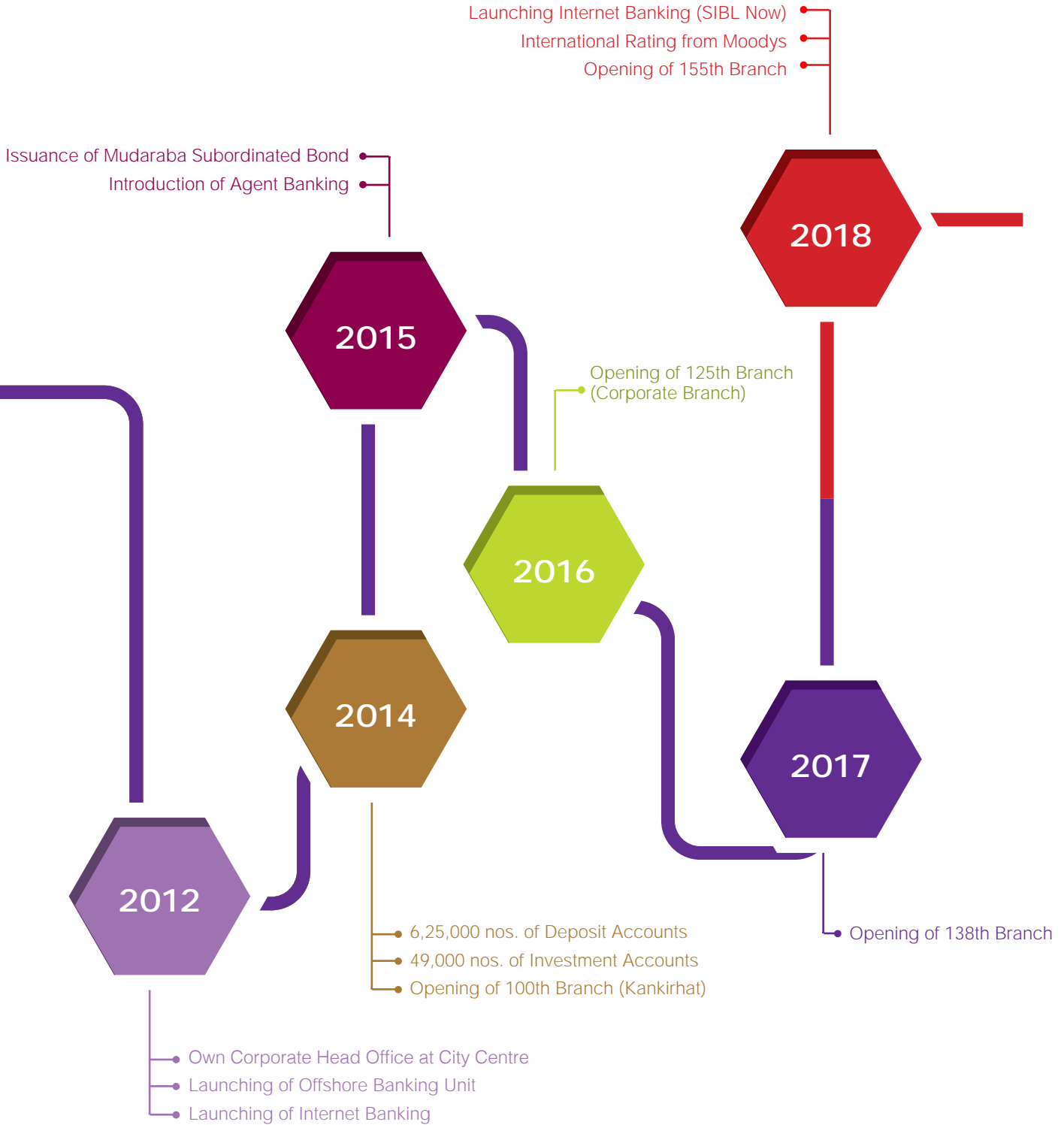
Chartered Accountants
Paramount Heights, Level-6
65/2/1 Box Culvert Road
Purana Paltanm
Dhaka-1000

Legal Form	: Public Limited Company
Company Registration No.	: C-28763(44)/95
Authorized Capital	: Taka 10,000,000,000
Paid up Capital	: Taka 812,12,85,060
Bank's License No.	: DBOD:200/60-943/95
Tax Payer Identification No	: 144050147394
Business Identification No	: 000302065
Credit Rating Agency	: Emerging Credit Rating Ltd.
Number of Employees	: 2847 (two thousand eight hundred forty seven)
Number of Branches	: 155 (One Hundred Fifty Five)
Number of Shares	: 812,128,506
Investors' Enquiry	: Share Division City Center, Mezzanine-2 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 City Center, 90/1 Motijheel 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 31.12.2018 DSE Taka 15.40 Category A CSE Taka 15.30 Category A

MILESTONE

OVERVIEW OF THE BANK





OVERVIEW OF THE BANK

SPONSORS OF SIBL

1	Prof.Dr. M. A. Mannan, MA (Econ) (Michigan), Ph.D. Michigan) (USA) Certificate in Economic Dev (USA).
2	Major Dr. Md. Rezaul Haque (Retd)
3	Dr. Md. Jahangir Hossain
4	Late Mohammad Ibrahim Miyan
5	Late Md. Abdul Malek
6	FOUNTAIN (Pvt.)Ltd.
7	Bangladesh Social Peace Foundation
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 AwalPatwary
14	Mr. Md. AnisulHoque, Representing Hamdard Laboratories (Waqf) Bangladesh
15	Mrs. NargisMannan, B.A.(Hons), M.A.(DU)
16	Mrs. Fatema Begum
17	Mrs. ShamsunNahar Begum
18	Mrs. ZohraAlam
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 AynulHaque
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

FUNCTIONS OF SOCIAL ISLAMI BANK LIMITED



OVERVIEW OF THE BANK



PRODUCTS & SERVICES

DEPOSIT PRODUCTS

Al-Wadeeah Current Deposit (AWCD) Account
Mudaraba Savings Deposit Account
Mudaraba Super Savings Account
Mudaraba. Notice Deposit Account
Mudaraba Term Deposit Account
1 Month
3 Month
100 Days
6 Month
200 Days
12 Month
2 Years
3 Years
Mudaraba Monthly Profit Deposit Scheme (SIBL Astha)
Mudaraba Millionaire Savings Scheme
Mudaraba Education Savings Scheme
7 Years
10 Years
15 Years
20 Years
Sonali Din Special Deposit Scheme
Mudaraba Special Deposit Pension Scheme
Mudaraba Bashastan Deposit Scheme

Mudaraba Hajj/Umrah Savings Deposit (Kafela)
Cash Waqf
Cash Waqf Deposit Scheme
Cash Waqf Savings Scheme
Cash Waqf Mudaraba Monthly Profit Deposit Scheme
Mudaraba Lakhpoti Deposit Scheme
Mudaraba Marriage Deposit Scheme
Mudaraba Muhorana Savings Scheme
5 Years
10 Years
Sanchita Special deposit Scheme
Subarnalata Special Deposit Scheme
Subarna Rekha Special Deposit Scheme
Shabuj Chaya Special Deposit Scheme
Shabuj Shayanna Special Deposit Scheme
Sukher Thikana Special Deposit Scheme
Sachchanda Protidin Special Deposit Scheme
Mudaraba Savings Deposit-Student Account
SIBL Youngster Account
Mudaraba Zakat Savings Deposit Scheme (Proshanti)
SIBL Super DPS Special Savings Scheme

INVESTMENT PRODUCTS

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

CARD PRODUCTS

VISA Islami Credit Card Products:

Domestic Classic
International Classic
Domestic Gold
International Gold
International Platinum

VISA Islami Prepaid Card Products:

Hajj Card
Travel Card
Student Card
Gift Card

VISA Islami Debit Card Products:

VISA Islami Zameel Card

SERVICE PRODUCTS

Online Banking
ATM 24/7
Automated Clearing
Electronic Fund Transfer
Internet Banking (SIBL NOW)
Offshore Banking
Centralized Trade Processing Services
Remittance
Locker
Students File
SWIFT
Capital Market Services through SIBL Subsidiaries
ADR (Alternate Delivery Channel)
School Banking
Agent Banking
RTGS (Real Time Gross Settlement)



MEDIA ACCOLADE

the independent



President of the Permanent Council of the Islamic Solidarity Fund of OIC Ambassador bin Abdullah bin Hamdan Al Zaabi visits Social Islami Bank Limited (SIBL) in the capital on the 7th of the month. Anwarul Azim Arif, chairman of SIBL, Sayedur Rahman, vice chair-Jahangir Hossain, director, Abu Reza Muhammad Nezamuddin Nadevi, Chairman Shariah Supervisory Council, Quazi Osman Ali, managing director and CEO of the bank, were present on the occasion.

আলোকিত বাংলাদেশ



Managing Director and CEO Quazi Osman Ali inaugurating the 78th agent banking outlet in capital.

dailyobserver



যায়যায়াদিন



যুগান্তর



Financial Express



কালের কণ্ঠ সমকাল



এসআইবিএল: সোশ্যাল ইসলামী ব্যাংক লিমিটেড (এসআইবিএল) সম্বন্ধিত জামালপুর জিলা কুল মাঠে কুল ব্যাংকিং কর্মসূচিতে ২০১৮ আয়োজন করেছে।



এসআইবিএলের মানি লন্ডারিং প্রতিরোধ সম্মেলন

বনিববার্চা



আমাদের সময়



নয়া দিগন্ত



যায়যায়াদিন



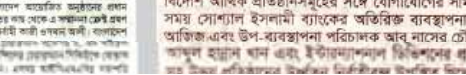
ইনকি



যুগান্তর



Financial Express



NEWAGE



নয়া দিগন্ত



daily sun



মানবজমিন



the independent



বর্তমান



এসআইবিএল এবং ফিনটেক ইনোভেশনাল ইন্টারন্যাশনাল ডিএমসিসি চুক্তি স্বাক্ষর

সোশ্যাল ইসলামী ব্যাংক লিমিটেড (এসআইবিএল) এবং ফিনটেক ইনোভেশনাল ইন্টারন্যাশনাল ডিএমসিসি, ইউএই-এর মধ্যে গত ৯ জুলাই ব্যাংকের প্রধান কার্যালয়ে এক কর্পোরেট চুক্তি স্বাক্ষরিত হয়। সোশ্যাল ইসলামী ব্যাংকের ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মী ওসমান আলী এবং ফিনটেক ইনোভেশনাল ইন্টারন্যাশনাল ডিএমসিসি, ইউএই-এর গ্রুপিং মিস আঞ্জিলাত্রোসা হেক নিলক প্রতিনিধিত্বের মধ্যে চুক্তি স্বাক্ষরিত হয়।

এসআইবিএলের আইসিএমএবি বেস্ট কর্পোরেট অ্যাওয়ার্ড লাভ

আইসিএমএবি বেস্ট কর্পোরেট অ্যাওয়ার্ড (ICMA) প্রদত্ত আইসিএমএবি বেস্ট কর্পোরেট অ্যাওয়ার্ড ২০১৮ সালে SIBL-এর আইসিএমএবি বেস্ট কর্পোরেট অ্যাওয়ার্ড লাভ করেছে।

এসআইবিএলের মানি লন্ডারিং প্রতিরোধ সম্মেলন

সোশ্যাল ইসলামী ব্যাংক লিমিটেডের (এসআইবিএল) শাখা মানি লন্ডারিং প্রতিরোধ পরিপালন কর্মকর্তাদের সম্মেলন সম্বন্ধিত ঢাকা বিশ্ববিদ্যালয়ের মুজাম্মতুর আহমেদ ট্রেডুপী অডিটোরিয়ামে অনুষ্ঠিত হয়।

এসআইবিএলের চট্টগ্রাম অঞ্চলের ব্যবসায়িক সম্মেলন অনুষ্ঠিত

সোশ্যাল ইসলামী ব্যাংক লিমিটেডের (এসআইবিএল) চট্টগ্রাম অঞ্চলের ২২টি শাখার কর্মকর্তাদের নিয়ে ব্যবসায়িক সম্মেলন অনুষ্ঠিত হয়েছে।

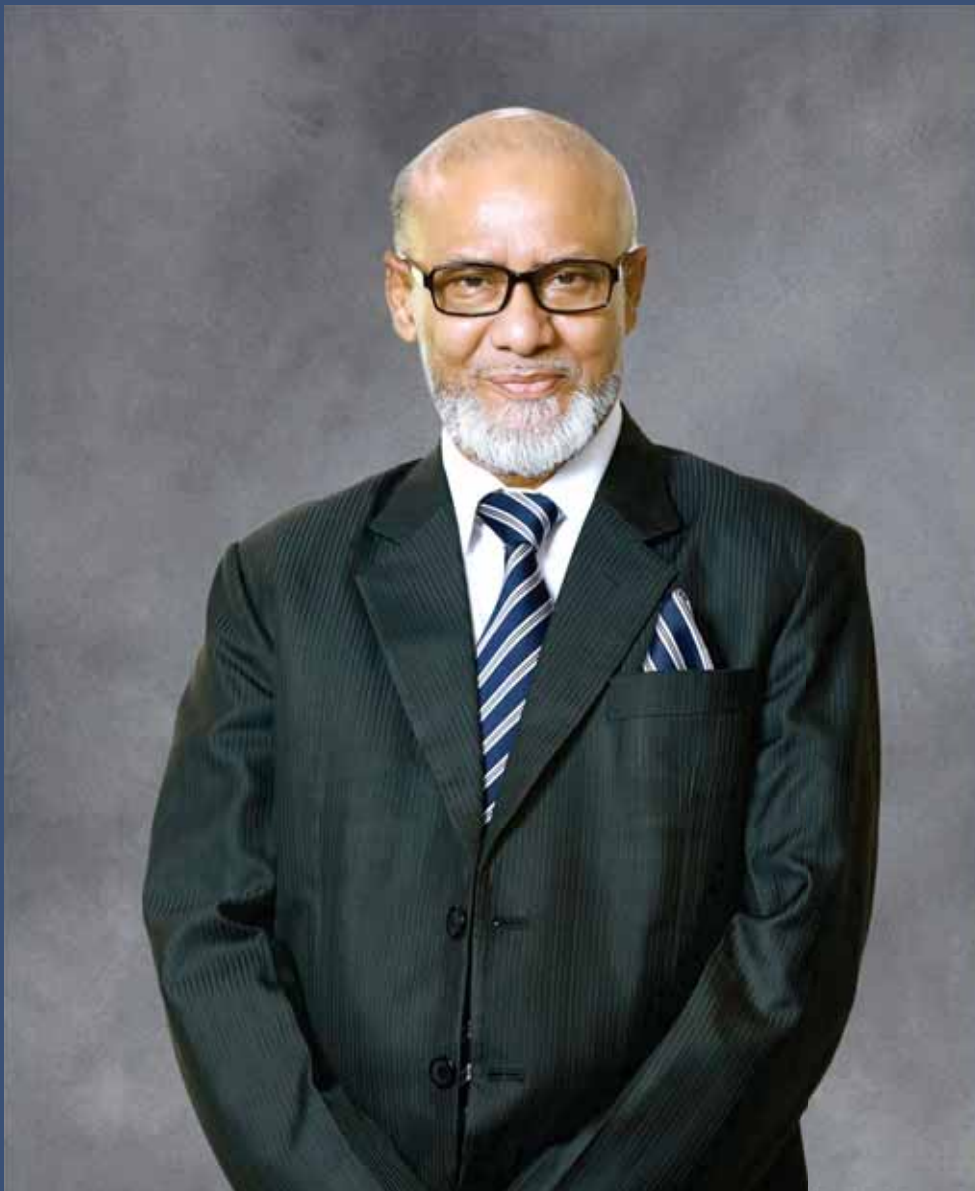
BOARD & COMMITTEES



BOARD OF DIRECTORS

- | | |
|---|---|
| 01. Prof. Md. Anwarul Azim Arif
Chairman | 08. Dr. Md. Jahangir Hossain
Director |
| 02. Mr. Belal Ahmed
Vice Chairman | 09. Mr. Md. Faysal Ahmed Patwary
Director |
| 03. Mr. Md. Sayedur Rahman
Director | 10. Mrs. Jebunnesa Akbar
Director |
| 04. Mr. Md. Kamal Uddin
Director | 11. Professor A J M Shafiul Alam Bhuiyan, Ph.D
Independent Director |
| 05. Mrs. Nargis Mannan
Director | 12. Professor Mohammed Mizanur Rahman, Ph.D
Independent Director |
| 06. Mr. Arshadul Alam
Director | 13. Mr. Quazi Osman Ali
Managing Director & CEO |
| 07. Mr. Ali Hasan Md. Mahmud Ribon
Director | 14. Mr. Abdul Hannan Khan
SEVP & Company Secretary |

The Board of Directors of the Bank constituted with twelve Members including 2 (two) Independent Directors 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. The Board also responsible to comply all types of Rule, Regulation, Notification and Orders issued by the Regulatory Authorities in time to time. They also ensure to implement the good Corporate Governance in the Bank. During the year 2018, total 19 numbers of Board meetings were held compared to 27 meetings in the year 2017.



Prof. Md. Anwarul Azim Arif Chairman

Prof. Md. Anwarul Azim Arif, the Chairman of the Board of Directors of Social Islami Bank Limited was the Vice Chancellor of University of Chittagong from June 15, 2011 to June 14, 2015. He completed B.Com (Hons) and M.Com from the University of Chittagong. Later, in 1982, he completed MBA from the University of the Philippines. In January 1976, Prof. Arif started his career as lecturer in the University of Chittagong and ended up as Vice-Chancellor of the same University. During his career in the University of Chittagong Prof. Arif served as the Chairman of the Department of Management from 1992-95. He also served as the Vice Chancellor of Premier University from 2002 to 2006 and as Pro-Vice Chancellor of Chittagong University from July 2001 to November 2001. He was also the Dean of Faculty of Commerce, University of Chittagong from 1994-96. Prof. Arif was elected President of Chittagong University Teachers' Association from 1995-97 and as Secretary General, Bangladesh University Teachers' Association Federation from 1996 -97. He was a member of Executive Committee of Association of Management Development Institutions in South Asia (AMDISA), Hyderabad, India, a regional organization of management institutions of SAARC countries from 1994 to 96. Prof. Arif was also elected as a Member of Chittagong University Syndicate from 1997 to 98. Prof. Anwarul Azim Arif has discharged his responsibilities as a member of Chittagong University Senate from 1986 to 2015. Prof. Arif was a responsible member of Chittagong Education Board and also a member of Bangladesh Plantation Employees' Provident Fund Trustee Board nominated by the Ministry of Labor and Employment, Government of Bangladesh. He also participated in different trainings, seminars and workshops both in home and abroad. Prof. Md. Anwarul Azim Arif visited different countries across the world including United States of America (USA), Netherlands, Germany, France, Belgium, Norway, Australia, Japan, South Korea, Thailand, Taiwan, Singapore, Malaysia, Srilanka and India. Prof. Md. Anwarul Azim Arif was nominated for the "Best B School Award 2012" of Asia by "The World Education Congress". He was also awarded United Nations Human Rights Award, 2004 for extraordinary performance in the field of human rights & social works. Prof. Arif received A/D/C Fellowship in 1980, CBC Fellowship in 1996, US International Visitors Award in 1989 and received such others awards & scholarships for his excellent academic performances.



MR. BELAL AHMED
Vice Chairman

Mr. Belal Ahmed is the Vice Chairman of the Board of Directors of Social Islami Bank Limited and Chairman of the Executive Committee (EC) of SIBL. Mr. Belal Ahmed started business in Bangladesh as Proprietor of Unitex Proprietorship after completion of his higher education from Canada. He is the Managing Director of Unitex Spinning Limited, Unitex Composite Mills Limited, Unitex LP Gas Limited, Unitex Petroleum Limited, Unitex Cement Limited, Unitex Steel Mills Limited of Unitex Group. He is also the Managing Director of Padma Wears Limited. Mr. Belal was one of the Directors of Chittagong Chamber of Commerce and Industries during the period from 2013 to 2015. He is also the Director of SIBL Securities Ltd. and SIBL Investment Ltd.



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 Risk Management Committee of the Bank.



MR. MD. 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. Uddin has widely traveled in several countries in connection with business and participated in different trade fairs. He is a Chairman of Risk Management Committee and Member of the Audit Committee of the Bank. He is also the Chairman of SIBL Securities Ltd. and SIBL Investment Ltd.



MRS. NARGIS MANNAN is a Sponsor Director of Social Islami Bank Limited: received her B.A (Hons) & M.A Degree in Political Science from University of Dhaka in 1964; served as lecturer in Pakistan Council, Islamabad Pakistan (1967-69). She is an international recognized copper artist: held a number of solo exhibitions in various countries around the world that includes Lae, Papua New Guinea (1976); Jeddah Fine Arts Society (1979 to 1995) in Jeddah, Saudi Arabia; Shilpa Kala Academy in Dhaka, Bangladesh (1987); Soviet Culture Centre in Dhaka, Bangladesh (1987), Frunge, Kirghizia, former U.S.S.R (1988); Nairobi, Kenya (1994); Academy of Fine Arts in Calcutta, India (1995); The National Museum in Dhaka, Bangladesh (1998).

She also received a number of Awards that includes: Moonis Raza Memorial Award at the Indian Institute of Technology (IIT), New Delhi, given by Global Association of NRI in 1996; Sher-e-Bangla National Award given by National Personality Research Centre in 2004; Begum Rokeya Shining Personality Award-2006, given by Narikantho Foundation. She has been involved in many social and cultural activities. She was the President of Padakkhep-'64 during the period from 2006 to 2008, An Association of Dhaka University Graduates-64. She was also the Treasurer of Soroptimist International Club of Dhaka during the period from 2007 to 2015.

She is the Founder Trustee and Vice-Chairman of House of Mannan Charitable Trust (HMCT). She is the wife of Prof. Dr. M.A.Mannan, Founder Chairman of Social Islami Bank Limited.



MR. ARSHADUL ALAM a industrialist of the Country and also a Director of Social Islami Bank Limited. He completed his MBA from American International University-Bangladesh (AIUB), Dhaka, Bangladesh. He started his business after completion of his Under graduation in Business Communication from University of Queensland, Brisbane, Australia. He bears more than 12(twelve) years of experience in different fields of business. He is the Proprietor of Uni-Trade International & Nishat Traders and he is also the Managing Director of Jesco Capital Management Ltd. He is discharging his responsibilities competently in the affairs of the Board of Directors of the Bank. He is also discharging his responsibilities as a member of the Executive Committee (EC) of the Bank.



MR. ALI HASAN MD. MAHMUD RIBON appointed as a Director of Social Islami Bank Limited on 13th November, 2017. He bears almost 38 years of business Experience in different fields. He is holding the degree of Bachelor of Arts under the University of Rajshahi. He is a knowledgeable individual in exporting fish. He also bears a vast knowledge as Contractor. He is the Chairman of M/S. Mahmud Ribon. He is discharging his responsibilities competently in the affairs of the Board of Directors of the Bank. He is also discharging his responsibilities as a member of the Risk Management Committee of the Bank.



DR. MD. JAHANGIR HOSSAIN is a Director of Social Islami Bank Limited. He completed his M.B.B.S from Sylhet MAG Osmani Medical College, Bangladesh. He also completed "Advanced Diploma in Ultrasound" from Institute of Ultrasound Techniques, Toronto, Ontario, Canada in 2008 and "Diploma in Medical Ultrasound" from Shristy Institute for Health Sciences, Dhaka in the year 2007. He has more than 41 years of professional experience in his medical career. He started his career in the year 1975 as Lecturer of Sir Salimullah Medical College & Hospital, Dhaka. After that he left for Kingdom of Saudi Arabia and served Ministry of Health of KSA for 25 years and voluntarily retired in the year 2003 as Senior Medical Officer. He is discharging his responsibilities competently in the affairs of the Board of Directors of the Bank. Mr. Jahangir is also the member of Audit Committee of the Bank.



MR. MD. FAYSAL AHMED PATWARY is a Director of Social Islami Bank Limited. Mr. Patwary also acted as Director of Social Islami Bank Limited from 12.06.2010 to 29.06.2012. He also acted as Alternate Director of Social Islami Bank Limited on several times. Mr. Patwary achieved prestigious degree of Barrister-at-Law from renowned Inns of Court School of Law (ICSL), City University, London. He is known for high level of accuracy and consistency in all areas of legal work. Mr. Patwary was associates of well reputed prominent lawyer namely Barrister Md. Abdus Samad, Senior Advocate, Supreme Court of Bangladesh and Mr. Ahsanul Karim, Advocate, Supreme Court of Bangladesh. Presently, Mr. Patwary is the head of the Associates & Senior Consultant of Patwary & Associates. He is also the Director of M/s. Patwary Potato Flakes Ltd., M/s. Greentech Greenhouse Bangladesh Ltd. and Northern General Insurance Company Ltd.



MRS. JEBUNNESSA AKBAR is a Director of Social Islami Bank Limited. She completed her Graduation from Chattagram College. She also completed a professional course on "Fashions and Jewelry Designing" from the Institute of Fashions and Jewelry Designing, New Delhi, India. Mrs. Akbar achieved a Diploma in Computer Science from APTECH, Uttara, Dhaka. She bears 24 (twenty four) years of experience in different field of welfare organization. She was a Director of BIFC from June 2016 to December 2017. She was the president of National Defence College (NDC) Ladies Club (Welfare Organization of Ladies and Children of NDC's Officers, Course Members & Employees) from June 2011 to February 2015 and DGFI (Directorate General of Forces Intelligence) Ladies Club (Welfare Organization of DGFI's Civil and Military Officers and Military and Civil Employees's wives and Children) from Feb 2009 to June 2011. She was the Vice President of Sena Paribar Kalyan Samity Central Committee, Dhaka (Welfare Organization of Soldiers Wives and Children all over the Bangladesh Army) from Feb-2001 to Dec 2002 and the Secretary of Ladies Club, Bangladesh High Commission, New Delhi (Welfare Organization of Wives and Children of Diplomat & Employees posted at New Delhi High Commission) from Dec 1995 to Oct 1999.

She is discharging her responsibilities competently in the affairs of the Board of Directors and Executive Committee (EC) of the Bank.



PROFESSOR A J M SHAFIUL ALAM BHUIYAN, PH.D appointed as an Independent Director of Social Islami Bank Limited on 13th November, 2017. He is an well known Professor of the University of Dhaka Having an immense knowledge and experience in Mass Media Communication and Journalism, Dr. Bhuiyan was ranked First Class First both in B A (Hons.) and M. A in the said discipline. He did Ph. D. in Media and Communication from a renowned North American University. He also bears a vast professional experience as Professor and Chairman of Department of Television, Film and Photography, University of Dhaka. He is also the advisor of the Department of Media and Mass Communication, American International University, Bangladesh. Dr. Bhuiyan worked as researcher and team leader of different projects of Bangladesh and other international organizations like UNESCO and UNDP Bangladesh. Mr. Bhuiyan is also prominent media personnel. Mr. Bhuiyan is also the Chairman of Board Audit Committee of the Bank. He is also an Independent Director of SIBL Investment Ltd. (a subsidiary company of the bank)



PROFESSOR MOHAMMED MIZANUR RAHMAN, PH.D was appointed as an Independent Director of Social Islami Bank Limited on 13th November, 2017. He completed his BSE & MSE in Applied Chemistry and Chemical Engineering from the University of Dhaka in the year-1995 and 1996 respectively. Having an immense knowledge and experience in diversified fields, he discharged his responsibilities as a Member and CEO (from July 2015 to date) of different Institutions under Ministry of Textile and Jute. He is serving as standing committee and project implementation of the Skill for Employment investment project (SEIP-BTMA) from July 2015 to continue financed by ADB and Ministry of Finance Govt. Dr. Rahman is a member of the National Science and Technology fellowship Committee since January 2014 under the Ministry of Science and Technology GoB. He also augmented his qualifications from the different International Universities of Japan and Germany. He is vastly known Professor of Department of Applied Chemistry and Chemical Engineering, University of Dhaka. He is also discharging his duty as a Syndicate Member and Academic Council Member of the University of Dhaka, Member of the Governing body of the Enam Medical College, Savar, Dhaka and Shymoli Textile Engineering College.

Dr. Rahman is a Gold Medalist Recipient in Physical Science awarded by the Bangladesh Academy of Science in the year of 2009 and Young Scientist Award Winner of Third World Academy of Science (TWAS), Trieste, Italy. He is also awarded with, Primary Scholarship Award of Ministry of Education, Bangladesh, Younger Researcher Award-2005, Kumamoto University, Dr. Rahman is Japan Society for the promotion of Science (JSPS), Japan and Alexander von Humboldt (Germany) fellow these are the two prestigious fellowships in the World. He is also discharging his responsibilities as a member of the Executive Committee (EC) of the Bank. He is also an Independent Director of SIBL Securities Ltd. (a subsidiary company of the bank)



MR. QUAZI OSMAN ALI

Managing Director & CEO

Mr. Quazi Osman Ali a seasoned banker, has a glorious professional banking career spanning over three decades. Mr. Ali was born on 15th December, 1956. He completed Bachelor of Commerce (Honours) and Masters of Commerce in Management from the University of Chittagong in 1977 and 1978 respectively. He started his banking career as Trainee Officer at National Bank Limited (NBL) in 1984 and served the Bank up to the year 2000 in different capacities.

He joined First Security Islami Bank Limited (FSIBL) in the year 2000 as Assistant Vice President and served there up to 30th October, 2017. During his long tenure at FSIBL he served as the Head of different Branches and Divisions at Head Office. He also served as the Zonal Head of Chittagong Zone of FSIBL. As the acknowledgement of his sincerity, dedication and performance, he was promoted to the ranks of Executive Vice President, Senior Executive Vice President, Deputy Managing Director and Additional Managing Director in FSIBL.

Mr. Ali joined Social Islami Bank Limited (SIBL) as its Managing Director & CEO with effect from 31st October, 2017. During his long and colourful 34 years of banking career, he gained extensive banking experience and developed a wide range of expertise as he worked in different capacities in almost all the areas of banking viz. Strategic Planning, Managing Investment Portfolio, Foreign Trade, Treasury Operation, General Banking, Asset Liability Oversight, Leadership Development, Risk Mitigation, Regulatory Compliance, Customer Engagement, Branch Management, etc.

Mr. Quazi Osman Ali attended numerous seminars, workshops and training programs at home and abroad. A widely travelled person, Mr. Ali visited many countries including the United States of America (USA), Canada, the United Arab Emirates (UAE), Malaysia, Myanmar, Indonesia, Singapore and India to enrich his professional knowledge.

Moody's কর্তৃক সোশ্যাল ইসলামী ব্যাংকের B1 রেটিং অর্জন

আন্তর্জাতিক ক্রেডিট রেটিং এজেন্সি **Moody's** দেশের অন্যতম শরীআ'হ ভিত্তিক ব্যাংক সোশ্যাল ইসলামী ব্যাংক লিমিটেডের টেকসই উন্নয়ন প্রচেষ্টাকে স্বীকৃতি প্রদান করলো।

সম্পদের গুণগত মান, মূলধনের প্রবৃদ্ধি ও সন্তোষজনক মুনাফা অর্জনের স্বীকৃতি স্বরূপ **Moody's** এসআইবিএল- কে এই রেটিং প্রদান করেছে।

এই গৌরবময় মুহূর্তে আমাদের সকল সম্মানিত গ্রাহক, শেয়ারহোল্ডার, নিয়ন্ত্রক সংস্থা ও শুভানুধ্যায়ীদের জানাই **আন্তরিক ধন্যবাদ।**

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SIBL
Social Islami Bank Limited
উৎকর্ষ মেখরিকান

EXECUTIVE COMMITTEE

Name of the Members	Designation
Mr. Belal Ahmed	Chairman
Mr. Arshadul Alam	Member
Mrs. Jebunnesa Akbar	Member
Professor Mohammed Mizanur Rahman, Ph.D	Member

As per Bangladesh Bank BRPD Circular No. 06 dated February 04, 2010, every bank shall form an Executive Committee. SIBL has constituted a four members Executive Committee of the board as per Bangladesh Bank guidelines to ensure good corporate governance in the business. This is the subordinate committee of the Board of Directors of the Bank. The Committee 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 2018, total 14 Executive Committee Meetings were held against 24 nos of meeting in the year 2017.

- The executive committee can decide or can act in those cases as instructed by the Board of directors that are not specifically assigned on full board through the Bank Company Act, 1991 and other laws and regulations.
- The executive committee can take all necessary decision or can approve cases within power delegated by the board of directors.
- All decisions taken in the executive committee shall be ratified in the next board meeting.
- The executive committee can sit any time as it may deem fit.
- The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;

AUDIT COMMITTEE

Name of the Members	Designation
Professor A J M Shafiul Alam Bhuiyan, Ph.D	Chairman
Mr. Md. Kamal Uddin	Member
Dr. Md. Jahangir Hossain	Member

In order to establish a 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 the Bangladesh Bank and Corporate Governance Code (CCG) of Bangladesh Securities and Exchange Commission (BSEC), 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 three members of the Board of Directors. Professor A J M Shafiul Alam Bhuiyan, Ph.D, Independent Director of the bank acted as the Chairman of the Board Audit Committee who possesses sound knowledge of different field in the industry. He is a prominent media personnel having a vast professional experience as a renowned Professor of University of Dhaka. The internal audit is supervised under Internal Control & Compliance Division (ICCD). 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 2018, total 5 nos. of Audit Committee Meetings were held against 10 nos. of meetings of 2017. Audit Committee also plays the following role in the bank-

- Oversee the financial reporting process;
- monitor choice of accounting policies and principles;
- monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- oversee hiring and performance of external auditors;
- hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- review along with the management, the annual financial statements before submission to the Board for approval;
- review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
- review the adequacy of internal audit function;
- review the Management's Discussion and Analysis before disclosing in the Annual Report;
- review statement of all related party transactions submitted by the management;
- review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;
- The Audit Committee reported on its activities to the Board.

RISK MANAGEMENT COMMITTEE

Name of the Members	Designation
Mr. Md. Kamal Uddin	Chairman
Mr. Md. Sayedur Rahman	Member
Mr. Ali Hasan Md. Mahmud Ribon	Member

Under the stipulated instructions of Bangladesh Bank, the bank has formed a separate Risk Management Committee (RMC) consisting of 3 (three) members of the Board of Directors. In view of BRPD Circular no 11, revised Risk Management Guidelines 2012 and subsequent DOS Circular No.4 dated 8th October, 2018, 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 2018, total 4 (four) Risk Management Committee Meetings were held against 5 meetings in 2017. 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

Name of the Members	Designation
Mr. Mohammad Muhibbullahil Bagee	Chairman (Current Charge)
Dr. Mohammad Gias Uddin Talukdar	Member-Secretary
Mr. Shah Mohammad Wali Ullah	Member
Mr. Mohammad Mozahidul Islam Chy	Member
Dr. A. M. Kazi Mohammad Harun ur Rashid	Member
Mr. Mohammad Osman Mehedi	Member

SIBL has formed a Shari'ah Supervisory Committee (SSC) consisting of 6 (six) prominent Islamic Scholars. SIBL always tries to follow the teachings of Islam in activities as well as to strengthen the trust of the clients. During the year 2018, total 4 (four) Shari'ah Supervisory Committee (SSC) Meetings were held. 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-

- 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.
- 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.
- 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.
- 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.
- 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.
- The status of the SSC shall be advisory to the BOD and Supervisory in respect of operational activities of the Bank.
- The Annual report of the bank should be certified by the Shari'ah Supervisory Committee.

MANAGEMENT & COMMITTEES





MANAGEMENT COMMITTEE (MANCOM)

Sl. No	Name	Designation	Position
1	Mr. Quazi Osman Ali	Managing Director & CEO	Chairman
2	Mr. Kazi Towhidul Alam	Additional Managing Director	Member
3	Mr. STM Abu Naser Chowdhury	Deputy Managing Director	Member
4	Mr. Md. Sirajul Hoque	Deputy Managing Director	Member
5	Mr. Walid Mahmud Sobhani	Senior Executive Vice President & CFO, FAD	Member
6	Mr. Kazi Obaidul Al-Faruk	Senior Executive Vice President, HRD	Member Secretary
7	Mr. Abdul Hannan Khan	Senior Executive Vice President & Company Secretary	Member
8	Mr. Md. Giash Uddin Bhuiyan	Executive Vice President, ICCD	Member

MANAGEMENT TEAM



MANAGEMENT AND COMMITTEES

Managing Director & CEO
Quazi Osman Ali

Additional Managing Director
Kazi Towhidul Alam

Deputy Managing Director
S T M Abu Naser Chowdhury
Md. Sirajul Hoque

Senior Executive Vice President

1. Walid Mahmud Sobhani
2. Mohammad Forkanullah
3. Ziauddin Sawlet Ghani
4. Kazi Obaidul Al-Faruk
5. Abdul Hannan Khan
6. Md. Shamsul Hoque

Executive Vice President

1. Md. Abdul Hamid
2. Mohammad Shoeb
3. Md. Sultan Badsha
4. Abu Rushd Iftekharul Haque
5. Md. Nazmus Saadat
6. Faruque Ahmed
7. Md. Giash Uddin Bhuiyan

Senior Vice President

1. Shamima Nargis
2. Shahriar Khan
3. Md. Khorsed Alam
4. Mahbub Hossain
5. Md. Wali Ullah
6. Shawket-UI-Amin
7. Md. Shamsul Alam
8. Md. Abdul Mottaleb
9. Muhammed Zubair
10. Kamal Uddin Ferdousi
11. Md. Towhid Hossain
12. Shireen Akhterunnessa
13. Md. Lutfur Rahman Bhuiyan
14. Md. Akmal Hossain
15. Md. Mozharul Haque
16. Mohammad Mosle Uddin

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 Mr. Quazi Osman Ali leads the core management team as well as the whole bank. The core management team of the bank consists of one additional managing director and two deputy managing directors and all of whom have vast experience in banking. 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.

ASSET LIABILITY COMMITTEE (ALCO)

Mr. Quazi Osman Ali	Managing Director & CEO	Chairman
Mr. Kazi Towhidul Alam	Additional Managing Director	Member
Mr. STM Abu Naser Chowdhury	Deputy Managing Director	Member
Mr. Md. Sirajul Hoque	Deputy Managing Director	Member
Mr. Walid Mahmud Sobhani	SEVP & CFO	Member Secretary
Mr. Mohammad Iqbal	SEVP & Head of TF & RMGD	Member
Mr. Kazi Obaidul Al-Faruk	SEVP & Head of RMD	Member
Mr. Abdul Hannan Khan	SEVP & CS	Member
Mr. Md. Sultan Badsha	EVP & Head of ICTD	Member
Mr. Md. Abdul Hamid	EVP & Head of IAD	Member
Mr. Md. Akmal Hossain	SVP & Head of ID	Member
Mr. M.A. Mottaleb	SVP & Head of BCGBD	Member
Mr. Md. Towhid Hossain	SVP & Head of IRMD	Member
Mr. Muhammed Mizanul Kabir	SVP & Head of SME	Member
Mr. Mohammad Ahsan Habib	VP & Head of TFO	Member

INVESTMENT COMMITTEE

SI. No	Name	Designation	Position
1	Mr. Kazi Towhidul Alam	Additional Managing Director	Chairman
2	Mr. STM Abu Naser Chowdhury	Deputy Managing Director	Member
3	Mr. Md. Sirajul Hoque	Deputy Managing Director	Member
4	Mr. Abdul Hamid	Executive Vice President	Member
5	Mr. Md. Akmal Hossain	Senior Vice President	Member
6	Mr. Md. Towhid Hossain	Senior Vice President	Member Secretary
7	Mr. Muhammed Mizanul Kabir	Senior Vice President	Member
8	Mr. Md. Shafiqul Islam	Vice President	Member

SIBL INTEGRITY COMMITTEE:

SI. No	Name	Designation	Position
1	Mr. Kazi Towhidul Alam	Additional Managing Director	Chairman
2	Mr. Walid Mahmud Sobhani	Senior Executive Vice President & CFO	Member
3	Mr. Kazi Obaidul Al-Faruk	Senior Executive Vice President	Member Secretary & Focal Point
4	Mr. Md. Sultan Badsha	Executive Vice President & CITO	Member
5	Mr. Abdul Mottaleb	Senior Vice President	Member
6	Mr. Muhammad Mahfuzur Rahman Bhuiyan	Senior Assistant Vice President	Member

STATUS OF COMPLIANCE REGARDING APPOINTMENT OF CHIEF FINANCIAL OFFICER & CHIEF INFORMATION TECHNOLOGY OFFICER IN RELATION TO BRPD CIRCULAR LETTER NO-03, DATED: 25 MARCH 2018.

A) CHIEF FINANCIAL OFFICER (CFO)

Mr. Walid Mahmud Sobhani, FCMA, Senior Executive Vice President is performing the duties as Chief Financial Officer (CFO) of the bank since 10 May 2007 and joined Financial Administration Division on April 2002, i.e he has experience working with the accounts & Tax department of the bank for 17years. He has been serving with the banking sector since April 1988 till to date i.e for 31 years. In addition to his M.Com in Accountancy (Year1986), he has qualified as graduate in Law from Chittagong University in year 1989. He also completed one year Post-Graduation in Bank Management from Bangladesh Institute of Bank Management in year 1987. He qualified as a Cost and Management Accountant in the year 1991 from The Institute of Cost and Management Accountant (ICMAB) and became a Fellow member in the year 1996.

B) CHIEF INFORMATION TECHNOLOGY OFFICER (CITO)

Mr. Md. Sultan Badsha, Executive Vice President of the Bank serving as Chief Information Technology Officer (CITO) since year 2008. He has been with the Engineering and Information Technology sector since the year 1986, i.e for almost 32 years. He has a total of 16 years working experience in Banks out of his 32 years career. He has graduated in Engineering (EEE) from Rajshahi Engineering University. Later on completed Post Graduation in Computer Science from Bangladesh Institute of Management (former BMDC). He has also obtained professional certificates for Oracle Certified "Database Administration" course and Sun Certified "Sun Solaris 9 System Administration" course. He is a Fellow member of The Institution of Engineers Bangladesh, Associate Member of Bangladesh Computer Society and EC Member of CTO Forum Bangladesh.

SHAREHOLDERS' WEALTH

CAPITAL (PAID-UP) 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	-	10	-	-	6,393,925,700
2013	10% Stock and 5% Cash Dividend for the year 2012	63,748,994	10	-	637,489,940	7,031,415,640
2014	12% Cash Dividend for the year 2013	-	10	-	-	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
2017	20% Cash Dividend for the year-2016	738,298,642	10	738,298,642	-	7,382,986,420
2018	10% Stock Dividend for the year-2017	7,38,29,864	10	812128506	73,82,98,640	812,12,85,060

PATTERN OF SHAREHOLDINGS:

(INVESTORS GROUP WISE)

SI no	Investor Group	No. of Shareholders	No. of Shares	Percentage	No. of Shareholders	No. of Shares	Percentage
		as on	as on	as on	as on	as on	as on
		31.12.2018	31.12.2018	31.12.2018	31.12.2017	31.12.2017	31.12.2017
1	Sponsors & Placement	31	78,771,913	9.70	34	16,55,57,845	22.42
2	Sponsor-Foreign	11	11,025,178	1.36	11	1,02,27,367	18.37
3	Sponsor & Placement-Company	11	166,765,335	20.53	9	13,56,25,001	1.39
4	General Public	31,308	164,374,810	20.24	32,392	10,80,30,322	14.63
5	Institutions (Bank & Insurance)	43	22,863,461	2.82	41	2,12,35,679	2.88
6	Institutions (Others)	586	356,378,072	43.88	645	29,44,07,824	39.88
7	ICB Accounts Holders	28	59,069	0.01	28	53,033	0.01
8	ICB	1	8,386,293	1.03	1	4	0.00
9	ICB Unit Fund	3	45,586	0.01	3	10,591	0.00
10	Employee	2	3,191,616	0.39	2	29,01,470	0.39
1	Non-Resident Bangladeshi	11	267,173	0.03	11	2,49,506	0.03
	Total	32,035	812,128,506	100%	33,177	73,82,98,642	100%

SHAREHOLDERS' WEALTH

HOLDINGS IN 2018

Share holding range	No. of Shareholders	No. of Shares	Percentage	No. of Shareholders	No. of Shares	Percentage
	as on	as on	as on	as on	as on	as on
	31.12.2018	31.12.2018	31.12.2018	31.12.2017	31.12.2017	31.12.2017
Less than 500 shares	14,285	2,206,781	0.27%	15604	23,21,746	0.31%
501-5000	14,429	24,190,887	2.98%	14,959	2,48,36,841	3.37%
5001-10000	1,738	11,723,180	1.44%	1290	92,53,080	1.25%
10001-20000	809	11,002,187	1.36%	650	90,47,790	1.23%
20001-50000	411	12,459,070	1.53%	365	1,12,43,484	1.52%
50001-9999999999	363	750,546,401	92.42%	306	68,15,95,701	92.32%
Total	32,035	812,128,506	100%	33,177	73,82,98,642	100%

SHARES HELD BY THE DIRECTORS

AS ON 31.12. 2018

Sl No.	Name of the Directors	Position held in the Bank as on 31.12.2018	Number of Shares held on 31.12.2018	Percentage of total holding	Total number of Shares as on 31.12.2018
01.	Prof. Md. Anwarul Azim Arif [Representative of Hasan Abasan (Pvt.) Ltd]	Chairman	16,736,500	2.0608	812,128,506
02.	Mr. Belal Ahmed (Representative of Unitex Steel Mills Ltd.)	Vice- Chairman	16,731,000	2.0601	
03.	Mr. Md. Sayedur Rahman (Representative of Prasad Paradise Resorts Ltd.)	Director	16,736,500	2.0608	
04.	Mrs. Nargis Mannan	Director	16,243,013	2.0001	
05.	Dr. Md. Jahangir Hossain (Representative of Reliable Entrepreneurs Ltd.)	Director	16,730,212	2.0600	
06.	Mr. Md. Kamal Uddin (Representative of Lion Securities & Investment Ltd.)	Director	16,729,856	2.0600	
07.	Mr. Arshadul Alam (Representative of Leader Business Enterprise Ltd.)	Director	16,736,500	2.0608	
08.	Mr. Ali Hasan Md. Mahmud Ribon (Representative of Dynamic Ventures Ltd.)	Director	16,735,400	2.0607	
09.	Mr. Md. Faysal Ahmed Patwary (Representative of Global Trading Corporation Ltd.)	Director	16,649,298	2.0501	
10.	Mrs. Zebunnesa Akber (Representative of Unitex Cement Ltd.)	Director	16,731,000	2.0601	
11.	Professor A J M Shafiul Alam Bhuiyan, Ph.D	Independent Director	0	0	
12.	Professor Mohammed Mizanur Rahman, Ph.D	Independent Director	0	0	

FINANCIAL CALENDAR

For the Year 2018		
Un-audited Consolidated results for the 1st Quarter announced on	:	13.05.2018
Un-audited Consolidated results for the 2nd Quarter announced on	:	28.07.2018
Un-audited Consolidated results for the 3rd Quarter announced on	:	27.10.2018
Audited Consolidated Financial Statements for the year ended 31st December 2018 approved on	:	30.04.2019
Dividend for the year 2018 declared on	:	30.04.2019
Declaration of 'Record Date' for holding of 24 th Annual General Meeting	:	22.05.2019
Notice of 24 th Annual General Meeting expected to be served on	:	12.06.2019
24 th Annual General Meeting scheduled to be held on	:	02.07.2019
Dividend for the year 2018 expected to be paid on	:	11.07.2019
For the Year 2019		
Un-audited Consolidated results for the 1st Quarter announced on	:	30.04.2019
Un-audited Consolidated results for the 2nd Quarter expected to be announced on	:	30.07.2019
Un-audited Consolidated results for the 3rd Quarter expected to be announced on	:	30.10.2019
Audited Consolidated Financial Statements for the year ended 31st December 2019 expected to be approved on	:	30.03.2020
Dividend for the year 2019 expected to be declared on	:	30.03.2020
Expected Date of declaration of 'Record Date' for holding of 25 th Annual General Meeting	:	25.04.2020
Notice of 25 th Annual General Meeting expected to be served on	:	15.05.2020
25 th Annual General Meeting Expected to be held on	:	10.06.2020

ANALYSIS & VALUE ADDED STATEMENTS



PERFORMANCE OF THE BANK

Performance of the year 2018 has been conspicuous with a growth over the previous year recording achievements in different segments of –

- Client deposit 10.44%
- Investment 13.62%
- Foreign Exchange Business -11.61%
- Operating Profit -0.38%

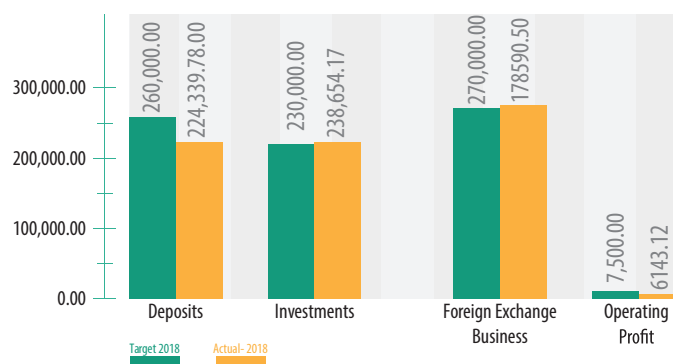
SIBL believes that the efforts of the year 2018 will inspire & stimulate the employees of the bank to accept the challenge of the year 2019 and accordingly the bank is in the process to explore every potentiality of each individual employee to deploy their sincere endeavor in the days ahead. In the year 2018, 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 2018 are given as under:

Fig in million Taka

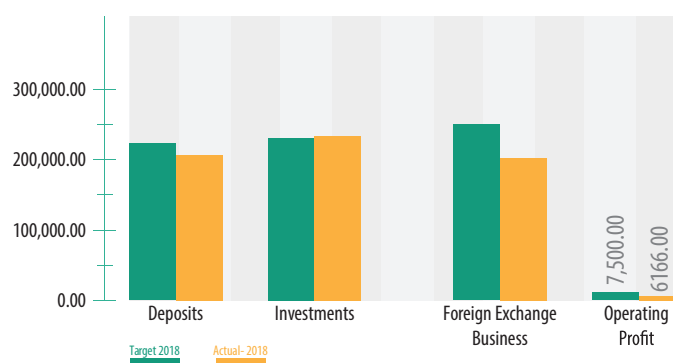
Indicators	Target 2018	Actual- 2018	Actual- 2017	Achievement %	Growth %
Deposit (Client)	260,000.00	224,339.78	203,126.69	37.30%	10.44%
Investment	230,000.00	238,654.17	210,045.51	143.37%	13.62%
Foreign Exchange Business	270,000.00	178,590.50	202,037.00	66.14%	-11.61%
Operating Profit	7,500.00	6,143.12	6,166.21	81.91%	-0.38%

ANALYSIS & VALUE ADDED STATEMENTS

Performance of the Bank 2018



Performance of the Bank 2017



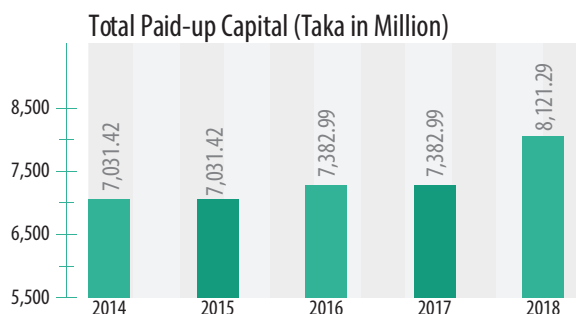
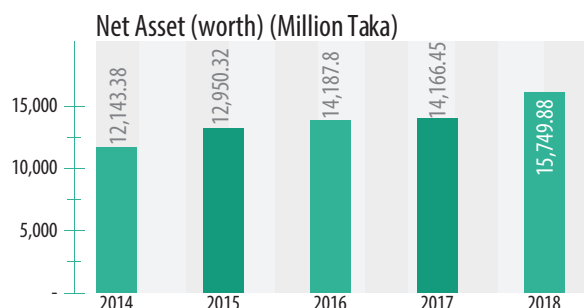
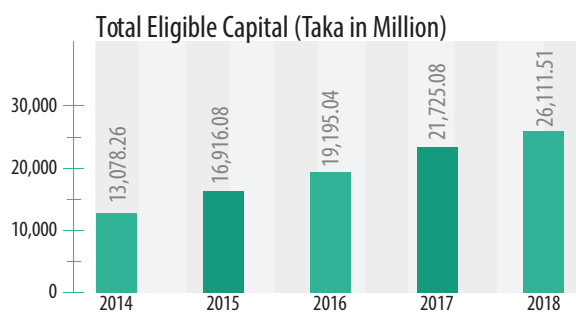
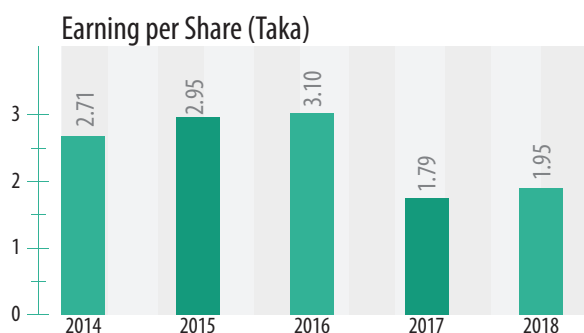
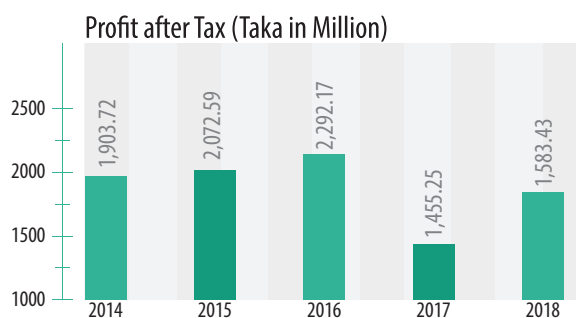
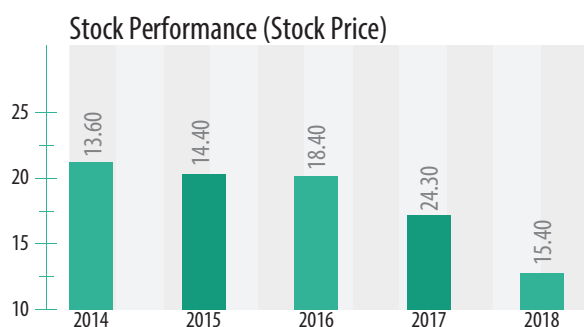
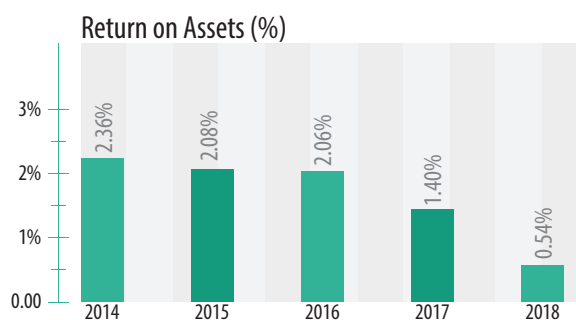
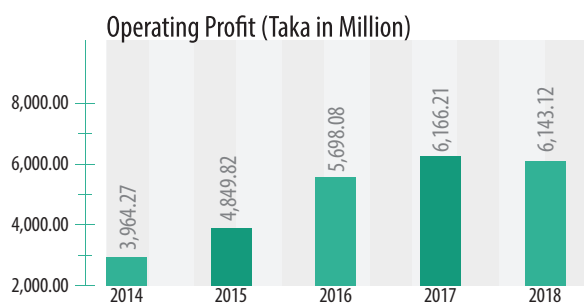
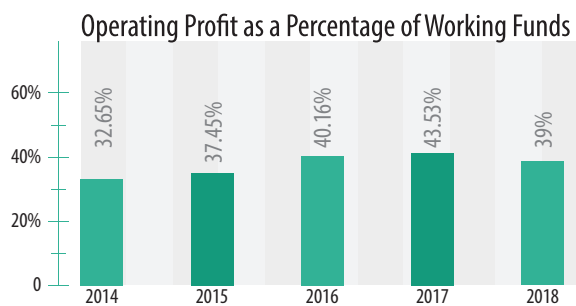
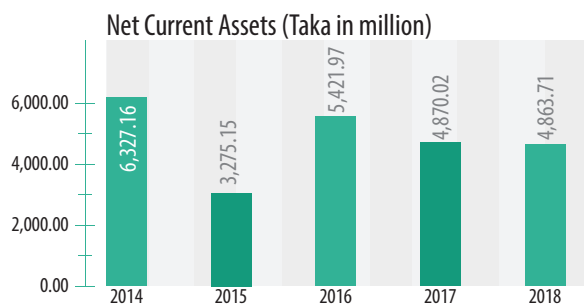
SIBL AT A GLANCE

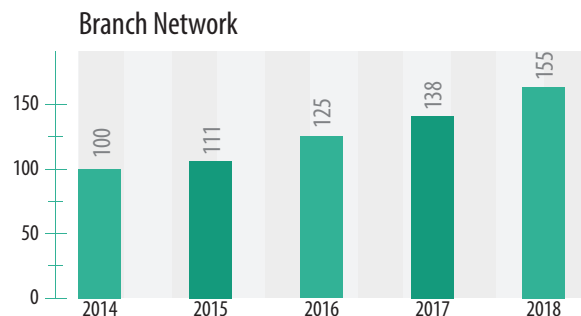
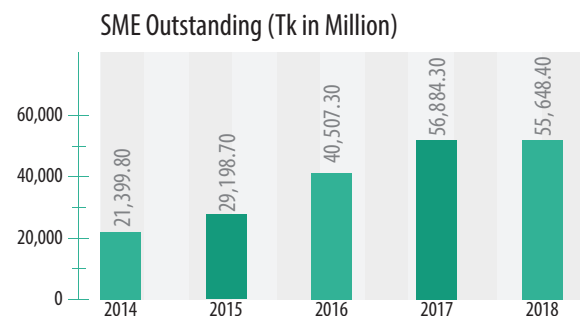
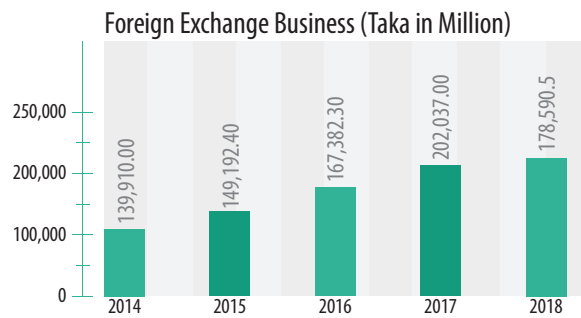
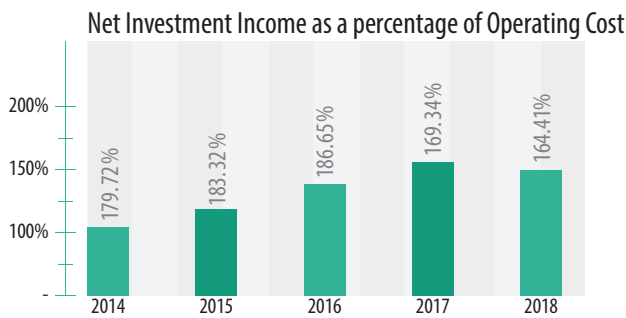
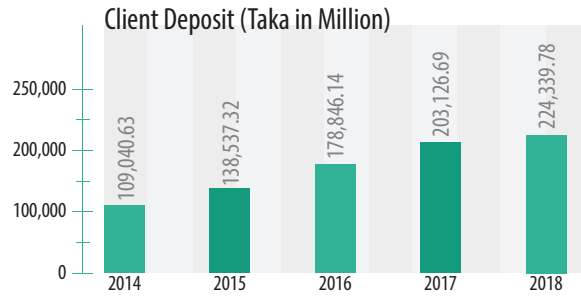
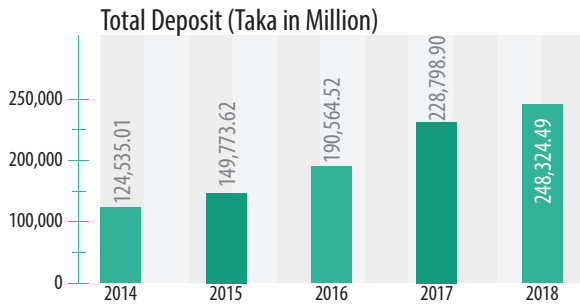
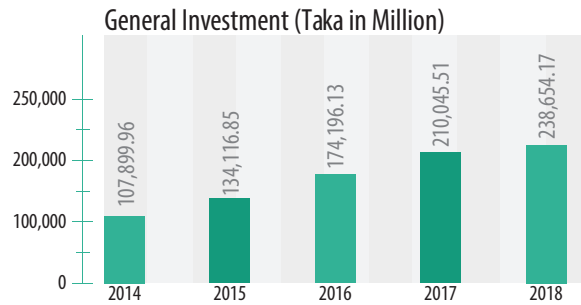
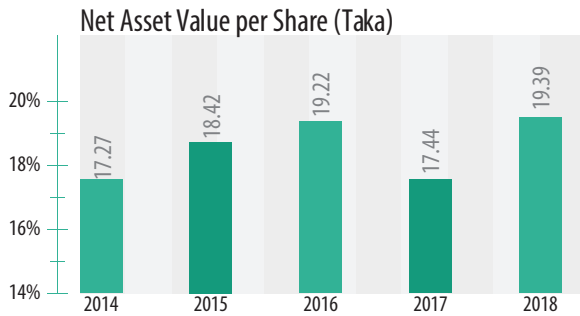
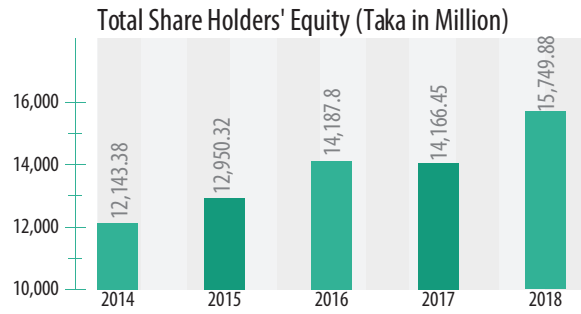
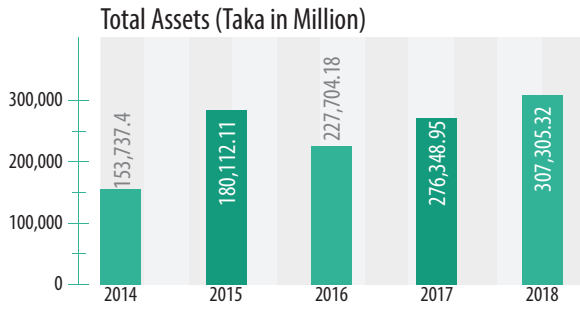
Fig in million Taka

SL	Particulars	2014	2015	2016	2017	2018
1	Authorized Capital	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
2	Paid-up Capital	7031.42	7031.42	7382.99	7382.99	8121.29
3	Total Shareholders Equity	12143.38	12950.32	14187.8	14166.45	15749.88
4	Capital Base (Tier I & II)	13078.26	16916.08	19195.04	21725.08	26111.51
5	Total Deposits	124535	149773.6	190564.5	228798.90	248324.49
6	Client Deposits	109040.6	138537.3	178846.1	203126.69	224339.78
7	Investments (General)	107900	134116.9	174196.1	210045.51	238654.17
8	Investments (Shares & Securities)	7823.73	9222.39	12310.58	13082.52	13086.55
9	Foreign Exchange Business	139910.1	149192.4	167382.3	202037.00	178590.50
10	Operating Profit	3964.27	4849.82	5698.08	6166.21	6143.12
11	Profit before Tax	3307.52	3479.17	4192.19	3535.13	3848.29
12	Fixed Assets	2675.86	3072.04	3257.52	3480.82	3563.53
13	Total Assets	1537375	180112.1	227704.2	276348.95	307305.32
14	Stock Dividend	0.00%	5.00%	-	10%	10%
	Cash Dividend	18.00%	15.00%	20.00%	-	-
15	Investments as a % of total deposits	86.64%	89.54%	91.41%	91.80%	96.11%
16	Investments as a % of Client deposits	89.52%	88.52%	89.86%	89.30%	91.54%
17	Capital to Risk Weighted Asset Ratio	11.36%	12.33%	11.55%	11.57%	14.27%
18	Ratio of Classified Investments to Total Investments	4.56%	3.84%	4.44%	8.20%	7.69%
19	No. of Foreign Correspondents	470	443	591	406	411
20	Number of Employees	1922	2130	2363	2599	2847
21	Number of Branches	100	111	125	138	155
22	Book Value per Share	10	10	10	10	10
23	Earning per Share (Restated)	2.71	2.81	3.1	1.79	1.95
24	Credit Rating by	ECRL	ECRL	ECRL	ECRL	ECRL
	Long Term	AA-	AA-	AA-	AA-	AA
	Short Term	ECRL-2	ECRL-2	ECRL-2	ST-2	ST-2
25	International Credit Rating	-	-	-	-	Moody's
	Long Term	-	-	-	-	B1
	Short Term	-	-	-	-	NP

GRAPHICAL PRESENTATION OF SIBL

ANALYSIS & VALUE ADDED STATEMENTS





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 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 2018

Figure in Million Tk.

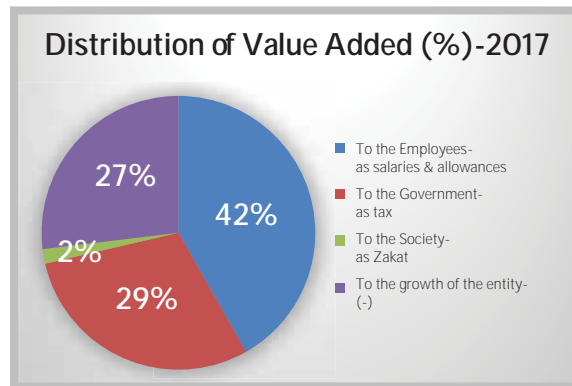
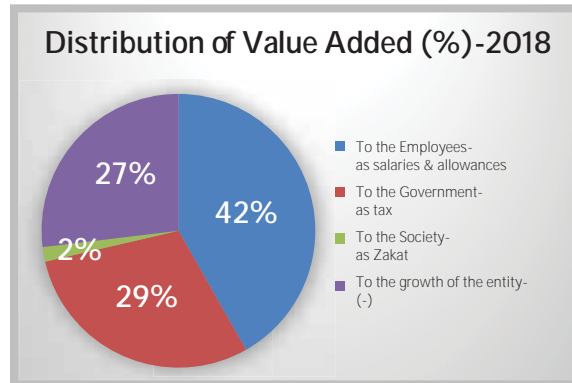
Particulars	Year 2018	Year 2017
Investment Income	24,955.87	18,497.61
Income from Investment in Shares and Securities	462.80	443.10
Commission, Exchange and Brokerage	1,600.66	1,871.30
Other Operating Income	596.19	602.38
Sub-Total (A)	27,615.52	21,414.39
Less Cost of Services & Supplies		
Profit paid on Deposits	16,063.98	10,561.96
Rent, Taxes, Insurances, Electricity etc.	524.59	463.17
Legal Expenses	10.59	15.50
Postage, Stamps, Telecommunication etc.	8.47	9.73
Stationery, Printings, Advertisements etc.	132.58	129.15
Directors' Fees & Expenses	4.54	10.47
Shariah Supervisory Committee's Fees & Expenses	0.25	0.71
Auditors' Fees	0.58	.58
Repair of Bank's Assets	36.19	35.33
Other Expenses	1,009.72	620.21
Sub-Total (B)	17,791.49	11,846.81
Value added by Banking Services (A-B) = C	9,824.03	9,567.58
Less Provisions related to Investment		
Specific provisions for Investment	2,825.06	2,377.09
General Provisions for Investment	(349.20)	111.30
General Provisions for off-Balance Sheet exposure	(214.35)	80.80
Provision for other assets	33.32	61.89
Provision for diminution in value of shares	-	-
Sub-Total (D)	2,294.83	2,631.08
Total Value Addition (C-D)	7,529.20	6,936.50

DISTRIBUTIONS OF VALUE ADDITION

FOR THE YEAR ENDED 31ST DECEMBER 2018

Fig in million Taka

Distribution of Value Addition	Year 2018	Percentage	Year 2017	Percentage
To the Employees- as salaries & allowances	3,145.85	41.78%	2899.59	41.80%
To the Government- as tax	2,227.74	29.59%	2063.45	29.75%
To the Society- as Zakat	129.67	1.72%	111.42	1.61%
To the growth of the entity-(-)	2,025.94	26.91%	1862.04	26.84%
as Statutory Reserve (-)	769.66	10.22%	707.02	10.19%
as Retained Earnings (-)	813.77	10.81%	748.22	10.78%
as Deferred Tax (-)	37.12	0.49%	16.43	0.24%
as Depreciation (-)	284.47	3.78%	262.38	3.78%
as Gratuity Fund	120.92	1.61%	127.99	1.85%
	7,529.20	100.00%	6936.50	100.00%



ANALYSIS & VALUE ADDED STATEMENTS

DISTRIBUTION OF DIVIDEND AND RETAINED BY THE ENTITY

Fig in million Taka

Particulars	Year 2018	Year 2017
Retained earnings (Balance Sheet) for payment as dividend and retain by the entity	878.14	778.44
Paid as dividend to the share holders	-	-
Dividend to be paid to the share holders	812.13	738.30
Retained by the entity	66.01	39.81

ECONOMIC VALUE ADDED (EVA) STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

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.

Fig in million Taka

Particulars	Year-2018	Year-2017
Total Revenue from Banking Services	27,615.52	21,414.39
Less Total expenses related to revenue	21,472.40	15,248.19
Operating profit	6,143.12	6,166.21
Less Corporate Tax	(2,264.86)	(2,079.88)
Net operating profit after tax	3,878.26	4,086.32
Shareholders' Equity	15,749.88	14,166.45
Add Accumulated provision for investment (Inclg. Off B/S items)	8,689.07	6,360.46
Sub Total	24,438.95	20,526.91
Average Shareholders' Equity	14,958.17	14,177.12
Return of Equity	10.05%	10.27%
Capital Charges	1,503.30	1,455.99
Economic Value Added	2,374.96	2,630.33

MARKET VALUE ADDED (MVA) STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

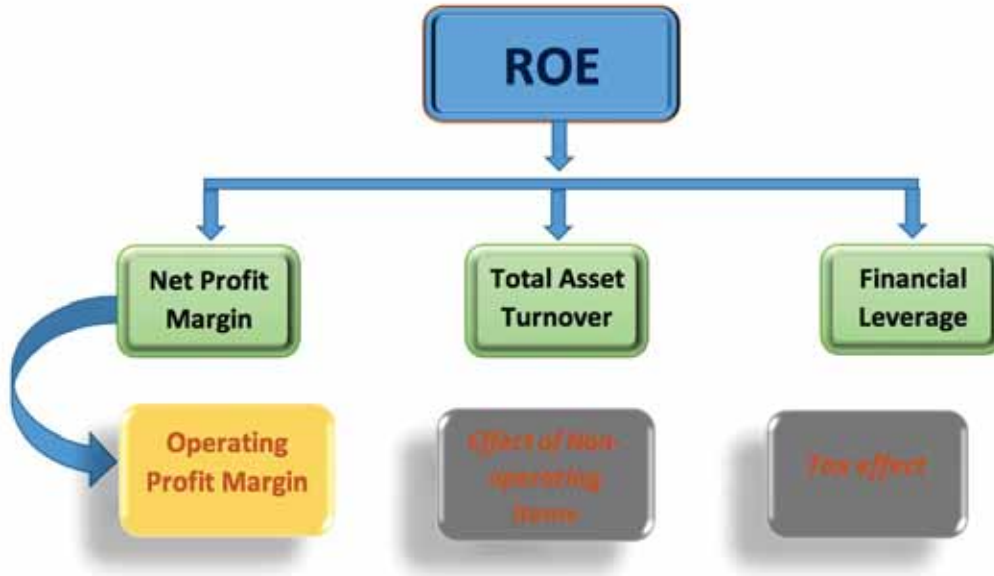
Market Value Added (MVA) is the difference between the equity market value of a company and the book value of equity invested in the company. A high MVA indicates that the company has created substantial wealth for the shareholders. MVA is equivalent to the present value of all future expected economic value (EVA).

Fig in million Taka

Particulars	Year-2018	Year-2017
Market Value of Total Equity	12,506.78	17,940.66
Less: Book Value of Total equity	(8,121.29)	(7,382.99)
Market Value Addition	4,385.49	10,557.67
Total number of Share outstanding	812,128,506	738,298,642
Book Value per share	10.00	10.00
Market value per share	15.40	24.30

FIVE-STEP DUPONT ANALYSIS

DuPont analysis is a useful technique used to decompose the different drivers of return on equity (ROE): net profit margin, total asset turnover and financial leverage that may help us to avoid misleading conclusions regarding a company's profitability. In order to isolate operations and financial impacts on ROE, Net Profit margin is further broken down to Operating profit margin, Effect of Non-operating items and Tax effect.



Particulars	2018	2017
ROE	10.05%	10.27%
Net Profit Margin	6%	7%
Contribution on Net Profit Margin:		
a) Operating Profit Margin	22%	29%
b) Effect of Non-operating Items	8%	12%
c) Tax effect	8%	10%
Total Asset Turnover (times)	0.09	0.08
Financial Leverage (times)	18.53	17.79

Profit margin is a measure of profitability. It is an indicator of a company's pricing strategies and how well the company controls costs. Operating Profit Margin is decreased in 2018 by 7% compared to 2017 due to increase in operating expenditure in 2018. Negative shift in operating profit margin is mainly responsible for lower ROE in 2018 compared to the previous year. On the other hand, Effect of Non-operating Items and Tax have been experienced a sharp decrease in 2018. The combined effect of these three factors shifted down the Net profit margin of the bank in 2018 by 1%. However, Total Asset Turnover and Financial Leverage got an insignificant increase in 2018. Having all the factors Return on Equity of the bank stood 10.05% in 2018 which is slightly lower than 10.27% in the year 2017.



Prof. Md. Anwarul Azim Arif
Chairman

CHAIRMAN'S FOREWORD

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 Shareholders, respected Members of the Board and my beloved Members of Team SIBL –

Assalamu alaikum wa rahmatullahi wa barakatuhu.

It gives me immense pleasure to appear before you for the second time and welcome you all in this great occasion and gathering of the Shareholders- the 24th Annual General Meeting. Alhamdulillah! SIBL has completed its 24th years of journey with utmost dedication for the stakeholders and Allah Subhanahu wa ta'ala has blessed us with His grace for this tremendous journey. SIBL has optimized the landscape of Shariah based Banking in Bangladesh with its innovation, integrity and commitment for a caring society and continue to grow with the creation of values that were established since its founding for a bigger and better future. Your Bank has achieved an incredible growth like the past through its realistic performance in 2018 and I express my heartfelt and sincere gratitude to our respected shareholders, clients, regulators and well-wishers for their relentless support and confidence they have reposed on us.

Dear Shareholders,

As you will note from the Annual Report 2018, I would like to discuss in short the performances of your beloved bank in the backdrop of Bangladesh Economy and the entire banking sector scenario prevailing throughout the year.

BANGLADESH ECONOMY

The Bangladesh economy registered 7.9% GDP growth in FY 2018 riding on the Agriculture sector, specially an increase in rice production, against GDP growth of 7.3% in FY 2017. The growth is due to an increase of Agriculture growth @4.2% in the year 2018 against 3.0% in the year 2017. Industry sector grew by 12.1% in 2018 as against 10.2% in 2017, followed by services sector by 6.40%. Out of the overall GDP growth, Agriculture sector grew significantly & the service sector appeared to occupy the largest share followed by industry and agriculture sector. This is a positive sign for the country and banking sector, as growth in services and industry sectors are gauged as very strong indicators for economic potential.

Bangladesh Bank pursued a cautious but growth friendly monetary policy stance for FY 2018. The objective of the monetary policy was to attain the target growth as well as to maintain price and macroeconomics stability. SIBL was heavily involved in inclusive and environmentally sustainable financing of economic activities.

Inflation was lower than projected. It is also anticipated that inflation will be lower as infrastructure development is growing and domestic revenue mobilization remains a priority. Indicators point to a very prosperous 2019 with the target to reach to middle-income country by 2024 & get double digit GDP by 2025.

STEADY JOURNEY OF SIBL TOWARDS GROWTH: 2018

Bangladesh economy has now experienced over 7 percent growth for the fourth consecutive years to be shifted from developing country to developed country. To be a part of this historic economical shift of the country, SIBL also contributed through banking sector securing a tremendous growth in the year 2018. However, despite the recent rigidity found in deposit and investment profit rates, SIBL demonstrated both strength and resilience to deliver value to all of its stakeholders. In 2018, the Bank has achieved admirable progress in safer and more customer focused banking in the industry and thanks to the dynamic and energetic leadership of the Bank that played a vital role for confronting the challenges faced by the overall banking industry of the country.

The Bank took up various customer centric schemes, upgraded IT infrastructure and HR up-skilling projects which are a key focus of the bank's continual efforts to transform and improve. The Bank also emphasised on re-distribution of branch establishment policy with an attempt to bridge the urban-rural divide and to ensure that country's un-banked population may receive the benefit of formal banking.

However, despite of challenges, adverse growth in Banking sector comparative to the country's growth, SIBL marked the year with steady growth and success and finally our bank was able to declare 10% stock dividend for the year 2018 as against same dividend declared for the previous year, which can be mainly attributed to the strong fundamentals of the Bank.

SHARIAH COMPLIANCE:

The Bank abides by a strong Shari'ah Supervisory Committee consisted of 07 (seven) renowned Islamic scholars of the country. The committee is playing a vital role in framing and exerting policy for strict adherence of Shari'ah principles in all activities of the Bank. The Shari'ah Supervisory Committee, which enjoys a high status in the structure of the Bank meet frequently and deliberate on different issues confronting the Bank on Shari'ah matters.

AGENT BANKING

With a view to reach at the doorsteps of the un-banked people, SIBL started Agent Banking business in the year 2015. Presently 86 outlets stand across the country under Agent Banking program of our bank. Present deposit under this program is Tk.344 million.

CSR ACTIVITIES:

SIBL embedded the value of Corporate Social Responsibility (CSR) in its business philosophy. Since inception, the Bank has been contributing to the under privileged segment of the society so that they can be included in the mainstream. SIBL maintain a systematic, structured and sustainable manner in its CSR activities. As a part of its greater view of CSR, SIBL already established a full fledged hospital under SIBL Foundation wherein all sorts of services are provided at a flat discount of 25% for all the people. The diagnostic centre established under SIBL Foundation ensures the best diagnosis through latest quality machineries and technologies.

IT ADVANCEMENT

SIBL has experienced the best IT advancement during the year 2018 in its history. It has been maintaining a highly secured Core Banking system and recently has introduced most advanced and secured mobile app named "SIBL Now" to make banking easy, comfortable and reliable to the mass people within the name and style 'banking from home'. The Bank has developed IT based products in connection with 155 Branches along with CTPU and 77 ATM Booths across the country.

FINANCIAL PERFORMANCE

At the end of the year, Client Deposit stood at Tk 224,339.78 million compared to Tk. 203,126.69 million in 2017. The Investment Deposit Ratio (ID Ratio) at the end of the year 2018 was 91.54% as against 89.30% in 2017. Return on Equity (ROE) stood at 10.05% and the Earning per Share (EPS) was Tk. 1.97 as against 10.27% and Taka 1.80 in 2017, which may be considered reasonable as against the industry average. In the year under report Capital of the Bank increased and stood at Tk.8,121.23 million which was Tk. 7382.98 million in 2017. We have successfully maintained our Capital Adequacy Ratio throughout the year 2018 at 14.27% against 11.57% in 2017. 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.6,143.10 million in the year 2018 compared to previous year Tk. 6,166.21 million. However, the provision against Investment has been decreased by 11.98% which resulted an increase of EPS for the year-2018.

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 2018. Presently, a Risk Management Committee (RMC) is working consisting of 3 (three) members of the Board of Directors. 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 an Senior Executive Vice President 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.

CORPORATE GOVERNANCE

SIBL has given highest priority to develop and ensure corporate governance. Your Bank strictly adheres 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.

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 to the grassroots level to the nation and abroad. Making the name of the Bank to every people of the country was one of the priorities of the Bank's last years' strategy. To support the total activities and efforts of the Bank, Branding & Communications Division is always planning and generating ideas which have really made us confident in our day to day working schedule. The bank has executed formally declared Branding & Communication strategy for the 2018 and still working on many ideas for future that are stimulating us towards building of team spirit with new and visionary zeal. 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.

PRODUCTS AND 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 un-banked people onto banking channels. During the year 2018, many new products, services and campaign were introduced by the bank to make the bank more popular among the people. Enormous emphasis were 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.

CHALLENGE 2019

We have taken the year 2019 as a challenge with the promise to increase the stakeholders' value and be valued as a compliant organization. By adopting new strategic business policy, your Bank will leave no stone unturned to boost business in all areas of operation to achieve its corporate goal in the years ahead. SIBL emphasises on employment generation and 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 24th 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, Bangladesh Securities and Exchange Commission, other regulators, Well-wishers, Shareholders and Stakeholders for their sincere support, cooperation and guidance in our quest for excellence.

May Allah Subhanahu wa ta'ala bless us all with peace, progress and prosperity.

Aameen.



Prof. Md. Anwarul Azim Arif
Chairman
Board of Directors



Quazi Osman Ali
Managing Director & CEO

MESSAGE FROM THE DESK OF THE MANAGING DIRECTOR & CEO

“ *In recognition to our continuous endeavor to achieve excellence in terms of ensuring sustainable development, the world renowned credit rating agency Moody’s rated us B1. We have grown resilient in the face of economic recession or liquidity crisis in the industry.* ”

Bismillahir Rahmanir Rahim

Honorable Shareholders and Members of the Board of Directors,

Assalamu Alaikum,

We are eternally grateful to the Almighty Allah for enabling us to pass another successful business year for our Bank. We have been able to gradually elevate our Bank to a new height in the industry. SIBL is now standing on a rock-solid platform and it’s a great pleasure for us.

GLOBAL ECONOMIC CONTEXT

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economies. China’s growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States. The euro area economy lost more momentum than expected as consumer and business confidence weakened and car production in Germany was disrupted by the introduction of new emission standards; investment dropped in Italy as sovereign spreads widened; and external demand, especially from emerging Asia, softened. Elsewhere, natural disasters hurt activity in Japan. Trade tensions increasingly took a toll on business confidence and, so, financial market sentiment worsened, with financial conditions tightening for vulnerable emerging markets in the spring of 2018 and then in advanced economies later in the year, weighing on global demand. Conditions have eased in 2019 as the US Federal Reserve signaled a more accommodative monetary policy stance and markets

became more optimistic about a US–China trade deal, but they remain slightly more restrictive than in the fall.

GROWTH PROSPECT OF BANGLADESH ECONOMY

Bangladesh will be the third fastest growing economy in the world in terms of achieving high Gross Domestic Product (GDP) in 2019, according to a United Nations report. Highlighting the economies of Bangladesh and India, it said economic growth is expected to be supported by private consumption and, in some cases, investment demand, even as monetary policy stances tighten in some economies. Despite the increase observed for inflation figures throughout 2018 due to the depreciation of domestic currencies and higher oil prices, inflation is expected to accelerate only moderately or to remain stable in most economies in the near term. To sustain this momentum in the medium to long-term, Bangladesh requires expanded industrial base, diversified export basket, improved business environment for vibrant private sector development, expanded tax base, better revenue collection for increased resource allocation, and human capital development.

CHALLENGES IN BANKING SECTOR OF BANGLADESH

Bangladesh is one of fastest growing economies in the world. The country has been able to create opportunities for private and foreign investment. There are a number of exclusive economic zones for expediting industrialization. To facilitate trade and investment, banks are playing a very crucial role. In the macro-economic system, banks are veins of economy. There are a good number of

banks with thousands of branches across the country. Some of the banks are not functioning well affecting the scenario of total banking industry. Bad loans have become the curse of our economy. Due to bad loans the health of the financial sector is deteriorating and at the same time the bona fide investors are being deprived of investment facilities. The depositors are losing their trust and withdrawing their money pushing the banking industry in liquidity cringe. Cyber security has also become a headache for the industry.

OUR PERFORMANCE AT A GLANCE

Our investment portfolio grew by 13.62% during the year in the environment of rising liquidity crisis in the industry. We prudently grew our portfolio with an emphasis on lending to good borrower as well as reducing concentration risk. We continued to focus on asset quality and exposure reduction in identified areas to get better returns. However, in spite of fierce competition over deposits, our deposit growth also grew by 8.53%.

We have been able to post a healthy profit portfolio last year. SIBL registered an operating profit of Tk. 6,143.12 million in the year 2018. Import business of the Bank stood at Tk. 93,000 million in 2018 with (23.65%) growth over the previous year, while export business stood at Tk. 63,060 million in 2018 with 8.14% growth over the same year. Total foreign remittance was Tk. 22,520 million in 2018 with 2.78% growth over the previous year.

Bank's capital position also continues to be very satisfactory. Capital of the Bank in the year under report stood at Tk. 26,111.51 million which was Tk. 21,725.08 million in 2017. We ended up the year with ROA 0.54%, ROE 10.05% and EPS of Tk. 1.95 that signifies SIBL's consistent performance and commitment to the stakeholders.

We have shifted our attention to commission and fee-based incomes. Our comprehensive effort and hard work made our asset quality better. We could be able to rein our NPL trend and it is moderate in the industry.

JOURNEY TOWARDS EXCELLENCE

There are ups and downs in every journey and our journey towards excellence was not smooth always. But we have never faltered from our pursuit of continued excellence in all of our banking activities even either in the time of local political turmoil or global financial recession. We are grounded to our vision. Our clients speak for us. They promote us because of our excellent services. In recognition to our endeavor to achieve excellence in terms of ensuring sustainable development, the world

renowned credit rating agency Moody's rated us B1. We have grown resilient in the face of economic recession or liquidity crisis in the industry. The best accolade we have ever achieved, besides numerous institutional awards, is unwavering trust of our clients in us over more than two decades. This journey towards excellence will never stop. Our motto is to improve ourselves in every single day.

OUR MANPOWER- OUR RESOURCES

Hiring and retaining of quality human resources, empowering them and creating an enabling environment for them to achieve their full potential is at the heart of SIBL. Our human resources policies are embedded with true motivation. Employee motivation is a key driver to run an organization to achieve its goals. We motivate our people to perform and excel and have created a performance-based culture in the organization. We recognize the effort of our employees. Our time-befitting policies and our organizational culture imbue the feeling into our employees to exert their best. We also deeply believe in women empowerment and takes different strategies to make it happen. In 2018 the one to one interaction between Managing Director and other employees in a Town Hall Meeting was an effective approach to encourage and motivate the employees.

TECHNOLOGY ADAPTATION FOR BUSINESS GROWTH

Harnessing technology for good, we have introduced SIBL NOW, a mobile app, to make our internet banking services user-friendly. Surely, it will give our clients a great experience in terms of their fund transfer, utility bill payment, credit card bill payment, mobile recharge etc. We are well aware of the impact and importance of technology in the banking industry. To cope with the pace of modern banking services here we adopt the latest technological innovation. We are always committed to provide fresh experiences to our clients and keeping that in mind we are going to establish a call center for providing better client services. We adopted the state-of-the-art cyber security solution to protect the data of our valued clients and prevent fraud and forgery. With the aim of digital transformation and fostering a cashless society we are concentrating more on policy development and budget allocation.

OUR SOCIETAL RESPONSIBILITY

We do it not just because of responsibility. We treat it as a noble opportunity to perform this solemn duty. We feel the deep urge to give back to our society from where

we have taken a lot. The extent of our CSR activities ranges from individual distressed people to institutional welfare. As education is the key to social and economic development it has got its due importance in Sustainable Development Goals (SDGs). So when it comes the issue of CSR activities from our Bank we focus on education so that people can experience a qualitative change in their life. In this regard we participated in constructing school building, sponsoring school program for the underprivileged students, paying teachers' salary and giving scholarship to meritorious but disadvantaged students. During the period the Bank donated Tk.1.00 million favoring PROYASH, an institute of special education for the autistic children. Moreover, Tk. 52.8 million was donated to the Honorable Prime Minister's Education Assistance Trust Fund. The bank believes that any kinds of social & philanthropic activities would improve the quality of the lives of the underprivileged of the country. The Bank donated total Tk. 200 million to the Prime Minister's Relief Fund as a part of its CSR activities. Sport helps to build a healthy nation. Keeping this in mind we donated Tk. 25.7 million to the Bangladesh Olympic Association to promote sport among the youth of the country. In 2018 we donated total Tk. 24.2 million to different individuals to bear their medical cost.

A NOTE OF THANKS

I would like to express my deep sense of gratitude to the members of the Board of Directors for their continued support and guidance. 2018 was a remarkable year in our journey towards excellence. I take this opportunity to thank our shareholders for their continued support. A special note of appreciation goes to the outstanding people I work with at SIBL, who remain both resolute in their commitment, yet responsive to embrace the shifting environment in which we now operate. I would also like to thank our valued clients for their continued loyalty, and for placing their trust in SIBL. May Allah bless us with another sustainable and successful journey in 2019.

May the blessings of Allah shower upon you.

MaAssalam



Quazi Osman Ali
Managing Director & CEO

REPORT & ANALYSIS



MANAGEMENT REPORT & ANALYSIS

BismillahirRahmanir Rahim.

I accept the chance to offer my true thanks to every Shareholder, esteemed clients, distinguished Patrons and Well-wishers. It involves amazing privilege to exhibit before you the Management Report and Analysis on the different aspects and exercises of Social Islami Bank Ltd. in the year 2018.

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, 13 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 2018.

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, 2018 the number of our Agent Banking outlets was increased to 86. Through these outlets total no. of 26,047 accounts were opened, total amount of Tk. 1,978.34 Lac was procured as deposit and total amount of Tk. 874.54 was disbursed against Remittance as on 31st December, 2018. We have targeted to open 50 new outlets of Agent Banking in the year 2019 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. 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 2018 are given below:

Particulars	Limits	Name of the Month	Utilization/ Maintain	Unused/ (Excess)
Investment and Deposits Ratio (ID Ratio)	Standard ID ratio for Islami Bank is 90%. Social Islami Bank is always optimistic to maintain 90% throughout the year.	Mar	93.29%	-3.29%
		June	91.57%	-1.57%
		Sep	91.36%	-1.36%
		Dec	91.54%	-1.54%
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	86.72%	3.28%
		June	87.45%	2.55%
		Sep	85.68%	4.32%
		Dec	87.33%	2.67%
Maximum Cum. Outflow (Net outflow up to 1 Month bucket)	19% of the Balance Sheet Amounts	Mar	13.33%	5.67%
		June	13.94%	5.06%
		Sep	14.20%	4.80%
		Dec	14.28%	4.72%
Wholesale Borrowing	80% of bank's eligible capital	Mar	130.99%	-50.99%
		June	143.58%	-63.58%
		Sep	135.70%	-55.70%
		Dec	132.35%	-52.35%
Statutory Liquidity Ratio (SLR) & Cash Reserve Requirement (CRR)	The Bank is required to maintain 5.50 % SLR on Time and Demand Liability and to maintain a minimum credit balance with the Bangladesh Bank (including BB TT in transit) @ 5.50 % CRR on Time and Demand Liability on fortnight basis and 5.00% on daily basis	Mar	Throughout the month, SLR & CRR were maintained above 05.50 % & 6.50% respectively. Required SLR was Tk. 1114.32 Crore & CRR was 1316.92 Crore.	Surplus of SLR + CRR was Tk. 704.48 Crore
		June	Throughout the month, SLR & CRR were maintained above 05.50 %. Required SLR & CRR were	Surplus of SLR+CRR was Tk. 1066.18 Crore
		Sep	Tk. 1103.88 Crore each.	Surplus of SLR + CRR was Tk. 1240.27 Crore
		Dec	Throughout the month, SLR & CRR were maintained above 05.50 %. Required SLR & CRR were	Surplus of SLR + CRR was Tk. 654.64 Crore

Particulars	Limits	Name of the Month	Utilization/ Maintain	Unused/ (Excess)
Liquidity Coverage Ratio (LCR)	The minimum standard for LRC shall be greater than 100.	Mar	101.89%	1.89%
		June	129.58%	29.58%
		Sep	117.32%	17.32%
		Dec	131.47%	31.47%
Net Stable Funding Ratio (NSFR)	The minimum standard for NSFR shall be greater than 100.	Mar	118.45%	N/A
		June	123.78%	N/A
		Sep	122.78%	N/A
		Dec	122.44%	N/A
Leverage Ratio	The minimum standard for Leverage ratio shall be greater than 3.00%.	Mar	4.59%	1.59%
		June	4.39%	1.39%
		Sep	4.49%	1.49%
		Dec	4.63%	1.63%
Capital to Risk Weighted Asset Ratio (CRAR)	The Bank is required to maintain a minimum Capital of Tk 400 Crore or equivalent to 11.875% of total risk weighted assets (including conservation buffer) whichever is higher	Mar	12.03%	N/A
		June	11.89%	N/A
		Sep	11.90%	N/A
		Dec	14.27%	N/A

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 14.37% (consolidated) as against the required CRAR of 11.875% including conservation buffer under BASEL-III capital accord.

01. Maintaining minimum capital requirement against major risks under Pillar I of Basel III:

Minimum capital requirement is calculated considering credit risk, market risk and operational risk on which the bank is exposed to. The required and maintained capital of SIBL against these risks is summarized below:

Figure in Million Tk

Risk Weighted Assets (RWA) for	RWA	Capital Requirement
A. Credit Risk	1,64,674.02	16,467.40
B. Market Risk	2,053.40	205.34
C. Operational Risk	16,274.10	1,627.41
Total: RWA (A+B+C)	1,83,001.51	18,300.15
Capital Maintained		26,111.51
Capital Surplus		7,811.36

02. 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). Adequate capital has been maintained considering overall risk profile of the bank.

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 154.50 million was spent under Health, Education, Sports, Disaster Management and Environmental programs which was Taka 126.15 million in 2017. 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 55648.40 million in 2018 as compared to Taka 56884.30 million in 2017.

PERFORMANCE OF THE BANK

The Banking sector has achieved a slow growth and was under pressure due to different adverse issues throughout the year 2018. Despite manifold challenges, the year 2018 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 "155 Branches Club". Out of the 155 Branches, Performance in 2018 of some branches may be mentioned as under:

- 30 (Thirty) Branches achieved 100% Deposit Target
- 14 (Fourteen) Branches achieved 100% Investment Target
- 36 (Thirty Six) Branches achieved 100% Foreign Exchange Business Target and
- 41 (Forty one) Branches achieved 100% Profit Target as set out for the year 2018

SIBL INTERNET BANKING (SIBL NOW)

Internet Banking facilitates managing money anytime and anywhere. Presently provide following features through our Internet Banking for our clients which will be enhanced gradually:

Features

- Fund transfer - intra-bank & interbank via (RTGS, EFTN, NPSB).

- Utility Bill Payment - WASA, DESA, DESCO, DPDC, TITAS etc.
- Credit Card - outstanding, limit view, PIN change, Bill payment.
- Mobile top-up.
- Account Summary - mini statement, balance inquiry, transaction history.
- Positive Pay instruction.
- Standing instruction for own account.
- Cheque Requisition, Cancellation & Status tracking.
- Loan account outstanding, EMI Calculator.
- Two factor Authentication.
- SIBL product list.
- ATM & Branch Locator.
- Notification - SMS.

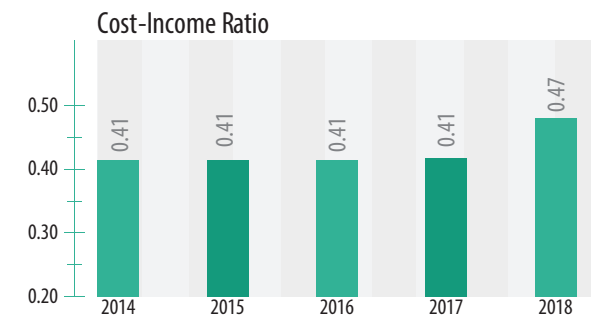
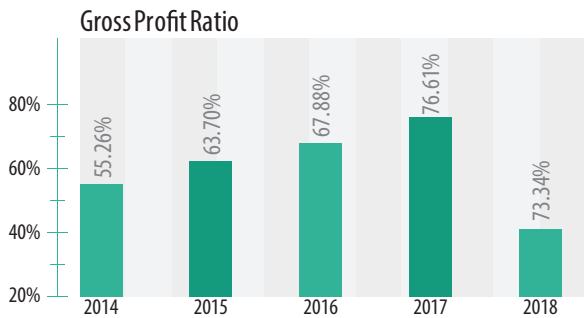
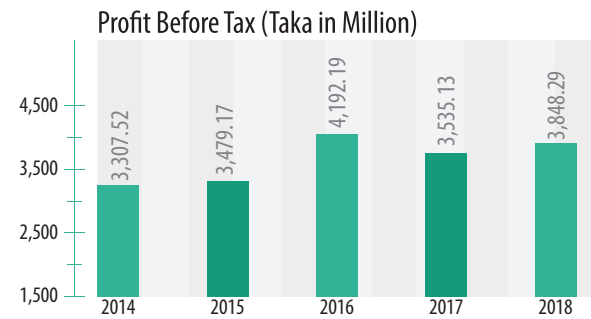
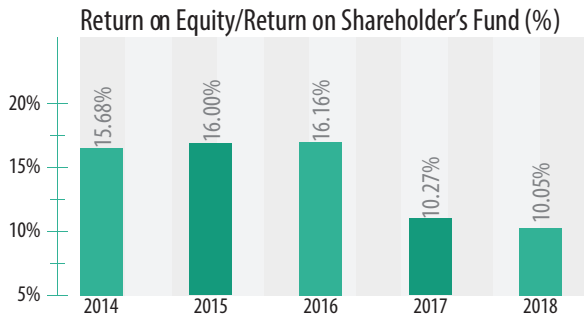
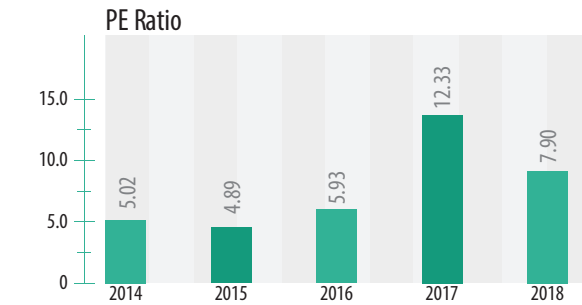
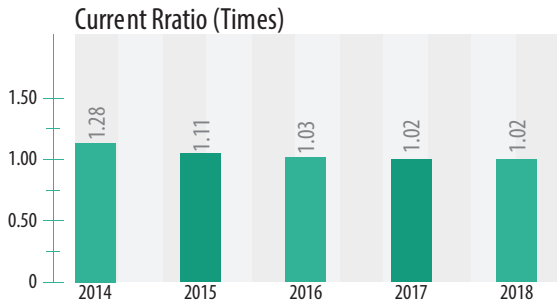
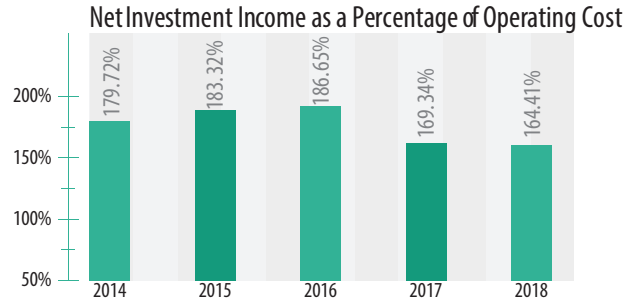
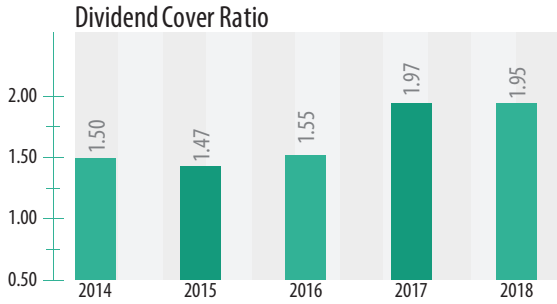
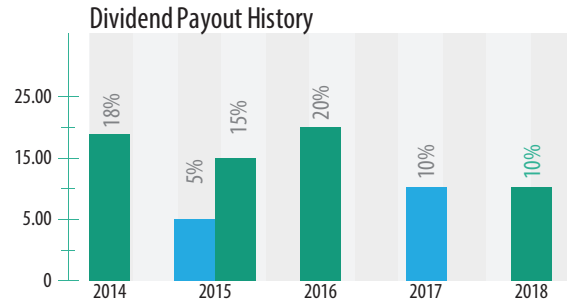
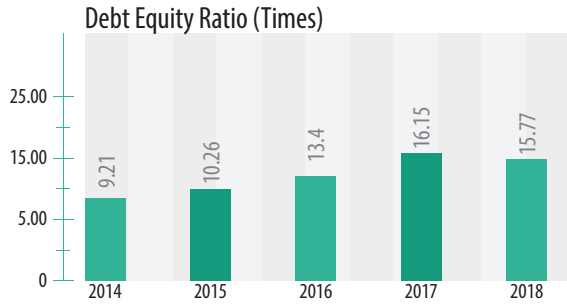
SECURITY ISSUES OF SIBL INTERNET BANKING

To secure against Internet fraudsters there should be continuous effort and awareness practice. We have implemented SSL security certificate for ensuring secured transaction over internet and secured our environment. Personal awareness of internet banking users can reduce many of internet banking threats. We want to help our customers to better protect themselves against potential Internet threats.

SIBL STUDENT ACCOUNT

Today's youngsters are going to be the future business personalities of the country. That's why SIBL Student Account has been introduced with a view to raising savings tendency among school-going children from childhood.

- The beneficiaries are entitled to daily profit on daily balance, which directly adds to the account.
- There is no need to keep minimum balance to run the scheme.
- The scheme holders shall be provided annual charge free Debit card of the bank
- The account holders shall be given attractive gift hampers at the time of opening the account.
- With the help of school authority and the bank, the students can save money at the institutions in presence of bank's executives.
- After opening SIBL Student Account, the students can pay school-fees through balance transferring from their account.
- SIBL Student Account holders desiring to achieve higher education in future would get investment facility from the bank.



BUSINESS ANALYSIS

Cost of Fund of the Bank for the year 2018 was 8.53 % while total overhead cost was 2.02 %. Earning Yield was 10.64 % and finally accumulated a spread was 2.11 %.

HORIZONTAL/ VERTICAL ANALYSIS

Operating performance (Income Statement) Analysis

Sl. No.	Particulars	Year 2018		Year 2017	
		Amount	% of total	Amount	% of total
1	Total Revenue / Operating Income:				
i)	Investment Income	24,204.27	87.65%	17,981.23	83.97%
iii)	Profit from Bank Deposit	751.60	2.72%	516.38	2.41%
ii)	Investment Income shares & securities	462.80	1.68%	443.10	2.07%
a)	Sub-total : Funded Income (i+ii)	25,418.67	92.04%	18,940.71	88.45%
iii)	Commission	679.73	2.46%	848.33	3.96%
iv)	Exchange Gain	920.93	3.33%	1,022.97	4.78%
v)	Other Income	596.19	2.16%	602.38	2.81%
b)	Sub-total: Non-Funded Income (iii+iv+v)	2,196.85	7.96%	2,473.68	11.55%
c)	Total: Operating Income {1(a) + 1(b)}/ Total Revenue	27,615.52	100.00%	21,414.39	100.00%
2	Operating Expenditure:				
i)	Exp. against Customers' Deposit	14,012.32	65.26%	9,587.60	62.88%
ii)	Exp. for Bank Deposit	2,051.66	9.55%	974.36	6.39%
a)	Sub-total: Profit Expenses (i+ii)	16,063.98	74.81%	10,561.96	69.27%
iii)	Salary & Allowances	3,145.85	14.65%	2,899.60	19.02%
iv)	Other Operating Expenses	2,262.57	10.54%	1,786.63	11.72%
b)	Sub-total: Administrative Expenses (iii+iv)	5,408.42	25.19%	4,686.23	30.73%
c)	Total: Operating Expenditure {2(a) + 2(b)}	21,472.40	100.00%	15,248.19	100.00%
3	Operating Profit/ (Loss) {1(c) - 2(c)}	6,143.12	-	6,166.20	-
4	Profit before tax	3,848.29	-	3,535.13	-
5	Profit after tax	1,583.43	-	1,455.25	-
6	EPS (Taka) Restated	1.95	-	1.79	-

BALANCE SHEET ANALYSIS

Figure in million Taka

Sl. No.	Particulars	Year 2018	Year 2017	Year 2016	Year 2015	Year 2014
1	Shareholders Fund	15,749.88	14,166.45	14,187.80	12,950.32	12,143.38
2	Property, Plant & Equipment	3,563.53	3,480.82	3,257.52	3,072.04	2,675.86
3	Net Current assets	4,863.71	4,870.20	5,421.97	3,275.15	6,327.16
4	Long Term Liabilities/Current Liabilities	0.364	0.345	0.325	0.259	0.361

SOME IMPORTANT RATIO ANALYSIS

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

Analysis	Quarterly (%)			
	Dec-18	Sep-18	Jun-18	Mar-18
Profitability Ratios:				
Return on Average Assets*(Net Profit after tax/Average Assets)*100	0.54%	0.31%	0.22%	0.38%
Return on Average Equity *(Net profit after tax/Average Equity*100	10.05%	6.16%	4.38%	7.23%
Earning per share (EPS) (Taka) *	1.95	0.83	0.39	0.35
Efficiency/Activity Ratios: (Rate of Return Risk)				
Net Investment Income = Total Profit income Minus Total Profit expenses	889.19	565.77	373.44	148.82
Net Investment Margin (NIM) *(Net Invest. Income/Avera. Earning Assets)*100	3.60%	3.13%	3.13%	2.55%
Earning Assets/Total Asset	84.03%	84.01%	84.05%	85.46%
Efficiency Ratio(Total Overhead cost/ Total operating income)*100	46.82%	53.94%	51.79%	56.08%
Overhead Ratio*(Total Overhesd cost/Total Assets*100)	1.76%	1.82%	1.80%	1.69%
Effective Average Cost of Deposit	6.51%	6.74%	6.59%	6.17%
Cost of Fund	8.53%	8.77%	8.60%	7.97%
Effective Average Earning Yield	10.64%	10.28%	10.16%	9.13%
Liquidity Ratios: (Liquidity Risk)				
Investment Deposit(client) Ratio (ID Ratio) (Investment/Client Depo.*100	91.54%	91.36%	91.57%	93.29%
Liquid Assets Ratio (Liquid Assets/Total Assets)*100	10.89%	11.22%	12.64%	11.26%
LCR	131.47%	117.32%	129.58%	101.89%
NSFR	122.44%	122.78%	123.78%	118.45%
Maximum Cumulative Outflow (MCO)	14.28%	14.20%	13.94%	13.33%
Stable Fund Ratio(Saving Deposit/Total Client Deposit)*100	8.75%	9.17%	8.48%	8.77%
Dependency Ratio(Bank Deposit& Borrowings/T.Deposit& borrowing)*100	12.48%	14.16%	14.58%	14.19%
Snap Liquidity Ratio (Liquid Assets/ Total External Liabilities)	11.48%	11.82%	13.30%	11.89%
Liquid Assets/ Short term liabilities	35.59%	36.92%	40.22%	37.84%
Liquid Assets/ Total Deposit	13.48%	13.73%	15.44%	13.83%
Short Term Borrowings/ Liquid Assets	23.90%	24.18%	21.81%	22.78%
Volatile Deposits/ Total Assets	3.97%	4.17%	4.38%	4.15%
Capital Adequacy Ratios:				
Tire I Ratio	8.08%	8.17%	7.93%	7.60%
Tire II Ratio	6.18%	3.73%	3.97%	4.44%
Risk Weighted Capital Adequacy Ratio (RWCAR)	14.27%	11.90%	11.89%	12.03%
Shareholders Equity to Total Deposit & Borrowings (Equity/Deposit & borrowings)*100	6.14%	5.96%	5.90%	6.29%
Internal Capital Generation Ratio (Net profit afterTax/Equity)(*100	10.05%	6.02%	4.33%	7.16%

Asset Quality Ratio:				
Ratio of Classified Investment(Classified Investment/Net Investment)*100	7.69%	6.91%	7.05%	6.36%
Ratio of SMA Investment(SMA Investment/ Net Investment)*100	0.24%	0.39%	0.37%	0.31%
Gross NPI Ratio(Classified Invest.-Profit Suspense/Investment-Provision)*100	7.16%	6.30%	6.47%	5.69%
Net NPI Ratio(Classified Invest.-Profit Suspense-Provision/ Investment-Provision-Suspense)*100	4.42%	3.81%	4.23%	3.60%
Gross NPI Coverage Ratio(Total Provision/Classified Invest.-P. Suspense)*100	52.74%	56.70%	54.94%	57.03%

PROFITABILITY / DIVIDENDS/PERFORMANCE AND LIQUIDITY RATIOS

Particulars	Year 2018	Year 2017
Gross Profit Ratio (%)	73.34	76.61
Earnings before Interest, Depreciation and Tax (Million Taka)	6,463.79	6,463.93
Price earnings Ratio (%)	7.90	12.33
Current Ratios (%)	1.02	1.02
Return on Capital Employed (%)	10.05	10.27
Debt Equity Ratio (%)	15.77	16.15

LIQUIDITY POSITION ANALYSIS

During the year under review, net cash inflow as stated in the Cash Flow Statements as on 31st December, 2018 which is noted below:

Figure in million Taka

Particulars	Year 2018	Year 2017	Year 2016	Year 2015	Year 2014
Net Cash flow from Operating activities	(9019.58)	5,780.21	751.34	(4,631.69)	(3065.52)
Net Cash flow from Investing activities	(367.19)	(485.68)	(414.30)	(593.32)	(203.62)
Net Cash flow from Financing activities	7,400.00	3,923.40	945.29	(3,415.65)	(606.23)
Net Increase / decrease in Cash & Cash equivalents	(1,986.77)	9,217.93	1282.33	(622.72)	(3,468.13)
Opening Cash & Cash Equivalents	35,461.18	26,243.24	25,128.64	24,505.92	21,037.65
Closing Cash & Cash Equivalents	33,474.41	35,461.17	26,410.97	25,128.64	24,505.78

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.

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. The liquidity gap maintained by the Bank is satisfactory.

OUTLOOK 2019

Operating profit of the 1st quarter of Social Islami Bank Limited is expected to keep growing. To make the year 2019 another success, SIBL is ready to accept the challenges of 2018 with new visionary zeal to achieve the common objectives of the Bank and hence the year 2019 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 2019, which is realistic and challenging.

The Business Target for the year 2019 is featured by setting of-

- Client Deposit Tk. 280,000.00 million
- Investment Taka 250,000.00 million
- Foreign Exchange Business Taka 250,000.00 million
- Operating Profit Taka 8,000.00 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 2018. 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 success of SIBL in 2018 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 2019 and the years to come.

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. Accordingly, they 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, is 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 Code issued by Bangladesh Securities and Exchange Commission (BSEC) 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



Prof. Md. Anwarul Azim Arif

Chairman
Board of Directors

DIRECTORS' REPORT



Dear respected Shareholders,

It is my great pleasure to welcome you all on behalf of the Board of Directors to the 24th 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 2018 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 2018 including Bangladesh economy.

GLOBAL ECONOMIC OUTLOOK

World Economy

According to IMF's World Economic Outlook April 2019, after strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economies. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States. The euro area economy lost more momentum than expected as consumer and business confidence weakened and car production in Germany was disrupted by the introduction of new emission standards; investment dropped in Italy as sovereign spreads widened; and external demand, especially from emerging Asia, softened. Elsewhere, natural disasters hurt activity in Japan. Trade tensions increasingly took a toll on business confidence and, so, financial market sentiment worsened, with financial conditions tightening for vulnerable emerging markets in the spring of 2018 and then in advanced economies later in the year, weighing on global demand. Conditions have eased in 2019 as the US Federal Reserve signalled a more accommodative monetary policy stance and markets became more optimistic about a US-China trade deal, but they remain slightly more restrictive than in the fall.

Global growth is now projected to slow from 3.6 percent in 2018 to 3.3 percent in 2019, before returning to 3.6 percent in 2020. Growth for 2018 was revised down by 0.1 percentage point relative to the October 2018 World Economic Outlook (WEO), reflecting weakness in the second half of the year, and the forecasts for 2019 and 2020 are now marked down by 0.4 percentage point and 0.1 percentage point, respectively. The current forecast envisages that global growth will level off in the first half of 2019 and firm up after that. The projected pickup in the second half of 2019 is predicated on an ongoing build up of policy stimulus in China, recent improvements in global financial market sentiment, the waning of some temporary drags on growth in the euro area, and a gradual stabilization of conditions in stressed emerging market economies, including Argentina and Turkey. Improved momentum for emerging market and developing economies is projected to continue into 2020, primarily reflecting developments in economies currently experiencing macroeconomic distress—a

forecast subject to notable uncertainty. By contrast, activity in advanced economies is projected to continue to slow gradually as the impact of US fiscal stimulus fades and growth tends toward the modest potential for the group.

With improvements expected in the second half of 2019, global economic growth in 2020 is projected to return to 3.6 percent. This return is predicated on a rebound in Argentina and Turkey and some improvement in a set of other stressed emerging market and developing economies, and therefore subject to considerable uncertainty. Beyond 2020 growth will stabilize at around 3½ percent, bolstered mainly by growth in China and India and their increasing weights in world income. Growth in advanced economies will continue to slow gradually as the impact of US fiscal stimulus fades and growth tends toward the modest potential for the group, given ageing trends and low productivity growth. Growth in emerging market and developing economies will stabilize at around 5 percent though with considerable variance between countries as subdued commodity prices and civil strife weaken prospects for some.

This is a delicate year for the global economy. If the downside risks do not materialize and the policy support put in place is effective, then global growth will return to 3.6 percent in 2020. If, however, any of the major risks materialize, then the expected recoveries in stressed economies, export-dependent economies, and highly indebted economies may not occur. In that case, policymakers will need to adjust. Depending on circumstances, this may require synchronized, country-specific policy stimulus across economies, complemented by accommodative monetary policy. Synchronization can make fiscal stimulus more effective through signalling effects that raise household and business confidence, and through the mitigation of leakages via imports. Finally, adequate resources for multilateral institutions remain essential to retain an effective global safety net, which would help stabilize the global economy.

BANGLADESH ECONOMIC REVIEW

Economic growth

Bangladesh economy continued to grow rapidly and achieved a record growth of 7.86 percent in FY18, over-

performing the Government's FY18 growth target of 7.4 percent. The growth momentum was supported by strong domestic and external demand. A surge in remittance inflows at 17.3 percent, along with strong private sector credit growth boosted consumption demand. At the same time, higher growth in investment-related imports reflected robust investment demand. Export growth also maintained its momentum during this period. On the supply side, the growth impulse largely came from the industry and agricultural sectors. Bangladesh Bank projects GDP growth to range from 7.5-7.7 percent for FY19, assuming a continuation of domestic political calm and no further escalation of global trade-related conflicts. Annual average CPI inflation increased to 5.8 percent in June 2018, marginally higher than the 5.5 percent target ceiling for FY18. This increase in average CPI inflation was broadly tracking the food inflation dynamics driven by flood-related domestic shocks and higher global commodity prices, while non-food inflation witnessed a decreasing trend. Bangladesh Bank's projection shows average inflation for H1FY19 to be around 5.4- 5.8 percent assuming no large domestic and external shocks. Looking ahead, inflation risks in FY19 from higher global commodity prices and exchange rate movements are on the upside. Bangladesh Bank's inflation expectation survey also confirms the upside risks, as around 70 percent of the respondent expected one-year ahead average inflation to be above 6 percent, indicating the need for continued oversight management of monetary aggregates.

Inflation

In FY19 national budget, the target for the average inflation rate was set at 5.6 percent. In the first five months of FY19 (November 2018), the average inflation rate was 5.58 percent, slightly above the annual target level. The average food and non food inflation rates for the same month were 6.37 and 4.38 percent respectively. Higher global commodity prices and exchange rate movements together pose upside risks to inflation in FY19. Inflation expectation survey (July, 2018) conducted by Bangladesh Bank also reveals the upside risks, about 70 percent of the respondents anticipate one-year-ahead average inflation to be above 6 percent. BBs projection shows that the average inflation rate would be around 5.4-5.8 percent in December 2018, assuming no severe domestic or external shocks. The rate of inflation measured by consumer price index (12-month average) setting up 2005-06 as the base year descended to 5.48% in March'19 while it was 5.82% in March'18. Furthermore, the rate of inflation (point-to-point basis) descended to 5.55% in March'19 from 5.68% in March'18 setting up 2005-06 as the base year.

Policy Interest Rates

The weighted average interest rates on deposits followed downward trend from a pick of 8.54 percent in FY13 to 4.84 percent in FY17 which increased to 5.50 percent in FY18. Similarly, weighted average interest rates on lending rate gradually declined to 9.56

percent in FY17 from a pick of 13.67 percent in FY13 and marginally increased to 9.95 percent in FY18. Both weighted average interest rates on deposits and lending rate turned to upward in FY18 due to increased credit demand following buoyant domestic production and investment activities, elevated inflationary pressure in the domestic economy as well as tightening of financial condition in advanced and emerging economics. However, the spreads between lending and deposit rates also narrowed from above 5 percent in FY14 to 4.45 percent in FY18.

External Sector Developments

In FY18, imports grew much faster than exports. Export grew by 6.4 percent while the growth of import payment was 25.2 percent. Exports stood at USD 36,205 million in FY18 which was USD 34,019 million in FY17. During the same period the total import payments increased to USD 54463 million from USD 43491 million in FY17. As imports grew faster than exports, trade deficit widened to USD 18,258 million during the period from USD 9472 million in FY17. The services and income account along with primary and secondary income registered a surplus of USD 8,478 million. Remittance inflows increased by 17.3 percent at the end of FY18 compared with the negative growth of 14.5 percent in FY17. Current account balance further deteriorated to USD (-) 9,780 million in FY18 from USD (-) 1,331 million in FY17. The capital and financial account surplus increased to USD 9,368 million in FY18 from USD 4647 million in FY17. The overall balance of payments surplus turned into a deficit of USD (-) 885 million in FY18, which was USD 3,169 million in FY17.

Export as a percentage of GDP slightly decreased to 13.2 percent from 13.6 over the same period. Among the major export items, agricultural products, cotton and cotton products, knitwear, home textile, jute goods, chemical products, woven garments, and footwear products experienced a higher growth in FY18, while petroleum bi-products, engineering products, leather and leather products, plastic products, raw jute, and frozen food, slowed down the pace of export performance as these items experienced a negative growth.

Capital Market Developments

The performance of the capital market witnessed a mixed trend during Q2FY19, as reflected in price indices, market capitalization, price earnings ratio, and turnover. The price index inched up while total turnover drooped during the quarter under review. The movements in the Dhaka Stock Exchange (DSE) indices are closely associated with that of the global equity market due to growing trade and financial integration and the increased participation of global portfolio investors in DSE. Market capitalization rose 0.7 percent to BDT 3321.1 billion in Q2FY19 from Q1FY19.

The key indicators of the capital market, the DSE broad index (DSEX) inched up while DSE-30 index moderated in Q2FY19. The DSEX index was 0.3 percent higher than in September 2018 but 13.8 percent lower than in December 2017. The DSE-30 index declined by 0.5 percent and 17.6 percent from September 2018 and December 2017 respectively. The overall price-earnings (PE) ratio of the DSE edged up in Q2FY19. The average price earnings ratios rose to 15.19 in December 2018 from 15.17 in September 2018. Sector-wise PE data show that banking sector's PE score was the lowest position while that of the cement sector was highest in Q2FY19.

The issued capital in the DSE continued to expand, but total turnover growth has moderated in Q2FY19. The value of issued equity and debt increased by 2.1 percent and three new companies were listed in the capital market in Q2FY19. Thus the number of listed securities rose to 357 at the end of Q2FY19. Total turnover value dropped by 26.4 percent during Q2FY19 compared to previous quarter. Market liquidity as measured by the Turnover Velocity Ratio (TVR) 2 decreased to 39.9 percent in Q2FY19 from 47.4 percent in Q1FY19. Cross-country data on price earnings (PE) ratios as of December 2018 show that Bangladesh has the moderate PE ratio among the South and East Asian countries while dividend yield of Bangladesh is the highest among these countries. Market capitalization in Bangladesh remains low at around 20 percent of GDP.

Money and Credit Market Developments

Almost all monetary aggregates in H1FY19 stayed close to or below the monetary program path. In December 2018 (Q2FY19), broad money (M2) growth of 9.4 percent was close to the programmed target of 10.2 percent set for December 2018, but the growth is higher than last quarter (8.8 percent). NDA growth of 12.5 percent was below target in spite of a strong performance in credit to public sector. NFA registered a growth of 0.3 percent in Q2FY19 which was much higher compared to the program level (-1.2 percent) for December 2018. Reserve money growth of 8.1 percent met the 8.0 percent target set for December 2018. Narrow money (M1) increased by 9.3 percent at the end of December 2018, higher than 5.9 and 6.2 percent growth recorded at the previous two quarters.

Private sector credit growth (13.3 percent) moderated further in Q2FY19. In fact, private credit growth has been falling since March 2018 after registering 18.0 percent growth. The slowdown can be attributed to industrial and agricultural sector activity as credit to these sectors grew by 13.7 percent and 1.5 percent respectively during the quarter under review. In contrast, credit to construction and trade and commerce picked up in Q2FY19.

The public sector credit grew by 14.7 percent (y/y) in

December 2018, compared to 2.9 percent in September 2018 and negative 7.9 percent in December 2017. Claims by BB on government shot up by 105.6 percent in December 2018 as large volumes of treasury bonds and bills were devolved on the central bank. On the other hand, banks have also purchased significant amounts of longer-term Treasury bonds with a very little amount of T-bills during the same time period.

Sustainable Finance

Bangladesh Bank (BB) has been integrating 'sustainability' into core banking practices through green banking, corporate social responsibility, financial inclusion and financial education. This environment oriented banking practices gradually created the concept of sustainable banking. Thus BB has been pursuing policy and instructions in all possible areas of sustainable banking for banks and non-bank financial institutions (NBFIs) to ensure sustainable banking practices. The integration of sustainability into the banking sector has taken two key directions. Firstly, the pursuit of environmental and social responsibility in a bank's operations through environmental initiatives (such as recycling programs or improvements in energy efficiency) and socially responsible initiatives (such as support for cultural events, improved human resource practices and charitable donations) and secondly, the integration of sustainability into a bank's core businesses through the integration of environmental and social considerations into product design, mission policy and strategies. Sustainable banking mainly focuses on three broad categories—green banking, corporate social responsibility and financial inclusion.

A total amount of BDT 71.35 billion has been disbursed directly as green finance during FY18 by 31 Banks out of 57 and 8 FIs out of 33. Total amount of utilization from climate risk fund by banks and FIs were BDT 1,518.25 and 1.82 million respectively in FY18. A revolving refinance scheme amounting to BDT 2.0 billion was introduced in 2009 with a view to broaden Financing Avenue for green products or initiatives like solar energy, bio-gas plant, and effluent treatment plant etc. Initially, six green products or initiatives were identified to extend the refinance facility under this scheme. Later on, considering the market demand and expert opinions from the technical advisory committee, Bangladesh Bank has enhanced the eligible green products/ initiatives for refinance under the scheme from six to fifty one till FY18.

NBR Tax Revenue

Revenue collection (NBR portion) in January'19 increased by Tk. 450.87 crore (2.46%) from Tk. 18327.98 crore in December'18. In January'19 the total tax receipt (NBR portion) is Tk. 18778.85 crore. Moreover, During July'18- January'19 revenue collection increased by Tk. 7687.13 crore (7.05%) compared to the same period of the last year.

BANGLADESH BANKING SECTOR REVIEW

The banking sector of Bangladesh experienced a moderate level of resilience in FY18. Bangladesh Bank persistently continues its efforts to uplift and ensures a sound and stable performance in the banking sector. In FY18, Bangladesh Bank (BB) adopted a number of policy measures to emphasize risk management and corporate governance in the banks, periodic review of stability of the individual bank as well as the whole banking system, monitoring of large borrowers, fraud forgeries and strengthening internal control and compliance through self assessment of anti-fraud internal controls etc. Monitoring of investment in shares by the scheduled banks has been made stringent in light of the amendment brought in the Bank Company Act, 1991 (amended up to 2018). Risk Management Committee at the board level has been made mandatory, with regular evaluation. A revised Risk Management Guideline has already been put into effect for banks to improve resiliency. Besides, all core risks management guidelines have been revised recently for timely identification, measurement, control, and monitoring of all existing and probable risks of banks. Private sector credit growth continued its rising trend during Q2FY18, reaching 18.1 percent (y/y) in Q2FY18, exceeding the monetary program target of 16.2 percent for H1FY18. Sector-wise credit data show that a larger share of credit (about 41 percent) went to the industrial sector, and the trade and commerce sector (about 34 percent).

The performance of the banking sector's indicators show some improvement during Q2FY19, as reflected in the non-performing loan (NPL), capital adequacy, provision shortfall position and liquidity conditions. During Q2FY19, overall NPL went down, driven mainly by the performance in the state-owned commercial banks (SCBs) and private commercial banks (PCBs). Overall NPL in the banking sector declined in Q2FY19 compared to Q1FY19. Gross NPL for private commercial banks (PCBs) moderated from 6.7 percent in Q1FY19 to 5.5 percent in Q2FY19. Gross NPL for SCBs also fell by 1.3 percentage point to 30.0 percent in Q2FY19, however with maintaining a weaker provisioning.

Overall capitalization of the banking system remained stable at the end of December 2018. The CRAR for private commercial banks rose modestly from 12.2 percent in Q1FY19 to 12.8 percent in Q2FY19 and remained well capitalized. Capital position of SCBs fell from 6.1 percent in Q1FY19 to 1.9 percent in Q2FY19, indicating weaker capitalization.

Profitability of the banking sector moderated in 2018 as reflected by return on asset (ROA) and return on equity (ROE). ROE for private commercial banks moderated from 12.0 percent in 2017 to 11.0 percent in 2018. ROE for SCBs also declined to -29.6 percent in 2018 from 3.5 percent in 2017.

Private sector credit growth moderated further to 13.4 percent in Q2FY19 from 14.8 percent in Q1FY19, a three year low, while deposit growth remained almost unchanged at 9.6 percent in Q2FY19. As a result, overall advance deposit ratio (ADR) in the banking system

edged up to 77.5 percent in Q2FY19 from 76.4 percent in Q1FY19, though remaining below the maximum regulatory ceiling. Consequently, excess liquidity moderated in the banking system in Q2FY19.

Foreign Direct Investment (FDI) inflows during Jul-Dec'2018 increased by US\$ 781.36 million (55.18%) from US\$ 1415.97 million during Jan-Jun'2018. During Jul-Dec'18 FDI inflows stood at US\$ 2197.33 million. FDI inflows during Jul-Dec'18 were higher than the inflows during Jul-Dec'17 by US\$ 1032.86 million (88.70%). Foreign direct investment (FDI) inflows during FY 2017-18 increased by US\$ 125.63 million (5.12%) from US\$ 2454.81 million during FY 2016-17. The FDI inflow during FY 2017-18 was US\$ 2580.44 million.

Foreign exchange reserves held by the Bangladesh Bank stands at US\$ 31787.2 million at the end of March'19 while it was US\$ 32943.5 million at the end of June'18. Thus foreign exchange reserves decreased by US\$ 1156.3 million (3.51%) at the end of March'19 compared to the reserves hold at the end of June'18. Comparing with the reserves hold at the end of same period of last year, the current reserves decreased by US\$ 615.9 million (1.90%) at the end of March'19.

In February'19 reserve money decreased by Tk. 7000.4 crore (2.99%) from Tk. 233743.0 crore in June'18 while the decrease in reserve money was Tk. 14110.0 crore (6.28%) in February'18 compared to that of June'17. The amount of reserve money stands at Tk. 226742.6 crore in February'19.

Overall liquidity condition in the banking system remained stable and adequate in Q2FY19. Although NPL ratio has moderated during this quarter, a judicious surveillance is needed to manage those stressed assets for financial stability. The slower pace in credit growth aided stable liquidity conditions but moderate deposit growth is a concern for maintaining stable liquidity. However, the focus remains on ensuring that credit goes to productive sectors that support inclusive growth and macro-financial stability.

MONETARY POLICY

As on date of report, Monetary Policy Statement (MPS) January-June 2019 (for the second half of FY 2019) has been declared by Bangladesh Bank and the highlights of MPS are:

- The robust seven plus percent FY18 GDP growth momentum in H1FY19 remained strong, well supported by both domestic and export demand. The sharply widened FY18 bop current account deficit (from spiking flood damage related food grain imports and some big ticket investment related imports) moderated substantially in H1FY19, coming down towards sustainable levels.
- Inflationary pressures remained well contained in H1FY19. Aided by moderating food inflation from lower rice prices, headline CPI inflation (point-to-point) continued its declining trend, although non-food inflation, rising since early 2018, reached 4.51 percent in December 2018. Headline CPI inflation

declined gradually to 5.35 percent in December 2018 from 5.54 percent in June 2018. Consequently, 12-month average inflation edged down to 5.54 percent in December 2018 from 5.78 percent in June 2018.

- BB's policy measures in FY18 (reducing CRR by one percentage point, repo rate by 75 basis points, and introducing repo tenors up to 28 days) eased liquidity tightening from the negative NFA growth due to the sharp widening of current account deficits. These measures helped avoid interest rates spikes. However, uptick in trend of core CPI inflation and the outcomes of BB's inflation expectation survey indicate persistence of inflationary pressures to confront on the path ahead.
- Balancing inflation and output risks, given the near-term domestic and global inflation and growth outlook and the associated risks, repo and reverse repo rates will be maintained at current levels of 6.0 and 4.75 percent, respectively, for H2FY19. The H2FY19 monetary program targets broad money (M2), domestic credit (DC), and private sector credit growth ceilings at 12.0, 15.9, 16.5 percent respectively, sufficient to accommodate attainment of real GDP growth and CPI inflation projections of the FY19 national budget (7.8 and 5.6 percent respectively).
- BB's usual support and promotion of adequate credit flows to job creating priority productive sectors will continue in H2FY19, including in MSMEs, agriculture, green transition of output practices, and entrepreneurship. Massive investment mobilization needed for realizing Bangladesh's aspirations for rapid high growth require rapid financial and capital market development, which in turn requires maintaining market based flexibility of Taka interest and exchange rates. The marked H1FY19 slowdown in private sector credit growth may largely have been from uncertainties in the run up to national election, but whether the recent rigidity in lending and deposit interest rates have also contributed (with high yield NSCs siphoning away much of household savings, causing growth slowdown in bank deposits bearing much lower interest rate) will be clearer in H2FY19. Addressing these issues, and bringing down banking sector NPLs by instilling strict lending and recovery discipline remain the key imperatives.

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. 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 57 banks in Bangladesh, 8 full edged Islamic Banks and 19 Islamic Banking branches of 9 conventional banks 25 Islamic banking windows of 7 conventional commercial banks are also providing Islamic financial services in Bangladesh. 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 finance industry. Bangladesh was not indifferent to this turning move. 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, 8 (eight) 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 a (viii) Union Bank Limited and 6 (six) 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 (v) Bank Asia Limited and (vi) 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 8 (Eight) full edged Islamic Banks and 06 (six) conventional banks of Islamic banking Branches are the member of CSBIBB. CSBIBB is mainly 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. Social Islami Bank Limited has been actively involved in

buying this bond and as on 31.12.2018 total outstanding buy amount (principal amount) of this bond stood at Taka 8.95 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. Sometimes, Islamic banks are in the excess liquidity position, which remain 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 fulfil the Statutory Liquidity Requirement (SLR) of Islamic banks and NBFIs.

As on 31 December 2018 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 instalment 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 2018 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.

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 as on 31st December 2018, it has built a total Capital of Taka 26,111.51 million using the external and internal sources.

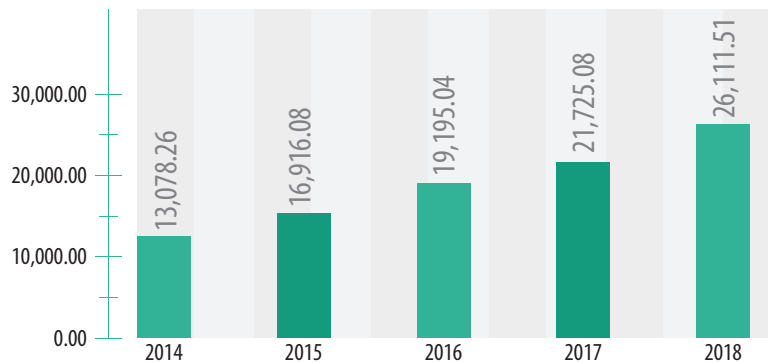
Given below table is the last 5 years history of SIBL towards its capital journey efforts:

Fig in million Taka

Year	Paid up Capital	Total Capital	Growth (over the previous year)	Source of Capital
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
2017	7,385.99	21,725.08	13.18%	Internal generation
2018	8,121.29	26,111.51	20.19%	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. 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. 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 2018 stood at (a) paid-up capital Taka 8,121.29 million (b) total capital (as per BASEL-III) Taka 26,111.51 million.

Total Eligible Capital (Taka in Million)



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 has been initiated. For the year 2018 all bank operating in Bangladesh are required to maintain the minimum capital to risk weighted assets ratio (CRAR) @ 14.27% including conservation buffer. In Basel III guideline, the definition of Capital has been changed from Basel II. Tier-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.

Tier-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 2018. As per requirements of the guideline, it is mandatory to maintain the CET-1 @

6.375% including conservation buffer whereas Tier I capital will be maintained minimum @ 6.00%. Capital base consisting of Tier I & II of the Bank as on 31st December 2018 stood at Tk. 26,111.52 million as against Tk. 21,725.08 million as on 31st December 2017. As per BASEL-III, the Comparative position of Capital Base of the year 2018 and 2017 is given as under:

Fig in million Taka

Particulars	2018	2017
Tier-I Capital		
CET-1 Capital		
1. Paid up Capital	8,121.29	7,382.99
2. Statutory Reserve	5,795.46	5,025.80
3. Retained Earnings	878.14	778.44
Sub-total	14,794.88	13,187.23
AT-1	-	-
Total Tier I Capital	14,794.88	13,187.23
Tier-II Capital		
1. 1% provision on unclassified investment	2,291.06	2,886.72
2. 50% of Revaluation surplus on Fixed Assets (as per phaseout program)	105.57	211.14
3. SIBL Mudaraba Subordinated Bond	8920.00	5,440.00
Sub-total	11,316.63	8,537.85
Total	26,111.51	21,725.08
Capital Adequacy Ratios		
i. CET-1 Capital Adequacy Ratio	8.08%	7.02%
ii. Tier –I Capital Adequacy Ratio	8.08%	7.02%
iii. Capital to Risk Weighted Asset Ratio (CRAR)	14.27%	11.57%

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.

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 2018 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.

SIBL MUDARABA SUBORDINATED BOND RELATED INFORMATION

Social Islami Bank Limited issued three subordinated bond to support and strengthen Tier-II capital base of the bank under Basel-III capital regulation of Bangladesh Bank. The details of SIBL Mudaraba Subordinated Bonds are presented below:

Figure in Million Taka

SL No	Name of the Bond	Issue Date	Issued Amount	Outstanding Amount as on 31.12.2018
1	SIBL Mudaraba Subordinated Bond	31/03/2015	3,000	1,800
2	SIBL 2 nd Mudaraba Subordinated Bond	20/06/2016	4,000	4,000
3	SIBL 3 rd Mudaraba Subordinated Bond	27/12/2018	5,000	5,000
	Total		12,000	10,800

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 17 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.

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.

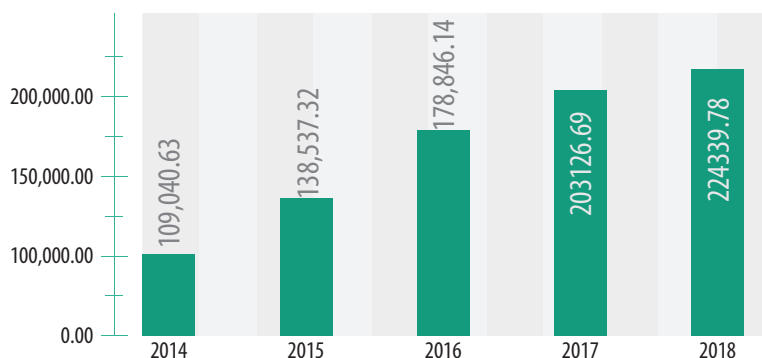
SIBL as a Shariah based bank, surplus funds placement and borrowings are usually initiated in the following way :

- 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 89.00% 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.
- 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

DEPOSITS

During the year 2018, 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 2018. The following graph shows the deposit trend of the Bank :

Client Deposit (Taka in million)



COMPARATIVE DEPOSIT MIX

Fig in million Taka

Deposit mix	Year-2018	Year-2017	Growth
Al-Wadeeah Current & Other Deposit	28,721.09	31,254.38	-8.11%
Mudaraba Savings deposit	19,621.56	16,876.61	16.26%
Mudaraba Term deposit	156,095.70	138,266.64	12.89%
Other Mudaraba deposit	43,569.09	42,123.35	3.43%
Cash Wqf.	317.05	277.92	14.08%
Total	248,324.49	228,798.90	8.53%

PROFIT PAID TO DEPOSITORS

The bank has distributed Tk. 16,063.98 million among the Mudaraba Depositors as profit in 2018 as against Tk. 10,561.96.34 million in 2017.

Profit paid in 2018 among the various types of mudaraba depositors at the following rate:

Mudaraba Term Deposit

Sl no	Particulars	2018	2017
1	1 Month	5.00%	3.00%
2	3 Month	6.00%	6.50%
3	6 Month	7.00%	6.75%
4	1 Year & Above	8.00%	7.00%

Mudaraba Savings Deposit

SI no	Particulars	2018	2017
1	Mudaraba Savings Deposit	4.00%	3.00%
2	SIBL Youngster Account	6.50%	5.50%
3	Super Savings Account	5.00%	-
4	Sanchita Special Deposit Scheme	4.50%	3.50%
5	Proshanti (Mudaraba Zakat Savings Account)	9.00%	8.00%
6	Mudaraba Cash Waqf Savings Account	9.00%	8.25%

Mudaraba Special Notice Deposit

SI no	Particulars	2018	2017
1	Less than 1 crore	3.50%	3.00%
2	Equal to or more than 1 crore but less than 25 crore	4.00%	3.50%
3	Equal to or more than 25 crore but less than 50 crore	4.50%	4.00%
4	Equal to or more than 50 crore but less than 100 crore	5.00%	4.50%
5	Equal to or more than 100 crore	5.50%	4.50%

Mudaraba Scheme Deposits:

No.	Particulars	2018	2017
Group A: mudaraba monthly profit scheme			
1.	Mudaraba Monthly Profit Deposit Scheme(3 Year)	8.50%	8.00%
2.	Shachanda Protidin	8.50%	8.00%
3.	Shuborno Lata	8.50%	8.00%
4.	Shobuj Chaya	8.50%	8.00%
5.	Mudaraba Monthly Profit Deposit Scheme (1 Year)	8.00%	6.75%
Group B: Mudaraba Deposit Pension Scheme			
1.	Mudaraba Special Deposit Pension Scheme	8.50%-9.00%	8.00%
2.	Sonali Din	8.50%-9.00%	8.00%
3.	Shukher Thikana	8.50%-9.00%	8.00%
4.	Suborno Rekha	8.50%-9.00%	8.00%
5.	Shobuj Shayanho	8.50%-9.00%	8.00%
Group C: Mudaraba Hajj Scheme			
1.	Kafela	9.00%	8.25%
Group D: Mudaraba Lakhpoti, Millionaire & Billionaire Scheme			
1.	Shopner Shiri (Lakhpoti)	8.25%-9.00%	8.00%
2.	Suborno Digonto (Millionaire)	8.25%-9.00%	8.00%
3.	Shorno Shikhor (Billinior)	8.25%-9.00%	8.00%
Group E: Other Schemes			
1.	Cash Waqf Deposit Scheme	9.00%	8.25%
2.	Cash Waqf Monthly Profit Scheme	8.50%	8.00%
3.	Mudaraba Marriage Savings Scheme	8.50%	8.00%
4.	Mudaraba Mohorana Savings A/C	8.75%-9.00%	8.00%
5.	Mudaraba Education Deposit Scheme	8.50%-9.00%	8.00%
6.	Mudaraba Bashsthan Savings Scheme	8.50%-9.00%	8.00%
7.	Mudaraba Double Benefit Scheme	8.00%	8.00%

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 probability 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. Investment risk can arise from default risk, concentration of counterparties, industry sectors and geographical regions. 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 some one's ability to satisfy the ever-changing choices of customers constantly. 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.

In order to excel in investment risk management, SIBL has devised, nurse and ensured compliance on core investment values to cultivate and drive behavior towards highly efficient and quality investment functions. Here, our main challenge is to maintain, manage and 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 will be to ensure asset quality and cross selling of investment as well as deposit products in line with the Shariah principles.

The bank has exerted its best efforts towards implementation of Core Risk Management Guidelines in Investment Risk Management. Investment Risk Management Division, Trade Finance & RMG Division, SME & Agricultural Finance 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 implementing BASEL-III phase by phase as per regulatory guidelines. Out strong persuasion and initiatives are going to rate the unrated investment clients. Meanwhile, a notable amount of our ratable investment clients have been rated by leading rating agencies and rest are in process. We therefore hope that in coming days we would be more successful in mitigating risk factors and presenting quality assets.

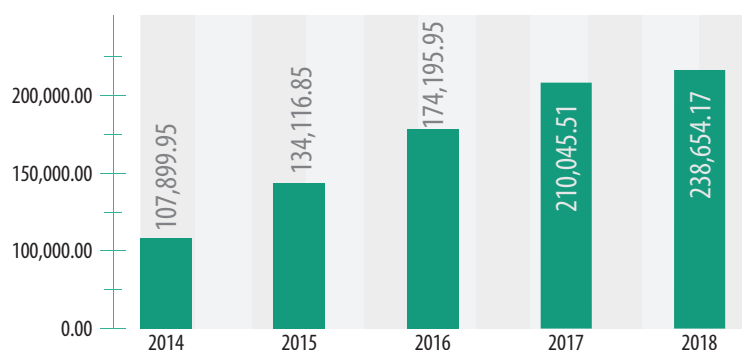
Investment of SIBL in the year 2018 showed a favorable growth. The total investments of the Bank stood at Tk. 238654.17 million in various sectors as at 31st December 2018 against Tk. 210045.51 million as on 31st December 2017 registering a growth 13.62% that is the sign of the confidence of the clients on the Bank. The net increase in investment by Tk. 28608.66 million as compared to 2017. 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 Badsha Textile, Butterfly Marketing Ltd. and sister concerns, Meghna Group, Partex Group, Bashundhara Group, Runner Automobiles Ltd., Runner Motors Ltd., NZ Group, Base Group, ACME, Pran RFL Group, Abul Khair Group, Nitol Motors, AMBAR Group, Shikder Group, Rahimafroz, NASA Group, Mir Akhter Ltd., 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-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, serve the nation and to grab the market share SIBL has introduced Islamic micro-financing under Family Empowerment under Islamic Micro-Finance Program in the year 2015. At present 62 (Sixty Two) Branches of SIBL are in operation of this program and the management of our bank also selected and approved another 18 (Eighteen) branches for this service. 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 2014:

Year-wise Investment Growth (Taka in million)



Year Wise Investment Growth:

Year	Investment (Taka in Million)	Investment Growth in %
2014	107,899.95	25.58%
2015	134,116.85	24.29%
2016	174,195.94	29.88%
2017	210,045.51	20.58%
2018	238,654.17	13.62%

Percentage of Non-performing assets (NPA) of SIBL has decreased from 8.20% (in the year 2017) to 7.69% (in the year 2018). To keep the Non-Performing Investment (NPI) at a reasonable level SIBL has taken vigorous drive towards recovery of NPI and ensuring quality disbursement of fresh investments. Out of Investment of Tk. 238,654.17 million, only Tk. 18,350.99 million has become classified as on 31.12.2018.

Provision composition against funded investment for the year 2017 and 2018 is furnished hereunder:

(Figure in million Tk.)

Status	Provision Rate	2018		2017 (As per annual report)	
		Amount	Composition in %	Amount	Composition in %
Unclassified investment	0.25%, 1%, 2% & 5%	1,813.43	22.05%	2,190.95	38.57%
Special Mention Account (SMA)		12.67	0.15%	16.45	0.29%
Su-Standard investment (SS)	20%	82.31	1.00%	108.51	1.91%
Doubtful Investment (DF)	50%	272.20	3.31%	160.39	2.82%
Bad /Loss Investment (BL)	100%	6,043.50	73.49%	3,204.84	56.41%
Total		8,224.11	100.00%	5,681.14	100.00%

INVESTMENT PLAN FOR 2019

SIBL has set investment target to Tk. 250,000.00 million starting from Taka 238654.17 million to achieve with plan of diversifying the portfolio.

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, Consumer Investment Division (CID) and Investment Administration Division (IAD) are always ready to take the challenge of expected growth of the investment portfolio ensuring the quality

of the asset. 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.

In achieving the target we plan to diversify our portfolio to cover the marginal & peripheral enterprise. In doing so the effect of the investment will be multiplied in development of the economy of the country. We set priorities to labor intensive industries and medium & small enterprise to create employment so the national GDP growth will be accompanied with the growth of UN Human Development Index.

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) collectively, Bangladesh Bank vide SFD circular no. 02 dated 1st December, 2016 has given instructions to all scheduled Banks of the country to form (1) a separate "Sustainable Finance Division/Department/Unit" headed by Head of Investment Risk Management Division to carry out CSR activities and Green Banking activities of the Bank, (2) a "Sustainable Finance Committee" headed by the most senior Deputy Managing Director of the Bank. Bangladesh Bank also instructed that the overall activities of the "Sustainable Finance Department" and "Sustainable Finance Committee" shall be supervised by the Risk Management Committee (RMC) of the Board of Directors of the Bank.

Bangladesh Bank has given guideline to form a Committee headed by the most senior Deputy Managing Director. Other members include:-

1. Head of Investment Risk Management Division,
2. Head of Investment Administration Division,
3. Head of Special Asset Management Division,
4. Head of Corporate Banking Division,
5. Head of Retail Banking Division,
6. Head of International Division,
7. Head of Risk Management Division,
8. Head of Human Resources Division,
9. Head of Financial Administration Division,
10. Head of Internal Control & Compliance,

11. Head of Card Division,
 12. Head of Logistic Support & Services Division,
 13. Head of Branches & Establishment Division,
 14. Head of Marketing & Communications,
 15. Head of Information & Communication Technology Division
 16. One Official from Sustainable Finance Department.
- 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, madrashas, social organizations & individuals who are suffering from fatal diseases like cancer, kidney failure, heart diseases etc.

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.

Bangladesh Bank has recognized SIBL as one of the top private commercial banks for the contribution to Green Banking activities across the country. We have unified our sustainable operations under the "Green Banking Unit" equipped with permanent employees. The Audit Committee of the board is selected as the high powered committee of our Green Banking Unit for reviewing the green banking activities. Our Green Banking Policy and Green Office Guidelines have been circulated among all our employees for creating awareness on green banking activities & providing instructions about conserving energy, water, saving paper, etc. Our green strategic plan is enhanced to define our strategy in the coming years.

SIBL developed its own environmental policies which prove our commitment to the environment for a sustainable future. As a bank we play an intermediary role between economic development and conservation of the environment. Our green banking activities are on multidimensional areas which include both in-house green activities and external green activities towards supporting green economy. In 2018, as part of our green banking initiative SIBL has spent significant amount for beautification, tree plantation, installation of solar panels, environment friendly brick plant based on HHK (Hybrid Hoffman Klin) technology etc.

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.

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.

GREEN BANKING ACHIEVEMENT

Name	Achievement
Formation of Sustainable Finance Department	Sustainable Finance Department has been restructured on 15.01.2017 for smooth functioning of Green activities.
Circulation of Environment Social Due Diligence (ESDD)	Environment Social Due Diligence (ESDD) checklist is being Circulated and practiced.
Circulation of Environment Social Risk Rating (ESRR)	Environment Social Risk Rating (ESRR) is being circulated and practiced.
Circulation of Green Office Guide	Green Office Guide checklist is being monitored regularly.
Formation of Green Banking Policy	Green Banking Policy of SIBL has been approved by the Board of Directors of the Bank.
Preparedness of ESRM	A guideline of ESRM is under preparation for immediate circulation.
Some Green Event	<ul style="list-style-type: none"> e-Circular system has been introduced. e-Newsletter has been introduced replacing paper book. Solar panel installed in some branches. Green Banking has been focused in the Annual Calendar. Such endeavor has widely been accepted and applauded.

(Figure in Million)

Particulars	Yr-2017		Yr-2018	
	Disbursement	Outstanding	Disbursement	Outstanding
ETP				
Finance for installation of ETP	726.19	426.25	-	-
Projects financed having ETP	49,052.79	5,925.51	21687.24	10712.43
Bio-gas Plant	0.24	0.04	159.75	50.65
Solar Panel/Renewable Energy Plant	30.03	5.72	902.65	2732.01
Hybrid Hoffman Klin (HHK)	201.04	112.89	870.78	249.77
Projects financed in Brick fields having Zigzag & Improved technology	1,116.24	238.96	3853.06	937.19
Hazardous waste treatment facility	8.13	1.20	-	-
Plastic Waste Recycling Plant (PVC, PP, LDPE, HDPE,PS)	341.46	125.52	7399.82	3816.65
Others	0.00	0.00	0.00	0.00
Total	51,476.12	6,836.09	34,873.31	18,498.70

GREEN BANKING INITIATIVES OF THE BANK

Particulars	Yr-2017	Yr-2018
Online Banking		
No. of Total Branches	138	155
No. of Branches with online coverage	138	155
Internet Banking		
No. of Accounts facilitated with Internet Banking	4,047	4,906
% of Accounts facilitated with Internet Banking	0.33%	0.38%
No. of Accounts facilitated with Mobile Banking/SMS Alert Banking	1,59,311	217941
% of Accounts facilitated with Mobile Banking/SMS Alert Banking	13.10%	17.00%
No. of Training Programs/Seminars/ Workshops/Awareness Programs Exclusively conducted for Green Banking	4	9

FUTURE PLAN OF GREEN BANKING:

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

1. To popularize Online Banking,
2. To increase Internet, SMS & Mobile Banking
3. To introduce Video Conferencing
4. To increase Efforts towards near paperless banking
5. To promote Tree Plantation Campaign
6. To promote green initiatives through advertisement in print/electronic media
7. To rationalize use of consumption of paper, water, electricity and utilities
8. To reduce Emission of Carbon
9. To conserve environment
10. 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, have some obvious responsibilities to keep our mother planet green remaining in our 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 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 2018 recovery from written-off investment was Taka 510 million compared to Taka 380.98 million during the year 2017. Till 2018 total 1,387 cases/suits are decreed/ disposed off in favor of the Bank against investments of Taka 35103.10 million. In 2018 total amount of taka 830.00 million recovered from classified investments.

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 year end.

INVESTMENT INCOME

The bank has registered an income from investment of Taka 24,955.87 million under different mode of investment accounts in the year. A comparative position on income received from different mode of investment in the year 2018 and 2017 is given below-

(Figure in Million Tk.)

Mode	Year 2018	Year 2017	Growth
Profit on Murabaha	195.44	120.12	62.71%
Profit on Bai-Muazzal	15,878.29	11,235.98	41.32%
Profit on Hire-Purchase	6,275.72	4,865.04	29.00%
Profit on Musharka	38.16	31.30	21.94%
Profit on Bai-Salam	69.78	57.21	21.96%
Profit on Quard against MTDR, Scheme and others	533.59	582.61	-8.41%
Profit on Inland Document Bill Purchased	381.91	343.63	11.14%
Profit on Foreign Document Bill Purchased	442.94	291.94	51.72%
Profit on Ijarah	55.32	42.58	29.93%
Profit on Investment against Mudaraba Deposit with other banks and NBFIs	751.60	516.38	45.55%
Profit on other investments (Card, Wakalat fee etc.)	235.66	250.31	-5.85%
Profit on Mudaraba	97.46	160.52	-39.29%
Total	24,955.87	18,497.61	34.91%

CAPITAL EXPENDITURE

During the year under review, the total capital expenditure on acquisition of fixed assets was Taka 3,563.53 million which includes Taka 705.55 million towards Furniture & Fixtures, Taka 844.52 million for Office Equipment & Computers Software and Taka 35.18 million towards purchase of vehicles and Taka 0.68 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 2018. The Bank undertook a target on foreign exchange business for the year 2018 for Taka 270,000.00 million and accordingly achieved 178,590.50 million. The bank successfully managed to earn a commission & exchange income of Tk. 1,600.66 million in 2018 against Tk. 1,871.30 million of 2017. Despite the volatility of foreign currency throughout the year 2018, the bank accumulated an exchange gain of Taka 920.93 million against Taka 1,022.97 million of 2017.

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 462.80 million in Quoted & Unquoted Shares, Preference Share, Bond & Government Security. This year earnings from this segment has been recorded Taka 462.80 million against Taka 443.10 million in 2017.

Significant variance in operating results between Quarterly and Annually

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 2018 are given below with remarks:

(Figure in Million Tk.)

SI	Accounting Head	(Un-audited & published)			Audited
		31.03.18	30.06.18	30.09.18	31.12.18
1	Investment Income	5139.69	11646.75	17932.44	24,955.87
2	Profit Paid on deposits	3651.54	7912.41	12274.67	16,063.98
3	Net Investment Income	1,488.15	3,734.34	5,657.77	8,891.89
4	Income from Investment in Shares & Securities	91.79	198.75	273.02	462.80
5	Commission, Exchange & Brokerage	416.57	843.14	1,192.08	1,600.66
6	Other Operating Income	59.33	274.11	345.75	596.19
7	Total Operating Income	2,055.84	5,050.34	7,468.62	11,551.54
8	Operating Expenses	491.01	1,098.06	1,646.37	2,262.57
9	Salaries & Allowances	661.92	1,517.32	2,382.02	3,145.85
10	Other Operating Expenses	1,152.93	2,615.38	4,028.39	5,408.42
11	Operating Profit before provisions & taxes	902.91	2,434.96	3,440.23	6,143.12

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 2018, the company has made a profit after tax 18.15 million Taka as against Taka 107.74 million in 2017. 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%

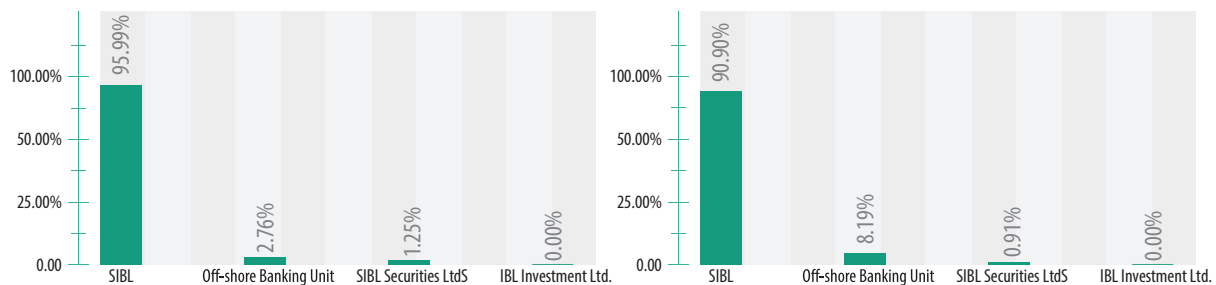
SEGMENT ANALYSIS - BUSINESS SEGMENT

(Figure in Million Tk.)

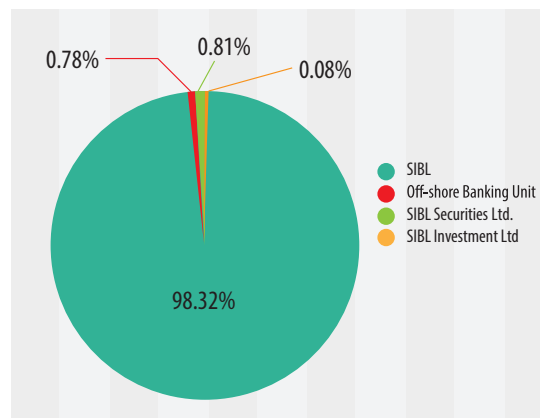
Particulars	SIBL	Off-shore Banking Unit	SIBL Securities Ltd.	SIBL Investment Ltd.	Total
Income	11,228.71	322.82	146.22	0	11,697.75
Less: Inter-segmental Income	-	-	-	0	-
Total Income	11,228.71	322.82	146.22	0	11,697.75
Operating profit (Profit before Unallocated expenses and tax)	11,228.78	322.82	146.22	-0.07	11,697.75
Allocated expenses	5,403.82	4.73	62.13	-0.07	5,470.61
Provision against loans and	2,294.83	0	48.71	0	2,343.54
Profit / (loss) before tax	3,530.21	318.09	35.38	-0.07	3,883.61
Income tax including deferred tax	2,264.87	0	17.23	0	2,282.10
Net profit	1,265.34	318.09	18.15	-0.07	1,601.51
Segment assets	302,250.51	2,399.29	2,503.21	249.85	307,402.86
Segment liabilities	302,250.51	2,399.29	2,503.21	249.85	307,402.86

Segment Analysis - Operating Revenue

Segment Analysis - Profit/(Loss) before Tax



Segment Analysis - Asset Employed



CONTRIBUTION TO THE NATIONAL EXCHEQUER

During the year under report, an amount of Taka 4,622.74 million was contributed to the national exchequer against Taka 4,433.35 million in the year 2017.

(Figure in Million Tk.)

Particulars	Year 2018	Year 2017
Corporate Income Tax	2,264.86	2,079.88
VAT Collection at Sources	282.27	316.63
Tax Collection at Source	1831.63	1,834.00
Excise Duty	243.98	202.84
Total	4,622.74	4,433.35

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 regularly. A Risk Management Committee (RMC) was formed 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. 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 counterparty 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 Division (IRMD), Investment Administration Division (IAD) and Special Asset Management Division (SAMD).

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 Control and Compliance Division (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 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.

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.

VARIOUS RISKS AND APPROACHES

Risk Management has become the most challenging job for any Bank operating now a day. SIBL has broadened its risk management coverage and enhanced its risk management function. Similar to regulatory reforms, the bank revised its risk management approach, and we are already in the process of restructuring the RMD's operational components to comply with Bangladesh Bank's guidelines. By prioritizing risk management effectiveness, new staffs were appointed to boost capacity. Looking at strategic boundaries, the bounds of our risk appetite are defined with all stakeholders in mind. The bank's wide-ranging risk management expertise enables it to delegate responsibility regularly. Moreover, the bank can delegate authority to suitably handle all aspects of risk. The matters in relation to risks associated with banking business are placed to before the Board of Risk Management on a regular basis.

Preparing the Annual Financial Statements

SIBL emphasizes mostly on the integrity and quality of its financial statements. Suitable accounting policies have been consistently followed for all financial statements, while the accounting estimates are founded upon reasonable and prudent assessment. International financial reporting standards (IFRSs) applicable in Bangladesh are adhered to in the preparation of financial statements, unless otherwise stated.

Going Concern Estimation

The preparation of financial statements has been undertaken on the understanding that the bank

operates on a going concern basis. Looking at the bank's financial performance, business portfolio and operational process, the bank can clearly be considered a going concern.

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 facilitates 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 21 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

SIBL is always willing to offer new and Islami Shariah compliant financial products to its clients. Though SIBL is making late entrance in the card market (December 2010), still SIBL hold major market share for issuance of Islami Credit Card. To provide advanced and technology based banking service, SIBL has issued below mentioned Card products for its customer:

- **VISA Islami Credit Card Products:**
 - Domestic Classic
 - International Classic
 - Domestic Gold
 - International Gold
 - International Platinum
- **VISA Islami Prepaid Card Products:**
 - Hajj Card
 - Travel Card
 - Student Card
 - Gift Card
- **VISA Islami Debit Card Products:**
 - VISA Islami Zameel Card

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

Total number of EMI partner was 44 and discount partner was 121 at the end of 2018 to facilitate purchase. Credit card holder can make transaction and pay the amount without profit in the case of EMI. Card holders can enjoy discount facility from selected discount merchant outlet.

Our continuous endeavour 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)

SIBL's Foreign Remittance service caters the customer needs for fast, secure & easy money transfers to

an extensive range of destinations. Standing by our commitment, we go all the lengths to remit your hard earned money safely to your loved ones. With us not only you get a range of high-class modern remittance solutions but also you will get peace of mind which we believe counts to most.

Social Islami Bank Limited established its Centralized Remittance Processing unit on March 2008. The main purpose to establish this specialized unit was to encourage wage earner's remittance through banking channel and to facilitate the distribution of such remittance to the ultimate beneficiary throughout the country within shortest possible time. Social Islami Bank Limited is now maintaining agency agreement with various Exchange houses in USA, UK, Qatar, Oman, SPAIN, Australia, Bahrain, Malaysia, and with Money gram, Western Union, Xpress Money, Ria who has network throughout the world. Bangladeshi Nationals working abroad can easily remit their hard earned money to the intended beneficiary in Bangladesh. SIBL is committed to provide best and hassle free service in this regard. Inward remittance drawing agreement with Paypal Inc, USA (Xoom) and other emerging Fintech companies like WorldRemit Ltd, Freelancers of ICT industry and other Service Exporters can easily receive their hard earned money from SIBL in CASH instantly or in their Bank account. Consequences upon different initiatives taken by last one year, SIBL's Foreign Remittance business volume has triggered to Taka 22521.80 million in 2018 compared to Taka 21,911.60 million in the year 2017

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 2018, the OBU has accumulated a Net Profit after Tax Taka 318.09 million against Taka 220.51 million in 2017.

CENTRALIZED CLEARING UNIT (CCU)

Payment Systems Department (PSD) is the overall system and facility that supports the Exchange and settlement of payment between Participating Banks and Bangladesh Bank. PSD endeavors for promoting new payments, clearing and settlement systems to ease financial transactions ensuring circulation of money in the economy. At present PSD, SIBL has provided the following services-

- BACPS- Bangladesh Automated Cheque Processing System (BACPS).
- BEFTN- Bangladesh Electronic Funds Transfer Network (BEFTN).
- RTGS- Real Time Gross Settlement (RTGS).

BACH is the first ever electronic clearing house which has started live operation in Dhaka from October 7th, 2010 for Bangladesh Automated Cheque Processing System (BACPS). Later Bangladesh Electronic Funds Transfer Network (BEFTN) is introduced in order to make charge free quick remittances in the whole Bangladesh on 28th February, 2011. Gradually Bangladesh Bank introduced Real Time Gross Settlement (RTGS) system on 29th October 2015 for transferring funds from one account of a bank to other bank account on real-time basis.

Since its inauguration, Social Islami Bank Limited participated in BACH successfully with the cooperation of Bangladesh Bank. SIBL formed an independent unit on November 2011 under the control of Head Office named as Centralized Clearing Unit (CCU). Later CCU formed as an individual Department of Head Office as Payment Systems Department (PSD) in 2016 where some sincere and dedicated officials are working efficiently to uphold the better service.

At present all the 155 branches of SIBL under BACPS, BEFTN & RTGS network. PSD will start BACH-II Live operation with Bangladesh Bank soon. Clearing & BEFTN of BACH-II also facilitated with foreign currency transactions i.e. USD, CAD, JPY, GBP, and EURO along with BDT. Multi session of BEFTN transaction can happen under BACH-II for smoother & faster financial transactions.

Mentionable here, all the transactions of BACPS, BEFTN & RTGS are process centrally and settled & monitored by PSD. Constant efforts are continuing by the PSD, SIBL to boost up 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 members of such entity or individuals who

have substantial influencing power in management of a particular organization. Whereas related party transaction refers to those transaction with the entity/person as stated by way of transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

IAS 24 Related Party Disclosures requires disclosures about transactions and outstanding balances with an entity's related parties. The standard defines various classes of entities and people as related parties and sets out the disclosures required in respect of those parties, including the compensation of key management personnel. For the above purposes Social Islami Bank Ltd has provided following disclosures in the financial statements:

Relationships Between Parents And Subsidiaries

Disclosure between the transaction between SIBL and subsidiaries is mention in note 47.3 of audited accounts whereas it is mentioned that Tk. 80.00 million was related to SIBL subsidiary company called SIBL Securities Ltd and of Tk. 965.78 million was related to SIBL Foundation Hospital and Diagnostic center.

Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. [IAS 24.9] For this purpose relevant disclosures are given in note 30 and 31 of financial statements

and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. [IAS 24.9] For this purpose relevant disclosures are given in note 30 and 31 of financial statements.

CREDIT RATING OF SIBL

Rating Conducted by Emerging Credit Rating Limited (ECRL)

Emerging Credit Rating Limited (ECRL) has affirmed AA (Pronounced as double A) long term credit rating and ST-2 short term credit rating to the Social Islami Bank Limited based on audited financials of 2018 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
22-Apr-14	21-Apr-15	Surveillance	AA-	ST-2	Stable
16-Mar-15	15-Mar-16	Surveillance	AA-	ST-2	Stable
16-Mar-16	15-Mar-17	Surveillance	AA-	ST-2	Stable
08-Mar-17	07-Mar-18	Surveillance	AA-	ST-2	Stable
08-Mar-18	07-Mar-19	Surveillance	AA-	ST-2	Stable
08-Mar-19	07-Mar-20	Surveillance	AA	ST-2	Stable

Rating Conducted by Moody's

On 10 April 2019, SIBL is assigned B1 long-term local and foreign currency deposit and issuer ratings by Moody's. The b2 Baseline Credit Assessment (BCA) reflects the bank's (1) modest asset quality, with risks arising from single-party concentration and rescheduled investments (loans); (2) moderate capital, which improved after the bank slowed growth and froze cash dividends; (3) profit constraints because of its reliance on expensive term deposits and limited contribution from non-interest income; and (4) tighter funding and liquidity, as Islamic banks are subject to less stringent liquidity requirements than conventional banks.

Category	Moody's Rating
Outlook	Stable
Counterparty Risk Rating	B1/NP
Bank Deposits	B1/NP
Baseline Credit Assessment	b 2
Adjusted Baseline Credit Assessment	b 2
Counterparty Risk Assessment	B1(cr)/NP(cr)
Issuer Rating	B1
ST Issuer Rating	NP

DISCLOSURE OF RATINGS GIVEN BY VARIOUS RATING AGENCIES FOR INSTRUMENTS ISSUED BY THE BANK:

SIBL issued the following subordinated bond to support and strengthen Tier-II capital base of the bank under Basel-III capital regulation of Bangladesh Bank. The present credit rating of the Bank and the Instruments issued by the Bank are as follows:

Rating of	Date of Declaration	Valid till	Rating Action	Long Term Rating	Short Term Rating	Outlook
Entity	08-Mar-19	07-Mar-20	Surveillance	AA	ST-2	Stable
SIBL Mudaraba Subordinated Bond	22-Apr-19	21-Apr-20	Surveillance	AA-	N/A	Stable
SIBL 2nd Mudaraba Subordinated Bond	06-Sep-18	05-Sep-19	Surveillance	A+	N/A	Stable
SIBL 3rd Mudaraba Subordinated Bond	30-Apr-19	29-Apr-20	Initial	A-	N/A	Stable

FOREIGN EXCHANGE BUSINESS

Foreign Exchange Business stood at Tk. 178,590.50 million in 2018 against Tk. 202,037.00 million in 2017. The break-up of this foreign exchange business is as under-

(Fig in million Taka)

Particulars	2014	2015	2016	2017	2018
Import	79,024.20	84,906.70	104,270.60	121,809.50	93,002.80
Export	53,044.90	54,121.20	49,766.00	58,315.90	63,065.90
Remittance	7,839.90	10,164.50	13,345.70	21,911.60	22,521.80
Total	139,910.00	149,192.40	167,382.30	202,037.00	178,590.50

INTERNATIONAL TRADE FINANCING (EXPORT & IMPORT)

In order to facilitate the Foreign Exchange (FX), Foreign Trade and Other Foreign Currency (FCY) Business and Transactions, International Division of the bank maintains proper and adequate corresponding channel with banks all over the world. International Division comes forward to play its role and not only facilitates 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 arrangements in all major

currencies in the locations of international business concentration. The bank maintains 21 Nostro accounts in major countries and with reputed international banks for the settlement of all 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.

SIBL is highly committed to ensure compliance in the foreign exchange regime. Therefore quick responses to regulatory queries have been made and compliance of guidelines, policies, procedures and other instructions of the Central Bank have been ensured in conducting foreign exchange businesses. Besides, continuous relationship with regulatory bodies have been maintained for obtaining earliest disposal for special kind of foreign exchange transactions, so that the bank can address special kind of foreign exchange business requirement of the clients.

International Division is in continuous effort to encourage expatriate Bangladeshis living abroad for remitting funds through banking channel and has established remittance drawing arrangements with reputed exchange houses/ money transfer companies around the world. At present the bank has remittance drawing arrangements with 31 internationally reputed exchange houses spread all over the world for this service. The Division is continuously endeavoring to increase its remittance network and to connect new destinations of concentration of expatriate Bangladeshis. Besides, a Centralized Remittance Processing Unit (CRPU), equipped with skilled and experienced work team along with modern and sophisticated software, has been working relentlessly to improvise and monitor the remittance service.

Foreign Exchange Business Of SIBL:

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 business of the bank has gained a stable expansion.

However, strategically the bank is concentrating on minimizing the trade gap by careful selection of import business and stimulation of diversified export businesses. Presently, SIBL has 22 AD branches and two Centralized Trade Processing Units, through which the bank has handled total foreign trade of Tk. 178,580.00 million during the year 2018 as against Tk. 202,0370.00 million in the previous year. The sluggish trend in the foreign Exchange business in 2018 is due to bank's strategically reduction of its import portfolio. Target for foreign exchange business for the year 2019 has been fixed at Tk. 250,000.00 million with 40% growth from 2018 achievement.

Import Business:

Total Import business of the bank stood at Tk. 93,000.00 million during the year 2018 as against Tk. 121,810.00 million and Tk. 167,382.30 million in the year 2017 and 2016 respectively. Bank has substantially reduced facilitating import business based on deferred payment to improve its asset quality. Besides, the bank's strategic decision to reduce its import business is mainly driven by its aim to reduce trade gap and achieve ability to support its foreign currency demand from own source. Therefore with that to achieve this goal, target of import business of the bank for 2019 is set at BDT 135,000.00 million.

Export Business:

Total Export Business of the bank stood at Tk. 63,060.00 million during the year 2018 as against 58,320.00 million and Tk. 49,766.00 million in the previous year 2017 and 2016 respectively. Our export business increased by 8.13% in 2018. Our target for export business during the year 2019 has been fixed at 35% higher to Tk. 85,000.00 million.

Remittance Business:

Total remittance of the bank stood at Tk. 22,520.00 million during the year 2018 as against Tk. 21,920.00 million in the previous year 2017. Our remittance increased slightly by 3% in 2018. The Target for our remittance business during the year 2019 has been fixed at Tk. 30,000.00 million with an anticipated growth of 33%.

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 to continuous development of the organization. Qualified human resources are an important source of competitive advantage. To attract talented human resources team and to create brand image the Bank has formulating and executing HR systems—HR policies and activities—that produce the employee competencies and behaviours 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 16 (sixteen) new branches in the year 2018 and has become the Bank of 155 Branches. For this reason a good time was spent upon the recruitment of experienced bankers and entry level employees like Probationary Officers, Trainee Officers & Junior Level Officers. The total manpower strength of the Bank was 2847 as on 31st December 2018.

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 1938 employees last year. Eminent Bankers, scholars, and other resource persons were invited to deliver lectures. Besides, a good number 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 in 2018. 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 09 (nine) foundation training courses for 350 fresh Officers and 27 Training, workshops and Seminar on different contemporary issues related to banking industries where 1588 different Officers and Executives had participated.

Training of Staff conducted by Social Islami Bank Training Institute from 01st January, 2018 to December, 2018:

Name of the Training	Number	Participant No.
Training on " Foundation Course in Banking for Probationary Officers"	09	350
Training on "Islamic Banking Operation: Procedure in view of Shari'ah Perspective"	01	40
Training on "Refresher's Course in Banking for Mid- Level Officers"	01	40
Training on " Investment Management"	03	120
Training on" Foreign Exchange and Foreign Trade	01	40
Total	15	590

Workshop of Staff conducted by Social Islami Bank Training Institute from 01st January, 2018 to December, 2018:

Name of the Training	Number	Participant No.
Workshop on "Security Awareness of ICT Operations	04	389
Workshop on "AML & CFT with special session on Trade Based ML Prevention Procedures"	09	619
Workshop on " Foreign Trade Business & Bangladesh Bank Reporting"	01	70
Workshop on "Magnetic Reader Account opening form and Digital Archiving procedure of account opening documents in DMS system"	04	150
Workshop on "Recovery of Overdue, Classified, Written off Investments & Provisioning"	02	80
Workshop on " Branch Management & Leadership Development"	01	40
Total	21	1348

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:

Breakdown by age group for permanent employees

Age range	Gender	2018	2017	2016	2015	2014
< 30 years	Male	502	380	382	413	384
	Female	163	135	115	104	95
30-50 years	Male	1690	1640	1464	1275	1142
	Female	363	336	293	251	218
> 50 years	Male	119	101	103	84	81
	Female	10	07	6	3	2
Total		2847	2599	2363	2130	1922

Gender diversity among permanent employees:

Employee Category	Gender	2018	2017	2016	2015	2014
Entry level	Male	1352	1151	984	965	915
	Female	363	309	248	214	189
Mid-level	Male	924	824	804	695	581
	Female	171	158	157	138	121
Senior Management	Male	35	146	161	112	111
	Female	02	11	9	6	5
Total		2847	2599	2363	2130	1922

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	2018	2017	2016	2015	2014
Total number of employee	2847	2599	2363	2130	1922
Total number of Branches	155	138	125	111	100
Employee per branch (nos)	19	19	19	19	19
Deposit per employee (million Tk)	87.22	88.03	80.64	65.70	64.76
Investment per employee (millionTk)	83.83	80.82	73.72	61.36	56.11
Operating profit per employee (million Tk)	83.83	2.37	2.41	2.28	2.10
Salaries & Allowances per employee(millionTk)	1.10	1.12	1.03	1.03	0.87
Salaries & Allowances as percentage of Operating profit	51.21%	47.02%	42.82%	45.61%	41.27%

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. 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:

(Figure in Million Tk.)

Particulars	2018	2017
Social Islami Bank Profit Dependent Employee’s Provident Fund	1,748.97	1,389.98
Social Islami Bank Employee’s Gratuity Fund	925.29	781.77
SIBL employees’ Superannuation Fund	169.87	133.18
Total	2,844.13	2,304.95

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.

ICT SERVICES

SIBL always thrives to provide quality of service towards valued clients with state of the art digital technology. Centralized Core Banking (CBS) solution based on Islamic Shariah principle has been implemented to provide modern Islamic Banking with online service. Customers gets any branch banking service in all branches of SIBL under online banking and they can deposit/withdraw money to/from any SIBL branch without additional transaction fees per transaction for the online service. Agent banking, BACH, BEFTN, RTGS etc

services are introduced for allowing smooth and easy banking to meet user requirements at current age. The bank is providing 24/7 round the clock banking facility through internet banking, Mobile App, ATM network.

The bank has secured client information by implementing modern cyber defence system. Our accountability to the clients is strong enough to build a relationship of trust. Customers get SMS notification for any transaction in SIBL accounts. The ICT operation of the bank is always adopting latest technology to provide service at customer doorstep.

The bank has implemented centralized Document Mangement System for reducing paper work as a green banking initiative by digitizing internal activities. Documents are being processed in digital workflow and investment proposals approved digitally, eliminating a lot of paper works which improves efficiency and transparency. Machine readable account opening forms are being implemented gradually for ensuring transparency.

INTERNET BANKING AND MOBILE APP

To allow anytime anywhere banking service (24/7/365) for the valued clients, “SIBL NOW” internet banking and mobile app comes up with various features including fund transfer (same bank and inter bank), utility bill payment, mobile bill payment, credit card bill payment, account statement view, location view of branches/booths etc over the internet. There are two factor authentication system for internet banking transaction for preventing frauds through internet banking system.

AGENT BANKING

SIBL provides Agent Banking service in remote areas to facilitate banking service to unbanked people. There are 99 agent banking outlets at several corner of the country at present and the number of outlets are increasing day by day.

REMITTANCE PAYMENT AND UTILITY BILL COLLECTION

SIBL is connected with XOOM, Western Union, World Remit, Placid Express, MoneyGram, Ria, Instant Cash and many other international exchange houses to allow remittance payment service. Moreover, SIBL has developed integrated system with several organizations/institutes like WASA, Titas Gas, DESCO, DPDC, Dept of Shipping, e-tendering etc for collecting fees/bills in favor of them and customers can easily pay their bills at SIBL branches.

PAYMENT CARDS AND ATM SYSTEM

SIBL cards provide e-commerce/online shopping facilities to purchase goods and services over internet. Customers can withdraw cash and pay bill of cell phone operators using SIBL cards through 80 ATM booths of SIBL and thousands of ATM booths of other banks under Q-cash network. SIBL is working for enhancement of ATM service for allowing fund transfer, utility bill payment etc features from ATM booths.

MODERN TECHNOLOGY FOR CORPORATE COMMUNICATION

SIBL implemented modern communication systems for developing effective communication. The bank installed Internet Phone (IP) solutions to establish lowcost and easy communication system, which simplifies voice and video communication in head office and branches. Microsoft Exchange Mail Server has been implemented for efficient usage of corporate email system in SIBL. Recently, the bank provided dedicated corporate mobile numbers along with smart phone devices for all branch managers and divisional heads in head office/regional office for ensuring them allways connected.

INTER BANK TRANSACTION

Inter bank transaction facility is available in all SIBL branches using BEFTN (Bangladesh Electronic Fund Transfer Network), BACH (Bangladesh Automated Cheque Clearing) and RTGS (Real Time Gross Settlement) systems.

MODERN DATA CENTER

SIBL established three layer Data Center (DC) structure for ensuring business continuation and resilience of critical services on unexpected disaster. The CBS system in primary Data Center (DC) is synchronized at Near DC and Far DC through Real Application Cluster (RAC), and Active Data Guard is implemented for high availability, data protection, and disaster recovery of enterprise data. The Far DC is established at different seismic zone.

MANAGING SECURITY AND ICT RISK

State of art security solutions has been implemented in SIBL for protecting the information system. There are continuous efforts for protecting the information assets and preventing cyber security risks. SIBL has implemented world class screening solution for scrutinizing SWIFT messages and clients information automatically. Barracuda Email Security Gateway has been implemented for protecting against inbound malware, spam, phishing, and Denial of Service attacks and ensuring that business productivity isn't impacted by attacks through the email system.

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 unlock 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 References (TORs). Administration function (including Disbursement, Documentation, Compliance etc) is performed under separate Investment Administration Division (IAD) at Head Office of the Bank.

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 2018, SME portfolio holds 23% share of the total investment portfolio of the Bank amounting to Tk.55,648.20 million 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.

Particulars	SME Outstanding (Fig. in millions)
31/12/2014	21,399.80
31/12/2015	29,198.70
31/12/2016	40,507.30
31/12/2017	56,884.30
31/12/2018	55,648.40

The present SME investment of the Bank is Tk.55,648.40 million (23%) in comparison with total investment outstanding of the Bank which is BDT.236,592.30 million (excluding OBU). The composition of Investment portfolio is shown in Figure 2 below:

(In million BDT)

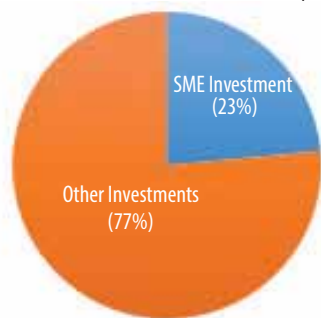


Figure 2: Composition of SME Investment Outstanding of the Bank (December, 2018)

SIBL 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 the opportunity to get investment facilities from formal sector as Corporate clients. The Bank will keep continuing its efforts of diversification of SME portfolio focusing on clients' need while giving emphasize on green initiatives and sustainable development within a framework of Bangladesh Bank's guidelines.

AGRI INVESTMENT

Social Islami Bank Limited continuously extending financing in the agricultural sector of the country through all of its branches. The Bank always take care to extend finance to the every branches of Agricultural sector of the economy.

SIBL has been continuously financing in different agricultural businesses & projects in addition to provide financing to the farmers through its entire branch network spread over the country. Earlier, the Bank has received 'Letter of Appreciation' from Bangladesh Bank for achieving agricultural Investment disbursement target of FY 2011-12 & FY 2014-15. In December 2018, SIBL has disbursed Tk.3,486.30 million Agri Investments outstanding of which is Tk.2,280.10 million. In 2019, we have a target to disburse Tk.3,800.00 million Agri Investments set by Bangladesh Bank.

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

NON-FORMAL SECTOR

Family Empowerment Islamic Microfinance Program (FEIMP)

Social Islami Bank Limited (SIBL) started its journey on 22nd November 1995 with a commitment to targeting poverty. The operation of SIBL has been defined under a unique theme of three-sector banking model: (i) Formal Sector which commensurate with Islamic commercial banking using Islamic modes of finance; (ii) Non-Formal Sector, based on a concept of empowering family through micro-finance and micro-enterprise program; and (iii) Voluntary Sector, inviting social capital mobilization mainly through Cash Waqf & others. The three-sector banking model, first of its kind in banking arena in Bangladesh, brings a new dynamism in welfare banking targeting its prime objective towards poverty alleviation of the poor and marginal people of the country with a motto of "Working Together for a Caring Society".

With a view to intensify existing Microfinance activities of the Bank, SIBL has restructured its Micro-finance operations and launched the program in the name & title "Family Empowerment Islamic Micro-finance Program (FEIMP)" on March 12, 2015.

The present Microfinance activities of the Bank are running smoothly all over the country.

Objectives of the Program:

1. Financial inclusion through financing facilities to the poor and marginal households.
2. To extend financing facilities mostly for Agricultural sectors
3. Upgrade Microfinance graduates to Micro-enterprise and SME.
4. Employment generation in rural area as a preventive measure to reduce rate of migration towards Capital/ City/Urban areas for hunting job or work.
5. Providing Islamic Microfinance product to the un-served population (instead of traditional Microcredit products)
6. To improve socio-economic situation of the poor and marginal people.
7. To make the poor population aware of savings and investing in productive activities for self reliance.
8. To empower 'Family' as a whole, not merely man or woman individually

Salient Features of the Program:

1. It is a group based lending program for the under privileged segment of the society.
2. Ceiling of investment ranges from BDT 20,000/- to BDT 2,00,000/-
3. Profit @ 9%
4. Duration of investment is 12/18 /24 months
5. Mode of Investment:
 - i. Bi-Muazzal Microfinance (Bi-weekly Installment)
 - ii. Hire Purchase under Shirkatul Melk (HPSM) Microfinance (Bi-weekly Installment)
6. No collateral security is required to receive the investment

SIBL's Microfinance Program at a glance (As on December 31, 2018)

Sl. No.	Particulars	Year 2018
01	No. Branch having FEIMP	62
02	No. of Social Officers	123
03	Formation of Family Cluster(Group)	1,619
04	No. of Members/Clients	23,074
05	Deposited Savings (in Crore)	11.12
06	No. of Investment disbursed	19,889
07	Disbursed amount Crore(Cumulative)	92.95
08	No. of Borrower	7,709
09	Outstanding Balance (Crore)	28.55
10	Risk Fund balance (Crore)	1.67

The clients have invested their finance in different Income Generating Activities (IGA). Most of the finance has been utilized in agricultural sector, such as - Paddy cultivation, Banana cultivation, Cow rearing, Cow fattening, Poultry rearing, Fish culture etc. They have also utilized their finance in trading and manufacturing segment, such as - grocery shop, cloth weaving, cloth selling, paddy husking, handicraft business (potting, basket making) etc. There is a good impact observed in the field of operating areas that living standard of FEIMP borrowers are increasing. They are happy as their children are going to school, they arranged low cost hygienic latrine, taking pure drinking water, they get required nutrition from their daily foods etc. All of these are possible because of increase of their income level.

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, in addition to implementing the program through all the branches of the Bank.

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. 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 are given below-

- 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.
- Purposes of Cash Waqfs program can be break under some major fields like –
 - (1) Family Rehabilitation
 - (2) Education & Culture
 - (3) Health & Sanitation
 - (4) Social Utility
 - (5) Others

- 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.

CORPORATE SOCIAL RESPONSIBILITY

SIBL has been responding spontaneously to its social commitment. 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
- (4) Zakat Fund and
- (5) Others

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:

(i) Financial Inclusion:

(In the form of Agriculture, SME, Women entrepreneur, Renewable Energy Finance, Solar Irrigation etc.)

(ii) Donation to the individuals, covering :

Education, Health, Disaster Management (Family Rehabilitation), Environment (Social Utility), Sports, Art & Culture, Others etc.

(iii) Donation to NGO's:

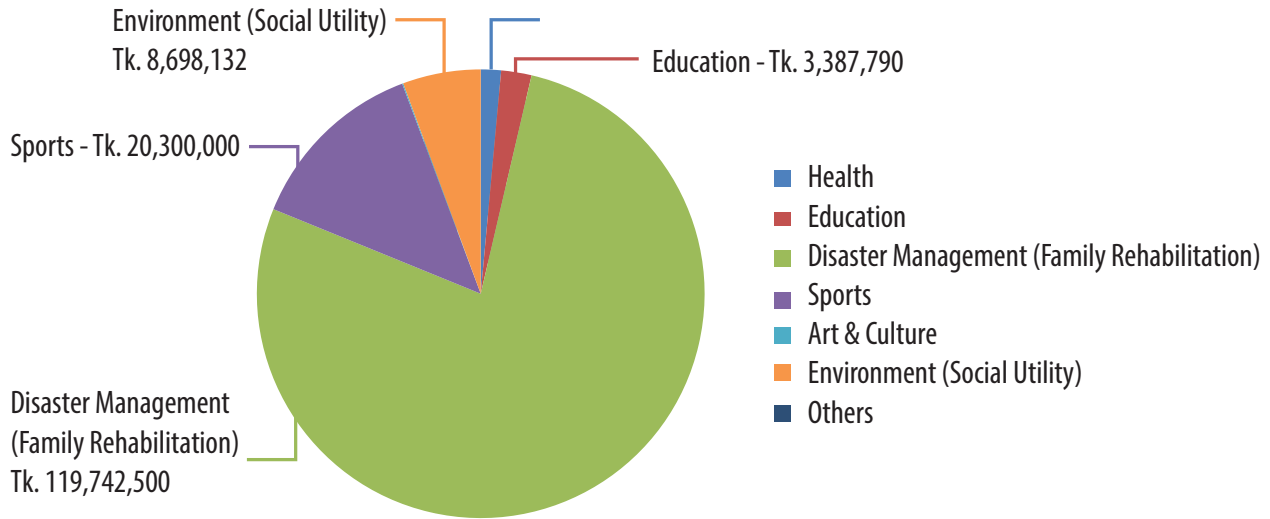
for supporting such welfare activities

CSR ACTIVITIES UNDERTAKEN DURING 2018

SIBL has contributed a sum of total Tk.154.50 million in the field of Health, Education, Disaster Management (Family Rehabilitation), Sports, Art & Culture, Environment (Social Utility) & Others during year 2018, which are furnished hereunder

CSR Activities of SIBL	Sectors	(Jan – Jun' 18)	(Jul – Dec'18)	Total Contribution
	Health	715,000/-	1,538,425/-	2,253,425/-
	Education	1,366,590/-	2,021,200/-	3,387,790/-
	Disaster Management (Family rehabilitation)	119,742,500/-	-	119,742,500/-
	Sports	-	20,300,000/-	20,300,000/-
	Art & Culture	-	120,750/-	120,750/-
	Environment (Social Utility)	2,462,432/-	6,235,700/-	8,698,132/-
	Others	-	-	-
	Total	124,286,522/-	30,216,075/-	154,502,597/-

Contribution in 2018



CSR ACTIVITIES OF THE BANK DURING 2018 AT A GLANCE:

Sl. No.	Events	Particulars
1.	Financial support to Mr. Romapada Vattacharjee, Sylhet	During the period the Board of Directors of the Bank approved Tk.2,00,000/= as Financial Assistant to Mr. Romapada Vattacharjee, Sylhet for bearing medical expenses, who has been suffering from Kidney disease to be paid from Compensation Fund.
2.	Financial support to Mr. Abul Kalam Azad, Assistant Vice President, Social Islami Bank Limited, Islampur Branch, Dhaka	During the period the Board of Directors of the Bank approved Tk.2,00,000/= as donation to Mr. Abul Kalam Azad, Assistant Vice President, Social Islami Bank Limited, Islampur Branch, Dhaka, who has been suffering from Kidney disease to be paid from Compensation Fund.
3.	financial assistance to Cox's Bazar Police Super, Cox's Bazar	During the period the Board of Directors of the Bank approved Tk.89,700/= as financial assistance to Cox's Bazar Police Super, Cox's Bazar for CCTV from Compensation Fund.
4.	Financial support to Mr. Aminul Haque, Senior Assistant Vice President, Social Islami Bank Limited, Mouchak Branch, Dhaka	During the period the Board of Directors of the Bank approved Tk. 2,00,000/= as financial Assistant to Mr. Aminul Haque, Senior Assistant Vice President, Social Islami Bank Limited, Mouchak Branch, Dhaka, who has been suffering from Kidney Disease from Compensation Fund.
5.	Donation to Prime Ministers Relief Fund for continue their ongoing activities among the poor & distressed People.	During the period the Board of Directors of the Bank approved Tk.10.00 Crore (Taka ten crore) only to the Prime Minister's Relief Fund for continue their ongoing activities among the poor & distressed from CSR.
6.	Donation to Honorable Prime Minister's Education Assistance Trust Fund for distribution of relief among the flood affected people	During the period the Board of Directors of the Bank approved Tk.5.00 Crore (Taka five crore) only to the Honorable Prime Minister's Education Assistance Trust Fund for distribution of relief among the flood affected people from CSR.
7.	Donation to Bangladesh Olympic Association for continuing their ongoing activities	During the period the Board of Directors of the Bank approved Tk.2.00 Crore (Taka two crore) only to the Bangladesh Olympic Association for continuing their ongoing activities from CSR.
8.	Donation to Khalsi Bazar Maddomik Biddaalo, Pashapol, Chowgacha, Jessore	During the period the Board of Directors of the Bank approved Tk.1,80,000.00 (Taka one lac eighty thousand) only to Khalsi Bazar Maddomik Biddaalo, Pashapol, Chowgacha, Jessore, for Tk.3.00 (three) Lac @ Tk.25,000/= per month for 06 months for bearing continuing different expenses of the school from compensation fund.
9.	Donation to Prime Minister's Relief & Welfare Fund for continue their ongoing activities among the poor & distressed People.	During the period the Board of Directors of the Bank approved Tk.5.00 Crore (Taka five crore) only to the Prime Minister's Relief & Welfare Fund for continue their ongoing activities among the poor & distressed from CSR.

Sl. No.	Events	Particulars
10.	Donation to Care and Smile Bangladesh Ltd.	During the period the Board of Directors of the Bank approved Tk.1.00 crore (Taka one crore) favoring Care and Smile Bangladesh Ltd. for continuing their ongoing activities to bring revolution in the health service delivery system of our country from Compensation Fund.
11.	Donation to 71 Squadron Jamme Masjid, Bangladesh Air Force, Dhaka	During the period the Board of Directors of the Bank approved Tk.3,15,000.00 (Taka three lac fifteen thousand) only favoring 71 Squadron Jamme Masjid, Bangladesh Air Force, Dhaka for purchasing & installation 01 (one) Air conditioner (AC) of the Mosque from any of CSR.
12.	Donation to PROYASH, Institute of special education, Dhaka Cantonment,, Dhaka	During the period the Board of Directors of the Bank approved Tk.10,00,000/= only favoring PROYASH, Institute of special education, Dhaka Cantonment,, Dhaka for bearing expenditure for the development of facility for children with special needs to be paid from Compensation Fund
13.	Donation to Amir Uddin College ,Sokhipur, Tangail	During the period the Board of Directors of the Bank approved Tk.1,00,000/= as donation to Amir Uddin College ,Sokhipur, Tangail for bearing expenditure of their going construction & land development works of the college be paid from Compensation Fund
14.	Donation to "Bangladesh Association of Banks (BAB)"	During the period the Board of Directors of the Bank approved Tk. 53,60,000/= as donation to "Bangladesh Association of Banks (BAB)" for bearing expenditure of some special cultural programs under Ministry of Cultural Affairs from Compensation Fund
15.	Financial Assistant to 20 financially incapable students, Department of Business Faculty, University of Dhaka	During the period the Board of Directors of the Bank approved Tk. 12,00,000/= as financial Assistant to 20 financially incapable students, Department of Business Faculty, University of Dhaka for bearing educational expenses from Compensation Fund
16.	Donation to Khalsi Bazar Maddomik Biddaaly, Pashapol, Chowgacha,	During the period the Board of Directors of the Bank approved Tk.3,00,000/= only to Khalsi Bazar Maddomik Biddaaly, Pashapol, Chowgacha, @ Tk.25,000/= per month for 12 months for bearing the salary of the school teachers/ employees of the school from compensation fund.
17.	Donation to favoring Bangladesh Hockey Federation	During the period the Board of Directors of the Bank approved Tk. 3,00,000/= only favoring Bangladesh Hockey Federation to organize " Bijoy dibosh hockey tournament 2018" from Compensation Fund.

ON GOING CSR ACTIVITIES OF THE BANK

Sl. No.	Events	Particulars
1	Khalsi Bazar Maddomik Biddaaly, Pashapol, Chowgacha, Jessore, (supported by SIBL)	SIBL is sponsoring the education program of Khalsi Bazar Maddomik Biddaaly, Pashapol, Chowgacha, Jessore. SIBL involving total Tk. 3.00 lac (Per Year) being paid on monthly basis.
2	Stipend to poor & meritorious student	SIBL is sponsoring financial support to the poor & meritorious student. In the year 2018, we have donated Tk. 38.73 lac favoring 88 (eighty eight) students of different college & university around the country.

A SHORT LIST OF OUR STAKEHOLDERS:

- Muktijuddha Jadughar
- Jatir Janak Bangabandu Sheikh Mujib Memorial Assistance 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, Dhaka
- Banglar Pathshala (School for the slum children)
- URECA (School for under privileged children supported by SIBL)
- Bishyabidyalaya CAMPUS
- Chandpur Diabetic Samity
- Kailakuri Healthcare Project, Modhupur, Tangail
- Writer's Foundation
- Hamdard Laboratories (Waqf) Bangladesh
- Bangladesh University of Business and Technology (BUBT)
- Dhaka Medical College Hospital (DMCH)
- Khulna Shishu Hospital, Khulna
- Bangladesh University of Business and Technology (BUBT)
- Khulna Shishu Hospital, Khulna
- Prime Minister's Education Assistance Trust Fund
- Dhaka University, Dhaka
- Prothom Alo

THIS REPORT ALSO STATES

The financial statements prepared as on 31.12.2018 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 31.12.2018 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 2018;
- c) During the year 2018, an amount of Taka 2.24 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 therefrom 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.
 - i) No Changes in Accounting policies and estimates have been applied for preparation of financial statements.
 - j) The appointment or reappointment of Directors including their resume and expertise has been described in separate sections of this Annual Report.
- k) As per provision of Companies Act and guidelines of other Regulatory Authorities, the Bank holds its Annual General Meeting every year wherein shareholders can express their opinion and also approve the decisions taken for the interest of the shareholders by the controlling shareholders (Board of Directors). On the other hand, all sorts of information is been disclosed in the Annual Report of the Bank published in every year which is also available in the website of the Bank. The minutes of decision taken by the controlling shareholders in the Board Meeting are being communicated with the Bangladesh Bank within seven days of holding the meeting. As such, there is no scope for the controlling shareholders to take abusive actions against the interest of the minority shareholders.
 - l) The Board has not declared any interim dividend for its shareholders in the form of stock dividend and there is no scope to declare such dividend in future as per guidelines of Regulatory bodies.

OPERATING RESULT & PROFIT

Total Operating Income of the Bank as on 31st December 2018 stood at Tk. 11,551.53 million against Tk. 10,852.44 million of the preceding year. The Bank made an operating profit of Tk. 6,143.12 million in 2018 against Tk. 6,166.21 million of 2017.

A summary of operating result of the Bank is shown below

(Taka in Million)

Particulars	2018	2017	Growth Rate
Income on Investment	24,955.87	18,497.61	34.91%
Profit paid to the Depositors	16,063.98	10,561.96	52.09%
Net Investment Income	8,891.89	7,935.65	12.05%
Commission, Exchange, Shares & Securities and Other Income	2,659.65	2,916.79	-8.82%
Total Operating Income	11,551.54	10,852.44	6.44%
Operating Expenses	5,408.42	4,686.23	15.41%
Profit before Provision	6,143.12	6,166.21	-0.37%
Provision against Investment & Others	2,294.82	2,631.08	-12.78%
Profit before Tax	3,848.30	3,535.13	8.86%

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. 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.

Particulars	2018	2017
Net Investment Income Margin (NIIM)	3.60%	3.69%
Return on Assets (ROA)	0.54%	1.40%
Return on Equity (ROE)	10.05%	10.27%
Earning per Share (Restated)	Tk. 1.95	Tk. 1.79

CORPORATE GOVERNANCE

Corporate Governance means a structure for transparent, fair, timely and decisive decision making by companies with due attention to the needs and perspectives of shareholders as well as Stakeholders. SIBL 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. SIBL has been complied all corporate issues As per guidelines laid down in the BRPD Circular Number 12 dated December 23, 2002 of Bangladesh Bank. On the other hand, Bangladesh Securities and Exchange Commission (BSEC) has revised the Corporate Governance Guideline and established 'Corporate Governance Code' vide its notification dated June 03, 2018. To comply the said Code SIBL has been maintained the Board size consisting of 12 (twelve) members including 2 (two) Independent Directors. The qualification and experience of the Independent Directors are more sophisticated who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business. 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

Compliance Status of Corporate Governance Code issued by Bangladesh Securities & Exchange Commission (BSEC) vide its Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June, 2018 under condition no: 1.5 (xxii) and (xxiii):

Compliance of another conditions of 1.5 are summarized in the preface of this report.

Compliance of condition 1.5 (xxii)

Board Meeting Held During the Year 2018 and Attended by Each Director:

Sl. No.	Name of Director	Board Meetings in 2018		Remarks
		Held	Attended	
01.	Prof. Md. Anwarul Azim Arif, Chairman (Representative of Hasan Abasan (Pvt.) Ltd.)	19	19	
02.	Mr. Belal Ahmed, Vice Chairman (Representative of Unitex Steel Mills Ltd.)	19	15	
03.	Mr. Md. Sayedur Rahman, Director (Representative of Prasad Paradise Resorts Ltd.)	19	18	
04.	Mr. Md. Kamal Uddin, Director (Representative of Lion Securities and Investment Ltd.)	19	18	
05.	Mrs. Nargis Mannan, Director	19	15	
06.	Dr. Md. Jahangir Hossain, Director (Representative of Reliable Entrepreneurs Limited)	19	18	
07.	Mrs. Jebunnesa Akbar, Director (Representative of Unitex Cement Limited)	19	12	Appointed on 09.04.2018
08.	Mr. Arshadul Alam, Director (Representative of Leader Business Enterprise Ltd.)	19	17	
09.	Mr. Ali Hasan Md. Mahmud Ribon, Director (Representative of Dynamic Ventures Ltd.)	19	14	
10.	Mr. Md. Faysal Ahmed Patwary, Director (Representative of Global Trading Corporation Ltd.)	19	15	Appointed on 18.04.2018
11.	Professor A J M Shafiul Alam Bhuiyan, Ph.D Independent Director	19	17	
12.	Professor Mohammed Mizanur Rahman, Ph.D Independent Director	19	16	

COMPLIANCE OF CONDITION 1.5 (XXIII): PATTERN OF SHAREHOLDING

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

STATEMENT IN COMPLIANCE WITH CONDITION 1.5 (XXIII B)

b (i): Shareholding Position of Directors of SIBL with their Spouse and Minor Children as on 31.12.2018

SI No.	Name of the Directors	Position & Relationship	No. of Shares	Total Shares with spouse	Percentage of Shares
1	Prof. Md. Anwarul Azim Arif Representative of Hasan Abasan (Pvt.) Limited	Chairman	1,67,36,500	1,67,36,500	2.0608
2	Mr. Belal Ahmed Representative of Unitex Steel Mills Ltd	Vice Chairman	1,67,31,000	1,67,31,000	2.0601
3	Mr. Md. Sayedur Rahman Representative of Prasad Paradise Resorts Ltd.	Director	1,67,36,500	3,29,84,523	4.0615
	Mr. Md. Sayedur Rahman	(Own)	1,62,48,023		
4	Mrs. Nargis Mannan	Director	1,62,43,013	1,76,53,832	2.1738
	Prof. Dr. M. A. Mannan	Husband	14,10,819		
5	Dr. Md. Jahangir Hossain Representative of Reliable Entrepreneurs Ltd.	Director	1,67,30,212	1,69,44,690	2.0865
	Dr. Md. Jahangir Hossain	(Own)	2,14,478		
6	Mr. M. Kamal Uddin Representative of Lion Securities & Investment Ltd.	Director	1,67,29,856	1,67,33,321	2.0604
	Mr. M. Kamal Uddin	(Own)	3465		
7	Mr. Arshadul Alam Representative of Leader Business Enterprise Ltd.	Director	1,67,36,500	1,67,44,123	2.0618
	Mr. Arshadul Alam	(Own)	7623		
8	Mr. Ali Hasan Md. Mahmud Ribon Representative of Dynamic Ventures Ltd.	Director	1,67,35,400	1,67,35,400	2.0607
9	Mr. Md. Faysal Ahmed Patwary Representative of Global Trading Corporation Ltd.	Director	1,66,49,298	1,66,49,298	2.0501
10	Mrs. Zebunnesa Akbar Representative of Unitex Cement Ltd.	Director	1,67,31,000	1,67,31,000	2.0601

1.5 (xxiii 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)

SI No.	Name	Nos. of Share(s) held
01.	Mr. Quazi Osman Ali Managing Director and CEO	NIL
02.	Mr. Abdul Hannan Khan Company Secretary	NIL
03.	Mr. Walid Mahmud Sobhani, FCMA Chief Financial Officer	NIL
04.	Mr. Md. Giash Uddin Bhuiyan EVP & Head of Internal Audit	NIL

1.5 (xxiii c) Shares held by top five salaried Executives of the Bank:

SI No.	Name	Nos. of Share(s) held
01.	Mr. Kazi Towhidul Alam Additional Managing Director	NIL
02.	Mr Abu Naser Chowdhury Deputy Managing Director	NIL
03.	Mr. Md. Sirajul Hoque Deputy Managing Director	NIL
04.	Mr. Ziauddin Sawlet Ghani Senior Executive Vice President	NIL
05.	Mr. Mohammad Forkanullah Senior Executive Vice President	NIL

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

DECLARATION BY THE CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER TO THE BOARD

May 19, 2019

The Board of Directors

Social Islami Bank Limited
City Center, 90/1 Motijheel C/A
Dhaka-1000

Sub: Certification by Managing Director & CEO and Chief Financial Officer (CFO) regarding Financial Statements for the year ended on 31st December, 2018

Pursuant to Condition # 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/ 80 dated 03 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

01. The Financial Statements of Social Islami Bank Limited for the year ended on December 31, 2018 have been prepared in compliance with International Accounting Standards (ISA) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there has been adequately disclosed;
02. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order to the financial statements to reveal a true and fair view;
03. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
04. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
05. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
06. The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no materials uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regards, we also certify that:

- i. We have reviewed the financial statements for the year ended on 31st December, 2018 and and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements collectively present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- 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 code of conduct for the company's Board of Directors or its members.



(Quazi Osman Ali)
Managing Director & CEO



(Walid Mahmud Sobhani, FCMA)
Chief Financial Officer



Suraiya Parveen & Associates

(Chartered Secretaries, Financial & Management Consultants)

[Certificate as per condition No.1 (5) (XXVI)]

Report to the Shareholders of Social Islami Bank Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Social Islami Bank Limited for the year ended on 31st December 2018. This Code relates to the Notification No. BSEC/CMRRC/2006-158/207/Admin/80 dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory.

Dhaka, Dated
May 20, 2019

For Suraiya Parveen & Associates
Chartered Secretaries




Suraiya Parveen, FCS
Chief Executive Officer

Razzak Plaza (5th Floor), Suite . 6C, 01, New Eskaton Road, Ramna, Dhaka- 1000
Phone : 48321398 (Off), Mob : 01552363837, 01911421998
E-mail : musfiquefcs@gmail.com, info@suraiyaparveenandassociates@gmail.com
Web: www.suraiyaparveenandassociates.com

INFORMATION RELATED TO BOARD & ITS DIRECTORS

BOARD OF DIRECTORS:

Several initiatives have been taken by the Board of Directors of the Bank for institutionalizing Corporate Governance in the Bank for safeguarding the interests of the Stakeholders. As a listed Banking Company Social Islami Bank Limited have been complied all types of Orders/ Directives/ Circulars/ Notifications/ Rules issued by the Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) from time to time. Social Islami bank Limited does not have its own policy on appointment of Directors rather it follows the provision of Companies Act, 1994 and Bank Companies Act, 1991(Amendment upto-2013). All Directors except Independent Directors of the Board are non-executive directors holding more than 2% Shares of the Paid-up Capital 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. Total number of Directors of Social Islami Bank Limited is 12 (twelve) including 2 (two) Independent Directors 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.

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, Audit Committee Meeting and Risk Management Committee Meeting @ Taka 8,000/- per attendance.

During the year 2018, the total expenditure related to the Board meeting was Taka 4.54 million against Taka 10.47 million in 2017.

BOARD MEETINGS & MINUTES

In every month, minimum one or more Board of Directors meeting may be held where 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 Companies Act 1994, every company is required to hold minimum 4 (four) Board of Directors meeting in a year. Since inception total 428 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

The Article 83 of the Articles of Association of the Bank provides a provision of Retirement by Rotation of the Directors in accordance with the provision of Section 91(2) of the Companies Act, 1994. In accordance with the said provision of the Companies Act, 1994 and Articles of Association of the Bank the following Director shall retire from the office in the next 24th Annual General meeting as they have been holding the office for the longest period.

1. Professor Md. Anwarul Azim Arif
(Representative of Hasan Abasan (Pvt.) Ltd.)
2. Mr. Belal Ahmed
(Representative of Unitex Steel Mills Ltd.)
3. Mrs. Nargis Mannan
4. Mr. Ali Hasan Md. Mahmud Ribon
(Representative of Dynamic Ventures Ltd.)

It is mentioned here that in the last Annual General Meeting (23rd AGM), the following 6 (six) Directors were retired by rotation as per section 91(2) of the company Act 1994 and as per the regulation 86 of Schedule 1 of the Company Act 1994. They were also re-elected as per provision of the Company Act 1994 and Articles of the Bank

1. Mr. Arshadul Alam
(Representative of Leader Business Enterprise Ltd.)
2. Mr. Md. Sayedur Rahman, Additional Director;
(Representative of Prasad Paradise Resorts Ltd.)
3. Mr. Md. Kamal Uddin, Additional Director;
(Representative of Lion Securities and Investment Ltd.)
4. Dr. Md. Jahangir Hossain, Additional Director;
(Representative of Reliable Entrepreneurs Ltd.)
5. Mr. Md. Faysal Ahmed Patwary, Additional Director;
(Representative of Global Trading Corporation Ltd.)
6. Mrs. Jebunnesa Akbar, Additional Director
(Representative of Unitex Cement Ltd.)

As per provision of Article 84 of the Articles of Association of the Bank the retiring (four) 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

Social Islami Bank Limited has adopted a Code of Conducts for the all members of the Board of Directors of the Bank 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.

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;
- The Board shall have the authority to make amendment to this document at any time; and
- 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

- (ii) 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;

- (iii) set the agenda for discussion at Board Meetings and General Meetings and ensure that adequate time is available for discussion of agenda items;
- (iv) set the frequency of the Board meetings and review such frequency from time to time as considered appropriate or as requested by the Board;
- (v) chair all Board meetings and manage the business of the Board ensuring that the Board adopts a prompt and constructive approach to make decisions;
- (vi) provide strong leadership of the Board and assist it in reviewing and monitoring the aims, strategy, policy and directions of the Company;
- (vii) 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;
- (viii) 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;
- (ix) ensure that Board and committee meetings are conducted in an efficient, effective and focused manner;
- (x) ensure that the corporate governance of the company is maintained in line with appropriate practice policies agreed by the Board;
- (xi) 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);
- (xii) be the contact person for the expression of individual director concerns;
- (xiii) 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;
- (xiv) 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
- (xv) 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

- (iii) (act as the principal of the board and counsellor 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;
- (iv) 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;
- (v) 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;
- (vi) 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;
- (vii) 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;
- (v) work with the MD/CEO and Company Secretary to co-ordinate the agenda, information packages and related events for Board meetings.
- (vi) ensure that there is appropriate delegation of authority from the Board to Executive Management;
- (vii) 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 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 MANAGING DIRECTOR & CEO ARE INDEPENDENT

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

ROLE, RESPONSIBILITIES & POWER OF THE MANAGING DIRECTOR & CEO

Roles, responsibilities and powers conferred of the Managing Director & CEO of Social Islami Bank Limited has been conferred by the BRPD Circular No. 18 dated 27.10.2013. Apart from that, Managing Director & 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 & CEO of the company appointed by the Board and approved by Bangladesh Bank;
- The Managing Director & 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 Managing Director & 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.

REMUNERATION AND OTHER COMMITTEE OF THE BOARD

Along with the board, SIBL has some other committees to assist the board in taking proper decision to run the bank efficiently. The committees are mentioned below

1. Executive Committee
2. Audit Committee
3. Risk Management Committee

Policy for the employees remuneration and fringe benefits are proposed by a committee comprised with the top management of the bank. Then the proposal is reviewed and finalized by the board.

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 Managing Director & 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 fulfilment 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 modelling/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 there from 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
- (XV) Maintenance of Investment in shares and securities
- (XV) 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.

INDEPENDENT DIRECTOR

Pursuant to Condition # 1.2 (i) of the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) vide its Notification No. BSEC/CMRRCD /2006-158/207/Admin/80 dated 03 June, 2018, as on 31st December, 2018 and as per section 15(9) of the Bank Companies Act, 1991 (amendment upto-2013) Social Islami Bank Limited appointed required numbers of Independent Directors to the Board of Directors of the Bank. The Board of Directors of the Bank in its 405th meeting held on 13th November, 2017 appointed 2 (two) Independent Directors namely: Professor A J M Shafiul Alam Bhuiyan, Ph.D and Professor Mohammed Mizanur Rahman, Ph.D who has been working as Professor at the renowned University of Dhaka. As per compliance of condition 5.3 (a) of the said Notification Professor A J M Shafiul Alam Bhuiyan, Ph.D discharging his responsibilities as the Chairman of the Audit Committee of the Bank. Professor Mohammed Mizanur Rahman, Ph.D 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 2 (b) 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 Code, 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.

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. They also further appointed as External Auditors of the Bank by the Shareholders in its 22nd & 23rd Annual General Meeting at a fees of Taka 5,00,000/- for the year 2017 & 2018. As per regulation 15 (3) of the Dhaka and Chittagong Stock Exchange Listing Regulations-2015 M/S Syful Shamsul Alam & Co., Chartered Accountants, Dhaka is not eligible to continue for the year 2019 (consecutive period of 3 years has expired). As such, another new Auditors shall be appointed by the Shareholders in the up-coming AGM for the year-2019.

INFORMATION AVAILABILITY ON WEBSITE

The full text of the Annual Report 2018 including other financial reports are available in the company's website www.siblbld.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, Bangladesh Securities & Exchange Commission (BSEC), Stock Exchanges, Central Depository Bangladesh Ltd. (CDBL), 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



(Prof. Md. Anwarul Azim Arif)
Chairman
Board of Directors

COMPLIANCE REPORT UNDER CONDITION NO 9.00 OF BSEC

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.00	Board of Directors			
1.1	Size of the Board of Directors: The total number of members of a company's Board of Directors (herein after referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty)	✓		
1.2	Independent Director			
1.2(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors	✓		
1.2(b)(i)	Do 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(b)(ii)	Do not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company	✓		
1.2(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	✓		
1.2(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		
1.2(b)(v)	Independent directors are not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.2(b)(vi)	Independent director is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		
1.2(b)(vii)	Independent director 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 or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	√		
1.2(b)(viii)	They are not the Independent directors in more than 5 (five) listed companies	√		
1.2(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI)	√		
1.2(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	√		
1.2(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	√		
1.2(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		
1.2(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. A former independent director may be considered for re appointment for tenure after a time gap of one tenure. The independent director shall not be subject to retirement by rotation as the Companies Act, 1994.	√		
1.3	Qualification of Independent Director (ID)			
1.3(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	√		
1.3(b)	Independent director shall have following qualifications:	√		
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.3(b)(ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company	√		
1.3(b)(iii)	Former official of government or statutory or autonomous regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law	√		
1.3(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law	√		
1.3(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	√		
1.3(c)	The independent director have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1.3(d)	In special cases, above qualifications or experiences may be relaxed subject to prior approval of the Commission.	√		
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1.4 (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		
1.4 (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1.5	Directors 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 including internal and external risk factors, threat to sustainability and negative impact on environment, if any	✓		
1.5(iv)	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			No such event arose
1.5(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	✓		
1.5(vii)	Utilization of proceeds from public issues, right issues and/ or through any others instruments	✓		
1.5(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.			No such event arose
1.5(ix)	Explanation on significant variance occurs between Quarterly Financial performance and Annual Financial Statements	✓		
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	✓		
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) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		
1.5(xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		
1.5(xvii)	There is no significant doubt 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 there of shall be disclosed	√		
1.5(xviii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		
1.5(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1.5(xx)	If the issuer company has not declared dividend (cash or stock) for the year	√		
1.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	√		
1.5(xxii)	The total number of Board meetings held during the year and attendance by each director	√		
1.5 (xxiii)	Report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1.5(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	√		
1.5(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		
1.5(xxiii)(c)	Executives	√		
1.5(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	√		
1.5(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1.5(xxiv)(a)	A brief resume of the director	√		
1.5(xxiv)(b)	Nature of his or her expertise in specific functional areas	√		
1.5(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on			
1.5(xxv)(a)	Accounting policies and estimation for preparation of financial statements	√		
1.5(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		
1.5(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1.5(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1.5(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		
1.5(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explain to the shareholders in the next AGM	√		
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	√		
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	√		
1.6	Meetings of the Board of Directors			
1.6	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1.7(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1.7(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency	√		
2.00	Governance of Board of Directors of Subsidiary Company			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	√		
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	√		
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
3.00	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3.1	Appointment			
3.1 (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);			N/A
3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	√		
3.2	Requirement to attend Board of Directors' Meetings			
3.2	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer(CEO) and Chief Financial Officer (CFO)			
3.3(a)	The MD or CEO and CFO shall certify to the board that they have reviewed financial statements for the year and that to the best of their knowledge and belief			
3.3(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3.3(a)(ii)	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;	√		
3.3(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3.3(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee: For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee.			N/A
5	Audit Committee			
5.1	Responsibility to the Board of Directors	√		
5.1 (a)	The company shall have an Audit Committee as a subcommittee of the Board	√		
5.1 (b)	The Audit Committee shall assist the Board 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	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5.1 (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		
5.2	Constitution of the Audit Committee			
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5.2 (b)	The Board shall appoint members of the Audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5.2 (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5.2 (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before 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 shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	√		
5.2 (e)	The company secretary shall act as the secretary of the Committee	√		
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5.3	Chairperson of the Audit Committee			
5.3 (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b). And the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5.3 (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		
5.4	Meeting of the Audit Committee			
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year.	√		
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5.5	Role of Audit Committee			
5.5 (a)	Oversee the financial reporting process;	√		
5.5 (b)	Monitor choice of accounting policies and principles	√		
5.5 (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		
5.5 (d)	Oversee hiring and performance of external auditors;	√		
5.5 (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5.5 (f)	Review along with the management, the annual financial statements before submission to the Board for approval	√		
5.5 (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
5.5 (h)	Review the adequacy of internal audit function	√		
5.5 (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
5.5 (j)	Review statement of all related party transactions submitted by the management	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5.5 (k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		
5.5 (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission			N/A
5.6	Reporting of the Audit Committee			
5.6(a)	Reporting of the Board of Directors			
5.6 (a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5.6 (a)(ii)(a)	The Audit Committee shall immediately report to the Board on the following findings report on conflicts of interests			
5.6 (a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No Such incident arose
5.6 (a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations			No Such incident arose
5.6 (a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			No Such incident arose
5.6 (b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier			No Such incident arose
5.7	Reporting to the shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6) (a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company			No Such incident arose

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6	Nomination and Remuneration Committee (NRC)			
6.1 (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board			As primary Regulator Bangladesh Bank has not issued any guidelines regarding Nomination and Remuneration Committee (NRC)
6.1 (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6.1 (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b).			
6.2	Constitution of the NRC			
6.2 (a)	The Committee shall comprise of at least three members including an independent director;			
6.2 (b)	All members of the Committee shall be non-executive directors;			
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board;			
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee;			
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			
6.2 (g)	The company secretary shall act as the secretary of the Committee;			
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			
6.2 (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6.3	Chairperson of the NRC			
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director			
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: in absence of chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholders queries and reason for absence of the chairperson of the NRC shall be recorded in the minutes of the AGM			
6.4	Meeting of the NRC			
6.4 (a)	The NRC shall conduct at least one meeting in a financial year;			
6.4 (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			
6.5	Role of the NRC			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			
6.5 (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6.5(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6.5(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract retain and motivate suitable directors to run the company successfully			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6.5(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks			
6.5(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals			
6.5(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality			
6.5(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board			
6.5(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board			
6.5(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria			
6.5(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;			
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			
7.	External or Statutory Auditors			
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7.1 (i)	Appraisal or valuation services or fairness opinions;	√		
7.1 (ii)	Financial information systems design and implementation;	√		
7.1 (iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7.1 (iv)	Broker-dealer services;	√		
7.1 (v)	Actuarial services;	√		
7.1 (vi)	Internal audit services or special audit services;	√		
7.1 (vii)	Any service that the Audit Committee determines;	√		
7.1 (viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1)	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
7.1 (ix)	Any other service that creates conflict of interest.	√		
7.2	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; his or her family members also shall not hold any shares in the said company:			
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company.			
8.1	The company shall have an official website linked with the website of the stock exchange	√		
8.2	The company shall keep the website functional from the date of listing	√		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance.			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		The Board appointed Suraiya Parveen & Associates as Compliance Auditors of Corporate Governance Code, the appointment shall be approved by the Shareholders in the upcoming AGM
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

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, 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 respond 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 89.30% 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 31.12.2017, the Board of Directors of the Bank has discharged their duties and responsibilities through 353 number of board meeting. The Board of Directors 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.

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.

D. 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.

E. 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.

F. 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.

G. 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 23 (Twenty Three) year successful banking operation based on Shariah Principles without having any history of non-operation. SIBL has now 138 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.

H. 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.

I. 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



Prof. Md. Anwarul Azim Arif
Chairman
Board of Directors

REPORT 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 412th Board of Directors Meeting held on 21.03.2018 in compliance with the Bangladesh Bank and Bangladesh Securities Exchange Commission Guidelines. The Audit Committee assists the Board in fulfilling its oversight responsibilities where accountability stands for financial reporting process, Internal Control System, Internal and External audit process, management of the risks of the Bank. The Committee review, monitor and assess the activities & performance of the Bank and establish the policies and procedures which comply with the existing laws & regulations.

Following Directors were the members of the Audit Committee for the Year 2018:

Sl. No.	Name	Status in the Bank	Status in the Committee
01	Professor A J M Shafiul Alam Bhuiyan, Ph.D	Independent Director	Chairman
02	Mr. Md. Kamal Uddin	Director	Member
03	Dr. Md. Jahangir Hossain	Director	Member

MEETINGS OF THE AUDIT COMMITTEE:

The Board Audit Committee had 134 nos. (One hundred thirty four) Meetings in the previous years since inception in the year 2003, out of which 05 Meetings were conducted in the Year 2018 and the attendance of the members was as follows:

Name	Tenure of Membership	No. of Meetings Held	No. of Meetings Attended
Professor A J M Shafiul Alam Bhuiyan, Ph.D	21.03.2018 to till date	05	05
Mr. Md. Kamal Uddin	21.03.2018 to till date	05	04
Dr. Md. Jahangir Hossain	21.03.2018 to till date	05	05

DISCLOSURE BY AUDIT COMMITTEE:

- The Committee reviewed the Quarterly Financial Statements as well as the yearly financial statements for the year 2018 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.
- 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 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 also reviewed the financial statements/investments of the subsidiaries: SIBL Securities Limited and SIBL Investment Limited.
- 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 of SIBL.
- The Committee approved the internal audit plan and gave direction to the internal auditors where appropriate for carrying out in depth audit to ensure that the company 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 carryout audit of all the branches of the Bank.
- The Committee reviewed ICCD Manual for the year 2018 and suggested appropriate actions where needed. The Internal Auditors were advised to carry out the instruction of the ICCD Manual.
- The Committee discuss the draft copy of "Instruction Manual to Protect Fraud and Forgeries and Stealing Bank's Money" and onward submission to the Board for approval.
- The Committee recognized the observations of the Internal Audit Division regarding internal control, activities and suggestions made to improve operational systems and procedures and their implementation.
- The Committee reviewed the compliance position, policies, regulations and applicable law in general.
- The Committee observed that risk management associated with the banking business was adequately controlled.

On behalf of the Board Audit Committee



Professor A J M Shafiul Alam Bhuiyan, Ph.D.
Chairman
Audit Committee

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 dutiful and honest. National Integrity Strategy (NIS) is a living document of Bangladesh Government with the hope that this NIS will play its desired role in building Bangladesh a self sufficient "Shonar Bangla".

Bangladesh Government has undertaken programs through NIS to establish a system of governance that creates trust among citizens. For this reason, the strategy targets a broad audience like government owned and Non Government Organizations with the vision to build this country a "Shonar Bangla" where the mission is to establish good governance in the state institutions and society.

The integrity system comprises both government and non government institutions. In facilitating application of the NIS, the government wishes to engage not only the state institutions such as Executive Organ and Public Administration, Parliament, Judiciary, Election Commission, Attorney-General, Public Service Commission, Comptroller and Auditor-General, Ombudsman, Anti Corruption Commission, Local Government Organization but also the Non Government institutions including political parties, Industrial and Commercial Organizations in the Private Sector, NGOs and Civil Society, Family, Educational Institutions, Media. Furthermore, Government and Non Government educational and religious institutions will also be key players of NIS.

Challenges of NIS:

- 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;
- Making citizens friendly with law enforcing agencies;
- Fair, neutral and visible decision making capability in public administration.

National Integrity Strategy: Commercial Organizations in the Private Sector

Private sector is playing an increasingly important role in the socio-economic development and contributing to wealth creation and value addition to meet the demand of the population. Integrity of this sector has 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 the investment (loan) default problem,
- Promotion of corporate governance,
- Awarding performance-based fair salary and wages to the employees,
- Proper enforcement of the law on consumer rights,
- Prevention of collusive practices in business by enforcing law of land,
- Promotion of a culture of self-control by Chambers and Associations.

Social Islami Bank Ltd (SIBL), a second-generation private sector Bank, operating since 22 November 1995 based on Shariah Principles, has now 155 branches all over the country with two subsidiary companies named SIBL Securities Ltd. & SIBL Investment Ltd. It is a prime goal and responsibility of SIBL to secure employee rights, and to ensure equality of opportunity and dispensation of economic and social justice. SIBL is dedicated for ensuring employee's welfare.

To support the total activities of the Government of Bangladesh in establishing NIS, Social Islami Bank Limited has formed a Committee called "SIBL Integrity Committee" as per BRPD Circular No 21 dated 12 November 2013 headed by the Additional Managing Director of the bank assisted by 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 to enable the State and society corruption free.

We believe that the issue of integrity should not be stopped at the top level of institutions. Rather, each institution is expected to find mechanisms to implement institutional strategies at different level to implement National Integrity Strategy. In 2018, a total of 04 (four) numbers of SIBL Integrity Committee meeting were held. Social Islami Bank Limited has provided National Integrity Strategy training to 280 employees in the year of 2018.

Several steps are going to be taken to promote integrity within the institution, these are-

- To ensure the attainment of a egalitarian society which would be free from exploitation,
- To guarantee employees' rights and freedom as per rules of the Bank,
- To respect self dignity and commitment to the institution,
- To create a justified opportunity for all employees of the institution,
- To ensure participation of women in all spheres of the institution,
- To pay everyone for work on the basis of the principle of ability and work done.

MESSAGE FROM THE CHIEF RISK OFFICER'S DESK



Risk management is a dynamic issue which is changing day by day as the nature and complexity of business being increased. Risk management is the deliberate acceptance of risk for profit-making. It requires informed decisions on the trade-off between risk and reward, and uses various financial and other tools to maximize risk-adjusted returns within pre-established limits. Risk-taking is an inherent element of the banking business and, indeed, profits are the reward for successful risk taking in business.

In October 2018, Bangladesh Bank issued new risk management guidelines for banks which is robust and timely to adapt the changes. According to the guideline, SIBL reconstructed its risk management division by forming 6 desks namely, credit risk related desk, market risk related desk, operational risk related desk, liquidity risk related desk, risk research & policy unit and Basel implementation unit. Credit risk is the main source of risk exposure in banking system. Bangladesh Bank introduced "Internal Credit Risk Rating System" to evaluate the borrower properly, which will obviously beneficial for the banking business of the country and it is also a challenge for us to implement. Each person working in the bank is a risk manager. The risk management activities are largely dependent on the awareness of all the concerned. Social Islami Bank Limited is always vigilant to risk manage its risks.



KAZI OBAIDUL AL-FARUK
SEVP & Chief Risk Officer

REPORT ON RISK MANAGEMENT

Risk is defined as uncertainties resulting in adverse outcome, adverse in relation to planned objective or expectations. In the financial arena, enterprise risks can be broadly categorized as credit risk, operational risk, market risk and other risk. Risk management is the deliberate acceptance of risk for profit-making. It requires informed decisions on the tradeoff between risk and reward, and uses various financial and other tools to maximize risk-adjusted returns within pre-established limits. Risk-taking is an inherent element of the banking business and, indeed, profits are in part the reward for successful risk taking in business. On the other hand, excessive and poorly managed risk can lead to losses and thus endanger the safety of a bank's depositors. The objective of risk management system is to identify, assess, record and actively manage any internal or external risks that could pose a threat to the attainment of the Bank's corporate goals.

In this section we shall summarize the risk management framework, risk mitigation methodology and disclosure on risk reporting of Social Islami Bank Limited practiced internally and for regulatory purpose.

RISK MANAGEMENT FRAMEWORK

A risk management framework is a set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization.

1. ORGANIZATIONAL STRUCTURE:

1.1 Board of Directors

The board of directors of the bank gives utmost importance on sound risk management practices. They take every possible initiative to keep various risks (credit, market, liquidity, operational risks etc.) within tolerable level. For this purpose the board plays the following role:-

- Establish organizational structure for enterprise risk management within the bank and ensure that top management as well as staffs responsible for risk management possess sound expertise and knowledge to accomplish the risk management function properly;
- Assign sufficient authority and responsibility to risk management related officials;
- Ensure uninterrupted information flow to RMD for sound risk management;
- Continuously monitor the bank's performance and overall risk profile through reviewing various reports;
- Ensure the formulation, review (at least annually) and implementation of appropriate policies, plans and procedures for risk management;
- Define and reviewing the risk appetite, risk tolerance, limit etc. in line with strategic planning;
- Make sure maintenance of adequate capital and provision to absorb losses resulting from risk;
- Ensure that internal audit reviews the credit operations, foreign exchange operations and securities portfolio management functions etc. to assess the effectiveness of internal control system;
- Monitor the function of Board Risk Management Committee.

1.2 Board Risk Management Committee (BRMC)

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, "Board Risk Management Committee" 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), four (4) meetings of Risk Management Committee of the Board were held during 2018.

Role of Board Risk Management Committee is as follows:

- Formulating and reviewing (at least annually) risk management policies and strategies for sound risk management;
- Monitoring implementation of risk management policies & process to ensure effective prevention and control measures;
- Ensuring construction of adequate organizational structure for managing risks within the bank;
- Supervising the activities of Executive Risk Management Committee (ERMC);
- Ensuring compliance of BB instructions regarding implementation of core risk management;
- Ensuring formulation and review of risk appetite, limits and recommending these to Board of Directors for their review and approval;
- Approving adequate record keeping & reporting system and ensuring its proper use;
- Holding at least 4 meetings in a year (preferably one meeting in every quarter) and more if deemed necessary;
- Analyzing all existing and probable risk issues in the meeting, taking appropriate decisions for risk mitigation, incorporating the same in the meeting minutes and ensuring follow up of the decisions for proper implementation;
- Submitting proposal, suggestions & summary of BRMC meetings to board of directors at least on quarterly basis;
- Complying with instructions issued from time to time by the regulatory body;

- Ensuring appropriate knowledge, experience, and expertise of lower-level managers and staff involved in risk management;
- Ensuring sufficient & efficient staff resources for RMD;
- Establishing standards of ethics and integrity for staff and enforcing these standards;
- Assessing overall effectiveness of risk management functions on yearly basis

1.3 Executive Risk Management Committee (ERMC):

For smooth functioning of risk management activities of the Bank, a Board level and a Management level Risk Management Committee are parallely working in the Bank. The Management level Risk Management Committee is headed by the Chief Risk Officer 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 Report (MRMR)' 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 Bangladesh Bank, this committee analyses all the information contained in MRMR and submit it to BRMC 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 Report (CRMR) is prepared and placed to this committee on half yearly basis. Both MRMR and CRMP are also submitted to the board risk management committee for their review and necessary guidance.

Functions of the committee are as under:

- a. Identifying, measuring and managing bank's existing and potential risks through detailed risk analysis;
- b. Holding meeting at least once in a month based on the findings of risk reports and taking appropriate decisions to minimize/control risks;
- c. Ensuring incorporation of all the decisions in the meeting minutes with proper dissemination of responsibilities to concerned divisions/departments;
- d. Minimizing/controlling risks through ensuring proper implementation of the decisions;
- e. Reviewing risks involved in new products and activities and ensuring that the risks can be measured, monitored, and controlled adequately;
- f. Submitting proposals, suggestions & summary of ERMC meetings to CEO, BRMC on regular basis;
- g. Implementing the decisions of BRMC and board meetings regarding risk issues;
- h. Assessing requirement of adequate capital in line with the risk exposures and ensuring maintenance of the same through persuading senior management and board;
- i. Determining risk appetite, limits in line with strategic planning through threadbare discussions among the members;

- j. Contributing to formulation of risk policies for business units;
- k. Handling "critical risks" (risks that require follow-up and further reporting);
- l. Following up reviews and reports from BB and informing BRMC the issues affecting the bank's operation.
- m. Ensuring arrangement of Annual Risk Conference in the bank.

1.4 Risk Management Division:

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 of management risk issues. The division has been staffed with some experienced officials headed by the 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, Executive Risk Management Committee and Board Risk Management Committee. As per Risk Management Guideline for Banks of Bangladesh Bank, 6 desk/unit have been formed within Risk Management Division as follows -

- 1) Credit Risk Related Desk
- 2) Market Risk Related Desk
- 3) Liquidity Risk Related Desk
- 4) Operational Risk Related Desk
- 5) Risk Research and policy development Desk and
- 6) Basel Implementation Unit

The Risk Management Division manages and measure risks on the basis of the bank's approved risk parameters independently in line with regulatory requirements. The role of RMD is described as follows:

- Collecting and analyzing data/information for identifying risks and making appropriate recommendations for risk mitigation;
- Preparing risk management reports, arranging monthly meeting of ERMC and preparing meeting minutes, disseminating the decisions to the concerned department/divisions, monitoring and follow up of implementation status;
- Ensuring timely submission of risk management reports, meeting minutes, compliance report and other documents to BB;
- Assisting BRMC/ERMC by providing risk issues that are needed to be addressed;
- Designing bank's overall risk management strategy;
- Ensuring significant contribution in establishing sophisticated risk management infrastructure with a sufficiently robust data-base, data architecture and information technology;
- Conducting, developing and overseeing Stress Testing activity;

- Utilizing the Stress Test result and scenario analysis to better understand potential risk exposures under a variety of adverse circumstances;
- Developing and testing different models (such as VaR, HHI index, Collection scoring, Vintage curve etc.), and observe their use for measuring and monitoring risks;
- Assisting senior management in formulating strategic planning considering bank's risk exposures and industry as a whole;
- Supporting the board, BRMC and ERM in formulation, review and approval of the enterprise wide risk governance framework which includes the bank's risk culture, risk appetite, risk limits, and MAT;
- Monitoring on ongoing basis the risk-taking activities and risk exposures in line with the board approved risk appetite, risk limit and corresponding capital or liquidity needs (i.e. capital planning)
- Taking initiatives for interim review of risk appetites on request of other related departments and informing the board of directors and BRMC time to time about the status of risk exposures as compared to appetite;
- Establishing an early warning or trigger system for breaches of the bank's risk appetite or limits;
- Communicating views of the board and senior management throughout the bank;
- Taking initiatives for establishing enterprise/comprehensive risk management policies and procedures with the approval of the board;
- Monitoring concerned departments in formulating and reviewing related risk management policies and procedures;
- Monitoring compliance of irregularities found in core risk inspection reports of BB;
- Adopting proper financial protection measures through risk transfer, risk avoidance, and risk retention programs;
- Taking appropriate steps to control or mitigate risk exposures and ensure reporting the same to senior management and BRMC.

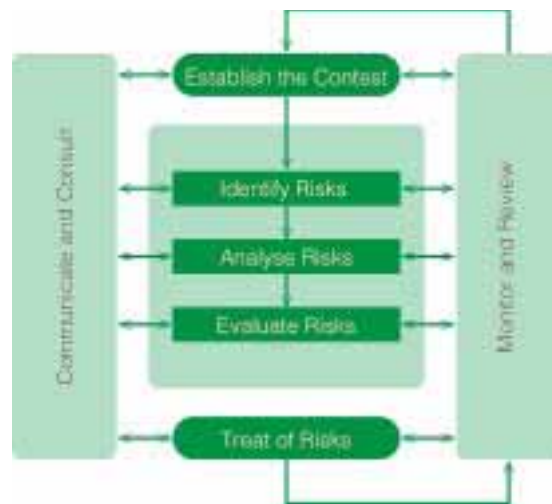
2. Risk Management Process:

Risk Management is an iterative process that, with each cycle, can contribute progressively to organizational improvement by providing management with a greater insight into risks and their impact. It is a series of multi-steps that, when undertaken in sequence, enable continual improvement in decision-making.

Steps of Risk Management Process in a Banking Organization:

- Step 1 – Communicate and Consult
- Step 2 – Establish the context
- Step 3 – Identify the risks
- Step 4 – Analyze the risks
- Step 5 – Evaluate the risks
- Step 6 – Treat the risks
- Step 7 – Monitor the risks

The relation among the steps can be visualized as under:



Social Islami Bank Limited also follows the Three (3) Lines of Defense (LoD) approach of modern risk management for the Bank-wide comprehensive risk management. Three (3) LoD of SIBL is as under:

First Line of defense – Business and Operational Segment/ Units: includes those functional divisions/ branches/ units/segments who own the risks associated with their operational area/portfolio and primarily responsible for managing risks under the respective regulatory directives for day-to-day affairs of operations/ business of banks. Adequate managerial and supervisory controls have been in place to ensure compliance and to highlight control breakdown, inadequate processes, and unexpected events.

Second Line of defense-Risk Management division and other Back-Offices: includes those divisions/units/ segments of the operations who are responsible for managing risk and ensuring the compliance functions to help build and/or monitor the first line-of-defense controls. Top of the all functional divisions/units, Risk Management Division (RMD) is entrusted to play a pivotal role for bank-wide risk management in coordination with all concerned of the Bank.

Third Line of defense – Internal Control & Compliance:

Internal auditors provide the Board/Senior Management with comprehensive assurance based on the highest level of independence and objectivity within the organization. Internal audit provides assurance on the effectiveness of governance, risk management, and internal controls, including the manner in which the first and second lines of defense achieve risk management and control objectives.

RISK MITIGATION METHODOLOGY

Risk Mitigation is the process by which an organization introduces specific measures to minimize or eliminate unacceptable risks associated with its operations. Risk mitigation measures can be directed towards reducing the severity of risk consequences, reducing the probability of the risk materializing, or reducing the organizations exposure to the risk. The risk mitigation step involves development of mitigation plans designed to manage, eliminate, or reduce risk to an acceptable level. Once a plan is implemented, it is continually monitored to assess its efficacy with the intent of revising the course-of-action if needed.

General guidelines for applying risk mitigation handling options are shown in Figure below.

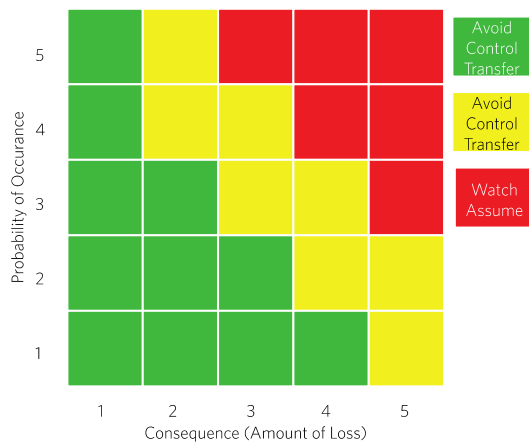


Fig: SIBL'S High Level Risk Management Strategy

These options are based on the assessed combination of the probability of occurrence and severity of the consequence for an identified risk. These guidelines are appropriate for many, but not all, projects and programs.

Risk Wise Mitigation Methodology is described as under:

1. Credit Risk:

Credit risk arises from the potential that a bank's borrower will fail to meet its obligations in accordance with agreed terms. Credit risk also refers the risk of negative effects on the financial result and capital of the bank caused by borrower's default on its obligations to the bank or downgrade in the credit rating of the borrower.

Mitigation measures of credit risk:

- Bank strictly follows specific policies, standard for granting credit by way of evaluating borrower.
- The bank has divided the responsibilities of its officers or executives involved in credit-related activities. To ensure operational transparency during the credit appraisal process, the following teams have been established

- Credit Approval
- Credit Administration Department
- Recovery Unit and Special Asset Management
- Internal credit rating assessment
- External credit rating assessment by ECAI
- Analysis of specific borrower repayment capacity- review of financial statements by way of analysis five key financial indicators- Balance Sheet, Income Statement, Net worth and Fixed Assets reconciliation, Key ratios and Cash flows statements
- Credit facilities are allowed after consideration of absolute due diligence
- Inherent risk in credit proposal are being identified and mitigation steps are taken
- Collateral is properly valued and verified by concerned officer in periodically basis
- Risk grading is being done in line with the Bangladesh Bank guideline and bank's own policy
- Credit delegations are specified for new/fresh limit, renewal or enhancement of limit, consumer/ retail loan, personal loan etc.
- Adequate provision against investment has been maintained
- Adequate capital has been maintained for credit risk under Basel III framework.

2. Market Risk:

Market risk is the risk of losses in positions arising from movements in market prices. It is the risk of potential losses in the on-balance sheet and off-balance sheet positions of a bank, stems from adverse movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices.

2.1 Foreign Exchange Risk is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company.

2.2 Equity Price Risk is the risk that arises from security price volatility – the risk of a decline in the value of a security or a portfolio. Equity price risk can be either systematic or unsystematic risk.

2.3 Profit Rate Risk is the probability of a decline in the value of an asset resulting from unexpected fluctuations in interest rates.

Mitigation measures of market risk:

- Limits -Foreign exchange dealing is done within the limits authorized by the Board to the CEO or Head of Treasury. Dealing limits are set according to the bank's own requirements, market conditions, and the counterparty. The CEO usually delegates the setting of limits to the Head of Treasury who, in turn, allocates limits to individual dealers.

- Stop-loss Limit- Every dealer is assigned a stop-loss limit to restrict intuition-driven trades. This is in line with the organization's portfolio and risk appetite. Limits are also set for individual deals and dealer portfolio positions. Stop-loss limits to the Head of Business or CEO and the Head of Treasury are set by the Board and in turn, the Head of Treasury allocates individual limits to the dealers.
- After-hours and Off-premises Dealings- After-hours and off-premises dealings are strictly prohibited. The Head of Treasury, with the approval of the Head of Business or CEO, might engage in after-hours and/or off-premises dealings for taking or covering positions on a case-by-case basis.
- Valuation- The Treasury back-office evaluates all outstanding positions at current market rates (mark-to-market) to determine their market value on a daily basis. The back-office also gathers market rates from independent sources, i.e. other than the dealers of the same organization(s) to avoid any conflict of interest with reporting to the line manager. This exercise provides information regarding the profitability or loss of outstanding contracts.
- Market trend of profit rate is analyzed to make proper decision about profit rate determination of various deposits and investment product of the bank which is monthly discussed in the ALCO meeting.
- Adequate capital is maintained against market risk under RBCA guideline of Bangladesh Bank.
- Scenario analysis for profit rate risk is carried on through simple gap analysis and duration gap analysis.
- Risk appetite is outlined on different indicator of market risk.

3. Operational Risk

Operational Risk refers to the risk of loss resulting from inadequate or failed internal process, people and system or from external events. This definition includes legal risk but excludes strategic and reputational risk. Unlike other risk as faced by the bank, the operational risk is inherent in most of the process and operations of the bank and cannot be separated from other risks.

Mitigation measures of operational risk:

- Standard operating procedure is followed to conduct day to day activities of the bank. Bank has well articulated operation manual, internal control and compliance manual, anti money laundering and terrorist financing manual, accounting manual and ICT manual etc. to describe the standard operating procedure.
 - Internal audit is conducted on different business and non-business on periodic basis. Risk based audit has been established.
 - Adequate capital is maintained against operational risk under RBCA guideline of Bangladesh Bank.
- Risk appetite is outlined on different indicator of operation risk.
 - External auditors regularly provide unbiased recommendations on the strengths or weaknesses of the bank's internal control system. They examine records and transactions and evaluate the accounting policy, disclosure policy and methods of financial estimation. This allows the Board and the management to independently view the bank's overall control system. Along with the periodic Bangladesh Bank audit, other external auditors conduct regular audits to ascertain control lapses within the system.

4. Liquidity Risk

Liquidity risk is the potential for loss to an institution arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. An institution short of liquidity may have to undertake transaction at heavy cost resulting in a loss of earning or in worst case scenario; the liquidity risk could result in bankruptcy. Liquidity risk may be categorized as follows:

- a) Funding liquidity risk: risk generates when bank will be unable to meet its current and future cash flow and collateral needs without affecting its daily operations or its financial condition.
- b) Market liquidity risk: risk generate when bank cannot easily offset or sell a position without incurring a loss because of inadequate

Mitigation measures of liquidity risk:

- Bank's have following liquidity monitoring tools
 - Wholesale Borrowing and Funding Guidelines
 - Liquidity Contingency Plan
 - Management Action Trigger
- Bank follows Bangladesh Bank's guideline on CRR, SLR, LCR and NSFR
- Risk appetite is outlined on different indicator of liquidity risk.
- Liquidity position is reviewed in the monthly ALCO and ERMC meeting and appropriate decision is taken based on the market trend. Following liquidity indicators are used:
 - Advance-deposit ratio
 - Wholesale borrowing limit utilization
 - Maximum cumulative outflow (MCO)
 - Liquidity coverage ratio (LCR)
 - Net stable funding ratio (NSFR)
 - Structural liquidity gap analysis
 - Liquid asset to short-term deposit
 - Liquid asset to short-term liability
 - Cash Reserve Ration
 - Statutory Liquidity Ration

DISCLOSURE OF RISK REPORTING

Risk reporting is an essential part of Risk Management System of any organization. In previous section of Risk Management Framework, we have depicted Communication as the integral part of risk management process. Communication part is facilitated by the reporting system. Social Islami Bank Limited established a strong risk reporting in line with regulatory requirement and for internal analysis.

At SIBL, risk management reports include disclosure requirements under Basel-III and reporting regulations adhering to risk management guidelines. Risk reporting aids the bank considerably by increasing the quality of the decisions made, and by ensuring the timely implementation thereof.

Risk Reporting

Following risk reporting is performed by Social Islami Bank Limited. All reporting has been sent to Bangladesh Bank and other stakeholders on timely basis. The summary is presented in presented in the table:

SL	Name of the reporting	Description of the Reporting	Frequency of the Report	Compliance Status
1	Risk Appetite, Risk Limit and Risk Tolerance Statement	Risk appetite is the level and type of risk a bank is able and willing to assume in its exposures and business activities, given its business objectives and obligations to stakeholders (depositors, creditors, shareholders, borrowers, regulators). Risk appetite is generally expressed through both quantitative and qualitative means and should consider extreme conditions, events, and outcomes. It is stated in terms of the potential impact on profitability, capital and liquidity.	Yearly	Complied
2	Monthly Risk Management Report	Monthly risk management report (MRMR) is prepared on monthly basis for Bangladesh Bank and internal management. Following issues are included in the monthly risk management report: A. Capital adequacy B. Credit risk C. Off-shore banking operations D. Market risk E. Information about profitability F. Liquidity risk G. Operational risk H. Audit compliance I. Reputational risk J. Money laundering risk K. Compliance of risk management L. Performance of Board of Directors	Monthly	Complied
3	Comprehensive Risk Management Report	Comprehensive risk management report (CRMR) is prepared on half yearly basis for Bangladesh Bank and internal management. In comprehensive risk management report, a large amount of data is captured for identification and analysis of risks. Following issues are included in the half yearly comprehensive risk management report: A. Global Economic Outlook B. Bangladesh Economy C. Summary of the activities of Risk Management Committee at the board level D. Credit Risks Analysis E. Market Risk F. Liquidity Risk G. Operational Risk H. Reputational Risk I. Core Risk Management J. Compliance Risk K. Environmental Risk Management and Other information L. Money Laundering Risk	Half Yearly	Complied

SL	Name of the reporting	Description of the Reporting	Frequency of the Report	Compliance Status
4	Capital to Risk-Weighted Asset Ratio	<p>This metric represents an assessment to measure the adequacy of the bank's capital against its risk exposure. This ratio is calculated and reported in accordance with the risk based capital adequacy guidelines of Bangladesh Bank. For calculating risk weighted asset following risks are considered:</p> <ol style="list-style-type: none"> Credit risk: Standardized method is used to measure credit risk Market risk: Standardized method is used to measure credit risk Operational risk: Basic indicator method is used to measure operational risk. 	Quarterly	Complied
5	ICAAP reporting	<p>Internal Capital Adequacy Assessment Process (ICAAP) reporting provides a measure of the bank's adequate capital requirement against its entire risk profile. Apart from credit risk, market risk and operational risk additional 10 risk is considered for calculating adequate capital:</p> <ol style="list-style-type: none"> Residual risk Concentration risk Profit Risk Rate in Banking Book Liquidity risk Reputation risk Strategic risk Settlement risk Appraisal of core risk management Environment and climate change risk Other material risks. 	Yearly	Complied
6	Market Discipline (Disclosure requirement under Pillar III of Basel III)	<p>The aim of introducing Market discipline is to establish more transparent and more disciplined financial market so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets.</p> <p>For this purpose, banks disclose a set of information both quantitative and qualitative form on its assets, risk exposures, risk assessment processes. Following issues are disclosed both qualitative and quantitative form in the report:</p> <ul style="list-style-type: none"> ➤ Scope of application ➤ Capital structure ➤ Capital adequacy ➤ Credit Risk ➤ Equities: disclosures for banking book positions ➤ Interest rate risk in the banking book (IRRBB) ➤ Market risk ➤ Operational risk ➤ Leverage Ratio ➤ Liquidity Ratio ➤ Remuneration 	Yearly	Complied
7	Stress testing	<p>Stress testing presents the effects of several assumptions applied to measure the capital base level in stressed scenarios. SIBL carries out stress testing on a regular basis in order to judge the sensitivity and stability of its capital base. Following issues are considered for minor, moderate and major level shock while conducting stress testing:</p> <ul style="list-style-type: none"> ➤ Increase in NPLs in two particular sectors ➤ Negative shift in NPL categories ➤ Increase in NPLs due to default of a large borrower ➤ Increase in NPLs ➤ Equity price fluctuation ➤ Foreign exchange rate fluctuation ➤ Decrease in FSV in collateral ➤ Changes in interest rates 	Quarterly	Complied

MARKET DISCIPLINE

Disclosure on Risk Based Capital Adequacy under Pillar-III of Basel III for the year 2018

A) Scope of Application

<i>Qualitative Disclosure</i>	
(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
<i>Quantitative Disclosures</i>	
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	
<p>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>	<p>As per Bangladesh Bank BASEL-III guidelines; Tier I capital is divided into:</p> <ul style="list-style-type: none"> a) Common Equity Tier I (CET-1) Capital b) Additional Tier I (AT-1) Capital <p>a) Common Equity Tier-I capital of the Bank consist of - 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, 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: 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>

Quantitative Disclosures		
	As on December 31, 2018 (in million taka)	
	Solo	Consolidated
Tier-1 Capital (Going Concern Capital):		
Common Equity Tier-1 (CET-1)		
Fully Paid-up Capital	8,121.29	8,121.29
Statutory Reserve	5,795.46	5,795.46
General Reserve	0	10.76
Retained Earnings	878.14	904.87
Total CET-1	14,794.88	14,832.37
Additional Tier-1 Capital (AT-1)	0	0

Total Admissible Tier-1 Capital	14,794.88	14,832.37
Tier-2 Capital (Gone Concern Capital) :		
General Provision	2,291.06	2,291.06
Subordinated debt	8,920.00	8,920.00
Revaluation Reserves	105.57	105.57
Total Tier-2 Capital	11,316.63	11,316.63
Total Admissible Tier-2 Capital	11,316.63	11,316.63
Total Capital	26,111.52	26,149.00
Regulatory Adjustments:	0	0
Total Eligible Capital	26,111.52	26,149.00

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.	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.

Quantitative Disclosures			
Particulars		As on December 31, 2018 (in million taka)	
		Solo	Consolidated
b)	Capital requirements for Investment (Credit) Risk	16,467.39	16,332.07
c)	Capital requirements for Market Risk	2,05.30	226.90
d)	Capital requirements for Operational Risk	1,627.41	1,640.34
	Total capital requirement	18,300.10	18,199.31
e)	Capital to Risk Weighted Asset Ratio	14.27%	14.37%
	CET-1 Capital Ratio	8.08%	8.15%
	Tier-I Capital Ratio	8.08%	8.15%
	Tier-II Capital Ratio	6.18%	6.22%

f)	Capital Conservation Buffer	As per BB roadmap for implementation of Basel III, creation of Capital Conservation Buffer (CCB) has been made effective from January, 2016. As on 31.12.2018 SIBL maintained the capital conservation buffer @1.875%.		
		Particulars	Solo	Consolidated
		Required CCB	1.875%	1.875%
		Required CET-1 Ratio including CCB	6.375%	6.375%
		Maintained CET-1 Ratio	8.08%	8.15%
		Required CRAR Ratio including CCB	11.875%	11.875%
g)	Available Capital under Pillar 2 Requirement	Solo	Consolidated	
	Total Eligible Regulatory Capital [A]	26,111.51	26,149.00	
	Minimum Capital Requirement under Pillar 1 [B]	18,300.10	18,199.31	
	Capital Conservation Buffer [C]*	3,431.27	3,412.37	
	Minimum Capital Requirement including Capital Conservation Buffer [D=B+C]	21,731.37	21,611.68	
	Available Capital for Pillar 2 [E=A-D]	4380.14	4,537.32	

D) Investment Risk

Qualitative Disclosures	
<p>a) The General Qualitative disclosures requirement with respect to credit Risk, including:</p>	<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:</p> <p>'Sub-Standard'- if it is past due / overdue for 3 months or beyond but less than 6 months.</p> <p>'Doubtful'- if it is past due / overdue for 6 months or beyond but less than 9 months.</p> <p>'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>

MARKET DISCIPLINE
Disclosure on Risk Based Capital Adequacy under Pillar-III of Basel III for the year 2018

	<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, @ 1% on unclassified investment amount of House building finance, @ 2% on unclassified investment amount of 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>iii) 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>
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ii) Description of approaches followed for specific and general allowances and statistical method;	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.
	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.
	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.

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.

Quantitative Disclosures																																	
B) Total gross Investment/ Credit Risk exposures broken down by major types of Investment exposures.	In million Tk.																																
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #D9E1F2;">Type of Investment</th> <th style="background-color: #D9E1F2;">As on 31.12.2018</th> </tr> </thead> <tbody> <tr><td>Musharaka</td><td style="text-align: right;">347.71</td></tr> <tr><td>Murabaha</td><td style="text-align: right;">3,889.30</td></tr> <tr><td>Mudaraba</td><td style="text-align: right;">2,061.86</td></tr> <tr><td>Bai-Muazzal</td><td style="text-align: right;">157,973.56</td></tr> <tr><td>Hire-Purchase Sirkatul Meelk</td><td style="text-align: right;">54,779.81</td></tr> <tr><td>Quard</td><td style="text-align: right;">6,850.18</td></tr> <tr><td>Bai-Salam</td><td style="text-align: right;">775.68</td></tr> <tr><td>Staff Loan</td><td style="text-align: right;">2,385.98</td></tr> <tr><td>Ijarah</td><td style="text-align: right;">660.07</td></tr> <tr><td>Visa Card</td><td style="text-align: right;">710.84</td></tr> <tr><td>In land Bill Purchase</td><td style="text-align: right;">2,718.26</td></tr> <tr><td>Foreign Bill Purchased</td><td style="text-align: right;">158.66</td></tr> <tr><td>Murabaha Bill of Exchange</td><td style="text-align: right;">1,655.27</td></tr> <tr><td>Baim-Wes bills</td><td style="text-align: right;">3,686.98</td></tr> <tr> <td style="background-color: #D9E1F2;">Total</td> <td style="background-color: #D9E1F2; text-align: right;">238,654.17</td> </tr> </tbody> </table>	Type of Investment	As on 31.12.2018	Musharaka	347.71	Murabaha	3,889.30	Mudaraba	2,061.86	Bai-Muazzal	157,973.56	Hire-Purchase Sirkatul Meelk	54,779.81	Quard	6,850.18	Bai-Salam	775.68	Staff Loan	2,385.98	Ijarah	660.07	Visa Card	710.84	In land Bill Purchase	2,718.26	Foreign Bill Purchased	158.66	Murabaha Bill of Exchange	1,655.27	Baim-Wes bills	3,686.98	Total	238,654.17
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		In million Tk.
		As on 31.12.2018
C) Geographical Distribution of exposures, broken down in significant areas by major types of credit exposure.	Name of the Division	
	Dhaka	179,249.91
	Chittagong	42,056.60
	Sylhet	831.66
	Rajshahi	6,600.82
	Khulna	6,665.38
	Rangpur	2,182.68
	Barisal	1,067.12
	Total	238,654.17
D) Industry or counterparty type distribution of exposures, broken down by major types of Investment/credit exposure.	In million Tk.	
	Mode of Investment	As on 31.12.2018
	Commercial lending	61,034.90
	Export Financing	3,976.66
	House Building Investment	3,830.22
	Investment against Scheme & MTDR	2,699.90
	Small and Medium Enterprises	55,648.16
	Micro Investment	366.42
	Other Investments	10,274.44
	Off-shore Banking Unit	2,061.86
	Allied concern of Directors of SIBL	-
	Executives & Staffs of SIBL	2,602.68
	Agricultural Industries	4,689.23
	Textile Industries	33,873.07
	Food & Allied Industries	9,664.90
	Pharmaceutical Industries	1,606.82
	Leather, Chemical, Cosmetic etc.	1,128.96
	Construction Industries	8,743.03
	Cement and Ceramic Industries	4,725.95
	Service Industries	9,414.50
	Transport and Communication Industries	3,179.50
Other Industries	19,132.96	
Total	238,654.17	

In million Tk.		
	Particulars	As on 31.12.2018
e) Residual contractual maturity break down of the whole portfolio, broken down by major types of investment/credit exposure.	Re-payable on Demand	29,139.62
	Not more than 3 months	48,896.93
	Over 3 months but not more than 1 year	109,233.66
	Over 1 year but not more than 5 years	45,674.63
	Over 5 years	5,709.33
	Total	238,654.17
f) By major industry or counterparty type	Amount of impaired investments and if available, past due investments.	
	Particulars	As on 31.12.2018
	Past Due	-
	Special Mentioned Account	567.95
	Substandard	656.49
	Doubtful	739.88
	Bad or Loss	16,954.63
	Total	18,918.95
	Specific and general provisions:	
	Specific Provisions	6,398.01
	General Provisions	2,291.06
	Total	8,689.07
	Charges for specific allowances and charge-offs during the period	
	Provision on classified investment	2,825.06
	Provision on unclassified investment	-349.20
Provision on Off-Balance Sheet items	-214.35	
Other provisions	33.32	
Total	2,294.82	
g) Gross Non Performing Assets (NPAs)	Gross Non Performing Assets of the bank is 18,350.99-Million	
Non Performing assets to outstanding investment	Non Performing assets to outstanding investment is 7.69%	
Movement of non performing assets	Opening balance	17,227.10
	Addition	1,123.90
	Reduction	-
	Closing Balance	18,351.00

Movement of Specific provisions for Non performing assets	Opening Balance	3,473.74
	Add: Provision made during the year	2,975.24
	Less: Write-off	50.97
	Add: Write back of excess provision	-
	Closing balance	6,398.01

E. Equities: Disclosures for Banking Book Positions

Qualitative Disclosures

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

<p>a) Differences between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons ;and</p>	<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>
<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>

Quantitative Disclosures			
As on December 31, 2018 (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.	706.94	706.94
b)	The cumulative realized gains (losses) arising from sales & liquidations in the reporting period.	-	-
c)	Total unrealized gains (losses)	(112.90)	(112.90)
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	594.04	594.04
	General Market Risk	594.04	594.04

F. Profit Rate Risk in the Banking Book

Qualitative Discloser			
a) The general qualitative discloser 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 Discloser			
(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	80,793.50	28,040.80	65,991.90
RSL	112,617.30	40,004.80	46,984.90
Gap	-31,823.80	-11,964.00	19,007.00
Cumulative Gap	-31,823.80	-43,787.80	-24,780.80
Adjusted Profit Rate Change (PRC)	1.00%	1.00%	1.00%
Earnings Impact (Cum. Gap*PRC)	-318.24	-437.88	-247.81
Accumulated Earnings Impact to Date	-318.24	-756.12	-1003.92

G. Market Risk

Qualitative Discloser	
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, 2018	
	Solo	Consolidated
b) The capital requirements for		
Profit rate risk	-	-
Equity position risk	129.20	150.90
Foreign exchange risk	76.10	76.10
Commodity risk	-	-
Total Capital Requirement	205.30	227.00

H. Operational Risk

Qualitative Disclosures	
i) Views of BOD on system to reduce operational risk	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. 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.
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.

MARKET DISCIPLINE
Disclosure on Risk Based Capital Adequacy under Pillar-III of Basel III for the year 2018

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

As on 31.12.2018	Amount in million Taka	
Capital Requirement for	Solo	Consolidated
Operational Risk	1,627.41	1,640.34

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>

<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> <ul style="list-style-type: none"> a) Asset-Liability Maturity Analysis (Liquidity profile); b) Whole sale borrowing capacity; c) Maximum Cumulative Outflow (MCO); <p>Besides the above, the following tools are also used for measuring liquidity risk:</p> <ul style="list-style-type: none"> a) Stress Testing (Liquidity Stress); b) Net open position limit - to monitor the FX funding liquidity risk;
<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>

	iv) Policies and processes for mitigating Liquidity Risk	<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.</p> <p>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)	<p>The Liquidity Coverage Ratio (LCR) under Liquidity Ratios of Basel III of Social Islami Bank Limited as of 31 December 2018 was as under:</p> <p>Liquidity Coverage Ratio (LCR) = Stock of High quality liquid assets / Net cash outflows over the next 30 calendar days</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: center;">particulars</th> <th colspan="2" style="text-align: center;">Ratio (%)</th> </tr> <tr> <th style="text-align: center;">BB requirement</th> <th style="text-align: center;">SIBL's position</th> </tr> </thead> <tbody> <tr> <td>Liquidity Coverage Ratio (LCR)</td> <td style="text-align: center;">≥ 100%</td> <td style="text-align: center;">131.47%</td> </tr> </tbody> </table>	particulars	Ratio (%)		BB requirement	SIBL's position	Liquidity Coverage Ratio (LCR)	≥ 100%	131.47%
particulars	Ratio (%)									
	BB requirement	SIBL's position								
Liquidity Coverage Ratio (LCR)	≥ 100%	131.47%								
	ii) Net Stable Funding Ratio (NSFR)	<p>The Net Stable Funding Ratio (NSFR) under Liquidity Ratios of Basel III of Social Islami Bank Limited as of 31 December 2018 was as under:</p> <p>Net Stable Funding Ratio (NSFR) = Available amount of stable funding (ASF) / Required amount of stable funding (RSF)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: center;">particulars</th> <th colspan="2" style="text-align: center;">Ratio (%)</th> </tr> <tr> <th style="text-align: center;">BB requirement</th> <th style="text-align: center;">SIBL's position</th> </tr> </thead> <tbody> <tr> <td>Net Stable Funding Ratio (NSFR)</td> <td style="text-align: center;">≥ 100%</td> <td style="text-align: center;">122.44%</td> </tr> </tbody> </table>	particulars	Ratio (%)		BB requirement	SIBL's position	Net Stable Funding Ratio (NSFR)	≥ 100%	122.44%
particulars	Ratio (%)									
	BB requirement	SIBL's position								
Net Stable Funding Ratio (NSFR)	≥ 100%	122.44%								
	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 2018 is Tk. 35,338.03 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 2018 is Tk. 26,879.16 million.								
	v) Available amount of stable funding	<p>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 2018 was as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Amount (in million)</th> </tr> </thead> <tbody> <tr> <td>Available amount of Stable Funding (ASF)</td> <td style="text-align: right;">2,55,812.53</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">2,55,812.53</td> </tr> </tbody> </table>	Particulars	Amount (in million)	Available amount of Stable Funding (ASF)	2,55,812.53	Total	2,55,812.53		
Particulars	Amount (in million)									
Available amount of Stable Funding (ASF)	2,55,812.53									
Total	2,55,812.53									
	vi) Required amount of stable funding	<p>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 2017 was as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Amount (in million)</th> </tr> </thead> <tbody> <tr> <td>Required amount of Stable Funding (RSF)</td> <td style="text-align: right;">2,08,925.35</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">2,08,925.35</td> </tr> </tbody> </table>	Particulars	Amount (in million)	Required amount of Stable Funding (RSF)	2,08,925.35	Total	2,08,925.35		
Particulars	Amount (in million)									
Required amount of Stable Funding (RSF)	2,08,925.35									
Total	2,08,925.35									

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</p> <p>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	Leverage Ratio (LR) under Basel III of Social Islami Bank Limited as of 31 December 2018 was as under:	
	Leverage Ratio (LR) = Tier 1 Capital (after related adjustment)/Total Exposure (after related deductions)	
	Particulars	Ratio (%)
	BB requirement	SIBL's position
	Leverage Ratio (LR)	> 3% 4.63%
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 2018 is Tk. 3,00,942.42 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 2018 is Tk 18,695.54 million.	
iv) Total exposure	Total Exposures for calculating Leverage Ratio under Basel III of Social Islami Bank Limited as of 31 December 2018 is Tk. 3,19,637.96 million.	

K. Remuneration

Qualitative Disclosures

a	Information relating to the bodies that oversee remuneration	
i) Name of the bodies that oversee remuneration		<p>Board of Directors of the Bank is actually the main body to oversee the remuneration. The Board, however, generally suggest the management to place proposal for revision of remuneration from time to time.</p> <p>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 the Board of Directors.</p>
ii) Composition of the main body overseeing remuneration		<p>Board of Directors of the Bank form a special committee consisting of competent directors for reviewing the proposal of the MANCOM regarding remuneration.</p> <p>The MANCOM is headed and chaired by the Managing Director & CEO of the Bank; along with other members of top executives and the Heads of different functional divisions of Head Office.</p>
iii) Mandate of the main body overseeing remuneration		<p>The mandate of MANCOM 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.</p>
iv) External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.		<p>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.</p>
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.		<p>The Bank does not differentiate the 'Pay Structure' and 'employee benefits' by regions.</p>
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.		<p>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.</p>

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 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 01.02.2017.
	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	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.
	iii) A discussion of the ways in which these measures affect remuneration.	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.
	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	Considering industry practice and competitiveness the Board of Directors of the bank revised pay scale to the employee of SIBL with effect from 01.02.2017.

Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	
d	i) An overview of main performance metrics for bank, top-level business lines and individuals. 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.
	ii) A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance. 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.
	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. The Bank follows remuneration process as per set criteria with no in general adjustment in the event of weak performance metrics/ scorecard.
Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance.	
e	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. 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.
	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. Not Applicable

Quantitative Disclosures						
f	<p>Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms.</p> <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.</p>	<p>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.</p>				
	<p>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.</p>	<p>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.</p>				
g	<p>Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.</p>	<p>There were 3 (Three) meetings of the MANCOM held during the year 2018. All the members of MANCOM are from the core banking area/operation of the Bank. No additional remuneration was paid to the members of the MANCOM for attending the meeting except their regular remuneration.</p>				
h	<p>i) Number of employees having received a variable remuneration award during the financial year.</p>	<p>The following Number of Employees were received a variable remuneration during the year 2018:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #D9E1F2;"> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Number</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Number of employees having received a variable remuneration award during the year 2018</td> <td style="text-align: center;">Not Applicable</td> </tr> </tbody> </table>	Particulars	Number	Number of employees having received a variable remuneration award during the year 2018	Not Applicable
	Particulars	Number				
	Number of employees having received a variable remuneration award during the year 2018	Not Applicable				
	<p>ii) Number and total amount of guaranteed bonuses awarded during the financial year.</p>	<p>The following number and total amount of Guaranteed bonuses awarded during the year 2018: All employee of SIBL get two festival bonuses every year.</p>				
<p>iii) Number and total amount of sign-on awards made during the financial year.</p>	<p>There was no sign-on awards made in 2018.</p>					
<p>iv) Number and total amount of severance payments made during the financial year.</p>	<p>There was no severance payment made during the year 2018.</p>					
i	<p>i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.</p>	<p>Not Applicable</p>				
	<p>ii) Total amount of deferred remuneration paid out in the financial year.</p>	<p>Not Applicable</p>				

j	Breakdown of amount of remuneration awards for the financial year to show:	i) Fixed and variable remuneration paid in 2018 are as follows: Amount in Million Taka	
		Fixed pay	3,133.93
		Variable pay	-
		Total fixed and variable pay	3,133.93
		ii) Deferred and non-deferred (paid during the year). Not Applicable	
		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.	
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:			
k	i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.		Not Applicable
	ii) Total amount of reductions during the financial year due to ex post explicit adjustments.		Not Applicable
	iii) Total amount of reductions during the financial year due to ex post implicit adjustments.		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.

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 2017 has been prepared for a year basis for the period of January to December 2017. Text and statistics in the Report cover sites owned and operated wholly by Social Islami Bank during the period 1 January 2017 to 31 December 2017.

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.

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 behavior at all levels Ensure compliance at all times Providing timely and accurate information 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

SOCIAL RESPONSIBILITY INITIATIVES (CSR)

"Corporate Social Responsibility is an integral part of Social Islami Bank. Through different projects we hope to contribute to the community, but our main focus is to help the underprivileged community in Bangladesh. SIBL has always been active in social responsibility projects since the beginning. SIBL always prioritizes the Bangladesh Bank CSR Guideline and focus on long-term programs rather than the short-term ones that have sustainable impact on the people and society of the country."

Corporate Social Responsibility of SIBL

As part of Corporate Social Responsibility (CSR), welfare activities of Social Islami Bank Limited (SIBL) are being carried out mainly from-

- Profit of Cash Waqf Fund
- Compensation Fund
- Doubtful Income and
- 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-

- Family Rehabilitation,
- Education & Culture,
- Health & Sanitation and
- Social Utility and others in conformity with Shariah.

Cash Waqf is broadly categorized as-

- a. General 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.
- b. Specific 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, and 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:

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

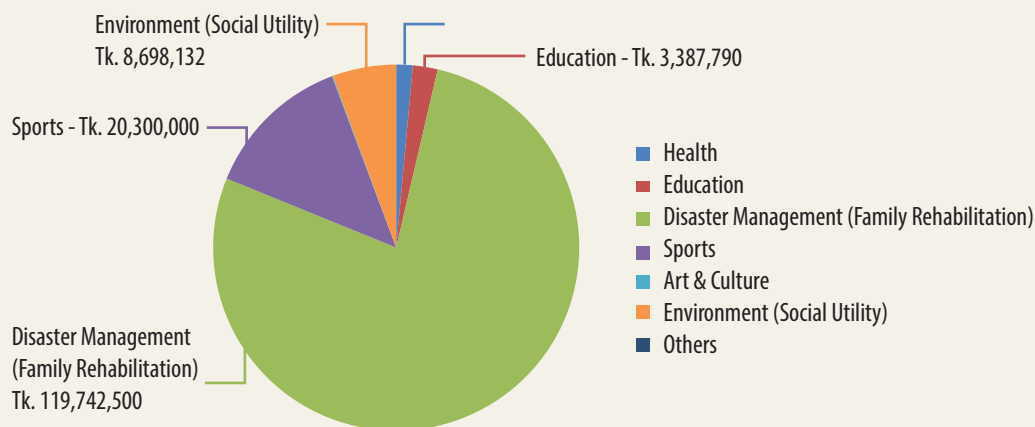
CSR ACTIVITIES UNDER-TAKEN DURING THE YEAR

SIBL has contributed a sum of total Tk. 154.50 million in the field of Health, Education, Disaster Management (Family Rehabilitation), Sports, Art & Culture, Environment (Social Utility) & Others during year 2018, which are furnished hereunder:

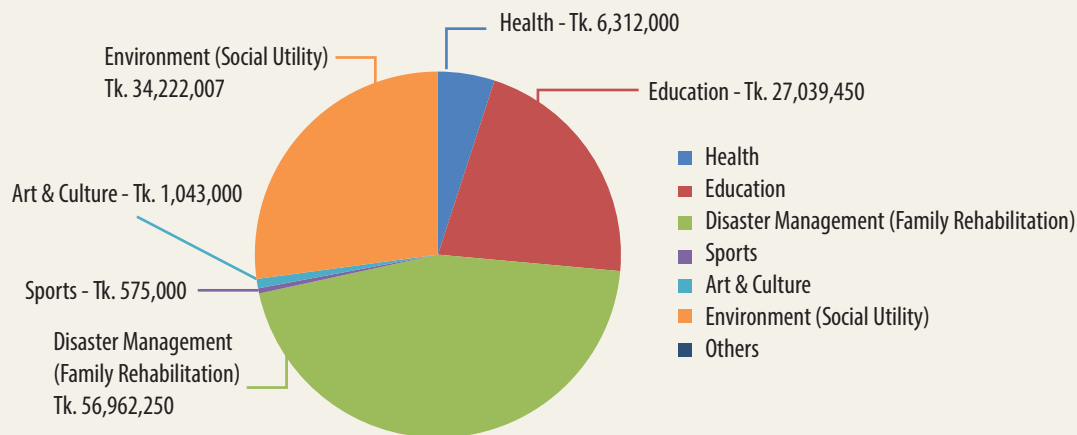
(Figure in Tk.)

Sectors	Contribution	
	in 2018	in 2017
Health	2,253,425	6,312,000
Education	3,387,790	27,039,450
Disaster Management(Family Rehabilitation)	119,742,500	56,962,250
Sports	20,300,000	575,000
Art & Culture	120,750	1,043,000
Environment (Social Utility)	8,698,132	34,222,007
Others	-	-
Total	154,502,597	126,153,707

Contribution in 2018



Contribution in 2017



ENVIRONMENT RELATED INITIATIVES



“Social Islami Bank Limited believes it is important to promote environment-friendliness in society as a whole through the financial products and services it offers as part of its core business based on the knowledge and insight of a global financial group. From this perspective, SIBL is developing businesses that contribute to the environment according to the nature of their own operations.”

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

Phase 02

- 1.9 Disclosure and reporting of green banking activities
- 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

Social Islami Bank Limited takes environmental stewardship ahead of each year realizing the present generation's responsibility to the future. By adopting Environmental Risk Management (ERM) Guidelines for Banks and Financial Institutions in Bangladesh, Social Islami Bank Limited closely monitors the environmental impact of every steps and effectively mitigates any risks arise thereon. With more emphasis on environmental risk management programs, at Social Islami Bank Limited, a noticeable increase has occurred in the amount of screening and due diligence efforts to gather information on potential environmental risks. We take every effort to delight our clients being the growth partner in financing environment friendly products or initiatives.

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.

- Formation of Green Banking Unit
- Circulation of Environment Due Diligence (EDD)
- Circulation of Environment Risk Rating (ERR)
- Circulation of Green Office Guide
- Formation of Green Banking Policy
- Some Green Event

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

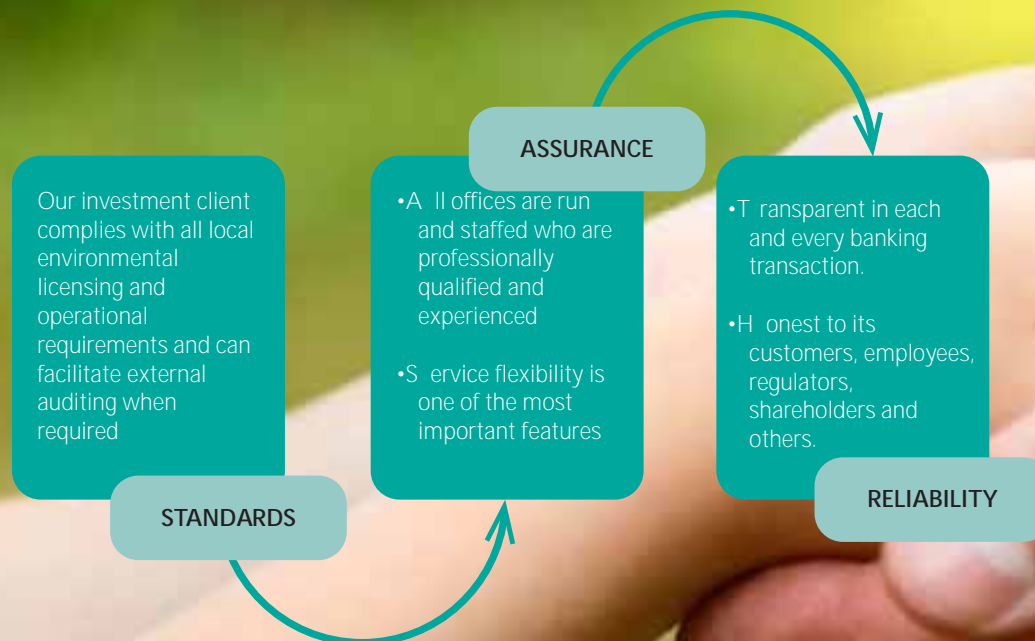
Saving our 'Mother Planet' has become the crucial issue now-a-days. To save our beloved abode (the earth) from all types of erosion and pollution we, as global citizens, obviously have some responsibilities to keep our mother planet green remaining in our individual position we belong to.

ENVIRONMENTAL & SOCIAL OBLIGATIONS

"We are well aware of the social and environmental obligations we have to our customers, our staff and our planet. We take these responsibilities seriously and have implemented a program of ongoing assessment of working practices, adapting our operations to meet the following commitments."

SOCIAL OBLIGATIONS

SIBL actively participate in Corporate Social Responsibility (CSR) activities of the Bank. During the year SIBL spend Taka 154 million under Health, Education, Sports, Disaster Management and Environmental programs which was Taka 109.23 million in 2016. This is a reaffirmation of the commitment of SIBL towards the society.



ENVIRONMENTAL OBLIGATIONS

ENERGY

Energy Savings

Our new Corporate Office, where we have moved during the year 2011 has been designed to utilize maximum usage of natural lights, which reduces energy consumption substantially compared to other conventional building. Around a third of the bulbs being used in this office are of energy savings type. We are saving around 40% electricity (used for lighting purpose) by using the day light in our Corporate Office. Our electronic mail system has been operational since 2005, which is being extensively used for internal as well as external communication. Electronic communication substantially reduces paper consumption thereby reduce deforestation.

Energy Consumption

Energy Type	Million Taka
Electricity	79.05
Gas	-
Fuel	16.08

Financing Renewable Energy and Carbon Offset Projects

We have installed Solar panels in our 17 branches located at Patherhat, Patkelghata, Akhaura, Dewanhat, Bibirhat, Shahzadpur, Gobindagonj, Naogaon, Dhamrai, Fenchugonj, Atorar Dipo, Hajigonj, Chowgacha, Chandaikona, Fakirhat, Shayedpur and Dupchachia branches. During 2018 we have disbursed Tk. 902.65 million to 16 business entities, which helps sequestration of Carbon.

Reducing Energy & Resource Consumption

Instruments of Green Banking offered by Cards Division include E-Statement, SMS Banking, SMS Alert, Net Banking, E Fund Transfer and Digital Attendance and Paperless Board of Directors meeting, E Mail corresponding, Video Conference, Tele Conference and introducing separate approval process which help reducing printing paper.

- | | |
|-----------------------|--|
| 1. Instruments | 8. E Mail corresponding |
| 2. E-Statement | 9. Video Conference |
| 3. SMS Banking | 10. Tele Conference |
| 4. SMS Alert | 11. Paperless Board of Directors Meeting |
| 5. Net Banking | 12. SIBL NOW Instant Banking |
| 6. E Fund Transfer | |
| 7. Digital Attendance | |

WATER

Reducing Carbon Footprint & Water Usage

As part of our commitment for our Green Economy we have refinance in Solar Energy, Bio- Gas, and Effluent Treatment Plant & Hybrid Hoffman Kiln (HHK).

During 2018, SIBL provided Tk. 870.78 million to New Generation Clay Bricks which envisages of setting of a modern, environment friendly & energy efficient Brick Manufacturing project utilizing Hybrid Hoffmann Kiln Technology with a capacity of 120,000 pieces auto bricks per day.



INTEGRATED REPORTING

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."

Integrated reporting aims to give a holistic view of the organization by putting all the information related to Our Vision, Mission, Commitments, and Strategic Objectives. It also includes SIBL Brand Values, Code of Conducts and ethical principles.

SIBL offers 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. The bank always shows 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 environment.

SIBL runs with a vision 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.

Mission of the bank is comprehended of-

- 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 innovation 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.

SIBL is committed to shariah, regulators, shareholders, nation, customers, employees, other stakeholder and environment.

CORE VALUES



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

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.”



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	2018	2017	2016	2015	2014
Total number of employee	2847	2599	2363	2130	1922
Total number of Branches	155	138	125	111	100
Employee per branch (nos)	19	19	19	19	19
Deposit per employee (million Tk)	87.22	88.03	80.64	65.70	64.76
Investment per employee (millionTk)	83.83	80.82	73.72	61.36	56.11
Operating profit per employee (million Tk)	83.83	2.37	2.41	2.28	2.10
Salaries & Allowances per employee(millionTk)	1.10	1.12	1.03	1.03	0.87
Salaries & Allowances as percentage of Operating profit	51.21%	47.02%	42.82%	45.61%	41.27%

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 is approved by the Revenue Board and are funded liability for the bank. 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. 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.

Given below is the position of the employee's benefit funds:

Description	2018	2017	2016	2015
Social Islami Bank Profit Dependent Employee's Provident Fund	1,748.97	1,389.98	962.69	819.17
Social Islami Bank Employee's Gratuity Fund	925.29	781.77	447.14	364.57
SIBL employees' Superannuation Fund	169.87	133.20	90.14	74.19
Total	2,844.13	2,304.95	80.64	1,257.93

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 is observed that the employees who were trained, render good performance. Social Islam Bank Training Institute always conduct foundation training courses for the fresh Officers and Training, workshops and Seminar on different contemporary issues related to banking industries where different Officers and executives have participated.

TRAINING OF STAFF

Social Islami Bank Training Institute conducte several type of traing from 01st January, 2018 to December, 2018 as below-

Name of the Training	Number	Participant Number
Foundation Course in Banking for Probationary Officers	09	350
Islamic Banking Operation: Procedure in view of Shari'ah Perspective	01	40
Refresher's Course in Banking for Mid- Level Officers	01	40
Investment Management	03	120
Foreign Exchange and Foreign Trade	01	40
Total	15	590

WORKSHOP OF STAFF

Social Islami Bank Training Institute conducte several type of Workshop from 01st January, 2018 to December, 2018 as below-

Name of the Training	Number	Participant Number
Security Awareness of ICT Operations	04	389
AML & CFT with special session on Trade Based ML Prevention Procedures	09	619
Foreign Trade Business & Bangladesh Bank Reporting"	01	70
Magnetic Reader Account opening form and Digital Archiving procedure of account opening documents in DMS system	04	150
Recovery of Overdue, Classified, Written off Investments & Provisioning	02	80
Branch Management & Leadership Development	01	40
Total	21	1348

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' Super-annuation 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	Age Range						Total
	< 30 years		30-50 years		> 50 years		
	Male	Female	Male	Female	Male	Female	
2018	502	163	1690	363	119	10	2847
2017	380	135	1640	336	101	7	2599
2016	382	115	1464	293	103	6	2363
2015	413	104	1275	251	84	3	2130
2014	384	95	1142	218	81	2	1922

Breakdown by age group for permanent employees

Gender	Employee Category						Total
	Entry Level		Mid-Level		Senior Management		
	Male	Female	Male	Female	Male	Female	
2018	1352	363	921	171	35	2	2847
2017	1151	309	824	158	146	11	2599
2016	984	248	804	157	161	9	2363
2015	965	214	695	138	112	6	2130
2014	915	189	581	121	111	5	1922

শরী'আহ সুপারভাইজরী কমিটির বার্ষিক প্রতিবেদন-২০১৮ইং

الْحَمْدُ لِلَّهِ الَّذِي جَعَلَنَا خَيْرَ أُمَّةٍ أُخْرِجَتْ لِلنَّاسِ وَالصَّلَاةَ وَالسَّلَامُ عَلَى سَيِّدِنَا مُحَمَّدٍ الْمَبْعُوثِ
بَيْنَ يَدَيِ السَّاعَةِ ، وَصَاحِبِ الْحَوْضِ وَالشَّقَاعَةِ ، وَأَفْضَلِ مَنْ دَعَا إِلَى الْخَيْرِ أَتْبَاعَهُ ، صَلَّى
اللَّهُ وَسَلَّم عَلَيْهِ ، وَعَلَى آلِهِ وَأَصْحَابِهِ وَمَنْ تَبِعَهُمْ إِلَى يَوْمِ الدِّينِ ، أَمَّا بَعْدُ :

ব্যাংকের শরী'আহ সুপারভাইজরী কমিটি ২০১৮ইং সালে ০৪ টি সভায় মিলিত হয়ে পরিচালনা পর্ষদ ও ব্যবস্থাপনা কর্তৃপক্ষের প্রেরিত বিষয়াদি ও ব্যাংকের সার্বিক কার্যক্রম পর্যালোচনাপূর্বক শরী'আহ বিষয়ক মতামত ও সিদ্ধান্ত প্রদান করে। ২০১৮ইং সালের বার্ষিক পরিকল্পনার আলোকে ব্যাংকের বিদ্যমান ১৩৮টি শাখার মধ্যে ১৩৮টি শাখায়ই মুরাকীবেদের মাধ্যমে শরী'আহ অডিট এন্ড ইনস্পেকশন সম্পন্ন করা হয়েছে, আল-হামদু-লিল্লাহ। শরী'আহ অডিট এন্ড ইনস্পেকশন 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 ওয়ার্কশপ ও ট্রেনিং প্রদান করেছে, 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 শরী'আহ মতামত এবং প্রয়োজনীয় দিক নির্দেশনা প্রদান করা। অপরদিকে ব্যাংকের দৈনন্দিন যাবতীয় কার্যক্রমে ইসলামী শরী'আহ পরিপালন নিশ্চিত করা ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষের দায়িত্ব।

ব্যাংকের ২০১৮ইং সালের শরী'আহ অডিট এন্ড ইনস্পেকশন রিপোর্ট এবং আর্থিক প্রতিবেদন তথা ব্যালান্স শীট, লাভ-ক্ষতি হিসাব ও অন্যান্য আয়-ব্যয় হিসাব (নিরীক্ষিত) পর্যালোচনাপূর্বক শরী'আহ সুপারভাইজরী কমিটি নিম্নরূপ অভিমত ও পরামর্শ প্রদান করেছে:

AmfGZt

- ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক পেশকৃত রিপোর্টে প্রতীয়মান হয়েছে যে, 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।
- সোশ্যাল ইসলামী ব্যাংক লিমিটেড এর আলোচ্য বছরের 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 ইনস্পেকশন রিপোর্টে চিহ্নিত সন্দেহজনক আয় বন্টনযোগ্য আয় থেকে পৃথক করা হয়েছে।
- নিম্ন আয়ের মানুষের জীবনযাত্রার মান উন্নয়নে গ্রামাঞ্চলের শাখাসমূহে চালুকৃত “পারিবারিক ক্ষমতায়নে ইসলামী মাইক্রো-ফিনান্স কর্মসূচী” নিঃসন্দেহে একটি প্রসংশনীয় উদ্যোগ বলে কমিটি মনে করে, যা দেশের আর্থ-সামাজিক উন্নয়নে ইতিবাচক ভূমিকা রাখবে।



ড. মোহাম্মদ গিয়াস উদ্দীন তালুকদার
সদস্য-সচিব
শরী'আহ সুপারভাইজরী কমিটি

ciugkt

- 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।
- ব্যাংক ও গ্রাহকদের সামগ্রিক কল্যাণ ও যুগোপযোগী চাহিদা পূরণের লক্ষ্যে লাভ-লোকসানের অংশীদারিত্বমূলক মুশারাকা ও মুদারাবা বিনিয়োগ চালু করার কার্যকরী পদক্ষেপ গ্রহণ করা দরকার।
- ব্যাংকের সর্বস্তরের জনশক্তিকে ইসলামী ব্যাংকিং বিষয়ক জ্ঞানে সমৃদ্ধ করা, দক্ষ জনশক্তি তৈরী এবং সকলের মধ্যে তাফুওয়া ও জবাবদিহিতার অনুভূতি বৃদ্ধির লক্ষ্যে ইসলামী ব্যাংকিং ও শরী'আহ বিষয়ে নিয়মিত প্রশিক্ষণ আরো বৃদ্ধি করা জরুরী।
- 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।
- ‘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।
- নিম্ন আয়ের মানুষের জীবনযাত্রার মান উন্নয়নে ব্যাংকের বিনিয়োগ খাতকে বহুমুখীকরণের লক্ষ্যে এসএমই ও কৃষি বিনিয়োগ এর পাশাপাশি বিদ্যমান “পারিবারিক ক্ষমতায়নে ইসলামী মাইক্রো-ফিনান্স কর্মসূচী” সকল শাখায় চালু করা।
- সিএসআর কার্যক্রমের আওতায় সোশ্যাল 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 রাব্বুল আলামীন আমাদের জীবনের সর্বক্ষেত্রে ইসলামী শরী'আহ পরিপালনের মাধ্যমে তাঁর সন্তুষ্টি অর্জনে সচেষ্ট হওয়ার তাওফীক দান করুন।
আমীন।



মুফতি মুহাম্মদ মুহিবুররাহিল বাকী
চেয়ারম্যান (চলতি দায়িত্ব)
শরী'আহ সুপারভাইজরী কমিটি

NEWS AND EVENTS

CORPORATE SOCIAL RESPONSIBILITY



Social Islami Bank Limited (SIBL) donated Tk. 5 Crore to the Prime Minister's Relief and Welfare Fund on 13 April, 2018 under the CSR activities of the Bank. Mr. Belal Ahmed, Vice Chairman of the Bank handed over the donation cheque to the Hon'ble Prime Minister Sheikh Hasina at her office. Mr. Sayedur Rahman, Vice Chairman of the bank and Mr. Md. Kamal Uddin, Director of the Bank were present on the occasion.

NEWS AND EVENTS



Social Islami Bank Limited (SIBL) donated Tk.10.00 (Ten) Lac to Proyash, Institute of Special Education, an educational institute for differently abled children & adult patronized by Bangladesh Army, as a part of CSR activities of the Bank. Mr. Quazi Osman Ali, Managing Director and CEO of SIBL, handed over the cheque to Mrs. Dilshad Nahar Aziz, patron of Proyash. Assistant Patron Mrs. Taslim Jahan, Brig Gen Ibne Fazal Shayekhuzzaman, BSP, SGP, afwc, psc, Chairman, Proyash and Colonel Md. Shahidul Alam, Executive Director & Principal of Proyash, were also present at the program.

AWARD AND RECOGNITION



Social Islami Bank Limited (SIBL) won the ICMAB Best Corporate Award 2016 under the Private Commercial Bank (Islamic Operation) Category. The Bank was given the accolade by the Institute of Cost and Management Accountants of Bangladesh (ICMAB) at Pan Pacific Sonargaon Hotel, Dhaka on 28.01.2018. Mr. Quazi Osman Ali, Managing Director & CEO of Social Islami Bank received this award from the Chief Guest Mr. Abul Maal Abdul Muhith, Hon'ble Finance Minister of the People's Republic of Bangladesh. Professor Dr. M. Khairul Hossain, Chairman of Bangladesh Securities and Exchange Commission and Mr. C.Q.K Mustaq Ahmed, Chairman of Financial Reporting Council were the Special Guests in the program. Among others, Mr. Jamal Ahmed Chowdhury, FCMA, President of ICMAB and distinguished Director, CEO and Senior Executives of the financial and corporate organizations of the country were present in the program.

NEWS AND EVENTS

HANDING OVER INVESTMENT SANCTION LETTER TO AN SME WOMEN ENTREPRENEUR

Hon'ble Speaker of Bangladesh Jatiyo Sangsad Dr. Shirin Sharmin Chaudhury handed over a cheque on behalf of Social Islami Bank Limited to Mst. Monwara Begum, proprietor of M/S Affan Textiles in Banker-SME women entrepreneurs' congregation and product display-2018 being held in Bangladesh Shishu Academy premises on 08.03.2018.



23RD ANNUAL GENERAL MEETING



A partial view of the Shareholders attended the 23rd Annual General Meeting, held on 27 June 2018 at Kurmitola Golf Club, Dhaka.

NEWS AND EVENTS

23RD ANNIVERSARY CELEBRATION



Social Islami Bank Limited celebrated its 23rd Anniversary at the Corporate Office of the Bank by cutting an anniversary cake. Hon'ble Chairman of the Board of Directors of the Bank, Professor Md. Anwarul Azim Arif, was present in the program as chief guest. He thanked all the employees for their contribution and also remembered the founders of this Bank. Managing Director and CEO Mr. Quazi Osman Ali said that SIBL had been capable to retain considerable growth in deposit, investment, foreign trade, operating profit and other indices of the Bank. He inspired all to work together to retain the continuous growth of the Bank.

BUSINESS CONFERENCE- 2018



Social Islami Bank Limited (SIBL) arranged two-day long Annual Business Conference for the year 2018 at hotel Le Meridien, Dhaka. Professor Md. Anwarul Azim Arif, Chairman of the Bank inaugurated the Business Conference as the Chief Guest. Mr. Md. Kamal Uddin, Director & Chairman of Risk Management Committee, Ms. Nargis Mannan, Director, Dr. Jahangir Alam, Director and Mr. Badrun Nessa Alam, Director of Social Islami Bank Limited were present as Special Guests. The program was presided over by Mr. Quazi Osman Ali, Managing Director & CEO of Social Islami Bank Ltd.

NEWS AND EVENTS



Social Islami Bank Limited arranged Half-Yearly Business Conference for the year 2018 at Hotel Lakeshore, Dhaka on 06-07 July 2018. Professor Md. Anwarul Azim Arif, Hon'ble Chairman of the Bank inaugurated the conference as Chief Guest. The program was chaired by the Managing Director & CEO of the Bank Mr. Quazi Osman Ali. Additional Managing Director, Deputy Managing Directors, Divisional Heads, Senior Executives and all Managers of 142 Branches of the Bank attended the program.



SIBL arranged Business Conference with its 22 Branches of Chattogram Region on 09 March 2018.



SIBL arranged Business Review Meeting with its 17 Branches of Khulna Region on 16 March 2018.



SIBL arranged Business Review Meeting with its 19 Branches of Comilla and Noakhali Zone on 23 March 2018.



SIBL arranged Business Review Meeting with its 13 Branches of Rangpur Zone on 05 April 2018.

BRANCH OPENING

NEWS AND EVENTS



Darus Salam Road Branch

15 January 2018



Shantirhat Branch

07 May 2018



Anderkilla Branch

24th June 2018



Sreemangal Branch

12 July 2018

BRANCH OPENING

Sherpur Branch
22 July 2018



Dhaka Dakhin Branch
25 July 2018

Tuker Bazar Branch
26 July 2018



Madaripur Branch
30 July 2018

BRANCH OPENING

NEWS AND EVENTS



Banshkhali Branch

02 August 2018



Kafurul Branch

25 October 2018



Nazu Miah Hat Branch

19 December 2018

BRANCH OPENING

Jhalakathi Branch
20 December 2018



Natore Branch
23 December 2018

Brahmanbaria Branch
26 December 2018



Basila Road Branch
27 December 2018

AGREEMENT SIGNING

SIBL AND PRAN-RFL GROUP SIGNED MOU

Social Islami Bank Limited (SIBL) and PRAN-RFL Group signed a Memorandum of Understanding (MOU) at the corporate office of SIBL on 13.02.2018. In presence of the Managing Director of Social Islami Bank Mr. Quazi Osman Ali, Deputy Managing Director of SIBL Mr. Zafar Alam and Director of PRAN-RFL Group Ms. Uzma Chowdhury signed the agreement on behalf of the respective organizations.



SOCIAL ISLAMI BANK SIGNED PARTICIPATION AGREEMENT WITH BANGLADESH BANK

Social Islami Bank Limited (SIBL) signed participatory agreement with Bangladesh Bank regarding JICA assisted Foreign Direct Investment Promotion Project on 14.02.2018 at Bangladesh Bank. In presence of Bangladesh Bank Governor Mr. Fazle Kabir and Chief Representative, JICA Bangladesh Office Mr. Takatoshi Nishikata Managing Director & CEO of Social Islami Bank Ltd. Mr. Quazi Osman Ali and General Manager and Project Director of FDIPP, FEID, Bangladesh Bank Mr. Md. Rezaul Islam signed the agreement on behalf of the respective organizations.



SIBL SIGNS AGREEMENT WITH FINTECH INNOVATIONS INTERNATIONAL DMCC

Social Islami Bank Limited (SIBL) signed an agreement with Fintech Innovations International DMCC, UAE on 09.07.2018 at the Head Office of the Bank. Mr. Quazi Osman Ali, Managing Director & CEO of SIBL and Ms. Azizunnesa Huq, Executive Director of Fintech Innovations International DMCC, UAE signed the agreement on behalf of the respective organizations.



SOCIAL ISLAMI BANK LIMITED AND BANGLADESH RURAL ELECTRIFICATION BOARD SIGNED CORPORATE DEAL



Social Islami Bank Limited (SIBL) signed a corporate deal with Bangladesh Rural Electrification Board (REB) for collecting electric bill of REB through SIBL Agent Banking Outlets at the office of Bangladesh Rural Electrification Board on 30 September 2018. Mr. Md. Sirajul Hoque, Deputy Managing Director of Social Islami Bank Limited and Mr. Md. Hossain Patwary, Director (Finance) of REB signed the agreement on behalf of their respective organizations.

SOCIAL ISLAMI BANK LIMITED SIGNED AGREEMENT WITH S 11 LIMITED



Social Islami Bank Limited (SIBL) and S 11 Limited (an IT-based service provider organization) signed a Memorandum of Understanding (MOU) at the Head Office of the Bank on 22 October 2018. In presence of the Managing Director & CEO of Social Islami Bank Limited Mr. Quazi Osman Ali, SEVP & Head of Human Resources Division of the Bank, Mr. Kazi Obaidul Al-Faruk and Managing Director & CEO of S11 Limited, Mr. Sarwar Jahan Morshed signed the agreement on behalf of the respective organizations.

SOCIAL ISLAMI BANK LIMITED SIGNED AGREEMENT WITH BANGLADESH BANK



Social Islami Bank Ltd (SIBL) signed an Agreement with Sustainable Finance Department of Bangladesh Bank to participate in Islamic Refinance Scheme for investing in Green Products/Initiatives. The Agreement Signing Ceremony was held on October 09, 2018 at the Conference Room of Sustainable Finance Department of Bangladesh Bank. Mr. Quazi Osman Ali, Managing Director & CEO of SIBL and Mr. Manoj Kumar Biswas, General Manager, Sustainable Finance Department of Bangladesh Bank signed the agreement on behalf of the respective organizations.

SOCIAL ISLAMI BANK LTD (SIBL) SIGNED AN AGREEMENT WITH BELHASA GLOBAL EXCHANGE



Social Islami Bank Ltd (SIBL) signed an agreement with Belhasa Global Exchange, a UAE based global money Exchange Company, to facilitate the inward remittance. Mr. Kazi Towhidul Alam, Additional Managing Director of the Bank and Mr. Sajeev Kumar R, General Manager of Belhasa Global Exchange, exchanged the agreement on behalf of their respective organizations on 12.11.2018 at the Corporate Head Quarter of Belhasa Group, Al-Qusais, Dubai, UAE.

SIGNING MOU BETWEEN SOCIAL ISLAMI BANK LTD AND NITOL MARKETING COMPANY (ELECTRONICS)



SIBL signed a Memorandum of Understanding (MoU) with Nitol Marketing Company (Electronics) on 14.11.2018. In presence of Mr. Quazi Osman Ali, Managing Director & CEO of SIBL, Mr. Md. Sirajul Hoque, Deputy Managing Director of the Bank and Mr. Mazedul Islam, Head of Accounts of Nitol Marketing Company (Electronics) signed the Memorandum on behalf of the respective organizations.

SCHOOL BANKING CONFERENCE



Social Islami Bank Limited (SIBL), as lead bank, arranged School Banking Conference-2018 at Jamalpur Zilla School on 15 October 2018. Mr. Ahmed Kabir, Deputy Commissioner of Jamalpur, was present as chief guest while Mr. Qauzi Osman Ali, Managing Director & CEO of SIBL, presided over the conference. Mr. Rajeeb Kumer Sarker, Additional District Magistrate of Jamalpur, Mr. Md. Mujibur Rahaman, District Education Officer of Jamalpur, Mr. Tuhin Kanti Chakroborty, DGM of Sonali Bank Limited, Mr. Imam Hasan, Deputy Director of Bangladesh Bank, were present at the event as special guests.

TRAINING AND WORKSHOP

SOCIAL ISLAMI BANK LIMITED ARRANGED A FOUNDATION COURSE IN BANKING



Social Islami Bank Limited arranged a Foundation Course in Banking for Probationary Officers at the Training Institute of the Bank on 07.01.2018. Managing Director & CEO of the Bank Mr. Quazi Osman Ali was present as Chief Guest in the inaugural program of the training course. Mr. Abu Naser Chowdhury, Deputy Managing Director and Md. Mahfuzur Rahman, Principal of the Training Institute were present in the program. Thirty Probationary Officers participated in the month-long foundation course.

SOCIAL ISLAMI BANK LIMITED (SIBL) ORGANIZED A FOUNDATION COURSE IN BANKING FOR NEWLY RECRUITED OFFICERS



Social Islami Bank Limited (SIBL) organized a Foundation Course in Banking for newly recruited Officers at SIBL Training Institute in Dhaka. Managing Director and CEO of the Bank Mr. Quazi Osman Ali was present in the program as Chief Guest and inaugurated the course on 18/03/2018. Deputy Managing Director of the Bank Mr. Abu Naser Chowdhury and Principal of the Training Institute Md. Mahfuzur Rahman were present in the program. Forty Junior Officers of the Bank are taking part in this four-week-long training program.

SOCIAL ISLAMI BANK LIMITED (SIBL) ORGANIZED A THREE WEEK-LONG TRAINING ON FOUNDATION COURSE



Social Islami Bank Limited (SIBL) organized a three week-long training on Foundation Course in Banking for newly joined Officers at SIBL Training Institute of the Bank. In the valediction program, Managing Director and CEO of the Bank, Mr. Quazi Osman Ali was present as Chief Guest and distributed certificates among them.

SOCIAL ISLAMI BANK LIMITED (SIBL) ORGANIZED A FOUR-WEEK-LONG TRAINING ON FOUNDATION COURSE IN BANKING FOR PROBATIONARY OFFICERS



Social Islami Bank Limited (SIBL) organized a four-week-long training on Foundation Course in Banking for Probationary Officers at SIBL Training Institute of the Bank. In the valediction program of the training, Managing Director and CEO of the Bank Mr. Quazi Osman Ali was present as the Chief Guest and distributed certificates among the trainees.

SOCIAL ISLAMI BANK LIMITED (SIBL) ORGANIZED A FOUNDATION COURSE IN BANKING FOR NEWLY RECRUITED OFFICERS



Social Islami Bank Limited (SIBL) organized a Foundation Course in Banking for newly recruited Officers at SIBL Training Institute in Dhaka. Managing Director and CEO of the Bank Mr. Quazi Osman Ali was present in the program as Chief Guest and inaugurated the four-week-long training course on 23/07/2018.

AGENT BANKING OUTLET OPENING



Dhandir Bazar, Narayangonj
14 March 2018



Bukhainagar, Barisal
12 April 2018



Varamara, Kushtia
15 May 2018



South Donia, Dhaka
31 May 2018

NEWS AND EVENTS



Noagaon Moor Bazar, Brahmanbaria
3 July 2018



Deodighi, Chattogram
04 August 2018



North Pitambordi Bazar, Comilla
07 August .2018



Khilgaon
08 September 2018



Durgapur Chock
24 September 2018



Algi Bazar
22 October 2018



Gazir Bazar
24 September 2018



Chinatola Bazar
31 October 2018



Rajgonj Bazar Agent Banking Outlet
31.10.2018



Momin Nagar Bazar
19 November 2018



Handial Bazar
26 November 2018



Sharatola Bazar
04 December 2018

MISCELLANEOUS ACTIVITIES

SOCIAL ISLAMI BANK LIMITED (SIBL) AND DHAKA POWER DISTRIBUTION COMPANY LIMITED (DPDC) JOINTLY OPENED AN ELECTRICITY BILL COLLECTION BOOTH AT SHAYMOLI CIRCLE BHABAN



Social Islami Bank Limited (SIBL) and Dhaka Power Distribution Company Limited (DPDC) jointly opened an Electricity Bill Collection Booth at Shaymoli Circle Bhaban, Dhaka. Managing Director & CEO of Social Islami Bank Mr. Quazi Osman Ali and Managing Director of Dhaka Power Distribution Company Engr. Bikash Dewan inaugurated the booth at function held on 22 January, 2018.

NEWS AND EVENTS

SOCIAL ISLAMI BANK LAUNCHED A CAMPAIGN NAMEDLY “সেবা দিয়ে করব জয়”



Social Islami Bank Limited (SIBL) has launched a campaign namely “সেবা দিয়ে করব জয়” from 15 February to 15 April 2018. Managing Director and CEO of Social Islami Bank Mr. Quazi Osman Ali inaugurated the campaign at the Head Office of the Bank on 15th February 2018.

SOCIAL ISLAMI BANK ARRANGED “BRANCH ANTI MONEY LAUNDERING COMPLIANCE OFFICERS’ (BAMLCO) CONFERENCE-2018”



Social Islami Bank Limited arranged “Branch Anti Money Laundering Compliance Officers’ (BAMLCO) Conference-2018” at Muzaffar Ahmed Chowdhury Auditorium of Dhaka University on 31.03.2018. Deputy Governor and Head of BFIU of Bangladesh Bank Mr. Abu Hena Mohd. Razee Hassan inaugurated the conference as Chief Guest. Executive Director of Bangladesh Bank & Deputy Head of BFIU Mr. Mijanur Rahman Jodder was present in the program as Special Guest. The Program was Chaired by the Managing Director and CEO of SIBL Mr. Quazi Osman Ali.

PRESIDENT OF THE PERMANENT COUNCIL OF THE ISLAMIC SOLIDARITY FUND OF OIC AMBASSADOR MR. NASSER BIN ABDULLAH BIN HAMDAN AL ZAABI VISITED SOCIAL ISLAMI BANK LIMITED



President of the Permanent Council of the Islamic Solidarity Fund of OIC Ambassador Mr. Nasser bin Abdullah bin Hamdan Al Zaabi visited Social Islami Bank Limited (SIBL) on 06.05.2018. The Bank arranged a meeting with the delegates of OIC. Chairman of Social Islami Bank Limited. Professor Md. Anwarul Azim Arif, Vice Chairman Mr. Sayedur Rahman, Director Dr. Md. Jahangir Hossain, Chairman of Shariah Supervisory Council Professor Dr. Abu Reza Muhammad Nezamuddin Nadvi, MP, Managing Director and CEO of the Bank Mr. Quazi Osman Ali and other Senior Executives of the Bank were present in the meeting. He expressed his satisfaction over the activities of SIBL and emphasized on the poverty alleviation program undertaken by the Bank.

BEGUM ROKEYA SHARANI BRANCH OF SOCIAL ISLAMI BANK LIMITED (SIBL) HAS BEEN SHIFTED TO THE NEW PREMISES



Begum Rokeya Sharani Branch of Social Islami Bank Limited (SIBL) has been shifted to the new premises at Lion's Foundation Bhaban, Begum Rokeya Sharani road, west Agargaon, Sher-e-Bangla nagar, Dhaka for better convenience of its valued clients. Managing Director & CEO of the Bank Mr. Quazi Osman Ali has formally inaugurated the Branch as Chief Guest.

SOCIAL ISLAMI BANK ARRANGED A SPECIAL HAJJ ORIENTATION PROGRAM FOR HAJJ PILGRIMS



Social Islami Bank Limited (SIBL) arranged a special Hajj Orientation Program for the honorable hajj pilgrims at the head office of the Bank on 4 July 2018. Managing Director and CEO of the Bank was present in the program as chief guest. The Managing Director handed over gift items of the bank to the pilgrims.

SOCIAL ISLAMI BANK OPENED A HAJJ BOOTH FOR HAJJ PILGRIMS



Social Islami Bank Limited (SIBL) opened a Hajj Booth at the Hajj Camp at Ashkuna, Uttara, Dhaka on 16 July 2018 for rendering services to the respected Hajj Pilgrims. Managing Director and CEO of the Bank Mr. Quazi Osman Ali inaugurated the Booth as the chief guest.

SOCIAL ISLAMI BANK DONATED MATTRESS FOR HAJJ PILGRIMS



Social Islami Bank Limited (SIBL) donated mattress for the use of hajj pilgrims at the Hajj Camp, Ashkuna on 28 July 2018. Managing Director and CEO of the Bank Mr. Quazi Osman Ali handed over the mattress to the Deputy Secretary and Director of the Hajj Camp Mr. Md. Saiful Islam.

MOULVIBAZAR BRANCH, DHAKA OF SOCIAL ISLAMI BANK LIMITED (SIBL) HAS BEEN SHIFTED TO THE NEW PREMISES



Moulvibazar Branch, Dhaka of Social Islami Bank Limited (SIBL) has been shifted to the new premises at 78 Moulvibazar, Moulvibazar Trade Center, Dhaka for better convenience of its valued clients. Managing Director & CEO of the Bank Mr. Quazi Osman Ali inaugurated the new premises of the Branch as Chief Guest.

NEWS AND EVENTS

INAUGURATION OF ‘SHEBA MASH’ OF SOCIAL ISLAMI BANK LTD.



SIBL commenced a special program titled “Sheba Mash” from 01.11.2018 to 30.11.2018 for upgrading the client services. Managing Director (Current Charge) Mr. Ihsanul Aziz inaugurated the program at Corporate Branch of the Bank. The motto of this featured month is, “ Consolidate the base of deposit and minimize the risks of investment”.

CORPORATE FINANCE



Project Name:
Paper Processing and Packaging Limited

Financed By:
Principal Branch



Project Name:
KYCR Coil Industries Limited

Financed By:
Agrabad Branch



Project Name:
Dong Bang Dyeing Limited

Financed By:
Gulshan Branch



Project Name:
Salvo Chemical Industries Limited

Financed By:
Nawabpur Road Branch

SME FINANCE

NEWS AND EVENTS



Project Name:
Rohima Filling Station

Financed By:
Fakirhat Branch, Bagerhat



Project Name:
Jubaer Weaving Factory

Financed By:
Shahjadpur Branch, Sirajganj



Project Name:
Uttara Variety Store

Financed By:
Dupchachia Branch, Sirajganj



Project Name:
Sharna Bazar

Financed By:
Savar Branch

AGRI FINANCE



Financing To:
Md. Resel Hossaion

Financed By:
Pabna Branch



Project Name:
Titas Agro Farm

Financed By:
Gopaldi Branch, Narayanganj



Financing To:
Suvash Chandra Dhali

Financed By:
Paikgacha Branch



Financing To:
Md. Nurul Alam

Financed By:
Shariatpur Branch

FAMILY EMPOWERMENT ISLAMIC MICROFINANCE PROGRAM (FEIMP)

NEWS AND EVENTS



Financing To:

Mojnu Sheikh

Financed By:

Gobindagonj Branch



Financing To:

Tania Khatun

Financed By:

Navaran Branch



Financing To:

Laila Bilkis Banu

Financed By:

Rangpur Branch



Financing To:

Alamin Hossain

Financed By:

Shahjadpur Branch



SIBL VISA Islami Card

Shariah Compliant Card ■ 24/7 transaction facility



SIBL Islami Platinum Credit Card

Simply Prestigious

- Free access to Balaka VIP Lounge at Hazrat Shahjalal International Airport
- Free Supplementary Card (1st Supplementary)
- Cash withdrawal facility from ATM (both Locally and Internationally)
- Fund Transfer Facility up to 90% of available balance to card holder account maintaining with any bank
- 0% EMI (Equated Monthly Installment) facility
- Attractive Discount facilities at selective merchant outlets
- E-commerce transactions at Locally and Internationally

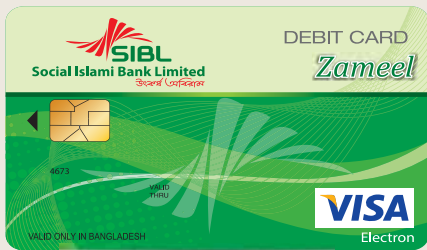


SIBL Islami Credit Card

Local Credit Card, Local Classic Credit Card, Local Gold Credit Card, Dual Classic Credit Card, Dual Gold Credit Card

Covers the world around you

- Cash withdrawal facility from ATM (both Locally and Internationally)
- Fund Transfer Facility up to 90% of available balance to card holder account maintaining with any bank
- 0% EMI (Equated Monthly Installment) facility
- POS transactions (both Locally and Internationally)
- Profit Free Period up to 51 days
- E-commerce transactions secured by OTP (One Time Password)



SIBL Islami Debit Card

Access your account any time, any where

- Accepted at all local ATM, POS & E-commerce
- Directly linked to the Cardholder's Account of SIBL
- Attractive Discount facilities at selective merchant outlets
- E-commerce transactions secured by OTP (One Time Password)
- Mobile Top-up through ATM (Q-cash network)



SIBL Prepaid Card

(Prepaid Hajj/Travel/Student/Gift Card)

Recharge & Enjoy

- Accepted at all local ATM, POS & E-commerce
- Accepted in Saudi Arabia only (ATM & POS) for Hajj Card
- Attractive Discount facilities at selective merchant outlets
- E-commerce transactions secured by OTP (One Time Password)
- Roaming bill payment facility



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Social Islami Bank Limited
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FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SOCIAL ISLAMI BANK LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

OPINION

We have audited the 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 2018 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 notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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 2018, and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the International Ethics Standards Board for Accountants (IESBA) Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investments	
Key Audit Matters	Our response to the risk
<p><u>Classification</u></p> <p>The classification of Investments are determined by specific Bangladesh Bank's circulars which have wide ranging effect on the financial position and performance of the Bank, namely through provisioning requirements.</p> <p>Furthermore the calculation of RWA (Risk Weighted Assets) is, to some extent, dependent on the classification of Investments which ultimately impact the CRAR (Capital to Risk Weighted Assets) – a significant indicator of Bank's health under the BASEL – III regime.</p> <p>Furthermore the recognition and measurement of these Investments are dictated by Bangladesh Bank's circulars namely BRPD 16 dated 06.12.1998, BRPD 9 dated 14.05.2001, BRPD 9 and 10 dated 20.08.2005, BRPD 8 dated 07.08.2007, BRPD 10 dated 18.09.2007, BRPD 14 dated 23.09.2012, BRPD 19 dated 27.12.2012, BRPD 05 dated 29.05.2013, BRPD 16 dated 18.11.2014, BRPD 08 dated 02.08.2015, BRPD 12 dated 20.08.2017, BRPD 15 dated 27.09.2017, BRPD 1 dated 03.01.2018, BRPD 01 dated 20.02.2018 respectively which limits the fair implementation of respective IFRSs.</p> <p>The Bank's disclosures about classification of Investments are included in note 2.1.1 (iii), 7.3, 7.4, 7.5, 7.6, 7.7 to the financial statements.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> □ Tested the Investments appraisal, Investments disbursement procedures, monitoring and recovery process; □ Identification of loss events, including early warning and default warning indicators; □ Reviewed quarterly Bank's Classification of Investments (CL); <p>Furthermore we have assessed the Investments application receipt, assessment, documentation and authorization process against Bank's policy and Bangladesh Bank's requirements.</p> <p>As part of our process we have also reviewed the Investment files, bank statements, assessed the adequacy of collateral.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p><u>Measurement of Provision</u></p> <p>The process for estimating the provision for Investments portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performances and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end, the Bank reported total Investments of Taka 238,654.17 million (2017: Taka 210,045.51 million) and provision against Investments of Taka 8,689.07 million (2017: Taka 6,360.46 million).</p> <p>The Bank's disclosures about provisioning of Investments are included in note 2.1.1(iii), 7.8, 7.8.1, 13.2 and 36 to the financial statements.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> □ Tested the control designed by management to ensure compliance of Bangladesh Bank Circulars relating to provision requirement and provision calculations. □ Tested the controls regarding the proper reporting of provision in (CL) and others. □ Tested the controls relating to proper authorization and compliance of Bangladesh Bank Circulars for write-off of investment. <p>Our substantive procedures in relation to the provision for Investments portfolio comprised the following:</p> <ul style="list-style-type: none"> □ Reviewed the adequacy of the Bank general and specific provisions; □ Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>

Impairment assessment of unquoted investment	
Key Audit Matters	Our response to the risk
<p>In absence of a quoted price in an active market the fair value of unquoted shares and bonds especially any impairment is calculated using valuation technics which may take into consideration direct or indirect unobservable market data;</p> <p>The Bank's disclosures relating to unquoted investment are included in note 2.1.1(i), 6, 6.3, 6.5, 6.7 to the financial statements.</p>	<p>We have assessed the process and controls in place by the bank to ensure the major decision are under taken thorough a proper due diligence.</p> <p>We tested sample of investment valuation as at 31 December 2018 and compared our results to the recorded value. Finally we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>

Deferred Tax	
Key Audit Matters	Our response to the risk
<p>The Bank reports net deferred tax liability totaling Taka 74.33 million as at 31 December 2018 (Taka 37.21 million as at 31 December 2017)</p> <p>Significant judgment is required in relation to deferred tax liability as their adjustment is dependent on forecasts of future profitability over a number of years.</p> <p>The Bank's disclosures relating to Deferred Tax are included in notes 2.14(b), 14 and 37.2 to the financial statements.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Bank's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTAs.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>

IT systems and controls	
Key Audit Matters	Our response to the risk
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our area of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.</p> <p>The Bank's disclosures relating to its IT systems and controls are included in note 2.18(f) of the financial statements.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

Legal & Regulatory Matters	
Key Audit Matters	Our response to the risk
<p>We focused on this area because the Bank operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>Significant Legal & Regulatory matters pertaining to the Bank were:</p> <ul style="list-style-type: none"> □ Compliance of rules & regulations, including submission of returns to various regulators; □ Maintenance of regulatory capital, reserves & provisions; and □ Litigation (cases) filed on behalf of or against the Bank including any provisioning requirements. <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>The Bank's disclosures relating to its Legal & Regulatory Matters are included in note 2.1.1 of the financial statements.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We also enquired Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p>

MATERIALITY

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Bank financial statements
Overall materiality	Tk. 18.46 million (2017: Tk. 16.63 million)	Tk. 18.38 million (2017: Tk. 17.84 million)
How we determined it	5% of average profit or loss before tax of the last 5 years	
Rational for benchmark applied	Based on the benchmarks used in the Annual Report, profit or loss before tax is a key measure used by the shareholders in assessing the performance of the Bank, and is a generally accepted auditing benchmark.	

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriate low level & the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments together with our assessment of the Bank's overall control environment, our judgment was that the performance materiality was 85% (2017: 85%) of our planning materiality namely Tk. 15.69 million (2017: Tk. 14.14 million) for the Group financial statements and Tk. 15.63 million (2017: Tk. 15.17 million) for the separate financial statements of the Bank.

GOING CONCERN

We are required to report if we have anything material to add or draw attention to in relation to the note 2.1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Bank's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank that gives a true & fair view in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (As amended in 2013 & 2018) 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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987, the Bank Company Act 1991 (as amended in 2013 & 2018) and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) 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;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's 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 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:
 - (a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in notes 2.18 to the financial statements appeared to be adequate with immaterial control deficiencies as identified in the Management Report;
 - (b) 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 the matters disclosed in note 2.18 to the financial statement
- (iii) financial statements of all subsidiary companies of the Bank namely, SIBL Securities Ltd. and SIBL Investment Ltd. have been audited by us and have been properly reflected in the consolidated financial statements;
- (iv) 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 and proper returns adequate for the purpose of our audit have been received from Branches not visited by us;
- (v) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) the expenditures incurred were for the purpose of the Bank's business for the year;
- (vii) 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 accounting standards as explained in note 2 as well as with related guidelines, circulars issued by Bangladesh Bank and decision taken in tripartite meeting amongst the inspection team of Bangladesh Bank, external auditors' and the management of Social Islami Bank Limited held on 25 April 2019 as explained in Note 7.8.1;

- (viii) provisions as explained in note 35 and 36 have been made for other assets, Investments and off-balance sheet items which are in our opinion, doubtful of recovery;
- (ix) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent around 9,070 person hours for the audit of the books and accounts of the Bank; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained as explained in Note 15.5 to the financial statements.

Dhaka,
30 April, 2019



Syful Shamsul Alam & Co.
Chartered Accountants

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2018

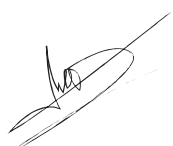
Particulars	Note(s)	31.12.2018 Taka	31.12.2017 Taka
PROPERTY AND ASSETS			
Cash in Hand			
Cash in hand (Including Foreign Currencies)	3(a)	2,344,325,541	2,369,319,898
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)	3.1	23,735,810,359	21,457,534,554
		26,080,135,900	23,826,854,451
Balance with other Banks and Financial Institutions			
In Bangladesh	4(a)	1,159,076,554	532,102,415
Outside Bangladesh	4.2	323,695,854	366,064,370
		1,482,772,408	898,166,785
Placement with Banks & other Financial Institutions			
	5	5,911,619,899	10,736,619,899
Investments in Shares & Securities			
Government	6(a)	9,200,000,000	9,100,000,000
Others		2,406,552,439	2,502,525,517
		11,606,552,439	11,602,525,517
Investments			
General Investment etc.	7 (a)	229,634,994,597	201,932,884,191
Bills Purchased and Discounted		8,219,176,356	7,362,624,894
		237,854,170,953	209,295,509,085
Fixed Assets including Premises			
	8(a)	3,572,253,103	3,491,020,793
Other Assets			
	9(a)	20,895,350,611	16,439,780,117
Non Banking Assets			
		-	-
Total Assets			
		307,402,855,311	276,290,476,647
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions			
	10	8,000,000,000	5,000,000,000
Deposits and Other Accounts			
	11		
Mudaraba Savings Deposits		19,621,561,549	16,876,607,874
Mudaraba Term Deposits		156,095,697,702	138,266,642,919
Other Mudaraba Deposits		43,569,089,182	42,123,348,876
Al-Wadeeah Current & Other Deposit Accounts	11.2(a)	23,962,556,672	25,629,690,923
Bills Payable	11.3	4,384,822,493	5,233,509,848
Cash Waqf Fund		317,048,976	277,925,332
		247,950,776,574	228,407,725,773
SIBL Mudaraba Subordinated Bond			
	12	10,800,000,000	6,400,000,000
Other Liabilities			
	13(a)	24,789,270,399	22,260,690,365
Deferred Tax Liabilities/ (Assets)			
	14 (a)	75,437,019	38,392,503
Total Liabilities			
		291,615,483,993	262,106,808,640
Capital/Shareholders' Equity			
Paid-up Capital	15.2	8,121,285,060	7,382,986,420
Statutory Reserve	16	5,795,455,397	5,025,796,447
General reserve	16(a)	10,764,250	8,570,541
Revaluation reserve on Fixed Assets	17	954,998,771	979,221,345
Retained Earnings	18(a)	904,866,027	787,091,456
		15,787,369,506	14,183,666,209
Total Shareholders' Equity of Parent Company, SIBL			
Non controlling Interest			
	18(b)	1,812	1,797
Total Shareholders' Equity of Parent Company, SIBL with Non controlling Interest			
		15,787,371,318	14,183,668,006
Total Liabilities & Shareholders' Equity of the Group			
		307,402,855,311	276,290,476,647

Particulars	Note(s)	31.12.2018 Taka	31.12.2017 Taka
OFF-BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES			
Acceptances and Endorsements	19.1	20,129,420,463	28,726,126,414
Irrevocable Letters of Credit (including Back to Back Bills)	19.2	15,834,150,200	20,910,040,289
Letters of Guarantee	19.3	10,532,813,165	14,094,167,946
Bills for Collection	19.4	4,189,581,976	4,239,277,561
Other Contingent Liabilities	19.5	-	-
Total		50,685,965,804	67,969,612,210
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		50,685,965,804	67,969,612,210
Consolidated Net Asset Value per share (CNAV/share)		19.44	17.46

Annexed notes (1 to 49) form an integral part of these financial statements



Chairman



Director



Director



Managing Director & CEO

Signed as per our report of same date

Dated, Dhaka
30 April, 2019



Syful Shamsul Alam & Co.
Chartered Accountants

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018


Particulars	Note(s)	31.12.2018	31.12.2017
		Taka	Taka
Investment Income	20(a)	25,073,045,000	18,608,909,537
Profit paid on Deposits	21(a)	16,137,704,994	10,624,952,149
Net Investment Income		8,935,340,006	7,983,957,388
Income from Investment in Shares/securities	22(a)	477,908,519	379,028,131
Commission, Exchange and Brokerage	23(a)	1,687,365,606	2,016,766,460
Other Operating Income	24(a)	597,139,413	604,729,535
		2,762,413,539	3,000,524,127
Total Operating Income		11,697,753,545	10,984,481,515
Salaries and Allowances	25(a)	3,167,969,465	2,916,733,521
Rent, Taxes, Insurances, Electricity etc.	26(a)	530,631,708	468,880,311
Legal Expenses	27	10,586,493	15,502,135
Postage, Stamps, Telecommunication etc.	28(a)	10,088,853	11,551,800
Stationery, Printings, Advertisements etc.	29(a)	132,965,876	129,645,475
Managing Director's Salary and Allowances	30	11,920,000	10,849,355
Directors' Fees & Expenses	31(a)	4,872,901	11,120,844
Shariah Supervisory Committee's Fees & Expenses	32	245,903	711,064
Auditors' Fees		621,000	621,000
Charges on Investment Losses		-	-
Depreciation & Repair of Bank's Assets	33(a)	323,083,166	300,094,580
Zakat Expenses		129,665,548	111,424,295
Other Expenses	34(a)	1,147,959,281	780,491,293
Total Operating Expenses		5,470,610,193	4,757,625,673
Profit/(Loss) before Provision		6,227,143,351	6,226,855,842
Provision for Investments		2,261,500,825	2,569,199,969
Other Provisions	35(a)	82,035,292	95,854,352
Total Provision	36(a)	2,343,536,116	2,665,054,321
Total Profit/(Loss) before Income Taxes		3,883,607,235	3,561,801,520
Provision for Taxation	37(a)	2,282,097,630	2,097,282,797
Net Profit/(Loss) after Taxation		1,601,509,604	1,464,518,723
Appropriations			
Statutory Reserve		769,658,950	707,025,310
Retained surplus		831,850,655	757,493,413
Attributable to:			
Equity holders' of the Bank		831,850,640	757,493,325
Non controlling Interest		15	87
		831,850,655	757,493,413

Consolidated Earning Per Share (CEPS) (Prior year restated)	38(a)	1.97	1.80
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Annexed notes (1 to 49) form an integral part of these financial statements



Chairman



Director



Director



Managing Director & CEO

Signed as per our report of same date

Dated, Dhaka
30 April, 2019



Syful Shamsul Alam & Co.
Chartered Accountants

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

Particulars	Note(s)	31.12.2018	31.12.2017
		Taka	Taka
Cash Flow from operating activities			
Investment Income receipt	39(a)	24,945,765,635	18,505,811,786
Profit paid on deposits		(14,559,686,156)	(9,159,242,171)
Dividend receipts		477,908,519	379,028,131
Fees & commission receipt		766,440,458	993,792,501
Cash payments to employees		(3,179,889,465)	(2,927,582,876)
Cash payments to suppliers		(143,054,728)	(141,197,275)
Income tax paid		(1,285,952,527)	(1,432,091,325)
Receipts from other operating activities	40(a)	1,518,064,561	1,627,703,494
Payments for other operating activities	41(a)	(1,861,615,882)	(1,424,746,664)
Operating profit before changes in operating assets and liabilities		6,677,980,414	6,421,475,602
Increase/Decrease in operating assets and liabilities			
Statutory deposits		-	-
Net trading securities		(4,026,922)	(771,943,598)
Investments to other banks		-	-
Investment to customers		(28,558,661,868)	(35,519,375,711)
Other assets	42(a)	(3,042,338,602)	(1,375,297,990)
Deposits from other banks		(1,687,502,441)	13,953,833,871
Deposits received from customers		19,652,534,405	22,694,848,619
Other liabilities on account of customers		-	-
Trading liabilities		-	-
Other liabilities	43(a)	(2,057,815,487)	210,522,856
Sub Total		(15,697,810,915)	(807,411,953)
A. Net Cash flow from operating activities		(9,019,830,501)	5,614,063,649
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 & equipment's		(367,282,428)	(486,792,982)
Purchase/Sale of subsidiaries		-	-
B. Net Cash flows from investing activities		(367,282,428)	(486,792,982)
Cash flows from financing activities			
Receipts from issue of debt instruments		3,000,000,000	2,000,000,000
SIBL Mudaraba Subordinated Bond		4,400,000,000	3,400,000,000
Receipts from issue of right shares/ordinary share		-	-
Dividend paid in cash		-	(1,476,597,364)
C. Net Cash flow from financing activities		7,400,000,000	3,923,402,636
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)		(1,987,112,929)	9,050,673,303
E. Cash and cash equivalents at the beginning of the year		35,461,641,135	26,410,967,833
F. Cash and cash equivalents at the end of the year (D+E)	44(a)	33,474,528,207	35,461,641,135
Consolidated Net Operating Cash Flow Per Share (CNOCFPS)		(11.11)	6.91

Annexed notes (1 to 49) form an integral part of these financial statements



Chairman



Director



Director



Managing Director & CEO

Signed as per our report of same date

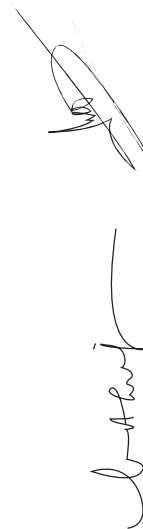
Dated, Dhaka
30 April, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

Particulars	(Amount in Taka)									
	1	2	3	4	5	6	7	8	9=(2 to 8)	
Balance as at 01 January 2018										
Changes in Accounting Policy		7,382,986,420	-	5,025,796,447	8,570,541	979,221,345	787,091,456	1,797	14,183,668,006	
Restated 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		-	-	769,658,950	2,193,709	-	1,601,509,590	-	1,601,509,590	
Appropriation made during the year		-	-	-	-	-	(769,658,950)	-	2,193,709	
Dividend:										
Cash										
Bonus/ Stock		738,298,640	-	-	-	-	(738,298,640)	-	-	
Transferred to retained earnings		-	-	-	-	(24,222,574)	24,222,574	-	-	
Non-controlling interest		-	-	-	-	-	-	15	15	
Total group shareholders' equity as on 31 December 2018		8,121,285,060	-	5,795,455,397	10,764,250	954,998,771	904,866,028	1,812	15,787,371,318	
Eligible Capital Under Basel III:		8,121,285,060		5,795,455,397	10,764,250	105,567,973	904,866,028		14,937,938,708	
Add: General provision for unclassified investment									2,291,063,372	
Add: SIBL Mudaraba Subordinated Bond									8,920,000,000	
Total eligible capital as on 31 December 2018									26,149,002,080	

Annexed notes (1 to 49) form an integral part of these financial statements



Chairman



Director



Managing Director & CEO

Signed as per our report of same date

Dated, Dhaka
30 April, 2019

BALANCE SHEET

AS AT 31 DECEMBER 2018

Particulars	Note(s)	31.12.2018	31.12.2017
		Taka	Taka
PROPERTY AND ASSETS			
Cash in Hand			
Cash in hand (Including Foreign Currencies)	3	2,344,258,315	2,369,126,018
Balance with Bangladesh Bank & its Agent Banks (Including Foreign Currencies)	3.1	23,735,810,359	21,457,534,554
		26,080,068,674	23,826,660,571
Balance with other Banks and Financial Institutions	4		
In Bangladesh		1,159,022,085	531,828,698
Outside Bangladesh		323,695,854	366,064,370
		1,482,717,939	897,893,068
Placement with Banks & other Financial Institutions	5	5,911,619,899	10,736,619,899
Investments in Shares & Securities	6		
Government		9,200,000,000	9,100,000,000
Others		3,886,550,839	3,982,523,917
		13,086,550,839	13,082,523,917
Investments	7		
General Investments etc.		230,434,994,597	202,682,884,191
Bills Purchased and Discounted		8,219,176,356	7,362,624,894
		238,654,170,953	210,045,509,085
Fixed Assets including Premises	8	3,563,534,717	3,480,818,155
Other Assets	9	18,526,658,424	14,278,930,250
Non Banking Assets		-	-
Total Assets		307,305,321,444	276,348,954,946
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions	10	8,000,000,000	5,000,000,000
Deposits and Other Accounts	11		
Mudaraba Savings Deposits		19,621,561,549	16,876,607,874
Mudaraba Term Deposits		156,095,697,702	138,266,642,919
Other Mudaraba Deposits		43,569,089,182	42,123,348,876
Al-Wadeeah Current & Other Deposit Accounts	11.2	24,336,269,747	26,020,865,331
Bills Payable	11.3	4,384,822,493	5,233,509,848
Cash Waqf Fund		317,048,976	277,925,332
		248,324,489,649	228,798,900,180
SIBL Mudaraba Subordinated Bond	12	10,800,000,000	6,400,000,000
Other Liabilities	13	24,356,621,156	21,946,394,909
Deferred Tax Liabilities/ (Assets)	14	74,330,843	37,210,816
Total Liabilities		291,555,441,648	262,182,505,906
Capital/Shareholders' Equity			
Paid-up Capital	15.2	8,121,285,060	7,382,986,420
Statutory Reserve	16	5,795,455,397	5,025,796,447
Revaluation reserve on Fixed Assets	17	954,998,771	979,221,345
Retained Earnings	18	878,140,568	778,444,828
Total Shareholders' Equity		15,749,879,796	14,166,449,040
Total Liabilities & Shareholders' Equity		307,305,321,444	276,348,954,946

Particulars	Note(s)	31.12.2018 Taka	31.12.2017 Taka
OFF BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES			
Acceptances and Endorsements	19.1	20,129,420,463	28,726,126,414
Irrevocable Letters of Credit (including Back to Back Bills)	19.2	15,834,150,200	20,910,040,289
Letters of Guarantee	19.3	10,532,813,165	14,094,167,946
Bills for Collection	19.4	4,189,581,976	4,239,277,561
Other Contingent Liabilities	19.5	-	-
Total		50,685,965,804	67,969,612,210
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		50,685,965,804	67,969,612,210
Net Asset Value per share (NAV/share)		19.39	17.44

Annexed notes (1 to 49) form an integral part of these financial statements



Chairman



Director



Director



Managing Director & CEO

Signed as per our report of same date

Dated, Dhaka
30 April, 2019



Syful Shamsul Alam & Co.
Chartered Accountants

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

Particulars	Note(s)	31.12.2018	31.12.2017
		Taka	Taka
Investment Income	20	24,955,867,159	18,497,613,423
Profit paid on Deposits	21	16,063,978,530	10,561,959,067
Net Investment Income		8,891,888,629	7,935,654,356
Income from Investment in Shares and Securities	22	462,796,394	443,104,547
Commission, Exchange and Brokerage	23	1,600,655,718	1,871,303,027
Other Operating Income	24	596,194,180	602,379,425
		2,659,646,292	2,916,786,999
Total Operating Income		11,551,534,921	10,852,441,355
Operating Expenses			
Salaries and Allowances	25	3,133,934,129	2,888,745,407
Rent, Taxes, Insurances, Electricity etc.	26	524,589,668	463,165,082
Legal Expenses	27	10,586,493	15,502,135
Postage, Stamps, Telecommunication etc.	28	8,472,436	9,726,431
Stationery, Printings, Advertisements etc.	29	132,578,322	129,147,384
Managing Director's Salary and Allowances	30	11,920,000	10,849,355
Directors' Fees & Expenses	31	4,539,401	10,465,344
Shariah Supervisory Committee's Fees & Expenses	32	245,903	711,064
Auditors' Fees		575,000	575,000
Charges on Investment Losses		-	-
Depreciation & Repair to Bank's Assets	33	320,667,613	297,722,218
Zakat Expenses		129,665,548	111,424,295
Other Expenses	34	1,130,642,835	748,196,121
Total Operating Expenses		5,408,417,348	4,686,229,835
Profit/(Loss) before Provision		6,143,117,574	6,166,211,520
Provision for Investments		2,261,500,825	2,569,199,969
Other Provisions	35	33,322,000	61,885,000
Total Provision	36	2,294,822,825	2,631,084,969
Total Profit/(Loss) before Income Taxes		3,848,294,749	3,535,126,551
Provision for Taxation	37	2,264,863,993	2,079,876,855
Net Profit/(Loss) after Taxation		1,583,430,756	1,455,249,695
Appropriations:			
Statutory Reserve		769,658,950	707,025,310
Retained surplus		813,771,806	748,224,385
		1,583,430,756	1,455,249,695

Earning Per Share (EPS) (Prior year restated)

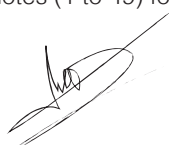
1.95

1.79

Annexed notes (1 to 49) form an integral part of these financial statements



Chairman



Director



Director



Managing Director & CEO

Signed as per our report of same date

Dated, Dhaka
30 April, 2019



Syful Shamsul Alam & Co.
Chartered Accountants

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

Particulars	Note(s)	31.12.2018	31.12.2017
		Taka	Taka
Cash Flow from operating activities			
Investment Income receipt	39	24,828,587,795	18,394,515,672
Profit paid on deposits		(14,485,959,692)	(9,096,249,089)
Dividend receipts		462,796,394	443,104,547
Fees & commission receipt		679,730,570	848,329,068
Cash payments to employees		(3,145,854,129)	(2,899,594,762)
Cash payments to suppliers		(141,050,757)	(138,873,815)
Income tax paid		(1,268,621,662)	(1,407,386,534)
Receipts from other operating activities	40	1,517,119,328	1,625,353,384
Payments for other operating activities	41	(1,837,038,555)	(1,385,374,138)
Operating profit before changes in operating assets and liabilities		6,609,709,291	6,383,824,334
Increase/Decrease in operating assets and liabilities			
Statutory deposits		-	-
Net trading securities		(4,026,921)	(771,943,598)
Investments to other banks		-	-
Investment to customers		(28,608,661,868)	(35,849,375,711)
Other assets	42	(2,851,827,148)	(1,071,742,352)
Deposits from other banks		(1,687,502,441)	13,953,833,871
Deposits received from customers		19,635,073,072	22,814,840,998
Other liabilities on account of customers		-	-
Trading liabilities		-	-
Other liabilities	43	(2,112,340,545)	320,777,289
Sub Total		(15,629,285,851)	(603,609,502)
A. Net Cash flow from operating activities		(9,019,576,559)	5,780,214,832
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 & equipment's		(367,190,468)	(485,684,274)
Purchase/Sale of subsidiaries		-	-
B. Net Cash flows from investing activities		(367,190,468)	(485,684,274)
Cash flows from financing activities			
Receipts from issue of debt instruments		3,000,000,000	2,000,000,000
SIBL Mudaraba Subordinated Bond		4,400,000,000	3,400,000,000
Receipts from issue of right shares/ordinary share		-	-
Dividend paid in cash		-	(1,476,597,284)
C. Net Cash flow from financing activities		7,400,000,000	3,923,402,716
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)		(1,986,767,027)	9,217,933,274
E. Cash and cash equivalents at the beginning of the year		35,461,173,538	26,243,240,264
F. Cash and cash equivalents at the end of the year (D+E)	44	33,474,406,572	35,461,173,538
Net Operating Cash Flow Per Share (NOCFPS)		(11.11)	7.12

Annexed notes (1 to 49) form an integral part of these financial statements



Chairman



Director



Director



Managing Director & CEO

Signed as per our report of same date

Dated, Dhaka
30 April, 2019

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

Particulars	(Amount in Taka)							
	1	2	3	4	5	6	7	8=(2+3+4+5+6+7)
Balance as at 01 January 2018		7,382,986,420	-	5,025,796,447	-	979,221,345	778,444,828	14,166,449,040
Changes in Accounting Policy		-	-	-	-	-	-	-
Restated 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		-	-	-	-	-	1,583,430,756	1,583,430,756
Appropriation made during the year		-	-	769,658,950	-	-	(769,658,950)	-
Dividend:								
Cash		-	-	-	-	-	-	-
Bonus/Stock		738,298,640	-	-	-	-	(738,298,640)	-
Transferred to retained earnings		-	-	-	-	(24,222,574)	24,222,574	-
Total shareholders' equity as on 31 December 2018		8,121,285,060	-	5,795,455,397	-	954,998,773	878,140,568	15,749,879,796
Eligible Capital Under Basel III:		8,121,285,060	-	5,795,455,397	-	105,567,973	878,140,568	14,900,448,997
Add: General provision for unclassified investment		-	-	-	-	-	-	2,291,063,372
Add: SIBL Mudaraba Subordinated Bond		-	-	-	-	-	-	8,920,000,000
Total eligible capital as on 31 December 2018								26,111,512,369

Annexed notes (1 to 49) form an integral part of these financial statements



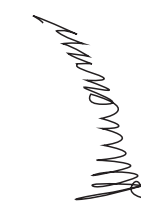
Chairman



Director



Director



Managing Director & CEO

Dated, Dhaka
30 April, 2019

Signed as per our report of same date

LIQUIDITY STATEMENT - ASSETS AND LIABILITIES ANALYSIS

AS AT 31 DECEMBER 2018

Particulars	(amount in Taka)						
	Upto 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total Current Year	Total Previous Year
1	2	3	4	5	6	7(2+3+4+5+6)	8
Assets							
Cash in hand	14,220,135,674	-	-	-	11,859,933,000	26,080,068,674	23,826,660,571
Balance with other Banks and Financial Institutions	914,011,805	568,706,134	-	-	-	1,482,717,939	897,893,068
Placement with Banks & other Financial Institutions	3,120,000,000	1,750,000,000	1,041,619,899	-	-	5,911,619,899	10,736,619,899
Investment (in Shares & Securities)	4,144,037,331	3,050,000,000	2,600,000,000	1,282,515,107	2,009,998,400	13,086,550,839	13,082,523,917
Investments	29,139,622,930	48,896,931,116	109,233,662,907	45,674,626,000	5,709,328,000	238,654,170,953	210,045,509,085
Fixed Assets including premises, furniture & fixtures etc.	-	-	-	1,781,767,358	1,781,767,358	3,563,534,717	3,480,818,155
Other Assets	-	-	-	9,263,329,212	9,263,329,212	18,526,658,424	14,278,930,250
Non-Banking Assets	-	-	-	-	-	-	-
Total Assets	51,537,807,740	54,265,637,251	112,875,282,806	58,002,237,678	30,624,355,970	307,305,321,445	276,348,954,945
Liabilities							
Placement from Banks & other financial institutions	3,000,000,000	2,000,000,000	3,000,000,000	-	-	8,000,000,000	5,000,000,000
Deposits and other accounts	47,297,551,026	50,939,023,364	107,578,437,224	27,833,137,109	14,676,340,925	248,324,489,649	228,798,900,180
Provision and other liabilities	-	-	-	24,141,917,232	11,014,703,924	35,156,621,156	28,346,394,909
Deferred tax liability	-	-	-	74,330,843	-	74,330,843	37,210,816
Total Liabilities	50,297,551,026	52,939,023,364	110,578,437,224	52,049,385,184	25,691,044,849	291,555,441,648	262,182,505,905
Net Liquidity Gap	1,240,256,713	1,326,613,886	2,296,845,582	5,952,852,493	4,933,311,121	15,749,879,796	14,166,449,040

Annexed notes (1 to 49) form an integral part of these financial statements


Chairman

Director

Managing Director & CEO

Signed as per our report of same date

Dated, Dhaka
30 April, 2019

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2018

1 THE BANK AND ITS ACTIVITIES

1.1 STATUS OF THE BANK

The Bank was incorporated as a Public Limited Company in Bangladesh on 22nd November 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 (as amended in 2013) 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 fifty five (155) 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	99.999902%	0.000097%
2. SIBL Investment Limited	250,000,000	99.99968%	0.0003200%
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 Head Office, 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 INTERNATIONAL ACCOUNTING STANDARDS (IAS) AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS):

In compliance with	IAS 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	Supersedes by IFRS-15
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	N/A
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

In compliance with	IAS No.	Status
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	Supersedes by IFRS-09
Investment Property	40	N/A
Agriculture	41	N/A
In Compliance With	IFRS 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
Financial Instruments	9	Applied to the extent of compliance with (Financial Instruments) which is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local endorsement requirements. 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. 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.
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	Applied
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with customers	15	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 International Financial Reporting Standards (IFRSs), 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 from time to time, the Companies Act 1994, the Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh securities and Exchange Act 1993, Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015, the Income Tax Ordinance, 1984 and amendments thereon, the Value Added Tax Act- 1991, Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE), & Central Depository Bangladesh Limited (CDBL) rules and regulations and Financial Reporting Act 2015. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, 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 IFRSs 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 31.12.2018 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 **International Financial reporting Standards (IFRS)-9**, classification and measurement of investment in equity investments (shares and securities) depends on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors, it would it would generally fall either under 'at fair value through profit and loss account (FVTPL)' or under 'at fair value through other comprehensive income (FVTOCI)' (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively. SIBL recognises its 'Investment in Shares and Securities' as per IFRS-9 and accounted for the required profit/(loss) after adjustment of the value of shares and securities through profit and loss account.

Derivatives

A derivative is an investment instrument that consists of a contract between parties whose value derives from and depends on the value of an underlying financial asset. In short, these are the instruments whose value depends on underlying asset. The underlying asset can be equity, index, commodity, bond or currency. Some of the examples of Derivatives are Forwards, Futures, Options and Swaps. As a shariah based Islami bank, SIBL can not take part in issuing or purchasing any 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

In accordance with IFRS 9, Financial Instruments, with the exception of purchased or originated credit (investment) impaired financial assets, expected credit (investment) losses are required to be measured through a loss allowance at an amount equal to the 12-month expected credit (investment) losses (expected credit (investment) losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date; or full lifetime expected credit (investment) losses (expected credit /investment losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit (investment) losses is required for a financial instrument if the credit (investment) risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction in accordance with IFRS 15. Additionally, entities can elect an accounting policy to recognise full lifetime expected losses for all contract assets and/or all trade receivables that do constitute a financing transaction in accordance with IFRS 15. The same election is also separately permitted for lease receivables. For all other financial instruments, expected credit (investment) losses are measured at an amount equal to the 12-month expected credit (investment) losses.

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) is specified 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	1%
General Provision on Investment for Consumer Financing	5%
General Provision on Investment for Short term Agri/ Micro credit	1%
General Provision on Special Mention Account	0.25%-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 relevant IFRS or IAS.

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 (13.4) 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 IAS-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

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IFRS 9 Financial Instruments. Hence some disclosures and presentation requirements of IAS-32 and IFRS-7 can not be followed due to the presentation and disclosure obligations of Bangladesh Bank.

vii) Financial guarantees

As per IFRS 9 Financial Instruments, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a debtor fails to make payment when due in accordance with the terms of debt instruments. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and loss allowance determined as expected credit (investment) loss under IFRS 9. Financial Guarantees are prescribed to be included within other liabilities.

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 IFRS 9, 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 IFRS 9. 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 IAS 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 IAS 7.

ix) Non-banking asset

There is no particular guideline about non-banking assets in IFRS.

In accordance with BRPD 15, non-banking asset should be presented in the face of Balance sheet if there is any. But, no IFRS indicates for accounting of non-banking assets. However, there is no non-banking assets of SIBL.

x) Cash Flow Statement

International Accounting Standard (IAS)-7 "Cash Flow Statement" requires SIBL to prepare cash flow statement under direct method. However, Cash Flow Statement has been prepared under an 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)

IAS 7 requires balance with Bangladesh Bank to be treated as other assets. However, as per BRPD Circular No.: 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 IAS 38, intangible assets are accounted for and amortized. Related necessary disclosures for the intangible asset; i.e Core Banking software of SIBL 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**

In accordance with IFRS, there is no requirement to disclose off-balance sheet items on the face of the balance sheet.

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 No.: 15, contingent liabilities are recognised as off balance sheet items in absence of any recommendation in IFRS.

xiv) Investments net off provisions

Investments are presented at its actual value without netting off as per BRPD circular No.: 15, though it is to be presented at net off value as per related IFRS.

2.2 CONSOLIDATION PROCEDURES (IAS-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 International Accounting Standard (IAS) 27: Separate Financial Statements, International Financial Reporting Standards (IFRS):3- Business Combinations and International Financial Reporting Standards (IFRS):10- Consolidated Financial Statements. The consolidated financial statements are prepared to a common financial period ended 31 December 2018.

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. The functional currency of Off-shore Banking Unit (OBU) is United States Dollar and its financial statements have been translated to the presentation currency, i.e Bangladesh Taka following the guidelines of IAS 21, Changes in foreign Exchange Rates.

2.5 ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS: (IAS-8)

The preparation of the consolidated financial statements in conformity with IFRSs 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 2018 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 2018 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 2018.

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 (IAS-16)

Assets have been shown at cost less depreciation as per paragraph 43 of International Accounting Standard (IAS)-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 International Accounting Standard (IAS)-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 (IAS-17)

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. There are two types of lease (1) Financial lease (2) Operational lease. A Financial Lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset, where, title may or may not be eventually be transferred. A operating lease is a lease other than a financial lease. However, no assets of Social Islami Bank Ltd. has been identified/classified as Operating or Finance lease as per IAS-17.

2.11 IMPAIRMENT OF ASSETS (IAS-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. However no changes have arisen during the year against impairment.

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 2013) until such reserve equal to its paid up capital together with the share premium.

2.13 REVENUE RECOGNITION (IFRS-15)

(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 65% 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 (IAS-12)

(a) Current Tax

Provision for income tax has been calculated as per Income Tax Ordinance, 1984 as amended by the Finance Act 2018 considering all applicable allowances and disallowances.

(b) Deferred Tax

Recognition of deferred tax liabilities

The general principle in IAS 12 is that a deferred tax liability is recognised for all taxable temporary differences. There are three exceptions to the requirement to recognise a deferred tax liability, as follows:

Liabilities arising from initial recognition of goodwill, liabilities arising from the initial recognition of an asset/liability other than in a business combination which, at the time of the transaction, does not affect either the accounting or the taxable profit, liabilities arising from temporary differences associated with investments in subsidiaries, branches, and associates, and interests in joint arrangements, but only to the extent that the entity is able to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future.

Recognition of Deferred Tax Asset

A deferred tax asset is recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised, unless the deferred tax asset arises from: the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect accounting profit or taxable profit. Deferred tax assets for deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint arrangements, are only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference will be utilised. The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable profit will be available. A deferred tax asset is recognised for an unused tax loss carry forward or unused tax credit if, and only if, it is considered probable that there will be sufficient future taxable profit against which the loss or credit carry forward can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period

The Bank has accounted for deferred tax as per **International Accounting Standard (IAS)-12**, "Income Taxes".

2.15 ZAKAT FUND

The Bank has created a Zakat Fund @ 2.58% for the period ended 31 December 2018 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 (IAS-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 International Accounting Standard (IAS) -19, "Employee Benefits" and necessary provision i.e @ 9.5% 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 2018.

Workers' Profit Participation Fund (WPPF)

Consistent with the industry practice and in accordance with The Bank Company Act, 1991, no provision has been made for WPPF.

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 future 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 Market-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.

Additional risks required to be addressed under new regulatory requirements

Environmental & Social Risk

As one of the shariah based banks of Bangladesh, Social Islami Bank Limited (SIBL) have adopted Environmental & Social Risk Management (ESRM) System as one of its integral parts of Investment Risk Assessment to compute environmental & social risks from our financial footprints. SIBL is one of the banks operating in Bangladesh to add "Environmental & Social Management System (ESMS)" within its framework, a global standard to minimize environmental & social risks from the organisational activities. Risks associated with E&S Risk in Credit/Investment Management includes 1. Credit Risk, 2. Legal Risk, 3. Operational Risk, 4. Liquidity Risk, 5. Reputational Risk etc. Applicability of the guideline includes for investments disbursed to the sectors Agriculture, SME, Corporate Finance, Project Finance and Trade, Retail & Microfinance. All national regulations pertaining to E&S governance is applicable while carrying out E&S due diligence of a particular transaction. This means all relevant E&S permits, consents, licenses, and monitoring of E&S parameters as per the national regulations are to be considered as mandatory compliance requirements for evaluation of a investment application. If clients have management systems in place as per international frameworks such as ISO 14001 for environmental management, OHSAS 18001 for occupational health and safety, SA8000 for socially acceptable practices in the workplace then it is considered as good practices. Adherence to IFC Performance Standards is considered in case of large project financing as a good practice and optional requirement.

2.19 EARNINGS PER SHARE (IAS-33)

Earning Per Share (EPS) has been computed by dividing the basic earning by the weighted average number of ordinary shares outstanding at the end of the year as per IAS 33 Earning Per Share

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. Net profit after tax less preference dividend has been considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighting factor is the number of days the specific shares are outstanding as a portion of the total number of days in the year.

The basis of computation of number of shares is in line with the provision of IAS 33 Earning Per Share. The logic behind this basis is that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings. In contrast, other shares were issued against consideration in cash or in kind, and accordingly there is an increase in resource generating new earnings. Therefore, the total number of shares issued in 2018 has been multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period.

2.20 EVENTS AFTER REPORTING PERIOD

As per IAS - 10 "Events after the Reporting Period" events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of event can be identified:

- a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and
- b) Non adjusting events after the reporting period, are those that are indicative of conditions that arose after the reporting period.

The details about the events after reporting period is shown at note - 48.

2.21 SEGMENT REPORTING

As per IFRS 8 "Operating Segments", an operating segment is a component of an entity:

- i. That engages in business activities from which it may earn revenues and incur expenses (include revenues and expenses relating to transactions with other components of the same entity);
- ii. Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performances, and
- iii. For which discrete financial information is available.

The Bank identifies segment based on its business segment as well as its subsidiaries. Business segment comprises SME, Retail, Corporate and Treasury under Islamic banking.

The Bank reviews the segments at the end of each reporting period to identify which of its segments are reportable and disclose the related information for those reportable segments accordingly.

			2018 Taka	2017 Taka
3	Cash			
	In hand:			
	In local currency		2,154,793,722	2,218,218,090
	In foreign currencies		25,833,892	17,520,927
	ATM balance		163,630,700	133,387,000
			2,344,258,315	2,369,126,018
	In Foreign Currencies			
		Foreign Currency	Amount in FC	Exchange Rate
		USD	228,317	83.90
		EURO	69,865	95.55
		S. Riyal	100	22.36
			25,833,892	17,520,927
3(a)	Consolidated balance of cash in hand			
	Social Islami Bank Limited		2,344,258,315	2,369,126,018
	Cash in hand of Subsidiary companies		67,226	193,880
	SIBL Securities Limited		62,025	188,679
	SIBL Investment Limited		5,201	5,201
			2,344,325,541	2,369,319,898
3.1	Balance with Bangladesh Bank and its agent bank (Sonali Bank)			
	Balance with Bangladesh Bank (Note-3.1.1)		23,400,872,133	21,126,573,256
	Balance with Sonali Bank (as an agent of BB) (Note-3.1.2)		334,938,226	330,961,297
			23,735,810,359	21,457,534,554
3.1.1	Balance with Bangladesh Bank (Including foreign currencies)			
	In local currency		22,980,763,770	20,699,996,265
	In foreign currencies		420,108,363	426,576,991
			23,400,872,133	21,126,573,256
3.1.2	Balance with Sonali Bank (as an agent of Bangladesh Bank)			
	In local currency		334,938,226	330,961,297
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, dated: 19/01/2014, MPD Circular no. 01, dated 23/06/2014 and MPD Circular no. 01, dated 03/04/2018.

According to latest DOS circular no.01/2014, dated:19/01/2014 and MPD Circular no. 01, dated 03/04/2014 i.e from 03 April 2018, the statutory cash reserve requirement (CRR) on bank's time and demand liabilities @5.00% on daily basis and @5.50% on Bi-weekly average 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 hand, 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:

	2018 Taka	2017 Taka
3.3 Cash Reserve Requirement (CRR): 5.00% (on daily basis) of average Demand and Time Liabilities		
Required Reserve	10,781,757,000	12,497,853,900
Actual Reserve held as per GL balance (in local currency)	22,980,763,770	20,699,996,265
Excess Reserve	12,199,006,770	8,202,142,365
3.4 Cash Reserve Requirement (CRR): 5.50% (on bi-weekly average basis) of average Demand and Time Liabilities		
Required Reserve	11,859,933,000	13,539,341,730
Actual Reserve held as per GL balance (in local currency)	22,980,763,770	20,699,996,265
Excess Reserve	11,120,830,770	7,160,654,535
3.5 Statutory Liquidity Ratio (SLR)		
Required Reserve	11,859,933,000	11,456,366,080
Actual Reserve held as per GL balance (Note- 3.6)	23,000,027,311	18,960,741,850
Surplus	11,140,094,311	7,504,375,770
3.6 Held for Statutory Liquidity Ratio		
Cash in hand (Note- 3)	2,344,258,315	2,369,126,018
Balance with Bangladesh Bank and its agent banks (Note-3.1)	-	-
Balance with Sonali Bank (as an agent of BB) (Note-3.1.2)	334,938,226	330,961,297
Excess reserve of CRR (Note-3.4)	11,120,830,770	7,160,654,535
Balance with Islamic Refinance Fund (Note-6)	250,000,000	250,000,000
Bangladesh Govt. Islamic Bond (Note- 6.4)	8,950,000,000	8,850,000,000
	23,000,027,311	18,960,741,850
4 Balance with Other Banks and Financial Institutions (Other than Mudaraba Term Deposit)		
In Bangladesh (Note - 4.1)	1,159,022,085	531,828,698
Outside Bangladesh (Note- 4.2)	323,695,854	366,064,370
	1,482,717,939	897,893,068
4(a) Consolidated balance of other Banks and Financial Institutions		
In Bangladesh		
Social Islami Bank Limited	1,159,022,085	531,828,698
Add: Account Balance of subsidiaries of SIBL with SIBL Principal Branch	373,713,075	391,174,408
SIBL Securities Limited (Current account and MTDR)	123,864,138	141,299,321
SIBL Investment Limited	249,848,937	249,875,087
	1,532,735,160	923,003,107
Less: Inter company balance eliminated	373,713,075	391,174,408
SIBL Securities Limited (Current account and MTDR)	123,864,138	141,299,321
SIBL Investment Limited	249,848,937	249,875,087
	54,469	273,717
Add: Account Balance of subsidiaries of SIBL with other banks and financial institutions	54,469	273,717
SIBL Securities Limited	54,469	273,717
SIBL Investment Limited	-	-
	1,159,076,554	532,102,415
4.1		
a) Inside Bangladesh Current Account		
Islami Bank Bangladesh Limited	4,026,312	7,059,342
Sonali Bank Limited	62,993,496	44,216,797
Agrani Bank Limited	3,004,425	4,310
Pubali Bank Limited	2,261	2,261
NRB Global Bank Limited	502,092,500	-
Trust Bank Limited (ATM settlement Account)	13,281,579	234,604,915
Standard Chartered Bank (ATM settlement Account)	4,915,378	1,027,475
	590,315,951	286,915,099

	2018 Taka	2017 Taka
b) Mudaraba Short Notice Deposits		
Al- Arafah Islami Bank Limited	29,825,538	25,022,669
ICB Islami Bank Limited	9,992	10,337
Shahjalal Islami Bank Limited	8,465,917	6,827,559
Prime Bank Limited (Islami Banking Branch)	7,129	6,905
Bank Asia Limited (Islami Banking Branch)	560,633	549,615
Islami Bank Bangladesh Limited	74,084,064	178,420,560
Jamuna Bank Limited (Islami Banking Branch)	535,697	483,905
Pubali Bank Limited (Islami Banking Branch)	7,144,105	1,711,320
Exim Bank Ltd.	12,116,484	11,109,611
Janata Bank Limited	10,986	18,024,946
South East Bank Ltd.	326,258	278,055
AB Bank Ltd.	3,450,804	2,456,088
The City Bank Ltd.	11,955	12,031
Agrani Bank Ltd.	15,342,671	-
First Security Islami Bank Ltd.	16,813,902	-
Union Bank Ltd.	400,000,000	-
	568,706,134	244,913,599
c) Mudaraba Savings Deposits	-	-
Total	1,159,022,085	531,828,698

4.2 Outside Bangladesh (NOSTRO Account)

31.12.2018

	Currency	F.C. Amount	Rate	Taka	
1	SCB, MUMBAI	ACUD	(69,342.45)	83.90	(5,818,832)
2	SUMMIT BANK, KARACHI	ACUD	5,241.77	83.90	439,785
3	SONALI BANK, KOLKATA	ACUD	15,422.59	83.90	1,293,955
4	MASHREQ BANK, MUMBAI	ACUD	319,558.74	83.90	26,810,978
5	NEPAL BANGLADESH BANK	ACUD	3,778.36	83.90	317,004
6	BANK OF BHUTAN, PHUENTSHOLING	ACUD	29,972.63	83.90	2,514,704
7	UNITED BANK OF INDIA	ACUD	21,374.87	83.90	1,793,352
8	AB BANK, MUMBAI	ACUD	89,336.06	83.90	7,495,295
9	MEEZAN BANK LIMITED	ACUD	3,325.00	83.90	278,968
10	MCB BANK, KARACHI, PAKISTAN	ACUD	5,244.48	83.90	440,012
11	AXIS BANK LIMITED	ACUD	40,461.41	83.90	3,394,712
12	MASHREQ BANK, NEW YORK, (OBU)	USD	173,718.15	83.90	14,574,953
13	MASHREQ BANK PSC, NEW YORK, USA	USD	(28,046.60)	83.90	(2,353,110)
14	SCB, NY, USA	USD	2,842,050.90	83.90	238,448,071
15	KOREA EXCH. BANK, KOREA	USD	642.38	83.90	53,896
16	HABIB AMERICAN BANK	USD	357,479.89	83.90	29,992,563
17	COMMERZ BANK AG, FRANKFURT	EURO	16,429.91	95.55	1,569,939
18	MASHREQ BANK, PSC MUMBAI	ACU EURO	427.92	95.55	40,889
19	SCB, FRANKFURT	EURO	23,926.50	95.55	2,286,266
20	SCB, LONDON, UK	GBP	90.81	106.25	9,649
21	SCB, TOKYO	JPY	33,158.00	0.76	25,081
22	ALAWWAL BANK RIYADH SA	RIYAL	3,923.43	22.36	87,725
	Total				323,695,854

Currency wise Distribution:**Foreign Currency**

	31.12.2018 Composition	2017 Composition	31.12.2018 Taka	31.12.2017 Taka
USD/ACU	98.76%	97.00%	319,676,305	355,076,621
GBP	0.00%	0.55%	9,649	2,028,301
EUR	1.20%	1.17%	3,897,094	4,272,498
YEN	0.01%	0.14%	25,081	524,474
RIYAL	0.03%	1.14%	87,725	4,162,478
	100%	100%	323,695,854	366,064,370

Please see 'Annexure-C' for details comparative statement of 31.12.2018 & 31.12.2017 of foreign currency amount and rate.

		2018 Taka	2017 Taka
4.3	Maturity-wise groupings of balance with other Banks and Financial Institutions (Both in Bangladesh and outside Bangladesh)		
	On Demand	914,011,805	652,979,469
	Not more than 3 months	568,706,134	244,913,599
	Over 3 months but not more than 1 year	-	-
	Over 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		1,482,717,939	897,893,068
5	Placement with Banks & other Financial Institutions		
	Placement with Banks (Note-5.1)	486,619,899	186,619,899
	Placement with other Financial Institutions (Note-5.2)	5,425,000,000	10,550,000,000
		5,911,619,899	10,736,619,899
5.1	Mudaraba Term Deposits with Banks		
	ICB Islamic Bank Limited	186,619,899	186,619,899
	Union Bank Limited	300,000,000	-
		486,619,899	186,619,899
5.2	Mudaraba Term Deposits with Other Financial Institutions		
	IIDFC	-	800,000,000
	IPDC Finance Ltd.	250,000,000	600,000,000
	International Leasing & Financial Services Ltd.	355,000,000	-
	Prime Finance & Investment Limited	200,000,000	200,000,000
	IDLC Finance Limited	500,000,000	2,850,000,000
	Union Capital Limited	900,000,000	900,000,000
	Lanka Bangla Finance Limited	-	1,300,000,000
	Hajj Finance Company Limited	200,000,000	300,000,000
	Fas Finance and Investment Limited	300,000,000	300,000,000
	First Finance Limited	100,000,000	-
	Phoenix Finance & Investment Ltd.	-	200,000,000
	Reliance Finance Limited	1,620,000,000	100,000,000
	Investment Corporation of BD Ltd. (ICB)	1,000,000,000	3,000,000,000
		5,425,000,000	10,550,000,000
5.3	Maturity-wise groupings of placement with Banks and other Financial Institutions		
	On Demand	3,120,000,000	2,600,000,000
	Not more than 3 months	1,750,000,000	3,350,000,000
	More than 3 months but less than 1 year	855,000,000	4,600,000,000
	More than 1 year but less than 5 years	186,619,899	186,619,899
	More than 5 years	-	-
		5,911,619,899	10,736,619,899

	2018 Taka	2017 Taka
6 Investment in Shares & Securities		
Government		
Government Bond (Islamic Investment Bond) (Note 6.1)	8,950,000,000	8,850,000,000
BD Government Islamic Refinance Fund	250,000,000	250,000,000
	9,200,000,000	9,100,000,000
Others		
Investment in Shares, Quoted (Note 6.2)	706,935,936	823,570,481
Investment in Shares, Unquoted (Note 6.3)	3,292,513,507	3,159,002,642
	3,999,449,443	3,982,573,123
Fair value adjustment through profit or loss (FVTPL) (note: 6.5)	(112,898,604)	(49,206)
Value of Investment in Shares and securities, Others	3,886,550,839	3,982,523,917
Grand Total	13,086,550,839	13,082,523,917
Maturity-wise Grouping of Investment in Securities:		
Upto one month	4,144,037,331	3,973,521,275
Not more than 3 months	3,050,000,000	3,050,000,000
Over 3 months but not more than 1 year	2,600,000,000	2,903,458,080
Over 1 year but not more than 5 years	1,282,515,107	1,115,546,162
More than 5 years	2,009,998,400	2,039,998,400
	13,086,550,839	13,082,523,917
6(a) Consolidated Investment in Shares and Securities		
Social Islami Bank Limited		
Government		
Investment in Government Islamic Bond	8,950,000,000	8,850,000,000
BD Government Islamic Refinance Fund	250,000,000	250,000,000
	9,200,000,000	9,100,000,000
Others sectors	3,886,550,839	3,982,523,917
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	2,406,552,439	2,502,525,517
Total consolidated balance of Investment in shares and securities	11,606,552,439	11,602,525,517

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.

		2018	2017
		Taka	Taka
6.2	Investment (Cost) in Shares (Quoted)		
	ICB 1st Mutual Fund	-	4,438,695
	ICB 3rd Mutual Fund	-	6,159,588
	ICB 4th Mutual Fund	-	16,657,062
	ICB 5th Mutual Fund	-	5,472,152
	ICB 7th Mutual Fund	-	9,898,510
	ICB 8th Mutual Fund	-	4,837,839
	National Life Insurance Ist Mutual Fund	3,103,399	5,335,000
	BD Com	3,756,097	-
	ICB Sonali Mutual Fund	1,765,607	1,765,607
	Aamra Net	10,663,324	-
	ICB AMCL 2nd Mutual Fund	881,150	881,150
	Aamra Tech	20,106,190	-
	SEBL 1st Mutual Fund	1,393,658	2,909,385
	Grameen One Scheme	-	3,142,558
	IFIC 1ST Mutual Fund	10,985,834	10,985,836
	Trust Bank 1ST Mutual Fund	10,537,366	10,537,367
	1ST Janata Mutual Fund	3,408,500	3,408,500
	AB 1st Mutual Fund	6,927,168	6,927,169
	Al-Arafah Islami Bank Limited	2,039,011	16,867,207
	Exim Bank Limited	24,354,909	-
	Islami Asia Limited	-	3,516,067
	Islami Bank Limited	13,885,373	-
	Titas Gas Limited	78,823,665	48,260,904
	MJL Bangladesh	13,356,873	13,356,873
	Beximco Limited	-	17,179,237
	GPH Ispat Limited	-	4,528,640
	Descoco	7,867,490	7,853,046
	Padma Oil	12,846,915	12,846,915
	BSRM Steel	19,589,363	20,009,563
	Bashundhara Paper Mills Ltd.	864,560	-
	Jamuna Oil	44,165,292	44,165,292
	Grameen Phone	3,776,488	-
	Orion Pharma Limited	210,976,327	295,513,194
	Square Pharmaceuticals	21,943,252	-
	Linde Bangladesh Ltd.	9,045,421	27,730,477
	RAK Ceramics Limited	11,574,347	22,280,618
	Heidelberg Cement Ltd.	-	34,059,299
	BSRM Ltd.	20,568,475	30,176,492
	Beximco Pharmaceutical	21,541,687	19,547,551
	Apex Foot Wear Limited	10,989,811	24,880,713
	Active Fine Limited	-	20,405,010
	National Tea Co.	-	23,635,393
	Summit Power Limited	65,956,243	12,513,194
	Doreen Power Limited	-	7,756,640
	Powergrid Company Limited	18,244,575	8,242,421
	Style Craft	-	14,889,319
	Intraco Refueling Station Ltd.	6,951,645	-
	KPCL	11,152,648	-
	M Petroleum	2,893,275	-
		706,935,936	823,570,481

		2018 Taka	2017 Taka
6.3	Investment (Cost) in Shares (Unquoted)		
	CDBL Share	1,569,450	1,569,450
	Orion Infrastructure Ltd. (Cumulative)	500,000,000	500,000,000
	Orion Infrastructure Ltd. (Redeemable)	561,976,712	561,976,712
	Lub-RREF (BD) Limited. Pre-IPO	52,000,000	52,000,000
	Bashundhara Paper Mills Ltd.	-	3,458,080
	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
	Awqaf Properties Investment fund (APIF)	166,968,945	-
	FSIBL Mudaraba Subordinate Bond (1st & 2nd Bond)	530,000,000	560,000,000
		3,292,513,507	3,159,002,642

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.

Awqaf Properties Investment fund (APIF) is operated by Islamic Development Bank (IDB). APIF provides financing for the development of Awqaf properties both in member countries and Islamic communities in non-member countries. The objective of APIF is to develop and invest in accordance with the principles of Islamic Shariah, in Awqaf real estate properties that are socially, economically, and financially viable, in member countries of IDB and Islamic communities in non-member countries. Its main activities are poverty alleviation programmes, disaster relief, free health services, imparting religious and contemporary education, heritage, culture, and environment.

6.4	Government Bond (BD Govt. Islamic Bond)	8,950,000,000	8,850,000,000
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6.5 Details of Shares & Securities in quoted and unquoted other than in subsidiaries **31.12.2018**

Particulars	No. of Shares/ Securities	Market price per Shares	Fair value/ Market value as on 31-12-2018	Taka	
				Cost price as on 31-12-2018	Fair value adjustment
Quoted Shares					
National Life Insurance Ist Mutual Fund	319,937	13.00	4,159,181	3,103,399	1,055,782
BD Com	157,828	28.70	4,529,664	3,756,097	773,566
ICB Sonali Mutual Fund	300,000	7.00	2,100,000	1,765,607	334,393
Aamra Net	150,000	58.80	8,820,000	10,663,324	(1,843,324)
ICB AMCL 2nd Mutual Fund	179,398	6.40	1,148,147	881,150	266,998
Aamra Tech	690,000	28.60	19,734,000	20,106,190	(372,190)
SEBL 1st Mutual Fund	151,675	12.20	1,850,435	1,393,658	456,777
IFIC 1ST Mutual Fund	1,690,398	4.20	7,099,672	10,985,834	(3,886,162)
	balance carried forward		49,441,098	52,655,259	(3,214,160)

31.12.2018
Taka

Particulars	No. of Shares/ Securities	Market price per Shares	Fair value/ Market value as on 31-12- 2018	Cost price as on 31-12-2018	Fair value adjustment
	balance brought forward		49,441,098	52,655,259	(3,214,160)
Trust Bank 1ST Mutual Fund	1,600,840	4.40	7,043,696	10,537,366	(3,493,670)
1ST Janata Mutual Fund	526,246	4.40	2,315,482	3,408,500	(1,093,017)
AB 1st Mutual Fund	1,066,666	4.40	4,693,330	6,927,168	(2,233,838)
Al-Arafah Islami Bank Ltd.	100,000	19.90	1,990,000	2,039,011	(49,011)
Exim Bank Limited	1,689,990	11.80	19,941,882	24,354,909	(4,413,027)
Islami Bank Limited	500,000	24.20	12,100,000	13,885,373	(1,785,373)
Titas Gas Limited	1,739,886	36.40	63,331,850	78,823,665	(15,491,814)
MJL Bangladesh	115,500	99.20	11,457,600	13,356,873	(1,899,273)
Desco	150,320	40.40	6,072,928	7,867,490	(1,794,562)
Padma Oil	51,245	225.20	11,540,374	12,846,915	(1,306,541)
BSRM Steel	223,062	59.90	13,361,414	19,589,363	(6,227,949)
Bashundhara Paper Mills Ltd.	10,807	83.80	905,627	864,560	41,067
Jamuna Oil	219,671	190.50	41,847,326	44,165,292	(2,317,966)
Grameen Phone	10,000	367.30	3,673,000	3,776,488	(103,488)
Orion Pharma Limited	4,605,934	36.80	169,498,371	210,976,327	(41,477,956)
Square Pharmaceuticals	85,600	254.20	21,759,520	21,943,252	(183,732)
Linde Bangladesh Ltd.	6,500	1,198.40	7,789,600	9,045,421	(1,255,821)
RAK Ceramics Limited	200,000	39.00	7,800,000	11,574,347	(3,774,347)
BSRM Ltd.	160,000	78.20	12,512,000	20,568,475	(8,056,475)
Beximco Pharmaceutical	200,000	79.10	15,820,000	21,541,687	(5,721,687)
Apex Foot Wear Limited	30,919	295.50	9,136,565	10,989,811	(1,853,246)
Summit Power Limited	1,600,000	39.40	63,040,000	65,956,243	(2,916,243)
Powergrid Company Limited	350,000	48.00	16,800,000	18,244,575	(1,444,575)
Intraco Refueling Station Ltd.	200,060	26.80	5,361,608	6,951,645	(1,590,037)
KPCL	200,000	59.30	11,860,000	11,152,648	707,352
M Petroleum	15,610	188.60	2,944,060	2,893,275	50,785
			594,037,331	706,935,936	(112,898,604)
Preference Shares					
Orion Infrastructure Ltd. (Cumulative)	50,000,000	-	500,000,000	500,000,000	-
Orion Infrastructure Ltd. (Redeemable)			561,976,712	561,976,712	-
			1,061,976,712	1,061,976,712	-
Unquoted Shares/ Bond					
CDBL Share	456,945	-	1,569,450	1,569,450	-
Bashundhara Paper Mills Ltd.			-	-	-
Lub-RREF (BD) Limited. Pre-IPO			52,000,000	52,000,000	-
Awqaf Properties Investment fund (APIF)			166,968,945	166,968,945	-
FSIBL Mudaraba Subordinate Bond (1st & 2nd Bond)		-	530,000,000	530,000,000	-
			750,538,395	750,538,395	-
Grand Total			2,406,552,439	2,519,451,043	(112,898,604)

	2018 Taka	2017 Taka
6.6 Industry wise classification of shares at market price		
Quoted shares		
Banks	40,279,292	20,383,274
Mutual Funds	39,002,681	93,356,418
Others	627,653,963	709,830,789
	706,935,936	823,570,481
6.7 Cost of shares and securities of quoted and unquoted, other than investment in subsidiaries	2,519,451,043	2,502,574,723
Fair value adjustment {Profit/(Loss)} to be made through profit and loss account	(112,898,604)	(49,206)
Value of shares and securities, Quoted and Unquoted other than investment in subsidiaries	2,406,552,439	2,502,525,517

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 International Financial reporting Standards (IFRS)-9, Financial Instruments.

7 Investments		
<u>In Bangladesh</u>		
General Investments etc. (Note-7.1)	230,434,994,597	202,682,884,191
Bills purchased and discounted-net (Note- 7.2)	2,718,264,390	2,953,840,458
<u>Outside Bangladesh</u>		
Bills purchased and discounted-net (Note- 7.2)	5,500,911,966	4,408,784,436
	238,654,170,953	210,045,509,085
7 (a) Consolidated Investment		
General Investments etc.	230,434,994,597	202,682,884,191
Less: Intercompany balance eliminated		
SIBL Securities Limited		
Quard Investment with SIBL- Principal branch	800,000,000	750,000,000
SIBL Investment Limited	-	-
Total consolidated general investment	229,634,994,597	201,932,884,191
Bills purchased and discounted-net	8,219,176,356	7,362,624,894
Grand total	237,854,170,953	209,295,509,085
Maturity wise Classification of Investments:		
With a residual maturity of		
Re-payable on Demand	29,139,622,930	30,798,885,904
Not more than 3 months	48,896,931,116	39,833,906,713
Over 3 months but not more than 1 year	109,233,662,907	96,331,705,468
Over 1 year but not more than 5 years	45,674,626,000	38,178,776,000
Over 5 years	5,709,328,000	4,902,235,000
	238,654,170,953	210,045,509,085

		2018 Taka	2017 Taka		
7.1	Mode-Wise Investment (General)				
	a) In Bangladesh				
	Musharaka	347,714,917	406,944,059		
	Murabaha	3,889,304,111	4,453,662,291		
	Mudaraba	2,061,861,392	6,593,469,910		
	Bai-Muazzal	157,973,557,142	126,947,350,897		
	Hire-Purchase Sirkatul Meelk	54,779,810,323	50,888,743,949		
	Quard	6,850,181,947	9,213,891,287		
	Bai-Salam	775,677,519	596,285,547		
	Staff Loan	2,385,978,089	2,463,571,391		
	Ijarah	660,073,348	436,132,387		
	Visa Card	710,835,809	682,832,475		
		230,434,994,597	202,682,884,191		
	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				
	In land Bill Purchase	2,718,264,390	2,953,840,458		
	Outside Bangladesh				
	Foreign Bill Purchased	158,660,057	58,282,896		
	Murabaha Bill of Exchange	1,655,274,938	2,021,643,306		
	Baim-Wes bills	3,686,976,971	2,328,858,234		
		5,500,911,966	4,408,784,436		
	Grand total of net Bills Purchased and Discounted	8,219,176,356	7,362,624,894		
7.2.1	Bills Purchased and Discounted				
	Payable inside Bangladesh	4,511,086,108	5,158,977,617		
	Payable outside Bangladesh	4,041,308,510	2,475,020,212		
	Gross Bills Purchased and Discounted	8,552,394,618	7,633,997,829		
	Less: Profit receivable on Bills Purchased and Discounted	333,218,262	271,372,935		
	Net Bills Purchased and Discounted	8,219,176,356	7,362,624,894		
	Maturity wise Classification of Bills Purchased and Discounted:				
	On demand	1,643,835,271	1,619,777,477		
	Over 1 month but less than 3 months	4,109,588,178	3,534,059,949		
	Over 3 months but less than 1 year	2,465,752,907	2,208,787,468		
	1 year or more	-	-		
		8,219,176,356	7,362,624,894		
7.3	Investments on the basis of significant concentration	2018 (%)	2017 (%)	2018 Taka	2017 Taka
	Investments to allied concern of Directors	0.00%	0.03%	-	71,952,496
	Investments to Executives & Staffs	1.09%	1.25%	2,602,680,866	2,635,693,346
	Investments to Customer Groups	58.62%	60.67%	139,892,562,262	127,429,123,925
	Industrial Investment	40.29%	38.04%	96,158,927,825	79,908,739,318
	Others	0.00%	0.00%	-	-
		100.00%	100.00%	238,654,170,953	210,045,509,085

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. 2,611.15 Crore as on 31.12.2018 and was used as base figure to calculate the single party exposure limit-funded liability; and such limit was fixed at Tk. 391.67 crore (2,611.15 crore x 15%) till 31.12.2018. 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-funded limit for 100% export oriented clients.

Total Principal outstanding amount to such customers at end of the year (Funded)	438.58 crore*	Nil
Number of such types of customers	01	Nil
Amount of Classified Investments thereon	Nil	Nil
Measures taken for recovery	Not applicable	Not applicable

* As per BRPD circular no. 2, dated: 16 January 2014, single party exposure limit 15% is not applicable for the client doing business in power sector. The principal amount limit for such client is 25% of total capital, i.e Taka-652.79 crore as on 31.12.2018.

7.4 Customer group and industry wise classification of Investment

(Amount in Taka)

Sector	2018		2017	
	Amount	Composition	Amount	Composition
Commercial lending	61,034,903,616	25.57%	50,639,324,777	24.11%
Export Financing	3,976,655,381	1.67%	8,402,275,689	4.00%
House Building Investment	3,830,220,008	1.60%	2,514,863,016	1.20%
Investment against Scheme & MTDR	2,699,896,506	1.13%	1,821,579,092	0.87%
Small and Medium Enterprises	55,648,160,786	23.32%	56,884,268,292	27.08%
Micro Investment	366,423,793	0.15%	220,961,815	0.11%
Other Investments	10,274,440,780	4.31%	352,381,334	0.17%
Off-shore Banking Unit	2,061,861,392	0.86%	6,593,469,910	3.14%
Allied concern of Directors of SIBL	-	-	71,952,496	0.03%
Executives & Staffs of SIBL	2,602,680,866	1.09%	2,635,693,346	1.25%
Agricultural Industries	4,689,228,940	1.96%	6,402,369,701	3.05%
Textile Industries	33,873,073,993	14.19%	30,872,970,048	14.70%
Food & Allied Industries	9,664,899,008	4.05%	7,167,334,859	3.41%
Pharmaceutical Industries	1,606,821,774	0.67%	1,452,982,272	0.69%
Leather, Chemical, Cosmetic etc.	1,128,961,210	0.47%	749,369,712	0.36%
Construction Industries	8,743,033,841	3.66%	8,744,366,120	4.16%
Cement and Ceramic Industries	4,725,947,827	1.98%	4,609,707,974	2.19%
Service Industries	9,414,501,196	3.94%	9,842,022,771	4.69%
Transport and Communication Industries	3,179,499,691	1.33%	2,967,141,805	1.41%
Other Industries	19,132,960,345	8.02%	7,100,474,056	3.38%
Total	238,654,170,953	100.00%	210,045,509,085	100.00%

7.5 Geographical Location-wise Classification of Investments

(Amount in Taka)

Sector	2018		2017	
	Amount	Composition	Amount	Composition
i) Within Bangladesh				
a) In Rural Areas	23,908,519,462	10.02%	23,977,203,560	11.42%
b) In Urban Areas	214,745,651,490	89.98%	186,068,305,525	88.58%
Sub-total (a+b)	238,654,170,953	100.00%	210,045,509,085	100.00%
ii) Outside Bangladesh	-	-	-	-
Total (i+ii)	238,654,170,953	100.00%	210,045,509,085	100.00%

7.6 Division-wise Investments

(Amount in Taka)

Division	As at 31 December 2018		As at 31 December 2017	
	Amount	Composition	Amount	Composition
Dhaka	179,249,915,961	75.11%	157,406,435,656	74.94%
Chittagong	42,056,600,930	17.62%	34,593,469,934	16.47%
Sylhet	831,657,965	0.35%	881,768,144	0.42%
Rajshahi	6,600,817,273	2.77%	6,969,175,803	3.32%
Khulna	6,665,377,569	2.79%	6,943,037,491	3.31%
Rangpur	2,182,685,785	0.91%	2,201,347,571	1.05%
Barisal	1,067,115,469	0.45%	1,050,274,486	0.50%
Total	238,654,170,953	100.00%	210,045,509,085	100.00%

		2018 Taka	2017 Taka	
7.7	Investments (Classification wise)			
	Unclassified			
	Standard	215,123,635,967	187,125,765,559	
	Special Mentioned Account	567,950,276	1,182,079,278	
	Classified			
	Substandard	645,937,405	1,805,139,894	
	Doubtful	738,768,136	1,419,485,248	
	Bad or Loss	16,914,420,889	13,939,599,426	
		233,990,712,673	205,472,069,405	
	Standard (short term agri / micro inv.)	2,008,913,844	1,874,872,714	
	Special Mentioned Account (short term agri/ micro inv.)	-	-	
	Substandard (short term agri / micro inv.)	10,546,595	1,193,575	
	Doubtful (short term agri / micro inv.)	1,109,864	1,730,172	
	Bad or Loss (short term agri/micro inv.)	40,207,111	59,949,873	
		2,060,777,414	1,937,746,334	
	Staff Investment	2,602,680,866	2,635,693,346	
		238,654,170,953	210,045,509,085	
7.8	Particulars of provision required for general investment			
	Unclassified (Excluding Off-balance sheet exposures)	1,826,099,534	2,207,398,797	
	Classified	6,398,009,498	3,473,741,378	
	Unclassified- Off-balance sheet exposures	464,963,838	679,316,812	
		8,689,072,870	6,360,456,987	
7.8.1	Detail Particulars of Provision for Investment			
	Unclassified	Rate	Base for Provision	Provision Required
	Standard	1%	150,649,640,500	1,506,496,405
	Staff Investment	0%	-	-
	Consumer Finance (Other than HF and LP)	5%	1,014,973,415	50,748,671
	Small and Medium Enterprise	0.25%	52,908,532,132	132,271,330
	Housing Finance (HF)	1%	2,872,786,753	28,727,868
	Loan for Professionals (LP)	2%	1,408,268,051	28,165,361
	Share	2%	2,346,784,806	46,935,696
	SMA Investment (Same as UC i.e 0.25%, 1%, 2%, to 5%)	5%	567,441,035	12,665,065
	Unclassified Off Balance Sheet Items	1%	46,496,383,800	464,963,838
	Classified			
	Substandard	20%	411,107,885	82,221,577
	Doubtful	50%	544,382,102	272,191,051
	Bad or Loss	100%	6,043,499,953	6,043,499,953
			8,668,886,815	6,341,651,987
	Provision Required (Short term Agricultural & Micro Credit)			
	Unclassified			
	Standard (short term agri /micro credit)	1.0%	2,008,913,844	20,089,138
	Classified			
	Substandard (short term agri /micro credit)	5%	1,771,866	88,593
	Doubtful (short term agri /micro credit)	5%	166,480	8,324
	Bad or Loss (Short term agri /micro credit)	100%	-	-
			20,186,056	18,805,000
	Required provision for Investments (Grand Total)		8,689,072,870	6,360,456,987
	Total provision maintained		8,689,072,870	6,360,456,987
	Provision Surplus/(Shortfall)		-	-

Bangladesh Bank vide its letter ref: DBI-4/42(2)/2019-761, dated: 29.04.2019, accorded their permission to defer provision for investment amounting to Taka-444.00 crore and provide this amount equally during next three years from year 2019 to year 2021.

			2018 Taka	2017 Taka
Provision Made for funded exposures only: (Other than Short term Agricultural & Micro Credit)				
Unclassified				
	Standard		2,258,309,169	2,851,521,736
	SMA		12,665,065	16,445,146
Classified				
	Substandard		82,221,577	108,489,445
	Doubtful		272,191,051	160,352,166
	Bad or Loss		6,043,499,953	3,204,843,493
			8,668,886,815	6,341,651,987
Provision Made: (Short term Agricultural & Micro Credit)				
	Standard (short term agri credit)		20,089,138	18,748,727
	Substandard (short term agri credit)		88,593	21,767
	Doubtful (short term agri credit)		8,324	34,506
	Bad or Loss (Short term agri credit)		-	-
			20,186,056	18,805,000
			8,689,072,870	6,360,456,987
7.8.2	Particulars of provision for Off-Balance Sheet items			
	Status	Rate	Basis for Provision	
	Off-Balance Sheet Items	1%	46,496,383,800	
	Required provision for Investments			464,963,838
	Provision maintained {note # 13.1(c)}			464,963,838
	Surplus Provision			464,963,838
				679,316,812
				679,316,812
				-
				-
7.9	Particulars of Investments:			
(i)	Investment considered good in respect of which the banking company is fully secured			174,117,327,019
(ii)	Investment considered good for which the banking company holds no other security other than the debtor's personal security			58,757,818,768
(iii)	Investment considered good and secured by personal security of one or more parties in addition to the personal security of the debtors			5,779,025,166
(iv)	Investment considered bad or doubtful not provided for			-
	Total			238,654,170,953
(v)	Investment due by directors or officers of the banking company or any of them either severally or jointly with any other person			2,602,680,866
(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.			-
(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.			12,534,289
(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
(ix)	Investment due from other Banks			Nil
(x)	Classified Investment on which profit has not been charged			16,954,628,000
(xi)	Particulars of written off investments			
	a) Cumulative amount of written off waiver Investments since inception to 31 December last year			5,875,043,788
	b) Amount of written off / waiver of Investment during the year			83,067,558
	Total amount of written off (a+b)			5,958,111,345
				5,875,043,788

	2018 Taka	2017 Taka
c) Amount recovered against debts which are previously written off (cumulative balance)	428,379,034	380,977,215
d) Amount of Investments written off/waiver against which cases have been filed for recovery	5,958,111,345	5,875,043,788
xii) e) Amount of compensation suspense as at year end.	1,874,740,496	1,665,037,246

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:

- 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.
- Minimum outstanding investment amount for restructuring shall be Taka-500.00 crore or above in aggregate.
- Restructuring facility will be provided to a particular investment only once.

Total outstanding amount of such restructured investment for the year 2018 amounts to Taka- 36.34 crore.

8 Fixed Assets including Premises (Including Intangible Assets)

A. Cost

Land	12,330,000	12,330,000
Building	2,320,220,714	2,320,220,714
Furniture & Fixtures	1,091,686,941	943,311,447
Office Equipment	1,457,031,670	1,278,947,408
Software	223,604,251	183,044,057
Vehicles	141,721,354	141,721,365
Books	1,634,189	1,463,659
	5,248,229,118	4,881,038,651

B. Accumulated Depreciation

Land	-	-
Building	354,947,928	304,588,493
Furniture & Fixtures	386,135,984	321,813,786
Office Equipment	781,526,250	644,510,912
Software	54,586,568	38,557,545
Vehicles	106,546,049	89,871,149
Books	951,623	878,611
	1,684,694,401	1,400,220,495

Carrying value

	3,563,534,717	3,480,818,155
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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-223,604,251.00 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 31.12.2018 is Taka -169,017,683.00.

For details please refer to Annexure-A

8(a) Consolidated written down value of Fixed Assets including intangible assets

Social Islami Bank Ltd.	3,563,534,717	3,480,818,155
Fixed assets of subsidiaries	8,718,386	10,202,638
SIBL Securities Ltd.	8,718,386	10,202,638
SIBL Investment Ltd.	-	-
Carrying value of Fixed assets of the Group	3,572,253,103	3,491,020,793

	2018 Taka	2017 Taka
9 Others Assets		
Stock of stationery, stamps and printing materials etc. (valued at cost)	38,940,292	29,277,438
Advance rent	240,368,398	244,929,032
Security Deposit	3,156,556	2,778,156
Branch Adjustments (SIBG) (Note: 9.1)	7,101,009,106	2,158,090,350
Suspense Accounts (Note: 9.2)	219,594,442	193,694,052
Other Prepayments	64,216,511	64,279,171
Receivable from M/S. Stock & Bond and SIBL Securities Ltd.	122,074,364	37,801,642
Advance Income Tax	9,371,407,022	8,102,785,360
Receivable from SIBL Investment Limited	1,820,060	1,801,670
Protested Bills against Investment	319,377,570	313,388,000
Profit Receivable from Banks, NBF1 and BD Govt.	472,885,826	345,606,462
Investment with Off-shore Banking Unit	1,734,602,875	4,504,274,029
Receivable from Off-shore Banking Unit	62,481,496	140,891,063
Others (Note: 9.3)	509,326,782	2,643,607,853
	20,261,261,299	18,783,204,279
Less: Balance with OBU for elimination		
Investment with Off-shore Banking Unit	1,734,602,875	4,504,274,029
	18,526,658,424	14,278,930,250
9(a) Consolidated other Assets		
Social Islami Bank Limited	18,526,658,424	14,278,930,250
Add: Other assets of subsidiary companies		
SIBL Securities Limited	2,370,512,247	2,162,651,538
Membership of Chittagong Stock Exchange	307,000,000	307,000,000
Membership of Dhaka Stock Exchange	682,770,683	720,650,000
Advance Income Tax	76,872,356	59,541,491
Advance Office Rent	848,148	2,097,240
Advance for floor space at nikunjo, DSE Tower	850,000	850,000
Investment in stock dealer activities	142,469,928	142,723,563
Receivable from Regulators	1,941,390	26,306,574
Receivable from client	1,075,824,864	857,054,059
Receivable from Bai-Muajjal	81,729,877	46,223,610
Security Deposit to CDBL, DSE	200,000	200,000
Security Deposit to BTCL	5,000	5,000
	1,820,060	1,801,670
Less: Inter Company transactions eliminated:		
Receivable from SIBL Securities Limited	-	-
Receivable from SIBL Investment Limited	1,820,060	1,801,670
	20,895,350,611	16,439,780,117

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 30 April 2019 were Taka-3,348,019,449.00 Details of which are as follows:

	Number of Unrespondent entries		Amount (in Tk) of Unrespondent entries	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Upto 3 months	199	1	1,634,861,265	6,157,514
Over 3 months but within 6 months	118	-	1,019,176,876	-
Over 6 months but within 9 months	45	-	648,729,770	-
Over 9 months	3	-	45,251,538	-
	365	1	3,348,019,449	6,157,514

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).

		2018 Taka	2017 Taka
9.3	Others		
	Clearing Adjustment	-	2,329,000
	D.D. Paid without advice	-	97,000
	Wes fund purchased	1,089	1,089
	Adjusting A/c debit balance (Note: 9.3.1)	505,502,683	332,610,768
	Advance VAT paid	3,815,178	3,815,178
	BEFTN adjustment A/c	7,832	37,080
	Balance with Principal Branch (PF)	-	1,389,983,953
	Balance with Principal Branch (SIBL Employees' Superannuation Fund)	-	133,197,812
	Balance with Principal Branch (SIBL Gratuity Fund)	-	781,535,973
		509,326,782	2,643,607,853
9.3.1	Adjusting A/c debit balance	505,502,683	332,610,768
	Adjusting account debit balance represents Income Receivable from and profit from preference shares, Mudaraba Sub-Ordinated Bond etc.		
10	Placement from Banks & Other Financial Institutions		
	Bangladesh Govt. Islamic Bond.	8,000,000,000	5,000,000,000
	The Bank has an outstanding balance of borrowing Tk. 800.00 crore as on 31.12.2018 taken from Bangladesh Govt. Islamic Bond Fund having different maturity dates. Profit rate of such borrowings is determined under Mudaraba Principle. A demand promissory note favoring Bangladesh Bank has been kept as security to Bangladesh Bank against the borrowings.		
	Maturity Grouping of Borrowings		
	Up to 1 month	3,000,000,000	5,000,000,000
	More than 1 month but less than 3 months	2,000,000,000	-
	More than 3 months but less than 6 months	3,000,000,000	-
	6 months and above	-	-
		8,000,000,000	5,000,000,000
11	Deposits and Other Accounts		
	Mudaraba Savings Deposits (MSD)	19,621,561,549	16,876,607,874
	Mudaraba Term Deposits (MTDR)	156,095,697,702	138,266,642,919
	Other Mudaraba Deposit	43,569,089,182	42,123,348,876
	Mudaraba Short Notice Deposits (MSND)	13,348,172,630	13,428,606,822
	Mudaraba Scheme Deposits (Note-11.1)	30,220,916,552	28,694,742,054
	Al- Wadeeah Current Deposit and other accounts (AWCD) (Note- 11.2)	24,336,269,747	26,020,865,331
	Bills payable (Note-11.3)	4,384,822,493	5,233,509,848
	Cash Waqf Fund	317,048,976	277,925,332
		248,324,489,649	228,798,900,180

		2018 Taka	2017 Taka
11.1	Mudaraba Scheme Deposits		
	Mudaraba Hajj Savings Deposit	92,887,786	68,506,951
	Mudaraba Pension Savings Deposit	2,614,730,097	2,636,028,929
	Mudaraba Education Deposit Scheme	40,826,600	38,399,219
	Mudaraba Monthly Savings Deposit	53,206,304	65,934,685
	Mudaraba Monthly Profit Deposit	3,807,749,887	3,233,182,642
	Mudaraba Bashasthan Savings Scheme	676,210,468	671,980,951
	Mudaraba Millionaire Savings Scheme	997,704,486	958,608,766
	Mudaraba Lakhpoti Deposit Scheme	50,266,479	75,336,410
	Mudaraba Double Benefit Deposit Scheme	1,536,732,091	1,811,981,907
	Mudaraba Marriage Savings Scheme	103,830,523	123,696,565
	Mudaraba Mohorana Savings Scheme	21,329,046	24,184,270
	Subarnalata Special Scheme (Women)	21,915,847	27,433,382
	Subarna Rekha Special Deposit (Women)	1,526,890,662	1,291,708,213
	Shabuj Shayanna Special Deposit	58,224,337	72,585,386
	Shabuj Chaya P. Sch	585,316,856	509,334,415
	Sanchita Special Deposit scheme	210,053,345	211,415,845
	Sonali Din Pension Deposit Scheme	11,909,821,418	9,502,543,578
	Sukher Thikana Saving Scheme	12,362,173	10,139,028
	Sacchandey Protidin Monthly Profit Deposit	2,659,743,247	2,673,898,671
	Samriddir Sopan Scheme Deposit	2,155,087,725	3,709,144,593
	Sopner Siri Deposit Scheme	113,311,490	131,372,392
	Sharner Shikhar (mudaraba Billinior Deposit)	961,651,456	846,714,748
	Proshanti (Mudaraba Zakat Saving Deposits)	11,064,229	610,508
		30,220,916,552	28,694,742,054

Amount of Mudaraba Scheme Deposit mentioned above are inclusive of Profit payable on the scheme deposits.

11.2	AI-Wadeeah Current Deposit & other A/c		
	AI Wadeeah current deposit	10,154,634,562	11,780,677,724
	Sundry deposit	5,592,646,354	5,290,306,917
	Social fund deposit	17,075	17,075
	Supervision charge	861,490	894,963
	Risk fund deposit	2,410,066	7,387,787
	FC deposit	3,400,548,930	4,390,443,096
	Convertible Taka A/c	75,938,142	113,654,386
	F. C. held against B.B. L/C	2,137,402,151	2,677,473,533
	Profit payable A/c	2,902,148,436	1,690,370,696
	Compensation Realized	69,662,542	69,639,153
		24,336,269,747	26,020,865,331

*Balance of Convertible Taka A/c represents the portion of unsettled balance.

11.2(a)	Consolidated balance of AI-Wadeeah Current Deposit & Other A/c		
	Social Islami Bank Limited	24,336,269,747	26,020,865,331
	Less: Intercompany balance eliminated	373,713,075	391,174,408
	SIBL Securities Limited	123,864,138	141,299,321
	SIBL Investment Limited	249,848,937	249,875,087
	Consolidated balance of Current deposit and other accounts	23,962,556,672	25,629,690,923

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.

		2018 Taka	2017 Taka
11.3	Bills Payable		
	Payment Order (PO)	3,217,864,158	4,000,971,812
	Demand Draft (DD)	2,118,694	2,159,555
	B/P awaiting remittance	1,164,839,640	1,230,378,481
		4,384,822,493	5,233,509,848
11.4	Maturity wise classification of Deposits		
	Payable on demand	12,498,722,336	6,885,293,276
	Up to 1 month	34,798,828,690	36,291,806,175
	More than 1 month but up to 6 months	82,195,120,270	75,480,233,566
	More than 6 months but up to 1 year	76,322,340,318	71,327,433,356
	More than 1 year but up to 5 years	27,833,137,109	27,678,282,764
	More than 5 years but up to 10 years	14,676,340,925	11,135,851,043
		248,324,489,649	228,798,900,180
11.5	Segregation of deposits & other accounts		
	i) Client Deposit		
	Al-Wadeeah Current deposit & other accounts	24,334,072,694	26,008,211,948
	Bills Payable	4,384,822,493	5,233,509,848
	Mudaraba Savings Deposits	19,563,597,522	16,820,567,072
	Mudaraba Short Notice Deposits	13,160,624,813	11,885,089,671
	Mudaraba Term Deposit	132,358,697,702	114,206,642,919
	Mudaraba Scheme Deposits	30,220,916,552	28,694,742,054
	Cash Waqf Fund	317,048,976	277,925,332
		224,339,780,753	203,126,688,844
	ii) Bank Deposit		
	Mudaraba Term Deposit Receipt (MTDR)	23,737,000,000	24,060,000,000
	Mudaraba Short Notice Deposit (MSND)	187,547,817	1,543,517,152
	Al-Wadeeah Current deposit (AWCD)	2,197,053	12,653,383
	Mudaraba Savings Deposit (MSD)	57,964,027	56,040,802
		23,984,708,896	25,672,211,337
	Grand Total of deposits and other accounts	248,324,489,649	228,798,900,180
12	SIBL Mudaraba Subordinated Bond	10,800,000,000	6,400,000,000

SIBL has three subordinated bonds namely "SIBL Mudaraba Subordinated Bond of Tk. 300 crore", SIBL 2nd Mudaraba Subordinated Bond of Tk. 400 crore and SIBL 3rd Mudaraba Subordinated Bond of Taka-500.00 crore to support and strengthen Tier-II capital base of the bank under Basel-III capital regulation of Bangladesh Bank.

SIBL Mudaraba Subordinated Bond of Tk. 300 Crore

Social Islami Bank Limited issued 'SIBL Mudaraba Subordinated Bond of Tk. 300 Crore' in accordance with the regulatory approval from 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. The bond was fully subscribed by 14 nos of investors and the subscription of the bond closed on 31.03.2015. According to the redemption policy of the bond 20% face value of the has been redeemed on 01/04/2017. The list of investor with present outstanding balance is as follows:

	2018 Taka	2017 Taka
Investors of SIBL Mudaraba Subordinated Bond		
Al-Arafah Islami Bank Limited	300,000,000	400,000,000
Bank Asia Limited	120,000,000	160,000,000
Bank Asia Limited Employees' Gratuity Fund	42,000,000	56,000,000
Islami Bank Bangladesh Limited	300,000,000	400,000,000
Padma Islami Life Insurance Limited	30,000,000	40,000,000
Prime Islami Life Insurance Limited	30,000,000	40,000,000
Pubali Bank Limited	120,000,000	160,000,000
Reliance Insurance Limited	30,000,000	40,000,000
Rupali Bank Limited	300,000,000	400,000,000
Shahjalal Islami Bank Limited	60,000,000	80,000,000
Sonali Bank Limited	300,000,000	400,000,000
Square Pharmaceuticals Workers Profit Participation Fund	30,000,000	40,000,000
United Finance Limited	78,000,000	104,000,000
Uttara Bank Limited	60,000,000	80,000,000
	1,800,000,000	2,400,000,000

SIBL 2nd Mudaraba Subordinated Bond of Tk. 400 Crore

Social Islami Bank Limited issued 'SIBL 2nd Mudaraba Subordinated Bond of Tk. 400 Crore' in accordance with the regulatory approval from Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank (BB) vide their letter ref no. BSEC/CI/DS-13/2014/28 & BRPD (BFIS) 661/14 B(P)/2017-1252, Dated: 17 January 2017 & 01 March 2017 respectively. The bond was fully subscribed by 12 nos of investors and the subscription of the bond closed on 20.06.2017. The list of investor with present outstanding balance is as follows:

Investors of SIBL 2nd Mudaraba Subordinated Bond

Bank Asia Limited	100,000,000	100,000,000
Central Depository Bangladesh Ltd	200,000,000	200,000,000
Dhaka Stock Exchange Limited	400,000,000	400,000,000
Eastern Bank Limited	250,000,000	250,000,000
Mercantile Bank Limited	250,000,000	250,000,000
Midland Bank Limited	200,000,000	200,000,000
National Life Insurance Co. Ltd	100,000,000	100,000,000
Pubali Bank Limited	500,000,000	500,000,000
Rupali Bank Limited	500,000,000	500,000,000
Shahjalal Islami Bank Limited	500,000,000	500,000,000
Trust Bank Limited	500,000,000	500,000,000
Uttara Bank Limited	500,000,000	500,000,000
	4,000,000,000	4,000,000,000

SIBL 3rd Mudaraba Subordinated Bond of Tk.500 Crore

Social Islami Bank Limited issued 'SIBL 3rd Mudaraba Subordinated Bond of Tk. 500 Crore' in accordance with the regulatory approval from Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank (BB) vide their letter ref no. BSEC/CI/DS-13/2014/670 & BRPD(BFIS)661/14B(P)/2018-7647, Dated: 27 September 2018 & 11 October 2018 respectively. The bond was fully subscribed by 3 nos of investors and the subscription of the bond closed on 27.12.2018. The list of investor with present outstanding balance is as follows:

Investors of SIBL 3rd Mudaraba Subordinated Bond

Agrani Bank Limited	2,500,000,000	-
EXIM Bank Limited	500,000,000	-
Islami Bank Bangladesh Limited	2,000,000,000	-
	5,000,000,000	

		2018 Taka	2017 Taka
13	Other Liabilities		
	Adjusting A/C (Cr.) Balance	12,030,804	9,895,336
	Other Payable	3,079,086	2,728,359
	SIBL Employees' PF Fund*	-	1,389,983,953
	SIBL Employees' Gratuity Fund*	-	781,768,077
	SIBL Employees' Superannuation Fund*	-	133,197,812
	BEFTN Adjustment Account	24,672,552	64,552,918
	Parking Account	51	174
	ATM Settlement for Q-Cash	34,004,885	117,917,352
	Provision for Investments (note: 13.1)	8,689,072,870	6,360,456,987
	Provision for other Assets (note: 13.2)	450,890,557	420,790,557
	Compensation and Rent Suspense (note: 13.3)	1,874,740,496	1,665,037,246
	Provision for Taxation (note: 13.4)	13,128,464,305	10,900,720,339
	Zakat Fund (note: 13.5)	129,665,548	92,567,800
	Provision for good borrower (note: 13.6)	8,000,000	6,778,000
	Provision for Climate Risk Fund (note: 13.7)	2,000,000	-
		24,356,621,156	21,946,394,909

SIBL Employees' PF Fund, SIBL Employees' Gratuity fund and SIBL Employees' Superannuation Fund are maintained separately and separate financial statements are prepared for these funds also. In the year 2018, the fund balances held with SIBL's GL has been separated completely for better maintenance and independence of the fund.

13(a) Consolidated Other Liabilities

Social Islami Bank Limited

24,356,621,156 **21,946,394,909**

Add: Other Liabilities of subsidiaries

SIBL Securities Limited

1,232,603,243 **1,064,272,456**

Payable to SIBL-Term loan

800,000,000 750,000,000

Payable to regulators

15,458,814 4,706,012

Payable to clients

203,361,043 146,830,091

Other provisions

136,934,479 103,196,593

Provision for Income Tax

76,848,906 59,539,759

SIBL Investment Limited

46,000 **23,000**

Accrued Expenses

46,000 23,000

Provision for Income Tax

- -

25,589,270,399 **23,010,690,365**

Less: Intercompany balance eliminated

SIBL Securities Limited

Payable to SIBL-Term loan

800,000,000 **750,000,000**

Grand total

24,789,270,399 **22,260,690,365**

	2018 Taka	2017 Taka
13.1 Provision for Investment		
(a) Specific Provision on Investment		
Provision held at the beginning of the year	3,473,741,378	1,764,697,631
Fully provided Investment written off	(50,969,558)	(795,006,294)
Transferred from doubtful income/compensation realized/recovery	150,182,617	126,956,778
Transferred from provision for protested bills	-	-
Provision made during this year	2,825,055,062	2,377,093,263
Provision held at the end of the year	6,398,009,498	3,473,741,378
(b) General Provision on Investment		
Provision held at the beginning of the year	2,207,398,797	2,096,095,437
Fully provided Investment written off	(32,098,000)	-
Addition during the year	(349,201,263)	111,303,360
Balance at the end of the year	1,826,099,534	2,207,398,797
Total Provision on Investments	8,224,109,032	5,681,140,175
(c) General Provision on Off-Balance Sheet items		
Provision held at the beginning of the year	679,316,812	598,513,466
Addition during the year	(214,352,974)	80,803,346
Balance at the end of the year	464,963,838	679,316,812
Total Provision for Investments & Off-Balance Sheet items (a+b+c)	8,689,072,870	6,360,456,987
13.2 Provision for other Assets		
Provision held at the beginning of the year	420,790,557	370,077,572
Provision written back during the year (due to recovery)	-	-
Adjustment regarding payment	-	(11,172,015)
Addition during the year	30,100,000	61,885,000
Balance at the end of the year	450,890,557	420,790,557
13.2.1 Provision for protested bills		
Provision held at the beginning of the year	313,407,280	313,407,280
Provision written back during the year (due to recovery)	-	-
Provision during the year	5,970,290	-
	319,377,570	313,407,280
13.2.2 Provision for suspense account		
Provision held at the beginning of the year	107,383,277	56,670,292
Adjustment during the year	-	(11,172,015)
Addition during the year	24,129,710	61,885,000
	131,512,987	107,383,277
13.3 Compensation & Rent Suspense A/C		
Compensation Receivable A/C		
Murabaha (General)	111,340,146	90,883,291
Murabaha (Post Import)	690,559	690,559
Musharaka (Pre-shipment)	290,783	290,783
Bai-Muazzal	269,513,707	316,670,215
Bai-Muazzal Trust Receipt	207,589,090	174,971,248
Baim Wes bills	38,751,657	24,180,098
Bai-Muazzal (ME)	257,020,083	159,338,898
	885,196,026	767,025,093

	2018 Taka	2017 Taka
Compensation Suspense A/C		
Murabaha (General)	8,771,511	9,552,633
Murabaha (Post Import)	18,701,747	19,250,028
Bai-Muazzal	233,484,888	203,627,650
Bai-Muazzal- House hold	7,856	14,611
Bai-Muazzal Trust Receipt	45,060,552	38,838,361
Others	69,925,099	57,420,992
	376,407,247	328,704,277
Rent Suspense A/C	613,137,223	569,307,876
Total Compensation & Rent Suspense	1,874,740,496	1,665,037,246
13.3.1 Movement of Compensation and Rent Suspense A/C		
Balance at the beginning of the year	1,665,037,246	1,264,313,910
Add: Amount transferred to suspense account during the year	269,365,792	479,970,280
Less: Amount recovered from suspense account during the year	(59,662,542)	(19,639,153)
Less: Amount written off/waived during the year	-	(59,607,791)
Balance at the end of the year	1,874,740,496	1,665,037,246
13.4 Provision for Taxation		
Provision for Current tax		
Balance at the beginning of the year	10,900,720,339	8,837,269,513
Add: Provision made during the year (Note:13.4.1)	2,227,743,967	2,063,450,826
	13,128,464,305	10,900,720,339
Advance tax		
Balance at the beginning of the year	8,102,785,360	6,695,398,826
Paid during the year	1,268,621,662	1,407,386,534
	9,371,407,022	8,102,785,360
Balance at the end of the year	3,757,057,284	2,797,934,980
13.4.1 Provision made during the year		
Operating Profit before provision & tax	6,143,117,574	6,166,211,520
Add: Inadmissible expenses	467,372,510	426,950,416
Less: Admissible expenses and for separate consideration	912,869,768	1,628,448,392
Total Taxable Income	5,697,620,315	4,964,713,544
Total Tax liability for current year		
Business Tax @ 37.5% for year 2018 and @40.00% for year 2017	2,136,607,618	1,985,885,418
Dividend Tax @ 20%	89,713,418	66,509,907
Tax on gain on shares & securities @ 10%	1,422,930	11,055,501
Provision required	2,227,743,967	2,063,450,826
Provision made	2,227,743,967	2,063,450,826

	2018 Taka	2017 Taka
13.5 Zakat fund		
Opening Balance	92,567,800	89,792,573
Addition this year	129,665,548	111,424,295
To sadaka fund	81,040,968	111,424,295
To provision for tax	48,624,581	-
Less: Paid during the year	(90,745,822)	(122,265,910)
Less: Transferred to Sadaka fund (Balance of Zakat Fund)	(1,821,978)	13,616,841
Closing Balance at the end of the year	129,665,548	92,567,800
13.6 Provision for good borrower		
Opening balance	6,778,000	15,000,000
Addition during the year	1,222,000	-
Paid during the year	-	8,222,000
	8,000,000	6,778,000
13.7 Provision for Climate Risk Fund		
Opening balance	-	-
Addition during the year	2,000,000	-
Paid during the year	-	-
	2,000,000	-
Provision for Climate Risk Fund has been maintained in accordance with GBSRD circular no. 04, dated: 09 July 2015 and SFD circular no. 01, dated: 11 May 2016.		
14 Deferred Tax Liability/(Asset)		
Balance at the beginning of the year	37,210,816	20,784,787
Add: Provision made during the year	37,120,027	16,426,030
Closing balance at the end of the year	74,330,843	37,210,816
14 (a) Consolidated Deferred Tax Liability/(Asset)		
Social Islami Bank Limited	74,330,843	37,210,816
SIBL Securities Limited		
Balance at the beginning of the year	1,181,686	990,578
Add: Provision made during the year	(75,510)	191,108
Closing balance at the end of the year	1,106,176	1,181,686
Grand total	75,437,019	38,392,503
15 Capital		
15.1 Authorized Capital		
1,000,000,000 ordinary shares of Tk. 10 each	10,000,000,000	10,000,000,000
15.2 Issued, Subscribed and Paid up Capital		
The Paid-up Capital of the Bank is currently Tk. 8,121,285,060 divided into 812,128,506 Ordinary Shares of Tk 10 each	8,121,285,060	7,382,986,420
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	2,349,756,970
73,829,864 no. Ordinary shares of Tk 10 each issued as bonus shares	738,298,640	-
	8,121,285,060	7,382,986,420
Sponsor Shareholders Group	2,565,624,260	3,114,102,130
General Shareholders Group	5,555,660,800	4,268,884,290
	8,121,285,060	7,382,986,420

31.12.2018				
15.3	Classification of Shareholders by holding			
	Year 2018 Shareholding Range	No. of Shareholders	No. of Shares	Percentage of Holding of Shares
	Less than 500 shares	14,285	2,206,781	0.27%
	501 to 5,000 shares	14,429	24,190,887	2.98%
	5,001 to 10,000 shares	1,738	11,723,180	1.44%
	10,001 to 20,000 shares	809	11,002,187	1.35%
	20,001 to 50,000 shares	411	12,459,070	1.53%
	50,001 to 99,999 shares	363	750,546,401	92.42%
	Total	32,035	812,128,506	100.00%

31.12.2017				
15.4	Particulars of shareholding and Percentage Analysis			
	Year 2017 Shareholding range	No. of Shareholders	No. of Shares	Percentage of holding of Shares
	Less than 500 shares	15,607	2,321,746	0.31%
	501 to 5,000 shares	14,959	24,836,841	3.36%
	5,001 to 10,000 shares	1,290	9,253,080	1.25%
	10,001 to 20,000 shares	650	9,047,790	1.23%
	20,001 to 50,000 shares	365	11,243,484	1.52%
	50,001 to 99,999 shares	306	681,595,701	92.32%
	Total	33,177	738,298,642	100.00%

15.4	Particulars of shareholding and Percentage Analysis				
	Particulars of shareholding	Year 2018		2017 Taka	
Number of Share Holders		Number of Shares	2018 Taka		
	Sponsors & Placement	31	78,771,913	787,719,130	1,655,578,450
	Sponsors Foreign	11	11,025,178	110,251,780	102,273,670
	Sponsors & Placement Company	11	166,765,335	1,667,653,350	1,356,250,010
	General Public	31,308	164,374,810	1,643,748,100	1,080,303,220
	Institutions (Bank & Insurance)	43	22,863,461	228,634,610	212,356,790
	Institution (Others)	586	356,378,072	3,563,780,720	2,944,078,240
	ICB Account Holders	28	59,069	590,690	530,330
	ICB	1	8,386,293	83,862,930	40
	ICB Unit Fund	3	45,586	455,860	105,910
	ICB Mutual Fund	-	-	-	-
	Employee	2	3,191,616	31,916,160	29,014,700
	Non-Resident Bangladeshi	11	267,173	2,671,730	2,495,060
	Total	32,035	812,128,506	8,121,285,060	7,382,986,420

Percentage of shareholding Analysis:	2018	2017
	Percentage	Percentage
Sponsors & Placement	9.70%	22.42%
Sponsors Foreign	1.36%	1.39%
Sponsors & Placement Company	20.53%	18.37%
General Public	20.24%	14.63%
Institutions (Bank & Insurance)	2.82%	2.88%
Institution (Others)	43.88%	39.88%
ICB Account Holders	0.01%	0.01%
ICB	1.03%	0.00%
ICB Unit Fund	0.01%	0.00%
ICB Mutual Fund	-	0.00%
Employee	0.39%	0.39%
Non-Resident Bangladeshi	0.03%	0.03%
	100%	100%

		2018 Taka	2017 Taka
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	8,121,285,060	7,382,986,420
	ii) Statutory Reserve (Note: 16)	5,795,455,397	5,025,796,447
	iii) Retained Earnings (Note: 17)	878,140,568	778,444,828
		14,794,881,025	13,187,227,695
	Additional Tier I (AT-1) Capital	-	-
		14,794,881,025	13,187,227,695
	b) Gone Concern Capital (Tier-II)		
	i) General Provision {Note 13.2(b+c)}	2,291,063,372	2,886,715,609
	ii) Assets Revaluation Reserve (eligible)	105,567,973	211,135,945
	(As per Basel-III Guideline of Bangladesh Bank 60% & 80% Revaluation Reserve is Adjusted in 2017 and 2018 respectively)		
	iii) SIBLMudaraba Subordinated Bond(s)	8,920,000,000	5,440,000,000
		11,316,631,345	8,537,851,554
	c) Total eligible capital (a +b)	26,111,512,369	21,725,079,250
	d) Total Risk Weighted Assets	183,000,985,000	187,743,995,000
	e) Minimum Required Capital (10% of Risk Weighted Assets)	18,300,098,500	18,774,399,500
	f) Minimum Required Capital including conservation buffer (11.875% of Risk weighted assets)	21,731,366,969	21,121,199,438
	g) Total Capital Surplus (c-e)	7,811,413,869	2,950,679,750
	h) Total Capital Surplus considering conservation buffer(c-f)	4,380,145,401	603,879,812
	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	8,121,285,060	7,382,986,420
	ii) Statutory Reserve (Note: 16)	5,795,455,397	5,025,796,447
	iii) General Reserve	10,764,250	8,570,541
	iv) Retained Earnings {Note: 18(a)}	904,866,028	787,091,456
		14,832,370,735	13,204,444,864
	Additional Tier I (AT-1) Capital	-	-
		14,832,370,735	13,204,444,864

	2018 Taka	2017 Taka
b) Gone Concern Capital (Tier-II)		
i) General Provision {Note 13.1(b+c)}	2,291,063,372	2,886,715,609
ii) Assets Revaluation Reserve (eligible) (As per Basel-III Guideline of Bangladesh Bank 60% & 80% Revaluation Reserve is Adjusted in 2017 and 2018 respectively)	105,567,973	211,135,945
iii) SIBLMudaraba Subordinated Bonds	8,920,000,000	5,440,000,000
	11,316,631,345	8,537,851,554
c) Total eligible capital (a +b)	26,149,002,080	21,742,296,419
d) Total Risk Weighted Assets	181,993,065,000	187,516,955,000
e) Minimum Required Capital (10% of Risk Weighted Assets)	18,199,306,500	18,751,695,500
f) Minimum Required Capital including conservation buffer (11.875% of Risk Weighted Assets)	21,611,676,469	21,095,657,438
g) Total Capital Surplus (c-e)	7,949,695,580	2,990,600,919
h) Total Capital Surplus considering conservation buffer(c-f)	4,537,325,611	646,638,981

Capital to Risk Weighted Asset Ratio (Solo basis)

Particulars	31.12.2018		31.12.2017	
	Require- ment	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	8.08%	6.00%	7.02%
Common Equity Tier I Capital: (CET-1)	4.50%	8.08%	4.50%	7.02%
CET-1 Plus Conservation Buffer	6.375%	8.08%	5.750%	7.02%
Gone Concern Capital: (Tier-II)	0.00%	6.18%	0.00%	4.55%
Minimum CRAR	10.00%	14.27%	10.00%	11.57%
Minimum CRAR Plus Conservation Buffer	11.875%	14.27%	11.25%	11.57%

Capital to Risk Weighed Asset Ratio (Consolidated basis)

Particulars	31.12.2018		31.12.2017	
	Require- ment	Capital Maintained	Requirement	Capital Maintained
Going Concern Capital: (Tier-I)	6.00%	8.15%	6.00%	7.04%
Common Equity Tier I Capital: (CET-1)	4.50%	8.15%	4.50%	7.04%
CET-1 Plus Conservation Buffer	6.375%	8.15%	5.75%	7.04%
Gone Concern Capital: (Tier-II)	0.00%	6.22%	0.00%	4.55%
Minimum CRAR	10.00%	14.37%	10.00%	11.59%
Minimum CRAR Plus Conservation Buffer	11.875%	14.37%	11.25%	11.59%

Bangladesh Bank vide its letter ref: BRPD(P-1)/661/13/2019-1525, dated: 17.02.2019, has accorded their permission to calculate total capital without adjusting the deferred provision as approved by Bangladesh Bank till the year 2021.

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)	31.12.2018		31.12.2017	
	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	44,650,700,000	-	41,028,400,000	-
20%	25,553,500,000	5,110,700,000	25,257,600,000	5,051,520,000
40%	1,874,400,000	749,760,000	2,280,500,000	912,200,000
50%	89,391,200,000	44,695,600,000	68,301,700,000	34,150,850,000
60%	23,108,200,000	13,864,920,000	18,179,800,000	10,907,880,000
75%	24,714,800,000	18,536,100,000	20,523,200,000	15,392,400,000
80%	11,080,600,000	8,864,480,000	14,040,900,000	11,232,720,000
100%	58,130,100,000	58,130,100,000	76,196,500,000	76,196,500,000
120%	-	-	-	-
125%	14,001,300,000	13,604,275,000	8,164,600,000	8,574,025,000
150%	745,300,000	1,117,950,000	5,070,700,000	7,606,050,000
Total	293,250,100,000	164,673,885,000	279,043,900,000	170,024,145,000

b) Risk Weights for Operational Risk

1,627,410,000

16,274,100,000

1,378,685,000

13,786,850,000

c) Risk Weights for Market Risk

205,300,000

2,053,000,000

393,300,000

3,933,000,000

Total Risk Weighted Assets**183,000,985,000****187,743,995,000**Consolidate basis

a) Risk Weights for Credit Risk

(Amount in Taka)

Risk Weights (Both B/S & Off-B/S)	31.12.2018		31.12.2017	
	Principal amount	Risk Weighted Assets	Principal amount	Risk Weighted Assets
0%	44,727,600,000	-	41,088,100,000	-
20%	25,553,400,000	5,110,680,000	25,257,900,000	5,051,580,000
40%	1,874,400,000	749,760,000	2,280,500,000	912,200,000
50%	89,391,200,000	44,695,600,000	68,301,700,000	34,150,850,000
60%	23,108,200,000	13,864,920,000	18,179,800,000	10,907,880,000
75%	24,714,800,000	18,536,100,000	20,523,200,000	15,392,400,000
80%	11,080,600,000	8,864,480,000	14,040,900,000	11,232,720,000
100%	58,281,400,000	58,281,400,000	76,408,100,000	76,408,100,000
120%	-	-	-	-
125%	12,797,700,000	12,099,775,000	7,728,100,000	8,028,275,000
150%	745,300,000	1,117,950,000	5,070,700,000	7,606,050,000
Total	292,274,600,000	163,320,665,000	278,879,000,000	169,690,055,000
b) Risk Weights for Operational Risk	1,640,340,000	16,403,400,000	1,389,390,000	13,893,900,000
c) Risk Weights for Market Risk	226,900,000	2,269,000,000	393,300,000	3,933,000,000
Total Risk Weighted Assets		181,993,065,000		187,516,955,000

		2018 Taka	2017 Taka
16	Statutory Reserve		
	Opening balance	5,025,796,447	4,318,771,137
	Add: Addition during the year	769,658,950	707,025,310
		5,795,455,397	5,025,796,447
16(a)	General Reserve		
	Opening balance	8,570,541	6,154,312
	Add: Addition during the year	2,193,709	2,416,229
		10,764,250	8,570,541

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		
	Carrying (Revalued) amount of fixed assets (Land and Building)	1,473,168,241	1,510,623,068
	Cost of fixed assets (Land and Building) less depreciation	493,946,896	506,558,057
	Balance of revaluation reserve	979,221,345	1,004,065,011
	Less: Adjustment made based on difference amount of depreciation	24,222,574	24,843,666
	Remaining balance of revaluation reserve	954,998,771	979,221,345

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 IAS-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 after year 2011.

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 30.03.2011.

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.

Location	Class of property	Cost less depreciation	Revaluation Surplus as on 31.12.2018	Depreciation on revalued amount	Depreciation on cost	Amount of adjustment for the year 2018
City Center, Head Office	Building	336,914,397	804,615,561	28,538,249	8,422,860	20,115,389
Chandaikona Branch	Land	2,111,623	10,218,377		-	-
	Building	992,381	1,108,408	52,520	24,810	27,710
Savar Branch	Building	27,050,466	24,525,074	1,286,889	676,262	610,627
Panthapath Branch	Building	22,506,723	45,449,921	1,698,916	562,668	1,136,248
Rampura Branch	Building	33,500,602	31,876,624	1,634,431	837,515	796,916
Khulna Branch	Building	15,783,397	12,436,088	705,487	394,585	310,902
Nawabpur Road Branch	Building	55,087,306	48,991,293	2,601,965	1,377,183	1,224,782
		493,946,896	979,221,343	36,518,456	12,295,882	24,222,574

		2018 Taka	2017 Taka
18	Retained Earnings		
	Opening balance	778,444,828	1,481,974,061
	Less: Issue of cash dividend 20%	-	(1,476,597,284)
	Less: Issue of Stock dividend 10%	(738,298,640)	-
	Add: Transferred from Profit & Loss Account	813,771,806	748,224,385
	Add: Transferred from Revaluation Reserve for Fixed Assets	24,222,574	24,843,666
		878,140,568	778,444,828
18(a)	Consolidated retained earnings		
	Opening Balance	787,091,456	1,481,351,830
	Less: Issue of cash dividend for SIBL shareholders	-	(1,476,597,284)
	Less: Issue of Stock dividend 10%	(738,298,640)	-
	Add: Transferred from current year retained earnings of SIBL & its subsidiaries {note 18.1(a)}	831,850,638	757,493,324
	Add: Transferred from Revaluation Reserve for Fixed Assets of SIBL	24,222,574	24,843,666
		904,866,027	787,091,536
	Less: Dividend paid to other shareholders		
	SIBL Securities Limited	-	80
		904,866,027	787,091,456

SIBL has invested amount of Taka- 1,229,998,800 and Taka- 249,999,200 in two of its subsidiaries 'SIBL Securities Ltd. (SIBL SL)' and 'SIBL Investment Ltd. (SIBL IL)' respectively. SIBL holds 99.999902% and 99.99968% of total shares of its subsidiaries 'SIBL SL.' and 'SIBL IL.' respectively while the other shareholders of the subsidiaries hold 0.000098% and 0.00032% 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	12,299,988	2,499,992	1,229,998,800	249,999,200	99.999902%	99.999968%
2	Alhaj Nasiruddin	1	1	100	100	0.000008%	0.000004%
3	Mr. Md. Sayedur Rahman	1	-	100	-	0.000008%	-
4	Major (Retd.) Dr. Md. Rezaul Haque	1	1	100	100	0.000008%	0.000004%
5	Alhaj Sultan Mahmood Chowdhury	1	1	100	100	0.000008%	0.000004%
6	Mr. Abdul Awal Patwary	1	1	100	100	0.000008%	0.000004%
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%	0.000004%
10	Alhaj Sk. Mohammad Rabban Ali	1	1	100	100	0.000008%	0.000004%
11	Mr. A. Jabbar Mollah	1	-	100	-	0.000008%	-
12	Mr. Md. Kamal Uddin	1	1	100	100	0.000008%	0.000004%
13	Mr. Belal Ahmed	1	1	100	100	0.000008%	0.000004%
		12,300,000	2,500,000	1,230,000,000	250,000,000	100.00%	100.00%

		2018 Taka	2017 Taka
18.1	Current year retained earnings Social Islami Bank Limited		
	Profit after tax	1,583,430,756	1,455,249,695
	Less : Statutory Reserve	769,658,950	707,025,310
		813,771,806	748,224,385
18.1.(a)	Consolidated Current year retained earnings		
	Profit after tax of SIBL	1,583,430,756	1,455,249,695
	Less :Statutory Reserve	769,658,950	707,025,310
	Profit/(Loss) attributable to Group	813,771,806	748,224,385
	Add: Profit/(Loss) of subsidiaries		
	Add: Current year profit/(loss) of subsidiaries		
	SIBL Securities Limited	18,146,387	107,737,962
	SIBL Investment Limited	(67,540)	(69,015)
		18,078,846	107,668,946
	Less: Non controlling interests of profit/(loss) attributable for current year		
	SIBL Securities Limited	15	87
	SIBL Investment Limited	-	-
		15	87
	Less: Common income (Dividend) for elimination		
	SIBL Securities Limited	-	98,399,920
	Profit/(Loss) attributable to parent	831,850,638	757,493,324
18(b)	Non-controlling interest SIBL Securities Limited		
	Paid up capital	1,230,000,000	1,230,000,000
	Retained earnings	28,737,598	10,591,211
	Net Assets	1,258,737,598	1,240,591,211
	SIBL Investment Limited		
	Paid up capital	250,000,000	250,000,000
	Retained earnings	(2,011,922)	(1,944,382)
	Net Assets	247,988,078	248,055,618
	Non-controlling interests		
	SIBL Securities Limited, @ 0.000098% of net assets	1,215	1,200
	SIBL Investment Limited, @0.00032% of net assets	596	596
	Total non-controlling interest	1,812	1,797

	2018 Taka	2017 Taka
19 Contingent liabilities		
19.1 Acceptances and Endorsements		
Bill bankers' liabilities (DP)	14,272,414,226	22,997,615,491
Bill bankers' liabilities (BB/FO)	914,702,237	914,598,999
Bill bankers' liabilities (BB/LO)	4,090,617,000	4,047,487,724
Bill bankers' liabilities (EPZ)	317,571,000	257,288,000
Bill bankers' liabilities Others	534,116,000	509,136,200
	20,129,420,463	28,726,126,414
19.2 Letter of Credit		
L/C bankers' liabilities (DP)	5,284,059,000	7,323,021,802
L/C bankers' liabilities (BB/FO)	796,931,000	1,154,481,000
L/C bankers' liabilities (BB/LO)	1,954,426,000	1,660,871,000
L/C bankers' liabilities (Cash)	6,530,138,200	9,149,512,487
L/C bankers' liabilities (EPZ)	647,014,000	24,235,000
L/C bankers' liabilities (Others)	621,582,000	1,597,919,000
	15,834,150,200	20,910,040,289
19.3 Letters of guarantees		
Letters of guarantee	10,532,813,165	14,094,167,946
19.4 Bills for collection		
In-ward bills for collection	-	-
Out-ward Bills for Collection	4,189,581,976	4,239,277,561
	4,189,581,976	4,239,277,561
19.5 Other Contingent Liabilities	-	-
19.6 Other Commitments	-	-
Total Off-balance sheet items	50,685,965,804	67,969,612,210
Income Statement (Note-20 to Note-39)		
Income:		
Income from Investment (Note-20)	24,955,867,159	18,497,613,423
Income from Investment in Shares & Securities (Note-22)	462,796,394	443,104,547
Commission, Exchange and Brokerage Income (Note-23)	1,600,655,718	1,871,303,027
Other operating income (Note-24)	596,194,180	602,379,425
	27,615,513,451	21,414,400,422
Expenses:		
Profit paid on Deposits (Note-21)	16,063,978,530	10,561,959,067
Administrative expenses	3,145,854,129	2,899,594,762
Other operating expenses	1,941,895,605	1,488,912,855
Depreciation on Banking assets	320,667,613	297,722,218
	21,472,395,877	15,248,188,902
Income over expenditure	6,143,117,574	6,166,211,520
20 Income from Investment		
Profit on Murabaha	195,442,335	120,116,734
Profit on Bai-Muazzal	15,878,285,646	11,235,975,639
Profit on Hire-Purchase	6,275,719,215	4,865,038,403
Profit on Musharka	38,163,397	31,297,362
Profit on Bai-Salam	69,779,431	57,213,841
Profit on Quard against MTDR, Scheme and others	533,590,475	582,606,146
Profit on Inland Document Bill Purchased	381,907,836	343,629,376
Profit on Foreign Document Bill Purchased	442,936,981	291,942,245
Profit on Ijarah	55,324,304	42,579,353
Profit on Investment against Mudaraba Deposit with other banks and NBFIs	751,602,249	516,384,540
Profit on other investments (Card, Wakalat fee etc.)	235,655,240	250,308,304
Profit on Mudaraba	97,460,050	160,521,481
	24,955,867,159	18,497,613,423

		2018 Taka	2017 Taka
20(a)	Consolidated income from investment Social Islami Bank Ltd.	24,955,867,159	18,497,613,423
	Add: Income from investment of subsidiaries of SIBL	117,177,840	111,296,114
	SIBL Securities Ltd.	117,177,840	111,296,114
	SIBL Investment Ltd.	-	-
	Grand total of consolidated investment income	25,073,045,000	18,608,909,537
21	Profit paid on Deposits and borrowings		
	Profit paid on deposits		
	Mudaraba Savings Deposits (MSD)	503,706,574	368,388,910
	Mudaraba Short Notice Deposit (MSND)	347,633,513	289,094,026
	Mudaraba Term Deposit Receipt (MTDR)	11,631,716,648	7,797,128,684
	Cash Waqf Fund Deposit	24,754,575	23,240,286
	Profit paid on Scheme Deposits & others	2,423,419,118	1,668,924,699
		14,931,230,427	10,146,776,605
	Profit paid on borrowings & SIBL Mudaraba Subordinate Bond	1,132,748,103	415,182,462
	Total profit paid on deposits and borrowings	16,063,978,530	10,561,959,067
21(a)	Consolidated Profit paid on Deposits Social Islami Bank Ltd.	16,063,978,530	10,561,959,067
	Add: Income from investment of subsidiaries of SIBL	73,726,464	62,993,082
	SIBL Securities Ltd.	73,726,464	62,993,082
	SIBL Investment Ltd.	-	-
	Grand total of consolidated Profit paid on Deposits	16,137,704,994	10,624,952,149
22	Income from Investment in Shares & Securities		
	Income from Investment in Islamic Bond	251,076,251	94,361,362
	Income from Investment in Shares	14,229,302	110,555,012
	Orion Infrastructure Ltd. (Former Belhasha Preference share)	109,549,205	109,549,205
	Dividend Income	87,941,636	128,638,968
		462,796,394	443,104,547
	Social Islami Bank Ltd. has investment of Tk. 920.00 crore in Bangladesh Govt. Islamic Investment Bond for which 3.00%, average rate of income has been provided for January-December 2018. 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.	462,796,394	443,104,547
	Add: Income from Investment in Shares & Securities of subsidiaries of SIBL	15,112,125	34,323,504
	SIBL Securities Ltd.	15,112,125	34,323,504
	SIBL Investment Ltd.	-	-
	Less: Common income for elimination		
	SIBL Securities Ltd.	-	98,399,920
	Grand total of consolidated income from Investment in Shares & Securities	477,908,519	379,028,131

	2018 Taka	2017 Taka
23 Commission, Exchange & Brokerage		
Commission	679,730,570	848,329,068
Exchange income	920,925,148	1,022,973,959
	1,600,655,718	1,871,303,027
23(a) Consolidated income from commission, exchange & brokerage		
Social Islami Bank Ltd.	1,600,655,718	1,871,303,027
Add: Income from commission, exchange & brokerage of subsidiaries of SIBL	86,709,888	145,463,433
SIBL Securities Ltd.	86,709,888	145,463,433
SIBL Investment Ltd.	-	-
Grand total of consolidated income from commission, exchange & brokerage	1,687,365,606	2,016,766,460
24 Other Operating Income		
P & T charge recovered	1,946,494	715,768
Courier Charges Recovery & Others	8,836,676	9,668,654
Services & charges	356,948,450	414,953,352
SWIFT/ Return charge recovered	47,207,878	50,015,815
Other charges (Note: 24.1)	181,254,682	127,025,836
	596,194,180	602,379,425
24(a) Consolidated other operating income		
Social Islami Bank Ltd.	596,194,180	602,379,425
Add: Other operating Income of subsidiaries of SIBL	945,233	2,350,110
SIBL Securities Ltd.	945,233	2,350,110
SIBL Investment Ltd.	-	-
Grand total of consolidated income from other operating income	597,139,413	604,729,535
24.1 Other Charges		
Rent receipts	2,540,779	2,194,581
Income from sale of forms	172,070	416,900
Service charge on SIBL Cards	72,274,818	58,669,545
Notice pay earnings	4,572,650	3,125,925
Miscellaneous income	101,694,364	62,618,884
	181,254,682	127,025,836
25 Salary & Allowances		
Basic Salary	1,272,868,382	1,137,047,641
Allowances	1,211,751,483	1,130,621,847
Bonus	495,617,232	473,188,676
L/E Salary & Allowances	26,608,143	29,480,924
Bank's Contribution to Provident fund	115,464,033	107,304,553
Bank's Contribution to Social Insurance fund	11,624,857	11,101,765
	3,133,934,129	2,888,745,407

	2018 Taka	2017 Taka
25(a) Consolidated expenses for Salary and Allowance		
Social Islami Bank Ltd.	3,133,934,129	2,888,745,407
Add: Salary and Allowance for subsidiaries	34,035,336	27,988,114
SIBL Securities Ltd.	34,035,336	27,988,114
SIBL Investment Ltd.	-	-
	3,167,969,465	2,916,733,521
26 Rent, Taxes, Insurance & Electricity etc.		
Rent, Rates & Taxes (note: 26.1)	308,498,357	271,191,425
Insurance (note: 26.2)	133,030,500	115,366,296
Electricity, Lighting & Water (note: 26.3)	83,060,810	76,607,361
	524,589,668	463,165,082
26(a) Consolidated expenses for rent, taxes, insurance & electricity		
Social Islami Bank Ltd.	524,589,668	463,165,082
Add: Rent, Taxes, Insurance & Electricity etc. of subsidiaries	6,042,040	5,715,229
SIBL Securities Ltd.	6,042,040	5,715,229
SIBL Investment Ltd.	-	-
	530,631,708	468,880,311
26.1 Rents, Rates, Taxes, Insurance & Lighting etc.		
Rents		
Rent (Office)	299,682,189	266,143,767
Rent (Garage)	369,380	484,850
Rent (Godown & others)	4,544,618	3,521,514
	304,596,187	270,150,131
Rates and Taxes	3,902,170	1,041,294
Total Rents, Rates & Taxes	308,498,357	271,191,425
26.2 Insurances		
Insurance Premium in Counter	911,523	850,055
Insurance Premium in Transit	6,575,992	5,990,486
Insurance Premium Safe/Vault	7,093,585	5,930,813
Insurance Premium on deposit	114,063,326	98,372,499
Insurance Premium on Vehicle	1,662,332	1,901,822
Other Insurance	2,723,742	2,320,622
	133,030,500	115,366,296
26.3 Lighting & Electricity		
Lighting & Electricity Bill (Office)	73,956,809	67,854,214
Lighting & Electricity Charges (Office)	5,092,817	5,245,170
Sub Total	79,049,626	73,099,384
Water & Sewerage	4,011,184	3,507,977
Total	83,060,810	76,607,361

	2018 Taka	2017 Taka
27 Legal Expenses		
Legal Fees & Charge	5,153,988	9,960,110
Stamp Duties	59,823	67,625
Other Legal Expenses	5,372,682	5,474,400
	10,586,493	15,502,135
28 Postage, Stamps, Telecommunication etc.		
Cable Network rent	311,041	273,362
Telegram, Fax, Telex & other charges	145,000	267,188
Telephone charges	2,940,916	2,861,411
Mobile phone charges	5,075,478	6,324,470
	8,472,436	9,726,431
28(a) Consolidated expenses for Postage, Stamps, Telecommunication etc.		
Social Islami Bank Limited	8,472,436	9,726,431
Add: Postage, Stamps, Telecommunication etc. expenses for subsidiaries	1,616,417	1,825,369
SIBL Securities Ltd.	1,616,417	1,825,369
SIBL Investment Ltd.	-	-
	10,088,853	11,551,800
29 Stationery, Printing, Advertisements etc.		
Table Stationery	12,974,100	13,983,112
Printing & Stationery	34,004,513	39,046,381
News Paper & Magazine	26,636,211	24,755,996
Television & Radio	42,770,403	18,075,500
Neon Sign, Banner etc.	297,855	432,624
Other Publicity	15,895,240	32,853,770
	132,578,322	129,147,384
29(a) Consolidated expense of Stationery, Printing, Advertisement etc.		
Social Islami Bank Ltd.	132,578,322	129,147,384
Stationery, Printing, Advertisement expense of Subsidiaries of SIBL	387,554	498,091
SIBL Securities Limited.	387,554	498,091
SIBL Investment Limited.	-	-
	132,965,876	129,645,475
30 Managing Director's Salary and Allowances		
Basic Salary	6,710,000	5,761,290
Allowances	3,000,000	2,658,065
Festival & other Bonus	2,210,000	2,430,000
	11,920,000	10,849,355
31 Directors' Fees & Meeting Expenses		
Directors Fee	2,238,800	6,725,200
Meeting Expenses	2,300,601	3,740,144
	4,539,401	10,465,344

		2018 Taka	2017 Taka
31(a)	Consolidated Directors' fees & Meeting Expenses:		
	Social Islami Bank Limited	4,539,401	10,465,344
	Directors' Fees & Meeting Expenses of Subsidiaries of SIBL	333,500	655,500
	SIBL Securities Limited	333,500	655,500
	SIBL Investment Limited	-	-
		4,872,901	11,120,844
32	Shariah Supervisory Committee's Fees & Expenses		
	Shariah Council Meeting Expenses	245,903	711,064
		245,903	711,064
33	Depreciation and Repair of Bank's Assets		
	a) Depreciation of Bank's Assets (Annexure A)		
	Land	-	-
	Building	50,359,435	51,646,497
	Furniture & Fixtures	64,322,198	60,456,536
	Office Appliance & Equipment	137,015,338	120,118,741
	Computer Software	16,029,023	12,850,885
	Vehicles	16,674,900	17,249,104
	Books	73,012	65,358
		284,473,905	262,387,120
	b) Repair on Bank's Assets		
	Building	24,081	46,437
	Motor Car/ Vehicle	3,757,189	4,151,405
	Furniture Fixture	1,788,138	2,077,751
	Mechanical Appliances	13,479,884	16,048,731
	Software Maintenance fee	15,471,595	12,286,225
	Hardware Maintenance fee	1,400	11,450
	IT Enable Service Charges	1,671,420	713,098
		36,193,707	35,335,097
	Total Depreciation and repair of Bank's Assets	320,667,613	297,722,218
33(a)	Consolidated balance of Depreciation Social Islami Bank Ltd.	320,667,613	297,722,218
	Add: Depreciation on assets of subsidiaries	1,576,212	1,711,738
	SIBL Securities Ltd.	1,576,212	1,711,738
	SIBL Investment Ltd.	-	-
	Add: Repairs & Maintenance on assets of subsidiaries	839,342	660,624
	SIBL Securities Ltd.	839,342	660,624
	SIBL Investment Ltd.	-	-
		323,083,166	300,094,580

		2018 Taka	2017 Taka
34	Other Expenses		
	Local conveyance	17,495,129	17,147,744
	Petroleum, oil & lubricants	16,083,257	15,992,359
	Entertainment expenses	48,535,108	36,328,698
	Traveling allowances	34,740,787	32,746,545
	Travelling Foreign	2,021,530	2,994,260
	Bank charges	2,233,574	420,941
	Uniform charges	1,342,300	1,533,047
	Subscriptions to Institutions & Others	4,808,067	7,496,600
	Banks' clearing house charges	41,467	79,931
	CIB Charges	963,160	2,152,780
	Transportation charges	5,285,938	6,254,193
	News paper, Journal & periodicals	246,395	402,199
	Washing charges	721,845	640,045
	Training expenses Academy/ Internal	467,777	168,683
	Training expenses at outside Banks	2,868,266	3,999,423
	Meeting expenses	21,650	79,507
	Direct expenses on investment	-	406,250
	Up keep of branches/office premises	6,217,444	5,882,721
	Excise duty	2,098,500	1,362,000
	Computer charges	15,907,011	15,499,788
	Security Services	166,229,871	152,886,408
	Cleaner Services	6,088,807	5,778,073
	Others wages	149,447,266	119,890,561
	Photocopy expenses	1,245,383	1,483,760
	Photography expenses	45,853	86,592
	Cash & Bank remittance charges	4,410,800	3,909,571
	Honorarium	3,214,200	3,050,300
	On-Line Expenses	33,241,603	24,135,274
	ATM Rent Hardware	3,419,018	1,489,096
	Credit Rating Fees	4,495,789	2,895,490
	Other Utility	4,501,510	3,087,190
	Bond issue related Expense	6,815,500	10,780,000
	Donation to Government	250,026,500	50,009,000
	Donation to Others	748,695	816,420
	CSR Related Expenditure	50,001,483	-
	Fair value adjustment for shares and securities	112,898,604	49,206
	Gratuity expense	120,922,496	127,994,500
	Miscellaneous expenses	50,790,252	88,266,965
		1,130,642,835	748,196,121

		2018 Taka	2017 Taka
34(a)	Consolidated Other Expenses		
	Social Islami Bank Limited	1,130,642,835	748,196,121
	Add:Other Expenses for SIBL Securities Limited	17,271,905	32,249,158
	License, fees, renewals and incorporation expenses	12,086,915	18,382,472
	Entertainment	579,445	1,287,628
	Bank charge and Excise duty	-	-
	Others	4,605,545	12,579,058
	Other Expenses for SIBL Investment Limited	44,540	46,015
	Incorporation and Other Regulatory expenses	17,490	2,942
	Bank charge and Excise duty	26,150	26,150
	Others	900	16,923
		1,147,959,281	780,491,293
35	Other Provision		
	Provision for other assets (note: 13.2)	30,100,000	61,885,000
	Provision for good borrower (note: 13.6)	1,222,000	-
	Provision for Climate Risk Fund (note:13.7)	2,000,000	-
		33,322,000	61,885,000
35(a)	Consolidated other provision		
	Social Islami Bank Ltd.	33,322,000	61,885,000
	Add:Provision for subsidiaries		
	SIBL Securities Ltd.		
	Provision for general reserve	2,193,709	2,416,229
	Provision for impairment of margin loan	30,877,510	27,815,063
	Provision for diminution in value of investment	15,642,073	3,738,060
		48,713,292	33,969,352
	SIBL Investment Ltd.	-	-
	Grand Total of Consolidated Other Provision	82,035,292	95,854,352
36	Provision against Investment, Off-Balance Sheet items & Others		
	Provision on classified investment	2,825,055,062	2,377,093,263
	Provision on unclassified investment	(349,201,263)	111,303,360
	Provision on Off-Balance Sheet items	(214,352,974)	80,803,346
	Other provisions (note: 35)	33,322,000	61,885,000
		2,294,822,825	2,631,084,969

	2018 Taka	2017 Taka
36(a) Consolidated Provision against Investment, Off-Balance Sheet items & Others		
Social Islami Bank Ltd.	2,294,822,825	2,631,084,969
Add: Provision for subsidiaries	48,713,292	33,969,352
SIBL Securities Ltd.	48,713,292	33,969,352
SIBL Investment Ltd.	-	-
Total	2,343,536,116	2,665,054,321
37 Provision for Income Tax		
Current year provision (Note: 37.1)	2,227,743,967	2,063,450,826
Deferred Tax expense/(income) (Note: 37.2)	37,120,027	16,426,030
	2,264,863,993	2,079,876,855
37(a) Consolidated Provision for Income Tax		
Social Islami Bank Limited	2,264,863,993	2,079,876,855
SIBL Securities Limited	17,233,637	17,405,942
Current year provision	17,309,147	17,214,834
Deferred Tax expense/(income)	(75,510)	191,108
SIBL Investment Limited	-	-
	2,282,097,630	2,097,282,797
37.1 Current Year Tax Provision		
Provision on tax has been calculated based on Income Tax Ordinance, 1984 as amended upto 2018 by the Finance Act, considering the allowances and disallowances.		
37.2 Deferred Tax Expenses/(Income)		
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, Taka-351,570,780 and Taka-738,298,640 issued as bonus share for the years ended 31 December 2010, 2012, 2015 and 2017. Now the total paid up capital after right issue and issue of bonus shares amounts to Taka- 8,121,285,060 with a total no. of 812,128,506 shares having face value @ Taka- 10/share.		
Net Profit after Tax	1,583,430,756	1,455,249,695
Weighted average number of ordinary shares outstanding	812,128,506	812,128,506
Earning Per Share (EPS) (Prior year Restated)	1.95	1.79
38(a) Earning Per Share (EPS) - Consolidated		
Net Profit after Tax	1,601,509,590	1,464,518,636
Weighted average number of ordinary shares outstanding	812,128,506	812,128,506
Earning Per Share (EPS) - Consolidated (Prior year Restated)	1.97	1.80

		2018 Taka	2017 Taka
Notes for Cash Flow Statement (Note-39 to Note-44)			
39	Income from Investment		
	Investment profit receipt	24,955,867,159	18,497,613,423
	Add: Opening profit receivable	345,606,462	242,508,711
	Less: Closing profit receivable	(472,885,826)	(345,606,462)
		24,828,587,795	18,394,515,672
39(a)	Consolidated income from investment		
	Income from investment of SIBL	24,828,587,795	18,394,515,672
	Income from investment of Subsidiaries of SIBL	117,177,840	111,296,114
	SIBL Securities Ltd.	117,177,840	111,296,114
	SIBL Investment Ltd.	-	-
	Grand total	24,945,765,635	18,505,811,786
40	Receipts from Other Operating Activities (Other than profit on sale of fixed assets)		
	Exchange income	920,925,148	1,022,973,959
	Rent receipts	2,540,779	2,194,581
	P & T charge recovered	1,946,494	715,768
	Courier Charges Recovery & Others	8,836,676	9,668,654
	Notice pay earnings	4,572,650	3,125,925
	Miscellaneous income	101,694,364	62,618,884
	Services & charges	356,948,450	414,953,352
	SWIFT/ Return charge recovered	47,207,878	50,015,815
	Service charge on SIBL Cards	72,274,818	58,669,545
	Income from sale of forms	172,070	416,900
		1,517,119,328	1,625,353,384
40(a)	Consolidated receipts from Other Operating Activities (Other than profit on sale of fixed assets)		
	Receipts from Other Operating Activities of SIBL	1,517,119,328	1,625,353,384
	Receipts from other operating activities of Subsidiaries of SIBL	945,233	2,350,110
	SIBL Securities Ltd.	945,233	2,350,110
	SIBL Investment Ltd.	-	-
		1,518,064,561	1,627,703,494
41	Payment to others		
	Rent (Office)	299,682,189	266,143,767
	Rent (Garage)	369,380	484,850
	Rent (Godown)	4,544,618	3,521,514
	Rates and Taxes	3,902,170	1,041,294
	Insurance Premium for cash in counter	911,523	850,055
	Insurance Premium for cash in transit	6,575,992	5,990,486
	Insurance Premium for cash in safe/ vault	7,093,585	5,930,813
	Insurance Premium on deposit	114,063,326	98,372,499
	Insurance Premium for vehicle	1,662,332	1,901,822
	Other Insurance	2,723,742	2,320,622
	Lighting and Electricity Bill (Office)	73,956,809	67,854,214
	Lighting and Electricity Charges (Office)	5,092,817	5,245,170
	Water and Sewerage	4,011,184	3,507,977
	Legal Expenses	10,586,493	15,502,135
	Directors Fees and Meeting Expenses	4,539,401	10,465,344
	Shariah Supervisory Fees & Expenses	245,903	711,064
	Audit Fees	575,000	575,000
	Repairs and Maintenance	36,193,707	35,335,097
	Zakat Expenses	129,665,548	111,424,295
	Other Expenses (note: 34)	1,130,642,835	748,196,121
		1,837,038,555	1,385,374,138

	2018 Taka	2017 Taka
41(a) Consolidated payment to others		
Social Islami Bank Limited	1,837,038,555	1,385,374,138
Payment to others- Subsidiaries	24,577,327	39,372,526
SIBL Securities Limited	24,509,787	39,303,511
SIBL Investment Limited	67,540	69,015
	1,861,615,882	1,424,746,664
42 Cash Increase/ Decrease in Other Assets		
Stock of stationery, stamps and printing materials etc. (valued at cost)	38,940,292	29,277,438
Advance rent	240,368,398	244,929,032
Security Deposit	3,156,556	2,778,156
Branch Adjustments (SIBG) (Note: 9.1)	7,101,009,106	2,158,090,350
Suspense Accounts (Note: 9.2)	219,594,442	193,694,052
Other Prepayments	64,216,511	64,279,171
Receivable from M/S. Stock & Bond and SIBL Securities Ltd.	122,074,364	37,801,642
Advance Income Tax	9,371,407,022	8,102,785,360
Receivable from SIBL Investment Limited	1,820,060	1,801,670
Protested Bills against Investment	319,377,570	313,388,000
Receivable from Off-shore Banking Unit	62,481,496	140,891,063
Others (Note: 9.3)	509,326,782	2,643,607,853
	18,053,772,598	13,933,323,788
Difference between (2018, 2017)	(4,120,448,810)	(2,479,128,886)
Advance Income Tax	1,268,621,662	1,407,386,534
Net change in Other Assets	(2,851,827,148)	(1,071,742,352)
42(a) Consolidated cash increase/decrease in other assets		
Social Islami Bank Limited	18,053,772,598	13,933,323,788
Cash Increase/ Decrease in Other Assets of subsidiaries	2,368,692,187	2,160,849,868
	20,422,464,785	16,094,173,656
Difference between (2018, 2017)	(4,328,291,129)	(2,807,389,315)
Advance Income Tax	1,285,952,527	1,432,091,325
Consolidated net change in Other Assets	(3,042,338,602)	(1,375,297,990)
43 Cash Increase/ Decrease in Other Liabilities		
Adjusting A/C (Cr.) Balance	12,030,804	9,895,336
Other Payable	3,079,086	2,728,359
SIBL Employees' PF Fund*	-	1,389,983,953
SIBL Employees' Superannuation Fund*	-	133,197,812
Compensation and Rent Suspense (note: 13.3)	1,874,740,496	1,665,037,246
Gratuity Fund Balance with SIBL Principal Br.	-	781,535,973
BEFTN Adjustment Account	24,672,552	64,552,918
Parking Account	51	174
ATM Settlement for Q-Cash	34,004,885	117,917,352
	1,948,527,874	4,164,849,122
Cash Increase/ (Decrease) in Other Liabilities	(2,216,321,248)	1,005,962,344
Difference between (2018 & 2017)	(2,216,321,248)	1,005,962,344
Add: Transfer to Provision for Investment from Compensation (In Yr. 2017)	150,182,617	126,956,778
Add: Zakat expense transferred to Sadaka Fund	129,665,548	111,424,295
Less: Zakat distributed during the year	92,567,800	108,649,069
Less: Gratuity transferred & Paid during the year	-	516,750
Less: Adjustment of other provision made during the year	-	11,172,015
Less: Adjustment of provision for good borrowers made during the year	-	8,222,000
Less: Written off/ Waiver of investment during the year	83,067,558	795,006,294
	(2,112,108,441)	320,777,289

	2018 Taka	2017 Taka
43(a) Consolidated cash increase/decrease in other liabilities		
Cash Increase/ Decrease in other liabilities of Social Islami Bank Limited	1,948,527,874	4,164,849,122
Cash Increase/ Decrease in Other Liabilities of subsidiaries	232,007,925	177,482,867
	2,180,535,799	4,342,331,989
Difference between (2018, 2017)	(2,161,796,190)	895,707,910
Other changes in other liabilities of Social Islami Bank Limited	104,212,807	(685,185,054)
Net change in Other Liabilities-Social Islami Bank Limited	(2,057,583,383)	210,522,856
44 Cash and Cash Equivalent		
Cash in Hand	2,344,258,315	2,369,126,018
Balance with Bangladesh Bank & Sonali Bank Limited (as agent of Bangladesh Bank)	23,735,810,359	21,457,534,554
Balance with Other Banks & Financial Institutions-in Bangladesh	7,070,641,984	11,268,448,597
Balance with Other Banks & Financial Institutions-outside Bangladesh	323,695,854	366,064,370
	33,474,406,512	35,461,173,538
44(a) Consolidated Cash and Cash Equivalent		
Social Islami Bank Limited	33,474,406,512	35,461,173,538
Cash and Cash Equivalent of subsidiaries	121,695	467,597
SIBL Securities Limited.	116,494	462,396
SIBL Investment Limited.	5,201	5,201
	33,474,528,207	35,461,641,135

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 2847.

46 Audit Committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank and reconstituted in the 412th Board of Directors Meeting held on 21.03.2018 in compliance with the Bangladesh Bank and Bangladesh Securities Exchange Commission Guidelines.

Sl. No.	Name	Status with the Bank	Status with the Committee
1	Professor A J M Shafiul Alam Bhuiyan Ph.D	Director	Chairman
2	Mr. Md. Kamal Uddin	Independent Director	Member
3	Dr. Md. Jahangir Hossain	Independent Director	Member

The Audit Committee assists the Board in fulfilling its oversight responsibilities where accountability stands for financial reporting process, Internal Control System, Internal and External audit process, management of the risks of the Bank. The Committee review, monitor and assess the activities & performance of the Bank and establish the policies and procedures which comply with the existing laws & regulations.

Meetings of the Audit Committee:

The Board Audit Committee had 134 nos. (One hundred thirty four) Meetings in the previous years since inception in the year 2003, out of which 05 Meetings were conducted in the Year 2018 and the attendance of the members was as follows:

Sl. No.	Director	Tenure of Membership	No. of Meetings Held	No. of Meetings Attended
1	Professor A J M Shafiul Alam Bhuiyan Ph.D	21.03.2018 to till date	5	5
2	Mr. Md. Kamal Uddin	21.03.2018 to till date	5	4
3	Dr. Md. Jahangir Hossain	21.03.2018 to till date	5	5

Disclosure by Audit Committee:

The Committee reviewed the Quarterly Financial Statements 2018 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.

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 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 also reviewed the financial statements/investments of the subsidiaries: SIBL Securities Limited and SIBL Investment Limited.

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 of SIBL.

The Committee reviewed the Internal Auditors Reports and suggested appropriate actions where needed. The Internal Auditors were advised to carryout audit of all the branches of the Bank.

The Committee discuss the draft copy of "Instruction Manual to Protect Fraud and Forgeries and Stealing Bank's Money" and onward submission to the Board for approval.

The Committee reviewed the compliance position, policies, regulations and applicable law in general.

The Committee observed that risk management associated with the banking business was adequately controlled.

47 Related Party Disclosures

47.1 Name of the Firms / Business Organizations where the Directors of the Social Islami Bank Limited have got interest as on 31 December 2018:

SL No	NAME	Name of Firms/ Business Organizations Where the Directors of SIBL have got interest
1	Prof. Md. Anwarul Azim Arif Chairman (Representative of Hasan Abasan (Pvt.) Ltd.)	NIL
2	Mr. Belal Ahmed Vice Chairman (Representative of Unitex Steel Mills Limited)	Managing Director
		Unitex Spinning Limited
		Unitex Composite Mills Limited
		Unitex LP Gas Limited
		Unitex Petroleum Limited
		Unitex Cement Limited
		Unitex Steel Mills Limited
Padma Wears Limited		
3	Md. Sayedur Rahman Director (Representative of Prasad Paradise Resorts Limited)	Managing Director
		Lodestar Fashions Limited
		Mid Asia Fashions Limited
4	Md. Kamal Uddin Director (Representative of Lion Securities and Investment 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		
5	Mrs. Nargis Mannan Director	Nil
6	Dr. Md. Jahangir Hossain Director (Representative of Reliable Entrepreneurs Limited)	Nil

SL No	NAME	Name of Firms/ Business Organizations Where the Directors of SIBL have got interest
7	Mr. Arshadul Alam Director (Representative of Leader Business Enterprise Limited)	Managing Director
		MK Electronics Ctg. (Yunusco)
		Jesco Capital Management Ltd.
		Uni-Trade International Ltd.
		Nishat Traders Ltd.
		Chairman
		Jaba and Brothers C&F (Pvt.) Ltd.
		Director
		Northern General Insurance Company
		Metro Diagnostic Center Ltd.
		Jesco Bangladesh Ltd.
		Bengal Corporation Ltd.
Bengal Center (Topkhana)		
ABM Tower (Gulshan)		
8	Mr. Ali Hasan Md. Mahmud Ribon Director (Representative of Dynamic Venture Limited)	Chairman M/S. Mahmud Ribon
9	Mrs. Jebunnesa Akbar Director (Representative of Unitex Cement Limited)	Nil
10	Mr. Md. Faysal Ahmed Patwary Director (Representative of Global Trading Corporation Limited)	Director
		M/S. Patwary Potato Flakes Limited
		M/S. Greentech Greenhouse Bangladesh Limited
11	Professor A J M Shafiul Alam Bhuiyan Independent Director	Nil
12	Professor Mohammed Mizanur Rahman Independent Director	Nil

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					
SIBL Securities Ltd.	N/A	Subsidiary	Quard	8000.00 lac	UC
SIBL Foundation Hospital & Diagnostic Center	N/A	A concern of SIBL Foundation	Quard- E-Hasana	9657.85 lac	UC

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 Director has authorized the financial statements for issue on and recommended stock dividend @10 % for the year ended 31 December 2018.

49 General

- i. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- ii. The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the Bank.
- iii. Figures of previous year have been rearranged wherever necessary to conform the current year's presentation.
- iv. 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.
- v. 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.

SCHEDULE OF FIXED ASSETS INCLUDING PREMISES

Annexure - A

FOR THE YEAR ENDED 31 DECEMBER 2018

(Amounts in Taka)

Particulars	COST / REVALUED			Rate of Depreciation	DEPRECIATION				Written down value as at 31 December 2018
	Balance as on 01 January 2018	Additions during the year	Disposal/ Transfer during the year		Balance at 31 Dec 2018	Balance as on 01 January 2018	Transfer/ Adjustment during the year	Charged during the year	
Land*	12,330,000	-	-	12,330,000	-	-	-	-	12,330,000
Building*	2,320,220,714	-	-	2,320,220,714	2.50%	-	50,359,435	354,947,928	1,965,272,787
Furniture & Fixtures	943,311,447	148,375,494	-	1,091,686,941	10%	-	64,322,198	386,135,984	705,550,956
Office Equipment	1,278,947,408	178,084,262	-	1,457,031,670	20%	-	137,015,338	781,526,250	675,505,420
Software	183,044,057	40,560,194	-	223,604,251	10%	-	16,029,023	54,586,568	169,017,683
Vehicles	141,721,365	-	11	141,721,354	20%	-	16,674,900	106,546,049	35,175,305
Books	1,463,659	170,530	-	1,634,189	10%	-	73,012	951,623	682,566
31 December 2018	4,881,038,651	367,190,479	11	5,248,229,118		-	284,473,905	1,684,694,401	3,563,534,717
31 December 2017	4,395,354,376	485,684,274	-	4,881,038,651		-	262,387,120	1,400,220,495	3,480,818,155

*Details of revaluation of fixed assets is shown in Note: 17.

CONSOLIDATED SCHEDULE OF FIXED ASSETS

FOR THE YEAR ENDED 31 DECEMBER 2018

Annexure - A

(Amounts in Taka)

Particulars	COST / REVALUED			Rate of Depreciation	DEPRECIATION				Written down value as at 31 December 2018
	Balance as on 01 January 2018	Additions during the year	Disposal/ Transfer during the year		Balance at 31 Dec 2018	Transfer/ Adjustment during the year	Charged during the year	Balance at 31 December 2018	
Land	12,330,000	-	-	12,330,000	-	-	-	-	12,330,000
Building	2,320,220,714	-	-	2,320,220,714	-	50,359,435	354,947,928	354,947,928	1,965,272,786
Furniture & Fixtures	950,257,233	148,375,494	-	1,098,632,727	10%	64,818,595	388,329,527	388,329,527	710,303,200
Office Equipment	1,289,912,259	178,176,222	-	1,468,088,481	20%	137,777,789	789,744,298	789,744,298	678,344,183
Software	186,217,697	40,560,194	-	226,777,891	10%	16,346,387	56,632,829	56,632,829	170,145,062
Vehicles	141,721,366	-	11	141,721,355	20%	16,674,900	106,546,049	106,546,049	35,175,306
Books	1,463,660	170,530	-	1,634,190	10%	73,012	951,624	951,624	682,566
31 December 2018	4,902,122,928	367,282,439	11	5,269,405,357		286,050,117	1,697,152,254	1,697,152,254	3,572,253,103
31 December 2017	4,415,329,946	486,792,982	-	4,902,122,928		264,098,859	1,411,102,136	1,411,102,136	3,491,020,793

BALANCE WITH OTHER BANKS IN FOREIGN CURRENCIES

[Referred to Note 4.2 of these financial statements]

Annexure-C

SL No.	Name of the Banks	Currency Name	31.12.2018			31.12.2017		
			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	(69,342.45)	83.90	(5,818,832)	94,065.51	82.70	7,779,218
2	SUMMIT BANK, KARACHI	ACUD	5,241.77	83.90	439,785	8,116.00	82.70	671,193
3	SONALI BANK, KOLKATA	ACUD	15,422.59	83.90	1,293,955	8,394.36	82.70	694,214
5	MASHREQ BANK, MUMBAI	ACUD	319,558.74	83.90	26,810,978	24,310.50	82.70	2,010,478
4	NEPAL BANGLADESH BANK	ACUD	3,778.36	83.90	317,004	1,813.36	82.70	149,965
5	BANK OF BHUTAN, PHUENTSHOLING	ACUD	29,972.63	83.90	2,514,704	2,451.22	82.70	202,716
6	HABIB BANK LIMITED, KARACHI	ACUD	-	-	-	70,882.50	82.70	5,861,983
7	NIB BANK, KARACHI, PAKISTAN	ACUD	-	-	-	5,244.48	82.70	433,719
8	UNITED BANK OF INDIA	ACUD	21,374.87	83.90	1,793,352	90,455.47	82.70	7,480,667
9	AB BANK, MUMBAI	ACUD	89,336.06	83.90	7,495,295	54,817.67	82.70	4,533,421
10	MEEZAN BANK LIMITED	ACUD	3,325.00	83.90	278,968	-	-	-
11	MCB BANK, KARACHI, PAKISTAN	ACUD	5,244.48	83.90	440,012	-	-	-
12	AXIS BANK LIMITED	ACUD	40,461.41	83.90	3,394,712	-	-	-
13	MASHREQ BANK, NEW YORK, (OBU)	USD	173,718.15	83.90	14,574,953	565,282.44	82.70	46,748,858
14	MASHREQ BANK PSC, NEW YORK, USA	USD	(28,046.60)	83.90	(2,353,110)	2,678,833.77	82.70	221,539,553
15	SCB, NY, USA	USD	2,842,050.90	83.90	238,448,071	686,763.35	82.70	56,794,764
16	KOREA EXCH. BANK, KOREA	USD	642.38	83.90	53,896	2,126.63	82.70	175,872
17	HABIB AMERICAN BANK	USD	357,479.89	83.90	29,992,563	-	-	-
18	COMMERZ BANK AG, FRANKFURT	EURO	16,429.91	95.55	1,569,939	717.74	98.51	70,706
19	MASHREQ BANK, PSC MUMBAI	ACU EURO	427.92	95.55	40,889	427.92	98.51	42,155
20	SCB, FRANKFURT	EURO	23,926.50	95.55	2,286,266	42,224.56	98.51	4,159,636
21	SCB, LONDON, UK	GBP	90.81	106.25	9,649	18,274.35	110.99	2,028,301
22	SCB, TOKYO	JPY	33,158.00	0.76	25,081	717,457.00	0.73	524,474
23	ALAWWAL BANK RIYADH SA	RIYAL	3,923.43	22.36	87,725	188,751.00	22.05	4,162,478
Total			323,695,854			366,064,370		

DETAILS INFORMATION OF INVESTMENT MORE THAN 10% OF BANK'S TOTAL CAPITAL

Annexure-D

SI no.	Name of client	Outstanding as on 31 December 2018		
		Funded	Non-funded	Total
1	1. PowerPac Mutiara Keraniganj Power Plant Limited, 2. PowerPac Mutiara Jamalpur Power Plant Limited, 3. PowerPac Holdings Ltd.	468.03	49.28	517.31
2	East West Media Group, East West Property Development (Pvt.) Ltd, Bashundhara Steel Complex Ltd, Bashundhara Paper Mills Ltd, & Bashundhara Multi Paper Ind. Ltd	295.21	212.91	508.12
3	Western Dresses Ltd. , MNC Apparels Ltd, Kimia Washing Industries Limited, & NASSA BASIC WASH LTD.	335.24	103.13	438.37
4	Amber Denim Limited, Amber Denim Mills LTd, Amber Rotor Mills Ltd., Amber Jeans & Washing Ltd.	275.90	156.84	432.74
5	1. Orion Agro Products Ltd. 2. Orion Infrastrucure 3. Orion Pharma Limited., 4. Orion Power Unit-2 Dhaka Ltd	392.09	3.78	395.87
6	Dong Bang Dyeing Ltd.	294.28	52.53	346.81
7	M/S. Rabiul Islam & its sister concern M/s. Rhythm Trading, A R Cement Mills Ltd., Ehsan Cement Industries Ltd. & RMR Poultry & Hatchery Ltd, Semicon Pvt. Ltd., A.R. Specialized Auto Rice Mills Ltd.	320.85	18.21	339.06
8	S. Alam Brothers Ltd.	322.44	-	322.44
9	Base Textiles Ltd, Base Fashion Limited, Zayantex Limited, Base Technologies Limited, Base Paper Ltd.	253.79	57.09	310.88
10	M/S Dong Bang Textiles Ltd.	228.42	58.75	287.17
11	M/S. Islam Brothers & Co, Anwara Mannan Textile Mills Ltd., Juvenile Trade International Ltd., Aman Poultry & Hatchery Ltd.	281.58	-	281.58
12	M/S Mars Textile Ltd.	201.38	78.95	280.33
13	M/S. Millennium Enterprise & Sister Concern : M/S. Sonali Enterprise, Panama Composite Textile Mills Ltd, O.N Spinning Mills Ltd.	126.31	147.73	274.04
14	1. Opal Trading House, 2. Ibrahim Consortium Ltd, 3. Ibrahim Composite Textile Mills Ltd.	272.14	-	272.14
15	Infinia Spinning Mills Ltd.	41.47	204.05	245.51
16	Afser Resources Management And Consultant Services Ltd.	242.10	0.00	242.10
17	GLOBAL TRADING CORPORATION LTD.	233.54	0.00	233.54
18	Rahimafrooz Batteries Limited, Rahimafrooz Gloabatt Limited , Rahim Afroz Bangladesh Ltd., Rahim Afroz CIC Agro Ltd.	171.47	60.40	231.87
19	Ruby Food Products Ltd. & Its Allied Concern, Masud & Brothers , BSM Syndicate	110.84	118.59	229.43
20	Thermax Textile Mills Ltd., Thermax Knit Yarn Ltd., Thermax Spinning Ltd., Thermax Melange Spinning Mills Ltd., Thermax Check Fabrics Limited, Adury Apparels Ltd. Adury knit compsite	200.59	28.67	229.26
21	SQ Birichina	180.00	31.45	211.45

SI no.	Name of client	Outstanding as on 31 December 2018		
		Funded	Non-funded	Total
22	Natore Agro Ltd, Sun Basic Chemicals Ltd. , Advance Personal Care Ltd., Sylvan Technologies Ltd. & Get Well Ltd.	162.77	43.83	206.59
23	Crossline Knit Fabrics, Crossline Factory	136.53	69.99	206.52
24	Mahbub Brothers(Pvt.) Ltd.,ARK-MBPL JV., Best Golden Flour Mills Ltd	175.77	24.77	200.54
25	Mir Akhter Hossain, Mir Holdings Limited, Mir Telecom Limited	104.10	83.06	187.16
26	Rancon Autos Ltd. Rancon Automobiles Ltd. Rangs Motors Ltd.	179.56	6.23	185.79
27	M/s. Agrani Traders & its sister concern M/s. OVI Traders, M/s. A M Trading & M/s. Md. Aynul Haque	173.56	-	173.56
28	NAHEE SS PIPES INDUSTRIES LTD, NAHEE GEO-TEXTILE INDUSTRIES LTD,NAHEE ALUMINUM COMPOSITE PANEL LTD.	156.10	14.66	170.76
29	STAR PARTICLE BOARD MILLS LIMITED, Danish Condensed Milk Bangladesh Ltd., Partex Aeromerine Limited, Partex Laminates Limited., Partex Cables Ltd.	129.14	4.01	133.15
30	Ifad Autos Ltd., IFAD Motors Ltd.	109.41	17.10	126.51
31	Abdul Monem Limited	118.97	2.76	121.72
32	1. Badsha Textile 2. Kamal Yarn Ltd.	103.10	16.10	119.20
33	Nitol Motor's Ltd.	100.79	0.47	101.26
34	Mosharaf & Brothers & M/S. MN. Enterprise	98.26	-	98.26
35	M/s. Nuruzzaman Khan , N.Z Textile Ltd., N.Z Fabrics Limited	46.08	34.15	80.23
36	M/S M A Salam & Co.	70.88		70.88
37	Flora Limited	26.11	15.73	41.83
38	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.		7.24	7.24
39	M/S Tanveer Oils Limited & its sister concerns	-	4.91	4.91
40	M/S. Rafiqul Islam & Shaikh Cement Mills Ltd.	1.71	0.00	1.71
41	BANGLADESH MACHINE TOOLS FACTORY LIMITED	303.42	35.96	339.38
Grand Total		7,443.92	1,763.31	9,207.24

HISTORY OF PAID-UP CAPITAL

Annexure-E

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
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
2016	5% Bonus Issue for the year 2015	35,157,078	10	738,298,642	351,570,780	7,382,986,420
2017	20% Cash dividend for the year 2016	-	10	738,298,642	-	7,382,986,420
2018	10% bonus issue for the year 2017	73,829,864	10	812,128,506	-	8,121,285,060

Annexure-F

STATEMENT OF CORPORATE INCOME TAX STATUS

AS AT 31 DECEMBER 2018

(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	1,455,548,339	Pending at High Court Division of Supreme Court
2013	2014-2015	802,951,284	799,591,025	1,222,801,339	Pending at High Court Division of Supreme Court
2014	2015-2016	1,400,446,160	1,033,328,218	1,398,061,207	Submitted to 1st Appeal
2015	2016-2017	1,403,060,382	948,891,465	1,497,503,331	Submitted to 1st Appeal
2016	2017-2018	1,887,664,569	1,255,394,664	1,934,958,507	Return Submitted
2017	2018-2019	2,063,450,826	1,254,415,212	-	Return Submitted
2018	2019-2020	2,227,743,967	712,840,687	-	Return not yet Submitted

OFF-SHORE BANKING UNIT



OFF-SHORE BANKING UNIT (OBU)

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Note(s)	31.12.2018		31.12.2017	
		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		3,276,718	274,916,654	1,578,446	130,537,484
		3,276,718	274,916,654	1,578,446	130,537,484
Placement with Banks & other Financial Institutions		-	-	-	-
Investments in Shares & Securities		-	-	-	-
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
Investments					
General Investment etc.	4	24,575,225	2,061,861,392	79,727,568	6,593,469,910
Bills Purchased and Discounted		-	-	-	-
		24,575,225	2,061,861,392	79,727,568	6,593,469,910
Fixed Assets including Premises, Furnitures and Fixtures	5	352	29,498	446	36,872
Other Assets	6	744,714	62,481,496	1,703,640	140,891,063
Non Banking Assets					
Total Assets		28,597,009	2,399,289,039	83,010,101	6,864,935,329
LIABILITIES AND CAPITAL					
Liabilities					
Borrowing from Banks & other Financial Institutions	7	20,674,647	1,734,602,875	54,465,224	4,504,274,029
Deposits and Other Accounts	8	4,074,296	341,833,470	25,827,627	2,135,944,739
Mudaraba Savings Deposits		-	-	-	-
Mudaraba Term Deposits	8.1	4,058,922	340,543,563	25,645,940	2,120,919,224
Other Mudaraba Deposits		-	-	-	-
Al-Wadeeah Current & Other Deposit Accounts	8.2	15,374	1,289,906	181,687	15,025,515
Bills Payable		-	-	-	-
		-	-	-	-
Other Liabilities		3,848,065	322,852,694	2,717,250	224,716,561
Deffered Tax Liabilities/ (Assets)					
Total Liabilities		28,597,009	2,399,289,039	83,010,101	6,864,935,329
Capital/Shareholders' Equity					
Paid-up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Foreign currency translation gain/(Loss)		-	-	-	-
Retained Earnings		-	-	-	-
		-	-	-	-
Total Shareholders' Equity		-	-	-	-
Total Liabilities & Shareholders' Equity		28,597,009	2,399,289,039	83,010,101	6,864,935,329

OFF-SHORE BANKING UNIT

Note(s)	31.12.2018		31.12.2017	
	USD	Taka	USD	Taka
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	-	-	-	-

OFF-SHORE BANKING UNIT (OBU)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	31.12.2018		31.12.2017	
	USD	Taka	USD	Taka
Investment Income	5,024,972	421,595,155	5,185,339	427,735,779
Less: Profit paid on Deposits	(1,189,908)	(99,833,286)	(2,496,439)	(206,455,529)
Net Investment Income	3,835,064	321,761,868	2,688,900	221,280,249
Commission, Exchange and Brokerage	-	-	-	-
Other Operating Income	12,650	1,061,327	41,106	3,399,449
Total Operating Income	3,847,714	322,823,196	2,730,005	224,679,698
Salary & allowances	56,371	4,729,489	50,284	4,158,453
Rent & Utilities	-	-	-	-
Depreciation on fixed assets	88	7,374	111	9,218
Others	-	-	-	-
Total Operating Expenses	56,458	4,736,863	50,395	4,167,671
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	3,791,255	318,086,332	2,679,610	220,512,027
Provision for Income Tax	-	-	-	-
Net Profit/(Loss) after Tax	3,791,255	318,086,332	2,679,610	220,512,027

OFF-SHORE BANKING UNIT

OFF-SHORE BANKING UNIT (OBU)

Annexure-G

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	31.12.2018		31.12.2017
	USD	Taka	Taka
Cash Flow from operating activities			
Investment Income receipt	5,024,972	421,595,155	427,735,779
Profit paid on deposits	(1,189,908)	(99,833,286)	(206,455,529)
Dividend receipts	-	-	-
Fees & commission receipt	-	-	-
Cash payments to employees	(56,371)	(4,729,489)	(4,158,453)
Cash payments to suppliers	-	-	-
Income tax paid	-	-	-
Receipts from other operating activities	12,650	1,061,327	3,399,449
Payments for other operating activities	-	-	-
Operating profit before changes in operating assets and liabilities	3,791,343	318,093,707	220,521,245
Changes in operating assets and liabilities			
Statutory deposits	-	-	-
Net trading securities	-	-	-
Investments to other banks	-	-	-
Investment to customers	55,152,343	4,531,608,518	297,449,972
Other assets	958,926	78,409,567	(37,581,643)
Deposits from other banks	(33,790,577)	(2,769,671,154)	2,567,695,455
Deposits received from customers	(21,753,331)	(1,794,111,269)	(3,084,281,547)
Other liabilities on account of customers	-	-	-
Trading liabilities	-	-	-
Other liabilities	(2,660,528)	(219,957,573)	(288,196,865)
Sub Total	(2,093,167)	(173,721,912)	(544,914,628)
A. Net Cash flow from operating activities	1,698,177	144,371,795	(324,393,382)
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 & equipment's	88	7,374	9,218
Purchase/Sale of subsidiaries	-	-	-
B. Net Cash flows from investing activities	88	7,374	9,218
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)	1,698,273	144,379,169	(324,384,165)
E. Cash and cash equivalents at the beginning of the year	1,578,446	130,537,484	454,921,648
F. Cash and cash equivalents at the end of the year (D+E)	3,276,719	274,916,654	130,537,484

OFF-SHORE BANKING UNIT (OBU)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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, City Center 90/1, Motijheel Commercial Area, 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, International Accounting Standards, International Financial Reporting Standard (IFRS) 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 IAS-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 International 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, 2018.

- 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 IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".
- 2.6 **PROFIT INCOME**
 In terms of the provisions of the IFRS-15 "Revenue from contract with customer", 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 IAS - 1 "Presentation of Financial Statements" income 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.
 Provision for liabilities
- 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 foreign banks/institutions:
 1. EBL Finance HK Ltd.
- 8.2 **AL-WADEEAAH 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 83.90 closing rate as at 31st December 2018.
 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.

ANNEXURE-H

HIGHLIGHTS OF PERFORMANCE (ONLY BANK-SOLO BASIS)

(AMOUNT IN TAKA)

SL NO.	PARTICULARS	31.12.2018	31.12.2017
1	PAID UP CAPITAL	8,121,285,060	7,382,986,420
2	TOTAL CAPITAL (CORE + SUPPLEMENTARY)	26,111,512,369	21,725,079,250
3	CAPITAL SURPLUS/(DEFICIT)	7,811,413,869	2,950,679,750
4	CAPITAL TO RISK-WEIGHTED ASSET RATIO (CRAR)	14.27%	11.57%
5	TOTAL ASSETS	307,305,321,444	276,348,954,946
6	TOTAL DEPOSIT	248,324,489,649	228,798,900,181
7	GENERAL INVESTMENT	238,654,170,953	210,045,509,085
8	TOTAL CONTINGENT LIABILITIES AND COMMITMENTS	50,685,965,804	67,969,612,210
9	INVESTMENT-DEPOSIT (ID) RATIO (%)	91.54%	89.30%
10	PERCENTAGE OF CLASSIFIED INVESTMENT AGAINST TOTAL INVESTMENTS	7.69%	8.20%
11	PROFIT BEFORE TAX AND PROVISION	6,143,117,574	6,166,211,520
12	PROFIT AFTER TAX AND PROVISION	1,583,430,756	1,455,249,695
13	AMOUNT OF CLASSIFIED INVESTMENT	18,350,990,000	17,227,098,188
14	PROVISIONS KEPT AGAINST CLASSIFIED INVESTMENT	6,398,009,498	3,473,741,378
15	PROVISIONS SURPLUS	-	-
16	COST OF DEPOSITS	6.51%	4.92%
17	PROFIT EARNING ASSETS	259,135,059,629	234,762,545,969
18	NON-PROFIT EARNING ASSETS	48,170,261,815	41,586,408,976
19	RETURN ON INVESTMENT IN SECURITIES	3.54%	3.39%
20	RETURN (AFTER TAX) ON AVERAGE ASSETS (ROA)	0.54%	1.40%
21	RETURN (AFTER TAX) ON EQUITY (ROE)	10.05%	10.27%
22	INCOME FROM INVESTMENT IN SECURITIES	462,796,394	443,104,547
23	EARNING PER SHARE (EPS) (PRIOR YEAR RESTATED)	1.95	1.79
24	CONSOLIDATED EARNING PER SHARE (CEPS) (PRIOR YEAR RESTATED)	1.97	1.80
25	NET INCOME PER SHARE	1.95	1.79
26	PRICE EARNING RATIO (TIMES)	7.90	12.33

OFF-SHORE BANKING UNIT

SIBL SECURITIES LIMITED



INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SOCIAL ISLAMI BANK SECURITIES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of SIBL Securities Limited (the Company), which comprise the Statement of Financial Position as at 31 December 2018 and Statements of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with The International Ethics Standards Board for Accountants (IESBA Code) & the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS AND INTERNAL CONTROLS

Management is responsible for maintenance of the required books of accounts & records, preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and also for disclosure of matters that may affect any fact of the financial statements.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

In accordance with the Companies Act 1994, we also report the following:

- i. 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;
- ii. in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- iii. The Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account.



Place: Dhaka

Dated: 19 March, 2019

**Syful Shamsul Alam & Co.
Chartered Accountants**

SIBL Securities Limited

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2018

Particulars	Note	Amount in Taka	
		2018	2017
ASSETS			
Non-current assets			
Property, plant & equipment less acc. depreciation	3	7,591,007	8,757,895
Intangible assets	4	1,127,379	1,444,743
Investment in Equity of Strategic Company	5	989,770,683	1,027,650,000
		998,489,069	1,037,852,638
Current Assets			
Advances, deposits & pre-payments	6	78,775,503	62,693,731
Accounts Receivable	7	1,159,496,132	929,584,243
Investment in stock dealer activities	8	142,469,928	142,723,563
Cash & cash equivalents	9	123,980,632	141,761,717
		1,504,722,196	1,276,763,254
Total Assets		2,503,211,265	2,314,615,893
EQUITY AND LIABILITIES			
Capital & reserve			
Share capital	10	1,230,000,000	1,230,000,000
General reserve	11	10,764,249	8,570,540
Retained earnings	12	28,737,598	10,591,211
		1,269,501,848	1,249,161,752
Non-current liabilities			
HPSM investment loan from SIBL	13	800,000,000	750,000,000
Deferred Tax Liability/(Asset)	14	1,106,176	1,181,686
		801,106,176	751,181,686
Current liabilities			
Accounts Payable	15	355,754,335	254,732,695
Provision for tax	16	76,848,906	59,539,759
		432,603,241	314,272,455
Total Equity & Liabilities		2,503,211,265	2,314,615,893

FINANCIAL STATEMENTS

The annexed notes 1 to 23 form an integral part of these financial statements.



Director



Director



Director



Chief Executive Officer

This is the Statement of Financial Position referred to in our report of even date.

Place: Dhaka
Dated: 19 March, 2019


Syful Shamsul Alam & Co.
Chartered Accountants

SIBL Securities Limited

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

FOR THE YEAR ENDED ON 31ST DECEMBER, 2018

Particulars	Note	Amount in Taka	
		2018	2017
Operating Income:			
Brokerage commission	17	86,709,888	145,463,433
Profit earned on MTDR & bank account	18	8,955,310	2,957,650
Profit on margin facility		108,222,530	108,338,464
Profit / (Loss) on sale of share		5,077,862	23,786,737
Cash dividend from investment in share		2,819,157	749,263
Dividend Income from investment in DSE & CSE Share		7,215,106	9,787,504
Other income	19	945,233	2,350,110
Total operating income		219,945,086	293,433,161
Expenses			
Operating expenses	20	(62,125,306)	(71,326,823)
Operating profit/(loss) before Provisions & Reserve		157,819,780	222,106,338
Less: Other Provisions & Reserve			
Provision for impairment of margin loan	15.2.A	30,877,510	27,815,063
Provision for diminution in value of investment	15.2.B	15,642,073	3,738,060
General Reserve	11	2,193,709	2,416,229
Total Provisions & Reserve		(48,713,292)	(33,969,352)
Operating profit/(loss) before tax		109,106,488	188,136,986
Financial Expenses	21	(73,726,464)	(62,993,082)
Profit/(loss) before tax		35,380,024	125,143,904
Current tax		17,309,147	17,214,834
Deferred Tax Expenses / (Income)		(75,510)	191,108
		(17,233,637)	(17,405,942)
Operating Profit/(loss) after tax		18,146,387	107,737,962

The annexed notes 1 to 23 form an integral part of these financial statements.


 Director


 Director


 Director


 Chief Executive Officer

This is the Statement of Financial Position referred to in our report of even date.

 Place: Dhaka
 Dated: 19 March, 2019


Syful Shamsul Alam & Co.
 Chartered Accountants

SIBL Securities Limited

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED ON 31ST DECEMBER, 2018

Particulars	Note	Amount in Taka	
		2018	2017
Cash flows from operating activities:			
Net profit before tax		35,380,024	125,143,904
Increase/(decrease) in Advance & Prepayments		(16,081,774)	(25,866,205)
Increase in receivables		(229,911,889)	(214,693,894)
Increase/(decrease) in payables		67,283,754	(27,133,528)
Increase/(decrease) in other provisions		33,737,886	(51,567,783)
Depreciation		1,258,848	1,394,374
Amortization		317,364	317,364
General reserve		2,193,710	2,416,229
Net cash inflow/(outflow) from operating activities (A)		(105,822,077)	(189,989,539)
Cash flows from investing activities:			
Increase/(decrease) in fixed assets		(91,960)	(1,108,708)
Sale of DSE Share		37,879,317	-
Increase in investment		253,635	(87,743,194)
Net cash used in investing activities (B)		38,040,992	(88,851,902)
Cash flows from financing activities:			
Increase in investment borrowing-SIBL		50,000,000	330,000,000
Interim cash dividend paid		-	(98,400,000)
Net cash from financing activities (C)		50,000,000	231,600,000
Net cash inflow for the year D=(A+B+C)		(17,781,085)	(47,241,442)
Opening cash & cash equivalents (E)		141,761,717	189,003,159
Closing cash & cash equivalents (D+E)		123,980,632	141,761,717

The accounting policies and other notes form an integral part of the financial statements.



Director



Director



Director



Chief Executive Officer

This is the Statement of Financial Position referred to in our report of even date.

SIBL Securities Limited

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED ON 31ST DECEMBER, 2018

Particulars	Share capital	General reserve	Retained earnings	Total
Opening balance at 01 January, 2017	1,230,000,000	6,154,312	1,253,249	1,237,407,561
Add: Net Profit/Loss during the year	-	-	107,737,962	107,737,962
Add: General reserve addition	-	2,416,229	-	2,416,229
Less: Interim cash Dividend paid	-	-	(98,400,000)	(98,400,000)
Balance as at 31st December, 2017	1,230,000,000	8,570,540	10,591,211	1,249,161,752

Particulars	Share capital	General reserve	Retained earnings	Total
Opening balance at 01 January, 2018	1,230,000,000	8,570,540	10,591,211	1,249,161,752
Add: Net Profit/Loss during the year	-	-	18,146,387	18,146,387
Add: General reserve addition	-	2,193,709	-	2,193,709
Less: Interim cash Dividend paid	-	-	-	-
Balance as at 31st December, 2018	1,230,000,000	10,764,249	28,737,598	1,269,501,848

FINANCIAL STATEMENTS

The accounting policies and other notes form an integral part of the financial statements.


 Director


 Director


 Director


 Chief Executive Officer

This is the Statement of Financial Position referred to in our report of even date.

SIBL Securities Limited

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31ST DECEMBER, 2018

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 International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), Companies Act 1994 and other applicable laws and regulations.

2.2 Components of financial statements:

According to International Accounting Standard (IAS)-1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components;

- i) Statement of Financial Position;
- ii) Statement of Profit or Loss and other Comprehensive Income;
- iii) Statement of Cash Flows;
- iv) Statement of Changes in Equity;
- v) Notes, comprising a summary of significant accounting policies and other explanatory notes;
- vi) Comparative information.

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 IAS-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:

Particulars	Rate (%)
Office Equipment	20
Office Decoration	10
Furniture & fixture	10

Inangible assets have been shown at cost less amortization as per IAS-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	
		2018	2017
3	Property, plant & equipment:		
	Opening balance	17,910,637	16,801,929
	Add: Addition during the year (annexure-A)	91,960	1,108,708
	Less: Disposal during the year	-	-
	Closing balance (A)	18,002,597	17,910,637
	Less: Accumulated depreciation:		
	Opening balance	9,152,742	7,758,368
	Depreciation charged during the year (annexure-A)	1,258,848	1,394,374
	Disposal/adjustment during the year	-	-
	Closing balance (B)	10,411,590	9,152,742
	Written down value (A-B)	7,591,007	8,757,895
4	Intangible assets:		
	Opening balance	3,173,640	3,173,640
	Add: Addition during the year (annexure-A)	-	-
	Less: Disposal during the year	-	-
	Closing balance (A)	3,173,640	3,173,640
	Less: Accumulated depreciation:		
	Opening balance	1,728,897	1,411,533
	Depreciation charged during the year (annexure-A)	317,364	317,364
	Disposal/adjustment during the year	-	-
	Closing balance (B)	2,046,261	1,728,897
	Written down value (A-B)	1,127,379	1,444,743
5	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
	DSE Share sale to Strategic shareholder	(37,879,317)	-
		989,770,683	1,027,650,000

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 @Tk.10/- each and also received 1,714,932 Shares of CSE @Tk.10/- each out of total allotted 4,287,330 Shares of CSE. During the year, DSE has sold out 25% shares out of 40% of total share, held with DSE under block account, for which the Company has received the sale proceeds of Tk. 37,879,317 for 1,803,777 shares at Tk. 21 each against cost price of Tk. 180,162,550 including the TREC value apparently with loss a of Tk. 142,283,233, But such loss has not been considered in account as the estimated value of the TREC is understood to be much higher then the overall DSE shares cost.

Stock Exchange	No of Share	
	31-Dec-2018	31-Dec-2017
Dhaka Stock Exchange Limited	5,411,329	7,215,106
Chittagong Stock Exchange Limited	4,287,330	4,287,330
Total Number of Shares	9,698,659	11,502,438
Book value of Shares	989,770,683	1,027,650,000

		Amount in Taka	
		2018	2017
6	Advances:		
	Advance income tax	76,872,355	59,541,491
	Advance office rent	848,148	2,097,240
	Advance for floor space at Nikunja, DSE Tower	850,000	850,000
	Security deposit	205,000	205,000
		78,775,503	62,693,731
6.1	Advance income tax:		
	Advance income tax-DSE	60,788,983	46,838,112
	Advance income tax-CSE	3,268,844	2,843,277
	Advance income tax-CSE dealer	44,629	41,859
	Advance income tax-DSE dealer	555,499	514,554
	Advance income tax on profit of MTDR A/c.	1,719,174	1,719,174
	Advance income tax on profit of other bank A/c.	2,045,583	1,141,722
	Advance income tax on cash dividend-dealer	6,372,212	4,365,361
	Income tax paid	2,077,431	2,077,431
		76,872,355	59,541,491
6.2	Security deposit:		
	Security deposit with CDBL	200,000	200,000
	Security deposit with BTCL	5,000	5,000
	Total	205,000	205,000
7	Accounts Receivables :		
	Receivables from Client	1,075,824,864	857,054,059
	Receivables from regulators	1,941,390	26,306,574
	Profit receivable Bai_Muajjal	81,729,877	46,223,610
		1,159,496,132	929,584,243
7.1	Receivables from regulators:		
	Receivable from DSE	1,826,057	26,240,763
	Receivable from CSE	115,334	65,811
		1,941,390	26,306,574
8	Investment in stock dealer Activities		
	Investment in listed securities	108,835,293	107,888,223
	Investment in unlisted companies	30,000,000	30,000,000
	Investment in primary shares	3,634,635	4,835,340
		142,469,928	142,723,563

Disclosure about the cost and/or Market value

Particulars	Cost Value	Market Value	Unrealized gain / (Loss)
Investment in listed securities	108,835,293	78,248,589	(30,586,704)
Investment in unlisted companies	30,000,000	-	(30,000,000)
Investment in primary shares	3,634,635	3,634,635	-
Total	142,469,928	81,883,224	(60,586,704)

		Amount in Taka		
		2018	2017	
11	General reserve			
	Opening balance	8,570,540	6,154,312	
	Add: Addition during the year	2,193,709	2,416,229	
		10,764,249	8,570,540	
	Less: Adjustment during the year	-	-	
	Closing balance	10,764,249	8,570,540	
<p>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.</p>				
12	Retained Earnings			
	Opening balance	10,591,211	1,253,249	
	Add: Profit/(loss) during the year	18,146,387	107,737,962	
		28,737,598	108,991,211	
	Less: interim dividend	-	98,400,000	
	Closing balance	28,737,598	10,591,211	
13	HPSM investment loan from SIBL:			
	Opening balance	750,000,000	420,000,000	
	Addition during the year	50,000,000	430,000,000	
	Adjustment made during the year	-	(100,000,000)	
	Closing balance	800,000,000	750,000,000	
14	Deferred Tax Liability / (Assets)			
	Opening Balance	1,181,686	990,578	
	Add: Addition during the year	(75,510)	191,108	
		1,106,176	1,181,686	
15	Accounts Payables			
	Payable to regulators	Note 15.1	15,458,814	4,706,012
	Payable to client		203,361,043	146,830,091
	Other Provisions	Note 15.2	136,934,479	103,196,595
			355,754,335	254,732,693

		Amount in Taka		
		2018	2017	
15.1	Payable to regulators:			
	Payable to DSE	11,772,857	2,943,976	
	Payable to CSE	266,902	881,330	
	Payable to CSE for Dealer activities	-	-	
	Payable to DSE for Dealer activities	-	-	
	Payable to CDBL	3,419,055	880,705	
	Total	15,458,814	4,706,012	
15.2	Others provisions:			
	Provision for impairment of margin loan	Note 15.2.A	102,582,068	71,704,558
	Provision for diminution in value of investment in shares	Note 15.2.B	21,205,347	5,563,274
	Accrued expenses	Note 15.2.C	12,545,457	25,227,379
	Payable to service providers		140,223	228,163
	Payable to suppliers		87,850	-
	Liabilities for BO under process		-	45,500
	Liabilities for payment to the issuer		-	-
	Liabilities for unidentified cash dividend receipt		12,824	257,931
	Liabilities for EMP. PF Bank A/c. profit income		360,710	169,787
	Total		136,934,479	103,196,593
15.2.A	Provision for Impairment of Margin loan			
	Opening Balance		71,704,558	43,889,495
	Add: Addition / (Adjustment) during the year		30,877,510	27,815,063
	Closing Balance		102,582,068	71,704,558
15.2.B	Provision for diminution in value of investment in shares			
	Opening Balance		5,563,274	1,825,214
	Add: Addition / (Adjustment) during the year		15,642,073	3,738,060
	Closing Balance		21,205,347	5,563,274

In compliance with the guidelines of the BSEC vide Circular No. SEC/CMRRCDD/2009-193/196 dated 28 December, 2016 and BSEC's Directive No. BSEC/CMRCCD/2009-193/203 dated December 28, 2017 and further letter No. BSEC/SRI/Policy/3/2018/931 dated December 24, 2018 the management of the Company has decided to create provisions @100% for impairment of margin loan on negative equity balance and @ 100% for diminution in value of investment in shares through dealer account separately within next 02 (two) years. i.e, end of the year 2020. In this connection, as on 31st December, 2018 the provisions have been created @ 35% on Impairment of Margin Loan and Diminution in value of investment separately.

		Amount in Taka	
		2018	2017
15.2.C	Accrued expenses:		
	Audit fees	46,000	23,000
	Provision for office rent	282,069	282,069
	Provision for salary & allowances	707,886	-
	Provision for utility bill	-	11,975
	Provision for Telephone bill	-	2,397
	Provision for PF contribution by company	3,621,018	2,570,818
	Provision for PF contribution by employee	3,621,018	2,570,818
	Provision for employees Gratuity Fund	4,068,550	-
	Adjustment A/c. to forfeit PF contribution by Company	-	12,547
	Provision for SMS bill	-	-
	Payable to DSE for non trading activities	31,720	-
	VAT payable on Directors meeting attendance fees	12,000	-
	VAT payable on suppliers	924	2,849
	VAT payable on office rent	107,982	42,306
	Tax payable on office rent	21,891	-
	Tax payable on suppliers	-	4,515
	Tax payable on salary	24,400	24,100
	Tax payable on Dividend amount	-	19,679,986
	Total	12,545,457	25,227,380
16	Provision for tax:		
	Opening balance	59,539,759	42,324,926
	Add: Current year tax	17,309,147	17,214,834
	Short / (excess) Provision of preceeding years Tax	-	-
		17,309,147	17,214,834
	Less: Tax Paid / Adjust of preceeding years Tax	-	-
		17,309,147	17,214,834
	Closing balance	76,848,906	59,539,759
17	Brokerage commission:		
	Brokerage commission-DSE	84,261,684	137,730,658
	Brokerage commission-CSE	2,448,204	7,732,775
	Total	86,709,888	145,463,433
18	Profit earned on MTDR & bank account:		
	Profit on MTDR with SIBL	-	-
	Profit on A/c.10831030026313 (Prime Bank)	548	732
	Profit on A/c.0021220003332 (Al Arafah)	2,251	2,354,048
	Profit on A/c. 13000000569 (One Bank)	621	87,826
	Profit on CCA A/c. 0021360003049 (SIBL)	6,339,213	365,268
	Profit on Dealer A/c. 0021360003051 (SIBL)	2,211,783	115,738
	Profit on A/c. 0021360001846 (SIBL)	400,894	34,038
	Total	8,955,310	2,957,650
19	Other income:		
	Loan processing fees	7,000	57,000
	B.O. opening charges	146,500	1,243,484
	Income from IPO application process	145,308	67,245
	Other income	646,425	982,381
	Total	945,233	2,350,110

		Amount in Taka		
		2018	2017	
20	Operating expenses:			
	Salary & allowances	Note 20.1	34,035,336	27,988,114
	License, fees & renewals	Note 20.2	12,086,915	18,382,472
	Directors Board meeting attendance fees	Note 20.3	333,500	655,500
	Rent, rates & taxes	Note 20.4	6,042,040	5,715,229
	Communications expenses	Note 20.5	1,616,417	1,825,369
	Printing & stationery	Note 20.6	387,554	498,091
	Entertainment & public relation		579,445	1,287,628
	Repair & maintenances	Note 20.7	839,342	660,624
	Office expenses	Note 20.8	1,024,674	915,731
	Legal & professional fees	Note 20.9	38,000	23,000
	Business promotional expenses		3,230,586	9,887,606
	Branding and business development exp.		335,285	1,558,960
	Training Expenses		-	216,761
	Depreciation		1,258,848	1,394,374
	Amortization		317,364	317,364
	Total		62,125,306	71,326,823
20.1	Salary & allowances:			
	Salary & allowances		26,359,721	24,772,739
	Contribution to employees provident fund by Company		1,050,200	-
	Festival bonus		2,116,865	1,947,875
	Special allowance to deputation executives:		440,000	1,267,500
	Contribution to employees Gratuity fund		4,068,550	-
	Total		34,035,336	27,988,114
20.2	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
	Membership subscription to DBA		12,500	-
	Bidding fee paid to DSE		48,000	-
	Regulatory expenses with RJSC		58,000	168,860
	Other Regulatory exp.		5,000	17,000
	Non-Judicial stamp		1,272	42,861
	Trade license fees & expenses		22,500	20,000
	VAT on Registration & Renewal fees		3,600	3,600
	TWS fees to DSE		50,000	35,000
	Authorized representative license and renewal fees		195,000	250,800
	CDBL connection Fees		5,500	7,000
	CDBL settlement transfer fees		4,089,535	6,798,681
	Howla charges-DSE		1,545	200
	Howla charges-CSE		19,249	60,292
	Laga charges-DSE		6,949,343	10,307,985
	Laga charges-CSE		429,832	315,359
	Howla charges-CSE dealer		84	456
	Laga charges-CSE dealer		1,250	12,556
	Laga charges-DSE dealer		20,473	164,922
	Investor protection fund DSE		29,320	30,223
	Investor protection fund-CSE		912	2,677
	Total		12,086,915	18,382,472

		Amount in Taka	
		2018	2017
20.3	Directors Board Meeting attendance fees:		
	Directors Board meeting attendance fees	290,000	570,000
	VAT on Directors meeting attendance fees	43,500	85,500
	Total	333,500	655,500
20.4	Rent, rates & taxes:		
	Office rent	3,384,828	3,090,492
	Office rent- Extension of HO	1,869,120	1,765,280
	VAT on office rent	788,092	859,457
	Total	6,042,040	5,715,229
20.5	Communications expenses:		
	Telephone & mobile bill	149,504	138,032
	Internet expenses	326,256	288,168
	Courier & postage	12,040	6,245
	Conveyance & travel expenses	115,414	248,575
	Network connectivity & installation charges	1,004,963	1,136,987
	SMS bill	8,240	7,362
	Total	1,616,417	1,825,369
20.6	Printing & stationery:		
	Printing	120,800	241,930
	stationery	201,314	185,161
	Toner/cartridge	65,440	71,000
	Total	387,554	498,091
20.7	Repair & maintenances:		
	Repair & maintenances	80,400	153,530
	VAT on Repair & maintenances	-	2,064
	Computer maintenances	30,750	23,200
	Software maintenances	332,550	250,000
	VAT on software maintenance	11,250	11,250
	Office maintenances	384,392	220,580
	Total	839,342	660,624
20.8	Office expenses:		
	Croceries	2,000	6,070
	VAT		3,136
	Advertisement	175,250	169,500
	Water & Sewerage bill	59,386	55,088
	Newspaper & periodicals	32,165	25,687
	Electrical goods	37,805	68,348
	Misc. Expenses	60,000	-
	Plant Bill	32,500	27,500
	Carrying expenses	1,800	
	Electricity & generator bill	623,768	560,402
	Total	1,024,674	915,731

		Amount in Taka	
		2018	2017
20.9	Legal & professional fees:		
	Advisory & Consultancy	15,000	-
	Audit Fees	20,000	20,000
	VAT on Audit Fees	3,000	3,000
	Total	38,000	23,000
21	Financial expenses:		
	Profit paid on loan	73,631,527	62,879,603
	Bank charges	94,937	113,479
	Total	73,726,464	62,993,082

22 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.

24 Related party disclosure:

As per IAS 24 there is no related party transaction other than those with SIBL as mentioned in note no.13.

SIBL Securities Limited FIXED ASSETS SCHEDULE

FOR THE YEAR ENDED ON 31ST DECEMBER, 2018

Annexure - A

Particulars	Cost						Accumulated Depreciation				Written Down Value as on 31-12-2018
	Opening balance as on 01-01-2018	Addition during the period	Disposal/ adjustment during the period	Balance as on 31-12-2018	Rate of Dep. (%)	Opening balance as on 01-01-2018	Charged during the period	Disposal/ adjustment during the period	Balance as on 31-12-2018		
1	2	3	4	5 = 2+3-4	6	7	8	9	10 = 7+8+9	11 = 5-10	
Property, plant & equipment											
Office equipment	10,964,851	91,960	-	11,056,811	20	7,170,918	762,451	-	7,933,370	3,123,441	
Office decoration	5,582,557	-	-	5,582,557	10	1,701,015	388,154	-	2,089,169	3,493,388	
Furniture & fixture	1,363,229	-	-	1,363,229	10	280,809	108,242	-	389,051	974,178	
Total	17,910,637	91,960	-	18,002,597		9,152,742	1,258,848	-	10,411,590	7,591,007	
Intangible assets											
Software	3,173,640	-	-	3,173,640	10	1,728,897	317,364	-	2,046,261	1,127,379	
Total	3,173,640	-	-	3,173,640		1,728,897	317,364	-	2,046,261	1,127,379	

SIBL INVESTMENT LIMITED



INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SOCIAL ISLAMI BANK INVESTMENT LIMITED

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of SIBL Investment Limited ("the company"), which comprise the Statement of financial position as at 31 December 2018 and the related Statement of profit or loss and other 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 information.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2018 and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards ("IFRS") and comply with the Companies Act 1994 and other relevant laws & regulations.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and the Companies Act 1994, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS AND INTERNAL CONTROLS

Management is responsible for Maintenance of the required books of accounts & records, preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and also for disclosure of matters that may affect any fact of the financial statements.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and providing required disclosure on matters related to going concern and using the going concern basis of accounting as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994, we also report the following:

- i. 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;
- ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- iii. The Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account.

Place: Dhaka
Dated: 30 April 2019


Syful Shamsul Alam & Co.
Chartered Accountants

SIBL Investment Limited

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2018

Particulars	Note	Amount in Taka	
		2018	2017
ASSETS			
Non-current assets		-	-
Current assets			
Cash & cash equivalents	2	249,854,138	249,880,288
Total assets		249,854,138	249,880,288
EQUITY AND LIABILITIES			
Capital & reserve			
Share capital	3	250,000,000	250,000,000
Retained earnings		(2,011,922)	(1,944,382)
Total equity & liabilities		247,988,078	248,055,618
Current liabilities			
Payable to Social Islami Bank Limited		1,820,060	1,801,670
Accrued expenses	4	46,000	23,000
Provision for tax	5	-	-
Total equity & liabilities		1,866,060	1,824,670
Total equity & liabilities		249,854,138	249,880,288

The annexed notes 1 to 6 form an integral part of these financial statements.



Director



Director



Director

Dated: Dhaka
30 April, 2019



Syful Shamsul Alam & Co.
Chartered Accountants

SIBL Investment Limited

STATEMENT OF PROFIT OR LOSS AND OTHERS COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2018

Particulars	Note	Amount in Taka	
		2018	2017
Operating Income			
Brokerage commission less howla & laga charges		-	-
Interest income		-	-
Other income		-	-
		-	-
Less: Expenses	6	67,540	69,015
Profit/(loss) before tax		(67,540)	(69,015)
Provision for taxation:			
Provision for tax		-	-
Deferred tax		-	-
		-	-
Profit/(Loss) after tax		(67,540)	(69,015)

The annexed notes 1 to 6 form an integral part of these financial statements.



Director



Director



Director

Dated: Dhaka
30 April, 2019



Syful Shamsul Alam & Co.
Chartered Accountants

SIBL Investment Limited

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER, 2018

Particulars	Share capital	Retained earnings	Total
Opening Balance at 01 January, 2017	250,000,000	(1,875,367)	248,124,633
Add: Net profit/(loss) during the year	-	(69,015)	(69,015)
Balance as at 31st December, 2017	250,000,000	(1,944,382)	248,055,618

Particulars	Share capital	Retained earnings	Total
Opening Balance at 01 January, 2018	250,000,000	(1,944,382)	248,055,618
Add: Net profit/(loss) during the year	-	(67,540)	(67,540)
Balance as at 31st December, 2018	250,000,000	(2,011,922)	247,988,078

The annexed notes 1 to 6 form an integral part of these financial statements.



Director



Director



Director

Dated: Dhaka
30 April, 2019



Syful Shamsul Alam & Co.
Chartered Accountants

SIBL Investment Limited

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER, 2018

Particulars	Note	Amount in Taka	
		2018	2017
Cash flows from operating activities:			
Collection from operation		-	-
Payment to regulators, employees & others		(18,390)	(25,942)
Net cash inflow/(outflow) from operating activities (A)		(18,390)	(25,942)
Cash flows from investing activities:			
Net cash used in investing activities (B)		(26,150)	(43,073)
		(26,150)	(43,073)
Cash flows from financing activities:			
Received from Social Islami Bank Ltd.		18,390	42,865
Net cash from financing activities (C)		18,390	42,865
Net cash inflow for the year D=(A+B+C)		(26,150)	(26,150)
Opening cash & cash equivalents (E)		249,880,288	249,906,438
Closing cash & cash equivalents (D+E)		249,854,138	249,880,288

The annexed notes 1 to 6 form an integral part of these financial statements.



Director



Director



Director

Dated: Dhaka
30 April, 2019



Syful Shamsul Alam & Co.
Chartered Accountants

SIBL Investment Limited

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST DECEMBER, 2018

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.

Though SIBL Investment Limited was established in 2010 to carry out Merchant Banking activities, the company is yet to receive approval from the Bangladesh Securities & Exchange Commission (BSEC). In absence of the License, the primary activities could not be initiated. Management has completed the necessary formalities and have submitted its application to BSEC which is still under process. Once the approval is received, the Company will commence its full commercial operation.

1.2 Address of registered office and principal place of business:

The principal place of business is the Registered Office at City Center, Mezzanine-2 90/1, Motijheel 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.

1.4 Basis of preparation**1.4.1 Components of the financial statements**

The financial statements comprise of :

- a) Statement of Financial Position as at 31 December 2018;
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2018;
- c) Statement of Changes in Equity for the year ended 31 December 2018;
- d) Statement of Cash Flows for the year ended 31 December 2018; and
- e) Notes to the Financial Statements.

1.4.2 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 International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), Companies Act 1994 and other applicable laws and regulations.

1.4.3 Basis of accounting and measurement

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement and financial instruments at fair value through profit or loss.

1.4.4 Accounting Records/Books of Account:

The entity has been maintaining all the required books of accounts as are necessary for the accounts.

1.4.5 Authorization of the financial statement for issue

The financial statements of the company has been authorised for issue by the board of directors on 30.04.2019

1.4.6 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, International Accounting Statements (IAS) & International Financial Reporting Standards (IFRS) were applied with the applicable standards at the Statement of Financial Position date.

1.4.7 Materiality and aggregation

Each material item as considered significant by management, has been presented separately in financial statements. No amount has been set off unless the Company has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

1.4.8 Consistency

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, SIBL Investments Limited applies the accounting disclosure principles consistently from one period to the next. In case of selecting and applying new accounting policies, changes in accounting policies applied and correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8.

1.4.9 Reporting period

The financial period of the Company has been determined to be from 1 January to 31 December each period. These financial statements cover the period from 01 January 2018 to 31 December 2018.

1.4.10 Events after the Reporting Period

Where necessary, all the material events after the reporting period is considered and appropriate adjustments /disclosures is made in the financial statements in accordance with IAS 10 - Events After Balance Sheet Date.

1.4.11 Comparative figures

Comparative information has been disclosed in respect of the period ended 31 December, 2018 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements. Figures of the year 2017 have been rearranged whenever considered necessary to ensure comparability with the current period.

1.4.12 Directors' responsibility statement

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

1.4.13 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of the financial statements are in conformity with IFRS 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.

1.4.14 Going Concern:

The Company has adequate resources to continue in operation for the foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the Company provides sufficient fund to meet the present requirements of existing business.

1.4.15 Cash & Cash Equivalents:

Cash and cash equivalents include cash in hand, cash at bank, 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.

1.4.16 Cash Flow Statement:

Statement of Cash Flow is prepared principally in accordance with ISA-7: Cash Flow Statements and the cash flows from operating activities have been presented under direct method.

1.4.17 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to use 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 recognized in the period in which the estimate is revised.

1.4.18 Functional and presentation currency and level of precision

The financial statements are presented in Bangladesh currency Taka (Taka/Tk), that is the Company's functional currency. All financial information presented in Taka has been rounded to the nearest Taka.

2 Cash & cash equivalents:

Cash in hand
Cash at bank

Taka	
2018	2017
5,201	5,201
249,848,937	249,875,087
249,854,138	249,880,288

SIBL Investment Limited has been maintaining a bank account no. 0002-1330057058 with Social Islami Bank Limited, Principal Branch, Dilkusha, Dhaka.

3 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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3.1 Shareholding position:

	Shareholders	% of shareholdings	No. Shares	No. Shares
1	Social Islami Bank Limited	00.99968%	2,499,992	2,499,994
2	Mr. Md. Kamal Uddin	0.00004%	1	-
3	Mr. Belal Ahmed	0.00004%	1	-
4	Alhaj Nasiruddin	0.00004%	1	1
5	Major (Retd.) Dr. Md. Rezaul Haque	0.00004%	1	1
6	Alhaj Sultan Mahmood Chowdhury	0.00004%	1	1
7	Mr. Abdul Awal Patwary	0.00004%	1	1
8	Mr. Kamaluddin Ahmed	0.00004%	1	1
9	Alhaj Sk. Mohammad Rabban Ali	0.00004%	1	1
		100.00%	2,500,000	2,500,000

4 Accrued expenses:

Audit fees
VAT on directors Meeting Attendance fees

40,000	20,000
6,000	3,000
46,000	23,000

5 Provision for tax**Opening balance**

Less: Paid during the year

-	-
-	-

Add: Current year tax provision

Closing balance

-	-
-	-

6 Expenses

Registration & renewals	(Note 6.1)
Entertainment	
Conveyance & other expenses	
Bank charges & excise duty	
VAT on bank service charges	
Audit fees	
VAT on Audit fees	

17,490	2,942
	16,123
900	800
26,000	26,000
150	150
20,000	20,000
3,000	3,000
67,540	69,015

6.1 Registration & renewals:

RJSC fees
Trade license fees & Exp.
VAT on license fees
Tax on license fees
Expenses for licenses formalities

-	2,942
11,210	-
1,680	-
500	-
4,100	-
17,490	2,942

7 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 BRANCH NETWORKS



BRANCH NETWORK

DHAKA DIVISION

- 1 Principal Branch**
(Opening Date- 22-11-1995)
 15, Dilkusha C/A, Dhaka-1000.
 Phone-02-9550195,9559241, 9572303, 9564764
 fax-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 Moulvibazar Branch**
(Opening Date-30-09-1998 & Shifted at present place on Date: 03/09/2018)
 Moulvibazar Trade Center
 Holding No.78, Moulvibazar Road
 Ward # 31, Dhaka South City Corporation
 PS- Chawkbazar, Dist- 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. fax: 02-9591193,
 Phone-02-9591192,02-9576948, 9576949, 9576950
 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)
 Fatulla Bazar,Fatulla, 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
- 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)
20/15, Block-C, Tajmohol Road,
Mohammadpur, Dhaka-1207. fax-02-9132253
Phone-02-8142572,02-9132398, IP
Phone73101,73102
- 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, Thana- Rampura,
Dhaka .Phone-02-55128353,55128640
IP Phone-74101 ,74102,
- 21 Keranigonj Branch**
(Opening Date-13.12.2009)
East Aganagar Masjid Market, Shuvadda
PS- Keranigonj,
Karanigonj, Dhaka
Phone-02-7763253, 7763765
IP Phone-74401 ,74402
- 22 Madhabdi Branch**
(Opening Date-15-07-2010)
Madhabdi Plaza,
P.O & Paurasava- Madhabdi,
P.S & Upazilla - Narsingdi, Dist.- 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.
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)
Salam Mansion Market (1st Floor)
P.O- Bhulta, P.S- Rupgonj,
Dist.- Narayangonj.
IP Phone-75601, 75602
- 26 Galimpur Branch**
(opening Date-10-10-2010)
Khan Super Market (1st Floor)
Galimpur Bazar, Nababgonj, Dhaka.
IP Phone-75901 ,75902
- 27 Dhamrai Branch**
(opening Date-09-11-2010)
Dhamrai Bazar, Gopnagar
Holding No-A/6, Ward-03, Paurasova- Dhamrai
P.S & P.O- Dhamrai,
Dist. - Dhaka.
Phone-02-7730908, 7730909
IP Phone-76101 ,76102
- 28 Narayangonj Branch**
(opening Date-27-12-2010)
3 ,No. S. M. Maleh Road (Rupsi Height)
Tanbazar, PO-Narayangonj
PS- Narayangonj Sadar
Dist.- Narayangonj.
Phone-7641621-7641623
IP Phone-76601,76602
- 29 Mohakhali Branch**
(Opening date-20.09.2011)
99, Mohakhali C/A
16 (sixteen)storied building
Dhaka.
Phone: 9888943 ,9888367
IP Phone-77001 ,77002
- 30 Tongi Branch**
(Opening date-03.10.2011)
Rabeya Sarker Tower, (1st floor North Side)
24, Anarkoli Road, Tongi, Gazipur.
Phone-9817710, 9817711
IP Phone-77401,77402
- 31 Bangshal Branch**
(Opening date-21.09.2011)
Bangshal Road
70, Shahid Syed Nazrul Islam Sarani (1st floor)
North South Road, 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,
Eastern Housing Ltd., 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)
 287, North Badda (Alir Moor)
 Satarkul Road, Badda Union, Dhaka.
 Phone-9858072, 9858073
 IP Phone-78401,78402
- 36 Garib-E-Newaz Branch**
(Opening date-26.11.2012)
 Rosewood Areebah
 50, Garib-E-Newaz Avenue Road
 Sector-13, Uttara, Dhaka 1230.
 Phone-8955884, 8955886, IP Phone-78601,78602
- 37 Kawran Bazar Branch**
(Opening date-27.11.2012)
 Khan Sons Centre
 37, Kawran Bazar, 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 Moor, Dhaka-1217
 Phone- 9858072, 9858073, IP Phone-79101, 79102.
- 39 Gausia Branch**
(Opening date-12.11.2014)
 Yakub Market
 2-B, Elephant Road, New Market, Dhaka-1205
 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)
 Social Islami Bank Ltd.
 661, Mohammadi Mansion,
 Shahabuddin Masjid Road, Borobazar
 P.O & P.S- Kishoregonj.
 Kishoregonj.
 IP Phone-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 Phone-80801, 80802.
- 45 Shariatpur Branch**
[Opening Date -14/ 06/2015] (Shifting Date-29/01/2017)
 KB Plaza, Holding no. 276, Palong Maddhabazar
 Road,
 Ward no. 04, Paurasava –Shariatpur, PS-Sariatpur
 Sadar,
 Dist: Shariatpur.
 IP-80901, 80902.
- 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 - 15-12-2015)
 Layek Biswas Plaza
 Holding No-159, Bangabandhu Samadhi Saudha
 Sarak, Tungipara, Gopalganj ,
 IP Phone-81201, 81202.
- 48 Joydebpur Chowrasta Branch**
(Opening Date - 26-06-2016)
 Rafeja Bhaban, Holding No, 23/3, Block-C,
 Ward No-17, Gazipur City Corporation
 Joydebpur Chowrasta, PS-Joydebpur, Dist-
 Gazipur.
 IP Phone-82301, 82302.
- 49 Narsingdi Branch**
(Opening Date: 01-12-2016)
 360, Rajlaxmi Plaza, Patilbari Road,
 Narsingdi Bazar, Dist- Narsingdi.
 IP Phone-82501, 82502.
- 50 Sreenagar Branch**
Opening Date: 08/12/2016)
 Pilot School Market (1st floor), Sreenagar Bazar,
 Munshigonj.
 IP Phone-82601, 82602.
- 51 Corporate Branch**
Opening Date: 29/12/2016)
 City Centre
 90/1, Motijheel C/A, Dhaka 1000.
 IP Phone- 82701, 82702.

- 52 Tangail Branch**
(Opening date-26/04/2017).
"Shayama Tower"
Boro Kalibari Road,
Adalotpara, Dist-Tangail.
IP: 82801, 82802
- 53 Bhairab Bazar Branch**
(Opening Date: 21/05/2017)
"Omar Faruq Tower"
Holding no.169, Ward no.1
Paurasava- Bhairab, PS- Bhairab
Dist.: Kishoregonj.
Mob: 01819152611 IP: 83001, 83002
- 54 Muksudpur Branch**
(Opening Date: 21/06/2017)
"Khan Market"
Fultala Bazar, Vill+PO- Muksudpur
PS- Dohar, Dist.- Dhaka
Mob: 01918790029 IP: 83601, 83602
- 55 Shyamoli Branch**
(Opening Date: 21/06/2017)
"Bridge Momtaj Heights"
Holding no.15/2, Shyamoli, Mirpur Road
Mohammadpur, Dhaka 1207.
IP: 83701, 83702
- 56 Dakkhin Khan Branch**
(Opening Date: 26/12/2017)
"Mozaffar Tower",
595, Prembagan, Dakkhinkhan Model Union
Parishad Dakkhinkhan, Dhaka 1230.
Phone: 8999279,8999280; Mobile:01861517718,
IP:83801, 83802
- 57 Darus Salam Road Branch**
(Opening Date: 15/01/2018)
Holding No. 2-A/1, (1st floor), North East
Darussalam Road, Ward -12, Dhaka North City
Corporation
Mirpur Model Thana, Mirpur-1, Dhaka-1216
Mobile: 01710-012709 IP: 84101, 84102
- 58 Madaripur Branch**
(Opening Date 30/07/2018)
Hazi Abdur Razzak Super Market
Holding no. 1634, Main Road, Puran Bazar, Ward
no.03, Paursova- Madaripur, PO- Madaraba, PS-
Madaripur Sadar
Dist: Madaripur.
IP: 85001; 85002
- 59 Kafrul Branch**
(Opening Date: 25/10/2018)
Greater Mymensingh Samity Bhaban
Holding No. M/1-A, Section-14, Mirpur Road
Ward No. 4, Dhaka North City Corporation
PS – Kafrul, Dist.: Dhaka.
IP: 85201; 85202

- 60 Basila Road Branch**
(Opening Date: 27.12.2018)
Social Islami Bank Limited
Al-Imdad Market Complex, Basila Road,
Thana-Keranigonj, Dist-Dhaka
IP Phone: 85701; 85702.

CHATTROGRAM DIVISION

- 1 Agrabad Branch**
(Opening Date-10-04-1996)
World Trade Centre(2nd floor)
102/103 Agrabad C/A, Dist: Chattogram.
Phone-031-728342, 713947, 714041, 714504
fax-031-710084,
IP Phone-70401,70402,70403
- 2 Halishahar Branch**
(Opening Date-09-02-2002)
Holding no.-3, Port Connecting Road, Halishahar
Housing Estate, Ward No.-25, Chattogram City
Corporation, PS-Halishahar, Dist.- Chattogram.
Phone-031-717201, 2525702, 815702,
fax-031-2519284; IP Phone-71901,71902
- 3 Chowmuhoni Branch**
(Opening Date-12-11-2008)
Hossain Market, 276-284 D.B. Road,
Chowmuhani Paurosova
Begumgonj, Dist: Noakhali.
Phone-0321-56122, 0321-53622
IP Phone-72901,72902
- 4 Elliotgonj Branch**
(Opening Date-30-10-2008)
Elliotgonj Bazar, P.O-Elliotgonj,
P.S-Dawudkandi, Dist-Cumilla.
IP Phone-72801,72802
- 5 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
- 6 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, Dist.- Chattogram
Phone- 031-2601914, 031-2601915
IP Phone-75001 ,75002
- 7 Baryerhat Branch**
(Opening Date-17-08-2010)
Al-Amin Shopping Center (1st Floor)
Holding No. 161,161/1, Paurasova- Baryerhat
Upazila & P.S- Mirsharai, Dist- Chattogram
IP Phone-75101 ,75102

- 8 Khatungonj Branch**
(Opening Date-12-12-1999)
 M. Rahman Chamber
 Holding # 276-277, Main Road, Khatungonj,
 Ward # 35, Chattogram City Corporation
 PS- Kotwali, Dist.- Chattogram.
 Phone-031-636358, 624682, 624683,
 fax: 031-639014,
 IP Phone-71401, 71402
- 9 Roazarhat Branch**
(Opening date-24.11.2012)
 A. Farida Shopping Complex
 Kaptai Road, Roazarhat
 P.O & P.S- Rangunia
 Dist: Chattogram.
 Phone-030-2556244, 2556245
 IP Phone-78501,78502
- 10 Lohagara Branch**
(Opening Date-18-06-2009)
 Ice Park (1st Floor), Main Road (Near Lohagara
 Central Masjid), P.O & P.S- Lohagara,
 Dist.- Chattogram.
 Phone-0303456518, 0303456517, 01815-065948
 IP Phone-73301, 73302.
- 11 GEC Moor Branch**
(Opening Date-25.11.2009)
 1692,Golden Plaza, CDA Avenue(1st Floor)
 East Nasirabad, GEC Moor, Dist: Chattogram
 Phone-0312555891, 0312555892, fax-2555893
 IP Phone-74201 ,74202
- 12 Nanupur Branch**
(Opening Date-08.10.2009)
 Nanupur Bazar, P.O-Nanupur
 P.S- Fatikchari, Dist- Chattogram
 Phone-044-37151939, 044-37151949
 IP Phone-74001 ,74002
- 13 Hajigonj Branch**
(opening Date-19-09-2010)
 "Chattogram Mansion", Holding No. 0821,
 Chandpur-Cumilla Highway Road,
 Ward-06, PO+PS- Hajigonj, Dist- Chandpur
 Phone-08424-75129,08424-75130
 IP Phone-75701,75702
- 14 Jubilee Road Branch**
Opening Date-30-07-2003)
 Haque Tower(1st Floor)
 610/11, Jubilee Road, Dist: Chattogram.
 Phone-031-628288, 627155, 840897,
 fax-031-628288
 IP Phone-72301 ,72302,72303
- 15 Cumilla Branch**
(Opening Date-30-07-2009)
 95/96 Chawk Bazar (2nd Floor)
 PO- Chawk Bazar, P.S- Kotwali, Dist.- Cumilla.
 Phone-081-61363, 081-61364,
 IP Phone-73501 ,73502
- 16 Bibirhat Branch**
(opening Date-21-10-2010)
 Fatikchari College Market
 P.O+P.S+Upazila - Fatikchari,
 Dist- Chattogram.
 Phone-03022-56321, 03022-56318
 IP Phone-76001,76002
- 17 Kachua Branch**
(Opening Date-18-07-2010)
 Talukder Super Market
 Holding No-111, Ward No-08
 Kachua, Dist: Chandpur.
 Phone- 08425-56275,
 IP Phone-74601 ,74602
- 18 Alankar Moor Branch**
(Opening date-27.10.2011)
 Holding No-68(A), 7, P.C. Road,
 Ward-10, Chattogram City Corporation
 P.O- Custom Academy, P.S- Pahartoly,
 Dist.- Chattogram.
 Phone-031-2773380,031-2773379, 031-2773378
 IP Phone-77601,77602
- 19 Chawk Bazar Branch**
(opening Date-15-12-2010)
 Mannan Tower (1st & 2nd floor)
 174/A, Chatteshawri Road
 PO+PS- Chawkbazar, Dist.- Chattogram
 Phone-031-2867367, 2867368, 2867369
 IP Phone-76301, 76302
- 20 Patherhat Branch**
(Opening Date-19-08-2009)
 Khayez Ahmed Shopping Center (1st Floor),
 Patherhat, PO- Noapara, PS-Raozan,
 Dist.- Chattogram.
 Phone-031-2572315, 031-2572316
 IP Phone-73801 ,73802
- 21 Cox's Bazar Branch**
(Opening Date-20.08.2009)
 Evan Plaza (in front of Cox's Bazar Poursava)
 Thana Road, Dist: Cox's Bazar.
 Phone- 0341-51822, 0341-51968
 IP Phone-73901 ,73902
- 22 Feni Branch**
(Opening date-18.09.2011)
 Grand Huq Tower (2nd & 3rd Floor)
 Holding No-547 & 548, Mizan Road
 Ward-9, Poursava- Feni, P.O-Feni, P.S-Kotwali,
 Dist- Feni
 Phone-0331-74104,74103 Fax-0331-74117
 IP Phone-76901 ,76902
- 23 Dewanhat Branch**
(Opening date-04.10.2012)
 700/B, DT Road (1st Floor), Dewanhat
 P.O.+P.S.-Double Mooring
 Dist: Chattogram.
 Phone-031-2515260, 2515261, 2515262
 IP Phone-78001, 78002.

- 24 Homna Branch**
(Opening date-29.12.2011)
Faisal Plaza,
Holding No. 08, Thana Road, Ward no. 05
Paurasova- Homna, PS+Upazila- Homna
Dist.- Cumilla.
Phone-08025-54640, 54641
IP Phone-77801, 77802
- 25 Shah Mohsen Aulia Branch**
(Opening date-03.10.2012)
Hajee Imam Shopping Complex
Building-3, Battali, Anowara,
Dist: Chattogram
Phone-01849-842400, 01967-786765
IP Phone-77901,77902
- 26 Muradpur Branch (Former Aturar Depo Br.)**
(Opening date-26-06-2013 shifted to present address on 29/10/2017)
S.N. Meem City
Holding No-83/86, Hathazari Road
P.S- Panchlaish, Dist: Chattogram .
IP- 79201, 79202
- 27 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, Dist: Brahmanbaria
IP Phone-78901,78902
- 28 College Road Branch (Debidwar)**
(Opening date-04-07-2013)
Haque Plaza, College Road, Debidwar New Market
P.O & P.S- Debidwar , Dist: Cumilla
IP Phone- 79401,79402
- 29 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 Phone- 79501,79502
- 30 Laxmipur Branch**
(Opening Date 13-12-2014 & Shifted on 30/07/2017)
Social Islami Bank Ltd.
"ADHUNIK PAURA BIPANI BITAN" (2nd Floor),
Holding no. 1428, Laxmipur Bazar Main Road
Word #6, Paurasava- Laxmipur
P.O & P.S- Laxmipur, Dist- Laxmipur
Mob: 01716-224206, IP- 80001, 80002
- 31 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
- 32 Azadi Bazar Branch**
(Opening Date-07-06-2015)
Social Islami Bank Ltd.
Jamia Complex(1st Floor)
Dharmapur, Azadi Bazar, Fatikchhari.
Dist: Chattogram
IP Phone -80401, 80402.
- 33 Laksam Road Branch**
(Opening Date- 08.06.2015)
Social Islami Bank Ltd.
Biswa Road, PO-Ahmed Nagar, P.S-Sadar (South)
Laksam Road, Poduar Bazar
Dist: Cumilla.
IP Phone-80501, 80502.
- 34 Poddar Bazar Branch**
(Opening Date-30.05.2016)
Social Islami Bank Ltd.
Bhai Bhai Shopping Complex (1st Floor)
Poddar Bazar, Ward-04, Union- 7 no. Bashikpur,
PS- Laxmipur Sadar, Dist: Laxmipur
IP Phone-81901, 81902.
- 35 Zamiderhat Branch**
(Opening Date- 12-05-2016)
Social Islami Bank Ltd.
Haque Mansion (1st floor), PO- Zamiderhat,
PS-Begumgonj, Dist.- Noakhali.
IP Phone-81701,81702
- 36 Burichong Branch**
(Opening Date-31.05.2016)
Social Islami Bank Ltd.
Haji Md. Joynal Market (1st floor)
Mirpur Road,Burichong Bazar,
PO+PS-Burichong, Dist- Cumilla.
IP Phone-82001, 82002.
- 37 Sonapur Branch**
(Opening Date:18/05/2017)
Social Islami Bank Ltd.
"Aziz Bhaban"
Holding No. 420, Sonapur Char Jabbar Road
PS/Upazilla- Noakhali Sadar, Dist:- Noakhali
Mob: 01717192968 ; IP: 82901, 82902
- 38 Boalkhali Branch**
(Opening date: 04-06-2017)
Social Islami Bank Ltd.
"Ha-Meem Plaza"
Holding no. BA/161, Ward no.06
Paurasava- Boalkhali , PS- Boalkhali
Dist.: Chattogram.
Mob: 01818976773 IP: 83201, 83202
- 39 Nayergaon Bazar Branch**
(Opening Date: 19/06/2017)
Social Islami Bank Ltd.
"Mahdi Tower"
Nayergaon Bazar, Matlab, Dist: Chandpur.
Mob: 01721912102, IP: 83401, 83402

- 40 Kazirhat Branch**
(Opening Date: 27/12/2017)
"Mir A. Hossain Plaza",
Kazirhat Bazar, Bhuzpur, Fatickchari,
Dist- Chattogram
- 41 Baluchara Branch**
(Opening Date: 28/12/2017)
"Noor Plaza"
Holding no. 23, Hathazari Road, Kulgaon,
Ward- 02 no. Jalalabad,
Chattogram City Corporation
PS- Bayezid Bostami, Dist.- Chattogram.
- 42 Shantirhat Branch**
(Opening Date: 07/06/2018)
Haji Sobhan Plaza
Shantirhat, Union- 6 no. Kusumpura
PS- Patia, Dist- Chattogram
IP Phone: 84201; 84202
- 43 Anderkilla Branch**
(Opening Date: 24/06/2018)
Arunaloy, Holding no.06, Momin Road,
Road No. 06, Ward no. 32 , Chattogram City
Corporation, PS- Kotowali, Dist.-Chattogram.
IP Phone: 84401; 84402
- 44 Banshkhali Branch**
(Opening Date: 02/08/2018)
RFT Shaheb Mia City Center
Ward No. 01, Union: 5 no. Kalipur, PS-Bashkhali
Dist: Chattogram.
IP : 85101; 8510
- 45 Nazu Miah Hat Branch**
(Opening Date: 19.12.2018)
Social Islami Bank Limited
Khan Mansion
Nazu Miah Hat, 15 no. Burischar Union, Ward
no.04,
PO- Nur Ali Bari-4337, PS- Hathazari, Dist:
Chattogram
IP Phone: 85301; 85302.
- 46 Brahmanbaria Branch**
(Opening Date: 26.12.2018)
Social Islami Bank Limited
Suvechha Square, Holding No-1309, Sarak Bazar,
Thana+ Dist- Brahmanbaria
IP Phone: 85601; 85602

BARISHAL DIVISION

- 1 Barishal Branch**
(Opening date-25.09.2011)
Makka Bhaban
Holding No-1, Katpatty Road, Kotwali Model
Thana, Ward No-9, Barishal City Corporation
PO- Barishal, PS- Kotwali Model Thana
Upazila- Sadar, Dist.- Barishal
Phone:0431-61659, 0431-2177480
IP Phone-77301 ,77302

- 2 Safa Bandar Branch**
(Opening Date-02.06.2016)
Social Islami Bank Ltd.
M.A. Sayeed Bhaban , Safa Bus Stand, Safa
Bandar, Mothbaria, Dist- Pirojpur.
IP Phone-82201, 82202.
- 3 Charfassion Branch**
(Opening Date-02.06.2016)
Social Islami Bank Ltd.
Al-Haj Habibur Rahman Business Center
952 DC Road, Sharif Para, Charfassion Paurasova,
Charfassion, Dist.- Bhola.
IP Phone-82101, 82102
- 4 Bhola Branch**
(Opening Date: 19/06/2017)
Social Islami Bank Ltd.
"B.T. Square"
Holding No. 899, Mahajan Patty, Sadar Road,
Ward no. 6 Paurasava – Bhola, PS- Bhola
Dist.: Bhola
IP: 83501, 83502
- 5 Jhalakati Branch**
(Opening Date: 20.12.2018)
Social Islami Bank Limited
03, Doctorpatty Road, PS- Jhalakati Sadar,
Dist: Jhalakati
IP Phone: 85401; 85402.

RAJSHAHI DIVISION

- 1 Rajshahi Branch**
(Opening Date-10-08-1996)
A H Tower, Holding No-328-331,333-336
Aloker Moor, New Market Road,
Dist.- Rajshahi.
Phone-0721-812317, 812452, fax-0721-812317
IP Phone-70701,70702
- 2 Bogura Branch**
(Opening Date-25-10-1998)
Bhandary Monjil
776, Rangpur Raod, Borogola, Dist.- Bogura.
Phone-051-65833, 63943, 61458, fax- 051-63943
IP Phone-71101,71102
- 3 Sirajgonj Branch**
(Opening Date- 26-10-1998)
Zaman Complex,
S.S. Road, Sirajgonj.
Phone-0751-63203, 64360,63203,
IP Phone-71201,71202
- 4 Chandaikona Branch**
(Opening Date-19-12-2000)
Pabna Bazar, Raigonj, Sirajgonj.
Phone-07526-56122, 01715-805435,
fax-07526-56122
IP Phone-71601,71602

- 5 **Shahjadpur SME/Krishi Branch**
(opening Date-03-10-2010)
Alhaj Razzak Plaza (1st floor), Monirampur Bazar
Ward-03, P.S & P.O- Shahjadpur, Dist.- Sirajgonj
Phone- 07527-64049, 07527-64050
IP Phone-75801, 75802
- 6 **Dupchanchia Branch**
(opening Date-25-11-2010)
Jobeda Shopping Complex (1st floor)
C.O. Office Bus Stand, Dupchanchia, Dist.- Bogura.
Phone- 05024-51250, 51251
IP Phone-76201, 76202
- 7 **Naogaon Branch**
(opening date-12.09.2011)
Mahmuda Plaza,
Kapor Patty, Ward No. 4, Naogaon Pourashava
(Sonali Bank Road), PO + PS- Naogaon
Dist.- Naogaon.
Phone-0741-81112, 81113,
IP Phone-76701 ,76702
- 8 **Pabna Branch**
(Opening date-05.10.2011)
Holding No-0118-000, Abdul Hamid Road
P.O & P.S- Pabna, Ward No-02,
Dist.- Pabna.
Phone- 0731-51980, 0731-52080
IP Phone-77501 ,77502
- 9 **Natore Branch**
(Opening Date: 23.12.2018)
Social Islami Bank Limited
Holding-288, Old Bus Stand, Kanaikhali,
PS- Natore Sadar, Dist: Natore
IP Phone: 85501; 85502
- 4 **Fenchugonj Branch**
(Opening date-11.10.2012)
Social Islami Bank Ltd.
Akul Shah Shopping City
General Osmani Road (Thana road point)
P.O. & P.S.- Fenchugonj
Dist.- Sylhet
Mobile: 01711-040403
IP Phone-78301,78302
- 5 **Beanibazar Branch**
(Opening Date- 24.05.2016)
Social Islami Bank Ltd.
Azir Market(1st Floor), Main Road
BeaniBazar, Dist.- Sylhet,
IP Phone-81801,818022
- 6 **Baralekha Branch**
(Opening Date-20-11-2016)
Social Islami Bank Ltd.
Hazi Karim Mansion, Dakkhin Bazar, Baralekha,
Ward no.-4, PO+PS- Baralekha,
Dist.- Moulvibazar.
IP Phone-82401, 82402.
- 7 Industrial Park Branch (Opening date: 14/06/2017)
Social Islami Bank Ltd.
"Sattar Plaza"
Alipur Bazar, 7 no. Nurpur Union Parishad
PO- Shahjibazar, PS- Sayestagonj
Dist.: Habigonj
IP: 83301, 83302
- 8 **Sreemongal Branch**
(Opening Date:12/07/2018)
"Razzak Tower"
Holding no.62, Sreemongal
Dist: Moulvibazar
IP Phone: 84501; 84502

SYLHET DIVISION

- 1 **Sylhet Branch**
(Opening Date-27-06-1996)
Social Islami Bank Ltd.
781, Karima Mansion, Dargah Gate, Sylhet-3100.
Phone-0821-711282, 0821-710485,
fax-0821-711282
IP Phone-70601,70602
- 2 **South Surma Branch**
(Opening Date-23-07-2009)
Social Islami Bank Ltd.
Chandipool Baiypass Road
(Opposite of South surma Thana),
P.O-Sylhet Sadar, P.S- South Surma, Sylhet.
Phone- 0821-2833431, 0821-2833432,
IP Phone-73401 ,73402
- 3 **Moulvibazar Branch**
(Opening date-10.10.2012)
Social Islami Bank Ltd.
183 Shamsheer Nagar Road
Chowmohana, Dist.- Moulvibazar
Phone- 0861-63906, 63907,
IP Phone-78201,78202
- 9 **Dhaka Dakkhin Branch**
(Opening Date: 25/07/2018)
Latif Mansion
Dhaka Dakkhin Bazar, Dattarail, Ward no.03
Union- 06 no. Dhaka Dakkhin Union Parishad
Upazilla/PS- Golapgonj, Dist- Sylhet.
IP:84701; 84702
- 10 **Tuker Bazar Branch**
(Opening Date: 26/07/2018)
Anowar Complex
Temukhi, Adjacent of 3rd Shahjalal Bridge
Sylhet – Sonamgonj Road, Ward no.- 01,
Union-06 no Tuker Bazar Union Parishad,
PO- Tuker Bazar, PS- Jalalabad, Dist.- Sylhet.
IP: 84801; 84802

RANGPUR DIVISION

- 1 Gobindagonj SME/Krishi Branch
(Opening Date-22-08-2010)**
 Social Islami Bank Ltd.
 Goleza Super Market (Rangpur-Bogura Highway Road)
 Holding No-318, Ward No-6, Paurasova -Gobindagonj
 P.O & P.S - Gobindagonj, Dist.- Gaibandha
 Phone-05423-75396, 05423-75397
 IP Phone-75201 ,75202
- 2 Dinajpur Branch
(Opening Date-23-08-2010)**
 Social Islami Bank Ltd.
 Holding No-1191/1150, Lilir Moor, P.O & P.S -Dinajpur, Dist.- Dinajpur.
 Phone-0531-63692, 0531-61588,
 IP Phone-75301 ,75302
- 3 Rangpur Branch
(Opening date-13.09.2011)**
 Social Islami Bank Ltd.
 Shah Bari Tower, House-286,Station Road (Guptapara)
 P.O-Rangpur, P.S- Kotwali, Dist.- Rangpur.
 Phone-0521- 55183, 55184 (Fax)
 IP Phone-76801 ,76802
- 4 Sayedpur Branch
(Opening Date-27-11-2014)**
 Social Islami Bank Ltd.
 Altaf Tower
 Holding No-07, Shahid Dr. Zikrul Haque Road, Sayedpur, Dist.- Nilphamari
 IP Phone-79901 ,79902
- 5 Ranir Bandar Branch
(Opening Date-24/05/2017)**
 Social Islami Bank Ltd.
 "Grameen Tower"
 PO- Ranirbandar, PS-Chirirbandar
 Dist: Dinajpur
 Mob: 01712865829 IP: 83101, 83102

KHULNA DIVISION

- 1 Khulna Branch
(Opening Date-20-06-1996)**
 Social Islami Bank Ltd.
 G.M. Baksh Tower (Ground, 1st & 2nd floor)
 22, Sir Iqbal Road, Khulna City Corporation
 Dist.- Khulna.
 Phone- & fax-041-722133, 730533
 IP Phone-70501,70502
- 2 Paikgacha Branch
(Opening Date-06.12.2009)**
 Social Islami Bank Ltd.
 Main Road, Paikgacha, Khulna.
 Phone- 04027-56678, IP Phone-74301,74302
- 3 Monirampur SME/Krishi Branch
(Opening Date-08-08-2010)**
 Social Islami Bank Ltd.
 Shibu Plaza, Holding No-60, Monirampur Bazar, Ward No-03, Paurasova- Monirampur, PS/Upazila- Monirampur, Dist.- Jashore.
 Phone-0422778400, IP Phone-74701 ,74702
- 4 Noapara Branch
(Opening Date-08-08-2010)**
 Social Islami Bank Ltd.
 Noorbag Moor, P.O- Noapara, P.S.-Abhoynagar, Dist.-Jashore.
 Phone-04222-72300
 IP Phone-74801 ,74802
- 5 Fakirhat SME/Krishi Branch
(Opening Date-09-08-2010)**
 Mohammad Ali Market, Kathaltola Road, Fakirhat Bazar, PO + PS- Fakirhat, Dist.- Bagerhat.
 Phone-04655-56150
 IP Phone-74901, 74902
- 6 Jashore Branch
(opening Date-19-12-2010)**
 Holding no.-36 (2nd Floor), Rail Road (Chowrasta)
 P.O.-Jashore, P.S.- Kotwali
 Dist.-Jashore.
 Phone-0421-64404,; IP Phone-76401 ,76402
- 7 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
- 8 Bagerhat Branch
(Opening date-29.11.2012)**
 13, Khan Jahan Ali Road
 Ward no. 06, Bagerhat Pourashava, Dist.- Bagerhat
 Phone- 0468-64347, 0468-64348
 IP Phone-78801, 78802
- 9 Patkelghata Branch
(Opening date-22-05-2013)**
 Patkelghata Bazar, Ward No-05
 P.O & P.S.- Patkelghata , Dist.- Satkhira.
 Manager: 01718-610385(Mob)
 IP Phone-79001,79002
- 10 Chowgacha Branch
(Opening date-30-06-2013)**
 Social Islami Bank Ltd.
 Dhoni Plaza, Chougacha Bus Stand
 Ward No-01
 P.O & P.S.- Chougacha, Dist.- Jashore
 IP Phone- 79301,79302
- 11 Dumuria Branch
(Opening Date - 15-12-2015)**
 Social Islami Bank Ltd
 Zakaria Super Market
 Dumuria Bazar, Dumuria, Dist: Khulna
 IP Phone-81301, 81302.

- 12 Kushtia Branch**
(Opening Date - 15-06-2015)
Social Islami Bank Ltd.
Holding no. 297/1, N.S. Road, Ward no.- 3,
P.S- Kushtia Sadar, PO-Kushtia, Pourosova-
Kushtia.
Dist.- Kushtia.
IP Phone-81001; 81002
- 13 Navaran Branch**
(Opening Date-05-05-2016)
Social Islami Bank Ltd.
Afzal Supper Market (1st Floor), Navaran Rail Bazar,
Jashore – Benapole Highway, PO- Zadabpur,
PS- Sharsha, Dist- Jashore.
IP Phone-81601,81602
- 14 Kalia Branch**
(Opening Date: 10/06/2018)
Gazi Super Market
Kalia – Khulna Road
Ward no. 02, Paurasava- Kalia, PS- Kalia
Dist: Narail
IP Phone: 84301; 84302
- 15 Boyra Branch**
(Opening Date: 29/07/2018)
Khokan Shopping Complex
Holding No. 98, Mujgunni Main Road, Ward No.16,
Khulna City Corporation, PO- GPO-9000,
PS: Sonadanga, Dist: Khulna
IP Phone: 84901; 84902

MYMENSINGH DIVISION

- 1 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
- 2 Koyra Bazar Branch**
(Opening Date- 09-06-2015)
Social Islami Bank Ltd.
Haji Market, (1st floor), Koyra Bazar
PO-Patadaha,, P.S-Madargonj
Dist.- Jamalpur.
IP Phone-80601, 80602
- 3 Jamalpur Branch**
(Opening Date -27.03.2016)
Social Islami Bank Ltd.
A. K Tower, Holding no.285, Tomal Tola Moor,
Medical Road, PO- Jamalpur, PS -Jamalpur Sadar,
Dist.- Jamalpur
IP Phone-81401, 81402
- 4 Netrokona Branch**
(Opening Date- 21.04.2016)
Aleya Plaza, 2nd floor, College Road, Satpai,
Dist- Netrokona.
IP Phone-81501, 81502.
- 5 Sherpur Branch**
(Opening Date: 22/07/2018)
Jamshed Mansion
Holding No.209, Munshi Bazar, Kharampur Moor
Ward No. 02, Paurasava – Sherpur, PS- Sherpur
Sadar, Dist.: Sherpur
IP: 84601; 84602

NOTICE OF THE 24TH ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting (AGM) of the Shareholders of Social Islami Bank Limited will be held on Tuesday, the 2nd July, 2019 at 11:00 a.m. at "Banquet Hall, Kurmitola Golf Club, Dhaka Cantonment, Dhaka-1206" to transact the following business and adopt necessary resolutions:

AGENDA

1. To receive, consider and adopt the Directors' Report and Audited Financial Statements of the Bank for the year ended December 31, 2018 together with the reports of the Auditors thereon;
2. To declare dividend for the year 2018 as recommended by the Board of Directors;
3. Appointment & Re-appointment of Directors;
4. To appoint Auditors and fix their remuneration for the term until the next AGM; and
5. To appoint Compliance Auditors as per Corporate Governance Code (CGC) for the year 2019 and fix their remuneration.

By Order of the Board



(Abdul Hannan Khan)
Company Secretary

Date: 28th May 2019

Notes:

- a. The 'Record Date' was on Wednesday the 22nd May, 2019;
- b. Shareholders whose names appeared in the Members Register of the Company or in the Depository Register on the 'Record Date' will be eligible to attend, vote in the 24th 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 shall be available at the Bank's website (www.siblbd.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).

